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Crisis Management in Australia :

Mc Donalds' Case Study

– Mark Sheehan

McDonalds used its proactive campaign in crisis situation to tell the stakeholders that, "Our first concern is always for our customers"

Australian Crisis Manager Ross Campbell has identified that most crises fall into "environmental catastrophes, product tampering major accidents... business scandal". Attacks on reputation mostly comes from these recognised areas but for fast food king *Mc Donalds* crises are often unique. As a multinational, the company is often a media whipping boy so opportunities to respond in an objective media environment can be limited. Despite this the company has faced a variety of challenges and dealt with them with varying degrees of success.

Rumour Mill

In the late 1970s a rumour started in the US that the company was putting worm meat in its hamburgers. The false rumour spread and led to a 30% fall in sales. A major advertising campaign with endorsements from the Secretary of Agriculture followed.

The 1984 killing of 21 people at a *Mc Donalds* in California showed a sceptical media that the organisation could respond rapidly and with empathy. The public quickly supported the company's efforts to try every conceivable way to help those affected.

However, not every crisis allows this type of response, in fact in some instances no response can be the chosen avenue of action. The *McLibel* documentary of 1999 focussed on two UK individuals who *Mc Donalds* sued for libel. The case became the longest trial in English legal history - and although

Mc Donalds won the trial the court of public opinion had a different verdict.

Background to the Crisis

In June 2004 US documentary maker Morgan Spurlock's film *Super Size Me* was released in Australia. In the film Spurlock ate nothing but *McDonalds* food for a month and noted how it affected his health and in particular weight. The film's success in Australia presented *Mc Donalds* with a crisis - ignore the claims of the movie maker or convince consumers that the film's premise that *McDonalds* is unhealthy - was false.

Pro-active Stance

Mc. Donalds Australia decided to face the crisis and take a pro-active stance against Spurlock and the claims in his documentary. Out of a total 1100 meals the average Australian family eats at *Mc Donalds* 25 times a year. The average individual eats at the restaurant chain twice a month. In previous years the company has defended itself against negative charges concerning the nutritional value of its food. The international launch in Australia of its Salad Plus menu gave the organisation some real ammunition to fire back at Spurlock.

Goals in the Crisis

In mounting a rebuttal to *Super Size Me*, *McDonalds* Australia saw the film as "totally irresponsible". Company spokesperson Kristene Mullen stated "We believed we owed it to our customers to state our

position on the film as well as reaffirm our commitment to meet the changing lifestyle needs of Australians," Mullen added that the company always prided itself on "being upfront and transparent". Crisis Managers will recognize this latter phrase as one that defines best practice crisis control.

Food Group

Research had also told the company that their customers were "disappointed" at the company's lack of response. Crisis communication cannot, however, be driven by one stakeholder group no matter how critical. Australian CEO Guy Russo would have to take into account the many hundreds of *Mc Donalds* franchises and thousands of employees and suppliers around the country. Another key stakeholder group that the company had built a strategic relationship, was the Food Group, Australia, a group of accredited practising dietitians who would also prove pivotal in the campaign. The Group had worked closely with *Mc Donalds* "to improve existing menus and develop new menu items".

In the end Russo stated he had 'thought long and hard' about whether to comment and concluded that 'at the end of the day we believe we owe it to you our valued customers' to state a position.

Communication Strategy

The Company's stated position, in television and print advertising and other in store communication tools-brochures, posters rejected the movie's claims. Apart from the tactical communication devices, Russo and the team undertook a decisive media strategy seeking right of reply to Spurlock's media interviews

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