

Research Article

Explore Brand Crisis Management Strategy of Food Industry from KFC

Ming Hu

School of Business, Hohai University, Nanjing, P.R. China

Abstract: Food companies present the variety, quantity and characteristics of all sizes in the development of the market. When consumers choose the food company, the difference is big, but the brand image is the core factor of the food enterprises to gain advantages in competition. In the brand crisis, how to carry out the brand crisis management is very important for food industry. In this study, by KFC occurred two big events that “Sudan” event and “seckill scandal” event, using the method of case analysis method and brainstorming method to analysis that the KFC, the successes and failures of such large-scale enterprise in dealing with such a brand crisis and hope that the companies similar to the KFC food enterprises can use some strategies to get out of their own brand crisis. Finally, based on the whole food enterprises, learning from the KFC brand crisis management, we put forward some countermeasures of food enterprise brand crisis management.

Keywords: Brand reputation, consumer, food industry, KFC

INTRODUCTION

In recent years, the catering industry scandals, KFC “Sudan” event, “seckill scandal” event also attracted attention of consumers. In China's catering market, upscale restaurants, Western fast food, Chinese fast food market segments various companies are facing tremendous pressure to survive. With the increasingly high degree of market opening, the impact of domestic and foreign enterprises face is also growing (Chen, 2013). Brand crisis management is a management behavior refers to the enterprise for the possible crisis and has occurred in the crisis, including in order to prevent the brand crisis, or can effectively reduce the damage caused by the crisis in the wake of the crisis, make the brand as soon as possible to recover from the crisis, or for a purpose made crisis in control cases occurred (Bajona and Chu, 2010). Effective brand crisis management should do the following aspects: transfer or reduce the source of the crisis, the scope and impact; to improve the crisis management of the initial position; improve crisis response management; perfect repair management, to be able to mitigate quickly and effectively the damage caused by the crisis (Song and Wang, 2014).

In the brand crisis management, communication is the most important tool, if living in crisis management, the manager cannot effectively communicate between the people involved in the case, these stakeholders cannot assess the crisis and its impact, will not be able to make correct and effective reaction (Li, 2014b).

Food industry is a very fragile industry, however, to strengthen the detection of food, dishes can only solve short-term problems, but cannot solve the

problem of corporate integrity and long-term healthy development of the industry. Food brand crisis happen a lot in recent years, has shaken consumer confidence in the food business, food hygiene and safety has become a major factor affecting consumer choice decisions. Because consumers cannot distinguish not only on the spot in food hazards, nor the ability to make the experience of the judgment, in this case, the consumer brand trust become a determining factor in consumer choice decision. Other then, consumer confidence will affect the development of the whole catering industry, brand reputation will allow enterprises to occupy a favorable position in the market competition.

In recent years, the frequent occurrence of brand crisis events leading to consumer confidence in the food industry is not high, only to reshape consumer brand trust, in order to fundamentally improve the catering industry brand crisis management level. Enhance consumer brand trust and reduce the destructive of brand crisis is very important for the food and industry. Based on the KFC brand crisis study, we concluded some we put forward some countermeasures of food enterprise brand crisis management and to improve the ability of enterprises to deal with the crisis of the brand.

PRINCIPLES AND METHODS

Seeking truth from facts: It should be followed the principle of case facts in describing the case, so that we can find the right reason to solve similar problems. In addition, to consider the facts of the enterprise and the food industry in the case study and to look for the root of the problem from reality, then to propose solutions.

Systematic principle: The requirements that mastering every aspect of the case materials when in the study of the case is critical. To analyze the company comprehensively, taking the long-term interests of the company into account and do not just focus on the short-term interests. SWOT analysis and five forces analysis of Porter can be used in the analysis of the company. Then, systematic principle is also reflected in the analysis of the enterprises in the entire food industry, for example, taking the characteristics of the food industry itself into account.

Sustainable development: Food industry is one of the people's livelihood industries and one of the leading industries for economic development, healthy development of the food industry relates to the vital interests of the people. Taking the principles of sustainable development into account fully When using case analysis method and brainstorming method, thus summed up the strategies of how the food enterprises to deal with the brand crisis in food industry.

Case analysis method: Case Analysis Method developed by Harvard University in 1880, after Harvard Business School for the training of senior managers and elite educational practice and gradually developed to today's "case analysis".

Preparation stages: In this stage, the collection of case to be discussed in the food industry, the collection range of cases should be representative. Members should know the case selection criteria before the preparation phase, the problem in the discussion and the methods to sum up the problem involved in the discussion. This case is completed by the seven-member panel discussions.

Discussion stage: Seven person designated one of them to be instructor, another six people divided into two groups, every team decided a leader, each group discusses the study case and finds out where the problem lies. The group should evaluate the positive and negative aspects, then each group were summarized. From the Fig. 1 we can see the discussion stage of the process as follows.



Fig. 1: Case study flowchart

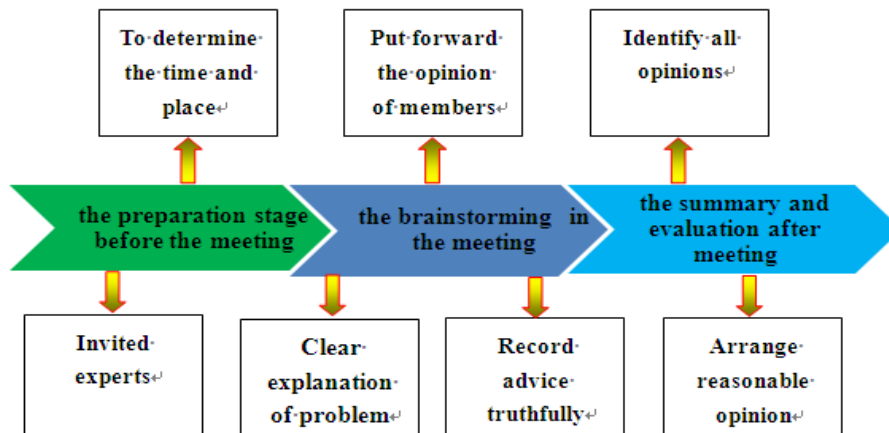


Fig. 2: Brainstorming fishbone diagram

End stage: Instructor tried to sum up it according to comments made by each group, then to draw reasonable innovative measures.

Brainstorming method: When organized groups using brainstorming decisions, to focus the experts held a special meeting, president should clarify the issue to all participants by a clear manner, explained the rules of the meeting, try to create a relaxed atmosphere of the meeting in harmony. Generally do not express their views, so as not to affect the free atmosphere of the meeting. So program can proposed freely by the experts as much as possible.

From the Fig. 2, we can know the basic processes of brainstorming used in this study as follows.

EXAMPLE AND RESULT ANALYSIS

KFC “Sudan” event overview: KFC is now a household name in China, three-year-old child can recognize the signs of KFC shops. This company that the world's largest chicken fast-food chain's headquarters in the world's largest food and beverage group "Yum" have in faraway Louisville, Kentucky, USA in 1952. Formally KFC entered China in 1987, is now in over 650 cities in China, a total of more than 3,200 stores. This year officially arrived in Lhasa after all, China has its cause. Every province all have its cause after this year officially arrived in Lhasa.

The giant food companies like KFC in the world that have many careers, not mention the management complexity, the finesse in its internal management and the science is certainly the world's most advanced. However, in 2005, KFC almost fall into the pit.

On February 18th, thousands of miles away in the UK, Sudan was found in food in KFC and for this reason more than 500 kinds of food were off the shelves in the market. This incident has aroused great attention of relevant departments. China AQSIQ issued an emergency notice on February 23, asked relevant departments to check strictly whether the imported products contain Sudan I, ordered relevant departments to strengthen inspection, to prevent access to domestic distribution channels.

The Yum Brands make act out immediately after hearing some kind of information, then requires suppliers to test relevant spices rigorously and the results must be provided in writing checks to confirm its raw material supply does not contain Sudan. February 25, Yum supplier sent a written reply, said that there is no “Sudan” in their own provide material.

Meanwhile, Yum mixed raw materials in order to prevent Sudan, notify again all suppliers continue to strictly check the "Sudan I" and to shift the focus on domestic raw materials. KFC increases product monitoring while control raw materials strictly,

unfortunately finally happened in March 15, a trace of Sudan I was found in New Orleans roast wings and New Orleans roast chicken burger.

Having identified the problem, Yum immediately make actions: the next day they notice to stop selling these two products in all KFC restaurants nationwide; start the internal process immediately, destroy all remaining spices, control hazards, to prevent the continued expansion; immediately through two channels (the media and the restaurant), issued a statement to the public and sincere apology.

After the Sudan is found in their product, Yum increases inspection efforts. On March 17, Yum internal quality control officers found traces of Sudan spices of several KFC products in January 12, 2005. Yum immediately investigate and swap problematic seasoning.

On March 22, the Beijing Municipal Food Safety Office verified that the new KFC spices don't contain Sudan, KFC then restored sales of spicy chicken wings and spicy chicken burger.

The next day, after the strict monitor of relevant state institutions and prepare Orleans spices that not contain Sudan all ready, the product in will resume sales in China within 3 days. Since then, the event under control, but KFC's "action" did not stop there.

In order to maintain the safety KFC and healthy image and in order to repair relations with the public in the event of Sudan, on March 28 in 16 cities KFC simultaneously held a news conference to announce that KFC products have been tested hundreds of national food and got safety authorities, the results reassuring, all products are free of Sudan. At the news conference, KFC described the sources and treatment advice of the problem raw material objectively. To further offset the negative impact of Sudan event, KFC once again introduced to the public that the Sudan KFC products come from Guangdong Tian Yang company in April 6 through the show of CCTV “Focus report”.

Brand crisis management based on “Sudan” event:

In Sudan incident, keen, quick, honest and responsible crisis management of KFC give the domestic enterprises a vivid lesson. It is the first company that initiative to self-test for the first time, initiate to found and admit the problem and take the initiative to stop sales of related products and apologize to the public. Compared to many companies that reported problem by the media and the government, still glib, quibble denial and prevarication, KFC brand crisis management apparently victory.

The brand crisis management concept of KFC: The rapid development of 20 years in China, KFC has pursued giving the most attentive service back to the majority of Chinese consumers. In contrast, we can see

Table 1: Crisis stage and crisis strategy

Crisis stage	Crisis warning stage	Crisis management stage	Crisis recovery stage
Crisis strategy	Alert strategy Self-examination Honest and sincere strategy	Rapid response Divert attention Control the situation	Eliminate brand crisis shadows by expanding publicity for events

the brand crisis management concept of KFC from Sudan incident, the concept can be quite mature and effective.

KFC adhering to the initiative, responsible and sincere attitude to protect the safety of consumers consciously. After discovering the problem, KFC explained the situation immediately and gave a sincere apologize, then won the public's understanding, maintaining the company's image and to ensure the KFC brand reputation, not only after Sudan incident KFC not only did not collapse, but also loved by everyone.

Brand crisis management tactics of KFC: In the Table 1 may reflect a brand crisis strategy adopted by KFC.

Crisis warning stage: When KFC learned that the British discovered that the food of them containing Sudan and for this reason more than 500 products get off the shelf, After investigation of the Chinese government of Sudan news, KFC seems to “sniff” to the dangers of the event, then takes the initiative to consciously start the self-test.

Crisis management stage: It is a very fast response overview the crisis management process of KFC. KFC found that the product contains “Sudan” to trace the source on March 15, then on March 22, in Beijing, relevant department confirmed that the new spices don't contain “Sudan” and resume sales of related products, the total time less than 10 days, the speed is staggering. KFC start to trace the source immediately, guide the public eyes on raw material providers. KFC stops the sales of related products and the use of raw materials immediately, then looking for new materials that proven to be safe and reliable. These tactical execution control and prevent expand hazards effectively. These actions demonstrate the image of the honest and responsible of KFC. Confessed to the public, blocked the “gossip” to breed and spread, control live media. The actions enhance the company's brand reputation greatly, consumer trust will be got by KFC undoubtedly again.

Crisis recovery stage: In the proof of the safety of new material and related products are allowed to re-sell, then KFC immediately apology to consumers through the media. In order to further expand the publicity, KFC held news conference in 16 cities across the country, it can be described as massive. They clarify the facts for themselves through CCTV the highly authoritative

media, they show that he is also a “victim” to get the understanding and trust of the public. Since then, KFC held a series of activities, such as “KFC with your day trip” and “health and safety of KFC” lecture, to eliminate the shadow of the minds of consumers, to maintain and consolidate corporate image and to consolidate the image of KFC in the mind of consumers.

KFC “seckill scandal” event overview: In April 6, 2010, KFC launched the action “value Tuesday”, three spike activity on the Internet, besides family bucket is much cheaper, then detonated an upsurge in the country. But when consumer use the half price ticket, KFC declared it invalid. They say because of some false coupon, they cancel this action and apologized to the customer. But the different stores give different reasons.

Consumers think it is KFC that fooled everyone, they condemned the post in each big forum, “back, antifedant KFC” speech appear from time to time, some consumers make complaint to KFC and get together the coupon, KFC gone into seckill scandal event.

In April 12th, KFC published an open letter, admitted the activity is thoughtless. In June 1st, the 3000th KFC restaurants in mainland China in Shanghai, the top of the company apologized to consumers for the first time on a “seckill scandal” incident.

The KFC brand crisis management based on “seckill scandal” event: From the whole process of “seckill scandal” incident, brand crisis management of the event is a failure, the main reason is that the enterprise has always been in a passive position of crisis management. KFC stores in different reason to cancel the activity has violated the interests of consumers. It is the inevitable result of the loss of brand reputation and consumer loss, because online sales experience is insufficient and improper handling to the event.

In a mature consumer atmosphere, the consciousness of the consumer is more and more high, the means of protect their rights will also increasingly diversified. So enterprises must maintain the relationship and communication between consumers and prevent the occurrence of malignant consumer rights events that causing the entire enterprise brand crisis events. Before the Event, in the event and after the event KFC didn't make sincere communication with consumers that cause events intensified, eventually making the KFC brand reputation battered.

As such transnational enterprises, KFC in brand crisis management is not always done well, the reason is food enterprise does not have a fixed brand crisis response mechanism, the brand crisis consciousness is relatively weak, the secondary crisis after the brand crisis harm to the entire enterprise is not clear. It is very necessary to put forward countermeasures of brand crisis management of food enterprises.

DISCUSSION AND RECOMMENDATIONS

Based on the analysis above, emergency response management of KFC according to the two brand crisis. In order to promote the healthy development of the whole industry and even the development of the whole market, this study discussed the specific strategy of brand crisis management of food industry from the four dimensions of brand credibility.

Implement quality marketing, tamp brand foundation: The quality problems of products is mainly caused in the production process and it most likely to trigger a sudden crisis in the brand, which is a direct consequence of increasing the sense of public distrust, a sharp decline in sales, brand reputation suffered a serious blow. Brand quality has always been the focus of attention of consumers and also a major component of the formation of brand trust, especially food belongs to that could not be stored easily, hidden trouble of quality is enough to make a food enterprises encounter the crowning calamity, thus opening a full range of quality inspection, management of food hygiene has become a pressing matter of the moment of Chinese food enterprises and international food enterprises.

With authority, to win public trust: In some special crisis management, business and public perception is inconsistent, when it is difficult mediation, they must express their views on authority. Enterprises must become adept at using the notary and authoritative body to help solve brand crisis. Because in many cases, authoritative advice tend to play a decisive role when dealing with the corporate brand crisis (Zhu, 2013). Government or authority has a good image in the public mind, likely to win the public's trust, brand crisis handling can often play a decisive role. Therefore, enterprises should pay special attention to the role of government agencies, particularly the role of some of the industry management department, which for the evaluation of companies tend to have the power to raise the dead. Meanwhile, we should actively seek the support for crisis management, such as a notary or authoritative body, completely independent third party and their ultimate conclusion or judgment is often based on a fair evaluation.

In the crisis response process, you can give full play to the role of the notary or the authority to resolve

the crisis. Use a good image of authority when dealing with the crisis in the public mind, it is best to invite a notary public or authorities assisted the investigation, to win public trust, which can often play a decisive role of the result when dealing with enterprise crisis. In addition to the notary or the authority, resources, food companies can also take advantage of the trade association, with the support of them to resolve the crisis commonly.

In the process of resolving the crisis, the food industry should pay attention to rapid response, transparent communication, integration of resources. In this process, the most taboo is enterprises foreign caliber different, the using of weak evidence, the using of unreasonable inference, to take the attitude of complete denial, ignoring the human emotional factors and other aspects, which will make the public more skeptical of the quality of products and businesses credibility (Ma and Zhan, 2014).

Improve the comprehensive strength of the enterprise: Good brand image is based on the comprehensive strength of the enterprise. The survey showed that a large scale, the strength of strong enterprises generally easy to obtain consumer brand trust and is also an important factor of success through the brand crisis. KFC after the response to the two brand crisis, that want to get a better development in the food industry and to withstand the test of the market, they must start from the details, improve enterprise's comprehensive strength, winning consumer brand trust. Mainly from the following several points: start to expand the sales of the products range and scale, improve market share, build the enterprise images having a large sales scale; improve the quality of sales person, improve the service level of food industry and focus on the sales environment with brand products quality conformity etc.

Large-scale catering business advantage in the fight for consumer trust is very obvious. Catering enterprises need to pay attention to highlight the scale of the enterprise in consumer communication. Quantity, small scale is the basic feature of current domestic catering enterprises, if national enterprises want to gain a firm foothold and a steady development in the fierce competition in the market, we must deep the reform, take the road group, reduce transaction costs and expenses, promote the adjustment of industrial structure, optimization and upgrading, reduce business costs, realize economies of scale, enhance the competitiveness of enterprises. The use of economic instruments to achieve business combination, to avoid relying on administrative means, to engage in mandatory merger, in conjunction with the development of local leading industries, on the basis of prominent main business, through renovation, expansion joint and shareholding, merger, lease contract and other ways transverse low-cost scale expansion.

Establish customer service values, to build ethical corporate culture: Brand crisis management depends largely on the level of corporate value, Catering enterprises should establish a consumer oriented values and to convey to consumers the value. If consumers can feel in their own business interests, encountered crisis can be solved in time, consumers will fully trust companies, even in the face brand crisis, a crisis which will also establish their own brand enhance the brand's reputation. Catering business problems frequently appear in recent years, food safety events, reflecting to some extent part of the catering companies lack integrity, the lower level of brand crisis management. Therefore, improving the level of crisis management brand food companies, the gradual recovery of consumer brand trust is very important.

Credit is the basic condition for the survival and development of the enterprise, so the construction of the integrity of the enterprise culture, make honesty and credit of every enterprise employee active and spontaneous thoughts and integrity throughout the marketing activities, which becomes the magic remain invincible in the competition of enterprises. The enterprise must take the credit and development, credit and benefits combine to credit as a resource to look at, nurturing credit culture treat credit as a resource, cultivating the credit culture. This is the only way to win the trust of consumers.

First of all, enterprises should establish the concept of integrity, honesty as the cornerstone of the establishment of core value. Secondly, on the institutional level, should establish appropriate rule, provide an institutional guarantee for the establishment of corporate integrity culture. Again, on the behavioral level, should pay attention to cultivate faith conduct culture. Conduct integrity management, business managers must set an example of integrity management.

Adhere to customer-oriented values: Brand is a promise, brand enterprises to survive in the minds of consumers to pay attention to the interests of consumers first and feelings. When major accident resulting in damage to consumers and the public interest, use the fastest speed direct and frank victims deep communication, try to meet their reasonable demands, to give some moral and material compensation and consumers to reach a settlement, so beneficial effects of the crisis towards the direction of enterprise development.

Crisis management is the core of the crisis sincere communication. Crisis sincere communication role is to help the public understand the impact of the fact that their lives, feelings and values. When companies are in crisis whirlpool, is the focus of public and media attention, its every move will be questioned. In this case, companies do not have any chances and try to

muddle through. But companies should take the initiative to contact the media, communication with the public as soon as possible, the information of public concern in good faith to inform the public, allay their fears and anxieties. Timely hazardous products off the shelf, to minimize harm to consumers caused by the crisis, but also the success of KFC in response to the "Sudan Red" event.

Fulfill the brand promise: Corporate brand crisis should take active measures to rebuild the brand image. Catering enterprises should take responsible attitude towards consumers and the public and work actively on crisis recovery, enhance confidence in the business community, eliminate all adverse and negative effects of the corporate brand brought by the crisis, so that they can make their production, operation and management of the operation on the right track (Li, 2014a).

On the one hand, companies after crisis should realistically deliver on their commitments made in a crisis. This can reflect the companies' abiding by the principles of integrity and their consistent pursuit of the business-to-perfect brand image and corporate reputation. Commitment means confidence and determination. Enterprises use the brand promise to show customers and the public their business confidence and determination. It is the symbol of corporate trust, brand image and reputation. Brand promise also conveys that companies will make greater efforts and keep sincerity in exchange for the customer and the public on the brand; Commitment also means responsibility (Xue and Yang, 2014). Corporate use brand promise to make people hold greater and higher expectations with them in the future. If companies cannot honor their commitments or cannot honor their commitments in full after the crisis, then the business will face a crisis of confidence of customers and the public. Consumers will feel disappointed about enterprises' acts belying their words, thus diluting the brand and corporate feelings and reducing their loyalty and trust in brand and corporate. As a result, not only enterprises are easy to lose more loyal customers but also the re-emergence of the crisis will stay hidden. In view of this, after the crisis, to revive the corporate brand image, companies must conscientiously fulfill commitments in the crisis. Like "Spike" incident, KFC neither implemented commitments about half-price e-coupons, nor made a positive response in time, resulting in failure of the crisis and the crisis intensified.

On the other hand, enterprises should strengthen brand awareness. During the crisis, the KFC brand image and corporate reputation greatly diminished. After the crisis subsided or substantially subsided, in order to reshape and strengthen the brand image, companies should take the initiative to step up publicity efforts, so that customers and the public will get the perception of the brand new image and experience their

sincerity and credibility. Only through advocacy, consumers can perceive the brand's back. It can be said that vigorous promotion after the crisis is an indispensable condition improved to give brand new lease of life. After the "Sudan" event, KFC made explanation in the CCTV and held news conferences. All those behaviors can make companies' turning a new leaf in China possible.

Make a recovery plan after the crisis and sum up experience gained in the crisis: Although the brand survive the crisis, but the company's own management of brand crisis has not yet ended. Companies need timely summarize from the crisis and learn from the experience. After the completion of the crisis, they should also take up the analysis, the evaluation and the research work of the brand image (Qing and Zhu, 2013).

Firstly, make it clear that after this crisis, the brand image has been influenced by what degree and the brand reputation and loyalty have suffered by what extent, as well as through crisis management, the brand image has been restored to what extent and the companies' future road planning.

Secondly, record the comprehensive incentive of the crisis and deal with the brand defects during the process, then summarize up the experience. So that they can enhance their competitiveness and improve their efforts to remove the usual loopholes. In this way can they ensure similar crises will not occur in the future.

Finally, take grasp of the opportunity of this crisis to improve the enterprise's image. Where there is a crisis, there is an opportunity. Making good use of this chance, enterprises can create completely new brand image to a large extent. "Sudan" event did not do harm to the KFC brand image, but let consumers of their products more assured. This is truly the crisis of success.

CONCLUSION

The food industry is beneficial to the people's livelihood industry, Brand crisis is a fatal crisis of enterprises. Food Enterprises should deal with it correctly in the event of brand crisis. Something need to

pay attention including marketing strategy, public media, customers first and the competitiveness of enterprises. Food Enterprises should pay attention to these factors when broke brand crisis.

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