



HIGHLANDS COFFEE BRAND ISSUES AND CRISIS MANAGEMENT ONLINE

Assessment 1 - COMM2373 – Complementary Skills for PR Practitioners

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List of potential scenarios

No.	Potential Scenarios	Details	Likelihood	Severity
1	Product contamination	A foreign female customer finds a small rat inside a bread served at Highlands and faints. On account of fright and language barrier, the staff hesitate to response. The information is posted by a witness on a blog, which is shared by many people and covered by many online newspaper in just a day. The public casts doubt on Highlands's product hygiene and boycotts the brand.	Medium	High
2	Accidental injuries	Hot coffees accidentally spills on a customer. Due to lack of preparation, the store hesitates to provide first aid and to take the victim to hospital, which leads to the customer's serious injury. Many witnessing customers post immediate Facebook statuses on Facebook criticizing the store for not taking action.	Medium	Medium
3	Poor service attitude	A waiter stumbles and spills a cold drink all over a female customer and her iPhone. The waiter apologizes the customer, however, with an indifferent attitude. Her iPhone is damaged, but the store refuses to compensate. The customer furiously posts a Facebook status, blaming the poor attitude.	Medium	High
4	Staff inappropriate behavior	A customer uploaded a short video of a Highlands employee throwing taboo at the shop on YouTube, which attracts a lot of views with negative comments and shares.	Low	Low
5	Discrimination among staff	A customer witnesses an employee ripping a gay employee. He posts a status about it on Facebook. The public, especially the LGBT community, is offended and boycott Highlands. Online news pick up the story and regard Highlands as a company of discrimination.	Low	Medium
6	Competitors spreading rumors	A former employee of Highlands coffee is now working for a competitor. She writes a Facebook note comparing her working experiences, implying that working at the new one is much better than at Highlands. The public think she is reliable.	High	Low
7	Scandal of representative	A well-known celebrity endorsing for Highlands is caught in an ethical scandal. The anti-fans despise him and protest every brands that he represents, including Highlands.	Medium	Medium
8	Customers' inappropriate use of product	A customer posts a picture of his dog drinking an expensive cup of coffee at Highlands on Facebook. Seeing this, some customers stop drinking Highlands as they think continuing to drink Highlands, they just equal to dog. This negatively affects Highlands' premium brand positioning.	Medium	Low
9	Copyright	Highlands uses copyrighted images in its promotion campaign without permission of the author.	Low	Low
10	Accusation of unfair trade towards coffee farmers	An anonymous blogger spreads a rumor online, accusing Highlands of unethically taking advantage of coffee farmers, while not treating them fairly.	Low	High

Risk analysis

Description of the Risk	Potential Impact	Root Causes	Recommended Response
A foreign female customer finds a small rat inside a bread served at Highlands and faints. On account of fright and language barrier, the staff hesitate to response. The information, posted by a witness on a blog, goes viral on social media and is covered by many online newspaper in just a day. The public casts doubt on Highlands's product hygiene and boycotts the brand.	<ul style="list-style-type: none"> Highlands' reputation is damaged Customers lose trust in the brand Market share declines Negative publicity on media and rumor rise 	After the medical examination of the particular bread's supplier record, expiry date and storage condition up to its delivery to the customer as well as whole the product line, the company as well as the third party investigator couldn't find any problems. So it is concluded that the incident might be interfered by an outsider.	<p>Following Gerald Baron (2011)'s advice, speed, engagement and rumor management are three essential elements for Highlands to tackle the situation.</p> <ul style="list-style-type: none"> Board of directors, PR team, the store manager and related staffs need to gather immediately in order to come up with a single-minded solution and a consistent message. An investigation of the case and medical examination of the product line need to be conducted with a credible third party in order to gain trust from the public. The line of product should be recalled until the results are announced, learning from the infamous Tylenol case (Harvard Business School 2004). An official apology from the CEO, promising to take responsibility and update information on the investigation should be made as soon as possible. The CEO and the manager of the store should follow up the patient, showing a considerate, responsible and supportive attitude. The company should pay for a medical check-up and compensate, if necessary. PR team should contact established media relations to make sure popular online newspaper remove erroneous information and cover the CEO's message and accountable attitude towards the patient. Demonstrate cooperation and transparency to media and the public (Nguyen 2014) by answering to questions 24/7 via Facebook fan-page and hotline.

Action plan

How to avoid the scenario?

- Check the production process and final quality of its product more strictly and regularly.
- Increase the number of supervisors.
- Appoint a person (might be the manager) specialized in customer service to take responsibility in dealing with emergency situation at every store. He/she should be eloquent in foreign languages, at least English, to be able to speak to foreign customers.
- Conduct staff training to deal with crisis and emergency situation at every store.
- Prepare a first aid box and cooperate with the nearest medical centers at every store, in case of health-related emergencies.

Strategic Recommended Response

The Company's Goal

- To minimize the spread of negative information from the media and public.
- To protect the brand's reputation.
- To regain trust from the public.
- To make sure the situation will not repeat.

Target Publics

- The victim is a foreign woman. As the wife of a five-star hotel manager in Ho Chi Minh City, she belongs to upper middle class. Hence, if the situation is not solved thoroughly, it might damage Highlands' reputation among foreigners and investors.
- The general public, including Highlands' past, current and prospective customers vary in terms of demographic and psychographic. From the stated target market of Highlands', they are likely to be educated white-collar and youth with above average income (Highlands Coffee 2014). What they have in common are frequent usage of the Internet, especially Facebook and online newspapers. They are aware about the brand and extremely concern about food safety.
- The media are mostly journalists who works for online newspapers and news television channels. They are hungry for information to write/broadcast to the public.
- The staff need to trust the company in order to commit to their work. Hence, they are also important stakeholders.

Key Messages

- The contamination of the product might be interfered by an outsider.
- Highlands always puts the safety of its customers at first.

Message Templates

Key Message 1	Key Message 2
The contamination of the product might be interfered by an outsider.	Highlands always puts the safety of its customers at first.
Supporting Information 1-1	Supporting Information 2-1
Third-party investigator confirms no problem to be found in the product line.	Highlands immediately recalls the product line until its safety is confirmed.
Supporting Information 1-2	Supporting Information 2-2
Many other customers consume the same product at the same place in the same day, but only the women faces the problem.	The CEO and the store manager visit the patient and pay for her medical check-up.
Supporting Information 1-3	Supporting Information 2-3
The production process operates within the factory, following strict hygiene examination, with food safety certification from Ministry of Health.	Highlands will prepare a first aid box and cooperate with the nearest medical centers in every store, in case of health-related emergencies.

The Medium

- Popular television news: 'News' ('Thời sự') on VTV1, '24h Movement' (Chuyển động 24h') on VTV3
- Popular online news: VnExpress, DanTri, Zing News, 24h, Kenh14 (Cimigo 2011)
- Highlands' website newsroom (Highlands Coffee 2014)
- Highlands' official Facebook fan-page (Highlands Coffee Facebook fan-page n.d.)

Other Recommendations

- When the crisis occurs, after the meeting, the solution and message should be spread to every single employees, to ensure loyalty towards the company and coherent responses to customers.
- In order to prevent and predict online crises, the company should have more than one person managing its online presence, 24/7, including weekends (Barger 2011). In addition, social listening tools should be used to predict crises as soon as possible (Nguyen 2015). When crises happens, of should be answered no later than 24 hours with accuracy, rigor and politeness.
- The PR team should have a plan to build long-term relations with the media. When bad scenarios happen, having good relationships considerably reduces the amount of work and accelerates the process, therefore contributes to effective crisis management which foremost requires speed.
- The finance department needs to sign an insurance contract to guarantee financial support in any crisis cases.

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