

CASE STUDY

THE 1999 COCA-COLA SCARE IN EUROPE

This case study is based on an article entitled "Cultural Variability as a Challenge to Global Public Relations: A Case Study of the Coca-Cola Scare in Europe," by Maureen Taylor (2000). As usual, it is recommended that you read the article in its entirety; below is a summary of the article.

Be ready to identify and then discuss the following topics:

1. Intercultural communication as a shared space
2. Reasons for different cultural responses to the crisis
3. Continuous nature of intercultural communication

The article discusses the so-called Coca-Cola tainting crisis, which occurred in Western Europe during the summer of 1999. This crisis was considered the worst health scare in Coke's 113-year history and a public relations disaster.

The crisis broke out in June 1999, when school children in Belgium reported feeling ill after drinking Coca-Cola soft drinks. The Belgian government ordered Coca-Cola to immediately recall all its products in the country. The company complied, but maintained that independent laboratory tests did not show any harmful substances in its products. The next day, France and Spain accused the company of selling tainted products. Coca-Cola pulled all its products from the shelves in those two countries as well. Other European nations, such as Sweden, Norway, and Denmark, reacted differently to the tainting scare and did not recall Coca-Cola products. The Coca-Cola company did not accept any responsibility for the incident, suggesting it was a case of a mass hysteria. Tainting might have been caused by other factors—for instance, the low quality of carbon dioxide in the "fizz" in the products bottled at the Belgian Coca-Cola factory. Not until nine days later did M. Douglas Ivester, CEO of the organization, acknowledge the problem and fly over to the region to deal with the crisis. On June 22, 1999, he apologized to the Belgian people in an open letter published in 15 Flemish and French papers in Belgium.

The article documents in detail the different responses of six West European countries to the scare, as well as Coca-Cola's communication strategy during and after the incident. Belgian, French, and Spanish consumers not only stopped drinking traditional Coke products but also stopped buying related Coca-Cola products such as Fanta and Nestea. In France, the Dunkirk plant manufacturing Coca-Cola products was closed down. In Spain, where most of the Coca-Cola products are manufactured by Coca-Cola Espana, the Health Ministry pulled all imported bottles of Coca-Cola, regardless of place of origin. In Sweden, Denmark, and Norway, however, no actions (e.g., bans or boycotts) were taken against Coca-Cola. Their governments seemed to be less worried that tainting would endanger their populations.

Following the incident, the relations between the organization and its Western European publics were visibly damaged. On December 7, 1999, Ivester, who had been widely criticized for his perceived arrogance after school children in Belgium became sick, announced his resignation. He was replaced by Douglas Draft, an Australian with extensive intercultural expertise. A new "Coke's Back" advertising campaign was carried out in the region. Coca-Cola began to implement a new marketing strategy, trying to better understand cultural differences around the world. As the com-