

CRISIS MANAGEMENT CASE STUDY: NESTLÉ'S MAGGI NOODLES BANNED IN INDIA

At the end of May 2015, India's Food safety administration (FDA) ordered Nestlé India to recall its popular 2-minute Maggi noodles after tests showed that the product contained high levels of lead and MSG. This case study looks at how the situation developed, and how Nestlé reacted and managed the situation using multiple digital channels.



21st May 2015 – Indian state orders recall of Maggi noodles

Indian food inspectors order Nestlé India to recall a batch of Maggi Noodles from the northern Indian state of Uttar Pradesh claiming that tests have found Maggi instant noodles "unsafe and hazardous" and accused Nestlé of failing to comply with food safety law.

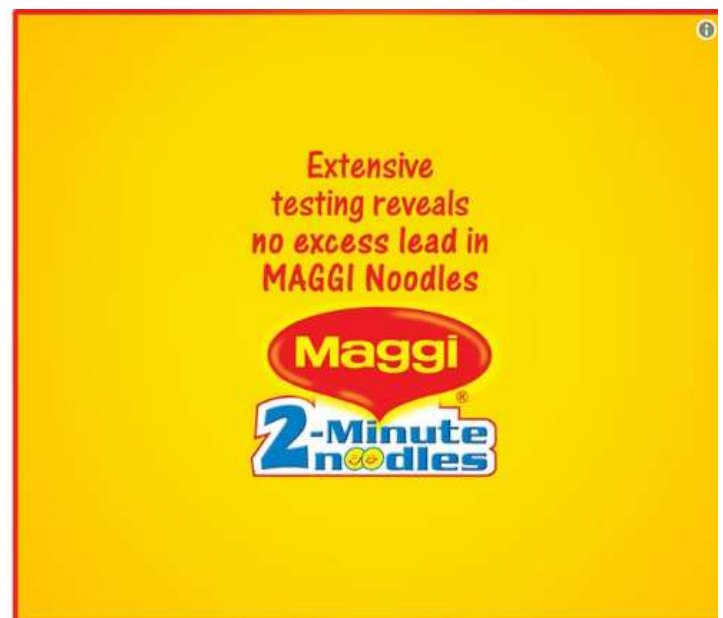
Nestlé response:

The initial response from the global FMCG Company rejected the accusation that the noodles were unsafe and said on their website and social media accounts that there had been no order to recall any products.

A statement on their website said that "The quality and safety of our products are the top priorities for our Company. We have in place strict food safety and quality controls at our Maggi factories... We do not add MSG to Maggi Noodles, and glutamate, if present, may come from naturally occurring sources. We are surprised with the content supposedly found in the sample as we monitor the lead content regularly as a part of the regulatory requirements."

1st June – Nestlé re-assures customers its noodles are safe

Nestlé continues to keep its customers up to date on the investigation into the safety of Maggi noodles in India. On the official Maggi noodles India Facebook page, Twitter and website, Nestlé states that extensive testing reveals no excess lead in Maggi noodles.



Extensive testing reveals no excess lead in your favorite MAGGI Noodles! To know more bit.ly/1Qk6kJU

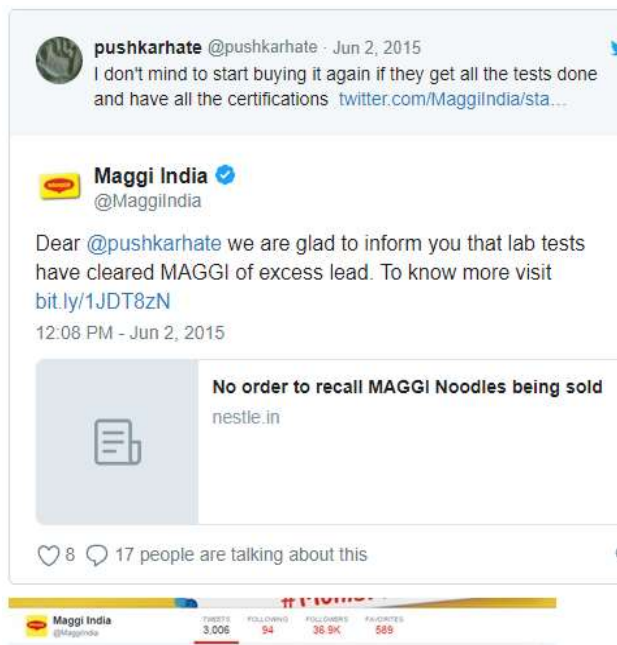
10:09 PM - Jun 1, 2015

1,582 likes 2,981 people are talking about this

2nd June – Nestlé interacts with customers on social media thanking them for their support

Nestlé uses Twitter and Facebook to answer customers questions about the levels of MSG and lead found in their noodles. The company continues to re-assure customers that the noodles are safe and that they are a transparent company working closely with authorities in India to resolve the issue. As well as Nestlé explains the science behind the tests, what lead and MSG are and gives an informative breakdown of the ingredients in their product.

@MaggiIndia makes an impressive effort to respond to every tweet from customers on this issue with a pre-prepared statement explaining that lead occurs naturally in soil and water.



3rd June – Nestlé launches a FAQ page on the official Nestlé website

Nestlé continues to engage in an active dialogue with customers on social media channels Facebook and Twitter. As well as this the company created a FAQ page on the official Nestlé website to answer all questions.



4th June – Nestlé backtracks and recalls all Maggi noodles from India

After re-assuring customers that its noodles are safe, the brand does a U-turn and decides to recall Maggi noodles produced in India. Nestlé CEO Paul Bulcke spoke to the media and said that “We are working with authorities to clarify the situation and in the meantime Nestlé will be withdrawing Maggi noodles from shelves.”



16th June – Nestlé to destroy withdrawn noodles

Nestlé decided to destroy more than £32million (\$50million) worth of Maggi Noodles in India after they were deemed unsafe by regulators.

3rd July – Testing on Maggi noodles abroad finds levels of lead are within food safety levels

After the food safety scare in India Maggi noodles have been tested in other parts of the world to reassure consumers that they are safe. Results from noodles tested in the UK found that levels of lead in the product are within EU levels. Shortly after the UK results were published, Canada also cleared Maggi noodles as safe.

Questions:

1) Elaborate on the business environment faced by Maggi during the time of crisis.

2) Is the use of social media for damage limitation a good idea for a company like Nestlé in today's times?