

case 1-429-078  
July 21, 2010

## Kentucky Fried Chicken: Crisis Communication – Rat Trap!

### Introduction

It is every business executive's nightmare to wake up in the morning to find her company is making the headlines for all the wrong reasons. Industrial action, consumer boycotts, financial irregularities, work-related accidents, and product faults are just some of the red-alert issues that can disrupt the normalcy of corporate business life. This was exactly what happened to the world's largest fast-food company. An isolated incident at a KFC/Taco Bell restaurant outlet at 331 6<sup>th</sup> Avenue in Greenwich Village, New York City, owned by ADF Corporation, sent shockwaves through the franchise parent company, Yum! Brands, Inc. The incident was an infestation of rats at the Greenwich Village restaurant that was filmed live on U.S. television. This caused a media frenzy and sent management at Yum! Brands, Inc. into a tailspin.

### Background

The KFC/Taco Bell at 331 6<sup>th</sup> Avenue in Manhattan was typical of thousands of fast-food outlets in the United States. It was not only convenient for grabbing a quick bite, but it was also a place to meet and hang out with family and friends. Food hygiene is of paramount importance to any fast-food company. The NYC Health Department conducted annual inspections of food-service establishments (including restaurants) to ensure that food safety standards were met. The KFC/Taco Bell restaurant had held a Health Department permit since October 1998.

### Customers Smell a Rat

#### December 11, 2006

An annual inspection was conducted at the KFC/Taco Bell restaurant.<sup>1</sup> Violation points were assigned based on the severity and extent of the violation. A score of 27 or less was needed for a restaurant to pass the inspection.<sup>2</sup> The inspection identified seven violations, including rodent droppings and conditions conducive to rats, but the restaurant passed the inspection with a score of 20 points.<sup>3</sup>

#### December 23, 2006

A caller complained to New York City's 311 government hotline that rats were running around in the restaurant. A warning letter was sent.



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