Crisis Communication for 2007 Mattel Massive Toy Recall

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In 2007, Mattel, Inc. faced a major scandal dealing with over 2 million of its toys that were found to contain a poisonous metal. The latest U.S. toy recall includes a quarter-million “Sarge” toy cars from the Walt Disney Co. movie “Cars” that are believed to contain dangerous levels of lead paint. Four other items, involving more than nine million toys sold over the last four years, were also recalled, primarily because they include millions of tiny magnets that can easily be swallowed (Casey & Zamiska, 2007). Mattel’s poor toy design made these products a serious hazard for young children. The company, producer of iconic toys such as the Barbie doll and Matchbox cars, reacted with a massive product recall and communicated its efforts to resolve this issue. Its in-house communications team worked hard to maintain customers’ trust amid a series of recalls within a three month period, involving millions of products, by managing the logistics of the global recall. This included creating materials, translating everything into 20 languages, establishing call centers and more. Mattel used a public relations strategic planning process and dealt with the crisis by acting in a timely manner, taking responsibility for its actions and committing to the appropriate resolution going forward.

Research was the first step in starting the planning process of the case. Targeting consumers, stakeholders and media, Mattel sought to create a scenario that would provide the latest information on what the company was doing to improve the safety of its offerings (Anonymous, 2009). Choi and Lin (2009) conducted a study of consumer responses to Mattel product recalls posted on online bulletin boards. They found that buyers were angry, surprised and worried about the dangerous toys, so Mattel used these emotions to help fix the crisis communication issue by making sure they will be eliminated.

First, Mattel’s objective was to get all information about the recall to the public in the most accurate, quick and efficient manner possible. Also, the company wanted to reassure the consumers—especially parents—that Mattel is committed to making safe toys by being open and honest. Lastly, Mattel wanted to take absolute responsibility for its recalls by solving the problem while also maintaining a stable relationship with China.

By identifying these key publics and evaluating their opinions and attitudes, Mattel began the critical process of communicating with its stakeholders by teaming up with one of the world’s leading global public relations firms, Weber Shandwick. Mattel’s strategy was to use this top firm because it had a worldwide scope and public affairs capability. Powell Tate of Weber Shandwick played a vital role in shaping the campaign. He provided counsel on legislative efforts at the federal and state levels to change the consumer product safety laws. In addition, Mattel corporate communications bought ad space in major newspapers across the country to address parents with a personal letter from Mattel CEO Bob Eckert (Bush, 2007). In addition, Mattel made its consumer website more interactive by posting a videotaped message from Bob Eckert to help further clarify the situation. Eckert also did interviews on several worldwide television platforms like CNBC, CNN, ABC and Fox News. Print outlets were also targeted, including The New York Times, The Wallstreet Journal and USA Today. A key message that Eckert said was, “We aren’t just a corporation – we are made up of moms and dads.” He also mentioned the fact that he has kids of his own. Mattel just wanted to make sure that the public was getting honest and the most accurate information in the fastest way possible.

After touching base with worldwide publications and multiple other forms of media, Mattel was able to get their message about the toy recalls out there. Lewis (2007) mentioned how social-media monitoring has helped tailor messages during the recalls, which helped them significantly in moving forward with the crisis. Mattel also began creating brand campaigns that focused on highlighting the safety information and suggested a certain age appropriate for each toy design.

Research by Cullen and Parboteeah (2013) supports how Mattel reorganized its internal operations to emphasize commitment to product safety. During the weeks after the recalls, Mattel established a corporate responsibility division to report to Eckert. The group that consisted of about 500 employees around the globe would thereafter monitor domestic and international vendor and manufacturer adherence to Mattel’s toy safety standards. The CEO also announced the new “Product Integrity Policy and Audit,” a function that combined an internal and independent audit organization to monitor Mattel and vendor facilities’ compliance with the company’s product integrity standards. Mattel also made sure that their three-point safety check system was running in an orderly fashion. Ivey (2007) said that these three points are designed to ensure that toys with excessive levels of lead paint don’t end up in the hands of consumers. It also requires all paint to be tested before the manufacturing process begins, and it applies to every vendor, contractor, subcontractor and paint storage facility. The first was that Mattel will only use paint from certified suppliers. No matter what, each batch of paint will be tested from every single vendor. If there are paint that don’t pass, it will be absolutely disregarded and disposed of. Secondly, Mattel will increase unannounced testing and inspections at every stage of the manufacturing process (Cullen & Parboteeah, 2013). Lastly, Mattel will ensure every single toy production meets the accepted lead levels before they are even shipped to the stores.

While all this was going on, Mattel was also trying to maintain a good relationship with China, which has manufactured its toys for 25 years. Many news articles that covered Mattel’s massive recall focused on the lead-paint explanation for the recall instead of the problems with the toy’s design flaws. Because of this, the public heavily bashed China throughout all forms of media. Headlines were published, claiming that the recall was entirely China’s fault. Practically all the articles mentioned that part of the recall involved the lead magnets, but not all of them mentioned that 85 percent of all the toys recalled were because of the design, not the lead-based paint. Most of these publications insisted that it were China’s fault and that it should lay down stricter safety standards before producing such dangerous products. On the other hand, the media’s coverage of Mattel was extremely different.

Recently, Mattel has transferred a larger portion of toy testing responsibility to manufacturers themselves. About 15 years ago, Mattel conducted batch inspections itself, but now the company outsources testing to suppliers and manufacturers in order to reduce the costs. During the recall crisis, Mattel had to juggle a key communications challenge by managing its complex international relationship with China. Many trade groups dig into the communication between the West and China. For instance, The Chinese Toy Association works with the China National Standard Committee in revising toy safety standards and maintains accurate communication with international media. The Toy Industry Association also mediates the conflict between China and its Western partners during crisis moments like Mattel’s. According to Roloff and Aßländer (2010), supplier-buyer partnerships offer advantages to both parties: the buyer gains more reliable and predictable suppliers and can save costs by reducing the number of suppliers, while the supplier gains a faithful client whose investments in the partnership often improve the supplier’s capacities.

All in all, Mattel was able to handle the crisis as any reputation-damaging incident should be handled, and that is by acting fast and smart. The company was able to smoothly execute all aspects of its crisis management plan. For one, the CEO was clearly visible and available by appearing in all sorts of media. Secondly, Mattel took full responsibility and broke the news itself, told the truth, announced a formal apology and formulated a strategic plan of action which was shared to the public in a timely order.

However, I think there are some aspects to the case that Mattel should have proactively done. If I were CEO Bob Eckert, I would have conducted the public video announcement differently. Although the content given was pretty much what the public wanted to hear, it was the delivery that didn’t make the video very genuine. I think it was a good idea to incorporate the fact that he is a father himself, but again it is the delivery that doesn’t make his words seem believable. Other than that, I think Eckert did a good job in explaining the three-point check system, but after every point he should have elaborated on each by providing an example of how that point would be implemented. Rather than saying that the toy recalls will never happen again, I commend the fact that Eckert said, “I hope that we don’t have to recall more products, but if we do I pledge to address the matter promptly and to inform you quickly.” By not being so extreme in making a promise that is not likely to be kept, Eckert was wise in making this statement because it is human for mistakes to happen.

Even if mistakes do happen, I still think that measures should have been taken before the last recall in 2007. Previously, other products had been recalled and nothing had been done about it. Mattel should have been proactive by using the three-point check system as soon as the first recall was made. By doing so, the 2007 crisis would not have happened in the first place. In November 2006, Mattel recalled several Polly Pocket sets due to hazardous magnets. Again, in August 2007, Mattel’s Fisher-Price division recalls another huge amount of toys because of lead-based paint. Both recalls had to do with faulty magnet design, so why is it that Mattel recalls so many faulty-magnet recalls even nine months after the first incident? Mattel’s top management was distracted with other issues pertaining to its manufacturing and marketing activities, which had strong and potentially negative impact on corporate reputation (Sethi, Veral, Shapiro, & Emelianova, 2011).

Ultimately, the most important aspect of the 2007 Mattel recall is to ensure the safety of the consumers. This means that it is imperative to inform the public (parents, consumer, etc.) about the recall and the toy’s dangers. It is almost impossible trying to figure out everyone’s roles and what steps to take when dealing with a massive recall, especially without gathering lots of media attention. First, Mattel needed to make sure it was aware of the ins and outs of the regulatory and legal requirements in toy industry for safety. Doing this research gives Mattel numbers that it needs to stay within for legal reasons, such as the maximum amount of lead that can be put in toys.

As I said, the massive recall should have already been implemented when the first incident occurred in 2006, but luckily Mattel was able to somewhat retain its reputation. After researching the legal and regulatory standards governing its products, Mattel needed to blast the information out as much as possible. To blast this information, creating a product recall is important in giving details to the consumers for a thorough step-by-step process. The main problem I would focus on solving are getting these toys completely out of children’s hands and being proactive in making sure this doesn’t happen again.

Unfortunately, mistakes are bound to happen and problems may arise, but by working proactively it is less likely that this problem would occur again. Having a system that analyzes customer complaints, warranty returns and product testing is one thing a company can do to monitor potential safety issues. In addition, creating a mock recall at least once a year will be great for a company because it essentially puts it ahead of the curve. In order to really investigate and dig into the primary problems that caused the recall to happen in the first place, it essential to know where the product came from and conduct protection plans with manufacturers. It is important to truly identify these raw products and where these raw materials they are made with are coming from. I think that companies should include process change protocols in their contracts with raw materials manufacturers. These protocols would require manufacturers to make a note if anything in the raw materials is different from the standards previously agreed upon from company and manufacturer.

There is one key message that should be highlighted whenever any crisis situation occurs: making sure that the company is doing everything in its power to prevent it from happening again. Also, informing its key publics is essential to maintaining the trust and integrity of a company. The consumers are the most important audience to reach because they are the ones who are actually being affected by the recalls. Also, the media must be reached out to because that is what gets the information out there fast and efficiently. The goal is to perform the key messages as quickly as possible and to avoid problems for happening again. To evaluate whether you achieved your objectives, a company must conduct research studies on how what they are doing is helping to prevent future incidents. These studies can be done through surveys and social media/online feedback from consumers. Tracking these comments is very useful in evaluating the changes that were made and gives the company an idea of what else to work on, especially if comments and complaints are obviously repeated. Success of tactics used would be ultimately up to the consumers. Again, surveys and evaluations can be conducted by getting suggestions, thoughts and opinions from the consumers.

It is not about what can be done after an incident occurs, but instead it should be about what can be done before the incident occurs. As repeated many times, being proactive in a recall situation is the best form of action that can be done. All the while, it is important to keep the trust between the company and its consumers because the buyers are what keep the company running. In reality, crisis management should be functioning whenever a single new toy comes out at all times. Consumers are then likely to build trust and reliability with that company, which also produces more sales and creates an image of integrity. It is only logical for companies to strive to be “a brand you trust” because that keeps them coming back for more.

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