

Management of “Killer” Indomie Scare and Impact on Consumer Confidence: A Case Study

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In May 2004, an allegation that Indomie noodles were causing illness and death started making the rounds and driving fear into the minds of loyal consumers in Nigeria. After thorough investigations, NAFDAC gave De-United Foods, makers of Indomie noodles, a clean bill of health. The study sought, from the purview of fear appeal postulation, to determine the attitude of consumers to the noodles during and after the crisis. Findings indicate that even though the company had made appreciable progress in winning back consumers' confidence it has to do more to regain lost market share. The study recommends using adverts featuring health professionals and credible persons who would be depicted as endorsing the product, thus serving as reassurances to consumers that are still holding out.

BACKGROUND

In May 2004, the Nigerian media were awash with stories of vomiting, diarrhea, and even death from consumption of Indomie noodles. The noodles were at first blamed for the death of Olusegun Moritowon. The news spread far and wide, aided by SMS on GSM phones. One such text message read “killer Indomie in town, please don't eat. Some of my colleagues' kids died yesterday.” In no time at all, 23 cases of stomach upset had been reported to the National Agency for Food and Drug Administration and Control (NAFDAC)¹.

The alarming news impacted negatively on consumers' confidence in the noodles. Teachers in many nursery and primary schools took and threw out Indomie noodles from the lunch packs of students. Others suspended consumption of the noodles pending the resolution of the crisis. The noodles, which had been eagerly adopted by children and some adults, had turned into a killer that should be avoided. When pressed to give the figure for losses suffered during the crisis, Roger Yeo, the Chief Executive Officer of De-United Foods Industries, preferred to see it from the lens of the company's resellers, claiming that "our distributors are angry because they have been selling and eating this brand for more than 10 years."²

Based on public outcry, NAFDAC launched an investigation into the production processes of De-United Food Industries. The regulatory agency ordered the closure of the company's factories pending the conclusion of investigations and on May 13, 2004 the two major distribution warehouses of De-United Food Industries in Lagos and Port Harcourt were placed on "hold."³ The collected samples were sent to NAFDAC laboratories for analysis. The analysis revealed no contaminants. But when the agency probed further using other parameters, it uncovered carbofuran (pesticide residue) above acceptable limits in three batches.⁴

NAFDAC then ordered the recall and destruction of the batches while giving De-United Food Industries a clean bill of health. The company subsequently went on the offensive in an attempt to correct the campaign of lies, misinformation, and calumny that had been directed at Indomie noodles. An ad⁵ in the *Punch* newspaper had the following copy.

Good news for Indomie consumers! De-United Foods makers of Indomie is glad to inform you that batches that NAFDAC asked us to recall have been withdrawn with the full cooperation of our distribution network. A total of 764,400 packs have been transferred to NAFDAC's custody for destruction. This concludes our recall activity.

Along with the poser: "Do you know that NAFDAC gave permission on May 20th to open our factories and start selling Indomie?" This was illustrated with three kids relishing a meal of Indomie.

This was quickly followed up by the Indomie pledge:⁶

We at Indomie explicitly give the following pledge:

- Your Indomie noodle will be of the highest quality; every carton, every pack, every strand of noodles. You have trusted us over a decade and we will be the custodians of that trust and we will never let you down.

- We believe in you, especially the children, you are the real owners of Indomie and our job is to offer the best quality product day in, day out.
- Any school, any class, any student is welcome to visit our factories to see for yourself (sic) how Indomie is manufactured under the highest quality standards.
- We have never let you down and we will never let you down. EVER!
- We will be in business only because of your patronage.

The company did not stop here. It organized road shows where free packs of Indomie were given out with assurances that the noodles were safe for human consumption. De-United Food Industries also organized the Euro Disney Promo, got more actively involved in corporate socially responsible activities, and achieved more media visibility than before the crisis started.

Next, we consider the use of fear appeal in order to precipitate attitude change, statement of the problem, the methodology adopted for the study and findings.

FEAR APPEAL

The literature on using fear appeal with the intent of bringing about attitude change is at best contradictory and unclear or counterproductive. The Oscar winning film *Scared Straight* that sought to dissuade youthful offenders from a life of crime by exposing them to the brutality of prison life, was at first regarded as very effective (Severin & Tankard, 1992, p. 157). Later research would serve to discredit this result. In fact, the film was found to be ineffective in “detering future delinquent behavior” (p.158). In the same vein, Janis and Fleschback’s findings concerning exposure to three different levels of fear appeal indicated that minimal fear appeal was more effective than moderate or strong appeals (Severin & Tankard, 1997, pp. 189–190).

Rogers (1975) developed a model that identifies three key elements in the operation of a fear appeal: (1) the magnitude of noxiousness of a depicted event, (2) the probability of that event’s occurrence, and (3) the efficacy of a protective response (Severin & Tankard, 1992, 159). In the specific case of Indomie noodles, there was present some element of fear appeal. There was clearly an attempt to scare away loyal consumers of the noodles, especially in the light of the fact that no tangible evidence came to light linking the product with the alleged health issues and even fatalities. The CEO of De-United Foods said as much when he described the killer Indomie scare as a “fraud” claiming, “The competitor was planning to come in but with the way we handled it (the crisis) he went away for a while.”⁷

It was clear that a lot of noxiousness was present in this case, particularly with claims of health problems and death upon ingestion of Indomie noodles. However,

De-United Food Industries' full cooperation with NAFDAC, its various ads, and NAFDAC's clean bill of health was a protective response that severely limited, in consumers' minds, the probability of occurrence of fatalities and sickness.

Attempts at scaring consumers away from a product are not peculiar to this clime alone. According to Doeg (1995, p. 202), in the celebrated Pepsi syringes case, a 82-year-old Tacoma, Washington man first found a syringe in a bottle of Pepsi, followed by more reported cases. Pepsi officials, like De-United Food Industries personnel, fully cooperated with the regulatory agency, in this instance the U.S. Food and Drug Administration (FDA). When the FDA was convinced that the problem did not emanate from Pepsi bottling operation, it gave the company a clean bill of health. The FDA also found out and made it public that not one tampering report from the myriads received had been confirmed. The break for Pepsi would come when a surveillance tape showed a woman putting a syringe in a can and turning around to say that it had been tampered with. It turned out that she had 16 aliases and had been involved in forgery, fraud, and theft (p. 204). Pepsi used this to its advantage and soon consumers' confidence was regained.

STATEMENT OF THE PROBLEM

Indomie noodles' soaring sales suffered a decline in the aftermath of the killer Indomie scare. Upon being given a clean bill of health and with their factories back in operation, De-United Foods went on the offensive, claiming that it was okay for consumers to go back to eating Indomie noodles.

This study sought to find if the travails of Indomie noodles and the attempt of the parent company to stage a comeback cut any ice with consumers. Accordingly, the study sought answers to the following research questions:

- RQ1. Did the "killer Indomie scare" have an influence on consumption of Indomie noodles?
- RQ2. To what extent did the reassurances offered by De-United Food Industries have an influence on consumers' attitude towards Indomie noodles?
- RQ3. What was the attitude of consumers to Indomie noodles in the aftermath of the crisis?
- RQ4. Do respondents' demographic variables have an influence on their attitude toward Indomie noodles in the aftermath of the crisis?

METHODOLOGY

The survey research method was used for gathering the study's data. Lagos, which is Nigeria's commercial capital, was chosen for the study because it has a high

population density and thus is a market that any manufacturer will ignore at its own peril. Multistage cluster sampling of Lagos residents was undertaken. With the aid of a table of random numbers, the following areas were chosen: Ikoyi, Akoka, and Bariga. The same table was used to select streets and respondents. Then, 150 copies of the questionnaire were administered to respondents in each of the selected areas and streets, thus making a total of 450 copies of the questionnaire.

In developing the questionnaire, the views of experts⁸ and the observations obtained from a pilot study were taken into consideration. The survey collected data on demographic characteristics of respondents; respondents' attitude towards "killer Indomie" noodles; their attitude towards reassurances by De-United Food Industries; attitude towards Indomie noodles in the aftermath of the crisis; and, the influence of respondents' demographic attributes on their attitude towards Indomie noodles in the aftermath of the crisis.

FINDINGS

Of the 450 copies of questionnaire administered, only 419 were returned, yielding a response rate of 93.1%.

Table 1 provides a summary of the demographic profile of the participants. The majority of the study's respondents were within the 16–25 age bracket (53.7%), followed by those between 26–35 years (32.0%), and 36–45, which constituted 14.3% (see Table 1). There were more male respondents (62.0%) than female respondents (38.4%). Regarding level of education, an overwhelming majority of respondents were HND/degree holders (43.2%) followed by ND holders (26.3%) and teacher Grade II/school certificate holders (13.4%). Respondents with a primary school certificate accounted for 6.9%, while those with higher degrees and Advanced level qualification constituted 6.2% and 4.1% of the total respondents, respectively.

On the variable of income, those earning below N100,000 and those earning between N300,001–N500,000 accounted for 27.7% each. Those with annual income in the range of N100,000 and N300,000, accounted for 23.4% while those earning N700,001 and above were 11.9%. Respondents earning between N500,000–N700,000 accounted for 9.3%. Four hundred-and-six respondents (96.9%) indicated that they were aware of the crisis, while only 3.1% were not aware. In spite of awareness of the killer Indomie scare, a majority of respondents (66.1%) continued to eat the noodles as opposed to 33.9% that stopped taking this meal.

Table 2 shows respondent' attitudes toward De-United Foods during and after the crisis. An overwhelming majority of respondents (85.7%) were aware of De-United Food Industries' attempts of reassuring consumers during the crisis,

TABLE 1
Demographic Characteristics of Respondents

<i>Demographic Attributes</i>	<i>Age Bracket</i>	<i>N</i>	<i>%</i>
Age	16–25 years	225	53.7
	26–35 years	134	32.0
	36–45 years	60	14.3
	Total	419	100
Sex	Male	258	62.0
	Female	161	38.4
	Total	419	100
Education	Pry school Certificate	29	6.9
	School Cert/TC II	56	13.4
	HSC/GCE A/L	17	4.1
	OND	110	26.3
	HND/Degree	181	43.2
	Higher degrees	26	6.2
	Total	419	100
Income	Below N100,000	16	27.7
			23.4
	N100,001 – N300,000	98	27.7
			9.3
	N300,001 – N500,000	116	11.9
			100
	N500,001 – N700,000	39	
N700,001 and above	50		
Total	419		
Awareness of Indomie scare	Yes	406	96.9
	No	13	3.1
	Total	419	100
Consumption of Indomie Noodles during crisis	Yes	277	66.1
	No	142	33.9
	Total	419	100
Awareness of De-United Food Industries Assurances	Yes	359	85.7
	No	60	14.3
	Total	419	100

while only 14.3% missed these reassurances. As regards their disposition to these assurances, a majority of respondents (53.0%) had a favorable attitude to the company during and after the crisis, 28.4% of respondents had a neutral disposition, and 18.6% had an unfavorable attitude.

However, it is clear that in the aftermath of the crisis, a majority of respondents (82.8%) continued to enjoy a meal of Indomie noodles, while 17.25% of the study's respondents maintained their distance from the product. This disposition is further corroborated by the findings regarding overall attitude towards the noodles

TABLE 2
Respondents' Attitude Toward De-United Food Industries' Assurances

		<i>N</i>	<i>%</i>
Awareness of Assurances	Favorable	222	53.0
	Unfavorable	78	18.6
	Neutral	119	28.4
	Total	419	100
Attitude toward assurances	Favorable	222	53.0
	Unfavorable	78	18.6
	Neutral	119	28.4
	Total	419	100
Consumption of Indomie after crisis	Yes	347	82.8
	No	72	17.2
	Total	419	100
Overall attitude towards the noodles after the crisis	Favorable	125	29.8
	Unfavorable	116	27.7
	Neutral	178	42.5
	Total	419	100

in the aftermath of the crisis. A sizable number of respondents (42.5%) expressed neutrality on this score, while almost the same number of respondents indicated favorable and unfavorable attitudes (27.7% and 29.85, respectively).

Table 3 shows respondents' level of agreement with statements intended to probe their attitude towards the noodles before and after the crisis. A 5-point Likert-type scale was used from Strongly Agree to Strongly Disagree. From Table 3, it is clear that many respondents reduced their intake of Indomie noodles after the crisis. This is in spite of the fact that the majority agree (strongly agree 57.5% and agree 32.2%, respectively) that the noodles are safe for human consumption.

TABLE 3
Attitude Towards Indomie Noodles Before and After the Crisis

	<i>SA</i>	<i>A</i>	<i>N</i>	<i>D</i>	<i>SD</i>
My intake of Indomie noodles is less than before the crisis.	89 (21.2%)	136 (32.5%)	13 (3.1%)	73 (17.4%)	108 (25.8%)
My intake of Indomie noodles is the same as before the crisis.	146 (34.8%)	85 (20.3%)	86 (20.5)	89 (21.2%)	13 (3.1%)
My intake of Indomie noodles is more than before the crisis.	82 (19.6%)	95 (22.7%)	81 (19.3%)	148 (35.3%)	13 (3.1%)
Indomie noodles are safe to use.	241(57.5%)	135 (32.2%)	13 (3.1%)	30 (7.2%)	-

The study also sought to find out if respondents' demographic attributes had a significant relationship with their overall attitude towards the noodles. Age of respondents is significantly related to attitude towards Indomie noodles in the aftermath of the crisis ($\chi^2_{df=4} = 78.379, p < .05$), with younger respondents generally more favorable than older respondents. Sex similarly had an effect on attitude ($\chi^2_{df=1} = 10.920, p < .05$), with the majority of men more negative in their attitude than women.

Level of education ($\chi^2_{df=10} = 64.440, p < .001$), income ($\chi^2_{df=8} = 28.537, p < .001$), and religious affiliation ($\chi^2_{df=4} = 84.5864, p < .001$) were also found to be statistically significantly related to attitudes towards Indomie noodles in the aftermath of the crisis.

DISCUSSION AND CONCLUSION

To be effective, fear appeal has to exhibit some level of noxiousness. This case presented an ideal opportunity to study the effects of fear. What could have been better than claiming that one of children's favorite meals was causing sickness and death? The incident was exacerbated by the false report in the media and SMSs, that the noxious propaganda was true.

To fight these factors, De-United Food Industries' used a proactive response to cooperate with the regulatory agency and to deny forcefully that the product was not found liable. This was corroborated by the regulatory agency. The critical question, then, is whether those who started the scare achieved their goal? As far as the CEO of Indomie was concerned, the competitor that was planning to use this method to enter the market had gone away for some time, seeing the way the crisis was handled by De-United Food Industries.

The study was less concerned with the antics of a would-be competitor than with consumers. From the findings of this study, it is clear that an overwhelming majority of respondents (96.7%) were aware of the killer Indomie scare. Yet, this awareness did not impact too negatively on the consumption of the noodles, as 66.1% of respondents continued to enjoy the noodles while the crisis lasted. The majority of respondents (55.7%) were also aware of De-United Food Industries' assurances with many (53.0%), indicating a favorable attitude towards these assurances.

But it is also clear from the study that the Indomie product has not been able to fully regain its market share. Many respondents (42.5%) indicated a neutral disposition regarding their overall attitude towards the product after the crisis. More than a quarter of respondents (27.7%) indicated an unfavorable attitude towards the noodles in the aftermath of the crisis.

From the findings of this study and the noxious propaganda emanating from the competitor, it is clear that the intention was to sink the product forever. The

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fact that the product has been able to stage a comeback, even though not fully recovered, says a lot about the company's handling of the crisis. Its full cooperation with the regulatory authority and the clean bill of health the company was given appeared to have played a key role in dousing the crisis. Equally important was the company's response time to the scare. This is because timely response is key to either escalation or reduction of attendant consequences (Bland, 1998, p. 4; Wilcox, Ault, & Agee, 1998, p. 17).

Indomie noodles' inability to fully regain its market share was to be expected. Naturally, many consumers would have taken the philosophical posture of "no smoke without some fire." With time they might return to the noodles. But based on the findings of this study, the company must continue its campaign to win back some of the doubters. Instead of the present interest in positioning Indomie noodles for both adults and children, attempts should be made to play up the safety of the noodles. Getting health professionals and credible persons to give testimonials about the nutritional content and safety of the noodles should be helpful in fully regaining its market share and might even result in exceeding earlier benchmarks.

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