

Coca-Cola Belgium's Off-Quality Carbon Dioxide

First it was mad cow disease, then it was tainted animal feed, which led to the withdrawal of meats, eggs and dairy products from supermarkets. Then on 14 June 1999, children at six schools in Belgium complained that the Coke products they had consumed tasted and smelled funny. Soon afterwards, they suffered serious headaches, nausea, vomiting and shivering. The symptoms ultimately led to their being hospitalized.

Coca-Cola's top executives responded by having their quality control engineers run tests on the products in question. The engineers quickly ascertained that there was nothing toxic in the beverages. Therefore, from a health standpoint, there was nothing wrong with the products. The products tasted and smelled funny only because of sub-standard carbon dioxide that was used to carbonate them.

Nevertheless, a huge outcry of negative public opinion and an adverse decision by Belgium's health minister forced Coca-Cola to recall 30 million cans and bottles of its products (Coke, Fanta, etc.). It was the largest product recall in the company's 113-year history, and for the first time ever, Coca-Cola products (the entire inventory) were banned from sale throughout the country of Belgium.

The Company made its first public announcement six days later, identifying two specific production and distribution problems:

1. "Off-quality" carbon dioxide that affected the taste and odor of some bottled drinks.
2. An offensive odor on the outside of some canned drinks. The odor appeared to intensify when the cans were stored in vending-machines.

Coke executives handling the crisis said that from a health standpoint there was nothing wrong with their beverages, and that the reactions of the children, their families, and the Belgium health minister were due to mass hysteria.

The same week, however, the governments of France, the Netherlands, and Luxembourg also banned Coca-Cola's products. The company's Dutch arm recalled

all products from its Belgium plant. In total, 240 Belgians and French citizens, mostly school children, were left ill after drinking Coke products produced at the Antwerp and Dunkirk facilities.

On 22 June 1999, the Belgian Health Ministry lifted its ban on CC trade-mark products (except for those products sold in vending-machines, pending further review) on the condition that CC use fresh basic materials, conduct a thorough cleansing of the plants, enhance current safety measures, as well as take other steps.

In mid-July CC announced an aggressive marketing campaign in Europe to gain the trust of consumers. In Belgium alone, promotional activities included “the Coca-Cola Beach Party” with California beach music, dancing, and 20 tons of “imported” sand; “Belgium’s annual Coca-Cola Summer Tour” where Coca-Cola brand products were presented at over 90 locations throughout the country; and “the Originals Promotional Campaign”, where over 72,000 consumers won premiums.

After the campaign, sales recovered somewhat, but remained well below 1998 levels, not only in Belgium, but in neighboring countries as well. Company researchers found that by the beginning of August, core users of Coca-Cola brand products reported the same intent-to-purchase levels as before the crisis.