

Hurricane Chipotle

How brand allegiance may have contributed to “Category 5” level damage for this national quick-service restaurant.



SUMMARY

- Chipotle contributed to a food revolution, garnering consumer trust and support through its “food with integrity” campaign.
 - Like the swirling bands of a hurricane, a series of negative events shaped Chipotle’s food safety crisis.
 - Image Repair Theory (IRT), the most advanced reputation communication typology available, shows how Chipotle used only two of 15 available Image Repair techniques.
 - Because the range of responses is fixed, IRT provides food safety communicators a real advantage in responding to food-related crises.
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In late August of 2017, Hurricane Harvey blasted through the Gulf Coast of Texas and wreaked what may be upwards of [\\$180 billion in damage to the region](#). The devastation stretched from Rockport, Texas — where Harvey made landfall — through Houston, all the way into Louisiana. The drenching floods caused by Harvey have taken weeks to fully recede, and the damage, especially the loss of life, will be felt for generations.

“Many of the lessons taken from this analysis can help food brands better prepare their own reputation response plans.”

For all the bad news Harvey brought, the good news is, people, places and even food brands can recover from natural disasters. Whataburger, for example, closed 160 restaurants in Houston alone because of Harvey, and yet in spite of terrific logistical challenges, building damage and staffing constraints, Whataburger, anchored by a state-of-the-art emergency operations center in San Antonio, was re-lighting the flying W signs very soon after Harvey’s exit to serve customers and first responders who were craving a hot meal.

What if, however, the disaster doesn’t come from the outside, but from the inside? This paper explores the effects of what we’ll call Hurricane Chipotle — a multi-episode storm that blasted the company — causing an estimated [\\$8 billion in market valuation loss](#).

Through application of Image Repair Theory, the most advanced reputation communication typology available, and an episodic inventory of the events inside Hurricane Chipotle, we show how Chipotle navigated its storm more effectively from a messaging standpoint and question whether the company missed opportunities to defend its brand. This analysis can help food brands better prepare their own reputation response plans.

CHIPOTLE’S BRAND SUCCESS

Extreme weather events are measured by highs and lows, and the same was true for Hurricane Chipotle. Before plunging into the lows of this story, let’s give the brand its due. Chipotle deserves enormous credit for sensing consumer interest in locally produced, locally sourced, naturally grown and antibiotic-free foods. In a 2013 interview, Chipotle’s spokesperson, Chris Arnold, [said](#), “Chipotle is probably more transparent about the ingredients we use than any other national restaurant company.”

“Through an ethos of ‘food with integrity’ Chipotle secured itself as a place to go for a meal that was good for the environment and good for the consumer.”

Chipotle’s philosophy inspired a series of animated films, starting in 2011 with [“Back to the Start,”](#) a commercial showing a farmer’s journey toward and away from industrialized production. In 2013, Chipotle released their second commercial, [“The Scarecrow,”](#) which follows the story of a scarecrow who rebels against his job as an industrial food producer. The commercials received critical acclaim for their creativity and impact, and elevated the brand into the food-conscious consumer’s mind. Through an ethos of “food with integrity” Chipotle secured itself as a place to go for a meal that was good for the environment and good for the consumer. It’s great positioning in the

exceptionally competitive quick-service restaurant business and it set a high standard many other national chains attempted to replicate. [McDonald's and Wendy's, for example, began overhauling menus and remodeling stores](#) to try and edge into Chipotle's space.

CHIPOTLE'S FOOD SAFETY STORM

Chipotle was doing well, until the dark clouds rolled in. And much like Hurricane Harvey, the rain didn't stop for a while. [Fortune Magazine](#) was five months too early when it wrote, "Popular food chain Chipotle has had a rough year, to put it lightly. After several reported outbreaks of E. coli, salmonella, and norovirus at various locations across the country, the chain has been overwhelmed with negative press. And, with negative press comes a significant drop in sales and stock." Needless to say, the company was in need of massive damage control.

This paper analyzes 10 events that shaped the storm Chipotle faced:

- 1) [Salmonella outbreak in Minnesota](#)
- 2) [E. Coli outbreak in Seattle and Portland](#)
- 3) [Chipotle shuts down 43 stores across Pacific Northwest](#)
- 4) [Outbreak spreads to six states, including Minnesota](#)
- 5) [E. Coli outbreak in New York, California, and Ohio](#)
- 6) [E. Coli outbreak in Illinois, Maryland, Pennsylvania](#)
- 7) [120 students sick from Norovirus in Boston Chipotle](#)
- 8) [E. Coli outbreak in Kansas, Oklahoma, North Dakota](#)
- 9) [Justice Department investigates outbreak](#)
- 10) [CDC declares E. Coli outbreak over](#)

In July, 2016, 10 months after the first incident, we got the damage report.

Chipotle reported an 82% drop in profits.

REPUTATION MESSAGING

Did you read where [Sir Richard Branson rode out Hurricane Irma in a wine cellar](#) on Necker Island, his private retreat in the Caribbean? Branson's ability to safely withstand the storm was interesting to hear. He said Necker boasts, "really strong buildings with hurricane blinds...able to handle extreme weather pretty well."

"Organizations are often caught flat-footed by unexpected events, primarily because prepping for trouble requires reflecting on what could go wrong."

When asked why corporate clients are so terrible at defending themselves during controversy, Eric Dezenhall, [in his book](#), "Glass Jaw," said simply, "It's not what they do. Companies make and sell stuff. They don't fight critics for a living. And they dread the idea of a fight." That's exactly right. Organizations are often caught flat-footed by unexpected events, primarily because prepping for trouble requires reflecting on what could go wrong. The mere act of acknowledging that a product, process or a public event could result in damage or even loss of life is too difficult to deal with in the abstract, like Branson's buildings, so thorough preparation is often left unattended. But we can build stronger messaging and put those messages in a better sequence in order to face the headwinds of food safety crisis. We just need a practical framework.

IMAGE REPAIR

Image Repair Theory, "...represents a state-of-the-art understanding of the kinds of messages available to any brand in a crisis situation."

Image Repair Theory (IRT) and a framework for its use was developed by William Benoit, professor of Communication Studies at Ohio University. Benoit's work in the arena of crisis communication represents a state-of-the-art understanding of the kinds of messages available to any brand in a crisis situation. IRT is a clear lens through which we can objectively evaluate the words that can be used to steer an organization through a crisis situation by providing guidance and direction for messaging.

IRT is organized into five categories, each of which provides a viable path for responding to reputation challenges:

- 1. Denial.** Denial involves the rejection of an accusation as absolutely false or the shifting of blame to another party. Example: Lance Armstrong and his performance enhancing doping scandal.
- 2. Evasion of Responsibility.** In Benoit's model, four ways exist to evade responsibility, including being provoked by another party, pleading lack of information or control over circumstances, claiming an act was an unfortunate accident or by stressing positive intentions. Example: Beginning January 29, 2002 with the delivery of the phrase "axis of evil" during his [State of the Union address](#), President George W. Bush employed the provocation tactic in his justification for going to war with Iraq.

3. **Reducing Offensiveness.** IRT includes six methods for reducing offensiveness ranging from bolstering as a way to strengthen an audience’s positive feelings toward an offender to attacking the accuser in order to diminish the credibility of allegations. Example: Donald Trump often accuses the media of slanting its reporting of him, of taking his words out of context and complaining the media doesn’t understand his form of sarcasm.
4. **Corrective Action.** Invoking corrective action messaging means the accused wrongdoer is taking responsibility for an incident, then promising to fix the problem in order to restore a normal state of affairs. Example: Firestone and [Ford used a recall of 6.5 million 15-inch tires](#) as a corrective action strategy when responding to the death of 46 people.
5. **Mortification.** From a messaging standpoint, mortification means fully accepting responsibility for a wrongdoing, then begging forgiveness for whatever has taken place. Example: In late 2015 emcee and host [Steve Harvey mistakenly announced Miss Colombia as the winner of the Miss Universe pageant](#) rather than the real winner, Miss Philippines. It was a pretty awkward moment because Miss Colombia already had the crown on her head. Harvey, however, quickly took responsibility for the mishap and then in subsequent interviews, apologized profusely for causing the incident.

What messaging options did Chipotle have? Here’s a look at their messaging, and the Image Repair technique used:

Date	Event	Chipotle Messaging	IRT Strategy
Sept. 11, 2015	Salmonella outbreak in Minnesota	“Since being contacted by the Minnesota Department of Health regarding a possible connection to this issue, we have offered our full cooperation to assist in their investigation, and replaced our entire supply of the suspect ingredient in Minnesota to ensure that it continues to be safe to eat in our restaurants.”	Corrective Action
Nov. 01, 2015	Salmonella outbreak in Minnesota	“After being notified by health department officials in the Seattle (Wash.) and Portland, Ore. areas that they were investigating approximately 20 cases of E. coli, including people who ate at six of our restaurants in those areas, we immediately closed all of our restaurants in the area out of an abundance of caution...”	Corrective Action
Nov. 02, 2015	Chipotle shuts down 43 stores across Pacific Northwest	“The safety and wellbeing of our customers is always our highest priority,” he said. “We offer our deepest sympathies to those who have been affected by this situation.”	Mortification
Nov. 02, 2015	Chipotle Press Release	“On the heels of an E. coli incident...Chipotle Mexican Grill has taken a number of immediate steps to assist investigators...”	Corrective Action

Date	Event	Chipotle Messaging	IRT Strategy
Nov. 19, 2015	Outbreak spreads to six states, including Minnesota	<p>“At the moment, we do not believe that it is necessary to close any restaurants.”</p> <p>“The company has taken measures including deep cleaning in restaurants, replacing ingredients and providing supply chain data to investigators.”*</p>	Corrective Action
Nov. 20, 2015	Chipotle Press Release	“Chipotle Mexican Grill continues to work closely with state and federal health officials, as the investigation continues into an E. coli incident initially linked to 11 Chipotle restaurants in Washington and Oregon... In response to this incident, Chipotle has taken aggressive steps to make sure its restaurants are as safe as possible.”	Corrective Action
Nov. 21, 2015	E. Coli outbreak in New York, California, and Ohio	<p>“At the moment, we do not believe that it is necessary to close any restaurants.”</p> <p>“The company has taken measures including deep cleaning in restaurants, replacing ingredients and providing supply chain data to investigators.”*</p>	Corrective Action
Dec. 04, 2015	Chipotle Press Release	“[Chipotle]...has taken aggressive actions to implement industry-leading food safety and food handling practices in all of its restaurants and throughout its supply chain. Its enhanced food safety program will establish Chipotle at the forefront of food safety protocols in the restaurant industry.”	Corrective Action
Dec. 05, 2015	E. Coli outbreak in Illinois, Maryland, and Penn.	“In testing for pathogens, in many ways you’re looking for needles in haystacks. Through this high-resolution testing program, we are making the haystacks smaller by working with smaller lots.”	Corrective Action
Dec. 09, 2015	120 students sick from Norovirus in Boston Chipotle	“We offer our sincerest apologies to people who were impacted by this incident.”	Mortification
Dec. 12, 2015	E. Coli outbreak in Kansas, Oklahoma, and North Dakota	“If there is a silver lining in this, it’s that we’ve looked at every ingredient... It has caused us to put in place practices that our epidemiologist expert says will put us 10 to 15 years ahead of industry norms.”	Corrective Action
Jan. 08, 2016	Justice Department investigates outbreak	A spokesman for Chipotle said the company plans to cooperate with the investigation as it moves forward.	Corrective Action

*Note: Same message used in response to these two incidents.

Date	Event	Chipotle Messaging	IRT Strategy
Feb. 01, 2016	CDC Declares E. Coli outbreak over	"We are pleased that the CDC has concluded its investigation, and we have offered our full cooperation throughout," Chris Arnold, a spokesman for Chipotle, said in a statement. "Over the past few months we have taken significant steps to improve the safety of all of the food we serve, and we are confident that the changes we have made mean that every item on our menu is delicious and safe."	Corrective Action
Feb. 02, 2016	Chipotle Press Release	"...the Centers for Disease Control and Prevention has now concluded its investigation into the recent E. coli incidents associated with Chipotle. We are pleased to have this behind us and can place our full energies to implementing our enhanced food safety plan that will establish Chipotle as an industry leader in food safety. We are extremely focused on executing this program, which designs layers of redundancy and enhanced safety measures to reduce the food safety risk to a level as near to zero as is possible. By adding these programs to an already strong and proven food culture, we strongly believe that we can establish Chipotle as a leader in food safety just as we have become a leader in our quest for the very best ingredients we can find."	Corrective Action

CHIPOTLE'S MESSAGING

Chipotle's primary crisis response strategy was Corrective Action, choosing it as their response preference 12 out of 14 times. What makes this a good choice? Benoit helps us by saying, "Those accused of wrongdoing...frequently deny responsibility, shift blame, and offer justifications or excuses. However, corrective action is clearly oriented to the future" (p. 42).

"...Corrective Action can harness a crisis by using it as path toward renewal."

Rhetorically speaking, Corrective Action can harness a crisis by using it as path toward renewal. We can see it in the Ells quote: "It has caused us to put in place practices that our epidemiologist expert...says will put us 10 to 15 years ahead of industry norms." Corrective Action has a "shiny object" quality to it, doesn't it? It shows us we can use a crisis as a bridge to a new reality, which conjures up the quote from Rahm Emanuel, now the Mayor of Chicago: "You never let a serious crisis go to waste. And what I mean by that it's an opportunity to do things you think you could not do before."

On the other hand, Chipotle may have felt it had little choice but to use Corrective Action. The essence of the company's "food with integrity" positioning, the very heart of its success, was under attack, so the messaging decision may have orbited around a "we just need to get this fixed..." mentality.

“Corrective Action and Mortification are blame-accepting strategies...”

Certainly, Chipotle cast the die when it used Corrective Action in the very first incident; and that’s important in-and-of-itself. Denial and Evade Responsibility are blame-rejecting strategies. Reduce Offensiveness, Corrective Action and Mortification are blame-accepting strategies, and what’s more, they are stacked in IRT. Benoit’s typology has a sequence to it which most brands ignore. Corrective Action and Mortification are the last of the five strategies. When a brand chooses a strategy all the way down in the typology, it’s nearly impossible to go back.

What if Chipotle had not moved all the way down the IRT option set so quickly? Could it have defended itself more skillfully? Consider these possible alternatives:

Event	Chipotle’s Response	Alternative IRT Tactic	Alternative Message
Salmonella outbreak in Minnesota	Corrective Action > Accepting Blame	Denial > Blame Shifting	“The locally sourced vegetables we purchased in Hennepin County appear to have been contaminated by improper harvesting techniques. We’re proud to serve the highest integrity food, we expect the same from our producers.”

You might be offended by the scapegoating performed in the alternative message above, but isn’t it a brand’s responsibility to defend its image and reputation? Here’s another possibility:

Event	Chipotle’s Response	Alternative IRT Tactic	Alternative Message
120 students sick from Norovirus in Boston Chipotle	Mortification > Accepting Blame	Evade Responsibility > Defeasability + Time Shift*	“This is obviously upsetting to everyone involved, but unfortunately, Chipotle has no information, perhaps circumstantial at best, about where the students ate or what they may have had to drink, before coming to our restaurants. We’re certainly going to conduct a thorough review, no matter.”

*Note: Apron Food PR addition to Benoit’s typology.

Is this too slick? Too much spin for you? It’s a subjective call, to be sure, and we can’t know whether or not Chipotle actually considered this type of alternatives. What is clear is that Chipotle either failed to consider an alternative or purposefully chose not to utilize other Image Repair options.

ASSESSMENT

“IRT creates an opportunity for communicators to present objective, rational options to decision-makers...”

IRT provides food safety communicators a real advantage in responding to incidents and issues. The range of responses –15 in all– is fixed. When a storm is coming, organizations don’t have to evaluate endless “what-if’s” to try and figure out what to say. Image Repair Theory provides a fantastic starting point for messaging options. In addition, IRT creates an opportunity for communicators to present objective, rational options to decision-makers without running head-over-heels toward strategies that may disadvantage a brand’s ability to navigate a difficult incident. For example, Chipotle’s primary defense in the Washington/Oregon incident was to express sympathy – a Mortification strategy. It’s always a good thing to apologize for hurting someone, breaking a rule, or doing something obviously wrong. But the power of such apologies is seriously undermined when an apology is issued for things beyond a brand’s control or responsibility. If for no other reason than to avoid tying your brand up in unnecessary litigation, it’s a good thing to avoid apologizing as an immediate response to an ongoing crisis. [Researchers](#) took on this subject a few years ago and found that in many cases, deciding not to apologize actually left guilty parties in better reputational shape than those who issued apologies.

Hurricane Chipotle lasted two long years. In April 2017, the company reported its [first positive sales](#) since the onset of its food safety crisis. This assessment provides an opportunity to consider whether or not the weathering and recovery from a storm of this magnitude might have been less costly to the company.

If you are interested in reading more about Image Repair Theory, check out our [white paper](#) explaining the typology in greater depth. Also, a modified Image Repair Theory matrix is attached to the end of this paper.

Contact [Jenny Gregorcyk](#), vice president of Apron Public’s food practice, to discuss this paper and learn more about food safety messaging.

IMAGE REPAIR TYPOLOGY

General Strategies	Available Tactics	Messaging Example	Goal
Denial	1) Simple Denial	I did not embezzle the money.	Changing an existing belief; did not perform the act.
	2. Blame Shifting (Scapegoating v.1)	Steve took your wallet, not me.	Creating a new belief; act was performed by another.
Evade Responsibility	3. Provocation	I was provoked. I insulted you but only after you criticized me.	Providing a justifiable pretext to create a new belief about the accused's blameworthiness; responded to the act of another.
	4. Defeasibility	I was late because traffic delayed me.	Pleading lack of information or control over circumstances to create a new belief about the accused's blameworthiness.
	5. Accident	Our collision was an accident.	Claiming act was an unfortunate mishap, inadvertent, beyond control; creates a new belief about the accused's blameworthiness.
	6. Good Intentions	I didn't tell you because I hoped to fix the problem first.	Reduces perceived responsibility by stressing positive volition to create a new belief about why the accused preformed the offensive act.
	7. Time Shift*	We're investigating. A panel of experts is sorting through the complexities.	Create perception that self-investigation need time to surface facts and truth as well or better than outside regulators.
Reduce Offensiveness	8. Bolstering	Think of all the times I helped you.	Strenghtens the audience's positive impression for the actor to create a new belief about desirable traits or acts of the accused.
	9. Minimization	I broke your vase, but it wasn't an expensive one.	An accounting strategy claiming the act was not serious, changes belief about the extent or magnitude of an act's offensiveness.
	10. Differentiation	I borrowed your lap-top, I didn't steal it.	Claims a less offensive act; creates a new belief that offensive act is not as offensive as similar acts.
	11. Transcendence	Searching travelers at the airport is an inconvenience, but protects us all.	Stresses more important considerations; creates a new value about the offensive act.
	12. Attack Accuser	Joe says I embezzled money, but he is a chronic liar.	Creates a new belief by reducing the credibility of the accuser; if accuser is the victim, then victim deserved what happened.
	13. Compensation	Because the waiter spilled a drink on your clothes, we'll give you a free dessert.	Reimburses victims; creates a new belief about accused by providing some of value to the victim; functions as a bribe.

*Note: Apron Food PRadditon to Benoit's typology.

General Strategies	Available Tactics	Messaging Example	Goal
Corrective Action	14. Corrective Action	Because the waiter spilled a drink on your clothes, we'll have it dry cleaned.	Emphasizes the plan and actions being taken to resolve and prevent recurrence; creates a new belief about accused as problem solver. See also Hearit's twin myths of technological redemption and managerial rationality to support this strategy.
Mortification	15. Mortification	I'm so sorry I offended you. I regret hurting your feelings and I apologize.	Apologizes for an act; creates a new belief about accused's remorse. Three (Dezenhall) variations: <ul style="list-style-type: none"> • Judeo-Christian: getting right with God through true repentance. • Transactional: a <u>display</u> (admitting to little or no wrongdoing) of repentance in exchange for value (e.g. to settle an issue) • Inoculation: an apology issued in order to move on