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Catalytic defiance as a crisis communication strategy: The risk of pursuing long-term objectives

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Abstract In 2014, Dairy Khoury, a medium-sized family dairy located in Lebanon, was accused of using a health-threatening carcinogenic substance as a preservative in its products. The news created an immediate food safety concern and a product harm crisis, resulting in dramatic reputation loss and operational risks to Dairy Khoury. In this article, we analyze Dairy Khoury's response to the product harm crisis through an examination of the communication strategies used to address internal and external stakeholders. We then introduce traditional corrective action response strategies from the crisis communication literature. In the Dairy Khoury case study, the company opted to defend its reputation and clarify the misunderstanding using catalytic defiance, a long-term crisis response strategy. Our analysis provides insight regarding the risks and benefits of pursuing long-term versus short-term strategies during crisis recovery. This article contributes to crisis communication theory and practice and sheds light on the dynamics of crisis management in family businesses.
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1. Media framing and business flaming

On March 18, 2014, *Hke Jalis*—a live weekly broadcast on a major Lebanese network—broke the story of dairy businesses using illegal substances in labneh, a staple Lebanese food product made of fermented milk. The investigative reporting team sent for testing samples of labneh from five major Lebanese dairy brands to a prominent Swiss laboratory. The tests revealed that two brands of labneh were not compliant with Lebanese food standards—known as LIBNOR—and contained natamycin, a natural mold inhibitor. The story garnered national interest and created a public health scare when the media framed natamycin as a carcinogen

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putting consumers at risk. Dairy Khoury, one of the two noncompliant brands identified in the program, suddenly found itself amid a product harm/food safety crisis.

Product harm crises, defined as "discrete, well publicized occurrences wherein products are found to be defective or dangerous," create a public safety threat and are most problematic for a food consumer-oriented company (Dawar & Pillutla, 2000, p. 215; Whelan & Dawar, 2016). A product harm/food safety crisis is especially threatening for consumer-oriented companies not only for its financial cost but also for the long-term reputational damage it poses for the firm (Cleeren, 2015; Laufer & Coombs, 2006). In a product harm crisis, firms typically recall the product and engage in corrective actions. Corrective actions are the steps an organization takes to prevent a repeat of a crisis and to help alleviate the anxiety generated by a crisis (Benoit, 1995; Coombs, 2015a).

In this case, Dairy Khoury did not voluntarily engage in corrective action by removing the ingredient and promising not to use it in the future—one way to avoid a repeat of the crisis. Instead, the company chose to defend its choice to use natamycin against LIBNOR regulations. The response from Dairy Khoury runs counter to recommendations for corrective action that are found in an array of crisis communication research, including image restoration theory, situational crisis communication theory (SCCT), and integrated crisis mapping (ICM). Dairy Khoury used a response that we identify as catalytic defiance, which reflects an emphasis on long-term objectives.

By digging into the details of the Dairy Khoury crisis, we discovered three areas of value that can aid in dealing with future product harm events. First, we uncovered why the company chose to avoid the use of corrective action. Second, the nature of the company's counter-intuitive response helped us to expand the plethora of crisis response strategies. Third, this case led us to consider alternative measures for evaluating the success or failure of certain crisis communication efforts. We began our analysis by identifying what the crisis communication literature might recommend as a response to this specific product harm/food safety crisis. We then describe the Dairy Khoury crisis and review the crisis response strategies used. The idea of a catalytic defiance strategy is presented along with the possible yields associated with this long-term crisis response strategy. Finally, we discuss the implications of this case for theory and practice. For the purposes of this article, we interviewed Abdallah Khoury, the owner and manager of Dairy Khoury, and Mazen Khoury, the production manager at Dairy Khoury (and Abdallah's son), who provided insight into our case study.[1]

2. Product harm crises

Product harm crises arise when an organization's product presents a threat to public safety. In the food industry, a product harm crisis, also known as food safety crisis, presents a health risk to consumers. The risk could be foreign materials in the product, an unlabeled allergen, or foodborne illness organisms in the product. A food safety crisis is a threat to public safety and requires a swift response from the organization to reduce customer risk and heightened risk levels. This section reviews the research that helps clarify the nature of food safety crises and recommended responses. The focus is on how food safety crises produce anxiety and the role of corrective action in reducing anxiety.

2.1. Anxiety and food safety crises

Crisis communication research includes a growing subarea interested in the emotions evoked during a crisis (Coombs & Holladay, 2005). Crises can generate a plethora of emotions, such as anger toward the organization in crisis, anxiety during a period of uncertainty, or even sympathy for the organization affected; these emotions are important because they influence how people react to the organization (Coombs & Holladay, 2005) and the coping strategies used in response to the crisis (Jin, 2010). Crises often create perceptions of danger and uncertainty, which can result in a heightened sense of anxiety (Jin, 2010). Researchers have found anxiety to be the default emotion most stakeholders experience during a crisis (Jin, Pang, & Cameron, 2008).

A food safety crisis is ripe for generating anxiety due to the elevated perception of risk. Stakeholders face a threat to their health and safety while the causes are not always immediately clear. Consumers specifically are anxious as the question of the product's safety lingers. Thus, crisis managers should factor emotion into their selection of crisis response strategies, especially during product harm cases. Crisis managers using the integrated crisis mapping (ICM) approach would tailor their communication to address anxiety in some manner

[1] All quotes from Abdallah Khoury, owner and manager of Dairy Khoury, and Mazen Khoury, the production manager at Dairy Khoury—as well as details about the event—came from interviews that took place on July 22, 2014, approximately 4 months from the start of the product harm crisis in question.

and be cognizant of how the company's response strategies might help reduce associated stakeholder anxiety specifically. Corrective action is a crisis response well suited for anxiety reduction.

2.2. Corrective action in food safety crises

Corrective action is a well-established crisis response strategy that serves to correct the damage inflicted by the crisis and/or to prevent a repeat of the crisis (Benoit, 1995; Coombs, 1995). Situational crisis communication theory (SCCT) argues that corrective action is a form of adjusting information (Sturges, 1994), which helps stakeholders to cope psychologically with the effects of the crisis (Holladay, 2009). Sturges (1994) maintains that adjusting information is essential to a crisis response and should precede efforts intended to repair reputation damage primarily (Coombs, 2015a).

One cause of anxiety for stakeholders affected by the crisis is the question "Could this happen again?" Corrective action seeks to reduce anxiety by explaining the steps in place to prevent a repeat of the crisis. Tesco's response to its horsemeat crisis in Europe serves to illustrate the anxiety-reducing application of corrective action. Tesco, a U.K. grocery chain, provided videos and documents on its website explaining the new procedures it had in place that included DNA tests to ensure the meat was actually chicken or beef. Management had assumed suppliers were properly labeling meat (the problem) and the new DNA testing was the solution. Tesco's crisis response emphasized adjusting information/corrective action to reduce the anxiety over what customers were consuming.

Many crisis communication studies laud the value of corrective action for restoring confidence in an organization (e.g., Benoit & Brinson, 1994; Hearit, 1995; Sellnow, 1994; Sellnow, Ulmer, & Snider, 1998; Ulmer, Seeger, & Sellnow, 2007). Image Restoration Theory, for example, considers corrective action an important part of reputation repair following a crisis (Benoit & Czerwinski, 1997). We argue that the ability to restore confidence in an organization resides in the ability of a corrective action to reduce anxiety by providing greater certainty about the future safety of a food product. SCCT recommends the use of corrective action when the crisis produces threats to public safety.

SCCT provides theory-driven, evidence-based recommendations for how a company should respond to a crisis. The emphasis is on how crisis communication can protect organizational assets such as reputation (Coombs, 2007). However, SCCT argues for an ethical base response anytime a crisis involves a potential threat to public safety. The ethical base response is composed of instructing information that advises stakeholders on how to protect themselves physically from the crisis and adjusting information, which helps stakeholders to cope psychologically with the crisis (Coombs, 2015b). It is an ethical base response because it reflects the ethics of care, which posits that the stronger actor in a relationship has an obligation to protect the weaker actor—especially if that weaker actor is at risk. A crisis with the potential to threaten public safety places stakeholders in a weaker position and in need of protection. The ethical base response protects stakeholders and helps them recover from the crisis (Holladay, 2009). SCCT would recommend the use of corrective action in a food safety crisis as part of the ethical base response.

Using the literature as a lens through which to view product harm crises and assess a company's response, in the following sections we discuss the Dairy Khoury case study and answer the following research questions:

RQ1: How did the Dairy Khoury response deviate from the corrective action response recommended by the crisis communication literature and what were the reactions to the response?

RQ2: What value does the Dairy Khoury response hold for crisis communication theory and practice?

3. Background: The Dairy Khoury case

Dairy Khoury is a Lebanese company established in 1996 by Abdallah Khoury, who followed the steps of his father in raising cattle and producing dairy products. Dairy Khoury, a family business, grew steadily over the years. It began as a supplier to small stores and a direct seller to customers, but developed into a nationwide supplier of authentic Lebanese dairy products. In 2011, Dairy Khoury was awarded the ISO 22000:2005 certificate for quality assurance. By 2014, Dairy Khoury employed around 400 workers and operated both a farm and a production facility.

This section provides details about the events surrounding Dairy Khoury's crisis for using natamycin in its products. We begin by detailing the crisis trigger and the dynamic and developing nature of the crisis. The next section maps the various voices involved in the crisis event and how they framed the situation. The concluding section reviews the effects the crisis situation had on the organization.

3.1. Trigger event: The news report and the forced market recall

On March 15, 2014, the prominent Lebanese TV channel LBCI ran a promotion of its investigative program *Hke Jalis*, claiming the discovery of antibiotics and illegal preservatives in labneh, one of Lebanon's staple dairy products. As soon as this promotional teaser started running, Abdallah Khoury and his team engaged in extensive testing of their products to reassure themselves that their company was not in any way entangled in the upcoming exposé. Knowing that they had nothing to be afraid of since their products were antibiotic free, Dairy Khoury members were waiting to see what company the story was about. On March 18, the program aired, announcing the dairy brands that were affected by the "scandalous health threatening discovery of antibiotics" in labneh. The program's team had sent labneh samples to laboratories in Switzerland to be tested for ingredients and quality standards. The results revealed that two known brands were using natamycin, an unapproved substance in dairy products in Lebanon, while the other brands seemingly abided by Lebanese food standards (LIBNOR). Dairy Khoury and Dairy Day were accused of using natamycin, introduced in the program as an antibiotic that was prohibited internationally in food manufacturing and that caused cancer. The crisis exploded as the network framed Dairy Khoury as an unethical company selling products that contained carcinogens. Overnight, the friendly company known for its funny promotional character Pipo was repositioned as a fatal brand.

On the night the program aired live, Abdallah Khoury, the owner and manager of Dairy Khoury, went to bed early because he was not feeling well. Mrs. Khoury and her sons were watching the program and were very disturbed by what they saw. As relayed by Abdallah Khoury:

> My wife woke me up, so I asked her how the program was. She said, "I am glad you didn't watch it. It was an all-out attack on us, on our brand." I immediately sat with my family and discussed the situation. The next morning, I came to the factory and locked myself up for 24 hours, thinking. I couldn't get around what happened.

On March 19, the Minister of Economy issued an order, based on LBCI's report, that Dairy Khoury's labneh product be removed from the market. The Minister of Health asked the public to stop consuming labneh from the two brands until there was further information on the extent of the health risk. Dairy Khoury was in danger of having its business and factories closed. Overnight, it lost its good reputation and presence in the market.

3.2. Background on Dairy Khoury's use of natamycin

Mazen Khoury, the production manager at Dairy Khoury and the son of Abdallah, explained the measures Dairy Khoury took before using natamycin in their products. He said:

> For us to say that the usage of natamycin in labneh is safe, we of course have to do a risk assessment, and we had to see if its daily consumption is within the accepted intake, so if the results were within the ADI [accepted daily intake] then it is safe. We made a study on 97.5% of the basket of goods a Lebanese person consumes, and which products use natamycin, we found that it might be used in bread, cheese, juice, mayonnaise, and sausages. In Europe they use it with sausages and cheese and in South Africa they're using it in wine, and in some countries they're using it in mayonnaise. We assumed that it's being used by all these products and even with that we found that it's 10% of the ADI so it's safe. We again did another test in which we considered that a person is consuming a whole labneh container each day and we reached 70—80% of the ADI so we're still safe. You know that for natamycin to be toxic you should consume 40 kg of yogurt every day for a period between 2 weeks and 180 days.

In addition, natamycin is not a carcinogenic substance and it is safe for human consumption within ADI levels. What Dairy Khoury failed to do is to declare the use of natamycin on its food labels. While the claim of Dairy Khoury's use of a carcinogenic material was unsubstantiated, the real issue was that its use of natamycin went against Lebanese standards for food production (known as LIBNOR) and the substance was not on the food label. Abdallah Khoury said:

> I was telling you from the beginning that I did nothing wrong, what I was doing was good but it was understood in a wrong way. If they said that we used something and not mentioned it on the label then it would have been much easier to clarify to the public why and how. But they said that it causes cancer and [is] poisonous.

3.3. Dairy Khoury crisis management

After one day of locking himself in his office to try and get around what happened, Abdallah Khoury

met with his sons and decided on a full-scale defense strategy. Abdallah said he felt as if he "was attacked directly and this attack was a matter of honor." He explained how he grew his business with sweat and dedication to gain the trust of consumers and various partners, and suddenly this trust was shattered. Dairy Khoury became a symbol for unethical, avaricious business practices that threatened the health of the Lebanese people. The company's first response to the crisis came through a press conference covered by the local media.

3.3.1. Press conference

Dairy Khoury held a press conference on March 21 that aired live on all Lebanese channels. In the press conference, five experts from various backgrounds provided arguments in defense of the company. In this section, we will discuss each participant's method and contribution to Dairy Khoury's crisis communication strategy.

The first speaker was George Khoury, the lawyer for the company. After introducing all of the presenters, George Khoury started his statement by reducing offensiveness using the bolstering method. He mentioned the company's qualifications, as well as some of Dairy Khoury's achievements, certifications, and awards earned. He then continued to talk about natamycin and the false claims made by the media. He used scientific research to discredit the claim that natamycin was poisonous and cancerous. He further used mortification by admitting that the organization had used natamycin in its products, but explained that it is a mold inhibitor and not an antibiotic. In fact, George Khoury insisted that natamycin was necessary for keeping dairy products safe. He provided a number of facts to prove his argument and claimed that Lebanon's unstable electricity—the dairy was taking steps to ensure its products were safe to eat even if stores could not guarantee they stayed at a safe temperature—was the reason natamycin was used. George Khoury then applied the transcendence method when he explained that the company had two mold inhibitor options, natamycin, which is a 100% natural substance, and unnatural salts such as ascorbic acid. He ended his time at the podium by evading responsibility. He trumpeted the company's good intentions, stating that the company highly regards the safety of its customers, and even chose to spend more money by using natamycin (which costs 150 times more than ascorbic acid) to make sure the product was as safe as possible.

The second speaker was Antonio Khabbaz, an agro-food engineer and consultant. Khabbaz's main communication method was the denial method—he maintained that there was no crisis in the first place ("A mistake was not made!"). He explained the benefits and safety of natamycin, a substance that is commonly used in the food industry and has been approved by both the Food and Drug Administration (FDA) and Food Code (CODEX). In fact, he explained, natamycin is used by reputable brands such as Kraft. Khabbaz went on to use the good intention strategy by clarifying that using the substance was the right thing for Dairy Khoury to do. In fact, he insisted that the event was actually a positive one, as it should prompt the Lebanese government to update its very outdated food standards.

Transcendence strategy was at play when the third speaker, Jack Kellas, president of the Lebanese Council of Dairy Producers, spoke. He attempted to push the crisis to a new level, framing the situation to look like the entire dairy industry was reeling from *Hke Jalis*'s false accusations. He highlighted the importance of the dairy industry in Lebanon, most specifically the labneh product. He said that the dairy sector is estimated to earn $500 million in revenue and more than 10,000 families rely on it for their livelihood. Kellas claimed that, in just 2 days, the dairy industry witnessed a 70% drop in sales.

The fourth speaker, George Nesrawi, was the honorary chair of the Lebanese Syndicate for Food Resources. Nesrawi spoke about the need to create job opportunities and not to close businesses and risk jobs. He criticized the approach the media took in dealing with this crisis. He described the information on natamycin being circulated as completely false. He emphasized the dire need to update the LIBNOR standards and shared that the Minister of Industry understands the situation and is very supportive. He ended his speech by wishing Dairy Khoury the best, mentioning that he toured the company's factory and found it to be of the highest quality in production.

Dr. Jamal Ghazal, the head of the Lebanese veterinarians, spoke last and expressed that he chose to speak not to defend Dairy Khoury as a singular business, but to defend the agro industry as a whole in Lebanon. He felt that the natamycin issue had been dealt with in an unprofessional manner that had little to do with facts and science and much to do with fear mongering from the media. He took the time to highlight the achievements of the dairy industry in Lebanon, which he said should be considered the best project to take place in the country. Finally, he continued to shift blame when he said that there was obviously someone behind the story who was using offensive strategies to create anxiety and uncertainty in the mind of the consumer.

The press conference constituted the first official response to the crisis. Dairy Khoury addressed the general public in order to reduce their uncertainties and deflate their anxiety over the natamycin. Dairy Khoury called upon its web of connections to create a safety net for the company by restoring legitimacy and reducing the anxiety of consumers. During a crisis, strong business relationships constitute a protective buffer and a source of critical support to the organization. Still, at no point did Dairy Khoury apologize for anything, and they did not inform the public of what to expect in the form of a response or corrective action.

3.3.2. Internal communication

While the press conference addressed external stakeholders to clarify the situation and engage in damage control, there was an urgent need to communicate with internal stakeholders. Abdallah Khoury held a meeting with his 400 employees to restore their trust and to rally them around the organization. He had his sons and his grandchildren with him when he told the employees that what he manufactures is safe and of the highest quality. When reflecting on the meeting, he said:

> Of course I would hate to use a child in this scenario but we had to do something to lift the employees' spirits, as it was during the time our products were being taken out of the market and replaced with products that doesn't contain natamycin . . . so anyway we asked someone to bring our original product that was being removed from the market and we placed it in front of our children who were 2 and 4 years old and we asked them to eat it, to show that we feed our children this product and it's the only one we use at our home.

Mazen Khoury described the concerns of the employees and the Dairy Khoury took to communicate with internal stakeholders. He said:

> They were afraid for their jobs, and of what's happening because an employee wouldn't understand that this is a crisis that would pass and that management is dealing with it. So we had to reassure them that this will pass and at the same time to clarify to them that we have done nothing wrong. The first reaction, and I speak about the employees that I'm responsible for in production, was that they sent up two representatives who said that they are all willing to work for one or two months without pay until the crisis has passed. Some people have been with us 15 to 20 years, and their salaries were never late. We reassured them that in 2 or 3 months we would be able to turn this crisis around to our benefit, don't worry about the cash flow within the company, our stocks are many and with good management.

As a trust-building exercise, the Khourys set up a white table at the internal meeting. They asked each employee to look at the table and describe what they saw. Each responded with "white table." Then, they put a small black mark on the table and asked the employees again to describe what they saw—"black dot." Mazen Khoury said: "Then we told them that they should look at the white area and forget about the black dot so that we could get out of the situation that we are in."

In crisis situations, internal communication is integral to managing the crisis. The trust of the employees in the organization and its leadership is critical when facing any crisis. Dairy Khoury was not apologetic for using natamycin in their products and stood by their position that the ingredient is safe for consumption. They further tapped into their long history of positive relations with their employees and relied on the goodwill they were able to build over the years. Yet, they felt they had to demonstrate to their employees that their product is safe and of the highest quality through personal consumption. Preserving the trust of internal stakeholders is a priority for any company going through a crisis.

3.3.3. Promotional documentary

Dairy Khoury collaborated with MTV—a Lebanese channel competitive to LBCI—to produce a documentary about the company in an attempt to showcase the quality of the products and to recover from its tarnished image. This documentary aired on May 14, 2014. It emphasized the cultural significance of labneh as a product authentic to the Lebanese culture and tradition. It further highlighted the highest standards of production and farm operation of Dairy Khoury. Abdallah Khoury portrayed himself as an expert in raising cattle and in taking care of their needs. When the reporter asked him, "You were targeted by an aggressive media campaign, do you have any response to it?" he answered:

> I will not respond. As you can see, I am running after my business and trying to recover from the wounds that were inflicted on me. But I want to tell you something. I want you to respond with your keen eye on what happened and is happening. Through your program, you will show the people and the people will respond.

The documentary showed farms that treated the cows exceptionally well: Each cow listened to mu-

sic, ate a balanced diet, and lived an organized life. The production facilities resembled a mashup of traditional methods and modern technology. The documentary addressed consumer anxiety about the brand by portraying Dairy Khoury as a top-quality company with genuine care and trustworthy products.

Aside from actions like the press conference, meeting with the employees, and producing a full documentary about the business, Dairy Khoury worked hard to reintroduce their products to retailers and to present the brand at social events and industrial shows. Dairy Khoury did not shy away from defending its position and clarifying the misunderstanding that threatened to erode its business.

3.4. Categorization of the Dairy Khoury crisis response

According to SCCT, a product harm crisis, specifically one that is created by management decisions, places the full responsibility for crisis management on the organization. Organizations that find themselves in the middle of a product harm crisis typically engage in a corrective action as the ethical base response (instructing and adjusting information) and will provide an apology and/or compensation (Coombs, 2007). Dairy Khoury did not follow this basic response strategy, however. While it did provide adjusting information to employees and customers by maintaining the safety of its products and it expressed concern for its stakeholders, the Khoury family chose to contest the reported danger of natamycin. Rather than perform a corrective action by voluntarily removing the substance, it stood by its original products and argued that the substance was necessary to ensure quality for consumers.

Dairy Khoury did not engage in simple denial. Management did acknowledge the use of natamycin, a violation of LIBNOR, but argued that it should be used in food products and that the Lebanese food laws needed to be updated. Dairy Khoury used what can be identified as the catalytic defiance strategy (Dennis, Rowan, Feinberg, Widdows, & Crable, 1994). Catalytic defiance is a concept developed by Dennis (1993) that refers to instances when corporations attempt to change government policies by engaging in a form of civil disobedience. The corporations will violate a law or regulation with the hope of changing the problematic law or regulation. Catalytic defiance requires a corporation to publicly violate a regulation or law on moral grounds and be willing to accept the punishment for its actions. The term catalytic comes from the catalytic model of issues management (Crable & Vibbert, 1985). Catalytic defiance seeks to create an issue and is part of a larger issues management effort (Dennis et al., 1994). Kellogg's and Uber are two corporations that have engaged in catalytic defiance (Dennis et al., 1994; Wear, 2015). Dairy Khoury, as it was using its crisis response to advance an effort to change Lebanese food law, was initiating an issues management effort. Corrective action would have weakened its position that the use of natamycin was safe and necessary.

As we sought to answer RQ1 (see Section 2.2.), we found that Dairy Khoury significantly deviated from the recommended corrective action when the organization chose to contest current Lebanese food laws. The company's response represents a new crisis response strategy: catalytic defiance. The catalytic defiance strategy uses the crisis as an opportunity to press an issue—to seek policy reform. The catalytic response strategy is risky because it may inhibit short-term efforts to repair crisis damage and may fail long term if the policy does not change. We can see the short-term effects in the Dairy Khoury case.

Dairy Khoury employees and small retailers (the stakeholders) accepted the company's challenge of the food laws. As the company did not see the situation as a product harm crisis, it sought to attenuate the risk. Dairy Khoury maintained natamycin was safe and supported that position with a press conference, internal meetings, and a documentary. Dairy Khoury's argument was supported by the small retailers in its distribution chain. The small retailers who carried Dairy Khoury's products became partners in clarifying the situation to consumers and served as ambassadors for the embattled company. Mazen Khoury said:

> Our relationship with them is really old. It was the small businesses that dealt with the people on their own but [to] our benefit as well, and they came to us and told us that they are here for us to rely on them and they will stand by our side.

Similarly, the employees reacted favorably to Dairy Khoury's response and reassurance through the internal meetings and the documentary.

In contrast, the news media and the large retailers were critical of Dairy Khoury. As for the large retail accounts, many pulled the products immediately after buying in to the accusations against Dairy Khoury. Mazen Khoury said, "Sales went down and we had to do offers." The news media remained critical of Dairy Khoury. On April 1, 2014, the same program that broke the story bragged on how they were able to protect the health of the Lebanese by

the actual pullout of products containing natamycin from the market and banning its usage in dairy products. The presenter said:

> Let no one think that there is more than one truth because of how much deception there has been among traders and businesses that have common interests, but there is only one truth when it comes to the issue of labneh. The company Dairy Khoury proved its use of natamycin saying that the Lebanese procedure of processing labneh by bag has gone bad . . . We can now tell the public that there is in fact one truth that should be known to them and here we are sorry for those Lebanese organizations that thought only of their financial interests sacrificing the public's health, this organization forgot that it exists for the interest and benefit of the people. I am sorry about the lies that came out during the last two weeks but the truth remains one, and here, the truth isn't paid for . . . Today the companies pledged that they stopped the use of natamycin and this is what we wanted in the first place in order to preserve the Lebanese industry and the peoples' health . . . Some people say that it's bad for you, others say that it isn't bad and it's not cancerous, the question is: if they used this in their labneh then why wasn't it mentioned on the label?

The media coverage of the crisis amplified the situation and further fed the fear of the consumers by creating doubt of the intentions of Dairy Khoury for not including natamycin on its label. This doubt resulted in more uncertainties leading to complete avoidance of dairy products among some consumers and of Dairy Khoury products specifically. This crisis opened the gate for discussions on the lack of food safety regulations and the need to impose strict guidelines and punitive actions for those who do not abide by the safety standards.

The crisis cost Dairy Khoury more than $10 million between lost sales, special promotional offers, and public relations investment. No formal studies were done to assess the reputational damage and the current position of the brand. In an interview with *Executive Magazine*, Mazen Khoury said (Cochrane, 2014):

> We made a 90% recovery as people saw the technology, the hygiene and the passion, and we got the trust back. [As of October 2014] we've recovered by 96—97%. In my opinion, there's no bad marketing as maybe 1 million Lebanese had heard of us before, now everyone has.

The financial losses and the continued negative media coverage can be taken as evidence of the failure of Dairy Khoury's crisis response in the short term.

The second part of RQ1 (see Section 2.2.) considered the reactions to the Dairy Khoury's crisis response. Dairy Khoury found support among its loyal stakeholders, its employees, and small retailers. The catalytic defiance response served to reinforce support for Dairy Khoury by arguing it was still a company dedicated to providing the best and safest product to its consumers. However, the news media and many larger retailers reacted negatively to the catalytic defiance response, viewing Dairy Khoury's actions as a public health threat. There is no doubt that Dairy Khoury suffered some short-term damage by using the catalytic defiance strategy. Moreover, crisis communication theory suggests this damage could have been mitigated by corrective action.

Catalytic defiance is a long-term rather than a short-term strategy. The response is used as part of an effort to manage an issue and to change public policy. In 2015, the Minister of Industry stated that the dairy industry needed natamycin and that LIBNOR needed to be updated. It appears that Dairy Khoury might have lost the battle (the crisis management effort) but is winning the war (the issue management effort). Yet, these changes to policy take a long time and might drain organizations engaging in catalytic defiance.

In relation to RQ2 (see Section 2.2.), we can consider what the unique aspects of the Dairy Khoury crisis and the company's response offer to crisis communication theory and practice. The key is trying to understand why an organization would select a suboptimal crisis communication response. When the organization is trying to manage a larger issue instead of just the immediate crisis, it may choose an approach such as catalytic defiance.

The Dairy Khoury leadership took the crisis as a personal attack, as family firms are known to mesh the personal with the business. The crisis was a matter of honor, trust, legacy, and ongoing relationships. They could have apologized for using natamycin and for not including it on the labneh label. They could have indicated their concern for losing the trust of consumers and promised them that they will be very transparent in their operations. Yet, Dairy Khoury leaders chose to respond to what they considered an outrageous attack on them through a strategy of defiance. They publicly defended their decision to use natamycin and justified it by stating that it was a decision they made with the best interest of the consumers in mind. They portrayed

themselves as more progressive than the government by pushing for the active change of the LIBNOR to include natamycin. The strategy of catalytic defiance was risky in its approach as it relies on central route processing—presenting scientific arguments that pushed for a change in policy—versus the more publicly accepted peripheral route that is popular during emotional states of anxiety in product harm cases.

Organizations might be willing to bear a short-term loss for long-term gain as long as they are stable enough to survive the short-term loss and reputational damage. The Dairy Khoury case illustrates the danger of researchers and managers being too focused on short-term gains and fast recovery. There are times when organizations must accept some short-term losses to achieve a more important long-term gain. Of course, the risk is that the long-term gain will not be realized. Researchers and crisis managers must consider the value of long-term strategies, such as catalytic defiance, that may appear counter to accepted crisis communication strategy.

4. A risky response

In March of 2014, a news report created a product harm/food safety crisis for Lebanese food producer Dairy Khoury. The news report showed evidence that Dairy Khoury's labneh contained natamycin, a substance that was not approved by the Lebanese government food standards (LIBNOR). A typical and recommended response for Dairy Khoury would have been corrective action. Managers could have announced the substance would no longer be used and outlined steps they would take to prevent the substance from being used in the future. Instead, Dairy Khoury defended its use of natamycin by claiming the Lebanese food safety laws were outdated and that natamycin was used in the best interests of consumer safety. Internal stakeholders and some retailers supported the response while the news media and other retailers rejected the response resulting in significant financial losses. So why did Dairy Khoury engage in such a counterintuitive crisis response?

Dairy Khoury's response was much more complex than a simple denial of a crisis. The company chose a risky, long-term objective rather than a safe, short-term objective for its crisis communication efforts. Recently, the Lebanese government appears to be more open to accepting natamycin as a preservative but the process of including it in LIBNOR might take several more years. The issues management victory would serve to repair Dairy Khoury's reputational damage from the crisis. If the food laws are revised, Dairy Khoury, by advocating for natamycin, would be viewed as a reformer that advocated for consumer safety even at the risk of suffering initial reputational damage for its advocacy efforts. The change in accepting natamycin moves Dairy Khoury from a threat to public safety to a defender of public safety. We argue that the longer-term reputation as a food safety leader ultimately creates a stronger, more favorable reputation than what would have been achieved with a short-term corrective action.

Catalytic defiance should be considered a unique crisis response strategy. It should only be used in rare instances where a crisis coincides with the organization's issues management efforts. Still, crisis researchers and practitioners need to broaden their views beyond just short-term reputational protection to crisis situations that warrant a long-term view for managing both issues and reputations. The Dairy Khoury case illustrates how a seemingly ineffective crisis response strategy can be effective when the critical lens shifts from short-term to long-term objectives. While most crisis events rightly will be driven by short-term objectives, it is helpful to understand when a long-term objective based upon catalytic defiance is an effective crisis response.

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