CASE STUDY: MASTERFOODS PRODUCT RECALL 2005

The MasterFoods case is an interesting example in terms of the life cycle of a crisis. When you read this case, note all the direct types of research the public relations practitioners employed in gathering information about the crisis and how they tested the key messages delivered in the campaign. Practitioners involved in this successful campaign cite research as a key tool in creating that success.

PRODROMAL

On Friday, 8 June 2005, MasterFoods received an anonymous letter claiming that if the demands made in the letter were not met, all Mars and Snickers bars in New South Wales would be poisoned. Included in the package was a Snickers bar that the letter claimed was contaminated (Moran 2005a). MasterFoods consulted with the relevant authorities and, with the support of the New South Wales police force and the food safety regulator, the New South Wales Food Authority, MasterFoods elected not to remove its products from the market (New South Wales Food Authority 2005a).

On Friday, 15 June 2005, a second letter from the extortionist arrived at MasterFoods’ Ballarat factory. Its contents were similar to those of the first letter. For the second time, in consultation with, and with the support of, the authorities, MasterFoods elected to continue general business operations, as no specific threat was made to the community.

MasterFoods and the authorities continued with a low-key investigation to prevent public panic and any copycat extortion bid, be it real or a hoax. The testing of the Snickers bar sent with the first letter remained inconclusive. Later, further testing identified traces of a substance similar to household pesticide in the bar (Safe 2005). The level of contamination was low and provided no health threat to the public.

PREPARATION

MasterFoods instigated the initial activities as outlined in its crisis manual; public relations consultancy Socom undertook the development of generic media releases and prepared question and answer materials should the crisis escalate. But David Hawkins, managing director of Socom, observed a vital flaw in this preparation—MasterFoods had failed to undertake a dummy recall and had not anticipated the behaviour of the New South Wales police force as the crisis unfolded (personal communication, 4 April 2006).

ACUTE

On 1 July 2005, MasterFoods received a third letter. This one claimed that seven contaminated Mars and Snickers bars had been distributed in Sydney (Maley, Needham & Milovanovic 2005). To alert the public of the threat, the New South Wales police called a media conference for 5 p.m. on the same day. The story was leaked to the media; airway coverage commenced from 4.22 p.m.; journalists questioned MasterFoods’ motives for not announcing the recall earlier in the day. At the media conference, Andy Weston-Webb, managing director of MasterFoods, announced that the company would begin its recall of Mars and Snickers bars (Sinclair 2005a).

The recall of products would require the assistance of 40,000 outlets throughout New South Wales. Between 7 p.m. and 10 p.m. that evening, the MasterFoods crisis hotline received 500 calls; the following day it received 900 calls.

In all, the hotline received over 5300 calls during the crisis from consumers wanting to know what to do with the bars, how to obtain refunds, and complaining of illness (Safe 2005). During the crisis, 158 people complained of illnesses after consuming a Mars or Snickers bar in New South Wales. MasterFoods covered all the medical expenses and Weston-Webb contacted each individual personally (Moran 2005a).

On Saturday, 2 July 2005, Socom released the first of several video news releases that showed the managing director personally removing the recalled products off supermarket shelves. Further, Weston-Webb warned the New South Wales public that ‘no one should eat a Mars or Snickers bar that they’ve bought … it’s not safe to eat Mars or Snickers bars’ (Weston-Webb, cited in Morri 2005: 2). With the aid of intensive and
regular media training (personal communication, 4 April 2006), Weston-Webb was available to media between 6 a.m. and 10 p.m. daily.

The core crisis team established a war room in the offices of MasterFoods’ legal organisation, Blake Dawson Waldron, in Sydney (Safe 2005) and held twice-daily teleconferences throughout the crisis, linking MasterFoods operations, especially the Ballarat factory, with the Socom staff in the crisis room, and the logistics staff (Safe 2005).

On Sunday, 3 July 2005, as well as receiving editorial in all major mainstream media publications, MasterFoods produced recall advertisements for broadcast and print media. The cost of publication in the national dailies of the recall letter was A$80 000, but analysis showed that the advertisements were not as effective as the coverage secured by Socom through media releases (personal communication, 4 April 2006).

On Monday, 4 July 2005, Weston-Webb said, ‘Nineteen people did call us about feeling ill for a whole variety of reasons—stomach ache, diarrhoea, headaches, vomiting—and two of those visited a hospital but they weren’t admitted and I am happy to say they’re now back at home’ (cited on ABC 2005: 1). Alongside the media relations activities, MasterFoods commenced the collection of the 3 million chocolate bars from 40 000 retail outlets throughout New South Wales (Morri 2005). A team of guardian angels, employees of MasterFoods, was engaged to travel up to 1000 kilometres daily to retrieve the bars in New South Wales (Hawkins, personal communication, 4 April 2006). ‘My main concern at the moment is making sure we do this the right way and we protect people,’ said Weston-Webb (cited in Bowden 2005).

MasterFoods was questioned and criticised in the media over its delay in recalling the products after the company revealed that it had received two letters in June. Weston-Webb defended the company’s procedures and asserted that New South Wales police were contacted on 8 June after the first note and chocolate bar were received. ‘This letter was immediately shared with police, who supported our view that there was no risk to the public at that time. For this reason we did not instigate a recall,’ Weston-Webb explained (cited in Safe 2005: 19).

On Friday, 8 July 2005, MasterFoods undertook a deep-pit burial of all recalled products at Lucas Height; the video news release and media coverage showed the managing director supervising the burial. Weston-Webb stated: ‘We’ve consulted with the New South Wales health authorities. They’re satisfied that this is the best technique’ (Weston-Webb, cited in Safe 2005: 20). Socom produced four community service announcements and paid for placement on all commercial television networks to communicate the message relating to the destruction of the product and emphasise how environmentally safe the method of disposal was.

CHRONIC

On Tuesday, 12 July 2005, a fourth letter from the extortionist was received. Star City Casino was identified as the target of the extortion: MasterFoods products were to be used to extort money from Star City Casino (Kearney 2005). Despite a fifth and sixth final letter being received in late July, Mars and Snickers bars were
back in production on 20 July 2005. Having manufactured and stored the new product in a secure location, MasterFoods waited for advice from the New South Wales police to determine when the product would be returned to sale. The threat to the public was deemed negligible, and so the chocolate bars were returned to the shelves heralded by a state-wide advertising campaign, ‘We’re Back’, with Weston-Webb as its spokesperson.

On Sunday, 14 August 2005, to promote the ‘We’re Back’ relaunch of the Mars and Snickers bars, the company distributed free product at locations around New South Wales. Hawkins suggests that the product giveaways were used as a method of saying thank you to the public for being so patient and supportive (personal communication, April 4 2006; Kelly 2005). On Wednesday, 17 August, MasterFoods announced, with support from appropriate authorities, that products would be returning to retail outlets and were safe and ready for purchase. In conjunction with this announcement, the rollout of the ‘We’re Back’ media and advertising campaign supported the public relations efforts (Sinclair 2005b). Clemenger BBDO, MasterFoods’ national advertising agency based in Melbourne, produced television and outdoor advertisements for a national audience, and print and online executions for New South Wales (Sinclair 2005c). On 18 August, the media ran the ‘We’re back on the shelves’ story with a visual of Weston-Webb eating a Mars bar (Safe 2005). The message was clearly conveyed: the product was safe to consume.

RESOLUTION

While the extortionist was never identified, sales of Mars and Snickers bars were 250 per cent higher than average during the product’s first week back on New South Wales shelves (Sinclair 2005c: n.p.). Sinclair suggests that these sales figures support the assertion that MasterFoods handled the crisis well by putting public safety first and, as a result, enhanced its products’ reputation. However, an analysis of sales figures of Mars and Snickers in 2005 indicates that sales of the products did decline in the last half of 2005 due to the crisis and the product recall. The evaluation and measurement of crisis management outcomes indicate that MasterFoods was successful in its management of the crisis. Various bodies have recognised the success of the campaign internationally with best practice awards, including the International Association of Business Communicators and the Public Relations Institute of Australia.

Some of the reasons for the successful resolution of the MasterFoods case include that throughout the crisis:

- MasterFoods was consistent and coherent in its communication; its crisis management plan was guided by the key rules: ‘be open, be honest, act quickly and be available’ (Socom 2005: 3) with its key publics
- throughout the crisis it maintained the same consistent message—public safety was its number one priority.

The overall goal was to ‘recall all Mars and Snickers products quickly and safely in New South Wales while protecting the reputation of the company’ (Socom 2005: 3).

MasterFoods elected to use only one spokesperson to present the key messages throughout the crisis. Hawkins (personal communication, 4 April 2006) explained that research showed that Weston-Webb was identified as being trustworthy and credible.

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