

Consumer Concern Over Product Recalls High *Building a Strong Brand Through a Benefit Driven Strategy*

ROCHESTER, N.Y. – June 12, 2007 – Consumers have been “unwitting recipients” to what is a growing number of publicly announced food-related issues of safety and health. Headlines of food recalls, from spinach to chicken to peanut butter to green onions to pet food, have unfortunately become more routine and anticipated. In fact, eight in ten adults (79%) are aware of the occurrence of food recalls in the United States.

Moreover, consumers are concerned about the incidence of recalls among manufacturers and suppliers of food and pet food products. More than four in five (86%) mentioned at least some concern with three in ten (29%) indicating that these recalls are a serious concern for them.

These are some of the results of a Harris Poll of 2,563 adults surveyed online between April 10 and 16, 2007 by Harris Interactive®.

Product recalls, particularly products as fundamentally important as food, can have a significant negative impact on a company’s reputation, image and equity in the eyes of key stakeholders, and which can and does often negatively impact its financial health. Over half of consumers (55%) indicated that, if a brand they usually purchase is involved with a recall or safety concern issue, they would at least temporarily switch to another brand. In addition, 15 percent stated they would permanently switch to another brand. These findings suggest that consumer trust is not static. When consumer trust is earned it must be continually reinforced or it can erode, sometimes irreparably, when the brand is under fire.

Recalls Impact Vary Significantly

Consumers have varying levels of familiarity with the six product recalls that were measured in the study (all recalls occurred in the past 8 months). Along with varying familiarity levels, the actual number of consumers able to name the brands involved in the product recalls drops considerably. As an example, the nationwide recall of chicken in February 2007, due to contamination of *Listeria monocytogenes*, had only 20 percent of those measured stating they were familiar with the recall. Among those familiar, only two percent could actually name the correct brand involved. In fact a much higher percent (17%) named other industry brands not affiliated with the chicken recall. This is in contrast to the 71 percent of consumers stating they were familiar with the peanut butter recall in February 2007. In this case, of those respondents familiar with the recall, 46 percent were able to correctly name the brands involved, and only 12 percent of respondents attributed the recall to other industry brands.

The Role of Research in Crisis

In the event of a product recall, brands need to be certain that they do not respond in panic, but rather go to marketing with an urgent but measured response. By working with a research firm that specializes in crisis

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situations, such as Harris Interactive, a brand is able to gain a discreet understanding of the response that is required and the communications that will leverage the brand's equities and mediate consumer trust erosion. In many cases, research can be conducted overnight among varying stakeholders, and include analysis of the response directly associated to various communication channels and messages.

Strong Brands Weather Storms

One way smart companies have sought to better manage and mitigate negative events and news is to build a stronger brand. Harris Interactive's Brand and Strategy Consulting Group defines a brand as "a unified set of persuasive promises that, when fulfilled, differentiates that brand from competition in a positive, relevant, believable, and personally compelling way." By communicating that promise and delivering against it, a company builds stronger bonds with consumers and other stakeholders. Over time, those connections become resilient enough to withstand a crisis or negative event. A strong brand is typically a market leader, has a loyal user base, and has a positive image and equity.

According to Mike Dabadie, Division President, Brand and Strategy Consulting, "When there is a strong consumer connection with a brand, we typically see that it is underpinned by both a rational and emotional link with the products personally relevant benefits. Too often, particularly in crisis situations, corporations respond only to the actual events and subsequent claims and comments by the media and other parties. In contrast, brand and reputation management is a proactive, benefit driven strategy that focuses on and communicates a company's core strengths. Executives that employ this strategy must understand and continually reinforce the positive, personally relevant benefits behind their brand and organization to key stakeholders and influences. The more a brand relates to a consumer on both a rational and emotional level, the more likely a consumer will 'excuse' a brand if in question."

Building a stronger brand is the key element of "*inoculating*" an organization: this is one of the four phases that Harris Interactive views as integral to the ability to proactively manage an organization's behavior before, during and after a crisis event. Armed with a strong brand whose promise and experience strengthens its ties with consumers and stakeholders, an organization needs to *prepare*: to have a plan for how to respond if a crisis occurs. A week or even a day wasted trying to figure out what to do can exact a huge price in terms of loss of trust and reputation. The third phase of effective crisis management is the *response*. When a response is called for, the old PR adage goes, 'tell the truth, tell it all, tell it fast' is sound advice for shoring up an organization's reputation. The final phase is *recovery*: rebuilding trust and reputation. This phase is most likely one that is on-going and, in a sense, takes an organization back full circle to the first step of inoculation.

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**TABLE 1
AWARENESS OF RECALLS**

“Are you aware of any instances over the last three years in which foods were recalled due to health and safety concerns?”

Base: All Adults

	Total
	%
Yes	79
No	11
Not sure	10

Note: Percentages may not add up to exactly 100% due to rounding.

**TABLE 2
CONCERN OVER RECALLS**

“Which of the following statements best describes your level of concern about food recalls due to health or safety concerns?”

Base: All Adults

	Total
	%
Food recalls are a serious concern for me	29
Food recalls have me somewhat concerned	57
Food recalls do not concern me at all	14

Note: Percentages may not add up to exactly 100% due to rounding.

**TABLE 3
COURSE OF ACTION DUE TO RECALLS**

“If you learned that a food was recalled due to health or safety concerns, which of the following best describes the course of action you would take when you learned the product had been recalled?”

Base: All Adults

	Total
	%
If it was a brand I usually purchase, I would temporarily purchase another brand and then purchase the recalled brand once it was safe	55
If it was a brand I usually purchase, I would purchase another brand and never purchase the recalled brand again	15
I would avoid using any brand made by the manufacturer of the recalled product	21
Not sure	9

Note: Percentages may not add up to exactly 100% due to rounding.

**TABLE 4
FAMILIARITY OF RECENT RECALLS**

“Below, we’ve listed some recent food recalls. How familiar are you with each of these recalls?”

Base: All Adults

	Familiar (NET)	Extremely Familiar	Very Familiar	Familiar	Not Familiar (NET)	Somewhat Familiar	Not at all Familiar	Not sure
	%	%	%	%	%	%	%	%
Pet Food recall due to animal illnesses and deaths, March 2007	86	34	29	22	13	8	5	1
Bagged Spinach recall due to E. Coli outbreak, September 2006	84	28	31	25	15	9	6	1
Peanut Butter recall due to Salmonella outbreak, February 2007	71	25	24	23	28	13	15	1
Chicken Breast cuts and strips recall due to possible contamination with Listeria monocytogenes, February 2007	20	4	5	11	79	17	62	1
Corn chip recall due to undeclared ingredients, March 2007	7	1	1	4	92	8	84	1
Wafer snack bar recall due to possible contamination with small particles of metal, February 2007	6	1	1	4	93	8	84	1

Note: Percentages may not add up to exactly 100% due to rounding.

**TABLE 5
BRAND OF PEANUT BUTTER RECALL**

“What was the brand and or/manufacture of the peanut butter recall due to the Salmonella outbreak, February 2007?”

Base: Familiar with Peanut Butter recall

	Total
	%
Peter Pan brand peanut butter	42
Jif peanut butter	8
Skippy's	4
Great Value brand peanut butter	4
Wal-Mart	2
ConAgra Foods, Inc	2
Many/ All/ Several	*
Dole Food Company, Inc	*
Other	2
None	1
Not sure	7
Decline to answer/NA	31

* Less Than 0.5%

Note: Percentages may not add up to exactly 100% due to rounding.

Note: Unaided response

**TABLE 6
BRAND OF CHICKEN BREAST RECALL**

“What was the brand and or/manufacture of the chicken breast cuts and strips recall due to possible contamination with Listeria monocytogenes, February 2007?”

Base: Familiar with Chicken breast recall

	Total
	%
Tyson Foods	14
Perdue	3
Oscar Mayer	2
Kraft	*
ConAgra Food, Inc	*
Many/All/ Several	*
Dole Food Company, Inc	*
Louis Rich	*
Great Value Brand	*
Other	3
None	5
Not sure	15
Decline to answer/NA	59

* Less Than 0.5%

Note: Percentages may not add up to exactly 100% due to rounding.

Note: Unaided response

Methodology

This Harris Poll[®] was conducted online within the United States between April 10 and 16, 2007 among 2,563 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

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All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

These statements conform to the principles of disclosure of the National Council on Public Polls.

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About the Brand & Strategy Consulting Practice

The Brand and Strategy Consulting Practice of Harris Interactive is a research-based consultant team that designs and conducts research to help organizations form stronger bonds with its key stakeholders and improve business performance. The team utilizes an empirically-based approach which has been validated in the marketplace as well as in academia for over the past 40 years. This approach has been recognized with 13 David Ogilvy Awards in 11 years for assisting clients drive ROI. For more information on the Brand and Strategy Consulting Practice at Harris Interactive please visit www.harrisinteractive.com/brand.

About Harris Interactive

Harris Interactive is the 12th largest and fastest-growing market research firm in the world. The company provides innovative research, insights and strategic advice to help its clients make more confident decisions which lead to measurable and enduring improvements in performance. Harris Interactive is widely known for The Harris Poll, one of the longest running, independent opinion polls and for pioneering online market research methods. The company has built what it believes to be the world’s largest panel of survey respondents, the Harris Poll Online. Harris Interactive serves clients worldwide through its United States, Europe and Asia offices, its wholly-owned subsidiaries Novatris in France and MediaTransfer AG in Germany, and through a global network of independent market research firms. More information about Harris Interactive may be obtained at www.harrisinteractive.com. To become a member of the Harris Poll Online and be invited to participate in online surveys, register at www.harrispollonline.com.

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