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Current Event Case Study Project

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In May of 2022, Jif Peanut Butter, owned under the JM Smucker Corporation, experienced a recall of their products. Jif is one of the most popular peanut butter brands in the country, exacerbating this crisis. A salmonella outbreak was the cause of the recall and created many concerns about the food safety of the company. This crisis was handled by Jif's communication, social media, and PR teams.

JM Smucker is a family-oriented brand that has held its status due to long-term company planning and voting power for shareholders. They are one of the many companies under the Procter and Gamble umbrella. Jif began as Big Top peanut butter by William T. Young who eventually sold his company to Smucker in 1955. Shortly after, Smucker purchased their processing facility in Lexington, KY, and rebranded the peanut butter as "Jif". Over 46 percent of the peanut butter market in America is dominated by Jif and in 2017 the company made 1.8 billion dollars in sales.

"Institutional investors own around 86% percent of J.M. Smucker's shares, with the Vanguard Group, Inc., holding the largest chunk (12%). The top 15 shareholders have 50% of the company's shares. The general public owns 10% of J.M. Smucker, which is significant but not

enough to influence company decisions. Insiders, including members of the Smucker family, own 4% of the company's stock," (OkayBliss, 2022).

Along with being appreciative of shareholders, the CEOs of Smucker have a long history of caring for and knowing their employees, even at the factory level. They have a system of focusing on long-term profits instead of short-term benefits, this is what allows them to handle crisis like the 2022 recall well. They pride themselves on not cutting corners just to make a product more profitable and focus on being ethical. JM Smucker is partnered with the Peanut Institute, a nonprofit that teaches about nutrition, as well as the Boys and Girls Club of America. Their peanuts and other ingredients are sourced sustainably, and the company does not use forced or child labor. Their company practices and systems are in-line with their morals and marketing strategy that focuses on family values. Jif has been known for their popular, family targeted, advertising since their campaign, "choosy moms choose Jif" in the 1960s. Over the years, Jif's adaptive marketing and advertising has kept them relevant and on the shelves.

Multiple variations of Jif peanut butter products were recalled on May 21, 2022, after consumers had reported salmonella cases after eating Jif. The recall was enforced in both the US and Canada. The FDA reacted quickly to the salmonella reports as it is a very serious illness. It can cause death in infants, elderly people, or those with weak immune systems. Healthy people with salmonella have symptoms similar to the stomach flu like fever, nausea, vomiting, diarrhea, abdominal pain, etc. Although salmonella is usually contracted by eating undercooked meat or eggs, any food can become contaminated. The peanuts in the Jif case were contaminated after being roasted. Jif posted on their website that some processing equipment allowed some unclean water to enter the factory in Lexington. Jif wrote that they immediately responded by recalling

the product, repairing the equipment, and sanitizing and cleaning thoroughly. The CDC released a public report depicting the salmonella outbreak in each state that was involved. Texas and Georgia had the most outbreaks with two people falling ill after eating Jif in each state. As of May 22, fourteen people were sick and two were hospitalized. Luckily, there have been no fatalities. JM Smucker is facing class action lawsuits as this situation plays out from ill people seeking financial compensation. Jif has not released any information about these suits to the public.

Because the equipment in Lexington processed a large amount of Jif product, almost all kinds of peanut butter were affected by the recall. Other companies that use Jif peanut butter in their products have also been recalled as of May. F&S Produce's Power Protein Snacks, Albertsons Company, Bix Produce Company, Cargill, Country Fresh, and Wegmans are some of the major brands hurt by the recall. This collateral damage, so to speak, damages the profits of these distributors, ice cream companies, produce companies, and candy companies all using the peanut butter for business. Jif is projected to lose 125 million dollars because of lost product and stagnant factory time. Their sales during the worst of the recall also dropped by 25 million dollars. Jif made sure to plan long term and protect their company's finances but didn't state if they were planning to compensate companies using Jif, losing their sales and inventory. "When the recall began, the company reported it set aside \$52.3 million to cover unsaleable inventory, customer returns, and refunds. The company expects \$49.8 million of these costs will be covered by insurance," (Your News Now). The Lexington plant has just begun to take peanut butter orders, but many stores and distributors are still experiencing shortages. As of July 2022, the recall is ongoing.

The major goal of the Jif recall campaign was to alert the public of the crisis and salmonella outbreak and to reimburse customers. They wanted to make clear that because the products have a long shelf life, contaminated Jif purchased before May 2022 could be sitting in pantries. By explaining to people exactly what happened with the equipment, Jif encouraged the discarding of dangerous product in consumers' homes. When the story broke, news outlets were all over it. Covering the outbreak updates and Jif's statements on their shows and channels enforced the message to check pantries and fridges. They successfully planned how to politely turn down people asking for refunds whose purchased products did not apply. Peanut butter that was processed in the Memphis facility was not affected by the contamination. Jif stated clearly on their website that products ending in 006 were clean and safe to eat. A very high call volume sparked by the recall was dealt with by the creation of a recall contact form posted to the Jif website. They also provided a frequently asked questions page and online chat center. Jif promised to review peoples' claims and send coupons for replacement products. Businesses were instructed to contact their distributor for refunds. Although the plan seemed effective in theory, there were some problems that arose with the execution. People made it clear that their needs were not being met by Jif or the Smucker company. Employees and other business partners were also not addressed as part of the crisis campaign.

After the recall was first issued by the FDA, JM Smucker did not push back and immediately put out a press release. They provided information on everything they knew at the time and promised to disclose details as they became more aware. They alerted the public with an adequate amount of information without causing mass panic. They gave exact code numbers for people to check their products and throw away any potentially contaminated peanut butter. A

large goal of Smucker's campaign was to reimburse their customers to keep them coming back after the recall was over. The anger of the people was caused by the fact they lost money and Smucker wanted to address that. A few people claimed to have become sick after eating Jif and were very angry. Whether or not their claims were true, they created a larger issue and drew negative attention to Jif online.

Jif composed a specific page on their website dedicated to the recall. The title, "voluntary recall" is misleading and slightly dishonest as Jif merely complied with the FDA and did not issue the recall themselves. Their apologetic tone, though, shows that they care about their customers' health. However, they did not post much information on how to handle contact with salmonella. Outside sources posted symptom checkers for salmonella and tips on how to clean surfaces that Jif peanut butter might have touched. Jif communicated that normally their system does detect pathogens in the product and that this was an unusual fluke. They wanted to maintain trust and encourage customers to purchase Jif after the recall was over. Jif wrote that they always want to be fully confident that their product is safe before they get back to producing peanut butter that customers love. A Smucker spokesperson, Frank Cirillo told The Minneapolis Star Tribune, "With confidence in our food safety processes and the additional measures we have put in place, we are working as efficiently as possible to return our products to store shelves." News reports on the situation were broadcasted and printed. Unfortunately, some of these reports put the company in a negative light but Jif did not do anything about this. It was stated in one report by WFMY News 2 that it can take up to 6 weeks to receive a reimbursement coupon from Jif and that Jif does not specify if they will send the coupons by mail or email. However, the reporter did mention that people do not need the exact product code to file their report online if they already

threw out the peanut butter, as Jif encouraged. This combination of both positive and negative feedback on the company's crisis campaign leaves audiences with a neutral opinion of Jif. There was more opportunity here to show American viewers the action Jif was taking to really help those impacted. If Jif had listened better to their customers' complaints and solved the long wait times to receive coupons, they would have deescalated the crisis better.

People reacted on social media very negatively, complaining about long wait times, money "down the drain", and the large amount of peanut butter stock that they were forced to throw out. One Twitter user tweeted a screenshotted image of his phone call with Jif that showed over an hour of time running with the caption, "This is how long I've been on hold (so far) to find out how to get a refund for recalled jars. Your "hold" music and conciliatory recorded message isn't making it better." This humorous post is one among many that held Jif accountable for their tedious response time. Across social platforms, Jif responded with a very generic automated message that did not address the particular issue of the individual. The message apologized, thanked the person for reaching out, and directed them to jif.com. This is a nonresponse and state information that the person already was aware of. They took an old school approach and relied too heavily on the regular media to direct people to their form on the website. They needed to be engaging with users themselves to direct them to the form, since it was a faster solution than calling. However, an online form is less personable than a phone call that many customers were looking to experience. Jif should have staffed their call center more appropriately. Despite Jif doing a good job making relevant ads and Instagram posts with popular celebrity endorsements, they were inept at handling their social accounts during this crisis. It was obvious that Jif was not reading the messages online and was simply referring people to the

Direct Message option, where they were not being answered. However, Jif did do a good job communicating the exact date when they were to begin accepting orders again and when consumers can expect to see products back on shelves. People seemed to have positive reactions to this information because at least Jif was responding with real information that answered questions.

This case is unique because Jif applied PRSA and Page Principle values in some areas and not in others. Jif could have chosen to ignore the salmonella cases and disregard the broken equipment in the Lexington factory. However, their communications, PR, and leadership team knew that it would harm their customers. This shows that Jif does care about people's well-being and not just the longevity and wealth of their brand. If they had handled their socials better, this would have been an almost perfect recovery. The best part of the campaign followed the Page Principles of managing for tomorrow while remaining calm and good natured. Not once did Jif react impulsively or without according to plan. They generated goodwill by considering their customers and the health of their consumer. Because of this, the recall will eventually look like a mere blip on the radar. Jif applied PRSA values like expertise, loyalty to their customers and shareholders, and independence through taking accountability for their mistakes. However, Jif did make some mistakes and was not loyal to certain companies that used their peanut butter. Their statements and solutions did not match up with their actions (a PRSA value), completely because of slow responses and inaction on certain things.

I think that Jif did an above average job handling the 2022 recall. Jif could not have responded faster to the problem than they did. Their attention to detail was also good as far as

their press release and what was data was presented to the news. They implemented a plan to truly solve the issue by repairing the equipment and doing extensive cleaning. They also took necessary time to wait until everything was solved before beginning production of their peanut butter again at the Lexington facility. Jif put their customer first and were appreciative of them, thanking them for allowing their brand to exist and supporting them. Even though a recall could look bad on any company, Jif knew covering up the incident and not admitting the salmonella cases could potentially shut them down or worse. They did a good job releasing their press release to all major national news outlets and using their media list. Jif needed clearer communication in regards to their recall contact form. Apparently, it did not always work, and the system was slow to review products and peoples' information. Jif also could have done more to help their stakeholders besides the customers alone like sending reimbursement or peanut butter alternatives to put in their products. I think they also could have done more to let consumers know that the products produced through the Memphis facility were still okay to consume. This would have prevented damage to the brand and the huge drop in sales. The only innovative approach Jif took was posting their online contact form for people to report their bad products in a faster, simpler way. If Jif had done a better job attacking the problem on social media and covering all their bases, the recall would have been handled smoother. Angry posts from the beginning of the recall in May are still lingering on Jif's page with no visible response from Jif. This is continually damaging Jif's reputation and social presence. There are no recent updates on social media from Jif regarding the recall since May. Negative feedback is still being uploaded as of July.

Overall, Jif handled this recall well. Their long-term planning, company integrity, and slow and calm reaction is what allowed them to breeze through this crisis without too much flack or new major problems. They communicated well with media and with their shareholders but could have done a better job communicating with customers. Jif may be underactive on social media but being underactive is better than angrily or impulsively responding and causing more issues. Jif maintained their professional status as a company. It will be interesting to see how Jif continues to recover as the recall comes to an end in the coming months. Many Americans hope to have Jif in their pantries for this back-to-school season.

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