

Table of Contents

| | |
|----------------------------------|----|
| Executive Summary | 2 |
| Contextual Analysis | 3 |
| Stated Problem | 5 |
| Actual Problem | 5 |
| Relevant Facts | 5 |
| Research | 7 |
| Preliminary | 7 |
| Supporting | 8 |
| Assumptions | 13 |
| Audience Analysis | 15 |
| Audience Resistance | 18 |
| Risk Assessment | 20 |
| Business and Communication Goals | 21 |
| Strategy and Tactics | 23 |
| Conclusion | 28 |
| Class Feedback | 29 |
| Correctives | 30 |
| References | 32 |

Appendices

| | |
|---------------------------------------|----------------------------------|
| Diamond Pet Foods Information | A ₁ – A ₁₃ |
| 100 Facts | B |
| Consumer Trends | C ₁ – C ₂ |
| Research | D ₁ – D ₈ |
| Survey | E ₁ – E ₂ |
| Audience Analysis | F ₁ – F ₃ |
| Audience Resistance | G |
| Risk Assessment | H |
| Business and Communication Goals | I |
| The Functional Dimensions of Progress | J |
| “Quality Assured” Seal | K |

Executive Summary

Cess is a communications consulting firm that specializes in working with organizations to help develop a strategic public relations campaign along with specific crisis communication plans. In the presented case, cess was faced with repairing the image of Diamond Pet Foods after the recent contamination from aflatoxin resulting in the recall of their super premium pet food. cess will be focusing on the credibility of communications from Diamond Pet Foods to their publics.

Cess focused much of its attention and resources on researching how and what caused the aflatoxin contamination. Having been brought onto this case mid crisis, being properly informed and knowledgeable about the manufacturing process of Diamond Pet Foods was essential. Along with the understanding of the manufacturing process, cess was committed to understanding how aflatoxin affected the manufacturing process. Having a clear understanding of the components affecting the case revealed the actual problems; a lack of internal communication and a misleading public relations campaign.

After discovery of the actual problem it was necessary to identify and classify the audiences of Diamond Pet Foods. The primary audience includes: breeders, affected pet owners, Diamond Pet Foods, and government agencies. The secondary audience includes: lobbyists groups, media, competitors, international consumers, veterinary professionals, retail outlets, and the general publics. After identification and classification of the audiences cess analyzed their needs and how they were affected by the contaminated pet food. This research also helped aid in the discovery of how Diamond Pet Foods currently communicates with each of these groups. The current public relations campaign stressed Diamond's commitment to testing the pet food. This ongoing message was put to shame by a press release from the Food and Drug Administration. From this point, cess has been hard at work developing a strategic approach to regaining and rebuilding the trust of these audiences; making Diamond Pet Foods aware of the credibility issue at hand.

Analysis of Diamond Pet Foods business goals was the next phase of cess's plan. Communication goals were developed to match the already set business goals, creating a congruency between the business goals and its public relations campaign. The three phase campaign, "The Functional Dimensions of Progress" outlined the strategic and tactical solution to Diamond's crumbling credibility. The phases ranged from empathizing with the affected pet owners to emphasizing continuous improvement.

This document explains the strategies of cess's decisions making process and how they will help repair Diamond Pet Foods public image. It further outlines the knowledge gained by cess and how it was used to develop the image repairing public relations campaign.

Contextual Analysis

Diamond Pet Foods has encountered a problem with credibility. A recent product recall has resulted in the following scenario:

December 20, 2005(See Appendix A₂): Diamond Pet Foods released a press release stating they discovered aflatoxin in their products in their Gaston, South Carolina plant. The aflatoxin is a fungus, which naturally occurs on corn and other grains. Discovering this, Diamond notified the retail outlets where their product is sold and recommended that they hold sales of certain Diamond Pet Food products with corn. Within this release pertinent information such as product codes, sell-by dates, and affected states. They also explained the symptoms of aflatoxin poisoning and what to do in the event that a pet is exhibiting such signs.

December 21 and 22, 2005(See Appendix A_{3,4}): These releases narrow down the recall to four specific products. They also stated the symptoms of an affected pet, the states that were affected, and an apology to their publics.

December 26 and 27, 2005(See Appendix A_{5,6}): Diamond Pet Foods opened a toll-free Customer Information Center. Consumers were directed to this number to get information about their pet concerns and specific details about the recalled products. The General Manager of Diamond stated, “We want to make sure our customers receive complete assistance and get their questions answered...” Diamond is concerned with their customer’s needs and feels as though this information center provides a vital communication link.

December 28 and 30, 2005 and January 10, 2006(See Appendix A₇₋₉): These three releases narrowed the recall to specific products and date codes. Product testing done by an independent agency confirmed the presence of aflatoxin in Diamond Maintenance Dog and Diamond Premium Adult Dog. The releases also state that other Diamond brands are not affected by the recall any longer.

January 12, 2006(See Appendix A₁₀): This is when the credibility issue comes into play. The media had exposed Diamond's knowledge of the presence of aflatoxin within their corn shipments, and Diamond attempted to defend themselves about testing procedures. They admitted that state Departments of Agriculture sent a warning about weather conditions and the growth of aflatoxin being likely. At this point, Diamond was already discarding two shipments of corn per week because testing revealed high levels of aflatoxin. Diamond assured consumers that they had strengthened their testing and added an extra layer of testing before the final shipment of products.

February 1, 2006(See Appendix A₁₁): This last press release is key in the loss of Diamond's credibility. Diamond supported the findings of the FDA that testing guidelines were not followed. They stressed the additive testing procedures to their manufacturing process and assured that this extra level of protection will ensure the safety of all future products.

Stated Problem

Your team was hired by Diamond Pet Foods to "repair their public image". Their products were linked to the deaths of numerous dogs. Apparently, some of their products were tainted by aflatoxin.

Actual Problem

While researching the affects of aflatoxin on the manufacturing process of dog food, we realized that within the Diamond Pet Foods organization, protocol and communication breakdowns exist. From this point, we recognized a two-fold problem. Part one, the internal problem, refines the lack of communication and following of protocol within the manufacturing plant at Gaston, South Carolina. Part two, the external problem, uncovers the misleading public relations campaign. The crisis communication from Diamond Pet Foods, mislead its publics about the crisis. It focused on how product testing and sampling had been properly, accurately, and procedurally performed in the manufacturing process, while in reality, testing procedures were not followed.

Relevant Facts

When analyzing the research that we conducted, we thought it would be beneficial to break down the information into four categories: Diamond Pet Foods, Aflatoxin, Pet Ownership in the United States, and The Crisis. In order to give a brief summary of our research in its entirety, we have developed a key message for each of the above categories.

Diamond Pet Foods - Diamond is one of the nation's leading manufacturers of super-premium dog and cat foods and is the choice of top breeders, kennel owners, and sporting enthusiasts.

Aflatoxin – Aflatoxin refers to a group of extremely poisonous mycotoxins produced by fungus. When it is consumed by animals or humans, it may produce severe undesirable health effects.



Photo of aflatoxin growth on an ear of corn

Pet Ownership in the United States – Although the number of households owning dogs has been steadily declining since 1983, the number of dogs has been rising. This means that each household owns more dogs.

The Crisis - Diamond Pet Food discovered aflatoxin in the products manufactured at their facility in Gaston, South Carolina that has been linked to the deaths of over 100 dogs. After investigation by the FDA, it was found that proper testing procedures were not followed, but Diamond is taking the necessary actions to correct the problems and prevent testing oversights from happening in the future.

Research

Preliminary Research

Predicted Sales Loss

To find our predicted sales loss due to the recall, we assumed an average bag of Diamond dog food, 4lb - 55lb, cost \$14.00. Since Diamond Pet Foods produces 260,000 tons of dog food, or around 2.8 million bags, annually, they take in \$39.2 million dollars in sales each year. Due to the aflatoxin outbreak, Diamond recalled 800,000 bags of dog food. At \$14.00 per bag, Diamond recalled \$11.9 million of product, which accounts for nearly 1/3 of Diamond's revenue.

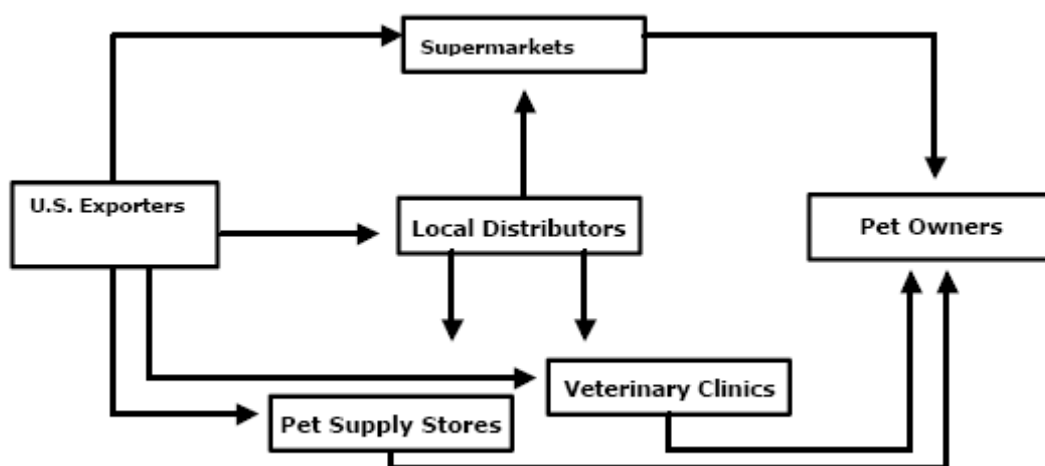
Consumer Trends

There is a definite correlation in the number of households that own dogs and the total number of dogs as pets. In Appendix C₁, you can clearly see that the number of dogs is increasing while the number of households owning dogs is decreasing. In respect to consumer households, this means that one household is buying more pet food. Also, the pet food industry can be broken into two segments, dry and moist, with dry dog food, Diamond's market, accounting for 71 percent of the sales (See Appendix C₂). If one household discontinues Diamond use, more product is being left on the shelves since the pet food they would be buying would amount to a greater quantity. Currently each household has an average of two or three pets. If you lose more than one household, the profit loss grows exponentially. Therefore it is imperative that Diamond do its best to retain customers and credibility within the pet food industry.

Supporting Research

USDA Foreign Agriculture Service

Product flow from manufacturing plant to retail outlet played an important role in how quickly the affected product could be pulled from the retail shelves. There are two approaches to distributing a product to retail, see figure 1, direct to retail or through local distributors.



(Figure 1) *Product Flow*

To Diamond's advantage in this situation, they sell direct to retail outlets. This allowed for the recall process to be enacted quickly. Theoretically, if Diamond were to distribute its product through local distributors, tracking the contaminated product would have been difficult and time consuming. This delay in execution of the recall process could have resulted in more infection cases. This understanding of how Diamond distributes its products made us aware of how important it is to communicate with retail outlets and to gain their support throughout the recall process.

The Rise of In-store Marketing(See Appendix D₂)

Brandchannel.com stresses the latest trend in consumer purchasing, point of purchase displays. Although this article focuses its attention on consumer electronic purchases, it can also be applied to any industry that puts its product on a retail shelf. A majority of purchasing decisions are made while consumers are still in the store. They have no idea what brand they are going to purchase until they reach the checkout and part with their money. In-store advertising is one of the major decision making tools for consumers. When comparing similar products or brands, point of purchase displays are a necessity in persuading target customers to select your brand and purchase your product. Fifty-nine percent of all consumers purchasing decisions are unplanned. Cutting through the clutter of similar products will make your brand stand out.

Phase III of the strategy, Functional Dimensions of Progress focuses on using point of purchase displays to deliver credible statements to the consumers in the retail stores. These displays will also use breeder testimonials to deliver another credible message in an effort to regain the trust of the lost Diamond customers. We feel that the combination of corporate messages and breeder testimonials will meet the demands of the consumers and show the customers that Diamond is a credible company.

Minimizing Aflatoxin in Corn(See Appendix D₃)

Mississippi State University studied the conditions that foster aflatoxin to develop on the corn. Aflatoxin is a naturally occurring fungus that under the right climactic conditions can develop on a variety of grains. A hot and humid growing season provides the right conditions for aflatoxin to develop. In corn, this is known as stress kernel development.

A facility that processes the grain routinely tests its product as it is stored in grain elevators to ensure that contamination of an entire grain facility does not occur. The process of storing the corn plays an important role in encouraging or inhibiting the onset of aflatoxin. The heat and humidity that can build up in a truck, combine, or non-aerated storage container, increases the potential for aflatoxin to develop. Storing the corn in a cool and dry storage facility with high aeration will greatly reduce the risk of aflatoxin.

Detecting aflatoxin in grain and corn can be quite simple or very complex. A simple pre storage test entails using the long-wave ultraviolet light from a black light to illuminate the fluorescent fungus on the grain and corn. Beyond a simple sight test, chemical analysis of the corn can be done to ensure that it is aflatoxin free. Sampling of the corn is also done to ensure that the overall batch is not contaminated. The FDA has set levels of acceptable levels of aflatoxin.

These testing measures and storage practices, have greatly affected the quality of Diamond's single source quality. Seeing as how Diamond only purchases its corn from one supplier, their chance of getting contaminated product is greater. Diamond is also located in the southern half of the United States, where the potential for aflatoxin is higher. Together, these two variables have put Diamond at a high risk for receiving contaminated product in their manufacturing facilities. Although it is the responsibility of the supplier to test the corn prior to delivery, Diamond is still required to test and log samples of the batches of corn brought into the manufacturing plant.

Resulting from a lack of testing and logging, Diamond cannot justify its touted testing procedures. We believe that the employees at Diamond felt it was the responsibility of the corn provider to deliver a clean product. Based on this assumption, we also assume that the employees have never been told the importance of internal testing prior to the start of the manufacturing process. With improved understanding of the importance of testing the corn at the Diamond manufacturing plant, this crisis could have been avoided.

Market Segmentation and Market Share(See Appendix D₄)

Looking only at the dog food segment of the overall pet food market, 71 percent of the dog food is manufactured in the dry form. Diamond manufactures only dry dog foods, and the aflatoxin crisis only affects dry foods. Although another 29 percent of the market is represented by moist dog food, Diamond is not concerned with those customers. The purchasing of either dry or moist dog food is breed dependant. Therefore, it is not necessary to worry about the consumers of moist dog food.

Diamond's position in the market falls into the category of super premium pet foods. They set the market trends with super premium foods and strive to continue this innovative approach to business. Within the market share and market segmentation, Diamond falls into a miniscule category of pet foods, accounting for less than 14 percent of the overall market. Diamond has a large share of that market, but this crisis will hinder their capabilities of keeping that market share.

Rate it All.com

An opinion blog site allows consumers to rate a company and discuss current issues affecting that company. This is where we found most of our research about the support from breeders.

Supportive posts from a breeder:

After reading the comments here on Diamond Pet foods I felt that I needed to post this to everyone. I am a Great Dane Breeder and own a feed store, I have fed Diamond for going on 12 years now and even though this has occurred I will continue to feed this food. It is an excellent product and has worked so well for us that I can't do otherwise. I hope that everyone understands that our corn in the U.S. is shipped here on barges from South America. It is supposed to be tested upon arrival, before it is used here. So, who's to blame? I feel for everyone who lost dogs to aspergillums from this but if you know your pets this should have been evident and most folks that lost them didn't lose them the first day this food was ingested either. What we need to be concerned about people is that if this is happening in Dog Food how much of this contaminated corn was out there for human consumption. It comes from drought conditions in the corn fields. And to answer a lactation blog I saw my dogs have never gone off their milk production from Diamond foods maybe they need to look elsewhere for the reason to that problem. Diamond posted date codes for affected bags if your feed store did not that's their fault, if you didn't notice your pet was ill, that's your fault. I expect to see this in other brands of dog food too. People do your homework and see past Diamond they didn't intentionally do this.

Most breeders, like the one above, are very well informed about what is in dog food, the pros and cons of feeding a certain type of dog food, the characteristics of being a professional breeder. These breeders can be used to help support Phase I and III of the strategy, The Functional Dimensions of Progress. A tactical approach to this type of support would be for Diamond to start a blog on their own site where the support from breeders can be read, and understood by the uninformed publics.

SIMMONS CHOICES 3(See Appendix D₅)

Simmons is a research company that polls consumers based on 30,000 households for over 8,000 brands in 460 product categories.

We found the following information about actual Diamond dog food consumers:

- Average number of people in household: 3, 8, 5
- Average household income: \$50-\$60K, \$20-\$30K
- Magazine subscriptions: Field and stream, outdoor, fishing, hunting
- Major states: Tennessee, Montana, Missouri, Oregon, Mississippi,
Vermont

Survey

We developed a survey to find out some specific demographic and preference information about pet food consumers. We surveyed 37 people at Petsmart in Green Bay on a Saturday. The results and sample survey can be found in Appendix E₁ – E₂.

Assumptions

In order to effectively analyze the crisis, it was necessary to make several assumptions about the situation. These assumptions were developed from the research that was collected, and most are based on what had occurred in the Gaston, South Carolina plant.

Diamond's corporate structure is set up with the headquarters in Meta, Missouri with manufacturing plants in Gaston, South Carolina and Lanthrop, California. We assumed

the headquarters in Missouri was not aware of the protocol issues at the Gaston plant, instilling trust in its policies, managers, and employees at that plant.

Based on the size of Diamond Pet Foods we developed two assumptions. First, the size of the company dictated the employee's decision making process for production. We feel that employees also felt obligated to produce product despite the inconclusive testing due to production quotas. It is our assumption that there are production quotas established for every month. If tests show there is aflatoxin in the product and the batch would then need to be discarded, production quotas could not be met. Employee dictated decision making resulted in the distribution of contaminated product, therefore leading to the deaths of numerous dogs.

From information gathered about the manufacturing process of dog food, we know that some testing was done by Diamond, but not logged. The testing protocol requires all tests results to be logged and a sample kept of each test. Diamond stated that testing of all products had been done and logged, but the FDA found errors in the logs and missing information. Our assumption is that some level of testing had been done, but the contaminated product was used regardless.

Lastly, since the company is independently owned, there is an increased risk of financial uncertainty, job security, and competitiveness within the market. Failure to produce product results in profit loss. Seeing that Diamond is privately owned and survives solely on the profits generated by the sale of its pet foods, it is crucial that they continue to produce product if they want to remain successful in business. The lack of stockholders increases the risk of going out of business when production and profits are

lost. The increases risk applies to all employees, increasing uncertainty levels about financial wellbeing and job security at Diamond Pet Foods.

Audience Analysis

Analysis of the audience revealed many primary and secondary audiences.

Primary Audiences

- Breeders
- Affected Pet Owners
- Diamond Pet Foods®
- Government Agencies
 - Food and Drug Administration (FDA)
 - Department of Agriculture

Secondary Audiences

- Lobbyists
 - PETA
- Media
- Competitors
- International Consumers
- Veterinarian Professionals
- Retails Outlets
- General Public

Breeders

We realized that the breeders were an audience we could use to our advantage (See Appendix F₁). According to a rateitall.com, the breeders have not lost trust in Diamond Food. Given this information, we can infer that the breeders are well educated about both Aflatoxin and Diamond Pet Food in general. We can also infer that the breeders will continue to remain brand loyal throughout the recall. This will occur through word of mouth and by purchasing Diamond Pet Food products. With this information, we can then use the breeders to help regain trust with dog owners. Using the breeders as spokespeople will not only help Diamond become a positive figure in pet owners' eyes, but it will also reinforce Diamond's commitment toward nutritional and economic value. We do need to be careful, however, not to forget about the breeders in our marketing strategies. Their commitment to Diamond can change instantly, so it is important not to take them for granted.

Affected Pet Owners

Once we realized how important the breeders were for Diamond to regain credibility, we focused our attention on the affected pet owners (See Appendix F₂). This is perhaps the most important, yet fragile audience to focus our attention on. We know that the affected pet owners are extremely frustrated with the lack of communication from Diamond about both the recall and aflatoxin in general. The affected pet owners are extremely hostile because they have lost their pets, and because they think there is a lack of testing on behalf of Diamond Pet Foods. Given this information, we can infer that there is a lot of emotional distress on behalf of the pet owners and that this could lead to potential law suits against Diamond in the future. Based on this analysis, we

know that we need to show the pet owners that Diamond is empathetic for the loss of the owner's pets. We also need to make communication with Diamond more available. We need to show the owners how testing for Aflatoxin is done and that Diamond is ensuring the testing of all batches every time. We need to be sure not to shift the blame away from Diamond, and not to minimize the owner's loss. Finally, we need to keep Diamond visible to all audiences.

Diamond Pet Foods

Another audience we focused on was Diamond Pet Foods as a company (See Appendix F₃). We realized that Diamond, as a whole, needed attention to get back to where they were before the recall. We know that Diamond is a small privately owned pet food company and that they consider themselves a highly innovative company. We can infer from this information that Diamond employees are uncomfortable with the uncertainty. They are uncertain about the future of their jobs, their financial well-being and even potential law suits. Given this information, we need to communicate a need for trust with all employees. We also need to focus on the organizational hierarchy as a whole; essentially we need to perform a corporate communications audit. Throughout this process, we need to not focus blame on any part of the manufacturing process. Placing blame will not solve the problem; it will perhaps start a new one. We also need to keep all important information open to all employees and reinforce the mentality that this issue can not be fixed quickly.

Government Agencies

Lastly, we chose to focus on the government agencies that were instrumental in the detection of aflatoxin. Government agencies are a crucial audience because they in fact were indirectly involved in the contaminated corn. It was the government who initially sent out warnings to companies using corn and wheat based products, stating that the conditions were right for the growth of aflatoxin. After the initial diagnosis of aflatoxin poisoning was found, the FDA went into the Gaston, South Carolina plant and investigated their procedures. They found that the actual testing procedures currently in place were both improper and inconsistent. It was at this point that the FDA had to step out of the Diamond plant and suggest some means of new implementation for future testing. There were no sanctions placed on the plant for improper testing simply because the FDA has no authority to place sanctions on organizations.

Audience Resistance

Our objectives for each audience will create natural points of resistance (See Appendix G). After analysis of the breeders, affected pet owners, Diamond Pet Foods and government agencies, we discovered what the potential resistance points that will hold them back from accepting our campaign.

The support of breeders is essential for continuous support of Diamond Pet Foods. Our objective for this audience is to use their unending loyalty to maintain and bring in new Diamond customers. The goal is to utilize breeders as spokespeople for Diamond. The use of their expertise as breeders will be used to convince pet owners that Diamond pet food is still safe for dogs to eat. A few of the natural resistance points for the breeders

includes the fact that they will not want to be continuously in the limelight for Diamond. Another resistance point for the breeders is selective confidentiality. Some may use Diamond products for specific competitive reasons and will not want to share their trade secret. Some of the breeders, though they support Diamond and will remain a consistent consumer of Diamond products, will not want to be coined with the Diamond or aflatoxin name.

For the affected pet owners, we realize that we need to regain their trust in Diamond as a company. It is not just food that has been contaminated; Diamond Pet Foods has been “contaminated” in the sense that it has lost its credibility for a quality dog food company. This is an area we will focus on as a main objective for the affected pet owners. We also want to reiterate our empathy for everyone who has suffered a loss due to the contaminated food. This is a crucial step in maintaining and regaining trust from the pet owners. Some natural resistance points for the pet owners include the anger and grief that they feel towards Diamond Pet Foods. They are angry, not only because the toxin killed their dogs, but also because they were simply uninformed about this toxin and the harmful effects of it.

Diamond Pet Foods is an audience that is multi-layered, therefore our main objective is to simply improve corporate communication. By working to improve corporate communication, we will be able to improve the understanding that employees of Diamond have about what is in store for their future. When it comes to improving their corporate communication, some natural resistance points for Diamond employees will include a lack of confidence in general. The employees are going to feel responsible for

the outbreak of aflatoxin thus they will naturally not have confidence for their product in the future. They will also be resistant to all the changes that will be occurring to the company. Many of the companies that have been around for a number of years will be reluctant to change their procedures, especially if they feel they are not responsible for the outbreak in the first place. When it comes to the government agencies, we will utilize their resources to our advantage and work to gain support from their subsidiaries. The natural resistance point from government agencies involves the fact that they do not have authority over the pet food industry.

We can use these natural resistance points from all of these audiences to create some common goals. These goals link all of our audiences together to create a commonality for our “The Functional Dimensions of Progress.” These goals include candid communication, quality control, encouraged innovation, and continued support. The goals will help us establish the necessary credibility that Diamond Pet Foods desperately needs to survive in the pet food industry.

Risk Assessment

The perception of risk can be broken down into four categories: not observable/uncontrollable, not observable/controllable, observable/ uncontrollable, observable/controllable (See Appendix H). Before the outbreak of aflatoxin, the contamination of dog food was considered to be in the not observable/controllable category. Consumers who buy pet food thought that if the bag was on the shelf, it was safe to feed to their pet. The danger of aflatoxin was not observable to the pet owner, but was thought to be controlled by the manufacturer. After the outbreak of aflatoxin,

consumers perceived Diamond pet food to be not observable/uncontrollable. This previously safe product was now under scrutiny. Consumers perceived this product to have an unobservable fungus that neither the company nor the consumer could control.

The issue that Diamond is trying to address is moving the perception of its product from not observable/uncontrollable to the observable/controllable risk section. Diamond is trying to make their product appear more controllable by placing better testing methods on both the incoming corn shipments and the product that is leaving the factory. Making aflatoxin observable to the consumer is nearly impossible, but what Diamond is doing is making the testing procedures more observable. Diamond will implement a new “Quality Assured” seal (See Appendix K). This seal assures consumers that the product has been tested for aflatoxin and is a safe product to buy.

Business and Communication Goals

Analysis of the business structure and goals allowed for us to see the overall goals and corporate values of Diamond Pet Foods (See Appendix I). Focusing our attention and resources on these business goals will create a congruency between our public relations campaign and the preexisting business goals.

- *Continue the growth of the company within the pet food industry.*

This business goal sets the standard of the overall goal of Diamond Pet Foods. Since their conception in 1970, Diamond has been emerging in the super premium pet food market segment. With this success, Diamond has become a very efficient and innovative manufacture of pet foods. Since the onset of the aflatoxin crisis, Diamond Pet Foods has created great risk by intentionally and

repeatedly misinforming the public. Creating a public relations campaign that is credible and truthful is key to Diamond's future and growth in the pet food industry.

- *Maintain single-source purchasing of high quality ingredients.*

Diamonds Pet Foods started as a feed mill in the early 1950's and became a manufacturer of pet foods in 1970. Branching off of its success as a feed mill, Diamond Pet Foods knew the importance of having high quality ingredients in its pet foods. Touting their high quality products and single source ingredients made it difficult to trivialize the contamination of the product. With only 200 employees among its three production facilities, production quantities and quotas are always top priority. The resulting crisis of misleading the publics about the testing procedures made it difficult for the organization as a whole to work towards the goal of manufacturing a high quality product. Restructuring of the organization will identify areas of improvement in the manufacturing process, quality control, and management.

- *Remain an innovative market leader.*

As the trend of super premium pet foods evolved, so has Diamond Pet Foods. Diamond has developed its products to be the only super premium product offered to its customers at a non super premium price. This sets Diamond apart from its competition. Continuing to be a progressive and innovative pet food manufacture will help regain the trust lost during the aflatoxin crisis. The credibility of Diamond Pet Foods has been greatly affected by this crisis. With

ongoing improvements to the manufacturing process and the organizational structure, Diamond will be able to stay an innovator in the pet food market.

Structuring our new public relations campaign around these business goals, with their respective communication goals, will allow Diamond to work through the crisis and focus on constructing a credible image.

Strategy and Tactics

In order to effectively regain Diamond Pet Food's credibility we chose to implement a three-phase strategy called "The Functional Dimensions of Progress". The three phases of this strategy are meant to act independent of one another, while also recognizing the need and inevitability of overlap. Overall, we will be using the "sell and tell" technique to communicate core messages to Diamond's publics in order to show them that Diamond can be considered credible. Once implemented, this strategy will restore credibility and regain trust among Diamond's external and internal publics.

To understand how this strategy will be executed, it is necessary to first look at the timeline that will be adhered to for the duration of the strategy (See Appendix J). Phase I will take place for the first six weeks of cess's presence within Diamond Pet Foods, and beginning at week four of our program will be Phase II. Phase III will start during week six, but will continue indeterminably to provide for continuous application of our strategy. As is apparent within these phases, overlap will occur. We want to reiterate that although this overlap is present, each phase will occur independently of the others.

By separating the phases, we hope to target different publics with various core messages.

Phase I

Phase I's main goal is to apologize to consumers for contaminated product and the dishonesty about testing procedures at Diamond. This phase is crucial to regaining credibility with Diamond's key consumers. In reality, Diamond has already begun this phase on their own, issuing many press releases and statements that show their empathy and willingness to help pet owners. Cess hopes to continue this "identify and reply" form of empathetic communication, encouraging pet owners to call the information center that has already been set up by Diamond and assuring them that Diamond will do everything in their power to ensure the safety of consumers' pets.

This phase also includes informing Diamond's publics about the dishonesty in previous public relations attempts. Since the FDA investigation of the Gaston, South Carolina plant, it has become known that Diamond was not properly testing or logging their corn shipments when they arrived, as they originally stated when the aflatoxin crisis began. Through this phase, we will issue a press release stating that proper testing procedures were not followed, and that new measures are in place to assure more accurate testing. It will also state that Diamond is taking all necessary precautions when dealing with testing in the future. In reality, Diamond has since issued this statement (See Appendix A₁₀).

Phase I core message:

We, at Diamond, have great empathy for those affected by the recall, and are taking the necessary actions to prevent testing oversights from happening in the future.

Phase II

Phase II's main goal is to make employees aware of Diamond's business goals and corporate culture. We at cess feel that it is vital that all employees know and understand what is expected while working for Diamond Pet Foods. Currently, communication is not properly occurring between members of management and employees. This lack of effective communication caused the testing oversights, so by overcoming this communication barrier, Diamond can more accurately and efficiently test and produce their high quality dog food.

This phase begins by initiating a congress for employees to become aware of the new procedures and practices that will be put into place and discuss any suggestions or concerns they may have with the changes. By allowing them to have a discussion, we are hoping that they will feel more comfortable voicing their opinions. During this phase, the "identify and reply" method of communication will be used, relying on employees to understand and ask questions of the newly devised plan.

After the congress takes place, workshops will occur that will teach the employees about the new manufacturing and quality control procedures that will be put into place. Most of these changes will be determined by Diamond, but we have suggested the inclusion of a "Quality Assured" seal on every bag of dog food that is produced by Diamond (See Appendix K). This seal reassures customers that the food is being tested for quality while also placing a sense of obligation in the minds of Diamond employees. It will also aid in reducing the risk among Diamond customers. The seal will make aflatoxin seem more controllable and observable.

Phase II core message:

We, at Diamond, are dedicated to developing a consistent organizational and communicative structure, a new protocol for testing procedures, and a promise for quality assurance.

Phase III

Phase III's main goal is to focus on continuous improvement. According to the business goals, Diamond is a company that strives to produce high quality products and be an innovator in the pet food industry, so it is absolutely necessary for Diamond to continuously improve their methods, procedures, and communication to better appeal to their publics. Throughout this phase, ccess will focus on the “underscore and explore” strategy, by highlighting the core messages we want Diamond's publics to have and then explore how those messages can be improved and adapted.

Tactics are an important aspect of this phase, allowing Diamond to restate their previous messages and continue to show consumers that Diamond can be trusted. The following charts are used to summarize Phase III's tactics:

| Communication with external publics | |
|--|--|
| Breeder Testimonials | Show that breeders still trust and rely on Diamond products, so consumers should also feel safe using Diamond. |
| Point of purchase communication | Place banners and/or displays about Diamond in retail outlets. Customers are much more likely to buy a product if they see a display about it at a retailer. |
| On-product coupons | Offer \$5.00 coupons on bags that customers can redeem directly at the cash register. This extra incentive will get people buying Diamond products again. |
| Advertising in outdoor magazines | A large percentage of Diamond customers are also subscribers to outdoor magazines. By advertising in this outlet, Diamond will be appealing directly to their key audience. |
| Inspection guarantee | This will be in addition to the "Quality Assured" seal. This will be a stamp that equated each bag with a specific employee (e.g. "inspected by #54). This will place a sense of controllability and observability in the minds of consumers while also placing that added sense of obligation in employees. |
| Communication with internal publics | |
| Quarterly Results Meetings | These meetings will focus on what has been going on at Diamond and what changes need to be made in order to better serve their consumers and accomplish their goals. |
| Performance Appraisals | These appraisals will let employees know directly what is expected of them as a Diamond employee. They will include positives, improvements, and goal-setting. |

Phase III core message:

We, at Diamond, are focusing on continuous improvement through ongoing innovation among our external and internal publics.

Conclusion

Campaign core message:

We, at Diamond, have restructured our organization to focus on our publics' needs through innovation and quality-assured testing. We continue to have great empathy for those affected by the recall and pledge to maintain continuous communication with our publics.

Class Feedback

Overall, the class feedback was very positive with few negative comments.

Improvements and Suggestions

- Speaking style...watch the “ums”
- Many people wondered what aflatoxin is
- A variety of people wanted to know if this had happened to other manufactures of dog food before... the answer is yes. It happened in 1995 and 1999 to two different manufactures
- Interestingly enough, we got flack for using what Diamond has already done as part of our strategy for Phase I. Their comment stated that this didn't look at a creative approach to solving the problem. Phase I focused on empathizing with the affected pet owners and Diamond did effectively and truthfully handled that issue. We felt there was no need to suggest or write our own statements expressing and stating the exact same message

Strengths

- Very well researched
- Speakers spoke with credibility and knowledge of the topic
- Great use of class concepts and explanation of how they are used
- Strategic phases where appropriate and well timed
- Great research and application
- PowerPoint was sexy and effective
- Overall the entire presentation was very well organized and you could tell that they practiced

Correctives

As expected, all the necessary components were done with excellence. For example, the PowerPoint was a masterpiece of organization and sexiness, and the analysis, research, and confidence of the group made for an excellent presentation. However, there are always areas to improve. The main area of improvement is making awareness that the issue at hand is truly an issue of credibility. By focusing on Diamond's goals of being an innovative manufacture of pet food, an industry leader, and a high quality, single source producer of super premium pet foods, they will realize that their credibility is at stake.

When addressing the issue of credibility throughout the case we took for granted the understanding of how regaining trust results from having uncertainty in the credibility of Diamond. We only referenced regaining trust and never mentioned the other aspect of the issue, justifying Diamond's credibility. Although we never addressed credibility in the presented case, our strategy and tactics would effectively solve the credibility issue. Each phase works more and more at regaining the support of Diamond's customers; either through empathizing with their loss, rebuilding the corporate structure, or continuous communications from credible sources like breeders and government agencies.

We felt that statements from professional breeders would help restore Diamond's credibility. These statements would be used on Diamond's website, advertisements in trade magazines, and outdoor/field and stream magazines. Corporate advertisements in these same magazines would allow for credibility to be regained by those affected by

this crisis amongst the industry, like veterinary professionals and feed mills. Along with advertisements, government agencies can be used to restore credibility as well. The Department of Agriculture can be very beneficial. In a press releases flowing the FDA investigation, both the FDA and the Dept. of Agriculture released statements clearing the Gaston manufacturing plant of aflatoxin. Using these tactics to their greatest extent will help move the risk the public sees in Diamond to controllable and observable.

Unique to the situation, the risk of purchasing pet food has been moved by this crisis happening. Like any food or medical product you buy, you have certain perceptions and expectations of the controllability and observeability of risk when using or taking that product. This was the normal risk associated with purchasing Diamond's products prior to the crisis. Diamond's customers expected to purchase a clean, quality and nutritious product. Since the crisis, the risk perception of aflatoxin in pet food has moved to not observable and uncontrollable. It is our goal to move the perceived risk at least back to not observable and controllable, preferably to controllable and observable. Our strategy and tactics can move the perceived risk, in turn regaining support for Diamond Pet Foods through credible communications with the publics.

References

<http://www.api4animals.org/>

<http://www.diamondpetfood.com>

<http://www.brandchannel.com/>

<http://www.politics.guardian.co.uk/>

<http://msucares.com/pubs/infosheets/is1563.pdf>

<http://pubs.caes.uga.edu/caespubs/pubs/PDF/B1231.pdf>

<http://www.umassd.edu/cbr/studies/cranbpetfood.pdf>

<http://www.msnbc.msn.com/id/10655663/from/RL.2/>

<http://www.gooddogmagazine.com/dogfoodcosts.htm>

<http://www.consumerreports.org/cro/consumer-protection/consumer-interest/consumer-reports-deadly-pet-food-106.htm>

<http://www.rateitall.com/i-63119-diamond-pet-foods.aspx>

<http://www.foxnews.com/story/0,2933,181559,00.html>

<http://www.sagekeep.com/petfood.htm>

http://www.petfoodinstitute.org/reference_pet_data.cfm

http://www.kentucky.com/mld/thestate/news/local/13760997.htm?source=rss&channel=thestate_local

<http://www.msnbc.msn.com/id/10807001/>

http://www.usaweekend.com/05_issues/050710/050710animalsmart.html

<http://www.vet.cornell.edu/news/articles/DiamondPetFoods.htm>