




Why was the Snow polluted?

A blind spot for the Japanese top milk product company, Snow Brand

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History of Snow Brand

- Started in 1925 as a sales guild for dairy products in Hokkaido
 - *Kendo-Kenmin*: “Spirit of Establishment”
 - Incorporated as Snow Brand Milk Products Co., Ltd. in 1955
 - Lessons of Yakumo
 - Rise to the Top -- Strong Technology and Brand Equity
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Sequence of the food poisoning event

June 27	a.m.	<ul style="list-style-type: none">● First phone call from a victim's family reached Snow Brand West Japan Branch● Osaka City Hall received several reports about food poisoning
June 28	a.m. p.m. evening	<ul style="list-style-type: none">● Snow Brand general stockholders meeting at Sapporo, Hokkaido● On-site investigation of Osaka plant by Osaka City Hall● Osaka City Hall asked Snow Brand to conduct a recall
June 29	8 a.m. 2 p.m. 4 p.m. 9:45 p.m.	<ul style="list-style-type: none">● The recall of the production was decided in Sapporo● Executives decide to make a public announcement● Press conference by Osaka City Hall to report the food poisoning case of Snow Brand● Press conference by Snow Brand West Japan Branch

Sequence of the food poisoning event

July 1	a.m.	<ul style="list-style-type: none">● Snow Brand confirmed the existence of contaminated valve in Osaka plant on June 29, but did not report it at the first press conference.
	p.m.	<ul style="list-style-type: none">● The CEO, Ishikawa, attended the second press conference of the day.● Osaka Plant was shut down● 6,121 victims were reported
July 4		<ul style="list-style-type: none">● Snow Brand published an official announcement in the newspapers● All products made by the Osaka plant were recalled● 9,394 victims were reported
July 5		<ul style="list-style-type: none">● Number of victims exceeded 10,000
July 6		<ul style="list-style-type: none">● The CEO, Ishikawa, resigned
July 11		<ul style="list-style-type: none">● Snow Brand announced 21 plants nationwide were shut down

Sequence of the food poisoning event

Aug. 4		<ul style="list-style-type: none">● The new CEO, Nishi, takes over. He held a press conference and explained the rebuilding plan of the company
Aug. 18		<ul style="list-style-type: none">● Taiki plant in Hokkaido was pointed out as one source for food poisoning
Aug. 19		<ul style="list-style-type: none">● Hokkaido government and Prefecture police conducted an on-site investigation of Taiki plant
Aug. 23		<ul style="list-style-type: none">● Snow Brand admitted contaminated skim milk was shipped from Taiki plant before the food poisoning outbreak
Sep. 26		<ul style="list-style-type: none">● Snow Brand released the business reconstruction plan
March 31		<ul style="list-style-type: none">● Snow Brand reported fiscal deficit

Business Problems

- A gigantic top brand

Supported by

- high level of manufacturing control process
- Image of its birthplace, Hokkaido

Suffered from

- Competition as a top brand
- Inertia as a top brand

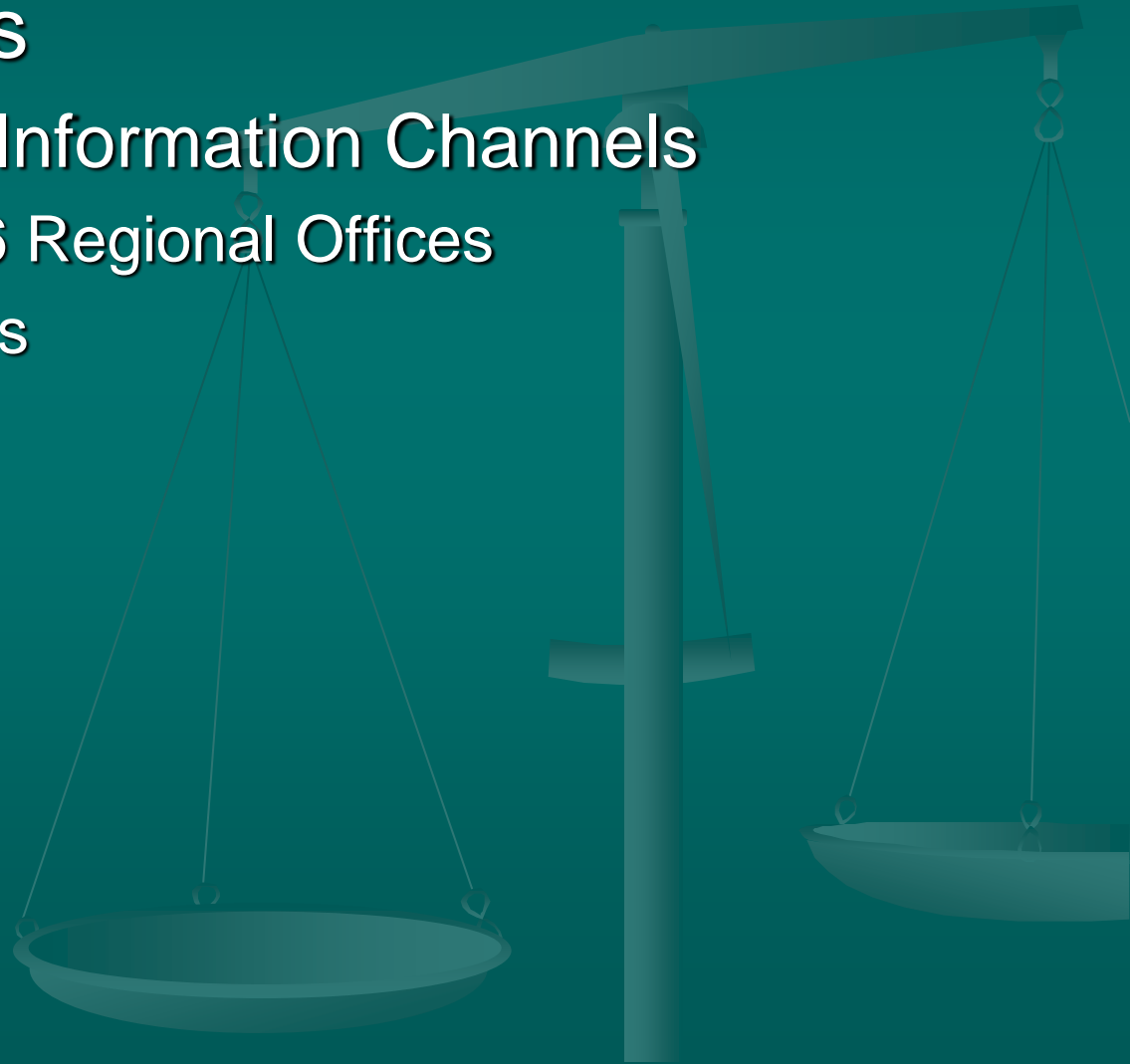


Communication Problems

- Physical Factors

 - Segmentation of Information Channels

 - 4 Branches & 6 Regional Offices
 - Media Relations



Communication Problems

- Structural Factors

 - Personnel and Communication Strategy

 - Generalist-oriented vs. Specialist-oriented
 - Lack of Internal Communication



Communication Problems

- Cultural Factors

 - Japanese Culture

 - Collectivism
 - Uncertainty Avoidance
 - Harmonization



Ideal Situation

Two-way symmetrical communication

**Snow Brand
as a Giant Brand**

Public



PR function as a boundary spanner

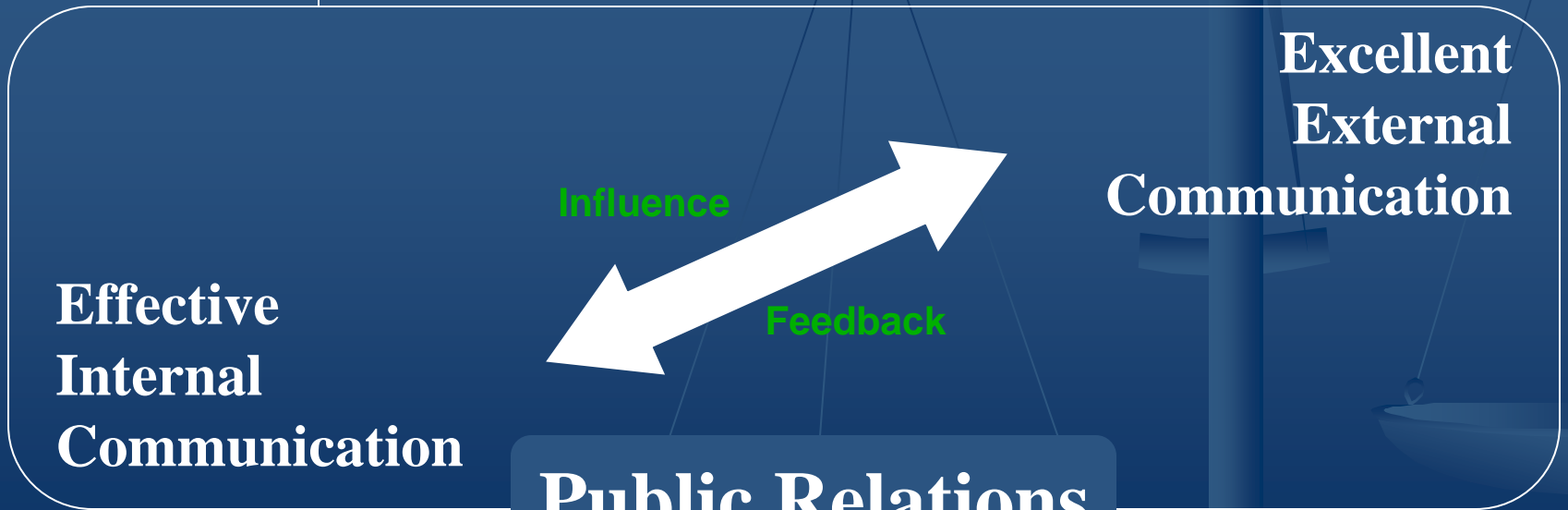
**Excellent
External
Communication**

Influence

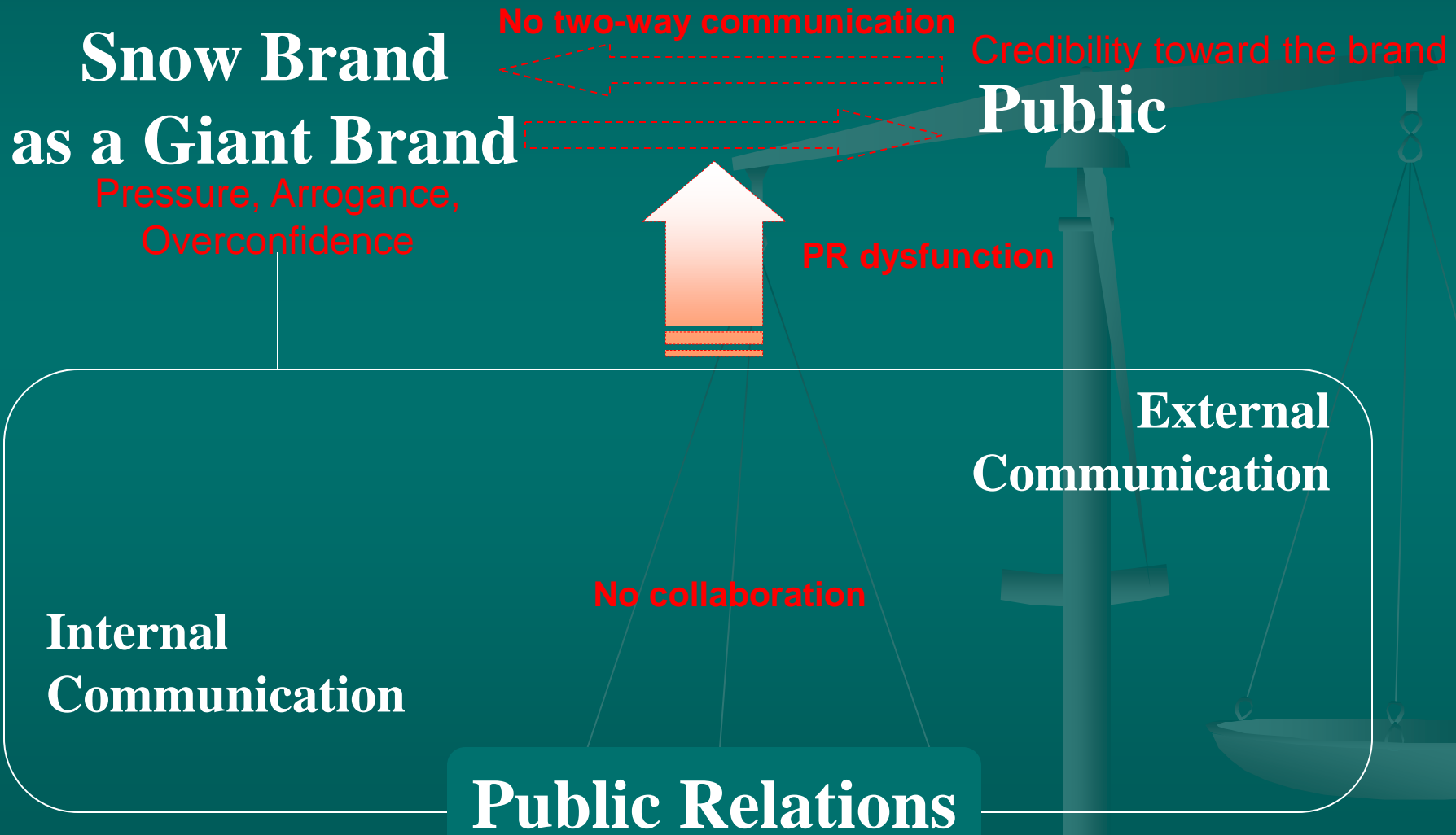
Feedback

**Effective
Internal
Communication**

Public Relations



Real Situation – Background of the food poisoning



Real Situation – Under the food poisoning

Snow Brand as a Giant Brand

Stitching-up, Slow responses,
no capability to control the event

No communication

Furor over the breach of credibility

Public

PR dysfunction

- Dysfunctional Intelligence sharing
 - Organizational Structure
 - Overvalue of profession
 - Cultural background

Ineffective
Internal
Communication

Induction

No feedback

Public Relations

Weak
External
Communication

- Lack of accurate information
- Failures in the press conferences
- Lack of media training
- Undervalue of Public Relations