



DAILY HARVEST

Crisis Case Study

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Historical Overview

In 2015, Rachel Drori, a marketing executive at Gilt Groupe, solved a problem that she and many others experienced in the 9-5 work day - eating convenient, quick, healthy meals. However, as she found herself snacking on trail mix throughout the day, she wanted a more beneficial solution for herself. So Drori started pre-making smoothies and putting them in the freezer for when she was ready to blend them and enjoy. After she became well-versed in the best methods and combinations of ingredients, she started distributing her smoothies to family and friends. Not long after, she prepared pre-made smoothies for clients in Manhattan and paid her nephews \$20 to deliver them (Sorvino, 2022).

As a marketing professional, she noticed the niche opportunity in the market and had a perfect product for it. In just two months of distributing her frozen meal prep smoothies, orders skyrocketed, and Drori began raising money to launch Daily Harvest in 2016. Lightspeed Venture Partners led the \$43 million Series B investment round for Daily Harvest, including significant contributions from VMG Partners and other investors (Sorvino, 2022). By 2018, Drori had raised \$50 million across three funding rounds and obtained additional celebrity investors, including Gwyneth Paltrow, Bobby Flay, Shaun White, Hailey Duff, and Serena Williams (Sorvino, 2022).

When the COVID-19 pandemic hit in 2020, Drori maintained a strong relationship with her farming suppliers and worked to obtain double her inventory due to the influx of demand from people at home. As a result, Daily Harvest reached \$250 million in revenue by the end of 2020 (Sorvino, 2022). Shortly after, Daily Harvest and Rachel Drori were featured in top media outlets, including Forbes, Fortune, Bloomberg, and Entrepreneur, on the immense success of the unicorn startup. Drori was accredited for her successful millennial marketing strategy, her

escape from her 9-5 to pursue her passion and business, and praised for her impressive work-life balance, as she was a new mother at the launch of the business. In November 2021, a \$100 million series D investment led by Lightspeed Venture Partners and Lone Pine Capital valued Daily Harvest at \$1.1 billion (Sorvino, 2022). In addition, Drori's estimated 35% ownership in Daily Harvest and net worth of \$350 million allowed her to gain a spot on Forbes' eighth annual ranking of America's Richest Self-Made Women (Sorvino, 2022).

Brand and Services

Daily Harvest now offers smoothies, harvest bowls, flatbreads, soups, harvest bakes, bites, forager bowls, lattes, and mylk (plant-based milk alternatives) (Daily Harvest, 2022) on a subscription plan basis. All products are made with mostly organic ingredients, and the meals are chef-crafted to include large amounts of fruit and vegetable servings. However, they cannot claim the products are made from 100% organic ingredients because they support certain farmers financially up front as they switch to organic, which can take up to three years. During this period, Daily Harvest purchases the farmers' crops in transition and pays a premium to support the full transition to organic. Their website states that they promote the development of a regenerative food system that considers the entire farming ecosystem and cooperates with nature - rather than fighting it. It declared that every recipe developed has its core elements of healthy soil, crops free of synthetic fertilizers, and empowered farmers. They believe regenerative agriculture begins with organic farming and biodiversity (Daily Harvest, 2022).

Working directly with farmers has been essential to this strategy. Four hundred farmers from California to New York participating in Daily Harvest preserve their harvest within 24 hours by freezing it on-site (Sorvino, 2022). After being frozen, the components are transported

to Daily Harvest facilities, combined, and packed into ready-to-eat dishes. (Sorvino, 2022). The menu offers 185 unique crops, which provide customers with a wide variety of nutrients, minerals, and vitamins (Daily Harvest, 2022). They claim that the products have no gluten, dairy, refined sugars, GMOs, gums, or artificial ingredients. The food is entirely plant-based, with no animal-derived ingredients. They also provide food plans that fit diverse lifestyles, special dietary needs, or unique flavor preferences. For example, they offer 20 paleo-friendly options (Daily Harvest, 2022).

The subscription-based company currently delivers in 95% of the United States. It provides plans based on the number of items the customer wants (9, 14, or 24) (Exhibit 1) and how often they want them delivered (weekly or monthly). The items, delivery schedule, and plan preferences can be modified to the customer's preference. Flexible deliveries and variable plan options make it simple to customize based on personal needs. The price per item goes from \$5.99 to \$11.99, and consumers can save more the more they order. Savings on boxes containing nine or more items are automatically subtracted at checkout. Regarding packaging, Daily Harvest strives to use only sustainable materials (compostable, recyclable, post-consumer recyclable, or PCR) for all of the packaging, cases, covers, and other products food-contact materials (Daily Harvest, 2022).

Most of the time, when using Daily Harvest, you pay for convenience and ease. The smoothies are an excellent option for people who are constantly on the go because they don't need to be prepared, which saves time and resources. The subscription service makes consuming more fruits and veggies simple and fits effortlessly into busy schedules. It might be challenging to pay attention to what you eat daily when you lead a busy life. If you have the money, want convenience, or just want to eat more greens, Daily Harvest is a fantastic option (Sultana, 2022).

Brand Promotion and Marketing

Daily Harvest has done a uniquely amazing job at developing its brand aesthetic, using clear photographs of its packaging, which contains vibrant, bold components, taken against a plain background (Exhibit 2). It frequently employs lighting to cast shadows as well. The meal's primary advantages are listed on each product page. Aspirational terms like "Beautifying," "Energizing," and "Cleansing" are among the advantages. You can read about the ingredients in more detail below the fold, along with descriptions that go into even more detail about the advantages of each specific ingredient. Daily Harvest encourages users to use their products in novel and inventive ways by praising its ingredient-driven, customer-first strategy. The smoothies, bowls, soups, and nibbles may all be utilized as ingredients on their own, as demonstrated by the current campaign Daily Harvest Hacks.

The social presence of Daily Harvest heavily relies on influencers. Almost every photograph in Daily Harvest's Instagram feeds comes from an influencer. Additionally, they reuse influencer material for their paid social advertising, including influencers in both content and social strategies. Daily Harvest largely relies on YouTube and Pinterest to complete its social media presence. It is simple to understand why the business succeeds on Pinterest. Success can be achieved by using straightforward, lovely imagery based on the aspirational aim of being healthy.

Like Instagram, Daily Harvest on YouTube focuses more on influencer content than its own. Youtube brings in around 23% of social traffic for Daily Harvest (Read, 2019). Daily Harvest runs an affiliate marketing network by collaborating with influencers to produce review videos that include unique codes that give their audience discounts. This technique goes beyond

social media with blogs and magazines working together on an affiliate framework, giving them both reach and beneficial SEO. On Pinterest, Daily Harvest has 5,638 fans (Read, 2022). When comparing the Facebook (260K) and Instagram viewership, that doesn't seem like much (406k). However, the number of followers is only a small factor in the equation. Discoverability matters a lot more on Pinterest than the following do. With only 136 Pins, Daily Harvest attracts a delectable 4.1 million monthly unique users on Pinterest (Exhibit 3), which means that its Pins are seen on more than four million screens each month (Read, 2019). Daily Harvest's third-highest referrer among social networks is Pinterest, which brings about 13,000 visits per month, with a large portion of this traffic traveling directly to product sites, according to SimilarWeb data (Read, 2019).

According to SimilarWeb, Daily Harvest receives over 30% of its traffic from search, translating to about 270,000 visits per month for the company. The quality and quantity of backlinks Daily Harvest has been able to obtain from authoritative media may be its largest SEO victory; this is something that presents a difficulty for practically every company (Read, 2019). Daily Harvest does not link people to its homepage when it displays advertisements. Instead, it has a landing page that was made to turn browsers into buyers. Many of the advertisements Daily Harvest is doing on Facebook and Instagram are centered on the following main messages: individual meal plan, organic fruits and vegetables of high quality, and quickness of preparation (Read, 2019).

Building trust through social proof is a great sales strategy. The customer might not be a nutrition expert as a potential Daily Harvest customer, but I know I want to eat healthier. Therefore, to support its argument and foster trust, Daily Harvest lists several reputable

publications about its products (Exhibit 4). In addition, it completed its Series D round of investment in November 2021, valuing the business at \$1.1 billion.

Crisis Tracing and Assessment

On April 28th, 2021, Daily Harvest announced the launch of their new French Leek & Lentil Crumbles. A month later, a partnership with Brooklyn Jets basketball player Blake Griffin was announced, further stabilizing Daily Harvest's brand value. In June, the next month, Driori was featured in Forbes and praised on her journey of quitting her day job to make smoothies, now valuing her worth at \$350 million. A few days later, on 21st, Daily Harvest was featured in numerous media outlets including Eater, NBC News, CNN, and others. This was the turning point of the Daily Harvest crisis.

Backing up to a few days before the coverage of Daily Harvest, the creative director for Cosmopolitan, known for her influencer presence, Abby Silverman took to TikTok to warn her 120,000 followers about her painful experience after consuming Daily Harvest French Lentil & Leek Crumbles that were gifted to her from a PR package received from the company back in May 2022 (Kowitt, 2022). Silverman explained in the two minute video that she received the crumbles about a month ago, and after eating them, began experiencing severe stomach pain, so much to the point that she had to go to the ER (Kowitt, 2022). After Silverman received a CT scan, ultrasound, bloodwork, and numerous more tests with no results, they concluded that it must be a UTI and was given antibiotics and was sent home. She was happy to have an answer, but still struggled with the ongoing symptoms and pain. A few days later, Silverman experienced the excruciating pain again, but this time paired with a fever. She went to the ER again and was informed she had extremely elevated liver levels, indicating that her liver was not working

properly. She suspected the issues were from the French Lentil & Leek Crumbles since that was the only meal added to her usual routine and diet. Hearing no similar experiences and announcements from Daily Harvest, she just focused on recovering and decided not to eat the crumbles.

A few days later, Daily Harvest sent out an email to Silverman and others from their PR team. The email informed her that there was an investigation for the crumbles. Silverman immediately took to Google to see if her experience was not unique, and sure enough, many people took to the social platform Reddit to describe their experience and devastating outcomes. Symptoms of elevated liver levels with no explanation, blood work, a CT scan, ultrasound, and no solution was experienced numerous times.

In the viral TikTok video, Silverman did her best to advocate for the food poisoning victims, and in her research came about a post stating that Daily Harvest was deleting comments from their posts as the story unfolded. This was not confirmed to be true, but caused a social media paracrisis on top of the original "accidental" crisis. Silverman urged viewers to immediately discard the product and contact Daily Harvest about their experience.

Going back to the email from Daily Harvest's PR team on June 17th, this response (Exhibit 5) only worsened the crisis. The email started by stating that the brand is committed to their customers and takes safety and quality seriously. They go on to explain that their technology allows them to take "extraordinary and timely precautions that go beyond standard practice". Following this, they finally acknowledge they've received "a small" number of reports for gastrointestinal discomfort after customers consumed the French Lentil + Leek Crumbles. Immediately after the sentence acknowledging the reports of illness from the product

consumption, the email informs customers of the correct way to cook the French Lentil & Leek Crumbles.

As included in our cooking instructions, lentils must be thoroughly cooked to an internal temperature of 165° F. Like some other legumes, raw lentils contain a type of protein that can cause gastrointestinal symptoms unless thoroughly cooked.

Following this reminder on how to cook the product correctly, the email mentioned lightly that out of an "abundance of caution, please dispose of any French Lentil + Leek Crumbles you have received and don't eat them". They followed that nonchalant information because the company goes above and beyond for their customers, and every bag of crumbles purchased, a \$10 credit will be applied to the account.

When Silverman received the email on June 17th, she was relieved to hear her hunch of her illness being caused by the crumbles wasn't far from accurate (Silverman, 2022). She immediately took to Google to search for other experiences. She came across a long Reddit thread full of people describing their horrible illness experience with the Daily Harvest crumbles (Exhibit 6) (Silverman, 2022). Similar reports of ER visits, extreme stomach pain, elevated liver levels confirmed Silverman had been affected by the same product as these customers. She then looked through the Daily Harvest accounts on social media, but there was no indication of #Crumblegate (Silverman, 2022). This confused her because she thought a business that relied on Instagram to attract customers would use the platform to send out a quick PSA, but that wasn't the case (Silverman, 2022). More than 1 million people watched the video, and about 4,000 people commented on it, many of whom thanked her for helping them solve their medical issues (Kowitt, 2022). A content developer and jewelry designer named Jenna Dargenzio told Fortune that she visited the emergency room twice a day in May because of severe stomach pain but didn't suspect the crumbles until Silverman's tweet. She claims that it didn't make sense to

her until she watched Abby's video. Then, her videos about the episode were shared on Instagram and TikTok (Kowitt, 2022).

On June 19th, 2022, Daily Harvest released a public statement regarding the issues. They stated again that they had received reports of gastrointestinal issues from the crumbles. However, they misleadingly stated that they have already taken steps immediately to confront what was heard from customers.

We took immediate steps to address what we heard from customers, reaching out to every person who received French Lentil + Leek Crumbles, instructing them to dispose of the product and not eat it. We simultaneously launched an investigation with internal and external experts throughout our supply chain and in accordance with regulatory procedures. We will share more information as soon as it's available.

Our mission has always been to take care of food so food can take care of you. That means quality, safety, and transparency are and always will be our top priorities. If you have any French Lentil + Leek Crumbles, please dispose of them and do not eat them. If you have questions or concerns, please feel free to email us at hello@daily-harvest.com so we can follow up with you directly.

Additionally, the company posted a string of enigmatic captioned Instagram updates at first, though they now seem to have been deleted. The captions pointed readers to Daily Harvest's official statement and made references to the problems, but they omitted any explicit information or cautions about the potential risks. Instead, the posts featured glamor photos of the products in question and allusions to the problems. Followers were unhappy about this approach, and it caused yet another paracrisis. Social media and the influencer economy had been essential to the company's development towards the desired unicorn status. However, many of those same elements are currently contributing to its disintegration.

On June 22, 2022 Daily Harvest updated its audience with the latest steps they were taking to find the source of the illness (Exhibit 7). In this statement, they stated that they

immediately took steps as soon as they received reports, and launched a voluntary recall. They restated that they have reached out to customers who have purchased the product, and have instructed them to dispose of them and not to eat them. They also launched an investigation with the FDA and multiple independent labs with professionals in microbiology, toxin, pathogen, and allergists. They stated that all toxicology reports have come back negative at that moment, but they will continue to stay in touch and update the public. They included a CTA stating that if the crumble impacted a customer, they can begin a report at the provided link, or email recall@daily-harvest.com. While they stated these steps in this now third announcement since the incident surfaced, they were a bit delayed in communication and crisis mitigation methods.

On June 23rd, Daily Harvest published an update stating that on April 28th, 2022, roughly 28,000 units of French Lentil & Leek crumbers were distributed to consumers in the United States through direct delivery, online sales, retail sales in the R&M store in Chicago, along with the "pop-up" store in Los Angeles, CA (Daily Harvest, 2022). They then disclosed:

The company has received approximately 470 reports of illness or adverse reactions. Consumer safety is our highest priority, and we have taken immediate steps to stop production and distribution of the product and conduct a root cause investigation, which is ongoing.

They confirmed that the issue was isolated to the French Lentil & Leek Crumbles, and that no other products were affected and part of the recall. None of these updates have been signed by a representative, they simply stated the updates. Five days later, an update was published and provided thorough details into the investigation, and a list of updates was provided. Alongside the update was a personal note from the founder and CEO:

I recognize this is so frustrating. I am incredibly frustrated. In the absence of a definitive answer at this time, I would like to keep you updated on our process

Rachel has now taken the announcements to a personal level, attempting to empathize with customers and victims, and hoping to instill some human nature behind the crisis. Driori states that once the voluntary recall was launched, there has been a thorough top-to-bottom investigation of the food, supply chain, and manufacturing facilities. She outlined the steps they have taken (Exhibit 8) with the FDA and testing labs, and communicated that no trace of food-borne pathogens have been discovered so far. She disclosed the timeline for which tests are completed, and reassured the public that they are working as fast as possible to get answers. Driori disclosed that they are confident the issue was limited to the crumbles, and that all other products are safe for consumption (Daily Harvest, 2022). It's easy to imagine consumers being hesitant to believe that given their nonchalant response from the beginning.

Following the reassurance that the incident is isolated to one product (crumbles), Driori outlined the testing protocol that was being completed:

- **The ingredients that go into our food are rigorously tested prior to preparation, and our manufacturing partners adhere to strict quality, food safety and sanitation guidelines.**
- **We have a thorough tracing process in place to ensure we can follow our ingredients throughout the supply chain.**
- **We perform quality control testing on every batch of food we produce to ensure it meets our rigorous standards.**

In an attempt to salvage the trust between Daily Harvest and consumers, Rachel Driori is clearly doing everything she can to maintain a transparent honest image, and salvage the brand reputation of her company. However, the question is whether these actions have come too late.

On July 1st, another update was published with a personal tone from the founder Rachel Driori. She explained they "work with the top doctors, microbiologists, toxicologists and 3 independent labs. Additional testing was underway to rule out Hepatitis A, Norovirus,

mycotoxins, aflatoxins, food-borne pathogens, and major allergens" (Daily Harvest, 2022). The statement stated further reassurance that the investigation will not stop until the root of the issue has been found. Daily Harvest was now working with the FDA, CDC, and other health agencies to resolve this issue. On June 30th, 2022, the FDA released an update on the investigation.

On July 12th, Driori published an update stating that there was still no found root cause of the illnesses customers experienced, but that the company had completed numerous tests and have confirmed that all tests came back negative, and that the issue was still isolated to the French Lentil & Leek Crumbles. On this announcement, Driori ends the statement with:

Your health and safety is our highest priority. As a reminder, if you have any remaining French Lentil + Leek Crumbles in your freezer, please throw it out and don't eat it.

Some might say the message tone still lacks urgency compared to the problem, however this is how Daily Harvest has chosen to approach the crisis response. Finally on July 19th, 2022, Daily Harvest has an update with an answer to the issues.

The update starts off stating Rachel Driori's mission with Daily Harvest, and how the company has strived to provide consumers with an easier way to eat sustainable fruits and vegetables everyday, while contributing to a healthier planet. She then stated that Daily Harvest has served over 120 million pounds of organic whole fruits and vegetables across 140+ delicious and nutritious dishes to millions of customers (Exhibit 9). Driori emphasizes the reason for sharing this information is because she's never taken this responsibility lightly. The statement goes on to disclose the ongoing investigation and recall results. Next, a summary of the investigation process was reiterated and followed by identifying the source.

At this time, we have identified tara flour as the cause of the issue. Our extensive investigation has involved many experts analyzing data from all sources. We have only used this ingredient in French Lentil + Leek Crumbles and we are no longer sourcing from this producer who does not provide any

ingredients for our 140+ other items. This was the first and only time we've used tara flour, which has been available and used in the North American market as a plant-based source of protein prior to our use. Our investigation team will continue working with the FDA, the tara flour producer and others to help determine what specifically made people sick.

The statement concluded that the ingredient Tara Flour was isolated to the French Lentil & Leek Crumbles, and that customers can safely enjoy the other 140+ items with confidence.

The FDA posted updates in conjunction with ongoing investigations, and posted similar updates on July 14th, July 28th, August 25th, and September 15th. As of September 15th, the FDA had received 386 reports and consumer complaints related to the French Lentil & Leek Crumbles. Since then it has been updated, and a total of 393 cases were reported of adverse illness events, and 133 hospitalizations were recorded (FDA, 2022) throughout 38 states. The last illness onset was on September 4th, 2022 (FDA, 2022).

Critical Analysis

When analyzing this crisis, it is prevalent that it was an accidental and preventative crisis. Accidental crisis is relevant because the illness's root is from an ingredient that came from an outside source. For example, Tara flour is a substitute for protein and often used by vegetarian based eaters. When ingredients are listed on company products, the FDA has two categories for which the ingredients can be approved. One category is for the items to be approved by the FDA and be listed as 'FDA Approved'. These items must go through a 90 day (at least) approval and testing process which can be timely and costly, especially for a startup. The second category the FDA approves of is GRAS items: Generally Regarded As Safe. When it comes to food delivery companies, food-borne illnesses are a likely crisis that is bound to happen at some point to someone, and it's not always predictable, but it is preventable to an extent. Daily Harvest is

offering consumers a food based product, one that is vegetarian based, that has a very high probability of producing food borne illnesses. For example, one of the most common outbreaks of E.Coli these days are from lettuce sources. The way that the crisis can pass as accidental, as far as pre-crisis incidents go, is that Daily Harvest's source of tara flour could've disclosed false approval and sourced information from the company when partnering with them. The way that this was preventable was that Daily Harvest can do further investigation into their ingredients, and determine if any other past issues have been reported with specific items.

While the main crisis of Daily Harvest was the customer hospitalizations and detrimental health issues resulting, their second crisis was the paracrisis created around the companies response, or in more accurate terms, the lack there of their response. Daily Harvest had released the French Lentil + Leek Crumbles in late April, and were not aware of illnesses until June. Reports of illness linked to the crumbles were being reported as early as April through the Reddit thread, however for some reason, Daily Harvest didn't utilize the tools to become aware of this. This was their first mistake. When the reports were made and Daily Harvest was made aware of the incidents, their second big mistake came from their initial response.

Customers who purchased the French Lentil + Leek Crumbles, may I remind you there was approximately 28,000 units sold, received the first email from Daily Harvest stating that the company was fully aware of the reports, but immediately took the role of informing consumers that they need to ensure the lentils are cooked properly. Immediately this response was apologia: a form of self defense that justifies the outcome. Daily Harvest's initial response to the reports was that they are aware of it, and they believe their only role in the issue is to inform customers how to better follow cooking directions. This was one of the worst reactions they could have presented, as it immediately took the responsibility off of the company, and turned it on the

consumer to do better when cooking and consuming the products. Not only did this make Daily Harvest look like they were scapegoating and not taking responsibility for the problem, it also displayed a brand value image that Daily Harvest doesn't care enough to put in the effort to investigate the issue before putting the problem cause on the consumer.

When it came to their social media response, where majority of their consumer base learned about the products and updates, Daily Harvest posted a series of aesthetically pleasing posts with a minimal criptip caption stating:

UPDATE 6/19: An important message regarding our French Lentil + Leek Crumbles. Link in bio with details.

They followed the caption with a reference to the aesthetically pleasing photo post that went along with the announcement, completely straying away from the issue at hand:

**Spaghetti and Walnut + Thyme Crumbles? We think Nona would approve
#dailyharvest**

This was a disappointment to say the least. After creating a strong brand identity based on brand value, authenticity, and consumer trust around the organic derivatives of the products.

The founder Rachel Driori went on about the crisis attempting to handle it in a very personable way. By starting updates with "Hi, it's Rachel", including "I recognize this is so frustrating. I am incredibly frustrated.", and ending on "Thank you, Rachel" - it makes you think. Is this company really up to the value and standards that Forbes, Entrepreneur, and others had so confidently praised? With such a personal approach, Daily Harvests brand value lost its professional clean, trustworthy presence, and instead battled with a thin line of transparency and total brand obliteration.

Assessment

When assessing the success or failure of the organization's actions or communication strategies, we look at the effects, aesthetics, ethics, and comparison to other cases. From this case, we know that the effects of the crisis mitigation went farther than anticipated, the aesthetics the brand chose to display were inauthentic. The ethics of the first response to the incidents were questionable.

Beginning with the fact that the crumbles were released in April of 2022, and Daily Harvest wasn't aware of the reports until June shows a large lack of environmental research on the company's behalf. First and foremost, any delivery company handling perishable food with a risk of food-borne illnesses should always have a crisis communication plan. While Daily Harvest was a unicorn startup, its revenue grew rapidly enough to allocate funds to create a crisis team that could analyze the risks of the environment. If Daily Harvest had a CCP plan in place when first receiving reports of illness, thought-out actions and responses could have been prepared, as it was a prevalent risk with the service provided by the company.

Alongside the influx of company value, Daily Harvest had enough funds to allocate towards social listening tools. Social listening monitors online conversations around a brand and can help companies identify negative and positive conversation around the brand or products provided. Being that Daily Harvest marketed the majority on social media platforms, this should have been one of the earliest tools they invested in. By utilizing a social listening tool, Daily Harvest would have received the first conversation on Reddit around illnesses linked to the crumbles as early as April, but missed out on the opportunity to get ahead of the public by being absent in this sector. This ability goes hand in hand with preparing a crisis, timely response, and measuring the intensity of the issue.

Regarding Daily Harvest's response, the company seemed to have relied on influencers and social media advocates to spread the news about the crumbles. While the company had sent out an email to customers who purchased the lentils, other consumers were unaware of the risk, and some customers didn't notice the first email from the company. It wouldn't be hard to believe that the email was ignored due to the nonchalant tone of the announcement, and no urgency and call to action to dispose of the products. Daily Harvest should've immediately announced an urgent recall of the crumbles and told the public on all platforms that they are investigating illnesses linked with their product. Given the amount of brand value and high ROI, Daily Harvest had the leeway to urgently warn consumers about one product that may be an issue. Doing this ahead of the public also would've allowed them to control the narrative about the state of their products. Instead, Daily Harvest handled it lightly, leaving consumers to come up with explanations and ideas for what happened. The greatest example is rumors around Daily Harvest deleting content from social media sites around the issue.

Regarding announcements around the updates, Daily Harvest posted updates on their regular website under publications. In the future, which may be another food-borne illness crisis, Daily Harvest should immediately designate a Dark Site specifically dedicated to the recall information and updates. This can give the company's customers immediate resources, answers to their questions, and the idea that Daily Harvest is handling the process professionally, and that their responses can be trusted. Unfortunately, how they handled it this time around dismantled their brand value, perception, and overall brand reputation.

From this crisis, Daily Harvest should've clearly learned the importance of having a CCP plan and even a small team of executives to help prepare responses and have a timely plan in place. Companies that rely heavily on influencers and social media platforms to market products

should invest in social media tools. Always be on the lookout for positive and negative conversation around the brand, so the company can control the narrative. Companies need to have a legal team involved in the responses so that nothing can be misconstrued and put them in a worse situation, and responses should be formal and professional rather than personable and intimate. Daily Harvest was one of the many food delivery services that took the hit for a large food-borne illness crisis, and it will only be the first of many. It is important for brands built around this consumer model to analyze the market, assess the preventable, likely, and unlikely risks, and have an action plan.

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Appendix

Exhibit 1.

For easy reference, here is a quick breakdown of pricing by collection:

- Lattes - \$5.99
- Forager Bowls - \$6.79
- Mylk & Bites - \$7.99
- Smoothies & Soups - \$8.49
- Scoops - \$8.99
- Harvest Bowls & Flatbread - \$9.79
- Harvest Bakes - \$11.99

We also have a volume-based discount. The more you order, the more you save. You can see this breakdown below:

- 9-11 items: \$5 discount
- 12-23 items: \$10 discount
- 24-26 items: \$25 discount

Exhibit 2.



Exhibit 3.

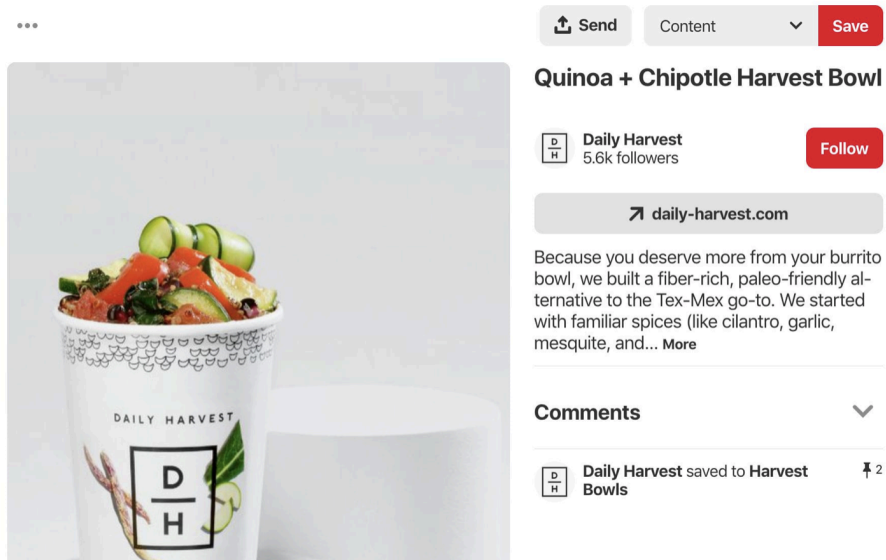


Exhibit 4.

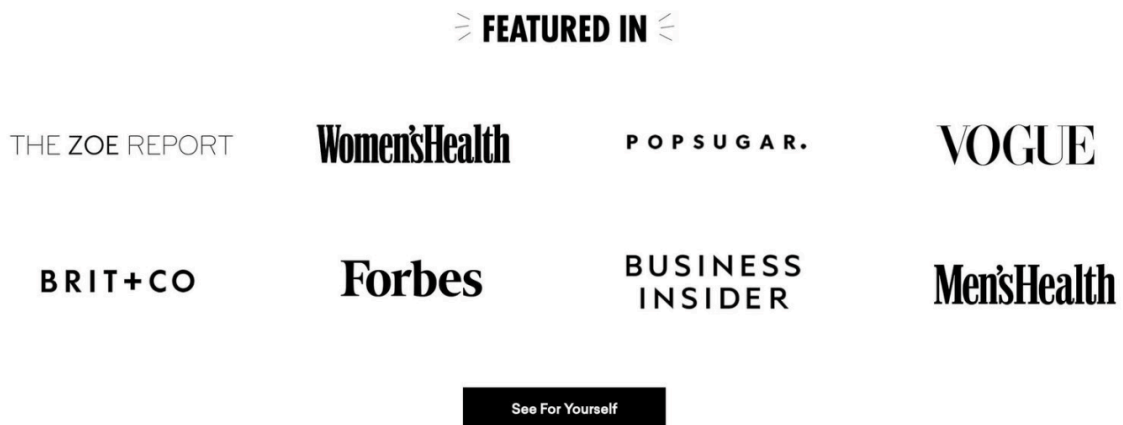


Exhibit 5.

Email sent to French Lentil + Leek Crumbles customers on June 17, 2022 at 7:20PM ET

At Daily Harvest we are committed to our customers, and we take quality and safety seriously. Our technology enables us to take extraordinary and timely precautions that go well beyond standard practice. A small number of customers have reported gastrointestinal discomfort after consuming our French Lentil + Leek Crumbles. As included in our cooking instructions, lentils must be thoroughly cooked to an internal temperature of 165° F. Like some other legumes, raw lentils contain a type of protein that can cause gastrointestinal symptoms unless thoroughly cooked.

While cooking lentils thoroughly is always recommended, out of an abundance of caution, please dispose of any French Lentil + Leek Crumbles you have received and do not eat them. You are a valued customer and we deeply appreciate your trust in us. It is one of our core values to go above and beyond for our customers, which goes hand in hand with our culture of continuous improvement. For the trouble, we have placed a \$10 credit in your account for every bag of French Lentil + Leek Crumbles in your last box.

Thank you for being a loyal customer.

Sincerely,

Taylor

Daily Harvest

Exhibit 6.



Posted by u/hann2466 6 months ago



963

**Extreme stomach pain/sickness from lentil+leek crumbles.**

EDIT 6/19: Just adding that if you believe you have been affected by DH you absolutely MUST reach out to their customer service and tell them what is going on. It is imperative that you go through the proper channels to alert them of your experience. The email is hello@daily-harvest.com. DO NOT skip that step, please reach out to them.

ETA 6/20: Hey everyone this is a lot bigger than I think even I anticipated. There's no offline conversation, I'm just trying to get a general sense of who has been affected. If you have symptoms or an experience with this please share here so others can read. (And of course, alert Daily Harvest!!)

Two weeks ago I tried the crumbles for the first time. That night, I had debilitating stomach pain, like nothing I had ever felt before. It was so bad I had to go to the ER as a last ditch effort to alleviate and manage the pain. After a CT scan, IV, meds, and a week on a bland diet I thought perhaps it was some sort of bug.

Several days later I tried a flatbread from them and had a fever the next day. I thought it was related to the previous bout of illness.

Fast forward to yesterday, I decided to try the crumbles again. Lo and behold I am awake with the exact same horrible stomach pain. Luckily I have prescription meds from the last time this happened and do not need to go back to the ER.

The crumbles were the ONLY common denominator between the last stomach ache and this one. I believe this product has caused me debilitating stomach pain that has taken days to go away.

Has anyone ever experienced something like this with the crumbles? And new buyers... maybe beware.

Exhibit 7.

Published June 19, 2022 at 1:45PM ET

Nothing matters more than the health and safety of our customers and we deeply value the trust you put in us and our food every day.

We've received customer reports of French Lentil + Leek Crumbles causing gastrointestinal issues. We took immediate steps to address what we heard from customers, reaching out to every person who received French Lentil + Leek Crumbles, instructing them to dispose of the product and not eat it. We simultaneously launched an investigation with internal and external experts throughout our supply chain and in accordance with regulatory procedures. We will share more information as soon as it's available.

Our mission has always been to take care of food so food can take care of you. That means quality, safety, and transparency are and always will be our top priorities. **If you have any French Lentil + Leek Crumbles, please dispose of them and do not eat them.** If you have questions or concerns, please feel free to email us at hello@daily-harvest.com so we can follow up with you directly.

Exhibit 8.

Published June 22, 2022 at 2:05PM ET

We want to make sure you have the latest update on our voluntary recall of French Lentil + Leek Crumbles. We are taking this very seriously and doing everything we can to get to the bottom of this. Your health and well-being are our top priority.

Here are the steps we are taking:

- As soon as we received reports suggesting a possible link between the French Lentil + Leek Crumbles and an adverse reaction, we immediately took action and launched a voluntary recall.
- We have reached out multiple times directly to consumers who received the product, instructing them to dispose of it and not eat it. **If you have French Lentil + Leek Crumbles, please dispose of them and do not eat them.** The last thing we'd want is for anyone else to be impacted.
- In parallel, we launched an investigation to identify the root cause of the health issues being reported. We're working closely with the FDA and with multiple independent labs to investigate this. We are working with a group of experts to help us get to the bottom of this—that includes microbiologists, toxin and pathogen experts as well as allergists.
- All pathogen and toxicology results have come back negative so far, but we're continuing to do extensive testing and will keep you updated.
- We are in touch directly with customers who reported adverse reactions and are collecting data to further the investigation, as well as offering refunds. If you have been impacted and are not already in touch with our team, please go [here](#) to begin a report or email us at crumbles-recall@daily-harvest.com.

We are doing everything we can, as quickly as we can to identify the root cause. Nothing matters more than the health and safety of our customers and we deeply value the trust you put in us and our food every day. We will update you as soon as we know more. Please reach out if you have any questions.

Exhibit 9.

Published June 23, 2022 at 6:10PM ET

Daily Harvest has voluntarily recalled all French Lentil + Leek Crumbles due to consumer reports of gastrointestinal illness and potential liver function issues.

From April 28 to June 17, 2022, approximately 28,000 units of the recalled product were distributed to consumers in the continental United States through online sales and direct delivery, as well as through retail sales at the Daily Harvest store in Chicago, IL and a “pop-up” store in Los Angeles, CA. Samples were also provided to a small number of consumers. Daily Harvest directly notified by email those consumers who were shipped the affected product, and other consumers for whom the company had contact information, and consumers were issued a credit for the recalled product.

Consumers who may still have the recalled product in their freezers should immediately dispose of it.

French Lentil + Leek Crumbles is a frozen product packaged in a 12oz white pouch with the words “Daily Harvest” at the top, a large “CRUMBLES” immediately below the top and the words “French Lentil + Leek” in bold, as shown below. All lot codes of the French Lentil + Leek Crumbles are affected. No other Daily Harvest products are affected or part of this recall.

To date, the company has received approximately 470 reports of illness or adverse reactions. Consumer safety is our highest priority, and we have taken immediate steps to stop production and distribution of the product and conduct a root cause investigation, which is ongoing.

This recall is being made in cooperation with the U.S. Food and Drug Administration. Consumers who have questions or would like to report adverse reactions should contact Daily Harvest by email at crumbles-recall@daily-harvest.com or by visiting <https://www.daily-harvest.com/content/french-lentil-leek-crumbles-advisory#> or by calling [1-888-302-0305](tel:1-888-302-0305) 9am – 9pm Eastern Time, 7 days a week.

Exhibit 10.

Published June 27, 2022 at 4:05PM ET

A message from our Founder and CEO Rachel Drori

Hi. It's Rachel.

I'm reaching out today to update you on everything that we are doing to get to the root cause of the issues that have been reported with our French Lentil + Leek Crumbles. We are working 24 hours a day, seven days a week on this. You deserve answers.

We have spent the past ten days working with the FDA, state agencies and multiple independent labs, as well as experts in microbiology, food safety and toxicology to conduct testing. These tests cover common food-borne pathogens, toxins, and allergens. Results thus far have all come back negative. At this point, despite consulting with numerous experts, cooperating with FDA's investigation, working with our supply chain, and conducting extensive testing, we have not yet identified a cause. **I also want to reassure you that this issue is limited to our French Lentil + Leek Crumbles and does not impact any of our other 100+ menu items.**

I recognize this is so frustrating. I am incredibly frustrated. In the absence of a definitive answer at this time, I would like to keep you updated on our process:

When we initiated our voluntary recall, we immediately began a thorough, top-to-bottom investigation of our manufacturing facilities, food and supply chain:

- The FDA and the state Department of Agriculture have each inspected the facility where the French Lentil + Leek Crumbles were manufactured.
- Testing is being conducted in partnership with ISO 17025 certified 3rd party laboratories on French Lentil + Leek Crumbles as well as the ingredients used in them.

- So far, testing has come back negative for food-borne pathogens including *Listeria*, *E.Coli*, *Salmonella*, *Staphylococcus Aureus* (Staph), *B.Cereus*, and *Clostridium Species*. Testing on major allergens including egg, soy, milk, and gluten have also so far come back negative.
- We initiated testing for a wide range of toxins known as mycotoxins, including aflatoxins. The first round of testing on the most common have come back negative but we continue to cast a wider net to ensure we are not missing anything.

As the investigation has not yet identified a root cause, we are expanding our testing regimen to explore other potential, albeit less common, sources of contamination as well as protein and amino acid profiling.

While some of these tests can be completed within 24-72 hours, many take up to 7 days or more to produce results. We are working as fast as possible to get you the answers that you need and deserve.

We are confident this issue is limited to our French Lentil + Leek Crumbles and does not impact any of our other 100+ menu items. We are still eating and feeding our families all of our other products and they are safe for you to do the same. Daily Harvest has always held ourselves and our suppliers to the highest food safety and quality standards throughout our supply chain. We have a robust best-in-class testing protocol designed to ensure your safety:

- The ingredients that go into our food are rigorously tested prior to preparation, and our manufacturing partners adhere to strict quality, food safety and sanitation guidelines.
- We have a thorough tracing process in place to ensure we can follow our ingredients throughout the supply chain.
- We perform quality control testing on every batch of food we produce to ensure it meets our rigorous standards.

If you purchased French Lentil + Leek Crumbles, you've likely heard from us already a few times in the past week. If you have ordered Crumbles for an upcoming box, it's been removed. We're working to collect as much information as possible to find an answer.

We'll continue to share more information as it becomes available. You can expect to hear from us as soon as we know more.

Thank you,