

Research Article

THE ROLE OF PRINT ADVERTISING DURING PRODUCT RECALL CRISIS

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ABSTRACT

A product recall is a request to return to the maker a batch or an entire production run of a product, usually due to the discovery of safety issues. The recall is an effort to limit liability for corporate negligence (which can cause costly legal penalties) and to improve or avoid damage to publicity. Recalls are costly to a company because they often entail replacing the recalled product or paying for damage caused by use, although possibly less costly than consequential costs caused by damage to brand name and reduced trust in the manufacturer. Product recalls are pervasive economic phenomenon, which occur frequently and can have devastating consequences for the recalling firm. This paper documents the significance of product recalls, and of advertising as a means of recall communication. This paper presents taxonomy of the major modes of advertising encountered in product recall campaigns. Additionally, certain prescriptive admonitions are suggested for each of the three dominant print modes; direct mail, display ads, and point-of-sales messages. Finally, a series of basic generalizations about recall print advertising are advanced.

Keywords: Print Media, Product Recall, Advertising, Corporate crisis.

INTRODUCTION

Consumer product recalls are relatively frequent occurrences, with potentially profound consequences. It is no overstatement to suggest that successful consumer product recall is a matter of life and death.

Product recalls may be inevitable, in light of the complexity of modern manufacturing processes, the diversity of materials, and the dangers inherent in manufacturing, storage, and distribution. However, considerable evidence indicates that while recalls may be unavoidable, the resulting damage might be minimized by effective product recall communication. The key to effective recall might well be commercial communication.

This paper offers a prescriptive taxonomy of consumer product recall print advertising tactics. Three specific major print advertising tactics will be identified, described, and exemplified; 1) direct mail, 2) display ads, and 3) point-of-sale messages. Prior to considering these print communication modes, we'll realize the quantitative and qualitative significance of recalls, and the relative importance of advertising as a product recall communication tactic. This paper closes with some generalizations about product recall print advertising.

SIGNIFICANCE OF CONSUMER

PRODUCT RECALLS

Consumer product recalls are quite significant, in that they occur frequently and there are potentially catastrophic consequences. No one knows exactly how many recalls there are, due to fragmentation between and within the various levels of government, and because of local, voluntary recalls which escape regulatory and media attention. There is little doubt, however, that they occur frequently, and can have profound consequences.

Quantitative Significance of Product

Recalls

In 1997, for example, there were at least 2,447 recalls; that amounts to an average of 6.70 each day, or almost 47 per week (Gibson and Thomsen, in press). At least 493,691,554 product units were recalled.

In 1996, there were at least 1,885 recalls, involving 1,754,214,642 product units. That is an average of 5.16 recalls daily, or 36.24 per week (Gibson, 1998, 773).

It should be a matter of concern that the number of recalls, particularly of dangerous food items, may be increasing. According to the Office of Water, in the Environmental Protection Agency, "Certainly, FDA is finding greater problems, e.g., the number of products recalled for life-threatening microbial contamination has increased almost five-fold since 1988" (1998; pp 4, 7). Qualitative Significance of Product Recalls

The real significance of recalls cannot be discerned solely from statistics, however. For consumers, recall failure may result in death or serious injury. Anna Gimmetad was a sixteen-month-old brightening the lives of family and friends in Denver, CO, until she drank an Odwalla 'Smoothie,' in mid-October, 1996, and encountered the E-Coli bacteria (Hilliard, 1996, C8). While Anna's death was tragic enough, it would be even worse if others would suffer and/or die because a recall failed.

A 1996 study by the Consumer Product Safety Commission examined three recent recalls, and concluded that "These three examples alone were estimated to result in about 28 lives potentially saved due to the recalls and about 19 lives saved annually due to redesign or ban of the products" ("CPSC Works With Industry...", 1996, 1).

There is another reason to appreciate the gravity of recall situations, one of enormous salience to corporate executives. While recalls may mean the literal demise of a product line, or even an entire corporation, the good news is that an effective recall can minimize short-term damage and guarantee long-term survival.

One study concluded that "In the final analysis, effectively communicating concern for consumers (both through statements and, more importantly, through actions) is the best way to maintain corporate credibility through all stages of a product recall, and after" (Komisarjevsky and Reifler, 1984, 96). Malickson concurred; "The success of a recall, and the subsequent effect of public regard for the product and its manufacturer, can in large measure be related to the way the company handles the recall program" (1982, 25).

