

Restoring Consumer Confidence during a Product Recall

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Product recalls can prove to be costly and detrimental to a company's reputation and brand.

Fortunately, a recent study conducted by the American Marketing Association (AMA) found that the majority of American consumers are quick to forgive a firm that effectively responds to and manages a recall event. But that patience can be limited.

For instance, the study found that consumers were more understanding if the company announcing the recall had never done so before or if it was well-liked. Shoppers were also more likely to be forgiving if the category of the affected products were commonly recalled.

Businesses with bad reputations or those who had issued multiple recalls were not quickly forgiven by customers, even if such occurrences were common in their respective industries.

It is not a matter of if, but when, a product recall will occur. So how can a business restore consumer confidence in its brand following such an event?

In this article, we will discuss how proper planning, effective notification and identifying the correct remedy are all vital steps within the recall management

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process that can lead to reestablished consumer confidence and brand protection.

Planning Is Key

Recent trends indicate that product recalls are rising at a rapid rate with consumers being bombarded by about 6.5 recalls per day and more than 2,300 recalls each year.

With the rate of recall activity continuing to grow, planning is proving to be more and more essential to effective recall management and subsequently restoring consumer confidence should such an event occur.

Having the responsibilities and procedures outlined ahead of time can make all the difference during a recall event. The company that is not effectively prepared for a recall, even if it has never experienced one, is the company most likely to be damaged. And all businesses should have plans and procedures in place that reflect each staff members' roles and responsibilities during a firm's recall management and response.

While a recall plan provides the basic framework, it cannot implement itself.

Each member of a firm's designated recall team needs to understand how to apply the basic provisions of the plan to the particular situation at hand. Mock recalls should be conducted on at least a semi-annual basis to not only ensure that all processes are sufficiently operational, but also to identify any weaknesses that could prevent the company from effectively responding to a recall event. Recognizing such potential loopholes ahead of time can mean all the difference and save your brand from public scrutiny.

Recall Notification & Remedy

Successful recall management demands that all affected parties be identified and notified in a timely manner.

This is one of the most challenging and critical steps in the product recall process, especially when a recall poses a public health or safety hazard. It is the key to regulatory compliance and a guarantor of the company's reputation moving forward.

When initiating a recall, companies must first identify the correct remedy for the particular situation at hand by understanding their audience. A business must put themselves in the shoes of their consumers and consider who they are, what they do, how they receive their information and their likelihood to respond.

The most difficult recall logistics involve products that are already in the consumer's home. In these types of scenarios, the company announcing the recall must find ways to effectively motivate consumers to take that extra step and discard or return a recalled product. An effective recall strategy might include offering a rebate or another reward for complying with the recall.

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The best way to restore consumer confidence once a recall is announced is to effectively respond to and manage it. And regardless of the type of affected product or how many times a firm has initiated a recall, businesses are sure to face public scrutiny if they fail to effectively notify consumers and provide a remedy that ensures compliance.

Adequate preparation can ease this process and confirm that the necessary steps are taken to reassure the public that your company is well-prepared to handle such instances.

For more information, please visit www.expertrecall.com [1].

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