

# Managing Product Recall Effectiveness

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# Managing Product Recall Effectiveness

## **Abstract**

Firms struggle to respond to product recalls and achieve high recall effectiveness. In this study, we draw on a unique secondary dataset containing information on recall effectiveness rates for 217 distinct product recalls. We examine the impact of firms' remedy choice and the interaction with firm reputation, product danger, and communication effort on recall effectiveness to shed light on potential instruments for firms to increase recall effectiveness. Our results indicate that recall effectiveness is higher if firms offer full (vs. partial) remedy, for brands with lower (vs. higher) reputation, if the product is more (vs. less) dangerous to use, and if the firm employs high (vs. low) communication efforts. Importantly, we find evidence that brand reputation, danger to use the product, and the firm's communication effort each interact with remedy to jointly determine recall effectiveness.

**Keywords:** *Product recall; recall effectiveness; crisis management*

**Track:** Product and Brand Management