

# The opportunity in product recalls: The impact of recall compliance on brand satisfaction

**Jan von Schlieben-Troschke**  
Freie Universität Berlin (FU Berlin)  
**Sascha Raithel**  
Freie Universität Berlin

Cite as:

von Schlieben-Troschke Jan, Raithel Sascha (2023), The opportunity in product recalls: The impact of recall compliance on brand satisfaction. *Proceedings of the European Marketing Academy*, 52nd, (113105)

Paper from the 52nd Annual EMAC Conference, Odense/Denmark, May 23-26, 2023



# The opportunity in product recalls: The impact of recall compliance on brand satisfaction

## **Abstract**

Product recalls damage the customer-brand relationship and recalling firms often struggle to respond effectively to limit the harm. While government agencies monitor the recall compliance rate (i.e., the percentage of recalled products that has been repaired) as an indicator for the effectiveness of ongoing recalls, research on recall compliance outcomes, especially for the recalling firms, is very limited. We estimate a panel vector autoregressive model on quarterly recall compliance data from 2784 US vehicle recalls across 23 vehicle brands in the years 2013 to 2021 and quarterly brand satisfaction data from YouGov's BrandIndex. Our results demonstrate that recall compliance has a positive immediate and long-term effect on the brand satisfaction and that this effect is stronger in the presence of high recall volumes. Managers should thus consider recall compliance as a central metric for effective product recall management and as an early indicator for corporate performance.

**Subject Areas:** *Customer Relationship Management and Customer Satisfaction, Product Management, Public Policy*

**Track:** Product and Brand Management