



BEHAVIOURAL STUDY ON STRATEGIES TO MAXIMISE THE EFFECTIVENESS OF PRODUCT RECALLS

Executive Summary

June 2021

Dangerous products may pose fatal risks to consumers and the people around them. Product recall – the process of removing dangerous products already supplied to consumers – is one of the most common measures to minimise such risks. However, recalls can only reduce harm if consumers return dangerous products or at least stop using them. Unfortunately, evidence suggests that many recalled products remain in consumers' hands, because people are either unaware of the recall or do not act even if they have seen a recall notice¹. Therefore, it is crucial to understand what drives consumers' behaviour in the recall process. It is also important to look into product registration, which allows identifying and contacting consumers affected by a recall.

Methodology

The study used several complementary data collection methods divided into three phases:

- **Preparatory research**, comprising:
 - literature review across all EU Member States, Iceland, Norway and selected third countries;
 - desk research on product recall campaigns and registration schemes;
 - stakeholder interviews;
 - online industry survey; and,
 - consumer focus groups.
- **Online consumer survey** on consumers' awareness and attitudes towards product recalls and **behavioural experiments** on consumer recall and registration behaviour.²
- **Economic assessment** of the cost to society due to the ineffectiveness of recall campaigns and cost savings from making recalls more effective.

Primary data collection was conducted in a representative selection of ten EU Member States³ and across a range of product categories with different price and risk profiles⁴.

1 European Commission. (2019). Survey on consumer behaviour and product recalls effectiveness. Retrieved from:
https://ec.europa.eu/consumers/consumers_safety/safety_products/rapex/alerts/repository/tips/Product.Recall.pdf

2 In total, 10,013 respondents completed the survey and two experiments online, with a further 120 vulnerable consumers completing the survey and experiments in a face-to-face setting.

³ Belgium, Bulgaria, Croatia, Czechia, Denmark, Germany, Ireland, Latvia, Portugal and Spain.

⁴ Toys and games for children, cars and motorcycles, clothing and footwear, domestic electrical appliances, communication devices, childcare and children's equipment and furniture.

Findings and policy recommendations

The EU-wide societal costs of ineffective recalls were estimated at approximately €378 million in 2019 due to injuries caused by recalled products that remained in consumers' hands. However, increasing recall effectiveness can reduce these costs. For example, using direct communication in product recalls – versus generic ad campaigns – could have saved €73 million in 2019.

The study found that consumers are more likely to participate in recalls for higher-value, more durable products, and products perceived to be riskier. Higher-value or more durable products are also more likely to be registered, making their owners easier to identify for safety purposes.

Recall participation also depends on consumers' characteristics. Socially disadvantaged, relatively young and less safety-conscious consumers are less likely to both participate in a recalls (especially if such participation is time-consuming) and to register their products.

Below we outline the key strategies to improve recall effectiveness.

Leveraging multiple communication channels, including direct contact

The study consistently found that direct communication is the most effective way of encouraging recall participation. The behavioural experiment shows that consumers are considerably more likely to look at and act upon direct recall notifications, as opposed to generic advertisements. Direct contact also seems to be the preferred communication method both for the industry and for consumers, but is only systematically used in the automotive sector. This leads to the following policy recommendation.

Recommendation 1: The General Product Safety Directive (GPSD) should be amended to require economic operators carrying out a recall to directly contact all affected customers that they can identify.

It is, however, not always possible to identify all consumers affected by a recall. Product recalls frequently affect multiple socio-demographic groups, therefore recall effectiveness can be increased by using multiple channels of communication tailored to the needs of different groups. For instance, social media is valuable in targeting specific audiences and spreading word-of-mouth. At the same time, traditional communication channels may be more effective with older or less digitally-confident consumers. The desk research found the use of multiple channels of communication to be more widespread in the US than in the EU, leading to the following policy recommendation.

Recommendation 2: Amend the GPSD to require economic operators to use multiple channels of communication to maximise outreach to consumers and encourage using multiple languages.

Improving content and layout of recall notices

To encourage participation, recall notifications need to include a clear description of risk and use language inspiring an appropriate level of urgency. Yet, the desk research found that the majority of recall notices in the EU used language that could downplay consumers' perception of risk. Beyond that, concise, simply laid-out recall notices may help increase consumers' understanding of and engagement in recalls. The study found that both consumers and industry stakeholders view clearly laid-out, standardised templates positively. As such, the findings of the study suggest the following two policy recommendations.

Recommendation 3: The GPSD should be revised to prevent using language that minimises the perception of risk, such as 'voluntary', 'precautionary' or 'discretionary'. The risk description should be clear and the usage of "mixed signals" about the level of risk should be avoided.

Recommendation 4: The GPSD should be revised to include a standardised template for recall notices with mandatory key elements. Recall notices should be required to use a clear, concise layout, with related information grouped together, and use striking visual elements to make the information more salient.

Reducing costs and increasing benefits of recall participation

Consumers frequently report ‘effort’ as a reason not to respond to a product recall. This can be especially true for socially disadvantaged and relatively young consumers. Therefore, recall effectiveness can be increased by reducing the level of up-front effort required and by making the benefits of participation more attractive and salient to the consumer. As such, the study suggest the following two policy recommendations.

Recommendation 5: The GPSD should be revised to encourage operators to make it less burdensome for consumers to participate in a recall, for example by ensuring that consumers do not incur financial costs to comply with a recall and by minimising the time spent away from work or other duties. Where possible, operators should offer default options that consumers can opt out of to minimise the decision burden placed upon time- or finance-poor consumers.

Recommendation 6: The GPSD should be revised to encourage economic operators to offer – and clearly and saliently describe in recall notices – attractive and timely remedies to consumers.

Strengthening the link between product registration and safety

Desk research and industry survey found that product registration schemes are only available for few higher-value product categories like motor vehicles, electronic appliances and communication devices. Moreover, very few companies make the link between product registration and safety, tending to associate registration with extended warranties or technical support. Therefore, many consumers do not understand the advantage of registering their products and some may not even know that product registration is possible. In addition, consumers are often concerned about how their personal data will be used, which can discourage registration, leading to the following policy recommendation. This gives rise to the following two policy recommendations.

Recommendation 7: National and EU authorities should consider carrying out information and awareness-raising campaigns to increase industry and consumers’ understanding of the safety benefits of product registration.

Recommendation 8: The GPSD should be revised to ensure that, when registering products, consumers’ information is only used for safety-related communications, not for marketing purposes, unless consumers explicitly opt in to receiving such marketing communication.

Making product registration more accessible and less burdensome

Behavioural experiment shows that people are considerably more likely to register a product when they can do so at the point of sale, rather than after a purchase. Among post-sale registration schemes, an invitation to register attached to packaging was more effective than a general ad campaign. After a purchase, consumers often simply forget about registration, going about their normal lives. Behavioural experiment also shows that consumers are considerably more likely to complete the process of registration if it requires less effort. This informs the following two policy recommendation.

Recommendation 9: Economic operators should be encouraged to make product registration available, salient, attractive and easy for consumers at the point of sale. In addition, economic operators should be encouraged to attach prompts to register to packaging, installation and/or delivery of products (as applicable) when the attention of the consumer can still be directed.

Recommendation 10: Economic operators should be encouraged to reduce the effort required for product registration, e.g. the number of steps, time taken or amount of information to be provided. They should also be encouraged to innovate in terms of methods available to register products e.g. by the use of QR codes that consumers can scan and which minimise the amount of information that needs to be filled in.

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