

## **News Releases In Product Recall Public Relations: Government Standards And Communication Outcome**

The present study described Federal regulatory agency standards for news releases, and their effect on communication outcomes.

Initially, the importance of public relations to successful product recall campaigns is demonstrated. Next, the significance of communication in general and news releases in particular to recall public relations is discussed.

Consumer Product Safety Commission news release standards are described, and exemplified.

Finally, using news releases issued by recalling companies and by regulatory agencies, we observed certain tendencies in the two sets of news releases; in certain ways there was intragroup similarity, yet there was some inter-group correspondence as well.

## **News Releases in Product Recall Public Relations: Government Standards And Communication Outcome**

Product recalls are one of the most significant phenomenon manifest upon the contemporary American economic and political scenes, in quantitative and qualitative terms. They are pervasive; there were approximately 1,885 1996 recalls, which is 5.16 each daily, or slightly more than 36 each week (Gibson, 1998, 773). Former Conference Board Chairman Alexander Trowbridge declared that “product recall is a situation that nearly every manufacturer will probably face at some time or another no matter how meticulous its quality control procedures” (McGuire, 1975, 13).

Recalls are more than just frequent occurrences; they may be more significant in their effect upon the public, and the recaller. The recalling firm faces a variety of immediate and long-term consequences of recalls, including product line and/or plant closure, CEO personal liability, and stock market devaluation, both at the firm and general sector level (Gibson, 1996). Stanley Hanson, Engineering Manager for the Travelers Insurance Companies, realized a potential threat to corporate reputation, “If a problem exists, no matter now minor, the company’s reputation may be in jeopardy. Often, what is a minor problem to a company may be a major problem in the eyes of the consumer” (1975, 90).

Dire as they may be, the consequences of recalls to recalling firms pale in comparison to the potentially lethal implications for consumers. Unsafe products frequently harm American consumers; in 1994, the Consumer Union estimated that there are 21,000 product-related deaths and 33 million product-caused injuries annually in the U. S. (“Product Recalls...”, 1994, 732).

The encouraging fact is that effective product recalls save lives. A 1997 CPSC news release noted, “Recalls save lives in several ways: (1) consumers who bought the products and responded to the recall are no longer at risk, (2) firms redesign their products or stop selling them, removing the particular hazard and saving lives in the future, and (3) consumers may throw away an unsafe product, change their behavior to use the product in a safer way, or repair the product themselves” (“CPSC Works...”, 1997, 1). According to a recent CPSC study, in three recent recalls (involving a playpen/crib, a cradle swing, and infant cushions), projections indicated “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..., 1997, 1).

Sadly, although effective recalls undoubtedly save lives, it is equally true that unsuccessful recalls allow unnecessary consumer pain and death to continue. A *Washington Post* wire service report in 1994 observed that “The Consumer Product Safety Commission this week issued a warning that little pumpkin-shaped erasers resembling candy could pose a choking hazard to children. It was exactly the kind of information about dangerous, defective products that often fails to reach the general public” (“Product Warnings..., 1994, C-3). The Consumer Union (1994) contended that “A dangerous, defective, or unhealthy product could well be in your kitchen, playroom, or medicine cabinet right now. If that item has been the subject of a government recall action, the odds are exceedingly slim that you will have heard about it. Recalls of hazardous products--when they take place--tend to be half-hearted, with commensurate results” (“Product Recalls...”, 732).

The tragic, ironic reality of deaths resulting from ineffective recalls was aptly expressed in a release from the Office of the Acting Director of the U. S. Office of Consumer Affairs (1990): “far too often, we open our newspapers to learn of yet another heart-wrenching-tragedy--a family’s life has been forever altered when an unsafe consumer product severely injured or killed a loved one. Whether it was a car, a child safety seat, a baby cushion, or a faulty appliance, many of these deaths and injuries could have been prevented because they involved products that had been recalled” (Poat, 1).

Many units of the Federal government are charged with product recall responsibilities, such as the CPSC, the National Highway Traffic Safety Administration, the Food and Drug Administration, the Coast Guard, and the Department of Agriculture. In order to facilitate their legislative mission, to successfully recall potentially injurious or lethal products, they usually rely on the mass media, typically newspapers, magazines, radio, television, point-of-purchase displays, and direct mail, to facilitate information dissemination to large and geographically diverse audiences.

This regulatory recall reliance results in unusually detailed legislative standards for product recall communication. The present study analyses news release standards promulgated and applied by the CPSC to releases issued directly by recalling firms. In order to fully explore our topic, five main sections include: 1) the significance of product recall public relations news releases; 2) description of CPSC news release standards; 3) method; 4) results; and 5) discussion. Our focus in the present study is to examine government-issued and recaller-issued recall news releases, in an attempt to identify tendencies, limitations, and opportunities for improvement.

## THE SIGNIFICANCE OF RECALL NEWS RELEASES

To fully appreciate the intrinsic importance of product recall public relations news releases, it is necessary to consider three issues: 1) the importance of public relations to product recall campaigns; 2) the importance of communication to product recall public relations; and, 3) the role of news releases in product recall public relations. We will conclude that recall public relations use of news releases is important, as is the role of communication in recall public relations.

## Importance of Public Relations in Product Recalls

It is possible to conceptualize product recalls as essentially being communication campaigns. Recall campaigns and communication campaigns both are objective-based, purposive attempts to induce consumer behavior through public communication media and other communication efforts. Both should be based on appropriate communication theory, resulting in appropriate strategic diagnoses and effective tactical implementation of persuasive communication.

In a 1978 CPSC study of recall effectiveness, two of the seven variables thought to be associated with recall outcomes involved communication (Lange, 2). Hansen identified recall campaigns as being part of an overall, seamless, customer communication plan: "Let us consider a successful recall as one that will be part of an *overall* campaign or program of customer communication. In other words, an actual recall can be regarded as part of a communication plan which will have identified our product in the consumer's home or place of business. If we are in continuous communication with our customers, the need for a recall can be our decision, built on our fact-finding system, rather than a sudden outside force of event... such a communication program will allow us to reap benefits that may not have followed before" (1975, 88).

A recent CPSC promotion to publicize recalls, "the Recall Round-Up," was an attempt by the agency to stimulate media and public interest in recalls. CPSC's release on the "Round-Up" advocated use of such traditional public relations techniques as news releases, VideoNewsReleases (VNRs), news conferences, local radio and television interviews, community meetings, and other communication tactics.

Marc Schoem, who directs CPSC recall efforts, acknowledged that "there's an art to getting people's attention. we're always looking for new and innovative ways to reach the consumer" (1991).

## The Role of Communication in Product Recall Public Relations

In light of the interrelatedness of product recall and public relations campaigns, it is not surprising to learn that communication is the key to effective recall public relations. In fact, the primacy of communication to recall public relations was a primary conclusion in the *Report of the Recall Effectiveness Task Force of the Consumer Product Safety Commission* (1980): No matter how the matter of recall effectiveness is approached, it must be viewed in large part as a communication challenge. Two major questions to be answered are (1) by what channels do we route a given recall message to those we want to hear it, and (2) what should the content of that message be in order to motivate those receiving it to take the action we believe most appropriate" (1980, E-1). The Recall Effectiveness Task Force added that "A third question cutting across the first two is one of priority and access. That is, how aggressive should the Commission be in any given case to multiply our channels of communication or strengthen the warning in our message" (1980, E-1).

Another report on recall effectiveness, by the CPSC Office of Strategic Planning, arrived at a similar conclusion about the centrality of communication to recall public relations. Lange (1978) observed, "The Commission should be more concerned with the actual methods of consumer notification" (5). For instance, Lange noted that "Guidelines on consumer recall letters are now being developed" (1988, 5).

David Schmeltzer, former Director of the CPSC Office of Compliance and Administrative

Litigation, remarked that “It’s hard to find where the *Washington Post* puts recall information--soc (sic), lifestyle, business. We’re trying to get newspapers interested in this cause” (1991).

“The publicity angle is key, of paramount importance to consumers” acknowledged the FDA’s Richard C. Swanson of the role of communication in recall public relations” (1991).

William C. Boehly, an NHTSA recall administrator, realized that “we don’t know how to market this information,” adding that “we’ve done things to try to get the message out” (1991).

The Working Group on Product Recalls was an ad hoc alliance of federal regulatory agency officials interested in enhancing recall effectiveness. It met at least twice in the early 1990s, attended by representatives of CPSC, NHTSA, FDA, USDA, the Coast Guard, Housing and Urban Development, the Environmental Protection Agency, the Federal Trade Commission, and the Bureau of Alcohol, Tobacco, and Firearms.

A memo summarizing the first meeting concluded: “There was general agreement that the agencies and the media need to do a better job of disseminating recall information and motivating consumers to act. The major problems that surfaced in the meeting are: 1) Scanty and inconsistent (in terms of volume and placement) media coverage of most recalls; 2) Cost and difficulty of informing consumers about recalls that receive little media attention; and 3) Low response rate of even informed consumers to many recalls” (Seltzer, 1990, 5).

### The Significance of Product Recall News Releases

We have considered two interrelated facts; product recalls depend upon effective public relations strategic and tactical action, and communication is the key to effective recall public relations. It is now appropriate to realize the role and true significance of news releases in product recall public relations.

A classic, often-cited example of effective product recall public relations involved the recall of a Sears dishwasher in 1973. Once Sears determined that there was a serious problem with their product, they immediately notified the CPSC, and Sears dealers nationwide. Then, “Sears National News Director issued a national news release to the media. On the following day, Sears’ local outlets were directed to hand-deliver a similar press release to area newspapers and radio and television stations to insure that the recall would receive proper press coverage” (Diamond, 1977, 18). In addition, Sears located 72% of the dishwasher owners, and contacted them via registered, first-class direct mail (Diamond, 1977, 19).

General Motors has found news releases so effective, according to John C. Bates, former Director, Service Section, of the GM Marketing Staff, that “we generally issue a press release to announce a vehicle campaign, even though this is *not* called for under the Safety Act” (1975, 85).

News releases are not favored solely by major corporations, like Sears and GM. Indeed, the federal regulatory agencies with recall responsibilities all use news releases. For instance, the *CPSC Recall Handbook* (1988) explains this agency’s publicity policy, “Unless a company can identify all purchasers of a product being recalled for direct notice, the Commission will seek to issue a press release jointly with the firm. Such releases are made available to the national wire services (AP and UPI), major metropolitan daily newspapers, television and radio networks, and periodicals on the agency’s press contact mailing list” (6).

The same is true for other federal agencies with recall responsibilities. According to the Working Group on Product Recalls, “If the recall is the result of EPA testing (rather than reported by the maker) the Agency puts out media releases which are typically picked up widely”

(Seltzer, 1990, 3). Similarly, “the Coast Guard issues press releases on recalls to 3500 newspapers and magazines, including boating publications, and finds response inconsistent” (Seltzer, 1990, 2). The NHTSA, one of the most frequent recallers, relies heavily on releases, “Recalls are publicized by media releases and NHTSA’s Auto Safety Hotline” (Seltzer, 1990, 4). The Working Group on Product Recalls identified similar media reliance in the recall efforts of the Department of Agriculture’s Food Safety and Inspection Service, “FSIS normally issues announcements to the media, faxes the information to state and territorial health officials and runs a recorded announcement on the Meat and Poultry Hotline” (Seltzer, 1990, 2).

Why do corporate and government recallers rely on news releases? The answer is--they work. According to a recent study, “The print medium was viewed as more trustworthy and marginally more effective than the tape medium” (Jolly and Mowen, 1985, 474). Another interesting research finding concerned the relative credibility of releases issued by recalling corporations compared to government-issued releases; government releases were perceived as being more objective (Jolly and Mowen, 1985, 474). CPSC experience corroborates both research findings, “Usually, the release from the Commission generates the widest media attention and consumer response” (*Recall Handbook*, 1988, 6). The FDA’s Richard C. Swanson observed that virtually all FDA-involved recalls are judged to be effective, in terms of media response to FDA releases (1991).

## DESCRIPTION OF GOVERNMENTAL NEWS RELEASE STANDARDS

This section presents a description of governmental standards for recall communication, news releases in particular. We will concentrate on CPSC standards, while considering CPSC news release standard-related issues. Please consider: 1) description of CPSC news release standards; and 2) discussion of CPSC news release standards.

### Description of CPSC News Release Standards

The CPSC *Recall Handbook* (1988) lists the ten substantive content requirements the CPSC uses to govern news release information. The *Handbook* states that “Each product recall press release agreed to or unilaterally issued must contain the following information:

- Name of the product, the manufacturer, and the specific product hazard;
- The suggested retail price of the product;
- A description of the product and its intended use;
- The model and serial number of the product, and where consumers will find the data on the product;
- Date and time periods of product availability, distribution, and sales to assist consumers in determining if they bought the product;
- Guidelines for discontinuing use of the product, if applicable;
- Directions as to how consumers can obtain refunds, replacement, or repair of the product;
- Major national stores or chains selling the product;
- Description of the defect and the date the Commission was first notified of its existence;
- A name and “800” telephone number for consumers to use if they wish to contact the company with questions about the recall. (*Recall Handbook*, 1988, 6).

In addition to these content requirements, the CPSC recommends inclusion of “a glossy, black-and-white photograph or line drawing from the company showing the product and the defect;” because “duplicating the photograph and/or line drawing and providing it to the media with the release usually eliminates any confusion and often resolves their questions” (*Recall Handbook*, 1988, 6).

McGuire generalized these publicity content specifications beyond CPSC (1975), “When a product safety hazard is confirmed, however, the safety statutes require that companies engage in a *genuine* effort to notify the public. It is not enough simply to draft a press release, distribute it to a few news agencies, and hope that it will be used. A company must word its release so that it gains media attention, and then issue follow-up releases to be sure the material is used--no matter how discomfiting the story may be to the company” (84).

### Discussion of CPSC News Release Standards

These standards are taken seriously by the regulatory agencies. The CPSC monitors the AP and other wire services, to determine a recaller’s degree of compliance with regulatory recall publicity requirements.

In one case, an appliance manufacturer provided a “halfhearted” recall publicity effort. There was no national wire service story, despite the sale of 3,000 units nationwide. Disappointed with the initial publicity, the CPSC issued its own, subsequent, news release (McGuire, 1975, 84). In light of the CPSC’s typical use of the *PRNewswire* to disseminate releases to 7,000 daily newspapers, major periodicals, and other recipients simultaneously.

Schoem has estimated that “less than 5% of the time do we make them reissue a recall news release” (1991). Similarly, the FDA does not have to compel additional recaller publicity. Richard C. Swanson, of the FDA recall staff, suggested “it wouldn’t be a frequent-type situation” (1991).

## CONCLUSION

Product recalls occur often, and they can be devastating to recalling firms as well as to injured consumers. This paper advances the claim that product recall public relations is an important academic and “real-world” issue, deserving of scholarly analysis and sound public policy based on accurate information. Recalls are significant events, as are the communication strategy and tactics underlying effective recalls. News releases are an absolutely essential tactic in product recall public relations, perhaps the most important.

Federal government regulatory agencies have established standards for product recall news releases. These standards were described, in complete detail, and discussed. These standards specify recall release content, to ensure that complete information on the recall is conveyed to consumers. If recalling firms’ news releases are deemed inadequate by the CPSC, or any regulatory agency involved in recalls, they can and do issue their own release.

The present study extended our empirical understanding of recall public relations by examining both recaller releases and those issued by the government. We found that...

Despite the substantial contribution of the present study to an enhanced understanding of

recall communication, much work remains to be done. Little is known of subnational recall, yet some state and local units of government are at times involved in recall events. An array of studies is planned by the authors of the present study, including research into media gatekeeper perceptions of recall newsworthiness factors, public perceptions of recall communication, and recaller communication planning. One thing cannot be denied; given the virtual inevitability and seriousness of recall events, the more effectively we understand and can manage them, the better off we are as manufacturers, retailers, and consumers.

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