

# Journalists and social media users are key drivers behind product recall decisions, says researcher

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Canada saw a record [2,330 product recalls in 2023](#)—more than six per day and the highest since the federal government started releasing the data in 2011. A product recall occurs [when a manufacturer takes action to remove consumer goods](#) with safety defects or regulatory non-compliance from the market.

The decision on the number of product units to recall is typically [left up to the managers of manufacturing companies](#). This decision can be influenced by a variety of external pressures. However, what exactly drives these managers when issuing a recall?

My [recently published research answers this question](#), focusing on two stakeholders—journalists and social media users—who, despite having no direct authority over managers, significantly influence recall decisions.

My research shows that journalists' praise about safety in a manufacturer's products leads to increased disclosure of product safety defects, while their criticism curbs such disclosure. In contrast, social media users have the opposite effect: their criticism increases disclosure but praise does not make a difference.

## **Who oversees recalls?**

In Canada, various agencies oversee the safety of different products. The Canada Food Inspection Agency regulates [food products](#), Transport Canada is responsible for [automobile and automobile parts safety](#) and [Health Canada oversees the safety](#) of general consumer goods, pharmaceutical drugs, medical devices and biological products.

The laws [vary by product categories](#), but generally require a product manufacturer to notify the appropriate regulator as soon as they suspect a product may be unsafe before beginning an internal investigation.

If a recall is necessary, the manufacturer must inform the regulator again. The manufacturer—and in some cases, the regulator—must then make every effort to inform consumers about the unsafe products, recover the affected items if needed and offer appropriate remedies, such as refunds or replacements.

However, as one would expect, these efforts are insufficient because of systemic limitations, such as the inability to trace who purchased contaminated food or [using outdated methods for issuing recall alerts](#). As a result, consumers remain at risk of exposure to unsafe products.

## **Product recall announcements**

Vehicle manufacturers [take an average of 465 days](#) between becoming aware of a defect and recalling vehicles with that defect. Manufacturers in the health care sector fare slightly better, taking an average 136 days between defect awareness and recall initiation.

These lengthy delays raise critical questions about why it takes so long for consumers to be informed about potentially dangerous products.

One perspective suggests that managers face a genuine dilemma: they may not want to declare a product unsafe too soon, fearing that a premature recall could cause unnecessary alarm and damage the company's reputation.

However, a more cynical view points to financial motivations: product recalls can [hurt a product's sales and a manufacturer's stock prices](#). Therefore, managers have a strong incentive to delay recall announcements as long as possible to [protect the company's bottom line](#).

In profit-driven companies, [the pressure to minimize recalls can outweigh the moral obligation to protect consumers](#).

This is compounded by the fact that regulators are [short on resources and limited in how much they can monitor manufacturers](#). As a result, they may not be able to enforce timely recalls, leaving [consumers at risk](#).

With regulatory oversight constrained, the onus of holding manufacturers accountable increasingly falls on [journalists and social media users](#).

## **Holding manufacturers accountable**

My research has found that the tone of journalists' [news coverage](#) and the tone of social media users' posts can greatly impact a manufacturer's recall decisions.

My empirical analysis of a large data set revealed that negative news coverage about a product's safety often results in fewer recalled units, while positive coverage is linked to an increase in recalls.

Publications like [U.S. News & World Report](#) often rate and rank products by safety. When journalists provide positive coverage, it can give managers the confidence to release negative information. Critical coverage, on the other hand, may discourage transparency.

In contrast, my research indicates that negative posts on X (formerly Twitter) about product safety may lead to more recalls, while positive posts have little impact.

Since social media users are also consumers, they are more likely to share negative experiences online. When social media users criticize a company's product safety, it's more likely to prompt managers to recall units. Praise tends to make them more hesitant to issue recalls, preferring to maintain the positive atmosphere.

Additionally, I found that both news and social media posts have a greater impact when the safety defects are severe, suggesting that journalists and social media users play even more critical roles in ensuring public safety.

## **A balanced approach**

News coverage plays a significant role in shaping how a company's stakeholders—such as investors, employees and customers—view the company. On the other hand, social media posts about a company measures the public opinion about the company.

My [follow-up research](#) examined whether the influence of these two types of media on a company's decision to disclose product safety defects is stronger or weaker when they occur simultaneously.

My findings suggest negative news reports and negative social media posts have interchangeable impacts on managerial disclosure. This means that if there's already negative coverage in one medium, additional negativity from the other does not significantly increase the pressure on managers to disclose defects.

On the other hand, positive news and positive social media posts reinforce each other's influence, making managers more likely to disclose safety issues. In other words, when a company is receiving praise from both journalists and social media users, this can incentivize managers to be transparent about safety issues.

These findings underscore the need for a balanced approach in media coverage. Constructive journalism that highlights a company's efforts to improve safety can help create an environment that encourages transparency from manufacturers. On the flip side, consumers on social media can apply pressure and directly influence the [safety](#) and quality of

the products they use by speaking out and sharing their concerns online.

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