SURVEY ON CONSUMER BEHAVIOUR AND PRODUCT RECALLS EFFECTIVENESS

Final Report
EUROPEAN COMMISSION
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Survey on Consumer Behaviour and Product Recalls Effectiveness

Final Report
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1 Introduction

1.1 Background and objectives

When a product is identified as dangerous, businesses are obliged by European Union law to take measures – including, if appropriate – recalling it from consumers. When such actions prove to be unsatisfactory or insufficient, public authorities have to organise or order corrective measures.¹

Product recalls are one of the most common measures to mitigate the risks posed by dangerous products in the EU². Among the over-2000 measures reported each year through the EU Rapid alert system³ about half concern recalling the products from consumers. At the same time, existing evidence suggests that - while response rates vary considerably across product categories - the proportion of products successfully recovered from consumers remains generally low⁴.

To ensure that these actions are effective, it is crucial to understand how consumers experience the recall process and their motivations to engage with and respond to product recalls.

The Survey on Consumer Behaviour and Product Recall Effectiveness is the first large-scale EU study that investigates product recall effectiveness across the EU. It aims to deepen the understanding of consumer experiences, attitudes and behaviour concerning product recalls, focusing on the following key objectives:

- **Map** consumer knowledge, exposure and experiences with product recalls across the EU
- **Investigate** what drives consumer behaviour at different stages of the product recall process
- **Compare** product recall effectiveness and its drivers across the EU
- **Identify** vulnerable consumer groups at different stages of the product recall process
- **Indicate** the direction to improve product recall effectiveness

1.2 Survey methodology

The survey was conducted in the EU Member States, Iceland and Norway. The target population includes residents aged 18 and above.⁵ In twenty-one of the surveyed countries, 1000 interviews were conducted per country. In the remaining nine countries with the smallest populations, the target sample was set at 500 respondents.⁶ Fieldwork was conducted between August and September 2018.

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² By the term "recall" we refer to the process aimed at achieving the return of a dangerous product that has already been supplied to consumers, initiated directly by the producer or distributor of the dangerous product, or ordered by authorities.


⁵ Respondents were residents in the surveyed country and had sufficient command of at least one of the respective national languages. In addition, only persons “living in private households” were selected, excluding prisoners, as well as residents of retirement homes, etc. who are difficult to contact in a telephone survey.

⁶ Estonia, Lithuania, Latvia, Luxembourg, Slovenia, Croatia, Malta, Cyprus and Iceland.
The survey was conducted using Computer Assisted Telephone Interviewing (CATI). In every country, a random sample representative of the national population aged 18 or over was drawn. To ensure a homogenous approach across countries and minimise potential errors, questionnaire programming, data cleaning and analysis were fully centralised. At a 95% confidence level, the maximum margin of error is +/-3% for sample sizes of 1000 respondents.

1.3 Survey topics and report structure
The questionnaire was created and specifically tailored to this project. It underwent multiple review phases as well as in-depth cognitive testing before its finalisation. The questionnaire focused on the perceptions and experiences of European consumers in the following areas:

- **Awareness**: To what extent are consumers aware, in general, of their rights and manufacturers'/sellers' responsibilities? What drives consumer awareness?
- **Product registration**: To what extent are consumers aware of the benefits of product registration? Do they register products after purchasing them and what motivates them to do so?
- **Exposure to recalls**: What proportion of consumers is exposed to product recall information, including on products that they purchased themselves? How does this exposure differ per sector? How can product recall information reach consumers more effectively?
- **Consumer responses**: How do consumers react to product recall information? What drives consumer behaviour and consumer inaction?
- **Impact of recalls**: How satisfied are consumers with product recall information? What can be improved to engage consumers and improve the effectiveness of product recalls?

The first part of this report will focus on the five stages we have identified as part of the consumer journey with product recalls as presented in the visual below.

The second part of the report will explore sociodemographic differences at the five stages of the consumer product recall journey. Specific actions are proposed to reach vulnerable consumer groups and improve recall effectiveness among them. The last

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7 The overall telephone penetration in the EU28 countries, Iceland and Norway is high, which ensures that a majority of the population has a chance to participate in the survey and thus ensures high representativeness of the results. Our sampling methodology applied a dual-frame approach, using both mobile and fixed lines, taking into account their relative distribution in the population.

8 Reporting will focus on key results at EU28 level, per region (North, West, East, South) and per country, where relevant.

9 The results are based on a multivariate analysis of the impact of different sociodemographic factors on consumers at different stages of the process.
chapter of the report is dedicated to conclusions and recommendations for future action in view of the survey results, focusing on 1) improving communication with consumers and collaboration with businesses and 2) potential implications for policy.

2 Awareness of Rights and Responsibilities

According to the General Product Safety Directive (GPSD), only safe products can be sold on the single market, both online and offline. When a problem arises, businesses and national authorities have a responsibility to take action. This includes, if appropriate, recalling dangerous products from consumers. This chapter explores the extent to which consumers are aware of product recalls as a measure to ensure their safety and of the responsibilities that different actors have in the process of recalling dangerous products.

2.1 Key results

General awareness. A quarter of EU consumers (24.5%) are either unaware or do not believe that manufacturers are obliged to recall dangerous products. While 13.1% admit they do not know if such obligation exists, 11.4% believe that this is not the case. Furthermore, over a third of the EU population is not aware that all products are potentially subject to recalls (36.0%).

| EU consumers who are not aware that manufacturers have to recall dangerous products | 24.5% |
| Q5 Do you know if manufacturers are legally required to recall products that are dangerous to consumers? Base: All EU respondents; N=24039 |

Product categories. Consumers are more likely to say that specific product categories can be subject to recalls (ranging from 73.5% for cosmetics to 91.3% for products for children) compared to "any type of product" (64.0%).

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10 Statistical differences: All differences mentioned in the report will be statistically significant unless otherwise mentioned. Statistical significance is calculated at the 95% confidence level, meaning that the null hypothesis of no difference has been rejected at 5% probability level.
Assigning responsibility. When given two real examples of product recalls, most consumers (98.0%) agreed that it is the responsibility of manufacturers to recall dangerous products from consumers. They also believe in their own responsibility to 1) pay attention to product recall information (93.9%) and 2) take immediate action if it concerns a product they have purchased (92.3%). Respondents are the least aware of the sellers’ responsibility to inform consumers who bought a dangerous product of the risks it poses (88.3%).

Regional differences. Awareness of product recall obligations varies per region and even larger variations are observed per country. Consumers residing in the South\textsuperscript{11} (69.1%) and in the North\textsuperscript{12} (73.2%) report lower awareness of manufacturers’ obligation to recall dangerous products compared to the Eastern\textsuperscript{13} (77.2%) and Western\textsuperscript{14} (78.5%) regions. At country level, the lowest levels of awareness (below 60%) are reported in Bulgaria, Spain and Malta. In addition, only slightly over half (55.6%) of consumers residing in the South agree that any product can be subject to product recalls, compared to 67.5% in the West.

\begin{itemize}
  \item [Q4] Which of the following products do you believe can be subject to product recalls?
  \begin{itemize}
    \item [Base: All EU respondents; N=24039]
    \item [Products for children: 91.3%]
    \item [Electronic products: 87.7%]
    \item [Cars or other motor vehicles: 86.4%]
    \item [Home electrical appliances: 85.7%]
    \item [Cosmetics: 73.5%]
    \item [Any type of product: 64.0%]
  \end{itemize}
\end{itemize}
Consumer awareness of the legal requirement to recall dangerous products

Q5: Do you know if manufacturers are legally required to recall products that are dangerous to consumers? Base: all respondents; N=25541

2.2 Conclusions

- A significant minority of EU consumers are not aware that manufacturers are obliged to recall dangerous products and that this obligation applies to all sectors. The levels of awareness are considerably lower in some Member States.
- Consumer awareness of the responsibilities that different actors, sellers in particular, have in the recall of dangerous products can be improved.
2.3 Suggested Actions

**Targeted awareness campaigns:** in countries with low awareness of product recall obligations, national authorities should consider targeted awareness campaigns. Messages should aim to educate consumers on what product recalls are and why they are important to them. Campaign communication should focus on concrete, visual examples portraying actual products. The examples should be varied in terms of product categories to increase consumer knowledge of the broad scope of product recalls. When designing specific awareness raising campaigns, relying on existing evidence on how to effectively reach and capture consumers’ attention is key (e.g. behavioural studies).

**Learning from other Member States:** The large variability in awareness across the EU suggests that some countries may have a more established communication and/or experience with product recalls. Exchanges between national authorities to gain a better understanding of the reasons behind these differences and help close the awareness gap should thus be encouraged.

**Clarify key steps in the recall process:** While consumers believe in the importance of paying attention and acting in response to product recalls, it appears that the roles and responsibilities of sellers in the process are not sufficiently clear to them. To address this gap in consumer awareness of rights and responsibilities, consumers should be made more aware of the product recall process, particularly what the responsibilities of manufacturers are and how they differ from those of sellers. Making consumers aware of the link between them, public authorities, manufacturers, sellers and differing responsibilities, can help consumers better understand the product recall process and grasp the importance of recalls when it comes to consumer safety.
3 Product Registration

When a consumer registers a product with the seller or manufacturer, this means also providing valuable information (e.g. an email address) that personally links the consumer to the specific purchase. As it allows direct contact with the consumer, product registration is the quickest, most convenient and arguably the most effective method for communicating to consumers about product recalls. Increasing consumers’ willingness to register products is therefore a key priority in increasing product recall effectiveness.

3.1 Key results

**General awareness.** The survey results indicate that only 39.7% of EU consumers are aware that registering a product can allow manufacturers or sellers to contact them directly in case there are issues. This proportion is highest in the Western region (44.5%) and lowest in the Northern region (30.4%). At country level, French (50.3%), British (48.1%) and Italian (45.5%) consumers are most likely to say they are aware of the benefits of product registration, as compared to less than a quarter of consumers in Iceland (22.9%), Cyprus (23.6%) and Denmark (24.1%).

<table>
<thead>
<tr>
<th>Proportion of consumers who know the value of product registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q9a Did you know that by registering a product you can be contacted directly in case there is a problem with that product? Base: all EU respondents, N=24039</td>
</tr>
<tr>
<td>39.7%</td>
</tr>
</tbody>
</table>

**Consumer behaviour.** Consumers are willing to make the effort when it comes to product registration but only when its purpose is to keep them informed about potential danger or issues. Among those who are aware of the benefits of product registration, most do register at least some of the products that they purchase (68.7%), when the explicit reason stated is to allow businesses to contact them in case of issues. In contrast, almost three quarters of those who are not aware that by registering a product they can be contacted in case of safety issues (72.7%) say that they do not register products for other reasons. These results suggest that few consumers are willing to share their personal details for reasons other than being alerted in case of a problem.

**Drivers of consumer behaviour.** The key factors that motivate consumers’ decisions to register products are summarised and presented graphically below:15

1. **Safety or risk avoidance** is the most important motivating factor in consumers’ decisions to register products (average score of 8.6 on a 0-10 scale). As product registration allows the manufacturer/seller to inform consumers about potential danger, this factor represents a clear fit between the purpose of product registration and consumer motivations.

2. **Data protection** is the second most important factor for consumers (8.5). This suggests that consumers are highly sensitive about sharing their data since they fear that it could potentially be used for commercial purposes. This fear is

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15 The answers were recorded on a scale from 0 (Not important at all) to 10 (Extremely important).
not surprising or unfounded given the aggressiveness of marketing methods used in recent years to capture consumer attention.

3. **Consumer trust** in the manufacturer or seller is the third most important factor, only slightly behind the first two (8.1). Trust is also clearly related to the second factor as it reflects consumers’ wish to protect their data and privacy.

4. **The amount of effort required** is also relevant for most consumers who consider registering a product (7.6). Not many consumers appear willing to spend valuable time and effort on product registration.

5. **Product value or incentives** are less important to consumers compared to the first four factors (6.9 and 5.6, respectively). However, cross-country variations show that they are still relevant to consider in some Member States. For example, while Croatian consumers consider incentives important (7.7), this is not the case for Icelandic (3.4), Danish or German consumers (both 3.8).

**Q10: How important are the following factors in your decision to register your contact details when buying a product? Base: respondents who register at least some products; N=5884**

### 3.2 Conclusions

- **The majority of EU consumers are not aware of the benefits of product registration for ensuring their safety. The first necessary step to improve registration rates is to increase consumer awareness of the value of product registration.**
- **Consumers are sensitive to the benefits product registration can provide, even though they are inherently reluctant to share their information during or after a purchase. As they appear willing to act, assuring consumers that their data would only be used in case of issues with the product is likely to positively impact consumer behaviour.**
3.3 Suggested Actions

**Increase consumer awareness:** Public authorities should aim to increase consumer awareness of the value of product registration. A targeted communication campaign to improve consumers’ understanding of the importance of product recalls for ensuring their safety is one option. To make such campaigns cost-effective, public authorities can collaborate with large businesses (online and offline) who may be willing to display communication messages on their websites or in-store.

**Foster consumer trust:** Businesses (manufacturers/sellers) should try to increase and foster consumer trust by providing clear assurance that the personal data they share will not be used for marketing purposes. This should be done during the registration process to have the highest impact. Clear measures should be put in place, such as allowing consumers the opportunity to agree (e.g. by ticking a box) that their details will be used only in case it is necessary to inform them about potential risks regarding the use of the product.

**Minimise consumer effort:** To minimise the effort needed from consumers to register products, businesses should ensure that the registration process is as simple as possible by only asking for the necessary information that will allow direct contact (e.g. only email address). An effective strategy to minimise consumer effort would require close collaboration between public authorities and businesses in simplifying and standardising the product registration process across the EU.
4 Exposure to Product Recalls

Reaching consumers and effectively communicating about product recalls are crucial factors in ensuring product recall effectiveness. Yet, limited data are available from previous quantitative studies regarding the level of consumer exposure to product recall information across the EU. This chapter focuses on key findings from the survey regarding consumer exposure to and experience with product recalls. These insights can improve our understanding of the types of messages, modes of communication and specific communication channels that are most effective in reaching consumers and motivating them to act.

4.1 Key results

**Exposure to product recalls.** Over half of EU consumers have been exposed to product recall information in the past 2 years (56.5%), ranging from 45.6% in the Southern and 46.3% in the Eastern regions to 65.7% in the Western region. In addition, 12.4% of EU consumers confirm that the information they saw concerned a product they had purchased themselves. This proportion is lowest in the Eastern (5.4%) and highest in the Western region (15.2%). Looking at individual countries, exposure to both product recalls in general and personally relevant recalls is the lowest in Cyprus (26.1% and 1.5%, respectively) and Bulgaria (22.2% and 2.9%). Overall exposure is the highest in Finland (80.2%) and Slovenia (74.6%), while exposure to recalls of products owned is the highest in Italy (18.6%) and Austria (17.8%).

**Product categories.** Exposure to product recall information varies greatly per sector, from 22.5% for cosmetics to 78.8% for cars and other motor vehicles. The top three sectors where consumers experienced a recall of a product they own themselves are motor vehicles, household electrical appliances and electronic products, which together make up 80% of all personally relevant recalls. These product categories are also more likely to be registered by consumers (registration is mandatory for motor vehicles) than products such as toys or cosmetics, which could, at least partly, explain the results. As portrayed in the visual below, products for children record the largest difference between overall exposure to recall information (60.5%) and exposure to recalls of products that consumers have purchased themselves (4.4%). This could be linked to the fact that relatively few consumers (mainly the parents of young children) buy products for children, while safety issues linked to such products tend to receive high media attention leading to greater awareness in this sector.
As regards regional differences, 82.7% of consumers in the West have been exposed to product recall information in the motor vehicles sector, compared to only 66.7% in the East region. Likewise, more consumers in the West region (41.2%) have been exposed to product recall information in the home electrical appliances sector than in the North (27.2%), South (22.6%) or East (21.2%) regions. Vice versa, in the East (28.3%) and South (27.6%) regions, exposure to product recall information in the cosmetics sector is more frequent than in the North (14.8%) and West (19.8%) regions.

**Online vs. offline purchases.** On average, 18.6% of personally relevant product recalls concern a product that was purchased online, while the majority were linked to offline purchases (80.1%).\(^4\) This can be attributed, at least partly, to the fact that 46.5% of personally relevant product recalls were in the car and other motor vehicles sector, as shown in the figure above. As shown below, a large majority of cases in this sector concern offline purchases (95.7%). Recalls of products purchased online are most common in the Electronic products and Electronic accessories sectors (39.4% and 44.6%, respectively).

\(^4\) Approximately 1.3% of consumers did not know where they had purchased the product.

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**Exposure to product recalls**

<table>
<thead>
<tr>
<th>Category</th>
<th>Overall Exposure</th>
<th>Exposure for products owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars and other vehicles</td>
<td>78.8%</td>
<td>46.5%</td>
</tr>
<tr>
<td>Products for children</td>
<td>60.5%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Electronic products</td>
<td>55.3%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Household appliances</td>
<td>33.4%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>22.5%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Other products</td>
<td>30.9%</td>
<td>10.4%</td>
</tr>
</tbody>
</table>

*Overall: Q7a N = 13138; Products owned q12a N=2265*
q12a Which product category did the product belong to? q12b Did you purchase the product online or offline? Base: respondents exposed to recalls for products they purchased; N=2265

Experience with recalls of products bought online is considerably more common in the East region (26.0%) than in the North (15.4%) and South (14.4%) regions. Looking at individual countries, this percentage is the highest in Luxembourg (29.1%), and the lowest in Iceland (1.2%).

Communication channels. The top three channels through which consumers see or hear product recall information are traditional media (79.8%), online media (53.6%) and word of mouth (29.3%), followed by physical stores (23.8%). Consumers in the West region are considerably more likely to have seen or heard such information in physical stores (30.1%) than those in the East (12.8%), North (13.9%), and South (17.1%) regions.

Q7b - Base: those who were exposed to product recall information N=13138

When asked about how they would like to receive information, consumers’ preferences appear to be in line with these results, with traditional media being favoured over online media.

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online media channels (82.5% vs. 62.4%). The most preferred channel is direct communication (84.0%). Beyond specific channels, many consumers value visual communication such as posters in shops or online banners (63.5%). For two communication channels, there are pronounced gaps between the actual exposure to product recall information and consumer preferences, namely the seller’s/manufacturer’s website (18.4% exposure vs. 55.9% preferred) and a consumer association or dedicated services/platform (19.1% exposure vs. 54.5% preferred).

### Preferred communication channels

<table>
<thead>
<tr>
<th>Channel</th>
<th>Exposure</th>
<th>Preferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct (via post, email, telephone, SMS)</td>
<td>84%</td>
<td>82.5%</td>
</tr>
<tr>
<td>Traditional media (TV, radio, newspapers)</td>
<td>82.5%</td>
<td>62.4%</td>
</tr>
<tr>
<td>Visual communication (posters in a shop, online banners)</td>
<td>63.5%</td>
<td>62.4%</td>
</tr>
<tr>
<td>Online media (social media, blogs, news websites)</td>
<td>62.4%</td>
<td></td>
</tr>
</tbody>
</table>

Q18 How would you prefer to receive information about recalls of products you have purchased? Base: all EU respondents; N=24039

### 4.2 Conclusions

- **Consumers are regularly exposed to product recall information, but it often does not relate to products they own themselves.** The gap varies substantially per sector and is largest for products for children.
- **Direct communication is the most preferred channel by consumers.** Still, both traditional and online media are key channels for communicating to consumers indirectly about product recalls, when direct communication is not a practical option.
- **Product recall experiences are predominantly related to offline purchases, but large variations are observed per sector.** This does not undermine the potential of online communication channels to inform consumers about recalls of products purchased offline.
- **The gap between the proportion of consumers who were exposed to product recalls via a consumer association or a dedicated information service/platform and the numbers indicating a preference to be notified of recalls via this channel could suggest low awareness or availability of such associations/platforms amongst consumers.**
4.3 Suggested Actions

**Align strategy to specific sector.** The most effective strategy for reaching consumers with information about product recalls varies between sectors. As such, communication campaigns should be designed with sector specificities in mind. For example, in sectors with many low value products, it may be difficult to reach consumers directly, as product registration levels are likely to be low. In such cases, blanket campaigns can be the most effective strategy.

**Direct communication first.** If the sector and its specificities allow it, direct communication should always be considered first, as this is not only the most efficient communication channel but is also in line with consumers’ top preferences. It’s not always feasible and not always practical, however.

**A mix of communication channels.** Balanced targeting of campaigns in terms of channels is likely to be most effective. While targeting consumers online through innovative methods can increase the reach of product recalls, the importance of offline communication channels should not be overlooked as both types of channels are important to consumers.

**Use innovative online channels.** Even though a large proportion of recalls concern products purchased offline, online communication can still be used to reach consumers directly or via targeted techniques. There are significant gaps between consumer preferences and actual exposure when it comes to targeted online communication (seller's/manufacturer's website; consumer association or dedicated services/platform). Innovative channels - such as highly targeted online campaigns or a dedicated app - can be particularly useful when it is difficult to link consumers to specific purchases. Such channels are also in line with consumer preferences.
5 Consumer Responses to Product Recalls

Once a product recall notice successfully reaches consumers, it is ultimately their actions in response to it that determine product recall effectiveness. There is, however, a gap in current knowledge when it comes to consumers’ willingness to take action in response to product recalls. This chapter explores to what extent and how consumers respond to product recall information, both in general and with regard to the products they purchased themselves. It also provides insights into the factors that motivate consumers to act and suggests concrete actions that can be taken to improve product recall effectiveness.

5.1 Key results

Responses to general product recall information. After seeing information about a product recall, over three quarters of EU consumers (77.4%) checked if it concerned a product that they owned.17 Interestingly, even though 79.0% of consumers did not own the recalled product in the most recent recall notice they saw, 61.6% told others about it, suggesting a very high level of sharing or “word of mouth” between consumers. When it comes to consumer inaction, 14.3% of consumers did not take any action even if they owned the product and 20.8% did not follow the instructions of the recall notice even though it was relevant to them.18

There are clear regional differences in consumer responses to product recall information. Most notably, 74.8% and 69.4% of consumers in the South and West regions, respectively, followed instructions given for a product they owned. In the North and East regions, this was the case for less than half of consumers (46.7% and 42.4%, respectively).

Responses to product recalls concerning products owned. When exposed to a recall notice concerning a product they own, the most common action consumers take is to contact the manufacturer or seller for more information (55.7%) or for reimbursement (41.3%). Almost half of consumers returned the product (46.3%) and 7.3% threw it away. What is concerning, however, is that over a third of consumers (35.1%)19 did not react to a recall that was relevant to them: 31.2% continued using the product with extra caution, while 3.9% took no action whatsoever. The latter figure is the highest in the North region (11.8%) and the lowest in the South (2.5%) and in the West (3.7%) regions.

Q12c Thinking about this product recall, what action/s did you take in response? Base: all EU respondents exposed to recalls about products owned; N=2265

17 It is possible that a check was unnecessary in the case that consumers are confident they do not own the product.
18 Please note that these proportions are not cumulative but are likely to overlap as they are based on a multiple answer question format.
19 Consumers’ lack of reaction is computed as the sum of those who claimed they “continued using the product with extra caution” and those who “took no action at all”.

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Drivers of consumer actions. Consumers are likely to react to product recalls under certain conditions. The four key factors that drive consumer responses to product recalls are summarised below, indicating the proportion of consumers who find each driver important in motivating them to act. They have been identified from the replies to two questions: one referred to a hypothetical scenario supported by concrete examples, while the other was based on consumers’ actual experiences. Regardless of the type of scenario (hypothetical or real) personal relevance, clear communication of risk and actionability are important motivating factors for a large majority of EU consumers. Regarding personal relevance, consumers do not seem to differentiate between owning a product themselves and knowing someone who owns a product, suggesting that consumers' motivation to act extends to their immediate social circles.

Q7cx1 (Real scenario) What would have made you take some action? Base: all EU respondents who took no action because they did not own the product; N=10964
Q8a1 (Hypothetical scenario) If you had heard [about specific product recalls], and you owned one of these products yourself, what would have made you take any action? Base: all EU respondents; N=24039

5.2 Conclusions

- **Word of mouth is an important mechanism for sharing information about product recalls, in particular when direct communication may not be a feasible strategy.** As such, if encouraged, it can increase the relevance and impact of recalls for which reaching consumers may be a challenge (e.g. products for children). The value of word of mouth as a communication mechanism is also supported by findings that the personal relevance of recalls extends to consumers’ social circles.
- **The fact that over a third of consumers continue using recalled products suggests that the danger and/or action to take may not be communicated clearly enough in recall notices.**
- **Personal relevance, clarity of risk, actionability and product value are the key motivating factors that drive consumer responses to product recall information.**
5.3 Suggested Actions

**Collaboration is key:** To motivate consumers to take action, national authorities and businesses need to work together to address the gaps between what motivates consumers and how satisfied they are with these factors based on their experiences with product recalls.

**Activate word of mouth:** An interesting mechanism that can be used to increase the relevance of product recalls is word of mouth. Many consumers already spontaneously share product recall information with their social circles. This proportion can be further increased by an explicit encouragement to do so in the recall notice. This strategy can help increase the relevance of recall notices that are not communicated directly to consumers and can be particularly effective in sectors where product registration is low.

**Communicate risk transparently:** There is clear potential to improve the clarity of the risk communication in recall notices. A standard template of how risk should be communicated, covering relevant safety factors, can help simplify the process for both businesses and consumers. For example, a label indicating the expected level of risk can be developed and used in recall notices. Standardisation can also ensure that the presented risks are communicated consistently across different product types and communication channels.

**Make product recalls actionable:** When recalls are relevant and risk is clearly communicated, consumers will act if the procedure to follow is easy to understand and not too burdensome in terms of time and effort required. Improving the way contact information, return and reimbursement procedures or incentives are communicated in recall notices could help activate inactive consumers. Concretely, all information in a recall notice should be simple, clear, structured and visible with the most relevant details (e.g. contact information) made prominent. In addition, the recall notice should encourage and give consumers the opportunity to act immediately (e.g. by contacting the appropriate party or returning the product) without being overly complex. A good practice would be to develop a template which sets out standards on how to present such information visually as well as in terms of content.

**Highlight product value:** For specific sectors, where recalled products have a higher value (e.g. automotive and consumer electronics), highlighting the value of the product in the recall notice, even in a subtle way, could push some consumers to act.

**Offer incentives when it matters.** While not all consumers find incentives important, they could be a useful tool to drive consumer action in specific cases. For example, if the product recall procedure is relatively complex or requires consumer effort that cannot be avoided, financial incentives (e.g. vouchers) can be used to offer consumers an extrinsic reward for their time.
6 The Impact of Product Recalls

As a final step in the consumer journey with product recalls, it is helpful to estimate their impact on consumer attitudes. This chapter will summarise manufacturers’ or sellers’ reactions to consumers seeking more information and consumer satisfaction with the recall experience and information. In addition, it provides insights on the impact of recalls on consumer trust in businesses.

6.1 Key results

Responses from manufacturers/sellers. Among consumers who contacted the manufacturer/seller for more information regarding a product recall, most were offered a repair (68.9%). Over half were offered a replacement (58.5%) or a return (51.3%). Consumers were asked to dispose of the product themselves in only 4.6% of the cases. The fact that many of these offers from businesses overlap suggests that consumers are often given more than one option to choose from concerning a recall. Only a third of consumers state that they were offered a reimbursement (34.3%), while a quarter (24.7%) were not offered any compensation at all, in response to contacting the manufacturer or seller.

![Proportion of consumers who were not offered any compensation](image)

Q13 How did the manufacturer/seller respond to your contact about the recall? Base: all EU respondents who contacted the manufacturer/seller for more information about a product recall; n=1197

Consumer satisfaction with the recall experience. Consumers were least satisfied with the time the recall process required (average score of 7.1 on a 0-10 scale) and the reimbursement or compensation they were offered (7.0). These results are in line with manufacturers'/sellers' responses reported above, suggesting that reimbursement offers related to product recalls can be improved. Satisfaction is higher with the assistance provided by the manufacturer or seller (7.8) as well as with the ease of the process (7.6). However, there is still room for improvement as approximately a quarter of all consumers are not satisfied with these factors.

Satisfaction with product recall information. When asked about satisfaction with the latest product recall information they were exposed to, consumers report the highest satisfaction with factors linked to personal relevance (information on which product was being recalled (8.5) and where it had been sold (7.5)) and communication of risk (7.9). When it comes to actionability, however, consumers are less likely to agree that the contact information (7.1) and the procedure to follow (7.1) were clearly communicated. Furthermore, satisfaction with the clarity of the reimbursement and compensation procedure is the lowest (6.3). Based on these

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20 Note that this question was asked to consumers who contacted the manufacturer/seller for more information. Those who took other actions (e.g. returned the product, asked for a reimbursement etc.) were excluded. As such, the results only reflect a subset of cases, in which consumers engaged in proactive communication with businesses.

21 Consumer satisfaction is measured on a scale from 0 to 10, where 10 represents high satisfaction.

22 Satisfaction with product recall information is measured on scale from 0 to 10, where 10 represents high satisfaction.
findings, we can identify certain gaps between consumer satisfaction with specific aspects of product recall notices and the factors that drive consumer responses to recalls, as shown in the visual below, with the largest gap linked to actionability.

**Impact on consumer trust.** Considering the impact of the recall experience on consumer trust, only 30.1% of consumers became more distrustful of the brand, seller or shop. In fact, over half (54.4%) of consumers state that their confidence has increased. In addition, almost two thirds (63.5%) started paying more attention to product recalls because of their experience.

6.2 Conclusions

- **The actual rate of compensation or reimbursement offered by manufacturers or sellers can be improved.**
- **The time required to respond to a product recall is what consumers appear to be the least satisfied with and should be kept to a minimum.**
- **Consumers appreciate and reward businesses' transparency with increased trust and confidence.**

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6.3 Suggested Actions

**Reduce the time burden on consumers:** To address the issue of time, the recall and reimbursement procedures should be as simple as possible to ensure minimum effort is required from consumers. The ease of the procedure should also be clearly communicated in the recall notice. Furthermore, consumers should be given direct contact information (telephone number, email and physical address) of the manufacturer/seller that is prominently and clearly displayed.

**Offer a form of compensation:** As consumers’ time is valuable, offering reimbursement or another form of incentive can increase their motivation to act. Consumers should not have to ask for reimbursement or compensation. This option should be communicated clearly in the recall notice, including the exact procedure to follow.

**Communicate transparently:** Manufacturers and sellers should be encouraged to be more transparent and clearer when communicating about dangers of products, as this appears to have a positive overall impact on consumer trust towards their brand. Further research (e.g. behavioural studies) on this topic is needed to explore the impact of recalls on consumer attitudes.
7 Vulnerable Consumers

The link between key indicators of product recall effectiveness and relevant sociodemographic factors was analysed by means of a multivariate analysis. The analysis aimed to identify consumers’ sociodemographic characteristics that are most closely linked to the different stages of the product recall process: awareness, product registration, exposure, consumers actions and impact. This chapter summarises the results, focusing on identifying vulnerable consumer groups.

7.1 Key results

**Awareness of product recalls.** When it comes to awareness about product recalls in general, consumers with a low level of education, those in a less stable occupation (e.g. unemployed, job-seekers) and those who do not purchase products online are the least aware that dangerous products should be recalled. When it comes to responsibility, a different picture emerges. While all consumers hold manufacturers highly responsible for recalling dangerous products, males, highly educated consumers and those in an easy financial situation are less likely to believe that this responsibility also applies to sellers or to themselves. In addition, frequent online buyers are likely to assign less responsibility to sellers regarding product recalls, suggesting that sellers’ role in the process may be unclear.

**Product Registration.** Certain groups can be considered vulnerable because they are less aware that product registration can allow manufacturers or sellers to contact them regarding recalled products. This is true for female consumers, those with low education, those who do not purchase products online and consumers in a less stable occupation. When it comes to actual behaviour, only one group that is less aware of the benefits of product registration is also less likely to actually register the products: those who do not purchase products online.

**Exposure to product recall information.** Consumers who are less aware that dangerous products should be recalled are also less likely to be exposed to recall information. Regarding products actually owned by consumers, these groups are less likely to be exposed to product recalls primarily for the motor vehicles sector, which may be - at least partly - explained by their lower purchasing power.

**Communication channels.** While younger consumers (18-34 age group) do not have a preference between traditional and online communication channels, older consumers (65+) and those who do not buy online clearly prefer traditional communication. The same pattern is true for actual exposure. Direct communication is the most preferred channel among all consumer groups, with men and frequent online buyers expressing a higher preference for this channel than women and those who do not buy online, respectively.

**Drivers of consumer actions:** When it comes to both hypothetical and real scenario, as described in Chapter 5, the three key drivers of consumer responses to product recalls – personal relevance, clear risk communication and actionability – are valid

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23 Age, gender, level of education (ISCED), financial situation, occupation, urbanisation, and having children of different ages

24 This analysis used Logit, Poisson and Linear regression models depending on the indicator studied and how it was measured. It is preferred to direct comparisons as it allows to account for the mutual effect of several related sociodemographic variables (e.g. education and financial situation) and to control for regional differences.

25 No specific figures are reported in this summary chapter as they can be difficult to interpret. For specific averages and differences per group, please refer to the Annex to this report.
across different sociodemographic factors. In both scenarios, value (product value, reimbursement or incentives offered) is considerably more important for young consumers (18-34 age group), low educated consumers and those in a difficult financial situation.

**Consumer responses.** When it comes to reactions to product recall information, those in a difficult financial situation and those who do not purchase products online are less likely than the rest of the population to even check if they own the product, suggesting a lack of engagement. Low educated consumers are the most vulnerable group when it comes to responding to a recall for a product they own – they are twice less likely to take action compared to highly educated consumers. In addition, younger consumers and females are less likely to act compared to the rest of the population. Interestingly, when it comes to sharing product recall information with others, vulnerable groups who are least likely to act, are also most likely to communicate to others about the recall notice – those in a difficult financial situation, young consumers and females. Satisfaction with product recall communication is homogeneous across different sociodemographic groups. Therefore, suggestions for improvement of specific parts of recall notices are valid across different groups of consumers.

### 7.2 Conclusions

- **Consumer awareness of and exposure to product recalls appear to be linked when it comes to vulnerable consumer groups** – those who are not aware of recalls are also less likely to be exposed to them. These consumer groups are also less aware of the benefits of product registration.
- **While awareness, exposure and knowledge about product registration show a consistent pattern in terms of consumer vulnerability, the opposite is true when considering consumer responsibilities.** Groups that are less aware and less likely to be exposed to product recalls are in fact more likely to hold themselves accountable for paying attention to them and taking action.
- **Direct communication is the most preferred channel for all consumer groups.** Older consumers and those who do not buy online are less likely to prefer and be exposed to online communication channels.
- **Even if they are less likely to act in response to product recalls, vulnerable groups are more likely to share this information in their social circles.**
7.3 Suggested Actions

**Target vulnerable consumers through the right channels:** To increase general awareness, campaigns can be targeted directly to vulnerable groups – the youngest and oldest consumers, those in difficult financial situations, those with low education and those who do not shop online. Targeted campaigns based on relevant variables such as age, education and financial situation can be carried out efficiently through online channels. When targeting young consumers (e.g. if a specific product is more likely to be purchased/used by younger groups), online communication channels are also likely to be the most efficient channels to reach them. However, traditional media should not be overlooked as it represents an important channel for specific vulnerable groups (e.g. older consumers 65+, those who do not purchase products online etc.). Traditional media are a preferred communication channel for most vulnerable groups identified and should continue to be used for raising awareness about product recalls and for communicating specific recalls for which direct communication is not feasible. Campaigns to increase responses to product recalls should target low educated consumers specifically as they appear to be least likely to respond to product recall notices.

**Determine who is truly vulnerable:** Further investigate the link between awareness and exposure to product recalls and sociodemographic factors that make consumers vulnerable. Vulnerable groups may be less likely to notice product recall information due to specific factors inherent to their vulnerability (e.g. older consumers 65+). If this is true, vulnerable consumers may need to be targeted using different communication messages to ensure that recalls are effective in reaching these groups.

**Set communication standards:** Behavioural studies can help to design better communication standards, in general, but they can be particularly useful when trying to reach vulnerable consumer groups (types of messages, structure, phrasing). The standards in communicating to consumers should build on the industry experience and technological know-how to reach consumers directly, for both online and offline purchases.
8 Conclusions and Recommendations

The Survey on Consumer Behaviour and Product Recall Effectiveness is the first EU-wide study to investigate consumer awareness and experiences with product recalls. This chapter provides a short summary of the key insights and recommendations for action to improve product recall effectiveness.

8.1 Conclusions

**Awareness.** Consumers’ awareness of the businesses’ obligation to recall dangerous products varies considerably across the EU, with the lowest awareness levels reported in the South region. Consumers are less aware of the responsibilities of sellers in the recall process compared to those of manufacturers.

**Product registration.** Six out of ten EU consumers are not aware that registering a product can allow manufacturers or sellers to contact them directly in case there is a problem with the product. At the same time, consumers appear willing to share their personal information if they get clear assurance that it will not be used for marketing purposes but only in case of issues with the product.

**Exposure.** Over half of EU consumers have been exposed to product recall information in the past 2 years. As for recalls of products consumers own themselves, the top three sectors are motor vehicles, household electrical appliances and electronic products. Traditional and online media are both key channels for communicating to consumers indirectly about product recalls. However, when direct communication is a practical option, it is the most preferred and most efficient channel.

**Consumer responses.** The key motivating factors that drive consumer responses to product recalls are personal relevance, clear communication of risk, actionability and value of the product. Personal relevance extends to consumers’ social circles and word of mouth is an important communication mechanism for products where direct communication is not feasible (e.g. low value, offline purchases). It is concerning that over a third of consumers continue using the product even after seeing a recall. This suggests that the risk and/or action to take may not be communicated clearly enough in recall notices.

**Impact.** Consumers appear to be least satisfied with the time required to respond to a product recall. The rate of compensation or reimbursement offered by manufacturers or sellers can also be improved. Consumers appreciate and reward businesses’ transparency with increased trust.

**Vulnerable groups.** When it comes to consumer awareness of and exposure to product recalls and awareness of product registration, low education, not purchasing products online and an unstable occupation are factors that drive consumer vulnerability. Direct communication is the most preferred channel among all consumer groups, while older consumers and those who do not buy online are less comfortable with online communication. Vulnerable groups are less likely to respond to product recalls but at the same time they are more likely to share them with friends or family.
8.2 Recommendations

Recommendations for action are focused in two categories, related to increasing awareness and increasing the effectiveness of recalls.

To increase consumer awareness, it is recommended to:

- Communicate about the risk in a clear, visual way, using concrete examples
- Create simple messages that engage consumers’ willingness to act
- Encourage word of mouth as a natural mechanism to reach more consumers and to engage vulnerable consumers in particular

To increase product recall effectiveness, it is recommended to:

- Encourage businesses to be transparent about product recalls as this is likely to have a positive impact on consumer trust in them and in their brand
- Set communication standards that ensure recall notices are transparent about the risk involved and actionable
- Design better communication, in general and when trying to reach vulnerable consumer groups (types of messages, structure, phrasing)
- Use the right channels to communicate with consumers: online channels are important and growing but traditional channels and direct communication are still most preferred by consumers
- Enhance consumers’ awareness and trust in product registration. Encourage businesses to set up user-friendly product registration schemes, providing the option for consumers to share their data only to receive information concerning issues with the product, not for advertising or marketing purposes.
- Build on the industry experience and technological know-how to reach consumers directly, both for online and offline purchases.
- Develop guidelines or codes of good practice for product recalls, based on further behavioural research.