

# November 6th 2019: Hai, Peng

## Product harm report evaluation

Product harm crises are when products cause incidents and lead to issues and then the public response produces negative publicity for the company and the government body in charge of regulation

## Two issues for issuing a recall

- Delayed announcement of recall
  - Food recalls take an average of 57 days after discovery
  - Automotive recalls average of 306 days later (US)
- Low recall completion (small proportion of products that should be recalled are recalled)

## Legal wiggle room

- Have to explain how recall was discovered
- What steps were taken to determine whether recall should be done
- free to determine how they release the information and how much information they release

## Research questions

do recall communication  
examples differ across industries

## Hypothesis

- Longer the recall takes the worse the company is viewed
- The more steps taken the more optimistic the more favorably the company is viewed

the idea is that these shape  
the way that the company  
frames their response.

- The model needs to account for year effects, firm effects, etc.
- dependent variable is linguistic variables
- independent variable is number of steps taken by the company and time taken to report

argument structure is  
crucial for previous  
research, in addition to

subjectivity measures  
difference emerges in  
number of content words  
(nouns, verbs adjectives  
and adverbs)  
word (lexical complexity )

- MATTR (moving average ttr)
- STTR mean ttr for every 100 words
- CTR (corrected ttr)  $\text{types} / \sqrt{2 * \text{\#tokens}}$

Structural complexity  
(length of t-unit +  
dependency length (what is  
a tunit?))

Reading ease score takes into consideration number of syllables per word and number of words per sentence.

However, the number of syllables per word is hard to reliably calculate.

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