

Managerial Implications of Product Harm Crisis: A Review

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A product-harm crisis is one of the worst nightmares prevailing in the market place that creates a threat to human lives as well as the company reputation and equity of brands. Therefore, the whole world struggle with how to best manage the product harm crisis. Hence, a systematic review of scientific articles was conducted using popular bibliographic databases by capturing relevant empirical studies which evaluating the product harm crisis management practices utilized to mitigate societal damages and to secure intangible assets. The study suggests that implementing a total quality management system (TQM) and organizational complaint management, developing online software to monitor customer response, reengineering the company work and building cross-functional teams, learning and evaluating the past and envisioning the future while detecting the weak signals become fruitful strategies to mitigate societal damages. Accordingly, global crisis management involving three phases including the pre-crisis phase, crisis phase and post-crisis phase in order to efficient management of product harm crisis. Past literature directs that protecting loyal consumers via building customer satisfaction, initiating customer relationship management (CRM), developing 3Vs' approach that includes defining the value of customer segment, proposition and the network that will deliver will secure the brand equity and company reputation. Moreover, specific managerial implications concerning the valuation of Consumer Based Brand Equity in a product harm crisis, customer-oriented bottom-up approach and the consumer's sense of control yield productive results in the management of product harm crisis. Most interestingly, past scholars have repeatedly documented that product harm crises are ethical issues and consumers' cultural variation is of utmost importance in crisis response strategy in particular. Finally, maintaining efficient financial records and pre-planned crisis agendas seem vital to the management of financial status in the product harm crisis context. However, the study concludes that further efforts are required to establish a holistic framework applicable to all cultures which is vital from a managerial perspective and managers should treat a product harm crisis as an ethical issue and attempt to understand moral perceptions of consumers by implementing moderating roles of brand attitude, brand trust and perceived quality of the brand.

Keywords: Brand Equity; Management Implications; Product Harm Crisis; Reputation; Societal Damages