
Improving Product Safety & Performance with Standards

The Retailer Perspective

The Evolving Role of the Retailer

■ The Past

- ❑ Supply base with technical expertise
- ❑ Mostly national brand assortment
- ❑ Little direct import

■ The Future

- ❑ Supply base with limited technical expertise
 - ❑ A proliferation of private label brands
 - ❑ More and more direct import
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The Evolving Role of the Retailer

- Solutions for the New Reality
 - Business as Usual
 - Build a Process to Fill the Gap
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Creating Customer Value

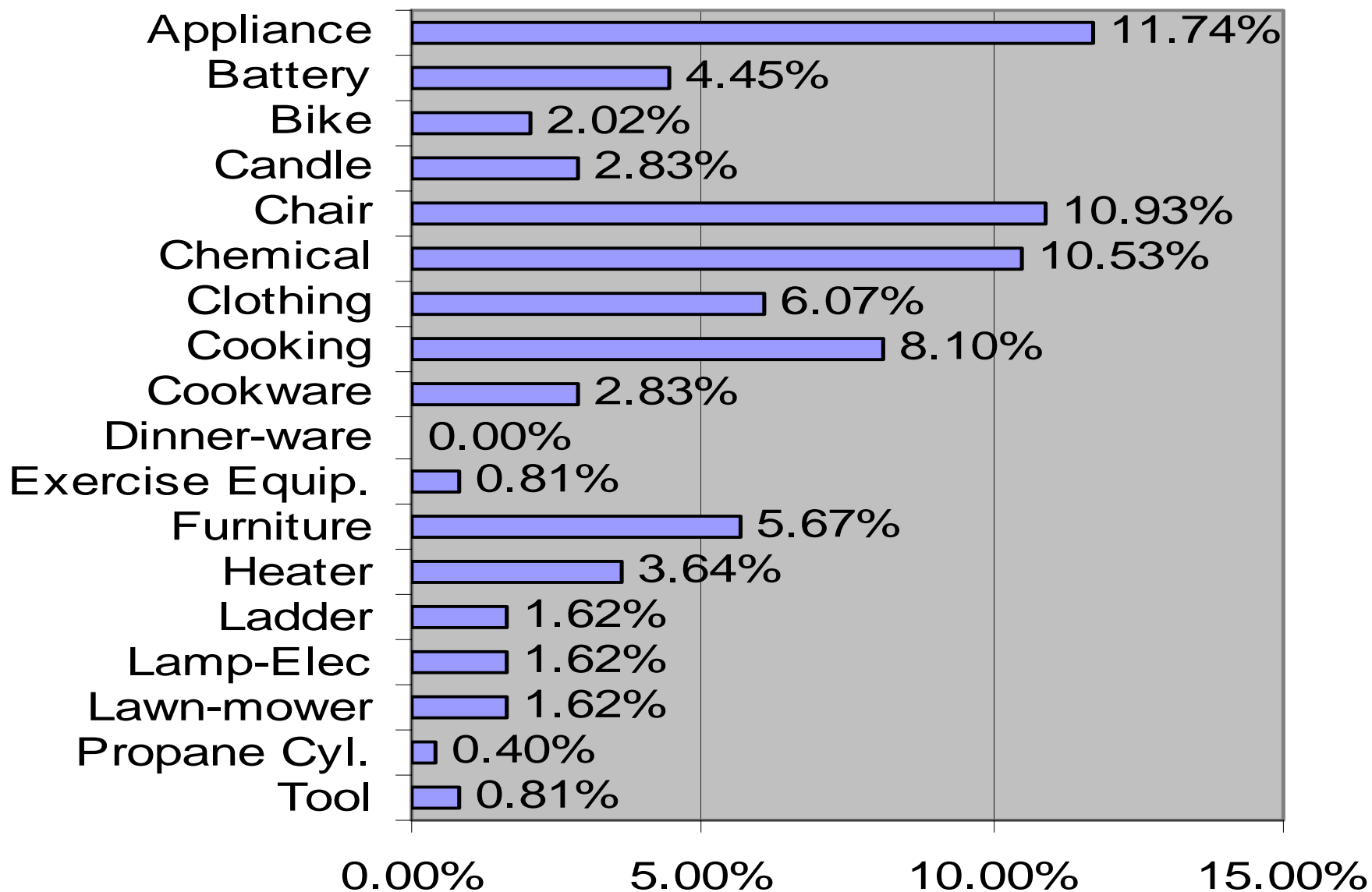
- Factors in the Value Equation
 - Desirability
 - Safety
 - Quality
 - Affordability
 - These are go, no-go factors—not optional to short one for the other
 - We will focus here on using standards to ensure customer value by enhancing Safety and Quality.
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Where to Start?

- Pick a Category of Merchandise
- Start where it will make the greatest difference
 - Factors to Consider
 - Risk to Consumers
 - Historical defective return rate or claims history in the category
 - Propensity to customer injury in case of failure
 - Nature and severity of potential injuries in case of failure
 - Particularly vulnerable end users (children and the elderly)



% Claims by Product Category; 65-85



Where to Start

- Start where it will make the greatest difference (Cont'd)
 - Factors to Consider
 - Volume
 - How much do you expect to sell in the category
 - How many consumers will be effected
 - Brand Integrity—how much merchandise in the category is private label
 - Direct Import—how much merchandise in the category is direct import
 - Past Recalls—likelihood of a recall of merchandise in this category in the event of a failure
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Establish the Baseline

- Voluntary Standards—ANSI, ASTM, UL, etc.
 - Mandatory Standards—FHSA, Prop. 65, Toxics In Packaging, Etc.
 - Proprietary Standards—what to do when there is no applicable voluntary or mandatory standard:
 - Test Lab develops standard;
 - Retailer develops standard.
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Establish the Baseline

- Determining Applicable Standard Or Developing A Standard Is The Work Of Technical Experts
 - In-house Experts—Product Development, Product Safety, and Product Stewardship structures; **and**
 - Outside Experts—plenty of those in the room today.
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Assess Adequacy of the Baseline

- ❑ High frequency of injury claims in the category in spite of successful testing to the baseline?
 - ❑ Higher than normal defective return rate in spite of successful testing to the baseline?
 - ❑ Age of the standard and what has changed in the interim?
 - ❑ Was the standard truly designed with this type of product in mind?
 - ❑ Does the standard address the special needs of likely end-users?
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Exceeding the Baseline

- Why exceed the Baseline?
 - Differentiating levels of quality
 - Good
 - Better
 - Best
 - Making Product Safer
 - There's Safe
 - Then there's safer.
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Testing

- The Key Elements of a Test Program
 - Pre-Production Testing
 - Samples submitted by Supplier
 - Additional samples with corrective action required for re-test in event of failure.
 - Production Testing
 - Sample submitted by Supplier with Packaging, Warnings and Instruction Manuals.
 - Re-test is available for corrected samples
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Testing

- The Key Elements of Test Program (Cont'd)
 - In-store Testing
 - Test lab obtains random samples from stores and clubs, and subject them to same battery of tests as at pre-production and production
 - Results are communicated to key persons in organization
 - Re-buy Testing
 - After a certain quantity has been shipped on prior passing test, new production samples must be submitted and pass testing for additional orders

Use of Mandatory Standards

■ Safety Standards

□ Age Grading

- Test Lab is charged with independent assessment
- Supplier will not be permitted to age-grade the product out of a hazard
- Import supply base often does not understand this
- Buyers must be educated on this.

□ CPAI-84—Flammability of Camping Tentage

- Broad Definition of Camping Tentage
 - Standard is dated
 - Originating body now defunct
 - Standard expressly adopted in several states
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Tent



Screen House



Canopy



Use of Mandatory Standards

- Right-to-know

- Proposition 65
 - Extra-Territorial Effect.
 - To Test or Not to Test?
 - Accept Supplier Certifications?

- Environmental Protection

- RoHS
 - EU Directive
 - Adopted in California
 - Currently applicable to subset of electronic and electrical equipment
 - Pending amendment to expand application
 - Lead, Mercury, Cadmium, Chromium-6, Brominated Flame Retardants
 - Toxics in Packaging
 - Lead, Mercury, Cadmium, Chromium-6
 - Aggregate limit of 100 ppm
 - Adopted in 19 States
 - Very broad definition of “Packaging”
 - Can Accept Supplier Certifications “in good faith”.
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Use of Voluntary Standards

- Supply base may not understand that voluntary does not mean optional
 - If Retailer internalizes these requirements—suppliers will understand they are not optional
 - Have a clear rationale for when and how to apply Voluntary Standards
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Use of Voluntary Standards

- Hypothetical: Retailer has decided to require passing pre-production and production test results for a particular category of merchandise when tested to the applicable voluntary standards before accepting delivery.
 - Product in the category passes pre-production and production testing.
 - Delivery is accepted and Product begins to sell.
 - Product fails in-store testing when subjected to the same voluntary standards.
 - What to do?
 - Report to CPSC?
 - Automatically Withdraw Product from Sale?
 - Automatically conduct Fast track recall?
 - Conduct risk assessment, then decide on corrective action?
 - Can you rationally require a passing result during pre-market testing while considering a failing in-store test result only a factor in risk assessment?
 - Does failure to meet a voluntary standard automatically mean a product is unsafe?
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Use of Proprietary Standards

■ Dining Tables

- No Voluntary Standard for Leg Strength
- Use a comparable standard for office furniture—BIFMA
 - 50 Pounds of force applied inward in line with the top leading edge followed by 50 pounds of force applied inward in line with the top side edge with no evidence of structural damage or loss of consumer serviceability.

■ Children's Clothing & Shoes

- No Mandatory Standard for pull-off strength of buttons on children's clothing because they are exempt. 16 CFR 1501.3
 - Apply the mandatory standard to exempt items anyway.
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