The importance of consumer electronics safety

The TÜV SÜD Safety Gauge study

Abstract

Consumers are increasingly concerned about the safety of electronics devices they purchase. This TÜV SÜD white paper presents the findings of TÜV SÜD’s Safety Gauge study on consumers’ attitudes and experiences regarding the safety of consumer electronic devices, and offers guidance for device manufacturers to better meet consumer product safety expectations.
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About the TÜV SÜD expert

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Kapil became Global Head of Consumer Products & Retail Services in September 2010 where his key responsibilities are management and growth of TÜV SÜD worldwide operations for the Consumer Products & Retail business and to provide strategic direction, manage P&L and build global resources to successfully run the business. “Consumer Products & Retail” provides product testing, inspection, certification and social compliance auditing services to international retailers, brands and their suppliers for product categories like Softlines (apparel and footwear), Hardlines (furniture, houseware, sporting goods etc), Electricals & Electronics and Toys & Children Products. Under his leadership, the business has seen rapid sustainable growth, increased global representation, and improved efficiency along with a vision and commitment to continue strengthening the business and resources worldwide.

With seventeen years of global experience in areas of general management, sales, sourcing and operations, Kapil began his career with TÜV SÜD in December 2007 as Head of Asia Pacific for Softlines business. He was soon entrusted with global responsibility of the Softlines business in June 2008.

Prior to TÜV SÜD, Kapil worked with Kufner Textil in Indonesia and India as Country Manager and Global Sourcing Manager. Kapil started his career in India with a leather footwear and manufacturing company where he was responsible for business development for the European and American markets.

Leading a multi-cultural and geographically dispersed team has given him an opportunity to gain in-depth business experience in Americas, Asia Pacific and Europe. His key areas of interest and strength are setting up new business units as well as the profitable expansion of existing ones.
Introduction

From personal computers and smart phones, to television sets and audio equipment, and even to state-of-the-art smart home appliances, consumer electronics are an essential, perhaps even indispensable, element in everyday life. Continued technical innovation and increasingly tech-savvy consumers are key factors in the continued growth in the demand for consumer electronics, and in the strong future economic outlook for manufacturers of consumer electronic devices.

But market prospects for consumer electronics manufacturers can easily be derailed or undone altogether when unsafe products reach the market. At the very least, reports of unsafe products typically result in negative publicity for the manufacturer. But unsafe products can also lead to consumer injuries and even death, thereby exposing manufacturers to potential legal consequences. And, the cost of product recalls can have a significant impact on a company’s profitability.

So what do consumers think about the safety of consumer electronics? How does the origin of consumer electronic devices influence consumers’ beliefs about whether a particular device is safe to use? What is the impact of product safety recalls on consumer buying habits? How do manufacturers of consumer electronics measure up in the minds of consumers when it comes to the safety of their products? And, most important, are consumers willing to pay a higher price for consumer electronic devices that have been evaluated for safety by an independent third-party?

The TÜV SÜD Safety Gauge is the world’s first independent study to evaluate consumer and business attitudes and experiences regarding product safety practices in the consumer electronics sector. The results of this landmark study reveal the increasing importance of product safety to consumers around the world, as well as their views about manufacturers’ efforts to improve product safety. This white paper summarises the results of the TÜV SÜD Safety Gauge study, and discusses the implications of the study’s findings for manufacturers of consumer electronic devices.

Safety gauge study background

The TÜV SÜD Safety Gauge study was conducted in Q2 2012 by an independent market research firm to develop a better understanding of the state of product safety in selected global industries, including children’s toys, food and consumer electronics. Specific objectives of the Safety Gauge study included:

- Understanding the general importance of product safety to consumers and producers.
- Uncovering perceptions regarding the level of product safety in specific industries.
- Evaluating the impact of actions by industry and government to improve product safety levels.
- Measuring safety and traceability issues in global supply chains.
- Assessing the role of third-party certification in consumer acceptance of consumer electronic products.

Study research was conducted among consumers and business professionals in top-tier cities in the U.S., the United Kingdom, China, India and Japan. These five markets represent almost half (48%) of worldwide Gross Domestic Product (GDP). Data was collected through online surveys as well as through consumer and business panel discussions. More than 5000 consumers and 500 management-level employees in manufacturing, distribution and retail companies contributed data to the Safety Gauge study, with nearly 4500 consumers and 231 management-level employees responding to surveys regarding the safety of consumer electronics.
Key findings on views on the safety of consumer electronics

As with other industries surveyed in the TÜV SÜD Safety Gauge study, concern among consumers regarding the safety of consumer electronic devices is increasing. When it comes to purchasing consumer products, more than 3 out of 4 (77%) of consumer study participants say that product safety is either very important or quite important to them, up from 2 out of 3 (66%) of consumers in 2007. Further, product safety is likely to increase in importance, as more than 4 out of 5 (82%) consumer study participants predict that product safety will be very important or quite important to them by 2017.

Detailed results from the Safety Gauge study on the safety of consumer electronics are addressed in the following sections.

The state of consumer electronics safety

The increased importance of product safety to purchasers of consumer electronics may be at least partially attributable to consumers’ own experiences with unsafe products. Six out of 10 consumer study participants report having an experience with an unsafe consumer electronic device within the past 5 years. 26% report experiencing a cut from a sharp edge of a product, with an additional 21% reporting an allergic reaction to substance in the product that was not disclosed on the product label or otherwise not known to be used in the product. An additional 18% of participants report having suffered an injury as a result of a product’s design, while 16% say that a product overheated or caught fire.

The average frequency of experiencing an unsafe consumer electronic device among consumer study participants was slightly more than once a year. At least 1 out of 3 (34%) of participants report having at least one experience with an unsafe electronic device during the past year, with 19% reporting 2 or more experiences per year, and 11% reporting 3 or more experiences within a single year.

Reports of consumer experiences with unsafe electronic devices appear to align with data from manufacturers of consumer electronics. According to TÜV SÜD Safety Gauge management study participants, manufacturers recalled consumer electronic devices more than 10 times during the past 5 years. However, 40% of management study participants report that their companies recalled unsafe electronic devices more than 10 times during the past 5 years. However, 40% of management study participants report that their companies recalled unsafe electronic devices more than 10 times during the past 5 years.
Consumer perceptions regarding the safety of consumer electronics are based on a number of factors, including the type of electronic device, the country from which an electronic device originates, and the retail channel through which an electronic device reaches consumers.

Among the various types of consumer electronic product groups, home appliance topped the list of consumer electronics of greatest safety concern for 52% of consumer study participants. Electrical extension cords ranked highest in safety concerns for 49% of participants, while mobile phones ranked highest for 43% of participants. Computers, laptops and other information technology products ranked highest in safety concern for 37% of participants, and televisions ranked highest for 30%.

An electronic device’s country of manufacture is another important factor in consumer perceptions of product safety. Japan was ranked as the safest country for manufactured or exported consumer electronics by 53% of consumer study participants. Countries with the lowest consumer rankings regard the safety of exported or manufactured consumer electronics were generally located in Asia and Southeast Asia.

Consumer study participants also expressed a preference for purchasing electronic devices through online retailers, with nearly 4 out of 5 (78%) of participants reporting that they had purchased consumer electronics online. However, for 57% of participants, concerns regarding product safety were much greater or somewhat greater for consumer electronics purchased online than for those purchased through other retail channels.

Manufacturers of trusted consumer electronics are also expected to conduct supplier audits (51%), and to maintain certified management systems to assure quality and safety (48%).

In addition to the above factors, familiarity with specific brands of consumer electronics also influences consumer perceptions regarding a product’s safety profile. Consumer study participants consistently report that they expect manufacturers of their trusted consumer electronics brands to routinely conduct:
1. Batch testing of products for safety (67%).
2. Pre-shipment inspections (56%).
3. Product certification testing (53%).

Perceptions of the safety of consumer electronic devices