

TÜV SÜD SAFETY GAUGE 2013

“ Companies are overestimating the cost required to achieve exemplary safety standards ”

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PRODUCT SAFETY IN NUMBERS

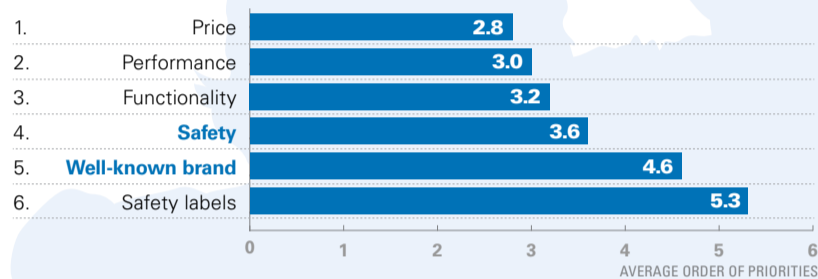
THE ECONOMICS OF PRODUCT SAFETY

Independent global research suggests rising consumer demand and damaging annual recall costs mean investing in product safety can not only improve consumer wellbeing but drive commercial success.

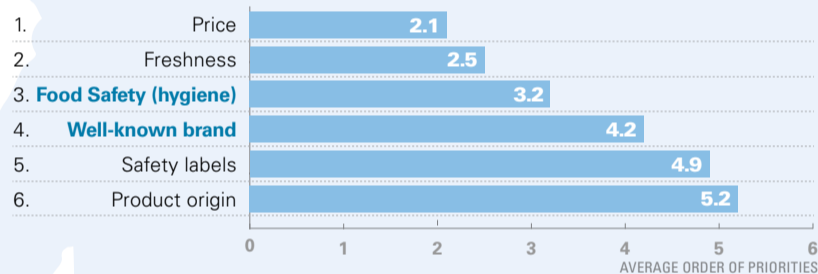
RISING CONSUMER DEMAND

SAFETY ABOVE BRAND IN PURCHASING CRITERIA

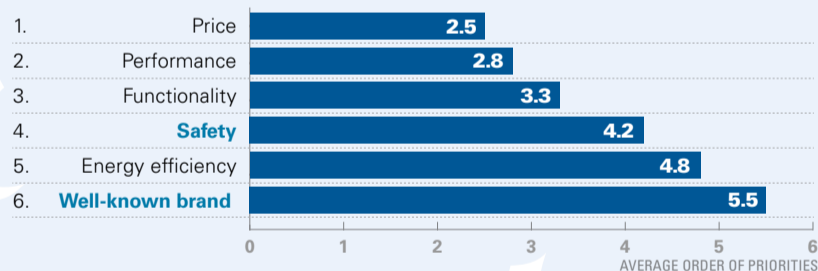
CHILDREN'S PRODUCTS



FOOD PRODUCTS



CONSUMER ELECTRONICS



16% Premium

77 per cent of consumers are willing to pay an average premium of 16 per cent over standard prices for products that achieve exemplary safety standards

63% of consumers say product safety is very important to them now

BUSINESS EXPENSE

FREQUENCY OF PRODUCT RECALLS

Companies have conducted an average of 9.8 product recalls in the last five years

COST OF PRODUCT RECALLS

Product recalls in the last five years have cost companies on average 9 per cent of revenue

PRODUCTION COSTS

Companies estimate they will need to increase production costs by 19 per cent to achieve the highest safety standards available

STATE OF SAFETY

61%

VARYING STANDARDS

61 per cent of businesses indicate that safety standards of their products vary from market-to-market depending on import requirements

56%

LIMITED TRACEABILITY

56 per cent of organisations are unable to trace all components in their products throughout their supply chain

53%

MEETING REQUIREMENTS

Just 53 per cent of businesses can guarantee that their entire supply chain meets product safety requirements

47%

SAFETY AN ISSUE

47 per cent of businesses believe product safety is a serious issue in their industry

2007

41%

2012

70%

STANDARDS IMPROVING

70 per cent of businesses believe companies now exceed government regulations, up from 41 per cent in 2007.

The Safety Gauge is based on independent global research commissioned by TÜV SÜD to investigate consumer and business attitudes towards product safety. The research was undertaken in the United States, the United Kingdom, China, India and Japan – markets that represent almost half (47 per cent) of worldwide Gross Domestic Product. It included surveys of more than 5,000 consumers and 500 management-level employees in manufacturers, distributors and retailers that operate in the food and beverage, children's products and consumer electronics industries.