Recall Effectiveness



New Tools July 25, 2003



Order of Presentations

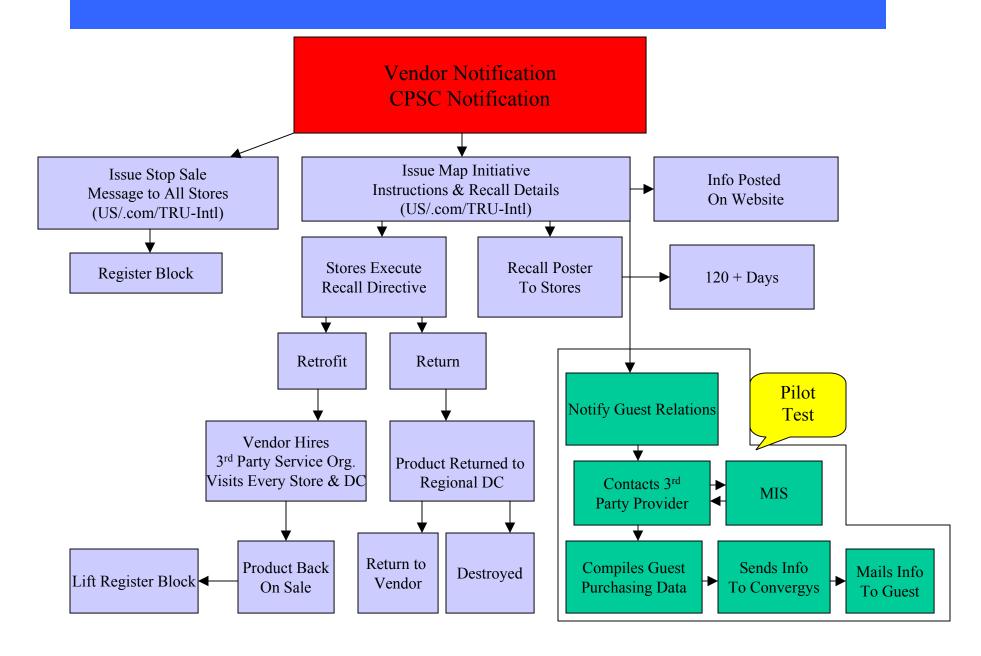
- Toys 'R Us Tom DeLuca (p. 3 12)
- Lowes Tom Lamb (p. 13 20)
- Bath and Body Works Joe Romano (p. 21-27)
- QVC Eric Christopher (p. 28-35)
- Radio Shack Jolene Miller (p. 36-44)
- Sauder Gary Bell (p. 45 63)
- GE Jennifer Dailey (p. 64 82)



Toys 'R Us Presentation at CPSC Recall Effectiveness Meeting

Tom DeLuca July 25, 2003

Recalled Product Path



Sale Main Menu Scan or enter UPC/SKN.

> Item Cannot Be Sold, Press (CLEAR) to Continue

 SUBTOTAL
 0.00

 SALES TAX
 0.00

 TOTAL
 0.00

 07/17/03 10:37 AM CASHIER: 28902 TERMINAL:19 IP:119

(NCI



SAFETY RECALL

RADIO FLYER MODEL #8 ROADSTER RECALL TO REPLACE STEERING WHEEL

The horn can be pulled off the car's steering wheel, and a small part inside may pose a choking hazard. Roadsters manufactured during 2001 with a "horn symbol" on the steering wheel's horn are being recalled for replacement. A label on the bottom of the Roadster has the date of manufacture shown as "MD 12/2001" (mo/yr). All Roadsters with a date of manufacture on or after 01/2002 and Roadsters manufactured at anytime with a "star" embossed on the horn are not a part of this recall.

SKN # 333072



For a replacement steering wheel kit contact the manufacturer at www.radioflyer.com, or call Redwagons at 1-800-708-9246, Monday through Friday, 8:30 a.m. – 5 p.m. CT.

DATE POSTED:	Keep posted	UNTIL	11/30/03
	troop poores		

Re: RADIO FLYER

SKN 333072 - LITTLE RED ROADSTER

Mfr. 8

Prya & Susan,

Please assign the "Product Safety Recall Notice" status to the above items.

On Monday July 15, 2002 Radio Flyer will announce recall on the Little Red Roadster. In some cases the horn on the car can be pulled off the car's steering wheel. Once the horn is removed a small part inside becomes accessible and may pose a choking hazard.

Upon the official announcement, stores should advise guests to discontinue use of the product and to contact Radio Flyer at their toll free number

1 (800) 621-7613 or their website (www.radioflyer.com).

Stores should remove these items from the sales floor immediately. Inventory disposition will be advised via the usual channels.

Note to the Internet

This information must not be displayed until the official announcement is made.

Game Plan: Radio Flyer

- Re-issue Product Safety Recall Status
 - Re-verify Store Register Block
- Identify Purchasers
- Contact Purchasers Via Mail
 - Provide Details of Original Recall
 - How to Identify Affected Product
 - Offer Free Replacement Part
- Maintain Record of Responses
- Prepare Recall Effectiveness Report
 - Number of Purchases Contacted
 - Number of Replies
 - Number of Replacement Parts Shipped
- Ensure Internal Process is Absolute

Engagement

- TRU
 - Safety Assurance
 - Enterprise Guest Relations
 - Legal
 - Risk Management
 - Merchandising
 - Corp. Communications
 - Store Operations
 - MIS
- CPSC
- Product Supplier
- Harte Hanks
- Convergys
- Consumer

[NAME OF GUEST] [ADDRESS OF GUEST].

Re: Radio Flyer Roadster Model #8 Steering Wheel

Toys R Us SKN 333072

Dear Guest,

It has come to the attention of Toys "R" Us, Inc. that you may have purchased the above referenced Product. At the time of the possible purchase, the Product was subject to a recall by the US Consumer Product Safety Commission and Radio Flyer. You may have purchased a unit subject to the recall. This recall was related to the steering wheel on the Roadster. The horn can be pulled off the car's steering wheel, and a small part inside may pose a choking hazard. Roadsters manufactured during 2001 with a "horn symbol" on the steering wheel's horn are being recalled for replacement. A label on the bottom of the Roadster has the date of manufacture shown as "MD 12/2001" (mo/yr.). All Roadsters with a date of manufacture on or after 01/2002 and Roadsters manufactured any time with a "star" embossed on the horn are not a part of this recall.

While to date we are unaware of any injuries relating to the Product, as part of our outreach to our guests we will be happy to send you a replacement part. We will send the steering wheel to you via First Class Mail, free of charge, with simple instructions for replacement.

If after checking your Roadster per the above description, you determine you need a replacement steering wheel, we suggest you discontinue use of the Roadster and return the enclosed post card to:

Toys R Us Attn: Product Recall P.O. Box 575767 Murray, UT 84157-5767

In order to confirm your shipping address, please indicate your name, address, zip code, and phone number (optional, in the event we need to reach you), in the space provided on the back of the card.

Should you have any questions, we have set up a special toll-free number to take your calls at: 866-809-7559. We apologize for any inconvenience caused. To receive your replacement steering wheel you must send back the completed post card no later than September 15, 2003.

Sincerely,

Tom DeLuca Vice President, Safety Assurance

Tove "P" He Inc





Charles Graham 532 Tipton Rd. Irving, TX 75060

Improving Product Recall Effectiveness

Tom Lamb

Lowe's VP, Consumer Marketing

July 24, 2003





No one player in the supply chain has all of the necessary information to execute an effective recall.

- Product/model/lot# of the defective product
- Date of purchase
- Who purchased
- Purchaser contact information

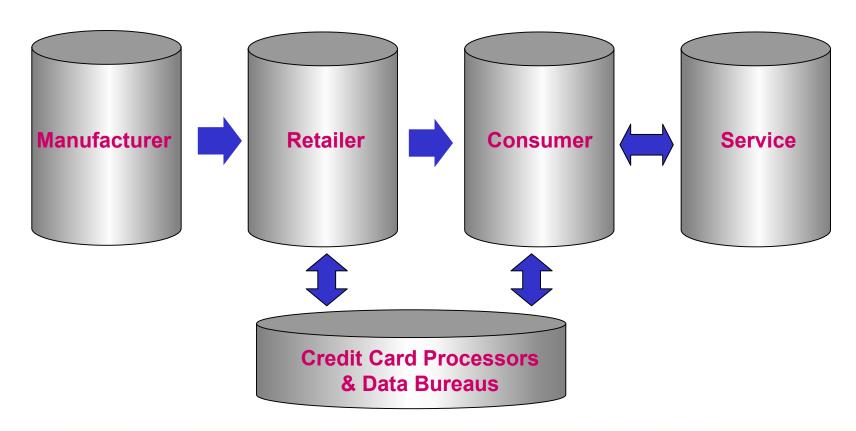


The auto industry is the exception.





The components in the sales/service chain for other products generally operate in silos that do not communicate.





Collectively however, the various players involved have the information necessary to enact an effective recall.

Product/model/lot# of the defective product

Date of purchase, invoice and account #

Who purchased

Purchaser contact information

Manufacturer

Retailer

Retailer, CC processor



A clearinghouse could be established to consolidate the necessary information so it can be easily accessed.

Manufacturer



Retailer



Clearinghouse



Consumer



The clearinghouse could be formed utilizing the consumer data bureaus that already exist

- Retailers/credit card processors would provide the purchase information
 - What was purchased and by whom
- Manufacturers would provide the recall materials (e.g. postcards) and pay for postage
- The clearinghouse would match the recall to purchasers and address and mail the recall materials
 - This would address privacy issues, though the clearinghouse would need to keep a record of who was contacted
 - It would report back to the manufacturer on how many pieces were mailed net of returns



This approach would reach a much greater % of product owners than the current process, but some gaps would remain

- Customer information is not captured for cash purchases
- Some retailers may not have the technical capabilities of capturing and transferring the necessary information
 - Not an issue for the largest retailers
- Products cannot be traced if they are no longer with the original owner

CPSC: New Tools for Recall Effectiveness

- >What new or different steps did you pursue in a recent recall?
 - >How did these actions make the recall process more effective?
 - >What limitations did you encounter in this process?

Bath & Body Works

What we have tried...

- Incentives
 - Ranging from 25 to 50 % of the value of the item with a store merchandize credit or full refund
- Enhanced visual graphic posters at the register.
- Pre-paid mail returns for customers not near stores.
- 800 Number with a Interactive Voice Response (IVR)

Enhanced graphics...

Recall Notice

Bath & Body Works and The White Barn Candle Co. are voluntarily reacalling the candles below. These candles may burn with a high flame if the wick is not properly trimmed, posing a potential fire hazard.



Nature's PreservesTM
ALL 16 oz. candles in the
canning jar container
NOTE: Nature's Preserves
5.6 oz. candles are not part



Nature's Preserves™ Round with lid Candy Corn Jelly Bean



Nature's Preserves™ Veggie Collection ALL candles in this shape glass containe



Nature's Preserves™
Beauty in Bloom™
Botanical Candles
NOTE: Candles with a batch
code ending with the letter
"X" or "N" are not part of



Nature's Preserves™ ALL 10 oz. candles in this shape container



Nature's Preserves™ Round Stars



Home Fragra Candle Iced Tea



Spring Hydrangea Candle



Champagne Flute & Sherbet Glass with glitter stars

If you purchased one of these candles between June 1999 and January 2001, please stop using it immediately and return it to any Bath & Body Works or The White Barn Candle Co. for merchandise exchange and a \$5 coupon, or a full cash refund.

If you have any questions, please call 1-800-395-1001





34011F

SAFETY RECALL

Full refund and \$10 Gift Certificate for Three-Wick Snow Friends Ceramic Filled Candle

The Cinnamon Stick Candle may burn with a high flame, posing a potential fire hazard.

Product pictured below:





If you own this ceramic filled candle (sold between October 1, 2000 -December 27, 2000), please stop using it immediately and return to any Bath & Body Works or White Barn Candle Company for a full refund and a \$10 Gift Certificate (one per candle).

We want you to be 100% satisfied with everything from Bath & Body Works or The White Barn Candle Company. If you have questions concerning this voluntary recall, please call our Customer Service at 1-800-395-1001.



97 West Main Street * New Albany, Ohio 43054 * U.S.A.

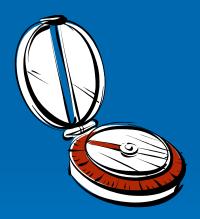
Customer behavior...

TARP and A. C. Nielsen

- for major problems (averaging \$142 loss) about 31 % do not complain.
- A loss of a few dollars, only 3% would complain and 30% would return the product.
- Further, 70% would do nothing or discard the product.
- Customers who do not complain are the least loyal customers.
- Real ratio of cost to win a new customer vs. retaining a current one varies from 2:1 to 20:1.

> TMI, USA

 Customers perceive a 'hassle' factor, so it is easier to do nothing.



How did these actions make the recall process more effective...

- Consumer response mirrored TARP and Nielsen data.
- Consumers did indicate a more favorable response to the enhanced graphics visual.
- Placement of the notice at the register has a greater recognition impact.

What limitations did you encounter in this process...

- New visual graphics lead to many draft resubmissions for color and verbiage. While it didn't delay the fast track approach, it does stress the system, partnership, and the business.
- A review of the 25 most recent recalls, none have incentives.
- A review of the 25 most recent candle recalls had only three using incentives...

References

- Basic Facts on Customer Complaint Behavior and the Impact of Service on the Bottom Line by John Goodman, Competitive Advantage, June 1999, pp. 1-5.
- Using Complaints for Quality Assurance Decisions, 1997, TARP, 1300 Wilson Boulevard, Suite 950, Arlington, Va. 22209, www.e-satisfy.com.
- > TARP, Consumer Complaint Handling in America: Final Report, Washington, D.C.: U.S. Office of Consumer Affairs, 1979.
- A.C. Nielsen Company, The Consumer's View of Product and Package Performance, 1981
- A Complaint is a Gift, by Janelle Barlow and Claus Moeller, Berrett-Koehler Publishers, Inc. 1996



CPSC Presentation July 25, 2003

By: Eric Christopher, Vice President, Quality Assurance

What is QVC?

- A \$ 4 billion electronic retailer (T.V., Internet)
- Studios in U.S., Japan, Germany, UK
- Products include Jewelry, Apparel, H&B, Hardlines
- Transactions are electronic, similar to catalogue

Customer Service

- C/S has a continuous link with Customer:
 - Takes order
 - Processes transaction
 - Receives real time feedback on problems

We know who, where and when each product was purchased

Types of problems:

- Legal (claim related)
- Safety (risk of personal injury)
- Quality (performance or finish issues)

When Problems Occur...

- Remove pricing to prevent sales
- Re-Disposition Inventory from Okay to "Freeze"status to prevent
 - Shipping to customers
 - Return to stock of returned items
- Advise DC of problem
- Secure pristine samples and customer problem samples and evaluate
- Communicate with Mfr and advise CPSC

If Evaluation Shows That Product Poses a Risk

- Call affected customers
- Member updates as orders come in
- Calling Service
- E-mails
- Track responses in Customer History
- Use Mfr letter or voice message when possible

Limitations

- Customer call blocking (telephone)
- Customer availability
- Customer litigious nature
- Lot verification (not all products affected)
- Customer willingness to cooperate

Thank You

Product Recall Effectiveness: Our Experience



Jolene Miller – Corporate Attorney

Product Involved

- UHF/VHF Omni-directional Amplified Antenna for home, boat, and RV use
- Alleged GPS Interference
- FCC Initiated Issue
- CPSC guidelines used to conduct recall





Recall Notice - Direct Mail



Customer Care 200 Taylor Street Suite 600 Fort Worth, TX 76102

October 10, 2002

Dear Valued RadioShack Customer:

Our records indicate that you purchased a RadioShack Amplified Omni-Directional Antenna, catalog number 15-1624, between January of 2000 and April of 2002. Our continuing product quality testing has revealed that a small quantity of these antennas may cause interference with Global Positioning System (GPS) devices. Operation of the Omni-Directional Antenna is not adversely affected and will not be apparent to you. While only a few incidents of interference have been reported, RadioShack takes this matter seriously and wants to remedy this situation as quickly as possible.

As a valued RadioShack customer, we need your help in resolving this issue. RadioShack wants customers who purchased a RadioShack Amplified Omni-Directional Antenna, catalog number 15-1624, between Jawry 2000 - April 2002 to immediately return the unit to our manufacturer, TDP Electronics. TDP Electronics will inspect the antenna for possible interference and if necessary install the new parts free of charge. You will not incur any cost for shipping or repair of the antenna.

Please refer to the attached guide to determine if your antenna is affected. If your antenna is affected, please contact TDP Electronics by filling out an on-line form at the following website https://www.antennacraft-tdp.com/R8CustomerService.htm or talk with a customer care agent toll free at (866) 326-3470. Once the information on your antenna is collected you will be provided with a pre-paid box to return the antenna to TDP Electronics for service. Instructions for uninstalling the antenna will be provided in the prepaid return box.

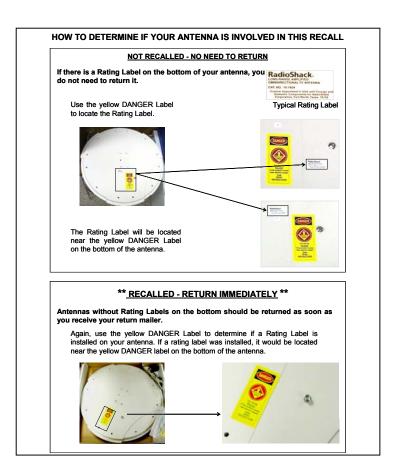
RadioShack wants to provide you, our valued customer, with the high level of quality and customer satisfaction for which we are known. RadioShack regrets any inconvenience that this situation may cause and looks forward to the opportunity to serve you again in the future.

Sincerely

RadioShack Corporation Customer Care

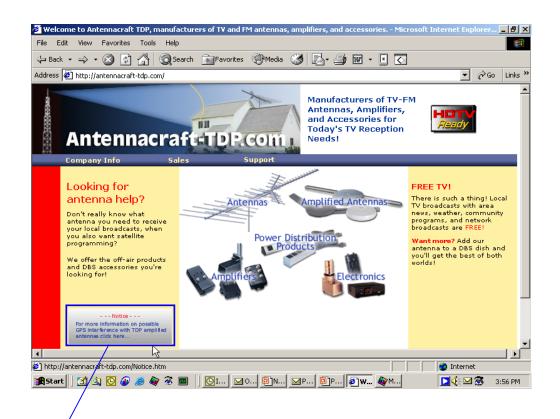


Amplified Omni-Directional Antenna RadioShack Catalog Number 15-1624





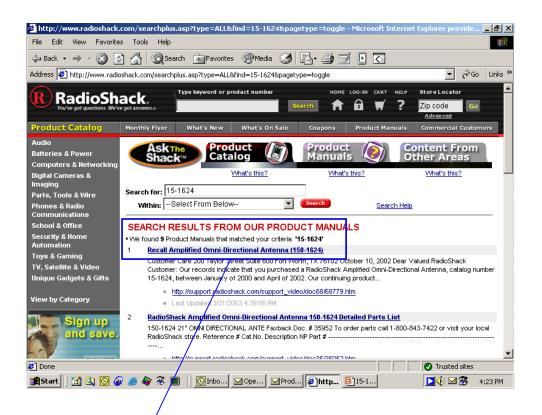
Recall Notice - Mfr Web Page



For more information on possible GPS interference with TDP amplified antennas click here...



Recall Notice - RSH Web Page



SEARCH RESULTS FROM OUR PRODUCT MANUALS

- We found 9 Product Manuals that matched your criteria: "15-1624"
- 1 Recall Amplified Omni-Directional Antenna (150-1624)



Product Sales Information

- Number of Units Potentially Affected:
 - **2**0,881

- Sales Time Period
 - January 2000 April 2002



Customer Contact Information

- Number of Addresses Available/ Mailings Sent:
 - 16,947
 - 81% Direct Mail Contact Rate
- Number of Undeliverable Notices:
 - **1**,444
 - 91.5% Notice Delivery Rate



Customer Response Rate

- Number of Customers responding to Notice
 - 1,209
- 8.5% Participation Rate



Summary

An 81% address-capture rate at P.O.P. yielded only an 8% participation rate

 Participation rate not significantly different than typical recalls conducted today



New Tools for Recall Effectiveness

Gary M. Bell

Product Safety Manager

Sauder Woodworking Company

Consumer Product Safety Commission Meeting on Recall

Effectiveness – July 25, 2003

Product Recalls - Then and Now

- 1980's Vintage:
 - Telephone initial Section 15.
 - Dumb-bomb approach.
 - Shot-gun approach through mass-media.
 - Cannot do anymore.
 - Credit card data.

- Now:
 - Telephone, e-mail template, voicemail.
 - Smart-bomb approach.
 - Attempt to focus communications on specific customers.
 - Could not do then.
 - E-mail and Website Communication.
 - Easier manipulation of computer data.

Product Recalls - Then and Now

- Wait for the Commission to review, analyze, and possibly make a "preliminary determination."
- The "No PD" or "Fast Track" option.

- Background:
 - Ready to Assemble furniture product.
 - Computer Armoire.
 - Consistent pattern of problem observed incorrect assembly of the fasteners for inner door shelves.
 - Shelf structure would fall unexpectedly.



- Background:
 - A simple 15 minute installation of additional support brackets eliminates the risk.
 - End users sent the repair kits along with the necessary notice, warning/precautionary information, parts and installation instructions.

- Currently about 33% of the suspect products have been accounted for.
- Only 1.6% of those were in the possession of the manufacturer or retailers.
- Therefore, about 31.4% of the product owners have been contacted and provided with repair kits.

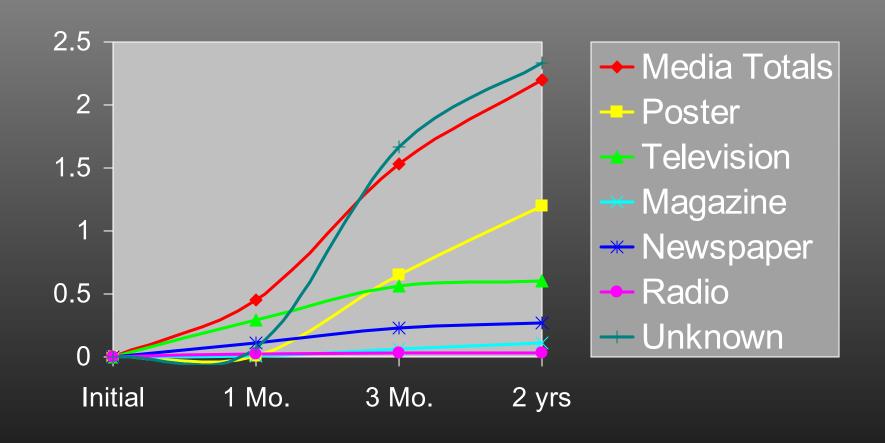
- What were the mechanisms for reaching the owners of those products?
 - Approximately 60% were successfully contacted directly in response to some sort of recorded transaction:
 - Warranty Registration Card records.
 - Customer Service Database.
 - Miscellaneous Store Customer Lists.
 - Lists Consolidated (some names otherwise showed up two or three times).

- Kits were automatically sent to these people.
- Approximately 9% of the original purchasers used the warranty registration.
- The products involved were up to three years old.
- We found that about 13% of the kits automatically sent in response to the recorded transaction information sources were returned (wrong address, etc.).

- The other 40% contacted us. They were asked what triggered their contact. Their responses:
 - 82% Saw it on our Web Site. Some ordered the repair kit off the Web Site (approx. 30% of the total corrections made).
 - 9% Were not sure/unknown.
 - 5% Store poster.
 - 2.4% Television.
 - 1.6% Other media (magazine, newspaper, radio).

- Some Observations:
 - In the first couple of months, the basis for response was fairly well distributed among all media sources.
 - Response drawn from radio and TV dwindled quickly.
 - Although not the largest producer, the store posters created ongoing input.
 - Response from the Web Site generated both the largest quantity, and had the longest staying power.

Three Month / Two Year Growth Comparison – (in Thousands) (Note: Web Site response at Approx. 7.6k, 18k and 21k for these intervals and not shown on graph.)



- How did people communicate with us?
 - 87% (800) Phone Number
 - 11% E-mail
 - 2% Traditional mail

The use of targeted communications such as warranty registration, and Web Site information (with an e-mail link for ordering the repair kit), appear to have been far more fruitful than the mass media blitz for reaching our specific product users.

Kudos:

Frustrations

- The "Holy Grail" of product safety and liability prevention efforts: How to get people to respond to a precaution (behavior modification).
- Despite the best efforts to communicate the precaution, people often do not heed the warning.
 - ANSI Z-535.4 Product Safety Signs and Labels: (Factors such as readability, visibility and recognition can all be optimized. However, you can never be sure about whether the person will choose to follow the information.)
 - The "original sin."

Frustrations



Motivations

- Encouraging people to use the Warranty Registration Card:
 - The Sweepstakes:
 - Sauder is one of about 70 companies in the Sweepstakes pool.
 - Difficult to say that it improves response rate substantially but it does not hurt.
 - On-line availability of warranty registration (accounts for about 18% of the submitted registrations).
 - Try to make the card "readable." On-line registration in both English and Spanish.
- Return rate appears to be a direct correlation to cost of product:
 - About 3% overall for Sauder as well as other similar product companies.
 - About 9% for the Monarch a more expensive product.

Motivations

- Make sure your "800" number works:
 - Friendly and courteous reps.
 - Consistent script and information.
 - Make sure the call gets answered promptly. (Temporary services available for additional support especially during the early stages of the program.)

Math Breakdown

Total number involved: 212,000

Products in Inventory: (3,500)

Products in Users hands: 208,500

Recorded Transactions: 49,000

Direct mail kits returned: (6,400)

Verified Contacts (USPS R/R): 42,600

Math Breakdown

Contacts from recorded transactions: 42,600

Other Contacts (all USPS R/R verified):

■ Web Orders 20,500 (approx.)

■ E-mail 3,000 (approx.)

Letter Orders 500 (approx.)

Total to date: 69,000

26,400

GE ConsumerProducts

RecallTools

JenniferDailey Program Manager,WebMarketing



Agenda

- Locating Consum ers
- Internet Accessibility
- DishwasherRecalland the Web

Consum er Identification Techniques

- DirectMail
- Press Release
- Video NewsRelease
- Posters in RetailStores
- Call Programs (in and out-bound)
- Web Sites
- A dvertising

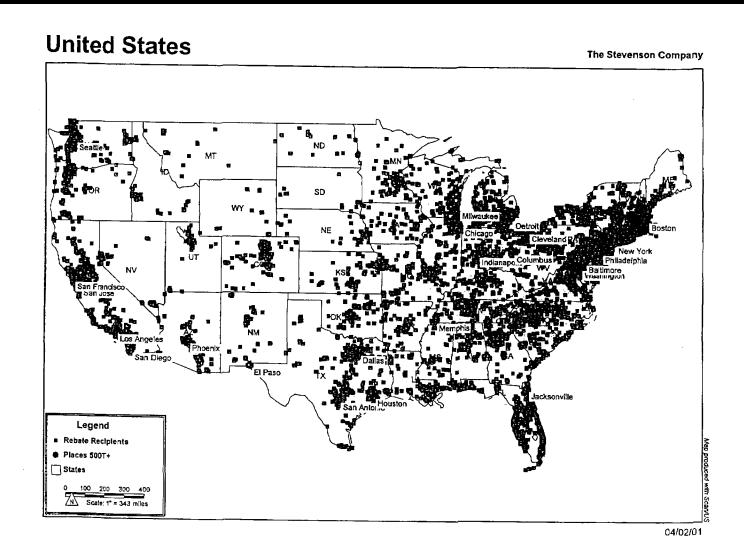
Each Recall is Unique -Use the Tools that Make Sense

GEDishwasherRecall

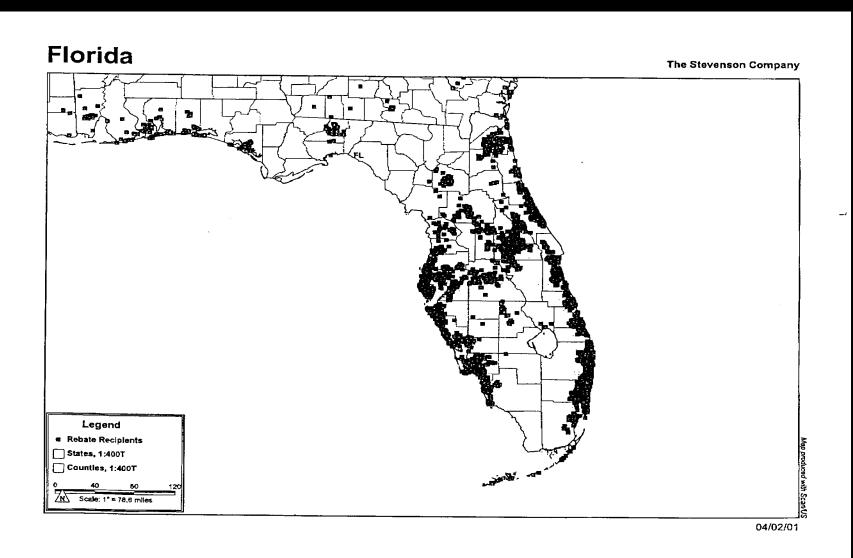
- 3.1 M M units m anufactured 1983-1989
- When recalled (1999), products were 10-17 years old
- Normalnotices provided -mail to old custom er list, VNR, press releases, web site
- Extra notice outbound calls to consum ers who lost interest
- How to find more current owners?
- Product sold largely to entry level hom e builders, condos, apartm ents
- Could recall data reveal concentrations in these subdivisions of undiscovered products?

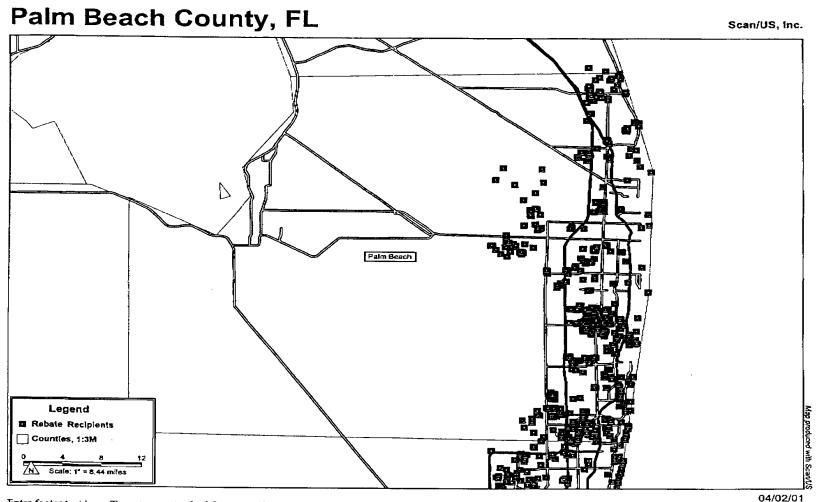
GE Agreed:

- 1. Listallrecallresponders
- 2. Locate on maps
- 3. Look for concentrations
- 4. Send mailings to subdivisions



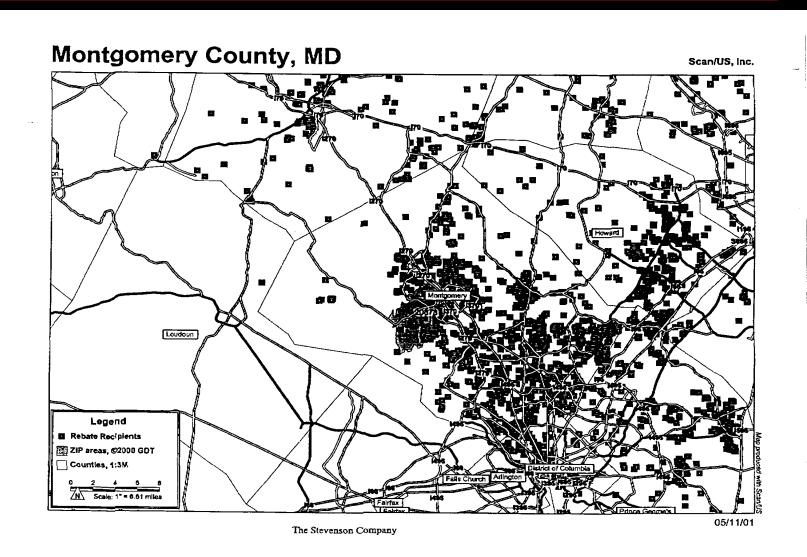






Enter footer text here. To put your standard footer text here automatically, change the Dictionary entry for "footer." The Dictionary is found in the options menu.





Plan B - Use Data from Outbound Call Program

"Do you have a recalled dishwasher?"

"Do you live in a subdivision ordevelopm entwhere othersm ighthave it aswell?"

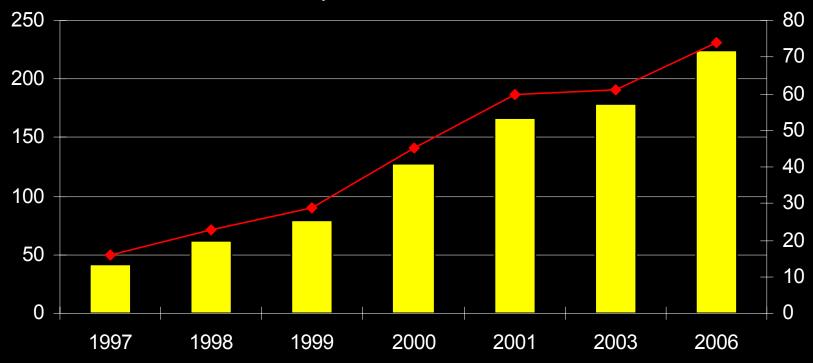
- Identified top 25 subdivisions
- Sentmailto all residents, placed ads in local papers

Results:

- -Stimulated 10,000 calls over 3 m on ths
- -Resulted in 1,000 m ore units recalled

Internet Usage 1997-2006

Information Source: NielsenNetRatings Projections Source: eTForecasts

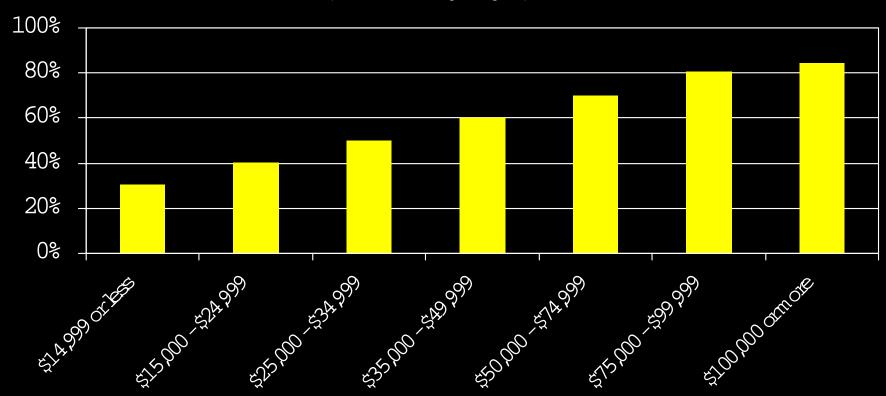


Internet Users (millions) — Percent of Americans that are Internet Users

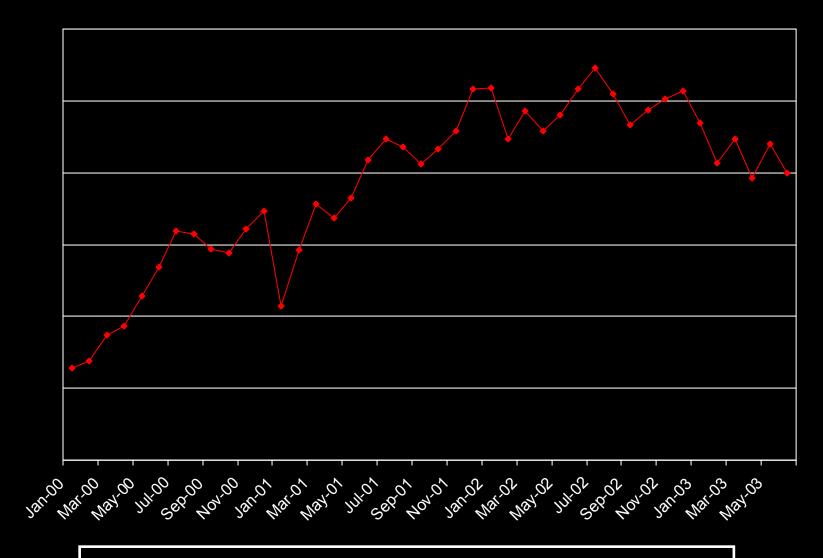
A M ajority of USH ouseholds have Internet Access

Incidence of online usage by income

Source: Harris Polls (national RDD telephone polls) October 2002-June 2003



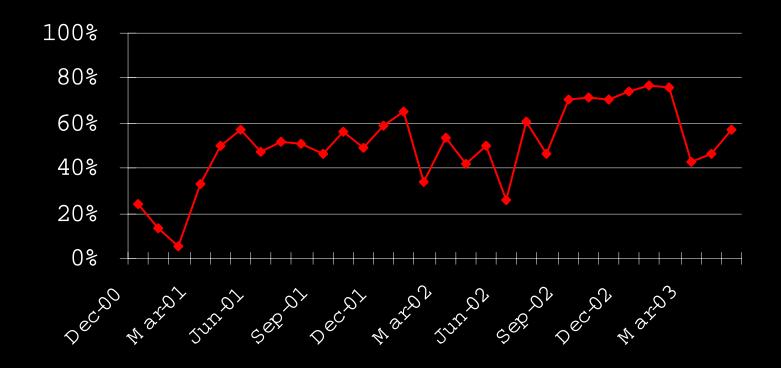
As income increases, so does internet access



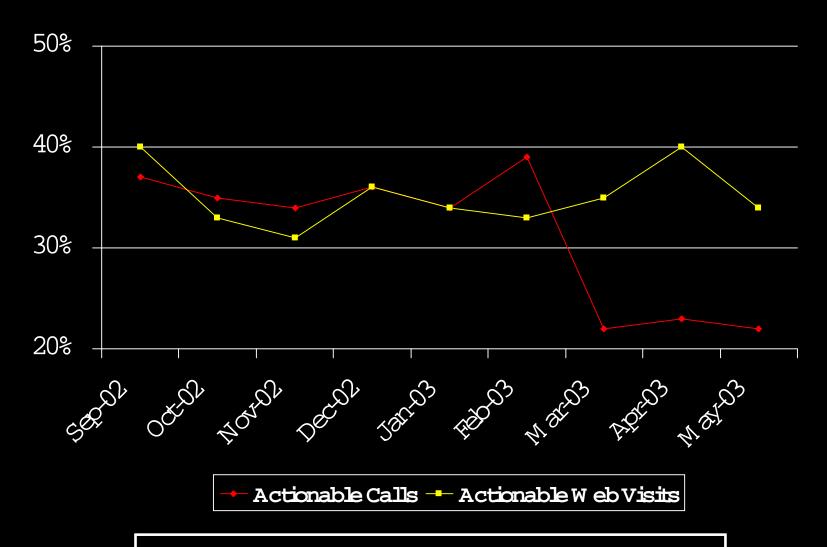
Over 20k PRs completed on line each month

D ishwasher Recall Internet Data

WebHitsas% ofTotalContacts

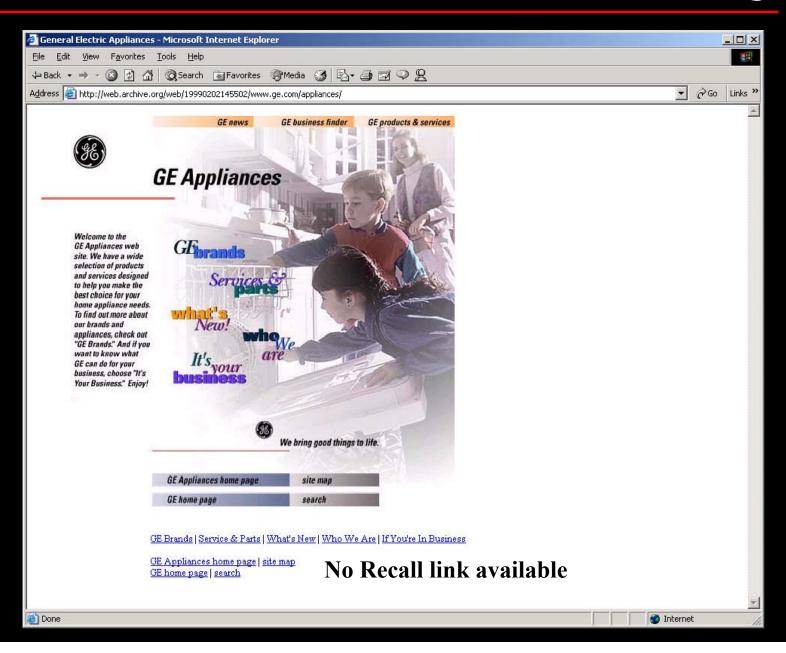


W ebsite takes over as information medium



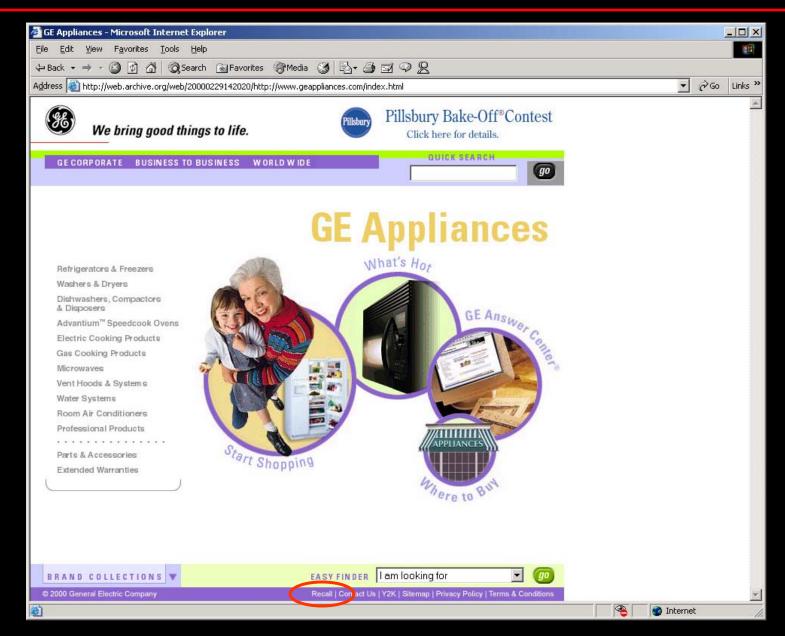
W ebsite as effective as traditional calls

1999 H om e Page



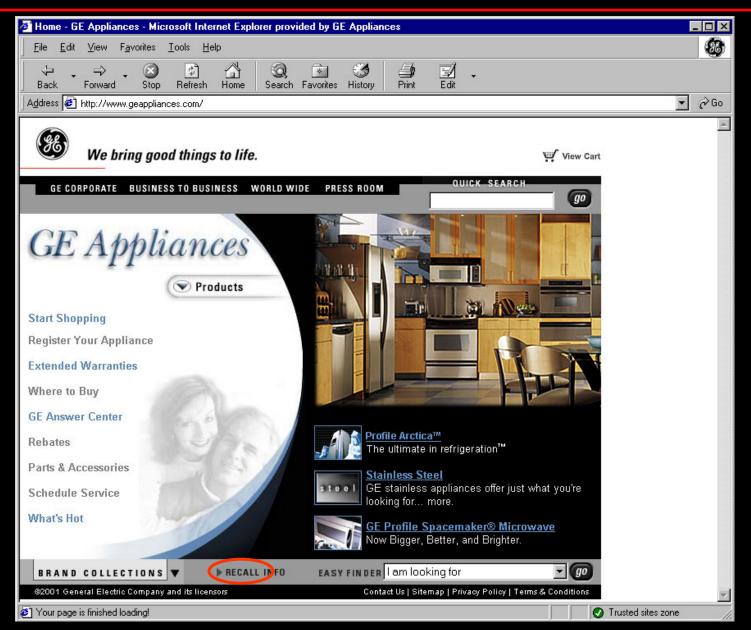


2000 HomePage

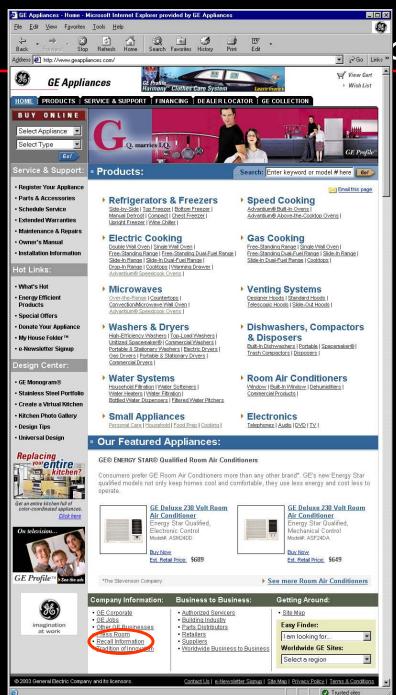




2001 Home Page







CurrentH om e Page

- Each recall is different and requires an independent bok at what might be effective
- Massmarketing techniques reach full effectiveness very soon after announcement of recall and decline thereafter
- Successive public notices do notyield significant increases in actionable responses
- Website recall information is a betterway to reach consumers over time
- Internet users are savvy and can find inform ation if it's clearly available