

Exhibit 69

UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION

RECALL EFFECTIVENESS WORKSHOP
(EARLY SESSION)

Hearing Room 420
4330 East West Highway
Bethesda, Maryland 20814

Tuesday, July 25, 2017

9:15 a.m.

APPEARANCES:

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Communications
ROB KAYE, Director, Office of Compliance and
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SHELBY MATHIS, Small Business Ombudsman
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AUDIENCE MEMBERS:

MARK AUSTRIAN, Kelley Drye & Warren
NANCY COWLES, Kids in Danger
QUIN DODD, Law Offices of Quin D. Dodd, LLC
KATHLEEN MCGUIGAN, Retail Industry Leaders
Association
KITTY PILARZ, Mattel, Inc.
CHARLES SAMUELS, Mintz Levin
WALT SANDERS, Van Fleet Associates, Inc.
WILLIAM WALLACE, Consumers Union
RACHEL WEINTRAUB, Consumer Federation of
America

C O N T E N T S

AGENDA ITEM:	PAGE
Opening Remarks	
Carol Cave	4
Ann Marie Buerkle	4
Rob Kaye	11
Presentation: Review of Recall Process and Standard Notifications	
Blake Rose	15
Presentation: Intro to OCM and Goals for CPSC Press Releases	
Patty Davis	26
Presentation: Recall Data	
Carol Cave	34
Open Discussion: What is an Effective Recall?	
Carol Cave	48

P R O C E E D I N G S

OPENING REMARKS

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2
3 MS. CAVE: Good morning, everyone, and thank you
4 for attending the Recall Effectiveness workshop here
5 today at the Consumer Product Safety Commission. We're
6 going to start off this morning, I wanted to introduce
7 our newly nominated, as of I believe this morning,
8 chairman of the Consumer Product Safety Commission, Ann
9 Marie Buerkle.

10 (Applause)

11 ACTING CHAIRMAN BUERKLE: Thank you very much,
12 Carol. Good morning to all of you and welcome to
13 Consumer Product Safety Commission, our workshop on
14 Recall Effectiveness. And Carol mentioned newly
15 nominated and I just want to express my humility, along
16 with my honor, of being nominated last evening by the
17 president to be the chairman of the Consumer Product
18 Safety Commission.

19 I've been here since 2013 and know very well of
20 the dedication and the hard work of this agency and all
21 of its stakeholders. So I look forward to the
22 confirmation process and really am honored to be -- to

1 have been nominated.

2 Let me just say a few comments about recall
3 effectiveness and all that went into today, because it
4 really has been significant. The response to this
5 workshop was really overwhelming and it quickly filled
6 up to capacity actually. And to me, the level of
7 response that we got from all of the stakeholders, I
8 think, reflects a very keen interest on the part of the
9 stakeholders to be engaged with this agency, and I
10 think it's a warning -- I shouldn't say warning; that
11 sounds negative -- but a flag for us that we need to be
12 more accessible to all of our stakeholders.

13 Let me begin by thanking all of our staff who
14 put in an incredibly amount of hard work into today's
15 event. And as I say your name, if you could stand up
16 if you're in the room, because some folks may have
17 talked to you on the phone but never have seen you in
18 person. So let me begin by thanking Joe Williams,
19 Valery Ceasar; Blake Rose; Patty Davis; Carol Cave;
20 Tanya Topka; Celestine Kish; Shelby Mathis; Christopher
21 Nguyen; Pamela Chisholm; Mary Toro; Rob Kaye, our
22 relatively new director of compliance; and all of the

1 folks who work behind the scenes to make today happen.

2 I also want to thank Douglas Brown, who is the
3 director of facilities, as well as Iris Parks and Dina
4 Demas. It took an incredible amount of work to get the
5 room together and then prepared also for the breakout
6 sessions, and so they did a wonderful job in preparing
7 the venue for today and I want to thank them as well.

8 This workshop on recall effectiveness is really
9 not the first time CPSC has engaged with the
10 stakeholders on the topic. There have been previous
11 workshops, studies, research and participations in
12 conferences on this very issue. From the inception of
13 the agency, conducting product recalls has been really
14 a critical role of what we do here at the Consumer
15 Product Safety Commission. This forum today is an
16 opportunity for our staff and me to listen to your
17 concerns, your ideas, your problems and your solutions.

18 What is an effective recall? Why is it
19 effective? How is effectiveness best measured? We
20 know that many consumers do not bother to take
21 advantage of the free remedy, particularly if it's an
22 inexpensive product, and they may perhaps throw the

1 product away. Is that good enough? Isn't the post-
2 recall data and injury trend more important than the
3 consumer responding rate? We know that notice is
4 critically important. How can we make sure more
5 consumers hear about our recalls?

6 I truly hope that you'll be an active
7 participant in today's workshop sharing your thoughts
8 on those questions and more. Whatever your interested
9 -- excuse me. Whatever your interest is or your
10 position, we are glad you're here and we look forward
11 to hearing your point of view about how we can improve
12 recall effectiveness.

13 Recall effectiveness to me may be more of an art
14 than a science because each set of recalls really
15 presents a unique set of circumstances. Each one poses
16 its own circumstances and its own opportunities. We
17 inhabit an evolving global marketplace with a wide
18 range of product categories, manufacturers and sellers.
19 While there may be common elements in nearly every
20 recall, the number of variables means that we can't
21 accept a one-size fits all. We need to be creative and
22 we need to prioritize.

1 Given that all recalls are not created equal,
2 wouldn't it make sense to let the degree of risk be a
3 key factor in tailoring the requirements for a recall.
4 Nearly all of our recalls are voluntary and we
5 shouldn't expect companies to bankrupt themselves
6 voluntarily. We should look for ways to make the
7 recall more proportional to the risk. This applies to
8 notice requirements as well. If consumers are bombarded
9 with a constant stream of recall notices, they may tune
10 out and miss hearing about products that pose greater
11 risks.

12 Motivating the consumer -- and we'll talk about
13 this this afternoon -- to take advantage of a remedy is
14 also a challenge. Consumer response rates depend on
15 many factors, such as the value of the product being
16 recalled and how long it's been in the consumer's
17 hands, the reason for the recall, the risk of harm, and
18 the nature of the remedy.

19 Another challenge we all face is the 24-hour
20 news cycle, finding creative ways to get the consumer's
21 attention amidst the constant stream of information
22 that inundates them every day. The safety recall

1 combats and competes with phone calls, e-mails, social
2 media, mass media, and other bombardments of the
3 informational age, and it's difficult to win the
4 attention of the average American.

5 I will say this, that really the most effective
6 way to present -- to prevent consumers from being
7 injured is to stop unsafe products from entering the
8 stream of commerce at all, and there's where, I think,
9 we can really pay attention to safe design and stopping
10 violative products as they come into this country. And
11 I think we shouldn't lose sight of that point, that
12 while we're all talking about recall effectiveness,
13 it's far better to prevent that product from ever
14 entering our stream of commerce rather than trying to
15 get it out once it's in.

16 I want to just close today by reflecting on your
17 presence here. Throughout my tenure here at CPSC, and
18 it was just four years this past July, the topic of
19 recall effectiveness has been a recurring theme. It's
20 been prominent, it's been challenging, and regardless
21 of who I'm engaged with, whether it's consumer groups,
22 businesses, the regulated community, staff, the issue

1 continues to go on. How can we make recalls more
2 effective?

3 I believe everyone here today wants safe
4 products. We all understand how important and
5 effective a well-planned recall is to the health,
6 safety and welfare of the consumer. And successful
7 businesses understand that a poorly executed recall can
8 compromise brand integrity, reduce consumer confidence,
9 waste revenue, and create additional legal liabilities.
10 We all come from various places with various interests,
11 but I believe that we all share a common goal, and that
12 is to keep the consumer safe. I think today's workshop
13 is a good first step towards that end.

14 One last thing I want to say to all of you is
15 you are experts in your fields. You know your field
16 intensely well. And so CPSC, by tapping into your
17 knowledge and your insights and your expertise, can
18 enhance our ability to keep the consumer safe. If we
19 are an agency that stakeholders can engage with, we
20 will be able to remove dangerous products from the
21 stream of commerce much quicker, and that ultimately
22 benefits the consumer.

1 The work we do at CPSC is so very important, as
2 you all well know, and we are a far better agency when
3 we collaborate and we recognize the contributions of
4 everyone who wants to help us advance our mission of
5 safety. I hope that today's workshop is just the
6 beginning of a discussion about recall effectiveness,
7 but other topics as well, and that we will be able to
8 pinpoint areas of common ground, identify matters that
9 need further discussion and discover a collaborative
10 path forward, all to the consumer's benefit.

11 Thank you again for coming to our workshop
12 today. I look forward to a day of informational
13 sharing, new -- new ideas, strategies and best
14 practices that will enhance recall effectiveness. Thank
15 you for your commitment to Consumer Product Safety.
16 And I will say to all of you that our mission of safety
17 is greatly enhanced by having you here and by having
18 you participate. So thank you all very much.

19 (Applause)

20 MR. KAYE: Good morning, everyone. I want to
21 echo Chairman Buerkle's welcome to all of you. We are
22 very excited to have you all here today, and very much

1 looking forward to -- I should probably identify
2 myself. I am Rob Kaye, the compliance director, the
3 new compliance director. My -- my four-month
4 anniversary here at the agency is tomorrow, so I am --
5 I am quickly acclimating thanks to the great work of
6 the compliance staff and everyone else here at the
7 Commission.

8 As I said, we're very much looking forward to
9 working with you today to explore your ideas and help
10 us better understand how we can work together to
11 achieve greater recall effectiveness. We are really
12 looking forward to hearing from you, and the program
13 today has been set up in such a way to facilitate,
14 hopefully bring out your experiences, your ideas and
15 some -- hopefully some great new ideas as to how we can
16 move forward in this area.

17 We already have participation, which is
18 excellent, about folks' expectations for today, and I
19 think they fall into some categories that will benefit
20 us and you all if we can -- if we can move forward to
21 addressing them and expanding our knowledge and
22 expanding how we can use the many new technological

1 avenues that are available potentially to help us
2 enhance recall effectiveness, how we can work together
3 to provide consistent results while at the same time I
4 think addressing the chairman's points about trying to
5 make sure we have heightened attention to the greatest
6 risk. And I think it's fair to say that we very much
7 hope to have some further action and follow-up on many
8 of the ideas that -- that we hear about today.

9 We'll start the program this morning laying the
10 foundation for our discussions later with some
11 overviews from our staff, but as I said, we really are
12 here today to hear from you and so to make sure that
13 we're on track and we maximize that time. They're not
14 going to take questions after their presentations. You
15 are, of course, welcome to submit any questions as
16 follow-up after the workshop or to e-mail them
17 directly, but we want to make sure we stay on schedule
18 and maximize our time to hear -- to hear from you.

19 There will be facilitators in the open
20 discussions. They are there to help prompt discussion
21 about recall effectiveness. They're also there to make
22 sure we stay on track. There are so many topics that

1 -- that relate to the recall process, but we really
2 want to try and hone in deeply on recall effectiveness
3 today and that will be part of their job as we go
4 through the day.

5 Just a couple of quick housekeeping matters for
6 those of you that aren't familiar with our building.
7 The restrooms are in the hallway right across from the
8 guard's desk where you came in, and in the unlikely
9 event it's necessary, there are fire exits on either
10 side of that hallway, and the -- obviously, this is the
11 main exit here. There's also another exit to the rear
12 of the room in the unlikely event that becomes
13 necessary.

14 I've already had a chance to meet some of you
15 this morning and as the new person here, I really --
16 please don't hesitate to come up and introduce
17 yourself. This is a great opportunity for me to meet
18 so many folks that I know care deeply about our mission
19 and as the chairman said, about promoting safe products
20 in the marketplace, and I really do look forward to
21 working with -- with all of you.

22 And so with that, we will get started, and I

1 will turn it over to Blake Rose, who's going to talk a
2 little bit about the recall process. Thank you.

3 (Applause)

4 PRESENTATION: REVIEW OF RECALL PROCESS

5 AND STANDARD NOTIFICATIONS

6 MR. ROSE: Thank you, Rob. Good morning. Great
7 to see you all, and I appreciate you coming to
8 participate in the workshop today. My name is Blake
9 Rose. I'm the division director of the Defects
10 Investigation Division within the Office of Compliance
11 and Field Operations.

12 Since we'll be talking about today -- excuse me
13 -- about recall effectiveness, we thought it might be
14 helpful to start with a short overview of the recall
15 process and our standard notifications. We're not
16 going to spend much time on this, probably even less
17 than what was allocated to me, since many of you are
18 familiar with this topic. But hopefully it will serve
19 as a refresher and foundation for our discussions later
20 on about recall effectiveness.

21 So let's talk a little bit about voluntary recall
22 requirements. With very few exceptions, our recalls

1 are voluntary, that is, a negotiation between CPSC
2 staff and the recalling firm. So what are the -- the
3 basic requirements for a voluntary recall and as
4 spelled out in the C.F.R.? The corrective action
5 plans, or CAPs, as we call them, should include a
6 statement of the nature of the hazard; statement of the
7 means to be employed to notify the public; a
8 description of the product; product use instructions
9 pending correction and explanation of the cause of the
10 hazard; a statement of corrective action to be taken to
11 eliminate the hazard; statement of steps to be taken to
12 prevent reoccurrence of the hazard; statement of
13 actions to be undertaken to correct products in the
14 distribution chain; a signature of a firm
15 representative; the firm's acknowledgment that the
16 Commission may monitor the corrective action and the
17 firm will provide necessary information, including
18 customer lists; and an agreement that the Commission
19 may publicize the terms of the plan to the extent
20 necessary to inform the public of the nature and extent
21 of hazard and the actions being undertaken. So those
22 are just the basic tenets of a voluntary recall.

1 There is another type of recall, a mandatory
2 recall. These are extremely rare. It's been many
3 years since this mandatory recall has taken place, but
4 just thought we'd mention it in passing. It's
5 different than a voluntary recall negotiated with the
6 staff. It is an order from the Commission under
7 certain circumstances, and those circumstances use --
8 usually surround a determination by the Commission
9 itself after the opportunity of having a hearing that a
10 product presents a substantial product hazard and that
11 the public should be notified to -- of that particular
12 hazard. Or the other instance that happens is if the
13 Commission determines that there is an eminently hazard
14 -- hazardous product that needs to be recalled. So
15 again, these are extremely rare, so I'm not going to go
16 into the specifics of the requirements of that, but
17 we'll just say that much more detail -- it's much more
18 detailed in terms of the required public notifications
19 and remedies.

20 So how does the recall process work? It begins
21 with a submission of a corrective action plan, one we
22 call a CAP, which is a detailed written proposal that

1 spells out the steps the recalling firm will take to
2 notify the public of the problem and hazard and how the
3 defective products will be captured and corrected.

4 So what are the typical elements we ask for in a
5 CAP? And this applies to whether your recall is a fast
6 track recall that you've asked for in coming to us or
7 it was something that the staff investigates,
8 determines that there is a defect and a substantial
9 product hazard and asks for a recall.

10 So the type of things we're going to typically
11 ask for in our corrective action plans are a stop sale,
12 direct notice to distributors and retailers and known
13 consumers, and of course, there should be a remedy.
14 And the statute provides for three different options,
15 either a refund, replacement or repair -- and I'll talk
16 a little bit more about those in more detail in a few
17 minutes -- and requires a public notice, either a press
18 release or recall alert, some information on the
19 recalling firm's website, and the use of social media.

20 In terms of future production of those defective
21 products, we're going to ask that those products either
22 be modified or discontinued. And finally, for any

1 recalled products that are either repaired or replaced,
2 those recall products should be destroyed so they don't
3 get out into hands of consumers any further.

4 We talk about coordination with retailers on
5 recall. Just a couple of points that I wanted to bring
6 up. We want to make sure that there's early
7 notification to those retailers so the process can
8 start immediately. We'll ask that the retailers lock
9 out the sales at the register and online so those items
10 cannot be purchased by consumers. We will ask that the
11 inventory of those particular recalled products are
12 isolated so they will not be sold as well. And we
13 would ask the retailers to post notices on their
14 website of a recall, and in certain instances, we'll
15 ask for a display of recall posters within the stores
16 or other in-store notifications. And we would ask the
17 assistance of the retailers in identifying consumer
18 purchases through any in-house credit card sales,
19 extended warranty sales and the like.

20 So the refund, that is the fastest and easiest
21 for consumers in general. It should be full -- the
22 full purchase price of the product. One of the things

1 we want to do is to encourage consumers to participate
2 in the recall and the best way to do that when it comes
3 to a refund is offer them the full purchase price. And
4 that recall product needs to be returned to the
5 retailer or shipped back to the recalling firm at no
6 cost to consumers. We want to avoid any cost to
7 consumers, because that's also a disincentive to
8 participating. So when that product needs to be
9 returned, we ask that it be done at no cost to
10 consumers.

11 Another remedy option is replacement. And this
12 replacement should be of a comparable product. We want
13 something that is -- has the equivalent features of the
14 product. We don't want something out there that is
15 going to cause the consumer not to want to take that
16 replacement because it's not comparable to what they
17 originally had. With any replacement, the staff will
18 need to assess the sample and review any test reports
19 on the product and check for any instance involving
20 that replacement product, because really, the last
21 thing we want not to happen is make sure that doesn't
22 happen, is that the replacement product gets out there

1 and there's similar products with that or other safety
2 concerns with that, so we want to make sure that that
3 doesn't happen.

4 And as with the refund, the recall product needs
5 to be returned to the retailer or shipped back to the
6 recalling firm at no cost to the consumer. The final
7 option would be the repair option as far as the remedy,
8 and those repair programs always need staff review.
9 The repair can be done by consumers, a technician at
10 home, or a local service facility, or by prepaid
11 returned to the recalling firm, again, something done
12 at no cost to the consumer. If it's done by the
13 consumer, it must be easy with clear instructions.
14 We're going to have our staff review that to make sure
15 that it is something that the average consumer can do,
16 and if special tools are required, the recalling firm
17 should supply those as part of the recall.

18 Talk a little bit about the notices, standard
19 notices that we like to see in recalls. These notices
20 are reviewed and approved by the staff. The most
21 effective is the direct notice. This is where you're
22 going to send an e-mail, letter or reach out by phone

1 directly to known purchasers of the recalled product.
2 So how do you find out those consumers that you can
3 reach directly? Well, some of the ways would be online
4 or phone purchases of the product, product warranty
5 registration, replacement part accessory purchases by
6 consumers, service request for that recalled product by
7 consumers, extended warranty customers and loyalty
8 programs, but we -- we have found time and time again
9 that that direct notice is the most effective in
10 getting their products back.

11 A recalling firm should have notice of the
12 recall on its website, and that should be clear and
13 concise information that's easily located on the home
14 page or a link from the home page. We don't want the
15 consumer to have to go searching down the bottom of a
16 page. We're looking for the recall notice. They
17 should be able to go to your site and find that easily.

18 Online registration for the recall is a benefit
19 that can be had on the website rather than having a lot
20 of customer services reps on the phone all the time to
21 try to help the consumers by allowing them to register
22 on your website, then consumers can do that pretty much

1 any time they're available and don't have to worry
2 about backups in phone cues and that sort of thing.

3 And on the website, we want to make sure that
4 there is sufficient bandwidth to have -- handle the
5 traffic of a recall. When a recall is first announced,
6 especially a large one, there's going to be a lot of
7 traffic on that website, and we don't want the website
8 to crash, obviously, or be so slow that the consumers
9 don't participate in the recall because of that
10 particular problem.

11 In certain instances, retail posters can be
12 beneficial. There is discussions in some corners about
13 the effectiveness of some of those, but I find that
14 under certain circumstances and certain instances, they
15 can be beneficial, but I think the topic of retail
16 posters might be something worth discussing in our
17 sessions today.

18 Some other forms of notice that can be
19 beneficial are paid advertisements. If your product is
20 kind of a specialty product that has a niche market
21 where consumers that particularly purchased that
22 product subscribe to certain publications, then

1 advertising in those publications is a great way to
2 reach out to them. Also, national publications is
3 another way to reach out to consumers on a very broad
4 basis, and we have seen that in certain circumstances
5 that warrant that kind of exposure.

6 So let's talk briefly about joint public
7 notices, which are notices involving our Office of
8 Communications. Patty Davis will be up here shortly to
9 discuss in more detail of that, so I'm not going to
10 steal too much of her thunder. But I'll just mention
11 in terms of a corrective action plan that those joint
12 public notices either consist of a press release or a
13 recall alert, the press release being a joint notice
14 with wide distribution in a standard format, and the
15 recall alert, which is similar in writing to a press
16 release but with limited distribution, and to qualify
17 for that, the firm must be able to identify all the
18 purchasers and must submit a list of those purchasers
19 to us.

20 Social media, something we're finding
21 increasingly is an effective way to get to consumers.
22 Some examples of social media that firms might consider

1 using are Facebook, Twitter, YouTube, Instagram,
2 Snapchat, Pinterest and blogs. Firms -- we expect the
3 firms to announce the recalls on social media platforms
4 that they use. Our Office of Communications may use
5 Twitter, Facebook and blogs in conjunction with a press
6 release announcement.

7 Now, some other optional actions that may
8 increase participation in terms of incentives to
9 consumers. This is something beyond the regular remedy
10 of repair, replace or refund, and we found these to be
11 something that increased participation in recalls, such
12 things as gift cards, store credit, or free or reduced
13 price accessories. I think this is another area of
14 discussion that might be beneficial in your meetings
15 this afternoon and this morning about how these type of
16 incentives, if you engage with them, have worked for
17 you.

18 So that is basically a quick overview of the
19 recall process in standard notifications. So now I'm
20 going to turn the podium over to Patty Davis, who is
21 the acting director of our office communications.

22 Thank you.

1 (Applause)

2 PRESENTATION: INTRO TO OCM AND GOALS

3 FOR CPSC PRESS RELEASES

4 MS. DAVIS: Good morning. I am Patty Davis, the
5 acting director of CPSC's Office of Communications.
6 Let's talk about the goals for CPSC's recall press
7 releases. What helps a recall to be more effective?
8 Our audience is consumers and also journalists who are
9 reaching out to consumers. Our goal here is simple and
10 easy-to-understand communications. In recall press
11 releases, that is a best practice, and that's what I
12 want you take away from what I am saying today, is
13 simple communications are the best practice in terms of
14 getting consumers to act.

15 Now, what also helps, direct contact by the firm
16 with the purchaser, a phone, an e-mail, a letter from
17 the firm to the consumer. As you know from being
18 consumers, if you get a direct contact by a firm, that
19 often spurs your own actions, so you can imagine that's
20 also helping other consumers as well.

21 Now, in addition, my job is to get media
22 stories. Social media mentions, those also help spur

1 action about a recall. A story about a recalled
2 product on NBC's "Today Show," for instance, has
3 generated overwhelming consumer response to the firm's
4 recall hotline and to CPSC. This is what we want to
5 happen. We want consumers to act, to call, to take an
6 action. Our goal is to get this recall communication
7 out to consumers on multiple communication channels
8 multiple times so that consumers can hear about it and
9 they can do something about it.

10 Now, we work with companies to write, post and
11 distribute more than 300 recall press releases each and
12 every year, and there are two types, as Blake was
13 saying, two types of press releases in terms of -- from
14 a communications perspective. A recall press release,
15 the firm does not have contact for most of these
16 purchasers so they do a recall press release. Now,
17 media assistance at this point is very important,
18 because we need the media's help in reaching out to
19 those consumers who are not going to be directly
20 contacted by the company because the company does not
21 know how to reach them. They've paid cash, some other
22 method that the company doesn't have direct contact.

1 In terms of recall alerts, companies do those if
2 a firm can contact all purchasers, and with direct
3 notification, media assistance is not as important.
4 There may be two types of recall press releases, but we
5 all have one goal, and that is to communicate in a way
6 that spurs consumer action.

7 But how do we do that? Office of Communication
8 guidelines are plain language in recall press releases.
9 Be clear with consumers so consumers can get what --
10 what it is that you're trying to say. Avoid legal
11 language or jargon. Put the hazard in terms that the
12 average person can understand, and use short and
13 concise sentences.

14 This is typical journalist practice, and we
15 apply that to your press releases here when we are
16 working to communicate with journalists and also with
17 consumers.

18 And here is my own bottom line being a former
19 journalist, is if I don't understand it, a consumer and
20 the media will not understand it. So when I'm putting
21 a recall press release together with a company, that is
22 my goal. I need to understand what it is. So

1 oftentimes companies will hear back from us, well, we
2 don't really understand what that means. And that's
3 really why we're asking that question, so that we can
4 put it in real people's terms.

5 Now, here is an example of a headline that is
6 too long, too wordy. It has way too much information.
7 This is a recall press release that I made up.
8 "Johnson Company, Incorporated recalls R364415 and
9 L441622 model, red/green and blue/orange beaded
10 children's bracelets due to potential for the risk of
11 choking."

12 Consumers and the media will see this headline
13 and simply stop reading. Simplifying this is best
14 practice. This is our goal with each and every press
15 release. Now, here is an example of how -- I've
16 simplified this headline. "Johnson Company recalls
17 children's bracelets due to choking hazard." Consumers
18 can -- can get that right off the bat. And this type of
19 headline is easy to understand. It's straight and to
20 the point. The details then can be found later on in
21 the press release. This headline will encourage
22 somebody to continue reading what a company is trying

1 to communicate.

2 Now, continue on a theme of simplicity as the
3 best way to reach consumers. A recall of a component
4 part is not best practice for communicating with
5 consumers. An example of this is recalling a widget,
6 for instance, inside a furnace. Stand for a minute in
7 the shoes of a consumer who has no idea if he or she
8 has that widget inside their furnace. What they do
9 know, however, is that they have a certain name brand
10 and model of furnace. So when we work with companies on
11 recall press releases, this is often an issue. The
12 Office of Communication advocates recalling the furnace
13 and then telling consumers in the recall communication
14 that the hazard involves the widget and the widget will
15 be replaced or repaired. This is similar to the FDA,
16 for instance, recalling an entire loaf of bread not
17 just the flour, which may actually be the problem.

18 Now, for our recall press releases, the Office
19 of Communication uses AP, or Associated Press, style.
20 This is used in newsrooms across the country, and the
21 purpose is to perform uniformity for ease of reading
22 and a common understanding. We also use the inverted

1 pyramid style, so that is where you start broad at the
2 top. It's simple. This is come -- writing also common
3 in newsrooms across the country. Start broad and
4 simple at the top to grab the reader with your simple
5 headline, then get more detailed as you go down towards
6 the bottom. You literally have seconds to hook a
7 reader and to grab their attention, and if you don't
8 communicate simply at the top, you lose them. They
9 will not pay attention.

10 Now, here's what recall releases should answer,
11 and these are the basic questions. Who is the
12 recalling company? What's the product? What is the
13 hazard? What is the remedy for consumers? And who
14 should consumers contact? Make it easy for them. When
15 it comes to the remedy, the recall release spells out
16 whether consumers get a refund, repair or replacement.
17 So we advocate giving consumers an easy way just to
18 reach that firm, an easy way to get their remedy.

19 Now, as Blake mentioned, CPSC in recent years
20 has gotten into social media. Most recall releases are
21 posted by CPSC on our own social media sites. For
22 recalls, this includes Facebook, Instagram and Twitter,

1 along with a link to the recall release -- that's a
2 Bit.ly link -- and photos of the product. Social media
3 allows consumers to engage directly with the recall
4 information to click on the link to find out more.

5 Now, we have more than 38,000 Twitter followers
6 on our Twitter account and we recently launched on
7 Facebook and Instagram and are in the process of
8 building our followers and our audience there, so we
9 would encourage you to follow us on our social media
10 channels.

11 CPSC uses social media to communicate product
12 recalls, as I have explained. We also use it to share
13 safety messaging and to answer consumer questions.
14 Now, here's what's on our social media communication
15 that we put out about a recall. Each and every one of
16 them have hashtag recall, then the company is tagged
17 with their Twitter or Facebook account if they have
18 one.

19 We always put the name of the product, the
20 hazard, the remedy, the company contact information on
21 Facebook and Instagram. That's not possible on Twitter
22 because we're only dealing with 142 characters, but we

1 have more space on Facebook and Instagram, and then we
2 include a link to the recall page at CPSC.gov.

3 Let me show you some examples of recent recall
4 posts on CPSC's Twitter. And our Twitter handle is
5 @USCPSC#recall@kickerlandteapots with bamboo stands.
6 Votive stand can catch fire. Get your refund. And
7 then there's a Bit.ly link with a link directly to the
8 recall on our website and a photo. Very easy to access
9 by consumers. The other one, #recalldefectivewiring in
10 Cabela's food dehydrators compose a fire hazard. Get
11 your refund or free replacement, another Bit.ly link
12 and another photo.

13 And I also want to share with you some recall
14 communications from companies. Here's some examples of
15 various companies posting on their Facebook pages about
16 recalls involving their products. You see an IKEA and
17 a Cabela as well. CPSC encourages companies to use all
18 means of communication possible to contact consumers
19 about a recalled product, and social media is no
20 exception.

21 Many companies have several different Facebook
22 or Twitter accounts, different social media accounts,

1 and we urge companies to use their most popular
2 accounts because those are the ones that can reach the
3 most consumers. In addition, CPSC uses these tools to
4 amplify our recall messages. We send recall releases
5 to CPSC's recall list serves that have thousands of
6 consumers, media and -- and others. The Office of
7 Communication actively pitches larger or more prominent
8 recalls to media. We'll do interviews. We can provide
9 opportunities for the media to shoot the recall
10 product, all in an effort to get them to do the story
11 to help amplify that message. And as I've already
12 addressed, we use social media to amplify our recalls,
13 so we also have a YouTube channel that we can utilize
14 for messaging.

15 Thank you for your attention. We will now take
16 a 15-minute break, so if you could please be back at 9
17 -- or I'm sorry, at 10:10 here in -- in the hearing
18 room. Thank you.

19 (Applause)

20 (A brief recess was taken.)

21 //

22 //

1 hiding in the corner over there, did some -- conducted
2 some analyses on closed cases with a corrective action
3 plan between fiscal year 2013 and fiscal year 2016.
4 The -- and I say closed cases. It represented a number
5 of about 865 total cases that were actually analyzed.

6 This data set, as I said, does not include the
7 regulatory recalls. It is strictly on the defect side
8 of the house. The analysts compared the number of
9 reported corrections made to the number of products
10 distributed at the manufacturer, distributor, retailer
11 and consumer levels. So there have been, over the past
12 several years, many changes at the agency with respect
13 to recalled data collection. One is on the defect side
14 of the house. There has actually been automation of
15 case files. So data has been actually a little bit more
16 accessible to staff to be able to perform this kind of
17 analysis.

18 In addition to that, we have been collecting
19 information from monthly progress reports, which is --
20 a monthly progress report is what a firm fills out
21 after a recall is done to report to the Commission as
22 part of their CAP what the effectiveness rates are.

1 And when I say automation, the Commission recently
2 asked for the staff to automate this process and soon,
3 fiscal year -- next fiscal year, we will actually be
4 having the opportunity for firms to be able to file
5 their monthly progress reports in an electronic
6 environment, which really helps improve the data
7 quality of the information coming in. It doesn't get
8 translated in an incorrect format and it allows the
9 firm to really take ownership of what they report to
10 the Commission.

11 The overall correction rate -- and we've been
12 asked this many, many times and staff have said, you
13 know, well what is the overall correction rate? And so
14 the CPSC staff are concerned about the entire
15 distribution, so the number of products with the
16 manufacturer, the number of products with the retailer,
17 and then also the number of products with the consumer.

18 And so we looked at the overall correction rate
19 at the levels of all levels in the distribution channel
20 for these four years and it came to a rate of about 65
21 percent. It is important to note, and I want to just
22 highlight this, and we've said this many times, but

1 that on average, only 40 per 6 -- 46 percent of the
2 cases that are reported to the CPSC actually lead to a
3 recall or a recall alert, and that's specifically from
4 this data set.

5 Many cases are reported to the Commission that
6 might not be within CPSC's jurisdiction or there's no
7 hazard or the hazard -- for example, we had a report
8 that talked about exposure to antiseptic, or there's
9 actually a defect that exists. The risk of injury
10 actually does not rise to a level of a substantial
11 product hazard and the company's agreed to take some
12 form of a corrective action so it doesn't necessarily
13 involve a public notice.

14 So as I was saying, the analysts actually looked
15 at the correct -- correction rates at all the levels,
16 and this is because -- we looked at closed cases mainly
17 because cases in monitoring status, the data actually
18 changes. So as firms actually report to the Commission
19 on the status of their recall, the data fluctuates, and
20 so we wouldn't have a solid base, which is why we
21 actually looked at closed cases.

22 The analysts performed the correction rates at

1 all these levels. Distribution, they looked at price,
2 they looked at product category, and they looked at
3 correction type as well as recall type. So recall type
4 meaning a press release or a recall alert, or in terms
5 of correction type, whether it was a refund, a repair
6 or a replacement of a product.

7 So this slide shows actually why we are all here
8 today. Correction rate is defined by the total number
9 of products manufactured and the amount of product
10 returned or corrected at each level of the distribution
11 chain. You can see that on average the manufacturer,
12 distributor and retailers will have much higher rates,
13 although they're not at 100 percent. And you might
14 find that this is odd. This is really due in part to
15 firms maybe not updating their original notification of
16 inventory when they reported it, and it may not
17 accurately reflect corrections that -- there might
18 actually be extenuating circumstances for,
19 unfortunately, things, goods get stolen. That has
20 happened many times, or goods are just unaccounted for,
21 perhaps at the retailer level.

22 As you can also see from this slide, the average

1 correction rates at the consumer level for all product
2 types is around 6 percent. This number only reflects
3 the consumers that we know took part in a corrective
4 action, but in cases where the recall was to repair, we
5 know how many consumers requested the repair, but we
6 don't actually know how many of them installed the
7 repair kit. We also don't know how many consumers
8 heard the message about the risk and accepted the risk
9 but did not act on the recall to eliminate the hazard.
10 So the consumer actually modified their behavior and
11 was willing to accept the product risk at hand.

12 You'll also note from this slide that the
13 consumer rate was slightly increasing from 2015 to
14 2016. We're not sure if this is because of social
15 media issues, as Blake and Patty talked about, or if
16 this is because companies are actually offering
17 multiple remedies, so the remedy to do a refund or a
18 repair and giving a consumer the option.

19 So this slide specifically talks about the
20 consumer correction rates by retail price for consumer
21 and nonconsumer, and the reason we wanted to -- we --
22 nonconsumer actually represents manufacturer,

1 distributor, retailer all in one level. So if a recall
2 had a price range that was listed, the analysts
3 actually used the highest price calculation for this
4 analysis. The consumer correction rates increased
5 steadily as the product retail price increased. You
6 can see from 4 percent for products with a retail price
7 between zero and \$19 to about 32 percent for products
8 with a retail price of \$10,000 or more.

9 Exceptions to this trend, you'll see is there a
10 retail price between 1,000 and 4,999 dollars. And
11 cases in this category have a consumer correction rate
12 of 15 percent. The reason for this is in FY '13, a
13 recall in this category had a large number of products
14 recalled. It was about 1.6 million products at the
15 consumer level. And the correction rate was low. If
16 you remove this case from this analysis without the
17 consumer correction rate, this category would actually
18 go up to about 33 percent.

19 Staff admits that it is extremely difficult to
20 determine the correction if the consumer just disposes
21 of a product, and therefore, removes the risks. And so
22 how do they adapt their behavior and are they really

1 willing to deal with that? So capturing that
2 information is incredibly hard.

3 This slides represents the corrective rates for
4 product category for consumer, again, and nonconsumer
5 categories. The interest here was to examine whether
6 messaging to consumers in a particular category would
7 be more beneficial than another. You'll notice the --
8 under the personal care section, which is, I believe,
9 the fourth one down, has the greatest consumer
10 correction rate for all product categories at about 30
11 percent. This category includes such items as hair
12 dryers, curling irons, air misters, personal fans, and
13 panic devices.

14 There are two cases in this category during this
15 data analysis, both personal and -- they're personal
16 emergency reporting transmitters, which have really,
17 really high correction rates. Each case had roughly
18 200,000 products at the consumer level and no products
19 at the nonconsumer level. Because the firms had direct
20 contact information for the consumer and because the
21 seriousness of the risks that the product would not
22 work -- it's meant to alert when you're in distress --

1 consumers actually acted in this particular recall.

2 So this slide looks at the type of correction
3 offered to consumers. 98 percent of the cases used a
4 corrective action of a refund repair or replace
5 individually or in a combination of. I find this slide
6 incredibly interesting in that it appears the consumers
7 respond to choice, meaning that when multiple solutions
8 are offered by a firm, consumers choose. I also find
9 repair interesting, which could indicate the consumers
10 actually want to keep the product that they originally
11 purchased. Again, this would not reflect that the
12 consumer actually carried out the repair. Further
13 analysis will need to be conducted on this data to see
14 if we have any additional outliers, but I find it
15 incredibly interesting.

16 This slide represents, as Blake and Patty both
17 emphasized this morning, and should be no surprise,
18 recall type is very, very effective. In 2002 -- many
19 of you in this room remember this -- CPSC had awarded a
20 contract for a literature review and summary on
21 consumer motivation and behavior. The review determined
22 that the success of a recall is dependent on the number

1 of factors, but the consumer's action is incredibly
2 critical to the success.

3 The Commission at the same time also invited 18
4 experts in the field of social marketing and public
5 relations to come prepared to discuss several
6 questions, including, how can we motivate consumers to
7 act, which ideas from these programs could increase
8 consumers' response to product safety recalls. This
9 meeting actually confirmed much of what was learned in
10 the literature research, and the general consensus was
11 that the CPSC should consider targeting recall messages
12 to specific audiences, i.e. consumers, because mass
13 media alerts are less effective than targeted messages.

14 Based on the data that was analyzed, this has
15 led to be true, as recall alerts are directly targeted
16 to consumers who own the product and can take action.
17 So again, I just emphasize, as more and more companies
18 are automating and becoming more capable of reaching
19 out to consumers, either because they have online
20 sales, loyalty programs, things of that nature,
21 companies should be able to reach their customers
22 directly and alert them to a recall.

1 A recall alert, the way the staff reviews a
2 recall alert, it requires the recalling company to
3 demonstrate that they're able to contact all or
4 virtually all of the consumers through a direct
5 notification. That direct notification can be e-mail,
6 it can be mail, it can be telephone. We actually don't
7 break it down or specify, but it can be any of the
8 following. Recall alerts have a greater consumer
9 correction rate at about 50 percent and way better than
10 press releases that have a consumer correction rate of
11 6 percent.

12 So what are some additional findings that we
13 have found based on this data analysis? In fiscal year
14 2016, we achieved high correction rates for all
15 distribution levels except at the manufacturing level.
16 However, manufacturing rates are still really around 90
17 percent for fiscal year '16. We also notice that
18 correction rates for products designated with the
19 higher risk, where staff made a preliminary
20 determination finding, have lower correction rates at
21 all levels with those -- compared to those with low or
22 no hazard, meaning a fast track case.

1 As many know, CPSC compliance officers evaluate
2 recalls based on many factors, specifically incident
3 rates, and unfortunately, in three of the cases in this
4 data set, we had deaths that actually occurred after
5 the announcement of the recall. That is exactly what
6 we are trying to avoid. Staff considered rates of
7 return through the supply chain. They consider the
8 useful life of the product and population at risk.
9 Sometimes injury and death data may not be known to the
10 company, unfortunately, until after the announcement of
11 the recall, even though the death occurred prior to the
12 recall.

13 Another area that we looked at is that price
14 points appear to be a driver in motivating the
15 consumer. As noted on one of the previous slides,
16 perhaps what also makes -- motivates consumers is the
17 frequency of use, but we actually haven't been able to
18 conduct an analysis on that, so products more in use,
19 like personal care products, things of that nature, may
20 be a reason for why there's a greater return rate.

21 In many cases, 199 cases, staff, as you heard,
22 have been working the social media issue, and further

1 analysis will be conducted on the social media that led
2 to an increase in consumer response. We currently don't
3 actually break down the type of social media that was
4 used in specific cases, so that analysis is yet to be
5 perfected. And unless, unfortunately, we are able to
6 interview the consumer, we might not ever be able to
7 define this information. As CPSC becomes more and more
8 automated as well with our own internal systems, we
9 believe that it will be much easier to evaluate
10 patterns and trends across all the supply chain.

11 So lastly, I want to conclude with, you know,
12 CPSC recognizes the challenges associated with consumer
13 correction rates. We get it. We are hyper focused on
14 it and we want you folks to be hyper focused on it.
15 CPSC does want to collaborate with all the stakeholders
16 to find ways to provide direct notification to
17 consumers in any way that we can, and we are looking
18 forward to doing that with you.

19 So here's the interactive part. We are going to
20 break you into groups, not right now, so sit tight.
21 Please look at your badge that you have been issued.
22 If you have a red dot on your -- the front of your

1 badge, you will be going into the back corner with
2 Shelby Mathis, our small business ombudsman. If you
3 have a blue dot, you will be meeting in the back right
4 corner with Blake Rose, and if you have a green dot,
5 you will be meeting in the right front corner with
6 Tanya Topka, the director of our Fast Track recall
7 program.

8 (Session continued under separate cover.)

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UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION

RECALL EFFECTIVENESS WORKSHOP:
OPEN DISCUSSION: WHAT IS AN EFFECTIVE RECALL?

Hearing Room 420
4330 East West Highway
Bethesda, Maryland 20814

Tuesday, July 25, 2017

10:50 a.m.

APPEARANCES:

ANN MARIE BUERKLE, Acting Chairman
CAROL CAVE, Deputy Director, Office of
Compliance and Field Operations
PATTY DAVIS, Acting Director, Office of
Communications
ROB KAYE, Director, Office of Compliance and
Field Operations
SHELBY MATHIS, Small Business Ombudsman
BLAKE ROSE, Director, Office of Compliance and
Field Operations
TANYA TOPKA, Office of Compliance and Field
Operations

AUDIENCE MEMBERS:

MARK AUSTRIAN, Kelley Drye & Warren
NANCY COWLES, Kids in Danger
QUIN DODD, Law Offices of Quin D. Dodd, LLC
KATHLEEN MCGUIGAN, Retail Industry Leaders
Association
KITTY PILARZ, Mattel, Inc.
CHARLES SAMUELS, Mintz Levin
WALT SANDERS, Van Fleet Associates, Inc.
WILLIAM WALLACE, Consumers Union
RACHEL WEINTRAUB, Consumer Federation of
America

C O N T E N T S

AGENDA ITEM:	PAGE
Open Discussion: What is an Effective Recall?	
Carol Cave	4

1 PROCEEDINGS

2 OPEN DISCUSSION: WHAT IS AN EFFECTIVE RECALL?

3 MS. CAVE: But before we do that, we have folks
4 around the room. We have microphones. And we're going
5 to get things going a little bit here before we break
6 into groups. So we often get asked this question all
7 the time, and we thought we would ask you all this
8 question before we get started. So what is it -- and
9 if you raise your hand, they will bring mics to you.
10 So what is it that you would consider to be an
11 effective recall with the CPSC?

12 You know that staff today evaluate, you know,
13 incident data; they monitor hotline complaints, or
14 compliments. That happens as well. We evaluate recall
15 effectiveness checks that field investigators' conduct
16 after a recall. We evaluate notices that are sent to
17 all members of the distribution chain and supply chain.

18 And so we are just curious, you know, what your
19 thoughts are in terms of what actually is an effective
20 recall. Oh, and we would like you to say your name
21 before you -- we have someone back here. Who's got
22 mics?

1 MR. SAMUELS: Thanks a lot. I'm Chuck Samuels.
2 Thank you for that excellent presentation. Before I
3 answer your question directly, I just want to point out
4 that you provided a very powerful number, which is that
5 46 percent of reports do not result in a recall, and I
6 think for those of us that preach the gospel about when
7 in doubt, report, this is a very, very important
8 number. I'm glad that you -- that you brought it up.

9 I just want to say that one of the problems I
10 have with your presentation that goes right to the
11 heart of what is an effective recall is that your --
12 the Commission continues to fall into the same error of
13 using the wrong metric for measuring recall
14 effectiveness. This was pointed out in the studies in
15 the seventies, the eighties, the nineties and the early
16 two thousands, and nothing has changed.

17 You look at the number of products distributed
18 and the number of products that can be proven to have
19 been remediated. That's ascertainable. It's specific
20 and it's wrong. The reality is, you should be looking
21 at the number of products that are being used and then
22 comparing that to the amount of hazards that have been

1 remediated. That would require you to take into account
2 product life, consumers disposing of products after
3 they've heard of the recall, consumers changing their
4 behavior, consumer self-repair, consumers understanding
5 and accepting the risk, and you don't do any of those
6 things.

7 And although none of those will be exact
8 sciences, if you took those into account for the
9 various product categories, it would lead you to a
10 better understanding of what actually is happening in
11 the real world, the consequence of which would not only
12 be that we wouldn't be constantly thinking that we're
13 dealing with regulatory failure, which we're not, but
14 that you'd be able to prioritize and focus on real
15 hazards and real product recalls where you're not
16 having an effective recall.

17 So I hope that finally here in 2017, as a result
18 of this workshop, we can start developing alternative
19 metrics that will give us a much better idea of what's
20 happening in the real world.

21 MS. CAVE: Anybody else? This is not a shy
22 group. I know all of you.

1 MS. WHITE: Barb White from Target. We measure
2 an effective recall if we have no additional incidents
3 after the product has been removed from sale, a recall
4 announced. We think then we've met our goal of
5 protecting the consumer.

6 MS. CAVE: Great.

7 MR. AUSTRIAN: Mark Austrian. A different
8 metric. I view an effective recall getting it done
9 quickly, as soon as we have enough notice that we get
10 it done, both within the company and within the agency.

11 MS. COWLES: Nancy Cowles. Two things, one on
12 the data. Since it's only closed cases if a company is
13 having a very poor response rate, that case probably
14 stays open.

15 MS. CAVE: Correct. Safety monitoring.

16 MS. COWLES: So that your -- your numbers are
17 skewed towards your most successful recalls.

18 MS. CAVE: Well, not necessarily, because any
19 given year or timeframe that you use, it closed.

20 If I do this in two years, those cases are going
21 to be closed.

22 MS. COWLES: Right, but --

1 MS. CAVE: We would evaluate that.

2 MS. COWLES: Yeah, but looking now, the ones
3 likely to still be open from that period that wouldn't
4 have been included might be ones that you're having
5 problems with.

6 MS. CAVE: Correct.

7 MS. COWLES: Right. And I think, just again, to
8 go back to the no additional incidents, I think
9 obviously, that's key that there not be additional
10 incidents, but given that some recalls have no
11 incidents to start, are you saying that you were
12 successful before you even started? So I think it
13 can't be the only metric that we can look at because it
14 doesn't -- you know, a death can happen, as we well
15 know, a kid, five, 10 years after the product is
16 recalled. So you might be calling it successful for a
17 year, and then have five deaths. You just don't know.

18 MS. WEINTRAUB: I'm Rachel Weintraub with
19 Consumer Federation of America. I'd like to add
20 another measure, and that is the company's nimbleness
21 to respond to consumer demand after the recall in the
22 initial time that the recall was announced.

1 MS. CAVE: The response rate by the firm.

2 MS. WEINTRAUB: Fulfillment response.

3 MS. CAVE: Fulfillment.

4 MS. WEINTRAUB: Yes.

5 MS. CAVE: Anybody else? Oops. Hi Kitty.

6 MS. PILARZ: I'm Kitty Pilarz from Mattel. So
7 one of the disciplines that we have in a recall process
8 is challenging ourselves, what would we do with our own
9 processes to make sure that doesn't happen again,
10 whether it's internal testing protocol or something in
11 our process to eliminate that cause for a recall.

12 MS. CAVE: Okay. Anyone else?

13 MR. WALLACE: Will Wallace, Consumers Union.
14 I'm putting my computer down. I would say a sufficient
15 remedy to help make sure it's -- that it's an appealing
16 recall for consumers that they -- for them to take
17 action.

18 MS. CAVE: Okay, and so the next slide is very
19 similar, but what does a effective recall look like? I
20 think some of you have actually answered this question,
21 but it's a little bit different. So what does an
22 effective recall look like and what do you as consumers

1 expect an effective recall to look like? I mean, the
2 intent of a recall is to make the consumer whole,
3 correct? So what is it that you all believe?

4 MR. DODD: Quin Dodd. I would suggest that a
5 key factor is that an effective recall looks like -- to
6 answer the question, I think an effective recall is one
7 that's tailored specifically to the hazard at issue.
8 That's one thing that we've kind of touched on but
9 haven't directly addressed yet, and I hope we did
10 today, that is that in my opinion, the agency needs to
11 long term overtly differentiate between A, B and C
12 level hazards and have completely overtly different
13 expectations for each level. So I think an effective
14 recall would be one that's matched to the hazard at
15 issue.

16 MR. SANDERS: Walt Sanders. I've been here
17 before and I'll make my comment. After I left the
18 Commission, I did a very effective recall that I
19 thought accomplished a goal. And the only reason I was
20 able to get this product -- this company to recall this
21 product, which happened to be a high-end bike frame
22 that cost \$8,000 a frame, is I said to the company,

1 you've got a cracked frame. You need to get it fixed
2 and I'll work with you to do a corrective action plan.
3 And they said, well, we don't want to hurt our brand
4 and we don't want to have a press release that tells
5 the world that we have a defective bike.

6 So what happened -- what I worked out was we did
7 direct notification of everybody that had purchased a
8 bike. It was 425 consumers. The company had a list of
9 everybody that purchased the bike. The remedy was
10 return the bike to the manufacturer, get the frame
11 fixed and then it will be returned to you. In exchange
12 for that, CPSC agreed not to do a big press release,
13 not to do a public notification, and it solved the
14 problem.

15 So I think the -- that was a very effective
16 recall without damaging the brand of the company. So I
17 think what has to be done is to be flexible enough to
18 offer the company alternative remedies and alternative
19 solutions to want to get -- to want to accomplish the
20 goal.

21 My question is whether I could make the same
22 deal with CPSC that I made in 2004.

1 MS. CAVE: And you contact all or nearly all --

2 MR. SANDERS: Yes.

3 MS. CAVE: That's a recall alert.

4 MR. SANDERS: Yes. Absolutely. But if that --
5 if you accomplish that, you do the job. There's no need
6 to advertise to the world that X company with a
7 particular bike frame had a defective frame. It hurts
8 their brand. So anyway.

9 MS. McGUIGAN: Hi. Kathleen McGuigan with the
10 Retail Industry Leaders Association. What I would say
11 is I think the effective recall, I echo the comment
12 about one that's done quickly, that removes unsafe or
13 potentially defective products quickly from the
14 marketplace. But the other piece that I think is
15 critical to an effective recall is one that allows
16 flexibility for the recalling party to communicate to
17 their customers and to consumers in the way that they
18 most frequently communicate with them.

19 So whether or not certainly manufacturers have a
20 different way of communicating than retailers do, some
21 retailers operate purely brick and mortar; some do much
22 more online. So there are different ways that can

1 provide direct and effective communication to
2 consumers, and I think the CPSC allowing flexibility in
3 that rather than dictating certain choices.

4 MS. CAVE: Okay. Others? Okay, so we are
5 actually now going to break you up into groups. Again,
6 if you are a red dot, you are with Shelby. If you are a
7 blue dot, you're in the back corner, and if you are a
8 green dot, you are with Tanya up here in the front.

9 (Adjournment to breakout sessions.)

10 MS. CAVE: Okay, so we're going to wrap up. We
11 -- I participated in one of the sessions and it was a
12 lot of discussion, which is exactly what we want. So
13 that is kind of what this stage is going to be for the
14 rest of the day, a whole lot of interactive, positive,
15 negative feedback. We'll take it all. We want to hear
16 everybody's opinion. So we're going to go ahead, each
17 of the groups that took -- took on -- or took -- one of
18 the leads that took on each of the groups is going to
19 actually do a quick brief-out on what each group found.
20 I'm sure you're going to start to see some overlapping
21 topics or themes.

22 So Shelby, we're going to start with you, the

1 red team.

2 MS. MATHIS: First of all, I just wanted to say
3 thank you to everybody who was in my breakout session,
4 the red group. You guys had some great ideas.
5 Everybody followed the ground rules and had creative
6 solutions. I thought it was really positive. So I
7 just wanted to thank everybody in red first off. And I
8 even asked the group, because I didn't want to
9 misrepresent them when I got up here to discuss themes,
10 so I put checkmarks, but you probably can't read my
11 sloppy handwriting.

12 So our first question was, what element should
13 the CPSC consider when determining if a recall is
14 effective? And some of the key themes that we heard in
15 our group in red were to look at things like e-mail
16 open rate, which the consensus was it's a very
17 effective way to determine whether or not your message
18 has been effectively communicated to the consumer.

19 And somebody even mentioned that you can see how
20 they're opened, whether they're opened on a phone,
21 whether they're opened on an actual computer, the
22 important thing here being that if they're opened on a

1 phone, you want to be as concise as possible because
2 you're looking at a little screen and you want to
3 communicate the message very clearly. So that was one
4 thing that we heard a lot.

5 We also heard look at groups that do this well.
6 You know, are there firms that are very good at recall
7 effectiveness and how are they doing it, and maybe
8 collaborate with them; potentially hire a contractor
9 from our government agency to tell us how other firms
10 have done this successfully, how are other agencies
11 doing this successfully; and then focus on the highest
12 hazard, so make sure that you are effectively
13 communicating the most dangerous of hazards, and maybe
14 set up a tier system, which I think came out when we
15 were in a large group here.

16 And then finally, model development was
17 mentioned, that maybe we as an agency should look at
18 measuring some new metrics. And again, this was
19 touched on whenever we were in the group session. So
20 matching the hazard to the recall process was
21 highlighted.

22 So on the second question, what can the CPSC do

1 to increase recall effectiveness, you see that once we
2 got everybody talking, the ideas really started falling
3 in the red section. So I was trying to take everything
4 down and be a good scribe. One thing that got touched
5 on a lot was communicating to consumers and retailers
6 the importance of registering their product. So an
7 education component associated with product
8 registration was touched on many times by different
9 types of firms, and firm -- allowing firm flexibility
10 as long as the recall is effective. So if the firm is
11 doing a direct to consumer way of reaching, you know,
12 the public at large, and letting them know about a
13 recall, giving the firm some flexibility in how they do
14 that. Because they're using the most effective
15 communication method, the potential for resellers and
16 how they communicate recall effectiveness, or recalls
17 effectively, was brought up, and press releases as a
18 group were probably the way to reach resellers for us.

19 Also brought up and how can we as an agency
20 increase recall effectiveness, collaborate? In our
21 group, there was mention of other government agencies
22 that have pretty high recall effectiveness rates.

1 Collaborate with them; find out how they do that well.
2 And there was even some mention about maybe seeing how
3 they do it on the West Coast in Silicon Valley, because
4 maybe there are apps or other technologies that can
5 help us both measure recall effectiveness and do it
6 more effectively in a new way to consumers than we
7 currently are.

8 So hopefully I did an okay job of summarizing
9 the great ideas that came out of the red group. And
10 I'm going to turn it over to Tanya, representing the
11 blue group.

12 MS. TOPKA: Green group. I didn't color
13 coordinate. I was -- I don't have anything green. I
14 tried. Everything's blue or black in my closet. Sorry.
15 So I first want to start out by saying thank you so
16 much to my group. I had a wonderfully diverse group of
17 people who are not afraid to talk, which was fantastic
18 and made my job very easy.

19 So when it came to the first questions of what
20 elements should the CPSC consider when determining if a
21 recall is effective, one of the big things that you'll
22 see is there's a consumer correction rate theme that

1 kind of comes through here. So big thing, consumer
2 correction rate. When can you close the case with
3 CPSC? Does that mean that then it's effective?
4 Because you're being able to close it out for
5 monitoring, but with the idea that consumers can still
6 get that remedy when they come to you years later.

7 Are consumers informed of the recall? Measuring
8 the effort of the firm and the multiple ways they tried
9 to reach the consumer, so finding a way to see how much
10 effort the firm is putting into that recall.

11 Communicating the hazard and the level of risk to
12 consumers, so making sure that it is sufficiently
13 communicated based on the level of risk, so kind of
14 going back to that tiered system.

15 The ease of taking advantage of a remedy and how
16 easy it is for a consumer to take advantage of it so
17 they don't have to have too much hassle as they go
18 through taking advantage of it, reducing time cost and
19 aggravation.

20 And then one of the things that came up was
21 consumer feedback to CPSC and making that available to
22 people, so actually asking consumers why did you take

1 advantage of this recall or why didn't you take
2 advantage of this recall and getting that feedback so
3 then we can make better recalls based off what other
4 consumers have already decided, and then sharing that
5 with recalling firms and other groups so they can make
6 those decisions.

7 I'm short. Where's Josh at when I need him?
8 There we go. They need to make the short person board.
9 Addressing -- getting and addressing negative feedback
10 from consumers, so when CPSC does get those complaints
11 about a recall, making sure that they get those to a
12 firm, or even if a firm gets them, getting that and
13 making sure that that consumer gets made whole and it's
14 addressed quickly, especially before you lose them.
15 And I think Nancy brought up a good point during that,
16 that if you lose them, you lose them. So if they have
17 a bad experience, that's it, I'm not going to take
18 advantage of this recall.

19 Making sure that the firm is ready. You don't
20 want to go out with a recall and they can't answer the
21 phones or they can't give you the repair or what have
22 you and then, you know, that creates frustrated

1 consumers who can't take advantage of a recall.

2 And then one of the other things that we talked
3 about was does waiting for a recall remedy create an
4 unsafe environment? So thinking about things like
5 sleep environments and car seats. So if we tell people
6 stop using this immediately, what are they going to do?
7 Are they going to put their baby in the bed with them?
8 Maybe we should be thinking better message there.

9 Considering overbroad warnings that might be
10 misleading, so, you know, making sure that you tailor
11 those warnings and making sure it's very specific to
12 get people to take advantage of a recall. And then how
13 to address -- how to address consumers that -- that --
14 measuring consumers where they decided not to take
15 advantage of a recall and how do we address that? How
16 do we measure that and know how -- how many consumers
17 were part of that population that saw the recall
18 message, heard it, just didn't want to take action in
19 the recall.

20 And then number -- question number two is what
21 can the CPSC do to increase recall effectiveness? You
22 never had this problem, Carol. Reduce the time between

1 report and announcement, getting it out as quickly as
2 possible, and that includes reducing the language and
3 the bureaucracy, fighting that goes back and forth,
4 ensuring that the hazard and the risk is effectively
5 communicated, tiering hazards. And somebody talked
6 about giving timeframes for different hazards like
7 Health Canada does, if it's in a certain timeframe,
8 this is going out within this time period based on the
9 hazard that's there.

10 Speed up the PSA process, because if it's really
11 a hazard, you should be able to get that analysis back
12 faster. Consider use of the word "recall." So when
13 you're just changing instructions or warning labels or
14 inspecting, you know, and then doing something if it
15 fails the inspection, do we really want to use the word
16 "recall" for all of those things?

17 Making sure that they are ready in their CAP, so
18 make sure before that recall gets announced they're
19 ready to handle that recall. Eliminating the legal
20 impediments of -- in the Fast Track program, making
21 sure that they can go out quickly. Public information
22 of correction rates so people know what kind of

1 correction rates, and I think that came from Carol's
2 presentation of talking about overall correction rates
3 and numbers that we don't normally send out.

4 There's more. Better notice documents and
5 notification language, and doing that based off
6 consumer feedback, and also melding the marketing and
7 sales and the safety and legal departments to make sure
8 you have better notice, better trust between the
9 company and CPSC. And then we also kind of brought it
10 down here too where it's trust and communication
11 between retailers and the recalling firm, and then
12 considering cost and privacy concerns when it comes to
13 retailers doing things on behalf of recalling firms.

14 And then our last big message was how CPSC can
15 get companies to do more direct notice and should it be
16 required that they do direct notice, anybody that they
17 can have the contact information for. There you go,
18 Blake.

19 MR. ROSE: On to the blue team, clearly the best
20 team in the room. Tanya obviously secretly wanted to
21 be part of the blue team because of the way she dressed
22 today.

1 So when going to the elements that we should
2 consider, some of the points that were brought up were
3 the actual use and expected life of the product.
4 Obviously, sometimes there are recalls that are
5 announced for products that are a number of years old.
6 They may be near the end of their useful life even when
7 -- when the recall is being announced, and something to
8 make sure we take into consideration not just on that
9 but also in the general term about how many -- how --
10 the age of the product and whether it would probably be
11 on its useful life already.

12 Sometimes there are issues in terms of the
13 interaction between the manufacturer and the retailer
14 and getting the information back from the retailer to
15 be able to keep that in mind, that sometimes if the
16 manufacturer is not the one that's distributing
17 directly to the end user, that that manufacturer has a
18 middle man to have to go through and the information
19 coming back through those middlemen may not be complete
20 in terms of what they would hope for, and that could be
21 a limitation.

22 And to the extent to which the consumers are

1 notified is another element, not just the ones that are
2 getting the corrections, but as some of the other teams
3 have mentioned, being able to know how many were
4 actually notified as part of that equation in terms of
5 success. You know, having a -- measuring the ability
6 for the firm to do a quick and clear response to the
7 recall is a factor that our team believed would be
8 important for the CPSC to consider as part of the
9 overall effectiveness.

10 And the last bulletin, this kind of moves over
11 into what can be done to increase recall effectiveness.
12 There was some discussions about the flexibility of
13 announcement dates, when you have a replacement product
14 that say is coming from China, and you need to
15 coordinate the need for waiting for that to get in and
16 be available to consumers versus getting the notice out
17 to consumers about the hazard. That type of thing is
18 something that our team felt would be good for
19 considering increasing effectiveness.

20 So moving on to that second question, what can
21 the CPSC do to increase recall effectiveness. Shorter
22 turnaround times in the recall process. There were some

1 points made that some of the current processes we have
2 in place, whether it's in the Fast Track team or not,
3 can be shortened to make for a better and more
4 efficient recall. Increasing transparency to
5 consumers. There was some opinions felt that some of
6 the messaging that we get out there, consumers don't
7 fully understand what that means, so having greater
8 transparency to consumers we felt would be effective
9 effectiveness.

10 Giving the staff greater approval authority.
11 There was some thoughts that the length of time it
12 takes sometimes to get those documents approved can
13 affect what the bottom line is on the recall
14 effectiveness. Revisit regulations on juvenile product
15 registrations and researching registration cards to see
16 how effective those registration cards have been in
17 terms of our recall and recall effectiveness.

18 Consumer behavior research. That's something
19 that I think a lot of us have talked about is, you
20 know, we know from our own little point in the world as
21 to what consumers we think should be reacting to, but
22 getting out there and actually doing some independent

1 research, talking to consumers directly and finding out
2 what they are responding to when it comes to a recall
3 would be another way to increase effectiveness.

4 To study also effective recall campaigns and
5 understanding exactly what worked and what didn't work
6 with those particular campaigns would be another way to
7 increase that effectiveness. Also now that the
8 increased emphasis on social media, having a better
9 understanding of what an effective social media
10 campaign is. Many companies are just starting to do
11 social media. Maybe don't fully understand the
12 expectations of the CPSC and what might be effective,
13 and then understand that a little bit better would be
14 something to improve there.

15 There was some discussion about the way the
16 message is getting out on our website in terms of the
17 press releases and recall alerts that are on there,
18 looking at the information so it is easier for
19 consumers to immediately figure out if their product is
20 involved in a recall without having to go down too --
21 too far into the body of the announcement to figure --
22 figure that out.

1 And also, there was some discussion about a
2 tiered approach to the announcements based on the
3 hazard, in other words, those with the greatest hazard
4 would have a little bit more emphasis and those that
5 didn't have that same hazard would not have that same
6 emphasis.

7 So that's pretty much what the blue team was
8 about.

9 MS. CAVE: So we will have this all available to
10 you. I know you're like oh, my God, scrambling taking
11 pictures, whatever. We will have this available to you
12 after the session. So we are now at a point where we
13 are going to take a break for lunch. Just a couple of
14 reminders, that you will have to come back through
15 security when you come back after lunch, so allot the
16 appropriate amount of time to get through. And then
17 just also a reminder that we will be accepting comments
18 until August 11th on all of the sessions, so feel free
19 to provide comments. We're going to give you contact
20 information. I do believe it's also in your -- your
21 brochure that you got to send things to Joe Williams.
22 So we will be accepting comments until August the 11th.

1 So we will see you all back here at -- Stephaniee
2 -- where's Stephaniee? At what time are we back?

3 MS. SYNNOTT: 12:40.

4 MS. CAVE: 12:40.

5 (Whereupon, at 11:38 a.m., a luncheon recess was
6 taken.)

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UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION

RECALL EFFECTIVENESS WORKSHOP
CPSC in Cooperation with Stakeholders

OPEN DISCUSSION: COMMUNICATING THE HAZARD

4330 East West Highway, 4th Floor
Bethesda, Maryland

Tuesday, July 25, 2017

12:40 p.m.

Diversified Reporting Services, Inc.
(202) 467-9200

1 P R O C E E D I N G S

2 OPEN DISCUSSION: COMMUNICATING THE HAZARDS

3 MS. KISH: Good afternoon. My name is
4 Celestine Kish. I am from the Division of Human
5 Factors at CPSC and I have been involved in recall
6 effectiveness for a number of years, and so I am very
7 excited to be able to participate in this afternoon
8 session also.

9 My colleague is Tanya Topka, and I will let
10 her introduce herself.

11 MS. TOPKA: I am Tanya Topka. I am the fast
12 track team lead, been in compliance, God, over 15
13 years.

14 So we're going to jump straight into kind of a
15 summary of the ground rules and what we hope to
16 accomplish in this session. We have a lot of ground to
17 cover. It's a big topic. So please speak up but be
18 brief, so we can make sure everyone is heard.

19 Stand up if you want to speak, or raise your
20 hand. But if we're not seeing you with your hand
21 raised, feel free to stand up, because it's a pretty
22 big group. So we want to make sure we get you and we

1 don't want you to get missed.

2 And then make sure to introduce yourself
3 whenever the microphone comes over to you, and give us
4 your input.

5 And remember, recalls are only effective if
6 people hear them and take advantage of the remedy. So
7 today, we are trying to find out the best ways to do
8 that. So if you hear a great idea today, I also want
9 to encourage you, don't wait for somebody to tell you
10 to do it. Try it out. And if you hear something today
11 that sounds like a great idea that you could take back
12 with you, certainly do that.

13 And with that, I'll go ahead and turn it over
14 to Celestine.

15 MS. KISH: Okay. So this morning, we heard a
16 lot about what is recall effectiveness and how do we
17 want it to be effective. Now we are going to narrow it
18 down. And this afternoon's sessions are all narrowing
19 down a little bit more.

20 This session is simply about communicating the
21 hazard, communication. Because as Tanya just said, if
22 the consumer doesn't hear the message, they're not

1 going to be able to do anything about it.

2 So as we're talking, as we're asking
3 questions, and your responses, please just think in
4 terms of how does the communication work.

5 So our first question is, what communication
6 channels are available to convey a recall message?

7 So for you companies out there, consumer
8 groups, what is it? How do you get the message out?
9 What channels do you use?

10 You can raise your hand or stand up. We have
11 several people throughout the room with mics. So who
12 is going to be our first response?

13 It's going to be a long afternoon if I don't
14 have answers.

15 (Laughter.)

16 MS. LANE: I think this is a very easy
17 gimme --

18 MS. KISH: Your name first, please?

19 MS. LANE: Oh, my name is Vanja Lane
20 (phonetic).

21 MS. KISH: Thank you.

22 MS. LANE: And the CPSC website.

1 MS. KISH: Excellent.

2 MS. TOPKA: Okay, I know not everybody is shy.
3 Let's go. Who's next? Channels for communicating a
4 recall.

5 MS. MCGUIGAN: Kathleen McGuigan with RILA.

6 So we just did a survey of our members on this
7 issue as to the channels -- channels that they most
8 often use. So emails is a top one, letters is another
9 one. Their company website is one. Twitter, to the
10 extent that a company has a Twitter feed that they use;
11 Facebook, to the extent that company has a Facebook
12 page. I think we even had one member that was using
13 Instagram.

14 Again, we questioned on a whole array of
15 different social media areas. It looks like some of
16 the new apps, people aren't using yet. But, you know,
17 certainly Twitter and Facebook has come up in use over
18 the last couple years as a way to communicate messages
19 to consumers.

20 MS. KISH: Great. Thank you for sharing that.

21 MS. TOPKA: So has anybody found that certain
22 communication channels are better at reaching

1 consumers, of certain demographics? Maybe that's a
2 better question to ask. Based on your experience, are
3 there communication channels that you prefer, as a
4 company or a consumer group, that you've found it's a
5 better way to communicate with people?

6 They must be sleepy after lunch.

7 MS. KISH: I know. They ate too much at
8 lunchtime.

9 MS. TOPKA: I know.

10 MS. KISH: We need some incentives to get them
11 speaking.

12 (Laughter.)

13 MR. SCHMELTZER: Dave Schmeltzer. Back in
14 aught two, when the agency first got started, we always
15 thought pediatrician posters and pediatrician contacts.
16 Now, with pediatricians talking to their patients
17 online, I'm wondering if that's an area that should be
18 considered anew?

19 PARTICIPANT: I would just add to those that
20 are up there, also text messages, especially if you're
21 trying to reach people who always have their phone in
22 their hand and you have their mobile number somehow.

1 You know, as long as you're not using it daily for
2 nonimportant things, I think it gets people's attention
3 when it comes through that way.

4 MS. COWLES: I would just add to that, I
5 agree, text. But considering a multichannel
6 communication approach, just like marketers use today.
7 You use it with retargeting ads, like on web sources
8 and that sort of thing. Like if you happen to look at
9 a pair of shoes on Zappos and then it magically appears
10 on every website that you're seeing, that can augment
11 other direct communication channels that are already
12 listed there.

13 MS. LENTINI: Julia Lentini. I think we find
14 that emails is a great way to reach a lot of people,
15 but that social media seems to engage them more.

16 MS. KISH: Can you expand on that a little bit
17 more? Why do you think the social media engages them
18 more?

19 MS. LENTINI: Sure. When we do social media,
20 we don't just do postings; we actually staff 24 hours,
21 around the clock, for a period of time after an
22 announcement, and try to answer any of the questions we

1 can and actually interact with our consumers.

2 MS. KISH: Great.

3 MS. COWLES: I'll just add to that, too.

4 Because when we put things up on our Facebook, we get a
5 whole bunch of comments, which first I'm really nervous
6 about it will be something, but it's always someone
7 just tagging somebody else. And so it's a way that not
8 only can they get it but then they -- you know,
9 everyone knows what products their friends are using
10 with their baby as well, so they can target it to the
11 person who they think has that product. And so I think
12 it's a more -- it spreads the word faster than a direct
13 email might.

14 MS. KISH: Thanks, Nancy. And please remember
15 to state your name, because this is being recorded. So
16 we like to know who gets credit for your comment.

17 MR. RUPP: This is John Rupp (phonetic). Two
18 things. One, we do use magazines, where we advertise
19 in trade magazines or parts and accessories, to look
20 for subscriber lists for those magazines. But to go --
21 we've talked about emails and texts, and that's a very,
22 very risky approach if you're concerned about

1 litigation. That opens a lot of e-discovery doors that
2 you should be very, very careful with. So --

3 MS. KISH: Even if you're just passing on the
4 message that is part of the recall?

5 MR. RUPP: You're passing on a message. You
6 don't know what comes back to you, necessarily. You
7 don't know how that information is transmitted to other
8 people.

9 MS. KISH: Okay, got it.

10 MS. PARR: Somewhat related to that, I'm
11 Alison Parr (phonetic) with Registria. Since
12 introducing registration methods through additional
13 channels, text, social, messaging channels, we have
14 actually seen a demographic difference in people's
15 preferences when they have a choice of how they're
16 going to communicate with a manufacturer or brand. And
17 I would say the same is probably true with the
18 opportunity to respond through that same channel that
19 they may have submitted that registration.

20 MS. TOPKA: I think that's a great point, is
21 how people prefer to be communicated with is how
22 they're going to most likely receive it. So thank you.

1 Anyone else?

2 MS. KISH: Someone over here?

3 MS. TOPKA: Wait, we've got two more here.

4 MS. WEINTRAUB: Something that hasn't been
5 mentioned yet are bloggers --

6 MS. KISH: Rachel?

7 (Laughter.)

8 MS. WEINTRAUB: Sorry. Rachel Weintraub, CFA.

9 There are certainly bloggers who work with
10 manufacturers, bloggers who work with consumer groups,
11 independent bloggers, but who convey information in all
12 different ways.

13 MR. SANDERS: Walt Sanders (phonetic). When I
14 was working with a PR firm in improving the Emergency
15 Broadcast System, one of the devices, technologies they
16 use, was called microtargeting websites, based on
17 email, based on zip codes. So if you know something is
18 in the southern part of the country or the California
19 part, there are technologies that will enable you to do
20 microtargeting and get into people's website and to
21 post a notice on their website, on their personal
22 website, that there has been a recall or there has been

1 some type of emergency. So that's something the CPSC
2 should be considering.

3 MS. KISH: We're moving on now. We kind of
4 combined that one, right? Okay. All right, so --

5 MS. TOPKA: My turn? Do companies develop
6 specific marketing strategies for recalls? So any
7 companies out there, have you developed a specific
8 marketing strategy for your recall, and would you like
9 to talk about it?

10 I know companies have, and I'm not going to
11 name names yet. Anybody?

12 Okay. So thinking aside from personal
13 experience -- get the reaction to whether people think
14 a marketing strategy would improve recall
15 effectiveness? Do you think if companies were using a
16 marketing strategy for their recall like they would use
17 a marketing strategy for their sales, they would
18 improve recall effectiveness?

19 MS. COWLES: I'm not a company with a
20 marketing strategy. Nancy Cowles. But I think the
21 silence in the room might point to a big problem here,
22 is that, you know, clearly, your companies all have

1 very elaborate marketing strategies to sell the
2 products and, you know, we're always calling on using
3 some of those same measures, Facebook ads have been
4 mentioned, they're very cheap. Google, you know, you
5 only pay if someone clicks on it, but lots of people
6 who don't click on it see it. So I think there's lots
7 of additional marketing things that can be done for
8 recalls.

9 And I think what we heard earlier about the
10 concern about litigation via email is part of the
11 problem here. Companies have to be committed to want
12 to reach everyone who has the product, and to want to
13 get every product back. If you're not starting from
14 that point, then you're obviously not going to have the
15 return rates that you want.

16 MR. RUPP: John Rupp again. Part of it is the
17 message. I mean, if we can have a better message.
18 It's hard to get marketing people to put together
19 something that says, do not use my product, it's going
20 to kill you. You know, it doesn't resonate well.

21 MS. TOPKA: Anybody else want to weigh in? Go
22 ahead.

1 MS. COWLES: -- try to market -- try to use
2 the same things used for marketing, selling, as you
3 would for recalling. Is that something that's ignored
4 generally?

5 MS. KISH: I think that's a great point, and
6 we'll put that on the board, is that companies should
7 recall like they market. My words, I think, somewhere,
8 some point.

9 MS. PARR: Yeah, this is Alison Parr again. I
10 mentioned earlier, and it's kind of along the same
11 lines. Multichannel marketing is so effective. And if
12 a company thinks of it more as a conversion of a sale,
13 and the conversion in this case is actually action to
14 the recall effort, they should really be looking at all
15 channels that they have available.

16 Our company focuses specifically on direct
17 communication and increasing registration so that you
18 identify more of your customers. But that can also be
19 used on the flip side, if a company has a mark on their
20 product that a customer can take a picture of and text
21 to recognize if it's been recalled, that's a completely
22 different direct exchange that takes it out of the

1 general processing, so there is an immediate
2 gratification of understanding, if that product is
3 actually one of the products recalled and gives them a
4 direct channel, maybe outside of the call centers that
5 might be flooded based on consumer preferences for
6 using different channels and that sort of thing.

7 MR. DODD: Quin Dodd. I'm just going to be
8 hazard level mantra guy today. I think -- I think
9 firms are perfectly willing to develop a marketing
10 strategy for a recall, if the hazard is a high one. I
11 mean, it's in their best interests to do so, for
12 litigation, PR and every other reason.

13 So -- but if you have a let's call it a
14 routine recall with very low hazard, a marketing
15 strategy? That doesn't make sense.

16 So the whole notion that a company should be
17 expected by the agency, or anyone else, to undertake
18 the same level of, if you will, reverse marketing that
19 they did to market the product in the first place begs
20 the pregnant question of how high is the hazard? For a
21 high-level hazard, certainly. Low-level hazard, it's
22 absurd.

1 MS. TOPKA: And so I think one of the things I
2 would say, and maybe this spurs more conversation is,
3 on Carol's presentation, from the data, you saw that
4 cases where it was a voluntary recall -- maybe not say
5 voluntary recall -- cases where it was a fast track or
6 a recall like that had a higher correction rate than
7 cases where we made preliminary determinations on the
8 product. So does that change your opinion on your
9 statement, do you think?

10 Because you think if we went to the trouble of
11 making a preliminary determination that, you know,
12 those should be the higher correction rates and those
13 should probably be the cases with the marketing
14 strategy.

15 MS. LANE: This is Vanja Lane. I think it
16 actually reinforces his opinion. Because I think fast
17 track sometimes is because you know there is a big
18 problem and you need to do it quickly.

19 MS. TOPKA: Good point. Okay.

20 MR. SCHOEM: The fact that you make a PD
21 doesn't necessarily --

22 MS. KISH: Allen Schoem (phonetic).

1 MR. SCHOEM: Allen Schoem.

2 (Laughter.)

3 MR. SCHOEM: The fact that you make a PD
4 doesn't necessarily mean that it's the highest level
5 hazard, because you can have a C-level hazard for which
6 you've made a PD, or an A-level or a B-level. So
7 again, I agree with Quin, you need to set some type of
8 priority.

9 MS. KISH: Anybody else?

10 MS. TOPKA: Do we have another?

11 MS. KISH: Okay, one more.

12 PARTICIPANT: Just once again, on the fast
13 track, too, I think this is something where we're
14 coming to you and saying we've got a problem. It's our
15 customers, we want to get it fixed and get it done
16 with. And that sometimes leads to a cross-marketing
17 strategy to find the customers and get it done. And
18 usually, it's a smaller universe, too; you identify it
19 faster.

20 MS. KISH: Great point.

21 So that moves us on to the next question of,
22 well, what's the best way to convey that hazard? So

1 what do you put in that recall message to get the
2 consumer's attention? I mean, talking about the level
3 of risk, okay? What's the level of the wording? How
4 do you convey it so they understand what that level of
5 risk is?

6 MS. McGUIGAN: So this is Kathleen again.

7 I think -- I think there is a need to even
8 step back to figure out whether or not everything
9 should be called a recall. That's kind of a
10 fundamental question, is whether or not everything is
11 under this major umbrella of recalls. Because then it
12 just becomes white noise. Because then you're trying
13 to increase the emotional content of the word within
14 your recall notice to get consumers to respond. And if
15 you clearly articulate the level of risk in however you
16 term, you know, recall A, recall B, code whatever,
17 however you want to tier it, that communicates a level
18 to consumers.

19 MS. COWLES: Nancy Cowles. And I think that
20 while I understand there might be different levels, as
21 soon as you do that, you're telling consumers don't pay
22 any attention to this level, we've determined it's not

1 important. And I think what you're saying that you
2 want to do, kind of to a hierarchy of what's most
3 risky, what's most risky to my child, what needs the
4 most attention, consumers can do that themselves as
5 they read the recall alert and figure out the same way
6 you're figuring out how serious it is.

7 And I think to say that this is a -- you know,
8 this is just an alert, I mean, we saw it with the IKEA
9 recall, right? When you called it just as an alert
10 rather than a recall, we went on to have another death
11 during that time period. So I don't think that's the
12 way to do it.

13 I mean, I understand about maybe in your
14 corrective action plan you can call it something
15 different and require something different. But as soon
16 as you communicate to consumers there is no concern or
17 a very low level of concern with this particular
18 information I'm giving you, you're not going to
19 increase attention, you're going to decrease it.

20 Another idea might be to have, like we do for
21 recycling, some kind of recall symbol, so that you're
22 not relying so much on the word, but there is some kind

1 of symbol on all of the things you send out and every
2 store sends out -- you know, when you're talking about
3 a recall, there's a symbol and consumers can know, oh,
4 that means there's some hazard and I need to look at it
5 and then make whatever determination they do.

6 But some way, just like we do with recycling,
7 you see that little symbol, you know that's not where
8 you throw your trash, it's where you throw your
9 bottles, and it draws attention for consumers.

10 MS. KISH: Anyone else?

11 The gentleman in the back was saying that the
12 message you're sending to your client, your customer,
13 is you could get hurt, you could kill yourself with my
14 product and you don't want your brand name to be
15 affected by that. So how do you convey that message to
16 your customers that you're actually looking out for the
17 customer, trying to help the customer?

18 MR. RUPP: We usually put in the title
19 something generic like "important safety notice."
20 Because I think, whether rightly or wrongly, it should
21 or should not be called a recall, I think all the
22 communications are about safety. So I think if the

1 customer sees something like important safety notice,
2 that sort of summarizes it generally. And, you know,
3 would probably make it more likely for the customer to
4 read.

5 MS. KISH: Anyone else? All right, move on.

6 MS. TOPKA: So how do consumers or customers
7 respond to the use of social media regarding recalls?

8 Do you think it's a positive for recalls? A
9 negative for recalls? How do you think people feel
10 about social media being used for recalls?

11 I know some people had talked about it being
12 shared, and the reach, tagging people's names. So some
13 ideas, thoughts on social media?

14 PARTICIPANT: I can tell you, I don't know why
15 I don't use it myself, but a large number of hits,
16 bigger hits than we get just on general product
17 requests and things.

18 MS. PARR: Alison Parr with Registria again.

19 We've found social media messaging services
20 very effective for collecting product registration.
21 And what's really interesting, since introducing
22 Facebook Messenger as a method of registering products,

1 we see a younger demographic using a chatbot or
2 messaging service, a broad range of people using
3 Facebook Messenger. And that's again when they have a
4 choice of different messaging services. So the choices
5 might be texting, social media.

6 But with that, you get the social media handle
7 so you can respond, in case of a recall notification,
8 through that channel that they connected you --
9 connected with the manufacturer for the product
10 registration.

11 MS. IVERSON: Hi, I'm Danielle Iverson
12 (phonetic) with JPMA. I know the question is how --
13 consumers respond to the use of social media regarding
14 recalls. But I often think that consumers sometimes
15 are using social media to identify a problem with a
16 product, and are in fact ahead of companies in
17 identifying problems with products. So that spreads
18 like wildfire on social media.

19 So I think you have to kind of consider not
20 only how are they reacting to recalls but how are they
21 using it to identify problems that may not result in a
22 recall, but it's still a reputational damage to a brand

1 or company.

2 PARTICIPANT: Good point. We've seen that
3 recalls and even minor issues can go viral on social
4 media, absolutely.

5 MS. KISH: So I guess it really is a two-way,
6 in that manufacturers can learn about issues and turn
7 it right back around to retell it to the consumers in
8 that same forum.

9 Anyone else?

10 You know, this morning, we had some really
11 good conversations and we had lots of speakers throwing
12 out ideas. I don't know what you all ate at lunchtime,
13 but you really need to start sharing again.

14 (Laughter.)

15 MS. KISH: We want this to be a successful day
16 for both sides to be hearing this message. So we hope
17 that you will -- don't be afraid, and give us this
18 opportunity to have a two-way conversation.

19 MS. TOPKA: And even a lively debate.

20 MS. KISH: (Inaudible.)

21 (Laughter.)

22 MS. TOPKA: So anybody else want to speak

1 about social media?

2 Okay. So moving on to the next question, what
3 elements form the most effective social media
4 communications? So things like photographs, videos,
5 links, the order that you might put it in on your page
6 or wording you might use? So those are the kind of
7 ideas just throwing out there.

8 But hearing from you, what do you think are
9 the elements that form the most effective social media
10 communications? It doesn't even necessarily have to be
11 for recalls. But what have you found to be successful
12 in sharing messages and getting them seen on social
13 media?

14 MS. LENTINI: Our marketing team isn't here,
15 but if they were they would say that the best way to
16 market through social media is to use videos. They get
17 much better click-through rates with videos.

18 PARTICIPANT: I would say second or sometimes
19 tying with videos are images. Images are really
20 critical. I mean, text-only social media messages are
21 -- have lower rates of click-through than with
22 something that's visually appealing. Not only click-

1 through but passing it on or getting more notice, even
2 sometimes through media.

3 Like a clever video or image can -- can really
4 increase awareness.

5 MS. COWLES: It's Nancy. And just to add to
6 that, especially with recalls, we find we do a monthly
7 email alert. And one of the features in it is a left-
8 hand column with a picture of every children's product
9 recalled that month, where people can just look
10 quickly. So with a recall, it's not even the social
11 media that you're trying to get their attention, it's
12 that they can quickly look to see. If they see
13 something they have, they're going to look further.
14 But if you just have words, they're going to skip right
15 over it.

16 MR. SANDERS: Kind of speaking from an old-
17 school point of view, Walt Sanders, I think the urgency
18 is extremely important. And I think multilevel texting
19 or social media is very important.

20 I think you start from the very broad
21 proposition of conveying that there's an urgent message
22 attached, there's an urgent link attached. And then

1 the next level down, you read the details of why it's
2 so urgent.

3 But I think that social media, Twitter, emails
4 or texting become so ephemeral or so superficial, that
5 we tend to go through 30 or 40 or 50 of these in maybe
6 five minutes and blow most of them off. But unless you
7 convey a sense of urgency, you're going to stop and
8 read what's attached. And I think that's extremely
9 important.

10 MS. WHITE: Barb White (phonetic). Something
11 we've tried to target is actually having an app on
12 Facebook, so that we can have what we consider to be
13 always on. You can always access that product recall
14 app, so it doesn't -- it doesn't fall below the fold or
15 scroll down the page; that information is there to be
16 accessed, and then that's included in our press
17 releases. So that the guest doesn't have to go looking
18 for that particular post; the information is there in
19 the app.

20 MS. KISH: I'll follow up on that one, Barb.
21 Are you able to track how many customers click on that?
22 I'm just curious about -- we're talking about all these

1 mediums that we're using. Are companies able to track
2 and see which one gets the best hits or the most
3 response from them?

4 MS. WHITE: We are able to track, I believe --
5 this is not my area of expertise. I know we can track
6 how many people have clicked on it and I think we can
7 also track how many people then have shared the recall
8 itself.

9 MS. TOPKA: Okay, I'm going to have one more
10 follow-up question. Sorry, hold onto the microphone.

11 So looking at cost, because we all know that
12 cost is important, too, is it something that was
13 relatively inexpensive for Target to take on?

14 MS. WHITE: It was relatively inexpensive to
15 create that app, yes.

16 MS. TOPKA: Okay. I think in the back and
17 then we have one up front here, too.

18 MR. HUBER: Don Huber (phonetic) Consumer
19 Reports. To follow upon the first item that was put up
20 on the board there with the videos, I have seen very
21 effective use of videos even for repairs, instead of
22 just a complete recall, where they actually show the

1 consumer how to install the repair, if it's a simple
2 one and it can be done by the consumer, so that's
3 another effective thing that can work through social
4 media and various other forms of media as well.

5 MS. COATES: Joanna Coates (phonetic), Home
6 Depot. To go back to the social media and to piggyback
7 off what Barb said, our challenge is we put every
8 recall on Facebook and Twitter. But on Facebook,
9 depending on what the area is, we get a lot of comments
10 about things they don't like about Home Depot, what's
11 going on. So you don't see a lot of commentary about
12 the recall itself; they're tying into other issues.

13 So I think with Target's app, they can share
14 it, you can click on it, but the commentary -- you
15 know, you're giving the information out there.

16 So that's, I think, a big challenge for
17 retailers on social media, is all of the other
18 commentary that's not tied to the recall. And people
19 get pretty angry. You know, when people make a comment
20 one way or the other, that's not even related.

21 MS. WHITE: I was just going to say, you can't
22 comment on the app, and we did that very intentionally,

1 because we didn't want to distract from the recall
2 content. Yes.

3 MS. TOPKA: And I know I've seen it, is
4 somebody just going on Facebook, I've seen kind of the
5 wars on something that's completely unrelated to the
6 messages being conveyed. But it does get the number of
7 people looking at it up, so, I mean, I guess that's the
8 unintended consequence to that craziness.

9 MS. LENTINI: Julia Lentini. Yeah, sometimes
10 we do have Facebook wars, and that's never good. But I
11 think we enjoy the opportunity to maybe correct
12 misunderstandings of the hazard or to help people
13 understand what they need to do to remedy their product
14 or to use it safely in the interim. So I think those
15 discussions are actually good, if recall effectiveness
16 is a measure of solving that problem for a person, not
17 just reaching them.

18 MS. TOPKA: I think we're moving on, unless I
19 see any more hands, to the next question. Is there one
20 in the back? Okay.

21 MS. PUGLIANO: Jayme Pugliano (phonetic).
22 This is something we touched on in one of the earlier

1 sessions. And it's the timeliness. I would say, as a
2 retailer, one of the struggles is sometimes we won't
3 find out about a recall until it's announced by the
4 CPSC or at the very last minute. So if you post
5 something on social media, if the manufacturer already
6 reached out to customers before we find out, you might
7 get comments of like, oh, we found out about this two
8 weeks ago, or something along those lines.

9 I think getting them timely and having that
10 heads up so you can be ready to go as soon as it's
11 public, it would be really helpful.

12 MS. TOPKA: Great point. Okay.

13 One more? Okay.

14 PARTICIPANT: I would just say this is
15 something that I experienced as a consumer recently.
16 We sort of skipped the part that this information
17 should be clear, effective, and it should be clear what
18 a consumer should do without having to click through
19 many different things.

20 So, just with all messages, clear, concise and
21 direct.

22 MS. TOPKA: So what tips and tricks have you

1 used for promoting your posts on social media? Does
2 anybody want to share tips and tricks that they've used
3 for promoting posts?

4 MS. KISH: We might have to have a show of
5 hands; how many use social media. You're not going to
6 give us -- are you saving those, just so you're the
7 most successful? The idea is that everybody is
8 successful. It is not a competition.

9 MR. FEST: Don Fest (phonetic) with Mattel.
10 I was just going to mention that when we post
11 on our Facebook page, we make sure that we don't have
12 any other messages that come on its heels immediately
13 after, so that it stays at the top of the page for a
14 while. Also, we send it out to all our Twitter
15 followers as well. So we use Facebook and Twitter.
16 Those are our two main social media channels.

17 MS. TOPKA: I think you make a great point. I
18 think -- I get frustrated sometimes when I see that,
19 where a recall notice goes out, and there are 17 posts
20 after that with pictures of all kinds of other things.
21 So just keeping in mind, you're trying to make sure
22 that people see that recall message.

1 Anybody else? I feel like I'm standing in the
2 way here, even though I'm short.

3 MS. LANE: This is Vanja Lane. We also reach
4 out to bloggers and have them post our message, so they
5 cross-post, so it's not just us but other bloggers and
6 other people are posting, as well. So it will reach
7 people that we don't have in our friend group or in our
8 likes.

9 MS. TOPKA: And I think that's a great point.
10 One of the things that I've seen that's been really
11 successful is that people will review a product, a
12 blogger will review a product, and then when the recall
13 goes out, the company then gives the recall message to
14 them. So the person already saw it reviewed on a blog
15 site and then they see the recall message. It's a
16 great way to reach people you wouldn't normally reach.
17 Great point.

18 MR. GREGG: Remington Gregg from Public
19 Citizen. One idea is to connect more with local media
20 and local reporters, and really try to connect with
21 them, not just in a press release sort of way. But, I
22 mean, for example, most reporters who contact me just

1 direct message me on Twitter now, rather than emailing
2 me. So I think finding a way to really connect,
3 especially with local reporters, because they can get
4 information out, is even more helpful, I think, or will
5 push information out more so than, say, the bloggers
6 who are pushing information out to consumers.

7 MS. TOPKA: Good point. Good point.

8 MS. KISH: So are there any barriers to the
9 use of social media to promote recalls? What do you
10 think?

11 MS. LANE: This is Vanja Lane. You do have to
12 adequately staff. If you're going to do it and do it
13 right, then you have to adequately staff somebody to
14 answer the questions. Because we do get a lot of
15 questions, and it's a whole other almost customer
16 service branch.

17 MS. TOPKA: And if you don't -- just to follow
18 up on that, if you don't respond to people, what's been
19 your experience with that? It's not pretty, right?

20 (Laughter.)

21 MS. TOPKA: I can see by your face.

22 MS. MCGUIGAN: Kathleen again. Social media

1 is all about people signing onto your Facebook. You
2 know, it's not a push that goes out into the ethernet
3 and everybody gets access to it. People have to join
4 manufacturers' Facebooks, retailers' Facebooks,
5 whatever, NGOs' Facebook. Same thing with Twitter.
6 They have to follow them.

7 So if they're not in your social media network
8 because someone has not chosen to follow you, you're
9 not going to get that message out. So that's a real
10 barrier to using that, because that's a limitation as
11 to the size of your audience.

12 MS. COWLES: Nancy Cowles again. I think that
13 brings up a good point. What you're really trying to
14 do with your social media is getting other people to
15 share it. So we have a certain set of followers of our
16 page. But when we put a recall up, we sometimes get
17 two, three, four, five times the number of eyes on it
18 as we have followers, because other people share it. So
19 what you're really trying to do is get engagement with
20 it.

21 Because you're right, if you just put it up on
22 yours, nobody shares it, nobody, you know, tags their

1 friends so that they see it, then you're only reaching
2 that subgroup and only a small percentage of them.

3 The other thing is that Facebook ads are so
4 cheap that it's really -- it's not like when we used to
5 ask people to advertise and it's so expensive to buy
6 magazine space or whatever. It's really so cheap to
7 triple, quadruple the number of people you're reaching
8 simply -- and you can really steer it to the age of the
9 person you think might have bought it, what their
10 interests are. So that's another good way to do it and
11 it really doesn't cost very much.

12 MS. TOPKA: And I think you made a good point,
13 too, Nancy, earlier when you said the clicks -- so
14 you're only paying if they click on it. But how many
15 people are seeing it that didn't click on it but are
16 still seeing it, because it's there as you're, you
17 know, on Facebook or you're doing whatever, searching
18 on Google, you're still seeing that recall message. So
19 something to think about, it's relatively inexpensive
20 if there's not a whole bunch of clicks on it, but
21 you're still getting the message out.

22 MS. WHITE: I think one of the challenges with

1 social media is that it's continually evolving and who
2 may be on which type of social media. I think we all
3 remember something called Myspace. And nobody is on
4 that now, but that is where people were, you know, at
5 that time. Facebook, already, I've been told by others
6 younger than me, that only old people like me are on
7 Facebook.

8 So I think you have to be cognizant of the
9 fact that where you think you are now may not be where
10 the consumers are.

11 MS. TOPKA: Everchanging. Absolutely, the
12 changing landscape.

13 Any other barriers?

14 MS. KISH: So I think -- do we have another
15 one? Oh, okay.

16 PARTICIPANT: I agree with everyone's points.
17 And just to play devil's advocate, I think if we're
18 getting a lot of hits and people are seeing it
19 everywhere and it's targeted to a specific person, then
20 you're going to maybe have some white noise, right?
21 You're going to see recall, recall, recall, recall.
22 And is that going to have the same effect?

1 MS. TOPKA: I think that's a good point.

2 I believe we have somebody in the back over
3 there.

4 MS. THOMPSON: It's Christie Thompson
5 (phonetic) with Kelley Drye. I would also note that --
6 a hesitation among companies sometimes in the social
7 media space is, given the interest in the kind of
8 quick, attention-grabbing headline, if there are
9 qualifications around a recall or a potential hazard,
10 kind of going back to the question of how do you
11 communicate the hazard? Well, a key point is to
12 communicate it accurately. And sometimes in social
13 media, it gets difficult to do that when there are
14 certain circumstances around a particular hazard that,
15 when narrowed to the soundbite, sound more alarming
16 than they might otherwise be. And I think that does
17 create some pause for companies.

18 MS. WEINTRAB: I want to counter the point on
19 consumer fatigue and message confusion. First, I mean,
20 this whole general idea, I think we need data to
21 support it. But our social media staff repeatedly look
22 at research to indicate that this is a place where

1 repetition is key. On Twitter, for example, the norm
2 of the number of times you send a message out is much
3 higher than you would ever think it would be, just to
4 make sure that people actually see it.

5 So in social media space, there's a different
6 norm of repetition that's expected, and that's I think
7 also found to be more effective.

8 MS. TOPKA: Good point. Anybody else?

9 MR. SAMUELS: Chuck Samuels. I agree with
10 Rachel that more research is required in this area. In
11 fact, before any group declares that the present system
12 is badly broken, they really ought to do credible
13 research.

14 But I do think that those of us involved in
15 recalls and representing companies do see a recall
16 fatigue problem. And although Nancy is correct that we
17 should never do a recall and then deny its
18 significance, it's an absolute cardinal no-no of
19 operating a recall to have any of your employees, for
20 example, tell consumers, well, this really isn't that
21 important. I think we should formulate recall
22 strategies appropriate to the risk. So that people

1 don't see that in general we, meaning the complex of
2 government and media and companies, are crying wolf all
3 the time. But rather that we're showing appropriate
4 sensitivity and concern about things that are very
5 important. Because otherwise you just end up getting
6 overwhelmed.

7 But having said that, I agree that we should
8 make sure that we're on top of, you know, a modern
9 understanding about communication and psychological
10 responses to social media, et cetera. This is an area
11 that does require us to sort of refresh our
12 understanding.

13 MS. KISH: Okay, so we have talked about the
14 broader audience that Social media is able to attract.
15 But let's go back into the store and let's look at --
16 you've got your customer coming into your store. How
17 do you get that message to them while they're in the
18 store? What do you use to get that message to them?

19 MS. McGUIGAN: Hi. Kathleen again. I think
20 you knew I was going to respond to this.

21 MS. KISH: We were hoping.

22 MS. McGUIGAN: And I'm going to say something

1 that I've said repeatedly on this, is that I believe
2 that store posters are ineffective. We just did a
3 survey of our members.

4 I believe that they are ineffective for a
5 couple reasons. One, where they are, not many of our
6 members have a location that makes sense for people to
7 actually look for this kind of information. This is
8 not where consumers are really looking for this kind of
9 information. Depending on the type of product, if it
10 is a washer/dryer and I'm going into one of the big box
11 stores, I may not be going in that section, or even
12 looking and thinking about it to find out that
13 information. So members are posting information back
14 in customer service areas, back in areas by the
15 restrooms. They may have a binder up front by the
16 customer service area. They may have some ability at
17 point of sale to pull up information. Some of our
18 members have kiosks or gift registry where they post
19 this information.

20 But I would urge the CPSC to really consider
21 whether or not this is part of a mandatory requirement
22 for recalls, and that whether or not in developing a

1 recall communications strategy, there are other ways
2 that are certainly more effective, as demonstrated by
3 the direct communication. If there is an effective
4 direct communications strategy, then I think that these
5 are, frankly, useless and a waste of time.

6 MS. KISH: So are there any means of getting
7 that message to the consumer when the consumer is in
8 the store? What other options are there? That's
9 really what we want to know.

10 MS. COWLES: I would just add, I agree, that,
11 you know, especially -- I work on children's products.
12 If you bought a crib, you're not going to be back
13 looking at the cribs. But you are going to be buying
14 diapers and formula and stuff. If you bought a washing
15 machine, you're going to be over by the detergent. I
16 think companies, retailers, can be creative about where
17 they put the notices, especially for a high-risk
18 recall.

19 I know that when we did have the year of all
20 the crib recalls, many retailers were putting those
21 notices over in the diaper aisle, where new parents
22 were very likely to see them.

1 So I think, you know, again, it goes back to
2 that picture. The most important part of that posting
3 is really just the picture if someone -- it catches
4 their eye and they see a product that they have,
5 they're going to pay attention. If they don't, they're
6 not.

7 They're certainly not the most effective way,
8 but I don't think that they're useless. I think that
9 there are cases where people see that and learn about a
10 recalled product. And it's the law in Illinois, too,
11 just to let you know.

12 MS. KISH: I will just make an observation
13 that I had. I was in a store that had them posted in
14 the elevator. Now, granted, I can't read every one of
15 those recalls that was in the elevator. But I saw the
16 pictures. And if I saw something that was mine, I
17 would know I need to go back and check that. That was
18 something where I was in that elevator and I was able
19 to see it.

20 But how do we get it to the general public
21 throughout the rest of the store.

22 Kathleen, you had another comment?

1 MS. MCGUIGAN: Yeah, I just wanted to respond
2 to Nancy. So your examples that you used, if you're
3 selling cribs, with the exception of a few big boxes,
4 most retailers that sell cribs may not be selling
5 diapers. Or if you're selling washer and dryers,
6 you're not necessarily going to be selling laundry
7 detergent. Those are two different retailers.

8 And the other challenge is really an
9 operational one. To the extent that things are in
10 aisles, as things are getting shelved, moved in and
11 off, the operational nightmare, truly, of keeping
12 posters in aisles or labeling in aisles is really
13 challenging.

14 There had been some suggestions that people
15 put it at point of sale. I can tell you that the
16 required requirements for California already at point
17 of sale, it's like a whole sea of different warnings.
18 And so again, it would be white noise.

19 I do think that Target's idea of a potential
20 app would be something that could potentially be of
21 interest and potentially, there could be something that
22 retailers could do there, so that customers could then

1 go on and pull up the app. But I think there are just
2 operational challenges with posting things in store
3 locations that are not really appreciated.

4 MS. KISH: We do have recalls.gov. We do have
5 recalls.gov. That's not an app, but that is someplace
6 where they can go.

7 Can I -- I'm going to ask this question, but
8 -- how many of you use a retail location? Within your
9 retail location, how many of you post the recall
10 message? Am I saying that right? No.

11 How many of you use retail locations for
12 recall information? We have a few hands.

13 MS. CAVE: Yeah, the question is, how many of
14 you personally, when you are looking for recall
15 information, go to the retail store to find out about
16 recall information?

17 (Inaudible.)

18 (Laughter.)

19 MS. CAVE: Good show of hands.

20 How many of you use a retail location to
21 identify your information for recalls, about recalls?

22 PARTICIPANT: How would you know to go there

1 in the first place?

2 MS. CAVE: Thank you. That's exactly the
3 point. Okay, thanks.

4 MS. KISH: Someone in the back? Your name,
5 please?

6 MR. EDWARDS: Steve Edwards, sorry.

7 The best way that I've seen is on the
8 receipts, when you're checking out, that it's posted
9 right there, the information on the recall. And with
10 retailers that have loyalty programs, they can
11 specifically target that person that has purchased it
12 previously. But then also I've seen some where, like
13 Krogers of the world, where they'll post it out there
14 for a certain period of time on the receipt of that,
15 because everyone gets that and they look at it, instead
16 of getting the 300 coupons that you get, you can just
17 get that information. So --

18 MS. LANE: I am not with a retailer, so this
19 is just personal opinion. My name is Vanja Lane.

20 I think that the type of targeted messaging
21 that somebody like Amazon does with email when there's
22 a recall is much more effective than the poster.

1 MS. KISH: I feel like I should just skip this
2 next slide.

3 Does anyone have a good example of when a
4 poster was really effective? Would anyone like to
5 share their personal experience of seeing a poster?

6 I mean, I did. I shared mine. I was in the
7 elevator and I saw it. But then, in another location,
8 I was in a customer service and the posters were facing
9 the workers, not the consumers. So, those are two
10 examples.

11 MS. TOPKA: I think, just to give an example
12 of one time when I saw a poster that was effective, and
13 this has been a couple years now, I went to -- into a
14 store and right there on the window was a window cling
15 on the door of the store walking in that had the recall
16 notice on it. And that's probably, I think, the only
17 time I've ever noticed a recall poster, without
18 actually actively seeking out and looking for a recall
19 poster. But it was right there as you were walking in,
20 you couldn't miss it.

21 And then this particular store also had a
22 drive-through where the window cling was on it as well.

1 But that's the only reason I think that I noticed it,
2 is because it was literally in a place where you're
3 putting your hand for the door as you're walking in,
4 you couldn't help but notice it. It was colorful, it
5 had a picture on it, and it was that poster just stuck
6 right to the window.

7 But aside from that, I think, you know, you're
8 searching for them sometimes to figure out where they
9 are in, you know, elevators.

10 MS. KISH: To build on that, I think they're
11 most effective when companies have very few recalls.
12 Because Starbucks had their straw, the metal straw
13 recall, and that was on every counter of every
14 Starbucks, every door, because that was the only one
15 they had at the time.

16 Now, if you've got 10 recalls at a time, it's
17 a much more difficult problem. But if you've got one
18 recall at a time, you can put it there. And I'm sure
19 people who had the straw saw it.

20 MS. TOPKA: Absolutely. Great point. Because
21 if you had 20 window clings, I probably wouldn't have
22 noticed them all.

1 MS. KISH: All right. Any other comments?

2 Yeah.

3 PARTICIPANT: So retailers, they print fliers
4 all the time for consumers. Maybe recalls could be
5 printed onto a flier with whatever they're selling, it
6 could just be an add-on. I'm not a retailer, but just
7 an idea.

8 MS. KISH: Like in the circulars that they
9 send out.

10 PARTICIPANT: Exactly.

11 MS. TOPKA: Let's move on.

12 So what other types of notification are
13 available to promote recalls?

14 So I think we've talked about social media,
15 we've talked about posters. Direct notification. So
16 what other ideas are out there? What other ways can
17 you reach consumers and get recall information out?

18 MR. MILLER: Jeff Miller, with Textron. And
19 indirectly, you can use the customer -- the OEM CRM,
20 where the dealer goes into a portal, and you have
21 things tied to it like holdback incentives and things
22 like that, for those dealers to go ahead and do that

1 type of rework to get paid back. So it's kind of an
2 indirect way, but it's a way to get that message from
3 the OEM to the dealer to the end user consumer.

4 MS. TOPKA: Good point. Where you have that
5 avenue available to you, it's a good channel.

6 Anybody else? Other forms of notice?

7 I think we also talked about blog posts, too,
8 but I kind of lumped that into social media. But any
9 other forms of notice?

10 MS. KISH: I think someone had talked about
11 credit cards, in the credit card bill, sticking that
12 information in there.

13 You talked a lot about this at the last ICPHSO
14 conference, but where it's a technology-related recall,
15 you have the ability to push notices out. The new
16 refrigerators that send you your list at the grocery
17 store could certainly tell you if they were recalled,
18 and phones and things, so you would have that if it was
19 technology based.

20 MS. TOPKA: Yeah, I think the electronics have
21 a unique base, if they're connected to wi-fi. So they
22 definitely have a unique market. If only everything

1 could be connected to wi-fi and send you a notice.

2 There you go, connected to wi-fi. No, just
3 kidding.

4 Anybody else? Any other ideas?

5 PARTICIPANT: I don't know if this is more of
6 a question? But what about direct mail? We already do
7 it. Has that been evaluated? Is that effective?

8 MS. TOPKA: I think direct mail is, definitely
9 for us, a form of direct notification. But I think we
10 always say the two forms of notification directly is
11 the best. But I think mail is, you know, lumped in
12 there with that direct notification.

13 MR. THOMPSON: James Thompson (phonetic). I
14 don't see phones on there anywhere. Are we just
15 skipping those?

16 MS. TOPKA: Phone calls?

17 MR. THOMPSON: Yeah.

18 MS. TOPKA: Put it on there. Text messages, I
19 love text messages. My age group, we love text
20 messages.

21 Anybody else? Other ideas?

22 MS. KISH: All right, moving on?

1 MS. TOPKA: Moving on.

2 Yeah, that would be great. Advertising. Go
3 ahead, throw it on there.

4 MS. KISH: Loyalty cards.

5 MS. TOPKA: And also just thinking about
6 memberships to groups, I think I gave an example at
7 ICPHSO about sporting goods and how they can be
8 successful because people that play lacrosse or people
9 that play baseball usually are involved in online
10 groups about it or they get a magazine about it or
11 they're on teams about it. And so getting that message
12 out, targeted to certain groups, that are membership
13 based. Usually, if you love baseball, you love
14 everything about baseball if you're playing it.

15 MR. YANETSKO: I want to add one, too. So
16 Josh Yanetsko, fast track team member (inaudible).
17 Talking about somebody had spoke earlier about Facebook
18 being something that older people are using. I think
19 one of the up and coming things is YouTube, so I don't
20 know if any of the retailers are using YouTube or the
21 advertising that vloggers are using, video logs, as
22 something that's really up and coming for younger

1 people.

2 MS. TOPKA: I have to go figure out what a
3 vlog is. Thanks for making me feel old, I appreciate
4 it. Okay.

5 (Laughter.)

6 MS. TOPKA: So moving on to that, what are
7 some of the limitations, barriers and challenges of
8 these communication channels? So I think with direct
9 mail, I think obviously it's having those people's
10 names or information. But what other limitations, do
11 you think.

12 Kathleen?

13 MS. MCGUIGAN: So it's been mentioned to use
14 reward cards, tax, things like that. The current
15 barrier is that, at least for retailers to do it -- I'm
16 just talking about from the retail perspective, not
17 necessarily from the manufacturer perspective, but from
18 the retail perspective, when retailers get that
19 information, those are subject to certain specific
20 terms and use conditions. And those conditions are
21 often, you know, sign up for this and you will be able
22 to get discounts or coupons. Not necessarily, and it's

1 not an insurmountable challenge, but not necessarily
2 that we're going to be pushing out other information to
3 you.

4 So just the current terms that are there now,
5 I believe, would need to be looked at and potentially
6 adapted.

7 The other challenge that all retailers have
8 and other people have with using phone calls and text
9 messaging is that there is an issue with reassigned
10 numbers. And so if you have given permission to a
11 company to communicate with you, you now leave that
12 service, have a new phone call, if I call you or text
13 you, that's a potential violation of the Telephone
14 Consumer Protection Act.

15 We are working with the FCC now to try to find
16 a solution for that, getting one aggregated database
17 that all users can scrub all numbers to make sure that
18 they're good. But there is a whole series of class
19 actions regarding reassigned numbers, where users have
20 attempted -- had permission, attempted to use that
21 permission, that number was reassigned and now there's
22 a litigation against various retailers.

1 MS. TOPKA: Before you give up the microphone,
2 would you also like to speak to direct notice from a
3 retailer? I think we talked about it in an earlier
4 session about charges and things like that with a
5 retailer --

6 MS. MCGUIGAN: Yes. So a lot of these
7 solutions are about customer information, which is
8 information that the manufacturers don't have. So
9 various retailers will have some information regarding
10 their customers, not necessarily unless everything goes
11 on line or they're a membership organization, may not
12 have complete information that, for a variety of
13 reasons they are unwilling to share, most often, with
14 manufacturers. They may be willing to share it with a
15 third party recalling entity for purposes of a recall.

16 And also any action that a retailer takes on
17 behalf of national brand manufacturers, which are the
18 vast majority of recalls that at least our members are
19 involved with, they're going to want to be reimbursed
20 for that. They incur a cost, whether or not it's a
21 text or phone or poster, letter, postage, tracking,
22 whatever. So they are going to want to be reimbursed

1 from the manufacturers. And I think it should just be
2 level setting that the retailers aren't going to take
3 on these obligations, which are the manufacturers'
4 obligations, in connection, since they are the
5 recalling entity, without some compensation.

6 MS. TOPKA: Anybody else? Oh, good.

7 MS. HUGHES: Kim Hughes. One thing about
8 smart devices which everybody forgets. If it's sitting
9 behind a corporate firewall, you cannot see that
10 device. And so most people think if it's online, you
11 can automatically get to it. The answer is, no. You
12 can see nothing about it. It's blocked.

13 And also many consumers do not register their
14 devices. Therefore, you have no way to contact them,
15 even if -- assuming that they update their software and
16 firmware.

17 MS. TOPKA: Anybody else on limitations?

18 Okay, I think we will go to wrap-up. Ready?

19 So, just wrapping up, I think from the first
20 section, where we talked about communicating the
21 hazards and the channels, we found that there was a
22 whole bunch of channels to communicate. Social media,

1 company website, emails, bloggers, CPSC's website, text
2 messaging, registration and targeting.

3 And then when it came to marketing strategies,
4 everybody got really quiet. I remember that. And
5 Celestine had to tell them to hurry up and talk.

6 But I think one of the things that we talked
7 about is, you know, the ads were an option, but we
8 should be using these for higher hazards and having a
9 tiered approach to marketing strategies. And that
10 increased registration by consumers was something that
11 came up.

12 We talked about fast track and making quick
13 decisions to do the recall and the cross-marketing
14 strategies.

15 And then when it came to conveying the hazard,
16 we talked about the term "recall" and how we should
17 consider that in some cases. But then we had a nice
18 little debate about not getting rid of the word
19 "recall," which I love to hear. And then recall
20 symbol, maybe coming up with a recall symbol, using
21 recognizable terms for consumers, safety, things like
22 that.

1 Celestine, I'll turn it over to you for social
2 media.

3 MS. KISH: So under social media, I think that
4 there's a lot available to be used with social media,
5 and so that's what -- the amount of hits and traffic is
6 evident that that is a way to be going. We have the
7 effective for product registration. As we heard,
8 there's an app that you can go to.

9 Messaging, texting, passing on the message, so
10 you can see that your message has been shared with
11 someone else.

12 Consider the brand image, the impact on the
13 social media.

14 Let's see. So most effective social media
15 elements is making it clear and concise. Video. You
16 know, the old adage, a picture is worth a thousand
17 words. Well, you've got a picture or a video and
18 you're getting the message through to a lot of people.

19 MS. TOPKA: Can you see over there? Do you
20 need me to jump in?

21 (Laughter.)

22 MS. KISH: Using just the urgency of the

1 message and the language. Facebook app, which we
2 talked about.

3 MS. TOPKA: How-to videos.

4 MS. KISH: How-to videos. Showing them how to
5 repair the product on YouTube. And then Josh talked
6 about YouTube being a great source for getting to the
7 younger groups.

8 What was --

9 MS. TOPKA: And then use comments from the
10 public to communicate recall information effectively.
11 That what that says? Yeah.

12 MS. KISH: Yeah.

13 MS. TOPKA: And timely campaigns. And then
14 tips and tricks.

15 MS. KISH: Tips and tricks for social media.
16 We talked about how you can -- the ads are fairly
17 inexpensive and you only pay if they click on it. And
18 if you make that message good enough that they don't
19 have to even click on it, you get the message across,
20 right.

21 Oh, no competing messages. You know, if
22 you're going to put that up on your Facebook, make sure

1 it stays at the top so that more people can see it.

2 Reach out to the bloggers who are already
3 passing on to a whole other group of people. You are
4 getting the message out to that many more.

5 We heard about local media, reaching out to
6 the local media so that you're really getting the
7 message where they live.

8 Encourage sharing, because sharing is good,
9 right?

10 MS. TOPKA: Sharing is good. Learned that in
11 kindergarten, sharing is good.

12 MS. KISH: That's right.

13 So what are some of the barriers? I cannot
14 read the barriers at all, Tanya.

15 MS. TOPKA: Okay, good, I got barriers.

16 So for barriers, making sure you have the
17 adequate staff to address the questions. Because I
18 think, as a lot of companies found out, if you don't
19 respond, it can get ugly. And it can hurt your brand
20 image if you don't respond and get back to people.

21 Limited to network of followers. And really
22 that kind of relies upon that sharing. If you don't

1 have that network of people that share it from your
2 page, then you only have that network of people that
3 are there. So if you only have 1,000 followers, that's
4 not a lot of people to reach.

5 Continually evolving and changing. So we're
6 always having to adapt when it comes to this. This
7 isn't something that -- Facebook is not going to be the
8 thing for the next 10 years. Obviously, something else
9 is going to take its place. As much as Facebook
10 doesn't want to hear that.

11 Consumer fatigue and message confusion. And
12 then the clear hazard language, making sure you are
13 getting clear hazard language and getting that across
14 to people without sensationalizing it or underplaying
15 it.

16 And then notices in retail. Maybe you can
17 include circulars. Store posters are ineffective. I
18 didn't say that, I'm just conveying the message.
19 Location of posters are important. Be creative about
20 notices in the store and try to think about places
21 where you could put them that would be a place where
22 someone would be going.

1 We talked about the elevator -- although I've
2 never seen a recall poster in an elevator, but I'm glad
3 she did.

4 Limited recalls by retailer. So the smaller
5 number of recalls that a retailer has or a store has,
6 the easier it is for you to see that; whereas, if they
7 have 20, it kind of overwhelms it.

8 An app for recall notices. Putting it on
9 store receipts. Loyalty programs. Consumer-targeted
10 messaging is preferred. And on the front door.

11 And then I'll let you finish up with the last
12 one.

13 MS. KISH: So our other ways of reaching out
14 to the consumer and the barriers that could result from
15 that, we talked about advertising, OEM CRM, I have no
16 idea what that means.

17 (Laughter.)

18 MS. TOPKA: It's for dealers. It's for
19 dealers. When you have a dealer network, it makes it
20 easier.

21 MS. KISH: Okay. Credit card statements.
22 Push notice to the smart devices, hoping that most of

1 them don't have that firewall, but recognizing that
2 some of them do.

3 And I think to that point is recognizing that
4 it's not one thing, it's all of these things that we're
5 trying to do to get the message out.

6 Direct mail, phone calls, text messages,
7 loyalty programs, groups passing on the message to
8 other groups, and to YouTube. So again, it's everybody
9 working together to get the message out.

10 So, thank you very much. I'm glad that we all
11 made it through those 70 minutes, and we got you
12 talking.

13 So now what you get to do is take a 10-minute
14 break. But before you go, just going to let you know
15 that we're doing some more color-coded splitting up of
16 groups.

17 So on the back of your badge now, you have
18 another color. If you have a red dot on the back of
19 your badge, then you are going to Consumer Motivation,
20 which is in the Two. We've put the walls up, but we
21 have one door. So if you have a red dot, you're going
22 to go over there after the 10-minute break.

1 If you have a yellow dot, you're going to
2 Technology Advances, Group B, which is through the
3 hall, past the elevators and around the corner. There
4 will be people guiding you.

5 And if you have no dot, you can come back to
6 this room.

7 So we're going to leave this up. And you have
8 a 10-minute break. So 2:00, the next session will
9 start.

10 (Recess.)

11 (Whereupon, at 2:00 p.m., the meeting was
12 adjourned.)

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UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION

RECALL EFFECTIVENESS WORKSHOP
(AFTERNOON SESSION)

Hearing Room 420
4330 East West Highway
Bethesda, Maryland 20814

Tuesday, July 25, 2017

2:07 p.m.

APPEARANCES:

ANN MARIE BUERKLE, Acting Chairman
CAROL CAVE, Deputy Director, Office of
Compliance and Field Operations
PATTY DAVIS, Acting Director, Office of
Communications
ROB KAYE, Director, Office of Compliance and
Field Operations
SHELBY MATHIS, Small Business Ombudsman
BLAKE ROSE, Director, Office of Compliance and
Field Operations
TANYA TOPKA, Office of Compliance and Field
Operations

AUDIENCE MEMBERS:

MARK AUSTRIAN, Kelley Drye & Warren
NANCY COWLES, Kids in Danger
QUIN DODD, Law Offices of Quin D. Dodd, LLC
KATHLEEN MCGUIGAN, Retail Industry Leaders
Association
KITTY PILARZ, Mattel, Inc.
CHARLES SAMUELS, Mintz Levin
WALT SANDERS, Van Fleet Associates, Inc.
WILLIAM WALLACE, Consumers Union
RACHEL WEINTRAUB, Consumer Federation of
America

C O N T E N T S

AGENDA ITEM:	PAGE
Open Discussion Break-out Session, Consumer Motivation	
Tanya Topka and Shelby Mathis	4

1 A F T E R N O O N S E S S I O N

2 (2:07 p.m.)

3 OPEN DISCUSSION BREAK-OUT SESSION: CONSUMER MOTIVATION

4 MS. TOPKA: So I think we'll just go ahead and
5 get started. I think everyone has already heard me,
6 heard my introduction, I think, two or three times. So
7 I think unless everybody wants to know who I am, again,
8 I'll turn it over to Shelby.

9 MS. MATHIS: So I've been the scribe most of the
10 day. You guys have seen me writing notes. Hopefully
11 you can read my handwriting. I've stolen a magic
12 marker from the other room because it's so nice to
13 write with.

14 I'm Shelby Mathis. I'm the small business
15 ombudsman here at Consumer Product Safety Commission.
16 I am pretty new to the agency. I'm about eight months
17 into this job, so look forward to working with
18 everybody in the room, and if you don't know me, please
19 feel free to come and introduce yourself after the
20 session and after we get done today.

21 MS. TOPKA: So today we're going to be covering
22 consumer motivation, which is probably one of the

1 topics that keeps coming up throughout the day so far,
2 so I'm surprised we don't have like a major group of
3 people in here that want to hear about consumer
4 motivation.

5 So what we'll be talking about today is ways to
6 try to get people, consumers, to respond to recalls and
7 how do we motivate them. So we'll be very specific
8 questions, very targeted in on consumer motivation.
9 It's a pretty small group, so hopefully we have a very
10 lively conversation, come up with some great ideas. So
11 the first one is how has consumer behavior changed in
12 the last 20 years? Let's see, go ahead.

13 MR. EDWARDS: Steve Edwards. I would say
14 immediate clarification. They want everything now.

15 MS. TOPKA: Immediate, absolutely. Which
16 presents some challenges when it comes to recalls and
17 response. How else has consumer behavior changed in
18 the last 20 years?

19 MS. MOORE: Autumn Moore, Toy Association.

20 I would say attention span has greatly
21 decreased.

22 MS. TOPKA: We get our one sentence to grab

1 them. Patty -- Patty so eloquently said, I get a
2 headline to grab you, and if not, we're done. Yeah.
3 Goa ahead.

4 MR. HALL: Matthew Hall. I think there are a
5 lot more products that are either disposable or have a
6 short lifespan.

7 MS. TOPKA: Yeah, the lifespan of products,
8 absolutely, which changes how people think about those
9 products.

10 SPEAKER: But -- I'll say but still a higher
11 expectation for quality.

12 MS. TOPKA: Go ahead.

13 MS. TILTON: (Inaudible) I think there's less of
14 a personal interaction with the customer now that
15 things are bottom line and less human interaction with
16 the product and the customer.

17 MR. MILLER: Jeff Miller. Just more vocal. I
18 mean, they are louder.

19 MS. TOPKA: We are vocal, aren't we?

20 MR. MILLER: Yeah. They'll actually write you a
21 letter, send you an e-mail and they call you all in the
22 same week.

1 MS. TOPKA: Yes. I get the same thing here, so
2 I know what you're going through. What about how
3 people get their news, has that changed over the last
4 20 years?

5 MS. TILTON: (Inaudible) immediate.

6 MS. TOPKA: Immediate response to news. So
7 getting news in a different way?

8 MS. TILTON: It's also more diverse news
9 intervals, so that you're getting it from a much wider
10 variety of sources and it's -- you know, you're not
11 even sure sometimes when you see those headlines on
12 Facebook or whatever, whether they're actually news or
13 company press release or what it is.

14 MS. TOPKA: And now we all have to know about
15 the Snopes and other things and know whether it's even
16 really news or fake. Yes? Anything else about
17 consumer behavior over the last 20 years? It's a
18 pretty good list to tell you that things are changing.

19 MS. TILTON: I think also, especially with
20 younger consumers, is that their -- they take
21 recommendations from their peers much more seriously
22 than anything else, so you're talking about Yelp or

1 other things or even just, you know, a friend
2 recommended it, it's going to be a more -- they'll rank
3 that higher than let's say Consumer Reports that they
4 might have used or other things that people use.

5 MS. TOPKA: Good point. The Yelp effect.
6 Anything else? Okay. So what can we take from the
7 change in behavior and apply that to recall response
8 and consumers? So like how can we use these things
9 that have changed -- and we know consumers have changed
10 dramatically -- and use that to change how we deal with
11 recalls?

12 MS. MOORE: This Autumn Moore, Toy Association,
13 again. I have another consumer behavior exchange.

14 MS. TOPKA: Yeah.

15 MS. MOORE: The world is more global. I can
16 order something from China. It can come straight to my
17 door without any inter -- intermediary or anything like
18 that (inaudible).

19 MS. TOPKA: Absolutely. That was something to
20 consider whenever it breaks.

21 MS. MOORE: Well, recent example is fidget
22 spinners, right? A lot of folks were ordering those

1 direct from China.

2 MS. TOPKA: Absolutely. And then they also
3 become importers of record without even realizing it,
4 from internet. So how can we use this to -- to our
5 advantage when it comes to recalls?

6 MR. SAMUELS: Chuck Samuels. One thing that
7 strikes me about this is that we argue for when you get
8 a safety message out, had to be on something important
9 because your credibility that you'll have will be
10 affected. You're telling people that something's
11 really not all that important and they don't know if
12 they need to do anything about it, but it's -- it is
13 important and you're prepared to do something about it,
14 do something about it quickly and effectively, then I
15 think that very same source as credibility is enhanced.

16 MS. TOPKA: I think that your (inaudible)
17 response.

18 MR. EDWARDS: Steve Edwards. I think when the
19 responsiveness is aligned, or the website to register
20 the products from a recall standpoint may be 24 by 7,
21 and then as well as get the product to the -- whether
22 it be replacement or repair or whatever, it's

1 responsiveness.

2 MS. TOPKA: Yeah.

3 MR. EDWARDS: Four to six weeks (inaudible).

4 MS. TOPKA: Yeah.

5 SPEAKER: Once you (inaudible) products, you got
6 -- perception has decreased your options somewhat,
7 repair a lot of businesses (inaudible).

8 MS. TOPKA: It changes your remedy. And I would
9 imagine even -- you can probably speak to this -- even
10 when it comes to, you know, like vehicles being
11 repaired, you know, dealerships sometimes will even say
12 why am I repairing this; just given them something new.

13 SPEAKER: It's a buyout?

14 MS. TOPKA: Yeah.

15 MS. MATHIS: I'm trying to make it so everybody
16 can see. I didn't realize --

17 MS. TOPKA: So to kind of address the diversity
18 of sources and then more vocal consumers, what are some
19 ideas that we could use to make that helpful in the
20 recall arena?

21 MS. COWLES: I think -- Nancy Cowles. I think,
22 too, and just putting the peer recommendation into

1 there, this another reason why, again, some of these
2 kind of go against each other. You have to move
3 quickly, but you also have to make sure that when you
4 announce the recall, the people who call you get a good
5 report. As you said, go online. Most people want to
6 transact business without --

7 MS. TOPKA: Talking to people.

8 MS. COWLES: -- talking to people. But did they
9 get a good response? Because if they don't, then those
10 first people are going to be out there on social media,
11 wherever, and then it's going to make it even harder to
12 get more consumers to respond.

13 MS. TOPKA: So getting a good initial response
14 in the company.

15 SPEAKER: Standard stories and a standard
16 dialogue. Can be very short.

17 MS. MATHIS: Does anybody in here use brand
18 ambassadors? I know we talked about bloggers, but any
19 brand ambassador use to get a message out? Has anybody
20 done that or seen that effectively done? I notice that
21 wasn't brought up in the --

22 MS. COWLES: I consider them the same. A brand

1 ambassador is often a blogger. And I think that
2 they're -- I've seen companies use them for both
3 effectively.

4 MS. TOPKA: You might want to say what a brand
5 ambassador is.

6 MS. MATHIS: Oh, right. Sorry. They -- they're
7 not always celebrities, although sometimes they are.
8 But they're -- they're an advocate for a product. So
9 they either wear the product, and social media. You
10 know, it's either clothing or makeup or something like
11 that, or they promote it via their social media
12 platforms, just to get the word out. Because some --
13 some of them have a lot more followers than even a
14 retailer that carries the product may have.

15 MS. TOPKA: So I don't know how many people use
16 Facebook, but you'll see that that FabFitFun Box,
17 whatever that thing's called, every celebrity and their
18 -- and their -- all their relatives promote that on
19 Facebook. So I'm actually kind of tired of hearing
20 about the FabFitFun Box, or whatever it's called, just
21 constantly. So --

22 MS. MATHIS: But that would be effective

1 messaging, right?

2 MS. TOPKA: It is.

3 MS. MATHIS: Because you're aware of the brand.

4 MS. TOPKA: I know of it now, yes. And I know
5 what comes in your average box every month for the last
6 year.

7 MS. MATHIS: Go on to another? You think there
8 are more responses on consumer behavior? What about
9 global markets; how do we address global markets?
10 Because that was a really good point (inaudible).

11 MS. TOPKA: Yeah. I think that's one of the
12 challenges that I see in compliance, is I have a
13 product that was sold direct ship from let's say an
14 Amazon third-grade platform, not using anybody's names,
15 but they're the one less recognizable. So I bought it
16 from somebody who sells on Amazon. It's not Amazon
17 themselves. It was sent to me. I become the importer
18 of record. I have an issue with it and then a recall
19 needs to be done. How do we address consumers with
20 that? I mean, they probably don't even know anything
21 other than Amazon.

22 MS. COWLES: That's what I was going to say, as

1 a consumer who bought some of those fidget spinners.

2 MS. MATHIS: You should know this is Nancy

3 Cowles saying that.

4 MS. COWLES: Sorry. I just assumed that, even
5 though I know it says when you're going to a third
6 party, when I buy through Amazon or through -- I know
7 Walmart's now got a marketplace -- you assume that's
8 where you're buying it from. So as a consumer, whether
9 that's true or not, those companies need to figure out
10 how to. And most -- I mean, Amazon does a pretty good
11 job of, you know, telling you if something's been
12 recalled. But that's where the consumer is thinking
13 they're shopping.

14 MS. WHITE: They definitely do a good job of
15 telling you when it's not them. Like I think it's
16 really obvious when you're not buying from Amazon, that
17 you're buying from a third party. But still because
18 you went to Amazon to find it, in your mind as a
19 consumer, you're just thinking it's Amazon. You
20 understand that, but --

21 SPEAKER: (Inaudible) Amazon. Somebody has to
22 be --

1 SPEAKER: I probably think (inaudible) thinking
2 that.

3 MS. TOPKA: But I think for me, even like my
4 confusion, whenever I'm buying something like that, in
5 my head, I'm like Nancy, I'm buying it from Amazon. So
6 when I have a problem with it, I expect Amazon to do
7 something about it, and if you're not, then I'm upset
8 as a consumer. So I think that kind of goes back to
9 that global market of I expect you to do something. So
10 if you're not doing something -- so it's almost like a
11 brand image thing for them if they're not taking care
12 of that third party.

13 SPEAKER: I know if I buy something and I'm
14 trying to and I can't do anything about it, it's on the
15 manufacturer. So I assume Amazon's protecting me if
16 they're making the money on the sale.

17 MS. TOPKA: Exactly. And I think most consumers
18 feel that way. I don't know if that's always the case
19 with every third party. I know it's a big trend now.
20 Everybody seems to have a third party, whether it's
21 Best Buy, Walmart. I mean, a lot of them are moving to
22 that direction.

1 MS. COWLES: Or even with -- Nancy Cowles. Even
2 with eBay, I think even though they now sell mostly new
3 stuff -- it's not the auction; it's not your old stuff.
4 It is some, but it's often they're the same as any
5 other marketplace, and yet I have the image in my mind
6 there that I'm buying from that individual person, not
7 from eBay. So it's just how they got started and what
8 people are thinking they are.

9 MS. MATHIS: All right. So the next question
10 we've got for you guys to ponder with some good ideas
11 for us is on what challenges exist in motivating
12 consumer behavior for recalls.

13 MS. TOPKA: And the age-old question is how do
14 you intend to --

15 MS. MATHIS: Look at that. That's no bueno.
16 Sorry, I shouldn't have said that. We're being
17 recorded. Okay, here. That looks much nicer. That was
18 just going to be (inaudible).

19 MS. TOPKA: So really it's really kind of how do
20 we get consumers to take advantage of a recall?

21 MS. MATHIS: Because then -- it's not on there.

22 MS. TOPKA: Oh. Well, that's strange.

1 MS. MATHIS: Right.

2 MS. TOPKA: Because I guess it's over there.

3 MS. MATHIS: Right.

4 MS. TOPKA: Because you guys can't see that over
5 there, can you?

6 MS. WHITE: I think -- I think time is a big
7 one.

8 MS. TOPKA: Okay.

9 MS. WHITE: Barb White. Speaking as a consumer,
10 if it's something complicated that I need to, you know,
11 download a bar code and put it on an envelope, I'm just
12 going to throw it away.

13 MS. TOPKA: Or print something. That's always
14 the one that gets me. I need you to print out these
15 six forms and return them. Oh, yeah, where's that
16 printer at.

17 MS. WHITE: I just have too many steps. They're
18 too complex.

19 MS. TOPKA: Too complex.

20 MS. WHITE: And just time consuming.

21 MS. TOPKA: Time consuming. And I always use
22 the example of busy parents, and I think you kind of

1 spoke to that. You know, when it comes to a children's
2 product, if I've got to package up a stroller and send
3 it back and drop it off at a UPS store and I have a
4 six-month-old baby, chances of me doing that are
5 probably slim to none. I'm more worried about sleeping
6 and eating.

7 MR. MILLER: We've also got to motivate the
8 consumer to believe that we have a good brand and a
9 good general product line even though we have a problem
10 with this one.

11 MS. TOPKA: The brand integrity.

12 MR. MILLER: We want them to come in and --

13 MS. TOPKA: Brand image.

14 MR. MILLER: -- do this because we're a good
15 company.

16 MS. TOPKA: Yeah.

17 MS. MATHIS: Oh, please state your name for the
18 record. Sorry.

19 MR. MILLER: Chuck Miller.

20 MR. GRUPP: John Grupp.

21 MS. TOPKA: Go ahead.

22 MR. HALL: I'm Matthew Hall. I think there's

1 also some difficulty in balancing communicating a risk
2 and overcommunicating or exaggerating risk. But I
3 think a lot of consumers will evaluate themselves,
4 whether they think it's necessary to participate in a
5 recall or useful to participate in a recall. It could
6 be someone (inaudible) product or maybe their
7 experience with the product is not (inaudible) the
8 risk, even though it stated it, is not something that
9 they really need to worry about a lot.

10 So there's a real balancing approach that's
11 needed to be considered in terms of what the message
12 is. Maybe -- just to interrupt you (inaudible)
13 sometimes stating the risk is counterproductive. If
14 you say, you know, we have 2,000 vehicles, one accident
15 or none, or something like that, it doesn't really help
16 somebody down (inaudible) you just send them out and
17 say we're -- we manufactured this. We think there's
18 something out here. We should bring it back for a
19 checkup or a recall.

20 MS. TOPKA: Yeah, and I think to your point,
21 sometimes it's more effective to say, this could break
22 down while you're using it, and then you will be able

1 to -- to use it, especially if it's a daily use item.
2 Nobody wants to be without it, you know, the daily use
3 item.

4 MS. COWLES: And just to add to that, so I think
5 we hear that a lot, well, you know, my sister used it
6 and her kids, you know, didn't have any problems. It's
7 like every child who used the recalled product was
8 injured, we wouldn't have any disagreements about how
9 to do a recall because then -- you know, they don't
10 really understand the nature of risk. Not every -- you
11 know, we often liken it to a minefield. Plenty of
12 people may walk right past it and never step on it, but
13 you still don't want it laying there, because someone
14 is going to (inaudible) at some point, but that's hard
15 to communicate sometimes to consumers if they have that
16 alternative experience that they haven't had a problem
17 with it.

18 MS. TOPKA: And I think it goes back to your
19 point too, of that peer -- that peer system. If we have
20 consumers who think their peers and their judgments and
21 their peers, well, if all my friends have this and it's
22 not a problem, then I won't have a problem either. And

1 I think it also goes into the worst case scenario, it
2 will never happen to me. So I won't die with this and
3 my kid won't die with this. So I hear that all the
4 time. Well, I don't need to take advantage of this
5 recall because my kid's fine. My kid's smarter than
6 the average kid. Okay, great, but that doesn't get away
7 from the risk. So go ahead.

8 MS. GRIMM: Melissa Grimm. Just expanding on
9 that, balancing the risk with what the remedy is. So if
10 the remedy is return it on refund, do something, but
11 what if I don't want a refund. I want this product.
12 You know, I'd rather you replace it or repair it. I
13 don't want to just return it.

14 MS. TOPKA: Options for remedy. And I think
15 that's -- that's a great point, because I hear that a
16 lot too. And I'll just throw out the example of
17 Fitbit. That was the one that like threw me because
18 nobody wanted to give up -- their Fitbit. And I got
19 more complaints about their Fitbit and taking away
20 their Fitbit than anything else. And so for me, they
21 looked at the risk and said, no, I'm going to continue
22 to wear that.

1 MR. SAMUELS: Wasn't that the case -- this is
2 Chuck Samuels -- where they had -- some consumers had
3 an allergic reaction. This is perfectly rational
4 consumer behavior. We shouldn't be criticizing that.
5 They understood what the risk is. They didn't have an
6 allergic reaction, so why should they return it?

7 MS. TOPKA: And they said that?

8 MR. SAMUELS: So actually, you know, you've
9 given some other cases here where the consumer is
10 saying, well, I don't have children, I don't have
11 seniors; maybe I don't need to worry about this. I
12 think that's actually perfectly fine. And it is only in
13 those category of cases where the risk is so high that
14 really consumers can't rationally make that judgment
15 that we should be -- we should be concerned.

16 If they've opened it up and they've gotten the
17 communication and decided not to do anything about it,
18 that's the end.

19 MS. MATHIS: And that goes to the discussion
20 this morning of how you measure the effectiveness of a
21 recall. Is it communicating the message? Is it having
22 people who might not be having an allergic reaction

1 comply with the recall?

2 MS. TOPKA: And you can read the dice.

3 MS. MATHIS: You know, what are --

4 MS. WHITE: So this -- this is Barb White. I
5 think -- I think -- you know, we're talking about
6 consumer products, but I think food recalls give a
7 really good example of that. You know, if there's a
8 failure of the allergen statement, right. I'm not
9 allergic to peanuts and, you know, in fact, it kind of
10 breaks my heart when they have to throw away, you know,
11 gallons and gallons of Ben & Jerry's ice cream that I
12 could perfectly well have eaten. But -- but that's one
13 where they're not -- you know, all of that product gets
14 removed in order to be preventive in case people
15 haven't heard about the recall.

16 And I think -- so I think how the recall's
17 communicated, if -- to Chuck's point, if we can see
18 that people have received the communication and then
19 chosen not to act upon it, I think that -- that should
20 be a legitimate recall.

21 MS. TOPKA: Yeah.

22 MS. COWLES: Yeah, I think -- it's Nancy Cowles.

1 I think a couple things of that. I think the Fitbit is
2 a good example of, you know, it's not only are you
3 willing to accept the risk. You don't -- you're not at
4 risk. You have been wearing it. You had no reaction.
5 There's no risk to you from it. So that's different
6 than I don't think that this dresser will ever tip over
7 in my house because it hasn't yet, and I'm willing to
8 accept the risk that it may or may not.

9 So I think the Fitbit is a -- off and maybe it
10 should not have been a recall because it was you're
11 either wearing it with no rash, in which case there's
12 no need for it. Or you do what my husband did. He
13 just waited until it broke and then turned it in for a
14 new one.

15 SPEAKER: That happens a lot.

16 SPEAKER: I just washed my (inaudible).

17 MS. MATHIS: Which I think helps move us to the
18 next question, which is what motivates a consumer to
19 participate in a recall? And your example, Nancy, is a
20 perfect one. Hey, I waited until the product broke and
21 I just turned it in for a new one?

22 MS. TOPKA: So that topic, you know, what is it

1 that gets a consumer to say, I'm going to participate
2 in this recall? And I think, you know, one of the
3 things that we've heard is a high hazard level. But
4 how do we even measure that with a consumer? You know,
5 how do we know that this hazard's going to motivate
6 somebody?

7 I've had recalls where death was a hazard and
8 we're still getting 30 percent correction rate or a 10
9 percent correction rate with a consumer and death is
10 the hazard. So for me, this is one that I'm
11 particularly interested in, is ideas on how we get
12 consumers to participate in recalls.

13 MR. SAMUELS: I think -- this is Chuck Samuels.
14 Obviously, the first thing is to make sure that they've
15 gotten the message. They can't take action unless they
16 know the message. But then you do get into that
17 category if you -- where you have fairly significant
18 risks. People have been communicated to and they don't
19 act. And I actually think we could use some -- and
20 maybe it's already out there in the literature and I'm
21 just unaware of it. So understanding what -- why these
22 people did not respond. They got the message.

1 MS. TOPKA: Using research.

2 MR. SAMUELS: They understood what -- what the
3 risk was. It seems like the kind of thing that they
4 should respond to. Why didn't they do it? And some of
5 it may, of course, be the whole -- as I said earlier
6 this morning, probably just long, it's not (inaudible)
7 but some of them are not. And I think it would be
8 great to have some understanding, maybe get some case
9 examples of cooperation between companies and CPSC that
10 then can be identified, you know, when it becomes
11 public, why did knowledgeable consumers for real risk
12 not take action?

13 MS. HYDMAN: I have a question for -- for the
14 CPSC folks. Do you know what the response rates are
15 for NHTSA recalls? Do you know if they're similar or
16 better?

17 MS. TOPKA: I actually do know a little bit
18 about their response rates, meeting with them. But
19 theirs is very specific to categories. So if it's a
20 brand new car or vehicle, they're very high, you know,
21 over 80 percent. But when you get into tires, wipers,
22 accessories, they're much lower than what our average

1 recall correction rate is. So it really kind of
2 depends on --

3 SPEAKER: Do they know on car seats?

4 SPEAKER: I was going to ask the same thing.
5 It's like 30 percent.

6 MS. TOPKA: Yeah.

7 SPEAKER: I'm sorry. Could you say that again.

8 SPEAKER: I think it's 30 percent, was the last
9 that I heard.

10 MS. TOPKA: Yeah, I always hear somewhere
11 between 30 and 40 percent for car seats.

12 SPEAKER: So a little higher than your average -
13 -

14 MS. TOPKA: But for them, one of the things I
15 just -- I don't want to speak for them, but I spoke
16 with them recently. One of the things that they're --
17 they always bring up is they can't get people to
18 register their car seats. So I mean, I think --

19 SPEAKER: (Inaudible).

20 MS. TOPKA: And that's -- for us, we say the
21 same thing. I can't get people to register their cribs
22 or they're -- you know, any of their other products, so

1 I mean, it's the same -- the same problem. So I mean,
2 I think, you know, we kind of see the same things
3 overlapping in different areas.

4 And, you know, I've talked to FDA and FSIS.
5 Their correction rates are a little different because
6 their products go so quickly. So they really only have
7 a very short window to get lettuce before everybody
8 eats the lettuce or the Ben & Jerry's ice cream, before
9 they eat the Ben & Jerry's ice cream. So they don't
10 have that same, you know, window, where I can come back
11 to you 15 years later and still take advantage of this
12 recall.

13 15-year-old ice cream's not going to cut it.

14 SPEAKER: The car seat's a good example. That's
15 kind of a (inaudible) year -- year three you expect
16 four years. It's too much of a hassle to go through
17 them.

18 MS. TOPKA: Yeah, absolutely.

19 SPEAKER: (Inaudible) going back to it's the
20 ease and the appeal of their remedy. Is it worth my
21 while getting five bucks back or something or am I
22 going to get a whole new product?

1 MS. TOPKA: Exactly.

2 SPEAKER: You know, so what's worth my time?

3 MS. COWLES: This is Nancy. And I think it's
4 also -- you know, it's that do I have time to do it?
5 And then what Kitty was mentioning, what am I going to
6 do -- like if it's a product you use every day and you
7 can't do without, so my crib's been recalled and I want
8 to comply with the crib recall, but what am I going to
9 do with my kid? So while you're trying to figure that
10 out, you're just leaving it and then it goes off your
11 radar and you remember later.

12 MS. TOPKA: And also, your kid's too big for a
13 crib and it doesn't matter anymore. And I think that's
14 something that came up in the -- Carol mentioned that
15 in the beginning, the Life Alert pendants, you know,
16 where these people have like the pendants that, you
17 know, you -- that you alert you're having an emergency.
18 There's a lot of people that can't live without that
19 because what if they have an emergency and issue, a
20 problem, you know, they have trackers, all those
21 things.

22 So those are very valid points of what do you do

1 in the meantime, especially for a daily use product
2 that you use all the time.

3 MS. MATHIS: I just wanted to follow up on this
4 point, which I think is a really good one, where in the
5 useful life of a product are you when the recall
6 happens? Has there been -- I mean, I'm still new here.
7 I'm still learning. Has there been research on further
8 along you're less likely to participate in a recall and
9 if so, do -- have retailers or manufacturers targeted
10 new consumers, like new buyers of the product first, or
11 is it all a mass push at once?

12 MR. SAMUELS: Well, there is definitely
13 research. This is Chuck Samuels. The (inaudible)
14 Report in 2003, which was done by the CPSC, showed that
15 every additional year the product's been out there you
16 lose 10 percent effectiveness. Now, that is across the
17 board. I think, it was different for every category,
18 et cetera. But there's no question that in general, if
19 people have felt that they've had a long, useful life
20 with the product, unless it's an incredible, compelling
21 story, they're not going to -- they're not going to
22 worry about it.

1 MS. MATHIS: From a retailer perspective, does
2 it make more sense then to push a recall notice to your
3 newest consumers first, if it's not a, you know, a high
4 danger hazard? Because they're more likely to come
5 back in. I mean, you know, if they bought within the
6 past six months, are they more likely to bring back in
7 parts than if they bought three years ago on a car
8 seat. I'm sorry, I'm using car seats. I realize
9 that's not us. But, you know, a stroller or --

10 MS. TOPKA: (Inaudible).

11 MS. MATHIS: Right. Yeah, fair. Too much
12 trouble --

13 MS. TOPKA: Infant car seat.

14 MS. MATHIS: Right. Is there any -- has there
15 been any push internally that you guys are aware of to
16 --

17 MS. WHITE: That's assuming that you got a
18 recall --

19 MS. TOPKA: Spans --

20 SPEAKER: -- models for so many number of years
21 that you've got newer versus older. That's quite --

22 SPEAKER: And it may also depend on the systems,

1 because if they -- even though there might be different
2 production dates, for example, they might all be under
3 the same number and so you might not be able to tell.

4 MS. MATHIS: Fair. Fair point.

5 MS. TOPKA: I think that's one of the struggles
6 I think that people have, is that, you know, even if
7 it's a very long time period, they're all under the
8 same serial number, model number, and then you can't
9 really track it down that far.

10 MS. COWLES: I think the other -- Nancy Cowles
11 again. The other motivation is some incentive on top
12 of just -- you know, it's like when you think about
13 lawsuits, you're not just looking to get back to where
14 you are. You're looking for something extra for your
15 trouble to do it. So, you know, the crib that our
16 founder's son died in, the day after his death -- well,
17 after one more death after his death, they doubled the
18 refund, so you were paid twice what you paid for the
19 product, which by that time was a fairly old product.
20 And they haven't had any incidents since, whereas the
21 other products of the very same design continue to have
22 incidents until just a few years ago.

1 MS. MATHIS: Which brings us to the next
2 question, which -- what types of incentives are the
3 most effective in getting a consumer to participate in
4 a recall?

5 MS. TOPKA: And even if you haven't used
6 incentives, what kind of incentives do you think it
7 would be for you to take advantage of a recall?

8 MS. MATHIS: As a consumer, right? Because
9 we're all consumers.

10 MS. TOPKA: Oh, I got it.

11 MS. WHITE: Well, and I think -- I think -- so
12 this is -- I'm going to take my Target hat off for a
13 second. I think -- you have to state your name. I'm
14 Barb White. You know, I think -- I think it's
15 important to remember too that everything that we're
16 talking about is voluntary. If you look at the law,
17 you may not even be required to provide a full refund.
18 There's a provision in the law that recognizes that
19 over time the product has lost value, and so in theory,
20 if the -- you know, the product is recalled 10 years
21 into its useful life, that you wouldn't even -- you
22 know, it's like a mattress warranty, right. It's

1 prorated.

2 That isn't how most organizations operate, but I
3 think, you know, it's important to recognize that, you
4 know, where you're providing an incentive, that's a --
5 that's a voluntary thing that people are trying to do
6 with the best interest of consumers in mind.

7 MS. MATHIS: Any successful incentives?

8 MR. MILLER: I mean, you could -- this is Jeff
9 Miller. You could give them a discount on a new
10 product that's similar to the one that they're -- they
11 currently have.

12 MS. COWLES: Or you could replace it with a new
13 product.

14 MR. MILLER: Correct.

15 MS. WHITE: I would be curious to know, again,
16 not that I have any specific knowledge, but whether if
17 there's an incentive associated with the repair, if
18 that's more effective. It seems like if you're getting
19 a full refund, maybe the full refund is a sufficient --
20 you got your money back. But if it's a product where
21 there's a repair, do you get a better response on
22 repair if there's an incentive versus just offer --

1 MS. COWLES: It may be an accessory or something
2 along the --

3 MS. WHITE: Right. Yeah, I don't know what it
4 would be, but I don't know the answer either.

5 MS. MATHIS: So repair versus full refund.

6 MS. WHITE: Right.

7 MS. MATHIS: It sounds like we don't know where
8 consumers come out on which one works best.

9 SPEAKER: I think a repair like additional
10 products or (inaudible) something like that that free
11 of charge (inaudible).

12 MS. WHITE: I mean, from an ease perspective, it
13 seems like it would be easier to just get a full
14 refund, but then you'd have the question that
15 (inaudible) raised about, you know, if you really like
16 the product --

17 MR. MITCHELL: This is Jack Mitchell. I think
18 that refund versus repair was that if it's an issue --
19 difficult issue for VW during that diesel scandal,
20 because a lot of people didn't want a refund. They
21 wanted their -- they wanted to keep the diesel and they
22 wanted VW to fix it so that it would work as

1 advertised, as opposed to giving them money or buying
2 the car back. And then there are others who didn't
3 want that and felt cheated and wanted a full refund.
4 That project is part --

5 MS. TOPKA: (Inaudible) the options.

6 MR. MITCHELL: -- expense of working that whole
7 thing out.

8 MS. COWLES: Operating an option is almost an
9 incentive for consumers if they can choose which one
10 they want.

11 MS. MATHIS: Right. And we've heard that in the
12 group. You know, the more options you give them, the
13 more likely consumers are to participate in a recall,
14 which you would think it would flood them with options
15 and they would kind of be paralyzed, but it seems to
16 work in reverse.

17 MR. MILLER: This is Jeff Miller. Actually, I
18 think most recalls and corrective actions, including
19 options, either formally or informally, including the
20 fact that most recalls, at the end of the day,
21 consumers want their money refunded. Most retailers
22 and manufacturers see them as a sign of a formal --

1 informal recalls. I've used many different incentives,
2 Chotzky's (ph) little extra gift, something that
3 somehow is like an accessory to the product, where it's
4 possible, and I don't know -- I must say that I'm not
5 sure how effective those have been. It's hard to know
6 unless you can run parallel experiments, and you have a
7 huge free rider problem, because you're giving the same
8 thing to people who responded anyways.

9 But some companies feel good about it because
10 they feel it maintains their brand image and shows a
11 certain (inaudible) et cetera. But I'm not sure how
12 effective it is.

13 MR. GRUPP: This is John Grupp. We're
14 confronted with the same thing some of the automakers
15 are. We get something fails seven or eight years out,
16 you can't -- you can't economically offer a full
17 refund. You can fix it, but then the customer may come
18 to you with (inaudible) by agreement on that. They may
19 damage the product. Well that's (inaudible) all we can
20 do is offer a buyout, and if they don't want it, then
21 economically, you got a thousand of them out there,
22 you're talking about \$10,000 each.

1 MS. TOPKA: It's definitely a challenge. So --

2 MS. COWLES: I just have one more thing. We
3 actually put that we were going to be here on our
4 Facebook page. And so when I mentioned that a lot of
5 times companies, even with a repair kit, are so
6 insistent on receipts or some way to prove that you --
7 no one's asking for a repair kit for a product they
8 don't have, right? So just the fact that we now have
9 this product out there, people can't get the repair for
10 it because they -- of course, they've had it six years.
11 They don't have the receipt, and so they're forced to
12 keep -- either get rid of it or use if unrepaired.

13 And so an incentive is to get the information
14 you need, but don't insist on additional information,
15 and maybe you don't need to complete the recall.

16 MS. TOPKA: And I would agree with you on that
17 one. I think it's a really big hurdle to overcome if
18 that receipt -- I mean, I can see why companies want
19 it, but sometimes, you know --

20 MS. COWLES: Well, for a refund it might be
21 different. But you're sending a repair. Nobody can
22 use it instead of the product.

1 MR. MILLER: Yeah, I actually -- I don't think
2 that's as much of a problem as the CPSC insistence on
3 proving that in fact the repair has been done. So
4 sometimes you can't give out the repair kit unless
5 you've got some kind of an exchange or proof or some
6 evidence from the -- from the consumer that they
7 actually put the product out of commission or did the
8 repair, et cetera. And that can slow down and
9 complicate things.

10 MS. TOPKA: And the point, I think even having
11 consumers return a piece to say that they've destroyed
12 a product is something that can be a hurdle.

13 SPEAKER: That's another one.

14 MS. TOPKA: Okay. So I think we'll move on to
15 the last question, unless anybody had anything else
16 they wanted to add to this one. Okay.

17 SPEAKER: I think one thing that does motivate
18 consumers sometimes is (inaudible) you're doing what
19 you can do in the balance of this (inaudible) you can't
20 offer, you know (inaudible) you got a \$10 product and
21 they know it's going to cost you \$20 just to give them
22 a full refund and everything to go through this

1 process. So we'll pick up and -- be more inclined to
2 work with you.

3 MS. TOPKA: So good communication.

4 MS. MATHIS: Well, it sounds like financial
5 motivation, right? You're giving them over what they
6 originally paid for the product and you're just saving
7 --

8 SPEAKER: You're giving -- you're giving them
9 the same -- their money back, but they realize the
10 recall effort is expensive for you --

11 MS. MATHIS: Is possibly more.

12 SPEAKER: -- and (inaudible).

13 MS. MATHIS: Yeah, fair. Yeah.

14 SPEAKER: You put sincerity to it (inaudible).

15 MS. TOPKA: So are there wording styles or
16 changes that can be made to notices that will help
17 motivate consumers? And I kind of threw a couple of
18 things up there that we brought from other sessions,
19 which is photos, videos. Are there other ideas that
20 people have in addition to that? You want to just
21 start with photos and videos and bring that over?

22 MS. WHITE: So Barb White. I don't know that I

1 have a solution, but I often find it difficult to find
2 in the current press release format. I think if there
3 were an opportunity to make the hazard more prominent
4 and also where it was purchased, I feel like that's
5 sometimes hard -- hard to find. And you know, there's
6 a set order so it's consistent, but as somebody who is
7 a practitioner, when it takes me a second to find it, I
8 think well, if I weren't a practitioner I probably
9 would give up. And we know that it's important for
10 guests to understand if the product that they purchased
11 is a recall.

12 MS. TOPKA: Because they're going to know where
13 they bought it.

14 MS. WHITE: Right. Where they bought it and the
15 timeframe too.

16 MR. SAMUELS: And I agree.

17 MS. TOPKA: (Inaudible) retail, where they
18 bought it and the timeframe.

19 MR. SAMUELS: Chuck Samuels. I don't know
20 whether my (inaudible) Barb. My problem is as a
21 practitioner, I just find it demanding, the format
22 that's been used in the last few years, or whether it's

1 ineffective for consumers. So it's more important for
2 consumers (inaudible) but I think you need to do some
3 kind of consumer test on that, because I find it
4 impossible to read one of those without flipping back
5 and forth, which seems to me to be a bad idea.

6 But maybe it's just, again, those of us in this
7 room who are all professionals have the problem versus
8 consumers, and you ought to find out directly
9 (inaudible).

10 MS. COWLES: Yeah, I would agree with that. I
11 know we've done some focus groups with parents and
12 grandparents and caregivers, and the one thing they
13 want to know, beyond the picture, they want to see the
14 pictures. It's my product. And then they want to know
15 what's the hazard, and that's the measuring of the risk
16 that they're going to do for themselves. What is the
17 hazard? Do I need to stop right now in my busy day and
18 figure out what the rest of it says, or is it something
19 that I can wait and go back to even if I do have the
20 product? So I think that --

21 SPEAKER: Is the product hazard (inaudible)
22 recalled action.

1 MS. COWLES: Recalled action. And part of what
2 is the hazard is the injury information, have children
3 been -- you know (inaudible) talk mostly about children
4 (inaudible) who's been injured and that kind of thing.
5 Because sometimes, you know -- and again, as a
6 practitioner, I'll notice it. It's a very small lot
7 size and a whole lot of injuries, and then, you know,
8 it's a much higher risk that someone's going to be
9 injured.

10 MS. WHITE: And I think the current format, if
11 I'm not mistaken, the pictures are all the way at the
12 end. If you see a Tweet next to the picture, or if you
13 -- but if you're just looking at the press release, the
14 picture is (inaudible).

15 MS. COWLES: And just to add to, I think, other
16 than not having the picture, the e-mail alert that goes
17 out to the press versus what goes out to consumers on
18 your list is much easier too if it just had the picture
19 on it as well.

20 MS. TOPKA: Okay. That's a good point. So if
21 the alert that goes out to the press is an easier
22 format to follow then we'll do that to consumers. Just

1 need the photo added to it.

2 Any ideas on doing something different,
3 creative, like memes and making something different to
4 kind of grab attention than just the seriousness of the
5 message?

6 MS. MATHIS: What about infographics? Has
7 anybody -- does anybody have familiarity with those,
8 and if so, good experiences on infographics?

9 MS. COWLES: You mean on an individual recall?

10 MS. MATHIS: Hmm-hmm.

11 MS. COWLES: You just need the picture of the
12 product. I think if you start adding memes then what
13 are you going to do when there's death? You're going
14 to have such cute little thing. I just (inaudible).

15 MS. TOPKA: Trying to think of other things to
16 suggest here while we're talking.

17 MS. MATHIS: And we did -- we got the five-
18 minute wrap-up, because we're actually almost done for
19 the day, believe it or not.

20 MS. TOPKA: I know. It went so fast today.
21 We're having so much fun.

22 MS. MATHIS: It did. I know. They just enjoyed

1 it so much. You know, we can alternate who's doing the
2 wrap-ups on each of the messages. I think we should
3 start from the beginning.

4 MS. TOPKA: Yeah.

5 MS. MATHIS: All right. Hopefully I don't rip
6 this right off the --

7 MS. TOPKA: So, we first talked about consumer
8 behavior and how it's changed over the past 20 years,
9 and the -- kind of the response to that. So what we
10 found is basically we have no attention span
11 (inaudible) and we think that lifespan products have
12 decreased, but we have this high expectation of quality
13 during the time that we have it. We're very vocal, and
14 we all know that. We have a stereotype here for a
15 reason. Very diverse news sources and we accept peer
16 recommendations, probably more important than anything
17 else, and that we're in a global market.

18 And so then when it comes to the response, we
19 really need to have (inaudible) with a quick response.
20 High priority recalls need to be focused that way. So
21 we're not kind of (inaudible) the mic's picking up
22 (inaudible) there's options for remedy, especially if

1 the product is out in its latest label.

2 Online registration, I'm glad this came up
3 because I think it's a great thing (inaudible) success
4 with that, and then good initial response from the
5 company, just making sure that they're ready for a
6 recall or that you respond to people when they are
7 commenting on their social media or when they're doing
8 it, and not becoming a viral story (inaudible) life a
9 response, but a viral story because you had such a
10 great response.

11 MS. MATHIS: And then we moved on to challenges
12 for motivating consumers. Again, we saw the same
13 things over and over, right. It can't be too complex.
14 It can't be too time consuming. This goes with our
15 recall alerts that we were just talking about. But you
16 want to make sure that you maintain the brand image.
17 So don't overcommunicate a hazard that might be a
18 minimal hazard. Leave it potentially up to the
19 consumer to evaluate the message. Just make sure that
20 you're communicating clearly.

21 Speaking of communicating clearly, let's just
22 get a little bit further along so that you guys can

1 join the fun crowd in the big room.

2 MS. TOPKA: What motivates consumers to
3 participate? And so that's the main message.
4 Definitely I think what we've seen today is we
5 definitely need (inaudible) feedback from consumers
6 from CPSC standpoint, figure out --

7 MS. MATHIS: That's (inaudible) recognize.
8 Thanks (inaudible).

9 MS. TOPKA: Yeah, let's (inaudible).

10 MS. MATHIS: Yes.

11 MS. TOPKA: So we definitely need more feedback
12 from consumers to find out why they do or do not
13 participate in recalls. Where (inaudible) consumers
14 are and then lack of alternatives now, in the meantime,
15 while you're waiting for a (inaudible).

16 MS. MATHIS: And we talked about some of the
17 incentives to participate. I think the repair versus
18 full refund discussion was a really good one today, and
19 I'm surprised by this because I'm new, because every
20 market -- every marketing thing that I've ever seen
21 says when you give people more options it paralyzes
22 them with choice, and sometimes they don't end up

1 buying any of your products because they can't make a
2 decision. But it sounds like on incentives to
3 participate in a recall, the more options the better,
4 and you get a better response from consumers as a
5 whole.

6 And again, something that got touched on a lot,
7 removing hurdles to participate. Make it easy with
8 how-to videos to do that repair. Don't require
9 receipts if the product was purchased years ago, or was
10 that product that something -- that somebody wouldn't
11 keep an actual paper receipt for because it was an
12 inexpensive one.

13 MS. TOPKA: And then make sure you have clear
14 communication with consumers so that you don't have
15 issues with it, which is also an incentive because
16 you're being honest with him and they know who you are.
17 And I think we've seen that with recalls, at least from
18 our standpoint, because the more honest the company is,
19 the better response they get. You know, sometimes
20 (inaudible) you know, the consumer, that you're trying
21 to get them a good remedy and so that's what's taking a
22 little extra time.

1 And then wording style to help motivate
2 consumers. Photos, images, uniform recall message,
3 highlighting the retailer and when they bought it so
4 they can find that information easily, because let's
5 face it, most people know where they bought it. And
6 then consumer research, again, is the other recall
7 message, picture of product and hazard (inaudible) call
8 to action prominent, and then you're only going to have
9 a few seconds to convey a message, so grabbing them
10 right from the front so you can get that message to
11 them. Again, short attention span.

12 MS. MATHIS: Yeah, exactly.

13 MS. TOPKA: Okay.

14 MS. MATHIS: So lastly, we want to let you guys
15 know that if you have comments that you wanted to share
16 with us at CPSC, you're going to hear from our head of
17 compliance in just a second how you can do a little
18 short feedback survey, but if you actually want to send
19 more lengthy comments, you can do so to Joe Williams.
20 His e-mail address is up there, and we're going to
21 accept written comments until August the 11th on this
22 workshop, so ideas that you've got for future

1 workshops, any feedback that you want to give that you
2 don't feel like you can put in a little text box on the
3 feedback survey, please feel free to send it to Joe at
4 that e-mail address.

5 (A brief recess was taken.)

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UNITED STATES
CONSUMER PRODUCT SAFETY COMMISSION

TECHNOLOGICAL ADVANCES TO IMPROVE RECALL EFFECTIVENESS
GROUP B

Hearing Room 420
4330 East West Highway
Bethesda, Maryland 20814

Tuesday, July 25, 2017

1 PROCEEDINGS

2 MS. CAVE: All right. We're going to get
3 started.

4 So, I think this is the most exciting session
5 of the day. Okay. So, we had such a huge response in
6 the -- this request actually to participate in these
7 sessions, we had to break you all into two groups.

8 So, what we're going to do is we are going to
9 let each of the tables -- you all have paper and so
10 forth. So, one of the things that we wanted to focus
11 on in this session is, obviously, technological
12 advances because, as more and more products become,
13 like, smart technology and things of that nature, there
14 is definitely new ways and more effective ways to reach
15 out.

16 I can tell you, for example, in the cell phone
17 industry we've had a few recalls in those areas, and
18 it's been really, really effective for the
19 manufacturers who were involved in those recalls to be
20 able to provide direct notice to consumers through
21 their cell phones. That's not always the way that it
22 works.

1 But you heard me talk earlier about the
2 emergency devices where people are using them to alert
3 medical people and so forth. Those have also been
4 very, very effective in terms of communicating with the
5 consumer and getting them to respond to a recall.

6 So, we are going to give you all about 20
7 minutes --

8 MS. CHISOLM: About 20 minutes.

9 MS. CAVE: -- 20 minutes to work in your
10 groups. And then, at the end one person from your
11 group -- you don't have to agree. This is not about
12 agreeing. This is about, like, the more combative is
13 fine; that's not a problem and
14 -- because we want to hear all of it. And then, at the
15 end we're going to take everybody's information, and
16 we're going to put it up here and go over it. And
17 then, we're going to go back into the big room for the
18 final.

19 So, we're going to give you about 20 minutes.
20 I will tell you the court reporter is here. So, she's
21 not going to hear your individual conversations that
22 are going on. So, you can talk badly about me if you

1 need to. It's really okay.

2 But when you come up here at the end, please
3 speak clearly so that she can actually record what is
4 reported out from each of your tables so that we have a
5 record of what's going on. Okay?

6 MS. CHISOLM: So, your time starts now.

7 MS. CAVE: There you go.

8 (Open discussion.)

9 MS. CAVE: All right. You guys ready? Who
10 from what group is going to present on behalf of your
11 group?

12 MALE PARTICIPANT: Carol, we need to stall
13 over
14 here --

15 MS. CAVE: Okay. So, you're going last.

16 MALE PARTICIPANT: Exactly.

17 MS. CAVE: Okay.

18 MALE PARTICIPANT: Thank you.

19 MS. CAVE: Got it.

20 John Gold, who from that group is speaking?

21 MR. GOLD: Are you calling on me to speak on
22 behalf of my group?

1 MS. CAVE: I'm not. I'm just asking for a
2 volunteer.

3 MR. GOLD: I guess since you just called me
4 out, I will volunteer.

5 (Laughter.)

6 MS. CAVE: I never get to do that.

7 MR. GOLD: I've been voluntold, I guess.

8 MS. CAVE: Voluntold.

9 FEMALE PARTICIPANT: He's just been voluntold.

10 MR. GOLD: Voluntold.

11 MS. CAVE: So, you got to come up here.

12 MR. GOLD: Okay.

13 MS. CAVE: And you can bring your sheet
14 because it may be --

15 MR. GOLD: I may rely on my team if I miss
16 anything, so please back me up.

17 MS. CHISOLM: And when speaking, can you give
18 your name and your firm?

19 MR. GOLD: Sure.

20 John Gold with the National Retail Federation.

21 So, as we're talking about advances in
22 technology, obviously, new apps that are out there,

1 messaging functions that are now available in --
2 whether it's Facebook, Instagram, Twitter, what have
3 you, all have that messaging functionality, ability to
4 reach out to folks. Some of that is embedded in some
5 company's web pages. We heard Target give their
6 example earlier. Others are looking at that as well.

7 Advanced search functions on websites. We had
8 the example at our table from Mattel/Fisher-Price.
9 They have the ability to -- you as a consumer can go in
10 and drill down to figure out if your specific product
11 is subject of a recall.

12 With yes/no kind of questions, they'll see --
13 you know, if you've got a high chair and, you know, 20
14 different models out there, how do you figure out which
15 is the right one -- does it have this capability or not
16 -- and to be able to drill down to figure out if you've
17 got the right one to do, so advanced search
18 functionality to be able to do that.

19 The important thing that we think is all the
20 data that is caught by CPSC -- need to expand and
21 advance the Retail Reporting Program. I think there's
22 a lot of great detail that is there that's offered by

1 retailers that CPSC can text-mine to be able to get --
2 showing data on that they think would be very valuable
3 to help kind of look at trends and everything else with
4 these.

5 It's extremely important while -- not
6 necessarily in technology. We think it's something
7 that could help the process, move it in focus.

8 FEMALE PARTICIPANT: John, just to that --

9 MR. GOLD: Yes.

10 FEMALE PARTICIPANT: There are text mining
11 tools such as Salesforce or Fairbridge that are a
12 technology that didn't exist, like, five years ago, six
13 years ago, to help with that synthesis. They
14 synthesize --

15 MR. GOLD: Right.

16 FEMALE PARTICIPANT: So, looking through
17 customer service notes, that kind of thing --

18 FEMALE PARTICIPANT: Yeah. It does text
19 mining, and you can put a P word, searches, you know,
20 and things like that. So, I think, as a technology,
21 there is a lot in data mining that takes a large amount
22 of data and can synthesize it down for analytics. It

1 doesn't mean that it's been analyzed, but someone still
2 has to do the analytics --

3 MR. GOLD: Looking at a QR -- QR codes, RFID
4 when affordable, key words, when affordable, at the SKU
5 level.

6 Question number two, improving direct
7 notifications; queue up better collaboration between
8 retailers and manufacturers. That's something we
9 touched up on in the earlier session about the sharing
10 of the information, the customer list and things like
11 that.

12 So, you need to have better communication on
13 both. I think it goes both ways, you know, one for
14 retailers who provide customer data to the manufacturer
15 -- they're both in agreement to do that -- but also
16 getting that information to the retailer in advance as
17 far as when recalls happen to get that -- to get the
18 notice out there.

19 Then, talking about advances in technology to
20 improve direct notifications, looking at things like
21 Google Home, Siri, you know, all these new voice-
22 activated things that are out there that are coming

1 down the line with all the smart technologies that are
2 coming, smart appliances and all that, how does it all
3 tie together at some point in time to say, "Siri can
4 tell you how to recall now"? You have X products in
5 your home. There's a recall now -- so things like
6 that.

7 Challenges. It's the white noise, sending too
8 many emails and texts to consumers about things that
9 folks just tend to turn off -- anyone on what's out
10 there.

11 Privacy issues. Something we touched upon
12 earlier, too, you know, you've got a lot of cyber and
13 other privacy-related issues that Congress and other
14 agencies are looking at. So, make sure you don't go
15 crosswise with, kind of, what they're -- those agencies
16 are doing. Make sure that we do -- we're actually
17 participating in the scope of what current regulations
18 or future privacy regulations -- Kathleen, you talked
19 earlier about the consumer technology, CTPA.

20 So, make sure that whatever is out there falls
21 in line with that as well. So, those are some of your
22 challenges.

1 MS. CAVE: Awesome.

2 MR. GOLD: So --

3 MS. CAVE: All right.

4 MR. GOLD: My folk, good?

5 MALE PARTICIPANT: Good.

6 FEMALE PARTICIPANT: Good job.

7 MALE PARTICIPANT: More manufacturers need to
8 use Alexa and Siri and all them to register their
9 products, and then that information's there. And it's
10 a whole lot easier than having to go on your computer
11 or call. You know, just tell Siri --

12 MS. CAVE: I don't like the advice Siri gives
13 me.

14 (Laughter.)

15 MR. GOLD: Okay.

16 MS. CAVE: All right. Thanks, John.

17 MS. CHISOLM: Who's next?

18 MS. CAVE: Quin, are you --?

19 MR. DODD: Sure.

20 A lot of the same things that John was talking
21 about, connective devices, obviously, the Siri. And by
22 the way, Alexa can also tell you if you're criticizing

1 the President too much, apparently.

2 MALE PARTICIPANT: Yeah. Yeah.

3 MR. DODD: That's -- you get a double.

4 Internet connectivity, social media, the CPSC
5 database -- which I know we've heard all about this
6 today, but it's still out there. The database --
7 people could check the database -- the apps with the
8 push notification; of course, CRM and loyalty cards;
9 more advance registration methods, product registration
10 methods and technologies; QR codes; direct to consumer
11 -- what did we mean on that, direct to consumer? I'm
12 not exactly sure.

13 MALE PARTICIPANT: More -- more manufacturers
14 are selling direct-to-consumer these days --

15 FEMALE PARTICIPANT: Yes. Right. Yes.

16 MALE PARTICIPANT: -- which makes the recall
17 process --

18 MR. DODD: Oh. Oh. Oh. I'm sorry. Yeah, of
19 course.

20 FEMALE PARTICIPANT: Like, online, for
21 example.

22 MALE PARTICIPANT: Yeah. Yeah.

1 MR. DODD: Sort of advanced uses of Twitter,
2 which I couldn't espouse, but that was discussed; then
3 voice-active communication, messaging apps; scanning --
4 use of scanners or scanning apps on your -- in
5 addition, as a subset maybe -- use of scanning apps on
6 your phone to scan barcodes or other things associated
7 with the product and finding out whether they're
8 recalled. We -- John talked eloquently about better
9 data generally.

10 Product -- what was the second question, the -
11 -

12 FEMALE PARTICIPANT: Challenges.

13 MS. CAVE: It's on --

14 MALE PARTICIPANT: And what can we do to
15 improve.

16 MR. DODD: Challenges. Yeah. Oh, improve,
17 yeah.

18 So, using product registration data in more
19 effective ways -- do you want to --

20 FEMALE PARTICIPANT: Yeah, and having better
21 data about what's working well with the product
22 registration and what could be done better.

1 MR. DODD: Oh, sure. Oh, having data about --

2 FEMALE PARTICIPANT: About the product.

3 MR. DODD: -- what -- the best method to get
4 people to register.

5 Partnerships between manufacturers and other
6 -- and retailers and others in the supply chain. And I
7 would say it kind of cuts both ways if the manufacturer
8 is -- it makes more logical sense for the manufacturer
9 to recall a product that retailers could, in turn,
10 share their maybe more expansive data with the
11 manufacturer. And then, that might make it more
12 palatable for the CPSC to do a -- do the recall with
13 the manufacturer who made the product.

14 Repetition. So, the idea to repeat at maybe a
15 escalating -- in escalating ways.

16 Notification to consumers -- although there's
17 the downside of notification fatigue on that -- in
18 different forms. So, it was mentioned that, you know,
19 you first do a email then maybe a text or letter or
20 whatever might make sense for that product and the
21 hazard. But the -- of course, the downside is product
22 fatigue.

1 Hazard level. That was Rachel's issue she
2 wanted to put forward.

3 FEMALE PARTICIPANT: Because Quin --
4 (Laughter.)

5 MR. DODD: That's -- CPSC database in exchange
6 for a hazard level. I thought that was a good deal.
7 (Laughter.)

8 MR. DODD: Cost of doing any of this; privacy,
9 which is not of any small concern and I personally
10 think will be a greater concern as time goes by.

11 Indifference to the notification, of course;
12 concern to brand; and then, who's taking the hit, if
13 you will, for the notice, whose name is going to be
14 associated with that recall and with the notice, of
15 course.

16 And that's changing technology and keeping up
17 with it and not being locked into place with any one
18 thing, which we talked about earlier today.

19 So, that's our -- that's Team Two.

20 MS. CAVE: Thank you. Okay.

21 Mark, can we hear from your group?

22 MR. AUSTRAIN: I guess what we were doing as

1 we were going down this, we were kind of focused --

2 MS. CAVE: Who are you?

3 MR. AUSTRAIN: Oh. Sorry.

4 MS. CHISOLM: And your firm.

5 MR. AUSTRAIN: I got to go up there, too?

6 MALE PARTICIPANT: You got to go up there.

7 Come on, man.

8 MS. CAVE: Can you come up here so she can --

9 MR. AUSTRAIN: This isn't a courtroom.

10 Well, if somebody will explain to me what
11 Twitter is and what Facebook is, then I could be doing
12 a better -- a much better presentation or discussion --
13 not to mention how do I even put this up here.

14 MALE PARTICIPANT: It's on the side.

15 MR. AUSTRAIN: Okay. One of the things we
16 were really talking about was that it's not so much the
17 technology that needs to be advanced but rather to
18 focus on the most important thing -- was registration;
19 what can we do with technology to improve registration.

20 We didn't have a very good answer to that.
21 But everything else kind of falls into that because,
22 one, with the registration, you're not only -- it's not

1 just registering your product. But because of privacy
2 concerns, you have to have a separate little box that
3 gets to "I want to receive notifications," so you don't
4 have any problems. I don't know where the TCPA comes
5 in and privacy laws. They're now very, very strict.
6 But you want to get them to register.

7 Now, maybe -- and I think it was brought up
8 before -- there is a way to use oral registration so
9 that when you're in the checkout line, instead of
10 saying, "Please sign here," I would like to do -- I
11 would like to register a product.

12 But certainly, once you have the registration,
13 it seemed to us that you really have lots of ways to
14 communicate. Certainly, text messaging has been
15 experiencing -- our experience has been very, very
16 helpful. But you also have email and lots of ways that
17 are developing once you have the telephone number, the
18 contact information, and you have the permission.

19 Now, one of the things that we kicked around,
20 in terms of -- there are a number of recalls to people
21 -- or a number of products that people have that are
22 both important to the agency and to the public. And

1 most of -- the most serious ones -- sorry -- involve
2 children. Parents are willing to look at stuff because
3 they're concerned about their children.

4 At the moment, for example, the CPSC's Twitter
5 account is miniscule. 38,000 doesn't work. It's not
6 -- it doesn't have enough people. Is there a way to
7 have retailers -- we talked about the -- but it's
8 talking to Home Depot and others --

9 FEMALE PARTICIPANT: Right.

10 MR. AUSTRAIN: -- saying -- telling people to
11 either -- maybe it's on their slip, whatever -- about
12 the CPSC website that tells you what recalls are there
13 involving your products. You ought to go on and sign
14 on to the CPSC's Twitter account so that -- there
15 aren't that many recalls really. But when there are,
16 you want to get them out to people. And one way to do
17 it is to kind of advertise at the retail level that
18 says they're there.

19 And/or -- they -- we talked about the kiosks
20 at the retail level. Go take a look at the recalls.
21 This is for your safety. And in terms of going to look
22 at this on the site or the kiosk -- this just me coming

1 again -- graphics are important.

2 In other words, if it were on the end of a
3 receipt, check for recalls on products and have a
4 graphic -- I don't believe in text. Text doesn't get
5 your attention very quickly -- so that basically
6 retailers are assisting people in taking safety issues
7 seriously because everybody bombarding everybody else
8 with notes and this, that and the other thing -- at
9 least many of us are just sick of it and wouldn't sign
10 up for anything. But if you tell them where to go, you
11 know, it'll be --

12 MS. CAVE: Okay.

13 MALE PARTICIPANT: Can I ask a question?

14 MS. CAVE: Sure.

15 MALE PARTICIPANT: Why isn't product
16 registration the default? Is it because retailers
17 don't want to give up the customer?

18 MS. CAVE: I think that's a big part of it. I
19 think it's also a time-consuming issue when people are
20 checkout out, that it slows the line, and then people
21 complain about --

22 MALE PARTICIPANT: But like, 90 percent of

1 people use a credit card.

2 MR. DODD: But registering what, high-end
3 products that --

4 MALE PARTICIPANT: Yeah --

5 MR. DODD: -- not --

6 MALE PARTICIPANT: -- like, for certain
7 product classes.

8 MR. DODD: Not a \$2 toy.

9 MS. CAVE: Right.

10 MALE PARTICIPANT: For everything all the
11 appliance guys sell, why isn't that --

12 FEMALE PARTICIPANT: But it's sort of what --

13 MALE PARTICIPANT: -- the default?

14 FEMALE PARTICIPANT: So, we filed a petition
15 in -- around 2000 to require registration cards and --
16 online registration. And it was very controversial and
17 was rejected. Quin may remember that.

18 MR. DODD: Yeah.

19 FEMALE PARTICIPANT: So, it really is
20 something that there has been a lot of objection to
21 historically. And with the CPSIA for just a subject --
22 subset of products, that -- this is sort of, I think, a

1 good inroads to that. But I mean, this is something
2 that consumer groups have been wanting to be default
3 for a long time.

4 MALE PARTICIPANT: Yeah.

5 MR. DODD: But that was when cards were the
6 default, too.

7 MALE PARTICIPANT: And the world's moving
8 online, so it's --

9 FEMALE PARTICIPANT: Yes. But it's -- I think
10 we call it product registration, but the idea is an
11 online method.

12 MALE PARTICIPANT: Yeah. It's just --

13 MS. CAVE: And quick.

14 FEMALE PARTICIPANT: Yeah, quick.

15 MS. CAVE: And I think he's --

16 FEMALE PARTICIPANT: You know, we were just --

17 MS. CAVE: Yeah.

18 FEMALE PARTICIPANT: Were you on the NTSA car
19 seat thing, like, last week, I guess it was? And they
20 were talking about the use of registration cards. And
21 three-quarters of the people who actually buy car seats
22 don't register their car seat at all, which is crazy.

1 And part of it is because it's a card.

2 And so, how can you take that format and turn
3 it into something that's quick, fast for the consumer
4 to be able to register their product?

5 FEMALE PARTICIPANT: Right. And really, at
6 point of sale --

7 FEMALE PARTICIPANT: At a checkout.

8 FEMALE PARTICIPANT: Right, at a checkout.

9 FEMALE PARTICIPANT: Your challenge with point
10 of sale is going to be --

11 FEMALE PARTICIPANT: Each retailer --

12 FEMALE PARTICIPANT: -- that retailers don't
13 want to add it.

14 FEMALE PARTICIPANT: No, I don't --

15 FEMALE PARTICIPANT: I think the challenge is
16 going to be their IT experience. Each retailer has
17 their own system.

18 FEMALE PARTICIPANT: Right.

19 FEMALE PARTICIPANT: So, how do you register
20 for GE and Samsung and all these different ones
21 collectively? And how Sears does it may not be the way
22 Home Depot -- so, I think that's the bigger challenge.

1 And you could make it easy and accessible and where it
2 may minimalize the time it takes. But what are you
3 going to do for self-checkouts?

4 FEMALE PARTICIPANT: Right.

5 FEMALE PARTICIPANT: What are you going to do
6 for all of the other avenues when they get, you know,
7 to the point of getting a receipt.

8 MR. AUSTRAIN: Self-checkout is easy. Do you
9 wish to get notification of safety issues? Check.

10 FEMALE PARTICIPANT: Well, you can do that,
11 but like, to your point where you're saying go to the
12 CPSC, if people are getting an emailed receipt, they're
13 only going into that email -- is if they have to return
14 it.

15 MS. CAVE: See, I would take it up one step
16 farther, which says, when I'm a consumer and I'm
17 checking out, I have the ability -- and this came up in
18 the NTSA thing, is -- a solution was I would like -- me
19 personally, I would say, "Yeah, let me take a picture
20 of it," whatever it happens to be, and I text it to you
21 so that you know that -- you now have my contact
22 information on my cell phone. And you know I've

1 approved it because I've sent it to you, oh, by the
2 way.

3 And whenever there's a problem, you get right
4 back to me via text message. "We understand you bought
5 a purchase at such and such and such and such. Send me
6 a text message.

7 MR. DODD: But there's no doubt that at
8 physical checkout lines, that will slow down the line.

9 FEMALE PARTICIPANT: Okay.

10 MR. DODD: I mean, it's a question of how
11 much. But if you're talking --

12 MS. CAVE: But I'm taking the product with me,
13 Quin. I can do it when I leave.

14 MR. GOLD: So -- but Carol, I just want to
15 point out to you couple things. The registration they
16 were talking about would go back to the manufacturer,
17 not to the retailer.

18 MS. CAVE: Right.

19 MR. GOLD: So, another thing, too, is, if
20 you've got people that are buying the product as a gift
21 -- a lot of -- a lot of game stuff that's bought is
22 bought as a gift.

1 MS. CAVE: Mm-hmm.

2 MR. GOLD: You don't have that -- you know,
3 the information to fill in there. But on the
4 technology though, is there a way you can look at it
5 where you take a picture with your phone of the code or
6 whatever; it would -- automatically populates the
7 information with the manufacturer. And you register
8 that way if you want.

9 MS. CAVE: Well, I mean, even if it is the
10 retailer -- and I'm not saying the retailer is the
11 responsible party because you all know -- we just had
12 this conversation -- they definitely help facilitate
13 that communication. And so, I see that as a vehicle to
14 help facilitate that communication with whoever the
15 manufacturer is that's doing the recall.

16 So, there's a lot out there. I mean, this is
17 the kind -- this is the conversation I think we want to
18 keep going. That's a problem we're definitely all
19 continuing to want to solve. I think this will not be
20 the last time that we will be talking about this, for
21 sure, because we are -- we got to change the way we do
22 business. That's the reality.

1 And so, anyway --

2 MR. FOSTER: I just have one last comment.

3 MS. CAVE: Sure.

4 MR. FOSTER: John Foster by the way. How are
5 you?

6 MS. CAVE: Yeah. (Laughter.)

7 MR. FOSTER: All right. So, one thing with --
8 I like the QR idea. That's really cool. That
9 automatically could -- populate -- about the product.

10 But something for the CPSC to consider is
11 their own outreach program because you could do recall
12 alerts or something similar to that. Just like I get
13 push notifications from Verizon, from United, you know,
14 my -- all the airline carriers about what's going on
15 with my personal, you know, flights and things, if you
16 did something similar to that, just kind of like an
17 outreach that said, "If you want to stay on top of
18 what's going on with safety issues related to products,
19 just do this. Sign up." You know, you log in or
20 whatever, and you sign up with the CPSC.

21 You can do -- you could do recall alerts on a
22 broad basis. People -- they pop up whenever -- like,

1 I'm on the listserv already, right?

2 MS. CAVE: Right.

3 MR. FOSTER: I get all your notices already.

4 I can decide what's important to me and what's not.

5 But you could do that for everybody. And it just pops
6 up as a text message or what have you so you could take
7 a look and you could read what's important to you and
8 dismiss what's not. And that's something you could do
9 now.

10 MS. CAVE: Okay. All right. We are out of
11 time, right?

12 MS. CHISOLM: No. We have 10 -- we have 10
13 minutes.

14 MS. CAVE: We have 10 minutes. Great. Keep
15 talking.

16 MS. CHISOLM: Five more minutes now. We're at
17 five. We have five more minutes.

18 MALE PARTICIPANT: Because closing remarks
19 start in five minutes.

20 MS. CHISOLM: Right. We have five minutes.

21 MS. PARR: Well, I would love to add this,
22 that the company that I work for has a registry that's

1 actually worked with most of the major appliance
2 manufacturers to do exactly that, to create a code for
3 a -- it's actually a photo-registered symbol that is
4 permanently placed on a product if it's on a
5 registration card. And consumers take a picture, and
6 they text it. That's working for -- well here in the
7 U.S. In other markets they're using whatever messaging
8 services --.

9 Across the board, we've seen a three to five
10 times increase in registration. And when you add
11 things like incentives, in other places they do more.
12 And when you incorporate the ecosystem of a smart
13 appliance into that and recognize that registration
14 coming through -- channel, not just one that's
15 initiated by the customer, that's when you're getting
16 that registration rate that's, you know, getting closer
17 to 100 percent of the customers.

18 MR. DODD: That wouldn't satisfy the durable
19 -- registrations requirements; would it?

20 MS. CAVE: Unless we changed them.

21 MR. DODD: If Congress changes them.

22 MR. AUSTRAIN: Could you explain that again

1 just because, as I say, I'm -- you know --

2 MS. PARR: So, the manufacturers -- we
3 actually integrate at the plant so that the code that a
4 customer takes a picture of and sends it actually
5 includes the model and serial number so you have a
6 hundred percent data accuracy. And there's a lot of --
7 behind that data, you know, the factory that it came
8 from, all the parts that are behind it -- and populate
9 that with whatever -- the phone number. So, they
10 essentially don't have to fill out any other
11 information. But sometimes there is additional
12 information that the manufacturer wants.

13 MALE PARTICIPANT: Alison, as they press send,
14 are they also agreeing to a marketing relationship with
15 that manufacturer, or is it purely safety recall --

16 MS. PARR: So, that -- our technology simply
17 facilitates the --

18 MALE PARTICIPANT: Yeah.

19 MS. PARR: -- user experience on behalf of the
20 manufacturer so that if every -- every manufacturer has
21 their own privacy policies.

22 MALE PARTICIPANT: Yeah.

1 MR. AUSTRAIN: But they have -- but you have
2 to take out your iPhone to take a picture.

3 MS. PARR: Or send it through another
4 messaging service that's supported by that
5 manufacturer. So, we support quite a few different
6 messaging services and make recommendations --

7 MR. AUSTRAIN: No. But I mean, you've got to
8 take a picture through -- you're on your iPhone.
9 That's the one thing you have to do at the checkout
10 line.

11 MALE PARTICIPANT: Yeah. You could initiate
12 it.

13 MR. FOSTER: Yeah. I've done it. It's sweet.
14 It works really well.

15 MS. CAVE: Yeah. You have to initiate it.
16 So --

17 MALE PARTICIPANT: Yeah.

18 MS. CAVE: -- that's -- gets around your issue
19 of the check box.

20 MALE PARTICIPANT: Right. Right.

21 MS. CAVE: Like, if I'm agreeing to do that as
22 a consumer --

1 MALE PARTICIPANT: Yeah, the terms and
2 conditions you have to agree to as well.

3 MS. PARR: So, you -- the FCC actually
4 regulates how text messages are sent.

5 MALE PARTICIPANT: Right.

6 MS. PARR: So, you have stop or help and --
7 help behind that. And then, we have the linkage to the
8 manufacturer's privacy policy and methods of offering
9 options.

10 MS. CAVE: All right. A lot to take away.

11 MS. CHISOLM: Yeah, good information.

12 MS. CAVE: All right. This won't be the end
13 of this.

14 MALE PARTICIPANT: Well -- but it can look
15 bad. If you give me a registration, I'll give you
16 direct communication. That's the key.

17 MS. CAVE: Yeah. It's key.

18 (Whereupon, the breakout session was concluded
19 at 2:47 p.m.)

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