



**Staff Report to Congress Pursuant to Section 104(d)  
of the Consumer Product Safety Improvement Act of 2008  
Product Registration Cards**

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\*This report was prepared by the CPSC staff, has not been reviewed or approved by, and may not necessarily reflect the views of, the Commission.

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## Executive Summary

Section 104(d) of the Consumer Product Safety Improvement Act of 2008 (“CPSIA”) requires durable infant or toddler product manufacturers to provide product registration cards with each product sold and to maintain a record of consumers who register to improve the effectiveness of product recalls. Section 104(d)(4) requires the Consumer Product Safety Commission (“CPSC”) to prepare a report of the effectiveness of product registration cards in facilitating product recalls to be presented to the appropriate congressional committees. This report summarizes the findings of CPSC staff regarding the use of product registration cards in promoting product recalls. Staff is submitting the report to the appropriate congressional committees.

CPSC staff identified recalls likely to have included products sold with product registration cards, based on the sold and/or manufactured date of the product. Staff generated a data collection form to gather information from firms that conducted these recalls. The purpose of the form was to understand to what extent manufacturers use product registration cards to contact consumers directly, the benefits associated with this method and other methods that manufacturers use to communicate with consumers regarding the recall. CPSC sent the data collection form to 37 firms; 16 firms that have issued 21 recalls returned the forms. In 18 recalls, all or some of the products sold have included product registration cards. On average, 13 percent of customers registered their products, although the range was between 1 percent and 45 percent. In most recalls, the number of direct contact attempts made to consumers either exceeded or was the same as the total number of consumers who registered their products. Most firms have other means of collecting customer contact information, such as sales databases or customer service databases. Furthermore, some firms believe that their customer databases are more accurate and contacting consumers using these customer databases is beneficial if there is a recall.

Firms provided various suggestions to improve product registration: point-of-sale registration online or in store, to ensure that retailers advise customers to fill out the registration card before final sale, providing incentives to encourage registration; and encouraging consumers to register online to reduce legibility-related concerns.

Traditionally, the success of a recall program is measured by calculating the percentage of the number of corrected products as compared to the total number of products sold to consumers. In 21 recalls studied, on average, 33 percent of products sold to consumers were returned or repaired. Recall announcements are intended to reach all, or as many users of the recalled product as possible, and to inform consumers about the risks associated with a product. Upon receipt and comprehension of the recall message, consumers will assess many factors, such as perceived risk; product price; utility of the product; cost of compliance with the recall regarding effort and time; and useful life of the product. Subsequently, consumers will decide whether to take advantage of the remedy. Consumers may also choose an alternative method of reducing the risk, such as discarding the product or removing the product from use, both of which would still be effective, but not be recorded as corrective actions. Consumers also may choose to continue to use the product (sometimes with modified behavior) if they

deem the risk associated with use of the product to be low. Therefore, the reported recall remedy rate of the product may not necessarily indicate—and likely underestimates—the success of the recall notification method.

## **1. Background**

Section 104(d) of the CPSIA requires durable infant or toddler product manufacturers to provide product registration cards with each product sold and to maintain a record of consumers who register to improve the effectiveness of product recalls. The Commission has regulations implementing the product registration requirements. 16 C.F.R. part 1130. Section 104(d)(4) requires the CPSC to prepare a report on the effectiveness of product registration cards in facilitating product recalls to be presented to the appropriate congressional committees. This report summarizes CPSC staff findings related to issues on the use of product registration cards to promote product recalls. CPSC will submit the report to the appropriate congressional committees.

### **1.1 Recall Response**

The Commission defines a “recall” as any repair, replacement, or refund program. A recall seeks to remedy the hazard in the recalled product to minimize the risk of injury or death to the user or other people. A recall announcement by the firm and the CPSC is only the first step in a complex series of events before individual consumers are motivated to comply with the recall message. As explained in the previous CPSC report on this subject,<sup>1</sup> various factors impact whether consumers will comply with the recall, choose to discard the product, remove it from use, or modify their behavior in using the product.

### **1.2 Durable Infant or Toddler Products**

As defined in the Commission’s regulations on product registration, 16 C.F.R. § 1130.2(a), the term “durable infant or toddler products” includes the following products and product combinations:

1. Full-size cribs and non-full-size cribs;
2. Toddler beds;
3. High chairs, booster chairs, and hook-on chairs;
4. Bath seats;
5. Gates and other enclosures for confining a child;
6. Play yards;
7. Stationary activity centers;
8. Infant carriers;
9. Strollers;
10. Walkers;
11. Swings;
12. Bassinets and cradles;

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<sup>1</sup> [http://www.cpsc.gov/Global/About-CPSC/Reports/ReporttoCongressPursuantSection104\(e\)RecallNotificationEffectiveness.pdf](http://www.cpsc.gov/Global/About-CPSC/Reports/ReporttoCongressPursuantSection104(e)RecallNotificationEffectiveness.pdf)

13. Children's folding chairs;
14. Changing tables;
15. Infant bouncers;
16. Infant bathtubs;
17. Bed rails; and
18. Infant slings.

### **1.3 Product Registration Cards**

To improve recall effectiveness, the CPSIA requires that manufacturers of durable infant or toddler products listed above must:

- Provide consumers with a postage-paid product registration card with each product;
- Maintain a record of the names, addresses, e-mail addresses, and other contact information of consumers who register their products; and
- Permanently place the manufacturer's name and contact information, model name and number, and the date of manufacture on each durable infant or toddler product.

Registration forms are required to be attached on the surface of each durable infant or toddler product and include an option for consumers to register through the internet.

These requirements are currently in effect and apply to all manufacturers of the durable infant and toddler products listed above. The effective date of compliance was June 28, 2010, for: full-size cribs and non-full-size cribs; toddler beds; high chairs; booster chairs, and hook-on chairs; bath seats; gates and other enclosures for confining a child; play yards; stationary activity centers; infant carriers; strollers; walkers; swings; and bassinets and cradles. The effective date of compliance was December 29, 2010, for children's folding chairs, changing tables, infant bouncers, infant bath tubs, bed rails and infant slings.

Based on the sold and/or manufactured date of the product, CPSC staff identified recalls that have likely included products sold with product registration cards. A data collection form was generated to gather information from firms that conducted these recalls. The purpose of the form was to understand to what extent manufacturers use product registration cards to directly contact consumers, benefits associated with this method, and other methods that manufacturers use to communicate with consumers regarding the recall. The data collection form was not designed to permit industry-wide projections or extrapolations, but provides some general themes for future exploration.

## **2. Analysis**

### **2.1. Scope of this Report**

This report includes an analysis of 21 data collection forms completed by firms that issued recalls between September 2010 and May 2015. Recalls included products that were sold after the product registration card requirement went into effect. CPSC sent the data collection form to 37 firms; 16 firms

that issued 21 recalls returned the forms. More than 2 million products were recalled with these 21 recalls.

## 2.2. Types of Products and Proposed Remedies

The recalled products include strollers, cribs, high chairs, play yards, bassinets, and bath seats (Figure 1). Firms offered to refund or replace the product, or offered repair kits to replace a component of the product or fix the product to mitigate the hazard (Figure 2).

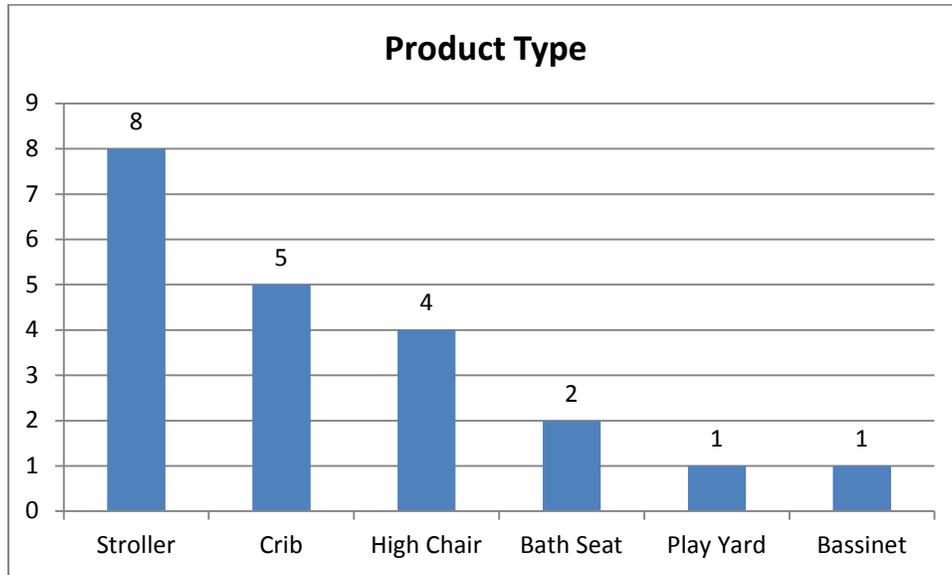


Figure 1. Count of Types of Products Recalled

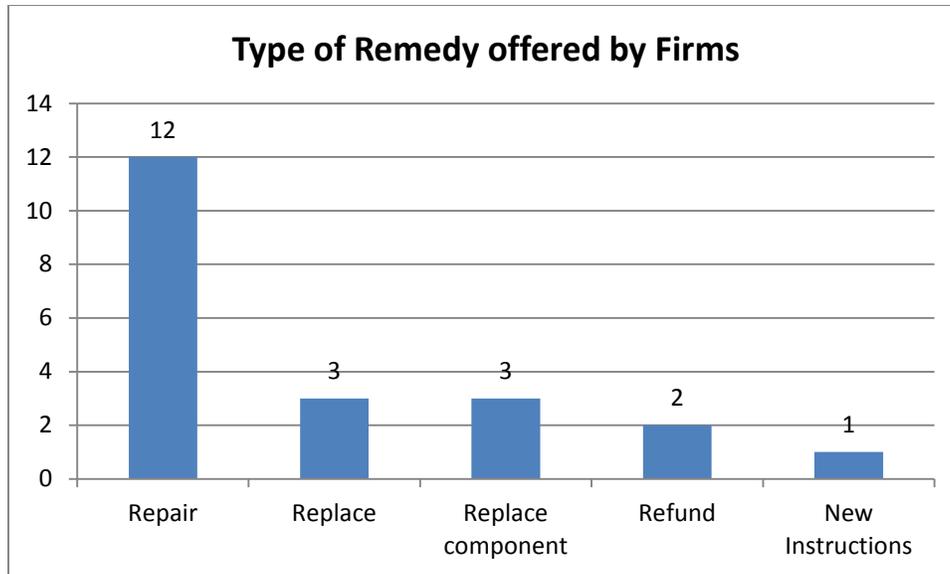


Figure 2. Count of Types of Remedies offered by the Firms

### 2.3. Product Registration Cards Provided with the Product

Three recalls involved products that were not required to have product registration cards because of their manufacturing date. In 12 recalls, all of the recalled products contained registration cards. In the remaining six recalls, most of the products contained registration cards.

### 2.4. Consumer's Registration

Out of the 18 recalls in which some or all of the recalled products were sold with registration cards, on average, 13 percent of the consumers who purchased the product had registered their products, while the range varied between 1 percent and 45 percent. When asked about the method of registration that consumers used, some firms reported an increasing trend in online registration. However, in many cases, both postal mail and electronic registration were used. One firm reported that between 2012 and 2014, postal mail registration for products that were sold with registration cards declined, in contrast to the online or phone registration (*i.e.*, consumer calls a representative who then enters the information electronically), which increased during that same period.

### 2.5. Reported Methods Used to Inform Consumers About the Recalls

In 17 recalls, firms used the contact information obtained through the product registration cards to contact consumers about the recall. In one case, the firm contacted all affected consumers using only the firm's customer database. Most firms have some way of collecting consumer information other than via product registration cards. Using sales databases gathered from in-person or online purchase of the product and customer service databases, which are populated by consumers calling the customer service departments for a specific product request, are two means of collecting contact information on

consumers. We compared the number of consumers who registered their products to the number of consumers that firms attempted to contact directly and learned:

- Recalls associated with products where all of the products had registration cards: out of 12 recalls, 10 recalls also relied on other means of collecting consumer information. Only one out of 12 recalls did not use the information collected via registration cards; instead the firm used its customer database to contact consumers directly. In one recall, the firm did not use the information in its customer service database, but attempted to contact all consumers who registered their products. The number of direct contact attempts made to consumers about the recall either exceeded or was the same as the total number of consumers who registered their products in each of the 12 recalls. On average, 12 percent of the registration cards were returned, while the range of registration per recall was between 1 percent and 45 percent. Overall, the firms attempted to directly contact 34 percent of the consumers who purchased recalled products (range of direct contact rate per recall was between 2 percent and 100 percent).
- Recalls associated with products, where some products had registration cards, included: a total of six recalls in this category. Firms attempted to directly contact consumers using the product registration card information in all of these recalls. Although four recalls also had other means of collecting consumer information, two did not. The number of direct contact attempts made to consumers about the recall either exceeded or was the same as the total number of consumers who registered their products in each of the six recalls. On average, 14 percent of registration cards were returned, while the range of returned registration cards was between 7 percent and 31 percent. Overall, the firms attempted to directly contact 17 percent of the consumers who purchased the recalled products; the range of direct contact attempts was between 1 percent and 42 percent of purchasing consumers for each recall.
- Recalls associated with products in which none of the products included registration cards: in one of the three recalls in this category, the firm used the contact information from customer service databases to directly contact the consumers. In one recall, the firm was able to contact all consumers using their sales database information. In the third recall, the firm did not have information to directly contact any consumers.

## **2.6. Recall Effectiveness Measured by Firms**

A few firms reported that they measure the recall effectiveness rate by the ratio of number of products corrected or returned to the number of products sold. When this ratio is calculated for each recall, on average, 33 percent of products sold to consumers were returned or repaired.

Many firms believed that recall effectiveness is unique for each recall. Type, age, and price of the product, exposure to the product, and the timing of the recall were mentioned as factors impacting recall effectiveness. Some firms also stated that even though consumers may have become aware of the recall, they might choose to discard the recalled product. Another reported measure of recall effectiveness was the number of reported incidents that occurred after the recall was initiated.

## **2.7. Recommendations to Improve the Likelihood of Consumers Noticing the Card**

Firms reported that product registration cards are attached to the product in an area where consumers have to physically remove or interact with the card. Firms did not have specific recommendations to improve the noticeability of the product registration card.

## **2.8. Reported Issues Associated with the Product Registration Cards**

Firms raised various issues associated with product registration cards, as listed below:

- Handwritten cards present legibility issues.
- Card may not have all information filled out.
- Some consumers register using multiple methods, such as registering online and mailing the card.
- Some consumers mail the manufacturer and customer portions of the registration card.

## **2.9. Opinions on the Benefits of Product Registration Cards**

- Some firms reported that using an electronic system would be helpful, such as creating an app to register the product using a mobile phone or using the matrix/two-dimensional barcode that is linked to the product registration website. Such methods, the firms stated, would provide convenience and minimize data entry error. Registering the product at the point of sale (in-store or online) was another method suggested by firms.
- Some firms reported that their recall success rate was high due to the overall outreach campaign, such as letters to retailers for distribution to consumers; outreach via the firm's website, as well as social media. Some manufacturers reportedly benefited from announcements or communications initiated by retailers, such as email blasts, notices, in-store communications and posters to reach out to consumers. Some firms reported that the best methods are direct contact (post card/letter/email) and indirect contact via website (firm's or CPSC's or retailers, pregnancy-related sites).
- Some firms reported that they do not find product registration cards beneficial and stated that consumers are more likely to hear about recalls on websites and TV announcements. Some firms stated that their customer database is more effective in collecting contact information and in identifying customers who purchased the product; and some firms stated that most consumers do not mail the registration cards.

## **2.10. Suggestions**

Firms provided following recommendations to improve product registration:

- Register products at the time the consumer purchases the product.
- Include retailers in the process by informing consumers to fill out the registration cards before the final sale.

- Provide incentives to consumers, such as extended warranties, to encourage registration of products.
- Include a note on the product registration card to indicate that consumers should register online if they have access to the internet, and indicate that the registration card should be mailed only when consumers do not have access to the internet. (It was suggested that this would reduce transcription errors from third party entry of submitted card data.)

Other alternatives:

- CPSC could inform consumers to register online.
- It may be more effective for the manufacturer to send out a preliminary email notice before the mandated postal mail notices. Most online retailers immediately send emails about product recalls that are received before the manufacturer can provide more complete, accurate and agency-approved information and instructions via mail. Consumers may be frustrated when the first notice is received from the retailer, rather than from the manufacturer.
- Social media can have a wider reach at a relatively low cost to remind users of the importance of product registration.
- A sticker containing the product name, number and manufacture date on the card would be beneficial to ensure that this information is available on the card and may reduce the data entry error.
- Allow firms the flexibility and creativity in wording, formatting, and placing the registration cards.

### **3. Discussion**

This report summarizes the findings from an analysis of 21 data collection forms completed by 16 firms that conducted recalls between September 2010 and May 2015. Out of the 18 recalls in which some or all of the recalled products were sold with registration cards, on average, 13 percent of the consumers registered their products, while the range of registration per recall varied between 1 percent and 45 percent. A recall announcement by the firm and the CPSC is only the first step in a complex series of events before individual consumers are motivated to comply with the recall message. The communication/persuasion process consists of successive information-processing behavioral sub-steps that create the persuasive impact in the target person. Some of the steps include consumers being exposed to the communication, noticing and comprehending the message, deciding what to do based on the information, and behaving in accordance with the decision (McGuire, 1989). Collecting consumer contact information via returned product registration cards is useful in directly notifying the consumer in case of a recall. Many firms have other means of collecting consumer information, such as sales and customer service databases. Using all of the contact information combined, in 16 recalls, firms were able to reach at least as many consumers, and in some cases, more than the number of consumers who registered their products via registration cards. In one recall, where none of the products were sold with

registration cards due to the product's manufacturing date, the firm reached some of the consumers using the contact information in the firm's customer service database.

Once consumers become aware of a recall, consumers can compare the product-specific information on the recall announcement with the information on the tracking label located on the product and determine whether their product is part of the recall. Consumers' motivation to respond to a recall message, however, depends on many factors. If consumers perceive the risk associated with the product to be small, consumers may continue to use the product. Even when consumers are motivated to take action in response to the recall, the nature of the action required by the consumer might have a high cost of compliance (*i.e.*, effort, time, lack of utility of the product). Therefore, consumers may choose to discard the product, remove it from use, or modify their behavior in using the product. Even though the risk might be effectively eliminated or significantly reduced with these measures, the reported recall remedy rates will not capture these actions. Among the 21 recalls studied, the reported rate at which the recall remedy was obtained was, on average, 33 percent.

Based on a survey of factors that influence consumers' decisions to register products, 31 percent of 522 survey respondents reported that they always or usually register products they purchase (Schoettle and Sivak, 2015). Consumers who were more likely to register their products said they do so to activate warranties or to receive recall notices. These consumers said they are more likely to register expensive products (78%) or products they plan to own for a long time (60.3%). Around 63 percent of respondents said they are more likely to register safety-related products. About 87 percent of respondents said they are more likely to register a product if registration was required to activate a warranty. About 59 percent of respondents raised unwanted communication as a concern. Around 79 percent of respondents said they are more likely to register the products if companies were prohibited from contacting consumers for non-safety-related issues. About 78 percent of respondents prefer automatic registration. After automatic registration, email or website registrations are the next preferred methods; in contrast, mailing post cards is the least preferred method of registration. Older respondents showed stronger preferences for automatic registration and against website registration than the other respondents. When asked the types of products that they are likely to register, around 55 percent of respondents reported that they would be very likely, or somewhat likely, to register infant and toddler products. Major appliances were most likely to be registered (81.7%), while furniture was least likely to be registered (38.9%).

In a survey that explored car seat recalls, 80 percent of the 562 survey respondents whose children use car seats reported that they believed in the importance of car seat registration; and 68 percent reported that they were aware of the card's purpose (SafeKids Worldwide 2015). However, only 42 percent reported that they filled out and returned the car seat registration card. Some parents cited problems with losing or forgetting about the card. These parents expressed a desire for more options in the methods available for car seat registration. The survey showed that parents who registered other products in their homes were more likely to register car seats. Parents reported two categories of products that they tend to register: products that protect the safety of their children and major purchases of high-priced household items.

Involving retailers by employing alternative registration methods, such as point-of-sale, electronic registration for technologically savvy consumers, and providing incentives to encourage consumers to register their products could be investigated further to identify the most effective methods of product registration that is targeted based on user preferences, as well as product characteristics.

Trade organizations are also participating in the effort to improve product registration. For example, the United Kingdom's Association of Manufacturers of Domestic Appliances ("AMDEA"), a trade association representing more than 85 percent of all small and large domestic appliances sold in the UK, created a web portal called "Register my appliance." This online safety initiative offers owners a simple way to register all of the appliances they have acquired within the last 12 years (AMDEA 2016).

Applying findings from marketing research to understand how to reach consumers can be beneficial in improving product recall effectiveness. A multi-channel communications strategy, such as social media advertising, complemented by traditional media, reinforces communications and boosts credibility (Bond et al, 2010). In crisis communication, a single type of source is found unlikely to be adequate or efficient to reach all affected populations. Due to rapidly changing demographics of social media use, the source of information would need to be tailored to accurately target specific audiences (Freberg, 2012). The Retooling Recalls workshop, conducted by the National Highway Traffic Safety Administration (NHTSA), compiled various strategies to improve recall effectiveness rates. Some of NHTSA's strategies have applicability in consumer products, such as developing creative incentives, using new ways to reach customers (social media, search engine ads) with targeted consumer information, identifying and applying the characteristics of memorable and effective ads, assigning risk severity for notices, and modernizing collection of contact information for consumers (National Highway Traffic Safety Administration, 2015). Firms can develop a hybrid strategy by exploring online communication channels, such as search ads, display ads, online communities, customized direct email, user-generated content sites, and mobile marketing, as well as traditional channels (*e.g.*, TV, radio, customized direct mail) to communicate a recall message. Combining emails, social media, and mobile texting with targeted and repeated messages, in addition to highly effective but short-lived conventional mass media channels, can improve consumer awareness of the recall announcements (CPSC, 2012).

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