



# PRESS RELEASE

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## **UL Global Study Reveals Critical Gaps Between Manufacturer and Consumer Priorities**

The Product Mindset 2013 untangles and classifies the global product ecosystem to gain deeper insight into manufacturer and consumer attitudes

Northbrook, Ill. – Sept. 24 2013 – UL, a world leader in advancing safety, announced the findings of its annual global study, [The Product Mindset](#). Now in its third year, the study provides insights about the ways manufacturers and consumers think and feel about the products they make, sell, purchase and use. In reviewing a broader range of subjects this year, including supply chain issues and human health concerns, critical gaps between manufacturer and consumer priorities emerged. Additionally, this year's study, based on respondents in the United States, China, India, Germany and Brazil, highlighted some of the characteristics of a more complex global marketplace. It found that while fundamentals such as quality, safety and innovation remain the most important factors driving behavior for manufacturers and consumers, a number of priorities such as transparency, health impact and outsourcing/country of origin are on the rise.

“The Product Mindset is the only global study of its kind and is an important tool for our customers,” said Keith Williams, chief executive officer, UL. “Our research provides insight into what we believe is a tremendous opportunity for businesses in the coming years. For example, in better understanding gaps in priorities, manufacturers can uncover new ways to engage consumers in a dialogue around how their products are made and sourced to provide greater peace of mind.”

Misalignment is occurring between the two stakeholder groups in what is expected or desired and what is being delivered. Highlighting these gaps helps to pinpoint opportunities for manufacturers to optimize their focus to better address consumer concerns. While there were ten critical gaps identified, a few were noteworthy:

- **Product quality dominates.** While many issues play an important role with manufacturers, it is clear from the data that product quality consistently dominates in terms of its importance and appears to be an area where there is a sizable gap in consumer confidence. Manufacturers in both developed and emerging markets rank quality as highly important; however, the majority of consumers indicate they feel manufacturers use the lowest cost materials regardless of quality.
- **Health impact is a rising priority.** While the environmental impact of products and manufacturer processes is still important for both consumers and manufacturers, the health impact of products emerged as the top Rising Priority for consumers. A gap in priorities can be seen in how they view environmental products: manufacturers see the impact to the environment as more important than the impact to human health but, for consumers, the health impact is more important.
- **Improvement is desired in transparency and traceability.** With globalization a key factor adding to the complexity of manufacturer and consumer considerations, issues such as transparency and traceability are increasingly important. While manufacturers understand that there is a demand and desire for supply chain transparency and traceability, consumers don't believe manufacturers are doing enough in these areas.

While gaps identified potential opportunities for manufacturers, there were areas of alignment and an overall sense of optimism prevalent in the research. Manufacturers and consumers feel conditions are beginning to improve, and the number of manufacturers who feel it is easier to be profitable rose 23 percent over 2012. A growing number of consumers feel respected by manufacturers and are more positive about overall improvement in product quality.

The Top 10 gaps identified in this year's study include:

1. **Quality:** 95% of manufacturers believe product quality is important, making it the #1 overall manufacturer consideration; however, 51% of consumers think manufacturers use the lowest cost materials in their products regardless of quality.
2. **Product Safety:** 84% of manufacturers believe that consumer confidence in product safety is increasing, but 58% of consumers believe that manufacturers value sales over product safety.
3. **Innovation:** 91% of manufacturers report innovation is becoming more important, but 63% of consumers feel new products are brought to market faster than they're needed.
4. **Health Impact:** 87% of manufacturers agree that consumers are becoming more interested in the potential health impact of products, but 39% of consumers think manufacturers do not provide all the important health impact information.
5. **Environmental Product Impacts:** 61% of manufacturers agree impact to the environment is more important than the impact to human health, but 61% of consumers agree the impact to human health is more important than the environmental impact.
6. **Environmental Manufacturing:** 90% of manufacturers agree that the environment is becoming more important, but 40% of consumers think manufacturers are not doing enough in terms of environmentally friendly manufacturing procedures or products.
7. **Supply Chain Transparency:** 84% of manufacturers state internal and external stakeholders are increasingly demanding supply chain transparency, but 42% of consumers believe manufacturers do not provide sufficient transparency.

8. **Traceability:** 69% of manufacturers agree that it is very important to clearly show consumers which ingredients/components are included in their products, but 43% of consumers feel that manufacturers do not make it easy.
9. **Ethical Treatment of Workers:** Although 78% of manufacturers acknowledge that consumers are concerned about the ethical/fair treatment of workers throughout the supply chain, 71% of consumers believe that manufacturers have not taken adequate steps to ensure this.
10. **Regulation:** While 86% of manufacturers believe that the regulations they deal with are already stringent, 74% of consumers feel that manufacturers should be more stringently regulated.

To obtain the full study with all key findings and use the data visualization tool, visit: [ul.com/productmindset](http://ul.com/productmindset).

### **Methodology**

During the winter of 2012 and spring of 2013, UL employed an independent research firm, ORC International, to conduct a global quantitative survey among 1,528 consumers and 1,521 manufacturers across five countries: Brazil, China, Germany, India and the United States. To meet the objectives of the survey, manufacturers across the high-tech/consumer electronics, food, home, building materials and smart appliances sectors were interviewed by phone, and consumers were interviewed through an online survey. Manufacturers were director-level executives specializing in management, research and development, marketing and sales, quality control, sustainability, product management or design. Consumers were a representative mix of age, gender, education and income.

### **About UL**

UL is a premier global independent safety science company that has championed progress for 120 years. Its more than 10,000 professionals are guided by the UL mission to promote safe working and living environments for all people. UL uses research and standards to continually advance and meet ever-evolving safety needs. We partner with businesses, manufacturers, trade associations and international regulatory authorities to bring solutions to a more complex global supply chain. For more information about our certification, testing, inspection, advisory and education services, visit <http://www.UL.com>.

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