Shopping 4.0
the rocky path to a high-quality product

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Production in China
Global Sourcing – Chances and Risks
The relative distribution of the causes of fire is relatively stable over the years. This can be seen in the comparison of the cause of fire statistics of the individual years, but also in the comparison of the cause of fire statistics 2016 with the overall statistics from 2002 to 2016.
Quality in the shop starts with sourcing - supplier selection

<table>
<thead>
<tr>
<th>Audit Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory Audit</td>
<td>Difficulties can be identified in the factory audit before deciding on a supplier and thus even before production starts. The focus is on the efficiency of the factory - organizational structure, production halls, quality and quantity of production lines, production processes, existing quality assurance measures, know-how and development. → Safety in the selection of suppliers.</td>
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<tr>
<td>Simple Factory Audit</td>
<td>Does the factory really exist, or is a subcontractor used? How many employees are employed and are the production halls suitable? → Is it a trader or really a manufacturer?</td>
</tr>
<tr>
<td>Social Compliance Audit</td>
<td>The focus is on compliance with health and safety standards, local health and safety laws, management practices, forced labor and workplace demands.</td>
</tr>
<tr>
<td>Social Compliance Audit Training</td>
<td>In case of discrepancies our training supports the manufacturers to comply with the necessary requirements during the process implementation.</td>
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</tbody>
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Risk-oriented partial testing - safety and compliance

Partial testing
- Construction Check
- Spot Safety Check
- Spot Chemical Check
- Spot EMC Check

Target
- Risk-oriented partial tests, helps in a cost-effective way to check whether a product tends to be safe and whether it complies with laws, standards, regulations and guidelines.
- Our experienced test engineers of the individual departments help to weigh which tests are advisable on which product.
Avoid surprises - monitor production

<table>
<thead>
<tr>
<th>During Production Inspection</th>
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<tbody>
<tr>
<td>As soon as 20-30% of the goods are produced, we inspect and evaluate the manufactured goods to the specified requirements and characteristics. Thus it can already be determined during the production whether changes must be made at the production line.</td>
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</table>

<table>
<thead>
<tr>
<th>Pre-Shipment Inspection</th>
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<tbody>
<tr>
<td>After 100% of the goods are manufactured, packed and ready for shipment, the goods are inspected and checked according to the specified AQL level. It is checked whether the goods meet the requirements of the buyer.</td>
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<table>
<thead>
<tr>
<th>Loading Supervision</th>
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<tbody>
<tr>
<td>Our inspectors monitor the loading of the goods and ensure that the goods accepted at PSI are actually loaded. The container can be closed with a VDE seal attached to the container.</td>
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<table>
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<tr>
<th>Post-Shipment Inspection</th>
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<td>Testing requirements comparable to PSI.</td>
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</table>
Approval marks - Consumer Confidence Trust and Marketing

- Usability is a first-class differentiator in a competitive market.
- Outstanding performance characteristics are highlighted in the label.
- Positive product evaluation in benchmark tests assures marketing benefits and prevents negative press reports.

- Test mark for LED lamps

- Test mark FFU
Supply Chain Services - Quality Assurance in your Supply Chain

- On-time product selection as well as product and supplier qualification
- Prevention of product recalls
- Lower rates of warranty claims
- Ensuring the usability
- Improved ranking in product tests of magazines
- Marketing advantage through proof of a competent partner with a high image effect
The importance of safety and usability for consumers

For 95% of consumers it is important or very important that electrical products are checked for safety by a neutral body.

63% of consumers pay special attention to test marks and quality seals for electrical products.

For what products you pay special attention on test marks and quality seals?

- Foods
- Electrical products
- Health products
- Technology in general
- Consumer Electronics...
- Financial products /...
- other

How important is information from neutral, independent bodies about the safety and usability of products?

- very important
- important
- less important
- unimportant

For 95% of consumers it is important or very important that electrical products are checked for safety by a neutral body.

Basis der Umfrage: Deutschland, 1003 Personen, ab 18 Jahren, Oktober 2014
In literature quality marks are:

"Extrinsic quality signals give consumers a compressed information on product quality."

Quality signals

Extrinsic signals

Intrinsic signals

Brand, Price etc.

Warranty

Quality marks

Manufacturer owned

Certificates / Approvals

Labels of origin

Test results

Labels of origin

Quality promise
Quality judgments from consumer magazines are an important decision-making tool for German consumers - bad test judgments can sweep products off the market.

There are 3 impact dimensions of quality labels that can lead to competitive advantages for the certified product.

The reputation and credibility of the certificate issuer have a significant impact on the impact of quality labels on consumers.

There are also misperceptions of the consumers regarding the certification process and criteria? - possibly a change that is taking place?

Thank you for your attention!

We are building the e-dialistic future. Please join us.

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