

CERTIFIED PRODUCT DISPOSAL

PROTECT
YOUR
BRAND



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INTRODUCTION

Billions of dollars are invested by American companies each year in brand management, “the process of maintaining, improving and upholding a product so that its name is associated with positive results and held in high regard by consumers.” Brand management involves a number of important aspects such as cost, customer satisfaction, in-store presentation, and competition, and is built on a marketing foundation that focuses directly on the product name and how it can remain favorable to customers.

For companies that make this critical investment in brand management, protecting their company and brand image is critical when finished goods that are either blemished, damaged, outdated, are bad returns or even recalled products for safety issues are produced and circulated. We are not talking about counterfeit products, but legitimate products manufactured either in-house or by your packaging company.

Stopping these products from reaching the marketplace, getting them out of circulation quickly, and disposing of them the right way can have an enormous impact on the brand’s future image and sales.

The Three Most Important Questions You’ll Have

If you produce any sort of product and have it professionally packaged, you already have a pretty good idea of when you need to have your products disposed of, however, you may not know the answers to the following questions:

1. How did my products end up on the Gray market?
2. How can I tell if my products are on the Gray market?
3. What should I look for in a disposal company to ensure the disposal is certified?



1. How Do Products End Up on the Gray Market?

What is the gray market?

The gray market consists of the sale of legitimate brand name product by unauthorized resellers. Gray market resellers are concerned with only one thing.....PROFIT!

A gray market situation exists when legitimate products are being sold outside of the manufacturer's control. It does not necessarily mean illegal sales of products, but profits are reaped that manufacturing or distribution companies will not get a portion of, such as would happen if they were bought low in one country and then sold in a country where a higher price tag could be demanded.



Sometimes, what is being sold on the gray market is product that should have been disposed of but wasn't, as documented in the last section. This could be expired product, bad batches, knock-off products, etc.

Gray market resellers could care less about the preservation of your brand, profit, or any other results that may stem from it. Their only concern is trading on your brand name, acquiring legitimate product cheaply enough, and selling it at a high enough margin so that large profits come tumbling into their coffers.

Anywhere from 5% - 15% of products end up on the Gray Market!

Gray market reselling may not necessarily be illegal, but is a thorn in the side of many manufacturing companies. Legal actions may also stem from it, but you can be sure that it will affect you and not them. Obviously, buyers on the gray market will not receive good customer service benefits or warranties. This is why you need to be concerned about your products ending up in the gray market.

Top 4 Ways Reasons Your Products End up on the Gray Market

Sellers on the gray market obtain legitimate product in a variety of ways, many of them illegal. Here are a few of the more common examples.

Employees are stealing it - It is possible that one or more of your employees could steal some of your bad batches, damaged product, or product that fails to meet your quality standards and sell it on the gray market. Although they may think that this is a victimless crime, real damage comes at the expense of your company's brand reputation or possible litigation from tainted product.

Proper background checks and drug testing
should be mandatory for Certified Product
Destruction companies.

Many companies have at least one disgruntled employee who may believe that they are not getting paid enough, or some other similar issue. This may lead them to look for products that they can steal and easily sell in order to earn some quick money that they believe will compensate for a perceived injustice.

These employees may also know that good records are not being kept on the products marked for destruction, and that they can take some of it and no one would ever notice.

Disposal company employees are stealing it - Even if the product is making it safely to the disposal company, an employee working there may be taking some of it prior to the destruction phase.

This could easily happen because it may sit in that company's warehouse for days or even weeks without security, or even longer before they actually get around to its destruction. Companies that do not screen their employees or have weak hiring practices can leave your brand exposed.



FAIR GAME

Disposal companies are selling some of it. Some disposal companies may actually turn around and sell your bad product thinking that once they haul it away it is fair game for them to turn around and make a profit.

This may be even more likely if your products are more expensive or have desirable parts in them. You should be suspicious if disposal companies charge considerably less than their competitors.

Damaged product is being sold instead of being returned to your company for destruction. If your product is being damaged elsewhere, it is possible that some of it may be making its way to the gray market afterwards. This can be eliminated if the product is carefully accounted for when shipped and returned, or shipped directly to a disposal company from that point and you get Certified Product Disposal.

Some unscrupulous disposal companies will think your damaged products are fair game

More and more companies are finding that their imported products are being seized by U.S. Customs. The reasons vary, but the primary ones include counterfeit products, trademark violations, pirating of a copyright, or violations of distribution rights. When this happens, seized product needs to be destroyed and you will need to have the destruction verified. It may be possible to get the product back through the courts, but the cost will be high. The company that ordered it can be expected to pay for its destruction.



More & more companies are finding their imported products seized by U.S. Customs.

2. How to Tell If Your Products are on the Gray Market

In order to prevent some possible worst case scenario in terms of damage to your company, you need to know how to find out if some of your product is being sold on the gray market. This can be easily checked.

Places like Ebay and Craigslist are a magnet for would be thieves.

1. Keep good records. Keep records of batch information, dates, and where the product is kept and then destroyed.
2. Check popular online distribution points such as eBay, Craigslist and similar sites for sales of your product.
3. Find unauthorized dealers and watch for low prices. Gray market dealers often sell low to sell quickly.
4. Buy product occasionally directly from the sellers. This will let you check batch numbers to ensure its sale is authorized.



What is the Impact of the Gray Market on Your Brand?

When your products are being sold without your authorization, problems can easily arise that may not be good for your company. It will depend on what product is being sold and where they got it from. In many cases, it will cheapen your brand and hurt your sales. This will occur if there is a bad batch of your product on the market that should have been destroyed and was not.

It gets worse though if the resulting bad product in some way is harmful to humans, but normally is not. For instance, if a shampoo now makes people's hair fall out because of improper ingredients, you can expect a whole lot of trouble from it!

Or, it could be a situation like Proctor & Gamble had when it discovered that some of its tampons caused toxic shock syndrome (TSS) in some women. This actual problem was discovered to be occurring! Naturally, the company would not want any more of them distributed anywhere. They all needed to be destroyed. What actually happened was that the manufacturer had promised P&G that the product was destroyed, but it put the tampons into the gray market!

3. What Should I Look For in a Disposal Company to Ensure the Disposal is Certified?

Certified product destruction is a process where products are destroyed or disposed of and the process is authenticated in order to ensure that the product is not being resold or utilized illegally.

Product destruction should be handled in a professional, confidential, and cost efficient manner by a reputable disposal company.

HIRE
PROFESSIONALS



Hiring the right disposal company can reduce the risk of your products being disposed of safely and securely.

Careful consideration must be given to the selection of specific methods of disposal.

Numerous factors weigh into this decision, including:

- **Necessity of assured/certified product destruction to eliminate re-entry to marketplace**
- **Government and local community directives to reduce land disposal**
- **Elimination of future liabilities associated with land disposal**

Depending on the product, there are many different alternative disposition technologies available.

These options include:

- Non-hazardous incineration
- Recycle/reuse
- Off-site wastewater treatment
- Aerosol recycling
- Ingredient capture for reuse in other processes

The guarantee of certified destruction is to protect a company's liabilities, brand image, or proprietary information. All entities seeking destruction of their products or materials need to ensure that a proper certificate of destruction is provided by your vendor.

Look for companies that will provide you with the following:



- Appropriate paperwork and the certified assurance the disposal has been done completely
- Place a numbered seal on the trailer and lock it securely
- Take images or video of the entire destruction process and seal process
- Provide you with a certificate of destruction
- Provide a safe and secure storage facility while your product is awaiting disposal
- Provide 24-hour video surveillance, with web access, of your product while it is awaiting disposal
- Ensure that all employees have received the necessary training, background checks and drug and alcohol screenings

The temptation to award the disposal of your products to the cheapest vendor is always appealing. The damage it can cause to your brand and financial bottom line is not. Ensure you find a certified product disposal company who can handle the entire process and protect your brand in doing so.



CONCLUSION

Finding an experienced and reputable company to handle your sensitive loads is a challenge for many product manufacturers, distributors and packaging companies.

The stakes are high for your business and your company brand. If your product falls into the wrong hands and is sold on the “gray market,” your company can face serious brand erosion, liability from faulty or defective products, or violations of court orders. Don’t take any chances, too much is at stake!



We find that once most companies become aware of the risks of allowing their valuable brand name merchandise into the hands of unauthorized retailers, the need for Certified Product Disposal makes sense.

Understand the risks and your decision becomes an easy one!



That is where we come in. We have created a process where your sensitive product is securely stored while awaiting transportation to its final disposal location. We offer 24-hour surveillance when necessary. Our employees are properly trained and screened and we go the extra mile by offering video and photographic evidence of your loads being disposed of properly.

At IDR Environmental we go the extra mile!

If you find that you have any of the issues mentioned in this EBook, contact us to see what it would take to fix your problem. You may be pleasantly surprised to find out that most of these issues can be solved quickly and cost effectively. Working with a qualified and licensed disposal company can protect your valuable brand identity.

If you are in need of Certified Product disposal, contact us today and speak with one of our representatives.

THANK YOU FOR READING!

Visit IDR Environmental Services to learn more about issues affecting your job and business.

For more helpful Ebooks, Signs, Checklists and more, visit us:
<http://idrenvironmental.com/hazardous-waste-resources>

PS - PLEASE SHARE THIS USING THE LINKS BELOW



NEED HELP?

Request a FREE Consultation and learn how IDR can solve your product disposal concerns.

IDR Environmental Services, Inc., is a Full-Service, Hazardous Waste Management firm. IDR maintains a clean, modern fleet of transportation equipment, including vans, stake trucks, vacuum tankers, and roll-off capability.

GET STARTED

Talk to the Experts Today!

www.idrenvironmental.com/getstarted

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