

CFLs - Working with Mass Merchandisers

An Implementation Contractor's Perspective

Presented By Peter Feroli
Applied Proactive Technologies, Inc

Lighting Program Designs

- **Types of Programs**
 - Product Incentives
 - Cooperative Marketing/Advertising Only
 - Industry Initiatives
 - Combination Approach

Lighting Program Designs (Continued)

- **Components of Programs:**
 - Field Support (Enrolling, Training, POP, Promotions, Site Visits)
 - Marketing Materials (POP)
 - Instant Rebates / Mail-in Rebates
 - Cooperative Advertising (Print, Radio, TV)
 - Product Buy-Downs (Manufacturer, Sales Data)
 - Promotional Events (In Store, Home Shows, Energy Fairs, etc)

Participating Retailer Types

- Large National Home Improvement (DIY)
- National Mass Merchandisers
- Regional Hardware Stores/Chains
- Wholesale Clubs
- Regional Mass Merchants
- Supermarkets
- Drug Stores
- Other (Includes Discount stores, Office Supply, Mom and Pops, etc)

Historical Barriers to Participation

Varies by Program Design and Implementation Strategy

- **Mass Merchandisers:**
 - Instant Coupon Processing (Administrative)
 - Regional Program Inconsistencies
 - Lack of Regional Advertising Opportunities
 - Customer Ineligibility - (non-participating regions)
- **Supermarkets and Drug Stores:**
 - Instant Coupon Processing (Front-End Customer Screening)
 - Lack of Regional Advertising Opportunities
 - Product Price (Nature of purchase patterns in Supermarkets)

Reducing Barriers - Things to Consider

- **Program Design Structure:**
 - Define Program Objective
 - Create Flexibility
 - Reduce Administrative Burden
 - Streamline Data Collection Requirements (When Possible)
 - Regional Consistency (Opens up Advertising Opportunities)
 - Equal Opportunity for Retailers
 - Incentive Strategies - (What are the objectives?)

Program Implementation Strategies

- **Coupons:**

- Instant
- Mail-in (Piggyback with Manufacturers)

- **Benefits:**

- **Allows for All Retailers to Participate**
- **Drives Sales by Lowering First Cost**
- **Provides Quantifiable Data**
- **Allows Customer to Equate Value of Product**
- **Serves as Marketing Tool for Program Sponsors**

Program Implementation Strategies (Continued - Page 2)

- **Advertising:**

- Cooperative
- Program Sponsored Only

- **Benefits:**

- **Creates Consumer Awareness**
- **Helps Drive Sales and Foot Traffic at Retail**
- **Leverages Industry Dollars (Cooperative)**

Program Implementation Strategies (Continued - Page 3)

- **Industry Initiatives:**

- Invite Industry to Participate through Proposal Process
 - Product Buy-downs (Manufacturer Based or Sales Data Based)
 - Mail-in Coupons
 - Cooperative Advertising
 - POP Material
 - Product Placement and Display Requirements
 - Data Verification (Shipping, Receiving and Sales)

- **Benefits:**

- Increased Retailer Participation
- Lowest Customer Cost (Assuming consistent incentive structure)
- Increased Availability and Variety of Product
- Leverage Industry Dollars (Coop ads, floor space, product displays and materials)

Moving Forward

- Consider Utilizing a Combination of Strategies whenever possible
- Consider the Funding and Goals of the Program
- Create a Design the Best Facilitates Industry Participation (Both Manufacturer and Retailer)

The End