



**Member Focused; Results Driven**

January 25, 2024

**OPPOSE**

Representative Joseph J. Solomon, Jr.  
Chairperson; House Corporations Committee  
The State House  
Providence, RI 02903

**RE: House Bill 7089 -- Unfair Sales Practices**

Dear Chairperson Solomon:

My name is Scott Bromberg and I am the President & CEO of the Rhode Island Food Dealers Association, a trade association established in 1909 to serve the needs of the food industry in the State of Rhode Island. Our membership includes chain and independent grocery retailers, wholesalers, suppliers, distributors, food manufacturers, brokers, and other organizations affiliated with the food industry in our state. As an industry, we are among the state's largest employers and revenue generators.

On behalf of our members, I would like to take this opportunity to register our group's opposition to House Bill 7089, which deals with requiring grocery stores to issue a paper coupon for each digital coupon they offer. While the intent of this bill may be honorable on the surface, it will ultimately result in fewer coupons and savings made available to shoppers in Rhode Island.

As business models have evolved for brick-and-mortar food retailers, they are trying new innovations to keep shoppers coming into their physical locations. A couple of examples are digital personalization and coupons. They have found these innovations are allowing customers to maximize their savings in real time. Redemption rates for digital coupons surpassed paper coupon redemption in both 2021 and 2022.

Digital coupons come in different forms: manufacturers coupons, coupons tied to loyalty programs and store specific coupons. Many of the digital coupons come from manufacturers and NOT the retailers. These coupons are created by the manufacturer, some only in digital form, and then passed on by the retailers to make them readily available to customers. If this bill were to pass, these coupons would not be available to Rhode Island retailers and lead to less savings for our customers.

RIFDA

~ 40 Higginson Ave. ~ Central Falls, RI 02863 ~

~ Tel: 401-431-0880 ~ Fax: 401-434-2496 ~ sbromberg@rifda.com ~ [www.rifda.com](http://www.rifda.com) ~

From the grocery retailer's perspective, digital coupons are more efficient than paper coupons. They reduce labor costs; as all paper coupons require manual redemption and accounting. They are also traceable and reduce coupon fraud which has been a long-standing issue. They also produce less waste, and in 2023 California had legislation to prohibit paper coupons and receipts for this reason.

There are also digital coupons that are directly tied to a customer's loyalty card. These coupons offer exclusive deals personalized to the specific customer. Grocery stores are trying to offer the best deals to the customer for their preferences and buying habits. Based on personal usage, loyalty cards offer more savings, especially during seasonal times of the year. Retailers have been developing these programs for years, and they are critically important to our industry. If passed, this bill could lead to these programs not being available in Rhode Island, also leading to less savings for our customers.

Many of our retailers offer coupons to customers at the service desks, at the register and by using in-store kiosks where coupons can be printed. We are open to discussing what can be done in store to support customers that don't have access to technology. RIFDA believes the legislation has the best intentions, but if passed, could lead to fewer coupons and savings for the people of Rhode Island. It is for these reasons; we oppose House Bill 7089.

Sincerely,



Scott Bromberg  
President & CEO  
RI Food Dealers Association

CC: Hon. K. Joseph Shekarchi, Speaker  
Rhode Island House of Representatives

Hon. Christopher R Blazewski, Majority Leader  
Rhode Island House of Representatives

Margaret Hogan Sweeney & Tom Papa  
F/S Capitol Consulting, LLC