



Member Focused; Results Driven

March 13, 2025

OPPOSE

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

RE: House Bill 5553 – 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 5553, which would limit the use of digital coupons.

The legislation is unclear what the scope or definition of advertised price is. Retailers use various methods to promote products and attract customers, including paper circulars, online ads, and weekly mailers. Also, manufacturers' coupons are available through retailer websites and/or mobile apps, are those considered an advertised price? Personalized and loyalty-based coupons only exist with the use of mobile apps, websites or in-store kiosks, are those considered an advertised price?

A 2024 survey of grocery shoppers by the PEW Research Center indicated that 91% of Americans own a smartphone, 96% use the internet, and 58% search for digital coupons, while 50% seek out paper coupons. Among seniors (65+), 79% own a smartphone (94% own a cellphone), 90% use the internet, and 41% look for digital coupons, with 34% seeking paper coupons. Lastly, 84% of lower-income households (income under \$30,000) own a smartphone (95% own a cellphone), 91% use the internet, 56% search for digital coupons, and 46% look for paper coupons.

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As business models have evolved for brick-and-mortar food retailers, they are undertaking new innovations in order to keep shoppers coming into their physical locations. The development of these innovations allows customers to maximize their savings in real time. The utilization of loyalty coupons offers exclusive deals personalized to the specific customer. Based on personal usage, loyalty cards and programs offer more savings, especially during seasonal times of the year. Retailers have been developing these programs for many years, and they are critically important to our industry.

Many digital coupons come from manufacturers and NOT the retailers. These coupons, often available only in digital form, are distributed by retailers to the customers. Since 2021, redemption rates for digital manufacturers coupons surpassed paper coupons. If this legislation were to pass, these valuable coupons would no longer be available to Rhode Island consumers or retailers, resulting in fewer savings for customers.

Many of our retailers already offer coupons to customers at the service desks or by in-store greeters, they can also be authorized at the register or by using in-store kiosks where coupons can be printed. Retailers also offer in-store Wi-Fi for easy access to the internet, and customers can access coupons by sharing their phone number.

We believe that there are industry solutions already in place that can address the concerns the legislation attempts to address and that a legislative solution is not necessary. We are open to meeting to discuss what can be done in-store to further support customers that don't have access to technology.

Our association recognizes the good intentions behind House Bill 5553, but its passage could reduce savings for Rhode Islanders and decrease sales, leading to lower sales tax revenue for the state. For these reasons, we oppose House Bill 5553.

Sincerely,



Scott Bromberg
President & CEO
RI Food Dealers Association

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

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

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