



**Written Testimony of David Shapiro, Chief Legal Officer, Ibotta, Inc.
In Opposition to SB. 2643**

Chairman Britto and Members of the Committee:

Thank you for the opportunity to submit written testimony in opposition to SB 2643. My name is David Shapiro, and I serve as Chief Legal Officer of Ibotta, Inc.

Ibotta is a leading provider of digital promotions for consumer-packaged goods through our mobile app and network of retail partners. Approximately 160,000 Rhode Island residents have used our app to date, saving more than \$5.5 million on everyday groceries and household essentials. Hundreds of thousands more benefit from our discounts through our retail partners. If SB 2643 is enacted as drafted, these savings will be immediately and significantly jeopardized.

Ibotta is not a grocery store; we do not sell products or set retail prices. Instead, we expand access to savings by connecting digital manufacturer coupons with Rhode Island consumers that are redeemable at any store. This includes those who rely on digital tools for language support, accessibility accommodations, or the modern convenience of mobile technology.

Ibotta is oriented around the consumer. We empower shoppers to identify and use discounts on the products most important to them. Consumers choose to download our app or join a partner loyalty program, and consumers choose to engage after reviewing the terms of use. Consumers select meaningful promotions, purchase the products, and receive cash back. This process happens quickly and conveniently where most consumers now shop: online and via mobile devices. Our mission is simple: to make every purchase rewarding ... and, therefore, make everyday items more affordable for working families.

We share this Committee's goal of improving affordability for Rhode Island families. However, as presently drafted, SB 2643 will reduce the overall availability of offers and ultimately make groceries more expensive—the exact opposite of the legislation's intent.

Coupons have always required consumer action. For decades, consumers had to purchase a newspaper, manually clip a coupon, and present it at checkout. Digital coupons simply modernize this "clip": consumers register for a program and select offers via a "click." SB 2643 eviscerates the fundamental purpose of a digital coupon: the ability for a consumer to signal specific intent with a digital touch.

Please consider the following impacts:

- **Discounts Will Disappear:** Manufacturers and retailers are likely to dramatically reduce or eliminate digital discounts in Rhode Island. Benefits provided through loyalty and reward programs are designed to incentivize engagement. Without the "click" as an expression of consumer intent, the brand sponsors of these discounts are not incentivized to offer these discounts. Consequently, Rhode Islanders stand to lose millions of dollars in popular discounts.
- **Legal Risks Disincentivize Offers:** The bill introduces ambiguous compliance terms that expose manufacturers and retailers to harsh penalties. To avoid these risks, companies will either reduce the value of savings to offset potential legal expenses or simply "turn off" these programs in the state, depriving residents of vital savings.
- **In-Store Alternatives are Impractical and Wasteful:** Major retailers often feature 500 to 1,000+ digital offers at any given time. These offers change daily based on real-time inventory and budgets. It is logistically infeasible to print and distribute physical versions of every digital offer at every store. Requiring physical kiosks or paper alternatives imposes massive operational costs and burdens that many small businesses cannot afford and take value away from consumers.
- **The Legislation Fails to Address Actual Access:** According to the Pew Research Center, 96% of Americans use the internet and 91% own a smartphone. Digital services actually *expand* access by providing translation for non-English speakers and screen-reading tools for those with visual impairments. The primary challenge is "digital fluency"—helping users learn to navigate apps—not a lack of physical access to the technology itself.
- **Paper Discounts are Already Widely Available:** Analog options remain common in mailers, newspapers, and in-store circulars. Retailers and brands already compete vigorously across both paper and digital formats. There is no policy justification for regulating digital-specific innovations out of existence when traditional alternatives exist.

Ibotta shares the Committee's goal of supporting Rhode Island families during this period of high inflation. However, we urge the Committee to ensure that legislation does not inadvertently deprive residents of the very cost-savings they rely on today.

Thank you for your consideration. We welcome the opportunity to provide constructive amendments that achieve the Committee's goals without harming the digital promotion ecosystem.

