



2010 Energy Star Partner Meeting Supply Chain Integration

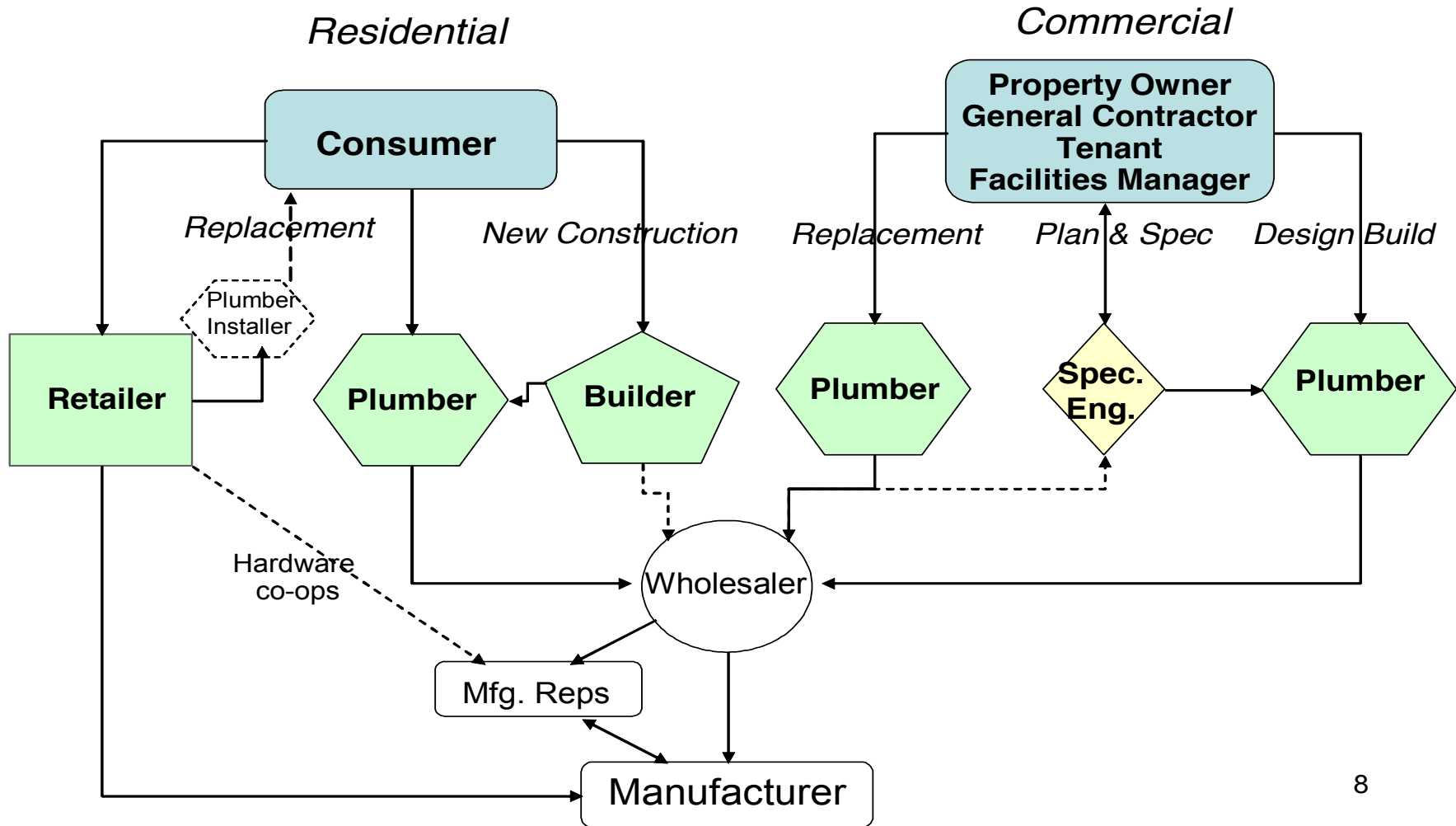


Michael C. Parker
Vice President – Marketing & Strategy

Water Heater Market Map

Decision Makers

Purchase Process



Plumbing Contractor Adoption

Challenges:



- Many links in the chain
 - “Inertia” in the channel
 - Demand response vs. Demand creation
 - Inventory: size & cost. Turns.
 - The Plumber must believe
 - Acts in the “best interest” of his/her customer
 - Plumber doesn’t respond (initially) to intuitive profit incentive
- Lots of Plumbers; Hard to reach; Hard to convince

Plumbing Contractor Adoption

Solutions:

● Pull – Push Approach

● Push:

- Over Communicate: Advertising; Trade Shows; Traditional
- Trade PR & Third Party Validation (CEE Program)
- Hands on: Lunch & Learns; Trial Incentives
- Available Inventory: Wholesaler “Load” Programs

● Pull

- “The Tankless Model”: Target the Consumer
- Federal, State, Utility Incentive Programs

● Keep it simple for the Plumber:

- Simple Message; Simple Programs: Hassel Free



Plumbing Contractor Adoption

Solutions:



Patience

A. O. Smith Energy Star



Products

- .70 EF Gas “Plug & Play” (“Effex”) available now
- .67 Power Vents available now
- .67 Atmospheric available November
- 80 Gallon Heat Pump (“Voltex”) available now
- 60 Gallon Heat Pump (“Voltex”) available now
- .82 Gas Tankless (Takagi & A. O. Smith) available now
- Condensing Tankless (Takagi) available now
- Condensing Tankless (A. O. Smith) available soon
- Solar Thermal Systems (“Cirrex”) available now

A. O. Smith High Efficiency

Products

- High Efficiency but not Energy Star

- A. O. Smith “Next” Hybrid



Tankless & Tank
Condensing
.90 TE
Standard install
½” gas & PVC
180+ Gal 1st Hour
100k btu

A.O. Smith “Vertex”
Launched in 2006
DOE funded
.90 TE
Standard install
½” gas & PVC
180+ Gal 1st Hour
76k & 100k btu





The Best Selection of HIGH EFFICIENCY

**Voltex™ Hybrid Electric
Heat Pump**

80 Gal & 60 Gal



**Effex™ High
Efficiency Gas**

**.70 EF
Atmospheric**



**NEXT
Hybrid™ Gas**



Cirrex™ Solar

**Complete
integrated
Systems**



Trade Advertising



INNOVATION TIMES FOUR.

*Meet The Newest Members Of Our Family.
Innovation Has Four New Names.*

COMING SOON:
Exciting New Products from
the Innovative Minds at A. O. Smith

1 Effion® Water Heater

The highest efficiency standard on model for replacement applications.

- A standard electric water heater with 95% efficiency
- **4000 BTU/hr** of heat

2 Cirrex® Solar Water Heater

Solar thermal solution for environmentally friendly consumers.

- Our products use a thin film of energy storage water heating surface
- Our products use the same amount of energy as a standard electric water heater at 1/10th of the cost
- **4000 BTU/hr** of heat
- **4000 BTU/hr** of heat



3 NEXT Hybrid Water Heater

NEXT is the new milestone in water heating—built for the way people **ACTUALLY** live and use hot water.

- Combines the best features of both a gas and electric water heater
- Operates like a gas water heater when you need it most
- Operates like an electric water heater when you don't
- **4000 BTU/hr** of heat

\$1,500 rebate

4 Voltex® Heat Pump Water Heater

Twice as efficient as a standard electric water heater.

- A standard electric water heater with 95% efficiency
- Operates like a standard electric water heater when you need it most
- Operates like a heat pump water heater when you don't
- **4000 BTU/hr** of heat

\$1,500 rebate



ACSmith.
Innovation has a name.

Contact your rep for more information.

A.O. Smith Water Products Company 181 Tennessee Valley Road Dalton, GA 30708 404.241.1111

Trade Advertising

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THE WHOLESALER

News of Plumbing • Heating • Cooling • Industrial Piping Distribution

JULY 2008
VOL. 92, NO. 7

ADVERTISEMENT

THE HIGH
EFFICIENCY
REVOLUTION
IS HERE!

MAILING LABEL GOES HERE

ACSmith.
Innovation has a name.

www.contractormag.com

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CONTRACTOR

THE NEWSMAGAZINE OF MECHANICAL CONTRACTING

APRIL 2010

ADVERTISEMENT

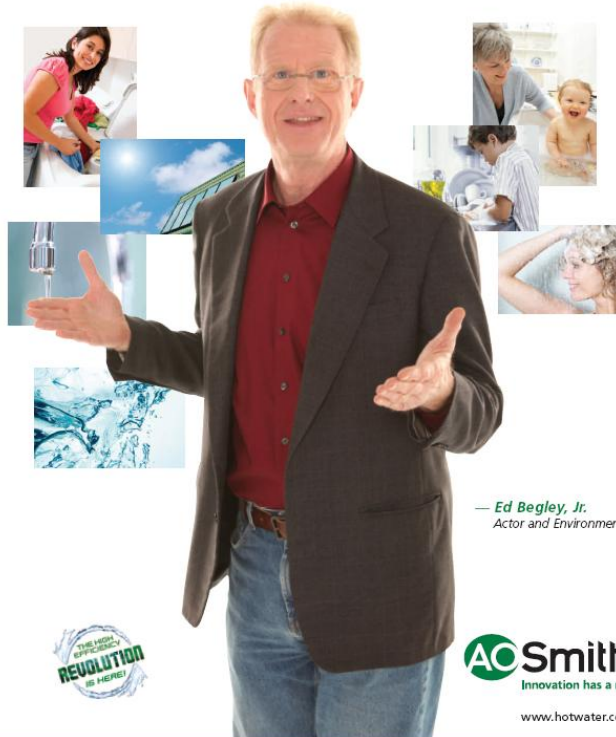
THE HIGH
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Innovation has a name.

Trade Advertising

“Whether you need a high efficiency gas,
electric, or even a solar panel water heater,”
the innovative minds at A. O. Smith have
one already waiting for you.



— Ed Begley, Jr.
Actor and Environmentalist



A O Smith.
Innovation has a name.
www.hotwater.com

Advertising

- Trade Publications
- Web Advertising
 - Through 2nd quarter
- Supported by PR campaign



JOIN THE HIGH EFFICIENCY
REVOLUTION



Want to give your customers something to get excited about? Here it is: the innovative minds at A. O. Smith are taking high efficiency water heaters to new heights! From hybrid gas water heaters to solar panel systems, A. O. Smith has a high efficiency water heater to fit the needs of any lifestyle. This is the beginning of an exciting new era in water heating.

Welcome to the high efficiency revolution.

Go to www.hotwater.com for more information on our new products.

The water heaters featured above: the Effex® High Efficiency Gas, the Cirrex® Solar, the NEXT Hybrid® Gas and the Voltex® Hybrid Electric Heat Pump.



www.hotwater.com

Launch Support

- E-card



Website Updates

● www.hotwater.com



Marketing Brochure

Make It Happen With These Great Tools

Put yourself at the front lines of the High Efficiency Revolution! From TV commercials featuring Ed Begley, Jr. to POP materials and print ads, you've got a vast array of materials to get the word out to your customers! *Don't miss this exciting opportunity!*



TV AND RADIO COMMERCIALS

Nine striking and direct thirty-second commercials (in each medium), covering our new high efficiency products as well as tax credit messaging. Each spot ends with a ten-second tag space.



POSTCARD TEMPLATES

Reach out to your customers through these attractive direct mail pieces.



PRINT MATERIALS

Stand out from the competition in the print world, with attractive materials ranging from print ads and yellow page ads to informative brochures and pocket cards.

POP MATERIALS

Let your showroom do the talking.



CONTRACTOR REWARDS

Loyalty program for repeat purchases. Contractors can earn double points on purchases for a limited time after the launch!



WEB ADVERTISING

For the duration of the launch, we will be running banner ads on many popular websites.



But that's not all! A. O. Smith will also be promoting these products with various advertising and public relations efforts, special events, and more. This is truly an exciting time to be in the water heating business!

For more info, visit: www.hotwater.com



A. O. Smith Water Products Company
500 Tennessee Waltz Pkwy Ashland City, TN 37015
www.hotwater.com



Launch Tools

- TV & Radio Commercials

- 30 Second spots
- 20 / 10 dealer spots

- Overall Brand Ads

- Product Ads

- Tax Credit Ads



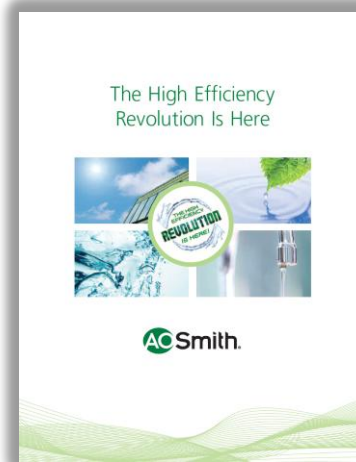
TV Commerical

Launch Tools

- Product Brochures



- High Efficiency Brochure



Launch Tools

● Pocket card

High Efficiency Water Heaters In Every Category

When it comes to high efficiency water heaters, no one comes close to matching the expertise and innovation of A. O. Smith. Whether you need a gas, an electric, or even a solar panel water heater, the inventive minds at A. O. Smith have one already waiting for you. With higher efficiency ratings and groundbreaking designs, these models are part of an exciting new era in water heating.

Welcome to the high efficiency revolution.

Effex™ High

The highest standard gas replacement

- Save up to 10% on water heating costs
- .70 EF
- Easy installation and replacement
- ENERGY STAR® rated

Best Fit For: Homeowners looking for significant efficiency improvements with a hassle-free replacement

THE HIGH EFFICIENCY REVOLUTION IS HERE!

AO Smith.
Innovation has a name.

Voltex™ Hybrid Electric

Over twice as efficient as a standard electric water heater.

- Absorbs environmental heat and transfers it to heat the water, at the same time cooling and dehumidifying the ambient air
- Can operate in high efficiency, hybrid and electric modes
- ENERGY STAR® rated

Best Fit For: Customers looking for significant efficiency improvements

Eligible for Tax Credit up to \$1,500



Launch Tools

● Point of Purchase Materials



Counter Stand



Static Cling



Poster

Banner



Launch Kit



Launch Kit



Plumbing Contractor Adoption

A decorative graphic consisting of two overlapping wavy lines. The top line is a dark green, and the bottom line is a lighter green, creating a layered effect that spans the width of the slide.

Thank You