



**2010 Energy Star Partner Meeting  
Supply Chain Integration**

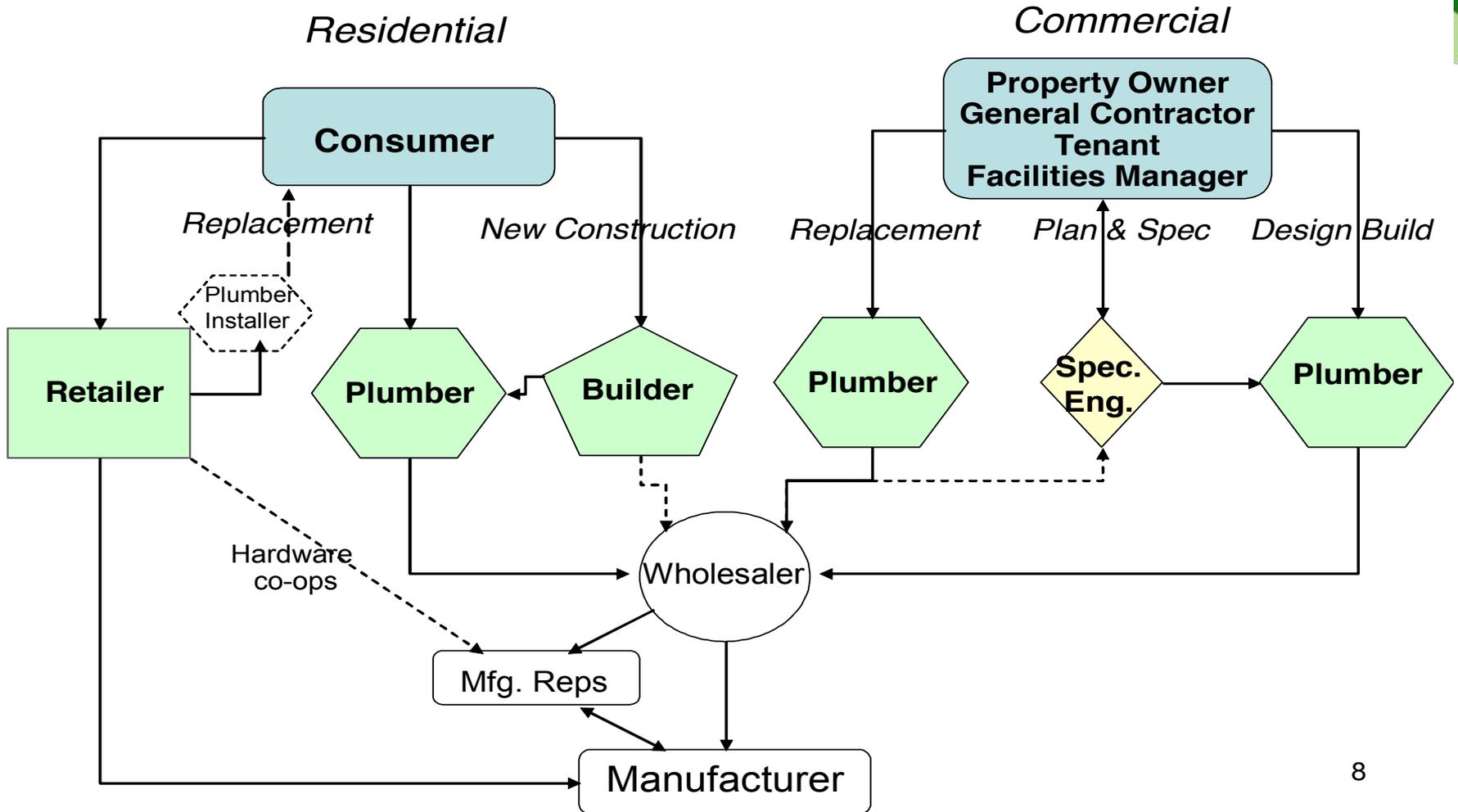


**Michael C. Parker  
Vice President – Marketing & Strategy**

# 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 1<sup>st</sup> Hour  
100k btu

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



A graphic of a water splash forming a circular shape, with the text 'THE HIGH EFFICIENCY REVOLUTION IS HERE!' centered within it. The splash is rendered in shades of blue and white, with a green-tinted globe visible through the 'O' in 'REVOLUTION'.

THE HIGH  
EFFICIENCY  
**REVOLUTION**  
IS HERE!

# 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 gas model for replacement applications.

- 100% AFUE
- 100% AFUE

**2**  
**Cirrus® Solar Water Heater**  
Solar thermal solution for sun-borne weathered consumers.

- One provides an alternative energy source for water heating applications
- One provides the same amount of energy as other models at less than 1/3rd of the cost
- 100% AFUE



**3**  
**NEXT Hybrid Water Heater**  
NEXT is the new solution in water heating—built for the way people ACTUALLY live and use hot water.

- Combines the best features of both systems to create a new category of water heating
- 100% AFUE
- Lower initial price and payback

**\$1,500**

**4**  
**Voltax® Heat Pump Water Heater**  
Twice as efficient as a standard electric water heater.

- 100% AFUE
- 100% AFUE

**\$1,500**

**AO Smith.**  
Innovation has a name.

Contact your rep for more information.

A.O. Smith Water Products Company 5810 Cassville Road Dallas, TX 75248 www.aosmith.com

# Trade Advertising

4 200 Pages  
JULY 2008  
VOL. 42, NO. 7

## THE WHOLESALER

News of Plumbing • Heating • Cooling • Industrial Piping Distribution

ADVERTISEMENT

THE HIGH EFFICIENCY  
**REVOLUTION**  
IS HERE!

MAILING LABEL GOES HERE

**ACSmith.**  
Innovation has a name.

www.contractormag.com  
A Penton Publication  
APRIL 2010

## CONTRACTOR

THE NEWSMAGAZINE OF MECHANICAL CONTRACTING

ADVERTISEMENT

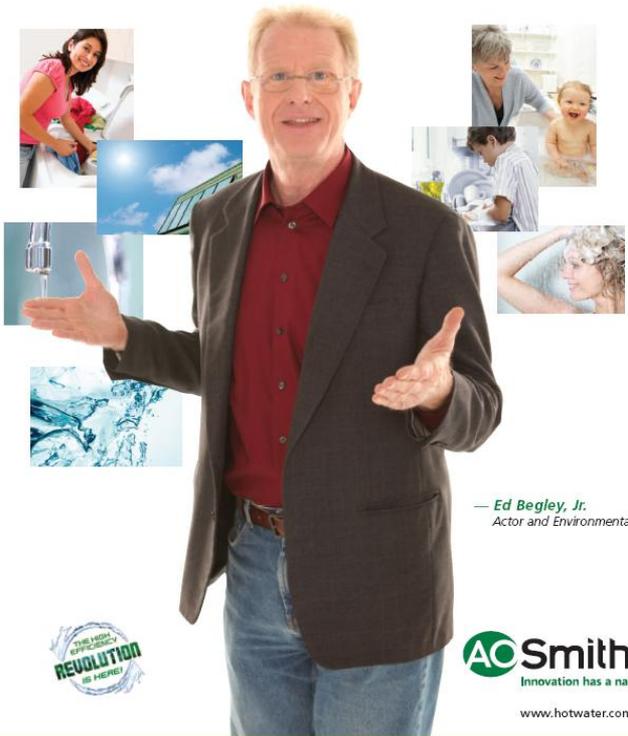
THE HIGH EFFICIENCY  
**REVOLUTION**  
IS HERE!

MAILING LABEL GOES HERE

**ACSmith.**  
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



[www.hotwater.com](http://www.hotwater.com)



# Advertising

- Trade Publications
- Web Advertising
  - Through 2<sup>nd</sup> 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](http://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.*



Innovation has a name.

[www.hotwater.com](http://www.hotwater.com)



# Launch Support

- E-card



# Website Updates

● www.hotwater.com

The screenshot shows a Windows Internet Explorer browser window displaying the A. O. Smith Water Heaters website. The address bar shows the URL <http://dev.gish.com/aosgreen/>. The website header features the A. O. Smith logo with the tagline "Innovation has a name." and navigation links for "LOGO MERCHANDISE", "A. O. SMITH CORP.", "INTERNATIONAL MARKETS", and "SALES REP LOGIN".

The main content area is divided into a left sidebar and a central product showcase. The sidebar contains a list of links: Products, Literature, In the News, Customer Support, Sales/Service Locator, Parts, Product Registration, Warranty Information, Commercial Sizing Program, Advertising Tools, and Training. Below these links is a search box labeled "SEARCH OUR SITE" with a "GO" button. At the bottom of the sidebar, there is a link for "Professional Contractors Association Information" with a "Click Here" button.

The central product showcase features a large image of four different water heater models, numbered 1 through 4. To the right of the image, the text reads "New Innovative Products For Your High Efficiency Needs". Below the image, the heading "The Best Selection of High Efficiency Water Heaters" is displayed. The text below the heading states: "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".

To the right of the product showcase, there is a circular graphic with the text "THE HIGH EFFICIENCY REVOLUTION IS HERE!". Below this graphic, there is an image of a stack of money and the text "UP TO \$1500 TAX CREDIT". The text below this graphic reads: "Federal tax credit now available on qualifying A. O. Smith water heaters." and "Click Here for Models".

The browser window also shows the standard menu bar (File, Edit, View, Favorites, Tools, Help) and the status bar at the bottom indicating "Internet" and "100%" zoom.



# 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](http://www.hotwater.com)



A. O. Smith Water Products Company  
500 Tennessee-Waltz Pkwy Ashland City, TN 37015  
[www.hotwater.com](http://www.hotwater.com)

# Launch Tools

- TV & Radio Commercials
  - 30 Second spots
  - 20 / 10 dealer spots
- Overall Brand Ads
- Product Ads
- Tax Credit Ads



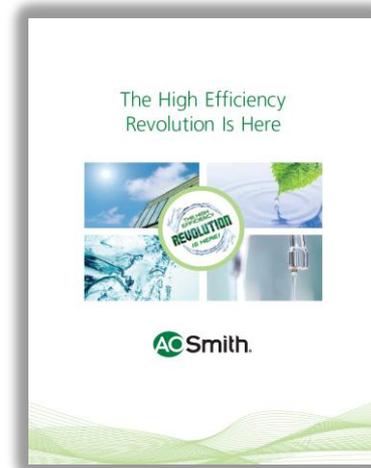
TV Commercial

# 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 Efficiency

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 upgrades with a hassle-free replacement



**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**

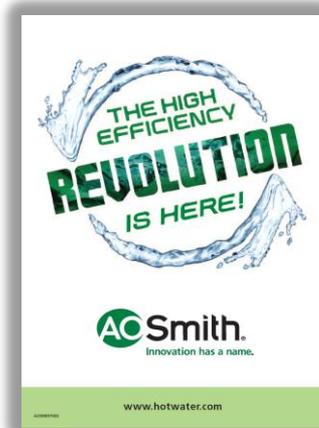


# Launch Tools

## ● Point of Purchase Materials



Counter Stand



Static Cling



Poster

Banner



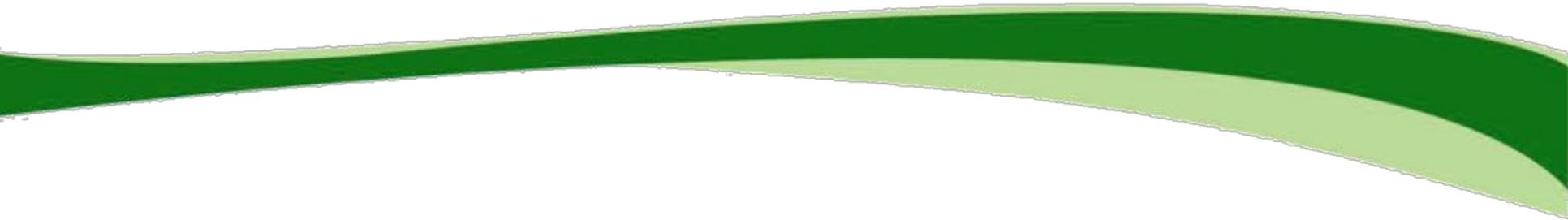
# Launch Kit



# Launch Kit



# Plumbing Contractor Adoption

A decorative graphic consisting of two overlapping, wavy, horizontal bands. The top band is a dark green color, and the bottom band is a lighter, lime green color. Both bands curve upwards from left to right, creating a sense of movement and flow.

Thank You