



General Law Committee Testimony
By Stan Sorkin, President
Connecticut Food Association
Thursday, February 21, 2013
Testimony in Opposition to HB No. 5419

Good afternoon, Chairman Doyle, Chairman Baram and Members of the Environmental Committee. My name is Stan Sorkin, President of the Connecticut Food Association. I am testifying in opposition to **HB No, 5419 An Act Concerning Retail Gasoline Rewards Programs**

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA's members in Connecticut operate approximately 300 retail food stores and 200 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA's retail membership is composed of large multi-store chains, regional firms, and single store independent supermarkets. CFA's 90 associate members include the supplier partners of its retail and wholesale members.

I am here today to voice the Connecticut Food Association's opposition to HB 5419 which would eliminate expiration dates on gasoline rewards programs. A gasoline rewards program is one of the many marketing tools that grocers employ to attract and keep consumers loyal to their stores. Marketing tactics such as weekly price discounts, seasonal reduced price programs, loyalty cards, coupons, and rebates have been part of this mix for years. Many of these programs such as advertised specials and coupons have expiration dates of a week with the purpose of stimulating consumer action and containing costs to a manageable level. Consumers are tuned into the fact that grocery marketing programs are short term events and expect these programs to have an expiration date.

With high gas prices, some food retailers have turned to gasoline rebate programs to differentiate themselves from their competitors. Currently two of Connecticut's supermarket chains- Stop and Shop and Price Chopper offer gasoline point rewards programs. These companies choose to voluntarily offer fuel rewards as a promotional incentive to shop their stores.

Gas programs appeal to consumers and are successful in getting and maintaining loyal customers by giving them recognizable savings on a price sensitive commodity. The gas program is designed to get consumers to shop a specific branded store and in some cases a specific branded gas station owned by