



Influencing the Customer

Retailers and ENERGY STAR qualified electronics

Thad Carlson – Best Buy Co., Inc.

Best Buy's brand promise: what we do

We promise to:
Make Sure You Know ALL
That We Know

We promise to:
Deliver An Experience That
Inspires You

*Trusted Perspective
for Inspired Living*

We promise to:
Make a difference

We promise to:
Blow you away with the
latest & greatest



We promise to:
Never leaving you
hanging





Best Buy: Who we aspire to be

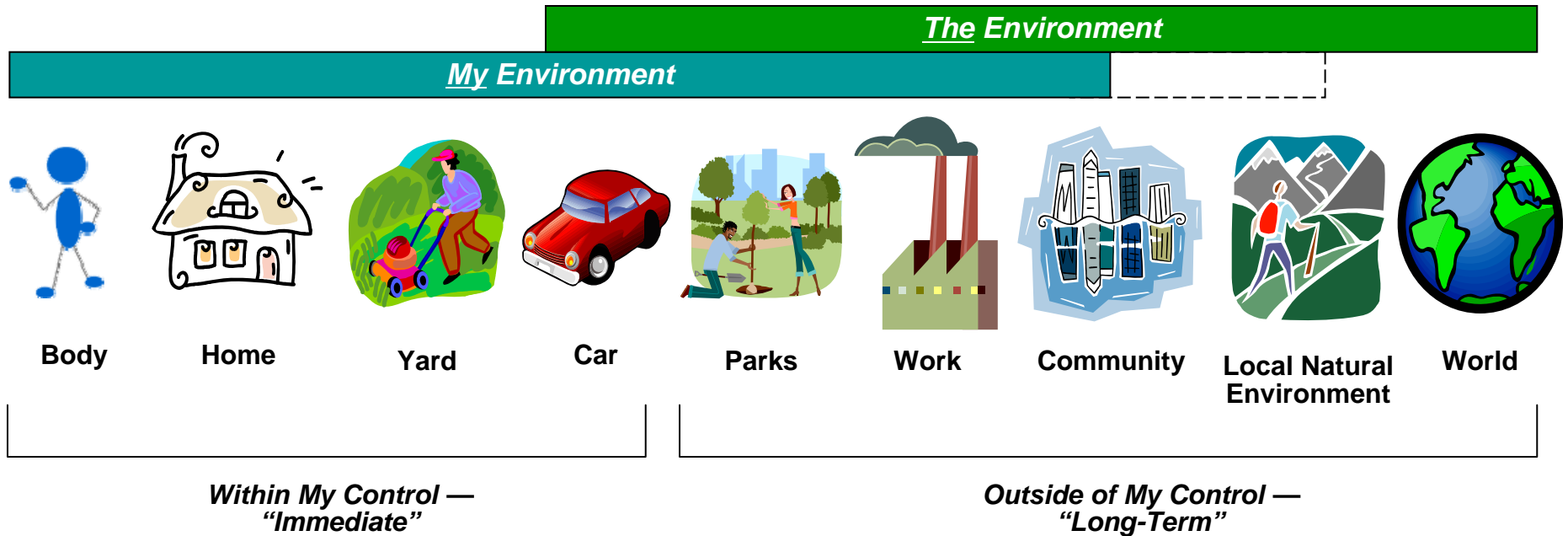
Five years from now:

- 1. Best Buy Co., Inc. is a global champion for human ingenuity and opportunity**
 - Our employees provide leadership for our industry, our customers, and our communities worldwide*
- 2. Best Buy Co., Inc. is the global consumer advocate for consumer technology**
 - We deliver consumer electronics products and services to more people than any other company in the world*
- 3. Best Buy Co., Inc. accounts financially, environmentally, and socially for its brands and business operations worldwide**

***Our aspirations evolve customer centricity
and define our corporate citizenship***

Consumer View of the Environment

Consumer Definition of “My” Environment vs. “The” Environment



Products that are ingested, inhaled, or touched, such as food and cleaning products, offer the most compelling rationale to go green, along with high ticket items, such as appliances and automobiles.



Consumer research tells us that...

- (1) Consumers make a clear distinction between ***My*** environment and ***The*** environment
 - Consumers are focused primarily about the effects of the environment on themselves, and secondarily about the benefits of ES products toward the greater good
 - Similarly, a product's impact on home and family is the most important Environmental Sustainable product aspect, while the supply-side practices of the manufacturer and retailer are farther removed and less critical
- (2) Most consumers participate in the most common Environmental Sustainability activities (e.g., recycling, using recycled materials, energy conservation, etc.) but other behaviors vary greatly by degree of commitment to “living green.”
- (3) Green products that cost more, are of lower quality, or are less convenient to use or acquire are still purchased relatively infrequently. Personal and family health and safety (e.g., organic foods), as well as cost payback over time (e.g., energy efficient appliances) are the primary drivers of the purchase of Green products.
- (4) Whereas marketing ENERGY STAR qualified appliances may leverage a message of impacting “my environment,” marketing the energy and carbon savings of many consumer electronics ENERGY STAR rated products would benefit more from a message impacting “the environment.”







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Gathering Employee Perceptions

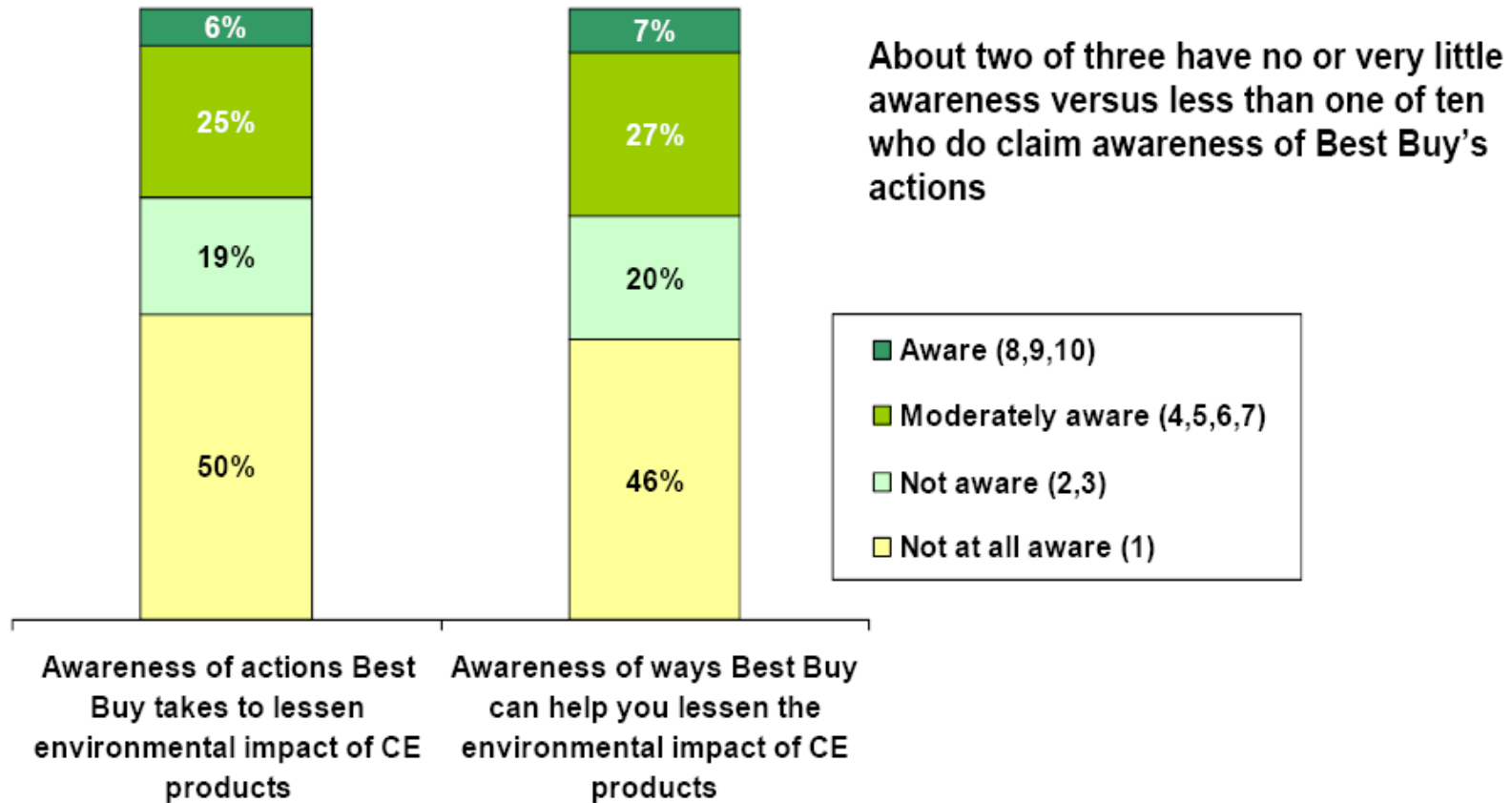
Best Buy “Going Green” – How do you feel about it?

An internal, online employee poll conducted in July, revealed the following results.

Question #1: 			Voters: 4,117
Best Buy "Going Green" - how do you feel about it?			
			Votes
We're just trying to profit off the latest trend		30.3%	1,247
We're doing it for the publicity		12.7%	523
We truly want to move the company towards becoming "Socially Responsible"		17.6%	726
We want to be "Green" as a company, plus help our customers become "Green" too		28.8%	1,186
Other		10.6%	435

- 4,120 responses - across corporate and the field
- 30% of employees: it's merely a profit making trend
- 29% company and customer win
- “Going Green” topic captures a lot of passion from employees

Best Buy Customer Awareness

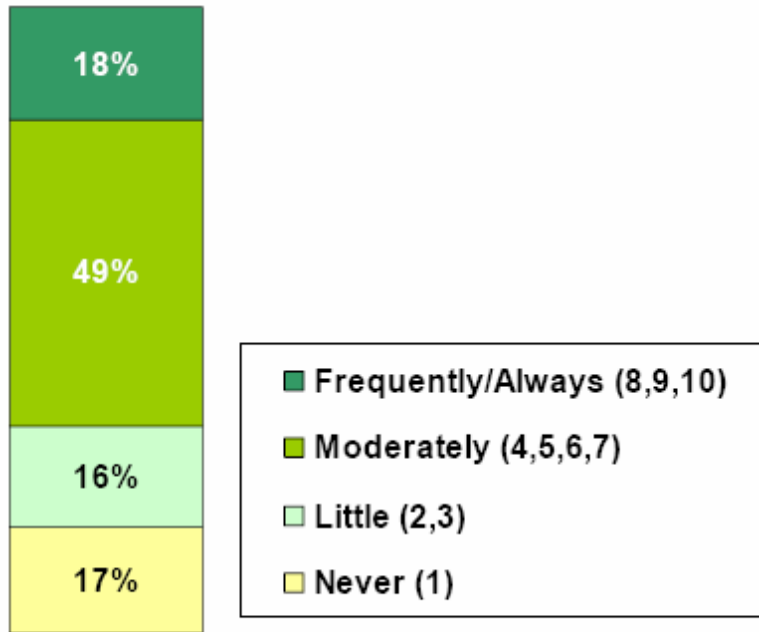


Question: To what extent are you aware of the actions that Best Buy takes to lessen the environmental impact of consumer electronics products? (10-point scale where 1=Not at all aware and 10=Extremely aware)

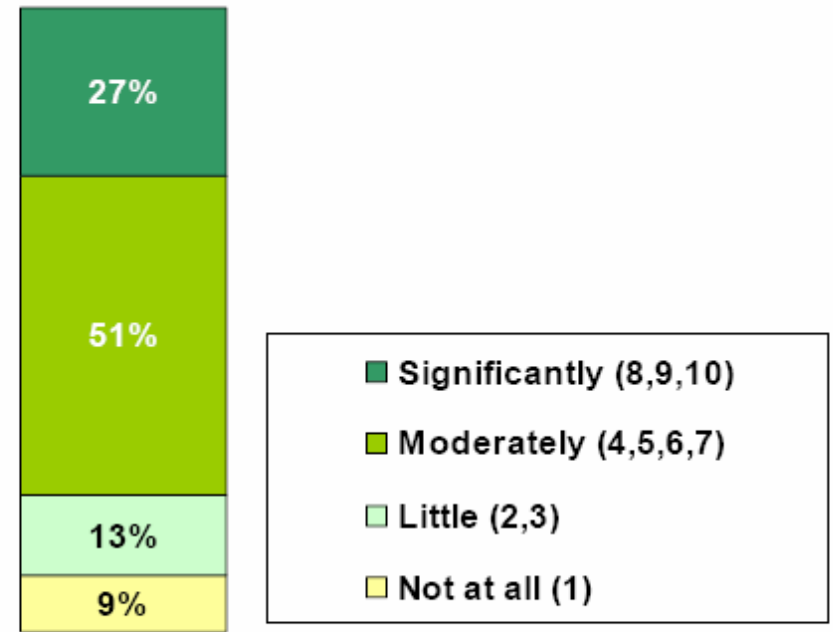
Question: To what extent are you aware of the ways that Best Buy can help you lessen the environmental impact of consumer electronics products (e.g., recycling, taking away old appliances or televisions, purchasing efficient products, etc.)? (10-point scale where 1=Not at all aware and 10=Extremely aware)

Based on 3648 Best Buy customers who completed the CSI survey between Jan. 7 and Feb. 1, 2008

Customers influenced by Environmental Information



Extent looking for a guiding perspective on environmental issues from retailers where shop



Extent info about environmental impact of manufacturing & using CE products would impact purchase decisions

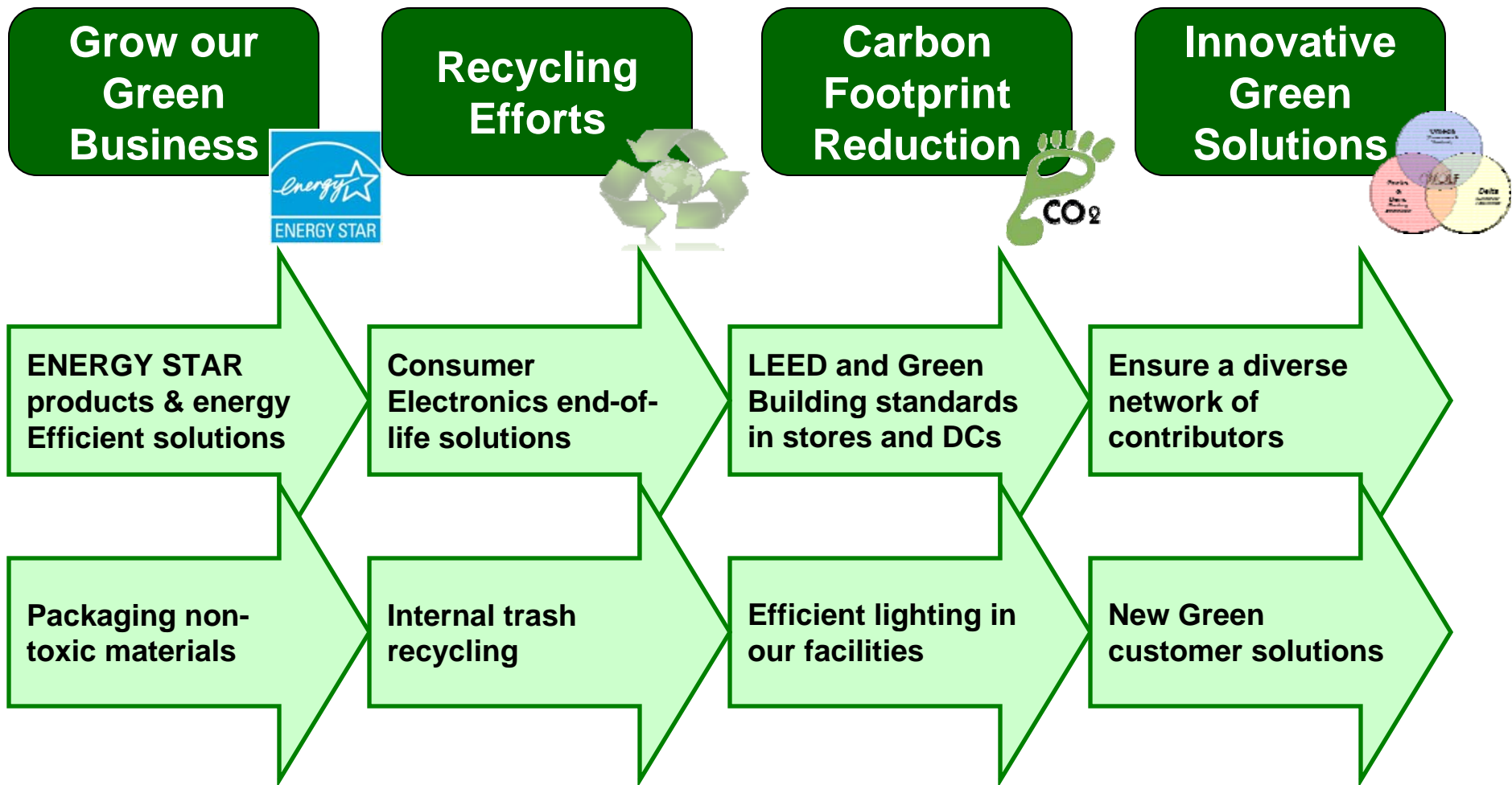
Question: To what extent are you looking for a guiding perspective on environmental issues from retailers where you shop? (10-point scale where 1=Never and 10=Always)

Question: To what extent would information about the environmental impact of manufacturing and using various consumer electronics products impact your purchase decisions? (10-point scale where 1=Not at all and 10=Very significantly)

Based on 3648 Best Buy customers who completed the CSI survey between Jan. 7 and Feb. 1, 2008



Fiscal 2009: Green initiatives



Growing our green business: ENERGY STAR®

BEST BUY AND ENERGY STAR® QUALIFIED PRODUCT SALES 2007

TOTAL SAVINGS



**TOTAL ENERGY
SAVINGS**

960,425,787

KWH/YEAR



**TOTAL UTILITY
BILL SAVINGS**

\$101,036,793



**TOTAL CARBON
SAVINGS**

1,479,055,711

POUNDS OF CO²



EQUAL TO 128,950 CARS REMOVED FROM THE ROAD



BEST BUY™

ENERGY STAR qualified TV & Video Sales 2007

BEST BUY AND ENERGY STAR® QUALIFIED PRODUCT SALES 2007

TV & VIDEO



DVD PLAYERS

ENERGY SAVINGS
21,897,213 kWh/y

MONEY SAVINGS
\$2,303,587

CARBON SAVINGS
33,721,708 lb/CO²



FLAT PANEL AND PROJECTION TVS

ENERGY SAVINGS
231,928,066 kWh/y

MONEY SAVINGS
\$24,398,833

CARBON SAVINGS
357,169,222 lb/CO²



HTIB AND SHELF SYSTEMS

ENERGY SAVINGS
10,937,347 kWh/y

MONEY SAVINGS
\$1,150,609

CARBON SAVINGS
16,843,514/CO²



CARS REMOVED FROM THE ROAD

2,940

31,139

1,468



BEST BUY™

ENERGY STAR qualified Home Office sales 2007

BEST BUY AND ENERGY STAR® QUALIFIED PRODUCT SALES 2007

HOME OFFICE ELECTRONICS



DESKTOP COMPUTERS

ENERGY SAVINGS
0 kWh/y

MONEY SAVINGS
\$0

CARBON SAVINGS
0 lb/CO²



LAPTOP COMPUTERS

ENERGY SAVINGS
892,838 kWh/y

MONEY SAVINGS
\$93,927

CARBON SAVINGS
1,374,971 lb/CO²



MONITORS

ENERGY SAVINGS
562,186,662 kWh/y

MONEY SAVINGS
\$59,142,037

CARBON SAVINGS
865,767,459 lb/CO²



PRINTERS

ENERGY SAVINGS
5,878,316 kWh/y

MONEY SAVINGS
\$618,399

CARBON SAVINGS
9,052,606 lb/CO²



SCANNERS

ENERGY SAVINGS
725,321 kWh/y

MONEY SAVINGS
\$76,304

CARBON SAVINGS
1,116,995 lb/CO²



CARS REMOVED FROM THE ROAD

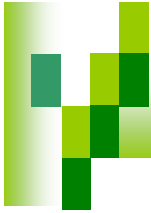
0

120

75,481

789

97



Best Buy, ENERGY STAR, and EEPS

What can we do together?



Finding the right ways to connect with consumers - together

- Incentives – where to direct?
 - Incentives direct to *consumers* seldom work
 - Incentives (coupons, rebates, etc.) for CE products don't carry great enough influence with consumers to drive the desired purchase behavior
 - Incentives direct to *retailers* are more effective
 - Influences the retailer to make assortment, advertising decisions based on the profitability of specific products
- What Best Buy brings to the table
 - Market share and reach
 - Consumer and customer insight
 - 100,000+ employees who are inspired to help consumers make smarter choices with CE and Appliance purchases
- What Best Buy does not bring to the table
 - Sharing *any* customer identifiable information



EEPS and Best Buy: Let's start working together

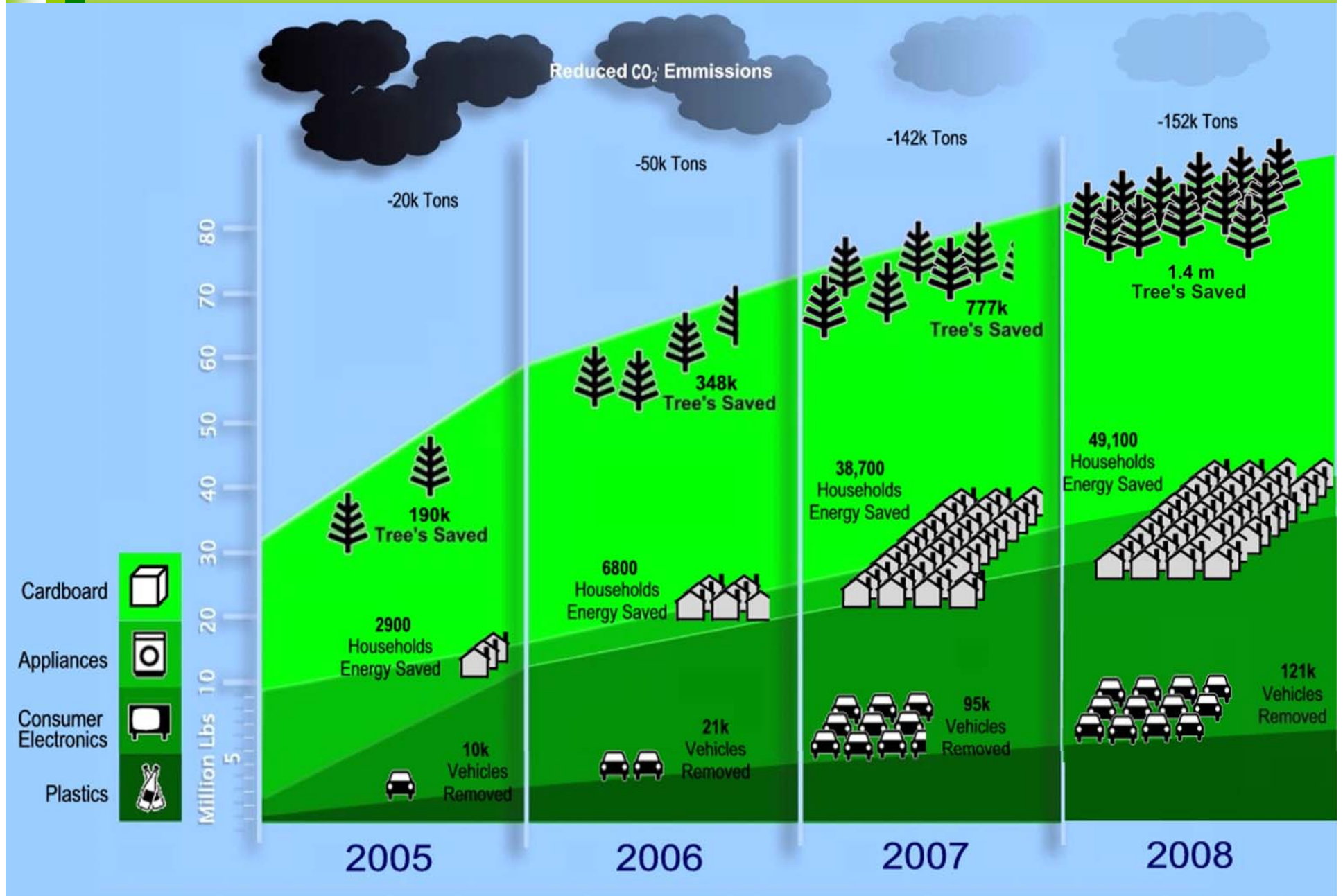
- Cooperative marketing efforts are ideal
 - Look beyond in-store signage – consider full-scale marketing campaign efforts
 - Truly help drive consumer behavior together
 - Respecting customer privacy, detailed sales reporting can validate, justify program efforts
 - Best Buy can help ENERGY STAR and EEPS partners expand the retail scope in their service territory – other joint efforts
 - Drive brand awareness for Best Buy, ENERGY STAR, and our EEPS utility partner
- Best Buy is open to exploring
 - Retail training initiatives sponsored or coordinated by utility partners
 - Partnerships with EEPS to promote both CE and appliance recycling programs

Recycling efforts: Customer needs

- Manage their own waste streams
 - E-waste is the fastest growing municipal waste stream
- Complete solutions
 - Sell products, install/repair, end-of-life recycle
- Back to our brand promise
 - Never leave you hanging
 - Make a difference



Recycling efforts: Current program and impact



Test recycling program:
customer feedback



Best Buy Recycling Programs

- <http://www.bbycommunications.com/crnew/recycling.asp>



Recycling

Helping Consumers Take Action to Recycle Old Consumer Electronics

This year, according to the Environmental Protection Agency, consumers will retire 2 million tons in e-waste, or "tech trash" – old or obsolete cellular phones, rechargeable batteries, ink jet cartridges, televisions, computer components, monitors, appliances, etc. The good news is that many of the materials in e-waste can be recycled or refurbished.

As the largest U.S. retailer of consumer electronics, Best Buy has a responsibility to help consumers make safe and smart decisions when disposing of the devices they use in their daily lives. We're proud of the long-standing programs that help our employees, customers and communities ensure that consumer electronics are disposed of in ways that are safe, smart, and considerate of their impact on the environment. Thanks to the action of consumers, more than 20 million pounds of e-waste were recycled in 2006 through Best Buy programs.

NEW: Recycling grant program – Best Buy now offers grants to help increase the recycling opportunities available in communities across the country. Grants range from \$500 to \$1,500 per event, depending on the size of and scope of the program hosted by nonprofit organizations, cities, counties, or public-private partnerships. Click [here](#) to get information on the grant program and apply for a grant. Click [here](#) to see a list of Grant Recipients.



Carbon footprint reduction: Climate Leaders partnership

- Climate Leaders – EPA partnership to develop Green House Gases (GHG) reduction strategies
 - Partner since 2007
 - October 6th, 2008 Best Buy will announce results of completed inventory and our Carbon Footprint reduction goal





Connect to Best Buy

- Home Theater Marketing Kara.Williams@bestbuy.com or (612) 291-7920
- Notebook Computer Marketing Anastasia.Maier@bestbuy.com or (612) 291-9008
- Desktop Computer Marketing Pam.Freeman@bestbuy.com or (612) 291-5691
- Computer Monitor Marketing Joseph.Yost@bestbuy.com or (612) 291-5105

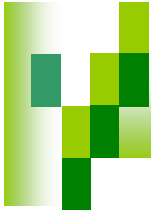
- Home Theater Training Kenneth.Churchill@bestbuy.com or (612) 291-5679
- Home Office Training Ian.Osborne@bestbuy.com or (612) 291-5251

- Home Theater In-Store Darren.Schwartz@bestbuy.com or (612) 291-5046
- Home Office In-Store Steve.Kropp@bestbuy.com or (612) 291-5297

- ENERGY STAR Thad.Carlson@bestbuy.com or (612) 291-9628

- E-Cycling Andrew.Kalweit@bestbuy.com or (612) 291-6515

- “Green” Products & Packaging Thomas.Grant2@bestbuy.com or (612) 291-3264
- “Green” Public Relations Kelley.Groehler@bestbuy.com or (612) 291-6115
- “Green” Marketing Bridgette.Hanson@bestbuy.com or (612) 291-4275
- “Green” online Paul.Hagenson@bestbuy.com or (612) 291-9209



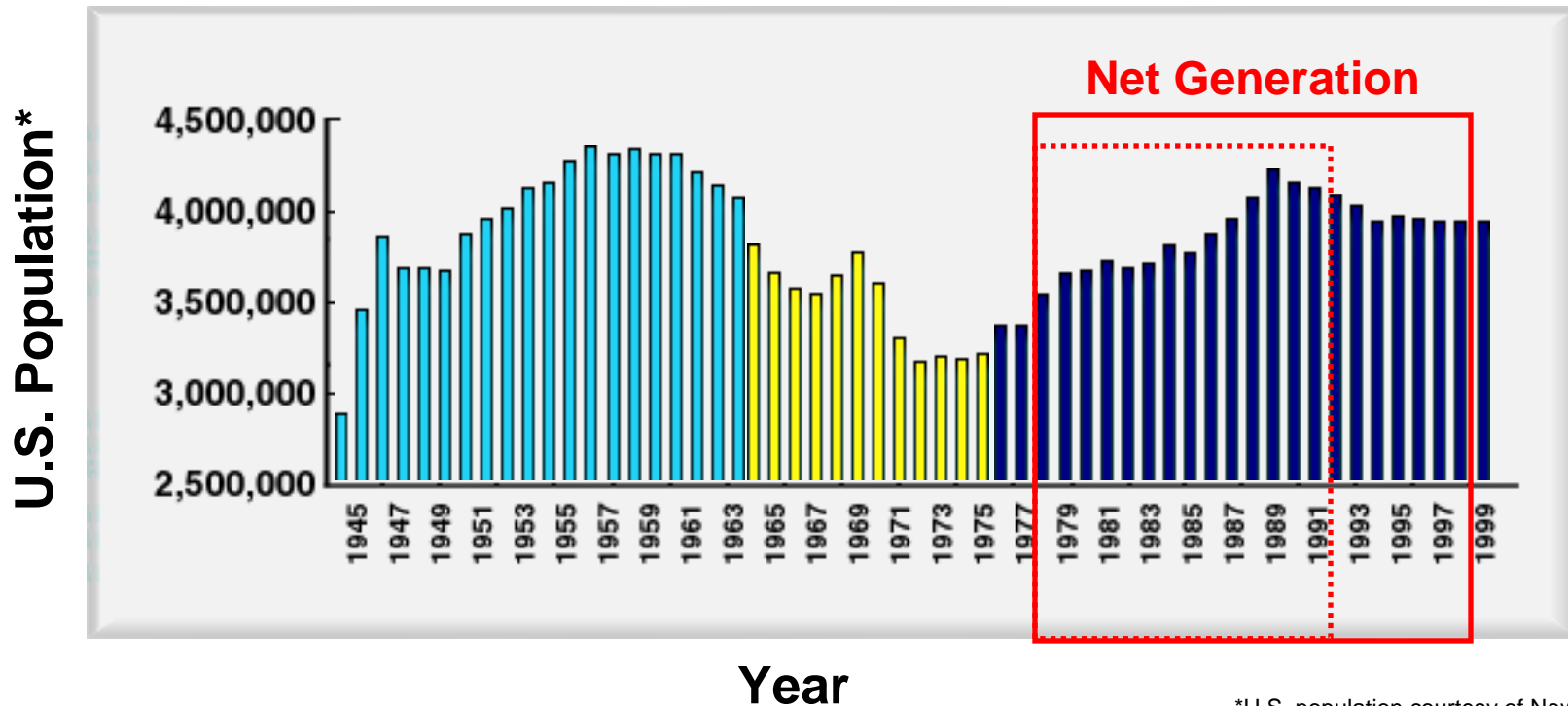
Thank you!

Any questions?

Appendix to follow

Appendix: Who are our employees?

- 80% of employees under 30
- 68% of employees under 24
- Net Gen @ Stores: 81%
- Net Gen @ Corp: 26%



*U.S. population courtesy of New Paradigm, 2007

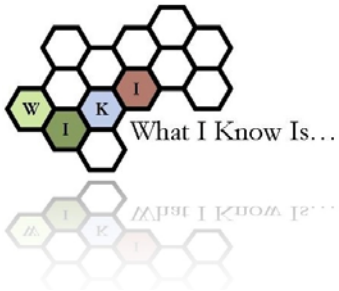
Appendix: Innovating with the “Net Generation”



Over 100,000 unique active users.

Discussion around business, strategy and execution of duties.

The business side of social networking.



10,000 visits per day and one contribution per every two page views.

Collaboration, knowledge sharing, and reference.

Technology used to power a collaborative Web site for community knowledge sharing and reference.



Almost 2000 users at Corporate and Retail.

Provide opportunity to all employees to submit innovative ideas for collaboration and funding.

Micro financing and mass collaboration principles.

Appendix: The Cambridge Study Aggregates Information from Numerous Proprietary and Public Sources to Create a Thorough Picture of Demand for ES Products (ES = Environmental Sustainability)

Overall Methodology

