Efficient Homes of the Future

2016 NEEP Summit Roundtable

Paul Campbell
Director
Sears Holdings Corporation
Our Connected Home strategy will engage with customers across multiple touch points by leveraging our Connected Solutions, Services & Technology.
**The Wally system provides benefits to help manage homes and reduce costs associated with property damage.**

**Functionality & Simplicity**

**Smart Home Value:**
Low-cost Smart Home technology for a differentiated property offering.

**Form Factor:**
Small, fits well in any spot without drawing attention to itself.

**Ease of Set-up and Installation**
Easy to install by non-technical users. Truly a “plug and play” solution.

**Monitoring & Peace of Mind**

**Monitoring Capabilities:**
Dashboard for single/multiple units.

**Complete Home Management:**
Compatible with connected energy and access products for complete property management.

**Asset Protection:**
Reduces risk of water damage from frozen pipes, faulty appliances and leaks.

“What water filter in the basement sprang a leak. Wally notified us. We called the plumber. Problem solved with only one gallon of water on the basement floor, rather than flooding until we returned.

“Water filter in the basement sprang a leak. Wally notified us. We called the plumber. Problem solved with only one gallon of water on the basement floor, rather than flooding until we returned.

We love this system. It’s like having a watchman who patrols the house, and let’s us be away from home without coming home to surprises, or worrying that we will. No surprises. No worries. No kidding. Grateful customer. Thank you Wally.”

Kevin G. Cambridge, MA
## 2016 In Store Components

### San Bruno Flagship Experience
- Diversified Product Offerings with Hands on Displays
- Complete Remodel w/ New Fixtures
- Dedicated Staffing

San Bruno, CA

### Chicago Labs
- Diversified Product Offerings with Hands on Displays
- Complete Remodel of non-CE space
- Dedicated staffing

3 Chicago Stores

### CS Stores
- Rationalized Assortment based on member segmentation
- Utilizing existing fixtures
- Vendor demo’s integrated within POG

CS Shops
(172 Stores)

- Planned Monthly demo days
- Vendor product launches
- Store utilizes updated “Sandbox network to set new product displays quickly

- Increase merchandisable space
- Update showcases with CS pillars (Simply Entertain, Simply Secure, Simply Automate, Simply Fit)

- Partnering with vendors to launch live displays for all product
- Dedicated CE sales associates
KCD Brands will be woven into the fabric of American home lifestyle

When a Member thinks of their home lifestyle, Sears will be their first-stop retailer

Service:
- Expert advice
- Installation
- Keep it running

Convenience
Community
Rewards

Tools and Equipment to finish the job outside your home

Appliances for your lifestyle inside your home

Power where and when you need it
KCD Connected will be an industry leader for the Connected Home

- All new products developed by KCD which are “powered” will include connectivity as a basic feature
  - Unpowered products will also be considered if the appeal of connected features can be rationalized (e.g. connected toolbox)

- The objective is to generate a connected household that features an eco-system “powered by Sears”

- Our value proposition is to protect the home, provide peace-of-mind, and save money, affordably

Your home...powered by Sears
ENERGY STAR Retail Products Platform Update

2016 Participants

- CA: PG&E, SMUD and SCE
- CO: Xcel Energy
- MN: Xcel Energy
- ID, MT, OR & WA: NEEA
- NY: Con Ed
- VT: Efficiency Vermont
- WI: Focus on Energy

Discussions Regarding 2016/2017

- CA: LADWP and SDG&E
- CO: Platte River Power Authority, Fort Collins Utilities, Loveland Water and Power, Longmont Power & Communications, and Estes Park Power & Light
- CT: Eversource CT, UIL Holdings
- DC: DC SEU
- HI: Hawaii Energy
- MD: BGE, PEPCO, SMECO and Delmarva Power
- MI: DTE Energy
- NJ: New Jersey Clean Energy Program
- NM: Xcel Energy

- Implemented at +600 store locations at Best Buy, Home Depot and Sears since April 1. 2016!
- Receiving on-going full category sales data
- 12 months historic category sales data
- Retailers and Utilities working together to select 2017 product categories
- Largest appliance and CE manufacturers beginning to collaborate with ESRPP

Pre – approved signage and field services authorization