



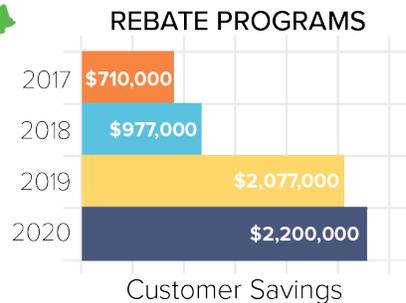
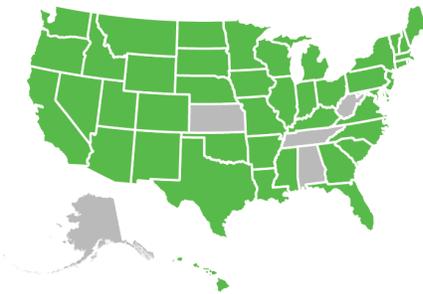
A STRATEGY FOR **E-COMMERCE SUCCESS**



Starting a business in 1999 without brick and mortar locations provided Bulbs.com with a unique opportunity to build a commercial e-commerce lighting company that leverages its online presence and well-trained lighting specialists to service customers throughout the United States. Bulbs.com continues to flourish during the volatility of 2020.

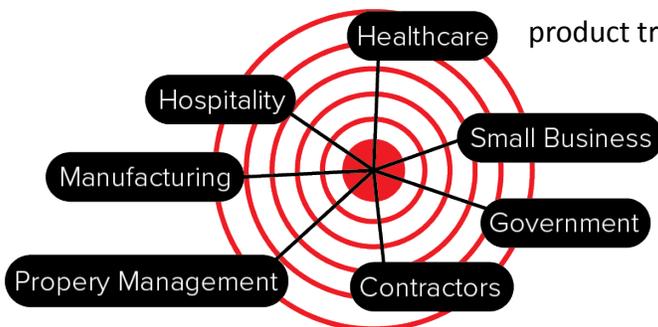
In 2017 tED magazine produced an article titled “[Top Tips for Distributor Success in the Lighting Industry](#)”. At that time, Bulbs.com was approaching twenty years in the commercial lighting business differentiating ourselves from other lighting and electrical distributors by creating and maintaining a solid and focused digital presence. It was necessary for us to embrace what we could offer to existing and potential customers through various online channels. From the early years of the company to the time of the tED magazine article, the team at Bulbs.com had continuously learned and adapted to changes in the lighting industry and the quickly evolving e-commerce space. The article’s top tips for success were validation that we were doing the right things to compete with established distributors and succeed online. We recently revisited the article and can conclude that these steps are still key to our success and have helped Bulbs.com prosper in the very difficult 2020.

Become a Rebate Expert – By making utility incentives available, Bulbs.com will save its commercial customers over \$2 million in project costs in 2020. The company enjoys growing partnerships with over 30 utility programs nationwide. Among them are National Grid, ConEd, ComEd, PECO, PPL, Duquesne, Dayton Power and Light, Duke, SMECO, Ameren, Xcel, CPS San Antonio, Southern California Edison, and SnoPUD. Incentives for LED lamps, LED fixtures, and lighting controls are managed in real time enabling our Lighting Specialists to quickly identify eligible products for our customers.



Connect Customers to Controls – Effective identification and installation of lighting controls can save customers up to another 50% in energy savings. Bulbs.com continues to build its repertoire of knowledge in this area and routinely includes dimming, occupancy sensors, daylight harvesting, and wireless controls on commercial lighting retrofit projects.

Segment Vertically –Bulbs.com built its business around a keen attention to commercial vertical markets. We’ve specialized in hospitality, property management, retail, manufacturing, healthcare, education, and government and also partnered with thousands of electrical contractors and distributors. Our Lighting Specialists combine



product training with a clean, informative user experience on a website tailored to product selections for commercial verticals. The digital experience comes with rich content including product images, technical specifications, and how-to videos that enable customers to purchase with confidence.

Educate Customers – Bulbs.com consistently messages customers with opportunities to improve the quality and effectiveness of their lighting. Digital content and over 20 million emails in 2020 will provide visitors with the information they need to make the right decisions about their lighting.

Educate Internally – The Bulbs.com team spends a part of each day/week/month in various training environments. Manufacturer or Trade webinars, NAILD’s Lighting Specialist Training, Mark Jewell’s “Selling Energy”, and Utility Rebate summits, keep our Sales, Customer Service, and Merchandising teams up to date and up to speed. Additionally, our team learns about the business of business by having access to financial performance reports and a true open door to members of the management team.

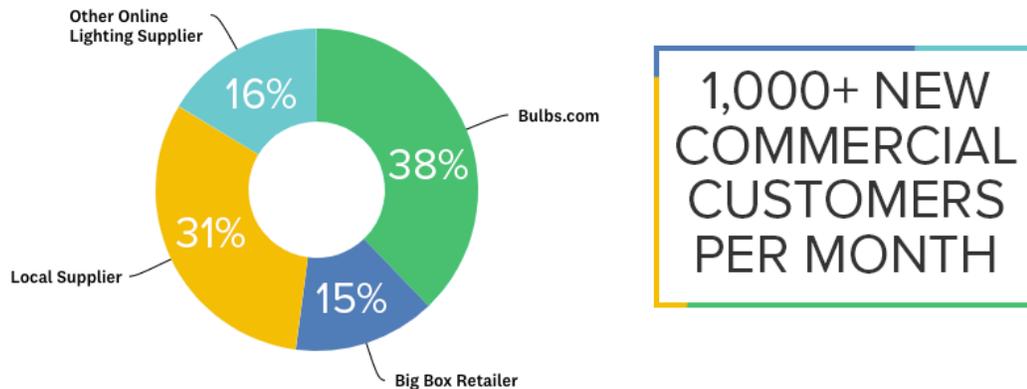
Dedicate Resources – In 1999 compact fluorescent bulbs were the newest and greatest. Today it is color-and wattage-adjustable LED options with motion and daylight sensors. Throughout, Bulbs.com has stayed current with lighting technology and emerged as a team skilled in specifying energy efficient commercial lighting projects. As importantly, the company has evolved as a group of e-commerce experts over that same timespan. We have constantly improved our website based on digital analytics, A/B testing, usability studies, user session replays, UI/UX consultations, and even some nimble use of trial-and-error when necessary. A dialed-in website is only half the battle because it’s all for nothing without steady user traffic being driven to the site. It has been important for Bulbs.com to keep a finger on the pulse of the ever-changing channels available in the marketing landscape because not all mediums offer the same success rate for B2B as they do for B2C. We have found a balance but continue to monitor results from direct-mail, billboards, paid search, display advertising, social media, email, SMS/text, video, connected TV, trade publications, trade conferences, and the list continues to grow. A final piece to the whole puzzle was developing a profound understanding of freight costs and the adjustments made necessary as lighting products changed from heavy-but-fragile to large-but-light-and-durable. We need the product to get to the end user with a low breakage rate, while at the same time ensuring that warehouse and freight costs do not negatively impact profitability. Ultimately what all of this adds up to is offering our customers a knowledgeable and reliable resource that provides value with a positive user experience from start to finish.

Get Closer – Bulbs.com has broken the paradigm of having to work face-to-face with commercial clients. During the COVID pandemic, our ability to leverage a great website and a team of well-trained Sales/Service/Product/e-commerce experts has made it possible for us to continually acquire nearly 1,000 new commercial customers each month. The marketing and e-commerce team uses the website and digital assets to set the stage for customer acquisition. An exceptional website, 20 years of How-To-Be-Found-On-The-Internet learning, and connecting our lighting experts to customers has proven to be an effective model. Survey data shows that



most of our business customers were previously buying from electrical distributors or from big box DIY retailers.

Where do you typically buy your lighting?



Engage in Value Engineering – Bulbs.com is using a constant flow of customer survey data to improve the connection to our customers. We used survey data at the outset of the pandemic to understand how our commercial (and residential) customers were reacting. Our agile and aggressive team responded with timely commercial product additions and web resources. While residential business has traditionally accounted for less than 15% of our revenue, the surge of remote workers triggered a 4X increase in orders from consumers. As we saw this begin to unfold in early April, we built an improved residential interface to provide better content for upgrading home lighting to LED. The team still has opportunity to build more internal resources for specifying and managing large commercial projects; for now we continue to rely on our manufacturing partners to provide support for this facet of our business.

Outside the Box Collaboration – The Bulbs.com team takes pride in problem solving and looking ahead at industry trends that will shape future opportunity. There has been no challenge greater than the 2020 pandemic. Despite the initial shock on all businesses that occurred in mid-March, Bulbs.com employees responded with courage and out of the box thinking. By securing a first round PPP loan in April and making countless adjustments to our operating practices, e-commerce, marketing, product selections, and supply chain management, Bulbs.com survived the first eight weeks of COVID and has since prospered. The team used their deep understanding of customer segments and the breadth of our supply chain partners to quickly establish new categories including PPE, disinfection equipment, and air purifiers while we continued to work on lighting upgrades throughout much of the U.S. An extraordinary effort by the team enabled Bulbs.com to post near record sales in September and achieve its original Q3 sales and profit targets. We forged ahead to a record October and the company expects a continuation of the success through Q4.

In the end, the goals of e-commerce are the same as a brick and mortar business – extend to customers a knowledgeable and reliable resource that provides value and a positive experience. To serve the customers what they need while instilling a level of confidence so they will not only come back for future needs but also refer others to our business. Bulbs.com identified this opportunity in the early 2000s and has long since fine-tuned the strategy laid out by tED magazine in the 2017 article. The pandemic has magnified the demand for exceptional digital performance backed by first class support for both B2B and B2C customers; Bulbs.com is answering the call.