



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Enforcement

August 17, 2012

Nationwide Window & Siding Corp.
115 Industrial Ave. East
Clifton, NJ 07012

Dear Sir or Madam:

The staff of the Federal Trade Commission (FTC) has concerns about some of the claims that Nationwide Window & Siding has made about its windows. Five manufacturers and retailers of replacement windows recently settled with the FTC for allegedly making unsubstantiated energy savings claims. See <http://www.ftc.gov/opa/2012/02/windows.shtm>. The FTC brought these cases under Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits deceptive marketing, including unsubstantiated advertising claims about replacement windows. Energy savings claims (such as claims that installing replacement windows reduces heating and cooling costs by more than 30%) that are not substantiated by competent and reliable scientific evidence violate the FTC Act.

We reviewed your website at www.nationwidewindow.com and found claims similar to those challenged in the recent FTC lawsuits. For example, the responses to two "Frequently Asked Questions" state, "Our windows could add overall value to your home while cutting your energy costs by more than 43%," and "Our windows will not only lower your fuel bills by 43% they will also add value."

The FTC hasn't decided that your claims violate the law. However, we urge you to review your marketing materials, both on your website and in any other medium (including during in-home presentations to consumers or materials you give to dealers or retailers), with the following points in mind:

- Energy-Savings Claims Must Be Backed by Scientific Evidence. Any claim about the efficiency, energy savings, fuel consumption, operation cost, cost recovery, or "payback" of an energy-saving product must be truthful and backed up by competent and reliable scientific evidence before you make the claim.
- Be Specific About the Type of Savings Consumers Can Expect. Note the difference between total home energy savings and heating and cooling savings.

Heating and cooling expenses may account for less than half of a home energy bill. Thus, a 15% reduction in a home's heating and cooling costs does not mean the homeowner will save 15% on his or her entire energy bill. If you claim that consumers will achieve a specified percentage of energy savings, you should state clearly whether you are referring to heating and cooling savings or savings on a home energy bill.

- Avoid Deception When Making “Up-to” Claims. A recent FTC study shows that many consumers interpret claims that windows will save “up to” a specified amount of energy to mean that all or almost all users are likely to get the specified savings. You may read about this study at <http://www.ftc.gov/opa/2012/06/uptoclaims.shtm>. Therefore, to avoid deception, you must clearly convey the results consumers are likely to get. For example, if you say that consumers will save “up to” a specified percentage in savings, your substantiation should prove that all or almost all consumers are likely to get that percentage in savings.
- Avoid Deception When Selecting Home Characteristics for Modeling. As described in the FTC's complaints against other windows manufacturers and retailers, many factors affect the savings homeowners can get by replacing their windows. Among other things, these factors include the home's location, size, insulation, and existing windows. Energy savings results from energy modeling software will vary depending on the variables of the homes selected for modeling. Thus, if you use energy modeling software to determine the savings people will get from your windows, don't choose atypical characteristics that produce inflated results.
- Clearly and Prominently Disclose any Assumptions. If your substantiation shows that consumers will get a specified amount or percentage of savings only under certain circumstances, disclose those circumstances clearly and prominently near the claim. Disclosures in small, difficult-to-read type won't cure a deceptive savings claim displayed prominently in the advertisement.
- Exercise Care in Using Testimonials or “Case Studies.” Anecdotal evidence and consumer testimonials aren't competent and reliable scientific evidence. And an advertiser can't convey claims through consumer testimonials that wouldn't be substantiated if the advertiser made the claim directly. For more information about how to avoid deception when using testimonials, read the FTC's Guides Concerning the Use of Endorsements and Testimonials in Advertising at <http://www.ftc.gov/os/2009/10/091005revisedendorsementguides.pdf>.
- Be Careful with Claims You Make to Dealers and Retailers. You may be liable for misleading or unsubstantiated claims you make to dealers or retailers who buy your products. You may also be liable if those dealers or retailers pass your claims on to their customers. For example, don't make a false or unsubstantiated claim in a product brochure that dealers or retailers may give to consumers.

Once you have reviewed your marketing materials, **please advise FTC staff if you intend to remove or revise any claims, identify the claims you intend to remove or revise, and tell us when you'll make those changes.** You may call FTC staff attorney Sarah Waldrop at (202) 326-3444 if you have questions or to follow up on this letter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Gorman', with a long horizontal flourish extending to the right.

Frank Gorman
Assistant Director
Division of Enforcement