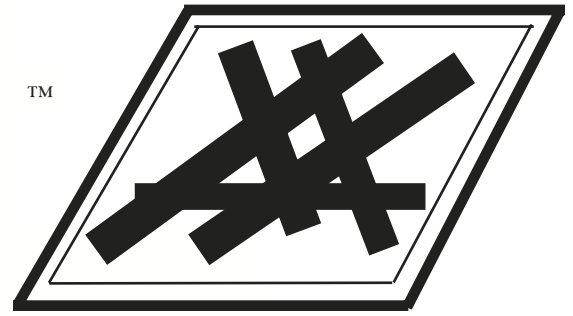


In-Store

The Newsletter of In-Store Marketing & Business
March 2005

TM



DEAR READER:

Markettechnics was great this year, as usual, and I learned a lot, caught up with old friends, and came away feeling “updated.” Mark Heckman, a consultant affiliated with our company, helped with this issue by providing his comments. They are characteristically skeptical, because Mark was a retailer most of his life (VP Marketing for both Randall’s and Marsh), and I think they provide a nice offset to my eternal optimism. Beginning on this page (to the right) I’ve interspersed Mark’s comments with my own, to give you a typical retailer’s perspective. Some of you vendors might cringe but I’m sure you’ll nod and agree that this is the way retailers think.

My favorite promotional giveaway at the show was from S&H Solutions. Danny Portal explained, “We tried to think of what people really need at a show like this and decided they need to take notes!” So S&H gave out half-page-sized notebooks that included a pen – embossed with S&H, of course! And I took a lot of notes: so many that they don’t all fit in this issue, so there will be more from Markettechnics in the April issue.

S&H demonstrated a kiosk interfaced to its system that can be put anywhere in the store. Customers insert their cards in the device for a visual of unadvertised specials with audio that says “We have a special offer just for you.”

If the kiosk were placed at the front of the store it could be called “Entrance Marketing.” Infrared detects the presence of a customer. The overall goal: multiple touch points throughout the store.

Mark Heckman comments: Although I think we all agree that points programs are not for everyone, (points programs can quickly become “perceived entitlements” and with that perception lose their ability to drive incremental behavior), S&H is taking some big steps in compartmentalizing their approach so to enhance their appeal to more retailers and is smart to offer non-points options. I also liked this proto-type wireless kiosk that they will be testing and implementing this year...so small it can be inserted near or at the shelf (point of decision).

Noah Katz from PSK Foodtown, one of the early S&H users and a previous GEM Award winner, was there with a Blackberry that was hooked in live to his stores’ S&H database.

PSK Foodtown’s system showed Noah that **Ms. XYZ** (*no names, to protect the shoppers’ privacy!*) a Level II shopper, was **at that moment** on Lane 5. Noah said the store manager should be on his way over there to say, “We know you’re one of our best shoppers... How was your shopping trip today? Is there anything else that you need or anything you wanted but did not find?” They do the same thing with new customers.

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In-Store™, the newsletter of in-store marketing and promotion, is a publication of Retail Systems Consulting, a leading supermarket technology consulting company. Editor Carlene Thissen, president, has more than 20 years of experience in the supermarket business. Call (239-352-4422), fax (239-352-4421), email (carlene@retailsys.com) or send us news you’d like to see covered in In-Store. 5091 Tamarind Ridge Drive, Naples, FL 34119. Website: www.retailsys.com

Capture Resources, Inc. (CRI) a leading provider of cards, etc., showed a kiosk application with backlit space for advertising that offers several functions including gift card purchase with PIN activation that you can buy with a credit card. Customers can also use the kiosk to apply for a loyalty card including opting in or out of communications from the retailer. The card is issued with a bar code on the back and, after the information is entered, the kiosk scanner reads the card's bar code it as it is dispensed and assigns the number it scans to the specific record for the customer. Customers can also enter their information at home and key in a code to get the card dispensed at the in-store kiosk. www.captureresource.com

I spent quite a bit of time with Vijay Chetty of **ScanAps, Inc. and caught up on their recent advancements.**

They are a GEMCON exhibitor, but I rarely get time to spend with the vendors at GEMCON – I'm too busy being the hostess. They showed a video of what they've implemented at Green Hills Farms. The unit, which originally was used to scan in coupons and then load them into the POS system via a docking station, is now a club card and coupon scanner combined. Think of it as the next-generation loyalty card or Interactive Loyalty Card (ILC).

“Retailers are putting together the pieces that are needed to market one to one,” said Gary Hawkins, CEO of Green Hills Farms. In a 12-week test at his store, the overall spend increased 8.3%, customer visits increased 6% and manufacturer coupon usage was up 26%. *Wow!*

Here's how the ScanAps System works: Consumers scan codes on coupons before they get to the store. (They could scan them after they get to the store, too; the system doesn't care. But it's most likely they would scan FSIs at home without cutting out coupons.) Also, before they get to the store they can print out a list of the coupons that are stored in the device – OR they can do this at the store too, at a kiosk that has a docking station for the device. It's also got a docking station at each checkout. The loyalty card identification number is stored in the device.

Each device is programmed exclusively to work at the store that issued it and likely it would carry the logo of that store as well. The device could be used to do self-scanning in the future. www.scanaps.com

Mark Heckman comments: ScanAps represents a technology that has potential for success because it has the ability to connect with a consumer need, namely the elimination of clipping and handling paper coupons. Scanning coupons prior to the shopping trip and turning them into electronics discounts has positive ramifications for both retailer and consumer, but without a marketing services partner with an infrastructure and/or a strong commitment from the retailer, I question whether the content and customer proposition can be strong enough to sustain consumer interest to warrant the investment. The test at Green Hill Farms produced some positive numbers, but the real test for this technology will be whether the supporting content and marketing is sufficient to keep it top of mind for the customer long pull.

I took some time to understand the **CONNECT3 system** and divided it in my mind into four parts.

Part 1 is the **organizing of deal and offers**. The second part is like a **sophisticated pert chart**. Today, retailers have some kind of a promotion calendar but usually it's not tied to the work flow associated with the promotions; they might use a spread sheet, for example. Also, someone has to decide what offers go in it. The CPGs offer deals during the year, and each buyer works with category managers to figure out what promotions to put where, and often the deals are not coordinated. The system maintains all the milestones and events. It has an email notification system to the specific buyers and includes production deadlines e.g. “Time to get images.” Part three is **“versioning.”** It can version content copy, images, pricing, and the number of pages in the circular (print circular OR email/website based). It's focused on cost reduction and targeting and connects merchandising, advertising, and marketing. Price versioning works especially well with frequent shopper programs because you know where specific people shop. Best Buy for example, is doing targeting of customer “brands” where their buyers focus primarily on customer types and then on categories. And **“score-carding”** is the fourth part of the CONNECT3 system – the system ties into forecasting and predicts overall sales and profits by advertised item. The system is also tied in to the POS so movement is part of the input. All you do is drag and drop available items from windows on the screen. It was simple to understand, and very powerful stuff. www.connect3.com

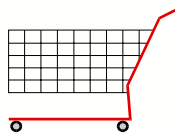
I visited Netezza and was glad I did— *Several of my high-tech friends told me they were very impressed. By the way it's pronounced Net Tease' Uh and it's an Indian word for "results."*

Netezza's product is a data warehouse that in one box can take you "from loading dock to loading data in a couple of hours." The architecture is based on a "snippet processing unit" which processes data as it comes off the database rather than waiting until it has it all and they say that because of this, they run queries as fast as the disk can spin and provide records. They do market-basket analysis for Shoppers Drug Mart in Canada which has 8 million loyalty cards, and claim that what used to take 22 hours to run on Shoppers Drug Mart's old system takes Netezza 10 minutes. They don't have market basket analysis tools but are announcing a relationship with VRMS for that piece. telco was their first business, where the system was used to analyze call detail records. They claim that, in addition to its speed advantage, the system costs 25 – 50% of other solutions.

www.netezza.com

Mark Heckman comments: For those of us who understand the importance of speed and flexibility of a key component of database analytics, Netezza seems to have figured out how to handle huge amounts of data by combining analytic processing with storage and making it affordable to do so. With a chain like Ahold taking the plunge, it cannot be long before a herd of "fast-following" supermarket chains jump from industry stalwarts like IBM, Oracle, and NCR's Teradata. This is one to watch!

SCANNING



Rhonda Wall, an old friend, took me through the **StoreNext Retail Technologies booth** (as most of us know, StoreNext is a joint venture between Retalix and Fujitsu.). *It's so great to get a booth tour from someone you like and who has known you for a long time and therefore knows what you know, and Rhonda is both of those - it's pleasant and very efficient.* So here's the highly efficient look at what StoreNext is providing for independent retailers, to level the playing field.

The ISS45 V8 is now Windows-based with Sequel (sp) as a database, making it very user-friendly. The system has several new cool fuel-related features.

Drive off, for example, where the system prompts the cashier to key in the driver's license of the person, color of car, year of car, and the license plate. Fuel promotion software prints a voucher for cents off per gallon or a dollar amount, good for 30 days. The system allows different price lists by lane; for example, cold soda might cost \$1.00 (cold) at the food court but only be \$.75 (warm) off the shelf. The system has a cashier and customer touch screen where customer can scroll up or down to see prices and where two screens are reserved for advertising. There is a scrolling receipt at the Hypercom PIN pad including signature capture and check imaging.

StoreNext also offers a "Pocket Office" that the manager carries around for DSD, price audits, cashier monitoring, and remote manager authorization (RMA – a new acronym!) for overrides or to learn that lane 4 needs nickels. The system is interfaced with the U-Scan self checkout system, electronic shelf labels, and a back office system for maintenance, DSD, etc. It's interfaced to Connected Services for multiple store reporting: they all dial in to a "server farm" that goes to Connected Stores and provides reports at corporate computers or on a handheld device. As an example they showed a picture of another long-time industry friend, Drew Otte, sitting on the beach reviewing a report on a Blackberry while drinking something with an umbrella in it!

StoreNext just announced it has obtained marketing and distribution rights from Retalix for the Scan-Master point-of-sale system, a leading retail software platform for independent grocers, in a deal where StoreNext will license and provide all new releases and features for the independent market. StoreNext will license and provide all new releases and features for the independent market, beginning with a new release with over 25 new capabilities to be delivered this month.

Mark Heckman comments: For a lot of reasons, StoreNext and their partnering parent, Retalix are having record sales years. Their approach of "plug and play" various software components that work with the majority of POS and backoffice hardware has to be attractive to retailers. Given the perceived "rigid product and services parameters of many of the long-standing suppliers in the marketplace," I see their footprint growing substantially over the next few years as long as they remain humble and flexible to adapt to changing retailer needs.

FUEL SYSTEMS

As much as I like fuel systems, I just didn't get around to them this trip. I did get wind of a few announcements, however.

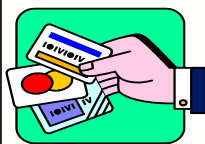
Excentus, formerly CCISTech, announced two partnerships – one with NCR and one with IBM – both will provide fuel flexibility for retailers with those systems.

The partnership with NCR enables NCR to offer a fully integrated fuel package as an additional feature option for their Advanced Checkout Solution (ACS) software suite. By implementing technology provided by Excentus' Reward Fuel Controller, NCR's ACS users are able to treat fuel sales just as they would any other product sold in their stores. Excentus' solid fuel control software for ACS users and the option of implementing the Reward Marketplace, give retailers the ability to add fuel to their promotional marketing mix without overhauling their POS systems. This integrated fuel package enables retailers to use a single point-of-sale (POS) terminal to ring up in-store items, monitor fuel pump activity and automatically add fuel purchases to in-store transactions. By integrating the same cashier interface for the supermarket and the fuel center, cashiers can work in either location with little additional training.

The IBM/Excentus deal involves an integrated fuel controller as an optional component of IBM's market-leading SurePOS ACE Application. "Excentus chose to work with IBM because of the success we've had integrating our fuel controller to their POS systems at customer sites like Piggly Wiggly Carolina, Harmon's and others," said Scott Wetzels, VP Marketing and Partner Development for Excentus. The two companies are working together to leverage IBM's Store Integration Framework (SIF) to link fuel operations into retailers' existing store operations. SIF is a retail infrastructure that reduces the complexity of managing multiple technologies. SIF is designed to make it easier and less expensive to introduce new technologies and applications into store operations. It enables real-time sharing of data across the store and enterprise to empower employees with the information they need to improve productivity, streamline store operations and enhance the consumer shopping experience. By using SIF, store associates will be able to take full advantage of their terminal sales applications; for example, controlling activity at the fuel dispensers, ringing up normal product sales, accepting

EBT cards for payment, and other tasks. Perhaps most importantly, the integrated Excentus-IBM solution provides a platform for expanded functionality like fleet card acceptance, cross-marketing of fuel and in-store products, and running promotions at the fuel dispenser to draw customers inside the store.

The ACE Application is used for price control, transaction logging and sales reporting. With the integrated IBM fuel package, customers will be able to use a single POS device in their fuel kiosks or C-stores to ring up in-store item sales, monitor fuel pump activity, and automatically add fuel purchases to in-store transactions. www.excentus.com.



ELECTRONIC PAYMENT

A few items of "aisle chatter" heard during the show:

POS system companies are ahead of the bankers on check imaging. Apparently only 20% of banks are ready to deal with it.

E-wallet cell phones will win for now, but eventually fingerprints are the way the industry will go.

A retailer in Iowa using smart cards discovered that the data on the card would get wiped out by static if the card was used when it was cold!

Why isn't CASPIAN up in arms about signature capture? Can it be they actually missed something to be paranoid about?

Mark Heckman comments: Retail Payment Systems as a category (transaction platforms) appear to be somewhat of a commodity, especially for marketing people. When talking with those suppliers at the show, I did manage to get them to open up a bit as to some of their purported points of distinction. Much of their selling points include attributes like reliability, the ability to handle stored value and other pre-paid cards, speed, and of course cost.

*My old boss from Lucky Stores, Don Roscelli, showed me the **Pay By Touch system**. The system handles fingerprint identification, driver's license, frequent shopper cards, checks, credit, debit, and EBT. When a customer first signs up, a store employee scans his or her own fingerprint before (and also after) the customer entry, by which they guarantee that the data and photo ID of customer is correct. Then customers place their finger on the reader twice and then enter their "electronic wallet" of checking account, credit cards, etc. The system will notify users of discrepancies or updates related to the wallet, for example, in 30 days your credit card is expiring. Data can be updated in-store or online. Age checking is automatic with the system to prevent underage people from buying alcohol or cigarettes – the system sends for data from the driver's license to validate the age. *In case you're wondering about the legality of that, driver's license checking in a system is allowed for fraud purposes but not for marketing.**

The Pay By Touch system is also interfaced to the StoreNext System and I got additional information from a demo in their booth. When you sign up, the system doesn't actually store your whole fingerprint – it makes a template of the ridges and valleys of the fingerprint. You put your finger on the reader and key in your phone number and the system searches for the fingerprint that is related to that phone number. *The StoreNext folks said that Pay By Touch is implemented with their system at Thriftway in West Seattle and that they get a lot of older women signing up because they feel like targets in parking lots, and with Pay By Touch they don't have to bring their pocketbooks into the stores.*

Mark Heckman comments: Biometrics is intriguing and got a lot of attention on the exhibit floor, but think they are missing the boat by positioning themselves solely or predominantly as a payment system. In my mind, they would be better positioned as a *customer identification* system that can enable loyalty, consumer convenience, and payment. As a payroll check verification system, biometrics is all about security from bad check loss. As a payment transaction system, the business model today is anchored in the premise that biometric payment will be skewed heavily towards ACH, as opposed to high transaction fee card and debit. I think the jury is still out as to the willingness of the consumer to stop using their credit cards (they like the 30 day float and some get affinity points), and clearly Visa and MasterCard will respond competitively when enough of these systems are in play.

Mark continued: **Biopay** and **Pay By Touch** are poised to duke it out in the supermarket sector, but my prediction is that the first one to figure out new ways to entice the consumer to use the system for a variety of functions....not just payment, will win.



Capture Resources, Inc. (CRI) also showed a very cool **checkout payment system using a cell phone**. The display on the telephone asks if you want to use your loyalty card, and then if you want to use coupons (which you have downloaded in advance from your website). When coupons are used the POS display says: "Added new coupons." Then the POS system says "Pay with cash or use e-wallet?" It displays the credit and debit card types you have in the e-wallet and the last four digits of the card number. All you do is press the phone key to identify which one you want to use. If it's infrared, it can all be done quickly. (For Infrared and Bluetooth capability a POS module is needed at each lane that CRI can provide at a cost of about \$300 per lane.)

They told me many cell phones are infrared or Bluetooth capable today, but unfortunately the one I bought recently is not. Here's how you tell if it's got infrared: the phone has an oddly-shaped black glass triangle on the side. If your phone does not have this oddly-shaped glass triangle and is therefore not infrared, you would dial in, type in the checkout lane number to accomplish the payment transaction, and then hang up.

I missed the MobileLime exhibit, but Mark got there:

MobileLime is a cell-phone based communications system that allows for shoppers to receive offers and messages from their favorite retailers on their cell phone, prior to or even during the shopping experience. Moreover, with MobileLime, shoppers can use their cell phones (with a pin number) to actually pay for their groceries at the checkout. Peter Wolf (VP of Sales and Marketing at MobileLime) gave me a quick demo of the ease of registration and the fluidity of messaging. With the right partnerships and business model, coupled with the pervasive nature of cell phones, this is technology has a chance to make it big!

Bill Booth had a booth this year for the first time in a while. (*If you'll recall, Coinstar used to be Bill Booth's booth but in the last few years he's wandered through the aisles in Harley Davidson shirts with a lost look on his face.*) He's now working with **CARDS (Consumer Acquisition, Retention and Development Services)**, a company run by Tommy Greer's brother and cousin. (*You can't get a better recommendation than that relationship, in my book. The brother and cousin are very nice, but I really missed Tommy.*)

The CARDS system is designed for a unique market: people who run out of money at certain times during the month and either kite or bounce checks, go over their credit card balances, or pay money to get "payday loans."

The customer can sign up for the system in less than five minutes. They fill out a form with basic information including the day the person gets paid, and the customer signs authorization to remove money from their checking account when the money is available. Then the person signing them up scans the MICR code from one of their checks and it is returned to the customer. And they are issued a store card that is good for up to \$35 in products at the front-end of that store only. (The store's frequent shopper card could be used instead, if it is mag-striped.) That's it. The cashier handles the card like a regular credit card transaction. Customers build up their "credit" and can eventually receive up to \$200.

The retailer gets paid the entire amount two days later and has access to online reports with up to the minute data, summary reports, or listing of every transaction by store. Funds are guaranteed by First Bank and Trust (CARDS bank partner). It costs the retailer nothing and CARDS advertises on the retailer's behalf. Customers pay \$3.00 for \$10 - \$25 in "credit" and \$5.00 for \$25 to \$50 - not cheap but a lot less than the \$30 to \$60 they would pay for a bounced check. CARDS collects that fee with the funds and shares a portion with the retailer.

Here's why this customer base is significant: About 30% of households in the US live paycheck to paycheck, and most run out of funds before payday numerous times during the year. NSF checks cost them \$30 to \$60. Twenty-five percent of consumers with checking accounts use bank overdraft privileges 2-3 times per month; 24% of checking account holders do not have credit cards; 50% of credit card holders revolve (maintain a balance) and 12.4 million are delinquent in payments.

Combining these groups results in a target market of at least 34% of households. One of the reasons they're a good market is because retailers' costs are high for credit cards and many of these people don't have credit cards or would rather not use them. Contact rgreer@cards-inc.biz.

Bill Booth was a big part of taking Coinstar to 11,000 stores in six years – can he work the same magic here?

MISCELLANEOUS

As the child in me had hoped, Coinstar had TOYS! (That's what my picture on the front page is about, in case you wondered.)

As I mentioned last month, **Coinstar recently purchased Sugarloaf Creations**, one of the leading owners and operators of skill-crane and bulk vending machines. You know the ones—you put in some amount of money, like \$.50, and you move a crane around until it's positioned over a stuffed animal that looks like it will easily release itself from a pile of stuffed animals, and then you lower the crane and the claws close over the stuffed animal. If you're lucky, the animal comes loose from the pile and is dispensed from the machine and you win!

Jim Staffa, who founded Sugarloaf in 1987 in Boulder, CO, explained the reason for Coinstar's acquisition of the company: Coinstar and Sugarloaf have a lot of common customers, including Albertsons, Publix, Kroger, and half of the Wal-Mart stores. Denny's is their second largest user. Coinstar and Sugarloaf sometimes used to compete for space—now there is a coordinated effort. Now for the more interesting aspects—the toys and the economics and interesting miscellaneous facts about this type of game.

76% of the players are adults, because the skill-crane machines elicit happy nostalgic memories from our childhoods. Sugarloaf's highest revenue sites are truck stops. "Show me a truck driver and I'll show you someone who know how to operate a skill crane!" Said Jim.

Of course, most of the adults give the toys to children, but we like to win them. It's actually not a waste of money; it costs \$.50 to play and the average consumer puts in \$8.00. The same toys would cost between \$7 and \$10 at a store and there's no entertainment component.

Mark Heckman comments: **CoinStar** has always impressed me as a company because they represent one of very few that had designs on building a “national network” of retailers.....and actually did so without going out of business. In addition, they did so with a kiosk in a marketplace where kiosks of all shapes and sizes have basically failed. However, there big announce at this show as the inclusion of large footprint “robotic stuffed animal kiosk” to compliment their core coin conversion kiosk. As a former retailer, I can attest to the struggle it was just to find the space in our stores for the rather smallish foot print of the coin conversion kiosk...I can only image the conversations they will have with store operators to entice them to place this much larger machine!!

Good skeptical points, Mark, but read on.....

Sugarloaf/Coinstar owns the machine and replenishes the animals and retailers get a percentage of the money it takes in. The average retailer gets \$200 per month in these ‘commissions’ and it costs nothing but electricity, which, by the way is minimal. Jim Staffa said it “pulls less juice than a toaster” or about \$20 per year. The footprint of the unit they showed at Markettechnics was 13.7 square feet. That calculates out to about \$285 in profit per square foot per year versus a lot less than that for groceries. Last year Sugarloaf was the third largest retailer of stuffed animals in the country. Wal-Mart was number 1 and Hallmark was number 2.
www.sugarloafusa.com



Here’s a photo of me with another child-like soul to get the point across that, in addition to being educational, Markettechnics can be fun!

I missed **Irisys Ltd, thermal (infrared) based people counters and queue monitors** but Mark saw them and commented:

I understand the inherent allure of being able to better manage a retailer’s front end customer flow to better serve the customer, but I can’t help but thinking that this a bit overkill for that purpose. I would have expanded the RF tracking capabilities beyond the front-end to some of the other traffic flow applications relating to store design and aisle adjacencies, which this technology is certainly capable of doing.

Other Activities: After the show we took a couple hours and went to the memorials: WWII, Korea, and Vietnam. The WWII one is huge and impressive but I found it cold. Korea was haunting and macabre – life-sized statues of soldiers with white ghostly faces in front of a wall etched with real photographs. Vietnam, “my war,” so many names. I looked up an old friend who died there and found his name. Very sad but very beautiful memorials. I’m very glad we went.

Storenext threw a great party at the headquarters of the Daughters of the American Revolution. Alphabetized books for each family (thousands of them), were mostly homemade versions of old photographs, genealogies, letters, and stories. **Symbol Technologies had another great party at the Spy Museum,** a real museum with real spy exhibits, mostly from the Cold War. They had exhibits where you had to identify various surveillance devices, identify people who were in disguise, and even crawl through duct spaces in the ceiling (we actually did it). They also had a real radio in a suitcase that was used by a female spy in 1948, along with her photo and multiple passports (aliases) plus many other exhibits. Thank you, StoreNext and Symbol!

SN (Supermarket News) awarded its Technology Excellence Awards at a ceremony during Markettechnics, and one of our favorite guys was honored. Marv Imus of Paw Paw Shopping Center, received the award for the top tindependent retailer. (*Marvin also won the first ever Al Lees Jr. GEM Award for Excellence over Time at GEMCON 2004.*) Other winners were Hannaford Brothers , Associated Food Stores, FreshDirect for online shopping, and Marks & Spencer. Congratulations!



BARRY'S BACK PAGE

Well it's time to put another Markettechnics into the history books. This year the conference was held in

Washington, D.C. and we

were lucky with the weather—it didn't snow! The show had a decent attendance but as usual some vendors complained about the quantity of retailers. However, most vendors that took the time beforehand to schedule appointments were pleased with the show results. I'm not sure why fewer retailers are attending the show but one would have to guess that the economy, retailer consolidation, lack of vendor innovation and the location of the conference might have had an impact.

I did notice there were fewer retailer marketing executives at the show this year, and why would they be there since few marketing vendors bothered to show? What happened to Catalina, IRI, Nielsen, and News Corp.? Is marketing in the supermarket industry no longer important or have we run out of good ideas? That's not to say that supply side initiatives aren't important, but remember you will never beat Wal-Mart on the supply side... only on the marketing side. One can only hope that some new marketing ideas come on the scene in 2005.

There were some interesting things at the show this year. I had the chance to speak with Mike Spindler from MyWebGrocer and he told me that record levels of new grocers are initiating online shopping. Some of their new clients include Key Foods, V.G.'s, Walter Stewart, Harvest Markets and Lees Markets. They have also seen rapid expansion with their current customers. Lowes Foods, Shoprite, Harris Teeter, Farm Fresh, Sentry Stores and Dorothy Lane Markets all added service to more stores. Same store sales increased over 35% year to year for online shopping for MyWebGrocer customers. They are also adding new clients for their Endless Aisle product. This service allows customers to find hard to find specialty items on the grocer's website that are shipped directly to the customer in a box bear-

ing the label of the grocer. Now I know that there was of a ton of money wasted on home shopping initiatives in 2000 but MyWebGrocer has shown if done correctly, online shopping can create loyalty and be profitable.

I was also impressed with a couple of things that I saw in the S&H Solutions booth. One of S&H's clients has installed a paging system that notifies the manager when one of their best customers is at the checkout and the manager will approach the customer and ask if they found everything they were looking for and thank them for their business. What a great idea! To think after 10 years of shopping the same store several times a week I still don't know who the manager is. The other unique item in the S&H booth was a wireless, small foot print kiosk that can be placed at or near the shelf. I truly believe that a kiosk makes sense for a retailer...direct mail is too expensive and it can be difficult to get customer emails.

Coinstar had a couple of new items that I found interesting. The first was their ability to issue gift cards for deposited coins, for example a Starbucks gift card. Starbucks pays the 11% coin counting fee so the customer ends up with 100% of their coin deposit on the card. They can also tie into other retailer's gift cards. Coinstar also announced a partnership with a company that produces crane game kiosks...I tried it and actually won three toys. Not all retailers will have space for these kiosks but those that do should get creative and try to tie them into their loyalty programs or kids clubs.

Finally I was impressed with the Netezza Performance Server. The device integrates the database, server, and storage which places processing power next to the data, so that data analysis occurs at the source at streaming speeds. Ultimately what this does is improve data analysis times by 10 to 50 times that of traditional data warehouses and it costs about half the cost.

Next year the conference is moving back to the west coast. Hopefully next year will bring more marketing vendors back into the conference and possibly some new innovations. I think we need it. What do *you* think?

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