



MIDAX LOYALTY

Create Excitement

Take Advantage of Fuel Rewards

Improve Retention of Existing Customers

Attract New Customers

Differentiate yourself from your Competitors

Is Your Loyalty Program Rewarding?

There are two types of rewards: ones that motivate the customer through transparency and ease of use and those that are set up to fail: the perceived value is too small; or the customer forgot to bring in the coupon; the reward has expired; there was something in the small print that says, whoops, sorry!; or it is just too much hassle to claim it. Midax Loyalty and Midax Gas can eliminate all these drawbacks – the only limitations to the loyalty program you create for your stores are your imagination.

It All Begins at the POS Register.

Typically the start of the process is the grocery or c-store. There, Midax Loyalty taps into the store POS to capture the line item details real-time. This enables the retailer to channel their vendors' marketing funds to rewarding customers for purchasing targeted products and product groups. In that sense, Midax Loyalty is an extension of the retailer's deal management: BOGO, spend \$50 and get a lower price/lb on a turkey and so on.

Midax brings 4 targeted marketing tools to the table:

Points, electronic coupons, targeted messaging and targeted emailing.

1. Customers buy certain products and they get points. Those points have a value, which, when redeemed, will allow the retailer to bill back to their vendors, as they do in a scanning report. In this sense, Midax provides the tools to channel marketing funds more effectively and get more marketing bang for the buck. Those points can be converted to various rewards, for example, a free salad, a free bottle of milk or so many cents off a gallon of gas.
2. Based on a pre-selection of electronic coupons on a third party couponing website or at a local kiosk, Midax takes the paper out of couponing: the customer doesn't need to

remember to bring coupons to the store and the retailer doesn't have to count them – it is all electronic and automatic. Midax recognizes the customer by his card and injects the electronic coupon directly into the transaction. Both manufacturer coupons and in-house coupons are supported.

3. Based on a shopping basket analysis, or other criteria the retailer selects, Midax can inject messages into the receipt, inviting the customer to join the Baby Club, or advising them of the points status on their various programs, so they can see how much they still have to buy to earn a free salad or a \$50 gift card.
4. Emailing customers offers, electronic coupons, news and promotions allows the retailer to sell to their vendors advertising space on those emails, thus creating an additional source of revenue, either to contribute direct to the bottom line or to create additional marketing funds for further marketing creativity.

How powerful is the rewards engine?

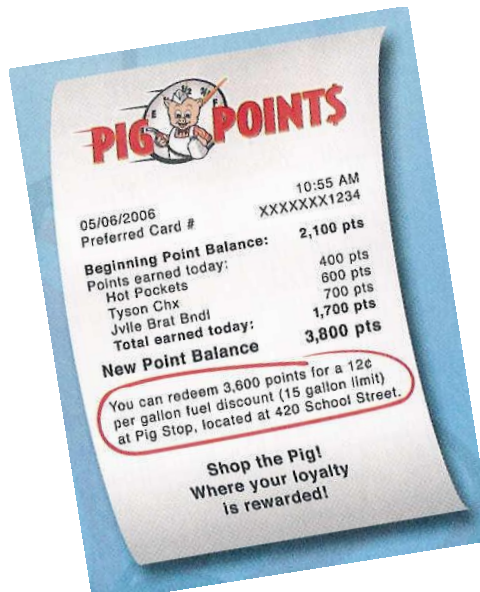
Suffice it to say, if you can express the reward in a formula, Midax can drive it. The basis of the reward can be by item or by dollar value. The reward can be by transaction or cumulative. Midax Loyalty will calculate the reward on the current items purchased and inject the reward into the transaction, print a coupon, or notify the points earned status before the customer checkout is completed. Here are some examples of variables our clients use:

- _ Reward by \$\$\$ value, by item(s), by department(s)
- _ One time rewards, or earned over a period of time
- _ Rewards earned once or multiple times per customer
- _ Multiple reward programs run simultaneously
- _ Lottery, winning a free basket of groceries
- _ Collecting points for a \$50 gift card, which can be spent at any participating retailer's location.

How does it work?

The main challenge of a loyalty program is how you keep the rewards database up to date, so that all rewards generated are real-time, with no perceptible delay at the POS, regardless of the volume of traffic and the status of the network.

In common with all other Midax products, we provide central control and local execution. In Loyalty, that means providing a set of programs on a host server, where the rewards are created. That same server houses all transactional data for shopping basket analysis.



After developing a unique marketing concept, we began our search for an affordable fuel loyalty solution that could bring our ideas to life. Midax was the only company that offered the creativity and flexibility to build our program to the specifications we desired. Although the process has been painful at times, the end result has been a true loyalty program that attracts new customers, increases sales from current customers, and has provided significant gains for our grocery and fuel locations."

*David Dickelman,
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This is also where Midax interfaces to third party services, for example, for electronic couponing or conversion of points to third party point programs or integration into a company website.

Midax also has an application, which runs at store level for both grocery and the c-store. Loyalty Host sends a copy of all loyalty programs to Loyalty Store, for that location, and refreshes it constantly and automatically. Loyalty Store then talks real-time to the grocery lane, the c-store POS or through the c-store POS, to the gas dispenser.

Loyalty Store's data is refreshed, typically every second from Loyalty Host. Every Loyalty Store instance feeds the Host in turn all line item detail from every POS on the network immediately the transaction is complete.

When a loyalty card is scanned at the POS, it accesses the in-store database, and gets an instant response to every product scan in the lane.

This database replication technique enables every POS or pump in every store on the network to operate at optimum speed, regardless how many stores are in the network. It allows stores where the network is down to continue to operate unhampered. Loyalty Store in offline mode still accesses its local database, which is as accurate as the last broadcast transmission before the network went down.

Loyalty Store creates its own store and forward file in offline mode and Loyalty Host is smart enough to refresh stores when they go back online, with the data they missed. This entire process is automatic and extremely robust.

Cooperative Marketing in the Community

Rewards can be redeemed in the store chain where they were issued or at another merchant in a closed loop marketing association, for example, at a c-store, where rewards earned at other stores can be burned at the pump.

Cheaper gas is a popular method of reward redemption: gas prices are an emotional issue so reducing them significantly brings a lot of attention to the program and thus increases customer loyalty.

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Midax makes this process easy by accumulating all rewards points on the customer database and accessing this database record real-time when the card is presented. There are no receipts to lose. One swipe and your reward options are instantly presented to you.

The customer can use them within the range of choices the retailer and their partner retailers have determined, at the points conversion rate he and his partners have selected.

This doesn't stop at the grocery store and the c-store. It extends to all the other local stores, which can purchase points from the c-store or grocery anchor stores and allocate them to their customers as they wish, giving double points on Tuesdays, extra points to pensioners on Thursdays and so on. This gives additional value to the card - just swipe the card and get free milk, free coffee or cents off a gallon of gas. Customers don't need to spend the points until they want to: it is their choice when and how they redeem the points.

Midax provides loyalty integration into the lane on all principle grocery and c-store POS, as well as the main gas dispensers. Midax also has a stand-alone application for other community stores, on an MSR (payment card reader) allocating points as well as accepting community closed loop gift cards.

A typical configuration includes wholesaler programs where rewards can be earned in grocery stores with different ownerships and redeemed at others in the same banner group or at a chain of gas stations, which work with the wholesalers.

Another configuration is the local town, where retailers cooperate to fight back against the high volume retailers by pooling their resources and encouraging local customers to shop in local stores.

For both, Midax provides reconciliation shopped and earned his rewards and where

reports, which monitor where the customer has shopped and earned his rewards and where he has redeemed his reward.

Midax provides transparent points reconciliation amongst the participating retailers, so the books can be balanced.

And of course, Midax also allows the individual retailer to run a rewards program that is valid only for one store or for a group of stores.

So whether you want to honor electronic coupons in a grocery store, run an in-store rewards program in a c-store or grocery store, create a closed loop between a grocery and c-store for gas rewards, participate in a banner group rewards scheme, be part of a community scheme, or do some or all of the above at the same time, Midax has the solution for you!

All fully integrated!

Everything here was developed by Midax as part of one integrated solution, so while you may be able to find some of the system components described here from a multiple of other vendors, there is nothing else on the market, which has been designed from ground up to operate with this comprehensive level of function.

You have your hands full running your business. You don't need to get in the middle of a finger-pointing party of competing software vendors nor be frustrated by stories of future software releases.

With Midax, you have one safe pair of hands, whether you install this in your chain and have Midax train and support you or whether you use a Midax certified data center, where others manage the system for you. Whatever your skills, you have access to all the unparalleled power Midax brings to loyalty and payments

Expand Loyalty with Payment Methods which also reward

Unique in this marketplace, Midax also offers a full-blown payments switch, which can serve the POS in the grocery store, c-store or affiliated community stores and provide a range of additional payment options, which reduce or eliminate payment processing fees. This gives the retailer the option to spiff the customer a second time, further reducing the cost of a gallon of gas or rewarding a favored charity.

It means Midax can offer closed loop gift cards at the pump and in the store, grocery chain gift cards, c-store gift cards, community cards and all of the above. You can even recharge gift cards at the pump if you have Gilbarco cash acceptors there!

Likewise, ACH cards, where you debit a customer's checking account for about 10% of a regular credit card fee. Or scrip cards, where the spiff is passed to the customer's preferred charity, the local church or a school program. Or in-house fleet cards so you can manage charge accounts in-house, also using the ACH feature to debit a customer account automatically, thus saving on collection fees and improving cash flow. Even 3rd party cards, such as student payment cards and the like.

Every card payment type channeled away from debit and credit reduces the retailer's transaction fees. Put some of those savings into your bottom line and give the rest to your customers, to encourage them to use these payment methods. Build an extra level of loyalty by being the retailer that looks after their wallet!

And yes, this all works equally well in a branded as well as in an unbranded gas station.