

NEW TECHNOLOGY  
TO BOOST YOUR  
BOTTOM LINE

Customer Help & Information Platform

*Stiffer competition from big box stores with wide aisles, national-scale ordering capacity and JIT inventory management is eroding loyalty, basis and profits.*

*So ... how to improve customer satisfaction while simplifying the shopping experience ... saving the customer time and money, building share, increasing store profits and solidifying chain loyalty.*

*Needed ... a true **paradigm shift** in grocery shopping.*

***It's here... CHIP™ is a revolutionary patent-pending all-new paradigm shift in grocery shopping.***

## THE CONCEPT

The idea behind CHIP™ originated simply as a way to promote customer loyalty in the face of intense competition. The original goal was to create a way to build repeat business by offering incomparable service and savings. From this base goal grew a revolutionary concept of an interactive electronic shopping that benefits both the customer and the retailer in real-time services at the curb and point of selection throughout the store. CHIP™ is a revolutionary patent-pending, all-new paradigm shift in grocery shopping.

CHIP™ technology provides two alternative paths to grocery shopping

- CHIP™ Drive-up Shopping
- In-store CHIP™ Shopping Assistant

## CHIP™ DRIVE-UP SHOPPING

*A true paradigm shift in retail grocery shopping*

Why Drive-up Shopping?

- Super convenient
- Grocery shopping becomes commoditized
- Leverages on the notion of commoditization and time management
- Time-saving for the consumer
- Money-saving for the consumer
- Allows the “expert” make the selection (“A meat manager can pick better meats than I”)
- Groceries come with a 100% quality + satisfaction is guarantee

**No changes to either the physical plant or personnel**

- Use existing store layouts and aisles – only a portico is needed
- Use existing store inventory
- Use existing store personnel – no training required (or use non-union personnel provided by us)

**Simplified Customer interface**

Shopper is able to enter order through a variety of methods:

- Web-portal
- Scannable menu
- Faxed menu
- Form-based email
- In-store CHIP kiosk

## HOW CHIP™ DRIVE-UP SHOPPING WORKS, STEP-BY-STEP

Utilizing our patent-pending and copyrighted interface software, the customer enters their order. The customer is required to utilize a customer ID, uniquely identifying the customer and associated demographic. A fee is charged for drive-up service. It is assumed the fee is negotiable based on quantity, chain profitability and customer profile.

If entered in an interactive environment (web-based) the customer may receive:

- “Bonus Buys” based on customer-specific buying habits
- Value-Shopping™ with coupon offers and special store/demographic specials
- Shopping Spree™ that allows the customer to bid on one product per visit (“I’ll pay \$1.25 for the coffee”)
- Customer’s private Shopping List with timed purchases (“coffee purchased once a week”)
- Real-time Market Surveys for bonus bucks (“why did you order Pepsi and not Coke?”)
- Up-selling (“you bought eggs, how about some cheese”)
- Overage/Overstock discounting based on real-time warehouse inventory status

The order is pre-paid (based on the customer payment profile) and timed for pick-up within a 60 minute window. Using adapted CHIP™ Personal Shopping Assistants (PSA’s) and CHIP’s 3D in-store mapping software, a clerk uses a CHIP™ generated timed and staged pick-list to fulfill the order. (“dry goods first ...” based on optimized route). Staging is done near the portico entrance. Hot/cold items are segregated in CHIP’s Thematic™ heater/coolers. The customer enters the portico pick-up area and either scans their CHIP™ RFID tag or enters their order ID. A clerk delivers and load the groceries – transferring the hot/cold items from the thematic device into bags at the vehicle.

## HOW CHIP™ DRIVE-UP BENEFITS RETAIL CHAIN

While customers enjoy a paradigm shift in shopping, CHIP™ enables the chain to more efficiently manage day-to-day business by providing valuable point-of-selection marketing, data mining tools and effectively managing the supply chain.

In addition, CHIP™ offers other benefits, and can:

- Expand to accommodate future technological innovations
- Promote customer loyalty
- Extend existing data mining capabilities
- Increase sales and provide a medium for up-selling
- Provide the customer with unprecedented customer service

## CHIP™ IN-STORE PERSONAL SHOPPING ASSISTANT (PSA)

## *A new and profitable shopping experience*

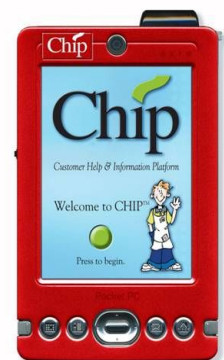
Why use a CHIP™ PSA?

- Save time
- Save money
- It's interactive and "Fun"
- Personal Shopping Assistant travels through the store providing navigation
- Keeps track of exactly where the customer is in the store
- Knows every store special, coupon offer, overstock and Bonus Buy
- Easy to use – CHIP™ PSA user-friendly
- The CHIP™ PSA is able to provide never-before-available real-time services to the customer at the "Point of Selection" such as:
  - Bonus Buys based on customer-specific buying habits
  - Quick-Shopping™ with 'pick list' shopping lists
  - Value-Shopping™ with coupon offers, store specials, bonus buys
  - Shopping Spree™ that allows the customer to bid on a product a visit
  - Customer's private Shopping List
  - Real-time Market Surveys
  - Up-selling
- No changes to either the physical plant or personnel
- Utilizes existing store layouts and aisles
- Utilizes existing store inventory

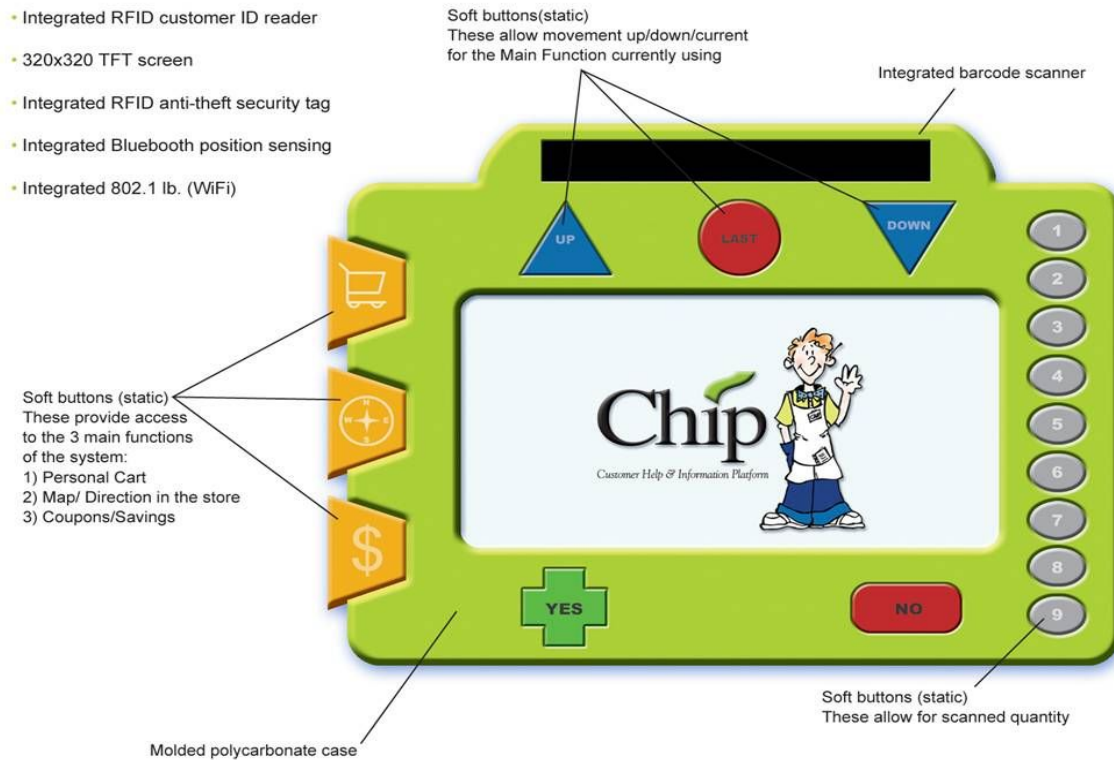
## **HOW CHIP™ PERSONAL SHOPPING ASSISTANT WORKS, STEP-BY-STEP**

Upon entering the store, the customer obtains a CHIP™ Personal Shopping Assistant (PSA) unit. No login is required – providing confidentiality to those shoppers who desire it. However, the more information that the customer provides to the store, the deeper the discounts the customer will receive –thus the customer is encouraged to enter their personal customer ID.

The PSA unit contains a comprehensive map of the entire store, including every item in inventory. As the customer moves through the store, bonus buys, specials, coupon sales are indicated on the PSA screen as the customer moves into the product area. Based on customer demographics, store warehousing and shopping history, the PSA creates up-sell opportunities and volume discounts.



The customer has the option of scanning items into his cart. When an item is scanned its weight is incrementally stored. Scanned carts get priority check-out using our proprietary **RocketCHIP™** expedited check-out.



Prior to the shopping experience, the customer can create an on-line Shopping List, which is automatically downloaded when the customer logs in. The customer can shop by meal menu (FLIC™), either via the store web portal, or in real-time at the store using the CHIP™ kiosk.

Customers may be given the opportunity to respond to real-time short marketing surveys at the point-of-selection. Customers can even be given the chance to “bid” on an item a visit (SHOPPER’S SPREE™). When it comes time for checkout, PSA downloads all applicable coupons. The PSA has a built-in anti-theft system to keep it secure.

## THE SHOPPING LIST

### *If there is a list in the system:*

After login, the PSA downloads the customer's Shopping List from the web portal. CHIP™ sorts the list based on a 'shortest travel route' algorithm (Quick-Shopping™). CHIP™ matches every available coupon and store special to the Shopping List, then locates every opportunity to up-sell, volume sell while incorporating loyalty discounts and store promotions. Special offers are based on the customer's buying preferences and history. Coupons are stored within the PSA.

The customer can either Quick-Shop™ or meander through the store watching specials and bonus buys appear on the PSA. Our FLIP™ window gives the customer a constant, real-time inventory of their personal pantry needs.

*NOTE: If there is no shopping list already in the system, the customer will see loyalty discounts, coupons based on current store specials, coupons based on customer demographics from previous purchases, menus, recipes and location assistance, as they move through the store.*

## RECIPES AND MENUS (FLIP™)

Recipe options are available and range from one item to a full meal. Menus and recipes are grouped by categories such as low fat, low carb, no salt, etc. When a menu appears on the screen, the accompanying list of ingredients can be readily added to the Shopping List. Serving portions can be calculated based on the shopper profile. Menu selection can be done from home or office using the store's web portal, or directly from the PSA during the shopping experience. CHIP™ provides directions for preparation, and features special notations for individuals within the family and a file of favorite recipes is compiled for future easy access. Recipes may be shared with other shoppers via an on-line shoppers' forum.

## VOLUME PURCHASES

When the store determines an overstock on a particular product, CHIP™ allows the customer to make a volume purchase. For example, a customer may be provided an additional discount for purchasing 5 bags of Charmin Tissue instead of the single bag.

## SHOPPER'S SPREE™

Many customers will appreciate the SHOPPER'S SPREE™ option. Based on the customer's profile, a customer may be given the opportunity once (or twice) per visit on a random item to "name their price". If the price is greater than the default minimum for the item, the customer purchases that item at "their price". Being able to utilize the Shopper's Spree™ to set one's own discount range base on the customer's total expenditures with your store enhances the scope of use and encourages the notion of loyalty with the shopper.

*NOTE: Ancillary uses of SHOPPER'S SPREE™ encompasses many other sales venues. including pharmaceuticals, giving the shopper an added advantage by having CHIP™ shop for "their best deal". For the retail garment aspect the shopper can be updated as soon as entering the store of unadvertised specials, sales and opportunities. Based on their buying habits the shopper can be given a range, again, of discount availabilities and the type and number of items they qualify for to discount. This creates an "individual retail store experience" that customizes every shopping experience for all participants. The notion can also be branched out into "specialty shopping" such as toy stores, baby goods stores, hobby stores, etc. based on lifestyle preferences.*

## REAL-TIME POINT-OF-SELECTION MARKET SURVEYS

Want to know what your customers are thinking at the moment a buying decision is made? Here is your chance. Customers can be offered short real-time marketing questionnaires for a small discount on the final bill. Why did the customer select Pepsi instead of Coca-Cola? See customer comments on the produce?

## WANT MORE?

***Because of CHIP's 3-D map-based inventory -savvy, the ability to serve customers with unprecedented services is here. CHIP™ saves time and makes shopping FUN!***

## RETAIL BENEFITS OF UTILIZING CHIP™

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*CHIP™ is not another discount card... It's like having your own personalized grocer.*

## CUSTOMER BENEFITS UTILIZING CHIP™

In this age of consumer technology, your customers will readily embrace this sophisticated technological breakthrough in grocery shopping. CHIP™ makes shopping faster and easier than ever before, with a system that expands to include family or group input. In addition, customers will benefit from the many ways CHIP™ can enhance their shopping experience with options to:

- Save Time
- Save Money
- Provide Budget and Savings Reports
- Recognize and assists with special dietary needs
- Simplify Meal Planning
- Share Recipes with other customers
- Provide instant and customized coupons
- Enjoy Shopping

## TECHNOLOGY OVERVIEW

CHIP™ is based on technology developed by Central Data Corporation and Hilton-Hines Technologies. We are a small international company specializing in the implementation of new products and services through our in-house research and development.

CHIP™ is patent pending. To date two U.S. Patents have been filed (2004-2005):

- Retail Customer Loyalty System and Process
- Instant Retail Checkout System and Process

CHIP™ is based on several technologies developed across a broad range of development projects:

- 3 dimensional area mapping
- 3 dimension space tracking
- Position sensing and calculation devices
- Heterogeneous database integration
- Radio-Frequency Identification
- Interactive web-based environments
- IP-database integration
- High-speed real-time database systems
- Interactive web-enabled kiosks
- Interactive web-enabled portable communication devices
- CDC's real-time web-based FUND inventory management and reporting system

The existing platform for the CHIP™ demonstration is based on the following platforms/standards:

- LINUX
- MySQL / PostgreSQL / Oracle
- PHP
- XML
- IEEE 802.11(g)
- CDC Metadata Model for Real-time Queries
- CDC Metadata Model for Inventory
- CDC Metadata Model for Real-time Positioning



**For more information about CHIP™, please contact:**



[Central Data Corporation](#)

CDC Technology Center  
145 North Church Street  
Spartanburg, SC 29306

Hilton-Hines  
2800 Filbert Street – Suite 12  
San Francisco, CA 94123

P | 864.542-7234