



ShopperTrak RCT Corporation Fact Sheet

DESCRIPTION

ShopperTrak RCT Corporation is the world's foremost provider of traffic intelligence, shopper traffic data and decision support software for market leaders in the retail, gaming, hospitality and entertainment, and related industries.

ShopperTrak's System Management Services, Professional Services, *National Retail Sales Estimate (NRSE)*, *Retail Traffic Index (SRTI)*, *Market Mall Estimate (MME)*, and turn-key counting technology provide clients with the industry's most actionable and accurate traffic intelligence to help effectively manage their customer opportunity.

The privately held company with over 150 employees is headquartered in Chicago and operates 11 satellite offices throughout the United States, Canada, South America, Europe, Asia, the Middle East and Australia.

COMPANY MILESTONES

Since 1989, ShopperTrak has evolved into the retail industry's premier provider of business intelligence. The following are significant milestones in ShopperTrak's history:

- **1989** ShopperTrak founded by Totowa, NJ-based Datatec, a network and equipment implementation and staging company.
- **1992** Chicago-based RCT Systems, Inc. is founded to provide retail customer traffic-based information, insight and business intelligence to the shopping center, retail, financial services and media/advertising industries.
- **1995** Datatec's ShopperTrak management team purchases the rights to the ShopperTrak technology and forms a new company called Quadrix to continue product development. Quadrix is founded with four employees and just one customer.
- **1996** ShopperTrak rolls out the industry's first embedded counting system called "*Orbit*". Its initial installations are for Sara Lee Outlet Stores, Electronics Boutique and Famous Footwear.

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- **1997-98** RCT Systems completes roll out of largest mall developer, Simon Property Group.
- **1999** RCT Systems launches System Management Services with remote diagnostics and web reporting.
- **1999** RCT Systems launches the *National Retail Traffic Index (NRTI)*, the retail industry's leading national traffic standard.
- **2000** RCT Systems is installed in 20 percent of enclosed malls in U.S.
- **2001** ShopperTrak has its traffic counting systems installed in more than 10,000 retail locations in six different countries.
- **2001** ShopperTrak merges with leader in mall installations, RCT Systems, Inc. The newly formed company immediately becomes the industry's leading provider of information that helps companies that depend on pedestrian traffic to better understand their customers.
- **2002** ShopperTrak launches the *National Retail Sales Estimate (NRSE)*, the retail industry's weekly national sales tracking product. It provides an estimate of weekly retail sales across the country, offering clients the most accurate and timely information on consumer trends.
- **2002** ShopperTrak releases Orbit 3, combining embedded counting technology with remote diagnostics and System Management Services including the ability to validate counting through remotely scheduled recordings.
- **2003** ShopperTrak launches *ShopperTrak Professional Services*, the company's consulting arm that develops and implements strategies that help retail outlets, shopping malls and casinos make business decisions based on key traffic data.
- **2004** ShopperTrak and Nielsen Media Research present a traffic-based media measurement methodology for the shopping mall as a measured mass advertising medium, at the Worldwide Audience Measurement Conference.
- **2004** In just two years, the NRSE has become the retail industry's most trusted measure of U.S. consumer demand. ShopperTrak's Co-founder Bill Martin makes regular appearances in business media with NRSE forecasts.
- **2004** Jan L. Davis, known for her growth strategy expertise, is appointed ShopperTrak's President and CEO
- **2005** ShopperTrak introduces the *Retail Traffic Analyzer (RTA)*, a web-based reporting that provides clients with real time traffic, labor and sales data.

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- **2005** ShopperTrak positions itself for continued growth by relocating its headquarters to a larger downtown Chicago office and moving its servers to a state of the art high-security facility.
- **2005** ShopperTrak launches the *Retail Traffic Index (SRTI)*, providing clients with a reliable benchmark for shopper traffic in total retail, enclosed malls and key retail segments at national and regional levels.
- **2005** ShopperTrak RCT continues to expand globally by establishing new distributor offices in Dubai, U.A.E.; Wollongong, Australia; and Taipei, Taiwan.
- **2005** ShopperTrak hosts its first annual international users group conferences in both Chicago and Tokyo.
- **2006** ShopperTrak continues to expand by opening offices in Tampa, Florida and Shenzhen, China.
- **2006** ShopperTrak introduces the *Easy Staffing Planner (ESP)*, a web-based labor-planning tool that uses current and projected traffic to make specific staffing recommendations by hour and day, enabling retailers to staff labor for maximum conversion results.
- **2006** ShopperTrak releases its new Orbit 5 technology, utilizing two on-board video sensors with high speed processing components to unobtrusively track customers' movements.
- **2007** ShopperTrak counts customer traffic in over 55,000 locations in 65 countries worldwide.
- **2008** ShopperTrak introduces the *Market Mall Estimate (MME)*, the first product of its kind to offer competitive benchmarking for the retail industry by quantitatively evaluating consumer behavior right down to the a specific market, mall or store segment.
- **2008** ShopperTrak RCT continues to expand globally by establishing its first distributor relationship in South America with Virtual Gate in Brazil.
- **2008** ShopperTrak RCT appoints Christopher Ainsley president and CEO and draws upon his experience guiding the growth of international companies to accelerate the company's continued growth.

PRODUCTS AND SOLUTIONS

ShopperTrak: A Complete Solution

ShopperTrak is the world's leading provider of traffic measurement products and services to retailers, mall developers and gaming organizations. ShopperTrak is unique in that it provides a comprehensive, end-to-end turnkey solution. While others may count traffic, only ShopperTrak offers the services, support and tools that enable traffic-based businesses to utilize traffic data to improve overall performance. Additionally, its solutions are both simple to implement and complete. Installation and setup, ongoing support and data management, data hosting and reporting are available with every system. ShopperTrak's expert traffic data consultants are also available to help each client identify the ideal performance opportunities for managing their business with traffic-based decision-making.

ShopperTrak's reporting solutions include:

- A web-based, parameter driven interface that allows users to select individual sites, multiple site roll-ups or hierarchies for viewing their retail information. These web reports and measures support key management activities for retailers, mall developers and casino managers.
- Integration services for critical customer data. The highest value reporting and management opportunity comes from the measures created by integrating traffic data with key customer information.
- An historical warehouse of each customer's data for use in trend reporting. The system tracks changes (remodels, closings, relocations) so that it is always possible to compare same site data when performing trend analysis.

Retail Reporting

ShopperTrak's retail web reporting service provides clients access to customer traffic data over the Internet at any time, making it an invaluable traffic analysis tool. The reporting service combines in-store transaction and labor data with traffic data from the ShopperTrak *Orbit* traffic counter, to offer a comprehensive perspective on business performance. Additionally, it enables managers to evaluate performance at all levels, from an individual store to a full portfolio, allowing them to establish best practices and improve operations from any Internet-enabled computer. Retailers can also use the reporting service to:

- Improve conversion rates and increase overall sales
- Adjust labor to traffic patterns and optimize floor coverage
- Evaluate current promotions and improve future marketing efforts

- Compare conversion rate, labor and promotions, relative to other stores in the chain, store groups, or corporate financial groupings of stores.

Mall Reporting

ShopperTrak's mall reporting suite includes:

- **DayWatch** – A same day, real-time mall reporting tool, DayWatch provides mall management with the ability to evaluate traffic patterns and re-deploy security and maintenance staff based on traffic changes throughout the day. This tool is particularly valuable during high traffic periods, including holidays, special events and grand openings.
- **Portfolio** – Portfolio is ShopperTrak's web-based corporate reporting suite. Available for regional and corporate mall executives to manage multiple properties, it allows malls to be grouped according to corporate reporting requirements and compared at property levels, as well as at reporting group levels. Portfolio also offers tools that enable users to benchmark properties based on key metrics such as visitors per square foot, sales per visitor and security per visitor, to identify best-practices and provide corporate insight for budgeting, national leasing and marketing activities.

Gaming Reporting

- **Casino DayWatch** – This on-site occupancy monitoring application provides casinos and other gaming properties with real-time same day reporting on property occupancy, as well as data on the volume of traffic entering and exiting the building at each entrance. This provides casino management with key information for more effective management of service and security levels throughout each day. It also provides the occupancy reporting required by the Coast Guard and other governing entities.
- **Casino Traffic Analyzer** – ShopperTrak's web-enabled reporting tools enable casino management to more effectively evaluate traffic by individual casino, groups of casinos or corporation, to identify best-demonstrated practices and evaluate traffic trends. It also allows casinos to evaluate the impact of new competition or changing economies on casino traffic.

Extracts

ShopperTrak makes available to its clients fully validated data extracts in a standard CSV format, for integration into customer warehouses and internal reporting applications. Clients may customize their time aggregates and delivery frequency.

National Benchmarks

ShopperTrak provides the retail industry's only national retail traffic benchmark, as well as the timeliest weekly estimate of specialty retail sales every week. These two benchmarks provide the most consistent and timely national trend information on the specialty retail segment.

- **National Retail Sales Estimate™ (NRSE)** – ShopperTrak's *National Retail Sales Estimate* (NRSE) is the retail industry's weekly national sales tracking product. It provides an estimate of weekly retail sales across the country, offering retailers, investors and policy makers the most accurate and timely information on consumer trends available today.

The *NRSE* provides the retail industry with a Monday snapshot of the previous week's sales, enabling retailers to see how they are performing against the national market and act upon the data to impact future sales. It is published at the beginning of each week to reflect U.S. retail sales during the previous week, making it an ideal tool for quickly tracking broad-based consumer demand changes. This makes it a useful measure for investors to utilize in balancing their portfolio holdings and for fiscal and economic policy makers in guiding the formulation of economic policies.

The *NRSE* is an estimate of the U.S. Commerce Department's monthly sales data for general merchandise, apparel, furniture and other specialty store sales (GAFO). *NRSE* provides an estimate of the GAFO numbers on a weekly basis using proprietary ShopperTrak estimation models.

ShopperTrak's *NRSE* holds a number of key competitive advantages over other industry retail sales measures. They include:

- The ability to assist retailers in making key business decisions utilizing the most timely, accurate intelligence available.
 - The ability to gauge the performance of individual retail stores against the national market on a weekly basis.
 - The ability to quickly spot accelerating and decelerating consumer-spending trends on a weekly basis.
- **ShopperTrak Retail Traffic Index™ (SRTI)** – ShopperTrak's *Retail Traffic Index* (SRTI) is the retail industry's first reliable traffic benchmark for comparing retail traffic volume. By utilizing SRTI data, retailers can determine if their businesses are competitive by measuring performance against both industry standards and internal goals. SRTI figures can also be used to determine the impact of marketing programs on traffic; to determine differences in shopper traffic between regions or retail segments; to compare trends in enclosed mall traffic to retail store and retail segment indices; and to determine the impact of holidays, weather,

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energy prices, national events and other major factors that affect retail traffic.

Published as both a newsletter and an interactive database, ShopperTrak's SRTI is subdivided into six categories and is available at both national and regional levels, providing consumer traffic intelligence for the following retail segments:

- Total U.S. Retail (combined enclosed mall and retail store traffic)
 - U.S. Enclosed Malls
 - U.S. Retail Stores
 - U.S. Apparel and Accessories
 - U.S. Wireless and Electronics
 - U.S. Home Furnishings and Accessories
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- **ShopperTrak Market Mall Estimate™ (MME)** - is the first product of its kind to quantitatively evaluate real consumer behavior right down to a specific market, mall or store segment, providing a tangible measurement of shopper visits on both a macro and micro level.

MME delivers comprehensive data used for:

- Real Estate decisions - provides essential traffic trend information to assist with current and future store/shopping center placement and growth
- Validation of performance - establishes competitive benchmarks to measure and improve performance
- Economic decisions - supplies shopper visit information to measure how the local economy is affecting success and performance
- Marketing decisions - assesses media effectiveness and the impact of local marketing and advertising dollars spent

MME also allows users to compare their own traffic against the top markets in the United States or within individual malls, arming investors and businesses with the most accurate and timely information on market and mall level traffic trends.

ShopperTrak Professional Services

ShopperTrak Professional Services assists retailers, mall developers and casinos in getting the most out of the data provided by their traffic management systems. Services include:

Opportunity Assessment Pilot Program

- Payback ROI estimates
- Opportunity models
- Implementation options
- Business case development

Proof of Opportunity Program

- Goal setting and program plan
- Program training
- 8 week test to prove opportunity
- Analysis and reporting

Custom Projects (examples)

- Training programs
- Performance measurement integration
- Identification of sales behaviors that improve conversion
- Implementation project management and support

System Management Services

ShopperTrak's System Management Services (SMS) capability provides a turnkey solution that allows the company's customers to focus on extracting maximum value from its information, rather than the logistics of managing the system. The SMS model is the result of years of research and experience and not only assures ShopperTrak's customers of the integrity of their data, but also incorporates controls and other measures to consistently monitor the ongoing performance of their installed counting systems (Orbits).

- **Data Collection (Orbit)** – ShopperTrak's *Orbit* utilizes a digital video sensor and DSP processors to monitor visitors 24 hours a day, seven days a week. Each *Orbit* is programmed with an internal schedule to push data to host nightly. The system comes with many features that competing systems do not have, including:
 - A Highly reliable embedded platform – ShopperTrak's hardware platform is a fully integrated, embedded system. The camera, processor and FTP services are all resident on the device. There is no need for an external PC or other processing hardware at an installation site.
 - A state-of-the-art counting algorithm – A proprietary algorithm that adapts to variations in lighting and environment layout. *Orbit's* tracking mechanisms are able to exclude customers "milling" about and traveling in erratic traffic patterns. Configuration is customized to each entrance.
 - Self-diagnostics –The system is self-monitoring and returns diagnostics to the ShopperTrak host each day.

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- Flexible connectivity options – The *Orbit* features connectivity to support nearly all needs, whether they are modem or IP-based. Optional POS dual connectivity is also available.
- Video recordings and snapshots – Actual recordings and still photos of the camera scene may be managed remotely and returned to the ShopperTrak host for analysis and quality assurance.

Data and System Management

Once visitor traffic data is pushed to the ShopperTrak host, the company's automated data analysis engine goes to work validating the information. A series of checks proactively identifies system and environmental issues impacting the data. Key features of this engine include:

- Reference data – A central warehouse containing each *Orbit's* critical camera information such as the configuration, scene snapshots, communication schedules and push instructions.
- Remote diagnostics and problem resolution – System diagnostics, data analysis and ShopperTrak traffic expertise are combined to quickly evaluate and resolve client challenges remotely.
- An automated, continuous daily receipt process – Traffic is pushed nightly to ShopperTrak servers, where files are validated against the master schedule and missing cameras are identified and posted to an electronic bulletin board for third-shift recovery specialists to begin troubleshooting before the next business day.
- Daily data evaluation – Data is evaluated each day and scanned for abnormal trends against a baseline, as well as for missing data increments. A variance test is then performed and exceptions are posted to an electronic bulletin board where ShopperTrak traffic data analysts begin the troubleshooting process.
- System business controls – Schedules, *Orbit* status and problem status are fed to a Remedy problem management system.
- Recording analysis and counting optimization – When exceptions suggest that store environment changes are impacting traffic patterns, recordings are scheduled for those periods of exception. ShopperTrak traffic experts evaluate these recordings and use them to address scene changes in a new configuration.

LEADERSHIP TEAM

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Bill Martin, Co-Founder & Executive Vice President, Sales & Marketing

Bill McCarthy, Chief Technology Officer

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