

Update Bulletin

ScanMaster Price Reductions

July 24, 2004

StoreNext is pleased to announce ScanMaster pricing changes that are designed to help StoreNext ScanMaster dealers sell more ScanMaster systems.

StoreNext has added over 50 new features to ScanMaster, including OpenEPS support as of the 2.3.1 summer 2006 release. This new lane-based pricing enables ScanMaster dealers to compete with *both* features and pricing against all competitors, small and large, including new small-store competitors.

Combined with an additional POS software discount of 6% when you buy the Retailix Store or RBO back office ([see the Update!](#)) along with the ScanMaster store, the new pricing is a major departure and will help dealers establish a powerful ScanMaster presence across all store sizes.

These reductions are not a temporary or a special promotion. They constitute the new and current ScanMaster software pricing policy. To maximize your benefit, these pricing changes are effective immediately, and include the following modifications:

- Lane-based pricing: ScanMaster has moved to pricing based on the store's lane count with an MSRP of \$1,095 per lane (minimum 5 lanes).
- The ScanMaster Electronic Couponing Option, previously priced at \$995, will now be included at no charge with all new ScanMaster software system purchases.
- For small stores, StoreNext has extended our lowest-cost ScanMaster Espresso "Low-Fat Mocha" packages up to five lanes, providing extremely competitive pricing against even white-box-and-a-CD-ROM merchants.
- For "standard" systems for use with DynaKey, the per-lane incremental price has been cut from \$295 to \$200 MSRP.
- Prices on previously-existing small-store Express and Espresso packages have gone up by approximately \$50-\$55 per lane at dealer cost.
- For small stores, StoreNext and MTXEPS have extended the WinEPS-plus-Interface package for ScanMaster Mocha stores up to the same five lanes. With ScanMaster's new 2.3.1 OpenEPS version interface, this gives you a payments package and a price that no one else can match.

POSITIONING TO WIN IN SMALL STORES

ScanMaster made its mark in large-store independents, and its 4,000+ store installed base includes large and small stores alike. But ScanMaster provides has some unique characteristics that likely make it your best option when selling small stores today:

- *Strong back office and in-house charges* — ScanMaster's office functions, even without Retailix Store or RBO, has everything that most small-store grocers require. A/R is included at no extra cost, and of course the POS integration is absolute.
- *Simple installation and maintenance* — speaks for itself.

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- *Best payments package in the business* — all you have to do is look at the trade magazines and the FMI Daily Lead to know this is a top-of-mind issue for small-store grocers today — maybe more important than any other feature besides scanning. So remember that ScanMaster's new 2.3.1 WinEPS/OpenEPS interface now provides options for Pay By Touch, Blackhawk, debit conversion, signature capture and ECC. The savings from these features *alone* can probably buy most of the POS system free and clear in a year or two.
- *The big picture for the small store: just look at past performance:* — ScanMaster has a massive installed base of independent grocers who know the product was engineered for exactly their kind of operations. And with StoreNext, ScanMaster is once more a primary product on the move, with a proved and steady RoadMap of enhancements.
- *The big picture for the small store: what's in their future?* — Rather than limiting the small store, ScanMaster opens up the grocer's options for Connected Services, hand-held PocketOffice, ESLs, powerful payments and especially self-checkout.
- *The big picture for the small store: anyone for roulette?* — There are four or five software-only small-store competitors all trying to do the same thing. So which one will survive the inevitable shakeout?
- *The big picture for the small store: who loves you, Baby?* — StoreNext, Where Every Day is Independent's Day.

QUESTIONS AND ANSWERS

- *This is just what I asked you for! So when do the changes take place?* The changes are effective immediately for all new orders that are not yet in-house.
- *What about orders already in-house at StoreNext? Will these ScanMaster orders automatically be restructured to the new pricing?* StoreNext will not automatically change any orders in-house, but StoreNext will modify these orders upon written instructions from the dealer.
- *Why isn't StoreNext automatically changing all prices for my in-house orders?* This way, dealers may choose to let existing orders remain in place at current pricing or can modify the order in writing to StoreNext Order Entry.
- *I just had an order ship last week - can I change the price of that order?* StoreNext will not change pricing on any orders that have already been shipped.
- *I just noticed you said "minimum 5 lanes." How does this work?* When you order a standard ScanMaster system, the line item for the controller/office is the price of the first five lanes. Then you just buy any additional necessary lanes individually after that.
- *Why don't you give me an example!* For a 7-lane store, you'd buy the controller software line item, covering the first 5 lanes, then you'd buy 2 additional lanes.
- *What if I need a software-only load for three lanes?* You order the controller/office, which covers you for 1-5 lanes.
- *What about workstations or other options?* There aren't any changes there.
- *How about the DynaKey option — it used to be an extra \$295?* The list price for this increment has been reduced to \$200.
- *How do you handle using DynaKey on the first five lanes since it's they are now included in the controller pricing?* There is a new controller-plus-5-lane package that also includes the DynaKey option.



- *You used to have a lower price for 13+ lanes. Is that gone now with the flat lane-based pricing?* The lower 13+ lane price is still offered at \$590 per lane.
- *Are there any changes to ScanMaster Express or Espresso systems?* Yes! The no-charge inclusion of the Electronic Couponing option is effective for all new ScanMaster orders, including ScanMaster Express and ISS45 Espresso systems.
- *Do I have to actually order Electronic Couponing option to get it, or is it included automatically?* With new orders, Electronic Couponing will be included automatically and put onto the software keys.
- *What about my software discount? Has my discount been changed?* Dealer software discounts are not changed by this new pricing.
- *You included Pervasive for free in the 1-3 lane small-store Mocha packages this year. Now that you've extended these configurations to 4 and 5 lanes, did you extend Pervasive too?* Yes. In the Espresso Mocha ScanMaster packages, you don't have to buy the Pervasive database.
- *What if I use the lane-based pricing for the software. Is Pervasive included then?* The Pervasive database for ScanMaster V2 is only included with the Mocha packages.
- *Even if I'm just putting in two or three lanes?* Yes. To get the free Pervasive licenses, you have to be doing Mocha.
- *When will 2.03.01-050 be available?* This version is now in Customer Trial and is planned to be in General Release within 30 days.
- *Isn't there also some new deal with back office that kicks up my discount?* Absolutely true. See the (yet another) [Update Bulletin](#) with the Retailix Store pricing offer that increases dealer discounts on the POS software line items when you order a new POS system at the same time as the back office system.
- *What if I have a customer who wants to add the Electronic Couponing Option to their installed store – is that now a free upgrade to existing stores since it's gone to no-charge on new systems?* The Electronic Couponing option is only included at no charge with new systems. The new pricing does not go backwards and include previously-shipped systems. The price for the option when adding it to installed stores remains the same.
- *In the future, how will I know if the store needs to buy an upgrade to get this feature or not?* Refer to the SKIF or the software key report. If Electronic Couponing is checked, then you don't need to order the upgrade. If it isn't checked, then you do. Simple as that.
- *Net this out for me. Let's say I buy a ScanMaster system that uses Electronic Couponing. For a five-lane store, how much lower is the new pricing?* The new pricing for those items would have an MSRP of 5 x \$1,095, or \$5,475 whereas the old price was \$3,195 + \$995 + 5 lanes at \$890 for a total of \$8,640. This means a savings of \$3,165, or 37% compared to the original price of these line items.
- *What about smaller systems?* The Mocha systems now go to five lanes, include Pervasive, and they are a really, really good deal.

To Your Success,



Anthony van Seventer

