

Introduction to The Retail Equation *Change for Charity*[™] Program

An optimized approach to collecting spare
change for charities in a retail environment

Change for Charity



- An electronic system, centered on the retail store point-of-sale and/ or point-of-return, to collect spare change, aggregate it at the retailer, distribute it efficiently to charities, and account for it back to consumers.



Retailing Market for Spare Change (Overall)

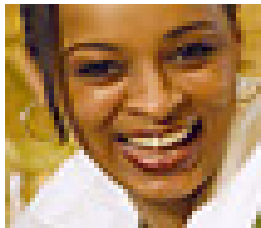
- How big is the opportunity for spare change?
- Based upon our internal research of over 1 billion retail transactions, the spare change market is approximately:
 - 0.908% of all retail sales, or **\$36 billion**
 - 0.826% of all returns, or **\$3 billion**
- Combined total: **\$39 Billion Dollar Market Opportunity**

Retailing Market for Spare Change (Single Retailer Example)

- Digging deeper, we analyzed the spare change phenomenon at a retail client with approx. \$2 billion in sales and found they physically collect:
 - Change of \$15.2 million of purchases a year:
 - \$3.5 million in coins
 - \$11.7 million in credit cards
 - Change of \$2.7 million on returns a year:
 - \$1.1 million in coins
 - \$1.6 million on credit cards
- For a grand total of \$17.9 million, of which \$4.6 million is spare coin change. So each retailer offers opportunity.

How it Works on a Return Cash Transaction

Customer cash return



Consumer



Store Clerk

How it Works on a Return Cash Transaction

Clerk gives cash bills back to consumer



Consumer



Store Clerk



How it Works on a Return Cash Transaction

Clerk gives consumer option to choose charity for spare change coins



Consumer

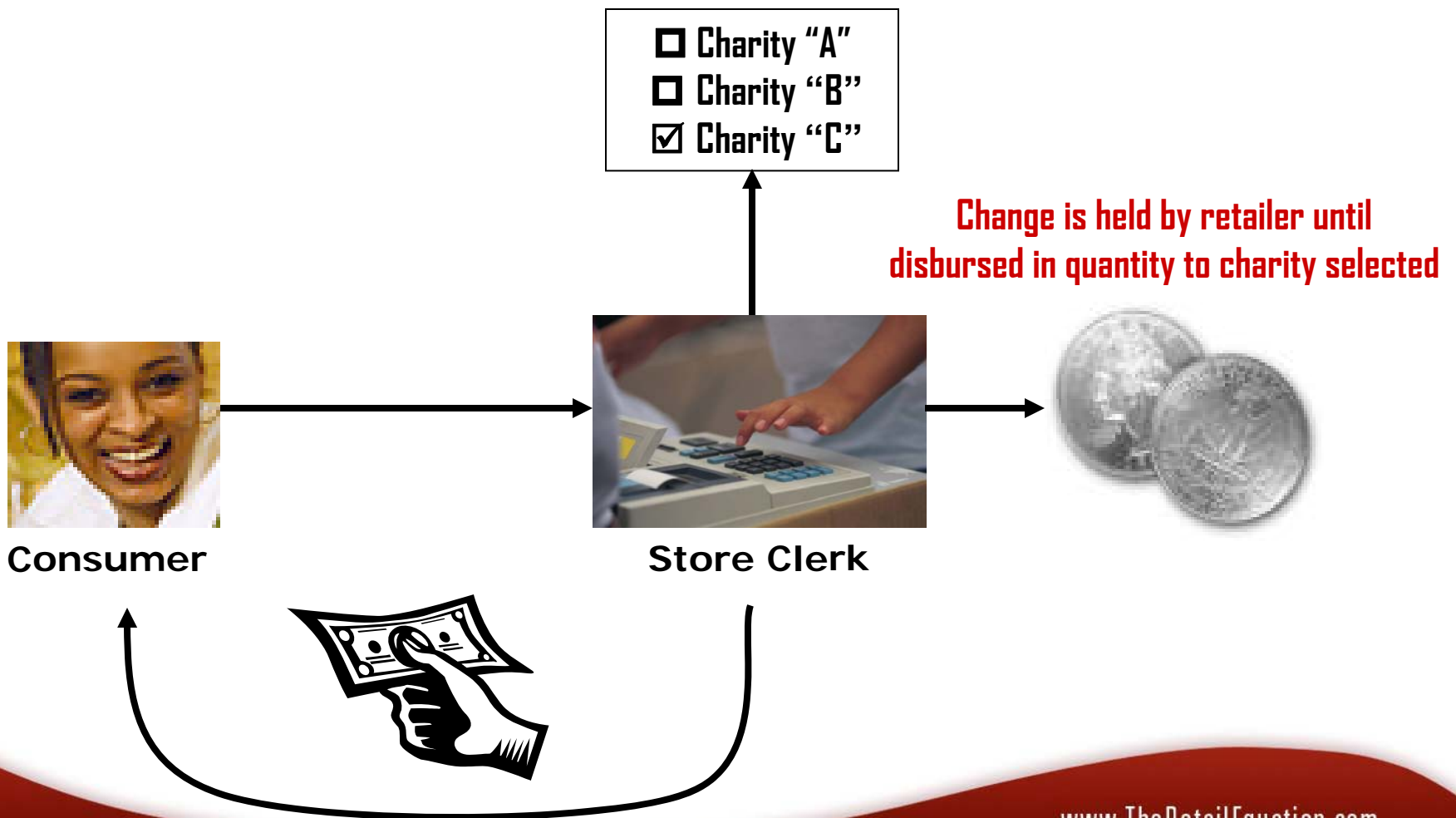


Store Clerk

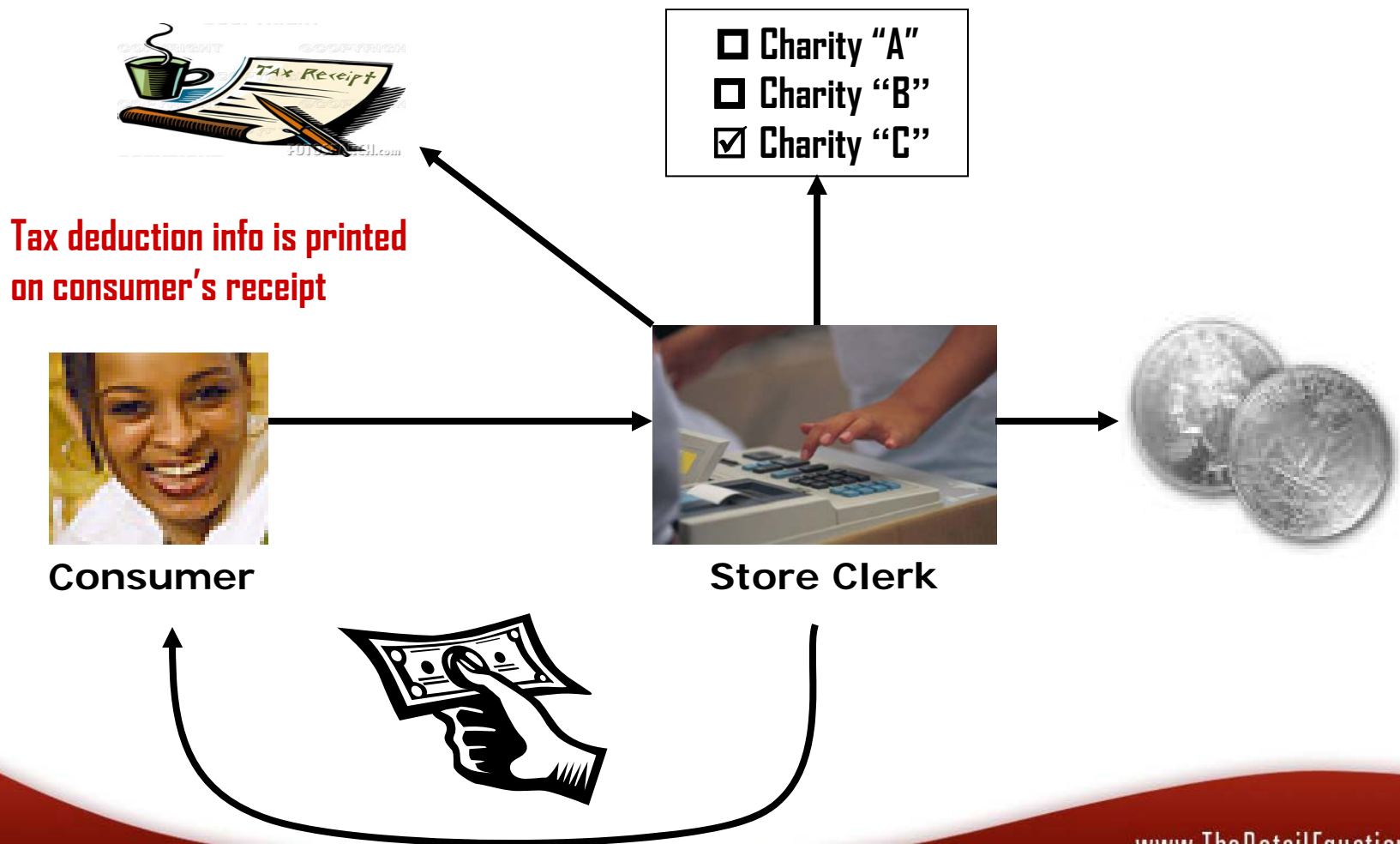
- Charity "A"
- Charity "B"
- Charity "C"



How it Works on a Return Cash Transaction



How it Works on a Return Cash Transaction



Case Study: Dept. Store “X” Spare Change Return Potential

- Based on our assumptions and utilizing U.S. sales of \$18.8 billion, Dept. Store “X” could potentially generate the following:
 - Assuming 41% of returns are cash (\$963 Million) then possible donations could be approximately \$8 million annually!
 - Assuming that consumers will donate approx 25% of the time, this would be a total possible donation opportunity of **\$2 million in annual donations!**

Case Study: Value Proposition for Dept. Store “X”

- This program would be away to significantly increase community commitment and charitable giving programs
- New way to engage customers
- Enjoy direct labor savings by reducing change employees would have to count
- Standalone or integrated technology infrastructure available to utilize the Change for Charity
- Eliminates clutter and signs from checkout counter
- Possible tax benefits

Case Study: Value Proposition for Charities

- A huge new market (retail shoppers) to raise funds
- Reduces the cost of raising funds.
 - Retailer's staff becomes your extension with no effort on their part because its embedded in the retail sales/return process.
- Reduces possible theft of monies raised
- Eliminates costly logistics of physically transferring coins
- Improves accounting back to donor
 - Potentially the means to communicate with and add that person to your marketing database

Potential PR Slogans

- “Give the Gift of Change”
- “Donate for Change”
- “Help Make a Change”

Change for Charity Summary

- Helps retail shoppers easily give back our community
- Provides the retailer with a modern, optimized approach to collect spare change for charities
- Leverages The Retail Equation technology currently deployed at the retailers