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New Consumer Research: Color Receipts Generate More Retail Business

Wallingford, CT, (April 25, 2003) . . . TransAct Technologies, Inc., the makers of Ithaca® printers, believes that branding and messaging on point-of-sale (POS) receipts have great potential as a low-cost communications vehicle for the retail industry. But because consumers are not yet in the habit of looking at their black-and-white receipts for such messaging, receipts without color aren't getting noticed. To see how color changes the equation, TransAct commissioned an independent research firm to find out whether adding color would affect how consumers notice and act on receipt messaging. TransAct has just published a report on this research, titled *The Power of Color*. The report is available online at www.colorreceipts.com.

The potential for the retail industry

“Retailers looking for an edge in the face of heavy competition will want to look at how color receipts could improve their business,” explains Bart Shuldman, TransAct chairman, president and CEO. “Color receipts are a low-cost way to communicate with customers in real time. This research shows that using POS printers, which retailers need anyway, can build customer loyalty and enhance a brand’s image. Color messaging even opens up the opportunity to sell messaging space to related businesses to generate additional revenue.”

“The news for the retail industry was even better than we expected,” continues Shuldman. “This study quantifies what we believed all along: that adding color can actually improve your business, from boosting the effectiveness of promotions to polishing the halo over your brand and even generating new revenue.”

Key findings include the following:

Adding color to receipts increased awareness of promotions by 165%. Only 31% of consumers noticed promotions on black-and-white text receipts within 3 seconds. But when they looked at a color receipt, 82% of consumers noticed the promotion within 3 seconds. In focus groups, the comments ran along the lines of “I started reading it from the bottom because there’s red down there.” Or “It definitely catches your attention.”

Color boosts coupon redemptions by 158%. Overall only 26% of those surveyed said they would redeem a black-and-white coupon. But 67% who saw a color coupon said they would

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redeem it. Results varied somewhat depending on the type of establishment. Overall, 71% of consumers said they'd redeem a color coupon from a clothing or department retailer and 69% would redeem if the retailer were a specialty store.

Color brings customers back and increases business. Customer loyalty also increases when you add color to receipts. The results were calculated from the surveyed consumers who noticed the receipt within three seconds and stated that they would return more often to that retailer. The average increase in monthly visits is 1.5 or 62%, but results varied by store type. Color receipts from a clothing or department store generated an incremental 1.4 visits per month. The increase in monthly visits for specialty stores was 0.9. Retailers can calculate the potential for their businesses by using the Business Increase Calculator at www.colorreceipts.com.

Color receipts produce positive attitudes toward brands that use them. Adding color branding on receipts may be the most powerful way to use POS printer technology as a communications tool. The consumers shown receipts with color logos had overwhelmingly good things to say about the company shown. Top comments included attitudes like, "The retailer has pride in their products/services," "It would reinforce their advertising," "The retailer is more likely to stand behind their products and services," "It gives me a sense of security about this retailer," and "It makes me feel happy."

Methodology

This research was conducted by The Michael Allen Company, a strategy consulting firm with experience in the food & beverage and retail industries and market research design. Michael Allen worked in conjunction with Taylor Nelson Sofres' TNS Intersearch division, the tenth largest custom research firm in the US.

Focus groups provided qualitative direction on attitudes. For the quantitative results, researchers polled hundreds of consumers exiting a number of national, high-profile chains at locations across the US. The research was done across a broad spectrum of market segments, including clothing/department stores, specialty retail stores, quick service restaurants, sit-down restaurants, and coffee shops. Researchers showed consumers both black-and-white text receipts and color receipts with logos and graphics from the store they were exiting.

About TransAct Technologies:

TransAct designs, develops, manufactures and markets transaction-based printers under the ITHACA® and MAGNETEC® brand names. In addition, the company markets related consumables, spare parts and service. The Company's printers are used worldwide to provide receipts, tickets, coupons, register journals and other documents. The Company focuses on the following vertical markets: point-of-sale (POS), and gaming and lottery. All of TransAct's products are manufactured in ISO 9001 certified facilities. Visit www.transact-tech.com for more information.

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