

NEW PARADIGM IN FLYER MERCHANDISING AND TARGETING

Toronto, ON, December 7, 2005 – Market Focus Direct, one of Canada’s leading flyer management companies and Retalon Inc., Optimizing Supply Chain, have partnered to usher a new era in optimization of merchandising and flyer promotions for retailers. Now retail organizations can merchandise both stores and flyers based on the latest sales trends of any store cluster or even a single store. Market Focus precision systems can ensure reliable flyer distribution to the targeted areas. The ability to cater to the specificity of each geographical region with relevant flyer content significantly increases the impact of promotional campaigns.

ALLIANCE MAXIMIZES PROFITS OF FLYER PROMOTIONS

Retalon analytic tools utilize area-specific traits to automatically customize the flyer content, as well determine the most profitable promotional prices for each product included in the flyer.

Retail organizations gain the foresight to strike a balance between discounts and sales uplifts that result in best achievable profit margins. Equipped with this knowledge retailers plan store merchandising and flyers content up to 18 months in advance, link product consumption and price sensitivity to demographics and geographic areas, and choose new store locations.

All relevant case studies point to a dramatic increase in the yield on each marketing dollar spent.

“This is a paradigm shift for many retail organizations,” ascertains Paul Gaynor, president of Market Focus Direct. “To achieve better results from flyer campaigns, merchandise planners and marketers would need to make decisions on the flyer content together. The good news is Market Focus and Retalon supply all the required tools to make these decisions. Gone are the days of over-purchasing, unprofitable pricing and panic selling.”

Geographical granularity plays an important role in determining the economic benefits of a flyer-based campaign. In some cases it makes sense to merchandise and distribute flyers on a regional basis, while in others it is more beneficial to differentiate between downtown stores and suburban areas. The information provided by MFD and Retalon allows retailers to opt for the best possible level of granularity for a flyer customization.

Selecting optimal flyer content for each flyer delivery area, bolstered by reliable sales projections helps retail organizations to ensure sufficient in-store quantities at every location without over-stocks.

“MFD and Retalon solutions are truly complementary,” states Mark Krupnik, president of Retalon Inc. “Joining our forces brings forth a unique offering for flyer-based promotions and yields tremendous benefits for the retail industry.”

The newly created alliance between Market Focus Direct and Retalon equips retailers with the insight into future events’ effectiveness, superior execution, top return on investment in flyer campaigns and unique competitive advantage.

About Retalon Inc.

Retalon Inc. is a leading provider of comprehensive analytic solutions for supply chain and marketing operations. Retalon products range from task-oriented solutions to a common analytic platform, resulting in tangible optimization of the supply chain and significant measurable benefits for the entire organization.

Retalon solutions are successfully deployed in over 60 installations.

For more information, visit Retalon Web site at www.retalon.com

About Market Focus Direct.

Market Focus Direct, "Delivering on Knowledge", provides business to consumer companies with customer acquisition and loyalty strategies and programs. MFD utilizes customer and market data to construct relevant, knowledge based in-home, affinity and retention programs through both traditional and on-line or new wave media.