

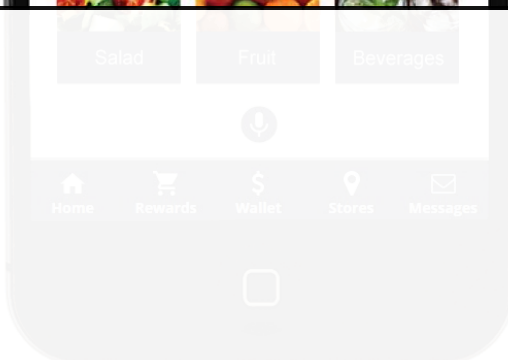
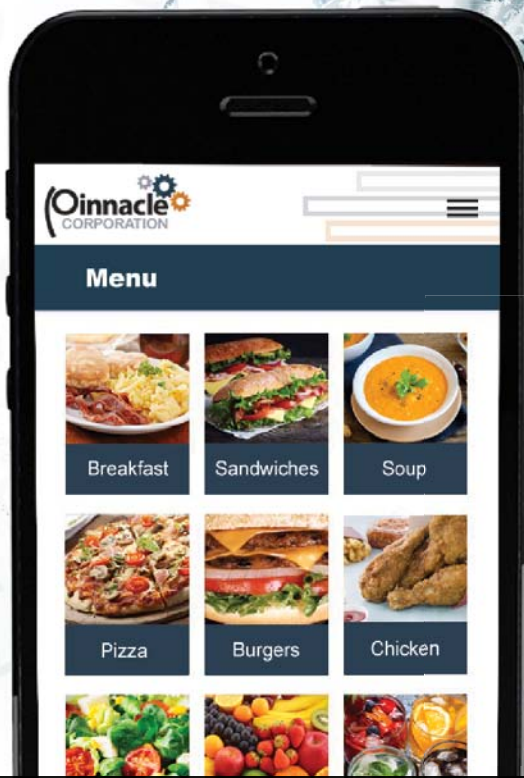
The Perspective

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CORPORATION
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A Publication for the Convenience Store and Petroleum Marketing Industries

NEW, NEXT, NOW

The Future Is Here For Convenience Retail



Industry Insecurity
Protecting Your Stores & Customers

Reimagining Retail
Payments, POS & More

The Loyalty Gap
Engaging A New Consumer

Software for Growing Business

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FROM BOB'S PERSPECTIVE

With another successful Summit complete, we are excited to bring the new information and innovation we showcased during our general session presentations out to the industry and our partners. Pinnacle team members are visiting clients and industry professionals throughout the country, exploring the many ways Pinnacle solutions keep the retail convenience market moving. Our collaboration with our clients allows us the inside knowledge to make enhancements and continued development to assure Pinnacle software is the most efficient and best-in-class.

This Perspective, we are excited to not only explore current best-practices and expanded features of our software so our clients get the best user experience possible- but we also focus on the new and exciting innovations that are coming soon from Pinnacle. See how Pinnacle is staying ahead of security issues such as skimming, EMV and data security. We will highlight new Loyalty benefits and ways to maximize sales and store traffic. We will also explore food service and the future of mobile ordering- not to mention the array of new mobile opportunities in every category of the convenience store industry.

The development team here has been very focused on EMV support for Palm POS. This of course continues to be of paramount importance for us. The effort continues and we have more EMV capabilities rolling out this fall. We've also outlined our thinking about a next generation of POS and we are pleased with the response to this product direction. Features include improvements in supportability and proactive problem resolutions derived from our 25+ years of experience with convenience store POS.

Additionally, while at Summit, we introduced some new thinking on decreasing credit card fraud and chargebacks. As many retailers are experiencing, the increase in credit card chargebacks can be dramatic as the card brands move more liability to retailers who have not implemented EMV. Our Card Trust product gives retailers better control over credit

policies.

We've also been fortunate to have informative articles in not only trade publications, but mainstream media, regarding Pinnacle products. CSP Daily News recently published an online article highlighting the many takeaways and industry best-practices learned at the Pinnacle Summit 2017. Along with several industry magazines, the Washington Post featured a story on the continued scourge of skimming and how retailers are fighting fraud- including using the Pinnacle SkimDefend App- to keep payments safe for consumers and theft away from their stores.

I'm excited to show the multiple new products and enhancements that make Pinnacle the leader in consumer engagement, operations efficiency and systems security. We look forward to showcasing these new advancements at NACS this year- and I look forward to seeing all of you. Please visit our booth, 4374, in Chicago, October 17-20, and let us personally thank you for your continued support and collaboration!

Best,



Bob Johnson
CEO & President
The Pinnacle Corporation

FROM OUR PERSPECTIVE

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2017 PINNACLE CALENDAR

COME SEE US

SEPTEMBER 5-7

POC (Pacific Oil Conference)
Los Angeles, CA - **BOOTH #408**
www.petroshow.com

SEPTEMBER 10-13

NAG (National Advisory Group) Annual Conference
Nashville, TN - **SILVER SPONSOR**
www.nagconvenience.com

SEPTEMBER 10-13

PDI User Conference
San Antonio, TX - **BRONZE SPONSOR**
www.pdiconnections.com/uc

OCTOBER 17-20

NACS SHOW 2017
Chicago, IL - **BOOTH #4374**
Hunter Club Members 2017
www.nacsonline.com/nacsshow

Pinnacle is already filling the calendar for 2018 with many shows and conferences around the US. It is going to be a great year in the industry and we can't wait to be a part of it. For more updates on where we will be next, check out our website: www.pinncorp.com/calendar.

WHAT'S NEW AT PINNACLE?

Events:

Pinnacle Summit

This year, Pinnacle Corporation's annual Summit user conference was held in the Spring 2017 at the Sheraton Arlington Hotel in Arlington, Texas. See page 17 for details about the event.

Company:

- Launched at Summit 2017, Pinnacle introduced the Affiniti Sentry store security suite. Including modules such as Card Trust (protecting against fraudulent transactions from unknown cards and customer accounts-designed to stop chargebacks before they start), Asset Watch (a cloud-based software and device management tool that monitors

and reports version information to make sure store assets are current, compliant and secure) and the popular SkimDefend Multi-Site (available not only for fuel island labels, but any security label system requiring routine monitoring).

- An added member to the Affiniti family, Affiniti POS debuted at Summit 2017. Industry-leading Palm POS will be available through our Affiniti mobile platform, enabling users to increase productivity and reduce costs, now faster than ever.
- Updates on EMV Inside and Outside, Palm certification with Sunoco, the expansion of the Loyalty suite to other POS systems via the Conexus standards and the roll-out by Lynch Oil/Mr. Gas of their consumer mobile app.

A Personal Question...

What's the difference between online and brick-and-mortar retail?

The answer:

Data

And how well you use it to create personalized shopper experiences. Simple as that.

Gathering quality data, analyzing it, then using it to give shoppers the experience they expect helps retailers even out the odds against eCommerce. In other words, getting 'personal'!

No shopper data? No problem, we'll get you going. Just a little or lots of data? We'll put it to work for you! To find out how we can help you get personal, get in touch

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WHAT'S NEW AT PINNACLE? *(continued)*

Pinnacle Solutions Updates

Palm POS –Recently Released

- Approval of Palm POS PA-DSS 3.2 Implementation Guide (NBS, P66, Heartland, WorldPay) .
- Palm POS Integration with Patron Points via Loyalty Partner NIM.

Palm POS –12.5.9 Highlights

- Food ordering system: order recall from all registers. In previous versions, the FFOEY system only allowed one remote register to recall the order ticket and other registers would get notified but would not be able to recall the ticket since the ticket was never saved to their journal.
- Buttons now have a start date/time and an end date/time. Multiple buttons can be added to a store's board set to accommodate changing boards across days/times.
- Support for P2PE with Bluefin, NBS, and Ingenico.
- Support of EMV full and partial debit returns (Ingenico RBA 18).
- Many resolved issues, be sure to read release notes for a full listing.

Loyalty –v5.0.1 Highlights

Shopper Group and attribute functionality -

- Shopper Groups allow you to specify attributes and characteristics that define groups of shoppers that you will use when defining who qualifies for a promotion.

- Using Shopper Groups makes it easier to create a large number of promotions all targeting the same group since you will only have to define the group once.
- When creating a promotion, you will only have to select the group instead of having to create the qualifying rules.
- Adds support for storing and retrieving receipts when a loyalty transaction occurs. When a loyalty transaction occurs, the loyalty system will ask the POS for receipt data. When that data is transmitted to the loyalty system, it will store the receipt data so that it can be retrieved by the Loyalty API.

Affiniti Mobile –Recently Released

- Consumer Mobile v1.0 – Store Locator, Gas Price, Offers with Integrated Loyalty.
- Pinnacle Demo App now available in the App Stores – Look for Affiniti Mobile App.

Affiniti Sentry:

SkimDefend -Recently Released

- Corporate Mobile – SkimDefend Multi-Site includes reporting and store list.
- Single-Site version available for FREE in the App Stores.
- Multi-Site version – \$10 per store per month plus a one-time \$99 setup fee. ©



PINNACLE CORP. ADVISORY COUNCIL

The Ultimate Industry Brainstorming Session

Over the past 26+ years, we at Pinnacle have learned that our solutions must grow and evolve with the ever changing needs of our clients. Along the way we have also learned that the best way to know how to respond to these changing needs is by developing a collaborative relationship with our clients.

Historically, we relied upon Pinnacle's annual user conference, The Pinnacle Summit, to host Solution Forums where we gathered existing clients in sessions to present our roadmap concepts and gain feedback. The Solution Forums continued to grow over time and; due to the number of the participants, variety of skill sets and individual perspectives; they grew too quickly to be as productive as they were intended.

Beginning in 2008, we created a Point-of-Sale (POS) Advisory Council to gain more honed, strategic feedback from our clients with a determined theme. Over the years, the Pinnacle Advisory Councils have become an integral part of our product management process; ensuring continuous feedback from our customers, focusing strategic planning, and providing a checkpoint to verify our plans with the needs of



the market. We've also continued to evolve with the addition of our Loyalty Advisory Council.

At the close of Summit 2017, Pinnacle hosted all our Advisory Councils in a special session following the final general presentations. The groups were able to discuss, in an intimate format, the challenges and opportunities present in their current market and ways Pinnacle solutions are helping them, as well as ways new enhancements could give them competitive advantages. Additionally, the combined Advisory Councils were able to collaborate together to see how

new integrations and the extension of mobile marketing could work in concert with Loyalty and POS.

For all their hard work, Pinnacle and special sponsor, CMI Solutions, hosted an exclusive dinner for our Advisory participants. With hand-selected wine pairings and a cocktail-themed dessert bar, the evening was a wonderful way to celebrate another successful Summit 2017 and Pinnacle Advisory Council Conference. ©



INDUSTRY INSECURITY

Protecting Your Stores And Customers



During the NACS Industry Update Luncheons held at the beginning of the year in San Antonio and Houston, NACS President and CEO, Henry Armour, outlined their industry assessment of the greatest challenges and opportunities facing the convenience store industry in the coming year. Among the most talked about and highest of mind; data security and fraud prevention were near top of the list for retailer concern.

Data security risks are increasing and not limited to credit card fraud. Thieves are targeting Human Resources and Loyalty programs to extract greater amounts of data; from names, addresses and phone numbers to social security numbers, health records and investment information. In some cases, this information is then ransomed back to the companies themselves- at exorbitant amounts and often without reciprocation.

Running outdated software or end-of-life hardware can be the first entry for malware and data theft. Without current security updates and encryption for the latest in virus combat, payment and store systems are vulnerable to outside intrusion and data breach. Additionally, in a multi-store environment, outside hardware and software applications can be added without corporate knowledge- bringing greater opportunity for security compromises. Companies need regular software and peripheral reporting to keep current on all updates and determine new security needs in real time- avoiding costly fraud activity and liability from non-compliance with regulatory agencies.

Card skimming is still a major problem, especially in the convenience store industry. Forecourt POS systems are ripe for tampering and with the delay in EMV implementation granted, late-adoption retailers are an even greater target. With other areas of non-EMV-compliance drying up (department stores, supermarkets), thieves look for the ‘weakest link’ in the security chain- convenience stores.

Typically, small organizations lack anti-fraud controls compared to their larger counterparts, which makes them particularly vulnerable to fraud, the study found. Because they have fewer resources, the losses they experience have a greater impact than they would in larger organizations.

The research found that the specific fraud risks faced by small organizations typically differ from those faced by larger organizations. For example,

skimming schemes were noted almost twice as often in smaller organizations than in their larger counterparts.

Management training on skimming fraud is essential in slowing this crime trend. Owners must be aware of the crime, put the mechanisms in place to properly screen employees, recognize the “red flags” of potential credit card skimming and other warning signs of fraud, and take the appropriate actions. It’s a crime of opportunity that can be prevented through education, training and proper supervision.

Employees are often the first ones to detect fraud. Organizations that have anti-fraud training programs experience less-costly losses, quicker resolutions of fraud cases, and an enhanced reputation for customer protection, according to the Association of Certified Fraud Examiners (ACFE).

“Training store personnel to be on the lookout for signs that skimming devices are being installed or

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have been installed is the simplest way to combat skimmers,” says Luke Grant, director of payment and marketing applications for Gilbarco Veeder-Root North America. Signs of tampering include indications of forced entry inside the dispenser, abnormal-looking components on the dispenser’s exterior, and suspicious vehicles parked at the pump for extended periods of time.

One of the simplest ways to prevent fraudulent tampering at the pump is by placing a NACS WeCare decal across the span between the terminal body and the access doors. The stickers show a VOID message if someone tampers with the placement. For the decals to work most effectively, employees need to check on them regularly and keep detailed records of each visual inspection. The Multi-Site SkimDefend app enhances the WeCare process by making it easier and more streamlined.

With proactive steps by management and a trained staff on the look out for skimming, plus scheduled and reported monitoring, retailers can protect the security of customer card data and their own reputation.

“Training store personnel to be on the lookout... is the simplest way to combat skimmers.”

- Luke Grant, Gilbarco Veeder-Root

As skimming fraud evolves and techniques become more sophisticated, so must the tools that retailers and law enforcement use to combat theft. Fuel station pump skimming has moved beyond the days of late night data collection and mass produced fraudulent credit cards to be used at big box merchants, online and overseas- only to be cancelled

and confiscated once limits are met or breaches are known. Thieves have learned not only how to gain information more easily, but how to turn that information into greater profit- at your pump!

“A new generation of fraudsters use embedded skimming devices inside fuel station pumps to steal credit card data from customers- cloning cards to steal hundreds of gallons of gas at multiple gas stations. Gas is pumped into hollowed-out trucks and vans, which is then collected off site and deposited into a tanker truck- to be sold and delivered at discounted prices to complicit fuel station owners on a black market route.” - full article at Krebsonsecurity.com, November 2015.

Late-model pump skimmers record card data on a storage device that can transmit wirelessly via Bluetooth technology. While filling up their tank, thieves can then download the card data that’s been stolen since their last visit onto a laptop. Some of these new devices can even send this information via SMS/text message- so that they don’t even need to visit the same location as the skimmer devices, further distancing themselves from the data collection.

“When a skimmer is installed, it captures an average of 30-100 cards per day.” – “Skimming and Payments Security”, NACS Online

Fuel thieves use vans and trucks modified with huge metal and/or plastic “bladders” capable of holding several hundreds of gallons of fuel. Highly combustible, these trucks are bombs-on-wheels. The build up of the flammable gases in and around the van can be ignited with the smallest spark or fire. The Secret Service, who is tasked with tackling this problem, has numerous incidents of a single cigarette igniting the contents of the bladder and turning the van into a fire ball.

The fuel theft rings will drive a bladder truck from gas station to gas station, filling up using counterfeit cards. Then they’ll drive back to their

truck yard and pump the fuel into a 4,000 or 5,000 gallon container truck- to be delivered to gas station owners with whom the fuel theft ring has previously brokered a price-per-gallon. By paying only in cash, no transaction records are kept- and no other means to verify legitimate and legal processes between fuel supplier and retailer.

Skimming devices can be easily purchased on eBay and other online sites- as well as instructions as to how to make them from scratch. With so much profit at stake and methods of stealing data getting easier and easier, for retailers to prevent skimming before it starts needs attention and diligence. Maintaining tank integrity, monitoring and recording your assets and making sure your staff is aware of the risks skimming poses are the best ways to protect your stores and your customers.

Thankfully, there are ways that retailers can fight fraud and prepare for payment and data security risks. Simple steps such as installing address verification on POS systems and payment terminals,

training employees on phishing scams and how to spot problems before they arise, using tamper evident decals and tracking apps, and continuing to implement EMV can all reduce your risk as a retailer and protect your customers and your reputation.

Discussions on the continued development and pending deadlines for EMV, anti-skimming and fraud prevention through the Affiniti Sentry suite, and emerging payment channels such as Mobile Pay allow Pinnacle to meet the needs of retailers now and in the future. A focus on staffing efficiency and labor-saving technology informs how we continue to enhance our Palm POS, making it the most user-friendly point of sale on the market.

Pinnacle’s continued relationship with NACS and other vital industry organizations not only molds our software strategies in the near future, but cements the collaborative perspective we have with regards to partner and client participation in enhancing our technology solutions. ©



The 2017 NACS Show, in Chicago, Illinois, October 17-20, is the yearly leading event in the convenience and fuel retailer industry. Pinnacle has not only been a longtime exhibitor, but also has played integral roles in various areas of leadership and organizational participation, including The Hunter Club. The NACS Show affords a tremendous opportunity to promote the many exciting advancements Pinnacle is making in the convenience retailer software environment.

In addition to providing updates on EMV Inside and Outside, Palm certification with Sunoco, the expansion of the Loyalty suite to other POS systems via the Conexus standards and the roll-out by Lynch Oil/Mr. Gas of their consumer mobile app, Pinnacle will showcase cutting-edge innovations and enhancements in production, near completion and coming soon. Come visit us at the 2017 NACS Show, booth #4374!



BOOTH #4374



2016 NACS Show Booth



SECURING STORES

Watch, Trust And Defend

In today’s environment of heightened data security uncertainty and evolving threats, convenience store retailers need tools dedicated to combat fraud and theft at the corporate and store level. Not only are there things you can do in your stores right now to prevent theft- team training to avoid scams, diligence in pump monitoring, installing address verification on POS and payment terminals, and updating to EMV- but Pinnacle has created an entire suite of security solutions you can use to defend your stores and protect your customers.

The Affiniti Sentry security suite offers convenience store retailers the best line of defense against fraud, theft and data skimming. Built on the Affiniti Mobile Platform and housed on the Pinnacle secure data cloud, Affiniti Sentry is your control center for software and peripheral information, enhanced customer payment authorization protocols and tamper/skimming monitoring. Launched at our Pinnacle Summit 2017 client conference, Affiniti Sentry’s Asset Watch, Card Trust and SkimDefend, used together or separately, are the only technologies of their kind designed specifically for the convenience store space and the distinct challenges retailers in this market face.

Asset Watch

Running outdated software or end-of-life hardware can be the first entry for malware and data theft. Data security risks are increasing and not limited to credit card breaches. Thieves are targeting interior store systems (such as customer Loyalty programs, Human Resources and Payment Systems) to extract greater amounts of data; from names, addresses and phone numbers to social security numbers, health records and investment information. This information is then ransomed back to the companies or sold to third party identity theft rings.

Without current security updates and encryption for the latest in virus combat, payment and store systems are vulnerable to outside intrusion and data breach. Additionally, in a multi-store environment, outside hardware and software applications can be added without corporate knowledge- bringing greater opportunity for security compromises. Companies need regular software and peripheral reporting to keep current on all updates and determine new security needs in real time- avoiding costly fraud activity and liability from non-compliance with regulatory agencies.

Asset Watch gathers information such as configuration, software versions, device numbers and additional device installs on a multitude of store systems- at regular and automatic intervals. Information can be obtained on point-of-sale terminals, pinpads, dispensers, computer systems and additional hardware and software as needed/ added. Using the Conexxus Site Asset Standard and available for PCI compliance data, Asset Watch monitors and reports Palm version, pump version and configuration, pinpad version and configuration, credit server, NIM, other Pinnacle products, additional versionable products (software platforms/computer hardware), and more.

Asset Watch data is delivered regularly to a cloud-based data reservoir for analysis and dissemination on a secure data connection. Retailers can use this data to determine not only version compatibility, but whether rogue devices have been inserted on the network, outage monitoring, configuration issues, versioning of components in the PII/ Card data chain of custody, and software license compliance. Additionally, Asset Watch’s roadmap includes features like ‘heartbeat’ monitoring to provide alerts via mobile app and digital reports- so you know what is happening in real time at a store level to address security and compliance concerns as they happen.

Card Trust

October of 2015 marked the EMV liability shift for in-store transactions and the transition to chip-card technology. The EMV rollout has been anything but smooth as retailers have struggled to not only get hardware and software upgraded but also understand the full impact of the liability shift as a whole. Adding to the confusion and uncertainty, ‘Outside EMV’ or the liability shift for automated fuel dispensers was slated for October of 2017- and has been rolled back to 2020 as technology and implementation catches up to the new requirements.

“Changes in payment network rules that took effect starting in October 2015 seek to support the migration to EMV by placing liability for fraud – counterfeit, and in the case of most networks, also lost and stolen –with the party to the transaction that has not successfully transitioned to EMV chip technology. In connection with the migration to EMV in the U.S. and the implementation of payment network counterfeit and lost/stolen fraud liability shifts, chargeback reason codes were established for (1) counterfeit, and (2) lost/stolen EMV chip card transactions covered by those chip liability shifts.”- according to US Payments Forum, www.uspaymentsforum.org/emv-chargeback-best-practices

The most common cause for chargebacks is fraudulent transactions. This happens when the credit card is used without the authorization and consent of the cardholder. In cases like these, the merchant/retailer is held solely responsible for cards not processed as EMV. This can be extremely costly, especially if multiple transactions occur within rapid succession (at different store locations before the card is disabled) for high-

ticket items (large quantities of gas or cigarettes). An EMV chip transaction is virtually impossible to counterfeit. However, an EMV chip card can be lost or stolen, and can then be used fraudulently. Also, the magnetic stripe on an EMV chip card can be counterfeit. As EMV is rolled out across the United States, credit card fraud is going to focus on locations that are still processing magnetic stripe transactions.

With Card Trust, retailers reduce the risk of having fraudulent transactions even without EMV outside. By using data analytics, you can limit the spending power of ‘unknown’ cards, learn the spending habits of your regular customers, restrict or grant outside pump activity for ‘known’ accounts- all built-in to Palm’s Credit Server Framework, so it works with existing NIMs. Using one or all modes of operation, Card Trust can:

- » Collect Data Only: No status checks or limits. This can be used to collect data over a time period, before turning on one of the other modes, allowing the system to learn who your regular customers are.
- » EMV Option: Swiped transactions, at the pump, are only allowed if there has been an EMV approval inside, on the same card. Regular customers can swipe at the pump using the magnetic stripe reader, while unknown customers will have to come inside and use their chip card.
- » Frequency Option: Swiped transactions, at the pump, are only allowed if a certain number of approvals have occurred within a certain number of days, on the same card. The count and days are configurable. Regular customers can swipe at the pump using a magnetic strip reader, while unknown customers will have to come inside.

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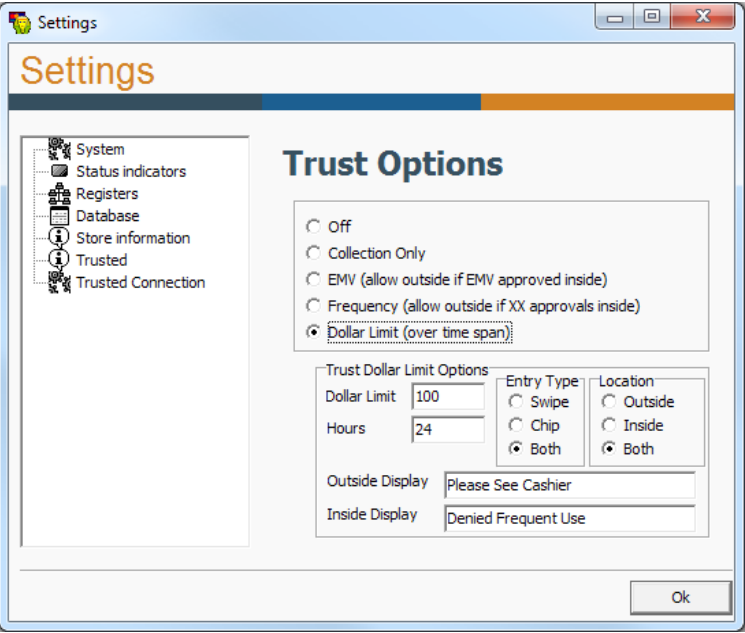
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Omega's solutions are compatible with Pinnacle systems & environments.



- » Dollar Limit Option: This places a spending limit on each card, over a specified time period. Settings include a transaction limit, number of hours between transactions, entry type and location. Using this data, limits or stops can be placed on transactions- both outside AND inside.

Card Trust utilizes the cloud-based Affiniti Mobile Platform, safely storing each transaction and history for use. By utilizing cloud software, multiple stores share data. If a stolen credit card hit its spending limit at store #1, it will also get denied across town at store #2. All other gated acceptance or denial properties transfer across the store system as well. Affiniti Card Trust meets all PCI Compliance requirements. The system is storing a SHA-256 hash of the account numbers, which allows it to re-

identify the same card, without storing the actual account number. This is PCI compliant because the hash is a one-way operation. Even with the hashed data, you cannot retrieve the original account number. Card Trust is the perfect marriage of security and customer convenience- without costly hardware upgrades.

SkimDefend Multi-Site

Skimming and theft are real problems and companies need to not only detract thieves but monitor when a potential problem has occurred. With registered security labels and the SkimDefend™ App, stores can provide routine visual evidence and online reporting to catch damaged or compromised labels and halt skimming and fraud immediately.

“One of the simplest ways to prevent fraudulent tampering at the pump is by placing a NACS WeCare decal across the span between the terminal body and the access doors. The stickers show a VOID message if someone tampers with the placement. However, for the decals to work most effectively, employees need to check on them regularly and keep detailed records of each visual inspection. The new SkimDefend app (powered by the Pinnacle Corporation) aims to enhance the WeCare process by making it easier and more streamlined.” As featured in *NACS Magazine*, May 2016.

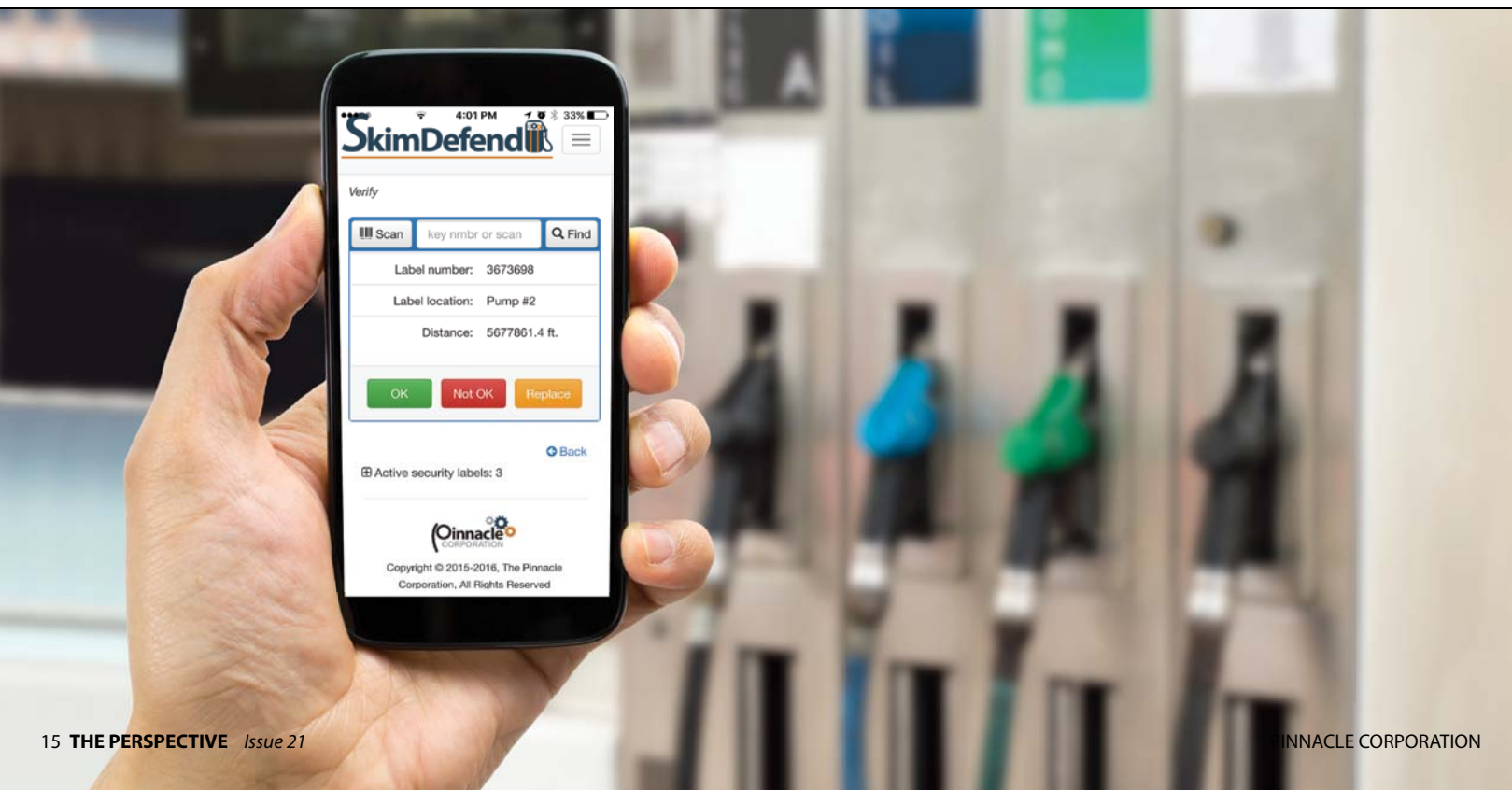


Built on the Affiniti™ Mobile secure cloud platform, the SkimDefend Multi-Site Mobile App was the first Affiniti Sentry module. Born from the single-site SkimDefend app, the SkimDefend Multi-Site app is an enhanced version of our single store tamper reporting tool- now for retailers with multiple stores and added reporting abilities

to safeguard your customers and your business against fraud.

More and more consumers are noticing security labels on devices like those on dispensers when they are pumping gas. If they consistently see torn or worn labels that no one is taking care of, they become distrustful of the convenience store operations. By ensuring the process of label verification is being completed on a regular frequency, customers know the store and the staff make skimming-safety a priority. Making sure your tanks aren't compromised and your stores are reporting diligently drives traffic from your competitors to you. Consumers want to purchase at stores they know are mindful of theft and data integrity.

With pending deadlines and continued development for EMV; anti-skimming, fraud prevention and store-system integrity through the Affiniti Sentry suite allows retailers a pro-active approach to security and a competitive advantage over those who are putting their customers at risk. Pinnacle continues to develop new solutions for the convenience industry to battle fraud and stay one-step-ahead of thieves. ©



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SUMMIT 2017 RECAP

In May, Pinnacle completed our annual client conference, Summit 2017, where we showcased the new Affiniti Sentry cloud-based software suite and a host of new and enhanced software solutions. With valued Pinnacle clients, respected partners and Pinnacle team members from across the country, this two day event offered valuable Pinnacle solutions and industry knowledge to keep up-to-date on the changes and opportunities within the convenience store and petroleum sectors.

Led by valued Pinnacle client and Master of Ceremonies Howard Hyche, Vice President of Information Technology at Double Quick, and situated at the Sheraton Arlington Hotel just minutes from Pinnacle Headquarters, Summit 2017 offered clients and industry professionals the opportunity to gain not only software expertise, but best business practices in an often volatile market. Pinnacle's Summit 2017 showcased software and technology solutions that drive traffic, drive sales and drive profit, enabling retailers to compete in their specific market.

"We've been hosting our annual client conference for over 25 years now and this year's Summit proved to be another outstanding event!" said Bob Johnson, President and CEO, The Pinnacle Corporation, "The opportunity to share the company's vision and strategy with our clients and partners and to hear their feedback on new ideas and product direction is essential to our success".

In addition to providing updates on EMV Inside and Outside, Palm certification with Sunoco, the expansion of the Loyalty suite to other POS systems via the Conexus standards and the roll-out



by Lynch Oil/Mr. Gas of their consumer mobile app, Pinnacle showcased many new and exciting innovations and enhancements in production, near completion and coming soon:

- » **Affiniti Sentry:** Launched at Summit 2017, Pinnacle introduced the Affiniti Sentry store security suite. Including modules such as Card Trust (protecting against fraudulent transactions from unknown cards and customer accounts-designed to stop chargebacks before they start), Asset Watch (a cloud-based software and device management tool that monitors and reports version information to make sure store assets are current, compliant and secure) and the popular SkimDefend Multi-Site (available not only for fuel island labels, but any security label system requiring routine monitoring).

"Time well spent down at Summit and Advisory Council... We look forward to continuing to work with Pinnacle on improving the software and growing the user base as a reference."
- Lou Bush, Stewart's Shops, Inc.

- » **Affiniti POS:** An added member to the Affiniti family, Affiniti POS debuted at Summit 2017. Industry-leading Palm POS will be available through our Affiniti mobile platform, enabling users to increase productivity and reduce costs, now faster than ever.

"Thank you for putting on a wonderful Pinnacle Summit 2017. Daniel and I had a great time and learned a lot. We are extremely excited with the Affiniti POS and all things that come along with those changes." - Nick Lynch, Lynch Oil

- » **Partners:** Pinnacle also announced new relationships and partnerships in our rapidly evolving industry. Darius for Retail, a

joint venture from Hussmann and Velocity Worldwide, brings the latest marketing personalization technology to the convenience store industry. Working in concert with Pinnacle Loyalty, Darius delivers promotions, transaction data, trend analysis and more, giving your stores a decisive advantage over your competitors.

"Thanks again for the great time - was a great few days, learning about Pinnacle's latest product innovations and future direction."- Steve Dennis, Road Ranger

"I'm excited about the future with Pinnacle and working with them on several key initiatives like Pinnacle EPS and Affiniti POS to get them across the finish line." - Don Emery, CHS

We were also fortunate to have valuable partners and industry professionals present for us such as Mike Vogt with Allied Electronics and Gray Taylor with Conexus. Our industry partners and the collaborative relationship we have with trade organizations help keep Pinnacle on the forefront of technology and responsive to the ever-changing needs of our clients. Additionally, we were honored to have our featured guest speaker, Jeff Whittle of Whittle & Partners, to discuss building a culture of accountability through leadership and management.

Pinnacle Summit has continued as a contributing force in making our clients most successful using our software and benefiting from the collaborative relationship we foster. Our annual conference, in combination with our free-Arlington-based training and Advisory Councils, prepares and nurtures Pinnacle clients to truly utilize our software solutions to increase efficiency, increase traffic and increase revenues. ©



REIMAGINING RETAIL

Payments, POS And More

As our industry changes and evolves with new opportunities and challenges, so must retailers and those who serve them. Keeping up with new trends, emerging demographics, transitioning resources and technological advances requires continued engagement with industry leaders and organizations that are mapping how the future is affecting the convenience store industry. Our relationships with NACS (National Association of Convenience Stores) and Connexus, the convenience industry technology organization, help keep us up to date on the needs of our clients and retailers- while preparing for the future.

This year, through our attendance at NACS State of the Industry, the Connexus Annual Conference and our own Summit 2017, Pinnacle gained valuable insight into what the coming year and beyond will hold for our industry and the economy as a whole. We learned about how consumers are changing how they interact with retailers and how the online experience has moved into the stores themselves. We discovered how the new ‘mobile millennial’ is bringing new technology and innovations to the market – and changing the way promotions are effective. Additionally, new security threats, payment challenges and the labor ‘crunch’ are playing a crucial role in how Pinnacle meets and exceeds the needs of our industry- and innovates for the future.

A Changing Consumer

As of 2017, mobile traffic has grown more than 13 times in five years. The convenience store customer is busier and needing faster service than ever- while also expecting more detailed, friendly and personalized service.

Always connected via mobile device, the new consumer has near unlimited information at his/her fingertips- the ability to check prices, nearby offerings, and more- within seconds. This information, though powerful, can also be overwhelming and consumers are looking for ways to simplify their information intake with informative, personalized promotions.

The new consumer is leading the sales process. Most purchases have been researched ahead of time or during the store visit via mobile, compared and contrasted with other retailers or online resources, and a value has been determined. That value is not necessarily determined on price- the new consumer factors in new expectations to their decision making process. What kind of shopping experience can one expect (Is the environment clean? The service personalized?)? Is the store culture similar to the customers’ (Do they promote local growers/craftsmen? Do they use only organic products?)? These are questions beyond cost- and translate to customer loyalty.

One major demographic shift that is receiving much attention is the Millennial. Millennials are an elusive bunch for those who seek to understand them; sometimes they seem fickle and contradictory. On one hand they are price and value conscious. On the other hand they are willing to pay for convenience, flexibility, and quality. They are open with their personal information almost to a fault. Yet studies show security is important to them. Above all, they want to have interactive experiences no matter what they are doing or where they are doing it – this means mobile devices are central to their universe.



Sharing Space

Amazon, Walmart, Dollar General- every day brings a new retailer into the convenience store environment. With each new entry, the market gets tighter and convenience retailers are forced to contend with competitors who have higher volume discounts, greater vendor negotiability, larger labor pools with enticing benefits, and more. Convenience stores need to compete with technology upgrades, increased customer service, niche marketing and product variety, and advertising that highlights unique offerings.

Payment Perils

Card skimming is still a major problem, especially in the convenience store industry. Forecourt POS systems are ripe for tampering and with the delay in EMV implementation granted, late-adoption retailers are an even greater target. With other areas of non-EMV-compliance drying up (department stores, supermarkets), thieves look for the ‘weakest link’ in the security chain- convenience stores.

Legacy systems, non-updated software and rogue device installation can bring down a store’s

security systems and open your customer’s data (and your store’s) to fraud. Data security risks are increasing and not limited to credit card fraud. Thieves are targeting Human Resources and Loyalty programs to extract greater amounts of data; from names, addresses and phone numbers to social security numbers, health records and investment information. Retailers need, not only security technology and payment processing compliance, but a knowledgeable and alert staff to protect stores. Consumers are highly informed as to skimming threats and data breaches and the publicity from one breach can be incredibly damaging to a brand’s public perception and trust.

Labor Pains

Online shopping has increased the demand for a fast checkout experience in-store as well. Making sure your staff can handle fluctuating store customer volume, getting the most from each transaction, providing a personalized experience, and having advanced point-of-sale technology is important to keeping things running smoothly. A robust economy has made labor a luxury. With greater opportunities in expanding industries outside the convenience store market,

retailers need to begin thinking of different ways to appeal to quality personnel- hiring and retaining motivated employees and turning the \$7 an hour team member into a \$15 an hour team member.

Through training and incentives, your team can suggest, promote and engage in the selling process- upping the profit for each transaction. Two-thirds of consumers are more likely to shop in a store where they receive personal suggestions while shopping. By having staff that know their customers and know the promotions and inventory the store is carrying, they can make significant profit contributions during the checkout process. Customers who feel they are engaged in the sales process and receive a more personalized experience- including targeted sales of promotional items of their interest- are more loyal and more apt to return.

Big Tech, Personal Approach

Studies show 80 percent of shoppers say they're more likely to shop in a store that provides a customized experience for them. Three-fourths say they'd enjoy checkout more if they received personalized coupons at checkout.

Targeted store loyalty programs allow retailers to deliver personalized offers via mobile app and/or at the point of sale during checkout. You can also personalize offers outside the in-store experience. By understanding how a customer shops, you can send emails, promotions, texts and more that advertise specials that appeal to them directly from previous shopping experiences and purchases.

Wall or ceiling mounted beacons are becoming an increasingly popular way of customer engagement. These devices can send relevant messages via Bluetooth to nearby smart phones that have your store mobile app. Retailers can use them to reach out to shoppers in-store, pushing welcome messages when they walk in the door to exclusive offers and recommendations as they browse the aisles. By working in concert with your branded mobile app, they

can drive traffic, increase spend and retain valuable customer preference information.

Implementing a mobile point-of-sale (POS) system —where tablet-toting sales associates bring the point of purchase to the customer—is one of the easiest ways to speed up the checkout process. Additionally, staff can check item pricing and inventory for a shopper without leaving the sales floor. The ability to check out customers in the aisles also gives retail staff more opportunity to make product recommendations, employ up-sell strategies, and generally provide more personalized customer service.

Meeting the Future Head-On

Our industry partners and the collaborative relationship we have with trade organizations help keep Pinnacle on the forefront of technology and responsive to the ever-changing needs of our clients. Through our industry associations and our own Pinnacle Advisory Council, we were able to announce new technologies and new enhancements at our Summit 2017 to meet these challenges in our industry and prepare for the future.

In addition to providing updates on EMV Inside and Outside, Palm certification with Sunoco, the expansion of the Loyalty suite to other POS systems via the Connexus standards and the roll-out by Lynch Oil/Mr. Gas of their consumer mobile app, Pinnacle showcased many new and exciting innovations and enhancements in production, near completion and coming soon, including Affiniti Sentry, Affiniti POS and new Affiniti Consumer Mobile functionality.

Pinnacle continues to look ahead and the opportunities that the future presents- both for the convenience store industry and our company, but also to the technological advances and abilities that are to come. We are excited to be at the lead in innovation and how our industry engages with their customers, protects their customers and continues to be the center of community now and into the future. ©

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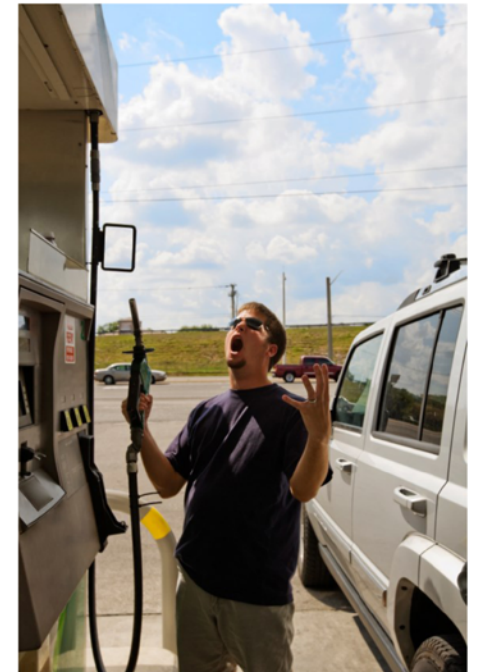
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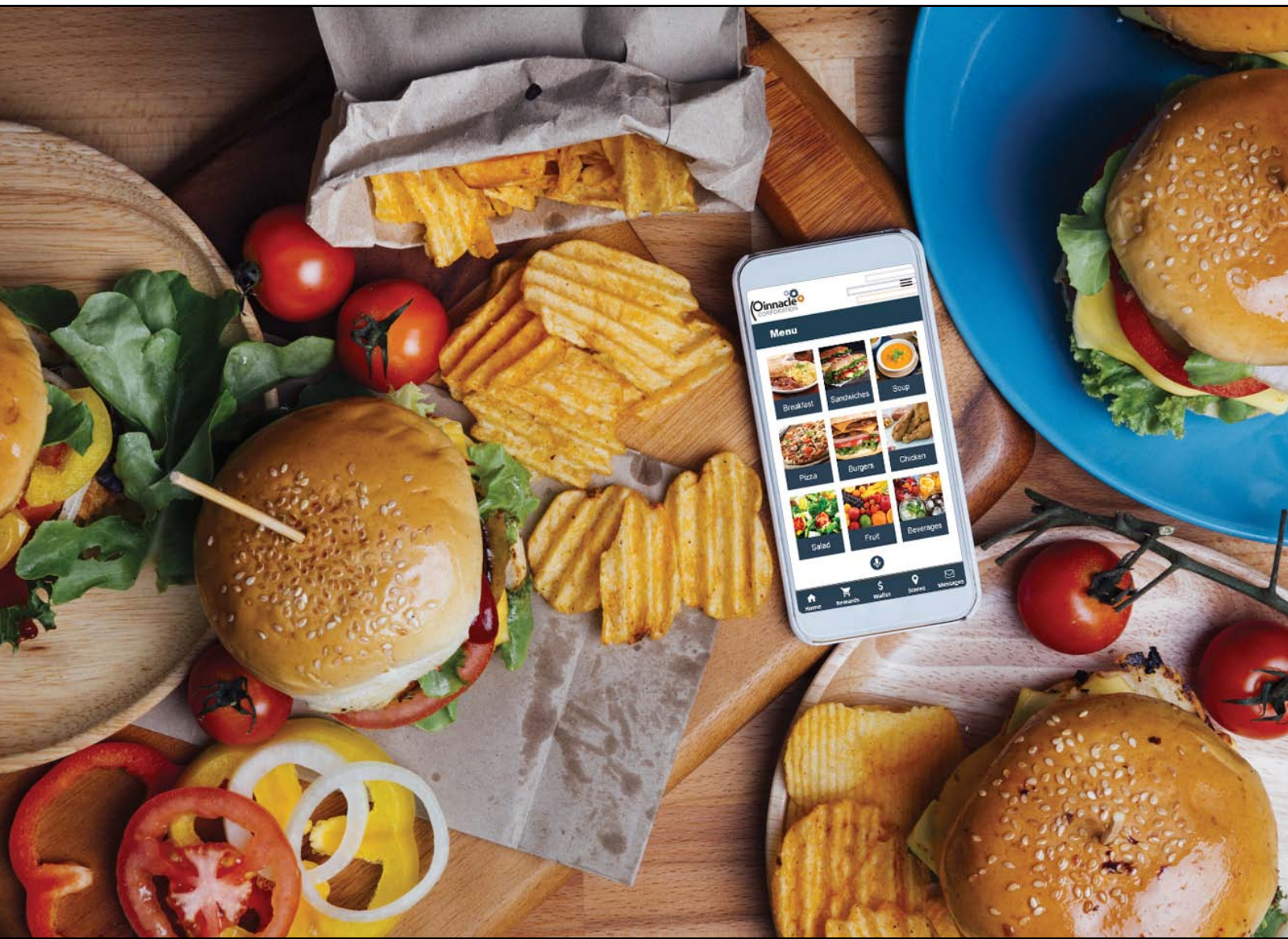
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AT YOUR *FOOD* SERVICE



Kiosk, Mobile And What’s Next

Foodservice has come a long way since the introduction of the hot dog roller grill to become a mainstay of the convenience store experience. What started out as a transition to prepared foods and away from small deli counters has become the highest profit margin category for retailers—beating out traditional products like tobacco and alcohol. Capitalizing on this evolving trend is necessary for convenience stores to stay competitive.

With the growing trends toward self-serve, quick-serve and interactive content in the convenience retail market, new solutions—from fast food kiosks to mobile ordering and payment – have brought a new era and a new customer profile to the convenience store space.

Kiosks: Bringing More to Each Transaction

Food service kiosks allow you to better manage your labor resources by assigning employees to more value-added activities like custom food preparation rather than just taking orders. This could let you reduce the overall number of staff you need to run your stores during peak rush hours, or reallocate employees to the food prep station. Either way you will be more efficient.

By letting consumers make their menu selections directly on the interactive user interface, there is almost no chance for human error since the kiosk layout is designed to let the consumer review their order and make changes before finalizing it. Compare that to verbally placing a food order- I think we’ve all experienced how error prone that process can be, especially when requesting special orders, making last minute changes, and dealing with language barriers. Overall, kiosk orders are much faster and more accurate.

One of the most profitable benefits of kiosks is the opportunity they provide for ‘upselling’ your customers. There seems to be something about consumer psychology that prevents people from ordering certain food service items when they actually have to say the words out loud, but they will order the same items without hesitation if they can self-select the items in relative privacy from a kiosk. It’s remarkable. Sometimes this is because it is perceived as a hassle to ask for

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a special order. The customer sees how busy the store is and doesn’t want to be the reason for slowing down the line even further. Other times the reason is related to the social stigma of ordering certain items such as super-size drinks, extra cheese, or double meat; everyone wants them but at the same time they know they are better off without them. In both of these examples, kiosks give customers a chance to order what they really want and get the best meal experience possible from your stores. In addition, the kiosk allows you to charge extra for specific condiments like bacon or cheese on a sandwich, or extra pepperoni or extra sauce on a pizza. All these upsell opportunities can be presented to the customer at the appropriate time during the transaction without having to rely on a cashier to remember to make the suggestion during a busy rush hour.

Merchandising at the forecourt is another area where our industry continues to seek better solutions. Pinnacle has worked with Allied Electronics to allow you to prompt for additional merchandise or food items at your dispenser CRINDs. You can control the text prompts and configure them any way you want, including adding a “More” button that lets you scroll to another screen for additional items.

The “More” button allows you to expand the selling space available on a CRIND. Reconfiguring the CRIND prompts is fast so you can make changes quickly.

Different retail environments call for additional solutions. Some retailers prefer to put kiosks on the forecourt island which would then drive customers inside to pick up their orders. Pinnacle has hardware partners who can provide a hardware platform that is suitable for the outdoor weather elements.

Mobile Ordering: Saving Time, Saving Labor and Selling More

Between 2012 and 2017 mobile traffic grew by over 13 times. The reliance by consumers on mobile technologies provides an opportunity for retailers to more easily gather and share information with potential consumers. Mobile apps have rapidly become the preferred way to simplify communication between you and your consumer, and when your customers carry your company with them wherever they go, you have the ability to push and pull information in real time. Consumers that download your mobile app start delivering information to you that you didn’t have the moment they open the app for the first time. These consumers have now become identifiable and their activity is measurable and meaningful.

When your customers have the ability to order over their mobile device, you not only gain the upsell benefits and transaction optimization that self-serve and kiosk ordering provides, you also gain the speed of service and increase in labor productivity that brings rapid return on investment. Integrated with kiosk ordering, Pinnacle’s near-release mobile foodservice ordering on the Affiniti consumer mobile app allows your customers to place orders from the convenience of their home, at the office, at the pump or within the store- freeing your counter team to prep quickly and take the next customer and giving your mobile consumer the time to make additional purchases within the store.

Additionally, the coming new mobile app enhancements allow for mobile payment and receipts – giving your customer the fastest service with incremental labor assistance. Integrated with Pinnacle Loyalty, those orders can be tracked and promotions can be sent to remind and retain those customers, driving additional spend and driving traffic during off-peak hours. In the near future, Pinnacle looks to integrate with Siri and other voice-activated mobile software to enable hands-free ordering during drive time- bringing an additional demographic group into your store and up to the counter.

Self-serve and quick-serve concepts, as well as the extenuation of mobile, continue to emerge and Pinnacle will continue to adapt its product lines to accommodate them. We constantly look to the general retail, grocery and restaurant industries to give us insight into which technologies and trends are likely to be next in convenience retail. ©

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For 20 years,
Conexxus has helped retailers integrate and innovate through its data exchange standards, saving the industry billions in non-value added development.

Today, virtually every convenience store in North America uses Conexxus standards to integrate forecourt devices, as well as back office, supply chain, payments and emerging mobile commerce innovations.

With the ever increasing importance of technology, Conexxus also represents the convenience and petroleum industry’s needs to global technology bodies, such as the World Wide Web consortium, ANSI X9, and EMVCo, with its sole objective being an open and competitive technology future.

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Conexxus is a non-profit, 160 member-driven technology organization dedicated to the development and implementation of **standards, technologies innovation and advocacy** for the convenience and fuel markets.

Conexxus membership collaborates on key present and future industry challenges and **innovations**. Our work efforts improve **profitability** by reducing the cost of IT ownership and improve the competitiveness of our members.

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THE LOYALTY GAP

Engaging A New Consumer

What makes a strong loyalty program? The point of loyalty programs for retailers is to increase profits. To that end, loyalty programs should offer incentives to customers that not only drive traffic, but utilize promotions with the most profit return and the least opportunity for loss.

Moreover, for a loyalty program to work effectively, it should keep the user's engagement with trackable rewards and continually expanding features and benefits. Customer loyalty programs need to woo consumers to your stores. Once they're hooked, you can continue to hold them in your thrall.

Interestingly, loyalty programs in the convenience sector frequently fall short of meeting the consumer's

expectations. In many instances, the program isn't really built to engender consumer loyalty; it's built to match the competitor offering, often put into place and left, unaltered for many months or even years. Frequently the offerings are limited to fuel discounts and club card rewards. Consumers like those benefits, but if new promotions and exciting benefits aren't designed for increasing membership and loyalty, you're really giving revenue and margin away, not marketing your brand or building a larger, more loyal customer base.

Millennials – Who Are They? If you are like most retailers, you invest a lot of time and money in building a loyal customer base, and as part of that effort, you are trying to understand and target the

up and coming Millennial Generation. Millennials are typically defined as those born between 1980 and 2000, although some studies make them a bit older or younger. This means they range in age from teenagers to early 30-somethings. This group is the subject of many studies and is on pace to be the most studied demographic in history, behind the Boomers who have been studied for decades. Everyone is trying to figure them out. Why? According to a 2012 study, this group already represents \$200 billion of direct purchasing power and has influence over \$500 billion of indirect spending, primarily because teens and young adults who are living at home influence the purchasing habits of their Baby Boomer parents (source: U.S. Chamber of Commerce Foundation). Since the youngest members of the group are yet to enter the workforce, the prime earning time frame for this group is still years away, which means collectively the group represents an important part of our future economy and cannot be ignored. Millennials' annual spending is expected to reach \$2.45 trillion (source: Deloitte). Clearly understanding and finding ways to appeal to this important demographic deserves a closer look.

Much has been written about Millennials' tendencies and preferences, not only what they buy but how they prefer to pay for their purchases. More than any other group, this generation loves their debit cards; credit cards and cash not so much. Millennials are more likely to choose debit for payment than any other group – 80% of debit transactions originate from this demographic (source: Hitachi Consulting sponsored by First Data). Most Millennials, especially those under 30, have never written a check. They were introduced to payment cards when they opened their first bank account and at that time received their first debit card. An estimated 20% have not made a cash purchase over \$5 in the past 30 days (source: CreditUnion.com).

An avalanche of research is beginning to connect the dots between technically savvy Millennials and mobile device usage for mobile payments. Research is confirming what intuition may have already told us – Millennials are ripe for mobile payments. Millennials are as much as 2.5 times more likely to try

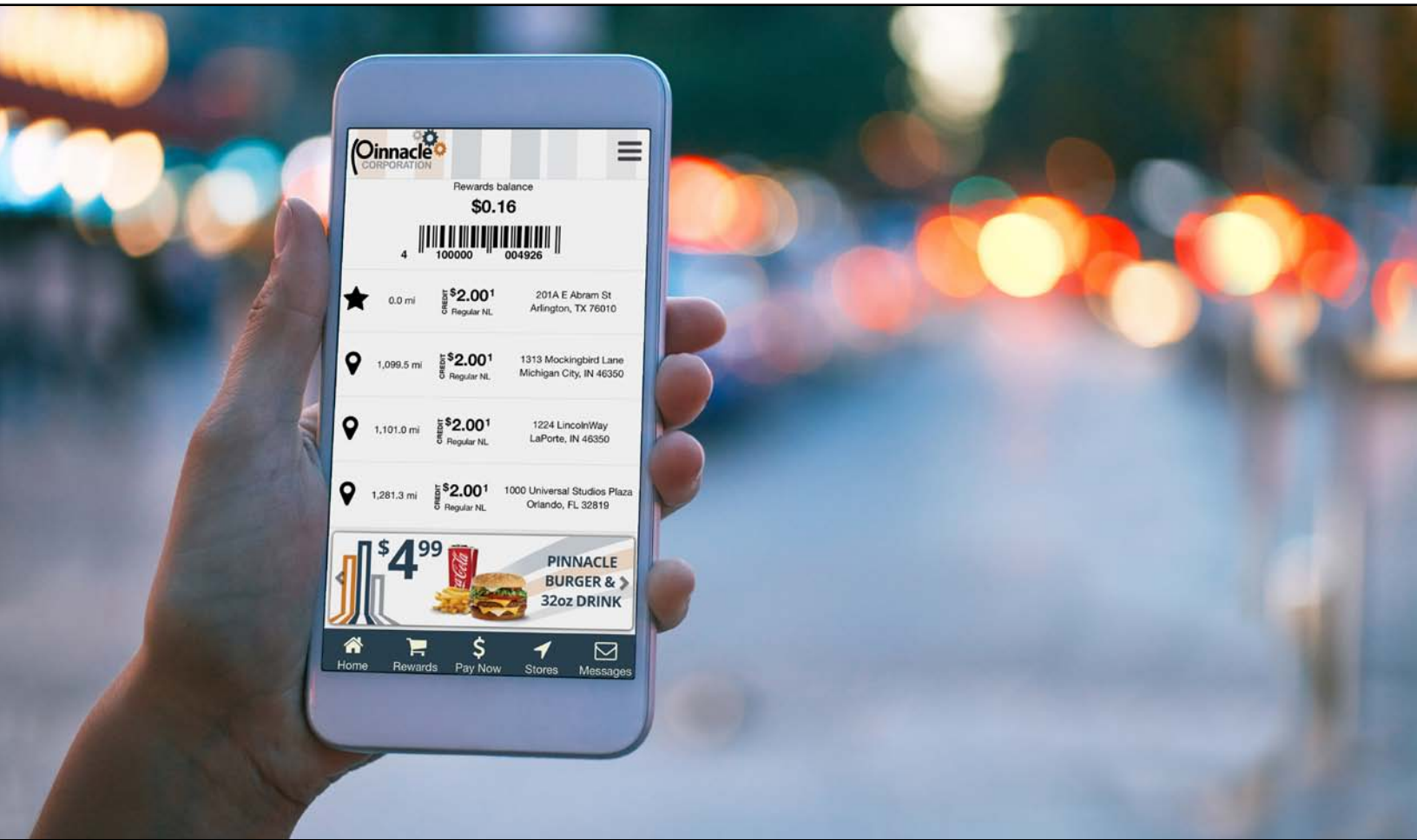
new technology compared to other groups (source: U.S. Chamber of Commerce Foundation). Research by American Express revealed 52% of consumers ages 18-24 are likely to try new technology-enabled payment tools. And with 75% of 25-34 year olds owning a smart phone and 90% percent of them using the Internet, it's easy to see why this group is so comfortable with mobile technology and is interested in including smart phones in their shopping experience (source: Pew Research Center).

The reliance by consumers on mobile technologies provides an opportunity for retailers to more easily gather and share information with potential consumers. Mobile apps have rapidly become the preferred way to simplify communication between you and your consumer, and when your customers carry your company with them wherever they go, you have the ability to push and pull information in real time. Consumers that download your mobile app start delivering information to you that you didn't have the moment they open the app for the first time. These consumers have now become identifiable and their activity is measurable and meaningful.

So how do you win the business of such a fickle demographic group as the Millennial Generation? Driving consumer traffic has always been one of the biggest challenges for convenience store retailers, and as a result, retailers are increasingly moving toward mobile solutions to get consumers' attention and dollars. In fact, between 2016 and 2020, mobile traffic is projected to grow by 8 times, which means the reliance on mobile technologies by consumers provides a unique opportunity for retailers to more easily gather and share information with potential consumers. Organizations building out a mobile app strategy need an easy button for managing the deployment of their mobile enabled solutions. Pinnacle aims to provide our clients an opportunity with our Affiniti Mobile Solutions – making sure your customers get the most from every visit to your store, and your business works for you wherever you happen to be. With mobile the way of the future, we strive to put your business in the palm of their hand. ©

A CUT ABOVE THE CARD

Loyalty And Beyond



Consumer engagement is going beyond the Loyalty card. In today’s online-environment, in order for retailers to keep a competitive advantage and retain customer loyalty, they need advanced tools and data that hone their promotions, offers and programs to their consumers’ needs and wants. Retailers also need an ‘easy’ button to get the information they need delivered in a way that helps them make actionable decisions- increasing store traffic and customer spend plus bringing consumers back for more.

Pinnacle’s Loyalty solution is a complete suite of consumer focused tools to make average customers good and good customers better. Not just an after the fact discount program, Pinnacle’s Loyalty suite has a combination of features that will appeal to the

majority of your customers- while continuing to evolve to the ever-changing customer demographic landscape. With a common database at the home office and complete real-time integration with the POS, customers can take advantage of your loyalty programs’ benefits, regardless of which store they shop. Combine any and all loyalty programs onto the same loyalty card or mobile app; one program, many benefits. Pinnacle Loyalty will take your marketing to a new level, and is proven to put more money on your bottom line.

Pinnacle has a long history in the convenience store space with integrated Loyalty rewards and their Palm Point-of-Sale system. As Loyalty has grown more and more successful and vital for customer

engagement, Pinnacle expanded its offerings into mobile applications- for ways to extend offers and promotions to consumers via mobile -driving traffic, increasing spend, and communicating with them in the most effective way possible. By further enhancing the Pinnacle Loyalty suite to include non-Palm POS systems, clients can integrate their rewards programs in a more diverse hardware and software environment.

Conexus Loyalty Standard Integration

The Pinnacle Loyalty Suite integration with non-Pinnacle POS solutions using the Conexus Loyalty standard allows Pinnacle Loyalty to be one of the most malleable customer engagement solutions in the marketplace. By implementing a standard messaging interface between the Loyalty host and the 3rd party POS solution, Pinnacle’s Loyalty solution can be used with any POS supporting the Conexus loyalty standards. Loyalty NIM can be used with any Loyalty Host and now with any POS supporting the Conexus loyalty standards.

“While Pinnacle offers a completely integrated POS, Loyalty Rewards, and Mobile App solution suite, we understand retailers are looking for Loyalty and Mobile solutions that will integrate with their existing POS platforms, to optimize their hardware and software investments,” said Melissa Fox Hadley, Director of Product Management at Pinnacle.

“Pinnacle has a long history of partnership and collaboration with Conexus and we are proud to be able to support the Conexus loyalty standards to offer a loyalty suite, fully integrated with Pinnacle POS, Affiniti Mobile and now other Point-of-Sale systems- ensuring that retailers have the tools in hand to increase customer loyalty and drive store profits.”

Conexus is a non-profit, member-driven technology organization dedicated to the development and implementation of standards, technologies innovation and advocacy for the convenience store and petroleum market. Conexus membership collaborates on key present and future industry challenges and innovations. Their work efforts improve profitability by reducing the cost of IT ownership and improving the competitiveness of their members. Pinnacle participates annually at the Conexus Annual

Conference in Annapolis, Maryland, and we are fortunate to have Gray Taylor, Executive Director of Conexus, address the most current technology trends and issues facing convenience store retailers at our annual Summit client conference.

“Loyalty programs are a key retailer tool in building a solid consumer brand following. Conexus membership created its loyalty standards to help convenience retail overcome the diversity of platforms and adopt best-of-breed loyalty solutions. Pinnacle’s support of those standards shows a clear investment in the success of its customers, through adopting this standard and its continued support of Conexus’ mission,” said Gray Taylor of Conexus.

Loyalty Suite Enhancements

In addition to our Conexus Loyalty standard integration, a number of new enhancements have been added to our Loyalty product in recent months. With the newly added Shopper Attributes and Shopper Groups, retailers can gain further insight into their customer demographics and behavior. Attributes can be from a set of pre-arranged criteria (customers that spend \$X in X year, by zip code, by subscription information, etc.) or by Custom Attributes (car wash or fountain drink programs, tier groups). Shopper Groups allow retailers to group customers by common traits and demographics to gauge promotion response and purchase traits- such as card range groupings. Using Shopper Groups, convenience stores can do A/B testing on promotions with set sample sizes. These new functionalities give retailers a decided advantage in targeting promotions to specific customer groups, increasing loyalty satisfaction and driving additional sales volume.

Pinnacle Loyalty has also added new ways of reporting. Using SQL Server Reporting Services, the same reports that were previously in Business Intelligence are more integrated with loyalty data with less middleware for faster analytics. Loyal Pay Accounting, allowing you to assess liabilities in your Loyalty system, is a new feature that analyzes accounting periods and summarizes transactions into exportable data. Loyalty Purge, an executable program that removes old unused data and optimizes the database, allows retailers to delete inactive

customers, children/minor records, transactions used for voids, and more- while running on a programmable schedule.

Loyalty And Social Media

The Affiniti™ Mobile Consumer App provides an opportunity for retailers to more easily gather and share information with potential consumers. Mobile apps have rapidly become the preferred way to simplify communication between you and your consumer, and when your customers carry your company with them wherever they go, you have the ability to push and pull information in real time.

with Amazon or Ebay or message/update Twitter. With the Affiniti Mobile Platform, the Loyalty API opens your mobile app to communicate with social media (allowing users to spread promotions and advertising virally) and seamless sign-up through existing platforms (Facebook, Twitter) so multiple devices can be registered and transferred to new under one login.

Loyalty That Moves With You

Continuing our commitment to payment speed, security and innovation, Pinnacle recently announced the launch of its Mobile Payment solution on the Affiniti™ Consumer Mobile app. This feature works



Application Programming Interfaces (APIs) allow digital products or services to interact with another product or service outside the original program environment. These interfaces open product data and functionality to developers both internally and externally, ubiquitously. The best example is on your phone: Amazon, Google, Ebay, Twitter, Facebook and more. APIs allow integration of custom mobile apps to use Facebook logins, register

in concert with Zipline (formerly NPC/NPCA), to process mobile payments as an ACH transaction.

Mobile payment options continue to evolve, and consumers are expecting more and more apps to support paying for gas and in-store purchases from their mobile device. The Affiniti Consumer Mobile App provides a simple, easy to use interface to process payments via ACH payment processing.

LOOKING FOR A CUSTOMIZABLE LOYALTY PROGRAM?



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The consumer need only download the mobile app, register their payment information with Zipline, and they are ready.

Millennials are as much as 2.5 times more likely to try new technology compared to other groups (source: U.S. Chamber of Commerce Foundation). Convenience store retailers who cater to the demands of this demographic stand to reap the rewards of their loyalty and have a competitive edge. By offering mobile payments in conjunction with other app features such as location amenities, gas prices and promotional offers, retailers can attract and retain this new ‘boom’ generation.

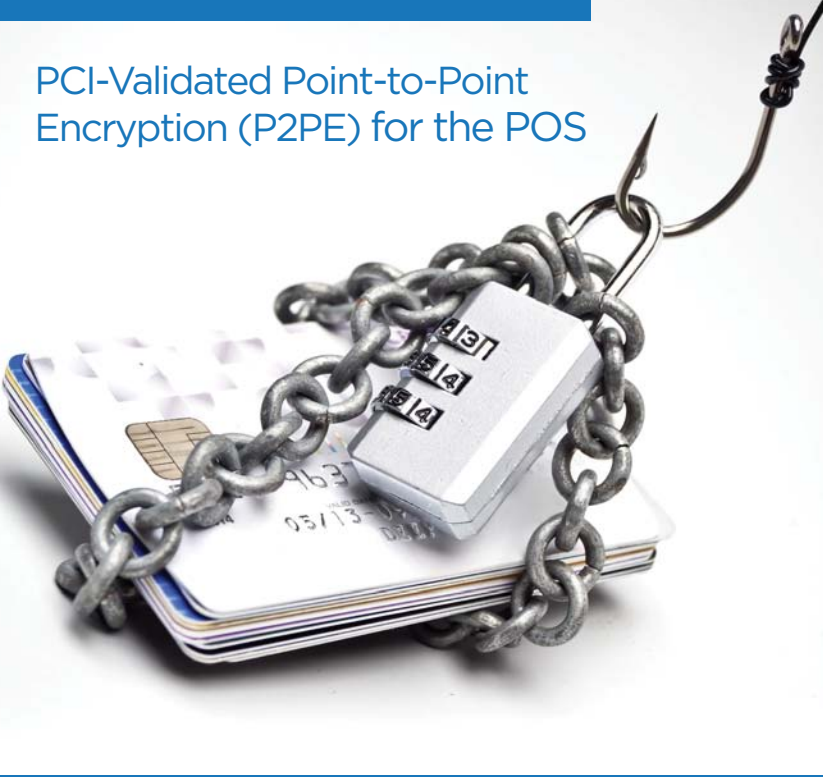
Pinnacle Mobile Solutions provide retailers an opportunity to add a mobile payment option to their Affiniti consumer facing solutions, as well as a corporate mobile app for management and employees – making sure your customers get the most from every visit to your store, and your business works

for you wherever you happen to be. With mobile the way of the future, we continue to build out the corporate mobile product suite -putting your business in the palm of your hand.

Several years ago, Lynch Oil deployed Pinnacle’s fully integrated Palm POS and Loyalty Rewards suite of products. As their loyalty program grew more and more successful, Lynch looked for ways to extend offers and promotions to their consumers via mobile -driving traffic, increasing spend, and communicating with them in the most effective way possible. With their Mr. Gas mobile app, built on the Pinnacle Affiniti mobile platform, Lynch Oil is able to influence their consumers’ behavior and drive store traffic in ways they had not been able before.

“Today’s consumers keep their mobile phones closer to their hand than the wallet that holds their cards. Offering a mobile app to our customers allows us to offer convenience before they even walk in the store,”

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says Nick Lynch, President of Triple S Oil/Lynch Oil. “Consumers will be able to sign up for loyalty rewards directly through the app. They’ll also get promo offers, updates on pricing, and they’ll be able to check their loyalty points balance including their status on their club punches. We are looking forward to the new opportunities that our Mr. Gas mobile app offers our business and our customers.”

The Lynch Oil Mr. Gas mobile app provides consumers with a map of stores, allowing them to select their favorites to display on the home screen. Consumers can use ACH payment to pay for merchandise and fuel from the app as well, making it fast and easy to complete purchases and be on their way. The Mr. Gas app also stores electronic receipts and receives notifications of new offers, displaying those offers and other deals as well- such the coming enhancement of club card program status and points balances. Consumers are also able to access social media and use messaging as part of new Affiniti mobile enhancements.

“The roll-out by Lynch Oil of their Mr. Gas mobile application is an exciting milestone for us and we could not be more pleased to have worked with the Lynch team. Pinnacle is able to offer a suite of loyalty solutions, fully integrated with Pinnacle POS and Affiniti Mobile, to achieve the ultimate consumer experience- ensuring that retailers have the tools in hand to increase customer loyalty and drive store profits ,” said Melissa Fox Hadley, Director of Product Management at Pinnacle.

The Future Is Now

We will look ahead to advancing technology that will not only enhance Loyalty and convenience store marketing, but how those programs can more easily be integrated into existing store systems while improving and adding new hardware components like beaconing and imaging software. In the near future, look for new solutions and enhancements to our robust Loyalty suite such as our web-based Loyalty (Affiniti Loyalty), continued mobile development, additional APIs, hosted/cloud-based Loyalty, payment options, new promotional opportunities (birthdays, anniversaries, long-time-no-see) and much, much more! ©

Pinnacle Client Spotlight

Howard Hyche

This year, we were fortunate to have Howard Hyche, Vice President of Information Technology at Double Quick, as our Master of Ceremonies for Summit 2017. Howard has a long history with Pinnacle, including as a team member before his time at Double Quick. Speaking of his experience at Summit, “Each year I’ve participated, I’ve walked away with not only fun memories, but learning experiences and industry insights that I can begin applying immediately to our business.”

Double Quick, Inc. was founded in 1983 with the opening of its first store in Greenville, MS. Store #6 was followed by Store #3 in Indianola and a Charter Store conversion that became Store #7 in Ruleville. Together, Double Quick and Gresham Petroleum formed as a corporation in February 1984. In April 1984, Double Quick acquired sixteen former “Mr. Quick” stores and overnight became a factor in the Mississippi Delta convenience store market. Over a period of the last thirty years, Double Quick has continued to grow and today operates over 60 stores, 39 restaurants and deli operations, and has grown to over 1,000 employees.

In 1994, Double Quick became a partner in profit with Church’s Chicken to bring branded fast food to its market areas. The first combination Double Quick/Church’s store opened in Belzoni, MS in November 1994. This location was followed by



Howard Hyche

Double Quick

Vice President of Information Technology

a combination store in Eudora, AR in December 1994. Pinnacle Palm is utilized not only in the convenience retail area of their stores, but also in their Church’s foodservice area. In addition to their branded fast food partners, all Double Quick stores are unbranded and retail gasoline under the Double Quick flag.

Today, Double Quick is strategically positioned as a prominent presence in the convenience store, gasoline and fast food industry in Mississippi and Arkansas. Double Quick was one of Pinnacle’s first clients in the mid-1990s and we have continued to have a close and collaborative relationship. Recently, Pinnacle team members traveled to Indianola, Mississippi to visit store locations and see the Pinnacle Palm in action. Not only were we bowled over by the friendliness and courteousness of all the Double Quick team members, but also how beautiful and well run their stores are. We appreciate their continued support of Pinnacle products, the gracious reception they gave us in Mississippi and Howard’s incredible turn as Pinnacle Summit’s 2017 Master of Ceremonies! ©

Are Your Promotions Getting Your Customer's Attention?



Promotional awareness in-store has continued a steady decline, down nearly 50% in five years. **Make sure your shopper incentives are reaching your customers- both in store and in hand!** Pinnacle's Mobile, Loyalty and Point-of-Sale solutions push promotions from your own branded mobile app and loyalty program, all the way to checkout. Find out how Pinnacle is driving traffic, driving sales and driving profit at www.pinncorp.com/loyalty-solutions.