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CONTACT:
Bo Sasnett, III
Outsite Networks, Inc.
404-223-2422
bsasnett@outsitenetworks.com



Loyalty Marketing Works In the Convenience Store Industry

Data Analysis From Independent Research Project Released

NORFOLK, VA (August 14, 2003) • Outsite Networks, Inc. announced the publication of an independent research project by Dr. Yuping Liu of Old Dominion University using the company's consumer transaction database. The research project analyzed a 14 month period with 50,000 loyalty consumers and was based on 4.8 million transactions. The study clearly shows positive results from the company's loyalty and media system.

Key findings show the following:

- Loyalty customers spent 36% more than regular customers.
- Average transaction size of loyalty customers grew 25% over the period.
- Loyalty members purchase frequency more than doubled from 1.79 to 4.08 times per month.
- 29% of non-loyal fuel purchases were paid in the store while 58% of loyalty fuel purchases were made in the store.
- The percentage of double category buyers (Fuel & Store) increased by 22%.
- 38% of loyalty fuel purchases in the store included store items.
- 26% of non-loyal fuel purchase in the store included store items.
- Between 1,500 to 2,500 consumers enrolled into the loyalty program per store.

Outsite Networks President and CEO Anton Bakker stated "We are pleased with the results of this research project. This study clearly shows that our system is effective in increasing purchase frequency and basket size from loyalty customers. In addition, we are pleased to see the success of our program in getting fuel only customers back inside the store to make store purchases as well."

Dr. Liu's full report is attached and is also available on Outside Networks web site at www.outsitenetworks.com

About Outside Networks, Inc.

Headquartered in Norfolk, VA, Outside Networks, Inc. is a leader in loyalty and media technology specifically for the retail petroleum, convenience store and quick serve restaurant markets. The company's loyalty system utilizes RFID technology to identify loyalty customers and uses either audio and/or video to target market, promote and cross promote to consumers. The company's system enables retailers to implement and control their own loyalty and/or media programs with powerful internet tools and reporting.

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