

Mark's Hallmark Makes Every Day a Shopper's Holiday

This large retail Hallmark chain uses managed broadband from iPass® to keep checkout lines short and fast—and keep customers merry.

The Challenge: Increase bandwidth at the point of sale to accelerate transactions, save on phone lines and equipment leases, and improve overall business operations

The Solution: Hallmark/iPass broadband solution

The Result: Faster transactions, shorter lines, and happier customers even during the busiest holiday seasons



MARK'S HALLMARK SHOPS

Founded in 1965 by David J. Lipman and Elven O. Sinnard in Tacoma, Washington, Mark's Hallmark Shops has 44 stores in Northern California, Oregon, Washington and Hawaii.

THE CHALLENGE

Nothing annoys shoppers more than waiting forever in a checkout line. Mark's Hallmark Shops had been using dial-up modems to approve credit cards, debit cards and personal checks, with approvals typically taking from 20 to 30 seconds.

That makes for a very uncomfortable wait for both customer and cashier—as well as a lot of sighs and eye-rolls from further back in the line. Mark's Hallmark needed a DSL solution that would:

Improve the customer experience. Based on their experience with major department stores, customers have come to expect nearly instant transaction approvals.

Enhance corporate communications. Relying on fax, postal mail and dial-up for communicating between stores and with Hallmark is slow and expensive. Mark's wanted broadband for faster, cheaper communications.

Enable PCI compliance. The solution had to be payment card industry (PCI) compliant to ensure transaction security.

Provide cost-benefit advantages. DSL costs more than dial-up. But an affordable solution coupled with the efficiencies of broadband could help raise revenues while cutting costs.

"Adding Hallmark/iPass service reduced transaction times from 20 seconds or more to under 5 seconds. This means shorter lines at our registers and greater customer satisfaction. In addition, we've been able to eliminate a phone line at most stores, and reduce the number of cash registers that we lease, resulting in further savings."

ROLF PAGELS

ROM/POS Administrator, Mark's Hallmark Shops

THE SOLUTION

Before implementing the Hallmark/iPass broadband solution, all Mark's Hallmark stores ran their transactions through a 56K dial-up link to the credit card processing company.

"Depending on the location of the store, transactions were taking anywhere from 20 to 30 seconds," recalls ROM/POS Administrator Rolf Pagels. "It was slowing down customer service, slowing down the flow of traffic, especially a few days before Valentine's Day, virtually the entire month of December, Mother's Day—any of the big seasonal timeframes."

With Hallmark deploying the Hallmark/iPass broadband solution across its 477 corporate stores, the choice was simple—and so was getting the job done. "It was basically a matter of logging in to the iPass web site, filling out some





paperwork, and the next thing you know we were getting e-mails back letting us know what's going on, whether DSL was available in the area of particular stores," Pagels notes.

To date, about three-quarters of the Mark's stores are up and running, and Pagels expects virtually all of them online by the end of 2008.

THE RESULT

"We've had absolutely no problems with the system," Pagels attests. "It's been a no-brainer with reliability. It just seems to work." And Mark's Hallmark is already seeing major benefits:

Accelerated transaction processing. Credit and debit approvals are nearly 10 times faster—taking under five seconds compared to the 20 to 30 seconds they used to take. According to Pagels, when a store goes live, "Lines at registers start to feel like they're almost non-existent." And all transactions are secured by (electronic funds transfer over internet protocol) EFT over IP for guaranteed PCI compliance.

Improved customer experience. In addition to faster approvals, internet access at the point of sale also allows cashiers to better serve customers. They can check the status of an order, check ROM inventory at other stores, look up a customer's Crown Rewards card information, keep abreast of special offers, and more.

Increased revenues and lower costs. Pagels estimates that the solution pays for itself through improved customer turnover alone. But the financial advantages go further. Broadband connectivity allows e-mail and web downloads to replace fax, saving money on long-

distance charges. Most installations have been able to drop a phone line. And some stores are evaluating whether they can save even more by using fewer cash registers without affecting customer service.

A more connected and responsive organization. Stores can also connect to the corporate Hallmark web site to track orders and shipments, access the Crown Rewards consumer database, download discount coupons and more. Plus, they'll have the foundation for any new broadband applications—such as HR, payroll and others—that will enhance business going forward.

As Mark's Hallmark Shops complete the transition to DSL and the Hallmark/iPass broadband service, they're learning that there may be 1,000 ways to say "Happy Holidays," but there's just one best way to say "Your card is approved"—as quickly as possible.

ABOUT IPASS

iPass Inc. (NASDAQ: IPAS) provides trusted connectivity services that help enterprises maximize their return on investment in workforce mobility. With flexible iPass connectivity, security and device management services, customers can build and manage their own broadband remote access solutions for mobile workers, branch offices and home offices. The iPass virtual network spans 160 countries and includes the world's largest Wi-Fi footprint. Founded in 1996, iPass is headquartered in Redwood Shores, Calif., with offices throughout North America, Asia and Europe. ■

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