



BUSINESS AND EMPLOYEE INFORMATION FOR HALLMARKERS

# noon news

THURSDAY, JULY 26, 2001

## Hallmark launches Web site for memory keeping and sharing

On July 6 Hallmark quietly activated an important new consumer Web site, HallmarkStories.com. The unadvertised site introduction was deliberately low key, so the Hallmark Stories team could work out the inevitable technical glitches before beginning to promote the site to consumers in mid-August.

Hallmark Stories allows consumers to combine their digital images with Hallmark storytelling and design expertise to create their own personalized albums and other memory-keeping products.

As part of the site introduction, Hallmarkers are invited to test the site and will receive a discount on a Hallmark Stories snap book. (See page 4 for more information.)



Live them. Share them.

### Major milestone

The launch of the Hallmark Stories Web site represents a major move forward for Hallmark's memories platform — and for the company's corporate vision.

"Hallmark Stories is a new-to-the-world consumer proposition and

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THE HALLMARK  
STORIES SNAP BOOK  
(LEFT) AND MEMORY  
ALBUM ARE TWO OF  
THREE MEMORY-  
KEEPING FORMATS NOW  
AVAILABLE ON THE SITE.

Sweet Little  
Sweetness

Lauren Ann Taylor  
Born on  
November 23, 2000



Our new little cutie!

Baby gives  
new meaning  
to the word  
"blessing."



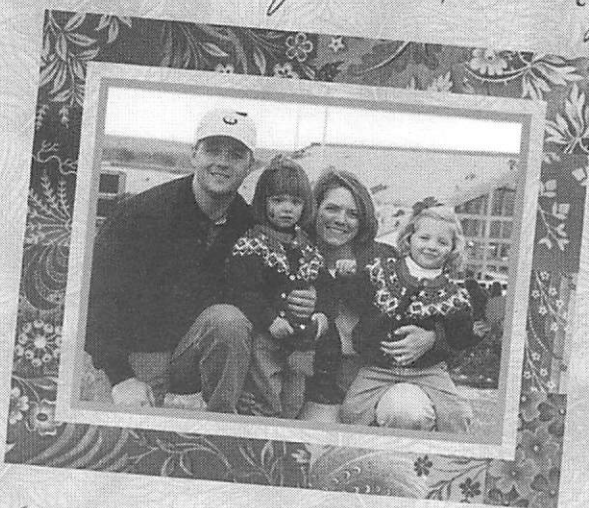
Holidays are even more fun with a baby around!

Lauren was a wonderful  
Thanksgiving Day surprise!  
Every year we'll give  
thanks for our sweet  
little girl.



...smiles at 3 months.

The Livingston Family



Memories to share



CONTINUED FROM FRONT

## Hallmark Stories ...

is on the leading edge of consumer behavior and habit change," says Jan Murley, group vice president - marketing. "As a result, the industry enjoys a very high growth rate. It is participation in new businesses in high-growth categories that will help Hallmark achieve the 8 to 11 percent growth rate necessary to build toward our 2010 \$12 billion goal."

According to CJ Howe, group marketing manager - memories, the Hallmark Stories team anticipates the site will generate revenue of \$1.2 million during the remainder of 2001, with projections of \$6.4 million in 2002 and \$35 million in 2003.

### Why do photos pile up in shoeboxes?

Hallmark Stories products reflect how Hallmark has become a company more focused on consumers. During the last two years, Hallmark's consumer research division conducted extensive studies of attitudes toward and usage of memory-keeping products, including focus groups, one-on-one interviews and surveys. "We learned how important memory-keeping and sharing is to our target consumer, mothers of children ages newborn to 12," says Stan Rice, consumer research manager - emerging businesses. "We also learned that many young mothers don't formally record memories because they're time-starved and lacking in creative confidence."

Enter Hallmark Stories, which offers consumers a new, simple, customized way to organize their memories. "No company is more uniquely qualified to engage this consumer with her memories than Hallmark is — with its editorial and design



THE HALLMARK STORIES WEB SITE WILL HAVE STRONG APPEAL TO CONSUMERS, PARTICULARLY MOTHERS OF YOUNG CHILDREN. THE SITE'S DIGITAL FORMAT MAKES THE MEMORY-KEEPING PROCESS FAST, EASY AND FUN.

expertise and its deep knowledge of emotions and relationships," says Jan.

### How are we better than the competition?

There are other memory-keeping Web sites such as LifeSketch and Shutterfly. But Hallmark Stories is significantly different from those sites.

Dan Davis, IT enterprise development director, compares using the other sites to ours as the difference between scratch baking and instant cake mix. "You can spend a lot of time making the product, but most consumers don't have time," he says. "On our site, the product is already made, so you spend your time personalizing, decorating and making the product truly your own. And with Hallmark's help, the result 'tastes' just as good, or even better."

According to CJ, the Hallmark Stories products are so good because they are the result of a very productive collaboration between the creative, IT, operations and marketing divisions. "The synergy has been and continues to be wonderful," she says. "There is so much talent behind Hallmark Stories. It took all of us working together to turn something highly technical and complex into a simple product that consumers are going to love. We are the true definition of team."

### Products available

Hallmark Stories is accessed through [www.hallmarkstories.com](http://www.hallmarkstories.com) and, in a few weeks, also through [www.hallmark.com](http://www.hallmark.com). Finished products are delivered to the consumer's door — or to friends and family — within five days of being ordered.

Three different product formats currently are available to capture and share memories:

- **Memory album** — A hard-cover, three-ring album perfect for display on a coffee table or mantle. Price: \$44.95 plus tax and shipping.
- **Memory magazine** — Similar to the album, but in a bound

HALLMARK STORIES PRODUCTS ARE CREATED FROM PATENT-PENDING TECHNOLOGY, DEVELOPED AT HALLMARK HEADQUARTERS.

magazine format, perfect for sharing and giving to family and friends. Price: \$29.95 plus tax and shipping.

- **Snap book** — A wallet sized, foldable format shares stories in an instant. Price: Three for \$19.95, plus tax and shipping.

For all formats, multiple copies are available at a discount. See the site for specific information.

Photo greeting cards will be available on the site in time for the holidays. For all formats, consumers may choose from many story themes, including baby (new baby, first year, etc.), family reunion, vacations, birthday, general celebrations — or they can create their own.

"There is a wide range of design styles and editorial themes to

choose from," says Steve Chalson, creative director - design. "There is something for everyone, from cute to traditional. It also gives consumers a wonderful opportunity to create their own product using our design and editorial — or completely write their own."

### Special employee promotion

From July 27 until Aug. 10, Hallmarkers can create their own customized snap book for only \$10 plus tax and shipping. (You will receive three copies of the snap book.)

Here's what you need to know:

- The site was created in a PC environment, so you must be

CONTINUED ON PAGE 4

## NORTH AMERICA MANAGEMENT TEAM SUPPORTS HALLMARK STORIES

*Members of Hallmark's North America Management Team (NAMT) feel strongly about the growth potential behind Hallmark Stories — and the quality and relevance of the products. Here are some comments from various NAMT members.*

**PAUL BARKER, VICE PRESIDENT – CREATIVE** "With Hallmark Stories, we are offering consumers an imaginative new way to express their feelings. By helping people preserve and share stories of family, friends and memorable life events, Hallmark Stories provides something beyond the me-to-you experience of cards and gifts. Creative themes, prompts and suggestions provided by our design and editorial staffs spark the user's creativity, resulting in a finished product that is polished, personal and fun."

**RALPH CHRISTENSEN – SENIOR VICE PRESIDENT – HUMAN RESOURCES** "Life is made up of a collection of stories. Unfortunately, most of us don't capture them well. Hallmark Stories will meet a real consumer need in this respect. I have already used our site and purchased products. It was easy and fun to use. Congratulations to the Stories team!"

**STEVE DOYAL, SENIOR VICE PRESIDENT – PUBLIC AFFAIRS AND COMMUNICATIONS** "We often talk about offering 'solutions' to consumers. We all have pictures and memories stuck in drawers, piled in boxes under the bed or stored in folders from the photo processor. Hallmark Stories is an excit-

ing solution for a genuine need. Our job now is to help consumers understand how great this product is. We all should be using it. Talking about it. And sharing the news with family and friends."

**DON FLETCHER, PRESIDENT – HALLMARK NORTH AMERICA** "The growth potential of Hallmark Stories is really exciting. The products are particularly relevant to our target consumers and the product quality is unparalleled, reflecting Hallmark's design and writing expertise and our decades of experience with delivering emotion-rich content."

**STEVE HAWN, VICE PRESIDENT – INFORMATION TECHNOLOGY (IT)** "The collaboration between marketing, creative, operations, Hallmark.com and IT has been fantastic. In addition to a short time frame to work with, the team had the added challenge of bringing to life a concept that has never been done before. The 'July' version of Stories needs to be put into proper perspective ... it is just the beginning. Stories still has a few unfinished features, but we need additional consumer input to determine the optimal solution set for the future. Getting Stories in front of consumers will accelerate the learning process for Hallmark."

**WAYNE HERRAN, GROUP VICE PRESIDENT – OPERATIONS** "I am proud of the collaborative effort between marketing, IT, and operations which made the launch of Hallmark Stories possible. The operating solution was in

service ahead of schedule and has performed flawlessly since the launch of this new, personalized, on-demand business. The operating solution was the result of a cross-divisional team spanning all of operations that was focused on fulfilling the needs of our marketing partners."

**STEVE PAOLETTI, SENIOR VICE PRESIDENT – SALES** "Hallmark Stories offers us a unique opportunity to further capitalize on key relationships we have with retailers such as CVS, Walgreens and Wal-Mart — our partners with a significant part of their business focused on photo finishing and storage. Congratulations to the Stories team on this milestone!"

**JOHN SULLIVAN, SENIOR VICE PRESIDENT – INTERNET COMMERCE** "More and more people are turning to the Internet to strengthen connections with family and friends, and Hallmark Stories is yet another example of how technology can help us get closer to the consumer. Busy consumers want choices — choices about the ways they express themselves, choices about the ways they spend their time and choices in the ways they shop. It's a marketplace that highly values personalization and individuality. With Hallmark Stories, Hallmark has combined its world-class creative resources and its e-commerce expertise to help consumers capture their memories in a way that's both high-tech and high-touch."



CONTINUED FROM PAGE 3

## Hallmark Stories ...



THE HALLMARK STORIES MEMORY MAGAZINE MAKES A GIFT THAT WILL BE SAVED FOR GENERATIONS. IT RETAILS FOR \$29.95. ADDITIONAL COPIES MAY BE PURCHASED AT A 10 PERCENT DISCOUNT.

## noon news

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working from a personal computer (PC), not a Macintosh (Mac).

- To receive your discount, fill in the "promotional code" field with the following eight-digit code: 10EMP801. Do this either at sign in or at checkout.
- There are several ways to place images on the site. You can upload scanned images saved on a hard drive, or transfer picture files from a digital camera or CD.
- You do not need to be technologically savvy, but if you need help, the site contains a tutorial showing you how to create your snap book. Just click on the "show me a demo!" icon.
- The discount applies only to the first set of three snap books; subsequent sets will cost \$19.95.
- The discount is applicable to employees of Hallmark Cards, Inc. — not to their families and friends.
- Please e-mail your comments about the site to the following address:  
[HallmarkStories\\_Comments@hallmark.com](mailto:HallmarkStories_Comments@hallmark.com)

## Getting help

"We want to emphasize we still are working on the site and are making improvements to it every day," says CJ. "We have learned firsthand that business on the Internet is an evolutionary process, and a big step in that evolution is getting feedback — good and bad.

So we really want to hear from Hallmarkers about their experience with HallmarkStories.com."

There are many ways to get help when using the site. An online help facility provides information on how to use every feature on the site, and an online demo shows consumers how to perform key activities. For questions about orders or for further assistance in creating projects and navigating the site, consumers may contact customer service by e-mail or phone (see the "contact us" section of the site.)

The site was just launched and the Hallmark Stories team is still working through technical glitches. If you experience an error while working on the site, please send a descriptive email to [HallmarkStories\\_Comments@hallmark.com](mailto:HallmarkStories_Comments@hallmark.com)

## Non-traditional marketing

CJ says Hallmark Stories marketing efforts will start by going "direct-to-consumer" as opposed to purchasing television and print advertising to reach consumers. Efforts will be driven primarily by e-mail and online advertising and the link from Hallmark.com. "We also are working to establish a variety of partnerships with large retailers such as Wal-Mart," she says.

An in-store Hallmark Stories system also will be tested in 12 Hallmark Gold Crown® stores. The test will help determine if — and which kinds of — online, digital memory-keeping products can be provided through Hallmark Gold Crown stores.

## Crown Room demo today

Come see Hallmark Stories for yourself at a special demonstration from 11:30 a.m. to 1 p.m. outside the Crown Room at headquarters. You can see products being created on the Web site and see samples of actual finished products. Don't miss it!

## want ads

## WHERE ARE THE WANT ADS?

The want ads will appear in tomorrow's *Noon News*.