



Thanks for partnering with KWI. Your comments mean a lot to us. Please <u>email us</u> — we love to respond!

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We focus on technology. If it's not KWI, it's not SaaS.

Go Mobile with KWI! New App for iPhone and BlackBerry Connectivity



KWI continues to stay ahead of the technology curve, providing our valued clients with next-generation applications. Our latest advance in technical innovation is a new application for mobile connectivity. Whether your preferred device is an iPhone or BlackBerry, you'll be able to view an amazing array of vital, real-time reporting on sales performance - from general overview down to store level!

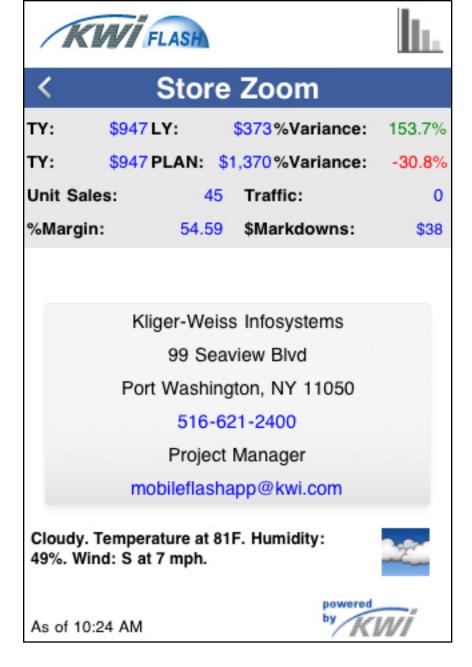
The cool new KWI app provides a "ticker tape" view of sales performance, with a running comparison of current sales vs. last year's same-day performance. The sales data updates itself constantly as new information transmits from your operation to the KWI database - approximately every 15 minutes.

K		ASH	
< -		Sto	re
	\$TY	\$LY	%Variance As of
Mid	\$26,395	\$29,424	-10.3% 05:00PM
Store 1	\$1,275	\$1,234	3.4% 03:22PM
Store 2	\$2,453	\$1,952	25.7% 05:00PM
Store 3	\$3,506	\$2,096	67.3% 10:22AM
Store 4	\$529	\$602	-12.1% 05:00PM
Store 5	\$5,268	\$2,672	97.1% 10:23AM
Store 6	\$704	\$1,338	-47.4% 07/29/10
Store 7	\$889	\$1,804	-50.7% 10:00AM
As of 05:00PM			by KIVI

Users can access a rich array of drill down information, including:

- A snapshot of current overview data: total dollar sales and unit sales from all stores.
- Year-ago comparison of the same information.
- Drill down to region, district or zoom to store level.
- At every level review current vs. last year's performance, including actual sales plan data; traffic count; margin percent.
- Review and compare data by day, week, month, quarter or year, all vs. last year's figures.

As if that isn't enough to keep your fingers busily tapping, you can also see the local weather at each store to determine if that's affecting sales! You can also contact specific stores by email or phone call, directly from the app. We're even building in customization, so the look of the app can be branded to your business.



KWI's development team is excited about the project. "Expanding our platform to the mobile device universe is a state-of-the-art opportunity," says Avrum Weinberger, Director of Software Development. And naturally, being a KWI innovation, it's secure and easy to use. "We've built in controls," says Steve Hoffman, Senior Programmer, "so each client can determine who within the company has mobile access to their database. Qualified users will log in via the same ID and password they use to access their KWI Back Office connection."

The team expects the new app, which is currently in beta testing, to roll out by the 4th quarter of this year. iPhone users will be able to purchase the app from the Apple Store; BlackBerry users can obtain it directly from KWI.

To learn more about this exciting mobile advance or other KWI capabilities, please contact Dan Markowitz, Vice President, Client Relations, at <u>danny@kwi.</u> <u>com</u> or (516) 621-2400, ext. 305.







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Back To School Still Rules for Retail



Among the seasons retailers love, Back To School ranks high. 2009 BTS sales totaled \$47.5 billion. According to trend-watchers, BTS is starting earlier than ever, and that means a longer stretch of sales potential.

Even in penny-pinching households, there are things every school age child, teenager or college-bound young-adult must have. Nowadays that means far more than new

pencils and a composition book - although there are still plenty of sales in school supply basics.

Of course, apparel is a big BTS seller. Right or wrong, having the right look is the price of popularity. But just about any retailer can capitalize on the buying frenzy. So in case you didn't think your business could profit from BTS, think again. And while you're pulling in extra store traffic, don't forget to capture all that valuable new customer information via your KWI system!

Obviously if you're in electronics, you're in a good place - today's youngsters are early adopters, craving everything that's new and cool in the interactive world. And parents will indulge them as much as they can, since interactive devices are a big part of today's study tools.

Home décor stores can tie in with BTS as graduates head off to college with a long list of necessities like bedding and towels, and all those extras like microwave ovens, popcorn and other goodies that make dorm life bearable.

Even if you're in a seemingly unrelated business, you can still connect with that BTS feeling. Hardware stores? Hold an event related to shelving and storage, to help students create a more functional study area in their rooms. Accessories store? Find popular school colors in your area, and window dress for that rah-rah effect.

In a crowded category like clothing, you can still set yourself apart. If your target skews younger, you can hold a special educational event designed to help parents navigate those important first school days. If older, you can host an event about student stress, and what parents can do to help their teenagers maintain a balanced life. By partnering with the schools and educators in your area, you'll have a head start and a natural "in" with local parents.

For more ideas on developing your Back To School business, speak with the KWI-CRM team. They've got lots of ways to help you target that valuable retail segment.

To learn more about Back To School and other CRM opportunities, please contact Jubin Thomas, Manager, CRM Services, at <u>jthomas@kwi.com</u> or (516) 621-2400, ext. 367.

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Meet the Software Development Team



Standing (from left): David Shea, Daniel Shilian, Felix Fikhman - Programming Manager, Nerye Mosheyev, Avrum Weinberger - Software Development Director, Silvio Del Percio, David Sze, Stephen Hoffman

Seated (from left): Steven Glickman, Yefim Finkelman, Syju David, Kijung Park Not pictured: Mike Wong - Production Support Manager

At the very heart of KWI is Software Development - a team of dedicated professionals with a mission: to keep our clients on the leading edge of specialty retailer technology.

"We are responsible for all the Back Office software development for clients," says Avrum Weinberger, Director of the department. "We develop new apps and are constantly modifying and enhancing apps based on our clients' specific needs for additional functionality. We affect everything and anything related to Back Office functionality, from reporting to back-end applications to database design. Additionally, we are creating exciting new software to leverage the power of KWI's Merchandising system in the stores utilizing our web-based architecture."

The team interacts with every other KWI division: Help Desk, Client Services, System Operations and more. All work together to keep KWI's exceptional *Software as a Service* humming along seamlessly.

For new projects in development, the process is equally collaborative. A kick-off meeting with Client Services is called to define the business requirements and discuss the technical solutions. The QA (Quality Assurance) and Design teams are also deeply involved to assure maximum performance and ease of client interface.

Some recent projects of special interest include new store-to-store Send Sale capability and a feature-rich new mobile application (which you can read about in this issue). Whatever the project, Software Development now adds the finesse of giving all KWI apps a similar look and feel. The familiar "face" is part of our user-friendly commitment.

This talented team likes it best when developing something "new and challenging" - so keep your suggestions and ideas coming!

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Pandora Breaks Out of the Box



Pandora, one of the world's largest jewelry brands, is taking a big idea and making it even bigger. They're initiating a major effort to move into retailing through a unique franchising business model.

Up until now, this well-known and innovative jewelry company has sold its products mainly through the wholesale chain. Headquartered in Denmark, with its U.S.

operations managed from its offices in Columbia, MD, Pandora offers "genuine high quality jewelry and accessories at affordable prices" to create "Unforgettable Moments". Among its top-selling items, the collectible charm bracelet has made Pandora a household name while fostering repeat purchases and customer loyalty.

Pandora's newest goal is to grow its retail business to eventually equal its wholesale operation. Franchise stores will be a mixture of retail locations to maximize specific opportunities. Some locations will sell only Pandora products, while some franchisees will sell both Pandora products plus items from other vendors.

As its own "vendor," Pandora will ship its items directly to the stores, although some of the larger franchisees may ship Pandora products from their own company warehouses. The complexities of the Pandora retail rollout requires a level of efficiency and customization that makes KWI the perfect match.

Pandora has contracted with KWI to provide the stores with POS systems of various configurations, along with the KWI Merchandising system. Some stores will also be utilizing KWI Merchant Services for transaction processing.

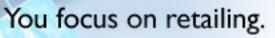
KWI will be deploying over 80 Pandora stores during the next 12 months. The first phase of the implementation is kicking in now, beginning this August through the end of the year. The second phase will begin in January 2011.

KWI is pleased to help Pandora "lift the lid" on their expanding retail opportunity. We not only wish them great success, we're here to help make it happen. *To learn more about KWI's full suite of strategic retailing solutions, please contact Gary Brill, Vice President, Business Development, at <u>gary@kwi.com</u> or (516) 621-2400, ext. 369.*

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This Month's Short Cuts

Time-saving tips and ideas that are right on the money - from the staff of KWI.

Image: second second

1. KWI Merchant Services Tip of the Month ... from David Drucker and Phyllis Gricco

Easy Does It! The Application Process for Merchant Processing.

It has been brought to our attention that one of the main reasons retailers do not want to switch their merchant processors is the hassle of the application process.

Regardless of the potential savings for their company, retailers are apprehensive of a long, drawn-out process. That's because, in the past, they had to: provide detailed information of locations, sift through endless pages of applications and provide confidential financial documents.

KWI's Merchant Services is pleased to announce that we've done away with this time-consuming process!

Our goal is to make the process easy and seamless for you. All we need is 10 minutes on the phone to gather some preliminary information. We complete your application and submit it for signature. We request only a voided check for the deposit account and a copy of the Articles of Incorporation. Simply put - we take care of the rest.

We keep our clients informed of their application status and when the time comes for conversion, we coordinate a convenient schedule. The conversion is so simple, the transfer of merchant numbers is essentially invisible to the retail location.

So ... KWI Merchant Services has re-engineered the never-ending saga of the application and conversion process. This exclusive service is available to KWI's family of clients.

For more information regarding the ease of Merchant Services Application/ Conversion, please contact David Drucker, President, KWI Merchant Services, at

2. CRM Tip of the Month ... from Jubin Thomas, CRM Services Manager

"Control" Your Campaigns!

The best way to measure a campaign's response is by using a "control" file. The control file allows you to compare the response between a population that received a communication versus a smaller, sample population that did not.

A question that we receive quite often is 'How large should my control file be?'

Well, there is no universal method for determining the size of the control file. However, we believe that the control file should be based on your confidence level in the result and an average response rate for your past events. At KWI-CRM we also advise our clients to select a control file that is as small as possible and still statistically accurate. You should want as many customers as possible to get your communication and respond at the highest rate and average transaction.

Simply guessing the size of your control file is too expensive. Don't leave your success to chance. Let KWI-CRM review your measurement strategy for promotional campaigns and help you determine the appropriate size for a control file.

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3. LP Tip of the Month ... from Catherine Mulder, Operations Coordinator, The Zellman Group, LLC, a division of KWI

Time Theft: Every Minute Counts - Part Two

Last month, we talked about an invisible form of loss that occurs in almost every business - time theft! This month, we offer some simple ways to improve productivity and enhance employee commitment to putting in appropriate time and effort.

Imagine your ideal employee: a motivated, productive and innovative individual. How do you get an employee like that? The key component of productivity is job satisfaction, and you achieve that through personal and professional development.

Employees are more apt to waste time on the job when they feel that their efforts go unnoticed. It doesn't have to cost you money to create a sense of recognition

in the workplace. You can increase employee productivity by providing regular praise, respect within the office place, a sense of having a voice in the business, and some level of job security. Here are a few ideas:

- Every retail business experiences periods of "down time." Finding developmental programs and resources to fill wasted time will create happier and more productive employees, and might reveal individual strengths that can help to grow your business.
- Create incentives for reaching a deadline or meeting a sales goal; this will increase your profitability as well as your employee morale.
- Identify employees who surpass expectations with an awarded title such as Employee of the Month.
- Inform your employees of the company's Profits and Losses. Identify areas that need improvement, and ask them for suggestions on how to improve profitability make them part of the team.

For more information on employee engagement and other Loss Prevention services, please contact Kimberly Bloomston, Vice President, Loss Prevention Operations, at <u>kbloomston@zellmangroup.com</u> or (516) 625-0006, ext. 406.

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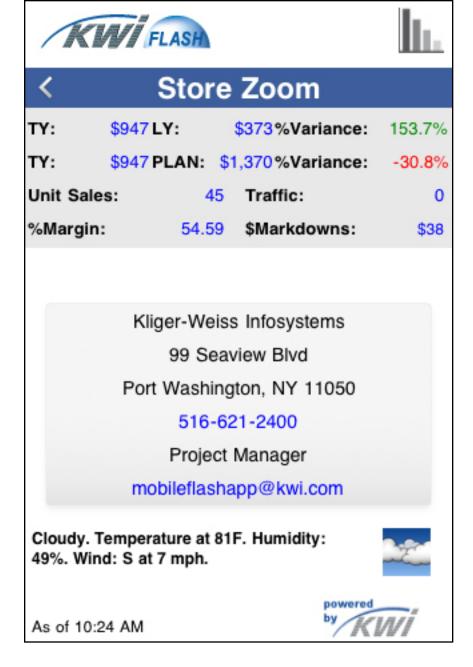
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The new app, which is free to all clients, is currently in beta testing and should roll out in September. We will be contacting all of our clients when it is available.

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Pandora has contracted with KWI to provide the stores with POS systems of various configurations, along with the KWI Merchandising system. Some stores will also be utilizing KWI Merchant Services for transaction processing. As KWI President Sam Kliger points out, "KWI's unique, web-based architecture is ideally suited to the functional requirements of multiple franchisee operations."

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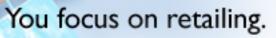
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