

Loyalty Programs

key to market differentiation and increased activity

"Customer loyalty always differentiates the players...":

- Programs are skyrocketing as competition increases
- Retention is #1 issue for 91% of major retailers
- Increased spending and activation is #2 issue for 82% of retailers
- Most programs connected to debit cards
- New software delivers more options



"...The Tough Go Shopping"

Never before have the opportunities been greater for consumers to part with hard-earned income. Attracting *and keeping* those customers, however, is often more difficult than merchandising the goods or services. Major malls dot the landscape every few miles. Strip centers are on the corners of nearly every intersection with a stoplight. And then there's the Internet continually wooing buyers with flash and pop-up ads. What's a serious retailer to do?

The Smart Get Loyal

Target Corporation successfully implemented loyalty-based cards in 2001. Now Bank of America, Charter One, Chase Manhattan and Citibank are initiating loyalty programs for debit cards. The demand for strategies to keep consumers coming back is clearly in the revenues of a leading loyalty software development company which saw gross income jump 162% in 2001 and anticipates 250% in 2002.

Hypercom Supports Development

Now Hypercom® HyperWare® software supports loyalty programs for all types of applications. The new stand-alone application provides everything for needed to implement such strategies. It runs on ICE 5500 and 5700 card payment terminals, does not require phone lines or network connections and uses smart card technology.

The loyalty program tracks the cardholder's purchase history by assigning frequency points based on dollars spent. This information can then be used to create and deliver incentives to modify buying habits, cross-sell and keep customers coming back.

Hypercom Business Solutions. Did it! Done it! Own it!

For more information about Hypercom loyalty software, please visit www.hypercom.com

innovation. results. leadership.



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VAR Relations Channel

The VAR Relations Channel provides Value-Added Resellers (VARs) with comprehensive development tools to create custom applications supported on Hypercom ICE™ and T7 point of sale terminals. To date, more than 100 VARs are successfully writing software programs running on ICE family products and peripherals.

Developer's Toolkit

Based on Microsoft's Visual Studio Environment, the Visual HyperWare Developer's Toolkit (VHDT) is the global development tool used by developers to rapidly create new and sophisticated applications for traditional and specialty market segments. Applications developed using VHDT are portable across the entire ICE family of products, reducing the development time for supporting new hardware or peripherals.

The VAR Program

If you'd like more information on becoming a Hypercom VAR, please visit our website at: www.hypercom.com/var to find the latest products, software offerings and services available through the VAR Relations Channel.



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Hypercom Corporation (NYSE:HYC) is the leading global provider of electronic payment solutions that add value at the point-of-sale for consumers, merchants and acquirers, and yield increased profitability for its customers. Hypercom products include secure, Web-enabled Card payment terminals that work seamlessly with its networking equipment and software applications for e-commerce, m-commerce, smart cards and traditional payment applications. The company's widely-accepted ePOS-Infocommerce (epic) framework of consumer-activated, EMV-certified, touch-screen ICE (Interactive Consumer Environment) terminals enable acquirers and merchants to decrease costs, increase revenues and improve customer retention. Headquartered in Phoenix, Arizona, USA, Hypercom is independently acknowledged as the leading provider of point-of-sale card payment terminals worldwide. Demand for Hypercom terminals surpassed one million units last year alone. Hypercom today maintains an installed base of more than 5 million card payment terminals in over 100 countries that conduct more than 10 billion transactions annually.