CASE STUDY: KINDRED HEARTS

Compound, Reliable In-Store Printing Solution Enables Kindred Hearts to Tap Retail Demand for Instantly Personalized Gifts

OVERVIEW

Customer Need
Kindred Hearts, which makes gift products emblazoned with inspirational messages, wanted to expand its wholesale business into retail shops. That meant the gift items needed to be personalized with the names of the recipients and other information in-store. The company needed laser printers that could produce the messages quickly and easily on high-quality vellum.

Samsung Solution
Kindred Hearts standardized on the Samsung ML-3712ND, a black-and-white laser printer that provides high performance in a compact form, saving precious shelf space at the retail shops. The printer has a powerful 600 MHz Dual Core processor and expandable memory of up to 384MB. It outputs the first page in just 6.5 seconds and is easy-to-use, which was crucial since not all the retail workers are experienced with technology.

Results
The first 15 Hallmark stores that adopted the program saw an impressive 90 percent sell-through rate. The program has quickly expanded to some 650 retail locations, which have enjoyed brisk sales, especially on special occasions like Mother's Day. There also has been significant up-selling, with customers often buying a second item on the spot when they see the high quality and level of personalization. Kindred Hearts is now hatching plans to integrate use of Samsung's MobilePrint App on tablets to take the customer experience to the next level.
THE CUSTOMER
Kindred Hearts

Both figuratively and literally, Kindred Hearts is an inspirational business. The family-owned company, based in Plainfield, IL, produces photo frames, candle holders and other decorative items that are emblazoned with inspirational messages and quotations.

Kindred Hearts was launched nearly 20 years ago in the basement of Joshua Buchholz’s Midwest home to teach the “younger” family members the importance of hard work, the value of money, and the character it takes to work together toward a common goal.

Initially, the quotations were added to the items using industrial printers in the company’s warehouse and distribution center. But as their popularity swelled, the company expanded to selling goods from small kiosks in malls and then at some 400 Hallmark stores nationwide, as well as other retail locations.

Kindred Hearts’ products are popular gifts for weddings, anniversaries, birthdays, and other important life events. Fittingly, for a company that markets inspirational quotes, Kindred Hearts has its own pithy slogan for its products: “There are pieces that furnish a home, and those that make it feel like a home.”

As Buchholz explains: “We like to think there is a deeper meaning to our product. We provide gift items that allow people to express powerful sentiments to friends and families at some of the most important moments in their lives.”

THE CUSTOMER NEED
Compact, Reliable Laser Printing to Enable In-Store Personalization

As the popularity of its wholesale products grew, Kindred Hearts saw a new opportunity to expand into the retail environment. The idea was this: A customer could enter a shop, select an item with a design and quote of their choosing, and take it straight to the counter to be personalized with the recipient’s name or anniversary date. Key to the success of this new venture was enabling immediate customization and printing right in the store.

With this new business model in mind, the challenge now was how to ensure that the same high quality customers had come to expect from the industrial printers at Kindred Heart’s distribution center for bulk orders would also be provided by the retail shops selling one piece at a time.

Kindred Hearts quotes are printed on vellum—a handsome parchment often associated with luxury book-making and calligraphy. The vellum is then inserted into the frame or other decorative item. “Vellum is a unique substance that looks more elegant and projects a higher sense of value than a piece of paper,” Buchholz says. “The trouble is vellum can be hard on printers.”

Buchholz experimented with an array of different laser printers to identify the right solution for use in retail outlets. “It was very frustrating,” he says. “Some of the printers smeared or became jammed. We wasted a lot of vellum.”

The printers also had to be intuitive and easy-to-use, since they would be in the hands of clerks in retail stores who might have little experience with technology. “Printers may seem simple, but they can be confusing,” Buchholz says. “We knew the printer had to be simple and user friendly so that people wouldn’t get frustrated.”

Price and aesthetics were additional factors. The retailers purchase and maintain the printer themselves, so Kindred Hearts needed to offer a printer that would not pose a barrier to entry. Lastly, it would need to be compact, since the retailers wouldn’t want to devote a lot of precious space to the technology. Buchholz knew with these complex requirements, selecting the ideal model would be a delicate balancing act.
After evaluating many printers, Buchholz standardized on the Samsung ML-3712ND, a black-and-white laser printer that provides high performance in a compact form that is ideal for businesses and SOHO users. The printer has a powerful 600 MHz Dual Core processor and expandable memory of up to 384MB. It outputs the first page in 6.5 seconds from ready and can operate at 37 pages per minute for letter.

The printer showed its durability immediately. “We printed 5,000 pieces of vellum right away to check the life span of the device because we had so much experience with other printers breaking down so quickly,” Buchholz says. “But the Samsung printer worked great. And then we printed 10,000 pieces, and we were super-excited to see how well the printer stood up. We printed thousands and thousands of pieces, and it just kept on kicking, which was a relief compared to our experience with other printers.”

The powerhouse laser printer, which has received numerous awards including a Buyers Lab Pick, prints up to 1,200 dots per inch. Terri Kief, owner of The Thoughtful Spot, an independent design and gift store in Morris, IL, who was one of the earliest users of the system, was struck by the improvement in quality compared to the laser printer she used for her business materials. “The quality of the Samsung printer is much better,” she says. “I noticed the difference right away—the image is always nice, crisp, and consistent.”

She and her staff found the printer easy-to-use, as well. “I was intimidated at first, because I’m not technologically savvy,” she says. “But it turned out to be super simple. When the printer came, I was able to install the software and follow the setup directions very easily. Operating the printer has been just as easy. All you have to do is lay a piece of vellum in it.”

Measuring 14.4”x14.5”x10”, the Samsung ML-3712ND offers one of the smallest footprints among monochrome laser printers on the market, so it fit in the retail shops without taking up too much space. The device weighs a mere 21.5 pounds. “That matters, because retailers don’t want to devote a ton of shelf space to a printer,” Buchholz says.

The low cost-of-ownership was also a key consideration. “The printer is reasonably priced, and the toner cartridges are less expensive than other brands of printers,” Buchholz says. “That’s a big selling point because toner cartridges are one of the first things that the retailers ask me about.”
**THE RESULTS**

Immediate Sales, Rapid Expansion and New Opportunities with MobilePrint

When Buchholz launched the program in 15 Hallmark stores in early 2012, the success was instantaneous—there was a 90 percent sell through, meaning the stores sold nine of 10 frames they stocked within a designated period. This is significant, since rapid turnover of products has a huge benefit to a retailer's bottom line.

"Customers liked the fact that they could get a unique and personalized gift so quickly, and it suited people who are sometimes difficult to shop for, like godparents," Buchholz says. "The retailers told us they saw a lot of up-sell—customers who came in to buy a gift for one occasion were so happy with the product they also bought additional items for other people."

With this initial success, the program quickly expanded to about 400 Hallmark stores nationwide. It is currently in some 650 retail locations.

Kief explains how the system works: The customer picks out a quote from 50 options, and then the salesperson shows them what it looks like on a computer. After approval, the salesperson pushes a button, and retrieves the vellum from the printer, which is kept in the back room, and then inserts it into the frame or other item. The entire process takes only a couple of minutes.

"We've never had a smear or paper jam, and the instant gratification is an enormous draw," Kief says. "People will see a product they like and ask, 'So can I get this in a couple of days?' When I tell them, 'You can get it right now,' that just seals the deal."

She says her store sells about 40 to 60 personalized products a month during "slow" periods, and 60 a week during holiday periods. "We are in a relatively small community with about 16,000 to 18,000 residents, and I keep waiting for sales to get saturated, but it hasn't happened."

That type of success has been seen by the other retail locations as well with close to 1,000 items sold on Mother's Day alone.

Kindred Hearts now plans to migrate to the Samsung M3820DW laser printer, which is Wi-Fi capable and supports mobile printing. Buchholz wants to take the in-store experience to the next level by providing salespeople with Samsung Galaxy Note tablets so they can customize gifts right on the shop floor. Salespeople in larger retail stores will be able to load the system software onto tablet computers, take orders from customers on the floor, and then print wirelessly using the Samsung MobilePrint App.

"We are looking for new ways to innovate and deliver a quick, easy and inspiring Kindred Hearts experience to our customers," Buchholz says.