

IBN corners food and drug in-store broadcasting with support from HP Direct



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In 2000, In-Store Broadcasting Network (IBN) created a technique for delivering music and advertising to consumer retail stores via the Internet instead of satellite. The new technology made it possible to customize music and advertising offerings right down to the store level, a flexibility not offered by satellite-based services.

Four years later, IBN dominates the food and drug portion of the retail market with an audience of more than 125 million people shopping in 19,000 stores. Now, IBN is expanding into other retail areas.

"It's been quite a ride," says Vice President Lin Register. "And we couldn't have done it without HP. They're like an extension of our business, providing cost-effective procurement and fulfillment via an extranet Web site, as well as flawless hardware and excellent warranties."

HP completes the puzzle

Each store served by IBN is equipped with an HP Compaq Business Desktop PC containing IBN's proprietary software and more than 13,000 songs classified into 50 different music genres. IBN staffers communicate daily or weekly with each PC, updating or downloading play lists and advertising.

Client companies can advertise in-store brands or remind customers that Wednesday is Triple Coupon Day. In



IN-STORE BROADCASTING NETWORK

addition, IBN sells advertising to consumer package goods companies selling greeting cards, national brand foodstuffs and household notions. "The value of in-store advertising will grow significantly in the future," says Register. "After all, 70 percent of the purchasing decisions are made after the customer enters the store."

To help retailers capture that additional business, IBN created a business model based on proprietary software, business smarts and Internet technology. What IBN needed to complete that model was reliable hardware and a way to configure that hardware simply and deliver it to stores scattered across the country. They also needed to be sure the hardware would run every hour of every day for years without anybody at the client location touching it. In other words, they needed a warranty or service contract that would cover the United States.

"With other vendors, it was obvious we would be on our own after taking delivery of the hardware," says Register. "We didn't want to create in-house departments for imaging, delivery and on-site maintenance. And we didn't want to negotiate and maintain dozens of contracts with local vendors. Either of those options would have distracted us from our core business."

That's when IBN's contact at Walgreen Co. suggested IBN consider working with HP. Now, IBN relies on the HP Direct organization to deliver fully configured HP Compaq Business Desktop dc7100 Small Form Factor PCs to client locations and then maintain them through HP's three-year warranty program.

Online ordering adds simplicity, saves money

Each time a new retail chain comes on board, IBN uses its customized HP.com Business to Business website to order thousands of HP dc7100 Small Form Factor PCs. HP applies IBN's 42 GB image and a custom BIOS to each of the HP Compaq Desktop PCs and ships them to stores scattered throughout the United States.



At a glance

Company: In-Store Broadcasting Network

Location: Salt Lake City, Utah

Founded: 2000

Employees: 60

Telephone: 877.700.0426 (toll-free)

URL: www.ibnads.com

Primary business: In-store music service and broadcast-advertising network for delivery in consumer retail stores.

Jean-Marc Porson, director of operations for IBN, says the HP website is easy to use and saves a lot of time. Special tools speed both procurement and fulfillment. Custom SKUs for IBN products, along with taxation and shipping tables, help Porson order exactly what he needs and accurately estimate the cost of each unit. After the order is placed, IBN can easily track each unit until it is delivered to the store.

IBN also saves money by paying HP through the Business to Business website. "With past vendors we got reams of invoices, and it took our accountants weeks to go through them and remit payments," says Porson. And IBN does not sacrifice service by ordering online. "The efficiency and simplicity of HP Direct's fulfillment process has enhanced our reputation as a top-quality service provider," says Register. "They go out of their way to meet rush deadlines and satisfy even our most demanding clients."

HP enhances IBN image

"Our partnership with HP has enhanced our competitive edge in several ways," says Register. "They have definitely helped us exceed our expectations."

First, the HP small form factor PCs are ideal in-store representatives for IBN, taking up 30 percent less space than a conventional desktop, delivering plenty of power and reliably handling broadcasting tasks day in and day out. And HP's warranty that guarantees on-site service the next business day is a great bonus for IBN client stores.

The HP 7100 Desktop PCs are co-branded with the IBN logo at the factory, an important marketing benefit to this young company. Also, HP's responsiveness in updating the IBN image means that the right image goes to each

location, so IBN staffers spend 15 minutes or less completing in-store installations."

Another advantage is HP's expertise with the Linux operating system. "We do everything on Linux and open source software," explains Porson. "No other manufacturer can speak to Linux with the degree of fluency that HP does."

HP Direct pricing is a plus, making it possible for IBN to provide its services at a competitive cost. And HP's practice of keeping customers informed about new technology as it develops is already giving IBN ideas about how it can expand its sales.

However, what IBN likes best about HP are the people who handle their account before, during and after the sale. "We have an account manager who is a real problem solver," says Porson. "In the end, it's the professionalism of our HP contacts that keeps this relationship going as well as it does."

"This is only the beginning of our relationship with HP," says Register. "I am confident they will be here to take care of us for a long time."

Challenge

- To deliver in-store broadcast services to client stores via the Internet at a competitive price

Solution

- HP Compaq Business Desktop dc7100 Small Form Factor PCs
- Customized HP Business-to-Business website for procurement
- HP Factory Express

Results

- Increased ability to concentrate on core business because of HP Direct fulfillment
- Reduced time spent ordering and tracking delivery
- Increased customer satisfaction because of HP warranty
- Enhanced competitive position because of understanding HP's product road map
- Enhanced company image because of HP reputation for quality
- Reduced accounting costs

For more information on how working with HP can benefit you, contact your local HP service representative, or visit us through the Internet at our world wide web address: <http://www.hp.com>