



# CD and Co sells French software online, boosts sales 67 percent.

Selling products by mail-order catalog was once a viable way to maintain a profitable retail business without the expenses of operating brick-and-mortar stores. But the pervasiveness of the Web has upped the ante—so companies of all sizes are turning to electronic channels to tap into the wallets of the online masses. That's why the executives at CD and Co, a small French mail-order

retailer of multimedia products, decided that pairing its print catalog with an online version would be a lucrative move.

*“Powered by Net.Commerce and DB2, our new online catalog gives our small company the visibility we want and the global reach we need to be successful in the software reseller marketplace.”*

—Sylvain Perrot, Product Manager, CD and Co

Established in 1995 with 15 employees based in Asnières, CD and Co had a somewhat modest beginning, offering 1,000 products and earning 5 million Francs (U.S.\$857,000) from 30,000 customers during its first year. With a quarter of its annual revenues spent printing and mailing the biannual 150-page catalog, however, the company wanted to extend its customer base across the globe—without adding exorbitant costs.

Following initial success in an experimental online shopping mall organized by IBM, CD and Co realized that e-commerce was the way to go. In April 1998, after four months of development, IBM Business Partner Préférences

<b>Application</b>	Online, multimedia products catalog
<b>Business Benefits</b>	67% increase in overall revenue; anticipated 15% revenue from online sales, expected to increase to 50% by 2001; 100% ROI in one year
<b>Software</b>	IBM® Net.Commerce IBM DB2® Universal Database™ on Windows NT® IBM DB2 for AS/400® IBM Net.Data®
<b>Hardware</b>	IBM Netfinity® IBM AS/400
<b>Business Partner</b>	Préférences



CD and Co's online catalog reaches French software enthusiasts around the world.

helped CD and Co launch an online store powered by IBM Net.Commerce, residing on an IBM Netfinity server. IBM DB2 Universal Database on Windows NT stores back-office data, including the product information, and IBM DB2 for AS/400 hosts the company's stock management and mail-ordering systems.

The online store has yielded such financial rewards that the company expects 100 percent return on investment by year end. Revenues have climbed from 15 million Francs (U.S.\$2.6 million) in 1997 to 25 million Francs (U.S.\$4.3 million) in 1998—a 67 percent increase—with 5 percent of sales generated from the online catalog. “This year, we expect 15 percent of our sales revenues from the Web site and, in 2001, 50 percent,” says Sylvain Perrot, product manager for CD and Co. “Our e-commerce solution, based on Net.Commerce and DB2, is poised to help us increase our market share and attract more customers.”

#### **Reaching customers worldwide**

CD and Co's customer base has topped 70,000—a feat Perrot says would not have happened without the online catalog. “Print catalogs are limiting—if you don't receive a copy, you don't know our company exists,” he says.

Using the Net.Commerce catalog template and tools, Préférences created a customized e-commerce site with customer-friendly features, such as a shopping cart and quick search capabilities. Product information is delivered

from DB2 Universal Database to the Web site by IBM Net.Data macros written by Préférences. Secure Sockets Layer (SSL) encryption provides purchasing security for customers. CD and Co uses Netscape as its Web server, but is planning to migrate in the next few months to IBM HTTP Server.

CD and Co can easily add new products to the site at any time—a cost-prohibitive capability with print catalogs. Product offerings on the Web site, which receives 50,000 to 70,000 visitors per month, are expected to reach 3,000 this summer. Préférences is handling product updates, but will soon implement an intranet site for CD and Co to make updates. “DB2 is an extremely robust database for storage of our expansive—and growing amount of—product information,” notes Perrot.

#### **Customized promotions**

New to e-commerce, CD and Co gained from IBM's experience, Perrot says, “IBM has been very supportive of our e-commerce effort. Since this is a new area for us, having this level of support helped us get off to a strong start.” This spring, Préférences will deploy the Store Manager feature of Net.Commerce, which compiles marketing statistics and tracks customer purchases, enabling CD and Co to generate promotions and mailers tailored to individual customers. Says Perrot, “Powered by Net.Commerce and DB2, our new online catalog gives our small company the visibility we want and the global reach we need to be successful in the software reseller marketplace.”

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