



e-business case studies

Campmor:

Increasing sales through
Internet commerce



Putting e-business to Work

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Campmor

The Company

- Major provider of outdoor clothing, camping and backpacking equipment
- Headquartered in Saddle River, NJ
- 1998 revenues of \$73 million

The Web Site

- www.campmor.com
- Online store

The Solution

- Business-to-consumer online store

The Benefits

- ROI of more than 100 percent in first five weeks of operation
- 350 percent year-to-year increase in number of online orders
- Reduced printing and mailing costs

The Technology

- IBM Net.Commerce
- IBM DB2®
- IBM Net.Data®
- IBM HTTP Server

The Business Partner

- Thomas & Poorbaugh Communications, Inc.
www.tpcomm.com

OVERVIEW

e-business Case Study: Campmor

Based in Saddle River, NJ, Campmor (www.campmor.com) is a major provider of outdoor clothing, camping and backpacking equipment. With 1998 revenues of \$73 million, Campmor operates a 37,000 square-foot store in Paramus, NJ, and sells over 10,000 products through a catalog it circulates to 1.5 million outdoor enthusiasts.

This case study describes Campmor's online store, which was launched in November 1998, and uses IBM Net.Commerce, DB2, Net.Data and IBM HTTP Server. Following the installation of Net.Commerce, Campmor increased first quarter online sales by 350 percent over 1998 first quarter sales.



BUSINESS DRIVERS



“Our customer base has a strong presence on the Web. We needed to provide them with a secure online store that continually piques their interest by offering great deals on top-notch outdoor gear and equipment.”

— Daniel Jarashow, President of Campmor

In the highly competitive world of catalog retail, successful strategies are built around establishing and maintaining a competitive edge. For Campmor, a 20-year old company targeting the outdoor goods market, aggressive – and creative – pricing strategies have been its ticket to success. Campmor employs a multi-pricing approach, providing customers with quantity-based discounts. “When it comes to pricing, we tend to be a very aggressive company by nature,” says Daniel Jarashow, President of Campmor. “We believe that for us, being price competitive is critically important, whether it’s print catalog, retail or the Web.” In evaluating different solutions for its next-generation e-commerce platform, Campmor viewed multi-pricing support as a critical criterion.

Campmor’s first Web initiatives were launched in 1996, although they were limited to straight HTML-based static content – primarily a product list and a blank order form. Over time, it became clear that Campmor would need to develop a true e-commerce platform, with the requisite security, scalability and transactional functionality needed to sustain a large volume of Web commerce. “We felt that we needed to make the Campmor site commerce-ready, and to us this [goal] meant at the very least a shopping basket, a database and a search engine.”

In addition to developing core commerce functionality, Campmor wanted a solution that would easily accommodate its multi-pricing promotions, which Jarashow saw as an important means of adding value to the customer experience. “Our customer base has a strong presence on the Web. We needed to provide them with a secure online store that continually piques their interest by offering great deals on top-notch outdoor gear and equipment,” says Jarashow. “We needed something that was going to handle the different pricing scenarios for us, and Net.Commerce was able to do that.”

Featured IBM Technology

Net.Commerce

IBM Net.Commerce has the features you need to grow your business online. It's scalable, flexible and lets you leverage your current technology investments while offering your customers a dynamic shopping experience. Net.Commerce is ideal for both business-to-business and business-to-consumer applications.
www.ibm.com/software/commerce/net.commerce

DB2

IBM's DB2 family of relational database products offers open, industrial-strength database management for data warehousing, business intelligence, decision support, transaction processing and an extensive range of e-business applications.
www.ibm.com/software/data/db2

Net.Data

Net.Data enables Internet and intranet access to relational data on a variety of platforms. It provides high performance Web applications with robust application development functions.
www.ibm.com/software/data/net.data

IBM HTTP Server

IBM HTTP Server can leverage your existing Web applications and is a secure and complete Web publishing server solution for business information that allows experienced Webmasters and Web developers to quickly design, build and launch publishing-oriented sites.
www.ibm.com/software/web servers

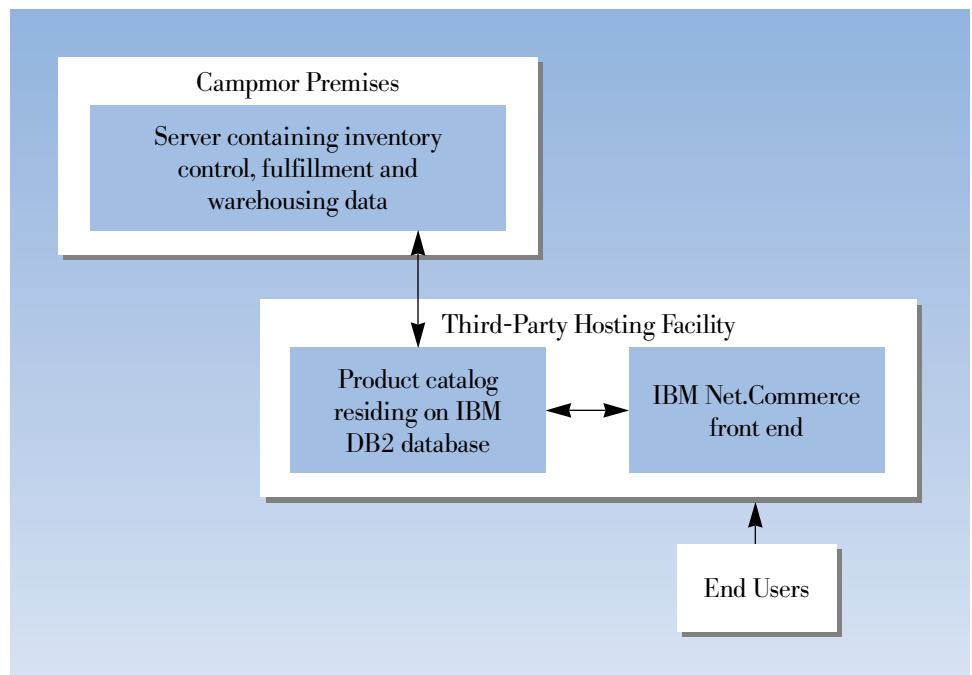
CAMP MOR'S e-business SOLUTION

Prior to selecting IBM's Net.Commerce solution, Campmor evaluated commerce solutions by Microsoft and iCat (a division of Intel). In the end, Campmor chose Net.Commerce for its scalability and robust function, exemplified by its ability to handle multi-pricing and discounting, as well as multiple colors and sizes. Jarashow is quick to point out, however, that IBM's attractiveness as a commerce vendor goes well beyond the specs of its e-commerce product line. "Another big reason [for choosing IBM] was that we wanted a system that was strong enough and powerful enough to take us forward," says Jarashow. "A system that was going to constantly have enhancements and would grow with us as our needs changed and became more complicated. IBM's solid reputation and experience in e-commerce, along with its commitment to stay at the forefront of the industry with future enhancements and upgrades, made IBM the best choice for us."

Campmor's current e-business solution, completed in November, 1998, includes:

- IBM Net.Commerce PRO version 3.1.2 (for Sun Solaris)
- IBM Net.Data
- IBM DB2
- IBM HTTP Server

Digex, Inc. hosts Campmor's site, with its product catalog running on a Sun Enterprise 250 server and the Net.Commerce front end running on a Sun Ultra 2 1300 server (see Figure 1). According to Jarashow, Campmor's Net.Commerce implementation was the result of effective teamwork between Campmor and its partner, Thomas & Poorbaugh Communications, Inc., an IBM BEST Team Premier Business Partner. "Once we decided that we wanted to go with Net.Commerce, we chose [Thomas & Poorbaugh as] a partner, and they did 95 percent of the conversion work," says Jarashow.



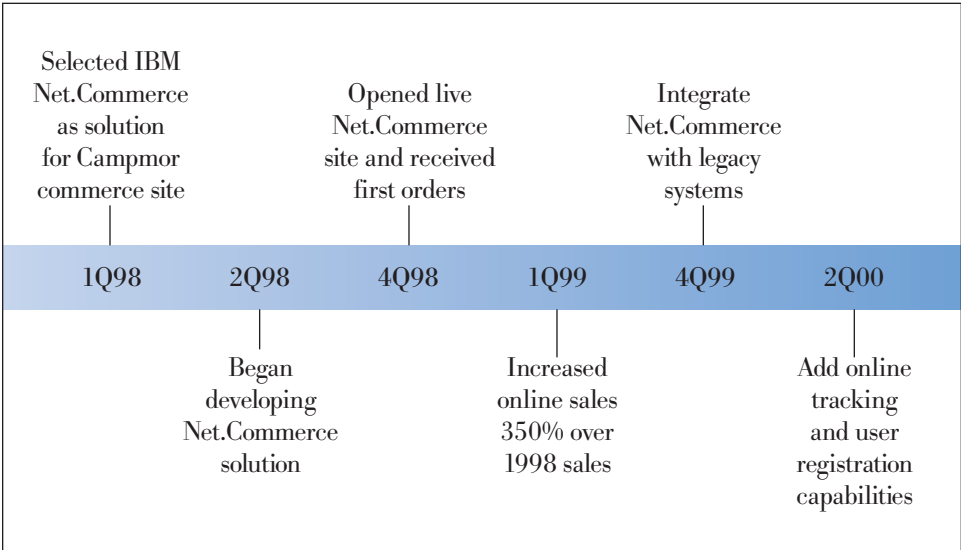
Source: Campmor, 1999

Figure 1. Basic e-business System Architecture

In addition to assisting Campmor in the initial planning and implementation of the Net.Commerce solution, Thomas & Poorbaugh also performs the majority of ongoing content management services. They post new content into the electronic catalog, while Campmor retains responsibility for removing content.

Campmor's implementation strategy focused on maximizing its ability to leverage existing digital assets related to its paper catalog, such as desktop publishing files. Moreover, Campmor and its partner sought to keep the implementation simple by developing the solution incrementally, thus enabling Campmor to get its Net.Commerce site up and running as soon as possible. "Thomas & Poorbaugh simply went to the old site and converted it [to Net.Commerce] one category at a time," says Jarashow.

The conversion phase took six months to complete, from initial planning in April 1998 to having the system up and running on November 1, 1998 (see Figure 2.) Ultimately, Campmor populated the IBM DB2 database residing behind its online store with nearly 10,000 products, far more than the 4,000 items Jarashow initially expected to represent on the site.



Source: Campmor, 1999

Figure 2. Implementation Timetable

“Another big reason [for choosing IBM] was that we wanted a system that was strong enough and powerful enough to take us forward. A system that was going to constantly have enhancements, and would grow with us as our needs changed and became more complicated.”

— Daniel Jarashow

RETURN ON INVESTMENT

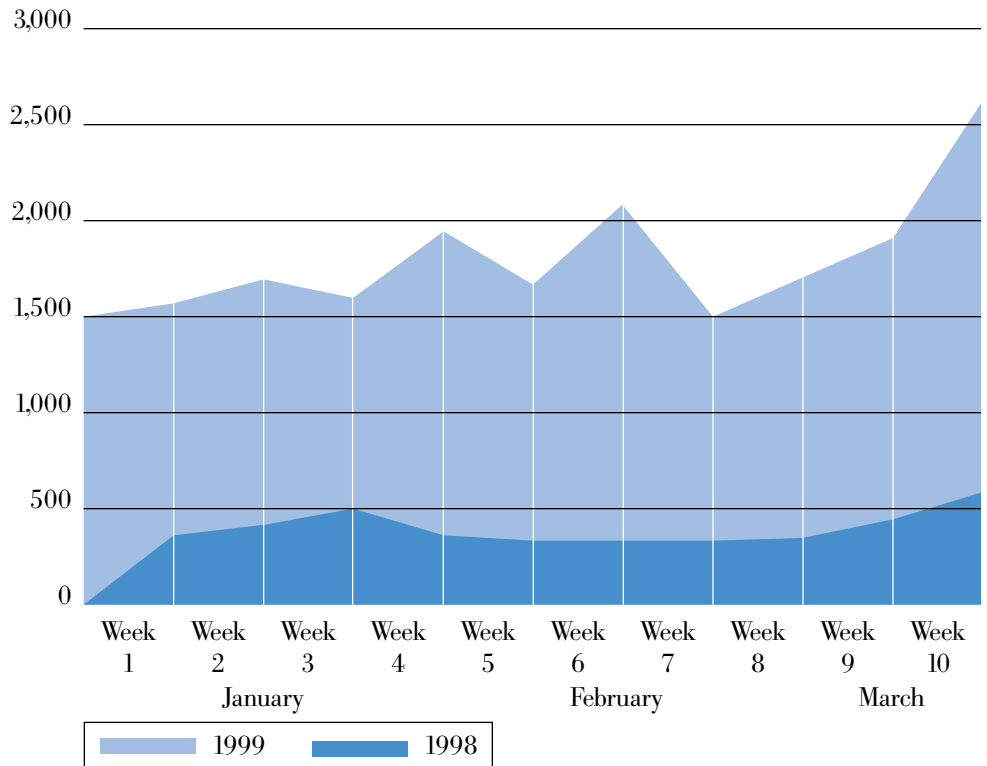
“The investment in Net.Commerce is definitely a major payoff for us, and it’s something that we’re going to have to do if we want to be there in the next century.”

— Daniel Jarashow

According to Jarashow, Campmor views its main return on investment (ROI) metric for its IBM e-business solution as incremental business generated, although he also cites such incidental benefits as a 300 percent increase in circulation of *TrailMail*, its newsletter. In the first quarter of 1999, Campmor’s average number of Web-based orders was approximately 1,800 – up from 413 for the first quarter of 1998 – representing an increase of 350 percent (see Figure 3.)

Based on this performance, Jarashow calculates that Campmor’s investment in Net.Commerce generated an ROI of 100 percent in the first five weeks after launch. What’s more, the Net.Commerce site has already tripled its site traffic to approximately 9,000 visitors per day.

Though Web-based business accounts for less than 10 percent of Campmor’s overall revenues, Jarashow believes strong Web sales have been a major factor in its double-digit year-to-year revenue growth. And with an average Web transaction of \$104 – compared to \$94 for a non-Web transaction – Campmor’s online sales pack a bigger punch on the bottom line.



Source: Campmor, 1999

Figure 3. Number of First Quarter Web-Based Orders: 1998 vs. 1999

Jarashow acknowledges the broader strategic importance of having a top-notch commerce site. “The investment in Net.Commerce is definitely a major payoff for us,” says Jarashow, “and it’s something that we’re going to have to do if we want to be there in the next century.”

Figure 4 illustrates the benefits of Campmor’s e-business solution.

Overall Benefits	
Function	Benefit
Deployment	Increased ease and speed of initial deployment
Store design and catalog content	Improved ability to merchandise products by category Enhanced search capabilities, resulting in higher traffic-to-transaction conversion rate Added ability to accommodate discounts and multi-pricing
Capacity	Increased scalability compared to competing commerce platforms
Communities of interest	Improved ability to create and maintain communities of customers through Campmor’s <i>TrailMail</i> newsletter – subscriptions to <i>TrailMail</i> have increased 300 percent
Site traffic	Increased site traffic by 300 percent
Transaction volume	Increased number of Web transactions by 350 percent

Source: Campmor, 1999

Figure 4. e-business Solution Benefits

FUTURE PLANS

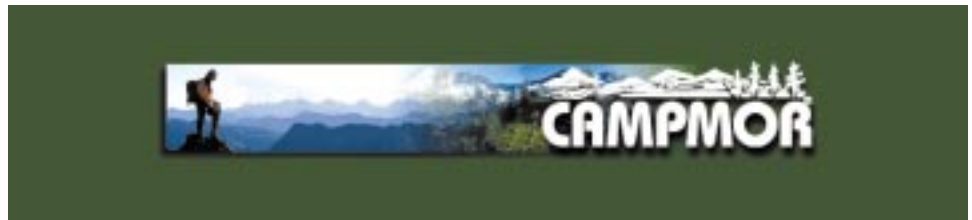
“It’s important to know that a company like IBM is going to be around as e-commerce changes, so that they can help us to keep up.”

— Daniel Jarashow

Campmor is planning to introduce a host of enhancements to its Net.Commerce-based system throughout 1999 and into 2000. The company’s first priority will be to link the Net.Commerce platform with its legacy applications, which reside on an HP 3000 server located on its premises. Order entry is the first legacy application to be addressed. “Right now we have to key everyone in,” says Jarashow. “We want to get to the point where we can get the data into the system without having to touch it.” After integrating its order entry systems with Net.Commerce, Campmor will turn its attention towards its back-end inventory systems. Jarashow expects both of these integration initiatives to be completed by the end of 1999.

Beyond integration, Campmor’s focus will be on customer service – specifically, providing order confirmation and tracking with Net.Commerce. Under this system, users will be provided with a tracking number when orders are confirmed and will be alerted to any changes in the order, such as altered delivery scheduling. The final enhancement, which Campmor hopes to achieve by mid-year 2000, is the introduction of a registration system, replacing the present system under which all site users are considered guests.

As Campmor further embraces Web-based commerce, it expects IBM to play a central role. “IBM has been amazing,” says Jarashow. “On the technical side, to have worked closely with us is extremely important. But they’ve also shown sincere interest in the business side as well.” And while change seems to be the one constant in the world of e-commerce, Jarashow doesn’t seem to mind. “It’s important to know that a company like IBM is going to be around as e-commerce changes, so that they can help us to keep up.”



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For information about
Campmor, visit:
www.campmor.com

For information about
Thomas & Poorbaugh
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10-99
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G325-6608-00