



IBM Net.Commerce helps booming online retailer deliver on its promises

When ordering books on the Internet, there's often a gap between the service that is advertised and that which is experienced. One company that is delivering on its promises is SpeedServe Inc. Started in the family garage in 1995 by brothers David and Michael Mason, SpeedServe has transformed itself from an online book retailer into an Internet commerce machine for print, film, and electronic entertainment. Growing at a rate of 20 percent per month, SpeedServe offers more than a million print titles, more than 85,000 video titles, and 10,000 video game titles. SpeedServe differentiates itself in part through its fast service, delivering titles to over 70 countries. In the U.S., 90 percent of the orders are shipped within 24 hours.

"IBM's expertise in architecture design, project management, and post-project support allowed us to build a front-to-back-end bulletproof system."

—David Mason, Co-founder, SpeedServe Inc.

What has enabled a company of such modest origins to grow so fast is a combination of good business sense and massive commercial muscle. To ensure "the fastest turnaround, largest selection, and friendliest service on the Internet," SpeedServe's brands—BookServe.com,

VideoServe.com, and GameServe.com—require flawless online transaction processing and behind-the-scenes administrative power. They also require a platform that's easy to change, manage, and customize.

When the Mason brothers needed a comprehensive, industrial-strength hardware and software solution that would meet these needs, they found it made sense to work with IBM Global Services (IGS). "We have global products that need to be constantly distributed to a global customer base," says SpeedServe Co-founder David Mason. "With our IBM electronic commerce solution, I feel confident in saying that the sun will never set on any of our Web sites."

In implementing the solution, IBM Global Services helped SpeedServe minimize the risk associated with such a large undertaking by defining critical project needs and deadlines and recruiting developers to help meet those deadlines. IGS even offered advice on Web page

Application	Online retail
Business Benefits	Rapid growth with minimal risk; support for high-volume Web traffic; secure ordering
Software	IBM® Net.Commerce IBM DB2,® IBM Net.Data™ IBM Internet Connection Secure Server
Hardware	IBM S/390®
Services	IBM Global Services

content and strategy. "IGS took care of notifying all the IBM personnel and departments that were vital to completing this project," says David Mason. "We were extremely pleased to complete our very complex system on schedule and within budget."



BookServe.com is one of three SpeedServe online retailers.



Designed for growth

The core of all SpeedServe Web sites is an IBM S/390 computer running the IBM Net.Commerce merchant server. Why does a Web-based retailer need a powerhouse system such as the IBM S/390? Approximately eight months after the launch of BookServe and prior to integrating Net.Commerce, the Masons and their smaller system were confronted with a "concrete ceiling." The Web server crashed when more than 1,000 users were logged on, jeopardizing the superior service through which the company differentiated itself.

It was clear that SpeedServe needed to expand the capacity of its hardware and the flexibility of its software. Says David Mason, "We learned the hard way that business expansion can be grueling, and we were determined not to make the same mistake twice. We needed a reliable, scalable, and secure system to manage our high-volume transactions and complex applications. IBM's expertise in architecture design, project management, and post-project support allowed us to build a front-to-back-end bulletproof system." In addition to its proven reliability, 24-hour availability, and scalability, the high-capacity S/390 allows SpeedServe to house multiple Web sites and their associated business applications on a single platform. This boosts performance and makes the online system easier to maintain.

Flexible features for convenient, customized, secure service

On the front end, Net.Commerce helps the SpeedServe brands make the online shopping experience easy and convenient for its customers, so that 90 percent of the orders are transacted online. According to David Mason, most commerce-related Web sites only allow the customer to select one ship-to address, while Net.Commerce offers multiple selections with its address book feature. The software also includes *intelligent catalog* technology, which provides a "virtual sales assistant" as customers browse catalogs and obtain product information.

The Net.Commerce *shopper group* feature allows the SpeedServe brands to generate new business by customizing communications to its customers. "On any given day, we could create a 'Jane Austen' shopper group through the Net.Commerce site administrator," says David Mason. "We could notify group members (customers who had purchased Austen titles) about special pricing on some or all of the products in our database. This is mass marketing—but on a one-to-one basis—which means more targeted, cost-effective promotions and faster results."

One possibility that the SpeedServe brands are leveraging is the business-to-business market. The company serves many business accounts that continually need to send books and videos to offices worldwide. Since Net.Commerce supports customized pricing structures, BookServe.com, VideoServe.com, and GameServe.com can tailor specific discounts and promotions to their various business customers.

IBM DB2, another part of the Net.Commerce solution, is SpeedServe's repository for ordering and inventory information, as well as for user registration information. The database can be used for Web-based online transaction processing, online analytical processing, and data mining applications.

IBM Internet Connection Secure Server (the predecessor product to Lotus Domino Go Webserver™) ensures the security of customers' transactions and protects SpeedServe's own business data and applications. And, according to Michael Mason, co-founder of SpeedServe, it's because of Net.Commerce that SpeedServe will also be able to take advantage of SET and provide an even greater degree of confidence for their customers in conducting commerce over the Internet. The SET standard, developed by VISA and MasterCard with significant contributions from IBM, encodes customer credit card numbers and keeps them hidden from all but the issuing bank.

Simplified management

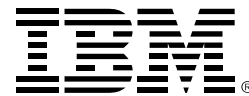
Net.Commerce helps SpeedServe manage the BookServe.com, VideoServe.com, and GameServe.com Web sites to create a multi-faceted entertainment and information experience for consumers. Net.Commerce allows these three Web sites to maintain their unique identities while operating through one database and ordering system. "We can easily manage and maintain three different Web sites with one system," says Michael Mason. "That saves us time, money, and staffing." It also adds the ability to attract a broader customer base through the offering of a diverse product set.

"Some businesses are doing well at pushing the envelope in the Internet retail environment," says David Mason. "However, it is our goal to blast through that envelope, and we've made the decision to use rocket ships instead of pee shooters for our system." Evidently, the IBM S/390 with Net.Commerce and DB2 are the ideal rockets for the job.

For more information please contact your IBM Marketing Representative or IBM Business Partner.

Visit our Web site at www.ibm.com/e-business

Browse through SpeedServe's Web sites at www.bookserve.com
www.videoserve.com
www.gameserve.com



©1998 International Business Machines Corporation

IBM Corporation
Internet Division
Route 100
Somers, New York 10589

7-98
All rights reserved

This brochure illustrates how one customer uses IBM products. Many factors have contributed to the results and benefits described. IBM does not guarantee comparable results. All information contained herein was provided by the featured customer and IBM Business Partners. IBM does not attest to its accuracy.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.

IBM, DB2, the e-business logo, Net.Data, and S/390 are trademarks of International Business Machines Corporation in the United States and/or other countries.

Lotus Domino Go Webserver is a trademark of Lotus Development Corporation in the United States and/or other countries.

Other company product, or service names may be trademarks or service marks of others.



Printed in the United States of America on recycled paper containing 10% recovered post-consumer fiber.



G325-1202-00