

## Borders Is Among 1st To See STARs *ACD's New Listening Stations Offer Depth, Scaled-Down Size*

BY DYLAN SIEGLER

NEW YORK—Advanced Communication Design (ACD), the Bloomington, Minn.-based technology company behind traditional in-store CD listening stations at retailers like Musicland, is jockeying to replace current listening devices with its new STAR system. It has already landed the Ann Arbor Mich. Based, 290-store Borders Books & Music as a client.

The system, which affords shoppers the opportunity to listen to a sample of any track on any CD in a given store (as well as titles not currently in stock) by scanning the barcode of the disc at a STAR device or simply pushing buttons, is a streamlined upgrade of similar systems put in place by the company in the 90's.

While other systems use actual CDs and take up a lot of space, the new STAR system can run hundreds of listening stations from a single out-of-the-way on-site computer. The system may function alone or do double duty as part of a store's back-office tracking when connected to the store's computer network.

By scanning a CD's bar code at a conveniently located station, a customer can choose 30- to 40- second clips of each song on the album. One way the STAR system differs from traditional systems is in its proximity to the product; devices are scattered around a store and near the bins, not packed in with other listening systems.

According to ACD president/CEO

Marco Scibora, the system was devised through extensive research and development on the brick-and-mortar shopping experience.

**'Retailers who won't allow the sampling of every CD will suffer.'**

- MARCO SCIBORA -

"One of the things that both consumers and retailers are looking for is the entertaining element of shopping," Scibora says. "Adding an entertaining element brings the consumer closer to the retailer, makes the customer want to come back."

The STAR system also makes shopping more interactive, appealing to some of the same consumer inclinations as the internet, he states.

But perhaps more important, "with music, we buy what we hear," Scibora continues. "Think about going to Borders and shopping for books, for instance, if all the books were shrink-wrapped."

### ABILITY TO SCAN

A related selling point of the STAR system is its scanning technology, which facilitates "romancing with the product," says Scibora, including looking at the albums' artwork, reading the song titles, and, of course listening to samples of "all the tracks on a CD, to allow the true representation of the artists' intention. He adds, "The product is

in your hand- the only thing you've got left to do is put it under your arm, buy it, and walk away with it."

Scibora cautions against systems that make whole tracks on an entire CD available. He notes that market research proves that customers who hear a whole CD in the store often ruin their appetites and don't buy it. "If they spend too much time listening, then they walk away," he says.

### SYSTEMS AROUND THE WORLD

ACD has 10,000 systems (both new and old) worldwide and has licensed technology to Sony for some of its non-U.S. production.

In the U.S., its major accounts include Torrance, Calif.-based Warehouse Entertainment; Albany, N.Y.-based Trans World Entertainment; and Minneapolis-based the Musicland Group, as well as non-music retailers like Fred Meyers.

"We are in a time when retailers who won't allow the capability of sampling every CD in the store will suffer in sales," says Scibora. He stresses that the system (Which he aided in designing) is entirely independent from the internet but may aid traditional retailers in competing with online music retailers that make samples of music available.

So far, the Borders chain has installed the system in one store, in Brentwood, Tenn., and plans to put it into each new store the chain opens for the rest of the year, which will number about 12.

## ACD's New Listening Stations Offer Depth, Scaled-Down Size (CONTINUED)

"The first store with the STAR digital sampling opened Saturday, and we are excited about how it's looking and how well the installation went," says Len Cosimano, VP of merchandising at Borders.

"It was seamless to the store," he adds. "Next year, we will take a look at the success of this and see about retrofitting existing stores, based on which ones are planned to undergo renovations and whether the sales justification is there."

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### 40,000 TO 100,000 TITLES

In Borders' Brentwood store, there are eight end cap STAR Navigator systems and about 80 substations for the system, allowing for a total of 88 shoppers to listen at one time, says Cosimano.

Depending on the size of the music department, each store where the system will be installed should have between 30 and 100 STAR stations, which are a big as a portable home DVD player.

And then, depending on the size of the store's inventory, each Borders STAR device will make from 40,000 to 100,000 album titles available.

"Previously, Borders used multiple CD changers, and you were limited in the number of CDs you could have, based on the number of changers," says Scibora. "It was much higher maintenance."

### WHAT THE SYSTEM COSTS

Each listening station cost about \$300 for a stripped down version, with premium services costing as much as \$1,000, making an average store cost for the system between \$15,000 and \$30,000.

While that may look like a high price to some, Scibora argues that in the new world order, brick-and-mortar merchants will need to make this type of commitment in order to remain competitive with online E-tailers.

The STAR system is a leap from traditional listening centers-but Scibora and ACD don't plan to stop there. The company is looking into the (albeit complex) legal, label, and copyright clearance necessary to add CD-R technology to its STAR stations, allowing CDs to be burned for a consumer on the spot.

In the meantime, however, "We provide a technology where a single computer sitting in a back room can support multiple CD devices, allowing customers to preview music with no waiting in line," says Scibora.

"We have a Virgin Mega store in Paris with 180 stations-180 customers can sample music at once," he says. "What a powerful way to promote music-the power of tasting before you buy."