

CASE STUDY

Transport company helps keep redbox moving

Trying to keep pace with a strong consumer demand for inexpensive DVDs to watch at home, redbox needed another capable, efficient company to help quickly deploy its popular machines around the country.

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The players

Brendamour Moving and Storage, based in Cincinnati, Ohio, is one of the nation's most successful and recognizable carriers. The company transports a variety of goods for household, business and industrial moves as well as products for trade shows and specialty equipment.

Redbox Automated Retail, a wholly owned subsidiary of Coinstar, Inc., offers new-release DVD rentals for \$1 per night through its network of more than 15,000 self-service kiosks.

The problem

Redbox carved a niche in the DVD rental business by thinking outside the box.

While industry veterans cocooned themselves inside rectangular buildings waiting on customers to come to them, redbox went the other way. It took its product to the people, anchoring automated self-service rental machines at popular venues such as Wal-Mart and McDonald's and capitalizing on convenience and affordability.

The concept and a mere \$1-a-night rental fee helped redbox revenues skyrocket. The weakened economy



Redbox's growing popularity means it needs a reliable, team-oriented company to install its self-service kiosks. Brendamour Moving and Storage has offered an efficient solution.

and the public's ever-increasing pursuit of bargains haven't hurt either.

Redbox's concept and financial success have been bright spots in an industry working to reinvent itself over the last couple of years, with some retailers going so far as to lower prices and scrap late fees.

Redbox's deployment of machines nationwide has surged from 3,000 just two years ago to more than 15,000 today. And thousands more are ready inside warehouses.

Meeting consumer demand perhaps poses the greatest hurdle for redbox. Through its infancy, redbox, headquartered in suburban Chicago, relied on a single source to transport its equipment to various locations. But as business grew, so too did the need for an additional carrier that could not only deliver on time, no matter the spot, but also possess the "can-do" attitude required to contribute to the successful redbox deployment process.

The solution

Paul Owens became general manager of Brendamour Moving and Storage earlier this decade and scrambled to find a way — any way — to boost revenue. With the household goods moving portion of the industry hit hard by the changing economy, Owens looked for nontraditional means by which to build revenue. He had read an online article about redbox's popularity and decided to pitch his company's services. An admitted non-salesman, Owens managed to woo redbox and sell the company on Brendamour's proven reliability and know-how.



Since September 2006, Brendamour has delivered and installed redbox kiosks in every state in the continental United States.

Brendamour runs between parts suppliers in Wisconsin and North Carolina on a weekly basis, picking up pieces of the standalone machines to prepare for delivery. However, not all of them are immediately dispersed, and the company keeps several hundred redbox machines in its warehouse until redbox gives the nod to deliver.

The setup at operational locations takes as long as two hours, depending on where a unit will be positioned and how much pre-work

Brendamour can handle every step of a redbox deployment, from picking up the individual parts to taking them off the truck and assembling the machine on site.

has been completed.

Redbox produces a weekly bid package for Brendamour and its other transport agent. Those deliveries are scattered around the country.

Redbox assigns an installation manager for each individual delivery, which works in tandem with the installation crew. That person is in charge of laying the foundation for installation, from negotiating with a particular business on where to place the machine to coming up with schematics and ensuring an adequate infrastructure is in place. The installation manager is present at the installation to work as a team with the installation crew to ensure the redbox kiosk is positioned in the correct spot and to verify that the installation is made in accordance with redbox specifications.

With interior installs, Brendamour simply powers up machines by plugging them in. With exterior installs, the company is responsible for securing and coordinating with an electrician to hardwire the units at the time of installation. As a result of completing the exterior installations, Brendamour has established a national network of electrical service companies.

Brendamour has dedicated a core group of haulers to transporting and installing redbox units. That's part of the appeal to redbox, Owens says, because the company knows the work is done by those familiar with its product and setup.

"For someone like redbox with detail-oriented processes and requirements, having dedicated drivers is a critical piece of the equation," Owens said. "Luckily for me, the drivers enjoy the work and redbox has kept us very busy. As a result, driver turnover has been very low."

Brendamour is only as good as the installation crews completing the work, and Owens added that the Brendamour crews "are a huge asset to our organization and are key to our success with redbox."

The results

Brendamour represents a vital piece of redbox's implementation strategy. Through the partnership, redbox has managed to get more of its machines out to areas where customer demand is high.

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In 2008, Brendamour completed more than 4,000 redbox installations. That was almost double the 2,500 Brendamour installed in 2007. Through the week ending May 1, 2009, Brendamour had already installed 1,600 machines, putting it on pace to surpass the 2008 total.

Brendamour prides itself on the fact that, since it began transporting redbox machines, it has never failed to deliver equipment within the requested timeframe.

“They have helped us be as successful as we have been to date,” said Matt Hartzog, redbox’s senior director of deployment. “Without their crews out there doing it every day, making deliveries, we wouldn’t be where we are. It’s been a great partnership.”

Brendamour’s involvement with redbox extends beyond original installs. Agreements between redbox and businesses that are home to its machines stipulate that those businesses cannot physically handle the units; businesses are forbidden from moving equipment even a few feet. However, as stores remodel or change floor plans, relocation of the redbox kiosks is needed. That’s when Brendamour comes in. The company is called upon to coordinate the completion of redbox unit relocations at stores.

“We don’t want the client to take matters into their own hands,” Hartzog said. “It’s high-tech and very heavy equipment. You want the trained professionals handling it.”

When it needed its 10,000th unit delivered to a Las Vegas trade show in September 2008, redbox called on Brendamour. After the show, drivers then took the machine, signed by a number of redbox employees, to redbox’s Illinois headquarters, where the milestone machine currently sits on display.

Over the years, redbox has solidified its bond with Brendamour, doling out a consistent number of its installation duties to the company.

“That’s the difference between us and some other moving outfits,” Owens said. “Our guys actually don’t mind getting out of the truck to do some work. We’re very flexible.”

“Redbox is quick to acknowledge that they view us as a strength. We feel like an important part of the team, professionally and personally. That goes a long way. They do business in a positive way, and that

makes us feel better about going the extra mile to meet their needs.”

About the sponsor: *Brendamour Moving and Storage is one of the nation’s most successful and recognizable carriers. The company, based in Cincinnati, transports a variety of goods for household, business and industrial moves. Brendamour Moving and Storage also is a major transporter of products for trade shows and specialty equipment and offers an expansive in-home delivery and setup service in the Cincinnati market.*