

## **Achieving Maximum Internet Exposure**

### **CDNOW Captures the E-Commerce Music Marketplace**

“When people worldwide think of music, CDNOW is the place to go,” affirms Jason Olim, president and CEO of the major music e-commerce company. CDNOW is well on its way to achieving that goal. CDNOW, with over 2.4 million customers, is currently the second most popular e-commerce site on the Internet according to a recent Nielsen/NetRatings Report (May 1999).

Olim strongly believes that on the Internet “commerce follows content” – CDNOW strives to master the content and community side of its site. Customers have access to a multitude of music-related products such as sound samples, news, reviews, features, and exclusive interviews. Furthermore, CDNOW offers personalized e-mails based on customer preferences and past purchases as well as custom CDs. E-mails offer customers updates on favorite artists, specially targeted sales and promotions, reliable recommendations, and daily music news.

“The key success factor for an e-commerce company is the number of hits on its site,” explains Olim. To guarantee maximum exposure, CDNOW has a multi-point strategy: locking up key online real estate, building a vast affiliates program, and forming alliances with major media outlets such as Yahoo! and America Online. In July, Time Warner, Inc. and Sony Corp. agreed to merge their Columbia House music and video direct-marketing joint venture with CDNOW. The transaction is expected to close at year-end, subject to CDNOW shareholder approval, regulatory clearances, and other customary conditions.

Expanding into the burgeoning international marketplace is a priority for CDNOW. The company plans to tailor the user experience by specific region, adjusting for local products, tastes, languages, currencies, and cultural differences. CDNOW already offers translations of its main pages in eight languages.

CDNOW is leveraging its customer base by selling advertising and sponsorships to companies seeking a highly targeted audience. CDNOW inked a multi-year agreement with a major credit card issuer for significant marketing and advertising exposure. Olim sees advertising as a growing revenue source.

Rapid development and change has necessitated that “we forget where we have been and get where we want to go,” explains Olim. In order to stay ahead of the competition, “we need to

be the best at every new thing.” Olim’s vision has developed over the past five years since the 30-year-old began CDNOW, along with his twin brother, in his parents’ basement.

“Execution is the biggest challenge to a successful business – not strategy,” states Olim. “A company must hire the right talent and give the right mandates in order to move as fast as the market allows.” “Keeping the organization highly motivated is a key deterrent to the execution threat,” explains Olim.

Olim realizes that a successful CEO cannot behave as an entrepreneur. “If you are going to manage a business, it is not what you can accomplish, it is to motivate others to accomplish. The role of a successful CEO is “less about what I can do and more about what the organization can do. Make yourself continually dispensable,” emphasizes Olim, “so you can move on to other things.” He further states, “When someone becomes indispensable you must dispense with them. Hire your replacement and move on. Business is about relying on good people.”

*Jason Olim is president and CEO of CDNOW, Inc. located in Fort Washington, PA.*

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