

## Destination: Digital Center

With a mission to be a headquarters for knowledge and entertainment, Borders simply had to evolve and participate in the digital business. Many of the products are now offered digitally and there are many digital services and products that Borders customers want to take advantage of to enrich and better their daily lives. Rather than ignore technology or hide from it, Borders has decided to embrace technology and offer to our customers many digital options in terms of products and services that we are confident our customers will find valuable and will purchase. And, because we know that customers vary in their technical skills and knowledge, we are ready to accommodate both the highly skilled and experienced as well as the neophyte. In fact, we've designed a Digital Center that offers a relaxing and comfortable atmosphere to do everything – downloading music or audiobooks, researching family history, creating a photo book, mixing and making CDs, or trying an ebook – with dedicated and trained staff on hand to help if customers need it.

The Digital Center also serves as an event space for information sessions and training seminars about the new digital products and services available at Borders. Live in-store events will help drive customer awareness and comfort with new digital products and services in the same warm and inviting environment customers have come to enjoy at Borders.

### Digital Center Services

#### Digital Service: Borders Digital Music

- The new Borders Digital Music Service enables customers to burn their own CDs and download music to their portable digital music players in the store. This new in-store music service gives customers immediate access to millions of songs, full-length albums, and exclusive Borders play lists.
  - **CD Compilation** – Using an intuitive music discovery interface at the dedicated digital music station, customers can search for and select their favorite singles or albums. Customers purchase their CDs at the concierge desk in the Digital Center and also receive a CD jewel case, album art, and a track listing with their disc. Compilation CDs are priced at \$9.95 for the first 7 songs and 99 cents for each additional song. Reasonably priced albums are also available for customers to burn to CD.
  - **Music Downloads** – Customers can also download music to a portable digital music device. The music download service currently supports hundreds of Window Media Plays for Sure compatible devices. Each song is priced at 99 cents and full albums are also available for downloading.

#### Digital Service: Borders Personal Publishing, Powered by Lulu.com

- The Borders Personal Publishing service enables customers to publish and sell their own professionally bound books quickly and cost effectively. Customers have access to online publishing tools and exclusive author services to assist in creating books with professional polish and appeal.
  - Customers can register for a free account with Borders Personal Publishing at any interactive digital kiosk in the concept store, or they can register for the program from home at the Borders Personal Publishing Web site (<http://publish.bordersstores.com>).

- Once logged in, customers can upload their manuscripts using online publishing tools provided by Lulu.com. Lulu features an intuitive online publishing wizard to guide authors through the publishing process, including uploading a book cover, entering book detail information, and determining pricing for each copy of the author's book.
- Books can be published in both paperback and hardcover formats. Customers can print a single copy or several hundred copies and have them shipped to virtually anywhere in the world.
- Authors can make their books available for sale by purchasing the International Standard Book Number (ISBN) registration service or one of the exclusive service bundles developed for the program: the Standard Package or the Premium Package. Books made available for sale will be offered through the Borders and Lulu.com online marketplaces and at other online retailers throughout the world. These books will also be available to order from any Borders employee and from in-store search kiosks at any Borders superstore location.
- The Standard Package offer includes a page design service, ISBN registration, a self publishing guide, and a free copy of the author's book. The Premium Package adds an editorial evaluation service to the offering, which also qualifies authors to participate in future in-store programs being developed for Borders Personal Publishing authors.
- In 2008, Borders will expand the author services selection and offer authors in-store opportunities to promote and sell their books.

#### **About Lulu.com**

Lulu.com is the premiere marketplace for new digital content on the Internet, with over 320,000 recently published titles, and more than 5,000 new titles added each week, created by people in 80 different countries. With just over one million registered members, Lulu is changing the world of publishing by enabling the creators to publish their work themselves with complete editorial and copyright control. With storefronts provided and other marketing support, Lulu creators are fully empowered to profit from their work.

#### **Digital Service: Borders Genealogy Services, Powered by Ancestry.com**

- Borders has partnered with Ancestry.com, the premier online resource for family history information, to offer customers:
  - **“Our Name in History” Family Name Books** – Customers can discover the history of their family names through personalized books containing fascinating facts about their last name throughout history. Books can be ordered at any Borders interactive digital kiosk and shipped to the customer's home.
  - **Search Ancestry.com** – Also available via the Borders digital kiosks, customers can visit Ancestry.com to access family history research services and resources. Customers may access billions of historical records using thousands of databases at Ancestry.com.
  - **Ancestry.com Subscription in a Box** – Customers can purchase a one month subscription to Ancestry.com. With this subscription, customers have access for one month to census records, immigration records, military records, African American records, birth, marriage and death records, historical newspapers and more.

- **Family Tree Maker Software** – Borders will offer three versions of this best-selling software, allowing customers to build their family trees, attach photos, documents, and videos, merge facts from Ancestry.com, and use interactive maps to explore their ancestors.

#### **About Ancestry.com**

With 25,000 searchable databases and titles and more than 2.5 million active users, Ancestry.com is the No. 1 online source for family history information. Since its launch in 1997, Ancestry.com has been the premier resource for family history, simplifying genealogical research for millions of people by providing them with many easy-to-use tools and resources to build their own unique family trees. The site is home to the only complete online U.S. Federal Census collection, 1790-1930, as well as the world's largest online collection of U.S. ship passenger list records featuring more than 100 million names, 1820-1960. Ancestry.com is part of The Generations Network, Inc., a leading network of family-focused interactive properties, including [www.myfamily.com](http://www.myfamily.com), [www.rootsweb.com](http://www.rootsweb.com), [www.genealogy.com](http://www.genealogy.com) and Family Tree Maker. In total, The Generations Network properties receive 8.7 million unique visitors worldwide and more than 416 million page views a month (© comScore Media Metrix, October 2007).

#### **Digital Service: Borders Digital Audiobooks**

- The Borders Digital Audiobook Service allows customers to download audiobooks directly to their portable digital players from any interactive digital kiosk in the Digital Center and at select Destination kiosks throughout the store. Customers can also download Borders digital audiobooks using a home computer or laptop (<http://audiobooks.bordersstores.com>).
  - The new Borders digital audiobook service is the first in-store audiobook download service available in a physical retail environment.
  - Over 15,000 audiobooks are currently available to download with hundreds of new titles added weekly.
  - The in-store digital audiobook downloading service currently supports hundreds of Windows Media Plays for Sure compatible devices.

#### **Digital Service: Borders Custom Photo Books**

- Borders is offering in-store kits for customers to create their own personalized photo books online.
  - Creating personalized photo books (from travel journals and wedding photo albums to baby books) is an ideal way to capture life's special moments. The Digital Center features example books for customers to view, including a children's adventure book, which incorporates a child's name and picture into their own story.
  - Customers can choose from among three photo book sizes: 8.5x11, 8x8 & 12x12. All in-store photo book kits include an offer for free shipping to the customer's home.
  - Once online, customers can choose from unique layouts and designs meant to fit any occasion. Customers can arrange their photos using easy-to-use drag and drop tools and they can also add text to tell a special story.
  - Customers can receive a demonstration on how to make a photo book by one of our Digital Specialists.

### **Digital Service: Borders Photo Printing**

- Borders now offers customers an easy-to-use service for printing 4X6 photos at designated photo printing stations in the Digital Center.
  - Customers simply insert a media card into the compact photo printer, choose the photos they would like to print using a touch screen interface affixed to the printer, and complete the purchase with a Digital Specialist. Once the order is processed, the compact photo printer will print the customer's order within minutes. (A Digital Specialist shows customers how to take the photos from a digital camera and turn them into 4x6 prints on the spot.)

### **Digital Center Products**

- The Digital Center features electronic products selected to enhance the emerging digital lifestyles of our core customer and to accompany the digital media services offered by the company.
- Borders customers will find well known brands and easy-to-use digital products at the dedicated electronics fixtures in the Digital Center. Each category features a selection of recommended products, which provides choice but is not meant to overwhelm our customers.
- Customers are invited to learn about the electronics being introduced by Borders through exploration and discovery. Working demonstration units of every product will be available for the customer to use and enjoy. Live in-store events will also drive awareness of new products and inform customers on how these products will benefit their lives.
- Products are presented in an approachable fashion through clear and attractive signage that informs the customer of the major benefits and how each product will make the customer's life more enjoyable, fulfilling, or easier. The Digital Specialist is also trained to demonstrate how products work and what benefit each product may bring to the customer's life. In general, the use of technology jargon in the Digital Center is deemphasized to help make these new electronics products relatable and approachable.
- The major products and categories are:
  - The Reader Digital Book from Sony®
  - MP3 players including the Sony Video Walkman® and Sansa® Clip
  - Noise canceling headphones from Sony
  - Slingbox™ AV – Watch your TV on your laptop or mobile phone
  - Flip Video™ digital camcorder
  - Digital photo frames
  - Digital cameras
  - iPod speaker docks
  - GPS devices
  - Solar powered battery chargers
  - iPod video accessories
  - A great selection of premium accessories