

# BLACK Anniversary 30<sup>th</sup> Spectacular ENTERPRISE

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## 30 *Fast Forward* >> Leaders For The Future

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**Titans For The Next Generation**  
(Clockwise from top right) Frank Cooper, Pamela Thomas-Graham, Keith Clinkscales, Melody Hobson and Jimmie Lee Solomon III represent some of the bold players you will be reading about on the pages of this magazine for years to come.

**30**  
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# Techwatch

Your guide to information technology

BLACK DIGERATI

## Putting a new face on outdoor ads

*StarCast brings interactive videos to idle shoppers and commuters*

Walk into a shopping mall, commuter rail station or bus depot and you'll spot scores of busy people doing the same thing—just sitting or standing around. That's good news for StarCast Corp., a new high-tech video advertising venture developed by a small group of college frat brothers.

StarCast's business concept is simple: set up large flat-screen video monitors in shopping malls, train stations and other public areas and use the Internet to bring interactive video advertising to pedestrians while they wait or walk to their next destination. This is a slightly different take on the pre-set videos that stores use to appeal to shoppers.

A key advantage of StarCast's ads is that they can be changed remotely from a central location, says Kevin D. Patrick, CEO of the Madison, Connecticut-based venture. In contrast, small kiosk video-display terminals need to be updated manually and can only be seen by those standing directly in front of them.

Just as important, with StarCast's videos, if viewers see something they like, they can use a keypad or swipe a plastic card next to the terminal to have company or product information e-mailed or snail-mailed to them.

Patrick says StarCast's 46- to 60-inch flat-screen monitors provide an interesting and cost-effective way for advertisers to link with lingering pedestrians. Since each StarCast outdoor video cabinet (O.V.C.) can store its own advertising content, ads can be customized according to location and time of day. The O.V.C.'s would be mar-

keted under the StarNet name for commuter locations and the MallNet name for shopping malls. "Our technology is solid. We're not reinventing IP [Internet protocol]," says Patrick.

A critical component of StarCast's

StarCast with any kind of special high-speed line; any location within reach of a phone line will do.

"You can do it wherever pedestrians dwell," says Patrick, who handles mergers and acquisitions as director of corporate planning and development at Citizens Communications in Stamford, Connecticut. Patrick says most people think the Internet is about reaching someone at home or at work and trying to sell him or her on some company information or product. "We [my business partners] said, 'Let's change the path and put it here [in the mall].'"

StarCast was incorporated in 1998, but the concept has been evolving since 1994. A graduate of Connecticut State University, Patrick originally got together with some of his Alpha Phi Alpha fraternity

brothers to create the Uptown Music Network. It was a company that was looking to replace the "elevator music" played in restaurants with hip-hop, soul, R&B and other music by artists of color. The music service business didn't pan out, but the six buddies, now in their late 30s and early 40s, kept in touch.

Four years later, the group struck upon the concept of Internet-driven outdoor advertising. "We just got back together and said, 'Here's an opportunity to do something,'" says Patrick. The "brothers," all of whom hold other jobs in telecommunications, now make up StarCast's



StarCast CEO Kevin Patrick

business model is the patent it has applied for, adds the 39-year-old innovator. The patent would cover not only the actual design of the O.V.C., but also the process of bringing interactive advertising to video screens via the Internet. Once that patent is in hand, StarCast will be better able to raise the \$15 million Patrick estimates it needs to build its network.

StarCast plans to launch its network in the New York-New Jersey-Connecticut metropolitan area in 2001, and expand north and south to Boston and Washington, D.C.

Patrick says each StarCast O.V.C. would have a heavy-duty, vandal-resistant case and a photochromatic lens that brightens and darkens depending on ambient light. Since the 30- to up to 50-gigabyte hard disk in each O.V.C. can store a few hours' worth of advertising, the O.V.C. doesn't need to be linked to





## Continued

board of directors: Benjamin V. Rosa, chief financial officer; Albert B. Miles Jr., chief technology officer; Ralph Rivera, vice president of sales and marketing; Donovan Dillon, vice president of network architecture; and Leon W. Heyward, vice president of government affairs.

Under the company's current plan, advertisers would contract with StarCast for a minimum of 3,650 minutes of advertising per year (10 minutes a day) on 175 StarCast screens at rates ranging from \$21.92 to \$34.25 per minute. At these rates, StarCast can maintain a lower per person advertising cost than television, radio, magazine or newspaper advertising, Patrick explains.

Of course the biggest challenge for StarCast is to raise the working capital needed to build its network. "The tough thing for us has been getting the money,"

says Patrick, who is no stranger to brokering major deals. He has coordinated 20 corporate mergers and acquisitions totaling more than \$5.3 billion. "We look at it [raising money] as a matter of time," he says.

StarCast has already caught the eye of a number of potential advertisers, including ESPN and Access Entertainment Television cable networks, the advertising firm BBDO Worldwide, and *Vibe* and *Spin* magazines.

Patrick is confident that once the StarCast network is up and running, time will be on its side because the price of the hardware used, such as the flat-screen monitors and hard disks, is steadily declining. The key to StarCast's success, says Patrick, is that we will be "making the most of today's technology."

—Robert Anthony

## HOT PRODUCTS

# Let the music play

Home stereo unit digitally stores up to 7,000 songs

Ever wanted to play music that matched your mood, whether it was to wind down from a hard day of work or to get energized for a singles party? You would have to endure the time-consuming process of searching for the right discs and programming your CD mega-changer.

Now imagine having your entire music collection—CDs, cassettes and vinyl records—in a unit the size of a VCR.

With the touch of a remote control button, the unit would play any song, album, artist, or genre—say, two hours of your favorite jazz selections.

Lydstrom's SongBank SL CD Memory System puts a whole new spin on home listening. This home stereo system, or digital jukebox, is a combination CD player, mega-changer and recorder in one. It has a hard drive that can store up to 7,000 songs, the equivalent of 350 hours of music, or 14.5 days' worth.



The SongBank is simple to use. Pop in a CD and the software "rips" it, digitally recording its contents or a selected portion thereof. You can actually plug the unit into your home entertainment system.

In addition, the SongBank is Internet-ready, with an internal modem and

Ethernet card, so you can download MP3 files and other digitized music from the Web. A high-end version of the unit, which will

be coming this fall, can hold more than 10,000 songs.

The SongBank is available from Boston-based Lydstrom for \$799.95. But you might want to wait a month or two, when the company is expected to introduce a streamlined model that retails for \$400. For now, you can order online at [www.lydstrom.com](http://www.lydstrom.com) or by calling 877-593-7876.

—Carolyn M. Brown

## CYBERWISE

# Going, going, gone



I really would like to participate in online auctions, but I am afraid of getting scammed. Is there anything I can do to protect myself?

—L. Jackson,  
Washington, D.C.

Unfortunately, online auction buyers are being ripped off all the time. Some send in their money and never receive their goods, or they receive fake or broken merchandise. In fact, there has been an increase in the number of Internet fraud cases. The National Consumer League in Washington, D.C., received 10,660 complaints about consumer fraud in 1999 (87% were for online auctions), almost a 36% increase from the year before.

Even the big three, eBay, Amazon, and Yahoo, admit to fraud on their sites. These sites also argue that they have programs in place to try to keep fraud to a minimum. You can get a refund if you get burned on Amazon and eBay. With eBay, you can get back up to \$200, after a \$25 deductible. All auctions are guaranteed up to \$250 with Amazon. For those auctions in which the seller pays through Amazon's 1-Click program, refunds are guaranteed up to \$1,000.

But until online auctions do a better job of policing their sites, which may come sooner than later thanks to recent lawsuits, your best form of protection is to follow the old adage "caveat emptor" (let the buyer beware). Use your head. If it sounds too good to be true, it probably is.

At one time, the primary way to protect yourself was to study feedback tables, which were comments by buyers about a particular seller. Of course, they didn't keep scam artists from building up great reputations and then cashing in on their good name by later hosting phony auctions.

To better protect yourself from online scams, see the seven tips outlined in "Going Once, Going Twice . . . No Sale," *Shopsmart*, March 2000.

For more information on online offers and fraudulent transactions, visit the Internet Fraud Watch hotline ([www.fraud.org](http://www.fraud.org)). Also read *Internet Auctions: A Guide for Buyers and Sellers*, a publication of the FTC. You can order a copy of the guide or file a complaint online at [www.ftc.gov](http://www.ftc.gov) or call 887-382-4357.

—C.M.B.

Mail your technology-related concerns to Cyberwise at BLACK ENTERPRISE, 130 Fifth Ave., New York, NY 10011, or send an e-mail to [dingled@blackenterprise.com](mailto:dingled@blackenterprise.com).