

**Company: Redbox**

Redbox is a leading renter of DVDs through automated kiosks. Users can rent new release movies for \$1 per night from more than 2,000 systems inside grocery stores, McDonald's restaurants and other locations around the country.

Website: [www.redbox.com](http://www.redbox.com)

**Business Challenge:** As the largest vendor of automated DVD rentals in the US, Redbox relies on the continuous availability of its 2,000 kiosks to provide superior service to its customers. In order to ensure that its business model is successful, the company's kiosks need to be up and running at all times, 24 hours a day, seven days a week. If any of the kiosks fail or go off-line, Redbox could potentially lose hundreds of dollars per week per kiosk. Even worse, customers may feel put out or frustrated with the process, severely impacting the company's ability to garner repeat business.

**Solution:** Redbox set for itself a 99.5 percent availability service level agreement to ensure optimal uptime for its self-service kiosks and deployed an automated and remote systems management solution from Kaseya to help monitor system health and alert administrators of potential problems. The Kaseya solution allows administrators to ensure availability, update software, deploy security patches, troubleshoot issues and reconfigure systems remotely from a central location.



automated dvd rental

## Kaseya Helps Redbox Meet 99.5 Percent Uptime SLA for Distributed Kiosks, Enabling Convenient DVD Rentals

### Redbox Builds Business Model Based on Convenience

Redbox maintains and stocks more than 2,000 self-service kiosks at third-party retail locations – including McDonald's restaurants and several leading grocery chains around the country – providing consumers with affordable new release DVD rentals. Customers are able to use the kiosks to rent new release movies and return them to the same or any other kiosk of their convenience. Redbox regional supervisors stock kiosks with titles depending on local demographics and recent rental analysis, making sure customers have access to the movies they want to see when they want to see them – all for one dollar per night.

While Redbox also offers online rentals, its self-service kiosks are the foundation of its business model. More than four million customers have rented 30 million DVDs from Redbox's kiosks, and the company is now averaging nearly three million rentals per month. Redbox has been able to achieve this level of success through reliable customer service. Access to a distributed network of kiosks conveniently located around neighborhoods makes it easy for customers to pick up and drop off DVDs while they run other errands. In order for this business model to work, the kiosks need to be up and running 24 hours a day, seven days a week.

"We are really going for the convenience factor," said Eric Hoersten, vice president of information technology, Redbox. "We want to make sure our customers can incorporate DVD pickups and returns in their daily routine, eliminating an extra trip during their busy day."

While regional supervisors are mainly responsible for stocking each kiosk in their geography, they are also responsible for the maintenance of the kiosks, each powered by a proprietary software solution running on an Intel-based PC. Whenever a system went down, or required maintenance – regional supervisors had to drive to the location, crack open the kiosk and troubleshoot the problem. While downtime was rare, a single instance could result in a kiosk being unavailable for several hours, even several days.

"No matter how many regional supervisors we employed, there would always be a lag between a system going down and having someone drive out to diagnose the issue and getting it back on line," Hoersten said.

As a result, customers were not always able to access a kiosk to rent or movie, making it likely they would rent DVDs from another source. Even worse, customers who already rented a movie from Redbox could be prevented from returning the DVD, causing customer service and billing discrepancies in addition to lost revenue.

Most of all, however, customers were being inconvenienced, a death sentence for any new service or technology.

### Kaseya Enables Remote Systems Management

It was obvious that a better process to manage and maintain each of Redbox's 2,000 kiosks around the country was necessary in order to achieve the company's goal of 99.5 percent availability. Only then could customers successfully rent and return DVDs

conveniently on demand. Hoersten and his engineering team developed a proprietary VPN solution that gave administrators remote access to the kiosks, however, the solution was limited in the monitoring and management features it provided.

Hoersten then deployed Kaseya Enterprise Edition, an integrated systems management solution that provides a remote and complete view of a distributed network and enables automation of key administrative tasks. The solution is designed to simplify IT management while improving the efficiency of the IT staff.

“Kaseya immediately had an impact on the way we managed our kiosks,” Hoersten said. “It’s a lightweight agent that we can put on every machine that allows us to remotely diagnose and troubleshoot any issue that occurs. It shifted our focus from reactive management to proactive management. Now we can potentially head off problems before they occur, ensuring continuous availability.”

Now, Redbox administrators are able to manage all 2,000 kiosks from a central location near Chicago. They are able to monitor systems health, make sure the hardware is operating properly, update Redbox’s proprietary DVD rental software application, issue Windows security patches and keep track of equipment retirement schedules. All are intended to automate basic IT tasks from a distance, improving system performance, security and uptime while streamlining the process and maintaining consistency throughout the environment.

Kaseya also allows administrators to audit the entire network with the touch of a button, getting a comprehensive inventory of hardware and software. This makes it easy during budget planning and software license renewal periods.

Not only does Kaseya make it easier to manage the disparate network, it also streamlines the deployment stage. As Redbox expands – the company has added more than 500 new kiosks in the past 3 months—administrators are able to set up the new systems seamlessly from a distance. While a regional supervisor needs to be on hand to set up the hardware, the management and remote monitoring software can be configured remotely with a template engineered through the Kaseya solution. Its flexible and scalable design ensures that systems management is never an inhibitor to business growth.

## Key Benefits

- Kaseya helps meet Redbox’s 99.5 percent availability SLA, enabling convenient DVD rentals
- Reliable systems management eliminates down-time, a potential cost of hundreds of dollars per week per kiosk
- Regional supervisors spend less time providing ‘hands on’ management of each kiosk, enabling them to service and stock more systems in their region
- Centralized management of the distributed network ensures consistent IT service across the entire environment and makes administrators more efficient
- Software upgrades and patches are done consistently across the entire network, improving security and the performance of the systems

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Eric Hoersten, vice president of information technology, Redbox

## 99.5 Percent Uptime = Convenience

Through automated, remote and complete systems management provided by the Kaseya solution, Redbox is able to maintain 99.5 percent availability of its kiosks, ensuring customers have access to the movies they want to rent when they want to rent them. By providing a convenient and easy platform for renting DVDs, Redbox can continue to prove its service to the consumer, growing its customer base and expanding its rental network.

Redbox’s proactive approach to systems management catches problems before they occur, ensures consistency of IT service throughout the network and streamlines IT process. Redbox employees – both at headquarters and in the field – are refocused from basic administrative tasks to more proactive projects, improving productivity and making the organization more efficient.

“Robust centralized management not only improves our capability to ensure uptime of our kiosks, but it takes a lot of pressure off our regional supervisors, freeing them from hands on management and allowing them to maintain and stock more kiosks. We can then expand within a region more efficiently,” Hoersten said.

Hoersten estimates that 90 percent of downtime instances are fixed remotely through the Kaseya solution with only 10 percent requiring an on-site visit from the regional supervisor. This remote capability shortens each instance of downtime, making sure systems are back up and running more quickly.

The Kaseya solution also helps Redbox maintain compliance with the credit card industry. By accepting electronic transactions, Redbox is required to comply with the Payment Card Industry Data Security Standard developed by the major credit card companies to combat fraud. Kaseya helps administrators ensure that the latest security software and patches are installed on all the kiosks, and, if ever audited, the solution’s auditing and reporting features make proving compliance easy.