DVBShop Worldwide

There aren't too many satellite dealers that can say they are active worldwide. Most of them concentrate on their own country and maybe a few neighboring countries. One of the few active worldwide dealers is DVBShop in Germany. We wanted to know how DVBShop became one of the pioneering worldwide satellite dealers and decided to pay a visit to Axel Hundt, a majority owner in DVBShop, at the Munich Airport. We really didn't have to travel far; Munich is also home to TELE-satellite.

Of course, there's a story behind why DVBShop developed itself into a worldwide company and how a number of coincidences played a roll in that development. But first we wanted to find out from Axel Hundt how it all started. He explained to us, "I started working back in 1987 as a Project Manager and later on as a Purchasing Manager for a company in the computer field."

In 1994 he switched from being an employee to being an owner: he founded the company "Columbus Computer" and distributed PC components. That worked out

so well that he ended up with 28 employees. IAT Multimedia, a big name in the industry, found out about Axel Hundt's young company and

> DVBShop has its headquarters in this modern office complex near the Munich Airport.

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bought it from him in 1998. It turned out to be a good move: half of the purchase price I received as cash and the other half was in the form of stock", he remembers. He also had no problems giving nearly half of the cash away as capital gains taxes – he still had the stock. The purchase contract saw to it that he remained in charge of the company for another three years.

At the end of his three-year contract, Axel Hundt backed away from the IT industry and worked as an independent management consultant for various medium-sized firms in the controlling, finance, accounting and logistics department. During this time he was able to find time again for his hobby: satellite reception with PC cards, something he had already occupied himself with since 1998: early on he constructed a PVR with which he simply recorded MPG2 streams.

In 2001, mostly out of boredom, he decided to pay a visit to the CeBIT computer trade show in Hannover, Germany. While stopping by the TechnoTrend booth, he discovered a PC card that could do everything

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you could possibly want a PC card to do. He asked what 500 of these model S1600 PC cards would cost and immediately placed an order. Not one week later a truck pulled up to his garage and unloaded a palette.

Now he had to get rid of these PC cards. He started by contacting a DXer friend and offering these cards on various satellite forums in the Internet. He couldn't believe it: in just two months he sold all of his PC cards!

"I ordered a second shipment right away and found out that there was a 2-3 month backorder." What to do now?

"Then I remembered a friend I had at Siemens; I knew that they also bought these cards." Then came the surprise: Siemens had 6,500 of the previous model S1300 cards in stock and didn't exactly know what to do with them. Axel Hundt saw his chance but there was a catch: "I was not allowed to sell these cards in Germany."

This restriction would have scared others away but Axel Hundt saw this as a golden opportunity and focused himself on selling these cards internationally. This turned out to be the cornerstone of his new company that he founded in 2001 and named DVB-Shop: an appropriate name – his company was a shop and he sold DVB components.

Since he was compelled to focus his efforts internationally, he dedicated himself intensely to this theme: "I set up my website first in English and learned how to fill out customs paperwork for shipments all over the world." he explained, "Today, DVBShop delivers to every country in the world; we know the shipping costs and customs formalities for each country."

By the end of 2001, he had three employees; the business flourished to the point that his garage was no longer big enough no matter how hard he tried to squeeze everything in it. "The company that supplied my packing materials became my fulfillment center in early 2004." This finally gave him some time to expand on his website by adding additional languages, a download section, a forum and a currency calculator. He also expanded his product range by adding DVB-C and DVB-T.



Another development that helped bring DVBShop to its current position was shipping costs. While in the beginning it was a lucky coincidence that Axel Hundt was close to the Munich Airport and thus had a short trip to deliver his products all over the world, globalization set up new hurdles for him: DHL opened a freight hub in Leipzig in eastern Germany and started by offering very inexpensive shipping rates. For a global company such as DVBShop that in 2005 had 80% of its sales ship internationally, freight charges were a very high cost factor.

What did Axel Hundt do about this? As in the past where he was compelled to focus on international sales, he came up with something good out of necessity: "One of my biggest customers in Germany was Mario Giebler who happened to be near Leipzig. He sold almost exclusively within Germany."

It didn't take long for things to click. "We mutually decided to form a corporation." Axel Hundt dealt with all the international customers while Mario Giebler focused on the domestic clientele with its much cheaper shipping costs.

We asked Mario Giebler how he ended up selling satellite components: "Actually I am an electrical installer", he explained. He worked with a small installation company with 7-8 employees.

"In 1995 my boss at that time decided to also offer satellite antenna installations", he remembers, "I installed my first antenna in 1995; a simple 60 cm ASTRA system."

In the year 2000, he decided to start selling satellite components on the side. He founded his own website through which he sold PC cards. Back then an Internet-via-Satellite service started that financially supported the necessary PC cards for data reception. Clever handymen quickly discovered how to convert these data cards so that they could also receive TV and radio. These subsidized cards became popular overnight. Mario had the right product at the right time.

In 2003 he gave up on his original job and focused himself fulltime on his website. He soon found a new supplier for the PC cards that he sold: DVBShop.

DVBShop became a corporation in March 2005; Axel Hundt had 80% ownership and Mario Giebler had 20%. In 2007, DVBShop sold more than 30,000 PC cards around the world, although, Axel Hundt is not sure if these numbers will increase appreciably in 2008.

"It depends on whether or not we will find

Orders are handled the very same day. No problem since the warehouse is nicely stocked. Even larger orders can be taken care of immediately.

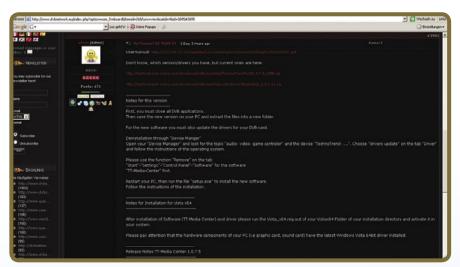
additional distributors", he said revealing his strategy. "The PC card business looks good in the Middle East, North America, South America and the CIS countries", expects Axel Hundt. He is inviting wholesalers and retailers in these areas to work together with DVBShop. He knows what cards are needed in each of these countries and also how to ship them.

On the subject of HDTV, Axel Hundt told us that in 2007 40% of the PC cards that were sold were equipped with DVB-S2 tuners. "For 2008 we expect an increase to 60% and in 2009 100% of the PC cards sold should be the DVB-S2 version." An interesting note: if you are still buying DVB-S cards in large quantities, you should get rid of them as soon as possible – just another argument that you should work with a professional who knows his way around in the market.

"Still missing is a card with a CAM", comments Axel Hundt who regrets that the PC card manufacturers often still think nationally and don't pay much attention to the global market.

> And that's just the kind of chance for a company such as DVBShop. In conclusion Axel Hundt stated that, "Obstacles are not a problem, they are an opportunity that you must take advantage of!"

DVBSHOP Customer Service





▲ Customer questions are answered in the www. dvbnetwork.eu forum. The installation of a PC card can sometimes be complicated since every PC is configured differently. Fortunately, most of the problems have been seen before. The forum's search function finds the answers.

◄ Daniel Bechter moderates the DVBNETWORK forum. He is a computer specialist and explained to us, "I bought my first PC card in 2000; it was a premium card from TechnoTrend." His primary interest is in Home Theater. He tests every new PC card that becomes part of DVBShop's program.