



<https://www.paypal.com>

## Customer Case Study | Blue Jeans Cable



### Product

Custom audio and video interconnect cables

### Challenge

To find a low-cost online payment service for a new online business.

### Solution

PayPal

### Results

- **Reliable partnership.** Now, 95% of the site's revenue is processed through PayPal.
- **Automated order processing.** Close integration between the website and PayPal's payment notification makes processing easy and saves hours of time.
- **Money saved.** This online venture was launched with no upfront fees and the free PayPal Shopping Cart.

**“The fact that PayPal was totally free upfront ... it was just a no-brainer.”**

— Kurt Denke  
Blue Jeans Cable

[Blue Jeans Cable](#), located in Seattle, WA, provides home theater enthusiasts with an affordable way to buy custom video and audio cable for high-end systems.

**The Challenge:** An emerging online business needed a low-cost payment service.

After years of frustration in trying to find the right combination of quality and price on cabling for their home theater applications, Kurt Denke and Pam Moore transitioned from enthusiasts to entrepreneurs. Buying top-quality cable and connectors in bulk and acquiring some basic tools, they set up shop in a home office and listed some items on eBay.

“We just started cutting cable in our living room. After a short while, it got to be such a large affair that we moved it out into an actual shop,” said Kurt. By early 2002, Kurt and Pam decided to launch a direct sales website. As they prepared to change their business model, however, they needed to address cash flow.

“We are basically a cash-financed business, so getting paid upfront for products is critical. Especially early on, this kept us from going underwater in terms of excess inventory or outstanding receivables.” As they began to build their website, [bluejeanscable.com](#), Kurt and Pam went searching for an online payment system that made sense for their growing operation.

**The Solution:** PayPal

As eBay sellers, Kurt and Pam were already using PayPal to accept payments from auctions. After comparing PayPal to several merchant accounts, they decided to incorporate PayPal into their website.

### A cost-effective payment solution with a free Shopping Cart

“At the outset, we didn't know whether this was going to be a very large business or a very small one. We looked at all kinds of payment processing solutions. But with us just starting out, the initial fees to set up a merchant credit card processing arrangement and online payment processing gateway were just too much.”

For Kurt and Pam, implementing PayPal made sense financially. “The fact that PayPal was totally free upfront, that there were no monthly fees of any kind, and that the rates were really competitive, it was just a no-brainer. Plus, the PayPal Shopping Cart is free.”

### A simple integration process

From an integration and ease-of-use standpoint, PayPal was just what Kurt and Pam needed. “With PayPal, we didn't have to worry about integrating a separate payment processor because the PayPal Shopping Cart itself was already integrated into PayPal. I set it up myself, and even though I was pretty new to HTML coding, it was really easy to figure out.”

Because [bluejeanscable.com](#) carries more than 5,000 items for sale, Kurt appreciated the simplicity of PayPal's system. “It's incredibly convenient...with the ease of downloading the ‘Add to Cart’ button code to my website. And building the Shopping Cart buttons was something that I had up and running inside an hour.”

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**“I think PayPal is just a critical ingredient to our company. I don’t think we’d be in this business without it ... or at the very least we wouldn’t be doing it nearly as well without the ease of taking PayPal payments.”**

— Kurt Denke  
Blue Jeans Cable

### Protecting both merchant and buyer

Kurt and Pam appreciate the security PayPal provides for their company and their customers. Because PayPal stores all the customers’ financial information on its secure server, Blue Jeans Cable doesn’t have to worry about the risk associated with handling their customers’ credit card numbers.

Kurt makes a point of emphasizing the security associated with using PayPal to customers. “We tell them that if we decided to set up a payment gateway of our own, then we’d have to become security experts overnight. But PayPal has its whole business tied up in web payments and it is committed to making sure that the transactions are secure. This really seems to reassure buyers.”

### Efficient order processing

As a three-person operation (Kurt’s brother also works for the company), Blue Jeans Cable needs to be efficient. Between the website and PayPal, they’ve been able to automate the entire order-entry process.

“What we’ve done is set up our incoming email to flag PayPal transactions when they come in and direct them to a printer,” says Kurt. “We literally take our orders out of a printer drawer all day long and put them in queue for processing.”

“The beauty of PayPal from our standpoint is that it can be totally automated. The email comes in with the list of the shopping cart contents and a confirmation that the payment has been made. We’re free to spend our time fulfilling orders.”

### Flexible reporting tools

But getting products out the door is only part of the work of an online business. Bookkeeping and sales forecasting need to get done as well. Kurt and Pam use PayPal’s reporting tools to quickly and efficiently manage the financial side of their business.

“We regularly consult our online Merchant Sales Report. We also use the ‘Download History’ function to bring the transaction data into MS Excel and do some analysis – what we took in and what we’ve paid in fees.”

### The Results: A successful transition to online selling

Since launching in 2002, bluejeanscable.com has found a loyal following of regular customers and enjoys steady traffic. With hundreds of orders rolling in every month and an ever-expanding transaction volume, Blue Jeans Cable depends on PayPal to manage this success. Today, PayPal is the channel for roughly 95% of the site’s revenue flow.

Kurt and Pam launched this business as a labor of love. It has turned into a profitable venture. “It’s gotten to be quite something here. Sales have exceeded our wildest expectations, which is pretty unusual because I’m a pretty optimistic guy.”

Kurt credits PayPal with playing a large part in the success of Blue Jeans Cable. “I think PayPal is just a critical ingredient to our company. I don’t think we’d be in this business without it ... or at the very least we wouldn’t be doing it nearly as well without the ease of taking PayPal payments.”



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