

Best in Class

Best Buy is winning with women...
and everyone else.

BY DORI MOLITOR

WOMANWISE

My husband and I walked into a Best Buy store in Richfield, Minnesota at 1:00 p.m. on a Sunday afternoon. This wasn't the location we typically shop at and my first reaction was, "Wow, what's going on here?"

From the first minute I entered the store I realized this wasn't the Best Buy I knew. The store is one of two prototype concept stores, known internally at Best Buy as "Studio D" (*see sidebar*). All I can say is, what a difference five years of research into women shoppers can make.

We were on a quest for two things: an update on a wireless handheld and to learn more about webcam capabilities for my work. I was dreading the task and walked in the door expecting the usual cold, cavernous and loud confusion. Instead I entered a calm, warmly lit, open store with clear markers for each area of interest: Home Theatre, Computers, Wireless, MP3, and so forth.

It was immediately evident that "Best Buy for Business" was to my right, so I started walking in that direction. In less than two minutes, I was greeted by Nate, an approximately 35-year-old sales associate

who approached me with a smile and jokingly said, "You look like you're lost, can I help you?" I told him what I was looking for and he said, "I can help you, Dori, follow me."

I later learned that Nate had been well-trained in how to relate and sell to women. At Best Buy, the sales associates are taught what's referred to as the 30/10 rule—that is, to ask to help a customer if you notice she's been looking lost for 30 seconds, or you're within 10 feet of her.

Nate had also been trained to shake the woman's hand before the man's, give equal eye contact to both, exchange names immediately and to repeat the customer's name three times within the first few minutes. That's so it registers in his mind and also makes the customer understand that he is truly listening to her specific needs.

We went to the wireless area where the BlackBerrys, Palms, etc. were showcased in an attractive, serpentine-shaped display that was feminine and aesthetically pleasing. The curves afforded a bite-sized visual versus just a long line of products. The display was just three-feet high for easy access both physically and visually.

Nate's questions were not about the features I was looking for, but rather about how I was going to use the device, my business situation, and what I hoped to achieve. After the brief exchange, he concluded that my main priority was to stay in communication while I'm traveling. With that, he proceeded to demonstrate the BlackBerry in a very simple, logical way.

He shared his personal experiences—what he liked and didn't like and why he'd suggest the 8830

model, which was different from his, for my specific needs. This was too simple, so I threw in my desire to also be connected to my calendar updates. I knew this would be more of a challenge as the software network I use in my office is not a common platform for many of the wireless models.

He went online to search compatibility and quickly concluded that my calendar software was a problem for BlackBerrys, Palms and the iPhone; even the NightHawk upgrade coming soon was not going to change compatibility. He confirmed my wireless pricing packages from Verizon and AT&T and gave me brochures, clearly marking in pen the options and packages he recommended.

By this time, I felt I had everything I needed to know and felt completely confident that I had been expertly guided to the right solution. Nate, however, could sense I wanted a solution that met *all of my wishes* and we hadn't solved the calendar software issue. Since I had mentioned discussions with my internal Macintosh IT expert about upgrading our calendar and contact software, he thought we should get a quick opinion from the Apple consultant in the store.

We walked 15 steps to the Apple store and after hearing my situation the consultant said I shouldn't be looking at Outlook, but rather Daylite, a Macintosh-compatible management program that was going to be easy, give me more than my current software as well as sync with all the wireless platforms. I jotted down *marketcircle.com* to check it out further.

Then we moved to the webcam discussion, which was very simple. Given the high-definition video camera we use, Nate felt there was a high likelihood that all I needed was a wireless transmitter and my video taping of our *Girlfriend Groups* insight discussions could feed straight to the internet for live viewing by clients.

Since I wasn't sure of the exact model I had, he gave me his card and invited me to stop in any time with the camera. If the wireless transmitter wasn't an option, we could achieve my needs with a traditional webcam for as low as a few hundred dollars.

SAVVY ABOUT WOMEN

At this point I was so impressed with Nate's savvy insight about selling to women that I

complimented his skills and asked him if he thought there was a difference in how women shop versus men. Without a moment's hesitation he said, "I think women are smarter in their purchases. Women want more information and want to understand the benefits, whereas men are more impulsive and focus more on the features."

He went on to say that women are looking for exactly what they *need* and men are looking more for what they *like*. He's absolutely right. Women are looking for the perfect solution and set out on an information-gathering mode before making decisions, and her journey includes friends and family, experts, online forums and more.

Nate was so knowledgeable that I wondered how Best Buy could afford someone as experienced as he is on the floor. He spent one hour talking to me about wireless devices and webcam options to fit my specific needs. He *expected* the detailed questions as opposed to being irritated by them.

In fact, his patience outlasted mine. I was testing the limits, getting tired and was ready to move on, but he showed no signs of impatience. He was committed to helping me until I said I had the information I needed. I later experienced this same level of expertise and professionalism throughout the store. Everyone we encountered seemed extremely proud to be part of Best Buy and talked as though they were the owners of the store. Employee pride and enthusiasm was beyond belief.

A STORE ABOUT STORIES

That same spirit was reflected in the store layout itself, which did not convey the usual big-box feel. Shelving throughout the store was no higher than six feet (with the exception of some shelving on the outside perimeter, but even that was minimized by graphics and architectural details).

I could see across the entire store and easily identify the different sections. Circular hanging mobiles designated the different store departments, making navigation obvious and intuitive. Endcaps integrated merchandising—for computers, webcams, speakers, printers and brochures for the Geek Squad (Best Buy's technical-assistance services).

Each area of the store tells a different story.

Best Buy has its eyes not on what Wal-Mart and Costco are doing, but on what women want.

Best Buy's Studio D

James Damian, *svp of merchandising for Best Buy*, explains how the retailer is reinventing the shopping experience with women in mind.

Female customers have told us our stores are too loud, that they're too much of a warehouse, that it's too hard edged, that we cater more to men than women. They also have said that they feel like they're asking stupid questions and that they are not going to get the time they need.

We developed a concept called *Studio D*, which launched over three and a half years ago, just for women. We have a women's movement inside the company

with a senior vice president who has developed a women's leadership forum called WOLF and projects dedicated to winning with women. *Studio D* is one of those.

Studio D is about the art of digital living, with classrooms, and putting together all digital products so that women can learn how to shoot their own videos, convert their analog photos into digital archives, and be able to e-mail those photos to their families and their friends. The benefits of the learning from that are the ingredients that are going into these new concepts that we're doing for Best Buy.

It's a softer environment. The total interior is carpeted with 24" squares, so it can be expanded and contracted based on different merchandising formats. The carpeting softens and cushions the environment. The color palettes are done with our brand color of blue, but it's warmed up with some earth tones.

Our next release, in our Roseville, Minnesota store, will have an "inspired living" area, which is the intersection of fashion and technology. The environment is different, the operational model is different, and the hiring and recruiting are different. There are more female selling associates on the floor.

When you enter the Home-Theater department, the aesthetics change. Gone is the fluorescent lighting, replaced by track lights, earth tones and wood paneling. It's a home-like feeling with leather chairs, a sofa and large, plasma TVs. The Musical-Instrument department is especially notable for the expertise of its staff—they all play instruments, and if you buy a guitar you get four free lessons from your sales person.

Best Buy's premium photo lab, meanwhile, is specifically designed for women. It features high-top workstations like women prefer, each with a computer, scanner and printer for easy access. The stations are in a circular position, making it conducive to chat to other women while you do the photo work. The furniture is comfortable and attractive; the areas are clean and feel fresh. Why would I ever sit at a ProEx again?

Straight down the middle of the store and on the far end is the Appliance area, which is the most impressive part of the store. The entire area measures some 8,000 square feet, but is designed so that you can see everything going on from one end to the other. Around the perimeter is a graphic banner measuring about five-feet high and suspended about

15 feet above the floor. It offsets the space without being visually obstructive.

The graphics are beautiful, contemporary and inviting, bringing emotion to the space. In the laundry area, the oversized graphics are of bright, cozy towels, while in the kitchen-appliance area they are of mouth-watering fresh, green peapods. Appliances were not stacked, but rather displayed side-by-side, the way you'd find them in your home. No price tags or spec sheets were visible on the outside of the door—again, simulating a home-like look and feel.

The areas adjacent to the surrounding departments feature displays of small appliances that are eye-catching and pull you into the Appliance section. When I was there, they had retro, multi-colored KitchenAid mixers and blenders on a round, circular display. The colors, unique appliances and attention-getting displays made you want to buy something to update your kitchen.

A setback display, with halogen lighting and contemporary seasonal graphics featured the latest trends in appliances. It included a very cool espresso machine, pannini maker and juicer—but my very favorite was the "kegerator"—basically a small bar refrigerator with a keg spout on top. Essentially you

The presentation is different because it starts to get into visual merchandising from a collections-driven perspective, where you're seeing the convergence of different categories into what we call the "rooms" or the "feature stages." They are not enclosed rooms, but they are stages and centers of each one of our main businesses that showcase how all of these things come together in your home office environment, your kitchen and your family room.

The other thing that's different is that we have a full-blown service environment, including curbside pick up.

If a woman is coming to Best Buy to pick up something that she's ordered online or called ahead to the store and she has her children with her, she can go to a dedicated parking spot, right in front of the store.

Women are a key part of how we are thinking about the retail experience, but it's really done with *people* in mind. We're not picking here. It's about how people are shopping, and using the products. Do we actually know what people are doing with the gear that we sell? Do we know what they're creating? Do we know how they're communicating? Do

we know how they are escaping? Do we know how they are managing their lives? Do we then know all of the things that they're missing that they want? It is the investigation of those questions that makes a great retailer.

Great retailers know their audience and they are there to serve them. And that is something that requires a desire to build a relationship that's trusted. We need to be a trusted friend on behalf of our customers.

That's where preference lives, and that's what makes a great retailer or a great brand: to live in the world of preference.

can remove the shelves and put in the keg for that big Super Bowl Party!

At the center of the department are two kitchen "vignettes" where a drop-down ceiling gives you an at-home feeling. It has home-style lighting, is wired with speakers and the latest technology for TV, computers, etc., to showcase the possibilities. Adjacent to the kitchen is a home-like living-room setting including a large-screen plasma TV, fireplace, and a computer station for kids to play videos while their mom works with a consultant.

Best Buy recognizes that the kitchen is the hub of activity in a home and the vignette is set up as the hub of the department. Like someone's home, it is designed to be functional and comfortable. You can sit in the kitchen and work with the consultant at the high-top counter. At the same time, you can keep an eye on your kids who are being entertained and in no rush to leave. You can relax and focus on planning and shopping.

WINNING WITH WOMEN

Best Buy has transformed itself by making its customers central to everything in its business. They've spent several years listening intently to women customers and asking their opinions about everything

from her overall store experience, to what products and services she'd like available in the store, to how and where she would like to have them displayed. Best Buy has had its eyes where they belong — not on their own belly-buttons, not on what Wal-Mart and Costco are doing, but on what women want.

Best Buy is succeeding in their transformation because they started from the inside-out. The WOLF initiative, Women's Leadership Forum, is a movement that's developing astonishing women leaders, cross-training within the organization and driving bottom-line business results. This is a company that's not about talk, but about truly serving the women's market. And it all begins and ends with discovering what women want. ■



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