

Argyle Conversations

by Argyle Executive ForumSM

Scott Moore, Vice President of Marketing of Best Buy's Connectivity Business Group, discussed the fundamentals of a successful marketing strategy, why focusing on the customer is so important, and the role digital media and social networks can play during a conversation with Tony Ward, partner, Kurt Salmon.

TONY WARD: Scott, please tell us about your responsibilities at Best Buy.

SCOTT MOORE: I've been with Best Buy for nearly 10 years and have been with Best Buy Mobile since its inception. As the company proceeds through its recent transformation, our team has been given slightly broader responsibilities. I now lead marketing, strategy, and insights for not only the mobile phone group, but also for computers, tablets, MP3 hardware and accessories as these are the devices that are driving customer engagement in the connected world. We still manage the Best Buy Mobile brand and small box chain, but our team is now charged with aggressively growing the broader business over the next five years. That said, for the purposes of this interview, I'm going to focus on the mobile business which has seen tremendous market share gains since we launched the proposition.

In terms of scope, we have a traditional marketing team that focuses on both internal and external marketing, a corporate strategy team that focuses on our partners and ecosystem development; an insights group that drives customer research; and an independent group dedicated to digital and physical proposition development.

What is Best Buy's perspective on digital marketing? How do you approach it?

Digital marketing offers a new set of tools for any marketer. The space represents new ways to connect with your customer and all brands across the world are trying to figure out how to do that better. With new ways to connect, we have to create new meaning for our customers and offer opportunities to generate deeper connections to the brand. And while we're huge fans of digital marketing and the potential it brings, what often gets lost in this conversation are the fundamentals.

In our view, we can't spend enough time addressing the core questions – regardless of the marketing vehicle: Why do we exist? What's so special about our store and our proposition? Have we defined the most meaningful problems for our customers and are we genuinely concentrating on those issues? Marketing is at its best—driving the most value—when it's operating on this higher plane.

Best Buy Mobile is a good example. In 2006, mobile phones were becoming an important part of our customer's lives. We stopped to ask "what role" Best Buy was playing in that space at that time. Unfortunately, we learned that we were actually getting in their way— doing a poor job of helping people understand, access, and activate these new devices. We slowed down and created a fundamentally new, meaningful, executable "Customer Promise". We invested to align the entire organization on the kind of customer experience we would need to make a difference in the market. Over time, this new promise anchored all of our work: experience design, proposition development, and all forms of marketing. Not surprisingly, our current digital efforts are focused on demonstrating how we have created a better way to choose—and use—your next smart phone.

Is Best Buy's digital marketing replacing its traditional marketing efforts?

We're in a unique position at Best Buy. We have 30 million Reward Zone members that we communicate with on a daily, weekly, monthly basis. If you look at that program, you can see how it has evolved from simply mailing certificates to our customers to having a deeper digital relationship. Everything is moving to digital platforms because that's how consumers live today. The same is true for our traditional weekly circular. Each week, more and more customers are choosing to engage with the digital version—and their having a great experience.

What is your strategy for improving the customer experience?

We're doing that foundational work right now across this new group. That said, looking back on the mobile experience, we know that this is a field where customer expectations are high. We can't do enough to personalize the experience and give consumers what they want.

Not surprisingly, our experience design answers the question: how does this product, program, or experience help us deliver against this promise: "Mobile technology is amazing, but shopping for it isn't. We think there's a better way. How does it help us demonstrate: 1) we have the right phones and phone network in our stores, 2) offer informed and impartial advice, 3) provide straightforward pricing, and 4) deliver on our commitment to be there for you for the life of the phone. As a marketer, I would love to focus our attention on just one of these things, but with a complex purchase like a mobile phone, we have to deliver all of them.

An emerging problem is that people are spending hundreds of dollars for a smartphone but they don't really know how to use it. So we've invested in the consumer relationship after the customer has left the store. A good example of this is a program we created called Happy 24, which focuses on making the 24 months you own your phone "the happiest phone-owning months of your life". We want to help you deepen your relationship with your phone. For Best Buy, that means getting to know you, recognizing what phone you have, what plan you're on so that we can figure out what tips and tricks would be most helpful for you. I don't think we would have thought of that program five years ago, and we certainly wouldn't have had the assets to personalize it in the way we do today.

How do you approach social media in the subset of your traditional marketing plans?

We always start by asking: What is the strategy? What are we trying to accomplish? What is so compelling about our business that we have to push out into the social media sphere and have people understand it? We start there, but it's clear that if you're not including social media in your marketing efforts, it's at your own peril. You have to be thinking about how your efforts are going to be communicated out into the social networks. An important question is: what do you expect social networks to do with the information that you've put out there?

Over the past few years, there has been a lot of experimentation around how to engage people through Facebook and Twitter. The most comprehensive effort we've made was during this year's Super Bowl. We selected that venue because it is a tremendous marketing stage where we could launch a huge brand message. We came up with a compelling offer: if a consumer went online and gave us his or her phone number, we'd hold a \$50 Best Buy gift card for that person to use anytime this year. This promotion addressed core marketing problem: a lot of people want new phones, but not everyone is eligible for a phone on any particular day. It's a microwave market where all of a sudden, you're in the market but you're only in it for a short period of time. You make your decision and then you're out of the market for 24 months. We needed to find a way to encourage people to buy a phone from us.

The actual promotion didn't occur during the Super Bowl. The Super Bowl's job was to create awareness that Best Buy is in the mobile phone business and is doing it in a different way. From there, we used a blend of internal and external assets to activate. We reached out to our best customers, the 30 million Rewards Zone members, and invited them to participate. Best Buy's biggest fans are on Facebook or follow us on Twitter. Best Buy executives have pretty large Twitter bases. So we pushed the promotion out to them in a friendly way. We complemented it with an extensive digital media buy. In the end, we had more than a half-million people volunteer their information so they could reserve a Best Buy gift card. It wasn't just a pure digital strategy. Social media was a critical amplifier.

What are you doing to improve the in-store experience for Best Buy customers?

The problem we see from a consumer perspective is that many customers simply don't understand their phones, they want to do more with them but they have a hard time getting started. That's why we created program we call Walk Out Working. We realized that too many consumers were walking out of our store without knowing how to use the device they just purchased. Now we invest a few extra minutes at the end of every transaction to make sure that the phone is activated, that the customer's contacts have been transferred, their e-mail is set up, and that they know how to do a few basic setup activities. We want our customers to leave the store with confidence.

Where does a program like Walk Out Working come from?

It didn't come from reading a Nielsen report or looking at data. It came from listening to customers, watching what was going on in stores, being in deep discussions with our retail associates about what's happening at the moment of transaction, and realizing that we needed to invest in helping consumers have a better experience.

In many ways, the retailer is the consumer's editor. When we're at our best, we are simplifiers. We use our broad network and knowledge to find out what's the best technology for our customers and how we can simplify that knowledge to help consumers choose the right product for them.

Many retailers are concerned with the increasing amount of “showrooming,” where consumers go to a store to look at a product, figure out what they want, and then go home and order it online. Do you see this as a threat? What are you doing to combat this activity?

That’s a hot topic at Best Buy and we’ve been seeing this coming for years. Ever since the Internet arrived in full, consumers have been coming into our store more informed than ever. They arrive with printouts of research they’ve done—but they still feel a need for additional advice. Sometimes customers want technical advice, where they’re genuinely confused and need help. Other times they just need reassurance. The smartphone simply accelerated this behavior.

Consumers in our stores now have the ability to ask questions on the spot. That’s made things more complicated for our blue shirts because, sometimes, the customers actually have more information than they do. In my view, Best Buy needs to do everything we can to even the playing field. People still want impartial advice; they still want someone who can help them make the right choice. We can help customers look across their broad assortment of choices to find the phone that is right for them. But we can’t move fast enough to provide our team with the tools they need.

I may be old fashioned, but I still believe in a customer experience in which a consumer begins to research independently then go to a store to touch it and engage with an associate to understand if the solution you came up with is really right for you. This holds true across the retail estate: clothing, cars, electronics, and beyond. That said, we recognize that there will always be a segment of customers for whom price is the number 1 driver of their decision making. They’re going to decide on price no matter what we do. If we have the best price, we’ll win, and if we don’t, we’ll lose.

But I don’t think that describes the majority of the market. There are many consumers who simply want to make the best decision for themselves and their family. They want to feel confident that they made the right choice. And despite all the amazing information they now have access to, these remains complex, difficult decisions. Best Buy can play a role in helping them find the right solution.

What lessons have you learned about how you develop a marketing strategy?

I’ve worked in various marketing capacities at Best Buy, and the number one lesson that I’ve learned during the last five years working with Best Buy Mobile—which should come as no surprise at this point—is marketers need to properly identify the most important problem that needs to be solved for their customers and then align all efforts against solve that problem, 360 degrees.

It seems so simple, but people spend too much time focusing on new gimmicks and side elements that are not actually central to the customer experience. I continually ask myself whether we are solving the most important problem. Once defined, I want to create a religion around the proposition. This is the hardest work yet it yields the greatest reward.

Looking back, it seems like I must have written tens if not hundreds of “brand manifestos”. Because we’re good with words and concepts, marketers get asked to do this a lot. That said, how many of these manifestos are clear and simple? With no double entendres? How many have full alignment with the sales team, the P&L owners, even the finance department? How many are used to guide corporate strategy for more than 12 months? Whether you like the words or not, that Best Buy Mobile promise has everyone is marching in the right direction.

In the end, marketing is not just about driving about traditional metrics. It’s about engaging deeply in the business, building partnerships, having direct relationships with at executive levels, and having the influence to move people. When we do this, marketing has a full seat at the table and the enterprise starts to feel the market-moving potential of our craft. 

BIOS:

Scott Moore

Scott Moore is Vice President of Marketing for Best Buy's Connectivity Business Group. He is responsible for marketing, value proposition development, strategy, and customer insights. For the past 5 years he served as CMO of Best Buy Mobile, a joint venture between Best Buy and Carphone Warehouse, PLC. Prior to this, he held leadership positions with Best Buy Advertising, Hunt Adkins, and Fallon Worldwide.

He began his career as a Teach For America corps member working in the Houston Independent School District. He subsequently served as regional director for TFA New Jersey and is a founding board member for KIPP Stand Academy, a charter school whose goal is to put students from North Minneapolis on the path to college. He is a graduate of Wesleyan University.

He lives in St. Paul with his wife and two children.

Tony Ward

Mr. Ward leads the Hard Lines Practice within Kurt Salmon, a global management consulting firm focused exclusively on the retail and consumer products industries. Mr. Ward has more than 20 years of experience in supply chain management, global product flow, transportation, sourcing, and enabling technologies. Prior to joining KSA, Mr. Ward was a Partner at Cap Gemini Ernst & Young, Verticalnet, and Whitman Hart. During his career, he has served as a trusted advisor to some of the biggest brands in the world, assisting with their global supply chain needs and helping them achieve significant business gains.

Mr. Ward has spoken at CSCMP, RILA, SAP, Oracle, and many other supply chain forums. He has been featured in more than 40 articles, and is a contributing author to several books. Mr. Ward is also a member of the Executives Club of Chicago and the Council of Supply Chain Management Professionals (CSCMP).