

THE HUB

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Sony's Style

Dennis Syracuse infuses consumer electronics with haute couture, and whips up a whole new kind of shopping experience for women at Sony Style stores nationwide.

Why did Sony focus on women in the development of its retail stores?

There was some research done last year by the Consumer Electronics Association that showed—for the first time

ever—that 53 percent of electronics purchases were made by women. Fifty-three percent signed on the dotted line—not influenced. If we go to influence it's something like 80 percent of electronics purchases are influenced by women. You're not going to buy that TV if she wants to buy the hutch! This is dotted line, sold.

We were a couple of years ahead of the curve in recognizing that there would be an opportunity for Sony to create an environment where women would feel comfortable. Because the environment is so warm and inviting, people are not afraid to ask basic questions. That's important because women do a lot more homework than men do when they are going to make a purchase.

Is it true you got some of your insights into how women make purchasing decisions by going to Tupperware parties?

That was just one thing I did. I also attended Clinique seminars. I went to Franklin Covey to see how they taught people to use their planners. I went to Home Depot, and to Apple seminars. There was a host of seminars and such that I went to. And having been to

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many, many fashion shows—and attended many, many seminars over the years—I just took that base and added to it.

What did you learn? What were your key insights?

The insights helped me create the environment—an environment that would welcome people, invite them in, and not be so overwhelming that they couldn't make a decision or felt that they were intimidated. That was number one. From many of the seminars I attended, I learned that it was about the individual, person-to-person contact and the ability to answer their questions and give them the right information that mattered most.

As one result—all our store personnel are wired together with wireless headphones. So, if someone poses a question to you, and you don't have the answer, you don't have to fumble around to get it. You just throw the question out to the rest of the staff, which can re-guide the customer over to another salesperson who knows the answer. Or, if nobody in the store has the answer, the concierge goes online and gets the information.

There were multitudes of things that I learned. One thing we tried to change from other electronics retailers is that our salespeople are not on commission. So, it doesn't matter who makes the sale; they get a →



← commission but it's based on mystery shoppers. It's their ability to score high in the shopping experience that drives a third of their commission process. The other third is based on selling the customer all of the pieces that they need to complete the experience—the Sony camera, bag, printer—everything they need so that they have a complete solution.

That's actually one of the things I learned from Tupperware. You don't just buy one piece of Tupperware. You buy sets and you buy solutions. So we crafted the staff experience so they are really supporting what we are trying to do from a customer service standpoint.

How has high-fashion informed your development of the Sony Style stores?

We've created a store environment that wasn't so much driven by the technology and the "wow" of the technology, but that was more sophisticated, using cleaner palettes. Our graphics are changed out four times a year, depending on the hottest fashion colors. So, the raspberries were featured during the fall and holiday season. For spring, we'll switch into different colorations to support a fashion statement. So, immediately you start to see that there's a fashion statement.

We spent hours and hours and hours picking the right fabrications. I had eight people in a room for four hours, just to choose the right shade of maple. Some would say that's an ordeal, but in the fashion world, it's normal. It can take a week's worth of work just to choose the one fabrication. We went through the same thing with every other fabrication in the store.

If I were to walk into a Sony Style store—what would I see, what would it be like?

The first thing you'll notice is that the coloration is very soft, very inviting. Many of the surfaces have a very subtle pattern to them, so that you'll want to touch and feel comfortable around the entire environment. We also have scent machines in the stores to create a warm, inviting aroma.

The other thing you notice right away

is a concierge desk. We were the first to introduce a concierge desk to the front of the store. It's not a cash register; it's strictly there for service. If you move to the left, you'll see a "learning lab" area— where we use scrims, which is a high-fashion design element, that softens the ambiance and yet gets messaging out.

You'll see lifestyle settings, but not living rooms. So, for example, the plasma area has three plasmas on display. One is over a fireplace, and then there are two different sizes on either side in a living room environment on different stands. The chairs are all moveable, so the consumer can move them forward or back to configure what their experience would be like at home, and then make a decision about which one would be right for them.

How did you factor in that many of your shoppers would have kids in tow?

For one thing, we have very large aisles, so that people can walk in and out with their kids' carriages without a problem. We also put the PlayStation area near the main cash register because we found that the kids loved to play with PlayStation, but if the cash register was far away, the parents were freaking out. So, we created an environment where you can keep an eye on your kids and it's safe. We re-designed the store specifically for that. It's one of the key elements.

We've got a "what's hot" area in the center of the store after the concierge desk. It's all lit with kinetic lighting and it's very cool. Also, it's at adult height for about two feet and then it shifts down to child height for two feet and then it shifts back up to adult height. So, it encourages you to have your child right next to you.

Are all of the stores in suburban shopping malls?

We made the decision that if we were going to impact women and families, we had to go to malls—not strip centers, but malls. We chose the top metropolitan markets and took a look at the best malls in the country. Our very first store in South Coast Plaza—when we went to them all we had was sketches of what the concept

was going to look like. The fabrications had not even been decided yet.

We spent five or six hours in the mall, with their entire real estate team, looking at the various options of where we might be able to be placed in the mall. Our intent was to be placed near the fashion wing. The mall, of course, wanted to put us in the other wing, where the home furnishings and technology was—and where an Apple store was. We convinced them that this was a totally different concept and they should, in fact, place us in the fashion wing.

They did—they actually placed us next to Gucci, across from Versace, Ron Herman and J. Crew. It was a totally different approach. It was not lifestyle or home-style; it was, in fact, integrated into the fashion wing. And since then we've been able to place our stores next to Harry Winston—we're next to Tiffany's in a number of malls. We're next to Coach, Sephora. It really communicates that electronics can be a fashion item. It also supports the fact that we're exciting and new because we're an entertainment business.

Won't these stores upset other retailers that sell other Sony products?

We don't see it as such. We see it as an opportunity for us to support the branding and educate consumers about Sony products. The analog world moving to the digital world has caused huge confusion among consumers. HDTV, for example, is causing massive confusion among consumers. They don't know what it all means. They have no idea where to start. We, as Sony, being a leader in television, can take the opportunity to support education about our product, what it can do and what the benefits are.

In any case, we don't have a full product line-up at our stores. Because Sony Style is a fashion store, in presentation, you're not going to see every clock, PC or plasma Sony makes. Presentation is according to what's new, what's very exciting in the market, what's a smaller item that fits the female profile.

In fact, we make those decisions so that we can enhance the experience. So, if you're looking to see every single one of

the plasmas that Sony makes, you'll have to go to one of our dealers. We support that because you can come back to us and we'll teach you how to use it.

Is it fair to say, then, that the stores really are more of a marketing medium than a distribution channel, per se?

I think that would probably be fair. Although, I have a P&L and I can't have a loss at the end of the year. So, it's a combination of both.

How will you know that the stores have been a success?

They are a success already. I am getting approximately 350,000 to a half a million visitors per store location. That's almost an anchor.

Are there any other measures of success?

Yes—the individual customers who call me, or write me a letter, and say “This has been an experience like no other. This is incredible. Thank God you people have done this. Thank God we can come into the mall and experience all of your products and really get education and straight answers from you.”

Obviously, as I trend toward the P&L and make money, that's a success factor. But it's truly the number of bodies who are walking through the store and who are being impressed with who Sony is.

Our Las Vegas store that just opened about three months ago is trending to have a million shoppers in the course of a year. Now, Vegas gets 37 million visitors a year. So you're looking at close to two percent of every person who comes to Vegas comes into a Sony Style store. And, of course, 70 percent of that traffic is U.S. based. The other 30 percent is international. From my standpoint that is a success.

Our challenge, of course, is how to reach out and provide service. We are always working on that because when you have 3,000 people in the store over 12 or 14 hours, that's a lot of people walking in and out. Ultimately, you've simply got to come into a store and experience it to understand what a success it is. ■

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