

CHAIN STORE AGE

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Ring, Ring...Hhgregg Calling!

Automated voice-messaging system could deliver a merry holiday season for Hhgregg

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(**November 1, 2009**) As the 2009 holiday shopping season gets under way, retailers industry-wide are relying on their customer relationships to help drive sales and make the most of this critical shopping period. Leaving nothing to chance, consumer-electronics retailer Hhgregg is banking on a Web-based voice-messaging system to tap into its loyal shoppers and drive revenues during the season. Nightmares of last year's holiday shopping season, which was described by some as the worst holiday season in history, are still vivid in retailers' minds. The good news is chain stores may fare better this year, according to the International Council of Shopping Centers.



Hhgregg's new system targets customers with automated phone calls and tracks results.

Indianapolis, allows retailers to create, send and track voice messages tailored to shoppers' interests and preferences. With the solution in place for just over a year, Hhgregg believes it is an ideal way to reach shoppers in a sluggish economy.

"When the economy took a turn last year, we knew we needed to step up our promotional efforts in a cost-effective way, and we wanted the option to be non-invasive," explained Gregg Throgmartin, senior VP store operations for the 118-store chain. "This software allows us to reach

With more consumer electronics on the market than ever before, the bar is raised for electronics retailers to deliver the most in-demand merchandise at an enticing price. Rather than rely on tried-and-true marketing strategies in a recovering economy, Indianapolis-based Hhgregg hopes to come out ahead with its automated voice-messaging system.

The Web-based platform, from Vontoo,

customers who want to receive information from us, and through the means they choose—in this case, the telephone.”

The retailer installed the system in October 2008. Using the Web-based platform, Hhgregg uploaded shoppers’ telephone numbers and contact information through the platform’s online portal. Then using a traditional telephone, Hhgregg executives recorded a marketing message that is uploaded to the online interface. Finally, Vontoo allows the chain to tailor the promotion’s outgoing call volume and delivery times.

Next, the chain integrated the solution’s customer interface onto its Web site, hhgregg.com—a move that allows shoppers to subscribe to the service online. Consumers sign onto the site and enter their e-mail address in the “Sign Up for Savings” section.

“They enter their name, phone numbers, e-mail and merchandise of interest within the categories of electronics, appliances and home goods,” said Throgmartin. “When we have information to share with them, they receive a call.”

While mass-marketing programs are difficult to measure, the platform enables Hhgregg to use online reports to track results of these targeted messages, as well as count conversations and measure return on investment.

While the company didn’t promote the new service right away, within only a few weeks 1,000 shoppers signed up for the program. But Vontoo proved its value as Hhgregg headed into the dismal 2008 holiday shopping season.

At that time, many retailers struggled to drive sales. Stuck with slow-moving inventory and low consumer demand, a majority of chains resorted to deep discounts to attract shoppers to even visit stores. Hhgregg had a different strategy.

The chain sent out its first round of targeted phone calls two days prior to Black Friday, Nov. 28, 2008. “I called with a ‘personal’ invitation to our stores on Black Friday and mentioned some of our door-buster sale items as well,” he recalled.

Approximately 1,100 customers received a call, and 3.5% of those shoppers made a purchase that weekend. An average transaction was \$1,676, and total revenue that resulted from the call was \$63,690, Throgmartin noted.

This holiday season the retailer will again use the solution to alert subscribers to its Black Friday specials days before campaigns are advertised to the general public. Hhgregg currently has 2,200 subscribers who could receive these targeted calls.