

Excerpts

Barry Judge, CMO, Best Buy

On Social Media and Marketing:

“Ultimately broadcast messages are not going to be very successful in my opinion. It’s going to be those conversations and how you show up. And if you show up in a way that’s genuinely interesting and genuinely not trying to drive an agenda or a point of view, I think you can really turn consumers on because they’d love to be part of the creation, not just getting feedback on what you created. We have to figure out how to turn that on.”

On PR:

“I think when you make yourself vulnerable – which is what I think you have to do to be interesting in the social media space – you’ve got to be interesting, you’ve got to be vulnerable, you’ve got to be human. You’ve got to say things that a person would say. And I think that’s a very different sort of approach than companies have traditionally taken in the last 100 years.”

On Metrics:

“[The space just] feels right and we need to participate. We’re not going to let that absence of metrics get in the way for now.”

On Finding the Best Ideas:

“I really believe in the concept of the best ideas don’t exist in any individual, but the best ideas exist in the ability to collaborate across multiple points of view both inside and outside the company.”

On Branding and Social Media:

“Social technology for me is personal, it’s human, and brands aren’t always a person... It isn’t any individual. I think that’s going to be the brand of the future. It’s not the customer care group that’s responsible for this – everybody is. And you can make a difference; everybody can make a difference in his or her own way. I think there’s some basic understanding of what the brand is about and there’s some basic understanding of policies and then you hire the right people, like Zappos does, and you let everybody participate and for the most part people will do the right thing. They won’t do the right thing every time. But if you hire the right people and they’re trained to some degree and have some knowledge, then in general they’ll do the right thing and the brand will be better off because it will be human. So I think that’s the opportunity. I think brands can become human.”

On Creating Trust with Customers: “To the extent that we can basically be human with what we know and share it as freely as we possibly can, I think we’ll go a long way towards gaining a higher or stronger level of trust with the consumers.

On Competitive Differentiators:

“Our people are the differentiator; they are the reason that you come to Best Buy.”

Full Transcript

Barry Judge, CMO, Best Buy

The following is an edited transcript of the CMO 2.0 Conversation between Beeline Labs' Francois Gossieaux and Best Buy's Barry Judge.

Francois: Barry, tell us how you are evaluating what to do and what not to do at Best Buy and what changes you've seen in marketing in the last 10 months, or perhaps the last 10 years.

Barry: Well that's a hard question to answer given how dynamic the environment is now and with the economy and retail in general. Prior to the last couple of months' meltdown, our big focus at Best Buy was really building our brand, and building our brand in the sense of understanding what we do uniquely in the marketplace and what we do better than our key competitors, Wal-Mart, Target, Costco, and Amazon.

As the last 10 years have unfolded we're the last specialty retailer that is left standing in the consumer electronics business. So we've done a nice job at being the preferred brand amongst our old competitor set, which would include Circuit City and others. But now as we move into the next 10 years, it's really a different sort of strategy – with Amazon, about convenience and assortment, Wal-Mart and Costco about price. We have good prices and we have lots of assortment but our big focus is our people – Blue Shirts, our call center and our geek squad agents. Our people are the differentiator; they are the reason that you come to Best Buy. That has continued to be primary in our minds over the last couple of months. That has continued to be primary in our minds in the last couple of months.

But what's a close second now is fighting for that demand that exists out there. So really we are getting a lot more focused on tactically – week by week, day by day – trying to drive traffic into Best Buy. So things like interest free

financing being more important, couponing activities against the right people, loyalty programs like Reward Zone, which is what we have, much more street fighting around demand.

When things settle down, it will be back to building the brand as the thing we're really focused on but in the short term it's tactically fighting for demand that's drying up. Long answer but that's my answer.

Francois: It makes a lot of sense to focus on the tactics with the Holiday Season coming up. But in general, do you believe that Social Media is going to completely transform marketing?

Barry: Well I'm not sure how it's going to happen. I've been reading about social media for a long time, read and done all the things that you're supposed to do, but I didn't personally get involved until a few months ago. It completely changed my outlook on things. I'm still a little bit in the adoring phase of it all in seeing what the possibilities could be. The thing that's real clear to me is that there's a dramatic opportunity to improve the quality of the work that you do in marketing. By that I mean that I really believe in the concept of the best ideas don't exist in any individual, but the best ideas exist in the ability to collaborate across multiple points of view both inside and outside the company.

A couple of years ago I met this guy named Joe Trippi who was the campaign manager for Howard Dean, I don't know if you remember Howard Dean. Four years ago—and Trippi was I think the guy that figured out how to raise money on the Internet in a significant way. If you remember Howard Dean came out of nowhere in Iowa and I think it was really the power of the Internet. But anyway, after

Howard Dean imploded he became a consultant like everyone does, and one day he was consulting with us about co-creation (that is what we were calling it at the time). He said to me, "Do you think the 5,000 smartest people work at Best Buy?" (We have 5,000 people at the corporate office). I said: "no." He goes: "exactly - the 5,000 smartest people will never work at Best Buy."

So really that idea of trying to be able to connect with others around the work product that you do really caught on with me. By using social technology personally, I can see the opportunity in how it could actually happen in a significant and scalable way. So with me it starts with that – and that's kind of what I'm doing a lot on Twitter. And my blog is really about how the work that I do can be better; how the work that my group does can be better.

Twitter kind of exploded in Best Buy. We have a culture that's relatively open. I think those technology tools can catch on when the culture is right. And that's what's starting to happen.

I don't know how brands show up yet. I don't actually know what that means because social technology for me is personal, it's human, and brands aren't always a person. I'm still working on getting my own point of view around how a brand shows up. Building trust and having trust with consumers is critically important for us to succeed and I think trust in a new age is going to come from being transparent and being almost completely open with all the information that you've got within your company.

We can really turn that into an advantage for the consumer because we're the biggest retailer. We have a lot of information on a lot of things. And that stuff is going to get public anyway. So to the extent that we can basically be human with what we know and share it as freely as we possibly can, I think we'll go a long way towards gaining a higher or stronger level of trust

with the consumers. So there's the personal around co-creation, and then there's the business around it. We need to be a trusted

brand in social technologies, and find a mechanism to do that.

Francois: Don't you think that the brand is made up of the sum of all the touch points that the customer can have with your company – and therefore if you have much more people interacting directly with customers that is in fact affecting your brands?

Barry: Yes. I do absolutely. I think that's good. And because we are a retailer that sells products that you can get in a lot of different places, and that the differentiator is that we have people that help you find the right things. So I do think it's going to be a utilizing and an opening up of the channels to enable consumers to talk to more of our people and our people to talk to consumers I think is a good thing. I just don't know what the strategy is around that yet. The concept of it is dead on.

Francois: It's also interesting that as a marketing person you're looking at what some of the lessons are that can be learned from politics which I think is a fascinating area for marketers to find new ideas.

Barry: The thing that I meant to mention in what we were just talking about is that the conversations are happening and as a marketing person hopefully you've got all your research and you're doing a good job of listening, but there's so much more opportunity to listen right now. You have to be careful because social technology – at least today, I don't think this is going to be the case going forward, but at the moment – is not representative of entire population. But it still is conversation that is going on. It reminds me of the fact that we need to participate in this conversation.

We have one of the people who works for Best Buy that built this technology called Spy. Essentially it gives the ability to monitor social conversations on Friendfeed, Twitter, and 6 or 7 other sites that he links into. Essentially I have a computer in my office that— Best Buy is the key word that I've typed in on Spy – and that computer is open all day long. It just keeps

running what people are saying about Best Buy – kind of like a ticker tape would for stocks. And so I'm able to just get a sense, some sense anyway of what's going on out there, both good and bad in terms of opportunity around Best Buy. Again it reminds me that conversations are happening. We can choose to be part of them or not.

Francois: That's right. Now do you engage with some of them or do you have a team of people that do that?

Barry: We do—I think that's what I was trying to suggest. I don't have the answers here; I'm just participating like everybody else to try to figure out what my point of view is. We do have people that are in our customer care area whose job it is to monitor the conversations and respond as appropriate. But because I'm publicly out there – if people ask me a question or make me aware of something as a person, I need to do something about that. If I ignore it then I think I'm not participating in a genuine way. I wouldn't ignore somebody that I was talking to, so I do get involved.

Somebody on one of the blog posts when I was talking about social technology did ask me: "it's great that you're doing that and it makes sense but is that actually scalable? Have you got enough traffic to your website?" Which got me thinking – how do I drive traffic to my website now? It's probably true; I might not have enough time. I'm not worried about that right now because it's not an issue, but certainly it is a question to start thinking about as you move forward.

Francois: The scalability issue is the big elephant in the room when it comes to social media. You must be getting thousands of unique visitors to every store in the world every single week. If you're trying to reach the same goals as you are with other marketing programs in terms of driving more traffic to BestBuy.com and your stores, how do you build something that scales to the point where it makes a difference?

Barry: Yes, I just did this math before and I never would say this to somebody who was

complaining about something that we did wrong, but we have 600,000,000 visits to our stores every year and we have more than that in terms of visits to our websites. So that's difficult to figure out how you'd scale on that. The numbers are just so massive.

Francois: You need a heck of a lot of additional conversations to even move the needle on that thing.

Barry: Yes, and that's to your point from before – how as a company do we show up? It isn't any individual. I think that's going to be the brand of the future. It's not the customer care group that's responsible for this – everybody is. And you can make a difference; everybody can make a difference in his or her own way. I think there's some basic understanding of what the brand is about and there's some basic understanding of policies and then you hire the right people, like Zappos does, and you let everybody participate and for the most part people will do the right thing. They won't do the right thing every time. But if you hire the right people and they're trained to some degree and have some knowledge, then in general they'll do the right thing and the brand will be better off because it will be human. So I think that's the opportunity. I think brands can become human. Especially as a retailer I think that's a critical idea.

Francois: I agree. It's leveraging the 160,000 people that work for Best Buy and engaging with the customer instead of the few thousand that might be in your customer care departments right now.

Barry: Yes and getting back to your question about fascination, I'm also personally fascinated because I can make a real difference – which is not the reason why I got into it. But as I've gotten into it and I've seen the increased awareness and interest amongst people, Twitter is an example, and the increase in participation from somebody who I sort of know and who will say, "I read your blog."

To me it's an interesting sort of social experiment that I'm seeing tangible results that humanize me, that enable the way I think about things to be more aware of it so they get a better sense of the work that I and my team are trying to get accomplished, and that are able to weigh in on that basis. They're not necessarily looking at something and have no context for it, so that the actual input you get isn't that good because there's no context. But as they get the context you get better questions and better feedback.

The other cool thing is that you find people that work or don't work with you but who are passionate about the topics that you're passionate about, and those are the people you want to talk to. So the brand is an example. I met this guy who was asking me this really hard question in this public town hall thing I was doing. I worked in dot.com and he basically didn't like the tag line that we got "You're Happy" is what we were trying to land as the emotional response for going to Best Buy. And it was a really respectful, thoughtful question but it was a hard question. He basically didn't like it and he had a lot of reasons why it didn't make sense. I took the question head on and then I really encouraged him to reach out to me and let's talk about it, because I knew I had found someone who didn't work in my organization that was more passionate about the product than almost anyone who did. And those are the kinds of people you can have really good conversations with, because they've thought about this topic – whatever it happens to be. So it kind of breaks down the silos or it can break down the silo, that's why I'm really intrigued in it. I don't know how to do it yet, but I can see that there are small examples of it happening. I think it can make the company boundary-less both internally and external.

You know there's a real cool thing too around if you're human about whatever it is you're working on, which means you're admitting you don't know the answers all the time (and this is a half baked idea), you're letting people in and they just cut you a lot more slack too. They

want to empathize with you because you're being vulnerable about whatever it is.

Francois: I know that's so true. We have a question from the audience. Somebody is asking: was the recent Napster acquisition about having more conversations?

Barry: You know I think it wasn't primarily driven. I mean our point of view is emerging quickly on social technology and the opportunity for us to strengthen our brand is sort of emerging in the last 60 days, 90 days, 4 months.

The Napster acquisition has been in the works for a long time. The real crux of that is the fact that we sell a ton of computers – we sell 30% of the computers in the United States right now. So we have a platform and then our consumers are heavily into all forms of entertainment, movies, and music games. A few years ago they were buying those physically and now they're starting to more and more buy those digitally. So we're in that business already. We're just not heavily in the digital part of that business. So our consumers want it – they want the product.

We have a mechanism we think through our selling of so many PC's, and being a leader in technology products, as an avenue in. We need to figure out a business model around the content and Napster is a platform to help us learn. We don't have the business model.

We believe it gives us - the platform and gives us an interesting brand opportunity if we choose to take it around disruption. The deal is not done yet, so we can't be aggressive yet on what we might do. But one of the ideas that we threw out, I think it's in that post I wrote up on Napster, I show that we can use the community, passionate people in digital music, to help us figure out what the right business model is – because clearly people aren't happy. So because we own the asset and because we have the platform, be it PC's, could we develop this in a different way than it's been developed before? So that's kind of our going in premise.

Francois: Going back to harnessing the power of your employees and having all of them reaching your customers better, you guys I think did a pretty good job at setting up the Blue Shirt Nation community. At least I haven't been able to go into it obviously, since it's an employee community but I've read a lot about it. Do you mind telling us a little bit? I know it started as skunkworks. It kind of overcame obstacles that nobody ever imagined. Maybe it might be good for you to take a few minutes to talk about what the goals are and where you see it going and all of that?

Barry: Yes. So I think Best Buy and its focus on transparency and collaboration, I mentioned this earlier in conversation – it's very cultural. It starts with the desire of our company to be that way. And our CEO Brad Anderson has been very vocal about the fact that good ideas can come from anywhere and they can come often. We have 150,000 in the field; the best ideas are going to come from people close to the customer. So we've been working hard at moving from a tops-down hierarchical organization to an organization that's much flatter, an organization that plans their bottoms up and tops down. So that's in the soup.

On my blog on social media I do have a video that talks about the different tools that we have within the company that can encourage collaboration. So I'll get to the Blue Shirt Nation in a second, that's one of our tools.

We also have a tool called the Water Cooler, which enables conversations on topics around the company to happen organically. Those talks are more business related because it's called the Water Cooler – and it's business focused and there can be chats, our COO has chats all the time on the Water Cooler.

We have something called The Loop, which is, I don't know if you're familiar with Red Dragon, but it's a Red Dragon like capability where people put ideas on The Loop and other people can vote on the ideas and improve the idea. People can also invest in the ideas and then the

best ideas essentially are highlighted and emerge and move forward.

Another tool we have is called Prediction Markets which is sort of a stock market for ideas, everybody is given fictitious money when they participate and they trade stocks that are about ideas – how many gift cards are we selling a month, will our Geek Squad warranty product be successful, will we open a store in China by a certain date. And what that's intended to do is flush information out that may be in the system that people don't know about. So somebody who is working on the China opening at a mid level of the company might have a good insight to this. If the stock starts trading down and you're running the China project you might say, "Hey what's going on...the stock is running down?" So it's a way to get information to flow.

And then lastly, as you pointed out, something called Blue Shirt Nation, which was formed; it was the first of our tools. Two guys in the company, Gary Koelling and Steve Bent, who both worked in the Advertising Group, had a Fast Nation with social technology several years ago. Essentially they built this in their basements, a social website kind of like My Space I guess, where Blue Shirts, any employee, could go and talk about whatever they want to talk about.

And that was not company sponsored. Over time they were able to get additional funding and add features and essentially lots of different kinds of topics are out there but they don't have to be business related. That is the difference from the Water Cooler tool, which is very Business related. This is sort of the Blue Shirt lifestyle website, kind of like My Space. So I think Blue Shirt Nation kicked it off.

So you see we have a number of different tools. And now we're trying to get into Twitter. We're trying to figure that out and blogging and all of this stuff. Really again back to the idea that collaboration and transparency are key elements of creating better work and part of how we think we'll build better trust both with employees and with consumers.

Francois: Yes. Now Blue Shirt Nation, I know is run by people in your department. How about some of the other tools like The Loop and stuff like that? Is that also in the marketing?

Barry: No. I don't know who runs them. I mean the guy that thought up Prediction Markets, he runs it, he happens to be running Geek Squad, but he has the passion around it so he runs it. The Loop is run by retail operations. They have the passion for it so they run it. So there's probably an opportunity to connect these things, but typically at Best Buy one of the ideas is if you've got passion then you may be best suited to take it on regardless of what organization you're in because you have point of view.

Francois: Yes, yes. I think I told you that before, we did a big research project with Deloitte on how companies are leveraging social media communities as part of their business processes and in a lot of the successful cases what we found is that the most successful programs are indeed exactly what you've described. They're sponsored by somebody who is really passionate, and there is a manager that will provide some cover for awhile until they can at least get some traction and then it takes off from there.

Barry: Right. And I can see this just personally around my passion right now around openness and transparency and I'm seeing all kinds of ideas that I didn't see before. So it could have been something that I was responsible for but I wouldn't have done a great job sponsoring. Now, you just get more involved, you're instead and you're talking about you see applications. So that is a key tenet I think for any company is connecting passion and strengths not just strengths.

Francois: I just saw that you started an open SWOT analysis with input from other people. How is that going?

Barry: It was great. I mean again, one of the things that people—they're kind of fascinated with my fascination but also sometimes there's

some concern that I'm being too open. But the stuff that I do, and I think if you look through what I've done, it's very obvious you'd know that. In regards to the SWOT analysis, I don't think I put out my personal SWOT, Strengths, Weaknesses, Opportunities, Threats, I know that I didn't publish all of my thoughts because I thought some of them might be proprietary in terms of what the head of marketing might be thinking about that but the ones I put out are true. And then from there, to see what people would build on.

It was great hearing from both employees what they think about things that typically wouldn't be part of the process. We had some Blue Shirts weighing in what they thought and then just people that are outside of the company. You just get these different perspectives.

As an example, one of the external things was on Twitter. Another thing we did was a 7 day surge, we call it these little surge projects - where people that are passionate or are interested in working on something we say to them, next week when you can find some time, here's the assignment. Only people that raise their hands are people that are passionate and can figure out how to create some time. There's no commitment to participating. We got about 150 people in the company that spent some number of hours last week working on those slots just in dialogue and meeting people they never met before. And our content is better than it was using the traditional lenses and the traditional people that you talk to. It had other ideas that we never would have thought of because people got together to do it and I think that's also a lesson in passion. If you're passionate about something you can find time for it.

Francois: Is the idea to externalize some of those communities and some of those processes like The Loop for example to include outsiders?

Barry: I think it needs to, because I think the concept that Trippi gave me is the 5,000 smartest people, and we have 150,000 in the field, so that's better than 5,000 but there's how

many billions of people that don't work there. So I think that's our opportunity to figure out how to elicit, encourage, incite and stoke the passion of people because they're open to consumers and I think that we're on the cusp of that. I didn't talk about that, the social technology changing marketing, because there's so many ways I think it will change marketing. But ultimately broadcast messages are not going to be very successful in my opinion. It's going to be those conversations and how you show up. And if you show up in a way that's genuinely interesting and genuinely not trying to drive an agenda or a point of view, I think you can really turn consumers on because they'd love to be part of the creation, not just getting feedback on what you created. We have to figure out how to turn that on.

Francois: Now as you were building some of those programs, especially Blue Shirt Nation, the social media program where the line between personal stuff and work stuff gets blended and also where you're dealing with labor laws and things of that nature. Do you run into quite a bit of objections from your legal department?

Barry: Yes. This is all new ground for everyone. I think one of the things social technology challenges is vested interests. So groups that have a certain kind of role and any kind of transformation change does this, or transformational thing can do this, this challenge like the very work people do, so examples are public relations, right? We had this problem with one of our Reward Zone programs and we inadvertently sent out an email to people that we shouldn't have sent it out to. Well typically the PR group would be responsible for presenting the fake release to the public that nobody reads because it's obviously from a corporation and not from a person. And we'd have certain kind of recommendations around what to do.

Well we used social technology tools to actually talk about what happened. And that was very threatening and I guess there's risk because it's new. I think legal is the same way. Legal is about eliminating risk and I think when you make

yourself vulnerable which is what I think you have to do to be interesting in the social media space, you've got to be interesting, you've got to be vulnerable, you've got to be human. You've got to say things that a person would say. And I think that's a very different sort of approach than companies have traditionally taken in the last 100 years. So I think there's the message that's more external because there are external competitive things and the press could pick something up or it's on a blog or something. I think internally on Blue Shirt Nation we are learning some things about labor laws, as you mentioned. We have hourly people who work on an hourly basis, and we have found that sometimes the best intentions can actually break the law because it's asking people to do things when they're clocked out and that kind of thing. So we're learning all that stuff.

Francois: That's interesting. We have a couple of questions from the audience. The first one asks, is your management asking about a business case for social media? How do you know that the strategy is working and when it will be working?

Barry: Right now management is not asking for a business case because the investment is relatively small. I think that it will be asking for one going forward very quickly. As we put more and more resources into that activity. One of the things that we're doing that we think is going to reap huge dividends is open API. Have you heard about that, that we're doing that here at Best Buy Francois?

Francois: No I haven't heard that one.

Barry: So we're opening up our code on Best Buy.com to developers. So the idea is the same idea as the 5,000 smartest people don't work at Best Buy. We're hopefully going to encourage the development community to help us build better utilities and applications for shopping at Best Buy. So for a small amount of money and there was some money involved there, we think we're now one of the few large companies that have completely opened up their architecture for developers. So with small amounts of money

it doesn't take a lot to make those things pay out. And I think as we get more into the advertising space we'll be trying to develop metrics—I mean the communication space—we'll be trying to develop metrics that help us rationalize the amount of time we're putting into this stuff. But it's still too early. That's a big criteria at the moment. It feels right and we need to participate. We're not going to let that absence of metrics get in the way for now.

Francois: But do you think at some point in time that there is a correlation between scale and investments?

Barry: I think there will be but we're not there yet. We're not worried about it right now. We're still experimenting as to what we'll get. As I said, we think it's hard to quantify this but inherently in our brand being more open and transparent is a fundamental building block of building trust. So because we want our brand to be vibrant and strong, we've got a lot of low cost investments that we can make that don't require us to get an ROI yet. But I think we've got some time.

Francois: Yes. Another question from the audience, somebody is asking, how do you deal with the perception that you should be able to help a customer that should really be dealing with the makers of one of the products you sell, for example Dell?

Barry: Well I think in that specific example that is the bane of a retailer. You have to stand behind the products that you sell and sometimes the products that you sell have nothing to do with the way you sold them but the manufacturers who have some issues with what they're doing. I think in the case of Dell, I don't know what the exact issue is, but we've got the best service organization in retail, which is the Geek Squad. And we've got great products that Geek Squad has developed in terms of warranties and protection plans and even the ability just to bring your Dell computer in to us. You don't even have to have bought it from us. We'll still fix it. And most of the manufacturers have actually talked to us about us taking on the ability to fix the things that are manufacturer warranty. So I think we're well positioned.

We got into this investment 5-6 years ago with Geek Squad and we're well positioned. Service is a big element of our brand and how we want to differentiate ourselves from Wal-Mart, Target, Costco, etc. So I don't think we have an issue with that as something we want to do as a company.

Francois: Another question from the audience, which is something I also wanted to ask you because you've been writing about it, and that's kind of veering back to more traditional marketing challenges. You've been talking about the fungability of the brand when you go from your brick and mortar stores to your Best Buy.com site and how this may not not the best solution and how you might want to go and buy another brand to build on top of. Do you want to talk a little bit about that and how you're thinking about that?

Barry: We're a growth company and we hope our aspirations are to double the size of our business in the next 5 years, so we're sort of investigating different ways we can grow our business. We know that there's opportunity internationally which we're exploring and there are still opportunities to put more Best Buy stores up in the United States. So that's obviously not another brand but there's an opportunity as we get better, as our brand gets better at supporting consumers from thinking about the products they want to buy to servicing them to them wanting to add on to whatever it is they're interested in, there's an opportunity to get into a new category that we're not currently in. Categories that have something to do with technology but aren't necessarily at Best Buy.

One opportunity there is where we are getting much more heavily into is the musical instrument space. We've got 80 stores that will be open this year that are really good at that. So that's an example of what is called a bigger world. So getting into more categories, those offer more opportunity to grow. There's an opportunity with formats. We are launching something we call Best Buy Mobile, which is a

mall-based store, 3,000 square foot, Best Buy typically is about 30,000 square foot. So it's a much smaller store, kind of Apple-esque in size but it's around the mobile lifestyle. So we certainly can do that, especially with our Geek Squad capability and the fact that we sell all these mobile products including mobile phones, which we're doing a much better job in mobile phones these days. So formats is a way we can grow and then the last—not the last way from a prioritization but an additional way would be how do we get much more prominent online.

So Best Buy.com does a big business and it serves primarily consumers that like Best Buy the store; the people that are multi-channel shoppers are the sweet spot for Best Buy.com. There are another set of consumers that don't care so much about whether they have a physical store or not and are looking for value propositions that are different than what the Best Buy brand can bring. So that's kind of the exploration around whether we would want to invent or buy a second brand for online. To go after those online only shoppers who have different requirements than what a Best Buy.com could provide because the brand means something in a store and has to do something online that connects to what the store does. So part of the thought there is those are all very interesting opportunities—not to mention digital right, so that's Napster and other ways of getting involved in digital content that we talked about earlier in the conversation.

Those are all very viable ways to grow. Now it's up to us to pick and prioritize which ones because you probably can't do all of those. All of them are interesting and somewhat take resources to do.

Francois: I misunderstood that. Yes, that makes a lot of sense. It's not in replacement of Best Buy.com it's an addition to Best Buy.com for a total different audience that is online only that doesn't care — never walks in your store.

Barry: So Best Buy.com will continue to thrive and we think can grow very aggressively in the

next 5 years and be a big, big dot com business. There's still a bunch of people that aren't interested or less interested in a multi-channel value proposition. They're more interested in an online only, like the Tiger Directs and the New Eggs, they have different value propositions than Best Buy. Best Buy is really good at what it does. It does something different. And the question is would we be interested in thinking about that business. The only reason I layout all the other things is we have a number of things to think about in term of growth and you probably can't do everything.

Francois: That's right. That makes a lot of sense. I would like to switch tacks a little bit again. I just saw that you guys launched this initiative @15, which I thought was pretty cool. I think it's pretty obvious what the motivation behind it is but do you want to tell us a little bit more about it?

Barry: Yes. Part of the awakening for Best Buy and why social technology is helpful is at Best Buy we've got to get clear about what we believe in, what we're passionate about, what we care about, you know just like a person. The brand has to get in my opinion much more out loud about those things. And I don't know if you saw Fortune Magazine last week, they had some sort of rating or ranking and Best Buy was actually ranked as the 4th most generous company in America. That's probably news to people, right? We've got to tell that story that we're actually quite generous with giving across the country. We have a number of programs, because we have a thousand stores in the United States and essentially we're in a thousand communities then across the United States and a lot of our giving is locally. Each store giving and participating as they need to, as they want to, giving to what they have passion for in those local areas. So that's a big part of our giving strategy. The other part is thinking about the future of our company, the future of our business and recognizing that young people are obviously critical to that. And when you peruse the landscape of giving you'll find that there's a lot of money given to young kids in terms of dollars,

there's a decent amount of money given to people trying to figure out college and what jobs to get into and those kind of things.

There's kind of a gap with that sort of 12-16 year old group. And that's an important group when you look at it and think about it hard, because they're sort of getting ready for high school and a lot of what happens to you is how you take on those years, how you approach those years. @15 the sweet spot 15 year olds, but @15 is a program that's not just about enabling better schools; it's also about helping teach how to participate in society. So participate would be we did a poll on the election, what are the issues that the 15 year olds care about? And we had a whole bunch of information back and we put an ad out yesterday releasing the results about what 15 year olds care about and what they're concerned about and who'd they'd rather have over for pizza, McCain or Obama. They'd rather have Obama over. We found that they're very concerned and the number one issue they're concerned about is the economy. So we took that and raised those issues up and Obama and McCain both responded to it. So that's in the public environment.

Another thing we're doing is enabling 15 year olds to figure out, or help us target our dollars. What causes should we invest in? So there's ability for them to vote on different kinds of activities that we could be contributing to and based upon the voting we're going to direct dollars to it. So it's not just getting money to that group, it's also enabling participation in the political process, helping them figure out how to participate in charitable giving and that kind thing. And it's just starting. So this is what we're going to move forward with over time and @15 is the name of the program and we hope it builds from where it is.

Francois: I think it's brilliant personally. Of course I have a 13 year old, and I shop at Best Buy, so I'm a little biased, but are you also planning on having a hyper local component to it so that it might tie to some physical activities with maybe some of your stores?

Barry: I think that's a great idea. Many of the things that we can develop that have a hyper local component to them I think are good. A big part of our strategy is how do we enable people who live in communities to develop plans that make the most sense for them and do less top down and more bottoms up because whatever is going on in Boston is different than what's going on in Minneapolis and different parts of Boston have different things are going on.

So if you think about a centralized plan, it could never meet the mark of what needs to happen locally. So I think as we get @15 out as an umbrella idea, we're able to get credit as a brand for that idea and I think it will only strengthen and become a vibrant program if there are local components to it. If people can tap in with their own passions, and make it come to life for them in their local areas, I think that's the only way it's really sustainable and it's real. Otherwise it's a corporate program.

Francois: I agree. Having a physical hyper local component in something like that provides some sort of heartbeat to the overall community when you think about it.

Barry: Yes, and it's real. When you can see it its real, versus some website somewhere.

Francois: One more question from the audience and I know you've written about that, so that should be easy. Social technology is fundamentally about creating and building relationships. For a relationship to be sustainable there must be perceived value on both sides. Do you think about and identify the value customers get or just assume that they must be getting value if they're participating?

Barry: That's interesting. I look at value — right now I look at participation. So if I write something on my blog as an example and people comment on it then I'm learning because I've only been doing blogs for 2 months and I'm learning what people are interested in hearing about which goes into what I might write next time. So I'm using comments both the number

of comments, as well as, the quality of the comments as my gauge as to whether that was interesting to my readers. I also have an editorial point of view, so it's what do I want to write about? So that's a component of what I'm thinking about. And I know it's kind of like a magazine or something, I know that if I write better and better things that people get more and more out of then I'll get more and more traffic and that becomes a much more vibrant channel for me to make my work better. So there's incentive for me to try to figure out what's interesting. It is the same thing with Twitter. I actually do look at the grading systems for Twitter to see – and I don't know how to calculate it, but to see if people are finding me interesting and I think about the tweaks that I do and I've changed over time. And I'm looking to get responses, I'm looking for people to be interested in what I'm saying, because if I'm not interesting over time I'll not have the ability to tap into the network. So I'm using response as the way I think about whether I'm interesting or not. Is there another way? I'd be interested in other ways but I don't know what they are.

Francois: No I think those are good ways. I think you've written about it which is the other thing that you're thinking about in all your programs is you are putting the customer at the center and so that's often times what companies are not thinking. I mean they are thinking about it but then they're actually not doing it. They're so stuck in their organizational organization of their company that they eventually put the company first anyway even though they realize that you have to put the member or the user, the reader at the center.

Barry: Well I only write about things—there's a lot of things going on at Best Buy, I only do write about things that I'm passionate about, that I have a point of view about that I'm not schilling for because I know that that will come through and then I'll lose. People need to believe what I write here is real. So far that's true and that's going to be what I continue to think about.

I'm real excited—I know you responded to this, I put the casting tapes out for a new advertising on here, and they're almost done and I can't wait to put them out because it's going to be interesting to see now that there's some readership what people think of these commercials. I think they're fabulous. And they've come a long way since the casting tapes.

Francois: That golf one was really great.

Barry: Yes, he made the final cut. So I'm very excited because that also gives me the ability to lay out our strategy a little bit more, what we're trying to get done as a brand and with some video it helps people to understand what you're really talking about, otherwise it's a bunch of words. So I'm excited to get those out and unadulterated and see what people have to say. And even as I said before, this is as much for the company because Blue Shirts read the blog and people within the company, anybody who is interested knows I've got one now well not everyone, but a lot of people do. So if they want to look at the advertising and hear my point of view, I don't need a presentation, here it is. And to me, in marketing especially where there's no right answer to anything, here's my point of view, here's what we're doing and it requires you then if you want to participate or talk about it to me. You can't say I didn't give you the opportunity because I did. Here's the opportunity. Let's get everything out in the open.

Francois: Well Barry, it's almost 3 o'clock. We call these CMO 2.0 Conversations and I think you really qualify for the CMO 2.0. It was great talking to you. I really enjoyed this conversation and like I said before we'll put it up online and I'll send you a link as soon as we have it.

Barry: That would be great and I enjoyed it as well. Helped me sharpen my point of view.

CMO 2.0 Conversations, sponsored by Beeline Labs, is an expanding series of discussions with individuals who are leading their companies' embrace of and experimentation with Marketing 2.0 principles, approaches, and realities.

As we all know, the world of marketing is changing fast, driven by the Internet and the way it's enabling people to communicate, connect and collaborate and groups to assemble, work and play together, and take action.

This series and our other Marketing 2.0-related activities take as fact that fundamental change is afoot, and hope through these efforts to shed light on and share interesting Marketing 2.0-related initiatives we come across as well as to call attention to the individuals and companies that are leading the way through challenging, disruptive and exciting times in marketing, media and business in general.

Beeline Labs, a marketing strategy firm, helps you integrate social media principles into business programs and practices in order to develop preference - for your products, your company, your ideas, your people, as a place to work.

We develop strategies and innovative programs that are not just based on Web 2.0 technologies, but are rooted in the principles of marketing, communications, sales, innovation, and social sciences. (You could say we're the Web 2.0 firm that really understands business.)

We've worked with FedEx, Sun, Intuit, Microsoft, TJX, EMC, and others to activate real and measurable change by leveraging the ultra-social nature of people. (And, alas, we do occasionally rescue botched early social media projects.)