

Best Buy tests in-home service to help customers figure out their tech needs

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Best Buy wants to go deeper into customers' homes.

Its Geek Squad agents already make house calls to install and fix things. And experts from its high-end Magnolia Design Center will come out to suggest pricey ways to deck out home theater rooms.

Now the electronics retailer, headquartered outside Minneapolis, is testing in a handful of markets a new in-home consulting service. Armed with a tablet, the adviser helps customers troubleshoot issues such as improving their wireless speed for faster streaming and can also recommend a whole host of products for the kitchen or throughout the home.

They could, for example, help people figure out how to stream music throughout the rooms of their house by using wireless speakers and a mobile device or set up a system of connected devices that can be controlled from a smartphone or tablet.

The in-home consultation business is one of several pilot programs Best Buy is launching this year to grow sales and enhance its service offerings in order to give customers another reason to go to Best Buy instead of a host of other websites and retailers that peddle the same products.

The Best Buy consultant is tasked with creating a personalized technology plan and helping coordinate with cable, internet and home security providers, staying in touch with the customer throughout the



process. The service is free, but the hope is that customers will purchase recommended products from Best Buy.

"When it comes to adding tech to your home, picking the right products and getting everything working together can be a little overwhelming," a narrator says in a video on Best Buy's website explaining the service. "So let Best Buy make it easy with a free, in-home consultation."

As part of its advertising for the service, Best Buy is using the slogan, "You'll be surprised what your home can do."

As it expands its array of services, it's facing increased competition on that front, including from startups such as Enjoy, launched by Ron Johnson, the former J.C. Penney and Apple executive. Enjoy experts deliver tech products to customers' homes and then help them set up and personalize the devices.

Best Buy Chief Executive Hubert Joly told analysts in May that this will be a year of "exploration and experimentation" to find ways to help "unlock growth." Finding new sources of revenue is a pressing issue for Best Buy, which has seen its sales slip in the last few quarters and has forecast no sales growth this year amid declining demand for new smartphones.

Best Buy executives have been fairly tight-lipped so far, though, on the details of these new initiatives, saying they don't want to tip off their competitors.

"I won't get into specifics, but we're going to become America's best friends in terms of learning about and enjoying technology," Joly said during a recent conference call.



He ended up spilling the beans about the in-home consulting service during the company's shareholders meeting in June when asked for specifics on the company's strategy for growth.

"We find that if you're going to look to find a solution for your technology needs in your house, exploring online is one thing; exploring that in the store is another thing," he said. "Having somebody, an expert, come to your house and be able to identify your needs, how your family is using technology, but also your constraints ... and then designing a solution for you and becoming a resource for you over time."

The in-home consulting program launched in recent months in San Antonio, Austin, Texas, and Atlanta.

"We will learn from these markets over time before making any decisions on expanding to other markets," Best Buy spokesman Jeff Shelman said in an email.

Best Buy says there's no obligation to buy anything.

"It's an interesting model," said Jason Goldberg, <u>senior vice president</u> of commerce at Razorfish, a digital consulting firm. "It's kind of like the next generation of Geek Squad, if you will."

In some ways, he said, it's similar to the babyproofing industry, which sends a consultant to people's homes for free to suggest ways to make their houses safer for little ones with the hope that customers will then buy those products from them.

"We've evolved from products to systems of <u>products</u>, and the decisionmaking process has gotten much more complex," Goldberg said.



"It's very smart of them to try to invent services to address that."

The challenge, he said, will be trying to scale it nationwide in terms of finding and training good employees to fill these consultant roles.

Best Buy also will likely figure out from the pilot whether the payoff from it warrants keeping it free or whether to charge a fee for it in the future.

"If you can make money doing it for free, you'd much rather do that because your market would be larger," Goldberg said.

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