StarTribune - Print Page 9/18/12 6:18 PM

StarTribune

Target calls in the Geek Squad

Article by: JACKIE CROSBY Star Tribune August 9, 2012 - 9:14 PM

Two Minnesota retail giants are teaming up in a pilot project to put Best Buy's Geek Squad agents in 29 Target stores, mostly in the Denver area.

The experiment could strengthen Target in consumer electronics, an area it has worked to bolster, while giving Best Buy a new venue to engage potential customers.

All of Geek Squad's traditional suite of offerings will be available at the Target locations, including installation and repair services and warranty plans for such products as mobile phones, cameras, printers, MP3 players, e-readers, tablet computers and hometheater systems.

"It's no secret that the electronics space is rapidly changing," Target spokeswoman Katie Boylan said. "Services are increasingly important. Adding Geek Squad will be meaningful to our guests. This takes our offerings one step further."

The Target on Stinson Boulevard in northeast Minneapolis will be the only Twin Cities store taking part in the six-month test drive, which begins in October.

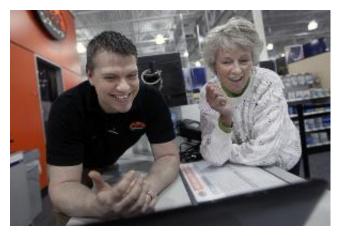
The companies did not disclose how Target and Best Buy will split the revenue. Geek Squad members will remain employees of Richfield-based Best Buy.

Minneapolis-based Target has been pushing more boldly into the consumer electronics market for a number of years, but its electronics section has been the weakest link to the company's same-store sales performance.

Over the past year, Target has remodeled the electronics sections and added the Apple store-within-a-store concept.

In 2010, Target brought in RadioShack employees to operate and staff Target Mobile centers, which offer wireless phones and accessories plus service plans from major carriers.

For Best Buy, the latest move provides an opportunity to reach more women, who have never warmed to the retailer's big-box format, said Beth Perro-Jarvis, co-owner of Ginger Consulting in



At the Best Buy store in Eden Prairie, Geek Squad agent Jay Resch helped Mary Knudten of Chanhassen with the laptop she bought.

Richard Tsong-Taatarii, Star Tribune



Best Buy interim CEO Mike Mikan

,

StarTribune - Print Page 9/18/12 6:18 PM

Minneapolis.

"It still a boy's-club feel there, no matter how round they try to make those stores, or add appliances," she said. "Yet women, the household CEOs, are in Target once a week."

Best Buy has seen sales plunge as more consumers use its stores to test out merchandise but go online to make purchases. Putting Geek Squad agents in high-traffic Target stores could expand the brand name.

During the shareholder's meeting in June, Best Buy interim CEO Mike Mikan talked of the company's desire to seek out new marketplaces as the retailer seeks to become a "trusted adviser who solves problems, who anticipates needs, not just for today, but for tomorrow."

Mikan said a recent alliance with the AARP, where members get discounts on Geek Squad services, is one example of how the company intends to find "new ways to reach more customers."



, Star Tribune illustration

Target may get an instant boost in high-tech credibility by aligning with the iconic Geek Squad brand -- whose workers are known as "agents" and dress in a retro FBI uniform of white shirt, black pants and skinny tie.

"It can be a little iffy what you get in consumer electronics," said Mary Van Nolte, also of Ginger Consulting. "You sometimes get a good person in Target khakis who knows what they're doing, and you also can get someone who transferred over from the jewelry department. They need to find an additional service level in that department that they don't provide in the rest of Target."

Target's consumer electronics area is set apart from the rest of the store with its own cash register and a staff that has additional training. The company has been using a different third-party vendor for consumers who want to purchase additional services, such as in-home installation of big-screen televisions. That third party will not be in the Geek Squad test stores, said Target's Kristy Welker.

Target has used the Denver market to test other programs. The company has no specific plans for a nationwide roll out.

Staff writer Thomas Lee contributed to this report. Jackie Crosby • 612-673-7335

© 2011 Star Tribune