

Marketing Society Awards - Game Retail Ltd

Brand Revitalisation Category

Executive Summary

Scale of task:

Many UK high street retailers are struggling in tough economic conditions, with low consumer confidence and a more complex multi-channel environment creating significant challenges. Recent high profile casualties reflect just how difficult it is.

However, the high street still has an important role to play in providing a service for the millions of customers who don't, or can't, do all their shopping online. And looking harder you'll see little (purple) shoots of success.

For what characterises revitalisation better than not only a successful recovery from administration, but an innovative, customer-centric business strategy which is delivering outstanding results.

Objective:

Following Game Group PLC going into administration in April 2012, the newly formed Game Retail Ltd needed to revitalise the GAME brand, re-establish industry relationships and make good on its promise of delivering for gamers.

Extensive research with store teams, customers and suppliers highlighted the scale of the challenge the new management faced in:

- reinvigorating the brand
- communicating that GAME was out of administration
- trading as normal to draw back customers

It also established that whilst GAME and gamestation were two great brands, neither, on their own, delivered everything the UK gaming community needed.

Building on the breadth and accessibility of GAME and the knowledge and community of gamestation, Game Retail Ltd united both brands as GAME. With the new brand came a vision to create the UK's most valuable gaming community, delivering excellence to gamers around the UK.

Key Results

- 122 gamestation stores rebranded as GAME
- Refurbished stores outperforming by 14%
- Increase in brand tracker metrics around new technology/trade in/availability
- Established digital market share at 47.5%
- Return to 32% market share with half the number of stores (vs 33.5% pre admin)
- 920,000 new customers signed up to reward scheme

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Submission

Overview:

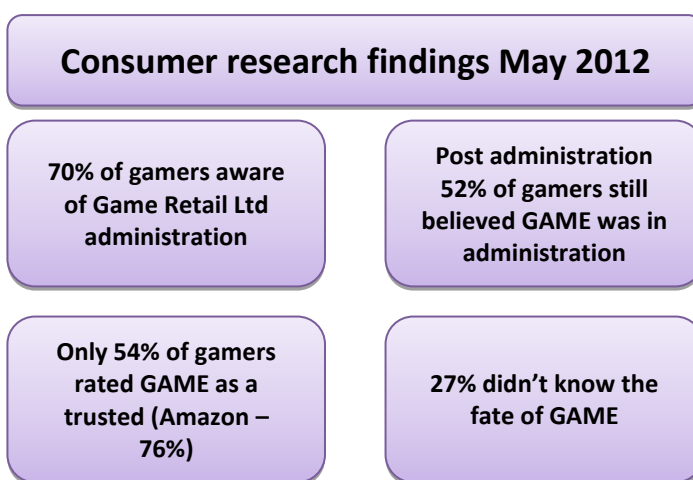
Many UK high street retailers are struggling in tough economic conditions, with low consumer confidence and a more complex multi-channel environment creating significant challenges. Recent high profile casualties reflect just how difficult it is.

However, the high street still has an important role to play in providing a service for the millions of customers who don't, or can't, do all their shopping online. And what characterises revitalisation better than not only a successful recovery from administration, but an innovative, customer-centric business strategy which is delivering outstanding results.

Adopting a customer-centric business strategy

Following Game Group PLC going into administration in April 2012, the newly formed Game Retail Ltd needed to revitalise the GAME brand, re-establish industry relationships and make good on its promise of delivering for gamers.

The new management team adopted a customer-centric business strategy and an initial priority focussed on consumer understanding. Extensive research from 18th – 25th May 2012 with store teams, customers (sample size of 1200 UK gamers plus additional qualitative groups) and suppliers highlighted the scale of the challenge the new management faced in reinvigorating the GAME brand on the high street.



Source: SPA Future Thinking GAME Brand Tracker (May 2012)

Research also established that whilst GAME and gamestation were two great brands, neither, on their own, delivered what the UK gaming community needed. Building on the breadth and accessibility of GAME and the knowledge and community of gamestation, Game Retail Ltd united both brands under the name of GAME. With the new brand came a vision to create the UK's most valuable gaming community, delivering excellence to gamers around the UK.

A new strategic approach:

The new brand had to adapt to the changing nature of the gaming market in the UK and the associated challenges. These included price wars on new releases, the rise of digital downloads, the lack of next generation gaming consoles, poor store environments, lack of support by publishers towards pre-owned games and recessionary spending habits.

Given the release schedules the global gaming market was predicted to decline across 2012/13 and so outperforming this market decline would be key to survival.

GAME has built the new brand on five key strategic pillars:

- 1) Excel in digital
- 2) Omni-channel retail

- 3) Deliver for gamers
- 4) Provide the best community rewards
- 5) Innovate in pre-owned and trade in

Business changes were supported by a communication plan that announced the unification of the two brands and the business initiatives to support the new strategy, whilst minimising negative backlash amongst the gaming community, ultimately recovering sales, market share and having a positive effect on customer perceptions.

Initiating the process of revitalisation

With the new company came a new energy, to do things better, quicker and above all to deliver for the gaming community. In the space of six months, numerous initiatives have been launched, communicated, updated and improved to deliver on that promise. A snapshot of which are below:

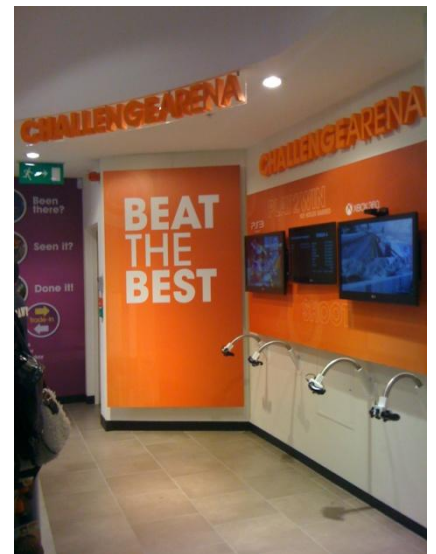
Digital Excellence

In November 2012, GAME announced a pioneering partnership with Steam to become the first UK retailer to make Steam Wallet Codes available for customers to buy in-store. GAME then went on to launch its digital PC download proposition in-store, allowing customers to browse and purchase up to 500 titles on designated tablets, further increasing its offering for PC gamers.

Omni-Channel – the improved customer experience

GAME undertook an extensive re-evaluation of online channels and store portfolio. Despite the stormy retail outlook, 25 new stores opened in the last three months of 2012 and a significant investment in refurbishment was made to 127 stores. To provide the best experience for customers in store, online, or on mobile, a range of new services were introduced to meet customer demand for omni-channel purchasing:

- Free Wi-Fi access in all stores allowing GAME to showcase its full range of content both online and in-store, creating a multi-platform shopping experience for customers
- In-store consoles and tablets, allowing shoppers to experience the games before they buy and purchase digital content
- New look, easier to navigate website and m-commerce site



Delivering for Gamers

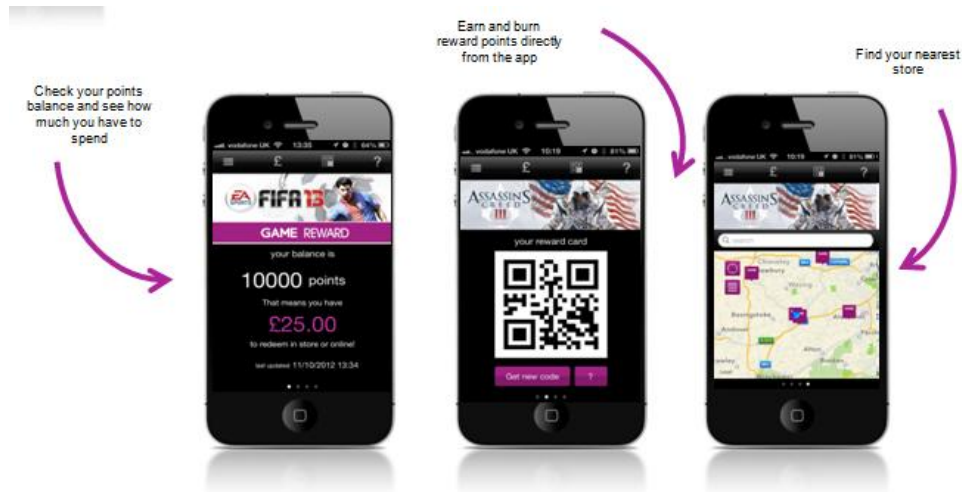
- GAME's knowledgeable and passionate store teams form the core of the retailer's best-in-class customer service. Staff understand gamers, because they are gamers with years of hands-on experience, enabling them to support and advise everyone from hardcore gamers to novice gifters
- 2012 saw GAME host groundbreaking midnight launches for the biggest games of the season including FIFA 13, Assassins Creed 3, and Call of



Duty: Black Ops 2 with in-store theatre and promotional offers alongside specialist vendors integral to these events.

- The introduction of GAME Hunter allowed gamers to access the entire range and get hold of all types of game - old and new, physical and digital - order it and have it delivered to any UK address

Community rewards: Introducing the GAME loyalty scheme



- GAME introduced a new loyalty scheme built on the best of the GAME and gamestation rewards schemes, adding value to customers by rewarding them for their engagement in gaming, be that trading-in, buying pre-owned or digital
- The reward card has been reinvented as a mobile app providing a gateway to all GAME has to offer: starting with the loyalty scheme, charts, a store finder and a trade-in calculator. In future, the app will also use gamer tags to reward gamers' achievements
- Increased autonomy at store level has led to physical and social communities built by all 333 stores, and engaged through in-store activity - from lock ins, and 'first looks' to organised tournaments
- Through strong relationships with publishers, GAME has gained exclusive retail content which has been used to benefit its social audience. This includes exclusive giveaways as well as securing high profile talent interviews aimed at social channels and the website
- A partnership with IGN has seen the creation of a series of online and in-store events that benefit the communities of both brands, encouraging involvement in anything from exclusive content to advance previews and discussion forums

Pre-owned and trade in

- GAME prides itself on offering unrivalled value to customers both online and in-store providing exclusive perks, discounts and offers on top games
- The 'We Won't Be Beaten' price promise on trade ins has proved extremely popular (55% of digital purchases now use trade in) and was a tangible example of how the new brand built on key strengths of both brands
- Swap Shop gave gamers the chance to swap games in store for as little as £1 and sell back their console at the end of the holiday for an unbeatable minimum buyback price
- Trade in and pre-owned has been extended to include Smartphones and tablets taking into account the growing number of ways to game

Communicating a clear brand message

- GAME developed an integrated, flexible comms plan to ensure clarity of message around the launch of the new brand and control the dissemination of the news across internal stakeholders, suppliers and external audiences, mitigating speculation or leakages
 - For store managers and head office staff, the news was announced during the annual store manager conference and from there, communicated to suppliers, who had been pre-briefed on the business strategy through quarterly supplier conferences
 - To deliver depth of message and create a positive buzz externally, one key media outlet in each sector was briefed in advance under embargo and given an exclusive interview ensuring depth and control of message in primary news outlets
 - A local PR Toolkit gave store staff the autonomy to talk to their regional media about the changes
 - The gaming community was informed via gaming media, DM, in store comms and central and store social channels
- Following the news announcement, a series of display ads communicated some of the key benefits to gamers. The media plan focussed on digital platforms to ensure the brand reached the market with minimal wastage:
 - Trust and authenticity for the new brand were built through a heavy presence on the core sites, IGN and GAMESPOT.
 - Gorilla Nation's network of gaming sites and PHD's own Real Time Bidding technology reached out to gamers via the most cost efficient means
 - Spotify and MSN extended the message to less frequent, casual gamers. Strategic placements on mobile captured audiences while out and about on the high street and in proximity to their stores – all underpinned with placements on YouTube's sizable gaming channel

Key results

In the context of expected market decline in the gaming category, GAME has continued to hit its expected targets and exceeded budget expectations throughout the first half of the 2012/13 financial year.

Digital Excellence

- Significant increase in digital sales YOY, resulting in consistent 47.5% digital market share

Omni-Channel

- With a reduced store footprint it has maintained a 32% market share in 2012/13. So when accounting for a smaller store footprint the stores have been performing better - a 0.06% market share per store previous versus 0.08% with the lower store footprint
- Previously in 2011/12 GAME had a 33.7% market share for its 608 store footprint. In September and October 122 gamestation stores rebranded as GAME, and 25 new stores including a new concept store in Watford were created unifying a total of 333 stores under the GAME brand. Christmas trading also showed that refurbished stores outperformed by 14%

Delivering for Gamers

- Exclusives on key game launches delivering for the gaming community, resulting in £1m+ worth of new release merchandise sales during peak season

Community rewards

- 920,000 customers signed up to the unified reward scheme resulting in a 22% increase in new customers
- 335,000 downloads of reward card app
- GAME stores have gained 50,000+ followers in the last six months up 67% YOY

Pre-owned and trade in

- Trade-In value up 17% YOY. Trade is now used in 55% of digital purchases
- Since incorporation into the app, the trade-in price checker has been used over 570k times

Communicating a clear brand message

There has been a marked uplift in customer perception towards GAME as detailed in the table below:

% Association with GAME amongst customers;	May 2012	Dec 2012	%pp Uplift
Showcases new technology	57%	70%	+13%pp
Best trade in prices	53%	62%	+9%pp
Available whenever and wherever I need	53%	61%	+8%pp
Favourite place to trade-in games	59%	65%	+7%pp
More friendly and	62%	69%	+7%pp

helpful staff than other retailers			
Interesting experience	55%	61%	+6%pp
Good reputation	68%	73%	+5%pp

Source: SPA Future Thinking GAME Brand Tracker (May 2012 / December 2012)

In addition, NPS amongst GAME customers improved 6 points since May 2012 highlighting the increased positivity towards the brand. This score remains ahead of all other high street and supermarket retailers that sell games.

GAME’s messaging was seen by gamers at the point when they would undoubtedly be forming opinions and getting excited for the year’s upcoming major releases. PR coverage and resulting forum conversation was 15% positive, 80% neutral, 5% negative effectively minimising the negative backlash surrounding the changes.

With an estimated total number of impressions exceeding 32m and a PR reach of 128m across the campaign period, GAME was the most visible (gaming) brand during what was the most important time of year for the gaming industry.

Whilst the job of brand revitalisation is still on-going the significant change and success delivered by GAME in a short period of time stands testament to the strength of customer understanding but also the people who are living and breathing the brand from head office as well as stores across the UK. GAME’s success so far has shown that administration doesn’t have to be the end for a long standing brand and that it can be reinvigorated to have a role in the modern world of retailing.

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