

Best Buy drops into social gaming world

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Best Buy Co. may be building fewer big-box stores in malls and shopping centers nationwide. But when it comes to the virtual world, the Richfield-based consumer electronics giant is looking to grab some digital real estate.

The company recently partnered with San Francisco-based Zynga Inc. to allow players to "place" Best Buy stores in the CityVille game on Facebook. By making itself a fixture in the popular social game, Best Buy hopes to move beyond traditional advertising and engage consumers in a manner that's equal parts familiar and cutting-edge.

"Our core customers spend a lot of their time on Facebook," said Alix Hart, senior director of digital marketing for Best Buy. CityVille "is such a great fit to reach consumers where they are. This is the deepest we've ever gone in social gaming."

Best Buy is trying to get ahead of what industry experts call "gamification," a marketing concept that seeks to effortlessly fuse social media, entertainment and commerce. Although Best Buy generated more than \$50 billion in revenue last year, sales from its bricks-and-mortar stores has slowed. That's why Best Buy and other retailers,

including Minneapolis-based Target Corp., want to boost sales by more closely integrating stores with websites and mobile devices.

Retailers could exploit the popularity of FarmVille, Mafia Wars and Cafe World -- games where users can play and interact with each other on Facebook, Yahoo! and Google -- and reach gamers with deals, product info and loyalty programs.

In May, HSN (formerly the Home Shopping Network) launched HSN Arcade on its website. Internet retailer Bluefly.com signed up with Badgeville, a Silicon Valley-based gamification start-up that recently raised \$12 million in venture capital.

Last week, media/tech giants like Google, Microsoft, Sony and NBC Universal attended the Gamification Summit in New York City.

"It's certainly new," said Dan Shust, who heads innovation for Resource Interactive, a digital marketing agency based in Columbus, Ohio, that works with retailers. Best Buy's presence on CityVille "does go a little further. I can see a whole lot more retailers doing it."

In CityVille, players build the city of their dreams, including homes, businesses, famous landmarks and public buildings. They can recruit their family and friends to work in police departments and build franchises, such as toy stores. Players can place Best Buy stores in their cities, where they collect items like a smartphone, camera or refrigerator. Collecting these items can win gamers points,

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Of course, too much marketing can turn off gamers. But they can naturally associate Best Buy stores with the reality-based world of CityVille, Shust said.

"There's no reason to see Best Buy in Halo," said Shust, referring to the violent sci-fi video game for Xbox. In CityVille, "I wouldn't want a generic big-box store. I want that Best Buy store in my city."

Social games like CityVille also offer retailers a wider audience than the hard-core gamers, who tend to be young and male. Fifty percent of the U.S. online population age 18 to 45 plays social games on a daily basis, according to a recent study by Saatchi & Saatchi. Of that group, 46 percent are women.

"Retailers [covet] female shoppers," said Carol Spieckerman, president of Newmarketbuilders, a retail strategy firm in Bentonville, Ark. "And social gaming is relevant to women."

In addition, 66 percent of social gamers own a tablet and 53 percent are smartphone users. That's especially appealing to Best Buy, which has been aggressively courting consumers on their mobile devices.

Will building Best Buys in CityVille lead to real-world sales?

"I don't know," Hart of Best Buy said. "Our first priority is to build brand consideration" among

players.

Between Aug. 31 and Sept. 6 -- the week Best Buy appeared on CityVille -- the retailer gained more than 1 million fans on Facebook.

"This was unprecedented for us," spokeswoman Erin Bix wrote in an e-mail. "We are still assessing other metrics, like traffic to our website and engagement with the game. But we are thrilled with the results we have so far and the positive feedback we've heard from our fans on Facebook."

Best Buy will return to CityVille for a week beginning Nov. 6, just in time for the holiday shopping season.

Best Buy and Zynga officials say they are open to introducing more real-world transactions into the game. For instance, Spieckerman of Newmarketbuilders said consumers could one day buy real merchandise in CityVille Best Buy stores that they can't find in the actual stores.

"I don't see them not doing it," Spieckerman said.

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