



Court Newton, director of store systems, and John Hinkle, CIO

FACING THE MUSIC

Trans World Entertainment tunes up its IT foundation to prepare for a rapidly evolving new-media future

BY DORI SALTZMAN

The last fifteen years have seen rapid introductions of new products to the entertainment media industry. Some have come and gone (laser discs, mini discs). Others have had much more staying power (CDs, DVDs). And entertainment media retailers have had to be ready for each new product. Quick adoption and adaptability has been necessary to keep up with the times and the media retailer Joneses. As the CDs and DVDs, the very bread and butter of entertainment media, are being forced to share their space with downloadable media and portable players, it is even more important for media retailers to be ready for whatever is around the corner.

Trans World Entertainment, operator of nearly 1,000 retail stores primarily under the f.y.e. and Suncoast brands, realized the importance of creating a solid, but flexible IT foundation more than

two years ago and has been working tirelessly ever since to position itself in order to accommodate whatever the industry throws its way. The entertainment media environment "is dynamic," says John Hinkle, CIO. "It is changing at a fast pace, especially with the rise of portable media players. It is driving investment in change much quicker than ever before."

In an effort to differentiate itself from its competitors Trans World embarked, in 2005, on a two-fold journey. First, create an enjoyable in-store experience that the customer wants to come back to again and again. Second, create a solid, expandable technology foundation to support both front-end and back-end operations. Several IT projects later and Trans World is successfully positioned to accommodate almost any new media adaptations that might come its way.

TRANS WORLD ENTERTAINMENT BY THE NUMBERS

\$1.471 Billion	2006 Revenue
1.5 Billion	Store/SKU combinations
62	IT Staff
978	Stores

LISTEN AND VIEW

Keeping the goal of creating an enjoyable in-store experience at the heart of most IT initiatives, 2005 and 2006 saw Trans World begin and complete several related projects. First and foremost, next-generation Listening/Viewing Stations (LVS) were deployed to most stores. The original LVS were introduced in 2001 and were passive devices that allowed customers to scan specific items to get either a music sample or a movie trailer. The next-generation LVS are “all about interaction” says Hinkle. “The overall goal of a listening/viewing station is that it has customer facing capability to help the customer find more products and enjoy their experience in the store,” he adds.

The next-generation LVS are proprietary Windows CE devices engineered by Trans World; they run on an embedded Internet Explorer browser and are connected to an in-store server via an Ethernet connection. They feature a 10.4-inch touch-screen that “allows you to sample music and browse or search throughout the entire catalog of information, and look up inventory,” says Hinkle. The information catalog is supplied by All Media Guide (AMG), a vendor of metadata specifically about the entertainment industry. Everything from Bob Dylan’s birthday to a filmography of Julia Roberts movies is available, including images and music samples.

In addition to the entertainment database, the LVS also are capable of looking up inventory availability. Customers can find out if selected items are in the store or at the five nearest stores. Tied to POS data, the inventory look-up is in real-time. “The LVS is a selling tool in the store,” says Hinkle. It is “a win for the company” whenever it “can provide more information to the customer to help them better select a product,” he adds.

Because all IT projects are ultimately for the benefit of the customer, and in order to bring such benefits to the customer faster, “the timeline for the design and creation of the next-generation LVS was aggressive,” says Court Newton, director of store systems at Trans World.

A fast timeline also was put in place when Trans World Entertainment acquired a controlling interest in a company called Mix and Burn. Mix and Burn technology allows users to mix their own custom albums and then burn them onto CD. In addition to allowing users to create their own CDs, customers also have the option

to download their selected songs onto a portable music device. The interactive software was incorporated into the LVS architecture in approximately 90 days. However, Mix and Burn LVS kiosks have not yet been deployed chain wide. According to Hinkle, Trans World is currently in the midst of a 25-store pilot test. “We selected stores to give us a good variety for analysis,” says Hinkle, speaking of the current pilot which began in March 2007. “We chose stores of varying sizes, demographics and layouts to get a flavor for the variables that work best,” he adds.

World employees at all levels have taken this belief to heart. From senior management to IT technicians to store managers, all work together to ensure that the focus is always on the customer. Everything IT does is ultimately a combination of efforts by all levels, always with the customer in mind. “The LVS and other technology at Trans World are a combination of IT, corporate business and store personnel who take them (IT initiatives) under their wing and operate them effectively to increase the business. Everybody takes a part in the success,” Hinkle adds.

During the early development stages of the LVS the IT department assembled a large cross-functional team for three days to discuss the project and define key objectives. Team members

PARTNERS IN SUCCESS

Such streamlined processes and implementations require teamwork at every level to succeed. “Trans World holds a very strong belief that driving a great customer experience in the store is key to our success,” Hinkle says. And Trans



TRANS WORLD ENTERTAINMENT TECH TOOL BOX

- **Network Infrastructure:** AT&T
- **POS Hardware:** NCR RealPOS 80
- **Kiosks:** IBM / Custom
- **Printers:** Brother
- **ERP:** Island Pacific
- **Human Resources/Payroll:** Infinium
- **CRM, Loyalty:** VRMS, Epicor | CRS
- **POS Software:** Epicor | CRS

included representatives from IT, upper management, merchandising and marketing. “We jointly came up with the best solutions for the business,” Hinkle says of the team members.

District and store managers are an important part of the Trans World partnership. When the 335 new stores were brought up-to-date with Trans World’s level of technology, it was the district managers who led the way. Initially trained at regional sessions, the rest was “done in the field with one of our people on the phone if needed. They are great partners in our success,” Hinkle says.

PREPARED FOR THE FUTURE

With the completion of the POS overhaul, upgrade to a broadband network and deployment of its next-generation listening/viewing stations combined with the willingness of all Trans World employees at every level to go the extra mile, Trans World has laid a foundation for the future. “We are where we need to be,” says Hinkle. “We have been laying the foundation for years so we are well positioned to move quickly.”

Future plans are heavily focused on expanding and integrating all customer-facing capabilities across all channels. “If we look at many of the projects on our plates their goal is to continue to bring all of these things closer together, to make it more of a seamless experience for the customer,” Hinkle explains — what the customer can do on-line, the customer can do in the store, and vice-versa.

In addition, finding ways to incorporate digitally downloaded media to the sales mix is something the company is exploring. “I think it is essential that retailers look at offering that (downloadable music) to customers,” Hinkle says. Though CDs and DVDs continue to comprise the majority of the company’s business, adding the Mix and Burn capability to the LVS has enabled the company to take the first steps towards a new-media future. **RIS**

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BROADBAND SUPPORT

In order to support the greater bandwidth needs of the LVS and a new POS platform, also de-