



MASSMART

GROUP UPDATE

# Dion gets Wired



*In what is Massmart's first-ever greenfields project, Dion Wired hi-tech and appliance stores are the newest feature on the South African retail landscape. They offer computing, gaming, imaging, cellular, appliance and audiovisual solutions from the world's most sought-after brands.*

## Know thy customers

"If it's newly available in the country, we want to be the first to have it," says Jan Potgieter, managing director of Massdiscounters. "Dion Wired is going to have this reputation with its customers. That's why we're focusing on the early adopters, those shoppers who are the first to take on new products."

"We travelled to London and Dubai and looked at the best hi-tech stores in those markets," adds Greg Hirsch, general manager of Dion Wired. "We came back and got to work on creating a store concept that works here. South African shoppers don't buy a lot of their hi-tech goods over the Internet," he explains. "They want to come in-store and see it, so we've create an environment that offers them what they want the most."

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For some, it'll be the chance to play around with their new purchase and get a feel for it hands-on. For others, it'll be effortless. We'll install their purchases for them so when they get home from work, all they have to do is press the 'On' button. Both these types of customers want the latest technology, and we at Dion Wired are making sure we understand who these shoppers are."

## Give them premium brands

One of the most important features of Dion Wired stores is

the range of top-end brands they carry. "There is a 70% range differentiation Dion Wired has compared to Game stores," reveals Potgieter. "We've broken down the barriers to premium brands to carry names like Mille, Smeg, Sony Vaio, Marantz, Jamo and Apple."

"We have our own buyers who are picking out the best of what's new out there," says Hirsch. "Our store employees are trained to have extensive product knowledge and be able to offer a higher level of service to our customers. Our stores don't just sell cameras, printers and PCs. We bundle the offering and show customers how all these separate elements work together. While price is always important and customers want a good deal, Dion Wired is not selling on price. We sell on value and on quality."



Mykel Nicolaou

### Make space for the new generation

The choice to build on the brand equity of the Dion name, rather than create a new brand, brought with it certain advantages. "Dion has been around for many years," says Potgieter, "and the brand has value and says something about after-sales service to Dion customers of the past. The logo is recognisable, and by putting a plug icon in the 'D', we can build on that recognition while still showing that this is something new. Dion Home Work Play stores will be phased out in the near future," he reveals. "They will be converted into Game stores, so Dion Wired will be what carries the brand forward."

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 – Greg Hirsch, general manager – of Dion Wired.

"We believe we can change the perception of the Dion brand in much the same way brand perceptions are changed every day around the world," Hirsch adds. "Take Puma, for example. It used to be a sporting shoe brand. Now, it's a fashion brand. That's what we're doing with

the Dion brand and Dion Wired. We're excited to have a business model that's so unique and will be sustainable into the future. It gives Massmart something new, and shows us we can create just as well as we acquire."

"For Massdiscounters, it's great because Dion Wired gives us a speciality store concept," adds Potgieter. It'll be great experience for this division, and we'll develop new confidence with its success."

### Propelling service forward

Check out the Dion Wired website and you'll find Propeller Heads, a service offering that's solution-driven. "Not everyone wants to know how their hi-tech gadgets work. Propellers Heads is the name we've given to our hi-tech problem solvers. Hirsch says "They can fix it, install it - whatever you need. We are creating a bolder service orientation in our stores.

We raise expectations in our customers with this, and then meet those same expectations after the sale with superb technical support.

It's another feature to differentiate us in the marketplace." There are two stores running now: in Centurion Lifestyle Centre,

Centurion and in the brand-new Cedar Square Shopping Centre in Fourways, Gauteng. Next, will be Dion Wired at the Gateway Shopping Centre in KwaZulu-Natal, followed by a store at the Kollonade Shopping Centre in Pretoria. "This is the beginning of our five-year national rollout for Dion Wired," Potgieter reveals. "We're learning new things with every store and tweaking the Dion Wired concept each time."

"We've been given the freedom to think out of the box, and even make mistakes," Hirsch adds. "It means we can find out what works best, and we've been given space to experiment."

Mistakes have been few. "Already, Dion Wired's sales performance has exceeded expectations," Potgieter smiles. "We're listing new products on a daily basis and have been given incredible flexibility, so there's a strong entrepreneurial spirit here. We're exploring, trying new things and learning," he says.

Dion Wired's fresh layout and cool tones make shopping for the latest appliance, camera, TV, cell-phone, PC or laptop a breeze. Knowledgeable staff, high quality and fashionable merchandise and after sales service will keep Dion Wired customers coming back for more. ■