

Beds R Us: A Pop Up Shop + a Virtual Phone System = a More Agile Operation with Greater Profitability

About Beds R Us

Beds R Us is Australia's most successful independent bed retailer, operating more than 120 physical stores from the Gold Coast to Perth. Just as so many other industries have discovered, retail bedding companies in Australia are facing stiffer competition due to digitization and changing consumer buying habits. However, their traditional IT infrastructure wasn't built to handle a more mobile, agile operation. Despite that complication, they determined that it was time to move on to a faster, leaner, more popular business model so the company and their customers could rest easier at night.

The Problem: Managing a mobile business model

Beds R Us is between worlds: the old world of physical retail stores where customers can touch mattresses while a sales associate answers questions – and the new world of online ordering with 24-hour convenience plus an effectively infinite inventory. Looming in the background was Amazon's intention to enter the Australian market and disrupt retail in a major way. In addition to the threat from online retailers with lower costs structures, Beds R Us also had to compete with popular, low-priced imports while their profits were thinned out by the rising costs of maintaining physical stores with full time employees. On the grand scale, [IbisWorld's analysts](#) projected that the Australian market's revenues would decline by 4.5% in 2018, partially due to softer demand for new housing starts. Consumers, concerned over the volatile global economic climate, were waiting longer to make large purchases like bedroom furniture.

Beds R Us business leaders determined it was time to embrace the on-demand economy and move to a pop up shop business model. Instead of heavy fixed costs, expensive employees and cash tied up in real estate, they would operate with no fixed address while their new contingent workforce might be hired by the day, by the week, or for a single promotion.

The pop up shop model, with consumer demand driven by online and mobile marketing, has proven to be [enormously profitable for businesses](#) of all sizes, such as Uniqlo, Nestle, Nike, and In-N-Out burgers. The concept could be even more profitable for a company like Beds R Us, where the size of the beds demand such a large physical showroom footprint, with all the associated costs of commercial real estate and utilities. Pop up shops would allow Bed R Us to compete more directly with digital only competitors like Casper, which markets online and drop-ships mattresses directly to the

consumer's home address. Pop-up shops are the best of both worlds, allowing consumers to fully experience the beds first hand, without the onerous rent overheads of a permanent location.

The major drawback of a pop up shop is set up and tear down costs. Minimizing these are the key to profitability. That's a major problem because set up and tear down are the most complex, costly phases of traditional IT and communications infrastructures. The agility of a pop up shop business model should be matched with a zero infrastructure design for virtualized hardware and simplified software management. Adding/deleting/changing employees and locations should be as simple as downloading or removing a mobile app.

The Solution: A virtual phone system

A pop up shop is like a normal shop in that reliable communication networks are essential for operations. Setting up and tearing down a traditional PBX network or even a full VoIP system is not a viable solution.

Although pop up shops only exist for a short, indeterminate amount of time, customer still need a way to call in for questions, hours, directions, etc. Employees at the shop must also be able to contact their superiors rapidly, often sending secure reporting data back and forth.

Beyond the infrastructure itself, access to the network is complicated as well. The workers hired to staff these pop up shops are temporary as the store moves daily, weekly, monthly, or on a variable demand-driven schedule to a series of locations. Beds R Us had to streamline the process and reduce the costs of adding/removing/changing worker access to a phone system, and deploy a platform that they can just pick up and use with minimal training.

Spoke provided an ideal solution for this use case. Spoke is a virtual phone system with all the essential capabilities of a PBX, but entirely deployed on mobile devices. Spoke requires zero infrastructure.

Streamlined Setup and Onboarding

Laura Christie, Marketing Manager, Bed R Us, said, "Spoke was quick and easy to setup and configure, supporting multiple locations, phone numbers and teams. As Beds R Us adds more pop-up stores, or those stores change locations, there is nothing to configure, no wires to run, no IT contractors that need to go on site."

Beds R Us brought in local workers to staff the pop-up stores and added them on the network by just downloading the Spoke platform on their mobile phones. Using it was intuitive and simple for both workers and managers.

Spoke's TXT Invite made it effortless for store manager's to onboard new hires without the need for any help or configuration from IT. New hires just downloaded Spoke app and then selected their locations. Total set up time took around one minute.

Because the pop up shop workers were mostly temporary contractors, when their contract expired, the store manager used their own Spoke app to remove workers from the system.

Simplicity by Design

Beds R Us managers do not need to provide phones to their workers or setup any complicated software, call routing rules, wires, hardware, etc. Workers simply answer work calls within the Spoke app and then exit the app to make their own private calls.

When customers calls for Beds R Us, the worker's phone announced "Company call via Spoke Phone" - so workers know whether it is a business or a personal call. Making calls from Spoke is easy too. Should employees need to call a customer back, they can re-dial the customer from the call history in the Spoke app, or use the Spoke dialpad.

Spoke is designed to act and work like, and with, the employees phone. Spoke calls work just like normal calls, but with more features. Workers can put Spoke calls on hold, mute calls, use Spoke with Bluetooth in their cars, switch over to other apps for information and then easily return to the call on Spoke.

However, Spoke is also a business phone system, so the employee has other features, such as call transfer and team calling. Workers can easily transfer a call they receive on Spoke, to another team member. They can also transfer a call to an entire team. Team transfer is a unique feature that allows an employee to transfer a customer to an entire team of people. Beds R Us customers may call in an need to speak to accounting or the finance department. Employees can simply transfer the call to the Finance Team, and not have to know the names of the people on that team, or what number they are on.

Company Data Is Secure and Personal Calls Stay Private

Spoke protects employee's identity by masking their personal phone numbers. Customers see the Beds R US phone number when workers have to call a customer

back. While this protects the employee's privacy, this also means that all contact info and call data for Beds R Us, stays within the company's phone system. If a call is missed, Spoke lets Beds R Us know who needs a call back.

The Spoke app creates a secure business phone system inside an employee's mobile phone. The Spoke app separates the Beds R Us company calls and customer information from the employee's personal phone system and data. Spoke also ensures that Beds R Us cannot see any of the employee's private app use, data, or browsing history. Workers can also set their availability to offline so they do not get company calls after hours.

Priced for the On-Demand Economy

Traditional business phone system pricing is typically based on the number of lines and/or the number of users/extensions. This model did not work for Beds R Us, as their employee base varies from day-to-day, as does the number of their store locations.

Spoke, in working with Beds R Us, created an individualized pricing model that allows Beds R Us to have flexible/unlimited number employees at a location for any length of time, for a low fixed price per location. The pricing structure allows Beds R Us to add and delete locations at any time, and gives them a known fixed cost per location that includes all calls.

Results: Beds R Us Adds Agility and Profitability

This pricing means that Beds R Us are able to test new pop-up stores, staff up for special events, and generally operate their business in the flexible way they need to. Spoke's totally mobile solution provides Beds R Us the flexibility to change their business phone system to suit the new way their business needs to operate.

With continual pressure on the retail sector margins and high office rental prices, businesses like Beds R Us are continually looking for new and innovative ways to reduce operating costs and improve the customer experience.

Spoke was able to provide Beds R Us with a cost effective solution that can scale seamlessly both up and down to stay in sync with the variable demands of the bedding industry. At the same time, it provides a much improved customer experience in line with changing buying patterns and while Beds R Us returns to profitability.