

HOT TOPIC®



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Case Study

Synq Solutions Implements Print Solutions, Intelligent Profiling and Bi-Coastal Distribution to Drive Efficiencies and Lower Costs for Hot Topic

The Challenge

After years of expansion, Hot Topic faced new challenges meeting growing POP fulfillment needs. In 2009, Hot Topic was searching for ways to increase efficiencies and lower execution costs associated with the production and distribution of Sign Packs, bi-weekly promotional materials delivered to all Hot Topic locations.

One challenge was Hot Topic's dependence on cumbersome spreadsheets and email to manage everything from pricing to store data to promotional schedules for POP delivery. These spreadsheets were difficult to track and were inefficient for managing updates.

With an increasing number of diverse store locations in malls across the nation and Canada, Hot Topic lacked an intelligent tool to collect data about individual store differences, such as window sizes, wall dimensions, hardware, and more. As a result, Hot Topic printed the exact same POP materials for every location. Individual retailers were responsible for cutting down materials, such as window clings that did not fit their window configuration, to the appropriate size. This time-consuming approach had direct impact on the cost, quality and usability of the POP material shipped to the stores.

Another challenge was the proofing process. Without a provider to manage proof checks, the Hot Topic marketing team was responsible for meeting

with vendors and traveling off-site to approve Sign Pack items.

Utilizing printers on the West Coast, Hot Topic incurred significant costs delivering materials to their East Coast locations. The time-in-transit was not ideal when shipping items across the country and store locations received Sign Packs on different dates. With a 5-day shipping point to some locations, Hot Topic frequently expedited shipping to make sure materials arrived on time.

The Solution

To ensure an optimal solution for each of these challenges, Synq Solutions conducted a thorough evaluation of Hot Topic's marketing programs, complete with site visits, substrate reviews, pricing and distribution analysis. Synq recommended and implemented an efficient, user-friendly communication tool to replace spreadsheets. The customizable technology solution effectively manages all communication between parties and notifies users in real-time when any pricing, substrate, quantity, or shipping information is updated.

After improving communication, Synq deployed Promonet, a web-based solution that allows users to view, order and track daily projects or promotions. Promonet streamlines the replenishment of items after a Sign Pack is delivered, saving Hot Topic time and ensuring consistent and prompt delivery of new materials.

Hot Topic | Synq Solutions

To deliver store-specific merchandising materials to each Hot Topic location, Synq implemented **Intelligent Profiling**. After profiling physical attribute data for every location, Synq matches this data against item attributes. Instead of cutting down incorrectly sized materials, retailers receive POP items that will fit their store's dimensions, lowering costs and compressing installation time.

Because precise color matching is critical for every promotion, Synq provided Hot Topic with the same proofing equipment used in their production facilities and calibrated it to match Synq's proof output. The equipment allows Hot Topic to instantly produce and view proofs, increasing the creative window and reducing administration.

Utilizing a strategic combination of production methods and substrates, Synq guarantees that Hot Topic receives the best solution for every project. Considering factors such as price, timing, equipment and desired output, Synq offers Hot Topic recommendations for best processes and materials at the optimal cost. In addition, Synq routinely conducts research and provides prototypes to expand options for Hot Topic's creative team.

To reduce shipping costs and ensure timely delivery, Synq uses both strategically-placed production and distribution facilities in Las Vegas and Atlanta. With coverage on both coasts, Synq efficiently supplies Hot Topic's national footprint.

Results

The partnership with Synq Solutions has resulted in significant cost savings for Hot Topic. Utilizing the bi-coastal distribution centers, Synq reduced shipping costs by 50%, saving Hot Topic over \$150,000 in freight costs alone in 2010. Additional cost savings are a result of **Intelligent Profiling**, standardizing POP item sizes based upon location needs and offering various options for substrates and printing methods.

Synq helped Hot Topic streamline data collection and pricing, giving more time back to Hot Topic's creative and marketing teams. The "one-stop shop" approach has simplified the execution of the Hot Topic marketing campaign calendar. With technology, printing, fulfillment and delivery synchronized in one company, Hot Topic can reduce the time

associated with vendor management and focus on its core business.

Leigh Rodwick, Marketing Director at Hot Topic, speaks to the benefits of the partnership with Synq Solutions:

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Synq Solutions is an invaluable marketing partner. As a growing company, we required a print and fulfillment provider that could streamline our increasingly complex process and grow with us. With Synq, we found a partner that drives efficiencies and cost savings, while executing campaigns with speed and accuracy.

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Next Steps

Synq Solutions has proposed the integration of Local Store Marketing tools to promote community events and target local audiences. By leveraging Local Store Marketing, Hot Topic can more effectively react to competition, local trends, and excess inventory. With a proactive, consultative approach, Synq will continue to drive efficiencies in communication, technology and print production, saving Hot Topic both time and costs.

Founded in 1988, Hot Topic is a teen retail store that specializes in music and pop culture inspired fashion, including body jewelry, accessories, Rock T-Shirts, Skinny Jeans, Band T-shirts and more. Headquartered in City of Industry, California, Hot Topic now has over 600 locations across the U.S. and Canada.