Case study best buy

Business

You could blame the bankruptcy of Circuit City on the bad economy or decreased consumer spending, but the main reason was bad management. Circuit City never adapted to changing consumer demands, whileBest Buywas able to adapt to a high tech market. Circuit City also had a problem with basic inventory management. They were unable to move their inventory which left them unable to buy new products or pay off Its existing debts. Best Buy was also far better than Circuit City when It came to customer service.

Circuit City fired some 3, 400 of the firm’s most experienced employees and replaced them with less-costly, less-experienced personnel. Some analysts claim that many of the laid-off Occult City employees took their experience and their customers to Best Buy, boosting the sales of their mall competitor.

And while Circuit City was known for Its hard-sell tactics, Best Buy employees enjoyed a more relaxed, self-service-oriented sales environment. Best Buys main competitors areAmazon, Target, Walter andApple. They entered the fight and established significant bases.

A price war with Walter and Amazon caused Best Buy’s percent in market share to decline.

Best Buy should emphasize its performance in market share from 2007 to 2010 because it has grown significantly during this time period. They should also emphasize their sales growth because it has grown from $30. 8 billion in 2006 to $50. 3 billion n 2011. Diluted PEPS has also grown from $2. 27 in 2006 to $3.

43 in 2011, a significant increase. Also when it comes to customer perceptions in buying electronics, Best Buy comes to mind first over Walter and Amazon.