

# Circuit city: swot analysis

[Finance](#), [Financial Analysis](#)



Circuit city Inc. mainly operates mainly in Canada and US and it has a headquarter in Richmond, Virginia. It has employed over 46, 000 workers, it sells not only in store and malls but even online. It operates more than 600 superstores and five mall based stores in US. Circuit city Inc is a store which retails on person electronics products such as computer, audio and video systems, cameras electronic toys telephone equipments and entertainment software.

## SWOT ANALYSIS

SWOT Analysis of a Company is the vital source for the company data and information and examines the company's business structure operations, product and latest company financial statement.

## STENGHTH

Due to the increase of in-store and online sales the company have a recorded a revenues of over \$ 12, 400 million for the fiscal year ended February 2007, that shows there is an increase of 8% as compared to 2006. There are some factors which attributed to the profit made by the company which include:

Qualify potential partners and suppliers that will not let down the company as it struggles to cope with its competitors. Supporting sales activities by considering customers business better. Fully tracking the competitors' business strategy, structure and prospects. Web-originated sales grew by 74% over the prior year, that showed potency in an extensive number of

categories especially in flat panel television portable digital audio products, notebook computers and digital imaging products.

The company has made major investments in renovation, new points of sales and merchandized system transformation. WEAKNESS Circuit city Inc is a weak player in a sturdy consumer electronic industry but it remain the quality player. The company may also be in a weaker position after it intends to replace 3, 400 highly paid workers with lower paid workers which include sale staff members who are more experienced and help to thrust higher margin sales and services. The company have not managed to capitalize the pace by which their main compotator the Best Buy moves forward.

Circuit city's performance is being hindered to some extend by the requirement that come along with being public. OPPORTUNITIES The company has continuously evolved to maintain our leadership in customer service and in consumer electronic industry. It has grown to 200 companies of approximately 40, 000 associate with more than 600 stores in US and Canada. The company also ventures into real estate business. The company has listed Multi-channel integration as one of its essential innovation initiative.

It has also launched a test program to enable sales associates and customers in 20 stores in Boston and Florida to use wireless tablet personal computers to access prices from the company website as they walk through a store. As a an evolution of business strategies, circuit city has an initiative called; The city, it's a new venture taken on by circuit city stores as a

concept which help circuit city sales. The company intends to open up 200-300 stores a year an increase form 10-12 stores a year.

## THREATS

The biggest threat for the company is the online spam emails which accumulate to the company web site. To tackle the problem the company has a deal with postini. Postini is wholly owned part ofGoogleand is a global leader in communications securities that protects the companies from internet-borne terrorization and risks of unmanaged communications; archives and encrypts selected message; and ensures that the web is used suitably within the business spectrum. This helps to prevent directory harvest attack from overloading the servers.

## REFERENCES

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