

# [Best buy co, inc](https://assignbuster.com/best-buy-co-inc/)

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Best Buy Co., Inc. is a Fortune 100 company and the largest specialty retailer of consumer electronics in the United States and Canada, accounting for 17% of the market. [1] The company's subsidiaries include Geek Squad, Magnolia Audio Video, Pacific Sales, and, in Canada the Best Buy Canada subsidiary operates most stores under the Future Shop label. Together these operate more than 1, 150 stores in the United States, Puerto Rico, Canada and China. [1] To support its sales company operates on bricks and clicks model and its corporate website serves both as channel for direct sales and e-marketing.

This report is a critical review of the 'Best Buy' website, which includes how the web site supported its business model and helped in growth of the company. This report also includes analysis of website navigation, content, design and layout.

Business model and strategy

A business model is a method by which a company generates revenue and can sustain itself. Best Buy uses multiple channel model for reaching the end users and its web site acts as a B2C direct sales channel (e-retailer) to sell products online and B2C brochure ware (advertisement model) to provide detailed product information, enquiries and customer support. Best Buy also has a separate web site to support its B2B sales , which provides solutions for small businesses and governmental organization. The primary objective of the web site to attract potential customers, and direct them to online store, 24/7 hotline (telephone sales) or the nearest retail store for business. The company has for some segments created a personal shopping assistant, so that a customer can call and make an appointment for their shopping trip.

Best Buy offers competitive prices and high levels of support to compete with other players like Wal-Mart and Circuit City. A value proposition provided by Best Buy to online customers is local store pick-up, where a customer can pick up the online purchased product from nearest store on the same day otherwise it will be shipped to the customer. Another advantage of online sales is that the company knows who the actual end user is. Best Buy is aware what equipment has been sent to whom and how much has the user or the customer spent on the product. Best Buy uses this information to provide additional services and also helps the customers with replacements or technical difficulties.

Best Buy currently owns five private brands which it sells. Best Buy earns big bucks offering on-site installation services, as well as a Geek Squad " precinct" for computer repair and warranty service and accidental service plans.

Channel Strategy:

The site is aligned to its physical business and one can choose the country or region from where he/she wants to buy the product. Customers have an option of either buying online or call the 24/7 hotline number which is available on the website. There is also a store locator tool which gives address of nearest retail stores on entering zip code.

Customer retention and loyalty:

Best Buy offers gift cards and incentives to its customers on a purchase, which can be redeemed on future purchases. It helps Best Buy in retaining its customers.

Web site design and content

Content

The content on web site is up to date and easy for the users to search. The information about the product and services is clear and correct, except for price of certain products where discrepancies were found between the online prices and store prices. For the prices a disclaimer is written on the bottom of web site which says " Online prices and selection generally match our retail stores, but may vary". It is properly structured and it provides product information, interactive product design and order entry functions.

Index Page:

The Index page has five slideshow pictures which keeps changing, but there is a option to pause the slideshow. But pictures keep moving in default mode unless slideshow is paused. It increases page loading time and all images are in high resolution.

The web site establishes the high credentials of the web site and company. It is also 'cyber trust' secured which ensures online consumer's privacy and protection against fraud. The web site also displays company logo and privacy policy, legal policy and conditions of use. But it doesn't give the date of web site update.

Index page also gives information about store locations, weekly offers, order status and product search.

There are few grammatical errors and typos on the web site but there is no provision for reporting the errors.

Types

Scripting: The web site scripting is done in HTML, which makes the structure and design of web site simple.

Graphics:

All graphics are in either of . jpg, gif and adobe format. It uses macromedia flash player for slideshow of images. Most of the images on the home page as well as on the other pages are in jpeg format which is a very light file format. Best Buy has avoided the use of large graphic files as it takes time to load on regular connections and most of the times the user gets impatient and eventually gives up. By not using heavy files Best Buy has insured quick loading of its website and has been able to retain the users.

Contact Us:

The user can choose from the available supports according to his requirement i. e. through email or phone. Apart from this there is link on the homepage which says " We'll call you now". One can enter his/her phone number in the contact form and the assistant from Best Buy will call immediately.

Also there's a section displayed on each page - product support, where the customers can get support on their products, do installations and repairs and get information about warranties and tech support. This helps to resolve many issues online and saves a lot time for the user as there is no need to call the hotline number unless the problem is too big and needs technical assistance.

The savings achieved by having customers interact with Best Buy electronically instead of a phone are significant. On an average the cost of online support is 10-15% of the cost of telephone calling. Both customer satisfaction and cost savings can be achieved with an eCommerce platform.

Private Policy:

Best Buy's private policies state how it uses the information provided by the customers while using their website, over the telephone or working with the online support team. The policies clearly states what information of the customer is used and for what purpose.

The Policy includes:

1. Copyright

2. Cookies

3. Piracy statement

4. Legal Notices

5. Software License Agreement

The site uses two types of cookies - temporary and permanent. It uses cookies to store information such as email addresses and service tag no's. It is beneficial as the company with the help of the stored information sends offers to the customers.

Also if the customer is visiting the website after a long time they do not have to enter the same information again.

Design and Layout

Page Layout:

Best Buy homepage primarily uses a white background with blue and black lettering and dark blue background with white lettering. There are many colours but blue is dominant on homepage. It looks cramped due to overuse of pictures and gives the page a feel of advertisements sticking on billboard. Although use of blue coloured pictures managed to create an environment of " Big blue box" similar to Best Buy stores, it failed to look pleasant to user's eyes. The use of adobe flash player for slideshow of pictures makes the page look dynamic and attractive.

Web site does not meet the Accessibility guidelines for visually impaired users - colours and font sizes along with blue-fever will make it hard for many internet users to use the web site.

Fonts are mostly consistent throughout the site but font size is very small and may be difficult to read from a distance.

Graphics resolution is good enough and use of flash player makes the page attractive. Most of the images are in jpeg format and logos are in gif format, which makes the size of images considerably small and doesn't create problem in loading the web page.

Website is not printer friendly and there's no option for printing the text content of website.

Navigation

On the Best Buy website, the links to access the different product lines and segments are straight forward and quick to access. Once in the product lines page, a brief description of each product series is given, which includes a photograph of the product, and an additional link is provided to allow quick access to a detailed specification of all the recommended products.

The browsing is easier and effective and also the search bar available on every page makes navigation easier. But there is no option for advanced search and search engine does not use Page Rank algorithm (People's wisdom tool), due to this search results are not always accurate.

The links in top ribbon highlight on moving mouse pointer over them but other hyperlinks only changes mouse pointer to hand pointer. The site map available at the bottom of the page makes navigation easier and helps the user to save time. But the web site doesn't use breadcrumbs, which could help users move quickly and effectively around the web site.

Interaction and Information Exchange

Efficiency of download speed:

The homepage does not take much time to load even on a slow internet connection. The site does not actually rely on graphics and gives more importance to the product line and support. They have only used adobe flash technology and jpeg for pictures; instead they could have used some more animations like Java to make web site look more dynamic.

The use of several channels for enquiries like email, telephone or live chat provides good service to customers. Also " We'll call you" service, where you will be called by a Best Buy Associate on leaving your number at their website, is good effort towards attracting potential customers.

Live Chat is also good for the potential customers as they can get information about product they want to buy and stock details of that product at nearby stores.

On the other hand there is no specific link for reporting errors and give feedback about the web site. Although there is a contact form using which one can send general enquiries etc. This is a big flaw in the web site and lack of interaction between users and web team is the limit of web site.

Competitor analysis

Best Buy Vs Circuit City:

The evaluation and comparison of two web sites needs to be done on various aspects. The Best Buy has 9 different consumer segments, each having a link on the Homepage (in form of ribbon dropdown tabs). Circuit City also has 9 tabs on the homepage for different segments which are very similar to Best Buy except for 'Repairs and Installation' segment, for which Best Buy has a separate brand name and website (Geek Squad). Link to that website is given on homepage along with five other web sites i. e. Best Buy Canada, For Business, For Government, For Education, Magnolia and Geek squad.

The Page Layout is similar for both websites but background colour and graphics used in Circuit City website are more conservative. Navigation is similar but it takes 6 clicks to purchase a product on Best Buy whereas City Circuit takes 5 clicks. In terms of search engine both websites are same and none of them use advanced search or Page Rank algorithm. However, Best Buy's business web site has advanced search option.

In partnership with IBM, Circuit City has also developed its first online virtual-reality store based completely within the 3D virtual world of Second Life. The store was opened in December 2006 and houses 3D representations of actual products carried in stores. Online consumers can shop in the virtual store much like they would in a real store [1]. Whereas, Best Buy is still using its standard website to reach customers and pulling them to nearby " big box store".