

Analysis of customer service problem of best buy

[Business](#), [Customers](#)



Introduction Overview of the task The task of this essay is to have a research in person to pay a visit on Best Buy to discover its potential marketing problem, anticipate the consequences and provides potential solution to this problem, which from my perspective, is bad customer service. **Purpose and structure of the essay** The purpose of this essay is to explore the potential marketing problem of Best Buy to provide solutions to its problem.

In order to make the essay more complete, this essay will first start with the brief introduction of the Best Buy, and then a personal experience of visiting the Best Buy shop will be displayed to have an analysis of the potential problem- bad customer service. What to follow is the anticipation and analysis of the potential influence and consequence of the problem. Subsequently, solutions and recommendation will be put out to tackle the problem. **Brief Introduction of the Best Buy**

Best Buy is a giant retailer of entertainment and technology products and services with operations in the multiple countries- United States, China, Europe, Canada and Mexico. The Best Buy generates more than 45 billion dollars annual revenue through brands family and partnerships such as Magnolia Audio Video; Audiovisions; Best Buy; Future Shop; Geek Squad The Car phone Warehouse; Napster; Jiangsu Five Star; Pacific Sales; The Phone House; and Speakeasy.

The company is made up by about 155, 000 employees who have applied their capabilities to bring benefit to the company and added value to customers through various means, for example, online communities, call centers, in-home solutions, retail locations, and websites, and product delivery. **Problem of the company** On March 29, 2012, the earning news <https://assignbuster.com/analysis-of-customer-service-problem-of-best-buy/>

released by the Best Buy which is lower than expected has revealed the trouble of this giant electronics retailer. It is said that Best buy is going to fire four hundred employees and ended up to fifty stores.

Best buy, the last standing electronics blames its difficulties on fierce online competition, for example with Amazon. com. It says that Amazon keeps stealing its business with lower price due to its sales tax free (The Crossing of Marketing and IT, 2012). One joke even goes that Best Buy and Wall-mart have become the showroom for the Amazon. What show rooming means? It means that customers walk in to a Best Buy / Wall-mart/ Sears with the only purpose to check out the real product and compare the prices with the online prices so as to buy a product in other places with cheaper price.

This is the dilemma and big problem for most of the brick and mortar retailers like Best Buy. The show rooming and price competition with online-stores should take most part of the duty for the declining profit problem of Best Buy. But it is from my perspective that the failure of Best Buy is a self-inflicted woe rather than an external hurt due to its bad customer service. The much-publicized Christmas fault of Best Buy has exposed the customer service problem. Three days before Christmas last year, Best Buy informed 30, 000 awaiting customers of cancelled order due to “ a combination of software and process issues” (24kmarketing, 2012).

There is no need to say that such kind of fault will kill any types of retailers. To make things worse, it took approximately three weeks for CEO of Best Buy - Brian Dunn to make an apology for this event, which has added the oil on the flame of fury of customers. The consequence is evident with shares of Best Buy falling by 34% to about \$30, Since Thanksgiving. On June 14, Best
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Buy also announced earnings of 35 cents a share which is a penny lower than last year (Alpha, 2012). What's more, my last experience of visiting the Best Buy shop has given more proof of its customer service problem.

Last week, I went to one of the stores of Best Buy, when I was looking for the things I wanted, the salesperson keeps roaming around me and kept fixed eyes on me which made me quite unpleasant. After a while, he asked me about my needs, however, the guy just knew nothing about the things I want and started to sell other electronics products to me. However, what I want is just some blu-ray discs. Bothering by the upsetting and annoying salesperson, I just grabbed one of the blu-ray discs. But after going home, I found that I have already got this disc and returned to ask for changing the disc.

The troublesome procedure and bad attitude of staff really made me furious. Apart from the up-selling and cross-selling, what I cannot put up with is the erosion of my privacy, questions like how much is your salary is really impolite. The hawking clumsy salesperson is the tip of the problem iceberg and just scratch the surface of the problem, what should be laid emphasis is the customer service and after-sales service quality. Potential consequence of the problem The company has reported a 1.7% decline in its total sales and profit margins last year.

Consumers come down to the store will have high interaction with the salespersons and in-store staff (Forbes, 2012). The attitude and service quality is the cornerstone of the success. Non-savvy consumers need the help to learn more product and handling before purchase. If Best Buy cannot differentiate itself and make full use of the advantages of its retail stores, Best Buy is destined to follow the way of dinosaur. Below chart illustrates <https://assignbuster.com/analysis-of-customer-service-problem-of-best-buy/>

that the consequence will be like in a few years if Best Buy is unable to change customers' perception and values towards it.

Best Buy cannot forget the lesson of Circuit City which closed its big boxes in 2009 (Alpha, 2012). CNBC Financial Data: Solution to the problem Solutions that can be provided to the Best Buy are as follows. First and foremost, improve customer service quality through systematic plan and training. It is suggested experts in this field should be hired to make a throughout improvement plan for this company, ranging from standard speech and the after-sales service standard (HarvardBusiness Review, 2010). Secondly, make full use of the interaction in the stores with customers to change the perception of customers.

In this part, the attitude the promotion is the key to success. Thirdly, with fierce competition, Best Buy should improve its inventory system and internet technologies in this field. The Christmas mistakes cannot happen again. Fourthly, close some big store and change its focus to the online competition. Reference Alpha, S. (2012). Best Buy: the Writing Is on the Wall. Retrieved from <http://seekingalpha.com/article/343721-best-buy-the-writing-is-on-the-wall> Forbes, S. (2012). Why Best Buy is going out of Business... Gradually. Retrieved from http://www.orbes.com/fdc/welcome_mjx.shtml Harvard Business Review. (2010). Inside Best Buy's Customer-Centric Strategy. Retrieved from <http://blogs.hbr.org/hbsfaculty/2010/04/inside-best-buys-customer-cent.html> The Crossing of Marketing and IT. (2012). What is Best Buy's Real Problem. Retrieved from <http://www.crossingmarketingandit.com/marketing-2/general-marketing/best-buys-problem/> 24kmarketing. (2012). Best Buy Problems Signal Need for New <https://assignbuster.com/analysis-of-customer-service-problem-of-best-buy/>

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