

Pestle analysis of best buy

Business



**ASSIGN
BUSTER**

Best Buy is a electronic store for gaming, computing, and telecommunication gadgets.

We've identified its strengths, weaknesses, opportunities, and threats previously. Now we've unlocked a few complications the business has faced since 2011. And its attempt at recovery with its consumers.

This PESTLE Analysis of Best Buy identifies the political, economic, social, technological, legal and environmental factors affecting Best Buy's operations available below.

Political Factors: New policies from backlash

In 2011, Best Buy faced backlash from the community. The company, alongside Target Co., backed a Minnesota candidate who opposed same-sex marriage. Because of the negative response, Best Buy revamped their expenditure policies.

They created a committee to promote friendly and important policies that consumers, team members, and stakeholders support.

Regarding products, Best Buy is liable for product defects, including warranties and repairs. Should personal injury or death occur from using these products, Best Buy is liable. It can't be determined how much this can influence Best Buy's business processes, but lawsuits tend to lead to complications.

Economic Factor: Luxury issue

The American economy is slowly recovering. But it's still in an uncertain place. And because Best Buy's products aren't deemed necessities, this is an issue. Consumers may consider electronic devices "luxuries" that should be bought only with extra income.

Additionally, Best Buy is primarily a seasonal business. Sales during Black Friday and during the winter holidays are their goal. Primarily in the U. S and Canada.

It makes sense: consumers wait for sales and discounts to buy Best Buy products. But it furthers the impression that these electronics are "toys" to be bought with disposable income.

Best Buy also faces competition in this space. Amazon offers a large online category of electronics with discounts. There's also Wal-Mart; although their electronic selection is smaller, it's a convenient spot for families already shopping for produce or other items.

These competitors drive prices down, which can affect which products Best Buy offers.

Social Factors: Added services and foundations

Best Buy offers electronics and price matching options. Consumers buying these products are price-conscious, who compare prices before making a buying decision.

Best Buy offers BestBuy Mobile, a shop for mobile phones, accessories, and contracts. And they have GeekSquad — a team dedicated to fixing electronics, specifically computers, and laptops.

The company also has ties to the community with several grant foundations. Many of the foundations encourage children and teens to build strong educational relationships so they can grow into professional adults.

Technological Factors: Website functionality

Best Buy is a tech-based company.

They supply the most modern, updated, and consumer-loving electronic products. Many products are sold on their online store, so Best Buy uses website encryption for secure transactions. They use further website technologies to develop a thorough online shopping experience by tracking visitor preferences.

The store allows for 24-hour access to newest tech. Some deals are online-only, requiring consumers to shop on the site for big or exclusive purchases. Having the ability to have an entire shopping experience online helps Best Buy update their site to appease consumers.

Legal Factors

Best Buy has faced lawsuits several times over the last dozen years. In 2005 the company allegedly discriminated against women and a lawsuit was filed in California. Best Buy has since updated policies to enhance new and old employee relationships.

The company must also follow liability, labor laws, warranties and environmental laws.

Environmental Factors: Unfavorable image

Best Buy initiated a program called Greener. The purpose is to reduce energy costs, recyclable and disposable waste. They also collect electronic “junk” to reduce waste of small and large electronics.

These are steps in the right direction after the company was involved in Canadian unethical deforestation.

In conclusion...

Best Buy has had a few complications with political and environmental factors. The company faced backlash over a political candidate they backed, forcing them to recreate their policies. And although they strive to reduce waste now, initially Best Buy was demonized for deforestation practices.

They've backed many foundations to promote community growth, particularly with children. That, and adding price matching and a large variety of electronics, has helped their public image.

But they're in an odd spot. Electronics, the bulk of Best Buy's services, are often deemed an extra expense — not a necessity. The economy's recovery impacts Best Buy's services. Plus competition from other department stores puts pressure on Best Buy to challenge the market value of their products.

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