

# The Rise of Circuit City Stores, Inc.

## Thecasesolutions.com

HCC, No. 1011

Wednesday, December 7, 2016

\$1.25

## The rise, fall, and reappearance of a giant

Team 7a (Editors: Ievgen Murzal and Chris Oshana)  
Integrated Marketing Plan Study  
Circuit City-What goes up, must come down...

Thecasesolutions.com

Editor Ievgen Murzal

Important dates in Circuit City's history:

1949: Circuit City starts its existence under the name Ward's Company. The primary focus is retail television.  
1959: Company is expanded to four Ward's stores, now selling both televisions and other home appliances. In Richmond, with annual sales of about \$2 million.  
1961: Company goes public (OTC market).  
1968: Moves from the over-the-counter market to the American Stock Exchange.  
1969-1982: Company acquires numerous electronics retailers and operates stores from New York to California.  
1977: Company begins converting its audio stores to full-service consumer electronics stores under the name Circuit City.  
1986: Company name changes to Circuit City Stores Inc.; Stock listed on the New York Stock Exchange.  
1986: Company divests its remaining non-Circuit City operations.  
1987: Revenues reach \$1 billion for the first time.  
1993: Circuit City launches its new CarMax chain, a retailer of used cars.  
2000: Circuit City stores stop selling appliances.  
2002: CarMax goes on IPO.  
2002: Company eliminates its commissioned sales force.  
2003: Circuit City acquires digital music specialist MusicNow, Inc. and Canadian consumer electronics retailer InterTAN, Inc.

Interesting facts about Circuit City:

-During 1980s Circuit City had gained 8,252% increase of its stock.  
-Circuit City is up 62% since Dec. 31, 2008, modest compared with its rise in the '80s, but more than double the Dow's gain.  
-Retail electronics retailer Best Buy, meanwhile, has been the 19th best-performing stock in this decade, up 8,600%.  
-The company had rejected 2 big takeover offers before 2006. The largest one was for \$3.25 billion. In April 2008, Circuit City accepts takeover bid for \$1 billion from Blockbuster Inc. Later that year Blockbuster withdrew the offer (Circuit City files for bankruptcy in November 2009).  
-Over the years, Circuit City built itself into 1520 stores in the U.S. and Canada and 46,000 workers.

The major contributions to Circuit City's bankruptcy:

-It dumped sales of popular appliances.  
-When CarMax became a separate entity a lot of talented management went with it.  
-Stores became too large.  
-As Best Buy took off, Circuit City became merely reactive and not innovative.  
-Too many stores in slow neighborhoods.  
-To save money, it stopped paying commissions to its sales force and then fired 3,400 of its most experienced sales people.  
-Large top management turnover in the late years before the crisis.  
-Commercial credit became tight.

Thecasesolutions.com

### Thecasesolutions.com

Editor Chris Oshana

Circuit City's pre-bankruptcy success/failures in their Integrated Marketing Communications Plan:

Direct Sales: Circuit City as we know it started in 1964. However, its direct business lineage can be traced back to 1949 when Samuel S. Murzal opened his original predecessor, Ward's Company. The brick-and-mortar stores in 1984 focused on direct sales with the "big box" concept, direct to consumers, with its 1,520 retail locations.

Advertising: Circuit City used color flyers, print newspapers advertisements, billboards, media print inserts, and website banners to advertise its merchandise to consumers.

Public Relations: The public relations arm of Circuit City was about as proactive as its ability to keep current with consumer trends. In fact, in 2004 Circuit City started shopping for a new public relations company.

Direct Mail: Circuit City heavily used direct mailing in its advertising platform. Color printed flyers were part of almost every local Sunday paper, and index card attachments were even in some technology magazines.

Catalogs: Full sized color catalogs were available to consumers upon entry in their stores and an attenuated version was part of weekend newspapers.

Social Media: Circuit City was behind the curve when it came to social media. They filed for bankruptcy in 2009. Twitter was only two years old, Facebook four. Social Media was in its infancy to say the least. As "old school" company had competed against its competitors leveraging the emerging social media technology advantage.

Digital Advantages: Circuit City started out as the innovator in the sales of high-tech electronics. Its founder, Samuel Wurzel, brought the first color TV sales to his neighborhood after witnessing the South's first television station being built. This was before big box stores existed, consumers just bought goods from neighborhood retailers. Since then, Circuit City's employees were always trained in selling state-of-the-art electronics. Circuit City leveraged its employee's training in implementing digital advantages against its competitors, however its seasoned management couldn't harness its potential.

Internet: Circuit City's failures were not a result of its inability to broadcast its selling power on the internet. The failures relate to top managers reactive and not proactive approach to selling and marketing electronic wares.

Pre-bankruptcy failures:

Advertising: Circuit City's lawsuit 1995 for false advertisement. \$30,000 civil suit by Ventura County District Attorney. The civil complaint was based off the fact that C.C. ran advertisements in local newspapers offering free airtime credit for the purchase of certain cellular telephones. The advertisement stated the consumer would be given this free airtime at the Ventura County, CA store. This would result in lower costs for consumers for their telephones. However, once customers asked for the discounts they were not available at the store and thus the advertised prices of phones were actually higher.

Direct Sales: Circuit City started closing 135 of its direct sales stores in 2008 as part of a pre-bankruptcy survival strategy to remain profitable. This amounted to approximately 8% of its stores closing. Their growth of stores in bad retail locations was poor planning and limited direct sales efforts.



Team 7a (Editors: Danielle Nimeth and Dinh Nguyen)

Integrated Marketing Plan Study Circuit City-Learning from their mistakes

Editor Danielle Nimeth

What Circuit City brings to the table post bankruptcy:

- C.C. brings new innovative technology with vendor micro sites
- New exclusive offers directly from the manufacturers
- Cutting edge technology
- Lifetime free tech support
- Offers a new approach to C.E. retailing

Circuit City's new operation:

- Instead a big box style layout will be more boutique stores
- Only 20 people hired for the Texas store as of too date
- Will open 50 to 100 boutique stores in the Texas area
- Most will be retail outlets, franchise offers, and mobile shops, college campus stores, drug stores

Vendor Relations:

- For Twice magazine the endorsements for Circuit City are Sony, Canon, Intel, and other major brands
- They are patiently waiting and being of major assistance to help Circuit City get back on their feet.

Circuit City's other offerings post bankruptcy:

- Gaming products such as systems, headsets, controllers
- Tablets and notebooks
- 3D printers
- Prepaid and postpaid smartphones
- Drones
- Network equipment
- Health appliances

Editor Dinh Nguyen

Circuit City Business Future Vision:

- Circuitcity.com with user friendly and unique shopping experience
- Partner shopping with Amazon website
- Offer customer peace of mind with lightning fast delivery
- Private label product with high quality affordable

Opportunities Post bankruptcy:

After three years bankruptcy battle ends. Circuit City is once again coming back to become the leader in online shopping and retail store fronts across the nation. They're continuing business strength to target sale online shopping under website Circuitcity.com with user friendly and unique shopping experience and sharing space on Amazon's website as well. Some of the features will include offers direct from the manufacturers. Moreover, they offer customers peace of mind with lightning fast delivery. Beside shopping online, Circuit City has 4000 square foot retail locations in the Dallas/Fort Worth today.

Competition:

- Best Buy is like Circuit City but offers more variety in products than Circuit City branch with lower costs
- Planning on opening ten thousand stores cross nation where average mid incomes metro area prime location
- Employees will be paid on a commission based models
- Lightning fast delivery

\*\*\*Disclaimer: Please note, the thoughts and opinions stated here are those of the individual contributors and do not necessarily reflect the opinions of The Casazza Times, its owners, and employees.\*\*\*

Thecasesolutions.com The Casazza Times

# The Rise of Circuit City Stores, Inc.

Thecasesolutions.com

HCC, No. 1011

Wednesday, December 7, 2016

\$1.25

## The rise, fall, and reappearance of a giant

Team #3 (Editors: Ievgen Murzak and Chris Oshana)  
Integrated Marketing Plan Study  
Circuit City-What goes up, must come down...

Thecasesolutions.com

Editor Ievgen Murzak

Important dates in Circuit City's history:

1949: Circuit City starts its existence under the name Wards Company. The primary focus is retail television  
1959: Company is expanded to four Wards stores, now selling both televisions and other home appliances, in Richmond, with annual sales of about \$1 million.  
1961: Company goes public (OTC market)  
1968: Moves from the over-the-counter market to the American Stock Exchange.  
1969-1982: Company acquires numerous electronics retailers and operates stores from New York to California  
1977: Company begins converting its audio stores to full-service consumer electronics stores under the name Circuit City.  
1984: Company name changes to Circuit City Stores Inc.; Stock listed on the New York Stock Exchange.  
1986: Company divests its remaining non-Circuit City operations.  
1987: Revenues reach \$1 billion for the first time.  
1993: Circuit City launches its new CarMax chain, a retailer of used cars.



# The rise, fall, and reappearance of a giant

Team #3 (Editors: Ievgen Murzak and Chris Oshana)  
Integrated Marketing Plan Study  
Circuit City-What goes up, must come down...

Thecasesolutions.com

Editor Ievgen Murzak

Important dates in Circuit City's history:

1949: Circuit City starts its existence under the name Wards Company. The primary focus is retail television  
1959: Company is expanded to four Wards stores, now selling both televisions and other home appliances, in Richmond, with annual sales of about \$1 million.  
1961: Company goes public (OTC market)  
1968: Moves from the over-the-counter market to the American Stock Exchange.  
1969-1982: Company acquires numerous electronics retailers and operates stores from New York to California  
1977: Company begins converting its audio stores to full-service consumer electronics stores under the name Circuit City.  
1984: Company name changes to Circuit City Stores Inc.; Stock listed on the New York Stock Exchange.  
1986: Company divests its remaining non-Circuit City operations.  
1987: Revenues reach \$1 billion for the first time.  
1993: Circuit City launches its new CarMax chain, a retailer of used cars.  
2000: Circuit City stores stop selling appliances.  
2002: CarMax goes on IPO.  
2003: Company eliminates its commissioned sales force.  
2004: Circuit City acquires digital music specialist MusicNow, Inc. and Canadian consumer electronics retailer InterTAN, Inc.

Interesting facts about Circuit City:

- During 1980s Circuit City had gained 8,252% increase of its stock.
- Circuit City is up 681% since Dec. 31, 1989, modest compared with its rise in the '80s, but more than double the Dow's gain. Rival electronics retailer Best Buy, meanwhile, has been the 10th best-performing stock in this decade, up 8,900%.
- The company had rejected 2 big takeover offers before 2006. The largest one was for \$3.25 billion. In April 2008, Circuit City accepts takeover bid for \$1 billion from Blockbuster Inc. Later that year Blockbuster withdrew the offer (Circuit City files for bankruptcy in November 2008).
- Over the years, Circuit City built itself into 1520 stores in the U.S. and Canada and 46,000 workers.

The major contributions to Circuit City's bankruptcy:

- It dumped sales of popular appliances.
- When CarMax became a separate entity a lot of talented management went with it.
- Stores became too large.
- As Best Buy took off, Circuit City became merely reactive and not innovative
- Too many stores in dicey neighborhoods.
- To save money, it stopped paying commissions to its sales force and then fired 3,400 of its most experienced sales people.
- Large top management turnover in the late years before the crisis
- Commercial credit became tight.

Team #3a (Editors:  
Integrated Marketing

Editor Danielle Nim  
What Circuit City b  
-C.C. brings new in  
-New exclusive offe  
-Cutting edge techn  
-Lifetime free tech  
-Offers a new appr

Circuit City's new c  
-Instead a big box  
-Only 20 people hir  
-Will open 50 to 10  
-Most will be retail  
stores

### ***Interesting facts about Circuit City:***

- During 1980s Circuit City had gained 8,252% increase of its stock.***
- Circuit City is up 681% since Dec. 31, 1989, modest compared with its rise in the '80s, but more than double the Dow's gain. Rival electronics retailer Best Buy, meanwhile, has been the 10th best-performing stock in this decade, up 8,900%.***
- The company had rejected 2 big takeover offers before 2006. The largest one was for \$3.25 billion. In April 2008, Circuit City accepts takeover bid for \$1 billion from Blockbuster Inc. Later that year Blockbuster withdrew the offer (Circuit City files for bankruptcy in November 2008).***
- Over the years, Circuit City built itself into 1520 stores in the U.S. and Canada and 46,000 workers.***

### ***The major contributions to Circuit City's bankruptcy:***

- It dumped sales of popular appliances.***
- When CarMax became a separate entity a lot of talented management went with it.***
- Stores became too large.***
- As Best Buy took off, Circuit City became merely reactive and not innovative***
- Too many stores in dicey neighborhoods.***
- To save money, it stopped paying commissions to its sales force and then fired 3,400 of its most experienced sales people.***
- Large top management turnover in the late years before the crisis***
- Commercial credit became tight.***

**Thecasesolutions.com**

**Thecasesolutions.com**

***Editor Chris Oshana***

***Circuit City's pre-bankruptcy successes/failures in their Integrated Marketing Communications Plan:***

**Direct Sales:** Circuit City as we know it started in 1984. However, its direct business lineage can be traced back to 1949 when Samuel S. Wurtzel opened its original predecessor, Wards Company. The brick-and-mortar stores in 1984 focused on direct sales with the “big box” concept, direct to consumers, with its 1,520 retail locations.

**Advertising:** Circuit City used color flyers, print newspapers advertisements, billboards, media print inserts, and website banners to advertise its merchandise to consumers.

**Public Relations:** The public relations arm of Circuit City was about as proactive as its ability to keep current with consumer trends. In fact, in 2004 Circuit City started shopping for a new public relations company.

# Thecasesolutions.com

Editor Chris Oshana

*Circuit City's pre-bankruptcy successes/failures in their Integrated Marketing Communications Plan:*

**Direct Sales:** Circuit City as we know it started in 1984. However, its direct business lineage can be traced back to 1949 when Samuel S. Wurtzel opened its original predecessor, Wards Company. The brick-and-mortar stores in 1984 focused on direct sales with the "big box" concept, direct to consumers, with its 1,520 retail locations.

**Advertising:** Circuit City used color flyers, print newspapers advertisements, billboards, media print inserts, and website banners to advertise its merchandise to consumers.

**Public Relations:** The public relations arm of Circuit City was about as proactive as its ability to keep current with consumer trends. In fact, in 2004 Circuit City started shopping for a new public relations company.

**Direct Mail:** Circuit City heavily used direct mailing in its advertising platform. Color printed flyers were part of almost every local Sunday paper, and index card attachments were even in some technology magazines.

**Catalogs:** Full sized color catalogs were available to consumers upon entry in their stores and an attenuated version was part of weekend newspapers

**Social Media:** Circuit City was behind the curve when it came to social media. They filed for bankruptcy in 2008. Twitter was only two years old, Facebook four. Social Media was in its infancy to say the least. An "old school" company had competed against its competitors leveraging the emerging social media technology advantage.

**Digital Advantages:** Circuit City started out as the innovator in the sales of high-tech electronics. Its founder, Samuel Wurtzel, brought the first color TV sales to his neighborhood after witnessing the South's first television station being built. This was before big box stores existed, consumers just bought goods from neighborhood retailers. Since then, Circuit City's employees were always trained in selling state-of-the-art electronics. Circuit City leveraged its employee's training in implementing digital advantages against its competitors, however its seasoned management vacuum handicapped its potential.

**Internet:** Circuit City's failures were not a result of its inability to broadcast its selling power on the Internet. The failures relate to top managers reactive and not proactive approach to selling and marketing electronic wares.

**Pre-bankruptcy failures:**

**Advertising:** Circuit City's lawsuit 1995 for false advertisement. \$30,000 civil suit by Ventura County District Attorney. The civil complaint was based off the fact that C.C. ran advertisements in local newspapers offering free airtime credit for the purchase of certain cellular telephones. The advertisement stated the customer would be given this free airtime at the Ventura County, CA store. This would result in lower costs for consumers for their telephones. However, once customers asked for the discounts they were not available at the store and thus the advertised prices of phones were actually higher.

**Direct Sales:** Circuit City started closing 155 of its direct sales stores in 2008 as part of a pre-bankruptcy survival strategy to remain profitable. This amounted to approximately 20% of its stores closing. Their growth of stores in bad retail locations was poor planning and limited direct sales efforts.



'80s, but more than double the Dow's gain.  
g stock in this decade, up 8,900%.  
s for \$3.25 billion. In April 2008, Circuit City  
ster withdrew the offer (Circuit City files for  
and 46,000 workers.

it.

3,400 of its most experienced sales people.

ations Plan:

age can be traced back to 1949 when Samuel S.  
n in 1984 focused on direct sales with the "big

media print inserts, and website banners to

ility to keep current with consumer trends. In

ted flyers where part of almost every local

es and an attenuated version was part of

for bankruptcy in 2008. Twitter was only two  
l" company had competed against its

electronics. Its founder, Samuel Wurtzel, brought  
tation being built. This was before big box  
Circuit City's employees were always trained in  
menting digital advantages against its

wer on the Internet. The failures relate to top

tura County District Attorney. The civil complaint  
me credit for the purchase of certain cellular  
e Ventura County, CA store. This would result in  
discounts they were not available at the store

pre-bankruptcy survival strategy to remain  
ores in bad retail locations was poor planning

## Team #3a (Editors: Danielle Nimeth and Dinh Nguyen) Integrated Marketing Plan Study Circuit City-Learning from their mistakes

Editor Danielle Nimeth

What Circuit City brings to the table post bankruptcy:

- C.C. brings new innovative technology with vendor micro sites
- New exclusive offers directly from the manufacturers
- Cutting edge technology
- Lifetime free tech support
- Offers a new approach to C.E. retailing

Circuit City's new operation:

- Instead a big box style layout will be more boutique stores
- Only 20 people hired for the Texas store as of too date
- Will open 50 to 100 boutique stores in the Texas area
- Most will be retail outlets, franchise offers, and mobile shops, college campus stores, drug stores

Vendor Relations:

- Per Twice magazine the endorsements for Circuit City are Sony, Canon, Intel, and other major brands
- They are patiently waiting and being of major assistance to help Circuit City get back on their feet.

Circuit City's other offerings post bankruptcy:

- Gaming products such as systems, headsets, controllers
- Tablets and notebooks
- 3D printers
- Prepaid and postpaid smartphones
- Drones
- Network equipment
- Health appliances

Editor Dinh Nguyen

Circuit City Business Future Vision:

- Circuitcity.com with user friendly and unique shopping experience
- Partner shopping with Amazon website
- Offer customer peace of mind with lightning fast delivery
- Private label product with high quality affordable

Opportunities Post bankruptcy:

After, three years bankruptcy battle ends. Circuit City is once again coming back to become the leader in online shopping and retail store fronts across the nation. They're continuing business strength to target sale online shopping under website Circuitcity.com with user friendly and unique shopping experience and sharing space on Amazon's website as well. Some of the features will include offers direct from the manufacturers. Moreover, they offer customers peace of mind with lightning fast delivery. Beside shopping online, Circuit City has 4000 square foot retail locations in the Dallas/Fort Worth today.

Competition:

- Best Buy is like Circuit City but offers more variety in products than Circuit City branch with lower costs
- Planning on opening ten thousand stores cross nation where average mid incomes metro area prime location
- Employees will be paid on a commission based models
- Lightning fast delivery

**Public Relations:** The public relations arm of Circuit City was about as proactive as its ability to keep current with consumer trends. In fact, in 2004 Circuit City started shopping for a new public relations company.

**Direct Mail:** Circuit City heavily used direct mailing in its advertising platform. Color printed flyers where part of almost every local Sunday paper, and index card attachments were even in some technology magazines.

**Catalogs:** Full sized color catalogs were available to consumers upon entry in their stores and an attenuated version was part of weekend newspapers

**Social Media:** Circuit City was behind the curve when it came to social media. They filed for bankruptcy in 2008. Twitter was only two years old, Facebook four. Social Media was in its infancy to say the least. An "old school" company had competed against its competitors leveraging the emerging social media technology advantage.

**Digital Advantages:** Circuit City started out as the innovator in the sales of high-tech electronics. Its founder, Samuel Wurtzel, brought the first color TV sales to his neighborhood after witnessing the South's first television station being built. This was before big box stores existed, consumers just bought goods from neighborhood retailers. Since then, Circuit City's employees were always trained in selling state-of-the-art electronics. Circuit City leveraged its employee's training in implementing digital advantages against its competitors, however its seasoned management vacuum handicapped its potential.

**Internet:** Circuit City's failures were not a result of its inability to broadcast its selling power on the Internet. The failures relate to top managers reactive and not proactive approach to selling and marketing electronic wares.

**Pre-bankruptcy failures:**

**Advertising:** Circuit City's lawsuit 1995 for false advertisement. \$30,000 civil suit by Ventura County District Attorney. The civil complaint was based off the fact that C.C. ran advertisements in local newspapers offering free airtime credit for the purchase of certain cellular telephones. The advertisement stated the customer would be given this free airtime at the Ventura County, CA store. This would result in lower costs for consumers for their telephones. However, once customers asked for the discounts they were not available at the store and thus the advertised prices of phones were actually higher.

**Direct Sales:** Circuit City started closing 155 of its direct sales stores in 2008 as part of a pre-bankruptcy survival strategy to remain profitable. This amounted to approximately 20% of its stores closing. Their growth of stores in bad retail locations was poor planning and limited direct sales efforts.

**Editor Dinh Nguyen**  
**Circuit City Business Future Vision:**

- Circuitcity.com with user friendly and unique shopping experience
- Partner shopping with Amazon website
- Offer customer peace of mind with lighting fast delivery
- Private label product with high quality affordable

**Opportunities Post bankruptcy:**  
After, three years bankruptcy battle ends. Circuit City is once again coming back to become the leader in online shopping and retail store fronts across the nation. They're continuing business strength to target sale online shopping under website Circuitcity.com with user friendly and unique shopping experience and sharing space on Amazon's website as well. Some of the features will include offers direct from the manufactures. Moreover, they offer customers peace of mind with lightning fast delivery. Beside shopping online, Circuit City has 4000 square foot retail locations in the Dallas/Fort Worth today.

- Competition:**
- Best Buy is like Circuit City but offers more variety in products than Circuit City branch with lower costs
  - Planning on opening ten thousand stores cross nation where average mid incomes metro area prime location
  - Employees will be paid on a commission based models
  - Lightning fast delivery

\*\*\*Disclaimer: Please note, the thoughts and opinions stated here are those of the individual contributors and do not necessarily reflect the opinions of The Casazza Times, its owners, and employees.\*\*\*

Thecasesolutions.com

# The Casazza Times

# The Rise of Circuit City Stores, Inc.

Thecasesolutions.com

HCC, No. 1011

Wednesday, December 7, 2016

\$1.25

## The rise, fall, and reappearance of a giant

Team 73 (Editors: Ievgen Murzak and Chris Oshana)  
Integrated Marketing Plan Study  
Circuit City-What goes up, must come down...

Thecasesolutions.com

Editor Ievgen Murzak  
Important dates in Circuit City's history:

1949: Circuit City starts its existence under the name Wards Company. The primary focus is retail television.  
1959: Company is expanded to four Wards stores, now selling both televisions and other home appliances, in Richmond, with annual sales of about \$1 million.  
1961: Company goes public (OTC market).  
1968: Moves from the over-the-counter market to the American Stock Exchange.  
1969-1982: Company acquires numerous electronics retailers and operates stores from New York to California.  
1977: Company begins converting its audio stores to full-service consumer electronics stores under the name Circuit City.  
1984: Company name changes to Circuit City Stores Inc.; Stock listed on the New York Stock Exchange.  
1986: Company divests its remaining non-Circuit City operations.  
1987: Revenues reach \$1 billion for the first time.  
1993: Circuit City launches its new CarMax chain, a retailer of used cars.  
2000: Circuit City stores stop selling appliances.  
2002: CarMax goes on IPO.  
2003: Company eliminates its commissioned sales force.  
2004: Circuit City acquires digital music specialist MusicNow, Inc. and Canadian consumer electronics retailer InterTAN, Inc.

Interesting facts about Circuit City:

-During 1980s Circuit City had gained 8,252% increase of its stock.  
-Circuit City is up 681% since Dec. 31, 1985, modest compared with its rise in the '80s, but more than double the Dow's gain.  
-Rival electronics retailer Best Buy, meanwhile, has been the 10th best-performing stock in this decade, up 8,900%.  
-The company had rejected 2 big takeover offers before 2006. The largest one was for \$3.25 billion. In April 2006, Circuit City accepts takeover bid for \$1 billion from Blockbuster Inc. Later that year Blockbuster withdrew the offer (Circuit City files for bankruptcy in November 2008).  
-Over the years, Circuit City built itself into 1520 stores in the U.S. and Canada and 46,000 workers.

The major contributions to Circuit City's bankruptcy:

-It dumped sales of popular appliances.  
-When CarMax became a separate entity a lot of talented management went with it.  
-Stores became too large.  
-As Best Buy took off, Circuit City became merely reactive and not innovative.  
-Too many stores in dicey neighborhoods.  
-To save money, it stopped paying commissions to its sales force and then fired 3,400 of its most experienced sales people.  
-Large top management turnover in the late years before the crisis.  
-Commercial credit became tight.

Thecasesolutions.com

Thecasesolutions.com

Editor Chris Oshana

Circuit City's pre-bankruptcy successes/failures in their Integrated Marketing Communications Plan:

Direct Sales: Circuit City as we know it started in 1984. However, its direct business lineage can be traced back to 1949 when Samuel S. Wartzel opened its original predecessor, Wards Company. The brick-and-mortar stores in 1984 focused on direct sales with the "big box" concept, direct to consumers, with its 1,520 retail locations.

Advertising: Circuit City used color flyers, print newspapers advertisements, billboards, media print inserts, and website banners to advertise its merchandise to consumers.

Public Relations: The public relations arm of Circuit City was about as proactive as its ability to keep current with consumer trends. In fact, in 2004 Circuit City started shopping for a new public relations company.

Direct Mail: Circuit City heavily used direct mailing in its advertising platform. Color printed flyers were part of almost every local Sunday paper, and index card attachments were even in some technology magazines.

Catalogs: Full sized color catalogs were available to consumers upon entry in their stores and an attenuated version was part of weekend newspapers.

Social Media: Circuit City was behind the curve when it came to social media. They filed for bankruptcy in 2008. Twitter was only two years old, Facebook four. Social Media was in its infancy to say the least. An "old school" company had competed against its competitors leveraging the emerging social media technology advantage.

Digital Advantages: Circuit City started out as the innovator in the sales of high-tech electronics. Its founder, Samuel Wartzel, brought the first color TV sales to his neighborhood after witnessing the South's first television station being built. This was before big box stores existed, consumers just bought goods from neighborhood retailers. Since then, Circuit City's employees were always trained in selling state-of-the-art electronics. Circuit City leveraged its employee's training in implementing digital advantages against its competitors, however its seasoned management vacuum handicapped its potential.



Team 73a (Editors: Danielle Nimeth and Dinh Nguyen)  
Integrated Marketing Plan Study Circuit City-Learning from their mistakes

Editor Danielle Nimeth

What Circuit City brings to the table post bankruptcy:  
-C.C. brings new innovative technology with vendor micro sites  
-New exclusive offers directly from the manufacturers  
-Cutting edge technology  
-Lifetime free tech support  
-Offers a new approach to C.E. retailing

Circuit City's new operation:

-Instead a big box style layout will be more boutique stores  
-Only 20 people hired for the Texas store as of too date  
-Will open 50 to 100 boutique stores in the Texas area  
-Most will be retail outlets, franchise offers, and mobile shops, college campus stores, drug stores

Vendor Relations:

-Per Twice magazine the endorsements for Circuit City are Sony, Canon, Intel, and other major brands  
-They are patiently waiting and being of major assistance to help Circuit City get back on their feet.

Circuit City's other offerings post bankruptcy:

-Gaming products such as systems, headsets, controllers  
-Tablets and notebooks  
-3D printers  
-Prepaid and postpaid smartphones  
-Drones  
-Network equipment  
-Health appliances

Editor Dinh Nguyen

Circuit City Business Future Vision:

-Circuitcity.com with user friendly and unique shopping experience  
-Partner shopping with Amazon website  
-Offer customer peace of mind with lightning fast delivery  
-Private label product with high quality affordable

Opportunities Post bankruptcy:

After, three years bankruptcy battle ends. Circuit City is once again coming back to become the leader in online shopping and retail store fronts across the nation. They're continuing business strength to target sale online shopping under website Circuitcity.com with user friendly and unique shopping experience and sharing space on Amazon's website as well. Some of the features will include offers