

Struggling to Make the Best Buy



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Case Overview



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- What is Showrooming?
- Demographics/Psychographics
- Marketing Concepts
- Other non-pricing strategies
- Can Best Buy Compete?
- How does Best Buy stack up against the competition?
- Potential benefits?

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What is Showrooming?

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Customers shopping at the store, but buying online



Background

- 2012 store traffic increased, but sales decreasing?
- After 2008 online shopping skyrocketed (Amazon Price - Comparison App?)
- Fighting Showrooming/Alternative strategies
- Successful/unsuccessful strategies

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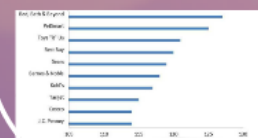




- Hit Harder than most (driven by electronics)
- Sales declined every year since 2007, stock fell, competition increased
- Defensive strategies: Price Matching
- Embracing the new Image

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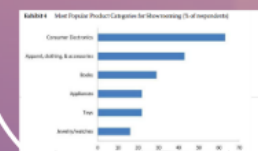
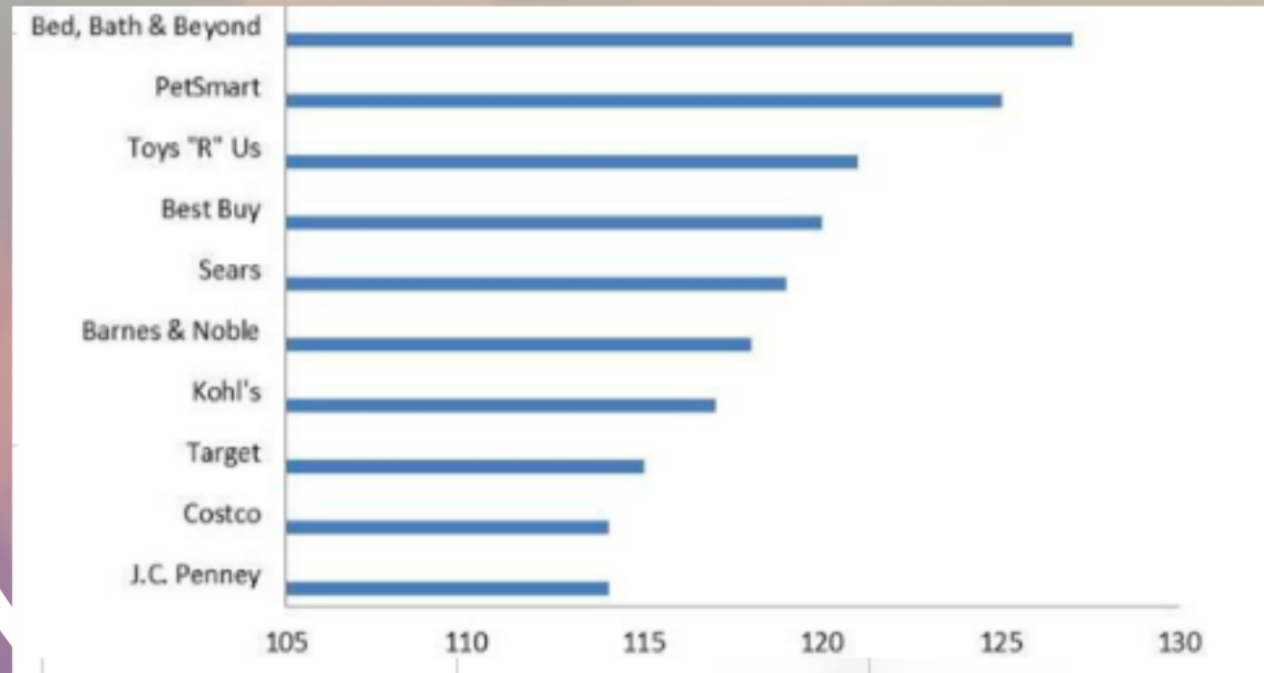


Table 1: Best Buy Quarterly Sales Data (in millions of dollars)

Quarter	Sales (in millions of dollars)
Q1 2011	4.7
Q2 2011	5.0
Q3 2011	5.2
Q4 2011	5.5
Q1 2012	5.8
Q2 2012	6.1
Q3 2012	6.4
Q4 2012	6.7

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Exhibit 4 Most Popular Product Categories for Showrooming (% of respondents)

