

Best Buy Struggles Against Online

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Best Buy reports fiscal Q2 2015 revenues of \$8.9 billion, a -1.5% Y-o-Y decline with overall sales falling by -2.7% Y-o-Y, a downturn the retailer attributes to customers preferring online to brick-and-mortar shopping.



However Best Buy still describes such results as "better than expected," if only through the benefit of cost reduction initiatives such as Renew Blue.

Best Buy CE sales are down by -2.5% Y-o-Y, with softness in the mobile phone category ahead of future product launches. The retailer forecasts further low-single digit declines for Q3 and Q4, as per current industry trends.

"Like other retailers and as reflected in this quarter's performance, we continued to see a shift in consumer behavior: consumers are increasingly researching and buying online," CEO Hubert Joly says. "As a result, traffic to our brick and mortar stores continued to decline, yet our in-store conversion and online traffic continued to increase."

As for the future, the retailer will continue working on "a differentiated multi-channel customer experience" with further customer-facing initiatives across all channels to take place during H2 2014.

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