INTRODUCTION

Best Buy Company is a company that provides technological products, solutions and services. This company offers services to the small business owners, consumers and educators who uses their websites, visits its stores or mobile applications. It has online operations and retail shops in Canada, United States and Mexico. Its operations are split in two segments that include International and domestic. Best Buy has gained an international limelight due to its business policy, strategy and also customer loyalty program. The international segment involves operations not within the United States or even its territories, while the domestic segment entails operations inside the United States and its environs. As part of its strategic management policy, best buy has implemented several goals and objectives that are aimed at enhancing the achievement of its mission and vision. Apart from excellent customer service, the company has developed strategies involving cost reduction and also one that is aimed at enhancing effective customer relationship with its suppliers. The company is also trying to revamp up its sales with an aim of improving earnings and also encouraging robust store traffic. This paper provides a discussion of Best Buy business policy and also the strategies that the company has implemented in the long term.

BEST BUY BUSINESS STRATEGIES

The Best Buy Company as observed from above is a company that deals with highly valued products and pertinent services. As such the company offers stiff and quality competition to those companies dealing with the same products. The company enjoys monopoly and recognition worldwide which makes it easier and faster for the products to be sold hence increasing sales. These strategies that this company employs have led to the success of the company enabling it to make more sales and big profit margin (Effron & Goldsmith, 2003). The best buy company is an international company recognized and established worldwide because of the quality of products and services it offers as discussed.

For this firm to be recognized and enjoy a certain level of monopoly across the world it employs certain strategies under the following pillars which includes the following;

1. Inspire and attract employees and leaders
2. Rejuvenate and reinvigorate the experience of customers
3. Working closely with other partners to drive value and innovate
4. Increasing the company’s returns on the capital invested
5. The company should also continue with its role in leadership which aims at impacting the world positively.

The strategies that the company applies which led it to be the best in the world can be drawn from the pillars identified as follows

1. Inspiring and molding leaders and employees

Although the company specializes in the production of products and offering services it also goes further to develop leaders within the organization which in turn enables them to rise to other high positions in the company hence leading to productivity and serving the company with passion.

1. Learning from the competitors strategies to counter their threat

The company has employed specific measures to monitor the progress of other companies in terms of technology and other aspects and be able to match or better them hence avoiding being outdone and going obsolete.

1. Investing in advertisement so that to market the company which aims at increasing the sales of the products by creating more awareness. This strategy has enabled the company reach to customers oversees and different regions.
2. Offering education. This company has also gone further than just producing products but also providing educational services to their customers which has also increased the sales and gaining the trust of customers. Provisions of education to customers also improve customer’s attitudes towards the products and also gain more knowledge on how to use these products which in the long run improves the image and the sales of the products.
3. Establishment of a sales and marketing department. The sales and marketing department is equipped with a competent team with vast knowledge that has seen them come up with policies that has led to the growth of the company with quality products. Lastly this department is able to address the customers’ complaints on the spot.

PORTERS ANALYSIS

Porter’s five forces can be used to analyze the industry in which Best Buy operates. The five factors in porter’s five forces include; bargaining power of customers, threat of substitute products, threats of new entrants, competitive rivalry within an industry and bargaining power of suppliers.

**The Threat of Substitute Products and Services**

The threat of substitute products and services in Best Buy is high. A recent survey by the management of the company proved that there are increased substitute products that can be purchased from other websites online. Although companies such as Amazon have survived against these threats, the management of Best Buy needs to identify substitute products and services and ensure that all their customers have been satisfied in the long term (Flamholtz & Randle, 2011).

**Threat of New Entrants**

There is a low threat from new entrants. It’s extremely impossible for companies to have a magnitude of inventory as one that is maintained by Best Buy. When one visits Best Buy, they will be surprised by the increased number of online products that are being provided by the company. Any start up that wants to beat competition from Best Buy should have unique and distinguishing characteristics to make it stand out from the available market competition (Effron & Goldsmith, 2003).

**Competitive Rivalry**

The rivalry among the competitors is also extremely high. There is a need to mitigate the available market rivalry so as to reduce the amount of competition that is experienced by the company. The management of Best Buy needs to adapt to the latest technology and also provide various products and services that will help to increase the amount of products provided to its market. This will have a significant impact as it will help to reduce the amount of competition that the company witnesses over time.

**Bargaining Power of Buyers**

The bargaining power of its buyers is also rising. It is evident that buyers are rational decision makers and will always go for the cheap price. This has a detrimental effect to the profitability and revenues generated from its sales. In addition, owing to the fact that the company has a goal of providing everyone a product or a service, it will be difficult to compensate the available profitability with its inventories have been put in place.

**Bargaining Power of Suppliers**

The suppliers have a medium bargaining power. Since the company has been purchasing a different variety of products that it aims at providing to its consumers, it is evident that its bargaining power has increased over time. The success of Best Buy depends on the company’s collaboration and partnership between its buyers and also its suppliers. This means that there is a need to come up with strong and effective policies that will help to contribute to its performance.

SWOT ANALYSIS

The most renowned tool for analysis and audit of the strategic position of a business and its environment is the SWOT Analysis. The benefit of SWOT is to provide periodic assessments of any business. The management of Best Buy can use SWOT analysis to identify the strengths, weakness, opportunities and threats that surround an organization. Studies show that this strategy has been used for many years and still remains an important process for business decisions, mergers, new entries, and new markets (Ackoff, 2006).

1. **Strengths**

Best Buy has positioned itself as the best multinational and e-commerce online retailer of products. The company has gained its reputation for having gained both domestic and international reputation. In addition, the company has also gained an international acclaim for having been the best company in terms of its customer service. The low premium prices of its global trade marks are one of the competitive advantages for the company. The broad customer base provides the company with a position of a stronger financial position than its competitors. Best Buys partnership with international sports helps to provide the company a chance for promotion of its products hence increasing customer loyalty (Flamholtz & Randle, 2011).

1. **Weaknesses**

The strong competition from companies such as Amazon has led to declined profitability over time that has affected how Best Buy is positioned against its rivals. By venturing into the international segment, Best Buy has declined its performance over time. Lack of increased investment in its brand has also contributed to the declined performance of the company over time. The company has also failed to come up with effective strategies that will help it to deal with its competitors. This is a major factor that has affected the way Best Buy contacts its business (Hoskisson & Hitt, 2008).

1. **Opportunities**

Best Buy has its opportunities through acquisition of distribution segments. Moreover, marketing of its brand will be one of the best strategies that will help to increase the company’s performance over time. The diversification of its products has also led to increase in product portfolio (Carson & Phillips, 2010).

1. **Threats**

The competition in which the company operates is one of the threats to long term sustainability of Best Buys business. Since the success of Best Buy depends on its vendors, the failure to identify new vendors in the market will affect its business. The rising economical instability is one of the potential threats that affect the performance of the company in the long term.

Best Buys strategic plan seems to be in consistent with what has been determined through the aforementioned SWOT analysis. SWOT is not the best method of business assessment since it does not prioritize issues. It is evident that the SWOT analysis as it is can provide a basis in which the management can identify its own internal strengths and weaknesses. The company has been determining their own strengths and weaknesses over time hence contributing to increased performance over time (Borrini-Feyerabend, 2007).

MACROENVIRONMENTAL ANALYSIS

It is evident that Best Buys business is negatively influenced by the external environment in which the company operates. The macro environmental forces that influence the company include; legal factors, economic, social and technological factors. The unpredictable global economy that is operating under recession is one of the major factors that have continued to influence the company’s economic performance over time. Additionally, the company’s failure to manage its existing strategic ventures has also negatively affected how the company operates. The management has made up plans to form strategic alliances and acquisitions that could help the company to overcome some of the challenges that the company faces. In addition to making strategic acquisitions, the company is expected to form business ventures aimed at enhancing the company’s performance over time (Carson & Phillips, 2010).

Best Buys management failure to protect its privacy, security and integrity in terms of usage of customers information could expose the company to increased forms of litigation that could eventually affects the costs and also damage the company’s performance over time. The management should also prevent the use of information that could be damaging the reputation of the company. The success of the company’s online operations would mean that the company needs to take actions that could lead to effective performance. Confidential information needs to be sealed to ensure that the company has affected its performance over time. A recent survey shows that litigations have affected the performance of many online companies over time. In order to prevent such kind of litigation from affecting a company’s performance, there is a need of developing measures that could increase the company’s performance over time (Ackoff, 2006).

Social factors such as the change of customer preferences and changing tastes have also reduced sales from Best Buy. Social issues and customer trends are some of the factors that could significantly harm a company’s performance over time. Additionally, over reliance on the vendors as key subjects have also contributed to increased risks and uncertainties that have affected the company’s performance. In order to turn around the stiff competition and also competitive macro environment, Best Buy needs to adopt strategies such as competitive pricing of its exclusive brands. This will have a significant effect on the overall financial performance of the company. This is because over time, the company will achieve improved performance also enhancing its effective customer base (Ackoff, 2006).

PERSONAL REPORT

After working on the assignment about Best Buy, I have learned that it is important to put strategic plans in place to ensure that the business succeeds. The first strategy begins with knowledge of the customer. It’s always important to prioritize on customer preferences so as to achieve success over time. The second step involves simplifying the logic of the strategy. Best Buy’s strategies are simple and effective for the market. For instance, the alignment of price competitiveness with provision of quality products and services is one of the methods that have been used by the company to attain a level of success. Like an aggressive retail company, Best Buy has adopted the latest services and devices in line with the changing customer preferences.

I have also learned that the ability to provide warranty is one of the factors that consumers look before they have provided a product to the consumers. As an online business, Best Buy has also aligned its goals and objectives with an aim of attaining its vision. The company has integrated its short term goals and objectives together hence achieving improved performance over time. Moreover, the company has also accelerated its customer experiences, a factor that has contributed to the company’s performance over time (Carson & Phillips, 2010).

CONCLUSION

To sum it up, Best Buy is a company that has continued to have improved performance over time due to its implementation of its strategic policies and market strategies. The company has increased its client’s experiences and also improved service delivery. Despite Amazon and other online retail clients offering stiff competition to Best Buy, the company has continued to experience strong software sales over time. The strategic expansion plans have continued to ensure that the company has achieved increased performance over time. Its international expansion has helped to increase sales by 18%. The company’s low price and differentiated strategy is one of the effective measures that have been put in place by the company to enhance the company’s performance over time. The integration of Best Buys short term goals with long term goals have helped to enhance growth over time.