

The combination of many positive environmental factors helps explain the extraordinary success of Geek Squad. Today, it repairs more than 3,000 PCs a day and generates more than \$2 billion in revenue. Because Geek Squad services have a high profit margin they contribute to the overall performance of Best Buy, and they help generate traffic in the store and create store loyalty. To continue to grow, however, Geek Squad will need to continue to scan the environment and try new approaches to creating customer value.

One possible new approach is to create new partnerships. Geek Squad and Ford, for example, have developed a partnership to help consumers install in-car communication systems. In the future, Best Buy will offer 240-volt home charging stations for Ford's electric vehicle, the Focus. Geek Squad will offer electrical audits and residential installations for the car owners. Geek Squad is also using new technology to improve. Agents now use a smartphone to access updated schedules, log in their hours, and run diagnostics tests on clients' equipment. Best Buy is also testing a "Solutions Central" desk, similar to the Genius Bar concept in Apple stores, and staffing it with Geek Squad agents. Finally, to attract the best possible employees, Geek Squad and Best Buy are trying a "results-only work environment" that has no fixed schedules and no mandatory meetings. By encouraging employees to make their own work-life decisions, the Geek Squad hopes to keep morale and productivity high.

Other changes and opportunities are certain to appear soon. However, despite the success of the Geek Squad and the potential for additional growth, Robert Stephens is modest and claims, "Geeks may inherit the Earth, but they have no desire to rule it!"

Questions

- 1 What are the key environmental forces that created an opportunity for Robert Stephens to start the Geek Squad?
- 2 What changes in the purchasing patterns of (a) all consumers and (b) women made the acquisition of Geek Squad particularly important for Best Buy?
- 3 Based on the case information and what you know about consumer electronics, conduct an environmental scan for Geek Squad to identify key trends. For each of the five environmental forces (social, economic, technological, competitive, and regulatory), identify trends likely to influence Geek Squad in the near future.
- 4 What promotional activities would you recommend to encourage consumers who currently use independent installers to switch to Geek Squad?