

Circuit City Short Circuits into Chapter 11

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05 January 2009



After struggling to turn a profit for the past 7 business quarters, troubled US retailer Circuit City filed for Chapter 11 bankruptcy protection—only one week after they said they would close 155 of more than 700 stores in 55 markets by the end of the year (and firing about 17.0% of its work force in USA).

While most think consumers have cut back, and retailers will have to rely on price, acting CEO James Marcum spoke in September of improving the “customer experience” through spruced-up stores and better signage. More than 72% of Circuit City customers also shop at Wal-Mart regularly, according to America's Research Group (compared with 55.0% who frequent Best Buy.)

Circuit City has \$3.4 billion in assets and \$2.3 billion in debts (Aug. 31)--and it's getting worse.

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