

Smartphone Slump Hurts Best Buy

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The decline of smartphone sales leads to softer-than-expected holiday season growth for Best Buy, as the retailer reports a -0.8% Y-o-Y drop in domestic revenues during the 9-week period ending 2 January 2016.



Computing and mobile phone comparable store sales for the retailer are down by -7.2% Y-o-Y, while CE revenues are up by 4.3% Y-o-Y. In comparison, the previous year had computing and mobile phones decline by -1.8% Y-o-Y and CE revenues grow by 11.1% Y-o-Y. Such results only confirm recent analyst forecasts on the decline of mobile phones and tablets, while Best Buy CEO Hubert Joly points out a lack of smartphone innovation leading to fewer device upgrades.

"The domestic decline was primarily driven by the mobile phone category, which was softer than both our expectations and the prior year," Joly continues. "Excluding mobile phones, Domestic revenue increased year over year due to our strong performance in health & wearables, home theater and appliances."

As for overall Q4 results, the retailer forecasts revenue declines of "near" -1.5% Y-o-Y.

Go [Best Buy Reports Holiday Revenue Results](#)