

## **Carphone Warehouse/Best Buy Merger**

Last week the Carphone Warehouse sold 50% of its business to merge with Best Buy an American owned electrical retailer. The merger is one that has shocked the market and one which defies a definite trend towards online electrical retailing. Answer the following questions to research this further.

1. Give a brief background to both the Carphone Warehouse and Best Buys
2. Explain how the merger was conjured up.
3. How does the qualities of both businesses complement each other? Or do they?
4. Explain the current market position of firms such as Curry, Dixons and PC World. Explain why the trend towards online retailing has become so appealing.
5. Analyse the possible synergies that may take place in both these firms merging. i.e who will benefit and how
6. Explain how the Best Buy business model works in America. Analyse and evaluate the possible success of this strategy in the UK.
7. Given all the information above evaluate the likely success of this new merger.

### **Sources**

<http://news.bbc.co.uk/1/hi/business/7389291.stm>

<http://www.carphonewarehouse.com/commerce/servlet/gben-Home>

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<http://www.mobiletechnews.com/info/2006/09/27/112352.html>

<http://www.pcmag.com/article2/0,1759,2300972,00.asp>

<http://in.reuters.com/article/innovationNews/idINL0891326820080508>