

Best Buy bets big on Microsoft's Copilot+ and other AI-powered PCs to boost sales

Article

The news: Best Buy is [making a big bet](#) that the release of Microsoft's Copilot+ and other AI-powered PCs will help turn its fortunes around.

- The retailer is stocking over 40 Copilot+ models, about 40% of which are exclusive to Best Buy, including the OLED Surface Pro. It is also selling AI computers from brands such as **Dell** and **Samsung**.
- It worked with Microsoft and chipmaker **Qualcomm** to develop an extensive training program to give thousands of employees tasked with selling and repairing Copilot+ PCs a deep understanding of the technology and concepts such as TOPS, or trillions of operations per second, that measure AI performance.
- Best Buy trained over 1,000 Geek Squad tech support agents to conduct demos of the Copilot+ in hundreds of stores and answer questions from shoppers.

Why it matters: The consumer electronics category has seen sluggish demand over the past few years due in part to a lack of must-have products.

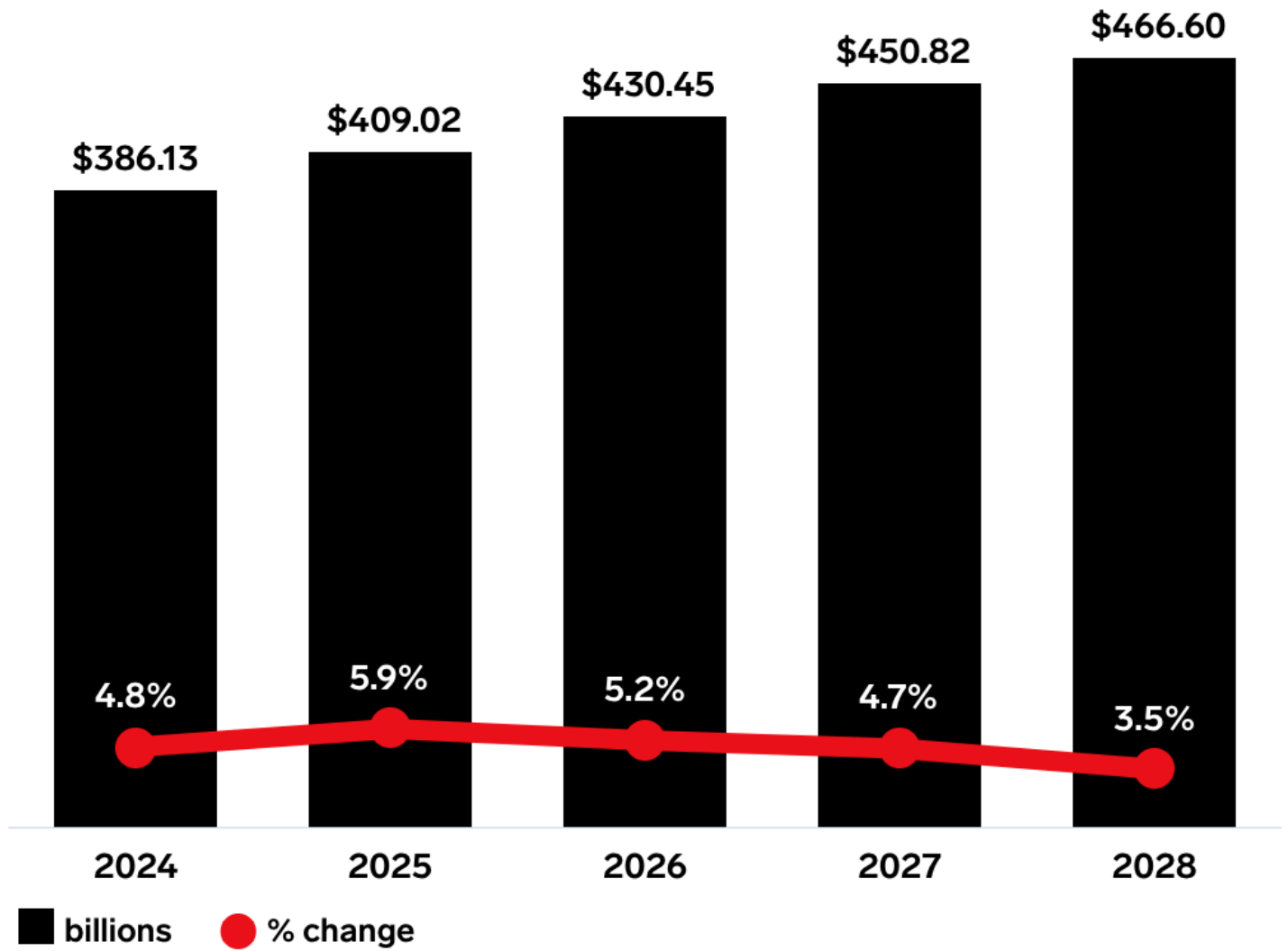
- Electronics and appliance store sales are up just 0.8% year over year (YoY) in the first five months of the year, per the US Commerce Department.
- However, we expect computer and electronics sales to accelerate throughout the second half of the year. Our forecast expects sales in the category to grow 4.8% YoY, a significant gain after sales fell 2.0% YoY in 2022 and rose just 1.4% YoY last year.

The big takeaway: Best Buy is in a tough spot given that it has had 10-straight quarters of declining same-store sales.

- But staking its ground as *the place* to go for AI-powered PCs could position it well by giving consumers a clear reason to buy from Best Buy rather than any of its competitors.

Computer & Consumer Electronics Retail Sales

US, 2024-2028



Note: excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: EMARKETER Forecast, February 2024