

Best Buy lays off some Geek Squad, phone support workers amid shift to AI

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Best Buy, in a shift toward AI, laid off Geek Squad field agents, home-

theater repair technicians and phone support specialists, according to current and former employees.

The Minnesota-based retailer declined to offer a specific number of cuts to its workforce. The company said effected and eligible employees will receive severance, with some offered opportunities to transfer or reapply for jobs at the company.

The Best Buy employees, speaking under the condition of anonymity, told the Star Tribune this was the latest round of layoffs in parts of the business facing lower demand. Other departments have also faced cuts though Best Buy declined to offer more details.

In February, Best Buy announced cuts were coming when chief executive Corie Barry outlined a restructuring plan—which would include terminations—aimed at stabilizing the company after months of declining sales. The cuts, she said, would happen primarily in the first half of 2024 and would occur across the company.

The company previously said it was taking actions to, among several things, balance its field labor resources "to make sure we are providing the optimal experience for customers where they want to shop" and reduce parts of the business "where we expect to see lower volume than we envisioned a few years ago."

"We know better than anyone that the [consumer electronics industry](#) is always changing with new technology, more innovation and evolving [customer](#) expectations, and that means we need to make changes too," Best Buy said in a statement to the Star Tribune.

"As we said during our earnings call in February, we're taking steps to make sure our resources are balanced and directed to the right strategic areas so we can drive efficiency in our business and put ourselves in the

best position for the future."

The company is already replacing lost labor with technology. On April 9, the company announced the launch of a series of artificial intelligent virtual assistants that will help customers with things like order deliveries and their membership account, but also troubleshoot product issues with a virtual Geek Squad, essentially reducing the need for in-home repair visits.

The virtual assistants will also recommend responses to customers in real time for Best Buy employees working in [call centers](#). For in-store employees, the AI will help customers find information like product guides.

The AI-based technology, made in partnership with Google and professional services company Accenture, will begin operating later this year.

"These new gen AI-powered capabilities further enhance our commitment to deliver better, more personalized experiences to our customers by unlocking the power of people," said Brian Tilzer, Best Buy's chief digital analytics and technology officer.

During the [fourth quarter earnings](#) call in February, Barry spoke of the company's several initiatives, one of them to make its Geek Squad repair operations and customer care experience more efficient. She also said the retailer will continue to build out Geek Squad-as-a-service, which would operate in a business-to-business model.

In the long-term, Best Buy will use Geek Squad agents for its Best Buy Health business, created last year to sell and deliver medical technology that helps with in-home health care.

Best Buy recorded \$169 million in restructuring charges for its recent fourth quarter that were "primarily related to employee termination benefits," and expects to record up to \$30 million more in charges in fiscal 2025 under the restructuring plan, according to the company's recent financial report. The company will pay up to \$135 million of the employee termination benefits in fiscal 2025, with the remainder being paid in [fiscal year](#) 2026.

Best Buy employs more than 85,000 people across North America.

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