

## CHAIN: 2 local stores won't be closed

Continued from Page A9

pany as it heads into a holiday shopping season that could determine its future.

"The weakened environment has resulted in a slowdown of consumer spending, further impacting our business as well as the business of our vendors," James A. Marcum, vice chairman and acting president and chief executive said in a statement.

Bob Gorland, who does retail studies as a vice president for consultants Matthew P. Casey and Associates, said one possible reason why Circuit City isn't closing stores in Pennsylvania is that land costs, rents and other costs related to occupancy are generally lower here than in those neighboring states.

He also noted that in this area, Circuit City has not over-built and saturated the market.

Neither Circuit City nor its chief big-box competitor,

### DEALS FOR SHOPPERS

Prices on electronics have been falling, and consumers might see more good deals in the holiday season.

Plasma TVs that cost \$20,000 a decade ago start at \$600, said Jim Barry, a spokesman for the Consumer Electronics Association. DVD players that cost \$500 a decade ago now cost \$50. Notebook and portable computers can be found for \$500.

Some Web sites to aid shoppers who aren't tech-savvy:

- [www.digitaltips.org](http://www.digitaltips.org)
- [www.cnet.com](http://www.cnet.com)
- [www.engadget.com](http://www.engadget.com)

Best Buy, have been in the midstate all that long. Circuit City opened in Hampden Twp. in 1997 and in Lower Paxton in 2000. Best Buy, with a store in Lower Paxton just down the road from Circuit City, has only been here since 2003.

Many of Circuit City's stores in Pennsylvania have been open 10 years or less. This means that both Circuit City stores probably have several more years left on their primary lease term, which typically runs 10 to 15 years. Gorland said retailers often see the end of the first

lease term as an opportunity to close stores that aren't doing well.

Circuit City said it will renegotiate leases at certain stores to achieve lower rents.

A Circuit City spokeswoman did not say why Pennsylvania was spared. On average, the stores being closed had lower sales and a lower gross profit margin than stores remaining open.

The Associated Press contributed to this report.

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