

Media Play closing all stores in early '06

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About 60 Springs employees will lose jobs

By JIM BAINBRIDGE THE GAZETTE

Musicland Group Inc. is closing its 61 Media Play stores across the country by late January, including both of its bigbox stores in Colorado Springs, because of what the company conceded was a faulty business model.

"We have not been able to find a niche in the marketplace," Musicland spokeswoman Laurie Bauer said Friday. "Music, movies, video games and books all have a lot of competition, and the chain has been struggling for a number of years."

Media Play, which opened in 1992, has 2,000 employees in 18 states, and management staffers will receive an unspecified severance package, Bauer said. Locally, about 60 employees will lose their jobs.

The first indication of the closures in Colorado Springs came Thursday when Media Play canceled its last two December advertising inserts in The Gazette, and employees at its Citadel Crossing store, 651 N. Academy Blvd., said they were told the store will close.

According to employees contacted at the 7720 N. Academy Blvd. store, near Chapel Hills Mall, they were informed of the decision Friday afternoon.

Musicland is investing in a major redesign of its Sam Goody chain of mallbased media stores to improve its financial fortunes. Its other remaining chain is Suncoast Motion Picture Co.

"We'll continue to operate more than 800 stores between Suncoast and Sam Goody, and we'll focus our energies on growing those businesses," Bauer said.

Musicland is also doing a number of other things to expand beyond its core business of music, movies and games, Bauer said. They include its new Graze stores, which are within Sam Goody, with one currently open at the Mall of America in Bloomington, Minn.

Bauer described it as a "lounge concept," in which customers can buy a cell phone and download ringtones and wallpaper for it, or make a CD.

Musicland is also involved in a partnership with Bang On, an on-demand apparel company with stores at the Mall of America and in Philadelphia where customers can get custom messages printed on clothing, Bauer said.

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The Associated Press contributed to this report.