Project Scope

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An unmet opportunity in the Food & Beverage industry is the lack of live competitive pricing. Through the use of technology, an app could be created to provide a platform for active price checking. Working within the retail industry, retail pricing is a critical component of the consumer decision tree. There is focus within the retail industry to remain competitive through pricing checks at competitors and flyer activities. However there is not a depository of retails for consumers to actively check at any moment what retails are on key items they are looking for.

Without the ability to check items consumers either need to check comparable items in flyers or if available, check retails on the internet which is not always active. This app would allow all retailers to input retails for the items consumers are looking for instantly. The advantage for the consumer is understanding prices that are important to his or her shopping list. The advantage for the retailers is when prices are adjusted for competitive reasons, there is not an immediate communication to consumers about the price and this app would instantly allow consumers to get updates prior to shopping at a competitor.

The industry for discussion in this research paper will be part of industry code 445110 Food & Beverage stores with a more narrow review of Supermarkets and other grocery (except convenience) stores. The Food and Beverage industry contributes 2% of the GDP (gross domestic product) for Canada. In 2014, it is the second largest manufacturing industry at $105.5 billion in production with shipments. This student’s business career exposure has a combined total of 18 years working for one of the largest retailers in Canada, Loblaw Companies Limited. With experience working on the frontline in the retail stores, operations, and currently in the Category Management business unit within the organization, I can provide valuable insight to this paper and relate this information back to the course objectives.

Currently the Supermarket industry in Canada comprises of Loblaws, Sobeys, and Metro according to an article by Canadian Grocer (April, 2016). The 5 force analysis will review the influence of these top 3 directly while also exploring other food industry retailers that compete for sales such as Wal-Mart, Giant Tiger, and Costco.

Contacts for this industry are strong both with the internal stakeholders of working for these retailers but isolated to Loblaw given competitive policies do not allow this student to discuss any other retailers internal process. External stakeholders such as vendors and consumers is extensive and a valuable source to draw from.

The performance of the industry is healthy with a growth of 1.3% in 2016 with over $85 billion in sales. The industry currently employs over 400,000 employees. The retail grocery industry is a perfect competition. According to an article from Chron (nd.) perfection competition are “Firms that comprise the industry produce similar products and consumers have complete and accurate information about their prices”. This paper will explore more about how this type of competition is beneficial for consumer’s suppliers, and the retailer.

This trading tool would be attractive to most retailers and the vendor partners. With the vendor partnership, the cost associated with this tool could be funded by these partners and create a platform to increase awareness for all stakeholders to drive their collective businesses. Through discussion internally with leaders at Loblaw and Vendor input, this student will provide feedback of facility of the opportunity and how to leverage it. This project will meet the course objectives through challenging his student to manage a design of a tool that requires selling to an audience. Though applying analytical skills and research, a comprehensive proposal will be prepared over the 3 months of this course. The end result will be to deliver an opportunity to all stakeholders while providing the benefits of the tool and how to grow their business with adaption. As a leader within the Loblaw organization, my goals would be to support a new platform of growth and opportunity for both my internal and external stakeholders.

References

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