

# Fresh direct case study essay sample

[Food & Diet](#)



Please read the Fresh Direct (C 19) case analysis carefully and produce a case analysis report following the instructions that are given in the Case Analysis report document in Doc Sharing.

#### COMPANY NAME/WEBSITE/ INDUSTRY

Fresh Direct/Freshdirect. com/Food and Grocery

#### BACKGROUND/HISTORY

Cofounder and former chief executive officer Joseph Fedele was able to bring a wealth of experience in New York City's food industry to FreshDirect.

FreshDirect offers online grocery shopping and delivery service to more than 300 zip codes in Manhattan, Queens, Brooklyn, Nassau County, Riverdale, Westchester, select areas of Staten Island, New Jersey, and parts of Connecticut.

Fresh Direct is a company that allows you to order your food online and get next day delivery, their moto is “ Our Food is fresh, our customers are spoiled..... Order on the web today and get next-day delivery of the best food at the best price, exactly the way you want it with 100% satisfaction guaranteed.” The primary business is to allow customers to order their food online and avoid going to a grocery store they can buy anything they want online and you can have it delivered to you house. Key players would be the people who launched the business in 2001 Joseph Fedele and Jason Ackerman. Many companies have fallen online with the grocery service and they boldly stated they were the “ greatest way to shop for food” this again was a bold statement in many of these chains have fallen. Company

launched in 2001 and by 2011 you had to have a order of 30\$ with a delivery fee associated with it. The company started to fall apart when the competition start to raise in the industry that is when they started offering local grown and organic but their were some fields they just couldn't compete with.

FreshDirect acquired the bulk of its \$100 million investment from several private sources, with a small contribution coming from the State of New York.

Briefly describe the company in the case study. What is their primary business, who were the officers or key players described in the case study? If the case study company is currently in business, list the company's current CEO, total sales and profit or loss for the last year where data is available. Identify key events or phases in the company's history. Describe the performance of this company in the industry. Visit the company's website and use <http://finance.yahoo.com> and or some other financial search engine to find this data. (25 points)

Grocery shopping with delivery services of fresh produce products delivered right to your door. The cofounder and former chief executive officer is Joseph Fedele.

## SWOT ANALYSIS

Using the information in the case study, perform a SWOT analysis on this company. Remember Strengths and Weaknesses are internal to the company. Opportunities and threats lie outside of the company and are in

the external environment. Summarize your key points in a SWOT matrix. (25 points)

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

A competition for Fresh Direct is YourGrocer. YourGrocer created with a bulk-buying strategy, believing that customers would order large, economical quantities of goods from the website and the company would make home deliveries in company trucks.

strengths (internal) (3) weaknesses (internal)

opportunities

(external) strengths/opportunities

obvious natural priorities

Has strong financial assets

Powerful online grocery brand

Advanced food technology with software system

Strong relationship with local stores and distributors

Approach is very innovative

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Excellent customer service

Warehouse had 12 separate temp zones

Extreme high standard for cleanness

Refrigerated loaded trucks to keep... weaknesses/opportunities

potentially attractive options

- One of the biggest obstacles to the growth of online ordering of groceries had been the inability to view and touch food, particularly fresh produce and meat.
- This lack of control over identifying the freshness of the food caused major concerns for the customers.

Only basic awareness, planning, and implementation required to meet these challenges.

Investment in these issues is generally safe and necessary.

Executive question: " Are we properly informed and organized to deal with these issues, and are we certain there are no hidden surprises?" - and - "

Since we are strong here, can any of these threats be turned into opportunities?" weaknesses/threats

potentially high risk

Assessment of risk crucial.

Where risk is low then we must ignore these issues and not be distracted by them.

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Where risk is high we must assess capability gaps and plan to defend/avert in very specific controlled ways.

Executive question: “ Have we accurately assessed the risks of these issues, and where the risks are high do we have specific controlled reliable plans to avoid/avert/defend?”

#### ANALYSIS VIA PORTER’S FIVE FORCES MODEL

Analyze the competitive environment by listing the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products and services, and the intensity of rivalry among competitors in the industry (Chapter 2). Summarize your key points in a Figure. (25 points)

#### STRATEGY USED

How does this company create and sustain a competitive advantage? What strategy was undertaken by this company? Were they successful? Can all companies use this strategy? How is the strategy affected by the life cycle in the industry? Remember to reference Porter’s generic strategies identified in Chapter 5 of the textbook. (20 points)

Overall cost leadership – Low cost position relative to a firm’s peers

Manage relationships throughout the entire value chain

Differentiation – Create products and/or services that are unique and valued

Non-price attributes for which customers will pay a premium

Focus strategy – Narrow product lines buyer segments or targeted geographic markets

Attain advantages either through differentiation or cost leadership.

#### THE ISSUES AND CHALLENGES FACING THIS COMPANY

Can the company's competitive advantage be sustained? How will that be accomplished? Where are they in the product life cycle? What is the company culture like? Do they need to change it? What problems is this company having and why? (20 points)

Product life cycle

Company culture

Identify problems

Course of action and strategy

#### COURSE OF ACTION RECOMMENDED

If you were in a position to advise this company, what strategy would you recommend to sustain competitive advantage and achieve future growth? Be specific and list the steps the company should take for successful implementation of your course of action. (20 points)

#### OPINION

I found this case study to be very interesting and informative. I learned about the organization and the problems it currently faces. After analyzing and doing a SWOT analysis of the case help me to understand where it

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stands and goals of the company. There are many solutions I feel that will benefit this organization.

## REFERENCES

<http://www.freshdirect.com/about/index.jsp;jsessionid=HNYFQP7JLx22DchQ6vLm12gGrVb5P12tD7sH4TVYLnqnXX9pHNbT!-244301007!-408313503?siteAccessPage=aboutus&successPage=/index.jsp>

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