

Industrial case study  
entitled tech  
bookstores  
commerce essay



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Tech is a major state university located in a small, rural college town. Tech Services is an incorporated university entity that operates two bookstores, one on-campus and one off campus at a nearby mall. The on-campus store sells school supplies, textbooks, and school licensed apparel gifts and it has larger computer department. The off-campus store sells textbooks, school supplies and licensed apparel and gift and it has large trade book department. The on-campus store has very limited parking, but it is within easy walking distance of the downtown area, all dormitories, and the football stadium and basketball arena. The off campus store has plenty of parking, but it is not within walking distance of campus, although it is on the town bus line. Both stores compete with several other independent and national chain college bookstores in the town plus several school supply stores, apparel stores, computer stores, and trade bookstores. The town and the university have been growing steadily over the past decade, and the football team has been high ranked and gone to a bowl for eight straight seasons.

The Tech bookstores have a long-standing policy of selling textbooks with a very small markup (just above cost), which causes competing stores to follow suit. However, because textbooks are so expensive anyway, most students believe the Tech bookstore gouge them on textbooks prices. In order to offset the lack of profit on textbooks, the Tech bookstores sell all other products at a relatively high price. The on-campus bookstore also had a laundry service with few dry cleaners purchased. Although the laundry business is making a modest profit now, the management suspects if they invest in a new press, they could recognize a substantial increase in profits. The new press costs \$15 400 to purchase and install and can press 40 shirts

an hour (or 320 per day). It is estimated with the new press, it will cost \$0.25 to launder and press each shirt and customers are charged \$1.10 per shirt.

Tech Services has a Board Directors made up of faculty, administrator and students. The executive directors, Mr. David Watson, reports to the Board of Directors and oversees the operation of the bookstores (plus all on-campus vending and athletic event vending). His campus is in the on-campus store. Both bookstores have a store manager and an assistant manager. There is one textbook manager for both stores, a trade book manager, a single school supplies and apparel manager, and a computer department manager, as well as a number of staff people, including a computer director and staff, a marketing director, a finance staff, a personnel director, a warehouse manager and secretaries. Almost all of the floor employees including cash register operators, sales clerks, stock people, delivery truck drivers, and warehouse workers, are part-time Tech students. Hiring Tech students has been a long-standing university policy in order to provide students with employment opportunities. The bookstores have a high turnover among the student employees, as would be expected.

Several incidents have occurred at the off-campus store that have caused the Tech Services Board of Directors concern. In one incident, a student employee was arrested for drug possession. In another incident, a faculty customer and student employee got into a shouting match when the employee could not locate a well-known book on the bookstore computer system and the faculty member got frustrated over the time it was taking. In still another incident an alumnus who had visited the store after a football

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game sent a letter to the university president indicating that a student employee had been rude to him when he asked a question about the return policy for an apparel item he had purchased on the bookstore's Web site. When the student did not know the return policy, he told the customer in a condescending manner to come back later. The last incident was an offhand remark made by a local town resident to a Board member at a party about the difficulty she had completing a purchase at the mall store because the registers were unmanned, although she could see several employees talking together in the store.

Although sales and profits at the bookstore have been satisfactory and steady over the past few years, the Board of Directors is extremely sensitive to criticism about anything that might have the potential to embarrass the university. The Board of Directors suggested to Mr. Watson that he might consider some type of assessment of the service at the bookstores to see if there was a problem. Mr. Watson initially attempted to make random, surprise visits to the bookstores to see if he could detect any problems; however there seemed to be a jungle telegraph system that alerted his employees whenever he entered a store, so he abandoned that idea. Next he decided to try two other things. First he conducted a customer survey during a two-week period in the middle of the semester at both stores. As customers left the store, he had employees to ask them to respond to a brief questionnaire. Second, he hired several graduates students to pose as customers and make purchases and ask specific questions of sales clerks, and report on their experiences. Selected results from the customer survey are on the Table 1 below.

The only consistent responses from the graduate students posing as customers were that the student employees were sometimes not that familiar with store policies, how to operate the store computer systems, what products were available, and where products were located in the stores. When they did not know something they sometimes got defensive. A few also said that students sometimes appeared lackadaisical and bored.

## **Table 1: Customer Survey Result**

**Campus Store**

**Off-Campus Store**

**Student**

**Nonstudent**

**Student**

**Nonstudent**

**Yes**

**No**

**Yes**

**No**

**Yes**

**No**

**Yes**

**No**

Were employees courteous and friendly?

572

93

286

147

341

114

172

156

Were employees knowledgeable and helpful?

522

142

231

212

350

105

135

193

Was the overall service good?

569

96

278

165

322

133

180

148

Did you have to wait long for service?

74

591

200

243

51

404

150

178

Did you have to wait long to check out?

81

584

203

240

72

383

147

181

Was the item you wanted available?

602

63

371

72

407

48



296

32

Was the cost of your purchase(s) reasonable?

385

280

398

45

275

180

301

27

Have you visited the store's Web site?

335

330

52

391

262

193

17

311

## Summary

The title given to us for this assignment is ‘Tech Bookstores’. Tech Bookstores is an incorporated university entity that operates two bookstores. The services that they provide are school supplies, textbooks, and school licensed apparel gifts and it has large computer department. Due to complains and some unwanted incidents The Board of Directors suggested to Mr. Watson to consider some type of assessment of the service at the bookstores to see if there was a problem. Therefore Mr. Watson conducted a customer survey during a two-week period in the middle of the semester at both stores. As a result of the survey which is done by Mr. Watson we need to determine the outcome of the survey and give ideas to improve the business. From the survey we also need to improve the overall structure of the business and determine if the business can grow and attract more customers and a smoother operation. The targeted area that is suggested to improve are marketing, operation and financial.

## Marketing

### **1. 1. Carefully examine the marketing methods/approaches by Tech Services. What are the strengths and weakness of these methods/approaches?**

Strengths and weakness are a method of assessing a business, its resources and its environment. Doing an analysis of this type is a good way to better

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understand a business and its markets, and can also show potential investors that all options open to or affecting a business at a given time have been thought about thoroughly. The essence of the strengths and weakness analysis is to discover what we do well and how we could improve whether there are any changes in the market such as technological developments, mergers of businesses or unreliability of suppliers that may require corresponding changes in the business. This action list will introduce the ideas behind the analysis and give suggestions as to how to carry out one of our own. Based on the paragraph, Tech is a major state university located in a small, rural college town which operates two bookstores, one on-campus and one off campus. The on-campus store sells school supplies, textbooks, and school licensed apparel gifts and it has larger computer department. The off-campus store sells textbooks, school supplies and licensed apparel and gift and it has large trade book department. The both stores are selling same products but they do have different main departments which give main income to the stores. There are larger computer department at on-campus. This is also one of the strength which gains from the tech service. It is because, computers make all modern communication possible. Undoubtedly we can say that modern world will be incomplete without computers and their applications. It has become so common in our daily lives that it is almost impossible to imagine life without the use of computers. The students will use computer departments when they need to edit some important files in their USB flash disk, instead of going home they will just go in computer department. So the computer department is positive idea to them. Other than that, the suggestion of the board directors also is strength which was conducted a customer survey during a two-week period in the middle of the <https://assignbuster.com/industrial-case-study-entitled-tech-bookstores-commerce-essay/>

semester at both stores. As customers left the store, he had employees to ask them to respond to a brief questionnaire. This approach will help to board directors to know about the conditions of the both stores. Besides that, the second suggestion which was he hired several graduates' students to pose as customers and make purchases and ask specific questions of sales clerks, and report on their experiences helps to know more about the employees in the both stores. The report which they came out with will be useful to the board directors to upgrade the business and also help to meet customers' desire. When we talk about weakness there is little weakness which we can find from both stores employees. There is, both bookstores have a store manager and an assistant manager. There is one textbook manager for stores, a trade book manager, a single school supplies and apparel manager. It is because the store manager could be managing both stores in one time so it makes him to be so tired. If there is two managers for the both stores means they will compete between both of the stores. Lastly, the student employees were sometimes not that familiar with store policies, how to operate the store computer systems, what products were available, and where products were located in the stores. It shows that the employees lack of experiences and knowledge about the careers. So it makes the stores lack of profitability. Finding weakness is effectively addressing the mistakes which we made in something and it can also be a powerful tool in the professional world. Pretending like they don't exist, on the other hand, can have tragic consequences.

## **1. 2. Propose your own marketing plan to be adopted to ensure the needs and requirements of the customer are met.**

The backbone of any business starts by setting goals and successfully managing the ups and downs of daily operations. In this section, I will find out how can I structure my business, manage production processes and avoid risks. Pricing is one of the most important factors when deciding the marketing tactics. This could involve skimming, comparable pricing and market penetration strategy. Skimming which means low market penetration, high pricing strategy for premium products. Comparable pricing means if you are not the market leader, competitors will have set a price expectation which can be followed where market penetration strategy which means deliberately low pricing in order to enter or control a market quickly. The price must be cheap and reasonable of the product. My aim will be simply to match the competition or charge a premium price for a quality product and service. I will choose either to make relatively few high margin sales or sell more but with lower unit profits. It is because of some customers may seek a low price to meet their budgets while others may view a low price as an indication of quality levels. Besides that, the location of the business is another important strategy for every business. Which are how and where we want to sell the products or the materials. Most small businesses are located close to where the owner lives. But as a business grows it may make sense to relocate the business. For example, to be closer to greater numbers of customers or employees with certain skills. Place also refers to the method of getting your product to the consumer this could be a dealership or an online shop. Lastly, I will come out with a promotion plan. Promotion is an essential element in the marketing mix. It's a tool used by <https://assignbuster.com/industrial-case-study-entitled-tech-bookstores-commerce-essay/>

businesses both large and small, to inform persuade and remind customers about the products and services they have to offer. Without business promotion, companies would be stagnant and lack substantial growth because their brands would have low visibility in the market. A promotion plan outlines the promotional tools to use to accomplish the marketing objectives. To the new or inexperienced marketer, the promotion plan might be mistaken as the entire marketing plan because it outlines where the majority of the marketing budget will be spent. However, just one component of the marketing plan which are additional strategy and planning components described in a marketing plan. Promotion can be broken down into four categories. There are advertising, sales promotion, public relations and personal selling. Advertising promotions appear as print advertisements in magazines, banner advertisements on the web or commercials. Sales promotions include attending trade shows, holding contests and initiating customer loyalty programs. Public relations activities include everything from getting bloggers to post about products, pitching articles to magazines, and writing and distributing press releases. Personal selling is done face to face, as with a business that hosts home parties, or using the phone or web solutions. As conclusion, effective planning keeps established companies on track. It serves as a guide for companies that plan to launch a new product or service or introduce a new marketing program to seize new business opportunities.

### **1. 3. How do you see Tech Service competition in its market place? What is the role of quality' in its competitive strategy?**

Quality in business has a pragmatic interpretation as the superiority of something. It is also defined as fitness for purpose. Quality is a perceptual, conditional and somewhat subjective attribute and may be understood differently by different people. Consumers may focus on the specification quality of a product or how it compares to competitors in the marketplace. Producers might measure the conformance quality to which the product was produced correctly. Support personnel may measure quality in the product is reliable and maintainable. Product quality is rapidly becoming an important competitive issue. In addition, several surveys have voiced consumers' dissatisfaction with the existing levels of quality and service of the products they buy. Product quality also relates to how well a product meets changing demands. In modular buildings, technologies are increasing the range of what is possible. At the same time, customers are becoming more particular about their own requirements. For example, they want building solutions that are safe and clean, which minimise disruption, save time and guarantee quality. Quality involves keeping pace with these demands.

Other than that, there are some views for describing the overall quality of a product. First is the view of the manufacturer who is primarily concerned with the design, engineering and manufacturing processes involved in fabricating the product. Quality is measured by the degree of conformance to predetermined specifications and standards and deviations from these standards can lead to poor quality and low reliability. Efforts for quality improvement are aimed at eliminating defects, the need for scrap and

rework and hence overall reductions in production costs. Second is the view of the consumer or user. To consumers, a high-quality product is one that well satisfies their preferences and expectations. This consideration can include a number of characteristics some of which contribute little or nothing to the functionality of the product but are significant in providing customer satisfaction. A third view relating to quality is to consider the product itself as a system and to incorporate those characteristics that pertain directly to the operation and functionality of the product. This approach should include overlap of the manufacturer and customer views.

## **2. Operation**

### **2. 1. Observe the business operation and management in Tech Services?**

Tech Services Company is divided into 2 stores. One is on campus store and another one is off campus store. Both the campus sells school supplies, textbooks and apparel gift which licensed by the school. There are differences between the 2 stores which is the on campus store has larger computer department and the off campus store has a larger trade book department. The reason both have the differences is because normally more number of computer must have in the campus because most of the university student are precisely in the university campus compare to the off campus. When the number of computer increases the number of staff is needed to maintain and improve or upgrade from time to time so that the studying institute can maintain their name. Larger Trade book department is needed for the off campus store because they need to consider on their costing on travelling, delivery and workmanship for transporting the item



which needed by the store and plus they need to control their prize where it doesn't affect the customer and themselves. The laundry services are the most profitable sector in the on campus because the students who stay in the hostel of the campus often need to use laundry tools to clean their clothes.

## **2. 1. 1. The management.**

Both of these 2, on and off campus have 3 main categories:

Faculty

Administrators

Student

Below are the list of responsible people who running this campus.

On campus

store manager and an assistant manager

one textbook manager

a trade book manager

a single school supplies

apparel manager

a computer department manager

including a computer director and staff

a marketing director

a finance staff

a personnel director

a warehouse manager and secretaries

Floor employees ( which are mostly part-time Tech students)

cash register operators

sales clerks

stock people

delivery truck drivers

warehouse workers

One of the special staff had been appointed to solve the problem which occurs on and off campus. His name is Mr. David Watson, the executive directors who will reports to the Board of Directors and oversees the operation of the bookstores (plus all on-campus vending and athletic event vending). His campus is in the on-campus store.

## **2. 2. Why do you think Mr. Watson organized the customer survey the way he did?**

There are few problems which happen on and off campus that have caused the Tech Services Board of Directors concern. In one of the case is when police arrested a student employee for drug possession. In another case is a

faculty customer and student employee got into a shouting match. In still another case is an alumnus who had visited the store after a football game sent a letter to the university president indicating that a student employee had been rude to him when he asked a question about the return policy? The last case was an offhand remark made by a customer about the student employee who recklessly doing their job in the store such as chit chatting while working. There are rumours about Tech bookstore gouge the student on textbooks and other things in the store prices which is relatively high which made the students believe. These cases made the board of directors to make Mr. Watson to find out what's the cause and to find proper solution.

Mr. Watson initially attempted to make random, surprise visits to the bookstores to see if he could detect any problems; however there seemed to be a jungle telegraph system that alerted his employees whenever he entered a store, so he abandoned that idea. That is when Mr. Watson made the customer survey.

Mr Watson has done a few questions for his survey so that he can know whether the student employee had the characteristic which is needed or not (as mention below).

courteous and friendly

knowledgeable and helpful

overall service good

In the survey, he also asks about the customer main needs such as whether the pricing is reasonable or not, the thing which they wanted available or not and is the service take a long time.

### **2. 3. What other things do you think he might have done to analyze the stores' quality problem?**

He should open a complaint box through the internet or open up a special number for sms so that he can get news more effectively. Internet and sms are the most favourable things among people in this generation compared to papers.

Mr. Watson also must employ new rules where by the employees have to prepare a short report each week on what they had done. By doing this he can at least know what is going on. Sometime own employee working problem also need to be taken into consideration.

Hidden CCTV also Mr. Watson can install without employee knowing so that he can monitor his employee movement from time to time.

He also must conduct a test according to his employee jobs scope from time to time to test their understanding for their work. If they didn't answer the test correctly, then he can know where their weaknesses are.

The pricing of the text book also he should analyze it even more. He should find a way to reduce the cost and the way to promote the text books in the store in more efficient way so that his company and student are satisfied.

## **2. 4. Discuss what you believe are the quality problems the bookstore have? (Make it more)**

Discipline is one of the quality problems among the student employee in the store. For example such as student employee taking drugs and a woman saw the student employee talking so much in the store a while ignoring their responsibility. The solution for this problem is when the employer set tighter rule and more rough consequences if the employees break the rule. Example warning letter 1, 2, 3 and terminate or salary reduction.

Quality of voice tone in and good manner in communication. In business, the best way to create a good image among the customers and clients is by talking polite and welcoming them to a nice way to the product. This will make an excellent image for the company. Every time the manager should remind the staff in the friendly way to be polite and welcome customer in good manner especially before work.

The pricing management also is one of the quality issues which Tech Services have. When they know the text book price is quite high they should try to bring the book price down and they should try to cut their cost. If the price cannot be reduced, they should find an interesting way to promote their text book so that the student will be confident to buy it with high price.

Lack of Knowledge is also can be consider one of the main quality problem have in the bookstore. There is one case that the student employee didn't know about the return policy and there are one more case that employee could not locate a well-known book on the bookstore computer system which had made the customer more frustrated. These show that the students

employee have lack of knowledge such as store policies, how to operate the store computer systems, what products were available, and where products were located in the stores. The employer should sent certain staff to certain course and give enough proper training about what they should do in their business.

Mentality and attitude also is one of the quality problems because when people have negative thought and behaviour it can spoil everything. That is why the boss of the company should hire interesting motivator to motivate their staff into a better way. They must hire different motivator at a time. Music also can be play in the store but the music should be slow and positively meaningful then the work will be interesting.

## **2. 5. What obstacles do you perceive might exist to hinder changes at the bookstores and quality improvement?**

### **2. 5. 1 Competitor**

When I do my research about business management I found that competitor also might be the treat for tech services. When few people have the same idea opening the same business then the sales rate for this bookstore might drop rapidly. As we know in general that the customer will consider the pricing of the product. When the particular bookstore put price is the cheapest price tag, it will be the favorite for the customer. So the tech bookstore needs to take much consideration (such as to cover the cost, employer salary, commission for the share holder, increase the back up financial and the clean profit) to win customer need.

## **2. 5. 2. Influencing and Controlling**

Influence also plays a major part for this business. The customer mustn't have other option than buying the product from the tech bookstore. The employer also must make a system and rules that controls their employee work movement. At this era, people are getting more ideas on how to make their work easy (being lazy) without realizing the unwanted outcome. If the staff didn't work well, the outcome will be a disaster.

## **2. 5. 3. The demand**

As time goes by, new trend and new latest book will be appear. When the bookstore keep on selling the same book, it will give a serious effect when a new easier understandable and interesting book being publish(so the old book will be a disposal and will effect losses) because it will affect the demand on product among the customer. It will get even worse when other bookstore sells those kinds of new books to the demanding customer. To solve avoid this issue, the bookstore need to keep up to date on which product is being published. The best way is by keeping contact with the book supplier, author and always keep up to date in internet, so that the tech bookstore can maintain their customer demand.

## **Financial Perspective**

### **3. 1. Critically observe the function of quality vs. finances in this content.**

Associating Quality and Finance is vital to improve the value of Tech Bookstore. If the Bookstore invest in the new press which costing \$15, 400, it will increases the production quality which lead to a substantial increase in profit. On the other hand, there are improvements have to be made for the <https://assignbuster.com/industrial-case-study-entitled-tech-bookstores-commerce-essay/>

bookstore to overcome the customer dissatisfaction. This situation requires quality improvement and financial needs. First of all, the Bookstore has to consider improving its service quality by sending the employees for training programmer's to develop their knowledge, interpersonal and communication skills. A quality service can results in repetitive customers. Employee attraction and retention, customer service, quality and productivity, enhanced profit-ability-these are some of the issues affecting companies in all industries and of all sizes, and influencing their training practices. Training and development will be attached to finance. Bookstore needs to invest in training and development to gain competitive advantage and survive in the competitive market. It also need re-design its bookstore to create an attractive environment that avoids customer from feeling bored and to enhance the customers to identify and locate the products that they are seeking for. Great shelving and lighting are essential, but good design goes beyond that to create an atmosphere that encourages customers to browse and buy. Lay the groundwork for a successful business by choosing the right location, stocking their store with the right books for their customers and hiring service-oriented employees. By investing in re-design of the atmosphere, the bookstore would be experiencing new and repetitive customers which leads to higher profit.

**Develop Pareto charts to help analyze the survey result.  
Discuss your findings and conclusion.**

### **3. 2. 1. Problems and situations occurred**

From the tables above, states that the staff working at the bookstore was polite and friendly. Most expected working in an off-campus store was



outside workers. This will happen by employing a misunderstanding between customers.

Employees with knowledgeable is more helpful compare to student because those student without experience. Difficult to handle the book store. For those have experience easy to tackle the problem and know how to solve it.

From the total, the data indicate the overall service is well, but from off-campus stores, data from nonstudent state that is still several are not satisfied with the off-campus stores. They should understand the problems faced and try to overcome them.

Student said no need to wait so long for service, but the same time nonstudents still not satisfy on service.

From our observation, nonstudent still facing problem on wait for long to check out.

Most items are customer requirements are available on both campuses. This is quite acceptable.

## **Solution**

Do some promotion on website and share with everyone. It will be help to everyone to know about daily updates and promotions

To further improve the services Tech services also can encourage students and outside workers by giving incentive or bonuses

For a faster service, Tech services should construct a more systematic system in finding the books or item request by customer

New employees should be train by senior employees to further improve the service and reducing time waste stage

The cost purchase for the item is quite reasonable but the same to offer during festival time or do some promotion.

**3. 3 How many shirts will the bookstore have to press to break even? And if the management cut the price to \$0. 99 a shirt, they are expecting to be able to stabilize their customer base at 250 shirts per day. How long will it take to break even at the reduced price of \$0. 99? Should the management cut the price and buy the n**