

# Free office depot's business model essay example

[Business](#), [Company](#)



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## **Individual Case Analysis – Office Depot**

[Insert Name]

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A planned merger between office depot and staples was blocked by blocked by the Federal Trade Commission in 1997. During this year, office depot launched a public website, thus increasing its market presence. The main marketing channel was through its retail stores before 1997. Apart from its retail corporate customers and individual buyers, there was a marked increase in ecommerce customers. The value proposition of office depot was to ' stay ahead of what is expected of the firm and drive value to its customer' (Khosrow-Pour, 2006). To deliver value for a complete customer experience office depot utilized its key resource that is its ability to change its business model from brick and mortar to e – business. By 1998 office depot could reach customers through two channels, online (through internet) and offline (through its stores). Office depot had a high cost structure as it sold its products at a cost lower than its competitors (Osterwalder & Pigneur,

2009). After the launch of its website revenue came from both its retail outlets and its ecommerce website.

## **Amazon and Office Depot**

In the early 2000s which was a pure online book retailer began expanding its services and product offering by entering into fulfillment service partnerships with traditional retailers. Amazon sourced its products from wholesalers and retailers. The business model of amazon combined physical elements or operations with informational elements that is virtual store fronts. Such a business model was scalable, so Amazon increased its market reach.

Amazon offered high quality customer service over the internet, which was a whole new concept back in the 2000s (Business Week, 2000). Amazon expanded its business beyond its signature item and succeeded at it mainly as a result of its focus on offering its customers convenience, price, customer service, and selection.

A strategic alliance between Office Depot and Amazon might have strengthened each firm's competitiveness as they complement each other's strategic initiatives. For instance, Amazon was very strong in e-tailing. Office Depot could have greatly benefited from Amazon's operational and technology knowledge (Porter, 2001). The business model of Amazon focused on combining physical and informational elements, this would have served useful for Office Depot. For Amazon, Office Depot already had a huge retail base, so it might have benefitted from the large product line of Office Depot. Both companies will have achieved mutually beneficial outcomes through this strategic alliance as resource and technology gaps could be breached (Osterwalder & Pigneur, 2009). By bundling the resources and

competencies in a joint effort both firms can increase their market share. On the whole the office supplies industry could have been dominated through this strategic alliance.

## **Office Depot and Office Max**

In 2000 Office depot began launching a number of websites making it an industry leader in technology. It constantly expanded the range of products it offered. The website enabled customers to choose products and make payments online right from its initiation (Office Depot Company History, 2015). Consecutive with its website development Office Depot expanded its physical presence across countries by 2006. By increasing its internal presence, while building its web presence, Office Depot became the major supplier of office supplies across nations. The company also launched various online magazines, released its annual reports online, improved online customer service, and was recognized for its environmental efforts by 2010 (Office Depot News, 2014). From an analysis of the evolution of Office Depot's click and mortar business model, the constant improvements it made to its technology and the adaptable business model which paved way for the firm's success are evident.

On a broad scale, the click and mortar business model has increased competition from multiple fronts for office supplies firms. More broadly, firms have to offer diverse products, at a moderate cost to customers. The office supplies industry is driven by a few key players. To achieve competitive advantage, firms need to offer product differentiation, at the same time keep up with changing e-commerce trends.

As a result of the Merger Office Depot and office Max, Office Depot

consolidated its retail presence. This helped Office Depot raise its profits for the current year (Timberlake, 2014). I expect this will result in increased sales for Office Depot as it has expanded its product line. Also, closing of its retail stores will enable the firm to focus on its click and mortar business strategy.

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