

Grand and toy case study

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1. Grand and Toys strategy is to achieve sales of one billion Canadian dollars, maintain a strong brand to be the clear leader in the Canadian commercial segment and to operate about 85 commercially focused stores clustered in major markets. Grand & Toy also wants to achieve their marketing objectives by offering 8000 products through 90 locations and web ordering system. Performance objectives against the strategic plan to achieve its vision included:

- Growing sales
- Reducing costs and increasing productivity
- Increasing organizational capability and capacity
- Ensuring a strong strategic position

Ecommerce is an important part of this as well they expected to direct 50 percent of its orders through its site within three years.

By using one platform for all its customer needs this would translate into:

- One point of entry for customers
- Online customer segmentation through user identification
- Integration with other stakeholders
- Customers ordering from multiple channels
- New features including credit purchasing, account automation, etc.

2. Increasing number of global competitors in Canada is reducing their market share in office product industry. Competitors use better information technology to increase sales. Customized service and products are becoming very important for business and customers. Competitors use more distribution channels and better technology to support their sales in Canada and in other countries. Staples their biggest competitor offers discounted prices to attract new customers. Grand & Toy's customers might affect by this pricing strategy and might switch over to Staples. In order to

attract more customers Grand & Toy needs better competitive pricing strategy. Grand and Toy should compete with Staples and other competitors such as Office Depot which has one third of its sales in business clients and now with it having Viking office products its selling internationally through catalogue sales giving them an advantage over Grand and Toy, Office Maxs exclusive rights to gateway computers so it had an advantage if someone was looking for that type of computer.

3. Non traditional competitors pose the threat of also taking up Grand and Toys share of the market. They may come in a threat of Department store such as Wal mart, offering computers and office supplies at lower prices than Grand and Toy and shopping at these type of stores the customer has convience of doing there other shopping as well, there are also now stores online where products can be shipped globally where customers can shop from home and compare prices which is again a convenience not offered by Grand and Toy. These are threats that Grand and Toy need to consider when they are planning their marketing strategies and promotions.

4. Grand and Toy does have a sustainable market because there overall sales had grown nearly 35% from 1998 to 2000. In the same period saes had grown from \$480 million Canadian to \$645 million, while profits rose at an even greater rate. With G& T moving forward with its Ecommerce strategy which they expect to see fifty percent of its sales through in the next three years and always knowing they may have to change it in the future they are able to face traditional and non traditional competitors.

5. Grand & Toy need to design well develop marketing plan to execute above strategies. Computer, Software and technological goods market expected to

grow more than 20 per cent. Grand & Toy should aware of this growth and they should expand technological goods capacity. They must offer good deal to government agencies, educational institutions, small and big businesses to convince them to purchase products from their stores. Grand & Toy need to improve their web site for online buyer. Customer should find product and service easily by visiting Grand & Toys' web site. Customer should login, update their information, search products, compare products specification, compare price, buy products, and check the status of the delivery easier than other competitor's web site.

Expand ordering channels: Grand and Toy is the market leader in office product industry in Canada. They should be a leader based on number of retailer, commercial and stockroom stores. They should expand the capacity of the catalogue mail and phone orders. Grand & Toy should customize service and product. Each customer needs and wants different. If Grand & Toy's satisfies this need they will make customer happy about the service. Therefore Customer Retention, Frequency and Purchase amount will increase.