

Tests in uk

Business



Why has Tests been so successful In the UK and In other countries? Edgar 2. Which success factors are or are not transferable to the US? Gonzalez This is a very attractive market due to the \$600 billion in US; the growth potential is impressive and tempting.

There is a increasing consumer interest in wellness and health food. Another reason to be part of this market is the fact that the retail market is mature, there are number of competitor and they believe that they have option to get a quote of this market.

Tests did something before starting Fresh & Easy In US, which Is sent to US 50 senior managers to live In California with families and therefore they can understand the consumer behave and then can apply this information to the launch of the company, the mistake here was that they assume that what they got was enough. As a conclusion, it can be said that although initially the idea of expansion in US market received positive feedback, the result it did not meet expectations. California, Arizona, and Nevada were among the states hardest hit and during the 2008 financial crisis and that had a negative Impact on company's extension plans. The process of adapting to the US market should continue In order meet the requirements of US shoppers.

3. Was Tests smart to enter the US market? In California, Arizona and Nevada? Edgar 4. What is the Fresh ; Easy value proposition? Is it likely to be appealing in California, Arizona and Nevada?

Gonzalez Tests entered the US market with fresh and healthy food and prepared meals, but with a limited variety of goods compared to the average

local supermarkets. Many products were sold under store label and thus were unknown to local shoppers. Frequent stock outs didn't help as US shoppers went elsewhere in contrast with typical UK consumer who returns next day for the product. To better meet customers demand, the company increased the selection of products, tailored the offer to the local needs and wants.

The strategy of Fresh & Easy was " everyday low prices" rather than weekly discounts. They didn't understand local market requirements as no American Express card, coupons or personal checks were accepted that is a point that even if you do not adopt you have to transfer to the US Market as a new proposition. Fresh ; Easy both attributes possible contradict each other, in this type of business seems like if its easy what they sell, for example healthy food, it can be fresh due the complexity of make it.

Yes, consumers wanted things fresh, but the execution delivered product that Americans did not perceive as fresh. Generally speaking, Americans perceive things as fresh when they are variety of stuff and cooked at the location and served warm.

5. Assess (quantify) Fresh ; Easy financial performance against plan. Be specific. Edgar 6. What are the causes for this performance? Consider strategic, tactical and implementation issues. Gonzalez Before Tests opened one store In America, it built a massive distribution center, brought In to build US facilities.

This created tremendous overhead, which created tremendous pressure to open stores quickly. To support the operation they built a vast warehouse, <https://assignbuster.com/tests-in-uk/>

complete with America's biggest expanse of solar panels to help power it, and a food factory next door, it may have been efficient and sustainable in terms of operations and its green mandate, but wasn't a sustainable business model as it misread the US market. The store size ? smaller than a typical American supermarket but larger than a convenience store ? was an oddity, more in keeping with British tastes.

In our analysis these performance problems are based largely on a single faulty premise and strategy that the retailer has tried to use a British model of food and grocery retailing in the Western United States. That instead of bringing in key executives with extensive experience in the market the retailer has relied almost completely on executives with experience primarily in the United Kingdom.