

Case study fresh direct

Business



**ASSIGN
BUSTER**

They do not have the cost of retail stores in rent or anything and they were able to cut out the middlemen and go directly to the farms to purchase products allowing them to pass on those savings to the customers. They were also able to differentiate themselves by putting a premium on cleanliness, freshness and the offering of unique products specifically in the form of their four minute meal line. They chose to use mostly a two prong strategy of low cost products and differentiating themselves from their competition whether it is other online grocers or traditional retail grocers.

They have been successful in their strategy, they still have lower prices than other competitors and while they have problems and threats like every business they are still doing well especially in the market.

It would be possible for other companies to copy their strategy but they would have to do something that differentiates themselves from Fresh Direct otherwise they would basically be the exact same business and that would not necessarily break them into the market and take an advantage over Fresh Direct (Deeds et al., 2012, p. C). Fresh Direct can sustain a competitive advantage as long as they continue to put a premium on freshness, cleanliness, customer service and maintain the price advantage over other competitors. The biggest problems that they are facing are gas prices and their volatility, they have also had some problems with receiving parking tickets delivering to customers causing them to absorb hundreds of thousands of dollars in ticket cost.

They have also had some environmental concerns because they are forced to use lots of cardboard boxes to deliver groceries (Deeds et al., 2012, p. C).

, 2012, p. CLC 25). They have also faced some environmental concerns regarding the additional exhaust fumes that the delivery trucks are polluting into the air. Consumers also had some issues with the fact that they only served certain neighborhoods and many of those not living in the neighborhoods they served begin accusing them of discrimination. They also faced the possibility of unionization and Just before Christmas 2007 they asked their 900 plant workers to provide proof regarding immigration status, and many left immediately significantly reducing their workforce (Deeds et al. , 2012, p.

A 25).

I would suggest to Freshet that they continue to do what they are doing with some differences. Even though it may hurt profits I would look at letting the workers unionize and also look at trying to lower health coverage's for workers as they had previously complained about them being expensive and therefore hard to afford. I would suggest that they do this because it would help to improve their reputation and the company image. Employees will be more likely to be loyal and stay when they feel like you really care about them and treat them fairly which will provide you with less turnover and it will also improve you public image.

I would also look at continuing to expand into more neighborhoods and eventually more states maybe even the country. They should start slowly like they always have moving into new neighborhoods. If they continue to expand into new neighborhoods and move into ewe states they will eventually have to have more warehouses and distribution centers and in

order to continue to offer the freshness that has helped set them apart they will need to cultivate more relationships with local farms in those areas in order to offer local fresh products. OPINION I think this has been a really interesting case study, before this I did not even realize that anyone was really doing online grocery stores, at least not when it came to perishable items like produce.

For me the biggest lesson is that if you have a good idea do not give up on it, the startup cost for a venture like this would have scared e away being that I really have no money but they knew they had a good idea and stuck with it and made it happen. It did not seem to me like they really had to search for ways to set themselves apart it seemed like that was just a part of their vision for the company which is an added bonus for them.

They wanted to keep prices down and standards and qualities extremely high to set themselves apart, and I did not feel like it was simply a strategy for them but it was just a part of the business that they had envisioned.

References Deeds, G. , Limpkin, G. ; Eisner, A. (2012). Strategic Management (e).

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