

# Bed bath and beyond's (bbandb) plan for growth case study

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### Project #1 Short Case #1: Bed Bath & Beyond's (BB&B) Plan for Growth 1.

Explain how Bed Bath & Beyond practices the retailing concept. The retailing concept is comprised of customer orientation, coordinated effort, value-driven, and goal orientation. With a multitude of open stores the consumer becomes aware of the convenience in location, excellent store atmosphere, and an assortment of merchandise. BB&B's customer orientation, customers can walk around the store without feeling pressured because they aren't just looking around to purchase a specific product, they are there to seek a pleasant shopping experience. . Evaluate Bed Bath & Beyond's growth plans. BB&B has three sources of growth: organic growth (getting more sales from the same space), opening new stores, and acquisitions. Same store sales growth is essential for any retailer's growth plans. This involves increasing sales at locations, remodeling existing stores, and being open more than one year. BB&B's new stores range in size from 30, 000 to 80, 000 square feet. This enables BB&B to pursue a number of real estate opportunities. Acquisitions enable BB&B to quickly grow, to diversify, and to reduce dependency on a given format.

BB&B long-term goal is to operate 1, 300 stores because now they are being able to operate in large business centers. 3. How can Bed Bath & Beyond increase the overall quality of its customer service? Bed Bath & Beyond can increase its overall quality of customer service by:

- Developing and implementing customer service training programs
- Increasing its employee empowerment
- Training employees to do multiple tasks to reduce checkout lines
- Employing mystery shoppers to monitor customer service levels
- Rewarding excellence in customer service
- Offering service recovery

programs • Hiring employees who enjoy customer contact . Explain the concept of value from the perspective of a Bed Bath & Beyond customer. A Bed Bath & Beyond customer receives value from the perspective of deep and wide assortments, one-stop shopping, excellent customer service, the ability to shop in a store and the Web, fair return policies, speedy checkout, and fair prices. According to the customer from the article, the employee was patiently helping the customer all throughout their shopping experience. Even though, the employee was doing their own thing but as soon as the customer asked for help the employee dropped what they were doing and went to help.

Short Case #2: Netflix: Competing ViaTechnology1. Develop specific objectives for Netflix's strategic plan over the next five years. Netflix should develop objectives related to sales, profit, satisfaction of publics and image (positioning). Sales objective are related to the volume of goods and services a retailer sells. Profit objective, Netflix should seek at least the minimum profit level during a designated period. The higher the operating expense is, the more efficient the retailer will be. Satisfaction of public, like shareholders, customers, suppliers, employees, and government needs to meet.

Imaging (positioning), Netflix's positioning is among its competitors is at the top compared to Blockbuster or others. 2. What target market strategy is most appropriate for Netflix? Explain your answer. Netflix is most appropriately a mass marketing target market strategy. This maximizes sales opportunities with one marketing program, appeals to wide mix of consumers, uses popular pricing, and enables Netflix to offer a wide selection

of DVDs with popular appeal. 3. Describe Netflix's competitive advantages and disadvantages relative to Blockbuster.

In comparison to Blockbuster Netflix's competitive advantages are: no due dates or late fees, no waiting in line at store, its titles are rarely out of stock, and its customers do not have to return videos in store. Netflix also has an excellent Internet site and an existing Web-based logistics infrastructure. In comparison to Blockbuster Netflix's competitive disadvantages are: lack of immediacy (customers do not have to wait to receive DVDs), customers cannot ask knowledgeable sales clerks for information on substitute DVDs or purchase new and used DVDs.

Blockbuster also has potential synergies due to its operating a Web site as well as stores. 4. Explain how Netflix can better practice relationship retailing. A win-win approach is critical. If the rental is shipped relatively quickly and the consumer gets that item on time then there would be no problems. Since Netflix's DVDs generally arrive the next day, and are rarely out of stock most customers are frequent customers. With new technology and streaming made easier, customers can receive movies with a click of the button without mailing and waiting for a new movie.

Short Case #3: Loyalty Program in the Netherlands 1. What material from this case can be used by a U. S. supermarket chain considering a loyalty program? They could use economic rewards, such as, price reductions and purchase vouchers. With social-relational rewards, members get information in the mail about specifics sales or events happening. Hedonistic rewards include things, such as, points that can be exchanged for a prize or a drawing they could put their name into. 2. How can a retail grocery store

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determine its most profitable customer? The retail grocery store could study a customer's defections.

The grocery store can view if a customer is no longer shopping at the store or if the shop less often. Just because a customer is seen almost every day doesn't mean they are your most profitable customer. 3. Discuss the types of information a retailer can obtain through a loyalty card program. The information made available through a loyalty card program is by studying the transactions of individuals and groups. Retailers can study cross-category purchases, the extent to which a special buy increases overall sale, the impact of coupons on long-term sales of a product, and so on.

Retailers can break out customers into key segments to see which target each segment with different promotions is most meaningful. 4. Explain why a retailer's most frequent customers may not necessarily be its profitable customer group and how to rectify this? The author states that a major concern with the loyalty program is the false assumption among retailers that their most frequent customer are its most profitable customer group. If this group concentrates its purchases mostly on the store weekly sales, this most certainly may not be the case.

By studying which customer group is its most profitable, is through the study of the transactions. Short Case #4: eBay Expands Around the Globe 1. Evaluate the pros and cons of eBay's playbook strategy. Pros of eBay's playbook strategy are: • Develops suggestions as to how to drive traffic in each foreign market • Gives each foreign site a local feel • Avoids cookie-cutter, look-alike sites • Avoids cultural and language problems Cons of

eBay's playbook strategy are:

- Tailoring sites to each region or country is time consuming and costly
- Timing is critical in any Web-based business.

The playbook slows down the entire process

2. Comment on the choice of Germany as eBay's first international market. Germany was chosen due to the country's 40 million Internet users. Most likely due to the fact that Germany has a high number of Internet users was the fact that eBay chose them to be the first instead of a country who is close to the U. S. with English being the official language(along with French), Canada.

3. Describe the pros and cons of eBay's entering an international market by purchasing a foreign firm rather than building an operation from scratch.

Pros of expanding through purchasing vs. building:

- A proven business is purchased
- Since the business is functioning; there is no time delay
- If the business is started by foreign nationals, it should be relatively free of cultural and legal problems
- A management team is in place
- The brand name may have high recognition and an established following

Cons of expanding through purchasing vs. building:

- It may be more costly to buy versus build
- eBay needs to be assured that existing management will stay on and not be a potential competitor
- There may be multiple bidders for the business

4. Comment on this statement: " eBay has succeeded abroad since its global strategy is flexible enough to adapt to countries with vastly different cultures, while retaining the core elements of its business model. " This statement is suggesting that eBay get the best of both: the ability to adapt its business strategy to meet the needs of each country or region while retaining common elements critical to eBay's success. Elements that are

unique to each country or region are the language, currency, product groupings, and chat groups.