

Competitive priority and forecasting essay sample



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1. 1. Introduction

Gardening becomes hugely popular in the last decade, and this trend will continue. According to Key Note (2014), over the next 5 years, a considerable growth of 3.3% in the garden market will be estimated, particularly in lawnmowers and powered garden tools and equipment. The trend boomed include many reasons such as economy, lifestyle, and environmental awareness. The economy situation is recovered that means the ability of affordable will improve. Followed by, gardening became a fashion style for leisure and family activity. Finally, larger consumers are looking for green and eco-friendly products and partly growth fruits and vegetables by themselves. However, with the limited market place, one unprecedented challenge is raising competitors from DIY retailers, national garden centers and supermarkets. Therefore, businesses have to be satisfied customers and adapt quickly if demand, tastes and market situation changes.

Dobbies garden center as one of the UK leader garden center businesses experts a fascinating history for over 145 years, which has operates 35 stores and restaurants but still has similar threats. The purpose of this report is firstly identifying Dobbies garden center competitive priorities meet the customers' requirements in different departments such as sale, café and hire branch. Secondly, using time-series technique forecasting customer demand, to organize and manage its resources best to deliver to its customers will be evaluated. After this, as an expend population and environmental movement, the effects related to Dobbies garden center will

be discussed. Finally, some decisions and management techniques that might be useful to the company will also recommend.

2. 1. Competitive Priority

Competitive priorities are the dimensions that a firm's supply chain or production system must possess to satisfy internal or external customers (Krajewski, 2010). The key drivers of competitive capabilities are cost, quality, time and flexibility dimensions, which could develop and maintain the position of a firm in marketplace and achieve high profitability (Awwad et al., 2013). Companies compete in the marketplace may cover one or more competitive capabilities but each dimension is multi-faceted, so no manufacturing operations could do all things well (Hayes and Wheelwright, 1984). 2. 2. The sales division

Customers rank the most important reasons for visiting garden center are quality, cost, flexibility. Comparing to other garden center such as Wyevale, on-time delivery and variety are Dobbies's competitive priorities. Dobbies assume their plants have best quality and they offer 5 years hardy nursery stock guarantee, if the plants fail to grow, for any reason they can be replaced free of charge (Dobbies, 2014). It sounds really attractive, but unfortunately Dobbies not the only garden center has this kind of promise, most of other companies like Wyevale, Potter and Rest and David Austin Roses also do. In terms of cost, as the table 1 shows, the average price of garden spade in Dobbies is the highest £31. 49, however, the lowest price is £7. 98 which only 1/4 of it (Ethical consumer, 2008). Due to the limit sources hard to analyze which company's cost is higher but probability is Dobbies, if not it might be cut down the price to attract more customers.

Wyevale and Dobbies all have online shop but after an order placed online, Wyevale need 7-14 days to reach consumer's delivery address but Dobbies only need within 2-3 working days to UK mainland address, which is very comparable. The standard delivery for Wyevale will charge £7. 99 and there is no special discount for large-scale order (Wyevale, 2014). In contrast, Dobbies only charge £4. 95 and they could free delivery for order over £49, which is huge advantage in gardening market place. Additional, the item in Dobbies is more variety, it sales gardening tools associated equipment and consumables that Wyevale does not. For example, except the normal charismas trees, lights, essentials, wreaths & garlands, the products for charismas also offer themes toys and hampers etc. (Dobbies, 2014).

Table 1. The price of garden spade compare.

2. 3. The cafeteria

Quality, time and cost should be considered when ruing a restaurant. Quality is competitive priority the cafeteria of Dobbies garden center, because it could deliver an outstanding service and food to its consumers. To be specific, Dobbies has an executive chief, Adriano Trebbi, who was a senior chef at 5* Midland Crowne plaza, so high performance design and service could supply. Moreover, the food quality is also good, fresh seasonal food and delicious British classics and dishes are always on the menus. All food is homemade and all resources are from local, which attend to always keeps fresh, natural and healthy (Dobbies, 2014). Ikea also has restaurant, and they offer quality food at low prices.

The maximum amount of Trans Fats in IKEA is about 2% in total, and the meats meet the animal welfare standard and developed together with CIWF so its safe and quality (IKEA, 2014). IKEA is working in all parts of the food chain, from the farm to the IKEA store but Dobbies get the food source from local farm so the cost is lower. As a result, the price of food is extremely cheap in IKEA, a 6 items breakfast only £1. 5, which approximately 1/3 of Dobbies. Customers do not need wait for a long queue in IKEA and it is speed delivery but in Dobbies consumers wish increase the number of waitress and food service speed.

2. 4. The hire branch

Dobbies garden center have 35 stores in UK and the hire branch ruing is really successful, it supplies one third of market. When consumers want hire something, Dobbies would be their first choice. The competitive priority is Flexibility in the hire branch for Dobbies. It is essential to meet customers demand within a high volume and wide varieties of products and service (Hayes and Wheelwright, 1984). Dobbies has various equipment available for hire, which includes heavy-duty grass scarifies, law aerators and rotivators.

The current types of equipment already could satisfy most consumers but comparing with B&Q in products volume and variety Dobbies do not have much advantage. B&Q is the largest retailer of garden products operating 139 stores around the UK. There are more than 40, 000 great-value products in each garden center (B&Q, 2014). Time is another important competitive strengths for the hire branch. History has shown that the demand for such equipment is seasonal and normally there are two peaks per year. On-time delivery also not did well for Dobbies garden center, it already forecasting

the demand and know the peak time but not scheduling and planning current resources in a better way to reduce the lead time and retaining customer. 3. 1. FORECASTING

Forecasting customer demand will be focused in this report because it helps manager to cope with occurrence, timing or uncertain events and guiding future activities. Meanwhile, company could use the current capacity in a maximum way, provide more enthusiastic service to customers and increase profitability (Kumar and Suresh, 2009). As the economic, data and time limits this report will use c time series technique make a demand forecasting.

3. 2. Time series

Sales have increased from 226, 000 in March of 2013 to 418, 000 in August of 2014. It shows a long-run trend increase of 192, 000 in almost one and half year (see as table 2). Since know the increase trend of demand, Dobbies could manage and organize resources better to deliver to its customers through following methods. Firstly, looking for stakeholders' investment like Tesco who own stake almost 28%, to enter some high-technology equipment or hire more stuff to improve their productivity. Secondly, finding reliable partners to sub-contracting or outsourcing their order during the peak time when they couldn't meet the demand requirement.

Gardening industry is dramatically seasonal business particularly in spring and summer and some special event. According to the data given by management consultant sales report, it can be seen that there is a consistently increase over time, but merely different in each season. The reason for this might due to apart of plants, flowers, equipment, Dobbies

creates some new formats, categories and products to attract customers, such as cafeteria, hire branch and charismas shop. To be specific, the garden center offer customers, good experience, advice, food, cell pet care, out door clothing sale etc. and this convenience of one-stop shopping is a big attraction to a lot people. Therefore, even plants and flowers are not populated in some seasons but Garden center still has other aspects to attract them.

Table 2. Sales trend and Forecast trend

4. 1. Discussion

4. 2. Expend Population

The 30% populations expand would have huge effect on garden center business, because it means more people have free cash for larger purchase such as heavy-duty grass scarifies. Also, increased population may lead to more people may live into apartment, so not much individuals have own private garden. However, it also could be good news for Dobbies because the demand of indoor plants, flowers and manual garden tools might increase. Moreover, as they do not have private garden more family and schools will take the children to garden center to close the nature and plant their own plants or vegetables. They will have fun and learn some knowledge.

4. 3. Environmental

Since UK government signed an international treaty to reduce harms to environment by 50% over the next 5 years, Dobbies garden center need take some actions to react this situation. Yard and garden care contribution to serious pollution by using chemical fertilizer and pesticides. Unscientific

watering lawns and gardens may cause water waste and soil loss. Moreover, mowers, cutters, leaf blowers and other electronic make noise and pollute the air (Mayan, 2001). Increase consumer's awareness of eco-friendly, the use of chemical products may reduce which could have negative influence on Dobies' sales division. Moreover, customers might have higher levels standard for the tools, products and water management equipment such underground rainwater capture tanks. Improving those may need amount of investment from stakeholders, but sometimes it might hard to achieve.

5. 1. Conclusion

This study set out to determine the competitive priorities towards Dobbies garden center and forecasting the further demand of consumer. It is clear, therefore that Time quality and flexibility are competitive priorities for Dobbies in the sales division, cafeteria and the hire branch, respectively. By using time-series forecasting method, it shows that the consumer demand in the future will continually increase. Additionally, this report also evaluated that the expend population and environmental movement have significant impacts on Dobbies garden center such as sales and product, tools and equipment design.

6. 1. Decision Making

Improve the quality of plants and offer more types of guarantee. Additionally, try to cut down the cost and reduce the products price in sales division.

Keep quality as its cafeteria competitive priority, but change the supplier of supply chain that produce resource replace purchase from local farm to gain more profits.

Improve the flexibility to ensure the variety and volume of equipment, make sure it could meet consumers demand.

Supply more convenience services and produce more plants, flowers and equipment to satisfy consumer's requirement since population expands.

Produce more recycles and eco-friendly tools, products, water management equipment such as change the equipment power by electricity rather than gas.

7. 1. References

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