

**BestBuy Analysis**

**Introduction to Excel Spreadsheets**

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## 1. Organisational contextualisation

Before giving the overall context of BestBuy, it is imperative to underpin what this term means. Organizational contextualization is the process of understanding and interpreting the complex factors that influence a company's operations and performance. In BestBuy Supermarket's case, several key elements of the organizational context are worth considering. First, the company is a small family-based supermarket chain with limited store locations. This relatively small size may affect the company's ability to compete with larger national or international retailers and its access to resources and markets.

Second, the company has a strong focus on locally sourced fresh food and packaged goods, as well as an aspiration to compete with larger discount retailers such as Aldi and Lidl. This focus and aspiration may differentiate the company from its competitors and align with consumer preferences for quality and value. However, it may also expose the company to competition from other local and regional retailers that offer similar products and services.

Third, the company has recently seen a decrease in customer numbers and has conducted customer listening group meetings to gather feedback and insights. This feedback has highlighted some potential areas of concern, such as long checkout lines and lack of attention to health and safety, as well as some positive aspects, such as support for local businesses and good employment prospects. Understanding and addressing these issues will be important for the company as it seeks to improve the customer experience and retain its competitive advantage.

Fourth, the company plans to expand to a fourth store in the York city center, which presents both opportunities and challenges. On the one hand, expansion can increase the company's reach and customer base and provide new opportunities for growth and innovation. On the other hand, expansion can also be risky, as it can require significant investments and resources and may not always be successful.

Overall, the organizational context for BestBuy Supermarket is complex and dynamic and involves a range of internal and external factors that can influence the company's performance and success. Understanding and responding to these factors will be essential for the company as it navigates the challenges and opportunities of the competitive retail market.

## **2. SWOT Analysis of BestBuy**

According to Johnson et al. (2008), a SWOT analysis is a tool used to evaluate the strengths, weaknesses, opportunities, and threats of a business. Using the information provided above, here is a SWOT analysis for BestBuy Supermarket is given as follows:

### **Strengths:**

Strong focus on locally sourced fresh food and packaged goods

Aspiration to compete with larger discount retailers such as Aldi and Lidl

Positive feedback from customers regarding the quality of products and support for local businesses and communities

Good prospects for employees, with competitive wages and opportunities for advancement.

### **Weaknesses:**

A limited number of store locations, which may limit the company's ability to reach new customers

Long checkout lines, which may frustrate and deter customers

Lack of attention to health and safety on the shop floor, which could lead to accidents or injuries

High prices, compared to competitors, may make the company less attractive to budget-conscious customers.

### **Opportunities:**

Expansion into new markets, such as York city centre, to increase the company's reach and customer base

Introduction of new product lines, such as home goods or beauty products, to diversify the company's offerings and attract new customers

Partnerships with other retailers or local businesses to increase brand awareness and strengthen ties with the community

Use of social media and marketing to attract younger customers and improve the company's online presence.

### **Threats:**

Intense competition from other supermarkets, both local and national

Economic downturns and recessions, which can lead to reduced consumer spending on non-essential items

Changes in consumer preferences and shopping habits, such as the rise of online grocery shopping or demand for sustainable and ethical products

Potential supply chain disruptions or other unforeseen events, such as natural disasters or political instability.

Overall, BestBuy Supermarket strongly focuses on providing locally sourced products and supporting the community. However, the company faces several challenges and opportunities that will need to be addressed in order to continue its success and expand into new markets.

### **3. PESTEL ANALYSIS OF BestBuy**

Joenshon et al. (2008) contend that a PESTEL analysis is a tool used to evaluate the political, economic, social, technological, environmental, and legal factors that can impact a business. Using the information provided above, a PESTEL analysis for BestBuy Supermarket, including the potential impact and reasoning for each factor, is as follows:

#### **Political:**

Government policies and regulations, such as food safety laws or environmental protections, could impact the company's operations and costs. Depending on the specifics of the policies and regulations, the impact could be either positive or negative. For example, stricter food safety laws may positively affect consumers but could increase the company's costs.

Changes in the political landscape, such as new trade agreements or shifts in government priorities, could affect the company's ability to source products or compete in the market. The impact of these changes could be either positive or negative, depending on how they affect the company's access to markets and resources.

#### **Economic:**

Economic conditions, such as inflation or unemployment rates, could impact consumer spending and demand for the company's products. In general, economic growth and low unemployment tend to be positive for businesses, as they can lead to increased consumer spending and demand for goods and services. On the other hand, economic downturns or

recessions can be negative, as they can lead to reduced consumer spending and increased competition.

Changes in interest rates or exchange rates could affect the company's costs and profitability. In general, lower interest rates and stable exchange rates can be positive for businesses, as they can make it easier to borrow money and manage foreign currency risks. On the other hand, higher interest rates or volatile exchange rates can be negative, as they can increase costs and make it more difficult to plan and budget.

### **Social:**

Demographic trends, such as population growth or shifts in consumer preferences, could impact the company's target market and sales. For example, an aging population may lead to increased demand for health-conscious products, while a younger population may be more interested in trendy or convenience-oriented products. Understanding and responding to demographic trends can be positive for the company, as it can help to identify new opportunities and target markets.

Changes in social attitudes, such as increased concern for the environment or demand for ethical products, could affect the company's reputation and sales. In general, consumer demand for environmentally friendly or ethically-sourced products can be a positive for businesses that can meet these demands, as it can differentiate them from competitors and improve their reputation. On the other hand, if a company cannot meet these demands, it may face negative consequences in terms of reputation and sales.

### **Technological:**

Technology advancements, such as automation or e-commerce, could impact the company's operations and costs. In general, the adoption of new technologies can be positive for businesses, as it can increase efficiency, reduce costs, and improve the customer experience. On the other hand, if a company cannot keep up with technological advancements, it may face negative consequences in terms of competitiveness and market share.

Changes in consumer behavior, such as the rise of online shopping or mobile apps, could affect the company's sales and marketing efforts. In general, the rise of online shopping and mobile apps can be a positive for businesses that can adapt to these trends, as they can increase reach and convenience for customers. On the other hand, if a company cannot adapt, it may face negative sales and customer loyalty consequences.

## **Environmental**

Natural disasters or other environmental events, such as droughts or storms, could impact the company's supply chain and operations. In general, natural disasters and other environmental events can have a negative impact on businesses, as they can disrupt supply chains, damage infrastructure, and harm the local community. On the other hand, if a company can manage these risks effectively and support the community during difficult times, it may improve its reputation and build stronger relationships with customers and stakeholders.

Changes in environmental regulations or consumer demand for sustainable products could affect the company's costs and reputation. In general, increased environmental regulations and consumer demand for sustainable products can be a positive for businesses that are able to meet these standards, as it can differentiate them from competitors and improve their reputation. On the other hand, if a company is unable to meet these standards, it may face negative consequences in terms of costs and reputation.

## **Legal:**

Changes in laws and regulations, such as labor laws or consumer protections, could impact the company's operations and costs. Depending on the laws and regulations specifics, the impact could be positive or negative. For example, stricter labor laws may be positive for employees but could increase the company's costs.

Legal challenges, such as lawsuits or regulatory investigations, could affect the company's reputation and financial performance. In general, legal challenges can be negative for businesses, as they can lead to reputational damage and financial costs. On the other hand, if a company can manage legal risks effectively and demonstrate a commitment to compliance and ethical behavior, it may be able to minimize the negative impact of legal challenges.

Overall, BestBuy Supermarket operates in a dynamic environment that is influenced by a range of political, economic, social, technological, environmental, and legal factors. Understanding and responding to these factors will be important for the company as it grows and expands.

## **4. Charts**

Figure 1: Soft Fruits Company customer satisfaction score

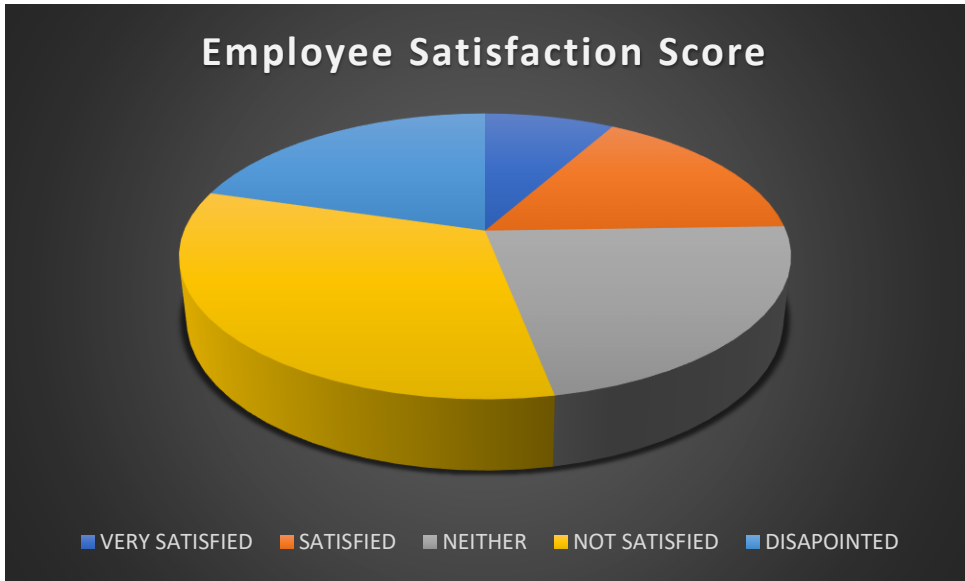


Figure 2: Number of staff who underwent policy training grouped by department

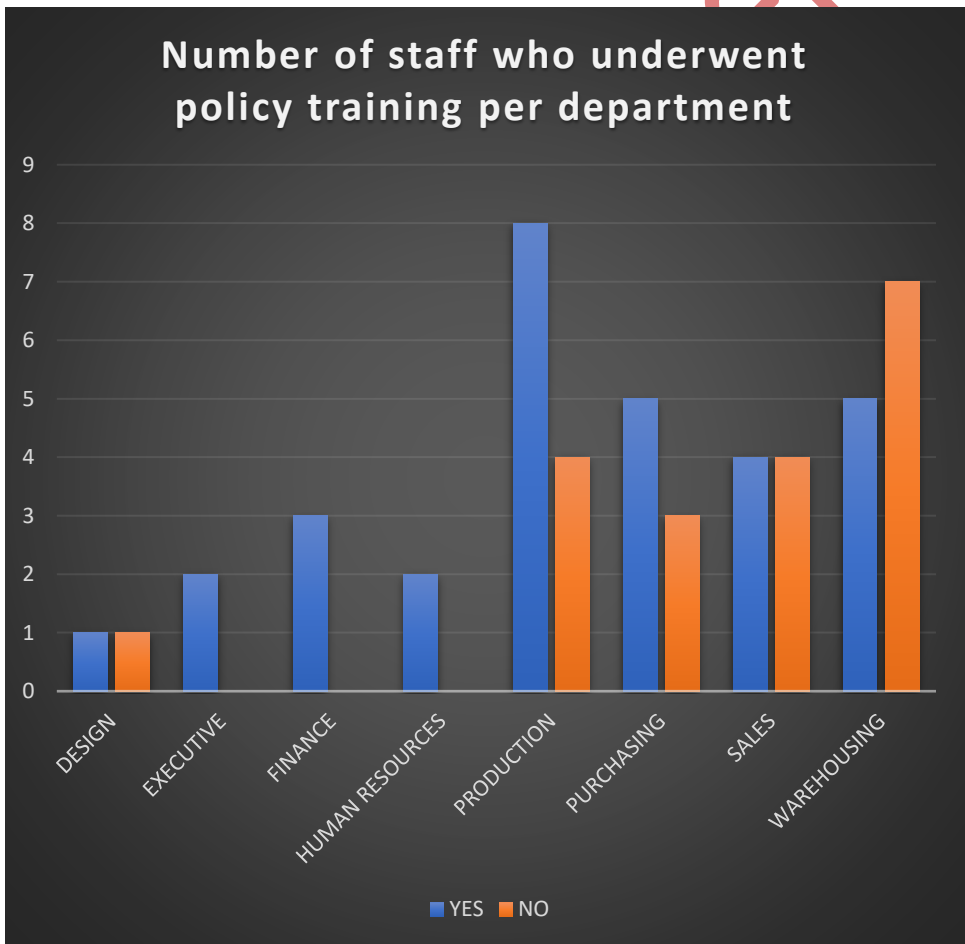




Figure 3: Satisfaction survey grouped by department

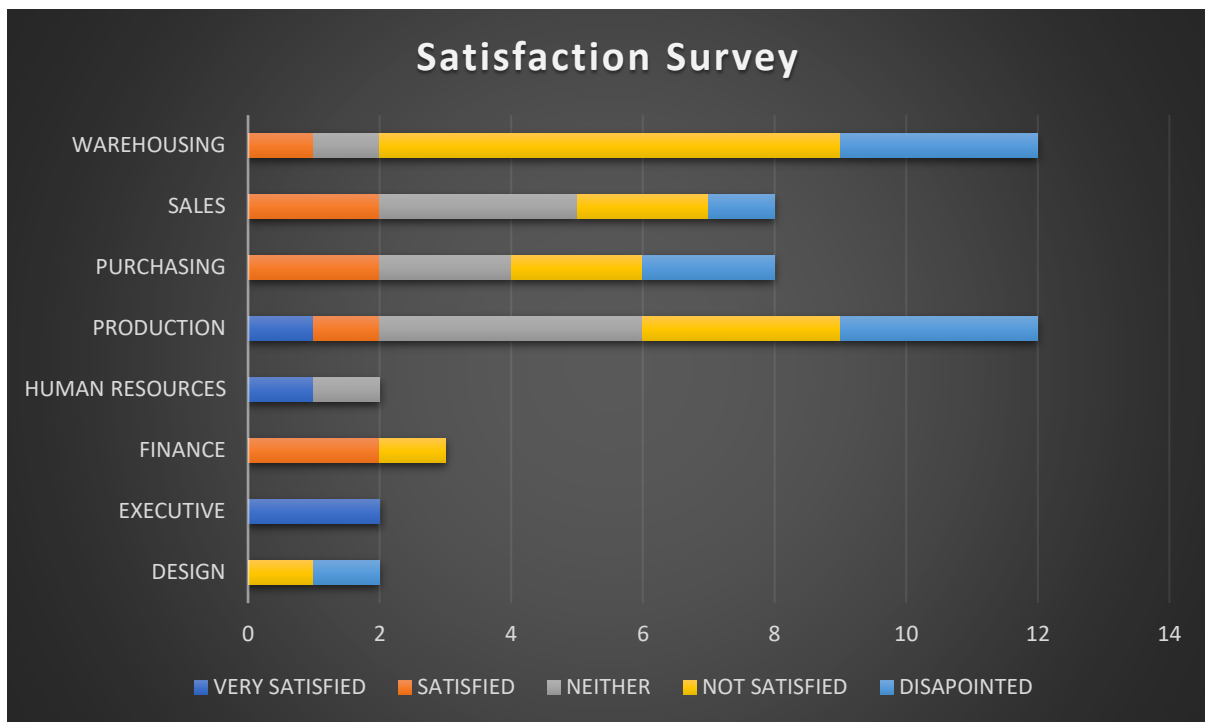


Figure 4: Age group of employees

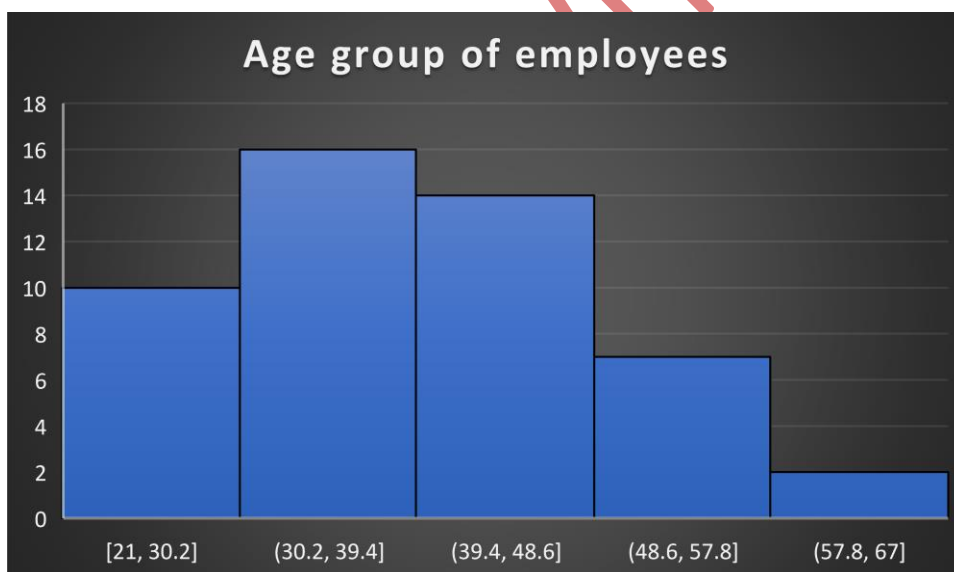


Figure 5: A line graph of salaries of employees based on year started from 1985 to 2016

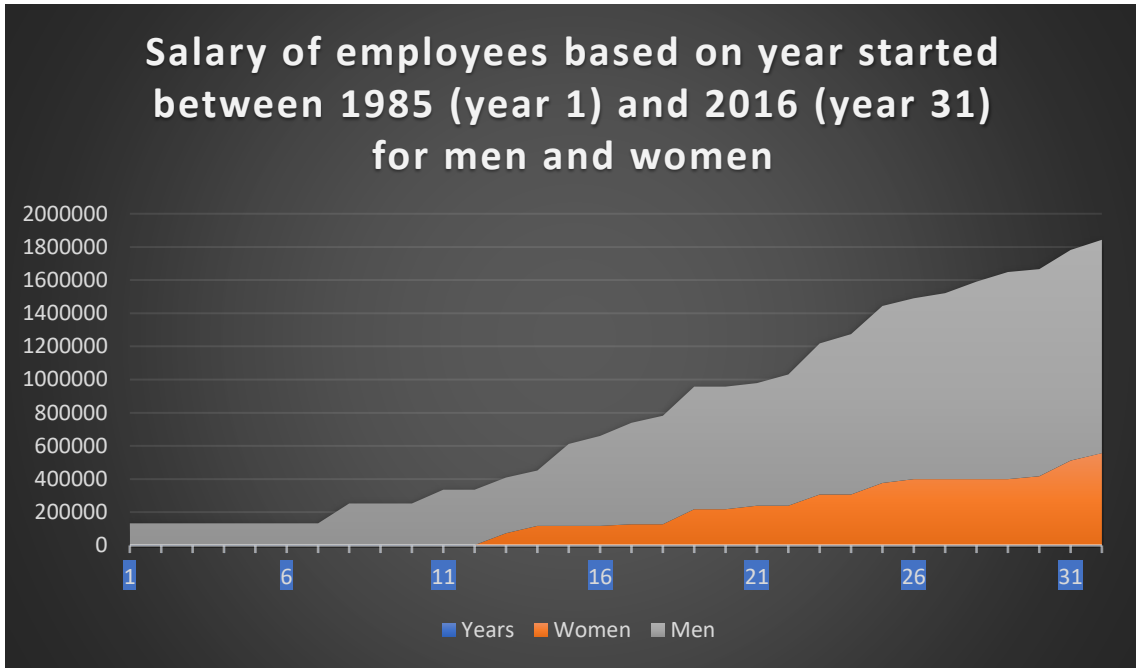
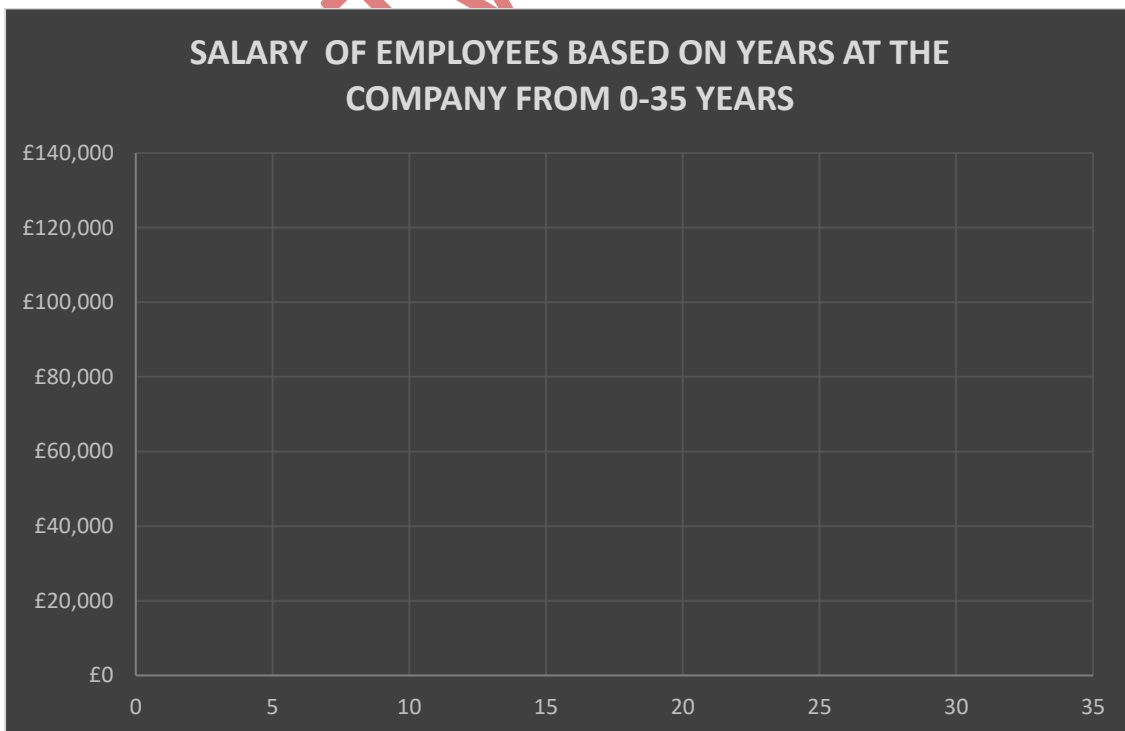


Figure 6: A scatter plot of salary of employees based on years at the company from 0-35 years



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## 5. References

Johnson et al., (2008), *Exploring Corporate Strategy*, FT Prentice Hall , p.119

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