Module 1 Course Project

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Introduction

The online groceries shops are increasing in an alarming rate, in the USA and Europe. The UK has the highest number of online groceries that have shown profitability, but this does not mean other countries are failing. The US, for instance has FreshDirect, which is a well-known success story, having begun in the metropolitan area of New York, and currently serving clients across state boarders. Some of the strategies that assist an online grocery business to grow include the speed of delivery, refrigeration and story strategies, the value of products and how well the groceries related with their suppliers to always have reliable sources of products. Clients are always looking for online convenience, and fresh deliveries. Online groceries with a reputation in these two areas have the competitive edge and will be part of the growing business domain for a long time. Peapod is used in this paper to describe the elements of success in running online groceries.

Peapod’s Vision and strategies of achieving it

Peapod has an aim to be the leading and preferred provider of online grocery shopping and delivery services. Some of the strategies peapod have embraced are place location. The company identified and ventured into five markets in which it is currently operating. They are Boston, Chicago, Southern Connecticut, Long Island, and Washington DC. The reason why the success of peapod is dependent on the metropolitan markets is because of the high population, the well structures roads for deliveries, and the higher purchase power. Peapod, Inc. only has to develop strategies to grow even wider and venture into other metropolitan areas. Some challenges include the completion in other areas such as New York and New Jersey, from more established and recognized sellers such as FreshDirect. However, with proper marketing strategies and product differentiation, peapod can gain some of these markets. This can assist the company to achieve their aim of becoming market leaders. In addition, they should consider going global (Peapod 1-3).

The main advantage that Peapod has is the larger capital than its competition cans ever rise. It is owned by a Dutch international company which is the second largest retail retailer in the world, Royal Ahold. Peapod is just one of its businesses in the USA. The capital has assisted the company procure goods at a lower cost due to economies of scale during purchases and reach an already established market using earlier ventures from Ahold, mainly supermarkets in the American East Coast. Peapod works with Ahold supermarkets in Connecticut, Boston, Long Island and Washington DC. The supermarkets are known as Giant food, Inc. In the collaboration, peapod has established places of communication. Shoppers in the supermarkets read posters, and view adverts on screens on how easy it is to receive fresh groceries at the comfort of their homes (Peapod 1-3).

Peapod’s Mission

The company’s mission is *to anticipate consumer needs and provide safe, quality, reliable, and innovative Food products and services to consumers around the world.* The company also has some of the recommendable solutions to achieving their mission. The consumer is the most important person to the company. The company has taken the pressure of the rising market positively. They have built a capacity of serving over 45,000 deliveries in a week in the five metropolitans aforementioned as the main markets (Peapod 1-3).

Generally, to achieve their mission, they have built a capacity to handle over 18,000 simultaneous orders and deliveries at a go. To ensure that they never run out of supplies for their clients, they have developed a payment system that releases payment to their suppliers in just 4 days from the previous industrial 35 days. To ensure that the products do not perish, they have their refrigerators regulated by experts depending on products. They have also embraced the lean production principle which ensures that they are producing what the market requires, and not in excess. In addition, Peapod, Inc. does deliveries to the door step, which does not mean they have to raise their prices. A small charge that ranges from $5 to $6.6 is imposed depending on the size and number of deliveries. The company negotiated with their suppliers to lower prices so they can be able to deliver products to consumers at the normal market prices (Peapod 1-3).

Other peapod strategies

Peapod embraces personal lists (favorites) in their sales promotions strategies. A customer who purchases carrots every one week can find reminders in their mails after the ERP calculation predicts that their stock is used up. These are recommendation that increased the company’s sales significantly last year. In addition, the purchase of one product may ignite interest in another, and so suggestions are made depending on shopper’s favorites. Nutrition labels on items view assist clients understand the importance of the purchases. Clients visiting store cannot benefit from such information (Peapod 1-3).

References

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