

## Specific tasks

For the first three tasks you should use an appropriate modelling/diagramming package, e.g. Microsoft PowerPoint, to present and explain your analysis.

### **1. PEST analysis and model (1 page)**

- Analyse the macro-environmental (political, economic, social, technological) forces that are driving supermarkets to adopt online service delivery models.

### **2. SWOT analysis and model (1 page)**

- Analyse the strengths, e.g. internal competencies, expertise, brand, etc. of Coles that will enable it to become a purely online provider.
- Analyse the market opportunities for Coles which make the transition to purely online sales an attractive proposition, e.g. think about the post-COVID world.
- Analyse the weaknesses, i.e. constraints, within Coles that will inhibit its ability to become a purely online provider, e.g. existing buildings, staff, supply chains.
- Analyse the market threats that could affect Coles's ability to offer online delivery, and take a market leadership position in online supermarket sales.

### **3. Porter's Five Forces analysis and model (1 page)**

- The purpose of your Porter's Five Forces\* analysis is to identify the ways in which Coles is able to reduce the intensity in the online supermarket service delivery space. What competencies, expertise, investments, brand equity, etc. can Coles draw upon to mitigate the threat of new entrants, i.e. organisations, competing in this market? What things can Coles draw on to mitigate the threat of substitute products from existing and new players competing in this market? What things can Coles do to mitigate the commercial power of customers, i.e. domestic grocery buyers. What things can Coles do to mitigate the power of suppliers. For the purpose of this assignment, let's agree that suppliers include food and fruit and veg wholesalers, tech suppliers, operations third parties, consultants, and also staff.

## Recommendation (or advice)

Please note: This has to be **four sentences only**. In industry, no-one wants to read a lengthy document. In many cases, when you're committing something to paper, you are telling people what they need to know – that's all. Hence, this task is about succinctness.

- **Sentence 1 (max. two lines):** Simply state your recommendation, i.e. should Coles abandon the physical model and transition all of its business online?
- **Sentence 2 (max. two lines):** Based on your PEST analysis, what is the **key takeaway in support** of your recommendation?
- **Sentence 3 (max. two lines):** Based on your SWOT analysis, what is the **key takeaway in support** of your recommendation?
- **Sentence 4 (max. two lines):** Based on your Porter's Five Forces analysis, what is the **key takeaway in support** of your recommendation?

## Main submission requirements and structure

Your assignment should be presented as a PDF or PowerPoint format, in the form of a comprehensive report supporting your statements. It is also expected that the report will include references from sources external to the ones already provided.

Criteria	No Pass	Pass 50–59%	Credit 60–69%	Distinction 70–79%	High Distinction 80–100%
<b>Analysis—PEST.</b> The representation of the macro-environmental forces affecting the transition to online supermarket services. The forces identified are realistic and specific. Coles through reasonable action is able to influence the intensity of the identified force, i.e. the influence of the identified forces is amenable to some form of intervention.  (17%)	Very little effort to describe the macro-environmental forces factors affecting the transition to online supermarket services at Coles. Factors identified are outside of the control of Coles to respond to.	The macro-environmental forces affecting the transition to online supermarket services are stated but there is no clear link to the problem being addressed.  Identified forces have an indirect and/or unclear impact on online supermarket services at Coles.	Satisfactory attempt to describe the macro-environmental forces affecting the transition to online supermarket services. Identified forces have a direct impact on online supermarket services delivery.	The reader is clear as to the macro-environmental forces affecting the transition to online supermarket services and these are succinctly stated.  Allocates 5 or more forces per category.	Excellent description of the macro-environmental forces affecting the transition to online supermarket services and how these affect the competitive advantage of Coles. Identified forces have a direct impact on online supermarket services delivery. Allocates 5 or more forces per category.
<b>Analysis—SWOT.</b> The representation of the factors affecting the transition to online supermarket services. The factors identified are realistic and specific. Coles is able to take reasonable action to remediate or exploit.  (17%)	Very little effort to describe the factors affecting the transition to online supermarket services and how these affect the competitive advantage of Coles.	The forces affecting the transition to online supermarket services at Coles are stated but there is no clear link to the problem being addressed.  Identified forces have an indirect and/or unclear impact on Coles' ability to transition its services online.	Satisfactory attempt to describe the factors affecting the transition to online supermarket services. Identified forces have a direct impact on online supermarket services delivery.	The reader is clear as to the external forces affecting Coles' ability to transition its services online.  Forces are succinctly stated. Allocates 5 or more forces per category.	Excellent description of the macro-environmental forces affecting the transition to online supermarket services. Identified forces have a direct impact on online supermarket services delivery. Allocates 5 or more forces per category.

<p><b>Analysis—Porter's Five Forces.</b></p> <p>The representation of the competitive factors affecting the transition to online supermarket services. The factors identified are realistic and Coles is able to take action to take reasonable action to defend against the identified factors.</p> <p>(17%)</p>	<p>Very little effort to describe the competitive factors affecting the transition to online supermarket services at Coles. Factors identified are outside of the control of Coles to respond to.</p>	<p>The competitive forces affecting the attractiveness of the transition to online supermarket services are stated but there is no clear link to the problem being addressed.</p> <p>Identified forces have an indirect and/or unclear bearing on the attractiveness of transitioning to an online services model.</p>	<p>Satisfactory attempt to describe the competitive forces affecting the transition to online supermarket services. Identified forces have a direct impact on online supermarket services delivery.</p>	<p>The reader is clear as to the competitive forces affecting the attractiveness of the transition to online supermarket services.</p> <p>Forces are succinctly stated.</p> <p>Allocates 5 or more forces per category.</p>	<p>Excellent description of the competitive forces affecting the transition to online supermarket services and how these affect the competitive advantage of Coles. Identified forces have a direct impact on online supermarket services delivery.</p>
<p><b>Application—Diagramming tools.</b></p> <p>The demonstrated competency and creativity in the represented analytical models, in terms of logical consistency, and readability.</p> <p>(17%)</p>	<p>Diagrams are not produced using software tool, are inconsistent, include contradictory logic, and are not easily read.</p>	<p>Diagrams are produced using appropriate software tools and are an accurate visual representation of the analytical approach.</p>	<p>Diagrams are produced using appropriate software tool and are generally consistent, logical, and easy to read.</p>	<p>Diagrams exhibit a creative flair, but are an accurate reflection of the analytical approach.</p>	<p>Diagrams are excellent quality; consistent, logical, annotated, creative, and easily to read; produced using appropriate software tool.</p>

<p><b>Advice—Recommendations.</b> The clarity, concise nature, evidence, and reasoning of the final advice.</p> <p>(17%)</p>	<p>No clear recommendation; No provision of evidence from analysis; No reasoning in sentences; Contradictions between advice and earlier analysis.</p>	<p>Clear recommendation, however, the recommendation is not clearly tied to the preceding analysis.</p>	<p>Clear recommendation; Some Provision of evidence from analysis; Reasoning in sentences is generally sound.</p>	<p>Recommendation is clear and succinct.</p> <p>Recommendation succinctly describes the gist (takeaways) of the preceding analyses and draws connections between the PEST, SWOT and P5fs analyses.</p>	<p>Clear advice backed by analytical evidence, sound reasoning, and good expression. Qualifier statements also evident.</p>
<p><b>Communication—Overall.</b> The overall demonstration of understanding of the assignment tasks - including concise, but informative responses, and logical order of presentation. An appropriate academic standard of grammar and spelling is evident. Harvard referencing standard is used.</p> <p>(15%)</p>	<p>Major errors in spelling and/or expression.</p> <p>Harvard or stated academic style is not followed or contains significant errors. references are not evident.</p> <p>Poor presentation in terms of overall structure, consistency between sections, use of language, and visual aids.</p>	<p>Some errors in spelling and/or expression.</p> <p>Selected academic style is applied inconsistently.</p> <p>References are generally infrequently used but are accurately presented and are generally consistent with the selected academic style, with minor errors.</p>	<p>Good organisation of material with mostly logical sequencing and structure.</p> <p>Minor errors in spelling and/or expression.</p> <p>Good use of selected academic style with only minor or no errors.</p> <p>Satisfactory overall presentation. Structure of advice, consistency between sections, use of language, and visual aids is generally at the right level.</p>	<p>No errors in spelling or expression.</p> <p>Selected academic style is followed explicitly with no errors.</p> <p>Reference list is extensive and accurately presented.</p>	<p>Excellent presentation in terms of overall structure, consistency between sections, use of language, and visual aids.</p> <p>Professional industry standard demonstrated.</p>

# **INF10003 Introduction to Business Information Systems Assignment 2**

**Student Guide**



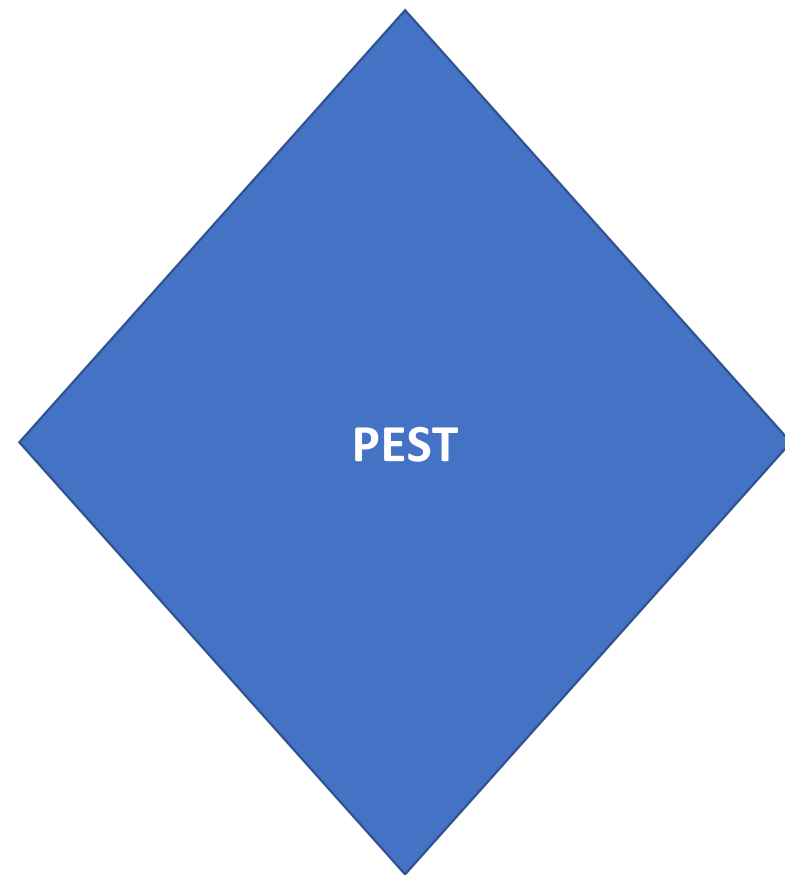
## PEST Analysis

Remember this is a macro-environmental analysis. What we are considering here are the 'big' issues/ shifts in the Political, Economic, Social and Technology environment that could:

Affect Coles capacity to transition to online service delivery, or

Make it unattractive for Coles to invest time, funds and resources to an online supermarket service model

- Should Coles abandon the physical supermarket model and transition all of its services to online?



### Political

- Potential tensions between governments could lead to reduced numbers suppliers able to export their product into Australia
- Governments hostile toward Australia have threatened to stop their suppliers exporting their products to Australia
- The Australian government increases tariffs on imported goods
- The Australian government increases subsidies to local producers making unattractive for foreign producers
- Xxxxx
- Xxxxx
- Xxxxx

### Economic

- Downturn in local home economies reduces the disposable income of Australians (incl. internationals)
- Supermarkets may be forced to seek low-cost options for some product lines in order to accommodate the changing economic circumstances of Australians
- Downturn in local Australian economy and increase in local unemployment may force people to look for alternative low-cost options offered by competitors and niche providers
- Xxxxx
- Xxxxx
- Xxxxx

## PEST

### Social

- Community expectations about convenience/ access to supermarket services shifts toward online delivery
- Digital natives naturally eschew traditional modes of delivery in preference for digital services
- Fear of COVID infection means that people by choice are avoiding crowded areas such as supermarkets
- Xxxxx
- Xxxxx
- Xxxxx

### Technology

- Technology to support the transition to online service delivery is available and affordable
- Available technologies are compatible with the existing IS/IT environment and the implementation of these technologies (if in-house hosting is preferable) presents a low risk
- Third party service providers offer products and services that support the transition to online delivery
- Xxxxx
- Xxxxx
- Xxxxx

What is the takeaway. That is, what position does your data support?

- Should Coles maintain its current hybrid (physical and online model),
- or should Coles transition all of its supermarket services online?



# SWOT Analysis

A SWOT analysis juxtaposes:

- 1) The strengths (i.e. internal competencies, resources, tools, expertise, brand equity etc.) that Coles can leverage to facilitate the transition to online supermarket services provider against the weaknesses (i.e. internal constraints, challenges, inertia, issues, etc.) that could inhibit its ability make the transition to online provider. *Ideally strengths are unique or not easily replicated*
- 2) The external opportunities (e.g. untapped markets, markets where there are possibilities for players to exploit cost-leadership opportunities, possibilities to leverage existing brand equity, etc.) and external threats (these can be rival local and international supermarkets/ providers, saturated markets, markets where there is easy access to other players, the risk of cost-leadership competition from universities with similarly strong brand equity, etc. )



## Strengths

- Long standing experience in online supermarket services capability
- Existing logistics and supply chain
- Existing home delivery capability
- Staff experienced in online services

## Weaknesses

- Transition to online services may require staff to work outside of work hours or on activities not included in their employment workloads
- High number of staff employed on a part-time basis. These staff may be unwilling to work the shifts required to support an online model

## Opportunities

- Long standing experience in online supermarket services
- Current technology infrastructure and online services experience (i.e. learning curve advantages) position Coles to exploit market openings in other product lines

## Threats

- Technology vendors/ third parties may offer supply chain, logistics, product catalogue and management platform services thus reducing the investment barriers to entry into online supermarket market
- Rival supermarkets may offer Coles staff more attractive employment packages

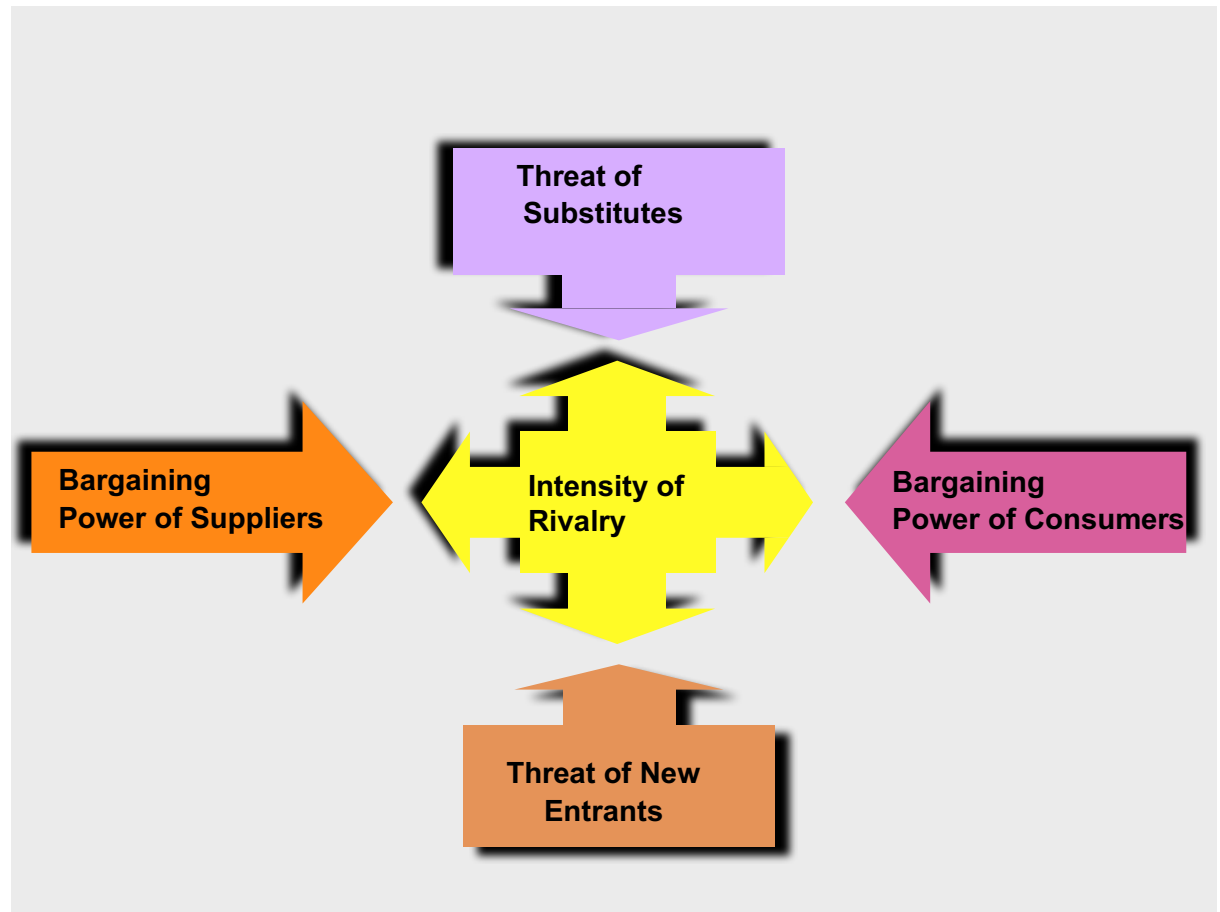
What is the takeaway. That is, what position does your data support?

- Should Coles maintain its current hybrid (physical and online model),
- or should Coles transition its retail supermarket model online?

# Porter's Five Forces Analysis

Describes the power balance between organisations and the dynamics of inter-industry competition

Premise of model: organisations exist within an industry and to succeed, they must effectively deal with the competitive forces that exist within their industry



# Porter's Five Forces Analysis

- **Competitive forces are extensions of the interaction between the organisation and its customers, suppliers, new entrants, substitute products and competitors**
  - The extent to which an organisation can achieve a dominant position in an industry reflects its ability to understand and control the interactions between itself and its customers, suppliers, new entrants, substitute products and competitors and avoid being disadvantaged in relation to its competitors
- **The purpose of your Porter's Five Forces analysis is to identify the ways in which Coles can:**
  - Inhibit the power of customers,
  - Inhibit the power of suppliers,
  - Defend against new entrants from gaining access to the online supermarket market, and
  - Defend against the emergence of substitute products.
- **This will determine the extent to which Coles is able to build a sustainable competitive advantage in the online supermarket services market**

## Questions to consider

- **Defend Against New Entrants**

- Are there barriers to entry such as capital investment, learning curve advantages, etc. that Coles can exploit to make it more difficult for new players to enter the market?
- How can Coles make it difficult for an organisation offering similar goods and services to enter the online supermarket market?

- **Defend Against Substitute Products**

- To what extent are there substitute products and services available?
- How can Coles improve its competitive position in relation to firms offering these products and services?

# Questions to consider

- **Reduce the Power of Customers**

- What can Coles do to reduce the choices that customers have? What can Coles do to make it harder for customers to switch suppliers easily? How can Coles 'lock' customers in
- Is the concentration of suppliers greater in relation to the concentration of consumers?

- **Reduce the Power of Suppliers**

- For the purpose of this assignment, let's agree that suppliers include technology vendors (software/ hardware), facilities maintenance and operations third parties, logistics suppliers, producers, wholesalers, etc.
- How does Coles expand its choice of suppliers?
- How can Coles increase supply and thereby reduce the bargaining power of suppliers?

# Porter's Five Forces

