

# Situational Analysis Report

2000 words

Friendly  
Diversification  
Range  
Cheaper  
Service  
Fruit  
Vegetables  
Quality  
Marks  
Tony  
Atmosphere  
Fresh



SACE Number: 520699F

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## Executive Summary

Tony & Mark's (T&M), directed by Mark Capobianco, aims to provide SA's "best quality produce at the right price". T&M stocks a diverse range of fruit and vegetables as well as "cheese, smallgoods, milk, pre-prepared meals, an extensive gourmet section and a florist."<sup>1</sup> Operating for 36 years, T&M have grown to a highly profitable SME due to their excellent customer service and variegated product range at their Newton and Glenunga stores.

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<sup>1</sup> Austin, N. (2012). Tony & Mark's Newton store grows on fresh approach. The Advertiser Business News. [online] Available at: <http://www.adelaidenow.com.au/business/sa-business-journal/tony-marks-newton-store-grows-on-fresh-approach/story-e6fredel-1226467422628?nk=acb425250095fe217f7914aabd167181> [Accessed 4 Jul. 2014].

## Business Environment

### Location

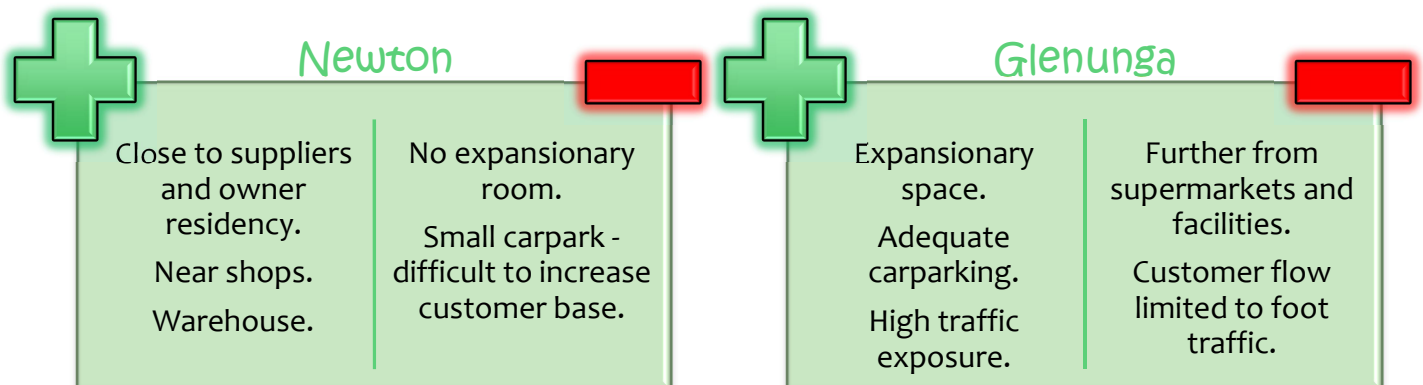
Tony & Mark Capabianco established T&M's<sup>2</sup> at 1 Jan Street Newton in 1978: in 2013, a second store was opened at 555 Portrush Road Glenunga<sup>3</sup> and their quality and service have ensured its growth.<sup>4</sup>

Figure 1: Location of T&M<sup>5</sup>



These locations provide advantages and disadvantages<sup>6</sup> as T&M strives to generate increased consumer traffic, which is their locational objective.<sup>7</sup>

Figure 2: Locational Advantages & Disadvantages<sup>8</sup>



<sup>2</sup> Refer to Appendix 5: Establishment Reasons & Appendix 6: Advantages & Disadvantages of Business Ownership

<sup>3</sup> Refer to Figure 1

<sup>4</sup> Tonyandmarks.com.au, (2014). *Contact Us*. [online] Available at: <http://www.tonyandmarks.com.au/contacts> [Accessed 10 Jul. 2014].

<sup>5</sup> Google Maps, (2014). *Tony & Marks Location*. [image] Available at: <https://www.google.com.au/maps/place/Tony+%26+Mark's/@-34.949131,138.64239,17z/data=!3m1!4b1!4m2!3m1!1sox6aboc1ea752404d:oxecb45c5bb155ce32> [Accessed 15 Aug. 2014].

<sup>6</sup> Refer to Figure 2

<sup>7</sup> Merrilees, B. and Miller, D. (1996). *Retailing Management - A best Practice Approach*. 1st ed. Collingwood, Vic.: RMIT Press.

<sup>8</sup> Fragnito, A. (2014). *Tony & Marks Fresh Produce Business Procedures* 5 August.



## Business Classification<sup>9</sup>

As a retailer, T&M focuses on increasing choice for consumer demand in order to gain higher market share.<sup>10</sup> In Australia's tertiary industry, services account for 75% of GDP<sup>11</sup> and retail is Australia's biggest employer.<sup>12</sup>

## Legal Entity

Partnership concluded upon Tony's departure and Mark changed T&M to a sole trader.<sup>13</sup>

Figure 3: T&M Legal Structure<sup>14</sup>



As a result of this change, the similarities, differences, advantages and disadvantages of T&M's legal entity experiences can be illustrated.<sup>15</sup>

Figure 4: Similarities between a Sole Trader & Partnership<sup>16</sup>

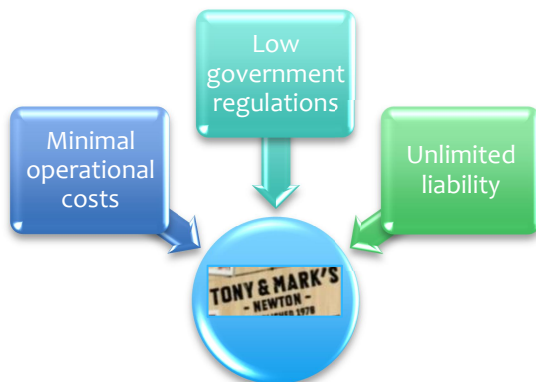
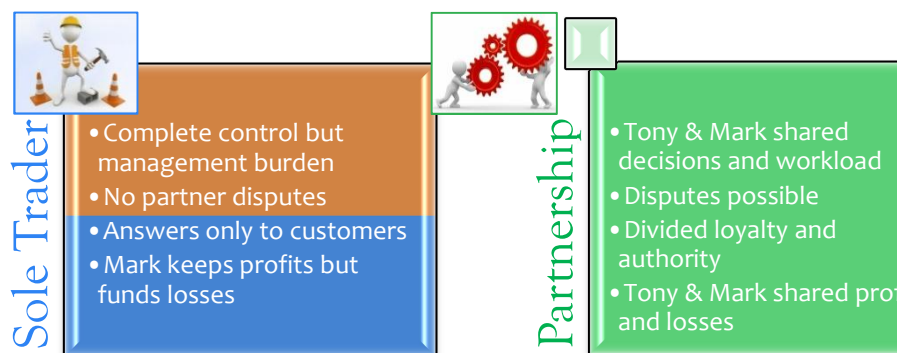


Figure 5: Differences between a Sole Trader & Partnership<sup>17</sup>



**Recommendation:** A sole trader entity is justifiable; however, a private company entity is strongly recommended due to the high likelihood of legal action in the food industry. The establishment of a trust would also protect family assets and provide tax savings.

## Business Lifecycle

Since initiation, T&M have faced many challenges but they continue to aim for long term growth by encouraging innovation.<sup>18</sup> Current operation is in the regrowth stage.<sup>19</sup>

<sup>9</sup> Refer to Appendix 2: Classification of T&M by Industry and Sector

<sup>10</sup> Merrilees, B. and Miller, D. (1996). *Retailing Management - A best Practice Approach*. 1st ed. Collingwood, Vic.: RMIT Press.

<sup>11</sup> ACTU Worksite for Schools, (2013). *Primary, Secondary, and Tertiary Industries - ACTU Worksite for Schools*. [online] Available at: <http://worksite.actu.org.au/primary-secondary-tertiary-industries/> [Accessed 19 Aug. 2014].

<sup>12</sup> McLachlan, R., Clark, C. and Monday, I. (2002). *Australia's Service Sector: A Study in Diversity*. 1st ed. [ebook] Canberra, Australian Capital Territory: Productivity Commission Staff Research Paper. Available at: [http://www.pc.gov.au/\\_data/assets/pdf\\_file/0008/8477/assasid.pdf](http://www.pc.gov.au/_data/assets/pdf_file/0008/8477/assasid.pdf) [Accessed 19 Aug. 2014].

<sup>13</sup> Refer to Figure 3

<sup>14</sup> Fragnito, A. (2014). *Tony & Marks Fresh Produce Business Procedures* 5 August.

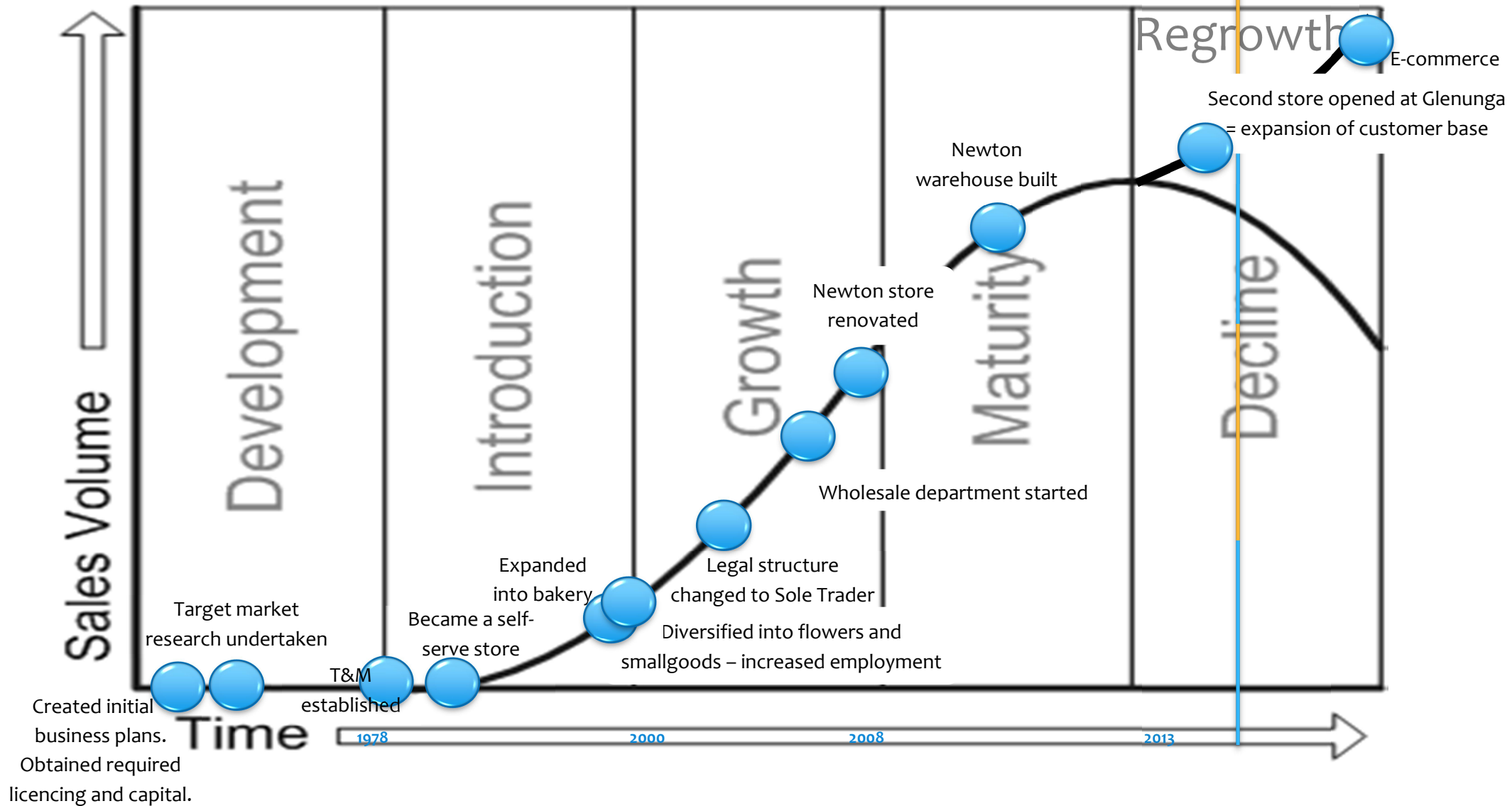
<sup>15</sup> Refer to Figure 4&5

<sup>16</sup> Fragnito, A. (2014). *Tony & Marks Fresh Produce Business Procedures* 5 August.

<sup>17</sup> Fragnito, A. (2014). *Tony & Marks Fresh Produce Business Procedures* 5 August.

<sup>18</sup> Fragnito, A. (2014). *Tony & Marks Fresh Produce Business Procedures* 5 August.

<sup>19</sup> Refer to Figure 6

Figure 6: T&M Business Lifecycle<sup>20</sup>

<sup>20</sup> Janssen, T. (2014). *The 7 stages of business life cycle*. [online] Just in Time Management. Available at: <http://just-in-time-management.com/the-7-stages-of-business-life-cycle> [Accessed 18 Aug. 2014].

## Micro & Macro Environment<sup>21</sup>

T&M manages the strengths and weaknesses of their internal operations and recognises potential external opportunities and threats so that success can be achieved.<sup>22</sup>

### Internal Factors

T&M's internal factors<sup>23</sup> concern positive employee working environments in order to enhance T&M's positive service image.<sup>24</sup>

Figure 7: T&M Internal Factors<sup>25</sup>



### External Factors

Through environmental obligation conformation pressure, T&M predominantly use Australian producers but encourage suppliers to use sustainable procedures, and this, together with environmentally-friendly operations, becomes a competitive advantage.<sup>26</sup>

Figure 8: T&M Environmental Obligations<sup>27</sup>



As most of T&M's products are packaged at secondary sources, T&M currently scrutinise all products before stocking to ensure producers meet all legal and ethical expectations.<sup>28</sup>

<sup>21</sup> Refer to Appendix 3: PEST Analysis

<sup>22</sup> Bernard, C. (2014). Business risks: Internal and external pressures. [online] Kpmgfamilybusiness.com. Available at: <http://www.kpmgfamilybusiness.com/business-risks-internal-external-pressures/> [Accessed 16 Sep. 2014].

<sup>23</sup> Refer to Figure 7

<sup>24</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>25</sup> McKinney, P. (2014). Internal and External Environments of Business: Lesson & Quiz | Education Portal. [online] Education Portal. Available at: <http://education-portal.com/academy/lesson/internal-and-external-environments-of-business-lesson-quiz.html#lesson> [Accessed 16 Sep. 2014].

<sup>26</sup> Refer to Figure 8

<sup>27</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>28</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.



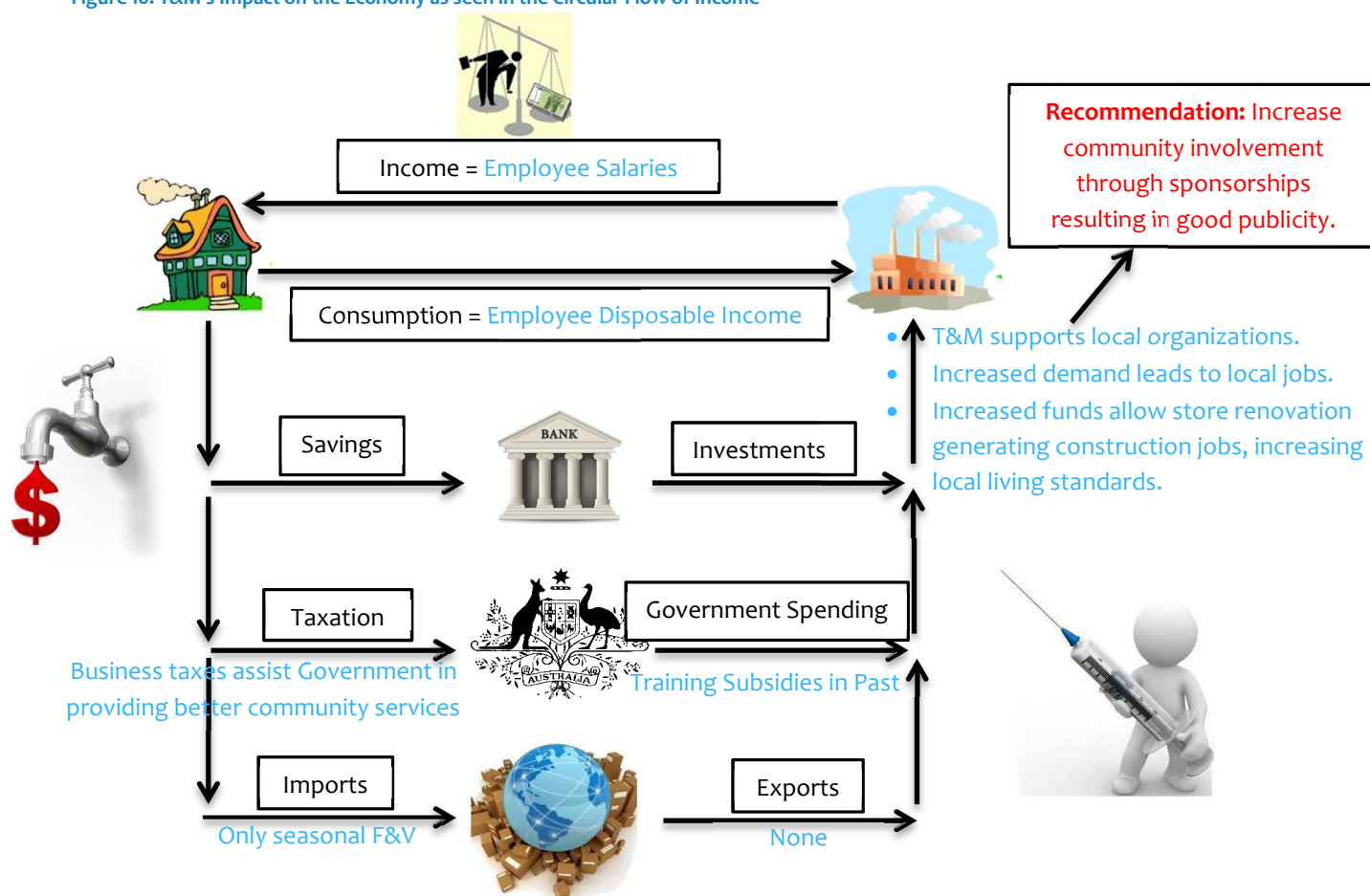
The Australian government imposes regulatory requirements on T&M.<sup>29</sup> Quarterly audits plus feedback assists T&M to address concerns and improve their service in relation to these obligations.<sup>30</sup>

Figure 9: T&M Legal Obligations<sup>31</sup>



Economic dependence is a major external factor faced by T&M as an Australian firm.<sup>32</sup>

Figure 10: T&M's Impact on the Economy as seen in the Circular Flow of Income<sup>33</sup>



<sup>29</sup> Dowsett, P. (2014). Legislative Requirements by the Department of Primary Industries and Regions South Australia, 24 September.

<sup>30</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

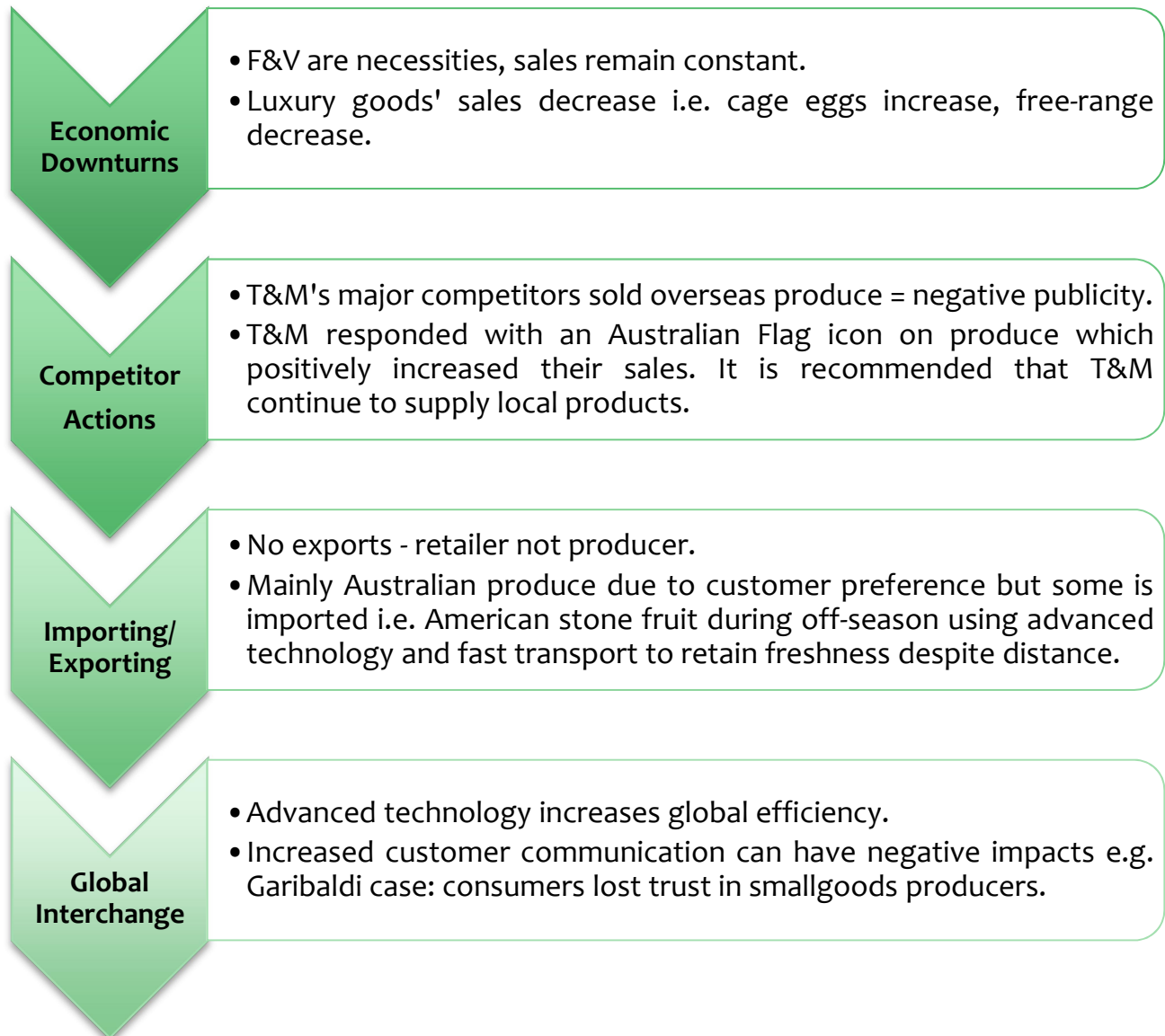
<sup>31</sup> Biosecurity - Government of South Australia, (2014). | Food safety legislation and standards. [online] Pir.sa.gov.au. Available at: <http://www.pir.sa.gov.au/biosecuritysa/foodsafety/legislation> [Accessed 23 Sep. 2014].

<sup>32</sup> Refer to Figure 10

<sup>33</sup> Williams, P. (2011). How Supporting a Local Small Business Benefits You. [image] Available at: <http://www.business2community.com/trends-news/how-supporting-a-local-small-business-benefits-you-096248#!bF6aHT> [Accessed 10 Aug. 2014].

Managing the global challenges an Australian operation presents requires T&M to rise to the challenge of understanding their possible negative influences.<sup>34</sup>

Figure 11: Economic & Global External Impacts on T&M<sup>35</sup>



<sup>34</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>35</sup> Kriven, S. (1995). Business risks from food poisoning in food processing: The Garibaldi case. Agribusiness Review, [online] Volume 3 (Paper 5). Available at: <http://www.agrifood.info/review/1995/Kriven.html> [Accessed 10 Oct. 2014].

## Marketing

To satisfy consumer wants and thereby increase customer loyalty, T&M has integrated marketing into all business functions from suppliers<sup>36</sup> to staff service.

### Target Market

Multiculturalism and international tourism played a substantial part in creating T&M's initial target market due to the large Italian community surrounding Newton's store location. Since then, T&M have developed primary and secondary target market characteristics<sup>37</sup> in order to direct their marketing through market segmentation.<sup>38</sup> T&M's niche market is sourcing unusual products (i.e. spaghetti squash).<sup>39</sup>

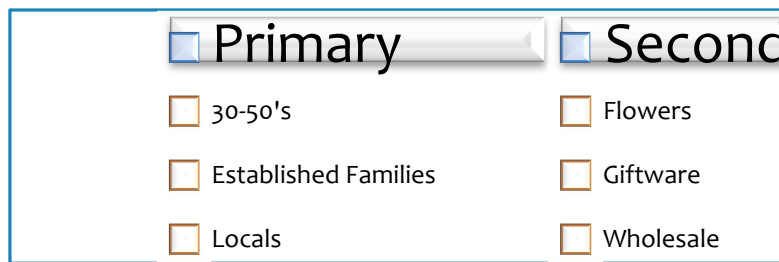
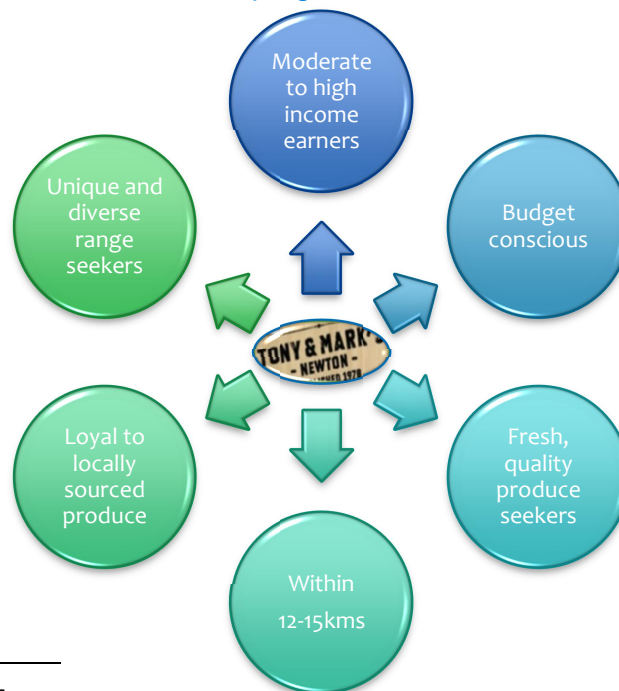


Figure 12: Target Market Characteristics<sup>40</sup>

Business growth by diversification retains customer loyalty but this presents difficulties in finding appropriate staff for new areas.<sup>41</sup>

**Recommendation:** By clarifying target market characteristics, T&M will be able to more effectively concentrate their marketing.<sup>42</sup>

Figure 13: Suggested Characteristics of T&M's Primary Target Market<sup>43</sup>



<sup>36</sup> Refer to Appendix 4: Suppliers

<sup>37</sup> Refer to Figure 12

<sup>38</sup> Interruptmedia, (2014). Benefits of Identifying a Target Market. [online] Available at: <http://www.interruptmedia.com/2012/06/15/benefits-of-identifying-a-target-market/> [Accessed 21 Sep. 2014].

<sup>39</sup> Yelp.com.au, (2014). Tony & Mark's. [online] Available at: <http://www.yelp.com.au/biz/tony-and-marks-newton> [Accessed 21 Sep. 2014].

<sup>40</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>41</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

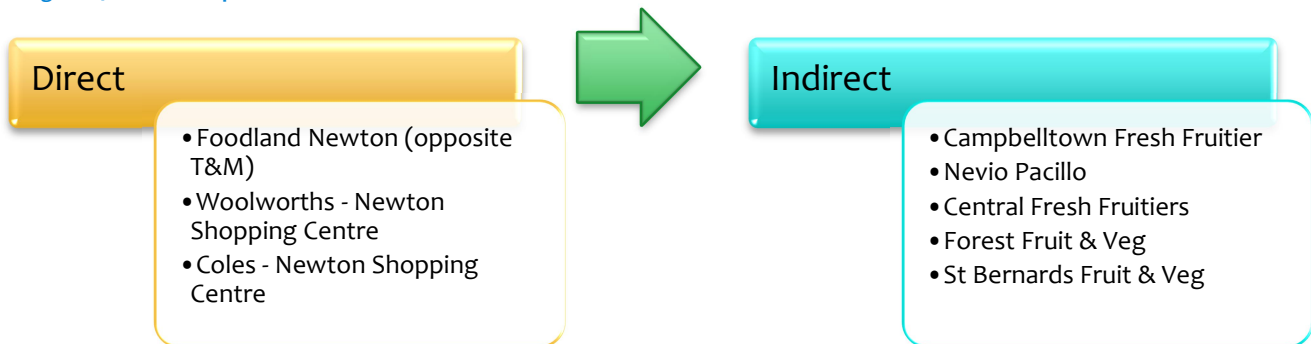
<sup>42</sup> Glowski, A. (2014). 5 Critical Tips For Identifying Your Target Audience. [online] Technori. Available at: <http://technori.com/2013/02/3122-5-critical-tips-for-identifying-your-target-audience/> [Accessed 21 Sep. 2014].

<sup>43</sup> Anonymous Consumer, (2014). Characteristics of T&M's Target Market 21st September 2014.

## Competitors - Newton

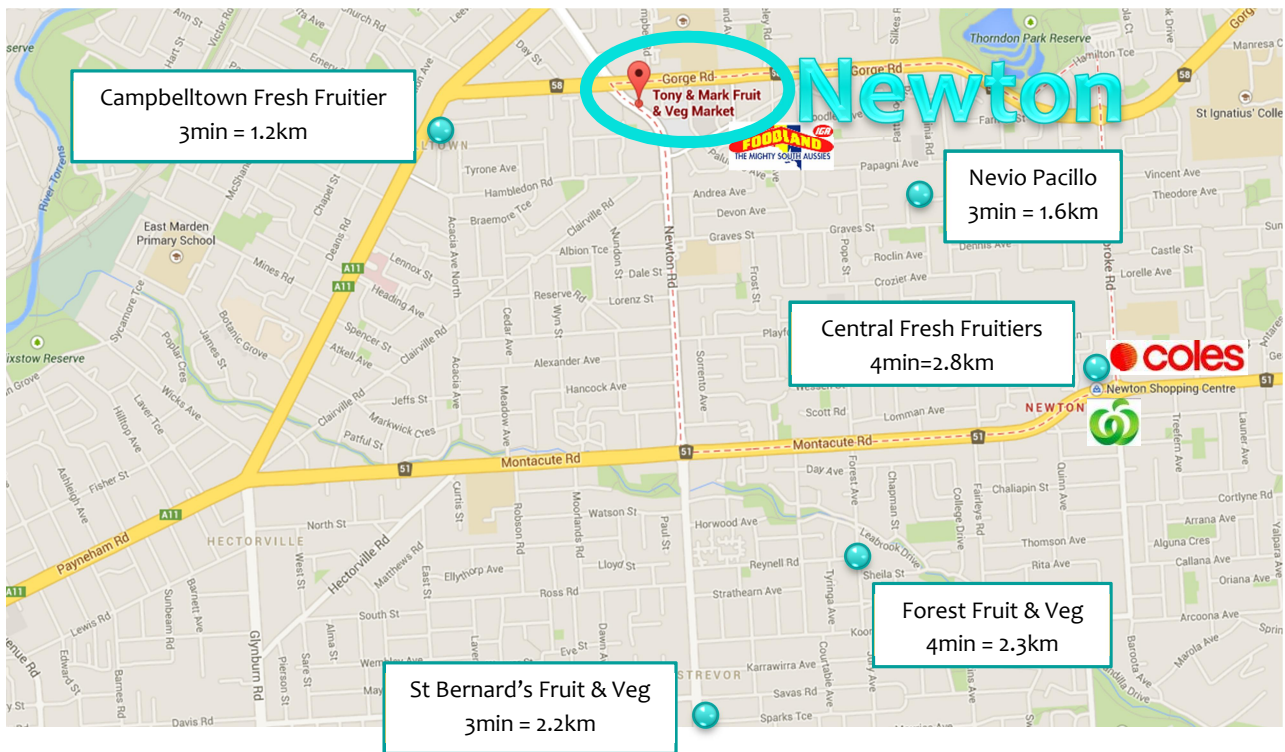
T&M faces direct (supermarkets due to one-stop shopping complex convenience) and indirect (local fruit and vegetable retailers) competitors.<sup>44</sup>

Figure 14: T&M's Competitors<sup>45</sup>



Low barriers-to-entry engenders heightened competition and the graphical location illustrates T&M's close proximity to the target market of its competitors.<sup>46</sup>

Figure 15: T&M's Local Competitors by Distance<sup>47</sup>



T&M achieves competitive advantage through their quality products and large, diversified range enhanced by friendly customer service which increases their survival likelihood and improves market share.<sup>48</sup>

<sup>44</sup> Refer to Figure 14

<sup>45</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>46</sup> Refer to Figure 15

<sup>47</sup> Yellowpages.com.au, (2014). Yellow Pages® | Fruit & Vegetable Retailers in Newton, SA 5074. [online] Available at: <https://www.yellowpages.com.au/search/listings?clue=Fruit+%26+vegetables&locationClue=Newton%2C+SA+5074&lat=&lon=&selectedViewMode=map> [Accessed 22 Sep. 2014].

<sup>48</sup> Merrilees, B. and Miller, D. (1996). Retailing Management - A best Practice Approach. 1st ed. Collingwood, Vic.: RMIT Press.

**Recommendation:** Increase customer base by marketing at local community events in Newton and Campbelltown to entice customers away from T&M's competitors.

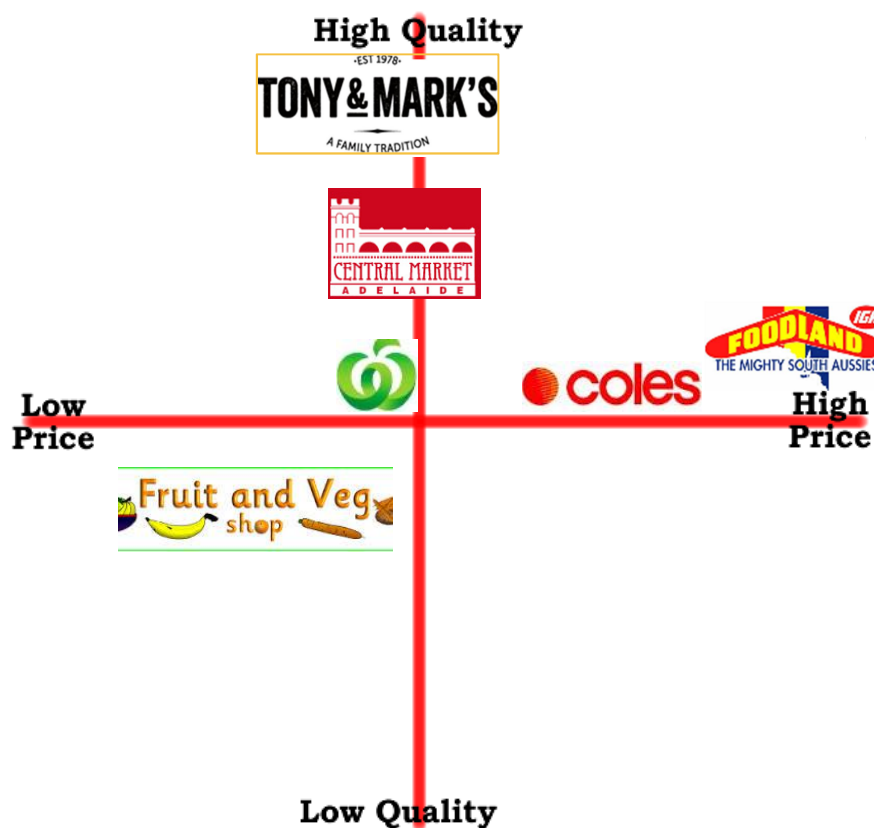
A major challenge is the perception T&M are more expensive than supermarkets due to their small size, however, T&M use their smaller size to their advantage by bulk buying and reducing transportation which streamlines overall costs.<sup>49</sup>

**Recommendation:** To reduce the higher price perception, T&M could run marketing campaigns illustrating their competitive pricing.

## Marketing Strategies

T&M's positioning as a high quality, medium price retailer, best suits their product quality leadership pricing objective<sup>50</sup> which they justify by their diversification and subsequent innovation.<sup>51</sup>

Figure 16: Price/Quality Matrix<sup>52</sup>



<sup>49</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>50</sup> Hanlon, A. (2014). The Pricing - Quality Model. [online] Smartinsights.com. Available at: <http://www.smartinsights.com/marketing-planning/marketing-models/pricing-quality-model/> [Accessed 22 Aug. 2014].

<sup>51</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>52</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August; Survey on: Tony & Marks Fresh Produce Services, Conducted in August & September 2014.



## Marketing Mix

T&M's marketing methods<sup>53</sup> encourages name awareness because this, together with in-store experiences, encourages positive word-of-mouth marketing combined with T&M's marketing mix.<sup>54</sup> Currently T&M's most effective source of marketing is through family and friends.<sup>55</sup>

Figure 17: T&M's Marketing Mix<sup>56</sup>



**Recommendation:** Small stands illustrating creative product use, following Woolworths' and Coles' example, will give T&M a competitive advantage over secondary competitors.

<sup>53</sup> Refer to Appendix 1: Marketing Methods

<sup>54</sup> Refer to Figure 17

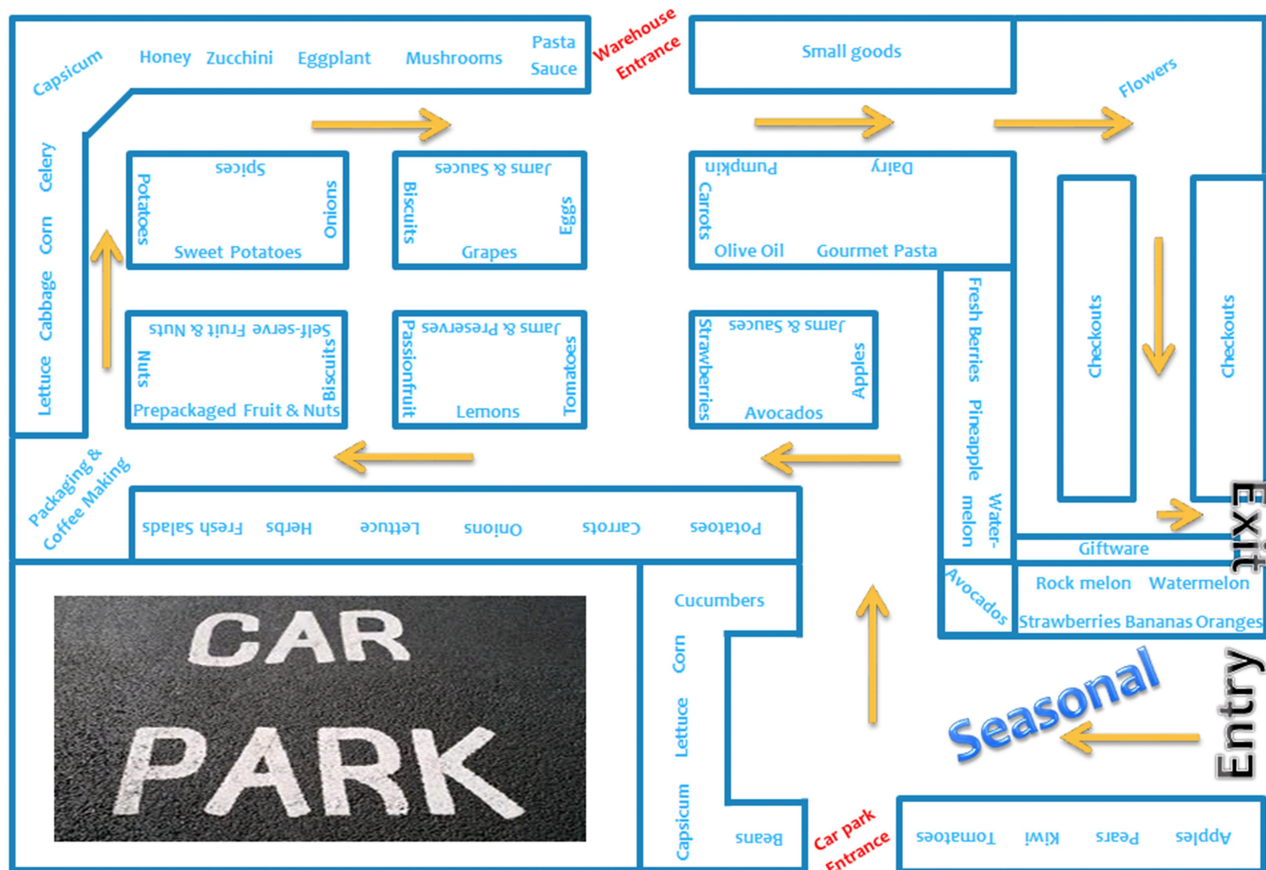
<sup>55</sup> Survey on: Tony & Marks Fresh Produce Services, Conducted in August & September 2014.

<sup>56</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

## Store Design

Store design forms a critical element of T&M's retail mix and strategies. The CRTW (cars rule the world) law of retail traffic illustrates that in Australia, shoppers prefer beginning on the left hand side resulting in a more harmonious flow of retail traffic, a law which T&M's 2008 revamped Newton store design utilises.<sup>57</sup> This chosen route ensures greater awareness of merchandise, emphasised by willing employees, as customers move around the store.<sup>58</sup>

Figure 18: T&M's Newton Store Layout



<sup>57</sup> Khan, H. (2014). How To Create Retail Store Interiors That Get People To Purchase Your Products – Shopify. [online] Shopify's Ecommerce University. Available at: <http://www.shopify.com.au/blog/12927757-how-to-create-retail-store-interiors-that-get-people-to-purchase-your-products> [Accessed 22 Sep. 2014].

<sup>58</sup> Merrilees, B. and Miller, D. (1996). Retailing Management - A best Practice Approach. 1st ed. Collingwood, Vic.: RMIT Press.

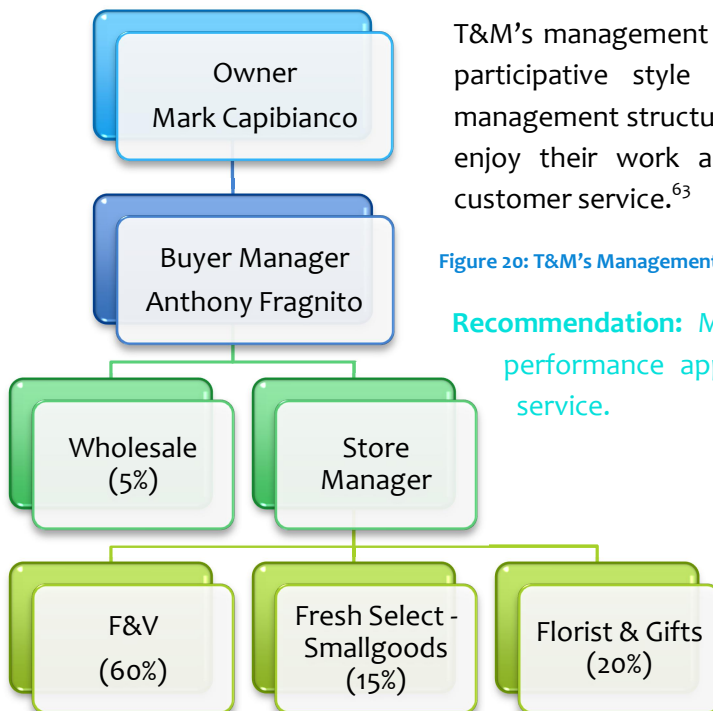
## People, Business & Work

T&M's 70 employees are crucial to T&M's success.<sup>59</sup>

Figure 19: Advantages of Employment to T&M<sup>60</sup>



## Management Structure



T&M's management structure is modelled on McGregor's Theory Y participative style of management<sup>61</sup>, characterised by a flat management structure<sup>62</sup> which encourages motivated employees to enjoy their work and maintains T&M professional but friendly customer service.<sup>63</sup>

Figure 20: T&M's Management Structure<sup>64</sup>

**Recommendation:** Maintain staff training and implement regular performance appraisals to retain high standard of customer service.

<sup>59</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>60</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>61</sup> The Economist, (2008). Theories X and Y. [online] Available at: <http://www.economist.com/node/12370445> [Accessed 4 Sep. 2014].

<sup>62</sup> Refer to Figure 20

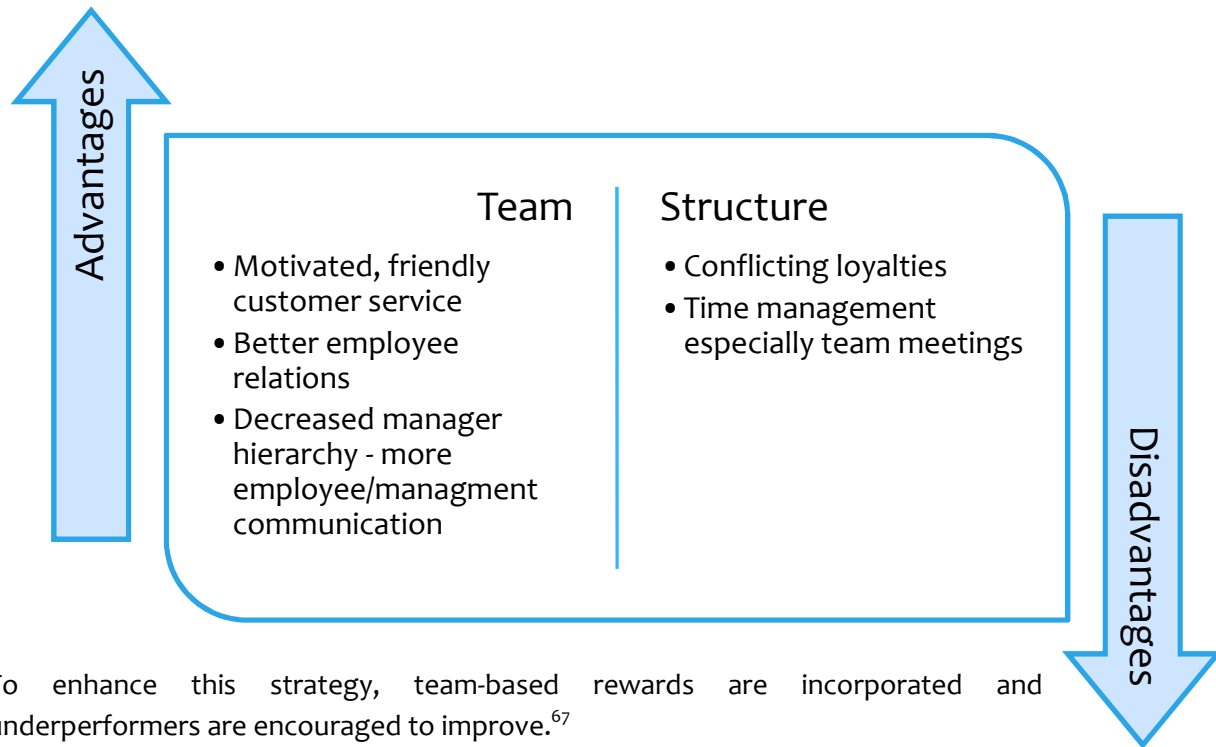
<sup>63</sup> Mindtools.com, (2014). Theory X and Theory Y: Understanding Team Member Motivation. [online] Available at: [http://www.mindtools.com/pages/article/newLDR\\_74.htm](http://www.mindtools.com/pages/article/newLDR_74.htm) [Accessed 10 Sep. 2014].

<sup>64</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

## Operational Methods

T&M's success is through team reliance. The team structure separates employees into departments yet groups work interdependently to solve ongoing problems,<sup>65</sup> providing T&M with advantages and disadvantages.

Figure 21: Advantages and Disadvantages of a Team Management Structure<sup>66</sup>



To enhance this strategy, team-based rewards are incorporated and underperformers are encouraged to improve.<sup>67</sup>

## Staff Vacancies

Filling vacancies using traditional job seeking methods rarely provides results for T&M, personal recommendations have provided better outcomes. This shows that once the human resource cycle has been completed, T&M need to retain staff to avoid high staff turnover.



Figure 22: T&M's Employee Life Cycle<sup>68</sup>

<sup>65</sup> Johnston, K. (2014). Five Approaches to Organizational Design. [online] Small Business - Chron.com. Available at: <http://smallbusiness.chron.com/five-approaches-organizational-design-61377.html> [Accessed 13 Oct. 2014].

<sup>66</sup> Cliffsnotes.com, (2014). Five Approaches to Organizational Design. [online] Available at: <http://www.cliffsnotes.com/more-subjects/principles-of-management/organizational-design-and-structure/five-approaches-to-organizational-design> [Accessed 24 Sep. 2014].

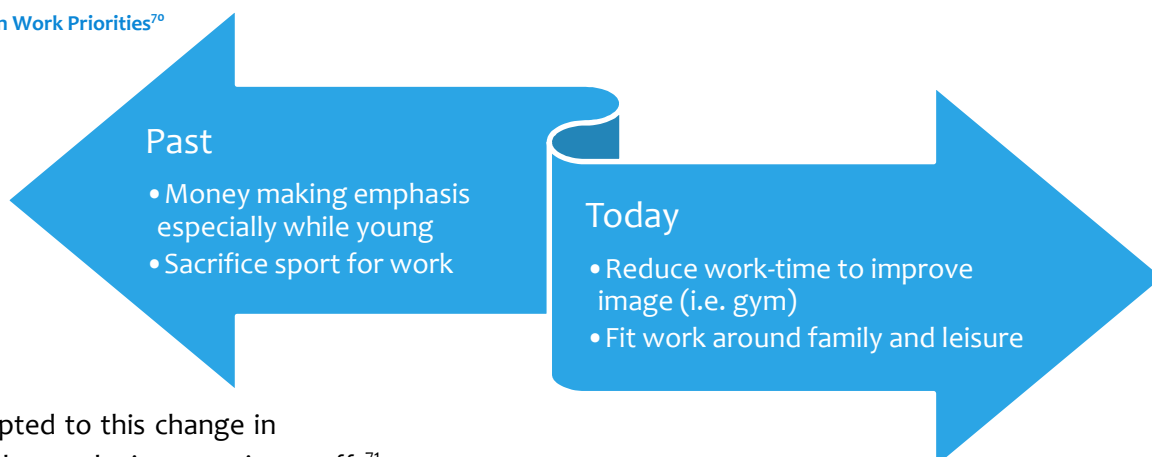
<sup>67</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>68</sup> Tphumancapital.com.au, (2014). About our HR services | Human Resources :: Training :: Recruitment | TP Human Capital | Townsville. [online] Available at: <http://www.tphumancapital.com.au/human-resources/summary-of-services> [Accessed 13 Oct. 2014].

## Changes in Work Priorities

T&M's greatest change is employee mentality for work priorities.<sup>69</sup>

Figure 23: Changes in Work Priorities<sup>70</sup>



T&M have adapted to this change in work priorities by employing part-time staff.<sup>71</sup>

**Recommendation:** T&M needs to adapt to changing employee lifestyles such as considering options like gym discounts to encourage healthy employees, leading to positive externalities for the business.

## Technology

Since instigation, T&M have tailored technology to fit their needs.<sup>72</sup>

Figure 24: T&M's Technological Benefits<sup>73</sup>

Email	E-commerce	Financial
<ul style="list-style-type: none"> <li>• Internal staff communication</li> <li>• External ordering</li> </ul>	<ul style="list-style-type: none"> <li>• In the development stage</li> <li>• Consumer convenience</li> </ul>	<ul style="list-style-type: none"> <li>• MYOB - more suited for smaller businesses than T&amp;M's current size</li> </ul>

However, technology has brought some negatives.<sup>74</sup>

Figure 25: T&M's Technological Negatives<sup>75</sup>



**Recommendation:** Keep abreast of new technology to increase efficiency i.e. update financial system as MYOB was more relevant in the early business stages.<sup>76</sup>

<sup>69</sup> Refer to Figure 23

<sup>70</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>71</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>72</sup> Refer to Figure 24

<sup>73</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

<sup>74</sup> Refer to Figure 25

<sup>75</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

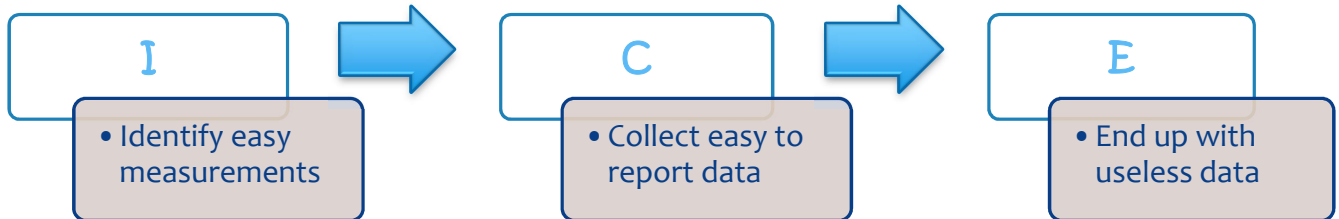
<sup>76</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.



## Key Performance Indicators (KPI's)

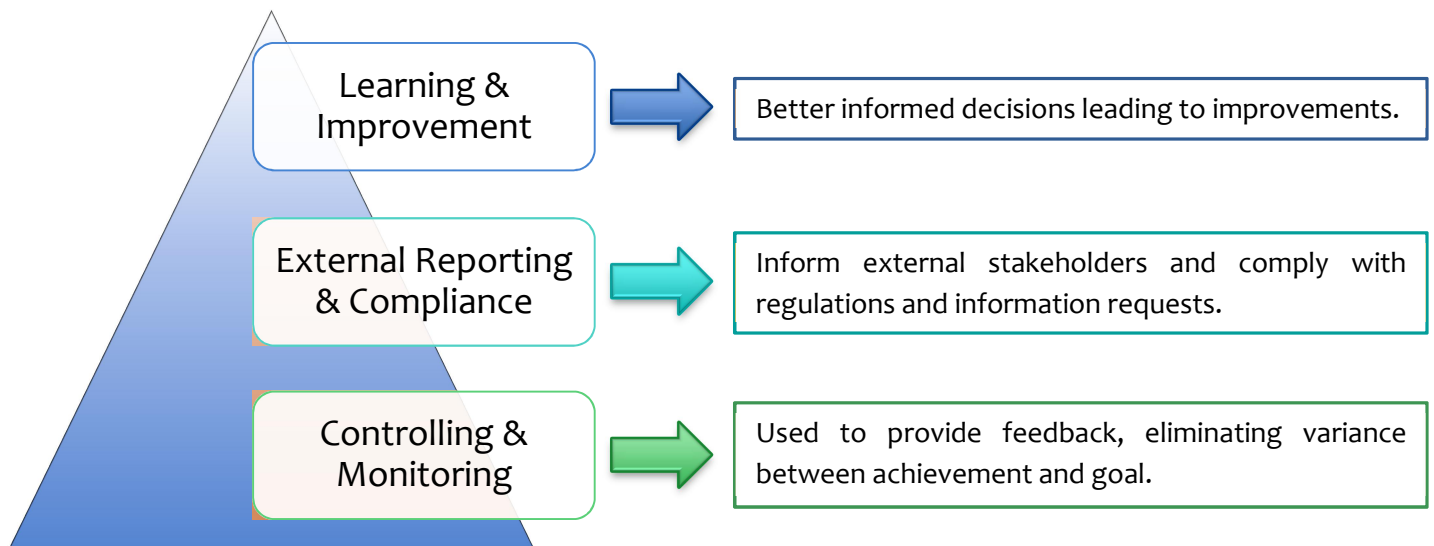
KPI's determine how well T&M are achieving their business objectives.<sup>77</sup> T&M needs KPI's specific to their needs, not loosely defined and overused as in the ICE approach.<sup>78</sup>

Figure 26: The Problems of KPI's<sup>79</sup>



Measuring performance through KPI's assists T&M to make better decisions.<sup>80</sup>

Figure 27: Measuring Performance<sup>81</sup>



<sup>77</sup> Klipfolio.com, (2014). KPI Examples. [online] Available at: <http://www.klipfolio.com/resources/kpi-examples> [Accessed 13 Oct. 2014].

<sup>78</sup> Refer to Figure 26

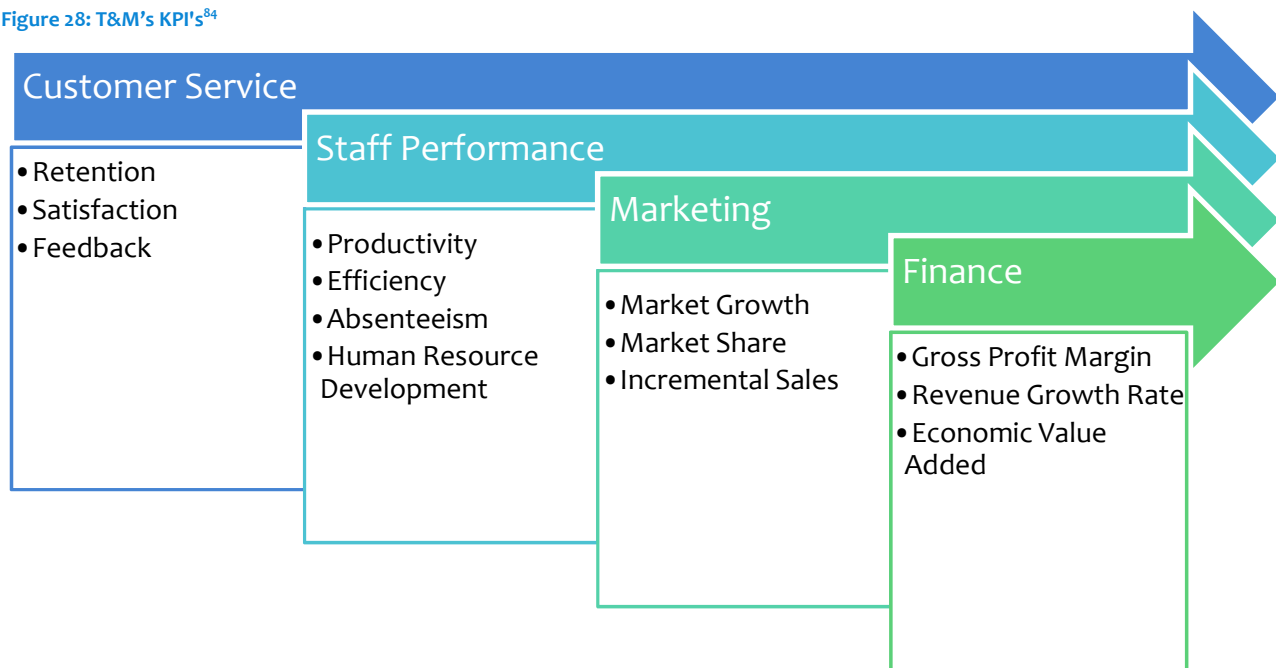
<sup>79</sup> Marr, B. (2014). Key Performance Indicators (KPIs) - explained: examples, reporting & case studies.... [online] Advanced Performance Institute. Available at: <http://www.ap-institute.com/Key%20Performance%20Indicators.html> [Accessed 13 Oct. 2014].

<sup>80</sup> Refer to Figure 27

<sup>81</sup> Marr, B. (2014). Key Performance Indicators (KPIs) - explained: examples, reporting & case studies.... [online] Advanced Performance Institute. Available at: <http://www.ap-institute.com/Key%20Performance%20Indicators.html> [Accessed 13 Oct. 2014].

KPI's include quantitative and qualitative measures to gain an accurate performance understanding.<sup>82</sup> Relevant performance indicators are essential.<sup>83</sup> The following are suggested:

Figure 28: T&M's KPI's<sup>84</sup>



T&M's chief focus is enhancing customer service.<sup>85</sup>

**Recommendation:** To identify the correct KPI's, T&M's objectives and strategic directions need to be clear and regularly assessed so that they drive high performance.

<sup>82</sup> Marr, B. (2014). Key Performance Indicators (KPIs) - explained: examples, reporting & case studies.... [online] Advanced Performance Institute. Available at: <http://www.ap-institute.com/Key%20Performance%20Indicators.html> [Accessed 13 Oct. 2014].

<sup>83</sup> Chandru, (2009). Key Performance Indicators (KPI) in retail industry. [Blog] Retail Directory. Available at: <http://retaildirectory.blogspot.com.au/2009/07/key-performance-indicators-kpi-in.html> [Accessed 13 Oct. 2014].

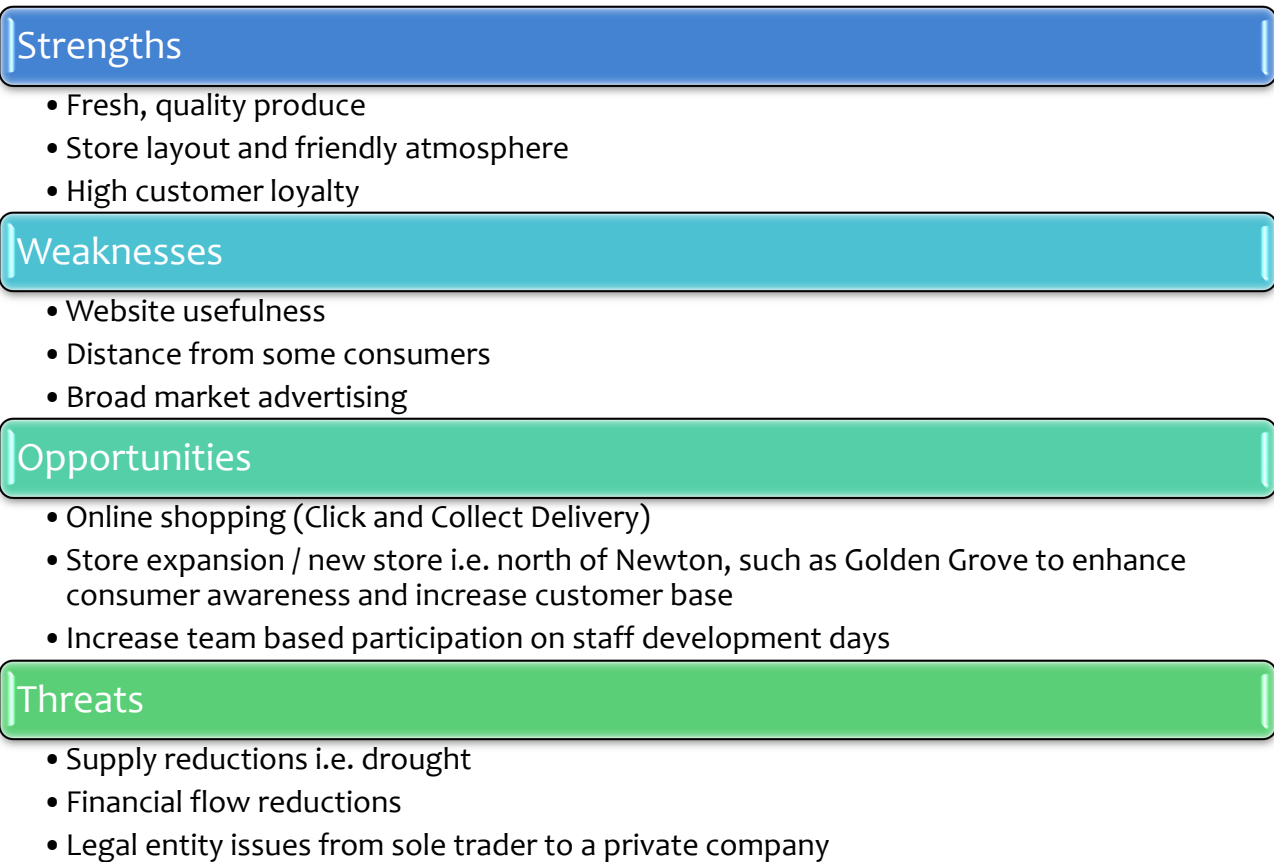
<sup>84</sup> Marr, B. (2013). The 75 KPIs Every Manager Needs To Know. [Blog] Linked In. Available at: <https://www.linkedin.com/today/post/article/20130905053105-64875646-the-75-kpis-every-manager-needs-to-know> [Accessed 13 Oct. 2014].

<sup>85</sup> Bharath, S. (2014). What Is a KPI in a Retail Store?. [online] Business & Entrepreneurship - azcentral.com. Available at: <http://yourbusiness.azcentral.com/kpi-retail-store-22371.html> [Accessed 13 Oct. 2014].

## Conclusion

T&M constantly reassesses their market position by identifying their internal strengths and weaknesses and external opportunities and threats, in order to maintain their success.<sup>86</sup>

Figure 29: SWOT Analysis<sup>87</sup>



<sup>86</sup> Refer to Figure 29

<sup>87</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 27 August.

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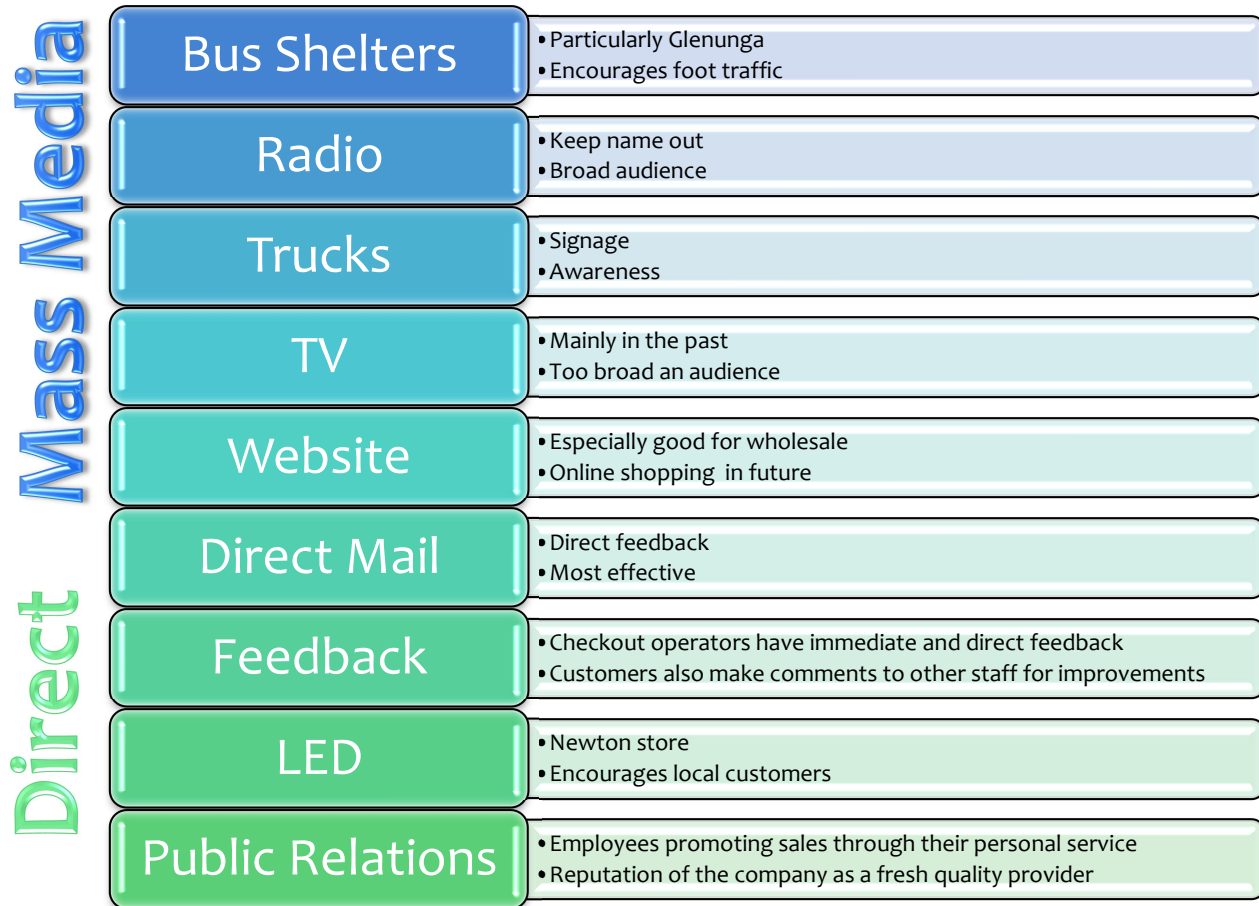
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## Appendices

### Appendix 1: Marketing Methods

T&M's advertising strategy that complements their marketing methods is word-of-mouth.<sup>88</sup>

Figure 30: Awareness Based Marketing Methods<sup>89</sup>



<sup>88</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>89</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

## Appendix 2: Classification of T&M by Industry & Sector

The labour force includes primary, secondary and tertiary sectors and these statistics illustrate the development of a country.<sup>90</sup> Australia, as an advanced economy, has a higher tertiary employment structure whereas less developed countries, like Nepal, have a higher primary sector employment structure.

Figure 31: Comparing Employment Structures<sup>91</sup>

This benefits T&M because they are part of the tertiary industry and therefore are influential in the development of Australia's living standards. In the tertiary industry,<sup>92</sup> services account for more than 75% of GDP and four out of every five jobs in Australia. Retail is Australia's biggest service employer and the economy's largest employer.<sup>93</sup> In 2013 it contributed 10.9% to Australia's GDP<sup>94</sup> and encompassed more than 140,000 businesses, employing over 1.2 million people.<sup>95</sup>

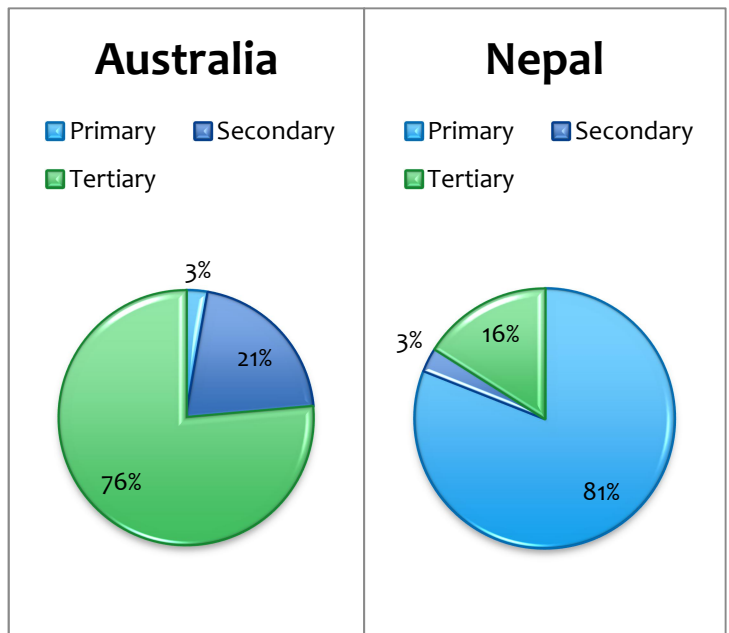
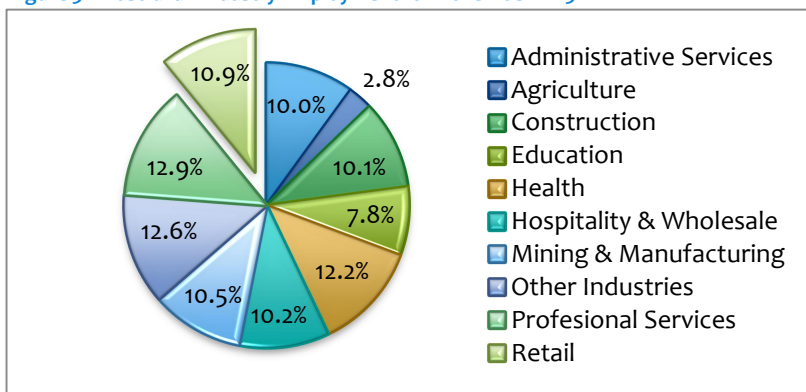


Figure 32: Australian Industry Employment for November 2013<sup>96</sup>



T&M, as a retail store, focuses on meeting consumer needs particularly through increasing customer choice in order to gain higher market share in the Australian economy.<sup>97</sup> T&M, as one of Australian SME's which employ about 70% of the entire Australian workforce and earn almost 60% of all business income,<sup>98</sup>

has the opportunity to grow Australia's GDP through their production.

<sup>90</sup> Refer to Figure 32

<sup>91</sup> NSW Trade & Investment - Business NSW, (2014). Employment by Industry Sector - International. [online] Available at: <http://www.business.nsw.gov.au/invest-in-nsw/about-nsw/people-skills-and-education/employment-by-industry-sector-international> [Accessed 19 Aug. 2014].

<sup>92</sup> ACTU Worksite for Schools, (2013). *Primary, Secondary, and Tertiary Industries - ACTU Worksite for Schools*. [online] Available at: <http://worksite.actu.org.au/primary-secondary-tertiary-industries/> [Accessed 19 Aug. 2014].

<sup>93</sup> McLachlan, R., Clark, C. and Monday, I. (2002). *Australia's Service Sector: A Study in Diversity*. 1st ed. [ebook] Canberra, Australian Capital Territory: Productivity Commission Staff Research Paper. Available at: [http://www.pc.gov.au/\\_\\_data/assets/pdf\\_file/0008/8477/assasid.pdf](http://www.pc.gov.au/__data/assets/pdf_file/0008/8477/assasid.pdf) [Accessed 19 Aug. 2014].

<sup>94</sup> Refer to Figure 33

<sup>95</sup> Australian Workforce and Productivity Agency, (2014). *Retail workforce study*. 1st ed. [ebook] Canberra, Australian Capital Territory: Australian Workforce and Productivity Agency & Service Skills Australia. Available at: <http://www.awpa.gov.au/our-work/sector-specific-skill-needs/Documents/Retail%20workforce%20study.pdf> [Accessed 19 Aug. 2014].

<sup>96</sup> ABC News, (2014). Industry employment for November 2013. [online] Available at: <http://www.abc.net.au/news/2014-02-19/aid-industry-table/5267546> [Accessed 20 Sep. 2014].

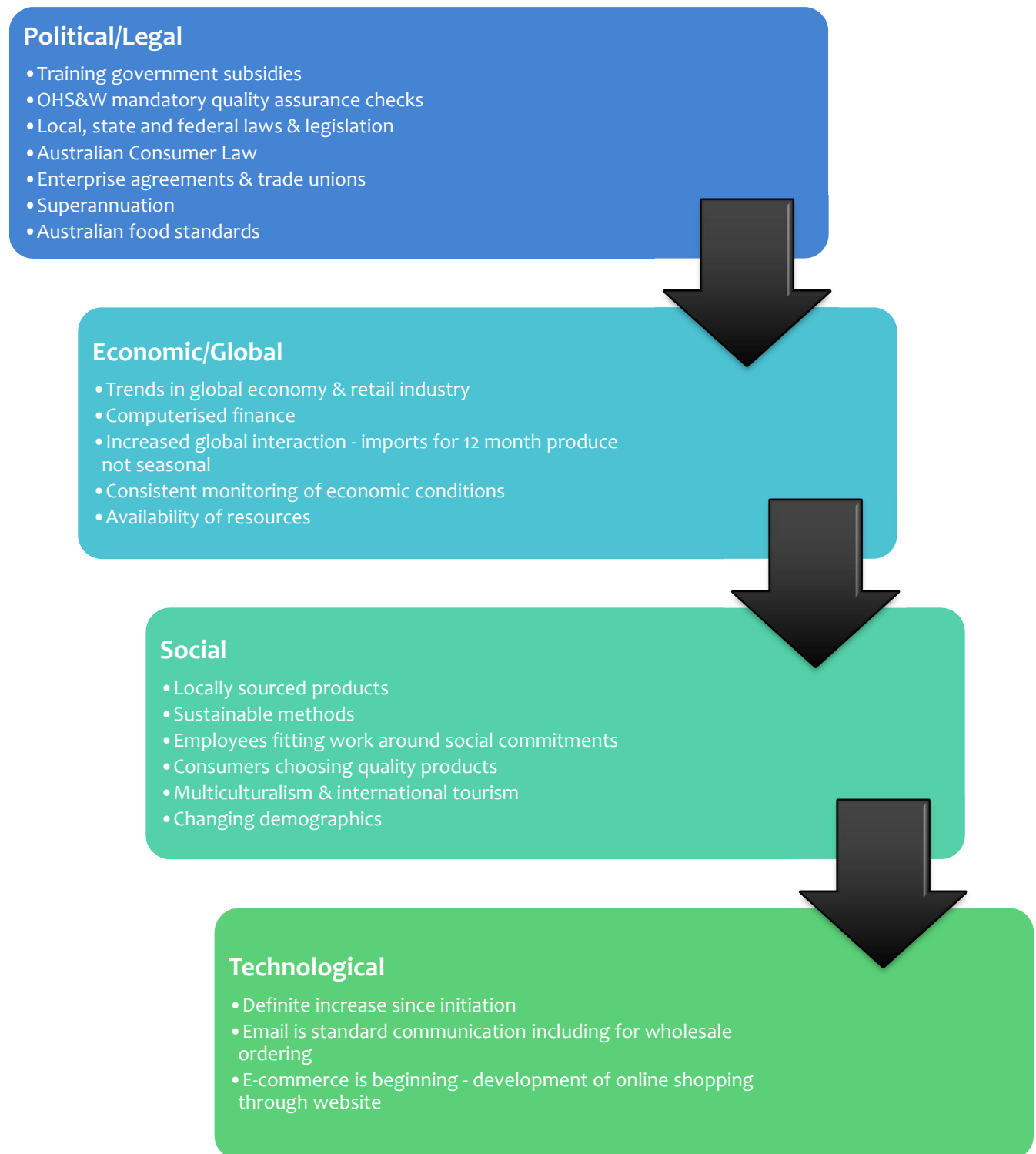
<sup>97</sup> Merrilees, B. and Miller, D. (1996). *Retailing Management - A best Practice Approach*. 1st ed. Collingwood, Vic.: RMIT Press.

<sup>98</sup> Callick, R. (2014). Heading Offshore's No Holiday for SME's. *The Australian*, Wednesday August 6th, p.19.



## Appendix 3: PEST Analysis

Figure 33: T&M's PEST Analysis of Factors in the External Environment<sup>99</sup>



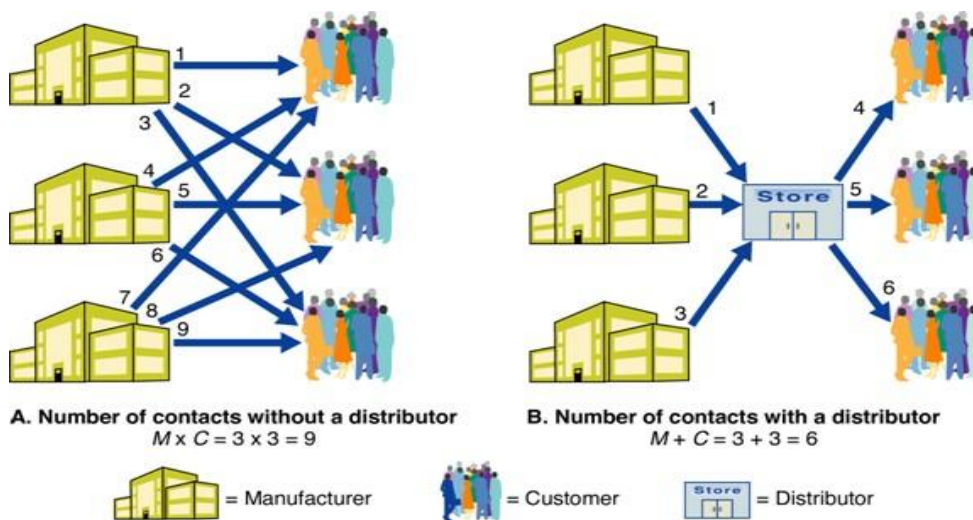
<sup>99</sup> Merrilees, B. and Miller, D. (1996). *Retailing Management - A best Practice Approach*. 1st ed. Collingwood, Vic.: RMIT Press.

## Appendix 4: Suppliers

The warehouse at Newton is one way T&M have decreased their production costs because it is in close vicinity of their major supplier, Pooraka markets. It is also able to facilitate the wholesale products and smallgoods delivered direct in bulk from other Australian suppliers before selling.<sup>100</sup>

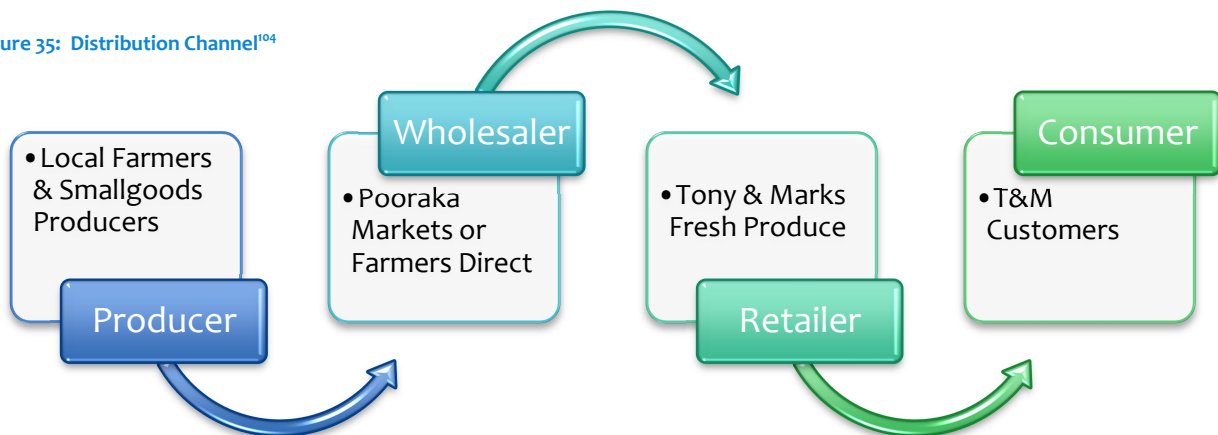
As a retailer, T&M have striven to increase consumer convenience by reducing the number of contacts in the distribution channel as seen below to minimal proportions.<sup>101</sup>

Figure 34: The Need for a Distribution Channel<sup>102</sup>



This information can then be shown to specifically apply to the services of T&M.<sup>103</sup>

Figure 35: Distribution Channel<sup>104</sup>



**Recommendation:** Thus retailing is the final step whereby the goods become available to consumers and therefore it is critical that retailers work with suppliers to meet consumer needs in order to avoid unnecessary conflict in the distribution channel.<sup>105</sup>

<sup>100</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>101</sup> Refer to Figure 35

<sup>102</sup> Cooper, L. (2014). MARKETING CHANNELS (Place) Distribution Channels and Logistics Management..

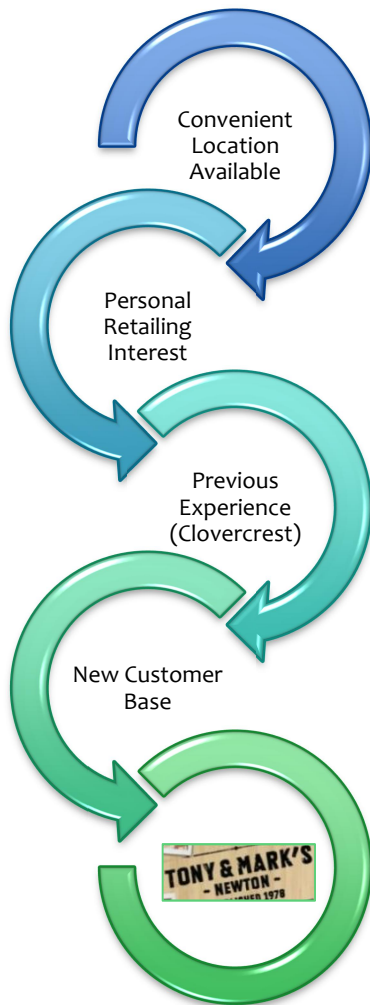
<sup>103</sup> Refer to Figure 36

<sup>104</sup> Chand, S. (2014). Classification of Distribution Channels : Consumer, Industrial and Service. [online] Yourarticlelibrary.com. Available at: <http://www.yourarticlelibrary.com/distribution/classification-of-distribution-channels-consumer-industrial-and-service/12991/> [Accessed 4 Sep. 2014].

<sup>105</sup> Merrilees, B. and Miller, D. (1996). Retailing Management - A best Practice Approach. 1st ed. Collingwood, Vic.: RMIT Press.

## Appendix 5: Establishment Reasons

Figure 36: T&M's Reasons for Establishment<sup>106</sup>



<sup>106</sup> Wizznotes.com, (2014). *Reasons Persons Establish their own Businesses* : Wizznotes.com- Free GCSE and CXC: Tutorials, Past Papers and Quizzes. [online] Available at: <http://wizznotes.com/pob/establishing-a-business/reasons-persons-establish-their-own-businesses> [Accessed 12 Aug. 2014].

## Appendix 6: Advantages & Disadvantages of Business Ownership

Business ownership brings advantages and disadvantages to T&M.<sup>107</sup>

Figure 37: Disadvantages and Advantages of T&M's Business Ownership<sup>108</sup>



<sup>107</sup> Fragnito, A. (2014). Tony & Marks Fresh Produce Business Procedures 5 August.

<sup>108</sup> Beaumont, D. (2012). *Four Major Benefits to Owning Your Own Business - Business Blueprint*. [online] Business Blueprint. Available at: <http://www.businessblueprint.com/success-stories/four-benefits-to-owning-your-own-business/> [Accessed 12 Aug. 2014]; Collins, K. (2014). *Exploring Business*. 1st ed. [ebook] Washington, D.C.: Flat World Education, pp.5.4 Advantages and Disadvantages of Business Ownership. Available at: [http://catalog.flatworldknowledge.com/bookhub/7?e=collins-cho5\\_s04#](http://catalog.flatworldknowledge.com/bookhub/7?e=collins-cho5_s04#) [Accessed 12 Aug. 2014].

## Appendix 7: Assessment Proofs

Figure 38: Formal Introductory Letter

**Formal Introductory Letter:**

Dear Anthony,

**Re: Tony & Mark's Fresh Produce**

As part of my year 12 business studies at Heritage College, I am required to apply the theory that I have been taught at school in the past six months, to a business of my choice. As well as viewing the way in which your business works as a customer, I have also had a look at your website and I would like to use your business for my studies. In order to gain the information that is required, I would need to conduct approximately four interviews over the space of the next three months via either email or personal contact. If this is acceptable, could you please formally indicate this through signing the form below. I really appreciate you giving me your time for this assessment.

Name: Anthony FRAGNITO Date: 5/8/14

Signature: [Handwritten Signature] Company Position: \_\_\_\_\_

Regards,



Figure 39: Schedule of Direct Contact

## Schedule of Direct Contact:







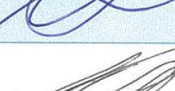

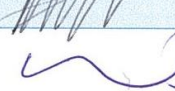

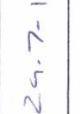


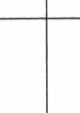


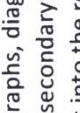
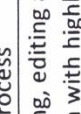
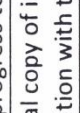



Date	Contact	Source	Nature	Duration	Verification
Tuesday 8 <sup>th</sup> July	Manager Anthony	Phone	Agreement to use the business for my assessment.	5 minutes	
Thursday 10 <sup>th</sup> July	Manager Anthony	Phone	Confirm number of employees and contact details.	2 minutes	
Saturday 2 <sup>nd</sup> August	Manager Anthony	Phone	Confirm interview for next tuesday.	2 minutes	
Tuesday 5 <sup>th</sup> August	Manager Anthony	In Person	First interview on business description, lifecycle, legal structure and marketing.	45 minutes	
Sunday 17 <sup>th</sup> August	Manager Anthony	Phone	Refer interview until Wednesday week	2 minutes	
Tuesday 26 <sup>th</sup> August	Manager Anthony	Phone	Confirm interview time	2 minutes	
Wednesday 27 <sup>th</sup> August	Manager Anthony	In Person	Second interview on people, business and the work environment.	50 minutes	
Monday 22 <sup>nd</sup> September	CUSTOMER SERVICES POSS. ARLA/ACE KNEILD	In Person	Council laws and legislation that apply to T&M on a local level.	20 minutes	
Sunday 2 <sup>nd</sup> September	Anonymous T&M Consumer	In Person	Characteristics of an average consumer in T&M's target market.	15 minutes	
Wednesday 24 September	Manager Food Safety PAUL AOWSETT	In person	legislative requirements	5 minutes	



Figure 40: Investigative Study - Student Timeline

TERM 2	Task	Teacher Signature	Date
Week 10	<ul style="list-style-type: none"> <li>Choose business that you're going to study</li> <li>Contact business owner and get agreement from them – including letter of introduction</li> </ul>		29-7-14
Holidays	<ul style="list-style-type: none"> <li>Formulate first interview questions</li> <li>Conduct first interview with business owner</li> <li>Begin research from secondary sources</li> </ul>		5-8-14
<b>TERM 3</b>			
Week 1	<ul style="list-style-type: none"> <li>Write up your first section/s according to data gathered</li> <li>Organise next business interview/contact and relevant questions</li> </ul>		19-8-14
Week 2	<ul style="list-style-type: none"> <li>Continue research from secondary sources</li> <li>Conduct second interview with Business Owner</li> <li>Formulate relevant surveys E.g. customer, employee etc...</li> </ul>		5-8-14
Week 3	<ul style="list-style-type: none"> <li>Access information from local councils, competitors etc...</li> <li>Conduct relevant surveys</li> <li>Write up your next section according to data gathered</li> </ul>		19-8-14
Week 4	<ul style="list-style-type: none"> <li>Conduct third interview with business</li> <li>Write up your next section according to data gathered</li> <li>Organise next interview with business/contact and relevant questions</li> </ul>		2-9-14
Week 5	<ul style="list-style-type: none"> <li>Conduct 4<sup>th</sup> Interview with business owner</li> <li>Write up sections according to data gathered</li> </ul>		
Week 7	<ul style="list-style-type: none"> <li>Decide upon presentation methods, graphs, diagrams, tables etc... for information</li> <li>Complete collation of all primary and secondary data</li> <li>Integration of current trends or issues into the report.</li> <li>Work on the drafting process</li> </ul>		2-9-14
Week 9	<ul style="list-style-type: none"> <li>Continue on the drafting, editing and refining process.</li> <li>Submit draft to U. Evan with highlighting of where you have evaluated</li> <li>Present progress to teacher for feedback</li> </ul>		18-9-14
Week 10	<ul style="list-style-type: none"> <li>Start final copy of investigative study</li> <li>Consultation with teacher on draft</li> </ul>		25-9-14
<b>TERM 4</b>			
Holidays	<ul style="list-style-type: none"> <li>Continue on final copy of investigative study</li> <li>Email to teacher at least once for feedback</li> </ul>		14-10-14
Week 1	<ul style="list-style-type: none"> <li>Present progress to teacher for feedback</li> <li>Put finishing touches on final copy</li> <li>Due date for collection of investigative study</li> </ul>		14-10-14
Week 2	<ul style="list-style-type: none"> <li>Finishing touches applied</li> <li><b>Final date</b> for submission – Wednesday</li> </ul>		20-10-14