**Background:**

Big Buy is a neighbourhood big box store, with locations across Canada (evenly distributed accordingly to population). You have been hired by their CEO to develop a company strategy for next year. Note that the CEO will be convinced with **quantitative** (math based) evidence – please “crunch some numbers” to back up your recommendations and answers.

**Key questions the CEO has:**

1. What is Big Buy’s Grocery market share? What is Big Buy’s Home Improvement market share?
2. What is Big Buy’s overall market share?
3. What are the average sales per store for Big Buy and its competitors?
4. Big Buy can invest $3M in marketing and sales to grow either Apparel & footwear sales or Home improvement sales by 0.5% in the coming year. What should Big Buy do: invest in Apparel & footwear, invest in Home Improvement, or no investment at all.
5. SC Super Center, one of the major competitors of Big Buy who sells all product categories that Big Buy sells, has announced it will be closing ALL of their 50 stores in Canada next year to focus on their E-commerce business. Calculate their expected market share loss (noting any assumptions). Will this have any impact on Big Buy? If so, calculate how much this will impact Big Buy’s sales (in $). What other implications are there?
6. To help evaluate current customer satisfaction, we launched a quick survey to see how customers score Big Buy on 3 different dimensions. Based on the data collected, what do consumers think of Big Buy? What are the implications?

**In isolation of previous questions,** Big Buy is evaluating its real estate plans and have found that its store count is severely below its key competitors with only 75 stores in the market. Big Buy estimates that currently 75% of the market has easy access to its store (this is denoted as the Trade Area of Big Buy). If Big Buy decides to build another 25 stores, what is its expected trade area and sales. If it costs $3B to build these stores, what is the pay back period for this investment (how long to reach break-even).

**Here is what you have to help with your analysis:**

1. There are many competitors in the market, including six major chains: Big Buy, Red Price, Leo’s Everyday Supplies, Thrifty Authority, PriceMarket, and SC Super Center.
2. A research paper from a very credible industry source puts the Canadian Grocery market at $130 billion annual sales 2 years ago. Fusion estimates that the Grocery market grew by approximately 7% for the first year and 8% for the second year.
3. A survey of consumers that have recently bought Home Improvement products was conducted. The survey questionnaire is located below and survey responses are located in the attached Excel spreadsheet under the tab “Home Improvement Survey”.
4. A survey of overall consumers’ opinions of Big Buy on key purchase decision attributes was conducted. The survey questionnaire is located below, and survey responses are located in the attached Excel spreadsheet under the tab “Brand Survey”.
5. All available financial data is located in the Excel spreadsheet under the tab “Financial Data.”
6. Majority of Big Buy’s top competitor such as Red Price, Leo’s Everyday Supplies, PriceMarket, Thrift Authority operate only physical stores with no E-commerce presence, the top E-commerce competitor for Big Buy are Amazon and such