

Marketing Fundamentals

Analysis and Evaluation



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Introduction

WHO announced the pandemic of COVID-19 infection on January 30, 2020, and it was designated an international medical crisis at that time (who.int, 2020). A global blackout was imposed in relation to the prevention of the fatal disease over the whole planet. The fiscal consequence of the worldwide shutdown of corporate activities and the disruption of the distribution chain has not been calculated by any organisation as of yet. It is commonly believed that COVID-19 has had a significant impact on global commerce, industry, and Economic growth in the member states. A lack of working capital and flexibility has harmed every company in every sector worldwide because of the epidemic, which has affected every industry. The COVID-19 outbreak causes the bulk of governments in the globe to close their borders and enforce a harsh shutdown within. It was inevitable that this would have a big impact on the global distribution network. It also had a significant influence on the foodstuff company's distribution network. Many aspects of manufacturing, transportation, and availability of raw materials were impacted by this (Singh, 2021). In the context of the report, we will see the analysis the how marketing will help an organization in getting back on the road. Certain models will also be implemented in the context of the report along with STPs and marketing mix. **The chosen organization in this study is Aldi which is a UK based retailer.**



The processes and stages of marketing

Marketing plays a very important role in the growth of any business. It is considered an important route for any organization like Aldi to expand its business and aim towards the final role in an effective way. The help of marketing campaigns like media posts can not only help in making a strong relationship with existing clients but also help in making strong connections with potential customers. There are four processes involved in the marketing process:

Market research: Market research entails defining a certain "target," and concentrating entirely on that group. It involves study on a restricted sample of customers to understand their behaviour and drive customers to purchase their products or services. Market research is quite helpful to know what language will be most effective in getting the client attention. This facilitates us with ample opportunities to discover new platforms for advertising and fill the gaps that have been generated by the covid-19 outbreak.

Development of product: After identification the target market along with customers thoroughly implementation of strategy in the development of the product is quite important. This stage comes to knowing which techniques and concepts are necessary to avoid the obstacles during the development of products and services. A concept may be transformed into a lucrative product by careful planning throughout the development process, which helps a company to stay strong in the market. This phase becomes even more helpful since it allows one to learn from prior mistakes and make modifications as needed in order to provide superior service in the market.

promotional activity and selling: Any attempt by a firm to reach out to prospective clients is considered a promotional activity. The main purpose of the promotional activity is to increase consumer demand by offering attractive offers. It's the basic element of marketing that helps in differentiating the product and helps in turning the potential buyers into real customers. To make the brand recognizable this activity plays a crucial role to increase brand awareness and efficiently attracting customers. During the covid-19 pandemic, this process of marketing is even more important for a company like Aldi to know how abruptly customers respond to their brand (Prasad et al., 2021).

customer feedback: To deliberately maintain relations with customers for a long time addressing the feedback helps the company to develop a strong bond and maintain long term relationships with valuable clients (Chi and Chen, 2019). It is an important indicator for the companies to measure the loyalty and retention of the customers towards the brands that the company is offering. This gives freedom to the company in identifying the issues related to the product and services they are offering and gives the chance to understand what changes are required to avoid any financial losses. This will give companies like Aldi the chance to react faster and make adjustments so that they will maintain their footprints in the market for the long run.

Stages of Marketing:

Analysis of the situation: Overall 5.1% of the UK GDP is relying on the retail industry and it has been observed that the market of the retail industry has been fell by 1.9% because of the covid-19 **impact** (ons.gov.uk, 2021). Analyzing the situation gives us a clear picture of the marketplace how the changing trends will affect the product so that company will efficiently establish its market and increase its customer base.

Development of strategy: Online presence is quite an effective way that helps the organization to grow its business. As per the needs of the market research, they will come to know the need of the customers and via various social media platforms, they will promote their product. This will increase the awareness about the product for the customers and give them the flexibility to assess the product.

Market planning: A primary focus of the marketing strategy is to put the organization on a defined path. Marketing plans often correspond with the wider strategic mission. A new firm aiming to develop, for instance, frequently has a marketing strategy that stresses techniques to boost its client base. The proper planning helps us to set the budget for the product campaign and monitor expectations for other functional areas (Deepak and Jeyakumar, 2019). The tasks get easily bifurcated and assigned to each individual so that each they fulfil their duty accordingly and make decisions to overcome the issues.

Building of relationship and value: The very crucial aspect of marketing is to stay in close contact with customers and retain the customers over the long term. For this understanding, the basic needs of the customers are quite necessary to understand. This will help us in knowing in which field we need an improvement which further helps to maintain the brand image in the long run.

Internal analysis

Swot Analysis of Aldi

Strength	Weakness
• The company is offering a high-quality product at many reasonable rates. • The supply chain is quite well-established. As a result of its extensive distribution network, Aldi operates 1600 stores in 11,234 different locations which give them the advantage to increase its customer base. • Many of its stores are located in the area where they need to pay fewer service charges. This will give them the advantage to save money and grow their revenue. • Example: If clients are not 100% happy with any of those items, Aldi offers to replace the item and return the shopper payment (aldi.co.uk, 2021).	• To maintain profitability, businesses must resort to immoral pricing discrimination. • Low-income households in the U.k. are more likely to shop at discount stores. Low-income households are hence the primary focus of this product. Therefore, Aldi has a weak focus on reaching middle and upper-income households that has a negative impact on companies profitability (smf.co.uk, 2017). • Aldi is limited in its worldwide influence since there are many other retail shops.

Opportunities • An economical brand, instead of a corporation that sells low-quality goods, might grow its business. • To keep up with the competition, ALDI has to spend more on promotion. • Example: Expanding their business in the fast-growing economies like Asia and Africa gives them an opportunity to increase their sales (bbc.com, 2020).	Threats • Established businesses may easily throw away ALDI's personal label brands. • In addition, there are issues such as worldwide political instability. It might have a significant impact on Aldi's bottom line and also with the addition of new competitors company is losing its brand image. • Example: Amazon's expansion into the food stores sector may result in a loss of market dominance for the company (cnbc.com, 2021).
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External Analysis

Political factors: Conflict and political instability throughout the world are presently threatening the long-term viability of international businesses that may be stigmatized because of their national origins. Europeans, the United States, and China are all generally conflict-free at this time; so the risk of Aldi's activities being affected by war is minimal (Manners-Bell, 2017) which gives them the advantage to do business trade in a sound way. The company's long-term viability would be jeopardised by any war between nations throughout the world. As a result of this Covid-19 outbreak, ALDI has seen **a significant increase in sales through its online channels** (theguardian.com, 2019).

Example: As the cost of organic produce rises as a result of Covid-19, retailers will pass this cost increase on to customers (oecd.org, 2020). Due to this increase in price, customers will look for other Alternatives which hampers the customers' attraction to buy the product. This gives the company a **disadvantage** to sell their product even at less average costs.

Economic factors: Expenses in the United Kingdom have increased as a result of Covid-19, but the value of the pound has decreased. Due to the general spike in the price of imported products since the Brexit negotiations, Aldi has had its greatest growth rate in more than two years, with buyers rushing to discount stores to take **advantage of lower prices** (theguardian.com, 2017). Sales at bargain shops like Aldi might climb even higher as consumers become more mindful about the necessity of balancing family finances as prices go up, which means more people would cook at home rather than go out to dine (Butler, 2017). Also, with the increase of covid-19 pandemics across the UK and imposing restrictions the company like Aldi is **facing difficulty managing** the flow of cash.

Social factors: Following the salary boost of 3000 employees, Aldi is now the largest grocery in the United Kingdom, beating its German rival Lidl in terms of salaries paid (Davies, 2017). Paying employees more implies they can purchase decent meals, healthcare, and physical activity, all of which **benefit society as a whole**. Aldi's Get Ready to Eat Natural Campaigns seeks to educate 1.2 million youngsters in the UK on good eating choices by 2020 (aldi.co.uk, 2021). This is based on how consumers in several urban areas are keen to visit their most closed retail stores for purchasing.

Although, it would also be important to consider the income group. As mentioned earlier, Aldi may segment, and place their criteria based on how middle-income consumers can buy their products (Bellemare et al., 2021). As they are the key segment to surge the abilities to purchase such products. Aldi's segmentation is also geographically set. To identify the type of stores, and the type of behavioural approaches that consumers are likely to possess upon encountering the essential products of Aldi. This is included under the behavioural segment. People have commonly become more conscious of the products that they wish to purchase to balance their financial status, and what is **more suitable, and viable under the covid-19 circumstances.**

Example: Ever since the pandemic arrived, the mentality of consumers towards approaching their retail stores has been covered with fear (journals.plos.org, 2021). That is very unlikely from the process of the promotional prospects available in the marketing mix. As they meticulously measure and segregate the available labels of products to make sure that the product that they purchase is safe, healthy for consumption without **worrying about the fear of facing any unknown pathogen.**

Technological: Every sector in the globe is evolving at a rapid speed, and technology is becoming more important in all of them. By moving its sales to the internet, the retail sector is altering its business model. Recently, Aldi announced the commencement of its delivery services in the United Kingdom. It has given itself a **significant competitive edge.** To meet the customer needs and provide significant precautions on delivery of their products Aldi need to invest more in technology. It is becoming **difficult for them to maintain such extra expenses in the Covid-19 outbreak.**

Legal: ALDI has been sued for copyrights infringement in connection with their advertising campaign. It has been an overwhelming hit, but it also showcased items that were not from ALDI and contrasted them to the ALDI goods (Steenkamp and Sloot, 2018). The state doesn't quite permit comparison promotion in print, **which created an issue for the corporation,** as a consequence of which the business was forced to pull their hallmark campaign off the airwaves altogether. This might result in a reduction for the firm since buyers may get associated with the brand as a result of the campaign.

Example: Small companies have also taken legal action against the corporation for selling counterfeit items (thisismoney.co.uk, 2018). This affects the growth of Adli in a tremendous way.

Environmental: Aldi had taken several measures to reduce environmental factors such as the light vehicle used for transportation. This **helps** in lowering carbon emissions. Another issue company is facing with the covid-19 outbreak which lowers their sales in the marketplace of the UK. This is a major **threat the company** is dealing with. Attempting the act of providing qualified products, at an affordable cost help consumers to continue to perform their daily activities that derive from what is essentially needed at their stores (aldi.co.uk, 2021).

Segmentation, targeting positioning and marketing mix strategies of a chosen organisation.

STP

The STP of ALDI is based on how such an organisation can determine its components to achieve the eligible marketing mix strategies to appropriately understand the stages of marketing (Fahy and Jobber, 2019). This is included as follows:

Segmentation: This component that comprises brainstorming, and facilitating the framework of market segmentation supports Aldi in segregating various customer segments. That is based upon the criteria and other characteristics. For instance, in identifying the type of segmentation whilst the audience is divided based on several demographics. This would include age, income, location, and others. The basic approach towards segmentation in Aldi is the ability to identify the key and common consumers that purchase a household, and stapled products from the branches available. **Targeting:** The Marketing plan of Aldi to tackle the implications of overcoming targeting challenges is facilitated from how it encourages the use of the Differentiation strategy. This is derived from how retail companies are likely to settle their target prospects. By processing, and segregating the most useful, and appealing segment from the essential products required assessed from the marketing mix. That has already been discussed through its stages and available components.

Positioning: Aldi uses a specific ability in positioning its products. This includes how it encourages the authorization of Aldi activities to have an influential impact on the behavioural lifestyle of consumers (Beresford and Hirst, 2020). From their decision-making process, to how it develops a relationship with the consumers. Since Aldi has extended its offering to international markets. The relationships have to be optimised more than ever. To fulfil the needs, and wants of the consumer during a post-pandemic world in such a way that would differ from the services and goods provided by their direct competitors.

Conclusion

From the above study, it has been concluded that marketing plays a very important role in the growth of any business. It is considered an important route for any organization like Aldi to expand its business and aim towards the final role in an effective way. Apart from this report, we have discussed the pestle and swot analysis that help us to analyze the external and internal impact on the organization Aldi. Also, STP for the organization is discussed in the context of the study. The Marketing plan of Aldi to tackle the implications of overcoming targeting challenges is facilitated from how it encourages the use of the Differentiation strategy. This is derived from how retail companies are likely to settle their target prospects.

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