

MARKETING FUNDAMENTALS

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Executive Summary

The report evaluates the marketing mix and opportunities and challenges of Sainsbury's based in Birmingham. The study finds that the supermarket chain offers a variety of products and positions itself as a medium to high-end market. Moreover, there are about 90000 product options for the customers in high quality and affordable prices. It also has a section for premium products for high-class people. The distribution strategy and promotional strategies of Sainsbury's are up-to-date. It has the opportunity to start 24*7 services by utilising self-checkout technologies, expand globally and merge with other big retailers. The challenges for Sainsbury's include high competition, low margin rates, controversies, and high rates of inflation.

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Introduction

Marketing processes help in planning sales promotions appropriately and are quintessential for businesses. It helps in making customers aware of a brand and their products and services which facilitates engaging them and influencing their purchasing decision (Hagen *et al.* 2019, p. 260-288). Moreover, marketing strategies are essential for creating and maintaining demand, reputation, and competition for a brand. The study is based on the retail company Sainsbury's based in Birmingham and evaluates the various processes and stages of marketing. Moreover, it evaluates the marketing mix of the organisation associated with its operations in Birmingham. Furthermore, it also assesses the opportunities and challenges of the organisation using an analytical model.

Brief description of stages and processes of marketing

According to the views of Deepak and Jeyakumar (2019), the processes of marketing can be categorised into five distinct segmentations. The various stages of a marketing process are evaluated below:

Analysis of marketing

The process of marketing initiates with a marketing analysis which includes a close dig at the company's portfolio. Analysing the strengths and weaknesses of the offers and marketing approaches of an organisation, comparing with competitors, and estimating sales potential are pivotal aspects of the marketing process. Sainsbury's marketing approaches can be evaluated to identify the threats and opportunities for the organisation in Birmingham.

Goals for marketing

Marketing goals are set by an organisation in the next step based on the goals defined by the company. For example, sales development goals, market position goals, and others.

Marketing strategy

As suggested by Hagen *et al.* (2019, p. 260-288), the marketing strategy of an organisation is based on its marketing goals. The conditions of the market are taken into consideration in this matter.

Marketing Mix

This stage helps in putting the theories of marketing processes into practice. It is associated with selecting suitable marketing tools and creating a marketing mix for accomplishing the goals.

Monitoring

Deepak and Jeyakumar (2019) state the necessity for organisations to monitor marketing performance regularly for checking whether the plans are working appropriately or not. Identifying gaps in the marketing efforts is the main motive of this stage.

Evaluating the marketing mix of Sainsbury's based in Birmingham

The marketing mix of the retail company Sainsbury's can be effectively evaluated using the 4Ps of the marketing mix.

Product mix

Sainsbury's offers a diversified range of products in its supermarkets based in Birmingham and has about 30000 product lines. Moreover, it has over 15000 of its own brand product and also sells products from various brands in its supermarket chains. It offers a variety of products including fruits and vegetables, fish and meat, frozen food, beauty products, drinks, electronic goods, clothes, and accessories, bakery items, baby products, household essentials, and pet care products (Sainsbury's, 2023). The supermarket chain makes almost 90000 product options available for its customers. Moreover, the company has taken over Argos which has enhanced its portfolio. The organisation makes a good amount of

investments in developing its own products of brand and maintains the quality of its products to preserve its demand and reputation. Customers get attracted to the products offered at Sainsbury's mainly due to their high quality.

Price mix

Sainsbury's offers its products with high quality at reasonable and fair prices in its supermarkets. According to the views of Hanaysha *et al.* (2021, p. 56-72), organisations implement their pricing strategies aligned with their positioning in the market. Sainsbury's positions itself as a medium to high-end market. Thus, it also offers products on which premium pricing is applied. However, it also offers basic products at comparatively cheaper rates than competitors in Birmingham. The organisation often offers price discounts, sales, and offers to attract customers and tackle competition. As suggested by Li *et al.* (2023, p. 108-117), the retail company offers value for money and keeps price differences for different product sets. It utilises the price discrimination strategy to position its product in the market and attract more customers. It implements a competitive pricing policy to tackle competition in the consumer market. Moreover, the organisation derives fruits, vegetables, fish, and meat from local markets which helps in maintaining fair and affordable prices and attracting customers.

Place and distribution mix

Sainsbury's provides its services in both online and offline modes. Customers can shop for their favourite products by visiting the supermarket and stores of Sainsbury's available across the country. Moreover, they can also buy the products offered by the retail company from online modes. There are about 600 supermarkets and around 800 stores of Sainsbury's across the country (London Exchange, 2023). The company receives about 250000 orders online in a week for its products. The organisation also launched an app called Chop Chop app for selling its products online which manifests its utilisation of available channels for selling products. It also has provisions for kiosks and self-service checkout points in the stores (Sainsbury's, 2023). Furthermore, the organisation acquired several local stores in Birmingham and converted them to convenience stores of Sainsbury's. The brand also takes orders via phone call in exchange for a minimal fee for the services.

Promotion mix

Sainsbury's uses several media to communicate with and influence the purchasing decision of customers. It uses both traditional and modern means of promotion which encompasses television ads, radio broadcasts, articles in newspapers, and the Internet. [REDACTED]

[REDACTED] were used [REDACTED] ambassadors of Sainsbury's (Celebrity endorsers, 2023). Moreover, it runs advertisement campaigns that help in enhancing its brand reputation and generate more sales. The organisation also engages in promotional activities such as sponsoring big sports events such as the

paralympic games and others. Regular sales promotions are used by the organisation to drive the sales of its products and services. There is also a special loyalty scheme for its regular customers called the Nectar Reward Card which facilitates its promotion and retains customers (Sainsbury's, 2023). Price cuts and associated promotional offers are given on a regular basis in Sainsbury's to attract its customers and stay ahead of competitors.

Assessing the opportunities and challenges of Sainsbury's

As suggested by Benzaghta *et al.* (2021, p. 55-73), the SWOT analysis framework can be beneficial for assessing the opportunities and challenges of Sainsbury's in terms of marketing.

Strengths

Good customer feedback- The organisation is able to attract and retain its customers by maintaining the high quality of its products and efficient customer relationship management (Xiao *et al.* 2021, p. 108-115). Therefore, the customers give good feedback and promote the services and products offered by the company to others.

Unique promotional strategies- Sainsbury's frames its promotional strategies innovatively and helps in pitting against rivals in the market. For example, the Brand match strategy is beneficial for pitting the products sold by Tesco and Aldi (The Guardian, 2020).

Good online presence and utilisation of social media- The organisation develops engagement marketing through social media handles and manifests a good online presence that helps in its marketing process.

Diverse product range- Sainsbury's offer value products, branded products, and premium products in its stores which makes it convenient for all (Sainsbury's, 2023).

Weaknesses

Expensive for some consumers- Price wars from discounters such as Aldi makes it expensive for some customers and hampers the business of Sainsbury's.

Fluctuations in prices- Economic uncertainties such as lack of supply due to the pandemic led to increasing the prices to meet the costs which hampered sales.

Low margins due to price wars- The organisation maintains low margins to tackle competition from other retailers as well as online sellers of goods (RASHID, 2020, p. 59-72).

Opportunities

Opting for 24*7 services- The organisation has already introduced self-checkout services which can be utilised to keep the stores open 24*7 and enhance sales volume.

Merging with other brands- As suggested by Hemantha (2020, p. 181-186) merging with other big brands can be beneficial for enhancing the market position of a company.

Global expansion- Expanding in international markets and seeking global recognition beyond the UK is another opportunity for Sainsbury's.

Threats

High rates of inflation- It is a major concern in the present era that can hamper the purchasing power of consumers and hamper sales of Sainsbury's. The inflation rate in the UK is about 8.8% (Gov.UK, 2023).

Vigorous competition- High competition from Tesco, M&S, Aldi, and others is a major challenge for Sainsbury's and influences its marketing strategies and sales significantly.

Controversies- The organisation got into several controversies which led to tarnishing its reputation among consumers and hampered its marketing efforts. For example, it was alleged of dairy price fixing and also got into controversies for avoiding VAT, inappropriate advertising, and other ethical issues (Daily Mail, 2023).

Conclusion

The study concludes that the marketing strategies and marketing mix of Sainsbury's are appropriate for attracting customers in Birmingham. It offers a variety of products and positions itself as a medium to the high-end market. The stores of the retail brand offer almost 90000 product options to the customers in high quality and affordable prices. It also has a section for premium products for high-class people. The distribution strategy and promotional strategies of Sainsbury's are up-to-date. It has the opportunity to start 24*7 services by utilising self-checkout technologies, expand globally and merge with other big retailers. The challenges for Sainsbury's include high competition, low margin rates, controversies, and high rates of inflation.

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