

Scanning the environment

[Environment](#), [Ecology](#)



Evaluating the relative positions of competitors allows business firms to discover threats and opportunities relative to organizational strengths and weaknesses together with an understanding of the political, economic, socio-demographic and technical forces shaping the competitive environment (Saloner, Shepard & Podolny, 2000). Insights from environmental scanning support sound strategies as shown in the succeeding discussion. Demographics and Socio-Cultural Trends and Choice of Strategy

Demographics and socio-cultural trends reflect changes in consumption so that the firm that can match the pace of consumer behavior would likely achieve an edge in the market (Porter, 1998). Amazon Grocery is responding to the growing adoption, by the niche market of non-price sensitive consumers, of the health conscious lifestyle resulting to an increase in demand, for fresh and healthy food products, especially with media buzz on diet and weight-loss regimen by applying the niche strategy.

Aldi's targets a different trend, which is the growth in the middle to low income group leading to the rise in price-conscious consumers seeking low priced products but of high quality. Effect of Advertising on Strategy The audience reached by television and online advertising explains the strong impact of advertising on business strategy (David, 2007). Amazon Grocery likely engages extensively in advertising through both television and online advertising focused on reaching its targeted niche market.

Advertising in the timeslot of food and lifestyle shows and creating websites or forums on healthy food suggestions are means of reaching the niche

audience. Aldi's also engages in television and online advertising with a broader perspective because it is targeting a wider market and it has a wide range of options from airing during the timeslot of children's shows and soap operas together with company website and forums.

Relative Positions of Competitors. Collated information on demographics and socio-cultural trends and advertising strategies appears to support Aldi's better position. Aldi's targets a wide range of consumers, which means leeway for expansion and growth when compared to the easily saturated niche market of Amazon Grocery. Aldi's has two value offerings, which are quality and low-price allowing the firm to gain a bigger market share while Amazon Grocery only offers the value of quality healthy and organic foods.

Recommended Strategy for the Grocery Store Chain. Based on recent trends and changes in the market, the effective strategy for the grocery store chain is to develop a one-stop store chain providing a section on high quality but low-priced (if not the lowest priced) healthy and organic foods and a section for high quality and low priced (if not the lowest priced) other food items. The grocery could also consider establishing a ready-to-eat and non-food sections both adopting the quality and low price value combination. This would allow the grocery food chain to tap into both the markets of its competitors and reach untapped segments giving it an edge.

Strategies and Improving Image as Corporate Citizen in the Community

Strategies can enhance the image of firms as contributing members of the community by providing products and services that improve the wellbeing of fellow community members (David, 2007). Amazon Grocery supports the

health of community members, Aldi's empathize with the limits of the purchasing power of residents, and the grocery store chain provides every possible need of the community. Conclusion Knowing one's competitive position and that of close competitors supports the development of effective strategies that create an edge for firms.