

Critical analysis article reviews examples

[Business](#), [Marketing](#)



Introduction:

The article “ Five numbers that show how Aldi has revolutionised grocery shopping” published in the online version of Daily Telegraph dated 29 September 2014 is the topic of investigation for this paper.

The main features of the article relate to how Aldi respond to the overall competitive environment in the UK grocery market. In addition, the article outlines how the discounter has made great strides in the UK grocery market.

The marketing story undertaken relates to the grocery sector for this investigation which has implications on every individual in the society.

The foremost talking point in the article is about the marketing strategy of Aldi in the UK market. The analysis presented in the article signifies the importance of dealing with each and every aspect of marketing to have an all-encompassing effect on the performance.

For this reason, Kotler (2012) asserts that the competitive environment and the buying behaviour of the consumers is an important determinant in attaining the competitive advantage.

The retail sector is highly dynamic and competition is always intense. In this respect, attaining customer loyalty is very difficult to realise. However, Aldi has shown how a focused strategy can offer a competitive advantage in the retail market.

The differentiation strategy in the retail sector is critically vital to attain the competitive advantage (Williamson and Zeng, 2009).

For instance, the rising trend in the consumption of healthy food is a differentiating element in devising marketing strategy in the grocery segment (Voberda et al. 2011).

The notion of 'low price is cheap quality' has been efficiently dismantled by Aldi. More importantly, the rise of Aldi in the UK market reveals that customers look for precise choices.

Therefore the overall value for money that Aldi has offered to the customers is quite significant which signifies the assertion of Kotler that 'customer is the king'.

Kotler has also emphasized on achieving sustainable growth which is demonstrated by the performance of Aldi in the UK grocery market. The diverse needs of the society is catered along with the stakeholder's interest is also preserved.

Furthermore, from a marketing perspective, the story about Aldi reveals that critical success factor in the retail sector is embedded in a simple but holistic approach.

Unlike its mainstream rivals Tesco, Sainsbury etc, the German retailer thrives on displaying limited items in its stores to increase more visibility of its products.

As the market is dictated by the customers, the perception building phase is absolutely critical for attaining sustainable success (Thompson and Martin, 2010).

For instance, as the perception of Aldi as a discounter offering good quality

products has been imprinted in the UK market, the competitive pressure on the rival increases significantly.

Additionally, the significance of supply chain is important for effective management in the retail sector (Sorescu et al. 2011). This has been asserted in the article under investigation.

It is for this reason that Aldi now develops its own labels at a reasonable price which are able to respond to the diverse needs of the customers.

At the same time, Aldi is more able to transform its supply chain in accordance with demand which is a significant factor of success.

The recession has also contributed to the success of Aldi. As customers have less to spend, they become a natural ally to the discounters (Grant, 2010).

Therefore, by closely monitoring the marketing approach of Aldi in the UK market, it can be construed that the retailer was swift in attaining the first mover advantage.

The foremost rivals like Tesco and Sainsbury were under the impression that their reputation and equity in the market will not be eroded by a discounter.

The switching cost in the retail sector is very low (Gielens & Dekimpe, 2007); for that reason customer look for bargain deals and loyalty effect may not be easily attained (Stanton, 2009).

Aldi demonstrates how effective segmentation through price can reap rewards. For instance, the 'like to like products' category offered at reasonable price can enhance the customer engagement with the retailer (Gapper, 2009).

A vital element is to attain the economies of scale and it can be achieved on a consistent basis when the firm is able to investigate in the varying needs of

the consumer segments (Bose, 2010).

Philip Kotler emphasize on creating synergy between the marketing mix elements. The strategy of Aldi is a testimony that convenience of customers is the top priority in leveraging the marketing mix elements. This is only attainable if the supply chain is properly administered (Dvorak, 2009).

The notion of becoming a specialist is confirmed by the strategy of Aldi which is essential to enhance the reputation and equity of the retailer. The reputation increases customer satisfaction and impact the market share of the firm.

The sales figure for October 2014 outlines the growing reputation of Aldi.

GN (2014) demonstrates that sales increased by 27% for Aldi where other competitors struggled to make a considerable impact.

The sales figure signifies that the consumers are paying considerably less for a representative grocery basket.

A very significant aspect is the service strategy of the retailer. It has been pointed out in the article that Aldi will introduce the acceptance of credit cards for the first time.

This particular strategy is imperative to create a more viable paradigm for the customers to enhance customer relationship management (Buttle, 2004).

Ferrell & Hartline (2012) outline that it must be remembered that price is simply an element of the marketing mix. The success lies in making the customers believe that they are spending to get value, not products.

Conclusion:

The research reveals that an efficient marketing strategy entails several factors to be properly incorporated as customers have more information and choices about the availability of products and services.

The value proposition should exceed the expectations of the customers to accomplish the corporate objective.

At the same time, the successful operations of the retailers are heavily reliant on synergising its internal capabilities to confront the rigors of competition.

A very important aspect is the capacity of the retailer to anticipate the future trends in identifying new prospective markets and devise strategies that are in accordance with the needs of the customer segments.

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