

# Aldi case analysis

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ALDI Case Analysis of the al Affiliation ALDI case analysis Aldi, a German based retailer store, have grown through leaps and bounds since its inception in 1948. The company has managed to reach international markets such as Netherlands, United States, United Kingdom and many other states opening vast branches country wide. A competitor, Wal-Mart has just arrived in the market and has experienced a phenomenal growth both in size and profits margin. The current statistics shows that Aldi is no match to Wall-mart (Wells & Haglock, 2008).

Certainly, the strategies used are different. While at some point they would resemble such as on frugality, Wal-Mart have more superior strategies. For instance, the company has managed to integrate information technology in its operations improving efficiency and at the same time spending heavily on advertisements (Wells & Haglock, 2008). This one area where Aldi have failed making the company less known compared to Wal-Mart.

In this case, Aldi ambitious plans to locate new stores globally should be guided more by the move of the main competitor. For instance, opening to areas where Wal-Mart has stores will open the company for competition. The competition will stimulate their growth rather than being in areas where there is no competition (Porter, 2008).

According to Porters five forces model, there are factors that have likelihood of reducing the company overall productivity. Threats related to new entrants in the store line can challenge them just as Wal-Mart did. The company needs to have sound strategic plans to counter such issues.

Bargaining power that the suppliers have should be countered by a variety of supplier to outsource goods. Bargaining power that buyers have should

equally be countered through reduced costs to attract more customers.

Threats of substitute's goods can be countered by introducing a wide range of products (Porter, 2008).

#### Bibliography

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