

A swot and bcg matrix of morrison's retailer



**ASSIGN
BUSTER**

Marketing strategy is a method of focusing an organization's capabilities and resources toward a defined task which leads the organisation toward sale promotion and target marketing place. Marketing strategies are the combination of product promotion, distribution, pricing, relationship management and other elements; identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated timeframe.

Marketing strategies are concluding the target market segments, positioning, marketing mix, and allocation of resources.

In recent years, several conceptual frameworks have been developed to better understand the processes of strategy formulation, and for such processes, the term "strategic marketing" is used to describe the decisions taken to develop long-run strategies for survival and growth

About Morrisons

We are the UK's fourth largest food retailer with 403 stores. Our business is mainly food and grocery – the weekly shop. Uniquely we source and process most of the fresh food that we sell through our own manufacturing facilities, giving us close control over provenance and quality; and we have more people preparing more food in store than any other retailer.

Every week nine million customers pass through our doors and 124, 000 colleagues across the business work hard each day to deliver great service to them. With competitive prices and hundreds of special offers, we are proud to save our customers money every day.

Definition of Strategic Marketing

Marketing Strategy is a process that can allow an organization to concentrate its limited resources on the greatest opportunities to increase sales and achieve a sustainable competitive advantage. (Baker & Michael 2008)

Principles of marketing strategies

People Oriented Marketing

The purpose of marketing strategies is to create the added advantage of the company. The strategies that are supported to the customer orientation is the most important one because the customer is the king of market.

The Cost Of Something Is What You Give Up To Get It.

Marketing strategies are planned according to the pricing of their products. Company set their pricing that are supported their products and customer are likely to buy it.

Reward System Strategies

Strategies are prepared to satisfy the customer and employees. Bonus Cards, loyalty cards are the rewards that organisation gives to their customers just to retain them.

Competitive Advantages

Marketing strategies are prepared according to the competitive advantage of the competitor.

Marker Base Assets

Marketing strategies are supported to the brand name, brand image, company name and then cash them to gain advantage.

Vision of Morrisons

‘ food specialist for everyone’

Food specialist

We really understand food...

we know where it comes from;

we pack it and make it in our factories;

we make it in our stores; and

we employ craft skills in every store.

For everyone

Great food which is also:

great value; and

for every day, not just special days.

This vision is supported by our brand values and strategic objectives.

Brand value

Our brand values are important to delivering our strategy and underpin all our strategic objectives. Fresh, Value and Service are discussed in the right-hand box above.

SMART Analysis:

SMART is an acronym which tells us that when ever we set any companies objectives they should be

, S = Specific

M= Measurable

A = Actionable or Achievable

R = Realistic

T = Time Frame

Morrisons strategy

Keeping things simple: Our vision to be the ' Food Specialist for Everyone' is now well advanced. Our constant focus on freshness, great value and outstanding service is appealing to more and more people. And we're now closer to more customers, having opened 43 new stores last year.

Morrisons share of UK grocery market

For the financial year 2009/10 the grocery market was worth £90. 2bn, an increase of 4. 7%.

Morrison's market share continues to increase as we move from National to Nationwide.

Morrisons market share(percentage %)

2007

2008

2009

2010

11. 9

12. 1

12. 3

12. 6

Morrisons share of grocers UK 2010

(percentage %)

A.

Morrisons

12. 6%

B.

Tesco, Asda, Sainsbury's (combined)

63. 5%

C.

Premium (combined)

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5. 8%

D.

Discounters and others (combined)

Morrisons market share growth was greater than the total market growth year-on-year and as a result we grew market share. The top four supermarkets combined accounted for around 76% of the market.

(Source: Kantar Worldpanel)

Market share growth in 2009/10

(Percentage %)

SWOT Analysis

SWOT analysis is the technique to understand the internal and external analysis of the company that tell companies strength, weaknesses, opportunities and threat of the company.

STRENGTH

Market share growth in 2009/10

Store estate development

Acquisition of co-operative stores

Opening of 34 new stores

Food specialist

Specialist in food

Owen supply chain

Own distribution channel

Morrison form for food

Owen packing factories

Instore preparation of food

Quickest turnaround time between order and delivery

Employees education programme (MBA)

WEEKNESSES

Lack of the customers trust

Very less number of stores

Less Advertisement

Little bit high pricing

OPPORTUNITY

Home Delivery

extension of small stores to cover the more customers

start the new business line as Morrisons pharmacy

Move into non-food retailing in the UK.

Entry into new retail segments, such as drugstores, department stores, speciality units

Increase the number of stores to cover the more population areas

THREAT

Low pricing of competitors

Communication is weak

High competition

Open market for entering new competitors

Purchasing of co-operative store are not maintain Morrisons standard

Uncertainty will affect the sale and profitability of the company

Competitive Analysis

Competitive analysis conducted for the comparison of company to the other different companies/ competitors. It tells the company that where their products are and where the other have, they are in the good position are their competitor. Competitive analysis is tells advantages and the weaknesses of the companies over the competitors.

Morrisons have strong competition with Tesco, ASDA, and Sainsbury etc.

Boston Consulting Group Matrix

Star

High growth business or products that competing the market where they have competitive advantage/ edge as compare to the competitor. Normally

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heavy investments are required to exist in the market. Morrison may not fall in this part of the matrix.

Cash Cows

Business growth is low or product having relative market share. There is normally low business and little investment is required to retain in the market. Good leadership and strategies are required for growth. Morrisons is in this area of matrix.

Question mark

Business or product have low market share but exist in the high growth market. Businesses in this area are required high investment but they have potential to grow high. Management have to make some growth strategies that Morrison have done and now in the growth position of the market.

Dogs

Businesses or products have low market share and unattractive market. Business fall in this area may generate profit to come on breakeven point.

Pricing strategies

There are number of pricing strategies that companies used in according to their purpose that are fit and matched with objectives and goals. The strategies are:

Premium Pricing

Economy Pricing

Penetration Pricing

Psychological Pricing

Skimming Pricing

Captive Product Pricing

Product Bundle Pricing

Promotional Pricing

Geographical Pricing

Morrisons are used various pricing strategies from the above mentioned strategies.

Economy Pricing

Morrisons are using this strategy in their products that are daily use items. All most all the grocery items are under economy pricing scheme.

Psychological Pricing

Morrisons are also adopting this pricing technique just for psychological impact on the customers. For example 99P

Promotional Pricing

Morrisons are using this strategy for promotional items.

Example: buy 1 get one free or two item 2 pound etc.

STP Strategies

STP is another type of marketing strategies that companies kept in mind while formulating its marketing strategies. STP stands for

S- Segmentation

T- Target

P- Positioning

Segmentation

Demographical

Geographical

Psychological

Behavioural

Geographical

Company divided its area into different parts than these subareas are also divided into regions. Morrisons have divided its UK market into 4 parts that are the states then these are divided into cities and then cities are divided its sides like central, north, east, west, northwest etc.

Distribution and channel strategies

Morrisons have their own distribution channel that is use to deliver its products to the retail stores for the end use of customers. Fresh foods are taken from own forms than they distribute to the concern factory for packing and finally distribute to the retail stores effective and efficient use of the supply chain management.