

Scanning the environment db



**ASSIGN
BUSTER**

Environment DB Demographic and Socio-Economic Trends Typically observed demographic trends indicate that there is a high proportion of obese adults and children which is leading to many acute and chronic ailments among people. This has led to a high demand for health foods or low fat foods. Also it is observed that with increasing busy schedules of people, there is a tendency to do shopping (including grocery) mostly during weekends or once a month. The strategy adopted by Amazon Grocery is considering the above demographic trends in order to cash on the high demand for non perishable and healthy foods.

At the same time, there is an increased preference by people for cheap and low cost items considering reduced socio-economic standards of most classes of people, reduced per capita income and relative propensity to spend. However, people may typically not want to compromise too much on cost for food items. These socio-economic trends in population has resulted in Aldi's strategy for high quality and low cost food products.

Strategy affected by Television / Internet Advertisement

The amount of television and internet advertisements for their respective products from Amazon and Aldi's will be a part of the marketing strategy of these companies. The target customer segments, their demographics and behavioral trends will determine the mode and volume of television and internet advertisements. It can be observed that the people having obesity problems tend to live a sedentary lifestyle with more number of hours in front of televisions or computers. No such observation can be made for target customers for high quality foods. Hence, in case of Amazon the amount of television and internet advertisements will be more as compared to Aldi's.

Comparative Positioning

While both, Amazon and Aldi's may have their advantages and disadvantages, considering their strategies, Amazon seems to be better positioned than Aldi's. The main reason for this being focused on a particular target customer segment i. e. obese people or health conscious people, whereas the high quality food products from Aldi's may not have a specific target customer with definite needs. Any segment of customers can consume Aldi's. Such a focused target customer base also provides Amazon an opportunity to leverage focused advertisements on televisions and internet which will definitely be viewed by the target customer segment of Amazon.

Recommended Strategy for our Company

Considering the above factors, it would be reasonable for our company to focus on " high quality health foods at low cost". This would provide our company both advantages of having a focused target customer segment as well as will provide customer appeal due to low cost. However, our company should focus not just on non perishable food items, but would also include perishable food items which of high quality and healthy.

Strategy supporting " Corporate Citizen" Image

As part of providing a product mix for high quality healthy foods at low cost, we can also include food products which are organic, which have been produced in an environment friendly manner and whose production methods would have been " Green" compliant. Our company could also use packaging which is in recyclable wrapping causing less environmental damage. All these measures with our company strategy would assist in supporting a " Corporate Citizen" image within the society

References

1. Fred David (2007). Book on Strategic Management: Concepts and Cases
11th, Edition by Fred R. David