

Po marketing report



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DIARY 22 BIBLIOGRAPHY 23 INTRODUCTION We have been asked to look at the marketing environment for Planet Organic, a supermarket chain in London.

“Our simple truth is that foods should be natural and wholesome. We advocate that food be authentic and ethical, freshly prepared and tasty”

not a mere convenience.” (www.planetorganic.com) Planet Organic has only five stores, all of them in London and a growing online following.

These stores are located in the affluent West End and north London. Planet Organic markets itself as an ethically sourced, fresh, organic foods store, sourcing locally where possible from known suppliers. The term organic refers to the way the crops and livestock are fed, medicated, and cared for and recently has grown to encompass caring for the environment. Where possible, Planet Organic sources its produce from local farmers and suppliers, enabling traceability of produce.

This full supply chain knowledge coupled with organically grown methods sees Planet Organic in a small but growing niche in the marketplace that the larger superstores have been slow to exploit. Although this section of the marketplace is growing, the terms ethical and organic cannot be directly correlated with superior tasting food. What we would expect to find is a positive correlation between the price of food and the quality. What is plausible in this situation is that a higher price is demanded due to a smaller

crop, for a product that is no more nutritious, due to the fact that no fertiliser or pesticides were used.

Although there is circumstantial evidence of the benefits of organically grown food it appears customers are still willing to pay the premium prices it costs to produce them. This cannot be applied across the whole sector as Planet Organics stores are in the wealthiest part of the wealthiest city in UK. We will look at the micro environment, (internal factors that contribute to the success and failure of the company). These factors are company management, the supply of materials/goods, intermediaries, customer markets, competitors, and the public. How the company is managed from day to day will set the atmosphere amongst the staff, determining whether they will be friendly and helpful to customers, or rude and disobedient.

This can greatly affect the efficiency and therefore turnover of the company. The suppliers are a vital link and need to be very reliable but with the minimum cost possible. The problems of supply we would expect with a company like Planet Organic is reliability of above average produce even out of season. We will look at the relationship between Planet Organic and their producers/suppliers.

The intermediaries affecting Planet Organic ability to sell, (if outsourced), could be the effectiveness of the web page in delivering the wanted impression of the product, the delivery of the product on time and fresh, and the reliability of the research into the intended market. The customer markets are the most important factor influencing a retailer. Adequate research is essential in determining exactly what the customer wants, and

how much they are willing to pay for it. A fluid, ever changing approach is needed to keep the company attractive and competitive in an oligopoly marketplace such as the UK. For example, if the UK economy continues to remain in recession, the numbers of customers willing to pay a higher price for organically grown foods might fall, as well as the amount those customers are willing to spend. We will look at the competition within the foods retail sector, seeing areas of opportunity and areas to avoid. The public opinion is of great value to a retail company.

This can determine the perceived ethos of a retailer, a very important factor in the healthy organic foods marketplace. We will look at the macro environment (external factors that affect the running of the company).

Factors that affect the macro environment are political, economical, sociological, technological, environmental, and legal. We will look at the role the authorities/ government play in the development and competition within the marketplace. Whether they interfere or take a hand of approach, and local authority??™s ability, and willingness to cater for new food retailers.

Economical conditions correlate to the amount of money the general public have to spend, thus the amount the company can expect to turnover.

Whether the locations of the London store can improve the outlook will be seen. The sociological affects on Planet Organic could be a changing demography within the local area.

For example this could be a younger population that is less willing/ able to spend more money on higher end products. The technology used to prove that organically grown foods are healthier and more nutritional may improve in the future. This in turn would lead to a greater awareness of organic foods.

Technology can also have an impact on the efficiency of customer service, stock levels, and advertising.

Environmental conditions where the foods are grown can determine the type, amount and quality of the produce, an important factor when keeping food miles to a minimum. Also, increasing environmental awareness might be beneficial to the ethical foods sector. Environmental conditions can also affect the planning process for new large superstores, as many new stores are built on flood plains and areas previously unused. This is tied into the local authority's decision making, of weighing up the economical benefits to the environmental impacts of such stores.

The legal affects on the company are numerous, including, health and safety, copyright, liability insurance. We will undertake a SWOT analysis of Planet Organic, determining its strengths and weaknesses, opportunities and threats. We would expect, in the high end foods sector, that some strengths and weaknesses are only applicable to certain demographic groups. If a customer from Warwick Avenue is willing to spend ? 5 on a salad because it is organic and healthy they probably see this as strength. On the other hand a customer from Dalston might see this as weakness as other stores sell salads cheaper.

Depending on what the customers want determines their view of what are strengths and weaknesses. Opportunities and threats to the company could include an unreliable and difficult employee. A manager would see this as a threat to the ethos and atmosphere in the store and amongst the staff. But the same manager could see this as an opportunity to employ an

enthusiastic, polite and gregarious individual who is keen on learning and reliable.

Threats to Planet Organic could come in the form of competition in the high street and online. If Planet Organic is successful, it will gain attention from the larger branded stores, increasing competition within the small but growing organic marketplace. REVIEW OF MICRO ENVIRONMENT Micro environment is the internal factors within the company which provide a theoretical structure or strategy for the way the company operates.

Factors include The Company, Suppliers, Intermediaries, Customers, Competitors and Publics. The Company Planet Organic is Britain's first eco friendly supermarket which sells naturally grown produce to those who want to know what they are eating. (PlanetOrganic. com 2009) The company currently consists of five stores being based in Fulham, Muswell Hill, Islington, Torrington Place and Westbourne Grove all of which are located in London.

Planet Organic do not sell everything organic, some foods aren't available organically, in which case we sell natural foods, which comply with our strict product standard (PlanetOrganic. com 2009). However, if organic alternatives become available Planet Organic will de-list these natural products (PlanetOrganic. com 2009) in order to maintain high organic standards. Planet Organics main focus is to keep in contact with their suppliers on a daily basis in order to provide top quality organic goods to their customers. The five stores are well laid out and organized just walk into any Planet Organic branch and you'll find a store dedicated to

providing you with fresh wholesome and organic food. A friendly team, a neighbourhood atmosphere and the ultimate in taste and nutrition are on hand.??™ (PlanetOrganic.

com 2009)SuppliersIn order for a company to become successful as well as satisfying customer needs it is vital to ensure there is a constant flow of communication within the company but most importantly with its suppliers. What Planet Organic do best is working together with their ??? farmers, bakers, producers, manufacturers and other suppliers??™ (PlanetOrganic. com 2009) in order to maintain the high standards of good quality products to their target market for their satisfaction. By interacting and applying close communication, it is essential for Planet Organic to acknowledge that things are operating smoothly and that their suppliers can offer quality product at a reasonable price. Marketing IntermediariesMarketing Intermediaries is a strategy in which it helps promote, sell and distribute company??™s goods to the final buyer. In this case as Planet Organic is a niche business there are a small number of Marketing Intermediaries that are involved.

For example ??? Planet Organic has built up an impressive online presence??™ (Yopensource. com 2009) which will allow customer to purchase Planet Organic products from the comfort of their home. With the online service it allows Planet Organic to promote new and upcoming products to their customers along with the attraction of special offers and the opportunity to receive newsletters by signing up to Planet Organic online. In the other hand Planet Organic has also established a few profile pages on social networking sites such as Facebook, Twitter and on YouTube as this is an inexpensive, effortless and effective method to magnetize new customers together with

first class promotion. Planet Organic also works with physical distribution firms in which it helps companies to stock and move company goods to different destinations and to their customers. The magnitude of physical distribution is also based on its relevance to customer satisfaction.

Marketing service agency??™ s??™ handle all aspects of the advertising process which includes planning, design, production, and placement. The agency also works with companies to help target and promote products to the markets. Planet Organic is a small organisation that contributes and concentrates on organic and natural foods products. It has the ability to pinpoint their target market and fulfilling the wants and needs of the market in the future which allows them to stand out from their competitors.

Planet Organic take advantage of using financial intermediaries to certify that they are protected from any kind of threats that would interfere with buying and selling goods. CustomersCustomers are essential to firm??™ s especially loyal customers as they are the lifeblood of businesses however, over the years customers needs and wants are constantly changing together with their expectations of the quality of the service that they demand. It is therefore, vital that businesses understand and acknowledge these needs and wants of their customers in order to provide them with top quality products along with first class services. With Planet Organic sticking to a small store mentality, this allows the stores to develop a personal relationship with customers along with customer care at heart creating customer value and also allowing Planet Organic Market to source and stock the products customers may need or may have interest in. In other words, Planet Organic operates in a culture that puts their customers first as they

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are the real ambassadors in what they do, for example, this can be shown by the company attending ??? trade shows to find the best new products??™ (PlanetOrganic. com 2009) to bring to their customers in all their stores as well as working ??? together to create first class recipes.

??™ (PlanetOrganic. com 2009)Being a niche business Planet Organic success can be attributed to their ability to recognise and satisfy the needs and wants of their target market through analysing and understanding about their different markets. Markets include consumer markets, business markets, reseller markets, government markets and international markets. As a result Planet Organic has developed a strong customer value chain which draws the attraction for buyers to stay loyal at Planet Organic.

CompetitorsThe supermarket industry is a vast industry which is made up of several companies. All companies are trying to achieve one goal which is to stand out from each other by delivering the most excellent customer value and satisfaction than its fellow contenders. However, customers will make evaluation between which company has the best offer and will also listen to competitors messages. Therefore, companies have to monitor the current actions that their rivals are undertaking as well as to try and predict what they will do in the future.

The UK supermarket industry is extremely competitive with a few businesses said to dominate the market such as the four major chains, Tesco, Asda, Sainsbury??™s and Morrison??™s. The main competitors for Planet Organic are companies who also distribute Organic goods which nowadays all supermarkets supply organic products at different prices. As a result this is a

disadvantage for Planet Organic as they are a niche business which only operates in London.

However Planet Organic stays ahead of its rivals as their ??? objective is to sell organic wherever possible and over time??™ (PlanetOrganic. com 2009) and by constantly discovering new healthy and organic products, it sets them apart from the contenders in the eyes of their customers. So far, Planet Organic has only ??? achieved 100% organic??™ (PlanetOrganic. com2009) in the following food categories which are fruit and vegetables, ??? food to go??™ hot and cold food prepared by Planet Organic, juices and coffees, 100% British meats, 100% Soil Association certified eggs, baby food, chocolates, wine and beers, pasta sauces, dried beans and pulses, herbs and spices, mustard, pickles and chutneys also followed by cordials. Planet Organic has gained a great advantage over its rivals being able to provide more organic products than any other companies in the supermarket sector and endlessly going beyond their customer??™s expectations. PublicsPublics are groups of people that have an interest or impact on the companys efforts to achieve its goals. There are different type of publics and each of them has their own needs and wants in which Planet Organic has to fulfil in order to retain an optimistic image.

Publics consist of financial publics, media publics, government publics, citizen action publics, local publics, general publics and internal publics. The different types of publics can influence the ability of a company to achieve their objectives and meet their demands. To maintain a customer lifetime value Planet Organic relies on their public image.

Customer lifetime value would give Planet Organic the ability to control their target market also allowing Planet Organic to build long term profits. As a result Planet Organic works hard to keep up goodwill in which they can produce the desired response when they need to rely on whichever type of public.

REVIEW OF MACRO ENVIRONMENT

Major external and uncontrollable factors that influence an organizations decision making, and affect its performance and strategies. There are six major macro environment forces: cultural, demographic, economic, natural, political, and technological

NATURAL ENVIRONMENT

Involves all the natural resources, such as raw materials or energy sources, needed by or affected by marketers and marketing activities, For instance, the awareness of health consciousness has stimulated the public to concentrate on healthy food products with natural ingredients rather than artificial. Organic planet farming produces plant and animal foods without the excessive use of chemicals. It focuses on using fertile soil along with a variety of crops to maintain healthy growing conditions which produce a food with more nutrients and less chemicals than typical commercial foods.

Planet organic prohibits the growing of GM foods, a controversial issue among commercial growers. Animals reared on organic farms are treated properly with room to behave like animals and are fed healthy food sources not laden with drugs and other chemicals. Planet Organic farming is considered sustainable farming. The workers and the animals are not as exposed to dangerous toxins or working and living conditions. This enables people to continue growing healthy foods for the rest of society without reliance on huge machinery and chemicals. The animals raised on organic

farms are not subject to the terrible living conditions imposed on commercially reared animals that often live in exceedingly small spaces without the freedom to move or interact. These unhealthy conditions lead to a spreading of illness which is combated with regular doses of antibiotics.

On organic farms the animals needs are given priority. Healthy food, clean living conditions and freedom to behave like animals means healthier animals. When animals are sick they are cared for individually according to their actual needs. Organic, sustainable farming protects humans, animals and the environment. Increasing the demand for organic products will encourage this form of farming and ensure that the food supply available to our children is a healthy one. CULTURAL ENVIRONMENTThe cultural environment includes institutions and other forces that affect the basic values, behaviours, and preferences of the society-all of which have an effect on consumer marketing decisions. Innovation is one of the major drivers of the food market and innovation itself is driven by broader cultural environment towards convenience and towards healthier eating has helped reshape the UK food sector over the past decade.

UK eating habits have received massive attention, as has the manner in which food is produced we are what we eat, and how we move our food from field to table has a real impact on the planet and on the lives of food producers. Organic foods have really focused on how the animals, plant and humans are treated for their method of production. Customers had a habit of eating from hi-fi restaurants, having a superstition that they are having a proper healthy meal. But actually they are eating the same crap and paying a higher price. It is experienced in the whole U. K that the public prefers

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eating all the heavy and well presented high cholesterol meals from outside rather than cooking at home. But organic food has potentially benefited consumers as they opt to cook quality meals at home instead of eating out; the hospitality sector is generally the first to suffer during times of financial turmoil.

Planet Organic is originated from Canada and after that it opened its branches in the U. S. A. In 1995 this company was launched in the U. K providing the public with its culture. Since then, Planet Organic has changed the customer awareness about their health by providing them information through technology they have brought a considerable amount of change in the thinking of customer selection of food.

They are shifting towards organic products as they are healthy, non-artificial and they also help the environment to keep green. Increasing demand of a particular product requires the supplier to grow them quickly in order to meet the demand. But when the product called free range eggs was introduced in the market and the public understood that the chicken are fed accordingly and they are not harmed in free range they actually were attracted to this product irrespective of the price. With the introduction of free range eggs by Planet Organic not only helped the environment but they also changed the culture by forcing people think about the animals. They also started to cook breakfast at home rather than going outside to eat for breakfast as this offered them a good taste with natural ingredients.

So Planet Organic has changed the culture of the general public.

DEMOGRAPHIC ENVIRONMENTThe demographic environment includes the

study of human populations in terms of size, density, location, age, sex, race, occupation, and other statistical information. The popularity among the old age consumers is positively for the organic food with greater interest in provenance, and organic in particular. However, the food retailer called planet organic is less prevalent in young shoppers. The population between ??? 24-35??? is now becoming aware of the health precautions. The graph below shows the population trend by age.

Figure 1: UK population trends by age, 2003-13 Source: GAD/Mintel Planet organic offers variety of products to every kind of age groups. They have some great organically grown foods to buy are apples, grapes (imported), nectarines, bell peppers, celery, potatoes and spinach. There are even many other foods coming to market as organic foods such as eggs, cheese, yogurt, ice cream, milk, juice, bread, soup, meat, nuts, pasta and many baby foods.

Even though the food is quite expensive this does not allow every consumer to afford having a low salary. But after spreading the awareness and health precautions they have become better established in their careers which help them to afford expensive food. TECHNOLOGICAL ENVIRONMENT Innovation and improvement have had a profound effect on areas of marketing. Internet has broadened the channels of communication and distribution. The production of adverts has analysed the customer information about the new products in the market.

Media attention on environmental matters has grown substantially in recent years. The publication of the Stern Report into the impact of climate change has focused attention on the responsibility of the government, business and

the individual in reducing carbon emissions and following a more sustainable model of living. The multiple grocery retailers have stated their intentions to facilitate change in consumer behaviour and bring ethical buying into the mainstream. Currently consumers appear to be happy to make green choices when there is little difficulty or compromise in doing so, for example by switching to low-energy light bulbs, but they need greater encouragement to make the planet-saving switches to a fundamentally greener way of living. Planet Organic already had a strong online presence but lacked any form of online retailing to capitalize ??“ missing a huge volume of potential sales from target customers that identified with the brand but did not have access to a retail outlet. It was clear that online retail was required and Magenta was recommended for two core attributes; cost effectiveness and flexibility. Cost is an important factor; whilst Planet are an established and successful business, any serious ecommerce operation requires a significant investment in front and back office systems ??“ and that investment needs to be as cost efficient as possible to provide the fastest possible return. Under those conditions Magneto??™s functionality vs.

pricing dynamic made it the only realistic choice. Secondly, flexibility was (and will continue to be) important to the project for a number of reasons, not least that the site roadmap has to retain the ability to be genuinely adaptable. Planet Organic has thrived on being adaptable and responsive to changing market conditions and environmental considerations; therefore the ecommerce platform must retain the ability to respond accordingly. This flexibility will help keep them at the forefront of their sector

ECONOMIC ENVIRONMENT It covers the aspects which affect the structure of cost and

availability of money for marketing investment in stock and new products. The combination of major food inflation, economic difficulties and rising utility bills in the UK offers challenging times for premium food categories such as organic. As the current conditions prevail, all shoppers are starting to feel the inflationary effects on their everyday purchases. Opinion is split on the potential impact of the credit crunch. Some claim that ethical purchasing behaviour is too ingrained for organic enthusiasts to abandon it overnight.

Many organic brands have aimed to protect their sales against recession by focusing on quality, as well as their products' organic status. In addition, the price differential between standard and organic produce has narrowed in some categories. Organic foods could also potentially benefit if consumers opt to cook quality meals at home instead of eating out; the hospitality sector is generally the first to suffer during times of financial turmoil.

However, many sales reports suggest that the category is already taking a hit. Organic box scheme sales are said to have fallen by between 10% and 20% year-on-year as at summer 2008, while Whole Foods Market, The Natural Kitchen and Farmers City Market are all struggling. Tesco, Sainsbury's, Waitrose, Asda and the Co-op have all run organic promotions in August and/or September 2008 to reinvigorate. The sales of planet organic in Canada and the U. S. A have risen in the second quarter despite the economic downturn which fears eating into high-ends of organic sales. But, according to the British farm paper? Farmers Weekly,? market research firm IGD last week reported the percentage of U.

K. grocery shoppers buying organic food dropping from near 25 per cent down to 19 per cent in 2008. POLITICAL ENVIRONMENT

The political environment includes all laws, government agencies, and lobbying groups that influence or restrict individuals or organizations in the society.

Increasing globalization, presents a challenge as well as an opportunity to Planet organic. The challenge will be to compete against unknown forces and to source the best quality/financially viable products from world over. Planet organic can enter the markets of emerging companies through joint ventures or partnerships to explore these new markets, although it does not have any plans on the horizon to do so. The ongoing investigation of price fixing amongst the big four retailers within the UK can have some negative impact to the industry in general and Planet organic in particular, as it has different variety altogether to offer the customers. Although Planet organic is the largest organic food seller and has started to gain a standard among consumers, but these allegations can lead to a negative public image as the consumers might feel cheated.

Concerning environmental protection the industry has to be aware of several legislation e. g. laws concerning emission or waste disposal. Food, so as non-food retailers will be influenced by the forthcoming waste management regulations proposed by EPA (Environmental Protection Agency), this has increased the cost of planet organic. Other political factor which may cause problem for planet organic in their e-business, due to too high fees and too complex regulations introduced by the government of the UK and EU compared to other countries such as the USA. In the UK, the Government is to decrease the rate of corporation tax from 30% to 28%, which will save big

companies like Sainsburys or Marks and Spencer??™ s significant sums of money. SWOT ANALYSIS??? Planet organic believes in ethical and sustainable farming and place great emphasis on the origin of their entire product???.

Below is the conducted swot analysis for planet organic. Strengths: One of the strengths of planet organic can be said to be the quality of their products. Planet organic believe that food should be ??? natural and awesome??? so they ??? source from ethical producers???.

planet organic work to make sure they sustain a healthy relationship with their external staffs such as; farmers, producers, bakers and all other suppliers as well as their internal staffs. (www. planetorganic. com).

Secondly, planet organic sells variety of products from ??? fresh fruits and vegetables to pastas, coffees to fresh meat, from wine to health and body care in addition to baby products.??? Their stretched range of product makes it possible for customers carry out their complete home shopping there without having to go else where.

Unlike ??? chic- brand products that may contain chemicals that are not usually disclosed in labels???, Planet organic thoroughly look for good value natural body care from shampoos to deodorants, tooth paste to shower gels that they guarantee to keep your skin healthy. (www. planetorganic. com).

Planet organic is based online, this means customers can shop at their own convenience. Having an online market does not only benefit the customers but also the business.

By being based online, planet organic saves on shop payment which allows them the extra money to support their suppliers and reduce cost which all in

all create better price for customers. Planet organic provides customers with free deliveries on orders >= 30 (www. planetorganic. com). and above unlike organic retailers like Abel & Cole asking for a minimum of >= 50 (www. Abelandcole.

co. uk) or normal retailers like Waitrose who also charge >= 50 (www. waitrose. co. uk) . providing free deliveries for customers is an extra treat to customers as it shows that planet organic think well of their customers and they make an effort help customers in little ways they usually makes a big difference.

Weaknesses One of planet organic weaknesses is their price. Although organic products are usually on the expensive side, planet organic is quite expensive compared to other shops with organic product. For example

Products	Planet organic	cheapest	Waitrose	Abel and Cole organic
Breakfast cereal	>= 4. 39	>= 2. 06	>= 1. 99	>= 1. 09

Organic cane sugar	>= 1. 39	>= 0. 93	>= 1. 09
Organic white wine	>= 6. 99	>= 5. 69	>= 5. 99

Sparkling wine	>= 7. 99	>= 4. 50	>= 5. 99
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ALL PURPOSE CLEANER	>= 2. 69	>= 2. 29
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(www. planetorganic. com).

(www. waitrose. co. uk) | >= 2, 29 (www. Abelandcole. co. uk) | This goes to say that even within organic product from both organic based shops such as; ABEL & COLE and Waitrose who specialises not only on organic, planet organic still is the most expensive, this might make people a bit more reluctant to shop from there.

Though being an online market is an advantage to a certain extent to planet organic, it can also be said to be a disadvantage. This is mainly because, planet organic only own four shops which are located at Muswell, Islington, Torrington place and Westbourne. For the purpose of convenience planet organic shops are rather far away for most of the UK population. In situations where customers need certain product straight away, planet organic may not be their first choice for the reason that, if they order online, it may perhaps take relatively long to get delivered. Also the location of the shops would be too distant reach especially if there's no car in question.

This would be a discouraging state for that customer as a result they would be forced to go to shops closer to them to get whatever product/products they need. Since organic products are preservative free, food products not sold on time would go straight to waste as they wouldn't last as long on shelves compared to products with preservatives. Opportunities One of the promising opportunities for planet organic is their plan to open new shops all around the country. (Phone conversation with a planet organic staff. November 2nd 2009) Planet organic is very pleased with their current position, and is working hard to keep it going. However, they are making plans on improvement and one of the biggest ideas is opening more shops. (Phone conversation with a planet organic staff. November 2nd 2009) an idea that would increase their current market. Another possible opportunity for Planet organic can be starting a new market of providing organic products to shops like Sainsbury and Waitrose.

as planet organic only trade organic product, they can open a new market by being suppliers to retailers such as Sainsbury and Waitrose since they only

have a diminutive section of organic products compared to planet organic. By doing this planet organic do not only gain recognition being retailers, also for being suppliers. Starting with one or two retailer??™ s means they can observe closely on the market and as a result decide to create new opportunity by increasing the amount of retailers they supply to which would broaden their arisen. Planet organic can also make a move of owning their own farms, meaning they can grow their own product and be totally in charge of everything that comes in and out of the shops.

Though this would mean they hold a bigger responsibility, it also means they can declare good value on all their products as they are the primary source. Planet organic can create awareness on organic products by using the media, creating awareness in the general public and letting them know about the benefit of organic products, planet organic can draw more people to organic which in other words bring them more customers. Threats For every business, their main threats are their competitors.

For planet organic, one on their threats would be Abel & Cole. Like planet organic, Abel & Cole focus on organic products. They are known to ??? source seasonal British food???, (www. Abelandcole. co. uk) which means they sell food product in season therefore chemical are not inserted to store them for later dates as they usually come straight from farms..

Example, strawberries are usually harvested may/June and are sold then while vegetables are harvested and sold during winter. With the cost of raw material rising due to credit crunch, food cost seems to be increasing. This implies that organic product would be even higher. With this, planet organic

would be threatened by other market as customers may decide to settle for non organic product which would be reasonably cheaper than organic.

People's attitude toward food changes over time especially with outside influences. At present, there are a lot of campaigns on organic products as people are constantly reminded of the benefit.

There's no guarantee that this publicity would last and if in any case organic product carry negative publicity such as example; organic products are not healthy because there's a certain bacteria discovered in farms, customers will be quick to move back to non organic product.

CONCLUSION From the research collected and analysed we can conclude that Planet Organic has placed itself in a small but growing niche within the organic foods sector. Planet Organics branding suggests that the store sells only organic products. This might be detrimental to the overall attraction of the store for customers who chose Planet Organic for its variation from the norm.

This choice to stock non organic products as well as health and baby products attracts customers who otherwise would go to a large superstore where all they need is available. This balance between offering the customer a choice of organic and non organic means the customer still has the option to purchase the cheap product as well as organic. As the global economy recovers people are likely to be more reserved with their money, therefore if the store sold just organic the company turnover would inevitable be lower, as impulse buys and essential non organic items would not be available. It is obvious in this circumstance that the suppliers are of vital importance in delivering products on time and at the lowest possible price, for the quality

demand. Plant Organics close ties with its farmers, processors, and suppliers have created a unique relationship in which some products are not purchased on the open market, but, by cooperation and planning, tailor made for Planet Organic. Although this seems ethical, 'green', and sustainable, it inevitably demands a higher price for the product. And with an increased investment one would expect an increase in profit margins.

The high prices being demanded for ethical, organic foods coupled with the increased profit margins, results in a food product that no longer looks essential, but more of a luxury. Although the interpretation of essential is up to the individual, with climate change and increased awareness of food security, it is becoming less socially acceptable for food retailers to purchase cheap foods from developing countries and transport food thousands of miles. Therefore, foods produced locally and ethically, with regards to the local economy, the wellbeing of the livestock and limiting the impact on the natural environment is being seen by an increasing percentage of the population as essential. While the UK foods retail sector is an oligopoly of Tesco, Asda, Sainsbury's and Morrison's the placement of Planet Organic within the market sees a large opportunity for expansion in the more affluent areas of the country, with the main competition coming from Abel & Cole, Waitrose and Marks & Spencer's. As it becomes more established and recognised as an alternative to the 'big four', Planet Organic will inevitably increase its capacity and turnover. This will attract the attention of the 'big four' and increase the competition within the niche created by Planet Organic. With inventive use of intermediaries for market research and promotions such as Facebook and Twitter Planet Organic is reaching

potential customers on a personal level, something yet to be seen from the ??? big four??™.

With technological improvements in customer communication via social sites, emails and advertising, Planet Organic has been successful in creating a close and loyal customer base with 159 fans of the Westbourne Grove store alone on Facebook. As the UK foods retail sector becomes ever increasingly dominated by a few retailers, Planet Organic will find its share of the organic market shrink due to the scale and pace at which the larger superstores can evolve to the ever changing demands of the marketplace.

DiaryWeek 1 (26/10/09)-we met up at the library to discuss about our report. We sat down and done research together on our company, the macro and micro environment and SWOT analysis and in order to ensure that everyone contributed to the report we decided that we divide the work so everyone had something to do.

We all had to do research and make notes on our individual parts of the report for the next group meeting. Week 2 (02/11/09)-met up again at the library to talk about our research and went through our notes. We then discussed about the layout of our report and agreed that all members should at least write up to 1500 words on their part. We did more research together and made notes to ensure that everyone understands the work and the main factors. We had to write up a plan for our divided parts stating what we going to write about and what we should include.

Week 3 (09/11/09)-we went through our individual parts as a group discussing the quality of it and what should we included to make it better.

We sat altering and adding bits and bobs in order to make it perfect. Week 4 (16/11/09)-We sat down together in the library going through our report and discussed about our conclusion. After discussing we agreed on our conclusion and typed it up. Week 5 (23/11/09)-met up to finish off the remaining tasks, we went through the references together to ensure we had the right sources of information.

We printed off the cover sheet, filled in the information and ready to be handed in. REFERENCES/BIBLIOGRAPHYBOOKS; * Frances Brassington & Stephen Pettitt (2007) Essentials of Marketing 2nd Edition, Financial Times / Prentice Hall. * P.

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