

Aldi marketing mix

Business, Marketing



Lid's goal is simple; to provide our customers with the products they buy regularly and ensure that those products are of the highest possible quality at guaranteed low prices'. Lid's products are sourced from hand-picked suppliers whose products are sold under Lid's own brand labels. Marketing objectives Lid's mall marketing objective is to grow Its market share within the UK grocery market. With the economic crisis came an Increased demand for value for money. Market research Identified that 80% of Lid's customer base also shopped at other

Lid's marketing strategies therefore focus on generating customer loyalty. Laid focuses its marketing efforts on encouraging customers that are already familiar with the brand to shop at Laid more often. Another key focus of Lid's marketing strategy is on demonstrating that Laid brands are of equal quality to well known brands such as Heinz and Fairy Liquid. To do this Laid ran blind taste tests amongst a cross section of shoppers. These confirmed that the majority of consumers that liked the famous brands also liked Lid's brands.

These findings formed the basis to Lid's 'Like Brands' arresting campaign. This provided Laid with a platform to communicate its quality and value messages effectively. Lid's Immediate challenge for the 'Like Brands' campaign was to Increase market share from 2. 3% to 2. 5%. Although this sounds very little, the retail grocery market Is very large. A single 0. 1% Is worth an extra EYE million revenue. This case study focuses on the marketing strategies used by Laid to increase its market share and encourage loyal customers.

The marketing mix The Chartered Institute of Marketing describes the term marketing as the process responsible for identifying, anticipating and satisfying consumers requirements profitably. This places consumers at the heart of every organization. The marketing mix is often referred to as the four As. It involves creating a unique blend of the right product, sold at the right price, in the right place, using the most suitable methods of promotion. A marketing mix is a complex set of variables. The marketing mix of every business will be different.

Lid's mix focuses on providing high quality products that are cheaper alternatives to famous brands. Lid's marketing mix therefore focuses on:
Product - high quality 'Like Brands'. Quality. * Place - Laid outlets are expanding globally. * Promotions - Laid uses a combination of above-the-line and below-the-line promotions with a focus on its 'Like Brands' and 'Swap & Save' campaigns. The AID model can be used to demonstrate the aim of any promotional activity: Initiate awareness amongst customers. * Generate interest for and desire to have the product(s). * Leading to customers taking action to purchase.

Laid uses a variety of communication methods and channels to increase the impact of its promotional activity and meet the aims of AID. Balancing the mix Organizations need a balanced marketing mix to meet the needs of its customers. Lid's focus is on offering the best possible quality products at the lowest possible prices. Every buyer for Laid, from fresh fruit and vegetables to meats and electronics, is an expert in their field. They look for products

from around the world. This enables them to get the finest quality products that Laid then sells under its own brand labels.

Price Selecting the prices is one of the most difficult considerations when developing a marketing mix. Different pricing strategies that are commonly used include: * Market penetration - charging lower prices for new products to help them enter the market and gain market share quickly. * Competitive pricing - pricing at a slightly lower prices than competitors. * Strategic pricing - emphasizing the quality or brand positioning of a product to allow a higher price to be charged. Competitive pricing is a key strategy for Laid. Laid is able to offer quality products at low prices as it buys in great volume.

The fact that Laid buys such large quantities of these products allows great leverage for negotiating the best possible prices with its suppliers. This is called economies of scale. Buying large quantities of each product allows Laid to pass these savings to its customers. Place The place element of the marketing mix involves identifying where the product or service will be sold. Laid keeps its store layouts simple to limit waste and keep costs down. This means Laid can focus on offering its customers the lowest possible prices for its products.

When considering new store locations, Laid takes into account: * the number of people visiting an area as well as the demographic of the area - for example, the population of the area should be more than 30, 000 people * the sections of store - Laid focuses on edge of the town centre locations with good visibility from a main road and not too much competition * the accessibility of the store and its public transport links * the number of

parking spaces available. Above-the-line promotion For Laid to achieve its objective of increasing its market share, it had to ensure its promotional activity demonstrated the balance of its marketing mix.

For example, to increase customer loyalty it had to communicate its key quality and value messages. Promotion helps to: * increase awareness and improve brand recognition * increase demand for products improve brand image * highlight the superiority of products and services. Above-the-line promotions are paid-for advertising aimed at a mass audience. These large number of people. This form of promotion can be costly. It can also be difficult to target specific audiences. Laid uses a range of above-the-line methods to reach its customers and potential customers. These include: * Advertising on television.

The 'Like Brands' campaign features 20 second television adverts which focus on a particular product. The adverts show a famous brand as a benchmark for quality side-by-side with an Laid brand product. They use the slogan 'Like Brands. Only Cheaper'. This reinforces the message that Laid products are cheaper than leading brands but equal in terms of quality. The adverts provide personality to the Laid brand. They use humor which helps to build trust and an emotional connection with target audiences. * Printed leaflets are distributed within stores (1 million copies printed per week) and also to customers living in areas surrounding stores.

These leaflets help to reinforce the 'Like Brands' campaign. They also showcase products with limited availability and seasonal offers available in stores. * Newspaper adverts extend the 'Like Brands' campaign and help to

showcase a variety of product categories. They also communicate Lid's 'Swap and Save' message. This campaign demonstrates the amount that shoppers could save if they swapped their weekly shop to Laid. They compared Laid products to famous brands to demonstrate Lid's value for money message. * In store posters are also used to highlight the 'Swap and Save' message.

Below-the-line promotion Below-the-line promotion uses different ways to engage with customers. These methods can be more easily targeted to specific audiences than above-the-line ethos. They offer organizations a greater level of control over their communications. Laid uses a range of below-the-line methods. These include: * social media * targeted e-mails to customers * 3rd party endorsement and awards * public relations and media relations. Lid's Backbone and Twitter pages encourage two-way communication with customers. These social media channels provide a platform through which Laid can interact with customers.

It can then assess their opinions about the brand. One objective of this form of promotion is to create 'Laid Advocates'. These are consumers who recommend Laid to others, through stimulating interactions about the high quality and low prices of Laid products. For example, the 'I Love Laid' campaign asked fans to send a virtual Laid Valentines card to a Backbone friend. This was encouraged by providing rewards. The campaign gave consumers the chance to win a £11 voucher. They could also win a box of Laid chocolates for their Valentine. The campaign also encouraged consumers to complete the sentence 'I love Laid because... Directly onto Lid's Backbone

page to encourage positive brand feedback. Laid also uses direct e-mails. These e-mails allow Laid to communicate a variety of messages to target customers. For example, they can convey the 'Swap and Save' message as well as promote seasonal messages such as products associated with Pancake Day. Lid's website is an integral part of its below-the-line promotion. It features all of Lid's key promotional messages as well as additional content to engage consumers. Examples include recipe ideas and weekly offers. Laid developed the 'Like Brands' TV campaign.

The site provides consumers with the opportunity to upload their ideas for the next Laid TV campaign. Laid also uses a dedicated recruitment website to promote its employer brand messages and career opportunities. Public relations A further below-the-line method used to highlight the quality of Lid's products is positive 3rd party endorsements. Laid has entered over 1,000 of its products into awards such as Grocer Gold, Pizza and Pasta Awards (PAPA) and the British Frozen Food Federation Awards. In 2012 Laid was awarded 'Best Supermarket' by consumer Watchdog Which? It beat competition from Marks & Spencer and Waitress.

Further positive endorsements for products on TV and in the press reaffirm the usage that Laid products are of the highest quality as well as being great value for money. For example, Lid's Christmas pudding was awarded runner-up and acknowledged as a 'bargain' in a taste test comparison in Good Housekeeping magazine. Effective public and media relations help to create positive press exposure. Laid has secured record coverage through hard working and innovative media relations. Journalists from newspapers such as

The Grocer, The Financial Times and The Times were invited for exclusive interviews with Lid's Group Managing Directors.

They discussed record breaking sales results. Further coverage was gained through targeting key media at specific times with seasonal promotional messages. The 'Swap ; Save' campaign highlighted the savings available through shopping at Laid at times when value for money is high on the agenda. This was particularly relevant with its 'Back to School' and Christmas products. Conclusion Laid has a distinct approach to retailing that has given it a competitive advantage in a crowded marketplace. Lid's unique balance of the marketing mix enables it to provide high quality, own branded products at the lowest possible price.