

Grocery stores and supermarkets – online shop



Grocery stores deal in food items and household goods. The owner of the grocery store is known as a grocer and large grocery stores are known as supermarkets or giant stores. Stores that sell snack foods with other household items are known as convenience stores. The groceries are considered to be an important element in every individual's life but due to distribution limitations this sector is difficult to manage.

The internet is considered as an influential medium and it's responsible for changing our buying behaviours. The online ordering channel is considered to be a viable method of today's world because it provides convenience and time saving to the end users. This online channel is known as online grocery stores. Grocery stores usually have less margin but the online stores would allow organization to penetrate more in the market because it is considered as an untapped market.

Strategists usually suggest that online grocery stores will increase the gross profit margin of the organizations and it will increase the level of customer satisfaction. Therefore, it can be said quite easily that online stores are increasing day by day and it can enhance sales for the organization and would add fun and value in buying. In this paper we will discuss the integrated marketing channel of online grocery stores and proper promotional strategies, Target market analysis; corporate strategies are discussed in this paper.

Moreover, Emphasis is laid on the management of integrated marketing communications and three fields are emphasised which are integrated marketing communications from the end of the consumer, integrated

marketing communication from the end of the distributor and integrated marketing communications from business to business perspective.

1. 1 The name of the brand The plan is based on assumptions and the suggested name of the grocery store is “ Blue ribbon grocery. com”. The organization is a UK based and it’s starting its online grocery business.

2. 0 Promotional Opportunity Analysis

The promotional marketing analysis is comprised of two basic parts. These two parts are:

1. Communication Market Analysis

2. Market Segmentation Analysis

2. 1 Communication Market Analysis The communication market analysis is considered to be an important aspect in the development of a brand. The communication market analysis is comprised of:

Competitive analysis, opportunity analysis, target market analysis and customer analysis.

2. 1. 1 Competitive Analysis Blue ribbon grocery is a new company and that is the reason why it has to face stiff competition in the market.

This organization has to face both direct and indirect competition from its competitors. The direct competitors of this organization are Tesco, Sainsbury, natural grocery and etc. Although there are certain other competitors but three main competitors are analyzed. Tesco is considered as one of the leaders in the online grocery business. Tesco shopping allows consumers to shop online in a very convenient manner and grocery items

are designed in a proper manner. The core communication strategy of Tesco is cutting the cost so that the end user can benefit from it.

The image of the company is a low priced internet organization and it's targeting a large group of customers (Mazurek). This organization offers large range of products which includes not only groceries but other items as well. Sainsbury is another major player in the online retail industry and it offers different range of products to its customers. The tagline of this organization is " Making life taste better" but in the current era it has opted for a new marketing strategy in which the customers are extensively emailed about the new products and emphasis is laid on new products and the sales are usually driven from new products (MCLD).

Another major player in the online grocery business is natural grocery. com. This organization focuses on a differentiation strategy and the brand is quite different from the current players. The core strategy of the brand is to focus on the customers who are health conscious and they specialize in natural and organic foods (Natural Grocery). That is the reason why their communication strategy is based on natural products.

2. 1. 2 Opportunity Analysis

The opportunity analysis are based on certain factors like saturated markets, benefits that are not articulated clearly, ignored customers and markets and etc. In the scenario of online grocery store it can be said quite easily those blue ribbon groceries have different opportunities because there are different markets which are untapped. Similarly, certain benefits are not articulated clearly like pure grocery stores which specialize in certain

products. The specialization part is missing in online grocery stores therefore Blue ribbon grocery can offer specialized benefits to its target market.

The company will operate in the London and it can be said quite easily that the market of London is quite saturated that is the reason why Blue Ribbon grocery can opt for an expansionary policy and they can open their websites that are meant for certain Asian countries in this way they can tap the untapped market of Asia and a foreign brand can attract the customers and in this manner they can increase their sales. Ignored customers are the ones who are not aware internet buying and some of them believe that internet buying is unsafe.

The perceptions of these customers can be changed through different marketing techniques and this set of customers can be converted into a viable chunk of customers.

2. 1. 3 Target Market Analysis The target market is considered as a set of customers the organization would target. The target market selection is based on demographical analysis. The organization would target the customers on the basis of mass marketing and in this manner all the individuals who are using internet in London would be the target market of Blue Ribbon grocery.

com. The statistics suggests that more than 16 million people have internet access in Great Britain and out of these 16 million people a major chunk belongs to London. Therefore mass marketing approach is the most viable approach in targeting the entire population that uses internet and this can be done through extensive marketing on internet, radio, newspaper and

other mediums. 2. 1. 4Customers Analysis The customer analysis is the most important part of a marketing strategy and an integrated marketing plan.

Customers are the key to every organization and every organization must focus on their current and potential customers to progress in both the short and the long run. The customers analysis of Blue ribbon grocery depicts that blue ribbon have to create a customer base because the organization is new and they don't have existing customers. Another strategy that can employ by this online organization is that they can target the customers of the competitors and in this manner they can increase their market share and their presence in the market.

The customers of Sainsbury, Tesco and etc can be converted into the loyal customers of blue ribbon is effective strategies are implemented. Similarly, all other people of London can be treated as potential customers and they can be marketed through the mass marketing program. Non internet users and those who don't opt for shopping on internet can be considered as prospects customer for blue ribbon grocery. 2. 2 Market Segmentation Analysis Market segmentation is segmenting the target market into different segments and this segmentation is based on division of customers into different homogenous groups.

Different segmentation strategies would be used by blue ribbon groceries. The segmentation strategies that are used by blue ribbon groceries would be demographic segmentation, psychographic segmentation and behavioural segmentation. In the demographic segmentation blue ribbon grocery would focus on the phenomenon of mass marketing that is the reason why they won't focus on any particular segment. Only those who use internet are

targeted. They can also focus on behavioural segmentation and brand loyal customers are targeted through this approach. Similarly, individuals who are internet savvy are focused more through psychographic segmentation.

The segments can also be created on B2B bases and businesses can also be targeted and segmented. Restaurant can be contacted and those buyers can be contacted those who prefer convenience buying.

3. 0 Corporate Strategies In order to gain corporate advantage in both the short and the long term corporate strategies are implemented by different organizations. Organizations that are in the virtual world also implement these strategies. If these strategies are implemented in a proper manner than an organization can easily attain a sustainable competitive advantage over its competitors.

These corporate strategies must be adopted by blue ribbon grocery to prosper in both the short and the long run. Some of these corporate strategies are discussed below:

3. 1 Corporate Image Strategy Corporate image takes years to develop and it's quite a difficult job because presenting a good corporate image in the minds of the target group is considered as a most important thing for an organization. Blue ribbon grocery must take effective measures to develop both internal and external strategies.

The internal strategies must focus on the employees and the employees must believe in their organization. The suppliers and the employees both of them must comply with the mission and vision of the organization. In the internal strategy employees and suppliers of blue ribbon grocery can fill out

questionnaires and can give feedback about their organization. In this manner organization can easily develop an understanding about their strengths and weaknesses. The external audiences must be carefully tackled by blue ribbon grocery and blue colour be used in the website.

The website run adds from charities and they must support environmental friendly activities so that the consumers believe that they possess an environmental friendly image and they are benefitting the society. Besides that certain discounts on bulk buying must be offered to be the so that the customers would believe that this organization is favouring them.

3. 2 Brand Development Strategy The brand development strategy is considered to be an important strategy because it is directly related with the brand name and it involves elements like brand name, brand picture, brand personality and etc (Arens and Wiegold).

A proper strategy must be devised because the success and failure of a brand can be essential for the organization. The brand development strategy of Blue Ribbon grocery is quite simple and a direct approach is followed. The initials " RBG" are used in the website and the logo of the organization is RBG. Similarly, the tag line of the brand is quite simple which is stated as " Everything under one ribbon". This tag line depicts that every grocery item is provided under a single brand name. The brand image of the brand is related to the ribbon and emphasis is laid on ribbons.

The organizations idea for brand image is that when the customers hear the name blue ribbon groceries then they can easily relate the element of ribbon and an image would be formed in their mind in which every grocery item is tied with a ribbon. The most important element in the brand development

<https://assignbuster.com/grocery-stores-and-supermarkets-online-shop/>

strategy is the brand itself and emphasis must be laid on the brand. The core value of the brand must be identified and in the case of blue ribbon strategy the core values of the brand are low cost, honest trading, value added services and free delivery to customers.

The brand name must communicate the essence of the brand. Another important strategy is to differentiate the brand with its competitors and a proper differentiation strategy must be used by the organization. In the case of blue ribbon groceries there are certain differentiation elements that can be used by the organization. The differentiation point in blue ribbon grocery is the recommendation part and certain advisors are used by the organization which guides the customers online to buy different products. Similarly, the low cost technique can be considered as a differentiation point for the organization.

Effective marketing research must be conducted by the company before entering into the saturated market of London. Similarly, a single benefit like the low cost approach must be adopted by blue ribbon groceries and then they must develop their unique selling proposition which would revolve around this benefit. The USP must be developed before the brand is launched and teaser would be an effective approach in launching the brand. When blueribbongrocery.com is launched then the organization in the initial years should focus on their core competencies and must not diversify because a brand is a single identity in the minds of the consumers.

After certain years when the brand is developed then blue ribbon grocery should diverse the brand and this would minimize their risk. Brand management strategies can be developed in a number of ways and for

online business and especially for online grocery stores a customer centric approach must be followed by the organization. Shopping cart and customer friendly environment and a simple shopping procedure can help the image of the brand and the brand integrity can also be enhanced through this approach.

3.3 Brand Positioning Strategy

The brand positioning must be specific and nuanced and it must be targeted quite efficiently to produce efficient results. The positioning must be focused on the basic attributes of the product and service and these basic attributes must consider the competitors positioning (Kapferer). In the scenario of blue ribbon grocery knowing the competitive positioning is quite essential because this form of business is quite new and that is the reason why differentiating the product with the competitors can be a viable strategy in this form of business.

Blue ribbon grocery should develop a positioning strategy in a way that they can claim that we offer the lowest prices on bulk buying and these prices are not offered by anyone. Similarly, through promotional campaigns it must be conveyed to the customers that online grocery = blue ribbon grocery. This message must be promoted several times through mass marketing and if this strategy is implemented properly then the consumers after a certain period of time can recognize the brand blue ribbon with online business.

The promotional scheme must focus on the initials RBG because these initials can easily be redeemed by the customers.

3. 4 Distribution strategy The distribution strategy must focus on the phenomenon of cost reduction and effective communication channels must be designed by the organization. The distribution strategy for online business is quite simple as compared to normal business. The distribution system for [www. blueribbongrocery. com](http://www.blueribbongrocery.com) would be:

Figure 1: The distribution network of blue ribbon groceries A simple flow is opted by blue ribbon groceries in its distribution process.

The suppliers give the grocery items to the company and the company stores it in the warehouse. The warehouse is a retail outlet and the company stores supplies from the suppliers at that warehouse. The customer requests the company to send grocery items and then blue ribbon grocery directs the individuals that are placed at the warehouse to supply the grocer items to the customers. Two modes of payments are usually accepted by the company these two modes are credit card payment and cash payment. This mode of distribution is quite cost effective and it's easy to use and the customers can also benefit from it.

Different suppliers are contracted by the company because if one suppliers runs out of stock then other suppliers are present to supply the good. The main cost that is incurred in the distribution system is the cost of transportation and the monthly cost of warehouse where goods are stores. Other related costs would include the salaries of the workers that are working in warehouses and delivering the final product to the customers. Therefore, it can be said that this distribution model is s simple approach in distributing goods to the customers.

3. 5 Business-to-business Strategy

<https://assignbuster.com/grocery-stores-and-supermarkets-online-shop/>

The transaction between businesses is termed as b2B business and two or more than two businesses correspond at the same time. The volume of transactions is much higher than B 2 C transactions and that is the reason why organizations generate more profit in B 2 B transactions. Usually the transactions involve buying and selling of raw materials to other businesses and the final product is delivered to the customers. In the scenario of blue ribbon grocery the business to business transactions would include the packaging of companies own product. Similarly, they can sell different products to restaurants and hotels in the city.

In the scenario of packaging and printing of shoppers would be done by a printing and packaging company and they would deliver the shoppers and bags at the ware house. In the scenario of restaurants the point is quite clear that restaurants would buy from the company and the transactions would occur online and these transactions are usually on bulk items and these transactions are quite favourable for the company. The restaurants usually demands the products online if they are facing an urgency and because of this blue ribbon grocery can avail this opportunity to deliver the products on time.

3. 6 Public Relations Strategy

In order to maintain a healthy amount of goodwill in the market effective public relations strategy is very important. This strategy is very important because the flow of information between public and the organization is managed through this strategy. Different strategies can be used by organizations to manage its customers and the public relations strategy. In the scenario of blue ribbon grocery the most viable method is to engage

people in taking your decisions so that they can be attached with the organization and in the long run they would feel a sense of self esteem because they are attached with a particular brand.

For this reason blue ribbon grocer can arrange trade shows and they can have feedback from the customers through their blogs and feedback forms. Similarly, a soft and friendly image is conveyed to the public. This image can definitely benefit the organization and in the long run it would ensure more sales because customers can become loyal with this strategy.

3. 7 Evaluation Corporate strategies are quite important in achieving both short and the long term goals. Therefore, blue ribbon groceries must devise proper strategies that can benefit them in both the short and the long run.

The name of the brand, the positioning, the distribution, the public relations and the business to business strategy must be devised in a proper manner. These strategies affect the brand and the company is also affected by this. That is the reason why utmost importance must be given on these strategies because these strategies initiate a make or break phenomenon for the organization.

4. 0 Integrated Marketing Communications Management

4. 1 IMC Objectives Integrated marketing communications is considered as a vital strategy for managing brands. It's applicable for every type of business and it can be implemented into online business too.

The ultimate goal of the integrated marketing plan is to manage the resources of the organization in a proper way and to develop promotional plans that are related to advertising of the product and the organization and

other promotional plans (Keller). The core objective of the organization is to develop an integrated plan which incorporates all the aspects of promotion and these aspects are communication, advertising, direct selling, selling online and etc. One of the core objectives of the plan is that communications processes are effectively linked together and all the promotional tools are integrated together so that they work in harmony.

Integrated marketing communication objectives are implemented in a proper manner than the organization can experience growth in both the short and the long run. The messages of the IMC are spread at several communication channels and that is the reason why IMC can boost that sales of an organization and customers in the first stage are attracted then they are aroused and finally they end up buying the product or service because the communication patterns and promotional messages are effectively tied together and this coherence of promotional messages benefits the company and the customers are retained on a long term basis.

Therefore, it can be said quite easily that integrated marketing communication management are quite vital for blue ribbon groceries and if they are implemented in an appropriate manner than the organization can reap maximum results from these plans. 4. 2 IMC Budget The budget for the integrated marketing communication plan for blue ribbon groceries is given below:

The budget clearly depicts the losses in the first year are due to investment but after that the organization is growing slowly and its net profit is increasing.

5. 0 Integrated Marketing Communications Objective One (Consumer) In this part the integrated marketing communication objective is developed and emphasis is laid on the final consumers. This plan incorporates elements like advertising, consumer promotions, personal selling and database program. Furthermore, a comprehensive media plan is also developed in this part.

5. 1 Budget Items Expenses Advertising cost

Website advertising \$500 Television Commercials \$1, 000 Radio Advertising \$750 Bill boards \$700 Total Advertising cost \$2, 950 Consumer Promotions \$850 Direct Marketing Programs \$1, 000 Total cost \$4, 800

5. 2. 1 Advertising Online businesses are considered as new medium for marketers and developing advertising strategies on online mediums is not an easy task. The core concept of advertising is to target the customers in an effective manner and emphasis must be laid on the target groups only. Blue ribbon grocery must adopt a proactive approach when they are targeting the customers.

Aggressive approach and competitive advertising is an essential characteristic of online advertising in a saturated market. Different methods will be adopted by blue ribbon groceries and these methods are advertising through television commercials, through radio, through magazine and most importantly advertising through the same selling medium that is advertising online. Blue ribbon groceries would focus more on online advertising because in this manner they can save hefty amount of cost and their target market can be reached quite easily.

5. 2. 1. 1 Advertising goals and Budgets

The ultimate goal of the advertising plan is to increase the sales and to target the target market effectively and efficiently. Moreover, emphasis is laid on the fact that blue ribbon groceries would develop such ads that are informative and they convey the messages to the target audience in the best possible way. Short and crisp advertising must be used and cost effective techniques will be devised by the organization. The budget of advertising is quite limited because blue ribbon groceries are in its starting phase and they must allocate a total of \$2, 950 to advertising.

This amount must be distributed in television, magazine, radio and internet advertising.

5. 2. 1. 2 Creative Brief In order to develop a creative brief online advertising is considered only.

The creative brief is discussed below: Project Title: Online advertising Project Summary:

The entire project is based on online grocery selling and the organization wishes to target its attractive approach that all the items in blueribongrocery. com is sold at competitive prices and whole sale rates are offered to the customers.

The promotions on the website includes objectives of the company different propositions are written on how clients can benefit from this organization. One liner of blue ribbon groceries are placed on different website and different approaches like flash ads, pop-up ads and etc are used by blue ribbon groceries. The internet is used quite effectively in this approach and

different social networking portals like face book, twitter and etc are used to carry out an extensive online advertising program.

Target Audience: The target audience for the company are those individuals who use internet. However, emphasis is laid on those segments that prefer online buying and selling and in order to save the time of these consumers blue ribbon groceries offer grocery items within their budgets.

Read also when delivering a brief volume and rate

Perception/Tone/Guidelines: The perception of advertising and the brand is created in such a way that it would depict dynamism, fun, interaction between the buyer and the seller.

Similarly, the information possesses a fresh communication tone and simple words are used with animation to attract the customers. Communication

Strategy: The website will be highly interactive and customers can interact with other clients and share their views about the freshness of goods, prices and the services offered. Blue ribbon grocery would offer services from grocery advisors and they would recommend proper items in a limited budget. Customers can also launch complains and can give recommendations on the website.

5. 2. 1. 3 Advertising Design

A short and concise advertising can be a viable strategy for the organization and in the case of blue ribbon groceries the advertising design is kept very simple and concise (White). The initial “ RBG” are used extensively in the website and on all the mediums these words are quite evident. These words clearly depict the essence of the brand. Similarly, blue colour is extensively

used because this phenomenon matches with the brand name. The low cost element will be highlighted in nearly all the advertising campaigns.

Vibrant colours and different images related to grocery items are used in the advertising design. Similarly, an attractive shopping cart is designed which would allow the users to pick the items of their choice.

5. 2. 2 Consumer Promotions There are different approaches of consumer promotions and many of them are implemented in the food industry (Pricken). Blue ribbon grocery can implement the sampling technique and for the first delivery they can offer no delivery charges and this can enhance their sales.

Similarly, they the organization can engage itself in co branding activities and would market those products that are sponsored by different companies. Furthermore, they offering free items and gifts to new customers can also affect the customer base in the long run and customers would definitely attract from this approach. Similarly, certain non-standardize options can also be used by blue ribbon groceries these non- standardize options would include mobile branding activities and unusual appearances by the marketers.

5. 2. 2. 1 Budget Allocation The Budget allocation for the promotional plan would depend on the objectives of the company. However, because of the saturated market blue ribbon groceries can follow either the objective approach or what can we afford approach. However, what can we afford approach can be a viable strategy because the company is in its initial stages and that is the reason why it must focus on its budget and they would

involve in advertising and promotional campaigns with respect to their budget.

5. 2. 3 Personal Selling

The organization in its initial phase can opt for personal selling and they would direct their sales persons for door to door selling. This door to door selling can be divided into personal selling on physically in which the salesmen can carry a laptop and then he/she can introduce the company and its simple nature of operations (Allen). The salesmen can offer the potential customer to buy a product and he/she can avail different discounts. Similarly, organizations can opt for cold calling and the telemarketing officer can offer different services on the telephone.

Therefore, it can be easily said that personal selling is quite an appropriate approach because quick results can be attained through personal selling and it can be beneficial for the company in both the short and the long run.

5. 2. 4 Sponsorship Programs

The brand can also engage in sponsorship programs and through different co branding activities they can manage sponsorships. They can raise charities through sponsorship programs and these sponsorship programs will run on their website.

Certain successful brands can form sponsorships programs with blue ribbon groceries and blue ribbon groceries would market their brand and they would recommend the name of blue ribbon groceries to their customers.

5. 2. 5 Data Base Programs

The website must be developed in such a way that proper data base of customers is maintained and in this way they can target their customers in an efficient manner. The databases of customer,

suppliers, retailers are maintained and in this manner they can use these databases in their promotional and marketing operations.

5. 2. 5. 1 Direct Marketing

These databases can be used by blue ribbon grocery to market their online grocery directly. The most viable approach in this scenario would be of newsletters and voice mail marketing. Emails can be a good strategy but through telemarketing and marketing through voice mails effective results can be attained quickly.

5. 2. 5. 2 Permission Marketing This can be a good strategy and customers would like this approach because the organization inquires permission from the prospects customers. This strategy would develop the brand and the customers would definitely like this approach of marketing.

5. 2. 5. 2 Frequent Shopper Program

The frequent shopper programs are widely used in today's world and this program is considered as a novel approach in marketing. In the scenario of blue ribbon groceries the organization can initiate an online loyalty card and discounts will be offered to individuals who will on excessive basis. This frequent shopper program will generate positive results if employees are coordinated properly.

5. 3 Media Plan The use of exact media vehicles in a certain plan is known as a media plan. There are certain components of a media plan. These components with respect to blue ribbon groceries are discussed below:

- What is the marketing problem?

Blue ribbon groceries must know that what are their target market and which approach they are following. Which markets or areas in London are saturated and they must believe that they are following a mass marketing approach but they are focused on grocery items only. Similarly, the organization must also know that how many competitors are placed in the markets and what level of loyalty exists. • Translating the requirements into media objectives Blue Ribbon grocery would reach its consumers and its potential customers through internet and besides other mediums it's the most focused medium for blue ribbon groceries. This strategy is quite simple because the media type is selected with respect to the target market.

- Defining media solutions by formulating media strategies. This element defines the rule of thumb for advertising but since the organization is marketing the large audience therefore it must select an appropriate medium for advertising. Certain elements must be kept in mind which includes the reach, frequency, cost per thousand and the impact. In the scenario of blue ribbon groceries they must focus on internet advertising and adverti