

An Analysis of Aldi Supermarket

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Task One:

Organizational Overview:

Aldi Supermarket also known as Aldi is a discount supermarket brand of Germany. Two different supermarket chains are operated under the brand name of Aldi, such as- Aldi Sud and Aldi Norde. The supermarket has more than 10,000 stores in 20 different countries of the world. The areas that are served by Aldi are as - Australia, Austria, Denmark, Belgium, Hungary, Ireland, Luxembourg, Portugal, Spain, Netherlands, Poland, Switzerland, China, Italy, USA and United Kingdom. In Austria and Slovenia, Aldi known as Aldi Hofer. Aldi is associated with various subsidiaries, such as- Aldi Talk (mobile networking service), Aldi Liquor (liquor stores by Aldi) and Diskont (the joint venture of Aldi and the petrol retailer of Austria and Slovenia Free Energy). Aldi has started its journey as one organization in 1946. In 1960 the brand has been divided in two different parts (aldi.co.uk. 2018).

Vision: The vision of Aldi is to help the buyers to live a luxurious life within small expenses. They want to make sure that their buyers are able to daily groceries and to live a comfortable life (aldi.co.uk. 2018).

Mission: The mission of Aldi is to provide quality products to its consumers and maintain equality among all consumers. The organization aims at offering equal and fair price to its every consumer. According to the organizational authority, the organization provides high quality and fresh products to its consumers and product pricing strategy is also same for every consumers of the society. They want to maintain a respected and healthy relation with the consumers (aldi.co.uk. 2018).

Value: Three core values of Aldi are simplicity, responsibility and reliability. The actions and operations of Aldi are operated on the basis of these three values. Some core values and principles of Aldi are as follows:

- Employees are the key elements of the organization. Thus, it is always important to appreciate employees for their high quality performance. The organizational authority wants to make sure that every employee feels proud while working within the organization (aldi.co.uk. 2018).
- Aldi always accepts its responsibility towards the supply chain. In order to maintain the supply chain management properly, Aldi authority offer clear idea about the organizational demand to the suppliers and maintain a loyal relation with them (aldi.co.uk. 2018).
- Aldi is act responsibly towards the society and climate. It incorporates energy efficiency techniques within the organizational structure. Moreover, the authority maintains sustainability in every activity (aldi.co.uk. 2018).

Product: Aldi offers large number of products to its consumers, such as- groceries, meat, fish, egg, dairy products, almond, liquor, organic foods, such as- spinach, frozen berry, fruits, Chips, cereals,

paper products, canned fish and other canned goods and so on (Fuseini, Wotton, Knowles, & Hadley, 2017).

Task Two:

Competitor Analysis:

Company	Strengths	Weaknesses	Product Features	Promotional Strategy
Count Down	<p>1. Count Down has strong supply chain within that helps the organization to operate in an appropriately (Bailey, Price, Pyman, & Parker, 2015).</p> <p>2. Count Down has private label brands that give huge brand equity to the organization.</p> <p>3. Count Down is known as the parent company</p>	<p>1. The lawsuits faced by Count Down authority have affected the organizational reputation in negative manner. It has created various issues for the organization (countdown.co.nz. 2018).</p> <p>2. The organization has failed to adopt the acquisition strategy, which has affected the organizational growth in negative manner.</p>	<p>1. Fresh grocery products, organic products, large. It offers high quality dairy food products in low price to the consumer (countdown.co.nz. 2018).</p>	<p>1. Count Down promotes its products by using both traditional and new media. It advertises products in television, radio, magazine, news papers and social media platforms.</p> <p>2. It publishes press releases to grab the attention of large number of consumers.</p> <p>3. The organization offers various kinds of environmental</p>

	<p>of the retail industry of New Zealand. It operates in various corners of the country, which gives an immense advantage to the organization.</p>	<p>3. Many consumers have raised an issue that the staffs of the organization do not perform efficiently, which has affected the brand value of the organization (Bailey, Price, Pyman, & Parker, 2015).</p>		<p>innovative products to grab the attention of modern and sincere consumers of the society (countdown.co.nz. 2018).</p>
<p>PAK'nSAVE</p>	<p>1. Strong market presence of PAK'nSAVE is one of the major strength of the organization. 2. The fresh food products and fresh and organic raw materials is another strength of the organization (paknsave.co.nz. 2018). 3. The organization is operated by skilled and experienced team of leaders, which stimulates the organizational growth.</p>	<p>1. The organization often becomes the target of pressure groups and labor union due to immense work pressure on the organizational employees (Bailey, Price, Pyman, & Parker, 2015). 2. According to many consumers PAK'nSAVE asks higher price for the food products which is a loophole of the organizational structure. 3. The product list of the organization is limited. Like other retail stores, PAK'nSAVE buyers do</p>	<p>It offers various kinds of food products to the consumers, such as- fried rice, corn filters and chicken and meat items and so on. (paknsave.co.nz. 2018).</p>	<p>1. The brand loyalty of PAK'nSAVE is one of the primary promotional strategies of the company. 2. It promotes the brand name by using traditional and new media. 3. PAK'nSAVE participates in various kinds of social activities that act as public relation officer for the organization (paknsave.co.nz. 2018).</p>

		not have many options to purchase.		
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Task Three:

SWOT Analysis of Aldi:

Strengths:

- Strong cultural and financial background of Aldi is strength of the organization (Mortimer & Grimmer, Love them or loathe them, private label products are taking over supermarket shelves. , 2018). It helps the organizational management to operate the organizational activities within the competitive business environment in an appropriate manner. It helps the organizational management to adopt modern techniques within the organizational structure.
- The quality product and fair price strategy of Aldi helps the organization to earn respect from the target market of the society (Boyer, et al., 2018).
- The wide range of products is strength of the organization (Fuseini, Wotton, Knowles, & Hadley, 2017). It offers various grocery products to the consumers in reasonable price that helps people from all income groups to rely on this organization for daily purchase.
- Strong presence in worldwide acts as another major strength for the organization. It helps the organization maintain huge profit margin from large number of consumers (Boyer, et al., 2018).
- The organization is led by experienced team of leaders and hard working employees. It helps the organization to overcome various obstacles of competitive business world (Mortimer & Grimmer, Love them or loathe them, private label products are taking over supermarket shelves. , 2018).

Weaknesses:

- The product range of Aldi is comparatively smaller than the other existing rival companies. Rival companies like Woolworths, Count Down offer large variety of products than Aldi (Ododo, Mulholland, & Turner, 2015). It is one of the major weaknesses of the Aldi.
- Aldi authority has failed to expand their business globally like other existing rival companies (Slot, 2016). The operations of Aldi are limited to some places. Although, it has large number of stores in selective places, such a-s Germany, Australia, Slovenia and so on, it has failed to expand its business developing countries of Asia like India.
- Many allegations have been raised against Aldi that the organization offers low quality products to its consumers. According to many reports, the organizational management purchase cheap quality products to offer products in low costs to the consumers (Harleman, 2015).

- Many reports have claimed that the employees of Aldi are not responsible enough to manage the organizational operations. As organization is one of the large employers of the world, it is not possible for the organizational managers to pay attention of every employee's activity individually (Voelker, et al., How changes in white matter might underlie improved reaction time due to practice. , 2017). Thus, employees often avoid their responsibilities towards their role. According to many consumers, during peak hours employees do not pay attention to the requirement and issues of consumers (Harleman, 2015).

Opportunities:

- The advancement of technologies is major opportunity for the organization to manage the organizational operations more efficiently. Social media platforms help the organizational management to promote the brand name effectively (Voelker, et al., White matter and reaction time: Reply to commentaries, 2017).
- Growing economy of the developing countries is another major opportunity for the Aldi authority. In order to set an example in front of the rival companies, the organizational management must use this opportunity and expand the business wings in the developing countries of Asia and Africa (Ellickson, 2016).
- By investing heavily in the advertising section, the organizational management will be able to increase the competitive advantage of the organization (Mortimer & Grimmer, Love them or loathe them, private label products are taking over supermarket shelves. , 2018).
- The organizational management can hire experienced supply chain managers who are educated and qualified from the reputed universities of the world to manage their supply chain and logistic services, so they can offer fresh and high quality products to the consumers (De Haas, Herold, & Schaefer, 2017).

Threats:

- High competitive advantages of the existing rival companies of the industry are a major threat for Aldi authority (De Haas, Herold, & Schaefer, 2017).
- The emergence of competitors from various parts of the world is a key threat for Aldi.
- Globalization is another threat, as it has forced the organization to compete with the local as well as global rival companies (Boyer, et al., 2018).
- Strong taxation policy and business rules and regulations of government is another threat for the organizational management of Aldi, as the business environment is becoming challenging day by day due to such issues (Fuseini, Wotton, Knowles, & Hadley, 2017).

Task Four:

Segmentation Strategy:

Demographic Segment:

Age: Buyers who belong to age group of 25-45 years are the key consumers of Aldi, as they mainly purchase household and grocery products from the retail stores (Duan, Mao, & Huo, 2018).

Gender: Female consumers that manage the household work and take care of the need of every family member within the family mainly purchase groceries and house hold products from the retails stores like Aldi. It is a major segment for Aldi authority.

Location: Consumers from urban areas mainly purchases products from supermarkets like Aldi. Urban consumers can easily visit the stores of place orders through online in the stores to purchase the products. These facilities are not available for the people that belong to urban area (Mortimer & Grimmer, Love them or loathe them, private label products are taking over supermarket shelves. , 2018).

Income Group: People that belong to higher and middle income group are the major segment for the organization. They can purchase products from Aldi easily, as it suits their financial status.

Geographic Segment:

Consumers that belong to Australia, USA, United Kingdom and Austria can avail the service of Aldi, as Aldi exists in these geographical areas. As Aldi does not have many stores in Asian and African countries, the consumers of these areas cannot access the service of Aldi (Cameron, Sayers, Sacks, & Thornton, 2015).

Psychographic Segment:

People who want to purchase grocery products in reasonable and cheap prices rely on Aldi to buy their daily required products. Thus, the buyers of Aldi must have concentration on low price of the products. On the other hand, people who prefer paper packaging bags to maintain the environment often relies on Aldi for making purchase.

Behavioral Segment:

People who manage financial balance of the family and takes care of the all the members purchase products from Aldi (Estella & Patton).

Targeting Strategy:

In order to targeting consumers, the organizational authority of Aldi uses differentiation strategy. It focuses on the products price and the mentality of the buyers to distinguish their product and brand from other existing and emerging rival companies of the industry (Arup, Beaton-Wells, & Paul-Taylor, 2017). The organizational management mainly targets the consumers who purchase daily house hold products for the family and the parents of the kids. They claim to offer every high quality product in low price to the consumers to convince them to switch to other retail brands with Aldi to fulfill their daily needs.

Positioning Strategy:

Aldi uses some key positioning strategy to position its products in front of the world. They are mentioned below:

- Aldi authority has grabbed the attention of large number of consumers by offering high quality products in cheap prices. It has influenced the buying behavior of the buyers by offering the products from private label brands. It has shaped the decision making process of buyers to some extent (Gielens, 2018).
- Aldi has covered the market of local country at first and established a healthy relation with the local consumers, so it can support the international operations of the organization (Bardule, Lupikis, Butlers, & Lazdins).
- Aldi now aims at extending its business wings in the international market. By gathering information about the market environment of foreign countries, Aldi is expanding its business in the international market and giving tough competition to the existing rival companies (Chevers, 2017).

Task Five:

4p's of Marketing:

Product Strategy:

The Core Product:

The core product of Aldi is the grocery products, such as- cereals, meat and fish and other canned products, vegetables, baby food products and so on. These are the core products of Aldi that are purchased by the consumers (Cameron, Sayers, Sacks, & Thornton, 2015).

The Actual Product:

Aldi offers products from the brands called- little journey (baby products), Earth Grown (organic products), LiveGfree (gluten free products), Simply Nature (feel good ingredients), Never Any (meat products), Fit and Active (healthy and active products), Specially Selected (gourmet products), Pueblo Lindo (Hispanic Favorites), Elevation (energy products) (aldi.co.uk. 2018).

The Augmented Product:

The additional consumer benefit that is availed by the consumers of Aldi is the reasonable price of the products. It helps the organizational consumers to save their money for better use. This is the benefit of the consumers of making purchase from Aldi (Chevers, 2017).

Price Strategy:

Price Adjustment Strategy:

According to report of Aldi authority, Aldi uses a unique strategy to adjust the low product price of the organization. Although, it is not possible in recent times to reduce the organizational expense and offer products in low price to the consumers, as there are various areas where the organizational management needs to invest, which eventually increases the product price. In order to adjust the product price, the organizational management of Aldi manages its other expenses. It only invests 13% in the procurement of the organization, 2% in the logistic and 5% in the employee section of the organization. In order to implement this philosophy, Aldi does not keep its stores open for 24*7 in the day. Aldi stores remain open for a particular time period. It helps the organization to reduce its electricity expense along with employee costs (Ellickson, 2016). They can manage with limited number of employees within the organization. It helps the organization adjust the product price.

Place Strategy:

Selective Distribution:

The products of Aldi are distributed in the selective places. There are huge numbers of stores in various parts of the world where the products are offered and sold to the consumers. It has more

than 10,000 store altogether, which are considered as the distribution channel of Aldi (Harleman, 2015).

Promotional Strategy:

Advertising:

Aldi uses traditional media to advertise the products of the organization. Various campaigns are designed to advertise the products of Aldi in television, radio, newspaper and magazine. It helps the organization to reach to large number of consumers that do not access new media (De Haas, Herold, & Schaefer, 2017).

Sales Promotion:

Sales promotion is another major part of promotional strategy of Aldi. Aldi hires a large number of employees that describe the product features and price of the products to the consumers while selling the products on store. Eventually, it shapes the purchasing decision making process of the organization (Boyer, et al., 2018).

Social Media:

Social media is also used as a weapon for the organizational promotion of Aldi. Aldi authority uses this weapon to reach to the large number of consumers from various corners of the world. The organization often organizes various social media campaigns to grab the attention of targeted consumers to increase the sales margin of the organization (Chevers, 2017).

Task Six:

Recommendation on Promotional Strategy:

According to Aristotle's persuasive techniques of advertising there are three models of advertising, such as- logo, pathos and ethos. In this scenario, logo model will be suitable for Aldi authority. According to this model, more than the type of advertisements, the content of the advertisements put significant impact on the buying behavior of the consumers. Advertisements can be funny, emotional or serious, but the content and subject of the advertisements influence the buyers and shape their behavior significantly (Grant, 2016). This area must be considered by the organizational authority of Aldi while designing the advertisement strategies of Aldi. Although, Aldi authority has adopted all kind of possible promotional strategies for the marketing of their brand, there are some modern marketing strategies that can be adopted by the organizational authority to stimulate the growth of the organization. These strategies will be helpful for the organizational authority to beat the rival companies and maintain the organizational competitive advantage. These strategies are discussed below:

Affiliate Marketing: Affiliate marketing strategy can be adopted by Aldi authority. This type of business strategy is helpful for the sellers to get a huge exposure in front of large base of audience. It

is known that internet is used by large number of people all around the globe to make their career. Thus, Aldi can rely on such webmasters to promote their products to the targeted audience. Webmasters will be responsible to promote the brand name and products of Aldi in front of their audience through their channel (Sualang, Massie, & Pandowo, 2017). Eventually, major number of people will become aware of the deals and purpose of Aldi, which may put a positive impact on the sales margin of Aldi.

Famous online shopping platform Amazon uses this technique to promote their brand in a large scale. Many Youtube vloggers and webmasters discuss about the products and price of Amazon on their channels that give a huge exposure to the organization.

Internet Ads: It can be often evident that advertisements pop up while surfing the internet. This is another effective promotional strategy that can be helpful for the Aldi authority to meet with their desired target. It has been witnessed that such internet ads put significant impact on the profit margin of the business organizations (Grant, 2016). Aldi authority can ask their technical department to design such advertisements to drag the attention of large number of consumers. There are plenty of platforms that will allow Aldi authority to give advertisements.

For example: it is often evident that famous fast food chain dominos often uses this internet ad strategy to promote their new offers to the targeted consumers. The technical team of Dominos pays attention to the activities of their targeted audience on the social media and uses this information to show internet based ads to them (Sualang, Massie, & Pandowo, 2017).

Task Seven:

Cultural Difference between New Zealand and Germany:

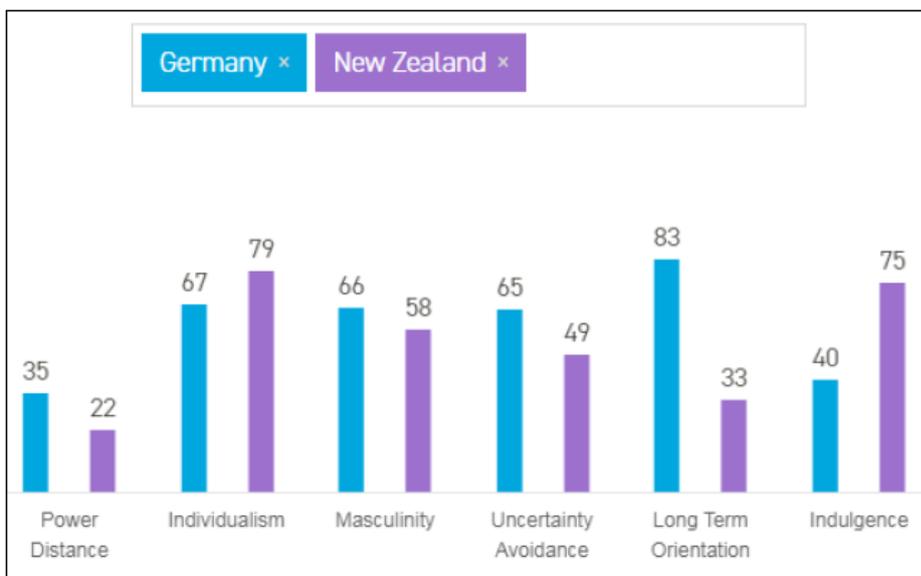


Fig: Cultural Difference between Germany and New Zealand

Source: (hofstede-insights.com. 2018)

Power Distance: In power distance Germany has scored more than New Zealand. It signifies that the power within the German society is distributed unequally. The power of the society is mainly preserved by the high class and middle class people of the society in Germany. Lower class people are suppressed and dominated by the high class people. On the other hand, in New Zealand, power is distributed more equally among various class of the society. People enjoy equal rights within the society in this country (hofstede-insights.com. 2018).

Individualism: In the section of individualism, Germany has scored 67, whereas New Zealand has scored 79. It signifies that both countries have high level of individualist culture. It depicts that the people of both countries concentrate on small and direct families. They believe in 'I' and 'We' thinking. They do not think or function in group. People of these countries mainly concentrate on individual goals rather than teamwork (hofstede-insights.com. 2018).

Masculinity: In this section Germany has achieved 66 and New Zealand has scored 58. Both countries are influenced by masculine culture and behavior. However, as Germany has scored more in this area, it can be observed that German societies are more masculine than New Zealand. It can be understood that people from these two countries mainly concentrate on the individual goals, and achievements of the goal and success is considered as the final destination for the natives of these two countries. People in these countries do not pay attention on the communication, corporation or caring. Their primary motive is to achieve success in life and enhance the financial stability (hofstede-insights.com. 2018).

Uncertainty Avoidance: In uncertainty avoidance, Germany has scored 65 and New Zealand has scored 49. There is gap between the scores of these two countries. As the score of Germany is high in this section, it shows that the country and its people prefer to control the uncertainty. They design the laws or use the creativity and involve in various planning to control the uncertainty of future. On the other hand, New Zealand has scored lower in this scenario, which signifies that this country does not prefer to control the uncertainty of future (hofstede-insights.com. 2018). They want to look up for future, but do not involve in any kind of planning to control or to deal with future.

Long-term Orientation: In long term orientation section, Germany has achieved 83 and New Zealand has scored 33. It shows that German people does not have much respect towards the tradition like New Zealanders. They live in the moment. They can change their rules and regulations according to the situation. At the same time, they can adopt other tradition for the betterment of the society. On the other hand, New Zealanders preserve great respect towards the tradition and they are very much normative (hofstede-insights.com. 2018).

Indulgence: In this area, Germany has score 40 and New Zealand has scored 75 that signifies that New Zealanders pay close attention to the desire and enjoy their life with fun and relaxation. However, Germans do not pay much attention to this area. They mainly focus on constructive goals (hofstede-insights.com. 2018).

Negotiation Tactics:

There are five different negotiation tactics can be used by the creative director while meeting the German owner of Aldi that are mentioned below:

- Listen to the issues and speech of the owner first before presenting own views. The director needs to pay attention to every words of the Aldi owner to understand his motive and interest (Chevers, 2017).
- The creative director must be willing to walk away. He should not compromise with his own terms and conditions (Chevers, 2017).
- Creative director must use written communication process along with verbal communication. He must have a written paper that will show all the terms and conditions of the director to the Aldi owner. It will give a vivid idea to the owner about the objective and purpose of the director (Duan, Mao, & Huo, 2018).
- The director must not respond instantly to any offer or quickly accept any offer of the owner. He must think silently before responding the every aspect of the offer (Grant, 2016).
- As the in Germany most of the power is possessed by the higher authority of the organization, the creative director must spend more time with the decision makers and try to convince them (Duan, Mao, & Huo, 2018).

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