

Report 1: Proposal

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Retailer: Lidl, Tullow Rd, Carlow

Product Category: Baked Bread

Lidl is an international discount retailer that was first established in the 1930's in Germany as a small independent grocery store. Lidl has since expanded to become one of the top retailers across Europe. When Lidl became a well-known household name within Germany, they started their expansion to neighbouring countries starting with France then closely followed by the United Kingdom. They had such success with this market expansion that they even became one of the leading discount retailers within the UK. This led Lidl to expand all across Europe, America, and Asia. They are now operating in 32 countries worldwide, including 162 stores alongside 3 distribution centers within Ireland. Their mission is to provide “high-quality, fresh products with the lowest possible price” (Lidl Stiftung and Co. KG., 2017). Lidl is also consistent with keeping updated on their social media accounts such as Facebook with 541,174 followers and 551,152 likes. They post daily content discussing current promotions, loyalty programs, social goals, and beliefs.

Lidl is known for their fresh products; the baked bread category consists of fresh loaves and rolls baked in house. This provides the company a unique competitive advantage over competitors who only sell pre-packaged sliced bread. Lidl's in-store bakery offers customers a large selection of other fresh baked goods such as: pastries, cookies, muffins, and doughnuts. For the purpose of this project, we will be focusing primarily on baked bread. According to the Bord Bia Irish Food Board, “35% of Irish consumers have a stronger preference for own-label baked goods, while 33% prefer branded baked goods. Approximately 31% of consumers said they have no preference for branded or own-label baked products” (Board Bia, 2019). According to Statista's analysis of the Irish baked bread market, there is currently a downward trend in demand for baked bread due to health conscious consumers who seek less salt and sugar in their diets (Statista, 2019). The market is still dominated by small and medium enterprises. This is a positive for Lidl, as it's bread category consists mostly of locally-sourced products as opposed to mass-market brands of packaged breads found in all other Irish grocery stores.

Reference List

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