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MARKETING DYNAMICS
ASSIGNMENT – POSTER

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Introduction

Marketing dynamics determine the impact of behaviours and prices of consumers and producers in a market. Marketing dynamics is extremely important because it helps to manage demand and supply curves. The study has analysed the various market dynamics of ASDA, which is a British multinational retail company stated in the UK. . The study has provided an audit of the “Internal and external marketing” environment by conducting Pestle and SWOT analysis. In addition, the study also demonstrates a perceptual map to analyse the market positions of the company in respect of its competitors. Moreover, the study has also included a market segmentation part to analyse its potential customers and analyse their requirements for the brand. Accordingly, customer personas and a marketing mix were also included in this study to analyse the company's potential consumer base and marketing strategy.

Audit of Internal and external marketing environment

Internal market analysis- Pestle

Factors	Details	Impacts on ASDA
<i>Political factors</i>	<ul style="list-style-type: none">• The UK has stable political circumstances• The UK maintain a good relationship with other countries such as U.S, australia and france	Can operate its business without any political imperilment
<i>Economical factors</i>	<ul style="list-style-type: none">• GDP increase in the UK is at approximately 4.05% compared to the last year (Statista, 2023)• The inflation rate of the UK is 8.9% (Ons, 2023)• The tax rate of the UK is 20% per income of “£12,571 to £50,270” (Gov.uk, 2023)	An increase in the price level can affect the profitability

<i>Social factors</i>	<ul style="list-style-type: none"> • The UK population rate is 67,026,300 (Ons, 2023) • The employment rate in the UK is 75.8% (Ons, 2023) 	Help to grow sales speed and increases buying power of customers
<i>Technological factors</i>	<ul style="list-style-type: none"> • UK extended digital technology businesses have acquired “a total of £2.46 billion in investment” (Digi Catapult, 2023) • UK has adopt New technologies such as augmented reality (AR) and 5g and ultra fast network (Digi Catapult, 2023) 	Permits to adopting an innovative marketing strategy
<i>Legal factors</i>	<ul style="list-style-type: none"> • “Employment rights act 1996” covers unfair layoff, monotony payments, security of earnings, and zero-hour contracts (Legislation.gov.uk, 2023) • “The Equality Act 2010” lawfully protects the population from bias in the workplace and in the broader community 	Help to enhance economic growth while maintaining ethics along with protects exploitation from illegal factors
<i>Environmental factors</i>	<ul style="list-style-type: none"> • The UK take the environmental initiative to spread sustainable awareness • The UK reduce the climate change by 2023 and reach net zero by 2050 (gov.uk, 2023) 	Allows to construct sustainable business organisation

Table 1: Pestle analysis of the UK

(Self-Created)

Analysis

Political stability is useful for ASDA to execute its business in the UK without any political barriers. Accordingly, the UK also maintains a good relationship with its other countries, which can be an advantage for ASDA to expand in other countries. In addition, due to stable political circumstances, ASDA can contribute to the development of GDP and this can boost its sales. Apart from that, ASDA can face massive issues regarding the “high inflation rate and a high tax rate” which can create many barriers to executing business processes. As per

the comment of Le *et al.*, (2023, pp.2447-2459), a high inflation rate makes every business product more expensive and can affect profitability. As a result, ASDA can suffer from increases in the price range of its products and can reduce its profit margin. The UK has a big consumer market due to its high population, it helps ASDA to gain more consumers to increase its sales rate.

Significantly, The UK mainly concentrates on advanced and innovative technologies and this might be useful for ASDA to embrace more ingenious techniques in its business operation. According to the statement of Dong (2023, pp 6-9), an adequate employment rate can improve the sales percentage of organisations as this permits enhancing the income level of the population. The employment rate in the UK positively helps the company to enhance its profitability and annual revenue. Xuân, and Thu (2023, pp.2460-2471), Legal aspects are external elements, which guide how the law impacts the business's operation and customers' behaviour. ASDA needs to maintain all the legal acts of the UK to provide employees with proper rights and reduce discrimination in the workplace to maintain economic growth while maintaining ethics in the business organisation. As per the views of Бородієнко *et al.*, (2023, pp.464-473), including sustainability in the business organisation can help to increase the brand image from the consumer's viewpoint and increase profitability. Thus, ASDA can embrace a relevant code of manners and sustainable practices in the UK supporting ASDA to be a sustainable brand.

External market analysis-SWOT

Strength	Weakness
<ul style="list-style-type: none"> ASDA has a wide range of Products such as “including clothing, grocery, fresh fruits, home and entertainment goods” (Asda, 2023) Asda grew by 6.4% approximated to the previous year (Statista, 2023) ASDA has a strong management system ASDA had a brand value of 2.61 billion U.S. dollars (Statista, 2023) 	<ul style="list-style-type: none"> The lack of innovative technology is a potential weakness Limited global presence is affecting the ASDA sales rate Intense competition from Sainsbury Tesco and Morison impacts the market share
Opportunity	Threats

<ul style="list-style-type: none"> • Online marketing helps to secure more market share • Asda has the opportunity to expand its business beyond the UK • Providing employee and customer satisfaction is important to enhance business profitability 	<ul style="list-style-type: none"> • ASDA faces a number of competitors in the UK market Sainsbury's, Morrisons and Tesco Plc • Independent online retail marketers are big threats to ASDA
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Table 2: SWOT analysis

(Source: Asda, 2023)

Analysis

ASDA is one of the largest retail sectors in the UK market. The aim of this company is to create a better world and sustainable future through sustainable practices and initiatives. ASDA has around 630 stores all over the UK with a strong management system which helps the company to achieve more sales and profitability(Asda,2023). In addition, The company also has a 145,000-strong employee base which helps to serve more than 18 million customers every week (Asda,2023). Accordingly, the supercenter “Milton Keynes” of Asda is more than 1,000,000 sq. Ft which is the largest store in the UK (Asda,2023). The lack of innovative technology and global presence is a potential weakness because ASDA mainly focuses on the UK market, which makes it more powerless against local market changes and financial conditions than rivals with a more “global footprint”. On the other hand, ASDA also faced intense competition in the supermarkets from “Tesco, Sainsbury's, and Morrisons”, which impacted the company's market and profitability. As per the comment of Hu *et al.*, (2023, p.10771), online marketing helps ASDA to enhance its market position and its profitability. Thus it can be stated that ASDA needs to expand its business beyond the UK market to get more customers to increase the business revenue.

Perceptual map and market position of competitors

Competitor Analysis

Competitors	Revenue	Employee	Market share	Quality	Price
ASDA	£20.4 billion	145000	14.1%	Moderate	Moderate

Tesco Plc	£61.344 billion	367,321	27.3%	High	High
Morrison	£18,479 million	105,000	9.1%	Moderate	Low
Sainsbury's	£29.895 billion	171,000	14.9%	High	Moderate

Table 3: Competitors analysis of ASDA

(Self-created)

Analysis

Based on the above findings it can be stated that the major competitors of ASDA are Tesco, Morrison and Sainsbury's. The comparative estimation between those organisations demonstrates that Sainsbury's and Tesco Plc have a high market revenue compared to ASDA and Morrison has a lower revenue than ASDA. On the other hand, Tesco Plc and Sainsbury's also have a strong employee base compared to ASDA and Morrison has a lower employee base than ASDA. As per the comment of Tarini and Eusebi (2022, p.113), a higher market share can help enhance sales and revenue rates for the business organisation. In terms of market share. ASDA has a lower market share than Tesco Plc as well as Sainsbury's and higher than Morrison. Based on the above analysis it can be stated that ASDA has followed mainly moderate quality with a moderate price range. On the other hand, Tesco has followed high quality with a high price as well as Sainsbury's also followed high quality with low price. In this regard, ASDA needs to maintain Sainsbury's market strategy which is high quality with a low price range to enhance its annual revenue and successfully compete with its potential competitors to sustain in the market successfully.

Perceptual Map of the Market Positioning

Market segmentation

Segmentation	Target	Positioning
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Demographic segmentation	<ul style="list-style-type: none"> • Both male and female groups of consumers • Customers aged between 25 to 60 age • Customers with moderate income range • Customers who engaged in every profession 	<ul style="list-style-type: none"> • High quality • Moderate pricing
Behavioural segmentation	<ul style="list-style-type: none"> • Customers who are interested to buy fresh and frozen food products • Customers who are loyal to specific brands • Customers who spend more time in social media 	
Geographic segmentation	<ul style="list-style-type: none"> • Customers who are based in the UK • Customers in all-region • Customers who are comfortable in English language 	
Psychographic segmentation	<ul style="list-style-type: none"> • Customers who are technology friendly • Customer who belong middle to upper class in the society 	

Table 4: Market Segmentation of ASDA

(Self-created)

Analysis

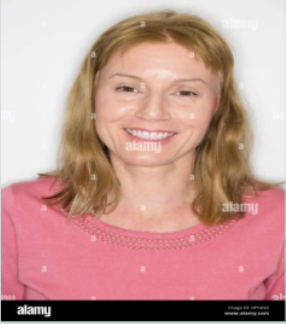
Segmentation is the fundamental pillar for achieving the potential and ideal consumers. As per the comment of Akaichi *et al.*, (2022, pp.349-370), customer markets are mainly segmented by determining five factors such as demographic segmentation, behavioural segmentation, geographic segmentation, Psychographic segmentation and firmographic segmentation. Based on the above analysis, it can be stated that behavioural segmentation is extremely important for the ASDA company because it helps to understand the target

customers based on their gender, age and income range. ASDA, the company has mainly followed Psychographic segmentation, demographic segmentation, behavioural, segmentation and geographic segmentation in terms of establishing its product market more relevant to its target consumers.

In this regard, ASDA prefers both female and male group customers in the 20 to 60 age group. In this regard, customers who have a moderate income range monthly and are engaged with every profession are the target customers of ASDA because. ASDA has targeted this kage age group because it helps the company to reach 63.46% population which enhances the revenue as well as the profitability of ASDA (Statista, 2023). On the contrary, ASDA has focussed on the customer who is interested in buying fresh and frozen food products. In addition, ASDA also focuses on customers who belong middle class to the upper-middle class of the community and are connected to both government and private organisations so that they can afford the products and services with moderate pricing. Apart from that, the company has also targeted the customer who is a resident of the UK. According to the comment of Han *et al.*, (2022, pp.1-24), ²Psychographic segmentation is the technique used for analysing customers and separating them into classes using psychological factors including “personality, lifestyle, social status, activities, interests, opinions, and attitudes”. Based on the Psychographic segmentation ASDA has concentrated on the groups of consumers who are easily used to technology and online sites to buy goods.

Likewise, behavioural segmentation is also important for ASDA to target potential consumers to enhance its market stability. According to the comment of Li *et al.*, (2022, pp.108-117), Behavioural segmentation is a kind of marketing method, which specifies and groups possible consumers based on their behavioural patterns. As a result, ASDA has concentrated on targeting consumers who personified an active social media presence and are high-tech-friendly. Thus, following this target group of consumers, the company has been able to achieve the potential groups of consumers who look for high quality service and products at an affordable and reliable price range.

Customer Persona

<p>Name: Daniel Pattinson</p> 	<p>Background:</p> <p>A 35-year-old female office management staff in the UK. She has two children and is married to a corporate office employee.</p>	<p>Challenges and Pain Points</p> <ul style="list-style-type: none"> • Busy lifestyle and tight schedule have caused to less time spent on home management • Huge work pressure has created a massive challenge to maintain the house as well as professional life • Due to high inflation rate suffer to enhance financial stability
<p>Age: 35years</p> <p>Relationship Status: Married</p> <p>Address: Bedfordshire, UK</p>		
<p>Profession: Office management staff in the UK</p> <p>Monthly Income: £47,000</p>	<p>Interests and Hobbies:</p> <ul style="list-style-type: none"> • Shopping • Cooking • Reading • Travelling • Home decor • Exploring 	

Expectation from the Brand <ul style="list-style-type: none"> • Easy and convenient solutions to buy fresh food items and home product • Easily available in online platforms • High quality and moderate price range product 	Goals: <ul style="list-style-type: none"> • Interested in buying more convenient, high-quality products which can be available in online offline both place • Buying quality food products that is easy to cook and process • Needs to fast and quality delivery process without repeated delivery for instruction, which is also less in price compare to other brand to ,mange finance
Favourite Social Media Platform: <ul style="list-style-type: none"> • Instagram • Facebook • Twitter • Whatsapp 	Favourite Brands: <ul style="list-style-type: none"> • Morrison • Mark and Spencer • Sainsbury's • Tesco

Table 5: Customer Persona

(Self-created)

Marketing mix -7Ps Marketing Mix

Product

ASDA provides a huge range and variety of products including clothing, grocery, fresh fruits, home and entertainment goods. The customer of ASDA can purchase fresh, frozen and chilled drinks, foods and beauty and health products along with clothing and outdoor products. ASDA's product strategy is to provide their potential customers with their own brand-label drinks and foods which are determined to provide consumers value for money along with variety and choice. According to the comment of Khalayleh and Al-Hawary (2022, pp.1023-1032), a focus strategy is a process of enhancing marketing and selling products to the marketplace. Based on the product analysis of ASDA it can be stated that the company follows a market-focus strategy to maintain its profitability. In addition, ASDA also provides its customers with various financial services such as travel insurance, credit cards and personal loans. However, customers of ASDA have faced various issues regarding their

product quality and service delay issues. The company needs to improve its product quality as well as service quality to retain customers for increased profitability.

Place

ASDA's place techniques are mainly concentrated on assuring that consumers can easily address the products according to their needs. In this regard, ASDA has established more than “630 stores” in the UK markets while developing a strong online presence (Asda, 2023). Moreover, ASDA maintains both online and offline distribution. The variety of store formats of ASDA such as “supercentres, superstores, supermarkets, Asda Living, and Petrol Filling Stations. Supercentres are the largest stores”, which help to make customer purchases more fast and convenient.

Price

ASDA's main pricing strategy is “low-cost agendas” for provisioning the consumer's low-price products. The marketing strategy of Asda is to supply consumers with excellent value for money across its whole range of general merchandise, foods and clothing. In addition, ASDA also needs to provide its consumers with many exciting offers on special occasions to increase the brand's profitability and sales growth. According to the comment of Dewi and Sulivyo (2022, pp.151-157), Value-based pricing is a business strategy that predominantly depends on consumers' perceived value of products and services to specify the cost. Thus, it can be initiated based on the analysis of ASDA price marketing that they follow a value-based pricing strategy to provide the consumer value for money.

Promotion

ASDA's main promotional strategy is sponsorship methods, the company partners with many leading companies such as leading sports charities to provide funding and support the skilful “British athletes” (Asda Foundation, 2023). Accordingly, ASDA also uses various commercial promotional methods such as television and newspapers, to communicate with its consumers. Moreover, the company can employ many sales promotional strategies such as Buy one get one free and price reduction. The company also utilises digital marketing and social media for brand promotion to increase brand awareness and reputation among consumers.

Process

ASDA mainly received products from its suppliers and organised markets for consumers to purchase. Accordingly, consumers pick products according to their needs and go to ASDA staff for payment. ASDA stores are mainly open 24 hours to provide their customers with 24/7 service. In case ASDA needs to implement “self-service machines” to complete

payments and sustainable packaging in their process to enhance customer satisfaction and environmental health.

People

ASDA has a vast number of employee supports to provide quality service to their consumers. The company have approximately “145,000 dedicated employees”, who serve more than “18 million customers” every week (Asda, 2023). The company provides on-the-job training to their employees to develop their customer-handling skills. Skilled employees help the company to understand the needs and expectations of the consumers to provide products and services according to their needs.

Physical Evidence

ASDA has maintained its physical evidence through their stores, logo, websites and brochures. ASDA is also present on various social media such as Facebook, Instagram and its own websites. In addition, ASDA also provides their consumers with proper bills with every purchase to maintain authenticity in the business. As per the comment of Siripipat Tanakul *et al.*, (2022, pp.31-41), the Logo is the company's initial introduction to the customers. Physical evidence helps the company to enhance its relationship with the consumers in order to enhance customer reliability towards the company.

Summary and Conclusion

Based on the above analysis it can be stated that market dynamics is extremely important for business origination to maintain its supply and demand scale. The study has highlighted the diverse market dynamics of ASDA. The study has concluded an audit of “Internal and external marketing”. The SWOT analysis of ASDA helps to understand the strengths, weaknesses, opportunities and threats properly. Apart from that, pestle's analysis included the “political, economic, social, technological, legal, and environmental” elements in order to determine an appropriate course of action. The study also highlighted precise competitors analysis where it included all the potential competitors with its market share, revenue and price range with a perceptual map which helps to understand the market position of ASDA in terms of its competitors. In addition, the study also highlighted a customer persona map with the help of its market segmentation to determine the target customer properly. Accordingly, the study also concluded marketing mixes which define that ASDA mainly follows a focus marketing strategy and value pricing strategy to enhance its profitability and market stability.

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