**Introduction**

Marketing is a process that affect our lives. In this modern age people mostly behave like consumers, but most of them are part of marketing like salespersons, wholesalers, rivals, Raw material suppliers. As we know, the concept of marketing is constantly redefined.

**Marketing**

Marketing defines activities that create value through exchange between parties, rising new products needs new markets and finding new markets needs new marketing that called “Marketing”.

In the new economy, every science rethinks its question, strategy, and logical instrument. Promoting is no exemption to this pattern, its contents being constantly reclassified and reflected in the system of a few ideas that announced in past phases of advertising improvement are assembled in another idea, called marketing

**Marketing**

Marketing is a word that is used in different contexts and a baseline understanding is essential. The efforts and activities that create value through voluntary exchange between buyers and sellers is “marketing”. Today marketing follows its cause to the crude types of exchange

**Market:**

A market is a mechanism between a seller and a buyer or consumer in which:

* The seller agrees to supply the goods or the service.
* The buyer or consumer agrees to pay the price.

Defined this way, the market is not necessarily a geographical location. Products and servicesare purchased over the phone, through mail and electronic mail, as well as online through theinternet.The market share for a company or a product is the value of the total sales for that product or the company divided by the total sales in the market. It represents the proportion of the total market sales claimed by the product or the company.

**Product**

Customers satisfy their needs and wants with products and services. A product or service that can satisfy a need or want of particular category of customers, such as one of the basic offerings of goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

Most definitions are similar and it should be emphasized that a “product is not limited to finished goods”. When creating a marketing procedure, strategy for product development and its related aspects such as packaging, shipment, warranty, and branding must be considered.

**Marketer:**

A person whose prime responsibility is to include the identification and promotion of the goods and services desired by a set of consumers, as well as the marketing of those goods and services on behalf of a company. Only skillfully trained Marketers are stimulating demand for their products and services. However, this is too limited a view of the tasks that marketers perform. Just as manufacturing and logistics professionals are responsible for supply management, marketers are must understand the demand management. Marketers may have to manage customers choice, avoidance of a product or services, lack of awareness or interest in a product, a strong need that cannot be satisfied by available products, lower demand from consumers, demand varying by season or event, day, or hour, a satisfying level of demand, more demand than can be handled, demand for unhealthy or dangerous products. To encounter the organization’s ambition, marketing managers attempt to influence the level, timing, and composition of these various demand states.

**Critical analysis Lidl**

The case of Lidl is designed as a single-case study, with the purpose to gain in-depth understanding and practical examples about corporate rebrandingLidl is an international grocer that opened in the 1970’s in Germany and has grown dramatically since. Lidl themselves points out that they are for the smart customer, offering high quality food products to lowest possible price. Lidl has close to 10 000 stores in staggering 25 countries.

Lidl’s business model is built on cutting out unnecessary costs such as interior design and other similar expenditures, where they strive to be cost-effective and cost conscious. As they simply put it, Lidl’s key to success is simplicity, selling products of highest quality to lowest price possible. In order to succeed there are various factors that need to be mentioned. Firstly, Lidl clearly explains that a variety of product choices are not necessary. Using too many suppliers only increases costs, therefore eliminating the wide range of products decreases price. Ketchup is used as an example, where only market leaders products are purchased. Heinz, Felix and their own brand Kania are primarily supplied in stores. Fewer suppliers and bigger volumes increase the possibility to negotiate price Lidl mention that customers tend to agree upon the fact that the stores are very unappealing, but they argue that they are smart. Costly lighting, trendy shelves and spectacular technology costs money. This is something that customers indirectly pay for, and therefore Lidl have chosen to neglect this trend.

In order to stay cost-effective, Lidl run smart logistics. Lidl’s goal is when transporting products to always fill trucks to maximum, in order to decrease the amount of trips needed

The environment in Lidl’s stores is supplied with rigorous floors and wide alleys in order to be able to transport pallets into the stores. Adding to this, shelves are low improving ergonomic working conditions for their employees. Smart ventilation systems, heat recycling, energy efficient lighting and lids on freezers are some actions executed in order to decrease energy used by the international grocer

Lidl believes that different markets are best at producing different products. Meaning that sausages are best made in Germany, Parma ham in best made in Italy. This philosophy does, according to Lidl, not affect price but increases quality among products. This is done in large quantities, creating buying power.

**Segmentation**

The vital marketing planning process flows from a mission and vision explanation to the selection of target markets, and the controlling or deciding of specific marketing mix and positioning objective for services and products the organization will offer.. According to Kotler "proceeds to segment the market, choosing the right market target, and design the offer's value positioning.The equation ofsegmentation, targeting, positioning (STP) - is the essence of vital marketing." (Kotler, 1994, p. 93).

This is an enormous application of the micro economic idea of price determination, where the organization aware the maximum price that each sector is willing to pay. In this case the theory's dependence on price is extended to include all 4 P's of the marketing mix. When the organization decided to actively build a stronghold by creating value preferences among a set of consumers. Segmentation is series of actions processes consists of segment identification, segment selection and the creation of marketing mixes for target segments.

**Segmentation Advantages / Disadvantages**

Through the market segmentation the firms and organizations can provide maximum value to customers by developing a market mix that justify the specific needs and issues of the selected segment. The consequence of the segmentation provides advantages and disadvantages following are the some advantages and disadvantages of segmentation.

**Advantages**

* The efficiency potential in terms of feasibility and cost of reaching a segment.
* The organization can modify his products and services to satisfy the customer needs.
* Organization can identify the new consumer base for his products.
* Appropriate products and services will develop with the help of segmentation.
* A valuable approach for a large company to target against cultural differences.
* It is also an effective approach for small firm with limited resources only target a limited population.

**Disadvantages**

* Large inventory must be maintained by organization and his affiliates.
* Segmentation increase cost, cost of production rises due to short production lines
* Promotion and distribution cost also increase due to separate programs for each product.

**Stp**

Derived from the STP model, segmentation is the decision process of what particular market segment to enter. In terms of repositioning, this is the newly wanted segment to enter (Kotler and Armstrong, 2009).

The next process in STP is targeting. This is simply where in the market the firm wishes to compete compared to its already apparent competitors furthermore, positioning is identified as the final component of the STP model. In order to compete successfully in a market, firms need to create a differential advantage and to create a certain niche.

Successful positioning is identified as clear connotations in terms of brand image. Repositioning then leads to tampering and altering these connotations perceived by consumers. A successful framework has been created in order to enable firms to position themselves in the market in a successful way. Firstly, the framework suggests clarity is key. This is due to the fact that a clear target market and differential advantage is needed in order to differentiate from competitors.

**Advantages**

* Products have some distinctive features which competitors not offer to customers.
* Prices have some desirable effects like budget or luxury.
* Product have some usage characteristic like certain age group

**Disadvantages**

* When characteristics of market segment change the targeting and positing of product investment become useless.
* Some organization receives criticism for targeting certain groups, selling unwilling products to specific groups of markets.

**Branding**

Rebrandingor Branding is a strategy firms use in order to create a new identity, and thus obtain a new and differentiated position in consumer’s mind. It involves activities such as establishing a new name, slogan or tagline, changing the design of the aesthetics, or position the brand towards new segments.

Rebranding is an increasingly common practice among firms, and the importance of the topic lies in line with the rapidly trend of expanding internationally among firms. As mentioned, repositioning is a strategy within the process of rebranding and considered the key element of rebranding (Muzellec and Lambkin, 2006), and refers to the task of changing the image of the brand in order to obtain a more valuable position in consumer’s perception. As the world is getting increasingly global, the trend of internationalization among firms comes with difficulties in how to capture and transfer brand equity through repositioning, which also questions the effect this might have on brand image (Muzellec and Lambkin, 2006).

When having established a certain brand, this then shows that a specific segment is entered and the certain brand has created associations as to what it in very specific terms stands for. As one then can imagine, if a certain firm if displeased by this segment entered in terms of branding and corporate identity, a major change is then needed. Revitalizing and repositioning a certain brand through gradual, incremental changes in terms of the specific brand positioning is considered vital in terms of brand management in response to changing market conditions (Aaker, 1991; Kapferer, 1998).

**Advantages**

* The harder the company works for its identity the more awareness created by company
* Branding helps to create loyalty among the customers.
* The customers feel the quality of products consistent due to branding.

**Disadvantages**

* If the product and service experience negative event that will attached to the brand for lifetime.
* Designing brand may increase cost for research, naming development and graphic designs and brand identity.

**In Case of Lidl**

Brand image, as argued by Dobni and Zinkhan (1990), serves to describe the perceptions and interpretations of a brand delivered by consumers, affected by emotional experiences and apprehensions. Furthermore, Dobni and Zinkhan (1990) describes brand image as formed by the individual consumer’s characteristics, which indicates that the perceptions of reality made by the individual is the most important influence in comparison to the actual reality. This further indicates that the physical and technical attributes about the brand do not have any impact on brand image, since brand image is formed by the individual’s perceived result of the activities done by the brand (Dobni&Zinkhan, 1990). This overall image consumers hold about the brand in mind, creates uniqueness to the brand and relates to the comparative advantage or disadvantage presents brand image as part of the important four-step process of building brand equity (CBBE model), where brand image is included in the second step and contributes to the brand meaning of a brand. Furthermore, a best author argues that brand image is built upon the concepts of brand attitudes and brand associations(associations earlier referred to as perception and will be used interchangeably through this section).

Brand attitudes refers to the overall, both negative and positive thoughts about the brand linked to the communication strategies made by the brand. Linking this to the empirical data derived from the focus groups the participants held an overall indifferent and somewhat positive attitude towards Lidl’s communication strategies

Brand associations, on the other hand, refer to everything that connects the consumer to the brand. Linking this to the empirical data derived from the focus groups the participants had overall negative associations towards Lidl. Words as ‘budget’, ‘cheap’, and ‘ashamedness’ concludes the general associations of Lidl. Also, words as ‘foreign’, ‘unfamiliar’, ‘unrecognizable’, ‘messy’, and ‘confusing’ were brought up when being asked about their general perceptions.

These attitudes and associations Lidl are fully aware of, and started their repositioning process with the goal to change the view of the public that *“Lidl is cheap and poor quality”* (store managers 1 and 2, personal communication, 2015-04-20)*.* When they entered the Swedish market they mostly sold German products, as milk for example, but when being met with plenty of critique, Lidl listened to their customers and started to sell Swedish milk together with other fresh Swedish products (store managers 1 and 2, personal communication, 2015-04-20; communication manager, personal communication, 2015-04-21). Regarding the brand attitudes derived from consumers’ thoughts about the brand in terms of communication strategies, Lidl have made several efforts in order to arrive at these positive attitudes. The commercial ‘Von Lidl’ was perceived as a bit exaggerated because of the excellent quality the products Lidl was communicated to have (focus groups, personal communication, 2015-04-13; 2015-04-14). The commercial was in-tended to emphasizing the fact that customers associate shopping at Lidl shameful, but that they should not because of the fantastic quality (store managers 1 and 2, personal communication, 2015-04-20). Although the commercial was perceived as exaggerated, the focus groups claimed that it might not have reached all the way to the wealthy upper class, as the focus groups explained the commercial was aiming for, but that it might reached half way and attracted the Swedish middle-class (focus groups, personal communication, 2015-04-13; 2015-04-14). Furthermore, Lidl developed restaurant ‘Dill’, a transparent concept in order to increase the trustworthiness of Lidl, which *“took the entire Swedish market by storm”* (communication manager, personal communication, 2015-04-21). Also, Lidl’s communication manager explained that Lidl are active on social media counteracting rumors and assumptions of Lidl by daily answering posts and phone calls in order to prove consumers that the rumors are faulty (personal communication, 2015-04-21). In order to respond to the negative associations in terms of Lidl’s assortment and messy stores, Lidl have adjusted and introduced a better fruit and vegetable department, and are now exporting fresh products from suppliers every day (store managers 1 and 2, personal communication, 2015-04-20).

In terms of effects on consumers’ brand image as a response to Lidl’s repositioning, the authors can see that the efforts made by Lidl have mainly resulted in a stronger brand image. Derived from the focus groups, the majority argued that they feel a stronger connection to Lidl today, and this is due to Lidl’s efforts in creating amusing commercials, which have increased the trustworthiness in the quality of Lidl’s products. Although the focus groups felt stronger connection today because of Lidl’s marketing efforts, they argued for the aspects of culture and background as their main concerns for Lidl’s continuous repositioning. They argued that Swedes loves Swedish products when buying food and not foreign products, and that that they associate Lidl with too much budget, which is rather the opposite to the grocery stores that Swedes are familiar with (focus groups 1 and 2, personal communication, 2015-04-13; 2015-04-14). Lidl’s communication manager mentioned that most negative associations are assumptions based on incorrect statements (personal communication, 2015-04-21). These, the authors believe, were born from the very beginning, when shopping grocers with their parents. Since Lidl entered the Swedish market in 2003, it is understandable that Lidl might not have been a part of the participants’ childhood (aged 20-25). Therefore, it is not very unexpected, that now when shopping grocers alone, Lidl has not been the obvious first choice of the participants.

**Conclusion**

Regarding corporate repositioning and its effects on corporate identity and brand image, using the case of Lidl as an illustration, we are able to conclude that the process of repositioning is challenging and risky, and applied to Lidl, their main barrier is time. Furthermore, the we argue that repositioning can be nearly impossible, and that the minor, long-term activities are the most crucial in order to keep the brand fresh and modern.

**Conclusion**

Within corporate identity, strategic choices and corporate expression are the two main building blocks, which by a repositioning will be affected. Major changes in strategic choices were few, but these are the backbone for the existing organization, and must be aligned with brand promises. Lidl has been delivering according to brand promises, but failures in communication have led to their brand promise being unclear. Relating to corporate expression, Lidl has with various efforts transformed brand communications and associations, executed by various marketing and advertising. The repositioning process has affected corporate identity as the effective marketing communication strategy has been altered, as trust and credibility were seen as a priority. Therefore the repositioning process has strengthened the corporate identity due to that brand promise and the marketing communication strategy has been developed due to communication changes derived from the repositioning process.

**Recommendations**

Branching off to brand image, brand attitudes and brand associations are the two main concepts, which by a repositioning will be affected. In the case of Lidl, their repositioning process has led to stronger brand image, i.e. more positive perceptions and interpretations of Lidl as a brand.

**Recommendations**

Derived from the focus groups, the participants held an overall positive attitude towards the brand with an increased trust in the assortment, and this because of the new and developed marketing communication strategies by Lidl. The associations about Lidl, on the other hand, have not been particularly influenced to the extent that some of the participants still associate Lidl as ‘budget’, ‘ashamedness’, ‘unfamiliar’, and ‘messy’ but these opinions are under transformation heading towards more favorable associations.

**Summary**

The Segmentation, STP, branding strategy will offer strategic advantage over competitors. The organization can divide the market into homogeneous groups, identify those groups that organization is best suited to satisfy, and target those selected groups. This center of interest or activity will allow organization to better and more cost effectively meet the needs of the target segments of market than can competitors who are going after everyone. Needless to say, competitive organizations mean that any successful strategy will eventually be copied, along with efforts organization might make to identify and target even narrower segments. Developed and stable customer base have typically been segmented as much as is logical with several competitors compete eagerly for each valuable segment. In respect of excellent product development efforts over the years, further segmentation and targeting are not much effective in such markets. Even the intuitively appealing division of the market into light and heavy consumers and the strategy of targeting the heavy-consumer segment is unlikely to succeed in crowded, developed and mature markets. Instead, organization is best advised to target all the consumers of particular product category or subcategory in such markets, with a goal of increasing organization penetration. Sales increases will be obtained, if at all, from increasing organization brand's relative popularity among all consumers of the product class

**Recommendations**

As a recommendation point, organization should hire marketing researchers who will collect critical data on hundreds of variables, use statistical strategies to try to segment market, with an objective of identifying valuable new segments to target. If profitable segments have been found, then variety of strategies would apply. Prior to get into the market It is also better to understand the consumers of product category or subcategory so that organization can fulfill their needs better than do organization competitors.

Reference list

Kotler, P., and Armstrong, G. (2009).*Marketing an introduction.*Prentice Hall Europe, New Jersey.

Lidl (2015).About Us; History. Retrieved February 19, 2015, from ttp://www.lidl.co.uk/en/659.htm

Muzellec, L., Doogan, M., and Lambkin, M. (2003).*Corporate Rebranding- An Exploratory*

*Review.*Irish Marketing Review, 16(2), 31-40.

Muzellec, L., and Lambkin, M. (2006).*Corporate Rebranding: destroying, transferring*

*or creating brand equity?*. European Journal of Marketing, 40(7), 803-824.

Jobber, D. (2007).*Principles and Pratice of Marketing.*5th edi. New York: McGrawHill Education. 275-311.

Muzellec, L., Doogan, M., and Lambkin, M. (2003).*Corporate Rebranding- An Ex ploratory Review.*Irish Marketing Review, 16(2), 31-40.

Dobni, D. and Zinkhan, G.M. (1990).*In Search of Brand Image: a Foundation Analysis.* Advances in Consumer Research, 17, 110-119.

Nieto, D.V. (2009). *The Four C’s of Survival: How Sustainable Communications Can Help You Get Through the Recession.* Retrieved April 1, 2015, from

1-Abraham, J. (2005).How to think like a marketing genius. Rolling Hills Estates, CA: Thebraham Group, Inc

(focus groups, personal communication, 2015-04-13; 2015-04-14; store manager 2, personal communication, 2015-04-20; Lidl, 2015

Aaker, D.A. (1991). *Managing Brand Equity - Capitalising on the Value of a Brand*.The Free Press, New York, NY.

Aaker, D.A. (2004), *Leveraging the corporate brand*. California Management Review, 46(3), 6-18.

Aaker, J.L. (1997). *Dimensions of brand personality*. Journal of Marketing Research, 34, August, 347-56.

Kotler, P. (2003), Marketing Management 11th ED, Prentice All: USA.

Kotler, P. (1991), Marketing Management. Analysis, Planning, and Control, 7th ed Prentice-Hall, Englewood Cliffs, NJ

Kotler, P. (1999), Marketing Management 10th Edition, Millennium Edition, Prentice Hall of India Private Limited New Delhi.

10-Kotler P & Armstrong,G & Saunders,J & Wong,V. (1999) , Principles of Marketing 2nd European Edition Prentice Hall Europe.

Kotler P.(2005).Management marketing lei, Editor Teora, Bucuresti. Kotler P, (2001), A Framework for Marketing Management, by Prentice Hall, Inc. A Pearson Education Company Upper Saddle River, New Jersey 07458.

Perreault, W., Jr., & McCarthy, E. J. (2004). Basic marketing: A global-managerial approach (15th ed.). New York: McGraw-Hill Irwin.

4Pichop, G.N. and Mndiga,H.S. (2007). Essentials of Modern Marketing Management and Supply Chain Systems for Vegetable Seed Daft,R. (1988), Management, The Dryden Press, New York.