

Organizational Review



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Introduction

Corporations develop a number of strategic plans and initiative in order maintains their competitive advantage in the market (Cravens, 2006). The current report analyses strategies and marketing objectives for a retail company based in Australia. The company has a single store based in Sydney and is currently analyzing scopes for further expansion. The company's retail store has a warehouse located at the back of its stores that maintains stock of various items from major companies. The company enjoys strategic leadership in areas of marketing especially due to its location at the hub of the city. It is easily assessable by roads, trains and other modes of transport. The company also has an online presence with its e-marketing portal that encompasses all the products sold by the company and caters to its customers by means of home delivery solutions.

While the company had been developed with a series of objectives and strategies, they have been primarily made with the strategic vision and mission of achieving competitive advantage in the market (Heath, 2008). The scope of the report is to develop strategic marketing steps for the company aligning with its strategic objectives, vision and mission statement. Such marketing tactics and strategies are not only made by analyzing external environmental threats and factors and then aligning them to current competencies and internal capabilities of the organization. The strategic marketing plan for the current organization has been developed after meeting with the CEO and confirming the objectives that might be considered will understanding the current objectives of the firm. The impact of the current marketing objectives has been assessed in conjuncture to achieving directions for the company and scope for future strategic extensions has also been discussed that can help the company achieve targets pertaining to critical success factors especially in regards to profitability (Armstrong, 2014).

Strategic Direction

Strategic directions of the company can be understood by means of the various mission, vision and values as well as purposes of the organization (Aldrich, 2008). The company functions in the

retail segment and aims to be a leader of the segment by encompassing marketing objectives.

The strategic directions for the company are provided by its shareholders as well as stakeholders that include employees, customers and others. The strategic directions are aimed at creating an unique retail experience for the customers in the company.

Mission:

“To become a leader in Sydney’s retail segment”

Purpose:

“To provide consumers with the highest quality of retail products”

Values:

- Encompass stringent Corporate Social Responsibility norms, such that Triple Bottom Line of the business can be met
- Provide highest quality of perishable as well as non-perishable products to customers
- Attain leading position in the corporate retail segment by undertaking aggressive marketing campaigns



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Strategies

The company’s strategies are designed such that it can establish its core competencies in the market in accordance with its visions and mission statement. The strategy that the company follows in the market is Porter’s Cost Leadership strategy (Allen, 2006). Sydney has various retail stores and companies as Coles, Tesco, Metro in order to compete with them the company adopts cost leadership in the market and offers products at a substantially low cost.

		Competitive Advantage	
		Lower Cost	Differentiation
Competitive Scope	Broad Target	Cost Leadership	Differentiation
	Narrow Target	Cost Focus	Focused Differentiation

It attracts a broad range of customer base from Sydney as well as from surrounding areas in order to provide them perishable as well as non-perishable items. Cost leadership strategy allows the company to sell the products at minimum profits above its costs. The company procures various materials from company warehouses, it highly integrated and sophisticated value chain renders the company cost advantage in the market. With high numbers of competing companies especially branded retailers it becomes extremely difficult to sustain in the market. The low cost advantage strategy of the company aims to establish leadership in this way as companies of other brand names have a differentiation focus. The current company aims to cater to personal choices and requirements of the customer by its services and products.

The company has a warehouse and Just-in-Time(JIT ordering system that replenishes stock as soon as they run out of it. This tactics enables the company advantages in the market and develop a highly satisfied customer base.

Situational Analysis

PEST

Strategies are formed for the company after careful analysis with external or macro factorial analysis for the company. PEST is an abbreviated form for political, economic, social and technological factors (Adkins, 2007). Macro environmental analysis is done for the company using PEST analysis as below;

Political Factors: Australia and especially Sydney is characterized by highly conducive environment to conduct business. There is minimum political and bureaucratic intervention to

conduct business thus, retail sector has been booming in the country. There is a high amount of influx from international companies in order to cater to the market segment demands as well (Aaker, 2008).

Economic Factors: Australia has a stable economy with currency rate. The GDP of the country is also robust with an ideal combination of factors from production as well as service related output. Secluded and unaffected from most of the world economies, the country enjoys enormous freedom on its economic aspects. Especially the country has a stable economic demands characterized by high growth especially in the retail sector due to high influx of immigrants and foreigners.

Social Factors: Australia has a high number of immigrants and foreigners due to its existing world renowned universities and famous tourism destinations (Hill, 2013). Thus, the growing social variety crowd and robust population structure acts as an impetus for many industry especially in the retail segment. Currently Australia is experiencing a host of foreign companies that are setting up and building their facilities in the country. This makes the environment of the country more competitive.

Technological Factors: Technologically Australia is extremely sound and retail segment has experienced multiple changes in their technological aspects. Almost all retail companies in Australia especially Sydney offers their products and services online basis. With integrated delivery systems connected technologically to warehouses, there is a huge gain that customers get from such offers and dispositions (Barney, 2015).

Legal and ethical

Companies and industries in Australia is bound by the legal and ethical standards provided by the government. Especially in the retail segment companies needs to adhere by legislations of the land pertaining to areas of employee recruitment hiring and firing policies, Sales of Goods Act, and other pertinent legislations as and when applicable (Bani-Hani, 2009). Employers in Australia need to also abide by Anti-Discrimination Laws and other employee related laws to

provide adherence to legal standards and codes of conduct. Australia is characterized by stringent laws and legislation system that companies needs to adhere.

Australian companies have strict adherence to ethical principles regarding any consumer related marketing and strategies. Further they apply ethical codes of conduct in case of sale of goods such that they can benefit the Triple Bottom Line of business activity.

The retail company has a legal wing which manages and handles the legislative compliance and other pertinent requirements for the company (Alvesson, 2012). Further its ethical wing has set up codes of conduct and Corporate Social Responsibilities that the company can adopt and follow such that its ethical standards can be met. The company has opted for a series of ISO certifications for the purpose of compliance to standards and norms for ethical principles.

Impact of Strategies on Marketing Activities

The retail company adopts and follows marketing activities in accordance with its strategies for the business. Though the company is significantly new in the business and has cost leadership strategy as its main focus, its marketing activities are aggressive to promote its brand (Grundy, 2006). The company makes use of aggressive marketing activities and strategies in order to sell various products in the market. It uses various tactics and techniques such as to enhance its market share and segment. With increasing scope of market and availability of scope the company has enhanced a series of marketing tactics and propositions such that it can attract a broader customer base. With an efficient delivery chain present to cater to online customer sales the company aims to become the leader in online sales as well.

The company resorts to various marketing campaigns as television advertisement, banners, posters, and social media marketing and so on. It especially provides various attractive advertisement campaigns with its focus on its products and services in social media such that its online sales can be significantly boosted.

KPI

	Results(2014)	Results (2015)	Competitor Results (2015)
Net Sales	AUD\$ 9 million	AUD\$ 35 million	AUD\$ 110 million
Brand Awareness	7%	12.1%	76%
New Customer Registered	0.10 million	8 million	35 million
Feedback Received	1.05 million	0.56 million	25 million

Table 1 : Impact of Marketing Activities

Source : Author

The impact of marketing activities is the above table that depicts the rise in sales and customer feedback that has considerably increased (Blythe, 2008). The marketing campaigns of the company are directed at attracting more number of customers to the company that can enhance significant amount of sales. Through aggressive marketing mass campaigns and promotions the company has been able to reach out to its customers and increase its brand image. The key idea while engaging in marketing programs was to enhance the brand image for the company such that more and more customers are benefitted by the company's promotional campaigns.

SWOT Analysis

Strategies for the company are also made in conjunction with analyzing the internal resources and capabilities for the organization (Sinha, 2009). The company's resources as financial, human and other fixed resources are directed at providing the company core competence and benefits for the company. The company has finance stability that is extended to meet the various objectives for the company. It also has capable human resources, who deliver expertise services for the customers at the store and in billing. The company excels in catering to customers at an increasing fast and effective rate. The customer servicing time at the store of the company is

significantly low from other retail stores. The product arrangement at the stores is also done in an attractive way such that customers can easily pick up items of their choice.

The company's strength, weakness, opportunity and threat analysis has been undertaken as below;

<p><i>Strength</i></p> <ul style="list-style-type: none"> • High quality of products by adhering to company standard checks • Access to fresh and local produce • Highly satisfied customers • High value chain 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • Low brand image • Market share comparatively low • Competitors have higher market share • Lack of backward integration
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> • Market penetration • Raising brand awareness • Expanding area of operation 	<p><i>Threats</i></p> <ul style="list-style-type: none"> • International brand competitors entering the market • Macro environmental changes • Threat from online stores offering cheap substitutes

Table 2 : SWOT Analysis

Source : Author

Marketing Undertakings

The several marketing undertakings have created significant impacts on sales and increasing market share for the company. However the key performance indicator reflects that there remains immense scope for further improvement (David, 2016). The company can take up several other initiatives in achieving critical success factors and performance related objectives.

Marketing Opportunity Impacts		
	Revenues 2014	Revenues 2015
Current Business	AUD \$ 5 million	AUD \$ 48 million
Customer Base	0.56 million	17.5 million

The above data reflects that there still exist a lot of opportunities that the company can explore and gain significant advantages from. The company has to further develop product related marketing or introduce loyalty cards in order that new customers can be attracted. The company can introduce various schemes and discount offers and send messages as well as emails to customers to visit their stores such that new customer base can be made. Further introducing points in loyalty card will greatly benefit the company as it can induce the customer into making repeated number of sales and thus create a higher impact on the brand recall value.

Achievement of Objectives: The company has achieved significant rise in profitability and sales as well as customer reach out from its new and improvised marketing tactics and endeavors. It needs to further encompass more aggressive marketing strategies.

Critical success factors: The critical success factors for the company include higher number of customer footfalls that can lead to higher sales for the company. Critical success factors include enhancing the customer base and brand image for the company.

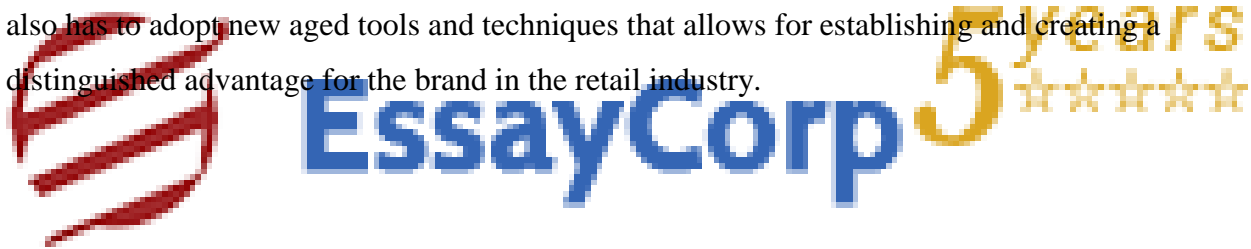
Areas for improvement: Though the company has achieved significant amounts of targets in areas of sales and customer related marketing. The company needs to undertake certain recommendations to further the brand image for the company;

- Introduce loyalty cards for customers.
- Enhance value chain models such that backward integration can be achieved

- Increase focus on online sales such that costs of operations can be reduced

Conclusion

Strategies are made to establish position in the market whereas marketing initiatives provide an extension to those strategies such that they can be easily met. Various companies forms and adopts strategies according to their vision and mission to attain specific objectives for the company. The scope for the current retail company is to establish strategies that are in line with the cost leadership and focus on making the company leader in the market segment. The company has undertaken a series of marketing initiatives and endeavors in order to create an impact on extension of its current strategies in the market. The company has been successful in increasing its market share and brand image by sue of marketing tactics but it has to further work in areas related to marketing such that its brand identity can further be increased. The company also has to adopt new aged tools and techniques that allows for establishing and creating a distinguished advantage for the brand in the retail industry.



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