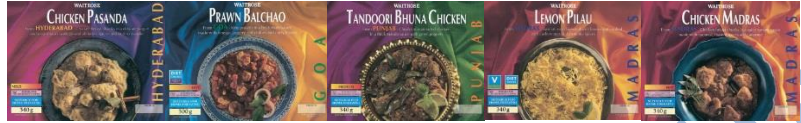


**WAITROSE**  
*food shops of the John Lewis Partnership*



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# Marketing Management Case Study of Waitrose

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**Introduction:**

The purpose of this analytical report is to examine the provided case study of Waitrose in under the light of Strategic Marketing Management. The first section of the report present the recommendations for Waitrose in establishing the strong brand image for their new range of products. The second section below discusses the implications of Value Chain Analysis in accordance with the case study. The third section defines the market research methods and techniques that can be applied to determine the target market for new product range. The last section presents the product diversification strategy for Waitrose that can be applied in future.

**Development and Maintenance of Strong Brand Image:**

According to Bojei et al (2013) it has become highly important and critical for business entities to manage the brand, especially in the global market. Cant et al (2009) supported this stance and stated that it is important to integrate the changes that are occurring in the current business environment. Ko et al (2013) also stated that within the highly competitive business environment, it has become highly critical to remain focused over the development and maintenance of brand in order to differentiate the business with competitors.

In the case of Waitrose, it is observed that it needs to ensure that it is focusing over effective strategies to develop and sustain its brand image in diversified market linked with differentiating product portfolio. Payne and Frow (2014) in this regard, argued, when business intend to develop a new product range, then it needs to ensure that the existing brand image is complementing the new product range, or else, it will become very critical to support and manage the product range. Focusing over the current case study, a number of different strategies were observed that could aid the company in managing its existing product portfolio. The suggested tactics and strategies for Waitrose are given below:

According to Yu et al (2014) in order to create and then sustain an effective brand image, it is necessary to integrate all the different business aspects within one. Aaker & McLoughlin (2010) supported this stance and stated that all the different activities and techniques adopted by the business must be aligned and attuned with the overall strategic objectives of the business and therefore these strategies must complement the overall brand image. The framework suggested for the Waitrose is:



Sharma (2009) support the above stance and stated for business that intend to launch new product range and is seeking ways to add value to the existing portfolio needs to ensure that all the activities are directed towards the creation of effective brand image. Glowik & Smyczek (2011) stated in that in this case, holistic approach should be applied as the overall brand strategy in which all the different attributes are linked with the overall brand. It is suggested that company must implement overall brand strategy with full recognition that the brand may include different product lines based on different regions. It shall provide the Waitrose an advantage that its brand will be overhauled and will

ensure that the company is focusing over all the relevant and authentic activities to ensure better practices.

As it is apparent from the case study that Waitrose is in link with different suppliers and distributors and therefore it is important to remain focused over the licensor and licensee in different regions and different markets. It is also suggested that the management must focus on consistent programs to ensure that brands is monitored and controlled accordingly. Cant et al (2009) in this regard stated that it has become critical for the company to remain focused over the different perspectives of the brand and should ensure that all activities are linked with each other, and are supporting the overall brand strategy. In order to serve the purpose, Waitrose must identify the core attributes of the brand and must link all the new products and services with the already existing brand.

The above framework suggested to the Waitrose can ensure that the company is focusing over the critical elements of the brand image. At first the company must focus on conducting effective market research so that it could realise what consumers and clients are demanding from the market. To serve the purpose, company can use different market research techniques and tactics. Sharma (2009) in this regard stated that it should be very useful to create an effective marketing media message that could convey the right message that is demanded from the customers and clients. Customer services also play an important role in this regard and can ensure that customers are provided with all the relevant and precise knowledge and information that could be used within the creation of brand. Dewan & Sudershan (2010), further added that personal relationships of the company is very critical in this regard.

As apparent from the case study that Waitrose uses multiple and different suppliers, distributors, and focuses over the developing strong relationships with the suppliers, therefore personal and public relations will also support the overall idea of brand image. However, promotional activities play an important

role in this regard. Waitrose also need to focus over the alignment of overall marketing and promotional activities to ensure that the company is delivering the message that is linked with the overall brand image and conveys what brand intends to convey.

The suggested strategies shall enable the company to launch its new product portfolio in the right manner. However, one critical element is the fact that the company must focus over the integration of all the activities and must deliver what the company intends to deliver. The message must be aligned and attuned with the overall brand image of the organisation.

### **Application of Value Chain Analysis:**

According to Yu et al (2014) one of the core objectives of any business is to gain a competitive edge over the others by securing the competitive advantage over others. Aaker & McLoughlin (2010) supported this stance and stated that in this regard value chain analysis can be very beneficial. It can provide the insights to the activities of the organisation by which the company can attain the competitive advantage. Payne and Frow (2014) argued that value chain analysis basically provide the idea to ensure that the all the related activities are design to support each other by focusing over the bigger picture that is the competitive advantage from the market.

The use of value chain analysis for Waitrose can identify the different part of the value chain and then can provide insights to the areas where improvements can be made either from production for selling point of view. Waitrose can use value chain analysis in order to analyse the different activities of the firms that are conducted within the organisation. This tool, according to Parnell (2013) recognises the activities that are valuable and are necessary for the business. This model also ensures that the company is seeking for those activities that can generate competitive advantage over others and also seek those activities

that require improvement. Payne and Frow (2014) stated that it is the tool to analyse the contribution of each activity from within the business.

Parnell (2013) in this regard stated that the ability of the firm to assess its own competitive advantage cannot be assessed or understood by looking at the firm as a whole. Thus, holistic view of the firm cannot tell the organisation that how the competitive advantage is attained and which activity has yielded the best benefit of the organisation. Dewan & Sudershan (2010) in this regard argued that competitive advantage is the combination of different activities that are conducted along with each other and are complementary towards each other, as well.

According to the model of Value Chain, the core activities of the company is categorised into two, primary and secondary activities. According to Cant et al (2009) if the adequate and appropriate combination of secondary and primary activities is developed then organisation can deliver what customers' expect from it. The different activities involve in the primary section include:

- Inbound logistics: this area of the strategy refers to everything that involves receiving, storing and distributing the materials used in the production process. For example, Waitrose can ensure that all the raw materials are of high quality and are effectively received without compromising over the quality.
- Operations: activities that turn raw material into final goods. Waitrose needs to regular assess this area, high the quality of the process, better will be the final product (Aaker & McLoughlin, 2010).
- Outbound logistics: It involves all the activities that are linked with distribution of final product products. For Waitrose this area is of high concern, and it has to ensure that all the activities are regularly monitored and controlled.
- Marketing and Sales: activities involve in this area involve the entire promotional content, marketing and sales organisation that aids the

company to deliver the marketing message to the target market. For Waitrose, it needs to check it to analyse whether these activities are aligned with the overall branding of the company.

According to Glowik & Smyczek (2011) there are support activities known as secondary activities that support the primary activities conducted within the business. These support activities are observed to complement the overall business strategies. The activities in this are cover:

- Procurement: the ways by which the raw material is obtained for the organisation. Waitrose, since has number of distributors, therefore ensuring effectiveness in this regard can generate positive and desirable results.
- Technology Development: the level of technology adopted by the organisation to ensure effective generation of final products and how they can reach at the level of attaining the overall objectives. Waitrose can similarly use these tactics to ensure that it has adopted the right technology that could support its core activities (Parnell, 2013).
- Human capital: since human capital is the most important asset of the organisation that drives it towards the path of development and growth. As the matter of fact Waitrose needs to ensure that it is focusing over the elements within the human capital management that is generating positive and desirable results.

From the above discussion it is apparent that value chain analysis can be of greater importance in terms of analyzing and interpreting the company's business and its outcomes. It can ensure that the business is evaluating the different activities including support and primary activities to realise which activity is generating positive results and which activity requires improvement. For Waitrose, the value chain analysis can be of greater importance and result in the realisation of elements that could support the business.



## **Marketing Research:**

Within the context of marketing, the research is defined as the set of activities and initiatives that allow organizations to develop a link and connection with customers, consumers as well as end users through acquiring and processing the information. However, it is important to understand that when it comes to the marketing research, there are several aims which are considered as the bases of research (Moller, 2013). For every element of marketing, i.e. product, price, place, process, promotion, people as well as physical location, different kinds of research techniques and approaches are applied to gather the required data and information. The more adequate information is the effective it is in constructing and implementing the marketing research. Over the years, marketers across the industries and sectors are conducting in-depth researches to improve the marketing initiatives and maximize the results and outcomes. Amongst different marketing research, research about customers' perceptions, attitudes, behaviors, demands and expectations have gained much attraction in recent years.

According to Dewan & Sudershan (2010) the main reason of emphasize on the customer research is that organizations have become more customer oriented today than ever before. Therefore, it is an important part of the marketing research which helps organizations to understand the customers and their expectations. Eventually, the research helps organizations to align strategic initiatives accordingly, in order to satisfy the customers through responding them adequately.

Similarly, Saxena (2010) defined that the increasing competition is one of the main reason that pushes organizations in understanding the customers' expectations and demands. Following on, Cant et al (2009) defined that the research about customers and their needs and demands also helps organizations to ensure the success of new product development as well as the successful penetration of the product in the markets. It further helps

marketers to determine the target markets and potential customers that will be interested in buying and consuming the new product. Similar is the case with Waitrose which is involved in the new product development i.e. new range of Regional Recipe Indian Meals. However, in order to determine the core and most potential customers i.e. key target market, the Waitrose will have to conduct the market research. Following are some of helpful research methods that can be applied in determining the key target market (Moller, 2013);

### **Survey:**

Waitrose can use the survey as a research technique to determine the most potential customers that can be considered as the target market. However, it is important to understand that this is the quantitative research method, therefore the larger the sample size is, the more reliable and effective the results will be for the company. Weaven, Grace, Dant and Brown (2014) also supported this method of research by adding that survey is helpful and most effective when the aim is to focus on the larger sample size. It is because of the fact that it consumes less time, efforts and resources, but the collected information is helpful.

Moreover, the Waitrose can use different survey techniques and methods i.e. in person survey (which is one on one but short interview), telephone survey, mail survey as well as online survey using social networking websites and mediums. Waitrose can apply all of these survey methods to collect larger data which will surely help in understanding and determining the key target market for the new range of product.

### **Focus Group:**

Moreover, Waitrose can also apply the research method of focus group too in order to determine the key target market. However, in order to conduct research about key target market, Waitrose will have to develop and establish one independent facility that can entertain the respondents too (Dewan & Sudershan, 2010). The best advantage of this method is that in-depth details

about the selected groups can be taken into consideration. In addition, since there are different kinds of focus group interviews are, Waitrose need to ensure that adequate method is applied in collected the data and information from customers. The key types of focus group include two way focus group, dual moderator focus group, dueling moderator focus group, respondent moderator focus group as well as client participant focus group as well as teleconference and online focus group. The application of the adequate focus group method will also be helpful for Waitrose to collect the respondents' views and determine the key target market.

**Observation:**

It is another helpful research method that can help Waitrose to collect information from customers. The best part of this research method is that it helps in collecting the true and unbiased information and date (Weaven, Grace, Dant and Brown, 2014). The primary reason is the fact that Waitrose can observe the customers during the shopping process within the different stores. It will help to determine the potential customers and categories them as per age groups, ethnic groups, gender and location etc.

**Field Trials (i.e. Free Samples):**

Last, but not the least, the field trials i.e. free samples can also help Waitrose to allow customers to taste the new product and express their interest. Every store (or selected) within the UK can distribute the free samples to every customers and collect their views and responses (Yang & Su, 2014). This can also be helpful in understanding the types and characteristics of potential customers those will be interested in buying and consuming the new range of India Meals.

**Product Diversification:**

In recent years, organizations are found to be involved in the diversification of products and markets to maximize the results and outcomes. The main

reasons behind this strategic initiative are defined as the changing consumer behavior and demands, increasing competition, economic context as well as globalization. However, Cant et al (2009) defined that whether it is the market diversification or product diversification, the initiative is associated with critical risks. The main reason is the fact that organizations require to acquire new experience and expertise, which is usually outside from its existing product and market portfolio. As a result, in some cases, organizations are found to have failed (Moller, 2013). However, if the diversification strategy is adequately designed, applied and effectively controlled, it can create many growth and success opportunities in terms of improved customer and market portfolio as well as maximization of financial results and outcomes.

Waitrose is also noticed to be focusing on the new product development, which requires the company to design adequate and effective product diversification strategy. Although, based on the assumptions, the company has already enjoyed the success after launching the Indian Meals, but again looking into other regional meals will be another addition in its product portfolio. For that purpose, the company i.e. Waitrose will have to focus on product diversification strategy again (Saxena, 2010).

While considering the theoretical model presented by Ansoff, (also known as Ansoff Matrix), it is noticed that the 'Product Development' will be the most effective and result oriented product diversification strategy. The primary reason is the fact that 'Product Development' strategy simply looks into the existing market(s) with new product. Similar is the case with Waitrose which intends to cater the existing market but with new range of regional meals and products. Therefore, the application of Product Development will be one best option for the company (Yang & Su, 2014). Another advantage of the application of product development strategy (as a mean to diversify the product range) is that the strengths of Waitrose are in association with the customers. In other words, the product development strategy can be applied in the

situation where organizations have developed strong relationship with customers, but have less experience about the new and intended product, so as with Waitrose (Parnell, 2013). However, since it is going to be a new product in the market by Waitrose, there are many risks associated with it, which must also be focused and considered by the company.

Following on, while reviewing the literature it is observed that the diversification strategies are of different types and based on different aims and objectives i.e. market diversification, product diversification, importing and distributing new product line, establishing new manufacturing portfolio and so on. Traistaru (2013) defined that the final selected and applied strategy is always the combination of these options. Moreover, Saxena (2010) supported the above stance and added that the best combination, if developed and focused, can help organizations in considering the growth opportunities.

Based on these theoretical notions and ideas, Waitrose is suggested to apply the following diversification strategies;

### **Conglomerate Diversification:**

The Conglomerate Diversification is applied when a company intends to market new service and product, but has no commercial synergy with existing any product. This eventually enables the organizations to attract the new group of potential customers. Similar is the case with Waitrose which intends to offer new range of products (i.e. regional meals) (Traistaru, 2013). The implementation of this product diversification strategy will however require the company to first focus on the existing performance i.e. profitability and sales through existing portfolio and then to focus on the new product to improve its market and product portfolio. It leads to understand that this strategy is quite risky, but once applied effectively, it will generate positive outcomes and results i.e. growth in profitability and improved customer portfolio.

**Horizontal Diversification:**

This is another product diversification strategy which is widely applied across the industries and sector. According to Sharma (2009) the horizontal diversification strategy means that new product and service has no connection with existing service and product, but it aims to attract the existing customer portfolio. The effective development and deployment of this strategy will also be helpful for the considered organization i.e. Waitrose to increase its dependence on the existing market, with new product. In simple words, the horizontal diversification strategy will enable the company to focus on the existing market and customers with new product (McKeage & Gulas, 2013).

It is a fact that each of the product diversification strategy is associated with several risks (i.e. product not liked and appreciated by customers), but if adequate strategy and marketing efforts are deployed, it will surely help company to maximize its results and outcomes i.e. sales and profitability.

**Conclusion:****Summary of Report:**

The aim of this analytical report, based on the case study of Waitrose was to examine the marketing management initiatives that are undertaken by the company as well as its future plan in the same context. From the first section of the report above, it is concluded that the Waitrose needs to focus on media activities, customer services, professional relationship and partnership, financial management, promotional activities, supply chain as well as market research. The focus on these areas will enable the company to improve its brand image. Following on, the second section of the report defines that the application of value chain analysis will enable the company to determine the areas and opportunities that can be focused to improve the value. Moreover, the implementation of value chain analysis will also enable the company to

determine the activities and initiatives that are less effective so that adequate steps can be taken to maximize the results.

Following, from the third section, it is concluded that in order to determine the target market for new product range, the company will have to conduct the primary research using focus group, observations, survey as well as field trips i.e. free samples. These market research methods will allow the company to understand the consumer behavior and determine the most potential target market. From the last section, it can be concluded that in order to ensure the successful product diversification, the Waitrose should focus on two strategies i.e. Horizontal Diversification and Conglomerate Diversification.

In addition, it is also important to understand that the entire report is based on the marketing management. Therefore, it was necessary to consider the most relevant theoretical concepts, models, and notions that could help in answering the given questions. In the first question, the brand management theory was the central point of entire discussion and the value chain analysis was considered in the second question. Following in the third question, the central point of the entire discussion was the marketing research, which is another important attribute of marketing management. Lastly, when it came to the diversification strategy, Ansoff Matrix as well as Horizontal and Conglomerate Diversification strategies were considered as the theoretical grounds to answer the required question.

### **Personal Reflection:**

According to my personal observation and of what is presented, discussed and analyzed in the report above, I feel that Waitrose's discussed strategy i.e. branding (brand management) through new product development and diversification (Indian ready meals) is very positive and likely to generate positive outcomes and results. The company is observed to be involved in the new product development and selection of Indian meals seems to be very effective idea.

However, I also feel that market dynamics have changed in the UK's retail industry via increased competition and demanding customers. As a result, the company will have to take adequate initiatives to improve and manage its brand image. Moreover, it is also observed from the above report that New Product Development is one critical initiative which usually leads towards the failure. In order to do so, the company will have to improve its strengths through focusing on the internal environment. For this, the company is already suggested to apply the value chain analysis. However, at the other end, since customers have become more demanding, it is also important to determine the customers' needs and demands that can be done through applying adequate marketing research methods. These all findings lead to understand that whether a company is successful at the international stage like Waitrose, or not, there is always a need to have adequate and effective strategies to ensure the success. A wrong decision can lead towards the failure, therefore for the future; the company is suggested to apply the adequate diversification strategy.

I therefore have learnt from this report that no matter how successful the company is, adequacy of strategic initiatives at the right time is the key to success. Moreover, I have improved my knowledge about the key marketing, rather strategic marketing management concepts i.e. brand management, value chain, marketing research, product development, and diversification. The integration of these concepts in this report has allowed me to learn that these concepts are not limited to theories only, but do apply in the practical context.

In the end, I also feel to state that taking the above defined theoretical concepts, models, notions and ideas into the consideration was one adequate approach, which eventually helped me to answer all the questions asked. It can therefore be concluded that the entire exercise has been successful.



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