

# Marketing Theory and Practice

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## Abstract :

This study provides a comprehensive and systematic analysis of the marketing environment of Alday Company, utilizing the SWOT and PRESTCOM analytical frameworks as key tools for evaluation. The primary objective of this study is to examine the various internal and external factors that influence the company's ability to establish, maintain, and sustain positive and long-term relationships with its customers. Understanding these factors is essential for assessing the effectiveness of the company's marketing strategies and its overall competitiveness within the market.

The marketing environment is defined as the set of forces and conditions that directly or indirectly affect an organization's marketing activities and performance. It encompasses a wide range of internal and external determinants that shape managerial decision-making and influence the efficiency of marketing operations. In this context, the marketing environment is commonly classified into three interrelated dimensions: the internal environment, the industry environment in which the company operates, and the external environment. Together, these dimensions determine marketers' ability to design, produce, promote, and deliver products and services in a manner that meets market demands effectively.

The internal marketing environment includes the organization's culture, structural characteristics, human resources, and operational capabilities, all of which play a vital role in shaping strategic marketing decisions. The industry environment refers to the competitive conditions and market dynamics within the sector, including the behavior of competitors and the nature of industry competition. In contrast, the external environment comprises broader macro-level factors such as societal and economic pressures, customer expectations and responses, technological developments, and supplier performance. Collectively, these factors significantly influence the formulation of marketing strategies and contribute to the company's ability to achieve its marketing objectives and sustain long-term success.

**Key words:** Marketing environment, SWOT analysis, PESTCOM, Internal and external environment, Customer relationship.

## Introduction:

This study presents detailed and comprehensive marketing environment analysis related to Aldi. The tools that will be used include SWOT analysis and PRESTCOM. The marketing environment pertains to determinants that influence the capability of a firm to not only build but also maintain as well as sustain a positive relationship with its customers. The marketing environment can be categorized in three groups, the first being the internal environment, followed by the industry in which the company tends to operate and lastly the external environment (Kotler, 2012). All of these three forces affect the potential of the marketer to produce, sell, and deliver products or services. While the internal environment (micro) is indicative of the organizational culture, the external factors (macro) can comprise societal pressure, the response of the customers as well as the performance of the suppliers (Smith, 2014).

Yamagishi.; Rex Sañosa;De Ocampo.& Ocampo(2021).Due to the long-term agenda strategic marketing initiatives pose to co-operative enterprises, the development and the priority identification of these initiatives under multiple criteria must be rigorous and systematic for greater tractability of the decision-making processes. Thus, this work offers an integrated methodological framework in determining the viable strategic marketing options of the case co-operative based on a SWOT-TOWS analysis, adopting relevant strategic marketing criteria for small co-operatives, and evaluating the degree of importance of identified strategic marketing initiatives via a Preference Ranking Organization METHod for Enrichment Evaluation (PROMETHEE) - Geometrical Analysis for Interactive Decision Aid (GAIA) approach, popularly known as PROMETHEE-GAIA. The proposed framework elucidates inclusive strategy development and systematic decision analysis under a group decision-making environment. A case study of a small co-operative enterprise in the Philippines is used to demonstrate the applicability of the proposed integrated approach. The case findings suggest that partnerships with secondary and tertiary co-operatives on R&D activities as the most preferred initiative, followed by the implementation of business process improvement activities for customer relationship management. Meanwhile, the inclusion of competitive employee compensation and benefits yields as the least preferred initiative.

The results of the PROMETHEE are further analyzed with GAIA in order to gain detailed insights into the case decision-making problem. The sensitivity analysis yields stability intervals for criteria weights. Also, it is found that the PROMETHEE results are robust to changes in the choice of criterion types and minor changes in parameter values of the criteria.

This work advances the domain literature by offering small co-operative enterprises an integrated approach to systematically develop and evaluate strategic marketing initiatives – crucial activities for planning, resource allocation, and policymaking

### **1.0. Importance of marketing environment analysis :**

Marketing Environment analysis is considered as important and useful practices in the business arena. It helps organizations to have a clear understanding of the changes and challenges that are taking place in the market (Brandes, 2014). This understanding and information lead business organizations to devise the strategy to cater the challenges and acquire sustainable competitive advantage. According to Jhonson (2016), the main objective of a marketing environment is to depict the trends the market is heading towards and enable organizations to work according to those trends. The marketing environment successfully helps to identify the viable opportunities available to the organization along with the perceived threats (Cadle & Turner, 2010). These factors can be used to please the employees, customers, as well as governments if they are taken seriously as they are comprising of extensive research. Therefore, firms should always conduct a marketing analysis in order to predict the trends of the market and allocate resources accordingly (Johnson & Whittington, 2009).

Smirnova& Golovacheva (2026) confirmed That study investigates the role of the marketing agility chain in dysfunctional environments. We examine two core components of marketing agility—market sensing and marketing implementation flexibility—and identify configurations that foster superior performance under market uncertainty. Two distinct trajectories of market sensing are explored: customer orientation and innovativeness, both of which enhance the flexible implementation of marketing decisions. Using data from 249 firms in an emerging market, we test the performance effects of the interplay between market sensing and marketing flexibility through structural equation modeling (SEM) and further assess effective configurations using fuzzy-set qualitative comparative analysis (fsQCA). To evaluate outcomes, we employ both subjective and objective performance measures. The results confirm the assumed chain of effects in marketing agility, revealing a strong synergy between its components in creating conditions for superior performance, even in dysfunctional environments.

### **Marketing environment analysis tools:**

#### **SWOT Analysis :**

SWOT analysis is a technique of taking into consideration the marketing environment. It is an abbreviation for strengths, weaknesses, opportunities, as well as threats. This sort of evaluation can be carried out for businesses ventures and projects in order to analyze or perhaps anticipate how feasible or beneficial the outcome will be (Kotler, 2009). Not only can that but a SWOT also be carried for things as simple as a product, person, or even industry. It takes into account both favorable and unfavorable factors that have the tendency to affect a project (David A. Aaker, 2015). The strengths are a clear representative of the pros of going ahead with the project while the weaknesses suggest the entrepreneurs as to why they should not invest in the project or product (Porter, 1980).

Alanazi(2025) found a high prevalence of interactions between Saudi cardiologists and medical device sales representatives. Variation in interaction frequency was observed across different specialities, practice sectors, and gender. The study underscores the need for an enhanced understanding of physician-industry interactions. It emphasizes the importance of awareness and adherence to physician-industry relationship regulations to ensure ethical and transparent interactions within the healthcare systems. Furthermore, this study provides valuable insights into the physician-sales representatives' relationship that can guide future training and inform regulations

#### **SWOT Analysis of Aldi :**

A SWOT Analysis of Aldi reveals the key factors shaping the retailer's position in the UK market. Aldi's strengths include rapid sales growth—up 19.8% in a 12-week period compared to just 1.6% for the major competitors—and a rising market share, now at 12%. The brand benefits by offering quality products at lower prices, which strongly appeals to British consumers. Aldi's reputation grows further through industry awards and the successful opening of new stores to meet demand. These Aldi strengths drive customer loyalty and continued expansion.

However, Aldi faces notable weaknesses. Despite growth, it trails the “big four” supermarkets in market share: Tesco, Sainsbury's, and Asda maintain larger customer bases. Recent price increases on staple items like milk and bananas have also eroded Aldi's price advantage, making it only marginally cheaper than competitors. This undermines its core value proposition.

Overall, the Aldi SWOT analysis shows that Aldi can leverages strong growth, value, and reputation. But it must address challenges related to market share and pricing. Aldi's ability to sustain its strengths and mitigate its weaknesses, in summary, are crucial as competition intensifies and consumer expectations evolve.

As is explicated above, a SWOT analysis is useful for businesses in order to identify their shortcomings as well as durability of a product. Therefore, a SWOT analysis was carried out on a discount supermarket chain based in the Germany, commonly known as Aldi. Aldi consists of ten thousand supermarket chains spread over a region of 18 countries (Kumar, 2015).

**Table 1: SWOT Analysis**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Top Quality Products</li> <li>• operation in 15 Countries</li> <li>• Low operating Cost</li> <li>• 8000 Stores</li> </ul>	<ul style="list-style-type: none"> <li>• Relatively small than its competitors</li> <li>• No global Impact</li> <li>• Less Variety</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• More investment in Europe to cater competitors</li> <li>• Cost effectiveness</li> <li>• Can operate in growing Economies such as Asia and Africa</li> </ul>	<ul style="list-style-type: none"> <li>• No "Complete Shopping Experience"</li> <li>• Established brands</li> <li>• Growing Competition in the industry</li> </ul>

#### **Strengths :**

Aldi is a Multi-National Organization given its existence in many differing countries. Given the reach of Aldi that extends beyond many countries, it claims to offer durable and quality products. This claim in itself is representative of the great strength that Aldi possesses. In fact, it also guarantees a reasonable pricing strategy for all consumers.

Internationally, Aldi has 8000 stores, which show the great presence of Aldi in the global market. This automatically also means the company is reputed, has a strong good will (Brandes, 2014; Mintel, 2015). These extended operations over countries represent how the firm has been growing. It initially started as a discount chain in Germany but with adequate marketing strategies it has reached a position in the world by being globally acknowledged (David A. Aaker, 2015). Another significant strength of Aldi is that the discount retail market has substantial barriers to entry therefore there is minimized competition by only existing brands. Revenues have therefore been generated substantially for this company as seen in their financial statements.

In the 12 weeks coming up to the 21 May, Aldi sales rose by 19.8%. This in comparison to the big four supermarkets of the U.K., Asda, Tesco, Morrisons and Sainsbury's, whose sales grew collectively by a mere 1.6% (Butler, 2017b).

The rapid growth of Aldi has seen the organisations combined market share rise to 12% as a result of around 1.1 million additional customers visiting their stores (Butler, 2017b).

The reputation of Aldi is one of providing comparable quality to the leading brands at notably lower prices than any of the brands competitors, a reputation which according to the chief executive of Aldi UK and Ireland presents a unique offering that resonates in the mind of the British consumer and has resulted in the store opening 70 new stores in 2017 in line with customer demand (Butler, 2017a).

Aldi is named the best supermarket of the year for the fourth time in 2017 in The Loved By Parents Awards (Aldi, 2017b).

#### **Weaknesses :**

The weakness that refers to the W in the SWOT suggests that Aldi, despite having operations in many countries, is still relatively small when compared to other brands and stores. Therefore, it is not as reputed as other universally identified retail stores (Smith, 2014; Dabholkar, 2013). It has yet to make that name for itself. Another evident weakness that has not worked in favor of Aldi is that because it sells its products at a reasonable price, they are often termed as cheap and ultimately of low quality.

As a retail store Aldi, is not considered as being productive. Even though there are many barriers to entry in the market, the existing stores are alarming enough when competition is concerned. It is also observed that over the years Aldi has not invested in research and development, which might turn out to be a problem in the long haul (Brandes, 2014).

Despite Aldi being a discount retailer, they still had to increase prices of certain products. Namely, basic groceries including milk and bananas, as the fall in the pound hit, detracting from their traditionally cheaper reputation (Butler, 2016). In doing so, Aldi put itself at just 1 pence cheaper than Tesco, Morrisons and Sainsburys for Milk, and the same price as Asda (Butler, 2016).

While Aldi has experienced high growth in 2017, it is still far behind the big four British supermarkets in terms of market share, with Tesco having a 28% share, Sainsburys a 16% share, Asda a 15.1% share and Morrisons a 10.6% share (Cox, 2017).

**Opportunities :**

The opportunities for Aldi can be in the form of mergers and acquisitions. This discount retail store definitely needs to invest as well as allocate resources towards expanding into new markets (Financial Times, 2009). Entering into developing countries like the Asian region as well as the African region can help Aldi grow as an organization because labor in these countries is often reasonable therefore production costs can be toned down (Haberer, 2015). Not only entering into new markets but by also introducing a range of products and services Aldi can diversify its risks and reduce the chances of failure. Through these steps not only will the organization reduce its liability but these strategies will also help Aldi get a competitive edge over its competitors (Brandes, 2014; Lenartowicz, 2009).

Additionally, a number of Aldi products have been named as being the best in the world, or as being superior alternatives to high-end products.

One example of this can be seen in an Aldi gin being named as the best in the world by experts, despite costing less than £10 (Becquart, 2017), and another being the Lacura exfoliating masks which beauty bloggers have heralded as being as good as a high-end version costing £39 (Am, 2017).

This ultimately presents an opportunity for Aldi to keep developing and expanding such products. In short, they wish to develop and expand its lines selling such products (i.e. its beauty and alcohol ranges).

Aldi also plans to create 4000 jobs in the UK, as part of its expansion plans amid increasing sales, and aims to increase its number of stores from 700 to 1000 by 2022 (Bury, 2017). One opportunity for Aldi is to adopt a similar strategy to Tesco, by increasing its visibility and place on the high street by opening Express stores, that is smaller stores with the essentials required by consumers.

**Threats :**

Lastly, the threats that can be perturbing for Aldi include the fact that the cost of raw material all around the world is increasing which might mean it may be difficult for Aldi in the future to offer affordable prices or keep up appearances (Johnson, 2016). Furthermore, being an online store, it may be difficult for this retail store to cater to the consumers to an entire and absolute shopping experience.

A prominent threat for Aldi are also retailers that have many storage keeping units, as they then have the ability to sale according to their inventory which Aldi will not be able to enjoy the current competitive advantage (Kumar, 2015). This can be followed by the fact that private brands have the tendency to adapt to predatory pricing in order to assure the exit of brands like Aldi that are relatively smaller, from the market.

After Amazon took over American grocers Whole Foods, the supermarket industry of the U.K is anxious that a takeover of market share by Amazon could occur (The Guardian, 2017). While Whole Foods have only 9 U.K. subsidiaries, supermarkets are wary given that the goal of Amazon is often the global domination of a market, meaning that Aldi could potentially lose some of their market share in the U.K. (The Guardian, 2017).

Aldi, in fact, is not the only German firm growing and accelerating its market share in the U.K. market. Lidl currently holds a 5% share of the grocery market in the UK, and is expected to overtake Waitrose to become the seventh biggest chain (Butler, 2017b). Moreover, the sale of on label supermarket brands rose by 6% year on year. This as opposed to only a 0.6% rise in branded products. Therefore the current success of Aldi may be compromised by shoppers preferring cheaper alternatives from Lidl.

Reports from July 2017 indicate that Asda are currently considering a takeover bid on the British discount chain B&M, as an attempt to diversify when faced with increasing competition from cheaper rivals such as Aldi (Topham, 2017). Asda are currently the third-biggest supermarket chain of the UK. As a subsidiary of American supermarket giant Walmart, Asda also possesses experience and funding to navigate the market. Plus the acquisition of 500 B&M stores as an outlet for products could see Asda increase their visibility and market shares, and reduce the sales of Aldi.

**PRESTCOM Analysis :**

PRESTCOM is considered as a popular measure through which the marketing environment can be evaluated (Senge, 2006). It is a strategy of marketing research that portrays the viable options of success for a business (Harmon, 2007). The eight determinants that PRESTCOM considers includes firstly the political factors that are likely to affect a business because investment is often low in countries where there is instability (Kotler, 2009).





**Competitors:**

Furthermore, Aldi is a direct competitor of Lidl. Both companies are known in the market for their reasonable as well as affordable prices. Wherein, supermarkets and retail stores have been improving their revenue by increasing the premium lines. While Lidl includes produces products that are unique and personalized, Aldi ensures provision of organic food and baby milk sold on premium. While Lidl is considered as UK's proliferating supermarkets, Aldi has also recently grown its sales by 2% (Kotler, 2012). While Asda and Sainsbury are also competitors to Aldi, Lidl is the one that affects Aldi the most.

**Organization:**

Organizationally speaking, Aldi has a low labor turnover rate because it most employs students, retired or disabled employees that will not find employment elsewhere easily therefore they are loyal to the company (Kumar, 2015). In addition, the key products that Aldi sales include essentials for babies, groceries and a variety of wines are available for adults. As it is mention earlier in this study that Aldi is attractive to the middle class consumers, however they need to introduce some innovative practices in the organization that are lacking at present time (Brandes, 2014).

**Market:**

The trends in the industry and marketing are currently in favor of Aldi and it is expected that the small size baskets strategy look successful in future as well. However, Aldi needs to invest as well as allocate resources towards expanding into new markets. Entering into developing countries like the Asian region as well as the African region can help Aldi grow as an organization because labor in these countries is often reasonable therefore production costs can be toned down (Haberer, 2015).

**Conflict of Interest:**

The author declares no conflicts of interest. The funder had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript; or in the decision to publish the results.

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