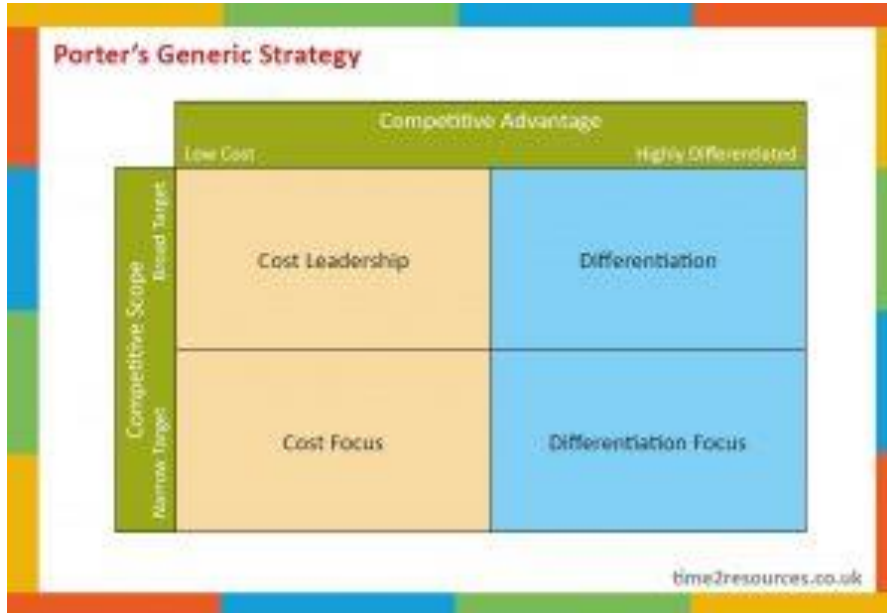


Week 6: Supermarket Wars

Introduction Task

1. Draw a market map for UK supermarkets. Place as many as you can onto it
2. Research what Porter's Generic Strategy model is. An image is below.

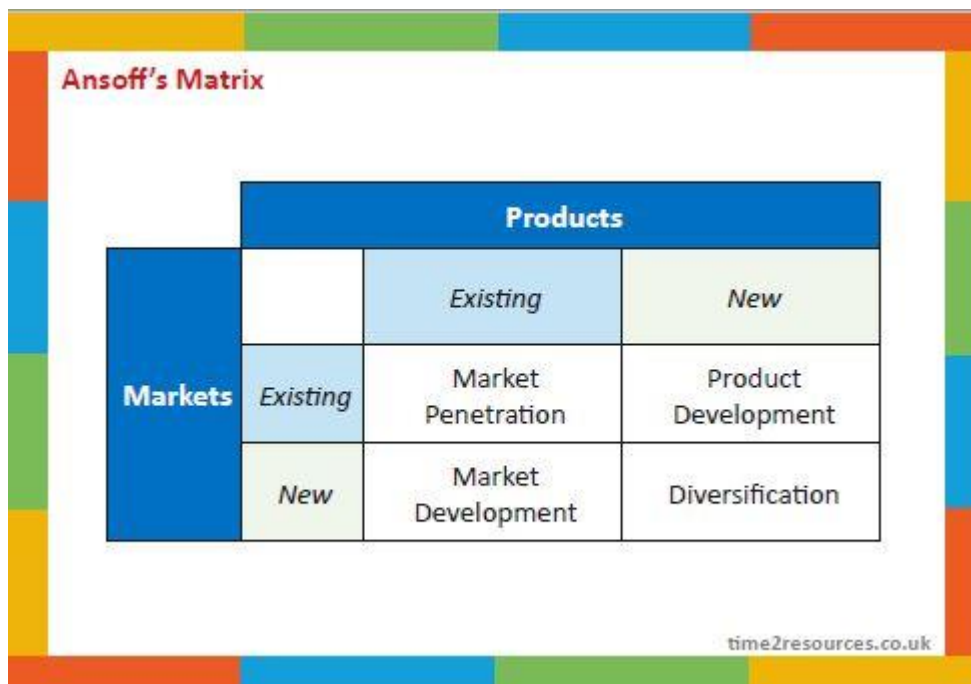


3. In which strategy quadrant would you place Aldi, Lidl, Tesco and Waitrose?

Supermarket Wars Part 1

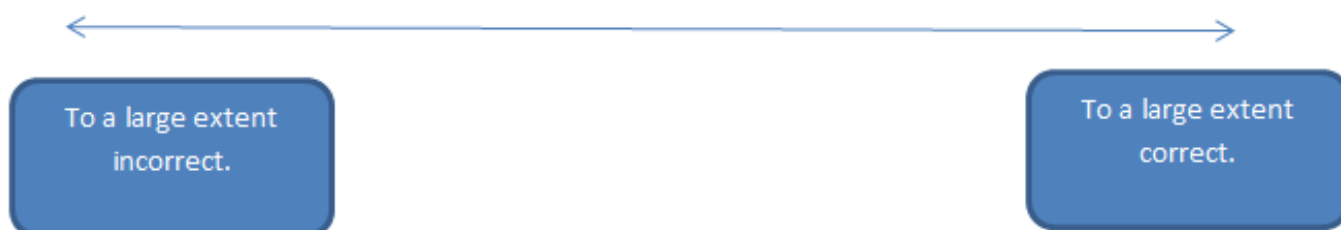
Watch the first ten minutes of the documentary Supermarket Wars [HERE](#) and answer the next few questions

4. In what ways have the discount supermarkets disrupted the traditional supermarket industry in the UK?
5. Who was the target market of Aldi and Lidl?
6. What is meant by a boom? What are the characteristics of a boom?
7. Draw a business cycle diagram and mark on it where the UK economy was in the mid-90s.
8. How did the state of the UK economy in the mid-90s affect supermarkets such as Tesco and Sainsbury?
9. Mark on the diagram below the strategy adopted by Tesco during the 90s and what strategy was adopted by Aldi. You may need to do some additional research into what Ansoff's Matrix is.



10. Why would Ansoff view Aldi's strategy as higher risk?

11. To what extent do you think Tesco was correct, at the time, to not see Aldi as a threat? Mark your answer on the spectrum below.



Supermarket Wars Part 2

Watch the second part and then answer the following:

12. What evidence was there of a price war in the 90s between the supermarkets?

13. How did Aldi manage to keep prices so low? Beans for 3p and tomatoes for 9p. Make sure you use business terminology in your answer.

14. Some suppliers refused to supply to Aldi and Lidl. Fill in the table below to show arguments in favour of and against this decision.

Arguments for	Arguments against

15. Draw a spider diagram below to show ways in which Aldi and Lidl managed to keep costs low.

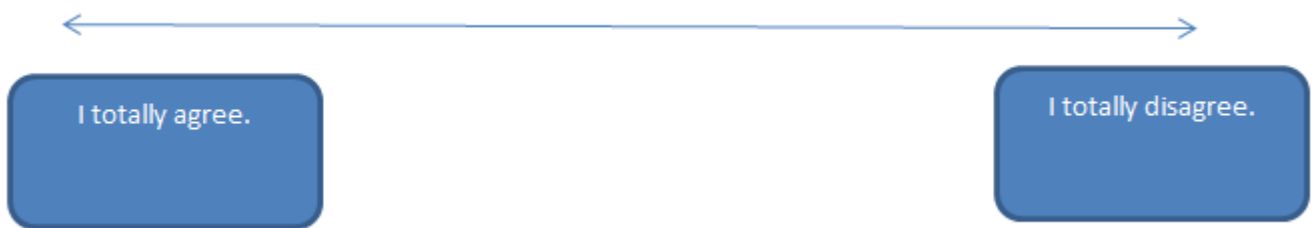
16. Can you have low cost and high quality?

17. What is the legal structure (business ownership) of Aldi and Lidl?

18. Why is this advantageous?

19. What was the impact of the financial crisis, in 2008, on Aldi and Lidl? Try to include at least 5 business terms in your answer. Highlight these to show you have met the challenge.

20. Branding is just a way for big businesses to exploit the customer? Mark your answer on the spectrum below



21. Justify your answer

Supermarket Wars Part 3

22. Watch the third part and then complete the Marketing Mix for Aldi and Lidl

Market mix Element	Aldi	Lidl
Price		
Place		
Promotion		
Product		
People		
Process		
Physical environment		

23. Which element of the marketing mix is the most important to the success of Aldi and Lidl? Justify your answer.

Supermarket Wars Part 4

Watch the final part, and answer these questions

24. Aldi has set a target to increase the number of stores from _____ to _____ by _____. This represents a percentage growth rate of?

25. Lidl has a _____ investment plan to open _____ new stores in _____. Is this a good idea?

Arguments for	Arguments against




26. Read this article: <https://www.bbc.co.uk/news/business-45572731>




What strategies have Tesco implemented to try and compete in the highly competitive supermarket industry? For each strategy give a risk rating out of 10, with 10 being the highest risk. Draw this on a spider diagram, mind map or in a table.

27. What is meant by e-commerce?

28. To what extent are Aldi and Lidl right to avoid implementing e-commerce?

29. Complete the image below to show how the external environment has affected both traditional and discount supermarkets.

PESTLE Feature	Traditional Supermarkets	Discount Supermarkets
Political 		
Economic 		
Social 		

<p>Technological</p> 		
<p>Legal</p> 		
<p>Environmental</p> 		

30. Can the discount supermarkets carry on growing as they have done? Prepare a presentation that includes arguments for, arguments against and an overall conclusion starting – Overall, to a large extent I believe