

# LIDL STRATEGIC ANALYSIS

*Lidl is a chain of supermarkets based out of Germany but with operations across Europe, United Kingdom and the United States of America. Lidl has to its credit around 10, discount stores and is a close competitor to the supermarket chain Aldi. Lidl was one of the first discount.*

It also examines the opportunities and the threats facing the company. It also leads to reduced innovation. These advertisers are some of the buyers of Lidl hence making it achieve competitive advantage in the market. Tourism: growth in tourism is beneficial for Lidl as it will provide new potential customers that it can target in order to gain market share. Kotler, P. Superb Performance in New Markets – Lidl has built expertise at entering new markets and making success of them. Marketing strategy and competitive positioning. The workload is a high per worker as there are fewer workers than the actual work required. This leads to lower work morale and lack of promotion opportunities for employees. This allows managers to focus on the important factors, and give less consideration to the less important ones. Organization structure is only compatible with present business model thus limiting expansion in adjacent product segments. Worker morale is low due to company culture and politics that have grown in recent years. According to Sillince, resource based view in competitive advantage can help Lidl in achieving competitive advantage by looking at the internal factors that are within its system. India: Pearson Education India. Essay Topic: Business, Economics Sorry, but copying text is forbidden on this website! However, it is more than a discounter. Weaknesses of Lidl Research and Development: Even though Lidl is spending more than the average research and development expenditure within the industry, it is spending way less than a few players within the industry that have had a significant advantage as a result of their innovative products. Lidl business model is all about pulling down prices. Competition and qualified employees have been leaving the organisation in recent years, which could mean a shortage of good talent for the company in the upcoming years. This leads to lack of consistency and the possibility of damage to quality across its various outlets. The concept of corporate strategy, 2nd edition. Indeed, it has a plan to open as many as stores in the country. Market products at low prices by offering discounts. Product Portfolio: Lidl has a large product portfolio where it provides products in a large range of categories. This is a problem for some customers, as they sometimes need assistance in product-search. Consumer tastes are changing, and this puts pressure on companies to constantly change their products to meet the needs of these customers. It also has a strong asset base. However, its ability to buy products in bulk has helped increase its bargaining power among the suppliers thereby giving it a higher competitive advantage Clegg Et. The focus on store brands keeps prices low. Colla, E. The fluctuating interest rates in the country do not provide a stable financial and economic environment. One of the reason why the days inventory is high compare to its competitors is that Lidl is not very good at demand forecasting thus end up keeping higher inventory both in-house and in channel. Nixon, J. Its major limitation is the fact that there can be an overlap of strengths and weakness, with a single factor being both a strength and a weakness. A number of new niche markets have opened up that are growing. It has liquidity problems with low quick ratio; the level of current assets is less than current liabilities. The performance appraisal is not in a systematic manner. Lidl has been in business in the UK since It has a low-cost structure, which provides it with an advantage over the competition. If you need help with something similar, please submit your details here. The company has low levels of current assets compared to current liabilities, and this can create liquidity problems for it in operations. Currently, the main promotional mechanics being implemented by Lidl are multi-buys, new, price reductions and themed XXL, Italian week etc. SWOT analysis may lead the firm to overemphasize a single internal or external factor in formulating strategies.