

Compare and evaluate the marketing strategies of Sainsburys and McDonalds

This essay will examine the marketing strategies a company undertakes to get the most out of it. It will be looking at and comparing “Sainsburys” a high leading supermarket chain and “McDonalds” a very popular fast food restaurant. They both have the same objective – to make profit, yet have totally different parts in the market and use different strategies to promote its product(s). An appendix will show the correct terms relating to this report and evidence that has been used.

As Sainsburys is a leading and competitive supermarket, achieving competitive advantage (A1) over competition. It must look closely at what its customer wants and needs. It is involved in both the secondary and tertiary sector (A2). It is within both sectors as it has involvement in the manufacturing of goods but also provides a service. The objective is to meet its customers’ needs effectively and thereby provide shareholders with good, sustainable financial returns. It aims to ensure all employees have opportunities to develop their abilities and are well rewarded for their contribution to the success of the business. Its policy is to work with all of its suppliers fairly, recognizing the mutual benefit of satisfying customers’ needs. It also aims to fulfill its responsibilities to the communities and environments in which it operates.

Sainsburys achieves competitive advantage from using marketing strategies. Sainsburys uses Marketing (A3) as a form of competitive advantage, using advertising as a main type of marketing. Advertising makes the customer more aware of the company and keeps it in mind. The company can then use this advertising to promote particular products. The latest form of marketing for Sainsburys is using a famous chef “Jamie Oliver” to promote Sainsburys own brand products. He is a household name and familiar to consumers. This will give some customers confidence to buy the products as it is used by a “famous” person.

McDonalds is a restaurant and attracts many different consumers, so they too must be very wide in the products it sells and use a lot of market research (A4) before it launches a new product. It uses different strategies to relate to its target audience. For instance, it has a “Happy meal”. These happy meals are aimed at children and are very popular. A typical happy meal would include a cheeseburger, chips, a soft drink and a toy. The toy is very appealing for the child, as it usually the toy is a character from a child’s film. Disney has a good relationship with McDonalds as their toys are put with these happy meals so therefore McDonalds makes profit while Disney is advertised.

Sainsburys was first set up by a family in 1869 and started to expand. It is now a trusted household name. It is very important in establishing a good relationship between the company and consumer so that there is trust that the products will be good quality and good value for money.

McDonalds originally came from America and came to England in 1974. It was very popular from the outset and has opened thousands all over the UK since.

How the companies use market strategies is very important, it will determine whether they meet the needs of their customers and if the products will sell.

Advertising campaigns play a large role in the market strategies. McDonalds more recent adverts show people of an older generation going and purchasing some of the products sold at the restaurants. This shows how the target audience has changed and can appeal to older people and not just those who are young.

Franchises (A5) are crucial to McDonald's success; they deliver the brands values directly to the customer. Worldwide, over 70 percent of the restaurants are run by independent entrepreneurs (A6) – making us also the world's largest and most successful franchising company.

One of McDonald's most important aims has always been to support the communities in which it operates. McDonald's restaurants are, by their nature, sociable places, intrinsically linked to local community life. All of the advantage undertaken by McDonald's reflect the Company's strong social stance and desire to put something back into the community of which it is an essential part.

McDonalds also is in close touch with charities, setting up its own childrens charity. Hundreds of child-related causes around the country receive assistance from McDonald's through the auspices of Ronald McDonald Children's Charities Ltd (RMCC), an independent charity set up to benefit children. In the UK, RMCC has raised over £8 million since its registration.

Sainsburys has opened more opportunities for itself since opening its own bank. Sainsburys Bank opened for business on 19 February 1997. A joint venture between J Sainsbury plc and Bank of Scotland, Sainsbury's Bank was the first Supermarket Bank in the UK. This groundbreaking venture has attracted over 1.25 million customers with deposits in excess £2.0 billion and advances, including undrawn commitments, of £1.0 billion (A7). This has taken a big step forward in the way of supermarket chains and is well beyond the competitors such as Tesco but has underachieved in other ways. Asda is very successful in selling "George" clothes range in its store but when Sainsburys tried to follow suit it was unsuccessful.

Both McDonalds and Sainsburys are very successful in the way their company is run. It sets goals to what it wants and achieves them. They have good intentions such as charities and this appeals to a wide range of people.