 **MARKET BACKGROUND**

**Market Analysis**

The grocery store’s market is targeted towards all Canadians. They say that the premise was simple: develop unique or superior products that offered better value to our shoppers (President’s Choice, 2012). The degree of competition between its various competitors is extensive but they believe that the products offered will speak for themselves.

The grocery store industry had a total of 3,604 establishments in Ontario in December of 2011. This includes both Employers and Non-employers/Indeterminate. This makes up 33.8% of Canada’s total number of establishments (Statistics Canada, 2011).

Ontario sees an employment size of a smaller range depending on the number of employees. In 2011 the employment size was small, it has 1,465 employers who have an employment range of 5-99 people (Statistics Canada, 2011). This is equivalent to the rest of Canada as well.

According to the Canadian Grocer nearly one-third plan to spend less on consumer packaged goods (CPG) this year. In the fourth quarter of 2010, dollar sales lagged unit sales. In other words, price deflation.  Grocery trips, for example, are down 3%, while spending per trip is up 2% (Canadian Grocer, 2011).

**EXTERNAL INFLUENCES ON THE MARKET**

**Economic Trends**

The nature of the economy is always changing, with that consumer’s values and expectations change as well. Since the recession has taken a toll on many Canadian families we see that the average grocery shop has decreased and that people are being wiser with their dollars. Ironically the cost of groceries has risen.

**Demographic Trends**

Canada has a wide array of demographics that has changed throughout history. Jane Badets, Director-General of StatCan’s Social and Demographic Statistics Branch said that when you see certain demographic shifts occurring, economic factors are always a part of that (Lindell, 2012). The population is aging, people are being more career driven than they are family driven. You can see that if you were to walk into any grocery store midday, there would not be as many children. As well, Canada was a variety of ethnicities and you can see that with Loblaw’s adding an ethnic isle to their stores, with a lot of their products catering towards the Asian and Indian population.

**Social Trends**

A healthier lifestyle has become a desire for many Canadians. The Blue Menu products in particular offer a variety of alternatives to healthier items with the same great taste. People have also become busier in the last 10 years and sometimes want a simple, easy and time efficient meal to make for their families or guests.

**Technology**

The technological environment consists of the discoveries, inventions, and innovations that provide for marketing opportunities (Tuckwell, 2011). People are online more then ever, they have the ability to purchase almost anything from a website and have it delivered to their doorstep. They offer downloading a copy of the flyer and coupons at the customers convince.

**Consumer Data**

Consumers indicate that they want easy access, affordability, excellent customer service, and quality food at a reasonable price.

**Competitive Analysis**

Wal-Mart is the biggest competitor for The Real Canadian Superstore, and in particular the Blue Menu products that they supply. Wal-Mart has their Great Value brand that competes with Superstores Blue Menu line.

Wal-Mart Canada operates a growing chain of 333 stores, employs over 85,000 Canadians and serves more than one million customers each day. The company is recognized by Waterston Human Capital as having one of Canada's top 10 corporate cultures. Since 1994, Wal-Mart has raised and donated more than $150 million to Canadian charities and not-for-profit organizations (Newswire, 2012).

It is a popular destination for families to go shopping for just about anything that they may need. Since the Wal-Mart supercenters have opened it now operates as a grocery store as well. It is considered a one-stop shop for all your needs. The third-largest employer in Canada with 85,000 associates expects the new supercenters to generate more than 9,200 store and construction jobs (Analyst, 2011).

Wal-Mart estimates that it will bring in about 464.41 billion dollars in 2012.

**Brand Analysis**

**President’s Choice**

Food lovers who wanted to have quality food at an affordable price inspired the President’s Choice concept. The premise was simple: develop unique or superior products that offered better value to our shoppers (President’s Choice, 2012). Over the years President’s Choice had done very well in sales but with Wal-Mart becoming a supercenter and opening up stores everywhere they have felt a decline in customer attraction. It is very apparent that they both want to attract the same amount of customer volume. Loblaw’s changed their hours to be open as late as Wal-Mart and they implemented being open 24 hours during the Christmas break because Wal-Mart was open 24 hours.

President’s Choice is a popular brand among Canadian families. They offer a lot of variety in their food choices. The products range from baby supplies, baking, cooking, appetizers and even insurance. It has a loyal following and has grown immensely over the last 10 years.

President’s Choice products are sold at Extra Foods, Independent grocers, Zehrs Markets, Wholesale club, nofrills, Loblaws, maxi, Bloorstreet Market, Real Canadian Superstore, Loblaw great foods, Atlantic Superstore, value-mart, provigo, Dominon stores in Labrador and Newfoundland, SaveEasy as well as Fortinos.

There overall goal for all that they do is to provide their shoppers with meaningful choice.

**SWOT ANALYSIS**

**Brand Strengths**

The strength of the PC Blue Menu brand is that the quality of the product is just as good as its leading competitor. They offer the same quality products with health benefits. Each label indicates exactly what the benefits are, whether it is less sodium or high in fiber. Each Label indicates a lower or higher symbol with the representative character so customers know exactly what they are receiving.

People are also familiar with the brand. There is a great brand loyalty involved with President’s Choice products. With this brand loyalty there is lots of marketing opportunities.

**Brand Weaknesses**

The Blue Menu products are more expensive then the regular No Name self products. It still offers great pricing but the value of eating healthy does come with a bit more of a price adjustment.

Another weakness is that distribution of the products is sometimes slower then need be. People may be waiting weeks in order to get the product on the shelf.

**Marketing Opportunities**

They already offer the Insider’s Report each winter and summer, which includes everyone’s favourite items as well as new items that will be coming out for the season. They also do have free samplers the weekend the report hits the shelves, but it would be great if they did cooking classes so people could learn how to cook with all the items they offer. Each Superstore is equipped with a cooking school and they already offer cooking classes for kids, teenagers, parents, families and everyone in between. If they did workshops incorporating just Blue Menu products people may be more inclined to purchase and continually purchase these products as alternatives for a healthy lifestyle.

**Threats**

As everyone is focusing on eating healthy, a lot of stores in general are creating more health conscious products or alternatives. Even some fast food restaurants are trying to incorporate more salads or saying that it is all white meat or 100% chicken.

Another threat is price matching. Their competitor Wal-Mart price matches pretty much anything whereas Superstore does not do multi-buys; the brand must be exactly the same, it does not offer rainchecks on price matches and it only price matches to most of its competitors but they have to be within a certain distance to be considered a competitor.

**MEDIA SELECTION RATIONALE**

A multimedia campaign that incorporates television (specialty channels), print (magazines and newspapers), out-of-home advertising, and online media is recommended.

**Television**

Television reaches a national audience and if they had specific commercials that only displayed Blue Menu products people could get a better idea of what they are and why they are good for them. The commercials as of right now show people eating the products and enjoying them but the need to see what goes into the products is key. If you want people to understand it has a health benefit you have to show them.

**Print**

As of right now they have the Insider’s Report that goes out each winter and summer, it highlights a lot of their Blue Menu products and it does a lot of marketing on its own, it does create a lot of attention for the brand. If they were to partner with a food based magazine or the food network Canada they could incorporate Blue Menu products on a larger scale. Having a cooking show that incorporates only Blue Menu products would be beneficial to making the brand more widely known. As well as having a magazine incorporate a page devoted to different Blue Menu meals that are easy and affordable. This is all just to make the brand stronger.

**Out-of-Home**

Having posters put up about Blue menu products, whether it is at the bus shelter or along the bus itself. This would create more awareness and a lot of spontaneous food choices are made when people are just driving or walking and seeing a picture of something make a lot of spontaneous food choices.

**Online**

Since a lot of Canadians are online they could potentially give out coupons for Blue Menu products specifically. They could be for $1 off but never a free coupon. Superstore already has a coupon board located at the entrance with a variety of coupons but they are all directed towards different retailers. Having in-store coupons available online would create more appealing for the products.

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