



Giant Eagle, Inc.

Eagle Drop

By: Aaron Herzing, Abby Postlewaite, Alexa Seeton, Brandon Grupe

Marketing 301

Professor Deppen

Table of Contents

Executive Summary.....	2
Environmental Analysis- The Marketing Environment.....	2
Environmental Analysis- Target Market.....	5
SWOT Analysis.....	6
SWOT Analysis- Matching Strengths to Opportunities/Converting Weaknesses and Threats....	7
Marketing Objectives.....	7
Marketing Strategies- Promotional Strategies.....	8
Promotional Examples.....	11
Marketing Strategies- Marketing Mix.....	12
Conclusion.....	15

Giant Eagle, Inc.

Eagle Drop

I. EXECUTIVE SUMMARY

Eagle drop is a great new service located through Giant Eagle that is still in the planning stages, but hopes to become a wonderful new service that serves its community. We are a service that does your grocery shopping so you don't have to, tailoring all of our shopping trips to fit the customer's needs. Customers simply shop for the items they want to buy online, and our shoppers buy these items in our Giant Eagle stores for the drivers, which then deliver the products straight to you.

The online products include grocery items, health and beauty supplies, and a pharmacy prescription delivery service as well. This service was made particularly for customers in a hurry, elderly, or handicap customers because this group of people may find it harder to get around than the average person, or may not have the time to actually go and shop themselves.

This analysis focuses on the growth of the service. It goes through the many stages our team went through when planning the service, as well as the detail about the selection of the target markets and our competition. Promotional and pricing strategies are also discussed in hopes to market to the future and to increase the value of the company overall.

II. ENVIRONMENTAL ANALYSIS

A. The Marketing Environment

Competitive Forces:

The concept of our service is fairly new and thus there is not a large amount of competitors in the industry. We plan to compete as product competitors, marketing to a different group of people than our competitors as well as adjusting our strategy to better fit consumers so they feel as though we put their needs first. There are also a few services similar to ours, such as Site to Store offered by Wal-Mart. We will compete with them through brand competition, but we plan to provide many more services than they do, and thus are our secondary competition.

A few current competitors to our service are websites such as Peapod.com and Wegoshop.com. Both of these websites offer services very similar to what we initially present, but our service is actually very different. First of all, we make it a point to make sure our customers know that they are being put first. As an addition to that, we always provide quick, friendly service, and tailor all of our trips to the specific customer's needs. One way we plan to do this is to incorporate an app with each shopping trip. When the shopper goes to shop for a customer's order, they are notified and can choose to "talk" to the shopper in real time if they so choose.

We are specifically marketing to the handicap, senior citizens, and people on the go. Our competitors are marketing towards families, specifically moms, and are only located in bigger cities. This gives us an advantage as our focus group could arguably benefit most from a service such as this as it is harder for a majority of them to get around as easily. We would also like to focus on these groups of people in smaller towns versus bigger cities so we can slowly build up our image and to offer our services to towns that are not able to receive anything like it currently.

Economic Forces:

The delivery service has a solid economic backing by Giant Eagle. With an already large customer base, the service would need less advertisement, and would require a manageable start-up cost. This kind of service, however, does not make a substantial amount of money initially because it is such a simple service. In the future, this kind of service will have more recognition and so our service will be able to make more money at that time.

The majority of our target market, the baby boomer generation, is going into retirement. Therefore, they may require our services to receive groceries as it is harder for them to get around. This also ties in with our other target market, the handicap. Both groups of people may need our help to shop for what they need, and we are here to help them.

Political, Legal, and Regulatory Forces:

There are several laws companies must follow to be fair. The FDA, U.S. Food and Drug Administration, is responsible for protecting the public health by assuring the safety, efficacy and security of human and veterinary drugs, biological products, medical devices, our nation's food supply, cosmetics, and products that emit radiation. The FTC, Federal Trade Commission, is a bipartisan federal agency with a unique dual mission to protect consumers and promote competition. The FTC Act also prohibits unfair or deceptive advertising in any medium. That is, advertising must tell the truth and not mislead consumers. A claim can be misleading if relevant information is left out or if the claim implies something that's not true. The BBB, Better Business Bureau, is dedicated to fostering honest and responsive relationships between businesses and consumers, instilling consumer confidence and contributing to a trustworthy marketplace for all.

Technological Forces:

The service is web based and is dependent on technology. With a basic SAP package, the orders will be monitored, organized, and recorded. This will allow Giant Eagle to collect data such as customer demographics and the stores geographic reach. With the ability to convert full websites to handheld applications, handheld applications could be used to place orders. With this approach, the main challenge is to appeal to a market that may be unfamiliar to the user interface. The goal is to provide an easy way to communicate orders between shoppers and our employees.

Socio-Cultural & Demographic Forces:

In today's world mostly everything can be accessed through computers or on mobile devices. Why not make grocery shopping the same way? Giant Eagle's new grocery buying system is going to

revolutionize how people both young and old, buy groceries. Our intentions for this service is to provide an easy and convenient way for particularly people who are caught up in everyday life tasks and don't have time to go to the grocery store and the elderly who can't or have trouble getting around.

Statistics show that 50% of people who are 85 years or older need assistance with everyday activities along with 31% of people who are between 80 and 84, 20% who are 75 to 79, 11% ages 70 to 74, 9% ages 65 to 69, and 2% ages 15 to 64. These numbers show that people of all ages could use a service that makes their lives easier and more enjoyable thanks to our delivery service.

In our society today, simple tasks have been made easier from technological advances. We are providing a service to help not only those who truly need it, but for those who have adapted to modern day society as our delivery service can be accessed from a touch of a button or app. We believe our service will benefit grocery getters of all ages and with the convenience of ordering straight from your pc or mobile device, grocery delivering will do wonders for Giant Eagle shoppers.

B. Target Market(s)

Our target markets are the elderly, disabled people, and those on the go. It also consists of younger people in the community who are busier than the average person with school, sports, jobs, etc. and for those who simply could use a hand completing their daily tasks. Elderly and disabled people may have trouble getting in and out of their car, let alone walk all around a grocery store. This is where our service comes in to play. Customers who may not necessarily be able to get around as easily can simply bring up our website or mobile app, and order all of their groceries online. After an order is placed, our employees begin the collecting process and make sure to meet each individual's specific needs.

We have decided to use differentiated segmentation to reach our target markets because we are targeting three groups of people. Using this strategy will help us reach each group individually while still maintaining our company's initial objectives. We have also decided to

use this strategy because it is ideal for growing companies. We are new, and thus would like to branch out to more target markets when the opportunity becomes available Using differentiated segmentation will help us do just that.

III. SWOT ANALYSIS

A. Strengths

1. We are a new service that is still very much in development. This provides us with a lot of room to grow. It would not be hard to change something if need be.

2. Our service is offered through Giant Eagle, thus we will be economically stable enough to cover startup costs and then some.

3. We are marketing at a high quality and price so customers are aware that we sell them the best quality items we can find. We are prestigious, and our customers know that.

B. Weaknesses

1. We are a new service, thus we do not have much experience with this particular market. We will have to take the first couple of years as a learning experience.

2. Although we are a part of Giant Eagle, we do not have our own customer base. We will have to start from scratch and build strong customer relationships to increase our customer following.

3. Although Giant Eagle's target market is not that much different than ours, it may still be harder for us to reach our target market because Giant Eagle already has such a strong customer base with another target market.

C. Opportunities

1. Our competitors are targeting to a different target market, mostly mothers who do not have the time to shop. This provides us with a great opportunity to market to an untapped group of people for this service, elderly and handicap customers.

2. We have an idea that we know people want to become a reality and we can use their ideas, as well as our own to grow. We can use this to our advantage.

3. This service exists only because of the amazing technological advances that have occurred in today's society. We can take advantage of everything that has been created, as well as even invent more products to help our service in the future.

D. Threats

1. Giant Eagle is only located in a small area. Competitors may move into the area and threaten our service simply because they are a larger service than us that has more experience in this market.

2. This is a simple service and is not necessary for society. Customers may stop using our services because they believe it to be much easier for them to shop for their products instead of us.

3. Extreme weather conditions, or even road work, could impair our ability to transport items to customers. This kind of thing could cause customers to leave, or even greatly reduce our sales, since Giant Eagles are only located north where there is lots of snow.

E. Matching Strengths to Opportunities/Converting Weaknesses and Threats

1. As we develop more, we could become a very well known service and receive more customers because of it.

2. As we grow, we can learn from our mistakes and become a great service, providing as many people with this service as desired.

3. If competitors do come in to the area, we may run them out of business because our target market is so much different than theirs. We could also expand our service to other locations and be the ones to run them out of business.

IV. MARKETING OBJECTIVES

The objective of Eagle Drop is simple; we would like to provide as many people with our service as possible. Many people cannot get around as easily, and thus find it much harder to do

everyday tasks than the average person. This is where we step in. We are here to provide everyone, no matter their age or abilities, with an easier way to grocery shop.

We started out as a simple idea of grocery delivery, much like a pizza delivery service. Our team realized that getting groceries may be harder for a group of individuals, and can be very time consuming overall. So we decided to design a service that essentially shops for the customer through the use of technology.

As our idea grows, so should our market. Although we are marketing to elderly and handicap customers, the next group we are tackling is people on the go, which is a group of people that fits in with our service nicely. As we expand our customer base and locations, we would like to focus on increasing our marketing to this group especially. We want to do this because our competitors target this group and we should already have a set customer base from the elderly and handicap customers from our previous marketing strategies, the ones stated in this marketing analysis.

V. MARKETING STRATEGIES

A. Promotional Plan

“Eagle Drop” is a quality service at the customer’s convenience. The focus on convenience is key when it comes to our service, which is why we want to do all of the work so you do not have to. We provide a positive service for a higher price so we can always deliver the best quality shopping experience to our customers. No matter your age, gender, or income, we will tailor our shopping trips to your needs and deliver your products wherever you need them. This eliminates the hassle of making the routine trip to local Giant Eagle locations.

To put our service on the map we will start to heavily advertise our product when it becomes available to customers. The methods of promotion are a subset of the Giant Eagle

website, a Facebook page, a newspaper ad, and coupons located on the back of customers receipts. Because we are operating through Giant Eagle, we will be able to generate enough money to cover startup costs, as well advertising in all of the already existing advertising mediums.

By using a web page, the service promotes itself. It is the way the customers order and communicate with our staff. Giant Eagle has an existing website and our objective is to target the people who are familiar with their homepage. The site does not require physical promotional material and does not need to be tested. This is because the site is already necessary in order to provide the service.

We will use the site to promote a cell phone application as well. If an application for our service is readily available during the startup of our service people are more likely to use it. Those who use their cell phones to accomplish basic tasks will appreciate this feature, and it will focus on our target market of people on the go.

Another way we will be promoting Eagle Drop is by printing out coupons on the back of receipts customers get after they purchase items in Giant Eagle. Although our app is free, the coupons we will be printing out at Eagle Drop's startup will eliminate the additional fees associated with using our app.

We would like to use this opportunity to get more people involved with our app as it is more convenient for users than our website. Therefore, the first set of coupons will be for our app. Customers simply scan the coupon and are given access to in app features that would regularly cost extra money, like the ability to talk to the shopper while he or she shops for a customer's items. This kind of coupon was designed specifically to get our target market, elderly customers, more involved with electronics. We will know if it is successful if more people

download the app and use the coupon. We also plan to place other coupons on the back of receipts in the future.

The objective of our Facebook page is to provide a free way to promote our service quickly and effectively. Much like our service, our Facebook page will be connected to Giant Eagle. Because people have already “liked” and are connected to Giant Eagle’s Facebook page, Eagle Drop will be advertised to these existing connections. The Facebook page serves as its own promotional material, and is its own form of media. It is already a proven successful marketing strategy therefore it does not need to be tested.

We chose to use newspaper ads as a way to promote the service by directly targeting those who do not use the other forms of media previous stated. The objective of the newspaper ad is to provide an promotional source for the service that is not related to digital forms of communication and advertising. This method is intended to get our brand name and mark recognized by our customers. By using a physical form of media, we can also include coupons located within the ad to promote our service. Customers will feel more inclined to take advantage of another way to save money.

On a final note, if our service begins to earn a substantial amount of money, we may decide to donate to a handicap organization .The donations will go to a great cause and this will also increase our positive image, especially to our target market. More customers will become aware of our service as well. Overall, we believe this would be a great way to keep our image positive, and an even greater cause.

Promotional Examples

The screenshot shows the Giant Eagle website homepage. At the top, there's a navigation bar with links for Savings, Products & Services, Recipes & Planning, Online Ordering, Pharmacy & Wellness, Gift Cards, and Eagle Drop. Below this, a large banner advertises a "LIMITED TIME ONLY! ALL retailer gift cards! EARN 20¢ for every \$50 you spend!" with a "Shop Now" button. To the right, there are smaller banners for "BUY GIFT CARD" (featuring Apple, Barnes & Noble, and L.L.Bean) and "CLIP" (featuring various coupons). Below the main banner, there's a "WEEKLY AD" section and a "Download Our Mobile Apps" section. The footer contains a "Sign Up for Email" form, "About Us" information, "Customer Service" links, and "Quick Links" such as Account Registration and Weekly Sale.

This screenshot shows the eagledrop.com mobile website on a tablet. The top header features the "EAGLE Drop" logo in a red speech bubble. Below the logo is a prominent yellow "Get Started!" button. The main content area is titled "HOW IT WORKS" and includes the text: "Create your list of items and our team will deliver them to your door!". The bottom of the screen has a dark navigation bar with icons for back, forward, home, and search.

This screenshot shows the eagledrop.com mobile website on a smartphone. It features the same "EAGLE Drop" logo and "Get Started!" button as the tablet version. The "HOW IT WORKS" section is more compact, with the text: "Create your list of items and our team will deliver them to your door!". The bottom navigation bar is also present, with icons for back, forward, home, and search.

We do your shopping for you so you don't have to.

The advertisement features the "EAGLE Drop" logo at the top left. Below it is an illustration of an eagle with its wings spread, perched on a globe filled with various grocery items like fruits and vegetables. To the right of the logo, the text reads: "Eagle Drop Visit our website to learn how you can do your grocery shopping from your home." At the bottom right, the website address "WWW.GIANTEAGLE.COM" is displayed.



This screenshot shows the Eagle Drop Facebook page. At the top, there's a navigation bar with links for Savings, Products & Services, Recipes & Planning, Online Ordering, Pharmacy & Wellness, Gift Cards, and Eagle Drop. Below this, a post from Eagle Drop is visible, featuring the logo and the text: "Eagle Drop Shopping & Retail · Add A Category Community Page about Giant Eagle". The post has 1 like and is followed by the user. Below the post, there's a "Timeline" section with a status update: "What have you been up to?". The "ABOUT" section shows a map of the location at 12345 Eagle Drive, Pittsburgh, Pennsylvania. The bottom of the page features a navigation bar with the Giant Eagle logo and various utility links.

B. Marketing Mix

Distribution Channels:

Our service uses the goods directly from Giant Eagle locations. As a subset of this already existing supermarket chain, we can rely on the availability of products our customers need. These existing channels follow the typical path of large scale grocery chains. Once the goods arrive at Giant Eagle locations, the delivery service begins with the transportation of goods. The desired items then arrive at the customer's home and the final transaction is made.

Each product begins with its manufacturing process. Once a product is created, manufacturers respond to the Giant Eagle supply information system orders. Transportation is then coordinated by Giant Eagle and orders are processed through one of five automated warehouses called distribution centers. After a product is cleared and accounted, it is then transported to local Giant Eagle stores.

The service takes over from point where the product meets the store shelves. An order is placed by the customer and the payment is made. Our employees then find the items paid for by the customer within local GE stores. The products are then brought to the local delivery facility where a final inspection is made. A final delivery is then made to the customer and the service is complete.

Using the distribution channels already in place, the service has easy entrance to the market. By creating a delivery service we are meeting a need of the customer. Some of our target shoppers are not able to travel to Giant Eagle locations in order to purchase products.

By creating this step in the product distribution process, our information systems as well as the Giant Eagle Company gain access to new customers. These distribution channels have been optimized in order to stay current with distribution technology systems.

Positioning Plan:

Our product is fairly new and thus is not very well known. Of the people who do know about this kind of service, however, they have a very positive image of it. Most people believe a service that shops for you is a great idea and would love to see something like that available to them, since this service is not widely available. The main goal of our service is to make our customers happy. That is why Giant Eagle has decided to make this service more available.

We want to maintain the positive image that this sort of service already has. To do this, we are deciding to completely tailor the shopping trip to fit each individual's needs. We also provide additional options such as the ability to talk to shoppers during their shopping trip through our app. Through our great customer care and customizable experiences, we provide a high quality service that is not available anywhere else.

Another way we strive to maintain this positive image is by pricing our service a little higher. Although anyone can use this service if they wanted, it is a convenience service and our target market generally has the money to pay a little more, thus we are pricing accordingly.

Pricing Plan:

Our pricing strategy is fairly simple and based off of three segments. The price of all of the items purchased (the grocery fee), the price the items in the cart equal before additional fees (the service fee), and the amount of miles it takes for our driver to get to your pick up location (the delivery fee). Through this three segment billing process, we make it very easy for the customer to understand just how much they are paying for our services and why. We want to make it clear that there are no hidden fees and that the price we are charging them is fair and based off of facts.

Eagle Drop is a high quality service, thus it will be higher priced than competitors, with good reason. Psychologically, a higher priced item means that it is a better product. We use this

discrimination to our advantage when deciding our pricing strategy. Below is an example of this pricing strategy compared to our competitors. We have priced our fees higher than competitors because we want to provide the highest quality items to our customers.

Flat Fees (Eagle Drop vs. Peapod.com)	
<p>Them (Peapod.com)</p> <p>Service Fees</p> <p>Orders over \$60.00 \$9.95</p> <p>Orders over \$75.00 \$8.95</p> <p>Orders over \$100.00 \$7.95</p> <p>Minimum Order Size: \$60</p> <p>Pick-up Fee</p> <p>Orders: \$2.95</p> <p>Minimum Order Size: \$60</p>	<p>Us (<u>Eagle Drop</u>)</p> <p>Service Fees</p> <p>Orders over \$50.00 \$19.99</p> <p>Orders over \$75.00 \$18.95</p> <p>Orders over \$100.00 \$17.95</p> <p>Minimum Order Size: \$50</p> <p>*Delivery Fees= \$1.35 x the number of miles to get to your pick up location</p> <p>Pick-up Fee</p> <p>Orders: \$7.50</p> <p>Minimum Order Size: \$40</p>
<ul style="list-style-type: none"> • We increase our prices to insure you get the best quality items you deserve delivered straight to your doorstep. 	

Our service was also created on the basis of convenience, therefore our hope is that people will be willing to pay more to use our services because it is much more convenient to them than to go to the store themselves. We provide the option of letting the customer chose the date and time they want their order delivered. When people begin to use our service, they will find that they have more time to catch up on other things in life that they did not necessarily have

time for before. Our mission is to make grocery shopping one step simpler, because we understand the inconvenience of the task.

As stated above, our pricing specifics will be based on our three main components, service fee, grocery fee, and delivery fee. The service fee will be dependent on the total price of the items ordered. As seen in the previous chart, a cart with products equaling \$50 or above will be charged a \$19.99 service fee. A cart with products equaling \$75 or above will be charged a \$18.95 service fee. And a cart with products equaling \$100 or above will be charged a \$17.95 service fee. If a product is delivered, a delivery fee will also be factored into the total price. This delivery fee is \$1.35 times the number of miles travelled to get to the pickup spot. If a product is picked up in the store instead of being delivered, the account will be charged a \$7.50 service fee and will have no delivery charge.

Each customer's account will be linked to their Giant Eagle Advantage Card. When using this card, customers can take advantage of everything they can while shopping in Giant Eagle stores in person. They can even take advantage of additional benefits, such as fuel perks and using coupons through the use of this card. When paying for a shopping trip, customers can pay by cash, credit, or debit, but a card must be linked to their account if they wish to order from our service to insure a secure transaction.

VI. CONCLUSION

Eagle drop is a wonderful service that provides a convenient new way for people to receive their groceries. Through our promotional and pricing strategies, we believe we will be able to start our service very quickly. We hope to grow larger and market to more target markets as time goes on as well. Overall, we are very pleased to be presenting this service to the community, and hope that it will success as well as, if not more than we have envisioned it.