Module: Understanding and Engaging in the Customer Experience

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Asda Assignment

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Executive summary

Asda is one of the biggest super-markets from UK, who provide to his customers great products at a very low price. The company was founded in 1949, by Asquith familly becoming in the next years the biggest market. After bankruptcy in 1999, Asda has become part of Walmart familly and become one of the biggest retailers from UK.

In the fallowing report, are informations about Asda ethics, sustainability and quality, being criticly asess with two other big retailers, Tesco and Lidl. In each case, the management adopt various marketing tools to attract new clients and improve in different areas in order to keep company's customers.

Asda is managing customers cultural behaviour, and that helped the company to become one of the UK largest food retailer. It has many activities such as clothing (George.com), Pharmacy, Opticians, Jewellery.

The main aim of Asda is to provide the best service to the customer and for that, the company introduced Value for Money, on each shopping basket and providing excellent services thatexceed consumers needs.

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1.0 Introduction

The fallowing report has been requested by lecturer Maria Heffernan, on 16 of March 2020, having as purpose to identify the problems that Asda has on ethics, sustainability and quality. To do that, the researcher, criticaly asses Asda with other two big supermarkets, Tesco and Lidl, to discover if their social behaviour has any impact on the customers. The report has been compiled by student Florin-Ciprian Bucur (1712445) and need to be submited by 3pm, on 27 of March.

2.0 Findings

Short history

Asda was formed in 1949 when Aquith family merge their butcher's shops with West Dairy Farmers, under the banner of *Associated Dairies & Farm Stores Ltd*. Durring 1950-1960, Dairy Farmers extended their butcher shops, also created Craven Diaries, after meeting with the Asquith brothers.

In 1958, after a travel to US in search of inspiration, Peter and Fred Asquith come up with a revolution in retail. In 1963, inspired by their trip they open what will be called "UK first self-serviced supermarket" and it was based in Castleford. In the same year, they have made the important discovery of "food discounting".

3rd of May 1965 was the year when Asda was born, when Peter Asquith sign the partnership contrat with Noel Stockdale at Associated Dairies.

ASquith + DAiries = the birth of ASDA

In 1967, with the ideea of business expanding, Peter Asquith introduced the first discounted petrol filling station. Beside the huge numbers of oil competitors Peter made a deal with Russion oil company NAFTA.

In 1977 the first “Asda Price” Tv adverts appear as they called “taping pockets” and is has become so well known that took place on Asda official sign. Late 70s, in the process of diversification, Asda introduced Asda Property and Asda Drive, after a booming of 80 store and 3million sq ft retail space.

In 1989, George Davies produce the first clothing line for Asda; high quality, high value. The partnership between George and Asda was born.

In 1999, Asda joins Walmart’s family and becomes part of the biggest retailers.

2020 Asda have 165.000 employees, having 803.2 million anually profit. (Our History, 2020)

2.1 ***Ethics and sustainability***

2.2“Ethics are related to moral principles, rules and standards, that can be the guide wrong or right in the specific situations” (Ferrell, Fraedrich and Ferrell, 2009)

Asda is facing several issues about ethical behaviour, therefor has been marked down in the ranking sistem: climate change, human rights, supply chain management, and animal issues:

Environment: The fact that deforestation is such a major issue, in July 2019, Asda has sold 16.706 tones of palm oil, which had the lowest level of certification, as BOOK and Claim suggested. Because they did not take the best practices, such as working with supplyers to improve it, they receive the midle rating on Consumer Ethical. (Ethical Consumer,2020)

Human rights: The Guardian Stated that: the kind of conditions that overseas workers produce goods for Asda, are unimaginable and the current code of practice has failed drasticly. Womans in Bangladesh are paid with 5p/hour, and work for more than 14 hours a day, to make clothes for George, Asda’s clothing retailer. (The Guardian,2008)

Human Aid, an international charity, sugest Asda stop fighting proposal that will help the porr workers.

The ETI Base code wich Asda adopted, does not provide any evidence of how much is the living wage, in the countries from wich Asda provides his sources or if the suppliers ar paying enough the workers.

Suppliers: In the service that Asda provides, suppliers play an important role, because Asda is buying localy most of the shop products, helping the local farmers. They work with 250 suppliers that deliver more than 2500 products into the store. The fact that they work on regional level, attracts customers with local delicacies. (Suppliers, 2016)

Animal: Faccenda, the Uk second-large processing company, who sell birds to Asda, has been complained to ASA (Advertising Standards Autority), as a bad treatment applied to the tens of thousands of chickens which are crammed into a barren shed. Because of the stress from extreme crowding many have lost their feathers and their feet can not support their weight because of the unnatural feding. (PETA-UK, 2018)

Tesco ethics is different then Asda's, in where the company have been in the lowest rank of ethical bevior when it comes to people, environment, animals and politics.

Even that in September 2019, the company has been ranked as the best supply chain management, around the same time has been discovered that Tesco use the same way of slavery, where 400 of his victims worked for 50p/hour. In the same year Tesco had a bad ranking on environment, beeing under-markt for pollution and the usage of toxic, chemical products.

In August 2019, Tesco went from middle score to a lower ranting score after they remove the cut off date for animal testing, also continued to sell products who are tested on animals.

When it comes to politics, concerns where raised about the increased number of shareholders, and the company paid chief executive Dave Lewis, for his next 6 monthsof work, £4.3 million in bonuses and £1.2 million to his predecessor. In September 2019, Dave Lewis was already paid with £4.6 million. Arround that time, Tesco had a subsidiary on tax avoidance in city's like Hong Kong, Cyprus, Jersey and Guernsey. (How ethical is Tesco plc? | Ethical Consumer, 2020)

Lidl, a German retailer is in the same position as Tesco and Asda, claims The Guardian. Lidl managed to sell jeans at the price of £5.99, beeing with £12 less then Tesco's. The main reason why is so cheap is because of the Bangladesh workers who are paid with 2p for every pair of jeans they make. There is no surprise that many of the reatailer do their "shopping" on Bangladesh where the minumun wage is 23p/hour. (The Guardian,2016)

Lidl is the company that have the most discount prices, and in 2006 introduced into Fair Trade products that are at low price range, having the sales volume to increase considerably. (Langen, 2012)

2.2 Sustainability

To be sustainable means to identify and recognise the problem, without compromising next generations ability to meet their needs, and bring fundamental changes to the organisations and deliver to the world value and positive outcomes. (Wells, 2013)

Asda sustainability!

Based on BBC News, this year Asda is opening a new sustainable shop, where customers can fill their own container with food. Asda have the innitiave to cut down the plastic packaging, wich will reduce arround 15% on February and by 2025, Asda will have his own brand of packaging, fully recyclable. Supermarkets are using around 58 million tones of plastic anually, and Asda around 65.000 pieces of plastic anually. In addition to that, the supermarket sells loose products like cucumbers or mushroom without plastic and add to the shop a "reverse vending machine" for recycling plastic bottles. (BBC News, 2020)

In 2018, Asda's new partenership with FareShare, where the company donate the surplus food, error on packaging, printing errors, lines that the company no longer sell, to help 1 million people out of poverty. Asda also operates a 0% waste policy, where 100% of the Landfill is diverted and 86% of the operational process. The trollyes and other equipments are returned to the central point to be repaired or to be used as parts. (Asda.com, 2020)

Tesco sustainabillity!

One of tesco's biggest collaboration from 2019 is with WWF, which is a metric app that allows customers to track the environment impact of the different products they buy. The app will track 20 of Tesco's own-brand products, which fights against: climate change, deforestation, waste, recycling, and food waste. The application will allow supermarkets to combat with thie external factors. Dave Lewis, chief executive of Tesco says that "working with WWF, will provide shoppers affordable food, good quality produced in a sustainable way". (Newsroom, 2019)

Based on a report from Retail Gazette, Tesco and Mark and Spencer (M&S) come on 2nd and 4th place on worldwide sustainability leaderboard, showing an increased awareness from the general public, and the clear message from the companies. (Retail Gazette, 2019)

Lidl sustainability!

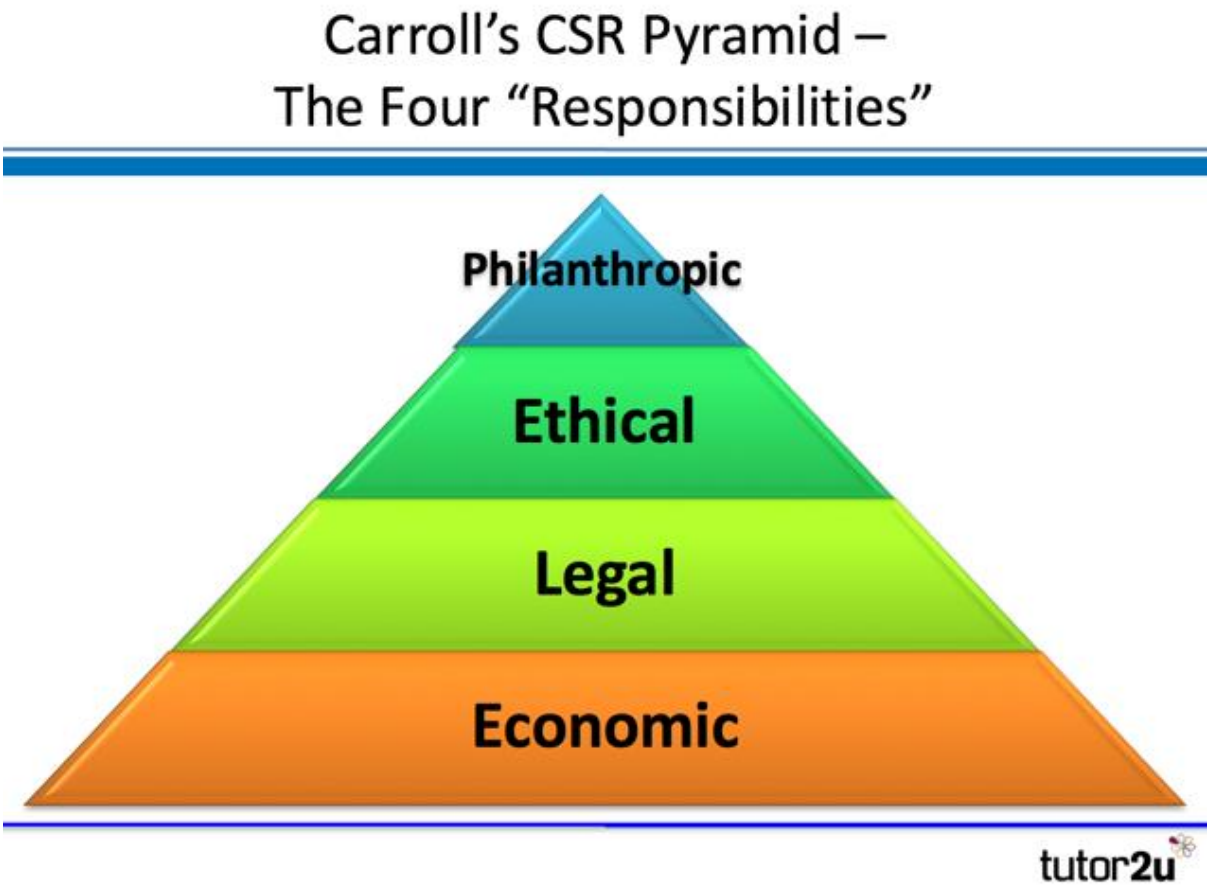
In Ireland alone, Lidl was producing nearly 300.000 tonnes of plastic waste every year and in UK 300 million, plastic that was not biodegradable, and most of it end up in the oceans. To combat that, Lidl is the first UK supermarket that launch packaging made using "ocean bound plastic" collected from beaches. The plan is to gather the plastic before it reaches the water, recycle it and turned into resin.

The initiative is a form of Lidl's sustainability plan, to reduce plastic with 20% by 2022 and to make his packaging 100% recyclable or reusable by 2025. (Youngh, 2020)

Crm (Customer Relation Management) "*is a strategic approach that is concerned with creating improved stakeholder value thorough the development of appropiate relationaships with key customers and customers segments"* (Baran and Galka, 2016)

It does not take long to realise that treating customers unfair is a serious matter, this is the reason why customer service ethic is so important. Baased on ethics and by the responsible thing by their customers, Asda is improving the lifestyle of the employees and suppliers and the impact on the environment. As food forms, they took lessons from the food business on sustainability and try to become 100% sustainable and provide products and services that are both low cost for the customers and for environment.

Asda handle his CSR (Corporate Social Responsibility) carefully and beliefs that sustainability can help to make the products more affordable for the consumers and they will protect the world they live. Asda, beliefs, that this principle have an influence on everything from collegues and suppliers to customers and environment.



Csr is a domain of many activities Carroll (1979) and it is defined a concept that accumulates economic, legal, ethical and philanthropic responsabilities. All the above defines the customers expectations from the company.

Impact on stakeholders:

- ✓ ***Employees***- Asda is looking after the general wellfare and wellbeeing of his employees. As a respect from them, Asda, has introduced from last year, Employee of the Year award.
- ✓ ***Suppliers-*** Asda is checking often his supliers to get the best quality and affordable prices, and to offer the best service to his customers.
- ✓ ***Environment-*** In general, Asda tries to reduce te impact of his behaviour on the environment by his sustainable programe.
- ✓ ***Community-*** Asda is contributing in the development of his community, by doing ofted charity donations, listen to his employees and customers and creating jobs. (Asda, 2015)

Community Champions is the newest community supportive case from Asda, and in weach week they deliver outreach programs in the local cummunity and help other groups to acces founding. Every year, Asda donate in store space for different cause to raise founds, services for those who really need.

Asda data collection: Asda is collecting data from customers shoping habbits (Grocery, Scan and go, George.com, Asda opticians and Customer survey) to help and understand customers and to help the company to improve so they can offer the best services and products at the lowest price. This includes informations like how customer shop, what they buy and how much they spend. The company performs a lot of data analyse to understand customers preferences, how to improve services and technology, meet demand and expectations. (Asda-privacy-2020)

Data is collected with the use of the questionnaires with the use of many tehniques and approvals and the information are gathered in an effective manner. Approvals and permissions are taken in order to perform with the survey. The survey is made over Asda and employees.

2.2 Asda quality

"Quality can be defined as supperiority or excellence of the product or lack of service defects and the ability to satisfy customer needs. One of the most popular quality definitions is meeting or exceeding customer expectation" (Evans, 2008)

There are a lot of resurces and tehniques to determine de quality of a product. In Asda's case, there is a constant evaluation of these standards of quality, to ensure good products and services to the customers. The first procedure is fallowed by Asda's quality team, when the products arrive at Asda and the first evaluation test is done. There is a monitoring tool for taste

and quality, so that the products can be for good cosumption of customers. The procedure is called “quality assurance”

Even if Asda’s first aim is to produce more profit, the company preferes to increase customers demands by ensuring cut on prices, promotions(discounts) and a large variety of new products. This strategie, is based on Asda’s consumers and even helps to attract new clients by their merchendise and the cut prices. In order to attract new clients, Asda make sure they purchase the best quality goods at the most competitive prices. The supermaket says that: his pride on customer satisfaction for customer satisfaction and the quality of the product is allways looked after and the prices are localy checked weekly. (ASDA, 2018)

The fact that Asda is investing into customer satisfaction can be seen on You GovBrandex (measure a range of metric on quality, satisfaction and value) it is significant increased with 1.8% compared with a year before, wich show that the investment is paying off. (Hammett, 2018)

Quality Management System

“QMS (Quality Management System) is the aim by wich quality management practices are made an intergral part of the organisation. It is not a temporary fad and shows exactly how organisation conduct the business. QMS is not static and must be improved continually in order to enhace with organisational effectiveness and efficiency.” (Nanda, 2005)

Jit (Just in time) is the tool that Asda use all the time when it comes to ordering new products in the shop. The products are produced when are needed and not that only saves money and time but also, all the time, the customers are 100% sure that the products are fresh and bring good value to the company. The machinery is checked every beginning of the shift, to ensure a completed job, in time and performance, to provide their services to customers.

Stock control – is crucial, and Asda is putting a good effort on maintainig the stock control at his maximum. This ensure avoiding operating the store in low stock and options.

QC (Quality control) is a very important process for quality where is done with the computer system. The machine system is testing the product on every stage. This ensure a good quality and add value to products.

The business sector that is Asda, is very competitive and customer are allways looking for affordable and quality products. However, because Asda is focus on low-price products, allowing them to climb the ladder and become one of the most rated super-market in the UK.

In order to attract customers, they charge the same or less, then competitors on many products and have put efforts to minimise their operation cost and invested in technological improvement which identifies as having high growth potential.

3.0 Conclusion

ASDA, a large retail business shop in the world, is doing marketing activities to achieve its organizational objectives. To sustain in the competitions, every organization needs to apply this model effectively to get into their customers and suppliers bargaining.

Asda need some improvement and has wider opportunity to grow not only in the UK but also Europe. For now, Asda it is dependent from UK market, and needs to grow international to achieve a higher reputation and benefits. Asda is in a business where competition is in big standards, and fulfilling customers demand it is a long run benefit. The company need to grow worldwide to achieve the benefits of a loyal customer. Asda's ethics needs also an improvement, where employee need to be threated right, where Asda needs to enhace, motivate and support more the staff and environment. To ensure best practices, Asda need to focus on ethical performance and ethical culture.

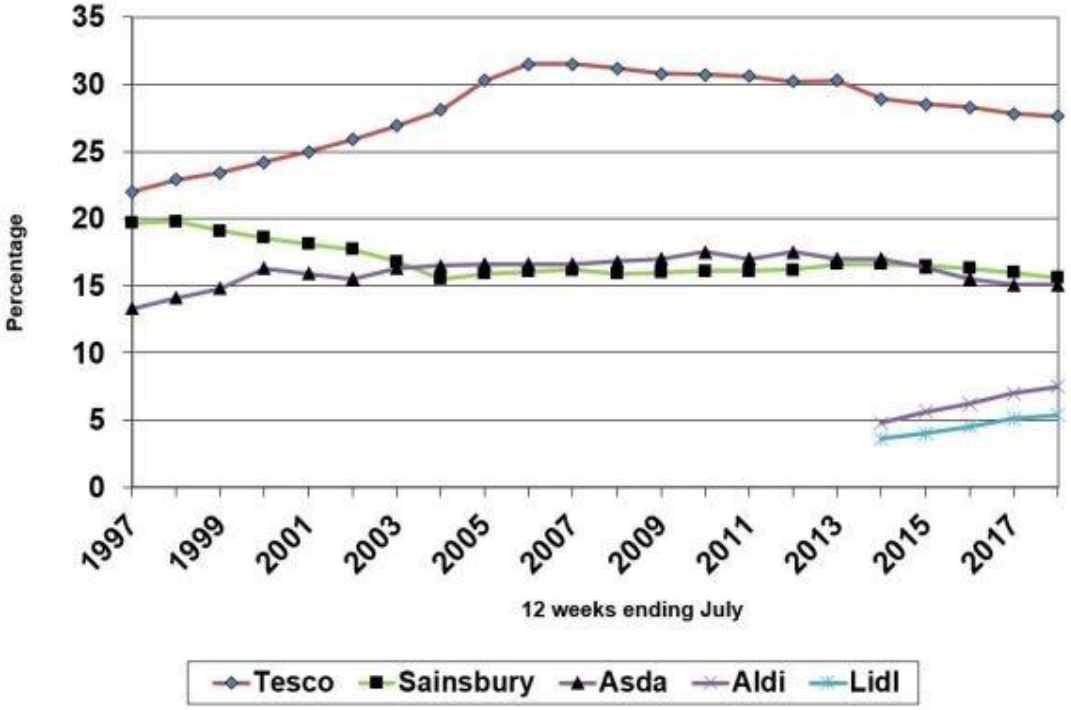
4.0 Recommendations

Recommendations for Asda are based on Swot analysis.

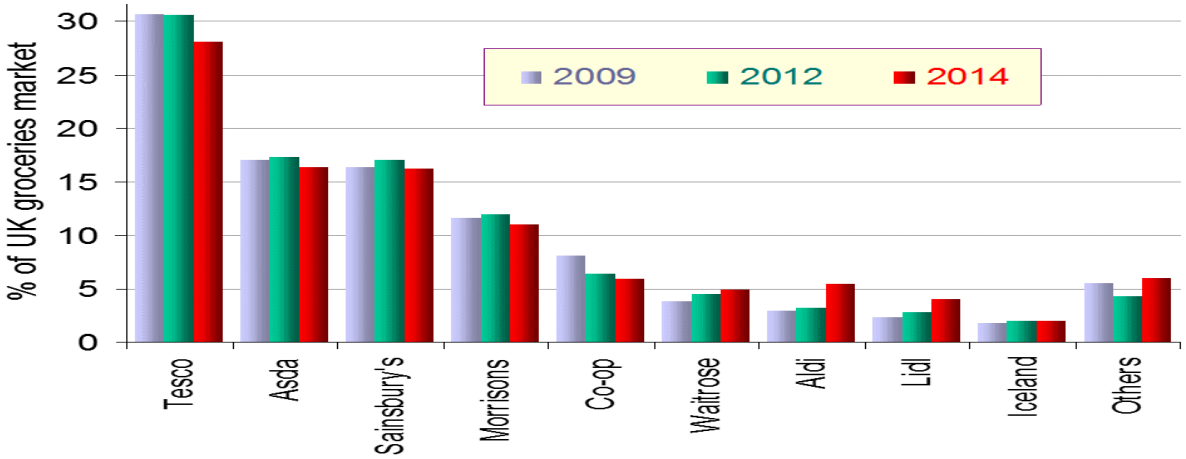
1. Diversify his products range to become more “premium”, and to add more local products and more brands.
2. Because Asda is only focusing on UK sales, the company can introduce an “Unique Selling Point” which can justify a higher price, but in the same time the ethical position can improve (local food, reduce supplier distance, beeing more environmental friendly)
3. Implement a solid strategy, with a good quality management (internal rules)
4. Sell the unproductive assets and provide customers more basic grocery needs.
5. Allow customers to see “behind the scenes”, and to be part of the company like active stakeholders.

5.0 Appendices

Supporting informations!



*21 years on market share



Supermarket shares of UK groceries market

	ENERGY (use of renewables, energy efficiency, carbon reduction target, water use)	WASTE (recycling, food redistribution, waste to landfill reduction, consumer engagement, plastic bags)	SUSTAINABLE AGRICULTURE AND SOURCING (pesticides, biodiversity, deforestation, local sourcing, GM)	SOCIAL RESPONSIBILITY (fairtrade, healthy eating, charity sponsorship, workers' protection)	ANIMAL WELFARE (free range, animal testing, homones and GM, travel to the slaughterhouse, fishing)	TOTAL SCORE
ASDA ASDA	2/4	4/5	4/5	3/4	2/5	15
The co-operative food Co-operative 1st	4/4	5/5	5/5	4/4	5/5	23
M&S SIMPLY FOOD M&S 2st	4/4	5/5	4/5	4/4	4/5	21
M Morrisons	2/4	3/5	3/5	3/4	3/5	14
Sainsbury's Sainsbury's	3/4	2/5	2/5	4/4	3/5	14
TESCO Tesco	4/4	4/5	2/5	4/4	2/5	16
Waitrose Waitrose 3st	3/4	3/5	5/5	4/4	5/5	20

*Sustainability range

Best and Worst In-Store Supermarkets 2018

	Store appearance	Queuing time	Staff availability	Range of products	Quality of own-label products	Quality of fresh products	Value for money	CUSTOMER SCORE
1 Aldi (1,620)	★★★☆☆	★★★☆☆	★★☆☆☆	★★★☆☆	★★★★☆	★★★★☆	★★★★★	74%
2 M&S (857)	★★★★★	★★★★☆	★★★★☆	★★★★☆	★★★★★	★★★★★	★★★☆☆	73%
3 Lidl (1,346)	★★★☆☆	★★☆☆☆	★★☆☆☆	★★☆☆☆	★★★★☆	★★★★☆	★★★★★	69%
4 Waitrose (531)	★★★★★	★★★★☆	★★★★★	★★★★☆	★★★★★	★★★★★	★★☆☆☆	68%
5 Iceland (1,131)	★★★★☆	★★★☆☆	★★☆☆☆	★★★☆☆	★★★★☆	★★★☆☆	★★★★☆	65%
6 Tesco (2,502)	★★★★☆	★★★★☆	★★★★☆	★★★★★	★★★★☆	★★★★☆	★★★☆☆	64%
7= Asda (1,741)	★★★★☆	★★★☆☆	★★★☆☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	63%
7= Morrisons (1,432)	★★★★☆	★★★★☆	★★★☆☆	★★★★☆	★★★★☆	★★★★☆	★★★☆☆	63%
9 Sainsbury's (1,711)	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★★☆	★★★☆☆	62%

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