

Presentation on a Critical Perspective of ASDA in relation to its Sustainability

Module: Understanding and Engaging in the Customer
Experience

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Task 1 - History



Asda was founded in 1949 by Asquith brothers– Peter and Fred from Leeds. Asda name was created at 3rd of May 1965 when Asquith's merged with Associated Dairies & Farm Stores. (CompaniesHistory. com)

The 100's Asda store opened in 1981 and later on in 1989 George clothing brand was created .

A new chapter started in 2000' when new brands, stores were opened, with Click & Collect, Drive Thru and Stand Alone petrol Fillings stations launch.

In 2017 Asda was Awarded for being Lowest Price Supermarket 20 years in a row.

Asda's proposal to merge with Sainsbury's in 2018 was blocked by CMA and idea of creating new business was not supported. (asda.com.)

However, even after this failure in 2019 Asda has survived it's position and according to retaileconomics.co.uk is on 3rd place between Top 10 UK Retailers based on retail sales growth, region and category specific economic insight, market share size and food and grocery rank. (retaileconomics.co.uk)

Sustainability - Definition

Sustainability is a concept describing mankind's ability to create a world for humans and non-humans that environmentally, socially, and economically provides for a current population's needs without damaging the ability of future generations to take care of themselves.

(Blackburn, 2007)

Asda believes and takes responsibility to preserve the environment and people's money as it goes hand in hand.

Asda's objectives are to minimise the environmental impact of Asda's actions, the products and services they sell and the suppliers that produce them. (Our Sustainability Commitments | Asda Supplier, 2020)

Task 2

Benefits - Asda is developing strategy how to deal with global warming and its impact on fresh produce range, which will help keep supplying shelves and products will be unaffected by rising temperatures and Asda will be recognised as Green grocer.

Importance of water management is major for Asda to prove they act as sustainable business. Water contract with farmers can cover retail from fluctuation and keep lower prices and assure that adequate quantity of products will be delivered even during poor weather and will strengthen relationships between retailer and farmers.(Confino, 2014)

Since 2005(working on minimising environmental impact) Asda has saved 80 Million Euros and invested towards lower prices promise to their customers. They benefit from environmental measures and collaborating with other suppliers to create an edfficient supply chain that can save money in long term.
(Smbp.uwaterloo.ca. 2018)

Drawbacks - Due to the fact that the company did not take additional best practice measures, such as disclosing its suppliers or working with its supply chain to improve it, and because its standards were not company-wide, Asda received Ethical Consumer's middle rating for palm oil sourcing and policy.

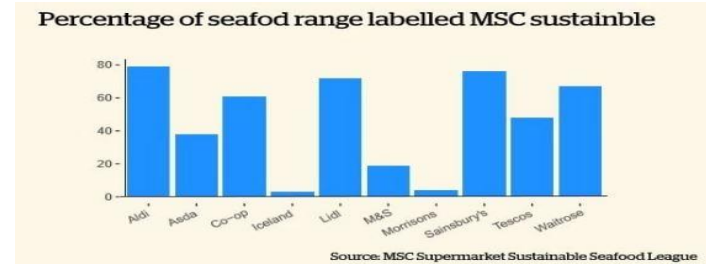
Asda received Ethical Consumer's middle rating for Animal Testing because it had a fixed cut-off date for ingredients in its own cosmetic and household products, but continued to sell brands known to test on animals.

Back in 2017, 9,500 women had lodged initial claims alleging that their roles as shop floor workers were seen as 'women's work' and were paid less than equivalent work carried out by their male colleagues in the company's warehouses. (How ethical is Asda Group Ltd? | Ethical Consumer, 2020)

Recommendations -

Asda's Fish and Seafood range has not impressed customers and has been blamed for supplying Fish without tracing its history , together with Morrisons with less than 5% MSF Certified sustainable fish supply.(Connolly, 2018)

Why not making a history and open first ever Mc Donald's type Drive Thru Grocery store in UK, suitable for fresh chilled produce , Bakery and Dairy products and necessities with option to be served while sitting in the car and order through an App with contactless payment option. Everybody loves Mc Donalds but not everyone needs a burger.. Bottle of milk or loaf of bread would be great especially on rainy days or when is your baby sleeping in the car and you don't want to wake them up.



SWOT

Strengths - Being loyal to their suppliers, supporting farmers and small businesses, including local communities

Remains true to Asda values and beliefs - 'Protecting environment and people goes hand by hand' , Lowest Cost Retailer in the UK , Sustainable practices, Reduced packaging and plastic, Cutting emissions by 40% by introducing double-decker trailers and replace roads with rails, saving 26 return truck journeys

Weaknesses - Limited global presence compared to its competitors

Horse meat scandal in 2013 , False advertising scandal in 2010

Opportunities - expanding into Europe and Asia

Creating more small convenient stores and improving App ordering and Social Network Promoting

Threats - Politic situation, competitive low prices from competitors, scandals with gender pay and Employees rights , Selling products tested on animals

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