

University of Wales Trinity Saint David

Community Engagement

MODULE CODE: LCBB4002

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The case of ASDA Report

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Executive Summary:

The purpose of this report is to present and analyze the brand ASDA with respect to the communities engaged in the business. The paper also explains the company's vision and mission and the culture of the organisation that stands behind the organisational goals, mission and motives. To justify the findings in the discussion panel, PESTEL & SWOT analysis are gathered and presented.

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Introduction

Asda Stores Ltd is a British supermarket retailer with a long history and traditions of trade and marketing. The company was founded at 1949 and grown a lot in the last years.

The brand sells food, frozen, chilled and fresh groceries, drinks, goods for beauty and health, cloths, home products, kids and pets products. The company also offers home furnishings and garden appliances, electronics such as blenders, irons, kettles, vacuums, toasters, coffee machines and etc.

ASDA's competes on the market with the following brands: Tesco, Waitrose & Partners, Ocado and Sainsbury. In the UK, ASDA has more than 600 stores and has employed around 165,000 people, making it the second biggest retail superstore in UK, after Tesco (Bloomberg, 2019). Asda has been part of the UK's "BIG 4" retailers in the grocery sector.

To many consumers in UK Asda has developed on the back of price competition. Asda's goals always heavily focused to give the best price and also to be the UK's best value supermarket.

The mission of ASDA is to be "Britain's most trusted retailer" and its purpose is "to make goods and services more affordable for everyone" (ASDA, 2019). Each new employer at ASDA has an induction program of 25 hours to be familiar with the company's goals and values, which are respect for individuals and aiming at excellence in customer service.

The motto of the company is "Saving you money everyday". Naturally, ASDA connects with its customers also online and offers also services, including financial services, not just products. The company has found a way to improve the retailing value for its customers. It has launched a service "ToYou" which allows customers to collect and return products purchased by 3rd retailers at the stores of ASDA. Online tracking of parcels made the service even better and at the time none of its competitors had a common option for customers (TATA CONSULTANCY SERVICES, 2019). Additionally, ASDA improves the customer experience offline by using data driven digital custom solution. The "bespoke store level analysis includes information on the availability of deliveries, isolates how many sales were lost due to unacceptable delivery times and dates and easily identifies any underperforming stores at all level" (RedEye, year unknown).

The customers expect to received good offers every time, to had good service and the quality of product to be a rival. Every day Asda wins loyal **customers** - they have trust and convinced that the quality of product is good and the price is the best.

This statement can be confirmed by the latest report from Kantar Worldpanel (April, 2019) day that **Asda increased sales** by 0,3 % and takes market share of 15.2 %. Fraser McKevitt comments: "The average Asda shopping basket increased in value and shoppers visited more often. Asda remains strong in its northern heartland with the north of England and Scotland accounting for more than 40 % of sales." (McKevitt, F., Worldpanel, 2019).

Discussion

role of employees within an organisation

select a role - HR manager

skills and knowledge for the HR manager

According to a study on the website of Global Journals by Khan Gh., Khan Ahmed & Dr. Khan M.(2011), the human capital is among the most important assets of a company. Employees role within an organisation has great impact on overall business performance and achievement of goals, as they physically and mentally actually perform the plans and mission of the management, especially bottom-level workers, also called the backbone of an organisation (Satyendra, M.,2016).

The Human Resources Manager guides and manages the overall provision of HR services.

Human Resources Manager's primary objectives:

Occupational health and safety;

Development of the Human Resources department;

Developing a higher workforce;

Development corporate culture highlighting quality;

Continuous improvement,

Key retention and development of employees,

High performance.

Develops and monitors an annual budget that includes human resources services, recognition of employees, support for sports teams and community events, philanthropic donation to the company, and administration of benefits.

Asda use Internet survey to research its statements. This data every year supports to ensure that at every level within the company - teams, departments and managers see how the goals, purpose, mission and values should power the decisions they take.

The company has a success because between employees have good relationships and the various practices adopted by team in the Human resource sector (Asda,2019).

SWOT analysis

Strengths

Strong community of distributors, dealers and suppliers - Asda works with long list of distributors and has good relationship with them, as the company provides training courses for its employees. This way the Asda employees (the dealers) can advice on customers for the usage of the products, their functions and specifics.

Over the years Asda had integrated great number of technology and other companies which helps operate the business flow in a smoother way. All of its merges so far are successful and had brought value to the organisation. In an interview with the CEO Andy Clarke, he shares insights on Asda mission to react to customer expectations and make their shopping easy. For example, Asda is running its Mumdex research, with the help of software companies, for the last 8 years, aiming at better experience for customers, based on their opinions, needs and what they do not like currently. Mumdex is research among pregnant women or women with kids, done bi-monthly among more than 2,000 women (Tesseras, L, 2016)

Strong Training and Development Program for Asda employees, making them motivated to achieve more and be more helpful to the customers and the business. The company also offers apprenticeships, which “allow our colleagues to gain a recognised qualification in anything from software development to retail management” (Fischer, K., 2019)

Strong Diversification of Services & Products. For example, Asda Opticians had received pretty good reviews online and operates with great success.

Growing online grocery revenue, improved private label penetration and innovative products within the Extra Special label

Innovative approach tackling each step of the customer journey: from the thinking, considering and just exploring to the final instructions on how to play with the new toy. For example, Asda has a voice online shopping, which is also able to ask to customers questions on product information.

Weaknesses

Asda does not have mini versions of its stores like Tesco express or Sainsbury local
Only one loyalty scheme option for customers, through George Rewards, which started just in the beginning of this year, with a big delay after its competitors.

Certain gaps in the product variety can open doors for new competitors.

Asda is seen as the low-cost brand, which creates the vision of “not-so-good-quality” in the mind of many customers.

Opportunities

Continue to use high-end technology for gaining insights on the work process and what can be done better. Also, continue to use technologies to serve better the customers. Analyze more data from online shopping and social media to be more conscious of customer needs. Many customers in the industry are becoming more aware of what they eat or wear, so it can be beneficial for Asda to strengthen its attitude towards healthy lifestyle. Enter markets outside the United Kingdom and merge, acquire or partner with companies from other parts of Europe that resembles the culture of Asda customers.

Threats

Inability because of law regulations to merge with Sainsbury might results in Sainsbury aggressive strategy, needs to be monitored.

Aldi and Lidl, the German representatives for retailers, have also gained large shares in UK. The Paris agreement from 2016 that issues regulations for environmental protection could be a threat for some categories of products, especially for their packaging and storage. The uncertainty of Brexit outcome and the status of Britain can concentrate pressure on supermarkets and retailers in still unknown way. The trade tariffs might differ in the future, plus some regulations, which UK has followed so far, being part of EU, might be changed by the government, concerning standards for suppliers or operations in-store and etc.

PESTLE analysis

Political and Legal Environment

In 2014, the House of Lords and European Union challenged the food waste in England. The report released information that retailers and supermarkets need to be taken responsible and asked for taking measures to prevent the great percentage of food waste. Especially retailers must find ways to inform customers on packaging and goods best day and to carefully manage food ordering from suppliers of grown food (Harriet, 2014; House of Lords European Union Committee, 2014). The report also argues that retailers must be aware and prevent offering promotions to customers that will only bring the waste to home. Consequently, Asda has issued policies for no food waste thrown on landfills, but all redistributed to charities or recycled into another product.

The relationship with suppliers has also been under investigation from the House of Commons. Its aim was to make sure that big supermarkets, as Asda or Tesco, do not use their power on the market, asking suppliers for super low prices that are not sustainable for them. Asda has submitted its evidence for good and healthy relationships with suppliers and commitment to sustainability (House of Commons Environmental Audit Committee, 2012). Findings of Food Standards Agency has revealed that most common food poisoning in UK is from bacteria in chickens, which is not killed if not cooked properly. Further investigation put Asda on top of retailers with contaminated raw chicken meat in stores. The reputation of the company was not stable, as many articles appeared in the press. Asda had to invest in better in-store facilities that will make sure no contamination is entering the premises and cannot evolve inside.

In the last 7-8 months, Sainsbury was trying to merge with Asda, but it was stopped by

British regulators, United Kingdom's Competition and Market Authority. The authority argues the merge will create a mega retailer of around 3,000 stores and will result in bad customer experience: higher prices, lower quality products and overall less satisfactory shopping experience (Shane & Kottasova, 2019)

Economic and Socio-Cultural Factors

Since England has recovered from the crisis and has showed an increase in average pay rate greater than the inflation, supermarkets and retailers are still on the mission to deliver the best minimum price. British customers are entitled to shopping in supermarkets and it is not a new habit(as a way of buying), but more as part of their culture. However, other non-British low-cost brands as Lidl have entered the UK market recently competing much on prices and taking big shares of the total UK spending, especially on holidays (Butler, 2014). Asda continues to be the second supermarket by revenue, as it has always emphasizes on its low-cost and good-quality goods as its best value and core competency (ASDA Group Ltd., 2013).

Technology-

E-commerce has been in Asda operations for already long period and the company pioneered some of the best practices for Click and Collect services from its stores. Tesco also developed a similar service for some of their premises. The advantage of Asda is the resources it gets from its parent US company Walmart. This puts ASDA a bit ahead of the game in everything trendy and new, as it can be already tested by Walmart or at least can be sponsored by them in a way.

Additionally, now Asda has built C&C towers where customers avoid the delivery costs and are able to collect their goods in less than 60 seconds, also possible to return goods there. This specific approach was firstly developed by Walmart in the US (Davis, Glynn, 2018).

Conclusion

In conclusion, Asda supermarkets have been performing second to best on the UK retail arena and has the clear vision how to continue doing so. By extensive employee training and development efforts, by deploying new technologies and providing customers with what they need on the best price, Asda is only moving forward on its path of community engagement.

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CPD Plan

Name: Neli Atanasova		Covering the period from: 02/05/2019 To: 01/07/2019
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Where do I want to be by the end of this period? What do I want to be doing? (This may

What do I want/need to learn?	What will I do to achieve this?	What resources or support will I need?	What will my success criteria be?	Target dates for review and completion
<i>I want to be more organized and not to be so detailed, because that spent my time and I going late.</i>	<i>I will investigate training courses in my area. I will buy and read "Eat that frog!" by Brian Tracy and others useful book for time management also I will try to do list what to do for every hour and I will hold it.</i>	<i>Support from my mother and from my son - to have more time for reading the books.</i>	<i>I will be on time every time, I will managed my time and will spent more time for my hobbies.</i>	<i>End of July 2019</i>

be evolutionary or "more of the same".)