

Company overview of morrison's supermarket



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Morrisons was established in the year 1899 by William Morrison in Bradford and taken over by Sir Ken Morrison, who took over operation and scaled up the company performance to becoming the fourth largest competitors in the U. K. supermarket industry, currently captured more than 15% market shares in U. K. grocery market. Started as bread and butter seller from stall onto counter sells in 1960s and developed into first supermarket in 1961 in Victoria, Bradford. After listing in FTSE100, the company made continuous growth and expanded their branches all around U. K, provide a collection of various products ranging from, bakery's to groceries and fresh foods to medicines as well as health and beauty. The trend of food retail sectors in United Kingdom converged toward price war as a result market competition determined by the largest retailers, Tesco and ASDA – Wal-Mart.

Understanding the market scenario, Morrisons current strategy is based on “ Freshness, Service and Value” selling products at low prices, and doing so only from large stores. Company organized most of its commercial operation in house, including processing, production, packaging, distribution and transportation, thus own making giving it impressive control over its operations and making it a powerful player in the market. After acquisition one of the biggest rivalry of Safeway in 2004, the company has been modified by expensive Safeway programme into its outlets. Again from this Company has also experienced constrained changes to its stores followed by anti-monopoly competition policy. The effect of policy to Morrisons stores brought down from 550 to 360 by November 2005 but conversion and divestment come to an end currently.

In order to overcome the problems and enhance the company production in the current competitive market, the management has drawn some alteration into his strategically position. Evaluating and analyzing Morrisons current tactic in the discounted market from different strategic s angles. First, from a market-based strategy, we observe that Morrisons is having above 15% market share in supermarket chain industry, it gives remarkable market power. Second a resource-based strategy, which is towards an end (divestment and conversion), Morrisons can utilize the resources to gain competitive advantage in the retail industry. Finally, from the stakeholder strategy, Morrisons now have time to pay back to their shareholder by covering the share price and satisfying shareholders from past loss into profit. In brief, Morrisons find themselves attractive in current marketing environment, to gain competitive advantage by delivering best result and gain profit for their share holder in future.

<http://www.essaybay.com/free-papers/business-papers/business-term-paper-healthcare-policy.php>

<http://www.morrisons.co.uk/Corporate/About-Morrisons/Company-history1/>

<http://uk.finance.yahoo.com/q/pr?s=mrw.l>

<http://www.foodfreebies.co.uk/morrisons-supermarket.htm>

1. Company Information:

Presently, Ian Gibson is the chairman of the company and around 145, 000 employees working in stores, factories, distribution centers and head office administrative functions are associated with the company. The company

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head quarter is based in, Hilmore House, Thornton Road, Bradford BD8 9AX United Kingdom. The company is having 2, 656, 593, 000 no. of shares currently.

The company is also focused on Corporate Relation Responsibilities to the Environment, Society and Business.

Environment: cutting carbon energy and utilized recycle waste.

Society: Provide support to charity for good cause and training programme for people on health and safety, food specialist for everyone and engaged in community work force.

Business: Fair ethical work condition, relation with farmers and small producers and product integrity, compliance and testing.

<http://uk.finance.yahoo.com/q/pr?s=mrw>. |

<http://www.corporateregister.com/a10723/26153-09Co-5779813J2687220750H-UK.pdf>

2. Corporate Mission: “ Morrisons Mission” to always deliver:

“ The Very Best For Less”.

www.ngfl-cymru.org.uk/vtc/ngfl/student_pack_morrisons.pdf downloaded on 4/08/2010

3 Our vision to become the ‘ food specialist for everyone’ means:

Food specialist

We really understand food...

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we know where it comes from;

we pack it and make it in our factories;

we make it in our stores; and

we employ craft skills in every store.

For everyone

Great food which is also:

great value; and

for every day, not just special days.

This vision is supported by our brand values and strategic objectives.

<http://www.morrisons.co.uk/Corporate/2010/AnnualReport/strategic-review/our-strategy/#>

4. Industrial Analysis:

4. 1. Market Background:

Food retail industry is always stronger in the U. K. market and undergone continued growth. The growth of Supermarkets and superstores are unsteadiness year after year and the competition in has reached to competitive edge. The statement presents a detailed analysis of marketing strategy of Morrisons PLC, because it gives the potential growth opportunities to the company. Therefore it is identified and acknowledges that only those industrial players can survive in the supermarket chain industry, which can provide best value for customer at very competitive

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prices. We observe that Morrisons has appear into the picture by taking over Safeway and it's become challenge to all major competitors on national level. Thus, the information carry out a wide marketing analysis in compel to mould ahead. Hence the issues of Morrison marketing strategy has been analyzed and structured in different sequences, which is describe and facilitate to review the process.

PESTLE Analysis:

William J and Curtis T (2006: 113) Describe as a business tools, which help to assess information of the market growth or decline for business or organizational units. It is concerned with external environment of the organization. " Pest is acronym for Political, Economical, Social, Technological, Legal, Ecological factors."

Political and Legal factors:

Every supermarket has own local and legal political factors which affects the individual supermarket. The Morrison has faced major problems in opening new store, they have take permission from local council and government agencies to provide license for environmental and health issue as well as employment opportunities.

Again national factors also affect the Morrison supermarket, which affects their operational analysis such as employment, provisional education and economy.

Growing in importance of European employees has also affected the company.

Apart from this the global factors also influenced the company, such as warfare, political stability of major markets etc.

Economic Factors:

These factors affect the individual supermarket on the local economical development and council rate.

Again rate of inflation in the economy, high recession and other budgetary rate can affect the company decision.

Development of pan European economy and their investment policy can create an impact on Morrisons.

Compete within U. K. market by providing subsidiary to the European farmers.

Socio Demographic and Cultural factors:

Slow removal of class system like different customer segmentation, targeting and positioning may also effects the company.

Apart from this aging population can also affect the employment of company in future.

The country has increasingly effects of different cultures and different religions may affect the present analysis of the company.

Technological Factors:

Increasing technology has great impact on any industry; the involvement of Ecommerce can lead to downfall of the company.

From the service point of view; customer transaction are changing speedily due to rapid changes in technological development.

Again technology cut down the manpower strength may affect the company structure.

Improvement in the internal and external factors affects the morrisons company environment for example usage of internet etc.

Recent advancement in supply and value chain can also affect to gain the competitive advantage.

Ecological and Ethical Factors:

Environmental friendliness and publicity on ethical issue can affect the situation of the company, because most of the customers are concerned with ethical buying.

Environmental friendly activities on 'green' can change the series of value chain.

Conclusion:

Morrisons is one of the oldest supermarket chains in food retail industry and compete within the U. K. and they have no branches outside the country can create impact on the company in future. Again, advancement of technology absenteeism and biased creating environment within the company can also affect them in long run such as subsidiary to the European farmers and provide low wages to them, in addition to less number of hours and work can create huge impact in the company policy. Moreover, U. K. allowed huge

diversification culture pattern currently, like Indian, Chinese, etc can affect the Morrisons take away food model. Other European economy are stable comparatively U. K. can create an opportunities for Morrison to go ahead for expansions. Thus the comprehensive analysis above provides a brief scenario for Morrisons for future development.

SWOT Analysis:

Kotler and Keller (2007) defined SWOT analysis is a company or business overall evaluation of strength, weakness, opportunities and threat and it is basically divided into parts; external and internal environment of the business.

Strength:

Origination of Market Street by Morrisons created huge impact on the growth and expansion of the company. Again Morrisons supermarket concept is hold up by the strong traditional cultures which attract the elderly customers to shop from the market. Moreover fresh and frozen fish food is the key concept of Morrison to catch and bring in customers in the store. Apart from this grocery concept always attract the customer to buy at the competitive price.

Weakness: