

Name of organisation
analysed: morrison's
essay sample



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This report will be looking at the use of information strategy within a specific organisation overall strategy. The report will be looking at Morrisons Supermarket Chain and how they have built through out the years and used information strategy to gain a greater market share within the grocery trade market. Morrison has been chosen mainly due to past experiences within the supermarket trade, also there are many other organisations to compare and contrast against. Another reason is that Morrisons is a new supermarket chain to enter into the Scottish market only this year.

The report will consist of a history of Morrisons supermarkets over the years followed by a look at where their current organisational position is. Then the report will look at the organisation in comparison to another organisation in the same market. The two will be compared to show the difference in structures and how each structure has helped the company and what parts of the structures has let the company down. Background Information on Morrisons Morrisons was founded by William Morrison, father of current chairman, Ken Morrison,

In 1899, The Company originated from an egg and butter merchant in Bradford in the west of Yorkshire. Morrisons started out as a stall in a local market but William Morrison had many ideas of how he wanted his business to grow. He soon moved in to counter service, then to corner shops and with progress in mind in 1958, Mr. Morrison opened a small town centre shop with three checkouts in it. It was the first shop of its kind in Bradford offering self-service and having prices on its products. In 1961 the supermarket chain today known as Morrisons opened its first ever supermarket ' Victoria' in Bradford.

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It sold a variety of things including fresh meat and greengroceries. It also supplied its customers with free parking which was a fairly new concept at this time. This was just the start for Mr Morrison with plans for future growth and the current ongoing expansion Morrison decided that in 1967 they were going to become a public company. Due to the great interest in the company the share offer became 174 times over subscribed with the amount of investors 'knocking down the door' trying to invest in this company that many could see would become great.

In this expansion they needed a control point for the business so in 1971 the Morrisons head office was open in Bradford. Along with the offices they opened a new warehouse and factory complex which played a key part in their strategy. Part of Morrisons strategy has to be to manage as much of its commercial operation 'in-house' as possible. What this means is that they try to do all the processes such as packing fresh fruit and vegetables, the making of fresh produce such as cooked meat and sausages and transport of these goods, themselves. So this new factory complex allowed Morrisons to start this in house process.

In 1976 further expansion of their in house idea took place with the introduction of a new produce depot here they would pack and prepare all their fresh stock that they were to sell. In 1978 Morrisons performed their first take over bid of a small business called Whelan Discount stores. This take over allowed Morrisons to break into a new area almost immediately it was the first time Morrisons had operated in Lancashire. In 1980 Morrisons took the next step in their plan to managing most of its commercial

operations in house when the Farmers Boy purpose-built fresh food factory began trading as a wholly owned subsidiary of Morrisons.

1988 Morrisons first distribution centre in Wakefield 41 went into operation. This was yet another step towards complete in house operations. Following the growth of the Morrisons Supermarket chain the distribution was expanded to allow for storage of fresh meat and ambient produce. By 1997 Morrison had expanded and grown so much that they opened another distribution centre this time in Cheshire. In 1998 Morrison decided to break into the south of England and opened there first store down there in Erith, Greater London. Next year rolled in and it seen the opening of their 100th store in celebration of their Centenary year.

The start of a new millennium brought great times upon Morrisons with Ken Morrison the current owner of Morrison becoming a Sir in the New Year's honours list coupled with them breaking in to another country, opening their first store in Ryhl, Wales. The following year they good luck followed as Morrisons after 35 year record of sales and growth since 1967 when they became a public company Morrisons entered the FTSE 100 for their first ever time in 2001. Over the next year 2 years growth continued and eventually in 2004 Morrisons entered the Scottish market opening their first store in Kilmarnock.

But this was not the only store in Scotland in 2004 because in March of this year Morrisons were successful in there bid to take over Safeway and created the fourth largest Supermarket group in the UK today. This allowed Morrisons to break straight into areas that they had not yet penetrated

allowing them to have a full impact straight away. Findings of Research

Morrisons is currently one of the UK's top 5 supermarket chains, with more than 450 stores nation wide. It has many different types of goods including both well known brands and own label products.

Their aim is to provide all of their customers with the very best value for money no matter where they live and uniquely, they have always charged the same prices in every one of their large stores. The nature of Morrisons is to compete with its rivals to gain a greater market share. Morrison uses their unique policy of in house workings to help them gain market share over their major external rivals such as Tesco and Asda Wal-mart. Morrisons compete in a highly competitive market where it is becoming such an environment for big business it is hard for new comers to break through.

It is a hostile market where each chain has to try and out do the others in not only service but price, quality and value for money. This has meant each chain has to create its own identity and image to differ it from its competitors. As well as this each store has to establish a link with its surrounding community with rival companies having store geographically close to each other, the stores themselves have to create there own identity in the community as well as up keeping the image of the company.

This is done by such things as fund raising for charities and helping the surrounding community e. g. employ local workers. Despite this ever changing environment Morrisons have managed to gain greater market share year by year coming up form being a midlands and northern England supermarket chain to a national one. How Morrisons have achieved this it to

gradually expand their business bit by bit, one area at a time. This has allowed them to slowly build up their chain and at the same time appear as a low concern to it's, at the time, future major rivals.

By establishing a solid base in the middle and north of England Morrisons gave themselves a good point to start expanding. By becoming a dominant supermarket in this region only it allowed them to gain a great market share for that region and give them a good reputation to start going national. One thing that has set Morrisons apart from its competitor is its use of in-house resources, Morrisons has prided itself on the fact that they personally have overseen nearly every part of the process of their products from selection to preparation to them being put out on to the shelves.

This has been one of Morrisons major characteristics of their identity they have played on the fact that they know where their stock has started and how it got there. This has been a key factor to Morrison's image that they project. Morrisons have used the image that they are a local store and very traditional this is reinforced with their use of in-house management. For example; having trained butchers in-store handling the stock that they have processed and transported themselves like what you would expect from a traditional butcher shop.

This theme carries around the store in to its many departments such as their bakery, fishmongers and delicatessen. Morrisons have called this service market Street, they have taken a collection of individual fresh food shops and focused on personal service and tried to incorporate traditional craft skills into a modern day supermarket environment. Morrisons have

structured their stores in the typical pyramid style with the board of directors at the top building outwards and downwards to their huge shop floor workers base. Morrisons have a 15. % share in the UK's grocery market, and is continually growing and is the fastest growing supermarket chain in the UK. They are currently the 4th largest supermarket chain in Britain. This is mainly due to their recent takeover of Safeway. This takeover has allowed Morrisons to gain a great amount of the market all at once and giving them a strong geographic spread all across the UK. Even though Morrisons have taken over Safeway they have currently kept their name on some of the stores mostly in Scotland due to the fact that Morrisons was an unknown company in Scotland until 2004 the year of the take over.

Morrisons takeover has pushed the company in to being a top national supermarket almost over night but this could have its down fall if not managed correctly. Morrisons are growing constantly and can take over this market in years to come if they continue having this success, but what has to be watched is that in the pursuit for a greater market share that they do not lose the market share they currently have.