

How asda use technology to gain its market share



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In previous chapters we have focused on the whole concept of technology and discuss the use of it by Asda to gain market share. In this chapter we are going to discuss a brief history of Country that is UK, the Retail sector and the company. In addition, provide to the statistical figures of UK, retail industry and the company.

3. 2 Overview of United Kingdom

United Kingdom is located on the northwest coast of Europe. UK is consisting of four countries that are England, Wales, Scotland and Northern Ireland. The total area of UK is 242, 514 square kilometres or 93638 square miles. (www. news. bbc. co. uk retrieved on 17/11/10) London is a capital of UK. The estimated population of UK according the Office of National Statistics report August 2008 was 61. 39 million (www. statistics. gov. uk) retrieved on 17/11/10. The one of the most highly industrialised countries is UK in the world and also world's largest market for food and agricultural products is UK. The standard currency of the United Kingdom is the Pound (£).

3. 3 Retail Industry in United Kingdom

The Retail sector is a main industry in terms of business and revenue in UK. In UK, The major portion of the total revenue comes from the retail sector; The UK economic growth drives mainly by the retail growth. The retail sector leads to 30% of the total employment in the UK alone, according to Keynote Market Review (2005). The huge competition between the mega retail companies has helped the industry grow even more in the last few years.

Figure: UK Share Market - 2009 (Source from Source: Kantar Worldpanel 12 week market shares)

The data from the BRC Retail Sales Monitor for October 2009 show a rise of 5. 9% in the retail sector. This figure give away that it has been its good performance for the last eight years. In according to the IGD Retail Analysis report, the grocery market value in the UK is 164. 23 billion euro's. ASDA, Sainsbury, Tesco and Morrison are the four major companies in the retail industry in the UK. The combined market share of these four company is almost 76. 00% of the grocery market.(www. igd. com)retrieved on 17/11/10. Then technology development in this industry, better customer service, logistics management and the new revolution of online shopping has made the retail industry even more competitive and sales are on boost in the last few years. During the recession period the retail sector done good profit and business, which helped the economy get well.

3. 4 Overview of the ASDA Company

ASDA was started in the year 1949 by Associated dairies and Farm Store Limited. Asda name occurred after the merger of the Associated Dairies and

the super market chain of the Asquith brothers in 1965. In established period stores were mainly based in the North of England. Since 1999 Asda has been part of Wal-Mart. Wal-Mart is US based world largest retailer company.

Nowadays, ASDA is second rank food company in the retail industry in UK. It has 400 stores in the UK and Northern Ireland and average sales area of 42000 feet of each store. Asda shares gained 17.3% in the last report on 2nd November, 2010 compared to 16.9 before a year. (<http://www.retail-week.com>) retrieved on 25/11/10. and the current share price of the company (wal-mart stores) is 54.01 \$ as on 25th November, 2010 (<http://uk.finance.yahoo.com>) retrieved on 25/11/2010.

Asda is the leading retail company in UK and its play responsible role to help the poor community in society. Asda has an own charity which run on name of ASDA foundation and collected £3712936 on 2010 year. this fund are uses for children education and also Asda run one campaign for pregnant mother, its programme name is Asda Foundation supports Tommy's pregnancy line, in this telephone number to helping mothers to their questions about child and give advice about improve the health of mother and baby during pregnancy. Its help to prevent some cases like premature birth, miscarriage and still birth.

Penny Lancaster

Asda Foundation supports Tommy's PregnancyLine (Source: <http://charities.asda.com>)

Asda has implement its own program to reduce carbon emissions like in transport cutting their fleet's emission by 40% through reduce road miles by <https://assignbuster.com/how-asda-use-technology-to-gain-its-market-share/>

using freight to nearest rail and sea. Asda is a huge source of revenue generator for UK government and also 160000 people are employer of Asda. (www. asda. com) retrieved On 25/11/10. Asda has gained market strength through promotional advantages like the price cut, Which useful for increase the sales and revenue of company. Nowadays, Asda has grown as an international brand in every sector of the economy and through its technological efficiency and online services strives to improve and help the customer with every passing day.

3. 5 Technology at ASDA

ASDA is leading supermarket chain in the UK because of It provides top class services to its customers, different suppliers and distributors through systematic planning. Now, Asda works in most field of economy and plays major role in the UK economy. Technology has been played vital role in its business from a grocery to UK second number supermarket. Asda used electronics commerce like B2B, B2C and Internet Technology which are helped to conduct online shopping and gain the market share in industry. The organisation has developed the process of Data mining and Electronic Point of Sale (EPOS) system and installed in each stores. For quick and accurate transaction between the company websites and its customers, they have used the Net Framework technology. Asda has provided the 24 hour basis live update system for perfect scheduling of delivery to its online customers (www. asda. com)retrieved on 12/11/10. The Asda use the oracle based People Soft HR software for maintaining its database and business budgeting target (www. computerweekly. com)retrieved on 12/11/10. The software of People Soft helps to generate high volume of customer requests

and online secure business transaction. The Asda second largest supermarket chain of UK, improved its number of own-brand products sale increasing £6. 8 million over the last 12 months due to use of software system (www. computerweekly. com)retrieved on 12/11/10.

The success factor of online business depends on how people can easily navigate the company website for finding the products which need customers. Asda website has features like, the organisation has a highly designed that has showed its products easily in according to the department and then provided two stages categorisation for identifying the actual product itself. Moreover, the website of Asda provides the guide line for new customers so they can easily find out the product and buy it which helpful to encourage the online shopping. The Company has established a dedicated call centre service for solve the online shopping queries of customers and also for serving about the queries of existing orders and deliveries. So it is useful to solve queries online. Website has one feature that is reserving the delivery schedule before the starting the shopping process so it makes easier to customer which time they get the delivery of products. (Developed from Researcher, own observation on the ASDA Website).