

Strengths and the weaknesses of the companys approach marketing essay



The emergence of environmental awareness has necessitated businesses to change their practices with regards to environmental issues. Businesses have adopted different strategies to comply with government policies and to maintain market share. Wm Morrison started life in 1899 as an egg and butter merchant and has grown to become the UK's fourth largest supermarket chain. Morrisons' corporate responsibility reports identify improvements in Morrisons environmental strategy in terms of reducing their overall impact on the environment; however, several targets have not been met, leading us to question the company's efforts in implementing changes. Morrisons is influenced by stakeholders who influence the policies implemented by businesses. RECOMMENDATION.

The United Kingdom was late to effect environmental legislation, only bringing in its Environmental Protection Act in 1990, thus suggesting why policies may not be completely implemented across businesses (BGM.) Corporate environmental management will increasingly be seen as an incentive of doing business (cem.) In recent years there has been a progressive change in the production and consumption of food products in terms of sourcing products from local sources or abroad. Approximately £70 billion pounds is spent on the food market with roughly 80% going to supermarkets, Morrisons market share of this has fallen to 11.8% from 12.2% over the past year.

Morrisons once an independent small high street shop expanded to become a national corporation and subsequently impacting the environment at local, national and global levels. Morrisons use the phrase 'Different and Better than Ever' in order to signal to customers that they are offering something

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unique in the competitive market; therefore much competition is dependent upon price. The implementation of corporate social responsibility can be used not only to attract ethical customers but attempt to differentiate and develop a unique selling point. Morrisons is a Public Liability Company therefore aims is to maximize shareholder wealth however; the needs of other stakeholders, customers, suppliers and governments must also be considered. Integrating the companies' vision to be 'the food specialist for everyone,' Morrisons' environmental goals include taking care of the planet mainly focusing upon climate change, waste and sustainability which address the growing interest in the environment (cem.)

Morrisons have improved the energy efficiency of stores, limited carbon emissions in the distribution process, reduced packaging and sourced products locally from sustainable sources. The company has invested heavily in its distribution, IT and logistics and now owns its own supply chain, manufacturing site and Market Street. The 'in-house' structure ensures processes have little impact upon the environment, by reducing transportation costs if ownership is in close geographic proximity. Negatively vertical integration can potentially lead to higher costs due to low efficiencies resulting from lack of supplier competition.

Morrisons 2011 Corporate Responsibility review highlighted almost 35, 000 tonnes of waste was sent to landfill in 2010/11 and their carbon footprint in 2010 was, 1, 417, 376 tonnes CO₂e. In comparison to 2005, recycling increased by 72% and there was a 12% reduction in Morrison's carbon footprint. Cleaner fridge cooling systems in stores resulted in a 40% reduction in refrigeration gas emissions. Morrisons aim to reduce carbon

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used by stores, offices, food manufacturing, packing facilities and distribution centres. Morrisons are successfully reducing their environmental impact and aim to reduce operational emissions by 30% by 2020. All of these strategies will positively influence the environment.

Morrisons 2007 Corporate Responsibility review stated by 2010 there would be a 10% increase in renewable usage, a 15% reduction in water and a 36% reduction in their carbon foot print. All of these targets have not being achieved by the supermarket and the achieve by date has been extended.

This illustrates poor implementation of policies and targets across the company. Compared to other supermarket chains Morrisons is not highly rated for producing, implementing and achieving environmental targets. Although Morrisons say they are improving their environmental strategy by making more of a conscious effort into achieving goals, these results identify that plans and targets may not be taken as seriously as necessary.

Although Morrisons state they are reducing the environmental impact on products produced through their own manufacturing sites, other suppliers and their impact upon the environment are not mentioned. Thus indicating little or no effort is being made in terms of reducing all manufacturing sites to improve their impact on the environment. The impact of unmonitored suppliers will negatively influence the environment. It can be questioned whether Morrisons practices are markedly different than other companies in regards to improving their impact upon the environment.

The production, packaging and distribution of food products impacts negatively upon the environment increasing the atmospheric pollution and

its direct costs on human health, damage to crops and causing deaths to animals. On average packaging makes up nearly a quarter of household waste and 70% of that is food related. As climate change becomes an increasing concern, major supermarkets have seen the opportunity to improve their reputations with high-profile green initiatives. Morrisons have used the 'reduce, reuse or recycle' mantra to urge consumers to use alternatives to plastic bags. Government reports have encouraged the change in everyday habits so environmental concerns are at the forefront of consumers' minds. Supermarkets have adopted this strategy by promoting 'the bag for life,' Morrisons have invested in using recycled material and have increased the durability, allowing them to be reused. Policies are likely to be further integrated in the future (cem.) For example, the Welsh government imposed a ban on free carrier bags in supermarkets, thus positively implementing strategies for the better of the environment.

Morrisons sends large amounts of waste to landfill, but now they have set their target to send zero waste to landfill by 2013. This would be a positive strategy to improving their impacts towards the environment. Landfills can affect human health with cancers and respiratory illnesses.

Morrisons supply directs to its stores through twelve distributing facilities and using its own fleet which works around the clock to deliver fresh foods. Although Morrisons say they are improving their distribution facilities, it is questionable whether their management of collecting products from suppliers is in fact environmentally friendly. Morrisons target is to 'improve the customers experience' and they achieve this by providing fresh produce daily however; this negatively impacts the environment as some air

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pollutants and particulate matter can be deposited in waters and soils where they enter the food chain; consequently impacting animals health.

35% of Britons live fifteen and more minutes away from the closest Morrisons shop, this therefore increases the amount of traffic on the road, resulting in harmful gases being emitted into the environment directly affecting human health, damage to buildings and crop production (BGM.) Morrisons state they provide local people with jobs however; recruiting staff from remote areas or from a large distance from stores will negatively influencing the environment as increased transport is needed.

Morrisons business ethics have become a higher priority as people's actions and opinions have changed with an increased concern for the environment. Implementing an environmental action plan strengthens Morrisons public relations enticing customers and investors. For example, Morrisons pride themselves on providing locally grown produce from sustainable resources alongside 100% British meat and milk. The ownership of production helps secure continuity in the supply chain.

Research identified ethical spending and investment has increased dramatically as customers are more willing to pay higher prices for ethical produce. Ethical behaviour adds value, alongside giving the company a competitive advantage. Consumers also want retailers to provide them with environmentally friendly products that are convenient and affordable. The growing importance of environmentally friendly products allows retailers to exploit the opportunity to satisfy customer needs and positively impact the environment (Bgm.) Other strategies adopted by Morrisons were to alter the

buying habits of consumers such as providing more information about the origin of products and promoting local food products (cem.) Shoppers like to purchase 'green food' and as people are becoming more aware about waste and environmental matters, the ethically friendly image of companies is welcome by consumers (BGM.)

As a result of consumer awareness, government policies and changing technologies Morrisons have adapted their environmental strategy to incorporate these factors. Morrisons has spent thousands of pounds enhancing their companies technology in order to decrease their environmental output. Positively technology can help develop and produce new materials and technologies that are sustainable and do not harm the environment. Retailers are proclaiming their commitment to, and achievements in, sustainability. The satisfaction of customer needs with regards to sustainability allows Morrisons to develop a good brand image and retain customers. Morrisons was the first supermarket to be awarded the Carbon Trust Standard highlighting there are successfully increasing their energy awareness through improving technology and their vertically integrated business model.

Environmental management looks at the interaction and impact of human societies on the environment. Morrisons have used energy monitoring equipment to identify consumption trends in its stores and factories, looking for ways both to save money and to improve their impact upon the environment. Several of the environmental strategies used have positively reduced the impact upon the environment, for example altering a new lighting control system in stores has reduced electricity consumption by <https://assignbuster.com/strengths-and-the-weaknesses-of-the-companys-approach-marketing-essay/>

approximately 66%. Also, replacing HCFs with HFCs has improved the refrigeration system, alongside answering to governmental policies.

Discussions about environmental strategy have increased substantially over the last years, influencing business reactions. Alongside this, Morrisons is influenced by government policy and consumer pressure groups meaning they are likely to ensure that firms which do not take action on the environmental front will lose market share (cem.) Morrisons state they are committed to improving the environment and have reporting structures in place, such as the corporate responsibility review, to demonstrate their targets to improving their business in regards to the environment.

Another reasons as to why environmental management is implemented within Morrisons is to provide assurance to stakeholders regarding compliance to environmental regulations. The use of environmental management strategies enables us to be reassured that resources and necessary amenities humans need to function are available for future generations. Environmental management increases the value of the company as investors are more likely to invest if the company is seen to be answering governmental policies. Also the company are a competitive advantage and is a potential source of productivity improvement. Environmental considerations are likely to form an integral part of commercial normality and indeed competitive in the future (cem.)

Weakness in regards to Morrisons environmental management can include the extension of achieve by dates, this negatively reinforces a wrong image about the company, consequently leading to market shares depleting. The

collection and distribution of goods, impacts the environment negatively in regards to inefficient strategies. Morrisons do not have an online market for groceries, this both decreases the convenience of shopping which other supermarkets offer but also the amount of pollution is not saved when people are traveling to the stores. Implementing in an online business would improve their environmental management. Delivery vans could deliver services with a decreased amount of environmental impact.

Although Morrisons are seen to be heading in the right direction, regarding acting green, they stop at dramatically changing their business overall. Stopping the use of plastic bags or stocking only in season fruit and vegetables could impact upon the choice and convenience of consumers; however this would improve its environmental performance. Rather than producing environmental policy aims, it would be better to see whether Morrisons could act to save the environment rather than just pleasing the customer. Another recommendation regard how Morrisons could exploit additional opportunities to improve its environmental performance is to improve their policy on renewable sources of energy. Currently Morrisons have only produced a report how renewable energy can improve savings in regards to dairy farming.