

Marketing strategy at asda



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This chapter includes the conclusions drawn from the analysis that contributes towards fulfilling the purpose of this project. Also find out the key analysis from the various chapters of research. At the end of this chapter give the outlined the limitation of research and recommends some point that Asda can provide its better services and increase profits.

Chapter 1 give the brief introduction of research topic. The purpose of the study is how technology is used as a marketing strategy to increase sales and better operation of specific retail store and taken case study of Asda. The researcher has started with concept of technology and describes how effectively changes coming in retail industry through technology. also show effect of the adoption of new technology on the whole retail industry. It shows how the internet technology useful to do online business. The chapter outline the rational behind the study and how retail stores can use technology to gain competitive advantages again their competitor. It also highlighted the problem behind study, technology helps the organisation but technology is very expensive tools and must be deal with professional way to take advantages from it. The researcher has outlined the structure of whole study in chapter.

Chapter2 is about the literature review; in this chapter researcher talk about Asda used its technology advancement in different field to satisfy their customer needs and requirement. New technology has helped to quicken and improved business in this global market. The nature of human are always changing they want better products and technology has helped company to satisfy their customers' needs and wants. UK grocery market is very competitive and Asda has been ahead of this competition. The

researcher also talks about the different types of technology used by Asda to gain competitive advantage in various fields. Asda uses scanning machine and RFID technology in their stores, which is helped to keep up to date data and also providing the security to its customers. The literature review outlines Asda uses various technologies like ISDN (Integrated Services Digital Network) and security system like Asynchronous Transfer Mode (ATM). they also uses Net Framework technology for safe and secure transaction over internet. Asda provide top class online services and has gain competitive advantage over its rivals, online service also comfortable shopping, because customer order products directly to their homes without visiting the busy high streets. The researcher has pointed out the importance of Marketing Mix which is basic of any business, that's four P's are very useful to gain competition advantage and Asda has been very successive to adopted the four P's according to their customer needs and requirements. In this chapter also discuss that Asda give the priority to provide the best services to their customers. According to kotler (2003) you should happy to all business partners, customers, suppliers and distributors for earning and long time business and Asda has been do this very successfully. Asda provide loyalty schemes to attract the customers and customers gain benefits on their purchases. Its adaptive websites has a 24hours online service which solves the customers' problem online. Asda has well trained staffs for customers to serve better. The chapter also shows Asda focus on customer retention instead of the new customer acquisition, it's depend on making long term relation and always try to maintain it. Asda are using database technology to keep up to date records of customers who visit its stores and serve better for

next time. According to Kotler(2003) pointed out that e-marketing is more skilful for database marketing and customer relationship.

The chapter also focus on how logistic technology has helped retail sector and discuss Asda invested money for high class logistic technology and well planned supply chain management systems. This helped to Asda for goods transportation in time. In addition some people criticism phase by Asda to used RFID microchip to scan products used at their stores but it has helped to provide better security at their supermarkets.

Chapter 3 gives the overview of the United Kingdom Country, The retail sector of UK and the company of Asda. The study of this chapter shows the important fact of company, retail sector and country. It also pointed out the technology used by Asda. It's also show how Asda increase the market share in the industry. In short this chapter gives the general information of the country, the retail industry and the Asda Company.

Chapter 4 is about the Research Methodology. In this chapter researcher pointed out the aim of the research, the approach of the research to collect data methods, the research design, data collection methods, different sampling methods and the analysis of the data. The aim of study is too know how technology helped to improve the operation of Asda and achieve their business objectives; the research design is detail plan of conducting the market research object and requires needed information to make structure for solve different marketing research problems, and it includes descriptive, empirical and exploratory research. Research has generated primary data through the questionnaire, The UK local public has filled the questionnaire

and researcher used of this collected data to analyse the findings. The researcher collected secondary data from the different books, journal articles, news and websites. It was both types of qualitative and quantitative data. In this chapter researcher pointed out the sampling methods and also suggested and recommend things to Asda so it can do improvement in its services. In this study, non probability judgemental sampling method used by researcher. Questionnaire set was distributed among the Asda customers. The researcher also pointed out the limitation of study.

Chapter5 is about the finding and analysis, the researcher has analysed the collected data with the use of different graphs and charts. The researcher found out from the questionnaire which completed by people that pointed out they were happy and satisfied with the overall services and facilities provided by Asda to them, the main problem for concern was the online payment method they were worried about that their personal information might be misused and thefts might occur in their bank accounts. The other fact which came out from finding was that people were not happy about the Asda website as it was complicated and it was difficult to locate the exact goods that customer needed, but people were more happy about the charges of delivery which are less compare to other retail stores. So overall result of questionnaire was very positive and customers were happy with the services provided by Asda to them but have to improve their services in certain fields.

Research aims and objectives

The activities concerned with Marketing Research starting with the objectives to carry out the research and this research proved that technology used by ASDA reach these objectives and outline given below

To study how technology has helped retail sectors to give better customer service and maintain customer loyalty.

To observe that if the use of better logistics technology improved ASDA sales.

Has online services provided by ASDA helped people shop more easily.

To show that how important is marketing mix in retail sector.

Research questions are as follows

How online technology has improved the way business is done in the retail sector?

How technology helps in better customer service and satisfaction in retail industry?

How logistics technology has helped ASDA retail market to gain competitive advantage against its competitor?

2. 5 Logistics Technology and E-scm at ASADAAAA

Logistics technology plays a key role in the successful management of the retail business. Logistics services are a channel of the supply chain with the value of time and place utility. The internet integrates business information between supply chain partners. Logistics Technology and supply chain is

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managing the flow of products, their transformation into finished products to the final buyer. The main functions are production, transportation, inventory procurement, customer satisfaction. Logistics Management plays a key role in the retail sector like ASDA have their business in different areas and supply of products and services must be efficiently carried out, there are require good relation with the suppliers of the products.

/* ASDA has developed the ASDA Information Exchange (TIE) in association with GE Information Services (GEIS) it is an extranet solution that allows ASDA and its suppliers to collaboratively exchange trading information. Information such as Electronic Point Of Sale (EPOS) data, track sales and internet telephone mail (Chaffey, 2007). The huge competition between the supermarkets giants like ASDA and Sainsbury led to the growing importance of the Logistics Technology and Supply Chain Management.

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UK major food retailers are giving more concentration on technological development and innovation. Radio-frequency identification (RFID) is the automatic identification technology that uses radio waves to automatically tracking and identifies objects. In RFID technology uses tag for logistics purposes, this tags are bound with individual products in warehouses. They can be used as scanners with the range under 6 metres (ibid). After the use of RFID in the UK retail industry they have advantages of better tracking and forecasting, greater efficiency and speed in stock operations. (Jones et al, 2005).

/*RFID technology used by ASADAAAA came into huge criticism and had to acquire permission from the European Union Legislation to use it.(ibid). People felt that it affected their privacy as the chip scanned through the individual personal bag. on 07/11/09. ASADAAAA knew the importance of satisfying the customers due to the increasing number of business that was done through its website, ASADAAAA felt the need for better after sale delivery services and made a contract with TNT Logistics UK for delivery services for its ASADAAAA Direct stores. TNT logistics has software system that include HDi home delivery system, Red Paine's Dlx warehouse management system, Paragon route planning and Pen Pod for collecting electronic signatures, which makes business processes efficient and easy to have customer satisfaction(www. shippingline. biz)retrieved 07/11/09.

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E-SCM. It is apparent that supply chain management involves a firm's suppliers and customers, as well as the processes used to transfer a product or service from an order in inventory to delivery. An E-SCM must also integrate technology, especially the internet, in an effort to speed communication and information flow throughout the supply chain. The internet has allowed collaboration among supply chain partners to become automated, providing access to real-time information and fostering a communication-based network for businesses to operate throughout its supply chain.

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Figure : The IT Technologies adopted in a retail Supply chain.

Nowadays Retail sectors are adopting the new application of the IT technologies in supply chain management. From the figure we can see that POS (Point of Sales) is used for the retail store to sell products to customers. EDI (Electronic Data Interchange) are mainly used for the data exchange between the SC participants. RFID (Radio Frequency Identification) widely used for data capture in warehouses; and DM (Data Mining) is used in the back office for data collection of customers. The figure show the used of IT technologies in the retail sector in supply chain management and their functionalities and features.

Electronic data interchange(EDI)

EDI can be define as computer to computer data transmission of standardised business transitions (Walton and Maruchek, 1997), EDI is widely used to collect highly precise and very efficient information through internet and its useful to increase their orders and transaction process. Accordingly Bamfield (1994) EDI can be use for enhanced company's planning and control to a lower inventories with timely data or information.

EDI is play very important roles in retail organisation because it is useful for fast business transaction , EdI replace old traditional methods like exchanging documents such as different purchases orders, order confirmations, payment of goods, invoices. EDI also reduces other cost like postage and paper based work(Ferguson et al., 1990, Murphy and Daley, 1999). By using the EDI , organisation like Asda has improved their business , in sense of shorted lead time, quickly reduce stock out and improve demand forecasting of products(Vijayasarathy and Tyler, 1997).

Furthermore, EDI is also beneficial in supply chain. It has one additional feature which are useful for integration and coordination (Hill and Scudder, 2002) through frequency and automatic transfer of information to supplier and distributors which is improving information accuracy and communication between them (Murphy and Daley, 1999). This improved communication provides timely information of transaction status to customers which improves customer service of

Organisation (Angeles, et al., 1998). Accordingly Ellram et al.(1999) “ supplier and retailers must work together to implement compatible systems in order to realise the benefits of EDI”

Data Mining

Data mining is a way to observing large volumes of data collected in databases. firstly , company using computer collect the all business data like retail sales, banking data/records and manufacturing data reports (Lee and Siau, 2001). then after all collected data goes to warehouses where the make database and analyser analyse the data and explore the total business situations.

DM is also useful to analyse the different effect of 4Ps Price, place, promotion, Production and market share. DM is also useful to recognise that which customers group will be highly responsive to market promotion campaign.

Asda also used this technology in strategic and tactical decision such as making competitive strategies , to find out market opportunities, launch new

products in markets, customer acquisition, retention and that all are useful to cost reduction.

DM technique is useful for SC applicants to make intelligent marketing strategy on market targeting, segmentation, positioning and differentiation (Forcht and Cochran, 1999). By analyse point of sale data and other research data of database, the Marketing manager can able to segmentation of customer market, evaluate market segment and select particular target market segment by using DM knowledge in retail industry.

The application of DM techniques is beneficial for efficient retail supply chain management, warehouse management and distribution system. The information about previous order, supplier performance and previous price are utilized by procurement unit for judging and selecting suppliers. DM techniques also useful for analyse the warehouse stock in manner to goods type, goods location and its management. DM technique is integrated existing software and hardware which provide existing information resources.

RFID:

It is useful for Real time data collection. RFID is give the information of products to the manager, how much stocks are available in store and how much sold to customers. According to Attaran (2007), “ Organisations should consider RFID if they want to increase their revenue growth, lower cost, reduce inventory, better utilise fixed assets and gain favour over its rivals”.

RFID is used for provides both time based and content based information. As a result retailer can get the precise, relevant and absolute information of products and their customers (Jones et al., 2005(a)). which will useful to improve their customer services. By the use of RFID , organisation has fast and reliable information transmission so reduce the manually inventory costs and increased accuracy and efficient of transport. Which automatically make the better warehouse management and reduced other operation cost (Jones et al., 2005(b)).

RFID is also improved the quickly response to product request of customers. So, we can say that RFID bring wide range of benefits to retail sector supply chain, After the RFID technology introduced in the retail sector that Revolutionizing retail Supply Chain and developed the longer term strategic based on decisions which show to be a valuable component of RFID adoption .

So we can say that in other words UK major food retailers are giving more concentration on technological development and innovation. Radio-frequency identification (RFID) is the automatic identification technology that uses radio waves to automatically tracking and identifies objects. In RFID technology uses tag for logistics purposes, this tags are bound with individual products in warehouses. They can be used as scanners with the range under 6 metres (ibid). after the used of rfid in the uk retail industry they have advantages of better tracking and forecasting , greater efficiency and speed in stock operations. (Jones et al, 2005).

RFID has some limitations. Parker (2003) states that, 'Caspian – a US shopper's

rights group has called for worldwide boycott of Gillette for its use of RFID technology. Because they thought it was going to interfere customers' personal life'.

The customer's personal transactional data being held in the RFID tag after the POS

may be misused, accessed unauthorised or disclosed, which is a potential challenge in

adopting RFID.

Logistics technology is expensive so industry must use it perfectly for gain benefit against their competitors. If the elements of logistics not controlled effectively than its remarkably expensive.(Fernie&Sparks, 1988). The products or stock also expensive and if damage might become out date or might not sell. Distribution centre and ware house are costly to maintain and operate, also use for transportation vehicles are expensive and require maintenance. Companies always want to get their goods to the market fastest, try to minimize the their inventory costs and the most mileage from their services and delivery fleets are the one that succeed and most super market are connecting their logistics process with buyers and supplier. (Aghazadeh, 2004)

ASDA has large scale purchasing power and established well planned supply chain management and logistics system, so it can control its suppliers and distribution, it has latest information system and associated with leading software solution providing companies and deliveries of products has helped it get advantage over its rivals. The trained staff of asda use this logistics technology to serve the consumer better and make them to satisfy. The competitive nature of the UK retail sector has organized supply chain and logistics management very important and the vast investment put into it by company like ASDA emphasizes its importance.