

Customer behaviour in asda



**ASSIGN
BUSTER**

ASDA is a British supermarket chain which retails food, clothing, toys and general merchandise. They also have a mobile telephone network, called ASDA Mobile.

ASDA became a subsidiary of the American retail giant Wal-Mart, the world's largest retailer, in 1999, and is the second largest chain in the UK after Tesco, having overtaken Sainsbury's in 2003.

ASDA's marketing promotions have usually been based solely on price, with ASDA promoting itself under the slogan Britain's Lowest Priced Supermarket, 12 Years Running. As a wholly owned division of Wal-Mart, ASDA is not required to declare quarterly or half-yearly earnings. It submits full accounts to Companies House each October.

ASDA Stores Limited was founded as Associated Dairies & Farm Stores Limited in 1949 in Leeds. The adoption of the ASDA name occurred in 1965 with the merger of the Asquith chain of three supermarkets and Associated Dairies; ASDA is an abbreviation of Asquith and Dairies, often capitalised. For a short time in the 1980s ASDA Stores Ltd was a subsidiary of ASDA-MFI plc following a merger between the two companies. Other companies in the group were Associated Dairies Limited, the furniture retailer MFI and Allied Carpets. After the sale of MFI and Allied Carpets the company name changed to ASDA Group plc. The dairy division was sold in a management buyout and renamed Associated Fresh Foods, meaning that ASDA has since had no connection with one of the firms its name was derived from.

ASDA originally had a "simple and fresh" store format, which under Archie Norman's team and the focus on a Wal-Mart style strategy became even

more emphasised. The stores are generally white and green, with simplistic layout but built on a Wal-Mart larger footprint format – ASDA's average store is almost 20% bigger than its rivals, but stocks 20% fewer lines.

However, the preferred large-format stores have brought problems to ASDA's growth beyond its spurts in both the 1990s and immediate post Wal-Mart era. With the UK's tight planning restrictions, the opportunity to increase retail space via new store builds has been limited. Rather than follow rivals Tesco and Sainsbury's into "local" format smaller-footprint stores, ASDA has chosen to adapt its format to niche stores to retain longer term growth.

Several "ASDA Wal-Mart Supercentres" have been opened, creating some of the largest hyper markets in the United Kingdom. The first Supercentre opened in Livingston, Scotland in June 2000. The Milton Keynes store is currently the largest ASDA Wal-Mart Supercentre by total floor space. The second largest ASDA Wal-Mart Supercentre is located in Huyton, Merseyside. There are currently 25 Supercentres in the UK. It is also planned for a Wal-Mart Supercentre in Dundee, Scotland.

JUSTIFICATION:

My objective is to get to know about the behaviour of customers in a supermarket.

RESEARCH OBJECTIVE:

To understand the good future forecast about customer behavior.

Both online and group discussion method are cost effective easy to manipulate the result.

Good structured answered can be get that make the maximization of research Result or measurements.

Time effective take less time and makes more opportunities for best possible findings of research.

RESEARCH QUESTION:

What are the customers behaviour in a supermarket?

METHODOLOGY:

PRIMARY RESEARCH:

Face to face paper base questionnaire method and group discussion are the suggested methods for the primary research to collect the information about the new trend in the market.

CURRENT LOYAL CUSTOMERS:

Customer in the 25-65 age category.

A/B social class groups in professional and senior job positions

The total size for the study will be 300 respondents. This will be broken down to 100 respondents per store.(there is three stores in the total study).

DATA PROCESSING AND ANALYSIS:

This is when a small sample of completed questionnaires will be checked by phoning some of the respondents that completed the questions to assess

whether the answers are genuine I. e. does the name given in the questionnaire correspond to the respond to the respondent's actual name.

Each question in the questionnaire will have a numerical code attached to it. This is to assist the researcher when it comes to statistical analysis and tabulation of the data.

RECRUITING AND PARTICIPANTS:

The participants for the focus groups will be obtained from the questionnaire exit surveys, as it is likely that these respondents will be more willing to participate considering that they already have prior knowledge of the subject for discussion..

The screening questions in the survey will ensure that appropriate respondents are selected to participate in the focus groups. However, due to budget and time constraints only six participants will be invited to attend. An invitation card will be sent to those participants selected detailing the venue, time and contact numbers.

QUESTIONNAIRE DESIGN:

The questionnaire will be composing of a maximum of 10 close questions, whereby the respondent is presented with a predefined list of responses. This is important as it keeps the questionnaire short and conies to encourage maximum response rates. Also, consumers may be put-off by lengthy questionnaires as they are likely to be in a shopping mindset so may not want too much of their time taken up.

A variety of different question formats will be used as repetitive-style questions can create disinterest and be off-putting/ question styles to be incorporated into the questionnaire include dichotomous easy simple questions at the beginning followed by multiple choice and liker-scale questions that require more careful thought toward the end.

SECONADRY RESEARCH:

Secondary research internal and external data would be helpful to collect all present or past information that would make easy to get a result of understand the good future forecast about customer behavior.

- **INTERNAL:** data would be collected from the organization using internal sources for example, previous data research record, internal financial and economic terms organization website, past product trends and the customers buying behaviors trends.

- **EXTERNAL:** trade press, trade organization, online research, competitors and their deferent trend in the market.

LITERATURE REVIEW:

According to Brian Mullen and Craig Johnson, in “ The psychology of Consumer Behaviour”, pg214,

Intention and Behaviour:

Intention is defined as a plan to perform particular behaviour. Whereas,

Behaviour, generally refers to an act or a response. Within the understanding of consumer behaviour, intention refers to the plan to acquire or use the product, and behaviour refers to

the actual acquisition or use of the product.

In the research, I will begin with the consideration of intention and behaviour by examining the relationships between the internal processes.

Sales Interactions:

Sales interaction is the interaction between the sales person and the consumer. The salesperson is thought of as a dynamic, adaptable, and important element of the stimulus

situation that is at the same time a part of the social environment. This particular type of

interaction is also uniquely important to organizations. For example, Weitz (1981)

noted that expenditure for the training of a single industrial salesperson was over

\$15, 000, and that billions of dollars are spent annually in training sales personnel.

Kotler (1976) estimated that organizations spend half again as much on personal

selling as is spent on advertising.

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According to Busch & Wilson, 1976, The salesperson may embody a source of some credibility.

Similarly, Newton, 1967, said that the salesperson may use an emotional.

The salesperson probably affects consumer behaviour via his or her influence on the internal processes and intention.

Therefore, it is addressed in research, that how the salesperson effects the consumer, and how he/she uses the variety of influencing techniques.

Company's Codes of conduct:

- Interviewers must inform the respondents about all relevant information regarding the focus groups such as the location of the discussion, duration, what will be discussed, if the discussion will be recorded.
- Any information which identifies the respondent must not be passed on to ASDA without the respondents' explicit permission.
- Respondents must be made aware of any monitoring or recording of the discussions and given the right to withdraw from the focus group.
- Interviewers must ensure that any information given to ASDA without the consent of the respondent is kept anonymous. E. g. transcripts?

Manager's role and long term plans:

Managers who make decisions that affect the route of an organisation need to show those choices to others. The way in which ASDA does this is through

its mission, purpose and values. These statements are designed to help stakeholders understand the direction in which the company is heading.

Company's mission statement:

A mission statement sets out the long-term direction of the organisation.

ASDA's mission is: 'to be Britain's best-value retailer exceeding customer needs always'. As well as having a mission statement, ASDA has a statement of purpose. This helps stakeholders to understand why the business exists.

ASDA's purpose is 'To make goods and services more affordable for everyone'. ASDA also has a series of values. These are moral statements that help to encapsulate the company's beliefs which then determine the decisions and actions it takes in the market place.

- respect for the individual

- strive for excellence

- Service to our customers.

Staff Training:

To aid new colleagues at ASDA in understanding what the mission statement, purpose and values stand for, they are given a 25-hour induction programme called 'Best Welcome'. This data helps to ensure that, at every level within the company, colleagues, teams, departments and managers see how the mission, purpose and values should power the decisions they take. According to ASDA:

- We bring people together. We want to form alliances in all 50 states, assist local and state wide groups, and to develop strategies for people to work together effectively.
- We strive to educate the general public about the good things in our relationship with our dogs and the stewardship of the land that have been the hallmark of the sporting dog community. Our most potent weapon is the truth.
- We take a proactive role whenever possible, educating lawmakers and government officials before they face the heat of open political debate on a controversial proposal. This means making contacts, educating, developing relationships, expressing our thanks, and working together to solve any problems that arrive.
- We also must be prepared to fight for our very survival when we are attacked by special interest groups, such as animal rights and anti-hunting groups, or when laws and governmental management changes are proposed that unfairly impact sporting dog owners, our sport and our traditions.
- We also must work hard to repeal laws and policies that already are in place, when it can be shown that they present an unfair burden or an unfair limitation on the rights of sporting dog owners.

Community:

How company participates during the events. Asda helps to educate children about the importance of keeping hydrated whilst taking part in sport.

Keeping well hydrated helps maintain physical performance and endurance.

The company also contributes in giving away money-off coupons for Buxton water during the activities.

RESEARCH OBJECTIVES:

The following research objectives have been formulated:

- What are consumer's attitudes and opinions to products which ASDA is offering?
- Are they providing goods/services that are cheap and affordable to consumers or the public?
- ASDA is recycling their waste
- ASDA is packaging their products well
- ASDA is supporting voluntary services
- Identify the other grocery retailers like (Tesco and Morrison's) where consumers prefer to purchase grocery and the reasons why?

ACTION PLAN:

To take an action for above suggested justification methods. There is flowing group of customers that represent the target sample for the study.

GANTT CHARTS:

A Gantt chart is a bar chart. The purpose of a Gantt chart is to illustrate a project schedule. A Gantt chart will show the start and finish dates of the terminal elements and summary elements of a project.

TIME PERIOD: This research has been made in the given time period according to the limited budget and cost.

DURATION: six months.

SUBMIT DATE: 6th April 2010.

PRIMARY RESEARCH:

The key objectives are as follows:

- What are consumer's attitudes and opinions to products which ASDA is offering?
- Are they providing goods/services that are cheap and affordable to consumers or the public?
- are they reducing the cost objectives of their items/products
- ASDA is recycling their waste
- ASDA is packaging their products well
- ASDA is supporting voluntary services
- Identify the other grocery retailers like (Tesco and Morrison's) where consumers prefer to purchase grocery and the reasons why?

For the purpose of the research both quantitative and qualitative data collection methods will used in answering the objective. The qualitative research will help to provide more depth and insights into the attitudes,

shopping behaviors of consumer's grocery from ASDA. While the quantitative research will help to establish how widespread these attitudes are.

THE SAMPLE:

There are two groups of consumers that represent the target sample for the study.

Current loyal customers

Potential new consumers

Women in the 25-65 age category

A/B social class groups in professional and senior job positions and affluent dependent housewives.

Presenting similar characteristics to the ASDA loyal customers.

The total sample size for the study will be 300 respondents; this will be broken down to 60 respondents per store (5 stores in the total study).

Within each store it is important to interview a broad range of age groups to ensure that they are evenly represented in the sample of both loyal ASDA customers and new customers. Quota sampling method will be used, where a quota number is established for each age category. The interviewers from each store will be asked to complete sufficient amount of interviews to satisfy each quota. The breakdown of the quotas is indicated below.

SECONDARY RESEARCH:

We shall suggest the two methods for the secondary desk research.

INTERNAL:

Data would be collected from the organization using internal sources for example, previous data research record, internal financial and economic terms organization website, past product trends and the customers buying behaviors' trends.

EXTERNAL:

Trade press, trade organization, online research, competitors and their deferent trend in the market.

In order to do internal research the desk research would be done and using the observation method. By observing internal market trends to evaluate the positive and negative aspect that would be helpful for the ASDA in order to adopt the competitive edge to increase the growth

RESEARCH PURPOSE:

I have chosen this company for my research because this is one oldest British company which retails food, clothing, toys and general merchandise and have a mobile telephone network, called ASDA Mobile and it became a subsidiary of the American retail giant Wal-Mart, the world's largest retailer, in 1999, and is the second largest chain in the UK after Tesco, having overtaken Sainsbury's in 2003.

The following questionnaire is about the customer awareness, usage and the attitude towards the ASDA website. This questionnaire focuses the 30-36 years old ASDA current and loyal customers. Questionnaire is preferred to ask at the five different ASDA superstores.

The questionnaire covers the following objectives.

- What is the basic purpose of online shopping using ASDA website?
- What is the gap that people feel when they shop online/use financial services using ASDA website?
- How much ASDA website is helpful when they buy from it? What they think how is this website secure, how easy to shop, which kinds of facilities are available on [www. ASDA. com](http://www.ASDA.com)?
- Is the ASDA website providing full information about ASDA, about its customer base services, about its product/ services range?
- How much the customers are aware to the ASDA website and how often customer use it?
- What are drawbacks of using ASDA website, and what are competitors preference edge that customer use competitors website for online shopping?

FINDINGS AND INTERPRETATIONS:

The following method has been used to analyze and collect the data.

- Tabulation and statistical analysis
- Editing and code method

STATISTICS OF ASDA:

The hoo-ha over the latest survey of ASDA'S commitment to British sourcing doesn't add up. The NFU have repeatedly surveyed our stores looking at the

labeling we use. We have an excellent working arrangement with the team that we do the work and the NFU seem happy with the approach.

EBLEX have taken sample of their findings from a fraction of ASDA stores and extended this to qualify a total purchase of British beef. It's a bit like a bran tub dip and gives a predictably unreliable result. So while on any given day you can find a higher % of imported products on a shelf. And just to clarify the most meaningful statistic of all, in 2008 ASDA sold more than 25000 kg of British beef. The same period in 2009, ASDA have sold more than 25000 kg.

EVALUATION OF METHODS:

By using editing:

Editing and coding method is good only for the sloes ended question; it never works for open ended and about rotator sociality question.

However tabulation method works to get the findings about open ended or statically questions.

Open ended questioner is also not a good technique because of less answering Reponses late as complete to the close ended and sociality question when it use in a questionnaires.

PRIMARY RESEARCH:

The primary research is done by making a questionnaire and giving them to the people to fill it according to their views. This research was done on 50 persons and its ratio of research is given below:

No of persons: 50

No of persons who answered: 40

No of satisfied persons: 30

No of unsatisfied persons: 10

SECONDARY RESEARCH:

The secondary research was done by going library and ASDA stores personally. Observe it, and asking the views of the customers individually.

There are three part of questioner

- Identifying data
- Classification data
- Subject data

All these data collected from the questioner basically contain three type of question.

- Close type of question
- Open ended question
- Rating scale questing

These entire questions have the fowling finding.

- What is the customer awareness of the ASDA website?

- How much people are aware to the ASDA website.
- What kind of attitude toward the website people have.
- How they prefer to use the website of ASDA.
- How many times when they use ASDA website.
- Which life style groups of customer use the website and how often they use it.

CONCLUSION:

It is recommended that the close ended questions and rating scale questions are highly useful to get a statically result according to the objectives and to collect and analyze the data tabulation and statistically analysis data research technique is recommended in future.