

How has the supermarket asda improved its efficiency



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ASDA is a chain of supermarkets in the United Kingdom offering food, clothing and general merchandise products. It became subsidiary of the American retail giant Wal-Mart in 1999 and is currently the second largest chain in the UK after Tesco. I have decided to investigate how ASDA have attempted to increase efficiency and strive to become the biggest grocer in the UK.

I am going to carry out primary and secondary research. Secondary Research ASDA stores ltd was founded as a supermarket committed to offering shoppers ' permanently low prices'. Over the last few years ASDA have led several campaigns to save their customers millions, while always ensuring their products meet the highest quality and ethical trading standards. Another success of ASDA is down to their colleagues, who are famous for being the friendliest in the industry.

Their commitment to customer service and the local community is a key reason why ASDA's customers keep coming back. Therefore staff training is a key factor that has helped to improve efficiency. In order to achieve customer satisfaction and higher levels of efficiency, ASDA ensure that their employees are trained and able to assist with customer enquiries. When an employee starts to work for ASDA they are given the necessary training and then they are employed on a 12week trial. If the employee meets the company's standards and performs well in their trail employment period, they will be kept on. By hiring trained staff that are confident and able, ASDA can provide high quality service that makes the store efficient.

The services provided in an ASDA store also make ASDA efficient. Many of the ASDA stores have an all day restaurant or cafe offering a choice of snacks, salads, sandwiches and cooked meals together with hot and cold drinks. The store has also invested over 30m in facilities for people with disabilities. From tactile signage and grabbers through to redesigning counters, lifts and car parking, ASDA are always seeking ways to improve the shopping experience for their disabled customers. ASDA is also the only supermarket in the UK to have greeters on the door to welcome customers.

A service like this enables competitive advantage over rival supermarkets and ensures shoppers feel welcome, which can help to increase the store's efficiency. The ASDA stores also have baby changing facilities for mums and dads, and 'pet stops' outside their stores for customers to leave their pets somewhere safe while they shop. They also offer a wide range of trolleys to cater for the young, the elderly and the disabled. These include wheelchair trolleys, big shoppers, kiddy trolleys and trolleys for parents and babies. Such services ensure customer satisfaction. Customers are more likely to shop at the store again if their trip to ASDA was an enjoyable experience.

This will mean repeat sales and improved efficiency. ASDA ran a customer efficiency scheme in 19 of their stores across the country on a trial basis, which gave them some very useful information. As a result ASDA decided to cancel the trial because to operate it in every store would have been very expensive and inefficient. It would also have meant that they wouldn't have been able to keep prices as low as they do at the moment. One of the things they learned from running the ASDA Club in a few stores was that a lot of their customers prefer low prices now, rather than gifts in the future.

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This vital information helped ASDA to improve their efficiency by finding the best way to reward their customers' loyalty. ASDA continued to increase their efficiency by setting up a website. Over the last year ASDA have launched a number of new products and services. Since the website was launched last year, their entertainment site has become one of the top music and DVD destinations for shoppers looking for all the latest chart toppers.

The website also offers customers a Home Shopping Service. Customers are able to choose from many products, all at 'Always low prices', by ordering online from the website: www.asda.co.uk. ASDA Home Shopping uses existing ASDA stores to fulfil orders resulting, in a faster, more accurate and efficient home delivery service.

The service is true to their price values. Products are available at identical prices to those found in the ASDA stores. There is a standard $\pounds 3.99$ delivery charge - cheaper than any other supermarket home delivery service, giving ASDA competitive advantage over its rivals. Reputation is important in business.

It is easy for a company to achieve a bad reputation, but achieving a good reputation takes time and effort. ASDA has been able to build up a good reputation with their customers, resulting in more sales and improved efficiency. Customers are ensured high quality service, if ASDA make any mistakes or cause any inconvenience the store is more than happy to deal with it. For example, if a customer is over charged in any of the stores ASDA will gladly refund the difference and give the customer a $\pounds 2$ Gift card voucher for each product the customer has been mischarged for.

ASDA have also maintained a good reputation through their ethical trading policy. As one of the largest food retailers in the UK, ASDA recognises the impact they have on local and global communities. They work hard to be a force for good and always aim to have a positive impact. This helps ASDA to not only be economically efficient but also environmentally efficient. ASDA's long-term aim is to source 100% renewable energy.

They have committed to reduce carbon emissions by 80, 000 tonnes by 2007. It is a tough target, but ASDA are confident they can meet it. Below are just some of the ways ASDA are seeking to meet their targets: Road miles ASDA has reduced the number of road miles travelled by its fleet by 4.5 million miles since 2003- simply by moving more of its freight to rail. In addition, a partnership to develop a new 20m import centre in the north east is set to save an additional two million road miles a year by shipping 70% of ASDA's non-food imports direct rather than by transporting them by road. Energy ASDA are currently converting their entire fleet of trucks so that they can run on bio diesel.

They also submitted planning applications to install wind turbines at six of their depots. With ASDA's ethical policy they believe in low prices, but not at any cost! They are committed to ensuring the goods they sell are produced without exploitation. ASDA are an active member of the Ethical Trading Initiative (ETI) they have a comprehensive ethical trading policy that is regarded as one of the most rigorous in Europe. ASDA's policy covers their whole business-they have employed ethical trading managers to coordinate and deliver it across the globe, from assessing their supply base and communicating their ethical policy. ASDA have also begun the process of <https://assignbuster.com/how-has-the-supermarket-asda-improved-its-efficiency/>

informing suppliers of the code and are participating in pilot studies with the ETI.

The pilots will help ASDA develop a method of implementing the standard in the most cost effective manner and in a way that allows as many suppliers as possible to improve, rather than only working with those who currently meet the requirements. In this way the maximum number of workers will benefit, which is the ultimate aim of the programme.