

Introduction and history of sainsburys



**ASSIGN
BUSTER**

John James and Mary Ann Sainsbury established Sainsbury's in 1869 which grew rapidly and became the largest grocery retailer in 1922 and also became the first self-service retailing in the UK and had its most successful time during the 1980s. It's Britain's longest standing major food retailing chain. The founder's principles and values guide us strongly today as they did at the outset - to be the customer's first choice for food shopping by providing high quality products, value for money and excellent service.

As a business we are determined to achieve our goal, which is:

" At Sainsbury's we will bring an ever improving quality shopping knowledge for our customers with great product at fair prices. We will exceed customer opportunity for healthy, safe, fresh and tasty food making their lives easier every day" (www. jsainsbury. co. uk)

This means we are firm on quality and customer happiness in a way that brings this to life in a present and very different world. To support us in achieving our goal we have six colleagues' values and we have five company values which are the ways of working that we look forward to all colleagues and managers while working in Sainsbury's to live by. The values are listed below:

Sainsbury's Colleague Values:-

- Getting better every day
- Great service drives sales
- Individual responsibility - team delivery
- Keep it simple
- Respect for the individual

- Treat every £ as your own

Company Values: –

- Best for food and health
- Sourcing with integrity
- Respect for our environment
- Making a positive difference to our community
- A great place to work

(www.jsainsbury.co.uk)

Size:-

J Sainsbury Plc consists of a chain of 872 stores comprising in which 537 supermarkets and 335 convenience stores – and Sainsbury's Bank. At present, Sainsbury's serve over 19 million customers a week. The large store of Sainsbury's offers around 30, 000 products – 40% of these are Sainsbury's own brand. Many stores offer complementary non-food products and services. Nearly 60% of our stores are in the town centre or edge of centre locations, many of these built on previously in ruins sites. We employ 150, 000 colleagues of these, 70% are part-time and 30% are full time. It is the UK's third largest grocery stores with 16% market share behind international behemoth Tesco (31% share) and ASDA (17%), which is owned by Wal-Mart. (www. Hemscott. com) An internet based delivery shopping service is also available to nearly 90 per cent of UK households.

Structure:-

In order to meet our customer's needs the Sainsbury's retail area is divided into different customer-led formats. This acknowledge the face that

Sainsbury's should be a customer led business and supports our strategy to delivering great service and quality at a competitive cost. There are 2 main format categories:

Supermarkets:-

These stores have a comprehensive full food offer with some having extended ranges of general merchandise. These make up the bulk of our estate.

Convenience:-

Sainsbury's local – these stores are located within the high street, urban and suburban areas. They are specifically designed and operated to cater for the “grab and go”, meal solutions, top up, distress and convenience customer. These stores are typically the smallest in estate.

SWOT Analysis:

(S)trengths

- They may be innovative products, the way you serve your customer or highly skilled colleagues.
- World largest retailer for Fair-trade goods by value.
- Strong reputation, brand name and high consistency Sainsbury's won more Quality Food Awards than any other retailer this year including seven wins from 15 categories for Value products. (www.investigate.co.uk)
- Sainsbury own manufacture brand TU is one of the top 10 clothing brand in UK.

(W)eaknesses

- Average return on invested capital over the past five years was just 5%.
- None of the Sainsbury's is 24hours.
- Sainsbury's is only covering just UK market and not going global like their rivals Tesco and Asda

(O)ppportunity

- Expanding focus on non-food assistance such as outfits, electronics and home products.
- UK is a tough market for new store development -controlled by space and planning permission Sainsbury's has strong visibility on its' store pipeline allowing greater security for growth. (www. Hemscott. com)
- Olympics 2012 and Commonwealth 2014 at Glasgow which will be the forth coming opportunities for Sainsbury.
- The ownership of property assets provides operational flexibility and the exploitation of potential development opportunity will maximise value. (www. investegate. co. uk)

(T)hreats

- Grocery retailing is a highly competitive industry. For years, Sainsbury's struggled to compete with the major players in the industry. Fierce completion with Tesco and ASDA to keep/increase market share.

- At present, Sainsbury's is the UK's third largest grocer with 16% market share behind international behemoth Tesco (31% share) and ASDA (17%), which is owned by Wal-Mart. (www. Hemscoff. com).
- Deep recession has prompted consumers to be price sensitive
- During fiscal 2010, Sainsbury's opened 38 new stores, extended and refurbished 54 stores. Increased capacity growth in 2010 could put additional pressure on prices and completion. (www. Hemscoff. com)

(P)olitical Impact:

- Since Sainsbury's started providing banking services any government changes would reflect the change in taxation policies.
- Sainsbury recognised as the world's largest fair-trade retailer more than 7.5 million people- farmers, workers, and their families, across 59 developing countries – benefit from the international fair-trade system.

(E)conomic Environment:

- Sainsbury have an ambitious new stores development programs for 2010 which will provide lots of job opportunities also new opportunities for the local businesses which will make significant contribution to UK economy.
- Trainee partnership scheme works in conjunction with 60 of Sainsbury stock construction , engineering , facilities management and retail suppliers to provide training and employment