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How does a retail organisation such as Asda compete/use innovation to gain competitive advantage?

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MSc Management
How does a retail organisation such as Asda compete/use innovation to gain competitive advantage?

by

Anand Chouhan

A dissertation presented in part consideration for the degree of “Msc Management”

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Abstract

Innovation is regarded to be a highly important component in the retail sector due to the significant growth of online home shopping. In recent years as technology has advanced retail organisations have used innovation to create and develop new concepts, ideas and processes. Increasingly online shopping concepts have developed in the retail sector and organisations are continuously exploring ways of maintaining a competitive advantage within online shopping.
The purpose of the dissertation is to examine and explore in particular how Asda use innovation to gain a competitive advantage through innovation. The following research questions will be addressed in the study. What is Asda’s approach to innovation? What are the mechanisms deployed to the stores for innovation? Examine the relationship between employees at Asda headquarters and Asda stores.

Prior to the study existing literature within the retail industry will illustrate currently how the industry is shaped and how the leading firms are successful. Following on from this the study is guided by the innovation audit framework which enables firms to monitor and evaluate existing innovative practices within Asda.

The innovation audit consists of five key points which are strategy, learning, building organisations, process and linkages. Semi structured interviews were formed through the innovation audit to interview the participants.

From the researcher’s findings there is discontentment between the employees at Asda headquarters and employees within the Asda stores. Demonstrating that there is a lack of communication prior to the implementation of new products and processes.

General themes established from the study suggested that while Asda is a successful firm; it is transparent that Asda’s competitive strategies, processes and networks formed to support innovative practices are inconsistent. Inconsistent communication and knowledge from management to employees is inaccurate or non-existent. Consequently, Asda lack the transparent innovative capabilities to be able to sustain innovative practices.

Discussions will be formed to analyse how and why Asda may have developed inconsistent innovative practices, thereafter viable solutions to support Asda in terms of achieving competitive advantage through innovation will be discussed.

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Introduction

Competitive Advantage through Innovation

Innovation is an essential component that enables a business to successfully maintain a competitive advantage in the market. Innovation is the formation of new ideas and concepts that offer the organisation a chance to improve the quality of their products, services and processes which are more effective within the overall business strategies (Tidd and Bessant, 2009). It is important to recognise that innovation is a form of advancing their resources and to identify the innovation capabilities which can lead an organisation in terms of maintaining a sustainable competitive advantage over their rivals within the market (Smith, 2006).

Resources provide various forms of support for a business towards the innovation process, individual level resources are essential for the business. The resources required of one business differ from another business, irrespective of fact that the two organisations are competing in the same industry (Baumol, 2002). To add to this, the measures of innovation will vary from different organisations; after conducting the research the researcher gained a clearer understanding of how and why particular innovation strategies were applied to Asda stores in order to gain a competitive advantage.

Importance of Retail Sector

The dissertation focuses on the online grocery sector which is growing at a significant rate each year, taking up an increasingly greater proportion of the whole UK grocery market. The online grocery market contributes to the value of £4.8 billion; which equates to over 3% of the whole UK grocery market (Global Agricultural Information Network, 2010).

Innovation is considered to be one of the central themes for gaining competitive advantage as supermarkets witness greater demand for shopping via online means. Retail supermarkets are investing significant amounts to develop innovative processes, resources and are collaborating with firms to give them a competitive edge. This approach to innovation is reflected in the research regarding online retail. A report carried out by (Nielsen Featured Insights, 2011) states that advancement “in technology and connectivity will drive the future of home shopping” (Nielsen Featured Insights, 2011). Following from this point, organisations are targeting the next generation into purchasing their goods and services online.

Retail supermarkets have recognised that innovation is an important component as this can improve the performance of the organisation in the long run. This signifies that innovation is considered to be necessary in order to contribute to the organisations survival and growth in the retail sector (The Oxford Institute of Retail Management, 2007). An organisation’s ability to manage and measure the effectiveness of innovation is integral towards gaining a competitive advantage.

Retail organisations have created their own means to produce innovative strategies which feeds into a chain of implementation and application. An incremental approach is often the way in which such innovation is introduced (The Oxford Institute of Retail Management, 2007). Specifically innovation can diversify an organisation’s range of branded products as well as introduce their own products in the market. To expand on this, retail organisations will experiment with their own products challenging the techniques that the retail organisation use from different departments as a means to learn what strategies are most effective (The Oxford Institute of Retail Management, 2007).
Below, illustrates the total value of the UK grocery market in 2010 with a value of £150.8 billion; the online shopping contributes to 3% which would equate to £4.8 billion.

Source: (Global Agricultural Information Network, 2010)

The researcher has discovered that there is a lack of sufficient knowledge existing in regards to service innovation, hence the topic was not discussed or explored in greater detail in the literature review. The retail sector is highly competitive therefore organisations are reluctant to publish such information or reports as fear other businesses will create or develop similar projects and an organisation could potentially lose their competitive edge within the retail sector. However, this provides the researcher with an opportunity to investigate and contribute to the topic of service innovation.

Why researching this topic?

The purpose of this dissertation is to identify how the supermarket, Asda competes and uses innovation practices in order to gain competitive advantage in the industry. The researcher had gained prior knowledge about Asda’s online shopping processes and discovered limited research on Asda’s innovation strategies. The purpose of the dissertation is to form original research by identifying Asda’s innovation approaches; how different departments within the store work to gain innovative ideas to enhance services, products and use of technology.

The researcher has obtained a close association with the Asda store in Leicestershire, as a Home Shopping Assistant since September 2008 within the online shopping department. For the duration of the time spent at the Asda store the researcher observed and identified a change in the managerial operations within the department, including changes in relation to the distribution of resources, operations and the overall culture of the organisation. The change did not offer an efficient way of providing the best possible managerial expertise or utilisation of skills.

The researcher observed that the store lacked innovation whilst working in the home-shopping department; this is the reason why the researcher found this topic of interest and chooses to
further investigate a lack of innovation within Asda stores across the East Midlands. Too add to this there is limited research on innovation in supermarkets or to be specific within Asda stores. The researcher aims to produce a dissertation that appraises innovation whilst addressing current shortcomings in the available literature.

The researcher was intrigued to explore the motives behind the changes referred to above and the consequent lack of innovation. A result of the managerial structural changes included a formal managerial document from the Asda headquarters including how managerial practices should be embedded into the Asda stores.

It is evident that a lack of resources, organisation and culture has resulted in internal resistance upon reflection of the employees towards managerial structures. Various departments have been set up to deal with different functions within the Asda stores; there is a significant gap of resources directed towards innovative practices in the everyday running of the store.

One of the main purposes of the dissertation is to reflect on the operations of the Asda stores from an external viewpoint in order to develop or enhance innovation within the Asda stores. On reflection of the Asda stores, a thorough review of the store currently needs to be conducted in order to identify how innovative practices should be incorporated within operations of the home-shopping department.

Furthermore, the dissertation aims to provide an insight into the operational processes of the Asda stores. Efficient methods of practice will be identified including how the resources and culture of the operational processes are changed. Consequently the dissertation should highlight and raise awareness of how Asda can use innovation to compete in order to gain competitive advantage within the market.

The literature review will discuss the use of an innovation audit for engendering innovation and its usefulness in understanding the innovation capabilities of the Asda stores. The innovation audit offers a firm guideline to review the innovative strategies undertaken and to what degree they have helped or hindered the performance of the firm. This would then enable a better understanding of innovation management which in turn creates the means for learning, developing processes and culture for the internal environment. To add to this, the innovation audit focuses on the learning through past mistakes in order to gain knowledge and provide impetus for alternative solutions.

**The Focus of the Study**

Moreover, the research aim is to identify Asda’s innovation strategy using the innovation audit as a guideline to investigate Asda employees’ perspective on innovation and how this could be embedded into the organisation to gain a competitive advantage. One advantage of asking the participants to carry out an innovation audit is to “encourage the interviewee to provide an answer, and maybe used to reveal attitudes and obtain facts” (Saunders, 2009; 337). This method will enable the researcher to present a detailed analysis of the employee’s perceptions.

Following on from that semi structured interviews will be undertaken between the manager at each store selected and the researcher. The aim of the semi structured interviews is to obtain information, insights and reflections from each of the managers from Asda stores in the East Midlands in regards to their perceptions of the overall operations and experience of Asda. To be specific exploring how the process, leadership and cultural aspects of the organisation support Asda in terms of gaining a competitive advantage.
It is important to identify how Asda developed their innovation strategy previously in order to gain a competitive advantage, this includes how culture, the processes and leadership styles are implemented from information and guidance provided by the headquarters.

The dissertation will investigate how innovative strategies are developed and how the information is fed through to all managers of each store within the UK. It is vital to point out that within each of the Asda stores the manager may not understand the innovative practice and therefore can lead to a lack of direction and innovation in that particular store.

Next, a research objective is to explore Asda's internal culture and identify leadership styles and analysing if that particular leadership is appropriate for that particular store, manager and team of employees. On consideration, it is important to gain reflection and constructive feedback from the employees of a store; this information is valuable for the dissertation as it offers another perspective on how innovation strategies can be developed to best support the employees and thus gain competitive advantage. The above considerations will culminate in a robust understanding of what innovation strategies are suitable for Asda’s stores.

In this chapter of the methodology, the researcher will be asking the 21 interviewees to rate the innovation audit followed by conducting a semi structured interview. The coverage of the dissertation will include five stores across the Midlands (Leicester, Birmingham, Nottingham, Nuneaton and Derby). The researcher will interview and compare results of the four job roles selected pickers, drivers, loaders and manager. The focus of this dissertation will be on the home shopping colleagues, to investigate and analyse underlying trends in regards to service innovation. The researcher will code and categorise the data into general themes from the five components.

Findings will consist of the themes that have been identified from the categorisation of data. The researcher will be comparing data across all job roles and stores across the Midlands from the innovation audit to identify and analyse patterns and behaviours of service innovation. To support this data the researcher will be using quotes from the recorded interview participants undertaken to further analyse underlying themes from the interviewees to reflect the lowest and highest scoring from the tables.

The aim of the discussion chapter is to discuss the findings and relate the literature review to reflect on a theoretical analysis of the discussions in order to answer the research questions posed. The researcher will then suggest viable solutions in regards to improving the home shopping department within Asda through innovation; on reflection of the findings explained by the employees during the interviews.

Finally, in the concluding chapter, the researcher will underline what the researcher set out to investigate from the study and will highlight the main points from the findings. Moreover, the researcher will be providing limitations of the study, future opportunities and provide recommendations.
1.0 Literature Review

The aim of this chapter is to analyse the key issues relating to innovation within organisations, by highlighting how firms seek to achieve a sustainable competitive advantage. The innovation audit framework will be the prime focus for this chapter, including the five components of this framework which are strategy, learning, innovative organisations, process and linkages (Tidd & Bessant, 2009).

A lack of empirical research exploring service innovation in the retail sector has not been addressed in the literature. If organisations publish or release their strategies their competitors will enhance or develop a strategy that will be similar of the organisations. This will expose the organisation’s service innovation practices and competitive edge.

In hindsight, firms need to understand the importance of innovation for their performance and how innovation can contribute to an organisation’s competitive advantage.

To highlight this, innovative performance can lead to higher efficiency for an organisation if it is utilised in the correct way (Tidd & Bessant, 2009). Nonetheless, innovation audit methodologies are very important as this would determine the way innovation is measured and validated (Mentz, 1999).

Although there are many different types of audit methodologies, analysing the innovative audit from a generic perspective, standard rules do not apply to any one organisation. An organisation need to analyse how service innovation will be best suited for the organisation and adopt a method. Nonetheless, there is no guarantee that provisional standards adopted are correct and lead the organisation to become successful (Mentz, 1999). This would depend on looking at the best practice adopted as provisional standard.

The innovation audit is a framework which provides a checklist of questions which can be used to assess the innovation management practices within an organisation (Tidd & Bessant, 2009). The innovation audit enables firms to be able to monitor and evaluate how innovative practices are embedded within the organisation, their effectiveness and whether they provide the firm with a competitive advantage. The attributes that the innovations audit analyses are the “processes’, the products and the services” of a firm to evaluate, for further improvements or developments necessary (Tidd & Bessant, 2009; 596).

This part of the chapter will highlight and discuss the role of critical success factors of the innovation audit which will provide a measure of innovation within organisations.

Critical Success Factors in an Organisation

Critical Success Factors can be defined as a “number of areas in which satisfactory results will ensure successful competitive performance for the individual, department, or organisation (Mard et al, 2004; 116). To expand on this, critical success factors are the underlying reasons for an organisation reaching their potential, as well as helping the managers to achieve their internal goals as well as external goals to fulfill the company’s aim and objectives.

Hence in order to identify the critical success factors for an organisation, Mard et al (2004) argues that critical success factors would have to reflect the organisations strategy in order to be effective. If the critical success factors do not reflect the organisations strategy, this could create internal problems such as a break down in the communication levels leading to negative externalities impinging on the organisation. Nonetheless, Parmenter (2007) has argued from a generic perspective that an organisation would need to re-evaluate their business strategy. To
expand on this, Parmenter (2007) has highlighted several points that in sum require critical success factors to be addressed in order to have an innovative competitive advantage.

1.1 Innovation Audit

1.1.1 Strategy

The Resource Based View (RBV) model is of significant relevance in terms of identifying an organisation’s capabilities in order to devise strategies for an organisation to be able to create a competitive advantage. The internal capabilities of a firm shape the way in which an organisation’s decision-making practices occur. These internal capabilities support development of new products, processes and entrance of new markets. Collis and Montgomery (1995) define RBV as a ‘combination of interval analysis of phenomena within companies with the analysis of the industry and the competitive environment’ (Collis and Montgomery, 1995: 118). In other words, an organisation with an effective structure is then able to build on and focus on their core competences to achieve competitive advantage through innovation.

Further to this, an organisation’s core competences are a firm’s ability to monitor and exploit unique resources that creates difficulty from their competitors which imitate the resources (Hamel and Prahalad, 1990). Building on these core competencies reflects how organisations adapt to changes in new technological advances and offers reasons for why organisations are different in how they gain a competitive advantage.

In support of this view Hamel and Prahalad (1990) identified the central theme of core competence from a strategic perspective, by suggesting that “core competences feed into more than one core product, which in turn feed into more than one business unit” (Hamel and Prahalad: 1990, 196). In other words, the utilisation of these core competencies allows an organisation’s collective knowledge to be coordinated towards its diverse production skills and technologies (Hamel and Prahalad, 1990). However, Hamel and Prahalad (1990) fail to acknowledge the broader aspect of how smaller organisations achieve core competences. Building and maintaining core competences is not necessarily easy to maintain within a smaller organisation due to the lack of resources and nature of the business.

To add to this, while the model offers various strategic determinants, limited guidance is offered on how to best maximise the utilisation of the abundance of resources over a period of time. Consequently, in order to understand the requirements of the core competences take time and effort for any organisation.

Moreover, businesses identify their core competences with a theoretical framework of a business’s dynamic capabilities (Teece et al, 1997). An organisation’s dynamic capabilities can be defined as ‘the firms processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match or even create market change’ (Eisenhart and Martin, 2000; 1107). To put it simply the core competences enable the business to identify and maintain short or long term competitive advantages.

Within an organisation strategy is important and essential for innovative practices. The researcher will focus on developing and sustaining the core competences and how these link into the innovation audit. The innovation audit will provide a clear indication of how organisations manage innovation from a strategic perspective.

It is important to note that gaining a competitive advantage within an organisation is important;
innovation aids the business to create a unique product or service. In an uncertain economy it is not possible to create decisions in advance and hope the project plan will be successful; as this can create mistakes which may probably put the business at stake (Tidd and Bessant, 2009). Organisations must establish a project plan using the innovation audit, the innovation audit is similar to a checklist, in a sense that the audit identifies which resources exist or do not exist for the business, and are scarce resources in place for the appropriate usage (Tidd and Bessant, 2009). The audit also enables the business to establish whether or not processes are effective, if not how to improve the efficiency of the processes to maintain the business’s competitive advantage. Consequently, this framework will establish competitors’ position in the market against their own, therefore enabling the business to monitor possible opportunities and threats (Smith, 2006).

In essence, strategic analysis is required to be reviewed by an organisation to evaluate the aims and objectives of the business and also how the structure of the business reflects the culture represented by the organisation. Similarly, the innovation audit will be able to illustrate whether the projects can be achieved within a realistic timeframe upon completion.

The researcher has found there is limited empirical research based upon strategy in the retail sector. The researcher will be providing some contributions from a strategic point highlighting the importance of innovation of strategy in the retail sector for firms. Above all the purpose of the innovation audit in regards to the dissertation is to investigate whether organisations strategy reflects organisations home-shopping department for gaining a competitive advantage through innovation.

1.1.2 Learning
Adapting to new and challenging innovative practices is not easy without the appropriate resources, process and knowledge. Part of the learning process is to re-evaluate and learn from previous decision making practices which may not have been effective for the business (Christensen and Raynor, 2003).

There are two aspects of learning which are key for an organisation to implement, firstly, learning “is the acquisition of new knowledge to add to the stock of knowledge resources which the organisation processes” (Tidd and Bessant, 2009; 591). Knowledge can be obtained in various different forms including, technological advances, industry reports, research and development as well as observing the approaches competitors take in order to gain a competitive advantage.

Secondly, knowledge also enables the business or management to administer processes to ensure the abundance of resources are organised efficiently and effectively to create innovative processes. In context, knowledge provides valuable information to supermarket stores to evaluate innovative practices within the home-shopping department.

Conversely, a lack of attention from management in regards to the supporting or maintaining of efficient patterns of learning can result in a lack of innovative practices (Ekvall, 1991). Firstly, firms often find exploring new innovative ideas or concepts challenging as they are comfortable with existing approaches. In particular meeting customer needs to satisfy the current customer base, without adapting to new technological requirements which can provide the business a competitive advantage (Bessant and Caffyn, 1996). Consequently, some firms may adopt new technological strategies simply due to the fact that their competitors use a similar approach. It is important to note that it may not be suitable for that particular firm due to a lack of an effective strategy to justify the innovative project (Swan, 2003).

1.1.2.1 Managing and Learning Innovation

In order for a business to capture or manage innovation, as is the case for an organisation, management need to understand the importance of applying strategies in order for the organisation to learn. Routines are imperative for successful innovative practices; this provides the business a structure to reflect on their methods of managing innovation. Structured “technological and managerial capabilities” (Tidd and Bessant, 2009;592) reflect the cycle of learning, part of the learning process is about forgetting previous innovative concepts which failed to provide new knowledge or processes for the business.

The process of forgetting old concepts and developing new concepts is about discovering equilibrium for the business. In other words, it is very difficult for firms to change from old to new routines, in order to adapt to new environments (Senge, 1990). When a firm adapts to a new environment the employees and management can develop and implement new, fresh ideas and concepts to “re-programme” (Tidd and Bessant, 2009; 592) the working structure of the overall organisation across departments thus improving communication about new learning techniques. For example, an organisation would need to keep up to date with new technological advances to support online home-shopping over their competitors.

The dissertation aims to explore how organisations learn within the existing environment from their mistakes, in order to provide innovative practices. In relation to the innovation audit, learning is a very important tool as the audit enables management to reflect on existing innovative practices. The learning process of an organisation does not necessarily involve knowledge internally but also externally to meet market demands. To add to this, an organisation could possibly obtain information from an external source, for instance a higher education institution.
In essence, conducting an innovation audit can enable an organisation to measure their learning capacity towards gaining innovative ideas and concepts to utilise within the overall business plan. It will also emphasise the idea of re-evaluating their current learning tools towards gaining a competitive advantage through innovation.

The researcher has found that there is a lack of empirical research in regards to learning in the service innovation sector. The researcher will be providing some solutions for organisations which will highlight the importance of learning in the retail sector for firms.

1.1.3 Building Organisations

The purpose of building an innovative organisation is to create and maintain an innovative organisation that is driven and inspired by the pattern of behaviour established by the business (Henry, 2006). The behaviour includes norms, values and beliefs of working together as an organisation. Innovation is essential for driving an organisation towards being successful, notably with the employee’s capabilities harnessed to discover efficient and creative methods of working to provide the business with a competitive advantage (Smith, 2006).

Importantly, management are held responsible for utilising the appropriate skills or strengths of employees towards building an innovative organisation, for instance exploring new, efficient approaches of communication internally and externally.

In particular the focus of the dissertation aims to investigate how an organisation uses an innovation culture in order to gain a competitive advantage as an organisation within the home-shopping department. Culture is a broad concept which plays an important part in an organisation, as this denotes the nature of the business environment on a day to day basis. Culture can be defined as “the emergent result of the continuing negotiations about values, meanings and proprieties between the members of that organisation and with its environment” (Seel, 2000; 2).

Moreover, an organisation may have adopting several cultural approaches as a means of identifying innovation; the researcher will explore these using a theoretical perspective to find methods of culture.

In order to build an organisation, strong commitment levels must be established from the senior management in order to sustain the innovation success, through communication and effective
team working. To expand on this, Balachandra (1984) has argued that that the greater support from the senior management, there is a lower probability that the project will be cancelled. This can create a positive impact on the organisation in the long run, as this can overcome any form of internal resistance from the employees. An organisation would then, needs to establish the commitment of senior management to direct, guide and communicate the cultural values of working towards innovation, by providing innovative products, services and relationships.

However, it is worth considering the negative aspects, senior management may select projects that would give them greater economic advantage. It is worth noting that Balachandra (1984) has been criticised for his findings as it does not provide a clear insight to the answer Balachandra (1984) is trying to address.

Leadership is one of the important components for building an innovative organisation to develop and maintain a sustained level of motivation and commitment from the employees to reach for their potential for the business. Leadership from managers at all levels is essential to support various departments within the business; to expand on this, leadership is defined as “a process whereby an individual influences a group of individuals to achieve a common goal” (Northouse, 2010; 3). To add to this leadership styles within a retail supermarket must reflect the organisations' norms, values and beliefs for successful innovative methods of working. Analysing from a strategic point of view, in order to seek competitive advantage for the organisation, is vital to “train and support members as they may be a source of competitive advantage that others cannot match” (Orton, 2010; 145).

Nonetheless, this would depend on the style of leadership that is implemented in the organisation. In order to be effective, there needs to be some degree of trust from the management in order to encourage the employees to reach their full potential which can lead to a competitive advantage in the long term (Puccio et al, 2007). In relation to this, this will enable the employees to think of creative ideas which can contribute towards a competitive advantage in the long run. In order to support this theory, Jung et al (2003) argued that the characteristics of transformational leadership shows a clear link in regards to organisations innovations levels.

Innovative practices do not remain as they are, these practices adapt to market, customer trends and the positions of their competitor’s. In order to keep up to date with current trends and changes to maintain a competitive advantage, it is essential that the organisation is supported by a strong commitment from managers to their employees as a role model (Jung et al, 2003).

Equally, a rewards system is a key indicator of changing behaviour which is an important component for innovative activity (Saleh and Wang, 1993). However to implement this system effectively, managers would need to know the effects that the reward system has on behaviour. To expand this, an improper system would lead to employees exploiting the situation, in order to receive their rewards. It is worth noting, Angle’s (1989) study emphasises that individuals often reflect a radical innovative approach, whereby group innovative contributions, maintain a sustainable and incremental innovation practices within the organisation.

The researcher has found there is limited empirical research based upon building innovation upon the retail sector. The researcher will be providing some input from an innovation perspective highlighting the importance of building innovation of organisations in the retail sector.

1.1.4 Process

Organisations need to make informed decisions before implementing a process by choosing the
appropriate resources and importantly a framework to work from. An organisation cannot make a plan for the future in the hope that it would be successful for the business, while markets and customer requirements change businesses need to adapt in order to grow the business and survive (Tidd and Bessant, 2009).

An organisation’s management need to establish a clear and defined strategic framework that reflects the allocation of appropriate resources and technology for a successful innovation project. To add to this when devising a plan for a project the management evaluate the risk or uncertainty of successful implementation. In addition, knowledge is a fundamental aspect for creating a project plan of innovation (Tidd and Bessant, 2009).

1.1.4.1 Stage Gate Model

An innovation framework can be utilised by businesses when devising a project plan is called a “Stage Gate Model” approach (Tidd and Bessant, 2009; 315). The stage-gate model enables a business to review their product from idea to launch using a step-by-step model however if one stage of the model is ineffective according to the management innovation criteria, it will be re-evaluated and killed off for further development. These different stages emphasise the importance of technological and market trends to enable the business from moving the product innovation process from highly uncertain to a highly committed project for the organisation (Boer, 1991).

The stage-gate model is a decision making process which allows the organisation to review the process of each stage, including measuring the risk factors of the project’s development. The stage-gate model also funnels out any unnecessary knowledge, resources or information that may cause harm to the business.

In order for a business to best utilise the stage-gate model it must involve all departments so that they can communicate their ideas or perspectives in regards to the project and the launch (Bessant and Francis, 1997). Each member/part of the process works alongside a skilled, experienced project manager of a specific department and within those departments managers from other areas must work together. Here the stage-gate model devises each stage of the product development from idea to launch by defining customer needs, resources, and capabilities of innovation (Coyne, 1996).

Whilst the stage-gate model may seem like a strategic framework that is easy to follow, for some organisations the stage-gate model may not be suitable because there is a risk of creating more bureaucracy (French and Bell, 1990).

Next, for some organisations inputting resources, mechanisms and knowledge can be done in a way that is inappropriate and results in not utilising the stage-gate model effectively. For instance a lack of scarce technological advances may leave an organisation behind particularly if their competitors have adopted similar scarce resources this does not provide the business with a competitive advantage for further innovation projects (Lawrence and Lorsch, 1967). In essence the stage-gate framework enables an organisation to evaluate resources and time for project completion across departments.

On the other hand, an unsuccessful implementation of the stage-gate model could be a result of internal management concerns; managers may work in favour of their department’s new ideas or concepts without considering its effectiveness across departments (Nelson and Winter, 1982). Each department would have a certain strategic criteria in regards to their viewpoint on the product development process. An impact of this could lead to high failure rate of successful
product development, thus cost time and resources implemented. If the opportunity cost exceeds the total cost of the innovation project this innovation plan would fail. An effective innovative process is essential for any project regardless of the type of business from idea to launch, however a business must openly evaluate each stage (Bessant and Francis, 1997).

The researcher will look at the process mechanism of an organisation in detail by analysing how an organisation manage new product development through processes from idea to launch, how innovation projects are within the budget and on time through the innovation audit. The innovation audit also facilitates how effective mechanisms allow for businesses to effectively search for new product concepts and how different departments work together in developing new products or services. It is essential that all departments are aware of the processes as each department adds value to the product development process from idea to launch.

The researcher has found there is limited empirical research based upon process in the service innovation sector. Therefore will be providing some contributions from an innovative dimension which will highlight the importance of process for firms in the retail sector.

1.1.5 Linkages

The process of innovation requires scarce resources and a team of skilled, specialist individuals to be able to create innovative ideas, products or services. Technology is a key component which enables an organisation to build and maintain external linkages or networks with other education institutions and organisations to create the process of innovation. A network offers a business access to additional resources, knowledge and expertise as part of an exchange based learning process. A network is a process of sharing information, experiences and ideas. “Linkages offer opportunities for learning from customers and lead users, from competitors, strategic alliances” (Tidd and Bessant, 2009; 590). Collaborating with other organisations is important for a business, as it provides a different experience and contributes towards innovation from different perspectives.

For successful implementation of an innovative network system requires an organisation to build effective mechanisms to best exploit the network system, from an idea to a product or service. A good foundation of a network system includes strong management to be able to deal with the collaboration of internal and external teams working towards innovative practices for the business. The project management should be focused on training and development of the skilled employees or networks on board the project to be able to meet the business’s requirements (Bessant and Francis, 1997).

Next, network support systems include working with various educational institutions to support development of knowledge and skills. For instance, individuals from local and national educational network systems such as universities are able to provide an organisation with an academic perspective which may prove to develop existing strategies or systems in place to give an organisation a competitive advantage. From this an organisation can utilise and exploit new ideas and concepts shared by network systems to their innovative practice (Christensen and Raynor, 2003).
Another point worth mentioning is that while working with networks, it offers the business a chance of reviewing their performance of project to date. Reviewing aims and objectives of the project is essential towards maintaining high standards of innovation. In context, an organisation would review their innovation processes with external organisations and if necessary, organisations and their external network are able to develop new processes effective for the business (French and Bell, 1990).

Equally, maintaining linkages with customers is crucial for innovation, understanding the customer’s requirements and needs are essential in decision making processes. Therefore utilising external customer relationships through discussion groups, surveys or interviews provides a business with information and ideas to explore and improve a certain product or service. For instance a retail store could obtain information from customers in regards to the home-shopping department in order to provide innovative services or products (Tidd and Bessant, 2009).

While building networks can benefit an organisation’s innovation process, networks can also cost a business time and resources. A collaboration of networks may not prove to be effective due to conflicts or challenges in regards to overall objectives of the project. It is essential for management to ensure the network and the business understands the aim of the project and requirements. For example if an organisation decides to work with another local store, both stores must understand the objectives of the project and implement linkages in order to best support the home-shopping departments.

Similarly, if an organisation lacks effective systems or mechanisms and thus seeks to exploit the ideas or concepts of an external firm it may face objections if such a move has not been explicitly outlined in the terms of collaboration. An impact of this may be due to lack of knowledge or a misunderstanding of knowledge shared between the networks. Management need to ensure the project including individuals from other firms or institutions are “coordinated and integrated” into the network (Tidd and Bessant, 2009; 590). In essence a lack of management structure may reflect an ineffective project failing to achieve innovation.

The researcher found a lack of research in regards to linkages in the retail sector. This dissertation aims to provide contributions to the literature in regards to the importance of the networking for organisations and see whether it is effective in the long run.

In light of the importance of networks in creating innovation the dissertation also aims to analyse how supermarket stores utilise external networks. The innovation audit enables an organisation to reflect on their linkages between external firms and institutions to further develop innovative practices in order to achieve a competitive advantage.
Research Questions

How does Asda approach to innovation?
What are Asda’s mechanisms that are being deployed into the stores?
Focusing on the relationship between Asda headquarters and Asda stores?

2.1 Methodology

The methodology chapter aims to justify how and why the researcher adopted the current methodological approaches. To expand on this, the researcher will provide the reader through a detailed chapter emphasising the actions, the decisions made as well as how the findings were interpreted.

Thereafter the chapter will provide a viewpoint which will reflect the purpose of the study and the arguments in favour of the research methods chosen. Explanations regarding the
appropriateness of the innovation audit and interviews will be justified in relation to the aims and objectives of the research.

The chapter then follows on by unfolding the process by which the data was collected and the interpretation of the results. The interpretation of the results highlight the discussions developed from the data analysis including the hindrances encountered throughout the research collection. Alongside of this the chapter concludes by explaining the reliability and the validity of the study.

2.1.1 Phenomenological Paradigm

The researcher’s standpoint is very important as this would have an influence on the way the data is collected as well as interpreting information (Saunders et al, 2009). To expand on this, the concept of phenomenology looks at the “the way in which humans make sense of the world around us” (Saunders et al, 2009; 116). Therefore this would signify describing and interpreting the phenomena which is based upon the lives of the experiences wither of their own or other people (Radnor, 2002).

In hindsight the phenomenological paradigm associates does not seek to find the ‘universal truth’ (Walker, 1985) which is existing information that is available in the public domain. However, focuses on the ‘purpose and importance of the participant’s realities’ (Schutz, 1954). Therefore analysing a participant’s meanings, here the researcher will be able to reflect on participants experiences in regards to how Asda use innovation.

As the researcher has chosen to analyse the study from a phenomenological viewpoint in order to answer the aims and objectives of the dissertation, the researcher was in favour to use qualitative analysis over quantitative analysis.

To expand this, the researcher had chosen to utilise qualitative research as an appropriate method for analysing and discussing issues based on how Asda use innovation to gain a competitive advantage. The researcher can obtain detailed answers using qualitative data in regards to how Asda HQ makes decisions and how it is embedded into the stores across the Midlands. This will enable the researcher to explore and investigate as there is an insufficient amount of literature relating to the research area. Taking this into account, the main goal is to reflect on Asda’s operations of implementing innovation into the stores using the innovation audit as a framework.

Moreover, this will look into further detail of the five innovation components mentioned and how the components are implemented into each of the five stores. Therefore, using qualitative research enables the researcher to examine and develop possible solutions in order to gain a competitive advantage over their rivals. To end with, quantitative data lack the detailed information however using figures the researcher could identify the relationships between different components and Asda stores for developing innovation. However, quantitative data lack the detailed information of how and why.

2.1.2 Interpretivist Approach

An interpretivist approach emphasises’ that there is a difference between human beings and the society. To put it simply the way in which individuals behave as themselves is different to the way in which they behave in society, they play various roles (Saunders et al., 2009). The researcher must be able to gain information, views and behaviours from the participants as individuals rather than employees of an organisation. Society plays in important role, an individual’s views and perspectives often are constructed by the social role played by that individual. Interpretivists therefore believe scientific approaches do not reflect the feelings or perspectives of a human
Unlike objects, human beings can change their thoughts and behaviours if he or she is aware of the fact that they are their voice is being recorded or observed for the purpose of the study. Therefore an interpretivist approach to this type of research utilises a qualitative research approach, enabling the researcher to gain detailed and specific information; research that is not influenced by the participants cultural or social role within society (Thorpe and Holt, 2008).

The advantages of an interpretivist include being able to analyse why and how an individual’s actions or behaviours change. Another advantage is that the researcher is able to understand the different societal roles human beings play; qualitative research provides a detailed analysis (Silverman, 2010).

On the other hand the disadvantage of an interpretivist approach is that the data analysis of the research is time consuming and may be difficult to identify patterns using quantitative approaches (Seale, 2004).

In relation to the study, the researcher was able to utilise an interpretivist approach to gain in-depth research in terms of how Asda use innovation to gain competitive advantage, whilst obtaining qualitative data (Lapan et al, 2012).

2.2 Research Methods

2.2.1 Innovation Audit

The researcher has identified that the innovation audit is a viable, structured framework which enables “reflection on the process of innovation and how it is managed” (Tidd and Bessant, 2009; 595). The innovation audit seeks to explore and identify the five components which are strategy, learning, innovative organisation, process and linkages. Analysing these five components will enable the researcher to explore and investigate Asda’s innovation practices (refer to appendix 1).

Taking this into consideration, there are a wide range of self-assessment audits which organisations can use in order to understand their approach to innovation. To expand on this, the self-assessment audits offer different aspects of innovation management such as “creative climate, continuous improvements and product development” (Tidd and Bessant, 2009; 596). Taking this into context, the innovation audit has been selected as it provides a relatively simple methodology and covered the key success factors for innovation that the researcher has found in the literature.

The researcher had chosen the innovation audit in particular as it is an effective approach towards measuring innovation in comparison to questionnaires. An innovation audit provides a “checklist of questions to ask the organisation” (Tidd and Bessant, 2009; 595). In addition to this, the researcher will be asking the participants to rate the ‘innovation statements’ from 1-7 which will consist of 40 questions which will be based upon how innovation is measured. On one end of the scale 1 indicates ‘not true at all’ and 7 indicate ‘very true’. An illustration of the innovation audit reflects “how strongly he or she agrees with statements or a series of statements” (Saunders et al, 2009; 378).

2.2.2 Rating the Innovation Audit

In reference to the innovation audit, the researcher will ask 21 participants to rate the questions from the innovation audit which will give an insight into the working practice of innovation within
Asda. Also will provide an opportunity to explore colleagues’ perception of how Asda manages innovation. Nonetheless the researcher has to acknowledge that the participants may seek to create an opportunity for the participants to “score points” (Tidd and Bessant, 2009; 596) in order to please the researcher.

In hindsight, during the data collection the researcher must bear in mind that the participant may provide response biased perceptions. In many instances participants of a particular organisation may provide biased answers as they believe that the management may have access to the research results (Tarling, 2006). However, prior to this the researcher will have explained that the results will remain confidential as well as abiding to the social ethical guidelines as the information will not be passed onto Asda’s management.

Once the participants have completed the innovation audit the researcher will then be able to plot an innovation profile of each participant and gain a total score for each of the five dimensions from the innovation audit. From each participant’s innovation audit the researcher will then be able to identify the strengths and weaknesses of the five dimensions on reflection of Asda’s innovation practices. Consequently, by analysing the scores this provides the researcher a chance to identify opportunities for improvement within Asda.

2.2.3 Semi – Structured Interview

Part of the data collection included interviewing 21 participants whom completed the innovation audit using semi-structured interviews. The purpose of using the semi-structured interviews was to gather further information, perceptions and analysis using questions from the innovation audit. In order to gain a detailed analysis of how Asda implement innovation, what internal and external sources does the organisation use and how effective these resources, relationships are for Asda’s innovation practices.

During the semi-structured interviews the research will use “a combination of data collected through watching, listening, asking and recording – that is, observation and interviewing enables the research to engage in the act of interpretation” (Radnor, 2002; 48).

Consequently, utilising semi-structured interviews provides a human encounter to the interview, while the researcher was listening to the participants; observations were made on the participants’ body language and emotional behaviour from the answers provided (Spradley, 1980). Careful concentration will be paid towards the participant’s composure, tone of voice, eye contact and facial expression. This is just as important as it gives the participant a chance to explore in autonomy within their answers as opposed to being restricted with certain ideas or terminology (Woods, 1986).

The research process included open and closed questions as part of the interview structure. To begin with open questions are a set of questions whereby the respondent provides in-depth, detailed answers, also provides the researcher with a chance of asking spontaneous questions during the interview, in some cases a question generated from a previous answer given by the participant. Closed questions have a structure of set questions which offer limited answers from the respondent (Saunders et al, 2009).

Open questions offer high quality, rich data for the researcher to use as part of the qualitative data, specific information related to the topic or subject area. An advantage of including open questions builds rapport between the researcher and participant, as a set of closed questions may leave the participant frustrated in terms of not being able to expand on their answers (Grummitt, 1980).
While close questions provide a specific answer, this method does not enable a participant to explore the answer, instead are often faced with a condition or set of answers which the participant may disagree with and therefore chose a deliberate answer which may not be valid or represent the participants view (Torrington, 1991).

In relation to the purpose of the study the researcher utilised a set of closed questions using the innovation audit in complimentary of open questions to enable the respondent to explore or explain answers. The two methods of questions provide a sufficient amount of information for the researcher to utilise as part of the study.

2.3 Data Collection

2.3.1 Interview Process Selection

The researcher had previously spoken to the manager of home shopping in Leicester who supported the researcher’s dissertation topic on innovation. The manager enabled the researcher access to the Asda HQ; providing the researcher a ‘contact name of the senior management of Asda HQ’ who were interested in participating in the interview as they felt the researcher was contributing to the organisation.

Prior to attending the Asda store the researcher sent out a letter to communicate with the store managers the purpose of the study and how the research will be conducted. Further to this the store manager telephoned the researcher to confirm the availability of the participants, confirmation of the date and time of the research to be conducted. Upon arrival of the store, the managers of each of the five Asda stores within the East Midlands area appointed one member from the pickers, loaders, drivers and a home-shopping manger for the interview section. The participants voluntarily chose to undertake the interview with the researcher – pressure was not imposed by the home-shopping managers. The researcher had to then book an appointment with each of the participants in order to undertake the interview.

Using a semi – structured interview, the researcher was asking the questions from the innovation audit, whereby this provided an opportunity for the researcher to ask the interviewee to relate to their experience in relation to the five dimensions of the innovation audit. As this would support the paradigm of phenomenology of relating to the participants experience about innovation practices in Asda, this provides an incentive for the participants to express themselves as well as trying to create a positive environment for the participant to be in. In addition to this, the interviews were conducted in the Asda offices or in the Asda canteen per individual store whereby the length of the 9 interviews ranged from 15 minutes to 40 minutes.

2.3.2 Interview Recording and Transcriptions

The interview process was face to face during early August 2012 lasting for 3 weeks. In total, 6 out of the 21 interviews were recorded whereby the researcher was given permission by the interviewees. The researcher had the intention to capture the participant’s outlook in great depth by paying extra detail towards listening to the participant and communicating with the participants (refer to appendix 2)

On the other hand, 15 out of the 21 participants did not permit the researcher do record the interview. In spite of this it is vital to annotate notes during the interview and note down how the behaviour of the participants such as looking at the participant’s mood during the interview. In addition to this, the researcher had to make sure that the notes are written in great detail as possible as this would provide a clearer representation of the participants.
2.3.3 Questionnaire Innovation Audit Selection

The innovation audit was conducted in the starting month of August which lasted for a period of three weeks in total of visiting the 5 stores. The innovation audit was given to participants who have an association with the home shopping department in each of the five stores situated in the East Midlands region. From this, the researcher had explained what the purpose of the study was, and then the participants conducted the innovation audit whereby the participants were asked to rate from 1 being not true to all to 7 being very true.

Moreover, the environment in which the innovation audits were completed was conducted mainly in the home shopping warehouse. Taking this into account, the researcher has explained that the innovation audit would be kept anonymous, as the researcher has to abide by the social ethical guidelines.

The manager of the home shopping department had asked the following participants to fill the innovation audit after they have finished the shift. In essence, participants filling the innovation audit took an average of 10 minutes, as well as asking the researcher questions they did not understand. To expand on this, the researcher had stated that if the participants do not understand the question, they would not need to rate the statement.

2.3.4 Approach of the Senior Management at Asda HQ

The researcher approached the senior management at the Asda headquarters by sending a written communication to explain the researcher’s background, what the study was about and the purpose of the study. Explained in the written communication was with who the study was going to take place with including interviewing senior management from the Asda headquarters. To add to this the researcher’s tutor signed the letter to support the study (refer to appendix 3).

Further to the written communication the researcher received a response from the manager at a local store as headquarters had approved for the research to the conducted. From there the store manager at that particular store enabled and supported the researcher to gain incremental access into the stores’ management and colleagues. The store manager would have a clearer understanding of which managers and colleagues would be appropriate for providing the relevant information for the research purpose.

Moreover, Asda headquarters and the store managers became interested in the study as innovation is an important component to Asda stores. As the researcher is an employee of an Asda store headquarters and the local store trusted the researcher to provide an academic perspective on innovation. To identify current innovation processes, systems and re-evaluate these in order to change innovation practices towards efficient, effective processes’ which provide Asda a competitive advantage. Asda headquarters and the store manager believe the study can contribute ideas which will challenge current innovative methods to develop new, effective innovative practices for the stores.

2.3.5 Reflexivity

Reflexivity can be defined as looking from an “inward” and ‘outward’ exploring the intersecting relationship between existing knowledge, our experience, research roles and the role around us” (King and Horrocks, 2010;125). Taking this into context, the ideology is that the researcher may contribute reflexivity to the study such as a form of a ‘presence’ when conducting interviews with the participants (Thorpe and Holt, 2008). In hindsight, the researcher would need to be aware that reflexivity plays a vital role as this can have some form of an influence on the participants.
Taking into consideration with the role of reflexivity when conducting semi-structured interviews or asking the participants to rate the statements from the innovation audit, the researcher would need to identify the levels of reflexivity involved by conducting these methods (Radnor, 2002). Using a semi-structured interview the researcher had the intention of trying to be reflexive as possible in order to build ‘rapport and interaction’ with the following participants selected. To illustrate this, the researcher was trying to create a positive atmosphere by informing the participants about the social ethical guidelines (Radnor, 2002).

However, due to practicalities of obtaining research data, the researcher was unable to build a good rapport with the participants due to the nature of the organisation. To expand on this, Asda employees were very guarded and were reluctant to share their experiences as the participants feared that the researcher will inform the Asda manager.

Nonetheless, the managers of the Asda stores were sharing their experiences of Asda and were reflexive to the study as this was an easier approach for the researcher to ‘build rapport and interact’ with the managers. To expand on this, the managers were aware of the researcher’s innovation study from the letter sent to each of the stores, whereas the employees were notified on the morning of the interviews. Therefore, this would explain the employee’s not participating to the full extent.

As the researcher was using the innovation audit, the researcher had found that it was incredibly difficult to build a rapport or interact with the home shopping participants at each of the stores selected. As the participants were rating the innovation audit, the researcher could not question the selected participants as this was not a form of an interview.

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<th>Researcher Interviewed following interviewees:</th>
<th>Researcher Interviewed following interviewees:</th>
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<td>1 Senior Management</td>
<td>Loaders</td>
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<td>1 Senior Management – Asda HQ</td>
<td>1 Loader – Birmingham</td>
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<tr>
<td>5 Managers</td>
<td>1 Loader – Leicester</td>
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<td>1 Home shopping Manager – Birmingham</td>
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2.4. Data Analysis

The following chapter involves gathering, processes and highlighting the significant information from the interviews conducted using a coding system in relation to how Asda use innovation to gain a competitive advantage. The chapter will explain the coding categories of the themes highlighted across all transcripts to identify patterns, trends. In addition a detailed description and interpretation of the themes will be described.

2.4.1 Reading and Coding each Participant’s Interview

Using the questions from the innovation audit, the participants have expressed their views on how innovation is conducted individually at each of the Asda stores. Therefore the construct of the participants reflects on their experience as to how Asda handles innovation on a day to day basis.

Nonetheless, this has provided the researcher with an opportunity to gather a larger amount of qualitative data (Dey, 1993). This can be helpful as the researcher can make comparisons from each of the 5 stores that participated as well as relating to the job title of the participants. Firstly, the researcher would need to indentify the important key themes and highlight these after reading all of the transcripts from the participants. An effective way to conduct this procedure would be to colour code the central themes from the transcripts that were acknowledged by the participants (Tarling, 2006). From this, the researcher will indentify the general themes that were mentioned by the interviewees and put the information related to the theme under the relevant subheading.

2.4.2 Forming Categories

Reorganising data collected into similar categories enables the researcher to engage with data collected in order to read and understand similar patterns and trends which otherwise may not be evident (refer to appendix 4).
Whilst analysing the data, the researcher was able to analyse and identify themes explained in the answered provided by the interviewee (Seale, 2004). Using a coding system the researcher coded categories of similar trends and themed them under one code (Silverman, 2010). In addition similar patterns or themes which were not established at the beginning of the analysing process were developed or even incorporated with other sub-categories. The purpose of constructing the categories was to provide a detailed analysis of themes which are of significant importance for Asda’s innovation practices in order to gain a competitive advantage.

The researcher had used a total sample of 21 interviewees which would help the researcher to identify possible themes that the interviewees have described from the interviews. This can be illustrated with an example as process is one of the five innovation components. The sub-themes that were identified were budget time frame, new product development and department working together. These were the subthemes that were highlighted from interviewees.

2.4.3 Structure of the report: Description and Interpretation

The structures of the findings will be interpreted from the 21 interviewees who completed the innovation audit. The researcher will compare and contrast the total average scores across all the job roles, across the five stores in the Midlands. In addition to this the researcher will analyse the questions which were not answered by the particular job roles across the five stores. The purpose of this is to identity patterns among the employees understanding of innovation.

2.4.4 Ethics

Prior to the dissertation the researcher had to understand and undertake research in accordance with social ethical guidelines to conduct the study (Gummesson, 2000). The social ethical guidelines reflect a framework of ethical issues which the researcher must obey all times whilst conducting the study, including behaviours around the participants. Including suggestions in regards how to approach and address participants, as well as how to handle situations with participants (Thorpe and Holt, 2008).

Before undertaking the study the researcher was informed to travel to Asda headquarters and complete an ethical guideline form before conducting interviews with the participants. In addition to this the researcher had to reassure Asda headquarters the information gathered in the innovation audit and interviews will not be passed onto other retail organisations and remain confidential. Once this had been approved the researcher was given the authority to contact and conduct the interviews across the Midlands.

A major part of the study involved interviewing participants and recording the interview for the researcher to obtain the required information for the purpose of the study. Therefore the researcher had to inform the participant the purpose of the study and that the interview was going to be recorded and asked for their consent for recording the interview (Silverman, 2010). In some cases the participants disagreed and therefore the researcher had to respect the participants’ decision. In addition to this the researcher committed to all participants that all information given by the participant will remain confidential and not disclosed to any third party or individual (Silverman, 2010).

According to the social ethical guidelines the researcher must store all information is a safe environment and should inform the participants how long the data will be archived for. It is essential that the researcher does not misrepresent the information provided or the findings of the study (Turnbull, 2009).

Next, the interviews were conducted a calm and safe environment and throughout the interview
the researcher had to remain professional with participants whilst conducting an honest and open interview. The researcher did not exert any pressure onto the participants and informed the participants that the recording of the interviews could be stopped at any time the participant wished too (Thorpe and Holt, 2008).

Another point worth making that the researcher identities of all the participants as anonymous; the participants name, age or sex was not disclosed during interview as recommended by the social ethical guidelines (Saunders et al, 2009).

Moreover, the study included using additional secondary research in aid of the primary research, in accordance to the social ethical guidelines any additional materials should not be misrepresented or claimed by the researcher as their own work, importantly obeying the copyright laws of any published work (Silverman, 2010).

Furthermore, all participants should be treated with equal opportunities presented by the researcher; therefore none of the participants should be discriminated by any means.

3.1 Findings

In this chapter, the researcher will highlight and indentify the themes from the categorisation of data. The researcher will compare the job roles and the average scores across the Midlands, using the innovation audit in order to identify patterns. To support the arguments the researcher will be using quotes from the recorded interviews, to reveal the reasons for the lowest and highest average scores.

3.1.1 Strategy

3.1.1.1 Vision

Table 1: The importance of vision embedded into the Asda Stores.
Strategic planning, within an organisation strategy is important and essential for innovative practices. The vision of the organisation plays an important role as this indicates the direction the organisation is heading in for the future. In this context, the managers have scored a high average of 6.33 out of 7. This is partly due to the fact that store managers have the experience and knowledge of how the vision and processes are embedded into the stores. For example, the senior managers have attended conferences to support their learning and whereby it is implied that the strategic vision is passed down to the colleagues from Asda HQ. Commitment from Asda's top team and management is imperative to be able to see through and develop the Asda’s innovative practices.

However, the loaders and the pickers have an equal score average of 2.25 out of 7, suggesting that the employees are not aware of Asda’s shared vision towards gaining innovation. Implying the vision of Asda’s innovation is shared amongst management only therefore not all the remaining employees can aid management to achieve Asda’s full potential.

The Asda store based in Nottingham achieved the highest average score across the Midlands with the score of 4.25 out of 7. Looking across the Midlands region, Leicester, Birmingham and Derby stores had similar findings with averages of 3 out of 7, as this Asda’s vision is considered to be embedded into the stores.

However, the lowest score was Nuneaton; as the store reflected the lowest average score across Midlands with 2 out of 7. In hindsight, this would illustrate that vision is not effectively embedded into the stores across the region, whereas the senior management at Leeds HQ has illustrated vision is an important component that is driven from the Asda HQ to the employees. Therefore, this would need to be addressed in order to improve the direction of the organisation.

Taking into context, there are two employees that have insufficient knowledge about Asda’s vision and the direction of the organisation.

3.1.1.2 Senior Management Commitment and Support

Table 2: The importance of senior management commitment and support into the Asda Stores across the Midlands

Senior Management commitment and support is vital to the organisation as their experience and skills are vital for decision making processes and involvement of innovation projects. The research from the interviews suggested that majority of the decisions are made from the Asda HQ top management team and then fed to in-store managers; as it is their responsibility to ensure that support is provided to the home shopping department when needed.

Managers have rated an average score of 4.83 out of 7, the manager of the Asda store in Nuneaton rated an average score of 3 out of 7 signified that “all the decisions are made from the HQ”. Therefore, implying that in-store managers do not have a chance to make decisions based on the store’s requirements including the customers; managers do not have an opportunity to give their input in terms of making certain decisions for the store.

Next, the loader had the lowest average rating with a score of 1.8 out of 7, the job role does not require the remaining employees to commit to projects, simply other than undertake the tasks ordered. Upon reflection of the interviews it was suggested by the loaders that the senior management commitment are slow to react and therefore cannot implement the changes in an effective timescale.
To add to this whilst implementing new processes and changes to the approaches of working within the departments, there is a lack of information and knowledge. During this implementation process there is a lack of commitment and follow-through from senior Asda management. Unjustified explanations of why and how the changes are to take place is not communicated clearly and therefore cause internal resistance amongst the Asda stores.

In relation to this the Derby Asda’s store achieved the lowest average score of 2.5 out of 7 across the Midlands. To expand on this, a participant from the Derby Asda store explained that part of their job role, as a loader, does not involve understanding the importance of senior management commitment and support.

Nonetheless, there were similar findings from the Asda stores based in Leicester, Nottingham and Birmingham with a higher average of more than 4 of out 7. Following on the Birmingham store favoured the commitment and support from senior management with the highest average score of 4.5 out of 7. To highlight, building an effective strategic framework includes having the correct resources, specialist skills and a timescale to work towards. Above all, commitment from senior management is vital for a successful strategic innovative project for Asda.

### 3.1.1.3 Competitive Edge

Table 3: Reflects the employees average score in regards to understanding Asda’s competitive edge.

Furthermore, developing a strategic framework is to create innovative processes, services or goods to consumers that provide Asda with a competitive edge over other organisations within the market. This question focuses on whether Asda have a form of competitive advantage in their organisation that all employees including managers are aware of. As presented in the table below there is a variation of responses from the employees including the management.

The roles of the managers across all stores evidently understand the importance of gaining and maintaining a competitive edge of Asda, as they scored the highest score of 5 out of 7. The managers need to understand what gives Asda the competitive edge as this is determined from their job role; understanding the customer’s requirements to maintain a competitive advantage.

Nevertheless, the drivers were not that far off from the managers whereby they scored an average score of 4 out 7. One of the reasons for this is that the drivers have to follow a set criterion whilst delivering the products to consumers. Communicating with the consumers face to face, enables the drivers to obtain feedback from consumers and therefore provides Asda with a competitive advantage.
Nonetheless, loaders had an average of 1.25 out of 7 and the pickers 0 out of 7. These low averages reflect a lack of knowledge and training provided towards the remaining employees in regards to maintaining a competitive edge.

Surprisingly, the pickers and two loaders could not answer the question as they were unaware of how Asda gain a competitive edge. Implying that the employees need to understand how Asda gain a competitive edge and what the organisation’s philosophy is based on gaining a competitive edge. For instance employees should be aware of how to keep costs low for consumers so they are more likely to visit Asda again.

Upon reflection it is evident that the Derby and Leicester Asda stores had the highest score of 3.5 out of 7 followed behind the Nuneaton Asda store with an average score of 2.75 out of 7. These stores understand how and why maintaining a competitive edge against competitors is vital and suggests management have created effective processes and systems in place to support this.

On the other hand, Nottingham had the lowest average score of 1 out 7, as reflected on the table below 3 of the employees, including the manager, did not answer the question. Implying that the Nottingham stores need extra support from Asda HQ to enhance a better understanding of how Asda create and maintain a competitive edge.

Whilst operating in a retail industry, it is crucial for the organisation including the employees to understand the importance of obtaining and creating a competitive advantage as this can promote a positive outlook of the employees as they can interact with consumers whilst promoting the store as an example.

### 3.2 Learning

#### 3.2.1 Understanding Customers

**Table 4:** Table shows the importance of understanding customers amongst each of the stores.

Learning and re-evaluating existing processes and strategies is imperative for an organisation, as markets change, customers’ requirements change especially as technology changes the way in which customers purchase. It is essential for Asda to under the needs and requirements of their customers in order to gain a competitive advantage.
From the table below it is apparent that the Asda stores across the Midlands do not reflect a positive approach towards understanding the customer’s needs and requirements. The researcher discovered that the loaders had the lowest average score of 2 out of 7 in regards to understanding customer’s needs. Similarly, pickers were not that far behind with an average of 2.4 out of 7. Employees discussed in the interviews that managers do not focus on the ‘end users’ but focus on getting the products delivered effectively and efficiently.

Arguably, managers scored a higher average of 5.33 out of 7 and explained in the interviews that managers do understand the needs of the end-users or customers. In support of this view Participant G, manager in the Leicester store explained that a national survey was conducted which reflected that Asda understand their customer needs and focus on ‘pre –subs’ emphasising that “customers would rather have a couple items less but have a delivery on time as a result of this Asda are now sitting now sitting 5% better at delivering products this year than we were last year”.

However, the pickers, loaders and drivers have expressed their viewpoints on how Asda are very slow at reacting to changes within departments in regards to understanding consumers. Hence, the employees are frustrated when there is a change in the process in the department which would not benefit the consumers or the employees. These changes need to be communicated prior to implementation and how the changes are changing to adapt to customer’s needs.

Nonetheless, the Nottingham Asda store had the lowest score across the midlands in regards to understanding consumers. In contrast to the Leicester Asda store whereby management understood the requirements of the customers. A valid point worth making is that communication and learning in terms of understand customer needs and requirements need to be highlighted to Asda stores nationally. This can be done by allowing more flexibility across stores and distribution of knowledge from the Asda HQ to the Asda stores.

3.2.2 Benchmark Competitors

Table 5: The importance of benchmarking competitors in the retail industry

Part of the learning process is to analyse and learn from competitor’s mistake, also analysing the approaches competitors are utilising to gain innovation. Meanwhile Asda need to ensure they have the mechanisms in place to achieve innovative practices, similar to their competitors.

From the research conducted and the table below, the employees reflected an impression that Asda lack the effective processes to be able to compete with their competitors. Asda processes are very slow; they are unable to act in response with the products and processes used by other firms. To support this, Participant G, manager at the Leicester store explained how Tesco’s process and “systems are a lot slicker than ours”. In other words, Tesco’s processes and systems are efficient in comparison to Asda. Whereas Asda are systematically competing in relation to price with other supermarket stores as it is regarded to be Asda’s form of ‘competitive advantage’.

The managers across all the stores achieved the highest average score of 6 out of 7, suggesting they understand the importance of benchmarking against their competitors. Benchmarking involves identifying processes and gaps within a specific area of the business that lacks innovation. Gathering research in various forms such as interviews and focus groups are methods of re-evaluating performance to systematically compare products and processes
against other firms.

To highlight the Nottingham Asda store scored a low average of 2.75 out of 7, across all five stores in the Midlands, research reflected from the interview suggested that there is a lack of understanding the term benchmarking within the store. The research denotes that Asda are very slow at responding to changes and therefore often behind in being able to compete, in particular against their competitors processes; Asda often comparable their abilities against Tesco in regards to innovative projects.

By contrast the Nuneaton store achieved the highest average across all five stores, as the organisation understand the magnitude of benchmarking competitors, such as Tesco’s through ‘Oscars’. The ‘Oscars’ determines the percentage of quality and price per each store delivered to the consumers. To add to this various departments within the businesses actively analyse competitor’s behaviours and approaches.

The table below expresses that the loaders and pickers within the five stores to not understand the importance of benchmarking, as the loaders scored an average of 2 out of 7 and the pickers averaged 2.4 out of 7. Implying that the employees are unaware of such benchmarking activities or lack the importance of systematically comparing products and processes against other firms.

By comparison the research highlights that the drivers from Derby, Leicester and Nuneaton understood how benchmarking enables Asda to measure the level of their delivery services in terms of the time taken and the accuracy of the goods ordered, as an example.

Following on from the employees the managers have the highest average score with 6 out of 7 as the managers know the importance of benchmarking their competitors and are often required to make frequent visits to their competitors stores, as a process of learning.

Last of all, two employees in total lacked the sufficient knowledge in relation to systematically comparing products and processes against other firms. Benchmarking methods can be conducted in various methods; employees however lack the experience of undertaking such tasks, as explained in the interview.

3.2.3 Learning from their own mistakes

Table 6: Table shows the importance of Asda learning from their own mistakes.
Moreover, learning from mistakes is part of building knowledge and forgetting existing systems and processes which are not effective for the business and therefore do not provide a competitive advantage. Understand why and how mistakes occurred within certain processes or project provides the organisation with an opportunity to improve.

Nuneaton’s Asda store achieved the lowest score with an average of 2.5 out of 7. One reason for the low average was due to the fact that the store explained how slow Asda are in terms of learning from mistakes. To expand on this, Participant E argued that “when processes are not working the managers keep changing them”, making the assumption that changes to the process occur in favour of the way manager believe will function effectively, without undertaking any research to trial out the processes for the specific department.

By contrast the Leicester Asda store scored a high average of 5.25 out of 7, as there seems to be a strong understanding of learning from their own mistakes as explained by Participant B, an employee, “within your own department you do learn from your mistakes and if you have made mistakes but don’t know your colleagues will let you know.” In other words, Asda managers inform the colleagues of their mistakes.

Across all the job roles it is evident that the loaders lack an understanding of learning from mistakes as they scored a low average of 2.6 out of 7. A reason explained in the interview suggested that, the home-shopping department are slow at acting in response to mistakes and changes due to the lack of support provided by Asda HQ. Asda HQ make majority of the decisions and if a mistakes occurs feedback is sent to Asda HQ whereby another process or system is implemented; suggesting the employees lack the flexibility to make contributions and decisions for the department as part of learning from their mistakes.

On the other hand, employees have reflected during the interviews that there have been a few incidents whereby managers have made irrational decisions on behalf of the department which proved to be ineffective, however failed to recognise and learn from the mistake.

By comparison, managers across the five stores scored a high average of 5.83 out of 7 suggesting that managers do have the ability to learn from mistakes, implying the remaining employees do not have the experience or skills of understanding and recognising mistakes. Participant F, a manager expressed how important it is for Asda to learn from mistakes; “we learn from our mistakes and imply... this is part of the reviewing and then we apply that to the way forward”. Learning from mistakes is a way of building and exploring new competitive, innovative approaches, processes and systems in order to gain a competitive advantage.

To conclude all the participants understood the importance of learning from mistakes and therefore able to answer the question below.

3.3 Building Organisation
3.3.1 Communication

Table 7: Table shows the importance of communication across the spectrum of the organisation.

Communication is an important component within an organisational structure effective communication should be clear and transparent in a top-down approach and across the organisation at all levels. The researcher discovered an unambiguous commonality which illustrated that the communication levels across all stores were poor. To expand on this, Participant G a manager in the Asda store based in Leicester explained that “communication is very much downwards from head office to us, in- store”. This would emphasise that the communication is not shared across the organisation, as it is based on a top down approach, exceeding a bottom up approach. The current philosophy that exists within Asda stores is that Asda headquarters make all the key decisions which are then passed to the retail stores across the Midlands.

From the table below, all stores across the Midlands totalled an average of 3 out of 7, which is the highest score possible in the innovation audit. Reflecting on the lack of transparent communication across all stores, evidently the flow of communication appears to be a one-way system from top to bottom. Communication is vital for any organisation to remain focused, gain co-ordination and control of the overall store across all levels of staff.

To compare all stores within the Midlands the managers and drivers showed a high result of communication; an average of 4 out of 7. A possible reason for this could be due to the fact that managers and drivers were provided with mobile phones to communicate whilst delivering the products, with the store if any problems occur or to give them an update on their progress. Whereby the colleagues within the stores work as part of a department and therefore maintain communication mostly within their specific department.

To add to this the manager and drivers understood the questions in regards to communication whereas the loaders and pickers lack the importance of clear communication. As a consequence provides the researcher with a clearer picture on the effectiveness of the communication in stores.

3.3.2 Lack of Reward Systems

Table 8: Table shows the importance of rewards systems and recognition in each of the stores.

Next, rewarding and recognising an employee’s performance or contribution to an idea or concept to benefit the organisation is an important part of building an organisation, and it strengthens communication across all levels of an organisation.

From the table below it is evident that the loaders and pickers across the Asda stores reflect their viewpoints on rewards and recognition within Asda stores. The low average score maybe reflected by employees’ lack of experience in terms of not being recognised for their achievements or contributions; or a lack of general awareness of such rewards systems.
In support of this view the general store manager in Leicester rated a low average of 4 out of 7, suggesting that there is a ‘lack of incentives for colleagues to come up with innovative ideas’. There could be an assumption that Asda do not have a rewards system as this appears to be costly for the organisation to implement. If management take on board the contributed ideas or concepts and these prove to be unsuccessful the risks include recourses, time and budget costs.

Overall looking across the Midlands, Nottingham was ranked the lowest with 2.75 out of 7 with their store lacking a reward system. Similarly the total average across the Midlands stores scored a low average, suggesting that Asda need to develop processes to enable employees to contribute innovative ideas and concepts.

Nonetheless, managers have expressed through the interviews a way of enabling employees to make contributions. Participant C, a manager from the Nottingham store explained a ‘concept created by Asda called Tell Andy’. This system enables employees to “redeem store points to use in store” as a form of rewarding and recognising contributions from employees towards building an innovative organisation.

Taking into consideration there is a lack of information distributed from the Asda HQ to the employees of the stores as the research suggested many were not aware of the ‘Tell Andy Scheme’. Managers would need to address this situation, making the employees more aware of the rewards schemes in Asda.

On the basis of the scores averaged below the drivers, loaders and pickers were either unaware of the reward system or it proved to be ineffective. Furthermore, communication, a system of rewards, recognition and team work are essential for building organisations.

3.3.3 Team Work

Table 9: Table shows the importance of team work in each of the Asda stores.
Team work is of vital importance however the overall results of the innovation audit reflects discontentment within the teams reflected across all stores in the Midlands. Across all stores managers regard team work to be of an important element and therefore ranked teamwork at 4.5 out of 7; this score was the highest amongst all other employees. Nevertheless, there seems to be some plausible explanations from the employees, as to why team work is not highly regarded.

There seems to be a ‘shift-the-blame culture’ in Asda when working in teams. The ‘shift-the-blame culture’ is whereby the employees try to pass the blame onto each other if tasks are not completed accurately. To support this, Participant E explained “people would like to work on one section of the department. An example could be that employees may want to work at the ambient department only, no matter what the situation is”. Hence, this can create a negative atmosphere amongst the employees working together. To expand on this, managers often put pressure onto the employees to work individually; often when the employees work as part of a team lack of focus and are distracted by other employees, consequently completing tasks at a slower pace.

The Nuneaton store had the lowest score of working in teams with 2 out of 7. A possible reason was that there was a high degree of internal resistance amongst employees, possible reasons due to a lack of leadership.

The Leicester store had the highest score of 4.25 out of 7, as Participant A stated that “we work well in teams”. In comparison to other job roles, the loaders had the lowest average with 2.4 out of 7; elaborating on the blame culture as their main factor. By contrast to this, managers scored the highest with 4.5 out of 7, as they argued that they have to work in teams with other departments in order to eradicate mistakes and build on innovative practices.

On a positive note, all the participants have understood the question. The researcher has found that the organisation can make significant improvements on building team work whereby the organisation can understand the concept of team work in great detail.
3.4 Process

3.4.1 Complexity

Table 10: Table reflecting innovation projects selected by Asda that are within the time and budget.

A challenge organisation’s face is often how to implement a process successfully to be embedded into the organisation without any problems arising for the customers and employees. Keeping within the budget time and cost frame is crucial for successful implementation, an area the researcher highlighted within the interviews. The focus of this question relates to whether the innovation projects selected by Asda are completed within time and budget.

From the research, data suggests projects run over budget and time across all stores due to the low average score. The complexity of the process of implementing innovation projects is time consuming and expensive consequently creates negative externalities such as loss of control in the department due to a lack of communication.

To support this Participant G, manager of home shopping in Leicester, had expressed that “we were promised brand new systems last year – they’re be launching at the start of next year so they are significantly behind”. Evidently two Asda stores which scored a low average included Nottingham with 1.25 out of 7 followed by Leicester with 2.75 out of 7. A challenge faced by Asda stores is the resistance to change created by the employees. New processes result in new methods of working and therefore challenge employees to adapt to new processes; these changes take time to implement.

To add to this the Nottingham store manager, Participant G, explained how Asda “did not anticipate how big a change the processes” were to successfully implement. In support of this the loaders and pickers from the Nottingham store scored a low average of the innovation projects completed on time.

Nevertheless, across the Midlands the Nuneaton Asda store scored a total average of 3.75 out of 7 in terms of completing innovation project on time and within the budget. Successful implementation of innovation projects on time and within budget ensures achieving aims and objectives of a project.

Importantly, across all stores the loaders and pickers scored the lowest averages and across all the stores each of the job roles did not successfully answer all questions. The loaders and
pickers lack the sufficient knowledge and experience to be able to give appropriate answers.

3.4.2 Effectiveness of the Mechanisms

Table 11: Table reflecting the importance of requiring effective mechanisms when establishing a change in the process from an idea in order to implement successfully.

To successfully implement an idea through to a process an organisation must ensure the appropriate mechanisms are in place for a process to be completed on time, budget and effectively. As presented in the table below managers across all Asda stores averaged a high 5.83 out of 7. This figure is high in comparison to the low averages scored by the remaining employees.

To support maintaining effectiveness of mechanisms, Participant C, a manager from the Nottingham store explained that “Asda are very good at that, who deal with the process at the head office and it’s for the stores to deal implementing that”. Suggesting effective mechanisms are developed at Asda HQ and communicated to the in-store managers to support implementation of new processes.

On the other hand, low average scores are presented by the loaders, drivers and pickers across all stores. The interviews suggested that the employees did not agree or adapt to the new mechanisms in place for new processes consequently delaying the time frame of the project's completion. Such changes may not have been effectively addressed to the employees and therefore resistant to change. An organisation must address how the processes will change and why new processes have been implemented.

The researcher's notes, suggests that the employee’s perception of the managers implies that the managers make decisions based on the department’s requirements in order to meet the customer’s requirements. These effective mechanisms are not discussed with employees prior to implementation. To support this, the table below represents a low average score totalled by the remaining employees, including the loaders, pickers and drivers due to a lack of information provided in regards to the effective mechanisms required for a successful innovation project.

To highlight, across all stores the Nuneaton store scored the lowest average in terms of understanding the requirements of effective mechanisms from an idea to successful change followed by the Birmingham and Nottingham Asda stores presented in the table below.

Moreover all the stores across the Midlands the managers were able to answer the question regarding effective mechanisms; it is highlighted on the table below that the loaders, pickers and drivers did not understand the full extent of the question.
3.4.3 Departments Working Together

**Table 12: Table showing the importance of having effective mechanisms implemented to ensure all departments develops the products and processes.**

To maintain an innovative process, a project must be completed on time, within budget and maintain effective mechanisms as discussed from the findings above. Working with other departments within the organisation is crucial towards developing new processes and products.

As presented on the table below all managers across the Midlands achieved a high average score of 5.5 out of 7, implying that the managers understood the importance of working with other departments in terms of developing new processes for creating innovative practices within the home shopping department.

On the contrary, the table below reflects a lower average of departments working together across the five stores; the researcher gathered from the remaining employees within the interviews represented a viewpoint implying that the managers worked with other managers across other departments without acknowledging the employees perspectives. Limited mechanisms are in place to ensure early involvement from all of Asda’s departments when they are developing new processes or products; including the employees.

Henceforth, this would reflect the low average of scores presented by the loaders and pickers in the table below. The loaders scored of 1.25 out of 7 and the pickers 2.25 out of 7. When changes to mechanisms are implemented for a particular process, employees require the information to be address prior to the implementation of the process. Making the employees aware of the changes occurring and if required to work alongside other departments.

Overall, the managers have scored a high average of understanding the importance of working with other departments is due to the fact that they need to actively co-operate with other departments prior to developing a new product or service. To add to this managers have sufficient knowledge and experience of working with other departments to develop innovative products and services.

To explain a high average score, the managers would have more information and experience in terms of dealing with new processes, whereas other job roles do not reflect that.

By contrast the Nottingham Asda store scored the lowest with 1.75 out of 7 whereby the highest store that had an average score of 3.75 was Birmingham. From the interviews the loaders, pickers and drivers participants were not addressed of any new processes implemented of early involvement towards building new innovative products. One of the reasons suggested is that the managers do not effectively communicate with employees, as they feel that the employees would not understand the role.
3.5 Linkages

3.5.1 Reviewing Projects

Table 13: Table shows the importance of reviewing projects in each of the stores.

Moreover, whilst building an innovative organisation, it is crucial to develop networks with external organisations to add to the abundance of resources and specialist to an existing organisation. One area with is relevant for building networks is to review projects so that the management can improve their projects and overall performance of the organisation.

From the researcher’s notes, there appears to be a mixed response of qualitative information in regards to Asda’s process of reviewing projects. To begin with, the perception reflected from the loaders, pickers and drivers suggests a lack of re-evaluating projects within their job roles does not exist or made apparent. From the table below is it evident that the loaders pickers scored a relatively low average of 2 out of 7 and 2.4 out of 7. The interviews suggested managers reviewed projects and the overall performance of a project.

Further to this, managers across all the stores in the Midlands scored a high average of 5.83 out of 7, this is due to the fact that the managers are employed for their skills and experience in regards to managing, reviewing projects and part of decision making processes on behalf of a department. In support of this view, Participant G, a manager within the Leicester store explained how “review performances and process projects are undertaken on a daily basis”.

On the contrary the Nottingham Asda store scored the lowest average of 2.5 out of 7 in the region, implying that management lack the skills to be able to review and re-evaluate projects, performance or evaluations of projects do not occur frequently towards finding innovative practices. To expand on this, Participant C, Nottingham Home Shopping Manager has argued that the trials last for a period of 5 -7 weeks, during this process employees are not exposed to such evaluations tasks and therefore reflect a slow management team within that store. In addition to that employees are not involved in decision making practices including overlooking projects; the management have full responsibility of these tasks.

Another point worth making is that an employee’s from the Nottingham and Derby stores have insufficient knowledge in regards to reviewing innovative projects. Suggesting performance reviewing is not part of the job role, unless addressed by the management.

3.5.2 Exploring Concepts with Consumers

Table 14: Table shows the importance of exploring concepts with the consumers in each of the stores.

Next, another form of a linkage involves working closely with customers to explore and develop new innovative concepts, products and services. Developing linkages with the customers provides the company with a clearer understanding of the customer’s requirements and therefore gives the organisation a competitive advantage.

The main focus upon exploring products with consumers is by taking into consideration the ‘customer feedback groups and listening groups’. To expand on this point, the research reflects manager’s perspective in terms of the investment put towards working closely with customers to develop new ideas. Evidently, across all the employees the managers work closely with
customers with a higher average of 6.5 out of 7.

Nevertheless, the research suggests problems arise when most of the work developed with customers are made by the Asda HQ then fed to the managers in store does not allow the regional manager a chance of inputting feedback.

By example, Participant G, manager in the Asda store based in Leicester explained that the “Chosen By You” brand of products were developed by Asda HQ working closely within the consumers, to develop a brand of products to meet the consumers requirements. However, this concept does not account for regional requirements. To expand on this, the table below reflects two out of the five stores rated a low average of 3 out 7; suggesting that perhaps the ways in which partnerships are formed with consumers does not prove to be effective for all regional stores.

Moreover, the pickers, loaders and drivers have a provided a different outlook in terms of working closely with the customers. The pickers rated an average of 1 out of 7 and the loaders rated an average of 2.2 out of 7; these low averages suggest employees are not involved in decision making practices or do not have the opportunity to work closely with the consumers to understand their requirements.

Across all the Asda stores the table below reflects variations in regards to the total averages scored by each of the job roles listed on the table below. It is evident that out of the employees the drivers scored an average of 4.2 out of 7; whilst delivering the products the drivers are able to obtain feedback from the consumers in regards to the products and services provided. To follow on, the managers have developed close partnerships with the consumers due to the experience and ability to make decisions.

On reflection of the results it is evident that the employees need to opportunity to work with consumers to be aware of the process of exploring new concepts as it can diversify their internal knowledge, for example understanding how important focus groups and taste testing groups are to provide a competitive advantage.

An important note worth making is that four of the employees were not able the questions due to a lack of sufficient knowledge and understanding the importance of working closely with consumers.

### 3.5.3 External Network - University

**Table 15:** Table shows the importance of creating a form of an external network in each of the stores.

Meanwhile working with consumers to review innovative projects is imperative for gaining a competitive advantage. Similarly, developing networks with external institutions or organisations...
provides additional resources, knowledge and specialist skills to an organisation.

To highlight, the managers have a high total average score of 5.5 out of 7, Participant G, a manager in the Asda store based in Leicester explained that the managers attend home-shopping conferences to obtain knowledge and information to improve innovative networking relations with internal and external agencies.

To add to this, Participant C, manager of Home Shopping in Nuneaton, gave an example of how Asda collaborated a partnership with Motorola whereby “Motorola worked create a programme for the pickers” to enable the employees to search for products efficiently and accurately for the customers. A consequence of the partnership supported the department to run efficiently overall and product services to a greater number of customers; therefore giving Asda a competitive advantage over their customers.

On reflection of the results the pickers have scored a low average of 0.5 out of 7 and the loaders scored 1.6 out of 7. The results suggesting that the employees do not understand the question or lack the experience and opportunities of developing and maintain partnerships with external organisations. To add to this from the interview the employees suggested that Asda have the capital to invest in further opportunities to develop partnerships with organisations and to involve employees instead managers make most of the decisions with Asda HQ.

Another example of how Asda have worked with consumers to develop an “Extra Special” brand of products, using high quality ingredients and an external company called the “Leiths School of Food and Wine” (Cookery school). Leiths train chefs across the world are developed in conjunction with Asda” as explained by Participant F. Whilst Asda work in partnership with Leiths School of Food the organisation is adding to a greater abundance of resources, skills and knowledge to gain a competitive advantage.

However, while Asda management in particular collaborate and working in partnership with external organisations the remaining employees do not have such opportunities and therefore lack the experience, knowledge of understanding the importance of building networks.

To add to this the Nottingham store had the lowest average score in the region with 1.75 out of 7, in comparison to the Derby which scored 3.5 out of 7; suggesting regional store managers need to form external relationships to best support regional Asda stores to develop innovative projects.

Upon reflection of the interviews conducted the employees highlighted the need for further knowledge and emphasis on why building networks is vital and how these partnerships can be formed. Importantly, a participant highlighted that Asda do not utilise, local, higher education institutions for academic perspectives for innovation projects and how to gain a competitive advantage.

To sum up, the table shows how five employees were not able to answer the question due to a lack of sufficient information in regards to external networks.
4.0 Discussion

The following chapter will discuss the results from the innovation audit completed by the employees at Asda across the Midlands. The researcher will be using the findings from the data analysis to highlight significant factors that provide Asda the innovative approaches to gaining competitive advantages. As part of the discussion, the researcher will reflect on the theoretical analysis from the literature review to emphasise the findings. In relation to this, the researcher will find possible solutions on how to deal with the problems indentified.

4.1 Strategy

Strategy is an important component from the innovation audit framework, identifying strategic plans and processes is vital for an organisation to gain a competitive advantage through innovation in order to create a unique product or service (Tidd and Bessant, 2009). Upon reflection of the research it appears that there remains discontentment from the Asda HQ to the general Asda stores across the Midlands (refer to table 3). Upon reflection of the findings, it is suggested that the employees within Asda had insufficient knowledge in regards to Asda’s strategies of achieving a competitive edge.

On the contrary, the research does not reflect the theoretical perspective of core competence and RBV mentioned in the literature, in actual fact the research implies that the remaining employees did not understand Asda’s strategic approaches towards gaining a competitive edge. In hindsight, the strategy literature argues that for innovation to be successful all employees within the organisation should be involved in understanding the importance of the firm’s strategy (Mentz, 1999).

A possible solution could be that an Asda’s internal specialist could explain how Asda develop and implement strategies across retail outlets in the Midlands. These include the mechanisms of how projects are processed and whether Asda are heading in the correct path to gaining innovation.

However, it can be argued that from the interviews Asda HQ management team have expressed their perspective and vision on how Asda have maintained a distinctive competence. An example of this is how Asda compete with low cost prices for example Asda compete in the “Grocer 33 – this achievement is celebrated through the shops, on POS, on badges” which was illustrated by Participant F.

The Grocer 33 is an external evaluation of Asda’s performance including “price, service and availability at Asda” (William Reed, 2012). While Asda HQ have a clear innovative strategy which addresses how they maintain their competitive edge, from the research this vision is not addressed or highlighted to the in store employees (refer to table 1).

Referring back to the importance of the retail sector in Chapter 1 the researcher has found that there is a lack of empirical research of service innovation in the retail sector as organisations focus on cost reductions. Due to the competitive nature of the retail industry while organisations reduce costs this will result in a lack of support for innovation.

Next, one of the research questions explores the relationship with Asda headquarters to the Asda stores (refer to Table 2). It appears there is a lack of integration between the Asda headquarters and Asda stores across the Midlands. A possible solution is to address and communicate the importance of understanding knowledge and resources existing in the stores with the support
from senior management. Close relationships established between in store employees and management will improve the flow of communication and feedback. Consequently, the employees will be less likely to resist changing if new concepts and processes are addressed prior to implementation.

The researcher feels that there is insufficient literature on strategy in relation to service innovation. The researcher has expressed vital contributions towards the strategy component literature. However, the researcher would need to address the core competences and the RBV theory in more detail, which can be an opportunity for the researcher in the future.

4.2 Learning

In order for an organisation to be successful, the learning process of adapting to new practices is not so simple to develop unless the appropriate resources are available to the department (Christensen and Raynor, 2003). To understand the revaluation process, Asda would need to understand the decision making process of previous choices made and recognise why they were not so effective in order to be successful. In this context, Asda have made many changes to the home shopping department which have failed to provide effective results and therefore cost the organisation mistakes including time and costs.

When implementing or developing new projects Asda must ensure they have the correct amount of resources to back up the project. This is essential, while Asda understand the needs and requirements of their customers whilst maintaining innovative practices.

The learning process does not involve finding new sources of knowledge to gain a competitive advantage using innovation, it is important to highlight that learning from mistakes, which the organisation undertook is also a learning process (refer to table 6). An example of this is how Asda stores observed how competitors such as Tesco maintained high levels of innovation; their methods implemented may have not been successful. However Asda decided to utilise similar mechanisms, resources and implement these in the Asda stores, in some cases Asda did not have the same mechanisms, resources to exploit as competitors.

Asda’s management failed to recognise that their competitor’s methods of innovation would not aid the organisation, as findings suggested Asda remain behind in terms of making decisions and implementing these to develop innovative practices (refer to table 5). Similarly, the findings suggested that managers within the store lacked the flexibility of decision making practices’, most decisions are made by Asda headquarters and implemented in store. On the other hand, enabling in-store managers to make decisions adds to the learning process, as additional knowledge and information of improving innovative practices from managers is vital.

Above all a solution for benchmarking Asda’s competitors is for the organisation to create individual processes appropriate for the organisation’s requirements (refer to Table 5). For instance Asda previously have attempted to imitate Tesco’s process, Participant G explained “Tesco’s systems are a lot slicker than ours (Asda), enabling them to get the deliveries out within their time slot, they consistent”. It is important to note that not all systems of processes used by competitors will be appropriate for Asda’s strategies. Bearing in mind Asda’s customer requirements are different to Tesco customers.

Consequently, Asda have learnt they need to develop their own style, and would need to react swiftly to changes and learn from their mistakes. It can be noted from the research that Asda appear to react slower in response to their learning process. In addition to this Asda need to be able to analyse and evaluate how and why previous or existing processes do not support the
organisation’s competitive advantage. Therefore need to establish new processes for innovation and suited for their existing stores.

The researcher has noted that there is lack of literature in the retail sector and contributions solutions in regards to how Asda can develop their learning processes. To be more specific the researcher analysed one question which focused on Asda’s approach to innovation. Asda need to communicate and understand the importance of learning between Asda HQ, managers and the employees to justify explanations of changes to processes.

4.3 Building Organisation

From the researcher’s findings (refer to table 8) there is a lack of rewards systems within the Asda stores. A consequence of not having a reward system is that it reflects a demotivated staff; consequences include tasks being completed inefficiently. In addition to this, an impact of it can lead to could change the employee’s behaviour towards work.

Whilst operating in a retail sector, it is important for the organisation to acknowledge the contribution of work produced from the employees. Henceforth, enabling employees to make contributions makes them feel part of the organisation. In the long term produces a high level of output once the targets have been reached.

On the other hand, the finding suggests that Asda have a lack of rewards system which needs to be revaluated by the head office to enable employees to provide contributions. From the findings, the loaders, pickers are unaware of the opportunities that exist, the channels of communication for the reward system is unclear. Individuals with ideas tend to take a radical approach by suggesting ideas to suit their working style; concepts and ideas best support their working environment. Angle (1989) suggest that a group of employees working in a team are more likely to achieve sustain innovative approaches. In support of Angles (1989) theory, if Asda enabled departments to work together, there can be incremental changes rather radical changes.

To implement a successful reward system, Asda would need to obtain effective communication channels between managers and employees by trialling, implementing and reviewing the rewards system over a period of time. Often projects can be expensive, there would need to be a strong commitment from senior management at the Asda HQ.

Balabhandra (1984) has argued that there would be greater support from the head quarters which would reduce the chances of the innovation projects being cancelled. Putting this into context, there will be a greater chance that this will overcome all forms of internal resistance amongst stores. However strong commitment from senior management is essential as this can signify the direction of the organisation is heading towards.

Moreover, effective leadership from all levels of management is essential to support all departments within the organisation. In order for the colleagues to work together, they would need to adapt to leadership skills for team work (refer to table 9). In order to gain competitive advantage, all the employees must take not to blame other colleagues and take accountability for their mistakes; as this would diminish ‘shift the blame culture’ whilst working in teams.

In order for Asda to maintain a competitive advantage the innovative culture as discussed above are essential components for successful innovative practices to occur within the organisation. Consequently gives Asda a competitive advantage over their rivals to adapt to a market trends.

The researcher has to ensure that there is strong commitment from the senior management as well as communication in order to maintain effective team work. To address effective
communication, there would need to be a ‘bottom up approach’ implemented to the organisation as the employees would have a chance of contributing ideas to the organisation (refer to table 7).

The researcher has noted that there is currently little amount of empirical research on building an innovative organisation in the retail sector. In relation to this, looking at retail innovation, there would need to be a sustainable approach implemented into an organisation. Consequently, giving the employees responsibility and flexibility to contribute ideas will maintain effective communication levels.

4.4 Process

Whilst building an innovative organisation culture is important for the internal foundation of the organisation, equally processes are vital for successful innovations implementations from idea to launch (Tidd and Bessant, 2009). Using the Stage Gate Model would help to indentify and review ideas selected to the launching process, as this would funnel through each stage eliminating ideas which are not successful which can be indentified in the process can create uncertainty within the organisation. Taking this into context, Participant G portrayed his experience in the home shopping department when two pickers were picking in the night. This had a positive knock on effect within the department as the “store set up is not there and availability is not there to be able to pick the right products for the customers”. From my findings (refer to table 11), the employees were resistant to change at the same period of time because the process mechanism implemented by the Asda HQ from the idea stage to the launching stage into the stores across the Midlands; was perceived to be not as effective as the employees were resistant to change.

In general, there was a perception from the employees that due to a lack of structure based around the decisions made, the employees thought that the managers were making rational decisions based on how they wanted to run the department. A possible viable solution for this could be to provide some knowledge about the importance of the innovation projects implemented in Asda to the employees. In spite of this, the managers would also need to have further training in regards to dealing with complex situations of process change from an idea to a launch, as this can have a significant impact on the organisation in the long term.

In order to make the most of out of the Stage Gate Model, there have been suggestions that Asda need to involve all of their departments in order to express their ideas into the project as this would diminish forms of risk. From the findings (refer to table 12) there was little evidence to suggest there were effective mechanisms whilst working with other departments when there was a launch of a new process or change. As this contradicts the theory, managers consequently lost communication, co-ordination and control. A viable solution could be that the managers could have discussed the problems with the home shopping colleagues by setting up a meeting. As Asda were slow to react, this reflects Asda couldn’t reach an acceptable standard causing further bureaucracy to the business. Implementing the Stage Gate Model would provide a structured framework for Asda to follow.

In order to make the best use of the stage gate model, the department has to recognise that the change in the process has to ensure appropriate resources are within the department; whereas scarce resources could lead to a loss of an organisation falling behind with innovation. In this case all departments would need to be introduced ensuring that adequate resources are available. If it is not addressed, this may create serious consequences across the entire department. To expand on this, unsuccessful implementations could lead to high conflicts of internal management concerns. A high impact could lead to a high disaster rate (refer to table 10). To provide with an example, Participant G portrayed his views that if the bakery manager could increase the hours on the department, collecting extra £800 in revenue. If this was not a
successful idea that it can create negative consequences for the department. If it was successful, the Asda would need to trial it for a larger period of time over a greater coverage of the Asda stores in order to consider whether it will be successful or not.

The researcher has noted that there is a lack of innovation literature based on the importance of the retail sector. Organisations need to develop mechanisms and processes towards maintaining innovation. The researcher provided a range of solutions in order to sustain processes within the home shopping department, in particular implementing the stage gate model into Asda changes are made to the department.

4.5 Linkages

Developing linkages is an important component from the innovation audit which allows organisations to build and form external networks with other organisations or educational institutions. These networks add additional resources, skills and specialist knowledge to the firms existing resources. From the research it is evident that Asda have formed partnerships with external organisations to gain a competitive advantage towards exploring different innovative practices.

Taking this into consideration, whilst reviewing projects, Asda can review their performance to date by evaluating their achievements in regards to their aims and objectives of the innovation project. In this context, managers have expressed that they review their projects frequently, this task it is part of their job description to monitor and evaluate departmental activities.

However, there is a difference of opinions from their employees, as the employees observe the lack of performance reviews undertaken by the managers on a regular basis including changes to the home-shopping department. It is important for the managers to understand the changes necessary for successful innovation implementation (refer to table 13).

To address this problem the management need to clearly communicate to the employees the importance of reviewing projects, as the managers do not implement new systems and processes without an unjustified reason. Possible reasons could be due to external networks working alongside the department for efficiently or utilising additional resources to enable the department to deliver a high level of service to consumers. The process of networking enables management to reflect on previous or existing systems and processes which may have failed in the past. The impact of reviewing and learning from mistakes will reflect towards an innovative organisation; however employees need to be involved in this process, in order to be successful.

Moreover, building relationships with the customer is of equal importance, as Asda should communicate with the consumers to obtain feedback in regards to the level service, quality of products provided. Asda are therefore able to understand the customers’ needs and requirements through “customer feedback group and listening group” mentioned by Participant C. Understanding the customers’ needs and requirements creates an competitive advantage for Asda through innovative (refer to table 14).

On reflection of the research it is apparent that Asda HQ make majority of the important decisions regarding processes, systems and the resources available for each Asda store across the nation. This provides limited opportunities for in-store managers a chance of giving feedback and more importantly to make the decisions based on the requirements of the store and consumers. Similarly, the remaining employees such as the drivers, pickers and loaders are allocated tasks to complete without any flexibility for to improvise and complete tasks allocated in methods, approached suited to their efficiency.
Moreover, to find a solution Asda HQ cannot trial their target consumers groups in one area to make it effective, Asda HQ would need to delegate authority and control to trail the consumers groups across stores in different regions. These can be conducted as a form of ‘listening groups’, as this would provide additional and specific feedback back to the Asda HQ; also enabling the remaining in-store employees a chance of exploring new concepts and ideas towards gaining innovation.

From the data analysis an example of Asda working with an external organisation is the Leiths School of Food; Asda formed a partnership to develop a quality range of foods for their customers. These additional set of skills, expertise and knowledge has provided Asda with a competitive edge. In summary developing linkages provides enables Asda to develop new and innovative projects (refer to table 15).

Although there is limited theory in regards to building linkage through innovation, the researcher has provided possible opportunities for Asda to create some alliances with the relevant organisations in order to utilise and exploit resources to gain innovation for a competitive edge. In order for Asda to process the researcher highlights how significant it is for organisations to understand customer requirements through ‘listening groups’ within each store. Obtaining specific information regarding the customer requirements is essential to feedback to Asda HQ. Asda HQ can then develop relevant linkages for each Asda store.
5.0 Conclusion

Innovation is an important component which enables a firm to successfully maintain a competitive in a particular market. Innovation is the development of new concepts, ideas, services and processes that a firm utilises in order to maintain or create unique products and services therefore giving the firm a competitive advantage (Tidd and Bessant, 2009).

Currently, the online grocery market contributes to the value of £4.8 billion which equates to over 3% of the whole UK grocery market, with a sector that is growing at a significant rate is worth studying. While Asda has established as a large organisation with stores across the world, Asda are competing for innovation against other supermarkets, including Tesco’s (Global Agricultural Information Network, 2010).

The purpose of the dissertation was to explore and examine how Asda used innovation to gain a competitive advantage over their competitors. As the researcher had sufficient prior knowledge about Asda the study provided a clearer understanding of the motives behind the changes to Asda’s processes, systems within the Asda home-shopping department. From initial observations it was evident that Asda lack the resources, the organisational culture which consequently leads to internal resistance within the organisation.

The dissertation analysed in particular the operational processes of the Asda store using the innovation audit. The innovation audit is an analytical framework which enables firms to monitor and evaluate their performance in all areas of the business. The innovation audit highlighted five essential components of a business which included analysing the strategies, learning, innovative organisations, processes and linkages of a business. Firstly, strategy enabled Asda to plan processes and systems including the Resource Based View theoretical lenses. The Resource Based View theory shaped the way in which Asda utilised internal capabilities to support effective decision making practices (Tidd and Bessant, 2009).

Secondly, the learning process for Asda was to knowledge and skills to the existing recourses Asda has. Asda were slow at understanding the customer’s requirements as there the employees did not understand the effectiveness of learning from mistakes. Management had the skills and experience of develop these processes.

Thirdly, Asda built an innovative organisation through the support and commitment from senior management; management provided the resources and skills to give Asda a competitive edge. Thirdly,

Fourthly, implementing processes can be complex, time-consuming and expensive which can create a loss of control and co-ordination within the department. Asda utilise various processes within different departments and the managers were responsible for integrating the departments and understand the purpose of such changes occurred to processes within each department.

The final component was for Asda to build and develop external networks by forming collaborations and partnerships with external institutions and as highlighted in the study Asda developed partnerships with other organisations to use additional skills, resources and expertise for gaining innovative competitive advantage.

Followed on from this, the researcher had formulated several research questions to investigate and address the importance in the retail sector by analysing Asda’s approaches to innovation. What are Asda’s mechanisms that are being deployed into the stores as well as focusing on the relationship between Asda headquarters and Asda stores.
Furthermore, the researcher used a phenomenological paradigm; this paradigm enabled the researcher to study the participant’s experiences of working in the Asda stores. Following from this an interpretivist approach was used as the researcher was able to analyse and understand how and why participants behaved.

Moreover, the research methods conducted were semi-structured interviews using the innovation audit to explore the participant’s perception of how Asda use innovation to gain a competitive advantage. The innovation audit analysed different areas of how an organisation function within different departments.

Importantly, as the researcher had contacts at the Asda Leicester store, therefore the researcher was able to conduct an interview with the senior manager at the Asda HQ in Leeds and employees from the five Asda stores.

After conducting the research and analysing the data, the researcher’s impression suggested that the Asda HQ and in-store managers lack the communication in terms of implementing processes, ideas into the Asda stores, this is vital for building an organisation. One of the reasons for this is due to the fact that the in-store managers do not anticipate how significant changes are within the Asda store and the impact it has on departments. Different departments reflect different impressions and therefore the management need to understand how to deal with such incremental changes.

Moreover, when analysing the strategy of an organisation it is important for the employees and managers to understand the organisation’s competitive edge. The findings illustrated that a limited amount of employees across the Midlands were aware of Asda’s competitive edge, which in particular focuses on price. It was evident from the findings that the across the five stores the managers were able to answer the question in greater detail in comparison to the employees. Understanding and recognising Asda’s competitive edge is crucial for all employees to be aware of, as this impacts the level of service reflected on behalf of all employees.

What is more is that Asda’s projects are not competed within the time and budget timeframe, the findings suggested by the employees reflected a loss of control and co-ordination on behalf of the management. Implementing new processes is complex as changes may impact other departments, managers and the availability of resources. Upon reflection of the employee’s perspectives the managers did not anticipate significant changes due to the implementation of new processes; there was a lack of prior communication and notification. Consequently, innovative projects were not completed on time and within the budget framework, leaving Asda behind in terms of gaining a competitive edge.

Moreover, in order for Asda to develop linkages, management need to be able to review their project to evaluate their performance. On reflection of the research managers have explained their job roles include reviewing performance of the home shopping department. However the employees’ perceptions suggested managers do not frequently review performance of the department and if so, this is not communicated back to the employees regarding feedback. In order to develop sustainable approaches of performance reviews employees and managers need to establish effective communication systems. In essence working with external organisations enables Asda to review their performance.

Next, learning is another important component of the innovative audit as it is evident from Asda to learn from their mistakes. From the findings discussed above, Asda remain behind in acting in response to changes of learning as managers tend to make irrational decisions. Consequently, these decisions do not benefit the department, employees or processes; hereafter Asda have not learnt from their mistakes as they continue with projects without significant review or evaluation.
In summary, the findings reflect that the managers are aware of processes, mechanisms and innovative projects within Asda, it is clear the knowledge or information is not transparent or fed to employees. Considering there was a lack of empirical research in regards to service innovation, the researcher has provided noteworthy contributions to each of the five components from the innovation audit.

Limitations

One drawback of the interview process was that the researcher did not gain an opportunity to meet the participants in order to build rapport; as the interviews were conducted in a short space of time, the facial impression and body language reflected from the participants showed a lack of trust. Consequently, within four out of five stores rumours were communicated that the researcher was from senior management within Asda headquarters.

As a result of this lack of trust and credibility towards the interviewer the participants “value of information given was limited, raising doubts” (Saunders et al, 2009: 326) about the interviewer’s intentions. Therefore this would create further uncertainties regarding validity and reliability on behalf of the participants.

Another implication could be that the innovation audit tends to be quite repetitive whilst asking some of the questions to the interviewees. The researcher could have grouped the five innovation components into groups whereby it would have been convenient to ask the questions to the participants. On a positive note, it can be argued that the innovation audit was easier to understand when the participants were answering the questions in the interviewees.

The researcher had chosen to conduct the dissertation on Asda specifically and rather than other supermarkets in the retail sector. Therefore the study is lacking the generalisability upon the retail sector.

Future Opportunities of the Research

As this study was conducted within the East Midlands region, the study could be compared across a national scale to identify whether the findings were similar on across the nation or imply to only particular stores. The study could be a reflection of the performance of other Asda stores in the nation, are the stores able to identify and embed similar innovative practise.

Another opportunity could be that there is a growing importance of innovation in Asda’s outlets. This can provide the future researcher to conduct the same study as the current researcher in the foreseeable future and see whether their findings have improved or have gone worsen in regards to dealing with innovation in retail outlets. Moreover, this will provide the future researcher an opportunity and see whether retail outlets have improved dealing with innovation and see the process and the mechanism that has been implemented by the Asda HQ or whether Asda outlets have a degree of autonomously dealing with innovation.

A future opportunity for the study can be expanded and analyse other retailers such as Tesco’s, Sainsbury’s and Morrison’s. Nevertheless, this will contribute to the service innovation in the retail sector as there is limited theory in this area; as this can contribute a wider dimension of the importance of the innovation in retail outlets. The researcher can compare the innovation practices adopted and analyse how a firm measure innovation is as this will look at a wide range of audit methodologies.
Another opportunity could be for the next researcher is to look at Asda’s core competences and RBV as this was not addressed by the researcher. This will provide a further insight on the importance of innovation from a strategic perspective.

**Recommendations**

The researcher could have used an ethnography approach which would explore the ‘naturalistic’ environment of an organisation (Saunders et al, 2009). To expand on this, the researcher could observe each of the five stores across the Midlands and observe how innovation is embedded and directed from the Asda HQ to Asda stores. This would give the researcher a further insight on the working practices and look at the importance of innovation across the organisation.

Using an ethnography approach would be enable the researcher to interact and build rapport with the home shopping colleagues as the participants would be more open and honest when conducting an interview (Saunders et al, 2009). In this case, there is a high degree of reflexivity which can play an important part when trying to respond to changes.

However, the limitation of using this approach is that conducting an ethnography approach can be ‘time consuming’ as the researcher will be trying to develop and explore for new patterns in the field of anthropology (Saunders et al, 2009). On a positive note, using an ethnography approach will enable the researcher to have a better understanding in regards to answering a particular context about innovation.

**Appendix 1- The Innovation Audit**
Appendix 2 – Transcripts

The Researcher: Interviewing Participant F | Location: Asda HQ

Time: 14:14 | Job Role: Senior Management

Date: Sunday 5th August 2012

Question 1
The Researcher: For question one you said that people have a clear idea of how innovation can help us to compete and you ranked that as number 4, could you elaborate on that please.
Participant F: [Clear throat] Well by people being our colleagues. They have a clear idea of how colleague development, how colleague training, how different means of coaching, how different means of... improving the business. How striving for excellence is one of our values. How it helps us to compete – so they don’t have a very good but have a mid-way appreciation.

Question 2
The Researcher: Looking at Question 2, do Asda have processes in place to help manage product development effectively, from idea to launch?
Participant F: We have a very clear guidelines very clear trial situations of which new strategies and new products are looked at, reviewed in Asda house. And then placed into different, what we call Complex Stores or different levels of complexity and then trialled.

Question 3
The Researcher: Ok... [Pause]... Looking at question number three do Asda in general... their organisational structure – does not stifle innovation but helps it to occur – do you agree with that?
Participant F: Yeh, totally it’s all about innovation – you can’t look forward without standing still. And you know... the organisational structure does review all the time different potential ways of learning, different ways of monitoring performance and different ways of coaching and driving performance.
The Researcher: Does that apply across all the departments or is it just one area?
Participant F: Yeh absolutely, across all departments.

Question 4
The Researcher: Right... looking at question number four, is there a strong commitment to training and development of the people ... I mean colleagues within Asda?
Participant F: Yes, total strong commitment.
The Researcher: Do you have any experiences you would like to share?
Participant F: Well yeh... there is a total strong commitment to training everyone is trained as soon as they come in and there is training on wire and there is training for on-the-job training. There is also training for stepping-stones – training for people to managers then for managers to senior managers. You know there is training which goes along as modules – which people can attend. There is work-based learning and open-learning modules.

Question 5
The Researcher: Ok... looking at question number five do Asda tend to have a good ‘win-win’ relationships with their suppliers as well?
Participant F: Yeh, it’s all about how we can make it cheaper for the customer and how we can
buy it cheaper. It’s also about how we can compete. You know... if we can sell the same tins of baked beans as Tesco do at the same price... [PAUSE]... if we can get it cheaper then obviously we’ll make more margins from that product.
Likewise we have situations where actually speak to the supplier and say right we’ll guarantee we’ll talk “X” amount of products from you but on the back of that guarantee there will be a discount that we are looking for on top of the normal price.

The Researcher: So do Asda compete with other retail organisations based on price?
Participant F: Obviously we compete with our price on the shop-floor buy we also compete with suppliers. If you’re a farmer... you know... and if you produce something and instead of someone coming to you each month and you selling your goods. If someone then turns around to do you and right well we will take everything you can supply for the next two years. But instead of it being at “X” price – we’re prepared to pay the “X” amount minus 20% discount. Well then it’s up to you to say as the farmer – yes I will do it or no I will not take the offer.

So yes we do have a ‘win-win’ situation. The people that we actually with suppliers – we invest in their units, we invest in their technology because if they can produce it cheaper we (Asda) can then sell it cheaper to the customer and consequently from a margin point of view we (Asda) make more money.

Question 6
The Researcher: Ok... looking at question number six is Asda’s innovation strategy clearly communicated – so everyone knows their targets for improvement, you ranked that as number four. Could you elaborate on that and how could they actually improve?
Participant F: Well it could be like everything – there are improvements – it’s a needs-to-know-business that we work on. How we... our innovation strategy to the senior teams, the GSMs, the top teams within the company is done twice a year through our conferences...

The Researcher: Ok, conferences.
Participant F:... and then they need to know pieces of information that is then passed down through to weekly meeting, monthly meetings to the hourly paid colleagues as to how... what the... [PAUSE]... if the top team within the company need to know 100%, the senior team doesn’t need to know 100%. It might be 70% and then as it goes down the line to the hourly paid colleague they might only need to know 10%.
So it’s depending on the individuals... depends on what... [Clear Throat]...level they are actually communicated to... like everything could be better.

Question 7
The Researcher: Ok... looking at question number seven which focuses whether Asda’s innovation budget are completed on time and within the budget and if so what they can do to keep to the budget and within the time-frame?
Participant F: It’s like everything- the projects are all trials – they will turn around and say we need to find out how that works but if it’s going to be... [PAUSE]... they give it sufficient time so it’ll always be done within time, because it’s a timely piece and a budget piece – a lot of it is training or coaching... so there are budgets for the initial setup and consequently if you’re given ten grand (£10,000) to go and do a trail - ten grand (£10,000) is all you have.

Question 8
The Researcher: Ok... looking at question number eight do colleagues work well together across department boundaries – you ranked that as number six. If not what can they do to work well effectively?
Participant F: Well again this goes back to ‘people’ – when is says ‘people’ you’ve got different
levels of people. Colleagues in Asda house, colleagues that deal with the innovation – do work
well together you know... because that’s what they’ve got to do. They work hand-in-hand on
developing strategies e.t.c... But then you have also got colleagues that work well at the
department level which does work well, could work better and that’s why I scored it a six.

The Researcher: But if they was an internal resistance within the organisation due to changes
as an example – how do Asda deal with that?

Participant F: Well the whole point about it is... if there is change that is faced into, spoken to...
you know... that is discussed but ultimately we change or we fall behind. We don’t make changes
willy-nilly – any changes will be trialled and if they are the right changes for the business – they
would have been trialled and if in the trial they come out as being positive and required they’ll be
pushed through.

The Researcher: And how long do these trials last?

Participant F: It all depends... we’ve got trials that have been going on for about three years to
trials that go on for about two weeks.

Question 9

The Researcher: Ok... looking at question number nine do Asda take time to review their
projects and to improve on their performance over time?

Participant F: Yes...we are always reviewing... you know... we implement and review...
implement and review. That’s what we do, even on a daily piece with the managers – every
Monday we have a review. We have a planning-for-sales-coaching-standards review to which we
are looking to how we can make things better.

So yes that is what we have achieved... how we can make it better. So it is permanent reviewing.

Question 10

The Researcher: Ok... looking at question number ten are Asda good at understanding the
needs of their customers and users?

Participant F: Again all around we have listing groups and we have areas to which departments
have listing groups with customers, listings groups with colleagues, we listings groups with
suppliers and there are listings groups taking place across the company all the time. So we need
to be good at understanding – if we don’t understand the needs of the customer we (Asda) won’t
grow. We part of the biggest retailer of the world and you don’t get to be the biggest retailer in the
world by believing in yourself. You get to be the biggest retailer in the world by listening to what
the customers are requiring – what the customer needs are and then going to satisfy those
needs.

The Researcher: So the customers are number one...

Participant F: Of course. That’s it... the whole point about creating revenue – you know... why
would a customer come to a Asda store as supposed to a customer going to a Tesco’s tore. We
want the customer to come to Asda as the customer provides the sales – they buy the products
at the end of the day and we have got to satisfy their needs.

Question 11

The Researcher: Ok... looking at question number eleven do the people know what Asda’s
distinctive competencies are and what gives them a competitive advantage edge? You ranked
this as number four and what can they do to improve?

Participant F: Again it’s all communication – when we look at people there... [PAUSE]... I’ve
answered that on the fact on the 170,000 colleagues we actually have... you know... could we all
know more... yes we could it’s just down to communication and spending time developing that
level of knowledge and competence within the colleague base.

The Researcher: When you talked earlier on about ‘price’... Asda are trying to become cheaper
by selling cheaper goods in comparison to other retailers is that another form of distinctive competence for Asda as well?

Participant F: Erm Yeh... everyone knows... you know for the 15th year running we run the “Grocer 33” – Something which is celebrated through the shop, on POS, on badges – we huddle it out and we communicate it out. People understand that – the importance of being the cheapest and having the cheapest basket.

Question 12
The Researcher: Ok... looking at question number twelve do Asda have an effective mechanism to ensure everyone but not just in marketing understanding customer needs – could you elaborate on that please.

Participant F: Again the mechanisms we’ve got are the huddles; we have 247 television, we have the conferences. We have many mechanisms to actually pass down to the different levels of the chain. What the current economic climate is sitting at and how we’re going to be targeting the audience with specific offers for specific needs etc...

Question 13
The Researcher: Ok... looking at question number thirteen do the people or colleagues get involved and suggest ideas and improvements for product and processes as well. You ranked that as seven.

Participant F: [Clear throat] Yes well we have every single colleague has the ability to... as you can see at the board there about bright ideas. [Participant F showing the researcher the board]. They have the ability to put forward the suggestions on Wire, everyone as a sign-on for Wire and there is a section there what we call ‘Tell Andy’ which encourages ideas – if people’s ideas are taken up they are rewarded.

The Researcher: Do you feel the colleagues are being heard every single time... looking from a colleague’s point of view do you feel their contributions are valued? Or is there a lack of ideas?

Participant F: Again... [PAUSE]... you can’t just look at it from individuals... one store might not suggest any but the next store down the road is suggesting three times the amount. So again the different... the different... contract colleague basis will have different levels of people/colleagues suggesting ideas/contributions.

For example people that live in inner city in London will have a lot more suggestions around how shops should be for the Olympics 2012 than a shop which is in Edinburgh would have.

Question 14
The Researcher: Ok... looking at question number fourteen so Asda tend to work well with universities or other research centres to help them develop their knowledge. You ranked that as five what can Asda do to develop better relationships with organisations like these for the future and have they got any plans?

Participant F: Well I think... We do work well with existing universities. We work with different organisations like Open University on how we go about training people and how we go about developing product. And how we go about researching into all kinds of different things from product fronts to what is the best way to communicate with colleagues, coach colleagues and what’s the best way to take up ideas from colleagues. You know...we work with different research centres on different areas. They are not necessary in the UK – with the parent company WalMart in the USA and there is a lot of ideas shared across the base.

This isn’t just Asda this is about sharing what WalMart in Mexico may do – which they find successful, is then shared with WalMart in the UK.

Question 15
The Researcher: Ok... looking at question number fifteen do Asda seem to learn from their mistakes.
Participant F: Yes, we always learn from our mistakes... you’ve got to! We don’t say ‘of fair enough that’s failing so we’ll leave it.’ To keep a competitive edge, to keep our costs down to actually keep on maintaining for example winning the “Grocer 33” – we are maintaining low costs. [LAUGH] You can’t afford not to learn from your mistakes – so that’s what we do.

We learn from our mistakes and imply... this is part of the reviewing; reviewing, reviewing and then we apply that to the way forward.

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Question 16

The Researcher: Ok... looking at question number sixteen – looking ahead in a structured way using forecasting tools and techniques to try to seek the future opportunities and threats. You ranked that as a seven – could you elaborate on this point please.

Participant F: We do...we forecast we use and look at existing data, we look at past history for when things happen so Olympics happened last and when Football is on, when it was a leap year, when Christmas Eve fell on a Saturday and once on a Sunday. We use historic information and also we use current trending information, we use at what the market is trending at. All areas are looked at to aid our forecasting.

The Researcher: Ok... Can I mention another point... How does Asda deal with religious festivals such as...currently there is Ramadan (for Muslims) at this time. What is the process to deal with these festivals as Diwali will be arriving soon then Christmas - using a step-by-step logic.

Participant F: Same way we deal with Christmas... historically they look at the stores... [PAUSE]... for example if you go to the Corby store there is no ethnic participation within that store and so there is no significant change when the religious festivals are on. Whereas if you go to Oadby, Thurmaston you will notice the changes – all based on historic information. If you go back 5 years perhaps Ramadan would not have been noticed. There would have been individuals buying... on the back of the experience of the managers of the shop buying extra sweets or other products in during that month etc. But now the company look at what happened last year and what did sell – and look at when the festivals fall and buy extra products to push and sell earlier on.

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Question 17

The Researcher: Looking at question number seventeen do Asda tend to have an effective mechanism for managing process, change from an idea to a successful implementation. You ranked that as a six in the innovation audit.

Participant F: Yes, we trial products as I said before, there are effective processes. Could it be more effective...yes... That’s why I ranked it as a six.

The Researcher: How effective could Asda be and what could be done to support this?

Participant F: Well they could be trialling it for longer... they could trialling it over a greater store base – over more shops. But when does a trial stop being a trial till it becomes something that every store does or implement. Everyone should be trialling products and I think we are very good at trialling so I ranked it a six.

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Question 18

The Researcher: Looking at question number eighteen does Asda’s organisational structure help them to make decision rapidly?

Participant F: Yes, it does. Asda is structured from the CEO...through to the trials to the decisions that are happening – people are involved and they reviewed at where they are – we
then have someone who will say ‘yes’ or ‘no’ depending on the scale of the decision. If it’s a major decision then the level would be a lot higher for agreement compared to a smaller decision which the stored themselves can make. We have autonomy across all things.

Question 19

The Researcher: Looking at question number nineteen do Asda tend to work closely with their customers towards exploring and developing new concepts?

Participant F: Yes, again I mentioned earlier there are listings groups, taste testing groups... you know... we have product development groups... that is what part of the buying section do. It’s all about product development from the press, the up-and-coming, from the internet, what’s trending. What we can get on the fore-front with.

Question 20

The Researcher: Looking at question number twenty do Asda systematically compare their products and processes with other firms such a Tesco for example.

Participant F: Yes, all the time – again the marketing group look at what other retailers are doing all the time and how we (Asda) are competitive against those and how our products range from theirs. Are they (competitors) doing something else that we need to do? The marketing team are always looking systematically at competitors.

The Researcher: So you think Asda can imitate Tesco’s processes in the future because Tesco’s operations and logistics etc as their processes tend to be greater than Asda’s.

Participant F: Well, I disagree, not everyone can be the same. There are cheaper ways and more effective ways. Tesco’s have tried to emulate parts of our processes and we have tried to emulate parts of their process. They way in which some of their processes work would not suit what we try to do so we would not follow it. Sometimes we may not gain anything from that... you know... you don’t something unless it is broken.

Question 21

The Researcher: Looking at question number twenty-one explain how the top-down vision of the company develop through innovation. Top-down meaning from senior management...

Participant F: Yes, as I mentioned before conferences, information is shared 24-7. The vision is shared with us, the senior team – then to a certain degree we then share that with the colleagues.

Question 22

The Researcher: Looking at question number twenty-two do Asda systematically search for new product ideas?

Participant F: Yes, again likewise with question twenty – yes we do. We look at the products, markets including changes in the market and to what new concepts are coming up and how the shop is changing. How our NVG departments are a lot smaller than ten years ago because everyone is downloading music and our internet operations is significantly bigger than it was five years ago because of the level of interaction people have with the internet. So yes we are systematically searching for new product ideas and addressing the existing ones that we have in the shop.

Question 23

The Researcher: Looking at question number twenty-three... communication is effective and
works top-down, bottom-up and across the organisation, how effective is communication and if so have there been any communication problems across the organisation.

**Participant F:** No... [PAUSE]... not that I am aware of... communication is paramount and we have listings which goes from bottom-up, we have communication from top-down. There is communication listing groups, with colleagues attending ‘colleague’s voice’ meetings which are regional and company based. Communication is up-down and diagonally across.

**Question 24**

**The Researcher:** Looking at question number twenty-four do Asda tend to collaborate with other firms to develop products or processes?

**Participant F:** Yes... same as you’ve discussed in previous questions... [PAUSE]...

**Question 25**

**The Researcher:** Looking at question number twenty-five do Asda meet and share experiences with other firms to help Asda?

**Participant F:** [Some Laughter] Very similar... we share experiences; we have people that have worked with us and other retailers. We look at how other retailers do.

**The Researcher:** Has there ever been an experience whereby an organisation does not perform that well and you (Asda) have been thinking why haven’t they performed well.

**Participant F:** Yes, we do it even within our own company. WalMart opened up in Mexico and in China – didn’t work and so we pulled out, it closed. You know... from those experiences we then looked to see if there are any signs to look at what can happen from an economic base – is there any shadows been cast that are going to happen in other areas? So we share our experiences and also the retail consortium to which Andy Clarke, Tony – he used to go share all around the visions are and see what is happening. We do not sit in our own little world of Asda and say this is how it is going. We have to look at how we can compete, how we can do things cheaper and we’ve got to share experiences.

**Question 26**

**The Researcher:** Looking at question number twenty-six do Asda have mechanisms in place to ensure early involvement of all departments in developing new products and processes?

**Participant F:** Yes, mechanisms are in place from product development to system development. We don’t just pick certain things at random whether it be a product a system or whether it be a colleague uniform – if you’re going to do something you’ll want to do it with cutting edge technology. You would want to incorporate cutting edge technology – so any new innovation is trying to be incorporated into our product development, processes, packaging or uniform material which is going to be cheaper etc.

**Question 27**

**The Researcher:** Looking at question number twenty-seven do Asda have mechanisms in place to ensure early involvement of all departments in developing new products and processes?

**Participant F:** That’s why I graded the question a five. We don’t reward colleagues as such that come up with ideas – we acknowledge them but they could be rewarded more. For example a friend of mine works in a company to which if they suggest something and then it’s adopted by the company they receive a proportion of the savings that were involved. So I think we could reward and recognise areas to a greater extend.
The Researcher: Is it something you would do in the future?
Participant F: No, I don’t think it is something that we will do... we haven’t done it so far and I see us doing it in the future.

Question 29
The Researcher: Looking at question number twenty-nine do Asda try and develop an extended network of people who can help or support Asda... for example with special knowledge?
Participant F: Yes, again very similar to a previous using universities etc. We do develop... and have a network... for example our ‘Extra Special’ range is developed through ‘Leiths School of Food and Wine’ (Cookery school). Leiths train chefs across the world are developed in conjunction with themselves. So we do use specialist knowledge in areas.

Question 30
The Researcher: Looking at question number thirty do Asda tend to be good at capturing of what they have learnt so can make use of this?
Participant F: Yes, again that’s the whole thing WalMart – globally – if something happens in US then they will apply/offer the learning to the UK and likewise.
The Researcher: If I could expand on this point – looking at Walmart’s ERP system – it is recognised as one of the best software’s in the world ... (can’t remember what it is called). How is it that this is not adopted within Asda?
Participant F: I would not know why. When you say ERP...
The Researcher: Enterprise Resource Planning – it is one software used in all departments throughout the organisation. The software looks at the patterns and changes – it is a fairly accurate system. Walmart have not implemented this in the UK.
Participant F: If WalMart are using this across the organisation, and globally. We would not be using it unless we feel we have something better. Or the system would not bring anything to the party in the UK. There is no reason for all stores to have this.

Question 31
The Researcher: Looking at question number thirty-one do Asda have processes in place to review new technological or market developments and what does that mean for Asda’s strategy?
Participant F: Well again... we are permanently looking at our processes... it’s like a car manufacturer how can you do tasks cheaper, quicker and better to actually last longer – there are parts of Asda’s divisions which do look at this. They look at the future innovation, technologies and requirements that are then used in conjunction with the company strategy. It will be put into something that is required and consequently that strategy will be adjusted and adopted according to up-and-coming trends. For example... there is a bigger and better greater part internet play within our business... that is build into our strategy – how we’re actually developing these internet options, how we are developing Asda money. All of these things are current innovations which are coming through to which five years ago were not there and if we didn’t adopt them – we’d be doing what we did five years ago. Consequently we (Asda) would not be where we are now. We would be another Woolworths who refused to adapt and change towards the new markets trends.

Question 32
The Researcher: Looking at question number thirty-two do Asda tend to have a clear system for choosing innovation projects?
Participant F: Yes – the whole system does... we look at how it will help us, is it going to make things cheaper, is it going to help us sell more products and is it going to make it easier for our customer to buy more products. There is a clear strategy... if it’s not going to hit any of those it
will not be used. So if it is not going to make our operations cost effective, make the product cheaper for the customer or make the customer more aware of the product – it’s not going to be used. So there is a clear system on how we choose and how we are going to trial different areas.

Question 33

The Researcher: Looking at question number thirty-three do Asda have a supportive climate for new ideas, so people do not have to leave the organisation to leave to make them happen.

Participant F: I do not understand the question. There two parts – do we have a supportive climate for new ideas... Yes we do. Again there are a lot of questions repeating themselves here. Supportive climate for new ideas – we need to have new ideas to actually keep on growing, developing and to keep our competitive edge where it is. People don’t have to leave the organisation to make them happen. Don’t know what it means by that.

The Researcher: If I could reflect on my experiences, back in home-shopping a couple of years ago – there are many radical changes within the department from single picking to multi order picking – people (colleagues) did not want to adopt the new changes as the processes was time-consuming and the colleague had to take too many tubs etc. Colleagues left as if they weren’t being heard and caused an internal resistance between the colleagues and managers – which caused about twenty five to thirty people leave Asda in a space of two years within that department.

Participant F: So just to stop you there... these colleagues left because they did not want to do multi-order picking?

The Researcher: Yes... pretty much.

Participant F: The fact is that the company is still doing multi-order picking today and we will continue to do multi-order picking if a colleague does not like doing what the company asked them to do they have an opportunity to leave.

So colleagues do not have to leave the organisation to make it (new ideas) happen – if suddenly by everyone leaving and multi-order picking stopped, that would be different... it isn’t! Multi-order picking is something we’ve got to do – to which every other company does and everything around multi-order picking was trialled and yes consequently if an individual does not want to do multi-order picking then they can leave. If people were leaving because of multi-order picking... then potentially we would have to review and look back maybe multi-order picking isn’t the best process.

The Researcher: So in other word you are saying people have to adapt to new changes...

Participant F: If you were working for McDonalds and were told for health and safety reasons we want you to wear a hat with a net at the back of it. You either wear the hat with a net at the back or work otherwise work elsewhere. With multi-order picking is around how we pick items quickly and cheaper. We don’t charge the customer more because our colleagues don’t like multi-order picking – it’s about being cost-effective. It’s not an issue for 99.9% of our colleagues that actually multi-order -pick for example. It’s simply the fact that some people do not like change!

The Researcher: Do you feel that the way in which manager’s dealt with their leadership may have caused many colleagues to leave Asda... in particular their attitude towards the changes?

Participant F: Yes, yes... totally... people do not leave companies... people leave managers and that’s a fact. A lot of people that leave stores; if they were doing the same job in a different store they would not have left – it’s not the fact that the job itself is not right – it’s just that the manager or the person coordinating the job is not the right person.

Question 34

The Researcher: Looking at question number thirty-four do Asda tend to work closely with the local and national education system to communicate the need for skills?

Participant F: Yes, again we’ve talked about it before we’ve worked with Open University; with
different schools (I have a briefing at 3pm so...)
The Researcher: Ok...
Participant F: So yes we do work closely with the national education systems.

Question 35
The Researcher: Looking at question number thirty-five...
Participant F: Yes... we learn from other organisations. If Tesco fall over and burn their fingers we say fair enough we are still going to carry on running with it and review our situation. To say right well ‘is that going to happen to us?’ And then make a decision according to that.

Question 36
The Researcher: Looking at question number thirty-six, is there a clear link between innovation projects that are carried out and the overall strategy of the business?
Participant F: Of course there is... yes. Again a clear link between trialling and then if something does go through then will be put forward to the overall strategy. Again we trialled home-shopping 15 years ago and now home-shopping is a major part of our company’s overall strategy.

Question 37
The Researcher: Looking at question number thirty-seven do you think there is sufficient flexibility in Asda’s system for product development to allow more fast-track projects to occur?
Participant F: Yes... that’s all about the trials and certain things we trail and it if works we implement these. Yes...then these ideas will be pushed through.

Question 38
The Researcher: Looking at question number thirty-eight... I think you mentioned that they worked well with other teams.

Question 39
The Researcher: Looking at question number thirty-nine so Asda tend to work with lead users and develop innovative products?
Participant F: Yes... that is looking at the same. It is looking at which are the key people and markets. Yes we do work closely with other departments.

Question 40
The Researcher: Looking at question number forty (last question) what measurements do Asda use to identify where and when to improve innovation management?
Participant F: We measure through the Grocer and all independent people that come in and measure us - the “Grocer 33” measure our survey service, friendliness they measure our availability and price...

[Interrupted with a colleague knowing on the door]

...We encourage them and work with them to monitor our performance with all kinds of areas to improve our innovation.

The Researcher: Well thank you very much for the interview.
Appendix 3- Letter to the Asda headquarters

31 Lancashire Street
OFF Melton Road
Leicester
LE4 7AF

18th July 2012

Dear Sir/madam,

As a current Asda employee from University of Nottingham I am undertaking my MSc Management dissertation in regards to innovation management, I been aware of the significant developments to home shopping in recent years. My dissertation aims to focus on ‘how Asda can use innovation to gain a competitive advantage?’ Currently, there is a lack of research that exists in regards to the retail industry, therefore chose to study innovation in particular and I believe this is a promising area for Asda which I could contribute new ideas or concepts towards.

I would like to conduct semi structured interviews with the employees across Asda stores within the Midlands to answer my research questions in regards to how Asda use innovation to gain a competitive advantage. I am fully aware of the ethical guidelines presented by Asda policies and will adhere to these whilst conducting the research, in regards to sensitivity and disclosure of information provided by the employees. I would like to assure you that as a dedicated Asda employee that only my supervisor and an external marker will see my dissertation and will not pass information onto other third parties. Moreover I am well versed in the field of ethics and will adhere to the principles when interviewing the participants.

My dissertation supervisor Hannah Noke, also provides assurances that the information will not be passed onto third parties, as her contact details are shown below. If there are any doubts, I am willing to travel to the Asda headquarters to introduce my research to you as well as answer any questions about ethics and the research. If I was able to get access across the Asda stores within the Midlands, I would be able to contribution my perspective of how Asda use innovation to gain a competitive advantage within the home shopping department. Moreover, as a researcher I would be happy to present the findings of my dissertation to the organisation if an opportunity arises.

Please do not hesitate to contact via email at Anand.chouhan@nottingham.ac.uk should you have any further questions regarding the research. I trust you will accept my request and enable me to undertake the research. I look forward to hearing from you very soon.

Yours Sincerely,

Anand Chouhan

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Appendix 4 – Forming Categories

Linkages

Reviewing Projects

Leicester

(Picker - Recorded Participant A) - Did not ask question - **Ranked 6**

(Manager - Recorded Participant G) - *Well with the environment we work in, we review performances, processes and projects on a daily basis to review where we were previously and so far to the week to see if changes need to make throughout the week.** **Ranked as 6**

(Driver – Not Recorded Participant H) - Think that Asda does not review their projects at all. (Not too sure about the point, participant sounded unsure). **Ranked as 2**

Loader - Not Recorded Participant J) - There has to be some form of reviewing, but it has to be slow because they don’t make amendments to their mistakes. **Ranked as 4**

Nottingham

(Manager - Recorded Participant C) - Yeah, we have a project right, we will review it and then land it first time, we will review it for 5-7 weeks, any problems with landing would be fed back would be corrected and someone will look at it and see it for next time. **Ranked 6**

(Picker – Not Recorded Participant N) – Hardly ever reviews projects until they made their mistakes. (Seems confident) - **Ranked as 2**

(Loader- Not Recorded Participant K) - mentions that managers have a meetings every day, talking about the actions of the department but Asda in general are very slow to react which is bad in the long run. **Ranked as 2**

Driver –Non Recorded Participant O - Did not understand the question.

Nuneaton

(Loader- Not Recorded Participant Q)- Managers do not review whereas they tend to focus on costs, they do not look from the employee’s perspectives as there is a lack of innovation in the department. **Ranked as 2**

(Driver – Not Recorded Participant D)- Managers have to review their projects but don’t think its innovative at all. However, looking from our job role, there is no form of reviewing going on at all. **Ranked as 5**

(Manager - Recorded Participant E) -To be honest whenever I am working every couple of weeks, there are a lot of changes over a period of time, there is always something new in terms with process, if not they go back to their original process. **Ranked as 4**

P- Could not answer the question.
Derby

(Manager - Recorded Participant I) - The manager’s review their audits on a daily basis, the managers are always keeping contact with each other managers and are helping them to reach their potential. **Ranked as 6**

(Picker – Not Recorded Participant M)- The managers and the pickers do not review their any projects, if they do review anything, they will not tell us. **Ranked as 2**

(Driver- Recorded Participant B) - Yeah, they have a voice thing where they take your ideas on board and speak to the line manager to the head manager. They have a training room where they have meetings on a regular basis; they go through the ideas that people bring forward and they try to implement that into the system. At the end of the day, it’s what staff feels comfortable with the products. I.e. if there is a new machine we can talk about if the customers; the customers would feel happy and that’s good service at the end of the day. **Ranked as 7**

(Loader- Not Recorded Participant L)- Could not answer the question

Birmingham

(Picker – Not Recorded Participant S) – No form of reviewing at all. **Ranked as 2**

(Driver – Not Recorded Participant U) – Asda takes time to review their projects in general, however as a picker, we are not told to review any projects. Also, Asda are very slow at the learning process. **Ranked as 3**

(Loader- Not Recorded Participant T)- – Asda are generally Slow at reviewing the process **Ranked as 2**

(Manager - Recorded Participant R)- There is a lot of reviewing as a manager, have to review the projects in the home shopping department, we also do trials runs in various stores and report to the Asda HQ if there are any problems, the colleagues do not understand the role of managers reviewing projects. Therefore, this can lead to a conflict in the near future. Ranked as 7

Leeds

(Manager Participant- F recorded): Yes...we are always reviewing... you know... we implement and review... implement and review. That’s what we do, even on a daily piece with the managers – every Monday we have a review. We have a planning-for-sales-coaching-standards review to which we are looking to how we can make things better. So yes that is what we have achieved... how we can make it better. So it is permanent reviewing. **Ranked as 6**
Exploring New Concepts

Leicester

(Picker - Recorded Participant A)- Did not ask question - Ranked 0

(Manager - Recorded Participant G) - : Definitely, it’s one the point’s difference that we already have from our competitors, because of the involvement we have with our customers regarding new products, new ranges and through seasonal changes etc. As this is across every department on the shop floor will have these chosen by you products. Ranked as 7

(Driver – Not Recorded Participant H)- argued that in his job role as a driver he does not have to work with exploring new concepts. Ranked as 2

Loader- Not Recorded Participant J) – Talked about Asda in general work with exploring new concepts, but from his job role there is involvement with exploring new concepts as a loader. (Ranked as 3)

Nottingham

(Manager - Recorded Participant C) - Yes, like I said earlier, we work well with our customer’s feedback and listening groups. I think at the back of the receipt you can talk about your experience on the Asda website. Ranked as 7

(Picker – Not Recorded Participant N) – couldn’t answer that question

(Loader- Not Recorded Participant K) - has never heard of exploring new concepts, not part of his job role. All the decisions are made from the Asda HQ. Ranked as 3

(Driver –Non Recorded Participant O) – tends to be in a bureaucratic organisation; however there is no degree of flexibility. Also senior management don’t always agree due be flexible toward the employees needs because it will increase costs. Ranked as 7

Nuneaton

(Loader- Not Recorded Participant Q)- Loaders are never told who the customers are, the loaders do not deal with exploring new concepts. Manager does not communicate about the focus groups with the participant. Ranked as 2

(Driver – Not Recorded Participant D)- There is a lot of exploring with new concepts with systems. The drivers are allowed to bring their own new sat navs, as a way of reducing money. Asda sat navs tend to be rubbish. We ask the customers about efficiency, getting there on time. Ranked as 7

(Manager - Recorded Participant E) I have seen boards in Asda, trying to reach to the community on how they can improve the stores. They do it, but I don’t know how many people contribute to it. (Rank as 4)

(Picker – Not Recorded Participant P) – they always get it wrong due to regional needs, Asda managers want greater input in understanding customers, but all decisions are made from the Asda HQ.

Derby
(Manager - Recorded Participant I) – a lot of exploring the customers going on, however we would like some form of input in the decision making. The Asda HQ listens to our feedback, but they can do slightly better. Looking at the concept of exploring withy consumers, they are really good at that. **Ranked as 7**

(Picker – Not Recorded Participant M)- did not understand the question.

(Driver- Recorded Participant B) Yes, because if customers come in and complain about certain things... most complains go through to the managers. If they work to solve this they'll have less complains. At the moment we only have complains at the Customer Services if something doesn't work etc. Asda are successful because they listen and take on board what customers have said. **Ranked as 7**

(Loader- Not Recorded Participant L)- Could not answer the question

**Birmingham**

(Picker – Not Recorded Participant S) – **Asda are very good at exploring customers and new concepts, but they can do better by reaching out to regional needs rather than the Asda HQ making all the decisions. Ranked as 3**

(Driver – Not Recorded Participant U) – Asda is very slow at exploring new concepts due to the lack of up to date technology. **Ranked as 2**

(Loader- Not Recorded Participant T)– Asda have asked customers what they think about their new systems and process and concept. **Ranked as 4**

(Manager - Recorded Participant R)- There is a lot exploring new concepts with customers, I don’t know why as managers we are not involved. We should be involved in these concepts; all the decisions are based in the Asda HQ. Therefore, this is an opportunity that we ask the Asda HQ. . **Ranked as 7**

**Leeds**

(Manager Participant- F recorded): Yes, again I mentioned earlier there are listings groups, taste testing groups... you know... we have product development groups... that is what part of the buying section do. It’s all about product development from the press, the up-and-coming, from the internet, what’s trending. What we can get on the fore-front with. **Ranked as 7**
External New Network

Leicester

(Picker- Recorded Participant A) - Did not ask question - Ranked 0

(Manager - Recorded Participant G) - Yes I think they do have used it in the past and my knowledge of what networking they do with other companies is limited because I am not in a position to need to know that information really. Ranked as 5

(Driver – Not Recorded Participant H)- Asda home shopping drivers and pickers have a palm pilot that is made from Motorola. The technology is ok, I think Asda can do better by getting new partnerships. Ranked as 4

Loader- Not Recorded Participant J) – I’m sure they do – but they are not that great. Ranked as 2

Nottingham

(Manager - Recorded Participant C) - We have our own internal specialist staff who would deal with the departments falls into a chaos, we won’t tend to look at other companies and ask them for help. We have a home shopping coach who looks after 10 stores, if we are in trouble they would help us out. Ranked 5

(Picker – Not Recorded Participant N) – Lack of knowledge on this area.

(Loader- Not Recorded Participant K) - tends to use internal specialists, opportunity for a change? Probably they need to get someone who is academic. Ranked as 2

Driver – Non Recorded Participant O - Did not understand the question.

Nuneaton

(Loader- Not Recorded Participant Q) - has no idea on why labelled as a 3. Ranked as 3

(Driver – Not Recorded Participant D) - they are not very good at the whole external network. Asda would need to invest in this area. Motorola example was used in the home shopping for drivers and pickers. Ranked as 5

(Manager - Recorded Participant E) - This is head office sort of thing, i guess they do a bit. I am not too sure. For home shopping resources especially their resources using the palms, Asda used ‘Motorola’ and that’s specialist knowledge as an external network to create a programme for the pickers. Ranked as 4

P: Could not answer the question.

Derby

(Manager - Recorded Participant I) – The managers know what is been use and trialled for an external network (use the Motorola example). He said that sometimes it can cause problems and sometimes it can be fine. Managers know the process of external networks with technology, Asda HQ would know more about this in depth. Ranked as 6

(Picker – Not Recorded Participant M)- lack of knowledge about this area but rated it as 2
Ranked as 2
(Driver - Recorded Participant B) - yes, they have got specialist helpers, for example we have a company called ‘VeryTech’ who we can ring if there is a problem with our machinery and they will come to the store efficiently to fix the problem on the day so it working for the customers. Looking at question number twenty-nine do Asda try and develop an extended network of people who can help or support Asda... for example with special knowledge? Ranked as 6

(Loader - Not Recorded Participant L) - Could not answer the question

Birmingham
(Picker – Not Recorded Participant S) – lack of knowledge ranked as 1
(Driver – Not Recorded Participant U) – Asda don’t use external networks but they should do. Not too sure about this area. Ranked as 1
(Loader- Not Recorded Participant T) – Asda are need to get some academics involved. Ranked as 1
(Manager - Recorded Participant R) - tends to deal with internal specialists if there are any problems with the home shopping department, we should get a external partnership/alliance in the future as they can contribute new ideas. Ranked as 6

Leeds
(Manager Participant- F recorded): Yes, again very similar to a previous using universities etc. We do develop... and have a network... for example our ‘Extra Special’ range is developed through ‘Leiths School of Food and Wine’ (Cookery school). Leiths train chefs across the world are developed in conjunction with themselves. So we do use specialist knowledge in areas. Ranked as 7

Key –
Managers
Driver
(Picker
Loader
Recorded
References


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