



Asda's roadmap to be the most convenient grocer

Asda is on a drive to reach more shoppers in the UK than any other the grocer by investing heavily in its multichannel delivery and collection methods. Rebecca Thomson reports

More than half – 53% – of the UK's population have access to an Asda store, says the grocer's senior ecommerce director Saeed Anslow, and there are plans to increase this. But the grocer isn't following a traditional expansion plan.

Traditionally, 'having access to' a store has meant living with a 20-minute drive of one. But Asda does not intend to increase its footprint using store expansion as its only method – instead, Anslow says, the plan is to extend its reach to new consumers using multichannel delivery methods.

"We're looking for remote [delivery] sites to cover parts of the country where we don't have a presence," he says. "As we move through 2015, the number of remote sites will

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increase – we're looking to extend access to Asda."

Asda has carved itself a niche at the front of the pack for delivery, and it has been instrumental in helping to shape what the retail proposition of the future will look like.

The grocer was one of the first to introduce drive-thru click-and-collect, and was among those leading the way with its Transport for London partnership that enables commuters to pick up groceries on their way home at Tube stations.

Part of its innovative attitude is because of its close ties with parent company Walmart, which has transformed itself into a digital leader over the past three years, having lagged behind competitors before that.

But Anslow says Asda also does

plenty of its own innovative work, and that some of its ideas have been adopted in US stores.

The ideas it is introducing encompass everything from collection of orders in local schools to same-day click-and-collect.

Asda is rolling out its same-day grocery service to all its stores, meaning any shopper who orders before 1pm can collect their order after 4pm that day. It is also piloting a Sunday delivery service that will mean drive-thru customers can get their orders seven days a week.

Widening its reach

In addition to the store-based services, Asda is also going after shoppers who do not live near an Asda store. It is piloting delivery services that allow



shoppers to order Asda products online and pick them up at a store, a school or a business park, and Anslow says there are big plans for this sort of service in the next five years.

He says: "We're looking to introduce more than 1,000 click-and-collect sites in a phased roll out." Commuters are a particular focus for the grocer – it believes there is a big opportunity to target shoppers whose daily commute takes them through a potential collection point.

This sort of service lends itself to non-food, and Asda says click-and-collect has actually overtaken home delivery as the delivery method of choice for non-food shoppers.

But for food, things can be a little more challenging – every collection point that provides a food pick-up service would need refrigeration, which is less straight-forward.

Anslow says the overall aim is to provide a service that fits into shoppers' day-to-day routines. "We're trying to improve convenience for shoppers, and speed of service. The key point is convenience, and finding locations that fit with customer lifestyles. As long as it fits in with customers' lives, it works well."

Shopping insight

Anslow says there have been "no major surprises" in terms of unexpected challenges thrown up by the various delivery projects it has on. But what the new delivery strategy has given Asda, he adds, is new levels of insight into how shoppers use different channels.

"What has been interesting is some of the patterns we're seeing. Some of the best times are in the evening, or in the early morning after the school run. It has been insightful."

A big positive, he adds, is that these newer services tend to attract customers who previously wouldn't have considered Asda. "It appeals to new customers rather than people who already shop with us."

New delivery methods also appeal to different shoppers at different times. Anslow says: "Sometimes it's mums, and other times it's commuters looking for last minute dinner plans. There's no real difference in terms of demographics, although it is generally a slightly younger demographic who shops online, and that is also what we've seen for click-and-collect," he explains.

By the end of this year more than 200 stores will have drive-thru capabilities as Asda focuses hard on convenience. "It's an operation that is very much around convenience and speed of ser-



Asda is increasing collection points and testing Tube click-and-collect

vice. We're looking to complete the drive-thru service in five minutes."

The new services, while designed to fit into shoppers' existing routines, have also led to new shopping habits being formed.

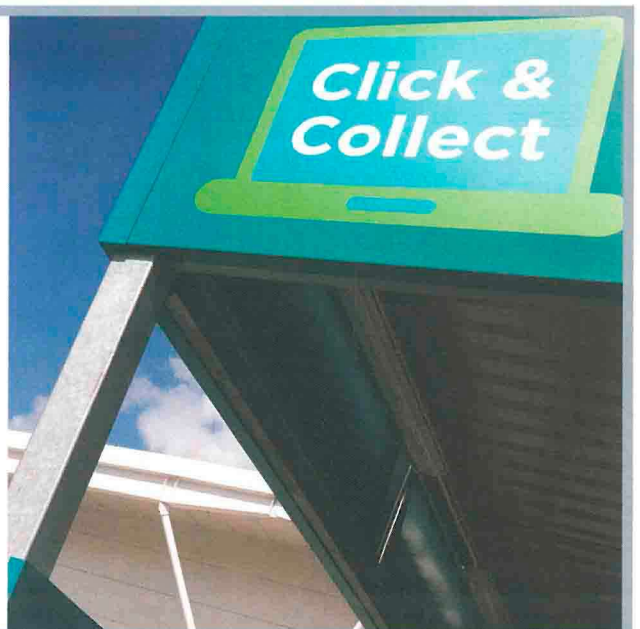
"We have seen shoppers do click-and-collect for some items, but then still shop in-store. It's giving a bit of time back to customers, and takes away some of the boring chores of the shopper. It means there's more time to do more browsing," Anslow says.

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ASDA'S DELIVERY PLANS

- Asda is introducing same-day click-and-collect services to 250 of its stores, which it says is the widest roll-out so far of this service by a UK supermarket. Shoppers who order by 1pm can collect their order after 4pm the same day.
- It says 120 of the new collection sites will be drive-thru services, allowing customers to collect their shopping without having to get out of their car.
- Almost 10% of all online orders are now collected in store.
- In November, Asda announced a trial of click-and-collect services at six Tube stations, making grocery collection more convenient for commuters in London.



In the future, more innovative ideas can be expected, Anslow adds. "In terms of future development, we work very closely with Walmart as a global ecommerce team, and there are lots of developments in the pipeline."

Collection battleground

Overall, the aim is simple. "It's about being the most convenient online food retailer – that's our goal. We already lead from a price perspective and we want to lead on convenience, being there for the customer, and giving choice."

Mobile will play a central role in Asda's proposition in the coming years, as it will for every retailer. "Two years ago very few [online] orders were placed on a mobile, and now it's over a third," Anslow says. "That's where convenience comes in – it's not really about online on the desktop anymore."

The food sector is having a tough time at the moment – Aldi and Lidl are snapping at the heels of the big four and there is little room for growth in the market. Asda's response is not just to enter yet another price war – instead, it is planning a convenience offensive using a range of multichannel tricks.

This includes lockers – in March, Asda launched the first click-and-collect lockers for groceries in the UK at its Pudsey store.

And, of course, it also involved click-and-collect – the retailer aims to have collection points installed across all its stores by the end of this year.

The outcome of the current fight in grocery is a long way off yet, but Asda is working hard to take the battle in a new direction.