

“Analysis of the impact of Mercadona's logistics performance on its overall business performance.”	
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PROGRAMME OF STUDY: MANAGEMENT

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“Analysis of the impact of Mercadona's logistics performance on its overall business performance.”

"Analiza wpływu wydajności logistycznej firmy Mercadona na jej ogólne wyniki biznesowe."

MSc Thesis

submitted in *Department of Management*

under the supervision of

dr inż. Dorota Piotrowska, TUL prof.

LODZ
2021

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1. INTRODUCTION

1.1 Introduction:

In this project we are going to carry out an analysis of the impact of Mercadona's logistics performance on its overall business performance, to see the influence and improvement that starting to use logistics and Lean Manufacturing tools has meant for this company.

First of all, we will make an initial description of the company. In this, we will describe how the company is currently and what it does, we will show its main business idea, making reference to the way it works and its basis, and also the main values that the company has, both in terms of production and business model.

Once the introduction has been made by means of the description of the company, an analysis of the current state of the company will be made, analysing its strengths and weaknesses by means of SWOT analysis. In addition, the different logistical methodologies used by the company will be analysed. Having done this, a comparison will be made between the company's results before and after incorporating these types of methodologies, showing the positive results that have arisen, and analysing the reasons for each improvement. Then, we will examine the possible improvements that can be implemented in the company, which have not yet been applied.

1.2 Objective

The objective of this final project is to achieve an analysis of the current situation of Mercadona and to analyze the impact that the use of logistics methodologies has had on the company, as well as the improvements that could be introduced to improve its results.

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2. THEORETICAL BLOCK

In this block we are going to define the different theoretical concepts that we will deal with in the subsequent practical block. To do this, we will use the different definitions of each term, to clarify what each type of analysis consists of so that we can subsequently apply these definitions.

2.1 Different factors influencing strategic performance

2.1.1 Definition of mission, vision and values

Every company must have a mission, a vision and values that determine the basis of the company and where it wants to focus. Thus, if these concepts have been well conceptualized, the company will be a firm company that is clear about where it is heading. These three concepts answer three fundamental questions to generate any company strategy. The first is, Who are we, the second is, Who do we want to be, and the third is, What values do we have to achieve it?

First, the mission. This helps us to answer the question of Who are we? According to author Roberto Espinosa, "The corporate mission is a written statement describing the raison of being of the company and its main objective. It is a statement of corporate principles and should be written expressly for each company or organization, since it is no use copying the mission, vision and values of other companies."

Therefore, we see that the mission must specify and announce what the company is dedicated to, what exactly is its activity in the market, how it performs it and what is its value proposition. Finally, it can be complemented by alluding to the target audience.

Secondly, the vision. This concept is based on answering the question "Who do we want to be?"

The vision of a company is defined as the concept that wants to determine where the company should go, so its purpose has to be ambitious, but without forgetting to be realistic. Therefore, it is usually carried out with a long-term expectation. The vision also tries to be a reason to inspire the people who work in the company by letting them know where the company wants to go and the goal it intends to achieve.

Finally, the values, which answer the question "What values do we have to achieve this? These are intended to express the principles and criteria by which this company is guided, which gives the ability to direct its script of action as well as to guide the behavior of

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workers towards the same standards. In short, they represent the principles that the company possesses and with which it and all those concerned with it must act.

2.1.2 Definition of strategic pillars

The strategic pillars of an organisation define the objectives to be achieved and which have to be established in all areas of the business. They are the foundations on which our business is built and therefore make it more sustainable. Basically, the strategic pillars are presented as the key points on which your business is based and which you always have to keep in mind at every step in order to continue working effectively at all times.

2.2 Analysis of the company

2.2.1 External analysis

An external analysis consists of an objective evaluation of the different changes that are taking place at a global level and which gives us the ability to better understand the environment in which the company is operating. The effects that this research can have are the achievement of early warnings that allow us to identify the different potential threats but also the opportunities that the market offers us.

In order to carry out this analysis, both a Pestel analysis and an analysis of Porter's 5 forces are usually carried out.

2.2.1.1 Definition of PESTLE analysis

PESTLE analysis is a tool used in strategic analysis and is based on determining a company's environment. This analysis is achieved by distinguishing and analysing different external factors.

The main reason for the application of this analysis is that it allows us to have an external vision of the company where we can observe how the company's environment is and how it will be affected by the environment in which it operates.

This analysis is very important for any company as it is a great help when it comes to decision making. The acronym of this analysis comes from the different environments that are taken into account when carrying out this analysis. PESTLE is a mnemonic which in its expanded form denotes P for Political, E for Economic, S for Social, T for Technological, L for Legal, and E for Environmental.

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P	E	S	T	L	E
POLITICAL	ECONOMICAL	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
Example: <ul style="list-style-type: none"> • Current tax policy • Brexit • Trade policies • Political stability • Government policy 	Example: <ul style="list-style-type: none"> • Inflation rate • Exchange rates • Economic growth • Interest rates • Disposable income • Unemployment rate 	Example: <ul style="list-style-type: none"> • Lifestyle attitudes • Cultural barriers • Population growth • Population age • Health consciousness • Target demographics 	Example: <ul style="list-style-type: none"> • Level of innovation • Automation • Technological awareness • Cybersecurity • Technological change • Internet availability/speed 	Example: <ul style="list-style-type: none"> • Employment laws • Discrimination laws • Health and safety • Copyright protection • Consumer safety 	Example: <ul style="list-style-type: none"> • Weather • Climate change • Environmental policies • NGO pressure • Recycling • Pollution • Sustainability

Figure 1. <https://www.impact-innovation.co.uk/pestle-analysis>

In the following, we will look at the different factors that are taken into account when performing the PESTLE analysis.

-Political factors

Political factors give us a vision and an analysis of how the possible decisions of the government can influence our company. This is done by analysing the different laws and policies of the country where our company resides. These laws range from fiscal and monetary policies applied by the government to international policies.

-Economic factors

Economic factors evaluate all possible macroeconomic variables. In this case they are taken at a national level but they are also evaluated at an international level, since they can affect the development of the company, either favouring or disadvantaging this development. In this analysis, the gross domestic product (GDP), the unemployment rate and the level of the currency are mainly evaluated.

In addition, not only an economic moment is analysed, but the analysis has to be carried out taking into account the different economic cycles that occur, with special emphasis on periods of economic crisis or boom, as this can particularly affect the company either for better or worse.

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-Social factors

To continue, social factors. These refer to the beliefs of the resident population, the different habits, interests and preferences of the population. The analysis of this data generates an impact, either positive or negative, on the results the company is able to achieve. This data tends to change as trends change over the years and it is therefore important to always keep people's preferences in mind.

-Technological factors

Technological factors are indispensable for a company. By analysing them, it is possible to see the degree of innovation that is taking place in the markets. Technological variations can generate high profits if the company knows how to take advantage of these advances. If companies do not take this factor into account, they run the risk of becoming obsolete by not adapting to the market. These elements range from a new IT tool to any minor change in the technologies used.

-Ecological factors

This factor takes into account all ecological aspects that have some connection with the environment. It ranges from the analysis of government regulation of the environment to the various social trends that can generate environmental protection and affect the company. In addition, it can also take into account the different laws in the country that deal with waste management, electricity consumption, or the emission of gases into the atmosphere.

-Legal factors

Finally, the legal factors. These deal with all aspects concerning the laws that are in force in the country and that may affect the development of the company's activities. These laws can range from laws that limit social security or the minimum wage of the worker to laws that influence the production or marketing processes. It does not only take into account laws at the national level but it is important to always keep an international perspective as well.

2.2.2.1 Definition of the SWOT analysis of strengths and weaknesses

SWOT analysis consists of an analysis of a company's strengths, weaknesses, threats and opportunities. It is a very important tool that allows us to know the current state of a company from two perspectives, internal and external. This type of analysis is usually carried out before planning a business strategy as it gives you a vision of how the company is doing, which allows you to make the right decision. Its main objective is to use the data obtained on

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how the company is doing to be able to make a decision on how to improve and adapt better to the market.

Within this analysis we will carry out an internal and external analysis.

In the internal analysis, we study the strengths and weaknesses of the company itself, which allow us to know several things. Firstly, with the strengths, it will be known which are the strong points of the company and therefore the points that must be maintained. On the other hand, the weaknesses, by analysing the weaknesses of the company, it is possible to find those points that need to be improved so that the company can continue to grow.

In the external analysis, threats and opportunities are studied. The company must be able to take advantage of the opportunities that emerge in this analysis in order to prosper, as well as to strengthen itself in the face of the threats it encounters in the sector.

In this section is where the flexibility and dynamism of the company will play an important role in order to overcome any setbacks and its capacity to take advantage of opportunities before the competitor.



Figure 2. <https://www.wordstream.com/blog/ws/2017/12/20/swot-analysis>

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2.3 Logistics

2.3.1 Definition of logistics

In order to determine the current definition of the term logistics, we will review how its definition has changed over the years. The definition of logistics has had very different functions over time and has been confused with other terms such as supply chain, supply chain or procurement.

Well, if we had to offer a strict definition of logistics from a single word, it would be supply. The word logistics comes from the term "logistiko" and this was based on the calculation of the supply that was necessary to be able to subsist. According to the book by the author Gomez (2014), we can see how the word logistics is a term with military origins and that in the first instance it was related to the supply of war material, whether weapons or ammunition. In the event of war, this supply was very important to be carried out with full efficiency and strategy, and it was there where the creation of this term was highlighted.

If we want to understand the creation of this meaning we have to go back to the time of the Greco-Roman empire. At that time, army officers whose mission was to supply the militias were called "Logistikas".

Furthermore, if we look up the definition of the word "logistikos" we can find that it is defined as "one who knows how to calculate". From this we can conclude that these people were of

great importance in their respective positions and that they were provided with a great deal of education and knowledge in order to be able to carry out their role well.

Over time, the term logistics has evolved from being a mere word to encompassing a whole process. It was in the 1950s when this word began to take on great relevance. This is due to the beginning of globalisation and therefore, there are more and more offers from companies, which generates greater competition. As a result, companies have to gradually start improving their performance and seek to increase their profit margins and differentiate themselves from the market.

There are also various definitions of logistics by different authors. Firstly, according to Ballou (1999, 7), logistics is defined as "all movement and storage that facilitates the flow of products from the point of purchase of materials to the point of consumption, as well as the information flows that are set in motion, in order to provide appropriate levels of service to the consumer at a reasonable cost". On the other hand, according to Lamb, Hair and McDaniel, logistics is "the process of strategically managing the efficient flow and storage of

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raw materials, work-in-process and finished goods from point of origin to point of consumption”.

In summary, we can see that by understanding logistics as all work that deals with the procurement and distribution of products, we can confirm that logistics has existed since the dawn of time when cavemen stocked up in their caves until today when all products are offered to every person having followed a process from birth to delivery.

2.3.2 Objectives to be achieved by logistics

The main objective of logistics is to satisfy the demand established by the consumer, in such a way that costs are reduced as much as possible, but the product is delivered to the customer at the right time and place. Therefore, we can now talk about more than just logistics and establish the name logistics system. This concerns the entire production process from manufacturing to transport and delivery. Everything must be understood as a global computation in which everything is related and that by optimising the whole, we will achieve the first objective, which is to achieve the maximum possible efficiency and effectiveness in the process.

Logistics is the set of several activities and needs these to fulfil its objectives. These main activities are:

- Increased efficiency: this activity includes everything that concerns the efficient management of all the different resources that the company has.
- Inventory reduction: Control and optimisation of all aspects of the storage and inventory management process.
- Reduce transportation cost: Achieve the most efficient way of distributing products in order to deliver them where and when they are needed accurately and at the lowest possible cost.
- Reliable and consistent delivery performance: this activity consists of everything related to the product process from birth to delivery, focusing on demonstrating high product quality and on-time delivery to the customer.
- Information management: This consists of efficient handling of the information available to the company in order to generate competitive advantages.

2.3.3 Enhancing logistics

Now that we know the definition of the word logistics and its main objectives, we are going to see how we can enhance the logistics of a company based on different aspects. This

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will then help us in the practical block when we look for possible improvements in this branch.

First of all, one of the main activities that can be carried out to improve the logistics of a company is the provision of computer tools and the inclusion of new technologies that are capable of carrying out the different processes that are required in the company. This is, in short, computerising the entire company as much as possible. For example, computerising storage or transport in order to work more efficiently.

Secondly, we seek to achieve differentiated picking. What we are looking for here is to establish a specific picking process for each product and not a general one for all sales channels. The ideal is to group them by groups where they have similar characteristics and therefore work more efficiently.

Thirdly, achieving different storage solutions for each type of product so that it adapts to the characteristics of each product, given that over time, orders evolve and change.

Fourthly, inventory control is a fundamental part of logistics. In order to be able to work efficiently, it is necessary to know at all times how much inventory each warehouse has in order to be able to plan effectively. This is often achieved through the computerisation of warehouses by means of certain programmes that facilitate stock control.

Finally, a fundamental element is customer service. If a company wants to improve, it needs to improve customer service. Customer loyalty and customer acquisition is what generates the growth of a company and for this, customers must always be satisfied. This is achieved through a good after-sales service and through the awareness of all the company's employees that the customer is a fundamental part of the company's development and that he/she must always be important.

2.3.4 Transformation of logistics over the years

Over the last few years, logistics has been transformed in order to meet the changing needs of customers. In this section, we will make a study from the 1950s to the present time where we will see which parts have been included or excluded from the term logistics and its applications.

We begin in the 1950s and up to 1965, where the main characteristics that logistics offered us were to name everything that logistics encompassed as a logistical system where an analysis was made of how all the elements were closely related and, furthermore, these relationships were analysed. At this point, and given the general framework of these years, companies have a large production capacity but a smaller distribution capacity, so they are

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capable of producing large quantities of products but encounter great problems when it comes to distributing them all on time.

Between 1965-1970 is called the stage of change. This is where distribution centres start to emerge and also where means of transport start to be created or improved. In addition, there are new companies that focus solely on optimisation, giving rise to new systems for measuring the degree of optimisation of companies or processes.

In the 1970s, companies achieve higher productivity and realise that they need to improve their means of transport, not only the means of transport as such but also the way in which they are transported, either by improving their roadmaps or the logistics of transport.

The 1980s saw what is known as the technology boom. It is at this time that a revolution with new communication technologies arose. Barcodes appeared and these meant that there had to be greater coordination between all the elements of the supply chain. This, added to the fact that communications improved exponentially, many more operations began to be carried out at an international level and therefore new sectors appeared, such as operations control.

Between 1990 and 2000 there is a great leap in the scale of business. This is globalisation. From this moment on, operations between markets become easier and therefore markets also become globalised, allowing operations to be carried out between all the different parts of the world in a much simpler way. This makes product distributors particularly important at the end of the supply chain and gives them greater bargaining power as they become more essential. Globalisation also brings negative aspects and one of them is the increased competitiveness in the marketplace. By being able to ship to more places in the world, more companies are able to enter the global market. This leads to a reduction in profit per product as prices are adjusted to compete in the market.

From the year 2000 to the present, an increasing technological slope begins, which means that companies and their logistics have to constantly change according to the new advances in order not to be left behind. With the generation of new computer software, all companies have had to adapt and start using them as they generate great efficiency in the control of the entire supply chain. With each passing day, new technologies continue to develop and force companies to constantly change in order to adapt to the market. One of the latest additions to the markets was the beginning of online sales. This produced a great revolution in all companies since they had to make a great technological leap. This new type of sales model has been a real challenge for all companies. Thanks to the achievement of process automation, companies are able to produce the required and demanded quantity automatically

2.4 Definition of competitive advantage

Competitive advantage is defined as any attribute of an entity or company that generates a difference with respect to others that positions it above the rest when competing. Basically, it is everything that makes the company compete in a superior way to others. As we can read in the work of Trias de Bes (2007), consumers will choose a certain product depending on two situations. The first is that the product is differentiated from the competition and has its own value. The second is that the same product is offered at a lower price. This tells us that there are two types of competitive advantage. In Michael Porter's analysis of generic business strategies, the two types of competitive advantage are summarised and named as cost leadership and product differentiation. In addition, Porter also includes the term market segmentation, which he does not establish as a competitive advantage but as a mix of the previous types but for a narrower scope of the market. These advantages can be achieved through different attributes.

Among these attributes that can be considered to generate a competitive advantage, it would be impossible to name all of them given their quantity. However, we can highlight several that are particularly important. One of them would be, for example, having the ability to access natural resources ahead of other companies, such as having cheaper energy, which would lower the costs of the product and therefore its price. Other examples are having a highly skilled workforce or having high barriers to entry in our market, which makes it difficult for new competitors to enter the business. Thanks to the latest advances in the development of technologies, we can also consider the ease of access to new technologies as a feature that can generate a competitive advantage since having them can generate a differentiation with respect to your competitors.

The main disadvantage of all these attributes is that they are very difficult to maintain in the long term. Given this problem, companies seek to achieve a better market position than their main competitors and this can be achieved by improving their products or services, i.e. by making their products or services more valuable than those of their competitors. To do this, companies are looking for new ways to generate competitive advantages and to increase the advantages they already have.

What must be very clear when we talk about generating competitive advantage is that the company must be understood as a whole and not as parts that come together to produce a product. It is very important that all the parts of the company are well integrated as if they were the mechanisms of a clock, which, in order to work well, must all work together at the same time.

2.5 Types of competitive advantage

As we have seen in the previous section, there are two types of strategy to generate a competitive advantage. The first strategy, which refers to achieving a competitive advantage

with respect to costs, is known as cost leadership. And a second one, which is known as the product differentiation strategy.

Firstly, cost leadership. This is where companies compete to obtain the lowest possible price for their products in order to win the customer. Therefore, we can say that a company has an advantage over its competitors when it has lower prices for the same product. This strategy cannot be used in all scenarios, but there are certain characteristics that must be present for it to work. Therefore, in order for this strategy to be recommended, it has to be the case:

- There is a highly standardised product, i.e. many companies offer a product of similar quality at a similar price.
- When it is a product that is very difficult to differentiate from the rest.

Secondly, the product differentiation strategy. In this aspect, the company must ensure that its product offers other characteristics that are more attractive to the consumer than those of its competitors, so that it is more desirable and customers are willing to pay more for it. There are three variables that determine product differentiation:

- Product attributes, from its size and shape to its essential components or the service you offer for that product before and after you sell it.
- The characteristics of the market, referring to the main trends in the market, such as consumer tastes and needs.
- The values or attributes of the company, from the reputation of the company to the values it processes when establishing customer relationships.

2.6 Competitive advantage generated by logistics

First of all, we can see how the most important thing in order to keep customers is to offer a quality product and service. To achieve this, companies must focus on satisfying the needs of the customer in order to offer them a good service according to their needs. For this, special emphasis must be placed on certain points:

Provide the customer with complete and accurate information about the products or orders. Keeping the customer well informed of each action will generate a confidence in the company that can be represented in the form of loyalty.

Having a delivery service that is reliable, i.e. that all products arrive in the time indicated and with the quality desired without breakages or delays along the way.

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To have an after-sales service that is really effective. This is very important because it is what generates the customer's confidence in the company by maintaining after-sales contact and making sure that everything is going well, responding with guarantees in the event of a fault.

Offering a high quality product, avoiding delivering faulty or defective products.

These are the main characteristics that a company should be concerned about in order to provide a good quality service. First of all, it is important to offer a good product in order to attract and keep customers. It should be noted that this is the minimum to remain competitive in a company but doing this does not give us any competitive advantage as it is the basics to remain a competitive company.

This is where logistics comes in to give you a competitive advantage over your main competitors. Applying logistics processes in a company generates different competitive advantages in different points of the supply chain where thanks to it, it is possible to improve from the processes, making them more efficient, to the image of the company, becoming more attractive to the client.

The main purpose of logistics is to eliminate all those points in our supply chain where value is not produced, considering them waste. There are many competitive advantages but the main ones will now be named.

The first competitive advantage that can be obtained is to have lower logistics process costs than the competition. This is due to the elimination of waste in the logistics areas. Secondly, the ability to provide better customer service because our processes are more optimised, including pre-sales and after-sales services. Another advantage that is obtained from the implementation of logistics is the reduction of cycle time being faster and more efficient processes by having eliminated as much waste as possible in the production chain. Also with the application of logistics in our processes, a reduction in inventory is achieved, which produces a reduction in the costs that this produces. Finally, and thanks to all the advantages mentioned above, a better image is achieved in the eyes of customers and shareholders, which produces greater value as a company.

To achieve these advantages, companies tend to focus on reducing waste in the value chain as much as possible. Therefore, these are the main actions that are taken to reduce such waste and therefore, obtain the advantages mentioned above.

The elimination of defects. All companies must minimise the efforts caused by defects in their parts, such as rework or waste. This can be achieved through good machine maintenance, controls every x amount of time, error detection systems such as poka-yoke or

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whenever there is a problem, analyse it until the root cause is found in order to avoid it happening again, using methodologies such as the 5 whys.

Avoid overproduction, generating good planning and forecasting of demand so as not to produce more than desired.

Reduce waiting times as much as possible, detect the bottleneck and try to reduce this time as much as possible. It is also necessary to improve the sequencing of jobs, looking for the most optimal order of production.

In transport, avoid all unnecessary journeys and plan routes as efficiently as possible. Encourage the use of techniques such as flow through or cross docking.

Maximum reduction of inventories so as not to have stagnant capital. Encourage systems such as Just in Time to produce only what is necessary.

Improve the layout to avoid unnecessary movement of personnel. We can also redesign processes in search of the best organisation.

Finally, avoid all tasks that do not add value to the product for the customer. To do this, we must focus at all times on the customer and on whether each step we take adds value.

And this is how we can see some examples of waste that occur in the value chain and that through the implementation of logistics methods we will be able to reduce them and therefore obtain a competitive advantage of those already mentioned above.

2.7 Integrated logistics

First of all, we will define what integrated logistics is. This is defined as the global computation of actions that concern the different departments of a company, where everything from processes to flows are oriented and coordinated as a whole to work in the same direction. Integrated logistics is based on the fact that all departments work in a synchronised way, generating more fluid and therefore more efficient processes and operations.

The Logistics Management Council defines integrated logistics as follows: "The process of planning, implementing and controlling the efficient, effective flow and storage of goods, services and all related information from the point of origin to the point of consumption in order to meet customer needs or requirements" (Logistics Management Council Definition, 2007).

When talking about integrated logistics, it is possible to see the different advantages that it can provide in the case of applying it in a company. The main advantages are

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Speed in the processes. The implementation of integrated logistics in a company generates that the processes are produced more quickly as well as with lower costs.

Greater competitiveness. By optimising the different processes, the company will improve its results and therefore become a stronger competitor.

Reduced costs. By increasing the flow of information throughout the supply chain, greater control of both stock and transport is obtained and therefore production and storage costs are reduced (reduction of unnecessary trips, less inventory...). Therefore, as the production chain is optimised to a greater extent, costs will be reduced.

Increased quality. The optimisation of the processes leads to an optimisation of the production of products, so that the quality of the products improves each time.

Increased quality of service and increased speed of response. By implementing integrated logistics, communication flows throughout the company, which means that it works much faster and with greater precision, which means that responses can be given to the customer more quickly.

Increased profitability. All of the above leads to this last advantage, which is that by achieving an advantage with everything else, you also get a higher profitability on the product.

Having commented on all the advantages produced by the integration of integrated logistics, we will now see which points of the company must be focused on in order to achieve these advantages.

Product production. It is essential to make a production plan by estimating the demand. It is necessary to control that the product is being produced correctly and that both the quality of the product and the required procedure are being complied with. Moreover, thanks to this forecast, it will be possible to save different expenses that can be invested in other areas.

All processes involved in the supply chain must be monitored at all times so that errors can be detected much more quickly and rectified with as little damage as possible.

We must constantly monitor inventories and manage relations with suppliers in a correct way, trying to have the best possible relationship.

We must bear in mind that it is very important to have a great organisation in our warehouses as we can save a lot of time and money if we have ordered and computerised warehouses. It is essential to know how much of each product we have in the warehouse and where it is located so that we can find it quickly when necessary.

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If we want to obtain these advantages, it is also important to have an organisation when it comes to distributing our centres. These have to keep a special coherence when it comes to positioning them in each area of the company, following an order to economise transport from one place to another and to be able to easily see the waste and eliminate it.

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3.1 Diagnosis

3.1.1 Different factors influencing strategic performance

Mercadona is considered a family company dedicated to the distribution of products and has its origins in the Valencian Community. This company was founded in 1977 by Francisco Roig Ballester, who is the founder together with his wife Trinidad Alfonso Mocholi. In the first instance, Mercadona was considered a butcher's shop, but over time it evolved to become what it is today, the largest supermarket network in Spain. It has around 1700 supermarkets throughout Spain. In addition, it currently has 4 own brands such as Hacendado, Bosque verde, Deliplus and Compy. All this has made it the leader in terms of food supermarkets throughout Spain, ahead of other large, internationally successful companies. The main key to the company's success has been its Total Quality model, which focuses on total satisfaction for all its stakeholders. It should be noted that its main focus is the customer, since it considers the customer to be the "boss" of the company and therefore focuses its efforts on the customer.

Mission:

Mercadona's mission is to satisfy all the needs of its stakeholders, focusing mainly on its customers, but also on workers, suppliers, society and capital. All this with the mission of achieving maximum profitability based on its differentiation in quality/price with its own brand.

Mercadona's vision:

Mercadona's vision consists of becoming the number one supermarket in Spain, as well as achieving customer loyalty by becoming their trusted supermarket and a competitive

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company in all aspects. From having its own corporate image to being totally differentiated from its competitors. Mercadona aims to become a price leader, offering the highest quality and maximum service for the lowest price and the shortest possible service time.

Values:

The main values are based on customer service, which is one of the most important for Mercadona, because as mentioned above, the customer becomes "the boss". Secondly, they are based on primary attention to employees, who must have the best working conditions in order to achieve a stable workforce that is satisfied with their jobs and committed to the company and its objectives. Next, the treatment of suppliers, which must follow the motto "quality does not have to be more expensive". And finally, one of its most important values, Always Low Prices (ALP) whereby Mercadona does not have offers but always maintains the lowest possible price throughout the year.

The main strategy that characterises Mercadona is the total quality model. This model consists of the search for the maximum possible satisfaction of all stakeholders, from customers to suppliers. The continued success of this company is based on five fundamental pillars that characterise its corporate culture:

First and foremost, the customer as the boss. First and foremost, this fundamental pillar is based on listening to the customer and therefore continuously pursuing a strategy of always maintaining the lowest possible price, known as the ALP strategy (always low prices). This new strategy allows everyone, both customers and company, to obtain good benefits.

Secondly, the good treatment of the employee, in which the aim is to give a good salary to each employee, so that this translates into high productivity, which does not mean working more, but working better.

Thirdly, suppliers. A fundamental pillar is to maintain a good relationship with each of them in order to reduce margins and improve processes and size. In this way, there is a small saving per item which is multiplied by millions of items.

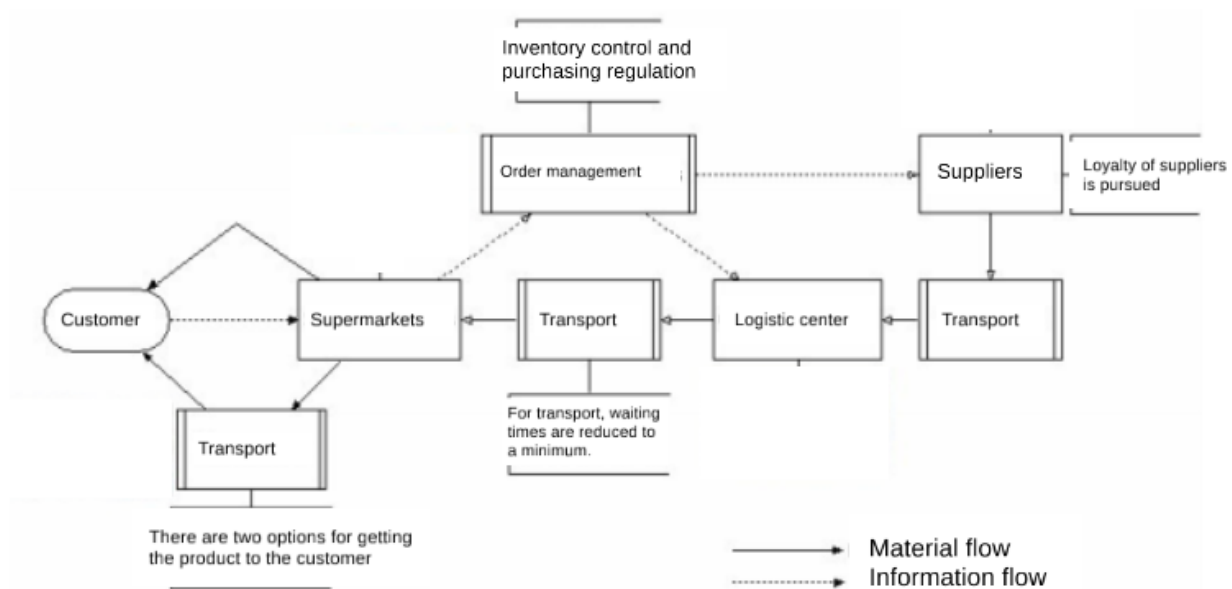
Fourthly, sustainable development is one of Mercadona's main strategies and it applies various policies in relation to it, listening to society and raising awareness of the issue. Mercadona participates in various activities of a social nature, which support different areas such as scientific research, education and the development of aid for the most needy.

Finally, in fifth place, the innovation strategy. Mercadona reserves and allocates a series of resources each year to innovation, considering it to be a fundamental pillar for its prosperity and maintenance in the race to be the best in its field. To achieve this, it knows that

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it needs to generate profits and from these, allocate them to innovation in order to continue growing.

3.1.2 Description of the problem area



Flowchart of the product supply process at mercadona

Figure 3. Own elaboration. Flowchart of Mercadona

This flowchart shows the different processes that take place in Mercadona's supply chain. It has been necessary to generate a global diagram given the size of the company and therefore there are some processes that are not included in this diagram, but it has been done in this way to make it easier to understand.

As can be seen, the most important processes are, firstly, order management in which, as can be seen from the arrows, only exchanges of information take place. This department is in charge of organising all the demand that is produced for the different products coming from each supermarket. In this way, the department obtains an overview of the demand that it has to pass on to the suppliers. In addition, this process is also dedicated to the stock

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management of the different warehouses and logistics centres in order to supply the points of sale.

On the other hand, we have one of the most important processes in the Mercadona supply chain and one that is becoming more important with each passing day: transport. This process takes place at several points in the flowchart and is the main focus that requires good optimisation given its high cost and is considered to be one of the main sources of expenditure in the flowchart. Mercadona applies many strategies to reduce transport times as much as possible in order to reduce costs.

To conclude, the most important aspect we see in this diagram is the customer. In the flowchart you can see how everything revolves around the customer from start to finish, making the company's philosophy very clear.

Therefore, what is going to be analysed in the practical part is the impact that the implementation of all logistics has had on the company to see how it has influenced its overall performance.

3.1.3 Research methods used to diagnosed the problem

3.1.3.1 PESTLE Analysis

-Political environment: In Spain there has been a democracy since 1977, which means that the political environment is considered to be stable, as there are no signs that this regime is likely to change. Currently, we are in a very complicated situation due to the health crisis caused by COVID-19 that is affecting our country and the world. This crisis has generated a high unemployment rate of around 16%. In spite of this, Mercadona has maintained its labour policy of maintaining confidence in its workers and continuing to give them all permanent contracts. In this way, it conveys a great deal of security in these times of indecision and nervousness.

-Economic environment: In this section, we are going to focus on the points that can condition the company's economy, that is to say, those in which it operates. Firstly, we will look at the unemployment rate in Spain, which we will take as an indicator of how the Spanish economy is doing at the moment, and secondly, we will talk about interest rates in Spain. In this case, Mercadona always obtains low interest rates because it is in a good market position and with strength on the market.

-Unemployment rate:

In the first graph we can observe the evolution of the unemployment rate over the years. As we can see, given the crisis caused by the COVID-19 pandemic, the unemployment

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rate increased in 2020 in a reasonable way, making the Spanish economy tremble. However, it is worth noting that in 2021, the rate has decreased compared to 2020, which leads us to believe that the economic situation in Spain is improving. Mercadona has always maintained its policy of caring for its employees, this being one of its fundamental pillars, and for this reason, during this crisis, it has done its utmost to maintain its entire workforce.

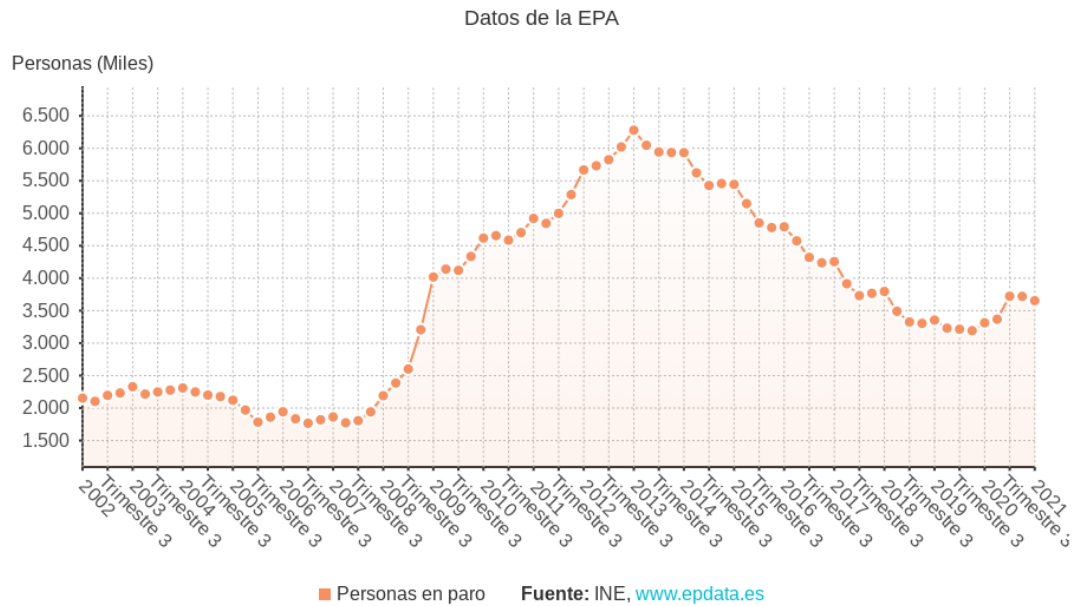


Figure 4. Evolution of the unemployment rate

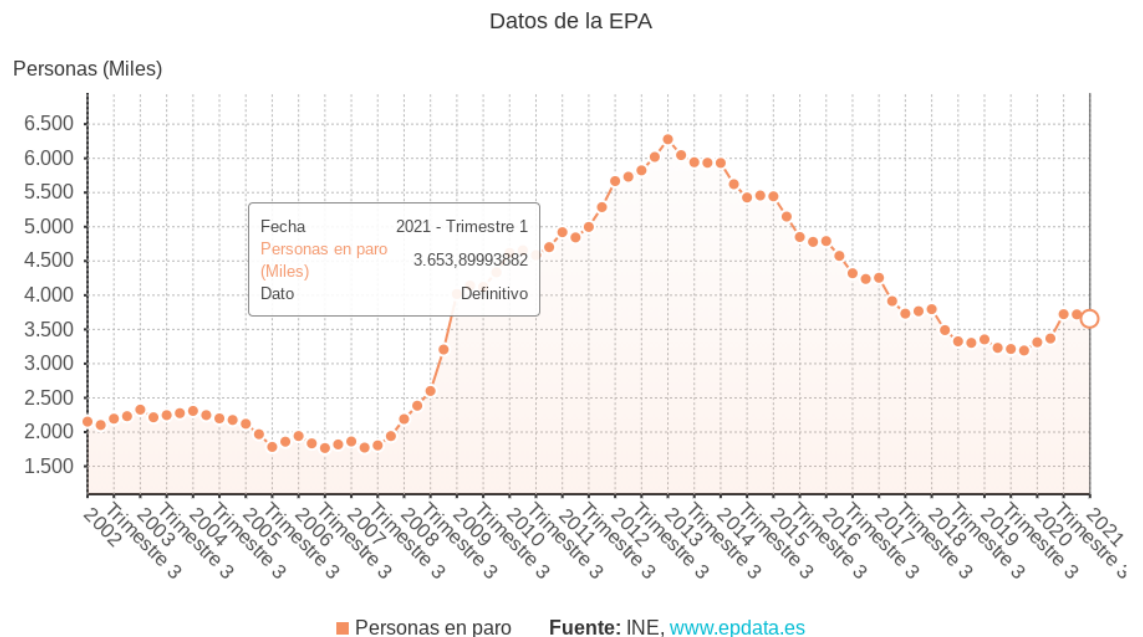


Figure 5. Unemployment rate 2021 quarter 1

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Source: INE www.epdata.es

GDP: Analysing the GDP trend over these years, we can see the economic situation the country is going through.

According to DATOSMACRO, "Spain's gross domestic product in the second quarter of 2020 has fallen by -17.8% compared to the first quarter of 2020. This rate is 126 tenths of a percentage point lower than in the previous quarter, when it was -5.2%."

"In the first quarter of 2021 it has fallen by -0.5 compared to the fourth quarter of 2020. This rate is 5 tenths lower than in the previous quarter, when it was 0%."

We can see how GDP in Spain has declined since the beginning of the crisis due to the COVID-19 pandemic and has not stopped falling since then. This reflects a serious problem with the Spanish economy.

PIB Trimestral a precios de mercado 2021				PIB Trimestral Per Capita 2021			
Fecha	PIB Trimestral	Var. Trim. PIB (%)	Var. anual PIB Trim. (%)	Fecha	PIB Trim Per Capita	Var. PIB Trim Per Capita	Var. anual PIB Trim Per Capita
I Trim 2021	287.407M.€	-0,5%	-4,3%	I Trim 2021	6.072€	-0,9%	-3,3%
< PIB España 2020				< PIB España 2020			
Evolución: PIB anual España				Evolución: PIB Per Capita España			
Fecha	PIB anual	Var. PIB (%)		Fecha	PIB Per Capita	Var. anual PIB Per Capita	
2020	1.121.698M.€	-10,8%		2020	23.690€	-10,4%	
2019	1.244.772M.€	2,0%		2019	26.430€	2,6%	
2018	1.204.241M.€	2,4%		2018	25.770€	3,2%	
2017	1.161.867M.€	3,0%		2017	24.970€	4,1%	
2016	1.113.840M.€	3,0%		2016	23.980€	3,3%	
2015	1.077.590M.€	3,8%		2015	23.220€	1,9%	
2014	1.032.158M.€	1,4%		2014	22.780€	1,2%	
2013	1.020.348M.€	-1,4%		2013	22.518€	-0,2%	
2012	1.031.099M.€	-3,0%		2012	22.562€	-0,9%	
2011	1.063.763M.€	-0,8%		2011	22.760€	-1,2%	
2010	1.072.709M.€	0,2%		2010	23.040€	-0,1%	

Figure 6. Evolution of GDP in Spain

Image extract of DATOSMACRO.com

Finally, currency inflation. Mercadona has been able to take advantage of currency inflation to gain a considerable advantage over its competitors through its

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own private label and by managing to reduce its prices as much as possible so that the changes do not affect it as much.

Socio-cultural environment: In Spain, the mortality rate has fallen in recent years, but at the same time, the birth rate has also fallen, resulting in an increasing number of elderly people and fewer children. It is true that, given the current pandemic, the number of elderly people has been significantly reduced, but studies do not yet allow us to calculate the impact that this pandemic has had and is having on society, regardless of the fact that this is an isolated event and that the trend will continue towards a longer life expectancy and a lower birth rate.

Technological environment: In this case, Mercadona has updated its technology to include an online shopping service which makes it one of the most advanced in the supermarket sector. This, together with the fact that Mercadona is continually investing in the development of new measures and activities, makes it one of the top companies in Spain.

Ecological environment: Spain is considered one of the most productive countries when it comes to the use of natural resources, based on livestock and agriculture. It is also one of the countries in Europe that makes the most use of solar energy, due to the large number of hours of sunlight it has in all its regions. Mercadona is very environmentally conscious and this is reflected in its campaigns where it promotes environmental care by means of posters in all its establishments inviting people to recycle, as well as promoting sustainability through recyclable bags.

Legal environment: Spain has a large number of laws regulating employment, as well as environmental legislation.

3.1.3.2 SWOT analysis.

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> -High-quality white brands with high consumer acceptance. (Hacendado, Bosque verde...). -Large number of stores in most autonomous communities. -Cheaper prices compared to other supermarkets. -Recognised brand without the need 	<ul style="list-style-type: none"> -Growth of online transactions. -Possibility of new customers, due to its low price policy and the country's economic crisis. -Possibility of expansion into new markets.

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<p>for advertising, has a fixed clientele.</p> <ul style="list-style-type: none"> -Home delivery can attract customers with limited mobility. -Loyalty advantages for Mercadona card customers. -Availability of the best national products. -Human resources, good treatment of workers. 	
WEAKNESSES	THREATS
<ul style="list-style-type: none"> -Little variety of brands, may lose selective customers. -No service to large consumers. (Hotels, restaurants) -Only offers household or food related products. -Lack of international presence 	<ul style="list-style-type: none"> -High unemployment and weak economy of the country which reduces investment in the shopping basket. -Power of suppliers to get the best prices. -Bargaining power on the part of customers.

We prioritise the factors defined in the SWOT analysis:

- By importance/criticality for the company

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> Cheaper prices compared to other supermarkets. 2. Availability of the best national products. 3. White brand of high quality and 	<ul style="list-style-type: none"> 1. Growth in online transactions. 2. Possibility of expansion into new markets. 3. Possibility of new customers, due to its low price policy and the economic

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<p>acceptance among consumers. (Hacendado, Bosque verde...)</p> <p>4. Large number of stores in all towns and cities.</p> <p>5. Offers home delivery, can attract customers with limited mobility.</p> <p>6. Recognised brand without the need for advertising, has a fixed clientele.</p> <p>7. Human resources, good treatment of workers.</p> <p>8. Customer loyalty advantages of the Mercadona card.</p>	<p>crisis.</p>
<p>WEAKNESSES</p>	<p>THREATS</p>
<p>1. Lacks international presence</p> <p>2. Little variety of brands, may lose selective customers.</p> <p>3. Does not offer service to large consumers. (Hotels, restaurants)</p> <p>4. Only offers products related to food or personal care.</p>	<p>1. Power of suppliers to get the best prices.</p> <p>2. Home delivery of prepared food.</p> <p>3. High unemployment rate and weak economy of the country which reduces investment in the shopping basket.</p> <p>4. Bargaining power of customers.</p>

Therefore, with this SWOT analysis it can be seen that Mercadona has a series of weaknesses and threats that it should solve or protect if it wants to continue to grow and distance itself further from its main competitors.

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3.1.3.3 Operating Income

Firstly, we will take as our first KPI the operating income over the years, based on a table obtained from SABI, a programme that provides us with data from different companies, which we have access to thanks to the Polytechnic University of Valencia.

Sabi - informe empresa MERCADONA SA

Evolución de una variable clave: Ingresos de explotación (1989 - 2020)

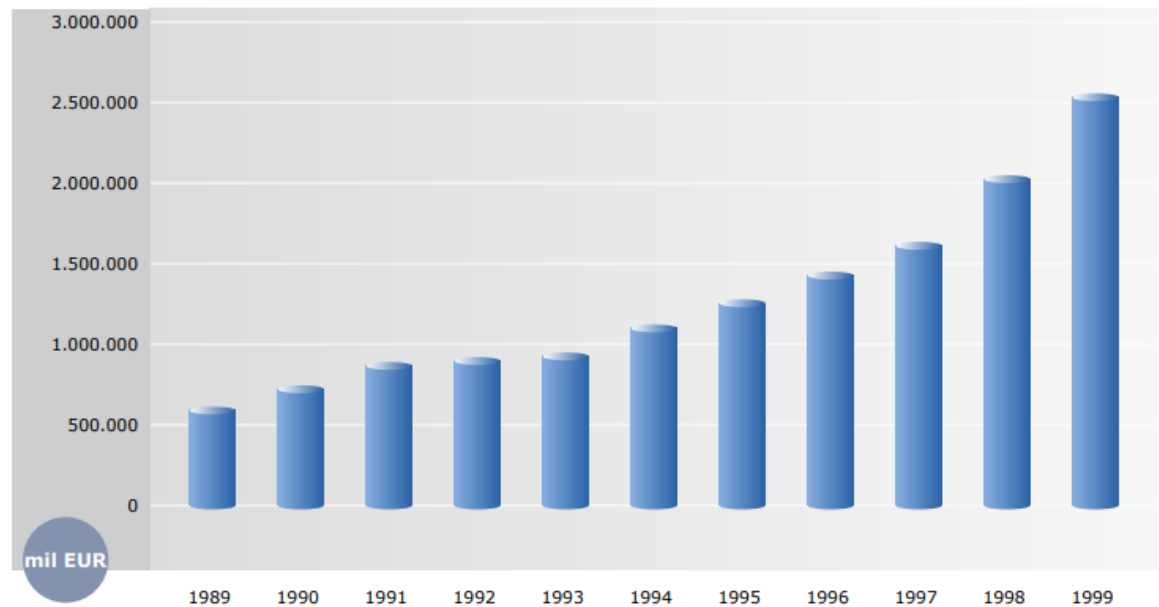


Figure 7. Obtained from the SABI database.

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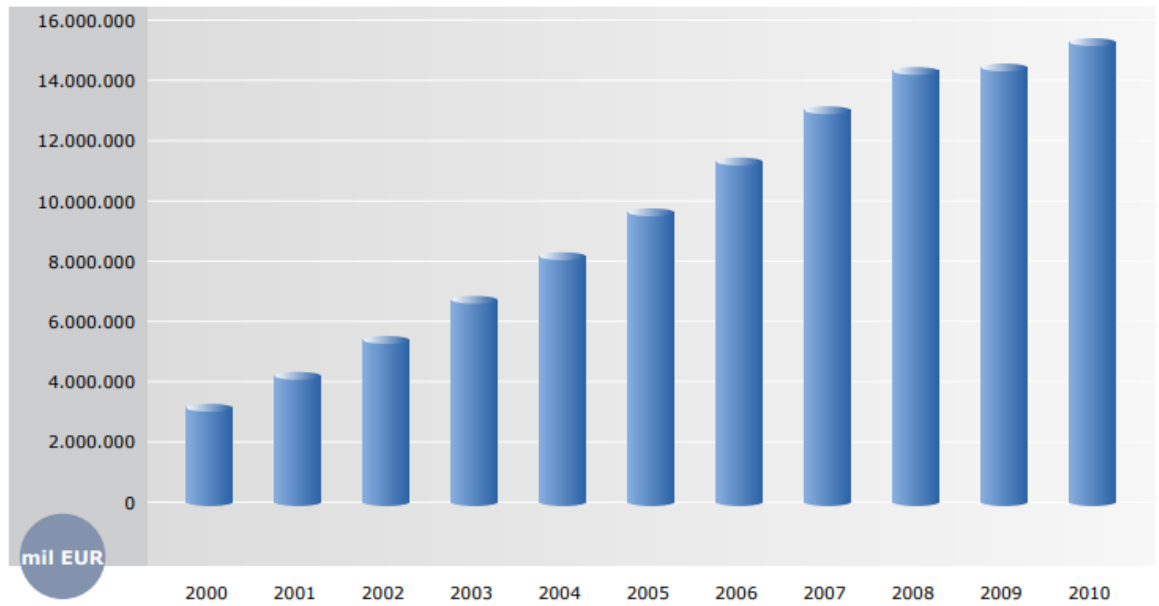


Figure 8. Obtained from the SABI database.

Sabi - informe empresa MERCADONA SA

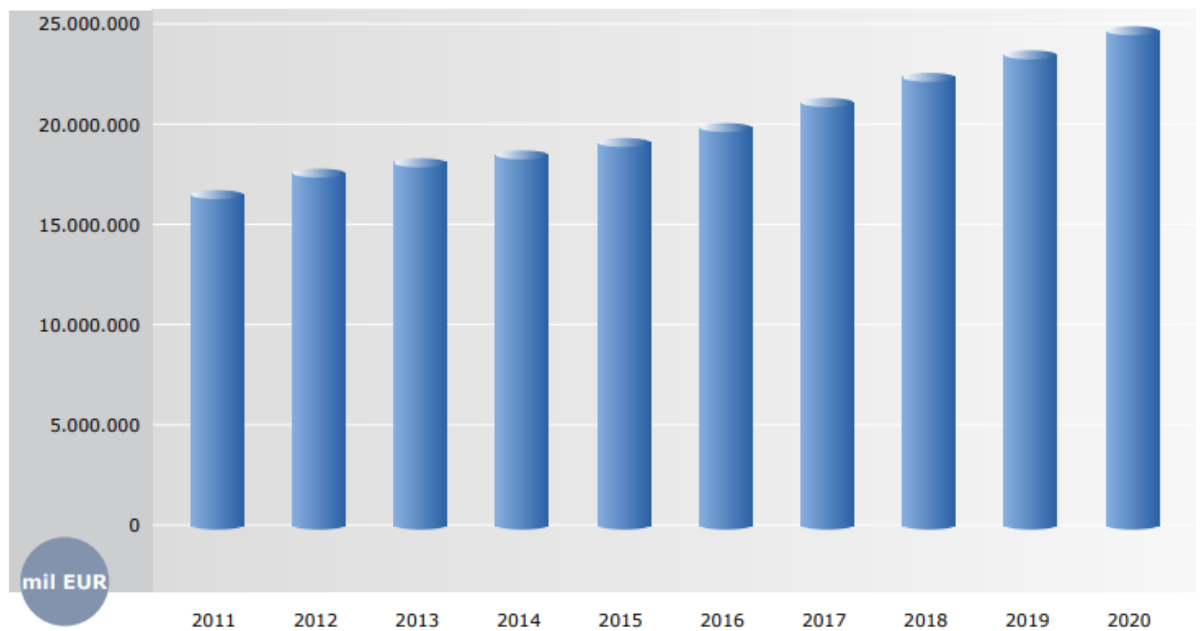


Figure 9. Obtained from the SABI database.

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As can be seen, Mercadona increases its operating income every year and has not stopped growing since it was founded. As we can see, it is a company that practically since its foundation has been linked to the implementation and integration of logistics tools which have been the main responsible for the company's results.

Since the first logistics centre was founded in 1988, the company has not stopped growing. From the graph that refers to the annual operating income account, it can be seen that Mercadona has been growing year after year without ceasing to grow. If we look closely, in the first years, from 1989 to 1999, the growth per year was not very remarkable, however, from 1999 onwards we start to see an exponential curve in the company's annual growth.

This is mainly due to the fact that from 2008 onwards Mercadona began to allocate large sums of money to the innovation of new techniques for the improvement of the company. As can be seen in the evolution of logistics in the company, from 2008 onwards, the number of logistics blocks and logistics strategies in the company increased, becoming a company that has fully integrated logistics into its strategy and this means that operating income is increasing and the company continues to grow, going from growth of around 250,000/500,000 per year, to around 1M-1.5M of annual growth.

3.1.3.4 Annual market share

The evolution of market share will be analysed. As can be seen in the following table, Mercadona has been generating a progressive increase in its market share over the last few years, positioning itself as the strongest company in its sector. This is due to the various competitive advantages it has gained due to the implementation of logistics and how it has managed to reduce its costs to the maximum in such a way that it has been able to offer lower prices than the competition and thus win over customers. Mercadona has shown itself to be a clear market dominator with a much higher market share than its main competitors. Currently in Spain, there is no supermarket capable of matching Mercadona's performance. This constant growth in market share is due to the constant investment in the future that Mercadona has been making in its centres. Constant innovation gives Mercadona an advantage over its competitors and it is always ahead in the market.

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	2014	2015	2016	2017	2018	2019	2020
Mercadona	22%	22.7%	22.9%	24.1%	24.5%	24.9%	25.1%
Dia	8,2%	8.6%	8.5%	8.5%	7.5%	7.6%	6.6%
Carrefour	8.4%	8.5%	8.5%	8.7%	8.6%	8.3%	8.7%

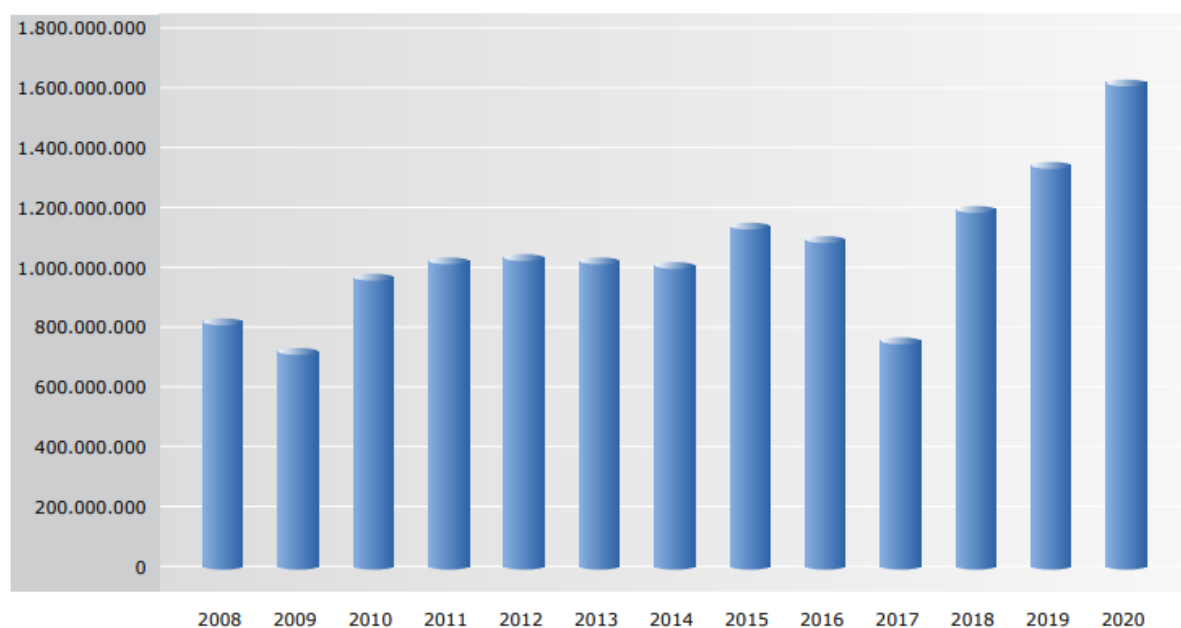
Table 1. Prepared by the authors based on data obtained from Kantar Worldpanel and the annual reports of the different companies.

3.1.3.5 Earnings Before Interest Taxes, Depreciation and Amortization

Thirdly, an analysis will be carried out, based on the data obtained from the SABI of the Polytechnic University of Valencia, of the EBITDA. It should be noted that data is only available from 2008 onwards and therefore, the study will focus on the period from 2008 to the present.

Sabi - informe empresa MERCADONA SA

Evolución de una variable clave: EBITDA (2008 - 2020)



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Figure 10. Obtained from Sabi showing Mercadona's EBITDA over the years. (x=years, y=euros)

This reflects steady growth as seen in the other two indices. The only reason why the company had lower results in 2009 and 2017 was due to the fact that those years saw heavy investment in the company and all its sites. This investment, which has since been recouped, generated lower results compared to the other years but this does not have a negative impact but the other way around. Both investments are considered to have a positive impact because in the following years, the company grew more strongly, showing that these investments were paying off.

3.1.3.6 Inventory turnover

The next indicator we are going to analyse is inventory turnover. This determines the time it takes for the inventory to be realised, i.e. to be sold. The higher the turnover means that the goods stay less time in the warehouse, which is a consequence of good inventory management and administration.

Sabi - informe empresa MERCADONA SA

Evolución de una variable clave: Rotación de Inventario (días) (2008 - 2020)

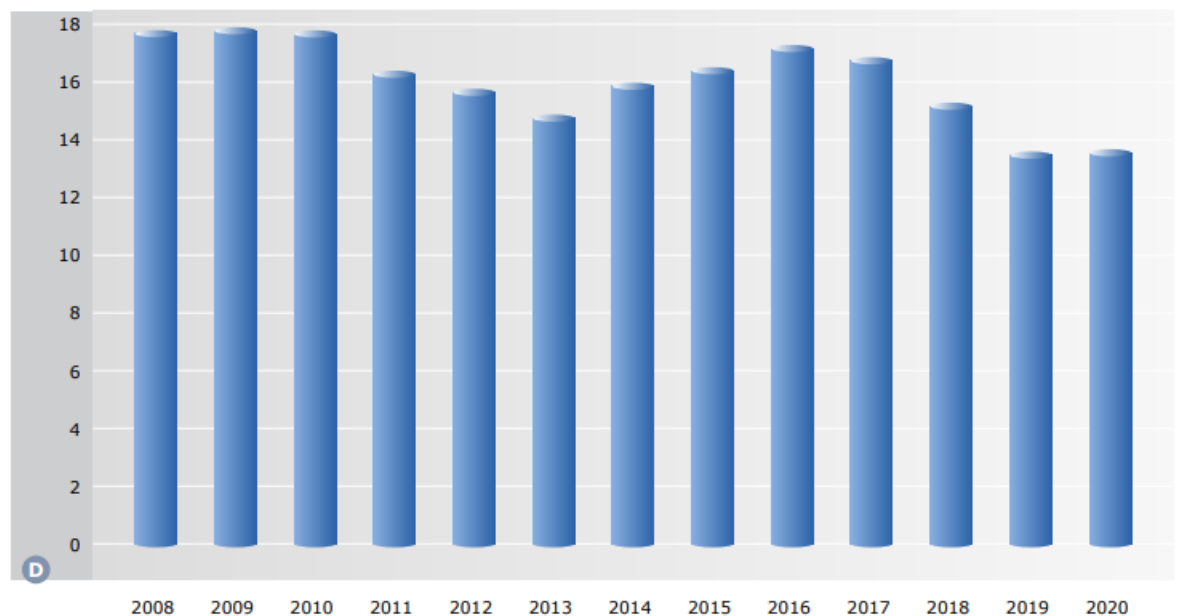


Figure 11. Obtained from the SABI database.

Graph obtained from Sabi showing Mercadona's inventory turnover over the years.

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In 2018, a logistics implementation took place in Mercadona through the automation of dry product orders to go to a replenishment model, taking advantage of the stability in supply that Mercadona establishments have, with hardly any promotions or other elements that alter the usual logistics dynamics. This made it possible to reduce in-store inventory turnover by between 25% and 30%. Thanks to this, greater profitability was achieved due to the higher inventory turnover. This can be seen in the decrease in the graph in the years 2019 and 2020. With this, a reduction of up to 2 days compared to 2018 is achieved. This measure has been considered very successful due to its high profitability and early results.

Therefore, in this case it can be seen how important this measure has been with respect to the overall performance of mercadona and how the use of logistics methods has produced a notable increase in its profitability.

3.1.4 Analysis of the potential causes of the problem

In this case, we will show the main reasons why Mercadona has not further widened its gap with its competitors and what may be the main problems it has had in the development of logistics blocks over the years.

As we have seen, Mercadona is far superior to its competitors, but as we have seen in the SWOT analysis, there are certain weaknesses that Mercadona needs to improve if it wants to increase the advantage it has over its competitors.

Firstly, Mercadona has very little international presence and this is considered one of the main objectives for the coming years, given that it has already covered all possible territory at a national level and it is very difficult to continue growing without expanding internationally.

Secondly, having very little variety of brands is one of the main problems that is causing it to lose its most selective customers.

Thirdly, another problem it has and why it is not growing even more is that it does not offer its service to hotels or restaurants, thus limiting itself to only one type of customer.

Finally, one of the main factors limiting its expansion into other markets is that it only offers a variety of products related to food or personal care, large supermarkets such as Lidl or Carrefour have already made the leap to also offer home decoration products, clothing and other utensils. This factor may cause Mercadona to lose its market strength.

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3.1.5 Choosing the dominant cause and finally diagnosing the problem

As we have seen in this analysis, Mercadona is a leading company in its sector that has been implementing logistics techniques in its operations for many years and achieving great results thanks to them. One of the main reasons for its success is the constant investment in new advances for the company, which means that it is always one step ahead of its competitors. We have also been able to see the great work done by the company logifruit as an external service in charge of logistics integration at mercadona. The different strategies offered by this company, such as the strategy of eight when it comes to delivery, have generated a constant increase in profits due to the reduction in costs that this has meant. In addition, the implementation of sustainable logistics has not only generated an increase in profits due to the reduction in costs, but has also generated an increase in the company's image in the eyes of consumers, positioning itself as a company that is totally environmentally friendly. This has meant, as we have seen above, that the company has been able to increase its market share steadily in recent years.

Looking at all these problems, you can see that the main problem that sums it all up is how to keep expanding and growing so as not to fall behind in the race to be the best. It is a difficult thing to do, given that you have to explore several ways of improvement in order to solve this problem.

3.2 Improvements

3.2.1 Description of the possible solution to the problem

In this case, we see how Mercadona has several problems that can be summarized in how to continue increasing its advantage over its competitors so as not to fall behind, and therefore, in this section on improvements, we will offer a series of improvements that would allow Mercadona to continue growing and therefore not lose the competitive advantage it has over its competitors.

In the first place, the issue of achieving an international expansion due to the fact that the market in Spain has already been exploited to the maximum in terms of supermarkets. During the last 3 years Mercadona has been trying to expand into Portugal, which has not been very successful. This is due to the fact that other brands are already established in Portugal and consumer tastes are different from those in Spain. Therefore, one of the measures that could be taken is to carry out a study of the country in which Mercadona would have a better impact, comparing with the habits of the citizens and thus achieve a success

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when it comes to where to expand internationally. In this way, international expansion would be taken as one of the main objectives for further growth.

Secondly, increasing the variety of its products would allow it to reach more consumers and, therefore, offer a wider range of products that would allow it to have more sales. There are certain consumers who are very demanding and sometimes Mercadona does not offer all the products it could. Satisfying these customers would generate customer loyalty and therefore a consequent increase in sales.

Thirdly, given the current times, Mercadona should improve its online sales system, given that today these only represent 1% of its sales. This shows that in this sector they have ample room for improvement and that they must continue to exploit this resource. They can also increase their business by implementing a logistics service for home delivery of prepared food and, in the case of wanting to save costs, they could partner with companies like Glovo or Uber eats and thus expand their takeaway service, reaching many more people and increasing their sales. In this way, Mercadona would make a qualitative and quantitative leap in the online sales system, whether of ready meals or supermarket products.

In addition, another solution to grow in the market would be the possibility of establishing contracts for supplying restaurant and hotel chains. In this way, it would not only be focused on one sector but would have a wide range of sectors to move into but all within its supermarket framework.

Finally, the expansion of the type of products to get more customers. This would consist of offering a wider range of products from different sectors, ranging from apparel, clothing, beach items, to home décor items.

3.2.2 Choosing the best solution for a given situation

As has already been said, there is no single solution when it comes to solving the problem of ceasing to grow as a company. Mercadona has several open fronts and growth can be achieved from any point.

Therefore, we have the different solutions described above, where all of them are valid. In the case of having to prioritize by one, the main option would be the improvement of online sales and the implementation of a home delivery logistics service or the association with companies such as glovo or uber eats for the delivery of such prepared food in their supermarkets, given that due to the times and with the pandemic suffered during this 2021, there has been an increase in the use of these supermarket food delivery and home food

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delivery platforms, where people have greatly improved their knowledge about these platforms and therefore have increased their consumption. In this sector mercadona has a great margin for improvement and given its easy development it is believed that it would be one of the most viable and feasible improvements. In addition to becoming the first supermarket to deliver prepared food at home in Spain. This would be a big step in Mercadona's ranks, as it would enter a new sector with a great capacity for growth.

In addition, a CAME analysis is included below on how to correct the company's weaknesses, address its threats, maintain its strengths and exploit its opportunities. It also sets out the main actions that should be taken to become a stronger company.

Proposed strategies for:

- CORRECT critical Weaknesses
 - -With regard to internal growth, an interesting proposal is the development of new products, e.g. small household appliances, clothing or bookshop sections.
 - -Also, market development is expanding in other countries.
 - -Another way to reach more markets is the option of supplying large consumers such as hotels or restaurants.
 - -Finally, a weakness that could be corrected is the lack of variety of brands, which leads to the loss of selective customers. Mercadona should buy more brands and not stick exclusively to its own.
- TACKLING Critical Threats:
 - -One strategy to cope with substitute products can be to provide home-delivery service (belonging to the freshly made food area of supermarkets).
 - -To cope with the bargaining power of suppliers, an option already adopted by Mercadona for a large part of its products is to "buy" from its suppliers and thus have them manufacture only for the company.
 - -In order to achieve internal growth and avoid the threat of customers reducing their investment in their shopping basket, market penetration is important, which consists of trying to attract and retain as many customers as possible. This is achieved by building brand loyalty.
- MAINTAINING and strengthening the company's strengths:

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- -It is fundamental for Mercadona to maintain its policy of 'Always low prices' which is one of its main bases of success.

- -Profits do not come from the price of its products but are the source of its enormous sales volume and market share.

- -It is also very important to maintain the quality of its private label. This is achieved by investing in the costs dedicated to suppliers.

- -In order to maintain its market share (25%) it is essential to maintain the presence of a supermarket for every x number of population.

- -In order to keep your regular customers, it is important, as mentioned above, to penetrate markets, which consists of trying to keep regular customers. This is achieved by creating brand loyalty.

- -It is essential that Mercadona continues to devote and sacrifice a large part of its profits to innovation. This is the reason why the supermarket has the best national products.

- -Maintaining its presence on the internet to reach the whole world, as well as with its home delivery service.

- EXPLOIT the opportunities with the highest probability of success and the greatest benefit for the company.

- -Exploit the opportunity for growth in online transactions by increasing its online presence, both on its website and on social media.

- Maintain the home delivery service and exploit the possibility of delivery of freshly made food from supermarkets.

- Exploit the opportunity of Mercadona's presence on the TooGoodToGo platform/app, which allows it to sell food that is about to expire or has already expired, at lower prices.

- -Exploit the opportunity for Mercadona, due to its high profits, to invest in expansion to other countries.

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3.2.3 Description of the implementation plan of the solution

	Strategic map	Balanced scorecard	Action Plan			
	Strategic Map	Objective	Indicator	Responsible	Initiative	Budget
Online sales outlook	<ul style="list-style-type: none"> -Implement Instagram and facebook ads. -Give discounts for online purchases -Training to the employees in the use of of ICT tools. ICTs. 	<ul style="list-style-type: none"> -Increase interaction with current and potential customers. -Promote the products to be offered in the company 	<ul style="list-style-type: none"> -Market growth and profits. -Customer loyalty.. 	-Engineer in Information Systems	-Create a corporate image for the network.	

Table 2. Self-created. Description of the implementation plan of the solution

3.2.4 Conclusions and recommendations

As we have seen throughout the analysis, Mercadona is fully involved in logistics and this has been the key to where it is today. Since the company started, it has relied on logistics processes for the improvement of the company and has always invested large amounts of money to continue developing and not stop growing. Therefore, it has been seen that the only main problem it has is how to continue to grow and maintain itself as the number one company in the supermarket sector in Spain. In this essay it has also been possible to see

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which are the different alternatives available to Mercadona in order to continue growing, analyzing them and offering which would be the most important additions.

From the analysis of how the company is composed at a structural level, it is important to highlight the great importance of its organizational logistics center. This is the one that concerns all the company's employees, who are distributed among the more than 1,590 supermarkets owned by Mercadona and its 17 logistics blocks. Another very important center they have is the support center, which generates a lot of help to the innovation centers and facilitates the implementation of changes on an ongoing basis.

One of the aspects that has caught my attention during this analysis is that although Mercadona is a company that works in a very hierarchical way, it has horizontal links that are of great importance. One of the main reasons for this to be the case is the constant development of technological tools that since 2012 have not stopped growing. This has led to a remarkable improvement in communication, although it is too focused on the supplier and too little focused on the customer. As we have already said in the possible improvements, online sales are only 1% of total sales and therefore there is a lot of room for improvement in this aspect and therefore must be improved. This is a major point to address given that its main competitors, such as Día, are already increasing their market share thanks to the increase in this type of sales.

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