DECLARATION OF OWNERSHIP

I, Egle Briedyte, declare that this dissertation is entirely my own personal work. The methodology, definitions or any other statements quoted in the body of this work are referenced applying Harvard Referencing requirements.

I also clarify that this dissertation or any part of it has not been submitted in any other educational organization for another degree.

Signed: Egle Briedyte

Date: 20/08/2014
AKNOWLEDGMENT

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This dissertation is aimed to identify “The importance of quality management in discount grocery stores in Ireland”. Particularly it is based on Germany discount retail chain case – Aldi.

The dissertation starts with the overview of the retail especially discount grocery retail industry in Ireland, its development and changes through the years. The research is combined of both secondary and primary data. Using reliable reference and corresponding literature, research explores the main aspects of quality, quality management, total quality management and all applies to Aldi case.

Qualitative and quantitative data collection methods are used to collect the necessary and research suited data. Via conducted questionnaires and observations days there are received important data supporting secondary data review.

The research findings and conclusions clarify the main aspects regarding research questions and hypotheses as well as identifying the correlation of quality management and success of retail business.

The last part of this dissertation provides with some recommendations to improve the most problem-orientated areas revealed by this research.
1. INTRODUCTION

Retail industry brings a big contribution into the economy of any country. Retail plays a big role in Irish markets as well: with large numbers of employed people - over 275000 – making approximately 15% of the total jobs in Ireland and makes 10% (€16 billion) of Ireland’s GDP (Retail in Depth, no date). Unfortunately positive results of retail growth start appearing just recently. The tough times during the financial crisis and recession changed retail industry. It faced redundancies, many businesses closed down; there was a decrease in sales and profits, fewer customers and their changed buying habits. Competition between retailers has evolved to win a competitive advantage, and the loyalty of more customers, increased productivity, and strengthened market position (Checkout, May 2014). During the hard period for the economy, discount grocery stores managed to increase their business performance. More customers switched to discount stores to save some money and get better deals on their grocery allowances.

Heavy competition decreased product prices, but customers started looking for more than that. Customers were in the hunt for both quality and good value. In the growing economy particularly, customers become insensitive to prices and this does not play the main role in choosing a product any more. It is unlikely the customer will buy a cheap grocery product due to its low price alone. That is why it is very important to find the correct line binding price and quality, as the quality in the eyes of the customer comes first.

Aldi – Germany’s discount grocery chain – is the example of success during the toughest time for the economy. The company increased its market share in Ireland, raised the number of loyal customers, expanded the number of stores in the country, created lots of job opportunities and involved local suppliers. It all sends a clear message to competitors of a strong competitive advantage. Aldi positions itself as a discounter grocery store offering company owned brands for lower prices but still of a high quality. Great deals and offers on fruit and vegetables and other grocery products need to be managed through the aspect of
their quality. Based on the literature review above, there can be made an assumption that quality management brings success to a business by controlling every part of the company including people, products, performance, administration, etc.

The response is important to the raising customer expectations of grocery products, to suppliers and to retailer himself. Buying habits evolved in order to reflect changing lifestyles and living standards. A higher price was always related to a higher quality until the retail business went to the wall during the economic crisis. Customers realized that quality does not always cost a lot. Collected data revealed discount grocery retailers like Aldi proved that high quality products can come at a reasonable price. This dissertation is trying to research the quality management in the discount grocery stores.

In this dissertation the Aldi case will be examined and researched through the customer survey and observation in order to provide comprehensive data supporting the quality management aspect of the business.

The organization of the dissertation is divided into three main parts: literature review, methodology and primary research data analysis and discussion. It also includes findings, conclusions, recommendations, bibliography and appendices.

The whole dissertation is based on certain data collection in order to provide comprehensive answers to research questions and hypotheses.

Research questions:

1. What role does quality management play in retail particularly in the discount grocery industry?

2. Is Aldi a quality focused company in the eyes of customers?

3. What is the main aspect that makes customers to return to Aldi?
Research hypotheses:

1. Quality is the key issue in discounter stores.

2. Customers value quality more than lower price.

3. Customers buy cheap goods even if they are bad quality.

4. The right suppliers are very important to maintain high quality standards in the business.

5. Quality management has no influence on business success.

This research refers to quality management in general and particularity to Aldi including the company’s applied Total Quality Management approach. The primary data was collected via a survey targeted only at Aldi customers.

Although the topic is wide and well researched in general, the quality management point of view of the retailer and especially the discount retailer, is very limited. This dissertation will be a big contribution towards filling the gap of discount retail quality management research area for future studies.
2. LITERATURE REVIEW

2.1. Introduction

In this chapter there will be highlighted the most important literature regarding the main topic and narrowing it down to the most essential to support the research purpose. The literature is relevant to the aims, research questions and hypothesis of the study.

2.2. Concept of Quality

A great profit can be achieved by making quality improvement in every part of business: products, services, people, business processes and environment.

Bank (2000, p. 25) defines quality as “fully satisfying agreed customer requirements at the lowest internal cost”. Most of the time quality means happy customers. But there is infinity of customers and to satisfy each of them is very difficult. According to Bank (2000, pp. 23 - 24) “the measurements of quality will reflect each of the elements: specification, conformance, reliability, cost (value) and delivery. Correspondingly to these elements there are five questions to support each of it:

1. What can I expect when I buy your products?

2. Is it what I expected?

3. Does it continue to do what I expected?

4. How much do I have to pay?

5. When can I have it?
Nowadays word quality can be heard everywhere. Suppliers, manufactures, businessmen emphasize quality as the main feature, guaranty of good and reliable purchase or service. But the quality itself can vary accordingly to person. It can be illustrated by an example provided by McGoldrick (1994, p. 115) stating that the quality to a supplier would be the ability always to produce suitable and safe products for customers. Although the wholesalers would define it differently.

Whereas in general quality is defined as “quality is a predictable degree of uniformity and dependability, at low cost and suited to the market”. (Gitlow, A. and Oppenhsim, R. 1995, p. 3).

There are three main types of quality:

- quality of design or redesign,
- quality of conformance,
- quality of performance.

In order the quality to be working positively and beneficial for the business, it must be defined and acknowledged by customer’s expectations. That is why important to determine quality measures. In accordance with Saladis and Kezner (2009, p. 79) quality measures can be “reliability, safety, availability, maintainability, performance, fitness for use, and social acceptability (in some cases)”. 
2.3. Quality Management

Quality is very important in any sector of business. In concordance with Hoyle (2008, p. 10) “Organizations are created to achieve a goal, mission or objective but they will only do so if they satisfy the needs, requirements and expectations of their stakeholders. [...] Their customers, as one of the stakeholders, will be satisfied only if they provide products and services that meet their needs, requirements and expectations.” Noted that:

“The customer is the only one who can decide whether the quality of the products and services that is supplied is satisfactory and you will be conscious of this either by direct feedback or by loss of sales, reduction in market share and, ultimately, loss of business.” (Hoyle, 2008, p.6)

The success of the company depends on customers and customers rely on product and service quality. In order to satisfy customer needs and expectations towards quality it is important to know what quality is. ISO defines quality as “The totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs”. Expectations to quality vary in different types of businesses or for each customer. But according to ISO 9000 Standards the typical product characteristics of quality remain the same everywhere: accessibility, availability, appearance, adaptability, cleanliness, consumption, durability, disposability, emissivity, flexibility, functionality, interchangeability, maintainability, odor, operability, portability, productivity, reliability, reparability, safety, security, size, susceptibility, storability, strength, taste, testability, traceability, toxicity, transportability, vulnerability, weight.

To meet quality expectations and requirements it needs to be properly managed and improved. Quality management is the approach to successful implementation of standards and requirements to achieve the best of it. But quality management is much more than just that. According to ISO 9000 Standards definition of quality management is coordinated activities to direct and control an organization with regard to quality.
Quality management breaks down into three main processes:

- Quality planning
- Quality assurance
- Quality control

They all depend on each other but at the same time operate individually.

There are important several aspects implementing Quality Management:

- Customer satisfaction. Quality must meet customers’ requirements in order fully satisfy them.
- Prevention. “Quality is planned into a project, not inspected in”. It is important to note that it will always be more expensive to correct mistakes rather than prevent them.
- Management responsibility. The project team can improve quality standards, but it is up to management to provide the same standards on day to day basis.
- Kaizen Technology. This philosophy is about improving reduced costs and ensuring consistency or project performance.

2.4. Retail from the point of discount store view

Retail is constantly growing and fast changing market. More and more new grocery stores open doors everyday but even more of them close down. Especially tragic numbers were shown over the recession. People needed and always will need to buy food and other necessity goods. But here significant changes have occurred. Buying power has shrunk, buying culture and customer behavior have changed and retail had to adjust to it. Some retail
companies (like Tesco, Supervalu, and Dunne’s Store) had its hard time over the last five years. But some were thriving. Discount stores like Aldi and Lidl were expanding their market shares and raising numbers of customers. Discount stores have changed retail business.

Discount store can be defined as the department store which offers products at lower cost than the rest retail outlets (Berman, B. and Evans, J. R., 2009, p. 136)

Discount grocery stores also called box (limited-line) stores. “They focus on a small selection of items, moderate hours of operation (compared with other supermarkets), few services, and limited manufacture brands. They carry fewer than 2000 items, few refrigerated perishables, and few sizes and brands per item. Items are displayed in cut cases. Box stores rely on low-priced private-label brands. Their prices are 20 to 30 percent below supermarkets.” (Berman, B. and Evans, J. R., 2009, p.136)

Discount stores have following characteristics:

- Very low prices
- Low gross margins
- High degree of self-service
- Low-cost fittings
- No free services, such as delivery
- Reliance on heavy advertising in nearly large population centers
- Relative isolation of locations from conventional shopping areas with consequently low rents predominantly in ‘edge-of-town’ sites

(Cox, R. and Brittain, P. 2008, p. 16)
To be able to sell at a lower price supermarkets use several strategies:

- evolve offering
- develop logistic centers and distribution chains
- customer focus
- quality products
- increase effectiveness of employees
- cut on waste
- maintain orders to reduce fresh product waste.

With the growing market shares and profit margins discounters improving quality wisely but still keeping low cost. This is where the quality management plays a very important role achieving goals and building success.

Berman and Evans (2009, p. 130) state that some other food stores have matched box-store prices, many people are loyal to manufacturer brands, and box stores cannot fulfill one-stop shopping needs. The newest market research is showing a huge increase in a market share. According to research group Kantar Worldpanel Aldi’s share of the market rose 21.9 percent to 7.9 pc in the 12 weeks ending 30 March (Kantar Worldpanel, 2014). It all changed customers’ perception to discount stores and their shopping behavior. Customers coming back to do their daily or every week shopping knowing that they will pay less for as good quality products as in any other supermarket.
2.5. The Importance of Quality Management in Discount stores

Quality management plays an important role in any business especially retail. Quality management is much more than just looking after a product or service quality. In fact quality management works around eight quality management principles that integrate company as a whole and seeking to make improvements:
Quality management works in many areas and effects over all company’s performance positively. It is important for several reasons:

- Product quality. This is the factor that makes customers want to come back. This part of quality management in retail business could be called as one of the most important. “Quality management is essential to create superior quality products which not only meet but also exceed customer satisfaction. Quality management tools ensure changes in the systems and processes which eventually result in...
superior quality products and services. Quality management methods such as Total Quality Management or Six Sigma have a common goal - to deliver a high quality product.” (Management Study Guide, no date)

- Customer satisfaction. It ensures if customers are satisfied by applying surveys which can show the quality expectations, competitors’ advantage, etc. Good product quality, high customer service, various offers and deals lead to loyal and satisfied customers who bring more new customers along with them. “Quality management tools help an organization to design and create a product which the customer actually wants and desires.” (Management Study Guide, no date)

- Increased revenues. Quality management programs increase employee productivity, attracts more customers, removes inefficient processes in the system, builds good reputation and reduces waste. All these aspects positively affects sales and increase profits.

- Reduced waste and inventory. Quality management controls quality standards including daily deliveries and relationship with suppliers. The right amount of ordering high quality product from reliable supplier can reduce waste to a minimum and ensure rising profit.

- Team work. Quality management ensures close coordination between employees of an organization. It inculcates a strong feeling of team work for the employees. (Management Study Guide, no date)
The quality management implementation into a business brings long term benefits in return, but at the same time it is time consuming and requires a dedicative work to achieve it all.

3. Total Quality Management

Aldi is being one of the biggest retail companies and particularly showing impressive performance in Ireland and UK constantly seeking to improve its business, to achieve new levels and setting high targets including customer satisfaction. The company practices Total Quality Management.

**Total** - Encompasses the entire organization, supply chain, human resources, IT, processes, and product development. Everyone is involved, practicing what is preached, and regular communication of the purpose driven goal.

**Quality** - defined by the beholder and can take on many forms but in the case it is the perception of the customer(s). The emphasis is on things being done right right the first time.

**Management** - continuous management with cycle such as PDCA cycle, Plan, Do, Check, Act also known as the Shewhart Cycle or Deming Cycle. (“Total Quality Management”, no date)

Saladis and Kerzner (2009, p. 201) defines TQM as an organizational approach to quality that starts at the top management level and includes all levels of employees. The focus is on continuous improvement and everyone is responsible for quality.
Hakes (1991, p. 1) describes TQM as “a management technique designed to involve all parts of the business in the pursuit of and commitment to the highest quality results.”

These both descriptions allows to make a clear assumption that TQM is a tool to achieve more efficiency, productivity and increase quality by involving everyone in the company, monitoring all business processes and continuous improvements.

Seven Principles of TQM:

1. meeting the needs and expectations of customers,
2. covering all parts of the organization,
3. including every person in the organization,
4. examining all the costs related to quality,
5. getting things “right first time”,
6. developing systems and procedures,
7. developing a continuous process of improvement.

(Slack et al. 2010, p. 45)

Some other authors like Charantimath P. M (2009, p. 6) add leadership principal on as well.

**Meeting the needs and expectations of customers.** TQM pays a big attention to customers (external and internal), they always come first and their satisfaction is number one priority. TQM sees importance to responding and meeting customer’s requirements including basic and specific ones that could be defined as company’s competitive advantage. Customer-driven quality also characterizes in reducing customer complains, immediately dealing with them and turning negativity of complaints into implementing requirements.
There is no doubt that high customer service is a success to any kind of business. Customers are the ones that all the profit comes from. For the company to have a very well working customer service is a big achievement. Charantimath P. M (2009, p. 228) claims the main seven aspects that help to build a better customer service and retain customers are the following:

1. Top management commitment to the concept of customer focus.
2. Know your customers and what they like and dislike about you.
4. Recruit, train and reward good staff.
5. Always stay in touch with the customers.
6. Work toward continuous improvement of customer service and retention.
7. Reward service accomplishments by your staff.
Charantimath P. M (2009, pg. 228) also agrees on the importance of customer focus by proposing steps to achieve customer’s satisfaction:

- Identify customer needs;
- Design the product that responds to customer needs;
- Produce and deliver the product as per the design;
- Enhance after-sales service and handle complains quickly;
- Measure customer satisfaction;
- Improve quality to delight customer.

**Covering all parts of the organization.** Organization works as a whole from sales to waste. To redesign every part of organizations is time consuming, but company’s balanced work brings much more in return.

**Including every person in the organization.** Some authors like Morfaw (2009, p. 158) or Mandal (2009, p.40) define this part as empowerment and teamwork of people. At this point management must understand and appreciate everyone in the company. TQM approach has to be acknowledged by every member of the team. People must be committed, willing and trained to go a long and hard way to achieve pursued quality standards. Management and employees can achieve great results only working together hand in hand. As employees are taking more responsibilities, using their abilities for the good of company, they need to get something in return. It includes secure environment, friendly, relaxed working atmosphere
where they communicate with management, are allowed to give suggestions, receive rewards and promotions. Higher quality and productivity is achieved working as a team for the same goal.

“This is to provide people with the opportunity to learn, apply and practice their skills, creativity and knowledge. […] Objective of this step is to eliminate bureaucracy and delay in decision – making, which otherwise adversely affects customer service.” (Mandal, S.K. 2009, p. 47)

**Examining all the costs related to quality.** According to Jain (2006, p. 101) the objective should be to ensure that the total cost incurred in achieving and maintaining quality is as low as possible, since it may seriously affect the cost of productivity. […] A complete study and analysis is necessary to balance both quality and cost.

It is very important to have failure cost, appraisal cost and prevention cost under control at all times.

**Getting things ‘right first time’.** Any improvements and changes in the company cost a lot in every way: money, labor, time, profits, waste etc. To get the best result out of it there is needed consistency, regularity and efficiency.

**Developing systems and procedures.** None the less important step is the control of all business processes. Any kind of company relies on basic business and manufacturing processes. The success of the company lays in the efficiency and sustainability of the chain of processes. Therefore, is it important to have all business’s whether the company produces
goods or service, systems, procedures and processes maintained, developed and controlled at any time, at any stage and in an appropriate way.

In accordance with Hakes (1991, p. 5) interpreting the concept of process control into an action plan will raise some vital questions:

- Have you identified the processes that are critical to your business?
- Do your staff realize that all work is a process, converting the range of inputs into a number of agreed outputs?
- Do you have staff who are clearly responsible for each process, irrespective departmental allegiances?
- Who plans, controls and monitors each process?
- Do your staff feel able to criticize each process?

**Developing a continuous process of improvement.** TQM is a long-term approach building the concept of never ending improvement. The product and service has to be constantly updated, improved and applied to rising customer requirements. Once goals and targets have been achieved, the new ones should be immediately set up. This ways the company will be achieving higher standards and attain more success.

“Continuous improvement of all operations and activities is at the heart of TQM. Once it is recognized that customer satisfaction can only be obtained by providing a high-quality product, continuous improvement of the quality of the product is seen as the only way to maintain a high level of customer satisfaction.” (Leon, A., 2008, p. 539)
Figure 4. Never-ending improvement – the way to a competitive advantage. (Source: Hakes, C. 1991, p. 13)

Waste is one more issue company faces and TQM deals with. Waste management is a big part of continuous improvement. Management has to find the best ways to reduce waste.

**Strategic planning and leadership.** Leaders must be committed to their work and people to achieve the best. Leaders should be the role models, the ones to motivate, encourage but not to command. People with the leadership skills working in the team, working under pressure, towards the mutual goal are easily recognizable. The leaders are very valuable for the company; management can rely on them, appoint with important task and ensure the supervision within the team.

“Without the commitment from the top, TQM simply will not work, because its success depends on good leadership. Leaders cannot delegate responsibility for Total Quality.” (Morfaw, John. N. 2009, p. 54).
Morfaw (2009, p. 54) agrees on the importance of TQM in the company and he also states that TQM requires both behavioral and cultural changes. The Total Quality Management environment is built around a specific set of principles, tools, techniques and systems. Although his emphasized main principles of TQM are a bit different from the ones discussed above:

- Quality can and must be managed;
- Everyone has a customer and is a supplier;
- Processes, not people are the problem;
- Every employee is responsible for quality;
- Problems must be prevented, not just fixed;
- Quality must be measured;
- Quality improvement must be continuous;
- The quality standard is defect-free;
- Goals are based on requirements, not negotiations;
- Life cycle costs, not front end costs;
- Management must be involves and lead;
- Plan and organize for quality improvement.

Even though some of these principles differ the main objective defining Total Quality Management approach remains the same. The principles emphasize the customer focus, continues improvement, quality standards, employees and management importance and commitment.
Figure 5. Universal process for managing quality. (Source: Charantimath P. M., 2009, p. 2)

4. The History of Aldi

The name Aldi was combined of the founders name Albrecht and Discounts. Aldi was founded in 1913 by Karl and Anna Albrecht in a town called Essen-Schonebech, Germany. It all started from a small only 60 sqm food store, later expanded to two stores, both on the same road. The stores were run by Anna Albrecht as well training their both sons, Karl and Theo Albrecht, in the retail trade. The expansion of business happened quickly and by 1950s brothers managed to open 300 (rented) stores.

In 1960 brothers decided to go separate ways after they came into disagreement whether to sell cigarettes: Theo established his business as Aldi North and Karl as Aldi South.

Karl Albrecht was the wealthiest man in Germany with 17.2 billion of euro. He died in 2013. Theo Albrecht was the second richest person when he died in 2014.

New self-service discount food stores were opened with 400 fast moving lines of high quality goods. By 1980s Aldi started opening stores with huge car parks focusing on customers doing big shopping and driving cars.

Success in Germany forced to think wider and Aldi South made its first international expansion to Austria in 1968.
In 1976 Aldi continued opening store abroad and opened its first store in the USA with the acquisition of the Benner tea Company. By 2011 Aldi USA had over 1150 stores across 31 States with 29 Regional Offices including a Corporate Office located in Chicago. (Aldi Store Management Book)

Aldi slogan “Spend a little, Live a lot” represents company’s business concept best. Discount store chain is well known for superb quality products at a very low price. Over 8000 stores across the world and over 100 in Ireland Aldi is chosen by million customers every day for their daily shopping. Aldi believes this success is down to their “less is more” approach. Company focuses on what customers looking for most nowadays: favorite products, great taste, quality and fresh food for a great value.

In Ireland Company achieved significant success and it is threatening such market giants like Tesco and Dunne Store. Aldi’s shares gone up to 8 % and had the biggest growth in the market.

The best results were recorded while many companies went down – over recession. People had to do the cuts on their daily shopping, swap for cheaper brands and count every cent. This is when Aldi has shined. Many customers were surprised of quality they get for the value. Aldi offered what they needed most and for less money.
Company acknowledges that one of the main reasons for customers returning is value for money. Company does “everything from choosing suppliers to building stores is aimed at guaranteeing customer a lower cost shop”. (The Aldi Corporate Responsibility Policy, no date) As one of the most reputable retailers in the international business market, Aldi maintains low costs by buying large amounts of products from the best suppliers including local farmers, keeping all operations as efficient as possible, standardizing stores layouts and size as well as hiring low number of staff. From the start of the business Aldi’s constant cut on everything to provide the lowest price involving minimum number of freezers and chillers (only the energy saving ones), refusing meat, fresh food and produce sales. To stop customers from looking elsewhere for fresh bread, vegetables, fruit or meat, company now provides with wide range, great offers on produce (Super 6), quality from local suppliers and deals on meats that attracts more and more new customers.
Company breaks all believes that the quality and a good taste are very expansive. Many of Aldi’s products are gold medal and various food and drinks award winners (Appendix 4).

“The award recognizes that we give shoppers exactly what they want, which is the best possible products, at the best possible prices, every day of the year.” (Tony Baines, Aldi Managing Director of Buying)

5. Aldi Quality Management

Over the last few years Aldi has done a huge improvement in the business, achieved the highest scores in quality of products and expanded the number of stores in Ireland to 108. The number started to go up when everyone was affected by economic crisis in 2008. Squeezed incomes made more people turn to discount stores like Aldi. Since then more and more customers were doing their shopping and appreciated quality for lower price.

Aldi’s core purpose is to “provide value and quality to our customers by being fair and efficient in all we do.”( The Aldi Corporate Responsibility Policy, no date)

Company does not just reduce cost of business, but they invest all savings back to the business ensuring constant price drops and customer satisfaction. Aldi applies lean production approach to cut the cost:

- Continuous improvement – a culture whereby all employees are constantly involved in making improvements to quality
- Just-in-time production – materials are received just as they are needed, eliminating the need to maintain large stock levels
- Time based management – an approach that aims to reduce the time wasted in business operations. This usually requires a multi-skilled and flexible workforce.
• Total quality management (TQM) – a quality assurance ideal where all workers have a responsibility for getting it ‘right first time’.

(official website, no date)

A part of Aldi Quality Management is Total Quality Management (TQM). Hoyle (2007, p. 112) defines Total Quality Management as a management philosophy and company practices that aim to harness the human and material resources of an organization in the most effective way to achieve the objectives of the organization.

“It is a long–term success through customer satisfaction. In a TQM effort, all members of an organization participate in improving processes, products, services, and the culture in which they work.” (TQM Overview, no date)

Aldi defines itself as a discount chain selling quality goods for the best price. It states that product quality includes consumer safety, health and well-being:

• Ensuring products meet nationally recognized standards for quality and safety.
• Providing clear information and labeling.
• Maximizing the positive nutritional benefits of their products.
• Minimizing the negative impact of their products.

Quality could not come without suppliers. The longevity and trust in a relationship between Aldi and suppliers are essential to ensure the high quality and reliability of the products that are placed on the shelves. The requirements for quality are very high maintained by various testing and quality control procedures.
Suppliers’ standards reflect Aldi’s commitment to human rights and fair labour standards and are based upon the following:

- The UN Universal Declaration of Human Rights
- The UN Convention on the Rights of the Child
- The UN Convention on the Elimination of All Forms of Discrimination against Women
- The International Labour (ILO) Conventions
- The OECD Guidelines for Multinational Enterprises

(Aldi official website, no date)

As a good quality management relies a lot on people working within the company, Aldi looks after their employees by motivating them with promotions, praises, bonuses, decent salary and providing a range of high quality, structured training programmes and development opportunities.

7. Aldi – Case Study of Quality Management

7.1. Aldi Approach of Total Quality Management

Aldi quality management applies Total Quality Management approach. Meeting the needs and expectations of customers. The core of the successful business resides in a number of customers coming to shop, spending their time and money in the store. Aldi acknowledges the importance of customers, the essence of keeping them happy and satisfied. Since the company started operating internationally customer service has changed and improved drastically and still constantly is improving. Irish market is full of multi choices on stores, products, service, etc. Customers choose the best one for them and
the competition has been raised to the highest level. Nowadays customers do not seek just a quality product or great price, but much more than that – great customer service, flexible return policy, helpline, warranty, etc.

Aldi Ireland provides with comprehensive customer service both via online helpline and in store.

- Company has uses social media (Facebook, tweeter) to communicate with its customers, created app programs for iPhone and android. This helps customers to see new Specialbuys, find the nearest store, add products to personal shopping list, etc.

- To cut the costs company had cash only policy for a long time. As the card payment system got used widely, company had to take payment changes into consideration. There are more ways to pay now. For customer convenience in store all card payments are accepted – credit and debit cards.

- The best way to prove excellent customer care is by meeting their requirement, in most cases it is great quality products for the lowest possible price. Aldi considers customer comments and requirement, seeks to adjust to changes in the market, introduce new or developed products and adjust to new tendencies. Customer needs are put in the first place. Recently there was brought in a new range of gluten free products due to a high number of customer inquiries. This way company gains its trust and recognition. Aldi states:

“It's our job to ensure that anything you buy at ALDI has been grown, caught or made with care for the environment and that the workers involved are treated fairly. We are working closely with our suppliers and industry partners to ensure you can trust everything you buy at ALDI.” (Corporate Aldi website, no date)
• The great customer service comes from the moment customers park their car till they leave the store. Company provides with the large number of car park spaces. Also the wide range of trolleys (large, shallow, with baby chair, for disabled people and baskets). The store layout is designed for every customer’s convenience. The same layout, products, promotions in every store.

• Staff do excellent job at the tills and on the floor. They are paid on average 30% more than in any other retail grocery store in the country. They are motivated to do their job well even though the expectations are very high. Moreover, at the tills cashiers are constantly tested by store managers and Mystery Shoppers. Aldi uses Mystery Shopper’s program to identify the quality of products and the level of customer service.

Including every person in the organization and team work.

“Our relationships are built on the principles of cooperation, honesty, trust, respect, individual empowerment and accountability, mutual support and learning. We are committed to providing our employees with personal fulfillment and development, training, recognition, attractive remuneration and job security.” (The Aldi Corporate Responsibility Policy, no date)

To have good employees is very important for the company’s success. Happy employee does better and faster job, provides great customer service and contributes to company’s wellbeing. Aldi takes very seriously the process of finding people suitable to work in the company. Only motivated, energetic and enthusiastic people can be invited to join the company.

Company understands the importance of motivation and encouragement. All staff is paid most in the retail, provides with beneficial holidays, sick leave, maternity, etc. policy. The work hours are strictly limited to 40 hours per week with adequate number of breaks and at least 8 hour rest before the next shift. Employees get all the necessary training on equipment
use, on relevant work law, are constantly updated on the news and things happening in the company (by newsletter, annual meetings, store meetings, performance review). The most powerful and effective motivations aspect is praise and promotions. Everybody in the company is aware of the even rights and opportunities to be promoted to deputy store manager, assisting manager following by store manager’s position. Company provides with great career opportunities, support employees willingness to improve, personal development and study.

“The teamwork involved in working with your colleagues will create an enjoyable and pleasant work environment and make the store more efficient and productive thus helping to guarantee our future success.” (Aldi stores employee handbook, no date).

Company believes the big contribution to its success was put by team work. The efficiency and effectiveness in work results on cost cuts. Day to day processes, general tasks, quality control and customer service improve more and faster by working together, sharing tasks and communicating

**Examining all the costs related to quality.** All the cost savings throughout the business processes Aldi can invest back in for a bigger return. The main investment is maid in quality management: product quality, staff training, business processes improvement, innovation implementation, etc. When making cuts it is very important to ensure that cuts on one thing would not reduce quality or add additional cost on other one. Aldi has never risked on product quality. The cost cuts come from inventory control like 2 euro deposit control for trolleys. This way it is ensured that trolleys would be locked back. Company has less staff than any other retailer in the market but trains them to be fast, efficient and confident in doing any task that needs to be done. As a result company spends less money on wages.
Employees are responsible for work on the tills and on the floor minimizing the amount of time wasted. To avoid large numbers of waste, there is applied Just-in-Time approach to order products. Orders are done every day which means that bread, diary, meat and produce come fresh on the shelves every day and delivery contains only of what is needed that day. This helps to reduce waste to minimum and minimizes back stock so no big warehouse is needed. The biggest cut on cost comes from the savings received by buying in huge amounts directly from suppliers and manufactures. None the less important aspects in cost reduction related to quality are:

- Well established logistic and supply chain,
- Inexpensive location, outside the main street,
- Saves work cost by displaying products on pallets or in the boxes,
- No branded, only own label products.

**Developing systems and procedures.** Every person in the company clearly knows their responsibilities, duties, laws and procedures they have to follow. They are always informed of any kind of actions taken in the company and the store, they are aware of both general and personal goals and they are provided with any material needed to ensure work efficiency, health and safety standards. Aldi complies with the strict till procedures that customers are informed about. It includes till speed, 3 G’s (greeting, gratitude, and good bye), trolley positioning and packing on the bench only.

**Developing a continuous process of improvement.** Aldi is the company that is searching for improvement and keeping itself up to date all the time.
“We are working with our partner architects, planners and developers to constantly improve the design and materials of our stores, warehouses and administration buildings to meet leading global green building standards” (The Aldi Corporate Responsibility Policy).

Improvement goes together with the innovations. The equipment in the warehouse, tills, card machines and other store inventory gets often renewed to ensure higher efficiency. The company introduced new ordering system called CGO-S (Computer Generated Ordering for Stores) which will automatically place the orders for Ambient, Long Life Chiller and Freezer. This ordering system reduces ordering time, improves availability and allows managers to spend more time on the floor monitoring general tasks, quality control and assurance.

Aldi approve environmentally friendly business idea and reduces greenhouse gas emission, reduces, reuses and recycle waste.

Moreover, it makes constant improvement on products, packaging, range, ingredients, labeling and more to meet raising customer requirements.

7.2. Quality in the store

Aldi provides customers with low price, reliable, tasty and quality products. Many of them have been recognized by food specialist and professionals and been awarded by the prestigious Irish Quality Food and Drink Awards.

“Aldi’s safety and quality-management policies and processes are based on the principles of due diligence. As a minimum, we comply with all relevant consumer legislation and safety standards, our internal standards often go beyond this and we strive to exceed professional industry standards through our entire supply chain.” (The Aldi Corporate Responsibility Policy, no date)
If the product occurs to be unsafe to consume, Aldi has a management system in place to identify any products affected, to remove them from sale and to alert customers about products that need to be returned. Aldi completely trust the quality of their products. To prove it company has a satisfaction guaranteed policy ensuring customers that if they are not fully satisfied with the product they can return it within 60 days with the valid receipt and the money will be refunded.

**7.3. Suppliers**

“We believe that longevity and trust in our business relationships are essential to ensure the high quality and reliability of the products we provide to our customers.” (The Aldi Corporate Responsibility Policy, no date)

Suppliers can strongly affect product quality, company’s reliability in the eyes of customer and destroy successful future of the company. Aldi is very much depended on suppliers. Company does not manufacture any products, but buy them from many reliable suppliers from all over the world. Aldi is interested in more Irish based suppliers for their Irish supermarkets. It has over 125 Irish suppliers, producers and manufacturers. Over 50% of all grocery sales at Aldi come from products bought from Irish suppliers which is marked on the receipt with the symbol “IRE**”.

Fresh meat (beef, pork, chicken, turkey, lamb, bacon) comes from suppliers 100% Bord Bia Quality Assured. Bord Bia is a quality assurance scheme labeled by special mark on the following product sectors: beef, lamb, pigmeat, poultry, eggs and horticulture. Bord Bia is accredited to international norms, specifically EN45011. As it is stated Board Bia primary work of the quality assurance division is to develop new standards, improve existing standards and ensure the timely and efficient auditing and certification of members to each
of the scheme. The Safeguarding the integrity of the schemes requires continual review and systems improvement particularly given the increased utilisation and recognition of the Bord Bia Quality Assurance logo. (Bord Bia, no date)

The fact that Aldi sells quality products and cooperates with the best suppliers are confirmed by awards at the Great Taste and Blas na h’Éireann food awards. There was received the largest number of awards on Aldi products than any other Irish retailer.

Suppliers are very interested in working with Aldi as it opens broader opportunities to grow both nationally and internationally. Aldi helps maintaining over 20,000 jobs across the Irish food industry and many suppliers export their products (honey, cakes, juice, bacon, dog food, etc.) to Aldi stores outside the country.

Aldi strictly monitors their suppliers as well as enhance requirement to meet the highest quality standards on the products in the stores.

According to Aldi official website suppliers’ requirements are:

- Food Standards Policy
- all relevant consumer and safety legislation
- Global Food Safety Initiative (GFSI) auditing standards
- Bord Bia Quality Assurance
- Social Monitoring Programme for suppliers in high risk commodity areas, chosen due to their tendency to be manufactured in countries with lower social and environmental standards than in Ireland. They must be members of the Supplier Ethical Data Exchange (Sedex), or The Business Social Compliance Initiative (BSCI).
- To be in full compliance with all applicable national laws and regulations, industry minimum standards, ILO and UN Conventions where they are consistent with national law, and/or any other relevant statutory requirements, working hours.
• Procedures and standards for waste management, handling and disposal of chemicals and other dangerous materials, emissions and effluent treatment must meet or exceed legal requirements.

• All local and national environmental regulations and relevant provisions of the ALDI CR Policy and environmental standards must be met.

Lewis (2005, p115) emphasizes as the main requirement the following four:

• Meet Aldi’s price demands;

• Meet criteria for quality that are very close to those for branded products;

• Match Aldi’s distribution requirements;

• Stick to a strict delivery schedule.

7.4. Conclusions

The chapter analyzed the importance of quality management in the discount stores. The success in the business is closely depended on quality department work. Quality management oversees quality aspects wider than just a product quality. It includes, continual improvement, customer focus, leadership, process approach, involvement of people, factual approach, mutually beneficial supplier relationships, and system approach.

Aldi case helped to illustrate quality management work importance visually. Company does all the improvements and changes to meet customer requirements and increase quality standards proving the quality for less approach. Company applies Total Quality Management. Its continues work involving all organizational parts and people helps to achieve great results in the eyes of customers and in the market in general.
8. RESEARCH METHODOLOGY

The purpose of this research is to answer the research questions and clearly identify the importance of quality management in discounter grocery stores. In order to provide comprehensive analysis it is essential to adopt the most suitable research philosophy, approach, strategy, time horizon and techniques and procedures. The research onion indicates “important layer of the onion that need to be peeled away” (Saunders et al., 2007, p. 102). The research is implemented by using positivism philosophy followed by deductive approach and case study. There is applied mixed-method (questionnaire and observation) and cross-sectional time horizon.

![Research Onion Diagram](image-url)

Figure 7: The research ‘onion’ (Source: Saunders et al., 2007, pg.102)
8.1. Research Questions:

Quality management in general is well researched and analyzed area. But the retail quality management, especially in discount grocery stores, has not been completely explored. That leaves this particular business area interesting to many business analysts, authors and researchers. During the research there have been many questions raised, but the most important ones providing a comprehensive analysis and fully research the topic are the following:

1. What role does quality management play in retail particularly in discount grocery industry?

2. Is Aldi a quality focused company in the eyes of customers?

3. What is the main aspect that makes customers to return to Aldi?

These questions help to give the research topic a shape by identifying what is important to look for in the literature and survey; they concretize and summarize the topic. The questions find out what is the main thing, main feature that brings customers back to discounter grocery stores.

Customers’ raising expectations make certain of the quality importance and other things around it to bring success to business. These questions also clarify what are the quality expectations in grocery stores and at the same time support the theory of quality management importance.
There is carried out qualitative research. In order to take the best out of the results provided by survey it is important to list out the research hypotheses.

1. Quality is the key issue in discounter stores.
2. Customers value quality more than lower price.
3. Customers buy cheap goods even if they are bad quality.
4. The right suppliers are very important to maintain high quality standards in the business.
5. Quality management has no influence on business success.

Literature review alongside with collected primary data help to confirmed or refuted these research hypotheses.

8.2. Research Philosophy

Saunders et al. (2007, p.108) stated that philosophy relates to the “development of knowledge and the nature of that knowledge”. This statement refers to the first and very important step into research by developing knowledge in a particular field. The research philosophy directs the whole analysis to the most suitable strategy and methods.
“Positivism is the epistemological position that advocates working with an observable social reality. The emphasis is on highly structured methodology to facilitate replication, and the end product can be law-like generalization similar to those produced by the physical and natural scientists.” (Saunders et al., 2007, p.606)

Referring to this definition positivism is the applied research philosophy. Positivism research is picked for its suitability to collect necessary data to develop research hypotheses and confirm or refute them. These hypotheses are tested by facts rather than impressions or feelings. This philosophy is easily applied in ‘observable social reality’ (Saunders et al., 2007, p. 103). Positivism is implemented in a value-free way meaning that the researcher has no relations to the subject seeking to affect the data or be affected by it. This way is indented to avoid data inaccuracy:

‘The ‘resources’ researcher would claim to be external to the process of data collection in the sense that there is little that can be done to alter the substance of the data collected’. (Saunders et al., 2007, p. 103)

8.3. Research Approach: Deductive

The next research onion layer is research approaches. There are two kinds of approaches – deductive and inductive. This research part will be continued by adopting deductive approach. In this approach it is needed to ‘develop a theory and hypotheses and design a
research strategy to test the hypotheses’ (Saunders et al, 2007, p. 117). Deductive theory testing useful to identify relationships between variables, narrow down the ‘problems to the simplest possible elements and enable facts to be measured quantitatively’ (Saunders et al, 2007, p.117).

8.4. Research Strategy: Survey Strategy

Research questions, objectives, the amount of time and many more aspects may influence the choice of research strategy. This research adopts the survey strategy which is associated with the deductive approach. This choice was made according to the amount of needed data, size of population relevant to research and low research costs. The strategy strongly supports qualitative research and approves various descriptive and inferential statistics.

‘The data collected using a survey strategy can be used to suggest possible reasons for particular relationships between variables and to produce models of these relationships’. (Saunders et al, 2007, p. 118)

Moreover, more control and independence coming into the research process using this strategy as the only dependency is to collect data by questionnaire. Although it is very time consuming.
8.5. Research Choices: Mixed-Method

The research choice layer is combined of three main methods: mono, multi and mixed methods. The most suitable choice to answer this research questions is mixed-method. This method uses both quantitative and qualitative data collection techniques and procedures.

Mixed-methods branch out into mixed-method research and mixed-model research.

‘Mixed model research combines quantitative and qualitative data collection techniques and analysis procedures as well as combining qualitative and quantitative approaches at other phases of the research such as research question generation.’ (Saunders and Thornhill, 2007, p. 146)

This method allows collecting wanted data by using questionnaires and observation. The observation method (watching work on the floor and customers’ behavior in the store) is employed to enhance data and analysis gotten of questionnaires and justify the importance of issues that the whole research is based on. Wilson (2010, p. 159) states an observation is normally associated with the qualitative research strategy and involves recording the behavior of the research subject. Wilson (2010, p. 161) also advises to be clear on the following aspects:

- What you are observing and the units of analysis?
- When the observation is likely to take place?
• How the data will be observed?

• Where the data will be observed?

Saunders et al. (2007, pp. 151 – 152) encourage to use ‘imagination and to think of research as a highly creative process’ but to have ‘clear research question and objectives and ensure that the used methods enable to meet them.’

8.6. Time Horizon: Cross-Sectional Study

In this part of the research there is cross-sectional study used. According to Kumar (2011, p. 68) ‘cross-sectional study is very common in social science, trying to find out the prevalence of a situation, problem, attitude or issue, by taking a cross-section of the population.’ The research is like a ‘snapshot’ taken at a particular time. In this case the study population was narrowed down to only Aldi customers and the research is very limited in time.

8.7. Sample: Simple Random

The proposed sample method to be used is Probability Sampling – Simple Random. In accordance with Kumar (2011, p. 67) in quantitative research it is attempted to select a sample in such a way that it is unbiased and represents the population from where it is selected. The sample depends on the actual topic, what is trying to be found out by it. The purpose of sampling is to identify the difference of particular population essential for
research and narrow it down to get the most accurate data, in Kumar’s (2011, p. 66) words it is a subgroup of the population the researcher is interested in.

The sample of the proposed study is all the customers shopping in discount grocery store Aldi. Taking into consideration that children need to be accompanied by adults the sample customer age falls into categories ranging from 18 to over 65. The customers are questioned via prepared questionnaires. To collect data via questionnaires approximately takes 3 weeks. The long time period allows getting the needed number of 100 questionnaires. The place to collect data is nearby discounte grocery stores - Aldi. This ensures that the respondent is a customer of the discounter grocery store and is able to answer the questions. The size sample is large in order to avoid errors.

**8.8. Data Collection**

Data collection is a very important for the flow of the whole research as well as for achieving set goals, objectives and research questions. The research is based on both types of data: primary and secondary data.

**8.8.1. Collecting Primary Data through Questionnaire**

Saunders et al. (2010, p. 360) defines questionnaire as a technique of data collection in which each person is asked to respond to the same set of questions in a predetermined order.

There are several types of questionnaire depending on the research question and objectives which one to use.
Moreover, Saunders et al. (2009, p. 363) proposes some factors applied to choosing suitable type of questionnaire:

- characteristics of the respondents from whom you wish to collect data;
- importance of reaching a particular person as respondents;
- importance of respondents’ answers not being contaminated or disordered;
- size of sample required for analysis, taking into account the likely response rate;
- types of questions you need to ask to collect your data;
- number of questions you need to ask to collect your data.

Considered all these factors especially understanding very well the research question, what is meant to be achieved during the research clears out which type of questionnaire is the most suitable for the research.

8.8.2. Questionnaire Design

Questionnaires are very widely used tool within the survey strategy. The questionnaire can provide with the needed data, illustrate the problem and objectives and answer to research
questions. In order to achieve all of that, the questionnaire has to be created judiciously, considering the possible questions and how each answer can contribute to the research analysis and findings. The data presented by questionnaires is easily analyzable and understandable as well as kindly acceptable by many survey participants – respondents.

To design a questionnaire properly, Wilson (2010, p. 150) suggests taking into consideration a number of the following factors:

- What is the purpose of your questions?
- How can you ensure reliability and validity?
- How will the questionnaire help you to answer your research objective?
- What length should your questionnaire be?

The author as well highlights the importance of question order, layout and length.

Additionally Fisher (2004, pp. 161 - 162) mentions the need to keep questionnaires as short as possible, design them to look attractive, divide the questionnaire into parts regarding asking issue and give them a logical and sequential structure. Furthermore, it is advised to ask the easy questions first and the hard ones last.

The questionnaire used in this research is designed to answer all research questions and to get a clear customers’ (all respondents are Aldi customers) opinion about both quality importance for them and quality noticed in the store. This research questionnaire is composed of three parts and contains 22 questions. The questions from 1 to 3 are demographical designed to get the general information of the respondent. The questions from 4 to 8 are aiming to get the general opinion about customer’s expectations to quality, the meaning, the description of quality to them. The final part of questionnaire (from 9 to 22) is created to obtain particular information of the quality management (including customer service, products’ quality and suppliers) in Aldi. In order to receive the most suitable
primary data for the research, the questionnaire contains various types of questions: dichotomous, multiple choice, scale and matrix).

Dichotomous questions are the questions providing with only two alternatives of answers.

Multiple choice questions – as Fisher (2004, pp. 162 - 163) describes these questions normally provide respondents with the choice of three to five options and ask them to choose one. Important to add a final “Other (please specify)” option.

Rating scales questions – according to Fisher (2004, p. 163) these questions ask respondents to rate or evaluate a service, policy or option according to a carefully graduated scale. The respondents indicate the nature of their opinion by marking the appropriate place on the scale.

Matrix or grid of questions as Saunders et. Al. (2010, pp. 382 - 383) states enables researcher to record the responses to more than 2 similar questions at the same time.

The introduction to the questionnaire presents the aim of the survey, highlights the protection of any information provided in the questionnaire and the needed to fill it in.

The length of them spreads out in three pages ending by thanking for cooperation.

The most questionnaires were filled in outside Aldi store.
8.8.3. Collecting Primary Data through Observation

According to Bryman and Bell (2007, p. 281) observations is a method to observe and record the behavior of individuals in the particular research categories.

“It is a technique in which the researcher employs explicitly formulated rules for the observation and recording behavior. One of its main advantages is that it allows behavior to be observed directly.” (Bryman and Bell, 2007, p. 281)

Saunders et. al. (2009, p. 363) highlights two types of observation: participant observation and structures observation. Participant observation is about the “meanings that people attach to their actions”, whereas structured observation is more “concerned with the frequency of those actions”. (Saunders et. Al. 2009, p. 288)

Additionally, Wilson (2010, p. 159) remarks two things to consider when conducting observational research. Firstly author mentions the “extent to which you wish your research subject(s) to be aware of your presence as a researcher. Secondly, it “it relates to the level of interaction with your research subject.”

8.8.4. Research Difficulties and Limitations

Punch (2006, p.) defines limitations as ‘Limitations refer to limiting conditions or restrictive weaknesses which are unavoidably present in the study’s design’. They occur in every research and understanding the influence of them on the research and acknowledgment of them can help for further research flow.
This research faced some limitations as well. Time management was one of the main difficulties. The deadline of the whole dissertation was putting research especially data collection and questionnaire sharing parts in the strict and short time frames. Also, the necessary number of fully completed questionnaires is 100 and to receive them back is a very demanding task. Even though people are informed about the purpose of the questionnaire, many respondents do not understand the importance of this questionnaire and the data in it and relates it directly to the company it is about (Aldi). Moreover, it is taken into consideration language barriers from the early start of survey, so the questions are formulated to be easily understandable and in most cases recipient is around to explain it. Lastly, the interpretation of data from various sauces is difficult to gather due to a very wide topic, large number of literature and constantly changing information. The data is analyzed based on the most reliable sources.

8.9. Ethics, Reliability and Validity

Saunders et. al. (2009, pp. 183 – 184) define research ethics as the appropriateness of the research’s behavior in relation to the rights of those who become the subject of a research project, or who are affected by it.

This research has faced several ethical issues. To begin with, everybody who participates in this research has a right of privacy. The personal information like name, date of birth, address, etc. is not be required. Any provided information including data collection, questionnaire results and analysis is confidential and used only for the purpose of this dissertation. All kind of online research information is protected by email and google forms passwords as well as using pdf format. Also, paper work and other material is not shared with anyone and not exposed publicly. The participation in this research is voluntary and respondents have a right to refuse to take part in it. In this case, the questionnaire is asked to be filled out by someone else who wants to contribute voluntarily. The ownership of data is shared between the student analyzing this topic (Egle Briedyte) and the college (Dublin
Business School and Liverpool John Moore University). It is very important to identify all possible and certain ethical issues in order to build an appropriate relationship with respondents.

Reliability and Validity

In the research the key is to develop questions, key topic factors and both primary and secondary data comprehensively. In order to achieve correct research analysis is essential to ensure reliability and validity of methods and tools used.

In accordance with Bryman and Bell (2007, pp. 162 - 163) reliability is concerned with the question of whether the results of a study are repeatable whereas validity is concerned with the integrity of the conclusions that are generates from a piece of research. Moreover, validity refers to the accuracy of the measurement process while the reliability of measurements refers to its consistency stated by Gill and Johnson (2006, p. 136).

Statements compatibly agree the contribution of reliability and validity into a successful and high standard research.

Summarizing this chapter, the research process is long and responsible task. Every part of research has to be completed in a particular time and way. All difficulties and limitations need to be considered before starting the research to avoid time waste, considered other people involvement and leaving some additional time for if unexpected circumstances appear. Research goes step by step and once each of it fully completed, the research will reveal comprehensive results.
9. RESEARCH ANALYSIS AND FINDINGS

The aim of this chapter is to illustrate the findings using tables and charts and provide with analysis of each question. The chapter is divided into two main parts: analysis of questionnaires and analysis of observation.

9.1. Analysis: Questionnaires

This part will present results received via questionnaires following the analysis of each question with results illustrating tables and charts. This chapter also includes the comprehensive analysis of observation days.

Question 1: Gender:

<table>
<thead>
<tr>
<th>Gender</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>61</td>
</tr>
<tr>
<td>Male</td>
<td>39</td>
</tr>
</tbody>
</table>

Table 1: Gender

![Gender Pie Chart]

Figure 9: Gender of respondents
The question about respondents’ gender showed that the sample splits out into 61% female and 39% male respondents. As was expected more female customers are coming to do grocery shopping.

**Question 2: Age:**

<table>
<thead>
<tr>
<th>Age Range</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 - 25</td>
<td>8</td>
</tr>
<tr>
<td>26 - 35</td>
<td>31</td>
</tr>
<tr>
<td>36 - 45</td>
<td>20</td>
</tr>
<tr>
<td>46 - 55</td>
<td>21</td>
</tr>
<tr>
<td>56 - 66</td>
<td>18</td>
</tr>
<tr>
<td>65 +</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 2: Age of respondents

![Figure 10: Age of Respondents](image)

The age limit of respondents/customers varies between 18 to over 60. The most respondents fall into 26 – 35 age range with 31%, following 21% for 46 – 55 and 20% for 36 – 45 years old. 56 to 66 age range takes over only 18% of all respondents.
Question 3: What is your occupation?

<table>
<thead>
<tr>
<th>What is your occupation?</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional/office worker</td>
<td>24</td>
</tr>
<tr>
<td>Self-employed/manager</td>
<td>7</td>
</tr>
<tr>
<td>Manual worker</td>
<td>31</td>
</tr>
<tr>
<td>Unemployed</td>
<td>18</td>
</tr>
<tr>
<td>At home</td>
<td>13</td>
</tr>
<tr>
<td>Retired</td>
<td>5</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 3: Occupations of Respondents

Figure 11: Occupations of Respondents

The occupation questions can be related directly to a quality importance. The more people earn, the more are likely to require high product quality, better customer service or choose expensive brands. The results revealed this category – professional/office worker – was marked by 24% of respondents. The majority of respondents are manual workers, predictably with the average incomes. These both categories are least sensitive to price, they are buying what they want, targeting to a luxury range or new products. The respondents in
the categories of unemployed with 18%, At home (defining who don't want to say that are unemployed or those who are stay at home like mums) with 13%, retired with 5% and others (what respondents specified as security or full time workers) are coming to the shop expecting to find a better value for money. They are looking for the best deals, offers and discounts, sometimes choosing price over quality.

Overall the high number of Professionals/office workers shows the possible satisfaction of quality in general including quality management and TQM.

**General quality management related questions**

**Question 4: What features of a product would you define as quality indicators?**

<table>
<thead>
<tr>
<th>Feature</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long best before date</td>
<td>16</td>
<td>8%</td>
</tr>
<tr>
<td>Awards</td>
<td>22</td>
<td>12%</td>
</tr>
<tr>
<td>Taste</td>
<td>50</td>
<td>26%</td>
</tr>
<tr>
<td>Country of origin</td>
<td>12</td>
<td>6%</td>
</tr>
<tr>
<td>Packaging</td>
<td>4</td>
<td>2%</td>
</tr>
<tr>
<td>Price</td>
<td>50</td>
<td>26%</td>
</tr>
<tr>
<td>Brand</td>
<td>20</td>
<td>11%</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>15</td>
<td>8%</td>
</tr>
<tr>
<td>After purchase service</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 4: Product features defined as quality indicators
Each customer describes the quality individually to them regarding to their lifestyle, incomes, expectations and beliefs. With this question it was targeted to find out the main feature of quality, the indicator of quality of the product in general. The results revealed that the quality feature in the eyes of 50 customers is combined of price and taste with 26%. The second quality best reflected feature is awards with 12 % following by brand with 11%. Aldi can be proud of selling numbers of award winning products (Appendix 4) conversely to brands as the company sells mainly its own brands offering some well-known brands only from time to time. 16 respondents with 8% looks for long best before date in a quality products and other 4 (2%) care about the packaging the most. A very important aspect was revealed by respondents choosing manufacture (8%) and country of origin (6%) showing the importance of suppliers and producers the company cooperates with.
Question 5: In your opinion, what is the most important aspect when choosing a grocery product?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Value</th>
<th>%</th>
</tr>
</thead>
</table>
| Value               | 31    | 31%
| Brand               | 14    | 14%
| Producer            | 22    | 22%
| Warranty            | 6     | 6%
| Recommendations     | 9     | 9%
| Material/ingredients| 17    | 17%
| Other               | 1     | 1%

Table 5: The most important aspect when choosing a grocery product

As the most important aspect when choosing a grocery product is revealed to be value with 31%. None the less important is a producer. It is picked by 22% of respondents. For customers material/ingredients (17%) and product brand (14%) stand very closely.
Recommendations (9%) and Warranty (6%) do not take an important place when choosing a grocery product. Only 1% of respondents answered with the “Other” option as freshness.

**Question 6: How often do you do grocery shopping?**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>22</td>
<td>22%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>31</td>
<td>31%</td>
</tr>
<tr>
<td>Weekly</td>
<td>40</td>
<td>40%</td>
</tr>
<tr>
<td>Once a month</td>
<td>7</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 6: The frequency of doing grocery shopping

Figure 14: The frequency of doing grocery shopping

With this question respondents were asked how often they do a shopping in general including all the grocery stores. The results provided with the high numbers of weekly (with
40%), twice a week (with 31%) and daily (22%) of shopping. Only 7% of respondents revealed shopping once a month.

**Question 7: In your opinion, what is a great grocery shopping experience about?**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Get the needed products quickly and leave the store.</td>
<td>29%</td>
</tr>
<tr>
<td>Walk around the store, have a chat with customers and staff.</td>
<td>0%</td>
</tr>
<tr>
<td>When you find all you need in one store.</td>
<td>47%</td>
</tr>
<tr>
<td>When you spend less than you expected.</td>
<td>24%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 7: The great shopping experience

![Pie Chart](image)

Figure 15: The great shopping experience

The majority of respondents (47%) revealed that they believe the great shopping experience as “When you find all you need in one store”. This brings out an important requirement for retailers – wide range, so the customers could find all they need in one store. Nowadays due to an active lifestyle, busy schedules and constant rush, people intend to spend as less time in
the store as possible. Based on that 29% of respondents, it is important to “get the needed products quickly and leave the store”. 24% of respondents related great shopping to value saving experience – “When you spend less than you expected”.

**Question 8: Based on your experience, what does a great customer service mean to you?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>When you have a feeling that you are appreciated and important.</td>
<td>39</td>
<td>20%</td>
</tr>
<tr>
<td>When you can find a member of staff to make an inquiry, request or</td>
<td>35</td>
<td>18%</td>
</tr>
<tr>
<td>complaint.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>When the occurred problem is resolved straight away.</td>
<td>35</td>
<td>18%</td>
</tr>
<tr>
<td>When the staff serves you in a polite, friendly and well-mannered way.</td>
<td>66</td>
<td>34%</td>
</tr>
<tr>
<td>When you can get an advice and recommendation on a particular product.</td>
<td>22</td>
<td>10%</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 8: Great customer service

![Bar chart](image)

Figure 16: Great Customer Service

A part of a complete TQM is well developed customer service. It can be a reason for customers to return to the store or a reason of losing customers. With this question it was intended to illustrate customer’s expectation to customer service. 66 (34%) respondents expect to be served in a polite, friendly and well-mannered way. The other group of customers with 20% wants to have a feeling that they are appreciated and important. Equally
35 respondents (18%) think that great customer service has to include problem solving straight away or easily approachable staff around to make an inquiry, request or complaint. None the less (for 10% of respondents) important is to get an advice and recommendation on a particular product.

**Shopping Experience in Aldi**

**Question 9: How often do you shop in Aldi?**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily</td>
<td>11</td>
<td>11%</td>
</tr>
<tr>
<td>Twice a week</td>
<td>30</td>
<td>30%</td>
</tr>
<tr>
<td>Weekly</td>
<td>45</td>
<td>45%</td>
</tr>
<tr>
<td>Once a month</td>
<td>11</td>
<td>11%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3%</td>
</tr>
</tbody>
</table>

Table 9: Frequency of Shopping in Aldi

![Pie chart showing shopping frequency](image)

Figure 17: Frequency of Shopping in Aldi

The results revealed that most of people participated in the survey come to shop in Aldi weekly (45%). The second group with 30% falls in twice a week category. Daily and once a month shops equally 11 % of respondents. Moreover, 3 % of respondents chose “Other” option specifying their answer as “not often”, “when in town” and “when needed”.

68
Question 10: How would you rate your satisfaction level with the shopping experience in Aldi?

<table>
<thead>
<tr>
<th>Satisfaction Level</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely satisfied</td>
<td>55</td>
<td>55%</td>
</tr>
<tr>
<td>Slightly satisfied</td>
<td>36</td>
<td>36%</td>
</tr>
<tr>
<td>Neither satisfied nor dissatisfied</td>
<td>8</td>
<td>8%</td>
</tr>
<tr>
<td>Slightly dissatisfied</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Extremely dissatisfied</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 10: Rate of Satisfaction Level

Figure 18: Rate of Satisfaction Level

This question revealed a great response to shopping in Aldi. The results over exceeded the expectations. Majority of customers with 55% stated that they are extremely satisfied with shopping experience in Aldi following next by 36 % for a slightly satisfied experience. On the other hand, 8% of respondents did not have strong opinion of it and choose “Neither satisfied nor dissatisfied” option as the best description of their feeling to shopping experience with this retailer. Importantly only 1% said “Slightly dissatisfied” and nobody
responded to be extremely dissatisfied. Overall it proves company making right decisions when it comes to providing great shopping experience.

**Question 11: Based on you experience, would you define Aldi as customer focused company?**

<table>
<thead>
<tr>
<th>Yes</th>
<th>95</th>
<th>95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 11: Aldi as Customer Focused Company

According to the previous revealed results there are no doubts of Aldi being a customer focused company which was strongly supported by majority of customers with 95%. Only 5% considers company as not customer focused to a further investigation of the reasons for that.
Question 12: MATRIX

Question 12.1: Aldi always sells the freshest bread, fruit & vegetables and other products.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>2</th>
<th>2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somewhat Disagree</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Neither Agree nor Disagree</td>
<td>13</td>
<td>13%</td>
</tr>
<tr>
<td>Somewhat Agree</td>
<td>50</td>
<td>50%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>34</td>
<td>34%</td>
</tr>
</tbody>
</table>

Table 12.1: Always the freshest bread, fruit & vegetables and other products

Figure 20.1: Always the freshest bread, fruit & vegetables and other products

Half respondents with 50% somewhat agreed on Aldi selling the freshest bread, fruit & vegetables and other products. The other part of majority with 34% agreed even stronger ensuring company’s strong performance and a competitive advantage regarding all product freshness. Moreover, 13 % could neither agree nor disagree. On the other hand, there are
some customers somewhat or strongly disagreeing with this fact with 1 – 2%. Overall, Aldi ensures product quality achieving highest standards due to their strict requirements both to staff and suppliers.

**Question 12.2: Aldi products are always high quality.**

| Strongly Disagree | 3 | 3%  
|-------------------|---|-----|
| Somewhat Disagree | 3 | 3%  
| Neither Agree nor Disagree | 8 | 8%  
| Somewhat Agree    | 33| 33% |
| Strongly Agree    | 53| 53% |

Table 12.2: Aldi products are always high quality.

These results revealed astonishing numbers with 53% of strongly agree following by 33% of somewhat agree on high product quality. 8% of respondents doubt, they could neither agree nor disagree. However, a total of 6% result proved to be some customers slightly or strongly disagreeing on the quality with 3% for each.

Figure 20.2: Aldi products are always high quality.

These results revealed astonishing numbers with 53% of strongly agree following by 33% of somewhat agree on high product quality. 8% of respondents doubt, they could neither agree nor disagree. However, a total of 6% result proved to be some customers slightly or strongly disagreeing on the quality with 3% for each.
Question 12.3: Aldi offers the best deals on fruit & vegetable.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>Somewhat Disagree</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Neither Agree nor</td>
<td>14</td>
<td>14%</td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somewhat Agree</td>
<td>39</td>
<td>39%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>44</td>
<td>44%</td>
</tr>
</tbody>
</table>

Table 12.3: The best deals on fruit & vegetable are in Aldi

![Bar Chart]

Figure 20.3: The best deals on fruit & vegetable are in Aldi

Aldi cost cuts to provide great deals on fruit and vegetables proved to be a right strategy as the big majority of customers with 44% strongly agree on Aldi giving the best deals on fruit and vegetables. Following somewhat agree with 39% - a high score as well. On the other hand, 14% are not sure whether the deals are the best in Aldi whereas 3% strongly disagree.
Question 12.4: The quality of Aldi products exceed branded ones.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Somewhat Disagree</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Neither Agree nor</td>
<td>21</td>
<td>21%</td>
</tr>
<tr>
<td>Disagree</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somewhat Agree</td>
<td>51</td>
<td>51%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>24</td>
<td>24%</td>
</tr>
</tbody>
</table>

Table 12.4: The quality of Aldi products exceed branded ones.

Figure 20.4: The quality of Aldi products exceed branded ones.

One of the cost cut solutions is to sell only the own brands as substitutes to the well-known ones. A big split of results are revealed as over 51% of customers somewhat agree on Aldi products exceeding branded ones following by strongly agree with 24%. Also a high number of respondents with 21% could not decide whether they agree or disagree with this fact. And only 2% somewhat disagree or strongly disagree.
Question 12.5: Cheap products – low quality.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Disagree</td>
<td>34</td>
<td>34%</td>
</tr>
<tr>
<td>Somewhat Disagree</td>
<td>21</td>
<td>21%</td>
</tr>
<tr>
<td>Neither Agree nor Disagree</td>
<td>17</td>
<td>17%</td>
</tr>
<tr>
<td>Somewhat Agree</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>Strongly Agree</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 12.5: Cheap products – low quality.

Figure 20.5: Cheap products – low quality.

The general question whether the cheap product means a low quality was strongly disagreed by 34% of customers, following by somewhat disagree with 21%. But the high results were received on agreeing with this statement. Somewhat agreed with 23% showing that customers still relates cheapness with low quality following by strongly agree with 5%. 17% of customers neither agreed nor disagreed.
Question 13: Based on your experience, what are the best things about Aldi?

<table>
<thead>
<tr>
<th></th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh products</td>
<td>11%</td>
</tr>
<tr>
<td>Super 6 offers</td>
<td>29%</td>
</tr>
<tr>
<td>Quality for less</td>
<td>24%</td>
</tr>
<tr>
<td>Locations</td>
<td>6%</td>
</tr>
<tr>
<td>Special buys</td>
<td>15%</td>
</tr>
<tr>
<td>High quality products</td>
<td>5%</td>
</tr>
<tr>
<td>Fruit and vegetable section</td>
<td>9%</td>
</tr>
<tr>
<td>Customer service</td>
<td>1%</td>
</tr>
</tbody>
</table>

Table 13: Best Things about Aldi

Figure 21: Best Things about Aldi

This question helps to identify the main aspects of Aldi that customers define as best things and maintain them to keep the same level or improve the weakest parts. Customers (29%) appreciate best Supper 6 offers providing them with 2 weeks great deals on 6 different vegetables and fruits. The respectable high score of 24% is given to quality for less. Customers show their loyalty to the store for being able to get quality products and save some money. Also it is very highly rated Specialbuys with 15%. Moreover, fresh products
and fruit and vegetable section with 11% and 9% need to be improved possibly on a quality aspect. Regrettably, the three following aspects are least rated: locations, high quality products and customer service. Only to 6% of respondents location is an attractive aspect. The company advisedly expands out of the main streets, away from city/town centers as one of the ways to keep costs down.

**Question 14: Would you recommend Aldi products to your friends?**

<table>
<thead>
<tr>
<th>Response</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely would</td>
<td>58</td>
<td>59%</td>
</tr>
<tr>
<td>Probably would</td>
<td>36</td>
<td>36%</td>
</tr>
<tr>
<td>Might or might not</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td>Probably would not</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Definitely would not</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

Table 14: Recommendation of Aldi Products

The very positive results were received on Aldi product recommendation. It can be stated that customers would recommend Aldi product to their friends. Some of them would
definitely recommend (58%) them, and some would probably recommend (36%). Only 6% of respondents were not sure whether they would or would not recommend. Nobody felt strongly about not recommending Aldi products at all.

**Question 15: Have you ever found old/damaged/bad quality product in Aldi?**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>79</td>
<td>79%</td>
</tr>
<tr>
<td>Yes (please specify)</td>
<td>31</td>
<td>31%</td>
</tr>
</tbody>
</table>

Table 15: Old/Damaged/ Bad Quality Products in Aldi

The results revealed that Aldi can be proud of the significant number of respondents with 72% stating that they have never found an old, damaged or bad quality product in the store. This represents a very high level of quality control from both quality management department and in store level. On the other hand, 28% of customers are able to specify unsatisfying quality of products. It includes Specialbuys, fruits (apples, avocado, raspberries, strawberries, etc.), vegetables, open package of bread, gone off meet, milk and yogurt and out of date products.
Question 16: Have you ever returned any product? If yes what was it?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>82</td>
<td>82%</td>
</tr>
<tr>
<td>Yes (please specify)</td>
<td>18</td>
<td>18%</td>
</tr>
</tbody>
</table>

Table 16: Returned Products

The results proved that more customers have never returned any products than the ones who have. 82% of all respondents have not returned any product back to the store showing customers’ expectations being met. However, 18% of customers indicated several reasons for requiring product replacement or money refund. The following reasons are: gone off vegetables, missing parts of camera, faulty sound bar, coffee machine, dvd player, mixer, headphones, etc, as well as damaged clothes and shoes or bad chicken and meet. The identified products show the area that needs an improvement – Specialbuys.
Question 17: According to you, which of the given options should be improved in Aldi?

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality</td>
<td>26</td>
<td>13%</td>
</tr>
<tr>
<td>Product Packaging</td>
<td>27</td>
<td>13.5%</td>
</tr>
<tr>
<td>Broader product range</td>
<td>58</td>
<td>29%</td>
</tr>
<tr>
<td>Customer service</td>
<td>51</td>
<td>25.5%</td>
</tr>
<tr>
<td>Health and safety</td>
<td>25</td>
<td>12.5%</td>
</tr>
<tr>
<td>After purchase support</td>
<td>13</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

Table 17: Improvement in Aldi

![Bar chart showing improvement in Aldi](image)

Figure 25: Improvement in Aldi

Company’s adjustment to rapidly changing business world, accepting customer’s requirements and meeting expectations is a way to succeed. As every company in the market, Aldi acknowledges the importance of improvement. The results proved that company need to make some changes on particular aspects. As the main one needed an improvement, customers identified broader product range with 29% overall, following by customer service with 25.5%. The rest have received approximately the same range varying only by few percentages. Product packaging with 13.5% supports above results of finding damaged or open packaging. Product quality follows next with 13% making the main concern of
customers’ dissatisfaction. Moreover, in the eyes of customers health and safety with 12.5% requires improvement as well following after purchase support with 6.5%.

**Question 18: How would you assess customer service in the store?**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>4</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>5</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>6</td>
<td>15</td>
<td>15%</td>
</tr>
<tr>
<td>7</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>8</td>
<td>23</td>
<td>23%</td>
</tr>
<tr>
<td>9</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>10</td>
<td>14</td>
<td>14%</td>
</tr>
</tbody>
</table>

Table 18: Aldi Customer Service Assessment

![Graph](image)

Figure 26: Aldi Customer Service Assessment

Aldi customer service is considered to be good still leaving some space for improvement. The majority of customers with 23% ranks Aldi customer service to 7 or 8, following by 16% and 14% proportionately to 9 and 10. 15% of respondents evaluated it as the average 6. The negative evaluation starting from 5 to 1 is expressed by 1 to 3%.
Question 19: Have you ever contacted customer service?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>60</td>
<td>60%</td>
</tr>
<tr>
<td>No</td>
<td>40</td>
<td>40%</td>
</tr>
</tbody>
</table>

Table 19: Customers Contacted Aldi Customer Service Line

Figure 27: Customers Contacted Aldi Customer Service Line

Over a half of all respondents (60%) have contacted Aldi Customer Service Line in the past. On the other hand, a high number with 40% has never contacted it.

Question 20: If you contacted customer service, have all problems been resolved to your satisfaction?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, by the company</td>
<td>51</td>
<td>51%</td>
</tr>
<tr>
<td>Yes, by someone outside the company</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>No, it was not resolved</td>
<td>7</td>
<td>7%</td>
</tr>
<tr>
<td>Haven't contacted</td>
<td>39</td>
<td>39%</td>
</tr>
</tbody>
</table>

Table 20: Solved Problems
Figure 28: Solved Problems

Respondents, who answered “no” to a question 19, had to skip this question and this number of respondents in the Pie chart is named as “Haven’t contacted” with 39%. The problem was solved by the company for 51% respondents. The number is very high revealing the efficiency of helpline work. Only 3% of problems were solved by someone outside the company including Aldi partners and suppliers. On the other hand, 7% of customers revealed unsatisfying experience as their problem was left unsolved.

**Question 21: What other grocery stores do you shop at?**

<table>
<thead>
<tr>
<th>Store</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lidl</td>
<td>50</td>
<td>19%</td>
</tr>
<tr>
<td>Tesco</td>
<td>60</td>
<td>23%</td>
</tr>
<tr>
<td>Dunnes Stores</td>
<td>44</td>
<td>17%</td>
</tr>
<tr>
<td>SuperValu</td>
<td>40</td>
<td>15%</td>
</tr>
<tr>
<td>Marks&amp;Spencer</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Centra</td>
<td>36</td>
<td>14%</td>
</tr>
<tr>
<td>Spar</td>
<td>16</td>
<td>6%</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>2%</td>
</tr>
</tbody>
</table>

Table 21: Other Grocery Stores
Competition analyzing question revealed what other grocery stores respondents are shopping at. The majority of them with 23% are doing their shopping in Tesco following Lidl with 19%, Dunnes Stores with 17% and SuperValu with 15%. Less people chose to go to Centra with 14%, Spar with 6% and Marks&Spencer with 4%. Only 2% mentioned other competitors like Londis, eastern European food stores, Lituanica and other local stores.

**Question 22: What do you like most about them?**

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products</td>
<td>19</td>
<td>19%</td>
</tr>
<tr>
<td>Quality</td>
<td>19</td>
<td>19%</td>
</tr>
<tr>
<td>Range</td>
<td>26</td>
<td>26%</td>
</tr>
<tr>
<td>Customer service</td>
<td>4</td>
<td>4%</td>
</tr>
<tr>
<td>Price</td>
<td>9</td>
<td>9%</td>
</tr>
<tr>
<td>Brands</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td>Other</td>
<td>5</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 22: Best Aspects of Other Grocery Stores
Figure 30: Best Aspects of Other Grocery Stores

The results revealed very interesting facts of what customers like most about other grocery stores. The highest percentage with 26% chose range to the aspect they like showing customers’ expectations of variety of products in the store. Unfortunately, as it was stated before, Aldi keeps its range to a minimum to save on costs. Equally 19% looks for quality and products in the other grocery stores. Even though Aldi provides with highly satisfying products and quality, customers are still searching and choosing other competitors for meeting their higher expectations toward these aspects.

After analyzing all 100 questionnaire and summarizing the results and disruptions it can be proved with overall great performance of Aldi, its gained reliability and appreciation in the eyes of customers. Customers value the quality, customer service, products, cost and offers that the company provides with.
9.2. Findings: Quantitative Research

In order to improve effectiveness of quality involving every part of a business, it is important to take into consideration customers’ expectations and requirement. The survey like the one conducted for this research revealed many things company has to deal with.

1. The public belief about only people with the low incomes shop in the discounter grocery stores. It has changed over recession when the discounter grocery stores had the best opportunity to prove the quality for value phenomenon. Aldi customers are working individuals with the higher or average incomes. This shows that company can offer products in a wide range of prices.

2. Customers do not chose value over money. They prefer to buy a more expensive product rather than be let down by the quality. Retailer can be sure for one: if customer is dissatisfied he/she will come back to complain, ask for a refund or replacement and will tell the bad experience to the friends. This clearly states the importance of quality control in the store. The products on the shelves must be only the best quality, damaged or out of date products must be removed immediately.

3. Grocery shopping is a very frequent appearance in a day to day life. People are coming to the stores weekly, twice a week or even daily and they all expect great experience, efficiently find what they are looking for and pay as less as possible. It is like a routine that is not appreciated to be interrupted by contingencies.

4. Quality in the store is much more than just fresh, tasty and undamaged products. It comes and involves all parts of the business. Top management is responsible for quality control and quality assurance of the whole company: suppliers, quality standards, manufactures, training provided, etc. Store staff’s starting from the management to stock assistants work is the most recognizable and visible. They have to make sure for the product quality on the shelves, for the customer service standards being met, for the general customer shopping experience and satisfaction. In order to be able to do all that and more they must receive a full training, be
updated on changes and improvements. On top of that customers require to see a
member of staff on the floor, be easily approachable and well capable to solve the
problem or advise.

5. Aldi is highly considered to be a customer focus company. This is a big achievement
and a big pressure for the company to keep up with the standards. Customers expect
to find the freshest bread, fruit & vegetables, dairy and meats. They also want it all
for the best possible value.

6. Customers especially approve Super 6 offers and Specialbuys. They agree for Aldi
providing high quality fruit and vegetable and other products. They are satisfied with
the customer service but still see the gaps to be improved.

7. Even though overall product quality is rated very high, there are noticed and found
damaged, old and out of date products on sale.

8. Cheap products – low quality belief changes in the positive way. Aldi manages to
prove this statement wrong with its everyday range of products and store
performance. Although sceptic customers hardly admits changes.

9. The overall company’s performance and products ensure customers’ reliability,
loyalty and recommendations to the friends.

10. The main rivals like Tesco, Lidl or others set the competition on quality and value.
At the moment Aldi leads in those categories, but cannot compete to the other aspects
customers like about the rivals: wide range, brands or city locations.

9.3. Analysis: Observation Day

There is used semi-structured form of observation. It narrows down and concretizes research
object whereas in unstructured observation the researcher faces a very open approach with a
low degree of structure (Fisher, 2004, pg. 135). The observation will be guided by a
checklist provided in the Apendix 3. The observation research method is the way to
strengthen the data reliability and supplement with the additional findings to support the
research questions.
To collect the data via observation method is chosen to ensure the quality and reliability of the results received out of the questionnaire. The observation day gives the researcher a clear view of respondent’s open answers, makes certain about the importance of the questionnaire questions and lastly allows getting an additional data for the further research analysis.

There were held two observation days in two Aldi stores. There was chosen two different stores: Aldi in Parnell Street, Dublin 1 and Aldi East Wall Road, Dublin 3. They both are in different locations (busy city center, non-standard size store and regular one outside the main street store in Dublin 3). All the data was recorded in a questionnaire. In regard of Wilson (2010, p. 34) there was adopted a diary-type system that includes the date, time, location, observed activity and comments on observation as he refers to be an excellent way to record data. As Fisher (2004, p. 137) states the questionnaire is not prescriptive and it is not required to answer all the questions in it. The observation questionnaire is designed to answer quality management related questions, watch customers’ behavior, and observe general quality aspects.

9.3.1. Aldi Parnell Street.

The observation day is conducted on the 8th of July at the busiest time of the day – 5 pm. There are lots of customers doing their daily shopping just after work. The store is a bit messy, empty boxes lying in the shelves; several products were off sale already, untidy Specialbuys, fruit and vegetable sections. There are 6 members of staff, 4 of them on the tills. The back stock pallets of fruit and vegetable and chiller products are on the floor to be restocked considering that more sales are done at that time of the day. Even though the store is busy there is still a choice of trolleys and baskets for customers’ convenience. The best known Aldi offer of Super 6 was fully stocked; many customers are around them. Tills’ area is untidy; lots of recites lying on the floor, random products are everywhere. There are 5 tills in the store, but only 4 are opened given an impression that there are short on staff. From the
customer service point of view, there is nobody to ask the question, till procedure is very efficient, the items are scanned quickly and asked to pack on the bench.

The observation took 30 min of which most of the time is spent to watch customers’ behavior and product quality. There is noticed open bread package, damaged and rotten produce and out of date meat. The customers are choosing the needed products very carefully, reading labels, checking expire date and the general quality of the product. During the observation time few customer had inquiries to where one or the other product is placed and they are kindly walked there by a member of staff.

Summarizing the collected data, product quality is at the average, the store standards are at the average, customer service need to be improved as well. On the positive side, the store is busy showing that customers chose to shop in Aldi, the products are fresh, the return policy allows bring back unsatisfied products, offers great value and promotions. Customers are very concerned about the products they buy, they care where are they from, who is supplier, what is the quality. Aldi acknowledge the importance of quality management as the way to meet customer expectations.

9.3.2. Aldi - East Wall Road.

The observation is held at 18:20 on the 26th of July. The data collection takes 30 min. At this time the rush is over, but it is noticed there was a busy day. The Specialbuys and fruit & vegetable department are very messy. The size of the store is nearly twice as big as the one in Parnell Street, but the general tidiness is better maintained in this store. Shopping experience is much more satisfying, as there are more space to move around although it is situated on the side of the city and to reach the store is more difficult.

The shelves look fully stocked, no products are found to be of sale, Supper 6 offer fully stocked. There are three members of staff on the floor easily approachable, although
customers are queuing up till additional till is opened. The tills’ procedure is the same as in the previously observed store.

Summarizing the collected data, products are better looked after, no damaged or out of date are noticed, staff can help the customer at any time and the shopping itself is much more relaxing. On the other hand, there is less customers, the store is bigger and it is serviced by larger number of staff.

9.4. Findings: Qualitative Research

1. Customers shop in their local Aldi store knowing the quality and value relation.
2. Observation proved and strengthened the results revealed by the questionnaires including their positive opinion about fruit and vegetables and other great offers.
3. The observation proved that quality of the products on the shelves depends on the staff working in the store. As the results revealed the better quality control is implemented in East Wall Aldi store.
4. The customer service appeared to be one of the weakest links in the store.
10. DISCUSSION

In order to provide with comprehensive analysis of research questions this chapter overlooks research findings by applying them to literature used to support whole dissertation and narrowing down all data to completely agree or conflict research hypotheses.

White (2011, p. 291) states that the purpose of the discussion section is to allow the results to be interpreted in the context of the research literature. As well as according to the author hypothesis has been confirmed, refuted or revised.

The research questions that are introduced in the methodology section as well gives a structure to the research in the terms of what aspects are the most important, what it will address, etc.

**Research Question 1: What role does quality management play in retail particularly in discounter grocery stores?**

The importance of quality management was explained in detail in the literature review section (The Importance of Quality Management in Discounter stores).

Quality management starts from identifying quality, summarizing its types, aspects and appearance in the business.

Describing quality generally it is what meets person/customer’s expectations and requirements and varies from person to person. Agreeing with Howard S. et al. (2005, p. 17) quality is an emerging concept which was for long considered as “conformance to valid customer requirements – as long as an output fell within acceptable limits, called specification limits, around a desired value, called the nominal value or target value, it was deemed conforming, good or acceptable”. Nowadays the value of quality has highly increased. What was believed to be a high quality before now has drastically changed setting new higher level to a quality standard. Quality is very wide term. It comes from each part of organization, from the services or products provided, from every member of the team. In order to ensure full appropriate control and implementation of quality, there is a set of
activities providing continues supervision called quality management. Quality management is more a general control of quality to an actual final product or service.

Talking about discounter grocery type of retail, this business field is much more complicated, demanding and challenging than any other retail industry. Discount grocery stores have to justify the title by keeping costs low but not saving on cutting off on other aspects including product quality. As was defined by Berman, B. and Evans, J. R (2009, p.136) discount stores display fewer than 2000 items, small size, selling own brands, etc. It is believed that discount stores are cutting costs on everything where it is seen a possibility to get rid of on an additional cost. Partly it is true. Discount retailers do offer smaller product range, do not offer price range on product lines (from the cheapest to more expensive), do not offer luxury goods, sell only its own branded products, has less fresh and more long last products, stock products on pallets and in the boxes not to forget to mention distribution centers and buying strategies. And these are just some of the cost cut solutions resulting in retailer’s lowest price by 20 to 30% guaranty. The survey results confirm that customers value quality which they look for in the other stores, as they are not fully satisfied with Aldi provided product quality. This means that company has to develop quality department work better.

Discount stores were introduced in the late 1960s and early 1970s. In the Irish market the big increase in discount grocery stores market share appeared during economic crisis 2008 – 2009.

At that moment discount retailers had to change sceptic believes of quality lack. Recent market news including survey results show people’s persuasion increase towards that. Discount retailers had to go a long way to realize the relation between value and quality meaning that only a cheap product will not attract any customer, but quality for less will. At this point quality management plays a very important role effecting sales, store performance, customer numbers and turnover considerably.

In accordance with Hoyle (2008, p. 25) as was stated above in the literature section quality management involves several principals built around quality control and assurance. Results
of well-developed quality management probably are best seen on product quality. Only the best quality grocery products can reach final customer: undamaged, fresh, unopened, package, correctly labeled, etc. Applying this to survey results it can be proved that customers are seeking for high quality products, but for reasonable price. They prefer quality over price, which proves the need of quality management to ensure standards to be met and customer requirements to be considered. Quality management helps to identify the areas needed for improvement, weaknesses and strengths. Company having well-developed quality management is able to adjust to changes in the market, set standards, offer better value and build competitive advantage through quality aspect. Quality management mainly is established to create a high quality, high-performing product or service that meets and exceeds internal and external customer expectations.

Aldi case proves as well the importance of quality management as company highly applies quality management principles to meet quality standards, satisfy customers, improve customer service, reduce waste, increase productivity, etc. Company’s success relies on continues quality management work. Customers set the standards to quality in the store including products and customer service, which has to be met in order to keep customer loyal and satisfied.

The evidence of literature used to reveal the topic and survey results prove that quality management can play a fundamental role in achieving great business results and ensuring customer satisfaction.

**Research Question 2: Is Aldi a quality focused company in the eyes of customers?**

Customer service is a very influencing part of the business success; in fact customers are the most important people in the company. Without them no business would survive. Company’s priority is to build a circle of loyal and satisfied customers. Applying to Charantimath M. P. (2009, p. 228) proposed customer focus steps to achieve customer’s satisfaction to Aldi it can be agreed of company being customer focused. Company always puts people first and constantly develops customer service. Customer service as a part of Aldi’s applied Total Quality Management proves company’s positions improving it.
According to literature based on Aldi performance, staff training, Mystery Shopper’s programme, strict till procedures, high employee hiring standards, customer helpline, and product coverage and listening to customer needs and requirements all states Aldi cares about its customers. Aldi’s acknowledgment of employees being the main part of providing high customer service forces company to motive them by paying adequate salary, conduct employee satisfaction survey, provide with training, flexible hours, etc. Aldi provides with comprehensive customer service both via helpline and in store.

Charantimath M. P. (2009, p. 228) highlights the return of practicing Total Quality management approach when meeting the needs and expectations of customers. Customer’s expectations drive company further to versatile improvement of quality, customer orientation and overall business performance. Customer’s needs continuously being met give customers a clear message of company considering what has been expected from it, what needs to be improved and how it is effecting customer shopping experience.

Survey results strongly agree on Aldi being customer focused company as well. Answer of great customer service for majority is when staff serves you in a polite, friendly and well-mannered way was proved by observation remarks “few customer had inquiries to where one or the other product is placed and they are kindly walked there by a member of staff.” Moreover, the question about Aldi being customer focused was answered as yes with 95 % and a score of 7 to 8 assessing Aldi’s customer service directly resulting in a great Total quality management work for ensuring total quality not to forget to mention extremely satisfying shopping experience that 55% out of 100 % customers received.

Considering both Aldi performance analysis and survey results, it can be strongly agreed Aldi being a customer focused company.

**Research Question 3: What is the main aspect that makes customers to return to Aldi?**

When customers chose to come back to the same store over and over again (according to survey results many customers do their weekly or even daily shopping in Aldi) shows company working the right way, accepting changes in the market and meeting customer’s
expectations. This company’s ability not only sustains the same existing customers and turns them into loyal, but also attracts more new people to come in.

It is very important to identify the main aspect that the company could rely on and develop it as a competitive advantage. In this case the survey proved that customers mostly appreciate company’s quality for less approach. They highly believes that Aldi always sells the freshest bread, fruit & vegetables and other products, always high quality products arrive on Supper 6 or Special buys. On the other hand customers stated that the majority of customers prefer product range provided by competitors with more well-known brands.

Overall, according to the used literature and survey results, customers are willing to come back to Aldi to get their best deals on fruit and vegetable and Specialbuys. These products allow company to compete with other big market giants as well as attract more customers every day.

**Hypotheses**

To strengthen research reliability there are provided 5 hypotheses which needs to be discussed based on primary and secondary data analysis.

**H1: Quality is the key issue in discounter stores. (Confirmed)**

The entire research is based on quality, quality management and Total Quality Management (Aldi applies TQM). As the results showed the quality is the most important aspect people are looking for nowadays. Even though discounter grocery retail industry differ with the way they do business, but the quality remains the one it goes around. Investment in improvement, high requirement set for suppliers and manufacturers, customer service development, waste management is always on agenda to be improved to increase general quality standards.

**H2: Customers value quality more than lower price. (Confirmed)**

If customer was offered to buy the low cost but old, open package or any other way damaged product, customer would turn around and walk away. But if low cost comes with the quality
aspect, it will be a success. Customer buying behaviour has changed over the year, it evolved to a higher standards putting pressure on manufacturers and retailers. But expectations must be met in order to stay in business. Survey results also proved this – customers choosing quality over the money.

**H3: Customers buy cheap goods even if they are bad quality. (Refuted)**

Customers would never pick a damaged product intentionally. They believe that only the freshest, best looking and tasting products have to be on sale. Cheap goods now longer attract customer attention unless it is necessity. Observation noted customer carefulness when choosing a grocery product. Self-service stores allow customers easily control their shopping basket, so the products meet their expectations.

**H4: The right suppliers are very important to maintain high quality standards in the business. (Confirmed)**

Aldi does not produse any goods itself. It relies on suppliers and it is not involved in the production process directly. In order to ensure quality in every product company receive, Aldi has set very high standards the supplier has to pass. In this case it is very important to be working with reliable, trustworthy and responsible companies. The cooperation from both parties can result in the great quality products meeting all customer requirements.

**H5: Quality management has no influence on business success. (Refuted)**

Retail is a very competitive business field. Companies compete over price, brands, products, locations, etc. Customers chose the store meeting their needs at that time best. But no matter what aspects or feature invites them to one or the other store, on top of that customers will add quality aspect. This is the reason every retailer including discounter stores has to consider and develop quality aspect. Quality is managed by quality management proving the refutation of this hypothesis.
11. CONCLUSIONS

This chapter summarizes findings clarifying the main issues in the research.

The whole research is based on quality management. Literature reviews and collected primary data revealed the importance of quality and its management in the business and in the eyes of customers. The dissertation particularly investigated the German discount grocery chain Aldi, and considered its business approach towards quality management.

Research proved the importance of quality management. Customers value quality more than price. Unfortunately developing quality to satisfy fully the customers’ needs is a very long and demanding task. The difficulty is identified to be in the different idealization of quality itself. Customers have different expectations and requirements. To develop high quality standards companies use quality management. According to various authors like Hoyle (2007) and Slack et al. (2007) the main areas focused on are product quality, customer satisfaction, increased revenues, reduced waste and inventory and team work. Well-developed quality management brings long term benefits such as higher productivity, reduced waste, turnover, improved customer service, satisfied customers, etc. Quality management is a continuous process requiring devotion, hard work from each member within the company, investment in improvements and trainings. However, in return great success for the company can be achieved.

Aldi pays big attention to quality management by using the TQM approach. It oversees several aspects for meeting the needs and expectations of customers, covering all parts of the organization, including every person in the organization, examining all the costs related to quality, getting things “right first time”, developing systems and procedures and developing a continuous process of improvement. The company tries to meet customers’ expectations via product quality control, staff training and constant improvement in customer service. It encourages team work and highly motivates staff by competitive salaries, job opportunities, etc. To ensure high product quality the company sets strict standards and requirements to suppliers and manufacturers.
Primary data via the survey’s results revealed customers’ mainly positive evaluation of Aldi’s overall quality management. The company is considered to be customer focused, evaluating customer service to a high 7 to 8 points. Aldi’s products and overall shopping experience met customers’ requirements and expectations. The company provides great deals on fruit and vegetables as well as high quality products. The survey and observations proved that customers are very concerned about their shopping, service and especially the products they buy. They are interested in the country of origin, suppliers and packaging. Customers are highly concerned about company applying quality management in its business as they will benefit from a better quality of products and services. As the dissertation purpose was to research discount grocery retail area from the quality management point of view, the important aspects were to answer the research questions and hypotheses.

Research questions:

1. What role does quality management play in retail particularly in discounter grocery industry?

The results according collected data revealed the company’s high dependency on quality management functioning. The great success through this area can be achieved.

2. Is Aldi a quality focused company in the eyes of customers?

Customers are core of any business and as long as the company acknowledges this by meeting customer requirements and expectations the performance of the business will be positive. According to survey Aldi customers consider company as customer focused.

3. What is the main aspect that makes customers to return to Aldi?

Customers individually decide what brings them back to one or the other one store and it varies according to supermarket. Questionnaire revealed that Aldi attracts most customers with great deals on fruit and vegetables as well as Specialbuys.
Research hypotheses:

1. Quality is the key issue in discount stores. This hypothesis was confirmed as the importance of quality was proved by both primary and secondary collected data.

2. Customers value quality more than lower price. The survey results confirmed this hypothesis as customers prefer quality over cheapness.

3. Customers buy cheap goods even if they are bad quality. It was refuted. According to the survey results quality comes first.

4. The right suppliers are very important to maintain high quality standards in the business. This hypothesis is confirmed as well. Quality is very dependable on suppliers, their standards and work ethic. Aldi has set strict requirements to its suppliers to ensure the highest quality of products offered to customers.

5. Quality management has no influence on business success. This entire dissertation was based on quality management and the results can refute this hypothesis. Quality management works hand in hand with other parts on company and more importantly works towards improvements satisfying customer’s needs which directly influence company’s success.

Overall the research revealed a high demand for quality management in discount grocery stores (Aldi case). A successful business requires constant control of quality in all parts of the organization.
12. RECOMMENDATIONS

Recommendations are provided using collected research data, paying special attention to the survey results. This chapter is divided in two main parts: recommendations for practice and recommendations for future research.

Recommendations for practice – Aldi case:

- Even though Aldi is considered as a customer focused company, the customer service is not the strongest link in the business. This area needs improvements and changes to be implemented in order to achieve better customer satisfaction. The target audience and customers’ expectations to a shopping experience dictates the best customer service media. According to the survey, customers want to find everything in one shop, get advice and spend as little as possible. The company has to provide with an adequate number of staff. At the busiest time there has to be someone on the floor to ensure full availability, restock products and most importantly help customers out. It is advised that they should employ more staff and change their attitude to customer service, employ more mystery shoppers to improve customer service level.

- The survey revealed unsatisfactory product packaging. The packaging needs to be improved by better sealed boxes and bags for produce especially berries as well as stronger bread wrapping.

- Only 5% believe the best thing about Aldi is high quality products, which is a big disappointment as the company constantly improves product quality, and works with the best suppliers and producers. Product quality can always be improved to higher standards. The quality department has to raise its requirements to suppliers and manufactures and ensure constant control on delivered products to the stores. Immediate claims and reports should be filed to track the quality failures. A number of customers’ claims have been about damaged products on the shelves. Better quality control needs to be performed at store level. Staffs have to be trained to keep
to the right quality standards while restocking the shelves, notice opened, damaged or out of date products on sale and immediately remove them.

- Product availability is another issue. Customers expect to find the products on their list in one go. They expect to find products at any time of the day and if they are off sale disappointed customers get an idea of low managerial control. Next time they may go to another store to do the full shopping and just pop in to get few bits. This is the way to lose a number of loyal customers. 100% availability is mainly the responsibility of store management. Aldi store managers have to improve order amounts on fruit and vegetables as well as bread and short life diary and meat products. CGOS ordering system must be checked to reset parameters as every day range products get off sale as well.

Recommendations for future research:

- This dissertation can be a background for other researches working in quality management area and researching different retailers. It could be used for the comparison of other retailers especially none discount.

- Quality management importance was revealed as essential to the success of company. But it was found that in practice of specific retailer quality management and TQM is not that well researched field. This dissertation could be as the first step into a bigger project revealing relationship between customers and quality.

- Furthermore this dissertation can be developed for further research to look at certain aspects of TQM only or carry out intra/regional or international comparative studies.
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Aldi Corporate Social Responsibility Book

Aldi Store Employee Handbook

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http://www.pmi.org/

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APENDIX

Appendix 1.

SELF RESFLECTION

Dissertation is the last step into receiving degree; it is like summarizing what you have learnt during the two years of college. To complete this dissertation it took me 3 months including data collection, analysis, survey and to edit it all. During this research process I have learnt a lot, developed my personal and professional skills. The purpose of this self-reflection is to analyze my improvement, my strongest skills and identify what skills I have gained and developed.

Dissertation Process

Dissertation topic is closely related to the study stream I have chosen (project management) and my current job. I was certain while researching this topic I will learn many things and improve in every way. I work in Aldi store and every day talking with the customers took my interest in what makes people to come back. Some customers believe that they are paying so little, some are praising the products, but most of them were amazed by quality for low price. I started wondering how important is the quality of products, quality management over all in everyday business, turnover and reputation. This topic is important in many ways.
For the management to realize how important is to keep the high standards up, for employees to understand how their work can affect business and to myself personally finding out the right answers, solutions and understanding of quality management in retail business.

The research process took over three months. It required dedication and hard work and the findings have surprised a bit. The research results in particular survey results proved that Aldi is customer focused company; it sells high quality products and that customers appreciate it for its offered value. The research showed the lack of quality studies in discounter grocery store field. The resources were mainly from DBS library and internet. There was also Aldi quality department inquired to share some information regarding quality management, unfortunately the information was not given.

According to Mumford (1997, p. 124) there are four types of learning: Activist, Reflector, Theorist, Activist and Pragmatist. My learning style could be described as pragmatist as I “learn best from activities where there is an obvious link between the subject matter and the problem or opportunity”.

Personal Development

Different jobs I had, different studies, programmes and courses I had taken taught me a lot. The skills I gained over a time, over various experiences and situations helped me to understand who I am and what I want to achieve in the future. But the more I analyze myself and the past the more I realize that there are so much more I must learn and skills to get. But there many skills that I improved over the study period and of course dissertation writing.

Organizational skills. I took MBA to open more doors after completion, to get a better job and of course to achieve career goal I set for myself. This skill is needed to go all the way to the top of career. To achieve a lot professionally is impossible only on your own. Previous studies, job experience and especially my current job taught me already the importance of organizational skills. I am certain tasks need to be planned, divided and organized. Writing dissertation is all about developing your organizational skills. It needs to be divided into parts and each part needs to be done at the right time, presented in a particular way, planned the deadlines and the research process as there are more people involved in, consider their schedules, busyness. I found it very useful to carry around a notebook to write down some notes and ideas at any time. Diary is another important tool helping to be always in the right place, reminding about on-going meetings, deadlines and things I need to know. I realized the importance of planning my own time and tasks and how well it works for achieving the goals and deadlines. As the whole dissertation was divided into many tasks, I learnt to plan them ahead of time to bring the project (dissertation) into completion. To avoid certain problems and delays I did my best to complete each part as quick as possible. Few times the deadlines were not met due to a job emergency and changes in rota.

Time management. In the research the time frame is very limited. I work full time and I realize the amount of time needed for research. In order to meet all the deadlines I had to develop my management skills and use time wisely. To keep myself on time track I had set
some reminders on the phone, in the diary and on the note board in front of my desk to be aware of tasks that still need to be done.

**No multitasking.** In my job I have to multitask every day. Unfortunately, during the research this skill had to be hiding and used only at work. There could not be any multitasking as the research goes in steps one by one. I learnt to concentrate on one task at the time and fully complete it.

**Communication skills.** This skill is very important in the future career. During the whole postgraduate course this skill was constantly developed: discussions with the students and lectors, assignments’ presentation, group work, etc. Dissertation required the use of this skill as well. The survey was conducted via questionnaires which were filled in by customers outside the store. I had to forget my shyness and beliefs and approach Aldi customers for a research purpose. I had to find the best way to talk to them as the customers were very different, some in the rush, some in no mood for a survey, but some were very chatty and helpful.

**Motivational skills.** This skill was a new one I gained. I did not feel confident about the amount of tasks I have to do in a short period of time. I had to motivate myself to go through it all. I was happy to get support and motivation from my dissertation supervisor and my family. I realized the potential of motivated individual, the amount of work can be done as long as you are motivated.

**Punctuality and deadlines.** The whole process was very time consuming. All the tasks were restricted by deadlines some set by myself and some by supervisor. It was very helpful to speed up the whole process; unfortunately some of them were delayed. As there were more people involved in the research, I had to be punctual for the meetings considering their busy schedules. I am very strict about being on time and punctual, so this well-developed personal skill was very useful.
Research skills. The research skill was my weakest link. I have not done many researches before and the lack of this experience took more time to realize what way the particular task needs to be done, what data is needed and how to analyse it all. After completing dissertation I know Harvard reference requirements, research methods, work with large amount of literature, conduct surveys, create questionnaires and most importantly analyze received data and clarify findings.

Future Goals

The future career I would like to develop in retail business. I believe it will start in the nearest future by getting a good MBA. In my current job I can start applying the skills and knowledge got during the study. The experience I am getting in Ireland is very valuable and the first thing after MBA will be applying for an internship and looking for new job providing with more opportunities and self-expression. In the future I see myself coming back to Lithuania for good as I believe the market there is growing fast and there are plenty of opportunities. I want to set up my own business in Lithuania.

CONCLUSIONS

The development process is long and difficult. Only if you are goal orientated and stubborn you can complete it. I am surely one. The whole MBA programme and of course dissertation is combined of many lessons learned. These two years of my life were very valuable. I grew much both personally and professionally, my business point of view has changed and became professional. I am glad to be able to think like business person. My confidence in this area has risen significantly. Overall the programme met all my expectations towards improving, learning and achieving goals. I am happy to be a problem solver and be able to discern opportunities.

With the completion of MBA my self-development will not stop growing. I will do all it takes to achieve the goals, to create a better future for myself and keep learning things. MBA encouraged me to look again in the job market, realize my potential and look for new things to learn.
### Personal SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>I have various work experiences</td>
<td>I am not good at taking criticism</td>
</tr>
<tr>
<td>I have long experience in customer service</td>
<td>I am absent-minded</td>
</tr>
<tr>
<td>I have great communication skills</td>
<td>I don't pay much attention to details</td>
</tr>
<tr>
<td>I have a background of marketing</td>
<td></td>
</tr>
<tr>
<td>I speak several languages (Lithuanian, English and Russian)</td>
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</tr>
<tr>
<td>I am self-confident and stubborn</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>I have promising opportunities in Aldi</td>
<td>I am afraid to change jobs</td>
</tr>
<tr>
<td>I have plenty of business ideas and I have started working on them</td>
<td>I am afraid of risking</td>
</tr>
<tr>
<td>I have an agreement for an internship</td>
<td></td>
</tr>
<tr>
<td>After completing MBA I have a job offer in Lithuania</td>
<td></td>
</tr>
</tbody>
</table>

Figure 21. Personal SWOT Analysis
Appendix 2.

I am a student in DBS and currently working on dissertation “The Importance of Quality Management in Discounter Grocery Stores in Ireland.” This survey aims to collect important primary research data. Your answers and all the information received in this questionnaire will remain confidential. It will take 3 to 5 min of your time to complete this questionnaire.

1. **Gender:**
   - o Male
   - o Female

2. **Age:**
   - o 18 - 25
   - o 26 – 35
   - o 36 – 45
   - o 46 - 55
   - o 56 – 65
   - o 65+

3. **What is your occupation?**
   - o Professional/office worker
   - o Self-employed/manager
   - o Manual worker
   - o Unemployed
   - o At home
   - o Retired
   - o Other (please specify)……………………

4. **What features of a product would you define as quality indicators? (Please choose 2 answers)**
   - o Long best before date
   - o Awards
   - o Taste
   - o Country of origin
   - o Packaging
   - o Price
   - o Brand
   - o Manufacturer
   - o After purchase service
   - o Other (please specify)……………………
5. In your opinion, what is the most important aspect when choosing a grocery product?

- Value
- Brand
- Producer
- Warranty
- Recommendations
- Material/ingredients
- Other (please specify)…………………

6. How often do you do grocery shopping?

- Daily
- Twice a week
- Weekly
- Once a month
- Other (please specify)…………………

7. In your opinion, what is a great grocery shopping experience about?

- Get the needed products quickly and leave the store.
- Walk around the store, have a chat with customers and staff.
- When you find all you need in one store.
- When you spend less than you expected.
- Other (please specify)

8. Based on you experience, what does a great customer service mean to you? (please choose 2 answers)

- When you have a feeling that you are appreciated and important.
- When you can find a member of staff to make an inquiry, request or complaint.
- When the occurred problem is resolved straight away.
- When the staff serves you in a polite, friendly and well-mannered way.
- When you can get an advice and recommendation on a particular product.
- Other (please specify)…………………
Shopping experience in Aldi

9. **How often do you shop in Aldi?**
   - Daily
   - Twice a week
   - Weekly
   - Once a month
   - Other (please specify)…………………..

10. **How would you rate your satisfaction level with the shopping experience in Aldi?**
    - Extremely satisfied
    - Slightly satisfied
    - Neither satisfied nor dissatisfied
    - Slightly dissatisfied
    - Extremely dissatisfied

11. **Based on you experience, would you define Aldi as customer focused company?**
    - Yes
    - No
12. | Strongly Disagree | Somewhat Disagree | Neither Agree nor Disagree | Somewhat Agree | Strongly Agree |
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Aldi always sells the freshest bread, fruit &amp; vegetables and other products</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Aldi always offers the best value for money</td>
<td></td>
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</tr>
<tr>
<td>Aldi products are always high quality</td>
<td></td>
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</tr>
<tr>
<td>Aldi offers the best deals on fruit &amp; vegetable</td>
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<td></td>
</tr>
<tr>
<td>The quality of Aldi products exceed branded ones</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cheap products – low quality</td>
<td></td>
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13. Based on your experience, what are the best things about Aldi?(please choose 2 answers)

- Fresh products
- Super 6 offers
- Quality for less
- Locations
- Special buys
- High quality products
- Fruit and vegetable section
- Customer service
14. Would you recommend Aldi products to your friends?
   - Definitely would
   - Probably would
   - Might or might not
   - Probably would not
   - Definitely would not

15. Have you ever found old/damaged/bad quality product in Aldi?
   - No
   - Yes (please specify) ...........................................

16. Have you ever returned any product? If yes what was it?
   - No
   - Yes (please specify) ...........................................

17. According to you, which of the given options should be improved in Aldi?(please choose 2 answers)
   - Product quality
   - Product Packaging
   - Broader product range
   - Customer service
   - Health and safety
   - After purchase support
18. How would you assess customer service in the store? (from 1 to 10)

Very poor 1 2 3 4 5 6 7 8 9 10 Extremely good

19. Have you ever contacted customer service?
   o Yes
   o No

20. If you contacted customer service, have all problems been resolved to your satisfaction?
   o Yes, by the company
   o Yes, by someone outside the company
   o No, it was not resolved

21. What other grocery stores do you shop at?

   o Lidl
   o Tesco
   o Dunnes Stores
   o SuperValu
   o Marks&Spencer
   o Centra
22. What do you like most about them?

- Products
- Quality
- Range
- Customer service
- Price
- Brands
- Other (please specify)……………………

Thank you for your cooperation.
Appendix 3

Observation Day Questionnaire

1. Time/date/location
2. General shop standards
3. Tidiness/cleanliness
4. Bags, trolleys, baskets availability
5. Health and safety standards
6. How many customers are in at the moment?
7. What type of customers shopping? Specify
8. How are customers checking quality?
9. What are the quality standards in the store?
10. Till control
11. Product availability: Produce
    Bread
    Chiller
12. Super 6 offer
13. Availability: Products

Staff

14. Has there been noticed any damaged products? Specify

15. Has there been noticed any out of date products? Specify

16. General product quality. Specify

17. Customer service. Specify

18. How does staff help customers?
Appendix 4.

Aldi award winning products: The Great Taste Awards 2013

**Kilcree Gold Organic Honey**
each €2.79 340g, €8.21 per kg

**Clonbawn Crème Fraiche**
each 89c 200g, €4.45 per kg

**O’Sheas Irish Stout**
each €1.89 500ml, €3.78 per litre

**Clontarf Classic Blend Irish Whiskey**
each €18.49 700ml, €18.49 per 70cl

**Specially Selected Freshly Squeezed Orange Juice with Bits**
each €2.49 1 litre, €2.49 per litre

**Butcher’s Selection Irish Fillet Steaks**
per pack €8.69 375g, €23.17 per kg
Duneen Specially Selected Handmade Farmhouse Yogurt Raspberry

each 89c 140g, €6.36 per kg

Duneen Greek Style Yogurt

each 99c 500g, €1.98 per kg

Specially Selected Heritage Raspberry Yogurt

each 69c 150g, €4.60 per kg

Duneen Specially Selected Handmade Farmhouse Yogurt Strawberry

each 89c 140g, €6.36 per kg

Specially Selected Lemon Yogurt

each 69c 150g, €4.60 per kg

Duneen Specially Selected Handmade Farmhouse Yogurt Summer Berries

each 89c 140g, €6.36 per kg
Specially Selected Champagne Rhubarb Yogurt

each 69c 150g, €4.60 per kg

Specially Selected Devon Style Toffee Yogurt

each 69c 150g, €4.60 per kg

Specially Selected Beechwood Smoked Irish Rashers

per pack €1.99 200g, €9.95 per kg

Brannans Streaky Bacon – Smoked

per pack €1.59 250g, €6.36 per kg

Brannans Streaky Bacon – Unsmoked

per pack €1.59 250g, €6.36 per kg

Reserve Blend 80's Tea Bags

per pack €1.69 250g, €6.76 per kg
Gold Blend 80's Tea Bags
per pack €1.49 250g, €5.96 per kg

Irish Cheese Selection - Tipperary Blue
each €2.99 200g/170g/175g, €14.95/€17.59/€17.09 per kg

Alcafe Original Blend Roast & Ground
each €2.99 400g, €7.48 per kg

Grandessa Irish Marmalades - Dark Orange
each €1.49 350g, €4.26 per kg

Mascarpone
each €1.49 250g, €5.96 per kg

Goats' Cheese
each €1.99 150g, €13.27 per kg
Ardagh Specially Selected Irish Coloured Vintage Cheddar

each €2.69 250g, €10.76 per kg

Harvest Morn Milled Linseed

each €2.69 250g, €10.76 per kg

Ardagh SS Irish Cheese Selection (Tipperary Blue)

each €2.99 200g/170g/175g, €14.95/€17.59/€17.09 per kg

Premium Porridge Oats

each €1.39 1.5kg, 92.7c per kg

Kavanagh’s Instant Oats Caddy

each €1.99 500g, €3.98 per kg
Aldi award winning products: Irish Quality Food and Drink Awards 2013

**Duneen Specially Selected Handmade Farmhouse Yogurt Raspberry**

Each 89c 140g, €6.36 per kg

**O'Sheas Irish Stout**

Each €1.89 500ml, €3.78 per litre

**Ardagh Specially Selected Irish Coloured Vintage Cheddar**

Each €2.69 250g, €10.76 per kg

**Specially Selected Single Origin Roast & Ground Coffee - Java**

Each €2.49 200g, €12.45 per kg

**Roast Beef Dinner**

Each €3.99 500g, €7.98 per kg

**Kavanaghs Luxury Fruit Porridge - Sultana, Apricot, Sunflower Seed**

€1.49 500g, €2.98 per kg
Premium Bacon & Leek Quiche

each €3.99 500g, €7.98 per kg