

Student 3: Low Merit

NZQA Intended for teacher use only

In this presentation I explore how the issue of sustainability influences the decision-making at New World Supermarket, the report is on New World in general but focuses on the Browns Bay store in Auckland.

Businesses that have adopted sustainable business practices have reported the following benefits:

- reduction in operating costs, though these reductions may not be apparent in the short-term when new processes are introduced and there needs to be a greater investment in staff training
- improved identification and management of risks
- enhancement in reputation and customer relationships
- increased ability to attract and retain employees
- improvement in learning and innovation
- reduced government intervention.

Right now sustainability is a topical issue. Many people are socially and environmentally aware and want to shop at businesses that are environmentally and socially responsible. When people know that New World is being respectful of the environment and is financially supporting the nearby primary school or the local hospice, they will repay the goodwill by shopping at the store.

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Environmental Sustainability

New World's website states the company's commitment to environmental sustainability: "As well as complying with all legislative and regulatory requirements, there is an organisation-wide focus on energy efficiency and waste reduction, which begins at head office level and runs through the warehousing and transport operations to the retail end of the business."-<http://www.newworld.co.nz/about-us/environment/>

The Browns Bay New World used to be located on Bute Road but a replacement New World in Browns Bay was built on Inverness Road and opened this year. The rebuild cost approximately \$35 million and was necessary to meet the growing demand. Angela Bull, Foodstuffs North Island General Manager, Property Development said environmental sustainability was considered when designing the new store by trying to minimise the amount of building resources used and by making good use of skylights and energy-efficient lighting including light sensor technology. The new store has plenty of natural light to ensure a more enjoyable shop and ensure less energy is being used. <http://www.fmcgbusiness.co.nz/2014/07/14/better-brighter-new-world-store-browns-bay/>

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Social Sustainability

The company website states: “With a strong provincial presence throughout New Zealand, New World is committed to being a positive force in local communities”. New World’s social sustainability practices have led to the company receiving a business “making a difference” award. When the Browns Bay store was constructed the buildings and landscapes were designed to be aesthetically pleasing and co-ordinated with the surrounding environment. New World does not use extremely bright colours like some of the other “blot on the landscape” mega stores. Garry Christini, owner-operator of New World Browns Bay says, “Bute Road store is a great investment in the community. The store looks fantastic, with plenty of car parking and easy access. We’ll have plenty of natural light, with wide aisles, a greater range of fresh food and grocery products, and all the great prices and personal service our customers enjoy while shopping at New World.”-<http://www.foodstuffs.co.nz/media-centre/news-media/new-world-browns-bay-announces-its-ready-to-open/>

Other socially sustainable initiatives are:

- the Children's feeding programme sponsored by New World where children dependent on tube-feeding are learning to eat again. New World sponsors the programme which costs \$45,000. 3
- New World’s “Little Shop” promotional mini food items which are really popular were used by Starship in the treatment of children with extreme food anxiety caused by problems such as food allergies or oral aversion. 2

As part of New World’s partnership with the Starship Foundation, they are providing weekly fresh fruit baskets onto the wards at the national children’s hospital in Auckland, for parents and caregivers to enjoy. Ms Beatson, Starship Paediatric Speech Language Therapist said “We are so grateful to New World for their generosity to Starship and for supporting the work we do to care for New Zealand children and their families.”

<http://www.newworld.co.nz/about-us/news/starship-hunger-provocation-programme/> 3

It’s important to New World to ensure that they are seen in a positive light by the public to gain a strong customer base, beating competition. The new supermarket has created 70 new jobs in the community which is great.

The new development also needed plenty of parking space so as to be convenient and easy to access by shoppers. In order to do this property had to be purchased off locals. New World paid well above the rateable valuation. A property was sold in 2012 for \$1.46m above its then-\$740,000 rateable valuation.- <http://www.stuff.co.nz/business/money/64836978/Browns-Bay-bach-makes-way-for-New-World-car-park>

Conclusion

Sustainability influences the decisions made by New World as mentioned above. The company also has policies that will positively affect the entity’s performance at economical, ecological and social levels. Its goal is to be “green” and part of each community in which stores are located. Sustainability is the key to New World’s success as a business. 4