

Tesco marketing strategies marketing essay sample

[Finance](#), [Market](#)



Tesco is supermarket chain based in UK and is also known as the largest British retailer both: global sale and, domestic market share.

Tesco is also known for being fourth largest retailer in the world (The Home Depot- USA, Wal-MartUSA and Carrefour- France). For the companies growth tesco's has a long term strategy which is based on four parts: the very first key is growth in the core UK business, the second and again important is to expand business internationally or world wide; to be as strong in non-food as in food and

to follow customers into new retailing services.

Tesco was found by a person named Jack cohen. He was son of a Polish Jewish tailor. Jack cohen started tesco as one man business in London's East End. In 1919 he started his first business as a grocery shop in east end. In 1924 tesco launched as a brand. Jack Cohen bought a large shipment of tea of T. E. Stockwell, formerly messers Tarring and Stockwell of Mincing Lane. " Tesco" name was derived after a shipments were bought, he made new labels by using the first three letters of a supplier's name " TES" and the first two letters of his surname " CO" forming the word as " TESCO".

" Tesco" had there branches into numerous nation such as: in year 1994 it was first open in Hungary, in year 1995 in Poland, in 1996 in two places Slovakia and Czech republic, in 1997 in Ireland and in 1998 in Thailand, in year 1999 and 2000 it opened its branches in South Korea and Taiwan, later on in year 2001, 2003 and 2004 new stores opened in Malaysia, turkey & Japan, china respectively. Tesco is known as a biggest food retailer who also offers a variety of services for food and non food products such as insurance,

entertainment, electrical goods and many more. In 2005 tesco's announced the annual turnover of £2 billion and in year 2006 tesco's said it was on track to open the record of foreign stores this year.

Tesco's marketing mix or its 5 ps.

Product- tesco's sells various products from food to non food. It sells non food products such as electrical goods, beauty products, entertainments products women, men's and kids wear also it very important product which is its services to customers, which has always been important and the focused product for tesco's it customers matters most for tesco's. Keeping in mind the customers budget tesco's offers range of products as per customers satisfactory. For e. g. for the customers who are rich for them tesco's offers high range of products or branded products, for the medium class customers it offers the branded as well as its own brands product which is tesco's product and the customers with less budget plans or not rich customers tesco's offers value product which is the cheapest product of tesco's.

In food products tesco's again offers various items such as fresh food, frozen food, fresh cooked meat (e. g. hot deli and deli). Also Tesco offers the food from different countries for the international customers for e. g. most of tesco's in UK have got a different section as Indian section. Tesco shows to customers that they matters a lot from its slogan every little helps. Tesco also offers online shopping and up to certain shopping the delivery is free for the customers.

Rich customers- for them tesco offers high range or branded products.

Middle class customers- tesco's offers

Branded product with Less prices or its own tesco's label product.

Lower middle class customers- tesco's offers the Cheapest product's known as value products.

Place- There are more than 2000 stores in UK and growing number of stores in abroad such as south Korea, USA, north Asia and now recently open in one of the south Asian part known as India in 2009. tesco's first tried to achieve the targets of nearest countries in year 1993 to 1998 such as Hungary, Poland, Ireland and target for the world wide. Now its target is to have stores in each and every country worldwide. In some places like china Tesco business doesn't work and it was shut. Tesco has some of its little stop shops specially made for the customer who can afford to travel far or for customers who don't want to spend time to go so long for some little things. That's why Tesco offered the local people a very famous stop and shop tesco's extra which deals with all the daily products people would like to buy. There some more small shops like metro, petrol pump etc. Hungary

Poland

Czech Republic,

Slovakia

Ireland

Thailand

South Korea

Taiwan

Malaysia

Turkey

Japan

China

1994

1995

1996

2004

2003

1998

1997

1999

2000

2001

Price- tesco's offers a range of prices to there customer to attract them towards tesco's. Some times tesco's destroy the pricing of other companies as it reduce the prices but some it also plays the role of competitive prices as it has to decide there prices according to competitive companies such as ASDA, Sainsbury, Lidl etc.

also offers the three range of prices for there customers higher, middle and lower middle range. Some times prices determined by a number of factors such as market shares, material cost, competition, the way customers see the value of the product. Tesco apply one of the pricing strategy known as

variable price, as it offers reduce product which are damaged or nearest to due date unseasonal products to attract customers. Pricing is most important for customers as they make there budget of shopping through pricing.

Promotion- promotions some times provide potential customers about its products with a aim to making a sale. One of the very most famous promotion of Tesco is there club card each and every employee ask for the club card and also explains the current promotions getting on. For promoting there club cards they some time give the uniform to employee's with the club-card drawing to remind the customer when ever they see any staff.

Sales are some times depend on the way of promoting the product in a market. For e. g. tesco's promotes all its products on t. v, radio, newspaper, in-store poster's, street poster's also in-store announcement's for the customers to get knowledgeable about the product. Promotions are one of the best reason of sales.

The above promotion types are known as above the line activity.

Communication is most important here as correct information should be pass or else there is a threat of losing customers. Other promotional methods also include merchandising, demonstrations, door drops, tele marketing, etc.. messages should get customer attention and keep their interest. The correct message should be targeted at the correct audience using the strong and suitable media. One of the most important objective of advertising are to make people aware of an item. Tesco offers a gift card up to certain amount which can be used any where in UK.

Information must

Be correct.

Reaching the

target market.

With the right

medium or sources

communication

The correct media depends on who the viewers, listeners or the readers are and how closely they resemble the target audience.

People- people matters most for tesco's as customers are god for them they always help there customers for every little help. There are different types of customers so Tesco trains there staff to give there best to the customers. For people Tesco has done a lot as it provided little stop shop to people who cant afford to go far away in a supermarket to buy a little grocery. For customers they provide range of product, quality of products and also special section of the different countries food.

Some of the tesco's runs there store 24 hours for the people having journey's over night. Conclusion:- looking at the history of Tesco if reflects that Tesco has done lots of improvement to help the stores running perfect. The way they had there target countries and they achieved that target in a very short time. Once the company knows it marketing strategy various responsibility are given to individuals. To obtain market feedback all systems are put in place which will measure success against short-term targets. As they have 24 hrs stores tesco's can also open 24 hr petrol pump specially for

the travellers and it can be a good step towards profit and if there is money there will be more jobs for people.