

Tesco – 1281 words – college essay



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Tesco's the biggest supermarket in the UK, earning just over £5, 000 on average per minute and profits soaring £120, 000 a day !! Which makes this a very competitive business and hard for other supermarkets to be as anywhere near as on the same economic level as Tesco's. Tesco Was founded in 1919 by its founder Jack Cohen, he worked on a stall in East London, he began to sell extra groceries and after a sale of £4 made £1. Now who would have thought that !!! Look at where he is now. It now has a whopping around 4, 811 stores, 756 of which are express stores, with over 475, 000 employees. Although we hear a lot about Tesco's being as amazing as it is and with its slogan " Every Little Helps" it's not as helpful or amazing as many people say.

It's main way of growing and becoming the largest supermarket in the UK since the 1990's, is mainly due to the fact that Tesco's helped the government by sponsoring many schemes and plans which they had. For example they gave 12 million pounds towards the millennium dome and set up the school vouchers scheme. They were so connected and contained and many words were placed in for example Terry lee the executive of Tesco's was knighted simply due to Tony Blair putting in a " good word !". Moving swiftly on, not only does Tesco's sell just groceries but has started to develop its product range further and further in the hope for more and more custom and higher overall profits.

It has moved from only groceries now to; Consumer goods, Financial goods and its telecoms and Tesco Mobile service. Tesco's can also be no known as a bully in some eyes, Richard Kemp has proof of this and has had many running's and bad experiences with Tesco." Tesco will get what they want

and bully less influential groups and organisations, for example the council”.

1. Tesco has the money and “ power” to fight for legal cases brought upon them and so can’t be stopped.

Tesco had so much control over the case then they denied the rights for MR Richard Kemp. Another case, placing Tesco in the bad books was the building of its new branches in certain areas, in most areas Tesco managed to get planning permission however in one area, the community threw uproar and gained a petition against Tesco’s due to the fact that building the new store would cause: 1. Traffic jams when the lorries are unboxing 2. It would cause other businesses to close up and become out of business One member of the community I quote exclaimed “ It’s like living in a Tesco Carpark!!” Yet another case showing the cunningness and sneakiness of Tesco’s was apparent in the building of the Tesco’s store in Slough in 2003. A local opportunity had become obvious within Slough and Tesco’s were keen to pick up on this, a massive building was up for sale formerly the COOP. Now the cunning and sneaky part was that Tesco’s already had a very large Tesco’s store in Slough so were unable to have two stores and this would be a breach of terms and would be unfair on other supermarkets.

Here’s the sneaky bit, Tesco’s bought out the building for 27 million and got ownership without the government knowing, they now had two massive stores but were not allowed due to the terms and moved back into the old store. They then sold of the land to 4 separate buyers and therefore sneakily eliminated any competition as only a small express supermarket was opened on that site. Now let’s look into more detail about the ‘ Computer’s for Schools’ scheme and how it works. Tesco’s brought this scheme around

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which works on the 'Every Little Helps' scheme. Customers had a ten week period in order to save vouchers which could be used in their son/daughters school in exchange for equipment whether it be sporting equipment or computers. This was a big boost for Tesco's and raised their profile and profits by quite a bit.

For every £10 spent the customer received 1 voucher. Which then could be collected in order to trade for the equipment as mentioned above. Tesco's would also have a celeb or MP etc to give the equipment to the school making the vouchers more enticing and appealing and yet again raising Tesco's profile. The figures however for the number of vouchers needed were absolutely astonishing let's see some of the figures : 1.

To get one PC £250, 000 needed to be spent at the checkouts². To get one Football £2200 needed to be spent at the checkouts³. To get one trampoline£1000, 000 needed to be spent at the checkoutsI think that these number are shocking and are very hard to achieve, especially for such minimal trades. Yet another advantage Tesco's has is that it doesn't have to pay some of its taxes and is able to avoid them! They are able to do this because Tesco is able to avoid stamp duty, as many stores are owned by several different owners down the line before Tesco's. They use a legal loop hole, using owners from different countries where no tax is present.

Since Tesco was founded they have managed to avoid £45 million worth of tax in stamp duty. All's Tesco is trying to do is avoid costs that don't need to be paid and therefore is not breaking the law. Finally I believe that Tesco's has several good points for the economy, but however has many bad points.

Firstly, Tesco's is able to keep their prices low, so therefore this is a major advantage for the economy as more and more people are able to shop at Tesco's without having to fork out a lot of cash. Another good point is that it provide thousands of jobs for people giving many a sustainable income in which there can just about live on. And finally the Biggest good point is that Tesco's is a very big tax payer and Is in the top 10 for tax revenue.

Thus meaning that Tesco's is repaying back to the public in a sense a massive some of money, which is constantly being poured into the government. Now for the bad points. Firstly Tesco's has too much competition and is constantly competing with other supermarkets causing a lot of money to spent here there and everywhere and causing disruption when building new stores as mentioned earlier. Another reason is because of their customer choice and care. In a sense Tesco's are only worried about the financial side of a business and not customer satisfaction, as long as money is going through the tills then Tesco's are happy.

This is a negative attitude towards their own business and should also be taking care of customer needs and wants ! Conclusion In conclusion I have summarised and can see clearly what sort of a business Tesco's now behind its cover/shell. In my opinion ' It's all about the money' with them and the growth of their business making sure that they are constantly growing and increasing profit. They have so much power now and believe they can rule the roost, but I believe that there streak of power, control and influential schemes will soon come to end if Tesco's don't play their cards right, I think that many people as I myself after seeing the documentary on Tesco's will

be shocked and be discouraged from continuing to shop there at all. And will be forced to an alternative.