

Tesco description in strategy

[Business](#), [Strategy](#)



Tesco is one of the organizations who have good corporate level strategy to analyze and deal with potential risk. In the case study of Tesco, they tend to expand their Asian market through alliances with the local retailers. The managements believe that this strategy can lead a good development in current resources and competence. The type of goods, services and environment demanded by consumers indicate the culture of the country and it can predict their consequent attitudes and beliefs.

By entering into joint ventures, Tesco can know more about the local knowledge from their partners and improve their supply chain, product development and stores operations skills to deliver a better shopping experiences and environment to customers. Social culture play an important role in business growth rate, the managements of Tesco realize it and develop strategy to cope with it. Tesco also mentioned that the success of partnerships can depend on three main factors, which are sustainability, acceptability and feasibility.

Sustainability can refer as whether the strategy addresses the situation under the operating of company. The acceptability is related to the expected outcomes, level of risk and the reaction of stakeholder. Feasibility is focus on the abilities and resources that are needed when carry out the strategy. Another corporate strategy that implemented by Tesco is diversification. According to Johnson and Scholes (2003), they believe that when the business environment change, it is necessary for an organization to create new products and services in order to consolidate their market (as cited in Ivory Research, 2009).

The top managements of Tesco have to take this strategy seriously, because changing not only can strengthen their competence but also can make things worse. Diversification needs to be implemented in the right way and at the right time. For the case of Tesco, they are trying to design different store formats from other hypermarkets. This will be the uniqueness of Tesco in that country because it will fulfill the needs of customers that cannot get from other hypermarkets. Besides that, the management of technological innovation is highly involved in strategic decision making. Tesco has to minimize their internal weaknesses and strengthen their internal superiority.