

Business strategy

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Strategic Planning of Tesco By Location Introduction Strategic planning is the process of envisioning a desired future, and transforming the visions into concrete objectives in order to achieve the future needs and expectations effectively. Strategic planning gives a vision of how certain goals are to be achieved within a given period of time. It is a process that decides which markets are important to a company's future as well as the effective means to reach those markets efficiently. Tesco is one of the biggest and multinational groups that uphold the loyalty policy to its customers, with a diverse advancement of its business into petrol, banking and telecommunication. Currently, it has market shares in UK stock exchange with the name Tesco. This report provides an insight into the Tesco Company through the use of BCG matrix to know the current strategies of the company.

The United Kingdom is currently a global business centre consisting of different races from all over the world. Due to the increased population, Tesco fulfils their demands by importing goods that are not available in the UK from other European countries. As a multinational company, Tesco has developed many supplier management mechanics so as to survey key suppliers and the satisfaction of the franchisee. After a close internal analysis of the Tesco Company, it is observed that, goods importation is one of the Tesco's imperative strengths as they are motivated by the allegory, "Pile it high and sell it cheap."

Tesco has a very good and established customer relation that never lets its brand down. The spectacular development of this Company is based on its ability to offer its customers various incentives through promotions. The efficiency of its products has greatly been developed by the product and <https://assignbuster.com/business-strategy-essay-samples/>

development department, thus creating the desired customer relationship and satisfaction. Notably, much of the company's success has been based on its customer loyalty. Therefore, Tesco has a strategy to develop its business by setting its focus to improving its relationship with the consumers by providing them with credit card loans, insurance policies and saving schemes. Brand Image Strategy is one of the systematic plans of action that has vehemently propelled the development of Tesco Company. The company achieves this by using their own name in selling their quality products at relatively cheaper prices. Its reputation is not only growing because of the cheaper products, but also because of its own products (Lamb, Hair, & McDaniel 2008, p. 34). Tesco targets lower income earners by minimizing its cost of products which are on offer most of the time.

Tesco as a company has its own ups and downs. The company's overreliance on hypermarkets in its foreign operations rather than the online operations as has led to an economic dropdown in its financial statements (McLoughlin & Aaker 2010, p. 67). Following competitions from companies such as Sky and Amazon, Tesco has been considered as pulling back in the areas of electronics good sales. Although Tesco is considered a sort of constrained convenience, some of its business models leave its customers poor and the economy less resilient (Corbae, Jensen, & Schneider 2006, p. 89).

BCG Matrix

BCG analysis

Cash cows

Although Tesco has a marketplace of close to 30% in the high street shops

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well stocked with fresh produce, groceries and fashion, this can be regarded as cash cows. This is because the growth in that section has been very weak.

Star

Notably, the company's online operations can be regarded as a star, for example, computer games and financial products. This is because Tesco is the largest online grocer in the United Kingdom market (Agnihotri & Rapp 2010, p. 78). Therefore, it is advisable that Tesco utilizes the profits to develop the online businesses.

Question marks

Tesco's question marks include Blink-box and this is because the company is facing a stiff competition Netflix and Sky and the fact that the mobile services and the insurance services are not yet developed. Therefore, Tesco will require developing this level into a star by deciding on an appropriate investment.

Dogs

In addition, the Tesco's US operations in Sauser crisps and packaging is a dog as it has a small market share and operates in a low growth market. Tesco may be required to pull out of this business.

Conclusion

Tesco is a focused company that has enjoyed long term success. Their constant core visions and strategic practices that have well adapted to the changing world have placed them in a very strong business position. In this competitive global environment, a very clear strategic planning within the company has maintained their fine financial tracks and a good vision that has maintained their survival in the industry. Tesco is a company that is built

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around customers and its strategies have the company achieve its vision. The company's famous motto is, " Every little helps" and has been used to change the mindset of its consumers. It has helped the company to retain its business hierarchy for a long time.

Bibliography

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