

# [Critical success factors of tesco marketing essay](https://assignbuster.com/critical-success-factors-of-tesco-marketing-essay/)

TESCO is one of the largest retailer companies in Europe and is the second largest in the global retailers ranked in the top three. TESCO was founded in 1924. Headquarters is located in British Hector Content Ford county. The first sales started with food, but along with the retail market environment change, TESCO company developed, grew, and went through innovation to meet each new opportunity, gradually extend to clothing, electrical appliances, customer financial services, also keep internet service telecommunications and other businesses. At present, there are a total of 2629 stores in the world (sells a total area of 4500 square feet). The stores are in 14 countries and regions, more than 500 million people patronage every day (according to www. uniqueworld. com. cn/view-484. html).

TESCO hopes to be able to maintain their carbon missions make new buildings, they also want to make their business follow the way of the specific object – this means that enterprise can put forward some specific business objectives to be achieved, so if they hope to within a year to play a certain profit targets, they must make a business plan or pattern can be aided by, in order to achieve their goals.

## 2. 0 Company summary:

2. 1 Company’s Ownership

The ownership of the Hymall’s several partners, TESCO is owned by many people. This is due to; it is a public limited liability company or PLC. TESCO, the reason for this shareholding system is Tesco’s vast size. Because of its size it is difficult to raise enough money for TESCO if it is to belonged to a sole trader or partners in Plc. (like TESCO) company is the shareholders fund company. This happens when people buy the stock of the company to become shareholders. Sometimes this may look more attractive investment companies for their luxury have limited liability. Limited liability is when for instance, the company reaches bankruptcy or liquidation, the shareholders only lose whatever they invest in business. This is common in Plc. co., LTD. (private co., LTD.) unlimited liability applies to the soul traders and partnership, if one of the bankrupt, they may lose all their personal assets over it and capital investment.

## Mission:

To create value for customers, make its lifetime loyalty. Our success depends on people shopping and the work of the company.

## Vision:

TESCO’s vision is especially easy to purchase the most valuable service customers; TESCO uses skills, business community, faithful and loyal employees and TESCO shareholders. Tesco is a growth, modern and innovative company, and wins the local and the global scope.

TESCO objectives are:

1. To maximize sales and profit

2. To develop and maintain its position as Britain’s top retail company

3. TESCO aims to be better than their competitors and maintain market leadership

4. TESCO, the main purpose is to maximize profit

5. To provide goods/services cheaply and affordable for the consumers or the public.

## 3. 0 Product:

## TESCO is in the food industry and food industry is quite powerful. TESCO does not only provide the food business but other non-food product that include electrical appliances, home entertainment products, daily necessities, kitchen supplies, in some of the largest shop even also provide white home appliance and furniture. Recently, TESCO is devoted to brand into the food industry, at present a lot of its large stores are reserve appliances, home entertainment products, toys, sports equipment, kitchen supplies, and even lighting products and decorations.

## CRITICAL SUCCESS FACTORS OF TESCO:

## 4. 0 SWOT analysis:

## 4. 1 STRENGHTS:

TESCO can sell shares in the stock exchange and this can raise more money, rather than other types of business. The shareholders in the stock market have limited liability and this means that they can only lose their money invested in TESCO, if it failed, they cannot be forced to sell their personal property.

Goods are generally cheaper than other places and this makes TESCO a place where people usually prefer to buy goods. This in turn makes TESCO a big and strong financial competitor.

Employee welfare is good and so is Management ability.

## 4. 2 WEAKNESSES:

TESCO, does not provide you with an online discount while most of the other top companies do, provide almost as much as 20% so this brings about some thinking before purchase. Article Source: http://EzineArticles. com/2901824

## 4. 3 OPPORTUNITIES:

TESCO is able to increase its market share; TESCO is still an enviable position, can enter almost all of the markets and expect to have good performance.

Management capability of Tesco can benefit it in the long run.

Tesco can provide different ways of service and this can be advantageous

## 4. 4 THREATS:

TESCO have a lot of threats in Management capability, Goods price competition by other retailer companies and threats of new entrants into the market

New technologies, service and ideals affect Tesco.

The Product and self-brand should improve because if not, could cost the company.

## 5. 0 PORTER’S 5 FORCES¼š

## 5. 1 Customer’s analysis¼š

Keeping loyal customers TESCO must look after their customers they do so With low prices, this is because if TESCO low price will attract more Customers, because they spend less money on TESCO. TESCO’s still maintain the customer’s satisfaction, and his mouth bigger, this is because when especially easy to purchase luxury store. Open the big store and then all under one roof this is convenient TESCO Customers are very busy, they just go to special TESCO and get everything they want to. (Lincoln, 2007), TESCO also maintain customer loyalty to they have a club card this system to encourage customers to buy more things, especially easy to buy and

Receive. When the customer received enough points, and then they get coupons, they can use to TESCO . It is very conducive to purchase it’s easy to get a lot of customer loyalty

## 5. 2 Suppliers analysis¼š

Bargaining capability of the supplier is low.

- What should point out is, suppliers tend to grocery retailers and are afraid of losing their business contract and large supermarket. Therefore, the position of the retailer’s easy to buy and AASDI, like, plug INCE “ to further strengthen the, negotiation is positive to obtain the price as low as possible from supplier.

## 5. 3 Rivals¼š

The intensity of competition in the grocery retail industry is very high.

Faced with fierce competition, TESCO direct competitors, including ASDA plug INCE “, Morrison and Ross, this is competing with each other, price, promotion products and intermittent. So it should be emphasized, ASDA is a key competitors in the field of market share growth of 16. 6% to 16. 8% during the fiscal year 2010/09, and plug INCE he display increased 16. 1%, 15. 8%, 11. 6%, 11. 3% and Morrison through the same period (European GRUPPO, 2010). The market growth refers to the growing market competition market competition; this is the threat especially easy to purchase market leadership position.

## 5. 4 New entry¼š

Threat, the new competitors into retail food industry low.

- need huge capital investment to obtain competitive power, the establishment of brand. The main brand, have captured the food retail market TESCO, ASDA, plug INCE “ and Morrison and they accounted for 80% of all shopping in Britain (the company, 2010). Therefore, the newcomers produce in a very low price and/or high quality, established his market value.

- get planning permission from the local government needs a lot of time and resources, and establish a new supermarket, this is quite a big obstacle new entrants

## 5. 5 Bargaining power of suppliers:

The bargaining power of suppliers is very low because Tesco is a big company that buys goods from suppliers in large quantities and can therefore ask for cheaper prices from its suppliers and these suppliers can grant them this because of Tesco’s vast sixe and influence.

## 6. 0 PEST analysis:

## TESCO is an International company. Therefore, it is affected by external factors such as political, economy, social and technology.

## 6. 1 Political:

All countries have different political views, regulations and laws. For example taxation and service charges and these will have big effect for company.

## 6. 2 Economic:

As different economics in different country, It will affect the company’s sales performance.

## 6. 3 Social:

These are factors such as lifestyle, trends, consumer attitude and opinions. It is a lot of things will affect the sales performance. Even the media views and buying access can fall under this category.

## 6. 4 Technology:

One of the most important factors that affect big companies is Technological factors. Consumer buying technology means convenience is most important for the consumer.

## 7. 0 Critical Success Factors

7. 1 Competition analysis:

TESCO, there are three main competitors – plug INCE “, ASDA and Morrison. The retail giant many chain stores and a collective can affect food market as a whole quality. However, the recent financial crisis that TESCO, under pressure, when the customers are seeking to reduce their cost switch to lidle, Asda and aldi supermarket cheaper alternative.

Today, TESCO, with 273028 employees, is the UK’s largest retailers; profit more than 2 billion pounds, including global sales, the domestic market share. In 2008, TESCO, become the world’s fourth largest retailers (Reuters News, 2008).

Patterns: TESCO always corporate with local suppliers, and to share their TESCO relevant industry experience and technology.

## 7. 2 Sales strategy

The Power of Advertising and Public Relations by the use of media; newspapers and Journals.

## 7. 3 Competitive edge:

## Price and service, most points are price and service. When I go shopping in TESCO, I find the service is better than other places and supermarkets. Moreover, I can accept the price so this makes sure I always buy something in TESCO.

## 8. 0 Social-Economic impact to the host nation:

TESCO has some positive impacts to the nations in which it operates. For example it provides many jobs because the people of the host nations are the ones that work in the supermarkets. The prices of goods in Tesco are affordable and cheaper compared to other retailers and shopping is convenient for the customer.

Tesco also has some negative impacts to the host nations as well; Lack of private brands, and TESCO causes market monopoly and makes small shops profit weak and sometimes even close. The big company between very competitive.

## 9. 0 WHOSE INTERESTS GOVERN BUSINESS ACTIVITY:

Business activity is governed by people such as Stakeholders and Shareholders also. These people carry weight in company decisions because the company has to impress these people in order to succeed. For example the shareholders need to be shown that they are investing their money in a profitable business so as to not withdraw their funds from the business. Stakeholders such as the suppliers also need to be satisfied by many things such as the reputation of TESCO so as to be motivated to keep providing TESCO with products.

## 10. 0 Conclusion:

There are a lot of advantages in TESCO such as price competition and management opinion. However, there are some negatives that should improve. Examples of these are substantially the products, service style, brand effect, Sales ability and sales approach.

## ( 1936words)