

Analysis of social factors affecting tesco essay



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This employment law addressing parent of born child or adopted children who will be on from the 5 April and onward. It suggests that both the parents of a new born child are entitled to some time off instead of the traditional way where only the woman would be allowed to take a maternity leave to take care of her child. The parental leave will be the same amount of time as before but, the parents will have to share it between them and it is entirely up to them when they decide to take it. But before that the woman has to have the first 2 weeks following the birth off.

This law could be seen as an opportunity which will be positive for Tesco because the mother will not have such a long time off work anymore. The amount of time she would take off will be reduced which will be beneficial for the business because it means that they won't have to hire and pay someone else to work for the woman. Because of this change, there could be a shortage of staff in a business where there are two or more than one pregnant employees. Due to this, one objective Tesco could have for their business to overcome this negative change is "to have enough trained staff ready for replacement in case of maternity absence.

One strategy I can suggest which Tesco could use to execute this objective is to hire a well trained staff that will replace the pregnant employee two a month or two before the employee actually leaves. This strategy should prevent a shortage of staff within the Tesco when the employee finally does leave for their maternity or paternity leave and there shouldn't be any problem following the leave. New statutory pay rates This law suggests that statutory maternity, paternity, adoption and shared parental leave will increase to 139.6 per week.

This is the amount a business like Tesco will have to pay to the any of their employees absent for the reason of having a newborn or an adopted child from the 5th of April 2015. This law is rather a negative change that for Tesco because it is going to present a threat for them as they are now forced to spend more money on those workers with new baby while they are away from work. This could lead to the decrease of the benefit they will make over the period of time their employee will be absent.

One strategy I can suggest for Tesco to save them from spending a lot of money on employees who don't work and reduce their budget on thing that will not bring them anything back is concentrate on maximising their sales and benefits so that they don't feel the pinch from all the money will spend from non-working employees. The strategy they could use to carry this strategy would be to charge more money on the products people buy the most for example slightly raising the price of their best selling products or services.

Managing sickness absence The managing sickness absence is a law that allow workers who are absent from work because of illnesses reasons to manage their leave. It provides free occupational health assistance for employees in a workplace after an absence of four weeks. This particular law is negative for Tesco as it can present a threat to the performance of their business. Because of this law any employee could be absent for weeks and comeback with an occupational health assessment and claim to be sick whether or not they truly were.

The business's performance would suffer if most of their employees were to leave for such a long amount and get away with it by using the managing sickness absence as an excuse. One strategy I could suggest for Tesco to avoid employees going away for such long time is to put a method in place which will allow them to double check the leave of their employees to make they haven't been lied to. One strategy I could suggest for Tesco to carry out these goals is to have a few staffs that will be in charge to check and double check the proof employees at Tesco would provide after coming back from their leave.

This could be done by checking the dates and time on the proof provided, call to the hospital or wherever the proof comes from. Political factors affecting Tesco Membership of EU Having a membership in the EU is a positive thing for Tesco as it presents an opportunity for them and their business It is an opportunity for them because it will allow them in the future to access the biggest market in the world which means that they can sell their products to a single market containing 500 million people.

This also provides them with free trades in terms of the absence in custom duties or tariffs and also facilitates their trading by giving them just one common set of rules rather than just 27 different set of rules to trade with. The EU membership enabled Tesco to sell more varied products coming to different markets. This political factor will help and assist them in fulfilling many of their objectives like being wanted and needed around the world, being a growing business full of opportunity by growing and spreading through Europe.

Not only that but it will also help them in realising one of their big aim Fiscal policy reducing taxation The purpose of this political factor is to strengthen the economy and this is done with help for UK businesses like Tesco. The money from the fiscal tax helps increase the creation of jobs and provide help for people to buy their own home. This is not so much of a threat for Tesco but more like an obligation because if they don't pay this fiscal task they won't only be in trouble with the government but they will also downgrading the UK economy which won't be beneficial for their business activities.

There isn't really a way for Tesco to avoid of overcome the fiscal policy taxation as it is not really a threat but is more of an obligation for them.

Economic factors affecting Tesco UK Economic Outlook November 2014: How robust is the UK consumer recovery? This economical factor is about how strong the growth of the UK consumers economic has become in 2014 and predicts how it will continue to be in the future.

It says that the consumers spending growth has been increasingly growing for the past two years and that confidence and borrowing has also gone up since mid-2012 have been reflected in a falling savings ratio, giving an extra boost to spending over and above disposable income growth. This change in the economy can be a positive thing businesses operating in the UK like Tesco because it present them with an opportunity. The change has caused the consumers' confidence to increase and has strengthened the consumer's spending power too.

Due to this economical opportunity will, Tesco will be able to boost their sales because consumers will be more confident and shop more since their shopping power has increased, they will be able to afford quality and maybe even luxurious products. By doing so retailers like Tesco will also win by making more sales, more profits and benefits. Since this change is not a threat but rather an opportunity for Tesco, the goal i can suggest to them in order for them make sure they make as much sales, profits and benefits as possible is to simply attract more customers.

One strategy I can suggest for Tesco to obtain the objective above is to make more eye-catching adverts and promotion to make sure their targeted customers hear and notice them loud and clearly. Budget 2014 raised: Growth forecasts raised for 2014 and 2015 This political factor predicts that the UK economy is due to continue its growth started last year. It obviously a positive change because it presents businesses in operating in the UK markets with an opportunity. Tesco will benefit from this opportunity because the economy will affect them in the way that they will have the chance to grow their businesses further

This is obviously going to be a threat for Tesco because they will have to change the way they operate right to please their current customers and change to new methods that will be suitable for that future generation of customers. One of the threats this negative change could bring is that the business (Tesco) is that they could lose customers when they adapt new methods to please their future generation of customers, as they won't be able to please everyone. Another threat is it will take them time and money

to develop their new method of operation which could affect their budgets that method doesn't bring them the money they spent.

One goal I can suggest for Tesco to make sure they hit their target of hitting the right customers is adapt their marketing activities to those customers they will need most (people in their 50s). To achieve this target, they will have to make sure their products, adverts and promotion clearly captures and fulfils the needs to these customers so that in turn the targeted customers will buy the products and hopefully be satisfied with them. Shift in Britain's multicultural make up

The change in Britain's multicultural society is growing at a faster than we know, with the arrival of immigrant, the births of babies from foreign mothers; the British society has changed a lot. This is affecting retailers and supermarkets like Tesco to change the way they understand and target their customers within the British society. This change won't really be a big threat for Tesco as they are already having to sell a varied range of food that they know this new multicultural society will be attracted to and will therefore purchase.

But as the multiculturalism of the consumers is getting more and more widespread across Britain, Tesco will have to do more to make sure they satisfy everyone by introducing more cultural varied food rather than the most popular one (Polish and Asian food) One goal I could suggest to Tesco in tacking this change is to diversify further their products in order to fully satisfy their targeted customers. This goal could be achieved by selling more

cultural food coming from different cultures as well as having Polish and Asian products.

Offering more culturally-mixed products from different countries, for examples providing different types of food from Poland i. e. meat, cheese, bread etc... And also doing the same for Asian food etc.. The rise of Generation Y The rising influence of so-called “ Generation Y”, who are generally considered to be the under 30 to 35s is also having a major impact on retailers and their future strategy.

“ This group is overtaking the baby boom generation in terms of their size”, says Vicky Redwood of Capital Economics. Not only does this group desire different products from previous generations, but it has different ways of shopping and different attitudes to brands. Obviously the changes already underway – such as multichannel retailing – will particularly appeal to this generation. ” David McCorquodale of KPMG added: “ The number of children aged 16 and under is projected to increase by 12% to 13 million by 2035 benefiting the infant and children’s sector. ” This means a difficult balancing act for retailers.

Whilst tackling the demands of the baby boomers, retailers must look at the other end of the age spectrum and work out how to attract the interest, and spending power, of the younger generation. The rise of the Y generation is something that is threatening most retailers because in order to crack this new change and adapt to it, retailers will have to come up with new strategies and methods. By doing so, Tesco will be able to survive this

change and adapt to it in order to attract more customers from this Y generation.

This way they could also be on top of their games and beat every other competitors. Conclusion Through identifying the different legal, economic, political and social factors that could influence the future of Tesco, I have found several threats they could seriously struggle with but the most important change and the biggest of them all was the change which states that over the next ten years two-thirds of all retail spending growth will come from those aged 55 and over.

I chose this change because as explained above, this threat will cause Tesco to make radical and major changes to the way they operate right now in their business activity. And if nit handled properly, it could affect them to change them and their business performance. This is why it is really important for a business no matter its size to always carry out continual research into external influences. By doing so, they will be able to prepare for the types of challenges they have ahead them and plan to overcome them before they even happen.