

# [Strategies done by tesco](https://assignbuster.com/strategies-done-by-tesco/)

[](https://assignbuster.com/)[Business](https://assignbuster.com/essay-subjects/business/)

Market Penetration Tesco Plc is one of the world’s top three retailers competing withWalmartand Carrefour for the leading position.

Tesco operates in over 12 countries globally in Europe, Asia and had recently begun to establish a presence in North America. By early 1990s, Tesco was of the few UK retailers that had invested in a specialist e-commerce department to spearhead its online developments. In 1994 Tesco started offering online shopping to its customer. ii. Market and Product Development The online shopping service, Tesco. com was established and operated as an independent subsidiary to Tesco.

Tesco then started to diversify its online product range, offering many non-food products ranges and the result was significant increase in sales. Next, Tesco developed a sophisticated semi-automated in-store picking service to support logical operations. By 2003, 96 percent of the UK population could shop online with Tesco. com, giving the company 65 percent of UK online grocery shopping market and further diversification of product ranges. Tesco than started to expand its online service internationally, for example in South Korea through Homeplus. co.

kr. Tesco constantly focuses on technology innovation in order to streamline services, provide new features, and extend the range of points at which customer can access. iii. DiversificationDiversification and expansion of the online products portfolio and customer services continues with the addition of series of innovation such as: DVDs to your door (a rental service) energy utilize (thousands of customers save money on their gas and electricity bills) getting healthy online using e-diets service (which, helps customer tailor their eating plans to what’s right for them, taking into account lifestyle, food preferences, and health recommendations) and internet telephony. iv. Business and Revenue Model Strategy As other online retailers, Tesco.

online operations rely to certain extent on instore adversting and marketing. The linkages between club card mailings (off and online) act as trigger for shoppers to engage with both channels. E-mail marketing is an important part of Tesco’s promotions. Tesco. com uses “ commitment-based segmentation” or “ loyalty ladder” based on recency of purchase, frequency of purchase and value to drive Tesco’s communication campaigns.

Tesco then uses automated event-triggered messaging which can be created to encourage continued purchase. To keep track of its customer online, Tesco had established a robust strategy for attracting attention and retaining customer using email marketing.