

The recognition of the tesco supermarket brand commerce essay



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Tesco is recognised to be United Kingdom's biggest supermarket, dominating in British retail sector with both global sales and domestic market share. It originally caters in food but expanded its scope of service to clothing, consumer electronics, consumer financial services, internet service, and consumer telecoms. Tesco's strategy is focused in long term engagement and based into four key parts namely: core UK business, non-food business, retailing services, and international presence (Tesco.com). In 2004, stores continue to expand from ninety-eight (98) to an intended two hundred seven (207) in 2005, half of which will be located in Asia. Tesco's triumph as the company explains is due to an excellent Operating Strategy and Management team.

Tesco started off with self-service supermarkets in the U. S. during the 1930s. After a few years of operations, Tesco management then realised that selling a wider variety and larger stock volumes, and employing fewer staff dramatically lowered product prices. This was the start of great things for the company. Even as everything else crumbled into pieces during the war, Tesco was at the onset of its prosperity, thriving in the midst of adversity. It was in the 1940s when Tesco came to Britain to introduce self-service stores.

About 20 years after, Tesco had become a familiar name, not only for groceries, but also for fresh food, clothing, and other household goods (Tesco PLC Interim Report, 2003).

Tesco is undoubtedly a whole mall in itself. Everything is literally found in one roof. No longer limited to grocery items, it offers services that would allow a customer to avail of everything in one stop. Besides the extra selling of books, cds, digital music, videos, flowers, games, gardening, gas, holidays and flights, they also provide financial services (e. g. credit cards, loans, mortgages, savings) insurance services (e. g. car, home, life, travel) telecoms services (e. g. Internet, home and mobile phone) and healthy living services (through its Tesco eDiets and healthy living club). Tesco has developed various kinds of Tesco stores ranging from Tesco Extra, Metro Tesco and Tesco Express in its continuing quest to properly address the needs of their various customers when and where they want it. Advertising is done through personalities like Prunella Scales and Jane Horrocks. The grocery store is also mainly identified by a Clubcard from which a significant 80 percent of the sales are transacted. It also entails the use of vouchers which is also met with a similar success as over a billion vouchers are already given away.

Since Tesco is considered a one stop shop retail outlet that caters to every market segment in the country, it could be assumed that it possess a great number of manpower. This force is the underlying strength, aside from its powerful marketing strategy, that makes it dominant in its specified area of business operations.

TESCO'S COMPETITIVE ADVANTAGE AND SOCIAL RESPONSIBILITY

Being in retailing for over a hundred years, one of Tesco's competitive advantages over their counterparts in the business is the reputation that they have established with their customers, employees and suppliers. Their customers have long associated the company with total dependability and value for money; the internal architecture of the company was centered round permanent employment relationships, strong organisational routines, excellent programs pertaining to social responsibility and a shared sense that there was a Tesco way of doing things, which the employees benefit from. Aside from these, Tesco also have strong environmental and community responsibilities as part of their corporate responsibility programs.

Basically, the social system is the 'fabric of ideas, attitudes and behaviour patterns that are involved in human relationships. In particular, businesses are influenced by consumer attitudes and behaviours that depend on such factors as the age structure of the population, and the nature of work and leisure' ('The External Environment' n. d.). In order to meet the changing lifestyles of their customers, Tesco operates different store formats located where the customers are most convenient, have a central customer services team, commissions a monthly monitoring of opinions and conducts extensive research into what the customers expect from them on corporate social responsibility. They have found out that their customers deem the following important: meeting customer needs, being a good employer, being fair to suppliers and their workforces, selling responsible products and operating in a considerate manner.

With respect to the environmental system, an environmental policy was formulated as a guide for the whole company to follow in the conduct of business that takes the natural environment in consideration. The question is not really whether a company should become involved in social responsibility activity, but rather how deeply a company should become involved in social responsibility activity. Every company most certainly must obey all social responsibility-oriented laws and requirements. They must also have a minimum code of morals and ethics to which all of their employees must agree and adhere; otherwise, each employee will establish and operate under his or her own standards to the possible detriment of the company and society as a whole.

Actually, corporate social responsibility or CSR is a concept stating that organisations, such as corporations have a commitment in considering the interests of their consumers, employees, stakeholders, communities and the environment in all facets of their operations, which extend beyond their constitutional commitment to conform to legislation ('Corporate Social Responsibility' 2009). This concept is important for big firms like Tesco because this concept encompasses the firm's total responsibility and commitment, in line with its goals and objectives in its industry. This is given emphasis and importance, for with this concept as a guide, companies are given the edge in coping with competition among other business organisations. Highlighting this concept enables the company to be sensitive in meeting the demands of its market, employees and stakeholders, thus, sustaining the goals of the company. In addition, with this as guide, the company will be able to contribute to helping maintain the environment,

thus, becoming an effective instrument in keeping the environment clean and conducive to living. Finally, in the area of philanthropy, each company must examine its physical capabilities, desires, and economic resources to determine just how far they want to go and can go in this area.

HR AND CSR IN ACTION

In the 2008 count, there were 273, 000 Tesco employees around the globe ('Tesco' 2009). The firm wanted the employee composition to be diverse in order to reflect the nature of the people that patronise them, exactly as diverse. They have written commitments to equal opportunities covering age, disability, race, marital status, political opinions, colour, gender, hours of work, national origin and religious beliefs. Regarding the pay and benefits, the firm has reward packages that include elements of fixed pay, a wide range of benefits and variable performance related pay. As for the training and development of their employees, the trainings they offer are designed to develop individual talent and capability. Treating the employees as champions and as a significant aspect of the organisation naturally results to other positive outcomes. One of which is the improvement of the overall organisational performance (Brewer and Selden, 2000). A number of empirical studies have concluded that both CSR and HRM practices have a significant effect on the organisation, which leads to high performance (Haltiwanger, Lane and Spletzer 1999). One good example that identifies this relationship was the study conducted by Delaney and Huselid (1996). Utilising 590 profit and non-profit-oriented firms, the researchers concluded that HRM practices like staffing selectivity and training are positively associated with organisational performance.

Organisational performance is achieved through HRM and CSR functions as they mould the employees as significant contributors to the firm. Having the appropriate skills that are honed to the maximum level, CSR and HRM practices will then lead to the attainment of various goals of the organisation. From this relationship, it is then appropriate to conclude that the function of CSR and HRM in a firm is not totally focused on hiring employees but to their overall development as an individual.

With Tesco and its management, social responsibility practices and organisational performance is reaping the fruit of success with the apparent results of effective HR strategies that goes hand in hand with the powerful marketing strategies that are put into operations. Today, as Tesco operates globally, the need to focus on international and strategic planning of HRM and CSR is still necessary. Managing the diversified members of the labour force as well as the target market requires further involvement of the company to future feasibility studies and marketing probing. But with the existing resources of Tesco today, its operations will continue to flourish as it proves the assumption that effective HR strategies as well as CSR practices serve as a competitive edge among other businesses both domestic and worldwide in operations. The competitive advantage of Tesco is credited to the suitable strategic plans of its administration including its HR. Indeed, effective HR strategy and excellent CSR will result to a competitive advantage.

In addition to their Corporate Social Responsibility practices, Tesco participates to Government programs in promoting health issues. At present, health issues around the world are increasing and have become more

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pressing, and Tesco should continue to join the government, hospitals and institutions in promoting awareness to the people. In 2001, the Alzheimer's Society and Alzheimer Scotland were Tesco Charities of the year. Cystic Fibrosis was the Tesco Charity of the year for 2002. In addition, Tesco is the national sponsor for Race for Life, in aid of the Imperial Cancer Research Fund where over 250, 000 women have participated in raising more than £15m (BITC 2003). In 2003, Tesco can get actively involved by sponsoring symposiums, talks, and seminars on health issues, with more focus on prevention of illnesses and other conditions. At the same time, Tesco can introduce and promote the fresh and nutritious food they can offer to the customers, and highlight the importance of good health in mind and body. Vitamins, food supplements and other medicines can be introduced as an addition to Tesco's food and non-food lines. This strategy can greatly help millions of people by promoting awareness, and make them feel that their well-being is important and considered at Tesco's. This, in turn, will gain their trust and lifetime loyalty, the core purposes of Tesco, while providing the essentials for good health all in one place (BITC 2003).

On the other hand, enhancing quality and efficiency enhancement should be given enough amount of attention. As these two aspects seems to be predominant pitfalls in the organisation's operations.

CONCLUSION

Tesco is dedicated to providing products in ways that help protect the environment, their employees and the people who use them. The

competitive advantages and their social responsibility practices in which

they operate show evidence that the firm is striving to maintain their

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dedication. Granted that there are critics to the company, as there is always the presence of groups who are not very satisfied with the business' performance, available figures and statements from business experts give evidence to Tesco's continuing commitment in making sure that they are will be the standard against which others are measured, which is the company's stated vision. One of their greatest competitive advantages lies in their ability to maintain a high performance staff that contributes to the overall development of the company. The company's strategy in providing their employees with an internal environment favourable to maximising the individual's potential and growth is one of the key factors why they are able to keep the types of people who are willing to do most anything to help the organisation grow.