

Relationship marketing assignment

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One of the main things that Tesco do to attract customers is the huge investments and refurbishments of its stores so they make it really attractive for their customers to shop at. All the groceries are really well organized around the store, so it would make the weekly shop for customers a lot easier because Tesco's not all people like going grocery shopping but it has to be done. When it comes to groceries, they have a lot of competitive prices compared with other supermarkets, as well as a number of different brands. For example, not only do they import them from different companies, they also have their own branded foods such as Tesco Value and Tesco Finest. This way, Tesco can attract their customers by the number of different brands they offer so they would have more of a choice. The competitive prices that Tesco offer also give a direct challenge to other stores like Sainsbury's, ASDA etc. Another way to attract the customers is the staff that Tesco's hire that work on the tills and the shop floor. They are there to help customers if they need help with anything.

Tesco have specialized staff that deal with different areas of the groceries, they have who are delegated around the fruit and vegetables area, and others where it is just general snacks. These staff may appear really friendly and happy towards customers so this might attract customers to shop at Tesco's again. One extra thing that may attract customers would be the free parking that is available, so it is really convenient for the customer, especially if they don't live near a big supermarket. What are the methods used by Tesco to retain customers? One of the main methods that Tesco have to retain customers is the loyalty card.

This isn't just valid with the groceries; it's available at all the products which are available at Deco's. When they spend money on their weekly shop, they are then awarded points which are under the customer's name. These points can then be converted into vouchers and tokens, either to be spent on particular products in store or even a day out in a theme park, or for a restaurant meal. Although there are other supermarkets that do something similar, such as Kingsbury with Nectar Points, Deco's remain really competitive because customers may be able to get teeter rewards from them.

This loyalty scheme works by having every pound that customers spend they gain one cellular point. Once the card is swiped, it can then transfer points and the details of the shopping list to the central database. It can then detect what products the customer buys frequently and can issue vouchers for these products. It can be really helpful when it comes to groceries, because it would retain their customers is by offering discounts. There are a number of different brands in Deco's but they offer discounts and deals such as ' 50% off, ' Buy one get en free', and ' 3 for 2'.

This would attract customers to spend the money because they may feel that they would be spending less money to get more products. All of these deals are really popular in groceries, such as soft drinks such as Coco-Cola and Diet Coke. There are frequently deals which are either ' Buy one get one free' or ' 3 for 2'. Although most of this report is based of groceries, something else that would retain customers are the other products and services that Tests offer. Customers can also get electrical appliances, mobile phones, personal products, clothing and entertainment etc.

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For example, Tesco also has gas stations up and down the country where customers can get cellular points when filling up their fuel. The Effectiveness of Methods Used to Retain Customers in Tesco's One of the methods that Tesco used to retain customers is the cellular. There are many advantages and disadvantages of having this system. I feel that the Tesco cellular has worked in many ways. For example, sales have increased massively.

According to an article on marketing week, Tesco have recorded a ' 5. 9% rise in sales to £8. 8 billion in the I-J ND 5% profit increase to £1 . 2 billion for the six months ended 28th August. Tesco feels that this result is because of how the cellular system works. They have also increased in customers, not only customers who shop at the stores, but some have also joined Tesco Bank. They added 200, 000 new customer accounts during a six month period so there was a '12. 9% uplift revenue to £1. 2 billion and a 121. 2% profit growth to £1. 2 billion. ' The group sales have also increased 8. 3% to £8. 9 billion. I think that this along with the attractive deals they have boosted the sales, resulting in an increased market share of the grocery market since they have doubled the points on the Club card loyalty scheme.

This would also have an effect on having repeated purchases frequently, since on every shop, customers would earn more cellular points. [Http://www. Marketing's. Co. UK/customer-loyalty-boosts-tesco-results/ 3018916](http://www.Marketing's.Co.UK/customer-loyalty-boosts-tesco-results/3018916). Article [http://www. Guardian. Co. UK/business/2009/nov/10/tesco-waitress-win-market-share](http://www.Guardian.Co.UK/business/2009/nov/10/tesco-waitress-win-market-share) However, despite the strengths of this method, there are also some weaknesses of trying to retain customers. Sometimes the cellular system might end up in sending some customers vouchers that don't even need.

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This might result in customers being annoyed, and they might even stop using cellular for a while. One other disadvantage is that it is very competitive, and there are other supermarkets who offer a similar system such as Kingsbury with the nectar card, so Tests might end up losing some customers, because some are most likely to go for the better deal than the brand they are loyal to. There is also a huge cost of trying to promote Cellular and the implementation. For example, Tests launched 'The Big Voucher Exchange' which was a five week promotion which cost around IEE million.