

# [Tesco](https://assignbuster.com/tesco/)

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

Tesco is one of the dominant retailers within the UK industry and one of the largest food retailers in the world. The company was founded by Jack Cohen in 1919. Mr. Cohen started selling additional groceries from a market stall in London’s East End. The Tesco brand first appeared 5 years later in 1924 when he purchased a shipment of tea from T. E. Stockwell. The initials letters of the tea supplier name “ T. E. Stockwell” and the first two letters of his surname were combined to form “ Tesco”.

In 1929, the first Tesco store opened in Burnt Oak, North London. Tesco brand continue to rise in 1930s when Mr. Cohen built a headquarter warehouse within the North London and in 1932 Tesco became a private limited company (PLC). His business expanded rapidly and he had over 100 Tesco stores across the country. Mr. Cohen decided to venture into self-service grocery store after he returned from North America for a trip in 1948. The first self-service grocery store opened that year with a mixed reaction from customers at first.

Eventually, the ultimate success of the concept had changed the way British customers shopped for groceries. The company was originally a UK-focused grocery retailer; it started pioneering many new innovations and has increasingly diversified geographically since early 1990s. The company also started pioneering many new ideas and innovations. New store concepts had been developed such as Tesco Metro, a city centre store, to meet the needs of local customers, and Tesco Express, the first UK petrol station convenience store.

The company is now well on its way to becoming a successful international brand, expanding into Asia by taking over the Lotus supermarket chain in Thailand, where customers can now buy scooters (tescooters) and have them delivered to their homes. But adding value to the customer relationship is still the driving force behind Tesco's success. (Temporal) As a result of Tesco's efforts to delight the customer, its profits and market share figures rose tremendously over time, making it a prime example of how technology, coupled with a human touch, can provide customers with a great experience.

Tesco implemented its CRM programme with Tesco Clubcard in 1995 and since then Tesco have become the number one retailer in the UK market. Tesco Clubcard helps to facilitate the loyal and regular customers to collect points in their cards on every purchase. These points are stored and built up and card members will then receive vouchers based on the items they liked or often buy every three months. The card provided Tesco with vital customer information such as what products they were buying; where they were spending their time in the store, as measured by spending.

Clubcard members are also entitled to free access to the Clubcard clubs which include: baby and toddler, healthy food, etc. In 1996, Tesco created special cards for student and mothers, with offers suited to their needs. For example, special attentions were given to expectant mothers in the form of personal shopping assistants, priority parking outside the store, and changing facilities. There are over four million variations of its quarterly customer mailing to ensure that its discounts and offers are tailored specifically for the customer.

Another CRM programme implemented by Tesco is Tesco Digital. In cooperation with the CRM software vendor named RightNow, Tesco has adopted the software in their own call centres to support its electronics division. The system allows customer services staff to manage and log customer interactions via the phone, email and chat to help improve understanding around the reasons why people contact the business. Tesco wants to provide consistent responses to customer queries when they buy technology products from the Tesco Direct catalogue or from Tesco stores.

This technology has already started rolling out across the Tesco Digital business in 2009. It is also available to Tesco staffs in store. (McElhatton, 2009) The company has been successfully implemented its CRM programme and as a result it has been gain the maximum market share in the region. “ Every little helps”, the tagline of Tesco, is by far followed by the store religiously and they mean and prove the same in every purchase of the customers. The vision of Tesco is to really understand their customers’ needs and it was the key to customer loyalty and satisfaction.