

Tesco in u.s.

[Business](#), [Company](#)



Overview: Tesco is the largest chain of superstores in Britain; it has grown from a local market to an international brand. It has started a number of operations around globe, including China and Eastern Europe. Initially it ranked (in term of sales) as the 3rd in its domestic market, which later swelled to being the third largest in the world.

Tesco plans to play all its card right the first time so that there wont be any hick-ups which can do harm to its plan, i. e. get into the newer U. S market so secretly that none of the competitors notice and then start off big, this way the competition will have no way to copy Tesco's idea which is to get hold of the middle income section of the U. S. market, as this section is left uninhabited by the competition.

The plan that Tesco has been following is simple: they have conducted a major research into the market, which shows that in the U. S there are markets for upper class people (whole foods markets) and for the lower class who want to buy cheap (wal-mart), therefore they have come up with a brand " Fresh & Easy" especially for the middle class consumers, which would allow them to buy products that are not too high or low priced and still have the convenience of availability. Target Market:

The target market for Tesco has been well defined, it simply the middle market, people who want to shop with convenience and who know what to buy, this is the idea Tesco has come up with, because most stores in America are way too big, which actually makes the finding of the products the customer wants too hectic, and others are too small, where the customer just cant find what he's looking for. The idea is to provide the customers what they want in a not-so-big store.

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But the idea does not just end here, there's more to it, Tesco also believes that there is a need in America for close to home stores and that's where they want to get. The bigger Picture: Everybody knows what Tesco is all about, and what they have been doing for years in Britain, but according to recent sales figures, the sales of Tesco (in Britain) have dropped mainly due to decreased sales and the customers willing to spend less.

Tesco has now planned to move on, and what other place would be better than America itself, Though according to analysts what Tesco is experimenting in America is nothing for it, its just a tip of the iceberg investment for Tesco, if they loose, it would obviously be big, but not for Tesco, if it actually works, the idea will be transformational not just for Tesco but also for the way Americans have shopped for years. The Game Plan:

If one looks at what Tesco has been doing one can easily figure out Tesco wants to do, it has chosen to enter the markets that no big store has made its way into, mainly because no store wanted to open after the 1992 riots in South Los Angeles. People in southern Los Angeles were more than excited to hear about Tesco's new plan as fresh grocery was among those items that had stopped to be available as stores closed down after the 1992 riots.

Here it can be seen clearly that Tesco is already playing its cards right, not only will they be opening up Fresh & Easy stores to increase their sales but also creating rapport with their customers as they'd be opening up stores in areas that are termed to as underserved, people there dot usually find stores packed with items they want, therefore the Tesco experience for them could come as a life-changing experience.

Another reason for Tesco to venture in these markets is that already in the American market the labor force is cheaper than Britain, moreover in the underserved areas the labor is even cheaper and this way Tesco can get cheap labor to reduce their costs and provide more to their customers.

Tesco; the leader:

Tesco not only knows what it is doing, it also plans ahead, long before the sales figures came down and questions were raised as to how has Tesco become so successful in a short p of time, Tesco was already planning to move further and expand into the international market, they had been studying the markets for more than a year before they actually went into phoenix to start their retail chain.

Tesco is known to have the fastest and one of the vastest databases in the world, with the data of millions of people from across the globe, the idea behind this is to get knowledge of the customers and from that help get closer to them without them actually knowing it. Another first by Tesco will be achieved with its preservatives free ready meals, they problem with American stores is that they use preservatives in food and that reduces the average shelf life of the products. Tesco plans to have preservative free long lasting ready meals prepared in a central place and distributed to all Tesco outlets.

In Britain the space of a store is very limited and that's exactly hat Tesco will do in America, it will have one warehouse that can take care of the supplies for up to 350 - 400 stores in one area. Tesco has had a history of understanding and responding to the latest trends of the market, it has always been innovative and fast in whatever it does to keep its customers

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happy, for example it started to have 'partition trucks' which have separate partitions for food items and general items in one truck only in the food items there is space for cold items.

All in all Tesco is the best thing that would happen to American shoppers, while the future of Tesco still depends on the result it gets from shoppers it is expected that it will make it big. Conclusion: Tesco is doing whatever it can to capture the newer market and get a strong share of the new market it is about to enter, from opening up stores in underserved areas to opening up stores that are run by solar energy to show how socially responsible they are, and also using led lights which consume lesser energy, Tesco plans to get a higher market share so that it not only makes customers but also gets the economies of scale.

For now all eyes are stuck on what Tesco's next step would be, will it be able to cope up with the competition of big American store chains, and have the ability to attract customers for its ready meals when so many fast food chains are already available at every roadside. If Tesco's experiment fails it would surely be embarrassing for Tesco.

But for Tesco spending a few billions on a failed attempt is not a big deal, but if the experiment is a success then it's going to be revolutionary. References: <http://www.tesco.com/> <http://en.wikipedia.org/wiki/Tesco> http://www.economist.com/displaystory.cfm?story_id=9358986 <http://articles.latimes.com/2007/nov/17/opinion/ed-tesco17>