

The history of tesco's store format



My objectives to carry out this research was to study and gather some information about a company name TESCO. Which comes among one of the leading companies of UK. The company deals in number of products. This report mainly emphasis on company's external environment, resources, competence and culture.

Department chosen on which i have researched on is the food department which appears to me the department which has it maximum contribution in the revenue of the company. Food being one of the basic necessity i feel that this department of tesco company would be the most contributing department among all.

I have also compare the sales of tesco for past five years to find out their actual status and their stand among its competitor mainly in UK. Also have shown the contribution of food department into the total revenue of the company

Research methodology

Introduction

TESCO was founded by jack cohen in the year 1919. The first product they launched was Tesco tea in 1924. The first store was opened in the year 1929, in burnt oak, Edgware. It came to London in the year 1947. The name tesco was made like TES was a name of tea from Thomas Edward stockwell and co was the first two alphabets from its surname.

Tesco which was originally specialized in food and drinks was later on departmentalized into many sector like clothing, electronics, financial services, telecom and retailing. TESCO is one of the largest departmental

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and basic need store in UK. They have around 2, 318 stores worldwide and employing over 3, 20, 000 people. they are dealing in many products like food, grocery, clothes, petrol, financial services and many more. The company almost sells 40, 000 food products, including clothing and other non-food lines. Tesco stores are classified into four types extra, superstores, metro and express

Tesco also launched its internet retailing service in 2001 which was one of the major steps taken by the company and which really affected the sales of the company. This even shows that they are really into development of the marketing strategies of the company. In the year 2002 Tesco purchased 13 HIT hypermarkets in Poland. It has also made a major move in the UK convenience store market by purchasing of T & S Stores, own 870 convenience stores in the One stop , Dillon's and Day & Night chains in the UK.

TESCO VISION

The vision of Tesco is to be the most highly valued company to the people they serve, the communities in which they operate, their loyal and committed staff and shareholders. to be a developed company; best among the modern and innovative company and winning locally applying the skills globally.

On May 2011, they introduced four-part vision for the future of the business. They would like Tesco to be seen as the most highly valued business in the UK economy as well as overseas. Valued by the communities they serve the staff and the shareholders as well as their customers.

It is and will remain among the growing company. It will continue to show growth in all parts of the business – in the UK, as well as overseas, in services and across general merchandise, clothing and electrical. It will be a updated and innovative company.

Tesco plan to win locally by applying their skills overseas. The key word here is 'locally' all retailing is done local but it is utilizing the skill and scale of the group to benefit the competitiveness and the performance of each of their businesses around the world.

TESCO'S DEPARTMENTALIZATION

UK is one of the biggest market and the core for our business. They aim to provide all their customers with excellent value and choice.

NON-FOOD

Their aim is to be as strong in non-food as they are in the food market. They are offering the same great quality, range, price and service to their customers as they do in their food business.

COMMUNITY

Making Corporate Responsibility integral to their business is essential for them to apply their values as a responsible business. they believe it is an opportunity for the growth of the company.

RETAILING SERVICES

It has followed the customers into the growing world of retailing services by bring simplicity and value to complex markets.

INTERNATIONAL

It is an international retailer and wherever they operate they focus on giving local customers what they want.

TESCO BANK

Tesco Bank is the part of its PLC, the largest retailer in the UK and the third biggest retailer worldwide. They know their customers. They are also the UK's most successful supermarket bank, and still growing. They bring simplicity to a sometimes overly complicated market and an approach that puts the customer firmly at the heart of everything they do. They aim to give their banking customers the same excellent value they have come to associate with Tesco stores – it's a fresh approach to banking and offers a fresh start both for their customers and for their staff

Tesco Bank is a great place to work for many reasons, not the least of which is that they have four People Promises that underpin everything they do. Here they are:

To be treated with respect

A Manager who helps me

An interesting job

An opportunity to get on

They are growing quickly and attracting many more new customers. To make sure that they benefit to the full from our new approach, they will have opportunities through out 2011 in Banking Operations, General Insurance and Head Office.

TESCO'S STORES FORMAT

TESCO has four different types of store formats, each tailored to their customers' needs and one trial format called Home plus:

EXPRESS

These types of stores covered an area of 3, 000sq ft. They have over 960 Express stores offering customers great value quality and fresh food close to where they live and work. They opened their first Express store in 1994. They sell a range of products up to 7, 000 including fresh produce, wines and spirit sand in-store bakery.

Metro

These types of stores covers an area between 7, 000 to 15, 000 sq ft. Tesco opened their first Metro in 1992 and bringing the convenience of Tesco to town and city centre locations, and now have over 170 stores in total. It serve almost to thousands of busy customers each week and offer a tailored range of mainly food products , including ready-meals and sandwiches.

Super store

They cover an area for around 20, 000 to 50, 000 sq ft. Tesco opened their first superstore in the 1970s and during the 1980s and till 1990s built a national network, to which they are adding every year, currently total of around 450 stores are there. They have an ongoing programme of extending and refreshing their superstores to improve the overall experience for customers. In recent years they have introduced a number of new non-food ranges into superstores such as DVDs and books.

Extra

They cover an area of 60, 000sq ft. Tesco first Extra store was opened in 1997, the one-stop destination store has proved extremely popular and they now have more than 175 Extra stores. These stores offer the widest range of food and non-food lines, ranging from electrical equipment to home wares, clothing, health and beauty and seasonal items such as garden furniture.

Home plus

They cover an area of around 35, 000 to 50, 000sq ft. Tesco's Home plus stores are dedicated to non food, including clothing. These 10 stores offer their widest range of non food products in store, with more available through their Tesco Direct order and collection points. There latest and largest stores have their Tesco Direct catalogue ranges on display, with most products available to take home. Following the early promise of their first seven stores, they have committed to opening a further ten as part of the trial.

TESCO'S STRATEGIES

TO GROW THE UK CORE: UK is the biggest business in the Group and a main driver of sales and revenue. They made commitment to improve the shopping trip and drive a strong pace of improvement in the things that matter for customers which will involve significant revenue and capital investment. These changes will the shopping trip for customers, and consequently deliver improved performance to shareholders.

TO GROW RETAIL SERVICES IN ALL MARKETS: It has updated the original strategic objective of developing retailing services into ‘to grow retail services in UK markets’ in 2011. Today, Tesco Bank is a key part of the potential we see in retail services, generating £1 billion in revenue the present year.

TO BE A CREATOR OF HIGHLY VALUED BRANDS: Tesco have really put in effort in maintaining their brands value by looking at their product and the satisfaction achieved from it could be seen by looking at their growth rate.

Analysis of Growth Rate of Tesco In UK

After looking at the table we could see that the sales within UK & overseas, Number of Tesco stores has gradually increased from 2008 to 2012. Even the growth rate has also increased but in 2010 the growth rate has declined. It is the first time in last 20 years that the growth rate has declined and company has really looked for its solution which could be seen by its further sales.

The reason why the sales of tesco was declined it was mainly because of the high pricing of the product that were being sold in their store.