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Subject: Marketing Fundamentals

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INTRODUCTION

The name of the company that I am going to studying is called *TESCO*. It has its headquarters in Cheshunt, but has many stores around the country. These stores are in many cities including Manchester, Birmingham, and London. It has many types of stores and includes Tesco Extra(24 hours), Tesco Metro(located in town centres) and Tesco Express(attached to garages). It sells many things including food and non-food items. These items includes: toys, food, drinks, books, cosmetics, medicine, tobacco, alcohol, fruits, vegetables, electrical goods, clothes, organic food, etc.

Tesco was founded in 1919 by Jack Cohen in London's East End.

MARKETING PROCESS

In the UK high streets the Tesco became a familiar name. Tesco's service and quality is very good. It is committed to the customer to reducing its prices and offering the goods services and value. The company is doing continues research to improve its quality and service. The company used modern technology and instrument to provide service of their customers. Tesco's marketing process is so good to get this success. The all working staffs are so loyal of their company and they are good trained about the work so the customers are more attractive in Tesco day by day. Tesco has been bringing new offer of their customers according to time and situation. For example we can take Tesco's customers bonus card.

Therefore the customers of Tesco are increasing day by day. Tesco marketing process is so strong so the company get the best success.

ANALYSIS ON MISSION AND OBJECTIVE

- Mission

The mission of Tesco is “Creating value for customers, to earn their lifetime loyalty”. The underlying mission is of course to make higher profits, but there is a clear focus on customer service at the top level of the company. Tesco is to provide superior technical representation. Tesco to add value is a focused group of leading edge corporations by offering synergistic, valuable and highly innovative solution for their customers design, procurement and manufacturing need with continuous improvement of their quality, service and productivity to a competitive advantage.

Tesco has focused in this two value of business :

No one tries harder for customers

Understand customers better than anyone.

Company should always keep in mind the customer needs and demand. The policy should be customer oriented. To try to capture all level of customers. Always keep going with continuous research regarding customers satisfaction and improvement of service. Try to introduce new type of features in future which may attract the customers.

OBJECTIVE

Tesco main objectives of Tesco are: to provide customers with outstanding, unsurprisingly delivered, individual service

To earn the respect of its objects for the values and realize their contribution

To recognize customers better than anyone

To be competitive even on the fundamentals

Give customers a broad range of tough relevant promotions in all departments of the store

Provide an environment that is easy and pleasant to shop in

Upgrade existing stores to the standards that is normal from Tesco

To distinguish Tesco has brilliant people, use this strength to make customers shopping pleasant in a way no competitor can

Use intelligence, scale and technology to deliver unassailable value for customers in the whole thing Tesco does.

SITUATION ANALYSIS

PESTLE

POLITICAL FACTORS

For employment legislations, the government encourages retailers to provide a mix of job opportunities from flexible, lower-paid and locally-based jobs to highly-skilled, higher-paid and centrally-located jobs(Balchin, 1994). Also to meet the demand from population categories such as students, working parents and senior citizens. Tesco understands that retailing has a great impact on jobs and people factors, being an inherently local and labour-intensive sector. Tesco employs large number large numbers of student disabled and elderly workers, often paying them lowers rates. In an industry with typically high staff turnover, these workers offer a higher level of loyalty and therefore represent desirable employees.

ECONOMICAL FACTORS

Economic factors are of concern to Tesco, because they are likely to influence demand costs, prices and profits. On of the most influential factors on the economy is high unemployment levels, which decreases the effective demand required to produce such goods.

These economic factors are largely outside the control of the company, but their effects on performance and the marketing mix can be profound.

SOCIAL FACTORS

Current trends indicate that British customers have moved towards “one-stop” and “bulk” shopping, which is due to a variety of social changes. Tesco have, therefore, increased the amount of non-food items available for sale.

Demographic changes such as the aging population, an increase in female workers and a decline in home meal preparation mean that UK retailers are also focusing on added-value products and services. In addition, the focus is now towards; the own label share of the business mix, the supply chain and other operational improvements, which can drive costs out of the business.

The type of goods and services demanded by consumers is a function of their social conditioning and their consequent attitudes and beliefs. Consumers are becoming more and more aware of health issues, and their attitudes towards food are constantly changing.

TECHNOLOGICAL FACTORS

Technology is a major macro-environment variable which has influenced the development of many Tesco products. The new technologies benefit both customers and the company: customers satisfaction rise because goods are readily available, services can become more personalised and shopping more convenient.

Tesco store utilise the following technologies: Wireless device, intelligent scale, electronic shelf labelling and Radio Frequency Identification.

ENVIRONMENTAL FACTORS

In 2003, there has been increased pressure on many companies and managers to acknowledge their responsibility to society and act in a way which benefits society overall .

LEGISLATIVE FACTORS

Various government legislations and policies have direct impact on the performance of Tesco. For instance, the Food Retailing Commission suggested an enforceable Code of Practice should be set up banning many of the current practices, such as demanding payments from the suppliers and changing agreed prices retrospectively or without notice.

The presence of powerful competitors with established brands creates a threat of intense price wars and strong requirements for product differentiation.

MARKETING STRATEGY

Segmentation Targeting and Positioning

Cooperation use the basic 3 strategies Segmentation, targeting and positioning are the three marketing strategies that should be used by the corporation to promote its fair trade products aggressively, in order to raise its sales.

Segmentation strategy plays a profound role in the success or failure of the company. Mass local and niche all market segments should be addressed in the marketing plan to boost the sale of Fairtrade products by increasing customer satisfaction in an effective manner. To maximize the customer value, consumer behaviour will be studied before the segmentation in which their taste and references, attitude and buying behaviour will be assessed .

High Medium Low

Mass market

Niche market

Local market

MARKETING MIX DECISION

The concept of marketing mix is best described by claiming that is “the set of controllable marketing variables that the firm blends to produce the response it wants in the target market” it is compose of 4ps: product, price, place and promotion.

Product

The management of Tesco should set off product development strategies once they have taken control of their shop in China by marketing their existing products, exporting products in different province of the country and in so doing pressing forward on the possible

opportunities of boosting the company's market penetration and market share. Tesco should consider restoring or revising models of their product to provide the Chinese customers what they want and what they need. In this way Tesco could develop the store's own brand product which could be marketed strategically within the territory of China.

Enhancing process efficiency, expanding exclusive contact to a large supplier of lower cost materials, or steering clear of several costs in general. If rival organizations in the country are incapable to lower their costs by a comparable quantity, Tesco will be capable of sustaining a competitive anchored cost leadership.

Promotion

To create a market for Locking at the situation of Tesco, one way that it could be acquire cost advantage is by specific product or service promotional effort is a must. To introduce a new market the marketer need to undertake huge promotional activities using different advertising media. Different communication tactic will be used such as social media, local magazine.

People

No business activity can be performed without human involvement. To the business organisation customers and the employees are the most important stakeholders. The marketer should focus on the customers satisfaction as the business exists due to customers.

Process

Can be defined as the way of particular things success of marketing and overall success of the organization mostly depends on efficient process ensures or in other word how efficiently product and service are being produced and delivered as well as efficiency of the communication system.

THE ROLE OF MARKETING IN CREATING VALUE FOR CUSTOMERS

The cultural value is one important role significant for analysing the local needs of the consumers. To develop business prospect of Tesco within Asian market the company must effectively cultural values of the market. For example Indian market demands vegetarian food while Chinese market has huge Cultural significance for rice and fish. Thus effective analysing of cultural values will help the company in developing effective brand image for the organization.

In marketing, the act of obtaining value for customers is by offering something of value in return is called the exchange process. The exchange involves the customer or buyer is a person or organization with a want or need who is willing to give money or some other personal resource to address this need. The product is a physical good, a service, experience or idea designed to fill the customer's want or need. The provider or seller the company or organization offering a need-satisfying thing, which may be a product, service, experience or idea.

One of the role of marketing in creating value for customers is to understand the role of company's sales people in creating value. Understand the personal selling process, and how to distinguish between transaction oriented marketing and relationship marketing is also

one important role of marketing in creating value for customers and the most important role is to learn about direct marketing and its benefits to customers and companies.

STAKEHOLDER ENGAGEMENT AND THEIR IMPACT ON MARKETING ACTIVITIES

Stakeholder engagement is considered as one of the keys to success in marketing activities increase the effectiveness of the marketing campaign or initiatives a marketer.

Stakeholders are anyone that is affected by a business or has an interest in it, are affected by certain decisions made by companies, whether it is positively or negatively.

Customers want good quality products and services for affordable prices. They like to see improvements constantly being made so that they feel they are getting value for money. Quite often, people associate themselves with certain brands they buy. Organizations and business are dependent up on their customers. If they don't develop customer loyalty, they could begin to lose their customers. Customers like to identify with the brands they buy.

Stakeholders are often the most important type of stakeholders. This is because, without them, businesses lose their value which will affect its overall business standing and performance. They are known as the main risk takers, as they do not want anybody managing to interfere with the business' ability to make a profit. For them, if there is not a good profit being made, then is completely point less.

CONCLUSION

Tesco has committed huge resource in its training and development programme. It has made steps toward achieving this and in real sense it has been the first supermarket to have its apprenticeship training programme accredited. This has been a great achievement for the company. But as it stands there are still some issue it has to resolve in its training program in order to accommodate all its labour force.

My writing skills have evolved mainly in these three areas: how to understand better papers from professional writers, as well as getting people understand better my own ideas, and also making me feel more confident in my papers.

I considered reading news papers for example, boring and old even though I just tried a few times and did not deep practice on this. I realized how good can be that for my development in business. During this course I realized that its my best time: study about business management because I want to open my business in the future I want to apply all this strategies which I learned and I will learn.

Because of this course I improve my English as well, my vocabular and my ideas . In the future I hope that when I will open my business to be same like TESCO, good and big business for everyone, where I can manage the people how can they make a good business with less money and I will help them to be a for a good life because if you have a good job for sure you will have a good and calm life.

I hope I touched all the points of the business and all the reasons why Tesco is a good business.



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