

(BMSW4003)

Digital skills and Research Methods



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Background of Tesco

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Background of Tesco

- Tesco is the leading retailer in the UK industry, and it was founded in the year 1919 by Jack Cohen. It is one of the largest food retailer in the world that has started its services within the east end market of Brixton, London.



- The brand has become visible in 5 years which has made Mr. Cohen him to expand its grocery services to another department.
- In 1932 Tesco has become a private limited company and has set up it headquarter within North London due to the increase in the value for the stock market.

- Tesco has employed about 326,000 employees and they are operating around 2318 stores within UK Europe and Asia.
- The company has recorded their revenues of Europe for 2641 million and in the recent days there is arrays of 8.1 % when compared to the previous financial year.





With the increased effort on the intervention of technology Tesco is predominantly present within the supermarket and hypermarket industry with diversify services.

However, it is also known for its financial services and online delivery services.

Challenges before introducing modern technology

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Challenges before introducing modern technology



- Tesco was not able to implement the right system and procedures before introducing modern technology.
- It was difficult for the company to integrate the new technological trend into the current business process and utilize the advantage to its full potential.

- In this manner since there is no technological advancements and implementation in the operational activities of Tesco.
- The company was not able to develop more products and increase their productivity through performance planning.



- No adequate training and development program developed to enhance the skills and capabilities of the employees at the workplace environment
- It was not easy to monitor the data and the progress as it was unnecessary and tiresome for the organization.



- In addition to this, the technological implementation has been severely influenced due to the changing demands in the industry and it resulted in skills and tools obsolescence.
- The above are the specific challenges that are being experienced by Tesco before introducing modern technology into its operational activities.



Insights of Modern Technology at Tesco

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- Digitalized in store Experience
- In order to increase the efficiency of operating model Tesco has invested in digitalized in store experience that are to be provided to the consumers in order to increase the sales and attract them towards the brand is top the company offers the customers with the handheld device which encourages them to scan as the shop and creates self-checkout stations.



- Digitalized In Store Experience
- This makes the employee intervention to reduce as the customers are integrated with the technological advancement to perform the checkout function without their involvement. This digitalised in-store experience according to the perspective of the business and the operating model increases efficiency in the cost savings as only fewer employees are allowed to manually check out.

- Data driven customer loyalty scheme.
- The development of Tesco club card is the most important and sophisticated data-driven customer loyalty scheme as every customer is tagged with a unique customer ID on every purchase which results in the process of amalgamating millions of customer data purchase points.



- Online grocery platform
- Tesco has moved from bricks and mortar to bricks and clicks as the company has emerged with the score direct popularly known online grocery platform.



Impact of Modern Technology at Tesco

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- Result of implementing digitalized in store experience there were several challenges such as lack of employee supervision switch has allowed several levels of fraud for Tesco.

- When there is a development of club card the customers are provided with personalized online and offline discounts which has created numerous opportunities for the discourse business and operating model.



- ▶ Tesco has generated various opportunities and has adapted to the business model in establishing an online grocery channel which has increased the sales rapidly by meeting the demands of the consumers.





- Online grocery platform has become convenient to the customers and has improved the profitability of the business model by lowering the delivery cost and providing competitive packages using click and collect function
- It also contributes to the customer lifetime value and loyalty when they repeatedly purchase due to this personalized discounts. It is also helpful in allowing accuracy into forecasting customer demand based on the product category.

Lesson learnt

- The use of retail stores and in order to fulfill the demand generated the dotcom orders in the grocery business has been provided with low cost and quickly scalable process.
- When they are positioned close to high and high-income urban markets then Costco has efficiently organized its delivery routes based on the Canadian context.
- It is important for Tesco to remove the fingerprints in order to enable a profitable business model and handling all the labour-intensive retail units in order to implement automated material handling.
- Finally, the dotcom deposits has been dependent on the geography and the strategy which has enhanced the process to meet the needs to be replenished with inventory through a dedicated and centralized distribution facility

- The lesson learnt from the implementation of technology in the operational model of Tesco that has resulted in the success and the e-grocery business are summarised below
- Each store of Tesco is offering different type of product this method has been restricted based on the product variety and the store backroom has felt the difficulty in performing logistic corporations. Ultimately there is a decline in the sales for stores that has fulfilled the result of implementing technological trends in the operational mode.
- This has maximized the efficiency and accuracy in the distribution operation system as importantly technological implementation has enabled automated sortation and released the customer thoughts by improving efficiency.
- Also, Tesco had the control over the outbound transportation function it is critical to evaluate the success of the operation. Outsourcing function to a third property is no different when compared to the process of outsourcing the associates who are working at the retail stores

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