

# THE IMPACT OF MODERN TECHNOLOGY ON TESCO



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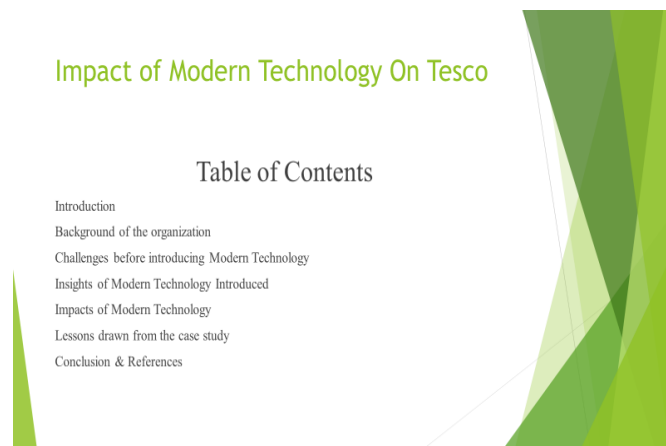
# Speaker notes for Presentation Slides – The Impact of Modern Technology on Tesco.

## SLIDE ONE TITLE SLIDE



Speaker Notes Slide one – The above is the Presentation Title cover

## SLIDE TWO TABLE OF CONTENT



Speaker Notes on Slide Two – Slide two above contains different task of the Presentation



## SLIDE THREE - DETAILS OF TEAM AND SPECIFIC TASK CARRIED OUT.

Speaker notes on Slide Three – Team Members’ names and task done

## Slide Four – Introduction



## SPEAKER NOTES ON SLIDE FOUR

### Introduction

This presentation is about a team identifying an organization and analyzing how the organization uses modern technology to improve efficiency. We chose Tesco PLC for the purpose of this presentation because of its usage of modern technology to dominate British groceries supermarkets. It is the largest supermarket in Britain and fourth largest super market in the world. It registered its online presence since the year 1984. Since then it has grown to serving 20,000,000 visitors every month. (Briggs, 2017)

Tesco has got weaknesses as well. It was rocked by horse meat and account scandals in 2013 and 2015 respectively.

## SLIDE FIVE – BACKGROUND OF TESCO



### Speaker Notes on Slide Five above

- The Birth of Tesco

Jack Cohen started Tesco from a stall in London in 1919. The name Tesco was derived from names T E Stockwell and Jack Cohen. Both of them formed Tesco in 1924. Since then Tesco has expanded across 4 continents and diversified into telecommunications, clothing, petroleum marketing etc. (Anon., 2020)

- Every little help

This slogan emerged in 1993 and it was for the purpose of cementing Tesco position within the marketplace. It has the intention of motivating customers and employees. Simply it is about the tiny things that add up to a big difference.

- Floatation.

Tesco was floated in stock Exchange Market in 1947. According to 2018/19 annual report Tesco has staff strength of 454,419 and annual turnover of 52billion pounds in United Kingdom and Republic of Ireland.

- Tesco Weaknesses

Tesco has got weaknesses as well. It was rocked by horse meat and account scandals in 2013 and 2015 respectively. While the meat scandal wiped off £300 million of its market value, accounting scandal devalued its shares by £2 billion.

## SLIDE SIX – AIMS AND OBJECTIVES



Impact of Modern Technology On Tesco

Aims and Objectives

- ▶ Maximization of Sales.
- ▶ Healthy Eating products
- ▶ Large Internet shopping site..
- ▶ Charity

### Speaker Notes on Slide Six above

#### Aims and Objectives

- Dominance

Tesco aims to continuously dominate British supermarkets league by providing quality products at low price and at same time make profit. However, the aim and objectives are often affected by external factors which could be fierce competition from another supermarket.

- Maximization of Sales.

Tesco cut prices at any point in time for customers with the hope of maximizing sales to increase profits.

- Healthy Eating products

Tesco introduce these products to attract more customers especially middle class. This in turn increases its market share and more profits. It introduced organic meat and healthy living ready meals.

- Large Internet shopping site.

Tesco has this objective to attract those who normally dislike going to or unable to go store. This definitely will increase the market share and more profit.

- Charity

Tesco launched 'Computers for Schools' in 1992. This entails shoppers collecting vouchers, then pass it on to schools to be redeemed.

## SLIDE SEVEN

### Impact of Modern Technology On Tesco

#### □ Challenges Before Introducing of Modern Technology

- ▶ Waiting time
- ▶ Stalking shelves was difficult
- ▶ A lot of paper work
- ▶ Fraud and mismanagement of funds
- ▶ Sales were very low

Speaker Note on Slide Seven Above- Challenges before introducing Modern Technology

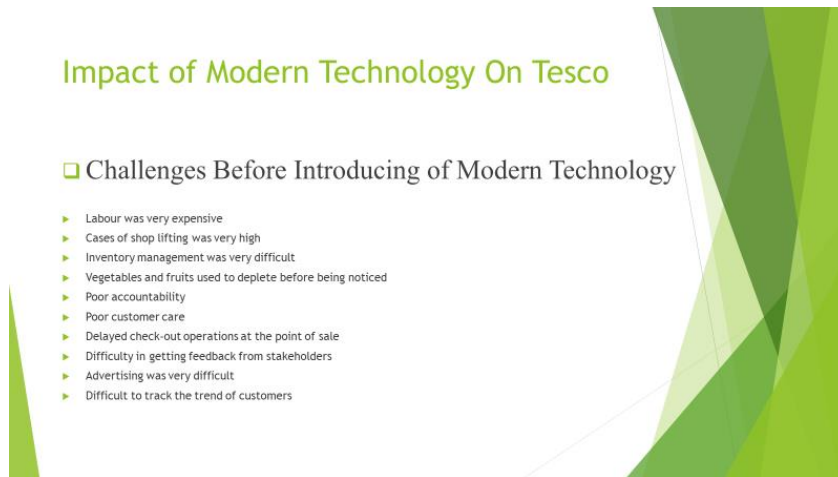
Congestion and long queues by customers awaiting their turn to buy/pay: According to Tesco (2010), the company profile showed that there were no online purchasing services and people used to go to the stores causing congestion and long queues as people are or awaiting the cashiers to attend to them.

There was a lot of paperwork: “Before computers, Tesco used a lot of paper work in generating receipts, record keeping and also in accounting which exposed the company to Fraud, mistakes and errors” says Tesco head of forecasting and analytics, Mike Moss.

Fraud and mismanagement of funds; before modern Technology, there was a lot of cash inflow and outflows and in the process, money could be swindled or stolen. Now they use

credit and debit cards while receiving money or paying for goods. Employees are paid on their bank accounts. (Harvard Business Review 2014)

## SLIDE EIGHT



Speaker on Slide 8 above – Challenges before Introducing modern Technology

Sales were very low: due to absence of online purchase services and few advertising platforms, Tesco had few customers who knew about the stores and hence brought in low sales. People did not know about Tesco due to absence of platforms like social media.

Labor was expensive: Tesco used many employees as cashiers, lifting goods but now people have been replaced by machines, online services, mobile applications and this has reduced on labor costs.

Shop lifting cases were very common: due to congestion and lack of CCTV cameras, customers and clients used to steal money, goods. Introduction of bar code system also reduced on cases of shop lifting.

Inventory management was very difficult: it was very difficult to keep tract of inventory before the introduction of Retail Grocery Inventory Services. Other methods like FIFO also helped in the management of inventory using computers. (Dobson, K. 2012).

## REFERENCES

References

## SLIDE NINE

### Impact of Modern Technology on Tesco

#### □ The Insite to Tesco Technology

- ▶ · Jack Cohen was the founder of Tesco Ltd
- ▶ · Technology began in 1960
- ▶ · Clubcard was introduce 13/02/1995
- ▶ · Ipad for checkouts started in 2019
- ▶ · Self Service was introduce 2003.

#### Speaker Note on Slide Nine Above

Jack Cohen was the founder of Tesco, which started in Well Street in 1919, and update 2020 still remain as 2619 Tesco Well street.

Technology in 1960 and by 2020 Tesco is one of the most advance in Technology within the retail field.

Clubcard was introduce where Customers was able to collect point & double points for their shopping ,in return they got coupons which they can use to be deducted from their shopping. These Coupons is valued as money.

Tesco Ipad for checkouts was introduced 2019, this ipad enables all staff to book for their holidays, overtime for each departments, including breaks , hours and time for the shifts. The ipad also enables them to do overtime for other departments if required.

Self service was introduced 2003, this enables customers to scan their own shopping as well as pay for their goods. The machine also is contactless and payplus+ also apple pay, chip and pin, coupons and vouchers.

## SLIDE TEN

### Impact of Modern Technology On Tesco

#### □ Impact of Modern Technology

- ▶ Introduction of e-commerce business - online shopping.
- ▶ Helped Tesco become a leading player in the market.
- ▶ Tool for creating innovation and creativity.
- ▶ Process much large inventory fast.
- ▶ Improve workflow.
- ▶ Improve customer and staff communication.
- ▶ Fast in processing transaction and free staff time.
- ▶ A very good tool for analysis and forecasting.
- ▶ Reduced queue's by the development of Self Service Check out.

Speaker note on Slide Ten above – Impact of Modern Technology

### Impact of Technology

Technology is at the forefront for transforming businesses and Tesco has been quick to learn and adapt to the fast-paced tech changes <sup>(1)</sup>, business to thrive they match customer needs, requirements and use technology as a tool to bring about needs fulfillment to satisfy their customers.

Applying technology in its workflow help Tesco manage its inventory when customers shelves run empty and refill stock, doing quick analysis they are able to know goods that are consumed mainly by parents, mothers, children, single people etc.

## SLIDE ELEVEN – IMPACT OF MODERN TECHNOLOGY

### Impact of Modern Technology on Tesco

#### □ Impact of Modern Technology

- ▶ Vision Problem and hearing loss.
- ▶ Addictive.
- ▶ Less physical.
- ▶ Isolation.
- ▶ Over use of Power/energy consumption.
- ▶ Initial input is expensive.
- ▶ IT personnel's are expensive.
- ▶ Hackers extract data.
- ▶ Outages affect loss of data

Speaker note on Slide Eleven Above

### 1. Online Shopping

Online shopping is the process where goods and services are transacted through the medium of the internet,.

This shows how innovative, creative and transformative Tesco is in understanding the business model coupled with customer needs and technology transformation.

## SLIDE TWELVE – IMPACT OF MODERN TECHNOLOGY



Speaker note on Slide Twelve above – Impact of Modern Technology

### 2. Self-Checkout

This is when a customer make payment on self-service checkout.

Advantages of Self-Checkout.

#### a. Beat the Crowd

This helps not to be stuck in the crowd for a long time, there are a number of personal tills/kiosks that one can go and check out easily and quickly.

#### b. Variety of Payment Methods

There are a variety of payment methods ranging from cash to cards. This gives the customer a wide range of options to make payments.

#### Disadvantages of Self-Checkout

##### a) Less human contact

You hardly get a chance to interact with a person, get to ask some question about the goods and services.

##### b) Equipment Issue

Sometimes the kiosks are faulty and being on a network a multiple of them can be faulty at a single time.

## SLIDE THIRTEEN – IMPACT OF MODERN OF TECHNOLOGY



### **Negative Impact of Technology**

#### **1). Repercussions vision problems, hearing loss.**

Looking on the screen for long hours affect the vision and listening to audio with high volume affect the hearing.

#### **2). Addictive**

The use of technology can lead to addictive behavior like playing games in workplace on computer.

#### **3). Less physical**

Technology has made people to be sitting on their desk for a long time that it reduces the movement and physical aspect of doing things, this has led to people get obese problems.

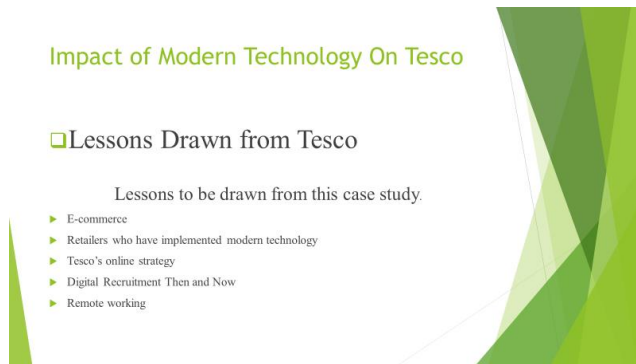
#### **4). Social Isolation**

When a person is watching video etc. They just glue their mind on to the screen and it could take hours without social cohesion.

#### **5). Excesses Power Consumption**

It affects the environment as the use of many devices affect the environment.

## SLIDE FOURTEEN – LESSONS DRAWN FROM TESCO



Speaker note on Slide Fourteen above – Lessons Drawn from Tesco

- E-commerce

One lesson we can take from this case study is that having an online presence is vital in today's world. In 2015, Tesco reported 20% mid-year growth of its online grocery business despite reporting an overall £6.37bn loss (Tesco plc., 2015). This shows how important use of modern technology is to businesses. Without the use of online e-commerce Tesco is likely to have experienced an even greater loss.

- Retailers who have implemented modern technology

In April 2020, as a result of the COVID-19 pandemic, high-street retailer Primark reported a decrease in sales from £650m per month to £0 per month, with 900 jobs lost and another 68,000 staff members furloughed. This is as a direct result of having to shut down shops and not having an online presence unlike its competitors. While Primark's competitors were able to mitigate losses by revenue from online sales, Primark who are exclusively on the highstreet were unable to report any sales.

- Tesco's online strategy

Tesco, on the other hand, are able to mitigate losses due to the pandemic with an increase in online sales by doubling the number of online delivery slots available to customers to 1.2 million (The Guardian, 2020.)

- Digital Recruitment Then and Now

In 2020, Tesco also increased the capacity of its recruitment website by 14 times (Retail technology news and analysis for omnichannel retailers, 2020). During the COVID-19 pandemic, there was a shortage of essential front-line workers. Before the use of modern technology, the recruitment process would typically involve a physical CV being handed in in-store, then being passed to a manager who would then organise for a face-to-face interview to occur. Due to social distancing measures such contact is discouraged therefore, by implementing an online recruitment process, Tesco has benefited in being able to continuously recruit staff members - especially during increased demand.

- Remote working

Furthermore, Tesco have been able to enable 3 quarters of their previously office based staff to work from home. This allows the staff to remain working productively amid a time where many workers are unable to work at all due to lack of work-from-home opportunities. Inevitably, this reduces the amount of staff who must be furloughed, increasing employee satisfaction.

- Automation

In 2009, Tesco was reported to have self-service checkouts in almost half of their stores, a figure which was 30% higher than the previous year. This increase in self-service checkouts reduces the need for physical staff in stores, allowing stores to cut hours and reduce or reallocate staff, in the pursuit of bigger margins. However, implementing such measures can work against Tesco also. By increasing automation, this can create uncertainty and employee dissatisfaction, which would negatively impact team morale. Furthermore, the introduction of self-service checkouts have reduced the requirement of in-store staff, however this proves not wholly beneficial. During the 2020 pandemic, there was considerable increase in demand for instore employees which may have been less severe if Tesco had focused on in-store staff rather than automation. This may be a disadvantage of modern technology, in this case.

## SLIDE FIFTEEN - CONCLUSION

### Impact of Modern Technology On Tesco

#### □ Conclusion



Speaker note on Slide Fifteen above – Conclusion.

To conclude this presentation our research has found that Modern Technology has positively impacted on Tesco. Tesco used modern Technology to develop its Clubcard. The Clubcard provided a lot of insights and information about its customers which Tesco has used to dominate grocery supermarket league, branched into finance, etc. Despite the horse meat and account scandals, Tesco continue to be a leading supermarket in United Kingdom and across due to its acquisition of modern Technology.

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