

MARKETING

Who buys your products?

We want everyone to buy our products! A Tesco store aims to attract all members of the community that it is set in.

What is your marketing strategy?

Since the early 1990s Tesco marketing strategy has been to become the best in terms of price, quality and service. Objectives are set, and ways found of meeting them, in all aspects of our operation. These include:

Customer Service

Objective: provide customers with outstanding, naturally delivered personal service
Examples: Customer Assistants, No Quibble Money Back Guarantee, "One in Front" queuing policy and Baby Changing Facilities

Pricing

Objective: to be competitive even on the basics
Examples: Value Lines and consistently low prices on key brands and own-brand products

Product promotions

Objective: give customers a broad range of strong relevant promotions in all departments of the store
Examples: hundreds of MultiSave, Link Save and Special Offer promotions in all stores every month, in addition we have a programme of W.I.G.I.Gs (When It's Gone, It's Gone) one-off promotions of leading brand names sold at very competitive prices

Product range

Objective: give customers what they want under one roof
Examples: constant development of new and exciting food products; introduction of clothing, CDs and videos

Store Design

Objective: provide an environment that is easy and pleasant to shop in
Example: store layouts, fixtures and ambience improved to ease customer flow and make shopping more enjoyable

Store refurbishment

Objective: upgrade existing stores to the standard that is expected from Tesco
Example: existing stores improved to include recent innovations

Communications

Objective: advertising should appeal to all customers in a relevant and friendly way

Example: recent TV ads

How do you promote products?

The retail grocery business is extremely competitive in the UK. Tesco marketing (and therefore advertising) must make the company seem different and distinctive from its competitors by giving customers something more. Tesco is building on its traditional strengths of value and quality by focusing on customer service under the message 'Every Little Helps'. The company is also reminding the public that it is still committed to giving value for money.

Our promotion falls into two distinct areas -

- Promotion of the Tesco name, ethos, quality, service and value, which we do through national advertising
- Promotion of individual products, which we do in the store itself

Tesco advertises in the national press and on TV. Tesco also advertises in the local and regional press (research shows that two thirds of adults claim to act on advertisements in the local paper) to promote individual stores, price offers, and its community support. Tesco advertisements also appear on outdoor advertising sites where the company can focus on a good value product as a route to encouraging people to visit the local store. During 1997, Tesco advertisements appeared 2000 times in newspapers and there were 10,000 TV commercials, in six separate bursts. It is estimated that each week that Tesco run a TV campaign its advertisements have 34 million impacts (the total number of times individual viewers see the advertisements) on the crucial 22 million strong "housewife" audience. Over the year we got 924 million impacts on housewives and 1,974 million impacts against all adults.

In addition there are local media campaigns and in 1997 there were about 35 for store openings and a further 40 for store refits or expansions.

How do you maintain customer loyalty?

Customer loyalty is maintained by continuing to be unbeatable on price, value and customer service. We also have our customer loyalty card, the Tesco Clubcard. Our Clubcard scheme has some 10 million active members.

Who is your advertising agency?

Our advertising agency is Lowe Howard-Spink.