

What are Stakeholders?

Stake holders are a certain group of people that have an interest in a business. Each group have their own interests in the business. Tesco has many stakeholders. They are as follows:

- Shareholders
- Customers
- Employees
- Government
- Local Community
- Suppliers
- Financers
- Pressure Groups

Now I will explain what interests each group has:

Customers.

Generally a customer wants quality goods at a low cost. They would also want a variety of products to choose from.

All customers want these things and by Tesco providing them Tesco will attract more customers because of people talking about it (Word-Of-Mouth). Tesco like most business' need their customers because they are the business' income as the customers are the people who buy Tesco's products. The customers are a bit like a pressure group because they apply pressure to Tesco to meet their needs. Meeting the customer's needs can be things such as expanding their stores or giving more variety on certain products. Tesco have feedback forms in their stores which allow customers to communicate with Tesco and tell how stores can be improved. This makes Tesco a more competitive supermarket. The comments Tesco will receive on their feedback forms will have a great influence on Tesco making them improve their stores to suit the customer needs.

I think that the customer's comments have the biggest effect on Tesco because they tell Tesco from the customer's point of view exactly how to improve there stores and make shopping easy and quicker. I think that the customers are a very powerful stakeholder because they have the power to create changes in Tesco. The customers will not physically themselves create these changes but they will do it by filling in the response forms that Tesco provide. Comments like "The isles are to crowded" or "There is not enough staff on the floor" have a big impact on Tesco because if Tesco do not respond to these comments Tesco may loose customers meaning less profits for shareholders.

Tesco have responded to customer needs in a positive way showing that they put their customer's needs first. Some examples of this are below.

Have you noticed where the petrol station at every Tesco store is located? The petrol station is located where it can be accessed on your way in or out of Tesco. Recently Tesco have promoted there petrol by giving you "5p off at the pumps". But this is not only for the customers benefits. This benefits the shareholders as well because by doing this promotion Tesco customer's will be encouraged to spend more on there groceries so that they get more off there petrol.

The entrance to the Tesco in Pembroke Dock has traffic lights will zebra crossings. This should stop road accidents by the Tesco entrance. This could have possibly been asked for by the local community (Stakeholder).

At the front of all Tesco stores there are cash machines which enable people who prefer to pay by cash to draw money out there account conveniently rather than going to another supermarket that has this facility.

The Tesco café has facilities to store your shopping in while you eat in the café. This is very convenient for customers who have bought allot of shopping and want to eat in the café.

In Tesco stores at the end of each isle there are offers. This attracts the customers in to buy these products which attract more customers knowing they are going to get value for money. This creates more profit for Tesco making the shareholders happy while keeping the customer happy at the sae time.

Tesco stores often have 'tasters' encouraging customers to buy new products. This again helps Tesco sell more products while keeping both shareholders and customers happy.

Employee

The employees are the people who Tesco pay to provide there service to them. They often need a variety of skills and their wage depends on the variety of skills they have. They will work in different areas of Tesco depending on the skills they have. E.G Check outs, bakery, cleaner etc. No matter where an employee works they need to have the correct skills to do the job so that they can provide an excellent service for the Tesco customers to entice the customers to shop at the store again. If Tesco notice a particular employee who tries hard at there job

and provides an excellent service all the time that employee could get a pay-rise or even a promotion.

Tesco need to provide their employees with good working conditions, reasonable hours and treat them fairly because otherwise the employee's will not be happy at their job which could lead to them resigning. If Tesco employees start resigning for negative reasons then word could spread that Tesco have bad working conditions and that employees of Tesco are not treated fairly meaning Tesco may find it hard to find skilled staff.

Employees also have a big influence on Tesco because they are the people making Tesco a success because they are the people who go to work every morning stock the Tesco shelves and serve the Tesco customers which makes Tesco its huge profits. The employees are the ones that keep the stores open and provide the excellent service that they do to the Tesco customers. These are the people who keep the customers of Tesco coming back!

Management in Tesco is very important because the managers are the people who deal with the customer's complaints after they have been reported to customer service. The managers will tell there staff how they can improve upon what they are doing in the interest of the customers.

Financiers

Financers are important because they fund Tesco to make there expansion of the business possible. By expanding the stores more interest in Tesco is created. An example of Tesco expanding is the Pembroke Dock store. It is currently undergoing expansion at both ends of the store. By doing so more customers will shop there when the expansion is completed meaning Tesco will make more profits.

Financers are a powerful stakeholder because they can any money they have loaned Tesco back if they think the business is not doing well. If this happens shareholders may get worried encase of the business going bankrupt which means they may sell there shares as not to loose money meaning Tesco risk being taken over. Tesco may need financers for store expansion or even building a whole new store.

Suppliers

Suppliers are important to Tesco because they supply Tesco with the goods to sell. Obviously the suppliers will want good money for the goods they supply to Tesco, this is the reason why suppliers will have an

interest in Tesco because they will want their products to sell well. If particular products don't sell well in the Tesco stores Tesco might decide that it is not beneficial to them to buy these items any more resulting in the suppliers not making any profits.

Tesco also sell a range of fair trade items. These are items that ensure that 3rd world countries are better off. Tesco might not make as much profit from this but they may gain more customers from it meaning more profit in the long run.

Tesco need to give good notice to their suppliers so that their orders can be finished on time. If Tesco's orders are not on time then this may make Tesco bring their custom elsewhere, usually to a supplier that can process their orders on time. Tesco will also want a good value for what they are buying.

Shareholders (owners)

Shareholders to me are a very important stakeholder because they own the business and will obviously want it to do well because otherwise they will not make a profit. Tesco share prices are high; this is brilliant for shareholders at the moment.

With no shareholders there would be no funds; no owners meaning that Tesco can't carry on as a business. Tesco has to perform so that the shareholders can get a profit. If Tesco is not making a profit then shareholders will sell their shares and invest in a business making a lot of profit. The Tesco shares would decrease in value so people may not invest thinking that the company could go bankrupt. But because at the moment Tesco is run properly share prices are high and shares are high in demand.