

Aims and objectives

What is a mission statement?

A mission statement shows the company's main priorities. Tesco's mission statement is to retain loyal customers, this shows to the world that Tesco expects to make sure that the customers they have come back to them and don't go to their competitors. The reason that Tesco has a mission statement is so that their shareholders and customers know where the business is heading. For Tesco to achieve this they must set themselves aims. Tesco aims are to keep their customers happy this is because if they do this then this will mean that the customers of Tesco will be happy at Tesco so will stay with them and not go to the competitors of Tesco therefore Tesco is retaining loyalty from its customers. For Tesco to achieve its aims it must set itself small objectives.

What are Tesco's objectives?

Tesco aim is to retain loyal customers to do this Tesco has to set themselves objectives these are small targets that help Tesco to achieve their big aim. Tesco's objectives are to keep customers happy, to achieve high profit margins, to motivate workers, expand abroad, support economic issues and to be friendly towards the environment.

Customers

To retain loyal customers Tesco must look after their customers they do this by having low prices this is because if Tesco have low prices then Tesco will attract more customers, as they have to spend less of their money at Tesco. Tesco also keep their customers happy by opening more bigger and luxurious stores this is because when Tesco open bigger stores then they have everything under one roof this is convenient for Tesco's customers that are very busy as they can just take on trip to Tesco and get every thing they want to.

Tesco also keep their customers loyal to them by having a club card system this encourages customers to buy more stuff from Tesco and receive points. When the customers receive enough points then they get vouchers that they can spend back into Tesco this is very beneficial to Tesco as it receives a lot of loyalty from customers.

Grow sales

Another one of Tesco objectives was to increase their income the only way that this could be done is by growing sales. Tesco grew their sales by first diversifying into the non-food section because this meant that Tesco could sell a wider range of products therefore attracting more customers and an overall growth in sales. Once Tesco felt that they had achieved a lot of profit from the non-food section they then diversified into financial service as this meant that Tesco would have a wider range of services to offer to their customers. Tesco also introduced other services like club card and internet shopping because this meant that Tesco could reach a wider range of customers which therefore helped them achieve their objective of growing sales and getting a higher income.

Operations

One of Tesco's most important objectives is to have low prices because having low prices means that Tesco increase their chances of gaining loyalty from customers and getting higher profits. The way that Tesco achieve low prices is by operating through the central buying system. In normal businesses they would buy their stock through the central buying system, this would mean that they would have to buy it from the wholesaler who get their goods from the manufacturer. Tesco do not do this they skip the wholesaler so that they get their goods cheaper from the manufacturer. This is how Tesco keep their process low and achieve high profits.

Expand Abroad

Tesco had conquered the market in Britain and then decided that it was time for them to go for a wider range of customers for them to get this wider range of customers Tesco had to go abroad. I believe that Tesco expanding abroad was a good move because Tesco has so far made 280 million pound profit abroad and I believe that this is still going to increase just all of Tesco's other profits.

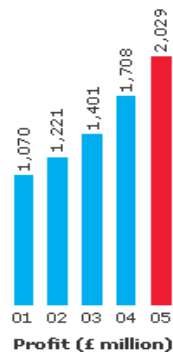
Community

Another one of Tesco's objectives is to please the community, Tesco pleased the community by showing them that Tesco cares they done this in the following ways: Gave money to charities this showed the community that Tesco is a caring business that helps people all around the world. Tesco also looked after the environment by planting trees outside their stores this showed the community that Tesco are environmentally friendly and that they care about the community's surroundings.

How successful has Tesco been in meeting their aims and objectives?

My research into Tesco over the last few weeks has shown that Tesco is successful in achieving their aims and objectives. We can see this by looking at Tesco's market share, which is 29%. Tesco has succeeded by taking over the American business Wal-Mart (Asda) and the former UK supermarket leader Sainsbury. Tesco has achieved this success by responding to the needs of their customers, as the customers are the key to any businesses success.

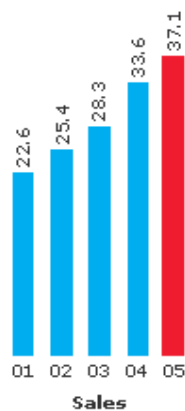
Tesco have been very successful in achieving their aims and objectives we can see this in the amount of profit that Tesco have made in the last five years:



The graph shows that Tesco have achieved their aims very well this is because Tesco's profits have been rising year by year this therefore shows us that Tesco have been meeting their aim and objectives as they have been attracting more and more customers which have been giving more and more profit to Tesco which therefore means that Tesco are becoming very successful.

The reason for the success of Tesco is mainly because Tesco operate their stores so successfully; I can see this by comparing Tesco to a business like Sainsbury. The main reason that Sainsbury was knocked of the top was because their stores could not stock their shelves quick enough this meant that the customers could not always get what they wanted when they went into the stores. Tesco learnt from this mistake by Sainsbury and always made sure that their stores were stocked and their shelves were always full. This therefore converted Sainsbury customers to Tesco customers.

As Tesco was getting more customers it meant that they were growing their sales this is another objective that Tesco have met. Below is a graph that shows the growth of Tesco's sales.



The graph shows Tesco's sales increasing year by year this therefore proves that Tesco has met their aim growing sales. The main reason of why Tesco have grown their sales is the increase in customers the reason for the increase of customers is the low prices. The reason that Tesco have got such low prices is because they operate through the central buying system and this is another one of Tesco's objectives, which is to operate effectively.

Another reason that Tesco's sales have increased is because Tesco are expanding abroad by Tesco expanding abroad it means that they can get a wider range of customers and by getting a wider range it means that Tesco can sell more of their products to more people therefore increasing sales. The reason that Tesco expanded abroad was because they had already conquered the UK and thought that it was time for them to expand even further than the UK and become a world wide business where they can attract more customers to come and shop with them.

Tesco have also achieved another one of their aims which is to please the community and by pleasing the community Tesco therefore gain loyalty from them and convert

them to become their customers. The ways in which Tesco please the community is by planting trees to show they care for the environment, by offering jobs to show they want to improve the economy of the community and by giving money to charities to show that they are not just after our money.

Future of Tesco

Tesco are obviously doing well to be the leading supermarket, but how are Tesco going to maintain this success and take it further. I believe that Tesco can still go further by offering more services to please their customers.

I recommend Tesco to open a play area for children this is because it will allow customers of Tesco that have children to have a more peaceful time while shopping. If Tesco has a play area for children it will attract more customers that have children, as Tesco are the only superstore that offers this service.

I also recommend Tesco to improve their Internet shopping by making it more secure as potential customers of Tesco are worried that their personal information could be stolen. The ways in which Tesco can make their internet shopping safer is by making there website hacker free, this will therefore make internet customers feel more secure and open with their information.

I recommend that Tesco should also make their stores more ethnic so that they appeal to customers from all around the world. The way that they can make there stores more ethnic is by employing customers that speak a variety of languages so that they can understand people that are from different countries. The way that Tesco can get customers that speak a variety of languages is by training them to speak different languages. Another way is if for example the store is located in Slough where there is a large community of Indians and Pakistanis then Tesco can employ people who can speak Punjabi or Urdu because this is the main population in Slough. The advantage of having more ethnic stores is that Tesco not only appeal to customers from the UK they also appeal to customers that have come from other countries.