

Tesco's functional areas

Marketing

The marketing department is very important for Tesco as they help the company in a lot of different ways. The marketing department in Tesco is a lot different than to Cadburys marketing department. The marketing department does market research and they focus on getting their products on the shelves. The marketing department in Tesco has come up with a "Tesco club card". A lot of Tesco's success has come from the club card. The club card is a clever idea and it has helped Tesco find the information that they need to make their customers happy and to make as much profit as possible. Tesco can use their club card to find out what the customers would normally buy and how they spend their shopping time. The club card is good for the customers as well because Tesco can send them information on lots of price cuts eg. 30% off also they let the customers know what other offers there are. The club card is beneficial both for the company and the customers, because it helps introduce customers to brands which they have not heard of before. The club card is very good at finding out which products are price sensitive and which products are loss leaders. Price sensitive products are products that are affected by the price and sales increase if the product is cheap. The club card helps Tesco to find these products because they can monitor the sales of the product and see if the product sells more when it's on a special offer. A loss leader product is a product that Tesco buy for more than they sell it so Tesco don't make a profit they lose out but it attracts people looking for a bargain and then they finish off their shopping at Tesco how they normally would. Products like milk or bread because they are everyday items and people are looking for cheaper milk or bread. Tesco also get the information that they need to figure out the price sensitive products by also having a customer question time. 12,000 customers attend their Customer Question Time sessions each year. which is like a class where they listen to customers' views on everything, from products, price, quality and service to their role in the community and the Tesco brand and other queries which any customers have. This is a brilliant way for Tesco to know which products are price sensitive and how much customers are prepared to pay for certain products. Also to find out which products that customers aren't so concerned about the price of the item. They understand that customers want low prices, but they also want fair

prices, because Tesco need to make a profit as well pr they would lose out. That's why they have products that are not priced sensitive higher than prices that are. They also make sure that the loss leaders don't lose too much money.

A few years ago Tesco listened to customers and they told them the things that are most important to them. It helped them develop the Every Little Helps promises, and they are just as important today. These five promises to their customers reflect the simple things people care about when they go shopping:

- That the Prices are good;
- That they can get what I want;
- That The aisles are clear;
- That they don't queue; and
- That The staff are great

These five promises may sound simple, but Tesco understand that if they don't get these things right customers will go and shop with one of their competitors such as ASDA, Sainsburys, Morrisons etc. It's important for Tesco to do the little things right that really matter for customers, this way customers are happy and Tesco make lots of money .