Thank you for your attention!
Troubles at Tesco, 2012
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Tesco Background

- Tesco is now the 3rd largest retailer in the world, employing over 183,600 staff and having 2025 stores outside of the UK.

- Tesco is the largest retailer and private sector employer in the UK.

- In 2009 it reported almost 60 billion pounds worth of sales and a 3 billion pounds worth of profit.

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Reasons Behind Tesco’s Internationalisation Strategy

• Sainsbury's Market domination in the early 1990s

• Regulatory Pressures in the UK over land use and Market competition

• Diversification into the non food market

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Reasons Behind Tesco’s internationalisation strategy Cont.

• Diversification into Europe and South East Asia

• Acquire major shares in Retail Chains in South East Asia

• Entry Into the US Market
YIPS Globalisation Drivers

Fig. 1
Yip’s Globalisation Drivers (1992)

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Market Drivers

Similar needs that are Global needs?
Global Customers?
Adaptation or Standardisation

Transferable Marketing techniques?
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Cost Drivers

Scale Economies

The country and its specific differences

Favourable logistics

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Competitive Drivers

Independence between countries

The affects of organisations providing to different markets

Direct competitive strategy organisations adopting a global strategy/ subsidising markets.

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