



Tesco PLC: Fresh & Easy in the United States, Chinese Version

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**Tesco is the UK based store.
The worlds fourth largest retailer.
UK market share in excess of 30% and annual
profits of some £2bn.**

**Developed internationally over the past 10
years.
International expansion is a key element of
Tesco's strategic development.**

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BACKGROUNDS

In February 2006 Tesco planned to enter the US retail grocery market.

Planned to invest around £220m per annum over 5 years period, in its US venture.

The proposed market entry caused a great deal of interest in the USA.

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INTRODUCTION

**Tesco introduced a new brand name
“fresh & easy”**

**Market entry caused a great deal in USA.
Introduced chain of low cost similar to Tesco
express**

**The aim was to provide a classless retailer
Fresh & easy was affected by the economic crisis**

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CASE STUDY

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Why do we think that Tesco decided to expand into the highly competitive US market?

Why do we think Tesco decided to use the brand name 'Fresh & Easy' for its US stores when the Tesco brand has been used for all its other international activities?

CASE STUDY EXPLANATION

Why do we think that Tesco will not achieve its original target in the future?

What do we think about Tesco's store location choice? What is right for Tesco to establish its stores in urban areas?

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TESCO

The image shows the Tesco logo, which consists of the word "TESCO" in a bold, red, sans-serif font. Below the letters, there are five blue, slanted rectangular bars that form a stylized representation of a shopping basket or a series of steps.



The wrong entry strategy

Market with fierce competitive

Misunderstanding of cultures

Lack of Customers knowledge

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**ENTRY STRATEGY USED BY
TESCO WHAT IS GOOD OR BAD?**