

Valuing Currency Management: TOM vs. U.S. Commerce Bank, Assignment Questions

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Group Presentation (04.12.12)

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Customer Acquisition

Customer Development

Conclusion & Recommendation

- This is a customer data project for the app...
- There is a customer data project for the app...
- There is a customer data project for the app...
- There is a customer data project for the app...

Ref

References

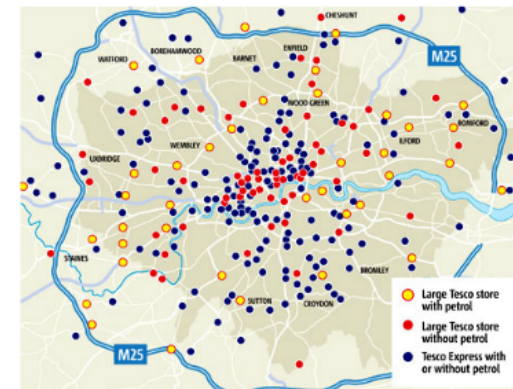
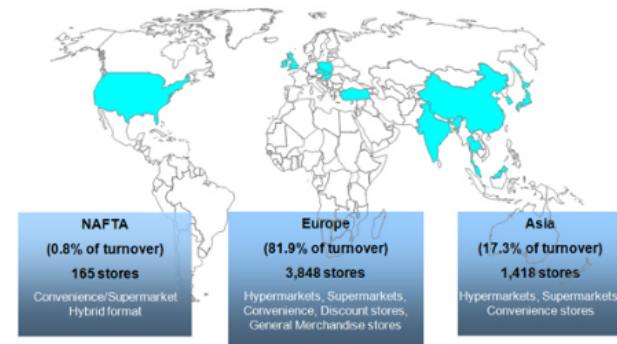
Agenda

- **Tesco PLC**
- **Customer Acquisition**
- **Customer Retention:
Tesco Clubcard**
- **Tesco Framework**
- **Customer Development**
- **Conclusion &
Recommendations**

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TESCO plc

- UK's largest retailer
 - Over 3000 UK stores
 - 3rd largest retailer worldwide
 - Operates in 14 countries
-
- Operates under 5 banners in the UK:
 - Express
 - Metro
 - Superstore
 - Extra
 - Home-plus
-
- Online shopping:
 - Tesco.com
 - Tesco Direct
 - Tesco Bank:
(the UK's largest supermarket bank)



Customer Acquisition

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“Pile it high and Sell it cheap”

Trading Stamp

Tesco Magazine

E-commerce

Various customer schemes:

First Class Service

Initiative Loyalty Card

Scheme



Customer Retention

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Tesco segment and target customers by providing a wide product range:

Tesco's Value / Everyday / Finest products plus a wide variety of branded products

	<u>No.Of.Lines</u>	<u>Strategy</u>
	1200	<ul style="list-style-type: none"> -Directly address Marks Spencer -Super-premium product and price -Limited to high-value added items
	1245	<ul style="list-style-type: none"> -Attract upmarket shoppers -Capture margin in new category -Aim to provide complete basket
	8000	<ul style="list-style-type: none"> -Same quality as national brand -To be the brand to choice -Increase margins vs. branded
	1200	<ul style="list-style-type: none"> -Directly address limited assortment (e.g. Netto) -Cheap and basic -Limited to low-value added items
  	600	<ul style="list-style-type: none"> -Targeting specialty niches with products -Recently renamed Healthy Eating to Healthy Living to stretch to non-foods
	50	<ul style="list-style-type: none"> -Aimed at children aged 5-11 years -Help parents improve diet -Minimum use of artificial ingredients

Customer Retention

MERITS

- Long standing, regular customers can be valuable assets
- Less time consuming
- It costs approximately five times more to attract a new customer than it does to keep an existing one happy

DEMERITS

- Loss of control
- Continuous change, uncertain future
- Resource demanding
- Effort required to build and maintain customer base

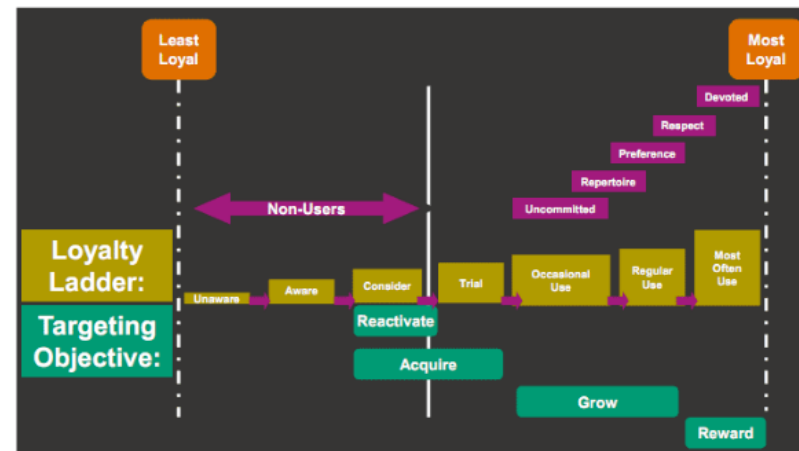
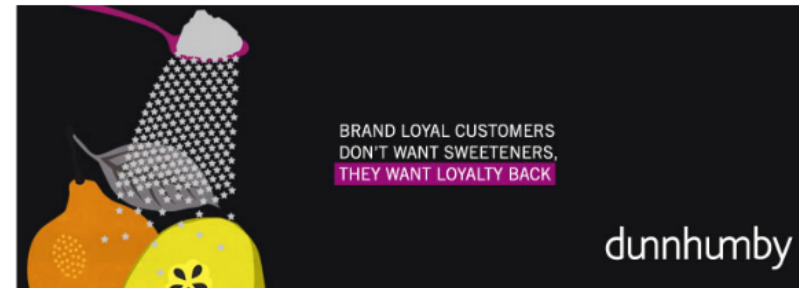


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- Key to the creation of the Tesco Clubcard in 1994 was Dunhumby:

Dunnhumby analyses the sales data from stores to enable it to construct complex marketing strategies and promotional campaigns

- The ClubCard enables Tesco to collect data which forms the basis for formulating strategies that offer customers personalized services cost effectively



TESCO Framework

The Four Zone Customer Centricity Development Framework

Customer Insight

- Tesco has been able to gain great insight about consumers using its Clubcards
- It uses Clubcard to gain information about their buying behaviour

Customer Interaction

- Tesco has been a pioneer in implementing technology in order to satisfy their consumer

Customer Orientation

- Tesco started its operation online to open new channels to service clients
- Tesco is the only company in the world that provides data about how consumers behave differently online and offline

Customer Innovation

- Tesco brings extensive drive of sampling and consumer participation when launching new products
- Through customer participation both parties are happy when launching new products