

TESCO Responses to Technology

Intro

This report will investigate and explain a few of different supermarkets' technological advancements. The purpose of this report is to bring attention to the technological advancements that made it to TESCO floors, and one that didn't.

Adapting Business Processes

TESCO have adapted their business process by dropping prices to be competitive. Competitive pricing helps the company to beat their competitors by enticing their customers to buy from them. This also improves customer loyalty. It can't be said that TESCO were the first to do this as it's been a major function of the economy, but they definitely pushed price comparison and competitive pricing very early on their development.

Purchasing Strategies

The main purchasing strategy employed by TESCO is their automated ordering system. This system will order more products when the company is running low. This allows the staff to save time on ordering products and counting stock.

Customer Support Processes for Online Systems

These are systems put in place to support the customer when they are buying online. This improves customer loyalty, as the customers know that they will be able to get help if it's required. One example of this is customer support chatrooms. These put the customer on contact with someone that is able to help them, if they have a problem the format of a web chat. Another example would be a help line. This allows troubled customers to phone up a representative, and they are sometimes able to help their problems. This system is prone to overload however, as when too many people call at once, there can be large queues and long waits to speak with a representative.

Financial systems for secure fund transfers

An example of this is the SSL encryption. SSL is the method of distributing a certificate for setting up a secure 'tunnel' - A connection between two machines where all of the data sent and received is encrypted you their eyes only, so to speak; using the SSL algorithm. Once this tunnel is set up, the normal HTTP requests are sent through it, and the user sees no physical change, other than the 's' appearing in 'https' in the address bar. TESCO use this on all of their servers for safe transaction for the customer. This makes the system secure, and ensures that the customers' information is never shared. TESCO also use 'Payment gateway' services. These services are companies that offer their servers' use and their interface to take the responsibility of safe payments away from companies, and also to help smaller websites that don't have the ability to have their own system programmed.

No response

In 2004, TESCO attempted to create a TV channel called 'TESCO TV'. TESCO invested in 5000 flat screen TVs to put up in stores. The downfall was the assumption that advertisers would run the same ads in-store as on TV. This seemed to be predicated on a misconception that consumers had the same level of engagement when shopping as they did in front of the TV at home.

It is common for businesses not to make any investment in technological advancements. This may be due to its large cost, or timely implementation.