TESCO

TESCO uses publicly available weather data to create hourly demand models. The model enables TESCO to improve its operational efficiency, and optimise stocking

Situation

- TESCO combines weather data from various sources, including the UK government and a third-party data provider, with sales records across thousands of stores to create hour-by-hour demand models

- Example: Tesco calculated that every 18-degree F rise in temperature corresponds to 300% increase in barbeque sales

- **Developed By:** Tesco

- **Organisation type:** Large

- **Address:**

  Tesco Customer Service Centre,
  Baird Avenue
  Dundee
  DD1 9NF

  Phone: 0800 323 4040

UK

Consumer business

Challenge/Opportunity

- Based on weather and past purchasing patterns, Tesco is able to adjust the product mix at individual store level

- Weather data based modeling has helped Tesco reduce revenue losses caused by stock-outs and the amount of inventory that Tesco holds, reducing losses to spoilage

Approach/Solution/Business model

- TESCO leveraged open data to gain operational efficiency

- **Type:** Company

Open data used

- Weather data released by Met Office, UK Government

Benefits

- Operational efficiency

- Optimization

For further information: http://www.tesco.com/