

CASE STUDY: TESCO

Pitney Bowes MapInfo® helps Tesco make sound business decisions for worldwide brand building



'Pitney Bowes MapInfo has helped us to develop a good understanding of new markets quickly and easily and make sound business decisions'

Cheuk Ng, Business Research Manager, Tesco

Summary

CHALLENGE

- To enable Tesco to optimise its expansion plans both in the UK and worldwide.

SOLUTION

- To apply Pitney Bowes MapInfo core mapping software to support site location for improved market penetration.

Since Tesco was founded in 1924, the company has continually grown and developed as the food retailing market has changed, responding to new opportunities and pioneering many innovations. Today it is Britain's leading food retailer and the world leader in grocery internet shopping. It is currently building leading market positions in several continents including Central Europe and Asia.

In the 1990s, Tesco started to expand its operations outside the UK. In Eastern Europe, it has met growing consumer aspirations by developing stores in Poland, Hungary, Slovakia, Czech Republic and Turkey. It has also expanded into Taiwan, Thailand, Malaysia, South Korea and most recently Japan and China.

Pitney Bowes MapInfo's software has played a vital role in helping the organisation to penetrate these markets, ensuring that stores are located in the right places to attract customers and serve the precise needs of the local community. It is an invaluable tool in the development of Tesco's global strategy.

Pitney Bowes MapInfo software and data used

Tesco has over 150 licences and uses Pitney Bowes MapInfo's core business mapping software, MapInfo Professional®, MapInfo Drivetime®, which creates maps showing drive time catchment boundaries.

International expansion

The Pitney Bowes MapInfo software is used to support site location outside the UK and has already proved to be a vital part of the planning process in the opening of the stores in Eastern Europe and Asia. By utilising location-based software, Tesco is helping to minimise capital expenditure risks that are associated with moving into previously unexplored markets.

Pitney Bowes MapInfo was selected because of its portability, ease of use and the fact that it requires minimal technical support and training. The software can simply be loaded on a desktop computer in any country and, with a minimal amount of training, can be used immediately. It can be linked into a wealth of data types and used in the field by anybody within the team.

Cheuk Ng, Business Research Manager, Tesco says: 'we use Pitney Bowes MapInfo as a location intelligence tool to help us understand the demographics and topology of an area so that we can establish the best location to place our stores. As we are moving into relatively untracked regions, it is essential that we really get to grips with what people want out of a store, how easy it is for them to get to and from a particular site and that we can meet different cultural requirements. It also allows us to see where other competitive outlets are situated and how they may affect our profitability.'



THE MAPINFO ADVANTAGE



According to Cheuk Ng of Tesco: 'Pitney Bowes MapInfo has provided us with a sophisticated location-based solution that has become essential in our quest to build a worldwide brand'.

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'Using Pitney Bowes MapInfo software we were able to look at and view data quickly and easily, reducing the amount of time and effort normally associated with this type of activity'

Cheuk Ng, Business Research Manager, Tesco

Pitney Bowes MapInfo's Drivetime product has allowed Tesco to generate catchment maps around proposed sites, allowing them to see how many customers they are likely to attract and how they would travel to that site. As a consequence, modelling strategies can be increased in sophistication. For example, prospective customers may only be a few miles from the store, but it may take them an extremely long time to reach it because of the existing road network and transport infrastructure. Using the software, Tesco can quickly and easily find out if an alternative site might attract more relevant customers.

Japan and China

'When we were looking at expanding our international network into Japan and China,' says Ng, 'We were faced with two different challenges as both countries presented us with vastly different levels of information. China is a country which is data poor and we needed to be able to supplement existing data and maps with our own findings. Pitney Bowes MapInfo software is flexible enough to be able to do this and allowed us to increase the sophistication of the data with analysis and

support tools. We were able to build up a comprehensive picture of the demographics of the area which we then used in our decision processes.' 'On the other side of the coin, we actually had a great deal of data in Japan which could have meant that we spent a long time analysing it. Using Pitney Bowes MapInfo software we were able to look at and view data quickly and easily, reducing the amount of time and effort normally associated with this type of activity.'

In both cases, Tesco has been able to produce easy to understand reports, quickly and easily, at a local level, which have formed an essential part of the decision making process and has contributed to Joint Ventures in both countries.

Conclusion

'Pitney Bowes MapInfo has helped us to develop a good understanding of new markets quickly and easily and make sound business decisions,' concludes Ng. 'It has provided us with a sophisticated location-based solution that has become an essential tool in our quest to build a worldwide brand.'