

The Tesco model leads in Great Britain and stands out in Europe

Tesco, a pioneer of supermarketing in the UK, based in Cheshunt and founded in 1919, today holds almost a third of its national market (27.3%) and manages eight types of distribution formats, all different in size and service levels.

With 4 859 outlets (United Kingdom and Ireland) it also trades in Central Europe (Czech Republic, Slovakia and Hungary), while employing 330 000 people.

The diversification of distribution formats

Tesco considers the differentiation of each store concept adapted to the specific territory of operation, as the focal point of its entire value strategy.

According to the latest annual report, the group produces sales of around €66 billion (R1 518 billion), up 5.3% on the previous year and with a net profit of 6.3%. The eight store concepts are:

Tesco Extras are generally large hypermarkets, located outside the city. They have an average surface area of at least 6 000 m² and provide the entire range of products available at Tesco, in addition to specific services such as pharmacies, opticians and locksmiths.



Main photo: Outside a Tesco Extra store ... with the typical winterish weather for this time of the year.

Below left: Queue at a service kiosk.

Below right: John Allan, Chairman of Tesco from March 2015 to June 2023.

Traditional '**Tesco supermarkets**' have an average floor area of around 3 000 m² and offer a wide range of food, with smaller portions of clothing and everyday household items. Basically, they are 'superstores' which include bakeries and a good variety of fresh products.

Tesco Metro's are supermarkets with average surface areas of around 1 000 m². Operationally, they are similar to larger formats and provide many of the same services (though, usually, without a full bakery).

Tesco Express are high-level convenience stores, with an average surface area of around 200 m². They sell a fairly limited range of food products, mainly with a higher margin. Here, the products cost more due to the high costs associated with property management, primarily the specific characteristics of certain locations (main streets in the city centre, where properties are expensive).

Tesco petrol filling stations are operated as an extension of a larger store, but legally operate independently to allow for extended opening hours.

Jack's Stores are discount stores of similar size to the Tesco Metro stores (1 000 m²), designed to compete with the well-known German discounters now widespread everywhere in Europe (Aldi and Lidl).

One Stop, on the other hand, is a convenience store chain that is even smaller than the Express stores (on average, only 140 m²). Here too, products are sold at higher prices compared to other formats.



The fresh produce department uses slanting displays of produce crates – saving labour ... from delivery vehicle to cold room to the display unit.



Beer, wine and liquor are afforded sufficient space to make a statement.



Tesco serves a multi-ethnic British audience. In this case, the Hindu festival of Diwali is recognised via a range of displays of suitable products for the event.



Rice offerings and other Indian recipe requirements are available on this dedicated Diwali display.

DIY car accessories.

Finally, **Dotcom** are e-commerce fulfillment centres with the six 'dark stores' that support regular ones, processing orders via 'Tesco.com'. They have an average surface area of 11 000 m², are not open to the public and vary in logistical structure, ranging from a typical 'Extra layout' to highly automated and mechanised operations.

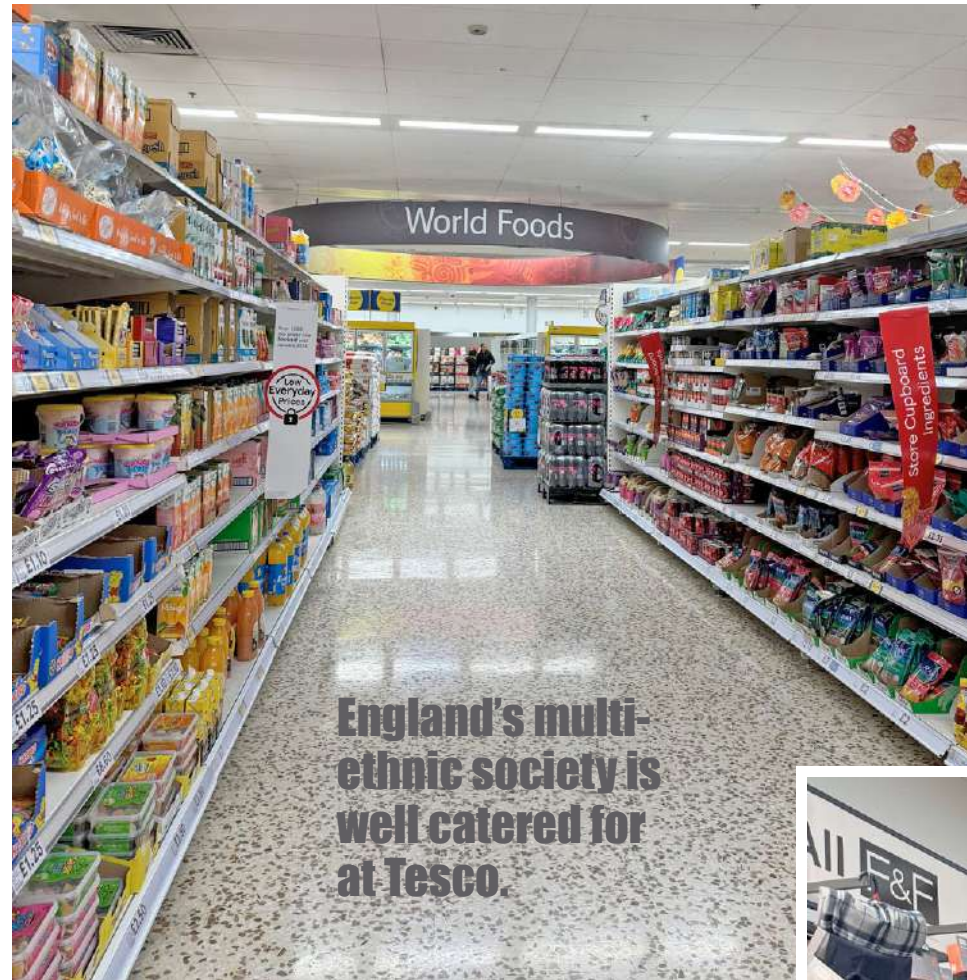
Strategic priorities

John Allan, Non-Executive Chair in Tesco in April 2023, summarised the company's objective ...

“ By delivering value for customers, we create sustainable value for shareholders. ”

More detail includes ...

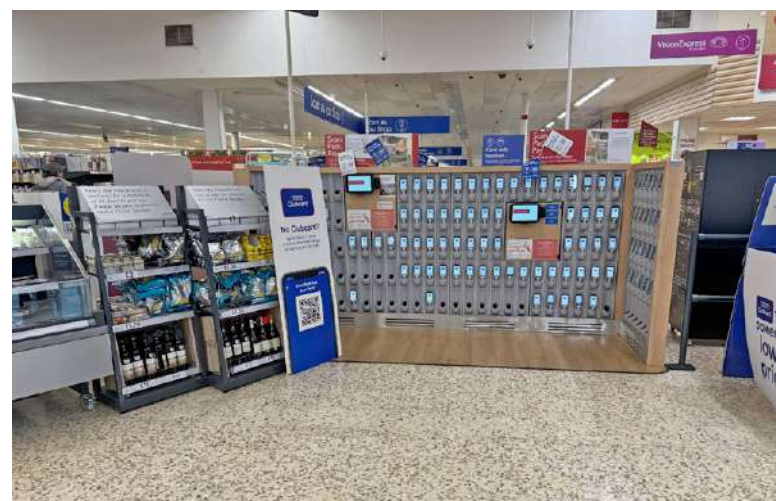
- Consolidate convenience, quality and sustainability in the execution of the operations
- Intensify the focus on healthy food
- Collaborate with foresight, alongside suppliers, to create and distribute excellent products
- Make positive and recognised contributions to all the communities served in the territories in which the various stores are located
- Conceive and enable personalised shopping experiences through the digital platform 'My Tesco Clubcard'
- Simplify processes to make numerous activities further productive and less expensive
- Spend money only where the allocations really serve customers to really make a difference.



England's multi-ethnic society is well catered for at Tesco.



Refrigerated space dedicated to meals and snacks, including regular and energy drinks.



Located near the store entrance, consumers make use of self-scanning devices to keep track of their purchases and budgets.



Textiles and clothing feature prominently at larger Tesco Extra stores.



Customer's point of view

Most users who shop at Tesco to do their weekly shopping, prefer locations close to their home or workplace. The products in the range stand out for their 'quality-price' ratio – in particular, the 'Tesco Finest' range is of great quality and is well supported by the customers. There is a good selection of cheeses and cured meats, which includes both Italian and Spanish ones, while the organic products (especially fruit and vegetables) are also of excellent quality.

The promotional activity covers a very wide range of products throughout the chain. The promotional calendar pays special attention to all major holiday events covering the full spectrum of its clientèle's needs.

Other than Christmas and New Year promotions (which are covered with commitment and excellent displays), Tesco ensures that localised holidays, such as Diwali for its Hindu customers or Ramadan for its Muslim shoppers get the full attention of all stores in the chain.

Another celebration that is usually emphasised in Tesco stores is the 'Bonfire Night', which takes place on 5 November where the sale of fireworks is promoted.

The loyalty system

The Tesco Clubcard is the fulcrum of every activity designed to stabilise relationships with consumers. It allows one to collect points that can be converted to shopping vouchers and, at the same time, allows access to discounts



Muslim customers are also catered for (although the counter was not operating on the day of our visit).



Pharmacy area with OTC's and prescription drugs, as well as a consulting area. Pharmacy hours can vary from the stores' trading hours.



Above & top left: Attractive bakery displays with signage reminders that fresh products are baked throughout the day.



Textiles and clothing featured prominently at larger Tesco Extra stores.

reserved only for holders of the card.

The card is well supported and the growth in membership is testament to Tesco's successful customer conversion into added sales and margins.

In essence, operational flexibility, simplification of organisational processes, rapid and consistent adaptability to demand from the territories covered, digital innovation, reliable partnership with suppliers, reduction of expenses that are less useful to customers and excellence of food products sold at the right prices are the crucial characteristics of a distribution model that Tesco likes to draw inspiration from and is the basis of its volumes and economic results.



Huge amount of space dedicated to ice creams, both tubs and count lines.



Confectionery and 'reward' shelves have been tilted to allow a better display of the merchandise.



Greeting card section.



Talking signs lead the consumer towards a targeted purchase.



Selection of 'Tesco Finest' products.



General merchandise displays.



Wide aisles allow free movement for the shoppers at the refrigerated cabinets.



1919. Jack Cohen began selling surplus groceries from a stall in the East End of London in 1919. He left the Royal Flying Corp at the end of the Great War and used his demob money to buy the first day's stock. From day one, Jack believed in putting affordable food in the reach of everybody. At the end of the first day Jack Cohen made a profit of £1 on sales of £4.

1924. The name 'Tesco' is born
The first own-brand product sold, which Jack promised would bring unequalled value, was Tesco Tea – before the company was called Tesco. The name comes from the initials of TE Stockwell, who was a partner in the firm of tea suppliers, and CO from Jack's surname.

1929. The first Tesco store
Jack Cohen opened the first Tesco store in Burnt Oak, Edgware, north London. The store sold great value dry goods and the first ever branded product, which, unsurprisingly, was Tesco Tea!

Middle Street / Bond Street old London. c. 1975.

This 1970s photograph of Yeovil's first Tesco store is instantly dated by the clothes and signage of the period. Tesco was offering double Green Shield stamps and there is not a shopping trolley in sight. Goods purchased were often taken home by cars parked in one of the prestigious new car parks.
Martin Whittle, Pinterest.



Serves: 4-6
Preparation time: 20 minutes
Cooking time: 1 hour

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Braai Pack

The flavour combo reminds of Middle Eastern fare yet fits right into summer. A must-try!

INGREDIENTS

Chicken:

- 4 Tbsp (60ml) olive oil
- 3 Tbsp (45ml) finely grated fresh ginger
- Juice & zest of 1 orange
- 1 ½ Tbsp (20ml) ground cinnamon
- 1 Tbsp (15ml) dried thyme
- 2 tsp (10ml) ground cumin
- 2 tsp (10ml) salt
- ½ tsp (3ml) ground black pepper
- 1 x Chicken Braai Pack

INGREDIENTS

Sweet potato mash:

- 1.5kg orange sweet potato, peeled and cut into rough 3-4cm chunks
- 3 Tbsp (45ml) olive oil
- 1 tsp (5ml) salt
- ½ tsp (3ml) cinnamon
- 30g butter
- 1/3 cup (80ml) milk, warm

CINNAMON AND GINGER SPICED CHICKEN PIECES WITH SWEET POTATO MASH

Method:

Chicken:

- Prepare the chicken: Place the olive oil, ginger, orange juice & zest, cinnamon, thyme, cumin, salt and pepper into a large bowl and mix well. Add the chicken pieces and toss to coat, massaging the marinade into the chicken. Cover and refrigerate for at least one hour.
- Preheat the oven to 180°C.
- Place the chicken pieces skin side up in a roasting dish. Roast in the oven for 1 hour until golden and cooked through.
- For the sweet potato mash: Preheat the oven to 180°C.
- Place the sweet potato chunks onto a lined roasting tray. Drizzle over the olive oil, salt and cinnamon. Toss well.
- Roast for 25-30 minutes, until soft.
- Place the warm sweet potato into a bowl and mash. Add the butter and enough milk to get a creamy, smooth consistency. Serve the warm creamy sweet potato mash with the chicken pieces.



Ideal for a family meal

Tasty & Delicious

Great South African Chicken Every Day!



Follow us on    | www.astralchicken.com

Johannesburg 011 206 0600, Cape Town 021 505 8000, Durban 031 563 3661



Serves: 4
Preparation time: 30 minutes
Cooking time: 1 hour

GOLDI, COUNTY FAIR, FESTIVE or MOUNTAIN VALLEY Braai Pack

INGREDIENTS

Chicken:

- 1 Tbsp (15ml) butter
- 1 tsp (5ml) olive oil
- 5 chicken pieces braai pack
- 1 small onion, finely chopped
- 2 cloves garlic, finely chopped
- ½ tsp (3ml) thyme leaves, preferably fresh
- 1/3 cup (80ml) red wine
- 340g fig preserve
- ¼ cup (60ml) orange juice
- ¼ cup (60ml) balsamic vinegar
- 3 thyme sprigs

INGREDIENTS

For the salad:

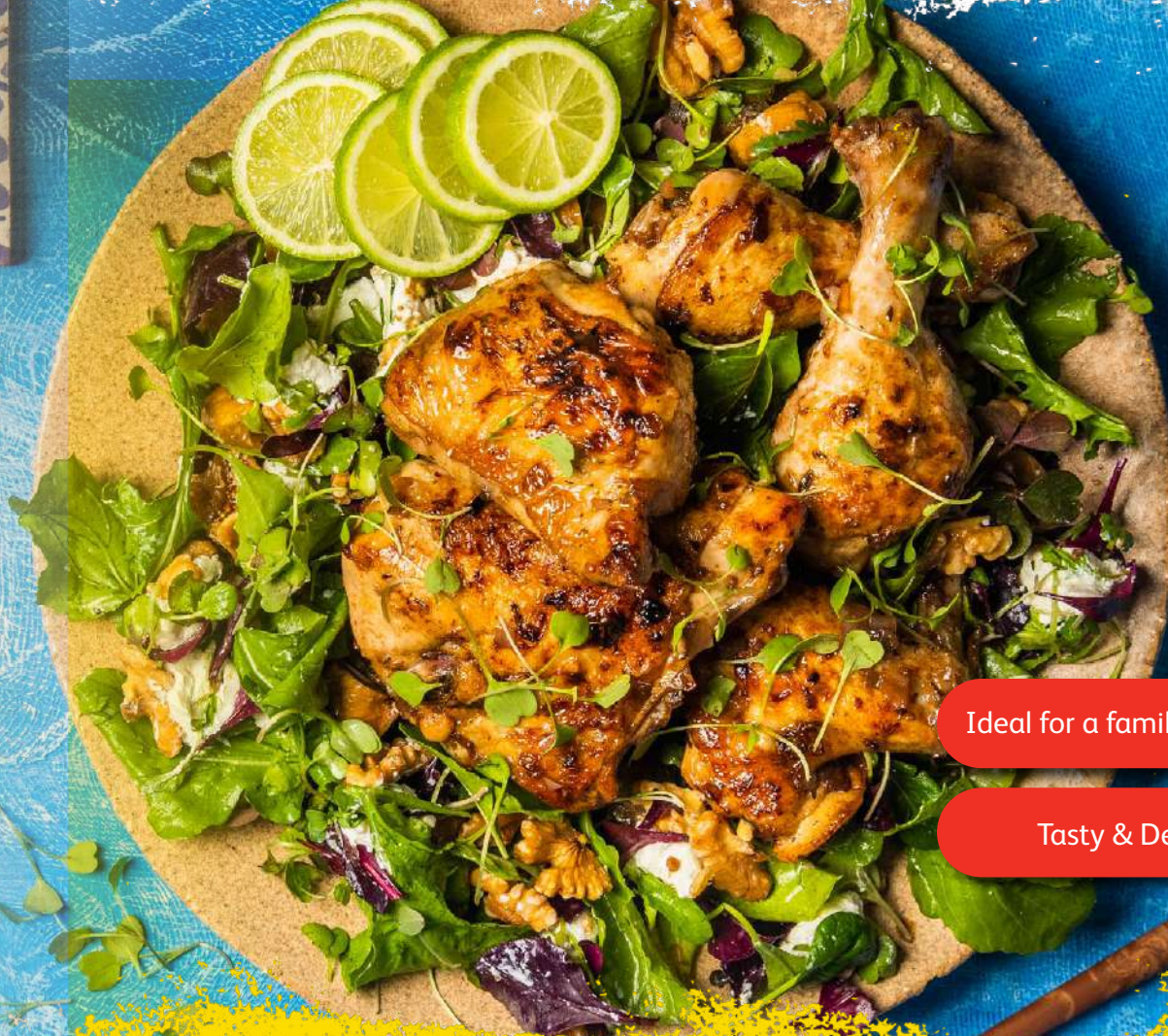
- 50g rocket leaves
- 6 medium-large figs, sliced into wedges
(if figs are not in season, you can use dried figs)
- 100g goats cheese
- 50g toasted walnuts
- 1 Tbsp (15ml) olive oil
- 1 ½ Tbsp (20ml) orange juice
- 1 Tbsp (15ml) balsamic vinegar
- 1 Tbsp (15ml) honey
- Pepper, to taste

BALSAMIC AND FIG ROASTED CHICKEN WITH FIG AND GOATS CHEESE SALAD

Sticky, sweet and utterly satisfying – this is a must-make recipe.

Method:

- Preheat the oven to 180°C.
- Heat the butter and olive oil in a pan. Add the chicken pieces skin side down and allow to render until lightly golden, then remove from the pan.
- Add the onion to the pan and sauté for 4 minutes. Add the garlic and thyme and sauté for a further 3 minutes. Deglaze with the red wine and allow to simmer for 3 minutes.
- Add the fig preserve, orange juice and balsamic vinegar. Simmer for 5 minutes.
- Place the chicken pieces in a casserole dish and pour over the sauce.
- Place the thyme sprigs on top. Cover with a lid or foil and bake in the oven for 45 minutes.
- Remove the lid or foil, and bake for a further 15 minutes, or until cooked.
- In the meantime, prepare the salad – Lay the rocket down in a bowl or platter.
- Top with the fig wedges, crumble over the goat's cheese and scatter over the walnuts.
- Whisk together the olive oil, orange juice, balsamic and honey.
- Just before serving, drizzle over the dressing and season with pepper.



Ideal for a family meal

Tasty & Delicious

Great South African Chicken Every Day!



Follow us on    | www.astralchicken.com

Johannesburg 011 206 0600, Cape Town 021 505 8000, Durban 031 563 3661





Working with suppliers to reduce food waste.

Tesco is partnering with suppliers to halve food waste in their supply chains by 2030. So far, 108 suppliers have answered the call to disclose their food waste data, which will help Tesco measure progress towards their goal.

Other ways Tesco reduces waste in partnership with suppliers includes stocking 'wonky' fruit and veg, selling bumper crops at great value and helping suppliers distribute surplus food to charity.



Tescofood.
One-pan kedgeree-style rice.



TESCO
JAMIE OLIVER

Tesco
magazine.

Commitment to the planet.

Achieving zero net deforestation in forest commodities will require transformational change. To support this, Tesco is ...

- Providing £5m of investment to make low interest loans available to farmers who agree to growing soy without deforestation or conversion.
- Calling for a coordinated UK policy on food to drive the transformational changes needed in its food systems.
- Working with WWF to restore nature in food production with the WWF's Retailers Commitment for Nature.



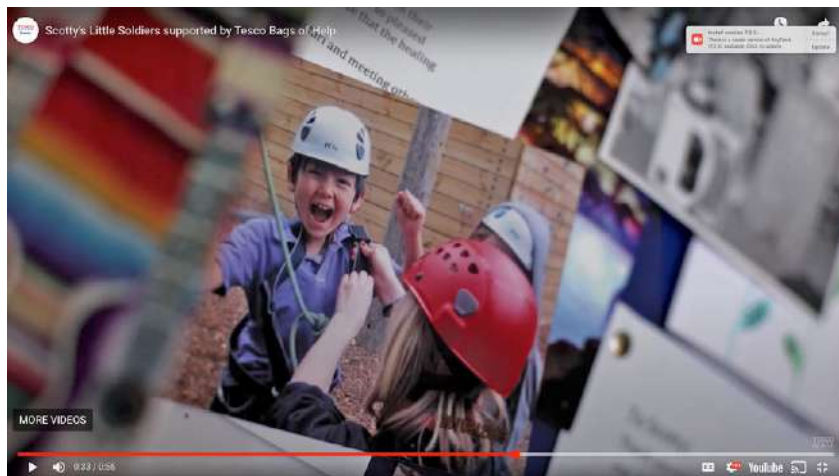


Help Children Thrive.

Tesco colleagues in each store will help select those needing a little help in their local area. When Tesco customers are given a blue token (at the checkout in any Tesco store) they can vote for their favourite charity to receive a grant.

British Red Cross Disaster Fund.

Tescofood supports the British Red Cross Disaster Fund to provide financial assistance to countries impacted by disasters or crisis situations such as those affected by the disasters in Morocco and Libya.



Scotty's Little Soldiers. Tesco helps support this charity that wants every bereaved British Forces child to have access to the very best emotional support, outstanding development opportunities and the chance to smile again.



Climate change. Reduce. Recycle.

Tesco are committed to help reduce food waste on farms, in their stores and at home – with the aim of halving food waste by 2025. They have achieved zero waste to landfill since 2009 by working closely with their waste providers to follow the waste hierarchy, segregating waste

in their stores, distribution centres and head office to ensure they can reuse, recycle recover and finally dispose of waste in the right ways. In Ireland, they were the first Irish retailer to publish the amount of food wasted in their operations – and also the first to partner with FoodCloud, an Irish social enterprise that links businesses who have too much food with those who need it most.

Tesco are committed to be carbon neutral in their own operations by 2035 and net zero across their whole footprint by 2050. Where Tesco can't remove packaging, they try to reduce it to an absolute minimum. So far, they've reduced the size and weight of the packaging they use in a year by more than 4 500 tonnes. Their goal is for the packaging they use to be fully recyclable and contain recycled content wherever possible. **SR**



Last Mile Fast is an award winning industry first, and set to transform the on-demand delivery sector with features never seen before and adaptable to any business. **Last Mile Fast is your solution... Get On-Line!!!**

A first of its kind, LMF was built after years of research in the B2B and B2C on-demand delivery sector, focusing on consumers, merchants, couriers and logistics providers. With e-commerce booming and playing a major role in retail economic activity, merchants are under pressure to offer an online solution to their customers' delivery on-demand. The LMF solution is ESG focused and provides a sustainable solution to our customers.

Traditionally the cost of 'going online' and offering an 'on-demand delivery solution' has been incredibly expensive with a high cost per drop and fees totalling up to 30% of the basket value, and a platform subscription fee! The LMF solution uses unique technology and exclusive products to deliver an exceptional customer experience at low cost which is both adaptable and scalable.

The LMF solutions include ...



1. Hero Motorcycles – The largest manufacturers of motorcycles with a platinum rating from the GBC and a leading ESG scorecard. The Hero ECO 150 is rated the safest commercial motorcycle in South Africa with the lowest total cost of ownership (TCO). The Hero range has the lowest emissions score in the sector and are built for purpose and not a price point. Hero motorcycles offer leading rider ergonomics and factory fitted crash protection for rider safety and lower cost of repair.



2. Hero Connect – Developed in South Africa, the telematics device is motorcycle specific and offers custom solutions to the sector. The most complete motorcycle offering also boasts full API integration to manage route optimisation and live tracking without the use of handheld mobile devices. Hero Connect acts as the brain in our offering and offers extensive fleet management tools and business information. Hero Connect offers technology that is available for your mobile application offering live tracking (not dependant on mobile device), biometrics, rider behaviour scoring, scanning, payments and proof of delivery (POD) with the use of our MDM device partner MINT Solutions.



3. Smart Box – Designed and built in South Africa for the commercial sector, the Smart Box is injection moulded and offers Smart Features which include: temperature monitoring, tamper alert, open/close alerts, tracking, humidity monitoring and remote locking features linked to a mobile application or NFC technology. The Smart Box is IP55 rated, offering a solution that guarantees no food or parcel contamination from exhaust emissions, dust, gasses or water. The Smart Box offers users the ability to secure high-value items, documents or merchant specific requirements and is available in all colour combinations to meet your brand CI. Community projects are available for support as the box is 100% recyclable.

4. Route Optimisation →



Why Rent? Why Buy or manage your own fleet?

Enjoy the Last Mile Fast technology at only R39.00 per drop

4. Route Optimisation – Access to industry – the leading route optimisation that caters to your requirements on a cost structure which makes on-demand deliveries more affordable and accessible to a wider variety of merchants.



5. E-Commerce – A white labelled e-commerce marketplace offering is customised to your specific requirements. Looking for a low cost e-commerce platform for your merchants? A low-cost offering has been developed and is ready to go!



LAST. MILE. FAST.

The LMF offering is available as an entire solution, or parts thereof, to suit the requirements of your business.

Deliveries are performed by a dedicated fleet or through our subscription based 'Delivery as a Service' offering.

Being online is now easier than ever without the high costs typically incurred!



Tel: 071 122 5887
info@Lastmilefast.co.za
www.heromotorcycles.co.za

