

Onwards they went to find a find a new partner in crime, together they could be forced to be reckoned with in the financial services sector. Despite being very optimistic, their first approach to NatWest declined to their request partially in fear of their reputation may suffer. Nations most trusted retailer and brand could soon have access to millions of customer not UK but even globally, they would be competing against each other to attract similar customers, which Tesco knew about an awful a lot about since they shopped on daily basis. The likelihood of partnering with NatWest looked very gloomy indeed. As a result their search continued, but this time their approach was partially different. It was the perfect fit with Royal Bank of Scotland, being recognized of their boldness hence the opposite attract. Unlike various other banks within UK, their culture of willing to try out new anything echoed Tesco for their break into forming partnerships. Most importantly frantic speed of freshness which Tesco had stimulated on the Club Card did not seem to frighten them. Many seemed it deemed to once again fail but RBS had previously experienced during the 1988 in US, where they transformed from rusty 160 year old firm into altered, modern financial service provider.

5.3 Failure of Tesco

Small fish in sea is always risky, many predators will find a flaw and exploit it eventually and as many predicted it was doomed for disaster, the Club Card was not part of their core strategy. Tesco wanted to enter into the market too fast without experimenting and emphasising on just one product. Eventually the Club Card core purpose was its downfall. Store loyalty and payment choice had unstable long term profit but did not really appeal to mass market of financial services products. It was complicated to process all the data into their system and adjust to support customers into RBS call centres, which Tesco hoping it would aid and eventually sustain them. Over the next 7 years the project was finally closed which I find it quite ironic surely on business perspective it's sole

purpose is to maximize their shareholders value and profit, for such a multinational firm which has resources and revenue available on hand in all the sectors should have put an end through it early. Perhaps they were too ambitious which you could not blame them for yet after all of their dire efforts and when the project did close it must have felt a knife stabbing through the firm heart. Their brand slogan "every little helps" was favourable seeing they stayed loyal to remaining 150,000 customers, who are still members of Club Card. They still earn double points on all of their grocery shopping whilst they truly are the most loyal amongst the millions. They can counted upon and would be far more willing to try anything new whenever Tesco have new product which they would like to experiment.

On a far notice I believe this was first step of many which other super chain retailers took on board to compete with the sharks of the sea. Whilst I respect how Tesco competed with high street banks, many of other retailers like Sainsbury's waited purposely to learn and apply it to their theory of what to avoid how to succeed their sole objective. Whilst Tesco core financial services strategy devolved from Club Card, Sainsbury's took on a different perspective and dived in open water on February 1997. It formed similar partnership with Bank of Scotland; indeed they developed this inspiration from Tesco. Sainsbury desired a quick responsive launch without the expense of training banking staff in space constrictive supermarket and irritation of complicated structure. To commentate their lack of service they offered added competitive rates to their customer too balance out the two. Seeing customers would not mind for bit of hustle and bustle for cheaper rate for instance National Express competing against railway companies via offering cheaper rates for the same destination to arrive from point A to B despite having poor customer service. Sainsbury strategy differed via offering low competitive interest rates around 14.7% and 18.5 % which was relatively cheaper then any of the high street banks. When they switched from debit to Sainsbury visa they were immediately given reward points as good gesture and double

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the data into their system and to adjust to supporting customers through RBS call centres, which Tesco had hoped it would aid and eventually sustain them. After the next 7 years the project was finally closed which I find it quite ironic. Surely the business perspective its sole purpose is to maximize their shareholders value and profit ability. For such a major multinational firm which has resources and revenue available to hand in all the sectors it is difficult to understand why they had to bring an end to it early. should have put an end through it early. Perhaps they were too ambitious and which you could not blame them for this. yet After all of their dire efforts and when the project did finally close it must have been a real felt a knife stabbing through to morale. the firm heart. Their brand slogan "every little helps" was favourable seeing they stayed loyal to the remaining 150,000 customers, who are still members of Club Card. They still earn double points on all of their grocery shopping and whilst they can be seen as truly are the most loyal amongst the millions of Tesco customers. They can be relied on counted upon and would be far more willing to try something anything new whenever Tesco wanted to test market a new have new product which they would like to experiment.

From a more distant perspective On a far notice I believe this was a first step and a crucial learning experience for other large retailers who were also to compete with the banks. of many which other super chain retailers took on board to compete with the sharks of the sea. Whilst I respect how Tesco competed with high street banks, many of other retailers like Sainsbury's waited purposely to learn and apply the Tesco experience to it own strategy thereby increasing their own chances of success. to their theory of what to avoid how to succeed their sole objective. Whilst Tesco's core financial services strategy moved away from the develped from Club Card, Sainsbury's adopted took on a different perspective and took the plunged dived in open water in on February 1997. It formed a similar partnership with Bank of Scotland; indeed they developed this inspired by ation from Tesco. Sainsbury's desired a quick responsive launch

Onwards they went in search of a new partner. Together they could be a force to be reckoned with in the financial services sector. Despite being very optimistic, their first approach was to NatWest. NatWest also foresaw that one of the UK's most trusted retailers and brands and could soon have access to millions of customers in the UK and beyond. They would be competing against each other to attract similar customers, which Tesco knew an awful lot about since they shopped with them on a daily basis. The chances of partnering with NatWest looked very slim indeed. As a result their search continued, but this time their approach was differently received. The venture was the perfect fit for the Royal Bank of Scotland, recognized for its boldness. Unlike some other banks within UK, RBS' culture of willing to try out anything new echoed Tesco's approach of forming partnerships. Most importantly the frantic speed and freshness with which Tesco had developed the Club Card did not seem to frighten the bank. Whilst many outsiders remained sceptical RBS had previously gained valuable experienced during the late eighties in the US, where they were transformed from a rusty 160 year old firm into altered, modern financial service provider.

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For small fish the sea is always a risky place, predators will find a flaw and exploit it eventually and as many predicted it was destined for failure. The Club Card was not part of their core strategy. Tesco wanted to enter into the market too fast without product testing and concentrating on just one product. Eventually the Club Card's core purpose was its downfall. Store loyalty and payment choice had an unstable long term future in terms of profitability. Furthermore, it did not really appeal to the mass market in financial services products. It was a complicated to process all the data into their system and to adjust to supporting customers through RBS call centres, which Tesco had hoped would aid and eventually sustain

them. After 7 years the project was finally closed which I find it quite ironic. Surely the business sole purpose is to maximize their shareholders value and profitability. For such a major multinational firm which has resources and revenue available to hand it is difficult to understand what they had to bring an end to it early. Perhaps they were too ambitious and you could not blame them for this. After all of their efforts and when the project did finally close it must have been a real blow to morale. Their brand slogan "every little helps" was favourable seeing they stayed loyal to the remaining 150,000 customers who are still members of Club Card. They still earn double points on all of their grocery shopping and they can be seen as truly are the most loyal amongst the millions of Tesco customers. They can be relied on and would be far more willing to try something new whenever Tesco wanted to test market a new.

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