

# Tesco Dark Stores - Case Study

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DUBAI, DUBAI, DUBAI, September 16, 2022 /EINPresswire.com/ -- A [dark store is a combination of retail and eCommerce](#), which follows a direct to customer business model. The stores offer excellent customer experience with features like same-day delivery, last-mile delivery or in-store pickups. Besides being open to open to end customers, people can also purchase through websites or mobile apps and get the product delivered at their doorsteps.



Tesco Dark Stores - Case Study

One of the most important factors in dark stores is the warehouses and their location, along with a robust IT system and logistics. The large warehouse established on the city outskirts at a strategic location caters, especially to online shopping. The warehouse stores, sorts, and manages the orders to facilitate quick delivery and easier automation. Dark stores work upon the concept of high profits and reduced cart abandonment rates. Let's take a look at one of the largest retailers as well as dark store, TESCO, which has the best consumer retention and acquisition.

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YRC is a Management Consulting Company, especially for the B-C Sector. Empowering Retail & E-commerce businesses.”

*Nikhil Agarwal*

Company profile - Tesco

Trading as Tesco, Tesco plc is a British based internationally operating grocer and general merchandise founded in

1919 by Jack Cohen. The business is headquartered in Hertfordshire, UK. It has been leading the grocery market for several successive years. The products that they sell include groceries such as food and beverages, home appliances and clothing.

Tesco has an exciting business history in the United Kingdom and abroad. Over the years, the

grocery giant has achieved continued success by remaining at the forefront of retail trends, including everything from self-service shopping to international expansion. Tesco has recently made its mark with successful dark stores and an [online grocery strategy](#) that facilitates a seamless shopping experience. There's a lot that can be learned from Tesco's efforts.

## Impressive Statistics of Tesco

Tesco is the 3rd largest retailer in the world as per its gross revenues and the 9th largest in the world measured by revenues.

The company runs roughly 7000 stores in almost 12 countries and generated a revenue of almost 57 billion British pounds in the 2020/21 financial year. This was an overall increase of one billion pounds compared to the prior fiscal year.

Coronavirus pandemic led to an increase in the sales value, which went up by about 7.2 per cent by the end of April 19, 2020. As of March 21, 2021, Tesco had increased its sales by almost 8.5 per cent.

When it comes to the grocery market of Great Britain, the company alone has a market share of about 27 per cent as of 2021.

In 2021, Tesco employed 420,000 employees worldwide. Most of these people are working either in the United Kingdom or the Republic of Ireland. Tesco's stores in Europe can be found in Hungary, Czechia, Poland and Slovakia.

Reference for stats: <https://www.statista.com/topics/3807/tesco-plc/>, <https://en.wikipedia.org/wiki/Tesco>, <https://www.crunchbase.com/organization/tesco-52ab>

## How did Tesco Dark Stores become so successful?

The success of Tesco Dark Stores is not a matter of luck. A variety of factors played an important role in its success. The retailer has a great history of utilising cutting-edge methods to establish itself apart from the competition. Much of its present success, though, is because of its perception as an affordable and convenient chain.

Tesco emphasizes customer-oriented practices to make the shopping experience seamless, smooth and customer friendly as much as possible both in stores and on the digital platform. This simplistic yet powerful strategy has always ensured that Tesco remains a retailer at the forefront of the grocery industry even in years to come. Let's take a look at some of the key factors responsible for its success:

## Customer Service

Tesco has always been customer-oriented and its long-term emphasis on customer service can be seen in both its offline as well as digital stores. Tesco exercises a multitude of initiatives to keep its customers happy. Customer-oriented product classification, customer loyalty such as club cards, store design, understanding the needs of customers and giving them what they will

value, all is kept in mind by Tesco. Both the physical stores as well as the website use an intuitive layout to ensure that consumers can quickly access the products and services they desire! All these features provided by Tesco give them an upper edge over their competitors.

### Diversified Product Classification

Tesco is well known as a leading grocery chain but the giant retailer also offers an array of other products and services. The aim is to serve the customers convenience and quality on a single platform. One can expect to find a collection of products such as dry and frozen products along with toiletries, household products and even pet products. A diverse collection of products can be found in Tesco dark stores.

### Effective and smooth logistics

The success of dark stores is not possible without an effective logistics and supply chain strategy. Tesco seeks to maintain strong relationships with suppliers and also opt for an efficient route system to ensure that time-sensitive products are shipped at the store at the right time and are delivered to the customers at their doorstep within the right time. The right monitoring of time helps in both profit margin as well as customer satisfaction. Tesco's digital customers appreciate their tight supply chain and inventory management. When the items are ordered online, they know that the products will be in stock and the items delivered will be fresh or of exceptional quality.

### Insane International Expansion

Tesco dark stores locations are not just limited to the UK; it is an international brand with a sustainable business model in Eastern Europe and Thailand. Tesco has designed its global eCommerce platform around a diverse consumer base. Their websites are designed according to the country with text provided in both English as well as the region's native language.

### Excellent eCommerce website

The website of any dark store speaks about its commitment to value and convenience. In the case of Tesco, from the logo to the layout and images, everything reflects the brand and its commitment. The website is easy to navigate and has visually appealing displays with a variety of filters making the website visits as efficient as the physical stores by Tesco. Tesco's website may not be that fancy, but it gets the job done right. Overall, Tesco's website stands out in today's competitive digital marketplace.

### Interesting Technologies

The reason behind Tesco's dark store success is that they have used the right kind of technology and software. For instance, Tesco uses Omniture Site Catalyst for web analytics and Hotjar for

screen recording and heatmap tools. They use software that does an admirable job of customer feedback and review collection on every aspect of Tesco's website. All these technological functionalities allow Tesco dark stores to maintain and customise their website based on their customer's experiences.

Why choose YRC to set up dark stores?

"Your Retail Coach (YRC)" has years of in-hand experience in helping various retail brands to come up with a successful dark store. Be it layout planning, [SOPs](#), technical aspects, SEO, digital marketing, website and its maintenance, YRC is there to guide U at every step.

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