



How Tesco can get its mojo back

The departure of Philip Clarke and appointment of his successor has highlighted Tesco's image problem and the task of turning that around. Matthew Chapman investigates

Tesco has a serious image problem that incoming chief executive Dave Lewis has to address fast as part of his attempt to turn the grocer around.

Nowadays, telling friends you shop at Tesco seems comparable to the way some people admitted voting for Margaret Thatcher – a situation that Lewis desperately needs to remedy.

“People respected Margaret Thatcher but didn't like her and when she started making some bad decisions that was curtains,” observes branding expert and BrandCap chairman Rita Clifton.

“If people like and respect you, that's a really great place to be. Tesco needs people to want it to succeed, but at the moment they want to give it a good kicking.”

The Tesco board believes Unilever lifer Dave Lewis is the man to reinvigorate the faltering Tesco brand. However, Tesco's brand problems look so deep-rooted it will require more than a PR, social media or ad campaign to make consumers love it again.

Communicate the solution

Saatchi & Saatchi chief strategy officer Richard Huntington, who used to work on the Asda ad account, says: “Advertising is not going to be the solution, it is going to be the way to communicate the solution.”

Huntington believes Tesco needs to “start on the inside and work outwards”, rather than vice versa, in order to articulate a clear purpose that convinces shoppers Tesco is more than just a money-making machine.

Ad firm Green Cave People co-



Dave Lewis will need to build and communicate a renewed Tesco brand

founder Marc Cave, who was instrumental in coining the Every Little Helps tagline, thinks Tesco can rediscover its purpose by emulating the manifesto it created in the 1990s.

The 114-point declaration, built around the Every Little Helps mantra, was focused on price, quality, range and service. No detail was too small.

Innovations ranged from training staff to pack customers' bags – a concept that cost millions and did not even exist in high-end retailers such as Harrods – to fixing wobbly trolley wheels.

Cave believes the actions in the manifesto charmed customers because they proved Tesco had considered



“ADVERTISING IS NOT GOING TO BE THE SOLUTION”

Richard Huntington,
Saatchi & Saatchi



every part of the shopping experience. “If you have thought about the little details then the talking part is easier because you've got something to say,” says Cave.

As shopping becomes increasingly multichannel, Clifton says Lewis should reapply the Every Little Helps philosophy in a “human way” to reflect changing shopping habits.

“Life is becoming more complicated, working patterns are changing and people desire to have anything, anywhere and at any time,” she says. “There are lots of resources Tesco can bring to bear on that.”



Once a new manifesto is in place, Cave proposes management goes on a roadshow to all stores to explain to staff how they can be part of making Every Little Helps a reality for customers.

Convincing staff that Tesco is a winner once more is integral to motivating them at a time when morale is plunging. "I can smell the lethargy when I walk into my local Tesco Express and by 2pm on a Saturday they can't be arsed to restock the shelves," argues Cave.

"It's become a McJob. Staff were once the brilliant foot soldiers of the Every Little Helps revolution, who loved the empowerment of honouring

a no-quibbles quality guarantee without checking with the manager."

The supermarket is currently investing in the in-store experience and has provided an additional 1 million hours of training to staff since 2012 with plans to refresh 450 Express stores this year.

But arch-rival Sainsbury's has for many years focused on enfranchising its staff. Former boss Justin King took lessons from his Mars days to motivate the supermarket's workforce, ranging from staff incentives to engaging with the staff personally.

And sponsorship of the Paralympic Games and Anniversary Games were

inspired decisions that allowed Sainsbury's to offer staff the opportunity to see the athletics and engaged them more widely in the excitement and value of the events. Sainsbury's also brought in Jamie Oliver as its brand ambassador, which modernised its image, strengthened its association with quality food and associated it with ethical campaigning.

The Jamie Oliver connection allowed it to elevate itself to an organisation that Clifton says was "more than just about products and price".

Genuinely championing a good cause might be one way for Lewis to begin to win back the emotional equity Tesco has lost in recent years, which contributed to the exit of Philip Clarke, according to Cave.

"Rather than passively sponsoring things, how about going back to initiating projects that show where its heart is?" he asks. "Become a patron again, not just a sponsor.

"Where is today's Computers for Schools for example?" he continues, referring to the famous voucher scheme run by Tesco.

Charity partnerships

When Lewis joins Tesco in October he will inherit the grocer's sponsorship of Cancer Research UK's Race for Life event. The retailer also has a partnership with Diabetes UK that aims to raise £10m in donations for research, but whether it can become a true champion of diabetes sufferers is a tough ask when the supermarkets are so often blamed for selling high-sugar goods.

Alongside reinvigorating brand values there is no doubt that Tesco's major obstacle is to come up with a compelling price proposition.

Developing a clear value platform should be a priority for Lewis when it comes to reinvigorating the brand, according to Huntington. "I just don't know where Tesco wants to sit. Is it more for more, less for more, less for less? Choose your value equation and stick with it," he advises.

A crystal-clear price proposition would help Tesco take on Aldi and Lidl, which have created a new discounters grocery category through the strength of their propositions.



"TESCO NEEDS PEOPLE TO WANT IT TO SUCCEED, BUT AT THE MOMENT THEY WANT TO GIVE IT A GOOD KICKING"

Rita Clifton, BrandCap



Clifton argues the established big supermarkets have covered their stores in red cardboard promotion signs while Aldi and Lidl have gone about creating “a whole new vocabulary” around what they stand for.

There might be clues about the direction Lewis could take in the presentation he made as Unilever UK and Ireland chairman at the *Retail Week* Conference in 2009.

He argued that price is not the be-all and end-all, and insisted a premium should be put on innovation and quality.

Family values

At that time he indicated the family should be at the forefront of any brand repositioning as consumers refocused on what really mattered to them.

A similar family emphasis is still relevant to Tesco today.

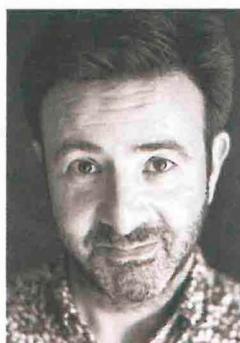
His point about how people’s perception of value altered in the recession may also still resonate.

“You revalue your concept of value,” Lewis said.

Along with a focus on an over-arching idea – the family, for example – Lewis should ensure that other Tesco businesses such as digital entertainment service Blinkbox and restaurant business Giraffe do not distract him from rebuilding the brand for the core grocery business.

“Brand stretch for grocers can be a problem when it erodes their authenticity and perceived expertise,” says Huntington.

And, while Express may be doing



**“TESCO’S
BRILLIANCE
FOR 25 YEARS
WAS IN
MAKING THE
MIDDLE
GROUND THE
HIGH GROUND”**

Marc Cave, Green Cave People

well commercially at present, he warns that the perceived poor customer experience may end up inflicting more damage on the Tesco brand.

In spite of talk of current woes, Tesco is still a retail powerhouse with global sales of £70.9bn in its last financial year and UK profits of £2.2bn, providing a strong platform on which to build it into an enviable multichannel brand.

Lost mojo

Whatever direction Lewis chooses, Tesco needs to rediscover its mojo and communicate this effectively to consumers.

Cave says its advertising of the past was “so buccaneering and cheerful with a twinkle in the eye” because it was a business confident in itself.

If Tesco can regain its confidence under Lewis then consumers should soon sit up and start to take notice.

“Tesco’s brilliance for 25 years was in making the middle ground the high ground,” concludes Cave.

Tesco is very much languishing in the middle ground at present – a dangerous place to be as it is squeezed on all sides. Lewis will need to draw on all his experience from a career at Unilever to turn around the supertanker that is Tesco.

Tesco’s customers, staff and investors will hope that a clear vision and experience of building brands (see box) will help Lewis steer the ship through the stormy waters that show no signs of calming.

HOW DAVE LEWIS TURNED AROUND



The Dove brand has been a runaway success story for Unilever since its global roll-out in the early 1990s and Dave Lewis was pivotal to that success.

The brand has moved on from the original soap bar product and now includes everything from body wash to deodorants, shampoos and nutrient creams.

When the global roll out of Dove began in 1991 Lewis was responsible for the UK launch. Dove Women products now sell 87 million units per year in the UK, which averages out to 240,000 products every day and 2.8 per second.

Lewis is keen to back innovation and was responsible for overseeing the launch of the Dove Real Beauty campaign throughout central and eastern Europe.

The campaign for Real Beauty was designed to redefine society’s pre-set definitions of beauty to offer a “broader, healthier, more democratic view of beauty”.

Lewis is said to be particularly proud of the impact of his work on the campaign, which has gone from strength to strength.

The Real Beauty Sketches digital campaign (below) – in which women describe themselves to a sketch artist – won Unilever the Titanium Grand Prix at the Cannes Lion advertising festival in 2013.

Under Lewis’s leadership Unilever’s global personal care category sales have risen from €15.5bn (£12.3bn) in 2011 to €18.1bn (£14.3bn) in 2013 through a focus on creativity and innovation.

