

Name

Professor

Course

Date

TESCO's Present Challenge

TESCO is known globally as a successful supermarket food chain. Historically, it has enjoyed high ratings, considered it to be the third largest retailer and the second highest earner around the world. The corporation presently has locations in fourteen countries, including the US. Despite its reported billion dollar earnings annually, the corporation is having difficulty with its business dealings in the US.

TESCO announced its intentions to expand to the US in 2006. The first locations were opened in California under the name Fresh and Easy. The main headquarters was also located in California. Over the next few years, it expanded its business, eventually opening 175 locations spread over a number of states (Geoghegan 1). In 2011, it published its fiscal report, which reflected that it had increased its profits by 12% over the previous years. However, the profits were the results from locations in countries other than the US where losses were reported to equal £186m, approximately \$150 million in US currency. The US branches blamed the loss of revenue on the exchange rate and the suppliers new to the industry.

Although TESCO continues to be considered a highly successful business venture in the global economy, its holdings in the US do not add to its success. Overall, the company has grown from 1998 to 2011, with shares increasing in value from 8.12 to 33.10. Despite its obvious

success, the company continues to lose money in the US market and endeavors to determine how to best address the problem.

Works cited

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Silverthorne, Sean. Tesco's Stumble into the US Market. HBS Working Knowledge, October 25, 2010. Web. Retrieved on June 12, 2011 from <http://hbswk.hbs.edu/item/6462.html>