

Tesco Clothing

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10 July 2003



OUTLINE

Building an embedded business

The price/volume virtuous circle

Brands & Marketing help customers buy

Product Comparison

Stores you will see - statistics

AN EMBEDDED BUSINESS

- Joined up thinking
- Involving stores, logistics, systems, marketing, training
- Doing it the “Tesco way”
- Fastway
- 260 Experienced Managers
- Staffing Levels

PRICE VOLUME VIRTUOUS CIRCLE

- Sales are up
- Volume up more than sales
- Prices lower than last year
- Direct sourcing gives outstanding value
- Quality is not sacrificed
- International Sourcing pulls all divisions together

RAW COTTON



BLENDED LIKE WHISKY



LATEST TECHNOLOGY



WORLD STANDARD QUALITY (TOP 5%)



VOLUME ALLOWS KEENEST PRICE



HIGH STREET QUALITY – TESCO PRICE



DANISH PRODUCTION CONTROL



SKILLS TRAINING



ITALIAN EMBROIDERY MACHINE



SEQUINS BY THE YARD



SEALED ROOM – NEGATIVE ATMOSPHERE



EVERY PIECE HAND-INSPECTED



SHIPPING & PACKING



AND AGAIN THE BEST PRICES



UNEXPECTED WELCOME



HIGH TECH STORAGE & RETRIEVAL



TESCO BUYING TEAM



MAKING IT EASIER FOR CUSTOMERS

Brands help them to shop

- Florence & Fred
- Cherokee
- Value
- Main communication is in store
- Glossy magazines

FLORENCE & FRED



CHEROKEE KIDS



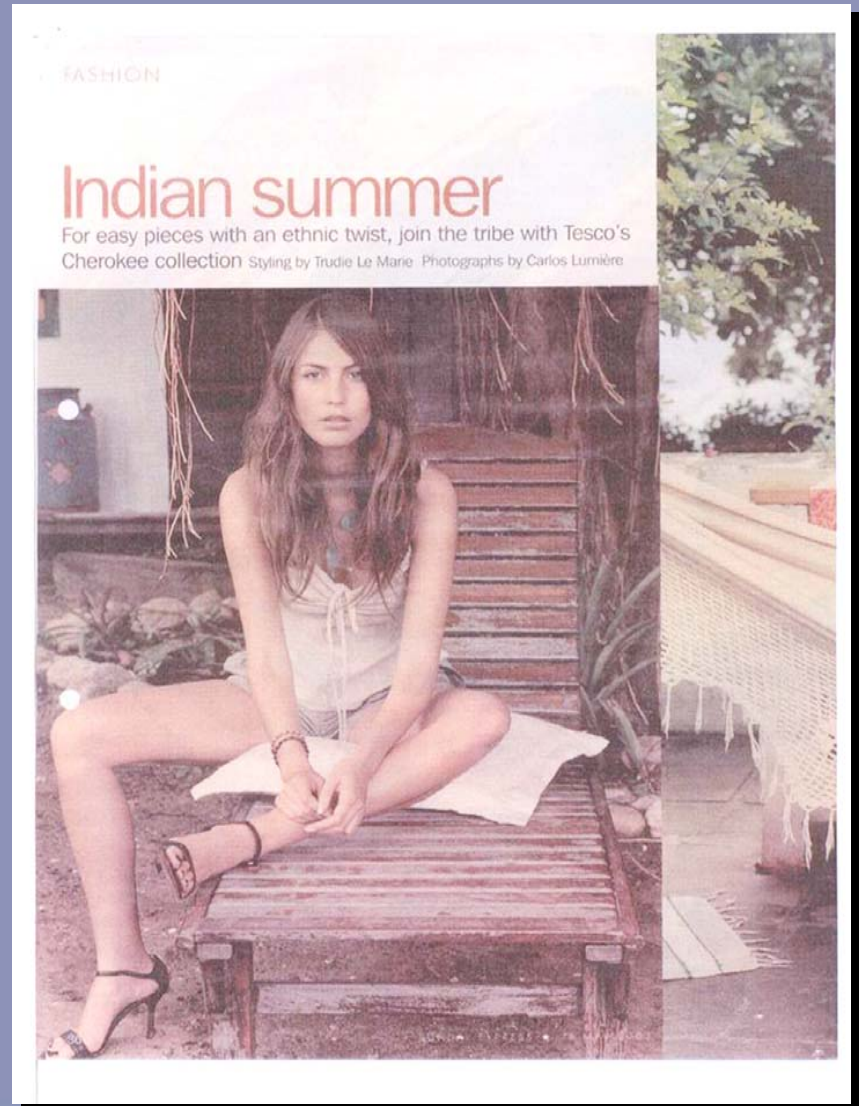
CHEROKEE LADIES



CHEROKEE MENS

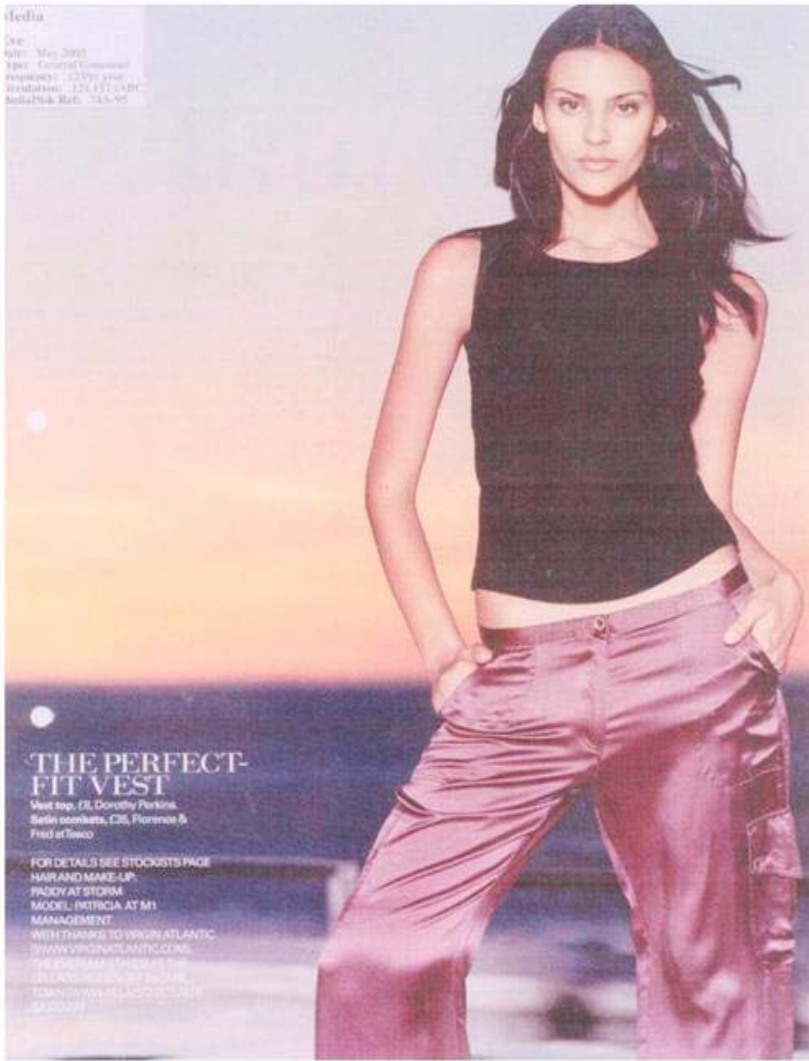


Daily Express F&F



Eve F&F

Media
eve
date: May 2000
type: Editorial Campaign
responses: 12000
production: 120,000 / ABC
initial/stock: 74.6-00



THE PERFECT FIT VEST
Vest top, £8, Dorothy Perkins.
Satin overalls, £25, Florence & Fred of Tokyo

FOR DETAILS SEE STOCKISTS PAGE
HAIR AND MAKE-UP:
PADDY AT STORM
MODEL: PATRICIA AT M1
MANAGEMENT
WITH THANKS TO VIRGIN ATLANTIC
WWW.VIRGINATLANTIC.COM
THE EVE F&F STORES ARE THE
GET LANCING! STORES IN THE
TOWN WWW.MILLICENTS.COM
0400000000

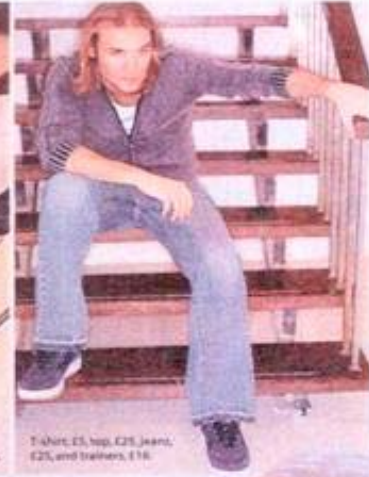
“NOW” SUNDAY MAGAZINE



T-shirt, £13, and shorts, £15.



T-shirt, £7, jacket, £28, and jeans, £15.



T-shirt, £5, top, £28, jeans, £25, and trainers, £18.

Our style

The Best things in life...

Hey there, Georgie's boy — Calum Best chills out in **CHEROKEE** available at Tesco



FASHION

Indian summer

For easy pieces with an ethnic twist, join the tribe with Tesco's Cherokee collection Styling by Trudie Le Marie Photographs by Carlos Lumière



Express Cherokee

Tesco Products & Prices vs. Competition

LADIES BASIC T-SHIRT

Brand	Price	Price vs. Tesco
M & S	£9	180% & 360%
BHS	£8	160% & 320%
Next	£6.99	139% & 279%
Dorothy P	£5.00	Same & 200%
Cherokee (Tesco)	£5.00	
Value (Tesco)	£2.50	

LADIES PRINT SKIRT

Brand	Price	Price vs. Tesco
M & S	£20	200%
BHS	£16	160%
Dorothy P	£15	150%
Florence & Fred (Tesco)	£10	

MEN'S CHINO TROUSER

Brand	Price	Price vs. Tesco
Blue Harbour (M&S)	£32	266%
BHS	£20	167%
Burton	£18	150%
Cherokee (Tesco)	£12	

MEN'S POLO SHIRT

Brand	Price	Price vs. Tesco
Blue Harbour (M&S)	£12	171%
Burton	£10	143%
BHS	£10	143%
Cherokee (Tesco)	£7	

MEN'S BASIC 5 POCKET JEAN

Brand	Price	Price vs. Tesco
Next	£21.99	183% & 366%
Blue Harbour (M&S)	£19.00	158% & 316%
Burton	£18.00	150% & 300%
BHS	£16.00	133% & 266%
Cherokee (Tesco)	£12.00	
Tesco Value	£6.00	

STORES ON TOUR – CLOTHING

Store	Clothing Sq Ft	Spring/ Summer Sales Trend	Spring/ Summer Volume Trend	% of Store
Altrincham	3,000	NEW	NEW	3+
Wigan	5,000	+89%	+102%	3+
Horwich	7,000	+39%	+53%	4+
Bury	4,500	+16%	+30%	3

MARKET SHARE

- Tesco is the fastest growing UK clothing retailer in sterling and volume
- Sterling share up 40% to 1.4%
- Volume share up 60% to 4.4%
- Bigger volumes than BHS and Next
- Lots to go for: 98.6% of the market

Not the end !

