

Task 2

- a) You are to write an article, which identifies the competitive factors in the retail environment a selected organisation faces. Your article should include, but not necessarily be limited to, the following:
- i. Government Policy to include planning guidance, the Competition Commission and policies affecting retailers' costs and ways of working.
 - ii. Competitors
 - iii. Market Position
 - iv. Barriers to Entry
 - v. New Retailing Concepts

This provides evidence for P4

Introduction

This article will identify competitive factors in the retail environment. It will look at the competitive factors which Tesco faces. Competitive factors will be looked at in relation to Tesco; their competitors, their market position, barriers to entry and finally new retailing concepts.

The retail sector in the UK involves spending by consumers both in shop and online. The retail sector is made up of the wholesale sector which supplies the shops consumers go to for goods and services. In March 2015, UK consumers spent around £34 billion. The most was spent in the retail sector, online and in shops. The remainder was spent in food stores, on things like fuel and in market stores. The retail sector in the UK has come under significant pressure in recent years in many ways including small shops being shut down with the growth of supermarkets, online retailing and the most recent recession which started to have its first effects in 2008.

Economic output (GVA)

Quarterly data, % change on previous year



A report for Parliamentarians showed the relative strength of the retail industry, which is now growing faster than the economy as a whole and which contributed £151 billion to the UK economic output in 2012 - 16% of the whole.

It employed 4.3 million people in 2012 (2.7 million in retail itself), 15.9% of the population. There are 428,000 retail sector businesses.