

from pennies to



Price reductions

'We've Cut Our Prices Again' makes Tesco even better value for customers

Tesco aims to be customers' first choice store for value. A key goal is to continually lower prices that customers pay for everyday products. In addition, Clubcard means pounds saved off the cost of shopping.



Our most recent initiative, launched at the beginning of 1999 and backed by a multi-million pound investment in price reductions on key products, announced 'We've Cut Our Prices Again'. We have introduced bigger packs, representing even better value, on products like coffee, tea and bread – and have also added 60 new products to the Value range, bringing the total to over 200. On Tesco Value, we promise customers that our prices won't be beaten. We have continued our popular promotions, which this year included 20% off wine and champagne, VAT-free CDs and videos and 10% off all bakery products.

This year we have seen Clubcard continuing as popular as ever, with over 10 million regular users. The Clubcard database is helping us to give customers an even better and more focused offer: the mail-out at the end of February 1999 contained 80,000 variations of letter, offer and magazine, and issued £50m-worth of reward vouchers, together with £25m-worth of product coupons. By understanding customers' shopping habits, we are now even better at targeting our offers to them.



Clubcard rewards

Since Clubcard was introduced in May 1995, Tesco has issued nearly £500m-worth of reward vouchers



We also extended the benefits of Clubcard by offering our members special deals with other organisations. Customers who spent just £200 at

Tesco in an eight week qualifying period, received a £50 discount voucher valid for package holidays sold by Going Places and a test drive in a Skoda car earned 1,000 Clubcard points.

There are now more ways than ever for customers to collect Clubcard points. As well as the regular scheme, we offer extra points on some products including double or

£12m
MAY 95

£81m
MAY 96

£185m
MAY 97

£363m
MAY 98

pounds

“Competitive pricing and good value means big savings for all our customers”



Financial services

Launched in July 1997, over one million people now use Tesco for financial services

triple points on petrol. In September we extended our partnership with Norweb so that their ENERGi customers can earn Clubcard points on electricity as well as gas. Tesco Personal Finance customers earn points when they use their Visa card, and when they buy some of our new products on promotion, like pensions and home insurance. This added even more value to our simple, attractive range of financial services and helped Tesco Personal Finance to grow strongly last year.

Earning points

Customers, served by customer assistant Adrian Tilbrook, earn Clubcard points at the new Peterborough store

