

Supermarket giants

Tesco, the UK's largest supermarket, has just announced a big increase in profits. Will the superstores continue to expand?

1 Which supermarket do you usually shop in? Which of the following factors influence your choice? Add any advantages you can think of to the box below. What are the disadvantages of shopping in supermarkets? Discuss your answers with a partner.

convenience	opening times	low prices	parking facilities	product range
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2 Read the article and identify which three factors in the box above are mentioned in the text.

Tesco announces profit increase

UK supermarket giant Tesco has announced a big jump in half-year profits and sales. The chain announced that pre-tax profits were up by 17.4% to £628 million for the six months to 9 August. City analysts say the company has 'struck a good balance between generating profits and cutting prices'.

International sales have grown 30% to £3 billion. The firm now operates in ten overseas markets across eastern Europe and Asia. Strong sales in overseas operations have also helped Wal-Mart, the world's largest retailer, to record better-than-expected profits. Wal-Mart took over the Asda chain in 1999. Earlier this year, Asda overtook rival Sainsbury's to become the UK's second biggest supermarket chain.

Asda has larger than average size stores and has been filling them with a lot of non-foods, enabling it to overtake Sainsbury's in the rankings. Other

supermarket chains are also expanding their non-food interests, with Sainsbury's announcing that it is going to start selling homeware products. Children's toys, books, DVDs and TVs are set to be in nearly 300 Sainsbury's stores by Christmas. It seems that diversification is the name of the game. Sales of clothing were up 37% in Tesco stores, and the supermarket is teaming up with mobile phone group mmO2 to sell pre-paid mobile telephones at its stores later this year.

Competition remains as fierce as ever in the retail sector. Tesco stores open 24 hours a day in many places. The firm itself has no stores in America although, in the opinion of many analysts, getting a foothold in the US market is the only way to become a truly global player.

3 Find words in the article which mean:

- a someone who examines a situation to provide others with information about it (paragraph 1)
- b went past something, moved to higher position than something else in a list (paragraph 2)
- c a group or range of shops (paragraph 3)
- d expansion of the range of products or services offered by a company (paragraph 3)
- e a position in the market from which to improve your success (paragraph 4)

4 Discuss the following questions in small groups and report your ideas to the class.

- a Should supermarkets continue to diversify into non-food products? Are there any types of products you think supermarkets should not sell?
- b Do you think supermarkets should expand overseas?
- c Supermarkets are often accused of pushing long-established independent retailers out of business. What is your opinion on this trend?