

Marketing Fundamentals

Assessment

Marketing Fundamentals

Analysis and Evaluation

Report

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Introduction

Marketing is the concept that encompasses the various tactics and strategies Which help in promoting the services and products to the consumer. The research of marketing fundamentals helps with the real marketing process of every single product and service. This assessment will be based on the marketing fundamentals of Tesco. It is a British multinational general and groceries Merchandise which is headquartered in England. Tesco was founded in the year 1919 by Jack Cohen. As we know Covid has made a major impact on the world there was an impact on the Tesco company as well which will be discussed further in this assessment . There will be the internal and external analysis done of the Tesco company with various academic theories and examples of the industries used in this assessment.

Internal analysis

SWOT analysis-

Strengths – Tesco has made a remarkable recovery after the coronavirus pandemic and the devastating accounting scandal which caused Tesco of about €6.4 billion loss. There was a magnificent turnaround Best by Tesco where the leadership was changed to Dave Lewis where there was an operational profit of about €19 billion from the annual report of the year 2020. Tesco has about 26.9% of the market share in groceries. As the market share of the closest competitors of Tesco is not as compared to Tesco the market remains unchallenged. Despite the COVID-19 pandemic Tesco has on the growth of about 10.5% over September October and December. The growth of Tesco has increased and boosted online sales(Fatricia, 2017). The volume of growth of Tesco was clear where there were about 16,000 people hired for catering the growth in demand. In the response to the Covid pandemic, there were restrictions triggered on the in-store purchasing of Tesco by the capacity of 1,400,000 slots of delivery.

Weakness – Tesco has the biggest competitors like Sainsbury, Morrisons, and Asda. There was about 66% of market share by these companies including Tesco. Due to the change of leadership by can Murphy from Dave Lewis in September, there was a major change in the story of Tesco. Tesco faced rigorous quality control measures facing disturbing complaints against the customer which indicated room for improvement for the company. There was a shortage of products faced by the company during the coronavirus pandemic as there was a huge demand for the products during the lockdown. Tesco assured the customers and equity by catering to the normal patterns of buying. Tesco paid about 175000 euros as a fine for displaying the products in Tesco 15 days past their expiry days. It also removed the items from the company and put the system at less by avoiding similar problems.

Opportunities – the supermarket industry of Tesco is considered as one of the few industries which hold its priorities during the COVID-19 crisis. Measuring the spread of the COVID-19 pandemic preventing the people from stepping out what is the major issue where the restrictions were popularised to buy the groceries online(Soegoto, 2021). So in this case Tesco can leverage this trend and start online shopping for the customers. Due to the higher unemployment rate, people seek to find jobs in the supermarkets which are considered as the few easy places where people could still find jobs. So Tesco can increase the higher unemployment rates and could help in acquiring the number of people to fuel their growth. AI and machine learning can be

used by Tesco for improving productivity and operations and delivering and predicting the requirements at the street level which could be the Game changer for the company.

Threats – at the present level Tesco has been going through a major health crisis, political crisis, and economic crisis where the rivals of the company have seen making a major comeback. Due to the Brexit moment, there was a major effect in the 80% of the imported food where there was an imposing of restrictions at the port of entry and the flowing of imported goods from the EU to the UK made a negative impact on the supply chain of Tesco. Tesco has made a quick shift to the services online to save the company during the Covid 19 pandemic (bin Mohd Shah 2018). There were and expenses which were hit by five €33 million by Tesco during the coronavirus pandemic.

External analysis

Pestel analysis-

Political – Tesco being a multinational brand the operating system of business is very different all across the world. The political and governmental regulations of Tesco vary from the country as the decisions are made according to the rules and regulations of the government of the United Kingdom following the safety regulation in the different countries offering safer products for the customers. The operating business of Tesco focuses on the political environment as their main goal is to make the stable political running for the successful business(Mahadevan, 2020). The UK has a stable political environment. The Brexit deal has increased the prices of Tesco from about 3% to 5% where the administration cost was involved. The trade conflict and between the Chinese government and Trump was where there were direct connections seen between the US and China. The administration of Trump had protectionist policies which impose higher products of imports and higher taxation.

Economical – the pandemic of COVID-19 has made a major impact on Tesco where there were distractions like social distancing, physical contacts, lockdowns, and shutting down of the businesses. The platform of e-commerce and online shopping was the only thing that saved Tesco from making their growth negative. the pandemic made a positive impact on the company where the profit and sales were increased and have estimated the annual revenue and the net income of Tesco were increased by one billion pounds to three sixty million pounds in the year 2020.Tesco majorly survive the blow-up of the pandemic and during the months of

lockdown and shut down of the businesses. There was a higher unemployment rate which created an environment of social and financial and stability among the public.

Social – Tesco follows the cultural and social trends from the different communities. Tesco uses the label of halal meat for the customers who are Muslim in the UK and also owns the same label and brand in the areas of Malaysia and Thailand. It also offers the products like kosher for its Jewish customers in the UK. There was also a vegan trend followed by Tesco where people have seen switching the meat-based food towards plant-based food. The customer demand for vegan food has improved the production of about £4.1 billion in the year 2020 which has changed the vegetarian trend(Wood et al., 2017). The cultural impact in the marketing demand of products in different countries would depend on the cultural influence. The social supermarkets were made which was the new concept for the customers where there was the offering of the unsold inventory at very lower prices which serve the important social functions decreasing the recycling and waste course.

Technological – the usage of technology has increased the business all around the world as it has helped the business in being more efficient and provided a process for the better customer experience. Tesco has majorly adopted the latest technologies which have been the major reason for the success of the company. Some payments were made through online mobile applications, barcode scanning system was also implemented. The coronavirus pandemic boosted the trend of e-commerce and online shopping amongst the customers and the brand as well. More people started ordering their groceries online for keeping the products safe from the Coronavirus pandemic and to help themselves being away from the other people who were infected. Tesco survived during the lockdown and pandemic because of its E-commerce platform which delivered the products on time there were about 16,000 people hired by the company for better delivery services.

Legal – the legal structure of Tesco focuses on the regulations and rules implemented by the government. There were gender bias allegations in the year 2016 which claimed the workplace culture-making highly biased discriminating the people of different ages and gender. There was also a fraud case of Tesco which was failed to provide the exact pictures of the finance in the year 2017. There were heavy penalties imposed on Tesco for providing them misleading information and ended up with an agreement of settlement to pay about \$12 million. There is also unequal pay in Tesco which is provided to the female and male employees which were wrong and against the government rules.

Environmental – Tesco has adopted a recycling plan which comprises of reducing, removing, recycling, and using plastic which would help the company in removing and decreasing the non-recyclable plastic (Kim et al., 2019). This plan was worked in a loop for reducing waste by the company which was considered as a very good step for the better environment. Tesco also worked for the sustainable efforts where the projects were recognized by the illegal fishing boat which endangered the sea life.

Impact of COVID-19 pandemic on Tesco

The coronavirus impacted the performance of Tesco which forecasted the experience making a positive impact in the year 2020 that has increased the demand for food and grocery resulting in an increase of sales of about 9.2 percent in the year 2020. It come up with the demand of the online services that mobilized the network of logistics in the UK that increased the slots of delivery offered by the UK. Tesco has a larger presence in the UK making severe way stockpiling the driven sales of the company. there was a delivery of online shopping using plastic bags that shortened the need of delivering the order by reducing the risks of infection(Martin-Neuninger, R. and Ruby, M.B., 2020). Tesco counted its costs of the pandemic with the fuller profits making the exceptional growth in sales. The key competitors of Tesco have especially seen the stronger sales growth for online demand surged to about 6.3 billion euros that grow the represented ways delivering the slots that doubled to the 1.5 million.

The Coronavirus pandemic devastated the economy of the business. There is a strong recovery accepted in the year where there was almost €900,000,000 used as an additional cost to help back the performance of Tesco. It is the biggest food retailer in the United Kingdom where the laws persisted in the financial year of the company where it was expected that the profit to remain stronger as there were online operations implemented for the recovery of the wholesale and banking divisions. The supermarkets of Tesco were benefited during the pandemic from the closure of restaurants and pubs where there was a diversion in spending the dining at home. There was a degree transferred which worried by the country that was substantial in the area of Ireland. This is majorly uplifted with the offset of course which expanded the online operations and adopted the distribution and source of centres for social distancing and increasing the requirements of hygiene. In the operations of Ireland and the UK, the profit fell by about 13% to €1.87 billion in the pandemic time but rose the sale by about 8% to €48.8 billion. The online

business who is double its capacity in the few months romantically improved profitability in Tesco.

Although there was a major shift in the online services of Tesco during the pandemic there were fall away of restrictions. Tesco has made incredible strength within agility through the pandemic where it has put the colleagues and customers force for building the stronger business. The supermarkets have enjoyed the stronger says during the time of the Covid 19 pandemic as they were allowed to remain open throughout the lockdown for a certain period(Gleasonet *al.*, 2020). It majorly benefited the restaurants and pubs as they were closed. There was a closure of the hospitality business which made a negative impact on the company. Although there has been a large trade seen during the last 12 months of the pandemic there was a significant extra cost invested in the recovery from the impact of the coronavirus.

Marketing theories

. There is no point of self-actualization to the people seen used for achieving the sense of security (Kotler and Armstrong 2013). The major need of people to meet the social media usage can depend on the platform which tailored from the Instagram and Facebook apps for connecting with more customers friends and families showing the full belonging.

According to Maslow's Hierarchy of needs theory of marketing determines the needs of the five categories in the business which are classified as safety, biological, esteem, self-actualization, and love or belonging. This theory determined the human needs used for satisfying the basic needs of survival before moving to the higher level of needs. Tesco can adopt this story as its opportunity to use social media marketing helps in understanding the level of hierarchy to the customers who are interacting with the brand

Tesco can also adopt the consumer decision-making process theory of marketing where it helps in understanding the decision-making used by the buyer from the time way it is exposed to the product or a brand from the point of purchasing. It is majorly divided into five sections which can be determined as awareness, interest, purchasing, consideration, and loyalty. The awareness focus on the problems which are needed for solving and wants to get satisfied with the work. The interest of the customer looks around the researching of the potential products and solutions. Consideration is determined by the customer who is trimmed down to the choices focusing on the pros and cons of each choice made by them. Purchasing is armed to know

enough knowledge about the product of the services which is now able to justify before making a purchase. Loyalty has in making the customers journey better which is the end stage of the consumer decision-making process. This content can be then put on social media serving a different purpose at the different stages it can also determine with engaging with the audience and attracting new customers at different levels interacting to gain the loyalty of the customers.

Ansoff matrix can also be used by Tesco as it is also a theory of marketing which is used for the market or product expansion grade tool to analyse and plan the strategies for growth. It can be used to help the firm grow and analyse the risks which are associated with its strategies. The Matrix in the answer of Matrix story is applied by the mathematician which helps with the executives and marketers with better understanding the dress which has the inherited and growing of the business (Loredana, E.M., 2017). The four stages of the Ansoff matrix include market penetration, product development, market development, and diversification. The market penetration focuses on increasing the sales from the products which are existing in the existing market, the development of products depends on the focus on introducing the products that are new to the existing market. The development of the market is the time where the strategy is used for focusing on entering the market which is new from the existing product. That I was a furcation focuses on entering the new market with the introduction of a new product.

Conclusion

The success of the business is based on the effectiveness of the marketing where it does not start with the innovative product or a new idea it starts with the consumers and the people who are buying the goods and services which pays the major contribution to the success of the business as it helps in growing the economy of the company. So it is important in understanding the needs of consumers which is the major aspect of the marketing fundamentals. The marketing majorly speaks with the needs used for identifying the groups of consumers that allows with the positioning of products and services that helps in running the business more efficiently and realizing more opportunities that are available in the business. This assesment constitutes of the impact of the COVID-19 pandemic on the Tesco company. There is an internal and external factor of Tesco discussed during the coronavirus pandemic from which it can be concluded that during the coronavirus pandemic and lockdown Tesco has profited from the situation through online services.

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