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TASK DESCRIPTION

A strategic management consultant helps organizations define, plan, and implement long-term goals to enhance competitive advantage, growth, and profitability. Working with senior leadership, they diagnose business problems, conduct market research, and provide unbiased, high-level advice on strategic initiatives.

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1. Organisational Context and Overview

This report analyses the UK grocery retail business of Tesco plc as opposed to the diversified Group itself. The boundary meets the assessment criterion to choose one particular market, and is strategically suitable since the United Kingdom is the key profit generator of Tesco and its most developed digital market and the environment where its value offering will be pitted against full-line supermarkets, discounters, convenience operators and online experts. The UK capabilities are only supported using group evidence when it directly supports them. The analysis is directed to the Board and evaluates the possibility of the current strategy to maintain benefit until 2030.

Tesco started in 1919 when the surplus groceries sold by Jack Cohen in a market stall, and in 1929, Tesco opened the Tesco brand store. It then assisted in the introduction of self-service and supermarket retailing in Britain and in various formats, and the Clubcard in 1995. Tesco has been contracting back to food and customer trust, cash discipline, the UK and the market after international over-expansion and an accounting crisis in 2014. It has a current intent to serve our customers a little better each day and a customer vision to be the favourite way our customers shop (Tesco plc, 2026a).

UK business model is an integration of big stores, supermarkets, convenience formats, online shopping, click and collect and fast delivery. The grocery and general merchandise sales form sources of revenue, and Clubcard data are used to form individualised promotions, category management and the Tesco Media and Insight Platform. Scale makes procurement leverage and distribution density and economics of private labels possible; stores themselves are fulfilment nodes, which further decouples the physical and digital retail. This is significant since Gauri et al. (2021) believe that winning retail formats converge over time around lower customer friction and a higher experience.

Tesco had a strong position as it entered 2026. In 2025/26, group sales (excluding VAT and fuel) amounted to £66.6 billion, adjusted operating profit was £3.15 billion and free cash flow was £1.96 billion (Tesco plc, 2026b). As of 12 weeks to 12

July 2026, Tesco is the largest grocer in Britain with a market share of 27.9%, with Sainsbury, Asda, Aldi and Lidl standing at 15.2%, 11.5%, 10.8% and 8.8% respectively (Worldpanel by Numerator, 2026). It has a wider value proposition than low cost: reliable availability, good-better-best own-label, Clubcard discount, local access and convenience of channels. Whether Tesco is large or not thus does not pose a strategic question, but rather whether the company can transform scale and data into equitable, special and low-friction customer value without losing margins, supplier resilience or stakeholder legitimacy.

2. External and Internal Analysis

These external and internal factors are analysed on a single verdict: The competition in UK groceries is strong, competitive, open and low-margin, and Tesco cannot count solely on size.

Table 1: PESTEL Analysis of Tesco UK Grocery

Factor	Priority evidence	Materiality	Strategic implication
Political	Food security, post-Brexit trade friction, business rates and employment-cost policy.	Threat and opportunity	Build UK supply resilience; use scale to absorb shocks without weakening farmer economics.
Economic	Cumulative food-cost pressure, wage inflation, EPR fees and tight retail margins.	High threat	Protect value through productivity, mix and waste reduction rather than indiscriminate price cuts.
Social	Value sensitivity, health inequality, convenience	High opportunity	Combine affordable healthy food with

	and demand for personalised service.		locally relevant, inclusive personalisation.
Technological	AI, retail media, real-time inventory, automation and cyber risk.	High opportunity/risk	Create seamless channels, but strengthen privacy, explainability and resilience.
Environmental	Climate shocks, Scope 3 emissions, food waste, packaging and nature loss.	High threat	Make supplier decarbonisation and waste prevention part of commercial decision-making.
Legal	CMA scrutiny, consumer pricing law, UK GDPR, Groceries Supply Code and packaging rules.	High threat/opportunity	Treat compliance and transparent value as capabilities that reinforce trust.

Source 1: Author Analysis Based on ONS (2026), CMA (2024a-b), DEFRA (2025), Tesco plc (2025; 2026b-d) and Worldpanel by Numerator (2026).

Competitive edge is gained by being smarter in the application of scale than its competitors based on customer understanding, network economics, reliability of operations and trust by the stakeholders.

2.1. External Environment: PESTEL Analysis

The cost and continuity are influenced by political aspects. UK grocery supply is still vulnerable to the post-Brexit border administration, geopolitical instability and food insecurity due to climate change. The decisions by the government on employer National Insurance, National Living Wage and business rates have a direct impact on a

labour-based store chain. Tesco is powerless to regulate these policies, but can affect resilience by sourcing longer-term, domestic farming groups, using varied sources and planning, and scenario planning. Political pressure also opens a door: with a history of being the primary buyer of British agriculture, Tesco stands to gain a role as an infrastructure enabler in national food security as opposed to a price negotiator. This must have plausible farm economics; the farm strategy would undermine the strength the strategy purports to give by extracting short-term supplier concessions.

Value-versus-margin tension is aggravated by the economic conditions. The official CPI-based food and non-alcoholic beverage inflation decreased to 1.7% in June 2026, but the overall household grocery expenditure average in the last year still increased due to the high level of prices (ONS, 2026; Worldpanel by Numerator, 2026). Tesco would therefore have to compete with customers, who will be very price-sensitive despite the slowing of headline inflation. Meanwhile, the transfer of the waste-management costs to the producers via packaged Extended Producer Responsibility and also Tesco added burden costs through increased employment contributions and packaging charge (Department for Environment, Food and Rural Affairs, 2025; Tesco plc, 2025). These have the strategic implication that price investment has to be organised structurally via the Save to Invest programme, supply-chain productivity and mix improvement. An unsupported price war would get volume in the short term but would wipe out cash required to fund technology, stores and sustainability.

Such a retailer that can cross value, quality and convenience is preferred by social change. The shorter trips of top-ups, online orders and fast delivery are used more and more by customers with a main shop. Worldpanel by Numerator (2026) recorded almost 500 million grocery trips in four weeks up to July 2026 and high demand for convenience. At the same time, diet-related diseases and hunger are significant social problem, affordability of healthier options becomes concrete. The breadth is an advantage to Tesco since cross-subsidisation of innovation is possible and the provision of tiers of own-label; but segmentation can be exclusionary where healthier or loyalty prices are not easily accessible. Personalised help, which saves on

the cost of meals, time and waste, is not just the strongest proposition, but personalised selling as well.

The cost curve and the demand are being transformed by technology. Tesco boasts of over 24 million UK Clubcard households, a high rate of loyalty and a growing AI programme. In 2026, it announced a one-to-one personalisation of active online Clubcard journeys, and a trial with a colleague AI-assistant on circa 280,000 people and over 6,000 tech experts (Tesco plc, 2026c). Another item covered by Reuters (2026a) was that Whoosh had an estimated 1,600 stores, and it served over 70% of the households in the UK. These resources have the capability of enhancing the prediction, accessibility, media revenues and relevancy of customers. However, digital capability poses privacy, algorithmic-bias and cyber-concentration threats. Quach et al. (2022) discovered that cross-channel consistency and transparency affect customer experience and perceptions of risk; Tesco ought to consequently gauge whether personalisation makes sense and is useful, rather than whether it is raising the conversion.

Green forces are not good but tactical. Extreme weather impacts on the yields, quality and commodity prices, and the majority of the food-system emissions are beyond Tesco's direct operations. Tesco also announced that its operational emissions were decreased by 68% compared with their 2015/ 16 base, 1249 electric home-delivery vans, and additional efforts on food surplus and low-carbon farming (Tesco plc, 2026d). These are substantial accomplishments, but the natural-resource-based perspective presented by Hart (1995) suggests that the benefit is felt only when environmental capabilities come into play when it comes to the products, supply chains and innovation. Operational carbon reduction will not cushion Tesco if high-emission categories, including packaging or the practices of suppliers, do not undergo any commercial change.

The need to have transparent value is reinforced by the legal environment. The Competition and Markets Authority review of loyalty-pricing determined that overall the deals were actually saving money, but raised issues of accessibility and consumer trust

(CMA, 2024a). UK GDPR limits the way in which customer data may be utilised, whereas the Groceries Supply Code regulates the actions of retailers and suppliers. The regulation can be considered a cost, but another differentiation Tesco can employ is better governance: having non-digital options, being transparent in terms of pricing units, clarifying any offers, and having data control, the reputational discount on personalised pricing is lower.

2.2. Porter’s Five Forces and Critical Success Factors

According to the framework by Porter (1980), there is an intense structural rivalry. The market leadership is not a competitive neutrality in terms of Tesco since Aldi and Lidl are more disciplined in terms of pricing, Sainsbury competes in terms of close quality and loyalty, and Ocado and speedy-delivery apps increase the expectations of convenience. In July 2026, Lidl increased sales by 8.6% and Ocado by 14.1%, which is significantly higher than the 1.7% growth by Tesco (Worldpanel by Numerator, 2026). Tesco thus has asymmetric competitors: discounters have a chance to run a small range of assortment and simpler stores, and digital experts can focus on any of the wealthy or convenience-focused segments.

Table 2: Porter's Five Forces Assessment

Force	Intensity	Strategic implication
Rivalry	Very high	Full-line rivals, discounters and online specialists compete on price, promotions, range and convenience.
Buyer power	High	Switching costs are low; customers compare prices and split baskets across retailers.
Supplier power	Moderate	Tesco has scale, but brands, commodities, farmers and scarce capacity can retain leverage.
New	Low-	National entry is capital intensive; digital niches and

entrants	moderate	marketplaces lower selected barriers.
Substitutes	Moderate-high	Eating out, meal delivery, local stores and direct-to-consumer offers compete for food spend.

Source 2: Author Analysis Using Porter (1980) and Current UK Grocery Evidence

The bargaining power of buyers is high as households can compare prices, switch to alternative stores and channel shopping. Loyalty information increases the behavioural attachment, yet it does not entail the development of a real contractual switching cost. The power of suppliers is moderate on the whole but differs drastically. The size of Tesco is large; however, the world brands, lack of agricultural resources, energy shortages and controlled labour may limit the terms. According to Dyer and Singh (1998), inter-organisational relationships may generate relational rents; it means that the better the joint forecasting and long-term farming relationship is, the more defensible it is than repeated bargaining pressure.

Entry on the national level is challenging due to the need for grocery to have sites, refrigeration, density, inventory and execution of thin margins. Yet, Amazon, delivery aggregators, meal platforms and retail-media businesses have an opportunity to enter lucrative segments of the chain without having to recreate a supermarket. The core competency areas are thus the credibility of price, the availability of the product, quality innovation, rich fulfilment, trusted personalisation, cost productivity, supplier resilience and integrating stores with online trips.

2.3. Internal Environment and VRIO Assessment

According to the resource-based view, a long-lasting advantage entails having valuable, rare, and hard-to-imitate resources, which can be exploited by the organisation (Barney, 1991). It is not any particular store, algorithm or brand that is the strongest resource of Tesco. It is the structure uniting corporeal proximity, Clubcard knowledge, buying massiveness, product emergence and satisfaction. A loyalty card, or a quick-delivery interface, is copyable by competitors; decades of transaction history,

the density of stores, supplier relationships and organisational routines are much harder to copy.

The most apparent VRIO capability is Clubcard. By 2025/26, Tesco had reported a number of over 24 million households and about 84% sales penetration in the UK (Tesco plc, 2025). The data are useful in that they can be used to better target promotions, make range decisions and monetise retail media; they are relatively few at the level of Tesco and can be difficult to copycat in the long term due to the dependence on longitudinal data and analysis procedures. It is also evident through the organisation represented in Tesco Media, supplier insight and personalised offers. However, the value may turn the other way round when customers feel that they are being surveilled or they are being discriminated against on the manufactured price. This ability should hence be treated as a trust asset, rather than a revenue asset.

The store network can be equally helpful when considered as an omnichannel platform. Big box stores help sustain wide assortment and effective picking, whereas Express stores help sustain local missions and Whoosh. According to Hubner, Kuhn and Wollenburg (2016), the economics of grocery fulfilment revolve around the density, picking model and delivery design. The Tesco physical network reduces the time and capital requirement needed to expand rapid delivery, but in-store fulfilment may result in congestion, substitution and labour costs. This benefit is thus conditional on the correct inventory, smart slot pricing and redesign.

Table 3: VRIO Assessment of Tesco UK Capabilities

Resource/capability	VRIO judgement	Implication
UK store and fulfilment network	V: Yes; R: Moderate; I: Difficult; O: Yes	Strong temporary-to-sustained advantage when digitally integrated.
Clubcard, dunnhumby and customer insight	V: Yes; R: Yes; I: Difficult; O: Yes	Sustained advantage, conditional on trust and

		analytical quality.
Scale procurement and distribution	V: Yes; R: Moderate; I: Difficult; O: Yes	Cost and availability advantage, but partly matched by large rivals.
Own-label architecture and product development	V: Yes; R: Moderate; I: Moderate; O: Yes	Differentiation and margin support; needs continual renewal.
Online grocery and Whoosh capability	V: Yes; R: Moderate; I: Moderate; O: Yes	Competitive advantage from network density, not technology alone.
Supplier and farming relationships	V: Yes; R: Moderate; I: Difficult; O: Partly	Potential sustained advantage if incentives and data are genuinely shared.
Sustainability capability	V: Yes; R: Not yet; I: Moderate; O: Developing	Future advantage if embedded in category economics and customer value.

Source 3: Author Analysis Using Barney (1991)

Both scale procurement and distribution are still not common but are also present in large retailers. They have a strategic value of integration with data and collaboration with suppliers. The Tesco own-label range gives it the ability to control the value levels, innovativeness and profitability, whereas Finest brings about the differentiation of high-end products. Such resources aid in a wide market standing that can not be fully duplicated by discounters. Sustainability capability is a valuable asset that is not yet an uncommon part; competitors have similar net-zero and waste pledges. The logic of dynamic capabilities developed by Teece (2007) compels Tesco to conclude: the first to

notice the changes in customer missions and supply risk and respond to them with new propositions and reformatting stores, data, and supplier incentives should Tesco be ahead of rivals.

2.4. SWOT Analysis and Strategic Diagnosis

SWOT can only be valuable if it transforms the evidence into strategic tensions. The key strength of Tesco - scale - is a complex and fixed cost as well. Clubcard generates value that is relevant and puts Tesco at risk of trust and regulation. The rapid delivery takes advantage of the store network but can cannibalise larger baskets or have poor unit economics. The environmental commitments have the potential to enhance resilience in supply, although it must not be at disproportionate costs to customers and suppliers.

Table 4: SWOT Analysis

Dimension	Most material factors
Strengths	Market leadership; Clubcard data; dense stores; strong cash generation; own-label range; supplier scale.
Weaknesses	High fixed-cost base; complexity; dependence on UK consumer spending; data-trust exposure; thin margins.
Opportunities	AI-supported meal planning; rapid delivery; retail media; healthy value; low-carbon supply; store automation.
Threats	Discounter growth; input and labour inflation; climate shocks; cyber incidents; regulation; supplier fragility.

Source 4: Author Analysis Based on the Preceding External and Internal Assessment

A scale-to-relevance gap is the main diagnosis. Tesco has a wider reach and bigger data than any UK grocer, but the market share still may be eroded when the scale is not converted into the locally applicable values, better availability or trouble-free

trips. The 27.9% August 2026 figure was still overwhelming but decreased modestly on a year-on-year basis, with quicker developing Lidl and Ocado proving that both value and digital specialists have put their fingerprint on the market (Worldpanel by Numerator, 2026). This strategy must then ensure that the size of Tesco can be personal, uncomplicated and accountable as opposed to being huge and bureaucratic.

3. Comprehensive and Holistic View of the Organisation

3.1. CSR Strategy and Alignment With Business Objectives

The Tesco CSR strategy is structured into: customers, communities, colleagues/planet and is clearly linked to its corporate purpose. The 2026 Sustainability Report projects a 68% decrease in operational emissions in the 2015/16 base, 1,249 electric home-delivery vans, over £123 million meals served throughout the Group and advancement in colleague compensation and community programmes (Tesco plc, 2026d). These programmes help in achieving the business goals by reducing energy and waste expenses, enhancing the licence to operate, enhancing attractiveness as an employer and safeguarding agricultural supply.

There is, however, more than a portfolio of positive programmes which is required by stakeholder theory. Freeman (1984) contends that the parties that influence or are influenced by the firm should be considered in the strategy. The Tesco material stakeholders are pitted against each other: customers desire to have cheap products, employees desire to receive payment and have manageable working hours, farmers desire to obtain predictable payments, suppliers desire to enter into a contract with fair conditions, investors desire to have money, communities desire to get access, and the regulators desire fairness. Distributional effects should be evaluated by the Board, however. A decrease in price due to distress or overwork of the suppliers is not sustainable value-creation; it is simply a cost-shift to another stakeholder with fewer obvious impacts.

The ecological scenario is also ambivalent. The triple-bottom-line logic of Elkington (1997) stimulates incorporation of economic, social and environmental

performance, whereas the competitive advantage is related to the environmental capability (Hart 1995). Tesco has a valid operational development, although most of the impact of the food system is in Scope 3 agriculture, manufacturing and customer consumption. Beske, Land and Seuring (2014) stress that dynamic capabilities and cooperation are needed in the framework of a sustainable food supply chain. Tesco ought to therefore cease to report supplier programmes but incorporate the carbon, nature, welfare and resilience criteria within category plans, contracts and product innovation.

Three governance tensions need to be addressed. First, Clubcard provides customers with savings and appropriate suggestions, yet fairness needs to be based on the availability of the service to smartphone-free customers and a better understanding of the usage of the data. CMA (2024b) established that the loyalty prices are typically authentic, but often there may be barriers to access among groups. Second, the quick delivery makes it more convenient, yet small baskets and rush deliveries can add stress to delivery without optimised routing and electric fleets. Siragusa and Tumino (2022) demonstrate that in the appropriate environment, e-grocery can be more environmentally friendly than store shopping, yet the results will be determined by the density of delivery and the travel of customers. Third, the shareholder distributions are not to crowd out the investment in pay, availability and supplier resilience. The maximisation of the alignment between CSRs occurs most when the same efforts enhance affordability, efficiency and sustainability of resources in the long-term, as opposed to when the social and environmental operations are placed adjacent to the commercial strategy.

3.2. Balanced Scorecard

Kaplan and Norton (1992) created the Balanced Scorecard to relate the financial results with customer, process and learning drivers. In the case of Tesco, the causal logic must start with colleague and data capability, which enhance forecasting, availability and fulfilment; and customer value and loyalty are enhanced by processes of greater volume, mix and productivity, which, in turn, create cash. The scorecard must

not pay consideration to single targets. As an illustration, the accelerated delivery expansion without contribution margin or efficiency (in route) might enhance customer measures whilst annihilating economic and ecological worth.

Table 5: Proposed Balanced Scorecard for Tesco UK, 2027-2030

Perspective	Strategic objective	Board-level target	Priority initiatives
Financial	Grow value without margin dilution	UK sales growth at least 0.5 percentage points above market; adjusted margin 4.5-5.0%; deliver annual Save to Invest target	Dynamic pricing guardrails; mix improvement; waste and energy productivity; stage-gated digital investment
Customer	Become the easiest and most trusted full-line grocer	Maintain market share above 28%; improve satisfaction and availability; >25m active Clubcard households with accessibility parity	Personalised meal missions; transparent loyalty value; local range optimisation; seamless returns and substitutions
Internal process	Create one real-time omnichannel operating system.	Inventory accuracy >98%; on-time complete fulfilment >97%; reduce food waste 50% by 2030; all home-delivery vans electric by 2028	Unified inventory; AI forecasting; supplier control tower; route density; automated markdowns
Learning	Build data-literate,	>90% relevant	Role-based learning;

and growth	customer-focused and resilient teams	colleagues trained in AI/data ethics; engagement above retail benchmark; critical digital roles filled internally	cross-functional product teams; responsible-AI governance; store innovation labs
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Source 5: Author recommendations informed by Kaplan and Norton (1992), Figge et al. (2002) and Tesco plc (2026b-d)

The suggested scorecard is an amalgamation of growth, trust, development of operational reliability and capability. Targets are directional Board-level expectations, not predictions and should be tuned by the Tesco planning process. The process perspective incorporates sustainability measures in a box, instead of the separate CSR box typical of most CSR reports, which argues the sustainability strategy to be strategic at the point of connectivity to the causal system of the scorecard, as proposed by Figge et al. (2002).

3.3. Holistic Strategic Judgement

The coherent approach includes the holistic assessment that indicates that Tesco has a consistent strategy today: magnetic value, Clubcard, convenience, personalisation and long-term sustainability support the customer proposition. A weakness is its measurement and trade-offs. Unit economics may be hiding a decrease in market share, customer exclusion or supplier risk, promotions and digital engagement. Each strategic initiative must then present its customer benefit, its full economic contribution, its impact on the stakeholders and its ability to create value, which is what must be required of it by the Board. This transforms performance management into a map of appealing KPIs to a strategy map.

4. Strategic Choices and Implementation

4.1. Business-Level Strategic Alternatives

There are three generic options. The pure cost leadership would reduce the range, stores and service to discounter economics. It is inappropriate since Tesco has a wide range, operates online, has a network and infrastructure of convenience stores and services that incur expenses which Aldi and Lidl do not incur. It would destroy differentiation and create margin-destructive competition to try to win by only using headline prices. The strategy mix of narrow focus also does not align well with the national level of Tesco and its aim of serving the mass market, though specific propositions may be applied as a part of the wider system.

It should be broad differentiation, but it should be anchored on the value of the customer, not on premiumisation. Porter (1996) states that strategic positioning is based on unique activity systems and trade-offs and not operational effectiveness alone. Personalised value, trusted choice and omnichannel convenience, Save to Invest, automation and scale should be used as enabling economics, and Tesco should differentiate. This does not lead to a naive mash-up: low cost is not the commercial personality; it finances a unique full line offering that cannot be collectively replicated by the discounters and online competitors.

4.2. Ansoff and SAFe Validation

The matrix by Ansoff (1957) implies that Tesco needs to focus more on market penetration and corresponding product development. The strategic distance of market penetration is the least since Tesco already has relationships and infrastructure with customers. It is not blanket promotion, just a bigger share of wallet courtesy of superior availability, local significance and regular cross-channel service. Research and development of products must focus on meal solutions, value, healthier and own-label innovation and the AI-assisted creation of the basket. Existing data and supplier capabilities are used in these propositions and would be less risky than unrelated diversification.

Table 6: Ansoff Growth Options

Direction	Tesco application	Priority
Market penetration	Deepen share through availability, transparent Clubcard value and localised ranges.	Highest priority
Product development	Affordable healthy meal solutions, AI planning, low-carbon own label and personalised bundles.	High priority
Market development	Expand Whoosh, click-and-collect and convenience missions in underserved catchments.	Selective priority
Diversification	Retail media, marketplace and adjacent services.	Stage-gated; avoid distracting capital

Source 6: Author Analysis Using Ansoff (1957)

Table 7: SAFe Evaluation of Tesco One Value Platform

Criterion	Assessment	Rationale
Suitability	High	Addresses rivalry from both discounters and digital specialists; converts Tesco scale into personal relevance.
Acceptability	Medium-high	Supports growth and cash, but requires privacy safeguards, supplier fairness and disciplined channel economics.
Feasibility	High	Tesco possesses Clubcard data, stores, cash flow, technology teams and supplier reach; integration

		remains complex.
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Source 7: Author Analysis Based on Johnson et al. (2020)

Market expansion is suitable in cases where the network that is in place can be used to cater to the services of other missions, especially fast delivery and convenience. Whoosh illuminates how a store density could become a new market path for an incumbent. The retail media and marketplace services can produce high-margin revenue, but must be managed cautiously since the monetisation of customer attention or assortment will harm trust and simplicity. The SAFE test has ensured that a customised omnichannel value approach would be appropriate, widely acceptable and viable, as long as the Board subjects it to strict privacy, supplier and profitability safeguards (Johnson et al., 2020).

4.3. Recommended strategy: Tesco One Value Platform

A three-year plan suggested is a Tesco One Value Platform: a wide differentiation with personalised, omnichannel and responsible values with structural cost efficiency. Its commitment to its customers is straightforward: the most suitable cheap shop, accessible via the easiest system, and sensible utilisation of data and a robust system of food. There are three pillars of the platform that are mutually reinforced.

To achieve the highest response, First, Personalised Fair Value must focus on organising offers around household missions - e.g. family meal plan (5 days), healthy budget basket or low-waste top-up - instead of maximising response to an individual item. Price ceilings, nutritional information, and descriptions of why an offer is indicated should be in Your Clubcard Prices and AI meal planning. Access to non-smartphones and uniform unit pricing ought to be made rather than an exception to compliance. This transforms the promotional intensity to a measurable customer utility.

Second, there should be the integration of store, online, click-and-collect and Whoosh inventory, labour and fulfilment decisions in One Omnichannel Operation. Customers are supposed to experience credible availability, availability substitution and

uniformity of loyalty advantages across channels. In practice, Tesco ought to send each order to the lowest total-cost node, based on picking congestion, density and service promise of the delivery. According to Verhoff, Kannan and Inman (2015), omnichannel management is about maximising experience and performance in touchpoints, so system value, rather than maximising the level of sales in a single channel, is the goal.

Third, Resilient Responsible Supply must integrate supplier information, long-lasting farming association and classification economics. Climate-risk maps, mutual productivity and decarbonisation plans, and common forecasting should be given priority. Products which are healthier or low-carbon cannot be automatically placed as premium; the fact that Tesco is of such a considerable size can normalise these products. The pillar enhances availability, reduces wastage and helps legitimacy and knowledge developed by suppliers is tough to duplicate by competitors.

The reinforcing loop can provide optimum performance of the strategy. Greater relevance means higher frequency and share of wallet; higher volume and more accurate predictions mean improved purchasing and fulfilment economics; savings will be used to invest in additional customer investment; trusted data and supplier relationships enhance innovation, and a denser network of omnichannel means lower marginal delivery cost. Strategic fit in data, stores, people, suppliers and brand are what help maintain competitive advantage.

4.4. Implementation Challenges and Mitigation

The Implementation is more challenging than the selection of strategy since Tesco has to organise the work of thousands of stores, suppliers, digital products and positions of colleagues. Kotter (1995) is of the view that change cannot be realised unless the urgency, coalition, vision and institutionalisation are strong. Tesco needs to set up a cross-functional platform office which is jointly headed by the UK operations, customer, technology, commercial, finance and sustainability. There should only be a single benefits case, and scorecard owned by this body and functions should not optimise their own metrics.

The first one is the dilution of margins and channel cannibalisation. Quick delivery or special discounts will help to increase sales and decrease the contribution. All the propositions must thus be considered based on incremental customer lifetime value, fulfilment cost, supplier funding, waste and substitution results. When creating initiatives that are generating engagement, but not economic value, stage gates must halt. The second threat is harm to data and AI. Tesco must have a responsible-AI model that encompasses legitimate reason, minimisation, bias testing, human evaluation, clarification and incident response. Perceived fairness and not just click-through rates should be tested under customer research.

The third threat is distrust of the suppliers. Additional sharing of data may seem as added pressure or leverage. Tesco would need to forge mutual data commitments, open performance indicators and mutual gain-sharing in making predictive gains, reduction of waste and emissions. The fourth risk is that of colleague overload. New tools may also not eliminate, but add to the workload. Rearrangement of process is needed: redesigning, paid learning time as well as frontline co-design; technology must remove repetitions and enhance service capacity. Cyber and operational concentration is the fifth risk. Unifying systems enhances efficiency but may enhance disruption, and Tesco requires parted architecture, tested fallbacks of the manuals, supplier cyber standards and Board-level resilience testing.

Table 8: Three-Year Implementation Roadmap

Timing	Key actions	Board-level milestones
0-6 months	Create Board-sponsored platform office; baseline customer utility, channel contribution, data risk and supplier resilience.	Common scorecard approved; top 20 customer missions and priority supply risks mapped.
6-18 months	Pilot mission-based offers, unified inventory, supplier control tower and responsible-AI controls in selected	Improved availability and basket economics; no material fairness or privacy

	regions.	exceptions.
18-30 months	Scale winning pilots; redesign store tasks and slot economics; expand electric and high-density delivery.	Market outperformance; contribution-positive omnichannel growth; waste and emissions milestones on track.
30-36 months	Institutionalise governance, refresh portfolio and exit initiatives that do not meet customer or value thresholds.	Benefits externally assured; Board decision on next wave of product and market development.

Source 8: Author Recommendation

The current UK strategy at Tesco is appropriate and has helped it to regain market leadership, yet further success demands a more integrated strategy. The suggested One Value Platform does not forego the value, Clubcard or convenience; it integrates them into a unique activity platform. It has a trade-off in its core: Tesco will not follow the discounter with its narrow model or the digital specialist with its asset-light model. It will employ economies of scale to offer a more personal, more responsible service and a broader one. When implemented with clear data governance, supplier alliance and contribution discipline, the strategy is capable of holding a competitive edge in the market and ameliorating the attainment and lifecycle of the competitive advantage.

5. Reflective Account Using Gibbs' Reflective Cycle

5.1. Description

I entered the assignment as a consultant who is going to offer some advice to a Board instead of the writer who is familiar with a supermarket. My initial conversion of the brief was into a requirement matrix: scope and justification; organisational context; PESTEL, VRIO and SWOT; CSR and Balanced Scorecard; strategic options, validation

and implementation; and a Gibbs reflection. I chose the UK grocery business of Tesco, as it fitted the five-year criterion, provided the widespread evidence to the masses, as well as enabled a narrow study of a single geographical market. I then constructed an evidence matrix between the company reports and regulators and government, market-share, academic theory and contemporary research on retail.

5.2. Feelings

I thought at the outset that the strategic conclusion would be easy due to the size of Tesco. The study left me doubting. Tesco was evidently leading the market, but the superior growth in Lidl and Ocado demonstrated that it was not leading to relieve the pressure on both ends of the market. I also struggled to evaluate Clubcard due to the fact that it generates real savings and good personalisation and casts doubt on the dimension of accessibility, power of data and equity. This tension was productive: it helped the report not to focus on a successful capability as something that can be sustained automatically.

5.3. Evaluation

Triangulation was the most powerful aspect of the process. The annual and sustainability reporting of Tesco gave up-to-date performance and intent; the Worldpanel and ONS data revealed the situations of the market and consumer needs; the CMA and government sources challenged assertions regarding prices and regulation; the academic research provided analytical prisms. My VRIO analysis was enhanced by not categorising resources separately, but by viewing the system between stores, Clubcard, suppliers and fulfilment. One of the weaknesses was the lack of a distinct set of public statistics on the profitability of Tesco UK grocery channels. Online, Whoosh, retail media and stores are interconnected, although their contribution margin is not revealed. I thus have not rolled out fabricated financial accuracy and employed target ranges at the Board level as recommendations and not forecasts.

5.4. Analysis

The exercise revealed that models are required to make a chain of reasoning. PESTEL found the pressures of cost, technology, social and environmental issues; Five Forces clarified why the pressures became strong competition and buyer power; VRIO challenged the ability of Tesco to react differently than competitors; SWOT generalised the scale/relevant gap. That diagnosis was then translated into causal measures by the Balanced Scorecard and disciplined the strategy selection by Ansoff and SAFe. This sequencing facilitated the process of preventing a frequent mistake associated with picking a recommendation and then modelling it afterwards to rationalise it.

I also got to know that powerful analysis involves such trade-offs. It would be convenient to describe Tesco as a cost leader and differentiator, but theoretically it would be weak. In understanding the strategy that Tesco should have, Porter assisted in explaining that the strategy should be differentiation by using personalised value and convenience, whereas cost efficiency is something that enables it. Equally, CSR could not be measured in terms of donations and carbon savings. In the case of low-price cost, who bears the burden, data use and the operational change had to be considered in the context of stakeholder theory. This transformed the advice to be more AI-driven, and delivery to a regulated platform enabled around customer utility, supplier resilience and economics of full contribution.

5.5. Conclusion

The key learning was that competitive advantage is dynamic and relational. The market share of Tesco is a product and not a source of an advantage. These more profound foundations are just routines linking data, co-workers, suppliers, stores and clients, and these will be destroyed should trust or performance falter. The significance of uncertainty was also recognised by me. Not all channel margins and future food shocks can be known to people through public evidence, and it is not enough to lack full information to make some recommendations that are vague. Transparent assumptions and stage gates, scenario tests and transparent decisions enable a Board to make effective decisions in uncertainty.

5.6. Action Plan

To prepare a strategic report in the future, I would set the question of the decision and limit of the analysis and then document the purpose, date, credibility and limitations of every source. I would create a quantitative model sooner, even without a sensitivity table, of market share, margin and fulfilment cost, so that the recommendations can then be economically tested. I would also interview or use firsthand understanding of customers, colleagues and suppliers where allowed, since the published corporate reporting cannot be able to completely depict implementation barriers. Lastly, I would book a special editing phase to check that all the tables generate a judgement and that all recommendations have some evidence behind them.

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