

Evaluating the impact of CSR activities on customer loyalty in retail industry (A case study of Tesco)

Introduction

The main research aim of the study involved the opportunity to critically examine how Tesco's CSR practices influence customer perceptions, satisfaction, and loyalty, contributing to the organisational success on a long-term basis.

Research Objectives

- To evaluate Tesco's CSR efforts from their Sustainability Reports.
- To analyse the influence of CSR practices in Tesco on consumer perceptions.
- To assess the Tesco's sustainability strategy in maintaining its long-term profitability.



Research Methodology

Research Philosophy: Interpretivism. As per Saunders et al., (2019), interpretivism philosophy helped in investigating the complexity of “sustainability” in the process of shaping the customer's loyalty and satisfaction levels.

Research Approach: The study used a deductive approach, while two key theories (Carroll's (1991) CSR Pyramid and Oliver's (1980) Customer Satisfaction Model) were the foundation of the study.

Research Strategy: Case study while considering Tesco organisation.

The overall methodology focussed on considering the evaluation of the secondary sources, researching over multiple documents including Tesco's CSR report, industry journals (Statista, Deloitte, PwC), UK Government publications (Gov, Waste Management plan for England). Indeed, the data approached represented an opportunity to support “building” the overall analysis, approaching a complex structure in order to address the proposed research objectives. Therefore, using a thematic analysis represented an opportunity to enhance data analysis required within the investigation.

Outcomes

Theme 1: CSR Implementation in Tesco

Tesco's CSR practice aligns with the stages on Carroll's (1991) CSR Pyramid, demonstrating ethical, economic, legal, as well as philanthropical responsibilities. Some of the relevant Tesco's CSR activities reflect on its environmental commitments, responsible sourcing, carbon emissions reduction, as well as community investments (Tesco, 2025).

Theme 2: CSR Impact on Customer Satisfaction

Tesco's CSR has a positive and great impact on the long-term customer satisfaction, as the demand for sustainability increases considerably, and customers continue to increase their expectations from the brands in acting sustainably on the market.

Theme 3: CSR, Loyalty and Competitiveness

CSR is approached as being an opportunity to maintain long-term competitive advantage on the market, especially as Tesco is one of the leading UK retailers and requires constant adaptation and innovation.

References

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