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University of Wales
Trinity Saint David

Marketing Fundamentals

Assignment 2

Title of the Assignment: *Individual report*

Module Title/Name: *Marketing Fundamentals*

Module Code: *LCBB4004*

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Word count: *3000*

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Introduction

The concept of marketing fundamentals are basically described as the description of the main principles of marketing. The major role of marketing generally starts from having better knowledge and understanding in relation to the target audience and determination of their values. The Business Organisation chosen for the present report is “Tesco”. It is a British Multinational grocery and general merchandise retailer founded in the year 1919 and headquartered in Welwyn Garden City, England, UK. The firm offers wide range of services in different areas such as clothing, furniture, financial services etc. The present report involves the external analysis of the organization and future recommendations and strategies which need to be considered by the company in order to identify the threats and opportunities.

MAIN BODY

Process of Marketing

The concept of Marketing involves the different activities which a firm need to undertake for the purpose to promote the selling as well as buying of a service or product. With relation to Marketing, it allows to have deep understanding and being well aware regarding the services or products and also helping them to make buying decision (Chen, 2022). For a Business Organisation like Tesco, it is crucial to develop a business plan for the purpose to maintain and create reputation, demand, competition, and relevance. Marketing process is basically a series of steps which the business could follow for the purpose to promote services as well as products to potential customers. There are wide range of steps involved in the process of marketing which includes understanding the market and customers, capturing value from customers, creation of a customer-driven marketing strategy, fostering long-term sustainable customer relationships and creation of an integrated marketing plan.

External Analysis

A marketing Environment comprises of all the external as well as internal factors which helps in impacting and driving the organizational marketing activities. For Marketing Managers,

it is very important to be well aware regarding the marketing surroundings for the purpose to maintain success.

Pestle Analysis

The use of PESTEL analysis helps in analysing the unpredictable surroundings and environment in which the Tesco operates by having better discussion regarding the different factors which helps in affecting the operation as well as performance.

Political Factors: In relation to TESCO, the organization basically operates in 12 countries which also involves Europe and Asia. Therefore, the firm is highly exposed to different political factors which might result in affecting the company's operations(Azmat, Ahmed and Mubarik, 2022). Such factors generally includes Political instability, Tax Rates, Unemployment rate, impending and current legislation and wide range of economic conditions. For example, the import duty on goods might affect the Tesco because it imports the inventory outside UK like East Asia and China.

Economic Factors: With relation to Tesco it involves wide range of products and thus economic factors plays a major role in the consumption of wide range of products. It is important for the company to keep an eye on the various economic changes. The firm also needs to consider the product price which will influence the sale. With relation to Economic Factor, Labour cost is considered to be a very crucial economic factor which might affect the UK supermarkets. There are various different factors which might result in affecting Tesco such as profits, prices and cost. It is necessary for the firm to pay attention on increased borrowing cost in UK.

Social Factors: In relation to Consumers shopping, these are constantly changing over time. Due to new trends and changes, the individuals have tight schedules and generally prefer fast delivery and one-stop shopping (Ikram and et.al, 2023). With reference to Tesco, the organization is dependent upon UK customers and therefore it is important understand and offer the services for the purpose to meet these issues. In addition to that, the demand for services as well as goods is directly related to attitudes and beliefs. Nowadays, customers are getting more and more concerned regarding their health, and it is crucial for Tesco to consider the changing demand and behaviour of customers.

Technological Factors: In the past years, Tesco was facing wide range of issues such as horse meat scandal and poor customer experience. With reference to Technological advancement, it is very important for the company to regain the trust of their customers. For the firm, it is necessary to adopt the retrial technologies. The company has developed their own mobile payment system which is known as PayQwid.

Environmental Factors: In case of various organizations, they are generally facing extreme pressure from government agencies for the purpose to deal with the environmental issues. As firms, it is necessary to respond to such issues for the purpose to benefit society. The firm encourages their customers to shop from their website and also the organization is committed to use renewable resources.

Legal Factors: The different changes in the policies of government directly affects the company's operations. The company Tesco has already been under media trail and has been already sued for unequal pay among the women and men working in the firm. For firm it is necessary to follow the international as well as local market laws.

Porter's Five Forces

The model of Porter Five Forces helps in analysing the competitive landscape company and also the different factors which can affect the sectors. In relation to Tesco, it basically examines the influence of the five forces which comprises of supplier power, competitive rivalry, threat of new entrants, threat of substitute and buyer power(Jelassi and Martínez-López, 2020). With relation to the Firm, it is one of the market leader in United Kingdom and operates in wide range of countries.

Bargaining Power of Customers : With relation to organization, the company serves millions of individuals every week. In case of organization, the bargaining power is low as the firm is not really well organised. The companies like Sainsbury's and ASDA gives tough competition to Tesco.

Bargaining Power of Suppliers: In Porter's Five Forces analysis, the bargaining power of supplier is considered to be really crucial factor. Under this force, it involves the ability of the suppliers to negotiate terms and prices with the buyers. With relation to Tesco, the bargaining power of supplier is really low(Rusanen, 2023). In United Kingdom, the Tesco has a really strong presence and in such case the suppliers are unlikely to negotiate prices.

Threat of new entrants: In relation to UK's supermarket industry, the threat of new entrants is really low due to the capital requirements. In case of Tesco, the firm do not have to worry regarding the threat of new entrants as they has its own core competencies and enjoys economies of scale. The firm already established itself as a leader and has strong brand presence. Therefore, the new entrants will not be able to compete in an effective manner.

Threat of substitutes: The threat of substitutes can be referred to as the customer's likelihood of customers switching to alternative services as well as products. In case of organization, the threat is very low. The firm offers wide range of services and products and is considered to be the largest supermarket chain and thus the customers are unlikely switch to services and products. The firm sells substitutes of wide range of products.

Rivalry among Existing competitors: In relation to organization, the company operates has intense competition from wide range of competitors such as ASDA, Walmart, Sainsbury's and Carrefour(Olarewaju and Ajeyalemi, 2023). In case of Tesco, the intensity of rivalry is very high. Even though the firm has a various competitors in the UK and these competitors spend huge sum of money on different marketing techniques as well as advertising. But in some cases, the price wars launched by Lidl and Aldi might affect the profit margins. In case of Tesco, the company is seeking wide range of solutions for the purpose to deal with the issues of intense competition.

With the support of Porter's five analysis, it helps the firm in analysing the industry and also implementing effective strategies for its future as well as current operations.

SWOT analysis of Tesco

This framework assist organisation in analysing and identifying strengths, opportunities, weaknesses, and threats. It increased awareness of organisation related to both internal and external

factors which can create impact on business performances (Hughes, 2021). Tesco can effectively formulate decisions by using this framework as it provides knowledge about threats and opportunities. The SWOT analysis of Tesco is as follows:

Strength	Weaknesses
Broad product range: Tesco sell huge variety of products which becomes their key strength. This further assist them in maintaining diverse customer base as they can satisfy their requirements. Different ranges of products become efficient in capturing large market. Strong brand image: They have established their brand image by offering high quality products (Yamoah, 2019). The prices of Tesco are affordable which can attract large number of customers. Their reliable and reputable brand image help in generating higher profits. This also help in improving trust and loyalty among customers.	Poor online delivery services: Nowadays most of the customers rely on online delivery. Tesco failed in providing effective online deliveries due to logistical challenges. Due to delay in deliveries, they are some of the perishable goods destroy. Failed ventures: It is analysed that Tesco failed in getting partnerships in foreign markets. Expansion of business is affected due to regulatory hurdles, cultural differences and logistical challenge. This affect their further growth and expansion.
Opportunities	Threats
Private label brands: Tesco provide affordable private labelled products in targeted market. It increase their competency level and profit margin. They can effectively manage their inventory and supply chain which is positive factor. This also help them in enjoying economies of scale as they can produce products and services for large customer base. Partnership and collaboration: They can further explore opportunities related to collaboration with other firms. They can enter	Disruptive technologies: Emerging technologies like artificial intelligence, automation, blockchain, etc. may disrupt supply chain and operation of Tesco. New technologies are highly expensive which also affect financial stability of business. Poor technology results in delay in operations like failed online deliveries. Changing preferences: customers of Tesco tend to change their habits and preferences on regular basis. Altering products can result in losses (Murphy, McCord and McCord, 2022). It

in different segments by using partnership strategy. It help in becoming more competitive and innovative in their market. Partnership with strong businesses help in getting business opportunities.	is required to adapt trends and changes so that they can increase their customer traffic. Surveys need to be carried out for analysing requirements and taste of targeted audience.
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Strategies

Tesco have to focus on developing various strategies so that they can overcome identified threats and weaknesses. This improve the operational performances and profitability of business in strategic manner. Business can effectively reduce challenges and difficulties faced on regular basis by implementing formulated strategies (Ashby, 2022). This also focus on getting better competitive advantages which improves the survival of business in their market. Tesco can use Ansoff matrix which is also known as product or market expansion grid. It help in getting growth initiatives which are favourable for business. This framework can be used as follows:

Market penetration: This suggest that business have to increase their sales of their existing products in already captured market. Tesco have to find new growth opportunities so that they can convince large number of customers for buying their products. They can opt for attractive marketing strategies which creates brand awareness in market. Digital tools and social media platforms like Instagram and Facebook can be used by Tesco. Business can also provide offers and discounts on their products which help them in gaining customer loyalty.

Market Development: This strategy focus on entering new market areas for selling their existing products. The current business operations needs to be diversified so that Tesco can effectively enter new market. Improved distribution channel and product dimension assist in attracting more potential customers in order to build new market (Richardson, 2019). They have to build relations with new producers and suppliers which promote their expansion in new market. Tesco can also opt for joint ventures, collaborations and partnerships with existing firms present in new market.

Product development: According to this strategy, business have to develop new and innovative products for their existing market. Tesco have to identify opportunities and develop new products accordingly so that they can satisfy the needs and requirements of old customers. They can add new line or new product segment which can increase their customer base. The

changing preferences of customers should be evaluated in order to transform products in more desirable form. The aim of Tesco should become one stop solution for their customers. Effective research and development for manufacturing new, innovative and creative products are required which facilitate their growth.

Diversification: This strategy is opted by most of the new organisations as it suggest that business should formulate new products for new market. This strategy is riskier in comparison to other strategies as it involves huge capital and resources. Developing new products for entirely new market is challenging for Tesco.

It is evaluated that Tesco can opt for product development and market development so that they can increase their profitability. These strategies reduce the chances of business failure which help in increasing revenue generation (Massa, Taraporevala and Van der Heyden, 2023). They can capture market which is more profitable for them. Developing healthy relations with different stakeholders help business in improving their brand image.

Recommendations

It is important for an organisation to focus on better solutions and alternatives so that they can improve their growth and profitability. Tesco have analysed that high competition, technology, preferences of customers, regulations, area of market, etc. are some of the affecting factors for them. It is required to focus on different type of external factors which help in eliminating and minimising the chances of risk. There are some of the recommendations for Tesco which they have to implement. These are as follows:

- Tesco should carry out market research which help them in understanding the current market trends along with the preferences of customers. It is important for them to regularly innovate their offerings which attract customers without any difficulties. In order to implement innovation, they have to source information and data from different sources. This helps them in increasing their competitiveness in market.
- Business should use advanced technology so that they can effectively increase their efficiency. Advanced tools and techniques improve quality of products by using minimal resources. It is required to invest in technology as it provides positive outcomes to business. Technology also helps in reducing manual efforts which results in reducing human errors and mistakes during operations.

- Effective and strategic marketing strategies should be used by Tesco which increase the brand awareness. Digital platforms are highly recommended as it increases customer traffic in minimum investment (Turgut and et.al., 2022). It also involves creative images and videos which can easily influence the mind of customers. Tesco can also hire social media influencers who can help them in promoting products and services.
- Tesco should regularly interact with their customers so that they can understand about their demands, tastes, and preferences. This further assist business in adding values according to the needs of their targeted customers. They can also gather information with the help of surveys, questionnaires, and interviews. This information is more reliable and relevant for business as they can easily transform products and services.

Conclusion

From above report it can be concluded that organisations have to use different marketing techniques and strategies. This assist them in increasing interest and awareness of customers which is positive factor for business. It is important to stay connected with customers so that business can get better opportunities in future. New technology and partnerships need to be identified and implemented which facilitate business growth. This report discussed about external environment with the help of different frameworks like PESTLE, porters and SWOT analysis. Appropriate strategies are formulated for business by using Ansoff matrix which improve the growth of business. In order to improve business operations, appropriate recommendations are also given in this report.

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