

Assignment

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Tesco Esso Express, Aberdeen, UK

Abstract –

This report mainly aims to explain the importance of growth strategy for the business performance of Tesco Express, Aberdeen UK. Tesco Plc is the largest retail store in the UK. Tesco Express, Tesco Metro, Tesco Extra, and one-stop are the branches of Tesco Plc. Tesco Express is opened in a strategic location, neighbourhood places of local people. Its main aim is to achieve customer satisfaction and customer loyalty. It is located near Aberdeen University and its main target is staff members and the students at this University. It uses a market segmentation technique to provide goods and services from individuals to family members. According to Porter, ⁹ there are three generic growth strategies - Cost leadership, Differentiation, and Focus strategy. A sustainable strategy mainly focused ⁷⁰ on sustainable development and maintaining the Customer relationship with the firm. The use of total quality management (TQM) will result ⁵⁷ in achieving a sustainable competitive advantage for the store. It includes customer focus, HRM, continuous improvement, Teamwork, supplier management and communication. It works upon the effective management of wastes such as it has a battery recycling station for the recyclable process. The use of the growth strategy will result in gaining a competitive advantage. The business environment is mainly affected by the micro and macro environment. The pestle model and Porter's five force of competition is used to explain the external environment and SWOT analysis is used to explain the Microenvironment. The business environment ⁵⁷ has a significant impact on the financial performance of the organization. A proper growth strategy will be led to the enhancement in the financial performance of Tesco Express stores.

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Introduction -

³⁴ Strategic management is a method of strategizing used by public organizations or other entities that integrates the development and implementation of strategies. (Bryson et al., 2020). Strategy is a crucial component of every business plan and operation. According to Porter, the three main business tactics outlined for obtaining long-term competitive advantage are cost leadership, Differentiation, and focus. Cost leadership is attained by actively seeking cost-saving and cost-cutting measures. Porter asserts that despite fierce competitive dynamics, a firm can have above-average returns in its industry by maintaining a low-cost position in comparison to rivals. Making ⁶⁶ a product or service stand out from the competition is the goal of the differentiation strategy. Examples of differentiating techniques include style or branding, innovation, functionality, customer service, dealership network, in-depth research, product development, and high-quality materials. (Teves et al., 2023, p. 16).

The third generic approach focuses on a specific client base, product line, or market niche that requires meeting a certain target. The focus strategy is based on the notion that the company can more efficiently or effectively serve a certain strategic aim. A competitive advantage becomes sustainable when it is applied for a long time. The sustainable strategy works on sustainable development and maintaining the customer relationship with the firm. (Teves et al., 2023, p. 17)

Porter's competitive strategy can be achieved through ⁵⁸ human resource management, Marketing management, and finance management. Human resource plays a very crucial function in organizations or businesses where they are Essen to a company's success. Business development managers oversee fastening business expansion within an organization. (Sulistyaningsih, 2023, p. 149) .

This assignment Focused on the Tesco Express, Aberdeen branch of a Tesco supermarket in The United Kingdom. It includes its growth strategy analysis, financial analysis, and external and internal factors affecting the business. ¹⁴ The big four supermarkets, which include Tesco, Asda, Morrisons, and Sainsbury's dominate the Grocery retail sector in the United Kingdom. (Vicentini, 2021, p. 91).

⁶ Tesco is the top supermarket in the UK and ranks third all over the world after Walmart and Carrefour. Additionally, Tesco conducts business in Malaysia, South Korea, China, Turkey, and Thailand. ⁵⁰ It introduced the first loyalty card in the UK, which has grown to have over 38 million active members and become a very effective and Targeted marketing system. In the UK, Tesco has approximately 260 Grocery Drives. Tesco had sales of more than 60 billion British pounds in

2022- 23³⁸ in the United Kingdom. When Jack Cohen started selling extra groceries from a booth¹² in London's East End in 1919, Tesco¹⁴ officially opened for business. In 1924, when Cohen¹⁴ purchased a supply of tea from Mr. T.E. Stock, the Tesco brand was officially established. In 1929¹⁴ Mr. Cohen opened the first Tesco store in Burnt Oak, North London accounting for more than 75% of all retail grocery sales in the UK at the time. In 1932, Tesco became a private limited business. Tesco stores went public on the stock market in 1947 with a share price of 25p. Tesco opened its first petrol stations in 1947 and went on to become the largest independent supplier of petrol in the UK. Every little help was the company's tagline when it was first introduced in 1992. Tesco Value was then introduced in 1993. 1995 saw the launch of the Tesco Clubcard program, and Tesco surpassed other retailers to take the top spot in the UK. Tesco surpassed Sainsbury's to become the biggest food retailer in the UK. Tesco first debuted its Stores that are open 24/7 for retail Sir Terry Leahy was chosen by Tesco to serve as CEO in 1997. Leahy started working at Tesco in 1979 as a marketing professional. Leahy joined the board in the past, in 1992. Tesco.com was introduced in 2000, and since then the store has worked to broaden its selection, which currently includes apparel, electronics, and personal finance goods. Tesco started selling broadband in 2004. (Vicentini, 2021, p. 92) Tesco offers six alternative shop layouts, each catering to the interest of Neighborhood residents. (Vasquez et al., 2016, p.3)

Store Type	Number
Extra	250
Superstore	479
Metro	178
Express	1,713
One-stop	873
Total Tesco store	3,493

(Vasquez et al., 2016, p.3)

Tesco Express store is up to 3,000 square feet in size, it provides clients with excellent value, high - quality and fresh food near where they live or work. There are currently 1,713 lines including fresh vegetables, wines, and spirits, and an in-store bakery since the first express shop was established in 1994. Tesco metros offer a specialized selection of food lines, including sandwiches and ready-to-eat meals to accommodate its bus consumers. Between 20,000 and 50,000 sq. feet is the size of a superstore. Tesco started establishing superstores in 1970. Tesco created a

country-wide network of stores in 1980 and 1990. Extra stores are typically larger than 60,000 square feet. (Vasquez et al., 2016, p. 3)

Esso Tesco Express, Aberdeen -

The first move towards a focus on urban areas and convenience customers was the opening of a Tesco Express store in the early 1990s by reentering major streets and finding a Tesco Express store as a convenient outlet, which is frequently found on petrol station forecourts. (Fernie & Sparks, 2009, p. 158). Esso Tesco Express is located at 472 King Stm Aberdeen, AB24 3EN UK. (Tesco, 2021). It is located at a petrol station, Esso Tesco Pittodrie Express. It is open till midnight. They also provide a facility for providing club cards on fuel. (Tesco, 2021)

It is the smallest of its kind and strives to deliver fresh food close to Homes and places of employment. Its layout is ideal for quick stops and top-up purchases. It is typically located in a key area, near the University of Aberdeen, where students frequently stop for lunch or a quick snack. (Vicentini, 2021, p. 29).



(Source: Evans, 2015)

Vision -

Vision is a future-oriented concept of business. They intend to be the greater and better main retailer internationally that recognizes their clients and to grant higher merchandise and offering a nicely has been an extra innovative corporation with their product and offerings. As they Go through their slogan "Every little help". (Taqatqa, 2021)

Objective –

The main objective of this Tesco Express is to create value. Value is simply the result of combining three key actions- price, quality, and service to maintain customer loyalty and pleasure. (Vicentini, 2021, p. 29) It mainly Focused on providing the customer with the best quality product at a rate less than other retail stores such as Sainsbury's. It creates value by offering fresh food, drinks, non-food materials, and daily needs products with proper labelling. The main target market of the store is students, staff members of Aberdeen University, local people, and visitors. Customer satisfaction and loyalty can be achieved by proper management of human resources, Marketing, and financial management. In this store, 250 employees were working. They have a good relationship with their customers because of their effective communication. (Tesco, 2021)

Mission -

The mission ³⁹ is a widely used strategic tool that emphasizes an organization's uniqueness and identity. (Alegre et al., 2013, p. 456).The mission ⁹ of Tesco Express is to create costs for clients to earn their lifetime loyalty. Grow profitably and be a part of the world's biggest retailer. The main mission is to gain customer satisfaction and customer loyalty. (Taqtatqa, 2021)

Marketing -

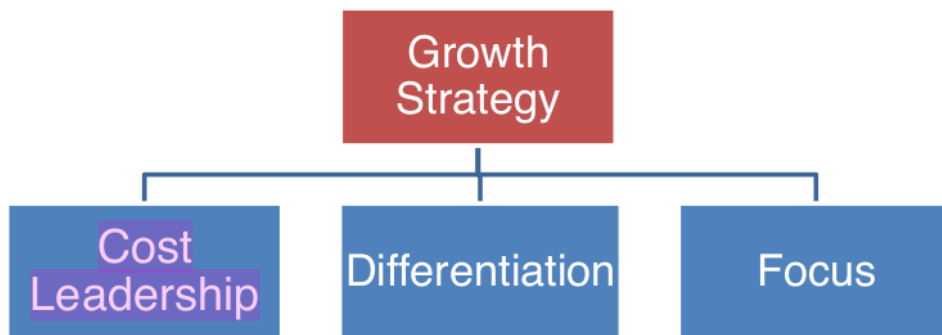
It involves all the management steps that are required to provide the customers with the best service. It uses market segmentation, digital marketing, traditional marketing, and sustainable marketing techniques to reach its target markets. (Jorgenson, 2023)

Market segmentation ³² involves dividing and segmenting the customers according to their needs and respect. Its performance in the market depends on its ability to comprehend client categories. The firm caters to a variety of clientele, including individuals, families, and corporations. It offers various products ranging from individual to family. It provides ultra-smooth baby diapers for babies, fruits, fresh food, and meat for individuals and families.

Digital marketing - It involves the use of an online platform such as Facebook, Instagram, Twitter, and website for its advertising and marketing. www.tesco.com is a website which provides all the information about the store. (Tesco, 2021)

Growth strategy-

Strategus is a term that refers to a broad range of utilization and chance to build competitive advantage regardless of the sector, organization type, or size. Porter's model and generic strategies are regarded as crucial components of management theories that describe how firms behave toward rivals in a particular industry. Cost leadership, differentiating, and focusing are the three different pillars from which organizations can acquire a competitive advantage. (Islami et al., 2020, P. 3)



(Source: Islami et al., 2020, P. 3)

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Cost - leadership strategy –

A cost-reduction strategy is one in which a company tries to achieve a competitive edge by lowering its expenses below those of other companies. For price-sensitive consumers, the cost approach emphasizes producing standardized goods at extremely low unit costs. The benefit of a cost reduction approach is that it enables businesses to perform better since they can charge less for their goods and services. (Islami et al., 2020, p. 3)

Tesco esso express store provides the products at a lower cost than the Sainsbury local and Aldi store present there. (Tesco, 2021) The various steps adopted by the Tesco express branch (Tesco Pittodrie Esso express) in Aberdeen use supply chain management, logistic management, online recruitment, and product modularization for cost reduction.

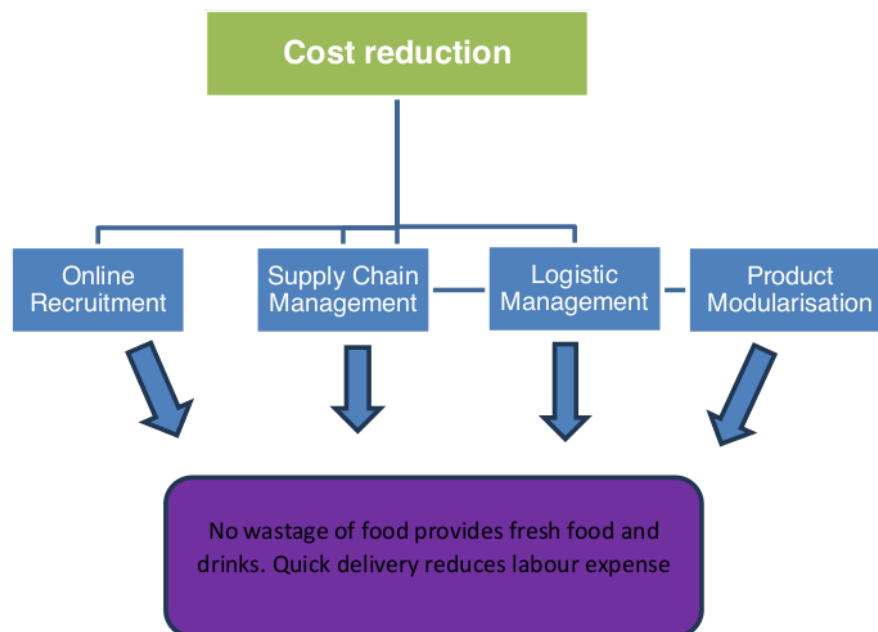
E-recruitment –

it is the newest kind of recruitment and heavily relies on technology (internet). It uses a variety of internet resources including social media platforms, employment boards, and radio stations. The two most crucial aspects of electronic recruitment are cost savings and attracting a big pool of

candidates. (Malik et al., 2018, p. 83) This branch of Tesco Express uses a digital method of recruitment which is responsible for reducing the cost of labour and expenses. The website www.tesco.com is available for online application for the job and conductance of interview. (Tesco, 2021)

Supply chain management –

It involves the control of crucial company operations throughout the network of businesses that make up the supply chain. (Croxton et al., 2001, p. 13) It includes providing fresh food to the customers and less waste of food. It includes composite distribution, lean supply chains, continuous replenishment, In-store range management, Network management, and primary distribution. Controlling pricing across the supply chain, from the supplier's dispatch bay to the goods in the bay of the retail distribution Centre, is the focus of primary distribution. It distinguishes between the price of the commodity itself and the cost of transportation. Composite distribution made it possible to distribute temperature-controlled goods (fresh, frozen, and chilled) using a single system of multiple temperature warehouses and vehicles (Ferne & Sparks, 2009, p. 145).



(Source: Fernie & Sparks, 2009, p. 145)

Differentiation strategy –

¹ A Differentiation strategy is one in which an organization tries to stand out from rivals by the calibre of its goods or services. ⁴⁰ Poster asserts that a distinctive product or service will result in high levels of consumer loyalty. As a result, customers who believe that a company's product or service is special are more likely to remain loyal to it. Differentiating a good or service is a manifestation of both individual and group creativity inside a firm (Islami et al., 2023, p. 4).

Tesco Pittodrie Esso Express (Tesco Express) store used the sustainable differentiation strategy for maintaining customer loyalty. ⁶⁴ Tesco had showed a commitment to sustainability and corporate social responsibility (CSR). ⁵¹ It mainly focuses on sustainable development. The corporation has set lofty aims to reduce carbon emissions, eliminate food waste and promote healthier eating options (Jorgenson et al., 2023).

Ecology packaging and Eco product design were used by it to be reusable and safe for the environment and people's health. The entire packaging process, including the choice of raw materials, and product manufacturing was reusable, recyclable, and disposable. It used plastic-free packaging (Ouyang et al., 2019, p. 3).

Tesco Esso Express also acts as a battery recycling station. As batteries like AAA, AA, and C are recycled here (Tesco, 2021).

Picture showing eco-friendly packaging and product design.



(Source: Gateway, 2021)

Focus strategy -

An organization's focus strategy is when it focuses on a certain regional market, product line, or group of customers. There are two different sorts of attention strategies. Type one is a cost

reduction focus strategy which Focuses on a low cost and type one is a focused differentiation strategy which focuses on providing the best quality product to several groups of customers (Islami et al., 2021, p. 14).

Esso Tesco Pittodrie Express uses a focused differentiation strategy for maintaining customer satisfaction and loyalty. It offers the best service to students of Aberdeen University, local people, and visitors. For achieving this it uses ⁴⁸ market segmentation. Market segmentation is the process of dividing a market into various homogeneous groups. It provides the best quality products ranging from individuals to family members. It provides fresh and organic food, organic products, daily need products, Baby diapers, fresh vegetables, fruits, and grocery items. It mainly focused on providing recyclable products. It uses eco-friendly product design and packaging. (Bose, 2012, p. 115). Its rate to provide similar products were higher than those of Tesco Extra, Tesco Metro, and other Tesco stores, but because of its quality, service, and strategic location peoples were more likely to visit here which results in developing customer satisfaction and loyalty. (Tesco, 2021)

Sustainable competitive strategy – It is a strategy that works upon sustainable development to enhance business performance. Sustainability is the practice of reserving resources for future generations by individuals and businesses. These businesses oversee maintaining both their internal and external resources. Internal resources are essential for a company's competitiveness since they help them improve their strategic resources. Social customer relationship management (s-CRM) is a two-way method used ⁴⁷ to strengthen client relationships through social media. Corporate sustainability plans strive to balance the social, environmental, and economic needs of both the company and society (Engert et al., 2015, p. 5623). A sustainable strategy will result in achieving competitive advantage, customer loyalty, Business performance, and Reputation. A sustained competitive advantage can be maintained for a long time. A firm's higher quality, its distinctive service and products, and the value supplied to clients in comparison to competitors have all been used as metrics for measuring sustainable competitive advantage. (Olutola et al., 2023, p. 98)

It is implemented by Tesco Esso Express, Aberdeen to achieve a competitive edge and maintain environmental health.

Tesco's main approaches to managing waste as efficiently as possible and to help ensure that recyclable products are recycled. Both used cardboard and plastic are recycled, before being shipped for ultimate processing. Most plastics were converted into recyclable bags. Tesco Esso

Express store has a battery recycling station. All ⁶⁷household batteries, including AAA, AA C, D, and 9 volts, and those from gadgets like laptops, cell phones, and watches are recycled here.

It can maintain a sustainable competitive advantage by providing fresh food, organic products, eco-friendly packaging design, quick service, effective communication, maintaining brand loyalty and effective communication through social media apps such as Instagram, and Facebook. Customer relationships and loyalty can be maintained by interaction on social media apps where an organization gets feedback from the customers. It can also be maintained by providing other waste recycling stations such as plastics. (Tesco, 2021) A sustainable competitive strategy is also used by Toyota Motors Corporation to enhance its performance. It works upon reducing carbon and carbon dioxide emissions. (Zhiran et al., 2012, p. 32)

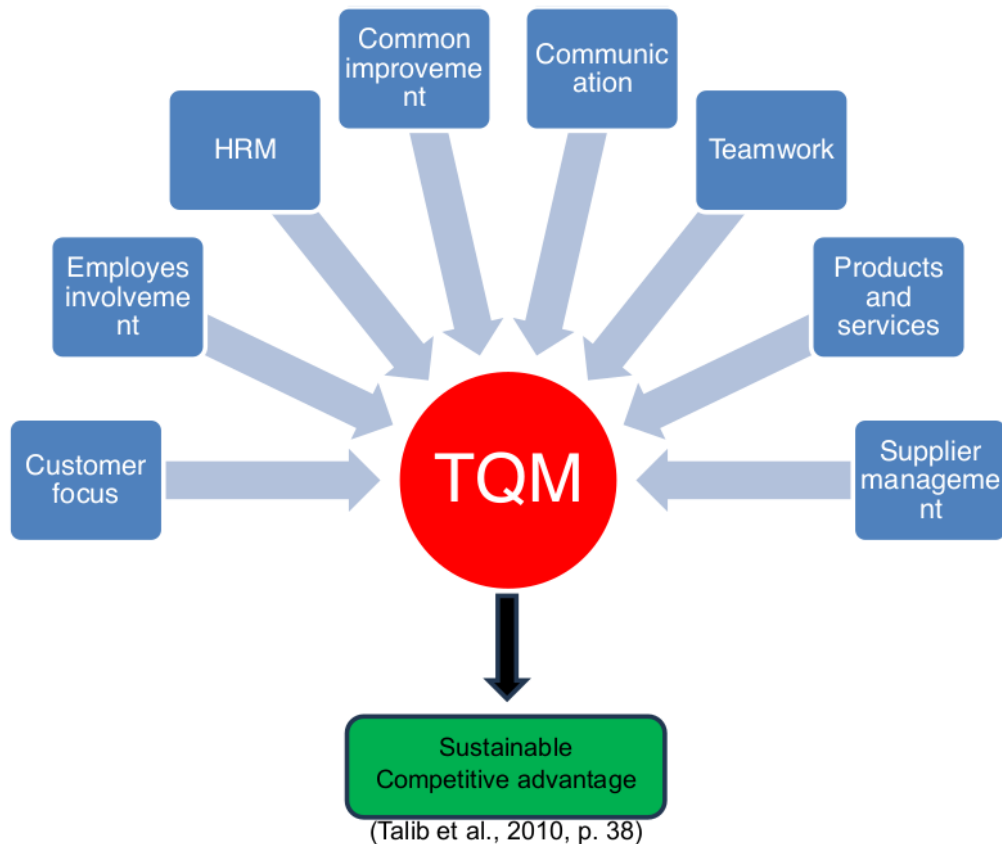


(Source: Prestonville, 2010)

Implementation -

Implementation is a necessary step for enhancing business performance as it comes with proper planning. Using leadership strategy, employees, company values, resources, tools and ⁴²processes, strategy execution has been developed. In terms of quality management research,

total quality management (TQM) has been largely regarded as a strategic, tactical and operational tool. It works upon the TQM to achieve customer satisfaction and loyalty. Customer focus, training and education, continuous improvement, supplier management, employee involvement, HRM, strategic planning, teamwork, communication, product and service. (Talib et al., 2010, p. 118).



It will be focussed on providing the best quality product at a suitable price that will result in achieving the environmental, societal and economic needs. HRM plays an important role in achieving sustainable competitive advantage. They are involved in maintaining customer organisation relationships through social media. They are responsible for receiving feedback from the customers and taking action upon it. HRM will result in enhancing communication. Tesco Express store act as a customer for suppliers. Total quality management can be achieved by supplier management as they are responsible for providing suitable products. By creating channels with the product checking organisation, The quality of a product is checked and defective products are removed before supplying to the stores. Teamwork is a necessary step,

several employees and workers are involved in the teamwork. Online delivery services also led to an increase in customer satisfaction and financial performance. It must be employed by the organisation. Training and education must be provided to young employees so that they act as sustainable Human resources. These all will result in the continuous improvement of the firm and the production of the best quality product which led to the achievement of a sustainable competitive advantage. (Talib et al. 2010, p. 118)

As the majority of organisations such as Toyota motor corporation, Reliance Petroleum will work on total quality management. (Ukkesays, 2018).

Business environment –

An environment that is close to a business organization and has the potential to have an instant impact on its operations is referred to as a microenvironment (internal factor). The term macro environment refers to the overall economic landscape that influences how each corporate group operates, performs, makes decisions, and formulates a plan. It includes pestle, Porter's five forces and swot analysis. (Rathburn, 2021).

Pestle analysis of an Esso Tesco Pittodrie Express -

⁴⁵ Pestle is a strategic planning method for assessing the effect of political, Economic, Social, Technological, legal, and environmental factors. (Rastogi & Trivedi, 2016, p. 385)



(Source: Rastogi & Trivedi, 2016, p. 385)

Political factors -

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Political variables can have a significant impact on the business environment and include Tax policies, fiscal policies, trade tariffs, and other measures that a government may impose throughout the fiscal year.

The UK government increased the corporate income tax which has a direct effect on its business. According to the report it was found that the overall Tesco store ranked the 3rd largest corporate tax player in the UK in the year 2023. It results in the decline of the financial performance, and because of this, led to the increase in the cost of products. After COVID-19, in 2020- 21, the UK government exempted the tax from this store to maintain its financial performance. The government imposed a new policy of recruiting and providing internships and apprenticeships to young people to reduce unemployment in the UK, but sometimes This will result in the recruitment of a lack - skilled candidates which completely declined the financial performance of the store. (Ukessays, 2018)

Economic factor –

1

These elements affect a company immediately and have long-lasting repercussions on the state of the economy. A rise in any economy's inflation rate, for instance, would have an impact on how much businesses charged for goods and services. Additionally, it would have an impact on a customer's purchasing power. (Rastogi & Trivedi, 2016, p. 385). COVID-19 had a significant impact on its economy. It results in a decrease in the economy of the store. It results in the global recession, deglobalization, and expanding the online presence of societies and economies. The closing of Aberdeen University near this store in COVID-19 would result in a decrease in sales and productivity. (Rybackzewsk et al., 2016, p. 259). Competition also plays a crucial role in affecting its economy. Major competitors of this Tesco express store are Sainsbury and Aldi stores. They also provide a variety of products, But Esso Tesco Express provides the product at a lower rate than that of its competitors, which increases its economic rate. (Tesco, 2021)

Social factor –

It involves the behaviour and experience of the local community, regular customers, and students towards the store, Tesco Esso Express meets the demand of the customers by providing healthy, fresh, and frozen food. It has a quick service. Its main aim is to achieve customer satisfaction and loyalty. (Rashnizam et al., 2020, p. 20) ²⁷ Facts and experiences in the social environment have an impact on people's personalities, attitudes, and lifestyles. ²⁷ More people are concerned about their health and adopting healthy lifestyles. It provides healthy and organic food. (Tesco, 2021).

Technological factor -

In the modern world, technology plays an important ²⁸ role in enhancing business performance. Tesco Esso Express store has innovated by utilizing modern technologies like radio-frequency identification technology (RFID), the self-checkout system, as well as the "Scan & Shop" application, and an online mobile payment system called "PayQwiq" through which the customers directly scan and pay online. It uses digital marketing techniques) to attract more customers. With the help of technology, it also aims to be a sustainable store by recycling plastics, batteries, chargers, etc. (Rosnizam et al., 2020, p. 25)

Legal –

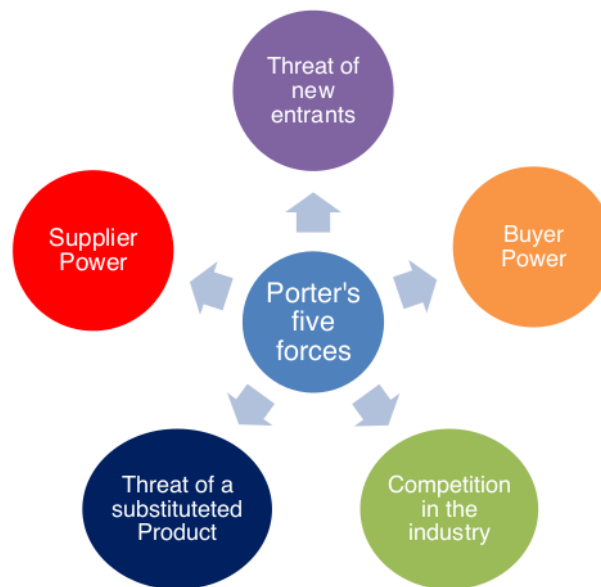
The legal structure is important for the success of a business. ⁶¹ All legal elements, including those ²⁶ relating to employment quotes, taxes, resources imports, and exports. While businesses maintain certain policies for themselves, certain laws have an impact on the business climate in each nation. Both perspectives are considered in legal analysis. It includes customer protection licenses, safety regulations, and labour laws. Any change in these laws by Tesco Esso Express affects its financial performance and customer loyalty. (Rastogi & Trivedi, 2016, p. 385).

Environmental -

This category includes all variables that mainly affect or influence the environment. (Rastogi & Trivedi, 2016, p. 386). Tesco Esso Express store works on a sustainable development program which maintains the environment. It uses eco-friendly product design and packaging. Most of the waste is recycled here. Recyclable areas for batteries, plastics, and mobiles are available here. Refuse Derived Fuel (RDF) or incineration are the two methods used to recover energy from general trash. (Tesco, 2021)

Porter Five Forces

³³ Porter's five forces and the next model used to analyze the business macro environment is Porter's five forces, a model that has an impact on the business.



(Source: Vicentini, 2021, p. 3)

⁶⁵ Porter's five forces of competition model describe the competition in the market and the financial risk problem faced by the organization.

*** Competition in the industry –**

The company that manufactures equivalent goods or services is the competition in the market. As competitors serve the same group of consumers, the same services. (Rahman & Bista, 2016, p. 31). The main competitor of Tesco Esso Express is Sainsbury local, and Aldi local stores as they also provide the same good and services to the same group of customers. Due to this, there will be an impact on the financial performance of Tesco Esso express store. (Tesco, 2021)

*** Threats of new entry -**

Firms that do not currently have a market share but may do so in the future are potential new competitors. It can decrease the profitability of the existing store (Rahman & Bista, 2016, p. 31). The opening of other Retail stores in the future such as Sainsbury's local, Morrisons, etc. offering the same service and goods will result in the declining performance of Tesco Esso Express. (Tesco, 2021).

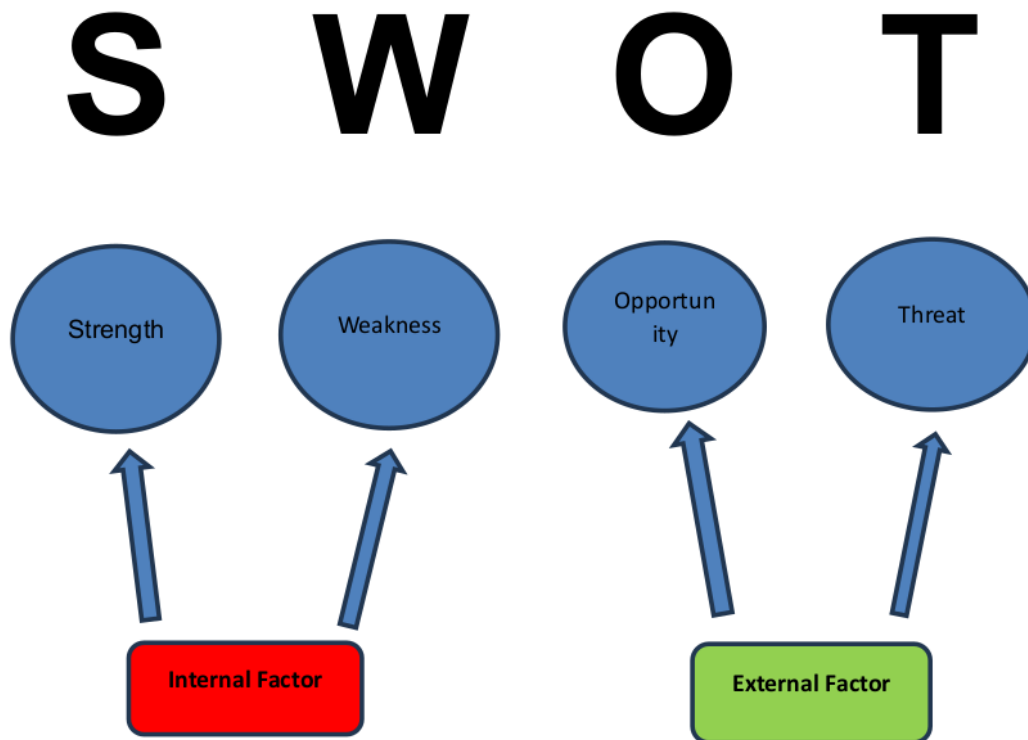
* **Threats of a substituted product** – A substitute product might provide the consumer with the same or comparable advantage as a product from a rival. The risk that a corporation faces is determined by the Threat of substitutes. As price-sensitive consumers are focused on low-cost products. Tesco Esso Express will provide a product of the best quality and at a cost lower than the Sainsbury local which results in the gaining of a competitive advantage by Tesco Esso Express. (Rahman & Bista, 2016, p. 32).

* **Bargaining power of the customers** – The existence of strong consumers reduces an industry's profit margin. Customers' power of negotiation has a significant impact on both the product price and quality, giving them the capacity to compete with the industry by driving down prices (Rahman & Bista, 2016, p. 32). The customers of Tesco Esso Express are loyal to it. They have faith in the store as it provides the best quality product. (Tesco, 2021)

* **Bargaining power of the Suppliers** – It is one of the five forces that determine how fiercely a market is competitive is the negotiating power of suppliers. By threatening to increase the price or lower the quality of goods, available suppliers might heighten competition in the market. (Rahman & Bista, 2016, p. 32). But in the case of Tesco, the bargaining power of the suppliers is low, and it has very less impact on the performance of the Tesco Esso Express store. (Tesco, 2021).

Evaluation-

Evaluation is a necessary step to analyze the firm's performance. The company's internal factors such as its strengths and weakness are evaluated using the SWOT analysis. Obstacles and Opportunities represent external factors. Strength, Weakness, Opportunity, and Threat are also known as SWOT. A firm strategy is developed by the systematic identification of several aspects known as a SWOT analysis. (Lubis et al., 2019, p. 3).



(Source: Lues et al., 2019, p.2)

Strength –

It represents the factors that are responsible for the firm achieving competitive advantage. Tesco Esso Express is in a strategic location, near Aberdeen University. It is in a neighbourhood place of people where people easily visit and shop for their necessary items. It provides all goods and services of the best quality. It provides fresh and frozen food, organic products, daily need items, and vegetable fruits. Drinks, Decorative items, etc. to the consumer. Its main aim is to work on sustainable development. For this, it has a place for recycling batteries, plastics, cars, and waste into renewable energy. It offers a product at a cost lower than that of a neighbouring retail store, Sainsbury Local. (Jogerson, 2023)

Weakness –

It represents the factors that are responsible for the declining performance of the firm. Competition and lack of online delivery services are the weak points of a Tesco Esso Express store. The major competitors of this store are Sainsbury Local, Aldi store, and Tesco Extra store. The competitors also provide the same products and services. Tesco Esso Express offers products at a higher price than the other branches of Tesco (metro, extra). Cost-sensitive customers will tend to shop at low-cost stores.

Other stores near it as Sainsbury's local also provide the facility of online delivery service. But Tesco Esso Express lacks an online delivery service. In the modern world, everyone was busy and didn't have enough time to visit the store, so they depend upon the online delivery service to save their time. (Tesco, 2021).

Opportunities –

Organizational opportunity is the perception that results in better performance and potential benefits for the organization, more money, and a new market. (Rahman & Bista, 2016, p. 34). Tesco Esso Express store has an opportunity to provide an online delivery service, Enhancement in the advertisement which leads to innovation and achieving a competitive advantage.

Threats –

Threats are the risks that are responsible for the declining performance of the Firm. It Firm. lined by Porter's five forces as Competition in the industry, Threats of a new entry, and Threats of a substituted product. ⁵⁵ Bargaining power of the customers, and the bargaining power of their suppliers. (Vicentini, 2021, p. 3)

Interaction of micro & macro –

⁵⁹ There is an interrelationship between the internal and external factors of the business. They are interconnected with each other as they describe the overall business environment. Strength and weakness are mainly affected by external political, economic, technological, and environmental factors. Any change in these factors will result in a change in the strengths and weaknesses of the organization. Improvement in technology will lead to the enhancement of the firm's performance. It will increase its strength and decrease its weakness. Similarly, any changes in the internal factors will lead to changes in the external factors. Also, skilled, and trained staff are responsible for achieving and gaining customer satisfaction and loyalty. (Seo et al., 2018, p. 3)

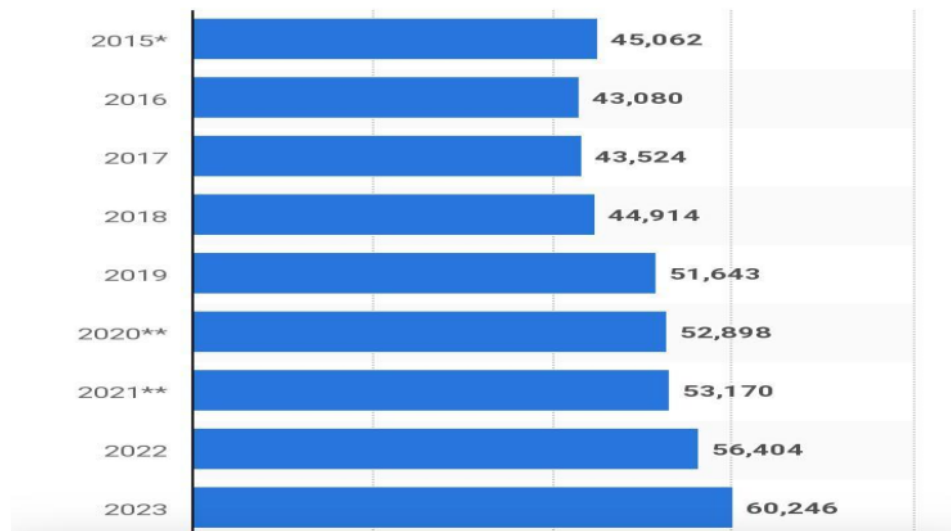
Financial analysis -

² The system that includes money circulation, credit granting, investment making, and the provision of financial services is referred to as finance. Finance management is Essential for the success of an organization. (F brigham et al., 2021, p. 4)

Implementation of a growth strategy will lead to achieving a competitive advantage and an increase in the productivity of sales. It results in the enhancement of the financial performance of the Tesco Esso express store in Aberdeen.

Overall Tesco in the UK generated more than 60 billion British pounds in revenue during the fiscal year 2022 - 2023. (Emma, 2023) .The finance ⁶⁸ statement includes a ⁴³ cash flow statement, balance sheet, and income statement. An income statement displays the revenue, costs, and profitability of a business over time. The cash flow system includes cash inflow and cash outflow Statements. (Fernando, 2023).

⁹ This graph represents the annual revenue of Tesco group in the UK annually from 2015 - 2023 in million GBP.



(Source: Emma, 2023)

This table shows the total financing activity of Tesco in the UK till Feb 2023.

31 Group income statement		52 weeks ended Friday, February 25, 2023			52 weeks ended Saturday, February 26, 2022		
		Before adjusting items	Adjusting items	Total	Before adjusting items	Adjusting items	Total
	Notes	£m	£m	£m	£m	£m	£m
Continuing operations							
Revenue	2	65,762	–	65,762	61,344	–	61,344
Cost of sales		(61,005)	(1,029)	(62,034)	(56,574)	(176)	(56,750)
Impairment (loss)/reversal on financial assets	2	(67)	–	(67)	39	–	39
Gross profit/(loss)		4,690	(1,029)	3,661	4,809	(176)	4,633
Administrative expenses		(2,060)	(76)	(2,136)	(1,984)	(89)	(2,073)
Operating profit/(loss)		2,630	(1,105)	1,525	2,825	(265)	2,560
Share of post-tax profits of joint ventures and associates	13	8	–	8	15	–	15
Finance income	5	85	–	85	9	–	9
Finance costs	5	(647)	29	(618)	(652)	101	(551)
Profit/(loss) before tax		2,076	(1,076)	1,000	2,197	(164)	2,033
Taxation	6	(442)	195	(247)	(502)	(8)	(510)
Profit/(loss) for the year from continuing operations		1,634	(881)	753	1,695	(172)	1,523
Discontinued operations							
Profit/(loss) for the year from discontinued operations	7	–	(9)	(9)	(2)	(38)	(40)
Profit/(loss) for the year		1,634	(890)	744	1,693	(210)	1,483
Attributable to:							
Owners of the parent		1,635	(890)	745	1,691	(210)	1,481
Non-controlling interests		(1)	–	(1)	2	–	2
		1,634	(890)	744	1,693	(210)	1,483
Earnings/(losses) per share from continuing and discontinued operations							
Basic	9			10.05p			19.34p
Diluted	9			9.96p			19.12p
Earnings/(losses) per share from continuing operations							
Basic	9			10.17p			19.86p
Diluted	9			10.08p			19.64p

(Source: Tesco, 2023)

Recommendation and conclusion –

Strategic management plays an important role in the growth and achievements of the company. It involves human resources management, Marketing, and Finance management. Cost leadership, Differentiation, and Focused strategy are the Porter generic strategy to achieve competitive advantage. Sustainable competitive advantage is an important factor that focuses on sustainable development. Tesco plc is the largest retail store in the UK. It has various stores such as Tesco Extra, Express, Tesco Metro, etc. The number of Tesco express stores was greater than the other stores and it will be present at a strategic location. Tesco Esso Express, Aberdeen is present near Aberdeen University, and the main targets are the students, staff, and local people. It works upon the differentiation strategy by providing sustainable products. The main aim is to achieve customer loyalty and satisfaction. It cost more than that of the Tesco Extra, a metro store, but lower than that of a Sainsbury local. It is mainly affected by the micro and macro environment of the business, which is explained by the Pestle model and SWOT analysis. Implementation of

the growth strategy will result in the enhancement of financial performance. It is recommended that it focuses on its digital marketing techniques, Use of social media apps such as Facebook, and Instagram to advertise and communicate with the customers to achieve the s- CRM. It also takes initiative for the online delivery service which results in time saving the customers and an increase in productivity.

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