

---

# SWOT Analysis: Tesco Case

## SWOT analysis

A business strategy planning technique that helps business organizations to identify its strengths, weaknesses, opportunities, threats in contrast to its key competitors. So, SWOT is an acronym for Strengths, weaknesses, opportunities, threats.

The key driving forces of SWOT analysis are strengths, weaknesses, opportunities, threats of that business and is often used in the initial stages of decision making or start up of business, it is a well accepted strategic planning tool. A SWOT diagram analyzes a project or a business venture by focussing on each of these factors, these diagrams are useful in whether to embark on a certain business venture or not and to visualize the pros and cons.

- Strengths - Business elements that are advantageous compared to its competitors, key aspects, critical success factors that drive your business that offer you a strong competitive advantage. Recognizing these assets can help you to continue on at a higher level and help the business to leverage and build upon these strengths to grow the business.
- Weaknesses - Weak elements of the business which are disadvantageous compared to its competitors
- Opportunities - External factors favourable to the company's business that would increase profitability.
- Threats - External environment factors that may pose potential risks to the business

So, in retail business scenarios, strengths are identified by analyzing brand value, trading points of business, unique strategies of business, range of goods/products offered.

Sub-classification of strengths include service provided to customers, retail store outlet design/organization for easy access, reasonable product pricing, quick easy online shopping accessibility etc.

Any key factor that potentially can make them a market leader in the business.

In this assignment for SWOT analysis, I chose the leading UK retailer TESCO to analyze the firm's business environment and to clearly outline and explore the latest positives, negatives of the firm. With this SWOT analysis it makes easier to decide the impact of key drivers upon the firm's two functional areas which are marketing and operations.

### Strengths of the firm(Tesco)-

1. What do we do exceptionally ?

We have identified TESCO's extensive marketing approach and ideologies such as vigorous and compelling advertising is one of key success factors compared to other leading competitors. "Tesco named top brand for positive contribution during Covid-19"(Tesco 2020).

---

## 2. What advantages do we have?

Strong support from the UK government compared to its fellow retailers such as Lidl, ASDA, Sainsburys. This was quite prominent during COVID-19 while the firm was chosen to advertise the government's health safety measures and guidelines amidst covid-19 showcased on national television(the BBC). All Tesco stores were opened for extra hours compared to other retailers which compelled the shoppers to shop and buy during critical covid shopping hauls of food stockpiling.

## 3. What valuable assets and resources do we have?

- Strong marketing personnel
- vast and quick supply chain delivery operations
- Feasibly technology for easy online shopping operations compared to its competitors like Lidl

## 4. What do members/customers identify as our strengths?

In general, many customers find Tesco express outlets are much accessible irrespective of time and reach compared to other retail stores who don't have smaller stores in number compared to Tesco. Also, great discount prices available at Tesco extra stores are few key success factors in terms of the firm's retail operations.

## **Weaknesses of the firm(Tesco)**

Weaknesses are crucial to figure out and are essential to action them to reduce their impact on business. This stage requires a detailed analysis of what is going wrong within your organization

### 1. What could we do better?

Intensive marketing compared to the actual quality of tesco products positionss it in a weaker zone compared to its fellow competitors like Lidl, Sainsburys

### 2. What are we criticized for or receive complaints about?

In terms of operations, Product/stock unavailability, over pricing of same product, cheap quality of grocery/goods in comparison to its competitors like Lidl, sainsburys, ASDA.

### 3. Where are we vulnerable?

Tesco was in a vulnerable state in the last 6 years in terms of profits, success, product pricing and quality, lawsuits which were predominantly potential weaknesses. Internal issues such as frequent disagreements among shareholders, investors (Skynews tesco jun2020)

## **Opportunities for the firm(Tesco)-**

### 1. What opportunities do we know about, but have not addressed?

---

Covid-19 was an opportunity for Tesco and had changed the outlook it had in the public and re-earned the name and brand value. TESCO pharmacy ideas can be explored.

2. Are there emerging trends on which we can capitalize?

Tesco utilizing this external opportunity for its business was incredible and posed a serious threat to its competitors who struggled to perform with their normal operations during covid. "Tesco says panic buying caused 30% increase in sales"(Tesco 2020, Covid-19).

Threats to your business: It is crucial to identify key external factors such as market fluctuations, government regulations, public perception to lessen/eliminate threats for smoother business operations.

### **Threats for the firm(Tesco)**

1. Are weaknesses likely to make us critically vulnerable?

From an operations perspective, Tesco has warned that it could take a hit during covid-19 due to significant cost increases in payroll, distribution and store expenses(Skynews 2020).

2. What external roadblocks exist that block our progress?

Operations in meeting demands of the public, maintaining and paying staff has raised along with additional costs. "COVID-19 is having a material impact on the operations of our business and we are incurring significant additional costs, particularly in payroll as we recruit additional colleagues to meet demand and cover the work of those colleagues who are absent and being paid" (TESCOPLC APR2020).

3. Is there significant change coming in our member's sector?

There could be considerable change foreseen in the sector of managerial operations with latest unsightly developments at Tesco.(Skynews tesco jun2020)

4. Are economic conditions affecting our financial viability?

Financial impact for due crisis was nearly estimated to £925m (TESCOPLC APR2020).