

TESCO PRODUCT ANALYSIS

Strategies for Optimizing Value
and Customer Experience





Executive Summary

Recent market trends show in-store shopping dominates, especially among value-conscious consumers.

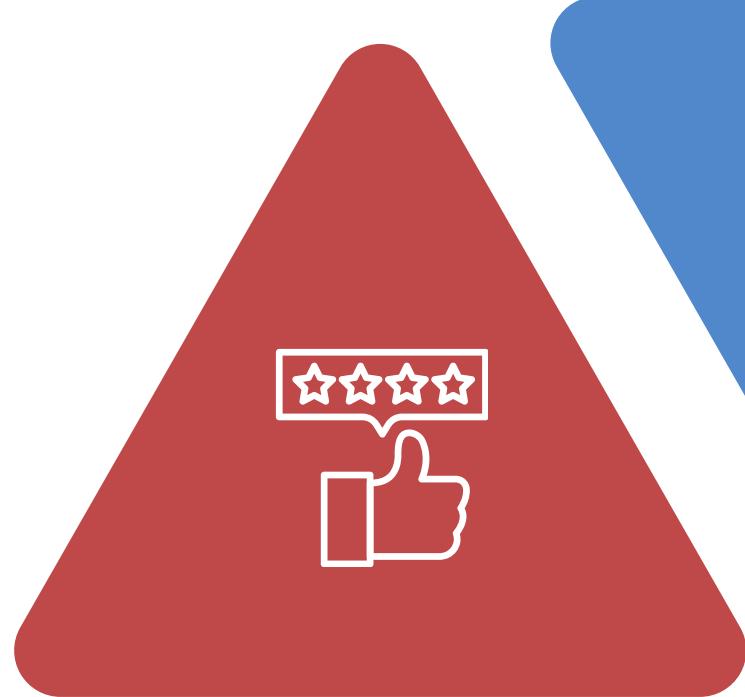
Tesco, the third-largest supermarket chain globally, is positioned to capitalize on these trends through innovative strategies like the Clubcard program.

Recommendations include enhancing brand-owned products and improving in-store communication to foster customer loyalty and satisfaction.

Market Trends

In-Store Shopping Dominance

Continues to be preferred, especially among middle- and lower-income consumers



Value Over Price

Shift towards a broader understanding of value, including quality, variety, and sustainability.

E-Commerce Growth Slowing

Physical stores remain the main shopping channel despite online options.



Consumer Priorities

Increasingly focus on perceived value rather than solely price



Demand for Transparency

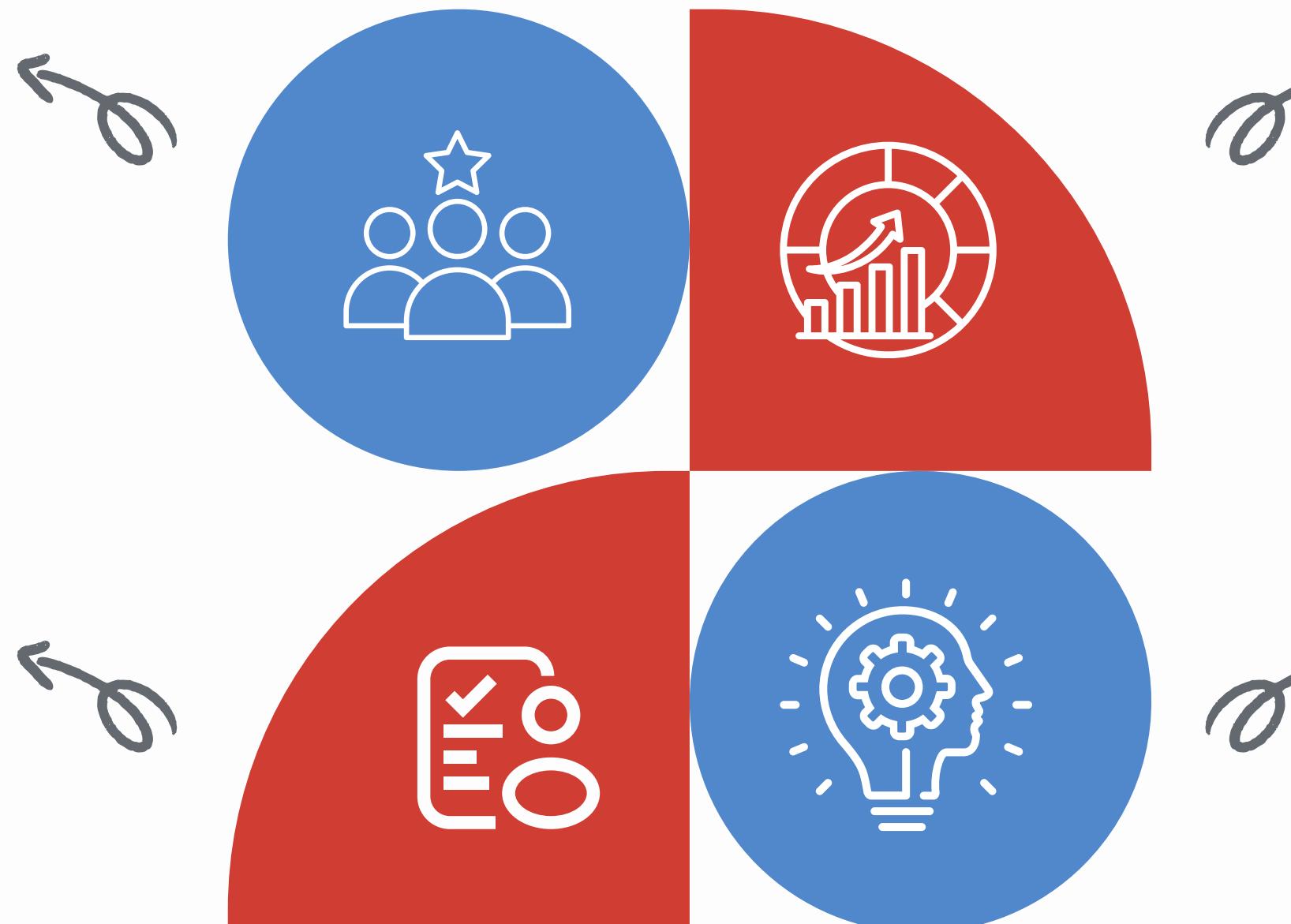
Consumers seek detailed product information to make informed choices.



TESCO'S POSITION

Market Leadership

Tesco is the third-largest supermarket chain globally and the leading grocery retailer in the UK.



Strong Market Share

Holds over 25% of the UK grocery market as of 2024.

Successful Loyalty Program

The Clubcard program has approximately 22 million active households, enhancing customer engagement

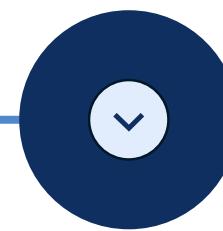
Innovative Strategies

Pioneered online shopping and competitive pricing to attract consumers

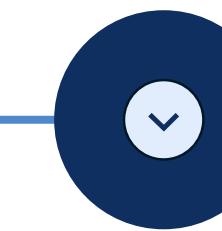
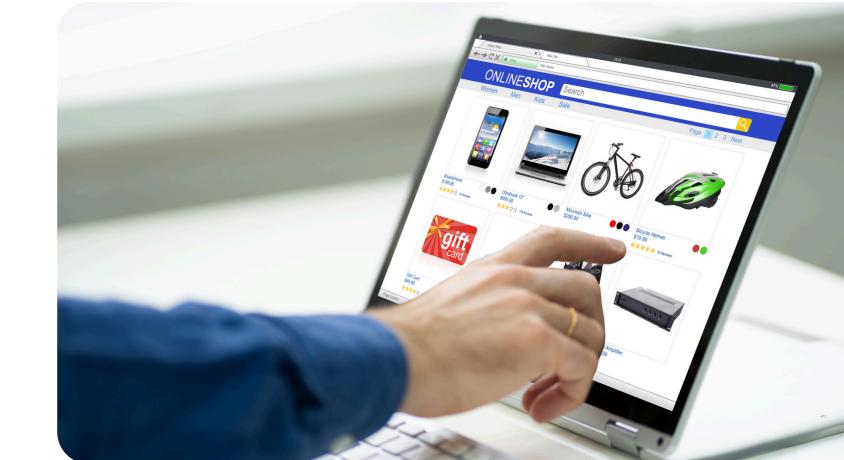
Prospect Identification



Evolving Consumer Behavior:
Increasing focus on overall value,
not just low prices, amid financial
constraints.



Value-Driven Shopping: Shift from
72.3% prioritizing cost in 2023 to
63.8% in 2024, highlighting a
broader value perspective.



Preference for In-Store
Experience: Middle- and lower-
income shoppers favor physical
stores for perceived value.



Prospect Identification (cont.)



Utilization of Clubcard Data:
Access to extensive customer data
for tailoring product offerings and
services.



Opportunity in Fresh Food:
Significant potential to enhance
quality and variety in the Fresh
Food category to meet consumer
expectations.



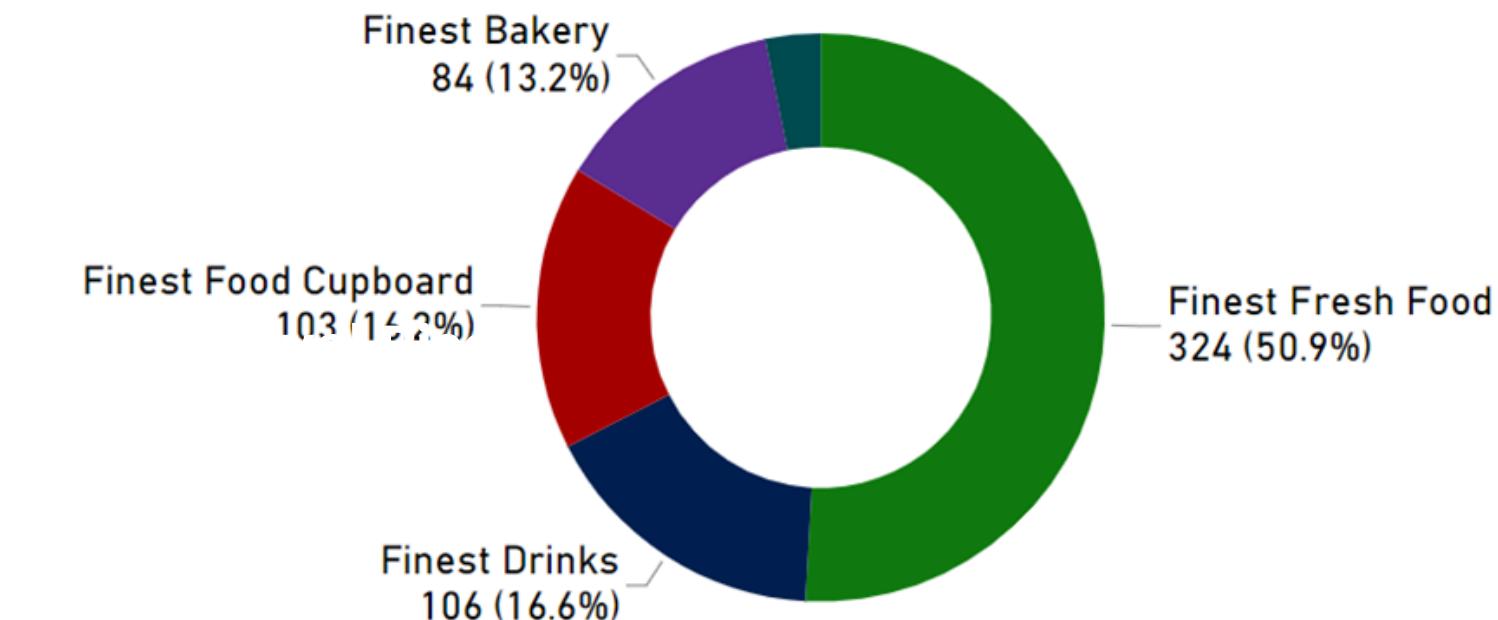
Data Analysis

Tesco are offering a total of 637 products under its Finest brand, with the Finest Fresh Food category being the most popular, comprising 50% of the total offerings (figure 1) and achieving an average star rating of 3.6. This rating suggests a perception of decent quality among consumers.

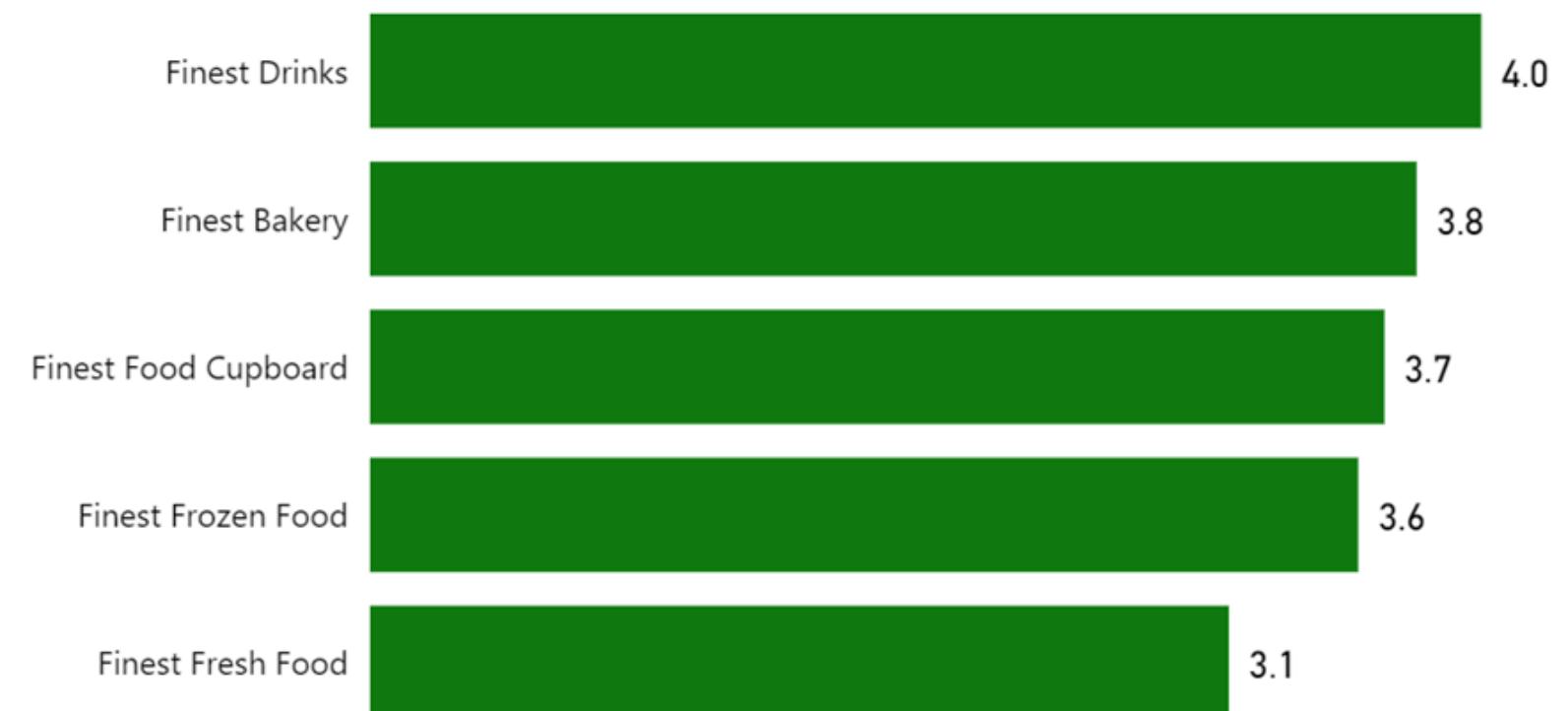
However, despite comprising half of the Finest product range, the Finest Fresh Food category has the lowest rating at 3.1, while the Finest Drinks category boasts the highest rating of 4.0 (figure 2).

=> An opportunity for Tesco to invest in improving its fresh food offerings, especially since 39.3% of reviews indicate concerns about quality

Item Distribution by Category



Average of Star Rating by Category



Data Analysis



The analysis reveals potential in the Finest Drinks and Finest Bakery categories, which have 53.3% and 60% of reviews praising their taste, quality, and value for money, respectively (figure 3).

Emerging Themes in Reviews by Category

Themes

- Value for Money

- Size Issues

- Short Shelf Life

- Positive Experience

- Poor Value

- Poor Taste

- Poor Quality

- Poor Flavour

- Packaging Issue

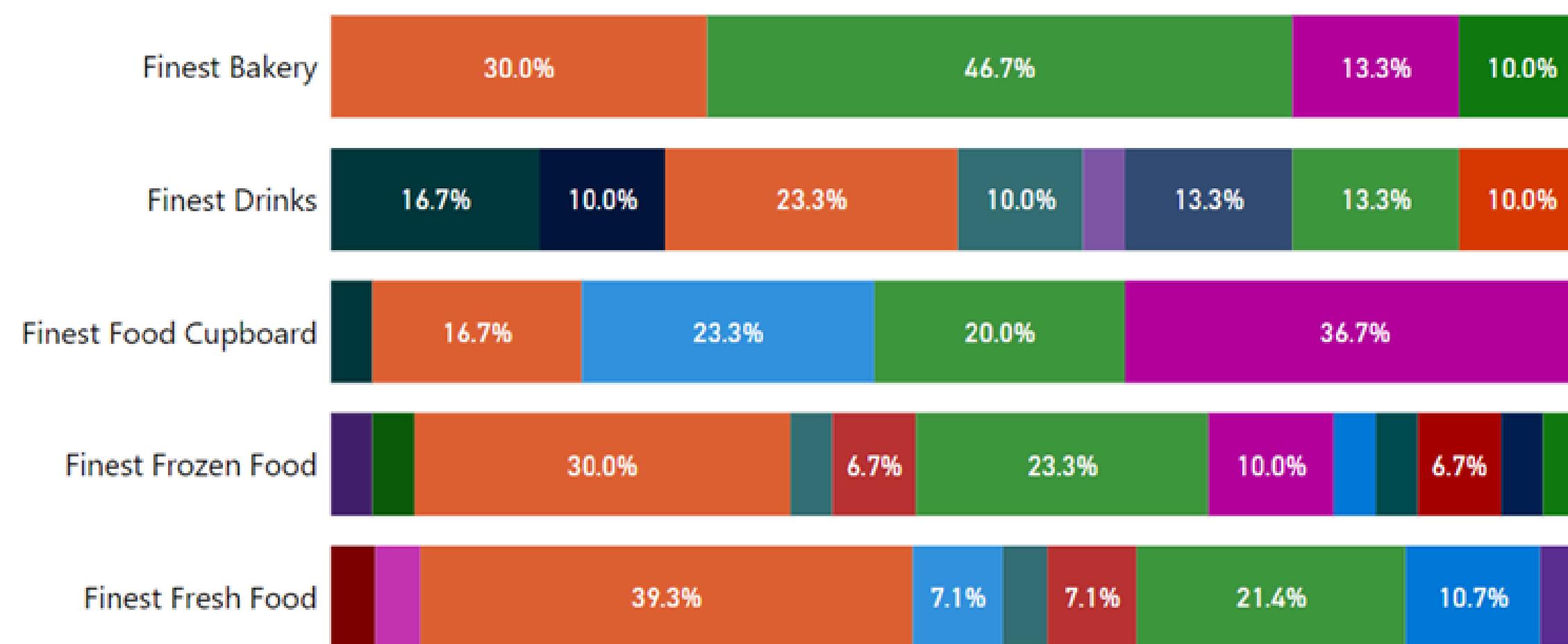
- Packaging Change

- Inconsistent Quality

- Good Taste

- Good Quality

- Good Flavour

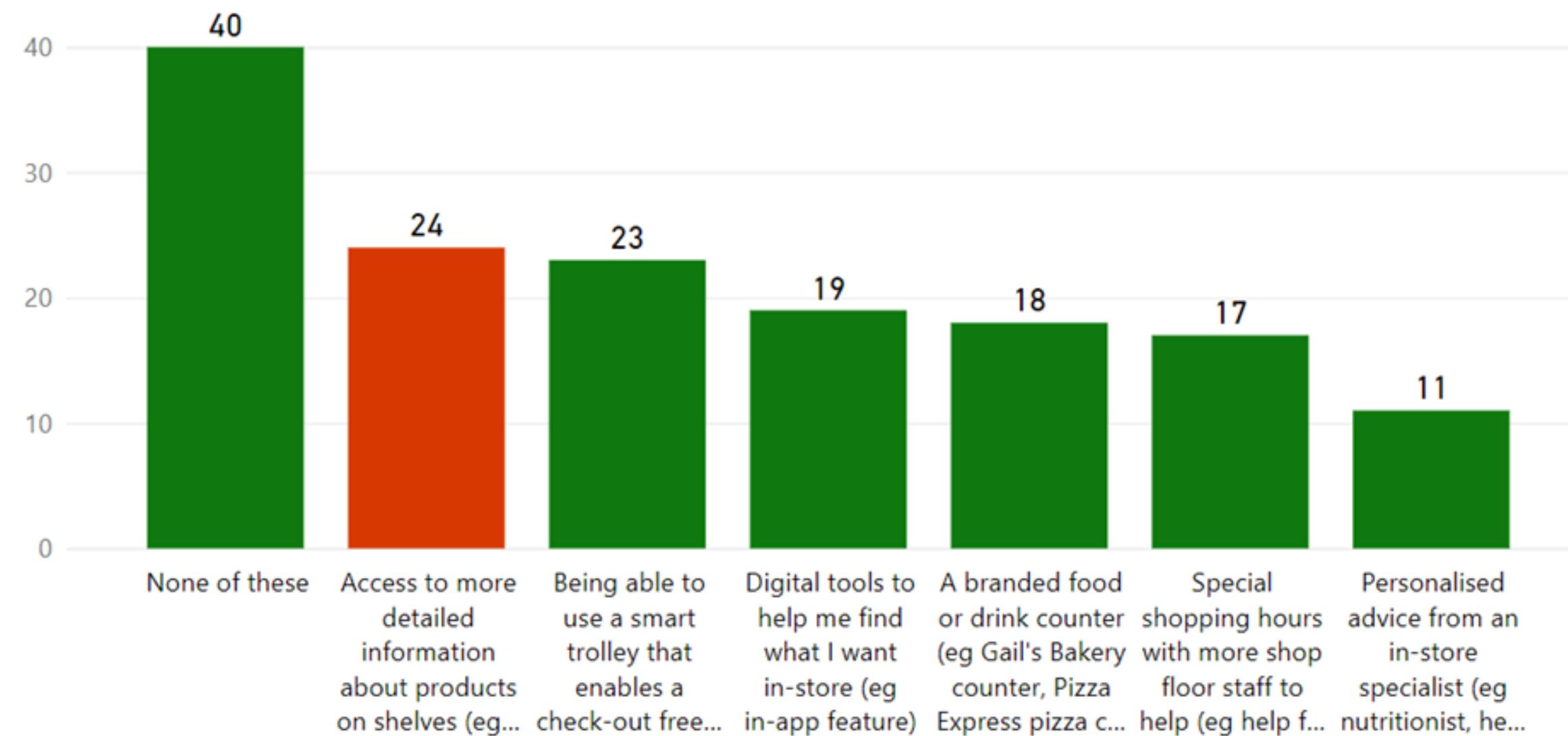


Data Analysis



From a customer experience perspective, Tesco should leverage technology to enhance communication about product details. Data from Mintel (2024) shows that 24% of customers express a desire for more detailed product information to enhance their in-store grocery shopping experience (figure 4).

Customer Interest in Store Innovation



RECOMMENDATIONS

Product Enhancement

- Focus on improving quality in Fresh Food
- Align products with consumer expectations





Leveraging Technology

- Implement QR codes and electronic shelf labels
- Enhancing in-store communication



Personalized Marketing Strategies

- Utilize customer data for targeted campaigns
- Increase engagement through loyalty programs



THANK YOU