Descriptive Study On The Customer Satisfaction Of Tesco After Losing Market Share

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Introduction:

The purpose of writing this paper is to examine the issue of expired products in Tesco. Tesco is a leading multinational retailer and the United Kingdom's largest supermarket. The £2 billion profit and "third-largest retailer" statements describe an older source period. Tesco's 2025/26 reporting lists group sales of £66.6 billion and a workforce of more than 330,000 colleagues.

Background Of The Topic:

Being the largest grocery store in the UK, it has a variety of products, and the store has developed its reputation by selling fresh and pure items in the country. It has been observed that the biggest grocery stores sell those products at low prices with a near-expiration date. This means that when the date of expiry is near, the store prefers to sell it at a lower price, and if the stock is still left, it throws it in the trash.

Reasons For Selecting The Topic:

The reason for selecting this topic is to study the issue that has affected Tesco's reputation across the globe. In order to maintain its image, the company works on its R&D and quality standards. However, Tesco's reputation has been badly affected by the selling of expired products in the market.

Aim Of The Work:

The aim of the work is to research Tesco and find the reasons that have affected its rating of best-selling products in the market. The literature review will explain the depth of the topic and relate the study to different past analyses. The aim can be achieved by identifying customer needs and the methods that can increase Tesco's market share.

Literature Review:

Customer satisfaction and market share:

The key performance indicators used in the markets are customer satisfaction and market share (Swan, Bowers & Grover, 2002). The store is famous not only for selling food and drinks but also for its range of different products such as electronics, telecom, retailing, and clothing. The fact that the external environment has an influence on business cannot be ignored because the rapid change in customer taste and demand has made the country's economy complex (Essays, 2015). Reaching the level where the company is known to its competitors as the global leader in the retailing business is not as easy as it looks. It is the hard work of the entire team that has made the company reach the level that was ever desired. In this paper, we will be discussing the reasons for selling expired products in the market. To prove the authenticity of this blame, it is necessary to provide logical proof so that people can believe it rather than only consider it a rumour intended to damage the brand's reputation. There was also news that told the media about Tesco selling outdated products, and people complained. There is no harm in selling food items that have short selling dates, but if a trolley is full of items that expired 2 or 3 days ago, then it could be a sign of alarm because it has now become injurious to health (Boards. IE, 2007). Customers also complained to the staff about the expiration date of the products, but on the other hand, it was observed that the next day, more stuff with past use dates was placed on the shelves.

News reports have stated that a heavy fine was charged to Tesco for selling outdated products because one of the girls fell ill after eating chicken pasta (Get Reading, 2011). This means that such sales result in losing customers, which could create a negative image in the market. Moreover, selling expired products is an illegal matter that can be taken to court. In addition to this, a complaint was forwarded to the council of Bracknell Forest to investigate the matter. Later on, it was discovered that 127 outdated items were present, and the trading standards officers declared it the "worst case that has ever come across." Moreover, the good action that was taken by the Bracknell magistrates was that the court fined Tesco 12,000 pounds, and Tesco was also ordered to pay the legal fees of 15,000 pounds. The store was also fined a 15-pound victim surcharge, and these charges were related to around 88 items discovered in the store.

This news was shocking for consumers because they had lost their trust in the best quality providers in the country. This has also affected the brand's reputation badly, and different competitors took advantage as they started selling their products by slightly lowering their rates. The story did not end here, as the competitors became efficient in throwing expired products into trash bins to attract more customers. They did so to grab customer attention and trust in their brands. After the legal action against Tesco, the representative of the store assured the media and court that they had started to retrain their staff and assured them that no compromise could be made on such actions in the future. The owner of the company called it shocking for him because it happened in the past as well because of the negligence of his staff. He stated that in 2009, the company was fined 18,000 pounds and

13,500 pounds for the same offence. According to him, this is happening only to damage his business because he cannot bear such negligence. Human life is very important, and nobody can compromise on it.

The spokesperson also said to the media that it is our duty to ensure fresh products for our customers, which is why we deliver clear and accurate price labels for our customers. This is because it informs customers so they can make the right decision before buying the product. The company is striving hard to remove the errors because health is life, as we all know (Gibson, 2017). After facing challenges that resulted in the decline of Tesco, the company has decided to facilitate its customers at any cost, and customers have a right to a refund after buying the product if they have the receipt.

The Chartered Management Institute of the UK has released a report that showed a record loss of 6.4 billion pounds due to many scandals that came forward. Many reasons were discovered for the decline of Tesco's profits, and according to a few analysts, recovery from brand name damage is difficult and requires a lot of effort. The suppliers complained that the company was paying them late, and it has also affected its reputation. Moreover, customers are known as assets of any business, and if they are lost, it means the entire business is going to decline. Companies work to build strong customer relationships so that consumer buying power increases, and they even refer people to their buying places. Customers and the quality of any business are interlinked. If the quality of any product goes down, then the customer will stop buying from that place and switch to another brand. Similarly, if the quality of the products is improved, then more customers will buy from that place.

Sainsbury's, Marks and Spencer are in the loop to compete with each other after Tesco's profits have declined. They have promised their customers to provide quality services and products. Moreover, Tesco customers switched to Aldi and Lidl for the cheapest products, but the choice was limited (Sheffield, 2015).

Studying the needs, problems, and opportunities regarding the famous superstore of the UK, it has been noticed that the problems have become the weakness of the business, whereas the needs have become an important constituent for running the business. The business environment of the superstore was affected by the sale of outdated products.

In order to study the company's needs, problems, and opportunities, it is necessary to conduct a SWOT analysis because it can give a clear picture. The following diagram describes the actual situation of the superstore:

The above table states that, initially, Tesco maintained its strengths by developing brand value and acquiring a high market share. The company has made its position in the market by offering value for money and a wide range of products with highly skilled management. The best strategy adopted by the superstore was to buy the products in bulk to benefit from economies of scale. Discussing the weaknesses of the company, it has been observed that the profits of the company were affected due to bad debts from credit cards and the insurance that was claimed by households. In addition to this, Sainsbury, Asda, and other stores are in the competitive chain, and they are finding ways to take

Tesco's position. Regarding opportunities, it has been noticed that market expansion through digital entertainment can be done because this investment is useful in the long run.

Effects of buying behaviour:

Customer tastes change with changes in the market and demand. When products are changed through innovation and new products with attractive packaging and affordable prices are introduced in the market, then customers will prefer to try that product. If the quality and taste are according to the consumers' preferences, they switch to that product. The buying power of customers is directly related to their expectations, and if the product does not meet their expectations, it lowers their buying behaviour, and consumers find new alternatives.

Role of customer needs:

It is very important for any business to keep updated about the needs of its valued customers. Customers always demand products according to their purchasing power, but it does not mean that they will compromise on quality. Quality is the utmost priority, and no one compromises on it. The following diagram illustrates the concept of customer understanding at Tesco:

It means that the business needs the following things to survive in the competitive market:

- It is important to understand the current customer issues and use appropriate measures that work for the customer.
- Analysis of business performance and customer behaviour is important to maintain.
- Tesco has worked hard to research customer needs and lifestyles and has reached a level where the store reflects this clearly.

Recommendations:

To survive in the market, it is very important to provide quality goods at reasonable prices. Tesco has lost many of its customers because of the sale of outdated products to its valuable customers. The importance of customers in any business cannot be neglected because they are the actual source of running the business. Moreover, the marketing department of the superstore has to work while keeping customers' tastes and preferences in mind. It is very important for the brand to keep itself aware of its rivals and include the cardinal element of customer orientation to enhance the business.

In order to develop good relationships with suppliers, it is necessary to pay suppliers on time in accordance with the payment terms and conditions. Unilateral deductions should be avoided. Transparency and dealings with suppliers must be maintained accurately. Working on customer services has become an essential element of running a profitable business. Tesco can offer more

online delivery services to avoid scandals about expired products in the future. The online products will inform customers about the manufacturing and expiry dates, and it would become easy to buy from there. If an online order is placed, then it does not suit the superstore to change the price of the product because it will create a bad image for customers. Training has become an important part of the process because trained staff can serve customers better.

Many external factors affect the business and its image. Sometimes, new entrants in the market give a red alert to the company, but for Tesco, this time, its growth and reputation are under pressure, and this can be overcome with innovation and creativity in the business. It means that without adding value to the business, Tesco can never stand again in its old position.

Conclusion:

Businesses always run successfully when they are able to understand market demand. For Tesco, there is a chance that its reputation was affected by some of its internal environmental issues. When the staff is not working in a friendly environment, then disputes start, which badly affect the entire performance. To resolve this issue, it is important to build a friendly relationship between the supervisor and the subordinates. Concluding the topic, it has been observed from the research that the reputation of the superstore was adversely affected after selling expired products. The company paid heavy fines in the past to avoid this issue again, but it happened later on. Due to this, the company's overall performance and finances were affected. No business is allowed to lose its customers, and Tesco did this. There are many ways and strategies to overcome different issues, and again, the superstore can achieve its market position and customer trust, but for that, efforts are required.

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