

# Strategic Analysis of Tesco's International Purchasing and Supply Chain Management: Challenges, Opportunities, and Future Directions

Le Li & Jian Hua Zeng

## Abstract

This review paper examines Tesco's international purchasing and supply-chain management strategies, focusing on its operations and strategic initiatives. Tesco, a prominent global retailer, faces significant challenges and opportunities in a competitive market environment. Through a SWOT analysis, Tesco's strengths in efficient logistics and expansive market reach are highlighted, alongside weaknesses such as environmental sustainability concerns and operational inefficiencies. The study also explores Tesco's value chain, emphasizing its primary activities like inbound logistics and outbound distribution, as well as supporting activities such as human resource management and technological innovations like RFID. Future challenges, including environmental sustainability and market expansion in Asia and Africa, are discussed, with recommendations provided to enhance Tesco's sustainable development and competitive position in the global retail landscape.



IJSB

Review paper

Accepted 10 May 2024

Published 29 June 2024

DOI: 10.58970/IJSB.2360

ISSN: 2520-4750 (Online) 2521-3040 (Print)



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**Keywords:** *Tesco, International purchasing, Supply chain management, SWOT analysis, Value chain analysis, Sustainability.*

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## **Introduction**

Tesco, a powerhouse among multinational retailers headquartered in the United Kingdom, has undergone profound transformations in its international expansion and supply chain management strategies. This introduction provides a comprehensive overview of Tesco's strategic evolution and distills insights from a variety of studies that illuminate key facets of the company's internationalization, risk management, divestment strategies, online retailing, and market orientation. Palmer (2005) conducts a thorough examination of Tesco's internationalization journey, focusing extensively on the company's expansion across Europe. Through in-depth interviews with key executives and industry analysts, Palmer underscores how uncertainty and market disruptions have catalyzed Tesco's learning and adaptation within global retail environments. Additionally, Palmer (2004) explores Tesco's experiences with international retail divestment, revealing strategic exits in Ireland and France that spurred the company to refocus and invigorate its international strategy. Woods (2007) delves into the integration of risk management with strategic control systems at Tesco. His study demonstrates how Enterprise Risk Management (ERM), integrated within frameworks like the balanced scorecard, enhances strategic oversight and cultivates a resilient risk culture aligning with Tesco's strategic objectives.

The emergence of online retailing has been pivotal in reshaping Tesco's operational landscape. Sleight (2001) and Enders and Jelassi (2009) provide detailed accounts of Tesco's online retail initiatives through Tesco.com. Originating in the late 1990s, Tesco.com leveraged existing consumer bases to become the world's largest online grocer, emphasizing multichannel retail integration, proactive management of online-offline channel conflicts, and data-driven customer experience enhancements. Smith (2023) explores Tesco's logistics and distribution evolution, highlighting shifts towards off-centre locations and the development of proprietary brands that have bolstered distribution efficiency and supply chain control in response to evolving consumer demands. Lastly, Rogers, Ghauri, and George (2005) examine Tesco's market orientation in Eastern Europe, affirming its adaptive strategies in emerging markets through robust supplier relationships and effective market intelligence dissemination. This case study on Tesco's international purchasing and supply chain management synthesizes these findings to offer a holistic view of the company's strategic trajectory and future challenges. By examining Tesco's approaches to learning, risk management, online retailing, logistics, and market orientation, this study aims to identify key factors driving Tesco's success and proposes recommendations to address evolving global retail dynamics effectively.

## **Literature review**

### **Tesco's Strategic Initiatives and Operational Excellence**

Tesco's global strategy and operational excellence have been the subject of extensive academic scrutiny across various dimensions. Palmer (2005) explores Tesco's internationalization journey, emphasizing its learning processes amidst market uncertainties and shocks. This study underscores Tesco's ability to capitalize on non-incremental approaches and adapt quickly across European markets, challenging conventional expansion strategies. In a complementary vein, Woods (2007) examines Tesco's integration of Enterprise Risk Management (ERM) with strategic controls, illustrating how these frameworks align to achieve common objectives. By harmonizing risk and strategic management, Tesco enhances its resilience and governance, essential for navigating complex global landscapes while maintaining operational stability. Palmer (2004) delves into Tesco's experiences with international retail restructuring and divestment, shedding light on lessons learned from market exits in Ireland and France. This case study reveals Tesco's strategic realignment

following divestments, illustrating how these decisions contributed to revitalizing its internationalization strategy.

Sleight (2001) provides insights into Tesco's pioneering ventures in e-commerce through Tesco.com, showcasing its evolution into the largest online grocer globally. This study highlights Tesco's strategic agility in leveraging digital platforms to expand market reach and enhance customer convenience. Smith (2023) focuses on Tesco's logistical transformations, detailing how the company revolutionized its distribution operations to meet evolving consumer demands. This chapter underscores Tesco's commitment to operational efficiency and customer satisfaction through innovative logistics strategies. Enders and Jelassi (2009) analyze Tesco's multichannel retailing strategy, emphasizing how the company successfully navigated challenges to become a leader in online grocery retailing. Their study offers practical insights into managing online and offline channels synergistically for competitive advantage. Rogers, Ghauri, and George (2005) investigate Tesco's market orientation in Eastern Europe, exploring how the retailer adapted its strategies to local contexts while maintaining a customer-centric approach. This study underscores Tesco's effective application of market intelligence and strategic alignment to enhance business performance in diverse markets. Gereffi and Lee (2012) provide a broader context by discussing global supply chain dynamics and the role of global value chains (GVCs) in modern retailing. Their framework offers insights into how Tesco and similar retailers navigate global supply chain complexities to optimize value creation and capture. Kauppi and Luzzini (2022) contribute to the discourse on supply chain management by developing scales to measure institutional pressures within supply chains, highlighting Tesco's strategies in managing regulatory and market pressures for sustainable supply chain practices. Pratono and Maharani (2023) explore supply chain resilience in the medical device industry, offering lessons on dynamic capabilities and agility that Tesco can apply to enhance its supply chain resilience amidst global disruptions. Shen et al. (2013) propose a fuzzy multi-criteria approach for evaluating green suppliers, which is relevant for Tesco's sustainability initiatives and supplier management strategies. Patrucco et al. (2023) investigate the alignment of purchasing strategies with strategic intent and environmental uncertainty, providing insights into Tesco's strategic purchasing decisions and value creation through supply chain management. Patrucco, Marzi, and Trabucchi (2023) examine the role of absorptive capacity and big data analytics in strategic purchasing, offering implications for Tesco in leveraging data-driven insights to enhance supply chain decision-making. Xie and Allen (2013) compare Tesco's information technology utilization with other retailers, highlighting Tesco's strategic use of IT in enhancing supply chain efficiencies and customer satisfaction. Lindgreen and Hingley (2003) discuss Tesco's initiatives in food safety and animal welfare policies within its meat supply chain, showcasing Tesco's proactive approach in managing supplier relationships and consumer trust. Smith (2006) explores Tesco's role as a channel captain in retail supply chain management, illustrating Tesco's leadership in optimizing supply chain efficiencies and strategic positioning in the retail sector. Robert and Barry (2020) offer insights into lean supply chain management at Tesco, emphasizing lean principles' application to enhance operational efficiency and competitiveness across Tesco's value chain. Together, these studies provide a comprehensive overview of Tesco's strategic initiatives, operational excellence, and adaptive capabilities across different facets of global retailing and supply chain management.

### **International Purchasing and Supply-Chain Management**

Tesco's approach to international purchasing and supply-chain management has been a focal point of academic inquiry, revealing strategic insights and operational efficiencies across diverse global markets. Palmer (2005) emphasizes Tesco's adaptive learning processes amidst

market uncertainties and shocks, illustrating how the retailer leverages non-incremental approaches to expand and stabilize its international operations. This study challenges traditional expansion strategies by highlighting Tesco's ability to swiftly adapt to local market dynamics while maintaining strategic coherence. In alignment with Tesco's strategic risk management, Woods (2007) examines the integration of Enterprise Risk Management (ERM) with Tesco's strategic controls. This approach demonstrates how Tesco aligns risk and strategic management frameworks to enhance resilience and governance across its global supply chain. By effectively harmonizing risk mitigation strategies with operational objectives, Tesco mitigates uncertainties and strengthens its competitive positioning in diverse international markets.

Furthermore, Enders and Jelassi (2009) provide insights into Tesco's successful multichannel retailing strategy, particularly in online grocery retailing. Their analysis underscores Tesco's adeptness in managing online and offline channels synergistically, thereby optimizing customer reach and operational efficiencies. This strategic alignment enables Tesco to navigate complexities inherent in global supply chains while maintaining a customer-centric approach across different markets. In examining global supply chain dynamics, Gereffi and Lee (2012) discuss the role of global value chains (GVCs) in modern retailing. Their framework illuminates how Tesco and similar retailers strategically navigate supply chain complexities to optimize value creation and capture across international operations. This perspective provides a foundational understanding of Tesco's operational strategies within the broader context of global supply chain management. Additionally, Xie and Allen (2013) compare Tesco's utilization of information technologies (IT) in its retail supply chain with other industry players. Their analysis highlights Tesco's strategic use of IT to enhance supply chain efficiencies and customer satisfaction. This approach underscores Tesco's commitment to leveraging technology as a driver of operational excellence and competitive advantage in international markets. Together, these studies offer a comprehensive exploration of Tesco's international purchasing and supply-chain management strategies, showcasing its adaptive capabilities, strategic resilience, and operational efficiencies across diverse global contexts.

## **SWOT Analysis of Tesco**

### **Strengths**

Tesco, a global retail giant established in 1919, has evolved into one of the world's largest retailers, operating in 12 countries (Pereira, 2023). Its extensive product range includes groceries, electronics, clothing, and financial services, which attracts a diverse customer base looking for a one-stop-shop experience. The company's strong brand image, built on quality, affordability, and sustainability initiatives, fosters customer loyalty and trust (Pereira, 2023). Tesco's online shopping model, which adopts a store-based approach to deliver products from the nearest store after receiving orders, saves capital by reducing the need for large warehouses and lowering labor costs, thereby increasing delivery speed (Hill & Hill, 2011). The company maintains price competitiveness through bulk purchasing, waste reduction, and efficient delivery system design. Additionally, Tesco has established an international procurement team to source non-food products from developing countries like China and India, significantly reducing costs and enhancing its competitive edge (Zhao, 2014). Tesco's efficient supply chain ensures timely delivery of products, reduces costs, and minimizes waste, enhancing customer satisfaction (Pereira, 2023). With a large network of stores worldwide, Tesco has significant market penetration and bargaining power (Pereira, 2023). The company leverages technology to optimize inventory management and enhance customer engagement through its online platform and mobile apps (Gavrilescu, 2023). The Clubcard loyalty program further drives repeat business and provides valuable customer insights (Pereira, 2023).

Tesco's sustainability efforts, such as reducing food waste and using renewable energy, bolster its positive image and attract environmentally conscious customers (Pereira, 2023). Its diversified business model, including financial services and private label products, reduces dependence on the retail sector and boosts profitability (Pereira, 2023). The company's experienced leadership team and comprehensive employee training programs ensure high service standards and contribute to improved customer satisfaction and sales (Pereira, 2023).

### **Weaknesses**

Despite its strengths, Tesco faces significant weaknesses. The company's over-reliance on the UK market limits its growth potential and exposes it to risks associated with local economic fluctuations (Pereira, 2023). Cost-cutting measures have impacted staffing levels, customer service, and employee morale, leading to higher training costs and reduced productivity (Pereira, 2023). Past scandals, such as the horse meat incident, have damaged Tesco's brand image and resulted in legal and financial repercussions (Gavrilescu, 2023). Intense competition from discount retailers like Aldi and Lidl threatens Tesco's market share and profitability (Pereira, 2023). The company's online delivery services have faced operational challenges, resulting in customer dissatisfaction (Pereira, 2023). Failed international ventures due to cultural and logistical challenges have led to significant financial losses (Pereira, 2023). Reliance on key suppliers makes Tesco vulnerable to supply chain disruptions, affecting product availability and sales (Pereira, 2023). Lack of investment in new store formats has made Tesco less agile compared to its competitors (Pereira, 2023). Additionally, weak corporate social responsibility (CSR) initiatives have impacted Tesco's ability to attract and retain talent, particularly among younger generations (Gavrilescu, 2023). Improving the speed and efficiency of delivery is crucial for Tesco, especially given its use of in-house truck transportation for UK customers and suppliers. However, issues with trucking and supplier collaboration can lead to inefficiencies, such as insufficient trucks during peak times or inadequate reserves of goods for online shopping in international markets (Zhao, 2014).

### **Opportunities**

Tesco has several opportunities to explore for growth and improvement. Enhancing its online grocery delivery services can capitalize on the increasing trend towards online shopping, improving user experience and delivery options (Pereira, 2023). Investing in sustainable practices, such as reducing packaging waste and offering eco-friendly products, can enhance Tesco's reputation and attract environmentally conscious consumers (Pereira, 2023). Expanding high-quality, affordable private label products can increase margins and competitiveness (Pereira, 2023). Integrating technology to streamline supply chain operations and personalize customer experiences can lead to increased efficiency and loyalty (Pereira, 2023). International expansion into emerging markets can diversify revenue streams and reduce dependence on the UK market (Pereira, 2023). Community engagement initiatives can strengthen local relationships, increase brand loyalty, and drive customer traffic. Expanding health and wellness offerings can tap into the growing trend towards healthier lifestyles (Pereira, 2023). Partnerships and collaborations, especially with technology companies, can drive innovation and provide a competitive edge (Pereira, 2023). Tesco has significant potential in expanding its presence in large retail markets in Asia and Africa, such as China, India, Nigeria, and South Africa. This expansion can diversify its revenue streams and reduce reliance on existing markets. Additionally, leveraging online advertising and public media can further strengthen Tesco's global presence and market share (Zhao, 2014).

## Threats

Tesco faces several threats in the competitive retail landscape. Intense competition from major grocery retailers and online platforms can lead to price wars, reduced margins, and decreased market share (Gavrilescu, 2023). Economic downturns, such as recessions, can decrease consumer spending and increase operational costs (Pereira, 2023). Changing consumer preferences, such as the demand for organic or plant-based products, require constant adaptation to maintain competitiveness (Pereira, 2023). Political instability and regulatory changes can disrupt operations and supply chains, increasing costs and causing disruptions (Pereira, 2023). Cybersecurity threats pose significant risks to customer data and the company's reputation, necessitating costly investments in security measures (Pereira, 2023). Disruptive technologies, such as automation and AI, require adoption and integration to maintain efficiency and competitiveness (Pereira, 2023). Changing shopping habits, with a shift towards e-commerce, challenge traditional brick-and-mortar retailers like Tesco to adapt and innovate continuously (Pereira, 2023). Inventory management is another significant challenge for Tesco. Managing stock levels to balance availability and reduce waste is critical, as overstocking increases costs and understocking leads to lost sales. Following independent demand principles and employing advanced forecasting techniques can help address these challenges (Witt, 2008; Zhao, 2014).

Moreover, Tesco's broad product range, strong brand image, efficient supply chain, and innovative use of technology are key strengths that support its market position. However, its over-reliance on the UK market, cost-cutting measures, and competition from discount retailers pose significant challenges. Opportunities for growth lie in expanding online services, sustainability initiatives, and international markets, while threats include intense competition, economic downturns, and cybersecurity risks. Addressing these factors will be crucial for Tesco to maintain its competitive edge and continue its growth trajectory (Pereira, 2023; Gavrilescu, 2023; Hill & Hill, 2011; Zhao, 2014; Witt, 2008).

## Value Chain Analysis of Tesco

The concept of customer value has emerged as a critical factor for achieving competitive advantage and ensuring long-term success, especially in the context of e-commerce and international retail operations. Ma, Ding, and Hong (2010) emphasize that delivering superior customer value through effective service processes is essential for attracting new customers and retaining existing ones. Their study on Tesco highlights the significance of evaluating shopping experiences and service processes to enhance customer satisfaction. Palmer (2005) further supports this by examining Tesco's internationalization, which underscores the importance of learning and adapting in diverse retail environments. The insights gained from Tesco's European expansion illustrate that uncertainty and market shocks can facilitate learning and innovation in retail distribution. Zhao (2021) complements these findings by discussing cost management in e-commerce enterprises, using Suning Tesco as an example. Zhao's research highlights the importance of optimizing the entire value chain, including logistics, information flow, and capital flow, to maintain a competitive edge in the rapidly evolving e-commerce landscape. Collectively, these studies illustrate that a comprehensive approach to managing the value chain and delivering customer value is crucial for the sustained growth and success of retail enterprises like Tesco. Value chain analysis is a high-level logistics model that traces the flow of raw materials as they are transformed into final products and sold to customers through various value-added activities. This process encompasses both primary and support activities within an enterprise, extending from suppliers to distributors, service providers, and customers (The concept of value chains, 2015). Primary activities are directly

involved in creating the final product, while secondary, or support activities, indirectly add value through functions such as human resource management, purchasing, and technology use. Value chain analysis provides a comprehensive framework for understanding Tesco's operational efficiencies and strategic management of resources. Inbound logistics form a cornerstone of Tesco's supply chain prowess, leveraging a network encompassing 25 distribution depots covering 7.3 million square feet, with an annual case volume exceeding 1.17 billion (Ferne & Sparks, 2004). This centralized distribution system, managed predominantly in-house with strategic outsourcing to partners like Wincanton and Excel Logistics, underscores Tesco's commitment to cost-effective supply chain management (Logistics strategy: The case of Tesco, 2007). Notably, Tesco's efforts extend beyond logistics efficiency; initiatives such as dedicated banana farms exemplify their commitment to reducing food waste and ensuring high-quality produce reaches stores promptly (Pietrobelli & Saliola, 2008). These logistical innovations not only enhance operational efficiency but also contribute significantly to Tesco's ability to deliver superior customer value through timely and quality product availability.

## **Primary Activities**

### **Inbound Logistics Management**

Tesco invests significant financial resources into its internal logistics to manage the cost of goods and services effectively (Logistics strategy: The case of Tesco, 2007). According to Ferne and Sparks (2004), Tesco operates an extensive distribution network, consisting of 25 distribution depots with a warehouse area of 7.3 million square feet and annual total case volumes of 1.17 billion. Centralized distribution accounts for 95% of the volume, with Tesco running 15 depots in-house and contracting the remainder to operators like Wincanton and Excel Logistics. This system, operating nearly 3,000 vehicles and covering 224 million km annually, underscores Tesco's robust supply chain infrastructure. Tesco's commitment to reducing food waste and ensuring efficient distribution from farm to fork is evident in its operations, such as the dedicated banana farms that supply bananas with minimal waste, ensuring high quality and timely delivery to stores (Pietrobelli & Saliola, 2008).

### **Operations**

Tesco's effective use of IT systems and operational models has been instrumental in maintaining low costs and enhancing efficiency. The company's "Fresh & Easy" operational model, which leverages UK operational expertise and group assets, facilitates best practices across all markets. This model has expanded Tesco's space, range, and display capabilities, enhancing business intelligence and data warehousing. The implementation of self-service checkouts and plans to introduce online grocery services in Central Europe highlight Tesco's innovative approach to operations (Mike, 2011). These strategies have attracted customers through loyalty programs like Clubcard, which offer points for purchases and provide valuable customer insights (Barnes, 2011).

### **Outbound Logistics**

Tesco's leadership in both online and offline food retail segments is attributed to its efficient outbound logistics. The company categorizes its stores into different formats—Express, Metro, Extra—to meet diverse consumer demands effectively (Ma, Ding, & Hong, 2010).

### **Marketing & Sales**

Tesco offers a wide range of products and services beyond groceries, including financial, insurance, telecom, and health services. The Clubcard system plays a crucial role in improving customer loyalty by offering rewards and insights into customer preferences. This system

helps Tesco tailor its offerings to meet customer needs and enhance their shopping experience, whether online or in-store (Barnes, 2011). The company's diverse services and consistent growth in non-food sales have significantly boosted its financial performance (Barnes, 2011).

### **Services**

Tesco's service strategy focuses on maintaining high customer satisfaction by addressing issues like food freshness and quality. For instance, the company ensures that any damaged fruit is replaced promptly, enhancing customer satisfaction and loyalty (Christopher & Martin, 1992). Efficient transportation systems are crucial for maintaining overall operational effectiveness and meeting customer needs (Christopher & Martin, 1992).

### **Support Activities**

#### **Firm Infrastructure**

Tesco's firm infrastructure includes direct sourcing agreements with farms, ensuring that 70% of its products come directly from suppliers. This strategy not only improves product quality and pricing but also supports regional economic development through international purchasing (Foskett, 2016). Tesco's pioneering approach to private labels, with ranges like Tesco Value, Tesco Standard, and Tesco Finest, demonstrates its focus on customer satisfaction and product innovation (Camerinelli, 2009).

#### **Human Resource Management**

The success of Tesco is built on mutual trust and respect between the company and its employees. Tesco provides a supportive environment that encourages repeat customer visits and trains employees to deliver exceptional service. This focus on employee development is crucial for maintaining high service standards and customer satisfaction (Griffin & Griffin, 2000).

#### **Technology**

Tesco was an early adopter of RFID technology in 2003, using it to streamline supply chain operations and improve service efficiency. RFID technology enhances data accuracy and employee productivity by automating product tracking from input to output. However, the higher cost of RFID tags compared to traditional barcodes presents a financial challenge, necessitating careful long-term cost-benefit analysis (Zhao, 2014; Lace, 2004). Despite these costs, RFID technology represents a significant advancement in supply chain management, contributing to Tesco's overall efficiency and customer satisfaction (Zhao, 2014). Moreover, Tesco's value chain analysis highlights its extensive logistics and operational efficiencies, robust supply chain infrastructure, and innovative use of technology. By focusing on both primary and support activities, Tesco ensures high-quality service, operational efficiency, and customer satisfaction. The company's strategic use of resources, technological advancements, and strong infrastructure positions it as a leader in the global retail market.

#### **The Future Challenges of Tesco**

The Future Challenges of Tesco lie at the intersection of environmental sustainability, global expansion, and technological innovation. As climate change intensifies and environmental concerns become more pronounced, Tesco faces mounting pressure to enhance its sustainability practices across its vast supply chain (Bourlakis, 2015). This includes minimizing carbon emissions, reducing food waste, and promoting the use of green and recyclable materials throughout its operations. Collaborating with governments, suppliers, and customers will be crucial in achieving these goals, ensuring Tesco remains a leader in sustainable retail practices (Pereira, 2023). Moreover, Tesco's ambitions for international



growth necessitate overcoming operational challenges highlighted in its European expansion, such as adapting to diverse market conditions and consumer preferences (Palmer, 2005). Embracing technological advancements, particularly in online retail and supply chain management, offers opportunities to enhance operational efficiency and customer experience (Zhao, 2021). By leveraging its strengths in brand loyalty and operational scale while addressing these challenges head-on, Tesco can position itself for sustainable growth and leadership in the competitive global retail landscape.

### **Recommendations**

Based on the strategic analysis of Tesco's international purchasing and supply chain management, several key recommendations emerge to further enhance the company's competitive edge and ensure sustained growth in the dynamic global retail landscape. These recommendations focus on areas such as sustainability, technological innovation, market diversification, omnichannel integration, supplier relationships, and employee development. By strategically addressing these aspects, Tesco can strengthen its operational efficiency, improve customer satisfaction, mitigate risks, and capitalize on emerging opportunities. This section presents actionable recommendations that Tesco can implement to consolidate its market leadership and achieve long-term success.

Firstly, Tesco should prioritize enhancing its sustainability practices throughout its supply chain. This initiative involves setting clear environmental goals, such as reducing carbon emissions and minimizing packaging waste. By collaborating closely with suppliers to adopt green practices and promote sustainable sourcing, Tesco can align itself with global environmental standards and cater to the growing eco-conscious consumer base. Secondly, Tesco should continue investing in technological innovation to improve its supply chain efficiency and customer experience. Embracing advanced technologies like AI, IoT, and blockchain can enhance inventory management, optimize delivery logistics, and provide real-time visibility across its operations. These investments will not only streamline Tesco's internal processes but also position it competitively in the digital retail landscape. Thirdly, to mitigate risks associated with global market volatility and economic fluctuations, Tesco should diversify its international market presence further. This includes expanding into emerging markets in Asia and Africa where there is a growing middle class and increasing demand for quality retail products. By diversifying geographically, Tesco can reduce dependency on any single market and capture new growth opportunities. Fourthly, Tesco should prioritize enhancing its online retail capabilities and omnichannel integration. Improving the user interface and experience on its online platforms, expanding digital marketing efforts, and ensuring seamless integration between online and offline channels will enhance customer satisfaction and retention. This omnichannel approach will also help Tesco leverage its physical store network while meeting the evolving preferences of digital-native consumers. Fifthly, Tesco should strengthen its supplier relationships and strategic partnerships. Developing long-term partnerships with reliable suppliers and fostering collaborative relationships based on trust and mutual benefit will ensure consistent product quality, availability, and competitive pricing. Moreover, strategic partnerships with technology firms can drive innovation and support Tesco's digital transformation efforts. Lastly, Tesco should continue investing in employee training and development programs. By empowering its workforce with skills in technology, customer service, and sustainability practices, Tesco can enhance operational efficiency, improve service standards, and foster a culture of innovation. Employee training should also focus on adapting to new technologies and market trends, ensuring Tesco remains agile and responsive in a rapidly changing retail landscape. Implementing these

recommendations will enable Tesco to strengthen its competitive position, enhance operational resilience, and sustain long-term growth in the global retail market.

## Conclusion

In conclusion, this review paper has explored Tesco's international purchasing and supply chain management strategies, highlighting the intricate balance between challenges, opportunities, and strategic directions crucial for sustaining its competitive edge in the global retail market. Tesco has demonstrated a robust commitment to optimizing its supply chain through initiatives such as centralized distribution networks, strategic partnerships with logistics providers, and the adoption of advanced technologies like RFID. These efforts underscore Tesco's proactive approach to enhancing operational efficiencies and supply chain responsiveness, ultimately improving customer satisfaction and operational effectiveness. Throughout our analysis, several key insights have emerged. Tesco's emphasis on direct sourcing agreements and the development of private label ranges not only enhances product quality and pricing competitiveness but also supports regional economic development. Initiatives such as dedicated banana farms and efficient inbound logistics illustrate Tesco's dedication to sustainability practices and its ability to meet evolving consumer expectations. Looking forward, Tesco faces significant challenges in navigating global expansion, adapting to diverse market conditions, and advancing its environmental sustainability goals. However, these challenges also present opportunities for Tesco to leverage its scale, operational expertise, and customer-centric approach to drive innovation and growth. Collaborative efforts with stakeholders across the supply chain will be crucial in achieving these goals, ensuring Tesco remains resilient and adaptive in an increasingly competitive retail landscape. In summary, this review paper underscores Tesco's strategic agility in supply chain management and readiness to tackle future challenges. By leveraging its strengths and addressing emerging trends in sustainability and technology, Tesco is well-positioned to navigate international markets effectively and maintain its leadership in the global retail industry.

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### Cite this article:

**Le Li & Jian Hua Zeng** (2024). Strategic Analysis of Tesco's International Purchasing and Supply Chain Management: Challenges, Opportunities, and Future Directions. *International Journal of Science and Business*, 35(1), 132-143. DOI: <https://doi.org/10.58970/IJSB.2360>

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