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## 1. Introduction

For comparative analysis of two retailers, Tesco and Primark retailers have been selected in this report. Tesco is a multinational general merchandise and groceries retailer which is headquartered in UK, Walwyn garden city and is best known for its low prices, customer-focused and quality value. It is renowned in the world as the third-largest retailer by its grocery revenues and ranked 9<sup>th</sup> as the world's largest revenue generator. While Primark is a multinational retailer of fast fashion, beauty and home which have a total of 188 stores in the overall UK and a total of 384 stores in 13 different countries of the world. Primark is renowned for its high-quality offering and low price in the market (Hendirksz, 2017). The retail sector which has been selected for comparative analysis of both retailers is clothing. The clothing sector in Tesco is named F & F which is abbreviated as Florence and Fred. This sector in Tesco brings an affordable range and new stylish clothing for Tesco customers. Whereas Primark is a small retail market than Tesco, it is itself best known for its clothing sector as it offers trendy clothes and fast fashion at surprisingly very low prices by maintaining its quality value of them which is a very appealing factor for fashion-conscious young, aged customers. This report aims in identifying and analyse the maximum key areas where retailers like Primark and Tesco use various approaches for meeting the demand of their customers. This report sets to achieve a comparative analysis understanding of Primark and Tesco by critically comparing these two retailers and contrasting their various areas like value propositions, products assortment, customer service etc.

## 2. Value Proposition of each Retailer and their Audiences

The term value proposition is defined as the reason customers choose any service or product of particular retail (Wellington, 2022). It is a very important thing in any business that what their customers are demanding, and this is the reason why the companies like Tesco are ranking as the world's third-largest supermarkets. Tesco is competing with other supermarkets like Morrisons and Sainsbury is only due to their understating of the value proposition that customers do not come just for buying their service or product, instead, they come for finding solutions to their problems. Tesco has developed several value propositions for their customers and some of them are given as follows:

- They have an understanding that customers are better compared to anyone.
- Be innovative, be first, and be energetic for customers.
- Treat the customer how we want to get treated.
- No one tries harder for their customers.
- Use all your strengths for delivering unbeatable value to the customers (Wellington, 2022).

Primark has given a unique value proposition to its customers by upscaling the in-store experience. They possess quick fashion with small price dags which gives the reason to the audience to buy from them. Their target market is fashion conscious individuals belonging to the millennials generation between the ages of 16-24 which consist of students, musicians, journalists, etc. (Barnett, 2022) They mostly follow the updated fashion but at affordable prices and this makes Primark suitable for them because it gives its audience the value proposition by following the unique pricing strategy. In this strategy, everyone could buy quality value products from Primark at prices within their range. However, Tesco's target market is cost-conscious individuals which are interested in sales which is why Tesco used corporate strategy for giving a value proposition to their customers (Shastri, 2022). Thus, all their customers especially targeted one could buy from them at reduced prices.

### 3. Compare and contrast in 5 key areas, analysing and identifying how the retailers take different approaches to meet the needs of their customers Retailer Comparative

#### 3.1. The way they use marketing to attract customers and communicate their value proposition

Marketing is a very important part of any business as it helps to sell services or products of that business on a massive scale (movingtargets, 2019). Experts said that it is almost impossible to exist any business in the market without its proper marketing because it is something that drives sales and meets any business's bottom-line goal which is making money (Hanaysha, 2018). That is why, Primark and Tesco have also used various marketing channels like YouTube, Instagram, Facebook, etc. for marketing their products and value proposition to the customers. Table 1.1 below is showing the ways with differences which both retailers use for attracting their customers through different marketing channels.

**Table 1.1: Different ways Tesco and Primark use for attracting the customers**

Serial No.	Different ways Tesco and Primark use for attracting the customers	
	Tesco	Primark
1.	<b>Tesco Clubcard, vouchers &amp; coupons</b>	<b>Primark Gift Cards</b>
	Tesco Clubcard offers vouchers, coupons, and 1% back to their customers on shopping with many other remarkable perks and Tesco Clubcard plus offers 10% off on their in-store grocery shopping two times a month.	Primark e-gift cards enable their customers to make partial or full payments over the range of products and reduce present-wrapping hassle for their customers.

2.	<b>Delivery saver</b>	<b>Primark Store Locator</b>
	Tesco not only captures its customers online but also offers them a delivery saver option with usual delivery. This option on their website offers delivery service to their customers on a subscription-based which enables reduced delivery costs and help in making a monthly big saving.	Primark has a store locator option on their website for finding the nearest Primark store to their customers.
3.	<b>Tesco Corporate strategy</b>	<b>Primark pricing strategy</b>
	Tesco follows a corporate pricing strategy in which they offer trendy brand products at affordable low prices for their cost-conscious targeted audience.	Primark's pricing strategy distribution enables all classes of customers especially their fashion-conscious targeted audience to buy according to their capacity.
4.	<b>Tesco mobile app</b>	<b>Primania</b>
	This app has made customers shopping more convenient and possess options like a store locator, coverage checker, free credit, and collecting Tesco Clubcard points.	It is a blog made by Primark for featuring its customers and famous bloggers wearing their Primark products which is a very attractive thing for encouraging the audience to shop from them.

### 3.2. The assortment of products they sell

The term products assortment could also be referred merchandise mix which means the variety of the products that any retailer sells and stocks. There are two factors important in product assortment by any retailer which are product breadth and product depth. The product breadth tells the wide variety of products that any retailer sells and product depth is about variations in any specific product line (Nicasio, 2021). When we talk about the products assortments of our selected retailers, then both have great product depth and product breadth. As Tesco is multinational general

merchandise and groceries retailer and Primark is a multinational retailer of fast fashion, beauty and home. This means both have a wide variety of product lines giving the extensive product breadth in products assortment. When we talk about any specific product line which we have selected clothing sector, then there is also a wide variation exist in both of them not only about the variations in just clothing brand colour but also according to different genders, ages, and trendy fashion designs. It means both retailers possess large product depth for meeting their audience needs up to the latest trends. Table 1.2 shows the clothing sector products range of both retailers with their unique pricing strategies.

**Table 1.2: Clothing Sector Product Assortment of Primark & Tesco**

Clothing Sector product assortment of Primark & Tesco		
Retailer	Clothing Range	Pricing Strategy
<b>Primark</b>	<ul style="list-style-type: none"> <li>• Women</li> <li>• Men</li> <li>• Kids</li> <li>• Baby</li> </ul>	<ul style="list-style-type: none"> <li>• Top price product</li> <li>• Premium-priced product</li> <li>• Mid-priced product</li> <li>• Low priced product</li> </ul>
<b>Tesco</b>	<ul style="list-style-type: none"> <li>• Women's clothing</li> <li>• School uniform</li> <li>• Men's clothing</li> <li>• Kid's clothing</li> <li>• Baby clothing</li> </ul>	Cost Leadership

As shown in the above table, both retailers are giving value propositions to their customers by following a specific pricing strategy. Primark has divided its price ranges according to its targeted audience as it is most of the fashion-conscious younger generation between the ages of 16-24. So, those who belong to rich backgrounds could buy the products according to their status and vice versa (Akter, 2016). Tesco has its unique cost leadership pricing strategy for its targeted audience of cost-conscious individuals. Thus, they could buy their products at low prices without having no compromise on products quality (Rahman, 2021).

### 3.3. The way they approach customer service to enhance the shopper's experience

The support that a retailer offer to his customers is called customer service of that retailer. This is a very important thing for competing in the market. Nowadays, customer service is beyond its traditional ways like a call support agent (salesforce, 2022). Many big retailers like Tesco have remarkable customer service which is in return the cause of their lead in the world market (ukeassays, 2017).

"89% of companies now expect to compete mostly based on customer experience."

#### **---GARTNER RESEARCH**

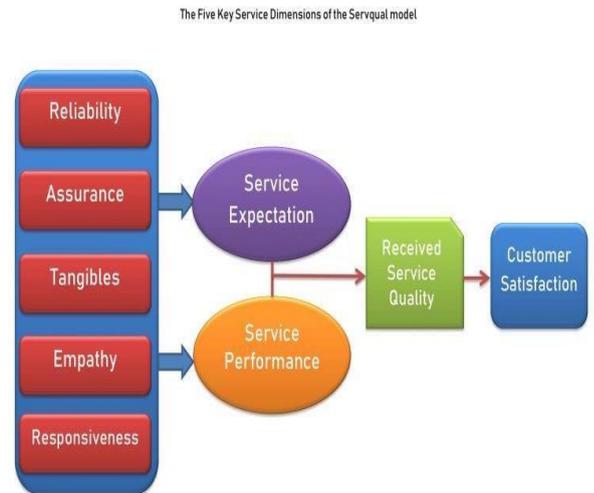
Tesco provides many customer services for giving a value proposition to their customers. Firstly, it offers customers to get their products any time they want by giving them 24 hours service. It is a very good service in Tesco that its employees wear uniforms so that any customer at the entrance found someone to ask for advice and help. It also offers cultural food means their customer-related any background either Indian or Chinese could find food of their choice which is a very appealing factor for Tesco customers to shop there. Tesco has clear signs on their stores so that their customers easily find their shops. They have all services like petrol station, internal café, disabled toilets, play area, customer service desk, refunds, and loyalty cards for providing extensive good customer experience which is responsible for their great brand recognition in their market (marketbyteachers, 2022).



While Primark also gives customer service in many areas mainly their customer value proposition in form of gift cards. These e-gift cards could be used for making partial or full payments across a range of products. Their remarkable customer value proposition is giving refunds and also providing the facility of product exchanges to their customers. They have also food points and play areas like Tesco and possess a customer service team always 24/7 asking for help or any useful information.



The SERVQUAL model has been used in this report for identifying and analyzing the service quality of Tesco and Primark. The five key dimensions have been used in this model for analyzing the service quality of Tesco and Primark from their above-described customer services. These dimensions are reliability, tangibles, responsiveness, assurance, and empathy. This model works by asking questions from the customer about the ideal



service quality expectation that he has from (Kobiruzzaman, 2020) selected retails and then asking about giving a rating to the service quality of specific retails (Chan, 2019). According to 2017 ratings in the UK, Tesco stands at 66% by customer satisfaction ratings (statista, 2017). While most of the customers rated Primark as very satisfied with their customer services and product quality value.

### 3.4. The way they design their store and their websites

Marketing of any business through social media plays a vital role in augmenting the customer's brand experience. That is why it should be the core part of any retail marketing strategy. For this, every retail or any business design its social media pages and personalized websites with unique design. Primark and Tesco both have their website with unique designs and personalized business accounts on various social media pages like Facebook page, Google plus, Twitter profile, and Pinterest. Both retailers have their websites with unique designs.

A website of any specified business is typically made for executing the advertising features and direct selling but Primark has built its website specifically for its promotional purposes only. However, Tesco uses its website for both purposes. Primark possesses a styled and updated website that has an assortment with customers attracting features like preassembled looks, latest products selection,

buying gift card option etc. They have also a specific blog named "Primania" which features the customers and popular bloggers wearing their Primark products (Snowdon, 2015). While Tesco website possesses additional features than Primark like Tesco magazine, delivery saver, Tesco mobile, Tesco bank, etc. Both retailers have also designed their stores with an environment that enhances brand image. As Primark and Tesco stores possess flagship showcases in the form of remarkable digital features like big LED screens in large stores which display film series giving the depiction of the brands' personality.

### 3.5. The way in which they are innovating and evolving

Both Primark and Tesco have evolved much with time, and they have innovated many things like starting to sell online, giving value proposition to their customers not only physical but also online in form of gift cards, club cards, coupons etc. Both have their own YouTube channel, Instagram and Facebook pages for promotion and products offering. Primark has recently developed a fitness clothing range with a fitness campaign launch that is following their competitors' H & M footsteps and quite appealing to the new market (Snowdon, 2015). Both Tesco and Primark have developed their website by improving it in terms of product offering, improving/increasing available features, and design optimization of the webpage. Primark does not offer an online shop and encourage their customers to their in-store experience. In comparison to this, Tesco sells online and according to statistics, they have risen sales digitally by 74% (Skeldon, 2021).

Tesco has evolved in terms of incorporating further digital technology into their stores so that they remain competitive and could give a more stimulated store experience to their customers. Primark has started using digital platforms for promoting the ethical practices of its brand. They have also developed Primark shopping mobile app like Tesco which has played a very important role in promoting their new products. This app is only developed in Spain country currently but has become a new communication channel of them for notifying their customer offers, increasing brand awareness, and exhibiting the brands' personality. However, Tesco is not limited to one country as they have provided convenience to their customers by doing shopping at any time. They are more advanced in terms of promoting their online

business than Primark. They have developed various online mobile apps and features which gives quality value proposition to their customers. They have developed the Clubcard Tesco Hungary mobile app which is basically for providing discounts to their customers in the form of coupons. By installing this app, their customer receives some extra discount coupons every month. Primark has recently started an e-commerce partnership with Asos which is a big online retailer (Baker, 2013). Tesco has also joined with eDiets.com (studycorgi, 2021) and Amazon where it launches its first store named “just walk out”. Tesco has its magazine which comes out 10 times a year where they publish recipes, vouchers, coupons and many more for their customers. However, Primark does not evolve that much as they have just an online well-built website for finding a product in their stores.

#### 4. Conclusion

This report summarizes that both retailers give value proposition to their customers by following their pricing strategy. As Primark's targeted audience is fashion conscious individuals that is why they follow a pricing strategy in which their younger targeted audience could buy trendy fast fashion products within their affordable range. However, Tesco follows a corporate pricing strategy for giving value proposition to their customers. As their targeted audience is cost-conscious individuals which are interested in sales. Thus, they provide Clubcard, coupons, and sells at reduced prices which all attract the audience to buy from them.

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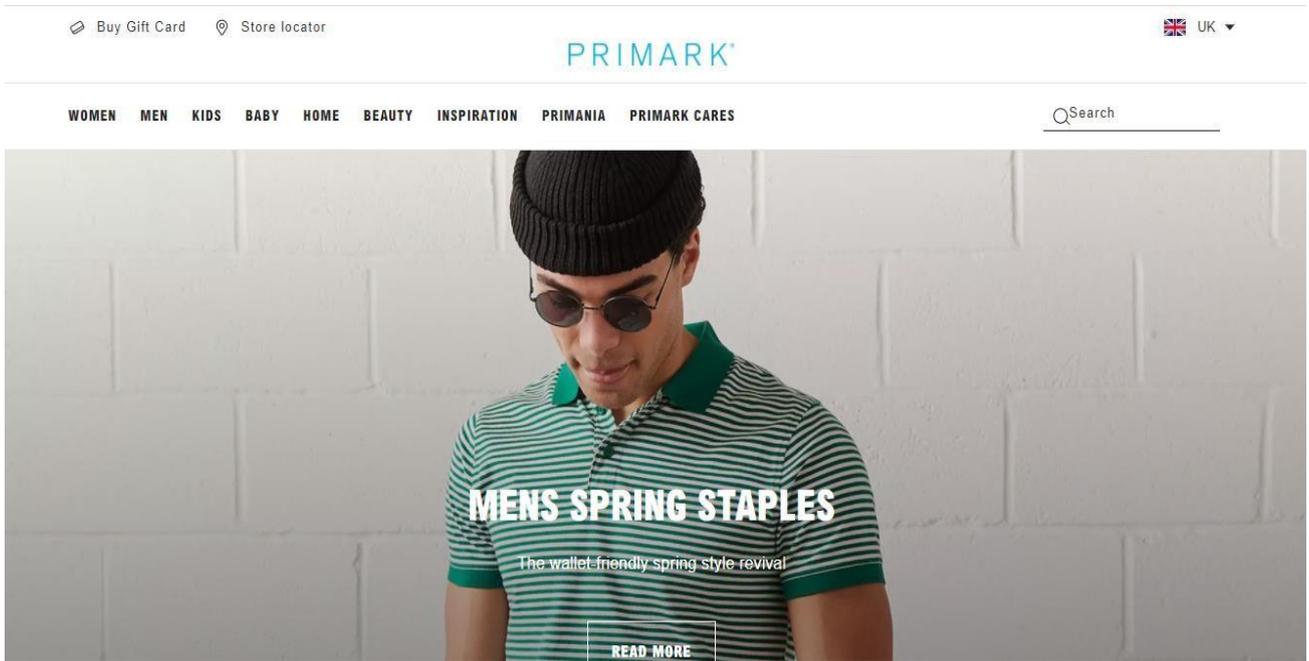
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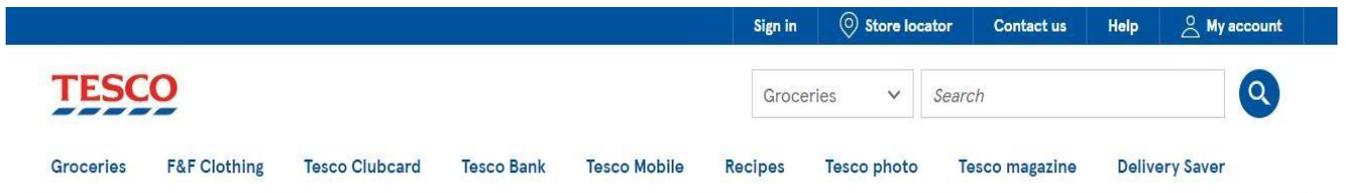
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## Appendices

### Appendix 1: Website layout of Primark Tesco

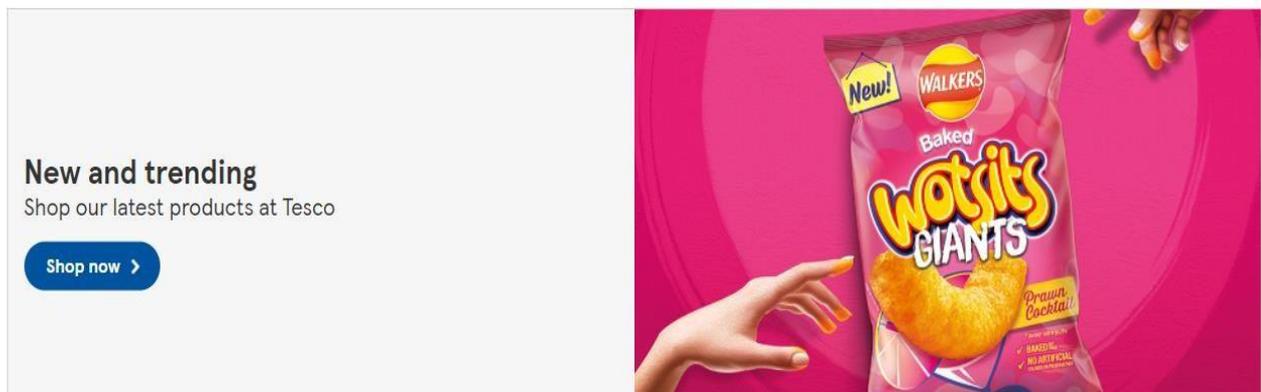


(Primark, 2022)



## Good morning

[Sign in](#) for the best experience. Not a customer yet? [Register](#)



(Tesco, 2022)

## Appendix 2: Clothing range of Tesco &amp; Primark

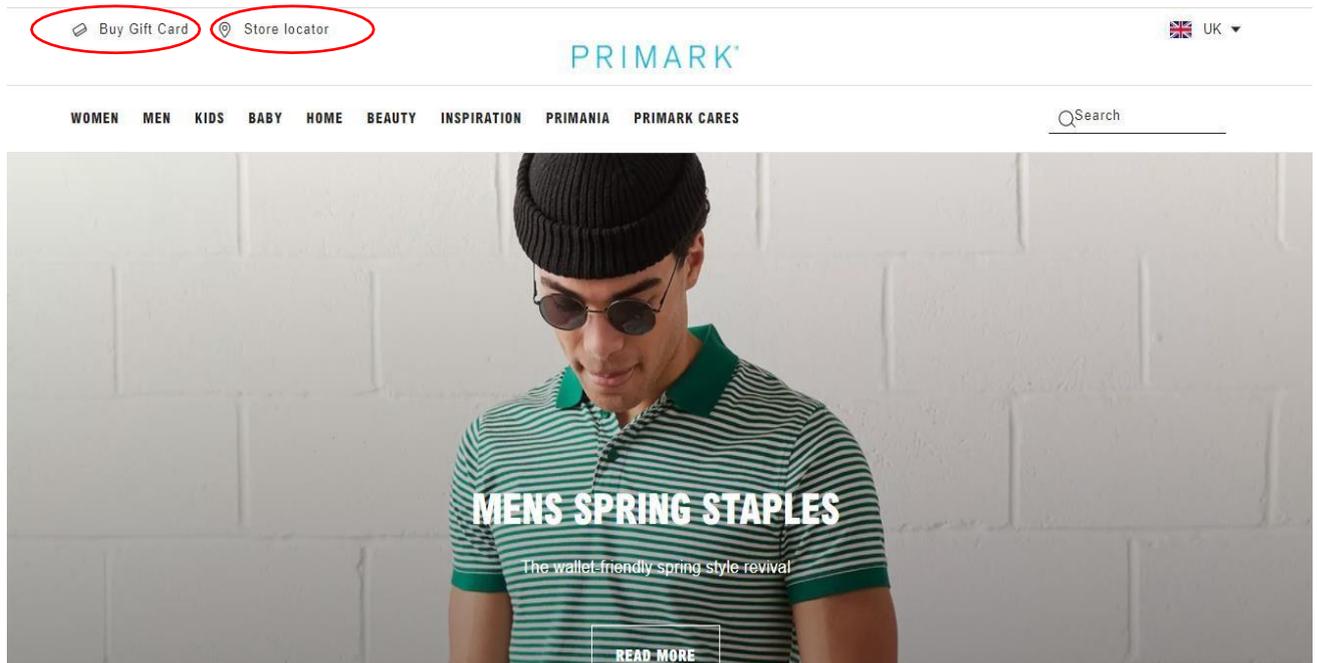
The screenshot shows the Tesco website's navigation bar. The 'F&F Clothing' link is circled in red. Below the navigation bar, a dropdown menu is open, listing various clothing categories: 'Browse F&F clothing', 'Browse School Uniform', 'Browse kids' clothing', 'Browse women's clothing', 'Browse men's clothing', and 'Browse Baby clothing'. A red box highlights this entire dropdown menu. The background of the page features a promotional banner for 'New and trending' products, including a bag of Walkers Baked Wotsits Giants.

(Tesco, 2022)

The screenshot shows the Primark website's navigation bar. The 'WOMEN' link is circled in red. Below the navigation bar, a dropdown menu is open, listing various clothing categories: 'View All Clothing', 'Dresses', 'Jeans', 'Tops', 'Coats & Jackets', 'Hoodies', 'Jumpers & Sweaters', 'Shorts', 'Skirts', 'Trousers & Leggings', 'Lingerie & Underwear', 'Socks & Tights', 'Pyjamas', 'Workwear', 'Gym Clothes', 'Swimwear & Beachwear', 'T-Shirts', 'Accessories', 'View All Accessories', 'Hair Accessories', 'Bags & Purses', 'Belts', 'Hats Gloves & Scarves', 'Sunglasses', 'Key Rings', 'Jewellery', 'Bracelets', 'Earrings', 'Necklaces', 'Rings', 'Shoes & Boots', 'View All Shoes & Boots', 'Boots', 'Heels', 'Sandals', 'Trainers', 'Flats', 'Beach', 'Slippers', and 'Featured' (Primark Cares, Disney). A red box highlights this entire dropdown menu. To the right of the dropdown menu, there is a 'Gift Cards' banner.

(Primark, 2022)

### Appendix 3: Primark & Tesco Customer Value Proposition

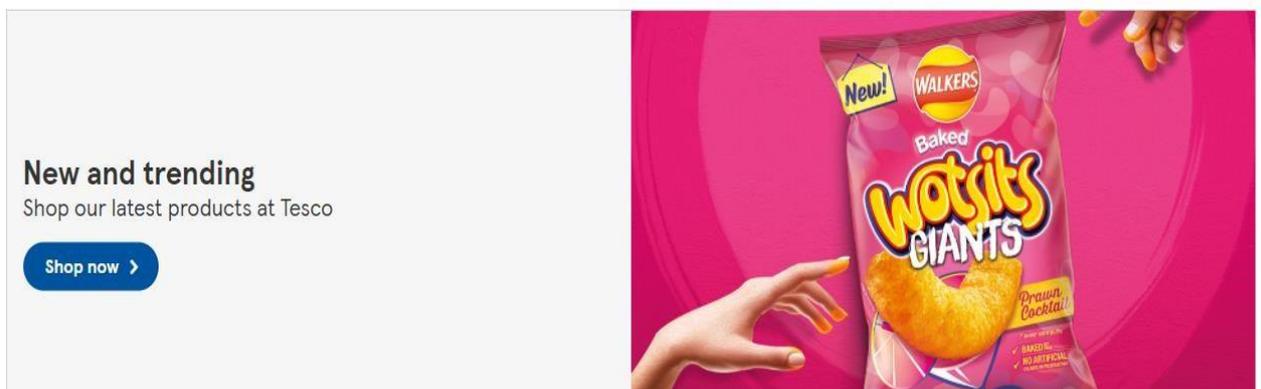


(Primark, 2022)



### Good morning

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(Tesco, 2022)

## Appendix 4: Marketing Channels of Tesco & Primark



*Every little helps*

<b>Here to help</b> Help & FAQs Contact us	<b>About Tesco</b> Store vacancies Careers Tesco PLC Our little helps	<b>Our website</b> Terms & conditions Privacy & cookies policy Privacy centre Site map Accessibility	<b>Useful links</b> Pharmacy Product recall Store locator Bags of Help Rate this page
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(Tesco, 2022)

WOMEN MEN KIDS BABY HOME BEAUTY INSPIRATION PRIMANIA PRIMARK CARES

<b>HELP</b> Customer Service Sitemap	<b>USEFUL INFORMATION</b> Terms of Use Privacy And Cookies Cookie Settings Franchise Scam COVID-19 FAQs Recycle Your Electricals CCTV and Bodycams Notice	<b>INSIDE PRIMARK</b> About Us Careers at Primark Suppliers UK Gender Pay Report Modern Slavery Act Cruelty Free International Section 172 and Corporate Governance Statement	<b>CORPORATE</b> Newsroom Primark Cares
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(Primark, 2022)

## Appendix 5: Customer services at Primark &amp; Tesco


[COVID-19 FAQ'S](#)
[STORES](#)
[REFUND & EXCHANGES](#)
[GIFT CARDS](#)
[PRODUCT](#)
[OTHER QUERIES](#)
[RECALL](#)

## Contact Us

Contact us anytime and we will get back to you within 2 working days.

(Primark, 2022)





[Groceries](#)
[F&F clothing](#)
[Tesco Clubcard](#)
[Tesco Bank](#)
[Tesco Mobile](#)
[More... ▾](#)

## What can we help you with?

### Online grocery shopping

Ask us about deliveries, Click + Collect, returns or give product feedback.



### Shopping in-store

Give us feedback or ask a question about your in-store shopping experience at Tesco.



### Clubcard and Clubcard Plus

Feedback, queries and questions on points, balance, redemption and rewards.



### Product support

Get support with faults, set-up, warranties and spare parts for your purchased product



### Further help:

Come here for information on Tesco Bank, Mobile and much more.



All contact made to and from customers via the Customer Service Centres may be recorded for training and quality purposes.

\* 0800 numbers are free to call from all landlines and mobiles

(Tesco, 2022)

Appendix 6: Primark & Tesco clothing store design



(Spectra, 2019)



(Qu4ntum, 2022)