

INTERACTIVE IMC & DM



Table of Contents

Executive summary	3
Introduction	3
Situational Analysis	4
Digital SWOT analysis.....	4
Digital PEST analysis.....	4
Digital competitor analysis.....	5
Traffic and engagement rate	6
Social media platform analysis.....	8
Sentiment analysis	9
Instagram engagement analysis.....	10
Direct digital competitor analysis.....	11
Indirect digital competitor analysis	11
Consumer analysis	11
SMART objectives.....	11
Strategy	13
Customer persona	13
Online marketplace map.....	14
Digital TOWS matrix	15
Online value proposition	16
Tactics	16
Action plan.....	17
Control	18
Conclusion.....	19
References	20

Executive summary

The following report is based on critical research regarding the digital marketing development of Tesco. It has been identified that Tesco has several issues regarding its customer engagement. In this matter, the use of a proximity marketing strategy will be the most important digital marketing development strategy for Tesco. Through the use of a proximity marketing strategy, Tesco will be able to develop its customer service quality by providing a huge amount of information about the company to a specific target market. This will be helpful for increasing the customer demand of Tesco in the target market.

Introduction

The following research will be created to make a clear analysis of the current digital marketing strategies of an organisation. At the same time, this research will be helpful for the development of digital marketing through the help of a particular digital marketing development strategy of the company. The chosen company for this research will be Tesco which is one of the most reputed retail companies in the market of UK. The mission of this company is to ensure the betterment of the daily lives of the customers, communities, and the planet (tesco plc, 2023). The vision of this company is to ensure the betterment of the daily essentials of the customers. The core values of this company are to understand the customers, first service, and maintain community responsibility (tesco plc, 2023).

As per the market research of Tesco, it can be seen that the impact of the lack of digital marketing efficiency of this company is responsible for lacking its market research. For example, the issues of IT security and the “retail technology environment” are affecting technological advancement so this company is lacking stability in IT control (Mari, 2021). Uncertainties of technological advancement are also responsible for affecting the digital marketing stability of this company. In order to mitigate this customer reach issue in Tesco, the marketing authorities of this company will develop its digital marketing strategies with the help of technological advancement. This report will be helpful for understanding the current needs of Tesco in its digital marketing section. On the basis of those needs, an advanced big idea related to digital marketing development will be presented in detail.

Situational Analysis

Digital SWOT analysis

Strengths ● Global market reputation ● Good capital investment	Weaknesses ● Lack of understanding of customer demand ● Issues of market scandals ● Lack of investment in online marketing of food delivery
Opportunities ● Chance to attract new customers	Threats ● Chance to have unstable customer loyalty and retention

Table 1: SWOT of Tesco
(Source: Created by self)

As per the SWOT analysis of Tesco, it can be identified that the company has a good global reputation due to its long-time presence in the retail industry. The company also has a strength regarding its financial stability as it invests a good amount in its entire business. This will provide the digital marketing team of the company with a chance to attract a lot of customers from its target market. On the other hand, Tesco supermarkets are getting good responses from its customers in Europe, still, the customers are demanding cheaper products (Wright, 2022). It can be claimed that the impact of the lack of understanding about the demand of the customers is responsible for decreasing the number of customers of this company. At the same time, it can be seen that the company has a lack of cost investment in its online marketing and this reduces the offer facilities for its food products (Hammett, 2018). This can be identified as one of the most important challenges for its digital marketing growth.

Digital PEST analysis

Political	Brexit impact on global trade affected the financial stability of the UK
------------------	--

Economic	5.7% CPIH annual inflation rate of the UK in 2023 (ons.gov, 2023)
Social	Influence in culture and political aspects due to strong economic and military power (bbc, 2023)
Technological	Skilled employees of the UK stabilising technological advancement

Table 2: PEST of Tesco

(Source: Created by self)

The impact of Brexit is responsible for affecting the economic stability of the UK by increasing trade complexities. This can be a challenge for Tesco as the retail sector of the UK has also been affected by this economic slowdown. Hence, the UK inflation rate is helpful for Tesco to increase its marketing strategies. Along with it, the company can use cultural stability to increase customer engagement which can be a beneficial factor for its marketing. The technological skills of the employees of the UK can be responsible for increasing the online marketing stability of Tesco.

Digital competitor analysis

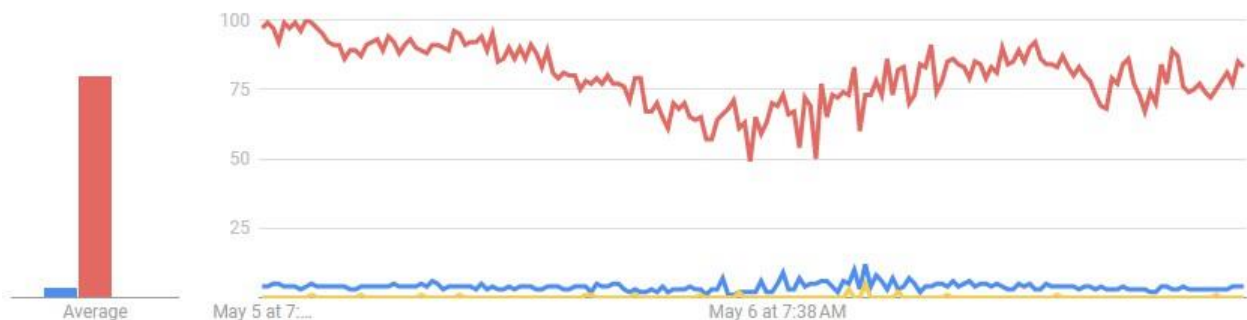


Figure 1: Digital competitor analysis of Tesco

(Source: trends.google, 2023)

As per the analysis of the digital competitors of Tesco, it can be seen that Amazon UK is the biggest name. The online search rate for Amazon UK products is higher than the search for the Tesco products which can be seen in the above-stated graph. For this reason, Tesco has to be prepared for the high market competition of the online demand of Amazon UK.

Traffic and engagement rate



Site	Affinity	Monthly visits	Category	Category rank
 sainsburys.co.uk	100% 	18.8M	Food and Drink › Groceries	#8
 waitrose.com	93% 	6.7M	Food and Drink › Groceries	#33
 ocado.com	88% 	6.9M	Food and Drink › Groceries	#23
 iceland.co.uk	87% 	7.0M	Food and Drink › Groceries	#27
 asda.com	86% 	27.4M	Food and Drink › Groceries	#5
 aldi.co.uk	64% 	8.9M	Food and Drink › Groceries	#25
 lidl.co.uk	58% 	5.4M	Food and Drink › Groceries	#45
 morrison's.co.uk	55% 	4.5K	Food and Drink › Groceries	#10,312
 bbcgoodfood.com	54% 	40.8M	Food and Drink › Cooking and Recipes	#9
 amazon.co.uk	54% 	364.3M	eCommerce & Shopping › Marketplace	#10

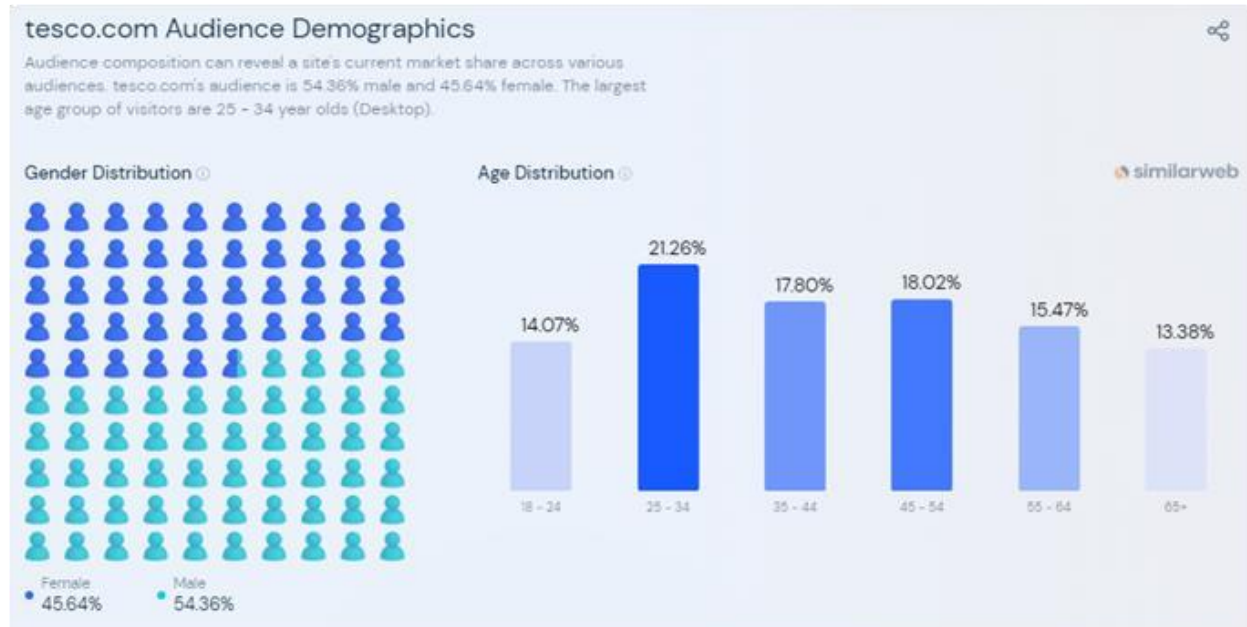


Figure 2: Traffic and engagement rate of Tesco

(Source: similarweb, 2023)

In accordance with the analysis of the website of Tesco, it can be identified that 31.4 million people visited this last March 2023 (similarweb, 2023). On the other hand, the customer visit rate of this company in January was 33.8 million (similarweb, 2023). In this matter, it can be seen that the customer visit rate of this company has been reduced recently. This is a challenging factor for the online marketing stability of this company. At the same time, Amazon UK has the highest website visit rate in the UK which is 364.3 million (similarweb, 2023). BBCgoodfood is also one of the most challenging competitors of Tesco which has 40.8 million website visits (similarweb, 2023). As per the demographic engagement rate of Tesco, the amount of men is higher than women with 54.36%. 25 to 34 year old customers are mainly engaging with Tesco through its website (similarweb, 2023).

Social media platform analysis



Figure 3: Existing marketing channels of Tesco

(Source: similarweb, 2023)

As per the analysis of marketing channels of Tesco, it can be seen that the use of social media has the lowest use in this company. As per the research on this company, it can be seen that only 0.92% of marketing of this company is done by social media (similarweb, 2023). This company is mainly based on direct marketing.

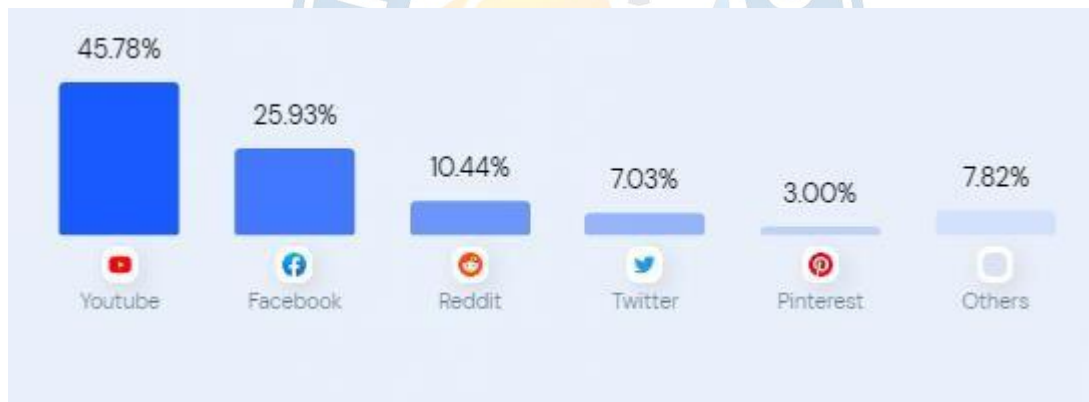


Figure 4: Social media presence of Tesco

(Source: similarweb, 2023)

However, the use of Youtube is the most important social media marketing channel of Tesco with 45.78% usage (similarweb, 2023).

Company	Facebook Followers	Instagram Followers	Twitter Followers	Youtube subscribers
Tesco	1395	539 K	661.8 K	155 K

Amazon UK	5,524,075	125 K	1.5 M	84.7 K
BBCgoodfood	802 K	1.4 M	394.6 K	412 K

Table 3: Social media platform analysis of Tesco

(Source: All the respected social media pages)

As per the analysis of the social media pages of Tesco and comparing it with other companies, it can be seen that its presence on Facebook is very low. The majority of customers are engaged with Facebook nowadays. Significantly, it can be one of the major challenges for Tesco to maintain its customer reach in a digital way.

Sentiment analysis

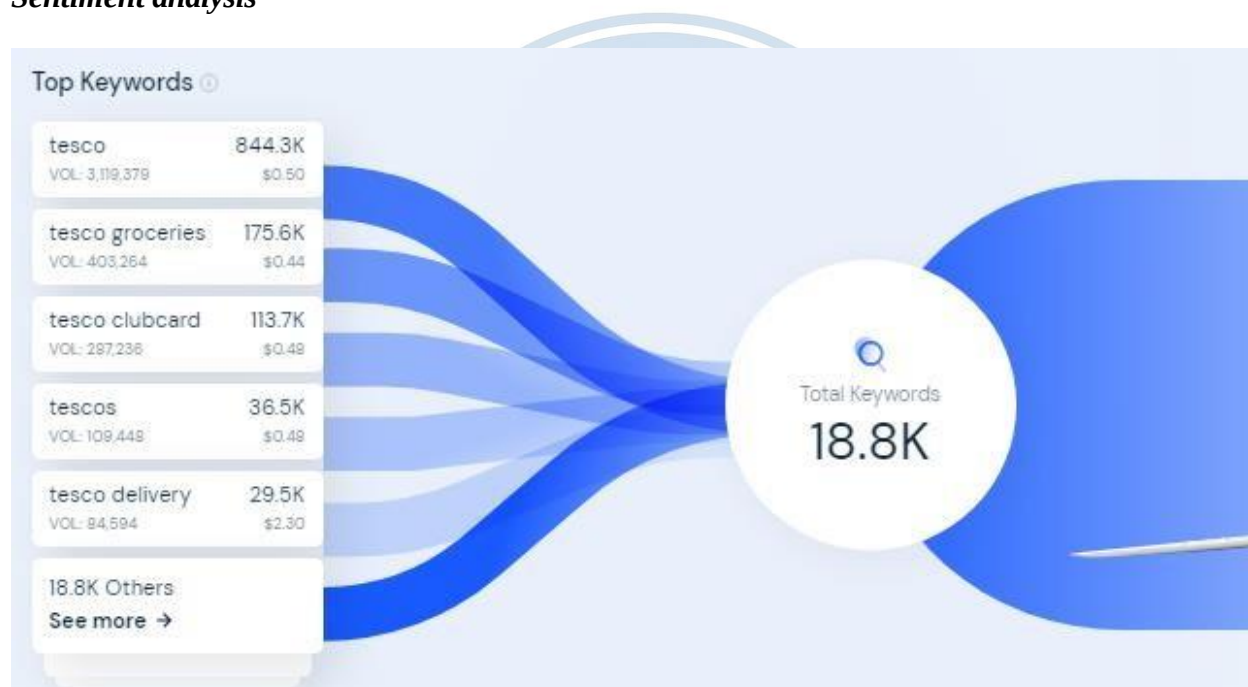


Figure 5: Top used keywords of Tesco

(Source: similarweb, 2023)

As per the customer engagement analysis of Tesco, it can be seen that the customers are using specific keywords to find their necessary products via the online path. “Tesco” itself is the most used keyword for engaging the customers with the company. The sentiment of the customers of this company is dependent on the use of keywords. There are around 18.8k keywords used by the customers of Tesco (similarweb, 2023).

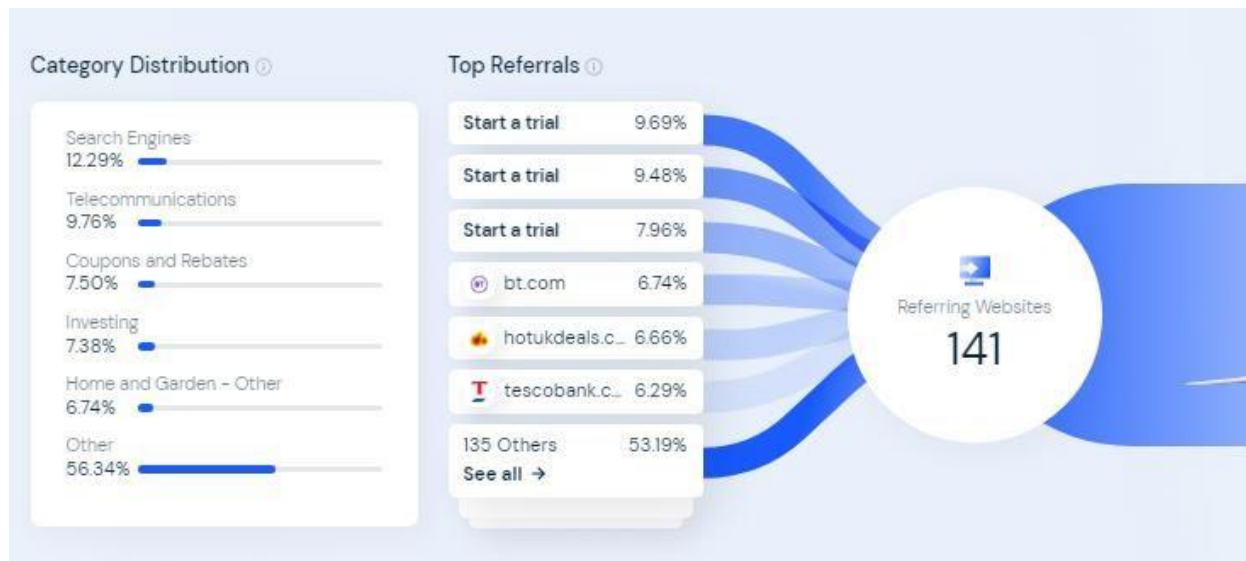


Figure 6: Distribution category used by Tesco customers

(Source: similarweb, 2023)

At the same time, the use of appropriate distribution categories is one of the most important ways to maintain customer engagement in this company. Dependence on the use of search engines is the most important way of distribution of Tesco with 12.29% application (similarweb, 2023). Tesco has around 141 referring websites (similarweb, 2023).

Instagram engagement analysis

Company	Followers	Likes	Comments	Engagement rate
Tesco	539.8 K	516	13	0.04%
Amazon UK	125.2 K	177	18	0.14%
BBCgoodfood	1.4 M	507	6	0.03%

Table 4: Instagram engagement of Tesco

(Source: phlanx, 2023)

As per the analysis of the Instagram engagement of Tesco, it can be seen that Amazon UK is not a big competitor. Hence, Tesco has to be concerned about the Instagram engagement of BBCgoodfood as it has 1.4 million followers (phlanx, 2023). However, the customer engagement

rate of Tesco is higher than BBCgoodfood which will be an added advantage for Tesco to enhance its digital market engagement in the future.

Direct digital competitor analysis

As per the analysis of the direct digital competitor of Tesco, it can be seen that the impact of the market population and online presence of Amazon UK is the most challenging factor for Tesco. On the basis of this matter, the digital presence of Tesco has to be stronger to get more customers via online platforms. The presence of keywords is higher for the customers of Amazon UK. On the contrary, there are fewer keyword search facilities for the customers of Tesco. On the other hand, the direct digital presence of BBCgoodfood is also strong, still, not as strong as Amazon UK. Accordingly, this company will not be a strong direct competitor for Tesco.

Indirect digital competitor analysis

The other companies in the UK in the retail sector are also providing online services nowadays. Direct or indirect consequences are responsible for making different impacts on organisations which depend on the market condition (Kasim *et al.* 2018). For this reason, the separate grocery outlets which provide similar products to Tesco, can be a challenge for this company. They will be the indirect digital competitor of Tesco in the market of the UK.

Consumer analysis

As per the analysis of the customers of Tesco, it can be seen that they are not getting enough satisfactory service from the company's side. Tesco is not able to provide appropriate products as per the different requirements of the different segments of customers. At the same time, due to the instability of keyword searches in online platforms, the customers of Tesco are not getting sufficient information about the company and its products or services.

SMART objectives

The main objectives of the suggested digital marketing strategy for Tesco will be building awareness, engagement, and building online advocacy/recommendation (eWOM). In order to reach these objectives a SMART objective framework will be followed here.

Specific	To implement a proximity marketing strategy
Measurable	To identify the number of customers who are getting engaged with Tesco's digital platforms
Achievable	To achieve more customer engagement rate
Relevant	To ensure a more organisational profit
Time-bound	To get better online customer reach within 1 year

Table 5: SMART objectives

(Source: Created by self)

As per the analysis of the SMART objectives of Tesco, it can be seen that the impact of proximity marketing will be one of the most important strategies for building better customer awareness about the product and services of Tesco. This will be highly beneficial for the development of the customer engagement of this company. Brand credibility and awareness ensure better brand loyalty (Dilhamet *al.* 2018). The use of digital proximity marketing will be the main strategy for the company to analyse its customer demand as per its segmentations.



Strategy

Customer persona

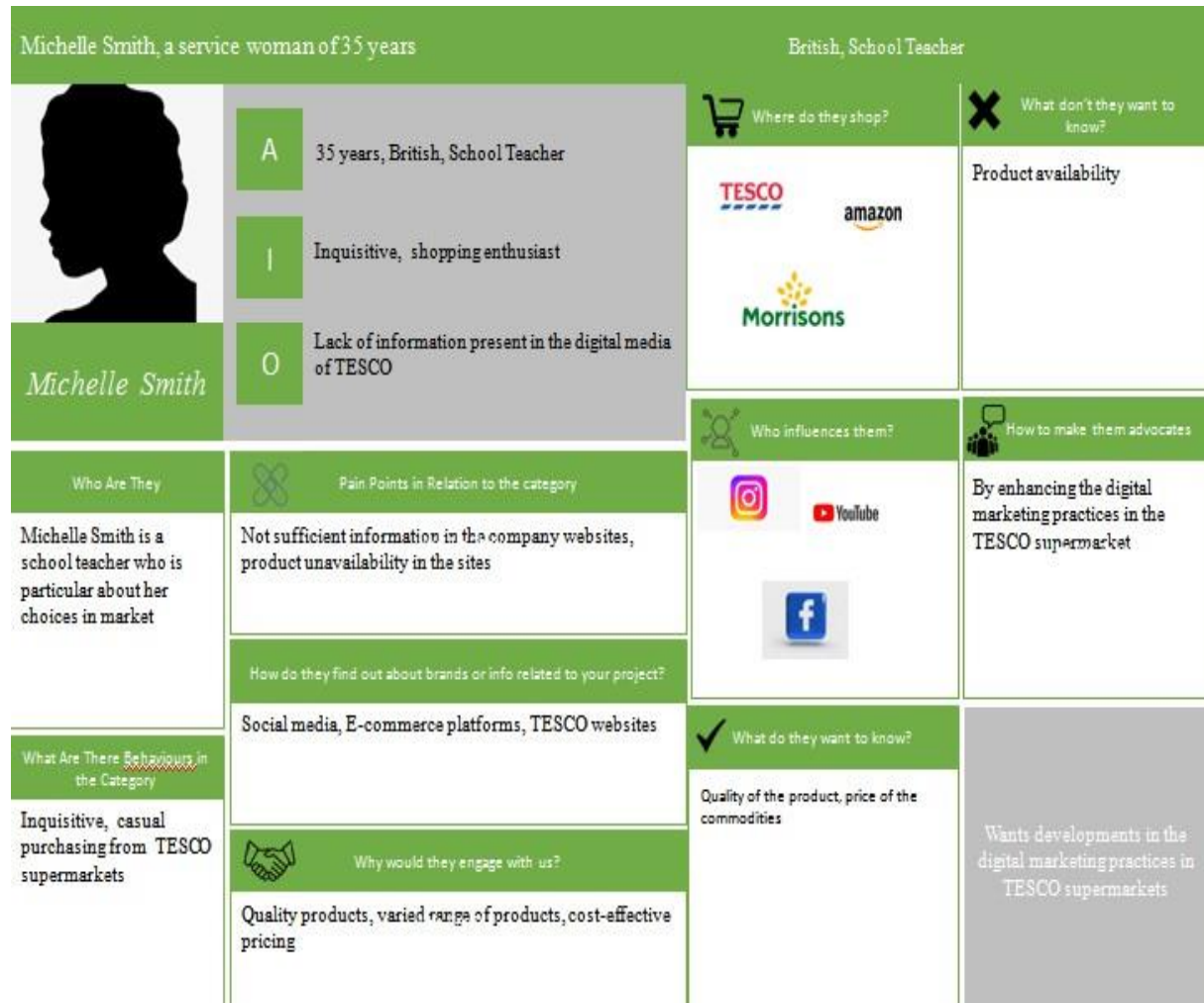


Figure 7: Customer Persona

(Source: Created by Self)

Segmentation

In this consumer persona the researcher has taken a British woman, Michelle Smith of 35 years old who is a school teacher. She is interested in shopping from the supermarkets. Her inquisitive attitude makes her a shopping enthusiast.

Analysis

In this consumer persona, a British woman of 35 years has been considered in order to understand her opinions regarding the current market position of TESCO plc in the industry. Michelle Smith

is the school teacher. She is interested in continuously purchasing commodities from supermarkets. Her inquisitive behaviour makes her a shopping enthusiast. As she has experience with different E-commerce platforms, Michelle Smith thinks that particularly TESCO plc does not have efficient digital marketing platforms in the business. As there are multiple social media platforms the consumer gets influenced through all these sites and tries to purchase from different supermarkets, such as Morrisons, Amazon etc apart from TESCO plc. The consumer feels TESCO's quality products and cost-effective pricing are the most exclusive deals for a shopper like her. The varied range of products in their list encourages her to purchase on a regular basis. Although the lack of presence in digital marketing platforms has been damaging the market for TESCO. In her opinion developing proper digital marketing strategies, the company will be able to sustain its market in the industry.

Online marketplace map

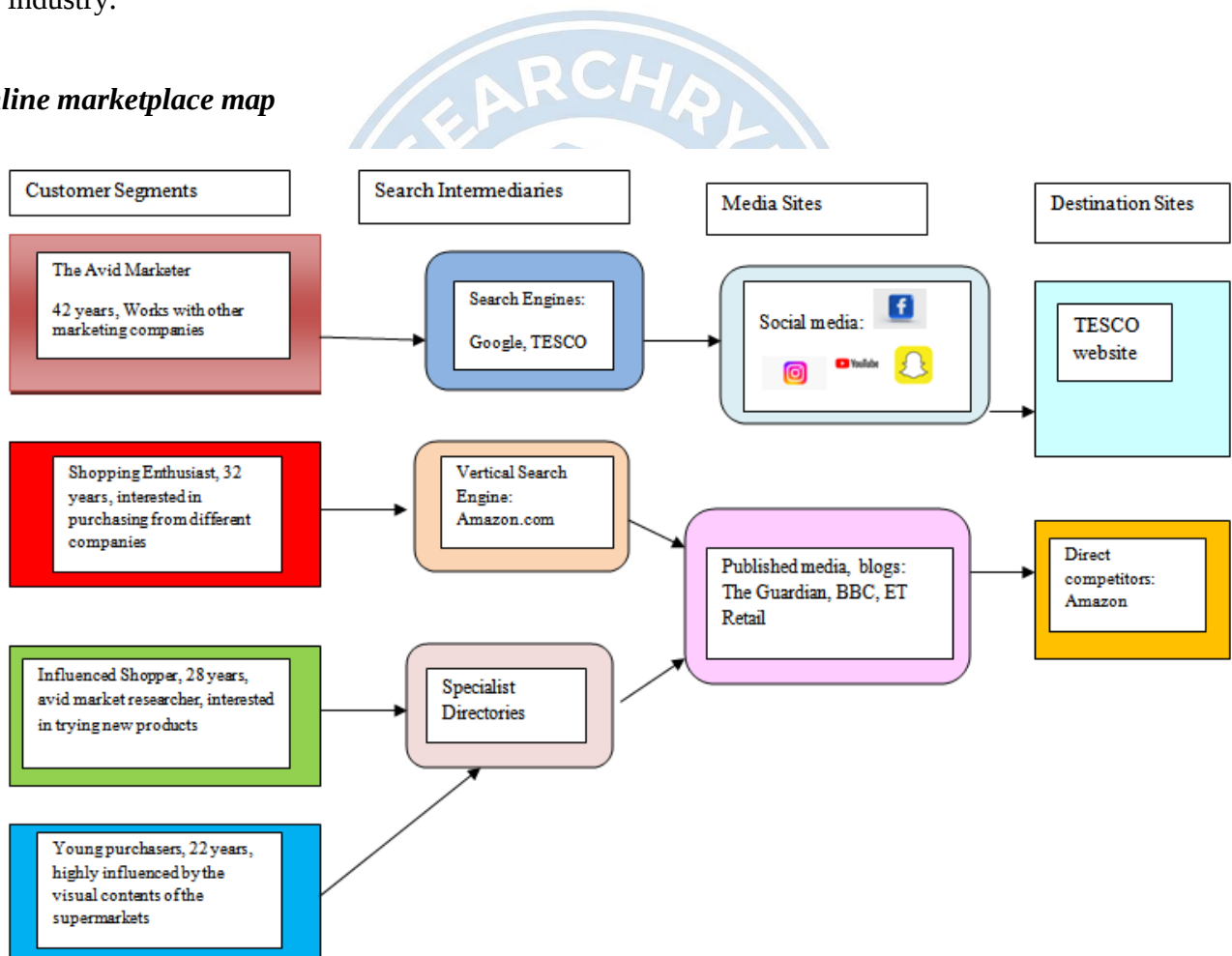


Figure 8: Online Marketplace Map

(Source: Created by Self)

Analysis

Based on the online marketplace map, the consumers have been selected from different segments. The 42-year-old avid marketer searches for the products on the Google and Tesco platforms. As a result, he gets accurate data regarding the company's products. The 32-year-old shopping enthusiast feels there are various companies present in this supermarket business. Hence searches for the products on Amazon.com. The consumer finds that there is much news regarding TESCO's issues. Therefore, the person switches to the Amazon website. The influenced shopper of 28 years old is interested to try newly launched products in the market. Hence the consumer goes for Amazon. It depicts that the consumers are more inclined towards Amazon than TESCO plc. Hence the company needs to address the issues in an urgent manner. Therefore, taking effective digital marketing strategies in business the company will be able to mitigate the issues in business.

Digital TOWS matrix

	Opportunities	Threats
Strengths	• Targeting ideal customers at the right time and place • Enhancing overall experiences of customer	• Privacy issues • Annoying and intrusive experiences
Weaknesses	• Inauthentic promotion	• Third-party apps • Limited Reach

Table 6: TOWS of Tesco

(Source: Created by self)

The proximity marketing practices in digital media will enhance the objective of the business to target the ideal customers in the business at the right time and right place (Alzoubi *et al.*2022). Enhancing the experiences for the customers will create a consistent engagement with the consumers. Although this excessive information gathering can create privacy issues in business. A lack of technological efficiency may hamper consumer trust (Gupta *et al.*2020). The constant

engagement may be annoying for the customer. The limited reach of these applications makes them a threat to the consumer market. The massive number of third-party apps creates a significant threat.

Online value proposition

- Tailored marketing of the products through proximity marketing expands the possibility to target the ideal customers more easily.
- As proximity marketing can access user data it increases the advantage to understand the customer more easily
- Based upon consumer expectations the company can expand their marketing strategies in business.
- The GPS facilities, Bluetooth beacons, and WiFi facilities will improve the capability to address the target consumers in a significant manner.
- The companies will be able to improve their branding more effectively using this strategy.

BIG IDEA

Tesco plc aims to increase brand enrichment through social media engagement among the target audiences. According to the reports Tesco plc has been investing almost 2.2 Billion \$ in improving customer satisfaction through the various ICT improvements in the industry (GlobalData, 2022). At this moment in order to identify the issues faced by the consumers and to influence the talented audience the company has been using Facebook and Twitter which are not sufficient in this modern digital era. Hence to improve consumer services and convenience the company should navigate effective marketing campaigns. Still, only 661K followers are present in the social media of Tesco. Hence they have to do Email marketing, blog posting, and effective digital marketing using proximity marketing to enhance customer satisfaction.

Tactics

In order to make the strategy of proximity marketing successful, Tesco has to follow some specific tactics. Proximity marketing is an entire ecosystem generated by various components including hardware and software (Alzoubi *et al.* 2022). In this matter, the most important strategy of this company will be to use proximity tools for customer engagement development. These tools will

be Bluetooth beacons, WiFi, geofencing, near-field communications (NFC), QR codes, and others. Compared to other wireless communication technologies NFC is designed for proximity or short-range communication which provides a dedicated read zone and some inherent security (Singh, 2020). Through the help of these tools, the marketing team of the company will be able to capture the requirements of the customers without asking them or taking feedback. In this matter, AI technological advancement will be helpful to make this engagement between the customers of Tesco with the company. The marketing team of Tesco will be able to make the development of customer demand by affecting their purchasing decisions. It is a well-known fact that the impact of the continuous display of any particular product increases the fascination of the customers to purchase that. At the same time, inter-organisational relationships of an organisation are maintained through the use of a proximity framework by developing interactive learning with collaborative innovation (Davids and Frenken, 2018). In this way, Tesco will be able to make a positive impact on the decision-making of its customers. This can be identified as one of the most important tactics that can be used by Tesco. The marketing team of Tesco will get notified about the customers who are passing by the outlets of Tesco through the help of an AI radar. After that, the customers will be notified about the products or services of Tesco, any offers or sales, or others via Whatsapp, Instagram advertisement, Facebook posts, or personal email. This tactic will be used by the marketing team of Tesco to develop customer engagement. In this way, the main tactics that will be followed to develop the marketing of this company can be understood.

Action plan

Activities	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Clear goal identification												
Bluetooth beacons	New Year promo		Easter			Summer sale				Halloween promo		Christmas promo
WiFi	Upcoming product sales promotion											
QR codes	Email signatures with QR codes and YouTube QR codes											
GPS	Location based marketing to target people from different localities											

Figure 9: Action plan

(Source: Created by self)

Analysis

In order to do proximity marketing the different tools have been identified here. After clear goal identification in January, the proper implementation of this marketing will be possible through WiFi facilities, Bluetooth beacons, using QR codes, and GPS facilities. The target selling of the products is New year's festivals, Easter and Halloween the consumer will be able to experience the fullest through these advanced technologies in the business. The upcoming product marketing through WiFi facilities will enhance the proximity marketing process. The data sharing to the targeted consumers using their location through the GPS facilities will enhance the process significantly. Email signatures through QR codes throughout the year will expand the marketing. Upcoming product sales promotion will enhance proximity marketing in a remarkable way. Hence the company needs to use this marketing policy in a serious manner and improve their capability to target the ideal customer for their market. This kind of proximity marketing of the products will increase the customer attractiveness in business, build significant brand strategy and the company will be able to address effective changes that are required based upon the collected data through GPS and QR code facilities. Therefore, this action plan can be applied by the companies for their effective digital marketing practices.

Control

Marketing strategy	Medium	Measure	Tool	Outcome
Proximity marketing	Whatsapp	Reply	Chatting duration	Customer clarification
	Facebook	Likes, views, comments, shares	View time	Better customer engagement with influence
	Instagram	Likes, views,	View time	Better customer

		comments, shares		engagement with influence
	Twitter	Likes, views, comments, shares	View time	Better customer engagement with influence
	Email	Link clicking	Spending time	Better information support
	Youtube	Watch time	View time	Better customer engagement with influence
	Google	Link clicking	Spending time	Better information support

Table 7: Control plan of Tesco

(Source: Created by self)

As per the analysis of the marketing development plan of Tesco, it can be noticed that proximity marketing will need strong marketing control as well. In this matter, the impact of social media platforms will be helpful for the company to ensure better customer engagement. As per the result of the watch time and chatting duration of the customers with the chatbots of the company will be helpful for the development of customer engagement of the company. The customers of this company will be able to get more detailed information about the company which will be helpful for positively maintaining the decision-making efficiency of the customers. Better influence on the final decision-making of the customers is responsible for facilitating the company to achieve a more viable target (Alvarez-Milán *et al.* 2018). This will significantly develop the business growth of the company by reaching its goal to mitigate its lack of customer engagement efficiency.

Conclusion

The above-mentioned discussion is made on the critical analysis of digital marketing and its related factors of Tesco. Through this report, it can be identified that the digital presence of Tesco is not efficient enough to provide a competitive advantage. This company is facing the issue of low customer engagement. At the same time, Tesco has to implement digital marketing development strategies. At the same time, the company has to take a specific big idea for its digital marketing development. In the matter of Tesco, that big idea will be the implementation of proximity marketing. Through the help of this marketing strategy, Tesco will be able to develop its customer engagement. Significantly, the issues regarding the lack of customer service in Tesco will be mitigated through this marketing strategy in the future.



References

- Alvarez-Milán, A., Felix, R., Rauschnabel, P.A. and Hinsch, C., 2018. Strategic customer engagement marketing: A decision making framework. *Journal of Business Research*, 92, pp.61-70.
- Alzoubi, H., Alshurideh, M., Kurdi, B., Akour, I. and Aziz, R., 2022. Does BLE technology contribute towards improving marketing strategies, customers' satisfaction and loyalty? The role of open innovation. *International Journal of Data and Network Science*, 6(2), pp.449-460.
- Davids, M. and Frenken, K., 2018. Proximity, knowledge base and the innovation process: Towards an integrated framework. *Regional studies*, 52(1), pp.23-34.
- Dilham, A., Sofiyah, F.R. and Muda, I., 2018. The internet marketing effect on the customer loyalty level with brand awareness as intervening variables. *International Journal of Civil Engineering and Technology*, 9(9), pp.681-695.
- Hammett, E., 2018. *Tesco blames high cost of online advertising as it shuts Tesco Direct website*. Available at- <https://www.marketingweek.com/tesco-close-tesco-direct/> [Accesses on- May 6, 2023]
- Kasim, A., Ekinici, Y., Altinay, L. and Hussain, K., 2018. Impact of market orientation, organizational learning and market conditions on small and medium-size hospitality enterprises. *Journal of Hospitality Marketing & Management*, 27(7), pp.855-875.
- Mari, A., 2021. *Tesco reports online sales surge, advances digital platform*. Available at- <https://www.computerweekly.com/news/252499325/Tesco-reports-online-sales-surge-advances-digital-platform> [Accesses on- May 6, 2023]
- phlanx.com, 2023. *Instagram engagement calculator*. Available at- <https://phlanx.com/engagement-calculator> [Accesses on- May 6, 2023]
- Singh, N.K., 2020. Near-field communication (NFC). *Information technology and libraries*, 39(2).

trends.google.com, 2023. *Google trends*. Available at- <https://trends.google.com/trends/explore?date=now%201-d&geo=GB&q=tesco%20uk,amazon%20uk,BBCgoodfood&hl=en> [Accesses on- May 6, 2023]

Wright, G., 2022. *Tesco to face questions over consumer demand concerns despite 'rise in sales'*. Available at- <https://www.yorkshirepost.co.uk/business/tesco-to-face-questions-over-consumer-demand-concerns-despite-rise-in-sales-3863895> [Accesses on- May 6, 2023]

www.bbc.com, 2023. *United Kingdom country profile*. Available at- <https://www.bbc.com/news/world-europe-18023389> [Accesses on- May 6, 2023]

www.ons.gov.uk, 2023. *Consumer price inflation, UK: March 2023*. Available at- <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/march2023#:~:text=The%20CPIH%20inflation%20rate%20is,down%20from%2013.4%25%20in%20February.> [Accesses on- May 6, 2023]

www.similarweb.com, 2023. *tesco.com*. Available at- <https://www.similarweb.com/website/tesco.com/#overview> [Accesses on- May 6, 2023]

www.tescopl.com, 2023. *Core Purpose and Values*. Available at- <https://www.tescopl.com/about/how-we-do-business/core-purpose-and-values/> [Accesses on- May 6, 2023]

Alzoubi, H., Alshurideh, M., Kurdi, B., Akour, I. and Aziz, R., 2022. Does BLE technology contribute towards improving marketing strategies, customers' satisfaction and loyalty? The role of open innovation. *International Journal of Data and Network Science*, 6(2), pp.449-460.

Gupta, A. and De Gasperis, T., 2020. Participatory Design to build better contact-and proximity-tracing apps. *arXiv preprint arXiv:2006.00432*.

GlobalData, 2022, *Tesco-Digital Transformation Strategy[Online]*, Available at:<https://www.globaldata.com/store/report/tesco-plc-enterprise-tech-analysis/> [Accessed: May 8, 2023]