# Tesco targets over 30% UK grocery market share as it intensifies competition with Asda and Morrisons



Tesco is setting its sights on a remarkable target: surpassing 30% of the UK grocery market for the first time in over a decade. This ambitious goal comes as the retailer aims to strengthen its lead amid heavy competition, particularly from rivals such as Asda and Morrisons. According to the latest figures from Kantar, Tesco holds a market share of 27.8%, signalling that aggressive growth strategies are on the horizon.

At a recent supplier event held at Alexandra Palace, attended by around 1,400 representatives, Tesco's chief commercial officer, Ashwin Prasad, unveiled the company's intentions. He articulated a vision for Tesco to reclaim the dominance last seen in 2012, confirming that the retailer is perceived as the ideal partner for brands looking to thrive. Central to this strategy is Tesco’s commitment to being the top destination for quality, service, and value, seeking to enhance its standing not just as a retailer but as a significant growth vehicle for suppliers.

Prasad's assertion that Tesco is poised to recapture its 30% market share was echoed by a supplier present at the event, who highlighted a renewed focus on branded products. Unlike previous events, where private labels took centre stage, this year's emphasis on a comprehensive range directly positions Tesco against Asda, which has notably reduced its product variety. Industry expert Ged Futter noted the company's confidence, suggesting that Tesco's strategic approach—especially in relation to brands—indicates a clear path for growth at the expense of its competitors.

Furthermore, Tesco is leveraging customer data more effectively through its Clubcard programme to refine pricing strategies, a move expected to enhance its competitive edge. CEO Ken Murphy elaborated on this during the World Retail Congress, emphasising how a focus on customer trust and data-driven decision-making are pivotal for the retailer's future success.

However, despite the optimistic projections, Murphy cautioned that the retail landscape is fraught with challenges. Issues such as geopolitical instability, supply chain disruptions stemming from the conflict in Ukraine, and an ongoing climate emergency present formidable barriers to growth. These external factors have prompted a cautious approach as Tesco navigates through a rough patch in global trading relationships.

As Tesco attempts to scale its market share, Asda's recent price-cutting measures underscore the competitive tensions brewing in the supermarket sector. Facing pressure from both consumer expectations and market dynamics, Asda has adopted a strategy aimed at regaining lost ground, a move that could lead to a pricing battle. Analysts remain sceptical about a full-scale price war, suggesting that overall inflation trends may prevent significant discounts.

Amidst these developments, Tesco's financial outlook remains robust. The company is experiencing a steady increase in market share, with projections for adjusted operating profits indicating growth amidst rising costs associated with wage increases and regulatory changes. Recent data confirm Tesco’s resurgence, with sales growth during critical periods such as the Christmas season showcasing its resilience: the brand increased its market share to 28.5% as consumer preferences shifted towards familiar and trusted names during the festive period.

The premium segment of Tesco's offering is also under scrutiny, with intentions to expand the Tesco Finest range by £1 billion, aiming to reach total sales of £3 billion. This strategic move targets the increasing demand for high-quality products, spurred by changing consumer behaviours, particularly as dining at home has become more prevalent.

As Tesco embarks on its journey to reclaim a 30% market share, the implications for its competitors are profound. With a renewed focus on branded partnerships, competitive pricing strategies, and data utilisation, Tesco is positioning itself as a formidable force in the ever-evolving supermarket landscape.

### Reference Map

1. Paragraphs 1, 2, 3, 4
2. Paragraphs 5, 6
3. Paragraphs 7, 8
4. Paragraphs 9
5. Paragraph 10
6. Paragraphs 11, 12

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.thegrocer.co.uk/news/tesco-plans-more-market-share-dominance-with-30-target/704438.article> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/retail-consumer/britains-tesco-address-asda-pricing-challenge-2025-04-07/> - In April 2025, Tesco, the UK's leading supermarket chain, prepared to report its full-year results, addressing competitive pressure from rival Asda. Asda announced a strategic shift toward lower prices to regain market share, leading to an 8% drop in Tesco’s share price due to fears of a potential supermarket price war. Analysts believe a full-scale pricing battle is improbable, citing the overall trend of rising grocery prices and noting Asda's limited financial capacity for sustained discounts. Tesco remains competitive, particularly in price comparisons with discounter Aldi, and continues to perform robustly in 2025 with a 27.9% market share—an increase of 60 basis points year-on-year. Tesco has forecasted an adjusted operating profit of about £2.9 billion for the fiscal year ending February 2025, up from £2.76 billion the previous year, with expectations of continued growth in 2025/26 despite anticipated cost increases from higher wages, social security contributions, and a new packaging levy. ([reuters.com](https://www.reuters.com/business/retail-consumer/britains-tesco-address-asda-pricing-challenge-2025-04-07/?utm_source=openai))
3. <https://www.ft.com/content/ce3e13a3-9014-4bef-b972-c89da6d7d13a> - In July 2024, Tesco, the UK's largest supermarket, aimed to boost sales of its premium Finest range by £1 billion, targeting a total of £3 billion. The Finest range, known for its high-quality products such as apple and cider sausages and Argentinian Malbec, currently generates £2 billion in annual sales. Tesco's chief executive, Ken Murphy, asserted that their food quality rivals that of competitors Waitrose and Sainsbury's, though he acknowledged more work is needed to match Marks and Spencer. Premium food ranges have seen increased demand, partially driven by consumers dining at home more often due to higher living costs and habits formed during the pandemic. Data from Kantar reveals a 12% rise in spending on supermarket premium labels, outperforming the 6.9% growth of all grocery brands. Tesco is expanding its Finest range, investing in product innovation and quality improvement to compete with rivals like Waitrose and M&S. The supermarket giant plans to enhance its offerings, including a dine-in-for-two range, to capture more of the premium market. ([ft.com](https://www.ft.com/content/ce3e13a3-9014-4bef-b972-c89da6d7d13a?utm_source=openai))
4. <https://www.reuters.com/business/retail-consumer/tesco-sainsburys-are-uk-christmas-winners-says-kantar-2025-01-07/> - During the 2024 Christmas period, Tesco, Sainsbury's, and Lidl emerged as the top-performing supermarkets in the UK, with sales rising by 5.0%, 3.5%, and 6.6% respectively, according to Kantar data. Tesco secured a market share increase to 28.5%, while Sainsbury's reached its highest share since December 2019 at 16.0%. Conversely, Asda's sales declined by 5.8% over the 12 weeks to December 29. Annual grocery price inflation soared to 3.7% in December, the highest since March. Separate reports highlight that although Black Friday boosted retail sales in late 2024, overall quarter sales were disappointing. In total, UK supermarkets saw £13 billion in grocery sales in the four weeks to December 29, up 2.1% year-on-year. Marks & Spencer's food and drink segment grew by 8.7%, and online supermarket Ocado led with a 9.6% increase in sales over the 12-week period. ([reuters.com](https://www.reuters.com/business/retail-consumer/tesco-sainsburys-are-uk-christmas-winners-says-kantar-2025-01-07/?utm_source=openai))
5. <https://www.grocerygazette.co.uk/2024/10/08/tesco-market-share-seven-years/> - In October 2024, Tesco achieved its largest supermarket market share since 2017, boosting its share to 28%, up from 27.4% the previous year, according to new data from Kantar. The figures followed Tesco raising its profit expectations, as its half-year profit soared 10% and sales jumped 4%. Sainsbury’s sales also rose by 5.1%, with its market share nudging up 0.4 percentage points to 15.2% in the 12 weeks ending 29 September. However, Asda’s market share continued to drop, with its market share down to 12.6%, a fall from 13.7% in the same period last year. Online supermarket Ocado once again took the title of the fastest-growing grocer, now for the eighth consecutive month, as sales soared 10% over the last three months, which saw its market share edge up by 0.1 percentage points to 1.8%. ([grocerygazette.co.uk](https://www.grocerygazette.co.uk/2024/10/08/tesco-market-share-seven-years/?utm_source=openai))
6. <https://www.ft.com/content/8501386c-3653-43ca-a71c-9704964ac373> - In April 2025, a potential price war emerged in the UK supermarket sector, with Asda launching aggressive price cuts as part of a turnaround strategy. Executive Chair Allan Leighton announced that Asda is willing to take a significant profit hit to re-establish its position as Britain's cheapest supermarket. This prompted Tesco, the market leader with a 27.9% share, to signal similar pricing strategies by warning of reduced annual profits to maintain competitiveness. Sainsbury’s also expected flat profits due to pricing pressures. These developments unsettled investors, wiping over £4bn off the value of major listed grocers. Asda’s actions came amid declining market share since its £6.8bn leveraged buyout in 2021 and rising competition from discounters Aldi and Lidl. Although Asda has cut prices on over 10,000 items, analysts suggest it still struggles to significantly undercut Tesco and faces limitations due to £3.8bn in net debt and lukewarm supplier support. Overall industry inflation, driven by rising employment and energy costs, will likely constrain the depth of price cuts, with reduced inflation more likely than actual price declines. ([ft.com](https://www.ft.com/content/8501386c-3653-43ca-a71c-9704964ac373?utm_source=openai))