

Comparative Study of Walmart and Tesco on their Market Dominance

Student Name

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Department Name

Date

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Walmart leads the global retail market by revenue, while Tesco is a dominant player, especially in the UK. Recent changes in strategies, financial results, and market operations have created an opportunity to evaluate which of the two retail giants is ahead of the competition. This paper analyzes the performance, finances, strategies, and market presence of these two retail giants.

Financial strength measurement for Walmart shows that it generated over \$ 681 billion in revenue for the corporate fiscal year 2025, making it the largest corporation in the world by revenue (Walmart Corporate, 2025). Even though it experienced higher expenses due to inflation, supply chain disruptions, and increased operational costs, it maintained its global presence and adaptability to changes in consumer demand, demonstrating corporate resiliency. A significant component of corporate competitive advantage is also reflected in the company's e-commerce performance. Walmart has seen a more than 25 percent increase in global E-commerce sales in the second quarter of 2025 (Talk Business, 2025). With the expansion, Walmart has a corporate presence in almost every Part of the world and is now a strong retail company.

Walmart is the largest retailer in the world; however, it faces challenges like any major corporation. When running a business of that scale, there is a tendency for market adaptation to be gradual. Additionally, significant interest costs, coupled with operational expenses, result in declining profit margins (Walmart, 2023). Having multiple revenue streams reduces profit risk, as Walmart's international e-commerce ventures do. With regards to e-commerce, global, and logistical aspects of the business, competitive pressure from domestic players (Amazon) and

international retailers is evident, having a direct impact on the ongoing economics in the US.

Operating profits are also in a downward trend, with an 8.2% decline in Q2 2025 (Talk Business, 2025).

Compared with 2021 to 2025, Tesco has also experienced a mix of financial success and underachievement or loss. For instance, in FY2025, Tesco (2025) reported revenue of approximately £69.9 billion, coupled with a 9.1 percent drop in net income. However, there are also operational improvements worth noting. For instance, during the first half of the year, Tesco (2025) experienced an operational sales growth of 4.3 percent and consequently increased its profit guidance prediction to £2.9 to £3.1 billion. Additionally, Tesco's growth in market presence in the UK reinforces its stronghold, or market dominance, in its home country. For instance, Tesco's market presence/ share in the UK is approximately 28-28.5 percent during Q1 2025. (reported from Speedy Paper 2025).

However, Tesco faces challenges as well. Competition puts enormous strain on their operational assets, particularly due to Brexit (Speedy Paper, 2025). Tesco's above-average debt-to-equity Ratio causes long-term financial stability issues (Speedy Paper, 2025). Tesco's ability to maintain its supremacy in the UK retail sector demonstrates the company's risk management. Consumer loyalty is solidified through the Club-Card loyalty program. Tesco, however, is more susceptible to local economic conditions than its largest competitor, Walmart, which is more geographically diversified.

Among Walmart's strengths is the ability to utilize a diversified business Model. Operating supermarkets, super-centers, and e-commerce warehouses provides a cushion against economic decline in any one sector (Walmart Corporate, 2025). Tesco's primary focus on the UK, however, means it suffers economic, competitive, and geographic challenges more than

others. Still, Tesco's performance in the UK is exceptional. The company has a few competitors in the immediate market, and it continues to grow or defend its market share against rivals such as Sainsbury's and Asda.

In summary, both Walmart and Tesco have performed well in their respective markets, and their differing global and regional focuses translate into distinct competitive advantages. Tesco is very strong in the UK and is dominant in the market, with little competition, and is growing. On the other hand, Walmart has a stronger global edge due to its diversification, its more integrated e-commerce than Tesco's, and its ability to overcome global challenges. Tesco has its regional advantage but is missing out on global e-commerce trends and Walmart's ongoing digital changes. This makes Walmart the global leading retailer.

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