

Module: Design Thinking and Innovation **Individual Report**

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1. Introduction

The UK retail industry has experienced significant changes in recent years due to the development of digital technology and changing consumer expectations. Customers increasingly expect shopping to be convenient, fast and accessible through both physical and digital channels. Online grocery shopping, rapid home delivery, digital loyalty programmes and personalised services have therefore become increasingly important within the supermarket industry (YouGov, 2025).

Tesco provides a relevant example of how a major UK retailer is responding to these changes. The company combines its traditional network of stores with online grocery shopping, digital services, Clubcard and rapid delivery through Tesco Whoosh. This combination allows Tesco to respond to different customer needs while continuing to develop its digital capabilities.

This report will first analyse consumer and industry trends affecting Tesco and the wider UK grocery retail market. Attention will be given to changes in consumer behaviour, digital shopping, convenience, technology and sustainability. The analysis will identify consumer pain points, market gaps and potential opportunities for further innovation.

The second part will use the Design Thinking process to identify a specific customer problem and develop a new venture concept related to Tesco and the UK market. The stages of Empathise, Define, Ideate, Prototype and Test will be supported by innovation techniques including divergent thinking, mind mapping and SCAMPER. Finally, the proposed idea will be evaluated through Desirability, Feasibility and Viability (DFV) to determine whether it represents a realistic opportunity.

2. Task 1 – Consumer and Industry Trends Analysis

2.1 Overview of the UK Grocery Retail Industry

The UK grocery retail industry is a large and highly competitive market, with supermarkets competing not only on price but also on convenience, customer experience and digital services. Tesco is an important example within this industry because it operates through a combination of large supermarkets, smaller convenience stores and online shopping services. This gives the company different ways of reaching customers depending on how, where and when they want to shop.

One of the biggest changes affecting the industry has been the growth of online shopping. Although this trend existed before COVID-19, the pandemic accelerated the adoption of digital retail and changed some consumer habits permanently. Consumers became more familiar with home delivery and online transactions, which increased expectations around convenience and flexibility.

Online grocery shopping continues to be an important part of the UK retail industry. Consumers now expect more choice in how they shop and receive their groceries, while retailers are continuing to develop their online services to respond to these expectations. The online grocery market is also moving towards more scalable and practical digital solutions rather than simply introducing new technology without a clear purpose (IGD, 2026).

For Tesco, this creates both opportunities and challenges. Customers can already order groceries online or use faster services such as Whoosh (Tesco, 2026), but competitors are also investing in convenience and digital delivery. This means that simply offering online shopping is no longer enough. Tesco needs to understand what customers now expect from their shopping experience and identify areas where technology can make this experience easier, faster or more personalised.

These changes create opportunities for further innovation. However, any new solution also needs to solve a genuine customer problem rather than introducing technology simply because it is available. This makes consumer behaviour an important starting point for identifying where Tesco could innovate next.

2.2 Consumer Trends

Consumer behaviour in the UK grocery market has changed considerably in recent years. Customers are becoming more demanding about price, convenience and the way they access products. For Tesco, understanding these changes is important because consumer expectations directly influence how the company develops its stores, online services and loyalty programmes.

One of the strongest trends is the continued importance of value for money. The cost of living remains a concern for many UK households, meaning customers are paying closer attention to prices and promotions. Research has shown that many UK consumers have changed their grocery shopping behaviour because of cost-of-living pressures (New Digital Age, 2024). Tesco has responded to this behaviour through initiatives such as Aldi Price Match and Clubcard Prices. In 2025/26, the company offered more than 10,000 products through Clubcard Prices and over 600 products through Aldi Price Match (Tesco PLC, 2026b). This shows that price remains an important factor when customers decide where to shop.

Another important trend is convenience and online shopping. Consumers have become used to having different options rather than relying only on traditional supermarket visits. Online grocery continues to develop as retailers respond to changing customer expectations (IGD, 2026). Tesco has benefited from this behaviour, with its UK online sales increasing by 11% in 2025/26 to more than £7 billion. Its rapid delivery service, Whoosh, also increased sales by 51% to more than £400 million (Tesco PLC, 2026b).

Personalisation and loyalty are also becoming more important. Digital loyalty programmes allow retailers to understand customers better and provide offers that are more relevant to individual shopping habits. Tesco's Clubcard is particularly important in this area because it combines discounts with customer data, allowing Tesco to better understand what customers buy and how their preferences change (Tesco PLC, 2026c).

Finally, there is increasing interest in healthier and more sustainable choices. Customers still care about affordability, but many also want easier access to healthier products. Tesco reported that 65% of its UK and Republic of Ireland food sales are now classified as healthy, while fruit and vegetable sales have increased by 10% since 2022 (Tesco PLC, 2026a).

2.3 Industry and Technology Trends

Technology is having a major impact on the UK grocery industry and is changing the way supermarkets operate. Customers now have more ways to shop, including traditional stores, online grocery delivery and self-checkouts. UK retailers are also increasing their use of automation and AI to improve efficiency (The Guardian, 2025).

One important trend is digital and convenient shopping. Customers increasingly want flexibility in how they receive their groceries. Tesco has responded through online shopping and Whoosh, which provides rapid grocery delivery (Tesco, 2026). This gives customers another option when they do not have time to visit a supermarket or need products quickly.

Automation and artificial intelligence are also becoming more important. These technologies can help retailers improve everyday operations while creating more personalised services. Tesco has already started experimenting with AI, including an AI assistant designed to support customers and colleagues (Tesco PLC, 2026d).

Customer data also creates opportunities for personalisation. Information from Clubcard and online shopping can help Tesco understand customer preferences and provide more relevant experiences. Tesco's partnership with Adobe, for example, focuses on using AI and data to create more personalised customer experiences (Tesco PLC, 2026c).

However, Tesco should not introduce technology simply because it is available. Not every customer wants a completely digital shopping experience. The main opportunity is therefore to use technology where it can make shopping easier, faster and more convenient.

2.4 Consumer Pain Points

Although Tesco already provides different ways to shop, customers can still experience problems that affect their overall shopping experience. Looking at these pain points is important because innovation should start with a real customer problem rather than simply introducing new technology.

One common issue is time and convenience. Grocery shopping can take a considerable amount of time, especially for customers who work long hours or have other responsibilities. Online delivery can make this easier, but customers still need to search through many products, organise their basket and choose a suitable delivery time. Quick delivery services solve part of this problem, although they may not always be the best option for a larger weekly shop.

Another pain point is finding the right products at the right price. Tesco offers a very large range of products, which gives customers more choice but can also make shopping more complicated. Customers may need to compare different brands, prices, promotions and Clubcard offers before deciding what represents the best value. This can be particularly frustrating when people are trying to control their weekly food budget (New Digital Age, 2024).

There is also the problem of personalisation. Tesco has a large amount of information about shopping habits through Clubcard and online accounts, but customers still have to make many decisions themselves. For example, someone planning their weekly meals may have to create a shopping list, consider their budget and then search individually for each product.

These pain points suggest that there is an opportunity for Tesco to make grocery shopping more personalised and less time-consuming. Instead of only focusing on faster delivery, innovation could help customers with the actual process of deciding what to buy, how much to spend and how to plan their shopping.

2.5 Market Gaps and Opportunities

The consumer pain points identified above show that there are still opportunities for Tesco to improve the shopping experience. Tesco already offers physical stores, online shopping, Clubcard and rapid delivery, but there is still a gap between providing these services and helping customers manage the whole shopping process in a simple way.

One possible market gap is personalised shopping assistance. Customers have access to thousands of products and offers, but choosing what to buy can still require time and planning. For example, a customer with a weekly budget of £60 may want meals for several days but still needs to decide what meals to prepare, find the ingredients and check whether everything fits within the budget. Tesco could use its existing digital services to make this process easier.

This creates an opportunity to develop a service that combines budget, meal planning and personalised recommendations. Instead of customers searching for every product individually, the service could suggest a weekly basket based on information such as household size, budget, dietary preferences and previous purchases. Customers could then change the suggested products before completing their order.

There is also an opportunity to connect this idea with Clubcard. Previous shopping behaviour could help make recommendations more relevant, while Clubcard prices could be considered when creating a suggested basket (Tesco PLC, 2026c). This could potentially save customers both time and money.

The opportunity is therefore not necessarily to create another shopping platform, but to improve how customers use Tesco's existing digital services. This would respond directly to the need for greater convenience and personalisation while also giving Tesco a new way to strengthen its relationship with customers.

2.6 Technological Enablers

The opportunity identified above would depend on technology that Tesco already uses or could integrate into its existing digital services. This makes the idea more realistic because it would not require the company to create a completely new system from the beginning.

One of the main technological enablers is **customer data**. Through Clubcard and online shopping accounts, Tesco can understand previous purchases and general shopping preferences. This information could help create more relevant recommendations (Tesco PLC, 2026c). For example, if a customer regularly buys vegetarian products, the system could prioritise suitable meals rather than showing recommendations that are not relevant.

Artificial intelligence could also support the service by creating shopping suggestions based on information provided by the customer (Tesco PLC, 2026d). A user could enter their weekly budget, household size and food preferences, and the system could suggest meals and automatically create a possible shopping basket. The customer would still have control and could remove or replace any products before ordering.

Tesco's existing website and mobile app would also be important technological enablers. Instead of asking customers to download another application, the new feature could be integrated into platforms they already use. This could make adoption easier and reduce the cost and complexity of introducing the service.

However, customer information would need to be handled carefully. Some users may not feel comfortable with highly personalised recommendations based on their shopping history. For this reason, customers should be able to choose how much information they want to share and whether they want personalised suggestions.

2.7 Scalability and Sustainability

For an innovation to be successful, it should not only solve a customer problem but also have the potential to grow over time. The proposed personalised shopping service has good potential for scalability because it could be integrated into Tesco's existing website and mobile app. This means that the service could potentially reach many customers without requiring new physical stores or a separate platform.

The service could initially be tested with a smaller group of customers before being introduced more widely across the UK. Tesco could also improve the system over time by adding new functions based on customer feedback. For example, customers could eventually receive recommendations based on family size, dietary preferences or how much they want to spend each week.

There is also a sustainability opportunity. Better meal and shopping planning could help customers avoid buying products they do not need, which may reduce household food waste. The system could also recommend suitable quantities based on household size and make customers more aware of products they already purchase regularly.

However, sustainability would depend on how customers actually use the service. Simply creating a digital tool does not guarantee that food waste will decrease. Tesco would therefore need to test whether the recommendations genuinely influence purchasing behaviour.

2.8 Key Opportunity Identified

Based on the consumer and industry trends analysed in Task 1, a key opportunity for Tesco is to make grocery shopping **more personalised and easier to plan**.

Customers already have access to online shopping, Clubcard offers and delivery services, but they still need to decide what to buy, plan meals and manage their spending.

The opportunity identified is therefore a **personalised weekly shopping assistant integrated into the Tesco app**. Customers could enter information such as their weekly budget, number of people in the household and food preferences. The service could then suggest meals and create a suitable shopping basket using products available at Tesco.

This opportunity responds to several of the pain points identified earlier, particularly lack of time, budgeting and the difficulty of choosing between many products. It also uses Tesco's existing digital services rather than creating a separate platform.

3. Task 2 – Design Thinking and New Venture Development

3.1 Empathise

The first stage of Design Thinking is to understand the people experiencing the problem (Interaction Design Foundation, 2026a). In this case, the main users are Tesco customers who regularly buy groceries but may find planning their weekly shopping time-consuming or difficult to manage within a budget.

Different customers can experience this problem in different ways. For example, a university student may have a limited weekly food budget and may struggle to decide what meals to prepare. A parent shopping for a family may have a larger list but less time available to plan meals and compare products. Other customers may have specific dietary preferences and spend additional time checking which products are suitable for them.

A simple customer persona can help represent the type of user the proposed service could support:

Customer Persona	Example
Name	Alex
Age	24
Situation	Works full-time and lives with a partner
Goal	Complete the weekly food shop quickly and stay within budget
Pain points	Limited time, deciding what meals to cook and comparing prices
Current behaviour	Uses Tesco Clubcard and sometimes orders groceries online
Need	A simple way to plan meals and automatically organise a suitable shopping basket

This persona shows that the problem is not necessarily access to groceries. Tesco already provides stores, online shopping and delivery. The problem is the time and effort required before completing the purchase. Understanding this difference is important because it changes the type of innovation needed. Instead of creating another delivery service, the opportunity is to help customers make decisions and organise their weekly shop more easily.

3.2 Define the Problem

After understanding the customer during the Empathise stage, the next step is to clearly define the problem (Nielsen Norman Group, 2024). The main issue identified is that grocery shopping involves more than simply purchasing products. Customers also need to decide what meals to prepare, create a shopping list, compare prices and make sure that everything fits within their weekly budget.

Tesco already provides services that make purchasing and delivery more convenient. However, there is still an opportunity to make the **planning stage** easier. This is particularly relevant for customers who have limited time or are trying to manage their food spending.

The problem statement can therefore be defined as:

Tesco customers need a simpler way to plan their weekly meals and grocery shopping because the current process can require too much time, decision-making and budget management.

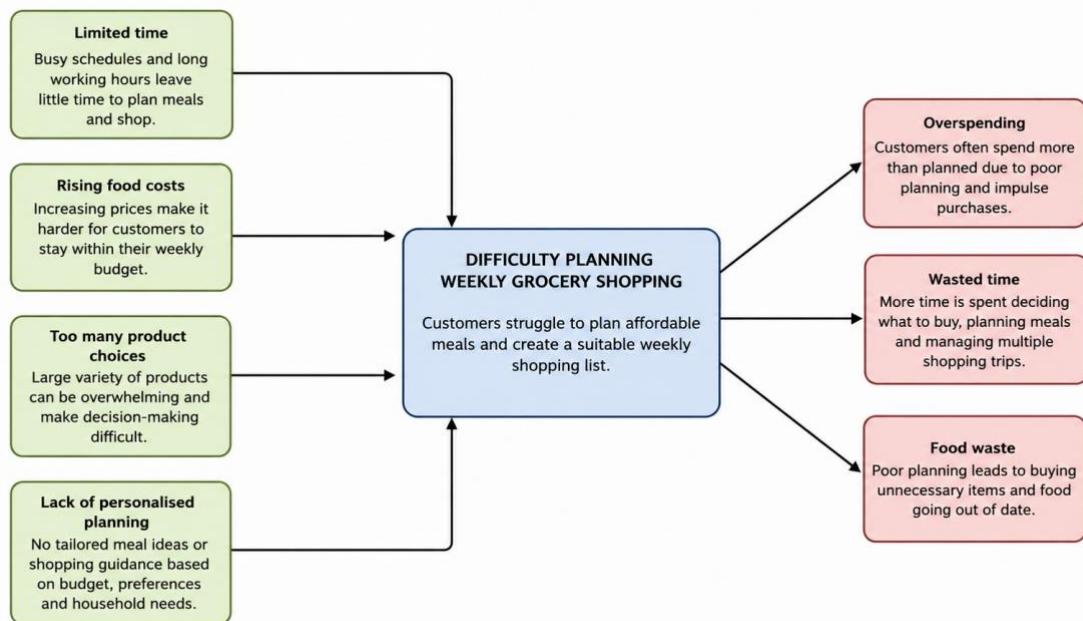
From this, a **How Might We (HMW)** question can be created:

How might Tesco help customers plan their weekly food shopping in a faster, easier and more personalised way while helping them stay within their budget?

This question will guide the Ideate stage and help generate different possible solutions rather than immediately focusing on one idea.

Causal Mapping Analysis

A simple causal map was used to understand what is causing the customer problem and its possible effects. It shows that limited time, rising food costs, too many product choices and lack of personalised planning can make weekly grocery shopping more difficult. This can lead to overspending, wasted time and unnecessary food waste.

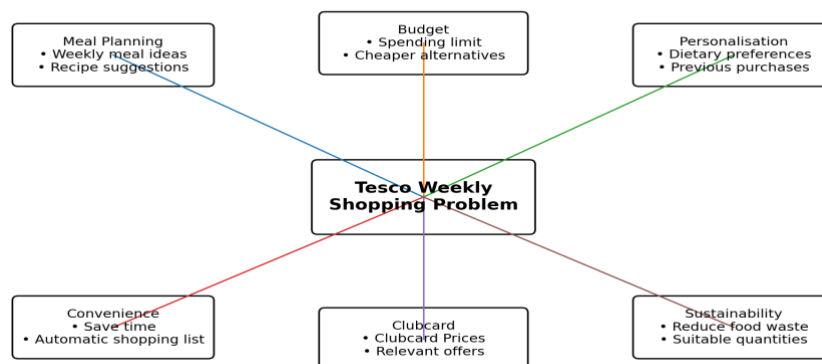


3.3 Ideate

The Ideate stage focuses on generating different possible solutions to the problem before deciding which one should be developed. The aim is not to immediately find the perfect solution, but to explore different ways Tesco could make weekly grocery shopping easier for customers.

Divergent thinking was used first to consider the problem from different perspectives and generate different possible solutions (ScienceDirect, 2026). These included automatic shopping lists, personalised meal recommendations, weekly budget controls, cheaper product alternatives, Clubcard-based recommendations and tools to help reduce food waste.

Mind Map - Ideas for Tesco's Weekly Shopping Experience



A mind map was then used to organise these ideas and show how different solutions could be connected (Springer Nature, 2025). For example, meal planning could relate to a weekly budget, while Clubcard offers could be used to recommend cheaper alternatives.

The mind map also shows that the customer problem is wider than simply ordering groceries online. Convenience, price, personalisation and planning are connected. Based on this process, the strongest direction is a personalised weekly shopping assistant within the Tesco app. Instead of creating another service, it would bring several useful functions together in one place.

3.3.1 SCAMPER

After generating different ideas through divergent thinking and mind mapping, the SCAMPER technique was used to develop the selected idea further. SCAMPER encourages an existing idea to be viewed from different perspectives by considering what could be substituted, combined, adapted, modified, used differently, eliminated or reversed (Interaction Design Foundation, 2026b).

Applying SCAMPER showed that Tesco would not necessarily need to create a completely new service. Instead, existing features such as Clubcard, online shopping and customer accounts could be combined and adapted into a more useful shopping assistant. One of the most interesting changes is to reverse the normal shopping process. Instead of the customer searching for products first and discovering the total cost at the end, they could begin by entering their budget, household size and preferences. The system would then create a suggested weekly plan around these requirements.

This process helped develop the original idea into a clearer concept that focuses on reducing the time and effort involved in planning a weekly grocery shop.

SCAMPER	Application to Tesco Weekly Shopping Assistant
Substitute	Replace manual meal planning with personalised digital suggestions.
Combine	Combine meal planning, budget control, Clubcard offers and the shopping basket.
Adapt	Use existing Tesco app and Clubcard data to make recommendations more relevant.
Modify	Allow customers to change meals, products, quantities and weekly budget.
Put to another use	Use shopping history to suggest useful meals, not only promotions.
Eliminate	Reduce repeated searching and adding every product individually.
Reverse	Start with the customer's budget and needs, then build the basket around them.

3.4 Evaluation Using DFV

After developing the idea through SCAMPER, the concept was evaluated using Desirability, Feasibility and Viability (DFV). These three areas can help assess whether an idea responds to customer needs while also being realistic for the business (Bocken, Harsch and Weissbrod, 2022).

In terms of desirability, the service responds directly to the customer problems identified earlier. It could save time, make budgeting easier and reduce the effort needed to plan meals and create a weekly shopping list.

The idea also has good feasibility because Tesco already has many of the resources required, including its mobile app, online grocery platform, Clubcard and customer accounts. The service could therefore be added to Tesco's existing digital experience rather than developed as a separate platform.

Finally, the idea has potential viability because a convenient and personalised service could encourage customers to use Tesco more regularly and strengthen loyalty. However, Tesco would still need to consider development costs, data privacy and whether enough customers actually use the feature.

DFV Area	Assessment	Reason
Desirability	High	Saves time, supports budgeting and gives customers more personalised weekly shopping.
Feasibility	High	Could build on Tesco's existing app, online store, Clubcard and customer accounts.
Viability	Medium-High	Could strengthen loyalty and online sales, but development and maintenance would have costs.

3.5 Prototype / Minimum Viable Product (MVP)

The next stage is to create a simple prototype of the Tesco Weekly Shopping Assistant. The purpose would not be to develop the complete system immediately, but to create a basic version that allows Tesco to understand how customers interact with the idea.

The MVP could be introduced as a new section within the existing Tesco app. Customers would answer a few simple questions about their weekly budget, household size and food preferences. For example, a customer could select a £60 budget for two people and choose preferences such as vegetarian, healthy or quick meals.

The system would then suggest a weekly meal plan and automatically create a shopping basket with the required Tesco products. Customers could remove meals, replace products or choose cheaper alternatives before adding the final basket to their order. Clubcard Prices could also be included to help customers stay within their selected budget.

For the first prototype, only the main functions would be included. More advanced features could be added later based on customer feedback. Starting with a simple MVP would allow Tesco to test whether customers find the idea useful before investing in a more complex version.

3.6 Test and Refinement

The final stage of the Design Thinking process is to test the proposed solution with real users (Interaction Design Foundation, 2026a). Before launching the Weekly Shopping Assistant to all Tesco customers, the MVP could be tested with a small group of existing online customers.

Participants could use the feature to plan one week of grocery shopping. Tesco could then collect feedback through a short survey within the app, asking whether the recommendations were useful, whether the basket stayed within their budget and how easy the feature was to use. Tesco could also measure how many users complete a suggested basket and how often they replace recommended products.

The results would then be used to improve the prototype. For example, if customers regularly replace certain recommendations, the system could improve how it selects products. Testing should be an ongoing process rather than a single stage, allowing the service to develop based on actual customer behaviour and feedback.

4. Conclusion

This report has shown how changes in consumer behaviour and technology are creating new opportunities within the UK grocery retail industry. Tesco has already adapted to many of these changes through online shopping, Clubcard and faster delivery services. However, the analysis identified that customers can still experience difficulties when planning meals, managing their weekly budget and deciding what products to buy.

Using the Design Thinking process helped develop this problem into a possible solution. Through empathising with customers, defining the problem and generating ideas using mind mapping, divergent thinking and SCAMPER, the Tesco Weekly Shopping Assistant was developed as the final concept. The DFV analysis also showed that the idea has potential because it responds to a real customer need while making use of technology and services Tesco already has.

The proposed MVP would allow the idea to be tested before a wider launch. Customer feedback could then be used to improve the service over time. Overall, the concept shows how Tesco could use innovation to make grocery shopping simpler, more personalised and easier to manage.

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