

Dissertation: An evaluation of the relevance of the Tesco Clubcard scheme

by Joshua Leigh Temple

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An evaluation of the relevance of the Tesco Clubcard scheme

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*‘Submitted in part fulfilment of the requirements of the
degree of BA (Hons) in Business and Finance’*

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Abstract

The overall aim of this research is to evaluate the relevance of the Tesco Clubcard scheme in the current business environment. It includes primary research to identify opinions from customers about their level of engagement with Tesco's Clubcard scheme and secondary research which considers the relevance of customer loyalty schemes for organisations.

The research carried out in this study follows the interpretivism approach as it involves Tesco Clubcard customers, making it highly likely that the results of the research are based on the perceptions of each individual taking part in the study. The primary research conducted as part of this study is based on a sample of Tesco shoppers, meaning that a purposive sampling technique is used, and that the participants were chosen based on their relevance to the research topic and the questions being asked. A paper-based questionnaire was carried out in Tesco's Swansea Marina store over a week and then supplemented with an online version to reach the desired sample size for the research.

The findings of the primary research support the findings of previous research as well as the content of new articles. The research identifies that consumers shopping habits have changed in recent years and that many consumers now shop around a number of different stores, looking for the best deals and lowest prices. This has led to a rise in the market share of discount supermarkets like Aldi and Lidl while the more established supermarkets like Tesco, Asda, Morrisons and Sainsbury's are slowly losing their share of the market. The research also highlights that consumers are beginning to feel a lesser sense of loyalty to Tesco, even if they have a Clubcard. Again, this result is supported by the changes being experienced with regards to the ways in which people are shopping.

However, the research also found that respondents felt a loyalty program has more relevance when it comes to a business adding value for the customer than building a relationship between the customer and the organisation and that, when asked, a majority of respondents would rather the Clubcard scheme remains operational, with Tesco rewarding members for their repeat custom. This suggests that loyalty programs are still somewhat relevant in the current business environment.

Having discussed all the relevant theories, concepts and news articles, and analysing the findings of the primary research conducted as part of this study, a conclusion is presented, accompanied by some recommendations for future research on the topic and for the future of the Tesco Clubcard scheme.

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1. Chapter 1 – Introduction

1.1 An Introduction to Tesco

Tesco was founded in London in 1919 by Jack Cohen. Tesco operates in 12 countries around the world and employs over 530,000 people (Tesco, 2015). In the UK, Tesco has over 3,500 stores and employs around 310,000 members of staff, making Tesco's UK operation the largest within the Group (Tesco, 2015). Tesco is one of the UK's leading grocery retailers. (MarketLine, 2015)

1.2 An Introduction to the Tesco Clubcard Scheme

The Tesco Clubcard initiative was launched by Tesco in 1996 (Tesco, 2015). The scheme was a major investment for Tesco, costing the company around £10 million to set-up with the vouchers and discounts offered to Clubcard members accounting for 1% of Tesco's income. (Palmer, et al., 2006). Customers collect points every time they use their Clubcard when shopping with Tesco. Clubcard points are also rewarded if customers use Tesco's Mobile or Bank services and, if using a Tesco credit card, customers can collect Clubcard points each time they use their card, even if they are not shopping at Tesco. There are currently around 38 million Clubcard members globally (Tesco, 2015), with around 16.5 million of them being UK members (Christie, 2013).

1.3 Rationale

The reasoning behind this research is to identify whether the Tesco Clubcard is relevant in the current business environment and, whether consumer buying habits are changing and if people shop around for the best deals, rather than remain loyal to one specific retailer, regardless of whether or not they have a loyalty card.

The researcher works in the retail industry and would like to understand the benefits of loyalty schemes for both the retailer and the customer. As Tesco is one of the largest retailers in the world (Payne & Frow, 2013), there is a considerable amount of previous research which has been conducted with regards to the organisation and the Clubcard. The researcher also plans to conduct primary research to gather the views of customers with regards to their thoughts on the Clubcard and its relevance in the current climate.

1.4 Research Aims and Objectives

1.4.1 Research Aims

The aim of this research is to evaluate the relevance of the Tesco Clubcard scheme in the current business environment. The researcher aims to identify opinions from customers about their level of engagement with Tesco's Clubcard loyalty scheme by conducting primary

research, as well as the relevance of the scheme for the organisation, through the use of secondary research.

1.4.2 Research Objectives

The objectives of this research are as follows:

1. To explore the views of customers with regards to the Clubcard scheme and evaluate current levels of customer commitment to Tesco's loyalty program.
2. To examine secondary research and conduct an extensive literature review on the use of loyalty programs, focusing on the Tesco Clubcard scheme.
3. To evaluate the relevance of the Tesco Clubcard scheme as consumer shopping habits change.
4. To provide appropriate recommendations for future research on the topic.

2. Chapter 2 – Literature Review

2.1 The Concept of Marketing

Marketing can be defined as: *'The management process responsible for identifying, anticipating and satisfying customer requirements profitably'* (The Chartered Institute of Marketing, 2016). This suggests that marketing comprises of a number of processes which a business should consider when offering and promoting its products and/or services to customers.

The Chartered Institute of Marketing (CIM) claim that knowing what customers need and want is a central point when it comes to marketing as, once a business knows what customer need and want, it can begin to add value through marketing activities, ensuring success in the long term (The Chartered Institute of Marketing, 2016). According to Blythe (2014), the concept of marketing is all about meeting the expectations of the customer. In addition, Blythe suggests that a basic principle of marketing is to put the customer at the centre of everything the business does to ensure their needs and wants are satisfied. (Blythe, 2014)

Blythe (2014) suggests that there are a number of directions which businesses can take with regards to marketing. An example of this is product orientation. This is a process whereby businesses improve the quality of products by adding new features and offering extra functions. The aim here is to provide the best possible product for the customer. Another example is marketing orientation. This approach focuses on building relationships with customers and grouping customers according to their needs and wants. This is known as segmentation. Segmenting the market enables a business to offer each customer group differentiated products which satisfy the customers expectations. (Blythe, 2014)

2.2 Competitive Advantage

Lynch (2003, p. 817) defines competitive advantage as: *'The significant advantages that an organisation has over its competitors. Such advantages allow the organisation to add more value than its competitors in the same market.'*

In addition to the above, Kotler & Armstrong (2010) suggest that competitive advantage can be obtained by offering customers greater value, through a lower price than competitors or by adding something that justifies a higher price. Beauchamp (2003) argues that, by implementing a loyalty scheme, an organisation adds value for customers while offering the company an opportunity to analyse data such as customer demographics and buying patterns. The organisation would gain a competitive advantage by using the data obtained

from customers to plan future promotions. In addition, the business could get an idea of what products customers buy, where they buy those products and why they buy those products, as well as the price they are willing to pay for those products.

2.3 Loyalty Schemes

Krafft & Mantrala (2006, p. 361) define loyalty schemes as: *'A marketing process that generates rewards for customers on the basis of their repeat purchases.'* An alternative definition of loyalty schemes is: *'A customer management programme that offers delayed or immediate incremental rewards to customers for their cumulative patronage'* (Buttle & Maklan, 2015). These definitions suggest that retailers create loyalty schemes in order to encourage customers to return to the business as they will be rewarded for their loyalty and contribution to the profits of the organisation.

Baines & Fill (2014) argue that customer retention relates to the stability of the relationship between an organisation and its customers and, that loyal customers display higher levels of trust and commitment to the organisation. Therefore, it could be argued that organisations use loyalty schemes as a way to build a relationship with existing customers. In addition, Gamble (2006) suggests that loyalty programs are a useful way for businesses to gather large amounts of customer data. An organisation can use the data collected from a loyalty scheme to create targeted offers and other rewards for customers, saving time and money on other forms of marketing. Beauchamp (2003) suggests that loyalty schemes can be a useful tool for businesses in gaining a competitive advantage.

2.4 Customer Relationship Management (CRM)

A business can complement the use of loyalty schemes with Customer Relationship Management (CRM) processes to gain a further insight into the customer and their expectations in order to gain a further edge over competitors.

While Goldenberg (2003) argues that there is no specific definition for Customer Relationship Management (CRM), as it can involve different things for different people and organisations, Chen & Popovich (2003) suggest that Customer Relationship Management (CRM) can be defined as: *'A combination of people, processes and technology that seeks to understand a company's customers.'* Considering this definition, it could be argued that the CRM process involves a number of factors which are used to build and maintain the relationship between an organisation and its customers.

According to an article by Seymour-Blackburn (2014), it can cost retailers up to 10 times as much to acquire new customers than it does to retain existing ones. In addition, it is claimed that the use of loyalty schemes and CRM processes have become popular with retailers with

the aim of understanding and satisfying the needs and wants of customers to prompt loyalty (Seymour-Blackburn, 2014).

Rainardi (2008) claims that a loyalty scheme is an important CRM activity for retailers. Baran, et al. (2008) supports this claim by arguing that the data collected from the loyalty scheme is used by the organisation to develop a relationship with the customer.

2.5 Porter's 'Five Forces' Framework

The 'Five Forces' framework was developed by Michael Porter in 1979 and published in the Harvard Business Review. The 'Five Forces' model considers not only the existing competition between the organisation and its rivals, but also the power of customers, the power of suppliers, the threat of substitute products and the threat of new entrants into the market (Porter, 1979). In his article in the Harvard Business Review, Porter illustrated the 'Five Forces' model, outlining each of the forces which can be active within an industry (see Figure 1).



Figure 1: Forces Governing Competition within an Industry, Porter (1979)

Buyer Power:

According to a Porter (1979), consumers can be price sensitive when purchasing undifferentiated products, or products which are deemed expensive relative to their income. In addition, customers may opt for the cheapest product available where quality is not important. Customers hope to pay less and get more for their money. This buyer power, or bargaining power of customers, leads to price wars between organisations, all of which are battling to win the customer (Harvard Business Review, 2014).

Supplier Power:

In a video about the 'Five Forces' model, the Harvard Business Review (2014) suggests that suppliers hope to get paid more while delivering less. Larger suppliers of goods and services, as well as those offering exclusive products or services, can use their power to raise prices or force the organisation to agree to other terms which are favourable for the supplier.

Threat of Substitutes:

Another competitive force according to Porter (1979) is the threat of substitute products. These products meet the same basic needs as those offered by the organisation. Sometimes, the threat of substitute products can come from organisations in different industries (Harvard Business Review, 2014).

Threat of New Entrants:

Porter (1979) argues that new entrants to an industry bring new abilities. Typically, these organisations have a desire to gain market share from the existing, and more established, organisations. This leads to organisations facing pressure regarding their prices, as well as their costs and other investment which is necessary to compete with the new entrant. (Porter, 2008)

Existing Rivals:

The fifth competitive force is the competition between the organisation and its existing rivals. Porter (2008) suggests that the factors involved here include price promotions and discounts, the introduction of new products and/or services, advertising campaigns and improvements to customer service. The intensity with which companies compete impacts the profitability of the industry and the organisations within it. (Porter, 2008)

2.5.1 Applying Porter's Five Forces Model to the Supermarket Industry

Considering the information outlined above, a 'Five Forces' analysis could be applied to the supermarket industry, where it could be argued that each of the competitive forces, as developed by Porter (1979), has an impact on the industry and the organisations operating within it.

In the past, the UK food retail and supermarket industry has been dominated by Tesco, Sainsbury's, ASDA and Morrison's, known as 'the big four' (Economics Online, 2015). Therefore, it could be argued that the industry is an oligopoly with a few firms dominating the market (Hall & Lieberman, 2008). However, new entrants into the market such as discount stores like Aldi and Lidl have changed this, and, following changes in consumer shopping habits, their market share has increased (Butler, 2015). These changes have led to price wars between the retailers as well as a shift in buyer power, leading to a rise in own brand and value ranges (Chittock, 2013).

2.6 The Tesco Clubcard Scheme

The Clubcard scheme is a loyalty program which was introduced by Tesco in 1996. Today, there are around 38 million Clubcard members (Tesco, 2015). Customers collect points every time they use their Clubcard when shopping with Tesco. When shopping in store or online, customers collect 1 Clubcard point for every £1 they spend. When purchasing fuel from Tesco filling stations, customers collect 1 Clubcard point for every £2 spent. Clubcard points are also rewarded if customers use the Tesco Mobile network or any of the services offered by Tesco Bank, including the Tesco credit card, where customers can earn Clubcard points when they use the card, even if they are using it somewhere other than Tesco (Tesco Clubcard, 2015).

Winterman (2013) suggests that, by recording data generated from customer shopping trips and using computer programmes to analyse that data, the Clubcard was the first loyalty card scheme fit for the computerised age. Trench (2010) claims that the Clubcard gave Tesco a unique selling point, because it enabled the business to reward regular customers with money-off vouchers, as well as offering shopper's personalised deals on the products they bought frequently. Trench (2010) also claims that the scheme proved so popular among consumers that, just one year after it launched, Clubcard members were spending 28% more at Tesco and 16% less at its competitors like Sainsbury's, increasing the company's market share and, according to Winterman (2013), contributing to the success of Tesco in becoming the UK's leading supermarket. Considering the above, as well as Porter's Five

Forces framework, it could be argued that the Clubcard has differentiated Tesco's offering for customers and has proved a useful tool for Tesco in competing with its existing rivals.

When launched, the Clubcard was a major investment for Tesco as it cost the company around £10 million to set-up. In addition, the vouchers and discounts offered to Clubcard members accounted for 1% of Tesco's income (Palmer, et al., 2006). However, with millions of Clubcard users, each receiving discounts and vouchers from Tesco, the scheme is significantly more expensive to run today. According to Tapp (2008, p. 348), '*Tesco Clubcard is thought to cost over £100 million to run each year.*' It could be argued that there are advantages to the business as well as for customers as Tesco is happy to run the scheme, despite the costs associated with it. Tesco uses the data to tailor promotions and deals to meet customers shopping habits. (DuBrin, 2008)

In an article for The Independent, Mesure (2003) claims that from 1996 to 2002, the cost of the Clubcard scheme accounted for around £1 billion worth of Tesco's profits. In the article, Mesure (2003) also quotes Clive Humby, the Manager of Tesco's marketing analyst firm Dunnhumby, suggesting that the Clubcard scheme has been worth every penny for Tesco as the data obtained from customers has helped the business tailor the products and services it offers more effectively, '*leading to hundreds of millions of pounds of profit*' (Mesure, 2003).

2.6.1 Tesco Clubcard and Dunnhumby

As outlined above, the purpose of the Clubcard is not only as a loyalty scheme for the benefit of customers, but also as a benefit for Tesco. This is because the scheme enables Tesco to access information about consumers buying habits, trends and preferences of certain products over others.

Tesco owns Dunnhumby, a marketing research business, which helps Tesco understand the Clubcard data, enabling the organisation to create personalised offers and additional incentives for customers to shop with Tesco (Tesco, 2015). According to Zentes, et al. (2011), the Clubcard scheme means that Tesco knows more information about consumers than its competitors, providing the business with a competitive advantage.

In order to attract and retain customers, many businesses make use of the three-step Segmentation, Targeting and Positioning (STP) process. According to Strydom (2004), Segmentation involves classifying customers based on their needs and putting them into groups known as segments. Targeting involves finding the best way to attract or reach each segment of the market. Finally, positioning relates to a customer's perception of the products or services on offer. Considering this, it could be argued that, with the help of the Clubcard

and Dunnhumby, Tesco is able to identify price-sensitive shoppers and those most likely to defect another supermarket. Analysing Clubcard data helps the business identify market segments which customers fit into. Tesco would decide to target the price-sensitive segment, which comprises of those customers who buy the cheapest products available. Then, by identifying the products price-sensitive customers buy on a regular basis, the business can position their marketing activities by arranging price drops and promotions, as well as sending Clubcard vouchers for money off, in an attempt to entice loyalty to Tesco. In this example, the Clubcard is effective in retaining the price-sensitive customers, therefore offering Tesco a competitive advantage. Invalid source specified.

Having a company like Dunnhumby analysing the data obtained from Clubcard customers helps Tesco identify different customer groups. This enables the company to segment customers based on the way the shop and allows Tesco to offer customers rewards and other promotions.

2.6.2 The Clubcard and Market Share

Holmes (2008) claims that one of Tesco's main aims is to create value for customers and earn their lifetime loyalty. He argues that a significant factor which has helped the company has achieved this aim is the success of the Clubcard. This is because the Clubcard has been useful in building up relationships with customers, leading to their loyalty and an increased market share for Tesco. (Holmes, 2008)

In support of Holmes' suggestion about the importance of the Clubcard with regards to Tesco's market share, DuBrin (2008) claims that, as a result of the Clubcard scheme, Tesco has seen a boost in market share to around 31%, compared to Asda's 16% share of the market (DuBrin, 2008). However, in recent years, Tesco's market share has fallen to 28.7%, the lowest its been for almost ten years. The reason for this is partly due to a rise in discount supermarkets such as Lidl and Aldi as well as a change in consumer buying patterns. (Ruddick, 2014)

2.7 Consumer Behaviour

Consumer behaviour can be defined as: *'The actions and decision processes of people who purchase goods and services for personal consumption'* (Bennett, 1995) cited in (Batra & Kazmi, 2008, p. 5). This definition suggests that consumer behaviour relates to how consumers choose between one product and another as well as what influences them to make their decision.

According to Wright (2006), organisations attempt to influence consumers from a young age. For example, when a child sees new toy being advertised on television, they see all of the

features of toy being shown and want to try it for themselves. Organisations use marketing techniques like advertising in an attempt to influence consumers to purchase the goods and/or services on offer (Wright, 2006). Consumers can also be influenced by the situation they find themselves in. According to Wright (2006), situations such as the time of day or night, the day of the week, the month, the weather and even the place can influence the way a person shops and the products they buy. In addition, the urgency of the situation can be an influencing factor. For example, if a person's television was to break down, they would look to have the item repaired or replaced almost immediately so as not to miss out on entertainment. The same could be said if their fridge freezer broke down – the thought of losing the food that is stored in the appliance due to it becoming too warm might influence the consumer to seek a repair or replacement sooner rather than later (Wright, 2006).

2.7.1 Brand Loyalty and Brand Equity

Another influencing factor for consumers is the sense of loyalty they have to certain brands. Known as brand loyalty, this is: *'the extent of the faithfulness of consumers to a particular brand, expressed through their repeat purchases, irrespective of the marketing pressure generated by the competing brands'* (Oliver, 1999) cited in (Frangos, 2013, p. 213). Considering the above definition, it could be argued that brand loyalty is simply the consumers choice of one brand over another. According to Naik & Reddy (1999), a large majority of consumers exhibit the characteristics of brand loyalty by purchasing the same products over and over again.

Brand equity is: *'The marketing and financial value associated with a brand's strength in a market'* (Pride & Ferrell, 2010, p. 331). Brand equity comprises of a number of factors, including: awareness of the brand, consumer loyalty to the brand and perceived quality of the brand. Marketers believe that a brand which is well-known, or one which has been promoted to breed familiarity, is more likely to be chosen by consumers over brands which are less recognised. Consumers are likely to have tried the well-known brand and know that it is of good quality forming a sense of contentment and loyalty to the more established brand (Pride & Ferrell, 2010).

2.8 Changes in Consumer Shopping Habits

Chapman (2014) argues that, since the recession hit the UK in 2008, consumers have changed their shopping behaviour and that they rely on coupons, vouchers and rewards. This suggests that loyalty schemes, such as the Tesco Clubcard, which offer customers rewards for shopping regularly are key to gaining business. Why then are large retailers, like Tesco, seeing a drop in their market share and, ultimately, their profits? According to

Shadbolt (2015), this is because discount competitors such as Aldi and Lidl are gaining market share with their 'no-frills' shopping experience.

2.8.1 The Rise of the Discount Supermarkets

Hawkes (2008) argues that Aldi and Lidl have seen a growth in market share as they offer value for money as well as luxury items. In addition, instead of selling thousands of products from stores which are planned to enhance the shopping experience, the discounters pile it high and sell it cheap. The design of an Aldi or Lidl store is much more basic than that of a Tesco (or one of the other big four) and, often, products are sold directly from pallets. The large volumes of products sold by offering less choice of brands means that Aldi and Lidl can sell products at very low prices, attracting a wide range of consumers, from the cash-strapped to those looking for value for money. (Hawkes, 2008)

Considering Porter's 'Five Forces' model, as discussed previously, it could be argued that Aldi and Lidl have become a threat as new entrants, focussing on offering customers a smaller range of products but at lower prices. Selling a lesser product range but selling it faster has helped the discount supermarkets gain a cost advantage and enter the market.

In an article for the Guardian, Wood & Butler (2015) report that Tesco have released plans to reduce the range of products it stocks to simplify shopping, reduce prices and improve availability. According to the article, large Tesco Extra stores can house up to 90,000 products of different sizes, from Tesco Everyday Value products to big name brands like Coca-Cola and Heinz. In comparison to Tesco's huge product range, the rising discount supermarkets like Aldi and Lidl stock fewer than 2,000 product lines (Wood & Butler, 2015). Considering this, it could be argued that selling fewer lines but selling them sooner gives Aldi and Lidl greater buying power, resulting in lower prices for customers.

Hope (2014) suggests that consumers have changed their shopping habits to save money and Ruddick (2014) claims that people are shopping little and often across convenience stores, online and in supermarkets, rather than conducting one big weekly shop. According to Hawkes (2013), these changes have led to a rise in discount supermarkets as consumers have started shopping around for the best deals on food and drink.

2.8.2 More Choice for Shoppers

According to Ruddick (2015), a number of factors have resulted in consumers having more of a choice with regards to when, where and how they shop. He claims that consumers can shop, not only at supermarkets like Tesco or Asda, but at a range of retailers including local independent stores, convenience stores, and discount stores like Aldi and Lidl. In addition, consumers also have the option of shopping from the comfort of their own home with the

help of the internet. Ruddick (2015) suggests that, as a result of having more choice, consumers have altered the way they shop.

In a report for BBC Business News, Hope (2014) suggests that people have started shopping differently in recent years. According to the report, consumers are tending to buy less but more often, which could be a sign of the end of the weekly big shop. (Hope, 2014)

In addition, consumers have segmented the way they shop, meaning that they are shopping around and buying the products they want from different places based on either the price or convenience (Hope, 2014). For example, consumers may shop in Tesco, Sainsbury's and Lidl and purchase a mix of products with the best deals from all three retailers. This supports claims that consumer shopping habits have changed from doing a large shop once a week to buying little and often. In addition, segmented shopping suggests that consumers are willing to switch retailers in order for a better deal or if it is more convenient.

In addition to changing their shopping habits, it would appear that consumers expect to buy the products they want, at the time they want them and in the shop they want to buy them from. According to Ben Perkins, head of consumer research at accountancy firm Deloitte, this consumer behaviour has had a huge impact on brand loyalty and consumers buy a variety of different brands from a number of different retailers (Hope, 2014).

2.8.3 24/7 Supermarkets, Technology and Online Shopping

It could be argued that the 24 hour running of supermarkets like Tesco and Asda have changed the way people shop. According to Palmer (2015), more and more people go to the supermarket to do their shopping later in the evening in a bid to save money. Palmer (2015) claims that, as the supermarkets are open 24/7, they try to keep products which are reaching the expiry date at a higher price throughout the day and then start reducing them heavily as the evening progresses. Some consumers have noticed this and have begun shopping at night to pick up the same products at lower prices as well as purchasing items which are usually more expensive such as the supermarkets finest range and well-known brands at a reduced price (Palmer, 2015).

Consumer shopping habits have also changed with the development of technology and the growth of online shopping. According to Hope (2014), a number of consumers now do their large supermarket shop online once a month and have it delivered to their door and supplement it with weekly top-up shops at smaller convenience stores for fresh fruit and vegetables and other perishable items such as eggs, bread and milk (Hope, 2014).

In an article for The Guardian, Davies (2012) suggests that advancements in technology have enabled consumers to shop online from the comfort of their own home and have their shopping delivered to them, whenever they want to. In addition, an increase in 'Click & Collect' services mean that consumers can reserve items online and pick them up from a collection point in store, saving them time as they no longer have to look for the item(s) on the shelves (Davies, 2012).

Finally, advancements in technology have meant that people can now use contactless payment cards to pay for their shopping, saving them time at the tills, and offering customers a more convenient way of shopping (Davies, 2012). According to an article by the Retail Gazette (2015), since January 2012, over £2 billion worth of payments have been made using contactless payment devices in the UK. These devices include bank cards, mobile phones and other smart devices such as watches and tablets (Retail Gazette, 2015).

2.9 Loyalty Schemes and Added Value for Customers

Cardone (2011) suggests that adding value can lead to a business gaining a competitive advantage. This is because combining features, add-ons and benefits gives the company's products and/or services a greater sense of value among customers, encouraging their repeat custom. In relation to this, an article by retail software company, Wiser (2016), outlines the usefulness of loyalty schemes when it comes to retaining and encouraging customers as they add value to the customer's shopping experience. In addition, Hennig-Thurau (2000) claims that loyalty programs add value for customers and build a relationship of trust between the business and its customers, resulting in regular transactions.

2.9.1 Tesco's Clubcard and Added Value

One example where Tesco's Clubcard was used as a way of offering customers added value, was the Tesco 'Fuel Save' scheme. In an article for The Grocer, Quinn (2015) states that the 'Fuel Save' scheme was launched by Tesco in March 2014 and rewarded shoppers with 2p off every litre of fuel they purchased at a Tesco filling station for every £50 they spent in store when swiping their Clubcard at the tills. Following the introduction of the scheme at the start of 2014, fuel prices began to decrease in general and, by August 2015, Tesco decided to discontinue the deal, with customers being able to continue saving up 'Fuel Save' points until the end of August for use before the end of September (Quinn, 2015).

Another way in which Tesco's Clubcard scheme adds value for customers is with its 'Clubcard Boost'. This initiative enables customers to spend their Clubcard vouchers as normal on shopping in-store or online, or 'Boost' them to use at Tesco or with their selected partners, increasing their value by up to four times (Tesco Clubcard, 2016). Customers can

choose to spend their 'Clubcard Boost' vouchers in store or online in selected departments such as clothing, electricals, homeware and toys. If customers choose this option, they can double the value of their vouchers. Therefore, £5 would be boosted to £10 to spend on items in the selected departments (Tesco Clubcard, 2016). Alternatively, customers can choose to boost their Clubcard vouchers with selected partners including places for family days out including Odeon Cinema and Drayton Manor Theme Park and places to eat out including restaurants like Pizza Express and Café Rouge where customers can boost their vouchers by up to four times, meaning that £2.50 in Clubcard vouchers would become £10 to spend at one of Tesco's partners (Tesco Clubcard, 2016).

However, Morley (2016) reported that the 'Clubcard Boost' event running from 16 May to 26 June 2016 will be the last as Tesco has decided to cancel the 'Boost at Tesco' scheme which enables customers to double the value of their Clubcard vouchers to spend in store or online. The business has announced plans to improve the Clubcard program making it simpler, and more straightforward and appealing for Clubcard holders, offering them better value all year round, rather than just at certain times of the year (Morley, 2016). According to the Tesco website, the business is planning to hold double points events to help customers grow their points balance faster, as well as improving its Boost Partners offer, where customers can get up to four times the value of their vouchers (Tesco, 2016).

Considering the information highlighted above, it could be argued that Tesco uses the Clubcard scheme as a way of saying 'thank you' to customers for shopping at Tesco, and that the company adds value for Clubcard customers by offering them the opportunity to increase the value of their vouchers or by offering them other exclusive deals as a reward for their loyalty.

3. Chapter 3 – Research Methodology

3.1 Research Aims and Objectives

The aim of this research is to evaluate the relevance of the Tesco Clubcard scheme in the current business environment. The objectives of this research are:

1. To explore the views of customers with regards to the Clubcard scheme and evaluate current levels of customer commitment to Tesco's loyalty program.
2. To examine secondary research and conduct an extensive literature review on the use of loyalty programs, focusing on the Tesco Clubcard scheme.
3. To evaluate the relevance of the Tesco Clubcard scheme as consumer shopping habits change.
4. To provide appropriate recommendations for future research on the topic.

Research can be defined as: *'An intensive and purposeful search for knowledge and understanding'* (Kumar, 2008, p. 1). In addition, Hussey & Hussey Invalid source specified. state that research is: *'an enquiry and investigation that is systematic and methodical and increases knowledge.'*

According to Jankowicz Invalid source specified., research is carried out by individuals in an organised way in order to identify new things and increase their knowledge and understanding of the topic being researched.

3.2 The Research Paradigm

The research paradigm is: *'A perspective about research held by a community of researchers that is based on a set of shared assumptions, concepts, values and practices'* (Johnson & Christensen, 2012, p. 31). This definition suggests that the research paradigm can be used when planning and conducting research. Saunders, et al. (2009) suggests that, when embarking on research, an individual aims to develop their knowledge in a particular area.

According to Saunders, et al. (2009), the strategy and methods chosen during the research depend on what the researcher wants to find out. The primary research for this dissertation involved Tesco Clubcard customers completing a questionnaire. Therefore, it is highly likely that the results of the research are based on the perceptions of each individual, within the parameters of the questionnaire. Considering the above, it appears that the research will follow the interpretivism approach. Collis & Hussey (2014, p. 45) state that: *'Interpretivism focuses on exploring the complexity of social phenomena with a view to gaining interpretive understanding.'* The interpretivism approach tends to use small samples,

produce subjective and quantitative data, provide results with low reliability but high validity and allow the results to be generalised for a number of different settings (Collis & Hussey, 2014).

3.3 Research Methods

According to Lancaster (2007), there are a number of methods which can be used to collect data during research. Examples include case studies, observation, experimentation, interviews, surveys and secondary data collection.

For the purposes of this research, a questionnaire was designed, allowing the research to be conducted in a Tesco store as well as an online version. When planning the questionnaire, considerations were made with regards to the benefits and limitations of conducting a paper-based survey.

According to Brace (2008), one advantage of a paper-based survey is that participants may take more time to consider their responses to the questions. However, printing a hundred copies of the survey would be costly. In addition, not every Clubcard customer may be willing to spare the time to complete the survey. Also, Wright (2005) argues that it would take a long time to complete the research as well as the time taken to organise and analyse the data if using paper-based surveys.

An online survey was also designed using a questionnaire design website, known as Survey Monkey. A link to the survey was posted on a forum or website relating to the Clubcard and shared amongst the researcher's friends and family.

One advantage of using an online survey is that the survey will be available for completion 24 hours a day, meaning participants can complete the survey in their own time (Conway, 2004). Another advantage is the cost of conducting the research. Bryman & Bell (2015) argue that, by conducting an online survey, the researcher will save on costs such as paper and ink needed for paper-based questionnaires. Another advantage is that participants will be more likely to share their honest views, which they may not feel comfortable doing if it was a face-to-face paper-based survey (Brace, 2008). Finally, response time is reduced as participants only have to click on their answers. Also, using a website such as Survey Monkey cuts down the time taken to analyse the data as the software automatically produces graphs and charts relating to the responses given (Conway, 2004). The main disadvantage of using an online survey during the research is that internet access and some computer expertise is required to complete the survey (Conway, 2004).

3.4 Sampling

A sample is: *'a subset of a population'* with the population being: *'a precisely defined body of people under consideration for statistical purposes'* (Collis & Hussey, 2014, p. 51). For the purposes of this research, the population consisted of Tesco Clubcard members while the sample comprised of those shopping in the Tesco store in Swansea Marina. Therefore, a purposive sampling technique was used. Purposive sampling is where a sample is chosen, not on a random basis, but because the participants are relevant to the area being researched and the questions being asked (Bryman, 2012).

A report by the National Audit Office suggests that: *'A sample size of between 50 and 100 should ensure that the results are sufficiently reliable for the majority of purposes'* (National Audit Office, 2001). Considering this, the intended sample size for this dissertation was 100 responses. The researcher felt that this would provide a good insight into the thoughts of Tesco customers with regards to the relevance of the Clubcard scheme.

3.5 Questionnaire Design

The questionnaire for this research consisted of 18 questions, ranging from demographic questions to questions specific to the Clubcard and the shopping habits of respondents. The researcher wrote the questions in a way which was clear and concise so that respondents were able to fully understand and answer all of the questions. Care was taken to ensure that respondents to the survey remained anonymous.

The questionnaire was designed to include both open-ended and closed questions, with the intention of gathering quantitative and qualitative data from respondents. According to Thomas, et al. (2015), open-ended questions allow respondents the opportunity to express their feelings and views while closed questions will have a specific response such as yes or no.

In addition to open-ended and closed questions, some questions within the survey will be based on the Likert scale. Babbie (2010) suggests that Likert scale questions offer improved levels of measurement by using a number of categories for responses. These response categories consist of statements such as 'strongly agree, agree, disagree and strongly disagree' where respondents choose the statement which best describes their feelings to the question being asked (Babbie, 2010).

3.6 Conducting a Pilot Study

Oppenheim (2000) suggests that a pilot study can be used in order to ensure that the questionnaire meets the needs of the research, providing the desired responses. In addition, Thomas, et al. (2015) claims that, by conducting a pilot study, the researcher can identify the

average length of time it takes respondents to complete the survey. This can then be passed on to the respondents when the full-scale survey is conducted so that respondents have an idea of how much of their time the questionnaire will take up.

Once the researcher had completed the first design of the questionnaire, a pilot study was carried out. This study involved the researcher distributing the questionnaire to a number of friends and family members and asking them to read through and complete the survey, highlighting any issues they were faced with when answering each question. Doing this enabled the researcher to identify any flaws within the questionnaire and eliminate them before the full-scale research was conducted.

3.7 Distributing the Questionnaire to Respondents

The primary research for this dissertation was conducted in the Tesco store in Swansea Marina on the week commencing 29th February 2016. At the end of that week, the researcher counted the number of responses and decided that it was necessary for the paper-based questionnaire to be supplemented with an online version to reach the planned sample size of 100. The questionnaire was uploaded to an online site, Survey Monkey, and a link was sent out by the researcher to friends and family, asking those with a Tesco Clubcard to take part in the research.

3.8 Reliability and Validity

Bryman (2012) argues that the reliability and validity of research are important factors in establishing the quality of the research that has been carried out. In support of this, Wood & Kerr (2011) suggest that anyone conducting research should carefully consider the way in which data is collected to ensure it is valid, or that the data is relevant and useable, and reliable, or that the data is consistent (Wood & Kerr, 2011).

According to Terrell (2016), the reliability of a study relates to whether or not the results from the research can be generalised and applied to different situations and locations. In addition, it has been suggested that the validity of research is underpinned by whether or not the results from the sample that the research was conducted on accurately reflect the population as a whole (Terrell, 2016).

Considering the above, the reliability of the research conducted for this dissertation could have been tested by conducting the same study in another Tesco store somewhere else in the UK. If the results of the repeated questionnaire correlated with the results from the first study, the research would be reliable. However, as the researcher had a limited amount of time, and was unable to conduct a second study, the reliability of this research was measured based on the results of the pilot survey and those of the actual research to see if

there was a correlation. With regards to the validity of this research, the researcher took care to ensure that the survey did not include any questions which would lead respondents to an answer. In addition, the researcher remained impartial and unbiased whilst conducting the study. The researcher also took care to ensure that respondents fully understood each question within the study and that they could reach a firm answer. Finally, an ethical approval form (see Appendix 4) was submitted to the university to ensure that the questions of the study were moral and ethical; with the form stating that respondent's participation in the study would remain anonymous.

3.9 Limitations of the Research

One of the main limitations of the research was time. The researcher was on a tight schedule and had just one week to conduct the primary research within a Tesco store. As a result of this, the researcher was only able to gather 50 responses from a desired sample of 100. Therefore, the researcher supplemented the study with an online survey which gained the remaining 50 responses within a week. Had more time been available to the researcher, the study could have been conducted in a number of different Tesco stores or for a longer period of time. This would have resulted in a larger sample being reached.

Another limitation was the location of the sample. As the research was only able to be conducted in a Tesco store in Swansea, the respondents were all from the same area of the country. Had it been possible to conduct the research in a number of different stores around the country, the reliability and validity of the results would have been improved and the study would have reflected the views of a wider range of Tesco customers.

3.10 Data Analysis

During the primary research stage, a questionnaire was be designed and printed, allowing the research to be conducted in a Tesco store, gathering the information from Clubcard members. In order to reach the intended sample size, an online survey was designed using Survey Monkey and a link to the survey was published.

Any questionnaires which were completed offline were analysed and inputted into a computer program. The results from the responses to the questionnaire on Survey Monkey were then added to the paper-based results and the information gathered from the primary research was compiled into qualitative and quantitative data, allowing graphs and charts to be created to illustrate the results.

4. Chapter 4 – Analysis of Results

This section covers the results of the primary research, collected from a sample of 100 Tesco customers. The survey was split into three parts:

1. The first section was constructed to gather personal information from respondents including their gender and age range.
2. This included background information about respondents shopping habits and behaviours.
3. The final section included questions around shopping at Tesco as well as questions about the Clubcard scheme.

For a blank copy of both the paper-based and online questionnaires, as well as a covering letter given to respondents completing the offline survey, please see Appendix 1 to 3.

4.1 Respondents Personal Information

A report published by the City and County of Swansea Council (2015) which states that Swansea's population comprised of approximately 120,000 males and 121,300 females in mid-2014 (City and County of Swansea Council, 2015). As a result of this, the gender of those who took part within the study is likely to consist of more female respondents than male. Figure 2, below, shows that 52% of the sample comprised of females while 48% were male.

The results shown in figure 2, below, suggest that more females than males are members of retailer loyalty schemes. This result can be supported by an article by Crystal (2012), who claims that men and women shop differently. He proposes that men see shopping as a task to be completed and they tend to go into the shop, buy the product and leave; while women see shopping as an experience for them to enjoy and that they spend more time looking around the shop and talking to workers (Crystal, 2012). In addition, Clodfelter (2013) claims that more women are likely to have loyalty cards than men as women with children aged under 18 tend to be the primary shopper for their household.

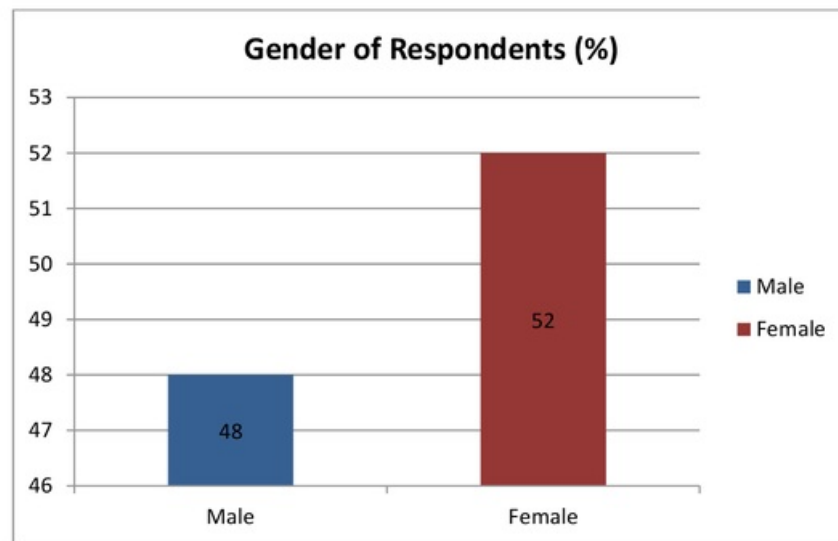


Figure 2: Graph of Results for Question 1

In the report, the City and County of Swansea Council (2015) also claims that the age ranges which encompass the largest range of the population are those aged between 16 and 64 (City and County of Swansea Council, 2015). Figure 3, below, shows that, within the sample, the most commonly occurring age range of respondents were those aged between 18 and 45 with 76% of respondents fitting into those categories.

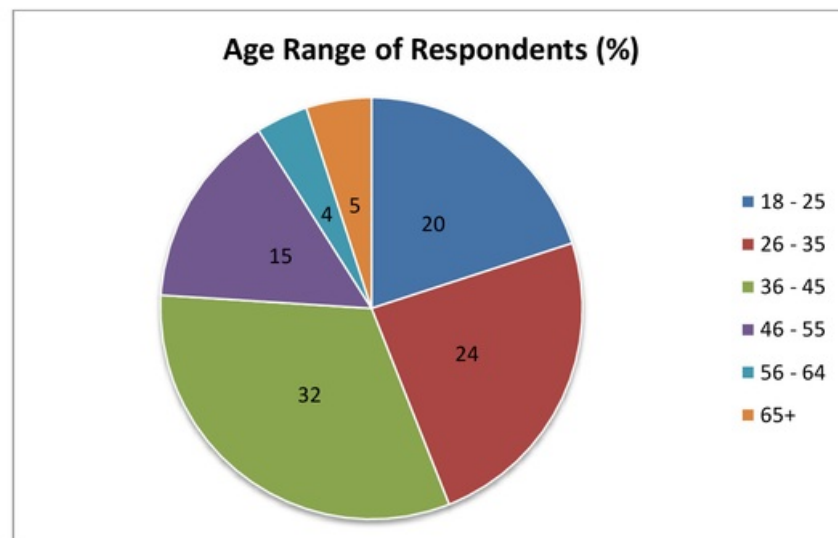


Figure 3: Graph of Results for Question 2

4.2 Background Information and Changing Shopping Habits

According to Meyer (2015), many shoppers are a member of at least one, but usually several, retailer loyalty schemes. To put this claim to the test, the researcher added a

question to the survey asking respondents whether or not they were members of any loyalty schemes. Figure 4, below, shows that over 60% of respondents stated that they had at least one loyalty card in their possession.

However, on closer inspection, figure 4, below, also shows that a large number (nearly 40%) of respondents stated that they were not members of any retailer loyalty schemes. In relation to this, Wade (2015) claims that some customers do not like the fact that points-based loyalty schemes can take a long time for them to earn and/or benefit from a reward. Wade (2015) also claims that the rewards may not meet the customer's expectations.



Figure 4: Graph of Results for Question 3

Considering the reported changes in consumer shopping patterns over recent years, together with the rise of discount supermarkets such as Aldi and Lidl, the researcher wanted to find out which supermarkets respondents shopped in on a regular basis. Figure 5, below, shows that Tesco still appears to be the most popular supermarket among consumers. However, the research was conducted in a Tesco store and so respondents may have felt it necessary to select Tesco, even if they did not shop there regularly.

According to a report by BBC News (2015), Aldi, Lidl and The Co-operative have all increased their share of the supermarket industry while Asda has seen a slight decline. Figure 5, below, shows that the discount supermarkets attracted a large number of responses, with a little over 80% of respondents stating that they regularly shop in Aldi and Lidl. Also, just over 60% of respondents shop at The Co-operative regularly with Asda being more or less level with the Co-op at around 60%. Ruddick & Spence (2015) claim that the growth of the discount supermarkets highlights the dramatic changes in the retail and

supermarket industry, supporting previous suggestions that consumer shopping habits are changing.

The results shown in figure 5 identifies Sainsbury's and Morrisons, the two remaining 'big four' supermarkets, along with Marks & Spencer, are almost level at around 40% of participants choosing them. Iceland and Nisa were highlighted as supermarkets where respondents shop on a regularly which were not included on the list.



Figure 5: Graph of Results for Question 4

Following on from the previous question, asking where participants shop regularly, the researcher wanted to identify the reasons behind why people shop where they do. Respondents were given a number of statements and figure 6, below, shows the results. Nearly 100% of respondents shop in the stores they do to get value for money. Also, a high percentage of participants shop for the range of products as well as the freshness, quality and availability.

It is also noted that around 57% of respondents stated that they shop where they do because they have a sense of loyalty to those stores. With just over half of the respondents feeling a sense of loyalty towards retailers, it would appear that the results to the study support Wade (2015)'s claim that loyalty schemes are not as effective today as they were in previous years.

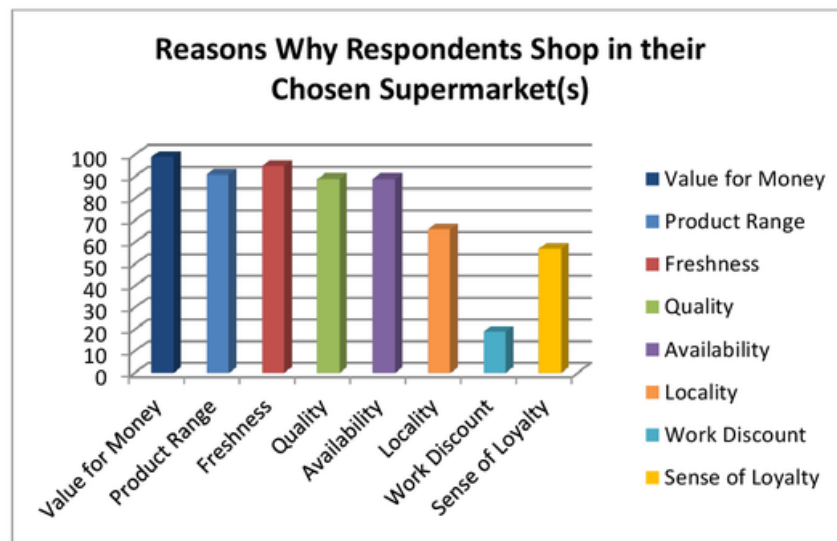


Figure 6: Graph of Results for Question 5

Figure 7, below, shows participants responses to question 6 which asked respondents whether or not they feel they have changed the way they shop in recent years, and that they now tend to look around for better deals and/or cheaper alternatives, even if it means they have to shop in a number of stores.

When asked to provide a brief explanation as to why they chose their answer, the most common answers from the 48% of participants who selected 'No' were that the participants had always shopped around a number of different retailers to find the best deal or that they still only shopped in certain retailers where they knew the products were of a high quality. Also, some respondents said that they still buy branded items, even if there are cheaper alternatives available.

The 52% of participants that answered 'Yes' when asked if they felt they had changed the way they shop in recent years suggested that they enjoyed shopping around to find the best deals as they felt a sense of achievement when saving money. In addition, participants stated that they now go to stores where they know products are on offer and buy them there, or that they shop in discount supermarkets like Aldi and Lidl for certain items as they are cheaper.

Others said that they enjoyed going to different stores and buying food from around the world. Some respondents stated that they use price comparison websites and forums to find out where the best deals are in order to save money, and that they had only started doing so since the recession.

Another reason that was given by respondents was that they buy non-perishable items instore weekly, or buy online and have them delivered to avoid buying unnecessary items. They then visit a store and purchase fresh items such as bread, meat, fruit and milk as a top-up shop. These respondents felt that, by doing this, they were reducing the amount of food they wasted and therefore the amount they spend on food.

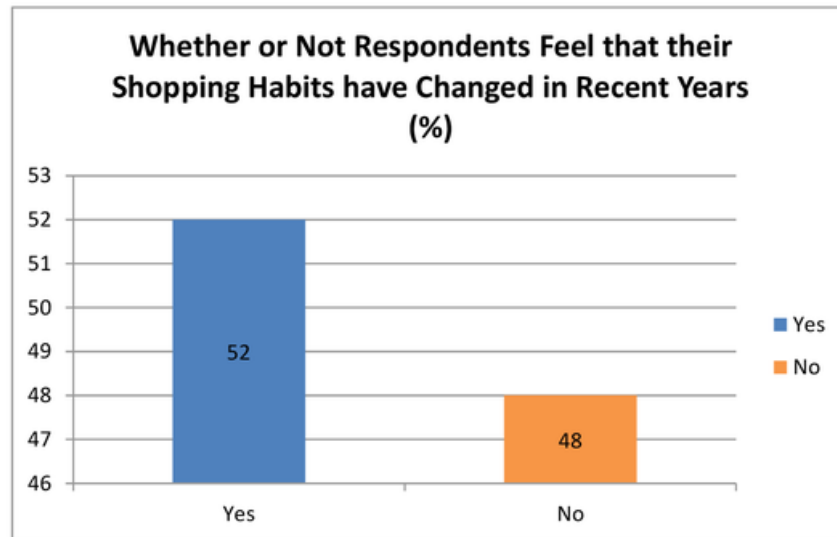


Figure 7: Graph of Results for Question 6

In an attempt to strengthen the belief that shopping habits have changed and that the time of consumers buying everything in a large 'weekly shop' could be coming to an end, the researcher asked participants to select one of four statements which best described the way they prefer to conduct their food shop.

The results are illustrated in figure 8, below. While 22% of respondents stated that they still like to do a weekly shop, buying everything they need in one go from a large supermarket, 36% opted for the answer that they buy non-perishable goods in a weekly shop and then supplement it with a number of 'top-up' shops.

In addition, the results shown in figure 8, below, highlighted that 27% of participants claimed that they prefer to shop little and often, buying things from different shops and only if and/or when the items are needed. Finally, 15% of participants stated that they prefer to do their food shopping online and have it delivered to their home.

These results can be compared with an article by Wallop (2014), where it is suggested that online food shopping has grown by 2.8% from 3.5% in 2009 to 6.3% in 2014. The article also claims that, consumers are increasingly doing fewer 'big' weekly shops, switching to 'top-up' shops or shopping regularly but buying less on each trip to reduce waste and costs (Wallop,

2014). The results also appear to support the arguments made by both Hope (2014) and Ruddick (2014), proposing that consumer shopping habits have changed over recent years and that shoppers feel more open to shopping in a number of stores to get the best deals and cheapest prices available.



Figure 8: Graph of Results for Question 7

4.3 Shopping at Tesco and the Relevance of the Clubcard Scheme

Having gained some background information about the ways in which participants shop and the stores they shop in regularly, the researcher wanted to focus on respondents shopping habits with regards to Tesco. Therefore, the first question in the final section of the survey asked respondents to select the statement which best described how often they shop in a Tesco store.

Figure 9, below, shows that over half (58%) of respondents stated that they shop at Tesco on a daily basis while about a third (33%) visit Tesco on a weekly basis. Considering previous information about the way consumers shop, it would seem that the majority of those who took part in the study shop on a regular basis in an attempt to reduce food waste and save money while a large number of participants still do a weekly food shop in Tesco which they may or may not supplement with some 'top-up' shops during the week, either in Tesco or at other food stores. Looking at figure 9, below, it is also highlighted that some of the participants only visit Tesco on a monthly basis. These respondents are likely to be those who shop around looking for the best deal and who will only visit Tesco if they know certain products are on special offer.

It is also noted that no respondents claimed that they only shop at Tesco on a yearly basis. This was a notion made by the researcher as, because the study was carried out over only one week, it was highly unlikely that the study would attract any respondents who only shop at Tesco once a year. Again, as the survey was conducted in a Tesco store, the researcher expected that no respondents would select 'Never' as their answer to the question.

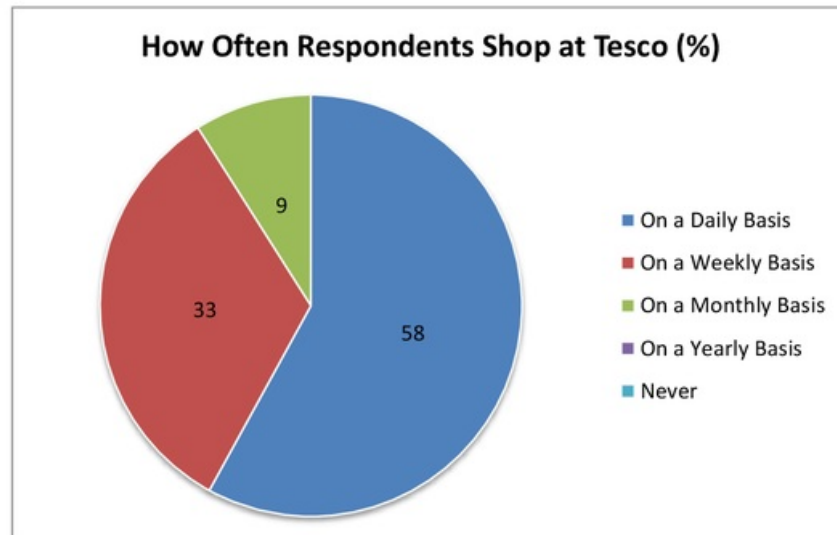


Figure 9: Graph of Results for Question 8

As this research is based on the relevance of the Tesco Clubcard scheme, the researcher devised a number of questions to explore the views of customers with regards to how effective the scheme is in the present day. When asked if they were in possession of a Clubcard, 69% of participants stated yes while 28% stated that they did not have a Clubcard. In addition, 3% of respondents abstained from answering by selecting the 'Prefer Not to Say' option. It is likely that, along with the people who said they were not Clubcard members, these participants made up part of the percentage of respondents who stated that they did not have any retailer loyalty cards when asked at the start of the survey.

Having nearly a third of respondents claiming not to own a Clubcard, it would appear that these results support the suggestion made by Wade (2015) that a growing number of consumers feel it is unnecessary to have a loyalty card as rewards can take a long time to reach the consumer and may not meet expectations.

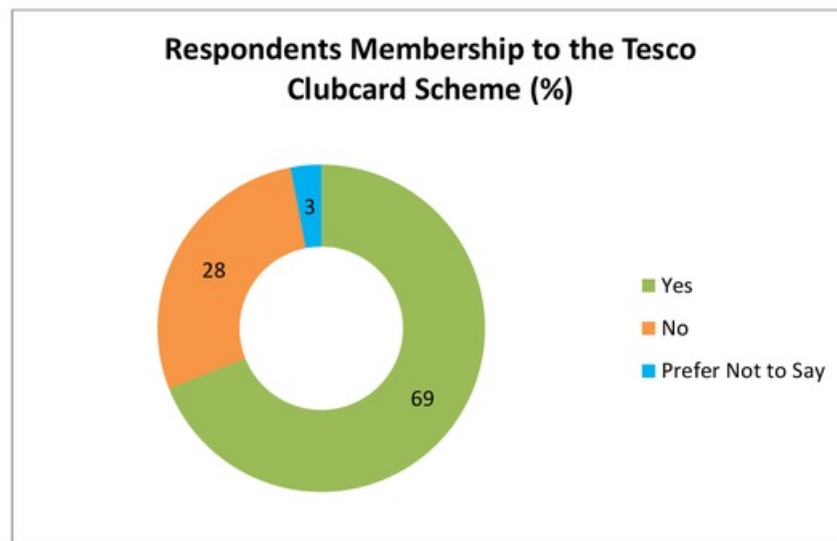


Figure 10: Graph of Results for Question 9

As illustrated in figure 11, below, 17% of participants selected that they had been a member for less than a year with 23% having been a member for between 1 and 5 years and 35% with between 6 and 10 years of membership to the Clubcard, making a total of 75% of respondents with a Clubcard having been a member for up to 10 years. The remaining 25% of Clubcard holders were split with those having held a Clubcard for between 11 and 14 years (at 14%) slightly out-weighting those who have been members for 15 years and above (at 11%) by just 3%.

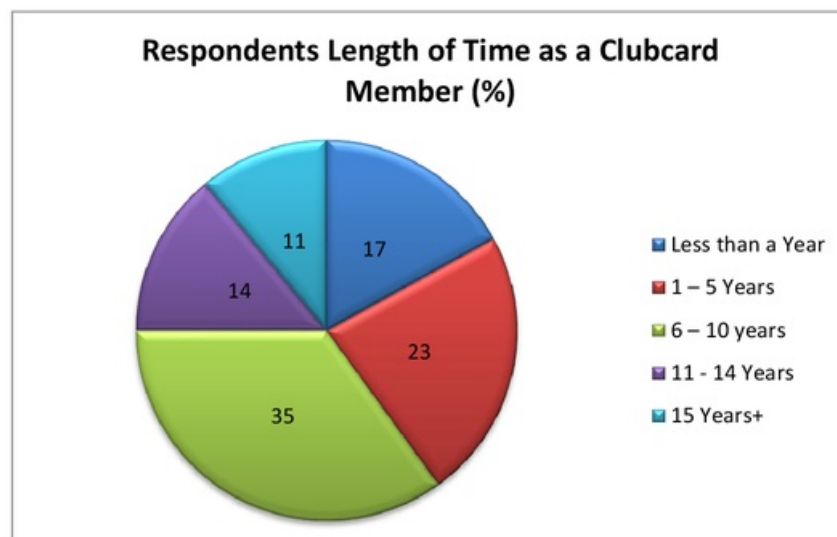


Figure 11: Graph of Results for Question 10

Figure 12 shows that around a third of respondents (33%) said that they preferred to shop at Tesco and build up their Clubcard points and rewards, while the remaining 67% stated that they do not visit Tesco when shopping with the intention of collecting Clubcard points.

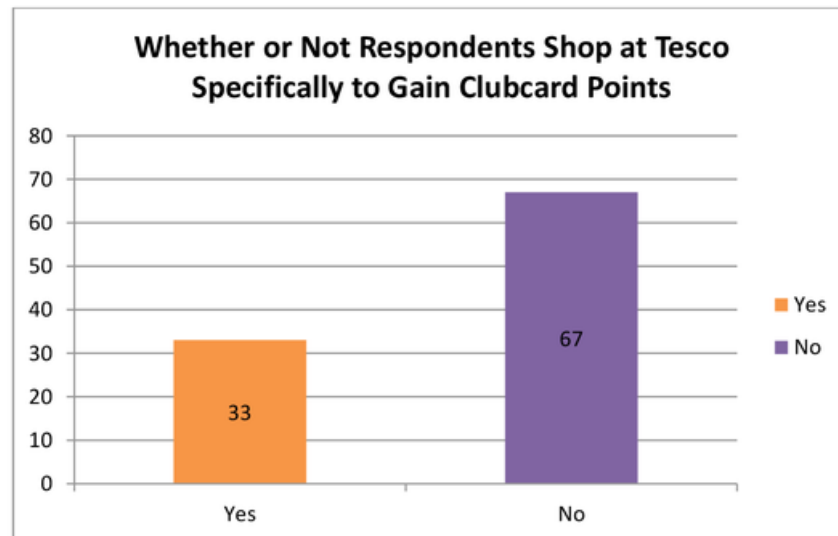


Figure 12: Graph of Results for Question 11

As part of this study, the researcher wanted to identify whether or not consumers knew that the vouchers and coupons that Tesco sends Clubcard members are personalised to each customer, based on the products that they buy regularly, as well as some coupons offering customers a reduced price if they try certain items.

Figure 13 shows that 56% of respondents agreed that the Clubcard rewards are tailored to each customer, the remaining 44% felt that the vouchers are the same for everyone or simply did not know which option to choose. It is highly likely that, out of the 44%, the majority of participants were those who do not have a Clubcard, with the rest comprising of those who have recently joined the Clubcard scheme and have not yet received any Clubcard rewards.

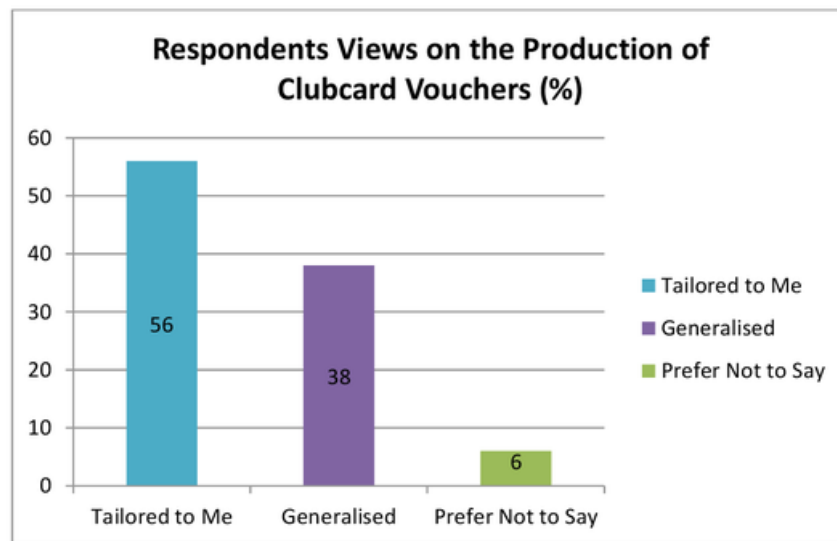


Figure 13: Graph of Results for Question 12

Having identified the respondents which were members of the Tesco Clubcard scheme in a previous question, the researcher wanted to identify whether people felt a sense of loyalty towards Tesco. The term loyalty suggests a persons allegiance to a certain business or product so it was expected that those in possession of a loyalty card would feel a sense of loyalty to Tesco. When asked 'Being a Clubcard holder, do you feel a sense of loyalty to Tesco a Clubcard?', just 37% of respondents answered yes, while the remaining 63% said they did not feel a sense of loyalty to Tesco (see figure 14, below).

In order to analyse the results to this question further, the researcher asked respondents to provide a brief explanation for their answer. Among those who answered 'Yes', reasons included that the respondents liked Tesco's clean, tidy and well-laid out stores, enjoyed the customer service received when shopping in Tesco and that participants like to collect Clubcard points to receive more rewards. In addition, respondents like the option of shopping at anytime through the day thanks to Tesco's 24 hour opening on most stores while others like having the option to shop online for 'Click and Collect' or home delivery.

Of those who answered 'No', some participants suggested that, although they are a member of the Clubcard scheme, they still shop in other supermarkets when they know certain items are on offer which are full price in Tesco. Also, some respondents claimed that they receive a poorer level of customer service when shopping in Tesco than they do in other, smaller stores.

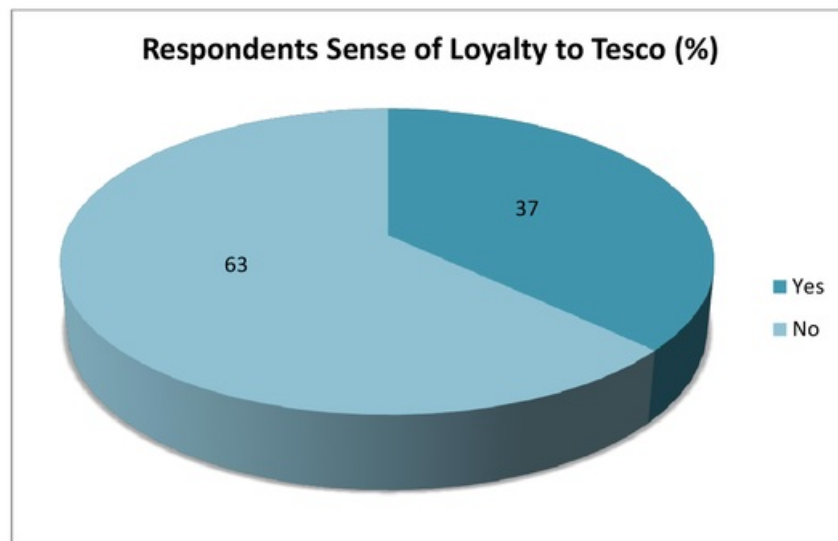


Figure 14: Graph of Results for Question 13

In an attempt to increase Clubcard membership and usage, Tesco introduces schemes such as the 'Fuel Save' scheme. Running between March 2014 and August 2015, customers who spent £50 or more instore or online, and scanned their Clubcard, received 2p off each litre of fuel purchased. Every time a customer used their Clubcard when spending over £50, their savings would accumulate, up to a maximum of 20p every month, and the customers could redeem their 'Fuel Save' points at any Tesco filling station (Tesco, 2015).

Considering schemes such as the 'Fuel Save' aimed at increasing Clubcard membership and loyalty to Tesco, the researcher asked respondents whether exclusive offers, available only to Clubcard holders, influenced them to shop at Tesco more often, using their Clubcard to gather points. The results to this question can be seen in figure 15, below. The responses to this question were quite close, with just 56% of respondents claiming that they would shop at Tesco more often while schemes like the 'Fuel Save' were running while 44% claimed that exclusive offers for Clubcard holders would not influence them to shop at Tesco on a more regular basis.

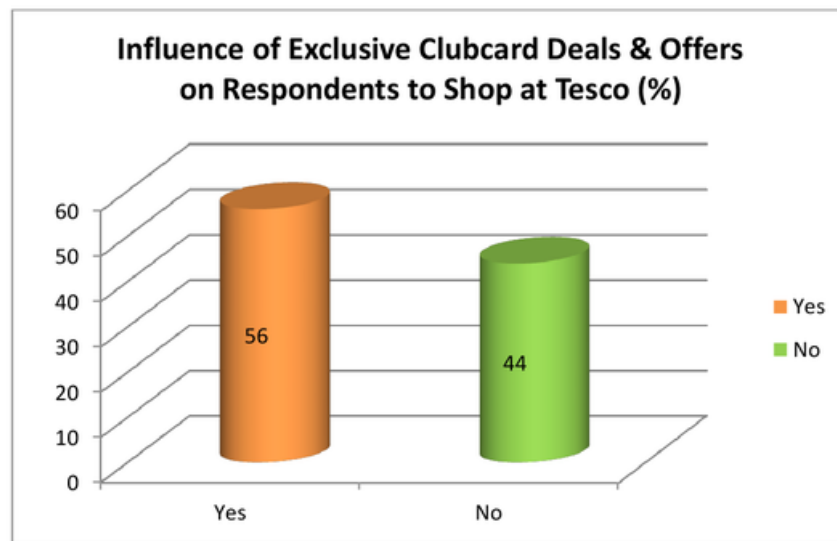


Figure 15: Graph of Results for Question 14

Having asked respondents whether or not offers exclusive to Clubcard holders would influence them to shop at Tesco on a more regular basis, question 15 was aimed at gaining participants' views on whether schemes such as the 'Fuel Save' could be used by Tesco to encourage more customers to sign up to the Clubcard.

As shown in figure 16, below, 59% of respondents felt that exclusive deals for Clubcard members could be an influencing factor which could be used to encourage more customers to join the Clubcard scheme, as well as enticing existing Clubcard members to use their Clubcard more often. In contrast, 38% of respondents to the study felt that the use of schemes which were exclusive to Clubcard holders would not be useful for Tesco in encouraging Clubcard membership and usage while the remaining 3% of respondents were not totally sure whether or not such schemes would be effective.

Again, in order to analyse the results to this question in more depth, respondents were asked to provide an explanation behind their choice. Amongst those who answered 'Yes', one respondent said that 'people like to get something back' and that 'schemes like the Fuel Save offer Clubcard customers exclusive rewards.' Another respondent claimed that 'people would be more likely to sign up to the Clubcard scheme if there were instant rewards offered, such as discounts on fuel and deals for third party businesses.' One respondent who answered 'No' to this question suggested that 'some people do not like to give out the personal details required when joining such schemes' while another claimed that 'if people want to join the Clubcard scheme, they will do so, regardless of whether or not Tesco runs exclusive offers and schemes to encourage membership'. Also, one participant who selected 'Prefer Not to Say' claimed that, by 'running schemes offering exclusive deals to Clubcard

holders, Tesco could alienate those customers who do not have, or do not wish to have a Clubcard.'

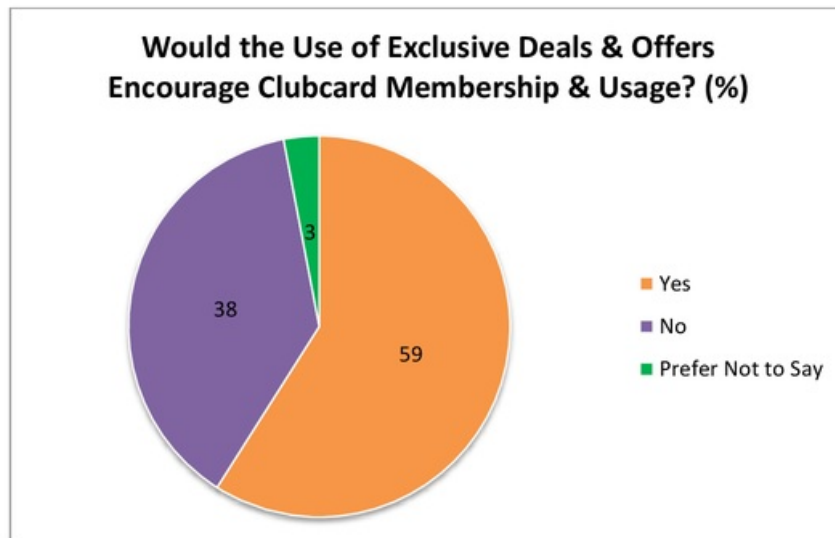


Figure 16: Graph of Results for Question 15

Tables 1 and 2, below, show the results for questions 16 and 17 within the survey. Each of these questions were devised in the 'Likert Scale' style whereby respondents were given a statement followed by 5 options and asked to indicate the option which best described their opinion with regards to the statement.

The first statement asked participants how relevant they felt loyalty schemes, such as the Tesco Clubcard, are when it comes to businesses building relationships with customers. Table 1 shows the responses. Note that 30% of respondents felt that loyalty schemes are neither irrelevant nor relevant when it comes to a business wanting to build relationships with customers while 32% felt that loyalty schemes had little or no relevance at all in the business-customer relationship. Also note that a collective 38% of respondents felt that loyalty programs like the Clubcard do have some relevance in the current climate.

The second statement asked respondents to select where, in their opinion, the relevance of loyalty schemes with regards to businesses being able to add value to the customer experience. The responses to this statement can be seen in table 2. Here, 32% of respondents felt that loyalty programs are neither irrelevant nor relevant when it comes to a business wanting to add value for customers while, collectively, 25% felt that loyalty schemes had little or no relevance and 43% of respondents felt that loyalty programs do add value to the customers shopping experience.

Owing to their similarity, the responses to both questions 16 and 17 of the survey can be compared. It appears that each option attracted a similar number of responses in each question, with there being just slight differences. However, looking at the results in both table 1 and table 2, it is clear that, as a whole, more respondents felt that a loyalty program has more relevance when it comes to a business adding value for the customer. According to the Tesco website, coupons are one of the ways in which Tesco thanks customers for being a Clubcard member (Tesco, 2016). In addition, the business uses the information obtained from a customers Clubcard, not only to devise sales strategies, but also to create money-off vouchers, specifically designed to each individual customer based on products they buy regularly. For example, if a customer bought a multi-pack of Coca-Cola every week, Tesco might send the customer a coupon for a certain amount of money off Coca-Cola products (Tesco, 2016).

<i>Relevance of loyalty schemes with regards to businesses building relationships with customers</i>				
<i>Entirely Irrelevant</i>	<i>Somewhat Irrelevant</i>	<i>Neither Irrelevant Nor Relevant</i>	<i>Somewhat Relevant</i>	<i>Entirely Relevant</i>
14	18	30	22	16

Table 1: Table of Results for Question 16

<i>Relevance of loyalty schemes with regards to businesses adding value for customers</i>				
<i>Entirely Irrelevant</i>	<i>Somewhat Irrelevant</i>	<i>Neither Irrelevant Nor Relevant</i>	<i>Somewhat Relevant</i>	<i>Entirely Relevant</i>
10	15	32	24	19

Table 2: Table of Results for Question 17

The researcher devised the final question within the survey to gain an idea of respondents views to the Clubcard as a whole. According to an article by Ruddick (2014), it is estimated that running the Clubcard scheme costs Tesco £500m a year. With this in mind, the researcher asked participants to choose one of two options. Option A was that 'the scheme is discontinued in favour of lower prices for all customers' while Option B was that 'the scheme remains, enabling Tesco to offer Clubcard members rewards for their loyalty'.

As is visible in the results below (see Figure 17), the majority of respondents (56%) opted that they would rather see the scheme remain operational with rewards being passed on to Clubcard customers with the remaining 44% claiming that they would rather see the

Clubcard scheme being scrapped so that Tesco could save the money it costs them to run, thereby passing the saving on to all customers with lower prices.

The result to this question, with 56% of participants voting in favour of Tesco retaining the Clubcard, could be supported by the results to questions 12 (see figure 13) and 17 (see table 2) as, in each case, the majority of participants felt that, not only are the Clubcard vouchers produced by Tesco personalised to each individual customer, but that loyalty schemes, like the Clubcard, can be useful when it comes to a business adding value for customers.

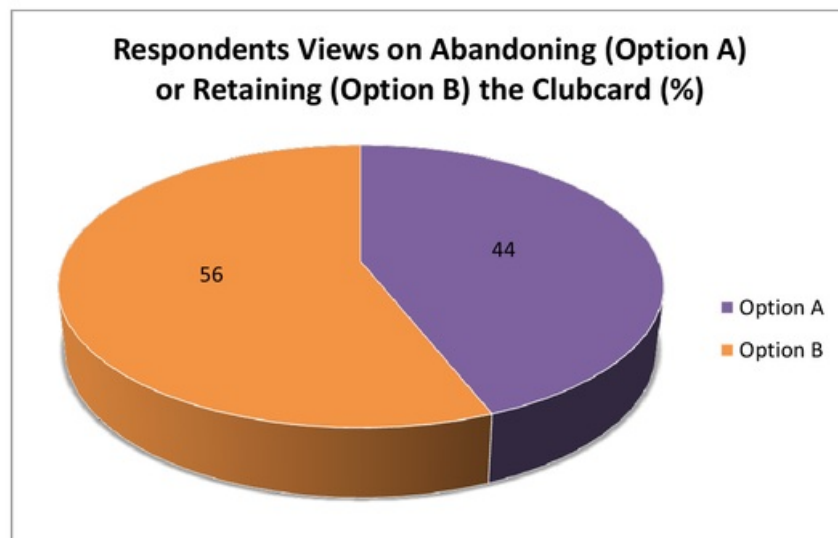


Figure 17: Graph of Results for Question 18

5. Chapter 5 – Conclusion and Recommendations

This study was conducted in order to evaluate the relevance of the Tesco Clubcard scheme by identifying the current levels of customer commitment to the scheme as well as the benefits the scheme brings to the organisation. This chapter summarises the overall findings of the research, reaching a conclusion for the research question. In addition, it provides suitable recommendations for future research on the topic, as well as suggestions for Tesco to continue using the Clubcard to its advantage.

5.1 Conclusion

Having identified marketing theories such as Customer Relationship Management and Porter's Five Forces framework, as well as the concept of customer loyalty schemes, and by examining previous research and current news articles relating to the use of the Tesco Clubcard scheme, the researcher has conducted an extensive literature review, thereby achieving one of the research objectives, which was: *'To examine secondary research and conduct an extensive literature review on the use of loyalty programs, focusing on the Tesco Clubcard scheme.'*

Considering the information identified in Chapter 2 of this study, the Tesco Clubcard scheme has played a major role in Tesco gaining a competitive advantage as, with the help of Dunnhumby to analyse the data gathered from Clubcard transactions, the business is able to devise marketing strategies and promotions based on what customers want and when they want it. In addition, by utilising marketing concepts such as the Segmentation, Targeting and Positioning (STP) process, Tesco can identify and react to changes in consumer shopping behaviour, helping them maintain their competitive edge.

By designing and carrying out primary research in the form of a questionnaire, the researcher was able to achieve another of the objective, which was: *'To explore the views of customers with regards to the Clubcard scheme and evaluate current levels of customer commitment to Tesco's loyalty program.'*

The survey attracted some interesting results. First, a large majority of participants not only shopped at Tesco, but also at discount supermarkets like Aldi and Lidl, with the more established supermarkets like Asda, Morrisons and Sainsbury's attracting fewer responses. This result supports Hawkes (2008)'s claim that Aldi and Lidl have seen a growth in market share while some of the 'big four' are losing their share of the grocery market.

Second, the results highlighted that the most popular motives in the customer decision-making process include value for money, product range, product quality and freshness; and

product availability. These motives lead the customer to their decision of which retailers to shop at and when to do their shopping.

Conducting the primary research for this study also enable the researcher to achieve the third research objective, which was: *'To evaluate the relevance of the Tesco Clubcard scheme as consumer shopping habits change.'*

With regards to changing shopping habits, the majority of respondents claimed that they prefer to do a weekly shop for non-perishable items, supplementing it with a number of 'top-up' shops throughout the week to purchase fresh items such as fruit and vegetables, milk, bread and eggs. The next most popular choice among participants was that they prefer to shop little and often, buying products if and/or when they need them. This, together with the 52% of participants who felt that the way they shop has changed over recent years supports claims made by both Hope (2014) and Ruddick (2015) that consumer behaviour is changing with regards to food shopping.

As a result of changing shopping habits, the majority of participants claimed to feel a lesser sense of loyalty to Tesco as they shop in a number of supermarkets to find the best prices and offers, as well as cheaper alternatives. Considering the discussion on Porter's Five Forces model, it could be argued that the bargaining power of customers in shopping around for the best deals, has lead to price wars between the supermarkets, who are all battling to win sales and maintain or grow their market share.

Finally, when asked to choose whether they would rather the Clubcard be discontinued in favour of lower prices for all customers or the scheme remain, with members being rewarded for their loyalty, the split between respondents was almost 50:50 with a slight majority choosing for the option where the Clubcard remained operational. Considering this, along with the results whereby the majority of respondents felt that loyalty programs, like the Clubcard, are more relevant when it comes to businesses adding value for customers rather than building relationships between the two parties, it would appear that consumers still feel that loyalty cards still have a part to play in the retail industry.

Therefore, schemes such as the Tesco Clubcard, which reward customers with money off vouchers as well as other exclusive member offers, such as the 'Clubcard Boost' and schemes like the 'Fuel Save', give customers a sense of getting more for their money. It is this sense of added value which make schemes like the Tesco Clubcard the success it has been since its introduction in the mid-1990's, and which continues to provide huge amounts of data which is analysed to provide Tesco with an advantage, no matter how slight, over its competitors.

The results to question 3 of the primary research suggests that less people are signing up to loyalty schemes such as the Clubcard, which is supported by both Wade (2015) who claims that people prefer to receive instant rewards, rather than waiting for long periods of time for a smaller than expected reward, and Christie (2013) who states that more and more consumers are making less use of their loyalty cards as the benefits aren't appealing or as a result of new forms of shopping rewards such as online cashback. It could be argued that the decline in loyalty card usage is a factor behind Tesco's decision to discontinue Clubcard deals such as the 'Fuel Save' and 'Boost at Tesco' as a smaller than expected number of Clubcard customers make use of the schemes. However, the results to question 18 suggest that consumers still feel loyalty programs are relevant as a way of businesses adding value for their customers, and that the Clubcard still has some relevance in the current business environment.

5.2 Recommendations

In order to achieve the final objective of this research, the researcher will now: *'Provide appropriate recommendations for future research on the topic'* which are outlined below:

5.2.1 Recommendations for Future Research on the Topic

As identified in section 3.9 of this document, the main limitation of this research was time and money. As the research was being carried out by a single university student with limited time and funds, the research undertaken only contained a small sample of Tesco shoppers.

Therefore, the first recommendation for future research on the topic is to repeat the study on a larger scale, by going to different Tesco stores around the country and gathering responses from a wider range of Tesco customers. This would provide more data which could be analysed in more depth and which would present a broader view of customers as the sample would be spread around in different areas of the UK.

Should research into this topic be conducted in the future, it is also recommended that an interview, if possible, should be set up with one of Tesco Clubcard's 'Group Loyalty Officers'. An interview with one of the Clubcard's managers would provide more information relating to how useful the scheme is from the point of view of the organisation. This information could then be compared with the results of the questionnaire, completed by customers, to identify similarities and differences in opinions with regards to the Clubcard scheme and its effectiveness in attracting and retaining loyal customers.

5.2.2 Recommendations for the Future Development of the Tesco Clubcard

Having carried out this research, the researcher has devised the following recommendation for the consideration of the 'Group Loyalty Officers' at Tesco Clubcard. In order to secure the continued success of the Tesco Clubcard program, it is recommended that Tesco looks into re-evaluating the role of the Clubcard within the organisation; by offering more exclusive deals for Clubcard holders. The end of schemes such as the 'Boost at Tesco' and 'Fuel Save' does not signal the end of the Clubcard and, these schemes could be used as a foundation to develop more exclusive offers which will add extra value to the customer experience.

It is believed that, along with promoting the benefits available to Clubcard holders, offering exclusive member offers would encourage more Tesco customers to sign up to the scheme, thereby increasing the data obtained with regards to customer shopping habits. An increase in the information obtained by the Clubcard could be used to increase the added value customers perceive to gain from the scheme, as well as to devise a strategic plan for the business to develop further and regain the market share it has lost to competitors like Aldi and Lidl; by setting a strategic direction and highlighting the promotions and deals which could attract more consumers to shop at Tesco.

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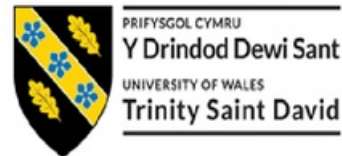
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7. Appendices

7.1 Appendix 1 – A Copy of the Covering Letter which Accompanied the Paper-based Questionnaire



Dear Participant,

My name is Joshua Temple and I am studying in the School of Business.

I would like to invite you to participate in my research project. This project will be used to form research for my dissertation and aims to examine the relevance of the Tesco Clubcard scheme for both customers and the organisation.

Attached to this letter is a short questionnaire, developed by me, which will assess the views of Tesco Clubcard customers. I believe your opinions will be extremely helpful to me.

Through your participation in the questionnaire and/or interviews, I hope to ascertain a better understanding of the topic.

All questionnaires will be kept strictly confidential to the researchers involved and at **NO** time will individual questionnaires be released to the general public. This gives you a chance to express your views on your programme a confidential and anonymous forum and still be able to make a difference. Your participation in this study is completely voluntary so you can withdraw from the questionnaire at any stage.

Our questionnaire should take about 20 minutes to complete, but there is no time constraint. There are also no right or wrong answers. As this is a new project, your feedback is also important to us and, while we understand that your time is at a premium, your opinions are very valuable to us.

After careful and precise analysis of the data obtained from this questionnaire, I will be happy to provide you with a copy of the findings at your request. The results of this questionnaire will hopefully enhance my understanding of the Clubcard scheme and will be stored in a secure file on a computer. The results of the research will be fed back to university lecturers.

I thank you for your time and assistance in completing this questionnaire.

Yours Faithfully,

Joshua Temple

7.2 Appendix 2 – A Blank Copy of the Paper-based Questionnaire

Before you start to answer the main survey questions, please tick the following boxes to confirm that you are happy to take part in the survey and understand the terms on which you are providing information.

i. I agree that I have:

- ☐ Read the information provided on the first page
- ☐ Received satisfactory information regarding the research

ii. I understand that:

- ☐ I am free to withdraw from the study at any time if I wish and if I choose to do this, there will be no further contact from the researchers
- ☐ Any personal information I provide will be treated as strictly confidential
- ☐ I can refuse to answer any of the questions
- ☐ Confidentiality and anonymity will be maintained and it will not be possible to identify me from any publications

Questionnaire

Dear Sir/Madam,

I am writing a dissertation as part of my final year in University. The topic of study is the relevance of the Tesco Clubcard scheme. The aim of this research is to identify the thoughts from customers regarding the relevance of the loyalty scheme. I would be grateful if you would assist me by completing this questionnaire, which I have had permission to distribute. Your responses will remain completely confidential. Thank you in advance for your co-operation.

Section 1 – Personal Information

1. Please select your gender

Male [] Female [] Prefer Not to Say []

2. What age category do you fit into?

18 – 25 [] 26 – 35 [] 36 – 45 [] 46 – 55 [] 56 – 64 [] 65+ []

Prefer Not to Say []

Section 2 – Background Information

3. Are you a member of any supermarket or retailer loyalty schemes?

Yes [] No [] Prefer Not to Say []

4. Which supermarkets do you shop in on a regular basis? (Please select ALL that apply)

Aldi [] Asda [] Lidl [] Marks & Spencer [] Morrisons []

Sainsbury's [] Tesco [] The Co-operative [] Waitrose []

Other [] (please specify) _____

5. Which statements best describe why you shop in the shops you selected above? (Please select ALL that apply)

Value for Money [] Product Range [] Freshness [] Quality []

Availability [] Locality [] Work Discount [] Sense of Loyalty []

Other [] (please specify) _____

6. In recent years, do you feel you have changed the way you shop, looking around for better deals and/or cheaper alternatives, even if you have to shop in a number of stores? Please give a brief explanation as to why you chose your answer.

Yes ☐ No ☐ Prefer Not to Say ☐

7. Which of the following statements best describes the way you do your food shopping?

☐ 'I prefer to do a large weekly shop'

☐ 'I do a weekly shop but supplement it with a number of smaller, 'top-up' shops'

☐ 'I prefer to shop little and often, buying things only if and/or when I need them'

☐ 'I do the food shop online and have it delivered to my home'

Section 3 – Shopping at Tesco

8. Which of the statements below best fits how often you shop at a Tesco store?

On a Daily Basis ☐ On a Weekly Basis ☐ On a Monthly Basis ☐

On a Yearly Basis ☐ Never ☐ Prefer Not to Say ☐

9. If you shop at Tesco, do you have a Clubcard?

Yes ☐ No ☐ Prefer Not to Say ☐

10. If yes, how long have you been a Clubcard holder?

Less than a Year ☐ 1 – 5 Years ☐ 6 – 10 years ☐ 11 - 14 Years ☐

15 Years+ ☐ Prefer Not to Say ☐

11. Do you specifically shop at Tesco in order to gain Clubcard points?

Yes ☐ No ☐ Prefer Not to Say ☐

12. Do you feel the deals and money off vouchers you receive from Tesco suit you personally or do you feel they are generalised?

Tailored to Me ☐ Generalised ☐ Prefer Not to Say ☐

13. Being a Clubcard holder, do you feel a sense of loyalty to Tesco? Please give a brief explanation as to why you chose your answer.

Yes [] No [] Prefer Not to Say []

14. Do you think that the exclusive offers available to Clubcard holders – such as the Tesco 'Fuel Save' scheme – influenced you to shop at Tesco more often, using your Clubcard to gather points?

Yes [] No [] Prefer Not to Say []

15. Do you think that Tesco should offer Clubcard customers more exclusive deals like the 'Fuel Save' to encourage membership and use of the Clubcard? Please give a brief explanation as to why you chose your answer.

Yes [] No [] Prefer Not to Say []

16. How relevant do you feel loyalty schemes, like the Clubcard, are when it comes to businesses building relationships with customers?

Entirely Irrelevant	Somewhat Irrelevant	Neither Irrelevant Nor Relevant	Somewhat Relevant	Entirely Relevant

17. How relevant do you feel loyalty schemes, like the Clubcard, are when it comes to businesses adding value for customers?

Entirely Irrelevant	Somewhat Irrelevant	Neither Irrelevant Nor Relevant	Somewhat Relevant	Entirely Relevant

18. It is estimated that running the Clubcard scheme costs Tesco £500m a year. Would you rather:

- a) See the scheme being discontinued in favour of lower prices for all customers? []
- b) See the scheme remain, enabling Tesco to offer customers a reward (in the form of the vouchers and other deals) for their loyalty? []

THANK YOU FOR YOUR CO-OPERATION

7.3 Appendix 3 – A Blank Copy of the Online Questionnaire

An Evaluation of the Relevance of the Tesco Clubcard Scheme

Welcome to My Survey

Dear Sir/Madam,

I am writing a dissertation as part of my final year in University. The topic of study is the relevance of the Tesco Clubcard scheme. The aim of this research is to identify the thoughts from customers regarding the relevance of the loyalty scheme. I would be grateful if you would assist me by completing this questionnaire, which I have had permission to distribute. Your responses will remain completely confidential.

Thank you in advance for your co-operation.

Next

Powered by
 **SurveyMonkey**
See how easy it is to [create a survey](#).

An Evaluation of the Relevance of the Tesco Clubcard Scheme

*** 1. What is your gender?**

- ☐ Female
☐ Male
☐ Prefer Not to Say

*** 2. What age category do you fit into?**

- ☐ 18 – 25
☐ 26 – 35
☐ 36 – 45
☐ 46 – 55
☐ 56 – 64
☐ 65+
☐ Prefer Not to Say

*** 3. Are you a member of any supermarket or retailer loyalty schemes?**

- ☐ Yes
☐ No
☐ Prefer Not to Say

*** 4. Which supermarkets do you shop in on a regular basis? (Please select ALL that apply)**

- ☐ Aldi
☐ Asda
☐ Lidl
☐ Marks & Spencer
☐ Morrisons
☐ Sainsbury's
☐ Tesco
☐ The Co-operative
☐ Waitrose

Other (please specify)

*** 5. Which statements best describe why you shop in the shops you selected above? (Please select ALL that apply)**

- ☐ Value for Money
- ☐ Product Range
- ☐ Freshness
- ☐ Quality
- ☐ Availability
- ☐ Locality
- ☐ Work Discount
- ☐ Sense of Loyalty

Other (please specify)

*** 6. In recent years, do you feel you have changed the way you shop, looking around for better deals and/or cheaper alternatives, even if you have to shop in a number of stores?**

- ☐ Yes
- ☐ No
- ☐ Prefer Not to Say

Please give a brief explanation as to why you chose your answer.

*** 7. Which of the following statements best describes the way you do your food shopping?**

- ☐ 'I prefer to do a large weekly shop'
- ☐ 'I do a weekly shop but supplement it with a number of smaller, 'top-up' shops'
- ☐ 'I prefer to shop little and often, buying things only if and/or when I need them'
- ☐ 'I do the food shop online and have it delivered to my home'

Prev

Next

Powered by
 **SurveyMonkey**
See how easy it is to [create a survey](#).

An Evaluation of the Relevance of the Tesco Clubcard Scheme

*** 8. Which of the statements below best fits how often you shop at a Tesco store?**

- ☐ On a Daily Basis
- ☐ On a Weekly Basis
- ☐ On a Monthly Basis
- ☐ On a Yearly Basis
- ☐ Never

*** 9. If you shop at Tesco, do you have a Clubcard?**

- ☐ Yes
- ☐ No
- ☐ Prefer Not to Say

***10. If yes, how long have you been a Clubcard holder?**

- ☐ Less than a Year
- ☐ 1 – 5 Years
- ☐ 6 – 10 years
- ☐ 11 - 14 Years
- ☐ 15 Years+
- ☐ Prefer Not to Say

***11. Do you specifically shop at Tesco in order to gain Clubcard points?**

- ☐ Yes
☐ No
☐ Prefer Not to Say

***12. Do you feel the deals and money off vouchers you receive from Tesco suit you personally or do you feel they are generalised?**

- ☐ Tailored to Me
☐ Generalised
☐ Prefer Not to Say

***13. Being a Clubcard holder, do you feel a sense of loyalty to Tesco?**

- ☐ Yes
☐ No
☐ Prefer Not to Say

Please give a brief explanation as to why you chose your answer.

***14. Do you think that the exclusive offers available to Clubcard holders – such as the Tesco 'Fuel Save' scheme – influenced you to shop at Tesco more often, using your Clubcard to gather points?**

- ☐ Yes
☐ No
☐ Prefer Not to Say

***15. Do you think that Tesco should offer Clubcard customers more exclusive deals like the 'Fuel Save' to encourage membership and use of the Clubcard? Please give a brief explanation as to why you chose your answer.**

- ☐ Yes
☐ No
☐ Prefer Not to Say

Please give a brief explanation as to why you chose your answer.

***16. How relevant do you feel loyalty schemes, like the Clubcard, are when it comes to:**

	Entirely Irrelevant	Somewhat Irrelevant	Neither Irrelevant Nor Relevant	Somewhat Relevant	Entirely Relevant
A) Businesses building relationships with customers?	☐	☐	☐	☐	☐
B) Businesses adding value for customers?	☐	☐	☐	☐	☐

*** 17. It is estimated that running the Clubcard scheme costs Tesco £500m a year. Would you rather:**

- ☐ A) See the scheme being discontinued in favour of lower prices for all customers?
- ☐ B) See the scheme remain, enabling Tesco to offer customers a reward (in the form of the vouchers and other deals) for their loyalty?

Prev

Done

Powered by



See how easy it is to [create a survey](#).

7.4 Appendix 4 – A Copy of the Completed Application for Ethical Approval

	PRIFYSGOL CYMRU Y Drindod Dewi Sant UNIVERSITY OF WALES Trinity Saint David		E3 FORM	
	APPLICATION FOR ETHICAL APPROVAL – BA level CAIS AM GYMERADWYAETH MOESGOL – Lefel BA			
Mae'r ffurflen hon i'w chwblhau gan bob BA myfyrwr. Rhaid i bob ffurflen gael ei ystyried gan diwtor y modiwl. Dylai un copi o'r ffurflen yn cael ei roi ar y ffeiliau Gyfadrn ac un copi cadw ar y ffeil myfyrwr.		This form is to be completed by all BA students conducting research, projects or productions. This form should be completed by the student. All forms must be considered by the Module tutor. A copy of the form must be kept centrally and on the student file.		
ADRAN 1 – MANYLION MYFYRIWR		SECTION 1 - STUDENT DETAILS		
Enw Llawn Full Name	Joshua Leigh Temple			
Ysgol/Cyfadrn/ School/Faculty	Business	Rhif Myfyrwr Student Number	P134524	
Cydlynnydd prosiect / Tiwtor Module Tutor/ Programme Co-ordinator	Caroline Jawad	Enw'r Gradd Name of Degree	BA (Hons) Business & Finance	
Teitl dangosol yr Traethawd Hir:		Indicative Title of Dissertation:		
An evaluation of the relevance of the Tesco Clubcard scheme				
ADRAN 2 – MANYLION CYFRANOGWYR / CYNULLEIDFA		SECTION 2 - PARTICIPANT / AUDIENCE DETAILS		
Pwy yw'r cyfranogwyr arfaethedig?	Who are the intended participants?	Ydw / Yes	Na / No	
Myfyrwr / staff Y Drindod Dewi Sant	Students / staff of Trinity Saint David		✓	
Oedolion (dros oed 16 ac yn gymwys i gydsynio)	Adults (over the age of 16 and competent to give consent)	✓		
Plant a phobl ifanc dan oed	Children / legal minors		✓	
Cleifion neu gleientiaid gweithwyr proffesiynol	Patients or clients of professionals		✓	
Rhywun sy'n cael ei gadw yn y ddaifa neu y mae'r llys wedi cymryd cyfrifoldeb amdano	Anyone in custodial care or for whom the court has assumed responsibility		✓	
1				

Aelod o unrhyw sefydliad lle mae'n bosibl bod angen i unigolyn arall hefyd gydsynio.		A member of any organisation where another individual may also need to give consent.		✓
Eraill: Nodwch: / Others: please identify:				
Nifer, Oed a Ffynhonnell y Cyfranogwyr Rhwng fanylion yr demograffeg y cyfranogwyr / gynulleidfa.			Participant / Audience Number and Age Provide details of the demographics of the participants / audience.	
Nifer o Gyfranogwyr / yn y Gynulleidfa	Participant/ number	Audience	100	
Grŵp oedran y Cyfranogwyr/ y Gynulleidfa	Participant/ group	Audience age	18+	
ADRAN 3 – GWEITHGAREDD YMCHWIL SECTION 3 – RESEARCH ACTIVITY				
1.	Ydy'r prosiect yn cynnwys:	Does the project include:	Ydy / Yes	Nac ydy/No
	Defnyddio holiadur neu offeryn ymchwil tebyg	Use of questionnaire or similar research instrument	✓	
	Defnyddio prawf ysgrifenedig neu gyfrifiadurol	Use of written or computerised test		✓
	Cyweliad (cysylltwch gwestiynau posibl)	Interview (attach provisional questions)		✓
	Dyddiaduron	Diaries		✓
	Arsylwi ar gyfranogwyr a hwythau'n ymwybodol o hynny	Participant observation with their knowledge		✓
	Arsylwi ar gyfranogwyr a hwythau ddim yn ymwybodol o hynny	Participant observation without their knowledge		✓
	Recordio fideo neu sain	Video or audio-taping		✓
	Mynediad i wybodaeth personol neu gyfrinachol heb gydsyniad penodol y cyfranogwyr	Access to personal or confidential information without the participants specific consent		✓
	Defnyddio unrhyw gwestiynau, ysgogiadau prawf, cyflwyniad y gallai rhai cyfranogwyr eu profi fel rhywbeth sy'n achosi niwed / tramgwydd corfforol, meddyliol neu emosiynol	Administration of any questions, test stimuli, presentation that may be experienced as physically, mentally or emotionally harmful / offensive		✓
	Cyflawni unrhyw weithredoedd allai achosi embaras neu effeithio ar hunan-barch	Performance of any acts which may cause embarrassment or affect self-esteem		✓
	Ymchwilio i gyfranogwyr sy'n ymwneud â gweithgareddau anghyfreithlon	Investigation of participants involved in illegal activities		✓
2				

Gweithdrefnau lle defnyddir twyll	Procedures that involve deception		✓
Gweini unrhyw sylwedd, cyfrwng neu blasebo	Administration of any substance, agent or placebo		✓
Dull arall o gasglu data neu fformat cyflwyno (esboniwr)	Other method of data collection or presentation format (please explain)		✓

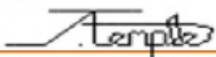
2. Restru eich dull o gasglu data	List your method of data collection:
Survey/Questionnaire	

3. Risg Posibl: (corfforol, seicolegol, cyfreithiol, cymdeithasol neu economaidd)	Potential Risk: (physical, psychological, legal, social or economic)
A oes unrhyw risg bosibl i:	Is there any potential risk to:
	Ydw / Na / Yes / No
A Cyfranogwyr?	Participants?
	✓
B Ymchwilydd?	Researcher?
	✓
C Brifysgol/Cyfadrn?	University?
	✓

4. Rheoli Risg: Os oes, beth yw'r risg a sut y bydd yn cael ei reoli?	Management of Risk: If yes, what is the risk and how will it be managed?
There may be a lack of respondents to the survey which would impact the results of the research. However, the researcher could extend the time-frame or the sample size to gather enough data.	

5. Os ydych yn delio â phlant a / neu oedolion agored i niwed, rhaid i chi gyflwyno eich tystysgrif DBS i'ch tiwtor goruchwylio i'w cymeradwyo cyn i unrhyw gysylltiad â cyfranogwyr hyn.	If you are dealing with children and/or vulnerable adults you must present your DBS certificate to your supervising tutor for approval before any contact with these participants.
	Ydw / Na / Yes / No
A Ydych chi wedi gwneud cais am dystysgrif DBS?	Have you applied for a DBS certificate?
	✓
B A yw eich tiwtor weld a'i gadarnhau eich tystysgrif DBS?	Has your tutor seen and approved your DBS certificate?
	✓

3

6.	A fyddwch yn cael cydsyniad gwybodus ysgrifenedig gan eich cyfranogwyr?	Will you obtain written informed consent from your participants?		
			Ydw / Yes	Na / No
A	Os na fyddwch, pam hynny?	If no, why not?		✓
B	Os byddwch, sut byddwch yn sicrhau cydsyniad gwybodus?	If yes, how will you secure informed consent?		✓
Rhwch eglurhad / Please explain: Participants will have the option whether or not to take part in the survey. In addition, respondents will remain anonymous				
Cynhwyswch gopi o'r ffurflen gydsynio os ydych yn defnyddio un.		Please include a copy of the consent form if you are using one.		
ADRAN 4		SECTION 4		
CEFNOGWYD /APPROVED		NIS CEFNOGWYD/ NOT SUPPORTED		
Datganiad Mae'r wybodaeth a gynhwysir yma yn gywir, hyd eithaf fy ngwybodaeth a'm cred. Rwyf wedi ceisio dynodi unrhyw risgiau a phroblemau sy'n gysylltiedig â'r prosiect / ymchwil neu gynhyrchiad ac rwyf yn cydnabod fymrwymadau innau a hawliau'r cyfranogwyr.		Declaration The information contained herein is, to the best of my knowledge and belief, accurate. I have attempted to identify any risks and issues related to the project/research or production and acknowledge my obligations and the rights of the participants.		
Llofnodau Dylai'r ffurflen hon gael ei chwblhau a'i llofnodi gan y myfyriwr a'r Cydlynnydd y prosiect /Tutor		Signatures This form should be completed and signed by the student and the Module tutor/Programme Co-ordinator.		
Myfyriwr / Student 		Dyddiad: / Date: 15/11/2015		
Cydlynnydd y prosiect /Tutor Project co-ordinator / Tutor		Dyddiad: / Date:		



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

CWESTIYNAU CYFWELIAD SAMPL

SAMPLE INTERVIEW QUESTIONS

TEITL Y PROSIECT: / PROJECT TITLE:

An Evaluation of the Relevance of the Tesco Clubcard scheme

1	Please select your gender.
2	Please select the age category you fit into.
3	How long have you been a Clubcard holder?
4	Do you specifically shop at Tesco in order to gain Clubcard points or do you look around a number of retailers for the best deals?
5	Would you say that being a Clubcard holder has made you loyal to Tesco?
6	Please explain your last answer.
7	Do you think the vouchers and discounts Tesco send you add value for you as a customer?
8	Do you think Tesco could offer Clubcard customers more incentives?
9	Please specify some incentives you feel Tesco should offer Clubcard customers.
10	Are you a member of any other supermarket loyalty schemes? E.g. Co-op Membership, Morrisons Match & More, Sainsbury's Nectar etc.

ENW A CHYFEIRIAD YR YMCHWILYDD

NAME & ADDRESS OF RESEARCHER

Joshua Temple, 175 Penderry Road, Penlan,
Swansea, SA5 7ES



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

FFURFLEN GANIATÂD CYFRANOGIAD

PARTICIPATION CONSENT FORM

TEITL Y PROSIECT: / PROJECT TITLE:

An Evaluation of the Relevance of the Tesco Clubcard scheme

Name of Researcher: Joshua Temple

Please initial box

1. I confirm that I have read and understand the information sheet dated XX/XX/15 for the above study. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.

☐

2. I understand that my participation is voluntary and that I am free to withdraw at any time, without giving any reason.

☐

3. I understand that any information given by me may be used in future reports, articles or presentations by the research team.

☐

4. I understand that my name will not appear in any reports, articles or presentations.

☐

5. I agree to take part in the above study.

☐

Name of Participant

Date

Signature

Joshua Temple

15/11/2015

Researcher

Date

Signature

You may decline to participate in this study. You may end your participation in this study at any time. If you decide to remain anonymous, maintaining your anonymity will be a priority and every practical precaution will be taken to disguise your identity. If you prefer anonymity, there will not be any identifying information on audiotapes or transcripts of this or any interview. No-one will hear any audiotapes or see any transcripts without your prior consent. All materials generated from this or any interview will remain confidential.

When completed, please return in the envelope provided (if applicable). One copy will be given to the participant and the original to be kept in the file of the research team at the University

ENW A CHYFEIRIAD YR YMCHWILYDD

NAME & ADDRESS OF RESEARCHER

Joshua Temple, 175 Penderry Road, Penlan,
Swansea, SA5 7ES



PRIFYSGOL CYMRU
Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Cyfranogwr Rhif Adnabod:
Participant Identification Number:

FFURFLEN GANIATÂD CYFRANOGIAD

SAMPLE PARTICIPANT INFORMATION SHEET

TEITL Y PROSIECT: / PROJECT TITLE:

An Evaluation of the Relevance of the Tesco Clubcard scheme

Dear Participant:

My name is Joshua Temple and I am studying in the School of Business.

I would like to invite you to participate in my research project. This project will be used to form research for my dissertation and aims to examine the relevance of the Tesco Clubcard scheme for both customers and the organisation.

*Attached to this letter is a short questionnaire developed by me which will assess the views of Tesco Clubcard customers. I believe your opinions will be extremely helpful to me.

Through your participation in the questionnaire and/or interviews, I hope to ascertain a better understanding of the topic.

All questionnaires will be kept strictly confidential to the researchers involved and at **NO** time will individual questionnaires be released to the general public. This gives you a chance to express your views on your programme a confidential and anonymous forum and still be able to make a difference. Your participation in this study is completely voluntary so you can withdraw from the questionnaire at any stage.

Our questionnaire should take about 20 minutes to complete, but there is no time constraint. There are also no right or wrong answers. As this is a new project, your feedback is also important to us and, while we understand that your time is at a premium, your opinions are very valuable to us.

After careful and precise analysis of the data obtained from this questionnaire, I will be happy to provide you with a copy of the findings at your request. The results of this questionnaire will hopefully enhance my understanding of the Clubcard scheme and will be stored in a secure file on a computer. The results of the research will be fed back to university lecturers.

We thank you in advance for your time and participation. If any questions do arise, feel free to contact me at your convenience.

ENW A CHYFEIRIAD YR YMCHWILYDD

NAME & ADDRESS OF RESEARCHER

**Joshua Temple, 175 Penderry Road, Penlan,
Swansea, SA5 7ES**

7