

BMSW4003

Digital Skills and Research Methods

- Assignment 1
- Name : Liliana Tofan
- I.D 2003881
- Tutor's name: Yajesh Kumar

Table of Contents

- Introduction slide 3-7
- Insight slide 8-12
- The impact of the technology slide 13-15
- Reference slide 16-17

Background & Summary

- Tesco is a British multinational grocery and general merchandise retailer. In 2015, it was 9th highest-grossing retailer in the world, with 81B in global revenue¹ and the biggest grocery retailer in UK, with 28% of market share². Tesco operates a loyalty scheme where customers apply for a Clubcard that is used for both in-store and online purchases to accumulate points that can be later spent to redeem prizes or discount vouchers. With the customer consent, the record of their purchases is archived and anonymously linked to their Clubcard number. In this paper, we focus on the in-store purchases done in the 411 Tesco shops within the boundaries of Greater London during the entire year of 2015. We present aggregated and privacy-preserving data views that combine individual purchases at different spatial granularities, from Lower Super Output Areas (containing around 2,000 residents each, on average) to Boroughs (more than 250k residents, on average).

- Despite the importance of studying food consumption at scale, there is little data about what people actually eat over long periods of time. The fine-grained geographical information included in Tesco Grocery 1.0 is the key to link food consumption data of an entire city to any attribute that can be measured at the level of statistical census areas. These include cultural aspects (ethnicity³ , migration^{4,5}), societal aspects (youth alcohol use⁶), economic factors (deprivation⁷ , inequality⁸), health determinants (medical prescriptions⁹ , health awareness and daily habits^{10,11}), and social media discourse (textual¹² or visual¹³ descriptors of geo-referenced posts).

- Several studies mined grocery sales data (which has not been made publicly available) to, for example, build recommender systems that are able to suggest what people might like based on their past purchases^{14–16}, or establish whether healthy foods tend to be pricey¹⁷ and, ultimately, whether their purchase tends to be mediated by price sensitivity. The nutrient composition of ready-made meals was studied¹⁸, yet that represented potential availability of nutrients given the lack of sales data. Only recently, Instacart—a company that delivers groceries from local stores—published a dataset of 3 million grocery orders from more than 200,000 users¹⁹, yet neither geo-location information nor nutritional information for these orders is available

TESCO

- 1919 Jack Cohen open the first groceries shop
- 1924 the name "Tesco" was born
- 1929 opened the first Tesco store in Burnt Oak
- 1934 buy lands and expands
- 1940 a self- service first
- 1946 Jack travelled to America and brought back an idea that would change the face of British shopping

- Tesco.com becomes first major British supermarket to enter music download market in 2005
- Tesco exits the Taiwanese market in an asset swap deal with Carrefour involving stores and operations in the Czech Republic
- Tesco Homeplus launches

Insight

- The company draws on sales data, behavioural data from its loyalty programme Tesco Clubcard
- focus groups and tracking studies
- has brought more of its research in-house – partly because it's more cost-efficient, but mainly because it's quicker and more precise.

has tracked income and employment data for years, but to understand what changes in that data mean for households at different points along the income spectrum, it has launched Tesco Families

- Customer loyalty can be achieved through a number of means, convenience, location, quality and price which are considered by [Wright and Sparks \(1999\)](#), p. 431) as the main “elements that drive customers to patronise particular retailers”.

- Web data has been used to study the relationship between food and health. Food-related online communities have made it possible to study dietary patterns across entire countries^{20–22}, and determine how these patterns relate to local cultures³. Websites containing food recipes²³ have been mined to: study the complex relationships among different ingredients;^{24,25} quantify a recipe's healthiness^{26,27} upon which health-conscious food recommender systems were then built;^{28,29} and relate potential food consumption to health outcomes³⁰.

- **An online grocery platform with ‘click-and-collect’ functionality**
- **‘Scan as you shop’ handheld devices**
- **self-check-out stations**
- **In addition, in-store video cameras, such as the ‘broccoli cam’**
- **Development of Tesco Clubcard – a sophisticated data-driven customer loyalty scheme**
- **2010 putting the customer at the heart of everything**
- **2012 introducing everyday value**
- **Tesco food collection**
- **2016 free food for children**
- **2019 Tesco community cookery school with Jamie Oliver**

- According to authors such as [Noordhoff et al. \(2004\)](#) and [Sharp and Sharp \(1997\)](#) the loyalty card does have a positive impact on increasing customer loyalty. This is emphasised by [Gilbert \(1999, p. 128\)](#) who states “loyalty cards aim to build greater customer loyalty and retention; develop methods of creating longer-term relationships and lead ultimately to increased sales and profits”. “The customer's loyalty is simply not for sale. It cannot be bought for ever by companies or deals” ([Jenkinson, 1995](#) cited in [Rowley, 2000, p. 391](#)). This is supported by [Jardine \(2000\)](#)

The impact of the technology introduced

- **Technology has made a massive impact on Tesco and has helped make strong profit**
- **More jobs for people**
- **To make the lives of the employees in charge of stock easier**
- **They can collect data and after analyst know almost everything about customers**
- **Monopoly loyalty, where there are no available choices.**
- **Inertia loyalty, where customers do not actively seek substitutes.**
- **Convenience loyalty, where loyalty is solely defined by location.**
- [Turner, J.J.](#) and [Wilson, K.](#) (2006), "Grocery loyalty: Tesco Clubcard and its impact on loyalty",

- **Price loyalty:** where customers are influenced by the lowest price.
- **Incentivised loyalty,** where loyalty relates to the benefits gained from reward cards and programmes.
- **Emotional loyalty,** where customers are influenced by factors such as brand.
- “The customer's loyalty is simply not for sale. It cannot be bought for ever by companies or deals” ([Jenkinson, 1995](#) cited in [Rowley, 2000](#), p. 391).

- Tesco said it will initially focus on four areas that will deliver the biggest impact: food & drink products and technology; data; robotics and automation; and packaging.
- Dave Lewis, chief executive, said: “A strong pipeline of innovation is essential in ensuring we can anticipate and respond to our customers’ needs, and we believe there is an opportunity now to welcome even more innovation into our business, and to do it faster.
- “Our new group Innovation team will help us to access the most exciting innovators from across the globe. In turn, we can offer those partners a unique opportunity to build and develop their ideas rapidly and at scale, using the benefits of our experience and access to market.”
- Tesco is reportedly due to start trialling drones for deliveries from October, with technology that can deliver orders in as little as three minutes.

Reference

Planet Retail,
www1.planetretail.net/, accessed
November 2016

<http://www.tesco.com/groceries/>,
accessed November 2020

[May](#)
[3, 2016](#) Categories [Ecommerce Exa](#)
[mples](#), [Ecommerce Strategy](#)

- Jo Bowman, october 2011

[Jenkinson, 1995](#) cited in [Rowley, 2000](#), p. 391

[Aiello, Luca Maria](#); [Quercia Daniele](#); [Schifanella Rossano](#); [Del Prete Lucia](#).**[Scientific Data](#)**; **London** [Vol. 7, Iss. 1](#),

[Liz Wells](#) in [Industry News](#) 10th September 2020

Turner, Jason J ; Wilson, Karen

Emerald Group Publishing Limited

British food journal (1966), 2006-12-01, Vol.108 (11), p.958-964