

Introducing our Tesco Families



Roshni The Wicks The Mayers Carol Dawn

Welcome to Tesco Families 2015! We'd like to introduce you to Roshni, Carol, Dawn, The Wicks Family and The Mayer Family.

Our families come from a range of different circumstances and they represent a cross-section of British consumers. Roshni is a young professional with a busy job and hectic social life to organise. The Mayers' and Wicks' have school age children, with all the pressures that brings. Carol and Dawn are empty-nesters with time on their hands to enjoy life, but very different financial situations.

The purpose of Tesco Families isn't to try and accurately represent every consumer in five simple boxes - that would be impossible. Instead we hope that our families can broaden your understanding of what life in Britain is really like beyond each of our own immediate situations.

To do that, we ask that you take the time to get to know our families. Ask yourself who are they? How do they live? What motivates them? How do they shop? What does serving these people really mean?

To help with that, we'll be making a range of materials available. We'll start with some simple biographies and short films to help put you in their shoes and then throughout the year we'll start to explore a series of different topics, such as their attitudes to food, how they like to shop and their relationship with brands.

We hope you enjoy getting to know our families and please get in touch if you ever want to know more.

And remember, when it comes to making a decision that affects our customers, a great place to start would be by asking yourself 'what would our Tesco Families think'?

The Customer Insight Team

Tesco performance: Broadly Tesco delivers well to this audience's needs. We offer a range, choice and prices they need with ease and convenience. Clubcard reinforces this relationship further. However, still the need to simplify our offer, prices and range to help them manage their busy lives. There are two areas where we can meet their needs better.



Roshni

"Super busy at work, it's definitely my priority at the moment. Then there's friends and socialising. I fit in the gym and yoga around that."

1. PRE-FAMILY

Summary

Balancing work and socialising makes for busy, interesting but occasionally challenging lives for young people without children. With fewer fixed ties than our other families, their lives can be typified by a lack of routine and sense of spontaneity.

Most likely to describe their life as:

CHALLENGING
ENJOYABLE
STRESSFUL
INTERESTING

Key characteristics

- | LIFESTYLE, VALUES & ATTITUDES | FOOD & COOKING | LEISURE & PLEASURE | MEDIA CONSUMPTION |
|--|---|--|---|
| <ul style="list-style-type: none"> Work hard, play hard may be a cliché but is one that fits Balancing their careers with busy social lives and wider out of work commitments is a real challenge and can make for hectic, challenging schedules Highly motivated and keen to get on in life, the outward appearance they give to friends and family is important | <ul style="list-style-type: none"> Food is important, but their busy lives mean that it can be neglected and overlooked especially during the busy mid-week Their changing schedules and desire to cram as much into a day as possible makes cooking and eating at home difficult They eat out more than any of our other families. They really are the 'grab and go' generation - eating in restaurants, grabbing lunch on the run and relying on takeaways and ready meals | <ul style="list-style-type: none"> Money is tight, so whilst travelling is a real passion, long holidays are a distant dream (more likely to be an 'Essjayt style hop') Music, going out to pubs, bars and restaurants, as well as squeezing in some exercise are the core leisure activities for most Passionate about technology, their lives are lived as much online as off. Always checking for the latest social media update, they're never without their mobile phones for access to the wider social world | <ul style="list-style-type: none"> Busy professionals = higher assimilation of posters (out of home media + billboards) Heavy users of the internet Heavy cinema goers |

Some key stats



Meeting their needs effectively

- | Tesco performance: | BRAND | SOLUTIONS | ONLINE |
|--|---|--|--|
| Tesco performance: Broadly Tesco delivers well to this audience's needs. We offer a range, choice and prices they need with ease and convenience. Clubcard reinforces this relationship further. However, still the need to simplify our offer, prices and range to help them manage their busy lives. There are two areas where we can meet their needs better. | This is our future core audience - our families in a few years time. How appealing & engaging are we to them beyond being conveniently close by? It's vital we build this brand relationship and define Tesco as a relevant & engaging brand in their minds | They're shopping for now. Our smaller stores could do more to meet this need - especially in the evening where pre-family customers struggle to find reasonably priced, fresh, convenient options beyond ready meals. Semi-scratch is a key area of interest | The classic social media & internet generation but their structured lives and lack of routine is not conducive with online grocery. Increasing awareness and accessibility of Click & Collect and Same Day Delivery/Collection may help here |



2. LOWER AFFLUENT FAMILIES

The Wicks

"We've done our hardship, we're not rich by any means but we're a loving family and no one ever goes away hungry or thirsty from our house."

Summary

Tired, stressed and stretched, lower affluent families find life a battle. With both parents often working, with kids at school and money always front of mind, life can feel hard at times. Home is a sanctuary where basic pleasures can mean a lot.

Most likely to describe their life as:

CHALLENGING
FRUSTRATING
STRESSFUL
TIRING

Key characteristics

- | LIFESTYLE, VALUES & ATTITUDES | FOOD & COOKING | LEISURE & PLEASURE | MEDIA CONSUMPTION |
|--|---|---|--|
| <ul style="list-style-type: none"> Squeezed, stretched and stressed Constantly juggling their time Money is a real challenge. Constant budgeting and pressure to stay within limits brings sense of frustration Family and home is the most important thing in their lives. Work is simply a means to an end Family, home and life's simple pleasures generate the greatest happiness | <ul style="list-style-type: none"> Their squeezed lifestyles, allied to tight budgets make food and cooking a challenge Often forced to rely on cheap, convenient solutions (frozen especially) to feed the family Mid-week, family members often eat different meals at different times around busy schedules. Sit-down family meals are increasingly weekend only Defined meal repertoires. Minimal experimentation | <ul style="list-style-type: none"> With limited time and limited finances, life's pleasures tend to be a little simpler with the home providing much of the enjoyment Family nights in and sat-price occasions such as Sunday Lunch are important moments to get the whole family together Holidays tend to be simple - an opportunity to relax, eat, drink and sunbathe. Not seeking new experiences and cultures | <ul style="list-style-type: none"> Heavy consumption of ITV, Channel 5 and other commercial TV channels e.g. Sky One etc Heavy consumers of commercial radio |

Some key stats



Meeting their needs effectively

- | Tesco performance: | PRICES & OFFERS | TOP-UP SHOPPING |
|--|---|--|
| Tesco performance: Broadly Tesco delivers well to this audience's needs. We offer a range, choice and prices they need with ease and convenience. Clubcard reinforces this relationship further. However, still the need to simplify our offer, prices and range to help them manage their busy lives. There are two areas where we can meet their needs better. | Budgets are tight for this audience and they will switch to get the best prices. Tesco must reassure them that they are never beaten on price - new look Brand Promise will help to achieve this but more still can be done around offers | Topping up frequently, Tesco has the estate to meet the needs of this audience. However, a strong perception exists that small format Tesco stores come with a price premium above larger Tescos and above discounters |

3. HIGHER AFFLUENT FAMILIES



The Mayers

“Life’s hectic. The kids are always out with their stuff, we both work, we’re rarely ever in one place together. Life’s good though, stressful but good.”

Summary

Most likely to describe their life as:

CHALLENGING STRESSFUL TIRING & BUSY

Busy, stressed and stretched, higher affluent families are trying to do it all. Balancing a career with the necessities of daily family life, whilst carving out time for fun and relaxation is a real challenge. Their higher discretionary spend allows them the luxury of a few shortcuts here and there to help life flow a little more smoothly.

Key characteristics

<p>LIFESTYLE, VALUES & ATTITUDES</p> <ul style="list-style-type: none"> Squeezed, stretched and stressed. Constantly juggling Family is the most important thing in their lives, but as driven, career-minded people, they can struggle to get the balance between home & work Consequently can feel real guilt about lack of quality time spent as a family – can ease this guilt through ‘treats’ (buy brands the kids want, struggle to say no to their kids) The weekend is a very important time 	<p>FOOD & COOKING</p> <ul style="list-style-type: none"> Their squeezed and stretched lifestyles make the ultimate goal of cooking fresh, healthy, nutritional meals a real challenge Mid-week, family members often eat different meals at different times around busy schedules. Sit-down family meals are increasingly weekend only Try to stay healthy but the lack of time makes it difficult. Most likely to rely on ‘diet products’ and quick fixes to achieve this goal (for kids, healthy ‘cheats’ are prevalent) 	<p>LEISURE & PLEASURE</p> <ul style="list-style-type: none"> With time limited, and work invading much of their daily lives, little surprise to see holidays and travelling as key moments in the year – will plan them well and prepared to invest to make it perfect for the family Little time for exercise Computers, consoles, tablets and the internet make up a large part of their ‘down time’ (indeed, most couldn’t live without the internet both from a leisure as well as organisational ‘tool’ point of view) 	<p>MEDIA CONSUMPTION</p> <ul style="list-style-type: none"> Busy professional commuters = higher assimilation of posters (out of home media & billboards) Heavy users of the internet
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Some key stats

4.1 Times a week they shop groceries	£21.99 Spend per trip	21p Of every £1 spent on groceries in UK	28.4% Of their spend is at Tesco (highest and above the UK average of 25.8%)
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SHOPPING

- Consistent and regular ‘big shoppers’ – routinely undertake the big weekly shop
- Getting the shopping done quickly and efficiently (in one place) is key for this busy audience – consequently more likely to rely on big stores (Extras and SS) and online
- Given time pressures, issues such as busy car parks, poor service and online substitutions can adversely affect this audience – getting the hygiene factors right is key
- Heavy top-up shoppers (almost every day). And it’s here where loyalty can drift – welcome the opportunity to use other retailers on the top-up
- Looking for ‘solutions to problems’ most often when topping up e.g. meals for tonight, packed lunches for the school trip tomorrow, snacks for after-school activities etc.
- They shop across the Big 4, and Aldi

Meeting their needs effectively

Tesco performance: Broadly Tesco delivers well to this audience’s needs. We offer the range, choice and prices they need with ease and convenience and Clubcard reinforces this relationship further. However, there are three areas where we can help them manage their busy lives and better meet their needs:

<p>HYGIENE FACTORS</p> <p>Small mistakes such as poor/ no substitutions or awkward parking cause big difficulties for families. Their lack of time and busy lifestyles means finding an alternative is difficult. As the largest grocer their patience levels are short with Tesco</p>	<p>TOP-UP SHOPPING</p> <p>Increasingly important, it’s here where loyalty can drift. Our smaller stores are prevalent and should work well for the time poor, but are often perceived as inferior versions of larger stores (with less choice and higher prices), rather than solutions-oriented environments offering fresh, quality, food in a convenient manner</p>	<p>PRICES</p> <p>Time is more important than price and offers. Whilst it’s not unreasonable for Tesco to beat the discounters everywhere, it must lead the market on brands</p>
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4. LOWER AFFLUENT POST FAMILY



Carol

“I had heart failure 5 years ago so I gave up my job so I don’t do a lot now. Always try to keep busy though; play cards with my friends, go up the arcade and I’m shopping every day.”

Summary

Most likely to describe their life as:

CHALLENGING ENJOYABLE COMFORTABLE

Life is simpler for the lower affluent empty nesters. Restricted a little to their local community, they keep to a routine and are out and about every day. Shopping is often what keeps them busy and gets them out of the house, meaning they’ve got a keen eye for the best prices and deals across a whole range of retailers.

Key characteristics

<p>LIFESTYLE, VALUES & ATTITUDES</p> <ul style="list-style-type: none"> Clear sense of life slowing down amongst this audience. Broadly happy and comfortable, they are resigned and accepting of the current status in life In many ways happy with a limited life lived locally, one typified by routine and repetition Shopping is a key activity and is often the reason to get out of the house. Treasure their local community and feel deeply part of it 	<p>FOOD & COOKING</p> <ul style="list-style-type: none"> Traditional cooks, they tend to cook from scratch, although frozen food can play a key role, not least because of the value for money it offers Tend to shop for meals on a daily basis, keeping little in the house – though the freezer is often full (freeze before wasting) Own label and small portion sizes (often from independents) form a large part of their cooking and eating 	<p>LEISURE & PLEASURE</p> <ul style="list-style-type: none"> Money is tight and the desire to challenge themselves and broaden their horizons isn’t as strong as with other audiences, so leisure activities tend to be simple and local based e.g. cards, book groups etc. Shopping provides entertainment and pleasure – finding a bargain especially enjoyed (and often possessed about) Family and grandchildren are a big part of their lives – often taking an active role in childcare for extended family 	<p>MEDIA CONSUMPTION</p> <ul style="list-style-type: none"> Heavy consumers of news – TV but also still likely to buy a daily paper Heavy consumers of BBC, ITV and C5 Heavy consumers of local radio
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Some key stats

5.86 Times a week they shop groceries (highest)	£11.70 Spend per trip (lowest)	23p Of every £1 spent on groceries in UK	23.7% Of their spend is at Tesco (below the UK average of 25.8%)
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SHOPPING

- Often restricted to public transport which means this audience tends to keep to the local shops – and for them they truly are their local shops; see themselves as regular, loyal customers (despite the fact that they shop in a mix of retailers) – recognise the staff and enjoy it when staff recognise them and take a personal approach to them (part of a retailer ‘giving back’ which this audience highly value)
- Shop in a wide range of local shops – across the big 4, discounters and local independents. Know which retailers do which products well at the lowest prices and will happily move from one to another, picking up a few items here a few items there
- Tend to shop in small format stores – can’t carry much so small pack sizes are key for them
- The archetypal little and often shoppers
- They shop across the Big 4, Co-Op, Aldi, Lidl and Iceland

Meeting their needs effectively

Tesco performance: Tesco struggles with the low-affluent post-family audience. Small format stores offer the convenience but don’t match up to the local independents for quality, service & expertise and choice. Key areas to focus:

<p>PRICES & OFFERS</p> <p>This audience will follow the best prices and offers. Whilst it’s not unreasonable for Tesco to beat the discounters everywhere, it must lead the market on brands</p>	<p>SERVICE</p> <p>Getting service right in store will have a significant effect on this audience. Recognising them, offering a kind word and showing a personal approach will go a long way. They are true local customers and should be treated as such</p>	<p>SMALL FORMATS</p> <p>The right prices and small pack sizes (as well as offers that aren’t multibuy on large packs) will improve the small format experience as will balancing the offer in favour of fresh over convenience where possible</p>
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5. HIGHER AFFLUENT POST FAMILY



Dawn

“We do have days out, we often go to London...I’ve got my family, I see them quite a lot. I’m a member of Nottingham Society of Artists, tend to go away a lot, to Spain. I haven’t got any grandchildren, I have a grand-puppy.”

Summary

Most likely to describe their life as:

COMFORTABLE HEALTHY BUSY

In many ways the most fortunate of all our families. The high affluent post family have both the money and time to enjoy themselves. No sense of slowing down as they get older; they’re out and about, socialising, travelling and playing an active role in their community.

Key characteristics

<p>LIFESTYLE, VALUES & ATTITUDES</p> <ul style="list-style-type: none"> Whilst their careers may be coming to an end, no sign of a slow-down Varied interests and enthused by learning more – nature, travel, culture etc. Value their local community and will actively look to support and participate in their local area Relaxed and content More aware of health issues – keeping active and eating/drinking in moderation 	<p>FOOD & COOKING</p> <ul style="list-style-type: none"> Traditional scratch cooks Simple but healthy food – e.g. salmon, steak, salad etc Place a premium on quality and fresh. Prefer loose produce (not just for quality but also for manageable portion sizes) Tend to shop for meals on a daily basis, keeping little in the house – buy fresh for daily consumption 	<p>LEISURE & PLEASURE</p> <ul style="list-style-type: none"> With money less of a constraint, they are more able to afford a varied range of activities across arts, culture and sport e.g. members of local arts society, golf club and gym Travel is a keen interest and look to holiday a number of times a year in new and different destinations – look to get off the beaten track if possible Enjoy eating out in restaurants 	<p>MEDIA CONSUMPTION</p> <ul style="list-style-type: none"> Heavy consumers of news Heavy consumers of BBC 1 & 2 Increased ownership of digital radio
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Some key stats

5.78 Times a week they shop groceries	£13.85 Spend per trip	25p Of every £1 spent on groceries in UK	23.6% Of their spend is at Tesco (lowest and below the UK average of 25.8%)
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SHOPPING

- Shop often, making lots of small trips across the week
- Inclination towards using local independents – butchers, bakers, greengrocers – for quality, staff expertise and service, as well as the reassurance around provenance which is important to them
- Enjoy the shopping experience. With time afforded to them they like to compare and contrast products, as well as touch, feel and smell loose produce
- Still use supermarkets but no natural loyalty to any retailer. Enjoy shopping around
- They shop across Tesco, Sainsbury’s, Waitrose and M&S

Meeting their needs effectively

Tesco performance: Tesco struggles with the high-affluent post-family audience. Buying frequently across the week – fresh, loose, quality produce matters to this audience. Currently small format stores can feel a little imbalanced towards convenience options. Addressing this, and getting quality loose veg and fresh options in small pack sizes will help meet needs more successfully

<p>FRESH, QUALITY & SMALL PACK SIZES</p> <p>Buying frequently across the week – fresh, loose, quality produce matters to this audience. Currently small format stores can feel a little imbalanced towards convenience options. Addressing this, and getting quality loose veg and fresh options in small pack sizes will help meet needs more successfully</p>	<p>SERVICE</p> <p>A local, familiar and personal feel is valued by this consumer. Delivering this will help position small stores as ‘local shops’ that play an important role in the community. This will help build the relationship</p>
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