

MARKETING STRATEGY

"FROM SAVINGS TO SMART SHOPPING"





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In today's saturated retail landscape, traditional discount-based loyalty is no longer enough. Consumers aren't just looking for the lowest price—they're seeking a deeper sense of value, identity, and control. Our strategy begins with a core behavioural insight: shoppers feel more satisfied when they believe they've "earned" a good deal, rather than passively receiving one.

INTRODUCTION

DID YOU KNOW THAT?

Shoppers feel more satisfaction
when they believe they got

"the best deal"

rather than simply
paying less.

AND

Consumers engage more
when they feel like they

"earned"

a discount rather than just
receiving one.

Industry research has highlighted that consumer satisfaction in shopping is not solely driven by the amount saved but by the emotional experience of feeling smart, in control, and rewarded. A growing number of brands are shifting away from transactional discounts toward emotional or symbolic rewards that generate a deeper connection with customers. For example, a McKinsey & Company report revealed that non-monetary recognition—such as gamified achievements or virtual status—can significantly outperform cash incentives in terms of customer engagement. In one case, a purely symbolic virtual badge led to a 37% increase in spending, while in another, assigning VIP customers a personal account manager (with no discount involved) led to a tenfold increase in customer satisfaction ([Singer, Shaukat, & Auerbach, 2012](#)).

These findings are echoed in Deloitte's 2021 loyalty report, which emphasises that modern loyalty strategies are most effective when they incorporate gamification, goal-setting, and public recognition. When customers are given challenges to complete (e.g., trying a new product category or shopping multiple times in a month) and are celebrated for their progress, they experience greater psychological ownership and motivation. The report notes that such approaches tap into emotional drivers such as achievement, empowerment, and identity, which in turn lead to stronger customer loyalty ([Deloitte, 2021](#)).

Additional evidence comes from consumer behaviour studies around coupon use. The Promo Marketing Association (2017) found that coupons are not only valuable for their savings, but also for the "thrill of the hunt" and the psychological boost they offer. In a cited study, recipients of a \$10 coupon exhibited a 38% increase in oxytocin—the "happy hormone"—and reported feeling 11% happier than those who received no coupon. This effect was not simply financial, but emotional: the act of earning or redeeming a deal created a sense of control, accomplishment, and joy ([PMA, 2017](#)).

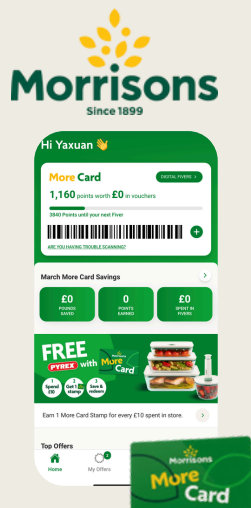
Taken together, these findings strongly support the idea that 'smart' shopping is an emotionally rewarding behaviour—not because of the amount saved, but because of the perception of having outsmarted the system. When brands reward not just spending, but strategic thinking and participation, they tap into a deeper layer of consumer satisfaction that ultimately builds stronger emotional loyalty.

MARKET

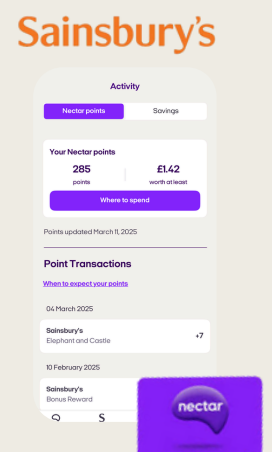
Overview of Loyalty Programs

Most loyalty programs work like simple points systems in today's retail market. Our study of competitors like Sainsbury's and Morrisons shows that they focus mainly on trading points for money or discounts. This approach does not create deep, lasting connections with customers.

Supermarket	Loyalty Programme	Key Features
Tesco	Clubcard	- Earn 1 point per £1 spent (Wikipedia)- Redeem points for vouchers or partner rewards- Clubcard Prices on select items- Personalised coupons and digital receipts
Sainsbury's	Nectar	- Earn 1 point per £1 spent (Wikipedia)- Use points across partners like Argos, eBay- Tailored digital offers via Nectar app
Morrisons	My Morrisons	- Offers instant digital discounts instead of points- Personalised offers- Exclusive clubs for NHS, Teachers, etc.- Community support and charitable partnerships
Waitrose	myWaitrose	- Weekly tailored vouchers- Free Waitrose Food magazine- Member pricing on select items- Discounts on cookery school experiences
Co-op	Co-op Membership	- Earn 2p per £1 spent for yourself + 2p donated to local causes (Co-op site)- Personalised offers- Access to exclusive member pricing
M&S	Sparks	- Tailored offers based on shopping behaviour- Surprise gifts (e.g. free items)- Donations to charity with every shop (M&S Sparks)



All about how many **POINTS** are worth how much **MONEY**
LACK EMOTIONAL ENGAGEMENT



Competitive Benchmarking Summary

- **Simple Rewards Have Limits:** Competitors like Sainsbury's and Morrisons rely mostly on quick points and monetary rewards. While these may work for short-term engagement, they do not build long-term loyalty.
- **Missing Emotional Connection:** A focus on numbers means that customers often miss out on a personal or emotional tie with the brand.
- **A Chance to Do Better:** By making emotional engagement the focus, Tesco can address the problem of weak customer loyalty and set itself apart from these competitors.

Implications for Tesco's Loyalty Strategy

Our review shows that a simple, number-focused loyalty program is not enough to keep customers connected. People today look for brands that care about them. By shifting the focus to emotional engagement, Tesco can build stronger, longer-lasting relationships, giving it a clear edge over competitors.

AUDIENCE AND INSIGHT

Meet the Roshnis

The Roshnis are a rising generation of young urban professionals navigating modern life with ambition, creativity, and a desire for balance. They are:

- Working hard to establish their careers, often in fast-paced, competitive environments.
- Socially active, with their online presence playing a central role in how they express themselves and engage with the world.
- Trying—but not always succeeding—to save for the future, while still seeking small joys and meaningful experiences in the present.
- Increasingly looking for meal solutions, not just convenience. They want food options that fit their lifestyle—quick, satisfying, and thoughtfully curated.

The Roshnis seek brands that understand the rhythm of their lives—those that can meet their everyday needs while speaking to who they are becoming.





Name: Joy

Age: 23

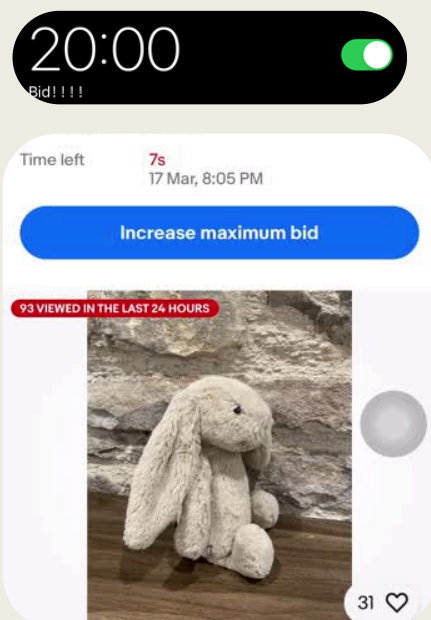
Occupation: Junior Marketing Specialist at a London-based global agency

Joy is one of our Roshnis. The story she shared with us was a key inspiration for our strategy.
She told us:

"when I'm bidding on eBay,

I set an alarm and wait until the last second to place my bid.

So I always win the auction!"



Congratulations, you won! Next, complete your payment.



This is what we called

A smart victory moment!

The text "A smart victory moment!" is written in a bold, red, sans-serif font. It is surrounded by several pieces of confetti in blue, green, and yellow, scattered around the text to create a celebratory feel.

It's a burst of joy mixed with pride and satisfaction that comes from knowing she has outwitted her competition. In this moment, it's not just the discount or the product that matters—it's the emotional reward of achieving success through her intelligence and strategy.

In our strategy report, we position the “Smart Victory Moment” as a critical emotional driver that underpins customer loyalty. This moment captures the blend of achievement, pride, and satisfaction that customers, like Roshni, experience when they successfully execute their personal shopping strategies. Recognising and amplifying these emotionally rewarding experiences will enable Tesco to design a loyalty program that not only meets practical needs but also resonates on a deeper emotional level. By integrating these smart victory moments into our customer engagement initiatives, Tesco can build stronger, lasting relationships and secure a competitive advantage in the market.

STRATEGY



**We're not selling cheaper shopping—we're selling the
emotional satisfaction of winning at shopping.**

Tesco Clubcard has long been positioned as one of the UK's most recognisable and successful loyalty schemes, offering customers price advantages and personalised promotions. However, as the retail environment evolves—and with consumer expectations growing more complex—it becomes clear that **traditional, discount-driven loyalty is losing its emotional impact**. In a market where nearly every retailer offers a loyalty program or competitive pricing, customers are no longer loyal to price alone. They are loyal to meaning.

Our strategy stems from a fundamental shift in consumer behaviour: **people today are not simply seeking to save money—they are seeking to feel smart, empowered, and in control of their choices**. While a discount may satisfy a financial need, it doesn't necessarily satisfy the emotional need to feel competent, strategic, or ahead of the game.

This insight is strongly supported by behavioural psychology. A study published in the Journal of Consumer Psychology found that consumers experience greater satisfaction and emotional reward when they believe they have personally earned a deal, rather than simply being given one (Schindler, 1998). This phenomenon—termed the **"smart-shopper feeling"**—is not only linked to heightened purchase enjoyment, but also to increased loyalty intentions, stronger brand attachment, and a higher likelihood of recommending the brand to others. In other words, the perception of earning a reward enhances both short-term satisfaction and long-term behavioural loyalty.

Tesco is well-positioned to translate that insight into cultural relevance. Rather than positioning Clubcard as a savings tool, we turn it into a social catalyst.

We propose a social challenge on social media, inviting Tesco shoppers to share their **"Smart Victory Moments"**—the moments where they feel they've truly outsmarted the system. Whether it's a brilliantly optimised weekly shop, a clever Clubcard combo, or a meal plan that feels like a life hack, these moments become badges of personal pride and community identity.

This isn't just content—it's a movement. It celebrates shoppers not for spending less, but for spending smart. It shifts Tesco's voice from corporate to conversational, and its role from retailer to co-conspirator in the daily triumphs of modern life.

**BEHAVIOURAL
RATIONALE: WHY
“SMART VICTORIES”
OUTPERFORM
PASSIVE DISCOUNTS**

ACTIVE EFFORT YIELDS GREATER SATISFACTION:

Behavioural research shows that customers derive more satisfaction from rewards they earn through effort or savvy behaviour than from receiving an equivalent discount passively. The more effort people invest to obtain something, the more value and pride they attach to it ([Inzlicht, Shenhav and Olivola, 2018](#)). This effect is well-documented – for example, shoppers value products they assembled themselves far more than identical items received pre-assembled (the “IKEA effect”) ([Inzlicht, Shenhav and Olivola, 2018](#)). In the context of promotions, putting in a bit of work (e.g. hunting for a deal or using points) makes the reward feel deserved. One study found that when consumers put effort into getting a promotional price, it creates a feeling of entitlement to that reward ([Monroe, 2016](#)). If they succeed, that entitlement translates into a burst of emotional reward – a sense of accomplishment that simply feels better than an automatic discount ever could. In short, an earned deal triggers positive affect (even neurochemical rewards in the brain) as the customer experiences a mini “win,” whereas a passive price cut lacks this psychological payoff ([De Risk International, 2024](#); [Inzlicht, Shenhav and Olivola, 2018](#)).

Notably, people even treat outcomes differently based on effort: money or benefits gained through one’s own actions are valued more and handled more carefully than windfall gains given with no effort. By structuring promotions as achievable challenges rather than handouts, the “Smart Victory Moments” campaign taps into this powerful satisfaction booster.

“FEELING SMART” VS. JUST SAVING MONEY:

The strategy rests on the insight that smart shopping is about agency, mastery, and identity – not merely about the pounds saved. Shoppers want to feel clever and in control of their choices. Academic research on smart shopping finds that today’s consumers seek to “feel smart” by minimising costs (not only money but also time and effort) and maximising benefits (finding the right product, convenience, etc.) ([Atkins and Hyun, 2016](#)). In other words, value-conscious customers pride themselves on making the right decisions, not just cheap decisions. By designing victory moments (e.g. personalised challenges, rewards for savvy choices), Tesco gives shoppers a sense of agency (autonomy in how they earn rewards) and mastery (skill in shopping effectively). Satisfying these needs has tangible benefits – studies show that when consumers feel autonomous and competent, it boosts their enjoyment and loyalty behaviours.

Recent research demonstrates that when consumers view themselves in this way, it leads to stronger emotional attachment to the products they’ve obtained ([Hwang and Mattila, 2021](#)). In fact, loyalty program members who redeemed rewards while feeling like “smart shoppers” became more attached to those products and were more likely to brag about them, highlighting how pride and personal agency amplify engagement ([Hwang and Mattila, 2021](#)).

STRATEGIC PAYOFF:

By focusing on “Smart Victory Moments,” Tesco’s campaign goes beyond a race-to-the-bottom on price and instead builds a richer customer experience rooted in psychological reward. Every time a shopper actively “wins” – whether by unlocking a bonus offer, cleverly planning a basket, or beating an online game for points – it reinforces their sense of competence and savviness. This not only makes the shopping trip more emotionally satisfying than a straightforward discount, but also strengthens the customer’s bond with the brand. Over time, shoppers come to identify with being the kind of person who makes smart choices at Tesco, fostering loyalty driven by positive self-image and intrinsic enjoyment. In sum, leveraging consumers’ desire for agency and achievement turns promotions into empowering experiences. This strategic use of behavioural science ensures that the value Tesco delivers is felt in the heart and mind of the customer, not just measured in the wallet, ultimately creating deeper satisfaction and stronger brand advocacy (Inzlicht, Shenhav and Olivola, 2018; Hwang and Mattila, 2021)

CONTENT AND TACTICS

#TESCOSMARTWIN

We create a social challenge on social media where shoppers share their “smart victory moments”—showcasing how they outsmarted the system and won at shopping.



Our campaign is built around [#TescoSmartWin](#), shifting the conversation from saving money to the emotional satisfaction of winning at shopping. We have chosen TikTok and Instagram as our primary platforms—not as a vague nod to "social media," but because of their distinct capabilities and relevance to our audience’s media behaviours.

TikTok is the go-to platform for younger consumers seeking entertainment, self-expression, and trends. Its algorithm favours viral, challenge-based content, making it the ideal space to launch our social activation. The format encourages spontaneity and relatability—perfect for showcasing “victory moments” in creative, sharable ways every day.

Instagram is where Roshnis curate their lifestyle and identity. It offers a visually-led environment ideal for more polished expressions of smart shopping. Through Reels, Stories, Carousels, and Highlights, we can foster longer-term brand storytelling, emotional resonance, and inspiration.

Platform	Core Content Theme	Format	Objective
TikTok	Smart shopping challenge (#TescoSmartWin)	Native short videos, trends, sound-based challenges	Drive participation and viral engagement
Instagram	“Victory moment” sharing	Reels, carousels, Stories, Story takeovers	Showcase lifestyle wins and inspire UGC
Both	Curated user stories, Clubcard tips, behind-the-scenes	Brand + user-generated content (UGC)	Build trust, relatability, and community



TIMELINE

Phase	Timeframe	Focus
Tease	Week 1	Seed curiosity, release teaser content and hashtag intro
Peak	Weeks 2–4	KOL activation, UGC flood, active brand engagement
Extend	Weeks 5–6	Boost top UGC, introduce reward-based sharing prompts
Sustain	Weeks 7–8	Curate best content, build Clubcard community narrative

Our campaign is structured into four strategic phases over an 8-week period, each with a distinct focus to build momentum, deepen engagement, and foster lasting community around the Tesco Clubcard.

Tease (Week 1)

The goal of this phase is to spark curiosity and generate initial buzz. We'll release short teaser content across TikTok and Instagram, along with the campaign hashtag (#TescoSmartWin), to hint at what's coming. This primes the audience without revealing everything, encouraging speculation and early interest.

Peak (Weeks 2–4)

This is the height of the campaign's visibility. During this phase, we activate key opinion leaders (KOLs) and influencers whose values align with our audience to lead by example and share their own "smart victory moments." This also opens the floodgates to user-generated content (UGC), turning the campaign into a movement where people proudly show how they've "won" at shopping with Tesco. Brand accounts actively engage by liking, sharing, and commenting to amplify reach.

Extend (Weeks 5–6)

As momentum begins to plateau, we extend the campaign's life by boosting the top-performing UGC and adding a new layer of participation: reward-based prompts. For example, users who share the most creative or helpful shopping "wins" can win exclusive Tesco experiences or be featured on the brand's social platforms. This sustains user excitement and deepens brand involvement.

Sustain (Weeks 7–8)

In the final phase, we shift toward community-building. We curate and celebrate the best content from the campaign, highlighting stories that showcase not just deals, but personality, cleverness, and lifestyle fit. This phase transitions the campaign from a one-off activation into a brand narrative—establishing Clubcard not just as a savings tool, but as a badge of lifestyle and smart decision-making.

This phased approach ensures that we maximise both reach and retention, turning short-term engagement into long-term affinity.

OBJECTIVE

To reposition Tesco Clubcard from a purely price-saving tool to a culturally relevant symbol of smart, shareable shopping — driving both emotional connection and measurable engagement on social media.

SMART Breakdown:

Specific:

Shift consumer perception of Clubcard by turning it into a social conversation starter — something people want to share and associate with “smart shopping” choices.

Measurable:

Track campaign success via social engagement metrics on Instagram and TikTok, aiming for:

60K+ pieces of user-generated content using branded hashtags (e.g. #TescoSmartWin)

3M+ total video views across influencer and brand content

8%+ average engagement rate on campaign-related posts

10K+ click-throughs from social to Clubcard sign-up page

Achievable:

Based on benchmarks from previous Tesco seasonal campaigns and competitor brand activity on TikTok/Instagram.

Relevant:

Directly supports the brand challenge: moving beyond transactional loyalty by building emotional and social value around Clubcard.

Time-bound:

To be achieved within a 6-month campaign window, with phased content rollout and mid-point performance optimisation.

MEASUREMENT

To ensure that the strategy's success can be accurately measured and aligned with our objectives, we will track key performance indicators (KPIs) that directly relate to each aspect of the campaign. The success of this campaign will be evidenced through real-time social media metrics on Instagram and TikTok, giving us actionable data to refine and optimise the strategy as we progress. Here's how we'll measure the success and prove that our strategy works:

1. Brand Perception Shift (Market Objective)

We will track sentiment analysis and hashtag usage to measure the change in how consumers perceive Tesco Clubcard. Key metrics include:

Social Sentiment: Monitor sentiment on posts related to #TescoSmartWin. We will assess positive, neutral, and negative mentions across Instagram and TikTok.

Brand Association: Track the increase in mentions of Clubcard with terms like "smart shopping", "sharing", and "exclusive". This will be tracked through social listening tools.

2. Engagement Metrics (Business Objective)

For our measurable business goal of driving increased Clubcard sign-ups and usage, we'll directly link social engagement to conversion rates:

User-Generated Content (UGC): Track the volume of user posts using campaign hashtags (#TescoSmartWin) and engagement with these posts (likes, shares, comments, and video views). Goal: 60K+ user-generated posts and 3M+ total views across influencer and brand content.

Click-through Rate (CTR): Measure how effectively social content drives users to the Clubcard sign-up page. A target of 10K+ click-throughs from social content will be tracked.

Conversion Rate: Measure the percentage of users who, after engaging with the campaign on social media, go on to register or actively use their Clubcard.

3. Engagement Quality (Communication Objective)

To assess how well we turn shopping into a shareable, social experience, we'll focus on engagement rates and video completion rates on Instagram and TikTok:

Engagement Rate: We will track likes, comments, and shares on campaign-related posts, with a target of 8%+ average engagement rate.

Video Completion Rate: Track the percentage of video views that reach 100%, which indicates a deeper level of engagement with the content.

4. ROI and Performance (Overall Campaign Effectiveness)

At the end of the 6-month campaign, we will conduct a post-campaign analysis comparing pre-campaign and post-campaign metrics:

Overall ROI: Calculate the return on investment based on new Clubcard sign-ups, increased engagement, and any uplift in sales attributed to Clubcard holders.

Qualitative Feedback: Collect qualitative data through customer surveys and social media polls to assess how consumers feel about the new perception of Clubcard and its role in their shopping experience.

CONCLUSION

Smart choices, shared wins

—Tesco Clubcard turns everyday shopping
into something worth talking about.

This report set out to address a growing tension in the contemporary loyalty landscape: while most supermarket schemes remain focused on transactional incentives, today's consumers seek something more meaningful—**emotional relevance, identity alignment, and psychological satisfaction**. By reframing Tesco Clubcard not simply as a mechanism for saving money, but as a symbol of “winning at shopping,” our strategy directly responds to this behavioural shift.

Grounded in academic and industry research, the campaign leverages core psychological principles—such as the value of earned rewards, the motivational impact of perceived competence, and the emotional resonance of public recognition. The #TescoSmartWin activation transforms routine purchases into moments of personal pride, allowing consumers to perform and share their smart decisions across culturally resonant platforms like TikTok and Instagram.

Crucially, this approach is not just communicative—it is commercially strategic. It differentiates Tesco in a competitive market by creating **a culture of intelligent consumption**, powered by emotionally rich and socially shareable interactions. Through phased rollouts, cross-platform storytelling, and robust KPI measurement, we ensure that the campaign is not only creative and compelling but also accountable and outcome-driven.

In a world where loyalty is no longer bought with points but built through meaning, Tesco has the opportunity to lead not just with offers—but with **identity, empowerment, and community**. The Smart Victory strategy reframes Tesco's relationship with its customers: from discount provider to co-conspirator in everyday success. And that is a position built for long-term loyalty.

THANK YOU

