

RetailWeek[®]

CONNECT

In partnership with

SheerID

LOYALTY, GROWTH AND THE FUTURE CONSUMER



WHAT CUSTOMERS REALLY WANT
FROM ONLINE SHOPPING EXPERIENCES

LOYALTY, GROWTH AND THE FUTURE CONSUMER

INTRODUCTION

In 2026, loyalty means more than just points and discount programmes. Customers expect personalised, optimised purchasing journeys, underpinned by relevance, convenience and trust.

This loyalty-driven connection must be fuelled by data. However, collecting and analysing shopper behaviour is just the start; activation of this data is key to unlocking sustainable growth and lifetime value.

So, how are leading retailers using data to move from transactional reward programmes to relationship-driven loyalty ecosystems? And what impact is this having on customer lifetime value?

This report explores how economic uncertainty, digital discovery and an increased demand for convenience are reshaping loyalty, as well as examining the growing importance of community building and lifecycle marketing.

CONTENTS

New rules of retail engagement	4
Connect with today's online consumer	10
Retailers getting it right	28
Driving online growth	36
Partner comment	40



NEW RULES OF RETAIL ENGAGEMENT



WHAT YOU WILL LEARN FROM THIS CHAPTER

- The most critical strategies driving customer lifetime value in 2026
- How the macroeconomic landscape will influence shopper behaviour this year
- The changing model of loyalty and how you can begin to capitalise on it

Both retailers and consumers face an uncertain economic landscape in 2026. According to the latest KPMG UK Consumer Pulse survey, 58% of Britons believe the economy is worsening, and almost half of those surveyed are cutting discretionary spend as a result – with only 13% planning to increase non-essential purchases this year.



58% of Britons surveyed believe the economy is worsening

Many factors are at play, not least high inflation resulting in a lingering cost-of-living crisis, which is exacerbated by rising interest rates and high energy prices. For retailers, weaker consumer confidence and slower demand has been compounded by increased operating costs, supply chain disruptions and broader geopolitical uncertainty.

Parallel research from EY's Future Consumer Index highlights how such financial concerns are impacting consumers' brand loyalty in the UK, with value now the most important purchasing factor, and 45% of consumers opting for discount retailers. This suggests that loyalty is no longer inspired purely by emotional affinity, as price and perceived value become dominant drivers of choice.

SHIFTING PRIORITIES

While economic pressures are changing the way consumers shop, competition across channels – from marketplaces to social commerce – is also reshaping customer priorities online. A 2025 Metapack report states that convenience has overtaken cost as the primary factor in loyalty decisions amid rising expectations around delivery reliability, flexible returns and seamless fulfilment. Findings show 76.6% of UK shoppers say they would switch brands after a poor delivery experience, and nearly 86% expect delivery options that fit their schedules.

As Natalie Reid, head of loyalty at advertising agency BBD Perfect Storm says, “Shoppers are still price-conscious, but they are no longer chasing discounts for their own sake. Instead, they are scrutinising value, and value now means relevance, ease and confidence, not just cost.”



A 2025 Metapack report states convenience has overtaken cost as the primary factor in loyalty decisions



65% of UK retailers describe their personalisation efforts as 'pilot' or 'basic' with only 14% having achieved 'advanced' cross-channel personalisation

Valtech Report

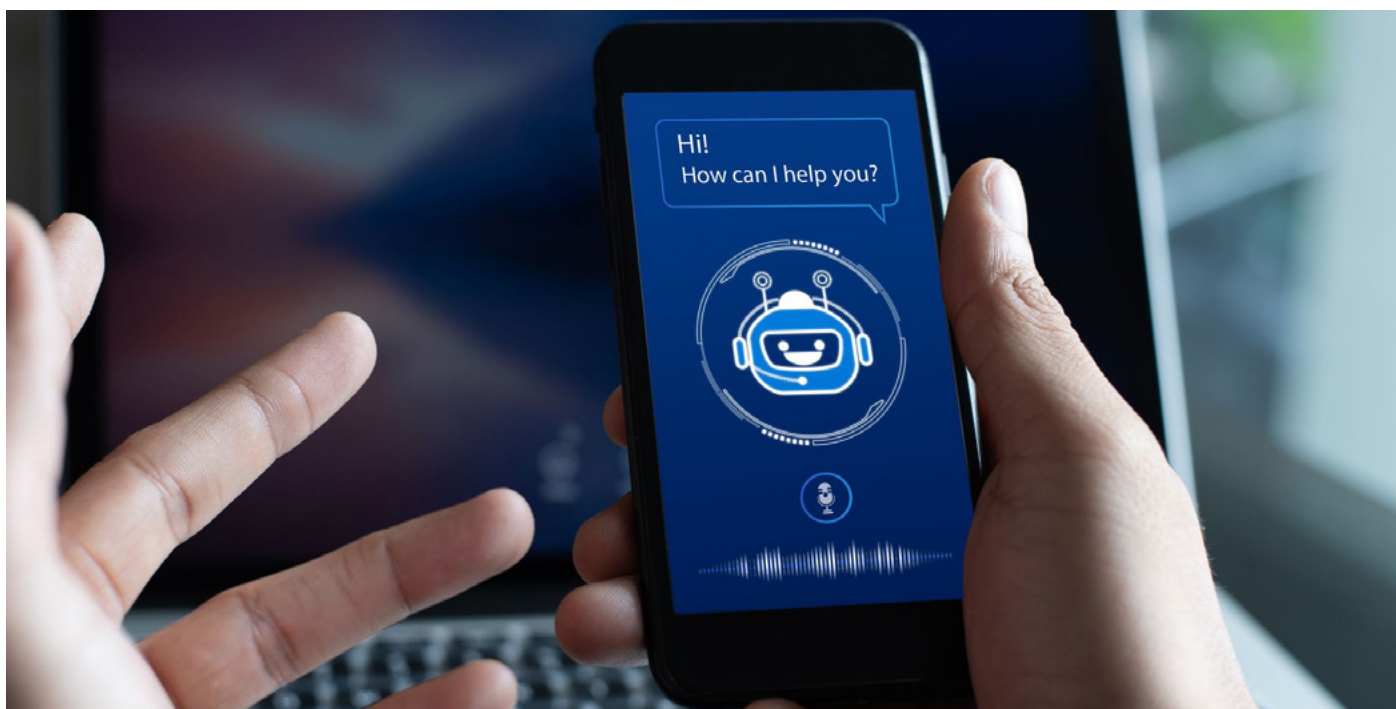
Consumers are also more demanding of their online experience, with personalisation becoming an expectation rather than a luxury. Yet many retailers state that they are still in the early stages of their personalisation journeys, with a global report from business transformation agency Valtech last year revealing that 65% of UK retailers describe their personalisation efforts as 'pilot' or 'basic', with only 14% having achieved 'advanced' cross-channel personalisation. Only 41% use advanced analytics, with only 35% using real-time cross channel engagement to understand what customers need and want, and how they behave.

PERSONALISATION IS TRANSFORMING LOYALTY

Yet the opportunity for personalisation is clear. McKinsey research across the European grocery sector suggests that over half of consumers are more likely to become repeat buyers after a personalised experience, and that advanced personalisation can materially increase revenue and retention.

Customer loyalty has grown in sophistication, fuelled by greater personalisation enabled by access to data and AI. Brands able to tap into this capability to better understand customer segments and leverage data can achieve true personalisation and drive loyalty, ultimately improving customer lifetime value.

In the UK specifically, user-generated content software provider Bazaarvoice's Shopper Experience Index last year shows that almost one in three shoppers say AI-enhanced personalisation increases their loyalty, while nearly 30% say tailored rewards make them shop more often. In addition, more than 40% of shoppers in the UK also reported that personalised discounts or offers are more likely to encourage them to share a product or brand on social media.



Almost one in three shoppers say AI-enhanced personalisation increases their loyalty

While traditional loyalty programmes, such as points, tiered discounts and transactional perks, remain widely used and relevant, Henley Business School professor of strategic marketing Moira Clark says loyalty has evolved from a transactional focus to a relationship-oriented approach.

“Consumers today are less loyal to individual brands and more committed to convenience, value and experiences. Retailers are moving beyond traditional loyalty points and discounts, prioritising trust, personalisation and consistent service across all channels.”

Points-based, incentivised programmes still drive short-term behaviour, but they are becoming less effective as a differentiator

Natalie Reid, Head of Loyalty, BBD Perfect Storm

Loyalty increasingly encompasses lifecycle marketing, an approach where brands meaningfully engage their customers at pivotal moments in their lives. For students, this includes events like student loan drops or their back-to-school rush. For other communities, like healthcare workers, it would be holidays that celebrate them, like International Nurses Day, or life events like purchasing a new home. This kind of fuller engagement requires capturing and leveraging data to better understand and anticipate what a customer needs and when they need it.

BBD Perfect Storm’s Natalie Reid says that points-based, incentivised programmes still drive short-term behaviour, but they are becoming less effective as a differentiator.

“The market is saturated, and many programmes are competing on generosity alone, often at the expense of margin and distinctiveness. Lifecycle and identity-based loyalty deliver stronger long-term returns. When rooted in brand purpose and informed by genuine customer insight, these models drive higher retention, deeper emotional connection and greater lifetime value.”

Retailers that combine structured loyalty mechanics with lifecycle marketing – targeting key demographics and life stages with relevance and empathy – are better positioned to go beyond short-term repeat purchases and instead build long-term engagement to forge ahead in 2026.

HOW TO CONNECT WITH TODAY'S ONLINE CONSUMER



WHAT YOU WILL LEARN FROM THIS CHAPTER

- How online shopping behaviour is evolving and what's driving discovery and engagement
- The importance of offering customers a clear value exchange and meaningful personalisation when asking them for their data
- Case studies from retailers building loyalty beyond points-based loyalty programmes

Today's consumers expect relevance, value and seamless experiences that reflect their circumstances, identity and needs in real time. As a result, personalisation, loyalty and context have become key battlegrounds for competitive differentiation among retailers, with emotional connection and data-driven relevance now outweighing purely price-based strategies.

At the same time the way consumers discover products and retailers is also evolving to a more complex omnichannel journey. Research from Retail Week in June last year showed that 71% of UK shoppers expect to use visual search (image-based discovery) in the next 12 months, rising to 87% among 25-to-34-year-olds – signalling that consumers want inspiration, not just transactions.



Retail Economics estimates the UK social commerce market represents a £16bn opportunity for retail brands

69% of UK consumers have purchased a product after seeing it featured on social media

Retail Economics research

Reflecting this trend, social platforms have matured into core discovery channels. Retail Economics research from 2025 estimated that the UK social commerce market represents a £16bn opportunity for retail brands.

One in three consumers stated that social and entertainment platforms are their preferred channel for product discovery, and 69% of UK consumers have purchased a product after seeing it featured on social media. It is little wonder that eMarketer estimates that UK social commerce sales will approach 12 billion in 2026, nearly quadrupling since 2023. That means almost 7p of every £1 spent online will come from social channels, up from just 2p three years ago.

Relevance is also driving discovery, engagement and purchase. As James Heimers, EVP marketing science at global marketing agency RAPP says, “Fashion retailers such as Zara and H&M use personalisation to improve discovery and sizing confidence, while grocery players like Tesco use Clubcard Prices to make value immediately tangible at shelf and checkout. In beauty, brands like Sephora blend diagnostic tools with personalised recommendations to drive conversion and basket size.”

Heimers adds that personalisation struggles when applied generically, such as ‘recommended for you’ carousels that don’t meaningfully change the experience.

“Tools that actively help customers decide, including guided selling, personalised offers and inventory-aware recommendations, consistently outperform.”

Here, we outline four key trends retailers should be aware of to successfully connect with today's online shopper.

1. CROSS-CHANNEL CONSISTENCY

Consumers now expect shopping to be effortless across devices and channels too, while personalised digital discovery, such as recommendations and tailored search, is also increasingly influencing purchase decisions.

Consulting firm McKinsey found that 71% of consumers expected companies to deliver personalised interactions, which are most impactful when rolled out across multiple channels; 76% got frustrated when personalisation didn't happen.





We're building a one-of-a-kind, Korean-inspired loyalty programme designed to drive customer retention and acquisition

Gracie Tullio, Co-founder and creative director, PureSeoul



Reid says: "Retailers are seeing the best results when personalisation is anchored to lifecycle moments such as back-to-school, student loan drops or events that celebrate key audiences such as International Nurses Day, and when it is applied selectively to high-value segments. It is also increasingly powerful when delivered across ecosystems rather than single brands. Crucially, effective personalisation feels quiet and helpful. When it feels like service rather than surveillance, customers reward it with trust and long-term loyalty."

A brand investing heavily in its community proposition, highly focused on ensuring every touchpoint, across all channels, feels consistent, is K-beauty specialist PureSeoul.

Co-founder and creative director Gracie Tullio told Retail Week in July: "We're building a one-of-a-kind, Korean-inspired loyalty programme designed to drive customer retention and acquisition." The retailer's 'Cloud Club' loyalty programme sees shoppers unlock perks including early access, discounts and invitations to exclusive events. Points, which add up to perks, are acquired by purchasing, as well as engaging with newsletters and social media accounts.

"ROI [of the loyalty programme] will be measured through repeat purchase rate, increased customer insight/preference data, such as skin type data and skincare interests/dislikes, order and lifetime value increases, and overall programme engagement, which we will use to direct our future promotion planning," says Tullio.

2. LOYALTY IS VALUE PLUS AUTHENTICITY

With ongoing financial pressures, consumers are seeking maximum value on every purchase. According to Bazaarvoice's Shopper Preference Report 2025, affordability is the primary driver of UK consumer behaviour. The UK leads globally in price sensitivity, with 58% of shoppers switching to cheaper brands and 45% delaying non-essential purchases in response to rising prices.

This shift has accelerated new habits: 36% of UK consumers are using coupons and discount codes more frequently, while 35% are joining loyalty programmes. Affiliate discounting has become a cornerstone of this search for value, now driving approximately 10% of all ecommerce transactions.



However, there can be a strategic gap with affiliate models. While discounts are powerful acquisition drivers, lower pricing is only the first step. Today, enhanced personalisation delivers the “relevance” that defines true value for shoppers. This relevance can act as a buffer, building a relationship resilient enough to survive minor disappointments, such as delivery issues.

To build that depth, retailers must understand who the customer is - not just what they clicked on, but their fundamental identity. As Julian Skelly, managing partner at Publicis Sapient, notes: “The most effective approaches combine immediate value with longer-term engagement.”

Brands need to protect both their consumers’ data and their margins. Traditional affiliate programs that offer audience-based discounts can jump-start relationships, but they often come with hidden costs. Many models require sending consumers away from a retailer’s website to a third-party portal to verify their status (such as an NHS or student email address). This “redirect” can create a dual challenge: it can drive brands to pay a commission for traffic they have often already initially attracted to their own website, and it can surrender the resulting customer data to a third party.

This disconnection can lead shoppers to perceive a retailer as less relevant. “Brand trust is fragile,” explains Stephanie Copeland Weber, CEO at SheerID. “A sudden redirect away from a retailer’s website can feel jarring, even suspicious, to consumers. At this critical time, consumers need to feel their data is secure. Trust must be the cornerstone of nurturing emotionally driven customer relationships and lasting customer loyalty.”

Retailers also see benefits from maintaining ownership of customer experiences. By integrating consumer verification directly into the on-site brand experience, retailers can “supercharge” their affiliate strategy without sacrificing their data or their margins. In this evolved model, the affiliate serves as the discovery engine, while the verification stays on the retailer’s own domain.

This approach ensures the brand, not a third party, owns the rich, permissioned data provided by the customer. For retailers, it eliminates the “double payment” for existing traffic. For consumers, the experience is seamless: they feel seen, valued and protected, establishing the foundation for true long-term loyalty.

3. DELIVERING SIMPLICITY THROUGH VALUE EXCHANGE

While price remains a primary factor influencing purchase decisions - cited by 79% of UK, and 81% of both French and German consumers in 2025 Retail Week research - product quality and convenience play significant roles in how different demographics define “value.”

For example, quality was the top priority for those over 65 (98%), whereas flexible delivery and collection options were especially valued by UK 25-to-34-year-olds (69% rated it important in purchase decisions).



However, simplicity in modern customer journeys is about more than just low pricing; it is about a frictionless value exchange. To foster long-term loyalty, retailers must provide offers and incentives that feel natural and reward the consumers the brand values most.

Transparency and simplicity are paramount during checkout, with hidden fees and complicated checkout processes deterring completion of a sale. In the UK (40%), France (30%) and Germany (40%), hidden fees were reported as the top pain point, with security concerns also ranking highly.

As Skelly says, friction reduction remains critical in the right places.

“Retailers like Pandora, who have carried out large-scale transformation programmes, have found success by simplifying checkout and delivery while adding deliberate friction in areas like sustainability choices, prompting customers to engage with values-led decisions without making it burdensome.”

For retailers, the goal is to make the “ask” from the consumer (such as customer data or verification of status) feel like a fair trade for a specialised incentive. When this exchange is seamless, it reinforces the relationship rather than interrupting the purchase.

Retail Week’s research highlights that high delivery costs are also a widespread grievance in the UK (44%), France (34%) and Germany (30%). Consumers equate “free and timely” with value. Eyewear retailer FeelGoodContacts, for example, saw a 10% increase in same-day acquisition after introducing free delivery in April last year, reinforcing that removing cost-friction is a powerful acquisition lever.

There is also growing demand for immediacy. Research from April 2025 carried out by Uber Direct and Retail Economics shows that 52% of consumers would spend up to £10 for delivery within two hours on orders over £100. Despite this demand, only 22% of retailers in the research offer on-demand options due to cost (44%), operational strain (40%) and infrastructure challenges (39%) - but this is changing.

This gap is closing as brands realise that “value” for their best customers often means “time saved.” Late 2025 saw a wave of on-demand partnerships launch, including Superdrug on Just Eat and The White Company with Zapp. Through offering increased convenience, these retailers are participating in a high-relevance value exchange, prioritising the needs of their most important shoppers.

4. COMMUNITY BUILDING

Retailers that master community engagement build more than just a database; they build a self-sustaining growth engine. While social media provides the stage, the most resilient communities are built on a foundation of shared identity. When a brand treats specific groups- such as students, healthcare workers or educators - with genuine respect and exclusive value, it triggers a powerful flywheel effect. These communities are inherently connected; a positive experience for one nurse is shared across hospital breakrooms and group chats, amplifying the brand's reach far more effectively than a traditional ad campaign.

US cosmetics retailer Ulta Beauty's back-to-school campaign is a great example. The retailer hosted immersive campus activations, including a "College Glow Up Tour" where they handed out free products and branded merchandise. The programme ignited student interest and the company's 'Homecoming Gift with Purchase' offer went viral on TikTok, with several posts generating 1 million views and another driving nearly 4.5 million views.

However, when building communities, the stakes are high: today's hyperconnected communities are just as quick to call out brands that offer superficial "programmes" without real substance. Authenticity is the currency of the community.





Today's consumers respond to authenticity far more than polished brand narratives

Neha Mantri, chief marketing officer, Mention Me



Social commerce is the modern catalyst for these dialogues. Richard Lim, chief executive of Retail Economics, notes that platforms like TikTok have “broken down barriers”, using entertaining creators to turn shopping into a collective experience. However, the true “magic formula” lies in moving beyond the transaction to foster a sense of belonging.

Neha Mantri, chief marketing officer at Mention Me, emphasises this shift: “Today’s consumers respond to authenticity far more than polished brand narratives. As a result, retailers are increasingly using loyalty and advocacy data to build hyper-personalised journeys that make customers feel genuinely understood and part of a wider community.”

When a customer feels seen as part of a valued group, they transition from a buyer to an advocate. According to Acxiom’s 2025 CX Trends report, 86% of consumers feel that being part of a brand community shapes their overall experience, while businesses with engaging communities see retention increases of up to 67%.

This kind of engagement can create generational loyalty. When a brand supports a community - for example, by consistently providing meaningful value to a parent who is a teacher - it leaves a lasting impression on the entire household. Younger consumers often choose brands based on how those companies treat their families or peer groups. This “inherited” trust is a powerful differentiator that price-based competitors cannot easily disrupt.

As Clark says: “Community-oriented and value-driven relationships offer a powerful avenue for deeper connection. Interactive content, social commerce, membership programmes and initiatives centred on sustainability, exclusivity, and brand communities foster emotional loyalty and long-term advocacy beyond price-based competition.”

By investing in these shared identities, retailers secure deep lifetime value that persists long after a single discount has been used.

SEPHORA

Cosmetic retailer Sephora is a good example, launching its Beauty Insider Community – a member-only platform tied to the brand’s complimentary loyalty programme – in the US in 2007, encouraging members to share their beauty tips and find inspiration among like-minded people. The programme has proved effective, attracting over 40 million members and driving an estimated 80% of North American sales, lifting both cross-sell and upsell metrics significantly.

Sephora’s system now leverages AI too, analysing purchase history, product interactions and time spent viewing items for example, to provide personalised recommendations. The system is continuously learning to create an accurate customer profile that drives everything from replenishment reminders to personalised sampling programmes. In the years ahead, loyalty-driven product drops and AI-powered recommendations are expected to elevate retention and conversion further.

As Neha Mantri, chief marketing officer at customer advocacy platform, Mention Me says: “Today’s consumers respond to authenticity and relatability far more than polished brand narratives. As a result, retailers are increasingly using loyalty and advocacy data to build hyper-personalised journeys that make customers feel genuinely understood and part of a wider community.”

Research from database marketing firm Acxiom’s 2025 CX trends report among consumers in the UK and US found that 86% of consumers feel that being part of a brand community shapes their overall experience with that organisation. The power of belonging is clear; Acxiom states businesses that create engaging communities increase customer retention by as much as 67%.

Investing in spaces where customers connect with each other, whether forums, social micro-groups or structured loyalty hubs, builds belonging. This shared identity helps differentiate retailers from competitors as well as driving repeat purchase, advocacy and deeper lifetime value.

ENSURING A FAIR EXCHANGE

With consumers increasingly expecting a personalised experience, data is critical to retailers, but getting the proposition right is paramount. A fair value exchange means consumers share their time, data, and/or money in return for benefits they really value.



Data is critical to retailers, but getting the proposition right is paramount

As Publicis Sapiient's Skelly says, "The value exchange has become explicit. Customers will share first-party data, purchase history, preferences, location, but only when they receive tangible benefits – better prices, early access, genuinely useful recommendations or services that save them time."

He adds that what customers are not willing to accept is opaque data practices, being tracked across the web, or personalisation that feels like surveillance. "The death of third-party cookies has forced this reckoning, and it's actually healthy. Retailers now need to earn permission rather than assume it."

Yet UK research shows that five in six consumers feel undervalued by brands, with only 17% saying they feel truly valued. This disconnect risks eroding loyalty and repeat purchases, even among existing customers.

Loyalty programmes enable retailers to gain access to a host of valuable insights into consumer preferences and habits. However, they need to apply this data intelligently to ensure they give consumers the rewards they want, highlighting value whilst creating a personal connection.

BBD Perfect Storm head of loyalty Natalie Reid says retailers getting this right make the return obvious through faster experiences, smarter recommendations, exclusive access or more personalised service.

“Loyalty works best when it is positioned as a member benefit, not a data capture exercise. Increasingly, retailers are treating loyalty as a relationship platform rather than a points programme. They are offering curated opportunities, early access and personalised services that justify deeper engagement.”

RAPP EVP marketing sciences James Heimers cites Ralph Lauren as an example of a brand that demonstrates a clear value exchange. “Ralph Lauren’s guided ‘Ask Ralph’ experience shows how customers will voluntarily share preferences when it leads to styling confidence. In return, shoppers expect consistency, transparency and for their preferences to be remembered across visits.”



Ralph Lauren is an example of a brand that demonstrates a clear value exchange

However, research from Retail Week in June 2025 revealed that 40% of UK shoppers don’t fully understand how retailers are using their data to personalise shopping experiences.

Andrew Hood, founder of analytics consultancy Lynchpin, says, “Zero-party capture – preferences that are actively shared by consumers rather than inferred – provides an ideal opportunity to communicate the specific value of sharing that data point (‘if we know this then we can do this better for you’).”

GDPR dictates that there must be a defined purpose for processing any personal data, and Hood adds that often this is a shared value to the consumer and the retailer, and that purpose can also be beneficial to summarise at the point of data capture, “not just buried in a privacy policy.”

Brands who seize the opportunity to clearly communicate how and why data is being used can create a strategic growth lever that increases retention, enhances customer sentiment and delivers commercial return.

NEW LOOK'S ROAD TO TRUSTED LONG-TERM LOYALTY

"Trust is the ultimate currency in retail," explains fashion retailer New Look's chief data officer Daniel Chasle. "There's no value in creating personalised experiences if customers don't trust how their data is being used, so clear communication is key."

The retailer has recently "transformed" its business "to become data-led and underpinned by strong digital fundamentals," he continues.

New Look owners Alcentra and Brait pledged a £30m investment in digital growth for the future in April 2025, across four key areas of growth: data-driven innovation, investment in technology, improving loyalty and engagement, and streamlining and improving the customer journey.

Last year, the retailer launched its first loyalty programme, Club New Look, which at the time of writing has 800,000 members and is estimated to reach 1 million by the end of the financial year.

"Through Club New Look, we're open about the value exchange, members receive tangible benefits – tailored offers, exclusive Club Prices, early access to launches and member-only prize draws – in return for telling us a bit more about how they shop.

"By being transparent and consistent, we ensure personalisation enhances the experience rather than undermines trust, and we have big plans for next year to continue developing the personalised experience and to provide recommendations more aligned to a customer's in-the-moment mission," Chasle says.

"For us, Club New Look isn't about short-term transactions; it's about building long-term relationships that feel genuinely useful and personal, grounded in trust."

TOP TIPS TO CONNECT WITH ONLINE CONSUMERS

1. PRIORITISE AUTHENTIC PERSONALISATION

As retailers grow more adept at leveraging data, the focus is shifting away from simple transactional rewards toward a comprehensive lifecycle marketing strategy. This approach moves beyond surface-level tactics to build long-term relationships by understanding who customers are and how their needs evolve. Today's consumers, particularly Gen Z, are not driven by blanket discounts; they make decisions rooted in value, relevance and trust.

The demand for this shift is clear. Salesforce's State of the Connected Customer report shows that 73% of customers expect better personalisation as technology advances, and 65% of UK consumers expect companies to understand their specific needs. However, global research from Valtech in 2025 indicates that many brands are struggling to keep pace, with consumers increasingly frustrated by disconnected experiences or invasive, superficial personalisation.

Consumers want deeper, more authentic personalisation, built on a foundation of transparent value exchange. Rather than relying on siloed data tracking, retailers can responsibly collect permissioned data through audience verification.

This data can allow them to form audience segments based on meaningful, verified attributes, access these audiences with targeted offers and deliver personalisation that feels earned rather than invasive, strengthening brand trust.

Techniques like progressive profiling - capturing preferences incrementally through quick, optional polls - are essential for avoiding data silos, which, according to Valtech, impact 31% of retailers. By combining the insights from permissioned data with behavioural insights from subsequent customer engagements, brands can create a seamless journey that evolves with customers as they move through online, app and in-store channels.

"Consumers will expect retailers to join the dots and not provide mismatched experiences based on a siloed understanding of them," said Lynchpin's Andrew Hoode.

Ultimately, loyalty is no longer earned through rewards alone; it is a lifecycle effort built through relevance and transparency. The retailers coming out on top are those activating data to surround customers with genuine value, encouraging authentic, generational loyalty.

TOP TIPS TO CONNECT WITH ONLINE CONSUMERS

2. ROOT EVERY DECISION IN INSIGHT

Insight-driven decisions should also extend further, such as driving digital marketing and informing digital merchandising to ensure customers see the products they're most likely to buy, based on past behaviour and context. This level of relevance helps customers feel understood rather than targeted.

RAPP's James Heimers says the biggest opportunity for retailers leveraging data lies in using customer data to improve the entire retail operating model.

"Data that powers personalisation should inform product design, inventory allocation and merchandising decisions."

He adds that understanding common baskets and regional preferences helps retailers place inventory more intelligently, reducing markdowns.

"Pricing and promotion data combined with experimentation techniques can identify which levers drive incremental sales rather than subsidising existing demand. When data is treated as a shared asset across teams, retailers unlock both cost efficiencies and experience improvements."

Kingfisher is one retail group applying first-party data across the wider business. Its group digital and ecommerce director Romain Roulleau says, "This insight allows us to create truly personalised experiences, whether that's surfacing the right products for [customers], tailoring communications so they feel relevant, or shaping our ranges to meet their needs."

"We even use this data to understand demographics and make smarter decisions about where to open new stores, ensuring every interaction feels thoughtful and designed around what matters most to our customers."

Key to this is breaking down silos by consolidating and syncing CRM, ecommerce, loyalty and store POS data. This enables retailers to unify their view of customers and orchestrate personalised experiences for them across multiple channels without gaps or inconsistency.

TOP TIPS TO CONNECT WITH ONLINE CONSUMERS

3. GO BEYOND CONDITIONAL LOYALTY

Having a single unified view of the customer is critical to a successful loyalty programme and can become one of the most tangible ways retailers can demonstrate the value to customers in sharing their data. UK supermarkets are a good example of this.

Sainsbury's Nectar programme, which offers personalised reductions on everyday items, has seen strong uptake, with around 24 million active users, and is driven by consumers consenting to sharing their data with the programme, in exchange for rewards and discounts.

But while points-based loyalty programmes can be effective at driving behaviour, particularly around acquisition and early engagement, retailers are increasingly investing in lifecycle marketing – programmes that drive more meaningful engagement by targeting customers based on key stages or events in their life, such as being in college, retiring from a career, or buying a home.

As Publicis Sapient's Julian Skelly says: "Incentivised programmes create conditional loyalty; customers stay because of points, not because of the brand. The moment a competitor offers a better deal, they switch. Lifecycle loyalty, by contrast, recognises customers throughout their entire journey, from discovery through advocacy, from one life stage to another."

Last year, Publicis Sapient worked extensively with European grocers, including Bergdorf Goodman and Carrefour.

"The trend we were responding to was the need for retailers to move from 'how much did they spend?' to 'what do they need right now?'," says Skelly. "This means personalising not just products but the entire relationship, timing communications around life moments, recognising when to offer support versus when to upsell, and building communities around shared values rather than simply discounts."

The retailers using first-party data to understand identity beyond transactions – such as life stage, values and aspirations – and designing experiences that evolve with customers rather than treating every interaction as discrete, are the ones gaining an edge.

"Points-based programmes are transactional, lifecycle loyalty is relational. The difference in long-term value is profound," says Skelly.

TOP TIPS TO CONNECT WITH ONLINE CONSUMERS

Heimers states that incentivised loyalty programmes still work, particularly in value-led categories, but they are no longer sufficient in isolation.

“Long-term value increasingly comes from blending incentives with lifecycle relevance.”

By elevating data from a technical by-product to a strategic asset that informs every touchpoint and delivers experiences that customers genuinely value, retailers can ensure that shoppers feel the benefit of data-driven personalisation and understand how their data is used. This will build trust and deliver commercially.



RETAILERS THAT ARE GETTING IT RIGHT



WHAT YOU WILL LEARN FROM THIS CHAPTER

- How identity-based marketing strategies are driving results at ASICS and J.Crew
- Why Kingfisher see their loyalty platform as the ultimate feedback loop
- The 'special interest clubs' helping build communities at Marks & Spencer

In a tough economic climate, the retailers winning today are those designing experiences that adapt to customers over time – not just at the point of sale.

This means building personalised online journeys rooted in belonging and value exchange and recognising that loyalty is not created by isolated moments of hyper-personalisation, but by consistently responding to the customer as an individual.

Several retailers are grasping the opportunity to take loyalty to the next level. In this chapter, we shine a spotlight on the retailers redefining loyalty through deeper personalisation and engagement.



HOW ASICS' FRONTLINE WORKER PROGRAMME DELIVERED ON MULTIPLE FRONTS

The ASICS mission is centred around improving customers' physical and mental wellbeing. It stepped up this commitment during the pandemic, in order to support frontline workers under sustained pressure.

The brand introduced a healthcare worker discount, relying on a manual verification process, but demand quickly outstripped capacity. Backlogs grew to almost 70,000 requests and expanding the programme to other groups, such as the military, looked operationally unviable. Friction at the point of verification was undermining both customer experience and commercial opportunity.

"Streamlining our verification process was critical because rewarding frontline workers was central to our brand mission and promise. We needed a solution fast if we wanted to support our customers and walk our talk," says ASICS vice-president of omnichannel Sean Condon.

ASICS moved quickly to replace manual checks with automated eligibility verification through SheerID's Audience Network. Customers now complete a short form, are verified in real time using authoritative data sources, and can redeem their discount instantly online and in-store.

This shift enabled ASICS to scale its 'heroes' programme successfully. Healthcare workers, first responders and military personnel were initially given a 60% discount, which later became an evergreen 25%, with student and educator discounts added at 15%. In-store verification was also enabled, allowing store associates to apply discounts seamlessly and support customers struggling to prove eligibility.

The initial campaign delivered a 100% lift in conversion, drove more than 1,000 purchases a day and accounted for 15% of total sales in its first 25 days. Average order value was \$12 (£8.91) higher than non-discounted purchases, while automation saved hundreds of internal work hours each week.

For ASICS, streamlining loyalty delivery turned a values-led initiative into a scalable, revenue-generating programme that strengthens long-term customer loyalty.

As Condon says, "We're building customer loyalty in a way that fulfils our brand's mission."

BOOTS DRIVES LASTING RELATIONSHIPS THROUGH LIFE STAGE MARKETING

Launched in 1997, the Boots Advantage Card now boasts over 17 million active members, and is part of the retailers overarching strategy to build “lasting relationships by supporting customers through different life stages, rather than simply driving transactions,” explains Matt Hanlon, director of omnichannel and media at Boots and head of Boots Media Group.

First-party data, largely gathered through the Boots Advantage Card, plays a “crucial role” in understanding shopping behaviours, preferences and life-stage needs.

“Because Boots operates in categories that are personal, life healthcare, this insight is particularly powerful,” says Hanlon. “In a privacy-first retail environment, this data is increasingly important, enabling meaningful personalisation at scale while protecting customer trust and reducing reliance on third-party data. It enables boots to transition from broad assumptions about our customers to a deeper understanding of their needs.”

These customer insights are used to deliver timely and relevant activity, he explains, which could include replenishment reminders and loyalty rewards, to re-engaging lapsed shoppers and encouraging trial of new products to align with their individual needs.

Hanlon outlines that “these approaches consistently outperform more generic messaging. In one replenishment-trigger email for the hair care category, return reached three times the investment compared to our internal benchmarks, underlining the value of well-timed, personalised communication. At scale, personalised in-app offers also perform strongly, delivering an average return of more than four times our benchmarks. The message is clear: relevance drives results.”

The retailer launched its ‘Boots Parenting Club’ in 2005, and it’s ‘Boots over 60s’ and ‘Boots Student Club’ rewards programmes in 2019, all of which Hanlon says “can be particularly effective at targeting customer groups and offering personalised content.”

The focus of the retailer’s strategy, he outlines, is on “being helpful and supportive at a life stage where reassurance and expertise really matter.”

KINGFISHER BUILDS APP-BASED COMMUNITIES

In October last year, Screwfix, part of Kingfisher, launched its new loyalty programme, Screwfix Rewards, offering deals, discount days, prize draws, and spend and save offers. Customers collect 'stack and save' coins with every purchase and these can be redeemed in the retailer's app.

Kingfisher's Romain Roulleau says the Group's loyalty programmes give it rich customer insights, enabling more personalised experiences, targeted promotions and seamless interactions – particularly through its apps, which now account for over a third of Group ecommerce sales.

"This data is also critical to harnessing AI, allowing us to deliver smarter product recommendations and enhanced customer support, further elevating the shopping experience."

Kingfisher saw 11% growth in members across the board from July 2024 to July 2025, with TradePoint, its trade-focused banner at B&Q, seeing 13% year-on-year growth in loyalty membership in the six months to July.

Roulleau added, "Loyalty programmes play a huge role in building a genuine sense of community around our brands. By putting customers at the heart of everything we do, these programmes create a space where people feel valued and connected with us, not just through rewards, but through shared experiences and two-way communication.

"In some of our banners, we've used loyalty as a feedback loop, inviting customers to share their thoughts on products and store experiences, which helps us improve and innovate in ways that truly matter to them. This sense of belonging is powerful, and it turns frequent shoppers into passionate advocates and drives sustainable growth by strengthening trust and engagement."

HOW J.CREW STREAMLINED VERIFICATION TO TAILOR DISCOUNTS TO 'COMMUNITY HEROES'

US-based omnichannel retailer J.Crew has effectively used personalisation to tailor offers across the shopper's journey, seeing significant loyalty growth by offering exclusive discounts to high impact service professions such as teachers, before expanding this to include military members, medical professionals and first responders.

Initially, J.Crew offered its evergreen discount through a verification process tied to each transaction, but as the programme grew, the number of verifications, promo codes and triggered emails surged, adding complexity and increasing friction across the experience.

To streamline the experience and scale its community-offer programme, J.Crew introduced SheerID's Account Linking, enabling real-time verification and allowing offers to be seamlessly appended to a customer's loyalty account. Once verified, members could easily access and apply the offer at checkout, ensuring a frictionless, one-click experience that preserved conversion performance.

As a result of this integration, verified offers automatically appear in a customer's account and are readily available for use in every transaction, both online and in-store. In retail locations, the benefit is tied directly to the member's profile at POS, allowing store associates to simply click to apply once verification is complete.

J.Crew senior manager, membership marketing Ashley Pia says, "By pulling the benefit into our loyalty programme, we were able to surface the offer at checkout in a one-step, click-to-apply fashion – creating a seamless experience for the customer."

The approach resulted in a 35% increase in verified customers, a lift of around \$10 (£7.42) in average order value, and a 38% increase in overall programme demand, highlighting the efficacy of being able to reliably identify and verify eligible audiences. J.Crew's community-offer programme has quickly become a key driver of engagement and loyalty growth.

FEEL GOOD CONTACTS DRIVES APP-BASED LOYALTY

Eyewear retailer, Feel Good Contacts, has taken a different tack, moving beyond its Rewards points-based programme and investing heavily in first-person data, app-led experiences and tailored customer journeys that respond to real behaviour across the full customer lifecycle.

Feel Good Contacts chief operating officer Nimesh Shah says, “Customers increasingly expect fast, seamless, app-led experiences, and brands that invested early in mobile technology are already seeing the benefits. Apps are evolving from transactional platforms into loyalty ecosystems, driving repeat spend through convenience, exclusive offers and personalised engagement.”

Feel Good Contacts’ mobile app is central to rewarding loyalty. “Through app-exclusive offers, loyalty initiatives and continuous UX improvements, we’re focused on creating more personalised and convenient experiences. As a result, we’re anticipating at least 10% growth in the coming year.”

As Shah says, personalisation and tailored journeys are central to the company’s growth strategy.

“To offer the best experience, we step into our customers’ shoes, understand their expectations and focus on building meaningful relationships. Our customer-first initiatives, including reward point reminders, free delivery, giveaways and refer-a-friend, are designed to support customers throughout their journey and strengthen long-term loyalty.”

M&S NURTURES A PARENTS' COMMUNITY ON AND OFFLINE

Community is also a key focus for Marks & Spencer, which launched its Parent Hood club – the first of its 'special interest clubs' for Sparks members – in August 2024, aimed at increasing its share of childrenswear. M&S said the initiative was an opportunity to foster a community, as well as boosting frequency of shopping and cross-category purchases, offering members the opportunity to save up to £250 a year.

Parent Hood members immediately receive 10% off M&S baby grows for 12 months, plus tailored offers such as maternity and nursing bras. Following a successful trial throughout June and July 2024, members can also attend weekly parent and baby meetups in participating M&S Cafes.

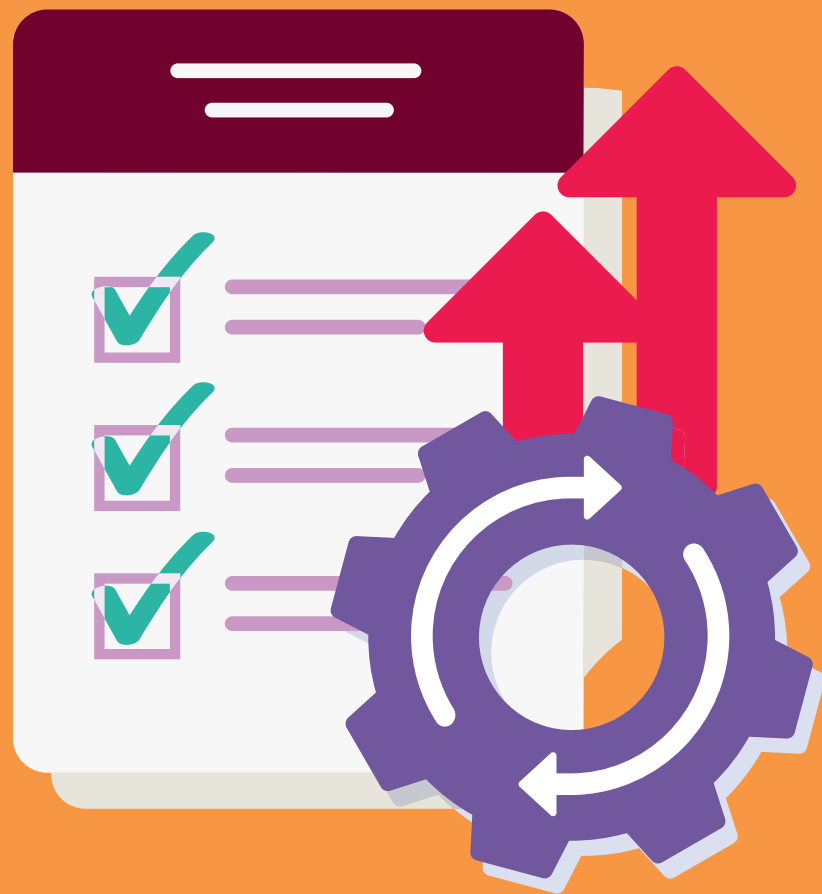
Within a year, Parent Hood had attracted 230,000 members and driven over £2m in incremental value to M&S, with 75% of sales coming through kidswear. The appetite for being part of a physical community has also been strong, with over 30,000 members attending its weekly coffee mornings.

A STRATEGY THAT'S WORKING

These case studies show how leading retailers are shifting from being generous to being thoughtful. "The focus is moving away from how much they give away and towards how relevant and meaningful the experience feels," says Reid. "Retailers are moving from transactional reward programmes towards ecosystem-based loyalty that delivers intrinsic value, and those making this shift are seeing measurable uplifts in advocacy, reactivation and engagement."

The winners are those treating loyalty as a business capability and a growth driver, not simply as a marketing add-on.

DRIVING ONLINE GROWTH: WHAT YOU NEED TO DO NOW



How can retailers enhance their online customer journey and drive continued engagement and growth? We highlight five key takeaways.

1

TREAT DATA AS A GROWTH ASSET, NOT A MARKETING BY-PRODUCT

In 2026, data is no longer simply the “output” of a marketing campaign; it is the input enabling business-wide agility. Progressive retailers are breaking down data silos to ensure that customer identity can inform decision making across the business, from product research and development to fulfilment optimisation. This transition from “instinct” to “identity-driven” operations creates a more resilient business model, ensuring relevance at every touchpoint while supporting the bottom line.

2

ANCHOR PERSONALISATION TO LIFECYCLE MOMENTS

Generic ‘recommended for you’ personalisation no longer gleans top results. The most effective strategies are tied to lifecycle triggers such as onboarding, replenishment and lapsed engagement, or life stages such as starting a family. Retailers should prioritise a small number of high-value moments where personalisation feels helpful, not intrusive.

3

MAKE THE VALUE EXCHANGE EXPLICIT AND VISIBLE

Consumers are increasingly selective about data sharing. Retailers must clearly demonstrate what customers get in return, from better deals to early access to sales, smarter recommendations to faster fulfilment. Loyalty works best when positioned as a member benefit, not a data capture exercise. Transparency builds trust, which in turn unlocks deeper personalisation.

4**USE VALUE-LED INCENTIVES TO DRIVE HABIT, NOT JUST CONVERSION**

Triggering a transaction isn't enough. Use value-driven offers to encourage repeat behavior and long-term brand engagement. While an initial incentive can lower the barrier to entry, the true power of audience marketing is its ability to bring brands verified data that enables them to recognize and reward meaningful aspects of a customer's identity throughout their lives.

5**BUILD A SELF-SUSTAINING LOYALTY ENGINE BY REWARDING YOUR KEY AUDIENCES**

Create a richer brand community by identifying and supporting the high-value audiences who most align with your brand. When you authentically engage groups like students, healthcare workers and educators, they naturally amplify your brand through word of mouth, which creates a loyalty flywheel that feeds its own growth. But make sure your support is genuine and ongoing. Consumers know when a brand's programmes are self-serving, and the consequences can damage a brand's reputation.





Rebecca Grimes, chief revenue officer, SheerID

In today's hyper-competitive retail environment, technology and data activation have become critical strategic differentiators. While European retailers have vast amounts of data from POS systems, ecommerce platforms, CRM systems, and loyalty programmes, it's often siloed, which deprives teams within the company from having a unified view of customers.

Scaling retail success in 2026 requires a fundamental shift from intuition to data-backed intelligence. This transformation is anchored in a transparent value exchange; brands provide exclusive access and curated incentives in exchange for permissioned consumer data. When executed correctly, this permissioned data becomes a strategic superpower – fuelling personalised lifecycle marketing and providing the high-fidelity insights needed to sharpen everything from product innovation to financial modelling.

Research backs this. [PwC UK](#) notes that value-led retailers consistently outperform competitors, while [McKinsey](#) finds that fast-growing companies generate 40% more revenue from personalisation than slow-growth peers.

Ultimately, winning in today's retail landscape requires brands to bridge the gap between data acquisition and strategic activation. By leveraging the right technology to capture permission-based data, retailers can transform raw insights into personalised experiences that accelerate growth and secure long-term loyalty.

LOYALTY, GROWTH AND THE FUTURE CONSUMER IS PRODUCED BY



Rebecca Taylor
Commercial content editor



Nicola Smith
Report writer



Vanessa Kintu
Production editor



Laura Heywood
Head of commercial
product operations



Alban Bizet
Senior Designer



Nicola Harrison
Commercial content director



RetailWeek 2024
CONNECT

In partnership with

SheerID