



REPORT

# How to keep hold of your customers

Planning ahead for the next phase of loyalty and personalisation

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# Loyalty has never been harder — or more important — to earn

*By Ben Snowman, Global Head of Loyalty and Personalisation*

**L**oyalty programmes aren't working — not like they used to, at least. Here in the UK, for instance, four-fifths of shoppers say they're a member of multiple grocery loyalty programmes. At the same time, only half say that loyalty cards actually have an impact on where they choose to shop. Worse still, a similar number believe that loyalty programmes benefit retailers more than they do customers<sup>1</sup>. Somewhere — somehow — something has become unstuck.

Take a look around, and it's not hard to see why. Shoppers expect more: more personalised experiences, more value, more recognition. Technology is reshaping what's possible — and what's expected. And despite a growing need to stand out, loyalty programmes instead risk becoming ever-more homogenised; the same core product, wrapped up in different packaging.

"True" loyalty, of course, is about so much more than just loyalty programmes. It's about the attitudinal, emotional, and behavioural relationship between a company and its customers — and loyalty programmes only form one part of that equation. Nonetheless, when it comes to their current priorities, there's one thing that retailers are focused on above all else: the evolution of their loyalty programmes.

In a retailer-focused study from 2024, for instance, we learned that 90% of retailers are making active investments in the evolution of their loyalty programmes. They know — just as much as customers do — that something needs to change<sup>2</sup>.

It's with that thought in mind that we created this report, one that's as much about moving forward as it is about looking back. It captures the honest views of senior retail decision-makers across Europe and North America and combines them with customer views on loyalty. It shows what's working, and what's not. And it's designed to help you ask the right questions — and find the right answers — for your own business.

Loyalty isn't dead. But it is being reinvented. Let's see how.



**Ben Snowman**  
Global Head of Loyalty  
and Personalisation



# Executive Summary

This report provides an in-depth look at retailer and shopper attitudes towards loyalty programmes. In a hurry? Here's what you need to know:



## *The retailer view*

- **The key challenge?** Retention. Price sensitivity is high, loyalty is low, and many retailers feel they're lacking the insight to understand their least loyal customers.
- **Operational pain points vary.** From tech limitations and geographical coverage gaps to privacy concerns and digital equity, there's no single loyalty barrier — just a growing list.
- **Personalisation is top of the wishlist.** If budget wasn't an issue, most retailers would invest in more tailored, omnichannel, and even AI-driven experiences.
- **If forced to cut costs?** They'd ringfence personalised rewards, and slash generic ones. Mass-market tactics are on their way out. Relevance and 1:1 engagement are in.
- **Inspiration is coming from outside grocery.** Sephora, About You, and Starbucks were all cited as inspirations — highlighting retailers' desire to break the mould.



## *The customer view*

- **Personalisation works.** 23% of shoppers made unplanned purchases thanks to personalised offers. In the UK and France, personalised offers outperform TV ads.
- **Loyalty is evolving.** Shoppers now expect relevance, recognition, and a sense that their values are being reflected. Discounts alone don't cut it.
- **The industry's best are winning with loyalty.** Loyalty leaders enjoy stronger growth, a deeper emotional connection, and better shopper satisfaction scores.
- **AI is the next frontier.** Customers are already using AI to shop — and the opportunity for retailers to take loyalty to the next level with AI is clear.



## **The three questions retailers need to ask**

- 1 How will we stand out as AI and automation make 1:1 personalisation commonplace?
- 2 How do we structure our business to deliver on rising customer expectations around personalisation?
- 3 Are we designing loyalty around future customer expectations — or just following the pack?

# Lessons on loyalty

## *How are some of the world's leading retailers approaching loyalty and personalisation today?*

Numbers can tell you a lot. They can tell you that more than half of retailers now offer traditional, points-based loyalty programmes, for example<sup>3</sup>. They can tell you that the average U.S citizen is enrolled in more than 15 loyalty schemes, the average European nine<sup>4</sup>. They can tell you that the 80% of companies tracking the ROI of their loyalty programmes report an average return of 4.9x<sup>5</sup>. At the same time, however, numbers can only tell you part of the story.

One of our main objectives with this report was to understand how some of the world's largest retail organisations are approaching loyalty and personalisation today — and how they're setting themselves up for success tomorrow.

To that end, we ran a qualitative study with a number of senior decision makers within retail businesses across Europe and North America. We surveyed this panel on their loyalty-related challenges, priorities, aspirations, and more. Here's what they told us.

### **1 Insights, technology, and retention: retailers face a variety of challenges**

Loyalty and personalisation practices have become increasingly standardised over the past decade. Because of that, it can be tempting to assume that retailers typically run into the same kinds of issues. The reality — according to our own research, at least — is very different indeed.

Asked what their biggest challenges are in relation to loyalty today, our panellists offered up an array of different responses. For some, the issues are operational; one retailer said they don't have the technological resources they need, another that their stores simply aren't close enough to customers. Others point to thornier, more complex issues like data privacy and digital equity.

As varied as the results here are, though, if there is a unifying factor then it's the issue of customer retention. While inflation may have fallen from its late 2022 peak, cost pressures on consumers remain<sup>6</sup>, and several of the retailers we spoke to pointed to the challenges of a "price-centric" market. The consequence of this environment, they said, is that they're struggling to retain shopper loyalty to the extent that they'd like.

Critically, this isn't just about price; it's about understanding. As well as market conditions, our respondents spoke of their desire to create "golden customer profiles", plot out lifetime customer values, and develop a better understanding of "less loyal" customers' behaviours. Even today — with all of the advances that have been made around data science — retailers still want to know more about their customers.

### **2 Fast, smart, and frictionless: what retailers would change about their loyalty programme**

If retailers are facing a diverse set of challenges around loyalty and personalisation, they're pursuing an equally broad set of solutions. Asked what they'd change about their loyalty programme in order to boost retention, our panel's responses ranged from subtle adjustments through to sweeping changes — with one even positing a 50% discount for members.

Broadly, though, the focus here is on making life easier for shoppers. Respondents told us of their desire to "make technology easier for customers to embrace," and that they'd like to "reduce friction in the participation process". A "seamless" experience, one

powered by “quicker reaction times” and “robust digital capabilities” is seen to be the ultimate goal.

While the logistics of loyalty are the focus for many, though, others are more concerned with the issue of value. One panellist in particular told us that they’d like to increase the perceived value of their loyalty programme for individual customers, with another pondering the benefits of a tiered approach to loyalty. Different directions, then — but all in service to shoppers.

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### **Personalised, scalable, and flexible: retailers have near-identical loyalty wishlists**

We know what they’re struggling with — but what if retailers had unlimited resources at their disposal? How would they choose to employ them, and what would they hope to achieve?

Personalisation is a big focus here. Half of the retailers we interviewed said that they’d like to enhance their capabilities in this area to at least some extent. And, while some have relatively simple ambitions (“more personalised offers”), others are dreaming bigger. True omnichannel personalisation was mentioned more than once, while the idea of fully automated, 1:1 personalised offer and content creation is similarly appealing.

Where personalisation isn’t the priority, respondents tend to be focused on the actual mechanics of their loyalty programmes. If money were no object, said one retailer, they’d introduce a dynamic ‘earn and burn’ option across every product they sell. For another, the dream would be to introduce an interchangeable loyalty currency, one that could be used wherever customers desire.

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### **Offers, coupons, and partnerships: what retailers would keep — and what they’d cut**

Having given them free rein to imagine what their loyalty programme would look like without financial limitations, we then flipped that question on its head. If our respondents had their budget cut in half, how would they proceed? What would they be willing to sacrifice, and what would they defend at all costs?

Given the personalisation-centric ambitions that we’ve already discussed, it’s probably unsurprising to learn that most would also ringfence that capability in a worst-case scenario. Whether it’s personalised offers, coupons, or “meaningful rewards”, the majority of our panellists said they’d keep 1:1 engagement with customers in place over anything else.

With that fact in mind, it’s equally obvious that generic, mass-market rewards would find themselves on the chopping block. “Plain rebates” and “complex coupons” would be among the first initiatives to go, though some retailers suggest that they’d turn inwards as well — “partnerships” and “third-party” integrations would also be at risk, a few told us.

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### **Beauty, fashion, and discretionary: where retailers are looking for loyalty inspiration**

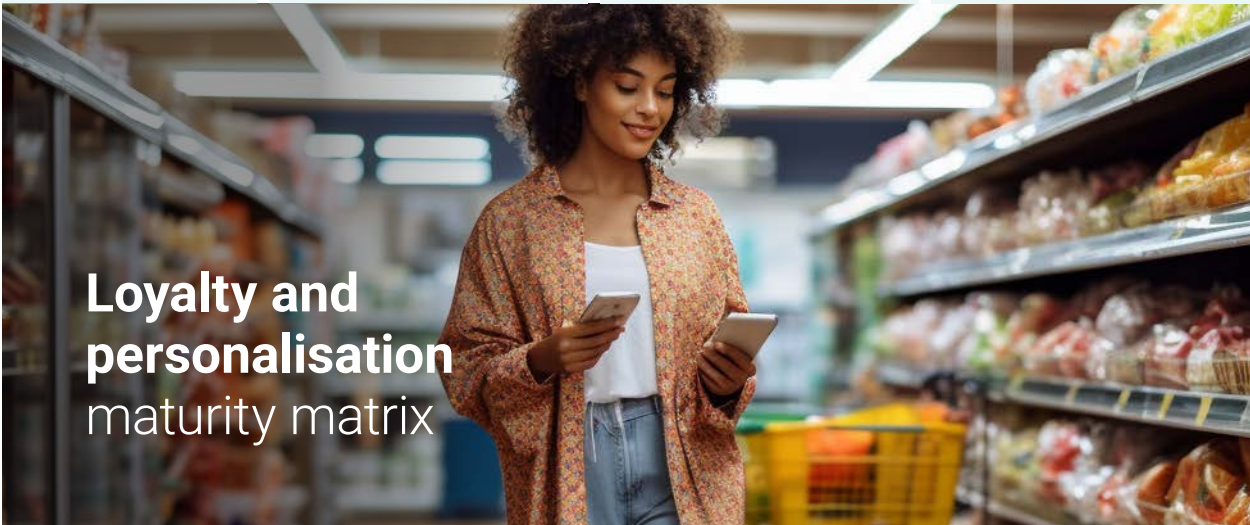
In the main, respondents to our study come from the grocery retail world. And, while some admit to looking to others in the grocery space for inspiration, others are more focused on the wider world of retail.

Asked to tell us which retailers demonstrate “best in class” loyalty and personalisation capabilities, some of the key names mentioned included Sephora (a beauty retailer), About You (fashion), and Starbucks.

# The loyalty and personalisation maturity matrix

In addition to the questions above, we also asked our panellists to score themselves based on their organisation’s ability to integrate loyalty insights into other areas of the business. While ultimately self-stated — and not necessarily a reliable indicator of maturity — those responses did lead us to some helpful conclusions about how businesses at different ends of the scale tend to operate.

	 Challenges	 Wants	 Priorities for protection
<b>Starter</b> <i>Minimal integration</i>	<ul style="list-style-type: none"><li>✓ Insights.</li><li>✓ Engagement with less loyal customers.</li></ul>	<ul style="list-style-type: none"><li>✓ Greater personalisation across channels.</li></ul>	<ul style="list-style-type: none"><li>✓ Personalised offers.</li><li>✓ Customer retention.</li><li>✓ Engaging new members.</li></ul>
<b>Intermediate</b> <i>Consistent integration</i>	<ul style="list-style-type: none"><li>✓ Customer retention in a price-driven market.</li><li>✓ Engagement with less loyal customers.</li><li>✓ Data privacy.</li></ul>	<ul style="list-style-type: none"><li>✓ Multi-channel, automated 1:1 personalisation.</li></ul>	<ul style="list-style-type: none"><li>✓ Personalised offers.</li></ul>
<b>Superior</b> <i>Complete integration</i>	<ul style="list-style-type: none"><li>✓ Digital equity.</li><li>✓ Technological resource.</li></ul>	<ul style="list-style-type: none"><li>✓ Multi-channel integration.</li><li>✓ Universal loyalty currency.</li></ul>	<ul style="list-style-type: none"><li>✓ Personalised offers and rewards.</li></ul>



# The customer context

## *Understanding loyalty from the most important perspective of all: the customer's*

The document you're reading is just one of many studies that dunnhumby creates each year. Amongst others, we also produce two customer-focused reports – the Consumer Pulse and the Retailer Preference Index.

The Consumer Pulse (known as the Consumer Trends Tracker in North America) is a global, biannual study that questions shoppers on a range of issues relating to their grocery retail experiences. Originally developed to keep track of changing behaviours at the height of the COVID-19 pandemic, the Pulse has evolved over time. Today, it provides in-depth insights into issues including price sensitivity, health and wellbeing, purchasing behaviours and – naturally – shopper loyalty.

The Retailer Preference Index (RPI), on the other hand, focuses specifically on retailer performance. Each report in the RPI series zeroes in on one specific country, with shoppers scoring retailers based on a variety of different factors. At its heart, the RPI is designed to track the link between meeting shopper needs and commercial success, with those retailers who excel at the former typically placing higher in our rankings. Once again, loyalty plays a key role here.

So, what can our most recent Pulse and RPI studies tell us about loyalty from the customer point of view?

### **Taking the Consumer Pulse<sup>7</sup>**

Our two 2024 consumer studies told us a lot about loyalty and personalisation. Here are some of the combined headlines from both.

#### **1. Personalisation is increasingly effective – and expected**

23% of shoppers across Europe said that personalised offers from retailers had prompted them to make a purchase they weren't planning on. Generally, personalised communications from retailers are seen to be almost as effective as TV advertising at influencing shopper behaviours (and in the France and UK, more so).

#### **2. In North America, loyalty programmes are core to the idea of “good” retail**

Relevant discounts (69%), rewards (54%), and personalised coupons (49%) are some of the key factors that shoppers consider when weighing up a retailer's value proposition. Loyalty-related behaviours are on the up, too; the number prepared to log in or scan a membership card has risen by 10% in three years, and the number using coupons by 8%.

#### **3. Shoppers feel that loyalty needs to evolve**

While saving has become an entrenched behaviour, shoppers now expect more than just discounts from retailer loyalty programmes. For a start, they want relevance – rewards that match their values and needs, exclusive offers, and the sense that retailers understand them as individuals. Eco-friendly and purposeful rewards have a role to play here, too.



#### 4. Loyalty is a strategic pillar — not just a CRM tool

Our 2024 Pulse reports noted that shoppers are looking to retailers for three things: to help them save, to excite them, and to help them “care” for themselves and the planet. Loyalty is a key lever for all three. It can strengthen value perceptions, help retailers activate on new products, formats, and partnerships, and provide the data needed to support healthier and more sustainable choices. Loyalty is now a true strategic pillar.

#### 5. Predictive personalisation and AI are the next frontier for loyalty

Even in 2024, 12% of grocery customers said they were using AI to help them with their shop. As that behaviour grows, retailers will have an opportunity to introduce new levels of personalisation into their operations. Tactics like adaptive promotions and predictive nudges will come to define the personalisation leaders of tomorrow.



## The RPI Series<sup>8</sup>

Our RPI studies were similarly enlightening. Here are the key loyalty and personalisation insights from three of our most recent reports.

### 1. Loyalty programmes are becoming a key driver of shopper preference

One of the main goals of the RPI is to find out why people shop where they do. We do this by asking respondents to rank issues like price, store experience, and more in order of importance. In our 2024 studies, we found that loyalty is now a top-tier priority. In France and Italy, it ranks fourth — above traditionally critical issues like quality and variety.

### 2. Good loyalty programmes drive emotional connection — and commercial performance

Retailers with high-performing loyalty schemes not only enjoy a deeper emotional connection with shoppers, they also outperform commercially. What's more, loyalty is rapidly becoming one of the few remaining areas in which retailers can differentiate themselves; the gap between the best and worst loyalty performers in each market is massive.

### 3. A measurable — and meaningful — loyalty “bump” exists

Retailers that outperform the competition around loyalty demonstrate stronger growth rates. In Italy, for instance, loyalty leaders enjoy a CAGR of 8%, compared to 6% for the rest. Retailers with good loyalty programmes also tend to boast much higher customer satisfaction scores.

### 4. Loyalty has an outstated impact on specific audiences

A good loyalty programme is especially valued by families with children and older shoppers, who frequently cite it as the most influential factor when deciding where to shop. And in France and Italy, loyalty consistently ranks as the number one factor for three out of the four “lifestage” groups we identified.



# The three questions you need to ask about your own loyalty programme

*From AI and automation to insights and inspiration, here's your guide to tomorrow*

We've looked at how leading retailers are approaching loyalty. We're all caught up with the customer view. But what about your own organisation? How can you ensure that you're set up in the right way to compete? Here, **Debora Franchim** — Director of Loyalty and Personalisation — and **Siro Descrovi** — Customer Strategy Manager — explore three crucial questions that you need to ask about your own loyalty and programme.



**Debora Franchim**  
Director of Loyalty and  
Personalisation



**Siro Descrovi**  
Customer Strategy  
Manager

One thing that's clear in our conversations with retailers for this study is just how much diversity of thought there is around loyalty and personalisation right now. From their challenges and priorities through to their hopes for the future, retailers are approaching the issue of loyalty from a variety of different angles. Commonalities exist, but they're the exception rather than the rule.

Through one lens, that diversity can be seen as a positive trend. It's reflective of a healthy market, one in which retailers are simply at different stages on their loyalty journey. Through another, though, it shows how difficult it can be to find the focus that's needed to succeed. When there are so many avenues to explore, after all, it can be tempting to try them all.





It's with that in mind that we came to the three questions that every retailer should be asking about their loyalty programme — and what they should be doing in response:

1.

**"As AI and automation create new opportunities around loyalty and personalisation, how will we continue to differentiate?"**

Hyper-personalisation at scale. The automated optimisation of rewards. Predictive loyalty strategies, conversational chatbots, and more. AI and automation are revolutionising what's possible within the framework of a loyalty programme. And as time goes on, the influence that those technologies have will only continue to deepen.

AI and automation don't just provide the opportunity to do things differently, however. They also serve to lower the barrier for entry, particularly for retailers that are currently lagging behind. The speed and cost efficiencies that AI and automation bring will essentially level the playing field — enabling retailers to take their loyalty and personalisation capabilities from basic to advanced in record time.

For retailers that have already carved out a reputation for excellence in loyalty (and there are good reasons to do so, as evidenced by studies like the Pulse and RPI), this poses a challenging question: "when others can do exactly what you do — just as quickly and at an affordable cost — how do you continue to stand out from the crowd?"

This is why, ultimately, the future of loyalty and personalisation is human. True leaders won't just use AI and automation to reduce manual effort; they'll use it as an opportunity to elevate their people. Better standards of personalisation are on the wishlist of just about every retailer we interviewed for this study, but achieving that means being able to uplift your people and giving them the time they need to be strategic, creative, and bold.



### The response

Strategy first, tech later. Think about what you want to be able to do for your customers — and then how AI and automation can elevate your team's capabilities to the extent that they can deliver on those ambitions.

2.

**"With consumer expectations around loyalty continuing to evolve, how can we ensure that our business continues to deliver?"**

"Loyalty needs to evolve." It's a view shared almost unanimously by retailers and their customers alike. For the former party, that means making loyalty programmes easier to use, more engaging, and truly seamless. For shoppers, on the other hand, it's about being heard. They're less and less interested in generic rewards. For them, the future of loyalty is about understanding, empathy, and relevance.

These aren't contrasting objectives. But to deliver on what customers want — both now and in the future — you'll need to make loyalty and personalisation a business-wide concern, with a C-level sponsor. That's because real success here won't come from better technology, but from organisational alignment.

Even now, customers are looking for personalised experiences that run across channels — online, on app, and instore. They want their loyalty to be rewarded through value-added services, curated product sets, and enriching experiences. They want flexibility and control over their memberships.



These needs will push loyalty out of the domain of marketing and customer engagement and into those of product, supply chain, digital, and more.

As the trend towards AI discussed above takes hold, a cross-organisational approach to loyalty will only become more important. AI may enable “true” personalisation, after all, but it’s a dream that can only be realised if everyone’s pulling in the same direction.



### The response

Get loyalty to the top of everyone’s agenda, even if you have to drag it there. If you want to deliver something truly special – something that aligns uniquely with the needs of individual shoppers – then the silos have to go.

3.

**“Are we designing our loyalty programme based on what our customers value – or are we just following everyone else?”**

Imitation is said to be the sincerest form of flattery. And, on the surface at least, imitation can also seem like a good way to keep pace with the competition. If your nearest retail rival has launched a new initiative that seems to be wowing and wooing customers in equal measure, shouldn’t you roll out your own equivalent?

The answer to that question isn’t always as clear as we might want it to be. Tempting as it is to follow someone else’s (successful) lead, what’s more important here is to create something that’s a true reflection of your customers’ needs. Understanding – and doing – what’s right for them is more important than racing to play catch up with the competition.

Clearly, this isn’t always happening today. Asked where they were looking for inspiration, many retailers pointed us away from the grocery industry and towards areas like beauty, fashion, and discretionary. Rather than designing around their customers, they seem to be focused on what seems to be gaining traction elsewhere. Inspiration is important – but so too is context.

There’s another issue at play here, and that’s the danger of homogenisation. As we discovered in some of our recent RPI studies, loyalty is one of the few remaining areas in which retailers can create a truly differentiated offering. When everyone offers the same benefits and mechanisms, that opportunity rapidly disappears.



### The response

Worry less about what others are doing. Worry more about what your customers want. Understand their needs, and anticipate their future demands. Loyalty isn’t just about what’s new – it’s about what’s best.

# Industry insights

*Expert perspectives on loyalty from across the retail sector*

## THE RETAILER'S VIEW:



**Ashwin Prasad**

UK CEO, Tesco



In developing this report, we had the opportunity to catch up with Ashwin Prasad, UK CEO, Tesco. With the retailer celebrating the 30th anniversary of Clubcard – the UK's largest grocery loyalty programme, and one that dunnhumby has since gone on to support – we spoke to Ashwin about some of the lessons learned along the way.

### Q. Tesco celebrates 30 years of Clubcard this year. Why was it important to mark that milestone?

- A. When we launched Clubcard, it was about thanking our customers. We realised that our relationship with our customers was not something to take for granted and we wanted to reward them and build an even stronger relationship with them. It wasn't just about giving discounts, in understanding our customers better, we're able to serve them better.

That mindset is just as true today as it was 30 years ago. The insight from Clubcard has helped us shape relevant store ranges, respond to trends and offer promotions on the products people really want. Celebrating 30 years is more than a birthday – it's a way of thanking our customers for being with us, and a reminder that the answer always lies with our customers.

### Q. How do you keep Clubcard fresh after 30 years?

- A. You have to keep evolving, keep differentiating, keep innovating to stay relevant for customers. Their experiences and what is helpful to customers today is certainly different to what it was in the 90s.

It's got to be easy. It's got to be fun and engaging and it's got to be rewarding. At Tesco, we're working to the principle that the more I use my Clubcard, the more useful it is to me. It should always feel helpful, fun and rewarding but we also want to help people feel connected. Whether that's through the value they get from Clubcard Prices or days out with our reward partners – like theme parks or pizza nights. Doing all of that, in a relevant way, is how we keep things fresh and differentiated.



**Q. What does loyalty mean to Tesco today?**

- A. Loyalty is built, not bought. I think businesses can get into trouble when they think that loyalty is simply a scheme in service of trying to funnel customers into a way of behaving that looks like loyalty. That's the wrong way to think about it. It's about all the little things, every single day, every interaction and showing customers that we're listening, we care, and we're reliable.

So, loyalty can become a concept that becomes too ethereal, conceptual, and a bit of a marketing destination. It's simpler than that. Just like in personal relationships, loyalty comes from how you're treated consistently over time. If we're helpful, respectful, and fair — if we deliver value and make life a bit easier — that builds trust. Over time, that trust turns into loyalty. Every little helps.

**Q. How do you think about personalisation within loyalty?**

- A. In today's always-on world, people are bombarded with messages. The real challenge is relevance. Personalisation helps us cut through the noise by showing we understand what matters to each individual. That might mean recognising a customer's life stage — like being a new parent — or picking up on a shift in buying patterns and offering a helpful nudge.

And good personalisation is just listening better and being able to target and tailor better messaging that genuinely helps you and gives you the most frictionless way of adopting new behaviours. Of course, there's a lot of technical capability sitting behind that in order to cut through the noise, but that's what it is. It's not about marketing at people — it's about serving them, making things easier, and helping them make better choices with less effort. Done right, it feels like Tesco knows you, respects your time, and adds value.

**Q. And how is AI helping?**

- A. AI is a game-changer for scale and speed. With over 24 million households, no human team could analyse behaviour and adapt offers that quickly. AI helps us spot emerging trends, run rapid test-and-learn experiments, and personalise offers in a way that's responsive and efficient. It means we can act in real time, not in hindsight — getting the right messages, savings, or ideas to the right customers, just when they need them. And because our data is constantly evolving, AI helps us keep up and stay relevant.

**Q. How do you talk to suppliers about loyalty?**

- A. We bring it back to what really matters: serving customers better. Loyalty and personalisation aren't abstract — they're about earning respect by being useful, relevant, and fair. When suppliers understand that, they see how data and insight can help grow both their brand and ours. And we've got the people and capabilities to turn that into action — so it's not just a strategy, it's something we deliver on, together.

**“Loyalty is built,  
not bought”**

**- Ashwin Prasad**  
UK CEO, Tesco





**Marek Świdorski**  
Head of Loyalty Solutions  
**SYNERISE**

“ Let’s be blunt: most loyalty programmes haven’t kept pace. Despite all the talk around AI and personalisation, many still rely on the same formula — points, tiers, and discounts. Different branding, same underlying structure. It’s not that the tools aren’t available. The challenge is knowing how to use them in a way that actually drives relevance.

At Synerise, we turn AI from theory into action. We use behavioural data, machine learning, and real-time automation to help retailers connect with customers in more meaningful ways. That means going beyond transactions — reacting instead to how people browse, search, and engage across channels. True personalisation doesn’t start in a CRM rule. It starts with behaviour.

And with the right foundations in place, real-time becomes the baseline — not the end goal. What really matters is precision: the ability to adapt in the moment, orchestrate at scale, and shape experiences around each customer’s journey.

This shift opens the door to new kinds of loyalty mechanics. We’ve seen retailers move beyond traditional programmes — testing quests, unlockable tiers, even game-style features. It’s the kind of innovation that was out of reach just a few years ago. But with the manual work reduced — rules, data stitching, reporting, and more — teams now have space to think more strategically and experiment more freely.

Not everyone’s starting from the same point, of course. Some retailers have real-time infrastructure in place; others are still navigating legacy systems and batch uploads. Either way, the opportunity is the same: to build one intelligent layer that sees and responds to customer behaviour in the moment.

That’s when loyalty stops being a static programme — and becomes a living, adaptive system. One that helps retailers stay relevant, responsive, and ready for what’s next.

Why? Because the future isn’t about more points or prettier dashboards. It’s about systems that think, learn, and move as fast as your customers do. Precision is no longer a differentiator. It’s the baseline for growth.”





## THE INDUSTRY EXPERT'S VIEW:



**Bryan Roberts**

Senior Partner



“ The quest for loyalty continues to preoccupy the global grocery industry in an era of unparalleled and ever-expanding choice, set against a backdrop of ongoing economic and geopolitical uncertainty. This environment is leading to increased levels of shopper promiscuity, where grocery shoppers in most major markets around the world are routinely visiting half a dozen facias each month to satisfy their grocery needs.

The reality facing most food retailers is identifying, and living with, a tolerable level of disloyalty. It is therefore of little surprise that loyalty schemes have become a focal point of retailer investment. McKinsey recently noted that eight out of the ten largest European grocers have restructured their loyalty programmes since January 2024.

Ostensibly, many of these endeavours have been designed to bolster loyalty schemes in their own right, but it must be acknowledged that much of this investment has been motivated by a desire to drive data and insights and to establish a firmer foundation for retail media activation and measurement.

This is an important point: we feel that the purest essence of loyalty schemes — saying thank you to shoppers who exhibit a degree of loyalty — might occasionally get lost amid the ongoing landgrab for first-party data, data and insight monetisation, member-only pricing, and retail media ambitions. Indeed, quite a few loyalty programmes out there feel more about penalising non-participants than rewarding loyalists.

Where we are a bit more optimistic is around the direction of travel in terms of personalisation. While this might be one of the more overused (and frequently unjustified) words in the industry, there are some signs that we're reaching a tipping point where meaningful personalisation is gaining genuine traction.

Thanks to progress in data analytics and AI, several retailers are doing a much better job of personalising communications, prices, and promotions based on purchase history, category participation, and likely propensity to purchase. On paper at least, this is leading to better outcomes for retailers, shoppers, and branded manufacturers.

Alongside personalisation, another sizeable opportunity for retailers (and brands) is the potential to help shoppers make smarter choices — for health and sustainability — at the shelf. Whether this is through more finessed communication, gamification, or tailored pricing and promotions, there is a growing portfolio of examples of retailers incentivising healthier eating and greener choices.

A final point is that we in the grocery industry are often missing a trick due to insularity. Some of the best-in-class loyalty initiatives are not in food retail but can be found in health & beauty, department stores, general merchandise, hotels, restaurants, and travel. There is a lot to be learnt from other sectors in how we could be acknowledging and rewarding our best customers.”

# Conclusion

## *An inflection point for loyalty and personalisation*

Loyalty and personalisation are at an inflection point. Yesterday's differentiators are today's commonalities. But that doesn't mean that the opportunity to win with loyalty and personalisation has disappeared. On the contrary — it's expanding.

The retailers who succeed from here won't be the ones with the biggest budgets or flashiest tech. They'll be the ones who stay focused on what really matters: their customers. They'll avoid imitation and invest in relevance. They'll treat loyalty as a business-wide priority, not just a marketing channel. And they'll combine the best of AI with the best of their people.

The next chapter of loyalty will be more human, not less. And it will belong to those who ask better questions, make bolder decisions, and stay relentlessly focused on delivering real value to their customers.

[Find out how we can help.](#)



## *Methodology*

The insights and trends detailed in this report are drawn from a number of sources.

## *Lessons on loyalty*

The data used here originates from a qualitative study of eight market-leading grocery retailers — four North American, and four European. Respondents to our study were all senior loyalty decision makers within their organisations. Research was conducted between 1st and 23rd April 2025.

## *The customer context*

Data here originates from:

- Two Consumer Pulse studies, each based on responses from 2,000 grocery shoppers across France, Italy, Germany, Spain, and the UK (400 in each market).
- The most recent US Consumer Trends Tracker, based on responses from 2,000 grocery shoppers across the USA.
- The RPI 2024 Italia, a nationwide study that ranked 22 retailers using nearly 10,400 ratings from 5,500 respondents.
- The Barómetro 2024 España, which ranked 20 retail groups using more than 10,000 ratings from 4,500 respondents.
- The Baromètre Français 2025, which ranked 20 retail groups using more than 6,800 ratings from 4,000 respondents.



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With deep heritage and expertise in retail — one of the world's most competitive markets, with a deluge of multi-dimensional data — dunnhumby today enables businesses all over the world, across industries, to be Customer First.

The dunnhumby Customer Science Platform is our unique mix of technology, software and consulting enabling businesses to increase revenue and profits by delivering exceptional experiences for their Customers — in-store, offline and online. dunnhumby employs over 2,000 experts in offices throughout Europe, Asia, Africa, and the Americas working for transformative, iconic brands such as Tesco, Coca-Cola, Meijer, Procter & Gamble, Raley's and L'Oreal.

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