

UK SPOTLIGHT

THE LOYALTY DIVIDE



How to turn leads into brand loyalists

On average, 80% of a brand's profits come from the top 20% of customers*. This top 20% is your most loyal group of customers, known as brand loyalists. Brand loyalists are gold - they drive revenue and spread the word about your brand. So, why are they limited to just a fifth of your audience?

In Dotdigital's latest consumer research, we surveyed 3,000 shoppers to uncover the critical touchpoints that turn leads into brand loyalists. This quick guide shares actionable insights to help you optimize your marketing and grow your loyal customer base.

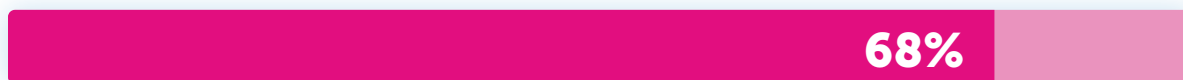
Step 1: Capture the right data

Every journey begins with an exchange of data. Email is still the channel of choice for consumers, but alternative experiences are on the rise.

Capturing the right data is essential for building stronger customer connections. It allows you to build relevant experiences on the channels your audience is most engaged with. But remember, this is a value exchange: clearly communicate the benefits of each channel and respect consumers' preferences.

How comfortable are you with sharing your personal data in exchange for rewards & perks?

Happy to share email



Happy to share postal address



Happy to share phone number



*zipppia.com

Step 2: Turn browsers into buyers

Once you've captured your customers' data, it's time to get to work and send them to the checkout. But what makes consumers click?

Top five purchase drivers for UK consumers

Online purchase drivers	Total
Customer reviews	52%
Free and easy returns	52%
Incentives and discounts	50%
Post-purchase rewards (in a loyalty program)	34%
Helpful product recommendations	2%

UK consumers reveal some interesting generational nuances. We discovered that Gen Z is increasingly motivated by scarcity (e.g. Only 3 left!) and popularity (e.g. In 10 carts right now!) messaging. They're not just looking for products; they want to know what's trending. By optimizing browsing experiences, you'll pave the way for deeper relationships down the line.

Step 3: Drive repeat purchases

Loyalty drivers ranked as 'important' or 'extremely important' by UK respondents

Loyalty drivers	Total
Best products	81%
Customer service (e.g. free shipping, live chat)	64%
Loyalty programs	52%
Cheapest products	48%
Sustainability	47%

When asked what makes consumers loyal to a brand, product quality was top, followed by customer service, telling us that loyalty is often a byproduct of a great overall experience. That doesn't mean it's completely out of your hands. Loyalty programs are a top influence, too, so communicating the perks of your program is essential.

In the UK, Gen Z is 88% more likely to feel loyal to brands recommended by influencers, and 36% more likely to stick with sustainable brands. Understanding and acting on these signals creates personalized, relevant marketing experiences that drive loyalty for your brand.

Step 4: Enroll in a loyalty program

So, we know the chance to earn loyalty points helps drive conversions, and loyalty programs inspire long-term brand engagement. It's time we dive into the programs themselves and what consumers want from them.

What type of loyalty program do you prefer?



Points-based programs are the overwhelming favorite, with 65% of UK consumers preferring these rewards. Baby Boomers and Gen X are the biggest fans of this program type. Gen Z and Millennials, on the other hand, are increasingly drawn to programs offering gifts and freebies.

Step 5: Reward their loyalty

Over half of your Gen Z audience (53%) want to be rewarded with gifts and freebies, no matter the type of program. Overall, cashback, freebies, and birthday rewards are most desired by UK shoppers.

Top five loyalty rewards of UK consumers

Rewards	Total
Cashback on products	57%
Freebies, gifts, or samples	55%
Birthday or anniversary rewards	49%
Free shipping or return services	48%
Personalized discounts or offers	46%

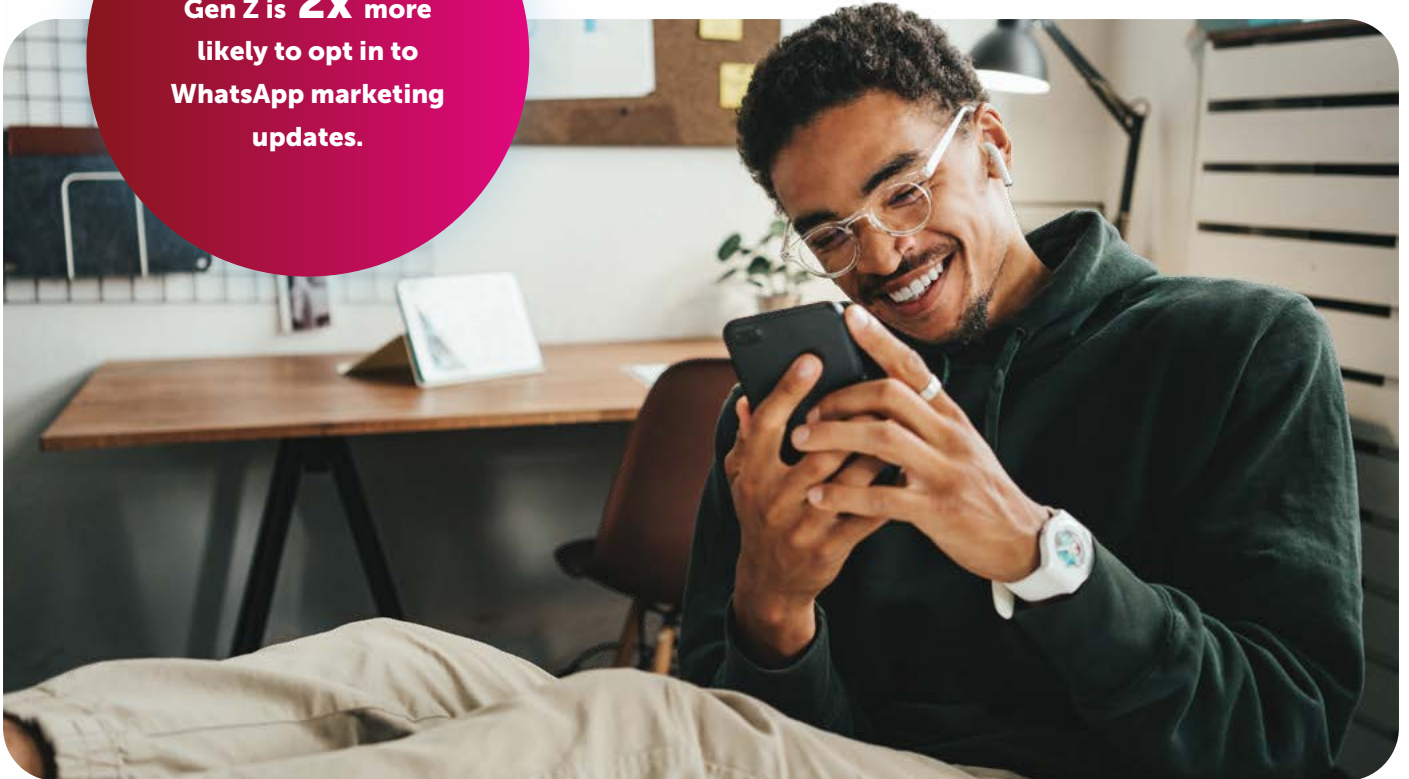
Step 6: Keep them engaged

After all your hard work, you don't want to lose a high-value customer because you're talking to them too much, not enough, or on the wrong channel.

The good news is that 64% of UK consumers want to receive email updates about loyalty programs, which aligns nicely with our findings on their data sharing preferences. While only 9% opted for a combination of channels, they're definitely onboard with using additional channels.

Gen Z and Millennials are leading the charge for mobile marketing, especially app notifications and WhatsApp updates. And, overall, the UK is 34% more likely to engage with direct mail channels. As demand for cross-channel marketing grows, showcasing the value of alternative channels will help you achieve stronger engagement by connecting with customers on their chosen platforms.

Gen Z is **2X** more likely to opt in to WhatsApp marketing updates.



Frequency also matters. While monthly loyalty program updates are what Baby Boomers and Gen X are after, Millennials expect weekly updates. Understanding these preferences is key to ongoing engagement.

How often do you want to receive loyalty program updates?

Frequency	Total
Daily	3%
Weekly	40%
Monthly	45%
Quarterly	8%
Annually	1%
Less frequently	2%

Step 7: Always be relevant

One of the most revealing findings in The loyalty divide is the disconnect between consumers' perception of personalization and relevancy. The majority of UK consumers (79%) are happy with personalization. However, only 20% consider those messages to be 'very relevant'.

More than anything else, the relevancy of your marketing will make or break your customer relationships. True loyalty grows from your ability to meet customer needs. Personalized and relevant marketing ensures you achieve this.

% of UK respondent who agree with the following statement

79%

"The personalized marketing I receive is 'just right'."

20%

"The marketing I receive is 'very relevant'."



Find out more about what makes a brand loyalist

This is just the beginning, we have tons more insights just waiting for you in The loyalty divide. It's time to get the lowdown on what customers really want from their favorite brands.

Check out the report

