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# Current State of Retail Customer Opportunities:

## UK Market Research Report 2025-2026

A Resonate commissioned Market Study | 2025-2026


Forbes

42% of UK consumers feel customer service is no longer a priority for retailers

NIQ

Consumer confidence still stuck in the red in October

GfK's index "still languishes at −17" in October 2025 despite a small uptick, with shoppers nervous ahead of the Budget and delaying big-ticket buys for Black Friday.

Retail Insight Network

UK retail sales fall amid rising costs

UK retail sales declined amid rising operational costs, with new levies and wage increases adding pressure. Retailers face tighter margins and may reduce investment in jobs and stores.


The Customer

AGENDA

# Growth focused CX insights

1. What is the primary reason(s) shoppers are coming in-store?
2. What do shoppers value the most during their in-store experience?
3. What is friction and churn during in-store customer experiences?
4. What are the opportunities to increase unplanned purchases in-store?
5. What CX drivers are key to high-value customer segments?
6. Which experiences create advocates?
7. Dream experiences that bring more shoppers in get them to stay longer?

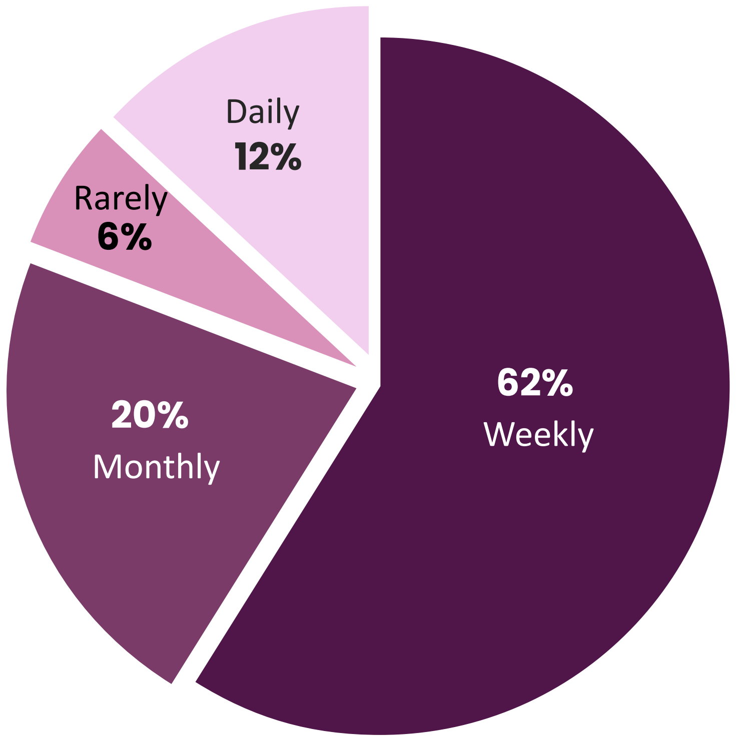
 

PART 1

# Understanding CX Drivers

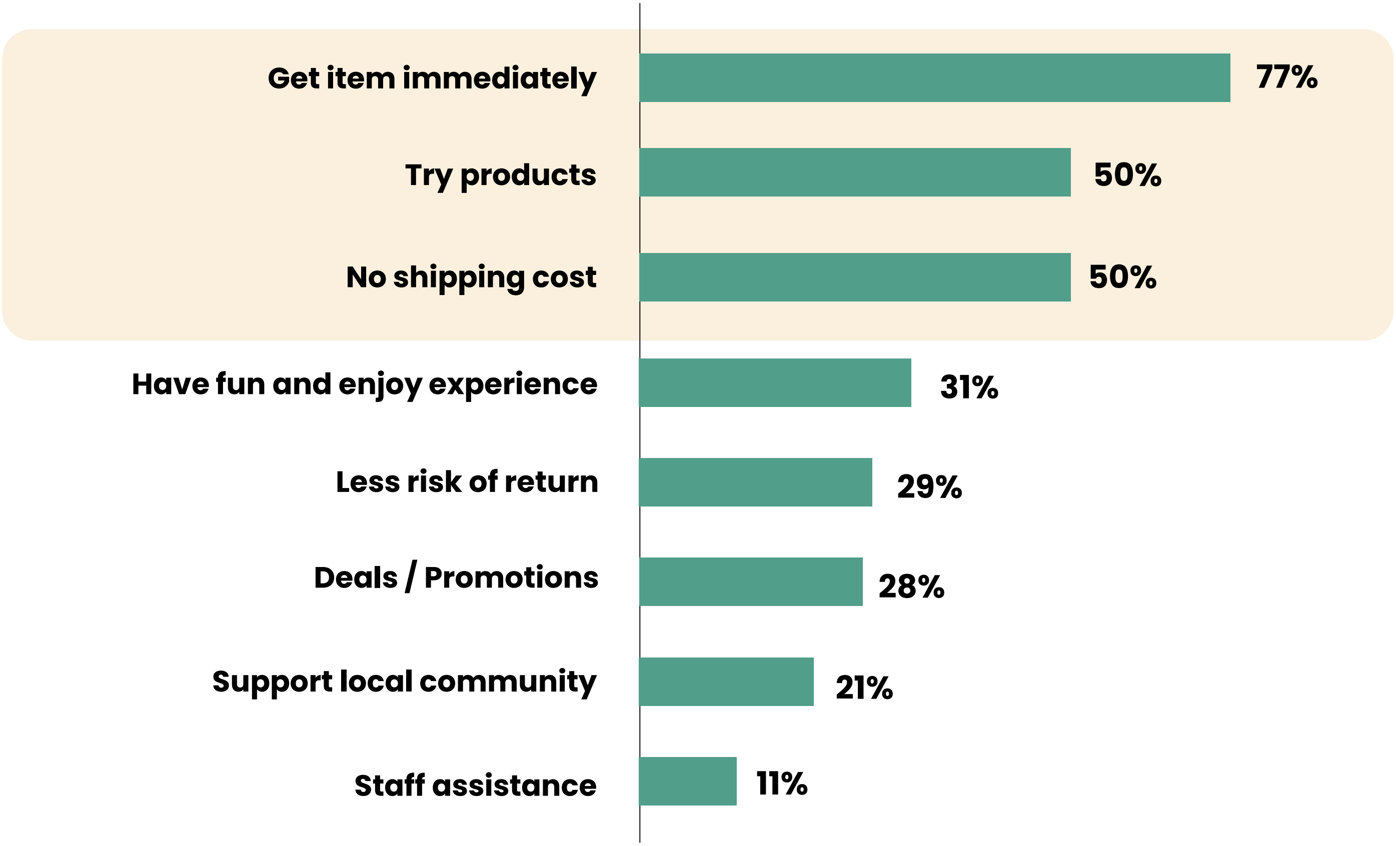
- *Analyse* trends in shopping frequency and delivery preferences.
- *Determine* key factors shaping purchase decisions.
- *Identify* frequent frustrations and churn factors.

# HOW FREQUENTLY CONSUMERS SHOP IN-STORE



# WHY DO SHOPPERS COME IN-STORE

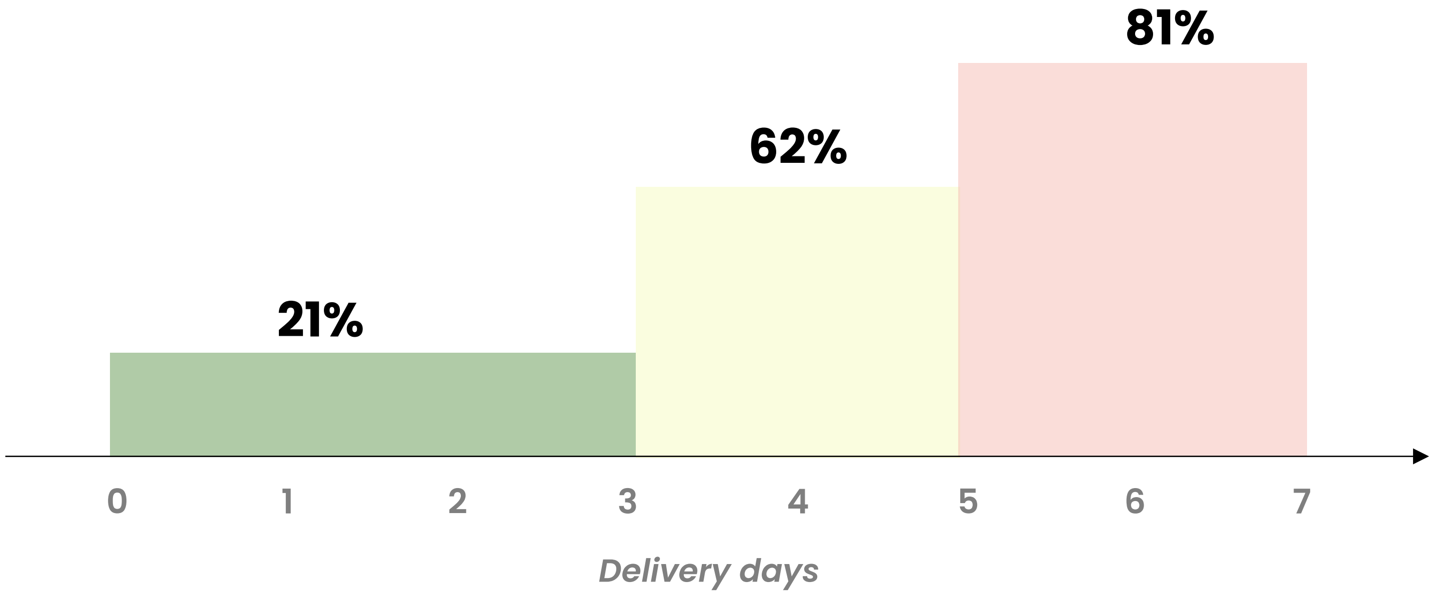
*Top reasons customers prefer to shop at a physical store*



# IMPATIENCE IN DELIVERY MAKES IN-STORE VALUABLE

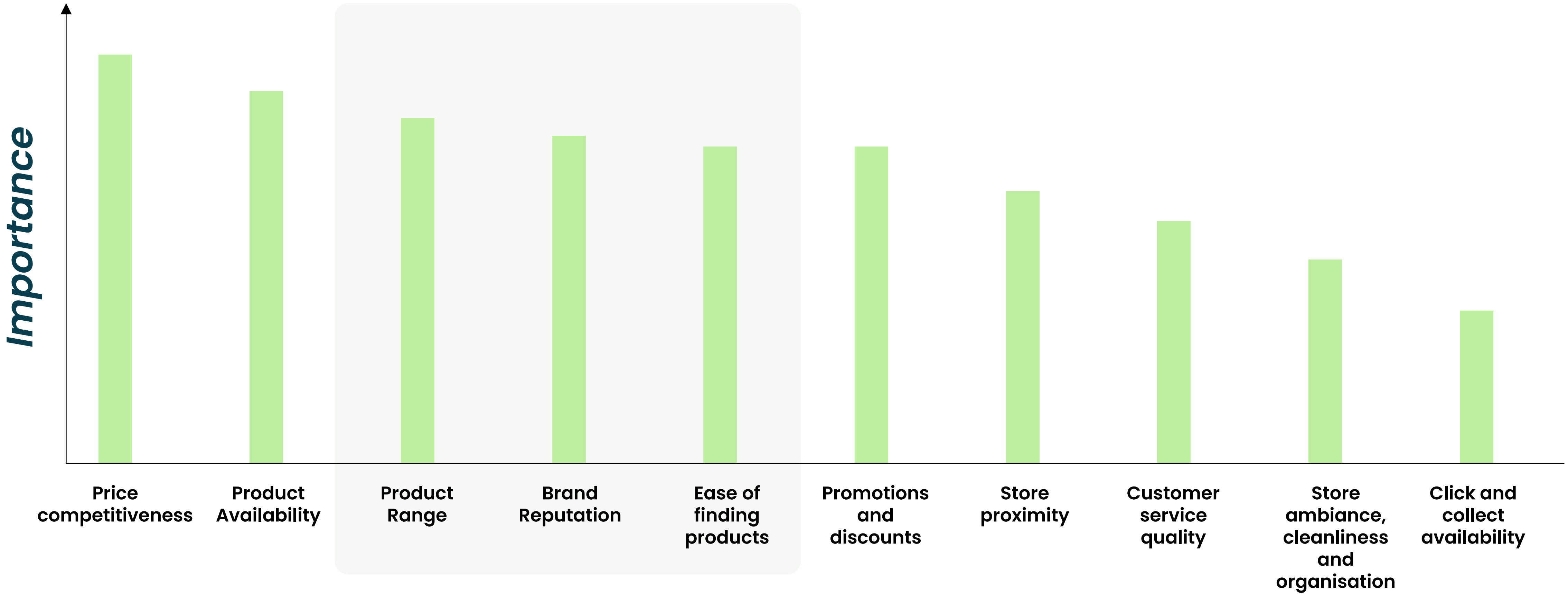
**18%**

**Delivery is generally not a concern**




**Will switch to in-store shopping if delivery days exceeds**

# ONCE IN STORE WHAT CX FACTORS INFLUENCE PURCHASE



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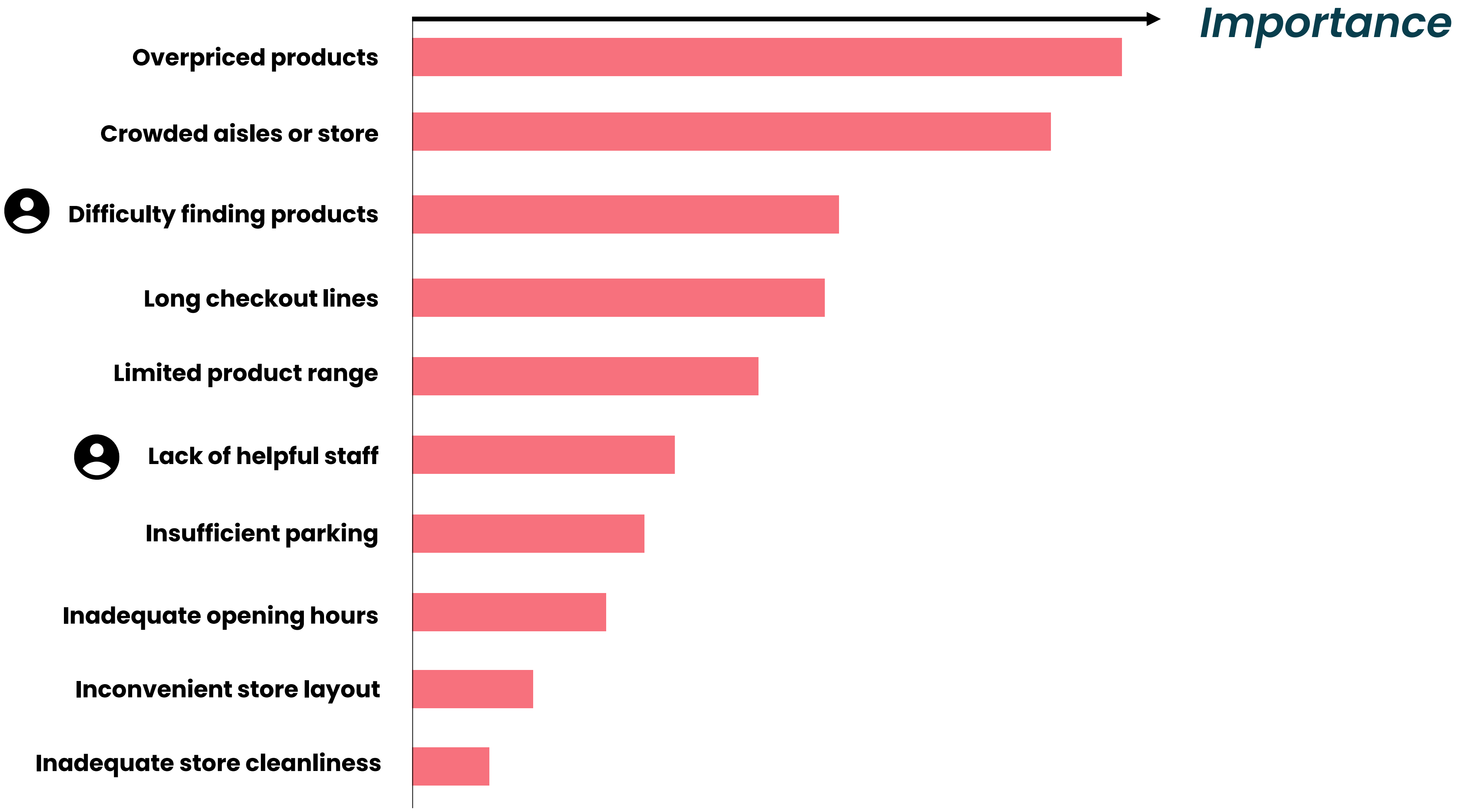
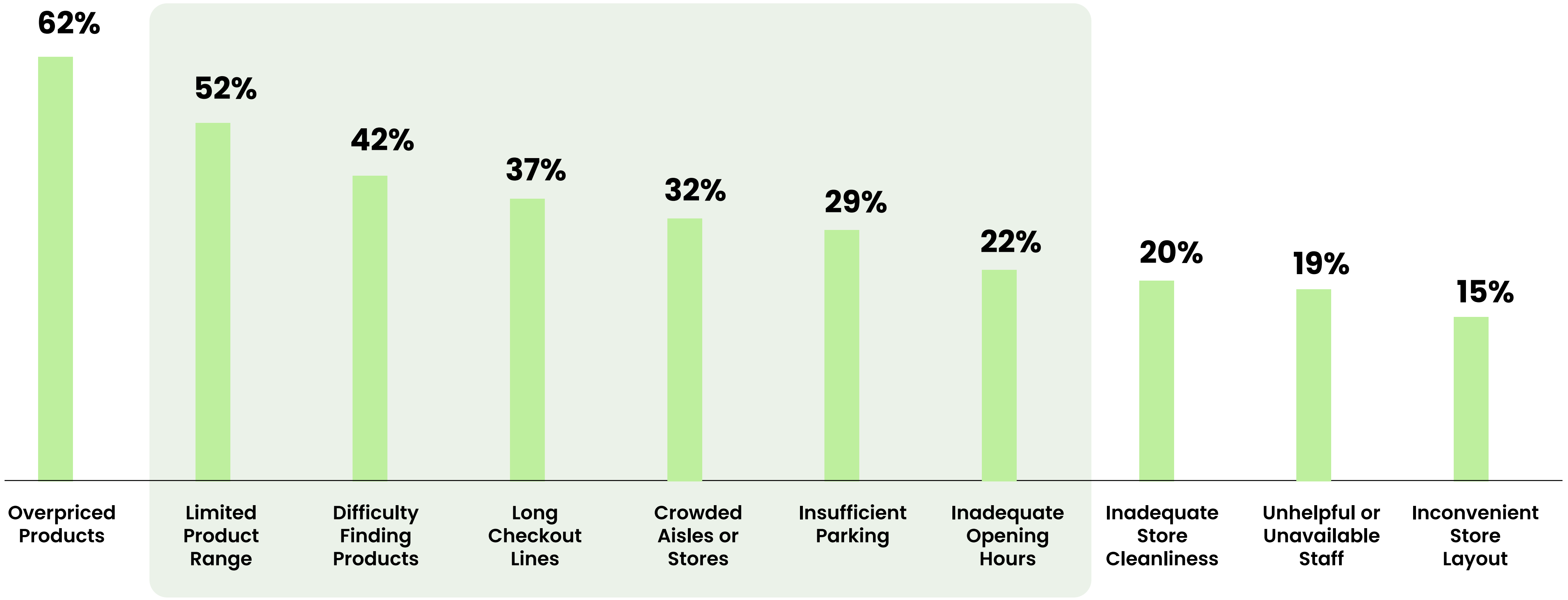
# KEY CX PAIN POINTS SHOPPERS FACE IN-STORE



# WHEN WHICH PAIN POINTS WILL MAKE THEM SWITCH (CHURN)



# CORE CX FACTORS DRIVE SHOPPERS TO SWITCH STORES

| Frequent Pain Points | Churn factors |
|---|---|
| 1 Overpriced Products | 1 Overpriced Products |
| 2 Unhelpful or unavailable staff | 2 Limited Product Range |
| 3 Crowded Aisles or Stores | 3 Difficulty Finding Products |
| 4 Long Checkout Lines | 4 Unhelpful or unavailable staff |
| 5 Difficulty Finding Products | 5 Crowded Aisles or Stores |

PART 2

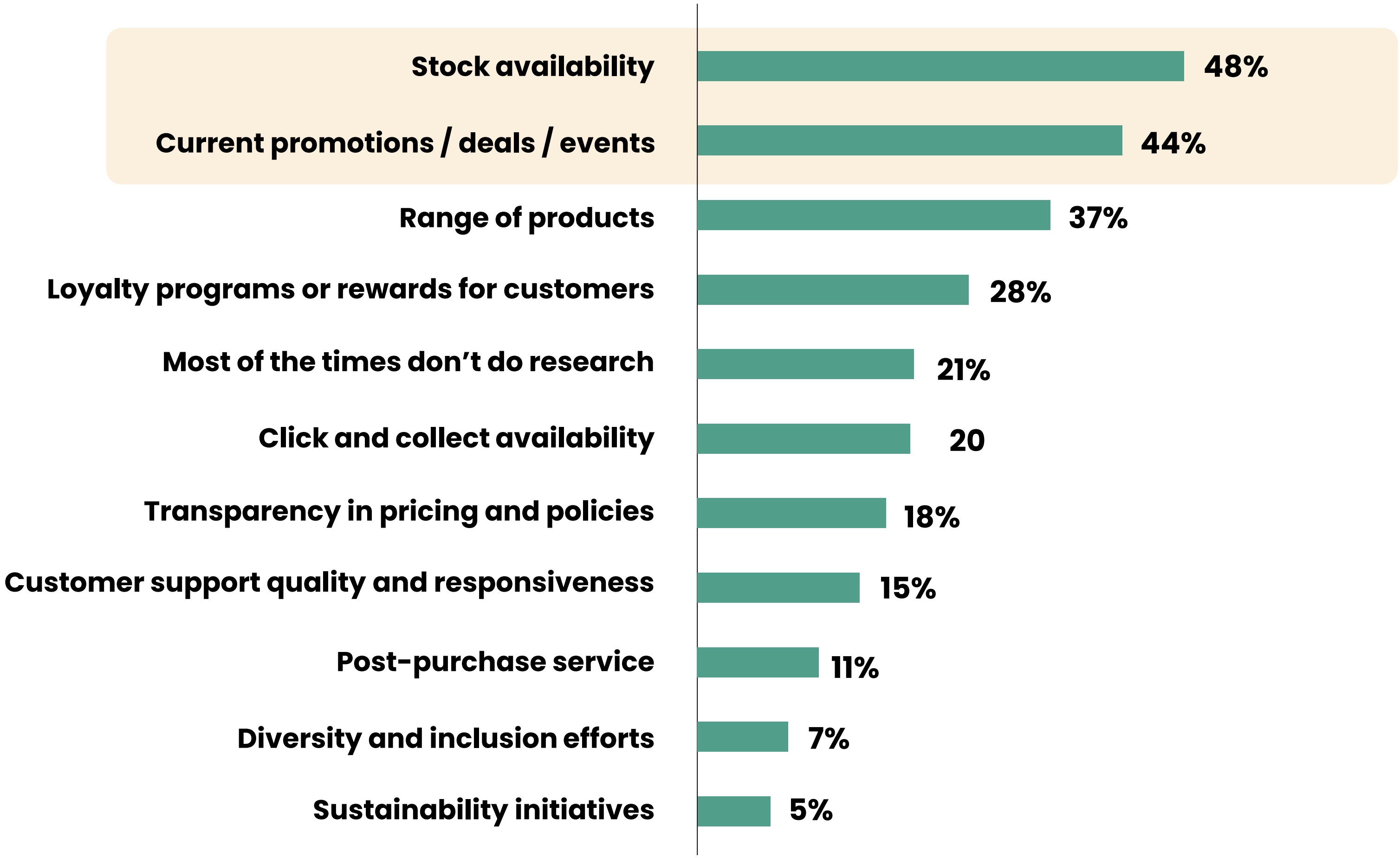
# Opportunity to Maximize In-store CX & Revenue

- *Identify* key drivers of unplanned purchases and ways to increase basket sizes.
- *Determine* the most important factors in research and where the customer prioritizes the use of staff.

# WHAT INFORMATION THEY VALUE BEFORE HEADING IN-STORE

*Information researched before heading to the store*



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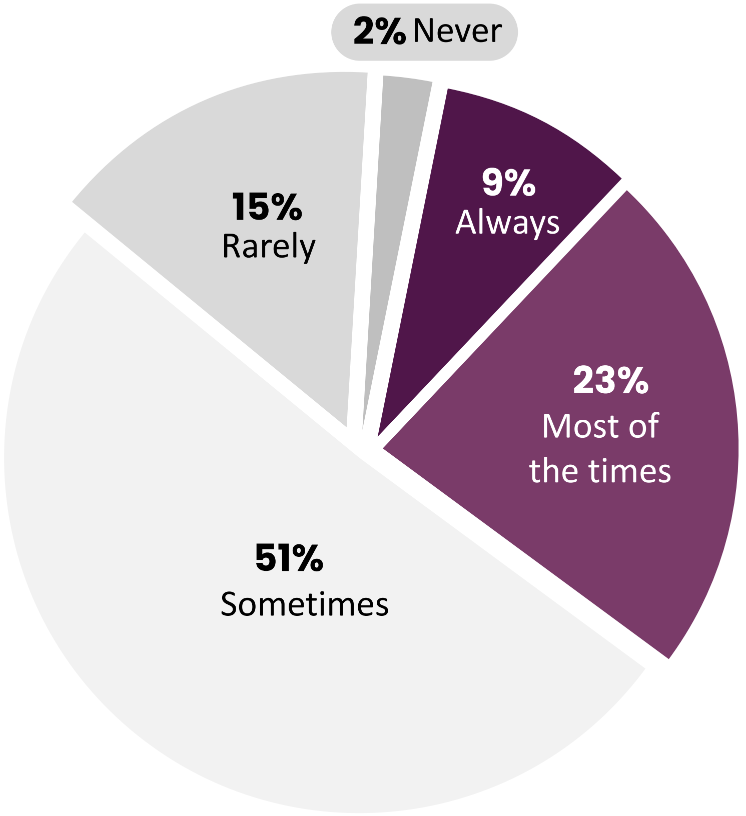
# WHERE CUSTOMER WANT MORE SERVICE

## Staff Allocation

- **58%** Check out
- **41%** Return and exchange
- **36%** Product advisor
- **25%** Fitting room attendant
- **22%** Shopping assistance
- **21%** Product demonstrator
- **19%** Greeter
- **17%** Post purchase support

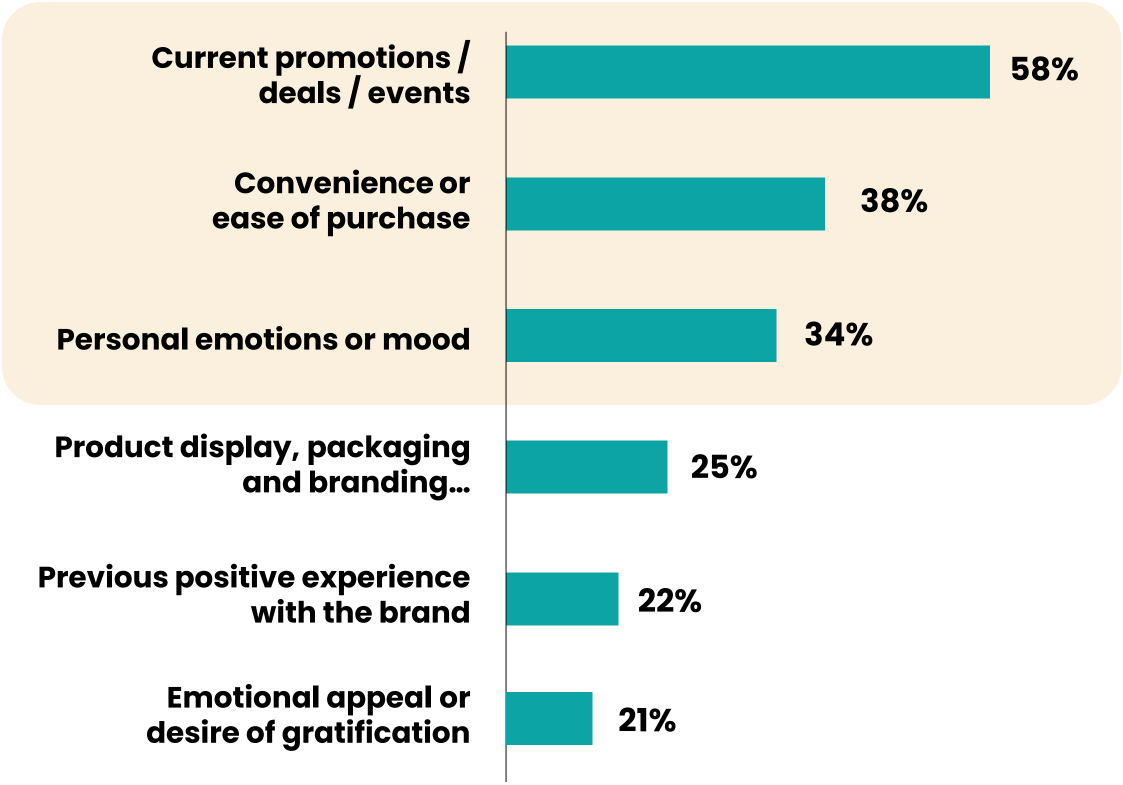
 

# KEY FACTORS FOR INCREASING UNPLANNED PURCHASES IN-STORE




Frequency of unplanned purchases

Ranking of factors influencing unplanned purchases



PART 3

# Understanding Different Mindsets

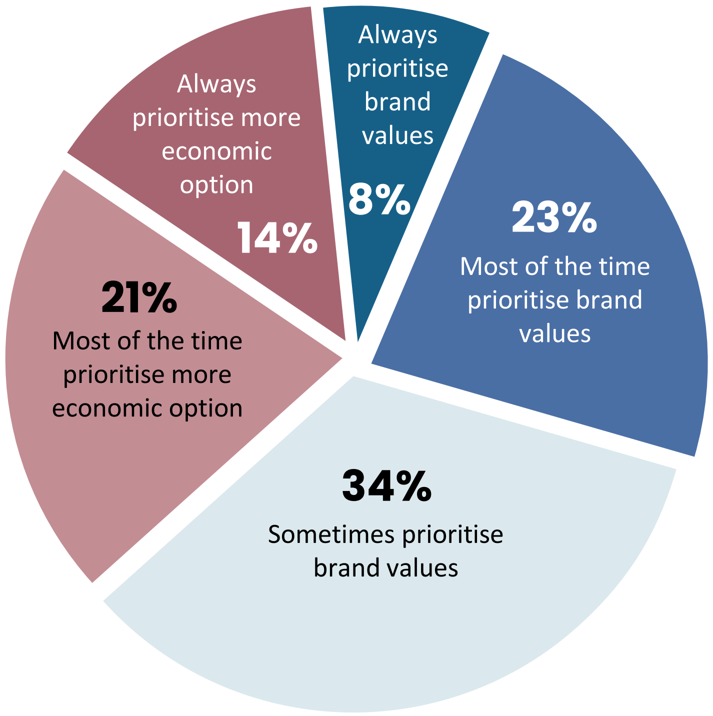
## *CONSUMER ANALYSIS – NEO VS. TRADITIONAL PROFILES*

- *Explore* how consumer mindsets differ and the impact this can have on store consumption.

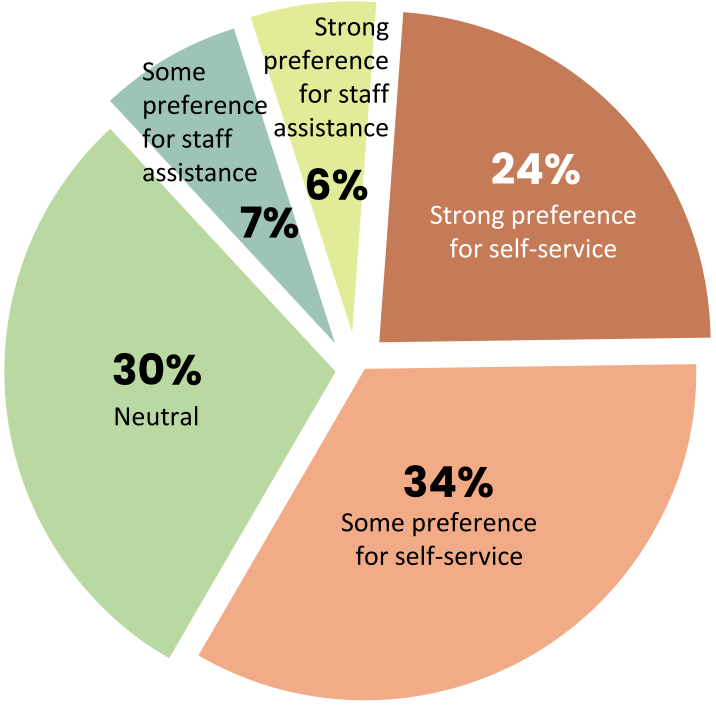
# DIFFERING MINDSETS

## Shopping experience or deals and discounts?


## Brand values or more economical optional?




## Self-service or staff assistance?



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# THE MINDSETS

## 45%

### TRADITIONAL

Reluctant spends, although many are wealthy, price sensitive and are always looking for a discount. They value routine and prefer staff-assisted service.

## 35%

### ASPIRING NEO

A blend of both, valuing innovation, personalized service, competitive pricing, and exceptional customer experiences. They have lower spending capacity but aspire to become NEOs.

## 20%

### NEO

High-value customers with disposable income who value innovation, premium experiences, and excellent customer service, and willingness to try new technologies.

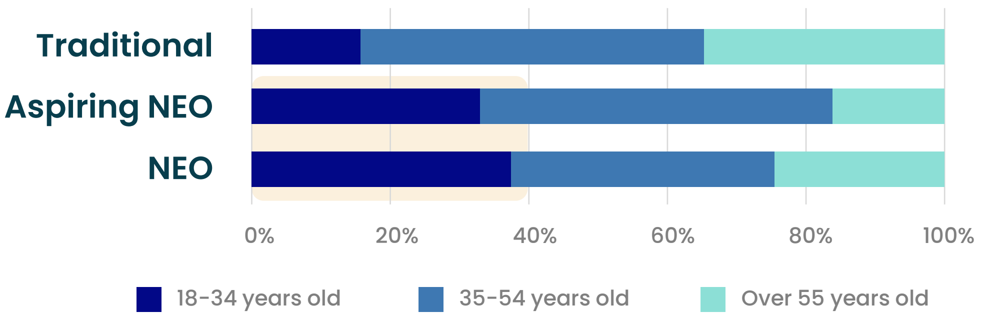
*The **NEO consumer typology** was created by and is the property of **Dr. Ross Honeywill**.*

**Percentages are based on this market research; actual market figures may differ slightly.*

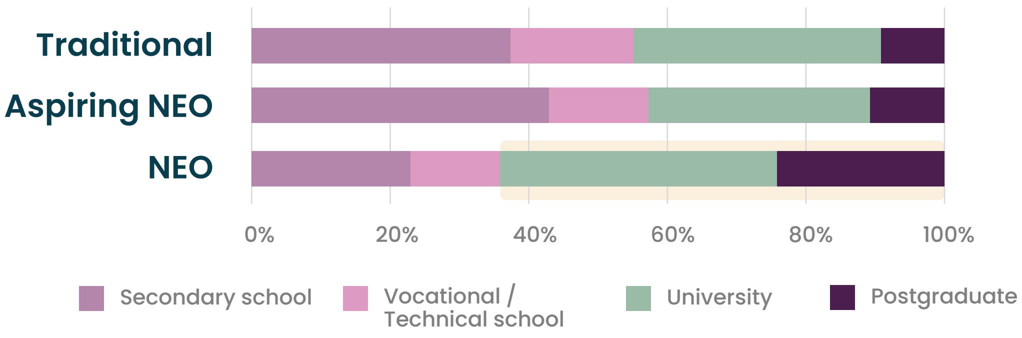
 

# DEMOGRAPHIC BREAKDOWN

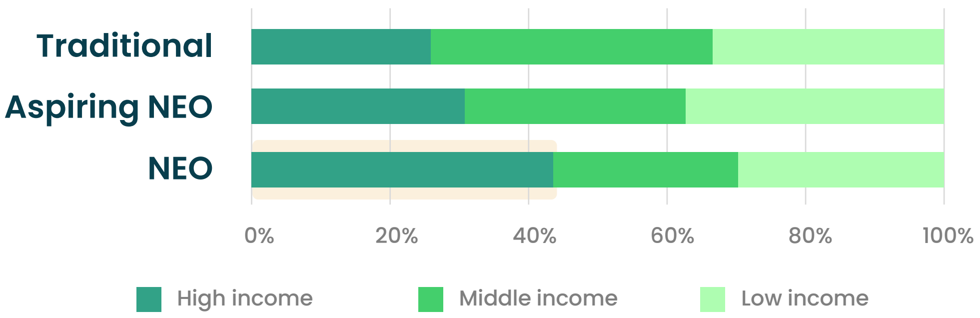
## AGE



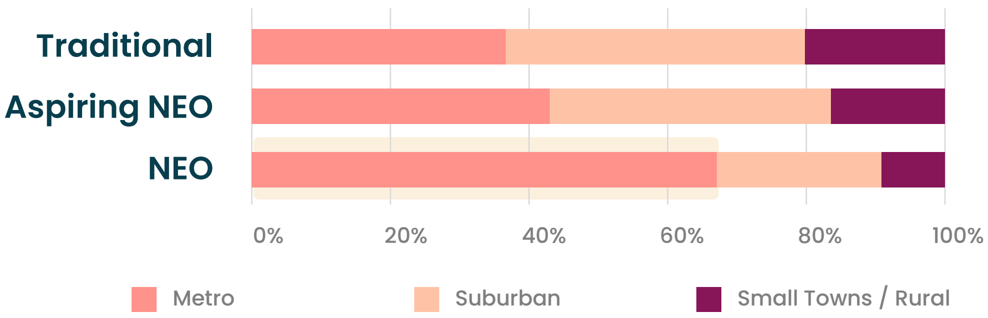

## EDUCATION




## INCOME




## REGION



# NEO CONSUMERS VS TRADITIONALS

| | TRADITIONAL | ASPIRING NEO | NEO *(New Economic Order)* |
|---|---|---|---|
| **AGE** | Broad appeal across all ages, slightly favoring the **55+** demographic. | Strong presence across all ranges, with a slight emphasis on the **younger 18-24** bracket | Strong presence across all ranges, with a slight emphasis on the **younger 18-24** bracket |
| **INCOME** | Mid-income | Mid / High income | High income |
| **EDUCATION** | Secondary School / Vocational Technical College | Secondary School / Vocational Technical College | University / Postgraduate |
| **CONSUMPTION PRIORITIES** | • Durable Product Quality<br>• Minimal Brand Innovation<br>• Practical Customer Experience<br>• Fundamental Sustainability<br>• Brand Authenticity | • Balances Disposable Income<br>• Good Product Quality<br>• Innovative Brand Offerings<br>• Enhanced Customer Experience<br>• Supportive of Sustainability<br>• Embraces Brand Authenticity | • High product Quality<br>• Cutting-edge Brand Innovation<br>• Exceptional Customer Experience<br>• Strong Sustainability Commitment<br>• Genuine Brand Authenticity Technology |
| **LOCATION** | Metropolitan / Suburban | Metropolitan / Suburban | Metropolitan areas |

PART 4

# Leveraging In-Store experiences

- *Delve* deeper into differences in consumer thinking, priorities, interests, and pain points to uncover opportunities.

# Opportunity

A large portion of the market is especially ***sensitive to deals and promotions***.

**TRADITIONAL**

**45%**
Market share

# KEY FACTORS SHAPING THE TRADITIONAL PURCHASE DECISIONS

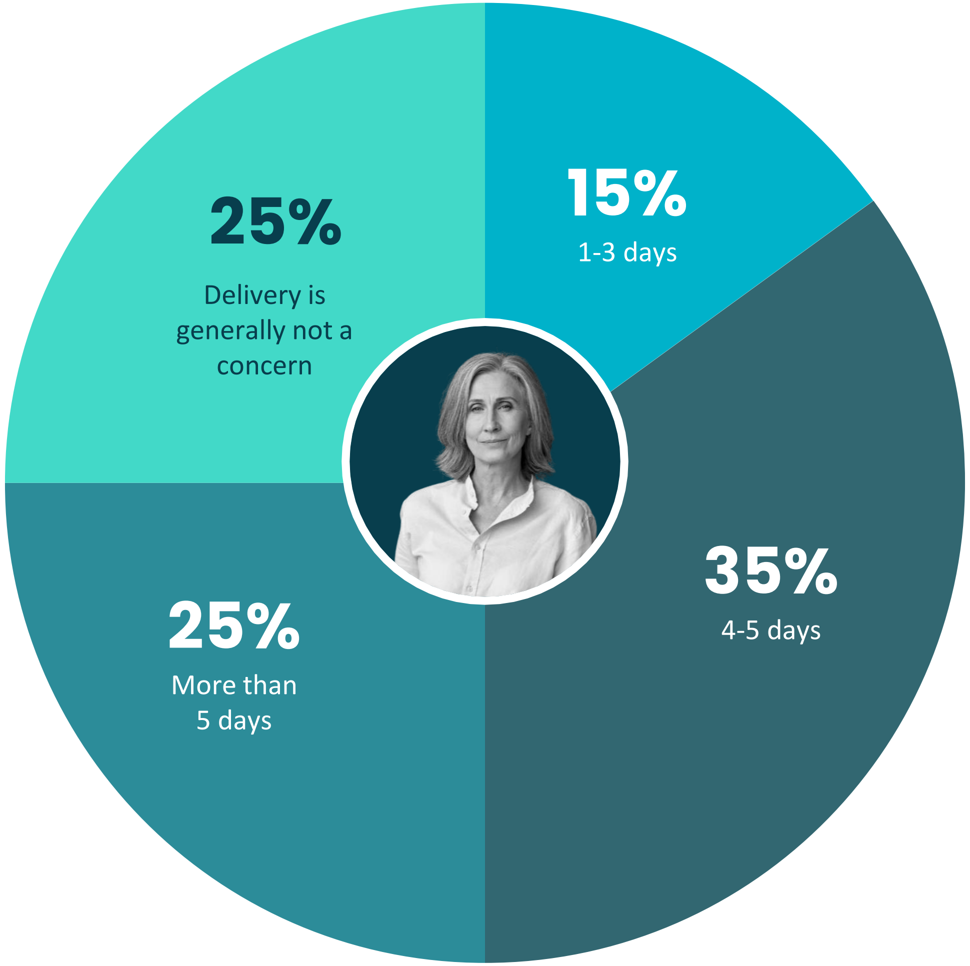
1. Price competitiveness
2. Product availability
3. Brand reputation

# FREQUENT PAIN POINTS SHOPPERS FACE IN PHYSICAL STORES

1. Overpriced Products
2. Limited Product Range
3. Long Checkout Lines

# DELIVERY TIMES BREAK POINT




*Delivery frame tolerance*

# KEY INFORMATION CONSUMERS ARE LOOKING FOR

1. Stock availability
2. Current promotions / deals / events
3. Range of products

# Summary

This customer is very price-sensitive, which narrows the focus for capturing their attention. Stock availability is crucial for them.

They will cost you margin but get you volumes

**TRADITIONAL**

# Opportunity

High-value customers with disposable income

Value instore experience and less price sensitive

Value discretionary products and experiences

**NEO**

**20%**
Market share

**ASPIRING NEO**

**35%**
Market share

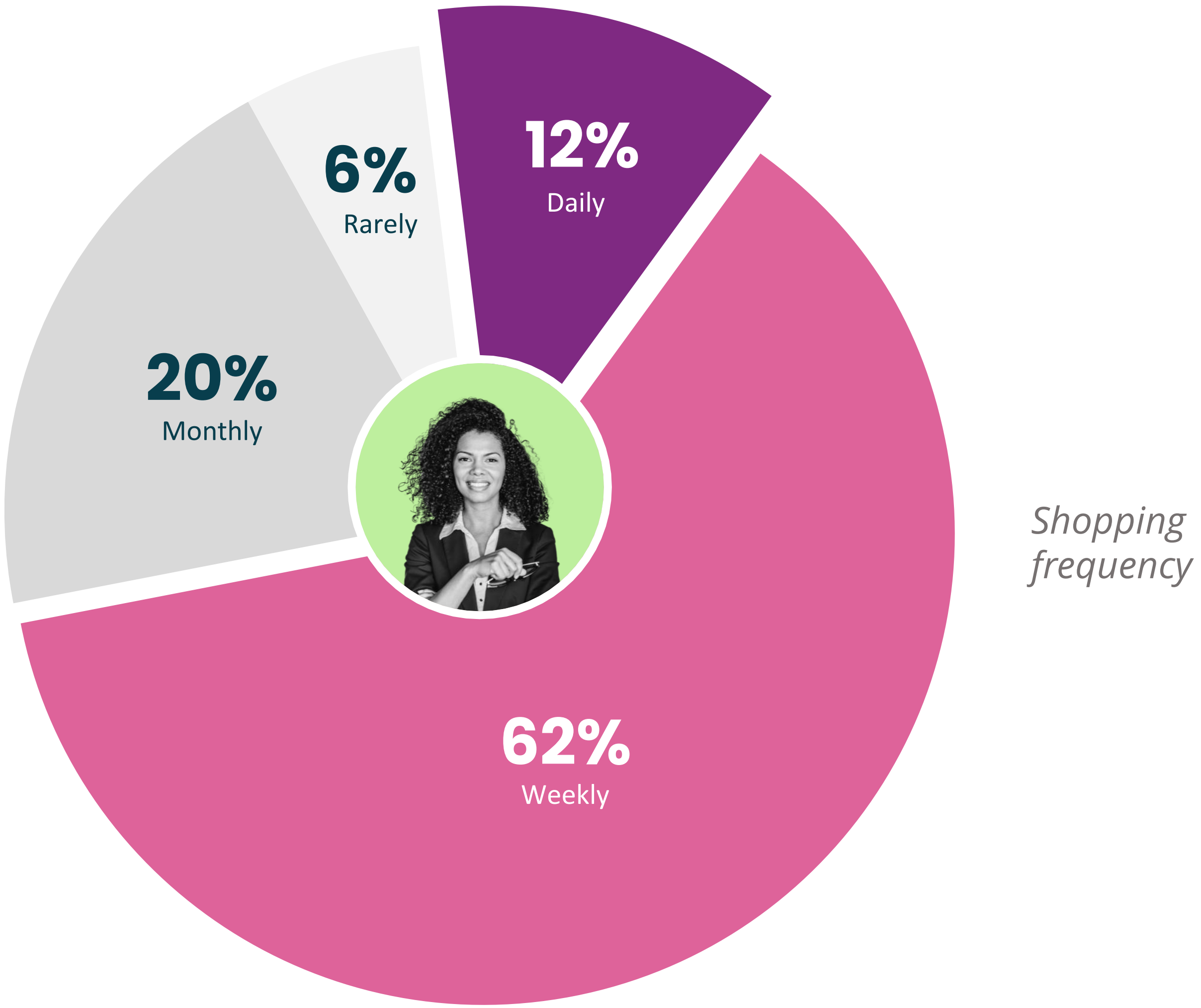
 

# KEY FACTORS SHAPING THE NEO PURCHASE DECISIONS

1. Brand reputation
2. Ease of finding product
3. Price competitiveness

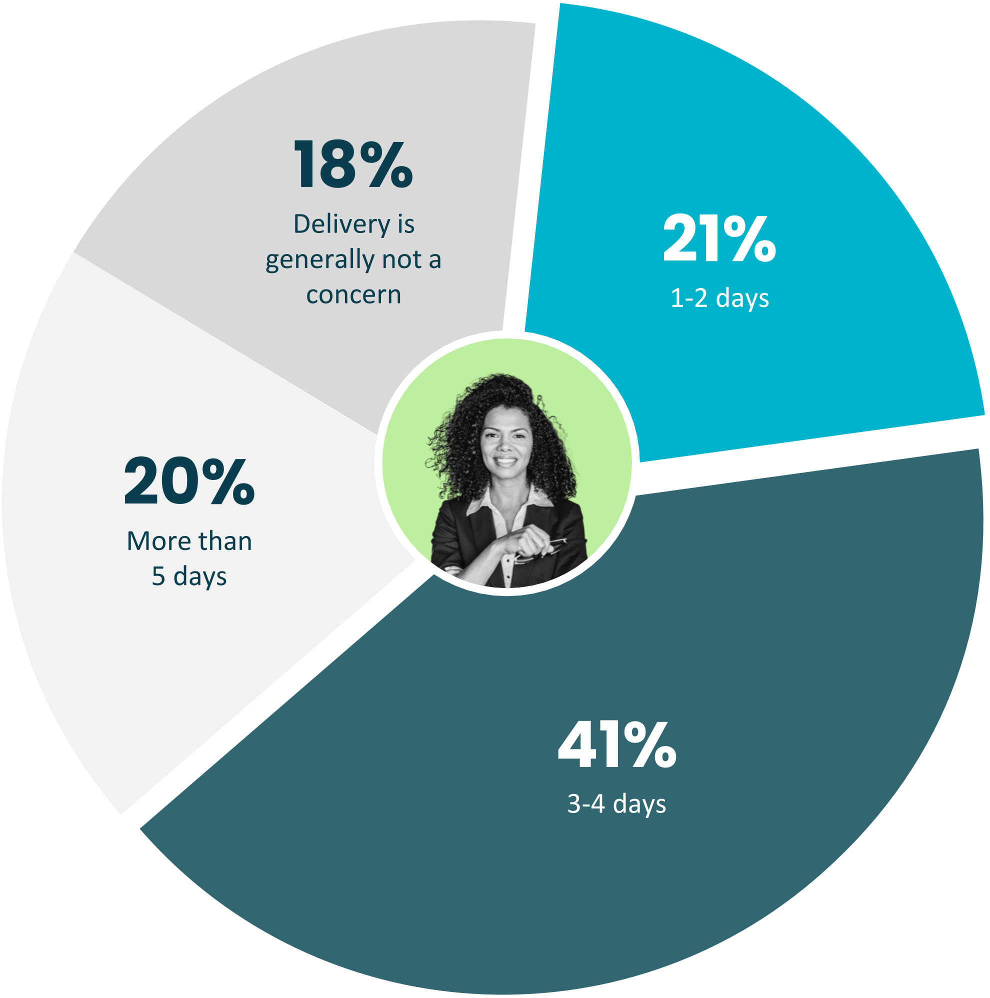
 

# PATTERNS IN PHYSICAL STORE



# DELIVERY TIMES BREAK POINT




*Delivery frame tolerance*

# NEO CX FRICTION POINTS AND CHURN DRIVERS

**Frequent friction points**

1. Insufficient Parking
2. Long Checkout Lines
3. Overpriced products

**Churn drivers**

1. Difficulty finding products
2. Limited Product Range
3. Overpriced products

# FREQUENT PAIN POINTS FACED BY SHOPPERS IN PHYSICAL STORES

**NEO**

1. Insufficient Parking
2. Long Checkout Lines
3. Overpriced Products

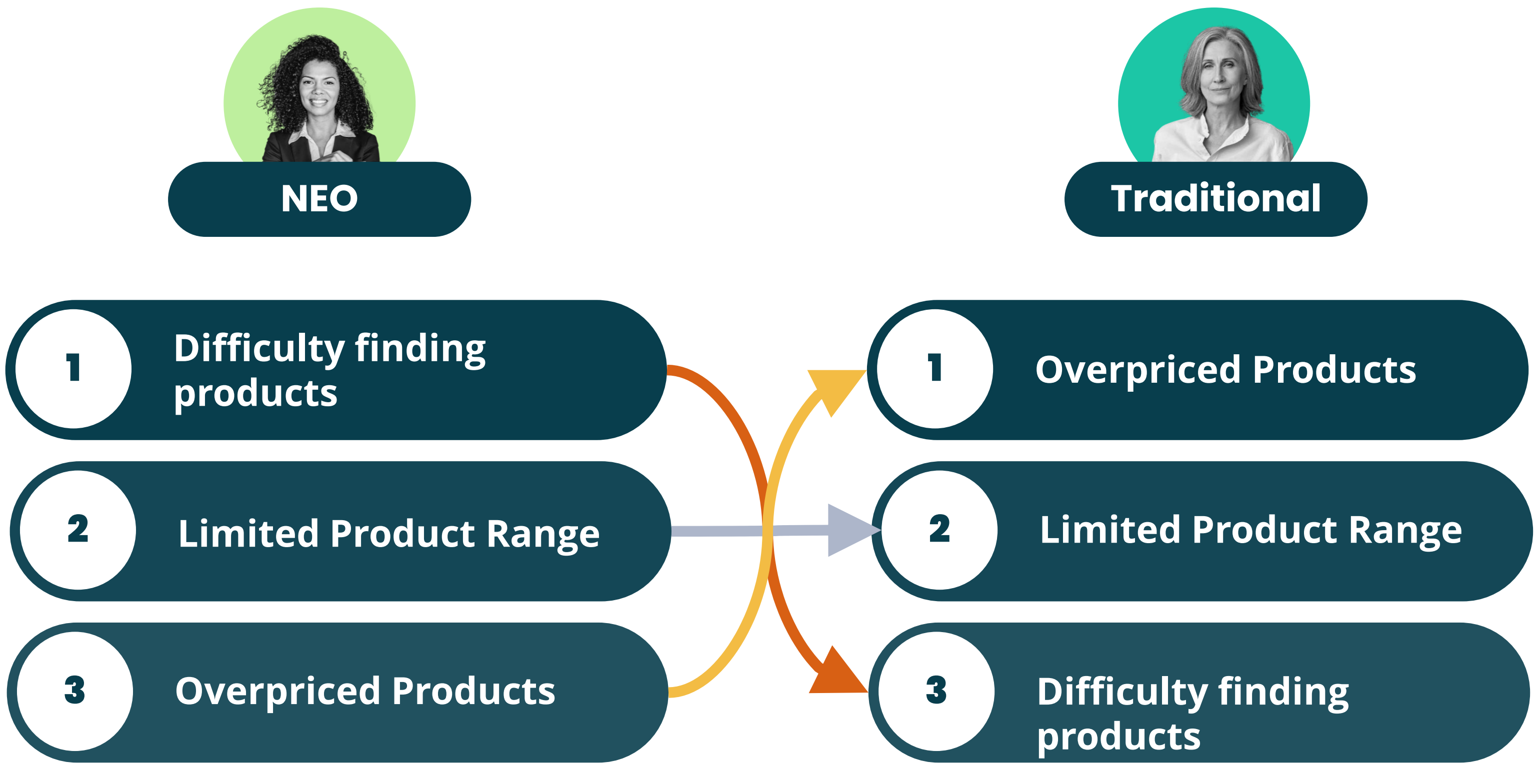
**Traditional**

1. Overpriced Products
2. Limited Product Range
3. Long Checkout Lines

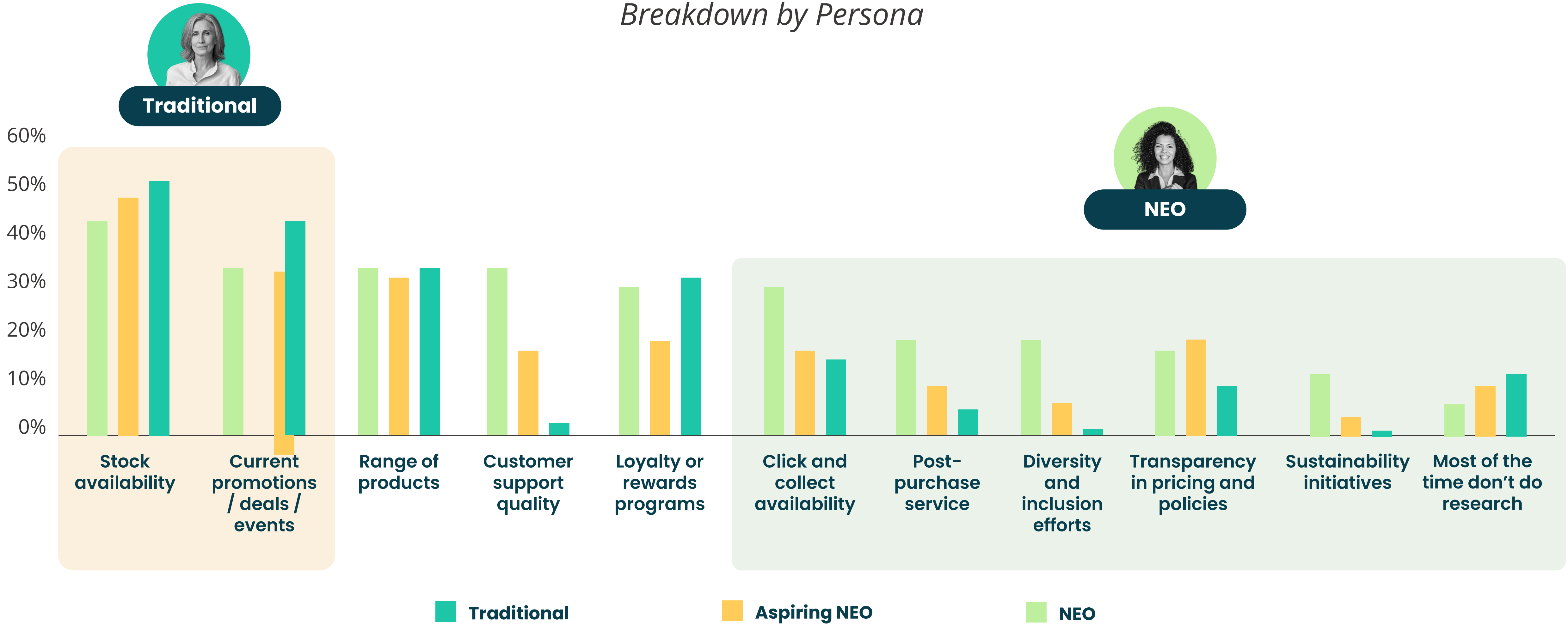
# CORE FACTORS DRIVING SHOPPERS TO SWITCH STORES

*Varied Shopper Sensitivities*

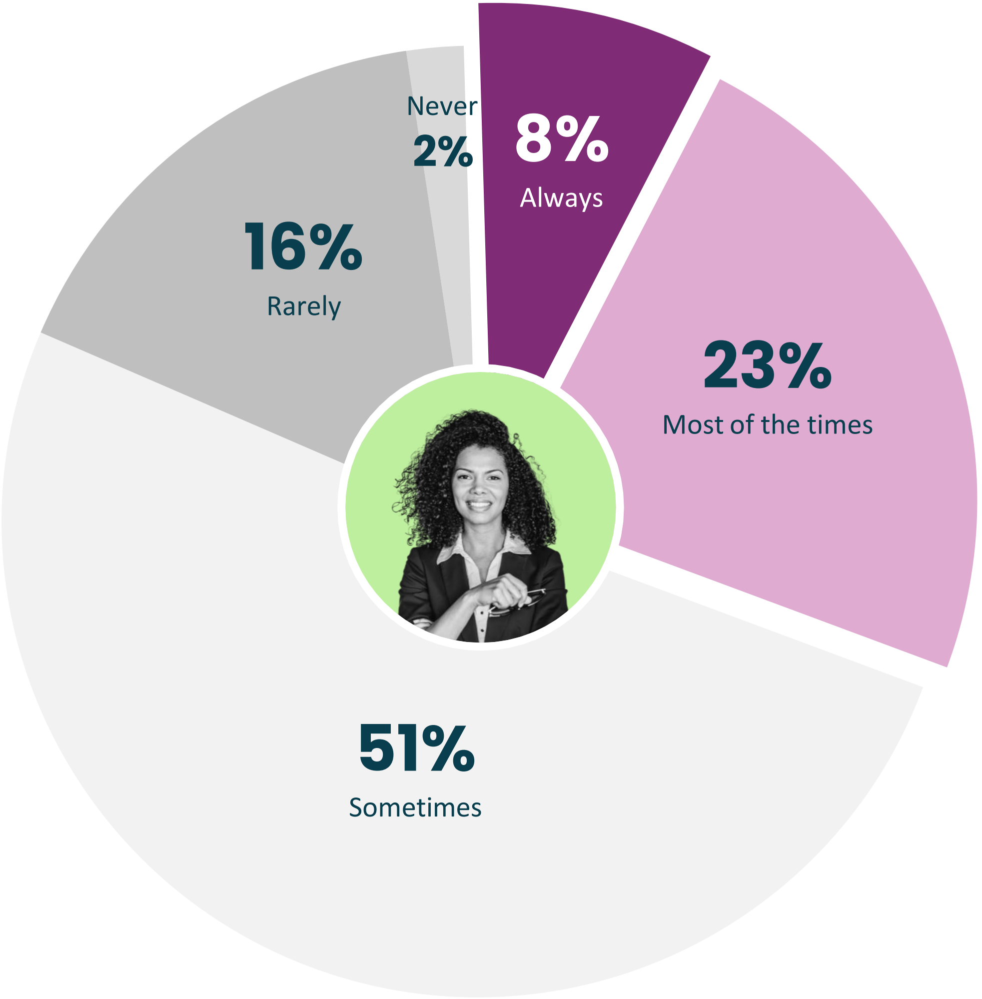


# CX DRIVERS CUSTOMERS ARE LOOKING FOR

*Breakdown by Persona*



# UNPLANNED PURCHASE BY NEOS




*Frequency of unplanned purchases*



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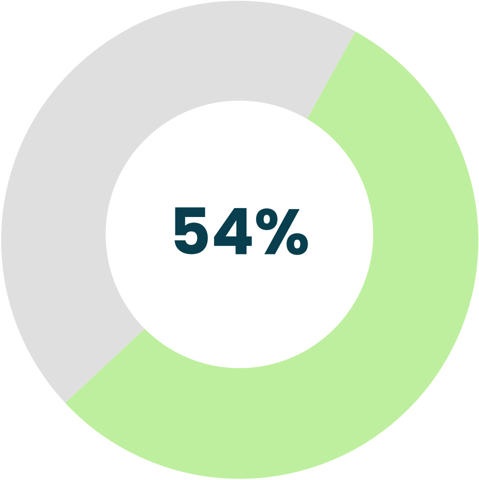
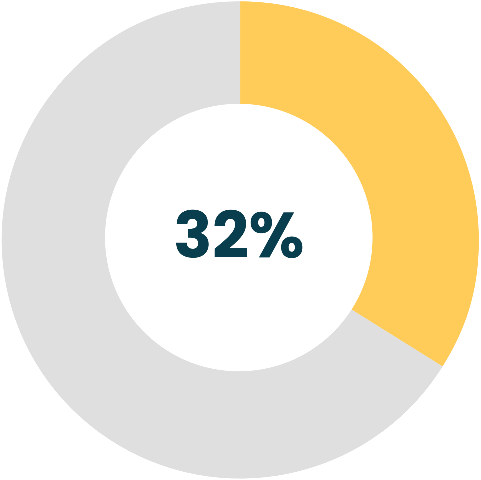
# UNPACKING UNPLANNED SHOPPING AT THE STORE

*Figures of making impulse purchases **most of the time / always***

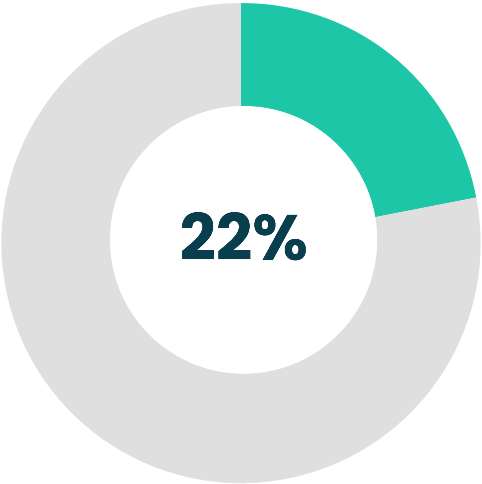
**NEO**



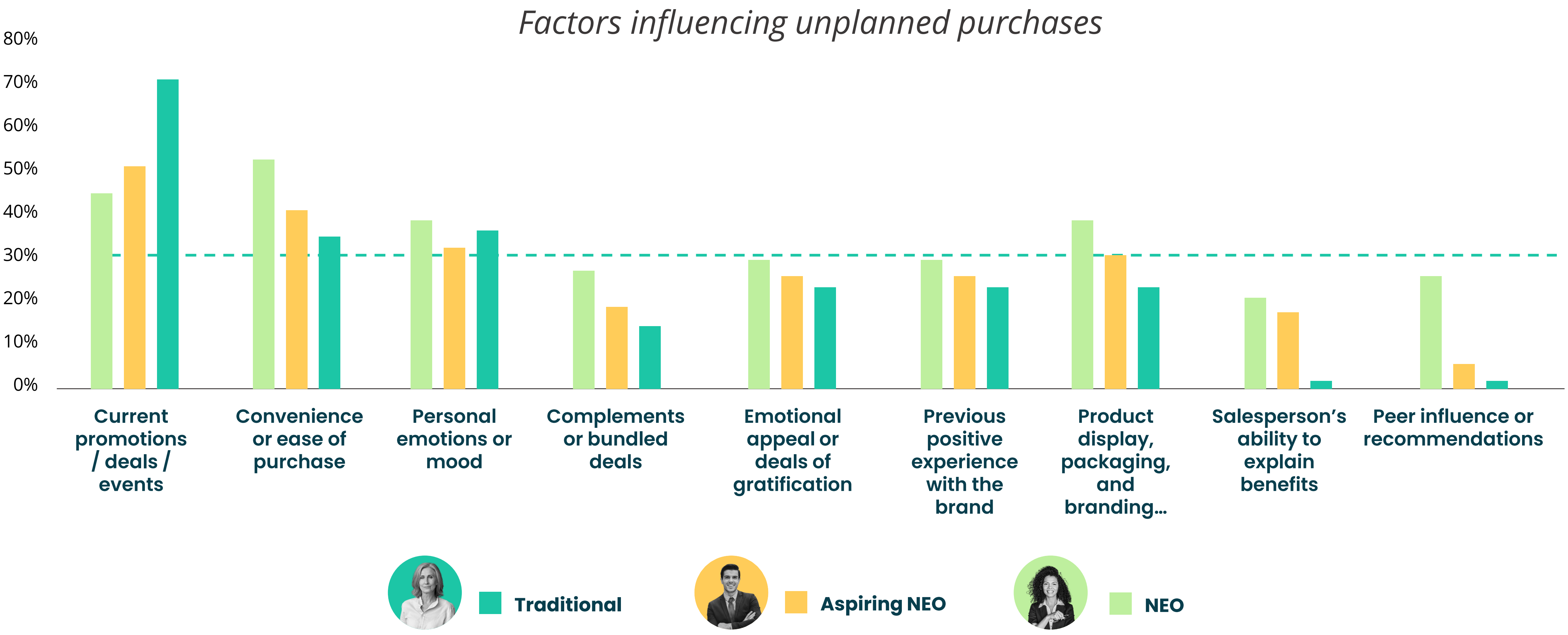

**Aspiring NEO**




**Traditional**



# CX DRIVERS FOR UNPLANNED PURCHASE



# PREFERENCE OF SELF-SERVICE OVER STAFF ASSISTANCE



| | NEO | Aspiring NEO | Traditional |
|---|---|---|---|
| ***Strong preference*** *for self-service over staff assistance* | 20% | 19% | 16% |
| ***Some preference*** *for self-service over staff assistance* | 52% | 40% | 34% |



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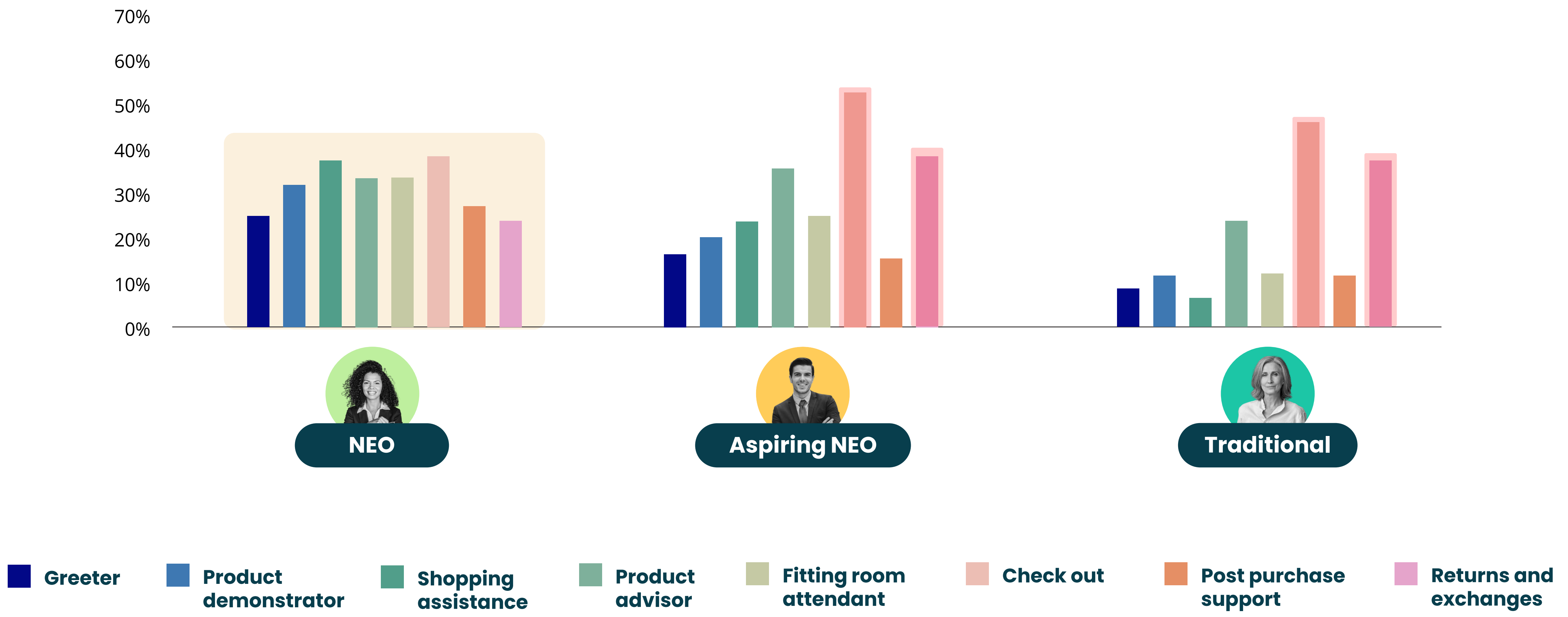
# WHICH CX TOUCHPOINT IS CRITICAL



# Summary

*NEOs are the more complex customers.*

- They are less price-sensitive
- More Frequent Shoppers
- Greater propensity to impulse shop (3X)
- Have higher expectations for their end-to-end experience
- prefer self-service and demand extensive information before visiting a store.
- Most impatient with delivery times

**NEO**

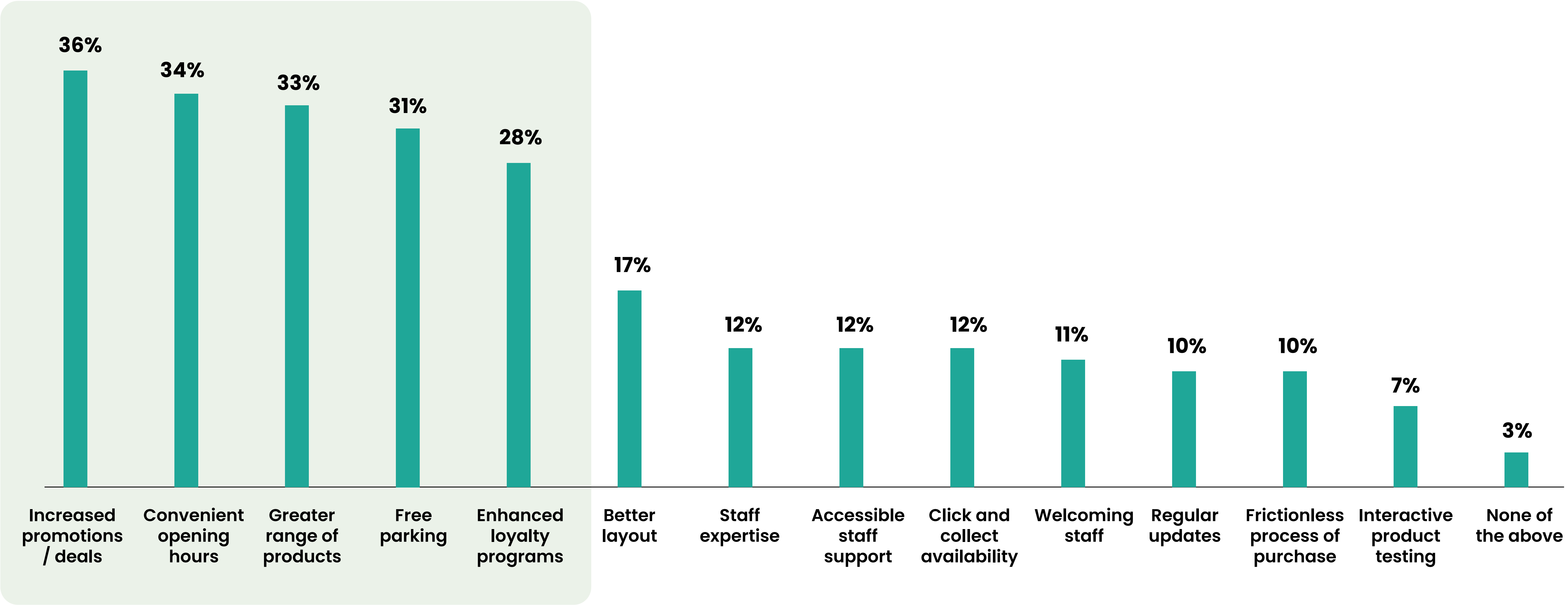
PART 5

# Driving greater in-store revenue through experiences

- *Determine* modern shoppers' expectations to boost repeat visits and time spent in-store.
- *Define* technological enhancements that would improve the in-store experience.
- *Identify* elements that would make customers recommend a store to friends and family.

# KEY CX FACTORS FOR BOOSTING VISIT FREQUENCY



# KEY FACTORS FOR BOOSTING VISIT FREQUENCY

*Top 5 factors by persona*

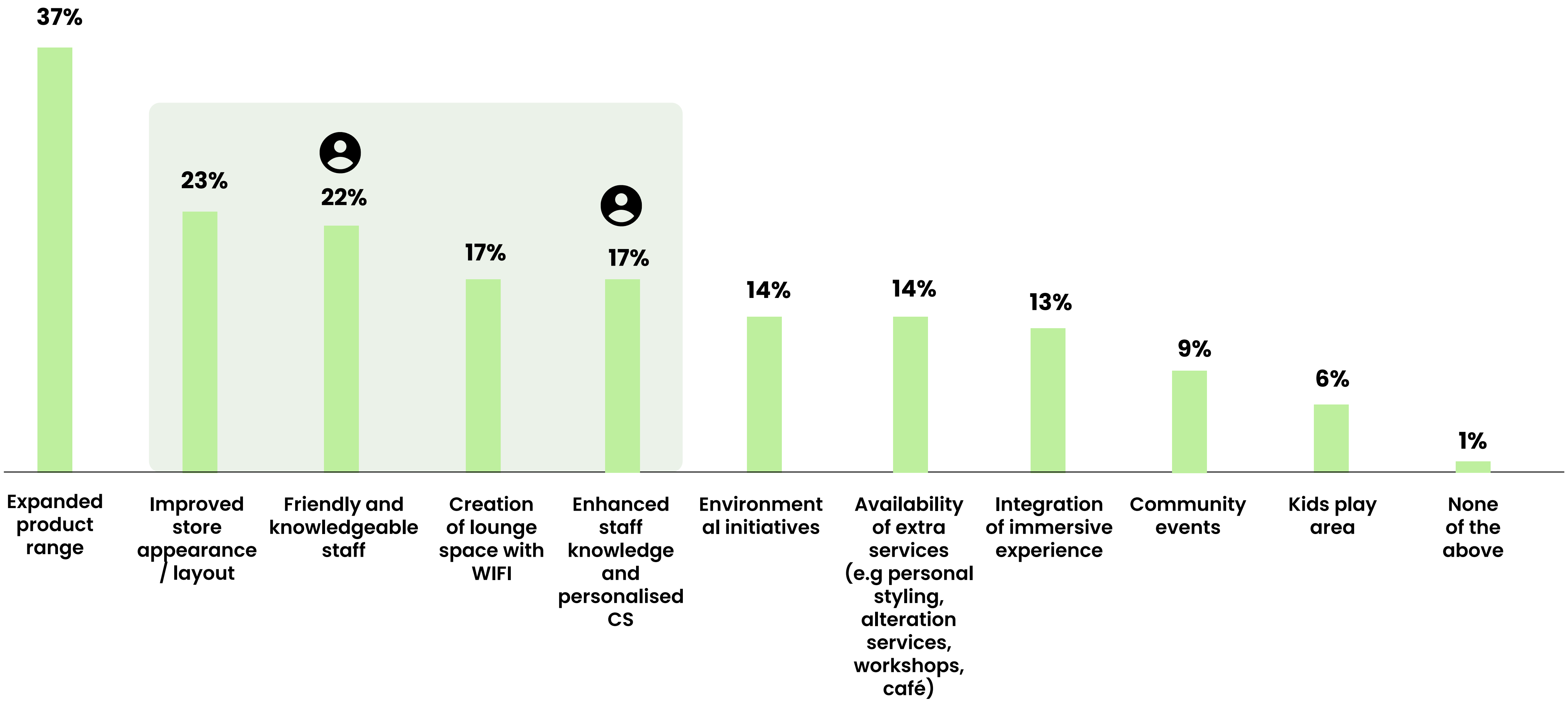
**NEO**

1. Convenient / extended opening hours
2. Enhanced loyalty programs
3. Greater range of products
4. Better layout
5. Free parking

**Traditional**

1. Increased promotions/deals
2. Greater range of products
3. Free parking
4. Convenient / extended opening hours
5. Enhanced loyalty programs

# USING CX TO MAXIMIZE TIME SPENT IN STORE



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# MAXIMIZING TIME SPENT IN STORE

*Top 5 factors by persona*

**NEO**

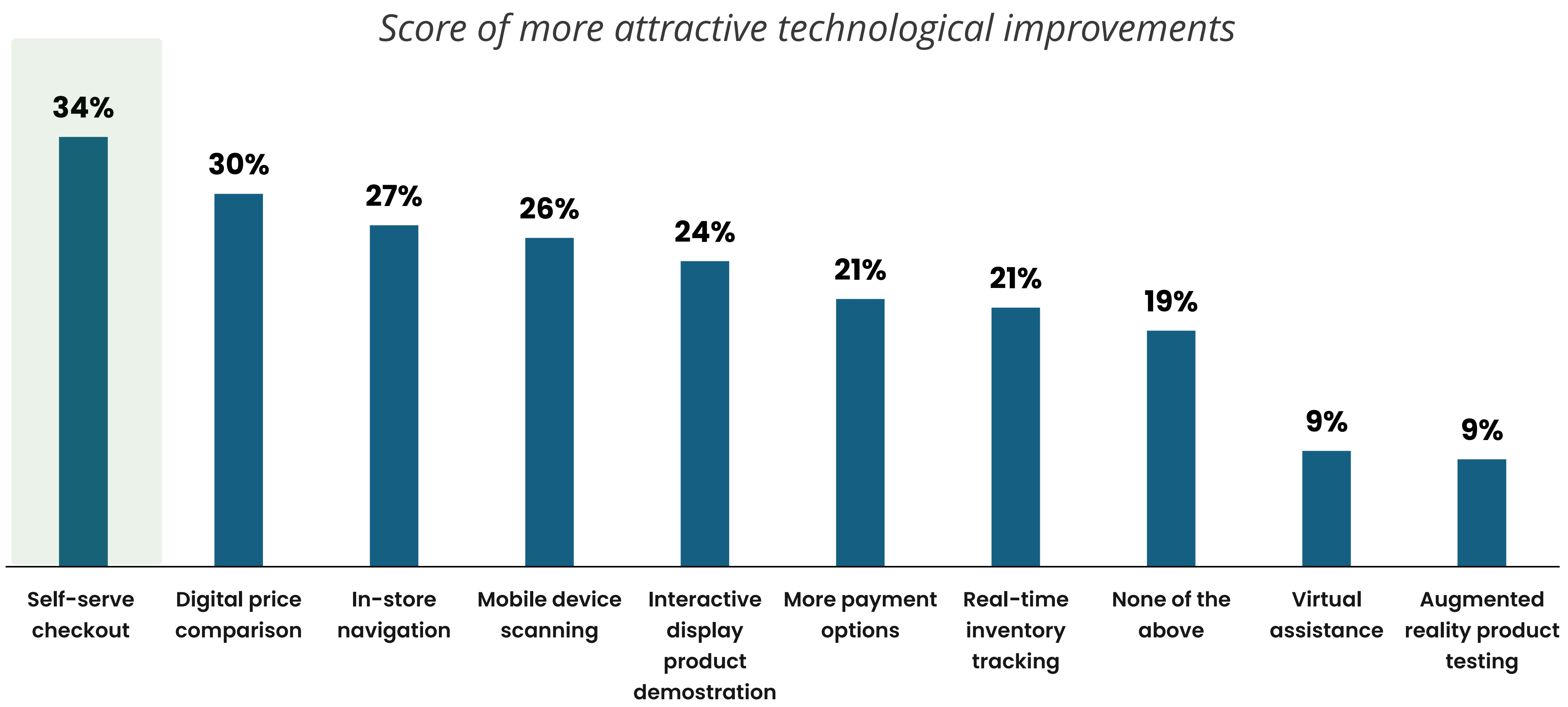
1. Friendly and knowledgeable staff
2. Expanded product range
3. Improved store appearance and layout
4. Personalised customer service
5. Environmental initiatives

**Traditional**

1. Expanded product range
2. Improved store appearance and layout
3. Friendly and knowledgeable staff
4. Wouldn’t spend more time in a store
5. Creation of a lounge space (with wifi)

# DREAM EXPERIENCE POWERED BY TECHNOLOGY



# DREAM EXPERIENCE POWERED BY TECHNOLOGY

*Top 5 technological experience by persona*

**NEO**

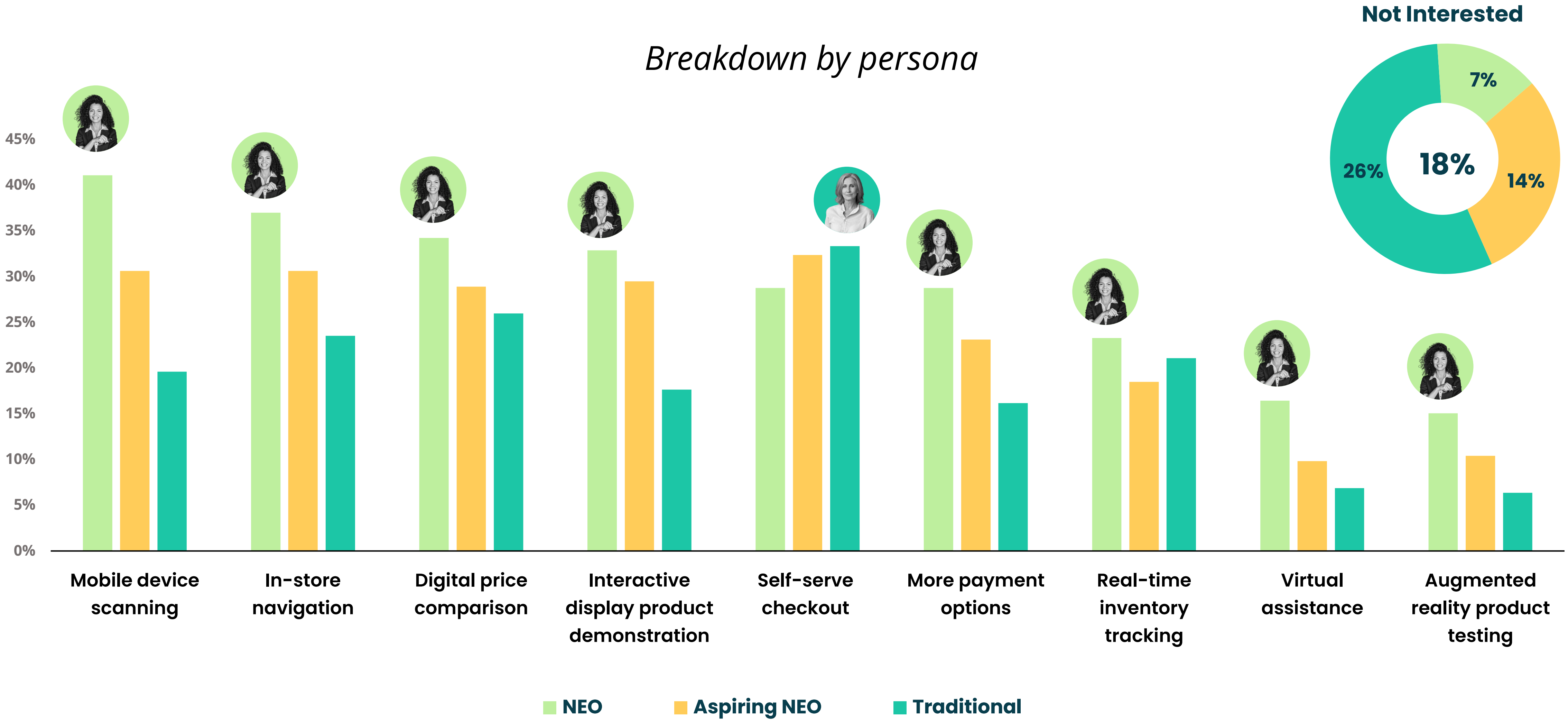
1. Mobile device scanning
2. In-store navigation
3. Digital price comparison
4. Interactive display product demonstration
5. Self-serve checkout

**Traditional**

1. Self-serve checkout
2. Digital price comparison
3. Not interested
4. In-store navigation
5. Real-time inventory tracking

# DREAM EXPERIENCE POWERED BY TECHNOLOGY

*Breakdown by persona*



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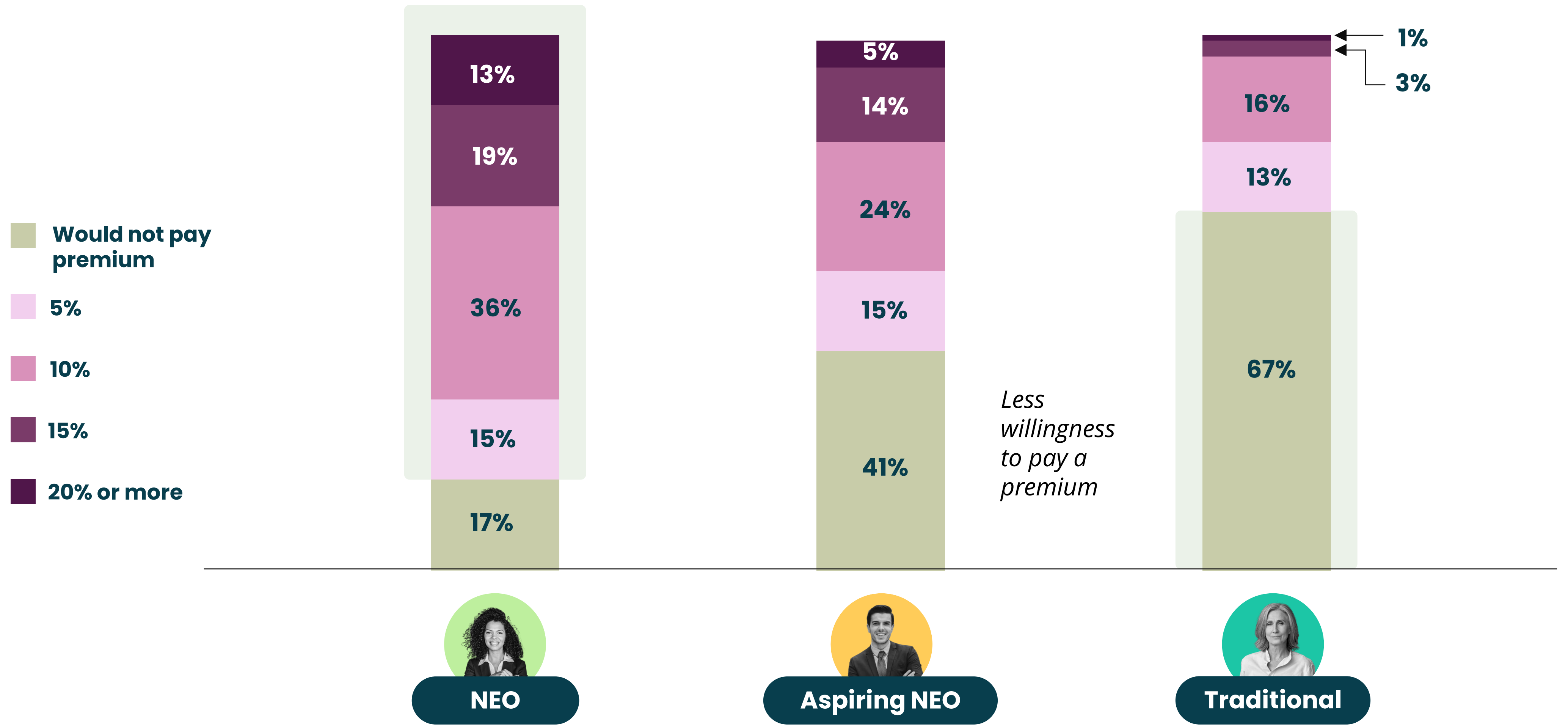
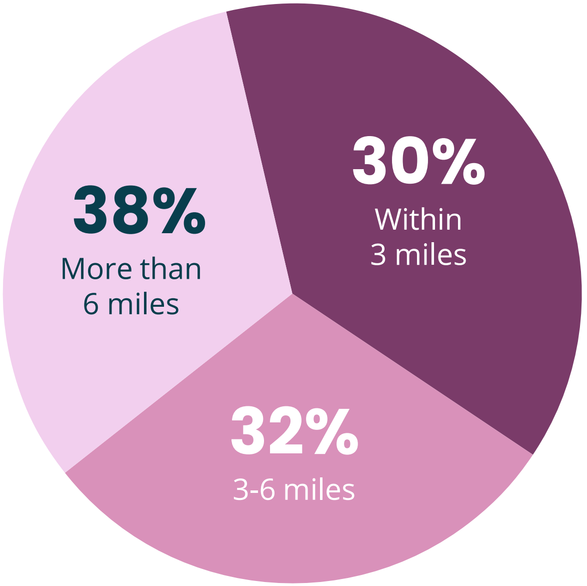
# UNLOCKING VALUE IN THE DREAM EXPERIENCE

*Willingness to pay a Premium by persona*

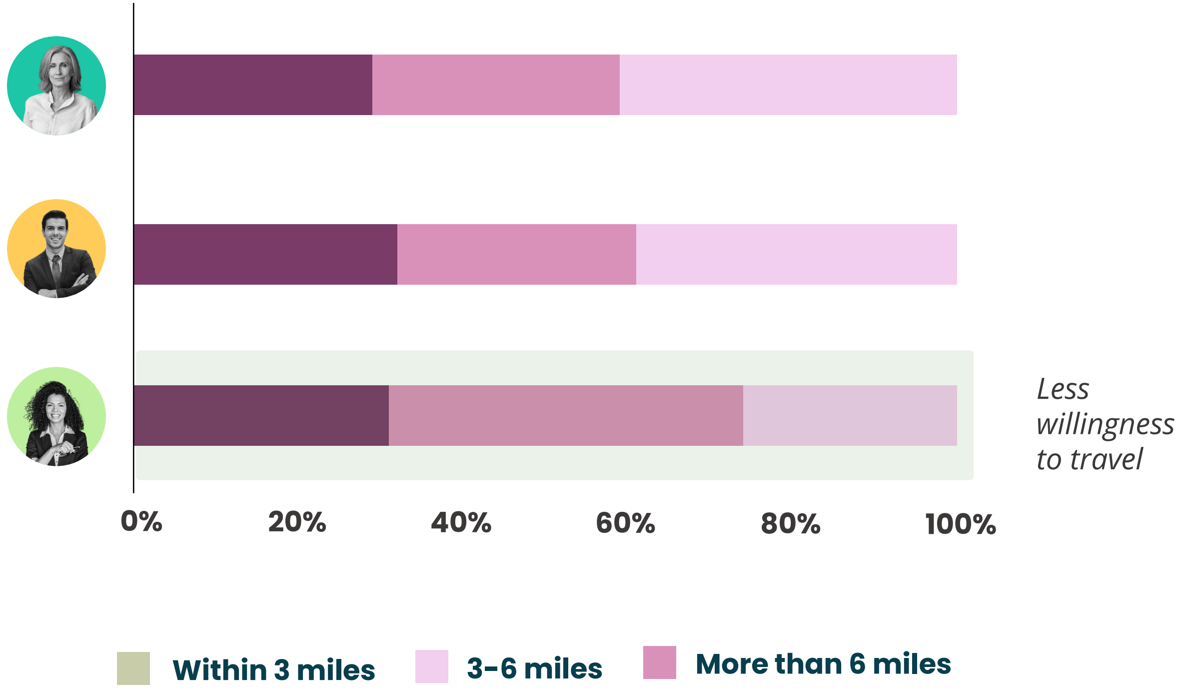


# UNLOCKING VALUE IN THE DREAM EXPERIENCE

*Willingness to Travel to Dream Store*




*Breakdown of Mindset*

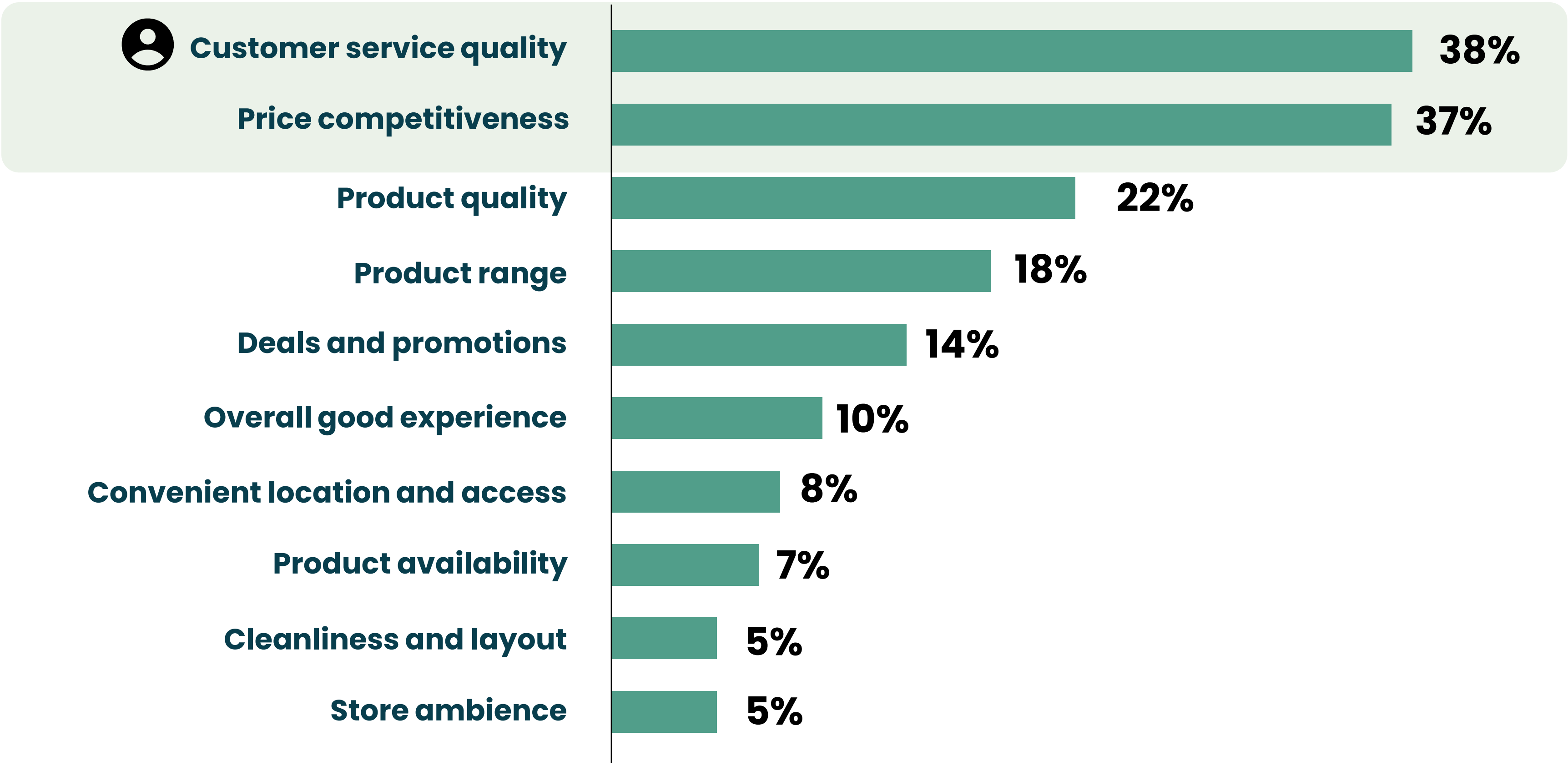


# GROWTH OPPORTUNITY. WHAT FACTORS CREATE ADVOCATES (NPS)?

*Ranking of factors*

**Top 10 drivers**



# GROWTH OPPORTUNITY. WHAT FACTORS CREATE ADVOCATES (NPS)?

## NEO

1. Customer service quality
2. Overall good experience
3. Product Quality
4. Extra services

*"Wide range of products, reasonably priced items, helpful staff and exciting in store experience"* ***NEO***

*"Ease of shopping and something unique from the store."* ***NEO***

## ASPIRING NEO

1. Customer service quality
2. Price competitiveness
3. Product range
4. Product quality

*"Good customer service, friendly staff and having the stock in that I want."* ***Aspiring NEO***

*"A good range of quality products at competitive prices in a pleasant shopping environment."* ***Aspiring NEO***

## TRADITIONAL

1. Price competitiveness
2. Customer service quality
3. Product quality
4. Deals and promotions

*"If they offered huge discounts and were quality products"* ***Traditional***

*"Good bargains and discounts and good staff."* ***Traditional***

# OUR EXPERTS

**Mita Bedi**
Chief Executive Officer,
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**Joris Dries**
Chief Technology Officer,
Resonate CX

**Jacob Kandathil**
Head of Product and Marketing,
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**Federico Sasse**
Market Insights and Expansion Lead,
Resonate CX

 


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## Unlock Retail Growth

**Increase Conversion**
Optimise the Sales Journey

**Product & Service Development**
Value Added Services

**Increase Market Share**
Highly Competitive

**Increase Recommendation**
Greater Customer Lifetime Value

**Experience is the Differentiator**
Move away from Price Competition

**Reduce Complaints and Churn**
Turn Detractors to Promoters