

Next-level CX:
5 must-have strategies
for online retail in 2025

03

WHY CUSTOMER EXPERIENCE MATTERS MORE THAN EVER

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Why customer experience matters more than ever



86%

OF BUYERS PAY MORE FOR BETTER CX

As we enter 2025, the retail landscape is at a critical juncture. Customers are savvier, more discerning, and more demanding than ever before.

PwC research shows **that 86%** of buyers are willing to pay more for a superior customer experience, **while 76%** of consumers have switched to a competitor due to poor CX in the past year.

This shift is even more pronounced in the UK, where a fiercely competitive retail market - shaped by rapid technological adoption and changing consumer values - means only the most agile and customer-focused retailers will thrive.

From sustainability concerns to the rising influence of social commerce, UK customers are redefining what exceptional CX looks like.

76%

OF CONSUMERS SWITCHED DUE TO POOR CX.

So, why now?

In short, the pandemic redefined customer expectations. A cost-of-living crisis in 2024 has left consumers scrutinising every purchase, demanding value, reliability, and purpose. Retailers must step up - or be left behind. With that in mind, this report outlines five key strategies to transform CX, build loyalty, and future-proof your brand.



Personalisation and customer loyalty: Building relationships that last

01



80%

PREFER
RETAILERS THAT
PERSONALISE

30%

ONLY 30% OF
RETAILERS DO
IT WELL.

Why it matters

Customer loyalty in 2025 isn't about points schemes or one-size-fits-all discounts - it's about emotional connections. In a world where customers have endless choices, personalisation sets retailers apart. Yet, **while 80%** of consumers say they're more likely to buy from a retailer that personalises experiences, **only 30%** of retailers feel confident they're doing it well (Source: Epsilon).

68%

OF BRITS WON'T SHARE DATA
WITHOUT CLARITY

A UK perspective

British consumers are particularly privacy-conscious, with 68% saying they won't share data unless it's clear how it will be used (Source: Deloitte).

This means earning trust is as important as delivering tailored experiences. For example, Marks & Spencer has successfully rebuilt its Sparks loyalty programme to provide personalised offers, exclusive events, and real-time rewards - building emotional engagement while respecting privacy.

Actions to take

- Leverage AI and machine learning to predict customer needs and deliver tailored experiences in real time.
- Redefine loyalty schemes to focus on experiential rewards and emotional engagement, not just discounts.
- Be transparent about data usage, emphasising the benefits to the customer at every touchpoint.

Key data point

Customers are 10x more likely to become loyal advocates when brands excel in personalisation (Source: Epsilon).



Efficiency at every step: The seamless customer journey

02

Why it matters

£18^b

LOST ANNUALLY DUE TO CART ABANDONMENT.

A seamless customer journey is no longer a differentiator—it's an expectation. Slow load times, complicated checkouts, and inflexible delivery options remain the top reasons UK shoppers abandon their carts, costing retailers an **estimated £18 billion** annually (Source: Baymard Institute).

47%

YOY GROWTH IN BNPL USAGE.

57%

PRIORITISE FAST DELIVERY.

A UK perspective

British consumers are increasingly adopting flexible payment options like Klarna and PayPal Pay in 3, with BNPL usage growing **by 47%** year-on-year. Meanwhile, next-day delivery has become a baseline expectation for many shoppers, **with 57%** of UK consumers saying delivery speed is a key factor in their buying decisions (Source: Shopify).

Actions to take

- Simplify checkouts by enabling one-click payments and offering diverse payment methods, including BNPL.

- Invest in last-mile logistics to improve delivery speed and reliability.
- Invest in CRO to remove friction: Research where friction exists in the customer journey and use testing to identify improved customer experiences via a strategic CRO programme.



Key data point

Businesses that invest in seamless CX grow revenues by 4-8% above their market (Source: Bain & Company)



100% RECYCLED

Brand voice and ethics: Leading with purpose

05

Why it matters

In 2025, a brand's values are as important as its products. British consumers, particularly Gen Z, are demanding that businesses align with their social and environmental values.



Nearly **72%** of UK shoppers say they prefer to buy from brands that reflect their beliefs, **while 45%** actively seek sustainable and socially responsible products (Source: Edelman). However, vitally, a common finding is that consumers are not willing to pay more for it.

As previously mentioned, inflationary costs are severely affecting consumer decision-making, and whilst ethics play a part in purchasing choices, this cannot come at the expense of increased cost.

A UK perspective

UK retailers such as Marks & Spencer have made strides with initiatives like their Plan A sustainability programme, which focuses on cutting waste, using sustainable materials, and supporting ethical sourcing.

Meanwhile, Patagonia, known globally for its environmental activism and commitment to repairing and recycling clothing, has gained significant goodwill among British consumers. Brands like Tony's Chocolonely have also earned praise for their focus on ethical sourcing and fair trade, proving that purpose-driven strategies resonate deeply with modern shoppers.

Actions to take

- Communicate your purpose clearly through marketing, packaging, and customer service.
- Implement measurable ESG goals to demonstrate genuine commitment to sustainability.
- Collaborate with customers by offering incentives for recycling, repairing, or reusing products.

Key data point

88% of consumers say they remain loyal to brands that actively address environmental and social issues (Source: Cone Communications).





Meeting customers where they live: The rise of marketplaces and social commerce

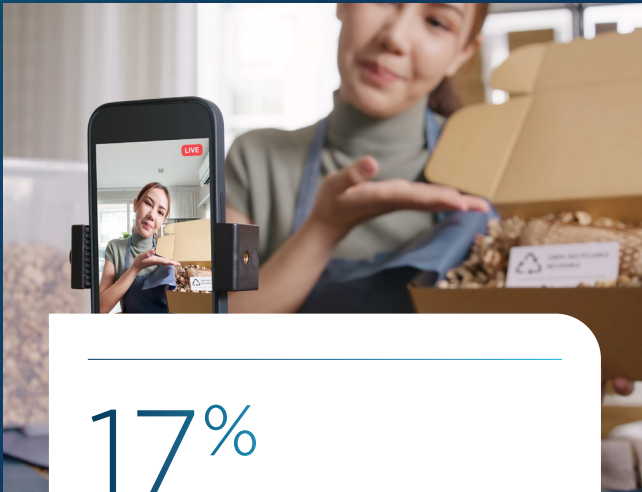
04

Why it matters

50%

OF GLOBAL SALES COME FROM MARKETPLACES.

Marketplaces continue to dominate ecommerce, accounting for more **than 50%** of sales globally, making them critical for both B2B and B2C growth strategies.



17%

OF GLOBAL SALES WILL BE SOCIAL COMMERCE BY 2025.

While social commerce is expected to account **for 17%** of global ecommerce sales by 2025 (Source: eMarketer), its relevance is concentrated in certain demographics and product areas, such as Gen Z and lifestyle brands.

For most B2B businesses and broader retail audiences, marketplaces remain a far more

impactful channel, offering scalability, reach, and cross-sector applicability.

A UK perspective

In the UK, marketplaces like Amazon and eBay lead ecommerce growth across sectors, catering to both B2C and B2B audiences. Social commerce has made inroads with younger demographics and niche markets—retailers like Liberty London have reported success with Instagram, and TikTok continues to influence Gen Z buying decisions.

However, for the majority of businesses, particularly those operating in B2B, marketplaces represent the most relevant and sustainable channel for meeting customer expectations and driving growth.

Actions to take

- Prioritise marketplace optimisation, including pricing, visibility, and logistics, to maximise sales in both B2C and B2B sectors.
- Experiment with social commerce on a smaller scale if targeting younger, digitally native audiences, using platforms like TikTok and Instagram strategically.
- Develop an integrated marketplace and ecommerce strategy to ensure scalability and relevance across customer segments.

Key data point

Marketplaces account for more than half of global ecommerce sales and offer significant growth opportunities across industries, while social commerce remains a niche but evolving channel for targeted demographics.



Iteration: the only constant is change

05



2x

FASTER REVENUE GROWTH IS SEEN IN COMPANIES THAT EMBRACE INNOVATION. (SOURCE: FORRESTER).

Why it matters

Retail is evolving faster than ever, and brands that refuse to adapt risk irrelevance. According to Forrester, companies that embrace innovation and experimentation grow **revenues 2x** faster than those that don't.

A UK perspective

UK brands like Gymshark and Co-op thrive because they continually iterate - whether by testing new payment options, refining delivery models, or launching exclusive collaborations.

The key is agility: being prepared to pivot quickly and take calculated risks.

Actions to take

- Embed a culture of experimentation within your organisation, using A/B testing to refine every aspect of CX.
- Invest in customer feedback loops to identify pain points and opportunities for improvement.
- Stay ahead of trends by monitoring emerging technologies like visual search, conversational AI, and retail media networks.

Key data point

75% of consumers expect businesses to continuously improve their experiences (Source: Salesforce).

Conclusion

Shaping the future of online retail in 2025

The retail industry in 2025 is not for the faint-hearted.

Customers are more empowered than ever before, holding brands to higher standards in every interaction. From the first click to the final delivery, every touchpoint must deliver not just satisfaction but delight. This report has outlined five essential strategies that together form a blueprint for success - but success hinges on understanding how these elements work in harmony.

Interconnected strategies for a winning formula

- **Personalisation is the starting point:**

Customers expect brands to know who they are, anticipate their needs, and offer tailored solutions. This isn't just about loyalty programmes - it's about using AI, machine learning, and real-time data to create experiences that feel personal. But personalisation also requires trust. By aligning your data practices with ethical transparency, you can achieve a dual win: relevance and credibility.

- **Seamless efficiency underpins everything:**

Even the most personal experience fails if it's hindered by friction. From flexible payment options to lightning-fast delivery, efficiency is now non-negotiable. The UK retail market's reliance on convenience is growing, with 70% of cart abandonments tied to poorly optimised experiences. Brands that remove barriers at every stage will outperform competitors.

70%

OF CART ABANDONMENTS ARE DUE TO POOR CUSTOMER EXPERIENCES.



88%

OF UK CONSUMERS STAY LOYAL TO ETHICAL BRANDS.

- Ethics and purpose create emotional connection:** A **staggering 88%** of UK consumers say they remain loyal to brands that actively address social and environmental issues. Personalisation creates the connection, but purpose creates the reason to stay. Brands that fail to embrace sustainability and social responsibility risk alienating the next generation of consumers.



78%

OF GEN Z FINDS PRODUCTS ON SOCIAL MEDIA.

- Social commerce fuels discovery and engagement:** Social platforms have become an essential extension of the customer journey. By meeting customers where they spend their time, brands can leverage influencers, live shopping events, and platform-native storefronts to capture attention and drive conversions. **78%** of Gen Z discover products on social media—ignoring this trend is no longer an option.
- Iteration is your long-term ally:** CX is not a one-and-done exercise. The brands that lead in 2025 will be those that adapt continuously. Iteration is not about chasing every trend; it's about refining strategies based on real-time feedback, staying ahead of competitors, and embracing innovation without losing sight of the customer.

A roadmap for 2025

To help you take action, here’s a step-by-step guide to embedding these strategies into your retail business:

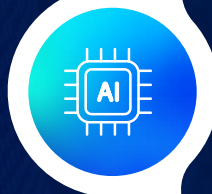
Audit your customer experience

Identify friction points and gaps in personalisation, efficiency, and delivery. Use tools like heatmaps and customer feedback surveys to understand where improvements are needed most.



Invest in AI and automation

From chatbots to recommendation engines, technology can help deliver personalisation and efficiency at scale. Explore partnerships with vendors specialising in these solutions.



Redefine your loyalty programme

Move beyond discounts to create a value-driven experience that fosters emotional connections with your customers.



Develop a sustainability roadmap

Commit to measurable goals, such as reducing carbon footprints or implementing circular economy initiatives. Share these transparently with your audience.



Launch a social commerce strategy

Experiment with TikTok live shopping events, Instagram storefronts, and micro-influencer collaborations. Monitor metrics like engagement rates and ROI to optimise campaigns.



Embed a culture of iteration

Regularly review your CX strategy, using A/B testing and data insights to refine and improve. Encourage cross-departmental collaboration to drive innovation.





The cost of inaction



1.7^x
FASTER REVENUE
GROWTH WITH
CX FOCUS.

The stakes couldn't be higher. Retailers who fail to adapt risk losing market share to competitors who better understand their customers' needs.

Research shows that companies prioritising CX grow **revenues 1.7x faster**, while those neglecting it risk falling behind permanently (Source: Forrester).

Inaction means alienating customers, missing out on emerging trends like social commerce, and losing loyalty to more agile competitors. The cost of complacency is not just lost revenue - it's irrelevance.



The final word

There are very few, if any, retailers who have faultlessly optimised the end-to-end customer journey to deliver an engaging, low friction and cross channel experience.

Customer experience has been critical to company success for the last 5 years and most organisations who don't address this now are likely to get into difficulty and decline.

The emerging generations (Gen Z) prefer to buy from organisations that share their personal

values and organisations need to realign marketing and ecommerce strategies to address this. Only a holistic, end-to-end CX strategy can deliver this.



With regards to B2B organisations, previously they could get away with a poor or simply practical experience but now that Gen Z are climbing the career ladder, their values need to be incorporated into a more emotive and nuanced B2B journey for these organisations to remain relevant.

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This paper was brought to you in conjunction with Retail Gazette, the UK's largest B2B retail publication.

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