



Loyalty in Luxury Retail

COLLINSON INSIDE TRACK

This article at a glance

Who: A must-read for luxury retail loyalty leaders

What: The inside track on what's now and next
in luxury retail loyalty

Read: 15-20 minutes

How is the luxury retail loyalty sector faring in the current climate? What's new and what's coming next? Here we examine market dynamics, learn from prominent players, spotlight specific schemes, look at measures of success and unpack how emerging technology is transforming the loyalty future.

Market dynamics and major trends

The global luxury industry is undergoing transformation, driven by slow post-pandemic recovery in some key markets such as China, a real estate crisis and loss of confidence amongst luxury consumers.

What's more, the recent introduction of US tariffs has created tensions between Europe and the US, distribution channels are under liquidity pressure, supply chains are strained and prices are escalating.

Added to these tensions and market volatility, a new generation of luxury consumers is advocating for better price/value harmonisation (GenZ) and a values-driven approach. In parallel, the top tier high net worth individuals (HNWI's) and ultra high net worth individuals (UHNWI's) continue to be driven by 'money can't buy experiences'.

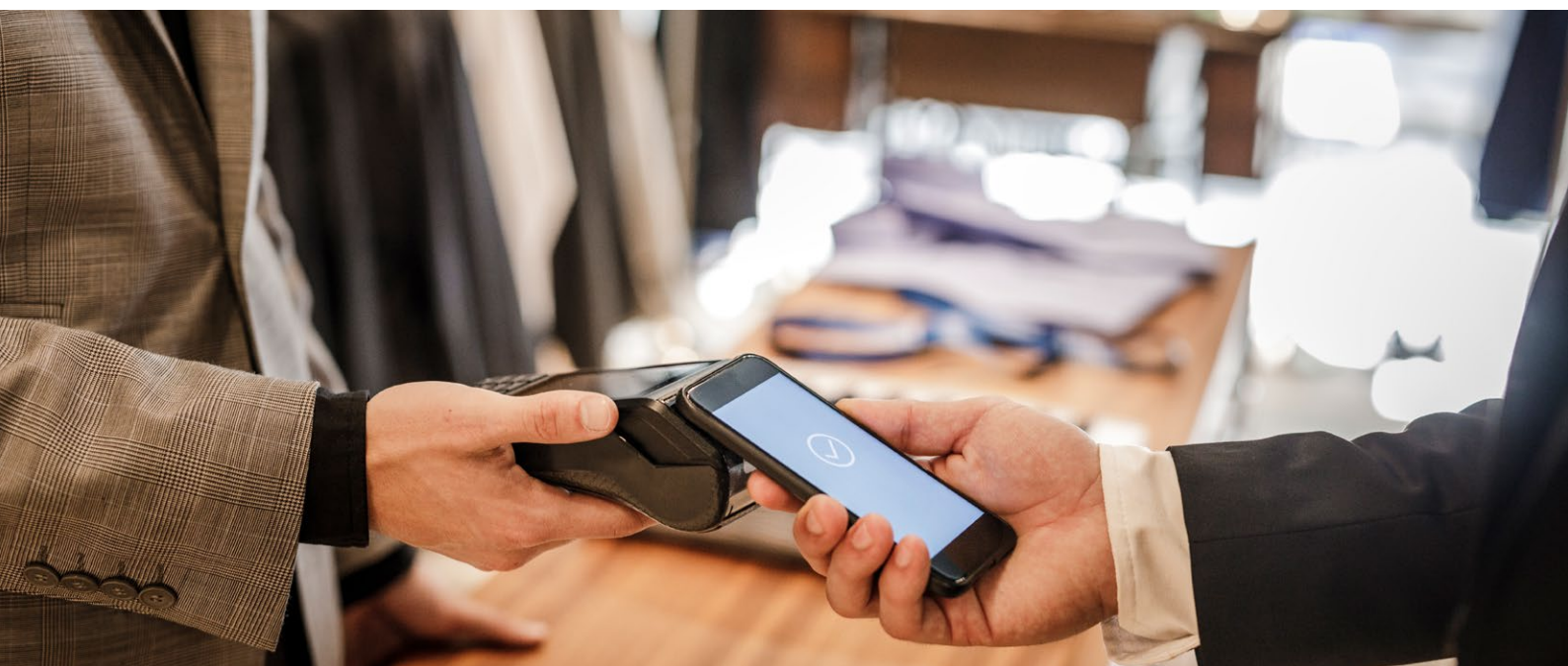
Despite these challenges, some regions continue to grow, with the Gulf Cooperation Council (GCC) currently at +6% vs. global +2%, driven mainly by Dubai and to a lesser extent Saudi Arabia. Luxury clients will always remain driven by self-reward; with status ensuring luxury stays more relevant than ever. Luxury spending patterns are now challenging luxury norms and in need of a different business model which is less transactional and more experiential.

Recognising this, luxury brands have shifted their strategies, focusing on client-centricity and developing experience-led rewards to build the brand connections and emotional bonding which ensure long-term engagement and loyalty, retention and lifetime value.

Given the market context and changing customer expectations, we can identify firm foundations for success...

Seven pillars for luxury loyalty success:

- 1 Create a sense of exclusivity
- 2 Focus on hyper-personalised experiences
- 3 Build experiential rewards for dedicated profiles
- 4 Focus on VIP tiers
- 5 Trigger emotions to build long-term brand connection and engagement
- 6 Leverage luxury loyalty programmes as a brand extension platform
- 7 Integrate data and create seamless brand experiences across the omnichannel ecosystem





The top 5% of customers generate 40% of sales

Experience led rewards: the loyalty blueprint in luxury retail

GenX and today's HNWI's are looking beyond luxury goods and towards meaningful experiences combined with compelling storytelling embedded in cultural immersion. Paying strong attention to value for money, this audience no longer considers that the brand name, logo or associated status alone justifies premium pricing. They are seeking unique and unforgettable experiences, invested in wellness and longevity trends and expect 'ultra-luxury' in hospitality.

Luxury is clearly evolving into a culture-driven experience that resonates with the target audience. Across the generations, luxury consumers are demanding reciprocal relationships, trust and authenticity over the transactional. Building loyalty in luxury retail takes time - to understand client expectations and to craft and curate unique, personalised experiences for clients as rewards. And it's important to get it right with when the top 5% of customers generate 40% of sales, as is the case for Hermes for example.

Luxury houses are crafting their strategies based on two main objectives: recruitment and loyalty. Programmes tend to focus on gifting and experiences, with tiered levels providing access to white glove service, concierge service, premium gifts, exceptional experiences and more.

The tier reward strategy throughout the year is synched with seasonality, key celebrations such as Ramadan, Christmas and/or brand calendar events such as high-end launches. On average, luxury clients are solicited four to eight times across the year through a variety of channels including emails, WhatsApp messaging, private invitations, one2ones and one2many communications, with the main strategy being to remain top of mind, sustain engagement or celebrate client milestones.

On an annual basis, many luxury houses craft a gifting portfolio aimed at covering the full year's gifting occasions whether linked to seasonality, brand moments or client recognition. These loyalty gifts must express luxury and reflect the brand's DNA while fitting audience needs and lifestyles. Some of the most successful items include branded home accessories, stationery, candles, porcelain trays and cashmere blankets. The gifting catalogue will often carry seasonal gifts themed to a celebration such as Chinese New Year, Ramadan or Christmas, with gifts varying in value from entry level to VIP.

Alongside gifts such as champagne, chocolate and flowers to elevate the instore experience, luxury brands are integrating fine dining, spa experiences, luxury weekends and private VIP rooms for special celebrations into their programmes. Luxury houses have now entered a new competitive arena: vying with one another to provide outstanding rewards and preserve loyalty.

At the pinnacle of luxury retail programmes are VVIP's & HNWI's. Exclusive private access is granted to these individuals on a selective basis, to celebrate their special status. 'Behind the scenes' experiences offer the opportunity to meet designers, gemmologists and craftsmen to discover closely guarded processes and meet the creators behind closed doors. These exclusive trips are usually private, providing an opportunity like no other for brand and interpersonal bonding.

Ferrari provides us with a great example of these techniques at work, fostering deep emotional bonds and a sense of belonging through its bespoke ownership experience. This extends beyond cars to exclusive events and owner's clubs, ensuring customers feel part of the Ferrari family.

Experiential and 'emotional' loyalty are key facets of the successful loyalty programmes Collinson designs globally for clients. [Read more](#) here about optimal scheme design and associated profitability.

Prominent players - struggles and successes

Some players in this sector avoid points (and thus clear cost/value evaluations by customers) in favour of gifts and experiences, based on spend and discretion. This allows luxury retailers to maintain premium positioning while controlling reward mechanics and quality. However, this approach also has its disadvantages:

1 Increased programme costs

Relying on gifting and experiences mechanics has cost implications. Luxury brands are challenged year after year to maintain the same level of rewards qualitatively and to creatively stand out from the competition with the most exceptional rewards and experiences. However, cost increases demand close KPI and effectiveness monitoring which are frequently lacking, making true impact and incremental profitability hard to measure.

2 Increased customer expectations

Luxury brands are battling to win the hearts, minds and wallets of their audience, who are often solicited by multiple competitors. Customers know this and use it to leverage even greater value from the brands, causing expectations, costs and competition to spiral.

Secondary resale market

VIP branded gifts are developed with the utmost attention to detail and are designed to be desirable. And across Asia, the US and Europe, some high value customers are simply being spoiled with a glut of gifts. There's an argument to rationalise and monitor the level and value of gifts awarded but luxury brands are loathe to do this before their competitors and thus heavy gifting costs remain. Perhaps this partly explains why loyalty and CRM are taking an increasing slice of the marketing budget. On the other hand, leading loyalty operators with sensibly balanced schemes know that the majority of programmes provide rich returns - making the case for investment vs. other marketing disciplines.

31% of the marketing budget

is now allocated to customer loyalty and CRM, the highest in four years.

Antavo's Global
Customer Loyalty Report 2025

Points programmes

Gifting and experiences aside, some significant luxury retail and hospitality groups are still operating points based reward systems. Groups such as **Majid Al Futtaim with SHARE** programme and **Emaar with U** offer attractive points rewards or discounts scheme across their networks, from hospitality to retail entertainment and F&B outlets.



SHARE for example offers points earning and burning across 5000 stores, cinemas, Carrefour and F&B outlets. VIP members can enjoy perks such as concierge services and private lounge and club access, depending on their spending profile. Additional services linked to lounge access include complimentary butler service, VIP valet parking and hands-free shopping.



U by Emaar is an exclusive loyalty programme operated across more than 2,500 stores and venues across Emaar's network of malls, hotels, cinemas, F&B outlets and residences. Points are awarded for purchases made on the U by Emaar credit card and can be redeemed for discounted or complimentary stays, fine dining, entertainment experiences and spa treatments with reward savings further extended to Visa cardholders via bank partnerships.



Amber (the Al Tayer loyalty programme) bills itself as 'your gateway to an elevated shopping experience,' with points earning and redemption across a portfolio of 40+ department stores and fashion brands, from Bloomingdale's to Gucci, Missoni, Saint Laurent and more.

Trends to note

Having looked at some of predominant mechanics in luxury retail loyalty, what are the emerging trends? Which brands are pioneering future fit programmes? And are they enjoying sustained success?

After sales service & premium warranties

Rolex offers a five year warranty as part of its after-sales service, intended to ensure lifetime satisfaction. This compares with an average two year warranty offered by other premium watchmakers. Luxury retail often considers a single sale as 'end of cycle' but enlightened brands understand that lifetime client engagement impacts long-term loyalty and value. For example, jewelry house **Messika** has recently partnered with Grace to offer loyal clients theft protection insurance under Messika's Serenity programme.

From transactional to emotional engagement

Increasingly, luxury retailers are leaning towards a customer-centric approach, creating ecosystems based on exclusivity, personalisation and emotional engagement. Brands are developing bespoke, personalised engagement strategies, placing curated experiences, VIP previews and bespoke gifting at the core of their programmes. Several key principles are key to such approaches, designed to drive emotional engagement:

- Elements of exclusivity
- Bespoke personalisation
- Aspirational experiences
- One-of-a-kind collaborations
- Community-centric approach

Prada Mode is a prime example of these principles at work, positioned as a private club offering members exclusive experiences connected to contemporary culture, art & sustainability including:

- Private invitations to high-profile cultural events (e.g. Art Basel, Frieze Week)
- Gastronomic delights and networking opportunities
- Limited-edition collectibles: exclusive Prada memorabilia

Prada Mode is a one-of-a-kind, invitation-only programme which bestows both prestige and exclusivity on its members, making it as aspirational as the master brand.

Gamification, digital wallets and digital-first programmes

App based **My Gucci** aims to create a digital community constantly connected to the brand through all touchpoints. Free to join, it offers a series of perks and curated experiences enriched with gaming applications, arcade games, branded

wallpapers, stickers, digital tools, virtual-try-ons and even advanced access to the Gucci podcast. Content is fully personalised to users with bespoke recommendations, increasing satisfaction and taking loyalty programme design to the next level, well beyond tiers and points. **Hugo Boss XP** is another example of a brand which is taking its loyalty programme into the future, using tokenised rewards (NFTs) to reward its customers.

VIP clubs & community-centric programmes

Paid memberships are a growing trend in the loyalty sector overall and in the luxury retail sector, the **Swarovski Crystal Society** (SCS) has tapped into this with a paid loyalty programme, granting members access to curated perks such as:

- Access to limited editions designed exclusively for SCS members
- Crystal miniature annual gifts
- Complimentary repairs
- Crystal lovers biannual magazine
- Online /offline event invitations

This is a unique programme emphasising the concept of collectibles, craftsmanship and artistry alongside integrated customer care.

Customisation & personalisation

Nearly half of luxury fashion consumers say they would be willing to pay up to 20% more for in-store personalised shopping (Mastercard survey).¹ It's no surprise then that smart luxury brands are creating curated multi-channel experiences to satisfy this demand and drive revenue.

Burberry was a pioneer in the luxury industry, launching the "Customer 360 approach" which merges in-store 'high-touch' service with digital experiences and initiatives such as digital wardrobes, leading to an uplift of 40% on Average Transaction Value (ATV).

Next-gen loyalty

Post-pandemic, digital transformation accelerated e-commerce for most luxury brands, switching from a largely bricks & mortar model to a full omnichannel ecosystem including new digital shopping experiences. New technologies are now enhancing the customer experience. Think VR, AR, gamification, chat messaging, shopping through WeChat or WhatsApp and digital wardrobes. Customer experiences will only be further amplified by AI tools. Meanwhile, **Saks** Fifth Avenue in New York provides clients with video or online chat shopping options, with appointments before or after the store's opening times for VIP clients.

The Customer Landscape

Having looked at the structure, trends and future trajectories of programmes, next we look at the customer landscape. What do luxury shoppers expect and how can brands fulfil VIP needs in the luxury retail sector?

Connection, product excellence and recognition are key in creating customer positivity but there are common pain points too, which luxury brands and retailers can work to avoid.

Pain points

Over communication and lack of personalisation, crowded, standardised retail experiences, low product quality and lack of top-tier status recognition are fundamental programme flaws which commonly cause consumer frustrations. Conversely therefore, brands that can engineer an about-turn on these areas are those that will win customer hearts.

Areas of opportunity

According to Bain & Company, increasing customer retention rates by 5% can boost profits by 25% to 95%.² Put simply, loyalty efforts pay, when they are well conceived and constructed. In our experience, the following parameters play a key part in creating loyalty success in this sector:

- Tiered mechanics, VIP access/invitations or paid membership rather than traditional points
- High levels of personalisation and bespoke, curated experiences
- Strong relationships between brands and sales teams managing client interactions
- Thoughtful connection which avoids over-communication
- Focus on reciprocal relationships rather than transactions
- Respecting privacy regulations and adopting a community-centric approach
- Brand storytelling, brand resonance and meaningful narratives to connect with clients expectations
- Seamless experiences across all brand touchpoints within the omnichannel ecosystem

Each of these areas deserves its own deep dive with a Collinson consultant. Leading luxury brands are across these areas of opportunity, so others must follow suit to keep up.

Increasing customer retention rates by 5% can boost profits by 25% to 95%



What good looks like

So, who is really getting it right in luxury retail loyalty and what makes for sustained loyalty success?

Programme

Success Factors

Hermes loyalty through scarcity

The ultimate loyalty technique in luxury retail remains Hermes' strategy in the allocation of the precious Kelly & Birkin bags, only accessible to a privileged few who already own a piece, have a confirmed purchased history, an established relationship with the sales advisors and strong brand connection. This is a strategy based on a full distribution control aimed at teasing exclusivity, scarcity and brand desirability. The unintended consequence of this limited distribution however is the creation of a parallel secondary market, where clients resell their Hermes bags, with values in excess of the retail price since they are considered an investment.

Cartier Le Cercle private membership

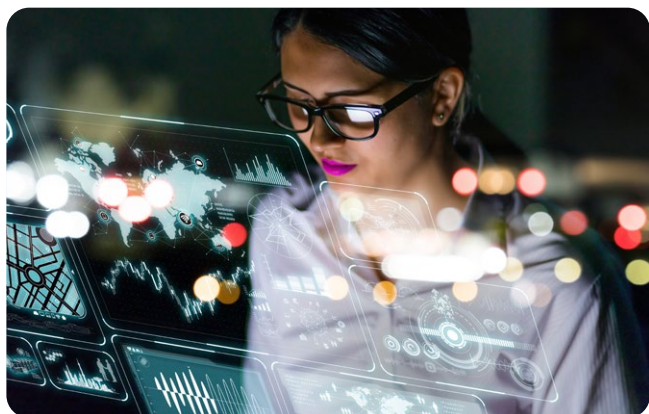
This private invitation-only club is reserved for the most loyal Cartier clients. There are no tiers or tangible gifts but rather experiences hyper-personalised to clients including private previews and fine dining invitations. This is an entirely experiential approach which evokes emotion and privilege.

Jacob & Co and high-end watchmakers

High end watchmakers like Jacob & Co are also on to this, with their community of collectors who are invited to special workshop visits to meet designers and creators, with the ability to customise or engrave pieces. Some watch clubs even develop limited editions only made available to collectors, creating rarity and privilege within a closer user group of valued customers.

Innovative mechanisms

Luxury brands are increasingly embracing innovations and integrating solutions such as VR, AR, web3, blockchain and AI solutions to enrich the omnichannel experience. Every year, Vivattech – the world's innovation rendezvous for startups and business leaders – sees start-ups present new tech solutions to luxury brands and retailers, inspiring advances in loyalty management. **LVMH** even has an incubator generating in-house solutions to luxury retail challenges. Next-gen loyalty will continue to be driven by humans but enhanced, enriched and enabled in multiple ways through technical capabilities such as AI.



AI and data drive success

Martech and AI solutions are advancing luxury retail loyalty in a number of ways, including:

- Optimising data analytics
- Hyper personalisation of content, communication and experiences
- Rationalisation of product portfolios, matching offers to customer interests, purchase habits and history (influencing upgrade, upsell and cross-sell strategies)
- 'Heavy lifting' for sales teams – removing repetitive tasks and freeing up personnel to focus on relationship building
- Predictive profiling, experiences curation and product recommendations
- Communication suggestions based on client's history, purchase cycles and store visits, allowing sales teams to personalise and humanise the final recommendation based on pre-suggested leads
- Implementation of new category of concierges leveraging agentic AI to bring an additional level of services able to perform transactions

AI and cloud technologies will clearly reshape the luxury industries, upgrading customer experiences and improving employee productivity.

AI luxury loyalty programme implementation

1 AI as a digital amplifier

Balancing human high touch and high tech will be crucial for future fit schemes, with much streamlining, optimisation and automation enabled by AI. Over 60% of luxury organisations are looking to invest in AI to improve client management and experiences, according to Capgemini.³

2 Real-time hyper-personalisation

Processes and tasks that used to take hours will be optimised in minutes thanks to technology. For example, an instore visit will become a fully customised experience in real-time, based on immediate identification of the client and direct access to their data and shopping history, with suitable product recommendations ready in no time.

Building devotion through emotion

While innovation, tech & AI will help re-invent, upgrade and humanise the customer experience, brand resonance still counts. Luxury brands showcasing strong values and fulfilling ESG commitments will create stronger brand connections. Luxury clients are in search of greater authenticity, transparency and trust and will forge deeper connections with brands demonstrating shared values.



Key business drivers

Key drivers in this sector include:

- Client value/revenue creation and maintenance over the long-term
- Fuelling and developing the share of Top/HNWI's clients in the portfolio
- Qualified data consolidation and seamless omnichannel communication.

This market is a quality play, focused on long-term emotional engagement and repeat purchase over time vs. short term transactions. In our view, the top business goals addressed by luxury retail loyalty programmes are:

Business Goal

How Loyalty Contributes

1

Grow & nurture most valuable (VVIP's/ UHNWI's)

- This cohort typically represents 2-5% of the client portfolio, generating up to 40% of sales (Bain & Company)²
- Hence extra focus through hyper-personalised experiences and private events to retain VIPs to amplify their spend long-term
- This is a growing, confident base: 50% of HNWI's mention they will spend more by 5-25% over the next 18 months.(BCG)⁴

2

Increase retention and purchase rate

- With the luxury aspirational consumer in decline, luxury brands have been largely impacted (accounting for up 50-70% of their databases for some brands)
- Re-mapping the client journey becomes key, investigating each and every single touchpoint of client interaction: customer journey communications, store visits, welcome, in store and online user experience, follow ups and nurture while closely monitoring over 12-24 months and analysing action impacts vs. KPI's (repeat purchase, retention rate, conversion rate etc)

3

Cross-sell & upsell

- This requires retail consultants to be trained on specific selling techniques to encourage upselling and cross-selling in order to uplift ATV
- Techniques include personal styling sessions in-store, online re-targeting following online browsing/abandoned carts and of course a suitable CRM strategy with communications inbuilt to satisfy these objectives

Business Goal

How Loyalty Contributes

4

First party data acquisition and consolidation

- Data in luxury retail is crucial, the main challenge being accurate data-capture and consolidation of qualified and qualitative data across the omnichannel ecosystem
- Having the right information at the right time is key as it impacts client profiling, identification of behaviours, needs, purchase patterns and contact information. Leverage of quality data is crucial not only for targeted and personalised communications and offers but also to build look-alike customer profiles, create referral programmes and so much more

5

Closing the omnichannel gap online/offline

- In this sector, the 'bricks and mortar' model still accounts for the majority of revenue. On average, e-commerce penetration is 3-8% for the most mature markets
- Clients expect to benefit from the same treatment whether they interact offline or online, directly or through other distribution channels such as travel retail or wholesale. However, data is commonly held in silos, making conversion attribution difficult. Harmonisation of data across channels represents a real opportunity to create a seamless client experience, improve operational efficiency and improve attribution

6

Hospitality experience vs. transaction

- Luxury experiences start from the first interaction; the boutique environment is welcoming, with high standards of interior design, incredible attention to detail and luxury brand cues. Store zoning and client flow are carefully designed to enable discovery of specific collections gradually, from entry prices to high end creations
- The golden rule is to increase dwell time and prolong the in-store experience. VIP rooms are transformed into private salons or libraries, creating an environment where time stands still and customer experience is elevated. The results?
 - <10 minutes: Only 25% of clients express a definite intent to buy
 - 11-20 minutes: 40% show strong purchase intent
 - 30+ minutes: This number jumps to 60%+ (CXG)⁵

7

Balancing high touch and high tech tools

- Tech tools and AI solutions will improve many aspects of the customer experience and are set to improve identification of VIP's along with discreet but effective targeting. Currently 70% of potential VIC's remain unnoticed and un-nurtured (BCG)⁶
- The true opportunity lies in the introduction of tech solutions to improve data-informed decisions and empower sales advisors to focus on delivering their high touch expertise

8

Services vs. price & discounts

- Price sensitive clients are everywhere even in the luxury industry but instead of eroding margin and brand equity by discounting, smart luxury brands seek to add value by offering additional services as exemplified by Rolex, Messika and Audemars Piguet amongst others



Strategic and operational challenges addressed by loyalty

Loyalty initiatives serve many purposes and go beyond the loyalty programme itself. For example:

- **Business benefits:**

Loyalty efforts demand deep understanding of the customer, leading not only to increased revenue but also inspiring other areas of the business, such as new product development (NPD) aimed at satisfying needs unlocked by loyalty data

- **Value chain management:**

Understanding of customer expectations and needs can impact entire existing product portfolios – influencing merchandising strategies and enabling accurate forecasting of products by customer segment

- **Brand resonance and brand referrals:**

Loyal luxury clients are the ultimate brand ambassadors, advocating for the brand and creating organic referrals. This is especially true in the Middle East where peer referrals are among the top three purchase triggers



Return on Investment

Increasing customer lifetime value (CLV)

- Loyal, engaged customers can contribute significant lifetime value, which is best leveraged and measured via a loyalty programme

Higher average basket value (ATV)

- Personalised recommendations work: 75% of consumers are more likely to buy from a brand that recognises them by name and knows their purchase history (Epsilon) ⁷
- In-store service can increase the average basket value by 30% to 50% (McKinsey)⁸
- Personalisation is a core driver of loyalty ROI: Typically +5%-15% revenue uplift and +10%-30% marketing ROI when executed well (McKinsey) ⁹

Profitability Perspective

Loyalty programmes are globally proven to create value and drive incremental profit. Programmes in the luxury retail sector are no exception. In our view, the three pillars below are key to profitability in this sector.

1. Top tier client growth & retention (HNWI's/UHNWI's)

Bain, Cegid and McKinsey all cite varying 'success stats' showing that the top 2-5% of customers can generate up to 30-40% of revenues and that a 5% increase in retention can lead to a minimum +25% boost in profits. Collinson's experience across international loyalty programmes corroborates these findings.

2. Experiential and personalised engagement vs. transactional interactions

As cited earlier, personalisation can increase revenues by 15% with targeted loyalty efforts increasing basket size by up to 50% (Cegid, McKinsey). Conversely, human interactions can make or break the brand relationship: 78% of luxury customers will leave a brand after a poor advisor experience (CXG) proving that etiquette and empathy are key to the emotional bonding which in turn drives revenue.

3. Data integration across omnichannel ecosystem

We have discussed the importance of unified omnichannel data and its leverage. To drive this point home, it is interesting to note that luxury omnichannel clients are x2.5 more valuable than single channel clients (McKinsey) and 91% of luxury clients are more likely to shop again if they are recognised and remembered across channels (Accenture).

The ROI impacts are clear:

- Loyalty initiatives grow share of spend
- Cost Per Acquisition (CPA) decreases when first party data can be leveraged, allowing optimal targeting, re-targeting and engagement
- CRM & loyalty marketing campaigns improve conversions and revenue

Collinson advises extensively on the subject of loyalty profitability and in particular the importance of incrementality, measurement and the creation of programmes as strategic assets. [Read more here.](#)

Measuring success

Setting clear KPIs and measuring commercial and customer success is key, to drive programme improvements, to make the case for investment and to set the scheme up as a long-term strategic asset, delivering recurring returns.

- Measurement should cover the entire customer journey:
 - > invitation store visit/ appointment
 - > conversion
 - > follow up
 - > retention and so forth
- A commercial metrics dashboard should cover incremental revenue, customer lifetime value (CLV), retention and churn rates, basket size/frequency, marketing ROI/cost efficiency and redemption cost vs. value delivered
- A customer metrics dashboard will optimally include engagement rate, tier progression, redemption rate, Net Promoter Score (NPS), Customer Effort Score (CES) and Emotional Loyalty with qualitative tools consistently soliciting customer feedback
- There is best practice methodology for the measurement of each of these and ideal cadence, available on request from Collinson.

Problems and pitfalls in measurement?

With advances in technology and ever higher customer expectations, the only constant in retail loyalty is the increasing rate of change. Standing still is not an option, so retailers of all shapes and sizes need to be consistently testing, measuring and optimising the loyalty programme - to drive efficiency, effectiveness and continuous improvement. Our three top tips include:

- 1 Setting clear & accurate KPI's from the outset**
- 2 Merging gaps between channels - unifying metrics across touchpoints**
- 3 Taking a 12-24 month perspective (vs. short term targets and transactions)**

Statistically robust measurement methodologies are important and these should include 'true testing' such as control groups to measure incremental uplift. Relying on short term, campaign outcomes alone is not recommended - longer term measures like Customer Lifetime Value (CLV) and NPS provide balance.





The digital workforce – transforming loyalty delivery

To share a point of view from Jérôme Joutard of Parfums Christian Dior: **“Analytical and generative AI open opportunities for our métiers, with efficiency and productivity gains. It’s a real revolution... There will be a widening gap between those who master AI for their métiers and the rest.”**

However, the future is not all about machines becoming human, it is about technology removing administrative tasks and allowing humans to become even more human in the way brands interact with valuable customers and programme members.

Digital agents and co-pilots

Parfums Christian Dior’s Jérôme Joutard also affirms:

“If we were to develop a client-facing analytical or generative AI application, it would be with our level of requirement and in a luxury-compatible customer experience.” Category-specific factors also have an influence here: Beauty brands, traditionally sold via intermediary distributors, are more likely to accept customer-facing AI (with 60% of respondents being open to the deployment of such applications), while jewelry houses are fiercely opposed to it (with a 0% chance of development). (Bain & Company) ¹⁰

Specifically, AI can assist in almost all aspects of a programme. For example:

- Customer service: Generation of personalised emails and conversational replies for customer service
- Chatbots: shopping assistant and virtual support for customer enquiries
- Personalised communication: e.g. newsletters and adverts based on audience specifics (e.g. preferences, location and contextual information)
- Trend prediction: Identification and prediction of consumer and product trends through analysis of large sets of data available online (e.g. social listening, customer reviews, press articles)
- Customer segmentation: Identification of customer segments as a prelude to engagement through a tailored marketing strategy and targeted messaging to generate additional sales
- Sales associate interactions with customers: Sales scripts and tailored product or service recommendations
- Websites: Generation of personalised content (e.g. web pages and product descriptions) based on user characteristics (e.g. demographics and purchase history)
- Direct-to-customer recommendations: Bespoke recommendations delivered directly to customers (in store or at home), with virtual try-on possibilities
- Store footprint optimisation: Data analysis (e.g. social and demographic data, competitor locations, customer flow analysis and store performance) to select optimal store locations

Partners driving profitability

Start your journey with Collinson advisory to design optimal programmes, with Salesforce Loyalty - the leading LMS software solution. Augment your platform with other pre-integrated products or connect to third party applications with Salesforce.

Salesforce Solution	Enables loyalty for
Salesforce Data Cloud	Data Unification of Customer, Member data across the Enterprise
Marketing Cloud	Personalised Member Engagement across the lifecycle
Agentforce	Autonomous member engagement for Sales, Service & Marketing
Commerce Cloud	Seamless purchase online with embedded Loyalty Offers and Rewards
Service Cloud	Easily service your loyalty members with queries and issue resolution
Mulesoft	Easily integrate your Loyalty Solution with Upstream and Downstream solutions

The profitability and success of a retail loyalty programme increasingly depends on the enterprise-wide orchestration of data. Salesforce’s native loyalty ecosystem offers one of the most integrated frameworks to execute this - combining customer intelligence, predictive AI, and omnichannel delivery into a unified loyalty experience.

However, increasing profitability is not just about the tech stack. The connection between Salesforce and Collinson products and services is customer and member relationships. Salesforce has the proven technology expertise to match the boldest of brand ambitions, leveraging and insights as appropriate for the strategic goals. Collinson has proven international capabilities in monetising customer relationships via loyalty and engagement programmes.

There’s real commercial benefit in working with a specialist loyalty partnership. Programmes can fail if the strategy is not clearly defined for success and the delivery not expertly informed to maximise opportunities and avoid hidden pitfalls.

Conceived correctly, loyalty initiatives - aligned to a brand, its customers and the business needs - have consistently demonstrated the ability to create competitive advantage.

Our partnership is a winning approach of strategy and tactics. To quote Sun Tzu from the Art of War: ‘Strategy without tactics is the slowest route to victory, tactics without strategy is the noise before defeat.’ We see time and again brands buying loyalty technology and executing tactically without a clear direction or strategic goal and most often this leads to failure. There’s also the inverse - spending millions with consulting firms without the deep expertise to commit to a direction and execute; in these cases analysis paralysis takes over.

The Collinson and Salesforce partnership combines strategy and tactical execution capability to ensure brands not only compete effectively but have a clear path to differentiation and commercial success.





Conclusion

The most successful and resilient brands in the luxury industry are those adopting a client-centric approach. Well designed loyalty strategies drive both growth and incremental profitability - especially important during straitened economic times.

‘Top tier’ clients remain the core focus and successful operators will lean towards long-term portfolio management vs. short term transactions to nurture this cohort.

There is intense competition in the sector, with brands and retailers vying to create and provide the most coveted experiences for clients, from private membership clubs to hyper-personalised experiences and curated private viewings,

consistently indulging and surprising clients. Functional, transactional approaches are being overtaken in the new experiential era.

Data quality, unification and leverage remain key and luxury operators will have no choice but to embrace emerging tech and AI solutions if they are to lead rather than lag in this respect.

AI early adopters will set the standard for upgraded luxury loyalty experiences. Success will lie in achieving the fine balance between ‘high touch’ and ‘high tech’ to ensure that the huge advantages of tech are combined with the best of brand narratives and human storytelling.

Resources

[Contact Collinson](#) for general enquiries & questions

Discover further retail industry insights [here](#)

For a Loyalty Maturity Assessment, [click here](#)

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