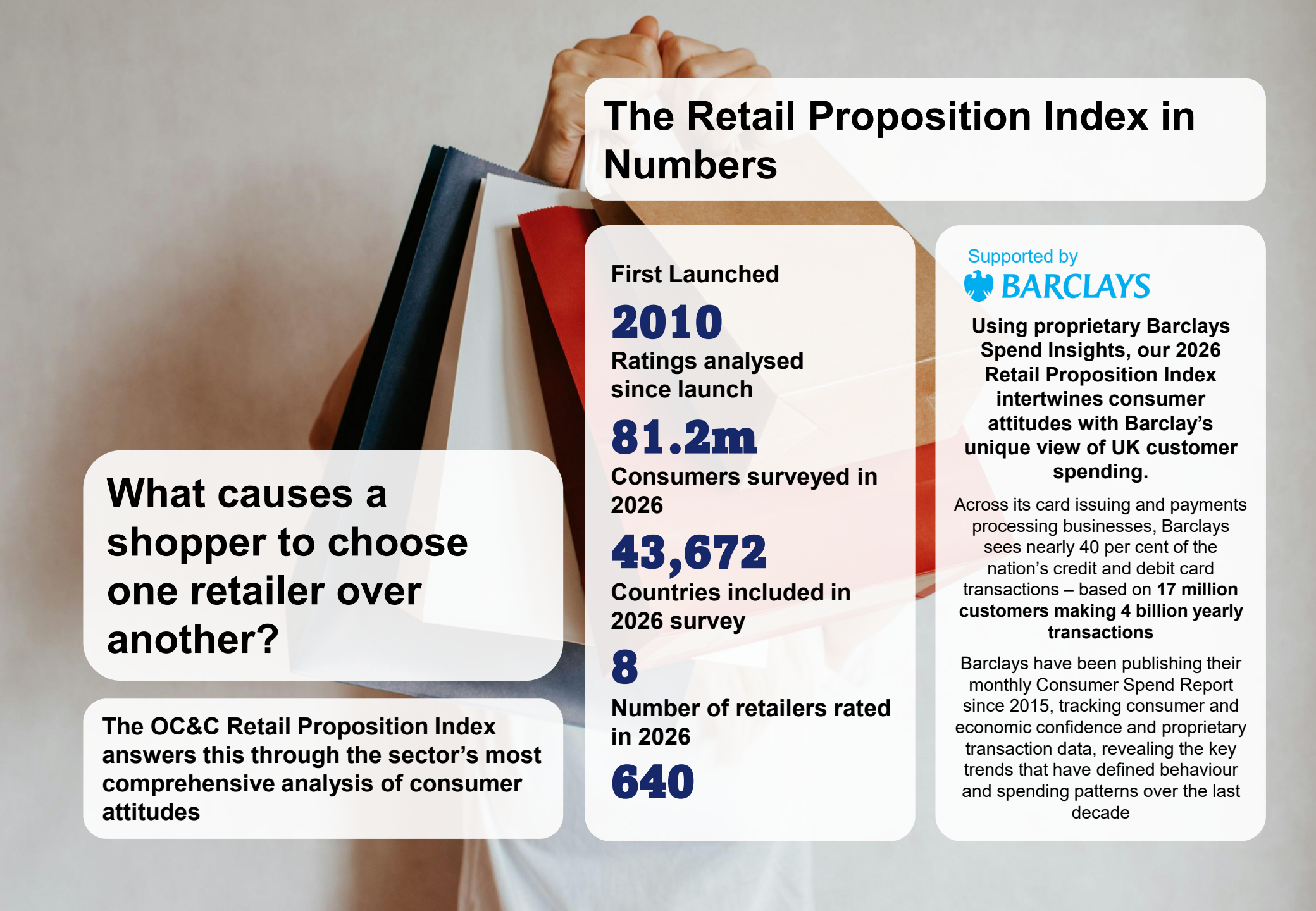


The Quiet Revolution

UK Retail Proposition Index 2026

Supported by BARCLAYS

OC&C Strategy consultants



The Retail Proposition Index in Numbers

What causes a shopper to choose one retailer over another?

The OC&C Retail Proposition Index answers this through the sector's most comprehensive analysis of consumer attitudes

First Launched

2010

Ratings analysed since launch

81.2m

Consumers surveyed in 2026

43,672

Countries included in 2026 survey

8

Number of retailers rated in 2026

640

Supported by BARCLAYS

Using proprietary Barclays Spend Insights, our 2026 Retail Proposition Index intertwines consumer attitudes with Barclay's unique view of UK customer spending.

Across its card issuing and payments processing businesses, Barclays sees nearly 40 per cent of the nation's credit and debit card transactions – based on **17 million customers making 4 billion yearly transactions**

Barclays have been publishing their monthly Consumer Spend Report since 2015, tracking consumer and economic confidence and proprietary transaction data, revealing the key trends that have defined behaviour and spending patterns over the last decade

The rules of the game are changing

- Over the last year, GDP has returned to a steadier trajectory…
- …But broader market volatility remains elevated, consumer confidence is still subdued, and inflation is still above historical levels
- Within this context, consumer spend has proved relatively resilient, but growth is uneven across categories
- Retailer margins have stabilised but remain structurally below pre-Covid levels, keeping profitable growth firmly on the agenda
- **While the macro backdrop stabilises, growth remains hard-won, and evolving consumer expectations are changing the rules of the game**

Five shifts reshaping the rules of retail

1. Value means more than low prices
2. People want better, not more
3. Wellness need states are shaping where consumers spend
4. Consumer services and experiences are unlocking incrementality
5. Loyalty means more than a loyalty programme

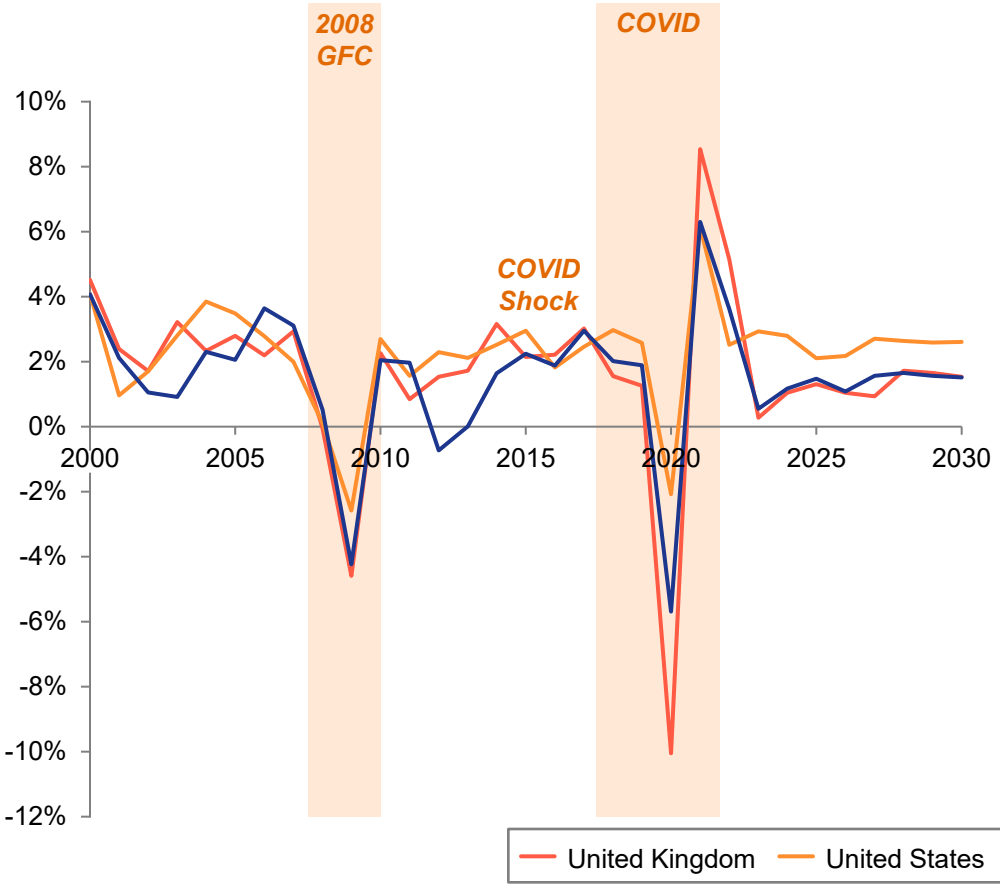
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Market
Context

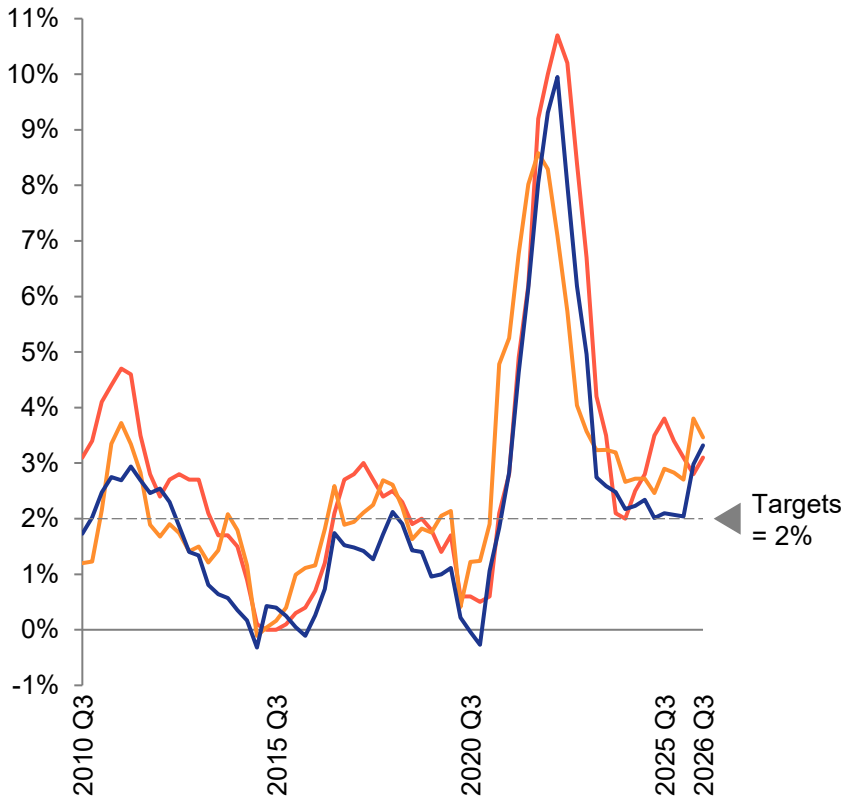
GDP has returned to a steadier long-term growth path, and while inflation has settled from its peak, it remains above targets

Real GDP Growth & CPI

Real GDP YoY Growth, Historical and Forecast GDP, UK, US, EU
2000-2030, %



CPI, UK, US & Eurozone
Q3 2010-Q2 2025 (%)

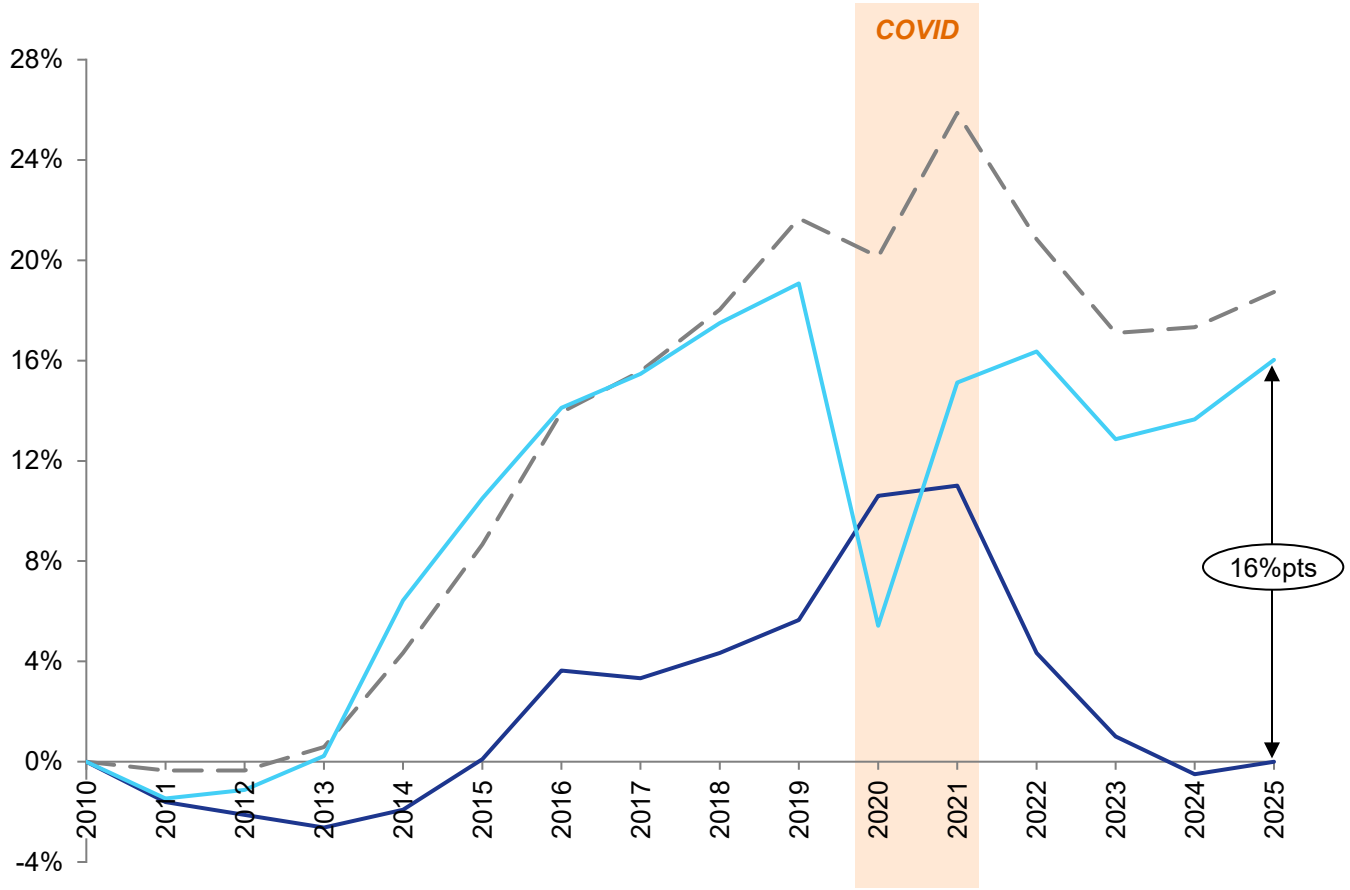


Source: ONS, Bureau of Economic Analysis, IMF, Oxford Economics, OC&C analysis

Retail volumes remain under strain, and remain below pre-COVID levels despite long-term growth

ONS Retail Sales Volume Growth, 2010-2025

2010-2025, % Increase



Overall retail has been supported by the structural shift to non-store retail (online-only and other retailers without physical stores), where volumes have grown +240% since 2010

1. Includes Automotive Fuel
2. Includes Specialised & Non-Specialised Predominantly Non-food Stores, Textile, Clothing, Footwear & Leather, and Household Goods Stores

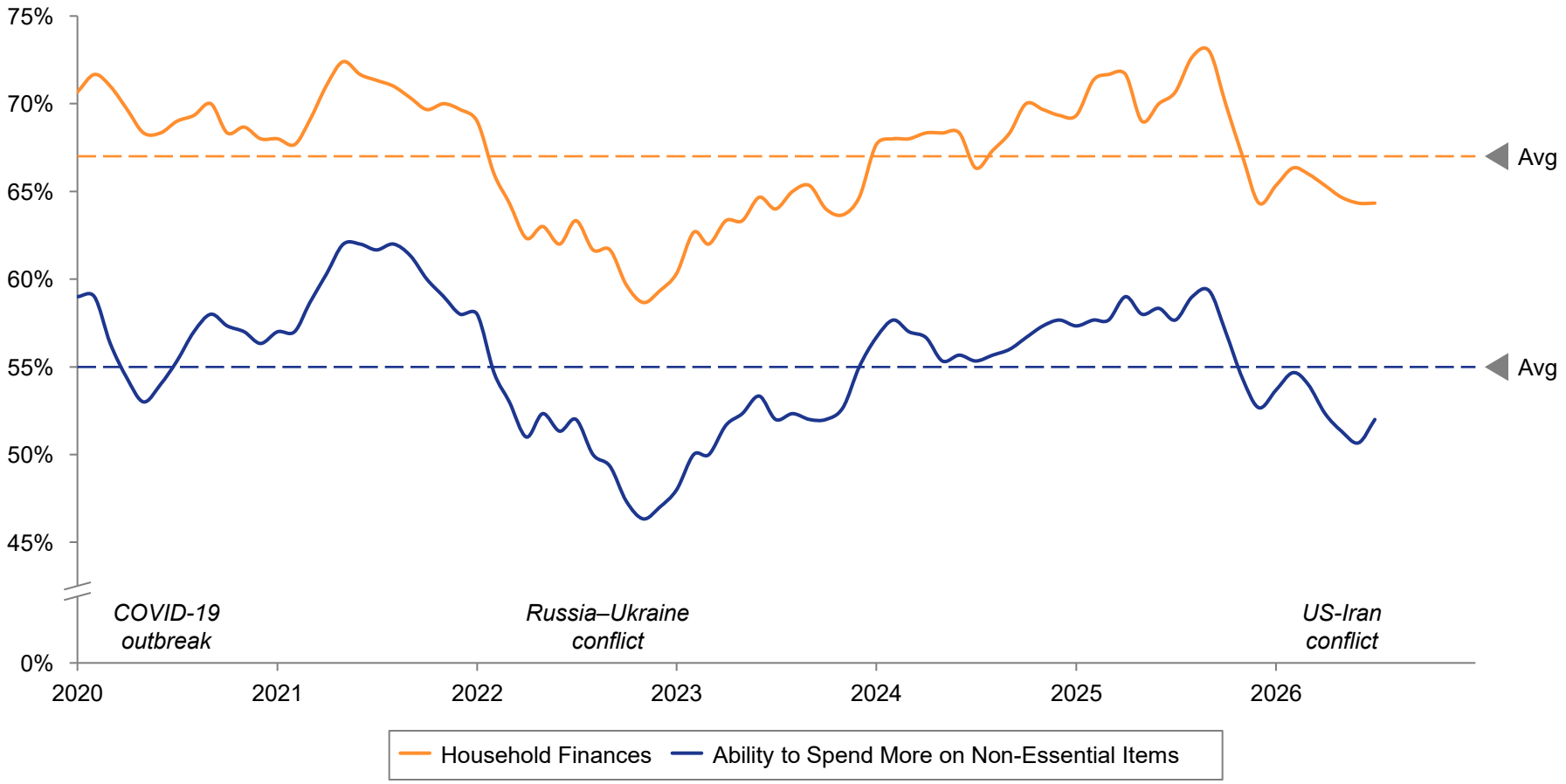
Source: ONS, OC&C analysis

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Consumer confidence remains subdued rather than crisis-level

Consumer Confidence (3 Month Rolling Average)

Jan 2016-Jul 2026, % Responding 'Confident'[1]



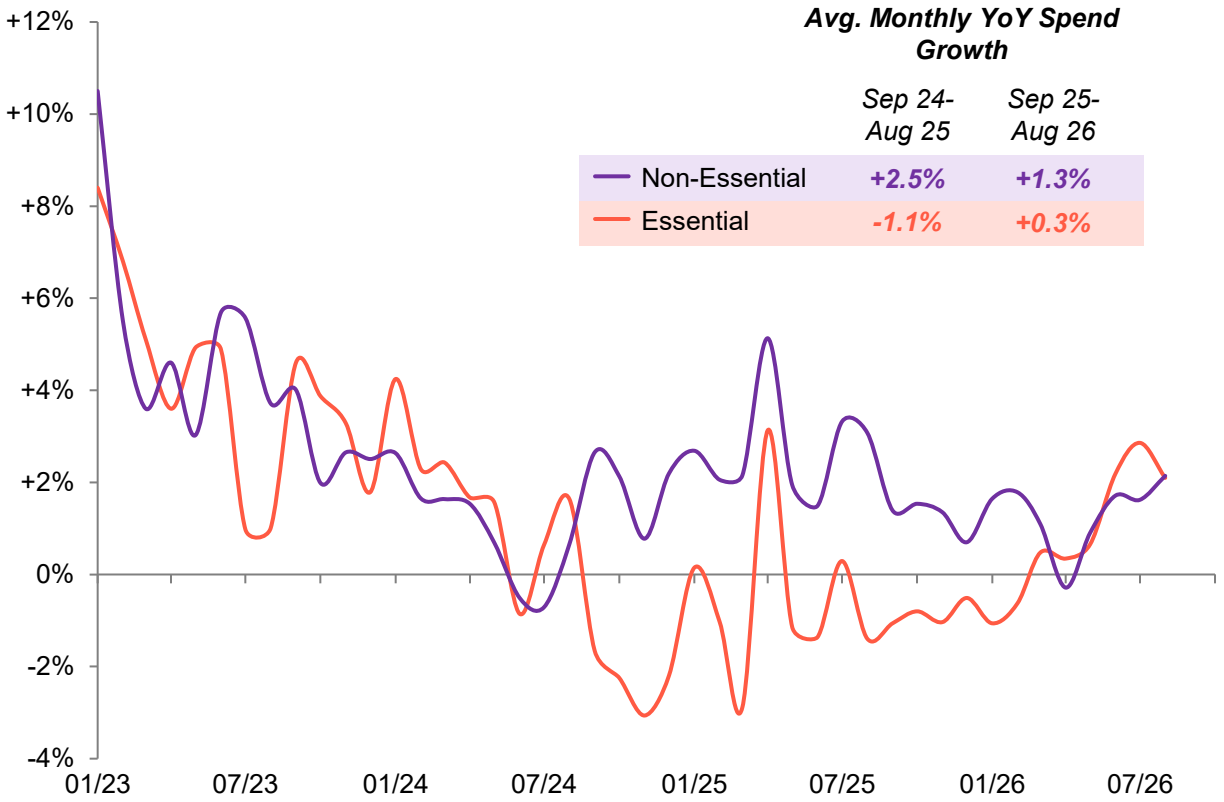
1. 'How confident are you with the following aspects of your financial / professional situation at the current time?'

Source: Barclays Consumer Confidence Tracker, OC&C analysis

| © OC&C Strategy Consultants 2026

Volume pressure is not simply a case of consumers cutting back on discretionary spend, we've seen more resilience in 'non essential' purchases

Essential vs. Non-Essential Consumer Spend Growth
YoY Change in Spend (%), Jan 2023-Aug 2026



Avg. Monthly YoY Spend Growth	*Sep 24-Aug 25*	*Sep 25-Aug 26*
Non-Essential	*+2.5%*	*+1.3%*
Essential	*-1.1%*	*+0.3%*

Source: Barclays Spend Analysis, OC&C analysis

Over the last 3 years we have actually seen more spending resilience in purchases defined by consumers as 'non-essential'.

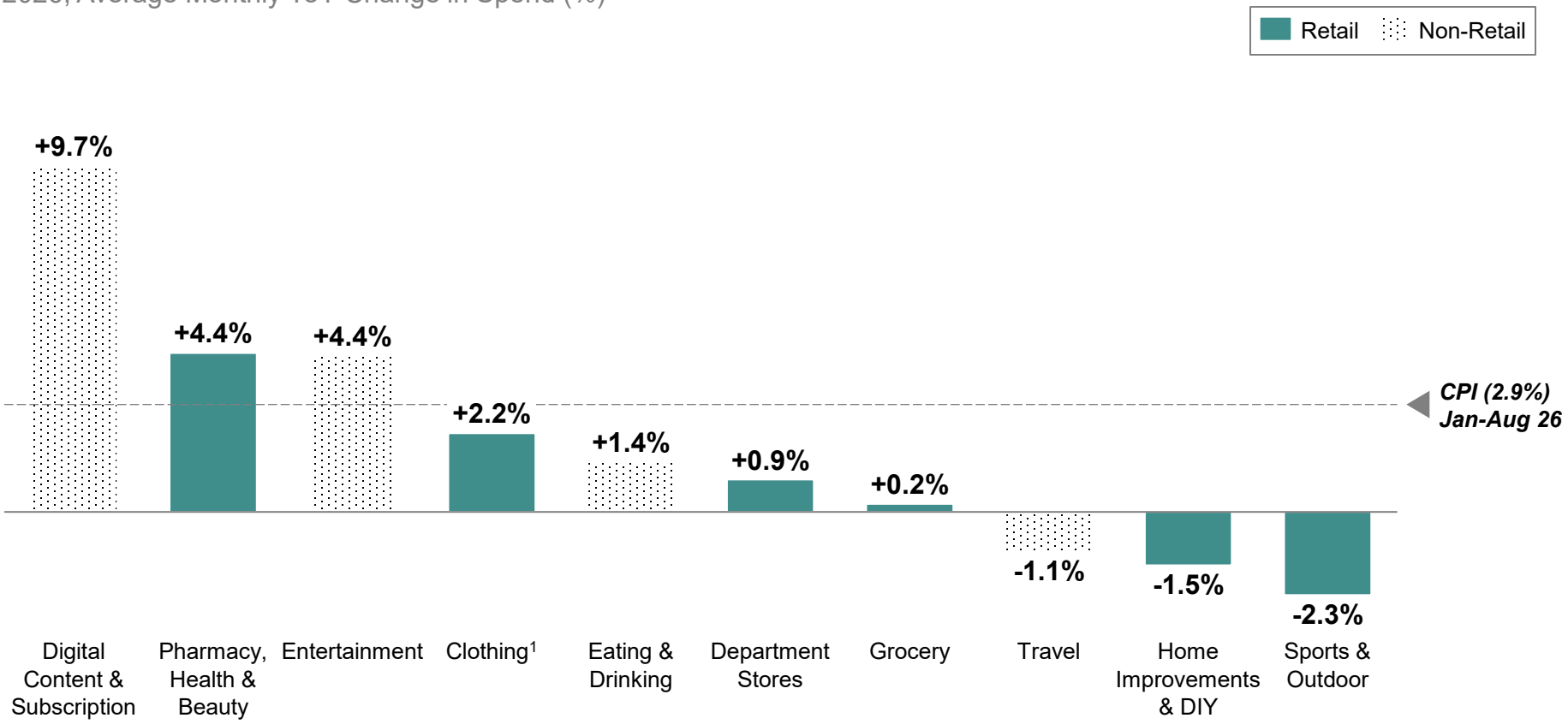
Consumers are not universally cutting back, but instead being more choiceful and conscious in where they spend.

More pressure is being felt in essential spending, where we see a more pronounced trade down effect.

Spend growth remains highly uneven across categories

Consumer Spend Growth by Category

Jan-Aug 2026, Average Monthly YoY Change in Spend (%)



Source: Barclays Spend Analysis, OC&C analysis

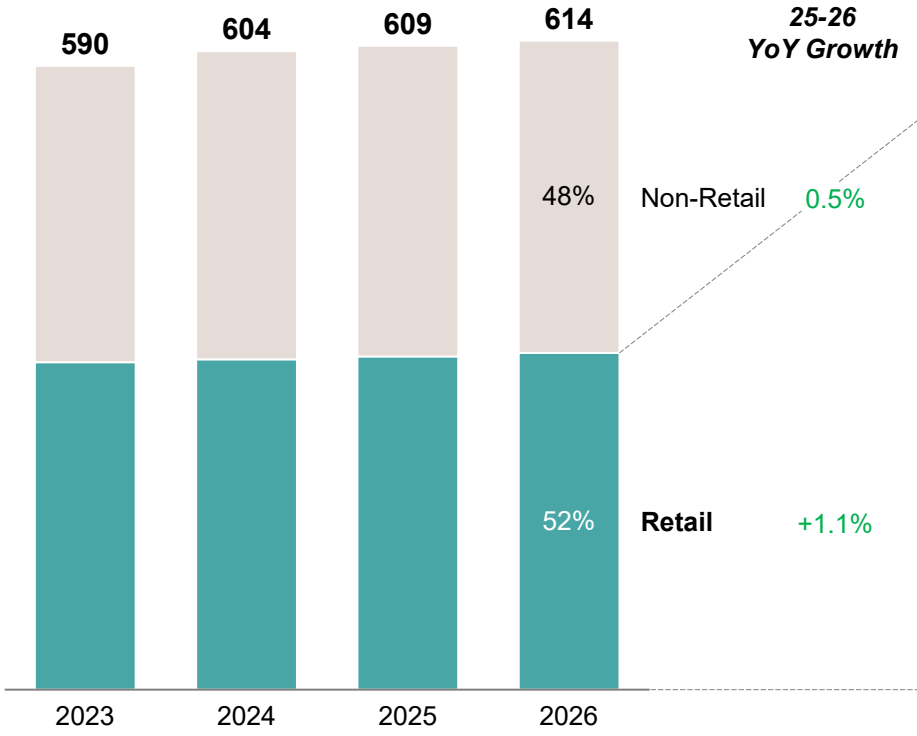
| © OC&C Strategy Consultants 2026

Retail spend has slightly outpaced non-retail in the last year, with spending power shifting towards over-50s

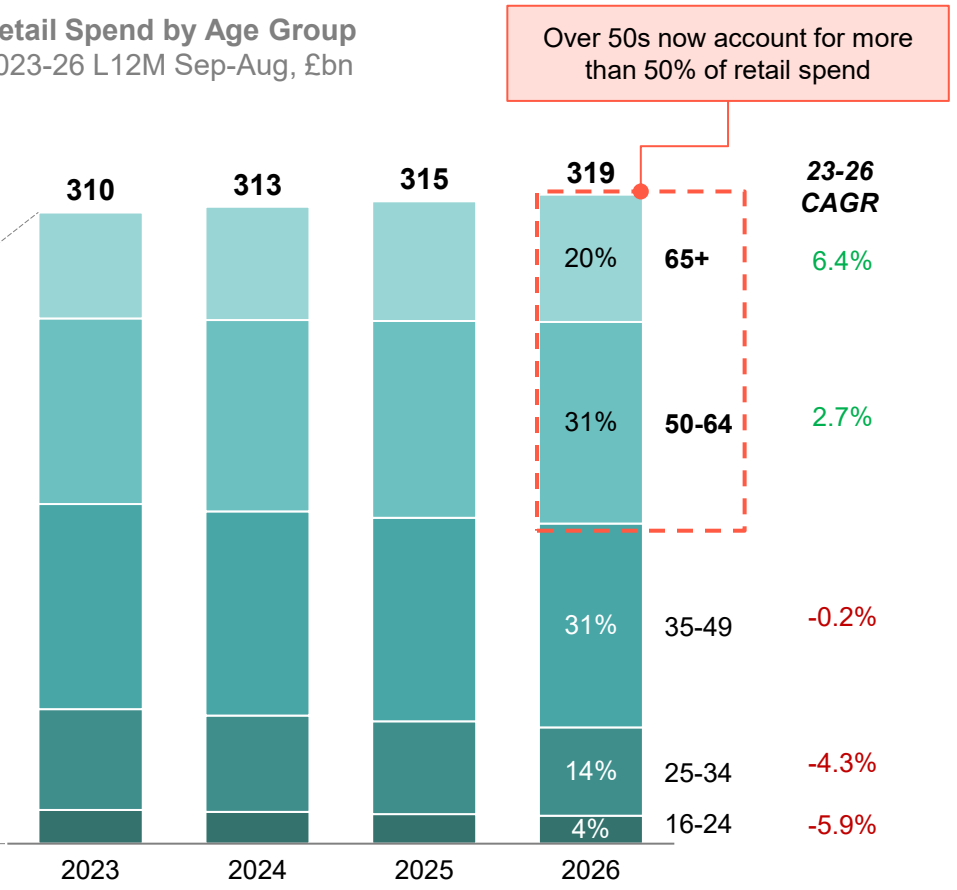
Barclays Retail Spend Breakdown

Years are September-August

Overall Barclays Spend Retail vs Non-Retail
2023-26 L12M Sep-Aug, £bn



Retail Spend by Age Group
2023-26 L12M Sep-Aug, £bn



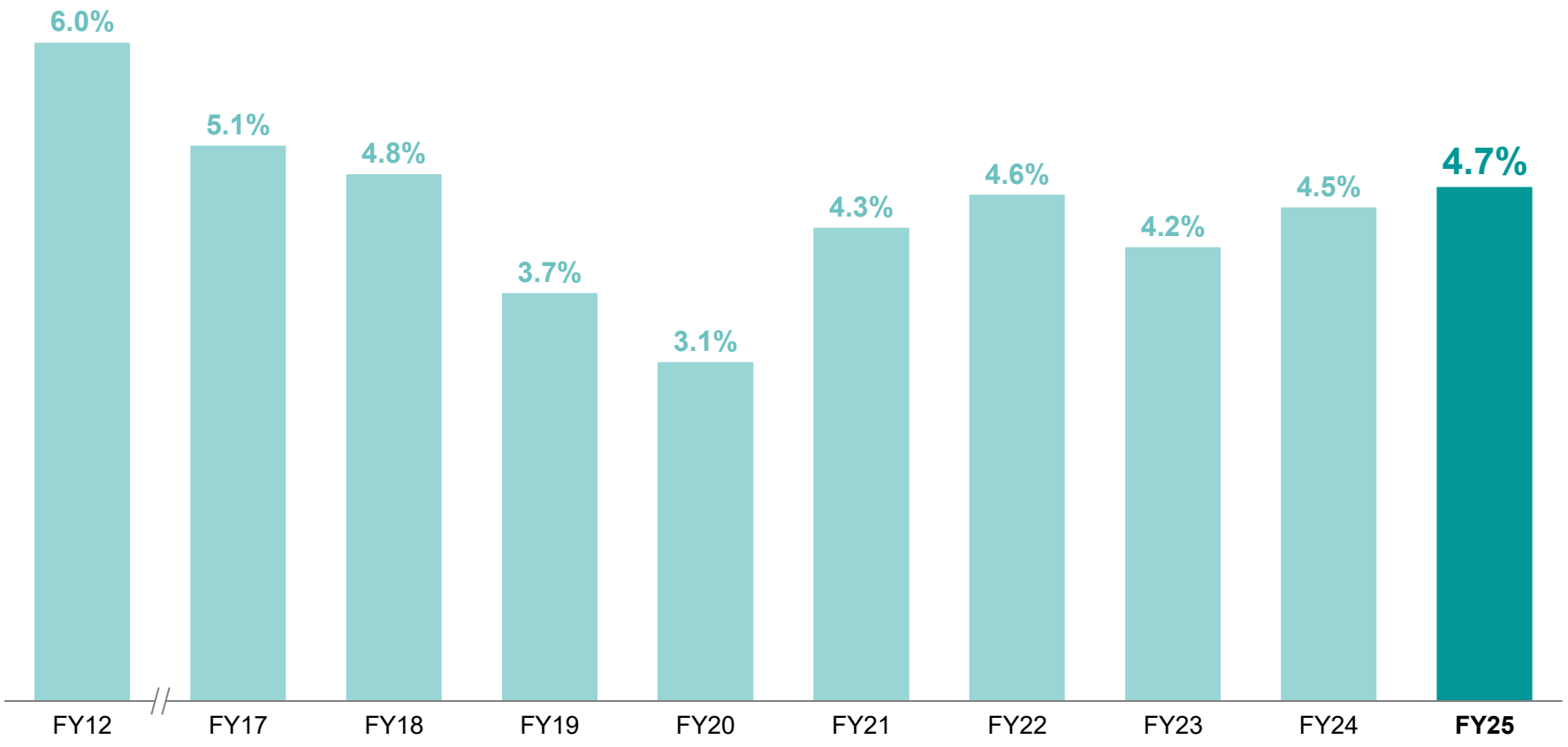
Source: Barclays Spend Analysis, OC&C analysis

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European retailer margins have stabilised but remain depressed, and reclaiming the profit pool will be a defining strategic priority

Operating Margins of European Retail

Based on reported statements for retailers of £100m+ turnover, %



Source: Capital IQ, OC&C analysis

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Key Consumer Trends

Consumer priorities are evolving, redefining where retailers can win

1

Value means more than low prices

Consumers are judging value through the full proposition, and they come armed with significantly more information and price transparency from AI

2

People want better, not more

Consumers are becoming more selective about what they buy, purchasing less frequently but remaining willing to pay for products that are demonstrably better, more useful or more desirable

3

Wellness need states are shaping where consumers spend

Health, fitness, beauty and broader wellbeing are commanding a growing share of wallet, whilst changing the ways that consumers want to interact with brands and categories

4

Consumer services and experiences are unlocking incrementality

Winning service propositions not only tap into incremental consumer spend, but leverage a service offering and experiential layer to enhance credibility, expertise and trust

5

Loyalty means more than a loyalty programme

Purpose or points alone don't build loyalty — brands must earn trust and habit, with relevant, value-adding loyalty mechanics

| © OC&C Strategy Consultants 2026



1 Value means more than low prices

- Spend is shifting towards retailers that deliver on quality, not just low price
- Consumers define value through the full proposition, with quality materially outweighing low price as a driver of retail choice
- AI-enabled comparison is increasing price and product transparency, making credible and competitive price increasingly table stakes

The winning retailers will be those that can both prove the price and sell the value-add, combining smarter pricing with clear reasons to choose them beyond price

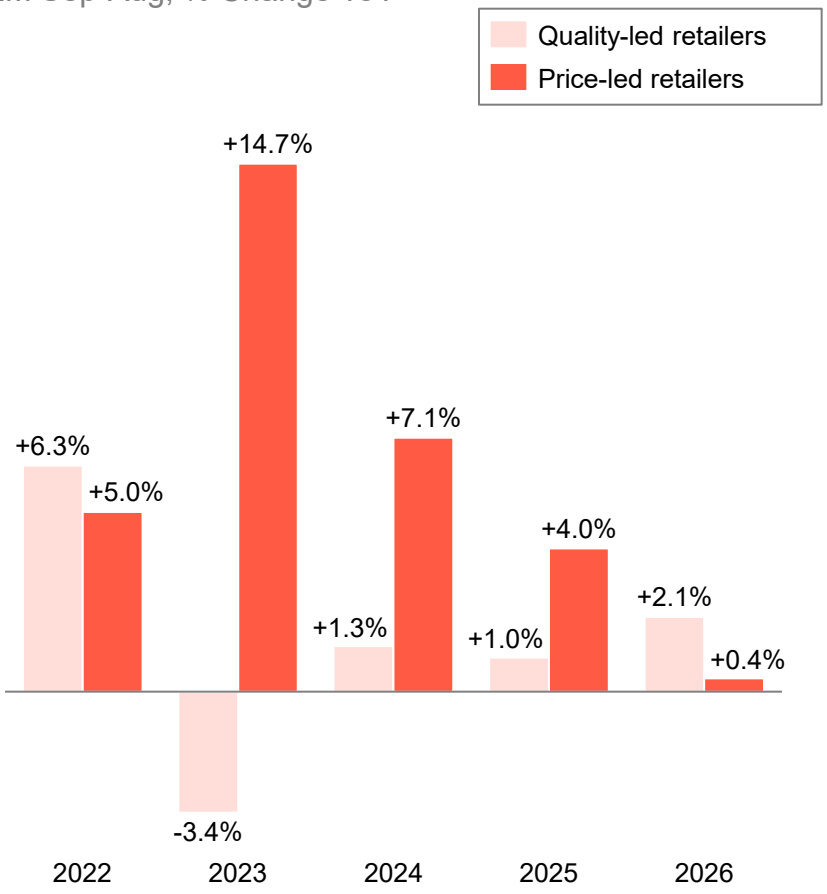
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1 Value means more than low prices

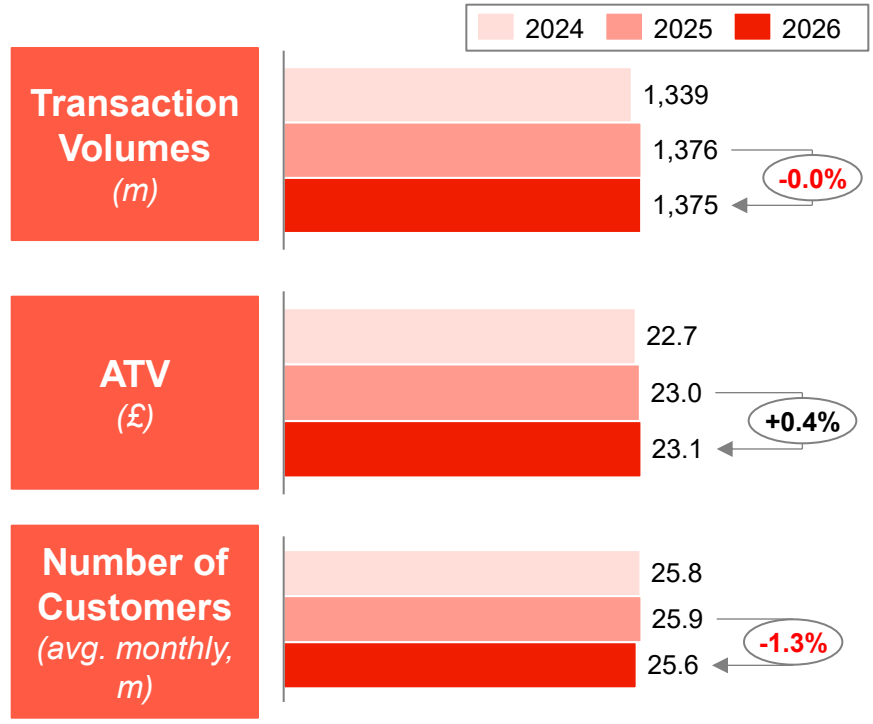
Low price retailers have seen slowing growth in 2026, while quality-focused players have accelerated

Consumer Spend at Value[1] vs. Quality-Led[2] Retailers, 2021-26

L12M Sep-Aug, % Change YoY



Low price focused retailers have seen more muted growth over the last few years



1. Price-led Retailers: Aldi, Lidl, Home Bargains, B&M, Poundland, Primark, Shein, Temu, The Works, Card Factory, Poundstretcher, AliExpress, Iceland
2. Quality-Led Retailers: M&S Simply Food, M&S, Waitrose, John Lewis, Ocado, Lush, Waterstones, Lookfantastic, Space NK, Sephora, Whole Foods, Selfridges, Dr. Martens, Hobbs, The White Company, Lululemon

Source: Barclays Spend Analysis, OC&C analysis

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1 Value means more than low prices

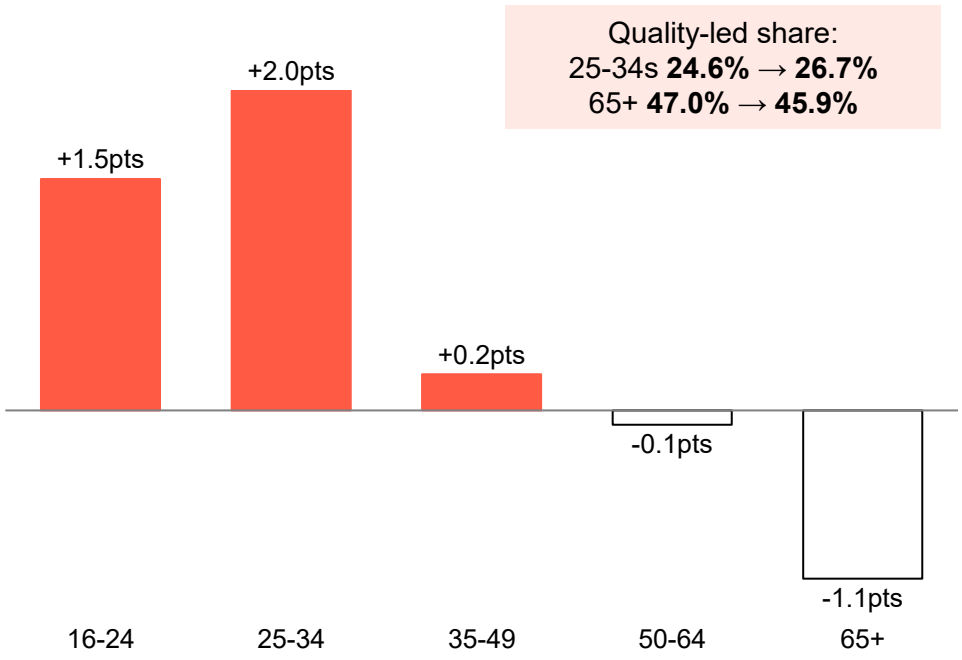
The shift back to quality is being led by younger shoppers, while older consumers continue to trade more significantly into value

Quality and Price-Led Retail by Age Group[1]

Under-35s have shifted c.1.5-2pts of their spend towards quality-led retailers over the last year

Change in Quality-Led[1] Share of Spend, by Age[2]

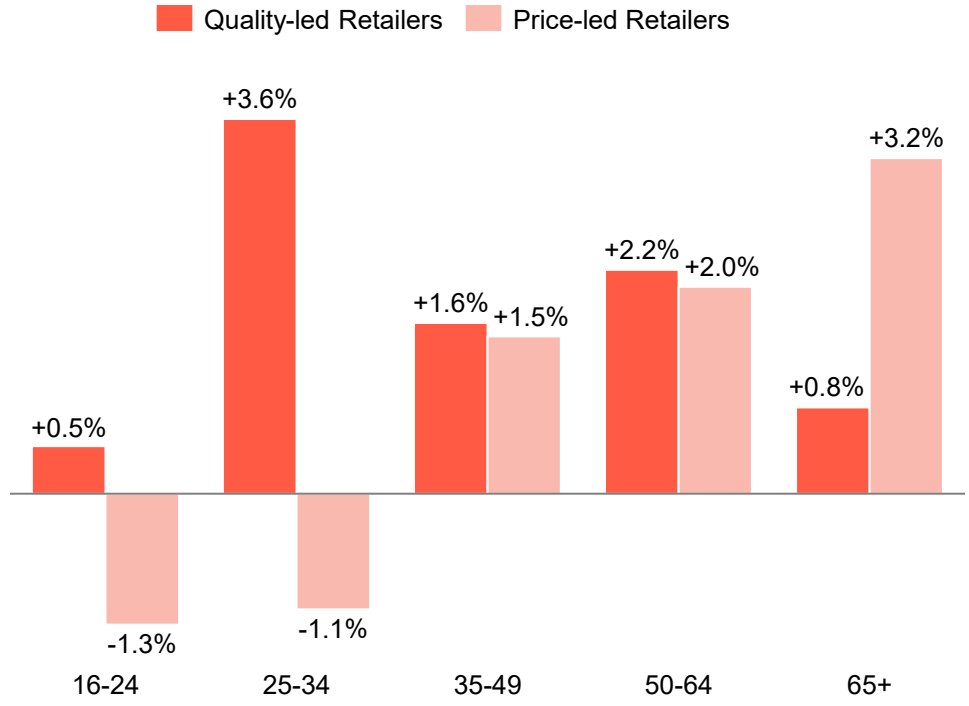
2025 vs 2026, Delta in quality-led share (%pts)



Younger shoppers are spending more per head at quality-led retailers and less at value-led

Spend per Customer Growth by Cohort and Age[3]

2025 vs 2026, YoY change (%)



1. Retailer cohorts as defined by OC&C; years are L12M September-August
2. Share of combined quality-led and value-led spend within each age group
3. Annual spend per average monthly active customer of each cohort

Source: Barclays Spend Analysis, OC&C analysis

| © OC&C Strategy Consultants 2026

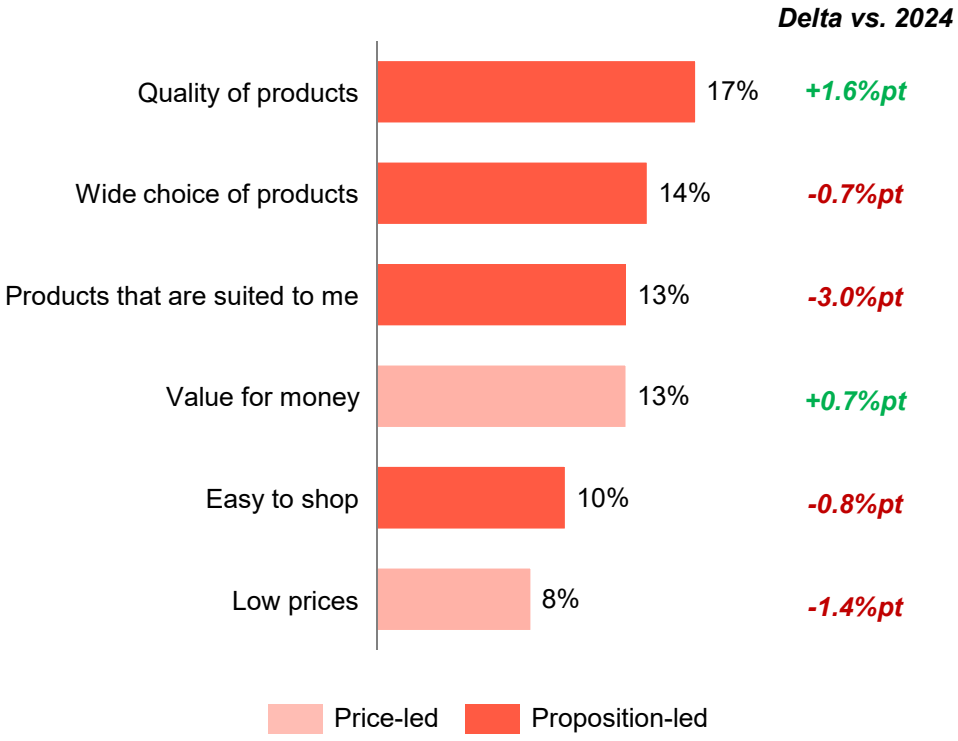
1 Value means more than low prices

This is reflected in consumer perceptions – with quality the leading driver of retailer choice and 2-4x more important than low prices across categories

Main Reason for Shopping with Brand[1,2]
(% Respondents Selecting Reason)

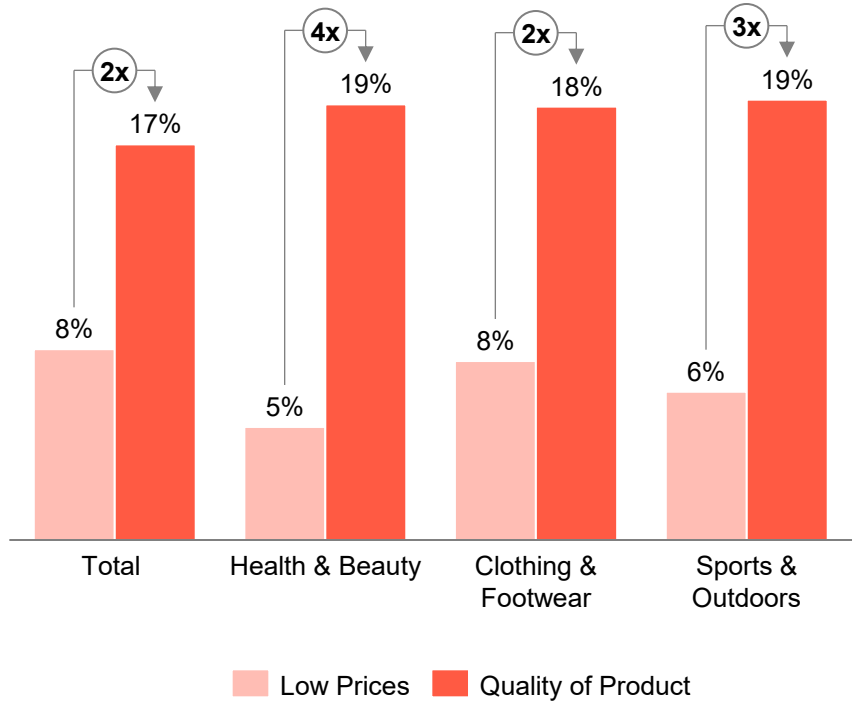
The value equation is shifting, with a 3%pt swing towards quality over low price since 2024…

Main Reason for Shopping with Brand
Top 6 Reasons Only



…with quality 2-4x more important low prices across categories

Importance of Quality vs. Low Price by Category
% Selecting as Main Reason for Shopping



1. Q38: What was the main reason you shopped with [BRAND]?
2. Based on respondent-retailer evaluations, N Respondents =10,155

Source: OC&C Retail Proposition Index 2026, OC&C analysis

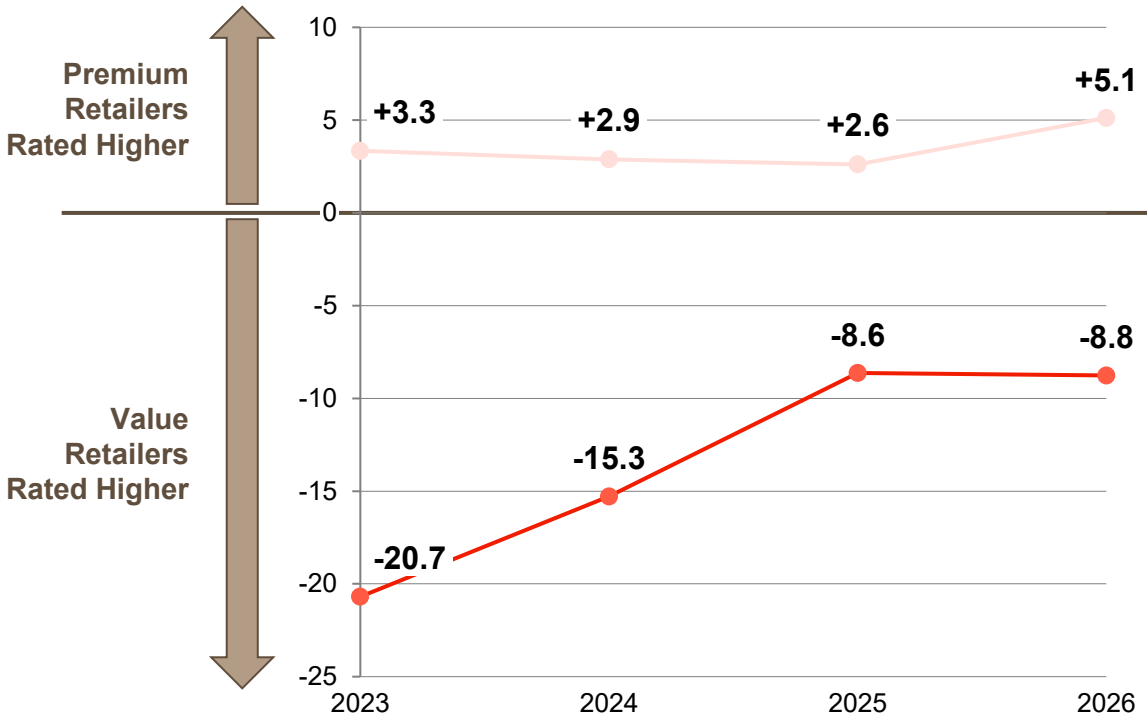
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1 Value means more than low prices

Within this context, premium players are increasingly seen as good value, and capturing higher overall ratings vs. value-led retailers

Comparison on Performance of Value and Premium Players

KPC Score Delta, Premium[1] vs. Value[2] Retailers
(2023-26, Premium minus Value Retailer Score)



Absolute Ratings
(2026; Score Delta vs. 2023)

	Value Retailers	Premium Retailers
Overall Rating	71.1 ▼0.4	76.1 ▲1.3
Value for Money	79.5 ▼1.5	70.7 ▲10.4

1. Burberry, Castore, Harrods, Kurt Geiger, ME+EM, Selfridges, Sezane, Space NK, Whistles
2. AliExpress, B&M, Home Bargains, Poundland, Shein, Temu

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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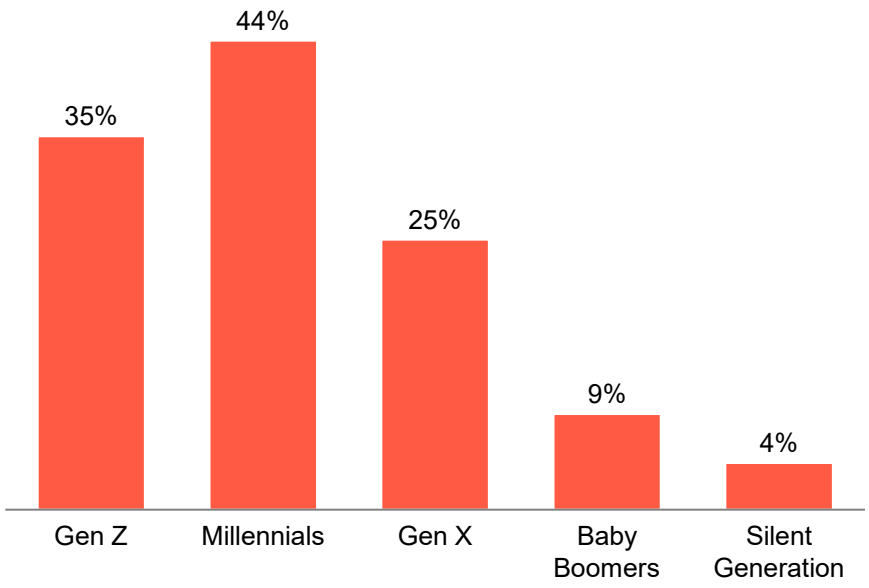
1 Value means more than low prices

AI is increasing transparency across price, quality, and product choice, raising the bar for retailers to demonstrate value for money

AI Use for Purchase Decisions

AI is becoming a meaningful part of the purchase journey, particularly for younger generations…

Use of AI in Purchase Decisions by Generation[1], (%)



…giving consumers a new tool to research and compare the full proposition

Purpose of AI Use in Purchase Decisions[2]

52% use it to **research and compare** products

40% use it to find **inspiration or ideas** of what to buy

37% use it to find **discounts or promotions**

1. Have you used AI for shopping or considering a purchase in the below categories?, N=10,110
2. Q34 asked for one category in which respondents had used AI; Q34 base N=4,888; figures show % selecting each use case across all assigned categories

Source: OC&C Retail Proposition Index 2026, OC&C analysis

| © OC&C Strategy Consultants 2026

1 Value means more than low prices

As price transparency rises, leading retailers are finding new ways to deliver and communicate value beyond simply being cheapest

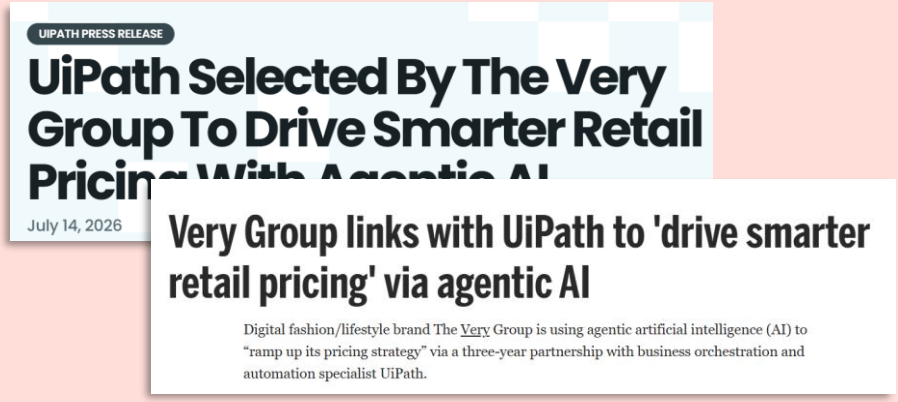
Retailer Case Studies

KPC Rankings Based on Brand Category

Building value through smart, responsive pricing

very

- **AI is raising price transparency,** making it easier for consumers to research and compare products and prices before purchasing
- **Very is responding by upgrading its data-led pricing with agentic AI –** a three-year UiPath partnership announced in July 2026 will use AI for price optimization and scenario planning

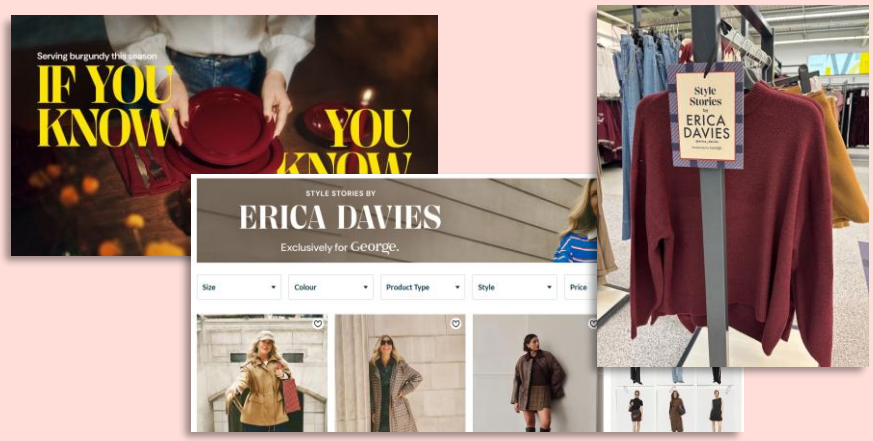


KPCs[1]: 6 *Value for Money* ▲ *51 places* | 4 *Trust* ▲ *16 places*

Selling the value-add, not just the price

George.

- **Style Stories use fashion experts and influencers to curate affordable edits,** helping George demonstrate that low prices can still deliver style and design – with several collections selling out
- **Its new 'If You Know, You Know' marketing explicitly shifts communication beyond affordability,** framing George as "a destination where style and value exist together"



KPCs[2]: 2 *Value for Money* ▲ *3 places* | 5 *Easy to Shop* ▲ *5 places*

1. Rankings of Clothing & Footwear players only; 2. Rankings of General Merchandiser players only

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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2

People want better, not more

Consumers are buying less in real terms, with younger shoppers buying less often

Spend is flowing to where ‘better’ is more tangible, and consumers are prepared to wait for the right product rather than settle

Ownership is becoming more considered too, with repair, resale and access reducing the need to continually accumulate new products

Winning retailers are making ‘better’ tangible, through innovation, trial, and reassurance that give consumers confidence to commit

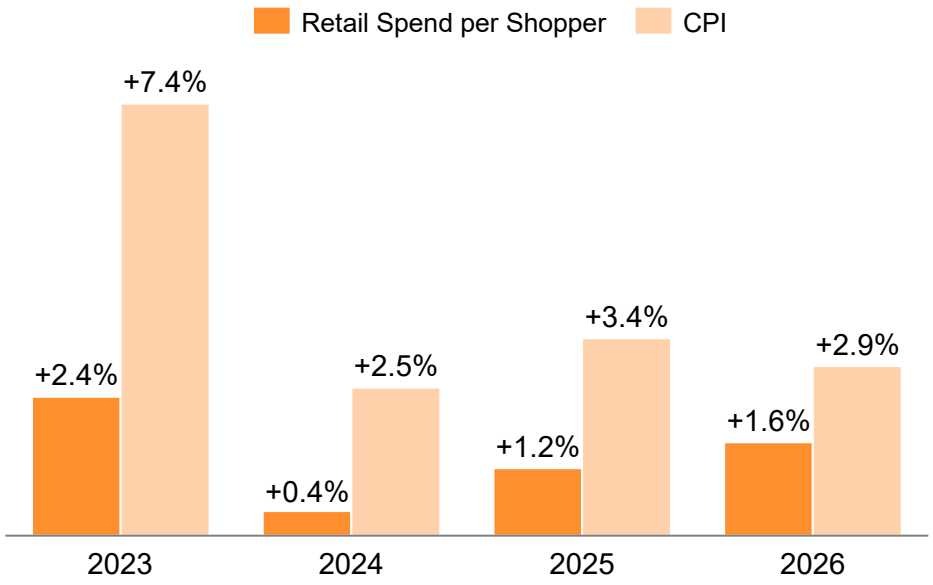
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People are buying less in real terms, with retail spend per shopper lagging behind CPI every year since 2022

Real vs Nominal Spend Growth

Nominal growth in spend per shopper has run below CPI throughout 2023-26

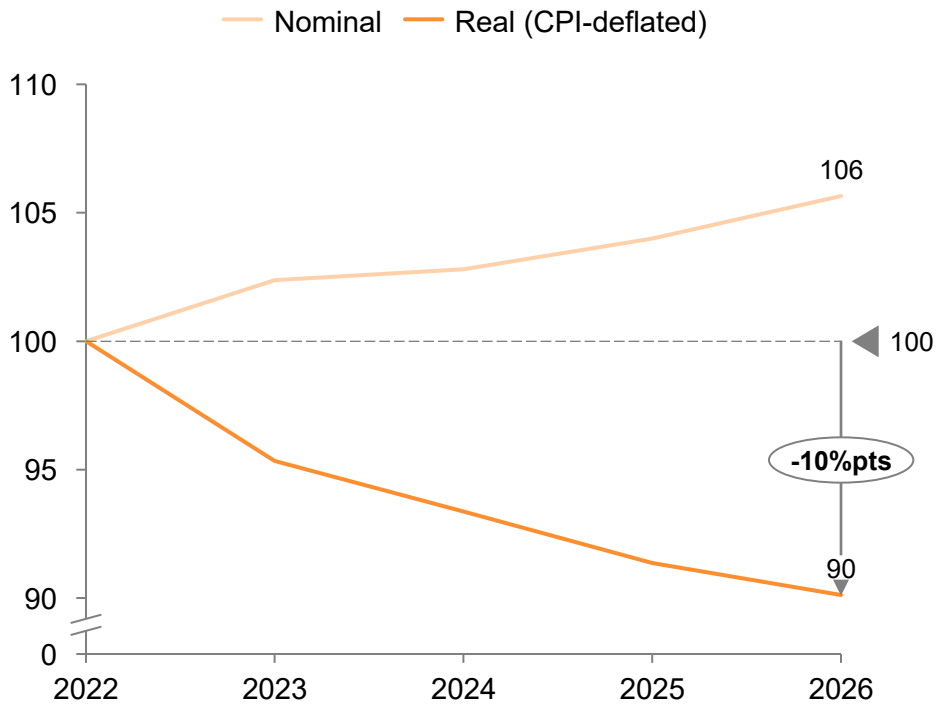
Retail Spend per Shopper[1] vs. CPI
YoY change (%), 2023-26YTD



Real-terms change in spend per shopper
2023: -5.0% | 2024: -2.1% | 2025: -2.2% | 2026: -1.4%

In real terms, retail spend per shopper is c.10% below 2022 levels

Nominal vs. Real Retail Spend per Shopper[1,2]
Index (2022 = 100), 2023-26YTD



1. Years shown are Sept-Aug
2. Nominal index deflated by CPI

Source: Barclays Spend Analysis, ONS, OC&C analysis

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2 People want better, not more

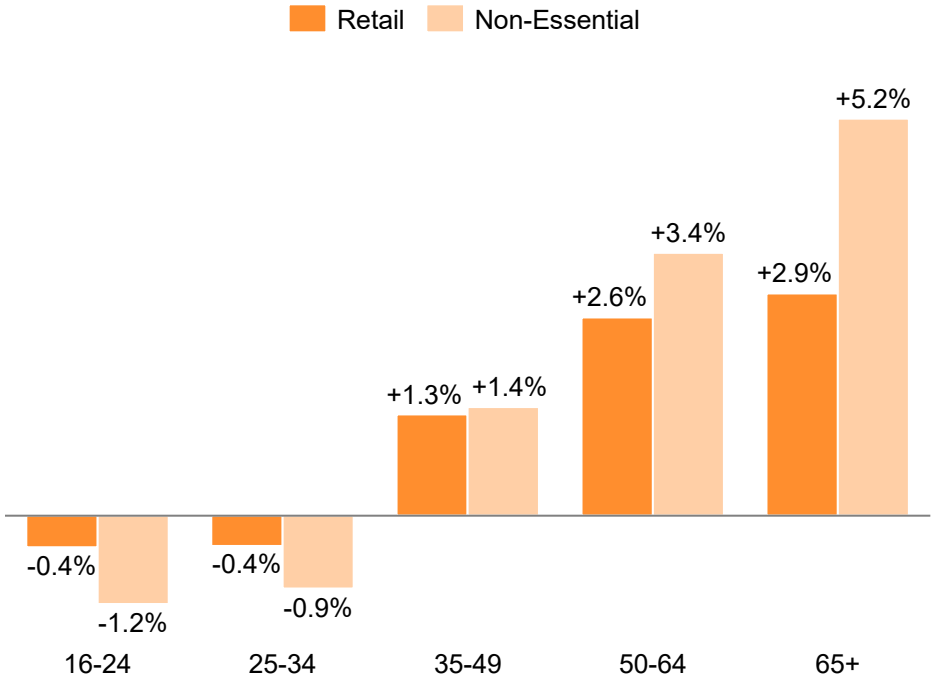
Younger shoppers are buying less often, while purchase frequency has remained stable or gone up in other age groups

Purchase Frequency Overview

Under-35s made fewer purchases per head in 2026, across retail and wider non-essential spend

Change in Purchase Frequency by Age[1]

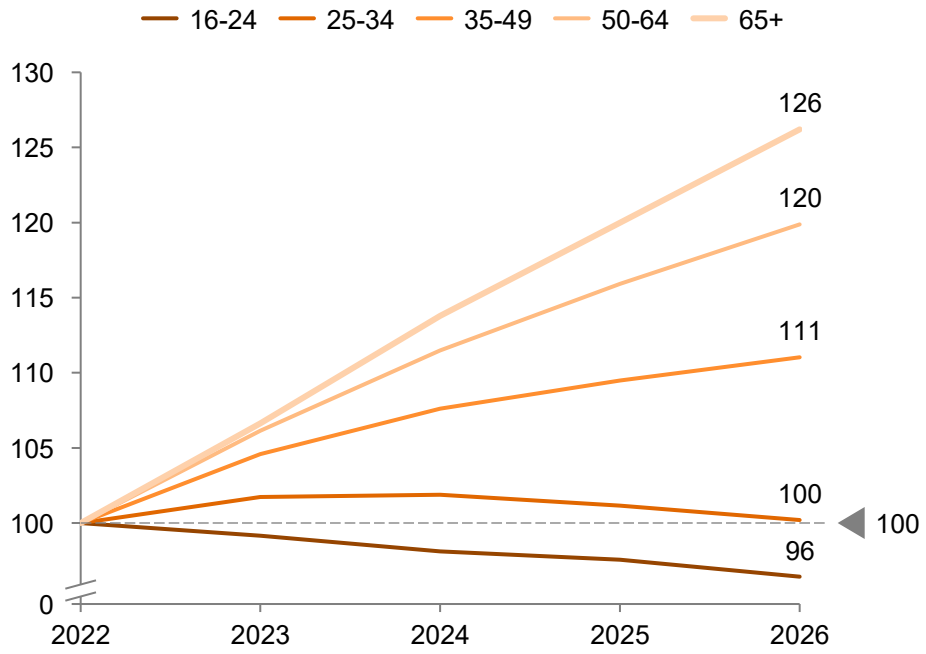
2025 vs 2026, YoY change in transactions per customer (%)



Non-essential frequency among 16-24s is now below 2022 levels, while over-35s buy more often

Non-Essential Purchase Frequency by Age[1]

2022-26, Index of transactions per customer (2022 = 100)



1. Purchase frequency defined as number of card transactions per monthly average active customer; years are L12M September-August

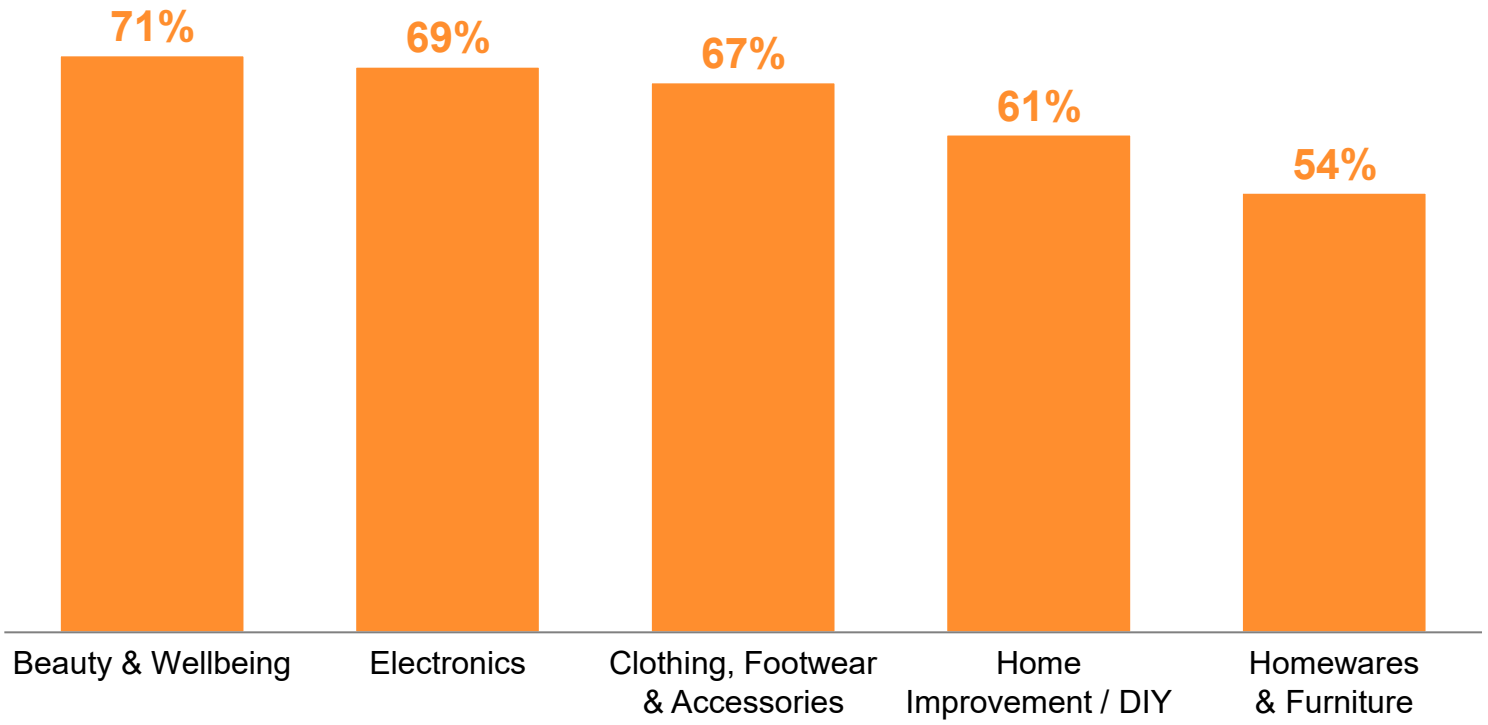
Source: Barclays Spend Analysis, OC&C analysis

| © OC&C Strategy Consultants 2026

At the same time, consumers report a strong preference to delay buying to ensure they get the right product for their needs

"I was willing to delay my purchase until I found the right option"

% Agree / Strongly Agree



Source: OC&C Retail Proposition Index 2026, OC&C analysis

2 People want better, not more

In this environment, second-hand shopping has moved into the mainstream, and resale value is now a major consideration for shoppers

Impact of Second-hand Market on Purchasing Decisions

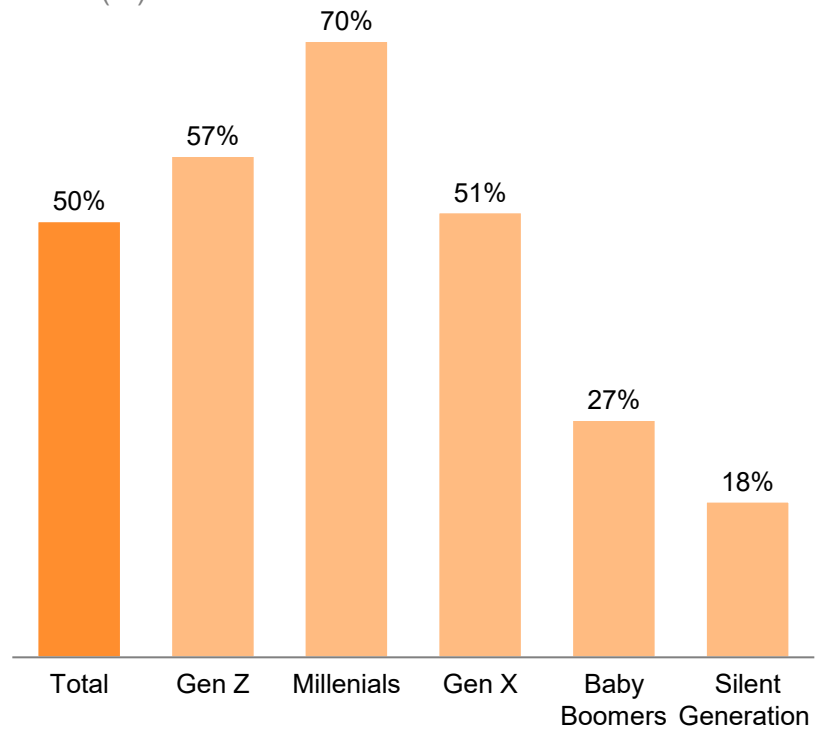
Second-hand has become a credible mainstream proposition, with Vinted competing with first-hand players across the full proposition

Vinted Performance
KPC Rankings, of Clothing & Footwear Players Only

	Vinted	ZARA	SHEIN	ASOS
Sustainability	1	#12	#57	#39
Value for Money	1	#10	#6	#9
Wide Choice of Products	1	#5	3	#6
Fun to Shop	2	1	3	#29
Low Prices	3	#28	2	#11
Products that are Suited to Me	3	#16	#23	#11

…while resale value is now part of the purchase equation for 50% of consumers, rising to 70% of Millennials

Respondents who considered resale value when making a purchase (%)



Source: OC&C Retail Proposition Index 2026, OC&C analysis

| © OC&C Strategy Consultants 2026

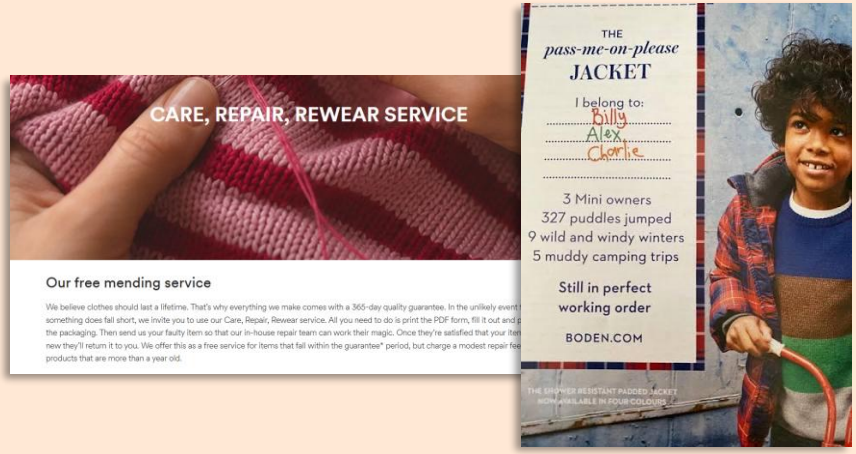
Retailers are responding to more considered consumption by helping consumers own less and keep products in use for longer

KPC Rankings Based on Brand Category

Designing products for multiple lives

BODEN

- **Boden's 'Pass it On' scheme rewards customers for clearing out clothes they no longer wear,** giving **Boden account credit** for returned items, which are then donated to charity or recycled
- **They offer a free mending service for clothes within a 365-day guarantee,** while older items can be repaired for a small fee

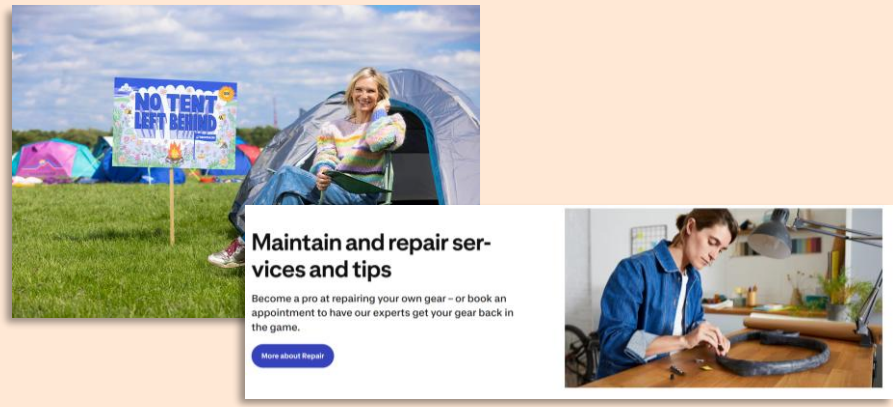


KPCs[1]: 35 Overall Rating ▲ 46 places; 8 Product Quality ▲ 19 places

Access without accumulation

DECATHLON

- **Repair extends the life of what customers already own –** in-store workshops offer free diagnosis, repairs & spare parts
- **Rental / return models avoid unnecessary long-term ownership,** especially for occasional-use equipment. Decathlon's 2026 Tent Pledge lets customers use a tent for the summer then return it for full value in Decathlon credit or up to 50% in cash



KPCs[2]: 1 Overall Rating ▲ 4 places; 1 Reliability ▲ 14 places

1. Rankings of Clothing & Footwear players only; 2. Rankings of Sports & Outdoor players only

Source: OC&C Retail Proposition Index 2026, OC&C analysis

| © OC&C Strategy Consultants 2026

2 People want better, not more

Those winning on quality are those who, like M&S and Sephora, are giving consumers reasons to trade up or buy with confidence

KPC Rankings Based on Brand Category

Innovation to make trade-up worthwhile

M&S FOOD

- **High pace of product innovation and renovation** gives consumers a tangible reason to choose better – M&S upgraded **1,000+ products and launched 1,500 new lines in FY26**
- **Innovation spans health, simplicity and excitement,** from the chef- and nutritionist-developed Nutrient Dense range and minimal ingredient Only… Ingredients range, to viral strawberries and cream sandwiches around Wimbledon

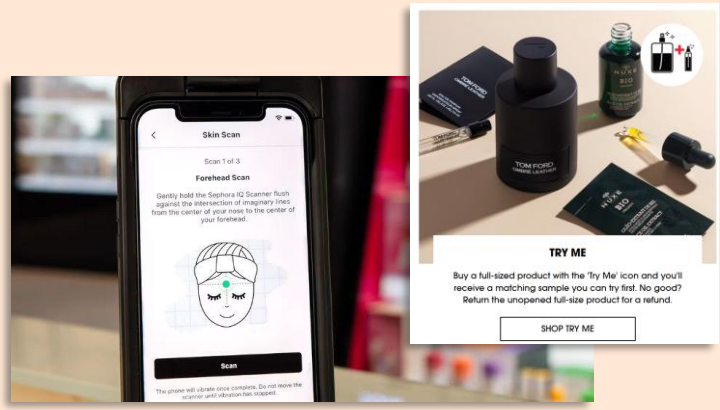


KPCs[1]: 1 Product Quality — No change; 1 Overall Rating ▲ 1 place

Helping consumers trade up with confidence

SEPHORA

- **'Try Me' lets consumers trial before fully committing** – selected full-size purchases come with a matching sample to test first, with the **unopened product returnable if it isn't right**
- **Beauty Scan supports more informed product decisions** – a free 15-minute skin diagnostic combines technology with expert advice to provide personalised product recommendations



KPCs[2]: 4 Product Quality ▲ 10 places; 4 Overall Rating ▲ 7 places

1. Rankings of Grocery players only; 2. Rankings of Health & Beauty players only

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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3 Wellness is shaping spend



Wellbeing is taking a growing share of consumer spend, particularly among older consumers

Consumers are increasingly directing spend towards specialist propositions built around specific health and wellbeing needs

Solving wellbeing needs increasingly involves more than the product, with advice, service, and engaging discovery becoming more important

Leading retailers are responding by organising around wellbeing outcomes rather than categories, combining products, expertise, and experiences around the need

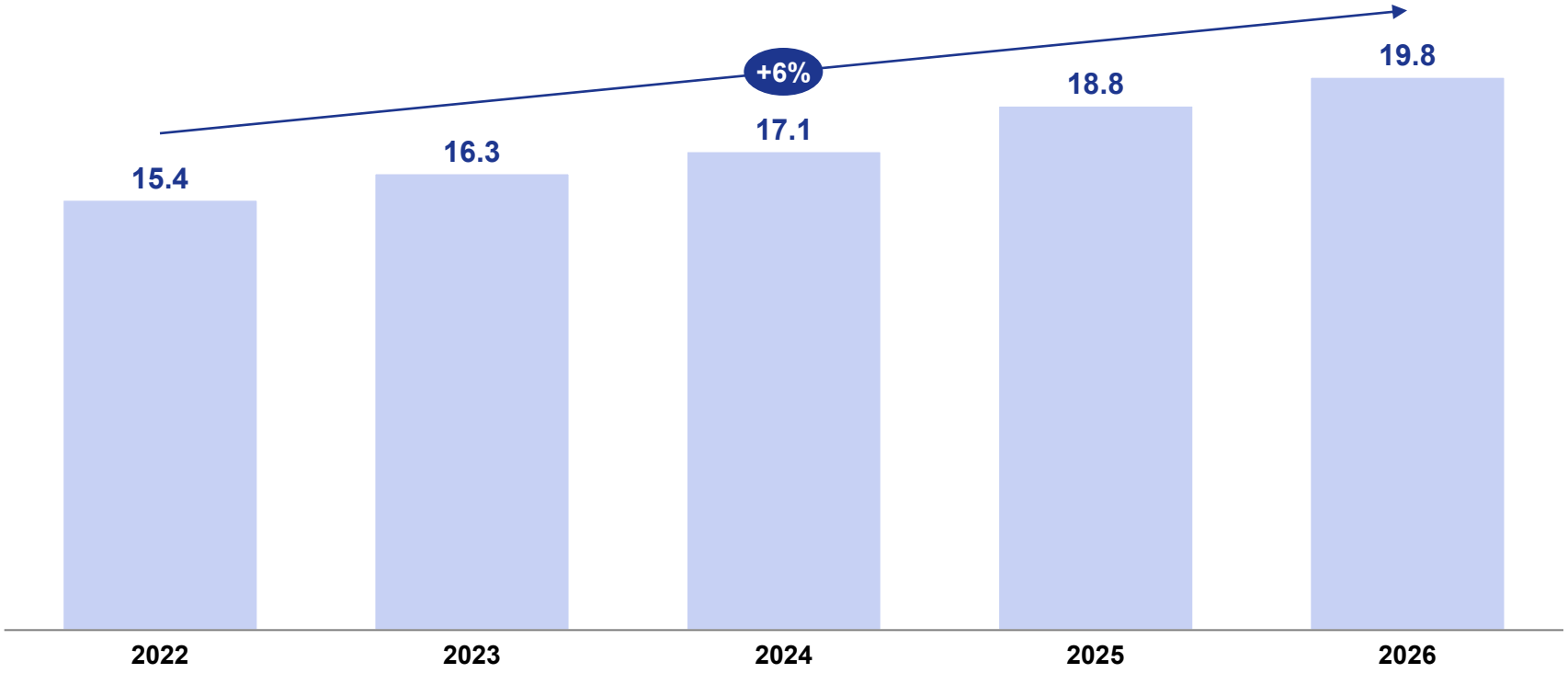
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3 Wellness need states are shaping where consumers spend

Wellness-related spend is a £20bn economy and has grown from c.4.0% to c.4.7% of non-essential spend since 2022

Health, Beauty, & Wellness Spend 2021-26[1]

£bn, CAGR; L12M Sep-Aug



	2022	2023	2024	2025	2026
Share of Total Non-essential Spend	4.0%	4.1%	4.2%	4.5%	4.7%

1. Card only

Source: Barclays Spend Analysis, OC&C analysis

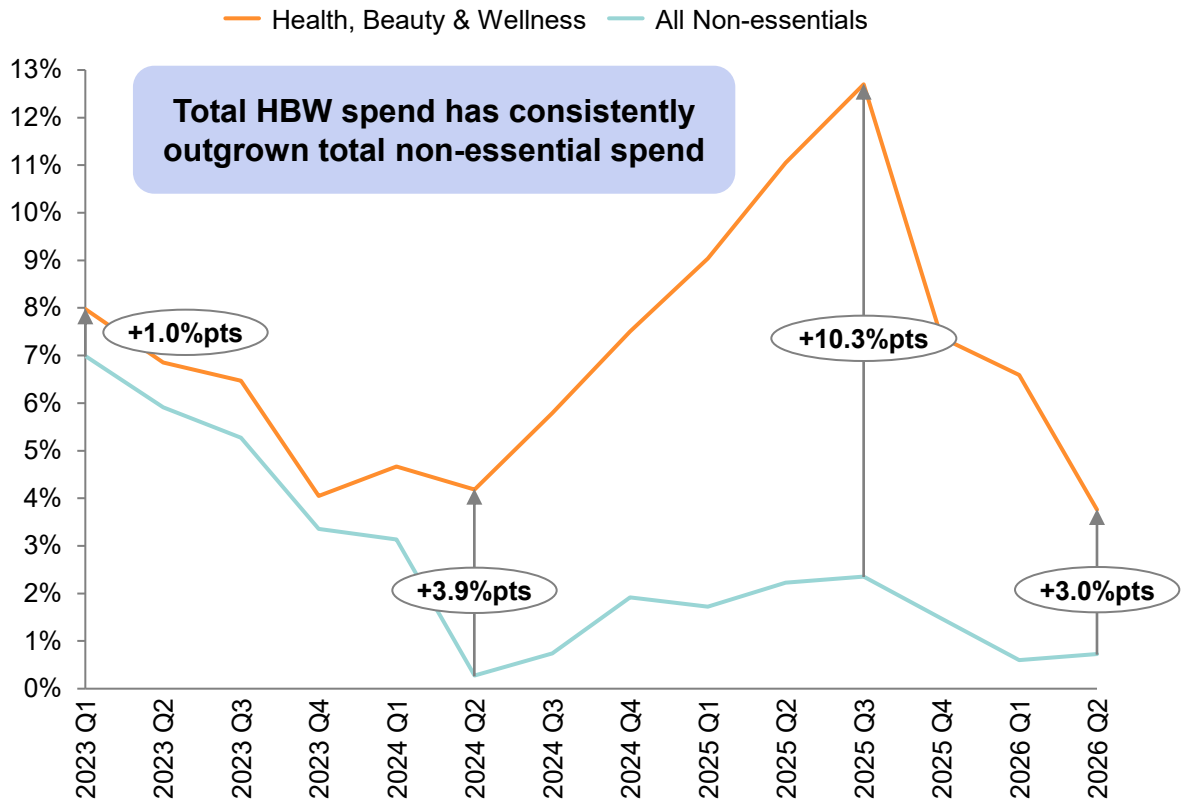
| © OC&C Strategy Consultants 2026

3 Wellness need states are shaping where consumers spend

Health, Beauty & Wellness continues to gain share of wallet, driven by higher spend per purchase rather than increased frequency

Health, Beauty & Wellness Spend

Barclays Quarterly YoY Spend Change
%, Q1'23-Q2'26



	Q2 2026	*vs. Q2 2025*
Spend per Customer[1]	**£216.2**	**▲ £10.9**
ATV	**£30.6**	**▲£1.8**
Trans. per Customer[1]	**7.1**	**▼0.1**

1. Quarterly customer number calculated by averaging monthly unique customers due to data availability, leading to higher spend and transaction per customer

Source: Barclays Spend Analysis, OC&C analysis

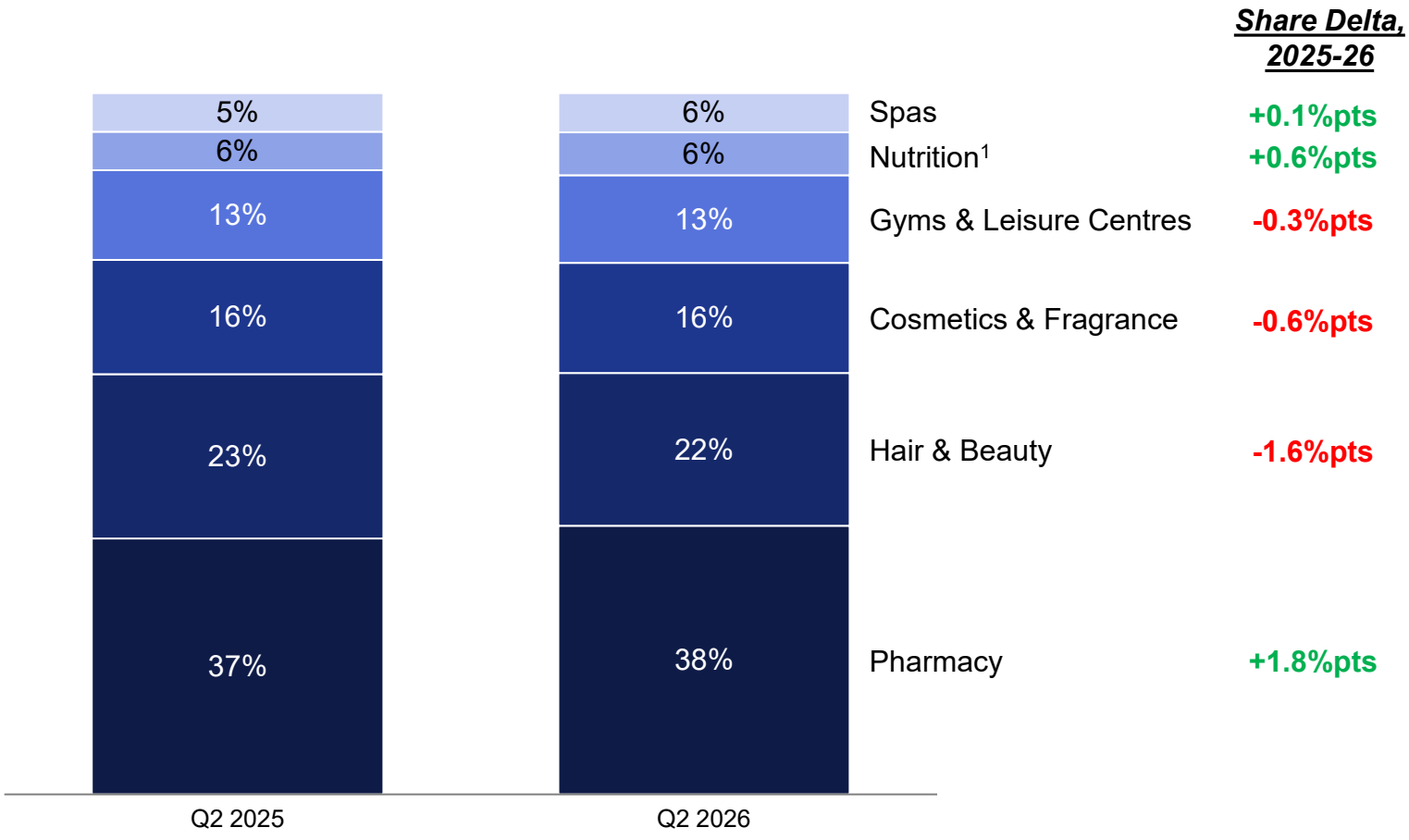
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3 Wellness need states are shaping where consumers spend

Wellness wallet is shifting towards more health-oriented categories, with Pharmacy & Nutrition gaining share at the expense of traditional Beauty

Share of Health, Beauty & Wellness by Subcategory

Rolling 12M to Q2 2025 vs Q2 2026, % of Total



1. Brands specialised in supplements, vitamins, sports nutrition & health-focused food products e.g. Huel, Holland & Barrett, Bulk

Source: Barclays Spend Analysis, OC&C analysis

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3 Wellness need states are shaping where consumers spend

Wellness growth is increasingly being driven by older consumers

Share of Health, Beauty & Wellness by Age Group

	Share of Spend	Spend per Customer	Shopper Penetration
	Share of HBW Spend 2026 (vs. 2025)[1]	*Growth in Spend per Customer 2025-26[1]*	*% of Active Customers 2026 (vs. 2025)[1]*
16-24 *years old*	**6.9%** ▼0.6%pts	**▲4.0%**	**47.4%** ▼1.3%pts
25-49 *years old*	**49.8%** ▼1.5%pts	**▲5.0%**	**44.1%** ▼0.5%pts
50-64 *years old*	**29.0%** ▲1.4%pts	**▲9.0%**	**39.0%** ▲0.5%pts
65+ *years old*	**14.3%** ▲0.8%pts	**▲7.5%**	**32.5%** ▲0.1%pts

1. Year defined as L12M September-August

Source: Barclays Spend Analysis, OC&C analysis

| © OC&C Strategy Consultants 2026

3 Wellness need states are shaping where consumers spend

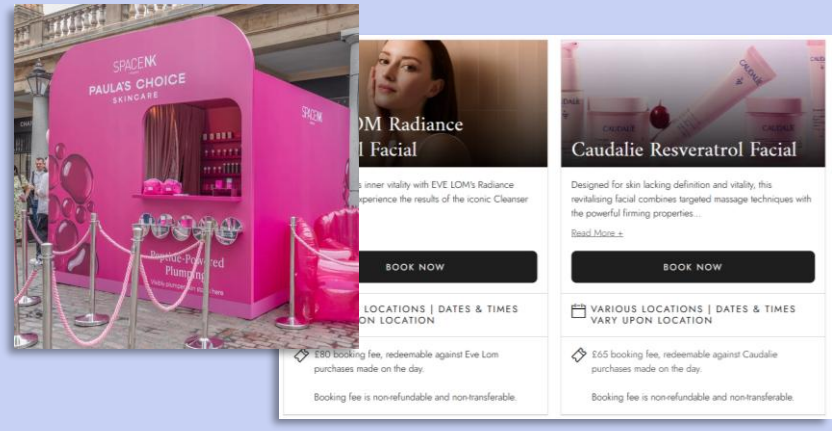
As consumers increasingly shop around wellness needs, leading retailers are reorganising categories and experiences around the outcomes they seek

KPC Rankings Based on Brand Category

Making beauty discovery more experiential

SPACE NK

- **Immersive brand pop-ups,** such as the Beyond Beauty Festival, combine freebies, skin consultations and games to turn **solving beauty needs into an engaging discovery experience**
- **Branded in-store treatments,** like the SkinCeuticals Treatment Room, combine advice, trial and redeemable treatment fees to **create a direct path from need identification to product purchase**



KPCs[1]: 3 *Customer Service* ▲ *5 places* 7 *Overall Rating* ▲ *1 place*

From product categories to fitness outcomes

John Lewis

- **New Sports & Wellness concepts** bring together footwear, apparel, wearables, fitness and recovery – **organising around the consumer's fitness goals rather than traditional product categories**
- **Services and community,** including free gait analysis and 'Jog Lewis' run clubs, **turn John Lewis from a place to buy sports products into a partner for achieving goals**



KPCs[2]: 1 *Customer Service* ▲ *1 place* 1 *Overall Rating* ▲ *1 place*

1. Rankings of Health & Beauty players only; 2. Rankings of Department Store players only

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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4

Experiences are unlocking incrementality



Consumer wallets are shifting from physical goods towards services and experiences

Retail-adjacent services represent a meaningful incremental growth opportunity, expanding the addressable market beyond the core transaction

Consumers increasingly value support around the purchase, with inspiration, advice, and comparison all playing a meaningful role alongside the product itself

Winning retailers are growing beyond the product into services and experiences, expanding their share of wallet, & using stores for the inspiration and expert advice that online can't replicate

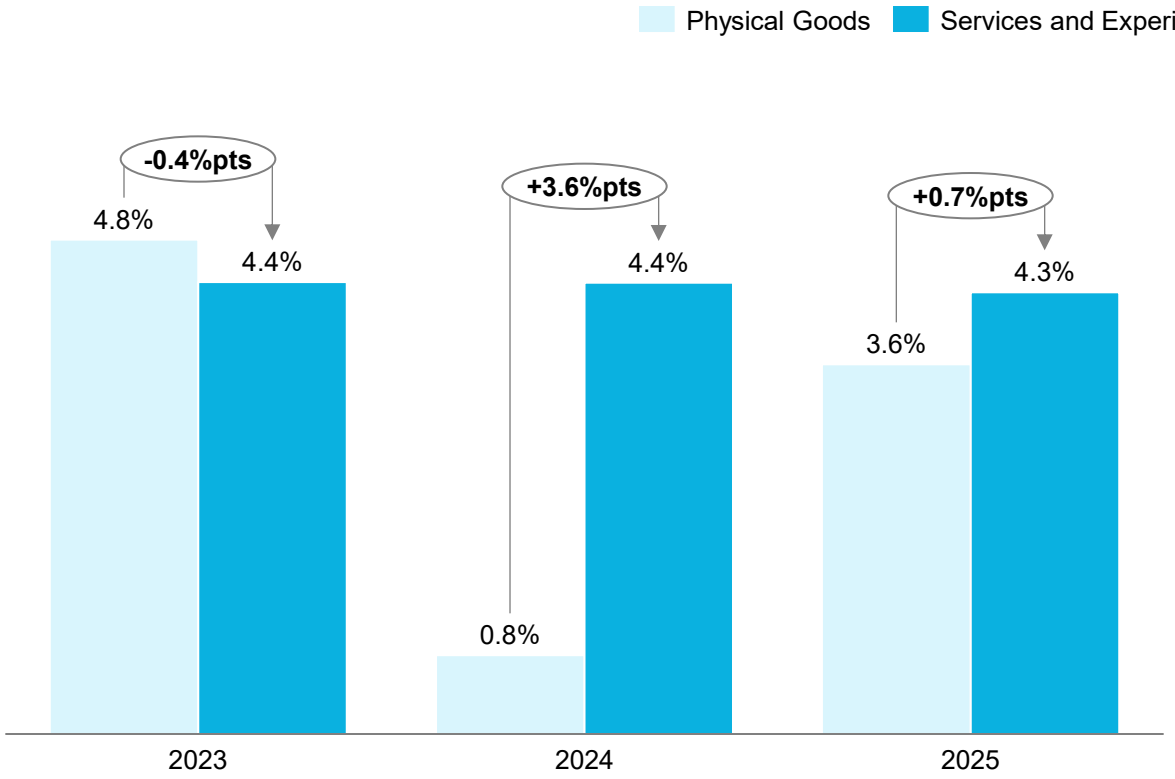
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4 Consumer services and experiences are unlocking incrementality

Spend on services and experiences has grown ~1.5x faster than physical goods since 2022, and has been much less volatile

Physical Goods vs Services and Experiences Spend Growth[1]

2023-25, YoY Change in Spend (%)



Cumulative Growth 2022-25:

Services & Experiences	+13.6%
Physical Goods	+9.3%

1. Physical goods includes food & drinks, alcohol, tobacco & narcotics, and clothing & footwear; Services and experiences includes recreational and cultural spending (incl. some goods e.g. toys, audio-visual equipment, pets), and restaurants and hotels; figures are in current prices

Source: ONS, OC&C analysis

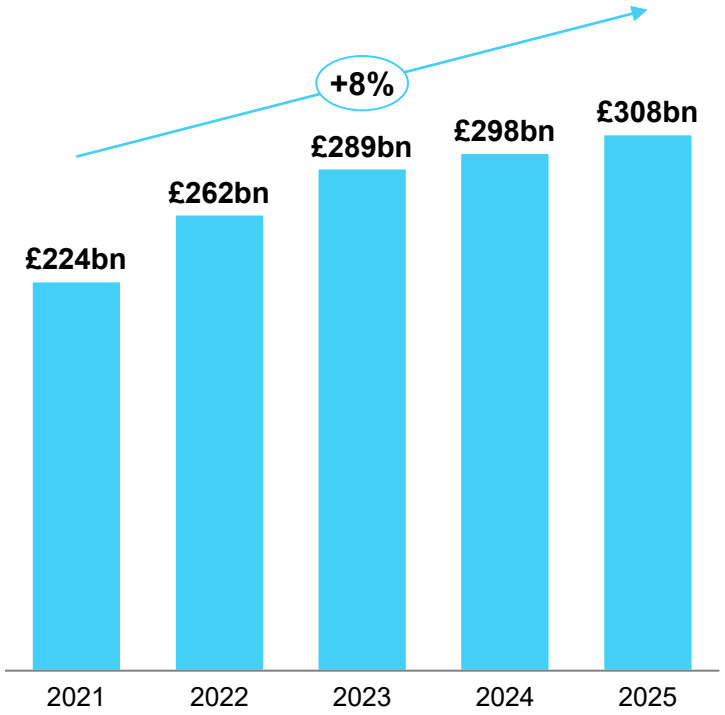
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4 Consumer services and experiences are unlocking incrementality

Retailers have a c.£300bn opportunity to unlock incremental growth by expanding into consumer services and experiences

Retail-Adjacent Services Market Opportunity

UK Retail-Adjacent Services Market Size
Consumer Spend, £bn



- **Retailers are well placed to capture a significant opportunity to expand into the fast-growing adjacent services space**
- **Focusing on consumer outcomes enables retailers to capture value beyond the initial product purchase**
- **Services can deepen customer relationships and encourage repeat engagement**

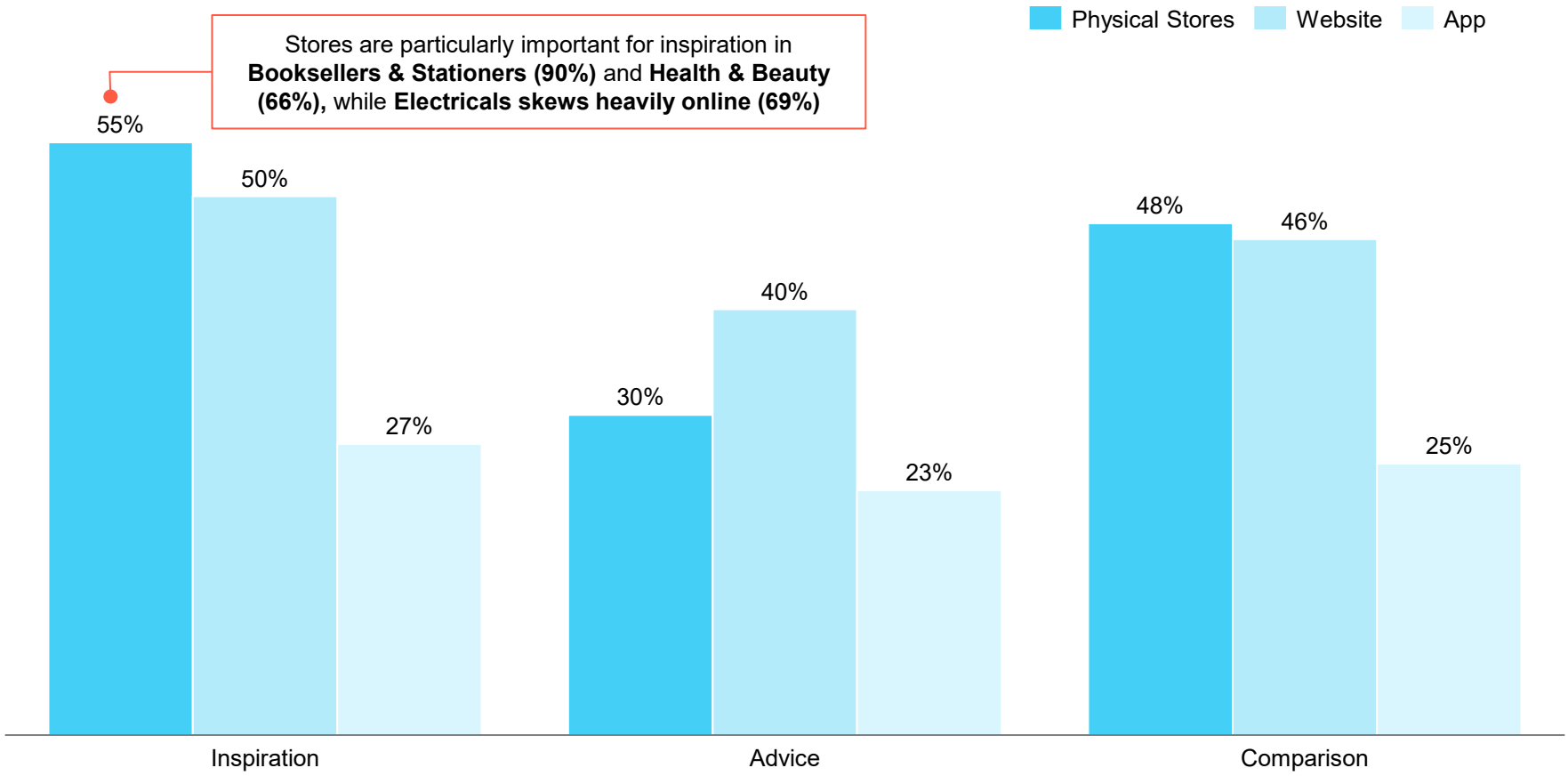
Source: ONS, OC&C analysis

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4 Consumer services and experiences are unlocking incrementality

Despite the shift to online, physical stores retain a key role in product discovery and consideration, particularly in more experiential categories

Last Purchase by Activities[1] (%)



1. Thinking about the last time you purchased from [BRAND] how did you do each of the following? (Select all that apply), N=10,155

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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4 Consumer services and experiences are unlocking incrementality

Winning retailers are using services and experiences to deepen engagement and unlock spend beyond the core transaction

KPC Rankings Based on Brand Category

Empowering booksellers to deliver expert service

Waterstones

- **Expertise with local autonomy** – knowledgeable booksellers tailor ranges, displays and personal recommendations to local customers, giving stores a more personal, independent bookshop feel
- **Cafes extend the experience beyond the transaction,** encouraging customers to browse, read and spend longer in-store

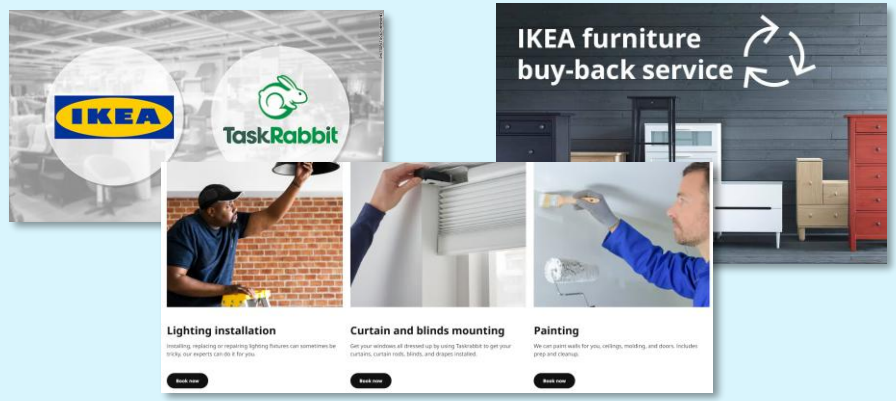


KPCs[1]: 1 *Customer Service ▲ 3 places* 1 *Products Suited to Me — No change*

Extending beyond products into end-to-end services

IKEA

- **Services turn IKEA from product seller into a home-project partner –** from £35 kitchen measurement and specialist planning through to delivery, Taskrabbit assembly and full kitchen installation
- **The service relationship extends beyond installation –** Taskrabbit supports jobs such as mounting, painting and gardening, while Buyback & Resell brings customers back when they are ready to replace furniture



KPCs[2]: 1 *Overall Rating — No change* 1 *Trust ▲ 3 places*

1. Rankings of Booksellers and Stationers players only; 2. Rankings of Furniture players only

Source: Company Websites, OC&C Retail Proposition Index 2026, OC&C analysis

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5 Loyalty goes beyond a loyalty programme

Loyalty varies by shopping mission, highest in frequent categories such as grocery, and lower in non-essential spend

Loyalty is driven primarily by the core proposition, with value, quality, and convenience outweighing programme benefits

However, loyalty programmes can still shift behaviour, with 44% of members increasing or redirecting spend, particularly younger consumers

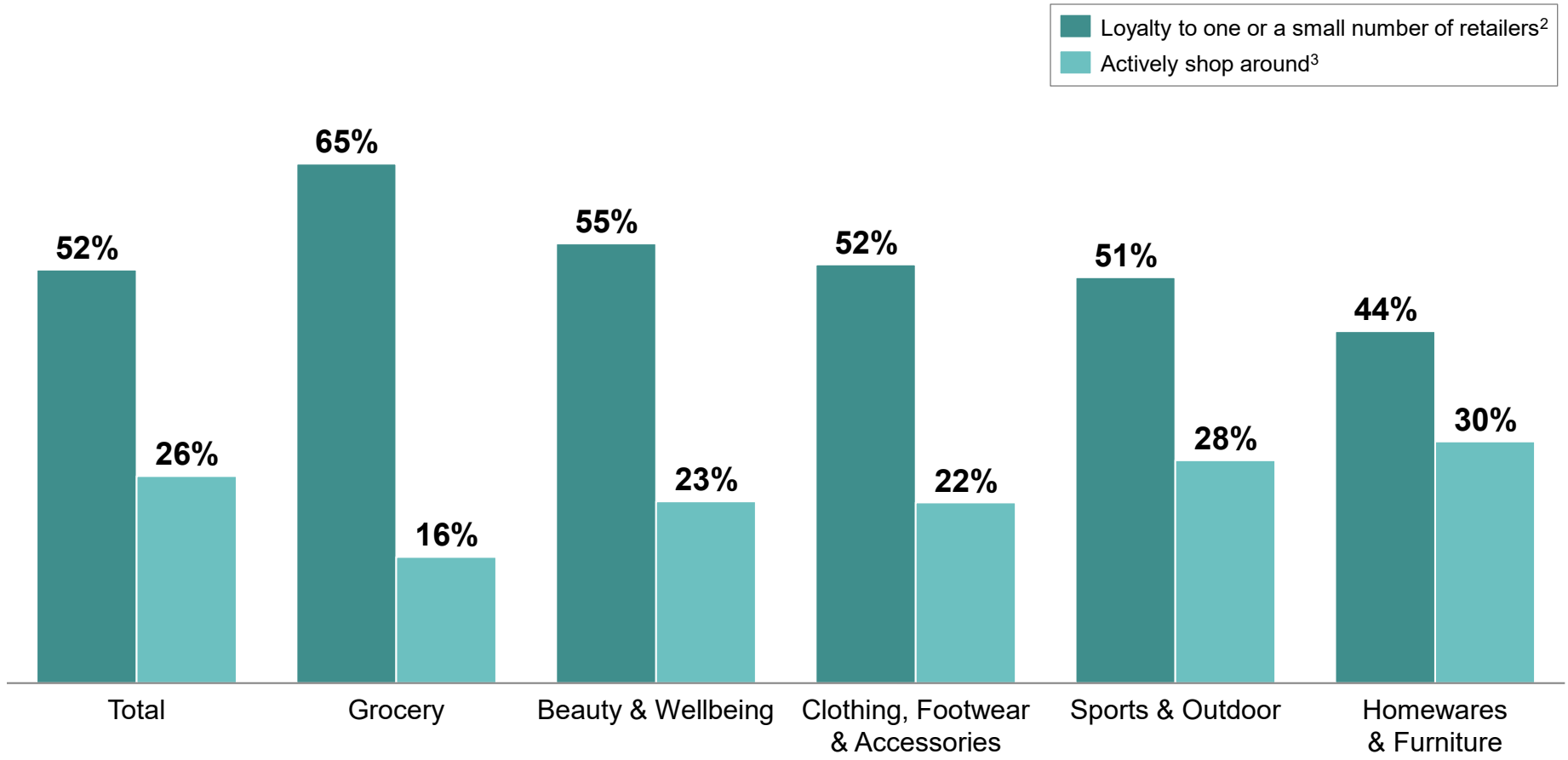
Winners combine strong propositions with relevant loyalty benefits, using pricing, rewards, and community to deepen share of wallet

| © OC&C Strategy Consultants 2026

5 Loyalty goes beyond a loyalty programme

Retailer loyalty is highest in frequent, essential purchases such as grocery, while non-essential categories see more shopping around

Retailer Preferences by Spend Category[1] (%)



1. Thinking about the retailers you shop with when buying [category x], which of the following best describes your usual approach?, N=10,115
2. Responded: “My strong preference is to find one retailer and use them whenever I can”, or “I tend to favour a small number of retailers, but will consider alternatives”
3. Responded: “I usually shop around and choose whichever retailer is best for that purchase”, or “I actively rebel against being too reliant on any one retailer and really embrace variety”

Source: OC&C Retail Proposition Index 2026, OC&C analysis

| © OC&C Strategy Consultants 2026

5 Loyalty goes beyond a loyalty programme

Loyalty is earned through value and product quality; programme benefits reinforce it but are less critical to prevent switching

Drivers of Retailer Loyalty & Switching (%)[1]
% Respondents Selecting Each Factor

Top 10 Factors Only



1. N=10,155; Q36 asked for one eligible category per respondent with up to three factors selectable in each column; responses pooled across assigned categories

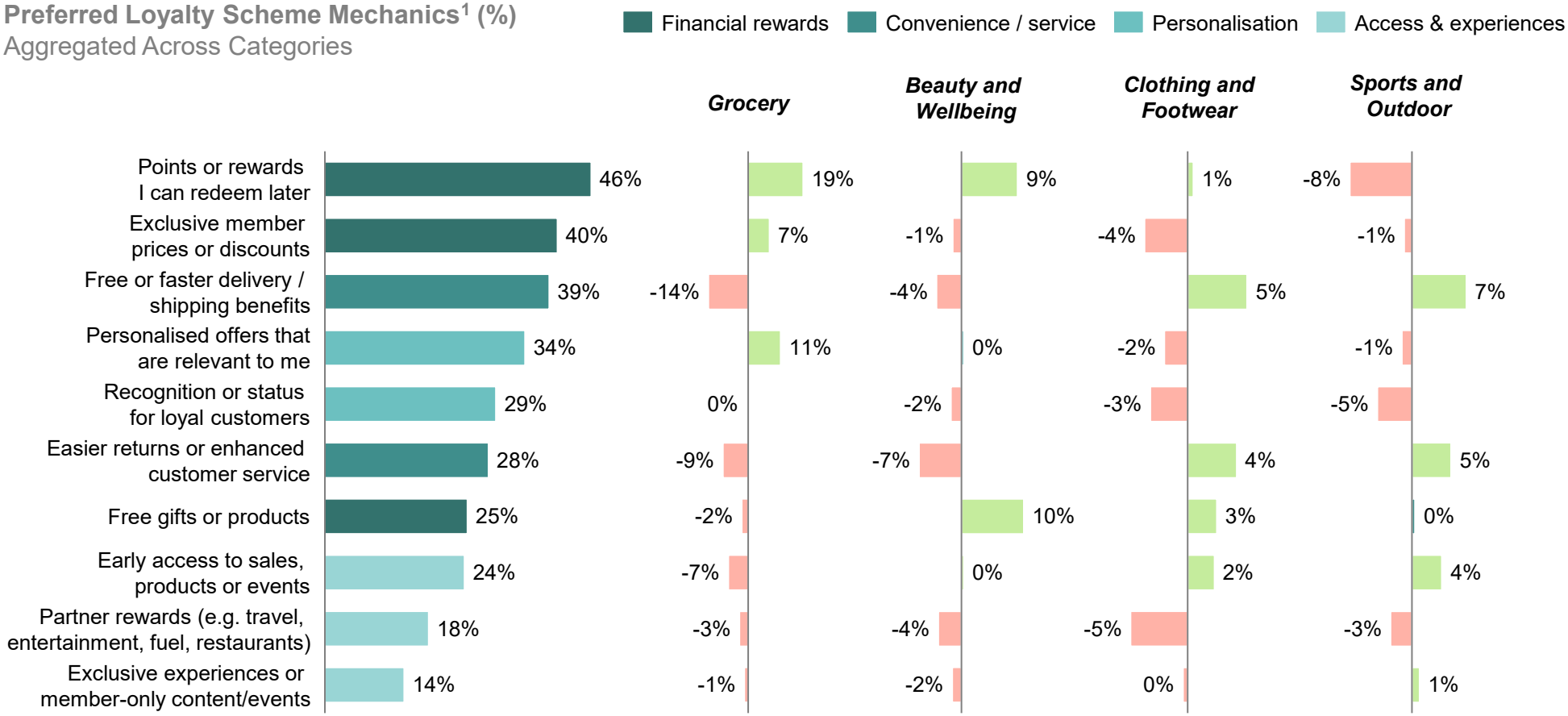
Source: OC&C Retail Proposition Index 2026, OC&C analysis

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5 Loyalty goes beyond a loyalty programme

When customers do think about loyalty schemes, rewards and discounts resonate most for frequent, commoditised purchases

Preferred Loyalty Scheme Mechanics[1] (%)
Aggregated Across Categories



Gen Z think about loyalty differently, over-indexing on free products (+12%pts vs Total) and experiences / partner rewards (+6%pts), while placing less emphasis on traditional points (-9%pts) and discounts (-12%pts)

1. Thinking about the retailers you shop when buying [product category], what loyalty mechanics influence your behaviour most strongly?, N=10,155

Source: OC&C Retail Proposition Index 2026, OC&C analysis

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5 Loyalty goes beyond a loyalty programme

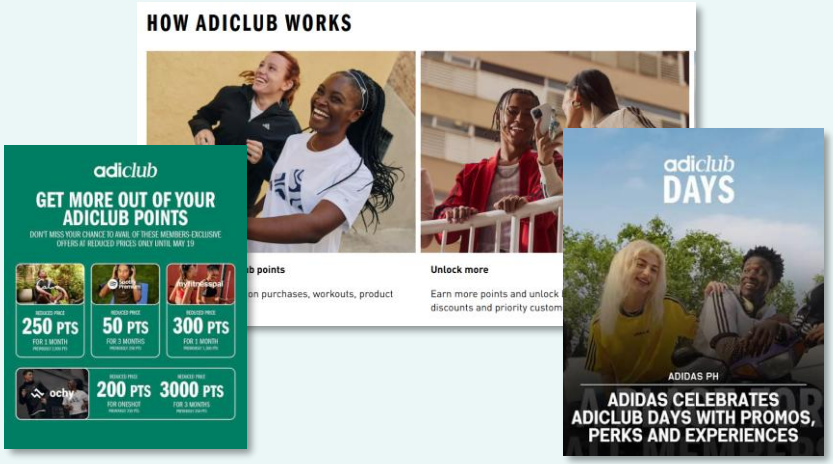
Winning loyalty schemes go beyond points and discounts, reward consumers through engagement, access, and experience

KPC Rankings Based on Brand Category

Rewarding engagement beyond spend

adidas

- **adiClub rewards engagement as well as purchases,** with members earning points through shopping, product reviews, and recording workouts on the Adidas app
- **Benefits extend beyond discounts,** including free delivery, members-only products, early access to drops, experiences, and partner rewards

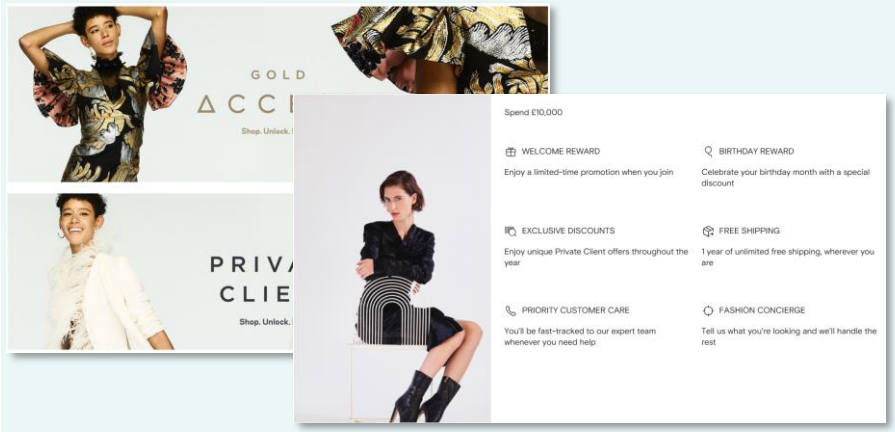


KPCs[1]: 3 *Loyalty Scheme ▲ 65 places* | 1 *Products Suited to Me ▲ 3 places*

Tailoring loyalty to younger consumers' priorities

FARFETCH

- **Farfetch Access has five spend-based tiers,** with benefits scaling from free shipping to exclusive rewards and services
- **Higher shifts increasingly reward through service and experience,** aligning with younger consumer's priorities
  - **Farfetch's loyalty rating is +3.2pts among Millennials and +4.1pts among Gen Z vs. Overall**



KPCs[1]: 1 *Loyalty Scheme ▲ 10 places* | 22 *Fashionability ▲ 2 places*

1. Rankings of Clothing & Footwear players only

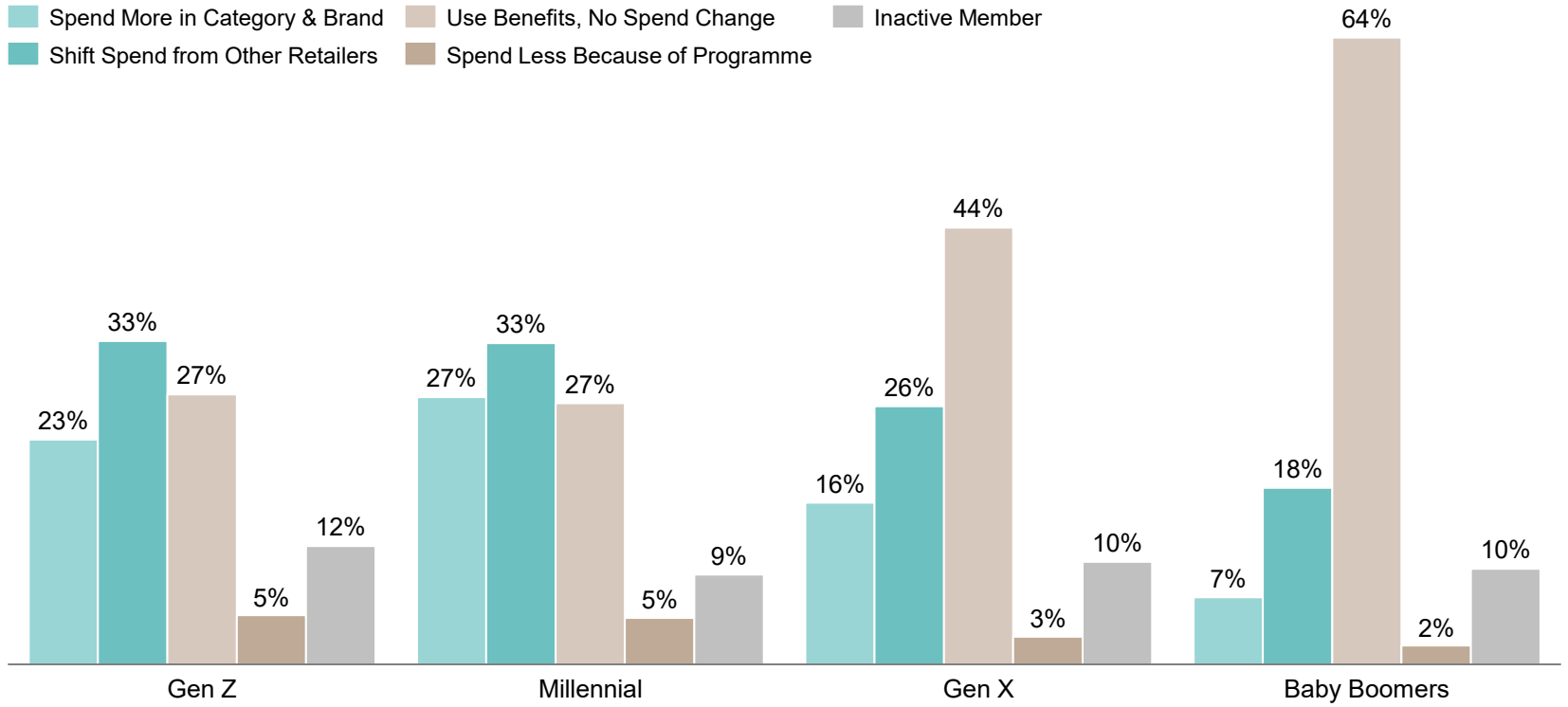
Source: OC&C Retail Proposition Index 2026, Company Websites, OC&C analysis

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5 Loyalty goes beyond a loyalty programme

However, loyalty programmes can materially shift customer behaviour – though this perception varies across age groups

Reported Impact of Loyalty Programme Membership on Spend (%)[1]



% saying they would increase or shift spend	***56%***	***60%***	***42%***	***25%***

1. N=10,155 member-brand evaluations; Q39 asked at respondent-brand level among loyalty programme members, with one response per evaluated membership

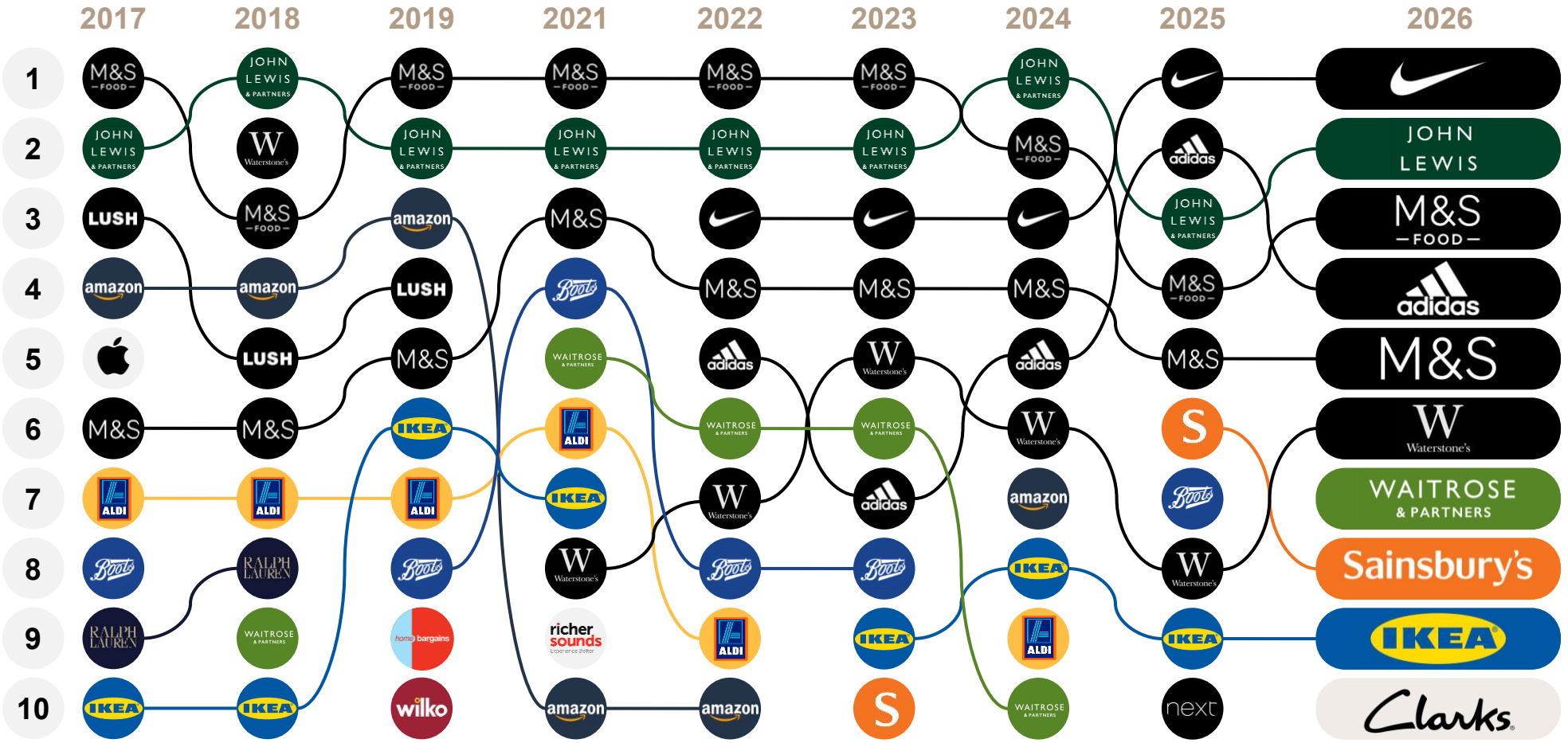
Source: OC&C Retail Proposition Index 2026, OC&C analysis

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The 2026
Champions

UK Overall Proposition Champions

Overall proposition rating, as scored by consumers[1]



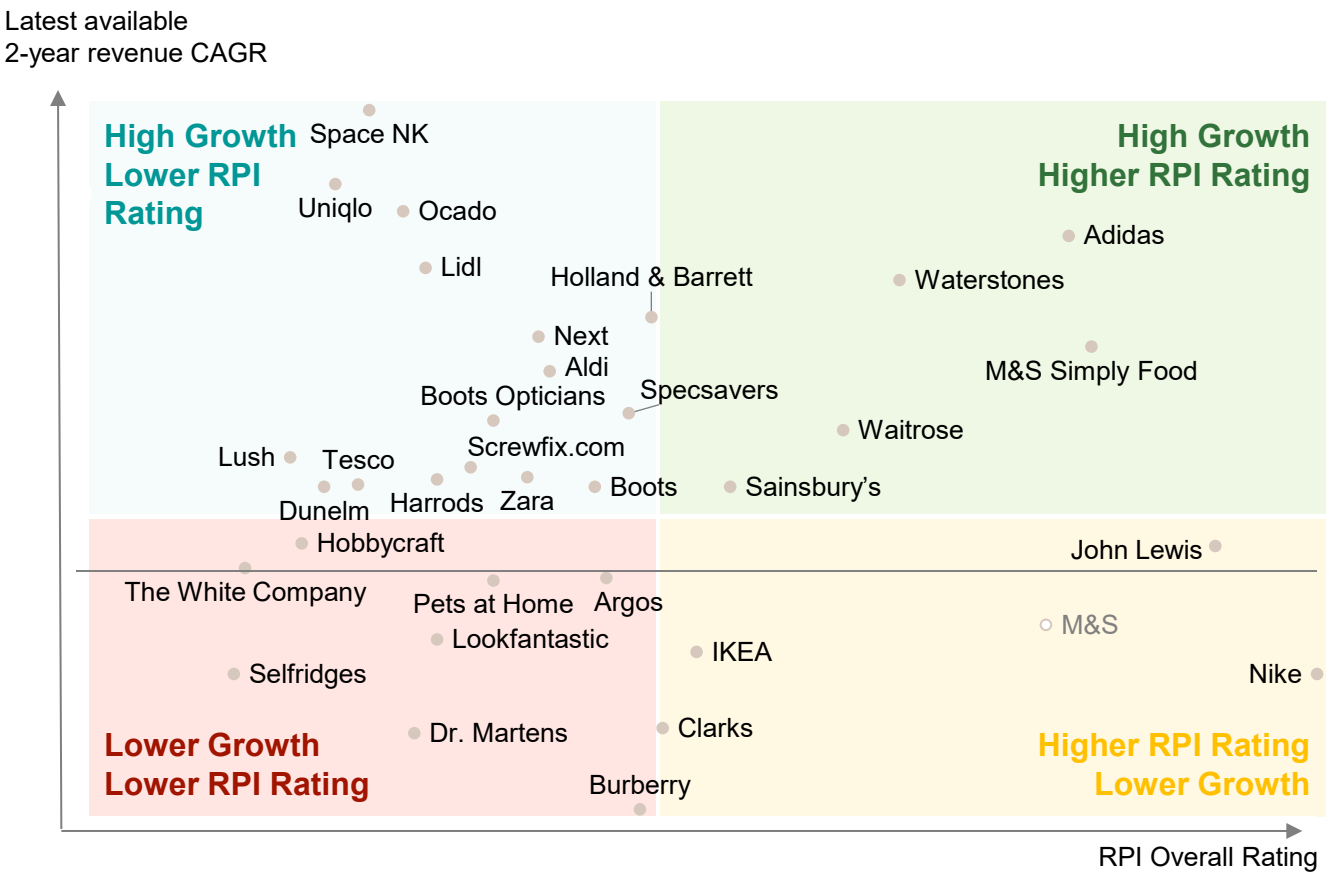
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1. Shopper rating indexed 0-100. Based on shoppers visiting or purchasing from that retailer in the last 3 months.

Source: OC&C Retail Proposition Index 2026, OC&C analysis

Proposition and Financial Performance Champions

Overall proposition rating vs. recent revenue growth[1] for our top-rated brands



Top performers by quadrant

High Growth, Higher RPI Rating

Leading on both shopper perception and growth

Waterstones · M&S FOOD · adidas

High Growth, Lower RPI Rating

Fast-growing retailers with more to do on proposition

SPACE NK · UNIQLO · ocado

Key takeaways

- Shopper performance and financial performance do not always move together
- Established brands (Nike, John Lewis) are highly rated despite challenges in recent growth
- Some of the highest growth brands (Space NK, Uniqlo) see more muted customer perception

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1. Shopper rating indexed 0-100. Based on shoppers visiting or purchasing from that retailer in the last 3 months; Revenue growth is latest available 2-year CAGR

Source: OC&C Retail Proposition Index 2026, OC&C analysis

OC&C UK RETAIL PROPOSITION INDEX 2026

UK Proposition Champions 2026

The winning retailers across core aspects of the consumer shopping journey and experience[1]

Value for Money

Retailers that offer the best value for the price paid

1	ALDI	86.1
2	Lidl	84.8
3	The Works	84.7
4	Card Factory	84.0
5	Home Bargains	84.0
6	Vinted	82.4
7	George at ASDA	81.3
8	Shoezone	81.0
9	Primark	80.8
10	Iceland	80.5

2026 Champion

Wide Choices of Products

Retailers that offer the widest range of products

1	amazon	89.3
2	Vinted	87.4
3	eBay	86.5
4	Very	86.4
5	Waterstones	86.0
6	Temu	85.6
7	Screwfix.com	85.3
8	Etsy.com	85.2
9	Lush	84.9
10	Ocado	84.8

2026 Champion

Product Quality

Retailers that offer high quality products

1	M&S FOOD	88.1
2	Waitrose	87.5
3	John Lewis	87.0
4	Ocado	87.0
5	Lush	86.5
6	Waterstones	86.4
7	Lookfantastic	86.4
8	Space NK	86.4
9	Nike	85.8
10	Sephora	85.8

2026 Champion

Suited to Me

Retailers that best meet shoppers' individual needs

1	W Waterstones	84.0
2	Ocado	82.9
3	Nike	82.9
4	Photobox	82.7
5	Adidas	82.6
6	Lookfantastic	82.5
7	Pets at Home	82.4
8	Amazon	82.2
9	Very	81.9
10	M&S Simply Food	81.4

2026 Champion

Easy to Shop

Retailers that make it easy and convenient to shop

1	LOOKFANTASTIC	86.5
2	Amazon	86.2
3	Very	84.4
4	Argos	84.3
5	Waterstones	84.3
6	Lush	84.0
7	Sainsbury's	83.7
8	Pets at Home	83.2
9	M&S	82.9
10	Ocado	82.8

2026 Champion

Reliability

Retailers that are consistent and dependable

1	JOHN LEWIS & PARTNERS	85.8
2	Waterstones	85.3
3	Nike	84.1
4	M&S	84.1
5	Ocado	84.0
6	Very	84.0
7	Lush	83.7
8	Lookfantastic	83.5
9	Pets at Home	83.4
10	Waitrose	83.0

2026 Champion

| © OC&C Strategy Consultants 2026

1. Shopper rating indexed 0-100. Based on shoppers visiting or purchasing from that retailer in the last 3 months.

Source: OC&C Retail Proposition Index 2026, OC&C analysis

OC&C UK RETAIL PROPOSITION INDEX 2026

UK Proposition Champions 2026

The winning retailers across core aspects of the consumer shopping journey and experience[1]

Low Prices

Retailers that offer the lowest prices

1	ALDI	85.3
2	Home Bargains	84.3
3	Card Factory	83.5
4	The Works	83.2
5	Temu	83.1
6	Primark	82.3
7	Shein	81.6
8	Vinted	81.3
9	Poundland	81.3
10	Lidl	80.7

2026 Champion

Fun to Shop

Retailers that make shopping most enjoyable

1	LUSH	85.5
2	Space NK	81.7
3	Sephora	80.0
4	Lookfantastic	79.7
5	Hobbycraft	79.2
6	Photobox	78.7
7	Zara	78.5
8	Very	78.3
9	Vinted	78.2
10	Harrods	78.0

2026 Champion

Fashionability

Retailers that offer fashionable products

1	ZARA	85.9
2	Adidas	84.7
3	Nike	83.8
4	Very	83.2
5	Dr. Martens	82.1
6	ASOS	81.3
7	River Island	81.3
8	Footasylum	81.1
9	Burberry	80.8
10	Mango	80.6

2026 Champion

Sustainability

Retailers that lead on sustainability

1	LUSH	81.9
2	Vinted	80.0
3	Mandarin Stone	77.5
4	Dr. Martens	76.5
5	Superdry	76.4
6	Pets Corner	76.3
7	END	76.2
8	Burberry	75.8
9	Ocado	75.6
10	ME+EM	75.5

2026 Champion

Customer Service

Retailers that provide the strongest customer service

1	Specsavers	82.3
2	John Lewis	82.1
3	Waterstones	80.8
4	Lush	80.7
5	Richer Sounds	80.5
6	Space NK	80.0
7	Harrods	79.6
8	Ocado	78.9
9	Waitrose	78.8
10	Lookfantastic	78.3

2026 Champion

Loyalty Scheme

Retailers that offer the best loyalty programmes

1	Sainsbury's	81.1
2	Tesco	75.9
3	Space NK	73.8
4	Boots	73.0
5	Pro-Direct	73.0
6	Lookfantastic	72.1
7	Naked Wines	71.8
8	Farfetch	70.9
9	Sephora	70.6
10	Holland & Barrett	70.5

2026 Champion

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1. Shopper rating indexed 0-100. Based on shoppers visiting or purchasing from that retailer in the last 3 months.

Source: OC&C Retail Proposition Index 2026, OC&C analysis