



# Unlocking retail growth

The power of  
known customers

JULY 2025



Shape the future  
with confidence





# Table of contents

**01**

EXECUTIVE  
SUMMARY

**02**

WHO WE ARE  
AND HOW WE  
COLLABORATE

**03**

KNOWN  
CUSTOMERS  
ARE THE  
CORNERSTONE  
OF SUSTAINED  
GROWTH

**04**

COLLECTING  
THE RIGHT  
DATA SETS THE  
FOUNDATION FOR  
INSIGHT-DRIVEN  
STRATEGIES

**05**

BUILDING A  
STRONG KNOWN  
CUSTOMER BASE  
WITH SHOPIFY

**06**

CAPITALIZING  
ON UNIFIED  
COMMERCE TO  
DRIVE GROWTH

**07**

CONCLUSION

**08**

SOURCES



01

# Executive summary







## WHAT IS A KNOWN CUSTOMER?

A known customer is formed when **identity** (collected data) is paired with **customer insights** (how data is organized and activated). This combination enables retailers to engage customers effectively and cultivate loyalty and advocacy – keys to long-term growth.

# Purpose of the report and key findings

## Fragmented customer data is becoming a rising barrier to retail growth.

With the lines between online and offline retail blurring, retailers have more channels than ever to capture customer data. But more data doesn't always translate into better business outcomes.

The explosion of customer touchpoints is leaving retailers struggling to effectively piece together customer data. Traditional data systems are failing to adapt to changing shopping behaviours, hindering brands from achieving a unified view of the customer, which is crucial for fostering personalization and brand loyalty.

## In this report, EY identifies a powerful and underused driver of growth: the known customer.

EY's study explores how retailers who focus on growing their known customer base benefit from stronger relationships, increased customer loyalty, and improved financial outcomes. **The study reveals key financial outcomes linked to known customers**, including higher frequency of purchases, larger transactions and increased engagement.

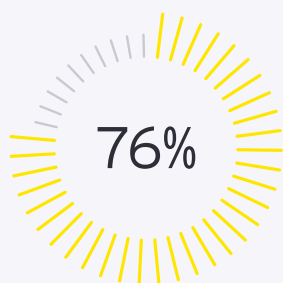
To achieve these benefits, retailers should focus on cultivating a robust known customer base. Throughout the report's analysis, EY provides a framework – the known customer growth cycle – for how retailers can collect, organize and activate customer data to fuel sustained growth.

\* Data provided by Shopify as of May 2025 across all retailers using Shopify POS.

## EY analysis explores how Shopify supports growth by centralizing customer data, helping retailers achieve an average known customer rate of 80%.\*

A previous study by EY found that Shopify POS users experienced up to an 8.9% uplift in sales growth, largely attributed to Shopify's ability to centralize data across online and offline channels.<sup>1</sup> Shopify's integrated ecommerce and POS solutions offer retailers a unified view of customer interactions, making it easier to build a strong, loyal customer base.

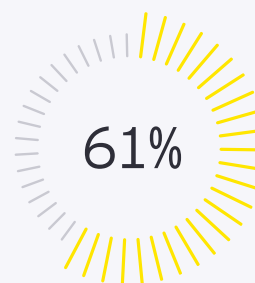
Retailers who focused on expanding their known customer base through Shopify POS experienced impressive financial results, including:



of GMV growth in store is driven by known customers.<sup>2</sup>



higher average order value from known customers than unknown.<sup>2</sup>



increase in repeat purchases from known customers.<sup>2</sup>

<sup>1,2</sup> See footnotes at the end of this document.

This report offers actionable insights on how retailers can build a robust known customer base to fuel brand loyalty and growth by collecting, organizing and activating customer data. The report's analysis concentrates on the often-overlooked opportunity of in-store data capture.



# Approach and methodology

The following report is authored by the EY organization and reflects the opinions and findings of EY. Following is how we structured our research:

## ✓ MARKET RESEARCH

Conducted original market research to understand the critical role of centralized customer data in driving growth for retailers.

## ✓ SURVEYED

Survey was shared with approximately 700 respondents, of whom 129 qualified based on criteria such as gross merchandise value (GMV), industry, geography, and pure-play ecommerce vs. omnichannel. Survey respondents were restricted to decision-makers and influencers at their respective organizations.

## ✓ DATA ANALYSIS

Analyzed transactional data from nearly 4,000 retailers to quantify the impact of centralized customer data across various businesses.

## ✓ INTERVIEWS

EY interviewed senior leaders across mid-sized to large retail enterprise organizations and subject matter resources within Shopify.

What we considered when creating this report:



**Customer evolution taxonomy** highlighting the journey from unknown to known customer types.



**Retail maturity model** showing the progression towards unified commerce.



**Known customer growth cycle** is a dynamic loop of engagement, data collection, organization and activation that cultivates brand loyalty and growth through meaningful customer interactions.



**Known customer blueprint** breaks down key components of a known customer, mapping back to data processes outlined in known customer growth cycle – collect, organize, activate.

02

Who we are  
and how we  
collaborate





---

## EY

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multidisciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

---

## Shopify

Shopify is the leading global commerce company that provides essential internet infrastructure for commerce, offering trusted tools to start, scale, market, and run a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for speed, customization, reliability, and security, while delivering a better shopping experience for consumers online, in store and everywhere in between. Shopify powers millions of businesses in more than 175 countries and is trusted by brands. For more information, visit [www.shopify.com](https://www.shopify.com).

---

## EY x Shopify alliance

The EY organization and Shopify aim to help enterprises activate and scale commerce businesses. The alliance focuses on commerce transformation programs across a multitude of industries and sectors. For more information, visit [EY-Shopify Alliance | EY - Global](#).

03

Known customers  
are the cornerstone  
of sustained growth





## Personalization is not just a trend, it's a strategic imperative.

Today's customers are more selective and less loyal than ever. The rise of online commerce has flooded consumers with information and choices, increasing expectations and allowing them to be more selective about where they spend their money. Coupled with concerns about affordability and economic uncertainty, retailers are faced with a challenging customer to win over.

This shift has ushered in an era of elevated personalization in retail. Amid rising costs, intense competition and economic volatility, personalization has emerged as a key growth engine. By focusing on intentional engagement, retailers can reduce acquisition costs and generate more stable revenue streams. While a broad approach can often lead to wasted resources, personalization sharpens focus and drives financial results.

---

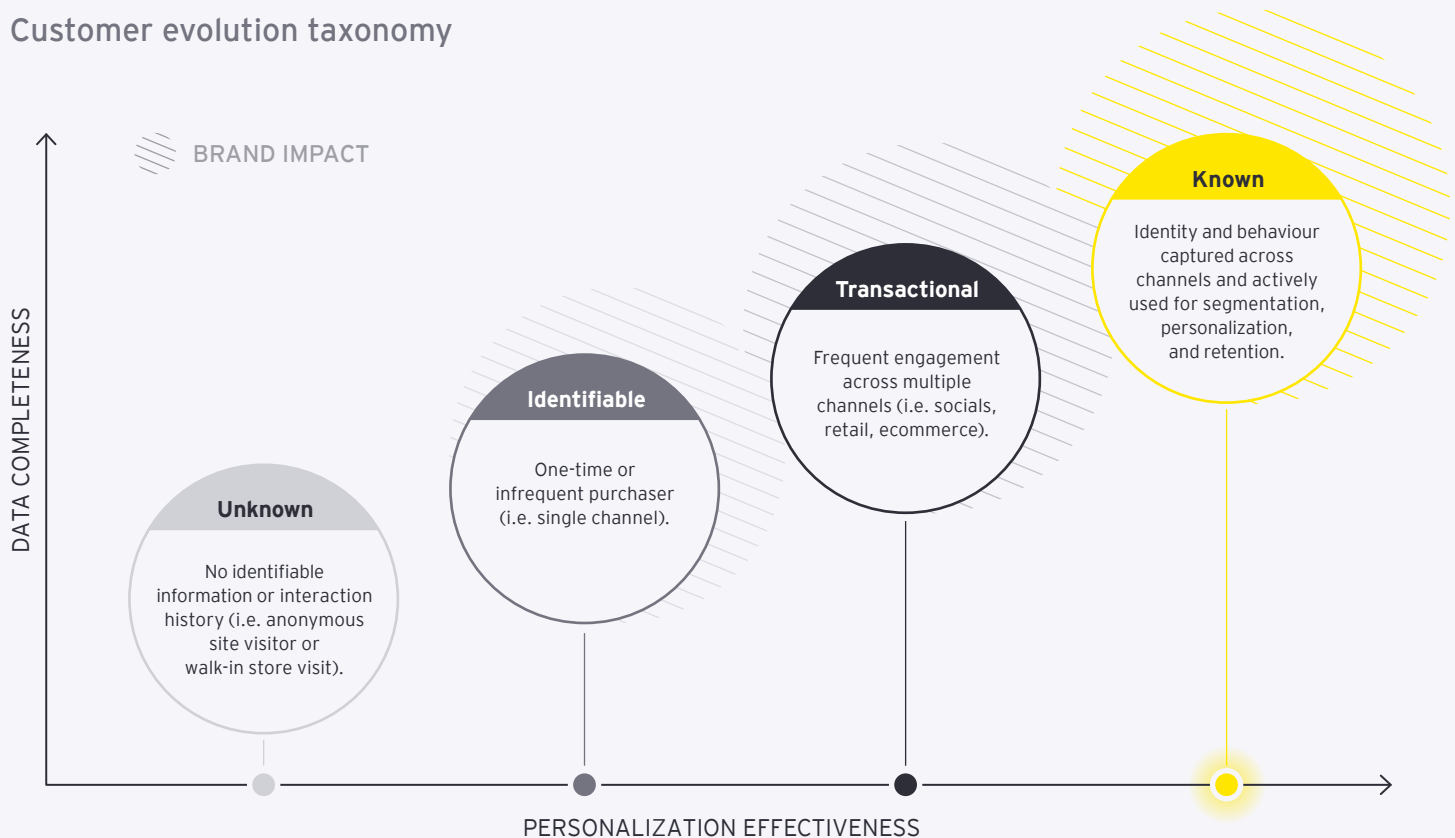
## To make the shift towards personalization, the new challenge for retailers is to personalize at scale while grappling with fragmented customer data.

The customer journey is a dynamic process that evolves through various stages, each characterized by the level of engagement and data shared between the customer and the retailer. The customer evolution taxonomy framework outlines the progression from an unknown customer to a known customer, highlighting the critical characteristics, data collection practices, personalization capabilities and brand impact at each stage.

As brands collect more complete data and deliver more personalized experiences, customers move from unknown to known customers. Effectively **integrating and employing cross-channel data is the key for going beyond identity recognition to a deeper understanding of customer behaviour**. This progression not only enhances customer experience but also serves as a strategic asset for brands, driving growth and fostering strong loyalty.



## Customer evolution taxonomy



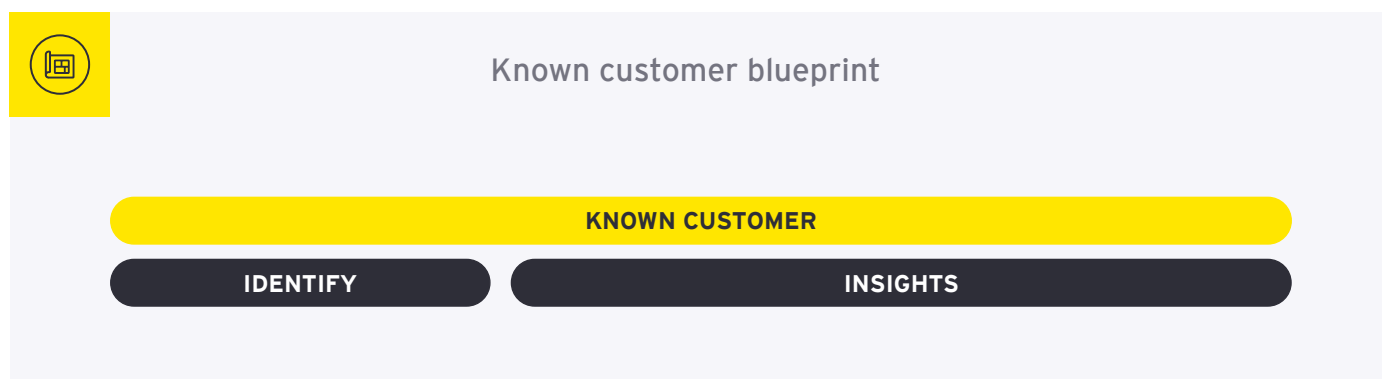
	UNKNOWN	IDENTIFIABLE	TRANSACTIONAL	KNOWN
<b>Data completeness</b>	<ul style="list-style-type: none"> <li>▶ <b>No data</b> collected</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Limited data</b> collected but lacks depth and frequency of engagement.</li> <li>▶ <i>Basic contact information, transaction details, purchase history.</i></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Moderate data collected</b> across touchpoints but remains siloed across channels.</li> <li>▶ <b>Data is siloed</b>, hindering standardization and structured usage for future needs.</li> <li>▶ <i>Behavioural data, location tracking, cross-channel purchase information.</i></li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Extensive data collected</b> across touchpoints; cross-channel data integrated into a single customer profile.</li> <li>▶ <b>Data is unified</b>, enabling both passive and active enrichment and standardization for effective future use.</li> <li>▶ <i>Demographics, preferences, engagement history.</i></li> </ul>
<b>Personalization effectiveness</b>	<p><b>None</b></p>	<ul style="list-style-type: none"> <li>▶ <b>Limited personalization</b>, generic retargeting possible given basic contact information.</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Low to moderate personalization</b>, some personalization possible but not fully optimized.</li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>High personalization</b> can deliver tailored marketing at the individual level</li> </ul>
<b>Brand impact</b>		<ul style="list-style-type: none"> <li>▶ Initial brand awareness.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased engagement and data collection opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Strategic asset for growth, higher CLV, strong brand advocacy.</li> </ul>



## Personalization is built through known customers. But what does it mean to “know” your customer?

As demand for personalization increases, how we define what makes a customer truly known has expanded. Many retailers confuse a captured email address with a known customer. Known customers, however, are a strategic asset, not a contact list.

A **known customer** is a shopper whose identity, preferences and behaviour are collected and organized across online and offline channels, and whose data can be continuously activated for personalized engagement. Unlike basic contact information, known customers are fully embedded in a retailer’s data ecosystem, enabling targeted marketing, consistent experiences and deeper lifetime value.



## Without a unified approach to commerce, fragmented data prevents retailers from creating a complete customer view.

Right now, there’s a gap for many retailers: while customer data is collected across various channels, the absence of unified data prevents them from effectively using customer information. Customers remain in the transactional stage, with retailers missing key insights that move customers to loyal brand advocates.

Failing to move customers to the known stage can result in:

- Wasted marketing spend
- Missed market opportunities
- Higher customer acquisition costs
- Increased customer churn



Moving customers to known requires intentional interactions at every stage of the customer purchase cycle: collect, engage, activate.



### Known customer blueprint

#### KNOWN CUSTOMER

IDENTIFY

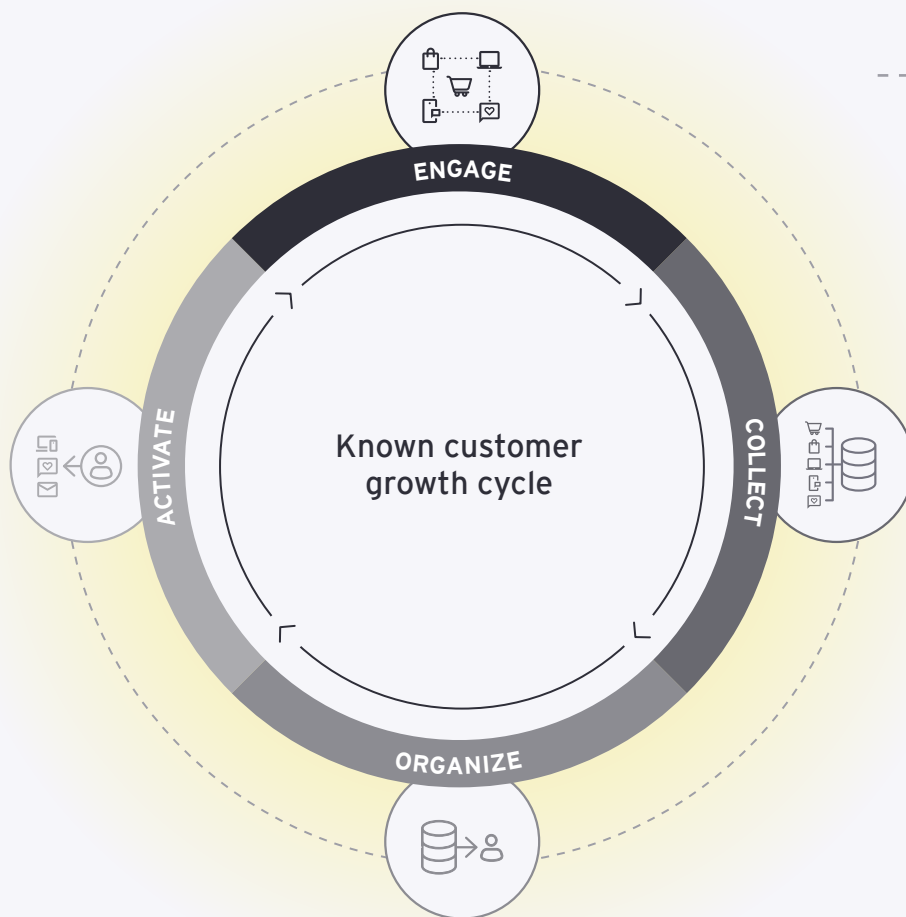
INSIGHTS

COLLECT

ORGANIZE

ACTIVATE





--- NETWORK EFFECT

To convert transactional interactions into advocacy, retailers need to focus on building meaningful relationships with their customers through four key stages:

- **Engage** – Customers interact with brands across multiple touchpoints – whether it's clicking on social media posts, exploring in-store inventory or browsing online.
- **Collect** – Retailers gather information from these various interactions and channels.
- **Organize** – Retailers continuously structure data into comprehensive customer profiles, building an up-to-date and unified view of each customer.
- **Activate** – Retailers glean insights to deliver personalized marketing, tailored checkout experiences and deeper engagement – feeding back into future interactions.

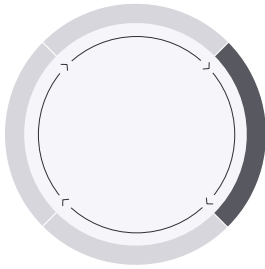


**This cycle creates a powerful network effect.** By continuously activating customer data, retailers not only drive repeat purchases, but also amplify customer loyalty. Each interaction strengthens the relationship, creating long-term brand advocates.

04

Collecting the  
right data sets  
the foundation  
for insight-driven  
strategies





## KNOWN CUSTOMER GROWTH CYCLE

# Collect

Navigating the influx of data to enhance customer engagement.

As customer interactions evolve, brands are seeing a surge in data from various touchpoints, such as in-store visits, social commerce, mobile apps and more. While this volume of data offers opportunities for deeper engagement, it poses challenges in collecting and using information meaningfully. **Retailers are drowning in data but starved for actionable insights.**

Retailers must strike the right balance in managing data across channels to optimize their customer ecosystem.

**Online and offline channels** contribute to customer engagement in distinct ways:



### ONLINE

- Offers convenience and accessible data
- Provides efficient acquisition and targeting
- Streamlines the purchasing process and conversion



### OFFLINE

- Builds trust and credibility
- Provides immediate support and personalized interactions
- Allows for deeper product discovery and experiential engagement

Today, customers fluidly navigate between channels. They might start their journey online, then visit a physical store to see, touch and feel the product before making a purchase. Conversely, customers may go in store to interact with a store associate but make their final purchase online for convenience.



**While capturing data across all touchpoints is crucial to understanding the customer, EY report analysis will focus on the often-overlooked opportunity of in-store data capture.** Collecting data in-store is challenging because, unlike online shopping, providing basic identity information like email and shipping address is not mandatory. Retailers often rely on online purchasing behaviour for their customer relationship management (CRM) systems, missing opportunities to gather similar data from in-store interactions. While in-store data capture may never match the success of online methods, retailers shouldn't overlook its potential. A robust POS system that supports a unified data model can effectively bridge this gap, enhancing in-store data collection and making it more comparable to online processes.



Despite being a powerful avenue for connection, in-store data collection remains riddled with friction points.

---

[\\*EY Future Consumer Index, April 2024](#)

With 41% of customers more willing to share personal details with a human, retailers are heavily reliant on store associates to effectively engage with customers, collect accurate information and manage it appropriately – which introduces multiple variables and a high risk of manual error.\* While a positive interaction may lead to a purchase, if a customer's email is entered incorrectly or they don't opt into marketing, reengagement becomes challenging.

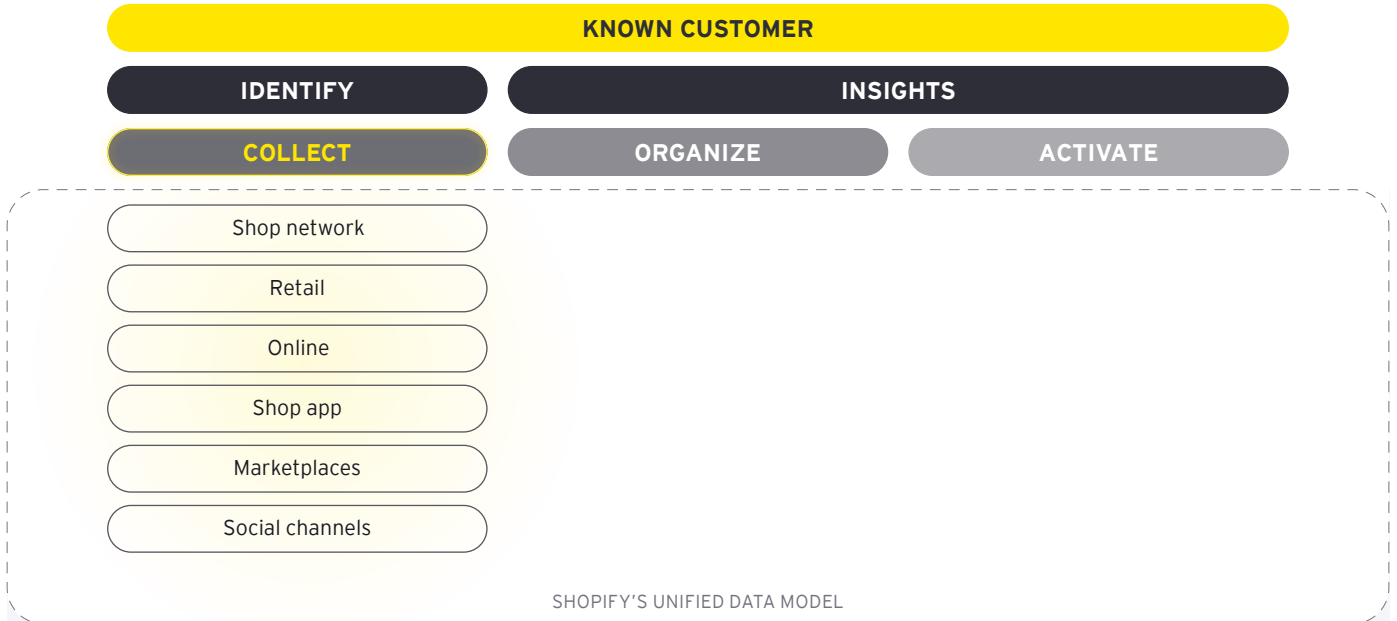
Failing to capture in-store data correctly leads to:

- ▶ Incomplete insights into customer lifetime value and buying trends
- ▶ Fragmented customer experiences and channel disconnects
- ▶ Ineffective personalization efforts that waste resources and fail to meet customer needs

## How Shopify reduces friction in the in-store data collection process



### Known customer blueprint



**80%**

of customers are converted to known via Shopify POS and the Shop Network.\*

With Shopify POS, retailers can make every in-person sale as data rich as digital ones. Shopify's email capture at POS checkout makes collecting customer information highly effective by **connecting in-store purchases on Shopify POS with the Shop Network**.

\*Data provided by Shopify as of May 2025 across all retailers using Shopify POS



### WHAT IS THE SHOP NETWORK?

The Shop Network includes **Shop Pay**, Shopify's accelerated checkout solution, and the **Shop app**, a platform where users discover new brands, make purchases and track orders. With **more than 200 million active users globally**, the scale of the Shop Network is immense.

\*Data provided by Shopify as of May 2025

---

## How it works

When a customer checks out on a Shopify card reader, Shopify POS can process the business's payment data and match a customer with a Shop Pay account. If a match is found, the customer's email and phone number are **automatically surfaced at checkout**, streamlining a process that is typically filled with friction points. This allows customers to:

- ▶ Instantly receive their receipt digitally via Shop app, email or text, streamlining future purchases and returns.
- ▶ Easily opt in to receive marketing communications with a single tap, paving the way for future reengagement.

---

## Checkout flow

- 1 The customer pays with credit card.
- 2 Behind the scenes, Shopify POS tries to match that same credit card with a credit card vaulted in a customer account in the Shop Network.
- 3 If the credit card is matched, the customer is found in the Shop Network and their email and phone number is surfaced at checkout.
- 4 The customer selects digital receipt preference – either straight to the Shop app, text or email – without having to share or input any information.
- 5 The customer can also opt in to marketing with one tap.

For customers not yet in the Shop Network, they are prompted to enter their email address to receive a digital receipt and opt in to marketing.



of retailers on Shopify POS noticed an improvement in customer loyalty.<sup>1</sup>

## THE IMPACT FOR RETAILERS

- ▶ Frictionless checkout experience for both new and existing customers.
- ▶ Higher attach rates, meaning more customers to retarget down the line.
- ▶ Improved data accuracy, enhancing customer visibility.





## RETAILER CASE STUDY

“

Email capture at checkout helped us see the highest email capture we've had in some time. We're now able to connect the dots in customer data and between in-store and online shopping. With Shopify, we can finally create a truly fluid and personalized omnichannel experience.

### MARTIN HOGAN

Director of Stores,  
Little Words Project

## Little Words Project: Building community through known customers with Shopify

Little Words Project, a jewelry brand, struggled to gather customer data effectively in store, limiting their ability to build long-term relationships with customers. Cumbersome email capture processes posed challenges for the brand, distracting from an exceptional customer experience. As a result, the brand lacked comprehensive customer data, hindering their ability to personalize marketing efforts and understand shopping behaviour across channels.

With Shopify, Little Words Project saw:

20%

**increase in in-store  
email capture rates  
on average**, with rates  
increasing by up to 95%  
at multiple locations

21%

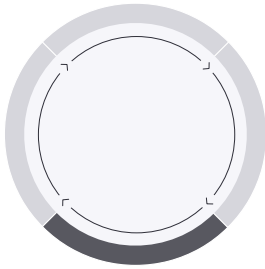
**increase in attach rates**  
across all stores

33%

**increase in marketing  
opt-ins** across all stores



**Improved marketing  
targeting** by integrating  
collected emails into  
data ecosystem



## KNOWN CUSTOMER GROWTH CYCLE

# Organize

A unified commerce solution transforms customer data into actionable insights.

Capturing customer data is only useful if retailers can make sense of it. Many retailers store fragmented data across platforms, making it difficult to act on even basic insights.

Adopting a commerce operating system allows retailers to consolidate cross-channel data into a single platform, delivering a deep view of each customer. This integration drives smarter, data-driven decisions, along with reduced costs and operational complexity.

### Key benefits include:

- Reduced middleware expenses and added complexity
- Reduced operational and resource strain
- Elimination of data inconsistencies
- Faster time-to-value from data collection to actionable insights
- Efficient categorization and segmentation of data based on behaviours and key attributes





of consumers are willing to share personal data in exchange for personalized offers and communications.\*



of consumers worry about data breaches and misuse.\*

## Ongoing data enhancement is key to keeping customer profiles relevant.

Retailers must continuously enrich customer data to maintain dynamic and useful customer profiles. This starts with not only acquiring the right data but also having the tools to structure it at scale. Without this, retailers risk investing significant time and resources on getting data into a consistent, usable format.

**Passive data collection allows retailers to enhance their understanding of customers** – without requiring active input. It involves gathering data efficiently in the background, shaping knowledge of customers without disrupting the user experience.

### Passive data collection can look like:

- ▶ Capturing cross-channel transaction data
- ▶ Monitoring social media engagement
- ▶ Using heatmap tools to track user interactions
- ▶ Tracking location and movement data

## As retailers store more customer data, they must navigate the delicate balance of personalization and privacy.

Consumers are increasingly willing to share their data in exchange for personalized experiences – but they expect “real” value in return. This willingness to share information hinges on the assurance that their data will be used responsibly and will create meaningful interactions.

Retailers must navigate this dynamic by balancing trust with personalization. As concerns about data breaches, misuse and biased recommendations grow, investing in responsible data collection becomes a crucial opportunity for brands to enhance personalization while building consumer confidence.

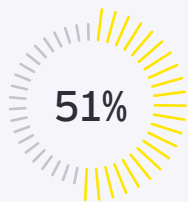
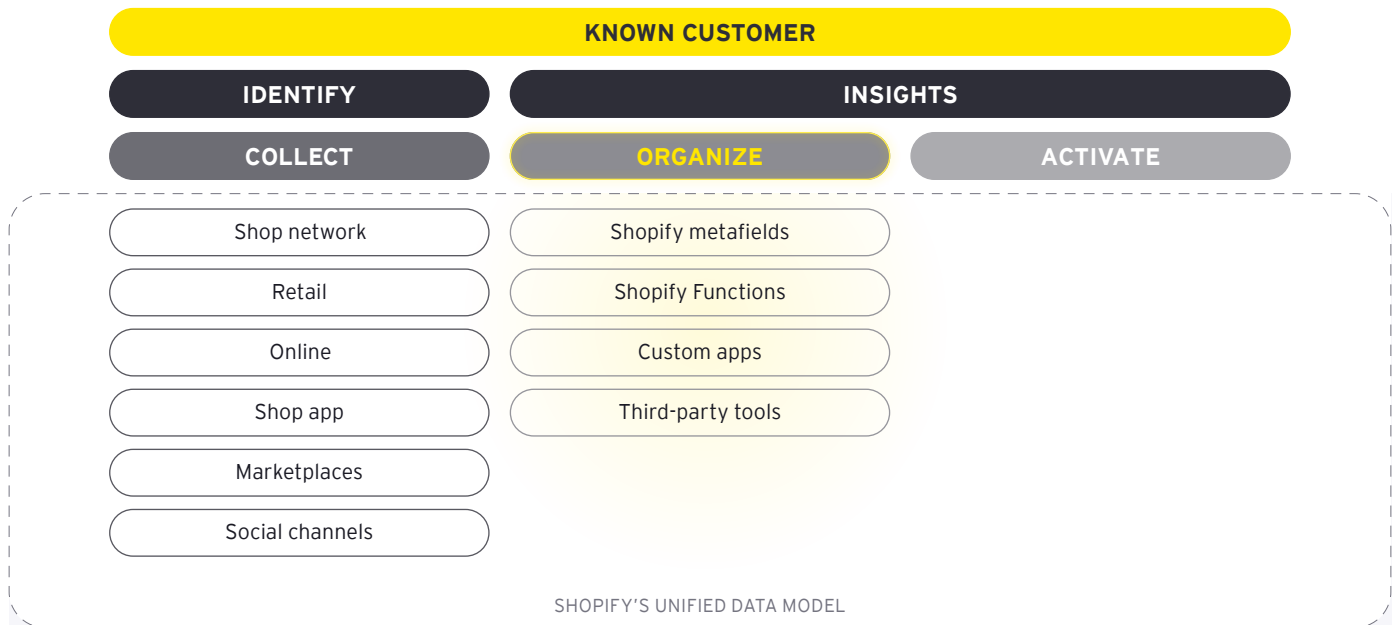
\* EY Future Consumer Index, April 2024



# How Shopify transforms customer data into actionable insights



## Known customer blueprint



of retailers consider Shopify POS customer loyalty-tracking tools highly valuable for improving customer retention and driving repeat business.<sup>1</sup>

<sup>1</sup> See footnotes at the end of this document

## Shopify is built on a unified data model that includes products, orders and – of course – customers.

This robust data model powers various channels that Shopify offers, including ecommerce, point of sale, and integrations with social platforms and third-party apps. Retailers benefit from a unified database that automatically consolidates customer data collected across different channels out of the box, eliminating the costs and complexities associated with integrating and standardizing information.

This enables benefits including:

- **Empowering store associates** with a 3D view of the customer via the Shopify POS app, enabling highly personalized services.
- **Delivering a highly efficient shopping experience** for customers, allowing easy transitions between channels and access to complete order history via one account.
- **Unlocking powerful insights** for business teams by slicing and dicing unified customer data, enabling targeted and personalized marketing strategies that drive repeat sales.



**Shopify equips retailers with first-party tools and custom apps to continuously enrich data and integrate it into their unified data model.**

Shopify metafields allow retailers to easily track the data that matters most to their business. Customer metafields are retailer defined attributes accessible from the customer profile, allowing store associates to capture additional information about in-store customers in a **structured** way. Think industry- or retail-specific details such as dog breed, preferred stylist, fit preferences and more.

While most POS systems provide fields to track common attributes – such as birthdays – few offer the flexibility to customize these fields while maintaining the power of structured data. Instead, many rely on a free-form “notes” field, leading to unstructured data collection that limits future use.

Shopify’s metafields provide the flexibility to create bespoke data fields, keeping customer data organized and actionable, without a custom build or costly integration.

## RETAILER CASE STUDY

“

We needed to have all our customers, all our orders and all our stocks on the same platform. This native omnichannel capability provided by Shopify has been the key to success for us.

### XAVI COLOMÉ

Digital Director,  
Castañer



## Castañer: Unifying their triple-channel business model with Shopify

Castañer, a European footwear brand, was struggling to integrate customer and product data across channels. Data was siloed, hindering the brand's growth and creating a fragmented customer experience.

With Shopify, Castañer centralized their POS, ecommerce and order management system (OMS). This allowed Castañer to unify cross-channel inventory, sales and customer data into one integrated system.

Through the migration, Castañer realized:

40%

**increase** in their customer database attributed to Shopify POS receipts, boosting reengagement efforts

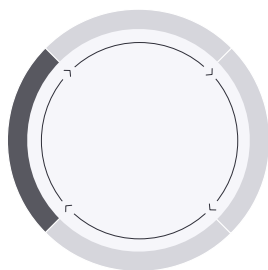
10%

**increase** in retail store sales

100%

**visibility** on customer data across all channels





## KNOWN CUSTOMER GROWTH CYCLE

# Activate

Data activation transforms deep data collection and organization into a meaningful value exchange between retailers and customers.

Activation represents the stage where retailers take everything they know about their customer – gathered through data collection, organization and enrichment efforts – to enhance and personalize the customer experience.

Traditionally, retailers have relied on a rudimentary approach using generic tools and tactics to drive conversions. While data is captured, it often goes underutilized.

This broad strategy can produce short-term financial gains, but it forces brands to compete primarily on price given its transactional focus, leaving customers easily swayed by competitive offers.

When customers perceive little value in their brand relationships, they often prioritize price. **In contrast, personalization is a key lever to achieve competitive advantages.** Through personalization, retailers deliver value to customers that goes beyond price – creating memorable moments that build loyalty.



## Data activation shifts the focus from simply understanding data to actively using it.

Retailers can employ numerous marketing tools – such as third-party integrations or built-in solutions – to effectively activate customer data. However, the success of these tools will ultimately **depend on the quality and relevance of the input provided to them.**

For retailers, successful data activation often looks like:

- 1 **Gathering broad-based data** from known customers.
- 2 **Segmenting known customers** based on individual characteristics or identifiers, such as location or past purchasing behaviour.
- 3 **Launching campaigns** or marketing communications.
- 4 **Encouraging customer interaction** with the communication, ideally leading to a purchase.
- 5 **Assessing engagement** and purchase outcomes.
- 6 **Continuously refining** the process based on insights gained.

## The more personalized the interaction, the greater the likelihood of conversion.

By moving beyond generic and impersonal interactions, retailers can realize:

**Increased spending**, with 80% of customers buying more often from brands that offer personalized experiences and 60% spending more.\*

\*EY Future Consumer Index, April 2024

**3x the conversion rates for known customers compared** to unknown.\*

\*EY Consumer Insights, with original citation to Grandview Research Loyalty Market Report

**8x return on marketing investment** as budgets are allocated where they drive the most impact.\*

\*Forrester Research

**10% lower acquisition costs**, attributed to more targeted strategies.\*

\*Forrester Research

**20% boost in profitability**, driven by more efficient marketing spend.\*

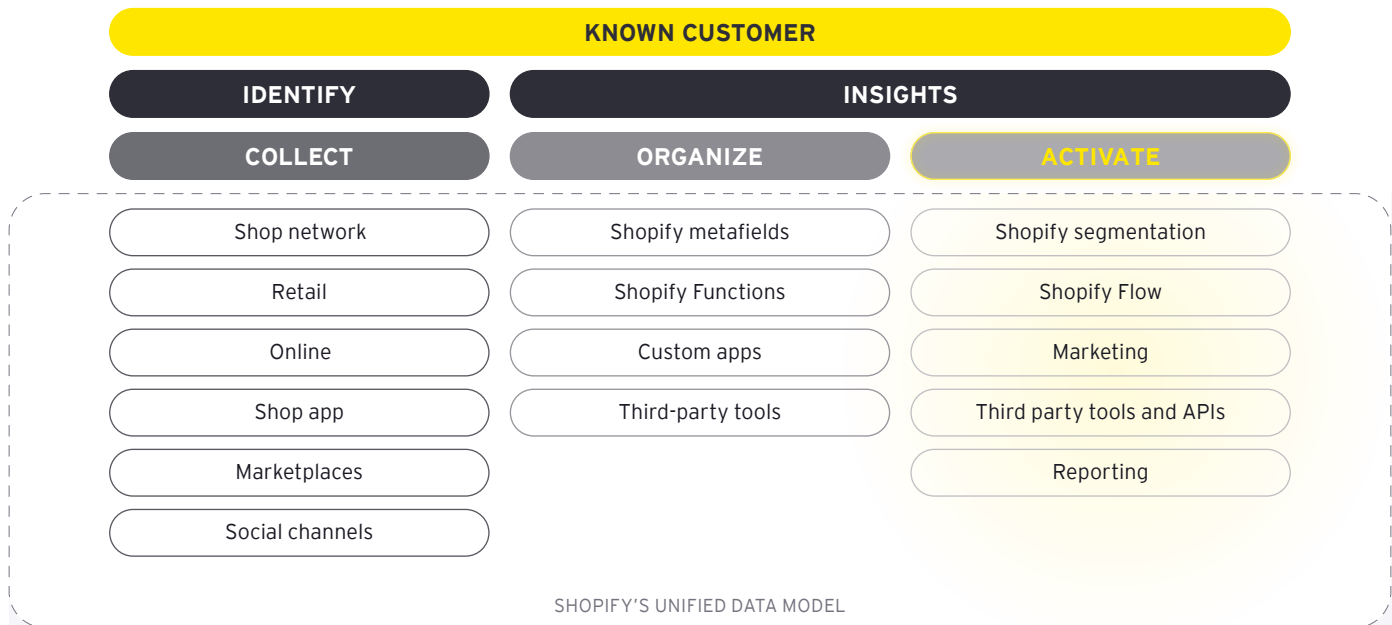
\*Forrester Research

Data activation creates a strong value exchange. By using customer data to deliver personalized experiences that drive loyalty, retailers in turn unlock significant financial benefits.

## How Shopify unlocks smarter marketing decisions



### Known customer blueprint



**Segmentation allows retailers to move beyond simple data collection and organization, providing the tools necessary to act on that information in meaningful ways.**

While many platforms may claim to offer similar capabilities, they often require cumbersome middleware or time-consuming integrations, along with extensive reconciliation and data cleansing before customer data can be used. Shopify eliminates this preliminary work, enabling retailers to dive straight into building segments to drive personalized activation efforts, expediting the time retailers realize value.

With Shopify segmentation, retailers can unlock the full power of both online and in-store data to drive personalized, high-impact marketing. By feeding segmentation with purchase behaviour from both channels – and enriching it continuously with tools like Shopify metafields and Flow – retailers can build dynamic audience segments that reflect the unique preferences and behaviours of various customer groups.

By combining the breadth of online insights with the depth of in-store interactions, retailers can bridge the gap between digital and physical retail.



## Shopify Flow

is an automation tool that lets merchants create custom workflows without code. Shopify Flow **automates customer data activation** by streamlining tasks like segmentation and triggering personalized marketing actions. It connects various parts of the Shopify ecosystem together to quickly turn customer data into action, driving efficiency and personalization at scale.

For example, retailers can use segmentation to:

- ▶ **Reengage abandoned online carts** by inviting customers to view the products in store at a location within a specific distance from their home.
- ▶ **Drive in-store foot traffic** using data captured online to promote exclusive in-store events or products to local audiences.
- ▶ **Drive deeper product discovery online** by triggering emails that promote variants that weren't available at the location a customer visited.
- ▶ **Send personalized product and upselling recommendations** based on products purchased in store or in the customer's online browsing history.

---

### Equipped with unified data through Shopify, retailers can easily activate insights.

By starting with standardized and high-quality data, retailers can deploy leading-class marketing tools of their choice to accelerate marketing impact and boost investment. For retailers, this could include implementing Shopify's first-party marketing and automation tools, such as Shopify Flow, or integrating with third-party marketing and CRM platforms.





## RETAILER CASE STUDY

“

We can see everything about the customer in terms of their search behaviour, what they're buying and what they're looking at. And we have that, whether they're going into one of our stores or whether they're then buying online, we have everything in one place. Then with all of the plugins that we have, for example, with Loyalty Lion, we're able to transfer that data and really personalize that journey.

### MOLLY ALLEN

Senior ecommerce Manager,  
Astrid & Miyu

## Astrid & Miyu: Transforming customer insights into personalized journeys with Shopify

Astrid & Miyu, a contemporary British jewelry brand, was struggling with fragmented customer data, which stifled personalized marketing opportunities.

By switching to Shopify, the brand could track the entire customer journey – online and in store – from search to browsing to purchase. This single customer view led to:

40%

**higher lifetime value**  
from customers shopping  
omnichannel versus  
exclusively online

5x

**increase in customers**  
making 4+ purchases when  
shopping across channels

23

**stores expanded**  
**internationally** across  
the UK, EU and US



05

## Building a strong known customer base with Shopify



## Shopify is turning in-store retail into a powerful acquisition channel.

Retailers using  
Shopify POS turn

**8 in 10**

first time store shoppers  
into known customers.

Of which,

**nearly half**

opt into email or phone  
number marketing allowing  
for hyper personalized  
engagement.

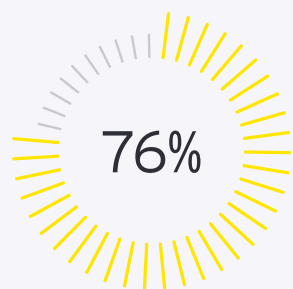
\*Data provided by Shopify as of May 2025  
across all retailers using Shopify POS.  
Specifically, 43% of customers opted into  
email or phone number marketing.

While capturing data through ecommerce channels is largely achieved, brick-and-mortar retail has often been an underinvested area for data capture. Shopify's investment in the space empowers retailers to easily transition from transactional interactions to building a robust base of known customers. This illustrates how Shopify's technology solutions can support retailers at each stage of the known customer growth cycle – collect, organize and activate.

	COMMON FRICTION POINTS	SHOPIFY SOLUTIONS
COLLECT	<ul style="list-style-type: none"> <li>▸ Lengthy process deters customer engagement.</li> <li>▸ Intrusive requests lead to abandonment.</li> <li>▸ Inconsistent methods yield incomplete data.</li> </ul>	<ul style="list-style-type: none"> <li>▸ The <b>Shop Network</b> allows for a quick and easy data capture at checkout, automatically matching customer card information.</li> </ul>
ORGANIZE	<ul style="list-style-type: none"> <li>▸ Lack of integrated technology limits accuracy and scalability.</li> <li>▸ Inconsistent and unstructured fields lead to data variability.</li> <li>▸ Resource-intensive data sorting and cleansing cause delays.</li> </ul>	<ul style="list-style-type: none"> <li>▸ <b>Metafields</b> capture customized data in a structured way, maintaining consistency and scalability.</li> <li>▸ Shopify's <b>unified data model</b> centralizes customer, product and transaction data, significantly reducing time and resources spent manipulating data.</li> </ul>
ACTIVATE	<ul style="list-style-type: none"> <li>▸ Fragmented data silos obscures insights.</li> <li>▸ Inconsistent formats complicate integration efforts.</li> <li>▸ Incomplete profiles limit engagement potential.</li> <li>▸ Manual data tasks slow down activation and personalization efforts.</li> </ul>	<ul style="list-style-type: none"> <li>▸ Shopify <b>segmentation</b> creates real-time, dynamic customer segments based on behaviour, purchases and custom data.</li> <li>▸ Shopify's <b>unified data model</b> keeps data integrated and up to date, enabling deeper insights and smoother integration with third-party marketing and personalization tools.</li> <li>▸ Shopify <b>Flow automates customer data activation</b>, delivering personalized actions instantly through custom, no-code automations that use data from metafields, segmentation, and other commerce actions.</li> </ul>



## Shopify allows retailers to realize higher in-store revenue growth.



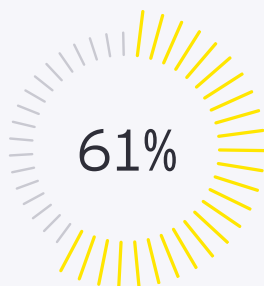
**of GMV growth** in-store is driven by known customers, rising to 87% for retailers generating over \$20 million in revenue.<sup>2</sup>



Known customers spend **3x more** than unknown customers.<sup>2</sup>

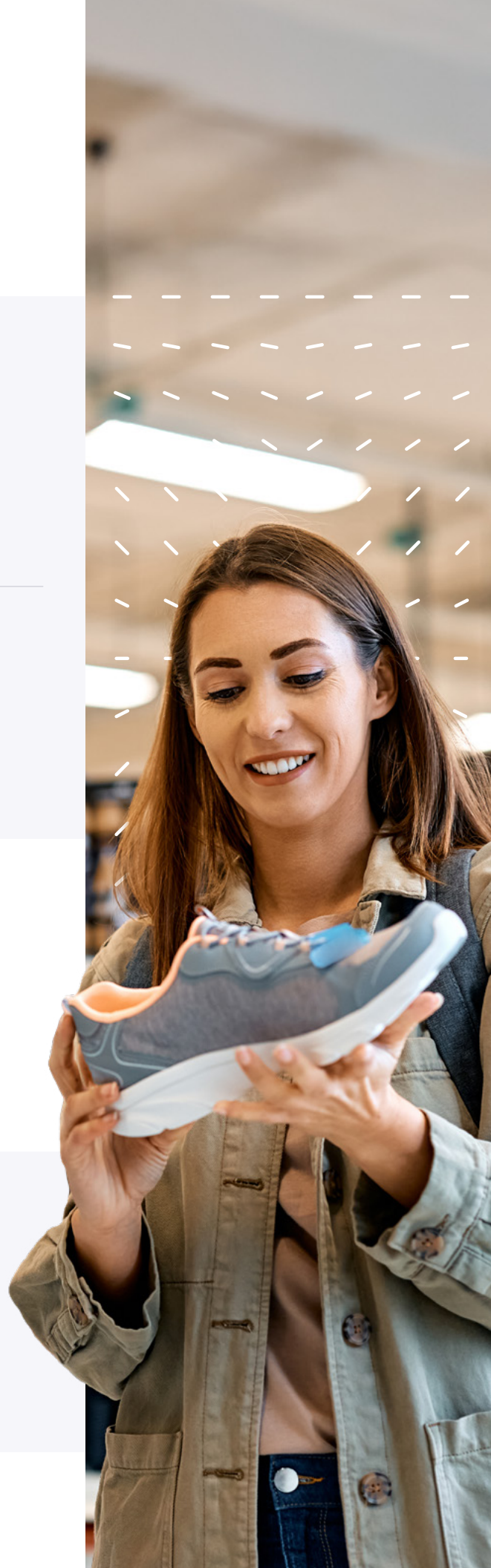
<sup>2</sup> See footnotes at the end of this document

Compared to unknown customers, known customers generate more value at every touchpoint. Retailers that prioritize the growth of their known customer base are poised to capture more substantial growth opportunities. Known customers are not just one-time buyers – they come back. Repeat purchase rates are a clear sign of loyalty, which results in long-term revenue and customer lifetime value. When retailers know their customers, they can nurture more frequent transactions.



**increase in repeat purchases** from known customers, rising to 74% for retailers with revenue greater than \$20 million.<sup>2</sup>

<sup>2</sup> See footnotes at the end of this document





## RETAILER CASE STUDY

“

There's no other platform that offers that unified experience like Shopify. We wouldn't have been able to get to where we are without what they've been able to offer.

### BEN BUXTON

Head of ecommerce,  
Fairfax & Favor

## Fairfax & Favor: Optimizing customer data to boost repeat purchases

Fairfax & Favor, a premium country lifestyle brand, has expanded to nine retail stores across England since its launch in 2013. They were originally reliant on manual processes, and Shopify's integrated technology allowed them to optimize cross-channel data to elevate their customer interactions.

With the brand attending 30+ events annually throughout the UK and US, accurately collecting customer data for reengagement is crucial. Using Shopify, Fairfax & Favor has been able to reduce friction with their in-person data capture process. Shopify's robust features – such as segmentation and metafields – have been integral in shaping the brand's customer engagement strategies.

Using Shopify, Fairfax & Favor boosts their engagement with customers by:

- ▶ **Encouraging in-store customer attach rates** by offering sign-up promotions to customers
- ▶ **Location-based segmentation** to target potential VIP customers for in-store events and exclusive perks
- ▶ **45+ different customer-level metafields** to capture highly detailed customer information
- ▶ **Simple email and marketing opt-in** at events via mobile POS to build an email list for future reengagement

Personalization pays off.  
Through tailored communications,  
Fairfax & Favor has achieved:

Rapid increase  
in repeat  
customers, with

**64%**

**of total revenue  
stemming from  
repeat customers**

**18%**

**AOV growth** since using  
metafields and personalization

**Centralized customer data**  
across in-person events,  
in-store shopping appointments  
and online channels



06

## Capitalizing on unified commerce to drive growth



## Retailers won't unlock the power of known customers until they adopt a unified commerce strategy.

EY's retail maturity model demonstrates a critical inflection point: while retailers have embraced omnichannel sales strategies, they lack the infrastructure to effectively make use of this data. They lack a unified commerce strategy. With data fragmented across systems, a retailer's ability to scale and create personalized experiences across channels is limited. As a result, retailers remain stuck in the transactional customer phase.

To unlock growth potential from known customers, retailers must transition to a unified commerce strategy, one where both back-end and front-end processes are fully integrated.

---

### A unified commerce strategy:

Enables a 360-degree view of the customer

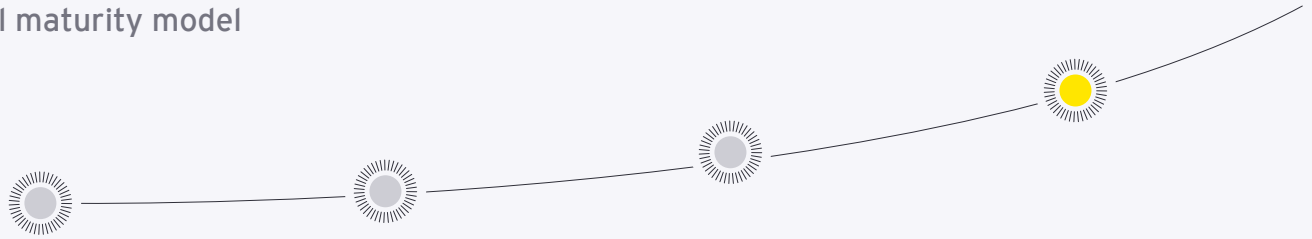
Facilitates real-time personalization and engagement

Creates an integrated, unified experience across all touchpoints





## Retail maturity model



	SINGLE CHANNEL	MULTI CHANNEL	OMNICHANNEL	UNIFIED
DEFINED	Retailers sell to customers through <b>one interaction point or channel</b> ; think physical store or website.	Retailers use <b>multiple, independent channels</b> to reach and sell to customers; such as physical and online.	Retailers focus on creating an <b>integrated, customer-centric experience across offline and online channels</b> .	Retailers unify <b>sales channels, operations and back-end processes</b> to provide a single, consistent customer experience across all touchpoints, regardless of channel.
LEVEL OF INTEGRATION	No integration; businesses operate on a single channel.	<ul style="list-style-type: none"> <li>▸ Channels operate in silos</li> <li>▸ Limited to no integrations linking systems together</li> </ul>	<ul style="list-style-type: none"> <li>▸ <b>Front-end</b> integration across channels</li> <li>▸ <b>Back-end</b> processes may lack full integration</li> </ul>	<ul style="list-style-type: none"> <li>▸ <b>Both back-end and front-end</b> processes are integrated</li> <li>▸ Systems unified across all channels</li> </ul>
RETAILER IMPLICATION	Limited data collection and analysis given single channel focus, leading to a narrow view of customer behaviour.	Data is collected across multiple channels, but remains fragmented, impeding a retailer's ability to leverage data effectively.	Lack of back-end integration can result in inconsistent data, with retailers struggling to maintain accurate information across channels.	Full integration of data across all channels, allowing for real-time insights and a comprehensive customer view.
	UNKNOWN		KNOWN	

## Shopify's commerce operating system takes customers from transactional to known.

By connecting every touchpoint – **online** and **in store** – Shopify enables businesses to truly know their customers.

What sets Shopify apart:

- ✓ **One customer, one profile:** All sales, marketing and operations feed into a unified customer profile.
- ✓ **Unified by design:** Data flows across ecommerce, POS and marketing tools, turning fragmented touchpoints into a connected customer journey.
- ✓ **Personalization that scales:** With deeper insights, businesses can deliver smarter product recommendations, targeted campaigns and more.
- ✓ **Built for retention:** By understanding behaviour across channels, Shopify helps brands build long-term relationships and brand advocacy beyond an initial sale.



## 07 | Conclusion





The future of retail belongs to brands that know their customers — not just by name, but by behaviour, intent and preference.

Embracing the **EY known customer growth cycle – collect, organize, activate** – retailers are positioned to turn transactional customers into loyal advocates.

This report highlights the pivotal role of known customers in driving sales growth and fostering brand loyalty. Report findings illustrate that known customers drive growth by directly boosting revenue through:

- More frequent engagement
- Higher spend per transaction
- More repeat purchases

Shopify's unified ecosystem empowers retailers to cultivate a strong known customer base, laying the groundwork for enhanced engagement opportunities.

Shopify enables this shift by giving retailers the tools to:

- Collect data effectively in store and online
- Organize and enrich it continuously
- Activate it through segmentation and personalization

Make the shift from transactional to known through **unified commerce**. Retailers who achieve a high known customer rate see measurable impact on sales, loyalty and marketing efficiency. This report provides a blueprint for getting there.



## 08 | Sources



---

**Independent survey  
across various retailers'  
data disclaimer**

**01**

For the purposes of value-creation benefits metrics provided, data was gathered through a third-party survey of approximately 130 respondents. The survey was shared with ~700 respondents, of whom 129 qualified based on criteria such as GMV, industry, geography, pure-play ecommerce vs. omnichannel, and other factors. Competitive claims are based on 37 Shopify respondents and 92 respondents from a number of other competitors.

Respondents were from North America (61%), Europe, the Middle East and Africa (35%) and Asia-Pacific (4%). The majority (64%) of retailers surveyed reported an annual GMV of \$100m-\$500m USD; 24% reported an annual GMV > \$500m USD, with the rest being between \$50m-\$100m USD in GMV.

**02**

---

**Shopify-provided data for  
EY analysis disclaimer**

For the purposes of this report, the scope of data has been constrained to all global markets for mid-market retailers, with two years of historical data from Q1 2023 to Q4 2024 on a monthly aggregation level. Mid-market retailers include all retailers with three or more active retail locations. Further filtering was done to analyze only merchants with an annual 2024 retail GMV of \$250,000 USD or more. The total number of retailers analyzed were 3,848 over the aforementioned time period.

## **EY | Building a better working world**

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

© 2025 Ernst & Young LLP. All Rights Reserved.  
A member firm of Ernst & Young Global Limited.

4723113

This publication contains information in summary form, current as of the date of publication, and is intended for general guidance only. It should not be regarded as comprehensive or a substitute for professional advice. Before taking any particular course of action, contact Ernst & Young or another professional advisor to discuss these matters in the context of your particular circumstances. We accept no responsibility for any loss or damage occasioned by your reliance on information contained in this publication.

The views of the third parties set out in this publication/video/podcast are not necessarily the views of the global EY organization or its member firms. Moreover, they should be seen in the context of the time they were made.

**[ey.com/ca](https://ey.com/ca)**