

# Winning the uncommitted customer

How retailers can make sense of **new trends in spending and build habits** with shoppers that last



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# Summary

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In the 2024 [Consumer Spend Report](#), Upside uncovered the rise of the **uncommitted customer**. Our insights appeared in trade publications and on [The Today Show](#), and the topic is now [common](#) among the nation's leading retailers.

This report takes the concepts we introduced last year and goes a level deeper. To arrive at these new insights, we analyzed 75 million transactions across thousands of retail locations to define who uncommitted customers are, where they show up in your business, how they behave, and most importantly, how to win them over for good.

Our latest research shows that **nearly 80%** of retail customers are uncommitted. That means they shop across different locations and formats, prioritizing their own needs over brand loyalty.

As cross-shopping behavior dominates every corner of the retail landscape, it's getting harder and harder to drive repeat visits. Without loyalty or a cash-back offer, more than 40% of your customers in a given month won't return in the next year.

**These retention issues represent real dollars left behind. If retailers earned just one more visit per month from uncommitted customers, it could [represent a monthly revenue bump between 84% and 208%](#), depending on the industry.**

The key to overcoming the retention hurdle is **habit formation** — starting right after that first transaction — with the help of interventions like loyalty programming and Upside.

Read more to learn more about the challenge and the results these solutions drive.

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# Introduction

## Retailers have faced a longstanding challenge, and now it's more pressing than ever: Customers are walking in the door, transacting once, and never coming back.

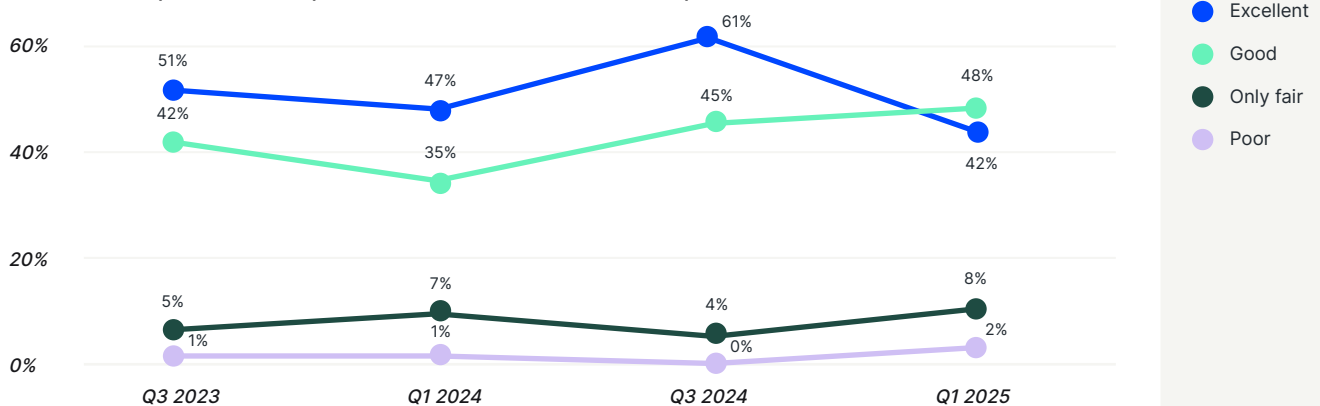
In an environment marked by economic uncertainty and rising costs, customer retention has never been more critical (or more elusive). The once-loyal shopper is now an infrequent visitor, jumping between brands in search of the best deal.

Twice a year, Upside surveys thousands of retailers across categories to understand how they're navigating today's market. The latest results show a shift in sentiment: Retailers are less optimistic about the future of their business, and many are feeling the pressure to do more with less.

We asked retailers how they'd currently rate the financial health of their business. In Q3 2024, 96% of respondents said the current financial health of their business was "good" or even better. In Q1 2025, that number shifted to 90% of respondents. Nearly 20% of respondents moved from "excellent" to "good," and the "only fair" category is growing.

### Amid economic uncertainty, retailer confidence is slipping

How would you currently rate the financial health of your business?



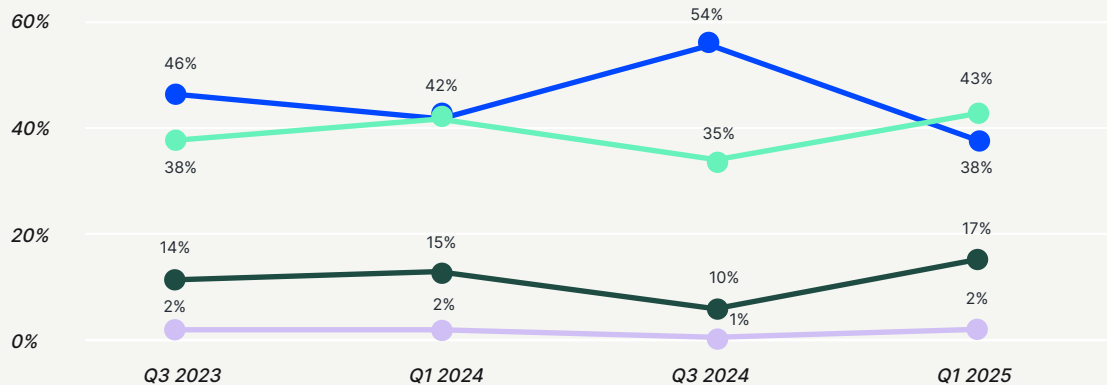
Source: Upside survey of 6,527 retailers from the general population, conducted across four waves from 2023-2025.



We also asked how they think the financial health of their businesses will change in the next six months. No longer did the majority of respondents think their businesses would get much better.

## Retailers are less optimistic than in 2024

In the next 6 months, do you expect the financial health of your business to...



### KEY

- Get much better
- Get a little better
- Remain about the same
- Get a little worse

Source: Upside survey of 6,527 retailers from the general population, conducted across four waves from 2023-2025. 'Get much worse' excluded with <1% of responses



New customer acquisition will always be a priority — but with rising costs and economic uncertainty, there's increased focus on getting more out of the customer you've already won. In other words: **customer retention**.

This report explores the biggest barrier to retention: the **uncommitted customer**. It will define who they are, where they show up in your business, how they behave, and most importantly — how to win them over for good.

To compile this report, Upside conducted a wide range of research:

- **We analyzed more than 75 million transactions from 4,000+ retailers** in the grocery, fuel, convenience, and restaurant industries to paint a robust picture of consumer behavior.
- **We surveyed more than 6,500 retailers from the general population** across four waves from late 2023 to 2025. These "pulse check" surveys allowed us to track changes in economic sentiment and overall business confidence over time.
- **We surveyed more than 3,700 consumers from the general population** to better understand how they use online tools to make decisions and engage with brands.

The following figures come from our most recent data analyses, unless otherwise noted.



# Who is the uncommitted customer?

SECTION

02

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# Who is the uncommitted customer?

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Uncommitted customers are not rare; they are commonplace and they are rational. In fact, they make up **79% of everyday retail customers in America today**. Though the group is growing, they've always been around — you might know them as infrequent, occasional, lapsed, secondary, or tertiary customers. As they become more prevalent, they also become more meaningful for your business.

Uncommitted customers are marked by their willingness to shop across different brands and categories in order to get more from every transaction. Indeed, they put their own needs ahead of loyalty to any particular retailer or brand.

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## **uncommitted customer**

**/ˌʌnkəˈmɪdəd ˈkɛstəmər/** noun

A consumer who routinely shops across different locations and formats, prioritizing their own needs over brand loyalty.

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**When you hear “own needs,” you might think that these shoppers are just after the lowest prices. It’s true that prices are an important consideration for uncommitted customers, but there are many other factors at play.**

The below chart plots thousands of customers on a grid based on their survey responses for two topics: price sensitivity and brand affinity for their preferred retailer. Those who rated their brand affinity the highest could be considered “brand champions,” or customers committed to a particular retailer. Everyone else, on the other hand, is **uncommitted**.

## Most customers have moderate brand affinity and are somewhat price sensitive



Note: Price sensitivity and brand affinity are calculated from an average response across twelve survey questions



Generally, you can see that the largest group of customers is clustered towards the middle of the chart. Those customers hold fairly positive (but not enthusiastic) attitudes towards preferred retailers. Additionally, price is an important factor in their everyday shopping decisions, but it's hardly the only factor.

So if price sensitivity alone doesn't define the uncommitted customer, what does?

## In all, the uncommitted customer is:

Value-seeking

Opportunistic

Digital

# The uncommitted customer is **value-seeking**.

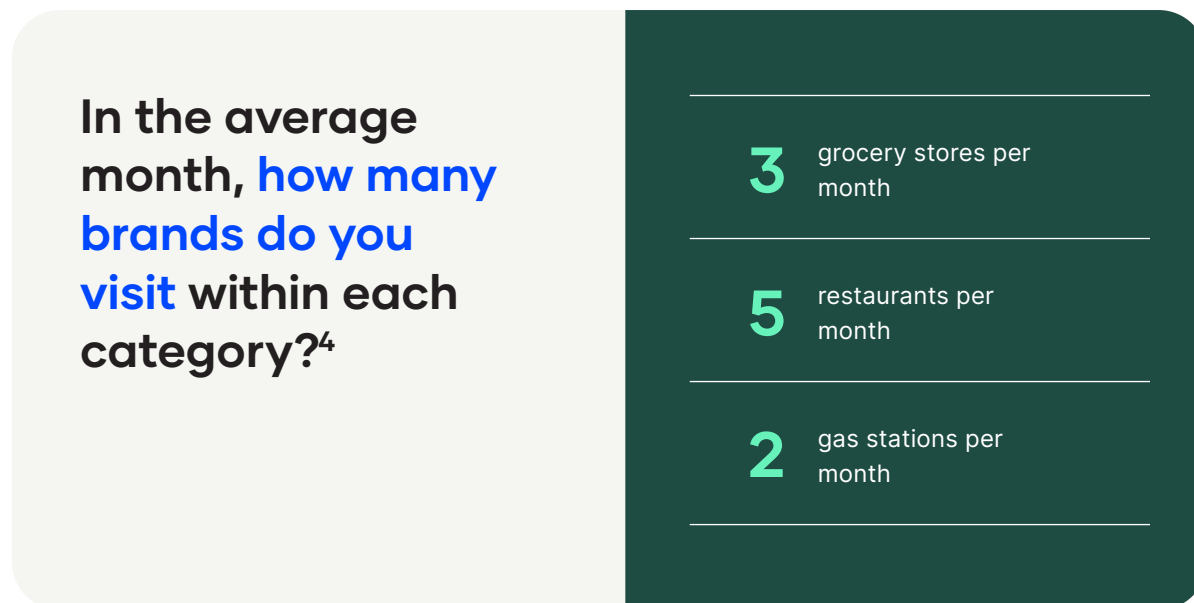
They're price-sensitive, and they'll maximize their budgets in order to provide for their households most effectively. Layer on continued economic uncertainty, and you'll only create more uncommitted customers.

Dramatic price increases are largely responsible for increased price sensitivity.

Since 2020, prices in these three key retail categories have all seen sizable bumps:



What are these uncommitted customers doing in response?  
**Cross-shopping.**



Now, the right promotion can influence an uncommitted customer to change their behavior. But in analyzing the average Upside offers needed to change where they're going, data shows a disconnect in the amount they say they need to behave differently than usual and the amount that's actually required to change behavior.

## What does it take for uncommitted customers to go somewhere different?

	WHAT THEY SAY <sup>5</sup> THEY NEED	WHAT THEY ACTUALLY ACCEPT <sup>6</sup>
GROCERY	I say I need <b>9% cash back.</b>	I usually accept <b>5% cash back.</b>
RESTAURANTS	I say I need <b>9% cash back.</b>	I usually accept <b>16% cash back.</b>
FUEL	I say I need <b>11¢ per gallon</b> in cash back.	I usually accept <b>10¢ per gallon</b> in cash back.

What do these numbers show us? For one thing, the say-do gap is clear in each category. There's a distinction in the types of discrepancies between categories, though.

You can see that customers accept less than say they need in grocery and fuel, but more than they say they need at restaurants. One potential explanation is that fuel and groceries are **commodities**, meaning that you can buy relatively similar products with competitors. They're also **non-discretionary purchases** that many people need to make in order to keep their households running.

Dining at a restaurant, on the other hand, is usually discretionary and highly dependent on taste — it's difficult to find exactly the same food at restaurants, and customers have a plethora of options for meals outside of the home. For that reason, restaurant customers are more inclined to pay what they want to pay.

# The uncommitted customer is digital.

They have everything they need to make purchasing decisions right on their phones — which are never far from their fingertips.

Upside asked customers about their decision-making processes, and their answers revealed something about both their price sensitivity and their digital behavior. First, many of them confirm they compare prices between businesses as they decide where to buy.

## WE ASKED

What portion of all customers "often" or "always" compare prices across businesses?

In each category, it's **between a third and half** of customers.

**39%** in-person **grocery** shoppers

*48% of online grocery shoppers*

**38%** of customers dining out at **restaurants**

*50% of customers getting delivery*

**46%** of **fuel** customers

*29% "sometimes" compare prices*

Unsurprisingly, most of them said they make use of online resources in order to make those price comparisons.

The following use **social media**, **search engines**, **online ads**, or **online reviews** to discover new products/brands.

**54%**

of all **grocery** shoppers

**67%**

of all **restaurant** customers dining out

**44%**

of all **fuel** customers

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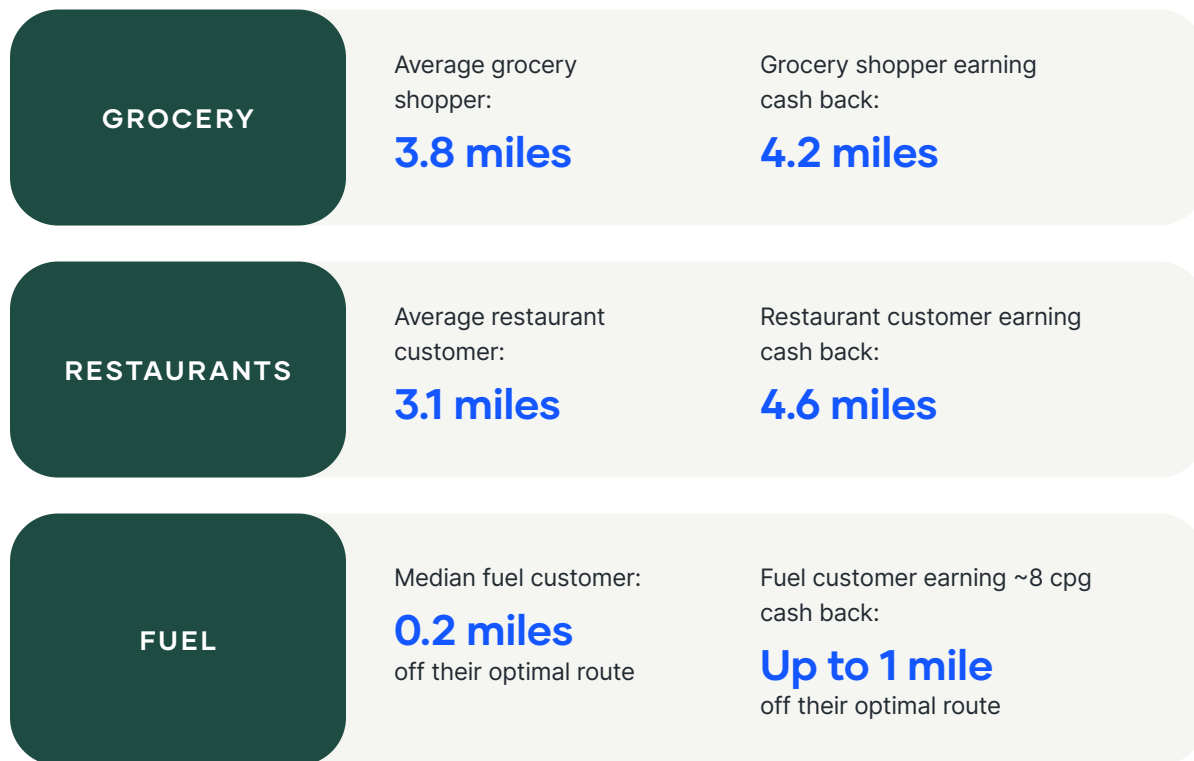
# The uncommitted customer is **opportunistic**.

Uncommitted customers make decisions about where to shop that fit into their lifestyle. That means they often come to a conclusion on the go — sometimes just hours (or even minutes) before they actually make a purchase.

In grocery, **roughly half** of all respondents — committed and uncommitted customers — said they decide where to shop less than two hours before they actually go; amongst retail categories in our survey, that number was actually the lowest by a considerable margin. In the restaurant category, **66%** of respondents decide where to dine less than two hours before their meal; in fuel, **77%** of respondents decide where to fill up less than two hours before they do so.

And although many retailers know location is often the determining factor for customers deciding where to buy, these customers have shown a willingness to change their behavior with the right incentive.

## How far will your customers travel?<sup>7</sup>



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I am willing to change where I go based on **ongoing** loyalty, rewards, or membership programs.?

**60%**

of all in-person **grocery** shoppers

**61%**

of all customers dining at **restaurants**

**59%**

of all **fuel** customers

## Are there demographic indicators that point to who is uncommitted?

Determining if a customer is “uncommitted” is based on behavioral data, not demographic data. This behavior commonly occurs across all demographics, so an uncommitted customer can look like anyone. This is especially true in times of economic uncertainty.

But if you’re looking for the demographic indicator which matters most, it’s age — uncommitted customers are more likely to be young. Behavioral differences between age groups are larger than any other indicator, like income or household size.

Although there are smaller, less significant differences between income brackets and between household sizes, the data shows **lower-income customers** tend to be more uncommitted across retail locations because they are more willing to shop around for better prices. Additionally, **larger households** are both more price-sensitive and more likely to use loyalty programs than smaller households.

In other words, anyone can be uncommitted. As an analytics manager for one of the largest privately-owned fuel retailers in America [told us](#), “Although the stigma might be that uncommitted customers are mostly tech-savvy and younger, we’re noticing this behavior in all different types of generations.”

**“Although the stigma might be that uncommitted customers are mostly tech-savvy and younger, **we’re noticing this behavior in all different types of generations.**”**

— Marketing & Operations Analytics Manager,  
United Pacific



# Where is the uncommitted customer in your business?

SECTION

03

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# Where is the uncommitted customer in your business?

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Uncommitted customers make up the majority of customers — 79%, if you recall — which means they're already shopping at your business. But how many of your customers fall into this group, and what would happen if they visited just once more per month?

Upside conducted an analysis to help quantify their impact. First, the analysis considered what portion of your customer base is made up of uncommitted customers. Then, Upside measured how much additional incremental revenue you could earn by getting an uncommitted customer to transact just one more time per month. We did that by taking the ticket size of an uncommitted customer and multiplying it by the portion of customers who are uncommitted, which showed the change in average monthly spending per customer.

**Our takeaway:** It's hard to overstate how essential it is to win the uncommitted customer. Earning just one more visit per month from uncommitted customers **could represent a 84%+ revenue bump.**

Let's drill down to the industry level. **Uncommitted customers are defined as those in the new, infrequent, and occasional customer segments.** Segment thresholds differ in each category based on average shopping frequencies. Let's look at what the data showed.

# Grocery

With more than nine in 10 shoppers exhibiting uncommitted behavior, grocery was the category with the largest share of uncommitted customers out of all those we analyzed. Snacks from a big-box retailer, produce from a local grocer, paper products from a wholesale club — does it sound familiar? You might be uncommitted, too.



**93%**

of the grocery shoppers you serve, on average, **are uncommitted.**

Those uncommitted customers visit you less than once a month — **81% fewer times than your loyal customers** — but make up, on average, **72%** of your revenue.

**0.9**

visits per month



**72%**

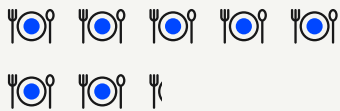
of your revenue

In grocery, just one more trip per month from uncommitted customers could lead to an **84% increase in overall revenue.**

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# Restaurants

Of our three major retail categories in our analysis, restaurant customers were actually the most committed. But even so, more than 70% of them were not. Since customers tend to visit a given restaurant less frequently than they do a gas station or a grocery store, restaurants have the most to gain by winning just one more additional trip.



**71%**

of the diners you serve, on average,  
**are uncommitted.**

Those uncommitted customers visit you just 0.2 times a month — **70% less than your loyal customers** — but make up, on average, 70% of your revenue.

**0.2**

visits per  
month



**70%**

of your  
revenue

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For restaurants, just one more trip per month from uncommitted customers could lead to an **209% increase in overall revenue.**

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# Fuel

Unlike restaurant or grocery retailers, fuel retailers earn the majority of their revenue from their committed customers. But with just about three in four of their customers exhibiting uncommitted behavior, retailers in fuel could stand to nearly double their revenue by winning just one additional monthly trip from those who are uncommitted.



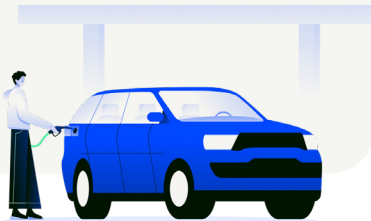
**74%**

of the shoppers you serve, on average, **are uncommitted.**

Those uncommitted customers visit you just **0.4** times a month — **83% less than your loyal customers** — but make up, on average, **34%** of your revenue.

**0.4**

visits per month



**34%**

of your revenue

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In fuel, just one more trip per month from uncommitted customers could lead to an **88% increase in overall revenue.**



# How do uncommitted customers behave?

SECTION

04

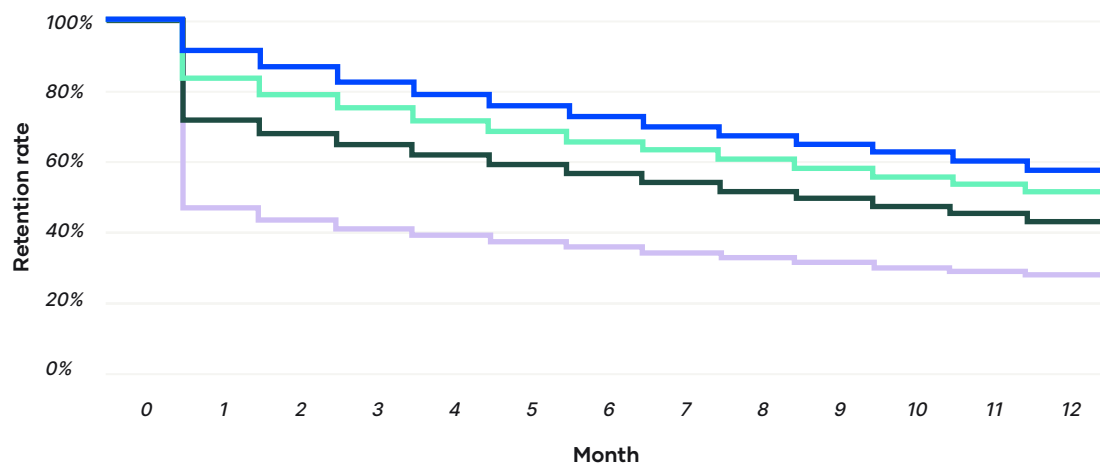
# How do uncommitted customers behave?

Uncommitted customers can exist across segments, but **new customers are the most uncommitted**. For this reason, they're the ones most worth paying attention to.

Think about it. You spend money to bring new customers to your locations — your customer acquisition cost (CAC). That investment only pays off if the customer returns. Retailers need to make sure they earn enough in sales from each customer to recover the money spent to acquire them.

Consider the following chart, which plots retention rates for grocery shoppers grouped by segments — “new,” “infrequent,” “occasional,” and “regular.”

## Over half of new customers churn after one month



### KEY

- Regular customers
- Occasional customers
- Infrequent customers
- New customers

Source: Upside transaction data from 7,684,234 customers at 4,087 grocery stores, fuel stations, and restaurants from March 2022 to February 2025. Retention rates calculated as sector averages

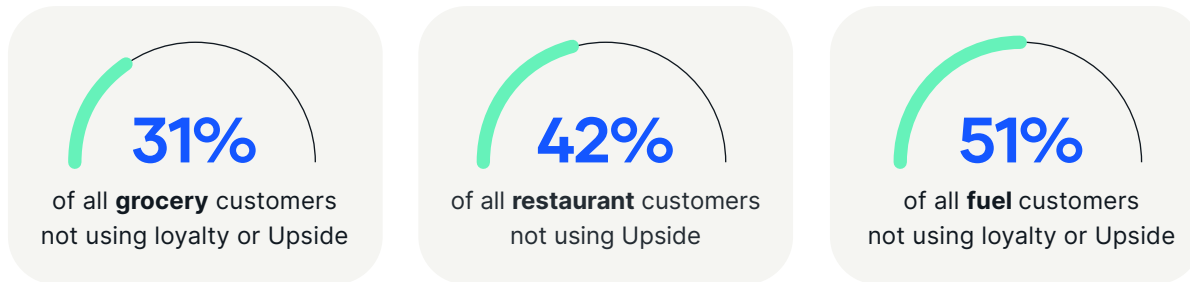


**The largest drop in retention occurs in the first month, and the drop is most severe amongst new customers.** After just one month, you won't see about 60% of those new customers in the next year. That steep month-one drop-off holds across customer segments and also across industries.

Let's expand back out for a moment and call out trends in the behavior of all your customers, not just new ones. On average, the following percentages of customers won't come back within a year after a given month of visits.

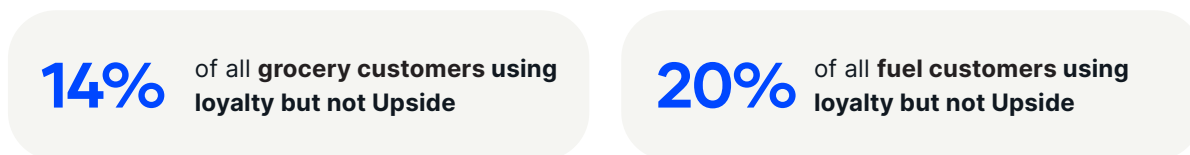
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## The following percentages of customers shop in a given month and don't return that year.<sup>9</sup>



You might think loyalty members are automatically your customers for the long term, but our data shows this month-one phenomenon applies to them, as well.

## Loyalty members are stickier, but churn risks remain. Up to one in five members shop in a given month and don't return that year.<sup>10</sup>



As you can see, attaching loyalty membership to the first transaction does have a positive impact. In fuel, for example, retention increases by 31 percentage points if loyalty is involved. Based on these numbers, some retailers might come to the conclusion that loyalty is the solution to the one-month cliff.

But there's still a sizable percentage of members lost after only a month. That gap is important — let's dig into why.

First, these shoppers matter because they're actually more expensive than any other customer. Based on the amount that retailers spend to get shoppers into the program — think signage and any associated rewards on the first transaction — it costs a lot to acquire a loyalty member, and it only benefits retailers if they stick around.

Secondly, loyalty programming alone doesn't create more "[super-users](#)." This subgroup of shoppers is who we would consider "committed" based on their transaction frequency, and stand out from other loyalty members who are in fact still uncommitted. These super-users have outsized impact on transactions and revenue — while they make up only 22% of your membership base, they're actually responsible for **46% of your total transactions and revenue** (not just those from loyalty members).

The fact that "super-users" exist is testimony to the fact that there's a lot of value in loyalty, and opportunity to do more.

**Our takeaway:** Loyalty programming is absolutely beneficial for retention, but loyalty alone does not bridge the widening retention gap.



# How do you win an uncommitted customer?

SECTION

05

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# How do you win an uncommitted customer?

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**Uncommitted customers represent the majority of your addressable market, so the path to sustainable growth lies in turning them into repeat buyers.**

In order to win uncommitted customers over the long term, retailers have to do the following:

1. **Prioritize the conversion** from the first to second visit.
2. **Continuously win the customer back** for each successive visit to eventually create a regular customer.

In other words, **customers have to build habits with you.**

The business impact of higher retention is a boost to your bottom line, because it's cheaper to retain an existing customer than it is to acquire a new one. According to a [Harvard Business Review synthesis](#) of industry research, acquiring a new customer can cost anywhere from **5 to 25 times** more than retaining an existing customer. Fred Reichheld of Bain & Company famously found that increasing customer retention rates by 5% **boosts profits by 25% to 95%**.

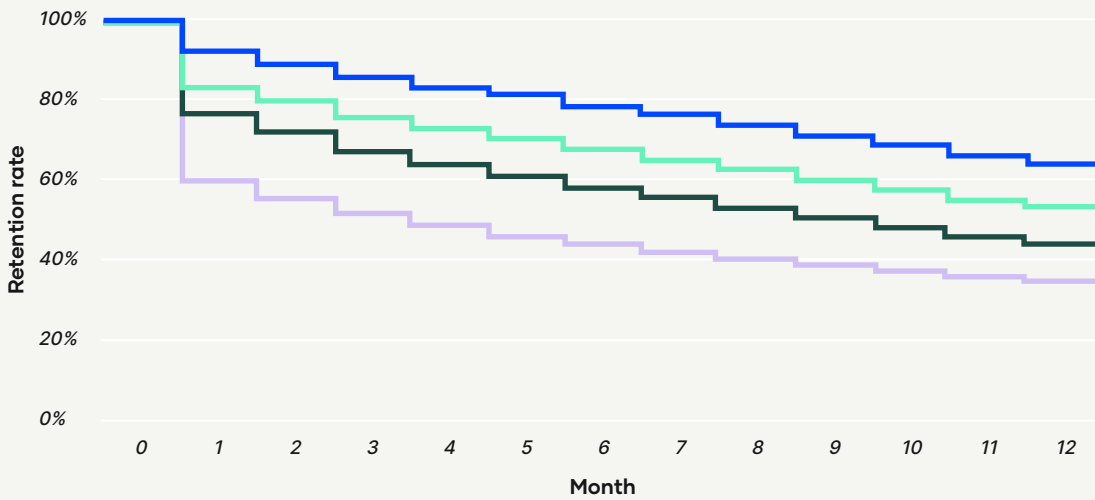
How are most retailers working to build habits today? They're dedicating more marketing resources to growing their businesses than they had at this time last year. When Upside surveyed retailers, 35% had a higher marketing budget this year, and 34% ran more campaigns overall. Less than 10% of retailers said they have smaller budgets or fewer campaigns in 2025 compared to 2024.

This is a good thing, because marketing gets the word out to improve brand awareness and customer acquisition. But marketing does **not** reinforce behavior in the moments that matter most. It doesn't get at the heart of the issue: **building habits.**

## Overcoming the first-to-second-visit hurdle

Membership programs are one proven way to reach customers and entice them to continue coming back with information, messaging, and promotions. The following chart shows the impact that programs like loyalty and Upside have on retention rates, particularly after the first month.

## Customers using loyalty & Upside are most likely to return



### KEY

- Loyalty & Upside customers
- Loyalty-only customers
- Upside-only customers
- Non-loyalty & non-Upside customers

Source: Upside transaction data from 5,543,997 customers at 2,589 grocery stores and fuel stations from March 2022 to February 2025. Retention rates calculated as sector averages.



The data illustrates a few notable things. Customers **not utilizing any program** see a 41% drop-off in month one, the **highest** of all categories in this analysis. When a customer transacts using **Upside**, there is only a 24% drop-off. Meanwhile, if that customer is a loyalty member, there is a smaller 17% month-one drop-off. And when a customer uses [loyalty & Upside together](#), there is only an 8% drop-off in month one — the smallest overall.

## Earning each successive visit

As you find ways to build habits, each additional transaction is associated with a higher retention rate over time. Each time a customer comes back, they're made more likely to keep coming back.

**71%**

of your regular **grocery** shoppers will still be customers one year later.

**+46 PERCENTAGE POINTS**

higher than new customers

**56%**

of your regular **restaurant** customers will still be customers one year later.

**+39 PERCENTAGE POINTS**

higher than new customers

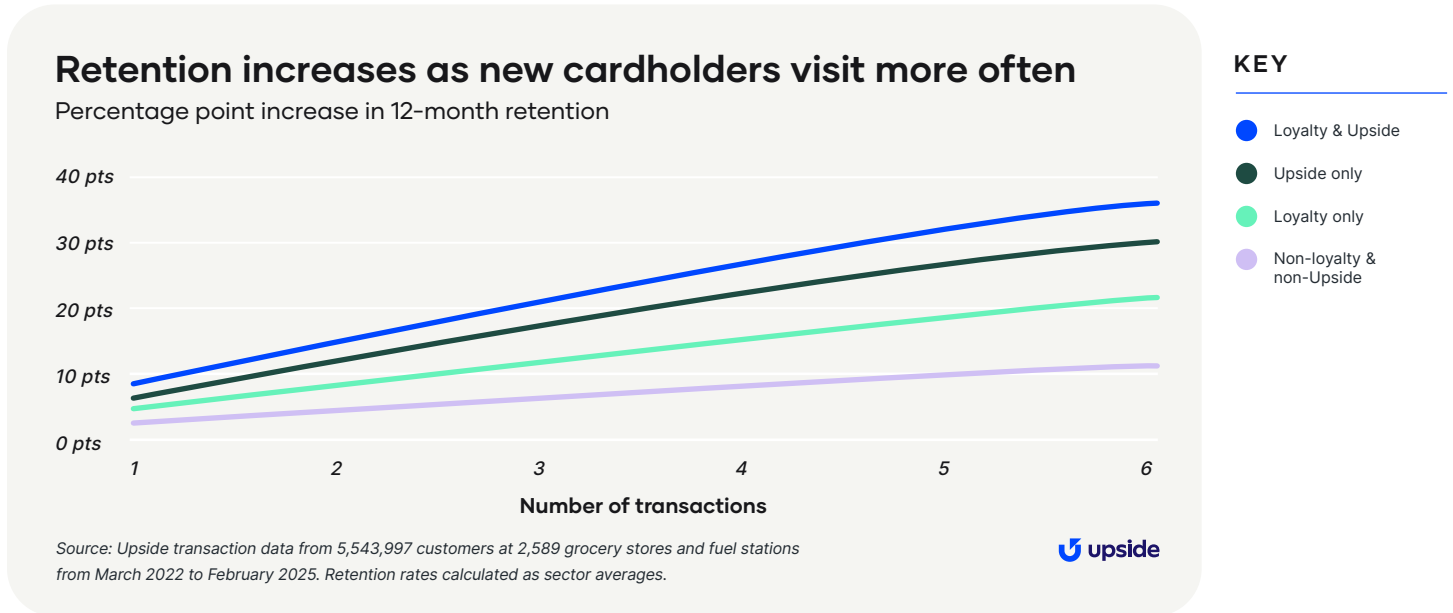
**45%**

of your regular **fuel** customers will still be customers one year later.

**+30 PERCENTAGE POINTS**

higher than new customers

Of course, **any** repeat visits are good signs. But just like memberships help overcome the first-to-second visit hurdle, they also help with winning each successive visit. The chart below shows any and all transactions improve retention among new customers at grocery stores, gas stations, and convenience stores. But when you add in a membership treatment, outcomes are even better.



## Why Upside (& loyalty) works

Looking across tens of millions of cardholders at thousands of grocery stores and fuel stations, it's clear there are specific interventions that are successful at incentivizing a customer to keep coming back.

Upside has partnered with tens of thousands of retailers nationwide to help their customers build habits and change their behavior over the long term. How does Upside meet those needs? Let's revisit the key characteristics of an uncommitted customer.

### Because uncommitted customers are **value-seeking**...

Upside offers each of them personalized incentives. That's also important because each customer has a different perception of "value." These incentives are substantial enough to influence changes in their behavior, and are margin-bound and therefore profitable for the retailer.

One-size-fits-all markdowns and discounts are costly; plus, they have an unclear impact on what happens in-store. Upside's in-depth [measurement methodology](#) tracks customer spend before and after Upside to prove behavior change occurred.

### Because uncommitted customers are **digital**...

Upside is everywhere customers are. In addition to the Upside app, our offers are accessible on a network of partner apps. We reach potential users on social media, search engines, and out-of-home advertisements.

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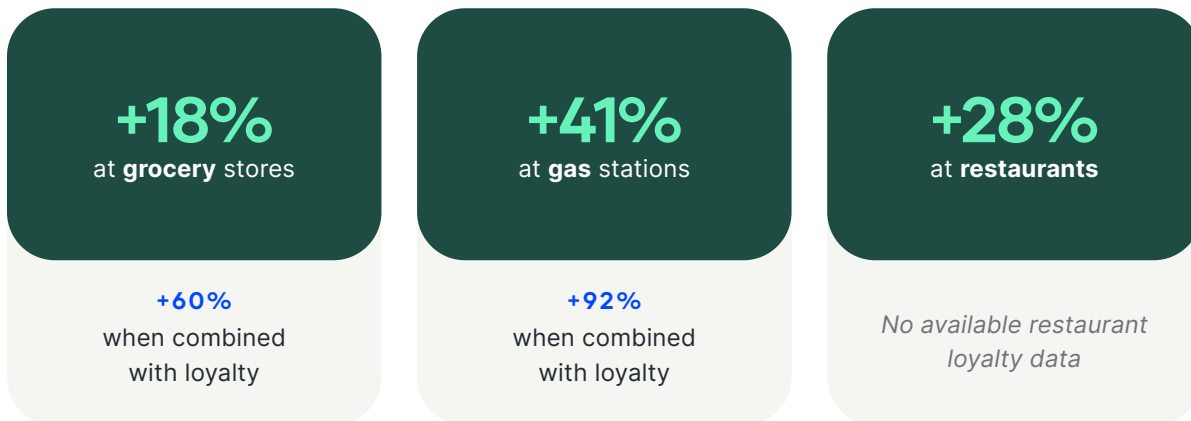
## Because uncommitted customers are **opportunistic**...

Upside helps them make decisions about where to shop while they're on the go. The fact that Upside is a multivertical marketplace means that a user can check for offers for a variety of everyday purchases, making it easier to form habits. A marketplace that adds more businesses is more valuable to its users. When users see more value in the marketplace, they use the product more, and participating retailers see more transactions — thereby attracting more retailers, and so on. This “virtuous cycle” is known as the [network effect](#).

Recall that statistic from Reichheld: Increasing customer retention rates by 5% boosts profits by 25% to 95%. **Upside boosts retention by way more.**

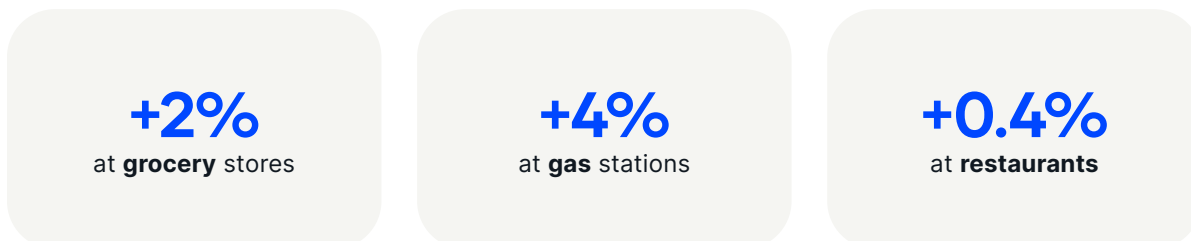
What does that mean at the cardholder level?

### Upside's impact on retention rates, per participating cardholder



Since not all cardholders are using Upside, we can also consider how much Upside increases retention at the site level — among both Upside users and non-Upside customers.

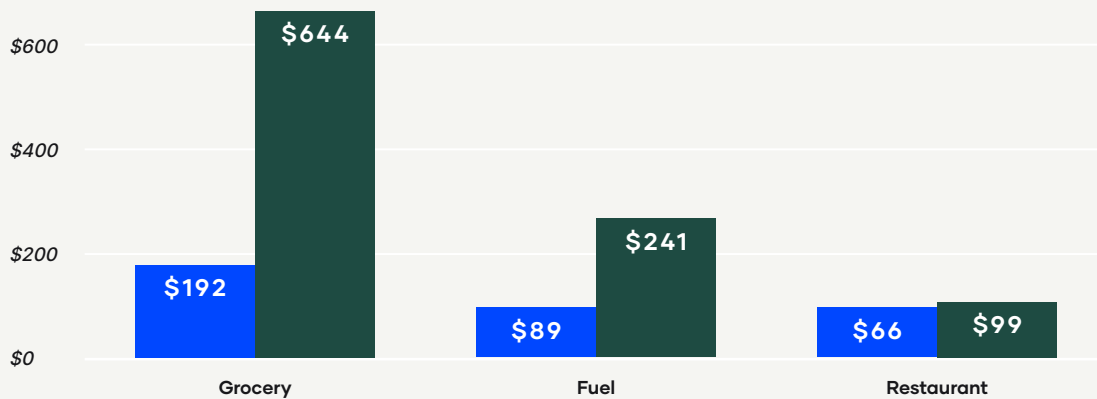
### Upside's overall impact on retention rate across all store customers (site-level measure)



It makes sense. Upside has a huge impact on Upside users, which is a smaller subset of customers. When looking at all customers at the store, we still see a substantive impact, just a smaller one.

At the end of the day, most retailers speak dollars and cents. So what is the dollar impact of retaining a customer? The analysis of the customers in our cohort revealed, perhaps intuitively, that new cardholders spend less than regular customers do. The chart below shows the value of retaining a customer — these longer-term customers visit more often and spend at higher levels. In grocery, for example, each retained customer spends an **additional \$452 annually**, on average.

## Retained customers spend at higher levels than new customers



### KEY

- One-year spend from a new customer
- One-year spend from a retained customer

Source: Upside transaction data from 7.7 million customers at 335 grocery stores, 2,254 fuel stations, and 1,498 restaurants from March 2022 to February 2025.



## Building habits, supercharging growth

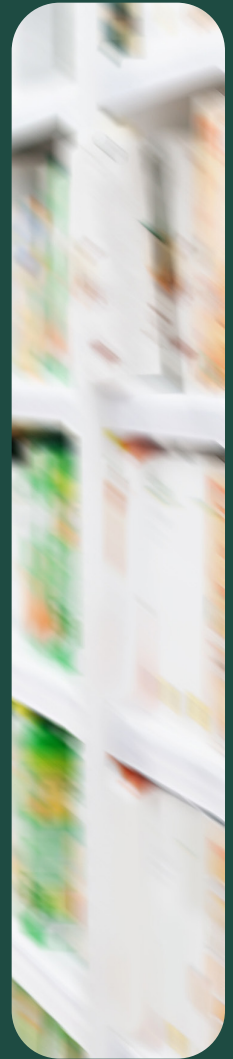
You know retention holds the key to growth. But more than that, retaining customers is a competitive necessity. Uncommitted customers are up for grabs, and if you don't win them, your rivals will.

Building a habit with your uncommitted customers — getting them to visit just once more per month — could represent a transformational increase in monthly revenue. Interventions like loyalty programming or a digital marketplace accelerate habit formation to make sure the customers that walk through your doors stay your customers for the long haul.

Get in touch with Upside's team of experts in your industry to win more uncommitted customers and unlock incremental profit.

[REACH OUT](#)

[upside.com/business](https://upside.com/business)



# Appendix

SECTION

06

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# Appendix

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*The purpose of this appendix is to explain our methodology and show our work. Here, you can find key definitions central to our analyses; citations for our surveys of consumers and retailers from the general population; and a full explanation of our survival analysis.*

## Key definitions

### A. Churn

A customer is considered **churned** from a site if there is no transaction associated with that ID at that site 12 months after their last purchase.

### B. Customer segments

**Customer segments** are defined differently across verticals. We consider the average number of transactions per month in the lookback window, starting with each customer's first transaction month in the lookback window:

#### Grocery

- **New card IDs** transacted 0 times per month
- **Infrequent loyalty IDs** transacted >0 to 2 times per month
- **Occasional loyalty IDs** transacted >2 to 4 times per month
- **Regular loyalty IDs** transacted >4 times per month

#### Fuel

- **New card IDs** transacted 0 times per month
- **Infrequent loyalty IDs** transacted <1 time every 2 months
- **Occasional loyalty IDs** transacted 1 time every 1-2 months
- **Regular loyalty IDs** transacted >1 time per month

#### Restaurant

- **New card IDs** transacted 0 times per month
- **Infrequent loyalty IDs** transacted <1 time every 4 months
- **Occasional loyalty IDs** transacted 1 time every 2-4 months
- **Regular loyalty IDs** transacted >1 time every 2 months

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## C. Uncommitted customer

“Uncommitted” customers in this report are defined as those in the new, infrequent, and occasional segments — in other words, not frequent or regular.

We define an uncommitted customer at the category level, rather than the customer level. That means that an individual consumer could be an uncommitted grocery shopper, but show committed loyalty to a particular fuel station, for example.

*Note: Upside used a different definition of “uncommitted customer” in the [2024 Consumer Spend Report](#) because that analysis was based on self-reported survey data. This current report leverages observed shopping behavior using transaction data. The former relied on the consumer’s answers regarding where they shop (category and format) and how often; see the previous report for a more detailed breakdown. The latter uses Upside’s transaction data to focus specifically on visit frequency (“how often”). Both approaches, though from distinct data sources and methods, found similar consumer behavior trends.*

## Survival analysis

### A. Methodology

In order to answer questions about how long a customer will keep shopping and what factors predict higher or lower retention, Upside conducted a **survival analysis**. Survival analysis is an entire class of tests and models, but they all try to understand and predict some time-to-event which in this case is a time until a customer churns.

The step functions are **survival curves** (aka “Kaplan-Meier estimators”) that show the share of customers retained at each period of time. The primary, specific analysis is the **Cox proportional hazard regression** that calculates the marginal impact of a one-unit change in a variable on an outcome (e.g., one additional Upside transaction decreases churn by x%) while controlling for other variables.

The dependent variable is when a customer churns, but where possible we look at retention instead (1 - % churn). Cox regression also produces confidence intervals and statistical significance.

We use two types of Cox regression:

- **Static Cox regression:** Predicts churn from customer behavior at each store, aggregated across the entire year (i.e., one observation per customer-site pair). This approach focuses on how program membership reduces churn.
- **Time-varying Cox regression:** Predicts churn each month for each customer at each site (i.e., twelve observations for each customer-site pair). This approach focuses on how each additional transaction by type reduces churn.

In both approaches, we exclude the **event-defining transactions** like the first transaction of the first month (since that identifies a customer as a customer) and, if present, the transaction in which they churn (since churn is defined as when the last transaction occurs). Excluding these event-defining transactions negates the problem of reverse causality where we try to measure the impact of transactions on churn when churn is defined by some of those same transactions.

We include in the Cox regression controls for the unique effect of each store on retention as well as each retailer. (*Note: Because we control for site and retailer effects, baseline retention rates from the model will not be the same as historical retention rates.*)

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## B. Data

Our data for this analysis comes from transaction logs from grocery stores, restaurants, and gas stations open all months from March 2022 through February 2025.

Specifically, we narrow the analysis to the cohort of customers who transacted in March 2023 and considered their 12 months of activity beforehand and 23 months afterwards:

- **Look-back window:** We define a customer type (i.e., “new”, “infrequent”, “occasional”, or “regular”) from prior shopping behavior (12-month period).
- **Measurement window:** We observe the customer’s behavior, including the opportunity to churn (12-month period).
- **Look-forward window:** This is the maximum available time needed to define churn (12-month period).

We focus on customer-site pairs with each customer identified either by an anonymized card ID. The total numbers of unique IDs and sites are the following:

- **Grocery:** 335 unique sites and 2,755,841 unique card IDs
- **Fuel:** 2,254 unique sites and 3,376,161 unique card IDs
- **Restaurant:** 1,498 unique sites and 2,140,237 unique card IDs

*Note: counts are smaller when considering a subset (e.g., only new customers).*

## C. Limitations

This analysis follows a single one-month cohort over a fixed time horizon. This means it does not take into account the seasonal differences about when a customer transacts.

Additionally, the card-level analysis excludes cash and does not link to other cards from a shopper. This means a single customer can be included at the same site within multiple cards. We repeated the analysis using loyalty IDs (not included in this report), with the results directionally the same, so we have high confidence that card ID in this analysis approximates the behavior of a true customer.

Generally, we have limited access to high-quality loyalty data from retailers, so we were not able to break our analysis out by type of loyalty program.

## Survey citations

### A. Retailer pulse surveys

Upside conducts regular “pulse check” surveys with retailers in order to gauge their economic sentiment and their business confidence. In this report, we cite a survey of 6,527 retailers from the general population, conducted across four waves from 2023 to 2025. The waves ran biannually — specifically, they were conducted in Q3 2023, Q1 2024, Q3 2024, and Q1 2025.

### B. “Digital Habits” survey

Upside conducted a survey of 3,738 customers from the general population in February 2025. The purpose of this survey was to better understand how customers use online tools to make purchasing decisions and engage with brands.

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We constructed a **price sensitivity score** by asking how frequently a consumer typically does the below activities. We calculated the average when “Never” = -1, “Rarely” = -0.5, “Sometimes” = 0, “Often” = 0.5, and “Always” = 1:

- “Compare prices between businesses”
- “Compare prices between items within the same business”
- “Use one-time promotions, discounts, or coupons”
- “Use ongoing loyalty, rewards, or membership programs”
- “Change where you go based on one-time promotions, discounts, or coupons”
- “Change where you go based on ongoing loyalty, rewards, or membership programs”

We constructed a **brand affinity score** by first asking a consumer to consider their preferred retailer within a specified channel and then asking if they agreed with the below statements. From there, we calculated the average when “Strongly disagree” = -1, “Disagree” = -0.5, “Neither agree nor disagree” = 0, “Agree” = 0.5, and “Strongly agree” = 1:

- “I make purchases from this business regularly”
- “This business provides a better overall experience than their competitors”
- “I mostly choose this business because it has the best prices”
- “I feel personally connected to this business”
- “This business has my interests at heart”
- “I would recommend this business to others”

The average price sensitivity score was 0.09 and the average brand affinity score was 0.36.

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<sup>1</sup><https://fred.stlouisfed.org/graph/?g=1J2IK>

<sup>2</sup><https://fred.stlouisfed.org/graph/?g=1J2IQ>

<sup>3</sup><https://fred.stlouisfed.org/graph/?g=1J2IT>

<sup>4</sup>[Median responses from the 2024 Consumer Spend Report](#)

<sup>5</sup>“Digital Habits” survey of customers in the general population, conducted in February 2025; n=3,738

<sup>6</sup>Average claimed offer in the Upside app across 35+ million transactions. All Upside offers are within a retailers’ gross margin.

<sup>7</sup>A series of three Upside analyses about how cash back impacts the distance customers are willing to travel, 2023-2024

<sup>8</sup>Respondents who answered “Always” or “Often” in “Digital Habits” survey; n=3,738

<sup>9</sup>Non-loyalty, non-Upside fuel and grocery customers; non-Upside restaurant customers

<sup>10</sup>Upside enabled loyalty program integration for restaurants later than for other categories, so we do not yet have sufficient or representative data to cover the full three-year period required for this analysis.