WISER RESEARCH

Retail Insights Brief
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Home Improvement Retail Loyalty Programs Sector Synopsis

Developed in partnership with:

Exchange™ Solutions

ebbo™

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The Project-Driven Purchase Paradox

Home Improvement Retail Loyalty Programs Sector Synopsis

The Home Improvement retail sector operates with dynamics markedly different from most consumer categories. In 2023, Statista reported that Home Depot processed over 1.6 billion customer transactions worldwide, while Lowe's handled more than 800 million, reflecting massive customer engagement across the industry.

Yet despite this substantial transaction volume, the sector faces a persistent challenge: converting project-based shoppers into loyal brand advocates. Lowe's serves approximately 16 million customer transactions per week in the United States, representing extraordinary reach but inconsistent frequency patterns that complicate traditional loyalty program design.

For marketers specializing in loyalty and rewards programs, the Home Improvement sector presents unique complexities. Purchases are often irregular, project-driven, and influenced by factors beyond brand preference—product availability, pricing on high-ticket items, and proximity during urgent needs.

This *Wiser Research Retail Insights Brief* draws from the Wise Marketer Group's consumer research study conducted in October 2025 of **2,070 consumers** in the United States of America (USA) to dive deeper into the connections between brand loyalty, customer experience and loyalty program mechanics.

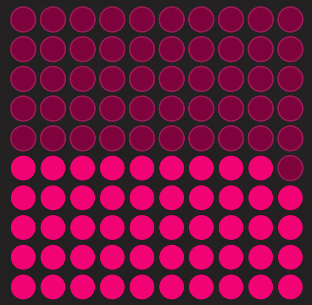
This first research drop, part of a longitudinal consumer study for the USA, focused on two retail sectors: Home Improvement and Convenience & Fuel.

This brief focuses on the **796 consumers** who indicated that they are actively participating in one or more Home Improvement loyalty programs within the past 12 months with 21% solely shopping in Convenience & Fuel stores and 79% shopping in both sectors.

While some comparisons are made to a small set of **252 consumers**, a 'control' group that indicated they were not active in loyalty programs at all, the insights and guidance provided in this brief are reflective of how best to engage with known customers of Home Improvement store retailers.

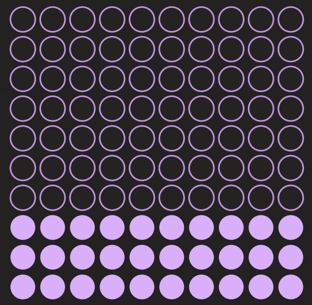
1.6B

800M



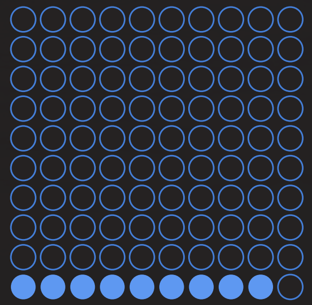
49%

Convenience & Fuel Active Only Respondents



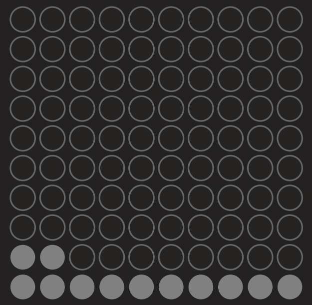
30%

Respondents Active in Both Sectors



9%

Home Improvement Active Only Respondents



12%

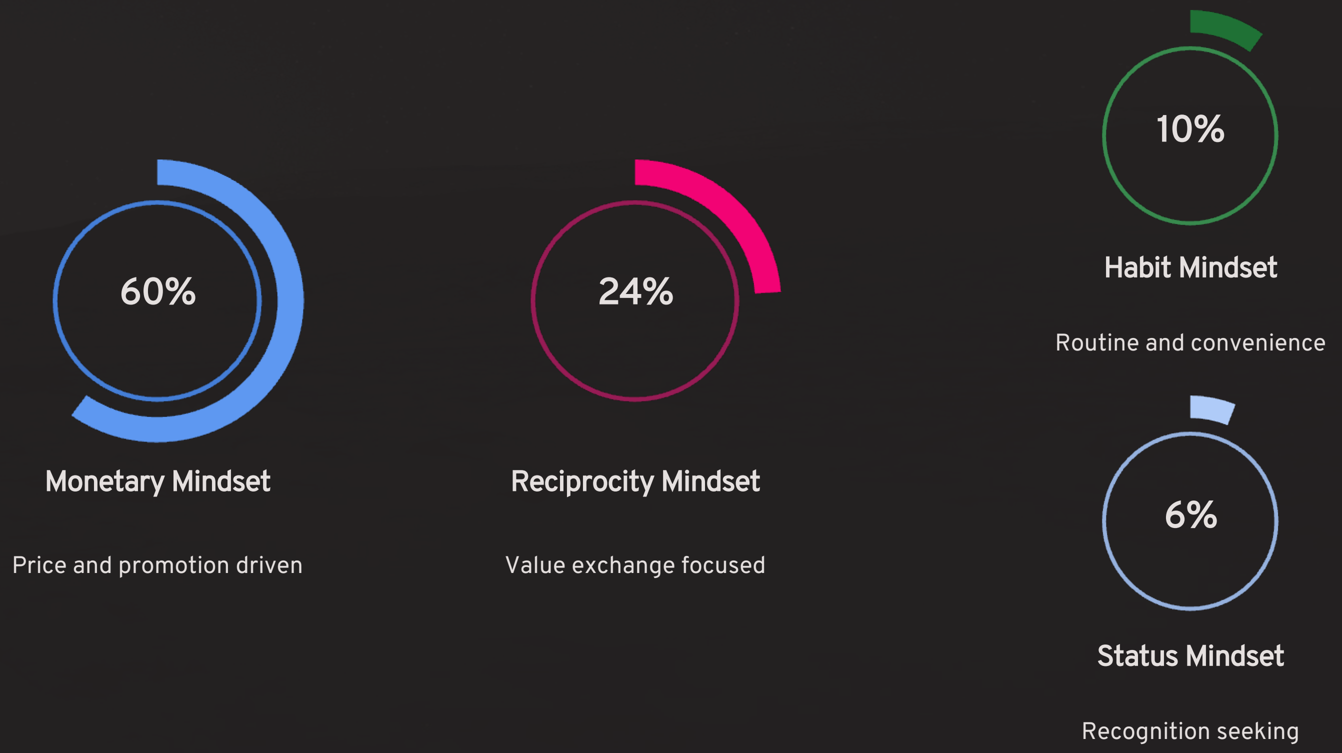
Respondents not Active in Loyalty

The Building Blocks of this Loyalty Landscape

The Home Improvement industry revenue has grown at a CAGR of 1.7% over the past five years, reaching an estimated $292.8 billion in 2025, with DIY project trends driven by online tutorials and desires for customized living spaces, according to IBISWorld's *Home Improvement Stores Industry Analysis for 2025*. Alongside it, Research and Markets anticipates the global loyalty markets to reach $217.4 billion by 2028 (a CAGR of 9.5%), setting a strong stage when they come together.

These growth projections, when combined with recent increases in customer satisfaction according to J.D. Power's *2025 US Home Improvement Retail Satisfaction Study*—64% of shoppers say they would definitely shop at their store again, up 9 percentage points from 2024—further suggests receptivity to loyalty initiatives designed around evolving customer needs.

In our *Wiser Research Retail Insights Report* for this study, we outline a framework for four customer mindsets: Monetary, Reciprocity, Status, and Habit. 60% of Home Improvement shoppers identified with the Monetary mindset, which is driven by seeking lower prices, good promotions, and membership in customer loyalty programs.



Reasons Customers Purchase From Retail Brands They Are Loyal to

61%	Good promotions
60%	Customer loyalty program
44%	High quality products
36%	Low prices
24%	Convenience

64% of Home Improvement shoppers already demonstrate strong repurchase intent, suggesting that programs effectively addressing customer needs can convert intent into actual behavioral change. In addition, just under one-third (31%) indicate they are very loyal to the brand they buy from and will not buy from competitors.

The sector faces ongoing transformation as e-commerce capabilities mature, professional contractors' expectations rise, and technology enables previously impossible personalization.

The operators thriving in this competitive environment recognize that loyalty programs aren't discount mechanisms but comprehensive customer engagement strategies. They understand that DIY customers and Pro contractors have distinct needs requiring separate program designs.

They acknowledge that service quality often matters more than reward generosity, and that data generated through loyalty programs enables competitive advantages extending far beyond marketing efficacy.

Most critically, successful Home Improvement loyalty programs address the sector's fundamental paradox: how to build consistent relationships with customers whose purchase patterns are inherently inconsistent.

The answers emerging from this sector offer valuable blueprints for marketers navigating similar challenges across diverse retail categories where customer relationships are important but purchasing is irregular, consideration is high, and loyalty must be earned rather than assumed:

> Engagement beyond transactions,
>
> Utility beyond discounts, and
>
> Personalization beyond segments.

Framing Up Three Key Challenges

There are a clear set of characteristics that distinguish Home Improvement loyalty from other retail sectors, which require more innovative approaches being brought to market that transcend conventional accumulation-redemption models.

01 The Dual Customer Dilemma

One-third (33%) of shoppers indicated a loyalty program for personal use as the fifth ranked factor most likely to drive loyalty to Home Improvement retailers with utilization of a loyalty program for work (14%) or a combination of personal and work together (15%) failing to resonate amongst this consumer group, which highlights a distinctiveness in this sector's shopping base. The sector serves two fundamentally different customer segments requiring distinct program approaches. DIY (do-it-yourself) customers typically make smaller, less frequent purchases driven by personal projects and price sensitivity.

Professional contractors represent the Pro segment—high-value, regular purchasers who prioritize product availability, business-specific services, and volume discounts over experiential rewards. According to the Home Improvement Research Institute's *2023 Contractor Topic Study*, product quality and cost are the top reasons for both brand and supplier loyalty among professionals, with loyalty programs ranking as a reason for brand loyalty for (9%) of contractors and supplier loyalty for (10%).

This data underscores a critical challenge: traditional rewards programs hold limited appeal for the segment generating the high lifetime value.

The call-to-action for loyalty marketers is to ensure that these two segments have purposeful programs with distinctive rewards and benefits for each audience's unique set of needs. According to a *Microsoft survey* cited in industry publications, efficient customer service matters to (95%) of B2B consumers. Professional contractors need business-specific benefits: job-site delivery, commercial credit, bulk pricing, dedicated support, and business management tools.

Generic consumer loyalty programs fail to address these operational needs, resulting in disengagement from the sector's highest-value customers. Programs designed without differentiation between DIY and Pro segments typically optimize for neither.

Traditional rewards programs hold limited appeal for the segment generating the highest lifetime value."

02 Commoditization of Core Offerings

4 of every 5 (79%) Home Improvement store shoppers indicate they are somewhat willing to switch to other brands while another 17% are changing their brand preferences frequently. Of consumers that indicated a likelihood to switch between brands, pricing is the most predominant reason for individuals to switch brands in this sector at 71% ranking it first, followed by special promotions (50%) and availability of products (39%).

Many home improvement products—lumber, drywall, basic hardware—are functionally identical across retailers. When products are commoditized, price becomes the dominant decision factor, creating margin pressure that makes discount-heavy loyalty programs economically unsustainable.

Additionally, product availability can also rise up as a loyalty killer. In project-based shopping, having the right product in stock at the right moment often trumps brand preference. When a contractor needs specific materials to complete a time-sensitive job, no loyalty benefit compensates for driving to a competitor who has inventory.

03 Irregular, High-Consideration and High-Ticket Purchase Patterns

Loyalty programs are very influential on the purchasing decisions of 32% of Home Improvement shoppers, which extends north of 90% when considering even some level of influence. But unlike grocery or convenience retail where customers visit weekly, Home Improvement purchases cluster around specific projects with unpredictable timing. A customer might make daily visits during a renovation, then disappear for months or years.

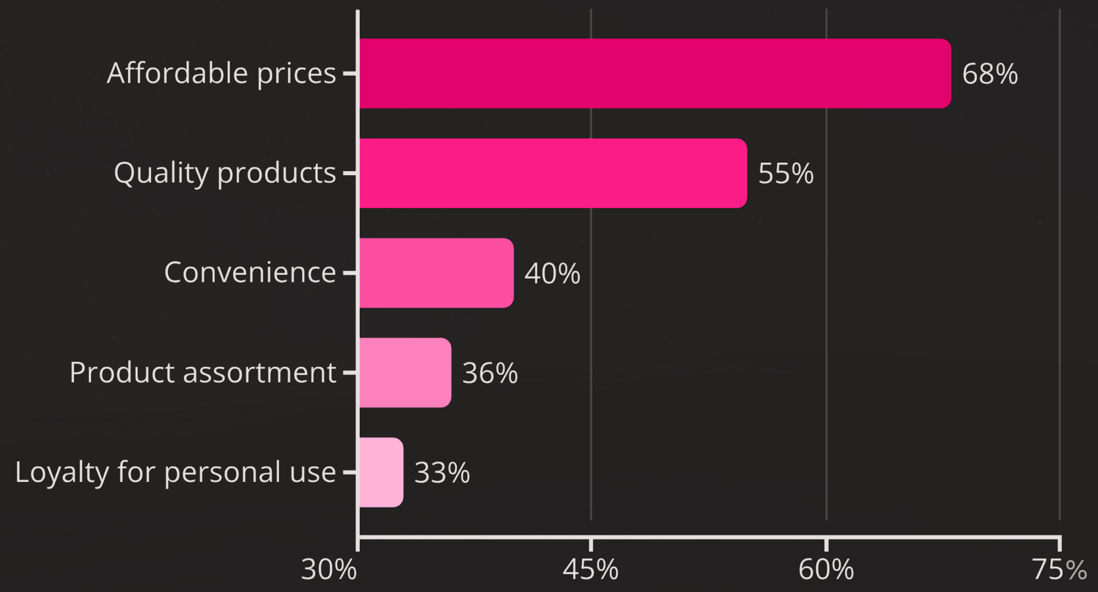
This irregularity undermines traditional frequency-based programs and makes identifying "loyal" customers analytically complex. Programs must remain relevant during extended dormancy periods while capitalizing on high-activity project phases.

Another layer of complexity is that customers spent an average of approximately $90 at Home Depot and $103 at Lowe's per transaction in 2023 according to Statista, significantly higher than most retail categories. Many purchases involve substantial research, price comparison, and deliberate decision-making.

Loyalty programs must provide value compelling enough to override rational economic optimization—no small feat when customers might spend thousands on a single project and naturally gravitate toward the lowest-priced option.

Factors Driving Home Improvement Retail

(Total of Top 3 Ranked Responses)



Other Factors Considered: Customer Service, Loyalty for Work Use, Loyalty for Personal & Work Use, Connection to Company Values, Sense of Community

Remodeling Loyalty: A Long List of To-Do's

For marketers building investment cases for loyalty initiatives, understanding sector-specific downside risks provides essential context. In Home Improvement retail, ineffective loyalty programs result in several compounding problems.

Revenue concentration among disloyal customers creates vulnerability. When Pro customers—who drive disproportionate revenue—lack loyalty, businesses face extreme exposure to competitive poaching.

Project abandonment represents another hidden cost. Customers who begin projects at one retailer but complete them elsewhere fragment their spend, reducing basket size and eliminating cross-selling opportunities during high-engagement project phases.

Marketing efficiency deteriorates when customer identification fails. Without loyalty programs capturing customer data, retailers cannot differentiate DIY from Pro, identify project types, or personalize communications. This results in generic mass marketing with poor conversion rates and wasted spend targeting inappropriate segments. Perhaps most critically, failure to build loyalty in home improvement means missing the data foundation necessary for operational improvement. Understanding which products customers buy together, how project timelines unfold, and what service needs emerge during different project phases enables better inventory management, staffing optimization, and merchandising decisions that compound competitive advantages over time.

Despite the concerns below, 80% of Home Improvement shoppers indicate they are comfortable sharing their personal data and previous shopping history with these brands to receive personalized offers, representing a meaningful trust foundation upon which to build more sophisticated loyalty programs.

41%
Skeptical
of value exchange to share data

32%
Data Security
do no trust HI to keep secure

31%
Easy Access to Data
concerned others imposter them

31%
Price Gauging
think results from sharing data

27%
Know Me
concerned too personalized

24%
Good with Generic
do not want tailored offers

Forward-thinking Home Improvement retailers are developing loyalty approaches specifically designed for their sector's unique characteristics, offering valuable lessons for marketers navigating similar high-consideration categories. Here's a list of to-do's for consideration:

Segmented Program Architectures

The most sophisticated operators no longer attempt one-size-all programs. Home Depot recently introduced a straightforward **10%** discount for Pros based on spending qualifications, while Lowe's Pro program offers cardholders a **5%** discount plus opportunities to earn e-gift cards based on spending, with access to exclusive offers.

These differentiated approaches acknowledge that DIY and Pro customers require fundamentally different value propositions.

Leading programs layer benefits to serve both segments without confusion. Consumer-facing programs emphasize experiential benefits, project inspiration, and accessible rewards.

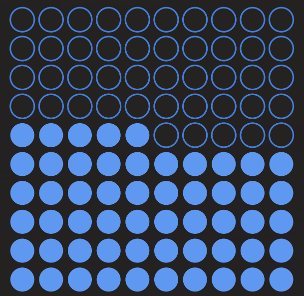
Pro programs focus on business utility: faster checkout, dedicated support lines, job-tracking tools, and volume-based discounts that translate directly to bottom-line business benefits.

Priority Customer Service as a Loyalty Driver

While only 8% of shoppers indicated a preference for Special VIP status as a top 3 benefit from their loyalty program, 31% support status as a reward for members who spend more.

At Home operates a VIP tier for their Insider Perks program providing priority customer care for top customers. These VIP members receive advance notice of new product launches, special pricing on deals, receipt-less returns, 90-day return window, decorating tips and tricks and more.

Service differentiation proves particularly powerful in Home Improvement, where expertise matters. Customers tackling complex projects value knowledgeable staff assistance, project consultation, and problem-solving support.



55%

Would engage more with ability to earn specific status (e.g. tiered benefits)

Personalization at Scale

The path to personalization at scale is a leading call to action for brands, and findings in home improvement align with broader loyalty industry studies.

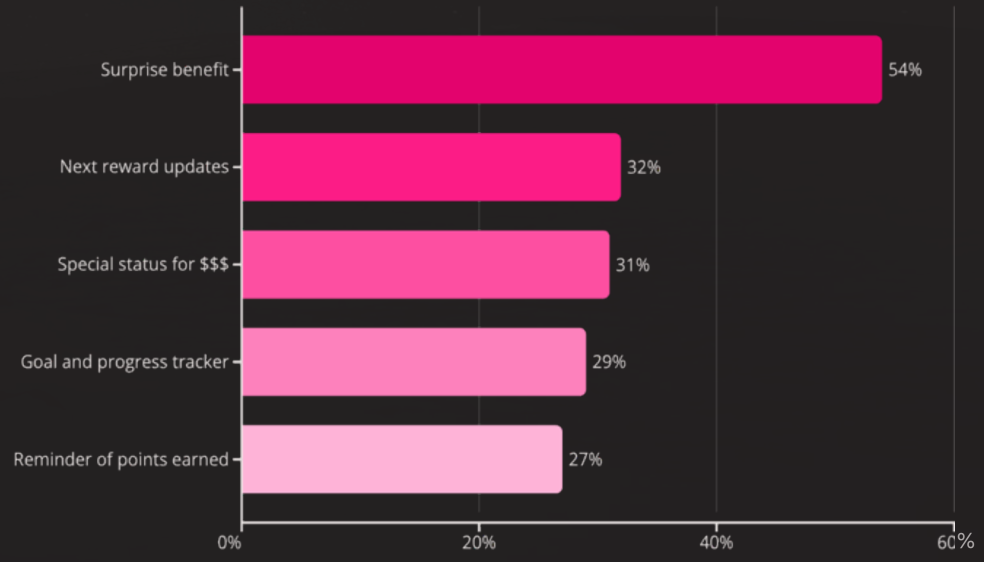
71% of home improvement shoppers indicated that an ability to receive individual offers, recommendations and discounts that are tailored to their needs based on their purchases and interactions with a brand would cause them to engage more, and 60% would engage more if this personalization included the purchases and interactions of brands where a known partnership exists.

Additionally, content can be considered as a form of alternative currency. Members receive tips for redecorating their homes, providing high perceived value beyond direct cost savings. Content-driven value creation proves especially relevant in Home Improvement, where many customers lack expertise and confidence for complex projects.

Programs integrating how-to content, project planning tools, visualization features, and expert advice create value difficult to quantify in pure economic terms but highly influential in purchase decisions. When customers view a retailer as their project partner rather than just a product source, loyalty strengthens significantly, particularly when it can identify areas where the DIY doesn't have expertise, tools or experience.

Leading loyalty and rewards programs are leveraging AI and machine learning to move beyond segment-based offers toward truly individualized experiences. Rather than generic "10% off your next purchase," advanced loyalty analytics now predict which customers value merchandise discounts versus tool rentals, who responds to weekend workshop promotions versus online tutorial access.

Top Loyalty Program Features Customers Would Actively Use



Emotional Engagement through Gamification

Only one quarter (26%) of home improvement shoppers indicated that they would engage more with the program and brand if there were efforts made by the company to make the program 'fun' through actions such as lighthearted communications, games and the like. However, a surprise earning opportunity ranks as a top benefit that would be used by 70% of shoppers if it was included in a loyalty or rewards program, suggesting that while overt gamification may not resonate, variable rewards and surprise mechanics hold significant appeal.

Kirkland's K Club Rewards, a home goods loyalty program, focuses heavily on customer engagement through monthly sweepstakes where winners receive $500 gift cards. Members become eligible through purchases or product reviews.

The sweepstakes approach works particularly well in project-based retail. Between active projects, customers have minimal natural engagement reason. Monthly sweepstakes create ongoing touchpoints, keeping brands top-of-mind during dormancy periods.

Flexible Redemption and Third-Party Integration

61% of shoppers indicate they would engage more with a customer loyalty program if they could receive tailored offers from partner brands. Advanced programs award points for purchases through third-party stores, with members simply uploading receipts to their accounts for credit.

This acknowledges the reality that home improvement projects often require materials from multiple sources. Rather than fighting this behavior, smart programs embrace it, maintaining engagement even when purchases occur elsewhere. This also improves access to products.

The nature of home improvement is that individuals shop when they have projects and the timing of those projects is hard to predict and without any forecastable pattern. For example, who can say definitively when a home owner might redo his garden (save for seasonal expectations), refurbish a bathroom, or just replace light bulbs?

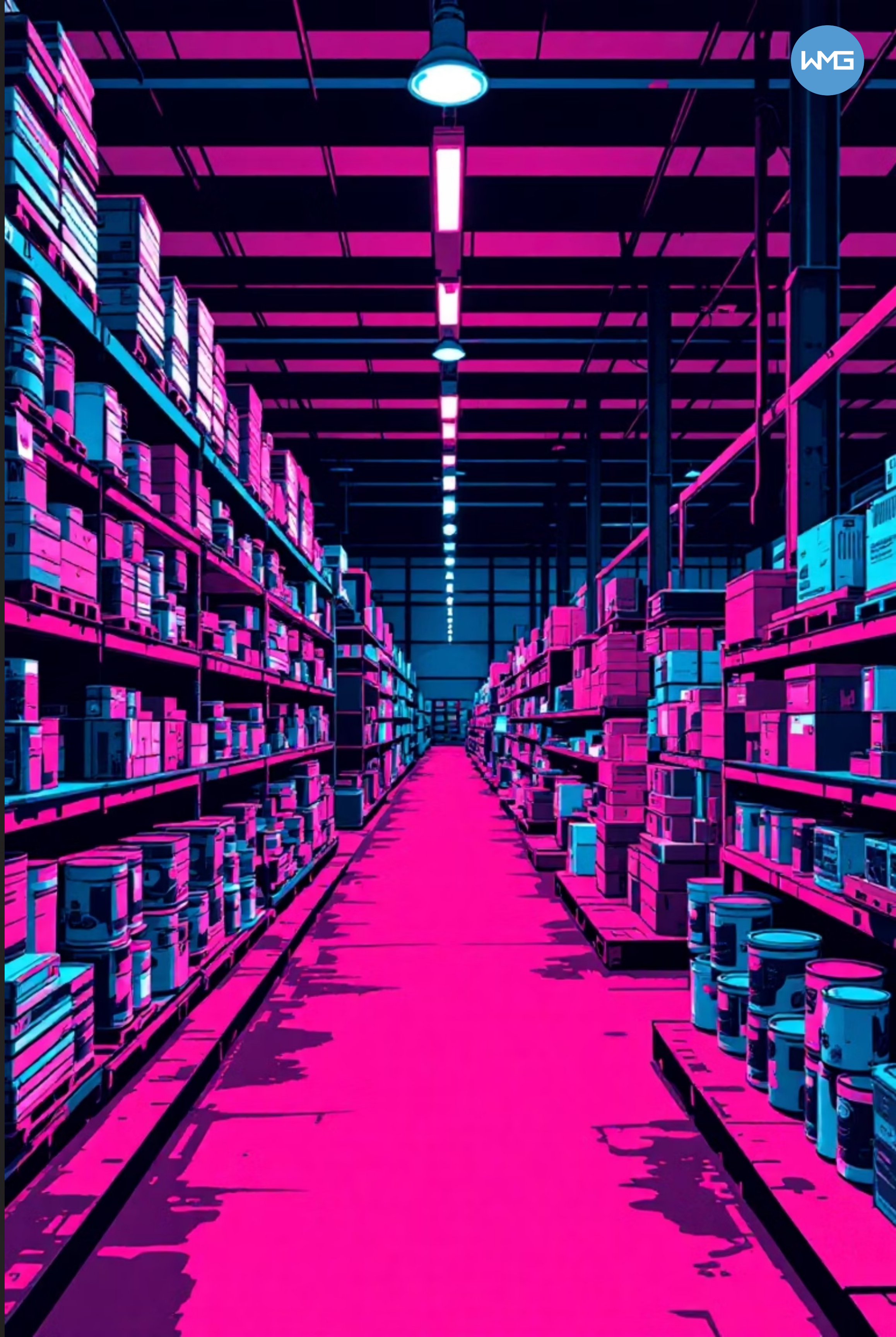
Cross-retailer integration addresses the product availability challenge by avoiding out-of-stocks and providing access to what they need. When customers know they'll earn loyalty benefits regardless of which retailer has the specific product they need, programs maintain relevance even when operational execution falls short.

Points as Cash

engage more spending points at in-store or online

Power of Partnerships

engage more with tailored offers from partner brands



Social Proof and Community Building

30% of home improvement shoppers agree they are more likely to be influenced by social views of a brand when they are active in their loyalty program, while 64% indicate they would utilize a loyalty program if it provided a means for tracking the positive impact they've contributed within their community or globally. Additionally, 86% indicate they would actively use a way to track positive impact if included in a loyalty program.

Some programs encourage members to share content on social media and upload photos of finished projects to earn additional points. This user-generated content approach serves dual purposes: generating authentic marketing content while creating community around shared accomplishment.

For DIY customers particularly, completing projects represents significant personal achievement. Programs that celebrate these accomplishments and facilitate sharing tap into powerful emotional drivers beyond transactional benefits. The social validation of project completion often provides more psychological reward than the points themselves.

Some programs encourage members to share content on social media and upload photos of finished projects to earn additional points, creating community around accomplishment while generating authentic marketing content.

These initiatives serve dual purposes: attracting environmentally motivated customers while building brand equity with younger demographics who increasingly weight sustainability in purchase decisions. For marketers, sustainability-focused loyalty offers differentiation less easily commoditized than price discounts.

For loyalty marketers, Home Improvement retail demonstrates how high-consideration, irregular-purchase categories require fundamentally different approaches than frequent-transaction retail. Success demands segmentation sophistication, service differentiation, operational integration, and technology enablement working in concert.

More engagement in loyalty programs if:

47%

Family & Friend Pooling

combine points to earn specific rewards

45%

Lifestyle-related Rewards

earned by healthy living and exercise (KMS or calories)

Strategic Implications for Loyalty Marketers

What All Retailers Can Take Away

The Home Improvement sector's loyalty evolution offers several transferable insights for marketers across high-consideration, project-based retail categories.

Segment Obsessively, Design Specifically

One program attempting to serve all customers optimally serves none well. Success requires identifying meaningful customer segments with distinct needs, then designing differentiated experiences for each. In home improvement, the DIY/Pro divide represents the most fundamental segmentation, but within each lie further subsegments requiring tailored approaches.

Service Differentiates More Than Discounts

In categories where products commoditize and price transparency intensifies; service quality becomes the sustainable differentiator. Programs positioning loyalty benefits around service access—priority support, expert consultation, dedicated representatives—create value less vulnerable to competitive matching than pure price discounts.

Timing Matters as Much as Rewards

In irregular-purchase categories, maintaining relevance during dormancy periods proves as critical as rewarding active purchases. Programs must engineer ongoing engagement touchpoints—content, gamification, community features—that keep brands mentally available when purchase needs emerge unpredictably.

Data Drives Operational Advantage

Loyalty programs shouldn't exist primarily for marketing purposes. The most valuable programs generate data enabling operational improvements across inventory management, labor scheduling, merchandising, and service delivery. This operational focus ensures programs deliver returns beyond direct revenue attribution.

Professional Segments Require Business Utility

When targeting business buyers, consumer-oriented rewards prove largely ineffective. Business customers need business benefits: efficiency improvements, cost savings, administrative simplification, and tools enhancing their operational capabilities. Programs serving professional segments must think beyond consumer psychology to address business economics.

Research Methodology

An online survey conducted in October 2025 included 2,070 US consumers selected from a balanced panel representing diverse demographics: gender, age, income, employment status, household size, and community type. 88% of respondents were 'active' members of at least one loyalty program in the prior twelve-month period that uses points (or a similar program reward currency, such as miles, stars, etc.) that could be redeemed for rewards or benefits. **796 respondents** were active in Home Improvement store loyalty programs and **1,650 respondents** were active in Convenience & Fuel store loyalty programs (**628** were active in both and provided responses for both sectors).

Demographics

- Skews to 63% female with only **37%** male.
- 56% live in 1-2 person households while **44%** live in 3+ person households.
- 81% live in urban or suburban communities while 19% in rural, which is reflective of US Census data indicating **80%** in urban/suburban vs **20%** in rural.

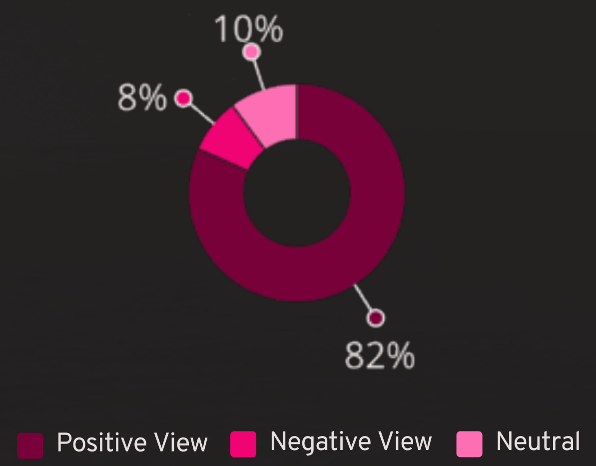
Generations

- Age groups are relatively equal across older Millennials to the Silent Generation at 21-22% for each group.
- 33% constitute 'younger consumers' which is comprised of three age groups of Millennials and Gen Z: 18-24, 25-34, and 35-44 years old – notably the first two groups represent only **13%** of this total.

Lifestyle

- 59% are employed full or part-time with 14% indicating they are small business owners.
- 61% hold post-secondary university degree (bachelors, masters and/or doctorate).
- Income brackets are reflective of US Census Bureau data.

View on Life



Finally, the study coincided with a series of government policy changes enacted by a new US administration and congress, including material changes to tariffs and immigration policies. The results of these changes are currently uncertain, yet they have contributed to some economic uncertainty such as lower consumer confidence, stock market adjustments, slower employment growth and concerns with ongoing inflation. Amongst this environment we asked respondents about their personal outlook on life. There is a notable expression of happiness with 82% indicating they are very happy or somewhat happy with their life, which is 1.1x that of the 'control' group at **73%**. Less than **10%** indicated they were somewhat unhappy or very unhappy with their life. This demonstrates an optimistic consumer mindset among respondents given their individual circumstances relatively to the macroeconomic environment.

Wise Marketer Group

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More published insights for this consumer study can be found in each of our Convenience & Fuel and Home & Improvement Insights Briefs. Scan QR code to request your copy.

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