BIZCOMMUNITY

Clicks Clubcard takes the lead in loyalty

Clicks Clubcard has moved into the top spot as South Africa's most used loyalty programme at 67%, just beating last year's loyalty leader, Pick n Pay Smart Shopper and therefore nudging the supermarket chain's programme into second place at 66%. Despite a sizeable jump down to 44%, the Dis-Chem Benefits Programme ranks as the third most used programme, up from fifth place last year - and together with Clicks shows that loyalty for pharmacy and beauty retail is strong.

The results are the latest findings of the *2017 Truth Loyalty Whitepaper* in partnership with BrandMapp, a comprehensive annual snapshot of the loyalty habits of 28,273 adults with a gross monthly household income of R10,000 or more.

Four out of five people use loyalty

Overall loyalty is up by 8% from 2016, taking the total number of respondents using loyalty programmes to 79%. With four out of five South Africans now using loyalty, it's clear that most people view membership as worthwhile. Amanda Cromhout, founder and CEO of Truth says, “It's been another tough year for South Africans and political and economic instability invariably ends up hurting our pockets. It's a valuable opportunity for brands to show support by offering rewards that really meet their customers' needs.”

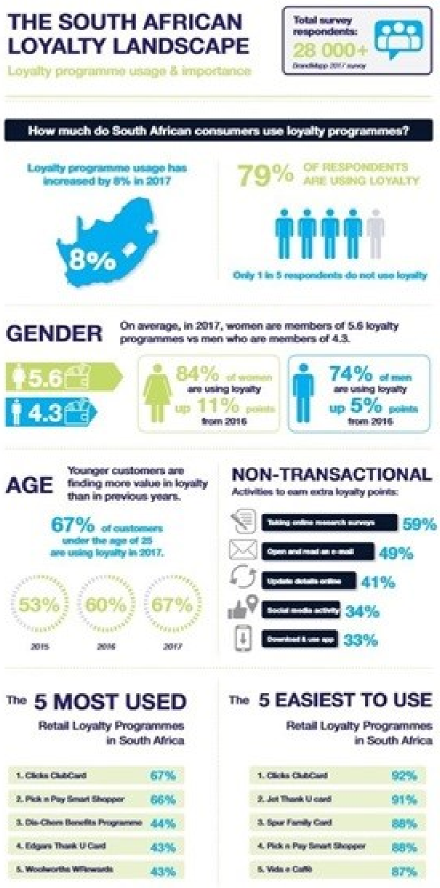
Clicks reported earlier in the year that its Clubcard membership base has grown to 6.5 million members and these make up 77.4% of sales.

“Clicks made a simple but fundamental change to its redemption process – paper-vouchers were replaced with virtual points that can be redeemed as cash-back when you swipe your card at the till. While Clicks and Dis-Chem are among only a handful of brands that do this, it's a sure-fire mechanism for increasing redemption,” says Cromhout.

FNB and Spur still leading in respective industries

Edgars Thank U Card retains its spot as the fourth most used programme and Woolworths' WRewards drops from third to fifth place for 2017. Other highlights include:

• FNB eBucks is still the most used loyalty programme in the banking space, clinching the sixth spot overall
• Spur Family Card is the only restaurant chain in the top 20 and sits at seventh place
• Vitality remains in the top ten at eighth place



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Seventy-four percent of men use loyalty programmes, which is 5% points more than in 2016, while 84% of women do, up by 11% points from last year. Interestingly, however, both sexes belong to slightly fewer programmes. “This is quite interesting and is representative of consumer behaviour. Consumers are becoming more choosy about the programmes with which they engage and this approach makes financial sense. Consumers will reap more from participating fully in fewer programmes, than spreading themselves thin across multiple programmes.”

Fewer programmes mean maximising rewards

With new loyalty programmes popping up all the time, it might be worthwhile for customers to be selective about their membership. Cromhout adds, “My advice to consumers who want to get the most out of loyalty is to focus on choosing the brands you use most often and whose loyalty programmes earn rates that are fairly high (2-5% of spend ideally). Select brands that meet your needs across different sectors (e.g. grocery, banking and personal spoils like salon treatments) to maximise your earning on fewer programmes, allowing you to accumulate rewards faster.”

Brands need to do their homework about how customers want to be engaged and what they’re prepared to do to earn points. The results indicate that younger consumers are most willing to complete non-transactional activities such as reading an email or engaging through social media channels with the brand, in exchange for rewards. In fact, only 6% of respondents between 16-24 years of age indicated they wouldn't complete any activities for points/rewards. Taking an online survey is the most preferred activity overall at 59% to earn extra loyalty points while the least popular at 22% is watching a video.

“The *2017 Whitepaper* findings offer great insights for brands looking to become category leaders in loyalty – an incredibly valuable position considering today’s competitive landscape. The data tells us that 90% of those surveyed use their loyalty points either frequently or to save for specific rewards. So more brands need to make it easier to redeem rewards – regardless of the industry,” concludes Cromhout.

View the full *2017 Truth Loyalty Whitepaper* online.