

How South Africans rate their loyalty programmes

By [Stacy Saggars](#), issued by [Kantar](#)

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Just over one in four South Africans has experienced a negative impact on their household income since early 2020, which, when coupled with the increasing inflation rate (7.1% nationally, 17% for an FMCG basket, 6M Feb 22 vs. 6M Feb 23), has forced South Africans to reconsider their household spend and prioritise opportunities to maximise savings.



One of the best ways they do this is by accessing the discounts, promotions, and benefits offered by store loyalty cards – something that 99% of connected South Africans use, and a third of us are using more now than we did a year ago.

The top five loyalty programmes by usage are Checkers Xtra Savings, PnP Smart Shopper, Clicks Clubcard, Capitec Live Better Rewards, and Spar Rewards. Checkers Xtra Saving is used across income groups, but like Clicks Clubcard, Dis-Chem Benefit, and Woolworths Rewards, it more notably shows up in upper-income households. Lower income South Africans are more likely to access the loyalty programmes of telecom providers, like Vodacom's Vodabucks and MTN's Yellowbucks.

There are two key considerations when designing a loyalty programme. The first is the loyalty mechanism, the actual solution that generates the highest interest when a consumer is considering their in-market purchase options. And the most preferred of these are cash back into a bank account, discount vouchers, and cash back into the loyalty card to be reused with the brand.

The second is how the offer builds on the existing equity that the brand has created over time (and which impacts brand predisposition). This really comes down to what complements the brand personality.

99% of connected South Africans have a store loyalty card

84% of customers say loyalty programmes influence where they shop

56% say it influences the products they buy

Preferred loyalty benefits

Preference is for cash back into bank account, followed by discount vouchers

Cash back into bank account | Discount vouchers | Cash back into card | Cash back into card to be re-used at selected brands | Double points | Birthday offer | Charitable donations



According to our research, customers find that South African loyalty programmes all have their strengths:

- The best value programme is Checkers Xtra Savings, followed by Capitec Live Better Rewards, Clicks Clubcard, and PnP Smart Shopper.
- The easiest to understand programmes are Checkers Xtra Savings and Clicks Clubcard.
- The easiest to redeem are MTN Yellowbucks, Capitec Live Better Rewards, and Vodacom.
- The easiest to earn points with are Clicks Clubcard, PnP Smart Shopper, and Shell V+.
- The best partnerships are Capitec Live Better Rewards, Checkers Xtra Savings, and FNB eBucks.
- The best discounts are Checkers Xtra Savings and PnP Smart Shopper.
- The best benefits are Clicks Clubcard and Checkers Xtra Savings.



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Of course, we must acknowledge that it is likely that the loyalty programmes that are top-of-mind are those that relate specifically to the areas of the household budget that are being prioritised. According to Kantar's Mzansi Consumer Barometer, a third of South Africans are foregoing luxuries and prioritising essentials. Kantar Worldpanel data from the first quarter of 2023 identifies these categories as food and personal care. It also shows that customers are not only prioritising these categories, but they are also rationalising them in terms of number of packs purchased.

It would naturally follow that the loyalty programmes that are likely to have the greatest meaning in our current climate relate to grocery and beauty and personal care. However, there may be one additional area of critical importance. While we don't track data purchasing through Kantar Worldpanel, it would be safe to assume that this is also a top priority given the popularity of fast-growing platforms like TikTok, Instagram, and Facebook across all income groups in South Africa.

In the current crisis, loyalty programmes have gone from being valuable assets to brands to essential tools for ensuring success. Making sure that your programme's offerings are clear, easy to understand, easy to redeem, and provide real value should be (and likely is) a top priority for every brand.

Want more? Catch the digital launch of our Mzansi Consumer Barometer by registering to view on demand [here](#).

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