

# Loyalty programmes expand in South Africa

By [Jaco Oosthuizen](#)

27 Jun 2014

The market for loyalty programmes in South Africa has enjoyed high growth over the last few years. There are over 70 loyalty and rewards programmes in the country with at least 10 million people belonging to one or more of them.



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Many rewards programmes in South Africa are founded in retail with the purpose of encouraging repeat business. However, financial institutions are taking their share of the market, as consumers wise up as to how programmes work, how to gain the best advantage from them and importantly, whom they can trust with the information that they are sharing by engaging with them.

It's becoming more and more important to reward programme members for more than just making purchases. By providing incentives and rewards for ongoing engagement outside of specific campaigns or related directly to purchases, you are contributing to loyalty built through a relationship with a customer who trusts you to provide valuable and relevant information, about topics that are relevant to their life and to your business.

## Online engagement open to all South Africans

An example of online engagement that encourages and rewards repeat visits to its website, without expecting members to make any purchases, is the company's Financial Wellness Assessment solution, which is available to all South Africans, even those who do not hold a company product.

Its programme members earn points on the programme for registering on the website and then completing the survey, which generates an action plan for them towards achieving financial wellness. These points contribute to their status on the programme, which in turn determines the discount they can enjoy from the programme's partners, which include Virgin Active, Planet Fitness, Dis-Chem Pharmacies and Mango among others.

What is important about the Financial Wellness Assessment solution is that engaging with it results in a reward for taking

action that adds value to the user's life and not just for making a purchase. If consumers use the report generated by the online solution to take remedial action by engaging with a company's financial adviser, they will earn even more points toward their status on the programme.

Members who participate in the online solution also benefit from a greater sense of wellness, achieved through feeling more in control of their finances. Financial stress often impacts negatively on health and wellbeing and giving members the power to take control of their financial wellness is just another way we provide meaningful rewards.

## **Once-off rewards not sustainable**

Something else that is important to the success of rewards programmes in general is to understand that one-off rewards are likely to result in one-off customers.

Customers tend to prefer building relationships and they respond well to patterns of positive behaviour. Therefore it's essential to engage with programme members frequently, adding regular and meaningful value, rather than just offering occasional benefits.

This could include encouraging the regular completion of online personal health, fitness or financial wellness reviews, as well as regular special offers or discounts with retail partners. The more structure a programme has, the more that members will trust it and incorporate it into their daily lives.

## **Need achievable benefits**

Rewards programmes also need to be approachable, and offer achievable benefits. If you make it too difficult to earn rewards or navigating through different reward levels seems too complicated, consumers may be hesitant to engage with your programme - they may be more likely to turn to programmes that offer accessible, meaningful and tangible rewards.

If you have a tiered system, make it simple. Make it easy to earn points, quickly and make the rewards relevant and meaningful. If a programme member can see immediate benefit, they are likely to engage with the programme again and again.

The thread that holds rewards programmes together is putting the customer at the centre of its marketing, product and company goals. While rewards programmes are certainly a great way to harvest data about customers, it is important to realise that having customers that are online savvy also means that you have customers who are aware of the implications of the information age.

This goes beyond people being wary of sharing their information online to protect their privacy and security to prevent fraud, although these issues remain at the forefront. Offering real value, through financial benefit and through relevant information or resources, is what is going to ensure repeat engagement.

Moreover, that repeat engagement is what eventually makes a rewards programme successful and relevant to the consumers who are using it, and to the business that is offering it.

## **ABOUT THE AUTHOR**

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