

Mobility and loyalty unlock SA consumer spend

Loyalty payments are holding a steady ground when it comes to chosen methods of purchasing items over the internet. This is according to a research study by payment provider, PayU. The study reveals that South African consumers have put loyalty payments in the top three methods of payment used online at an impressive 5% of all transactions.



Stuart Mles via freedigitalphotos.net

Growth of alternative payment methods

"While card payments are still the leader in terms of online transactions, we have seen a steady growth in alternative payments such as Loyalty and EFT over the past year," says Mustapha Zaouini, CEO of PayU.

Alongside the growth in loyalty payments, the company also found that mobile usage is on the rise. Hardly a surprising statistic in light of the fact that m-commerce is on the rise. South Africa already has one of the highest levels of mobile phone penetration on the continent at 133% according to On Device Research. The same survey also showed that 63% of South Africans felt that the mobile internet had improved their lives, offering them one of the only ways that they can access a wealth of information and services online.

"Our study found that Android devices used for online shopping took the lead on both smartphones and tablets, almost doubling the number of transactions allocated to mobile compared to last year," says Zaouini. "Devices that allow access to the internet are fast becoming portals to every aspect of the consumer's life, from work to entertainment to grocery shopping."

Most retailers not mobile ready

However, the SME Mobile Readiness Survey by the wiGroup Fast Company shows that only 35% of South African retailers are allowing customers to make purchases online through their mobile devices. And 14% of respondents said they weren't going to bother with a mobile strategy going forward.

Brands are missing a vital trick when it comes to accessing a viable market when they ignore the value of mobile commerce. Without allowing for a variety of methods of payment, the retailer is failing to serve a significant percentage of their potential target market.

Using loyalty points in leveraging customer spend

"Another point worth emphasising is the role that loyalty points can now play in leveraging customer spend," says Zaouini. "Well designed loyalty reward programmes with strong links across industry will open up the avenues through which consumers can spend their hard-earned points and introduce them to new retailers, markets and solutions that previously would have not been on their radar."

As loyalty points continue to hold their own, stabilising and delivering a steady percentage year on year, they are proving to be a reliable channel of customer contact and engagement. Brands are in a position to drive these programmes to further brand loyalty and continued customer commitment.

"Consumers are now earning and spending their loyalty points at a consistent rate," concludes Zaouini. "It is the perfect opportunity to position them as a reliable and secure form of online shopping and to use the data to consistently drive consumer loyalty programmes to deliver improved solutions and partnerships."

For more, visit: <https://www.bizcommunity.com>