

I&J Customer Club - the company's best hidden salesperson

A third of I&J retail sales are to I&J Preferred Customer Club members, which is conclusive proof that a well-run loyalty club is among the most powerful of selling tools.

In 1994 I&J, together with PRIMApximity (then PRIMA LS DIRECT), started researching a customer loyalty club. Ten years on the I&J Preferred Customer Club is the oldest and one of the most successful fast moving consumer goods (FMCG) clubs in South Africa. It is also I&J's standout salesperson.

Why is the club so successful? "We have simply stuck to a winning formula," says I&J marketing director David Pietersen. "During our research phase, we asked customers what they wanted, and today we keep giving them what they want. Another reason is that our club is free to the members."

Back in 1994 customers were asked to complete questionnaires that revealed information about who they were and what they needed from I&J. The survey revealed that the majority of customers wanted:

- Discount Coupons
- Product news
- Recipes
- Competitions

In 1996 the New York trade magazine, Marketing Insights, reviewed the club. It commented; "If there is one remarkable thing about the club, it is that it was designed by the customers themselves. I&J is one of the best (international) examples we have seen of how you can methodically build a sophisticated customer database fed by a wide range of promotion activities - before moving to a higher level of relationship marketing."

South Africans, according to a recent survey by World Wide Worx, spend nearly R1 billion to belong to customer clubs, and there are 4.4 million memberships. This makes I&J's free offering even more remarkable, especially as some clubs are charging over R1000 a year.

"Too many clubs undervalue the beauty of keeping things simple," says Santie Nel, who has a masters degree in research psychology. "I have analysed the swing from paper contact with club members to email. The latter is obviously cheaper but in I&J's case, club members like recipes and information on paper. They want to discuss things with the family, pass the recipe around."

The club has, in the past, been used to launch new products. It also allows accurate and efficient market research, which is totally targeted on users, making it an excellent avenue to reward active customers.