

# These are SA's favourite loyalty programmes

Pharmacy and beauty retail is leading the charge when it comes to loyalty programmes in South Africa. Clicks Clubcard has remained at the top as the most used loyalty programme at 72%, 12% points ahead of number 2, Pick n Pay Smart Shopper at 60%. Dis-Chem Benefit Programme ranks as the third most used programme - and together with Clicks shows that loyalty for pharmacy and beauty retail is strong.



The results are the latest findings of the *2018/19 Truth and BrandMapp South African Loyalty Landscape Whitepaper*, a comprehensive annual snapshot of the loyalty habits of 25,369 adults with a gross monthly household income of R10,000 or more.

## Loyalty usage has matured

The total number of respondents using loyalty programmes is 75%, with a slight decline of 4% points from 2017. Up until now, loyalty usage has grown year on year. The South African loyalty landscape has entered a level of maturity when it comes to how consumers are using loyalty programmes.

Amanda Cromhout, founder and CEO of Truth says, "This maturity witnessed in the market is a combination of consumers being more astute, as well as brands aiding this to happen: i.e. educating members how to get the most out of the programme. Increased participation in these programmes brings increased points redemption and higher levels of engagement."

## Health and beauty sector make impressive strides in loyalty

2018 has seen the top 3 positions for retail remain unchanged but has witnessed some interesting shifts in actual loyalty programme usage. Clicks ClubCard remains number 1 in the most used loyalty programmes, with 72% of South Africans using the Clicks ClubCard, and in poll position they are ahead of Pick n Pay Smart Shopper by a clear 12% points.

The third spot remains in the hands of Dis-Chem, with 49% of South Africans using the Dis-Chem Benefit programme, showing an impressive growth of 5% points since last year. More noticeably, for Dis-Chem, is their year on year growth from sixth position in 2015, fifth in 2016 and now third position for the past two years, with continued growth of programme usage.

This category exceeds loyalty KPIs in terms of their performance and both are still improving in terms of offering advanced personalisation and enriched customer experiences derived from the insights gathered from their loyalty customers.



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## Retail banking programmes focus on improving offering

The results amongst the retail banking loyalty programmes remain unchanged. In dialogue with FNB eBucks, Standard Bank UCount and Absa Rewards, all see their loyalty propositions as a means to help South Africans in these cash-strapped difficult times. All specifically state that their partnerships in either grocery and fuel really help their customers.

FNB eBucks is still the most used loyalty programme in the banking space, clinching the sixth spot overall, with 36% of respondents using eBucks. Absa Rewards and Standard Bank UCount remain at eleventh and twelfth position respectively, and Nedbank Greenbacks is placed at number 18.

## Preference for physical loyalty cards

The 2018/19 whitepaper reveals that 59% of survey respondents who use loyalty programmes prefer to use a card, whilst 47% prefer to use an app. Thirty-three percent of the survey respondents would prefer an automatic system that identifies them at the paypoint.

Card usage is still highly adopted by South African consumers. Brands need to realise the different needs consumers have across different channels.

Ros Netto, loyalty and CRM consultant at Truth says: "It is no longer an 'either/or' debate about having a physical card or an app. It is rather a strategic decision to ensure that your programme responds to what your consumers prefer to ensure that their expectations are met and that you offer a seamless experience regardless of channel."

## Cashback, instant discounts entice consumers

Eighty-one percent of South African consumers belong to a loyalty programme to collect points and earn rewards. Fifty-one percent say they belong to loyalty programmes to save money.

In a tough economy, consumers continue to search for monetary value. This is evident in the results showing consumers still prefer cashback (73%) and instant discounts (57%) over any form of VIP treatment, such as priority queues or exclusive experiences.

[View the full 2018 Truth & BrandMapp Loyalty Whitepaper](#)

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