



Rewarding outside the box

Beth Amato takes a look at some of the more novel ways of rewarding customers

FRESH IDEAS

Rob Anderson, CEO of Brandhub, says brands that want to stand out from competitors only offering financial incentives can consider adding loyalty incentives such as:

- offering gifts with certain purchases
- giving loyal customers early access to sales
- buy-one-get-one-free offers
- teaming up with an associated business to offer reciprocal discounts
- openly favouring your loyal customers on social media
- rewarding referrals
- providing free e-learning courses, or helpful articles sourced through curated content. A novice runner, for example, could get content about training for a big race.

When it comes to joining loyalty and rewards programmes, South Africans don't need convincing.

The 2016 Nielsen *Global Retail Loyalty Sentiment Report* showed that South Africa had the highest number of respondents (84 per cent) who were members of a loyalty programme, compared to the global average of 66 per cent. However, savvy and discerning consumers want more than financial incentives. It's critical, therefore, that companies embrace innovation to elicit that wow factor and keep their customers for life.



Mia Morkel

CONVENIENCE OF ORDERING AHEAD

For tired and strung-out parents on a morning school run, there's nothing better than imagining a takeaway coffee stop, but without getting out of the car to collect said coffee, or wait in long queues paying a drive-through teller. The "ordering ahead" craze means people can order ahead, make payment and earn rewards in one transaction. The tired parents only then need to roll down their window, collect their cup of java and get on with their day (if the waiters are willing to rush out onto the pavement, of course).

Mia Morkel, managing director of retail rewards at wiGroup, says that "skipping the queue" should be a phrase that's top of mind for brands. "This enhanced customer-engagement channel enables a customer experience that is truly frictionless and adds value," she says.

PRIORITY AND PERSONALISATION ARE KEY

The global economy has taken a knock and customers are looking at price and value to inform purchasing decisions. Rachel Wrigglesworth, chief commercial officer at Clicks, notes that in this context, loyalty programmes must continue to deliver transparent financial rewards, but that in a sector like beauty, "priority access to new launches" has proved a hit. Furthermore, options like first access to end-of-season sales make customers feel special.



Rob Anderson

Ros Netto, CRM and Loyalty consultant at Truth consultancy, explains that people feel prioritised through "experiential rewards". These aim to exceed member expectations by providing them with access to experiences of things that can't be replicated. "These types of rewards offer a level of personalisation that a transactional reward cannot. They can create memorable experiences that have a far greater impact than simply earning points or a discount," she says.

Experiential, personalised rewards include early access to sales, priority queues, sales alerts, celebrity meet-and-greets, personal shoppers or stylists, extended returns, express or free delivery options, "no questions asked" guarantees, fast-track customer service queue, and free alterations. However, both Wrigglesworth and Netto agree that there's no one-size-fits-all reward. Customers have different expectations needs and interests.

It remains critical to consider, says Netto, that the most enjoyed benefit offered by a loyalty programme remains "cashback". South African consumers prefer monetary benefits such as discounts, coupons, vouchers or savings to exclusivity. "However, it's not to say exclusive benefits shouldn't be offered as part of a programme's value proposition," she adds. "These benefits appeal to specific types of customers, creating a heightened perceived value."

REWARDING WORTHWHILE NON-FINANCIAL ACTIVITIES

While money makes the world go around, brands are drawing in customers by rewarding them even if they don't spend cash. Non-transactional activities worth rewarding include the updating of contact details, downloading the app and completing a survey. "Rewarding customers beyond transactions ensures that the customer feels valued by the brand outside of a monetary exchange. The interaction becomes more personal and consumers who may not have the spending power to earn frequent points and instant rewards feel included," notes Netto.

It's not only the customer that benefits. Incentivising consumers to update contact details, for example, will ensure the database is up to date. Furthermore, increased consumer engagement provides valuable data. Consumer insights garnered from online surveys, reviews and social media activities remain invaluable to any company. ●

Images: Supplied