

While not a traditional earn-and-burn loyalty programme, Edgars Club was launched in 1990. SAA and Sun

International first offered Voyager and Most Valued Guest (MVG) members loyalty rewards in 1994. In 1995, Clicks pioneered its ClubCard, while FNB launched eBucks in 2000. Dis-Chem, which introduced its Benefit card in 2003, is also considered one of the pioneers.

EDGARS CLUB AND EDCON THANK U

Edgars Club was a trailblazer in its time. "A club concept offers fee-paying members a wide range of benefits across various categories, often with a strong focus on funeral cover," says Amanda Cromhout, founder and CEO of Truth, a loyalty and CRM consultancy. And while the Edgars Club is still going strong, with more benefits being added all the time, in 2012 the Edcon group launched its Thank U rewards programme. "In just seven years, over R1.3-billion worth of points have been redeemed by members," says Zandile Manana, divisional executive: Rewards at Edcon. "Customers are now more selective about the programmes they engage with and understand which benefits really matter to them, so the programme has to evolve constantly. Ways that the programme has evolved to better serve the customer's needs include an extended expiry period, no threshold for redemption, earning at partner sites, and the facility to burn points on airtime and data via the app."



The test of time



Zandile Manana

Caryn Gootkin looks at how the programmes that pioneered the loyalty industry in South Africa have fared over time

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SAA VOYAGER

Although SAA pioneered the frequent-flyer programme in South Africa, it lags behind its competitor Avios (recently closed by Avios globally) in the 2018/19 *Truth & Brandmapp White Paper*. Despite being the first to market, it has not evolved as a programme. The only real advancement has been the joining of Star Alliance, giving it a global reach, and the inclusion of Avis as a burn partner. Like other loyalty programmes, it is also linked to a fuel brand, Total, but this relationship is not well publicised.



SUN INTERNATIONAL

Sun International's MVG Programme began as a gambling loyalty programme. "In October 2016, we introduced the Sun MVG Loyalty Programme, which expanded the umbrella to encompass all products within the Sun International family: gaming; hotels; and leisure," says Lize Adrianzen, Sun International's Group Loyalty Programme manager. "Sun International is always exploring options to enrich our loyalty programme, which ultimately rewards our members for their patronage of a Sun International property. Our MVG Programme started as a data-collection constituent. It enabled us to build a customer database that allowed us to communicate directly with our customers and, most importantly, to continue to bolster those relationships when gambling was legalised."





CLICKS

The Clicks ClubCard programme has come a long way since 1995. "It now has 7.8 million active members and, according to the latest *Truth & Brandmapp WhitePaper*, it has overtaken Pick n Pay Smart Shopper to claim the top spot in the most-used loyalty cards in South Africa two years in a row," says Cromhout. "The differential in 2017 was 1 percentage point, but last year it led by a massive 12 percentage points, showing that it is indeed voted by SA consumers as the industry leader."

The programme has grown in both depth and breadth since its inception, and now includes all other companies in the Clicks group. "Clicks ClubCard has grown from a closed loop (earn and burn in the same store) to a more open loop, where customers can earn points in all Clicks group stores as well as several other partners, like NetFlorist and Europcar, but can only burn points inside the Clicks group," says Cromhout.

Clicks also offer cardholders a variety of 3-for-2 specials and a rich two per cent earn rate, which goes up to four per cent if you qualify as a top spender. "All the work that has gone into enriching and simplifying the redemption process has streamlined the system into a simple, customer-friendly programme," says Cromhout.

HOW OLD ARE LOYALTY PROGRAMMES?

Loyalty programmes have their origins in copper tokens given by store owners in America during the 18th century. Stamps replaced the tokens in the early 1900s. In 1979, Texas Airlines launched its frequent-flyer programme and the modern loyalty industry was born.



Lize Adrianzen

DIS-CHEM

The youngest of the pioneers, Dis-Chem Benefit Card has a decent earn rate of 1.5 per cent, on top of which a portion of your "eligible spend" is donated to the Dis-Chem Foundation. The system is simple, with no tiers and a straightforward partner relationship with Total of 10 points for every litre of fuel. Their relationship with Momentum Multiply is also a drawcard as members can earn up to 12 per cent back when buying certain Momentum products.

Dis-Chem has innovated better than its competitors in terms of its mobile app, which allows users to navigate the stores more easily, register and order new scripts, set medical reminders and earn virtual stickers to qualify for gifts. The app also functions as a virtual Dis-Chem Benefit Card. Members can also donate their

Dis-Chem points to the Dis-Chem Foundation using the app.



EBUCKS

"The eBucks programme now states it has an 89 per cent redemption rate, one of the highest in the industry," says Cromhout. "They are very clear about their purpose: to support the bank and the FNB Group. Their tiered structure means that your earn rate depends on which tier you are on and the only way to reach the highest tier is to bank deeply with them, including typically taking out asset products."

The depth of their customer interaction is one way in which they have responded to greater competition. "They communicate often with their customers via SMS and give helpful suggestions of how you could improve your earn rate," says Cromhout. "This, and the fact that they have simplified what used to be a complicated programme into a user-friendly experience, accounts for their popularity."

They constantly add new partners, the latest being Uber Eats. You can redeem your eBucks at lots

of different burn partners, either in stores or online. "They also have a very successful fuel relationship with Engen and a breadth of other useful partners," says Cromhout.



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HOW DO THEY FARE TODAY?

The 2018 *Sunday Times Top Brands Survey* lists Clicks ClubCard as the second-best loyalty programme in South Africa, with FNB eBucks in fifth place. The latest *Truth & Brandmapp WhitePaper* confirmed Clicks ClubCard as the most-used loyalty programme, with Dis-Chem taking third place, Edcon Thank U in fifth and FNB eBucks in sixth place, making Clicks ClubCard still the industry leader by far as its closest competitor, Absa Rewards, trails far behind.

The older programmes that remain industry leaders are as a result of them having evolved through strategic partnerships with a myriad of different partners and clever use of technology to streamline the customer's experience and place the customer at the centre of their strategy. ●