

# Who says loyalty doesn't pay?

 By [Amanda Cromhout](#)

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So many articles were written last year, making reference to the fact that loyalty doesn't pay. So many radio interviews, one of which I was part of, on Bruce Whitfield's Money Show, were questioning whether loyalty pays.

You know what? It does! I am not saying that because I am a loyalty professional or simply to keep this industry flying. I am speaking from personal experience as someone on the street.

## Understanding loyalty programmes

However, before I launch into my big reveal, I do want to make the point that most consumers may well feel that loyalty doesn't pay. My synopsis of why we feel like that is, quite simply, because we don't understand the loyalty and rewards programmes. There are so many. They are all confusing. They have too many rules and hurdles. Yes, I can respond to all those comments. Therefore, the challenge facing our loyalty industry is not so much in creating fancy programmes, but rather in focusing our energy in simplifying them and communicating the benefits for the only important element of this equation: the customer... But more on that later.

So, obviously, we at [Truth](#), milk the programmes, because we understand them, but so can you.

Karen, in the Truth team, had the privilege of flying British Airways *first* class with her husband to London in December. How? A family member had so many Executive Club points that he simply cashed them in to gift such an extravagant present to Karen and her husband. Not only that, but she also cashed in on her [Nedbank Greenbacks rewards](#) to get GBP 170 back in cash - hard cash to help ease the strain of the exchange rate for her trip.



Last November, [eBucks](#) emailed me to remind me to spend my eBucks and made it easy for me to do so: One click of a mouse and my redemption options were ready and waiting.

I chose the [Woolworths](#) gift card options\* (to ease the strain of our upcoming Christmas spend) and I am a hoarder loyalty player: i.e. I don't cash in frequently, but when I cash in, I cash in large!



So here it is: Over R6000 worth of Woolworth's gift vouchers. Now who can argue that loyalty doesn't pay? I could have earned even more if I truly concentrated on every card swipe.

Now you may argue that we are two extreme cases but actually we are not. We do understand the programmes (it's our job to) but we have benefited from loyalty programmes which work.

## Real value

I have several credit cards in my wallet, not necessarily because I am desperate for credit but because they offer me real value which easily offsets the card annual fee or loyalty linkage annual fee.

My FNB card accumulates eBucks which, when the time is right, probably helps me get Woolworths vouchers for an

exceptionally rich rate. It also gives me free access to the [SLOW lounge](#) at local airports which is a win for my travelling schedule.

My Discovery card, allows me to earn [Pick n Pay smartshopper](#) points at an accelerated rate of at least x4 and gives me discounts at its partner retailers, which easily offsets any fee I incur to carry the card.

My Woolworths black credit card, gives me 3% back on all of my Woolworths spend (plus contributes to the charity of my choice: The Amy Biehl Foundation) as a beneficiary of the [MySchool programme](#). Woolworths sends me a cash voucher every quarter for at least R1000 - happy days!

## Why do people miss out?

You may be arguing that I spend a lot... maybe, but not intentionally... at least I get rewarded for what I spend. No-one should miss out on this, but why do they?

Quite simply, the average consumer doesn't really care about the loyalty systems of our retailers and banks. The loyalty programme challenge is for our high street brands to learn how to communicate the benefit (not the rules and restrictions) to the consumer and to simplify the opportunity to join, play and get rewarded.

It is my personal mission in 2014 to help the loyalty industry in this regard. Let's give the power back to the consumer so they can understand the loyalty programmes out there and benefit from their loyalty swipes. If they don't, they may simply be creating the loyalty industry tennis elbow from fruitless swiping of the plastics in their wallets.

*\*Of recent eBucks Rewards no longer sell Woolworths vouchers in the eBucks Shop, however, since Checkers and Shoprite became its grocer partner in September 2013, eBucks members are now able to get Checkers vouchers which were made available from January 2014.*

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## ABOUT AMANDA CROMHOUT

Amanda is the founder & CEO of Truth. Amanda's extensive experience in the field of Loyalty & CRM has put Truth at the forefront of loyalty in South Africa. She enabled customer-led sales and marketing strategies across the UK, Africa, Middle East and India, at British Airways for 11 years. She has also spearheaded the Customer (CRM) division at Woolworths, South Africa's no. 1 premium retailer.

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