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BrandMapp
BRAND MEDIA AND PRODUCT PROFILER

2023/4
SOUTH AFRICAN LOYALTY LANDSCAPE
8TH EDITION

162 **CATEGORIES**

240 **MEASURES**

1 300 **BRANDS**

35 504 **RESPONDENTS**

350 **MEDIA BRANDS**

COMPREHENSIVE
LOYALTY INSIGHTS
FOR YOUR BRAND

LIFE STAGE

LIFESTYLE

MIND STATE

FINANCIALS

LOYALTY

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ABOUT THE
2023/4 LOYALTY WHITEPAPER

For the eighth time, Truth and BrandMapp bring the world of loyalty an exceptional whitepaper, full of insight and loyalty strategy.

This whitepaper is based predominantly on the results from the BrandMapp study, executed by WhyFive Insights, combined with the loyalty insight of one of the world's leading loyalty consultancies, Truth. We enrich the data insight with a research study conducted by MoyaApp, enabling this whitepaper to represent consumer responses from the highest earners in South Africa to SASSA grant recipients and to reveal their perceptions of loyalty programmes.

Now in its tenth year, the annual BrandMapp consumer landscape study surveys 35,000 respondents and represents the needs, perceptions and behaviour of approximately 13 million South African consumers living in homes with a monthly household income of R10,000 p.m. or more. We term this population the 'economically active' throughout this whitepaper. Whilst this may only be 30% of all adults, it represents 100% of the country's tax paying base and 85% of consumer spend. Within the 'economically active' consumer base, we further segment this group into a 'middle market' (the 10m consumers earning a monthly household income of R10,000-R40,000) and the 'top end', the 3m individuals earning more than R40,000 household income per month, a group who take home more than half of all the formal income earned in South Africa every year.

For the second year, we have boosted the depth of respondents using MoyaApp and its research in the lower income segment. MoyaApp has reached 11,500 consumers with a household income of R10,000 per month or less. The profile of MoyaApp respondents is 51% unemployed, 13% students, 13% self-employed, 12% part-time and 11% full-time employed. It translates as income bands (for monthly household income) as follows: 52% has R800 or less, 23% with R800-R2,500, 15% R2,501-R5,000 and 10% R5,001-R10,000. Throughout this whitepaper, we refer to the segment of consumers in the MoyaApp research as 'mass market' consumers.

The research studies conducted by BrandMapp and MoyaApp concluded at the end of 2023.

This whitepaper is written and published by Truth, an international loyalty consultancy, specialising in loyalty strategy and loyalty programme design for its clients across the globe. Truth has designed many international, award-winning loyalty propositions for global brands. This whitepaper is a significant part of Truth's educational portfolio, The Truth Customer Academy. Truth's Customer Academy has trained over 600 students across more than 20 countries to a higher level of loyalty excellence.

The Truth and BrandMapp 2023/4 Loyalty Whitepaper brings the South African market another deep study of the loyalty industry and allows international markets to learn more broadly about loyalty strategy and design from the strategic insights surrounding the research results.

AUTHOR
AMANDA CROMHOUT

Founder and CEO of Truth
Author of *Blind Loyalty – 101 loyalty concepts radically simplified*

Amanda Cromhout is the CEO and Founder of Truth - a global loyalty consultancy based in Cape Town. She is the Academic Director of Truth's international loyalty training academy – Customer Academy, which has educated over 600 students in 20 countries in loyalty excellence.

Amanda is recognised as International Loyalty Personality of the Year – 2023 at The International Loyalty Awards.

She is the author of a compelling business-read called *Blind Loyalty – 101 loyalty concepts radically simplified*, which was published in 2023 and 100% of its profits are donated to The Blind Loyalty Trust. She is the Founder and Trustee of the Blind Loyalty Trust which the global loyalty industry supports (www.blindloyalty.co.za).

She is a judge on the The International Loyalty Awards, the Asia-Pacific Loyalty Awards and Founder and Judging Chair of The South African Loyalty Awards.

As the most insightful keynote speaker on loyalty strategy and design, Amanda brings you deep loyalty experience, radical simplification and a strong dose of humour.

 www.amandacromhout.com

AMANDA CROMHOUT
INTERNATIONAL LOYALTY PERSONALITY OF THE YEAR

BLIND LOYALTY
101 LOYALTY CONCEPTS RADICALLY SIMPLIFIED

KEY TAKE OUTS

- 76% of South Africans are using loyalty programmes and this doesn't change much across income and gender but younger consumers (U25s) are still using loyalty programmes less.

- 30% or more South Africans claim they are using loyalty more than last year.

- Wealthier consumers use 9.4 loyalty programmes, whereas mass market consumers use 4.8 programmes each.

- The main reason consumers don't use programmes at all is not being able to earn rewards due to spend capacity. We encourage brands to introduce ways for members to earn rewards without increased spend initially (non-transactional rewards).

- Some consumers prefer to build up rewards and some prefer instant gratification. However, this group isn't mutually exclusive ; 47% of economically active consumers like to do both and are the most savvy and demanding loyalty members.

- There is a strong dislike of points expiry and minimal enthusiasm for programme tiering.

- Consumers are claiming that loyalty programmes influence their choice of brands across all industries, with grocery stores and fuel forecourts being the most influenced.

- Checkers Xtra Savings is the most used loyalty programme across wealthier consumers, marginally ahead of Clicks ClubCard. For mass market consumers, Shoprite Xtra Savings is the most used programme, followed by Capitec Live Better.

- Cashback remains the preferred benefit of economically active consumers. Mass market consumers also value cashback but second to airtime / data.

- Swiping a card remains the wealthier consumers' preferred loyalty identifier and providing a cellphone number remains the identifier of choice for mass market consumers.

- If consumers had to choose just one programme which they couldn't live without, Discovery Vitality and Capitec Live Better become the programmes of choice for economically active and mass market consumers, respectively.

- The following brands are listed alphabetically as brands which economically active consumers and mass market consumers state they cannot live without: Absa Rewards, Capitec Live Better, Checkers Xtra Savings, Clicks ClubCard, Discovery Vitality, FNB eBucks, Old Mutual Rewards, Pick n Pay Smart Shopper, Shell V+, Shoprite Xtra Savings and Standard Bank UCount.

Loyalty is a brand's best friend.

LOYALTY PROGRAMME USAGE

76% OF SOUTH AFRICANS USE LOYALTY PROGRAMMES

DO SOUTH AFRICANS ACTIVELY USE LOYALTY PROGRAMMES?

Over a nine-year trend, we see that loyalty programme usage has grown from 67% in 2015 to 76% in 2023/4 of South Africans stating that they use loyalty programmes. This is an increase of 3% points compared to 2022. What is extremely interesting is that this headline statistic does not change significantly across gender or income. The economically active South African population and the mass market consumer are using loyalty programmes equally at 76%. As a reminder, economically active is defined as consumers with a household income (HHI) of R10,000+ p.m. (and are studied throughout this whitepaper in the BrandMapp research). Mass market consumers are defined as consumers with a HHI of R10,000 or less p.m. (and are studied throughout this whitepaper in the MoyaApp research). We do see an uplift in programme usage for Top End consumers, with 87% of adults earning R40,000+ HHI and it is worth remembering that this segment of consumers earn more than 50% of all formal income in South Africa. This would explain the skew towards a higher loyalty usage. For the first time in the nine years of tracking this data, male and female usage is the same at 76% (for both research surveys). We have seen a steady rise of loyalty usage by male consumers over recent years and this is the first time that both genders are using loyalty equally.

The only demographic which significantly skews away from this trend is the younger generation. The youngest age group surveyed is 18-25 year olds, which shows that only 55% of economically active U25s use loyalty programmes, which is consistent with the 2022 data at 54%. Interestingly, the mass market youth still actively use loyalty programmes at a higher rate than the wealthier youth, with 72% of U25s using loyalty programmes. This shows that the less wealthy consumer really relies on loyalty programmes to get by, regardless of age.

ARE CONSUMERS USING LOYALTY PROGRAMMES MORE THAN LAST YEAR?

It goes without saying that consumers need loyalty programmes in South Africa's tough economic climate. We have heard from many loyalty brands about how their programme offerings of discounts or cashback help consumers make it through the month and to ultimately make ends meet. It is, therefore, not surprising that a significant number of consumers are using loyalty programmes more than last year.
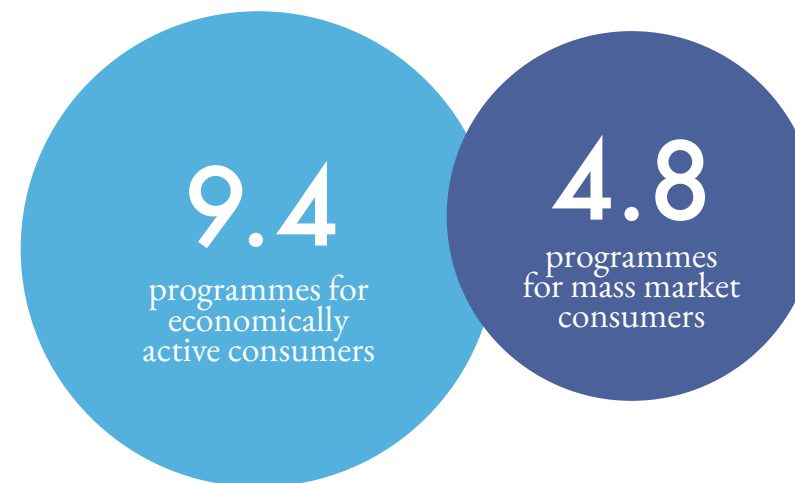
30% of economically active consumers are using programmes more.

32% of mass market consumers are using programmes more.

NUMBER OF LOYALTY PROGRAMMES USED

Whilst a significant number of consumers are using loyalty programmes, how broad is their repertoire of programmes? Do they prefer to stick to one or two programmes or are they promiscuous and use a vast variety of different loyalty offerings? It doesn't really pay dividends as a consumer to be too promiscuous in programme choice.

The more a consumer invests in the programmes which they really benefit from (by consolidating spend across the brands they frequent the most), the greater is their reward potential. If a consumer spreads themselves too thin across a very broad repertoire of loyalty brands, they are unlikely to reap maximum benefits from any of their loyalty choices.

How many loyalty programmes do I actively use?

9.4 programmes for economically active consumers

4.8 programmes for mass market consumers

There is a significant difference between the economically active consumer and the mass market consumer in the number of programmes used. Unsurprisingly, wealthier consumers are using almost double the number of loyalty programmes as the mass market consumer, given that they are likely to have more disposable income to spend at more brands. Within the wealthier, economically active consumers, we do see some level of gender differentiation across the number of programmes used. Women use 10.5 programmes on average and men use 8.4 programmes. The youth (U25s) also use less programmes (only 8.3 on average). The number of programmes used within the mass market segment shows little variation across age or gender from the average of 4.8.

The low repertoire of programmes used by mass market consumers does open up an opportunity for more brands serving this market segment to offer loyalty benefits in some shape or form. There is certainly no shortage of consumer interest in loyalty, with 76% of mass market consumers using loyalty programmes overall.

WHY DON'T CONSUMERS USE LOYALTY PROGRAMMES?

If consumers respond to an earlier question with "I don't use loyalty programmes", both BrandMapp and MoyaApp ask the question: "Why don't you use loyalty programmes?"

These are the top four reasons why consumers state they don't use loyalty programmes:

20%	26%	I don't spend enough to earn decent rewards
14%	13%	It takes too long to earn rewards
9%	20%	I am worried about my personal data security
9%	14%	They are too hard to understand

BrandMapp — Economically active consumers   MoyaApp — Mass market consumers

What is most significant about these results is they can guide loyalty managers to avoid some basic mistakes or pain points for consumers when designing or refining their brands' loyalty proposition. For example, the biggest reason consumers don't use loyalty programmes (across all income groups) is that they feel they 'don't spend enough to earn decent rewards'. We can see from the survey results that this impacts the mass market consumer more than the wealthier consumer. The statement 'It takes too long to earn rewards' is a similar reason why consumers don't use loyalty programmes. There are some simple and extremely effective ways to counteract this sentiment. For example, rewarding non-transactional behaviours can be an effective strategy to motivate consumers to feel appreciated and to encourage engagement in the loyalty programme.

OLD MUTUAL REWARDS
SMALL STEPS. GREAT REWARDS.

One of the best examples of this strategy is Old Mutual Rewards. This programme incentivises behaviours such as completing financial assessments, attending short courses called 'Moneyversity,' using a savings calculator or referring a friend. Consumers can even join Old Mutual Rewards without owning an Old Mutual product. If the member participates and engages in the financial wellness activities, they are rewarded and in turn become more financially savvy. By the time they wish to take out a loan or insurance policy, they trust Old Mutual and are likely to consider Old Mutual products over competitors. This strategy shows how a brand engages consumers through its loyalty programme without the member feeling like they need to spend more to earn rewards.

Another strategy to help consumers feel appreciated before they have to spend a lot to earn rewards, is a simple welcome message when they sign up to a programme. A welcome message and incentive can go a long way to motivate consumers to stay engaged and to more actively participate in the programme even before they start transacting at any significant level. Yuping Liu-Thompkins, Director of The Loyalty Science Lab, Strome College of Business at Old Dominion University describes how the simple act of pre-filling stamp cards can encourage consumers to fill the stamp card faster.

Consumers receiving the stamp card with two pre-filled stamps for a coffee shop or car wash experience are more likely to increase their frequency to reach their target of a completed stamp card (and therefore a reward) faster than consumers receiving a stamp card with ten empty stamps to be filled.

Loyalty Stamp Card
Fill the stamp card to get your free product!

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WHAT REALLY MOTIVATES CONSUMERS TO ENGAGE WITH LOYALTY PROGRAMMES?

In both the BrandMapp and MoyaApp surveys, consumers are asked the following question:

When it comes to using loyalty programmes, which of the following statements are TRUE for you?

45%	29%	I want to be instantly rewarded for my loyalty to a brand
41%	48%	I like to build up points for big rewards
35%	61%	I am motivated to spend more to earn more rewards
32%	33%	I hate it when points expire before I can use them
28%	31%	I mostly use them to claim in-store special offers
23%	8%	I mostly use them to get cheaper fuel
22%	25%	I mostly redeem points as soon as I can
13%	14%	I prefer personalised offers to general rewards
12%	12%	I am motivated to spend more to move up tiers
11%	2%	I mostly use them for the air travel benefits
4%	2%	I often allow points to expire

BrandMapp — Economically active consumers   MoyaApp — Mass market consumers

We need to highlight the significance of the top two statements and supplement these results with a third measure. It is always a critical debate regarding the motivation to build up rewards for a longer-term benefit or to get instant gratification through immediate rewards. We can see from the BrandMapp results that a significant number of economically active consumers really like to be instantly rewarded (45%) and this is closely followed by the motivation to build up for big rewards (41%).

It is important to understand, however, that these are not mutually exclusive. The same individual can value both of these loyalty motivations. In fact 47% of economically active consumers who like to build up rewards also like to be instantly rewarded. These consumers are more demanding and are mature users of loyalty programmes.

45%	I want to be instantly rewarded for my loyalty to a brand
41%	I like to build up points for big rewards
47%	I like to do both

BrandMapp — Economically active consumers

There isn't a huge demographic variance within this sub-segment of BrandMapp respondents who wish to do both, apart from a slight skew towards the older consumer. What is interesting is that they actively use 11.8 loyalty programmes (versus the average of 9.4) and 37% of them are using loyalty programmes more than last year (versus the average of 30%). These consumers are mature, active and savvy loyalty users. In section two of this whitepaper, we review how loyalty influences consumers' decisions in terms of choices of brand to use and we see that loyalty programmes really do influence this decision-making process. In particular, we see that the consumers described above as both points builders and instant gratification seekers are heavily influenced by loyalty programmes in their brand of choice across grocery, fuel, banking, etc.

If we analyse the MoyaApp results for mass market consumers, the picture is slightly different. There is still a high response rate for building up big rewards (48%) but the instantaneous gratification is less valued at 29% of mass market consumers. Older consumers in the mass market segment value the build up of rewards (61%) more significantly than younger consumers (43%). The most significant statement for the mass market consumer is 'I am motivated to spend more to earn more rewards', with 61% of consumers stating that this loyalty statement is true. This is strategically enlightening for brands entering the loyalty playground for mass market consumers. This indicates that if they get their value proposition right, they could encourage consumers to switch wallet share across a repertoire of brands into one loyalty brand which may reward them better. In both BrandMapp and MoyaApp research results, we see the younger consumer significantly more motivated to spend more to earn more rewards.

This variance changes from 51% of economically active U25s to 14% of 65+ consumers. For mass market consumers, there is still a significant variance but less so, with 66% of U25s and 42% of older mass market consumers being motivated to spend more for more rewards. We would conclude that there is an element of naivety at play here. Younger consumers will love the principle of getting more rewards, whilst the older consumers realise that this isn't always possible with limited disposable income.

> *"Different customers react differently to different value propositions. There are some who are looking for the quick discount and are motivated to take action when they see the benefit which they can instantaneously unlock and on the other hand, you have people who like to bank and collect points and build up for something far greater than a dollar off."*
>
> - Oscar Rank on The Blind Loyalty Challenge, February 2024

https://loyaltylounge.annexcloud.com/media/blind-loyalty-challenge-with-oscar-rank

Both the BrandMapp and MoyaApp research results show that consumers 'hate it when points expire before they can use them.' As we see on page 16, 32% of economically active consumers and 33% of mass market consumers hate it when points expire. For the mass market consumer, we see a significant variance in age grouping towards this statement. Older mass market consumers are more irritated by points expiry (52%) than younger consumers who are statistically almost half as irritated by this (27%). Points expiry is a heated debate for all loyalty programme managers. There is often an accountancy concern regarding

Our recommendation at Truth is to enable active members to build up points should they wish to or redeem them immediately, as long as they are active. 'Active' can be defined as any period of time that makes sense for the loyalty brand. Typically, retailers look at a 12 month period (but this can vary from a grocery retailer with a higher frequency and a furniture or general merchandise retailer with a lower frequency, for example). A coffee shop may define 'active' in a shorter period of time, as the frequency is so much higher.

> *"Points that do not expire result in happy members and a higher customer lifetime value."*
> – Len Llaguno, Managing Partner KYROS

a balance sheet liability of unused points and it is always a focus due to programme rewards' costs. However, if there is one way to upset any loyalty member, it is to expire their points before they wish to use them. In fact, 59% of loyalty-mature consumers who like to build up points and receive instant discounts really hate it when points expire versus the average of 32%, for economically active consumers. This is a significant variance of +84% and therefore programme managers need to understand who their customers are before introducing an expiry rule which could seriously upset their most loyal customers.

Programme tiers don't feature significantly on either the economically active or mass market consumers' motivations towards loyalty programmes. However, as we have seen in previous years, there is a gender skew of male consumers preferring loyalty tiers more than female consumers. This is particularly true for the mass market consumers where males rate tiers 50% more than female consumers. We believe this is due to status and how tiers can tick the 'ego' motivation for male consumers. Gender doesn't play a significant role in any other motivational statements across the BrandMapp or MoyaApp survey results.

You can't teach an old dog new tricks, but we can teach you a thing or two about loyalty.

INDUSTRY SECTORS & WINNING LOYALTY BRANDS

DO LOYALTY PROGRAMMES INFLUENCE CONSUMER BEHAVIOUR?

There is no question from the results of the BrandMapp and MoyaApp surveys that loyalty programmes change consumer behaviour. This may seem obvious, but strategically it is often difficult to prove so supplementing data analytics with robust research can bring this behavioural change to life.

Which of the following things are significantly influenced by the loyalty programmes you belong to? - Economically active users

78%	Where you shop for groceries
55%	Where you buy fuel
48%	Where you bank
35%	Where you shop for health & pharmaceuticals
33%	Where you shop for clothes
27%	Which restaurants & coffee shops you use
19%	Which airlines you use
18%	The hotels you stay at
10%	Where you buy insurance

BrandMapp — Economically active consumers

The economically active consumer is definitely influenced in their choice of brands by loyalty programmes. The most loyalty-influenced sector is where consumers shop for groceries, followed by where consumers buy fuel. Fuel has never featured as the second most influenced sector before. The South African market has definitely experienced an explosion of loyalty initiatives and programmes in the fuel industry. We deep dive into both grocery and fuel categories later in this section. The third most loyalty-influenced sector is where consumers bank.

Loyalty influences female and male consumers differently. We do see females more influenced by loyalty programmes in more sectors. These are restaurants/coffee shops and retail in general (fashion, grocery & pharmaceutical). Male consumers are more influenced by loyalty programmes in their choices for hotels and banking brands.

Which of the following things are significantly influenced by the loyalty programmes you belong to - by gender?

- Hotels
- Banking

- Restaurants
- Clothing retail
- Grocery retail
- Pharmaceutical / health retail

BrandMapp — Economically active consumers

Different ages are also influenced differently by loyalty programmes; it is critical for brands to understand this. The BrandMapp survey results show that for clothing retailer choice, loyalty plays three times more significance for U25s than for 65+. Conversely, for fuel brand choice, the older generations are twice as influenced by loyalty than the youth. Neither of these sectors are surprising. Loyalty influences the younger generation more than the older economically active consumers for restaurant / coffee shop choice and bank choice by +80% and +40% respectively. Older consumers are influenced by loyalty programmes to the extent of +40% more than U25s for their airline of choice.

Which of the following things are significantly influenced by the loyalty programmes you belong to? - Mass market consumers

71% Where you shop for groceries

51% Where you bank

35% Where you shop for clothes

29% Where you shop for health & pharmaceuticals

18% Which restaurants & coffee shops you use

15% Where you buy fuel

7% Where you buy insurance

5% Which airlines you use

4% The hotels you stay at

MoyaApp — Mass market consumers

Loyalty impact plays a significant role for the mass market consumer equally. Exactly like the wealthier consumers in the BrandMapp survey, MoyaApp's research results show that mass market consumers are most heavily influenced by loyalty programmes for their grocery store choice at 71%. The second most influenced category is banking brand choice.

There is less variance in results across genders in how loyalty influences brand choice in these sectors than we saw with more affluent consumers. Fuel is most impacted in that males are +73% more influenced by loyalty in fuel brand choice than females. Loyalty impacts health / pharmaceutical retail brand choice by +32% for females versus males. Males are more influenced by loyalty in banking brand choice by +15% and females in their choice of grocery brand by +12%. Overall, it is also important to note that 75% of the MoyaApp respondents claim to be partly or mainly responsible for grocery shopping.

Which of the following things are significantly influenced by the loyalty programmes you belong to - by gender?

- Fuel
- Banking

- Grocery retail
- Pharmaceutical / health retail

MoyaApp — Mass market consumers
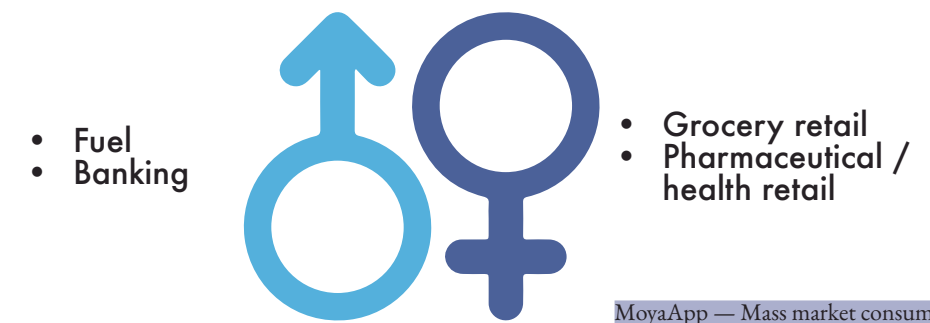
Like for the wealthier consumer, loyalty programmes' influence over brand choice affects different generations differently. The older consumer is more heavily influenced by loyalty than the younger consumer in their choice of fuel and grocery brand by 4.5 times and +32%, respectively. Conversely, the U25s are more influenced by loyalty in their brand choice of banking and fashion retailers by +46% and +61%, respectively.

WHICH ARE SOUTH AFRICA'S MOST USED LOYALTY BRANDS?

The Truth and BrandMapp Loyalty Whitepaper series has tracked the most used loyalty programmes over eight years and it is a fiercely contested leaderboard.
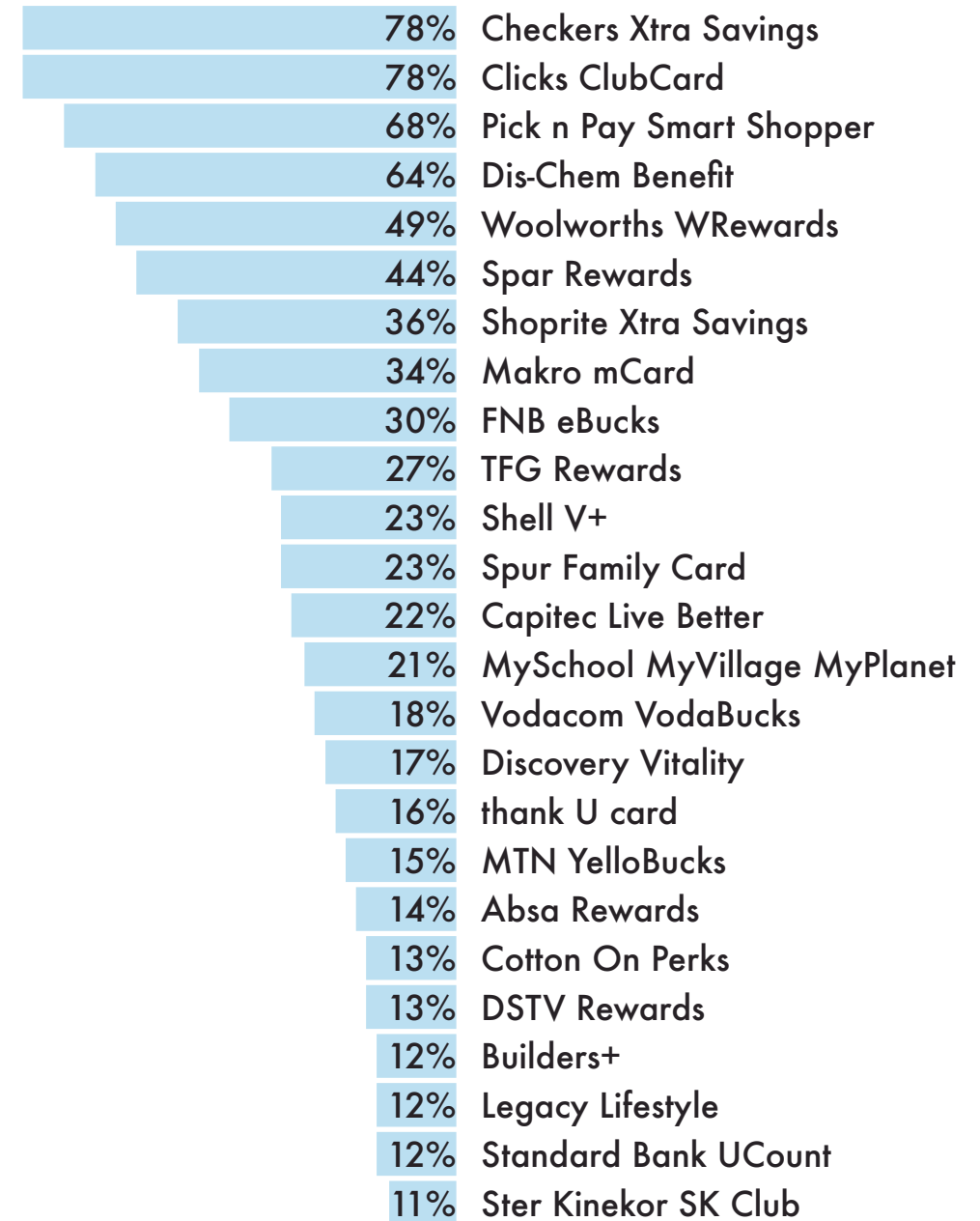
For the economically active consumer, the most used loyalty programme list only has one change to the top 10. Checkers Xtra Savings marginally leads Clicks ClubCard (by 0.4%) as the most used loyalty programme. We also see Shoprite Xtra Savings progressing up two places into the top 10. Clicks held the most used programme title for four of our previous whitepapers in the Truth and BrandMapp Loyalty Whitepaper series, since 2016. There are no other changes in terms of top 10 positions and FNB eBucks remains the only non-retail loyalty programme within the top 10 most used loyalty programmes. Other loyalty brands which have improved their positioning within the top 25 most used programmes by three or more places are Shell V+, Vodacom VodaBucks, Absa Rewards, DSTV Rewards and completely new to the top 25 is Builders+, positioned at 22nd.

As expected, all retail brands have a skew towards females using them more than males, apart from Builders+ which has 56% more male usage than female (again unsurprising). Non-retail brands do not show a significant gender skew although it is worth highlighting that female usage of Spur Family Card, Capitec Live Better and Ster Kinekor SK Club are more than 20% higher

than male usage. In contrast, only Absa Rewards and DSTV Rewards show a higher male usage of +20% or more than female usage within the top 25 most used loyalty programmes.

Age does have an impact on loyalty programme usage. Most retail loyalty brands have a higher usage by older consumers in the BrandMapp survey results, apart from the following retail brands which year-on-year have skewed towards a younger consumer: Shoprite Xtra Savings, TFG Rewards and Cotton On Perks. Non-retail brands used more by younger consumers are Capitec Live Better, Vodacom VodaBucks, MTN YelloBucks, DSTV Rewards and Ster Kinekor SK Club. Non-retail loyalty brands used more by older economically active consumers are Shell V+, Absa Rewards, Standard Bank UCount and Legacy Lifestyle. Interestingly, loyalty usage of FNB eBucks does not change at all across demographic segments apart from a bias towards household income of >R40,000 p.m. – top end (versus consumers with a household income of R10,000-R40,000 p.m. – middle market). This reflects FNB's strategy to create an eBucks proposition for all consumers across all demographic segments.

TOP 25 MOST USED LOYALTY PROGRAMMES BY ECONOMICALLY ACTIVE CONSUMERS

78%	Checkers Xtra Savings
78%	Clicks ClubCard
68%	Pick n Pay Smart Shopper
64%	Dis-Chem Benefit
49%	Woolworths WRewards
44%	Spar Rewards
36%	Shoprite Xtra Savings
34%	Makro mCard
30%	FNB eBucks
27%	TFG Rewards
23%	Shell V+
23%	Spur Family Card
22%	Capitec Live Better
21%	MySchool MyVillage MyPlanet
18%	Vodacom VodaBucks
17%	Discovery Vitality
16%	thank U card
15%	MTN YelloBucks
14%	Absa Rewards
13%	Cotton On Perks
13%	DSTV Rewards
12%	Builders+
12%	Legacy Lifestyle
12%	Standard Bank UCount
11%	Ster Kinekor SK Club

BrandMapp — Economically active consumers

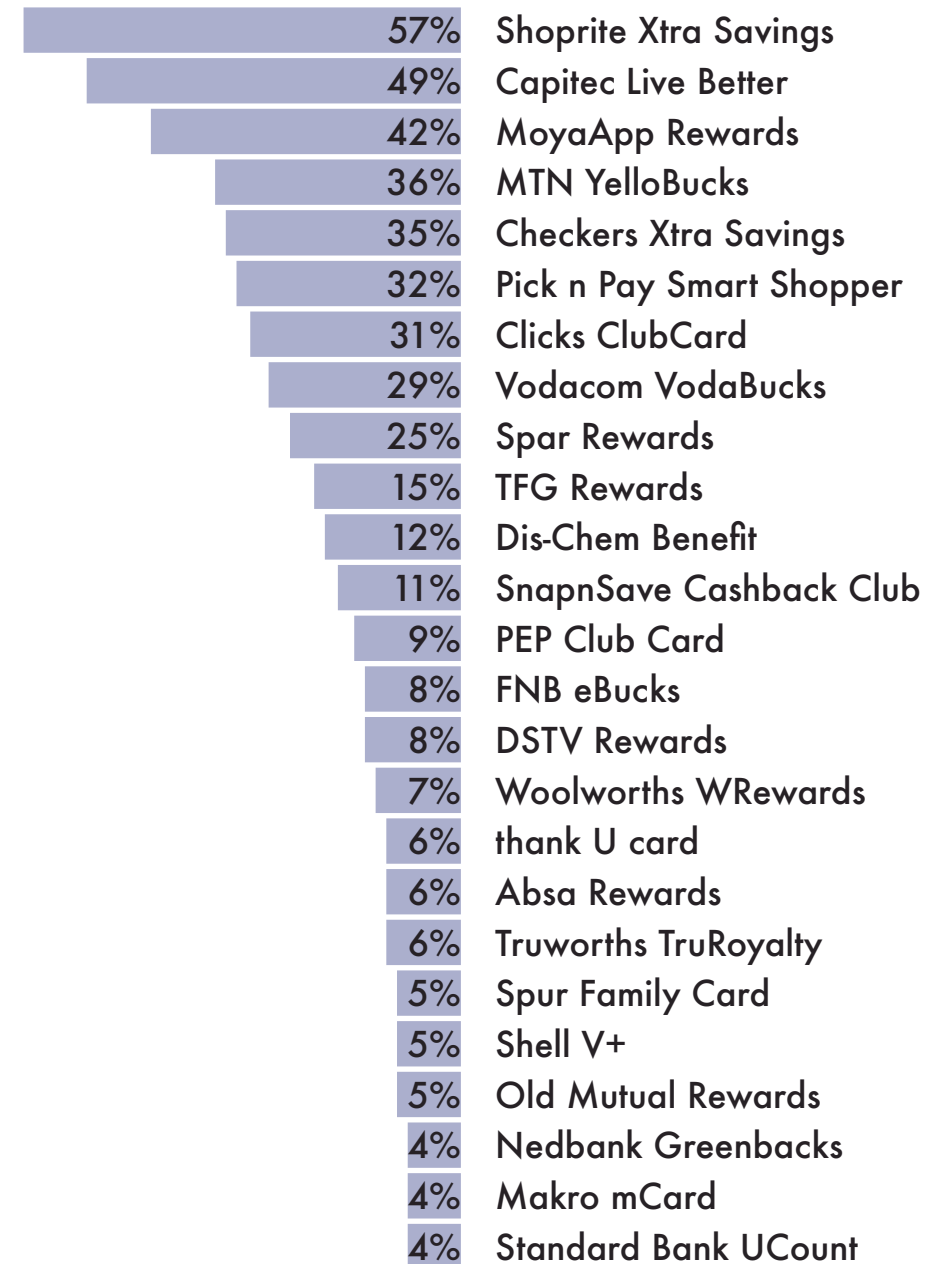For the mass market consumer, we see quite a different picture in terms of the most used loyalty programmes.

The MoyaApp respondents seem to value non-retail brands in their most used loyalty programmes more than the wealthier consumer. In the top 10 most used programmes, there are three non-retail brands. Shoprite is clearly the most used loyalty programme and Capitec Live Better rises from third position last year to number two. MoyaApp Rewards, has over 200,000 registered members who benefit from discounts on mainly grocery items and given this is a MoyaApp survey, a significant number of survey respondents would be expected to use their own programme. However, the number of respondents isn't insignificant; 42% of their respondents use the MoyaApp Rewards offering, placing their programme as the third most used loyalty programme for this target audience. Within the broader list of loyalty brands which have improved their positioning within the top 25 most used programmes by three or more places, are SnapnSave Cashback

Club which has moved from no. 24 to no. 12, Absa Rewards and Old Mutual Rewards. OK Count On Card is the only new loyalty brand to feature in the top 25 most used loyalty programmes for the mass market consumer.

The mass market consumers use loyalty programmes across genders in a similar way to the wealthier consumer segment. Most, if not all, retail brands listed in the top 25 most used loyalty programmes have a higher usage by female consumers than male. Male consumers use the following three loyalty programmes more than female mass market consumers: FNB eBucks, Absa Rewards and Shell V+ by +29%, +60% and x2, respectively.

Virtually all retail loyalty brands (apart from Shoprite Xtra Savings) are used more by older consumers than the youth of the mass market segment. Programmes which are used more by younger consumers are MTN YelloBucks, Vodacom VodaBucks, TFG Rewards, SnapnSave Cashback Club and Old Mutual Rewards.

TOP 25 — MOST USED LOYALTY PROGRAMMES BY MASS MARKET CONSUMERS

Loyalty Programme	Percentage
Shoprite Xtra Savings	57%
Capitec Live Better	49%
MoyaApp Rewards	42%
MTN YelloBucks	36%
Checkers Xtra Savings	35%
Pick n Pay Smart Shopper	32%
Clicks ClubCard	31%
Vodacom VodaBucks	29%
Spar Rewards	25%
TFG Rewards	15%
Dis-Chem Benefit	12%
SnapnSave Cashback Club	11%
PEP Club Card	9%
FNB eBucks	8%
DSTV Rewards	8%
Woolworths WRewards	7%
thank U card	6%
Absa Rewards	6%
Truworths TruRoyalty	6%
Spur Family Card	5%
Shell V+	5%
Old Mutual Rewards	5%
Nedbank Greenbacks	4%
Makro mCard	4%
Standard Bank UCount	4%

MoyaApp — Mass market consumers

LOYALTY PROGRAMME USAGE BY SECTOR

In the following tables the various sectors are separated so we can see the relative usage rates of loyalty programmes versus competitors within each sector.

RETAIL

78%	Checkers Xtra Savings
78%	Clicks ClubCard
68%	Pick n Pay Smart Shopper
64%	Dis-Chem Benefit
49%	Woolworths WRewards
44%	Spar Rewards
36%	Shoprite Xtra Savings
34%	Makro mCard
27%	TFG Rewards
21%	MySchool MyVillage MyPlanet
16%	thank U card
13%	Cotton On Perks
12%	Builders+
9%	Exclusive Books Fanatics
7%	PEP Club Card
7%	Truworths TruRoyalty
6%	SnapnSave Cashback Club
5%	Absolute Pets Rewards
5%	Body Shop
5%	Cape Union Mart Friends and Family
5%	OK Count On Card
4%	Fresh Stop Rewards
3%	Sportsmans Rewards
2%	Infinity Rewards
2%	PNA Penny Card

MoyaApp — Mass market consumers

57%	Shoprite Xtra Savings
42%	MoyaApp Rewards
35%	Checkers Xtra Savings
32%	Pick n Pay Smart Shopper
31%	Clicks ClubCard
25%	Spar Rewards
15%	TFG Rewards
12%	Dis-Chem Benefit
11%	SnapnSave Cashback Club
9%	PEP Club Card
7%	Woolworths WRewards
6%	thank U card
6%	Truworths TruRoyalty
4%	Makro mCard
4%	OK Count On Card
3%	MySchool MyVillage MyPlanet

FINANCIAL SERVICES

BrandMapp — Economically active consumers

30%	FNB eBucks
22%	Capitec Live Better
17%	Discovery Vitality
14%	Absa Rewards
12%	Standard Bank UCount
10%	Nedbank Greenbacks
8%	Old Mutual Rewards
4%	Sanlam Reality
3%	Momentum Multiply
1%	Investec Rewards

MoyaApp — Mass market consumers

49%	Capitec Live Better
8%	FNB eBucks
6%	Absa Rewards
5%	Old Mutual Rewards
4%	Nedbank Greenbacks
4%	Standard Bank UCount
3%	MrPrice Money Insiders
3%	Mahala Loyalty Programme
2%	Clientele Rewards
2%	Discovery Vitality

LEISURE

BrandMapp — Economically active consumers

13%	DSTV Rewards
11%	Ster Kinekor SK Club
6%	Virgin Active Rewards NEW
4%	Nu Metro Scene Club
4%	Sun MVG
3%	Varsity Vibe
2%	Sorbet Society

MoyaApp — Mass market consumers

8%	DSTV Rewards
2%	Ster Kinekor SK Club

TRAVEL

BrandMapp — Economically active consumers

12%	Legacy Lifestyle
6%	Tsogo Sun Rewards
5%	SAA Voyager
4%	British Airways Executive Club
2%	Airlink Skybucks NEW
2%	Avis Preferred
1%	CityLodge CLHG Rewards
1%	Diners Clubmiles
<1%	Europcar Drive Club
<1%	Hertz Gold Plus

TELCO

BrandMapp — Economically active consumers

18% Vodacom VodaBucks
15% MTN YelloBucks

MoyaApp — Mass market consumers

36% MTN YelloBucks
29% Vodacom VodaBucks

RESTAURANTS/QSR

BrandMapp — Economically active consumers

23% Spur Family Card
6%   Wimpy Rewards
5%   Kauai Rewards
4%   John Dorys Johns Club
4%   Mugg and Bean Generosity
3%   Burger King Crowns
3%   Krispy Kreme Rewards
3%   Panarottis Rewards
3%   Seattle Rewards
3%   Vida e Caffe

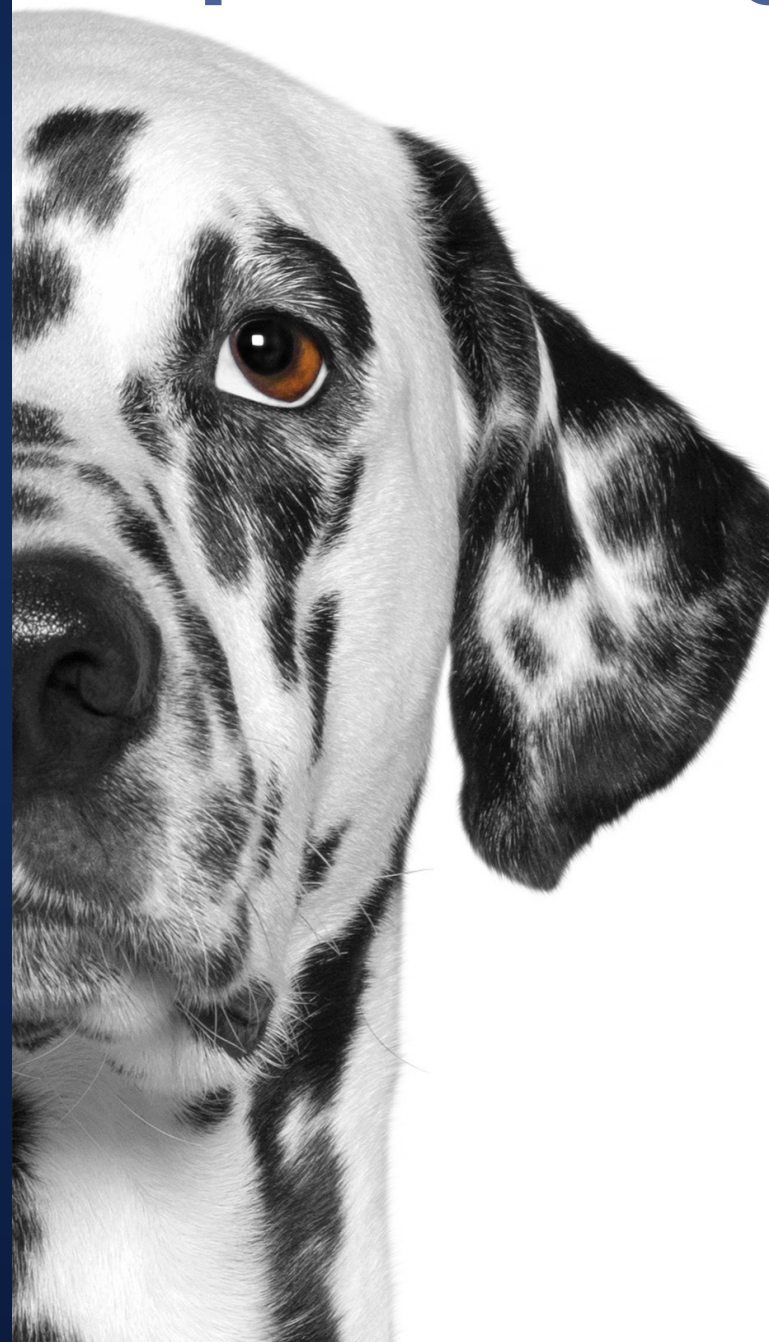MoyaApp — Mass market consumers

5%   Spur Family Card
2%   Burger King Crowns
2%   Wimpy Rewards

FUEL

BrandMapp — Economically active consumers

23% Shell V+
8%   Sasol Rewards (NEW)
1%   Total Energies Rewards (NEW)

Without us, you could be barking up the wrong tree.

LOYALTY INDUSTRY FOCUS:
GROCERY RETAILING

In the BrandMapp survey results, we see that six out of the top 10 most used loyalty programmes are grocery retailers. This is consistent year on year. For mass market consumers, only four grocery retailers are listed in the top 10 most used loyalty programmes.

In section one we highlight consumer motivations towards loyalty programmes and three statements stand out as more important for grocery retailers.

1. I want to be instantly rewarded for my loyalty to a brand
2. I mostly use them to claim in-store special offers
3. I prefer personalised offers to general rewards

Earlier in this whitepaper we debate the profile of consumers who like to be instantly rewarded versus to build up points for a big reward and those consumers who do both. 45% of the economically active consumers prefer to be instantly rewarded and only 29% of mass market consumers stated this as 'true'. However, both consumer segments rate 'I mostly use them to claim in-store offers' with similar importance. 28% of the wealthier, economically active consumers and 31% of the mass market consumers stated that this was 'true.'

For the mass market industry, three out of the four grocery retailers in the top ten most used loyalty programmes offer instant discounts but not the ability to 'build up points for big rewards' which 48% of this sector stated as important to them. Maybe they are missing a trick and could introduce an element of building up rewards for a bigger prize. The three retailers are Checkers Xtra Savings, Shoprite Xtra Savings and Spar Rewards which has recently relaunched its entire programme offering. Pick n Pay offers both points and instant discounts.

Nevertheless, the rise of Checkers and Shoprite's Xtra Savings programmes cannot be denied and consumers are using them more than ever and more than their competitors as shown in the previous pages. More broadly speaking, for grocery brand usage (over and above loyalty programme usage), the BrandMapp survey shows that Checkers is the most used grocery brand (28% of respondents), ahead of Pick n Pay (19% and on a downward trend from 28% four years ago), Woolworths and Spar (both 13% and also on a slight downward trend), as well as Shoprite (14% on an upward trend over four years).

The UK market regulator has opened a case to challenge whether it is 'fair that cheaper prices are available only to members'. The Competition and Markets Authority started reviewing Tesco's and Sainsbury's loyalty schemes in January 2024, according to Reuters ("*UK regulator to review supermarket loyalty scheme prices*," James Davey, November 29, 2023). Tesco has almost 21 million members and 80% sales coverage through Tesco Clubcard, with 8,000 products offered at a lower price for members versus non-members. Sainsbury's has over 6,000 discounted products for members. Other retailers are moving towards member only price discounts instead of traditional points based or cashback programmes. Co-Op in the UK has just confirmed the discontinuation of its rewards scheme of 2p for every £1 spent and is offering member exclusive price cuts instead.

The South African market has followed international loyalty markets, offering differentiated pricing for loyalty members, with great success.

Personalised offers are a critical part in grocery retailers' loyalty offering and last year we featured the importance of personalisation in The Truth and BrandMapp Loyalty Whitepaper 2022. Retail actually didn't fare too strongly in the measure of 'which of these loyalty programmes gives you personalised offers and benefits?'. Only eight of the top 25 were retail. Financial services brands performed more successfully. In the 2023 surveys, when asked how true is the statement: 'I prefer personalised offers to general rewards', only 13% and 14% of consumers responded with 'true' in the BrandMapp and MoyaApp survey, respectively.

"We have seen personalisation offers boost loyalty – customer visits increased by 14% and spend by 12%."

– Antavo, Global Customer Loyalty Report, 2022

It is worth highlighting two relatively new names to the grocery rewards hall of fame. MoyaApp Rewards and SnapnSave Cashback Club both feature in the top 10 most used retail programmes for the mass market consumer and SnapnSave Cashback Club is ranked the 17th most used retail loyalty programme for the wealthier consumers in the BrandMapp survey. Ironically, neither of these brands are retailers themselves, but they offer their members cashback from retail sales (heavily focused on grocery), when tillslips are scanned to identify products on offer and cashback rewards are accumulated in a digital wallet.

IMPACT OF GROCERY DELIVERY APPS

The grocery industry has seen an explosion of innovative ideas in the past three years but the most significant of all are the high-speed grocery delivery apps. Some of these guarantee delivery within 60 minutes and others same-day. Checkers Sixty60 has almost tripled its footprint in the past 24 months. 31% of economically active consumers use Sixty60 (at least once a month). Its competitors are also increasing usage but at lower volumes. BrandMapp respondents state that 15%, 8% and 4% use Pick n Pay ASAP, Woolies Dash and Spar 2U, respectively at least once per month. What is also relatively interesting is that the users of the grocery delivery apps do not only use that brand's loyalty programme. These consumers most definitely use a repertoire of grocery loyalty brands. In fact for Sixty60 users, there are more consumers stating they use Woolworths WRewards than Checkers Xtra Savings. This might sound like a positive for Woolworths but it can be interpreted as Woolworths' loyalty programme members are using a competitor brand for delivery: i.e. Sixty60.

"In our time-pressed society, providing consumers with a swift, on-demand grocery delivery service is like giving them back time: today's most precious commodity."

- Neil Schreuder, Shoprite

Is your programme all bark and no bite?

SHOPRITE✕

FEATURE ON SHOPRITE XTRA SAVINGS

Extract from an interview with Meredith Allen, Head of Rewards and Personalisation from ShopriteX, episode 428, Let's Talk Loyalty – September 2023.

Xtra Savings is operated in two of Shoprite's banners: Checkers and Shoprite. They experience approximately 80% sales coverage through Xtra Savings, which is comparable, if not better than the world's best loyalty programmes.

Xtra Savings was the first initiative in ShopriteX's multi-year digital transformation to build a customer-first organisation. They launched Checkers Xtra Savings in October 2019 and now have over 11 million members.

Xtra Savings is based on the principle of leveraging what they are already good at, which is low cost pricing.

They launched with 100% paperless sign-up across a multiple of different channels: at the till, web, app, USSD and WhatsApp. Through this process Checkers Xtra Savings had 1 million sign ups in the first seven days.

Shoprite Xtra Savings launched during the COVID pandemic, a year later. The membership base is now over 18 million members. The total Shoprite Group loyalty membership is an impressive 30 million members.

Xtra Savings is the starting point for ShopriteX to identify its customers, build a customer strategy, and to generate and monetise insights.

Shoprite X has created REX, its own retail insights platform to work with partners and suppliers.

When Xtra Savings customers signed up to Sixty60 there was an increase in the average monthly spend and omni-channel customer insight generated.

Recent innovations include the launch of Xtra Savings Plus which costs members R99 per month, but they are receiving back on average R115 per month. Customer frequency has increased and therefore overall customer value has increased."

In the 2023 South African Loyalty Awards, Shoprite X was recognised for Xtra Savings being the market's best retail loyalty programme.

Let's Talk Loyalty

SOUTH AFRICAN
LOYALTY
AWARDS

INDUSTRY TO WATCH
FUEL

Fuel is one industry sector which has seen an explosion of loyalty programmes in the past 24 months. Previously, the fuel industry in South Africa rewarded its customers for fuel brand choice via partnerships only. Legislation restricts the direct discounting of fuel and hence the partnership model enabled fuel brands to drive potential increased sales via partnership programmes. The biggest of these is Engen, in partnership with FNB eBucks and also Clicks ClubCard.

All of the fuel brands are using the partnership model.

FUEL PARTNERS

ENGEN	SHELL	BP
FNB eBucks Clicks ClubCard	Capitec Live Better Discovery Vitality	Pick n Pay Smart Shopper Discovery Vitality Nedbank Greenbacks

TOTAL ENERGIES	SASOL	ASTRON
Dis-Chem Benefit Sanlam Money Saver	Absa Rewards	Standard Bank UCount

Given that 55% of economically active consumers have stated that loyalty programmes significantly influence their fuel brand of choice, it is wise of the fuel companies to consider taking their customer loyalty approaches into their own hands. We have seen an explosion of four out of the six fuel brands above launch their own proprietary programmes:

PROPRIETARY FUEL LOYALTY PROGRAMMES

 Shell V+
Launched: Dec '19

 Sasol Rewards
Launched: April '22

 Total Energies Club
Launched: April '23

 Astron Energy Rewards
Launched: Sept '23

According to the BrandMapp survey, the percentage of economically active consumers using Shell V+ is 23%, Sasol Rewards 8% and Total Energies Club 1% (Astron Energy Rewards launched too late last year to be included in this survey). The BrandMapp respondents also claim that getting loyalty points is the second reason they choose a fuel station after location. 63% of consumers claim location is the reason for fuel station choice, followed by loyalty points at 40%. Loyalty rates higher in the consumers' minds than friendly and efficient staff, fuel preference, convenience store choice, car wash and fast food outlet.

HOW TO DESIGN AN IMPACTFUL LOYALTY PROPOSITION

Loyalty programme design principles

In the doghouse with your customers? Let us revamp your programme.

LOYALTY PROGRAMME DESIGN PRINCIPLES

At Truth, we refer to the six steps of programme design when working with clients wishing to create a loyalty proposition. These six steps are identified as follows:

STEP 1:
PROGRAMME FRAMEWORK requires a decision as to the structure of the programme. Will it be a closed loop, coalition or partner-based programme to name a few options?

STEP 2:
WHO DO YOU WANT TO REWARD? This whitepaper highlights that different customer segments require different strategies and different benefits. It is critical for loyalty managers to know which customers they are targeting while creating the ideal programme.

STEP 3:
BEHAVIOURS TO REWARD: In section one, we talk about non-transactional behaviours as a good way to help members get rewarded and engaged even if they don't have the capacity for high levels of spend / transaction. Brands want consumers to transact more and this can be achieved given that both the BrandMapp and MoyaApp survey results show how loyalty programmes do positively impact where consumers state they shop, dine and bank, as well as fuel station choice and products.

STEP 4:
BENEFITS TO OFFER: This section unpacks in detail which benefits consumers prefer across both the economically active and mass market consumer.

STEP 5:
PROGRAMME RULES such as points expiry and tiers, to name just two need to be considered. In section one, we learnt what a significant topic points expiry is and how consumers are also motivated to move up tiers (in fact 12% of both the wealthier and mass market consumers stated this as 'true').

STEP 6:
CHANNELS AND TOUCHPOINTS enables loyalty managers to map out the customer journey and experience across different channels. In this section we focus on the loyalty 'identifier': i.e. how consumers like to make use of a programme.

BENEFITS MOST ENJOYED BY ECONOMICALLY ACTIVE CONSUMERS

The Truth and BrandMapp Loyalty Whitepaper series has continuously seen that the number one benefit enjoyed by South Africans is cashback. 2023/4 is no different! The top three benefits enjoyed by economically active consumers are related to cashback or points converted into cash. The most preferred benefit for mass market consumers is airtime and data, followed by cashback and points converted into cash.

South Africa is not alone in its consumers' preference for cashback rewards. A recent poll by Annex Cloud showed that 46% of its global followers preferred cashback incentives and 36% preferred points-based programmes.

The only benefits which male consumers prefer more than their female counterparts are airtime and data, airport lounge access and NFTs or digital collectibles.

If we look at age variances for the economically active consumer, we see that money-related benefits are equally enjoyed across generations.

Older consumers seem to enjoy airport lounge access more than the youth but otherwise, the younger consumers show a stronger preference for all of the benefits listed. The youth are particularly interested in anything 'free' like free gifts, free delivery and surprise rewards. Unsurprisingly, they are almost seven times more interested in educational courses as a benefit than older consumers.
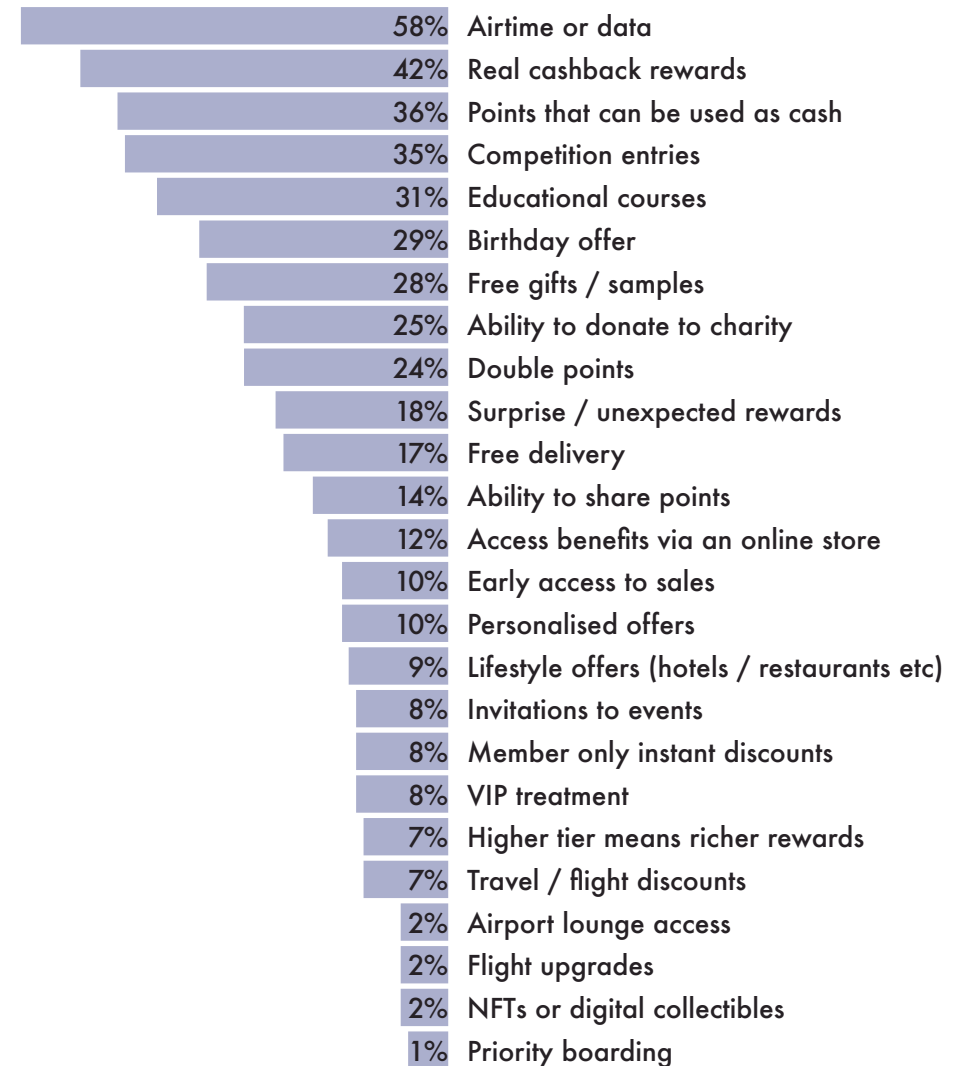
As mentioned earlier, airtime and data are the most preferred loyalty benefits for mass market consumers, according to the MoyaApp survey, followed by cashback rewards and points converted into cash.

Which of the following loyalty benefits would you most enjoy? - Economically active consumers

43%	Real cashback rewards
36%	Double points
35%	Points that can be used as cash
33%	Birthday offer
33%	Free gifts / samples
32%	Travel / flight discounts
28%	Competition entries
28%	Free delivery
27%	Airtime or data
27%	Lifestyle offers (hotels / restaurants)
24%	Airport lounge access
22%	Ability to donate to charity
22%	Flight upgrades
19%	Educational courses
18%	Surprise / unexpected rewards
18%	VIP treatment
15%	Access benefits via an online store
15%	Early access to sales
15%	Invitations to events
15%	Personalised offers
14%	Ability to share points
13%	Member only instant discounts
9%	Priority boarding
8%	Higher tier means richer rewards
3%	NFTs or digital collectibles

BrandMapp — Economically active consumers

Which of the following loyalty benefits would you most enjoy? - Mass market consumers

58%	Airtime or data
42%	Real cashback rewards
36%	Points that can be used as cash
35%	Competition entries
31%	Educational courses
29%	Birthday offer
28%	Free gifts / samples
25%	Ability to donate to charity
24%	Double points
18%	Surprise / unexpected rewards
17%	Free delivery
14%	Ability to share points
12%	Access benefits via an online store
10%	Early access to sales
10%	Personalised offers
9%	Lifestyle offers (hotels / restaurants etc)
8%	Invitations to events
8%	Member only instant discounts
8%	VIP treatment
7%	Higher tier means richer rewards
7%	Travel / flight discounts
2%	Airport lounge access
2%	Flight upgrades
2%	NFTs or digital collectibles
1%	Priority boarding

MoyaApp — Mass market consumers

The MoyaApp research results show that female consumers enjoy the following benefits significantly more (by +20%) in the mass market: educational courses, birthday offers, free gifts / samples, double points, early access to sales and lifestyle offers. Male consumers in the mass market don't really show more of a preference than females for any of the benefits.

Age, however, does seem to introduce quite a variety within the benefit preferences. The older consumer is more focused on monetary savings, whereas the younger consumer is looking for variety and 'softer benefits'.

U25s

Younger (U25s) mass market loyalty benefit preferences

- Educational courses
- Birthday offer
- Ability to donate to charity
- Free delivery
- Access benefits via an online store
- Early access to sales
- VIP treatment

55+

Older (55+) mass market loyalty benefit preferences

- Real cashback rewards
- Points used as cash
- Competition entries
- Free gifts / samples
- Double points
- Surprise / unexpected rewards
- Ability to share points
- Personalised offers
- Member only instant discounts
- Higher tier means richer rewards

MoyaApp — Mass market consumers

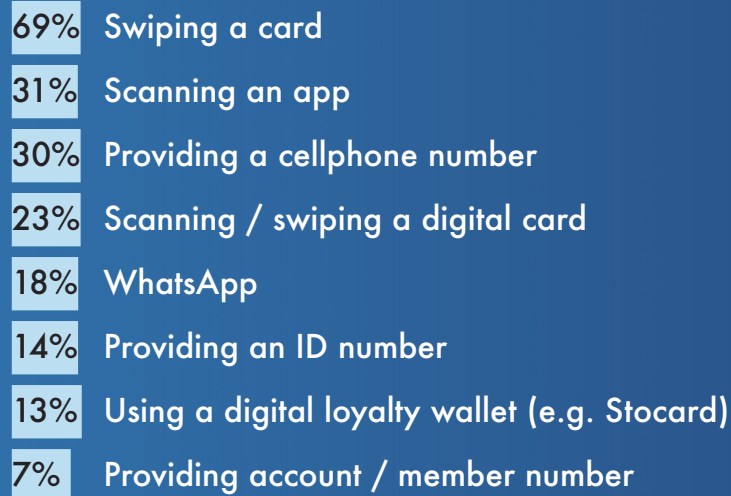## HOW CONSUMERS PREFER TO MAKE USE OF A LOYALTY PROGRAMME?

Although, in the height of a digital age, South Africans still prefer to not use an app or other digital channels for identifying themselves at the point of their loyalty transaction. Many countries across the world are shifting to a digital-only approach for customer interaction in loyalty programmes. Lidl Plus, in the UK, for example is 100% digital card only. In addition, retail banks reward their customers for use of a digital card to support a move towards digital banking. There is also a sustainability consideration at play. Charlie Hills from Mando Connect states that "31% of Brits want loyalty programmes to offer a digital card to allow people to live more sustainably."

Nevertheless, in South Africa, for the economically active consumers, swiping a card remains the preferred identifier, as it has since we started asking this question in the BrandMapp research. For the first time in years, the percentage of consumers wishing to swipe a card has reduced to 69% and the use of an app has increased slightly to 31%. The gap is narrowing but nevertheless, there can be no confusion in the results: swiping a card is still

the most preferred way to interact with loyalty programmes for wealthier consumers. WhatsApp is the newest loyalty channel to watch carefully. Many brands are successfully using WhatsApp for loyalty engagement and claim that it is an impactful channel. These include Discovery Vitality, Clicks Club Card, Pick n Pay Smart Shopper and Checkers Xtra Savings to name a few. Shoprite uses Moya Chat for its Xtra Savings programme as well. Clickatell, a global chat commerce platform, shared performance statistics of one of its grocery retail clients which managed to reduce call centre volumes by 50% for loyalty card queries and managing blocked cards after implementing a WhatsApp bot to assist with customer queries.

Overall, 99% of economically active South Africans own a mobile phone and on average, each adult owns 1.3 phones. 93% of adults use phones as browsing devices and 74% of adult consumers are happy to bank on their phones. However, mobile phones are still not a priority for any age or gender in their loyalty programme usage.

How do you prefer to make use of a loyalty programme? - Economically active consumers

69% Swiping a card

31% Scanning an app

30% Providing a cellphone number

23% Scanning / swiping a digital card

18% WhatsApp

14% Providing an ID number

13% Using a digital loyalty wallet (e.g. Stocard)
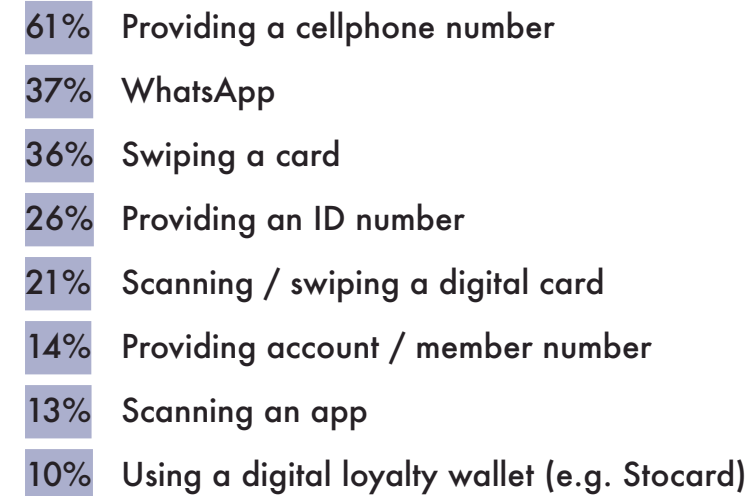
7% Providing account / member number

BrandMapp — Economically active consumers

Gender doesn't play a role in loyalty identifier choice, but age certainly does. Swiping a card is the preferred loyalty identifier for all ages groups amongst economically active consumers but the older consumer is skewed more heavily to this choice by >30%. The youth are more likely to choose digital channels than older consumers and are also twice as likely to offer their cellphone number and ID number than their elders.

The picture is slightly different for the mass market consumer. The MoyaApp research shows that the less wealthy consumers like to identify themselves via a cellphone number, followed by WhatsApp. Swiping a card features as the third preferred identifier and using an app is almost the least preferred with only 13% of mass market consumers choosing 'scanning an app'.

How do you prefer to make use of a loyalty programme? - Mass market consumers

61% Providing a cellphone number

37% WhatsApp

36% Swiping a card

26% Providing an ID number

21% Scanning / swiping a digital card

14% Providing account / member number

13% Scanning an app

10% Using a digital loyalty wallet (e.g. Stocard)

MoyaApp — Mass market consumers

Like the wealthier consumers, we see little bias across genders for loyalty identifier choice. Also like the wealthier consumers in the BrandMapp research, mass market consumers do show notable differences across age groups. Older mass market consumers prefer WhatsApp and swiping a digital card more than the younger consumers.

The youth (U25s) are twice as likely as the older consumers to prefer providing an ID, account or member number and to use an app. However, we mustn't forget that regardless of age and gender, all mass market consumer groups state that their preferred identifier to use loyalty programmes is providing a cellphone number.

With **TRUTH,** loyalty is a walk in the park.

LOYALTY'S IMPACT ON CONSUMERS' LIVES

LOYALTY PROGRAMMES WHICH CONSUMERS CAN'T LIVE WITHOUT

We believe that the following section truly highlights a true measure of customer loyalty. The BrandMapp and MoyaApp surveys ask the question:

"If you can only keep one loyalty programme, which would you keep?"

The answers show the relative loyalty to a programme rather than pure usage stats in section two of this whitepaper.

Discovery Vitality maintains its top position (which it achieved in 2022) and has widened the gap from Standard Bank UCount by +3% points. The top 10 in the graph on page 56 is relatively unchanged apart from new entrant, Varsity Vibe, which has displaced Momentum Multiply from the top 10. Capitec Live Better and Checkers Xtra Savings have both gained two places in this significant loyalty leaderboard compared to 2022. In the longer list of top 25 programmes which consumers can't live without, we see one new programme making a strong impact on its members in a short space of time. This is Airlink Skybucks, which launched in March 2023.

FEATURE ON DISCOVERY VITALITY

Extract from an interview with Celeste Williams, Head of Marketing for Vitality South Africa, episode 362, Let's Talk Loyalty – April 2023.

Discovery Vitality

Vitality impacts 40 million lives in 40 different market places.

The South African membership has grown to over 2 million members who can actively benefit from deep partner discounts of up to 75% off gym memberships, flights and healthy food.

Discovery focuses on a shared value model and proves that engaged members live longer. For example, during the pandemic, Diamond members had an 81% lower risk of death compared to non-members.

To drive frequent engagement, Vitality offers Active Rewards, with over 750,000 members participating. This has driven an increase in exercise per member by 25%. Keeping in the theme of exercise, members who benefit from the Apple watch incentive have shown a 34% increase in physical activity.

In fact, if members move from no exercise to one day per week, there is a 34% reduced risk of death and hence Vitality sees a positive impact on a member's lifespan.

Discovery has a high performance culture which lives the Vitality way and this shines through in how Vitality rewards its engaged members so handsomely.
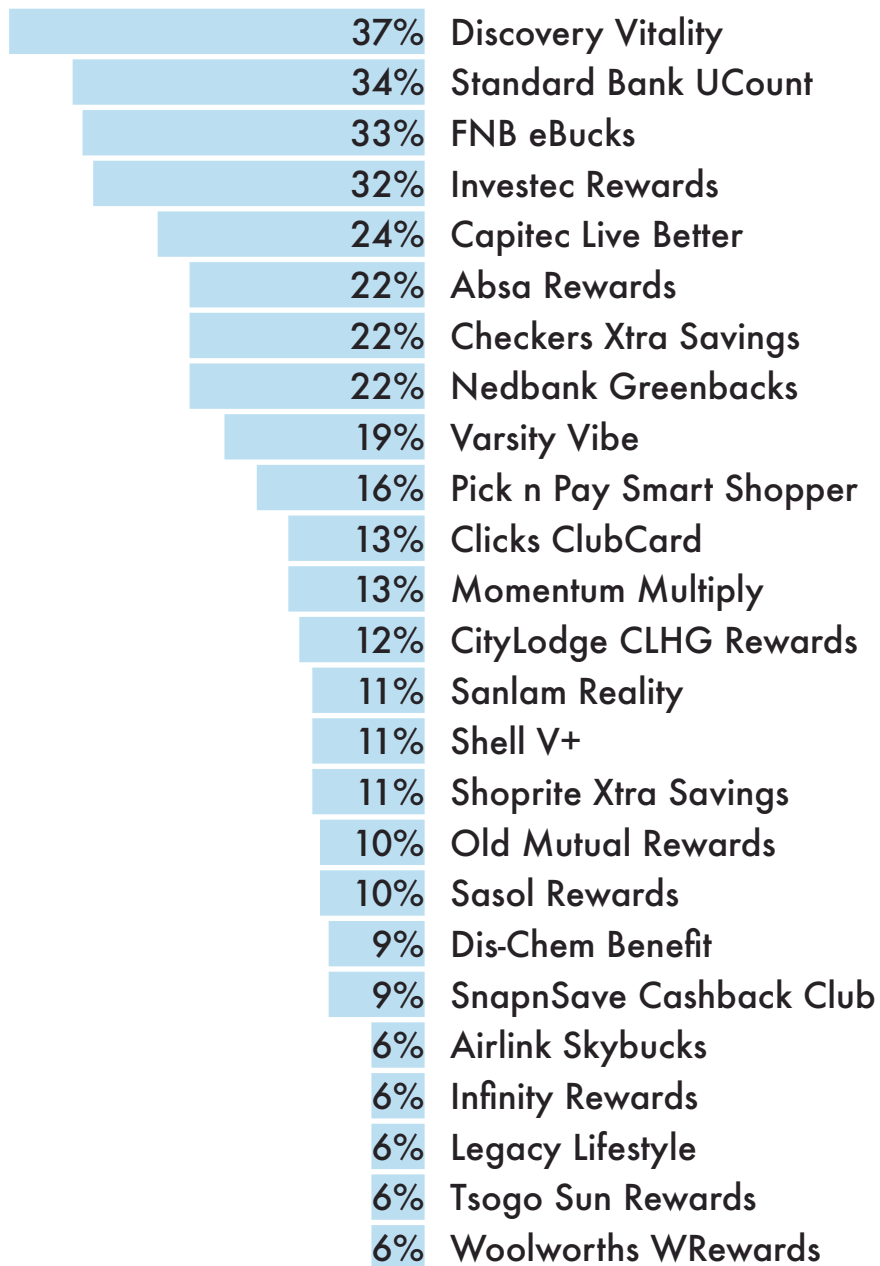
Celeste Williams recently released the following statistics (via LinkedIn) regarding the magnitude of activity undergone by the Discovery Vitality members. She states that in 2023 Vitality members completed 87 million workouts and 19 million gym visits. In fact a Vitality member enters a gym every two seconds. Vitality members also donate an enormous 80 million Discovery Miles to the Move To Give charity option, helping others through their preferred loyalty programme.

Let's Talk Loyalty

https://open.spotify.com/episode/1x yrpm1JjTWxgNeKKB5w4o?si=4w-mDAkbRWWQZCqFgCwmAQ

TOP 25 LOYALTY PROGRAMMES WHICH ECONOMICALLY ACTIVE CONSUMERS CAN'T LIVE WITHOUT

%	Loyalty Programme
37%	Discovery Vitality
34%	Standard Bank UCount
33%	FNB eBucks
32%	Investec Rewards
24%	Capitec Live Better
22%	Absa Rewards
22%	Checkers Xtra Savings
22%	Nedbank Greenbacks
19%	Varsity Vibe
16%	Pick n Pay Smart Shopper
13%	Clicks ClubCard
13%	Momentum Multiply
12%	CityLodge CLHG Rewards
11%	Sanlam Reality
11%	Shell V+
11%	Shoprite Xtra Savings
10%	Old Mutual Rewards
10%	Sasol Rewards
9%	Dis-Chem Benefit
9%	SnapnSave Cashback Club
6%	Airlink Skybucks
6%	Infinity Rewards
6%	Legacy Lifestyle
6%	Tsogo Sun Rewards
6%	Woolworths WRewards

BrandMapp — Economically active consumers

We are as tenacious as a dog with a bone.

The most impactful programmes for mass market consumers' lives are more varied by industry. In the BrandMapp study, financial services loyalty brands dominate the 'top 10 programmes which economically active consumers can't live without'; in fact 70% are financial services loyalty programmes. For mass market consumers, financial services make up 50% or less of the 'top 10 programmes which consumers can't live without.'

Capitec Live Better moves up one place compared to last year to gain the prized position as the number one programme mass market consumers can't live without. MoyaApp Rewards and Absa Rewards are new loyalty brands to the top 10 mass market leaderboard of programmes which consumers can't live without.
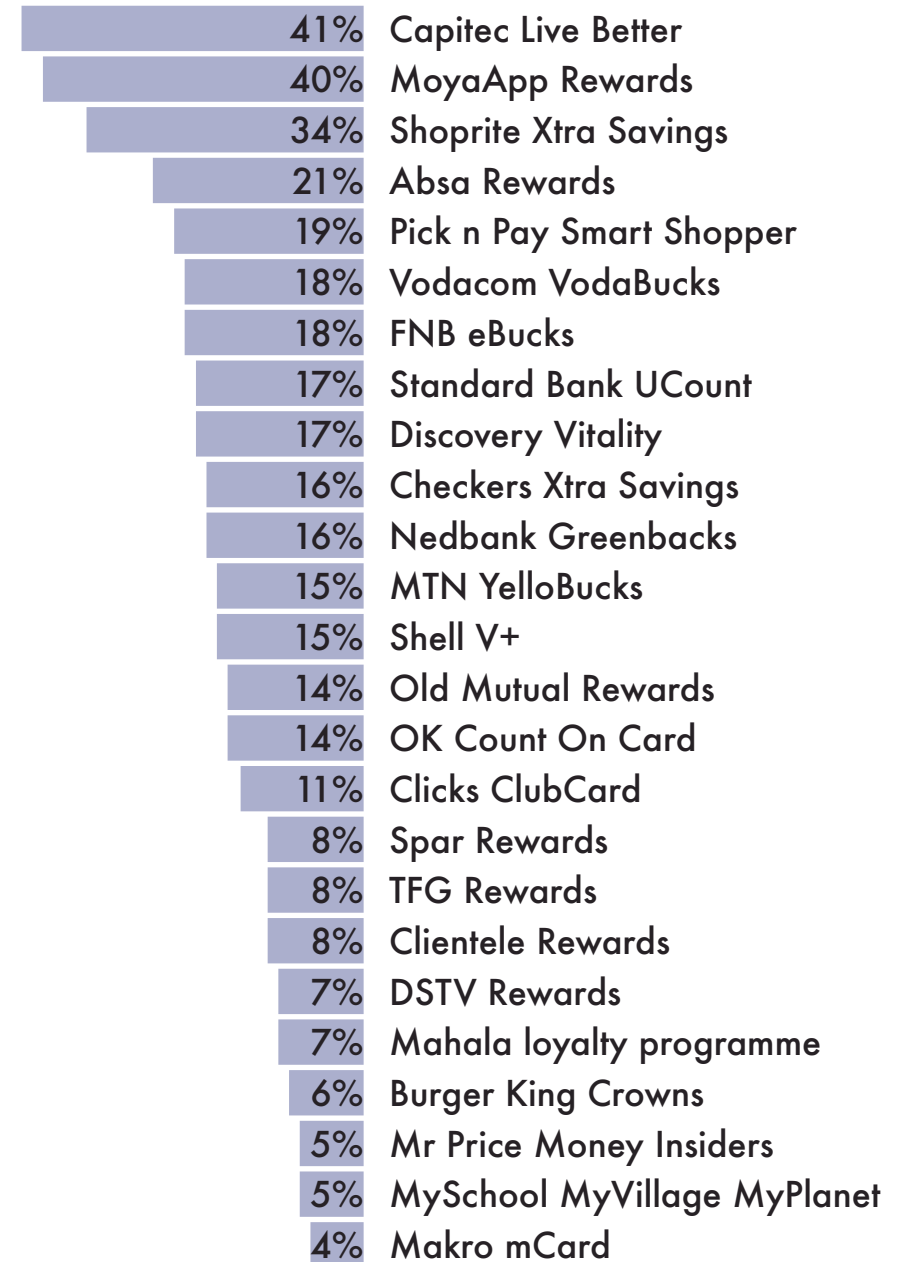
In conclusion, we believe that this critical question of 'which loyalty programme can't you live without?' showcases the brands which have created real loyalty from their members, more so than the most used programmes, outlined in section two of this whitepaper.

"With its simple offering, real cashback rewards, and value that keeps growing month on month, Live Better enables over 19 million Capitec clients to save every day, without the hassle of traditional tier based programmes. Helping them Bank and ultimately Live Better."

- Kelly Goldsworthy, Head: Capitec Live Better

TOP 25 LOYALTY PROGRAMMES WHICH MASS MARKET CONSUMERS CAN'T LIVE WITHOUT

Programme	%
Capitec Live Better	41%
MoyaApp Rewards	40%
Shoprite Xtra Savings	34%
Absa Rewards	21%
Pick n Pay Smart Shopper	19%
Vodacom VodaBucks	18%
FNB eBucks	18%
Standard Bank UCount	17%
Discovery Vitality	17%
Checkers Xtra Savings	16%
Nedbank Greenbacks	16%
MTN YelloBucks	15%
Shell V+	15%
Old Mutual Rewards	14%
OK Count On Card	14%
Clicks ClubCard	11%
Spar Rewards	8%
TFG Rewards	8%
Clientele Rewards	8%
DSTV Rewards	7%
Mahala loyalty programme	7%
Burger King Crowns	6%
Mr Price Money Insiders	5%
MySchool MyVillage MyPlanet	5%
Makro mCard	4%

MoyaApp — Mass market consumers

TOP 25 LOYALTY BRANDS WHICH CONSUMERS CAN'T LIVE WITHOUT

Below we see the loyalty programmes (from the top 25) which only economically active consumers can't live without, the programmes only the mass market consumers can't live without and an overlap of the programmes which all consumers state they can't live without.

Economically active only:

Airlink Skybucks
City Lodge CLHG Rewards
Dis-Chem Benefit
Infinity Rewards
Investec
Legacy Lifestyle
Momentum Multiply
Sanlam Reality
Sasol Rewards
SnapnSave Cashback Club
Tsogo Sun Rewards
Varsity Vibe
Woolworths WRewards

Both economically active and mass market:

Absa Rewards
Capitec Live Better
Checkers Xtra Savings
Clicks ClubCard
Discovery Vitality
FNB eBucks
Old Mutual Rewards
Pick n Pay Smart Shopper
Shell V+
Shoprite Xtra Savings
Standard Bank UCount

Mass market only:

Burger King Crowns
Clientele Rewards
DSTV Rewards
OK Count On Card
Mahala
MoyaApp Rewards
Mr Price Money Insiders
MTN YelloBucks
MySchool MyVillageMyPlanet
Spar Rewards
TFG Rewards
Vodacom Vodabucks

(in alphabetical order / not ranked by results)

Congratulations to all brands listed in the table above and a special mention to the 11 loyalty brands which all consumers (from SASSA grant recipients through to consumers with a household income of R80,000+ p.m.) state they can't live without.

"Customers will experience a greater emotional connection to a brand if they trust it. Loyalty plays a critical role in building brand trust."

- Amanda Cromhout
TRUTH

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Let sleeping dogs lie; TRUTH will do the work.

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———

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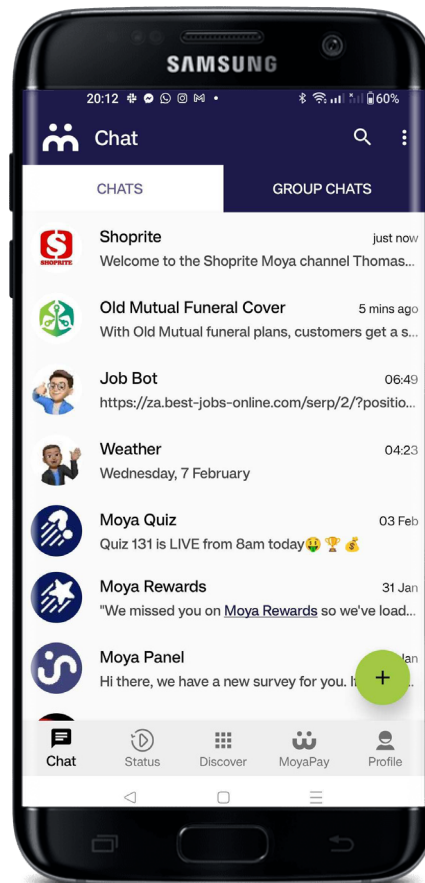
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