

| July
2023

THE SOARING APPEAL OF LOYALTY PROGRAMMES IN — SOUTH AFRICA

A Trender/InfoQuest Report



info
quest

Fusing Collaborative Insights

Trender

South African consumers are finding ways to cope with the tough economic times and using loyalty/reward programmes is one of them. TrendER/infoQuest, a leading South African online research company recently conducted a survey, asking consumers which loyalty programmes they belong to, which they use most often and which are their favourite loyalty programmes.

This research was conducted during **May 2023 and 300 consumers were interviewed.**

On average, consumers belong to 8 loyalty programmes

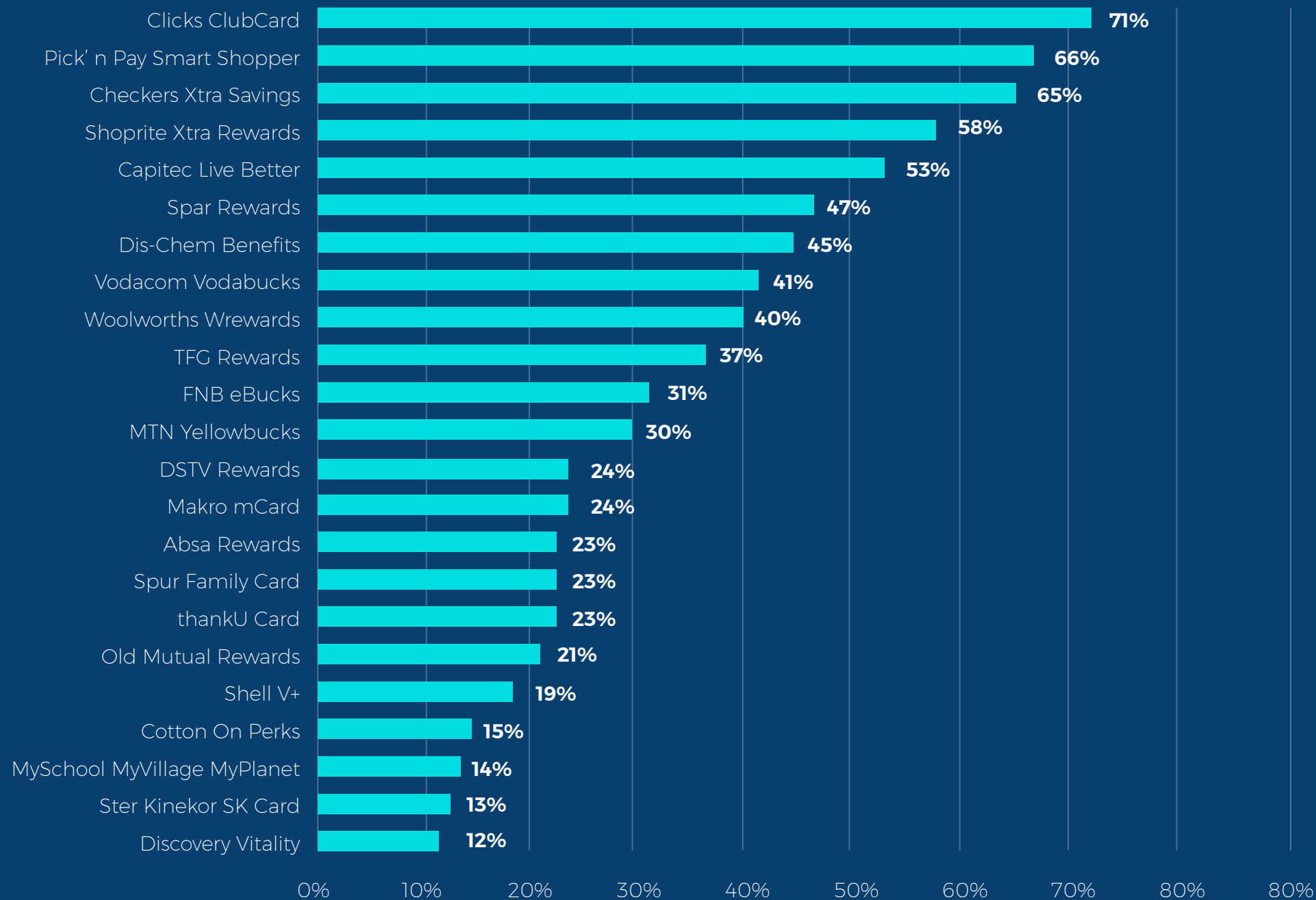
In terms of age groups, those in the **35-49 age** category belong to the most loyalty programmes at 10, while the younger generation, those **aged 18-24**, belong to the least loyalty programmes at 7 (albeit still a significant number).

Age category	Number of programmes belonged to (average)
18-24 years	7
25-34 years	8
35-49 years	10
50+ years	9

Females belong to a few more loyalty programmes than males: 9 compared with 7.



Membership of loyalty programmes



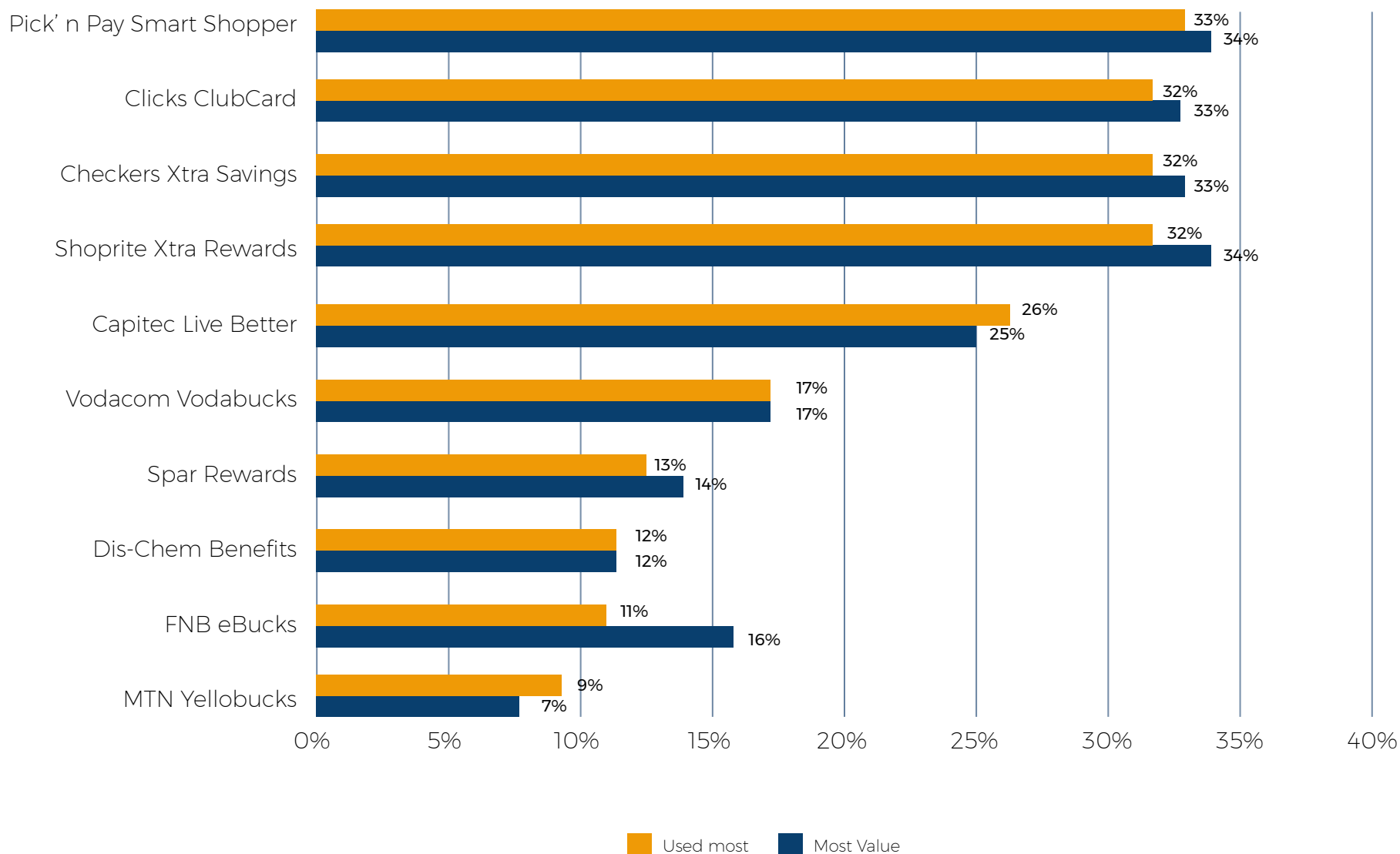
Clicks ClubCard occupies top position when it comes to membership, with Pick n Pay Smart Shopper and Checkers Xtra Savings neck and neck in 2nd and 3rd positions.

It is not surprising that the top positions are occupied by the more general and grocery retailers. Capitec Live Better is the only financial loyalty programme in the top 5, with just over half of respondents in the survey belonging to this programme.



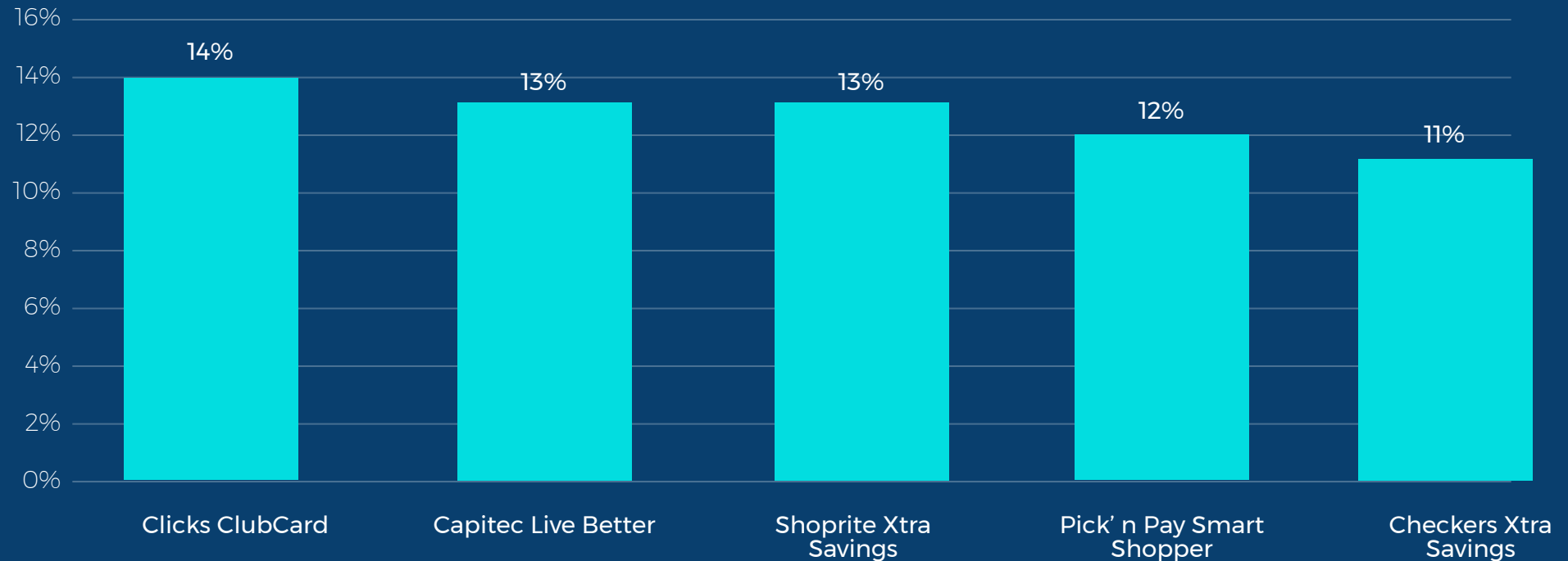
Loyalty programmes used most and most value received

Programmes used and the most valued, mirrored those with the highest membership. These are also the programmes that are perceived to provide the most value.



Favourite loyalty programme

The Clicks loyalty programme is South Africans favourite loyalty scheme, although only marginally so. Capitec and Shoprite are in 2nd place, with Pick n Pay and Checkers in very close 4th and 5th positions. As expected, consumers choose their favourite programme based on the tangible benefits that they get – cash back and discounts are the drivers.



In the 25-49 year age category, Capitec's loyalty programme is the most preferred.

'There are a number of factors influencing the popularity of loyalty programmes, now more so than ever,' says **Mogorosi Mashilo**, MD of TrendER/infoQuest.

'Firstly, the competitive nature of the market has led to proliferation of choices for consumers, and loyalty programmes offer an incentive for customers to stay loyal to a particular brand.'

Secondly, the convenience and accessibility of loyalty programmes has improved significantly with digital platforms and mobile apps being available. Also, the economic uncertainty has heightened the importance of value and cost savings for consumers. Loyalty programmes enable customers to stretch their budgets by accessing discounts and rewards. During times of financial strain, these incentives become even more appealing.'

DISCLAIMER

This publication contains general information only.
The views and opinions in this publication should not be viewed as professional advice with respect to your business.

Before making any decision or taking action that may affect your finances or your business, you should consult a qualified professional adviser.

TrendER Insights shall not be responsible for any loss whatsoever sustained by any person who relies on this publication.

The use herein of trademarks that may be owned by others is not an assertion of ownership of such trademarks by TrendER Insights nor intended to imply an association between TrendER Insights and the lawful owners of such trademarks.

OUR — SERVICES

We are a full service advertising agency:

Consumer research

- **Insights**
- **Trends**
- **Strategy**
- **Creative development**

Contacts:

Mogorosi Mashilo: Director
mogorosi@trender.co.za

MORE TREND REPORTS

www.trender.co.za



Infoquest is a subsidiary of TrendER, infoQuest was established in 2006 and is a leading South African online research company, also operating in Africa. They have the longest running consumer panel in SA, with approximately 40 000 panellists .

TrendER

TrendER Insights is an African consumer insights research agency that offer business intelligence by following trends and surveying consumers to gain a deeper understanding behind our consumer motivations, beliefs, needs and behaviours.