

# THE INDEPENDENT RETAILER'S GUIDE TO GROWING YOUR REVENUE THROUGH A LOYALTY PROGRAMME

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WHY CUSTOMER LOYALTY IS  
INCREASINGLY IMPORTANT FOR  
INDEPENDENT RETAILERS

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HOW A LOYALTY PROGRAMME CAN HELP YOU  
DRIVE REVENUE

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CASE STUDIES: HOW LOYALTY  
PROGRAMMES INCREASE BASKET SPEND  
FOR INDEPENDENT RETAILERS

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SET-UP YOUR LOYALTY  
PROGRAMME TODAY



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# INTRODUCTION

You might be ticking several of the right boxes when it comes to aspects of customer service or engagement, but the retail landscape is getting more competitive and customers are growing more discerning.

You are now competing against a growing variety of niche brick-and-mortar retailers and e-Commerce stores, and to grow revenue you must garner loyalty amongst your customer base.

**An effective way to accomplish this is to start a Loyalty Programme.**

“From our experience, almost all retailers who generate some kind of repeat business have the opportunity to boost their ROI and profitability by increasing the retention of their customers.

Loyalty Programmes increase customer lifetime value by up to 30% or more,”

– Chris Luo, Head of Marketing at FiveStars, a Loyalty Programme technology specialist



In an interview with Forbes, Luo explains that customer retention is essential in maintaining customer loyalty. So, regardless of whether your retail business is big or small, it's important to strategise on how to strengthen your store's customer loyalty. One way to drive greater customer retention, and loyalty, is to implement a Loyalty Programme within your retail outlet.



# WHY CUSTOMER LOYALTY IS INCREASINGLY IMPORTANT FOR INDEPENDENT RETAILERS

Retail Loyalty Programmes have been proven to increase customer lifetime value. "These programmes work by increasing customers' visit frequency, boosting spend per visit, and can even help you win back lost customers," explains Luo.

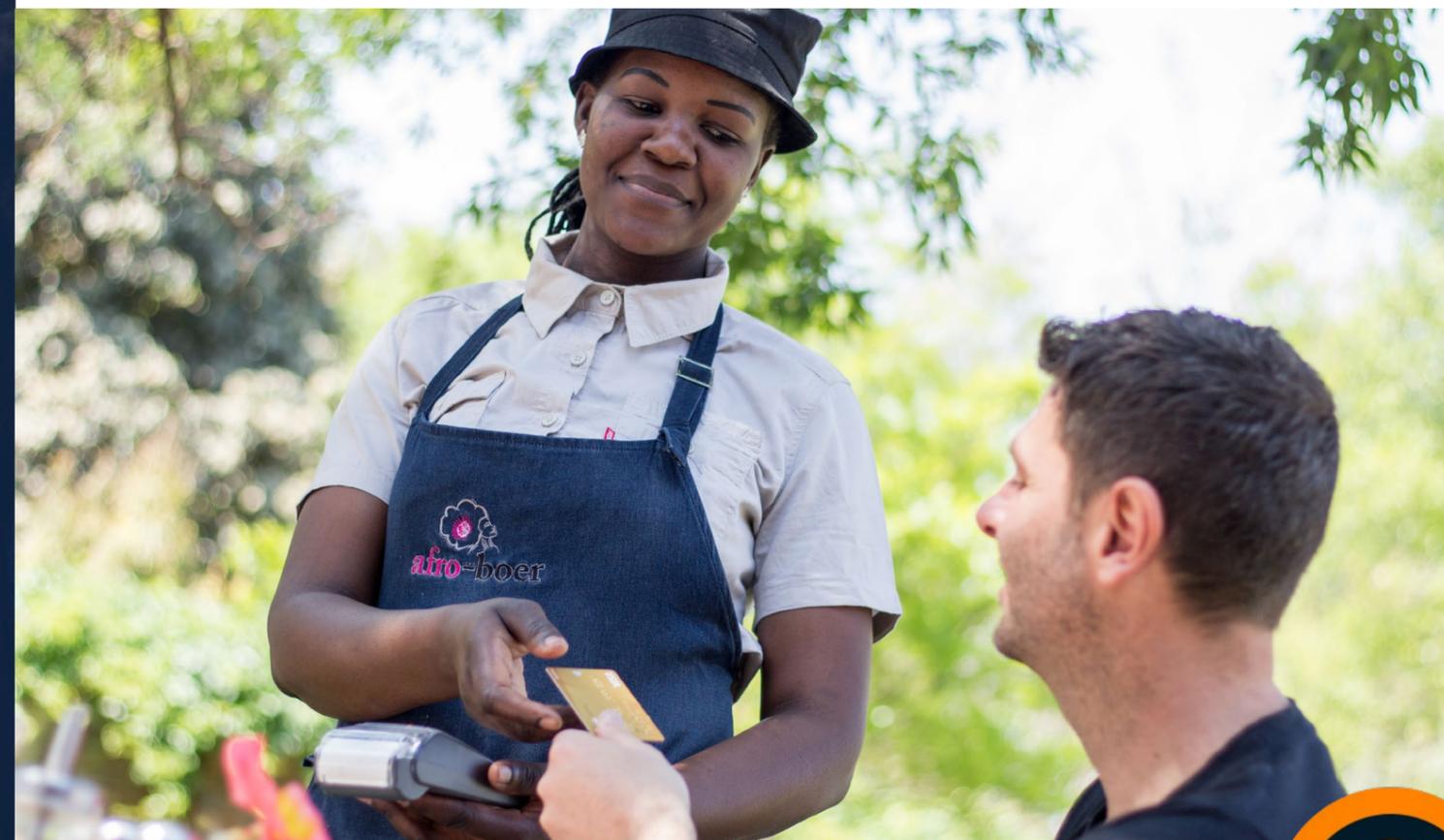
## 1. RESEARCH ON CUSTOMER LOYALTY

### INTERNATIONAL TRENDS

Global research giant, Nielsen, highlights that when effectively executed, a Loyalty Programme can help retailers drive more frequent visits and heavier purchasing:

Customers are keen to spend with businesses that reward loyalty and to grow your customer base, and revenue, in this rapid landscape you need to leverage a Loyalty Programme.

"More than seven in 10 global respondents (72%) to our survey agree that, all other factors equal, they'll buy from a retailer with a Loyalty Programme over one without."



## RESEARCH ON CUSTOMER LOYALTY IN SOUTH AFRICA

Nielsen's survey found that:

- South Africa **boasted the highest number of respondents at 84%** that are currently members of a retail Loyalty Programme.
- This is **significantly higher than the global average of 66%** for respondents who take part in Loyalty Programmes.

Consumer participation in retail Loyalty Programmes is closely tied to the strength of modern trade in a region, Nielsen's Emerging Markets Director, Ailsa Wingfield explains. "Modern trade is still in a growth phase in many countries in the southern African region, however, the high membership rate in South Africa speaks to the relatively long history of Loyalty Programmes and high penetration in the market."

A local study by Truth and WhyFive on Consumer Loyalty Behaviour in South Africa found that Loyalty Programme usage continues to increase year-on-year. Growth in usage went up, overall, by 6% from 2015 to 2016. According to more than 27 000 respondents to the study, South Africa's most popular Loyalty Programmes are:

1. **Pick 'n Pay Smart Shopper (71%)**
2. **Clicks ClubCard (62%)**
3. **Woolworths WRewards (50%)**
4. **Edgars Thank U (46%)**
5. **Dis-Chem Benefits (42%)**



### Did you know?

In the six months leading up to February 2017, Clicks achieved an 8.5% increase in revenue to R13.1 billion. Clicks CEO, David Kneale, attributes this success to their strategy of offering value to consumers through the Clicks Card Loyalty Programme.

Big retailers are leveraging their Loyalty Programmes to the fullest to grow revenue, and it's about time Independent Retailers did the same using **cost-effective Loyalty Programme solutions**.



# HOW A LOYALTY PROGRAMME CAN HELP YOU DRIVE REVENUE

A WELL-MANAGED LOYALTY PROGRAMME CAN HELP YOU TO:

## 1. INCREASE YOUR REVENUE

Based on research conducted by Sureswipe, retailers can increase their customers' basket spend by up to 24% within 12 months of introducing a Loyalty Programme.

**Measure and monitor customers:** Learn important characteristics about your customers by combining loyalty data with retail market data to make more insightful business decisions. Leading Loyalty Programme providers offer online portals that make it easy to self-manage your data.

## 2. GET TO KNOW YOUR CUSTOMERS BETTER

A Loyalty Programme transforms anonymous buyers into a rich source of business data. Now you can derive deep insights on the shopping patterns and preferences within different customer segments.

**Segment customers accordingly:** Using the data gathered through a Loyalty Programme, you can learn which consumer groups are more interested in particular products or services. If well-executed, your Loyalty Programme can help serve the exact needs of consumers whose behaviour will be most influenced.

## 3. MARKET DIRECTLY TO CUSTOMERS

A Loyalty Programme provides you with a platform to obtain contact details and the necessary data you need to undertake direct marketing to your customer segments through email and SMS functionality.

**Personalise the shopping experience:** The best of the best retail Loyalty Programmes follow a common principal that every customer is an individual. Retailers who run their Loyalty Programmes well can offer tailored shopping experiences to particular customers thanks to direct marketing capability via email or SMS. Want to host a flash sale tomorrow? Send out an SMS to your top 50 shoppers offering them a discount on the day and watch them flock to you.



# CASE STUDIES: HOW LOYALTY PROGRAMMES INCREASE BASKET SPEND FOR INDEPENDENT RETAILERS

Sureswipe's deep reach into the South African retail sector, as a leading merchant solutions provider, has enabled the company to conduct in-depth research into the tangible revenue gains you can achieve with a Loyalty Programme.

## CASE STUDY 1: LOYALTY PROGRAMMES IN HARDWARE STORES

Independent hardware store owners face tough competition, particularly when it comes to large corporate-driven stores opening up in locations where mom-and-pop shops once thrived. It's becoming tougher for independent hardware retailers to keep up with the big players in the sector.

### The Result

- Independent hardware retailers can grow their customer base and revenue by implementing a Loyalty Programme.
- The average non-Loyalty basket spend at independent hardware retailers in South Africa is around R1203.00, while 'Loyalty customers' spend an average of R1911.00 per basket.
- That's a **59% increase in basket** spend for hardware stores that are running slick Loyalty Programmes, powered by Sureswipe.



## CASE STUDY 2: RESTAURANT & QUICK SERVICE OUTLETS

The food space is becoming crowded. Big brands are moving in and spending major marketing money on attracting customers. Popular independent food outlets are finding it tough to attract customers in this crowded market, so how do you retaliate and grow revenue?

### The Result

- The industry average non-Loyalty customer basket spend at a restaurant or quick service outlet is around R202.00, but this figure jumps to R285.00 where a 'Loyal' customer using a membership card is concerned.
- You can increase the amount of cash your patrons spend with your food business by **41%** if you implement a Loyalty Programme today.

## CASE STUDY 3: PET GOODS STORES AND VETS

People love their pets and are willing to spend good money on accessories, vitamins and toys for their furry friends. However, pet retail is a competitive space to play in considering the growing number of pet businesses opening around the country. Factor in the rise of Internet retail, and you quickly begin to see how pet goods retailers must do everything they can to attract repeat business.

### The Result

- On average, a non-Loyalty customer will spend R528.00 at a pet shop or vet, but a customer holding a Loyalty card is likely to spend R624.00.
- If you're running this type of business you can **grow revenue by 18%** by simply launching a Loyalty Programme of your own.



# SET-UP YOUR LOYALTY PROGRAMME TODAY

As a leading payment solutions and Loyalty Programme provider for independent retailers in South Africa, Sureswipe can provide you with cost-effective solutions to help you grow your customer base and foster consumer loyalty in your business with the following tools:

## 1. LOYALTY PROGRAMME

A customisable business growth tool that will help you retain more customers and grow your customer spend.

### EXAMPLES OF LOYALTY PROGRAMMES YOU CAN RUN

#### The Result

- **Spend for rewards:** Money spent equals money saved for the customer as you'll be able to offer them a percentage cashback on items.
- **Points for prizes:** With this sort of Loyalty Programme, you won't offer cash back – instead you'll give points that can be redeemed for in-store items. These items can include your loyal customers' favourite things.
- **Punches for rewards:** If you run a barber shop, car wash, or even a coffee shop, you can say goodbye to old-fashioned punch cards. With Sureswipe's professional punch card system, you can keep track of loyal customer transactions.

#### THE SURESWIPE SOLUTION

- Our Loyalty Programme is a self-managed business tool that supports customer needs by enabling you to accurately capture customer data – like name, mobile number and email address.
- With Sureswipe you can adjust your Loyalty Programme as your business evolves to meet customer expectations and market trends, so you're not left behind by competitors.
- Sureswipe also enables you to contact your customers via SMS and email at a click of a button – any time of the day to alert them to special offers – through a Loyalty Programme.
- If you sign up for a Loyalty programme with Sureswipe, reporting and analytics are at your fingertips through an easy-to-use online portal.

## STEPS TO LAUNCH YOUR LOYALTY PROGRAMME

With Sureswipe's Loyalty Programme offering, you can get closer to customers in five easy steps:

1. Sign up for Loyalty and we'll help you tailor a unique customer rewards solution.
2. We will personalise your business's Loyalty cards and point-of-sale branding, and deliver this to you.
3. You're ready to enrol customers for your programme. Customers can immediately start swiping their member cards to earn % (percentage) cashback rewards, or reward points or 'card punches' for in-store rewards.
4. Your customers can use their points towards in-store merchandise or services. Don't forget that you'll be able to target segments of customers with special offers, thanks to the rich data you'll be collecting.
5. Finally, the power is in your hands, but we'll help you every step of the way. You manage your own Loyalty Programme through an easy-to-use online portal.

## LOW MONTHLY COST, HIGH RETURN ON INVESTMENT PROGRAMME

For a cost-effective fee, Sureswipe can help you get your unique Loyalty Programme going today. Your ROI with Loyalty on a monthly basis is variable depending on the value of Loyalty transactions and customer behaviour, but Loyalty merchants could achieve, on average, 24% return within 12 months of implementation.

### CUSTOMER RESULTS

*"As a medium-sized business, we are competing against big retailers and need to retain our customers."*

*We cannot invest in customised software to the value that the super stores do – so we decided to use Sureswipe's Loyalty Programme.*

*What impresses me the most is the flexibility of the system – we are in control and can 'fine tune' the programme to our liking."*

*– Isabel Bloem, Data Inn, Limpopo*

**CONSIDER THIS:** If you were to generate R100 000 per month in revenue (R1,2m per annum), in 12 months' time, your turnover could be R124,000 (R1,488,000) using Loyalty.

## DID YOU KNOW YOU CAN COMBINE LOYALTY WITH A GIFT CARD PROGRAMME TO ATTRACT NEW CUSTOMERS & MORE SPEND?

You can take advantage of cost-competitive bundles (hybrid cards) that cover both Loyalty and Gift functionality. Consider it as one card to help you attract and retain customers like never before.

- Sureswipe's Loyalty cards can double up as Gift cards, when a new customer redeems their Gift value the card can be retained by the customer to join your loyalty programme – increasing your odds of retaining a new customer.
- You will automatically capture your new customers details and, through Sureswipe's analytics dashboard, you'll now be able to deliver targeted marketing to a wider customer base.



## IMPLEMENT A GIFT CARD PROGRAMME TO INCREASE IN-STORE SPEND

Attract new customers and increase their basket spend. Sureswipe's affordable Gift Card packages can help you grow your customer base by attracting new customers and enticing them to spend more cash with you.

Customers can use their Gift Cards to pay for products or services, enabling you to attract shoppers or patrons that would normally spend cash with your competition.

## THE BENEFITS OF OFFERING AN IN-STORE GIFT PROGRAMME

- 1. Increase your revenue:** Based on our research, Gift card holders spend 20% more than the loaded gift card value.
- 2. Attract new customers:** 80% of Gift cards issued results in a new customer for your business.
- 3. Get to know you customers better:** Sureswipe's Gift Programme transforms anonymous buyers into a rich source of business data. Now you can derive deep insights on the shopping patterns and preferences within different customer segments.
- 4. Market directly to customers:** A Gift Programme provides you with a platform to obtain contact details and the necessary data you need to undertake direct marketing to your customer segments.
- 5. Increase your Brand footprint:** Make an impact with special offers that attract and retain shoppers.



For more information on Sureswipe products or services, complete the **Call Me** form on our website and we'll call you back in 1 hour with solutions.

## HOW SURESWIPE'S GIFT CARDS WORK

1. Signing up for a Sureswipe Gift Card package is quick and easy. We will help you set up your Gift Card programme.
2. Sureswipe will also provide you with the necessary Gift Card branding to alert customers to your offering, as well as card packs, point-of-sale display stands and back-up support should you need it.
3. You'll have the power to manage your own Gift Card programme through Sureswipe's powerful online analytics portal.
4. Customers can also make use of an online portal to view their card balances – ensuring you add a digital experience to your brick-and-mortar customer experience.

## CUSTOMER RESULTS

“The response from our customers to the Gift Programme has been overwhelmingly positive.

Not only do they get to share a great gift with a loved one, but it has also increased sales for our business.

Recipients of gift cards are spending more than the value of the card.”

– Mark Downing, MD of Pandora Jewellery.

