

Being rewarded for loyalty is important

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A study by the Australian Centre for Retail Studies has found loyalty card usage has increased over the last five years

(Phys.org) —Consumers are continuing to sign up for loyalty programs even when they're unsure of the benefits, according to new research.

In a study released this week, researchers from Monash University's Australian Centre for Retail Studies found loyalty card usage was increasing even though slow accumulation of rewards and insufficient benefits were seen as major deterrents.

Lead [researcher](#) Dr Sean Sands said the study found loyalty card usage had increased over the last five years.

"More than 50 per cent of those surveyed said their usage had increased. On average, males actively participate in two [loyalty programs](#) and [females](#) in four," Dr Sands said.

Dr Sands said many consumers were unsure of the rewards and benefits they could receive from their loyalty programs.

"Consumers who are unaware of the rewards offered by a loyalty program get less value from their membership, and are also less likely to go out of their way to shop with a particular retailer," Dr Sands said.

"For loyalty programs to be successful, retailers need to understand their customers, and how they would like to be rewarded and communicated with."

The study found Flybuys (37 per cent) and Everyday Rewards (34 per cent) were rated the best loyalty programs, followed by MYERone (5 per cent) and Priceline (3 per cent).

The study found [baby boomers](#) liked [mass communication](#) where everyone received the same information, while those from younger generations preferred personalised communication based on their previous purchases. Australian consumers generally liked to receive discounts on products they bought regularly, with 89 per cent finding this kind of personalised promotion appealing.

Dr Sands said [social media](#) was also playing its part with consumers in the 18 to 24-year-old bracket.

"Collecting points or rewards for their behaviour on social media was

especially appealing for this group," Dr Sands said.

"However retailers have to be careful how they use social media to communicate. Consumers were less keen on retailers reviewing their social media profiles in order to deliver relevant rewards based on status updates, photos and interest, with 63 per cent deeming this behaviour unappealing."

Dr Sands and fellow researcher Selma Mehmedovic presented the key research findings and revealed some important insights in their Loyalty Beyond the Card seminars in Sydney and Melbourne this week. The seminars were sponsored by Coles, Salmat, AMP Capital, Myer and Global Loyalty.

Provided by Monash University

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