

# How loyalty and rewards will drive shopper behaviour in SA's retail main market

Following the turbulent year that was 2020, South African customer engagement and incentive solutions business 2Engage shares a few of its 2021 predictions for trends in the loyalty and rewards space in South Africa's retail main market.



## 1. Increase in sign-ups to rewards and loyalty programmes

It is no secret that a very large portion of our country's economically active consumer base is facing even harsher and more overwhelming financial pressures than ever before. As such, 2Engage anticipates an increase in sign-ups to rewards programmes that deliver tangible and instant benefits for consumers.

## 2. Increased redemption of rewards

As people try to stretch their hard-earned income as far as possible, with rewards and discounts or cash-back for loyalty becoming an ever more significant motivating factor to purchase certain products and engage in certain behaviour, 2Engage expects to see an increase in the redemption of rewards by loyalty programme members as they "cash-in" on their loyalty to certain brands and demand fulfillment of their rewards.

## 3. Face-to-face interaction trumps online

In a world that has rapidly adapted to being online-friendly for customers in the mid-upper ends of the consumer market, face-to-face interaction for brands who wish to engage consumers in the independent mass market will remain incredibly important this year.

In a recent survey conducted within the independent mass market by Retail Engage and bonsella, subsidiary companies of 2Engage, 85.73% of respondents said that they contacted the loyalty brand via an "in-store agent". Whatsapp, telephone, Facebook and email communication channels all showed single-digit results for the same question.

#### **4. Price to remain the #1 driver of store choice**

The modern South African consumer is more conscious than ever of factors such as price and convenience. In the survey mentioned above, 42.5% of respondents said that “store prices” are the reason why they shop at a specific store, with 30.14% of respondents saying that rewards benefits were their primary motivator. 2Engage predicts that this will continue and says that the gap between these reasons and others, like location, is most likely to widen as the year progresses.

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