

## *Financial training For non financial staff*



*The financial training specialists*

### **Loyalty cards (profit)**

Love them or loathe them you've probably got several loyalty cards, some of which you use frequently.

My "frequent flyers" are Costa, Nectar and Penleys (a local Leyburn café: I'm writing this drinking a free coffee!).

My Costa card rewards give me free coffee on holiday. I invariably choose Costa instead of Starbucks; even when choosing which motorway service station to use. My Nectar reward points are giving us some free Caorunn gin for Christmas!

So frequent customers have loyalty cards (why wouldn't you?). But do loyalty cards create loyal customers? Can you buy loyalty?

I go to Costa because I prefer their coffee to Starbucks. Starbucks ask "What's your name?"; write it on the cup; and then ignore you. To me it feels like a false intimacy. Costa staff are invariably cheerful, and talk to customers. It feels more authentic.

And this hasn't happened by accident. Whitbread train their staff (in Costa and Premier Inn); customer interaction is part of the company culture.

But loyalty cards can be a disincentive. I recently spent £150 at Sainsbury, and got a fraction of the points I expected. They give at a lower rate on fuel, and not on spirits at all. Perhaps loyalty can't be bought, just rented in the short term.

But we clearly want to have loyal customers: they translate into more sales and better profit. Instead of buying loyalty, how do you earn it? What do your customers want from you, and are you giving it to them?