CHAPTER -III

CONCEPTUAL FRAMEWORK ON CUSTOMER LOYALTY PROGRAMS AND LOYALTY PROGRAMS OF THE SELECT RETAILERS

3.1 Introduction

Loyalty marketing, relationship marketing, retention marketing, customer bonding, partnership marketing and lately Customer Relationship Management (CRM) or one to one marketing regardless of what we call it, all these names and what they stand for have two major things in common. First they describe efforts to establish loyalty among the customers towards the product, brand or company. Second they are increasingly influencing strategies and industry developments. In all markets and industries, marketing efforts increasingly aim to bring companies closer to the customer, offering customized products and services or listening to the market place and extracting valuable information. The importance of such loyalty efforts has increased significantly over the last few years and is increasingly expanding from companies to nonprofit organizations (which focus on retaining donors) and governmental institutions (Ex: BSNL offering complimentary SIM cards for their valued customers).

3.2 Evolution of Loyalty Marketing

Reward programs started way back, though in a somewhat unstructured form, in the 1890, in the form of trading stamps. Trading stamps were small paper coupons given to customers by merchants. These stamps had no value individually, but a customer could exchange them for other merchandise after saving a certain quantity. At first given only to customers who paid for purchases in cash, and not credit, it grew with the spread of chain gasoline stations in the early 1910s and then the new chain supermarkets in the 1920s, such that merchants found it more profitable to award them to all customers. In the United States, the most popular brand of trading stamps was “S&H Green Stamps”. This is considered to be precursor of reward programs. Under this program, customers were given redeemable Green Stamps based on how much they bought. At the start of 1960, the S&H Green Stamps company boasted that
it printed more of its stamps each year than the number of postage stamps printed by
the U.S. Government. By the 1960, trading stamps had spread to other countries.

As a result of serious inflation starting in the 1970 trading stamps became less
common as merchants discontinued offering them to cut costs. Their role has been
subsumed by reward programs offered by credit card companies and others, such as
groceries. Subsequently American Airlines developed their Advantage Program in
1981 with miles as a currency. Since then, the design of reward program has changed
dramatically all over the world.

Though early adoption of well structured loyalty programs was found in airline
sector- Hotels, retail, financial services, leisure sectors followed suit. FMCG sector
also experimented through continuity programs and loyalty clubs. It is observed that
durable goods manufacturers, many service businesses (like entertainment businesses-
multiplexes, credit card providers) and organized retail outlets have been using varied
loyalty programs.

In India too had its own version of a stamp based retail FMCG program called
“Ramon Bonus Stamps” in the early to mid 70s, pioneered by Mr.H.K.Shah which
was a replica on the S&H Green stamps of US. With the arrival of point of sale
scanners and other means of collecting and storing consumer purchase histories in
computerized data-base, card- based reward programs have been growing in
popularity during the 1990s (Karolefski, 1998). In the Indian retail landscape it
became more prominent in early 2000s. Card based programs normally require
shoppers to obtain an individualized plastic card that is scanned during shopper check
out. The scanner records customer identity and all purchases. Customers usually do
not pay a fee to obtain the card but must supply some limited personal information
that normally includes name, address, phone number, and the number of household
members.

Customer retention marketing has never been more popular than today, partly
due to the new economy which has given the customer additional power. Never were
there more people participating in customer loyalty programs. In Europe, the number
of members in retail loyalty programs has increased from 309 million in 1998 to 453
million in 2001 according to a Data monitor study. The U.K has the most members
(125 million in 2001), followed by France, Italy, Spain, Germany and the interesting part to be noted that many members are registered in more than one program.

In USA, ACNielsen found that in 1998, 55 per cent of all households had at least one grocery store loyalty card, up from 35 per cent in 1997 (ACNielsen, 1998)

### 3.3 The loyalty program goals

The ultimate goal of every loyalty programme is to increase profit, revenue and market share, thus securing the company’s stability and existence. But these are often mid-term or even long term goals which can only be achieved if other intermediate goals are reached first. The following figure shows the typical five main goals of many customer loyalty programs.

**Figure 3.1 Main Goals of Customer Loyalty Programs**

- **Customer loyalty**
- **Win new Customers**
- **Increase in**
  - Revenue
  - Profit
  - Market Share
- **Create communication opportunities**
- **Support other company departments**
- **Build a strong database**

Source: Customer Loyalty Programmes and Clubs By Stephan A. Butscher (2002)
3.3.1 Primary Loyalty Program goals

- **Customer Loyalty**

  A customer loyalty program’s primary purpose is to build a relationship with the customers that turn them into long term loyalty customers, who ideally will obtain their lifetime demand for a specific product or service from the company sponsoring the loyalty program.

- **Win a New customer**

  The second main goal is to attract new customers through the loyalty program. This happens in two ways. First satisfied loyalty programme members increase their word of mouth advertising because of the loyalty programme activities. The program’s benefits give the customers something to talk about, and the increased number of contacts between customer and manufacturer or dealer through the loyalty programme communication ensures that the product has a higher profile in the members’ minds. This may well increase the number of times they refer to the product or recommend it to the friends. The other way a customer loyalty program can lead to new customers is that the value of the loyalty program benefits themselves is so attractive that non-customers join the loyalty program. These new members will eventually try the product, and will continue using it after satisfactory initial experience.

- **Build a strong database**

  A third main goal is the creation of a customer database. A well maintained database that is constantly loaded with up to date information is one of the most powerful marketing tools a company can have, and can be used for a large variety of marketing activities. Using the data from the loyalty program database in a professional way is a strategic weapon. Ideally the database not only contains socio-demographic data, but also detailed information on purchase behavior (brand usage, purchase frequency, purchase volume or switching between products) and preference data. This information is normally difficult to obtain, and can only be collected if customers use a company’s own credit card or identify them in some other way at the point of payment, like giving by giving the cashier a membership number. In both
cases, the purchase details can be linked to a name or household and used for further analysis and marketing activities. If the credit card is not only accepted at the company’s own points of sale but is also accepted in other stores, and even more complete picture of the customer’s purchasing behavior is painted. Data on purchases of competing products, related products and so on is available. In the case of a customer loyalty programme, such a card would the membership card, enhanced with a credit function.

A customer loyalty programme has an advantage over other loyalty programs in that it achieves the goal of data collection more effectively. By joining the loyalty program, the members have already identified themselves as having a special interest in the products or services that the loyalty programme represents. In most cases, a joining fee has to be paid or a similar hurdle has to be overcome to join the loyalty programme- an effort that non interested customers would probably not invest. In many other loyalty program, membership comes automatically with a product purchase or is granted without any formal process. The existence of this special interest means that the sponsor of a customer loyalty program can therefore easily approach its members with detailed surveys concerning their purchase behavior, purchase motivation, related attitude and beliefs, product perception and so on. All these detailed information can be entered into the database. The members are in many cases delighted that finally somebody, whom they know and whose products they care about, shows interest in and concern for their opinions.

- **Support other company departments**

Building a strong database supports the fourth main goal of a customer loyalty program, which is to assist other departments such as R&D, product marketing, or market research. The loyalty programme offers a unique opportunity for these departments to communicate with customers who are certainly more willing to share information and opinions with the company than mall intercept interview recruits will ever be. This situation provides a great potential to find out about market trends, consumer demands or to test new products. Nowhere else a company will find a group of consumers with more interest in the product and all related issues, and whose opinion could be more valuable. A dialogue with these customers can help to identify
problems with the use of existing products, possible areas of improvement, ideas for new products and many other issues.

Create communication opportunities

The fifth and final main goal is to make communication opportunities that can be used to intensify contact with the members. This is not only leads to more regular contact with the members, which is initiated and thus controlled by the manufacturer or dealer, but also leads to direct and personalized communication. In contrast to mass communication through advertising and direct mail - which even today is far from being truly personalized – this ensures more efficient use of the communication budget, and a much more positive effect.

3.3.2 Secondary loyalty program goals

Apart from these main goals, a customer loyalty programme can pursue further goals, such as:

- Increasing product, brand and company image through the positive effect of the loyalty program and its activities.
- Increasing visit frequency by attracting customers to the points of sale through special promotions, sales or events.
- Increasing usage frequency by ensuring that the product is constantly in the mind of the users
- Developing solutions for members’ problem (especially in B2B loyalty program)
- Supporting the company’s public relation activities through reports on the loyalty program’s activities in the media.
- Adding customer support capacity which is qualitatively superior to the support a customer could receive from a dealer (especially for more complicated products or products that need more intensive explanation, such as high tech products)
- Supporting the dealer network (if the customer loyalty program is sponsored by a manufacturer) by developing special displays, assisting with the development of local advertising campaigns and so on.
- Other case specific goals.
3.4 Loyalty Programs and long term effect

A closer look at the list of goals discussed above reveals the fact that the loyalty programme concept mainly aims to achieve a strong long term effect. A customer loyalty program does not create the same short term results as does an enticing special offer via direct mail or heavy local advertising. Even so, certain results can be seen rather quickly. In particular, the secondary goals can be achieved in the short term. However, the primary goals are of long term nature, and only if customers are committed to the loyalty programme, and thereby to the company, is the true profit potential of a customer loyalty programme realized over time. It can take several months or years to set up a database that is complete and detailed enough to be used for large scale marketing activities.

A customer loyalty programme does not lead immediate business improvement and success, but gradually works towards all these goals over the months and years of the relationship with its members. No loyalty programme will double profit within weeks. However the relationship that a loyalty programme helps to build is very strong and productive. From a long term perspective, there are other three points to be considered are:

- In order to plan and manage a customer loyalty programme properly, an organization must realize that loyalty programme membership is never a goal in itself, but is always a means of achieving their marketing goals.
- No loyalty program can be successful if the product behind it is not good. A loyalty program is not a cure for price, distribution or quality problems. A customer loyalty program can add value to a product, but can’t be the value. Likewise, the loyalty programme can’t overcome significant discrepancies on other decisive factors.
- As members are used to provide information, a service provider is holding the responsibility to give something valuable and significant returns to them.
3.5 The loyalty program’s target groups

The target groups for a customer loyalty program consist of those customers with whom the sponsoring company primarily wants to develop long term relationships. The primary target group for a company’s customer loyalty program should be their most important customers, those who constitute the major portion of the company’s business, as securing these relationships is most vital for their future success. Smaller customers and potential customers should not be excluded from the loyalty program, but the primary focus should be on developing a program that fits the needs of the top customers. Other customers will still benefit from such a program, but company will want to target them with concepts that take their particular needs into consideration.

The decision about whether to define the target groups narrowly or broadly depends largely on the goals of loyalty program. If a company is aiming to set up a complete database of their customer base, then a wide definition of target groups are necessary; if the goal is to secure business from current key accounts, then focus is more appropriate. Another factor to be considered is how potential customers or competitors’ customers are to be approached. Sometimes, a loyalty program can create a wave of new customers for sponsoring company, but that will depend on the value and attractiveness of the benefit package.

Further segmentation (for example, concentrating on major customers in specific industries) only makes sense if the target groups are not sufficiently homogenous to be approached through one programme. Customer loyalty programs are very flexible and can cover several target groups, so it is possible to remain in touch with customers even if their habits change and they move from one target group or segment to another.

3.6 Types of Loyalty Program

Dowling, Uncles (1997) have excluded 4 types of loyalty programs that let to define principles of loyalty programs working: (1) discounts, (2) stimulation, (3) nearness, (4) association, the constant maintenance of connections.
Later Debelak (2005) have refilled with two more types and have composed the typology of almost all loyalty programs:

• **Evaluation** – provide more products and services than they are expecting;

• **Reward** – give awards, not linked with company products or services, to customers;

• **Partnership** – let to choose the award from other possible companies;

• **Discounts** – present money for customers when they purchase more;

• **Cooperation** – create the long lasting relationships with customers basing on mutual benefit;

• **Coalition** – associate with other companies in order to share the information about customers and aim to new potential customers

Stephan.A.Butscher (2006) in his book titled ‘Customer loyalty program and clubs’ splits customer loyalty program into two groups: limited and open. The most suitable form depends on the loyalty program’s goals, target groups and individual context. Limited loyalty programs require a membership fee together with a completed application form, and they try to channel membership towards the primary target groups. Certain criteria often have to be fulfilled in order to qualify for membership. This ensures a better focus on the primary target groups, and helps to keep out freeloaders.

Open loyalty programs have no entry conditions, but as a result often include many members who are of no benefit to the company. They are ideal if extremely wide target groups have been defined, or if potential and competitors’ customers are also primary target groups. The lack of an entry condition will make membership more attractive and easier for a large number of people.

Loyalty programs can be further split into end-user loyalty programs and business-to-business or distributor loyalty program, depending on their primary focus and target group.
A study by Barry Berman (2006) has segmented loyalty program into four major types as follows.

### Table 3.1 Classification of loyalty programs- Barry Berman

<table>
<thead>
<tr>
<th>Program type</th>
<th>Characteristics of program</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type-I</strong></td>
<td>Membership open to all</td>
<td>Supermarket programs</td>
</tr>
<tr>
<td></td>
<td>• Clerk will swipe</td>
<td>Beneficial to small firms as easy to administer and low costs</td>
</tr>
<tr>
<td></td>
<td>• Each member gets same discount irrespective of purchase history</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No information on customer name, demo or purchase history</td>
<td>Ex: Mysore Tarpaulins</td>
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<tr>
<td></td>
<td>• No targeted communications</td>
<td></td>
</tr>
<tr>
<td><strong>Type-II</strong></td>
<td>Membership open to all</td>
<td>Local car wash, Airport fast park</td>
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<tr>
<td></td>
<td>• No customer database linking purchases to specific customer</td>
<td></td>
</tr>
<tr>
<td><strong>Type-III</strong></td>
<td>Seeks to get members to spend enough to receive qualifying discount program tiers; no personalized communications</td>
<td>Airlines</td>
</tr>
<tr>
<td><strong>Type-IV</strong></td>
<td>Members divided into segments based on purchase history</td>
<td>TESCO</td>
</tr>
<tr>
<td></td>
<td>• Requires comprehensive database of demographics &amp; purchase history</td>
<td></td>
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3.7 Steps in Developing, Implementing, and Controlling an Effective Loyalty Program

The planning and implementation of an effective loyalty program goes through a ten-step process:

**Fig 3.2 Steps in developing effective loyalty program**

1. Outlining Loyalty Program Objectives
2. Developing a Budget
3. Determining Loyalty Program Eligibility
4. Selecting Loyalty Program Rewards
5. Considering Partnerships with Others
6. Building an Appropriate Organization
7. Developing and Maintaining the Loyalty Program Database
8. Managing an Internal Data Warehouse and Data Mining Capacity
9. Evaluating the Success or Failure of the Loyalty Program
10. Taking Corrective Action

➢ **Outlining Loyalty Program Objectives**

Loyalty program objectives can be based on revenues, profits, customer loyalty, and increased information on consumers. Common specific loyalty program objectives are increasing the number of members, reducing member attrition, increasing member purchases, increasing member purchase frequency, increasing member profitability, and generating a satisfactory return on loyalty program investment and receiving valuable market research data.

➢ **Developing a Budget**

The loyalty program budget needs to reflect various expenses like initial and ongoing promotional expenses (including costs of communicating with members), IT hardware and hardware servicing costs, database creation and maintenance expenses, editorial and production costs of loyalty magazines, the direct costs of loyalty rewards, and fulfillment function expenses.

Some marketers have defrayed some of the startup and maintenance costs by imposing initial membership fees for their loyalty programs. This initial fee can also reduce memberships by casual customers (where the cost of maintaining their membership is greater than their profitability), and can help create value to new members. A major academic study found that higher membership fees increase consumers’ preference for luxury versus necessity rewards and that high fees increase the likelihood that consumers will join a program that offers a luxury reward.

➢ **Determining Loyalty Program Eligibility**

A major question to be answered while designing a loyalty program is whether a loyalty program should be open to all customers or only to a select group of customers (such as the firm’s best customers or those segments most amenable to a firm’s incentives). Loyalty program eligibility issues need to be related to a firm’s loyalty program objectives and budget issues. Objectives based on sales volume are best linked with an open eligibility program, while a closed program may be better associated with profit-based objectives. The closed program also generally requires smaller budgets than an open eligibility program. Program eligibility should be based on customer profitability. Through developing a loyalty program based on “invitation
only,” a marketer can exclude the customer segments with the lowest profitability (who only purchase merchandise on sale, frequently request that the marketer match a discounter’s price, or often return merchandise) by not inviting them into the closed program. Another alternative is to require minimum purchase requirements or a fee to discourage low potential customers from applying.

- **Selecting Loyalty Program Rewards**

A loyalty program reward decision should be based on the type of programs offered by the retailer. The factors need to be considered while making loyalty program reward decision is choice of currency, tier structure, redemption option and ease of use.

- **Considering Partnerships with Others**

Partnering with other organizations can reduce the expense of setting up and maintaining a loyalty program system, increase the desirability of loyalty program membership, and complement each organization’s strengths and weaknesses through multi-partner or coalition loyalty programs. Partner firms may also be able to access each other’s databases to determine cross-selling opportunities. A popular combination of loyalty program partners includes travel, grocery, gasoline, and financial services firms.

- **Building an Appropriate Organization**

An effective loyalty program requires the development of an appropriate organization to effectively plan, implement, and fine-tune the program. A study by Mulhern (2004) et al, Things Remembered, a personalized gift solutions retailer with 700 locations in 46 states, uses a cross-functional team consisting of personnel with expertise in information systems, marketing, accounting, store operations, loss prevention, and call centers—in addition to a partner that manages the database. Also Tesco’s Clubcard requires 500 employees to manage its hotline, contact loyalty program members by mail, maintain its call center, and staff its Clubcard Magazine (with a circulation of 9 million consumers who receive four issues a year. Firms can outsource those activities where they have little expertise or where the outsourced firm has greater skills. Activities that lend themselves to outsourcing include
developing and maintaining the member database, developing and maintaining the loyalty member web site, and data mining.

➤ **Developing and Maintaining the Loyalty Program Database**

Unlike direct marketers, many store-based retailers generally collect and analyze data based on products, not customers. Retailers need to see the role of loyalty programs as an important source of customer-based data. Without a database that tracks member behavior and offers different rewards to each major consumer group, a firm cannot achieve the full potential benefits of its loyalty program. The loyalty program database needs to reflect purchase data from each of the firm’s channels, as well as its loyalty program partners. Firms also need to integrate members’ demographic and credit history data into their loyalty program database. This enables marketers to build an integrated profile of its members.

➤ **Managing an Internal Data Warehouse and Data Mining Capacity**

In addition to developing and maintaining the loyalty program database, a loyalty program provider needs to manage its data warehouse and data mining capability to enable the data to be used for promotional, marketing research, and segmentation purposes. A study by Berman (2006) of 41 directors of loyalty programs for service companies, consumer packaged goods, direct marketers, and advertising agencies found that the best loyalty programs gathered information on product Usage, purchasing habits, and attitudes—and used this information to tailor products to the specific needs of consumers. The best loyalty programs were also found to use enrollment forms to capture demographic, usage frequency, and preference-related data. Airlines, hotels, and car rental firms have an advantage over other firms in this area since consumers must identify themselves at the time of purchase.

➤ **Evaluating the Success or Failure of the Loyalty Program**

The final stage is to evaluate the success or failure of the loyalty program. The success or failure of a program needs to measure through multiple various factors like increased sales, increased customer retention, increased purchases, and lower acquisition costs for new customers.
Taking Corrective Action

The last step in this process involves taking corrective action in the event that loyalty program performance does not meet objectives. The following table outlines specific corrective actions to meet six specific loyalty program objectives: increasing membership, reducing attrition, increasing member purchases, increasing member gross profit, improving return on loyalty program investment, and increasing the quality of market research.

Table 3.2 Corrective Actions to Meet Specific Loyalty Program Objectives

<table>
<thead>
<tr>
<th>Corrective Actions to Meet Specific Loyalty Program Objectives</th>
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<tbody>
<tr>
<td><strong>Increasing the number of loyalty program to members</strong></td>
</tr>
<tr>
<td>• Partner with other brands and retailers to make it easier for members to accumulate points.</td>
</tr>
<tr>
<td>• Provide free points or additional discounts for initial membership</td>
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<tr>
<td>• Recognize that open programs have more members than closed programs</td>
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<tr>
<td>• Increase the attractiveness of rewards.</td>
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<tr>
<td>• Make rewards easier to obtain.</td>
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<tr>
<td>• Assure members that specific data on their purchasing behavior will be kept in the strictest of confidence and not be sold or shared.</td>
</tr>
<tr>
<td><strong>Reducing member attrition</strong></td>
</tr>
<tr>
<td>• Reduce the number of points needed to receive a reward.</td>
</tr>
<tr>
<td>• Increase the number of reward options</td>
</tr>
<tr>
<td>• Make the program easier to use.</td>
</tr>
<tr>
<td>• Allow members to purchase points to facilitate getting rewards.</td>
</tr>
</tbody>
</table>
| **Increasing purchases by members** | • Tailor rewards and communication based on a member’s purchase history.  
• Track member usage and contact profitable customers who have not recently made a purchase.  
• Partner with other brands and retailers to make it easier for members to accumulate points.  
• Enable members to more easily track points on the Web.  
• Combine free goods and services and rewards with special services (such as special customer support access, invitations to trunk shows, personal shoppers, etc.).  

• Implement a tier system to provide additional points for purchases above a given level.  
• Develop a differential point structure to reward heavy users.  
• Provide additional points for related-item purchases.  
• Develop a differential point structure for closeouts, overstocks, and end-of-season merchandise.  
• Cross-sell goods and services with partners.  
• Tailor rewards and communication to a member’s purchase history.  
• E-mail special offers to members. |
| Increasing member Gross Profit | • Limit enrollment to members with a large and profitable transaction history.  
• Provide tiered memberships so that heavy users receive greater benefits.  
• Charge a nominal fee to discourage inactive or small activity accounts.  
• Enable members to easily track activity, points, and award shipment through the web.  
• Restrict membership to a firm’s most profitable customers.  
• Drop out unprofitable members or members with low purchase activity over a given time period.  
• Develop a differential point structure for closeouts, overstocks, and end-of-season merchandise. This strategy can be used to reduce the markdown levels needed to clear this merchandise |
| Increasing the return on loyalty program Investment | • Consider outsourcing loyalty member functions such as fulfillment or award selection where other firms can fulfill these functions more efficiently.  
• Evaluate the loyalty program on a continuous basis  
• Sell aggregate data to suppliers  
• Sell points to partners. |
| **Increasing the quality of market research data** | • Sell points to customers.  
• Evaluate the alternative return on investment on other programs that build and maintain customer loyalty.  
• Outsource database construction, maintenance, and data mining to firms that specialize in these services.  
• Use market research and information systems personnel in loyalty program design and implementation. |

Source: Barry Berman (2006), Developing an effective customer loyalty program

### 3.8 The Loyalty program benefits

The most important part of any customer loyalty programme is the benefit package that the members of the programme are offered. These benefits are the heart and soul of any loyalty programme, and are the main factor which determines whether or not the programme will be success and fulfill its retention goals. As a customer loyalty programme primarily aims at building up emotional relationships, the task of finding the right benefits becomes more important. The benefit need to be valuable and capable of establishing this emotional connection between the customer and the company. Following are the factors to be considered while deciding a loyalty program benefits:

- **Selecting the right benefits**

  When thinking about joining a customer loyalty program, customers will weigh their input (membership fee, data release, membership obligation and so on) against the output they receive from the programme (benefits, special customer status, image and so on). Only if the balance of input and output is in favor of the potential member will they sign up for the programme. A favorable balance is also necessary for the customer loyalty programme to establish a relationship with the customer, use their
data in a customer loyalty program database, and pick the fruits that stem from a long
term customer relationship. The right benefits are those that have a high perceived
value from the customer’s point of view. The following are the three key elements
important in this statement:

- The first is ‘high value’. Every benefit has a certain value for customers, but
  only those benefits that have a high value will make membership attractive. In
  order to have a high value, a benefit must meet the expectations of the target
groups, have a certain exclusiveness and/or stand out from the crowd’. The
  value of a benefit must also be high in absolute terms, and not only in
  comparison to other programme benefits.

- The second important aspect is the ‘perceived value’. The benefits must not
  only be good from the sponsoring company’s perspective, the customers
  must also see it that way. It is not enough to think that a benefit offers a high
  value. If the customers perceive it differently, because it is not the benefit
  they desire, has not been explained well enough or is too complicated, then
  the value is certainly reduced.

- The third aspect is the selection of the benefits must be made from the
  customer’s point of view. The customer’s opinion is what matters, and the
  only way to find out what they think is to ask them. The program will only
  work if it offers benefits that the customer like, rather than those that
  company want them to like.

  **Value oriented approach to benefit selection**

  To create a customer loyalty program which goes beyond what is currently
available, one needs to adopt a value oriented approach. This is the next main step
towards building real, long term customer relationships. Only benefits that are
perceived positively by the customers and have a value for them will have desired
retention effect. If a company wants to start a loyalty program, it must have good
ideas to convince customers of the advantage of a membership. In contrast to a
socially oriented loyalty program that is founded because the members have common
interests, such as a fan club for a sports team, or a bridge club, the company, as
sponsor of a customer loyalty program, must create these common interests first, then
channel and strengthen them.
➢ **Hard and Soft benefits**

A good and successful customer loyalty program concept will offer a value oriented combination of hard and soft benefits, taking into consideration such factors as cost and competencies as shown in the Figure below.

**Figure 3.3 Right mixtures of loyalty program benefits**

![Figure 3.3 Right mixtures of loyalty program benefits](image)


The right mixture of hard and soft benefits ensures the loyalty program’s attractiveness and the achievements of its retention goals. Hard benefits are tangible benefits which are immediately recognizable by all members and lead to saving in some form or another. In most cases hard benefits are financial benefits like discounts, rebates or coupons. Although savings are always at the top of customers’ wish list and also have a certain value for them, these financial benefits will not be the retention drivers of the program. Such benefits are certainly appreciated, but are not the barrier against defection that a company is trying to build with the customer loyalty programme. A company must always remember that a customer who joins their loyalty programme simply because of a discount will be the first to leave if the competitors next door offer an even better deal. What will make a company’s loyalty program successful are soft benefits. These soft benefits are the special offers, the value added services, the special treatment, the recognition and reward that the customer is looking for. The soft benefits are responsible for the major proportion of loyalty effect. As most of the soft benefits included in a customer loyalty program are intangible, company and/or product related, they are also less likely to be copied by the competition. They ensure that the loyalty program has the unique elements that make it attractive to the customers, and that it offers the high value they are looking for.
Soft benefits are the key to a successful program

Soft benefits are not generally of an economic nature, although they can be highly valued by customers. They are exclusive member benefits that go beyond a financial component (Mulhern and Duffy, 2004). These benefits focus on special conveniences or information that facilitates the business transaction between customers and retailers (e.g. special invitations, exclusive “after-hours” shopping times). Soft benefits are not without costs, but there are a variety of ways to cover these. For example a news letter may be financed by advertisements, external partners may pay commission for products or services sold to members, members may pay a cover charge for special events and so on. soft benefits may be more difficult to implement but more difficult for competitors to duplicate. As such, soft benefits serve as an emotional tie that binds the customer to the retailer.

Finding the right mix of hard and soft benefits

To find the right combination of hard (financial) and soft (non-financial) benefits, it is necessary to take a value-oriented approach which consists of three steps.

In the first step, a list of potential benefits is brainstormed; focusing on the needs of the target groups. The second step is a small-scale pre-study which aims to filter out the most and the least interesting benefits from this list by asking a small sample to rate the different benefits. The interviewees are also asked to add new ideas of their own in this phase, in order to make sure that interesting areas are not left out and that the customer’s voice is heard.

Some of these new ideas, as well as the best rated benefits, are taken into the third step, a large scale survey. Here a sample of at least 250 people is interviewed for a business to customer approach. Using methods such as ranking scales, constant sum scales or the more sophisticated and very precise conjoint measurement, the value of the remaining benefits is measured. The result of this three step approach is that the long list of benefits obtained in step one is split into three groups: a small group of top value drivers, those benefits with a lower value to the customer, and those benefits with no value from the customer’s point of view. The final benefits should be selected...
from the first two groups after taking into consideration factors such as cost, feasibility and competence.

➢ The value of the benefits

There are three main factors which determines the value of the benefit

  The financial value

  The relevance for the individual

  The ease with which a member can use the benefit or accumulate the necessary points to earn rewards.

The financial value to the customer can be measured by comparing the overall savings with the overall money spent. In the case of discounts or rebates, this can easily be calculated. However, in program where the currency is air miles, it is much more difficult to extract amount of financial savings.

Relevance for the customer means that an offered benefit must be in some way related to the best interests of the member, so that there is an incentive and interest in using the loyalty program benefits. Therefore the benefit must be something that the customer needs or wants, or at least could use. It is necessary to consider in depth the needs and value structure of the specific target groups that are approached by the customer loyalty program. Apart from the value aspects, a loyalty program benefit must also fulfill other conditions which are more relevant from the loyalty program sponsor’s point of view, such as practicability.

Finally, ease of use means that loyalty program benefits are clearly communicated and can be called on without much effort. If the customer loyalty program includes some sort of reward program which allows the customer to accumulate points and then exchange these for specific rewards after reaching a certain level, that must not be set too high. If rewards can only be reached after a very long period and heavy purchases, this is not very encouraging and can often lead to a negative perception. Ease of use also implies that a loyalty program member does not have to keep track of their status, but is regularly informed by the loyalty programme management of changes in the loyalty program benefit portfolio, accumulated points
and so on (for example, through regular mailing or easy account access via the internet). Again, do not let the members wait too long for their first rewards: 31 percent of members expect to earn reward within the first three months of their membership and another 39 percent within four to six months (USA today, 1999)

- **Good examples of real value benefits**

  IKEA, the Swedish furniture marketer, started the IKEA family in the late 1980s, and the loyalty programme is in the middle of its second successful decade. IKEA customers usually collect the furniture they buy, and transport it home themselves. One of the most interesting benefits the “family” offers is insurance that guarantees immediate replacement of any purchased item that is damaged during transportation. Since many customers spend a considerable amount of money at IKEA, this insurance certainly takes away a number of worries. Nothing is worse than a brand new china cabinet or table with a big scratch, let alone broken. The IKEA family also used to offer a service that allowed the members of about a dozen different families around the world to use each others’ vacation homes.

  Steiff is the world leader in teddy bears, and introduced the steiff club in 1922 in Germany and a year later in the USA, where it is based in New York City. Steiff teddy bears have become collectors’ items, and some bears are auctioned for £60,000 or more. The Steiff club offers its members a variety of benefits, the most valuable of which is an annual special edition teddy bear that is available only to club members. As the number of teddy bears in this edition is limited, the value from a collector’s point of view is obvious.

**3.9 Customer Loyalty program - Communication**

A customer loyalty programme mainly communicates in three areas: with loyalty program members, with the personnel of the sponsoring company, and with those in its external environment, such as the media. There are a variety of communication methods, such as loyalty programme magazine, regular newsletter or mailings, a loyalty programme hotline, a web page, loyalty program meetings and events or loyalty programme outlets. Communication with members should not be limited to sales information and special offer brochures. Members will want to know
what is happening in the loyalty program, to receive information on new products, and to read about topics of general interest.

Information about the loyalty program must also be communicated within the company. A customer loyalty program will work only if all employees throughout the sponsoring company support the loyalty program and its concept, as well as playing their part in making customers loyal. It is especially important for those employees who have regular contact with the customers to understand the principles and goals of the loyalty programme, the importance of its members, and to treat loyalty program members with the appropriate attitude. All employees should be informed about the loyalty programme and its purpose, and should receive special training before the loyalty program is officially started. Staff should be able to answer customer requests or questions regarding the loyalty program, and should know how to respond to all comments politely and informatively. Top management should also set an example for other employees by openly supporting the loyalty program. Management must be aware of the long term perspective of the customer loyalty programme and ensure long term financial and infrastructural support.

Finally, the loyalty program must communicate with those in its external environment to obtain press coverage and to increase awareness of its activities. A great deal of press coverage will not only attract new members, but also enhance the sponsoring company’s image as a company that cares about its customers.

3.10 Loyalty Programs of Retailers considered for the study

The following section provides the details of each loyalty program provided by the select retailers.

<table>
<thead>
<tr>
<th>Table 3.3 : Retailer and name of the loyalty program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
</tbody>
</table>

Source : Primary Data
3.10.1. Clubmore

Clubmore is a special membership card for those customers who shop with Aditya Birla retail Ltd owned stores called ‘More’ and ‘Mega more’. A customer can become a club more member by filling and giving club more membership form available in the customer service desk. Customers are expected to provide the basic demographic information along with their mobile numbers. The mobile number provided by the customer becomes the unique identification number /clubmore account number for the future transactions. Each time a member shop at more outlets they earn reward points which can be redeemed at any of the preferred outlet. As a clubmore member customers are entitled to receive exclusive messages on various promotional offers through SMS. Currently over 1 million customers are a part of this loyalty program. A member can use his card across all more outlets in the city. If he travels to another city and wish to use the card in more outlets there, the customer can check with the store staff that his card is accepted at the store prior to billing. As a clubmore member customers are entitled to receive exclusive messages on various promotional offers through SMS. Currently over 1 million customers are a part of this loyalty program. Currently the Club more program reaches out to over 1 million members.

Clubmore Benefits

The first and the foremost benefit to mention with respect to club more card is the Life time free membership. Each customer will be able to earn points on every purchase they make at More/Mega more outlets when they present their membership card. They are also eligible to receive surprise offers like exclusive club more offers – product at a special price exclusively for club more customers and other offers from time to time. A Clubmore member will also receive exclusive SMS alerts for special offers on company’s products and services.

Club More Points

A member will be able to earn points on every purchase only when he presents his card prior to billing. Family members of the club card member can also earn points by mentioning the card number prior to billing. Every Rs.100 worth purchase will give a
member 10 reward points. A member will be able to know his total points through 3 different ways

- Points earned against the current purchase get printed on the cash memo.
- Customer will be able to know his total points from the cashier or
- Customer will be able to know the total points by logging on to the company website (www.morestore.com) and registering his Club more card number.

The points are valid for 2 years from the date of earning it. For example if a customer shopped for Rs. 1000 on 1st June 2010 and earned 100 points it needs to be redeemed on or before end of 1st June 2012.

**Point Redemption Procedure**

A minimum number of 500 points is required to be eligible for redemption. Redemption is applicable on all products available on all schemes running in the store at any point of time. To redeem the points a customer is supposed to visit the nearest More outlet. However for redeeming the points primary card member’s presence is required.

**Other Conditions**

1. Each customer can have only one card.

2. No points can’t be transferred.

3. Points can’t be exchanged for cash.

4. If a member forgets to bring his card he may quote his membership number or mobile number at the time of billing and the staff will credit the points earned to his account.

5. If the member loses his temporary card, he can store the membership number and quote it at the time of billing and where as if he loses his permanent card, it can be replaced with a charge of Rs.50 from the nearest More outlet.
6. Change of address can be informed through writing to the store manager or can be updated by logging on to the company website www.morestore.com and registering the club more card number.

3.10.2 Reliance One Program

Reliance One Membership program is a relationship marketing program introduced by Reliance Retail. It is a benefit and privileges program for customers of Reliance retail. Reliance Retail, a 100% subsidiary of the country’s most valued firm Reliance Industries Ltd, is targeting to make its loyalty programme one of the top 10 loyalty card base in the worldwide retail sector by 2012. The expansion of retail space has been achieved alongside the company’s customer loyalty programme, Reliance One, which has also touched a membership base of 5.5 million customers. The company’s Reliance One membership card is the first Retail loyalty card with a bar code and a magnetic strip and does not require any documents as is the case of other such cards, which are mostly credit card based.

A customer of Reliance retail can obtain the membership of Reliance One Program free of cost by filling a Membership Form and by submitting it to the customer service desk. Through this process the customer can avail a temporary card and this will be replaced by an attractive Personalized Reliance One Plastic Membership Card once he accumulate a spend of Rs. 1500 or more at participating Reliance Retail stores OR make 10 or more purchases at participating Reliance Retail stores. Every time a customer displays his/her Reliance One card while making a purchase, he/she earns Reliance One points across participating Reliance Retail stores. A Reliance One card holder can earn and redeem at all participating Reliance stores across India – Reliance Fresh, Reliance Mart, Reliance Wellness, Reliance Trends, Reliance Footprint, Reliance Timeout, Reliance Super etc. He earns 1 Reliance One point for every Rs 100 that he spends and also from time to time the company comes up with exclusive Reliance One deals where members can earn bonus Reliance One points. Reliance One Points can be redeemed for a host of exciting offers including discount coupons. A Reliance One Points have a validity of 2 years from the month of accrual.
### Table 3.4: Reliance One – Program Feature and Customer Benefit

<table>
<thead>
<tr>
<th>Program Features</th>
<th>Customer Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earn Reliance One Points</td>
<td>Exchange Points for</td>
</tr>
<tr>
<td></td>
<td>• Discount Vouchers</td>
</tr>
<tr>
<td></td>
<td>• Exciting products and Services</td>
</tr>
<tr>
<td>Customized Offers</td>
<td>• Offers on products of interest to members</td>
</tr>
<tr>
<td></td>
<td>• Offers on products purchased frequently</td>
</tr>
<tr>
<td></td>
<td>• Not available to everyone</td>
</tr>
<tr>
<td>Members Only Offers</td>
<td>• Bonus points Offers</td>
</tr>
<tr>
<td></td>
<td>• Contests</td>
</tr>
<tr>
<td></td>
<td>• Exclusive sales preview, invites to shows</td>
</tr>
<tr>
<td>Advance Information</td>
<td>• First to know about New Products</td>
</tr>
<tr>
<td></td>
<td>• First to know about New Stores</td>
</tr>
<tr>
<td></td>
<td>• First to know about Sales</td>
</tr>
</tbody>
</table>

Source: Reliance retail Ltd sales training manual

### 3.10.3 Clubwest

Clubwest is a point-based, customer relationship and rewarding programme introduced by Westside. It is a two level programme, under which there are two different programmes – Clubwest Classic and Clubwest Gold. To explain further, any purchase of Rs. 2000/- or above on a particular day, entitles you to a complimentary membership for Clubwest Classic. Alternatively a customer can register for Clubwest Classic by paying a small amount of fee (Rs. 150/-). Clubwest Gold is only by invitation or a customer will be entitled to this programme if he/she purchases above Rs 5000/- on a single day.

When a customer shops at Westside, they receive points for each purchase and these points can be redeemed at billing (in exchange of cash). This programme also offers the members exclusive shopping experience, sole shopping hours during sales where
they get a chance to shop before the sale opens to public. Moreover, the members get
a access to other privileges and tie ups from time to time. Westside also sends their
new catalogue to their members so that they get a preview on what is coming to
stores, this season. Clubwest members also have a helpdesk at their stores and a
helpline number for handling queries regarding purchase, points and other Westside
details. From 2013, any Clubwest Classic member would earn a single point for a
purchase of Rs.135/- and a Clubwest Gold member would earn a single point for
purchase of Rs. 100/-. They also provide a “no-question exchange” for their
members. The members can bring back any purchased product, if they are not
satisfied with it and Westside will accept the purchased product back without any
questions asked. In addition to these benefits, they provide home delivery to
alterations on purchases above a certain limit. Westside provides special billing
counter to their members and invitations to special events sponsored by or associated
with Westside.

Westside tries to keep in touch with their members through emails, phone messages
and press releases. They also come up with festival offers and discounts especially
during Diwali, Navaratri and Christmas. They also offer 20% discounts on certain
products (only on in house brands and not on sale merchandise) if the purchase is
made on the member’s birthday (or on the same month).

A brief example of how Clubwest programmes offers:

- **Clubwest Member Exclusive**

- **Shop as many times between 1st Oct and 30t Oct for a cumulative amount of
  Rs. 500 and get a Nirvana Diamond jewellery set worth Rs. 25,000 free.**

- **Shop to your hearts content and an Audi A4. Moreover, 2 lucky winners also
  stand a chance to win Harley Davidson Iron 883 bikes. In addition, lucky
  customers also could win iPads on a daily basis, as well as mobile phones on
  an hourly basis!**

- **Special Days for discount for members, before the sale opens to the public.**
All Westside loyalty cards are accepted at their parent company’s other retail stores such as Landmark. Westside believes that this loyalty card programme enables to make the customer’s shopping experience a rewarding experience. Every purchase is recorded via the loyalty card programs and Westside get a detailed insight about what a customer buys and how often they do. They use this information to serve their customers well.

Westside collects information form the card members for the following use:

- Provide you information about our products, services, offers, and promotions
- Support our core business function
- Administer surveys, contests and promotions,
- Help us improve our offerings and advertising
- Help us learn more about your shopping preferences and make our communication more relevant

3.10. 4. First Citizen

First Citizen is the loyalty card programme introduced by Shopper’s Stop. According to Shopper’s Stop, the name coined for their loyalty program, “First Citizen” demonstrates the importance and the company provides to their loyalty program customers. Like every other loyalty programme, a loyalty customer receives points every time he/she shops at their store (offline and online).

Unlike other major retails chains, one can buy the loyalty card outright from the store by paying a fee of Rs. 200/-. Purchases you make at the store will be translated into reward points based on the store membership policy. Once you cross a minimum threshold of points, you can redeem them for discounts or gift vouchers. It's this threshold and the proportion of their conversion into discounts that determines how beneficial First Citizen membership might be.
Perks of being a First Citizen:

- Reward points every time you shop
- Exclusive bonus & privilege
- Special offers that is not open to public
- Preview on upcoming sales
- Separate cash counters for First Citizens
- First chance to shop during sales before opening to public

There are 3 types of First Citizen cards issued by Shopper’s Stop. They are Classic Moments, Silver Edge and Golden Glow citizen cards. Classic Moments First Citizen can be bought at the store by paying Rs.200 but in order to upgrade to a Silver Edge Citizen Card, a customer needs to purchase worth Rs.10,000/- within the validity of your Classic Moments card and Rs.40,000/- worth purchase for a Golden Glow First Citizen card. The members are also entitled to a First Citizen updates and catalogues showcasing new lines and brands. Shopper’s stop strives to position themselves as a premium lifestyle store and hence their loyalty card holders mainly form the upper middle class and upper class strata of the society.
The following table shows how the First Citizen system works:

**Table 3:5 - First Citizen System**

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Classic Moments</th>
<th>Silver Edge</th>
<th>Golden Glow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward Points</td>
<td>1 point for every Rs 100 purchase</td>
<td>1 point for every Rs 50 purchase</td>
<td>1 point for every Rs 34 purchase</td>
</tr>
<tr>
<td>Extra Reward Points on Preferred Brands</td>
<td>-</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Regular Update</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Exclusive Cash Counter</td>
<td>Yes</td>
<td>Yes</td>
<td>Exclusive</td>
</tr>
<tr>
<td>Free First Update</td>
<td>-</td>
<td>-</td>
<td>Yes</td>
</tr>
<tr>
<td>Home Delivery of Alterations</td>
<td>-</td>
<td>-</td>
<td>Yes</td>
</tr>
<tr>
<td>Out-store Offers</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Exclusive Previews</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Associate Card</td>
<td>Yes (Rs. 125)</td>
<td>Yes (Up to 2: Rs. 125)</td>
<td>Yes (2 free, 3rd: Rs.125)</td>
</tr>
<tr>
<td>Free Parking</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Valet Parking</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Source: www.shoppersstop.com

Free parking and Valet parking are subjected to select stores and first come first basis.
3.10.5. PAYBACK

Payback is a loyalty program card with many partners and more rewards. Future Group has entered into an exclusive alliance with PAYBACK as its principle retail partner. And it is a part of PAYBACK world and offer customers benefits across its formats. A member with payback card at future group is entitled to receive the following benefits

• Shopping is rewarding - points every time a customer shop

• Bonus points through promotional offers

• Customized offer communication

• Ease in redemption of points

• ICICI bank credit/debit card + PAYBACK card earn points on both of them for the same spend”

Fig: 3.4 : Future Group participating formats in Payback Loyalty programs
<table>
<thead>
<tr>
<th>Store</th>
<th>Points Earned on Shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Big Bazzar</td>
<td>Shop for Rs. 200 and get 5 PAYBACK Points</td>
</tr>
<tr>
<td>Food Bazzar</td>
<td>Shop for Rs. 200 and get 3 PAYBACK Points</td>
</tr>
<tr>
<td>Fbb</td>
<td>Shop for Rs. 200 and get 5 PAYBACK Points</td>
</tr>
<tr>
<td>Pantaloons</td>
<td>Shop for Rs. 100 and get 2 PAYBACK Points</td>
</tr>
<tr>
<td>Central</td>
<td>Shop for Rs. 100 and get 2 PAYBACK Points</td>
</tr>
<tr>
<td>E Zone</td>
<td>Shop for Rs. 200 and get 3 PAYBACK Points</td>
</tr>
<tr>
<td>Home Town</td>
<td>Shop for Rs. 200 and get 4 PAYBACK Points</td>
</tr>
<tr>
<td>Brand factory</td>
<td>Shop for Rs. 200 and get 3 PAYBACK Points</td>
</tr>
<tr>
<td>Future Bazaar.com</td>
<td>Shop for Rs. 100 and get 3 PAYBACK Points</td>
</tr>
<tr>
<td>FLF</td>
<td>Shop for Rs. 100 and get 4 PAYBACK Points</td>
</tr>
</tbody>
</table>

Source: Payback Future Group training manual
Point calculation (BB/ FBB)

Customer communication: 5 points for every Rs. 200 spent

- Actual calculation:
  - 1 point for every 40 rupees on the bill (Exclusions: Navaras, Mobiles)
  - Points for any amount below 40 rupees will be rounded off to the nearest whole no. (The next no. for 0.5 points and above and the previous no. for points below 0.5)
  - Points will be calculated per bill (No amount can be carried over from one bill to another)

Table : 3.7 Sample Point Calculation Table (BB/FBB)

<table>
<thead>
<tr>
<th>Bill Amount</th>
<th>Points Credited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 19 or below</td>
<td>0</td>
</tr>
<tr>
<td>Rs. 20 to Rs. 59</td>
<td>1</td>
</tr>
<tr>
<td>Rs. 60 to Rs.99</td>
<td>2</td>
</tr>
<tr>
<td>Rs. 100 to Rs. 139</td>
<td>3</td>
</tr>
<tr>
<td>Rs. 140 to Rs. 179</td>
<td>4</td>
</tr>
<tr>
<td>Rs. 180 to Rs. 219</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Payback Future Group training manual

Points Calculation (FB)

- Customer communication: 3 points for every Rs. 200 spent

- Actual calculation:
  - 1 point for every 67 rupees (aprx.) on the bill
– Points for any amount below 40 rupees will be rounded off to the nearest whole no. (The next no. for 0.5 points and above and the previous no. for points below 0.5)

– Points will be calculated per bill (No amount can be carried over from one bill to another)

Table :3.8 : Sample Point Calculation Table FB

<table>
<thead>
<tr>
<th>Bill Amount</th>
<th>Points Credited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 33 or below</td>
<td>0</td>
</tr>
<tr>
<td>Rs. 34 to Rs. 99</td>
<td>1</td>
</tr>
<tr>
<td>Rs. 100 to Rs.166</td>
<td>2</td>
</tr>
<tr>
<td>Rs. 167 to Rs. 233</td>
<td>3</td>
</tr>
<tr>
<td>Rs. 234 to Rs. 299</td>
<td>4</td>
</tr>
<tr>
<td>Rs. 300 to Rs. 366</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Payback Future Group training manual

Other terms and conditions regarding Point earning

1. Customer can redeem his/her points during billing at cash counter. The card will be swiped on POS and the points will be directly deducted from customer’s Payback account.

   • Validity of points earned is 3 years
   • Value of 1 point = 25 paise (for all PAYBACK partners)
   • Point earned will be credited to account within 72 hrs of transaction
• Point earning is calculated by the system on pro rata basis and rounded off the nearest point.

All the above chosen retail organizations and their respective loyalty programs are appear to be popular and have a good share in retail business.