

Secondary Research



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Topic:

What is better - digital loyal program or card for stamps?

Lately, I have been working on different projects for loyalties program. Most of the time the question is 'But isn't better to have the card for the stamps than the digital loyal program?'.
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From what I now for this moment is that everyone is losing the cards. I did small observation that people are not interest in them, for several reasons: as I said because they are losing them, or their wallets are full of stamps card and all that is summing up this: it is not eco-friendly. So, now let's look on what I found as secondary research.

Digital loyal program has their pros and cons, so let's take a look at them

- Pros:
 - + digital programs allow businesses to add a personal touch to their cards. Most of the customers logs into their online rewards console, they are greeted with their name. Personalisation not only helps in building a strong relationship with your customers but also helps in inculcating brand loyalty in them.
 - + 'the use of digital rewards program is beneficial to businesses as it gives them the freedom to track the behaviour of their customers. Once the customer's purchases are linked to an online account, businesses can get a clear picture on the shopping habits of the

customer. This information can then be used to design special offers and scheme that will draw customers towards the brand;'

+ 'As the data from each of the customer is collected in real-time, it becomes easy for businesses to monitor as well as adapt their campaigns depending on the current behaviour of the customers;'

- Cons:

+ if the customer forgets his phone, he/she won't be able to put it his/her profile.

+ it is getting a personal information that not everyone is comfortable with.

The pros for the card stamping are the right opposite of the pros for the cons of the digital program. As well with the cons for the card sorting.

To conclude this part of the secondary research, for the customers is better to have digital loyal program than the card for the stamps. This current generation of customers need digital loyalty programs that are convenient to use and efficient to track data. They allow businesses to connect better with their customers and build a long-term relationship with them.

Here comes the other side of this topic - for the business. As customers, we think it is easier to have digital program than the card stamps, because the owners don't need to find a place where they can print the stuff, than after that to get delivered those cards, etc. it is better to have a group of people that can work on this product and improve it time to time.

But what about the prices for those digital loyal programs. Shall we take a look at them?

*'The difference though, is that this arrangement typically costs anywhere from **\$50 to \$500 per month**, per device that it's being operated on. If you have several tills operating at any given time, you could be looking at as much as \$2000 a month to run a digital loyalty program this way.'*

For big brands as Starbucks, HM, Zara it is affordable. Even for middle business. It worth the new customers or/and the loyal target group.

But what about small business-like Lucifer Coffee Roaster. Friendly neighbourhood coffee place. Do they earn enough money to have a loyalty program? If not, is it possible for them to have one like that?

Money for supporting system? Devices for all of the locations that they have? Seems expensive.

Here you are the solution: having different sponsors that can help with it.

As I mentioned, having a loyalty program can help you with popularization of your product. This is the part of ROI - return of investments.

To conclude the whole small research, having a loyalty program is great for both sides of this party. The main reasons as I highlighted were that they will be new customers and the engagement with the old/ loyal customers. Now it seems like a good investment, don't you think?

Websites that I used:

- [Traditional Card-Based vs Digital Loyalty Programs](#)
- [The Average Cost of a Digital Loyalty Program in 2022](#)
- [Paper vs Digital: The Pros and Cons of Digital vs Paper Stamp Cards](#)