

I recently wrote a blog for Motivait, the poor people who employ me, all about the [future of loyalty](#). It got me thinking about the nature of loyalty, something I have not really thought about since my [2015 talk at GWC](#).

Rather than looking into the future though, my thoughts turned to where do people's loyalties lie. More specifically, are they loyal to your company or to your loyalty card?

If I look at two loyalty programs, you may see what I am getting at. The two are Nectar and Tesco.

### **Tesco Loyalty Card**

The Tesco loyalty card awards you points with each purchase at Tesco. Those points are converted into various rewards, such as money off vouchers, special offers and the like. I could reel off a dozen other loyalty schemes that work the same, from Debenhams to Shell. Spend money, earn points, get discounts, spend points, repeat.

### **Nectar**

Nectar is similar but has a core difference. You still use the card with purchases to collect points. You still then get to spend the points on discounts and other rewards. However, the key difference is that Nectar is not tied to any one retailer or company. Instead, companies can join the Nectar group and instantly get a loyalty scheme. Another example of a scheme like this can be seen in "Cashback" programmes like Quidco. In their case, you shop online via their website to get a percentage of your money back. Again, this is not fixed to any one retailer.

### **Loyal to the Store or the Card?**

This is where the discussion of where your loyalties lie starts to surface. If you use Tesco on a regular basis because you like to collect the points, then are you loyal to Tesco **or** the Loyalty card?

Ask yourself, why do you go to Tesco? Is it because you find them better value, or because the reward card is great? If another retailer offered a better value card, would you jump to them?

Many will say no to this question, but multi store schemes like Nectar or Quidco would tend to show that is not quite true.

Watching my wife make purchasing decisions based on how much cashback she can get through Quidco is fascinating. Once she finds what she wants, she will go to the Quidco site and see who else sells it and which of them offers the best Cashback offer. She is no longer loyal to the store, but to Quidco!

This is where I see a specific danger with these multi store schemes, one that I think many people realised with Nectar. The choicer people have, the less “loyal” they will be.

**As a retailer, you must ask yourself this...**

**Are they loyal to you or to your loyalty card?**

If people can get the same thing elsewhere cheaper or at a better reward redemption rate, what else do you have that will keep them with you? What differentiates you from the crowd, beyond your loyalty card?

**My Talk on Loyalty from GWC15**