



Rewards Programmes: An exploratory study of a South African book store's rewards programme

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Danuta Sosnowski

378416

Supervisors: Professor Isabel Hofmeyr & Ms Colleen Dawson

Department of Publishing Studies
School of Literature, Language and Media
University of the Witwatersrand

Abstract

The objectives of this study are to determine if *Fanatics*, the rewards programme of Exclusive Books, should introduce a social initiative to their programme and whether they should partner with publishers in order to improve the programme and to increase sales and customer satisfaction. Other objectives are to establish if *Fanatics* is providing the right kinds of rewards to their members, what kinds of products the members purchase using their rewards, what the members' perceptions and preferences are of the terms *rewards programme* and *loyalty programme* and if their preferences have any impact on the way in which they relate to or use the programme. To gain a deeper understanding of this research study, theories related to customer relationship management, tiers, benefits, rewards, loyalty and social initiatives are described. In order to inform these questions, a mixed method approach is employed and the data is collected in the form of in-store and online questionnaires and an interview with Cameron Mitchell, the Head of *Fanatics* who also extracted relevant data about the programme and its members.

The most important findings of this study suggest that it is beneficial for Exclusive Books to introduce a social initiative to their programme provided that it is a book-related initiative and that members have the choice to decide if and when they would like to contribute towards the initiative. It is also recommended that *Fanatics* partners with publishers as this could benefit both parties in terms of increasing sales, minimal-effort marketing and publicity, higher customer satisfaction rates and an overall more successful programme. This is established through actual sales figures and open rates of mailers sent to the members, offering discounts to them. Furthermore, *Fanatics* is providing the right kinds of rewards to their members as most of the members state that they joined the programme in order to receive discounts and to save money on products. This finding is consistent with established theory about rewards and benefits. Most of the members purchase fiction using their rewards, which is opposite to the fact that the most popular genre in South Africa is local non-fiction. Further research is needed around the terminology, connotations, meanings and preferences of the terms *rewards programme* and *loyalty programme* but most people appear to choose a term which they prefer based on what they perceive sounds best and what they perceive each term implies.

Key Words

Rewards programmes, loyalty, customer relationship management, customer satisfaction, marketing, social initiatives, publishing, book industry.