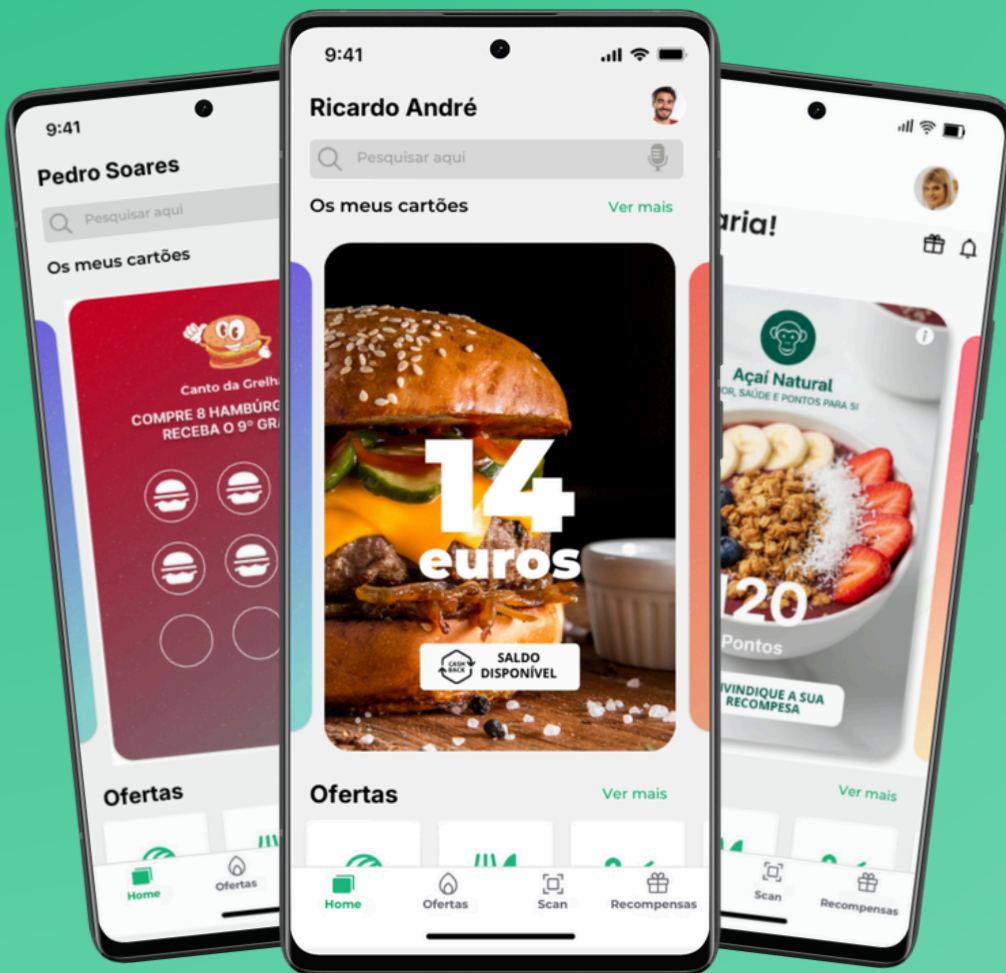


Differences Among Various Loyalty Programs: Stamps, Points, and Cashback



Loyalty Initiatives:

Stamps, Points, and Cashback

Loyalty programs have become indispensable instruments for enhancing customer retention and promoting repeat purchases.

While numerous formats are available, three models are predominantly utilized: stamps, points, and cashback.

While they pursue a common objective, stamps, points, and cashback operate through distinct mechanisms.

This tutorial seeks to elucidate each component, accompanied by examples and the respective advantages and disadvantages of each.

Loyalty Program by **Stamps**

What is it?

The customer is awarded a badge (either digital or physical) for each purchase or qualifying action as determined by the brand. Upon accumulating a specified number of stamps (e.g., 10 stamps), you will be eligible for a reward (e.g., complimentary coffee, a discount on a future purchase, a product offer, etc.).

How does it work? (examples)

- 1 purchase = 1 stamp
- X stamps = complimentary offer, reduction, or item

"Purchase eight hamburgers and receive the ninth at no cost."



Advantages

- Extremely comprehensible
- Efficient and uncomplicated operation
- It fosters a perception of visual advancement through the observation of the card being completed.
- Ideal for enterprises that engage in regular procurement (cafés, bakeries, restaurants, laundromats, etc.)

Disadvantages

- Restricted flexibility regarding bonuses.
- It does not recognize the distinction between customers who spend more and those who spend less.
- Rewards that lack personalization.

Recommended for:

- Businesses characterized by a high purchase frequency and a low average transaction value.

Loyalty Program by **Points**

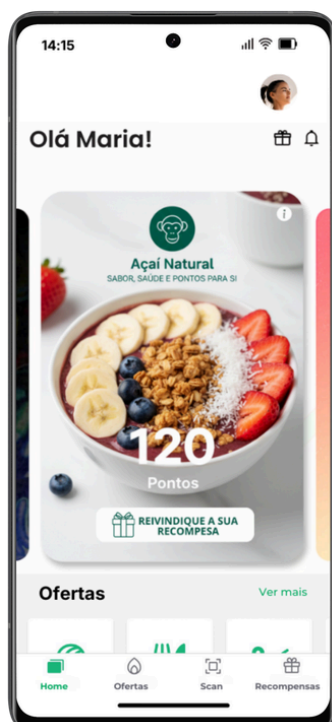
What is it?

Customers earn **points** based on the amount they spend or through specific actions promoted by brands (purchases, reviews, shares, etc.).

These points can be redeemed for **rewards, discounts** or **exclusive benefits**.

How does it work? (examples)

- X€ spent = X points
- Y points = €5 discount
- The points earned are accumulated on the Yalt digital loyalty card
- The customer can later choose which offers they want to redeem their points for (products, discounts, experiences, VIP levels, vouchers, merchandising, etc.)



Advantages

- Highly adaptable - permits multiple methods for earning and utilizing points.
- It enables you to reward based on the amount expended.
- It promotes increased expenditure ("if you spend more, you earn more points").
- Rewards may be tailored to individual preferences.
- Ideal for programs featuring multiple loyalty tiers (e.g., Gold, Silver, Platinum).

Disadvantages

- You may need a more comprehensive explanation of its functionality from the customer.
- Depending on the company's proposal, the accumulation of points may appear to be slower in comparison to a stamp program.
- It necessitates that retailers possess a more comprehensive understanding of the available offers.

Recommended for:

- Businesses characterized by a high purchase frequency and a low average transaction value.

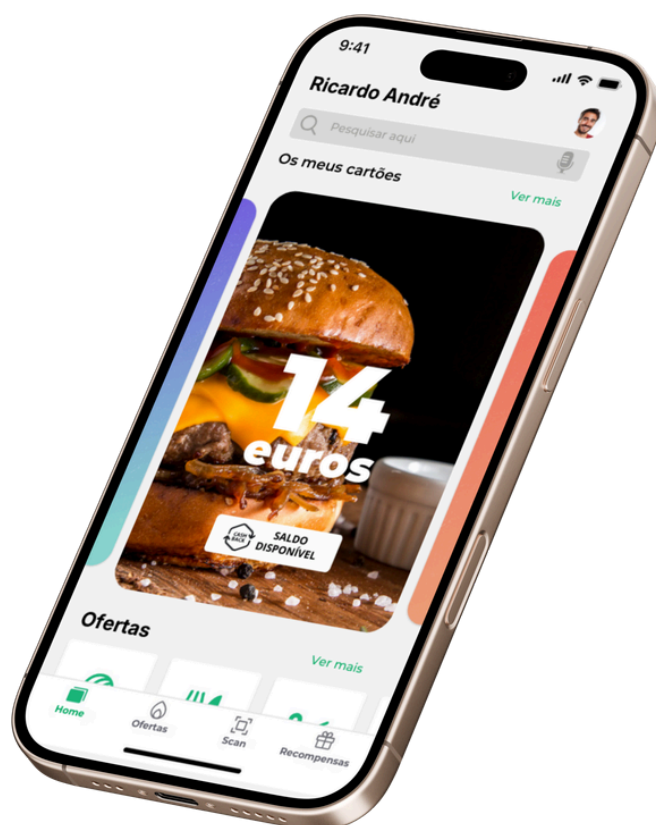
Loyalty Program by **Cashback**

What is it?

A portion of the amount expended by the customer is refunded as a balance (credit) through the Yalt virtual card, intended for use in future purchases - essentially functioning as "cash back."

How does it work? (examples)

- The customer expends €50.
- 5% cashback equates to a €2.50 credit in your digital account.
- Points accrued are stored on the Yalt digital card.
- The accumulated balance may be utilized for a future purchase.



Advantages

- An immediate sense of value and benefit is evident.
- A highly esteemed choice among customers.
- It motivates customers to return for subsequent purchases.
- Easily manageable digital cashback percentages that are scalable.

Disadvantages

- Improper calculations can lead to reduced margins.
- Less emotive than stamp programs or tangible awards.
- Some customers may conflate the card balance with actual currency.

Recommended for:

- E-commerce, digital product marketplaces, and specialized retail represent sectors characterized by intense competition, where consumers consistently evaluate prices and discounts.

Comparison

Model	Simplicity	Customization	Incentive to spend	Best for
Stamps	★★★★★	★★	★★★★	Frequent, low-value purchases
Points	★★★	★★★★★	★★	Stores with a variety of products
Cashback	★★	★★★	★★★★★	E-commerce and retail with strong competition

- **Stamps** - Straightforward and well-suited for businesses with recurring transactions, typically of lesser value.
- **Points** - The most adaptable; effective for incentivizing various customer profiles.
- **Cashback** - The most immediate incentive with the most significant influence on a subsequent purchase.

For whom?

We focus on strategies that enhance repeat purchases, foster customer loyalty, and elevate customer value.

We collaborate with local enterprises and commonly utilized services.

Businesses characterized by frequent transactions and the potential for customer loyalty.

- **Restaurants and Food Trucks**
- **Cafes, Ice Cream Parlors and Pastry Shops**
- **Beauty, Aesthetics and Well-being**
- **Health, Fitness and Personal Care**
- **Retail and specialty stores**
- **Services for children and private education**
- **Events, entertainment and leisure**
- **Delivery and subscription services**
- **Local tourism and hospitality**

Is your business absent from this list? No need for concern, our approach is flexible and can be tailored to any enterprise seeking to attract customers who return more frequently, spend more, and advocate for your brand.



We develop user-friendly programs that foster genuine and enduring connections between brands and their customers.