

Paper, plastic loyalty cards becoming obsolete

By John Ewoldt, Minneapolis Star Tribune

The days of the “buy-10-get-one-free” loyalty punch card are as numbered as the paper punch itself.

Mom-and-pop restaurants, convenience stores and pet groomers are joining national programs that equip them with an iPad at the register where a customer either swipes a loyalty card or waves a smartphone to record the purchase and any reward. National programs such as Belly, SpotOn, Perkville and FiveStars use cloud and mobile technology to enable retailers to offer programs that reward the customer faster and with more creativity than a punch card.

“Within five to 10 years, we’ll move away from punch cards and key fobs and even apps and go to smartphones,” said Rik Reppe, director of PricewaterhouseCoopers’ customer experience practice in Minneapolis.

Many consumers collect reward cards like playing cards, thumbing through more than a dozen in their wallet or purse. The average consumer has 18 cards, but only uses eight actively, according to the market research firm Colloquy in Cincinnati.

Read the whole story