

Millennial Money: Make your brand loyalty pay off

By Courtney Jespersen
NerdWallet

Blogger Dani Austin of Dallas, Texas, logged into her Southwest Airlines account a few days before the end of 2019.

Shortly after, she and her husband, Jordan Joseph Ramirez, flew to Las Vegas (and back home) in less than 72 hours.

The spontaneous trip was part of a last-ditch attempt to try to earn the Southwest Companion Pass, a benefit of the Southwest Rapid Rewards program that allows pass holders to bring one companion on flights for at least a full calendar year free of airline charges (not including taxes and fees).

But consumers jump through hoops for more than airline rewards.

My brother-in-law is a die-hard shopper at American Eagle Outfitters. He recently purchased a jacket and jeans from the clothing store for just \$2.69.

He's no extreme couponer, but he leveraged his loyalty arsenal: his store credit card, AEO Connected

Rewards account and a coupon.

So what's the secret? When consumers are devoted to a particular brand, they can cash in.

What's in a rewards program?

Rewards, or loyalty, programs favor repeat customers. That often takes the form of discounts, coupons or free products. Consumers generally create an account and earn points or perks after making purchases.

The more you spend or the more points you rack up, the greater your payoff.

While saving money may be the obvious benefit, status is also an important draw, whether it's sitting at the front or standing in a special VIP line.

These structured programs often include experiential rewards, according to Emily Rugaber, head of marketing at Thanx, a digital engagement platform. At a restaurant, that may equate to skipping the wait or tasting a special menu item first.

"It feels good to be treated differently," says Jonah Berger, a marketing professor at the Wharton School at the University of Pennsylvania and author of "Contagious: Why Things Catch On."

What's in it for retailers?

Retailers are banking on the fact that increased customer loyalty will aid in customer retention — and translate into more transactions. Holding onto existing customers who are already familiar with the brand is less costly than constantly amassing new customers, Rugaber points out.

Retailers also get your data. You may provide your name, email or phone number when you create an account. That information could be tracked with your purchases and could leave you vulnerable in the event of a data breach.

"The benefit for the brand is, knowledge is power," Rugaber says. "Data drives the ability to better engage."

"With that transaction of 'I'm going to give you access to my

data for the benefits of the loyalty program,' certainly the consumer wants to be aware of who they're offering their data to and what their rights are."

While rewards programs are also called loyalty programs, they don't engender true loyalty, says Ryan Hamilton, associate professor of marketing at Emory University in Georgia.

For example, Hamilton says he's a loyal Cleveland Browns fan, even when the team loses. But if the terms of a loyalty program ever change, he may stop using it exclusively.

Rewards programs are transactional, and consumers are looking to get something out of them.

What does it take?

You — yes, you — can score savings like the examples at the beginning of this article. Here are three ways to do it.

— **Look for a program.** Check to see if your favorite retailers, restaurants or other brands have a rewards system you can join. "Most retailers have programs," Rugaber

says. "Just try to see if one exists in the first place." Registration is quick and can often be done online.

— **Set your sights on savings.** While you should avoid spending money solely to garner rewards, it's smart to optimize your purchasing behavior. "Understand both the rules and also the potential benefits," Berger says. Learn what purchases count toward points, how many points you need to reach a certain reward and so forth.

— **Take your blinders off.** If you're sticking with one brand exclusively, loyalty can actually ace you out of deals and opportunities. So occasionally check for offers from other brands. "One of the costs of the program is limiting your freedom of choice," Hamilton says. If the benefits still outweigh the drawbacks, start working your way toward savings. "If you are all in and you've decided the costs in terms of information and reduced variety are worth it to you, then learn the ins and outs of the program," he says.

China turns to internet for food supplies amid virus fears

By Joe McDonald
The Associated Press

BELJING — Wang Feng, house-bound by China's virus outbreak, counts on the parka-clad delivery drivers of e-commerce giant JD.com to keep her kitchen stocked.

Demand for online food vendors has surged since China's government told the public to stay home as part of the most sweeping anti-disease controls ever imposed.

On Tuesday, Wang's phone buzzed with a text message that a delivery had arrived. The retiree bundled up against the winter cold, put on a face mask and emerged from her apartment complex

to collect walnut milk and other goods from shelves on the sidewalk — an anti-virus measure to limit contact with drivers who normally go door to door.

"They work really hard, and it's dangerous," said Wang. "Without their services, we would not be able to survive at all."

JD.com Inc. and rivals including Pinduoduo, Missfresh Inc. and Alibaba Group's Hema are scrambling to fill a boom in orders while trying to protect their employees.

E-commerce is one of the few industries to thrive after anti-virus controls starting in late January closed facto-

ries, restaurants, cinemas, offices and shops nationwide and extinguished auto and real estate sales.

The government is trying to revive economic activity but has told anyone who can work from home to stay there. Some cities have imposed controls that allow only one member of a family out each day. That creates a ready market for online entertainment and shopping.

"I can't go out and can't go to work," said one of Wang's neighbors, Chen Guang, who was picking up a box of vegetables from the sidewalk shelves under a sign that said, "Contactless Distribution Point."

Chen, who wore an entry pass for his apartment complex around his neck, said he shops online two to three times a week to replenish kitchen supplies.

JD says over the past month, its drivers delivered 71,500 tons of rice, flour and other grains — 20 times more than the same period last year; — 27 million liters of cooking oil and 50,000 tons of meat, eggs, vegetables and other fresh products.

Pinduoduo said orders for apples, strawberries and other fresh fruit from its 586,000 sellers of agricultural products were up 120% in January.

Disease fears in other

Asian markets also have propelled e-commerce demand for food and hygiene supplies. The Korea Economic Daily said online mask sales in South Korea rose 37,000% in January over a year earlier.

Chinese e-commerce companies emerged in a market that lacked credit cards, reliable delivery and other features their counterparts in the United States and Europe take for granted. That required JD, Alibaba and some other competitors to create their own online payments systems or networks of warehouses and delivery drivers.

JD has a 180,000-strong workforce of drivers and

warehouse workers and says it is hiring 20,000 more to meet demand. The company said Dada Group, a delivery service in which JD is an investor, is adding 15,000 to its workforce.

At a JD distribution center on Beijing's southeast side, employees in red parkas, masks and gloves sorted packages and sprayed them with disinfectant.

Goods from oranges and toilet paper to 32-packs of beer and cat litter came off trucks on one side of the building and passed down a conveyor belt to be sorted for individual drivers. Padded blue boxes held fresh fruit and vegetables.

COVERWORKS

TILE, WINDOW & FLOOR COVERINGS

plus

Baker City's only
locally owned
and operated
flooring store for
over 40 years!

RESIDENTIAL & COMMERCIAL

- Waterproof Luxury Vinyl Plank Hardwood
- Carpet • Tile • Laminate • Solid Surface
- Area Rugs • Blinds • Shades

**FREE IN-HOME
CONSULTATIONS & ESTIMATES**

(mileage restrictions may apply)

**Serving Baker, Union, Grant &
Surrounding Countries**

JOHN DAY

**743 West Main Street, John Day,
Oregon 97845 • 541-620-4831**

BAKER CITY

**41198 Old Hwy. 30, Baker City, Oregon
97817 • 541-524-9506**

**www.coverworksplus.com
coverworks1@gmail.com**

