



## Reward yourself

Loyalty programs are getting the most out of you – so in exchange, it makes sense to get the most out of them. Using them wisely can make a bigger difference than you might expect. The benefits from these programs can really add up – not only to savings and rewards, but to changes in the way you shop and make purchasing decisions.

According to Incentive Depot Inc., a full-service incentive company with offices in Canada and the U.S., it costs five to six times more for a business to attract a new customer than it does to keep an existing one – and a mere five per cent increase in customer retention can increase profits by nearly 100 per cent.

These figures should give you some appreciation for how willing companies can be to reward you for being loyal. Loyalty programs can offer you significant

opportunities for splurging or just for saving money on routine purchases.

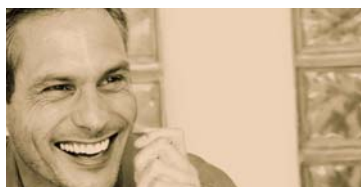
### **GETTING THE MOST OUT OF LOYALTY PROGRAMS**

On the surface, it's pretty easy – the more you spend, the more points or cash rewards you accumulate. But there are a few guidelines to keep in mind.

First, when it comes to points you earn with credit card companies, limit yourself to just one or two cards. If you use too many different cards, it may take too long to accumulate the points you need to earn rewards.

Secondly, choose the right card for your budget and your spending habits. Generally speaking, cards with higher fees come with better benefits. But if you don't spend enough to take advantage of any rewards, then you're just paying to have the card.

Zero in on what suits you best, and then find the card that offers it. For example, you might choose to collect





points that can be exchanged for contributions to an RESP, RRSP or non-registered investment. Or you might prefer the standard travel reward programs, whose points can purchase everything from airline tickets to groceries.

Make sure you're getting the most out of your card or program by keeping on top of new promotions and programs. The best way to get more information about promotions, such as bonus points, is to contact companies directly by phone or check their websites.

## **CONSOLIDATING REWARDS FROM DIFFERENT PROGRAMS**

Some companies will let you consolidate rewards – that is, you can combine points from one program with points from another in order to get the reward you have in mind. To find out if – and how – you can do this, contact the companies involved and ask for more information.

## **HERE ARE A FEW WAYS YOU CAN MAKE SMARTER USE OF LOYALTY PROGRAMS:**

■ If you shop regularly with a certain store or company, ask if they have a loyalty program. Not all businesses actively promote them.

■ Consider all the items you purchase on a regular basis that aren't currently included in a loyalty program and see what you stand to gain by including them in a loyalty program. For example, if your credit card has a point system but you've never considered using your credit card to buy your family's groceries, you could be missing out on \$500 to \$1,000 a month on grocery-related points alone. That's \$6,000 to \$12,000 a year that could be going into your points collection.

■ Collecting points is a great idea, but don't overlook more ordinary customer rewards programs, such as punch-cards that reward you with something free after a number of purchases – whether it's a pound of coffee or a fast-food meal, freebies can add up.

And then reward yourself: that free flight to Aruba might be just a shopping trip away.

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