



Sorry for the snarky subject line. And I'm not about to call anyone's opinion "stupid."

But there's a point I want to focus on that's been visited umpteen times, that came up again the other day.

Wendy's debuted their new Wendy's Rewards program last week. It's not rocket science, but it appears to be a well-designed program, delivered via their app and online, and its presentation is light and brand-appropriate. I especially like the friendly, gently humorous approach to their FAQs. I'm not going to comment on the value delivered; value is in the eye of the beholder. Expiration and other business rules seem simple and fair.

Members earn ten points per dollar spent. The program follows the best practices of being tender-neutral and channel agnostic, while appropriately nudging customers to Wendy's preferred channel: earnings for orders via app or online are automatic, while orders at POS require scanning a QR code.

When the program was announced, a practitioner in the loyalty space commented that "simpler is better," and suggested that one dollar spent should equal one point.

Yes, simpler is better. A good program must be easy to understand and easy to use. Some programs have (albeit for good structural and financial reasons) user-unfriendly features like reward charts with multiple categories, earnings that vary by product, or earnings structures that appear to value similar transactions differently. Most effective programs have learned how to avoid such complexities.

But "simplicity" can go too far, and a one point to one dollar ratio *is* going too far. Here's why: First, too much transparency can be a bad thing. If a point equals a dollar and I reach, say, 2000 points, I might feel like, "Wait, what? I've spent \$2000 at Wendy's?!"

But more importantly, a simple multiple, e.g., five or ten points per dollar, is critical for program flexibility. The best programs today reward non-transactional but very valuable actions, such as posting a review, referring a friend, playing a game or otherwise engaging with the brand. If each point is worth one dollar, no program can award points for such activities while maintaining financial feasibility.

“Keep it simple, stupid” is a pretty wise guideline for program design. But don’t let “simple” make your program stupid.

Your thoughts?

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