

SA's 2Engage plans for further growth in Africa and abroad

South African fintech and customer engagement business, 2Engage, is pursuing international growth opportunities. Boosted by its relationship with Mergence Group, which acquired a 26% stake in 2Engage in November 2019, the company has plans to aggressively grow its footprint and consumer rewards programmes in Africa and beyond.



Andrew Weinberg

“Through the relationship with Mergence, we will integrate our rewards and loyalty programmes with their financial services platform to offer additional services to loyal consumers,” says Andrew Weinberg, managing director of 2Engage and recent winner of the 2019 Entrepreneur of the Year award in the Sanlam and Business/partners-sponsored competition.

“We will leverage off their technology partners for further growth into Africa, South America and potentially Asia. Our turnkey solution, comprising a unique set of cloud-based technology and methodologies, can easily be white-labelled and the model tailored and rapidly deployed across multiple industries and global markets to drive desired behaviour.”

The company has already expanded its pan-African footprint to Nigeria, Ghana, Kenya, Uganda, Zambia, Angola, Tanzania, with Mozambique, Botswana and Namibia launching in Q1 2020.



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Independent retail digital rewards

2Engage was founded in 2010 by John Shaw and Andrew Weinberg. It's headquartered in Johannesburg and employs over 250 people.

Under the consumer brand Bonsella, 2Engage subsidiary Retail Engage runs South Africa's largest digital rewards and loyalty programme in the independent retail sector, targeting over 10 million LSM 3-7 consumers and representing some 60% of the economically active consumer base in South Africa.

With a free Bonsella loyalty card, shoppers are rewarded with instant airtime to their mobile phones for products on promotion in-store. For a fee of less than R50 per month, consumers can get a Bonsella gold card which provides a range of value-added services, including double airtime points, life cover, as well as lifestyle discounts such as discounted soccer tickets and bus tickets and vouchers for selected national retailers. The gold card also extends to access to a crisis line, health advice, clinic services, legal advice and homework help for children.

According to 2Engage, the Bonsella programme has grown to 1,2 million members, growing at an average of 2,500 new members daily. It is active in 150 plus stores across South Africa, with employment opportunities offered to local communities by means of 200 in-store marketing agents who promote and sign up new members via mobile devices.



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Insight into the 'main market'

"Low-income South Africans who live in rural provinces typically shop at nearby independent retail stores making it difficult for multinational consumer goods and services brands to target them directly. Consequently, these brands have little insight into the purchasing behaviour of consumers in the independent 'main market'," says Weinberg.

Traditionally, there has been little access to shopping behaviour insights, nor the ability to individually target, communicate and reward this LSM 3-7 base, the so-called 'base of the pyramid'. Value is a huge necessity for consumers in this sector which is under acute economic pressure.

"Brands have historically battled to spend marketing budget in the independent sector as it is fragmented, it is difficult to target shoppers directly and there is little reliable data on the effectiveness of marketing spend, yet with this retail sector estimated at over R100 billion turnover per annum, it constitutes a significant portion of consumer FMCG spend. Our data mining – which is POPI opt-in compliant – is proving increasingly attractive to brands," says Weinberg.



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2Engage describes Bonsella as a cost-effective sales channel to this market, enabling brands to develop a targeted marketing and sales strategy. The company explains that the programme's backend technology delivers measurable sales promotions by tracing product take-up at till point (pre, during and after promotions), resulting in comprehensive basket

analytics and customer purchase insight.

"Not only do brands benefit from increased sales, they have access to detailed demographic consumer profiles, value reporting, as well as post-campaign research and engagement," says the company in a statement.

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