

Family of regular customers

Belarusians keep over a million discount cards in their wallets today

By Marina Dorokhova

Discount programmes are powerful weapon in the battle for customer loyalty, regardless of your business niche. Even pharmacies, beauty salons and car service centres are offering customer discount schemes these days, besides traditional shops. Of course, there is psychological pleasure in gaining a 'bargain' and such moves certainly generate additional turnover for businesses. However, some discounts only become applicable once a customer has spent a large sum, making them out of reach for many. This two-tier system is leaving some citizens out in the cold, cynical about supposed discounts.

Added frills

The first discount schemes appeared in the USA in the 1930-40s, as entrepreneurs endeavoured to encourage customers to 'invest' money into their businesses and banks tried to attract new customers by liaising with shops, restaurants and cafes to offer membership discounts. Later, in the 1980s, loyalty programmes really took off, especially for airlines, with their famous bonus miles schemes.

These days, few larger shops fail to offer some sort of loyalty card — especially those within a chain. Last year, Belarusians spent half of their income on food, so supermarkets are especially keen to 'hook' their fish in this competitive market. Retailers battle for customers by offering low prices, loyalty discounts and a host of special offers.

Rumour mill

The main goal of any loyalty programme is to make customers feel proud of their membership, with an element of prestige. In fact, the idea is



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more effective than direct advertising. Attracting new customers is far from cheap, costing 3-5 times more than keeping your existing ones. Meanwhile, those with loyalty cards are carrying a constant advert, visible to friends and family. Discount cards are one of the most effective tools in creating a network of regular customers.

Ownership of a discount card also affects consumers' behaviour: more

than a third will postpone purchase of an item if the expected discount is significant and they don't have their card with them. Just under a third will delay their purchase until they have their card with them even where the saving is quite small.

Chain store owners are ever planning new loyalty programmes to reflect changing trends in the market. Naturally, not all those who own

cards become regular customers of a particular outlet or enterprise but it becomes more likely that they'll re-

turn. As to whether customers actually save money in doing so is another question.

The MT's reference:

Last year, certain Minsk residents saved Br44.5bn through discounts: up Br21.5bn on 2011. Interestingly, 170 shops offered 'morning discounts' of 3 percent for pensioners, the disabled and large families. Another 27 shops, including city supermarkets, presented discount cards to certain categories of citizens, offering 10 percent savings on non-food goods and 5 percent on food products.

Geely, from Borisov, drives to market

First batch of Belarusian-Chinese passenger cars goes on sale

By Yuri Chernyakevich

According to the official representative of BelJi — a Belarusian-Chinese enterprise assembling passenger cars — the first Belarusian-Chinese vehicles have already found customers and, although not many Geely SC7s have gone on sale, the company plans to enlarge its production capacities, improving its car assembly. So far, classic black and grey colours have been produced but the range is to be extended with time. A middle class sedan is being sold for around \$13,000.

BelJi was established in late December 2011, followed by an investment agreement signed with Chinese Geely in March 2012. The Chinese partner is rapidly developing, already among Chi-



na's top five car companies, manufacturing 600,000 vehicles annually, including assembly in Australia. Geely holds shares in Volvo and has promising plans for liaison in this direction.

BelJi Director Dmitry Batrakov notes that the launch of pas-

senger car assembly in Borisov is the first stage in the Belarusian-Chinese project. This September, construction of a new car assembly facility will begin, at Minsk FEZ (located between Borisov and Zhodino, near the village of Peresady). The next stage will focus on assembly of components, as well as case welding and painting, employing around 3,000 people, producing 100-120 thousand cars each year.

BelJi's official dealer, Avtotorgservice JSC, has signed an agreement to sell the Belarusian-Chinese passenger cars. Its director, Gennady Zhurok, notes that over a dozen cars were sold within a couple of

days. "Individuals and firms alike have been buying cars. I want to stress that Agrotorgservice offers servicing and maintenance of BelJi-assembled passenger cars," he adds. So far, the company (part of the Industry Ministry) is the sole dealer for Geely cars but, according to Mr. Batrakov, BelJi plans to further expand its network of dealerships over the coming year to cover every regional centre.

BelJi is leasing premises at Borisov's Avtogidrosilitel JSC, its facility manufacturing up to 10,000 cars a year. Tests are being conducted, with about 60 personnel employed, but the number will grow in time. BelJi was founded by BelAZ, Chinese Geely and a joint Belarusian-Chinese company specialising in production of car components: Souzavtotechnologies. After mastering the local market, Belarus-made Geely cars are to be exported through the Customs Union states of Kazakhstan and Russia.

Belarusian-Chinese BelJi cars, assembled in Borisov, already on sale