

## **CASE NUMBER THREE**

### **NECTAR: MAKING LOYALTY PAY**

#### **HOMEWORK ASSIGNMENT**

Answer each of the following two questions related to the above-mentioned case. Your answers should be direct, thoughtful and supported by facts and figures documented in the case pack. The assignment is to be typewritten (12-point, double-spaced, one-inch margins) and accompanied by a cover sheet containing the following information: case name, case number, student name, class name, instructor's name and date submitted.

It's assumed that your answer to **each** question will take the better part of one full, typewritten page. Anything less is probably lacking in the way of real analysis and supporting information from the case.

Your assignment is due at the beginning of class on Monday, June 15.

1. What are the benefits that accrue to Sainsbury's for reason of their continued participation in the Nectar loyalty program? Given those benefits, should Justin King continue the grocery chain's involvement with Nectar?
2. After having been in place for twenty years, Jewel Food Stores dropped their use of a 'preferred customer' loyalty card in the summer of 2013. What are the benefits and related costs associated with that move? And why do you think they took that action?