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| Press releaseFor immediate release July 13, 2015 | Michelle Hutchison Head of PR & Money Expert  finder.com.au  +61403 192 994  +61 2 9299 7602  Michelle@finder.com.au  @finder\_news |

**Supermarket rewards: are they worth it?**

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| * Flybuys ramps up rewards offerings * It follows new partnership between BP and Velocity * [creditcardfinder.com.au](http://www.creditcardfinder.com.au/) comparison shows which program is best value for shoppers! |

**July 13, 2015, SYDNEY** – A new war on shopping rewards has erupted between the supermarket giants and petrol stations, as Australia's biggest credit card comparison website [creditcardfinder.com.au](http://www.creditcardfinder.com.au/)[[1]](#footnote-1) investigates which program is best value for shoppers.

The [creditcardfinder.com.au](http://www.creditcardfinder.com.au/) analysis shows that while there is generally low return for being loyal to these supermarkets and service stations, it could be worth signing up to gain some value.

Medibank customers who are Flybuys members will earn up to 40,000 bonus points by signing up by August 15, can also earn three points per $1 spent on fresh fruit, vegetables and frozen vegetables at Coles, and can earn 10 points for every 10,000 steps using Fitbit.

Earlier this year, Flybuys also introduced a partnership with Weight Watchers, where members can earn 5,000 bonus points on selected three-month plans and one point per $1 spent.

Some of these promotions follow the new partnership between BP and Velocity Frequent Flyer, where shoppers can earn two points per litre of fuel (capped at 150 litres per transaction) and two points per $1 on purchases at participating BP service stations (capped at $100 per transaction).

Michelle Hutchison, Money Expert at [creditcardfinder.com.au](http://www.creditcardfinder.com.au/), said shoppers need to be careful with rewards promotions.

“It’s great to see these retailers competing harder for customers by offering more rewards for being loyal. But shoppers need to be careful with understanding how each program works and how much value they really are before signing up.”

According to [creditcardfinder.com.au](http://www.creditcardfinder.com.au/), a comparison of supermarket shopping at Coles and Woolworths found that Flybuys returns slightly better value for a smaller spend, while Woolworths was better value for bigger budgets, based on general points per dollar (excluding bonus point offers).

For a $100 spend on groceries per week, it would take Woolworths Everyday Rewards members over two years (109 weeks) to earn a $50 voucher and Flybuys members would take 100 weeks for the same value voucher.

If shoppers spend $250 per week on groceries however, Woolworths Everyday Rewards would provide a $50 voucher by week 35 while it would take Flybuys members 40 weeks.

**Value of Flybuys Vs Woolworths Everyday Rewards**

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|  | **Flybuys** | **Woolworths Everyday Rewards** |
| Points per $1 | 1 | 1 point per $1 from $31 |
| Points needed for $50 voucher | 10,000 (FlyBuys Dollars) | 7,600 (Woolworths gift card) |
| Points earned for $100 spend | 100 | 70 |
| Number of weeks to earn $50 voucher by spending $100/week | 100 weeks | 109 weeks |
| Number of weeks to earn $50 voucher by spending $250/week | 40 weeks | 35 weeks |

Source: [creditcardfinder.com.au](http://www.creditcardfinder.com.au/), Flybuys and Woolworths Everyday Rewards

[creditcardfinder.com.au](http://www.creditcardfinder.com.au/) also compared the BP Velocity Frequent Flyer program with Flybuys and Woolworths Everyday Rewards. Because the BP Velocity program doesn’t include a discounted fuel price with purchases offer nor the ability to earn points at a supermarket, the Flybuys and Woolworths Everyday Rewards programs returned better value when shopping was included.

For instance, based on the value of a $100 gift voucher and an average fuel cost of $1.38 per litre[[2]](#footnote-2), spending $100 on fuel would return $0.97 in value with Woolworths Everyday Rewards, $0.85 with BP Velocity and $0.25 with Flybuys.

**Value of these three programs for a $100 petrol spend**

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| --- | --- | --- | --- | --- |
|  | **Points per $/Litre** | **Points earned for $100 fuel** | **Points needed for a $100 voucher** | **Value in $** |
| BP-Velocity | 2 points per litre | 145 | 17,000 | $0.85 |
| Flybuys | 1/2 point per $1 | 50 | 20,000 | $0.25 |
| Woolworths Everyday Rewards | 2 points per Litre | 145 | 15,000 | $0.97 |

But if you spend $100 on fuel and $35 at the service station, Flybuys would return the most value with $7.33, followed by Woolworths Everyday Rewards returning $6.76 in value, and BP Velocity with $1.26. The large difference in returns was due to Coles Express offering a discount of $0.10 per litre and Caltex offering $0.08 per litre.

**Value of these three programs if you spend $100 on fuel plus $35 at partner petrol station**

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|  | **Cents per litre off** | **Total points earned** | **Points needed for a $100 voucher** | **Value in $** |
| BP-Velocity | $0.00 | 215 | 17,000 | $1.26 |
| Flybuys | $0.10 | 68 | 20,000 | $7.33 |
| Woolworths Everyday Rewards | $0.08 | 145 | 15,000 | $6.76 |

“While it will take a long time for most households to earn enough points to be rewarded, if it doesn’t cost you anything to join and you already shop at these stores you could receive something for nothing,” said Mrs Hutchison.

“The points structures, value of points and promotions vary between retailers so make sure you compare deals and keep track of your spending to make these programs worth your while.”

**Mrs Hutchison’s tips for retail rewards programs:**

* **Stick to your budget:** Many programs are designed to encourage you to spend more money so make sure you’re not spending more than necessary just to earn more points
* **Read the fine print:** Some offers have restrictions, caps and limitations
* **Understand how it works:** Find out how much you need to spend to be rewarded and all the details before signing up
* **Keep track of promotions:** rewards programs can offer special deals throughout the year so it’s worth keeping track by checking online and finding out the current offers available.

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1. Experian Hitwise since 2013 [↑](#footnote-ref-1)
2. Source: Motormouth.com.au [↑](#footnote-ref-2)