Are You Bold Enough?

How reward-U is showing the way!
Topics To Cover …

• Our Observations
• Loyalty in Asia
• New Opportunities
• About reward-U
• Loyalty 2.0
Our Observations

• Legacy loyalty programmes target top-tier corporate/frequent business travellers
• Programmes so complex you need a PhD to understand
• Not relevant to bargain hungry mass market travelers including millennial travelers
• HKG consumers join multiple loyalty programmes offering single benefit e.g. Dining discounts but travel remains their key “aspirational” activity
• reward-U tackles these issues
Loyalty in Asia (Nielsen 2016)

• 7/10 consumers with online access in SE Asia participate in one or more retail loyalty programmes

• 95% of internet users in China rely on smartphones to access the web - 8/10 respondents prefer mobile based loyalty programmes

• 69% of loyalty programme members in AsiaPac more likely to participate in a loyalty programme if a mobile app is available, compared to 56% globally

• AsiaPac loyalty members value exclusive offers/special events as part of a loyalty offer more than other regions
New Opportunities

• A meaningful programme with more value
• Clear & easy to understand
• A ‘currency’ with high liquidity
• Accepted by multiple partners with few limitations
• Underpinned by technology/mobile and self service
About reward-U

- Launched April 2016
- Founded by HK Express
- Based on dollars spent not miles flown
- Moving beyond an airline FFP to a highly liquid "currency" rewarding everyday spending
Program Differentiation

**Revenue based**
for earn & burn

**NO restriction**
for redemption on flights/date

**HKD1 = 10 points**

Partial redemption: **YES**

Family/Friends Account: **YES**

Non-flight redemption: **YES (SOON)**

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**Mileage based**
for earn & burn

**Select flights & fares ONLY**
for earning and redemption

**Miles based on mileage flown**

Partial redemption: **NO**

Family/Friends Account: **NO**

Non-flight redemption: **(TYPICALLY) NO**

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How reward-U Works with HKE

**EARN**
- Base fare
- Pre-purchase baggage
- Pre-purchase meal
- Seat Selection
- Priority check-in
- More points on Flex fare

**BURN**
- Only 40,000 points to redeem a flight
- Redemption on ALL flights and ANY available seat for ANYONE
- reward-U captain to burn points for his members
- Partial redemption allowed, balance paid by credit card

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AVIS
Budget
reward-U Crew

- reward-U Crew, special family/friends account
- A maximum of 4 crew members + 1 Captain

No. of crew: 19,000
Crew members: 53,000
Largest no. of points earned: 1.6m

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AVIS®
Budget®
Our Partners

• Seeking partners that fit member profile - Skewed towards young/female

• Entering partnerships with tailored approach to optimize benefits for all sides: members, partner and us

• Pipeline of partners from airlines, dining, retail, transport, telecoms, travel & leisure exceeds 200; aiming to secure 50+ by end of year
Now Loyalty 2.0

• reward-U’s foundation/benefits firmly established

• Focus on key elements of “Loyalty 2.0” to become a true disruptor in the loyalty space

**Mobile app** (Sep, 2017)
- Mobile centric, web-light
- Full self-service
- No physical infrastructure
- Partners welcome to integrate

**Gamification**
- Engage with millennials
- Increase activation

**Data driven**
- Actually “act” on the data we have thru “tribes” – See next slide
- Optimize user experience

**Virtual currency**
- High liquidity
- Minimal restrictions
- Increase earn / burn
- Must maintain approach with our partners

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... And Tribes!

- Legacy “tiers” are too linear based on “status” points etc. typically related only to flying
- “Tribes” based on overall activity – e.g. Dining, travel, retail etc.
- A member can be in multiple Tribes at any time based on a minimal level of activity
- How reward-U and its partners will interact will depend on the dynamics within the Tribes themselves
- We will overlay this approach with gamification to further incentivise engagement within a Tribe
- We’ll unleash Tribes in Q1 2018
Summary

• reward-U serves a growing segment of millennials with unique features and benefits
  - Robust foundation (revenue based, few restrictions, any seat any time)
  - 1 million members in just over a year
  - 25 partners; 50 by end of year

• Disruption to current loyalty landscape, and continue to move towards Loyalty 2.0
  - Mobile
  - Gamification
  - Data Driven
  - Virtual Currency
  - Tribes
Thank you

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