Making Your Rewards Offer Attractive to Drive Spend:

*How Card Linked Offers Add Value to Your Co-brand Card.*

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Collinson is a global loyalty and benefits company. We use our expertise and products to craft customer experiences which enable some of the world’s best known brands to acquire, engage and retain customers. Our focus is delivering expertise in engaging mass affluent and affluent travellers for the Travel and Financial Services sectors.

Solutions include:
Collinson Loyalty Solutions

Loyalty Platforms, Loyalty Agency Services and Loyalty Commerce

• Collinson Acquired the Linkable Networks CLO Platform and other assets – September 2017

• Transaction included:
  o Card linking platform
  o Existing clients
  o Relationships with merchants and payment card networks
  o Some Boston based staff

• Existing CLO solution in the UK with British Airways, Avios and Virgin Atlantic participating.
Card Linked Offers (CLO)

Also known as:
• Card Linked Rewards
• Payment Linked Rewards
• Collinson SmartLink™

Definition:
Merchant funded rewards that are triggered when payment is made using a linked card.
The Evolution of Offer Redemption (Merchant Perspective)

Printable coupons deliver poor experience
- Expensive to print, annoying to carry
- Not useful for mobile

POS based technologies are awkward
- Difficult & expensive to set up
- Substantial cashier training required
- Uncomfortable experience for consumer

Card linked offers enables seamless redemption
- One click to link
- No extra steps at the register
- 100% digital attribution
Airline Program Members

66% want Card Linked Offers/In-Store offers NOW as part of their current program, and...

58% think the value of their program decreases if it DOES NOT have the capability live
Hotel Program Members

- 64% want CLO/In-Store offers NOW as part of their current program, and...
- 52% think the value of their program decreases if it DOES NOT have the capability live
This is a Network Model & Scale Matters

Card Linked Offers Ecosystem

Members

Retail

Customer Experience &Deviation

Mass affluent insights

Increased Market Share

Accelerators:
Marketing & Strong U/X

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User Experience Example – British Airways
Earn Landing Page, Shopping, In-Store Category
How it Works & Register a Card

[Images of web pages showing British Airways rewards program]

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Explore Offers & Offer Details
UK Market Examples

12 retailers – Waitrose hero offer
Launched: March 2017

8 launch retailers
Launched: April 2017

9 retailers – Caffe Nero hero offer
Launched: Dec 2016

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UK Examples – Connected to Online Mall

• British Airways, AVIOS & Virgin Atlantic

• In-store extension to existing merchant funded online mall (also provided by Collinson)
US Example – HawaiianMiles Marketplace

HawaiianMiles Marketplace is a collection of local and national shops and restaurants that offer bonus miles when consumers make a purchase using their credit or debit cards.
Deployment Options
Key Constituents

<table>
<thead>
<tr>
<th>Merchants (advertisers)</th>
<th>Content Sourcing</th>
<th>Aggregator</th>
<th>Publisher</th>
<th>Customer / Member</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merchant recruitment (Collinson &amp; Others)</td>
<td>Offer creation</td>
<td>Publishing offers</td>
<td>Publishing outcomes</td>
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<td>Follow-up (Refine &amp; optimize)</td>
<td>Offer Targeting</td>
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<td>Behavioral filtering</td>
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<td>Financial institution</td>
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<td>Transaction data</td>
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2 points per $ spend with Merchant 1
3 points per $ spend with Merchant 2

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Data Sources

Payment Card Networks – direct data agreements
  • Visa
  • MasterCard
  • American Express

Other Options
  • Co-brand Issuer and Frequent Flyer/Guest Program
  • Merchant Acquirer or Processor
  • Merchant POS
  • Data Aggregator
Offer Types & Positioning Options

- “Always On” merchants (can have time limitations)
- Opt-in to specific merchants (focus on incremental spend)
- Online vs In-store (managed by mids)
- Cross department spend (can be managed by mids)
- Item specific offers (must be managed by ticket)
- Extension of online mall vs stand-alone value proposition (many ways to access offers)
Value to Co-brand Cards

• Additional card benefit, drives spending beyond connected airline/hotel brand
• Double dipping – point/mile per $ spend on card + additional merchant funded points/miles per $ spend on offers
• Card registration preference at offer site
• Opens up additional marketing via emails or alerts based on cardholder opt in
• New and update offers provide dynamic content for marketing and supports merchant campaign budgets
• Double dipping is good, triple dipping is bad! Merchants will want segregation of offers if they participate in both online malls and CLO.
What Does the Future Hold?

- CLO delivers a compelling toolkit for acquisition, activation, usage and retention
- CLO delivers attribution data for merchants in-store
- Near limitless content can be provided if:
  - Marketing is consistent – opt in to receive weekly offers is important
  - Reporting demonstrates response to marketing and incremental sales
- A ecosystem of engaged members, steady offers, consistent marketing, flawless technology and timely reporting paves the way for SKU loyalty.
Smarter Experiences. Deeper Devotion.