Which airline/travel loyalty challenges will Blockchain solve?
About me

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The loyalty industry is constantly changing

- Everything is being challenged – from the customer experience to the underlying technology
- Keywords abound – personalization, instant gratification, experiential, gamification

61% of travellers **ignore communications** sent by programmes as they are **not personalised or relevant**

A **rich partner ecosystem is key** to delivering a Personalised, Instant and Experiential loyalty programme

But the **challenges surrounding loyalty partnerships** is not letting programmes deliver on these goals

Have loyalty partnerships become missed opportunities?
Challenges with loyalty partnerships

1. **Manual, invoice-based financial settlement** costs time and money and still results in delayed payments.

2. **Slow and expensive partner setup** results in a limited number of partners.

3. **Limited data exchange with partners** reduces the ability to truly personalise the customer experience.

4. **Incomplete tracking of miles** is leaving a gap in the most useful partnership insights.
Incomplete tracking of miles – A gap in partnership insights

<table>
<thead>
<tr>
<th>Miles Issued</th>
<th>Redeemed Miles</th>
<th>Revenue per Mile</th>
<th>Total Revenue</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>10M miles expired</td>
<td>30M miles redeemed on award seats @0.1p per mile</td>
<td>Cost - £0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cost - £30K</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30M miles redeemed on online catalogue @0.4p per mile</td>
<td></td>
<td></td>
<td>Cost - £120K</td>
<td></td>
</tr>
<tr>
<td>30M miles</td>
<td>tipped into another programme @0.6p per mile</td>
<td></td>
<td></td>
<td>Cost - £180K</td>
</tr>
</tbody>
</table>

**Total Cost - £330K**
How does blockchain help?

1. Real-time financial settlement at a fraction of the cost so that earn/burn relationships become more profitable

2. Speedy & cost-effective onboarding of a global partner base so that programmes can add/remove partners easily anywhere in the world

3. Personalised and targeted promotions underpinned by data so that programme feels more relevant to its members

4. End-to-end tracking of miles so that the insights help programme optimise profit while maintaining the relevance of the programme
1. Real-time financial settlement at a fraction of the cost

- Tokenisation of miles
- Create cash tokens
- Partnership agreement smart contract

50% to 90% drop in operations cost
2 Speedy & cost-effective onboarding of a global partner base

- reconciliation and payment process
- interface definitions and data formats
- extensive legal contract
Personalised and targeted promotions driven by data

1. Apply earning rules
2. **Destroy the data**

Miles allocation request + Cash tokens (optional)
End-to-end tracking of airmiles...

Member id: 324567
Issued At: 12/04/2018 12:05:34
Issued by: XYZ
Price: 1p

Expired

Member id: 324567
Issued At: 12/04/2018 12:05:34
Issued by: XYZ
Price: 1p
Expired At: 25/06/2018 0000:00

Issued

Redeemed

Member id: 324567
Issued At: 12/04/2018 12:05:34
Issued by: XYZ
Price: 1p
Redeemed At: 25/06/2018 0000:00
Redeemed By: ABC
Cost: 0.6p
The big picture...

• A blockchain solution behind walled gardens brings little benefits
  • Multiple blockchain interfaces
  • Multiple cash tokens
  • Gives rise to third parties aggregating data and interfaces
A decentralised platform is the future

- Single blockchain interface
- Single cash token
- Each programme is in complete control of their data and processes
- Onboard partners in minutes
- Programmes can partner with each other using the same rails
Questions