

# Loyalty Card Program | Description



## Program Outline: Loyalty, Rewards, and Special Programs

Loyalty & Reward Programs increase sales and drive repeat business

### Please Note:

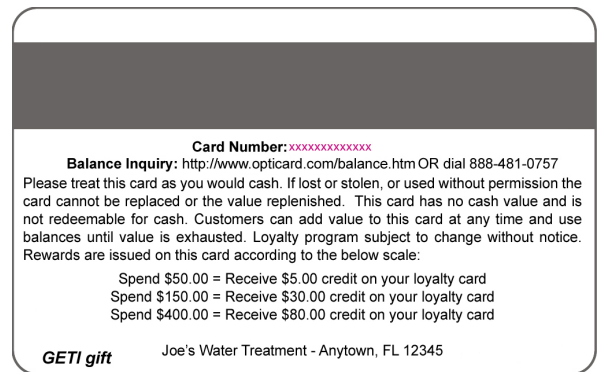
All Loyalty Programs require a separate addendum in order to activate services.  
Please reference your agent sales portal for the Loyalty Addendum.

## What is a Loyalty or Reward Card?

Loyalty or Rewards programs are launched using a card made of PVC plastic that has a magnetic stripe on the back. The card can be used to accumulate points, dollars or rewards in a merchant's store or business. The card can track visits, products purchased or total dollars spent. The merchant can predetermine the levels of rewards or points on the program.



Sample front of card



Sample back of card

Consumers visit the location(s) and present the card at the time of sale. The card is then swiped and the system adds the reward or dollar based credits to the card. After a predetermined level is reached or a particular product is purchased the customer can be rewarded with a credit or cash value on the card.

These programs help merchants promote more frequent visits and spending at the merchant's location(s). Merchants can also use the solution to track customer spending habits, measure marketing efforts and collect important demographic information that can be used to send special promotional offers.

### The most popular loyalty/rewards systems are:

- Frequency based programs
- Dollar based programs
- Points based programs.
- **Businesses typically promote programs like:**
  - Rewards Cards
  - Loyalty Cards
  - Frequent Diner
  - Preferred Guest and VIP Cards.
  - Many other branded or private labeled options also exist depending on the type of business and clientele.

Usually the rewards are not real time in order to promote another visit to redeem the card reward. Some merchants also allow customers the option of accumulating dollars that are then redeemed for free items, discounts, dollar off coupons or special offers. Loyalty and Rewards cards can be used in many different ways depending on the needs of the merchant or business owner. Programs are adaptable from merchant to merchant and depending on the needs of the business.

## How Does a Loyalty Card Work?

The card is issued or given to the customer at the business location. The card is then presented each time the customer visits and points, dollars or % amounts are added to the card based on predetermined reward levels that the merchant sets upfront. Only a few steps are required to capture the clients visit or purchase and the software calculates the rewards automatically without any time consuming steps.

One of the most important advantages of having a Loyalty solution is that merchants have the ability to collect important cardholder demographic information like: name, address, email, birthday, and other items to then assist the merchant with building a database of opt-in customers that can be directly marketed to on a periodic basis. Customers' spending patterns can be tracked and special targeted offers can be sent directly from the merchant. The programs can also help promote special events, holidays, and slower days of the week.

Merchants have options to collect this demographic information manually at the location or other online options may be available to the cardholder.

## Merchant Benefits

There are several major benefits that come with operating a Loyalty or Reward system. Merchants will be open to suggestions on how they can promote effectively.

### Some of the many benefits of launching a Gift Card program:

- Enhanced image/brand reinforcement
- **Repeat** loyalty customers spend **33% more** than new customers
- Promotes more return visits and larger average tickets in the location
- Ability to capture customer information and track purchase history
- Tracking and reporting allows merchant to easily manage program
- Creates **better relations** between merchants and their customers
- Promotes **increased spending** and **repeat business**
- Sets the merchant apart from his local competition
- Card members are more likely to refer others to visit
- **Promotions** or **special events** can also be launched using cards
- Solutions are affordable yet offer robust functionality to manage programs
- Better ROI (return on investment) than traditional marketing methods
- Streamlined procedures at the POS

According to a study by the global business consulting firm, Baines and Company,

**“A 5% increase in customer retention can increase a company’s profitability by 75%.”**

## Consumer Benefits

The benefits to the customer are realized when the reward levels are reached. No matter what program is supported by the merchant, consumers appreciate getting rewarded and earning something back on purchases.

The programs provide the customer the ultimate in flexibility. In today's competitive retail environment, loyalty programs are aimed to retain and build upon the merchant's current customer base. The system offers a powerful tool to create a compelling reason for customer's to continue to visit a merchant time and time again. Implementation specialists work with the retailer to determine and configure the system for the types of loyalty program desired.

## Program Details and Product Information

Several types of programs are available and can very easily be implemented into most any type of business. Some rewards based systems can also be combined together with a gift card program. The combo card can offer a pre-paid balance and accumulate ongoing points or dollar based rewards on the card. This allows merchants to provide rewards based on the number of times a consumer visits or how much a consumer spends.

### Electronic Points Bank (EPB)

These programs offer a flexible method for merchants to reward their customer while simultaneously providing the retail merchant with information related to their customer's buying habits. In addition to the Multi-card function, EPB is a unique offering designed to integrate multiple program types onto a single card seamlessly. One card maintains balances for multiple programs concurrently. The Electronic Points Bank program allows the merchant the ability to track and reward customer loyalty.

The program can be used in a multitude of ways. Merchants can use the Electronic Points Bank to track customer spending and provide the customer Retail Merchandise Credits (dollars to spend). The customer can redeem these at the merchant location. Redemption based on the award levels pre- determined by the merchant.

Merchants can have the ability to capture customer demographic information and link that information to a loyalty card. This demographic information can be used to provide awards in the form of direct-mail rebates and other promotional incentives that are not directly placed on the loyalty card.

### Frequency Reward Program

The Frequency Reward Program offers a flexible way for customers to purchase a set number of items and then receive a free or discounted item or service. This program is based on frequency of use or number of items purchased. Once the consumer reaches a pre-set threshold, they will receive a reward offered by the merchant.

### Club Program (frequency)

The Club program offers a versatile method for merchants to allow customers to purchase a set number of items at a discounted price and receive an item or service for free as an incentive. The merchant can choose the number of purchases required and the item or service that the Club balance can be redeemed for.

An example for this would be a merchant offering a free oil change with the purchase of 10 oil changes, or offering a discounted price for an oil change once a consumer purchases 10 oil changes.

### Dollar Reward Program

The Dollar Reward Program offers customers a way to earn rewards based on their spending across all sales channels. The points can be converted to dollar value and added back on the card for customer redemption. When a consumer reaches a pre-set spending threshold, a point reward is automatically added on the card. Points show up as **Retail Merchandise Credit (RMC)**. The program can have a maximum of 5 reward levels/thresholds that are pre-set by the merchant during program setup.

## Rebate Program

Rebate allows merchants to reward consumers a percentage of the sale amount. Most systems will handle the conversion and calculations and add % to the card after the purchase. The merchant can select from several types of rebates.

- A rebate of x% can be applied to every purchase made by the cardholder regardless of purchase size  
Example: 10% rebate on every purchase.
- A rebate of x% can be applied to purchases over a threshold amount set by the merchant for individual purchases  
Example: 10% rebate on every purchase over \$10. Purchases under \$10 receive no rebate.
- Ability to combine tiered rebate % with tiered threshold amounts  
Example: 10% rebate on every purchase over \$10, 20% rebate on every purchase over \$50, and 30% rebate on every purchase over \$100. A maximum of 10 rebate/threshold levels per unique program.
- A rebate of \$x can be applied to purchases over a threshold amount set by the merchant for individual purchases  
Example: \$5 rebate on every purchase over \$25. Purchases under \$25 receive no rebate.
- Ability to combine tiered \$ amount with tiered threshold amounts  
Example: \$1 rebate on every purchase over \$10, \$5 rebate on every purchase over \$50, and \$20 rebate on every purchase over \$100. A maximum of 10 amount/threshold levels per unique program.

## Loyalty Cardholder Registration

NOTE: For more information or pricing on the following items please contact your sales office or agent.

**Registration** is defined as the process of capturing additional information over the internet for an issued loyalty card. Merchants can elect to manage loyalty signups and information collection manually without using an online loyalty registration option if they prefer.

The loyalty cards can be distributed at the merchant location on an anonymous basis. The consumer holding the card is identified only by the loyalty card ID number printed on the card and captured on the magnetic stripe. However, the merchant can either require or provide an incentive to the consumer to provide demographic information by registering the card.

### Loyalty Registration Page (optional)

Merchants can activate a web registration page that can be linked on their business website. This feature is not included in the standard loyalty or rewards program setup.

The merchant can select from 15 standard registry fields or create their own 15 registry fields.

**Example:** card number, first name, last name, address, city, state, zip code, telephone number, email, preferred contact method, birthday, age, gender and income.

Merchants can also specify what fields they wish to be required or optional. The merchant would have the ability to activate features upfront that enabled the customer to add points/rewards or activate the consumer's loyalty card upon registry. This option provides an incentive to the consumer to register their loyalty card.

**Paper Registration Form:** For merchants that don't want to activate the automated loyalty card registration page there are manual options that the merchant can use. A form would need to be filled out by the consumer either at the location or returned to the store. Merchants would need to enter the data into the EPB database.

### Your Custom Business Logo Here!

**Thank you for registering your Gift & Loyalty Card!**

(\*)Denotes required Field!

\*Card Number:

\*First Name:

\*Last Name:

\*Address:

\*City:

\*State:

Select a state ▾

\*Zip Code:

Telephone Number:

E-mail:

Confirm E-mail:

Preferred Contact Method:

-- Select One -- ▾

Birth Day:

(MM/DD)

Age:

--Select Age-- ▾

Gender:

-- Select Gender-- ▾

Income:

-- Select One -- ▾

Submit

Reset

Online registration screenshot



## Loyalty Transaction Types:

Reporting and transactions can be managed through a certified terminal or POS system. For online access for merchants that want to process cards on the virtual terminal, additional costs may apply. Basic reporting details are included in the standard loyalty programs.

## Explanation of Supported Transaction Types

<b>Add Points</b>	Add Points will activate a card and initiate the customer's Electronic Points Bank. The first step to creating a loyalty program is to decide what point value to assign to customer purchases. The merchant has the ability to assign points per dollar spent, multiples per dollar spent, or divisible per dollar spent. For example: \$1.00 spent = 1 point (equal dollar to point conversion) \$1.00 spent = 5 points (multiple per dollar spent) \$5.00 spent = 1 point (divisible per dollar spent)
<b>Award Levels</b>	The merchant can create up to 5 award levels. Each time an award level is reached, the consumer will receive a Retail Merchandise Credit on their card that will be available for use. Awards are given by the merchant according to the specific program rules that are determined at the outset of the program.
<b>Issuance</b>	The issuance transaction activates the card for any program except Electronic Points Bank. To activate a Loyalty Card that utilizes the Electronic Points Bank Program, the customer only has to initiate an Add Points transaction. The issuance transaction may be received from the POS or terminal via a swipe of a magnetic stripe on a card or via the processing host once an award level is reached. The card is assigned to a specific program type at the time of issuance and can be assigned to multiple programs at one time. A batch issuance transaction is supported to allow the activation of multiple cards in a single transaction.
<b>Purchase (redemption)</b>	A purchase transaction will subtract the amount of the transaction from the current balance on the card. Multiple redemption transactions may be performed on each card until the balance is zero. Multiple balances may be contained on a card. The remaining card balance will be printed on the receipt.
<b>Balance Inquiry</b>	The balance inquiry transaction provides the current balance on the card and the last 10 transactions performed on the card. This provides a history of the card usage to help alleviate customer disputes. Balance inquiry may be initiated from the POS, a stand-beside terminal, or from the Internet. Internet balance inquiry may be performed by retailer personnel or by the cardholder. An inquiry transaction can be initiated for one Program or all Program types contained on the card.
<b>Void</b>	A void transaction reverses a previous transaction. The card number and original authorization code are required to process a void.
<b>Clerk Maintenance</b>	All transactions must be initiated by an employee with a valid clerk ID with the authorization to perform the requested transaction. Clerk IDs may be added, deleted and modified on the POS, on a stand-beside terminal, or via the Internet.
<b>Reports</b>	Clerk and terminal reports are available on the POS or a stand-beside terminal. Detailed reports are available on the Internet (see Reports section).

Card Add Points screenshot

## Loyalty Program Internet Reporting

All merchants that activate a loyalty or rewards program automatically receive online access to reports for loyalty activity. These reports allow the retailer to generate detail or summary level data in report format. Most reports can be generated for specific date range and ID's for the individual stores or, if privileged, for all store locations.

### Explanation of Loyalty Reports

<b>Issuance Summary Report</b>	The Issuance Summary Report summarizes Issuance data for a specified day or a date range. The Issuance data is listed for each Program Id by store.
<b>Redemption Summary Report</b>	The Redemption Summary Report summarizes Redemption data for a specified day or a date range. The Redemption data for each Program ID by store is listed.
<b>Transaction Summary Report</b>	The Transaction Summary Report summarizes all transaction data for a specified day or date range. The Transaction data for each Program ID by store is listed.
<b>Daily Transaction Summary Report</b>	The Daily Transaction Detail Report provides all transaction data for a specified day or date range. The Transaction data for each Program ID by store is listed.
<b>Issuance Detail Report</b>	The Issuance Detail Report provides issuance detail data for a specific day only. The detail data is listed by Program ID for each Store. Information provided for each transaction includes transaction time, card number, dollar amount, authorization code, clerk ID, terminal ID, reference number, and a denial code if applicable.
<b>Redemption Detail Report</b>	The Redemption Detail Report provides purchase data for a specific day only. Information provided for each transaction includes transaction time, card number, dollar amount, authorization code, clerk ID, terminal ID, reference number, and a denial code if applicable.