



An Everchanging Marketplace Requires Ongoing Innovation

By Ronald J. Raposa, Executive Vice President, Consumer Benefit Services, Inc.

As a seasoned executive and key player in the loyalty industry since the days of trading stamps, I sometimes think that I've seen it all. The industry has evolved over the years as consumer behavior and lifestyles have become more sophisticated. In the early days, consumers were happy just getting something instead of nothing. Today, loyalty programs must offer clear added value and distinction; something different that will make people's lives richer. The success of trading stamp and airline frequent flyer programs are well documented. They have achieved their goals of creating consumer loyalty and continuity. The common denominator in this successful technique has been the "free gift".

For the past several years, I have been fortunate to be associated with a company that prides itself in being creative and innovative. Consumer Benefit Services, Inc. (CBSi) is a Naperville, Illinois based national provider of loyalty marketing, performance improvement, and benefit programs to over 8 million consumers through 35+ loyalty clients including Navy Federal Credit Union, U.S. Bank, and BB&T. In addition to our very successful DreamMiles® rewards program, we recently announced the introduction of a new loyalty program called CommunityFirst® plus personal rewards, which is the "next generation" of loyalty and reward programs. It is designed to generate income opportunities for financial institutions and merchants while benefiting both participating customers, and their personally selected non-profit organizations.

The CommunityFirst® plus personal rewards program is an electronic adaptation of the proven trading stamp concept, the original consumer loyalty medium popular during the 1950's and 60's. Consumers shopped at their favorite supermarket and received trading stamps based on their purchases, then received bonus stamps for selected products, usually funded by the manufacturers. A network of retail merchants also issued the same trading stamps providing the customer the opportunity to accumulate their stamps at a faster rate toward free merchandise and services. The supermarket became the hub of

the wheel while the other participating merchants were the spokes of the wheel. This created loyalty and traffic for everyone in the program. The CommunityFirst® plus personal rewards program now positions the financial institution as the hub of the wheel. . . the main sponsor and beneficiary of the program.

In this program, participants earn points from their sponsoring financial institution on every credit and debit card purchase through our new Financial Product Cross Selling Platform (which is now part of all CBSi loyalty programs) and earn bonus points on all other products and services they participate in within the financial institution such as: mortgages, home equity loans, auto loans, investments, etc. Bonus points can also be earned by making purchases at participating merchants and using the credit card and/or debit card of the sponsoring financial institution. Their cardholders shop within the participating merchant network because they earn points for themselves as well as donations to charitable organizations that are important to them. The CommunityFirst® plus personal reward program provides the motivation to change the behavior of present and new customers by giving them the opportunity to earn awards at much faster pace while supporting "community based" non-profit charitable organizations.

Recently, CBSi also introduced an innovative new interactive Online Travel Booking System that provides customers an easy, flexible way to redeem award points for travel related products. We offer a 24/7 customer service center and a full service travel agency, complete with bilingual capabilities in English and Spanish, and currently administer a reward program for a portfolio of California Commerce Bank cardholders in Mexico.

As the marketplace changes so must the marketing services provider and the products he continues to develop. CBSi has made the commitment and investment to keep pace with customer and client needs, and we are excited about the future of the loyalty industry.

CBSi provides loyalty marketing, performance improvement, and benefit programs to over 8 million consumers.



Consumer Benefit Services, Inc.

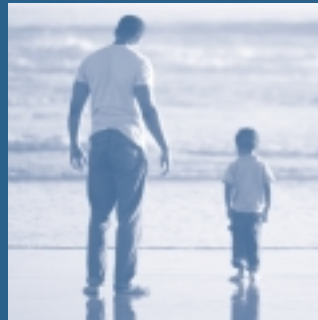
1620 Bond Street
Naperville, Illinois 60563

t 630.420.6200

f 630.420.2294

www.consumerbenefit.com

more points | *more rewards*[™]



simply put...

**this is what your customer wants
this is what CBSi provides**

Our innovative programs provide:

- more ways for customers to accumulate reward points and build loyalty
- more rewards than any program we know of
- complete marketing program design
- complete end to end data management
- complete web based programs
- complete marketing services and reporting

Tailoring programs to your needs:

- debit rewards
- credit rewards
- bonus rewards for financial product cross-selling



630.420.6200 x 1151

rraposa@consumerbenefit.com

Call today for a capabilities presentation, speak with
Ronald Raposa, Executive Vice President of CBSi.