

M.O.R.E.

A Continuously Evolving Opportunity

As long time players in marketing customer loyalty and reward programs to the financial institution sector, we've seen a number of trends and innovations come and go over the years. If there's one thread which remains common to all successful programs and innovations; it's that the consumer will always move toward "M.O.R.E.". The "MORE" in this case is their search for the **Most Opportunities** to **Reward** their **Efforts**.

While this seems extremely basic and simplistic in light of the rapid advances in technology and customer behavioral analysis, the game remains the same. Customers have a keen sense of what they want and like, and knowing how to provide MORE causes them to act.

It's no longer the catchiest commercial on TV or a slogan or the "free toaster" that will stimulate a customer to acquire a particular card and use it. With the pace and geographic mobility of today's consumer, the desire for a broadly usable program across many venues is growing. The consumer wants more program usage options and more compelling and stimulating rewards. But the consumer does not want more cards.

In fact, the uncertain demise of the plastic card itself is a possibility in the future as technology begins to link a chip, or a fingerprint, or an optical scan to a specific consumer and to a number of transactional partners within a network. Increasingly, banks, processors, card providers, and merchants are sensing a consumer desire for personally targeted offers, and are designing point of sale and point of use processes which offer rewards tailored to each individual consumer. Motivation is best when it is the result of insight into a particular consumer's actual buying habits and trends and offers incentives to stimulate more of that behavior.

The dynamics of the "network merchant card" with many transactional venues and opportunities looms on the nearby loyalty horizon. In this not so distant future, not only will specific merchant offers be targeted to the specific customer, but networks of merchants and service providers will all recognize a common customer, syndicate common customer intelligence and leverage each other's targeted offers to their mutual benefit driving increased usage; building upon the saying "A rising tide lifts all ships".

Thus, the challenge to financial institutions, processors, and other issuers to develop these kinds of programs has become a daunting one. This includes the challenge of determining and selecting the right loyalty program provider who can reach down to the point of sale, gather and analyze consumer purchasing dynamics, and deliver the appropriately targeted consumer motivation that is unique from a technological and analytical standpoint.

What all of this leads to is what marketers have always endeavored to do: to achieve a 1:1 relationship with each customer. To do this, loyalty providers must commit to developing processes that continue to analyze and learn what each individual customer is doing and what motivates them, and to provide targeted incentives that will further motivate those customers.

Exciting growth and continued evolution of the loyalty marketplace will continue for a long period to come. Even financial institutions with relatively small card and member portfolios are getting on the band wagon with loyalty programs made possible by leveraging their relationships with their processors. And the international loyalty marketplace is developing quickly, thus presenting a whole new set of logistical and process challenges where financial institutions are hungry for loyalty programs as their customer base matures and looks for "MORE".

To be successful loyalty program providers and to continue to make inroads in the national and the international marketplace, we must always remain avid students of the business, watching for new technology, and looking for ways to gather and analyze critical information.

This knowledge helps us to understand what motivates customers and to provide for our clients' basic and evolving needs. We need to be committed to providing our clients with what they need to help them develop those desired 1:1 relationships with their customers by embracing new and flexible technology, new tracking and analytic processes, new programs and new, exciting and targeted rewards, never forgetting that customers and clients always want "MORE".



Andrew M. Cirimo: General Mgr.
Consumer Benefit Services Inc.

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Consumer Benefit Services, Inc. (CBSi) is an international loyalty marketing company providing innovative and profitable loyalty programs to more than 8 million customers through banks, credit unions, processors and corporations.

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