

A young couple is smiling and posing for a photo. The woman is in the foreground, wearing a denim shirt, and holding a credit card. The man is behind her, wearing a blue t-shirt, and carrying a large brown shopping bag. The background is a blurred city street with warm lighting.

# EMPOWERING Your Loyalty Programs for New Competition

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# Your Competition Isn't Other Financial Institutions Anymore

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More than ever, competition for loyalty to your financial institution has become fierce. Not only does your competition include other financial institutions, but retailers are now looking to start offering bank accounts for their customers.

Increasing the way your financial institution rewards your customers should be a hot topic among your senior leadership.

The leading retailer in the U.S., Amazon, has one of the highest New Promoter Scores among retailers and financial institutions. The company also has earned a healthy dose of trust, which is critical in financial services. For banks, the level of customer loyalty will likely serve as a leading indicator of defection. The more displeased consumers are with their bank, the more willing they are to consider Amazon and other retailers who are starting to provide bank accounts to their customers. ■





# New Competition Is Upon Us

According to a recent study...

65%

**of Amazon Prime respondents would be willing to try a free online bank account offered by Amazon.**

37%

**of people who don't buy through Amazon would be willing to try.**

With retailers now entering in the banking scene, including Apple, it's more important than ever to offer the most innovative, engaging solutions for your customers. The key component is the "Loyalty Effect."

The loyalty effect is a powerful profit generator because loyal account holders tend to spend more, refer others and they cost less to serve. According to a recent study, **77 percent** of consumers say loyalty programs make them more likely to stay with brands. Loyalty is the highest form of measurable marketing that positively drives behavior. FIS believes that the best loyalty programs integrate with your overall marketing strategy and can lead to financial and brand benefits associated with loyal account holders.

Source: <https://www.bondbrandloyalty.com/the-loyalty-report-2018-press-release/>



# More Value in Increased Engagement

Your competition is finding more ways to attract and retain your customers. One way is providing discounts on more products and services consumers engage with. Providing a bundled service ensures your customers spend more time with your services and increases your brand to be top-of-mind. Amazon bundles with their Prime membership, and Starbucks with their rewards program.

## Relationship Rewards

Relationship Rewards is a program enhancement from FIS that rewards cardholders for the total value of their relationship. The concept is to enhance profitability of your cardholder base by driving increased usage of products and services, yielding:

- Improved retention rates
- Competitive advantage in the marketplace

Relationship Rewards give the ability to reward cardholders with additional program earnings for use of eligible products and services as well as for the cumulative value of the relationship.

### Benefits of Relationship Rewards programs include:

- ✓ Increased retention rates
- ✓ Increased revenue (acquisition, lift or profit mix)
- ✓ Higher perceived value (competitive advantage)
- ✓ Higher satisfaction

### Benefits of adding Relationship Rewards:

- ✓ **4.22** percent increase of active accounts
- ✓ **\$2,359** increase of sales volume per active account a year
- ✓ **\$6** average increase in transactions
- ✓ **2.13** increase of transactions per active account a month
- ✓ **\$20** increase in finance charge income per active account a year
- ✓ **\$37** increase in interchange income per active account per year



# Increase Loyalty. Increase Your Fans.

Let's take a look at some surprising stats.



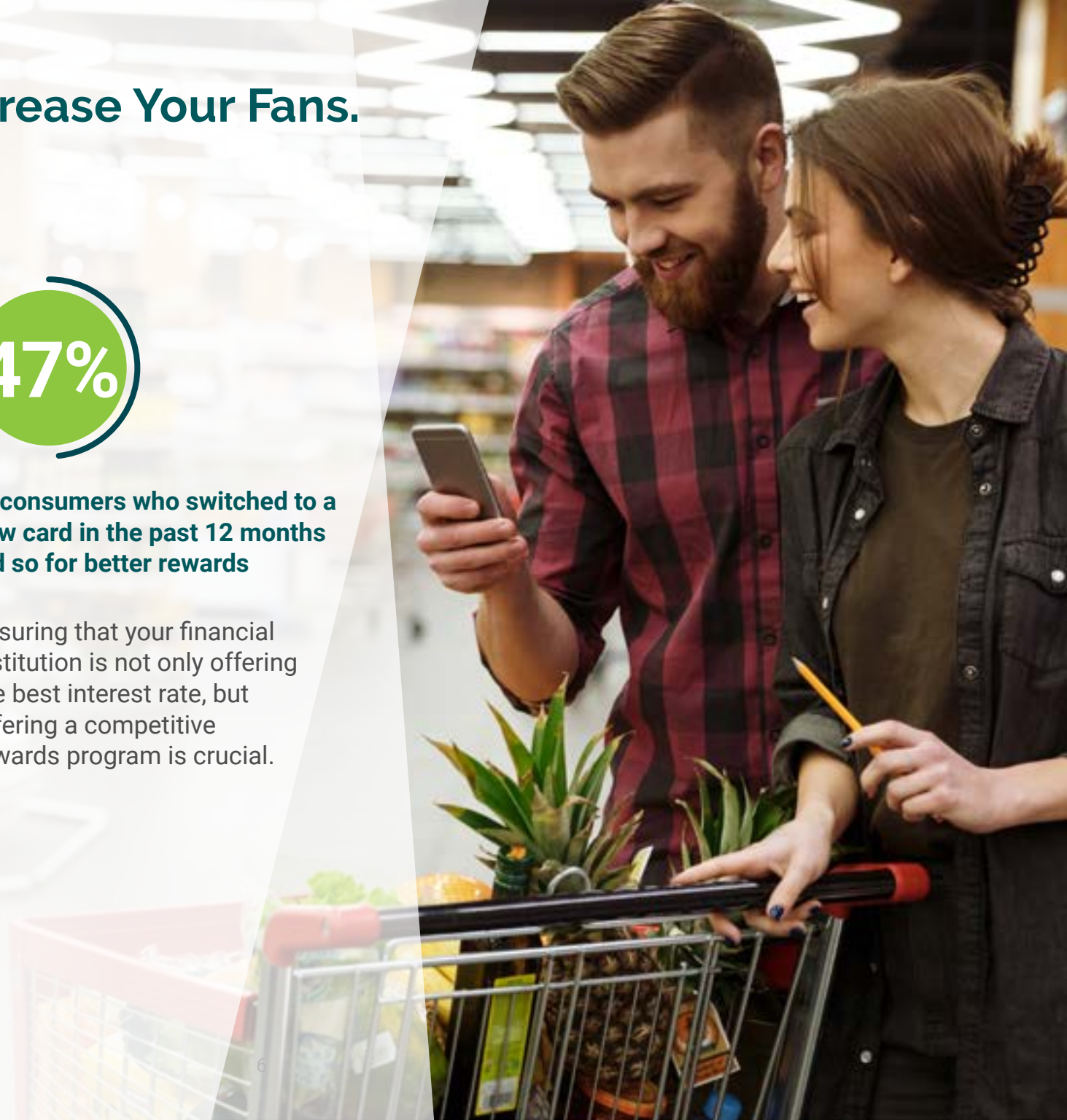
**of spending and transactions are on rewards-based credit cards**

Consumers are hung up on the rewards-based payment cards. Consumers want something back when it comes to using a debit/credit card.



**of consumers who switched to a new card in the past 12 months did so for better rewards**

Ensuring that your financial institution is not only offering the best interest rate, but offering a competitive rewards program is crucial.



# Effectiveness Is Key

FIS Loyalty Solutions offers a variety of program options to reward cardholders, including:



## Fuel Redemption Network

Fuel Redemption Network allows cardholders to swipe their rewards card at the gas pump and earn instant savings as the gas price rolls back. The cardholder is prompted at the pump for a choice to redeem points for a gas discount in real time. While pre-authorization is happening, the gas price rolls back immediately at the pump and prints rewards/savings information on the receipt. Participating stations include BP, Alon/7-11, CITGO and Shell – a total of 20,000 eligible locations.

**Spend. Swipe. Save.**



## Redeem2Erase

Earn statement credits or erase recent transactions from monthly statements with our latest solution, Redeem2Erase. Cardholders can redeem reward points to offset transactions ranging from \$20.00 to \$1,000.00.



## Pointopia

Convert points into currency at the POS with our new mobile wallet app, Pointopia, which allows cardholders to combine points from all their eligible FIS Loyalty programs to make in-store purchases with a virtual gift card from merchants like Walmart and Best Buy. Consumers can then redeem their points at dozens of major retailers and restaurants as if they were cash.



## Merchandise Awards

Get top-shelf **Merchandise Awards** from brands like **Apple, Sony, Bose, Dyson** and many more with shipping options that include **one- or two-day deliveries**, or **same-day pickup** from **Best Buy**.

Redeem points for gift cards for fractional shares of stock through Stockpile.





### Event Tickets

Cardholders have the ability to redeem their points for tickets to concerts, theater and sporting events nationwide with our Event Tickets feature.



### Travel Awards

With **Travel Awards**, cardholders can book one-stop reservations for flights, hotels, car rentals, cruises, excursions and more. New **Google Maps** technology and **Trip Advisor integration** make booking your customer's next adventure more rewarding. They can also redeem points to skip the line for **TSA Pre-Check**.



### CashBack

Reward your cardholders with the simplicity of cashback each time they use your card. Choose the schedule for distribution and method of how cardholders can redeem the cashback. Whether it's sending a check or posting the credit to their checking, savings or any other account your cardholders have with you – it provides an easy and engaging process for your cardholders.



### CashBackPlus

A unique and flexible reward offering which allows your cardholders to redeem on-demand other than waiting for their scheduled payout. Furthermore, cardholders will have access to an exclusive version of the rewards website where they can view and redeem their CashBack credits.



# Use Points to Give Back



## Charitable Giving Program

Everyone wants to help make a difference in the world somehow. Whether if it's donating time to a charity or donating money, consumers feel empowered when they can give to a good cause. With the **Charitable Giving Program**, consumers can donate points for a good cause to one of the **1.2 million** non-profit organizations involved in the program.

## How Loyalty Increases Brand Engagement

Cardholders donated points they earned through card usage to the Red Cross and United Way charities to help victims of Hurricane Harvey, Irma and Maria in 2017. It orchestrated a simple, efficient way to give to a good cause, and cardholders responded with unprecedented generosity.

In three months, through the generality of cardholders, more than **\$270K** worth of points were redeemed for the victims of Hurricane Harvey, Irma and Maria. FIS established a more meaningful relationship with financial institutions and loyalty cardholders while offering cardholders a unique way to help their neighbor. And, victims received the relief they needed at a critical time. The **Charitable Giving Program** highlights how engaging technology and operational efficiency can create a win-win-win solution.



# Not All Customers Earn the Same Way

Your customers earn points in different ways. Some save their points to spend on a big trip or for a new pair of headphones.

Others don't spend as much on their debit card so they are considered low-point earners. However, there should be a loyalty strategy for these types of customers as well.

## Low-Point Redemption



### Sweepstakes

Cardholders use their points to enter drawings for merchandise and gift cards.



### Auctions

Cardholders can bid on brand name merchandise and gift cards in a blind style auction model for products.



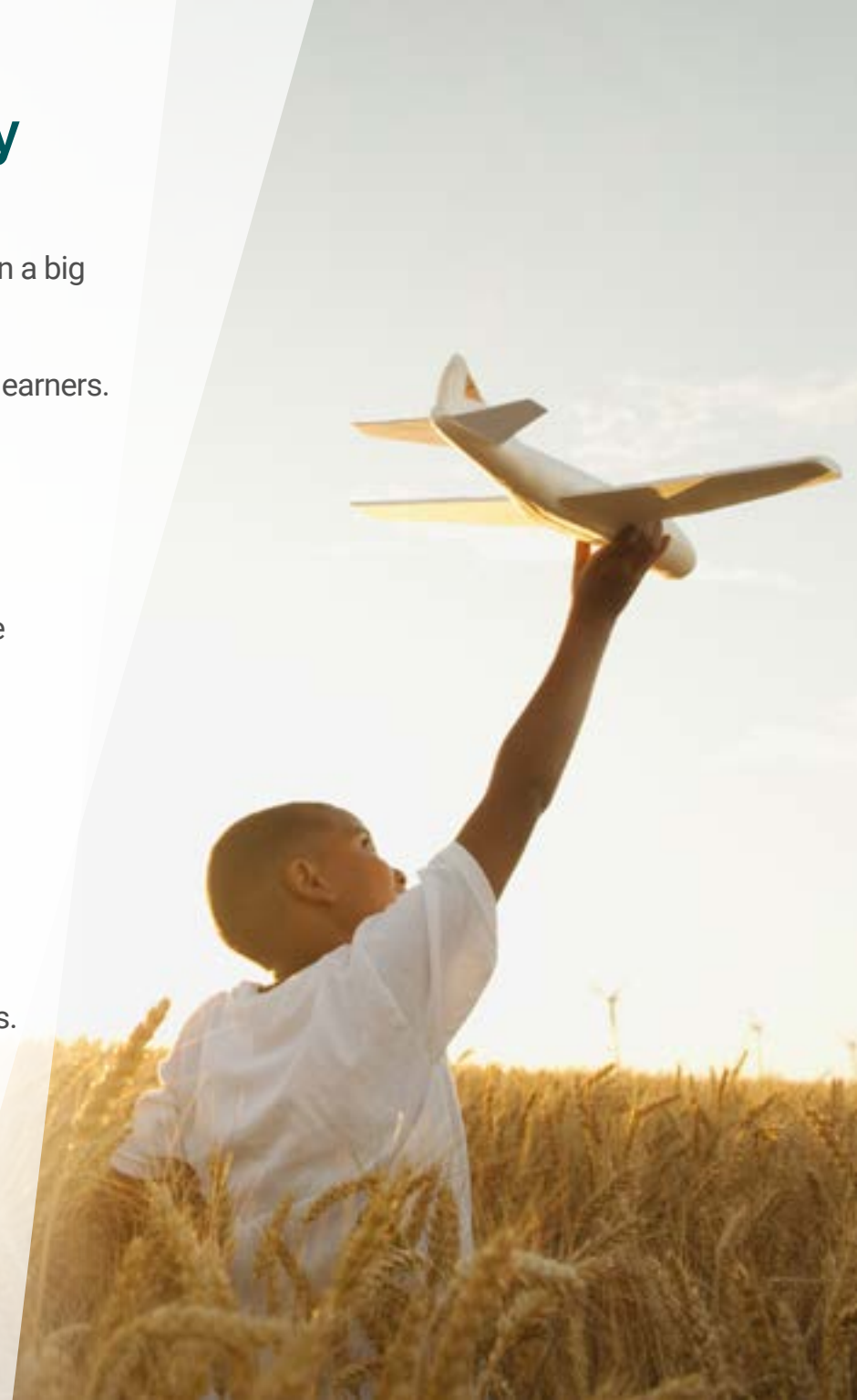
### Games

Cardholders can use points to play games for a variety of prizes.



### Charity Pools

Cardholders can contribute points towards an overall goal. Once the goal is met, a donation is made to the charity.





# Merchant-Funded Program



FIS' merchant-funded program, includes **ScoreMore Deals**, **ScoreMore** and **Local Merchant Offers**. Each product allows financial institutions to partner with local/national merchants and online retailers to provide products and services to mutual consumers.

Cardholders earn higher reward point multiples by using their card at participating merchants. By **increasing** cardholder usage, financial institutions can build brand **awareness** of their debit/credit portfolio and **retain** existing cardholders, while **reducing** their own net rewards program cost. At the same time, merchant business and transaction volumes increase.

**ScoreMore Deals** is an analytics-based marketing program that delivers desirable, high-value discount offers to cardholders in order to drive spend to the specific merchants participating in the program.

**ScoreMore** is a full-service program that rewards your cardholders additional bonus points and cashback for shopping at select local, regional and national retailers.

**Local Merchant Offers** is another way to reward cardholders additional bonus points or cashback for everyday shopping at their favorite online or in store retailer. This program also includes an onboarding tool to allow more local merchants to be added to the program and integration with Groupon.

## Here is an example of how the Merchant-Funded program works:

- Merchants pay marketing fees for purchases by rewards program participants
- Cardholders earn 2X, 3X, 4X or more Bonus Points and CashBack
- Merchant's business increases
- Cardholder earns at greater pace and higher level





# Why Choose FIS Loyalty Solutions?

**TO EFFECTIVELY ATTRACT AND RETAIN** loyal account holders, it's now more important than ever to have the right partner that can deliver strategy, expertise and technology. With more than 25 years' experience in the loyalty industry, our consumer and merchant loyalty solutions provide clients with the expertise, analytics and full range of tools needed to build, attract and sustain long-term consumer allegiances.

- **25 YEARS** operating card marketing and loyalty rewards programs
- **3,100+** financial institutions and rewards program clients
- **6,800+** individual programs
- **\$100 MILLION+** per day in transactions scored
- **4 MILLION** transactions processed daily (6.5 MILLION during peak)
- **40 MILLION+** participating accounts
- **FULL-SERVICE**, turnkey programs or fully customized

FIS offers a profitability guarantee because we know our data. Our team comprises loyalty industry experts who stay educated and current on all loyalty environments. They are sought out to speak at loyalty industry conferences to share their knowledge and best practices. If you seek profitability in the first year of a new loyalty program, partner with the leader in program engagement: FIS Loyalty Solutions.



## About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting, and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Fla., FIS employs more than 53,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index.

For more information about FIS, visit [www.fisglobal.com](http://www.fisglobal.com).



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