



# Grow Your Business with Smart Loyalty Solutions

Take advantage of revenue-generating loyalty opportunities enabled by smart card technology—with flexible, end-to-end MasterCard support.

A loyal customer is the key to business success. The challenge in business is to identify the most profitable customers and to get them to become your most loyal customers. To best meet your customer needs and business objectives, MasterCard® brings our members highly flexible smart card loyalty solutions.

## MasterCard's Loyalty Expertise

While more and more financial institutions embrace smart cards, MasterCard has gained a great deal of experience in helping members deploy a variety of smart card loyalty programs around the world. Leveraging this expertise and our global leadership in chip-based payments technology, MasterCard now supports two strategic approaches for developing a customized loyalty system to meet your business needs: server-based loyalty and smart card-based loyalty.

## Server-Based, Issuer-Centric Loyalty

With this approach, you can implement MasterCard Rewards System (MRS) chip loyalty programs while using existing point of sale technology platforms to achieve a state-of-the-art loyalty program that you can customize in concert with your merchant partners. A smart card-based authentication system enables your cardholders to securely log on to your website, and gain immediate access to their account activity and balances stored on your server. Using this set of services, you can deploy a rewards program without having to implement sophisticated new technologies. Implementation is quick and easy because there is no need to update terminals or invest in additional system development and integration at the point of sale. Best of all, this user-friendly system offers all program elements, including sourcing and delivery of value propositions, as well as professional program development services.

The system already supports more than 20 full-service and vendor management programs, serving more than two million cardholders. Current redemption offerings are available in the airline, hotel, car rental, restaurant, electronics, and magazine subscription categories, and our experienced team can expand these offerings to adapt to specific partner requirements.

## How It Works

MRS automatically captures transactions made by cardholders and calculates loyalty points earned, according to the rules defined by you and your merchant partner(s). The system warehouses point information in individual cardholder records. When a consumer is ready to redeem loyalty points, he uses his smart card to securely log on to his issuer's website, enters his PIN, and makes his redemption selection. It's that easy.

## Making a Good Program Better

MasterCard offers a variety of optional services to maximize your loyalty needs with greater convenience and choice.

Optional supplemental services provided by MasterCard Loyalty Consulting Services include a call center, implementation and management of websites for account maintenance, acquisition of reward merchandise, reward redemption, advanced online MIS capabilities, billing through the MasterCard Consolidated Billing System, and a preferential cost and servicing fee structure for reward products. MRS can also enable the issuer to combine all points earned in a single household to one account (even across card types).



Whether you're just getting started or looking to update an existing loyalty program, MasterCard's team of smart card loyalty experts can offer you impactful and strategic recommendations for optimizing your program's performance and develop customized plans to meet your needs.

### **Smart Card-Based, Merchant-Centric Loyalty**

To complement the MRS server-based solution, MasterCard works closely with smart card industry leaders to offer customized, end-to-end smart card-based loyalty solutions. In doing so, MasterCard works to match your business requirements with today's available smart card solutions to help ensure the commercial success of your program.

Smart card-based loyalty programs enable you—and your merchant partners—to reward specific consumer behavior at particular merchants, as opposed to the traditional broad-based award of points per dollars spent. This capability opens the door to one-to-one marketing initiatives that allow you to differentiate and customize offers at an individual cardholder level.

MasterCard works with leading vendors around the world to offer powerful, smart card-based loyalty programs. These programs use Customer Relationship Management (CRM) tools to calculate points and provide instant rewards at the POS or on the Internet. With such products, the merchant can identify its best customers or hottest prospects and reward them appropriately. Members adopting these solutions will be able to benefit from practical experience and implementation support from MasterCard and from our capacity to support solutions that are adaptable to specific market requirements.

MasterCard also offers members Interactive Loyalty™, an on-card application that can be precisely tailored to meet your individual business objectives. In addition, the on-card application can be repeatedly redefined even after the card has been issued giving unprecedented scope for continuously evolving program differentiation.

In summary, MasterCard's smart card loyalty programs offer benefits and opportunities to all parties:

### **Card Issuer Opportunities**

- Increased revenue through increased card usage
- Ability to set the rules to specifically reward the types of card use that you and your merchants want to encourage
- New platform to explore wider business relationships and enhance existing relationships
- Lower cardholder acquisition costs
- Increased traffic on the issuer website with added value services

### **Cardholder Opportunities**

- Incentives that are better targeted to unique interests
- Multiple loyalty programs from different merchants on the same card
- Automatic capture of qualifying transactions and points, greatly reducing the chance of missing out on free discounts and rewards
- Points for card usage in any channel (for example, online, offline, MO/TO)
- Immediate redemption

### **Merchant Opportunities**

- More sophisticated earnings and redemption options with the issuing partner
- Reduced need for private label cards
- More detailed information on consumer behavior
- Leading edge technology for providing faster rewards
- Quicker implementation

### **Get All the Details**

To find out more about MasterCard's end-to-end smart card loyalty solutions, please contact your Member Relations representative, or contact us via e-mail at [e-Business@mastercard.com](mailto:e-Business@mastercard.com).

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