



be more relevant

A cutting edge marketing solution for tomorrow's retail challenges

card linking - merchants



commercially relevant

The consumer landscape continues to evolve. From direct to consumer brands and online shopping with free delivery to re-imagined in store experiences, shoppers now have more choices about where and when they engage with a brand. To stay ahead, you need to make sure you reach shoppers where they are, and with offers that motivate them to shop with you.

Card linked offers (CLOs) can make a difference.

- ▶ CLOs provide offers linked directly to consumers' credit and debit cards.
- ▶ Because offers are linked to cards, costs are only incurred when transactions are completed.

Shoppers earn as they go with card linked offers.

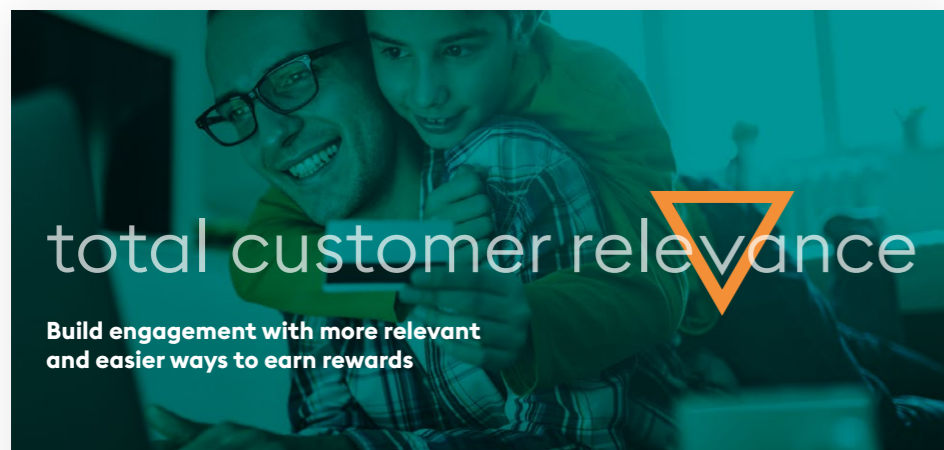
Targeted, instantly redeemable offers linked directly to consumers cards automatically reward them for shopping with your brand.



Offers are provided to travel loyalty and financial institution programs who then embed them in their emails, web and mobile apps.




Members activate an offer and shop instore or online using their associated card.



total customer relevance

Build engagement with more relevant and easier ways to earn rewards

Earning



Earn Rewards Everyday

A rewards-earning solution funded by merchants gives customers more opportunities to earn more points, miles or cashback driving customer loyalty and increasing revenue.

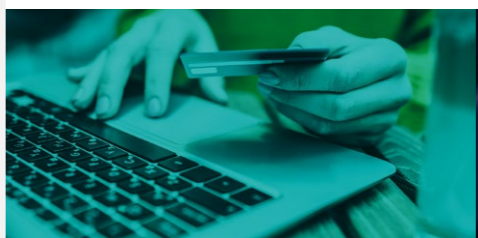
Extra opportunities to earn rewards means more relevant engagement with each loyal customer or member, with the added bonus of being funded by external partners.

And we all know relevance drives deeper, more profitable relationships.


The world's leading brands across travel, hospitality, and banking use rewards programs to help members earn loyalty currency through everyday shopping, connecting people with the brands, and products they love.

Everyday Earn: Driving Relevance

Ways to earn



Online
Shop online and earn using browser-based technology.



In-store
Shop in-store and earn using card-linked technology.

How it works ▶ Browse retailers ▶ Shop online or in-store ▶ Earn rewards

The power of complete satisfaction

The hidden value of redemption joy in driving dynamic value exchange in loyalty programs

Foreword

Keeping hold of your customers' long-term loyalty has never been more challenging. Tough economic headwinds looming, a rising cost of living, and an increasingly competitive market – all combine to shape a highly disruptive and uncertain global economy where companies are at risk of falling behind in the fight to keep their customers.

However, uncertainty and disruption create opportunity and drive innovation. When it comes to loyalty programs, this rings especially true.

In this fast-paced and dynamic market, customer demands are constantly shifting and evolving. The new expectation? Members now crave constant value from their programs. They want to see tangible returns on their investments in the shape of defined and relevant redemption options.

Fortunately, with the relentless march of technology and cutting-edge solutions now available to us, we're past the stage of just knowing what customers want. We're now truly equipped to tangibly deliver the tailored experiences they're asking for – the experiences that let them flexibly earn and spend rewards that matter most to them. To give them the satisfaction they now expect.

And that's what our 2024 Power of Satisfaction research sets out to define: what does complete satisfaction look like in a modern loyalty program? And we're not just talking about baseline customer contentedness – but rather that priceless, sincere feeling at the heart of a successful loyalty program that excites and motivates members to continue earning and deriving value from their favorite brands.

Colin Evans
Chairman, Collinson & Valuedynamx

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What's the value of modern loyalty?

Loyalty programs are changing. Where once brands offered repeat customers the odd discount or flight upgrade, modern loyalty programs have now transformed into dynamic, multi-faceted digital platforms capable of delivering serious bottom line returns.

However, not all customer loyalty programs are built equal. In a world where members can switch easily between programs should they experience dissatisfaction, forward-thinking brands now obsess less about revenue and more about the value exchange of their programs.

Put simply, are their loyalty program members deriving equal if not more value than they're putting in? To optimize the value exchange of a loyalty program, brands must understand their members on a much deeper, more personal level.

After all, customers want to feel connected to their favorite brands – to feel valued and valued. They want the joy of redemption, the gratification that the time and money invested in their loyalty programs is being matched and exceeded. In other words, they want to feel completely satisfied.

But in such a fast-paced and constantly shifting market, is the modern customer actually content with the redemption options available in their loyalty programs? What do they like to redeem their currency on? And perhaps most importantly, what drives this sense of complete satisfaction?

These are the questions we sought to answer in the Valuedynamx 2024 Power of Satisfaction research – a global study aimed at discovering what factors make the redeeming of currency something a customer wants to achieve again and, crucially, more often.

Complete customer satisfaction equals rapid rate of earning

When asked if they were satisfied with their redemptions over the past six months, most of our respondents said they were to some extent, with 35% 'completely' satisfied.

Combine the above with the fact that the majority of respondents increased their rate of earning currency during this time (21% increasing their rate 'much faster'), the outlook seems positive.

Over the past six months, have you earned loyalty currency at a faster or slower rate?

Much faster	21%	35%
A little faster	33%	33%
No change	10%	10%
A little slower	10%	10%
Much slower	7%	7%

However, when we dive a little deeper and look at the pattern between satisfaction and earning rate, there's a significant difference between those 'completely' satisfied and those 'mostly' or 'somewhat' satisfied.

A staggering 44% of those 'completely' satisfied with rewards or discounts redeemed over the past six months started earning currency 'much faster', compared to a mere 7% and 9% of those 'mostly' or 'somewhat' satisfied, respectively.

Such a substantial difference in earning rate clearly demonstrates that those programs going the extra yard to secure complete customer satisfaction are realizing significant gains. And, with 65% of consumers less than completely satisfied, the untapped potential is extensive.

Deep-Dive: Does perceived satisfaction mediate the effect of burning on earning?

The relationship between consumer satisfaction and rate of earning.

Rate %	Much slower	A little slower	No change	A little faster	Much faster
Completely satisfied	7%	3%	23%	37%	44%
Mostly satisfied	11%	9%	39%	40%	7%
Somewhat satisfied	2%	22%	53%	21%	0%
Somewhat dissatisfied	12%	39%	34%	12%	2%
Mostly dissatisfied	21%	32%	29%	12%	6%
Completely dissatisfied	33%	8%	25%	25%	8%

Methodology

5,500+ global respondents were surveyed in January 2024 via external consumer panel supplier, PureSpectrum.

Demographic overview

- Gender (Male/Female): 50%/49%
- Age (median): 36 years
- Income (median, annual HH): \$57,000
- U.S. purchase power, natural fallout

Geographic coverage

Country	%	N
Australia	9%	500
Brazil	9%	500
France	9%	500
Germany	9%	500
Hong Kong	5%	253
India	9%	500
China	14%	750
Spain	9%	504
UAE	5%	250
UK	9%	500
USA	14%	750

Method

A survey of 21 questions was designed and split into the following sections:

- Screening questions
- Profiling questions
- Redemption behavior questions

The research builds on The Value of Redemption (TVOR) study conducted in 2016, which evidenced that currency redemption is associated with a greater propensity to earn that currency in future, hence "burning drives earning".

Therefore, the aim of this research was to evolve the Burning Drives Earning model to include an understanding of which factors make the redeeming of currency something a consumer wants to repeat consistently.

Respondents must have belonged to a currency-based loyalty program with more than one of either: airline, bank, credit card, or hotel. They must also have redeemed loyalty currency within the past six months.

Burning Drives Earning model, 2016

How AI is rewriting the customer loyalty rulebook in financial services

Introduction

While the game-changing potential of AI to transform the customer experience and strengthen customer loyalty is widely recognized across the business world, practical applicability and specific use cases remain underdeveloped and underserved, especially in financial services.

The slow uptake isn't down to lack of interest or willingness to embrace AI. Rather, banks face several unique challenges when it comes to adopting new technologies, especially ones that require both justifiably strict and robust governance.

These regulatory and legal hurdles, combined with intricate architecture and a lack of foundational data capabilities, restrict banks from innovating their use of AI as fast as many other industries.

However, because the industry is still in a relatively low stage of AI maturity, there exists a significant opportunity for forward-thinking banks and financial institutions to build on and accelerate existing digital transformation initiatives, using AI to great effect.

In fact, research shows 80% of senior banking leaders believe the ability to unlock value from AI will be a critical competitive differentiator, including its use in bolstering customer experience.

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Turning data into customer value and loyalty

So, what do these customer experience initiatives look like? Historically in financial services, investments focused less on improving customer engagement and satisfaction, and more on digital solutions to detect and prevent fraud, manage risk, and automate regulatory compliance.

Fortunately, many financial institutions are beginning to realize the transformative power of using customer data to better personalize more aspects of the customer experience – such as loyalty and incentive programs – in doing so, boosting long-term loyalty.

"The data that financial institutions have, if harnessed in the right way, can really help us predict which incentives and which offers are going to be most relevant to which customers and where it is best to engage them with those offers and incentives," says Mark Jackson, Managing Director of Product at Valuedynamx.

Assessing your AI maturity

The more mature and developed your AI and ML capabilities, the better equipped you are to deliver incentives and offers that will resonate with your customers. A maturity self-assessment should include these factors:

- Foundational data capabilities**: This includes cloud platforms and tools, an architecture capable of scaling, and a robust data governance framework.
- Strategy**: An AI-mature company has a clear and achievable data strategy, as well as precise steps outlining how to reach its goals.
- Sponsorship**: Securing C-suite sponsorship and stakeholder buy-in for data innovation is key for success.
- Culture**: Data culture must extend beyond data and technology teams. All departments and functions across an organization need to understand their data responsibilities, including how and when to interact with data, while also possessing the skills to understand their data needs.
- Talent**: AI maturity and success depend on talent. Organizations must have the right people with the right skills in positions to drive their AI agenda forward.

A golden opportunity to differentiate, if financial institutions act now

While there are already many opportunities for financial institutions to enhance customer loyalty using AI, the industry is just beginning to scratch the surface of what's possible.

The fact financial services has lagged behind others in taking advantage of the widespread benefits of AI means banks, credit unions, and insurers have a unique chance to differentiate themselves, cementing and expanding strong customer relationships.

Ultimately, observing AI maturity in financial services is no longer a question of if, but when.

Want to learn more?
Get in touch to see how AI can transform customer loyalty and maximize your program's engagement?

About Valuedynamx

Valuedynamx is a leading global provider of curated data-driven omnichannel purchase rewards. We are part of Collinson, acknowledged for delivering the world's most valued travel ecosystem.

Collinson has over 30 years loyalty and customer engagement experience and more than 10 years focused on delivering loyalty commerce solutions. They have been at the forefront of loyalty innovation, continually evolving and building capability to meet the changing needs of clients and their customers. More recently, we created Valuedynamx, leveraging our expertise across payments, card-linking, offline marketing, earning and redemption to bring them under a single entity to deliver more relevant and engaging solutions for our clients.

Valuedynamx enhance customer loyalty and drive transactional engagement for some of the world's largest airlines, banks, ITs and hotel groups.

In addition to Valuedynamx, Collinson delivers exceptional travel, loyalty and insurance products that differentiate value propositions and loyalty solutions that win deeper, more valuable customer relationships.

www.valuedynamx.com

Harnessing the Power of Cashback
A Key Strategy for Banks and Card Issuers

Valuedynamx commissioned original research to better understand American consumers' preferences for using debit and credit cards for their everyday purchases. The findings are shared here and have been used to help banks and card issuers harness the power of cashback to drive loyalty and improve their offerings.

The findings show that consumers are more likely to use credit cards for purchases that offer cashback, and that cashback is the leading driver of card usage. More than half of consumers check for merchant offers associated with their cards before shopping.

Card Ownership
Debit and Credit are Ubiquitous

- 92% of surveyed individuals have at least one debit or credit card
- 83% of cardholders have at least one debit card (average: 1 card)
- 74% of cardholders have at least one credit card (average: 2 cards)

Over the next six months, respondents have more forecasted credit card purchases than debit card purchases

Cashback the Most Desired Benefit
Cardholders report that it's due to the versatility of cashback

- 50% of cardholders rank cashback as the top card benefit
- Cashback is the top feature in respondents' ideal loyalty programs, mentioned at least four times more often than any other feature

Cashback the Leading Driver of Card Usage
More than any other motivators

Cashback is the leading option above all others

- 72% of credit cardholders have earned cashback in the last year, compared to 24% of debit cardholders

Cashback a Strong Incentive for Card Usage and Retention

- 58% of cardholders are willing to switch their current go-to card to a new one if it offers higher cashback rates
- 78% of cardholders say cashback is a strong incentive to stay with a card provider

Merchant Offer Awareness
Consumers are aware of how to leverage cashback to their benefit, and many regularly do so

- 59% More than half of cardholders check for merchant offers associated with their cards before shopping

Want to harness the power of cashback for your card programs?
Contact us today: email bill.holmes@valuedynamx.com or visit valuedynamx.com/contact-us

www.valuedynamx.com

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Benefit	Percentage
Cashback	50%
Purchase protection	13%
Discounts	10%
Loyalty points	10%
Air travel miles	6%
Access to airport lounges	2%
Rental car insurance	1%

Benefit	Percentage
Cashback	32%
Good rewards/loyalty points	7%
Sales/discounts	6%
No annual fee	4%
Travel rewards/miles	4%
Gift cards/points for gift cards	3%
Easy to redeem/flexible	3%

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Connected to bank account, Good rewards, Convenient, Most familiar, No/low interest rates, No annual fee, Travel rewards/miles

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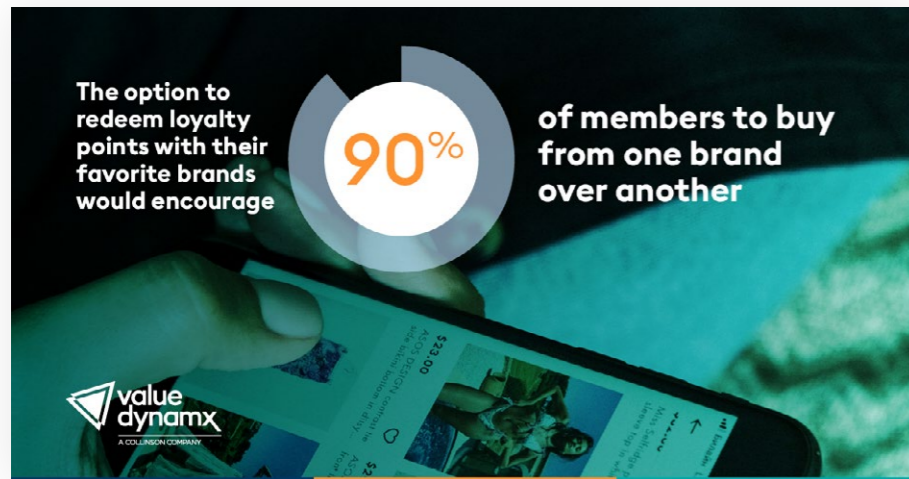
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CLIENT: Valuedynamx

LinkedIn Posts



The option to redeem loyalty points with their favorite brands would encourage **90%** of members to buy from one brand over another

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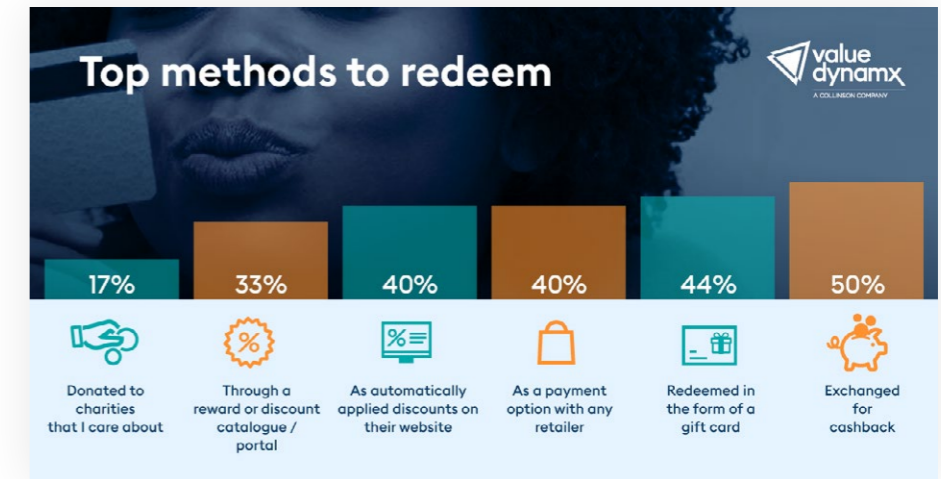


Earning mindset

How do you like to redeem the loyalty currency you earn with your preferred loyalty program(s)?

- 58% Medium-term mindset**
Periodically earn enough to redeem attractive rewards or discounts
- 42% Long-term mindset**
Save up whatever I earn until I can redeem a single, large reward or discount
- 26% Short-term mindset**
Routinely redeem whatever I earn on consistent, modest rewards or discounts
- 5%**
Forget about what I have earned and redeem what I can when reminded or before an expiry date

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Top methods to redeem

- 17% Donated to charities that I care about
- 33% Through a reward or discount catalogue / portal
- 40% As automatically applied discounts on their website
- 40% As a payment option with any retailer
- 44% Redeemed in the form of a gift card
- 50% Exchanged for cashback

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Meet us at SHOPTALK SPRING

March 24-27th, 2025
Las Vegas, NV

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Meet us at FINTECH Meetup

March 10-13th, 2025
Venetian, Las Vegas

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I'm attending eTail West

February 24-27th, 2025
Palm Springs, CA

Jennifer Farmer
Director, Merchant Development


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I am excited to join the team at Valuedynamx and begin this new chapter in my career. As a Merchant Success Manager, my goal is to empower merchants to maximize their potential and achieve measurable success in today's dynamic marketplace.

Austin Kruglak
Merchant Success Manager


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Understanding a brand or a program's desired outcomes helps to deliver optimized rewards and offers, which encourages repeat engagement, and grows both brand loyalty and customer lifetime value.

Colin Evans
Chairman and Founder of Collinson and Valuedynamx

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There's never been a better time for companies to invest in their engagement strategies, as life is about to get more expensive customers want better value for money and customer experience and that's where a rewards programme can really help.

Guy Deslandes
Head of Business Development and Client Services

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Digital Ad Campaign Wise Marketeer



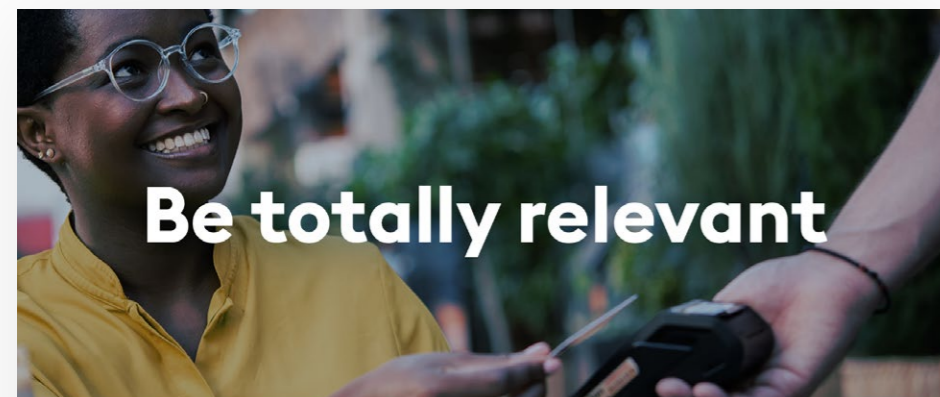
Be totally exclusive

With our flexible ways to earn and spend rewards.

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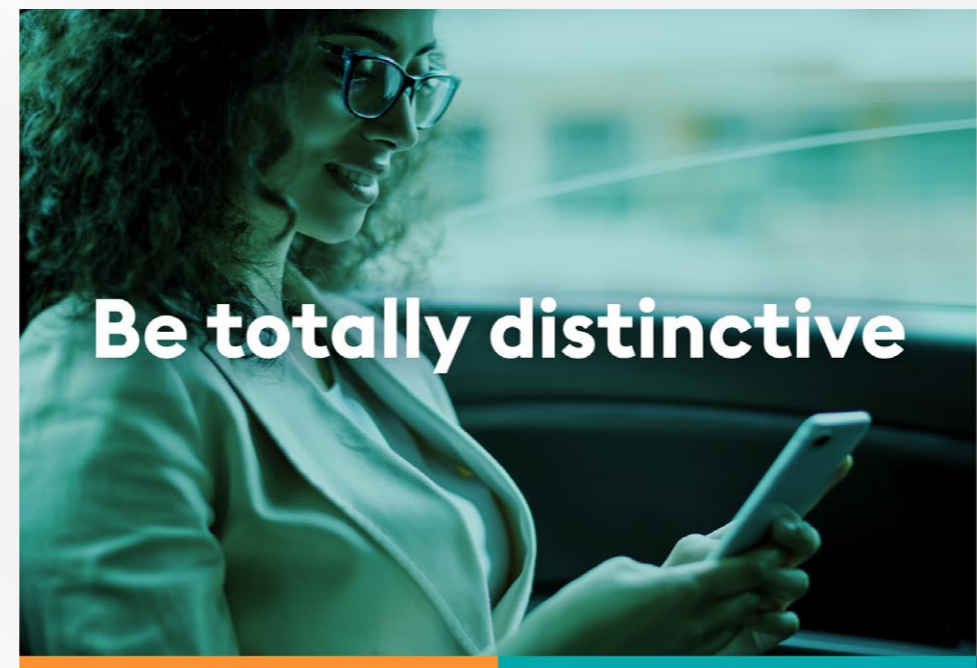
Be totally relevant

With our exciting new ways for your customers to earn relevant loyalty rewards.

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Be totally distinctive

With a wide range of highly personalized loyalty solutions designed for the financial services world.

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Be totally progressive

With our extensive range of totally relevant and revolutionary loyalty solutions for the world of travel.

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