Cross-Border Loyalty Programs:
Why you should think about customer loyalty worldwide.

April 2019

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Contents

1. The classic bonus card has been further developed: bonus programs in the digital age

What used to be the bonus card is now the points account in a mobile app – bonus programs have a special appeal for many customers. Customers of airlines or retailers, B2B or B2C feel valued when they are rewarded for their loyalty, enjoy the benefits of their customer status and can also save money.

Loyalty programs have gradually evolved and digitalized in recent years. The classic loyalty card does still exist, but service bundles that tie payment and loyalty with digital coupons, points and rewards are more popular than ever. Combining several functions in one application creates significant added value for the user. The customers can collect loyalty points, redeem vouchers and discounts, receive rewards and even pay for their purchases all at the same time. With such an offering, the US based company Starbucks has succeeded in convincing around 23.4 million users to regularly pay using the Starbucks app – making it the most popular form of mobile payment, staying ahead of Apple Pay by around 1.5 million users [1]. The Starbucks app enables customers to place orders, pay for their coffee and racking up rewards and special offers. Services widely accepted by customers save both time and money. In the US alone, companies spend around 2 billion US-Dollar a year on loyalty programs [2] and with the right strategy, the investment quickly pays off. After all, it doesn't appear that the popularity of points, status and premium programs are likely to decline. For example, 68 percent of Germans say they had positive experiences with loyalty programs [3]. The average household in the USA has 21 loyalty program memberships [4].

1 eMarketer Retail: „Starbucks App Leads Mobile Payment Competitors.", Mai 2018
2 Capgemini Consulting „Fixing the Cracks: Reinventing Loyalty Programs for the Digital Age", 2015
3 Statista: "Haben Sie insgesamt mehr negative oder positive Erfahrungen mit Treueprogrammen von Unternehmen gemacht?", Juli 2017
4 Capgemini Consulting „Fixing the Cracks: Reinventing Loyalty Programs for the Digital Age", 2015

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2. Crossing borders and currencies – challenge for modern loyalty programs

For an efficient loyalty program, tying relevant services together is crucial offer added value for customers. At times local restrictions could be a challenge to expand loyalty programs beyond borders. Customers on business trip, vacation or after a move usually are unable to access their loyalty points in other countries. Although customers have positive experience with their loyalty program in home country, companies are unable to offer the same in a foreign country. Companies want to engage customers in other countries. Although customers have positive experience with the loyalty program in the home country, they are not empowered to use it abroad.

One reason for this is that loyalty points are valid within boundaries and linked to a certain currency. This is a disadvantage for loyal customers and eventually for the company.

## 3. Strengthen customer engagement with international loyalty programs

Global companies must be prepared for the increased customer mobility. Cross-border Loyalty's main objective is to provide customers with a seamless and borderless experience. Customers expect to collect and redeem points worldwide – easily and conveniently. Similar experience is expected by customers buying online overseas. For example, such customers could benefit by paying with their loyalty points for international shipping.

Tying payment and loyalty seamlessly into the online and offline shopping experience is mandatory for successful loyalty programs. With additional digital services, the customer can have an overview of points, expenses and special offers – anytime anywhere.

This provides a compelling shopping experience for the customer.

Currency Conversion

Customers earn loyalty points based on their local currency – but all loyalty points throughout the world will have the same value.

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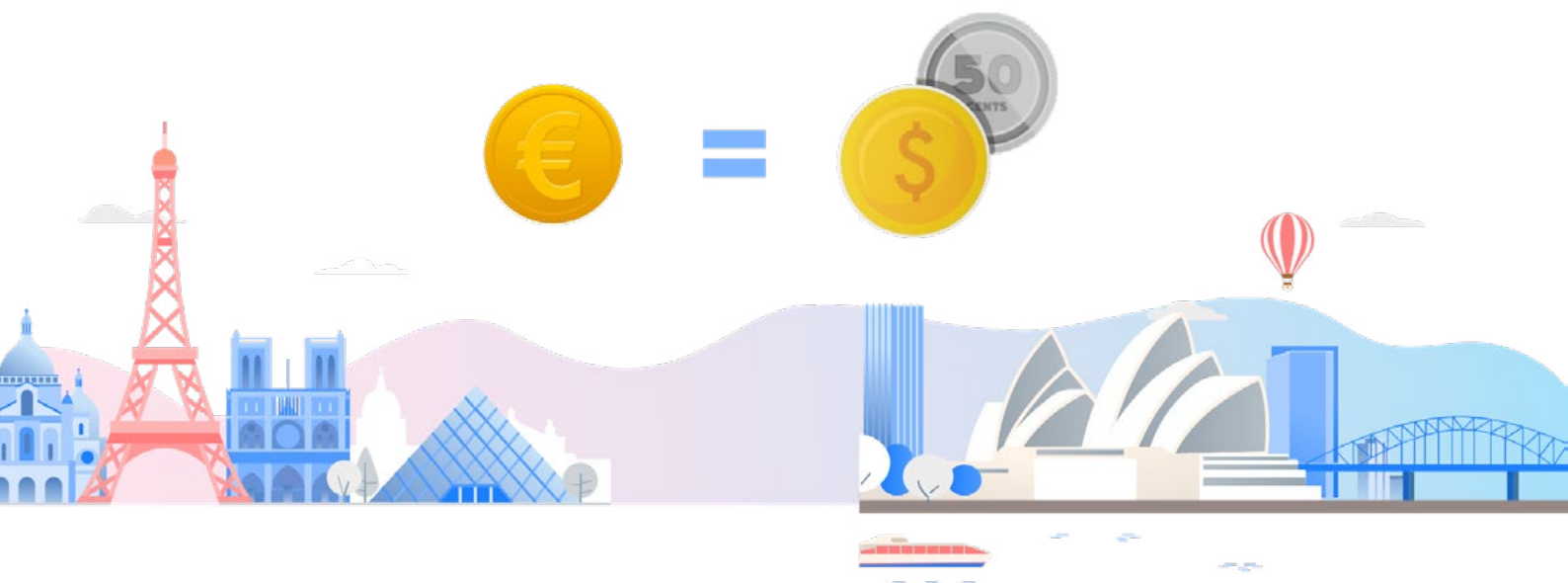
Paris

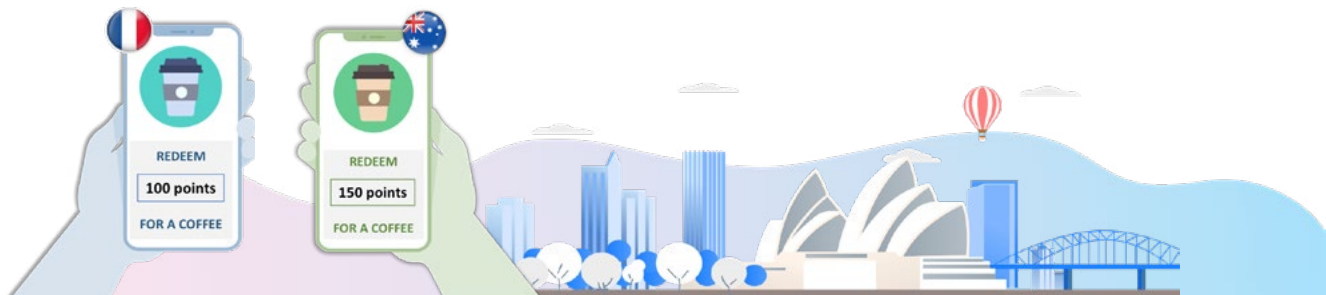For an Australian customer, a voucher in Paris would be
1.5 times more expensive.

EARN 10 points FOR A COFFEE

EARN 15 points FOR A COFFEE

Sydney

For a French customer, a voucher in Melbourne
would be 1.5 times cheaper.

REDEEM 100 points FOR A COFFEE

REDEEM 150 points FOR A COFFEE

For companies in retail and travel, new opportunities are emerging not only to address customers around the world, but also to gain comprehensive insights into customer behavior. Using an innovative loyalty approach that is geared to the needs and expectations of customers, help companies to gain traction and outweigh competition.

4. Conclusion

Globalization and digitalization are bringing the world together. Online shopping and increased mobility emphasize: customers expect global readiness of loyalty programs. The goal of loyalty programs is to reach customers across the world and engage loyal customers. This way, companies not only contribute to customer loyalty, but also benefit from global business opportunities to improve and expand their services to customers. However, global presence only will not help companies achieve this goal. With a loyalty program that spans across borders and boundaries, they will definitely attain their full potential.

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5. Wirecard: Your partner for innovative value-added services

Wirecard has developed innovative solutions to offer modern companies loyalty that meets their customers' needs. The approach behind this is to ensure that points are collected and redeemed worldwide. Wirecard's value-added services aim to unleash the true power of customer retention and loyalty.

National borders and currencies no longer pose challenges for loyalty programs. Wirecard enables companies to implement a comprehensive loyalty program worldwide that inspires and binds customers.

Wirecard is convinced that customer engagement can be boosted with a seamless customer journey. The cross-border approach is just one additional step that incorporates loyalty into every customer touch points. Loyalty programs that can be used across borders and currencies are the future!

Wirecard: a partner you can rely on

☑ **Seamlessly integrable value-added services:**
Wirecard's additional services offer added value and strengthen customer loyalty. The solutions are extremely easy to integrate into existing systems and fit seamlessly into the payment process.

☑ **Everything from a single source:**
As an experienced and fully licensed issuer and acquirer, Wirecard handles the entire payment process. Wirecard is the right partner for all services, from the necessary acceptance contracts to the integration of payment methods and final processing with integrated risk management.

☑ **From consulting to execution:**
You can rely on Wirecard's experience in the digital age and fully exploit its potential. After all, with loyalty programs you not only ensure satisfied customers, but also benefit from insights into new, comprehensive data.

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About Wirecard

Wirecard AG is a global technology group that supports companies in accepting electronic payments from all sales channels. As a leading independent supplier, the Wirecard Group offers outsourcing and white label solutions for electronic payments. A global platform bundles international payment acceptance and methods with supplementary fraud prevention solutions. With regard the issuing of own payment instruments in the form of cards or mobile payment solutions, the Wirecard Group provides companies with an end-to-end infrastructure, including the requisite licences for card and account products.

Wirecard (GER:WDI) is one of the world's fastest growing digital platforms in the area of financial commerce. We provide both corporate clients and consumers with a constantly expanding ecosystem of real-time value-added services built around innovative digital payments by using an integrated B2B2C approach. This ecosystem concentrates on solutions in the areas payment and risk, retail and transaction banking, loyalty and coupon programs in addition to data analytics and conversion rate enhancement across all sales channels (online, mobile, ePOS). Wirecard operates regulated financial institutions in several key markets, in addition to holding issuing and acquiring licenses from all major payment and card networks. Wirecard AG is listed on the Frankfurt Stock Exchange (DAX, TecDAX, ISIN DE0007472060). Visit us on www.wirecard.com, follow us on Twitter @wirecard and on Facebook @wirecardgroup.

For further information about Wirecard solutions for the travel industry, please visit www.wirecard.com/travel or contact travel@wirecard.com.

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