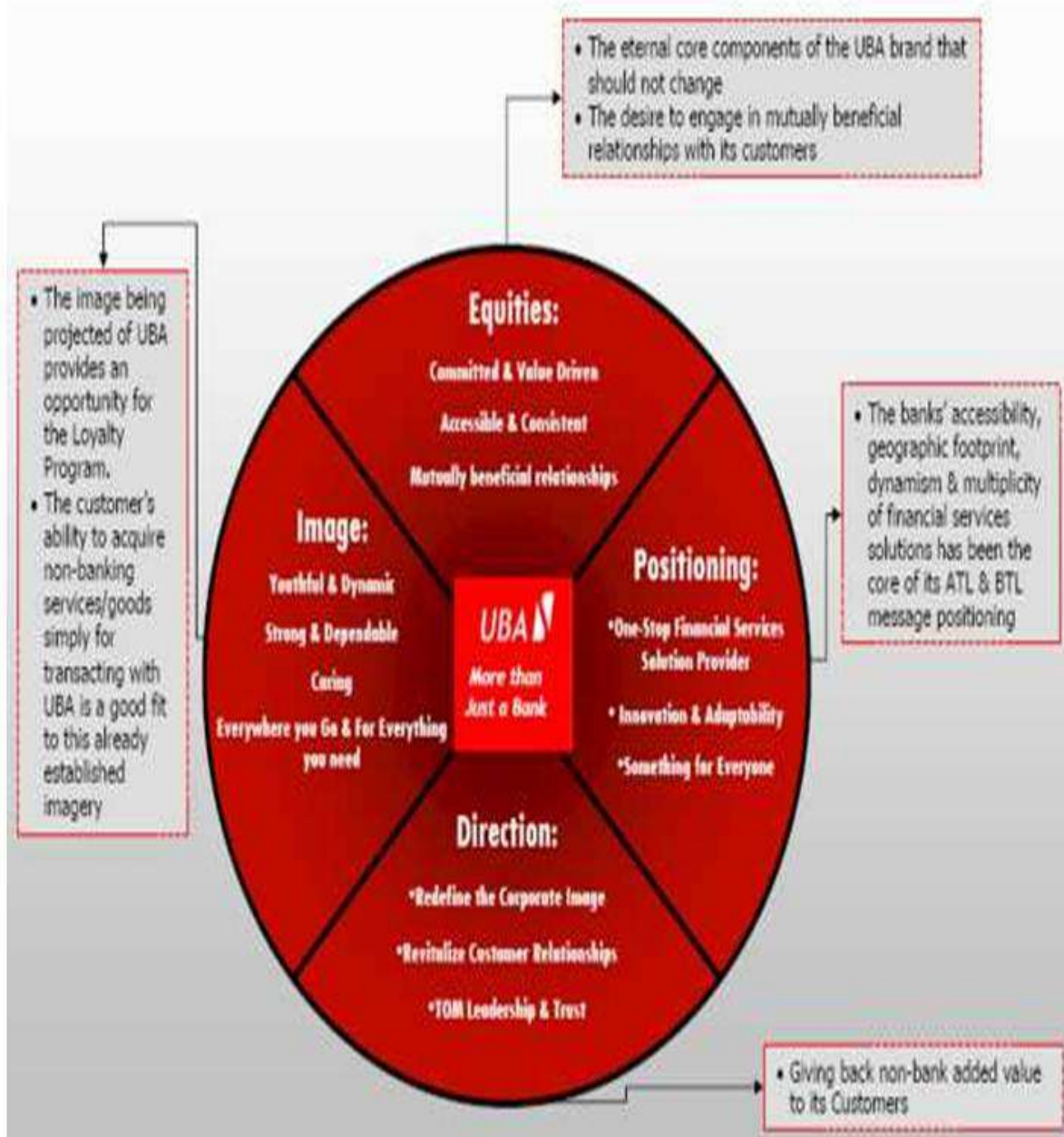




Loyalty Program Case Study

The Strategic Background

- The organization decided on this strategic alternative for several reasons:
 1. **RETENTION**
 - To reduce customer “churn”
 - To increase customer loyalty and extend the average lifetime value of customer relationships
 2. **ACQUISITION**
 - To acquire new customers
 3. **DIFFERENTIATION**
 - To differentiate UBA card offerings and gain a competitive market advantage
 4. **EFFICIENCY**
 - To reduce operating costs by migrating transactions to more efficient electronic channels
 - To improve marketing efficiency through customer segmentation and targeted marketing





- **The core objectives of the UBA loyalty program were as follows:**

1. ***TRANSITION***

Drive transition to electronic channels (POS)

2. ***PENETRATION***

Facilitate product cross-selling and more intensive use of products (Cards)

3. ***ACQUISITION***

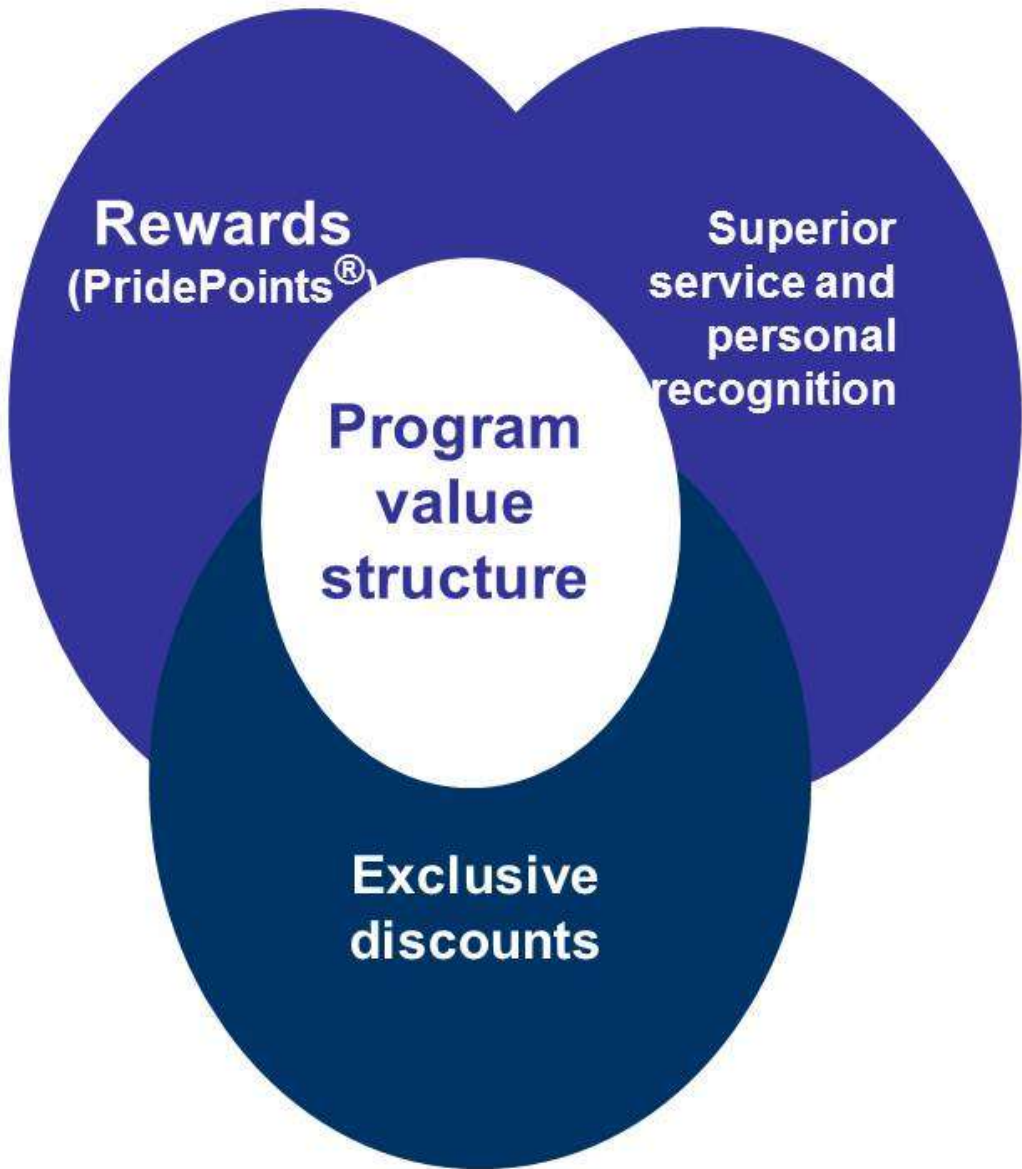
Gain new customers

Program Description

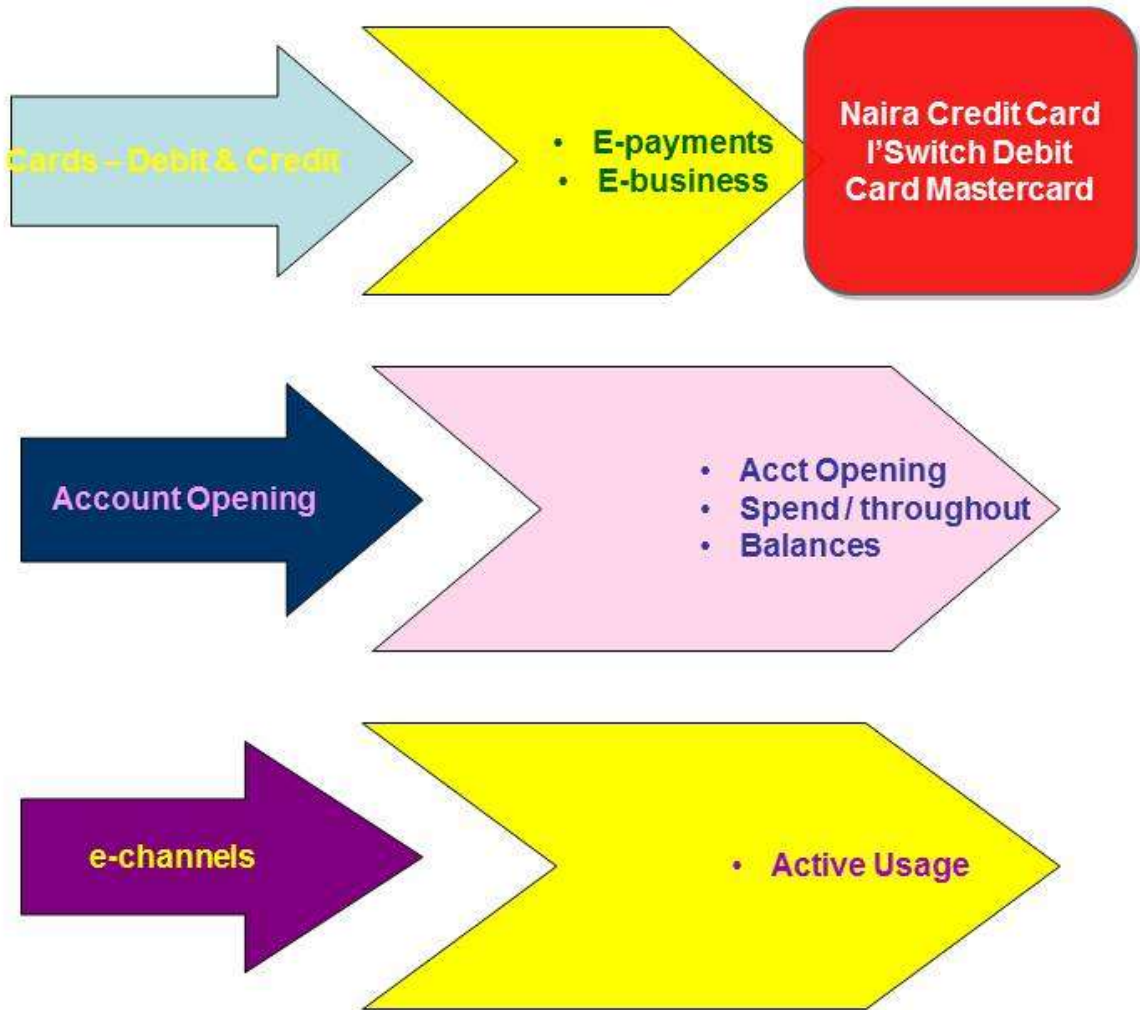
A customer relationship & reward program that rewards UBA customers with:-

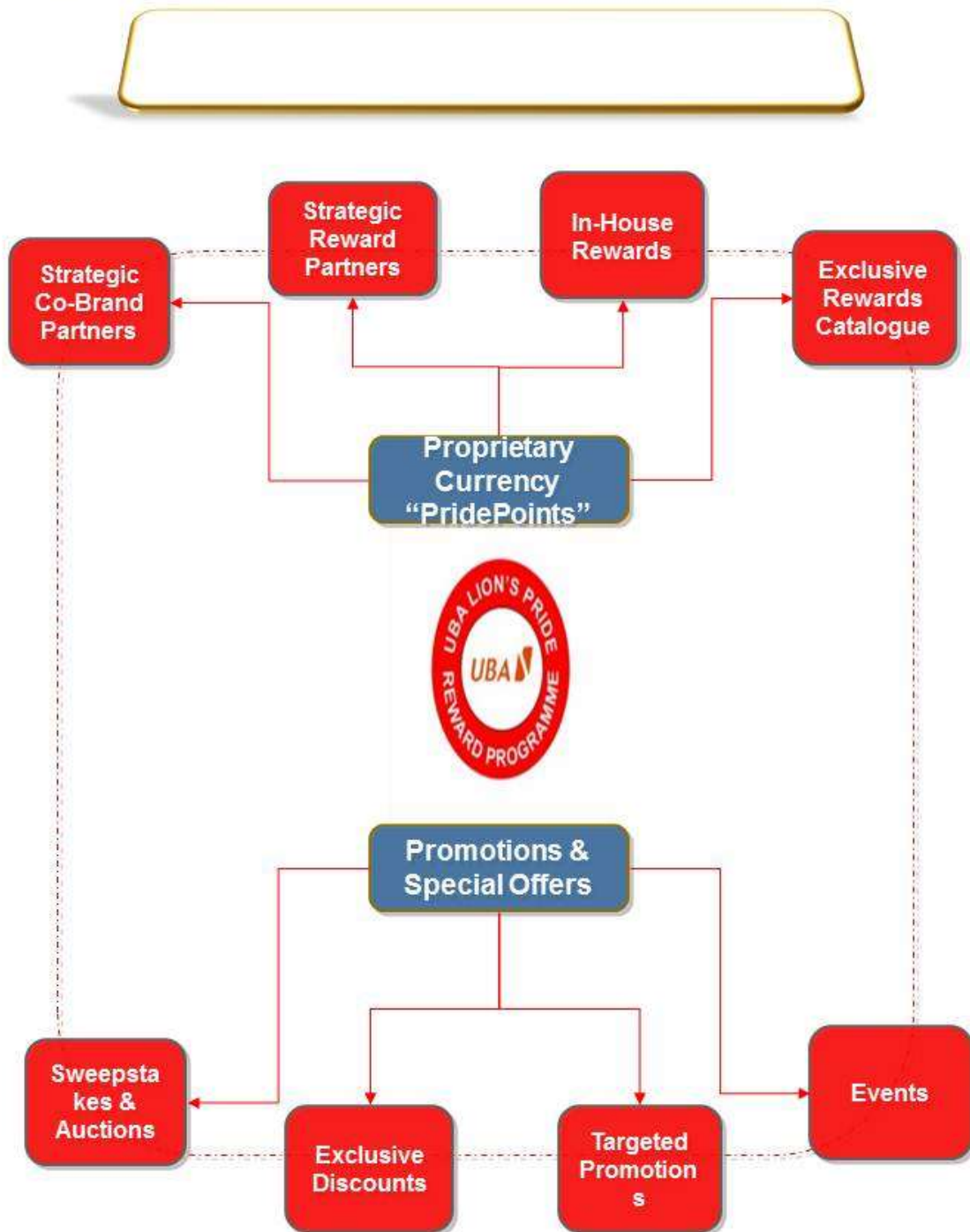
- 1. Lifestyle benefits for their association with UBA e.g. exclusive discounts at selected strategic program partners, special privileges etc**
- 2. A unique UBA owned promotional currency (PRIDEPOINTS[®]) based on their normal banking transaction behaviour with the bank and their use of UBA electronic payment channels**
- 3. Superior service and personal recognition as a valued member of the 'UBA Pride'**

Program Value Structure



Transaction Schematics





Technology Interface

Core Banking Application

The CBA provides the Siebel Loyalty application with customer records, and operationally exposes qualifying customer financial transactions to the loyalty application for "PridePoint" calculations.

The CRM Module

The Loyalty software application exposes the customer's loyalty account transactions to the CRM module, to enhance relationship management and branch operations interaction with customers

The U-Mart

The U-Mart is an online virtual shopping mall where customers would be able to redeem their "PridePoints" in exchange for a wide variety of goods and services

Customer Interaction Centre

UBA's CIC would expand its operations to include 1st line help desk services to Loyalty program members. CIC agents would be able to access the loyalty application to view customer loyalty account details and provide support to program members.

Quick Wins...within 3 months

