

# THE NILSON REPORT

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## MARITZ/AFFINITY SOLUTIONS POS LOYALTY

The delivery of promotional rewards or loyalty bonuses to consumers when they pay at the point of sale already occurs in 30 coun-

# Maritz



tries and will start up in the United States at major retailer outlets in the fourth quarter. Rewards will be delivered via an exclusive partnership between Affinity Solutions and Maritz. Both companies are experts in loyalty rewards man-



## Affinity Solutions

*Building Customer Relationships That Last*

agement for clients that include credit and debit card issuers, and believe that rewards delivered via receipts for purchases make a stronger impact on the consumer even if fulfillment takes place at a later time.

About a year ago, Maritz licensed software for delivering point of sale rewards from Welcome

Real-time, which had deployed it successfully in Europe and Asia. Installing the software takes as few as 10 programming hours for merchants who then work with Affinity Solutions to link their customer relationship management database and related operations information technology to maximize their POS loyalty program.

Offers can be presented to a retailer's customers when they pay with an enrolled credit or debit card even if that customer's card issuer is not participating in a marketing alliance with the retailer. The system can track a consumer who uses multiple credit and debit cards on alternate visits. The goal is for retailers to be able to identify the top 15% of their most profitable customers and then consider how to deepen loyalty with them.

Existing merchant-funded rewards programs deliver cash back, points, and airline miles as well as discounts and other promotions to

about 35% of all general purpose credit and debit cards by linking retailers to specific card issuers. Affinity is the largest provider, with more than 35% of those cards. Currently, communications are handled by statement stuffers, direct mail, email, and communication to the cardholder when they visit an issuer's Web site. The disadvantage with these forms of communication is that there is lag time between the presentation of the offer and the cardholder's need or interest in redeeming it, or between earning a reward and notifying the cardholder. To reduce that

lag time, some card issuers are beginning to notify cardholders by SMS text messages to mobile phones. Maritz and Affinity say that receipts at the point of sale generate even better consumer engagement than SMS text messages.

When a credit or debit card authorization request is being processed, Maritz servers link the point of sale to analytics engines at Affinity Solutions to generate

**THREE TO FIVE  
RETAILERS  
SHOULD BE  
OPERATING BY  
YEAR-END.**

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## MARITZ/AFFINITY SOLUTIONS POS LOYALTY

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the appropriate loyalty reward or promotional offer to be printed on the receipt.

Affinity Solutions manages merchant-funded rewards programs for 200 card issuers including clients of three processors — Fiserv, First Data, and Fidelity National. Other issuers include Capital One, U.S. Bank, HSBC, Regions, Comerica, and Sovereign.

Affinity uses proprietary analytics to identify what offer a cardholder will receive in order to optimize adoption and increase purchase volume. It then facilitates settlement and redemption with the retailers. Most of Affinity's compensation is based on its success in marketing to an issuer's portfolio. The Maritz partnership will call for Affinity to do some of the same tasks, including reminding the consumer that they have made a qualifying transaction or that they are near a point threshold.

Maritz Real-time chose Affinity Solutions as its partner because it also has long-term contractual relationships with retailers including ExxonMobil, Sears, Old Navy, Toys R Us, and Pizza Hut. Jonathan Silver is CEO at Affinity Solutions in New York, (212) 822-9601, [jsilver@affinitysolutions.com](mailto:jsilver@affinitysolutions.com). Prior issues: 917, 916, 903

Maritz and Affinity Solutions expect to have three to five retailers operating in their purchase receipt POS loyalty program by year-end. Those clients will also have the option of sending an SMS text message to the customer immediately after check-out instead of printing an offer on a receipt. The Maritz server will deliver the mobile message generated by Affinity Solutions when the payment card authorization has been received from the Visa, MasterCard, or Discover switch.

The Maritz Real-time/Affinity Solutions revenue model is based on active consumer accounts and the number of participating POS terminals. The main merchant categories are expected to be quick-service restaurants, specialty retailers, general retailers, gasoline retailers, and convenience stores. Competition is most likely to come from retailers within these same segments who embed POS loyalty within their own systems. Chase Card Services has tested a real-time POS loyalty system, but not one that crosses merchant segments. Thad Peterson is Managing Director at Maritz Real-time Rewards in Marietta, Georgia, (770) 551-8477, [thad.peterson@maritz.com](mailto:thad.peterson@maritz.com). Prior issues: 928, 917

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