

# **Global Coalition Loyalty Programs**

**Report prospectus**

*August 2015*

# Prospectus contents

	<b>Page</b>
What is the research?	3
What methodology has been used?	4
How do programs surveyed break down?	5
Which coalition loyalty programs have been researched	6-7
What is the report structure?	8
What are the key features of the research?	9
How can the research be used?	10
How can the PartnerBASE™ be used?	11-12
Who can use the research?	13
What are some of the key findings?	14-17
What is the cost and format?	18
How can the research be purchased?	19

## What is the research?

*Global Coalition Loyalty Programs* is a report and related CoalitionBASE™ dataset about the growth in the number and membership of coalition loyalty programs that has occurred globally in recent years and the affinity and partnership marketing opportunities that they offer to a huge range of organisations serving consumers as their customers, members or supporters. In particular, the research suggests that as at mid-2015, 2.07 billion consumers were likely to be members of at least one coalition loyalty program, equivalent to around 28.4% of the world's population.

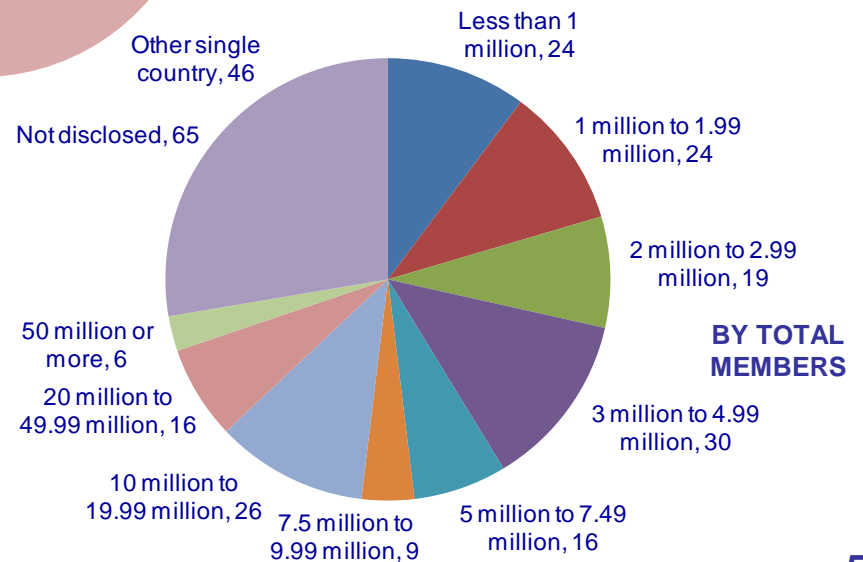
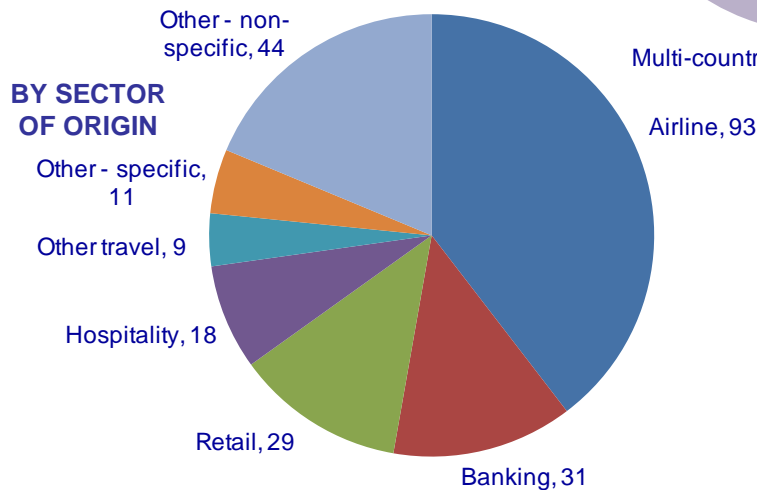
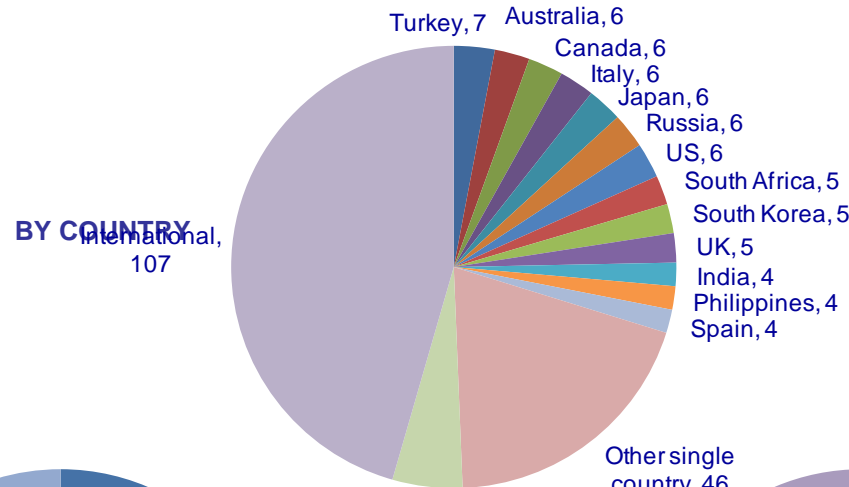
Coalition loyalty programs are potentially attractive partners for consumer-facing organisations for several reasons. These include: that they tend to have a high number of members relative to other affinity groups in any given country; that they are generally growing more quickly than other affinity groups; that their membership is often made up of consumers with specific characteristics (e.g. individuals with above average wealth in the case of hotel group schemes); that they incentivise consumers to buy products or services on a regular basis by awarding them points or miles in return; and that they are normally underpinned by sophisticated technology which facilitates advanced customer relationship management and marketing activity.

Indeed, this study is only the world's second ever systematic analysis of coalition loyalty programs (following an original publication released by Finaccord in 2011) and is based on global research covering 235 such programs active across a very wide range of geographies.

## What methodology has been used?

Finaccord's research for this report was carried out during the first half of 2015. In total, 235 of the world's leading coalition loyalty programs were investigated, breaking down by country, sector of origin and award mechanism as shown in the pie charts overleaf. This research itself follows on from Finaccord's preceding analysis of retailer payment and loyalty cards worldwide which was instrumental in identifying many of the programs covered by this study.

# How do programs surveyed break down?



# Which coalition loyalty programs have been researched? (1)

Coalition loyalty programs included in the research are...

AA Smartfuel	Barclaycard Freedom	EarlyReturns	Fuel Rewards	Juneyao Club
AAAdvantage	Basma	Eastern Miles	FuelCircle	K-Plussa
ABSA Rewards	BDO Rewards	eBucks	Fun Miles	KrisFlyer
Advantage	Best Western Rewards	Egret Club	GarudaMiles	Labicard
Aerolíneas Plus	BIG	EgyptAir Plus	Genting Rewards	LanPass
Aeroplan	BinterMás	eleVate	GetGo	Le Club Accorhotels
Air Miles (Canada)	BLU Members	Elite Hotels Guest Program	Globe Rewards	Legacy Lifestyle
Air Miles (Middle East)	Bonus (Aeroflot)	enJoy Card	Gold Circle Club	LifeMiles
Air Miles (Netherlands)	Bonus (Turkey)	Enrich	Gold Passport	Mabuhay Miles
Airpoints	Bonus Card (Romania)	Etihad Guest	Golden Lotus Plus	Magna Rewards
Alfursan	Bonus Card (Switzerland)	EuroBonus	Golden Panda	Mahala
Alpha Bonus	BonusLink	EuroClick	Gopon	Malina
Amigo	Boomerang Club	Falconflyer	Happy Go Card	Malmö Aviation Frequent Flyer
Amtrak Guest Rewards	CAA Dollars	Finnair Plus	Hawaiian Miles	Marriott Rewards
ANA Mileage Club	China Rewards	Fly Buys	HBC Rewards	Max Get More
ANZ Rewards	Choice Privileges	FlyBuys	Heathrow Rewards	MaxiCard
Asia Miles	Club Carlson	FlyerBonus	Hilton Hhonor	Maximiles (France)
Asiana Club	Club ITC	Flying Blue	Hyundai Card	Maximiles (Italy)
Atlamiles	Club Premier	Flying Club	Iberia Plus	Maximiles (Spain)
Audience Rewards	CommBank Awards	Flying Returns	IHG Rewards Club	Maximiles (UK)
Avios	Cumulus	Fortune Wings Club	Infinity MileageLands	Maximum
Avis Preferred	DeutschlandCard	Free Spirit	Italo Più	Maybank TreatsPoints
Axess	dotz	Frequent Flyer	JAL Mileage Bank	MedMera Kort
bahn.bonus	Dynasty Flyer	Frequent Traveller	Jet Privilege	Megacard

## Which coalition loyalty programs have been researched? (2)

... and...

Membership Rewards	Oh! Point	Punct Card	Skywards	Transaero Privilege
Mercator Pika	OK Cashbag	R&R	SM Advantage	Travel Club
Meridiana Club	OK Plus	Rapid Rewards	Smiles	Travel Miles
Mileage Plan	OKcard	RBC Rewards	Spasibo	TrueBlue
Mileage Plus	Ok! Doki	RealRewards	Starwood Preferred Guest	trumpf
Miles & Bonus	Panorama Club	RewardsCentral	Stash Hotel Rewards	Tudo Azul
Miles & More	Paro	Ripley Puntos	Status	Turyocio
Miles & Smiles	PAYBACK (Germany)	Rocketmiles	StayCredits	Ufly Rewards
MilleMiglia	PAYBACK (India)	Royal Orchid Plus	Super Kartica	UniClub
Mnogo.ru	PAYBACK (Italy)	S'Miles	Súper Puntos	Upromise
More Rewards	PAYBACK (Mexico)	S7 Priority	Supercard	Velocity
Multiplus	PAYBACK (Poland)	Säästukaart	SuperShop	Victoria
MultiPlusCard	Pegasus Plus	Safar Flyer	Sure Loyalty	VOILÀ Hotel Rewards
Multipont	PhoenixMiles	Samsung Card	Svyaznoy Club	Voyager
MySchool MyVillage MyPlanet	PINS	SATA IMAGINE	T Point	Webmiles
MyAirEuropa	Plenti	Scandic Friends	Tata Empower Card	WestJet Rewards
MYER One	Plus	Shopkick	Tesco Clubcard	Westpac Altitude Rewards
NBK Reward Points	Plus!	Shukran	Thanks Again	Wings
Nectar (Italy)	Ponta	Sindbad	The Marco Polo Club	World
Nectar (UK)	Premia Karta	SJ Prio	The Ritz-Carlton Rewards	Wyndham Rewards
Norwegian Reward	PremierMiles	Sky Pearl Club	Top Club Q	YES!
Oasis Club	Privilege Club	SkyMiles	topbonus	you&eni
Octopus Rewards	Programa de Puntos RACC	Skypass	Toyota More	ZAP

## What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.

1. *Introduction*: offering rationale, description of methodology and other related notes.

2. *Program Overview*: comprising a global overview of the 235 coalition loyalty programs researched including analyses of the launch history, growth and total membership number of these schemes worldwide – including their rates of penetration within the adult population of the country or countries in which they operate – plus reviews of both their approaches to currency earning and redemption (i.e. their number of external partners and the categories to which they belong) and their co-branded cards, and discussion of the likely future directions for coalition loyalty programs at a worldwide level.

3. *Program Profiles*: for each of the 235 coalition loyalty programs investigated, the CoalitionBASE™ dataset contains a profile composed of launch year, approximate number of members and other key facts, the number of partner organisations with which members can collect and redeem points or miles, the sectors in scope in this respect (i.e. air travel, other travel, car hire, hospitality, entertainment, insurance, credit cards, other banking, fuel, other retail, energy, telecoms, general merchandise from a catalogue, and other sectors), and details of co-branded payment cards associated with the program.



# What are the key features of the research?

Key features of this report include:

- the world's most comprehensive research systematically investigating the rapid global development of coalition loyalty programs, including frequent flyer and frequent stayer schemes;
- for the majority of the programs researched, availability of launch year and total member data, illustrating the degree to which they have been successful in attracting members;
- unique analyses plotting the growth in outright number and combined members of coalition loyalty schemes, segmented by sector of origin (i.e. air travel, other travel, banking, hospitality, retail, other - specific, other - non-specific);
- detailed coverage of the degree to which organisations across a range of different sectors are working with coalition loyalty programs as affinity partners as a means of winning new customers and driving incremental revenues out of existing customers;
- identification and evaluation of innovative coalition loyalty program models launched in the more recent past such as China Rewards, Fuel Rewards, Legacy Lifestyle, Oh! Point, PINS, Plenti, Rocketmiles and ZAP.

## How can the research be used?

You may be able to use this report and the CoalitionBASE™ that accompanies it in one or more of the following ways:

- to gain access to a reliable and detailed source of information that will provide you with comprehensive information about a concept for nurturing consumer loyalty that is experiencing success on a worldwide basis;
- to understand which coalition loyalty programs are the largest, which have been established the longest, which are growing most quickly and which have achieved the highest rate of penetration within the adult population of the country or countries in which they are active;
- to appreciate how programs developing out of the banking, retail and other sectors (such as automotive, energy, entertainment, fuel, insurance and telecoms) are catching up with the frequent flyer and frequent stayer schemes of airlines and hotel groups, respectively;
- to develop an international strategy for your own organisation to create partnerships with coalition loyalty programs that is fully informed by wide-ranging research on the subject conducted at a global level.

# How can the CoalitionBASE™ be used? (1)

LAUNCH YEAR, APPROXIMATE NUMBER OF MEMBERS AND OTHER KEY FACTS
<b>Launch year</b> 2011
<b>Approximate number of members as at mid-2015 (million)</b> 1.6
<b>Principal web page</b> www.aa.co.nz/aasmartfuel
<b>Country (or countries) in which active</b> New Zealand
<b>Owner</b> AA New Zealand

**See launch year,  
number of members  
and other key facts  
(e.g. AA Smartfuel)**

**View external currency-  
earning and currency-  
redemption partners  
(where ten or fewer)  
(e.g. HBC Rewards)**

CURRENCY-EARNING AND CURRENCY-REDEMPTION METRICS
<b>Number of external currency-earning partners</b> 9
<b>Identity of external currency-earning partners (if ten or fewer)</b> Air Miles, AskingCanadians, Canada Life, CanadianForex, Optima Insurance Group, Esso Extra Points, SecuriGlobe, True North Mortgage, Western Financial Insurance
<b>Number of external currency-redemption partners</b> 8
<b>Identity of external currency-redemption partners (if ten or fewer)</b> Air Miles, Beauty Gives Back, Canadian Athletes, Canadian Red Cross, Esso Extra Points, Habitat for Humanity Canada, HBC Foundation, The Breast Cancer Research Foundation

**Source: Finaccord CoalitionBASE™**

# How can the CoalitionBASE™ be used? (2)

**Understand currency-earning and currency-redemption categories for each program (e.g. Megacard)**

CURRENCY-EARNING AND CURRENCY-REDEMPTION CATEGORIES		
Category	Currency earning	Currency redemption
Air travel	x	x
Other travel	x	x
Car hire	✓	✓
Hospitality	✓	✓
Entertainment	✓	✓
Insurance	x	x
Credit cards	✓	n/a
Other banking	x	x
Fuel	x	x
Other retail (not catalogue)	✓	✓
Energy	x	x
Telecoms	✓	x
General merchandise (catalogue)	x	✓
Other	✓	x

**Filter information concerning co-branded credit card programs (e.g. LanPass)**

Source: Finaccord CoalitionBASE™

CO-BRANDED PAYMENT CARDS
<b>Co-branded payment card(s) available?</b>
Yes
<b>Payment network(s)</b>
American Express, MasterCard, Visa
<b>Card issuer(s)</b>
Banco de Bogotá, Banco de Occidente, Banco Itaú, Banco Pichincha, BBVA Francés, BCP, Santander, U.S. Bank

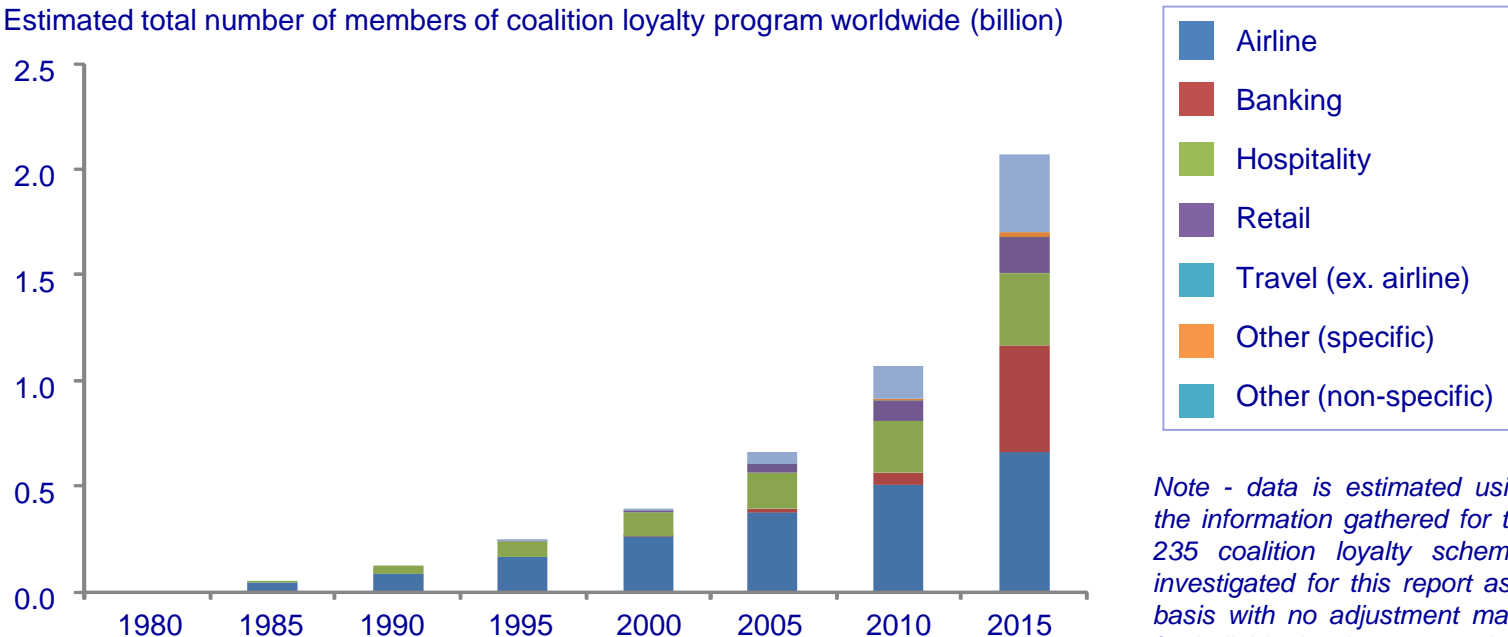
## Who can use the research?

1. *Loyalty management companies:* owners of coalition loyalty schemes include dedicated loyalty management firms as well as airlines, banks, hotel groups, retailers and other types of organisation - this report is the most comprehensive worldwide review of your market;
2. *Payment card issuers and networks:* Finaccord's research establishes that at least one co-branded payment card has been developed in association with 168 (over 70%) of the 235 coalition loyalty programs investigated - the share of partnerships of card issuers and brands is detailed in full;
3. *Banks, insurers and firms offering emerging payment means:* coalition loyalty programs also provide a potential gateway to a huge number of consumers for other financial institutions including both mainstream and niche banks, insurance companies and providers of mobile and other emerging payment services;
4. *Other consumer-facing organisations:* coalition loyalty programs additionally constitute a compelling affinity marketing opportunity for other international consumer-facing organisations which could include companies from sectors as diverse as car hire, computing, electronics, energy, entertainment, floristry, food service, hospitality, media, travel and telecoms;
5. *Management consultancies:* are you helping a client firm to understand its own strategy with respect to coalition loyalty programs? This study will provide you with rapid global insight into the subject, saving time and effort on researching the subject yourself.

# What are some of the key findings? (cont.)

**1. Having risen above 2 billion, the total number of members of coalition loyalty programs worldwide is likely to have doubled between 2010 and 2015**

Estimated total number of members of coalition loyalty program worldwide (billion)

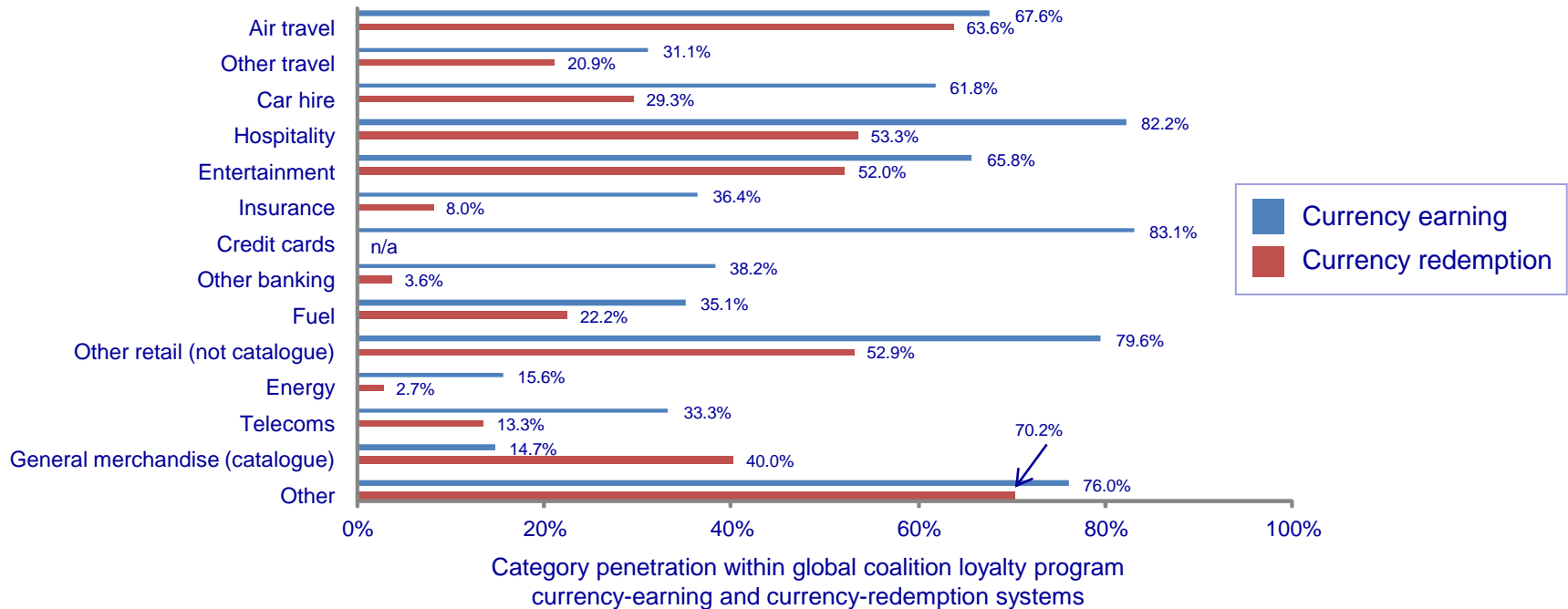


*Note - data is estimated using the information gathered for the 235 coalition loyalty schemes investigated for this report as a basis with no adjustment made for individuals who are members of more than one scheme.*

Source: Finaccord CoalitionBASE™

# What are some of the key findings?

**2. Across the total of 235 programs, it is most commonly the case that members can earn currency from entities in the credit card, hospitality, non-catalogue retail, miscellaneous other and air travel categories**

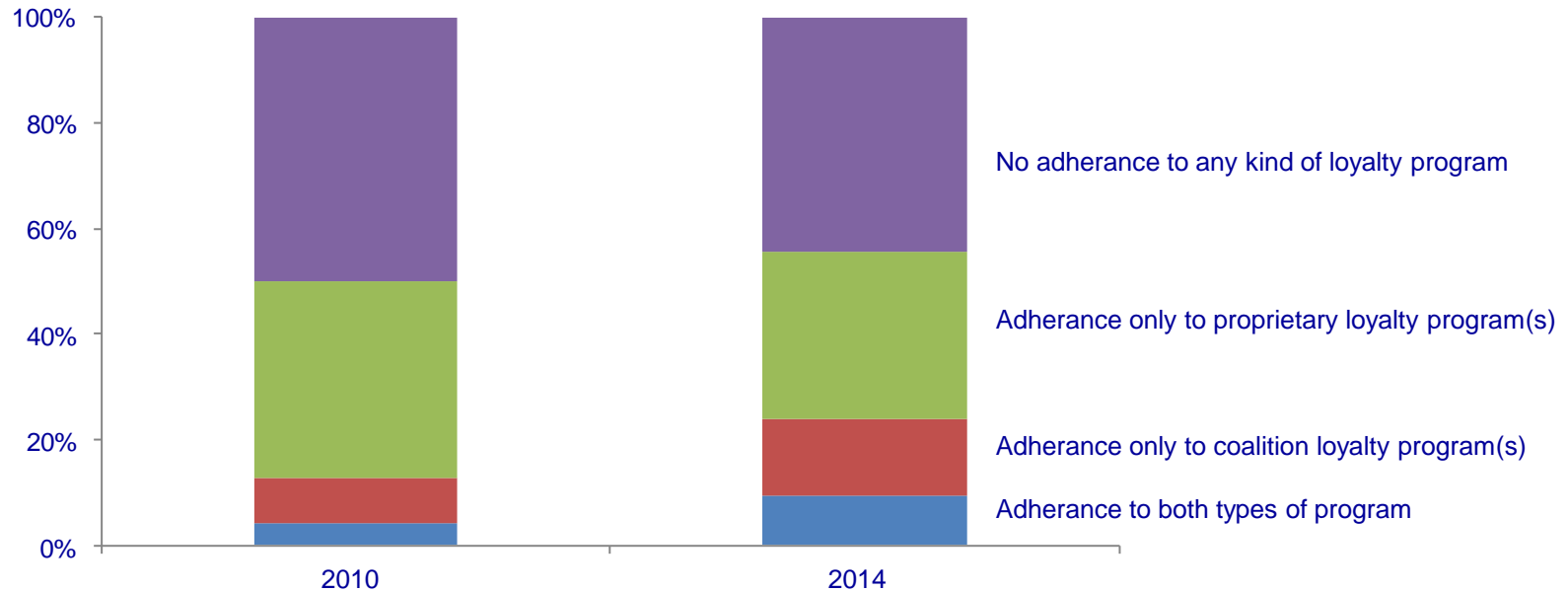


Source: Finaccord CoalitionBASE™

# What are some of the key findings? (cont.)

## 3. Further evidence for the growing popularity of coalition loyalty programs can be seen from the fact that major retail brands worldwide are adhering to them to an increasing extent

% segmentation of 6,000+ major retail brands worldwide according to adherence to coalition and / or proprietary loyalty programs



Source: Finaccord research



## What are some of the key findings? (cont.)

### 4. Key findings from the executive summary include:

- around 2.07 billion consumers worldwide are likely to be members of at least one coalition loyalty program, which is equivalent to around 28.4% of the world's adult population, and this number has almost doubled since 2010 given an estimate of 1.07 billion for that year;
- the programs that have achieved the highest rates of penetration among the total adult population (aged over 18) of the country or countries in which they are active are South Korea's OK Cashbag (operated by SK Corporation) and Finland's K-Plussa (operated by Kesko);
- across all 235 programs, the average number of external currency-earning partners per program at the time of the research was 92.9 with an equivalent figure for external currency-redemption partners of 72.7;
- looking ahead, the established model of accumulating program currency through expenditure for future redemption on rewards can be expected to expand further in new directions such as earning opportunities related to lifestyle choices and redemption opportunities linked to members' social or emotional goals such as gaming, social media activity and making charitable donations;
- moreover, the evolving behaviour and needs of program members, especially so-called 'millennials', means that loyalty cards will be superseded gradually by mobile device apps that perform multiple functions in addition to currency redemption, and that will be tied to mobile wallet providers.

## What is the cost and format?

*Global Coalition Loyalty Programs* is available as a standard PDF document. The CoalitionBASE™ that accompanies it at no further charge is in *Excel* format. Costs for this research set and selected other comparable, international titles are as follows:

<b>REPORT</b>	<b>PRICE *</b>
Global Coalition Loyalty Programs	USD 3,495
Global Automotive Manufacturers: Strategies in Finance, Insurance, Warranties and Assistance	USD 4,195
Global Bancassurance: Product and Partnership Strategies of the World's Leading 150 Retail Banking Groups	USD 5,595
Global Bancassurance: Product and Partnership Strategies of the World's Leading 500 Retail Banking Groups	USD 11,195
Global Emerging Payment Means: A Worldwide Review	USD 2,795
Global Expatriates: Size, Segmentation and Forecast for the Worldwide Market	USD 4,195
Global Mobile Operators: Strategies in Payments, Banking, Insurance and Assistance	USD 4,195
Global Retailers: Strategies of the World's Top 120 Retailing Groups in Payments, Banking, Insurance and Assistance	USD 3,495

*For Singapore-based clients, GST at the prevailing rate will be added to the basic price. Costs quoted are for a single site user licence only. For a corporate user licence, please see the final slide for further details. Invoices can be paid in EUR or GBP, at the prevailing exchange rate, if preferred.*

## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord website, create your account (if you do not have one already) and place your order online. Products paid for online by card will be delivered immediately by e-mail but please allow up to one working day for delivery by e-mail if you choose to pay on receipt of invoice.

With regards to the **corporate user licence**, you will be asked to choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

Alternatively, you can place an order by sending your request to [order@finaccord.com](mailto:order@finaccord.com), clearly stating the product(s) required, associated price(s) and billing details for eventual invoice or card payment receipt.