**Intro**

Zafin is a software company that sells SaaS banking platforms to some of the world’s largest financial institutions, with offices around the globe, including Canada, the USA, the UK, and Germany. Zafin’s position, product, and pricing platform allows banks to focus on their customers, grow relationships, and to increase revenues. It has provided banks with the technology required to create their respective loyalty programs. Zafin is now looking to expand on current loyalty programs, which are institution-specific and are limited in how and where points can be spent.

**Problem Statement & Analysis**

Current loyalty programs, offered by financial institutions, are institution-specific and very limited in how and where points can be spent. To circumvent this, the new loyalty reward program needs to be able to expand and democratize loyalty programs within financial institutions and their ecosystem partners. The program would need to be able to meet the following needs:

| Statement | Need | Category |
| --- | --- | --- |
| Have higher rates of engagement with consumers and insights into the usage of points | Be able to analyze and identify user behaviours/needs, and to implement new offers/rewards based on those, or introduce more business partners | Loyalty program network User incentives |
| Only major corporations are also able to be partners. [...] Smaller partners would also be able to participate. | To move away from how only big brands are participating and to allow small, local businesses to be part of the program | Loyalty program networkUser incentives |
| “The platform delivers frictionless experience to consumers and how they earn, redeem, exchange, donate and buy loyalty points...” | The platform needs to be intuitive and consumer-friendly, making it transparent for the users on how the points work | User ExperienceInteraction with the program |
| “...if I behave in a specific way that suits my strategy as a bank, then I give them some rewards…” | Offer rewards that incentivises users to behave in a way that adheres to the bank’s strategies and goals | User incentivesBank profit and gains |

These needs can be organized into four categories: Loyalty program network, user incentives, user experience/interaction with the program, and bank profit/gains. The loyalty program network should be the main priority. It is the premise of the entire project, as this is what differentiates it from traditional loyalty programs. Next are user incentives and bank profit/gains. These two are equally important, as user incentives encourage users to continue banking with a financial institute, draw in more potential users, and encourage behaviors that are beneficial to the bank, which lead to the bank profiting. In the end, it’s user experience and interaction with the program. If users do not have a good experience with the program, they would not be likely to continue using it. While this is just as important as the other points, this is the last thing that would be implemented, which is why it is at the bottom of the list.

Problem Statement: “*Modern consumers and financial institutions are looking for an extension of the traditional loyalty reward system, one that democratizes proprietary platforms by allowing any business or retailer to partner up with financial institutions and incentivizes users to spend their points and to remain with the bank.*”

**Benchmarking**

A similar loyalty rewards program is Airmiles which has many business/retail partners ranging from large companies like Disney to smaller ones like Aldo. Airmiles is a loyalty program that seems to meet a lot of the points Zafin was mentioning: Having lots of business partners, and being flexible with where customers want to spend the miles. However, one of the biggest problems with Airmiles is their rates are fairly low, for example, a customer that spends $20 with Samsung only gets 1 mile. And the only offer they give is that they’ll cover a certain amount of money off a purchase. For example, if someone makes a purchase of $50 and they want to redeem some of their points Airmiles will only pay for $10 of the purchase for every 95 mile points. But to get 95 mile points (off the previous rate) the customer would have to spend $1,900 which is not worth it.

Another benchmark is the Odacité Rewards Program. The great thing about this program is that it encourages customers to return for more purchases, which is one thing that Zafin mentioned quite a few times. The way the customers gather points is for every dollar that they spend they get one point - which is much better than Airmiles. Customers can also gather points by doing other things such as sharing their Facebook page, inviting a friend, creating an account, or even sharing their birthday! These are all super easy to do and benefit both the customer and the business. The only problem is the point system is limited to the Odacité company.

**Conclusion**

The 4 main categories of client needs are making sure the loyalty program can network across as many businesses as possible including the small ones, encourage more transactions, help banks maximize their profit and gain more users of the program, and ensure users have a positive experience with the program. These criteria will be accomplished by having the program expand upon the ideas of current loyalty programs, such as Airmiles and Odacité, and improve upon the negatives that they have to make the loyalty program better. Zafin’s expansion on the traditional loyalty program has great market potential, as it opens more doors for businesses and banks alike to collaborate and to increase their market as well as their profits by inctivizing a wider customer base.