

Implementing a SME Coalition Loyalty Program



Client Overview

Our customer is a high net worth Loyalty Corporation carved out as the subsidiary of a prominent Australian Full Service Carrier. Its core business includes developing, delivering and managing loyalty programs for the parent airline and for third party customers operating in various industries. At the moment, the company manages multiple loyalty brands and services catering to Business to Business (B2B) and Business to Consumer (B2C) models of loyalty proposition.

Association with powerful airline brand and a deep understanding of behavior-based customer segments has helped the corporation manage double digit annual growth for over five straight years. Today, with its targeted loyalty propositions, the corporation has surpassed 10 million members and its loyalty business is valued more than the major competitors (Nectar and Velocity) regionally and internationally.



The Context

Since its inception in 2007, our customer has pursued its business agenda to identify new segments and explore key loyalty drivers to influence the customer behavior in the identified segment. Such a refined approach has helped the company to offer distinct loyalty proposition for targeted customer segments.

Australia, being an economic power house, has more than 2 million small and medium sized enterprises representing a turnover of 99.7% of its trading business across different industries. As majority of the SME owners and employees were already members of airline loyalty, the corporation decided to roll out a Coalition Loyalty proposition exclusively for SMEs in the region.

The program was designed to offer tangible rewards like points, discounts and rebates on routine business purchases made by SMEs and simultaneously maximise

revenue for the participating loyalty partners. Success of this unique proposition was dependent on the integration of a wide network of partners, in a much faster pace than competition.



Challenges

-  Unconventional Loyalty Proposition required a complex set-up of unprecedented business rules and new partnerships
-  Stringent time line to implement the solution so as to acquire the competitive advantage in business
-  Brand Distinction – To create a distinct, self-sustainable and independently managed loyalty ecosystem



The Solution

The SME model of loyalty coupled with stringent timeline required a turnkey solution with inherent flexibility to quickly setup or modify strategically aligned loyalty attributes. After elaborate software analysis, the Loyalty Corporation implemented iFly Loyalty platform designed to support coalition and proprietary loyalty schemes.

The iFly Loyalty solution offered:

Front end configurations for Program Articulation

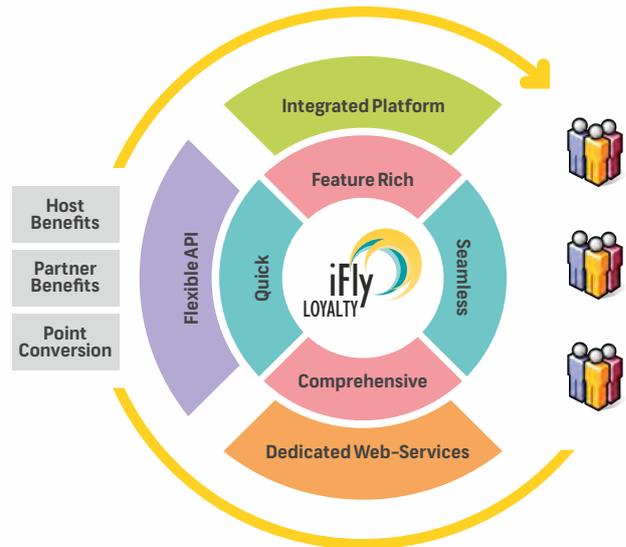
The flexible solution design contained provision to setup and adjust key loyalty attributes; e.g. tiers, rules and benefits, consistently with the current and emerging business priorities.

Purpose built user interface for quick Partner On-boarding

The purpose built screens supported quick and error free partner on boarding that included exhaustive processes like - profile set up, partner contract set-up and interface setup for different partners.

Integration to support Airline Recognition for SME owners and employees

As most of the owners and employees were already part of the parent Airline FFP, one-to one-currency conversion was the key value proposition of the SME loyalty brand. The solution offered real-time integration with airline FFP so as to seamlessly support loyalty transactions.



Key Features of the Implementation

-  Bundled web services to enable the key loyalty functionalities through mobile and web touch points
-  Feature-rich core loyalty engine that integrates with other third party systems merely through user performed configuration drills
-  Flexible rules engine to support ever changing business scenario



Key Results

Benefits



Minimum On-boarding Time

Configuration based profile and interface set-up for partners resulted in before-term accomplishment of partner on-board process.



Low Cost of Implementation

The configurations saved development effort required to set-up rules, interfaces and data, thereby reducing the implementation time and cost.



Lower TCO

Huge savings in training, resource cost head and technical Changes Requests (CR), as the solution supports automatic business process, rule configurations in simple English and capability to support operational changes in future.



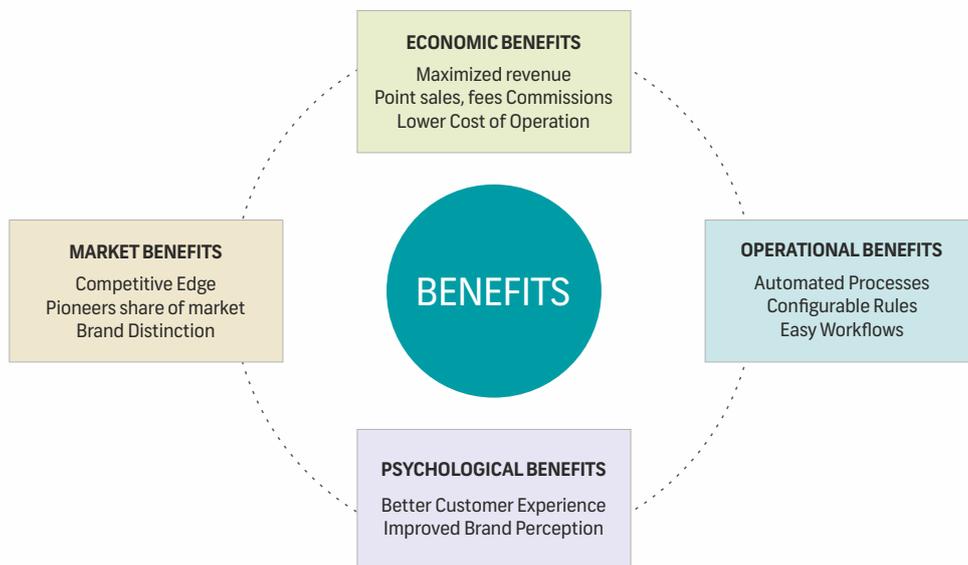
Higher Earnings Derived from Value

Enhanced customer experience and efficient partner management generated three dimensional value for partners, members and the airline thereby maximizing revenue through point sales, commissions and fees.



Competitive Advantage

Time saved in implementation, and ease of operation made the airline pioneers of the SME loyalty in the geography and hence brought in the early bird benefits before the competitors.





About IBS Software

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Further information can be found at <https://www.ibsplc.com>



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