

Reward Program Sales & Marketing Tool for Retailers

Presented by



Loyalty Programs & Solutions



Participating Programs Include:



...and more

Lift & Shift Inc. introduces the opportunity for retailers to become partners in a terrific assortment of popular reward programs, including: Alaska Airlines Mileage Plan, American Airlines AAdvantage, Best Buy Reward Zone, Frontier Airlines EarlyReturns, Hawaiian Airlines HawaiianMiles, Icelandair Saga Club, LifeMiles, Priority Club Rewards, United Airlines MileagePlus, US Airways Dividend Miles and Virgin Atlantic Flying Club.

This new program is designed to be very flexible – allowing you to build incremental sales & profit in any or all of the following ways:

- Attracting new customers from the millions of people who collect the programs' rewards
- Up-selling customers on products and/or services during the purchase process
- Capturing more category spending from existing customers who collect these currencies
- Reducing the number of customers who defect
- Re-engaging lapsed customers



Member Profile

- Millions of people use these programs every day
- 2/3 of the world's frequent flyers live in the United States
- Over 150 million American adults actively participate
- 45% of US frequent flyers participate in 4 or more programs
- The average program membership grows at a rate of 11% per year
- The average active participant earns 11,300 Miles per year
- 54% of all Air Miles are not earned by flying
- The average business traveler is 42 years old
- 60% of business travelers are men
- The average business traveler earns an average of \$76,000
- Customers are 64% more likely to return after earning Miles/Points

Source: www.frequentflyerservices.com

Why Participate in the Reward Program?

Use program branding to attract program members as new customers – when they are “in market” for your product or service

- 76% of program members will switch/choose merchants in order to earn Miles/Points
- 70% will tell others about your offer – act as brand advocates; free word of mouth advertising

Highly effective performance-based marketing tactic

- Miles/Points are earned only with purchase - a 100% accountable marketing tool whereas traditional media (newspaper, radio, TV, outdoor, etc.) is pre-paid with no measurable ROI; using well known reward programs is the opposite: all Miles/Points are tied to purchases

Capture more existing customer category spend

- Very few customers are completely loyal to any one merchant but customers will spend more with you if given an incentive – about 40% more, on average
- 1/3 people find programs “more important” in difficult economic times and are influenced to spend in places offering rewards
- Loyal customers are easier to retain & more likely to increase their spending with you; customers are 64% more likely to return to your locations after earning Miles/Points

Merchant Benefit Summary

- Use of program logos in your marketing/advertising to attract new customers from program memberships
- Ease of execution – participating programs are established brands; easy for your retail staff to understand, promote and use
- Quick & easy staff training – we show you how to use the program to effectively maximize profits – benefitting you and your employees
- Flexible offers to enhance sales & margins as required
- Web-based Miles/Points crediting system; fast, easy to use; allows any merchant to quickly deposit any participating Reward currency into customer account using one screen*
- Ongoing support – dedicated account representative

*Miles/Points may also be issued via the retailer POS system wherever an integration is possible. Miles/Points may also be issued using select credit/debit terminals. Please ask your Lift & Shift representative for more information.

Protractor Software Users

By partnering with Lift & Shift Inc. Protractor users can seamlessly reward & track all the participating loyalty program currencies.

Set-Up – Is fast & easy; just let your Protractor rep know you are interested.

Set-Up Cost – Protractor charges a one-time fee of \$100 to set-up your web access page (no additional monthly fees). Mile/Point costs not included; see reverse for details.

Data Transmission – Protractor will collect and automatically transmit the program reward file to Lift & Shift Inc. on a daily basis.

Reporting – Protractor gives you reporting tools to analyze your sales and determine the change in spending habits and frequency of your loyalty program members.

For more information on Protractor call 1-866-939-8743

Program Cost & Offer Structure

Because this marketing program is performance-based, there are no sign-up or monthly admin fees; you pay only for Miles/Points you use in securing program member spending*. All reward currencies cost \$0.05 each and Lift & Shift requires a minimum base offer of 1 Mile or Point for every \$2 of a program member's pre-tax purchase total (no Miles or Points are issued on tax) for a minimum offer cost of just 2.5% on program member purchases only. The merchant has the option to add bonus offers (2X, 3X, 5X or any fixed # of Miles/Points) on select products or transactions, helping to achieve higher margin and/or larger, more frequent transactions.

*Merchants wishing to include United MileagePlus in their currency offering must commit to pre-buy a minimum of 200,000 United Miles and have 3 years to use their United Miles.

Frequently Asked Questions, Concerns, Comments

"How will this reward program make my operation more profitable?"

The program is designed to encourage your customers to direct more category spending to you in exchange for a "reward" – in this case, frequent flyer Miles/Points.

Established reward programs can also help attract new customers to your store(s), drawing on their membership base in your trade area. These members are more likely to begin dealing with your business in order to earn the reward currency they accumulate.

Reward programs are "performance-based", meaning you only incur the reward cost when someone buys something – resulting in a highly efficient, more measurable marketing investment – unlike traditional radio, TV and print media.

Rewarding a customer with Miles/Points costing just 2.5% of their purchase total costs you 1/4 to 1/8th of the 10%-20% discount so often used by many retailers.

By focusing more of their category spending in your store(s), each participating customer becomes more valuable to you, generating more top line revenue and profit; an increase of just 5-10% more profit per average customer has an enormous impact on your bottom line at the end of each year.

As customers increase the amount of category spending they direct to you, the number of rewards they accumulate increases and they become increasingly loyal to you, increasing your average retention rate and average lifetime value of each participating customer.

"Is the program hard to execute? Does it require a lot of time? Will my staff be confused?"

One of the key retailer benefits of participating in an established rewards program is how easy the program is to implement and promote; because this program incorporates many of the top reward programs in the US, your staff and customers will immediately understand what is being communicated.

Effective use of the program requires very little time on anyone's part when the program availability is effectively promoted using your existing marketing mix and storefront.

Follow these 3 easy steps below to ensure success using the Program:

- 1. Be sure everyone knows you are now an issuing Partner**
Incorporate program brands into your interior and exterior signage, on your website, ads and emails to ensure that everyone (customers & staff) knows you now offer Miles/Points.
- 2. Ask customers for their program Member Card or membership # with every eligible transaction**
There are millions of active program Members across the US who are ready to earn Miles/Points wherever they spend; this is your chance to attract, up-sell and retain customers using reward currencies they already collect and value.

By asking customers for their Member Card or membership #, you are ensuring that your customers are being rewarded for purchasing from you rather than the competition; 76% of reward program users are likely to switch retailers on this basis; they also spend about 40% more than average when they do.

Also important, 70% of program Members will tell others where they earned their Miles/Points. It's free word-of-mouth advertising from trusted sources, directing their friends, neighbors, co-workers and family to your store(s).

3. Issue Miles/Points using Protractor

Protractor users can quickly and easily issue Miles/Points using their Protractor set-up. Ask your Protractor representative for a quick demo.

"Why would I give my existing customers a reward – after all, they are already my customers; isn't this just another expense?"

The reality is most customers are not very loyal to any one retailer: Reward programs are all about tapping into customer spending you aren't already getting – and then ensuring you continue to get it by keeping them coming back to your store(s).

76% of Members will switch merchants to earn Miles/Points and the average customer will also spend about 40% more with a retailer who offers a loyalty currency they collect – versus a retailer who does not; this helps you cost-effectively capture more of your customers' category spending.

When you consider the lifetime spending of each customer and your current/future share of it, you really can't afford not to give your existing customers a reason to become/remain more loyal to your business.

"I don't personally participate in loyalty programs or understand their value; why should I offer one to my customers?"

You may not use loyalty programs but your customers certainly do.

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- 54% of all Miles are not earned by flying
- Customers are 64% more likely to return after earning Miles/Points of some type

Customers base an increasingly large majority of their retail purchase decisions on the availability of reward programs.

By not offering a rewards program, retailers miss out on the opportunity to capture a greater share of their customers' spending as those same customers spend more with competitors who do offer a rewards program.

For more information about Lift & Shift's Reward Program please call:

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For more information about Protractor Software, please call 1-866-939-8743