

PREPAID CONSUMER CASHBACK CARD PROGRAMMES DRIVE GREATER EFFICIENCY, MARKETING REACH AND IMPROVED CUSTOMER EXPERIENCE



When it comes to consumer cashback programmes, issuing paper cheques is rapidly falling out of favour with businesses and consumers alike. According to the Payments Council, cheque use has been in decline since 1990. The Council has set a target date of 31 October 2018 for the official end of cheque usage in the UK.

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Citi-sponsored consumer research indicates that a majority of consumers in the UK prefer prepaid cards over cheques as cashback payments (TNS Research, September 2010). Because of the considerable limitations posed by the cheque payment process, more and more companies in the UK and across Europe are switching to prepaid card programmes for their cashback promotions. Cheques typically don't provide the same level of efficiency, branding or cross-selling opportunities as prepaid cards. And traditional cashback programmes using cheques provide no feedback on redemption behaviour, and tend to be fairly inconvenient for customers who are compelled to visit a bank to submit their reward cheque, and then must potentially wait several days before gaining access to funds.

The growing trend toward prepaid cards for cashback promotions can be found across a wide range of industries – from automotive sales, to home appliances, computers, photographic equipment, electronics, fast food, clothing, cable television and wireless communications, just to name a few. Citi® Prepaid Services has been helping companies in the UK transform inefficient paper-dependent programmes into comprehensive customised electronic solutions.

Prepaid Cards Meet Critical Marketing Objectives

One of the more compelling advantages of prepaid cards over reward cheques is the opportunity to incorporate a company's marketing and branding onto the card itself, as well as being able to brand the card carrier. Now, whenever a customer uses their prepaid cashback reward card to make a purchase, they are reminded of the

company's brand. This extends a company's branding opportunities, delivering a lasting impression that promotes customer loyalty.

In addition to branding the prepaid cards, Citi also incorporates the organization's branding onto a custom designed cardholder website where recipients can check card balances and transaction histories. This website can be integrated into an organisation's existing online shopping page to drive customers to spend their cashback funds with the company, creating further revenue opportunities.

Convenience and Improved Customer Experience

Perhaps the biggest beneficiary of this trend toward prepaid cards is the customer. Once a customer who has purchased an eligible product has been validated, they are sent a branded, pre-funded Citi Visa card. Because no bank account is needed and no cheque processing is required, consumers can spend the funds immediately at any of the 29 million Visa retail and online merchants globally, offering them the flexibility to redeem their reward as they wish.

The Citi Prepaid card solution improves the customer experience, making it faster and easier for recipients to access cashback

funds. In addition, Citi Prepaid cards offer a free account management tool that makes it simple for cardholders to check the available remaining card balances online, on the phone, or through select ATMs. Citi also offers 24/7 multilingual customer service.

As paper cheque promotions continue to lose their appeal with consumers in the UK, companies like Nikon UK have switched to a prepaid card solution for their cashback programmes. With more and more young people banking online and through mobile devices, the importance of offering an easy to use, electronic cashback solution is proving increasingly effective. For Nikon UK, such a delivery method is seen as a more accurate reflection of the contemporary and cutting-edge image of the company and its advanced technology products. Nikon UK was the first in its category to use a prepaid card for a cashback reward programme, reinforcing the brand's reputation for innovation.

Unique Solution that Delivers Cost Savings and Efficiencies

Prepaid cards offer organisations an opportunity to achieve significant cost savings and operational efficiencies as compared to cheque payment processes.

Some of the many benefits of using the Citi Prepaid card programme include:

- Reinforcing brand marketing, driving increased customer loyalty;
- Lower cost, faster delivery;
- Operational efficiencies through electronification of payment processes;
- Elimination of lost/stolen/uncashed cheques;
- Reduced required payment resources, no technology investment needed;
- Dedicated programme support team;
- Easy online programme management.

Organisations also benefit from detailed management reports that indicate the number of cards issued, the value of the cards, consumer spending patterns at a macro level, and where funds are being spent in aggregate. This robust reporting capability offers valuable insights into customer demographics that can help to further refine marketing efforts.

For more information on Citi's custom prepaid card programme, please visit www.citiprepaid.com

