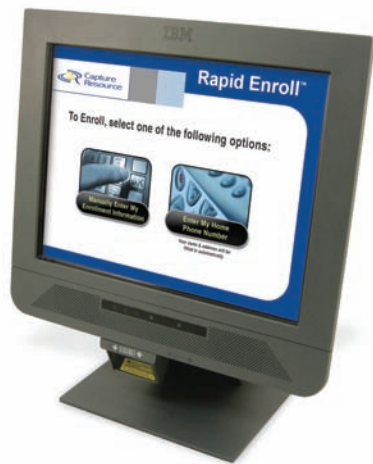


How Electronic Loyalty Program Enrollment Saves Time and Money – and Connects Retailers with Their Best Customers



Exploring Capture Resource's Rapid Enroll Kiosk

There's good reason for the adoption of rewards and loyalty programs by virtually all of today's retailers – when administered wisely, they have proven to be an invaluable marketing and customer retention tool. An effective loyalty program provides insight into a customer's purchasing habits, and it can also allow the retailer to influence its customers' purchasing decisions, increase basket size, and increase the number of visits. The biggest hindrance, however, to administering a productive program occurs at the very beginning of the process – during customer enrollment.

The Challenges with the Traditional Paper Enrollment Process – Processing can be Costly and Inaccurate

First and foremost, the processing of paper applications, in conjunction with "Instant Issue" programs, is costly. Each application must be hand-written by the customer, which interferes with valuable store associate time. And although the loyalty card is often issued on the spot, the inherent time needed to process the paper application causes weeks, or even months of delay until the retailer knows the identity of the new program member.

The costs of the applications, postage, data entry, and store associate time become a significant cost of managing the program. Additional, unavoidable, and significant costs stem from inaccurate and incomplete enrollment data which results in undeliverable mail and customers that are unable to be messaged and contacted. Stores are paying dearly for paper application processing, and the results are high overall program costs and less-than-effective communications with new potential customers.

Garbage In – Garbage Out

Currently, handwritten enrollment applications are the most common method of collecting information from customers for rewards and loyalty programs. The main challenge with this paper-intensive process is that enrollment data cannot be easily checked for accuracy, completeness, or validity before a card is issued. Furthermore, paper applications allow for more errors due to illegible customer handwriting, inadvertently missed questions, and intentional "prank" applications. The additional step of the store associate's transferring a label containing the card number from the card itself to the application can also become a significant problem. New applications with no card number label and newly-issued cards with no associated customer data will both have negative effects on the program.



Inaccurate Data Hurts Direct Marketing

When incomplete or incorrect data enters the system, the loyalty program becomes devoid of benefits. Since direct marketing programs require accurate customer data to be meaningful, entering missing or incorrect information is highly counterproductive and costly. The retailer's most valuable program benefits – making their best customers feel “special,” increasing their basket size and eliminating the competition – are lost. The program becomes nothing more than a discount program and another key tag on the customer's key ring.

Customer Service Woes

Not to be discounted, sound customer service is compromised by the paper application process. Customers wishing to enroll in loyalty programs are required to wait in line at customer service counters, co-mingling with customers who have other issues. They then are required to fill out an enrollment application by hand and submit it to a customer service representative. Undoubtedly, a long line at the customer service counter is a strong deterrent for potential loyalty members who do not wish to wait to apply. Not only is the process a waste of the customer's time, it also drains on the customer service representatives by increasing the number of people they must assist.



Why Electronic Enrollment Is the Solution

It Captures Accurate, Validated Data At Time of Enrollment

In addition, the kiosk based application requires no POS interface or connection. The quality and speed of the electronic enrollment process is possible based on the immediate transmission of the enrollment files to the RPS (Reward Program Solutions) customer loyalty database application. This robust and dedicated loyalty processing database performs additional cleansing processes on the enrollment data as well as specialized loyalty program routines such as automated householding and duplicate card number checks.

It Enables Immediate Direct Marketing

When an application is completed electronically, the lag between submitting the application and receiving the new data is eliminated. Marketers now have the opportunity to send a personalized “thank you” within a day or two of customer sign-up. This quick turnaround shows customers how important they are to the store, initiating marketing communications that establishes customer loyalty.

Given the high and increasing cost of postage – clean, accurate, and customer-verified data alleviates the marketer's fear of wasted costs in a direct mail campaign. It can also save significant costs during NCOA data cleansing processes, which are routinely performed on customer databases.

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It Focuses Customer Service on Higher Value Activities

Because the customer enrollment process via kiosk is a self-service, customer service representatives can invest more time in high-value activities that, in conjunction with a well-run loyalty program, keep repeat customers. Such services are enabling the fast return of defective or unwanted merchandise, granting more access to the high-value items behind the customer service counter, and the overall promotion of the store's merchandise and goodwill.

The Cost of Enrollment

The kiosk cost-per-application is significantly lower than that of traditional paper processing, but the additional intangible savings are staggering. The timely processing of new enrollments means stores can market to the customer faster. Accurate and verified data means that the direct mail and e-mail campaigns reach the intended targets earlier, which drive increased sales and higher customer retention.

Costs	Paper	Rapid Enroll
Enrollment Processing:		
Card (No peel off label required)	\$0.18	\$0.17
Application	\$0.035	\$0
Postage	\$0.055	\$0
Data Entry	\$0.17	\$0
Electronic Transaction Fee	\$0	\$0.32
Kiosk HW/SW Rental/Maintenance	\$0	\$0.143
Reverse Phone Append/Enhanced Address Standardization	\$0.03	\$0.04
Cost Per Enrollment	\$0.47	\$0.423
Total Cost for 100,000 Enrollments	\$47,000	\$42,300
Total Cost for 1,000,000 Enrollments	\$470,000	\$423,000
Additional Savings:		
Customer Service Representative Time	\$0.25 (60 sec.)	\$0.05 (15 sec.)
How Soon You Know Your New Customer	3-5 Weeks	24-48 Hours

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The Quality of Enrollment Data

Specific metrics on paper vs. kiosk-based enrollments demonstrate, without doubt, the dramatic increase in the quality of data captured during the enrollment process. By comparing 10,000 representative paper-based enrollments vs. 10,000 kiosk-based enrollments, the following results are observed:

Data Field	% of Data Elements Paper	% of Data Elements Kiosk
Complete Name	91.6%	96.5%
Complete Address	86.4%	92.6%
Phone Number	78%	95.5%
E-mail Address	17.2%	32.3%
Promotional Opt-Ins	56.9%	70.3%
Mail Grade - Deliverable	84.2%	92.0%

Additional Capabilities

In addition to processing new enrollments, the Rapid Enroll application can be configured to perform self-service customer profile updates, issuing a paper-based temporary card for the customers who have forgotten their cards, and enable card replacements for customers who have lost their cards. These additional capabilities are all accomplished with little or no interaction by the store associate. The kiosk application is also custom developed for each client using their color pallets, logos, and graphics. The main attract loop can be used for promoting weekly program specials or can be used to generate additional revenue from CPG ads and promotions.

In Summary

Paper-based applications provide questionable value to the store and the customer. The Rapid Enroll Kiosk from Capture Resource fills in the data gaps and expedites the entire process, while saving money on enrollments, both retailers and shoppers. Capture Resource is the first company to merge kiosk enrollment with traditional processing and database services - a natural extension of the company's extensive experience implementing and managing rewards and loyalty programs – and currently process over 50,000 enrollments for 12,000 retail locations daily. Forward-looking retail marketers need look no further to plan, establish, execute, and maintain a loyalty program that's easy for consumers to join and use – and simple and affordable to manage and operate.



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