LOYALTY MANAGEMENT

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Powered by Loyalty 360

The Balance of Powers in Payment Cards and Loyalty

Technology Can Do That, But Can We?

What works with today's loyalty technology

OPTIMIZING HUMAN CAPITAL ASSETS IN TOUGH TIMES

INFLUENCING THE CHANNEL

Building Trust to Drive Loyal Relationships

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Loyalty 360 Career Center

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Looking for a job? Submit your resume to our resume bank.**Looking to hire?** Post job opportunities on our site.

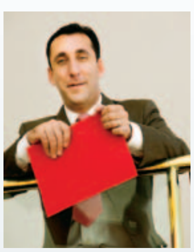
VISIT *www.Loyalty360.org/career-center.shtml*

STATE OF THE INDUSTRY

A snapshot from "State of the Industry", July 2009:

Thou Shalt Monetize?

by Michael F. Hemsey – President, Kobie Marketing, Inc.



"…The most recent and relevant example of bottom-line impact and the changing landscape of monetization, and, of course, the subsequent lessons which will be learned, comes from one of the most established sponsors of loyalty in our industry: the banks and the credit card.

The Credit Card Bill of Rights was signed into law in May 2009, ending unfair and arbitrary interest rate increases; stopping excessive "Over the Limit" fees; ending unfair penalties for cardholders who pay on time; requiring fair allocation of consumer payments to balances; and protecting card holders from due date gimmicks. In addition to this Bill of Rights, there are amendments referred to as "UDAP" and "Reg Z" which are pending approval with different timelines.

And the buzz on the street? "Banks are losing 50% of their fee income! Loyalty programs are in trouble!"

Not so. Let's take a look at how the banks and issuers can, and invariably will, respond to the legislation, starting with interest rates.

Good ol' fashioned A.P.R. Interest Rates will increase across the board: whether they are Introductory, or based on Purchase, Delinquency, Cash Advance, Employee Promotional, or Balance Transfer – nearly ALL of the APR changes banks are putting into affect will increase their rates prior to February 2010.

What's more, banks will have other means, besides jacking the APR, to manage the new regulations so that their credit card loyalty programs can remain untouched. Those banks that were healthier prior to the economic tsunami will not have to add or raise loyalty program fees, and they will not have to change their rewards grids. They can continue, as a predictable result, to increase acquisitions, transactions and volume…

…In aggregate, with APR changes and fees going up on a number of daily and typical banking occurrences, banks (especially the healthier ones) are in a position to make more revenue on the new legislative mandates in comparison to what they're giving up with compliance to the more consumer friendly Bill of Rights.

Ironic? Beautiful? Maybe not as onerous as it seems? Now what?"

…. Read the complete article and join the discussion on Loyalty360.org!