



COUPONING AND LOYALTY FOR DIGITAL PAYMENT

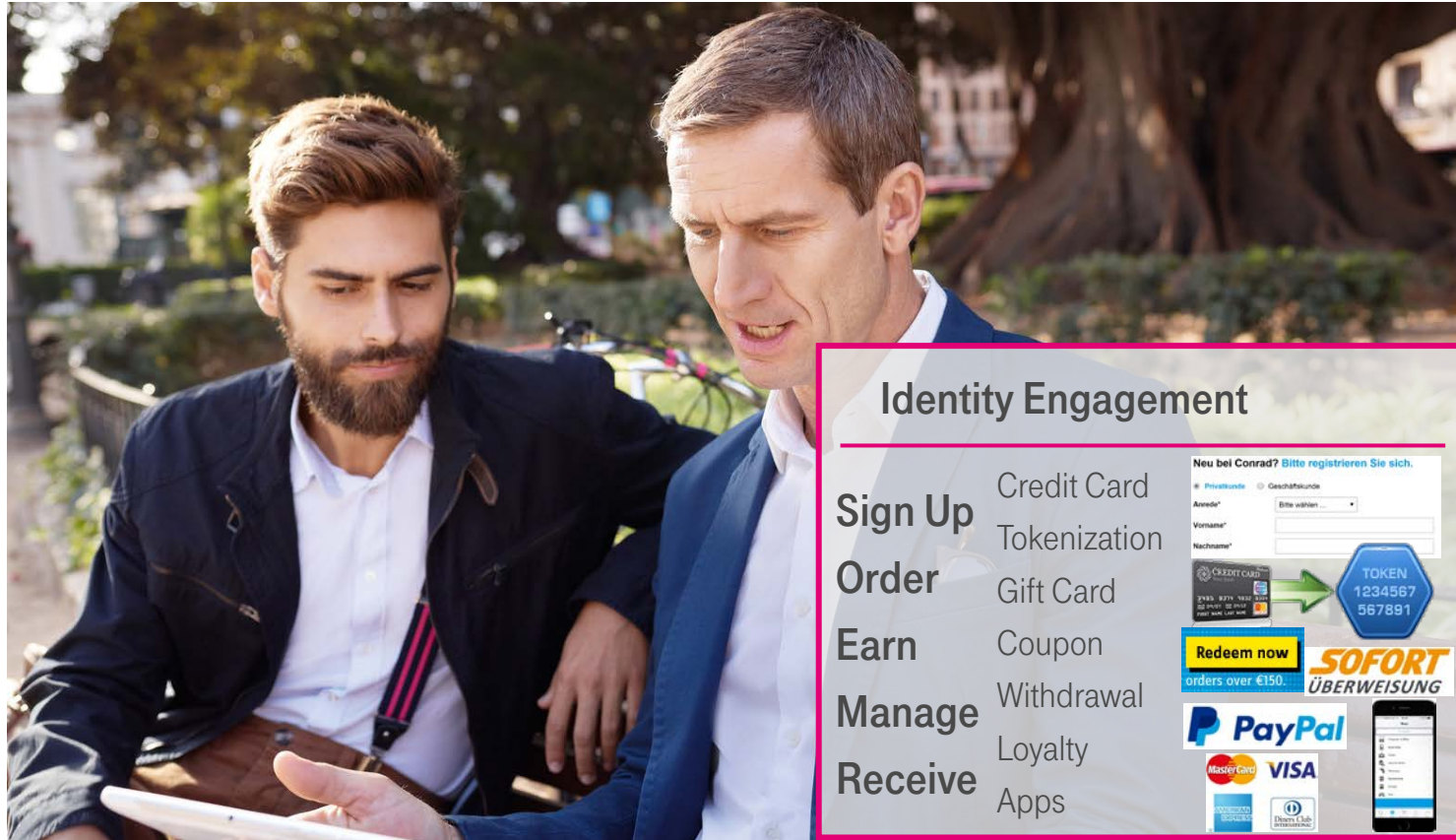
July 1st, 2016



LIFE IS FOR SHARING.

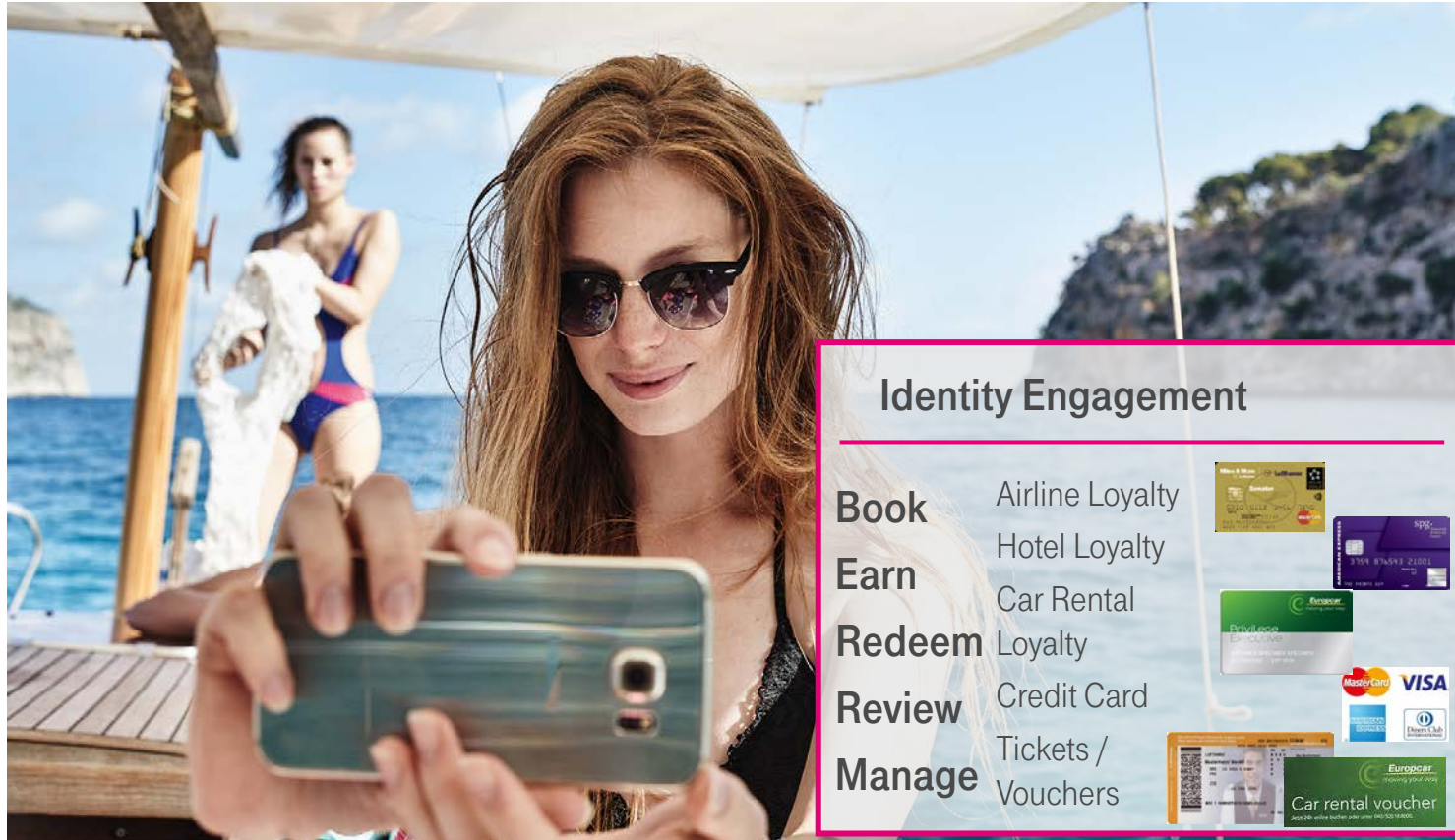
SHOP ONLINE AND ON SITE

DO I HAVE AN ACCOUNT HERE? WHERE ARE MY COUPONS?



TRIP PLANNING

IS IT FASTER ONLINE OR VIA AGENT? DO I HAVE ENOUGH MILES?



Identity Engagement

Book	Airline Loyalty	
Earn	Hotel Loyalty	
Redeem	Car Rental	
Review	Loyalty	
Manage	Credit Card	
	Tickets / Vouchers	



69% of all e-commerce visitors abandon their shopping cart



3 in every 4 customers don't finish the purchase

Among reasons for abandonment...



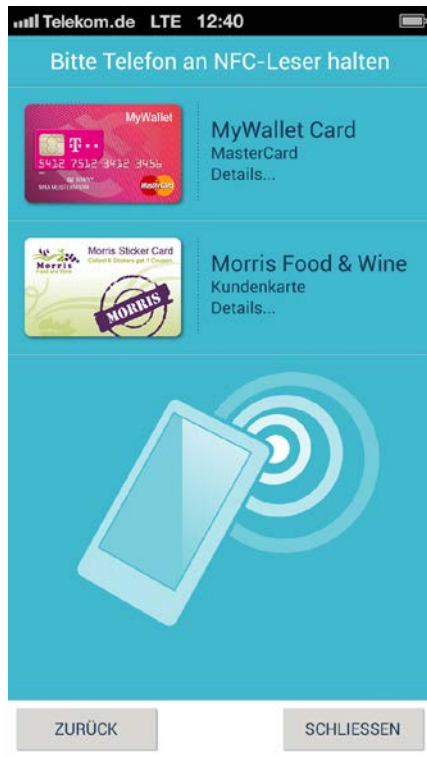
“Did not want to create an account”



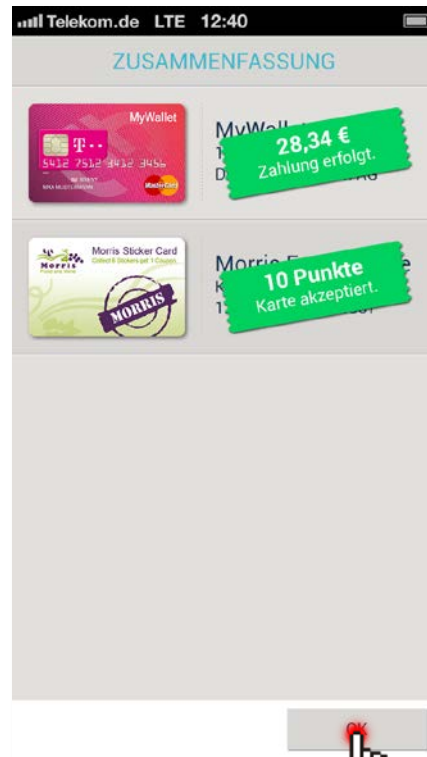
“Preferred payment option not available”

UN-DEMO - INTERACTION CONCEPT

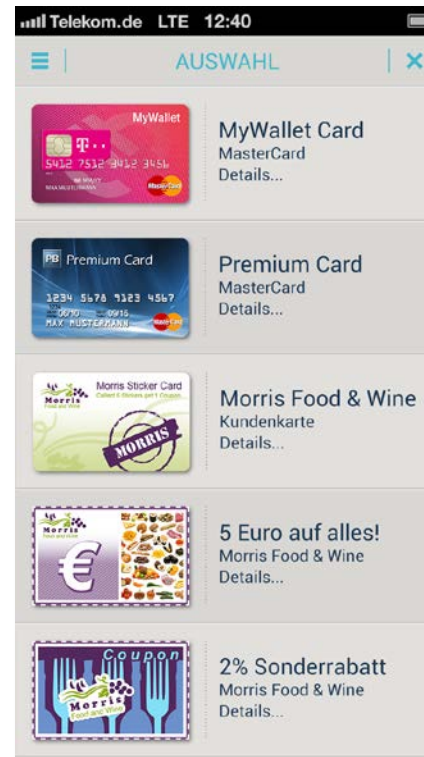
MULTI-SELECTION FOR NFC



NFC transfer screen
2 NFC taps



Confirmation screen (automatic feedback)
Tap on „OK“

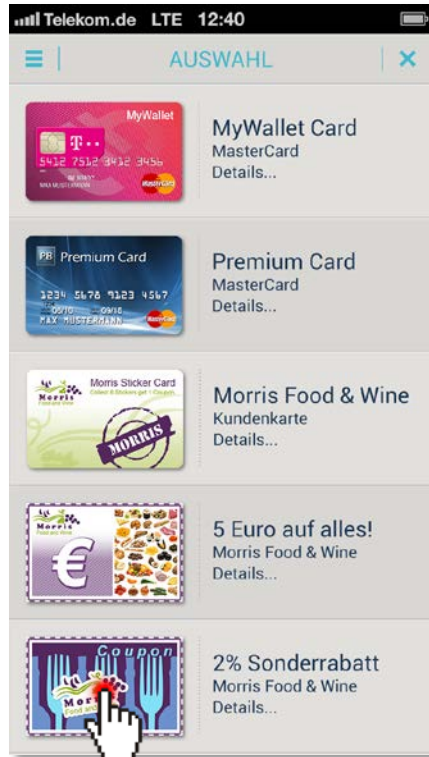


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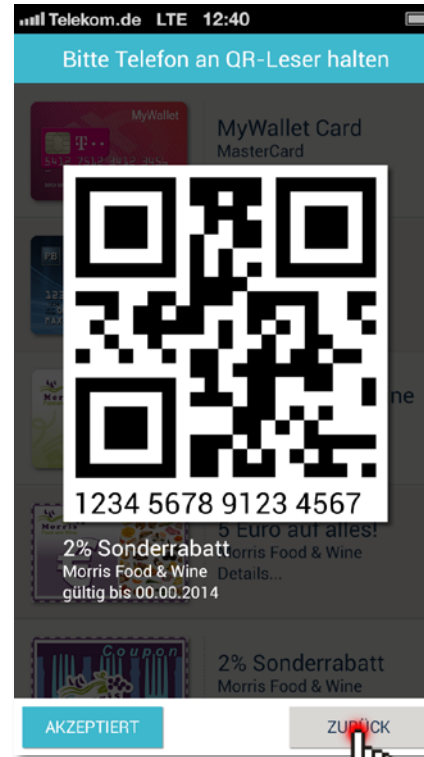
GSMA has put out exactly three years ago (July 1st, 2014) a technical proposal that allows to combine offers, coupons and loyalty in a single NFC transaction.
<http://www.gsma.com/digitalcommerce/wp-content/uploads/2014/07/NFC.15-Version-1.0-Mobile-Commerce-NFC-Coupons-and-Acceptance-Technical-Proposal.pdf>

UN-DEMO - MULTI-CHANNEL

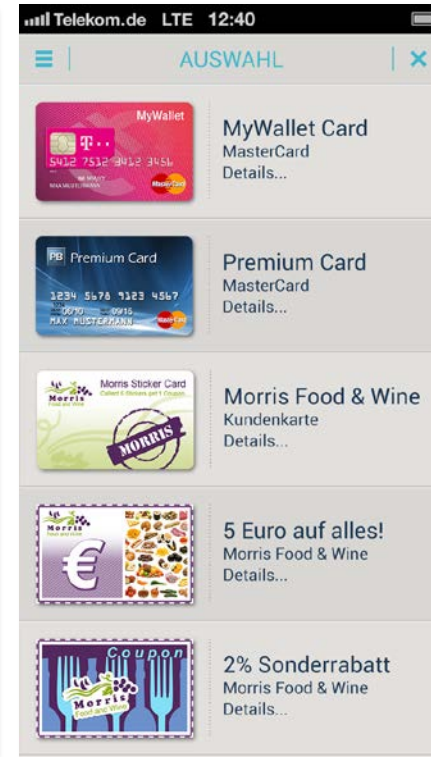
VARYING TRANSFER OPTIONS - QR COUPON TRANSFER



Tap on QR coupon



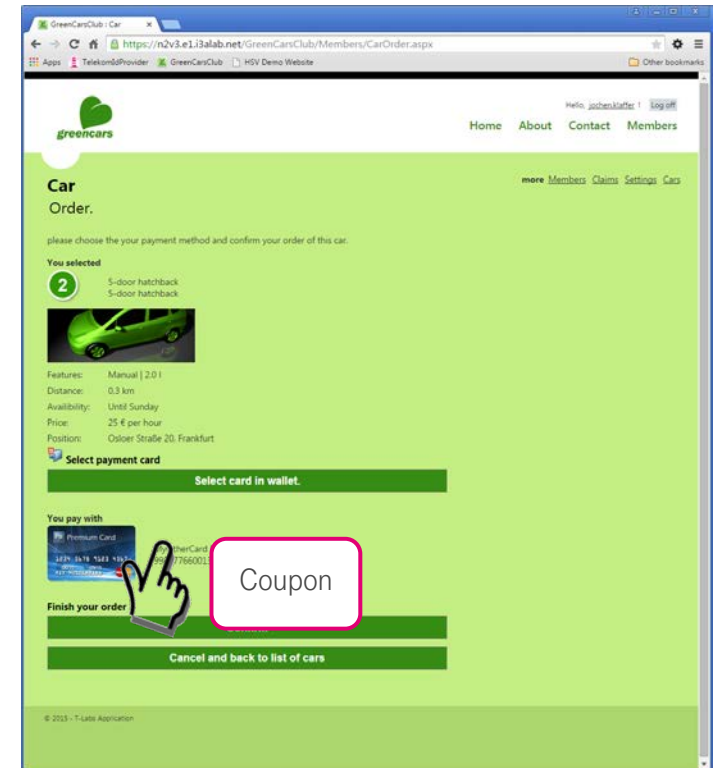
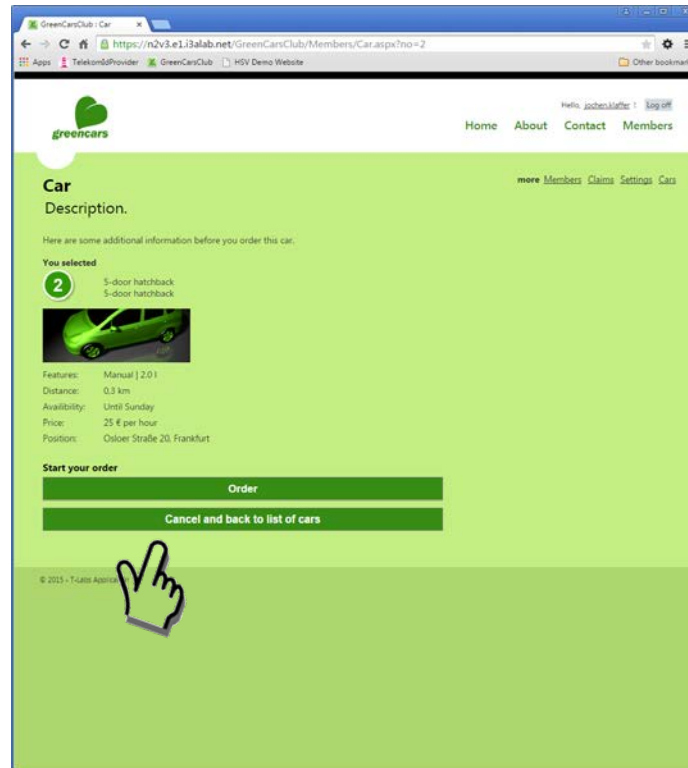
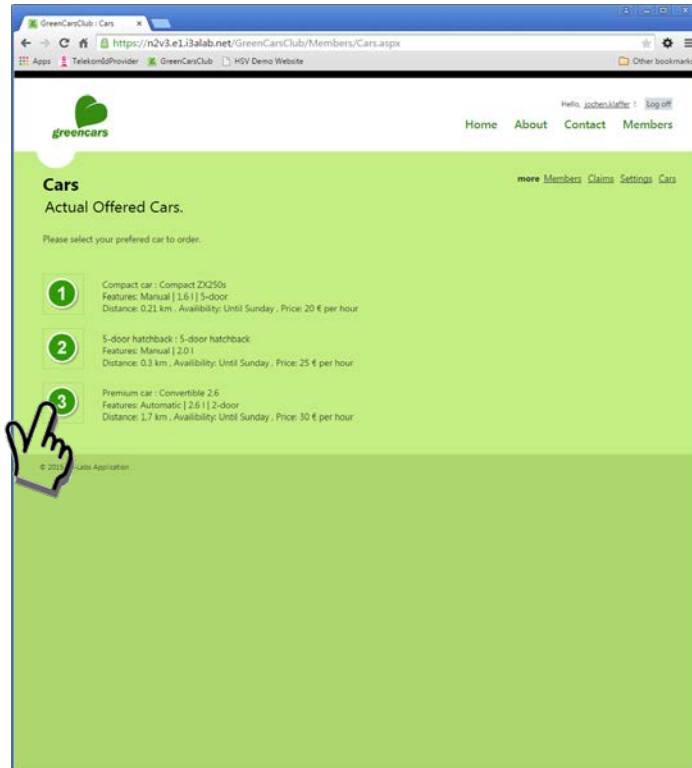
QR transfer screen
Tap on „ZURÜCK“



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UN-DEMO ONLINE COUPONING ALONGSIDE PAYMENT COUPON PASSED ALONG WITH CREDIT CARD



List of offers

Select an offer

Make reservation with credit card and
apply coupon

COUPONS IN THE REAL WORLD TODAY

... TOO COMPLICATED TO STANDARDIZE THEIR FUNCTIONALITY

A coupon usually contains a code which identifies the effect it will have for the purchase. To communicate a coupon the code needs to be typed in or scanned with an optical or contactless technology.

(Note: We're differentiating coupons from vouchers in such a way as 'voucher' stands for a good to be delivered or service to be rendered upon delivery.)

Coupons can be issued by

- Merchants
- Loyalty systems
- Manufacturers

... and still be used in the same place!

Coupons have different effects and are often bound to certain conditions

Limited validity

Only at certain time of day

Only for specific customer

Grants % discount on price

Only usable once

Only at certain day(s)

Only for specific payment type

Grant \$/€/ discount on price

Certain goods only

Only valid for 2nd 3rd good

Only at specific shop of chain

Get product at set price

Only if certain total reached

Get one free

Get a present of some kind

...

In Germany many coupons (usually issued by larger white label platforms) give you more points or miles instead of a discount on the price which requires a loyalty account to be associated with them.

DIGITAL COUPONS ARE POTENTIALLY EVEN MORE FUN... ... IF WE MAKE THEM EASY TO USE WHATEVER THEY DO

Multi-Channel (and cross-device)

Redeem at

- Brick & mortar shop
- Online shop

Acquire from

- Brick & mortar shop
- Posters and ads
- Postal mailing
- E-Mailing
- Peer-2-peer (virality)
- Just anywhere (games and places)

Recognition

- Coupons cost money to produce, to process, and to realize (compensate for) their benefits
- Issuers expect them to influence buying decisions – they need to be ‚present‘ at the time of planning/ decision

In the digital world, uniqueness of a printed or non-securely encoded coupon can't be granted anymore

- For some this is good, many, however, will need to ensure authenticity or even uniqueness
- There seems little difference between a claim/ credential / token for service authorization
- Verifiable claims might make a good digital representation of coupons from unprotected to cryptographically signed ones

LOYALTY (EQUALS IDENTITY ?)

... AND IT CAN BE SUPPORTED WITHOUT 'SOLVING IDENTITY'

Loyalty systems come in varieties

- Anonymous - also applies to stamp systems (Kaiser's card introduced in Germany 2014/15)
- Singular customer loyalty for a certain shop/ chain/ service
- Branded schemas mustering partners (e.g. airlines)
- White-label systems with a high number of partners (e.g. Payback or Deutschland Card in Germany)

Loyalty systems allow to

- Give benefits to loyal customers
- Collect points/ miles for further use
- Run tiered privilege systems
- ...

All digital and all non-anonymous loyalty systems are identity systems

- Current loyalty systems require to register for online services
- Particularly white-label systems issue ID-bound coupons

T-Labs' approach turns any identity into an item (claim, credential...)

- ...which simplifies loyalty for proximity and online a good deal



THE PURCHASE EXPERIENCE - PART I IS ALREADY HAPPENING



- Payment and Value Added Services are managed independently from each other
- Different technologies involved



- Payment and Value Added Services are managed together
- Still different technologies involved

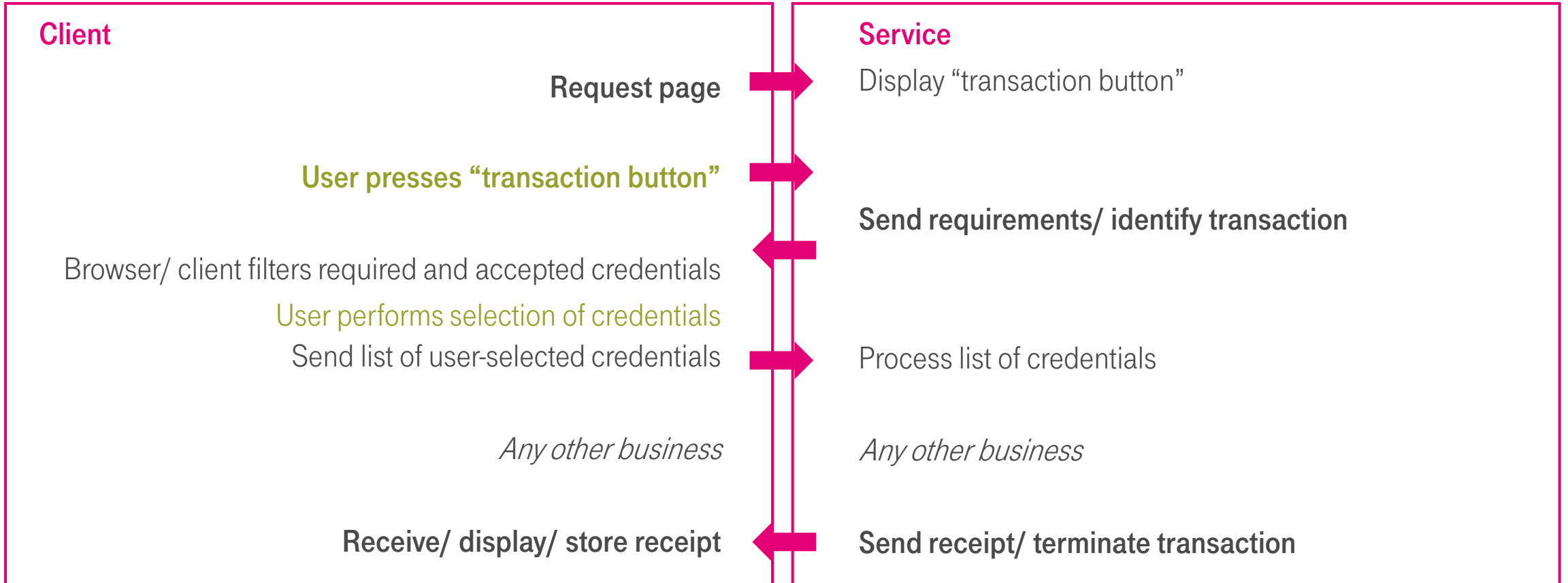


THE PURCHASE EXPERIENCE – PART II IS IN OUR HANDS



COMMUNICATION STRUCTURE FOR ITEMS

FRAMING A TRANSACTION WITH UNKNOWN PROTOCOLS INSIDE



STANDARDIZATION ISSUES

The browser is just one of the possible channels to communicate a coupon through, but web technology might become the common denominator



The coupon as a digital <claim, credential, token...> needs to be communicated through the browser, but also through NFC, Bluetooth, optical and possibly further means. One such object will likely refer to several different protocols at once.

We propose a transaction framework be prepared, instead of an attempt at one solution

- keep out of couponing/ loyalty functionality, as it is way to diverse – and innovation will happen increase variety even more
- **follow an itemized approach – verifiable claims are a good fit, a meta-structure might be useful to cover VC, legacy and identity protocols, effectively even hardware too (has been demonstrated already)**
- Payment credentials might be handled alongside these credentials later on too

THANK YOU!