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Loyalty as a Growth Engine.

How to tell the ROI story

What We Do.

DESIGNERS

GTM to high growth, we've consistently designed market-leading customer engagement, CRM, and loyalty programs and experiences.

BUILDERS

We've purpose-built hundreds of member experiences using solutions that leverage best-in-market technologies to support rapid growth.

OPERATERS

We currently operate and manage national campaigns and loyalty programs that interact with more than 200MM consumers annually.

Bond is the customer intelligence driven engagement company.

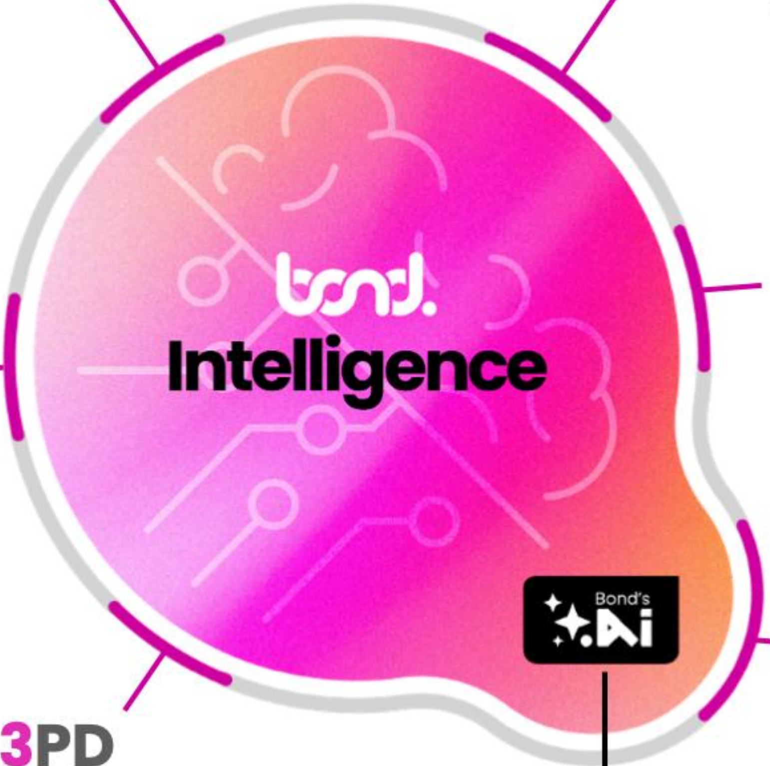
Our Intelligence.

ØPD

Most robust methods for collecting **zero party data** on customer attitudes, attributes, comprehension & motivations

15yrs

The largest, most robust longitudinal baseline data set on customer loyalty & engagement on the planet—perfect training data for the industry's adoption of AI.



1PD

First Party Data of observed behaviors in dozens of programs across multiple categories

E²

Experience x Expertise
Decades of direct experience in Loyalty. Keen expertise in human motivation. Veteran practitioners, operators with sleeves rolled up,

3PD

Broadest spectrum of permissioned proprietary & partner **third party data** on promotional, participation and purchase patterns—full funnel, full wallet, fully disclosed, ultra usable engagement signals

The Bond Behavioral Institute.

Network of academic relationships, spanning HBS, Stanford, MIT and more —applying cutting-edge research in neuro-, behavioral- & data-science.

Enhanced by **Bond's AI** tools and integration allowing brands to do and see things at speeds and scope faster and larger than ever before.

What is Loyalty?

/lɔɪ.əl.ti/ noun

A strong feeling of support or allegiance to a person, group, cause, organization, or idea.

It reflects trust, dedication, and a willingness to maintain a ***bond*** *even through difficulty.*

Building a robust business case follows a simple process.

1) Start with the current financial landscape

2) Build out understanding of levers loyalty will impact

3) Apply predictive assumptions to model

Baseline Financials	Loyalty Opportunity Assessment	3 Year Financial Business Case
• Establish a baseline view of the population to be impacted by loyalty. • Collect key information and determine scope of solution.	• Introduce the financial modelling process, inputs, and levers within the business case. • Identify which financial levers will be impacted by the program and how each will contribute to the financial business case .	• Estimate or measure the impact of lift and investment on baseline population. • Apply ROMI formula (Incremental Profit minus Incremental Costs), divided by Incremental Costs.

There are two key Model Drivers of incrementality.

Drivers of Incremental Revenue

Lift in Transaction Frequency

Lift in AOV

Net Member Growth Rate

Model Levers

Lift in Transaction Frequency
- % Members making an additional trip

Lift in AOV
- % Members purchasing an additional item
- % Trips with an additional item

Net Member Growth Rate
- Net New Members (Split of 'New to Brand + Program' and 'New to Program')
- Member Retention

Drivers of Incremental Cost

Cost of Rewards

Program Perks & Benefits

Ongoing Fixed Costs

Model Levers

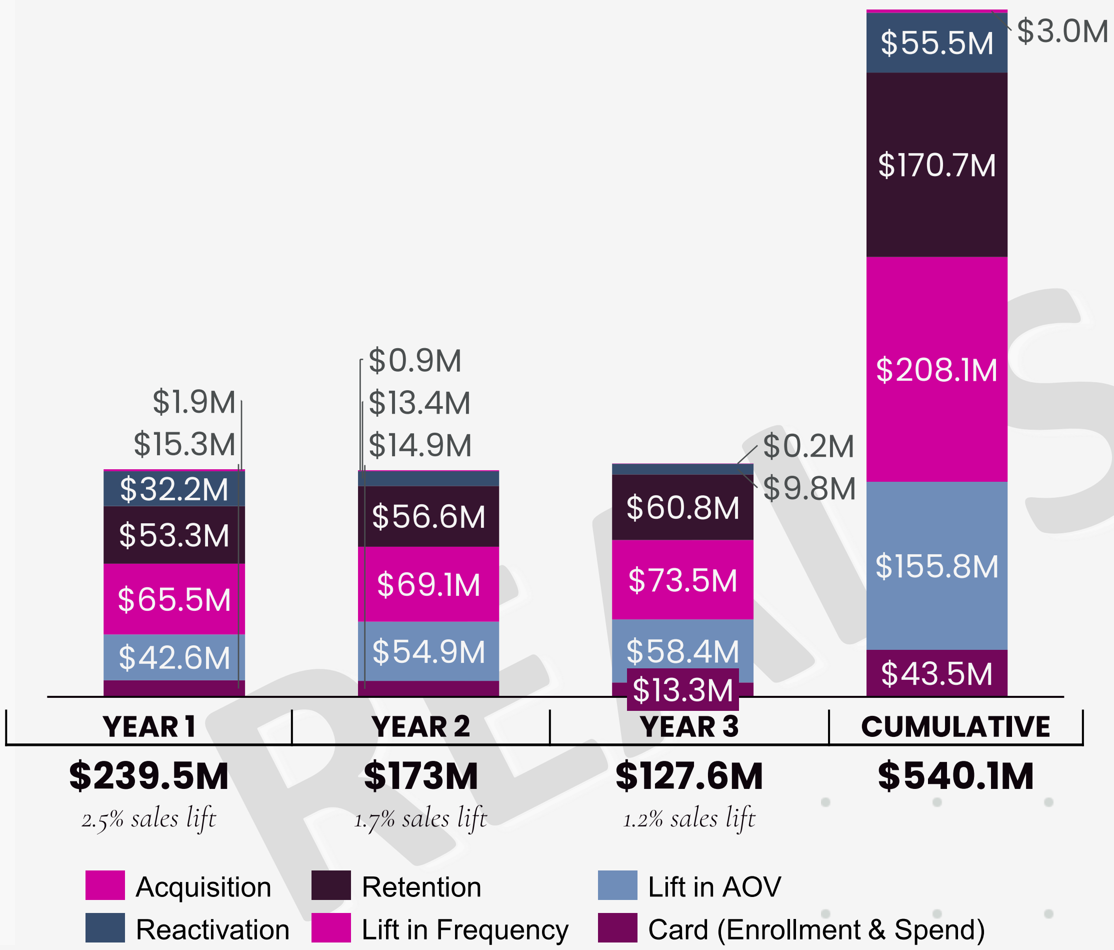
Cost of Rewards
- Earn Structure
- Earn Multipliers
- Dividend Rate
- Burn Rate

Program Perks & Benefits
- Uptake Rate
- Number of Uses
- Cost Per Use

Ongoing Fixed Costs
- Technology Costs
- Marketing Costs
- Operating Costs
- Loyalty Database

Proper treatment of financial analysis can demonstrate predictive Incremental Retention & Frequency.

Incremental Net Revenue Driven by Loyalty



Cumulative 3-Year Results:

Incremental Net Revenue:
$540.1M

Cumulative ROI:
51 – 89%
ROI range between Conservative and Base

Revenue Assumptions	Baseline	Y1	Y2	Y3
Acquisition Rate (% Annual Lift Assumption)	14.6%	14.9% (2.4%)	15.2% (1.4%)	15.3% (0.3%)
Reactivation Rate (% Annual Lift Assumption)	23.9%	25.4% (6.5%)	26.1% (2.5%)	26.5% (1.0%)
Retention Rate (% Annual Lift Assumption)	62.9%	63.7% (1.1%)	64.3% (1.1%)	64.9% (1.1%)
% Members Making 1 Incr. Visit a Year		2.1%	1.1%	0.5%
% Members Buying 1 Incr. Item a Year		4.9%	3.1%	1.3%

Smart loyalty initiatives can turn customers into true growth drivers.

ENGAGEMENT

~50-90%

Active Participation Rate

EXPERIENCE

~61%

'Loyalty programs are an important part of my relationship with brands.'

ADVOCACY

~64%

'I am more likely to recommend brands with good loyalty programs'

Program Members …

- **… will directly interact with you** … without intermediates
- … contribute significantly **more and deeper firsthand information** and insights
- … **share their pride in using your products** and reinforce your brands brand's image

All benchmarks and data points are derived through Bond's proprietary loyalty platform with 20+ years experience designing and operating loyalty programs, additionally attitudinal data has been informed by **the 2024 Bond Loyalty Report**

Engaging loyalty strategies drive higher spend.

REPEAT PURCHASES

~57%

'I modify the amount I spend to maximize benefits'

SHARE OF WALLET

~58%

'I modify the brands I purchase from to maximize program benefits'

CROSS-SELLING

~10-20%

Average Basket Size Incremental Lift

Program Members …

- … are **less price-sensitive**
- … value your products as **the natural go-to choice in any purchase decision**
- … build an **emotional affinity** to your brand and **choose your products more often**

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Meaningful and relevant connections fuel long term growth.

CUSTOMER RETENTION

~71%

'Programs make me more likely to continue doing business with brands'

LIFETIME VALUE

~50-80%

sales over 3 years time come from loyalty program members*

*Loyalty Transaction Penetration Rate

INCREMENTALITY

~10-25%

Revenue Incremental Lift

Program Members ...

- ... will perceive your product to **be more present in their life** through more frequent content and relevant communication
- ... feel **secure and better understood and will stay longer with you**
- ... rather choose to **upgrade, accessorize, and optimize their experience with you**

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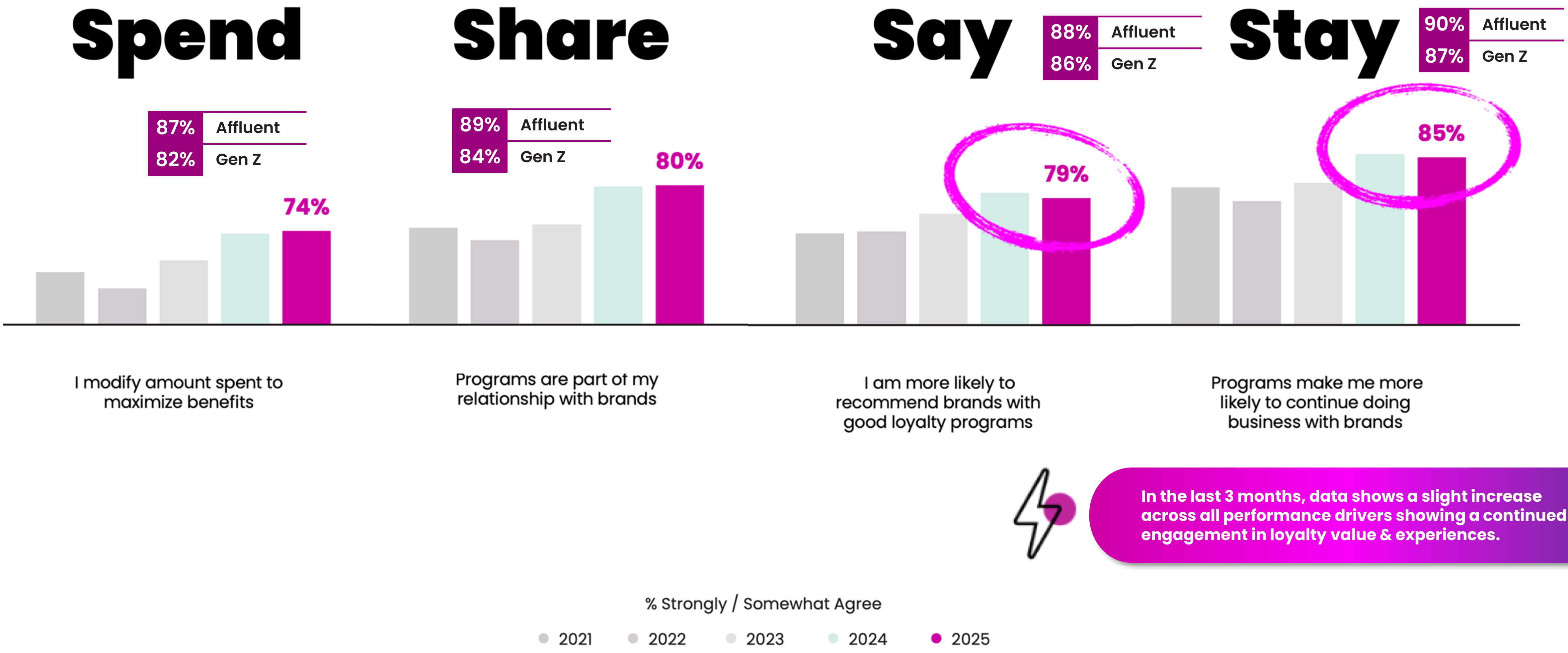
A dynamic market requires customer proximity.

Attitudes towards loyalty continue to peak.



In the last 3 months, data shows a slight increase across all performance drivers showing a continued engagement in loyalty value & experiences.

Q. Thinking about your customer loyalty program and credit card reward program experiences in general, to what extent do you agree or disagree with the following statements?

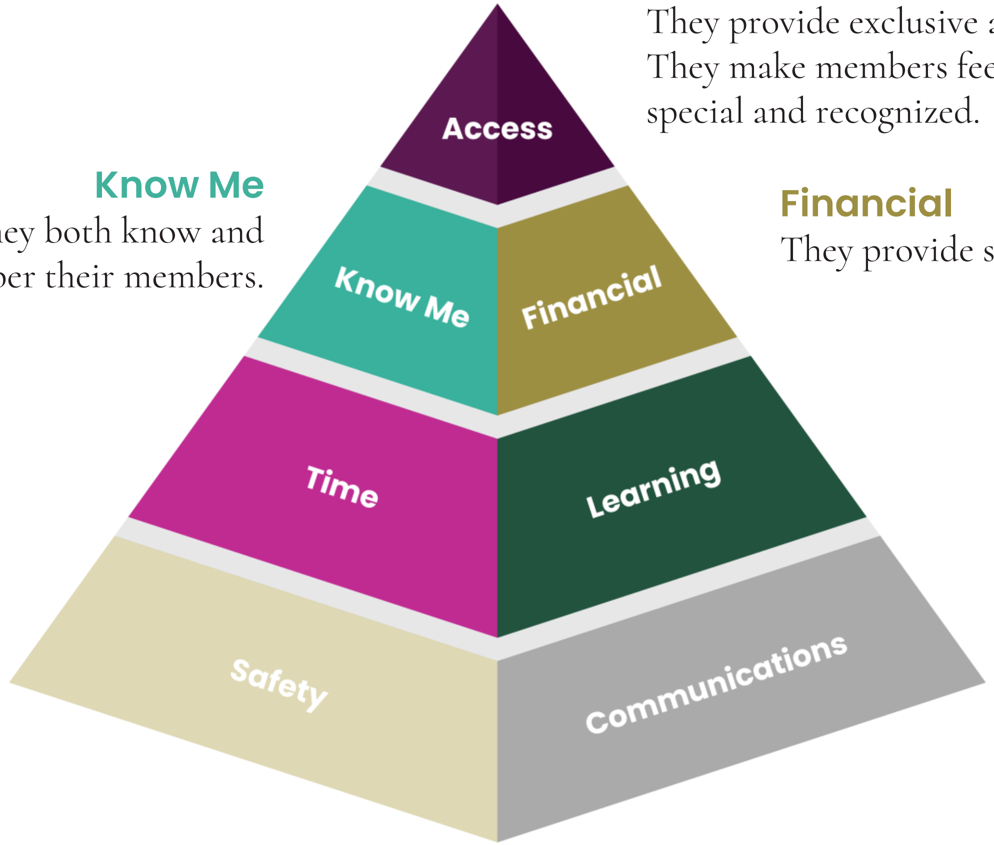
Program Performance Pyramid.

Sustained loyalty is built on multiple attributes contributing to overall member value.

Access
They provide exclusive access. They make members feel special and recognized.

Know Me
They both know and remember their members.

Financial
They provide some value.



Time
The brand save their member's time. They provide ease and convenience.

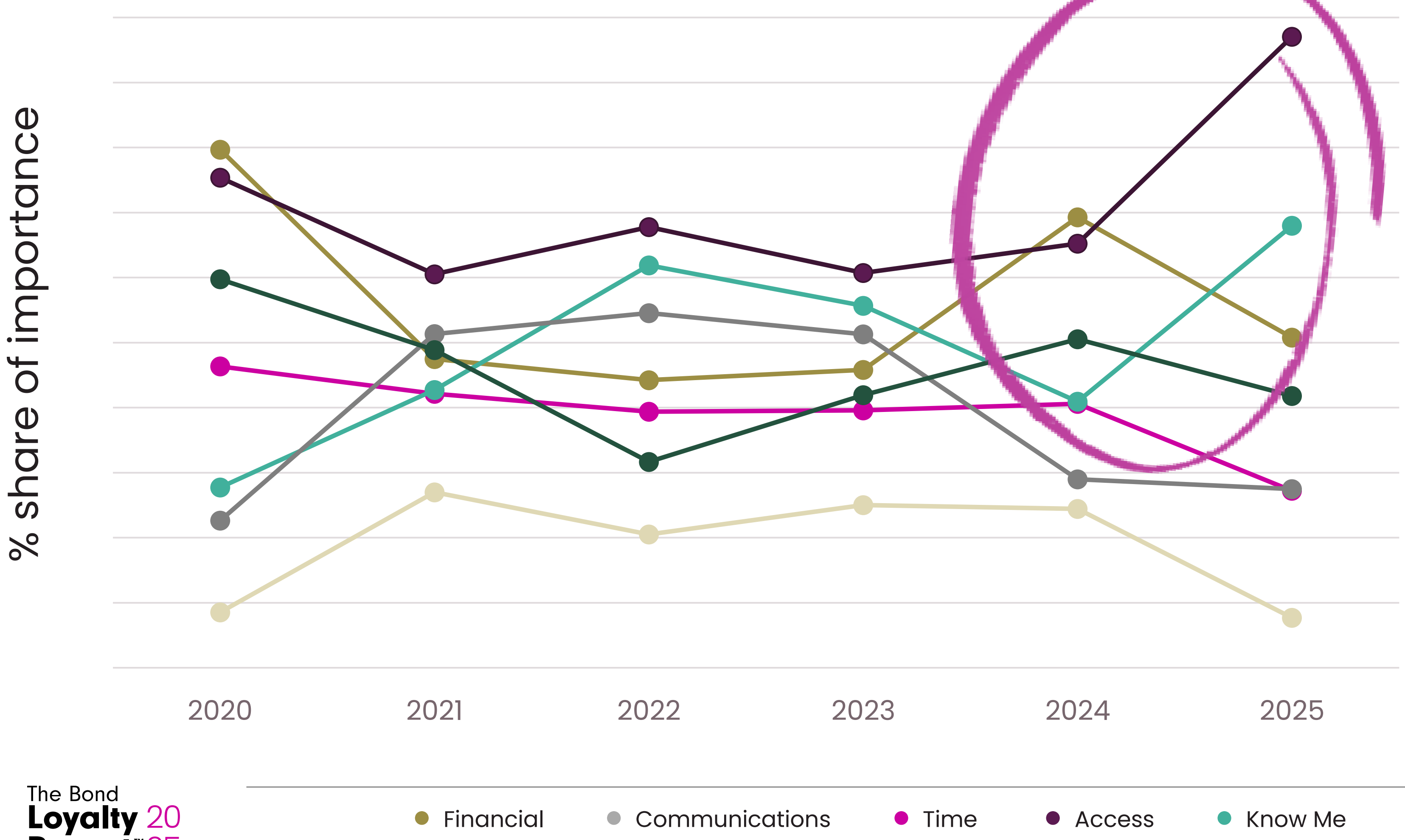
Learning
They enhance member experiences by providing relevant information.

Safety
They make their members feel secure.

Communications
They send members relevant communications that are worth their time.

Relevance Rises in Importance.

Powered by Bond's synapze



Access

First-Look
Last Call
Front of Line

Know Me

Recognition
Personalization
Tailored Experience

DO! DIFF

Amp up making members feel valued and important by getting access and leveraging data for relevance.

WALLET WANDERLUST

1-night spends

ever-after engagement

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Loyalty allows you to own the known.

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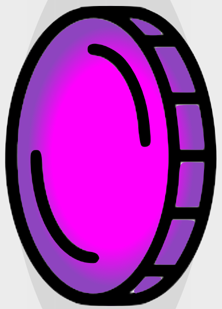
FOLLOWER FUNNELS

Predict your next best customers—before they show up to shop

DISTINCT DIFFS

ID the behaviors that truly make a loyal customer different.



JOURNEY JUMPS

Spot signals that predict stage transitions before churn or upgrade.

REWARDS REMIX

Inform and test high-shift reward constructs before rolling them out.

SHARE SHIFT

Measure share-shift in relative real-time at a member level

FI-agg data from partners like: Representing ALL networks +Debit

Bond's Wallet iQ

All Sides of the Coin.

PRIMARY USE CASES

Your customers' loyalties to adjacent brands

competitors'
Your ^ customers' loyalties to adjacent brands

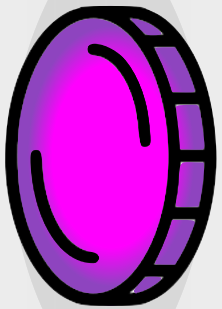
PP

PARTNER PRISM

CHEAT CODE

Which of your customers are cheating on you— with who, how much, when & where?

CC



RR

RIVAL RECONN

competitors'
Which of your ^ customers are fragmented in their spend, to what extent?

VV

VULNERABLE VALUE

Capitalize on key cohorts' shiftable-share and "bendable spend" among conflicted customers' vulnerable value

Bond's Wallet iQ

FI-agg data from partners like:

Representing ALL networks +Debit

>40 USABLE LOYALTY INTELLIGENCE DATA-PTS

Program Participation

Enrolled
- Status (Y/N)
- # of Prgrm
- Prgrm Names
- Date

Activity
- Status (Y/N)
- Prgrm Names
- Active-rate/Prgrm

Tier Status
- Label

Pts-Behaviors
- Revolver
- Collector
- Hoarded

Redemption
- Ever (Y/N)
- Recency (T-)
- Frequency (#)

Loyalty Receptivity
- High
- Mdm
- Low

Purchase Promiscuity

Likely Share of Wallet
- Primary
- Secondary
- Tertiary

Propensity to Cheat
- High
- Mdm
- Low

Competitors In Wallet
- Named
- Numbered

Recency of Cheat
- # L30days
- # L90days
- # L180days

Frequency of Cheat
- per/wk
- per/mo
- per/Q

- $: $

Spend On Us Vs. Them

Partnership Performance

- **Propensity for Participation**

Partner Potential
- $amt

Shiftable Share
- % and $amt

Rival Recapture
- $amt

Bendable Spend
- $amt

Powered by Bond's synapze

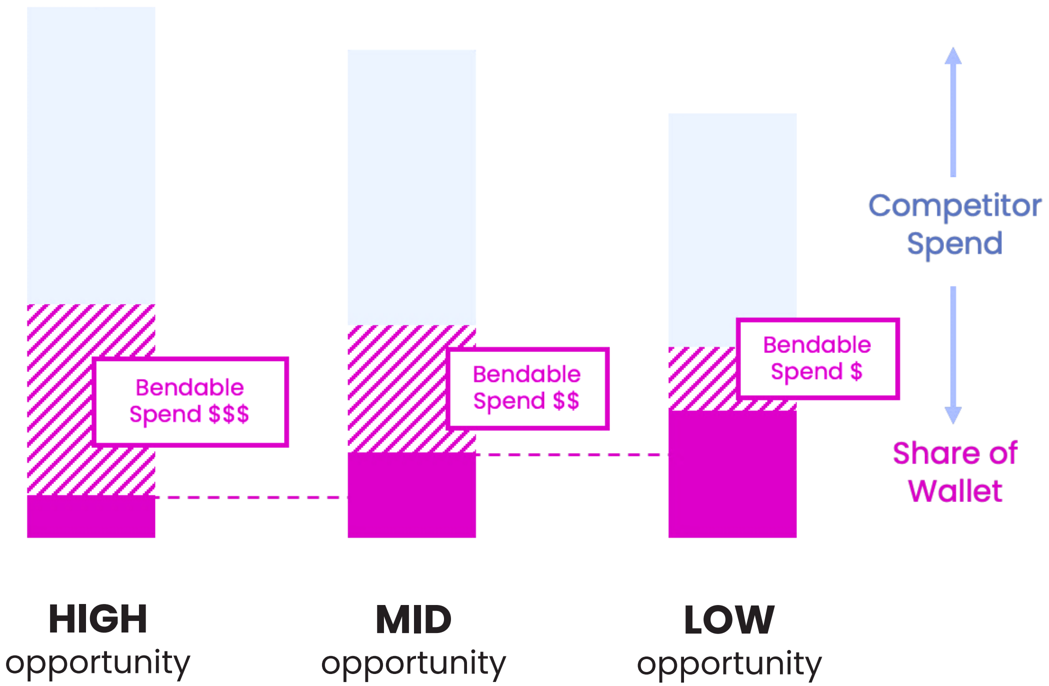
Enriched for Action.

1-2-PUNCH

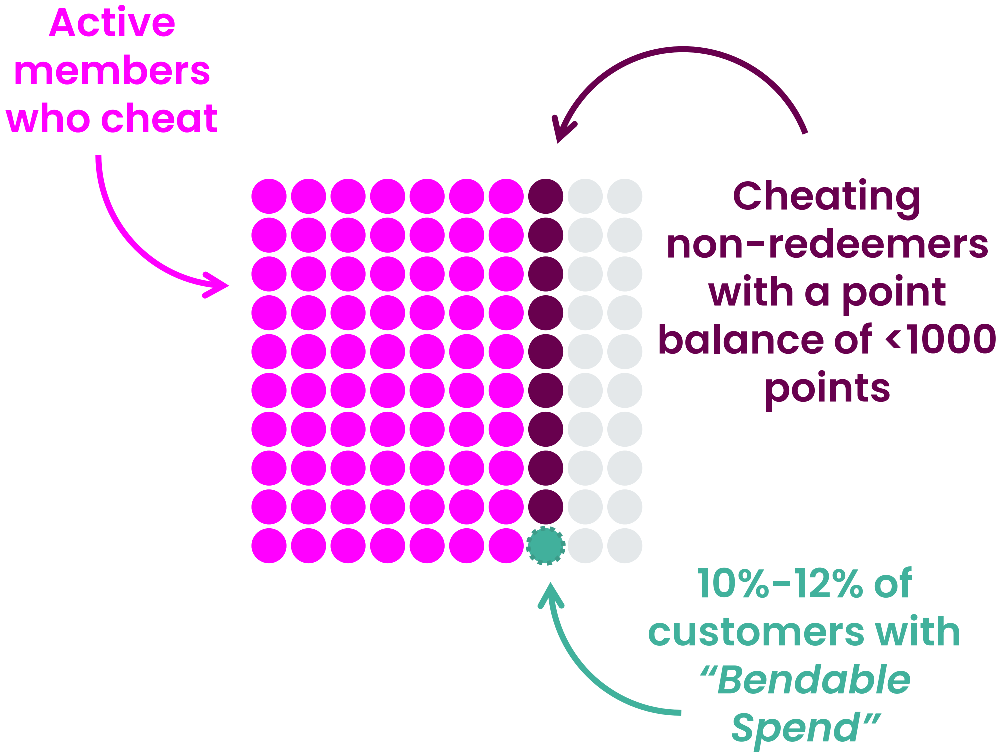
Powered by Bond's synapze

1. SIZING THE PRIZE

Total Category Spend per Segment



2. MATCHED MEMBER FLAGS



Snowflake, Salesforce Data Cloud, GCP, S3 and SFTP available

Bond's Wallet iQ

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Any Questions?

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