

Statement of Needs: Loyalty Platform

Requirement	Current Thoughts on Satisfaction of the Requirement
Points nominal value	The exact structure of the points programme, i.e. the nominal actual value per point, is still to be decided upon. The loyalty platform will be required to put this into their system once confirmed.
Calculating points for retailers to purchase	<p>The programme will be positioned to private sector partners as a way of driving cardholders to their business. Private sector partners will be asked for a 'contribution/discount' for those cardholders who make purchases from them. The cardholder will still pay the full price to the private sector partner and the contribution/discount will be applied at the 'back end' by the loyalty engine in the form of points to the cardholder.</p> <p>It is expected that private sector partners will offer variable contributions/discounts depending on their margins. The range is likely to be between 1% - 20% with an average contribution/discount of between 5% - 10%.</p> <p>A private sector partner will swipe the cardholder's loyalty card on the terminal and enter the total amount of the shop that qualifies for points – only healthy goods qualify. The loyalty platform, on receiving the information, will recognise which private sector partner it has come from and what the contribution/discount level is e.g. 10% on a £100 purchase would equate to £10 contribution/discount value. The value could then be applied accordingly – see below.</p>
Applying contribution/discount	<p>The contribution/discount received from the private partners will be split three ways. Depending on the stage the points4life programme is at (i.e. how long points4life has been operating along with other variables), the percentage split may vary. Exact details of this will be developed during dialogue. In principle the £10 above as an example could be split as follows: £7 converted into points for the consumer, £2 allocated to help fund the points4life programme and its operations and £1 allocated to a fund taking instructions from the Authority. The fund will pay for points issued by NHSM and the Council to cardholders for participating in their services/programmes to improve health and well being. Flexibility is required in the loyalty platform to enable further splits to occur in relation to the burning of points by a cardholder i.e. a cardholder may decide that they wish to allocate/distribute some/all of their points to a local school and a charity. For some types of partners, both private and public sector, points may be allocated not on a discount basis but on a per visit/transaction basis e.g. attending a particular course, going to the gym. The points earned will be registered by a swipe of the card and the loyalty platform will need to have the capability to handle this type of transaction.</p>

Points Purchase	The loyalty platform will need to have the capability for different partners to purchase points at different rates.
Private sector payment for points	Once a cardholder's purchase has been made and the contribution/discount calculated for that purchase, the private sector partner will be invoiced on a daily/ weekly/ monthly basis and funds taken from their account. The optimum frequency and best process for this is required.
Public sector payment for points	A similar method as above is required where these points are funded by the public sector. Exact method and frequency of payment will need to be developed.
Points expiry	Points will automatically expire after 3 years. Cardholders must be informed prior to points expiration.
Non structured physical activity points earning	<p>The Authority requires the ability for people to earn points from unstructured physical activity. This means physical activity outside of formal gym environments. Examples of this might include, cycling, walking and running in parks, walking to school etc. The broad concept would be that this activity is measured and then points allocated based on the calories burnt as part of this activity.</p> <p>The loyalty platform will need to receive information detailing points allocated to the individual as well as information on the type of activity the individual engaged in. This data will be required to enable the capture of lifestyle data to be used in statement and offer mailings e.g. a person who regularly runs may be interested in offers to redeem points for running shoes. The loyalty platform needs to capture from the unstructured physical activity what activity and the frequency of activity people are involved in.</p>
How can organisations communicate earn offers to the cardholders and to the loyalty platform?	The loyalty platform needs to allow private partners to remotely access their account and amend the % contribution/discount they will offer. The system can then advise them what this would equal in points terms so that they can communicate this to cardholders. Potentially private partners may need to allocate points based on SKU or category level detail sent to the loyalty platform.
What user data segmentation is required?	<p>There is a requirement for cardholder data to be segmented and for information relating to cardholder communications to be captured i.e. who has been sent what, open rates, click through etc. Part of the overall requirement is for a full CRM programme to enable both on-going communications to all customers, and also the targeting of specific customers segments. This should include the capability to identify different groups based on rule set e.g. lapsed cardholders, high user of gyms etc. The segmentation and profiling would then be cross analysed with spending behaviour, location etc.</p> <p>All customers completing a benchmark questionnaire will be profiled based on Department of Health segmentation criteria.</p>

	http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_090118 .
What promotional support will be offered during the initial launch period?	In order to encourage take up of certain health and wellbeing activities it is envisaged that some sort of bonus may be implemented during the initial launch period. Promotional offers from strategic retail partners will be sought for the programme launch.
Will cardholders be awarded a joining/signing up point bonus?	A signing up bonus will be offered at launch and a further bonus offered for filling in a benchmark survey. Additional bonuses to customers to complete further questionnaires at various times may also be implemented.
Will online retailers/service providers be part of the programme?	Online partners will be subject to the same criteria as high street partners in terms of what is a 'healthy purchase'. The platform will need to have the ability to accept a points4life loyalty card number and transaction information e.g. value electronically direct from an online payments page.
Can accounts be combined?	There will be no restriction on how points can be combined. People living within the same household or family or even just friends can elect to donate points to another card/account e.g. a School Account so that the School can purchase sports equipment.
Who can earn points?	Whilst only individuals can earn points, organisations and bodies can request an account e.g. a School or Charity. In this way cardholders can donate points, much like some supermarket schemes allow people to collect and donate points to a School so that the School can obtain books or computer equipment.

Burning Points

Requirement	Current Thoughts on Satisfaction of the Requirement
Where can cardholders redeem their points?	Initially users can redeem their points for aspirational events or for leisure activities through a range of partners. In addition cardholders will be offered a catalogue featuring a range of health related merchandise that they can redeem their points for. Points redemption can be made either online or via the call centre. There will also be items in the catalogue that will specifically appeal to local clubs e.g. soccer cones, soccer bibs etc. Later on this could be extended to selected merchant partners. It is planned that this is rolled out on a gradual basis as safeguards would need to be put in place to ensure redemption can only be carried out for 'healthy' goods and services.
Aspirational rewards	Key relevant local and national high profile partners will be approached to create 'money can't buy' activities that could be used for burning points e.g. VIP training day at a premiership club.

Catalogue of Goods (see separate Statement of Needs section)	A key element of the burn strategy will be through a rewards catalogue. Integration with the catalogue of goods will be required.
Lucky draw, auction capability	A lucky draw system may be used for the awarding of places to take part in aspirational events and activities. The loyalty platform will require the capability for cardholders to redeem for draw tickets for a set number of points and to carry out a random drawing of winners for the rewards. Ability to award bonus tickets based on either value of purchases or frequency of activity is also required.
How are points allocated on burn?	Points will be allocated on a first earned, first burnt basis thus minimising any points expiration issues. 'First In, First Out' - FIFO
Where can consumers see all redemption options?	In addition to the website, cardholders will be able to text – ideally at minimum or no cost – to the points4life programme or call a number to access both their points balance and also to see what they could redeem for, based on their current balance and also future potential based on earning rates. In addition for key aspirational events points4life will advertise in the local newspapers. Paper based statements will be sent out only on request half yearly and electronic statements on a monthly basis.
Statement requirements	Statements need to be customised based on: number of points earned over defined period, potential future points earning by multiplication of current earnings rate, previous burn activity and current purchase or point earning behaviour, e.g. a statement to someone who is a regular runner may highlight new running shoes from the catalogue.
How do private sector businesses and council bodies update and submit promotional and redemption offers?	A partner website will be created (see Website Statement of Needs section) that will allow private partners to log on and create their own earn and burn promotional programmes. In this instance there would be a requirement to link this to the loyalty engine or potentially the website could be provided through the loyalty platform.
Redemption payment settlement	A system will need to be put in place to pay those partners who are acting as redemption partners. Payment will need to be made on a per point basis but also potentially on a per activity basis. In addition certain activities may be redeemed at a different value per points than others.
Can cardholders do part cash/part points redemptions?	This is a requirement of the platform. A key driver for volume burn will be the ability to offer leisure services at 'discounted' rates rather than for free. In addition it is planned that some aspirational events may require a part cash element to fund them and the catalogue of goods will also offer at least one split points/cash level for each item and potentially separate postage costs.
Splitting of points	Cardholders will need to be able to redeem points based on a group basis as well as donating points to bodies e.g. schools/charities. The requirement is the functionality to split

	points on the card across a number of bodies or redemptions not just all or nothing to one party.
Will points have an expiry date on them?	Points will expire after three years.
Aspirational long term thoughts	Along the lines of the BUPA Manchester Run – we would like to have a points4life Greater Manchester Sports Day. We would like to encourage families to take part in a points4life Treasure Hunt where you would simply follow clues and gain points along the way with a few gold medal prizes at the end.

Private Partners e.g. Retailers – How it works with the Loyalty Platform

Requirement	Current Thoughts on Satisfaction of the Requirement
What is the POS status in relation to the technology solution planned?	The arrangements put in place will need to be designed to ensure that potential participants are attracted to participate in points4life and bidders need to consider value for money approaches to achieving this. It would be ideal if the loyalty technology could run on existing EPOS/POS terminals with no software or other changes making it is easy to sign up any private partner/retailer. It is recognised other that partners will, if they own their own EPOS/ POS terminals, need to put the appropriate software on the terminal to read the cards, purchase new terminals or agree with their acquiring bank permission for the software to be put onto the terminal. The solution would need to run on GSM based terminals to allow for market stallholders to participate.
Who will approach the private partners?	This will be handled by the people involved in the Partner Recruitment and Management services.
How will mis-issuance of points be prevented?	Key to this process is to benchmark the private partners and enable the points engine to notify the relevant parties automatically if any one partner exceeds certain fraud parameters e.g. they issue above average number of points in a time period compared to other periods or compared overall to the benchmark. Whilst only an indicator it would allow further enquires to be made to ascertain whether mis-issuance is occurring and the necessary conversation/plan to be implemented with the retailer. The loyalty engine would need to have the capability to track points allocation behaviour based both on private partner behaviour and individual behaviour and to automatically highlight 'non standard' behaviour based on a set of rules developed by the relevant service partners. The loyalty platform will have in place the systems to automatically notify the relevant service partners of non standard earning or awarding behaviour and provide relevant interrogation capability.
Are there any benefits of linking with providers	Any company currently offering staff discounts to the NHS, NHSM or the Council could participate as one of the initial private partners.

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Overall Platform Capabilities

Requirement	Current Thoughts on Satisfaction of the Requirement
Retailer/ POS identification	Although the points4life requirements are likely to be relatively simple at launch, as more private partners are brought on board then the requirements of the platform are going to be more akin to a full merchant coalition. The key element therefore for the loyalty platform is FLEXIBILITY. If private partners are to fund points and the programme long term, the platform needs to be flexible enough to meet both their current and any future requirements. The ability to bonus and restrict inclusion based on merchant category code and also merchant code (these are the acquiring codes) is ideal. It will be necessary to offer merchants restriction on a per terminal basis going forward with different promotional points or restrictions based on a per terminal/outlet offering.
Mobile	The loyalty platform will need to provide the capability to link into the mobile communications/SMS engine service so that it can offer balance enquiry functionality. In addition if mobile is used as a research tool then the loyalty platform will need to take information in to be able to award points to cardholders when the questionnaires are answered.
POS/EPOS/ Switch	The costs of passing data from partners EPOS/POS systems should be minimised.
Data location and security	All data will be owned by the Authority. Those involved in the delivery of points4life will have rights to use the data for the purpose of operating the points4life programme only. Data security and integrity will be critical as it will cover not just purchase behaviour but also within personal files, information in relation to health and physical activity gained from responses to questionnaires and analysis of behaviour. Full disaster recovery plans will also be important.
Integration into website services	Ideally earn and burn point changes will be handled real time or as near to it as possible.

Data analytics/ cardholder coding	Cardholders will need to be coded into groups and sub-sets. In particular those cardholders that fall into one of the three DOH target segments – see research and http://www.nhs.uk/Change4Life/Pages/Default.aspx and http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_090118 . The three target segments will need to be coded separately so their activity can be tracked and action taken if required in order to drive better engagement. In addition other aspects such as the ability to segment cardholders based on earn or burn behaviour and thus create bespoke communications for them is required.
API feed – online partners	In the expectation that larger retailers may wish to automate the process, documentation will need to be produced as to how they can supply an API feed from their payment page, with suitable encryption that would contain both the cardholder number and the value of the purchase. It is envisaged as the programme develops more detailed product/activity data will be required in order to enable differing points allocations to be awarded dependant on the product purchased.
Additional API feeds	The loyalty platform will need to link into a number of services involved in the delivery of the points4life programme: user accessed website with personal information, account updates, points balances, mobile/SMS points balance enquiry system, Contact Centre for handling of email and calls including account set up and queries and the catalogue of goods solution offering the redemption of points.