THE PAYMENTS SHOW

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E85:
THE FUTURE OF LOYALTY PROGRAMS: A CONVERSATION WITH LEN COVELLO FROM ENGAGE PEOPLE

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[Important]

- This transcript was produced with machine learning and has many *__errors and omissions__*

- These timestamps are for the *__audio version__* of the podcast

[00:00:00] Intro

[00:00:00] **Satwant:** Hi, I'm your host Satwant and welcome to this episode with Len Covello from Engage People. If you'd like to watch the video version of this podcast or get the PDF transcript, please either click the link in the show notes or visit thepaymentsshow.substack.com. Enjoy the show..

[00:00:21] Len, welcome to The Payments Show.

[00:00:24] **Len:** Pleasure to be here, Satwant. Thank you very much for having me.

[00:00:26] **Satwant:** You're joining from Canada.

[00:00:28] **Len:** Yep, Toronto, Canada.

[00:00:30] **Satwant:** Good stuff. Excellent. Well, really looking forward to speaking to you about your company and, and what you offer in the, in the payments world. So I'm going to. Just kick straight off with giving you an introduction.

[00:00:40] Guest Introduction: Len Covello

[00:00:40] **Satwant:** So Len Covello, you're the chief technology offer at Engage People and your company provides loyalty solutions to businesses. anyone that uses them to earn and redeem their rewards and I would assume helping businesses to increase their sales conversions and profits and revenue.

[00:00:59] Stats on Loyalty Points

[00:00:59] **Satwant:** I want to kick off with some really shocking stats that you gave me in preparation for this. so 200 billion dollars of loyalty points are issued each year and more than half of them go unused.

[00:01:13] And that's going to form a big part of the discussion soon. So I'm looking forward to getting into that. And some really great stats for, encouraging companies to use loyalty schemes is there's a 30 percent increase in spend compared to a typical transaction when customers are given the opportunity to pay with points.

[00:01:31] Something that definitely I've, something that I've done in the past. And loyalty members typically have more than four to five redemptions per year. So there's some really interesting stats and I'm sure you've got a ton more, but I hand over to you to give us an intro of your company and, where you came from really, and, and to discuss the points that we're going to be talking about,

[00:01:50] Company Overview: Engage People

[00:01:50] **Len:** Absolutely. So, you know, loyalty is something that I, I don't know many people that aspire to get into the loyalty business when they were younger. You kind of fall into it or by

happenstance get into it and no different with myself. A technologist at heart building solutions early on and met a company that was a traditional loyalty company.

[00:02:10] So they had the catalog that, you know, people would get mailed to them annually and you could redeem for that proverbial toaster. We always use the proverbial toaster when we talk about loyalty. And there was just so much opportunity for innovation, like you would just look from, you know, the communication with a member, the personalization that a member was getting to.

[00:02:29] The way they redeemed, the way they were communicated to, to that last mile, just the fulfillment process that didn't even touch the customer itself until they got the item in the mail and we just saw so much opportunity there. So we started building solutions in this space and, and, you know, fell in love with the space, saw so much opportunity and Engage was born out of that.

[00:02:49] So we ended up acquiring that company that we originally did work for and 15 plus years ago started building technology solutions in this space.

[00:02:57] **Satwant:** So you're mainly head, obviously you're headquartered in Canada and you operate mainly only in North America. Is that right? Or worldwide as well?

[00:03:03] **Len:** So we do have clients around the world. So some of the larger FIs globally who have offices around the world, we support them as well. As an organization, we're relatively lean. So we really like to deliver upon what we promise and. The only way to really do that is to be on the ground meeting with clients.

[00:03:21] So early on in the organization, we expanded out, but predominantly we figured, you know, staying in North America, focusing on FIs would work really well for us. So that's where we are today. We do have an office in Europe. So our development shop helps in Europe as well. And we've got clients in the APAC region as well.

[00:03:38] So we have people on the ground there, but again, North America is is where we focus.

[00:03:42] **Satwant:** Okay. So, so you're saying that your customers tend to be organization like banks and credit card companies where they're offering loyalty or incentives within their.

[00:03:59] **Len:** Correct. Yeah, so if you think of a typical bank a large financial institution that has a credit card program or other ways in which you can earn points what Engage provides is the underlining technology to run those programs. So we're white label but we'll pick on, you know, Bank of America, if you've got a Bank of America credit card and every time you tap or swipe your earning points our solutions run in the background to support.

[00:04:22] As you mentioned earlier on, the earn side of this and then the burn side of that proposition as well. And that stems from not just the calculations in the background, but the way in which you communicate with a member. So in that app, if there's personalized offers, if there's messaging specific to the user, we provide the technology in the background to support that.

[00:04:41] The Power of Brand Trust in Loyalty Program

[00:04:41] **Satwant:** I want to dig deeper on one of those points. So of the six key areas of your solution, you know, one of them that I really liked personally was the reach fulfillment. So an example on your homepage of that was, if you're buying an Apple product with loyalty points, the page looks the same when you're logged into the HSBC loyalty part of their site. as if you were on the Apple site.

[00:05:06] **Len:** Yeah, it's incredible the data you can Gather from these programs and you can sell that same Apple product. We'll pick on the latest Apple watch and you can put it in that example in the HSBC Rewards program in their catalog. And then you can sell that same watch for the exact same price through an Apple experience.

[00:05:25] And customers will gravitate towards the Apple experience. And there's something to be said about the trust of both brands put together. But knowing that that's coming from Apple, we see a higher redemption rate there. So. It's something we brought to the market is to allow a member to complete that fulfillment experience with the brand that's ultimately supplying the product.

[00:05:44] **Satwant:** I want to just dig a bit deeper on that particular example.

[00:05:46] The Importance of Seamless Integration in Loyalty Schemes

[00:05:46] **Satwant:** And I speak from personal experience where You know, I've used Citibank in Australia years back with their loyalty scheme and it was a good scheme, but there was some very clunky integration. And sometimes if you try and buy something, it crashes or, and you don't really know what's going on. So you can't understand it either, you know? So again, so on this Apple experience, and I encourage anyone listening to, to have a look at the Engage People site to see it, it's not the actual Apple site, it's been made to look like that. Is that right? Or have I got that wrong?

[00:06:14] Pay with Points

[00:06:14] **Len:** That's correct. So there's a, a longterm philosophy and loyalty, and I think we'll get to that on the pay with points where these loyalty programs at some point, the member will redeem as part of their day to day transactions in life, and that's what we have today with our Access Plus solution, and we'll get to there in a second, but what we're really trying to do is have companies do what they do best, and your bank, your FI, is best at being a bank, and what they really want to offer their members is the best possible experience, so it's a path to get there, it's definitely a journey and We've been for years meeting with some of the largest brands around the world to get directly into the checkout flow, and for obvious reasons, it's harder for some, or it may not just be in their roadmap as far as priorities.

[00:06:59] So what we're doing with our solutions is kind of providing something in between for that member as well to have that experience. So you mentioned the Apple experience, Best Buy. We have that same opportunity with Best Buy as well. And then you get to the likes of companies like Amazon, where we're directly integrated into their checkout flow.

[00:07:16] So, longer term in loyalty, it's our expectation that the majority of redemptions a customer will make will be part of the day to day life. It'll be, you know, tapping at a gas station and using their points, which we have in market today. Or, you know, walking into an Apple store and using your points as you pick up that pair of AirPods as opposed to making that redemption early on.

[00:07:36] **Satwant:** it was interesting, you said about how with Amazon, you're integrated. Pretty much into their checkout flow and you mentioned your Access Plus. So that gives members the ability to pay with their points at any participating e commerce website in the world, really. So you're kind of implying that, okay, you've got the Amazon thing really deeply integrated, but with others, it's more of an integration still. And you're trying to get to that Amazon experience. Is that right?

[00:08:01] **Len:** That's correct. And there's more than Amazon today in market that we have, but that is ultimately our goal is to get into the checkout flow. Cause you hit the nail on the head. It's you want to avoid that clunky experience. You know, when I redeem typically on a, on a reward scheme, it's, you know, who's responsible for that delivery.

[00:08:17] When I order that product, is it the bank? Is it the loyalty provider in the middle? Is it the brand ultimately that has that product? So we want to remove that. And the industry saw a lot of gift card redemption over, I'd say, the last five, six years. And I think that was specifically the customers themselves saying, I don't want to deal with the four to six weeks delivery time.

[00:08:36] You know, Amazon changed the world with the same day or next day delivery with Prime. So that's the expectation for a customer. So they went to gift cards so that they could transact on their own. But that really removed the, The true reason for loyalty is creating that affinity with the brand and that recognition.

[00:08:53] So I'd go into, you know, we'll pick on another bank. I'd go onto Citibank. I'd redeem for a gift card for Amazon as an example. I'd get that sent to me. And then, you know, it could be a couple days later. It could be a month later. I used that gift card to buy a product and I've lost that connection. I don't remember why I got that gift card.

[00:09:11] I don't remember the actions I performed and who rewarded me with that, but that was satisfying. The customer need is I want more choice and I want to have it when I want to have it and I want it fulfilled in that fashion. So really, that's what we're trying to do here is, is complete that connection and do that quite rapidly for a user.

[00:09:29] The Role of Loyalty Programs in Travel

[00:09:29] **Satwant:** one part I just specifically decided to pick on amongst your six main solutions is the passport travel. Can you talk about that?

[00:09:37] **Len:** So travel has been probably the biggest redemption item in these programs for years. The travel companies themselves run some of the most successful loyalty programs, albeit the airlines or the hotel chains themselves. So travel is still one of the best aspirational items for a customer to redeem for.

[00:09:53] And again, it ties back to what we were discussing on the fact that I'm getting rewarded for something. So, you know, loyalty at the end of the day, while there is a lot of day to day redemptions for customers, and that changes depending on the economic conditions that, that we're going through, but it's still aspirational.

[00:10:09] I, I still really want to. You know, use my bank card, rent from a specific car company, stay at a specific hotel chain, and then at some point be able to take that vacation, whether it's with my

family, it's with a friend, a partner, it doesn't matter who that is, and say, I got this on points. So loyalty and travel are kind of synonymous.

[00:10:28] And it was something we wanted to have in market as well. So we could offer, you know, really the end to end suite of products for our customer base.

[00:10:33] **Satwant:** I mentioned at the beginning of the show, the stats. Indicate that, you know, half of loyalty points go unused. And it's interesting that your company's focus is on the financial institutions where a lot of offers can be put in one place.

[00:10:49] The Impact of App Fatigue on Loyalty Programs

[00:10:49] **Satwant:** And I wanted to ask you, about app fatigue where consumers are just fed up down and yet another app for getting loyalty points or discounts.

[00:10:56] Are you finding that if we zoom out at a high level that consolidating promotions in people's banking apps is, is a major trend and it's replacing a lot of dedicated sort of shopping apps or, you know, what's the bigger trend there or is it just something just additional and not a trend?

[00:11:17] **Len:** I think there's a trend there. I agree with you with the app fatigue, and there are so many apps we're all guilty of having in our device. And if it's, you know, two pages away from getting to chances are you won't use that. You won't see those offers. You won't take advantage of that offer, whether it's a discount, whether it's a promotion.

[00:11:33] So the banks are fully aware of this, and they're much more than banks. We call them banks, but they're there. Large divisions within these organizations that are trying to be part of the day to day life of the consumer. So, you know, you and I both know this, but an API world is essentially the best solution.

[00:11:49] And banks want to have that connection with the customer. So they want to keep that relationship. So they are working with organizations that can support that. So whether it's an offer, things like card linked offers is a, is a big thing in the industry where, you know, using your cards, you'll receive a discount either on a specific SKU or for your overall check.

[00:12:06] So that's being integrated in there as well, and it's kind of like a set and forget it or having a customer opt in, but it's happening in a specific spot, and we're also seeing a lot more, I'll call it partnerships in the industry, where typically people wanted to own that experience and a lot of companies have failed trying to do that, where they really want to own the brand of that experience.

[00:12:25] So we're seeing partnerships where the banks or even other organizations are very comfortable in what they provide to the customer, and then the service provider or that Deal company is very confident in what they provide and having that come through one specific environment is ideal for the customer and that's where you're going to get the best utilization.

[00:12:46] **Satwant:** And what are you finding in terms of. Actual loyalty. So I don't know about you, but I can only speak from my personal experience. I tend to use a loyalty card whenever I can get a discount. And. you obviously, obviously work with financial institutions offering all sorts of incentives.

And so there's two parts to the question, really, are, are most of them using discounts only and, and secondly, if not, what else are they offering and what's the trends there?

[00:13:18] The Evolution of Loyalty Programs

[00:13:18] **Len:** So a big trend is overall wellness and being part of the overall life cycle of a customer. So it's recognition or rewarding a customer for more so than just you tap that credit card and you just get a discount or you just earn some points on that. So they're really looking at.

[00:13:33] You know, what other relationships do I have with you? What other actions can I have you perform? Because at the end of the day, loyalty is a relationship. The, the sponsor of the program is asking you to do something or asking you to share data. And in return for that, they're going to recognize that action.

[00:13:47] Paid Loyalty Programs and Exclusivity

[00:13:47] **Len:** We're seeing a lot more of true personalization as well as a lot of programs are becoming paid loyalty. So as opposed to just the loyalty program you'd get for signing up with a financial institution, You can pay, and a lot of cards that are in the market today are, are, have annual fees associated with that, but we're seeing a lot more of that today, even outside of the banks themselves, where you'll pay an annual fee to have access to greater discounts, to have access to, you know, better shipping terms, if it's an e commerce site, you know, front of the line type of things when there's opportunity for experiences.

[00:14:23] And if you think about it, that's really Amazon Prime is it's a pay to play and you get, additional benefits for that. So we're seeing a lot of offers and benefits being brought into programs that way as well. So they're really rounding off the offering to the customer.

[00:14:36] **Satwant:** Yeah, that's something that I made a note about just sort of, as I was thinking out loud in preparation for this was the velvet rope scenario where people want to feel exclusive. And the other thing that I wanted to mention. If I go through my notes was also community. Sorry. I don't know whether that plays into it at all.

[00:14:55] I mean, obviously communities on Reddit and Discord and goodness knows where else are exploding. But I was wondering whether that might play into loyalty somehow as well.

[00:15:05] **Len:** The community I'm not seeing as much. We do hear it talked about, but the Velvet Rope is huge. And, you know, I'll use the personal examples here is the programs I'm most active with are the ones not just where I'm getting rewarded with a currency such as points or miles, but it's You know, the airlines, how do I get access to being first in line to get on the plane?

[00:15:26] How do I have access to better seats when it comes to a hotel chain? How do I get that upgrade? That's that exclusivity or that You know, kind of special treatment that people are looking for. And that's what I mentioned. Other loyalty programs are bringing that into play. It's, you know, if it's a traditional bricks and mortar store, it's getting into that store an hour before it opens to get access to specific things.

[00:15:47] You know, if it's the cinema, do I have early access to watch a movie? It's really anything that can make a customer feel exclusive and special so they can ultimately tell their friends about it is where we're seeing a lot of this as well.

[00:15:58] **Satwant:** Yeah, sure.

[00:16:00] Personalisation and Timeliness of Offers

[00:16:00] **Satwant:** One other issue I wanted to talk about was timeliness. So, I'm sure, you know, there are millions of scenarios every day where somebody's walking into a shop with their bank app on their phone and they don't know there's a promotion there. And if I look at my own banking apps, for example, I mean, one of the banks I have an account with actually offers quite a lot of promotions, which I would potentially use, but I've got to remember that they're there when I go into the shop.

[00:16:26] So it'd be good for you to expand on how that situation's being dealt with and, and potentially how you're looking to improve that in future.

[00:16:37] **Len:** Yeah, it, there's so much data available, which, which is interesting because it's also. You know, when we're at loyalty conferences, we talk about kind of that creepiness is having access to this much data. But if you think of having an app on your phone and also being in tune with your daily transactions is a loyalty program knows a lot about the customer.

[00:16:55] And they can do a better job of communicating effectively and personalizing that so that, you know, when someone walks into a store, he knows that there's an offer there and they can do that. They have the capabilities, the technology exists to do that. You know, what's that fine balance of ensuring you have access to know what's available to you without over communicating?

[00:17:15] I mean, we get bombarded with offers, whether it's in the social apps we're using, whether it's in our email or different messaging apps as well. So it's finding that balance. So some organizations are doing it well. I always give kudos to Amex. Amex is great at communicating and sending out personalized offers and knowing how to communicate to a user.

[00:17:34] So that's something we'd like to see more people use. There's a lot of talk, you know, a big buzzword that's been around for a bit is AI is, you know, how do you use AI to do this and to get machine learning to come up with better offers, to come up with personalized communication ultimately to that member, to let them know.

[00:17:52] Hey, traditionally you'd be making your grocery purchases on a Saturday. Can I get to you Friday to talk to you about offers? Do I know that you're walking into a specific location and I can get you a discount somewhere? It's how do I affect your behavior? So again, it's really communicating to the user because, you know, it's one of the things we're all guilty of is there are so many perks and benefits in these programs that most people don't take advantage of.

[00:18:16] So just being aware of them is a big deal. And I think another misnomer it ties in with the 200 billion piece is a lot of people don't realize this, but these programs want you to redeem. They want you to be active in the program because it shows you're engaged. So there's that.

[00:18:32] **Satwant:** also sits there as a liability, doesn't it?

[00:18:34] **Len:** Absolutely. Any CFO listening will tell you they want to get that liability off the books.

[00:18:39] But again, having that churn of points, that earn and redeem cycle shows that a customer is engaged with the brand. And that's ultimately what you run these programs for, is to have that engagement. So they want you to use these offers. They want you to take advantage of the specific opportunities that they're providing to you.

[00:18:54] And again, a lot of organizations can do a better job communicating to that member on what's available to them.

[00:19:01] **Satwant:** Yeah, absolutely. Have you got any kind of case studies you can talk about and also describe your ideal customer?

[00:19:11] **Len:** Sure. So, you know, ideal customer for us. I know we talk a lot about banks here, but it's, we're, we really have a lot of fun with customers that are wishing to put, or wanting to push the envelope. You know, there are loyalty programs that sit very stagnant. It's almost like a me too. They've got to be in market with a program.

[00:19:30] And while we'll support those ideation sessions, the brainstorming with a customer, the willingness to try new things, to You know, set up a small target group and test and learn and continue to expand. And that's a lot of fun for us as an organization. At heart, we're, we're an entrepreneurial organization who happens to be very good at technology.

[00:19:50] So we can figure out the how very quickly. And we love working on the what. So, so an ideal customer for us is someone willing to try new things. Someone that's got, you know, a really good customer base as well that we can test that. And we've seen that with our Access Plus solution. So we talk about case studies, you know, the ability to be part of Amazon's Prime Days when they're launching that.

[00:20:12] And we see tremendous growth, like, just over weekends on some of the programs. You know, 1. 3 billion points redeemed in a program, which was An immense amount of points in relationship, and I can't speak specifically to the customers cause we are a white label, but, average customer spend was up 30 percent about 67 per transaction was spent there compared to about 40 per transaction the, the repeat business that they were seeing, you mentioned it earlier in the four to five times more interactions.

[00:20:43] These are the, these are the types of data points that show this is working. And it works for both parties involved, so it's tremendous for an Amazon, it's tremendous for the FI that was running that promotion along with Prime Day. So these types of case studies that we can show our customers, again, difficult because a lot of the brands we work with as we're a white label, we can't share who they are, but they see tremendous engagement.

[00:21:05] Where to Start with a New Loyalty Program

[00:21:05] **Satwant:** As I mentioned, before we started recording, I started this podcast to help businesses that want to increase their conversions and sales and profits, right. for a business, your customer's end user, for a business who wants to create some kind of loyalty program that doesn't

have anything right now, they've obviously got the choice of getting an app developed and going down that path but.

[00:21:25] What, you know, what would you advise them? Because the banks are obviously going to look for bigger deals, I'm assuming, or bigger companies and brands. I don't know, maybe I'm wrong. What would you advise, a fast growing, I'm trying to think of an example, you know, Starbucks when they were 20 cafes you know, Gap when they were just 10 stores, I'm just throwing some ideas out there. What would you advise? Or, you know, maybe you want to give a better example, perhaps.

[00:21:51] **Len:** I think there's a number of great examples. You know, don't bite off more than you can chew would be the first thing. A lot of organizations take too long to launch something and they've got these, you know, immense plans that can get very expensive as well. Launching or running a large loyalty program is actually a profit center.

[00:22:09] Probably something most people don't know as well. The cost per point. So what You ultimately pay for a point versus what a consumer pays to redeem that point. That brings value. Having a large member base brings value. We saw that during the pandemic, a lot of airlines were leveraging their loyalty programs to borrow against that.

[00:22:26] It helped keep these companies afloat. So, It's actually long term, not a cost center. It's a revenue opportunity for these organizations, and I wouldn't shy away from being small. I think if we've learned anything just from the Internet, you know, when we first got into this, and it's years ago, and you can attest to this, everyone had that same, I'm going to date myself, but that same 15 inches of screen, regardless of whether you were the Gap starting out or Starbucks, or whether you were back in the day, Sears.

[00:22:51] And we learned from that as the smaller companies were able to do a lot of things, and the bigger companies failed by seeing things. You know, stagnant. So I would say the companies we deal with, the FIs we deal with are very eager and happy to, to talk to smaller organizations as well, because they know there's a part of their demographic that wants to interact with that brand as well.

[00:23:12] So it's no longer the big deal with big deal happening. It's also big working together with a lot of small players and personalizing those offers. So I would say. You know, consult with a company it's important to know what you want to be, not just in the, you know, 12 to 24 months, but longer term, what you want to do with your program.

[00:23:33] And then don't be afraid to reach out to the larger brands to be part of their program. Again, it's a lot of partnerships are happening in this space and a lot of companies are more comfortable with that as well. So my advice would be get in it. It's a benefit to have a loyalty program. If it's nothing else, just for the data of your consumer base, and you'd be pretty surprised of the larger organizations who's willing to work with you.

[00:23:55] **Satwant:** Okay, that's really interesting. You did mention a very important point there, demographics. Do you see any, any major clustering of groups that use loyalty or points and schemes, or is it pretty much spread across the entire sort of age group of consumers?

[00:24:11] **Len:** It's, it's spread across you know, North America, we're, we're very big on loyalty. We have the advantage of, you know, the urn being a little more lucrative especially in the bank programs cause they've got the interchange to play with there. So we are crazy for our loyalty programs. But.

[00:24:26] Just different types of schemes work in different demographics or different age groups. So there are, you know, Sephora is a fantastic program if you think about it. And that's, you know, working with a younger audience, it's working with a larger older audience as well that interacts with that brand, but it's extremely successful.

[00:24:41] We're seeing a lot of the shoe brands launching and having successful loyalty programs, again, targeting that younger demographic. So yeah, I would say loyalty knows no age. It has kind of no borders as well. As long as that program is meaningful and personalized for that, that base or that demographic you're looking for, you can be very successful.

[00:25:01] **Satwant:** I'd like to move on to the future and what's going on there.

[00:25:06] The Future of Retail and Loyalty

[00:25:06] **Satwant:** But before I do, you know, your solution has such a very rich set of features. Is there anything really important that you wanted to get across that I've completely missed or haven't focused on enough in your, in your eyes?

[00:25:17] **Len:** Just that we continue to grow. We're very, very transparent in the fact that our solutions aren't baked. We learn a lot from our customers. As recent as yesterday, we were on the phone doing an annual review with a customer and they made a suggestion that, you know, seemed so obvious at the time, but We hadn't thought of it on our side, so something that's making its way into the roadmap very quickly.

[00:25:37] So I would say loyalty changes, you know, we thought of pay with points years ago, but knew the industry wasn't ready yet. And that, that stretched across from the technology wasn't there to be fast enough to do this to at the time, nobody wanted to open up their checkout flow. They were very, you know, very protective of that and understandably so.

[00:25:55] So loyalty will evolve. Some of the products we have today may not exist in four or five years, and I'm sure there'll be new products out there for, for our customer base and our members as well that will evolve on including bolting onto our, our current product set.

[00:26:10] **Satwant:** Thank you.

[00:26:10] Loyalty Fraud and Security

[00:26:10] **Satwant:** Two areas I wanted to discuss is one of them is fraud and security. I don't know how that impacts the loyalty space. If you could maybe chat about that and also just the general sea change that's coming in retail. I mean, if you or I want to buy something today, we can buy it from a marketplace. We can buy it from a DTC website.

[00:26:33] We can buy it in a physical shop if you can find any. And then obviously social media. I mean, that's big in China where you can actually. You know, buy live, live stream shopping, you know, they've taken it to a very advanced level. So wondering if you can talk about those two things, perhaps in terms of, again, what's trending, what changes you're seeing and how the loyalty space is adapting.

[00:26:54] **Len:** Yeah. Fraud is extremely prevalent in loyalty. Again, loyalty is a currency at the end of the day when it comes to those miles, those points. And the difference between that is most customers are in tune with exactly how much is in their wallet, how much is in their bank account and whether someone's made a charge on their visa.

[00:27:13] But some of these programs we don't interact with day to day. You know, the bank program is a little easier cause you're always interacting with them, but we learned a lot. We're part of the Loyalty Fraud Prevention Association, which was started specifically for this reason. is if you think of airlines and hotels where someone can get access to credentials through a consumer, go in you know, leverage their points to make purchases, ultimately liquidate into digital gift cards, which they can then, you know, dispose of on the market and a customer's out those points.

[00:27:42] So we're very, very cognizant of fraud. We have to work very closely with our partners. So we're implementing and have implemented the same things you'd expect to see on the market. Really any other website you have to authenticate with. So, you know, multi factor authentication for a consumer, communicating with its consumer.

[00:27:59] We put different rules in, so we have a strong partnership with a fraud company called Count. They score each consumer as they authenticate and as they transact in the environment, so that's happening in the background. So, you know, a customer who logged in from New Jersey earlier today and then later this afternoon is logging in from Melbourne, as an example, clearly that's typically not the same customer.

[00:28:21] And the fact that they go and try to redeem, you know, for a thousand dollars of digital gift cards, we'll put that transaction on hold. We'll communicate back out. So it's you know, we use the term whack a mole. It's the minute you try and suppress something, something new is coming out. And you know, these, these guys are very intelligent.

[00:28:38] They're very, methodical in how they try to game these systems or fraudulently perform transactions. So, so it is a big deal in our industry and it's something we're very attuned to and do our best to prevent and to educate as well.

[00:28:51] **Satwant:** Would it be accurate to say that, you know, if you're, if you're seeing a lot more loyalty schemes through the bank apps, that that alone should reduce fraud quite a bit compared to if those retailers, for example, had their own apps, right?

[00:29:07] **Len:** Correct. So, so keeping everything together with a single location. and having them work with partnerships, they're going to have a lot more tools ultimately in their toolbox to prevent fraud, to monitor fraud. You know, it's a big part of those organizations. So keeping everything together to your point is, is a great opportunity.

[00:29:25] Be mindful you know, when you're using different apps, downloading something new, sharing credentials, things of that nature. These are all big no nos as far as creating that opportunity.

So we're really focused on things like SSO. So not having anything specific for the member. We try to keep as little PII as possible.

[00:29:43] And then if they're authenticating with the bank, we're not trying to shirk our responsibilities on, on the authentication or the account takeover side, but we know they do a fantastic job of that. So that eliminates one of the opportunities for fraud there.

[00:29:57] **Satwant:** And, and back to the second part of the question I had, just the state of flux in retail you know, be it online or physical marketplaces, you name it. can you see happening in that space?

[00:30:12] **Len:** It's, it's changing immensely and, and honestly, sometimes I'm surprised that the things that work and the things that don't work you know, online that, that interactive experience with the next generations, you know, the millennials, the Gen Z's, Gen Y's, the things that, that they've all experiencing and how they're interacting with brands.

[00:30:32] I've got three kids of my own, so I learn a lot from them. just on how they consume information and ultimately how they want to transact. So it's, it's very different I can tell you from our standpoint, it's, it's really still creating that relationship with where the consumer transact. So we're agnostic to whether that's in store, whether that's on an e commerce site or ultimately whether that's in the specific app or the social media experience, we're really trying to create that connection.

[00:30:59] And ultimately when you do have to transact or pay we want to be part of that flow and we want to make it as seamless for a consumer as possible. So. I'd be lying to you if I said I had a crystal ball and I knew exactly where people would be transacting in three to four years. But what I can tell you is we definitely want to be part of that and be a payment source.

[00:31:15] So, you know, our tool set allows for that to happen.

[00:31:17] Implementing a Loyalty Solution

[00:31:17] **Satwant:** Okay, great. If people want to get started with your solution your website is engagepeople. com. What's the typical engagement process and how long does it take?

[00:31:30] **Len:** It, it can depend on the program. So our pay with points solution actually gets deployed very rapidly. So a lot of, you know Frameworks and underground technology built already to create those pipes with the different partnerships we have. So a lot of programs that exist today, we can onboard them into something like that relatively quickly.

[00:31:49] Honestly surprising that there's a, a term in our industry called the speed of bank, which is you know, you could be going very slow for six months and then rapidly need to deploy something in market by the end of a specific quarter. So those solutions can be deployed quite rapidly. A lot of contract work typically takes up more time just around that and understanding the T's and C's of a program.

[00:32:08] If you're launching a new program from scratch or you're moving off an existing provider those are lengthier implementations. You know, we're very transparent and very honest. I think that's

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why we have a fantastic relationship with our customers. We don't launch programs in 60, 90 days. That's not our demographic.

[00:32:25] That's not who we work with. Simply put, the types of solutions we're putting in place are broader than that. So, you know, a program can go in in under a year. It can, you know, we've had programs that take longer than that. So it's hard to say. It's one of those, how long is a piece of string things? But that's when you talk to a full loyalty program.

[00:32:45] On the redemption solutions, those can be deployed quite rapidly. You could be live redeeming. on a PayPal or an Amazon in, you know, 90, 120 days.

[00:32:54] **Satwant:** Okay, that's excellent. Well, that alone is a good indication to anyone listening. So thank you.

[00:33:00] Get In Touch

[00:33:00] **Satwant:** Before we finish I wanted to ask one last one here. Just your company's plans, if you can share any, to introduce any cool new features or technologies and where can people meet you if you do any conferences or roadshows or anything?

[00:33:15] **Len:** So we're trying to be as active as possible in the community. Not just in the loyalty side, but we do see ourselves as a payments company. So, you know, FinTech Meetup in Vegas. We're at Money 2020 talking to organizations there. There's loyalty conferences, so things like Loyalty Summit, Loyalty 360, they put those conferences on.

[00:33:35] We're starting to try to participate a lot more in the retail side of things as well, so to create relationships there. So there's a number of, of conferences and expos this year. And then we have our team out because You know, the other side of our business is just being at the forefront of technology.

[00:33:51] So we'll be at AWS reInvent with the team there and those types of conferences Laracon back in the past. So we've sent our team out to those events as well. So you can meet us at a number of those places. I'd say ideally reach out in social media. We're promoting where we are but we definitely we're typically on planes a lot.

[00:34:08] Our, our sales partnership and executive team meeting up with clients.

[00:34:13] **Satwant:** Fantastic, really appreciate that.

[00:34:15] Conclusion and Final Thoughts

[00:34:15] **Satwant:** And one final fun question is any life hacks or what are you reading or watching or consuming at the moment? I'm, I've just started watching the other day. My brother told me about it, a flat earth documentary on Amazon Prime. So it's been really fascinating to understand the thought process of that, of that bunch of people.

[00:34:33] So how about yourself? What are you into at the moment?

[00:34:37] **Len:** Guilty pleasure is anything documentary based. I'm a, I'm a fact guy, so as much as it's nice every once in a while to get into some fantasy fictional book or things of that nature, I love the facts. So, you know, I'll be caught watching a documentary on a topic that I didn't even know I was interested in, but I love that thing.

[00:34:57] Guilty pleasure is we've got something, how it's made or how it works. These little shows, 30 minute shows. And, and the kids will walk by and see me onto those. But a lot of times it's, it's reading or podcasts and it's things of that nature. I love to learn a lot about leadership as well. And just how to, you know, how we're doing as far as growing our business.

[00:35:15] Cause that's important to us as well.

[00:35:17] **Satwant:** That's great. I agree. I'm a very factual person as well. So it makes sense. Great. Well, thanks so much, Len. Really appreciate your time. Wish you all the best in future and, and look forward to maybe meeting you one day at a conference somewhere.

[00:35:30] **Len:** Absolutely. It's been a pleasure Satwant. Thank you so much for having me.

[00:35:33] **Satwant:** Thank you.