

# One-stop solution: Product + Operation Service



## Research on different business attributes

### Business observation

Necessary category follows have demands



Low margin

Cashflow meter

### Implication

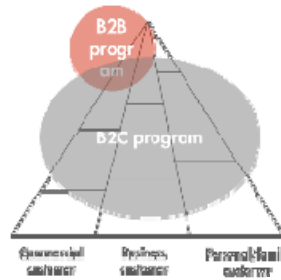
Everyone should be our target, No entry threshold  
Grab share of wallet (frequency)

Tiered benefit structure, but small difference on hard benefit, more soft benefits & privilege on premium members

Low reward, but put budget on big promotion  
Leverage partner feed-in (like: affinity card)  
Drive pre-load/gift card

Direct & simple escort and burn;  
Leverage partner selection to meet diversified demands  
High reward on NFR  
Delighted coupon to drive NFR transaction

## Targeting Audience understanding



In different customer groups there are diversity of consumption frequency and distributions, which means that the segmentation is not standardized.

but it's not easy to distinguish the difference between three groups.

B2B & B2C programs have interactions, but customers who participate in both can only choose one, each one providing different offers and rewards.

## Reward funding simulation analysis

Customer segment	Point	spend	Redeem rate	total cost	Self-investment
• Premium	40%	5.10	65%	1,040	Self-investment
• Core	16%	2.10	65%	2,076	Self-investment
• Active	8%	1.80	65%	9,871	Self-investment
• Inactive	16%	0.60	65%	6	Self-investment
• Non/return	0%	0.00	65%	0	Self-investment

	High consumption	Mid consumption	Low consumption
High investment	$0.18 \times 40L \times 30F =$ <b>RMB 216</b>		
Mid investment		$0.10 \times 30L \times 15F =$ <b>RMB 45</b>	
Low investment			$0.06 \times 25L \times 5F =$ <b>RMB 7.5</b>

## Differential offering design



## Benchmarking

	Shell	SinoPec	China Petrol
Website		www.sclub.com.cn	www.95504.net
Portal	APP, Alipay/WeChat, Website	油中感谢 APP, WeChat	油好客 APP, WeChat
Program currency	Points at APP	Points (based on prepaid)	Points (based on prepaid)
Petrol earn	3 points/1L	1 point/1L	1 point/1mb spend
Diesel earn	2 points/1L	1 point/1L	1 point/2mb spend
Reward Expiry	End in Y2	18 months	2 year by bi-year
Burn	500 points = 5mb voucher (5% of transaction value)	Gift catalog (value~5-6%)	Gift catalog (value~5-6%)
Offer	3 offers in every 10 transactions	No data	No data
Promotion	Daily Lucky Draw	Monthly Lucky Draw with points burn (10 points per time)	Ad-hoc Lucky Draw on partner coupon, limited car face
Value-added services	Mobile service	Rescue, magazine, fueling history	No data
Tier and L2 threshold	1(2), 500L in half year	4, 1000L in half year	4, 6000 points (~1000L) in 3Y
Premium privilege	1.3X points, gift voucher	1.6-3.8X points	1.2-2.0X points

## Loyalty Configuration

	Objective	Configuration
Cust segments targeting	Not to distinguish (non B2B/commercial, corporation & personal/family car (have different frequency & consumption, but not easy to distinguish))	One program to cover 3 groups, involve most of transactional car owners, rationally classify the tiers & offering.
Threshold	To acquire as much as possible registrations/subscribers	Free registration(subscriber) Loyalty require agreement to terms & conditions
Tiers	Different treatment on high value cust for better recognition & investment	Active: have transaction in last 3 month, basic reward Core: >=500L/0.5Y, with some basic privilege Premium: no this tier setting in Day1, will investigate on Y2
Monetary benefit	Balance on low offering investment & customer perceived value	Promotion to win prize as long-term strategy Points as basic currency, Easy earn, easy burn Instant Offer(NFR & partner) as tactical use Gift voucher as recognition for core & premium
Non-monetary benefits	Bring benefit on convenience & build emotional connection	Subscription on newsletter, car related offer (both shell & partner) Forecourt mobile payment & invoicing Convenient service @ mobile (OBD), car care... Privilege from partners
Partners	Incorporate partnerships for hard and soft benefits offering	Enhance customer appeal by providing a broader range of relevant benefits