eBook #4

From spending to satisfaction

How cashback is changing the way we buy and save

Coinscrap FINANCE

Cashback has taken the shopping experience to a whole new level. It's no longer just about spending money, but about earning something in return. But how does it work? Imagine getting a percentage of your money back for every purchase made. This is exactly what cashback offers, and it is something that is revolutionizing the financial industry.

The reality is that this service is affecting user loyalty and directly influencing their consumption habits. In their daily lives, they carry out a number of transactions, from paying bills to purchases and transfers. Many of these transactions are perfect opportunities to earn cashback rewards, but their potential is yet to be discovered.

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Merchants, financial institutions and users, they all get a good deal

And... the magic of cashback is not limited to buyers! It also benefits merchants, banks, insurance companies, fintechs and insurtechs. By joining a rewards program, merchants see their customer base grow, they increase their average ticket and begin to make recurring purchases, which leads to increasingly relevant brands supporting these programs.

On the other hand, banks, insurance companies and technology companies manage to increase the engagement of their users by offering immediate bonuses, without links or further delay. And what is more important, their satisfaction and the time spent using digital platforms increase. Not to mention the economic benefits.

Let's see an example: If an entity has 270,000 users adhered to the program and in one month they made purchases worth €130M, with an average cashback percentage on purchase of 4% and a commission of 0.8%... the extra income of that entity will be €42,050 per month!

And what benefit do users obtain? They accumulate their cash rewards (in points or the promoter's internal currency) on each purchase, allowing them to generate extra profit on their daily spending.

Furthermore, by being able to see the offers and the total cashback obtained on their personal platform, they can plan their future acquisitions. All of this increases their loyalty and commitment, improves their experience as a consumer and increases satisfaction.

Cashback modules, a great incentive for customers

With these programs, users also feel valued and rewarded, which motivates them to continue using the services of financial institutions. Do you want to know what is behind these feelings?

For them, rewards are more than just savings. They get cash, discounts or points redeemable for other products, giving them more freedom when making their regular purchases.

One of the best parts of cashback programs is that they encourage participation.

By offering additional incentives, companies can encourage customers to make more transactions and take more advantage of their services. Of course, we cannot forget the important role that partner merchants have in the game.

Because the most important thing in a cashback program is that those establishments that generate the majority of the user's purchases are represented.

The evolution of cashback programs

The process has been incorporating improvements since its birth, more than 10 years ago.

At first, it was necessary to go through a whole journey of clicks and wait weeks for the approval of the business and the bank to receive the payment. In other cases, discount coupons (or codes) were accumulated that could be exchanged for gifts.

There was also the option to access the refund through referral links. In the case of beruby for example, a Spanish company that returns money for buying a product, making a reservation, visiting a website or respond to surveys, it may take months for the reward to be received.

None of them are practical from the end user's point of view. Now, however, cashback can be obtained automatically: as soon as the customer makes their purchase, the amount obtained appears in their account! Without the user having to take any further action.

We will see this in detail at the end of the document.

Keys to successfully implement a cashback program in a financial institution

Establishing a successful strategy includes: defining clear objectives, ensuring incentives are appropriate, setting up an attractive network of partner merchants, and actively promoting the program to customers. Of course, constant measurement and evaluation are essential to ensure long-term success.

Let's now see what are the stages to follow in a rewards module:

Connect

The user connects their bank accounts after accepting the general terms and conditions and all their information is added to the platform thanks to open banking technology.

Analyze

An AI engine analyzes banking transactional data in seconds to display curated insights.

Categorize

Data is classified and sorted into categories so that multiple layers of information can be added.

Enriches

This is when the name of the business, its location and category are added, allowing participating retailers to be recognized and rewards issued in real time.

Reward

For purchases eligible for the program, cashback is activated in seconds at the point of sale, reducing waiting time and increasing customer satisfaction.

Use cases

A barrage of promotions when you use the Banco Santander's credit card

Santander Premia is a space created so that the bank's users can enjoy offers from more than 500 leading brands, at no cost.

On this platform, the user will be able to find exclusive advantages, such as discounts, the return of a portion of their purchases or access to sports, entertainment, leisure and cultural activities.

Banco Santander thus seeks to reward its customers and increase their engagement.

The operation is very simple: from the Santander App or online banking you have direct access to Santander Premia. Upon entering, they can choose from a wide variety of offers, discounts and experiences.

The customer has at their disposal at all times the record of the bonuses they have obtained with their purchases, which helps them plan their next expenses.

Waylet, the payment App that makes you earn money with your purchases

Waylet was born in May 2017 as an initiative by the Repsol Group to pay via mobile phone at its service stations and as a means of building customer loyalty. The energy multinational has even lowered the price of its fuel by 10 cents per liter for people who use this application. Not bad, right?

Currently, it is the leading mobility payment app in Spain. It allows you to pay at any of the more than 3,300 Repsol service stations and in more than 4,000 businesses that subscribe to payment with Waylet, including: El Corte Inglés, Burger King, Paradores, First Stop, La Casa de las Carcasas, Federópticos or Petuluku .

To start taking advantage of the discounts it offers, the first thing is to download the app on a mobile device. It will be necessary to register a bank card, which can be credit or debit. Once the personal and banking details have been confirmed, the app is ready to be used as a means of payment.

Every time the user uses the app, points or "waylets" are accumulated. Depending on the total number of waylets, a different level is available and, as the user levels up, they can access greater benefits:

Bronce level

The customer receives a base discount set by the merchant.

Silver level

An extra 10% is accumulated every time a payment is made with the Waylet app.

Gold level

This level unlocks a free car wash coupon. In addition, you accumulate a 25% extra balance and access exclusive promotions.

Platinum level

By accessing the highest level, the user receives a €5 discount coupon and can accumulate an extra 50% balance. In addition to accessing exclusive Platinum promotions.

EVO Banco creates cashback 2.0: automatic and with an average return of 8%

Bankinter's digital entity announced in July the launch of a new "smart cashback" service that will allow all its customers to recover an average of 8% of the amount spent in associated stores. The service provides direct and instant savings that the user can check in the App in real time.

This means that customers do not need to use coupons, links to discount pages, or carry out any additional procedures to obtain their reward. The technological innovation implemented by EVO allows purchases made in these merchants to be identified in real time and refunds to be made immediately to the EVO account chosen by the user.

This new cashback service is fully integrated into the EVO mobile application. Customers have all the information about the service: from the personalized history of all the rewards deposited into your accounts, to an updated list of all partner merchants, available savings percentages, etc. helping them plan their purchases and maximize their rewards.

In the first stage, more than 70 businesses from ten economic sectors closely linked to daily purchases were included, such as supermarkets, gas stations, technological products, leisure activities, travel, restaurants, fashion, beauty, health care and home products.

A list that continues to grow due to the magnificent reception that the initiative has had. Another advantage of the program is that it adapts perfectly to all available payment methods, whether using a physical debit or credit card, or using any other form of digital payment that the customer prefers.

Oh! And don't forget that the savings obtained can be accumulated along with any promotion or discount offered by EVO's partner stores.

"The service provides direct and instant savings"

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Harness the power
of transaction data

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