

Case Study



Alliance Data

New Channel Helps Company Meet Cardmembers Where They Want to Pay Their Bills

Alliance Data is the brand behind the brand, offering tailored marketing and loyalty programs through branded credit for some of the world's leading brands. eBill Distribution™ from Fiserv lets Alliance Data meet those brands' cardmembers at a billing and payment point of preference.



Even those who haven't heard of Alliance Data by name likely have interacted with its marketing and loyalty services through its more than 145 cardmember-facing brand partners worldwide. The company's success is driven by its brand promise: Know more. Sell more.* This brand promise is exactly what it sounds like. Through a robust toolset of data and analytics capabilities, Alliance Data helps its brand partners know more about their cardmembers so that they can drive sales and loyalty.

The promise extends to all aspects of Alliance Data's business, including how cardmembers want to receive and pay their bills. As Alliance Data began to delve more deeply into how cardmembers were responding to online billing offerings, it found that many of them wanted to receive and pay their bills at their banks' websites.

Alliance Data soon realized that Fiserv provided the largest reach: 94 percent of the e-bills delivered in the banking channel go through the Fiserv network. With the desire to be where their cardmembers want to pay bills and knowing that Fiserv works with eight of the top 12 U.S. banks, Alliance Data selected Fiserv as its primary bank channel e-bill distributor.



Client Profile

Alliance Data's card services business is a leading provider of tailored marketing and loyalty solutions delivered through branded credit programs that drive more profitable relationships between brand partners and their cardmembers. They offer private label, co-brand and commercial products to many of the world's most recognizable brands across a multitude of channels. Alliance Data leverages unmatched customer insights, advanced analytics and broad-reaching innovative capabilities to deliver increased sales to its brand partners, build enduring loyalty to their brands and provide more value to cardmembers.

“No one else has the bank footprint that Fiserv does,” said Randy Piatt, senior manager of payment services for Alliance Data. “Connecting with their eBill Distribution network let Alliance Data be where our cardmembers wanted to pay their bills online—a perfect fit with our strategy to be where cardmembers are shopping and managing their money.”

Choice Drives Commitment

Alliance Data's commitment to meet cardmembers wherever they want to pay—even if that location changes from month to month—is further illustrated in its use of a dual delivery model for e-bills. With dual delivery, Alliance Data enables cardmembers to access their e-bills in the bank channel or through the brand portal site for that credit product.

As part of eBill Distribution, Alliance Data uses the eBill Easy Activation™ opt-in feature from Fiserv, which offers cardmembers an opportunity to receive e-bills via their online banking services for a 90-day trial period. During that time, they also continue to receive paper bills in the mail. After the 90-day period, cardmembers can choose to take full advantage of going paperless with e-bills.

With the opt-in approach, cardmembers must actively elect to turn off paper bills at the end of the trial period. This feature has led to Alliance Data realizing a higher than industry average paperless conversion rate.

Building on a Partnership

Alliance Data has been a Fiserv remittance partner since 1999. Electronic Remittance from Fiserv reduces the time it takes for Alliance Data to receive and post cardmember payments coming from the bank channel. Outsourcing remittance acceptance from the bank channel and other third-party locations to Fiserv enables Alliance Data to maintain a large footprint within which the cardmember can manage an account, while also controlling costs.

This partnership has experienced sustained, long-term growth. In fact, Fiserv is a standard part of Alliance Data brand partner implementations. “When we bring on a new brand partner program, we set up our Fiserv remittance and e-bill services as part of our standard implementation,” said Piatt.

With the streamlined enrollment process offered through eBill Distribution, Alliance Data has seen 68 percent of new cardmembers from this channel go paperless with a less than 2 percent decline in enrollment requests. Part of this exceptionally low decline rate is the dual delivery model that Alliance Data offers. Knowing that a cardmember can also always get billing statements at the brand partner portal for the particular credit program allows Alliance Data to better manage enrollment requirements to drive higher acceptance with low rates of abandonment.

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Senior Manager of Payment Services
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Challenge

Alliance Data provided cardmembers with the ability to pay their bills electronically at the brand sites. However, many cardmembers were deciding not to come to the brand sites to view and pay their bills. Alliance Data researched billing and payment preferences and found that, from a broad industry perspective, the majority of cardmembers preferred to pay at a billing aggregator's site, such as a bank website.

Solution

With eBill Distribution, Alliance Data reaches close to 4,000 financial institutions in the U.S. This broad reach let Alliance Data be where the cardmembers wanted to pay, which fit perfectly with Alliance Data's strategy to be where cardmembers are shopping and managing their money.

Proof Points

Alliance Data has benefited from delivering billing statements to cardmembers in a highly desired channel that Alliance Data didn't previously have access to. More than 1 million cardmembers are receiving bills in the bank channel through eBill Distribution. Alliance Data is realizing a consistent conversion to paperless with a 68 percent net new conversion rate for the past three years. By streamlining the enrollment process, Alliance Data has been able to achieve a less than 2 percent decline rate in e-bill enrollment.

Connect With Us

For more information about eBill Distribution, call 800-872-7882, email getsolutions@fiserv.com or visit www.fiserv.com/billers.



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