

Vol 4, Issue 3 | 2018

# PCM

Your gateway to the world of payments

ATLANTA SPECIAL: **THE ATLANTA FINTECH ECOSYSTEM**





## THE POWER OF PURCHASE INTELLIGENCE

By Scott Grimes, Chief Executive Officer & Co-Founder of Cardlytics

### What is Purchase Intelligence™ ?

**Scott:** Cardlytics is a Purchase Intelligence platform that makes marketing more relevant and measurable. It works with more than 2,000 banks, including large banks and small processors, for their cash-back rewards loyalty programs. Through that, we have a secure view into where and when consumers are spending their money – both online and in-store. In fact, we see \$1.5T in spend across credit, debit, ACH, and bill pay purchases. We apply advanced analytics to this massive aggregation of data to create actionable Purchase Intelligence™ for banks, marketers, and consumers.

### Why does Purchase Intelligence™ matter?

**Scott:** Purchase Intelligence™ is a game changer that benefits three audiences: banks, marketers, and consumers.

Through our platform: Marketers can identify likely buyers at scale based on actual purchase history, target them with relevant ads directly through online banking channels, and close the loop between digital marketing and in-store sales. The in-store measurement is important, as 92% of sales still occur at a physical location.

Our marketing partners view our Purchase Intelligence™ platform as mission critical to their strategy. Not only can marketers learn more about where their customers are spending across other brands and categories, they can then reach them efficiently. Customers are nine times more likely to engage with our clients' campaigns vs. other digital marketing, and for every \$1 marketers spend in Cardlytics Direct they get an average of \$30 back (\$30:1 ROAS)

Additionally, by partnering with Cardlytics, banks can increase engagement and card spend and decrease attrition among their customers. On average, our bank partners see 17% lower monthly attrition and a 9% increase in monthly card spend.

Finally, consumers earn cash back on everyday purchases. The consumers in our network have earned \$232M+ in cash back incentives since our inception.

Our value prop is truly a win, win, win.

### How is Purchase Intelligence™ different from other data out there for marketers?

**Scott:** Marketers increasingly have access to data on the purchase behavior of the customers in their stores and on their websites. However, they lack insight into their customers' purchase behavior outside of their brand, as well as the purchase behavior of individuals who are not yet customers. The reality is, no matter how robust their customer data, marketers only see a small portion of their customers' overall spend—both within and across categories. As a result, it is very difficult for businesses to focus their marketing investments on the most valuable customers.

Marketers are also challenged to measure the performance of their marketing. This issue is particularly acute concerning measuring the impact of marketing on in-store sales, where approximately 92% of consumer purchases occur.

Purchase Intelligence™ comprehensively addresses these challenges by enabling marketers to remove the blind spot so that they can execute effective marketing based on the “full-wallet view.” We work with some of the biggest brands across a variety



of industries, including 20 of the top 25 U.S. restaurant chains, 23 of the top 50 U.S. retailers, three of the five largest U.S. cable and satellite television providers, and three of the four largest U.S. wireless carriers.

### What challenges do you face in the industry?

**Scott:** Marketers today are bombarded with a variety of opportunities, many of which have historically used leading indicators such as impressions, clicks, or even location to measure the impact of their media. With our view into actual purchase data, we're able to switch the conversation to help brands more accurately identify, reach, and measure the true business outcomes that result from marketing with us.

We are also a unique channel and the only ones providing this service for banks and marketers. While the implementation time with new bank partners can be long, it's important for us to establish our relationships with our banks in a privacy-safe way.

### How have you overcome these challenges?

**Scott:** We are in a great position to overcome these challenges. Our Purchase Intelligence™ platform delivers real value for our partners. When deciding where to spend their marketing budget, our partners choose us because of our proven ability to help them better understand their businesses and move the needle on actual sales.

For our banks, our best-in-class privacy and rigorous regulations make us a trusted partner for financial institutions. We've never unilaterally lost a bank partner and we understand what banks need to succeed, including a vigilant eye toward consumer privacy.

### Cardlytics was the first tech IPO of 2018! Why did Cardlytics decide to go public now?

**Scott:** A combination of things made this the right time for Cardlytics to go public. We've experienced continual momentum since our inception and were at an inflection point in our business as we continue to add scale by growing our existing bank partnerships and on-boarding new bank partners. And, our proprietary technology and strong relationships with banks create a significant barrier to entry.

### What's next for Cardlytics?

**Scott:** Becoming a public company was a very exciting time for us, and an important milestone for us as a business. However, the mission we've had since inception has not changed. We have and will continue to stay focused on helping our partners use Purchase Intelligence™ to solve real business challenges. It's the foundation of our success. ●



## SCOTT GRIMES

### Chief Executive Officer & Co-Founder

Scott is the Chief Executive Officer and co-founder of Cardlytics. Before co-founding Cardlytics, Scott was Senior Vice President and General Manager, Payments at Capital One Financial Corporation. Earlier, Scott was a Senior Vice President at FreeMarkets Inc., and a Principal at McKinsey & Company. He began his career at Schlumberger Limited as an electrical engineer. Scott holds a B.S. in Electrical Engineering from Union College and an M.B.A. from Stanford University.



## CARDLYTICS

Cardlytics (NASDAQ: CDLX) uses purchase intelligence to make marketing more relevant and measurable. We partner with more than 2,000 financial institutions to run their banking rewards programs that promote customer loyalty and deepen banking relationships. In turn, we have a secure view into where and when consumers are spending their money. We use these insights to help marketers identify, reach and influence likely buyers at scale, as well as measure the true sales impact of marketing campaigns.