CREDIT: Your Secret CRM Weapon

June 16, 2016

Sara Patterson
Belk Inc., Director of Credit

Whit Goodrich
Synchrony Financial, CMO, Retail Cards
Synchrony: An Industry-Leading Partner

- **80+ yrs.**
  of Retail Heritage

- **Recognized Leader**
  Longstanding and diverse partner base

- **Strong financials**
  Diversified funding ($45B in deposits) with strong capital & liquidity

- **Industry Pioneers**
  Integrating co-brand, private label and loyalty programs to bring an optimized credit program

- **Full Engagement**
  Growing partner programs with robust data & technology capabilities

Focused on engaging with our partners at every level to create ideal customer experiences
Unlocking the Keys to Engagement

Industry Leaders
• Strong experience with integrated co-brand and private label card programs

Integrated Marketing
• Complete suite of loyalty capabilities... co-brand, private label, multi tender loyalty and promotional financing
• Continued investment in engagement strategies

Omni-Channel Expertise
• Leading technologies delivering a comprehensive user experience
• Actionable analytics

Driving Innovation
• Leaders in mobile technology for card programs
• Expertise in digital wallets

World Class Team
• Full engagement with dedicated marketing and field sales team

Maximizing Value
Credit-Based Loyalty Program

1888

- William Henry Belk opens his first store in Monroe, NC with $750 in savings, a $500 loan, and $3,000 worth of goods taken on consignment.
- He convinces his brother, Dr. John Belk, to join as his partner. The business flourishes, often through store partnerships with trusted businessmen.

Belk is a portfolio company of Sycamore Partners, a private equity firm based in New York

What began as a small bargain store in Monroe, NC has grown into the nation's largest privately held department store

The Company is based in Charlotte, N.C., is the home of Modern. Southern. Style. with 294 Belk stores located in 16 Southern states and a growing digital presence

The Southern woman has come to rely on Belk first, for her, for her family, for life
Rewards Program Summary

- Only available to Belk Credit cardholders
- Three program tiers with exclusive benefits
- Dollars off rewards – NO merchandise exclusions
- Rewards are delivered via cardholder statements

**Existing Points Structure:**

$1 spend = 1 point  /  400 points = $10 BRD

<table>
<thead>
<tr>
<th>Event Point Multiplier Scenarios</th>
<th>Spend</th>
<th>Get</th>
</tr>
</thead>
<tbody>
<tr>
<td>2x points = 5.0% return</td>
<td>$200</td>
<td>$10</td>
</tr>
<tr>
<td>3x points = 7.5% return</td>
<td>$134</td>
<td>$10</td>
</tr>
<tr>
<td>4x points = 10.0% return</td>
<td>$100</td>
<td>$10</td>
</tr>
<tr>
<td>5x points = 12.5% return</td>
<td>$80</td>
<td>$10</td>
</tr>
<tr>
<td>10x points = 25.0% return</td>
<td>$40</td>
<td>$10</td>
</tr>
</tbody>
</table>
In the past decade…

- Belk credit tender sales penetration rate has increased by 36%.
- Over 80% of the retail sales growth has occurred from customers who are purchasing on the Belk Credit Card.

Belk cardholders spend an average of 141% more than credit card customers who are non-Belk Rewards members.

- Trips (unique visits with purchase(s)) for this population increase 125% annually.

- Noticeable purchasing pattern shifts into accessories and higher margin merchandise are established.

- Increased loyalty is demonstrated by a 115% increase in the active shopper rate.

Let there be no mistake… a successful program is designed by the customer – only deployed by the retailer.

Customers have both informed the design and evolution of our program:
- Loyalty tiers introduced into program
- Category events have been introduced and migrated

Omni-channel is also a critical priority, as customer experience should always be a top consideration.
Direct messaging to our best customers is present in all media forms.
We Value Our Associates

Our associates are our ambassadors... we support them completely in representing our customer loyalty program.

- Fund multi-million $ associate SPIF program supporting applications
- Generate & maintain stock/placement of critical training and program reference materials
- Employ a highly experienced regional field sales support team
- Maintain management incentive programs and contests aligned to Credit

Program has been established as a priority for the business from the highest levels – and, there is an upward VOC & VOA feedback loop.
✓ Remember – a successful credit-based loyalty program is truly a sales tool

✓ How do you effectively deploy & maintain a credit-based loyalty program?
  - Loyalty culture must be ingrained in a company’s DNA from the top level
  - A truly successful program is one that is understood, used and communicated to customers by the store associates
  - Programs have a shelf-life and must evolve based on customer insights
  - Customers must remain the top priority in program design
Thank you!!!