

# The age of **knowing**...



Redefining Banking  
Loyalty Through  
**Real-Time Intelligence**

# A new era in Loyalty - and it's a **different game**

Loyalty no longer runs on points and promotions alone. It now moves on data, signals and speed. Margins have tightened, customer attention has fragmented and new competitors have reshaped expectations.

At the same time, banks understand their customers more deeply than ever. A wide range of signals can be turned into real insight. What has historically been invisible is suddenly actionable.

Across markets, 3 forces are shaping bank loyalty roadmaps:

INTERCHANGE



PARTNERSHIPS



INTELLIGENCE

We are at the beginning of **The Age of Knowing** - where customer engagement is hyper-intentional and intelligent.

## FORCE ONE



### Interchange

In many markets, loyalty is still powered by **interchange-funded rewards** — points, cashback and miles linked to spend. This model works where card economics remain strong and customers expect value tied to usage.

## FORCE TWO



### Partnerships

As margins tighten, loyalty increasingly shifts to more sustainable funding models. Merchant-funded offers, co-funded rewards and relationship-based tiers allow banks to deliver richer experiences with lower reward costs. Here, value is shared: merchants gain attributable sales, customers receive relevant benefits and banks strengthen engagement. However, **balancing value across all three parties can be a delicate act.**

## FORCE THREE



### Intelligence

The newest - and most transformative - force shaping loyalty is intelligence. Real-time, signal-driven engagement powered by technology, AI and automation. Signals across payments, deposits, lending and digital behaviour can now reveal intent the moment it happens. We are only at the beginning of understanding this force, but its potential is profound. As intelligence improves, loyalty moves from rewarding transactions to anticipating needs and recognising customers in the moments that matter.

# Banks have never known **this much**

Banks have never known their customers better. Years of investment in core modernisation, data lakes, CDPs, and analytics have transformed visibility.

Today, most banks can connect data across products, centralise it in unified profiles, and analyse behaviour in near real time.

Banks know more about their customers than ever before, yet often feel less able to act on it. The data problem from input to decisioning has been solved; the engagement challenge remains. Banks can see opportunity forming in real time, but their systems can't move at the same speed. Insights accumulate faster than they can be turned into action.

## BANKS HARNESS AN EXTRAORDINARY BREADTH OF SIGNALS



### Banking data

Transactions, balances, repayments.



### Digital behaviour

App logins, bill payments, channel preferences.



### Life signals

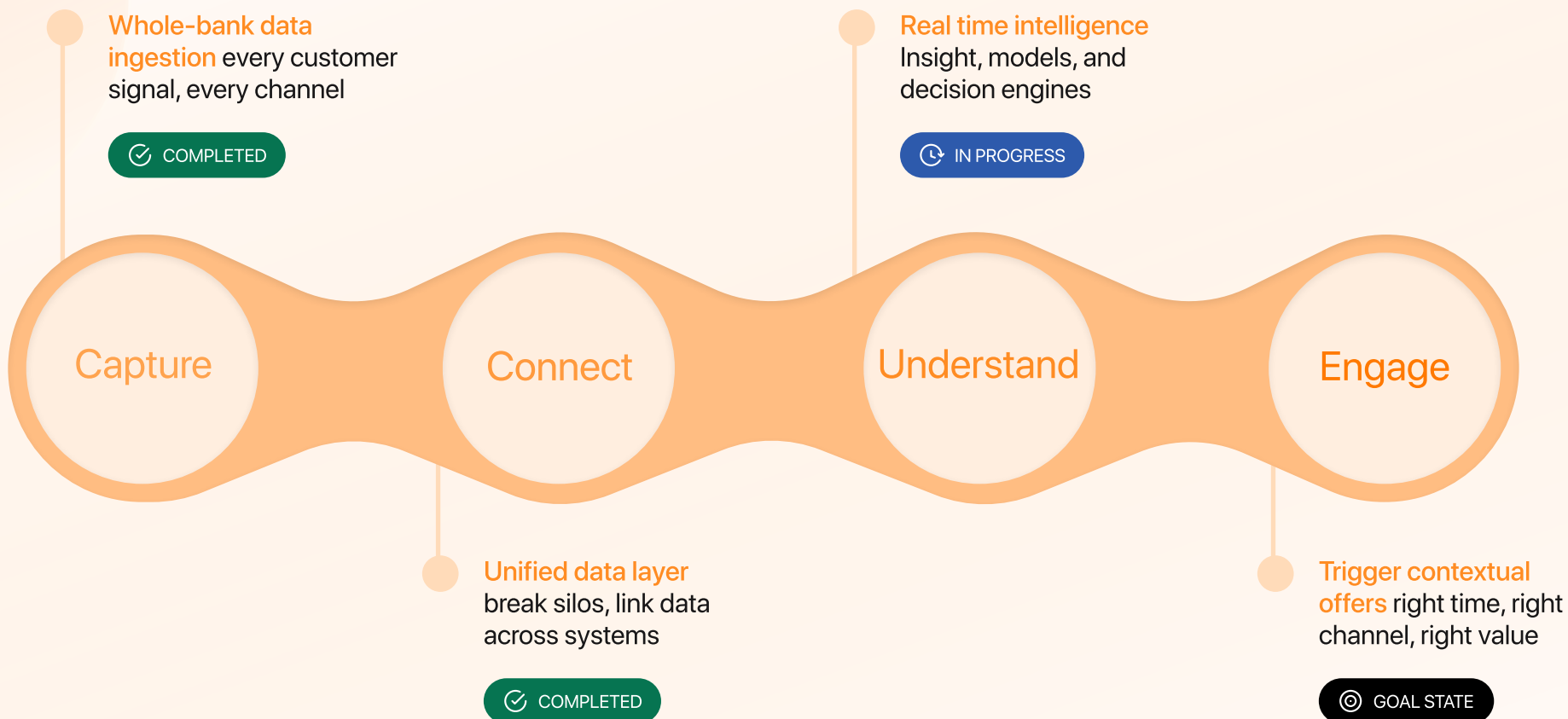
Salary credits, milestones, location triggers.



### AI outputs

Propensity scores, churn risk, next-best offer.

# Intelligence stack for driving behavioural change



# The last mile of behavioural change: **engagement**

The real constraint in this Age of Knowing isn't information - it's execution. Analytical capability has accelerated, but engagement infrastructure hasn't kept pace. This next transformation isn't about collecting more data; it's about turning intelligence into timely and contextual experiences across every product and channel.

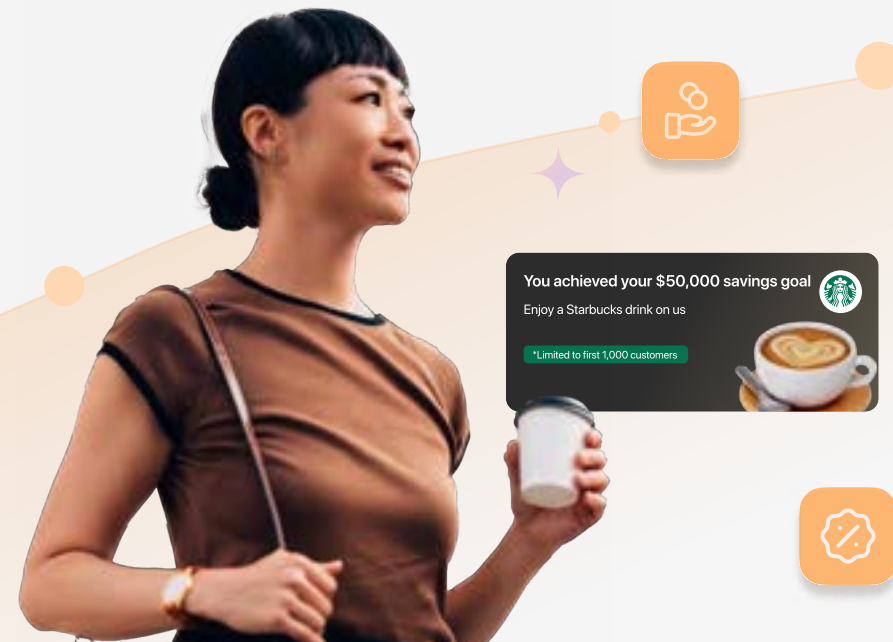
## The result

Fragmented insights, siloed systems and engagement that arrives too late. Salary credits, subscription payments, savings milestones, or life events rarely make it into active journeys. Banks have the insight - but still can't respond in the moment that matters.

**It's more than a technology issue, though technology is where it shows. Legacy systems reflect legacy thinking: loyalty as a fixed program, not a living relationship. Rewiring engagement around adaptive, real-time signals is the next competitive battleground for behavioural change.**

Meanwhile, others are moving. Super-apps, lifestyle platforms, and fintechs aren't winning by offering richer rewards, they're offering smoother journeys. A mobility pass that renews automatically. A coffee subscription that feels like a daily win. GrabPay coins or Starbucks stars that appear the instant you tap. **Small nudges that become enduring choices.** These aren't novelties; they're new definitions of value.

Across Asia Pacific, some banks are beginning to respond, using subscription data to spot wallet erosion or triggering **rewards based on app behaviour, not just spend.** These are the early signals of entry to the age of knowing, where data finally meets delivery.



# The Age of Knowing: a new vision for **banking engagement**

The next era of banking will be defined not by how much data a bank holds, but by how intelligently it moves. In the Age of Knowing, the winners will be those that can translate knowledge into action, connecting signals to experiences, and decisions to outcomes, in real time.

## WE SEE FOUR STRATEGIC CAPABILITIES DEFINING THIS SHIFT



### Recognise me

*(Customer-centricity)*

Loyalty from customer PoV.

Personalised to lifestage, context and intent.

Easy to understand, use, and track.

Emotional benefits of recognition and wellbeing.



### Reward the relationship

*(Breadth)*

Cross product recognition.

Rewarding behaviour beyond spend.

Offering both financial and non-financial value.



### Work as one

*(Orchestrated systems)*

Single view of customer.

Real-time event decisioning.

Omnichannel entitlements.



### Win on value

*(Commercially smart)*

Outcome linked to retention, product holding, ARPU, NPS etc.

Sustainable economics and aligned with long-term profitability.




*By replacing legacy engagement platforms with a responsive intelligence layer, banks can finally **translate diverse customer signals into action**, seamlessly pivoting between workflows that match each signal's type, context, and goal.*

**This isn't just a better rewards program. It's a better operating model for growth.**

We already know that behaviour-led loyalty improves retention, **boosts cross-sell, and lowers acquisition costs**. More importantly, it aligns recognition with real value. Rewarding the moments that drive both customer and bank outcomes.

It also creates **financial resilience**. Whether through merchant co-investment, subscription bundles, or **embedded partner ecosystems**, banks can fund engagement in ways that are sustainable, margin-enhancing, and built for the economics of tomorrow.



- 1. Recognise behaviour beyond spend**
- 2. Act in real time**
- 3. Reward holistically**
- 4. Build trust and emotional connection**

# Local playbooks for the **Age of Knowing**

The power of this new era lies in how well it adapts to local realities. Customers value immediacy and recognition - but a customer in Singapore is not the same as one in Tokyo, Mumbai or Sydney.

Across Asia Pacific, we've seen how critical it is for banks to view this shift through the right local lens — shaped by customer habits, regulation and culture.

Region	Local market reality	Why it matters in the Age of Knowing	What leaders should prioritise
<b>Australia, New Zealand</b>	Thin and declining interchange	Points-heavy models compress margins	Shift to merchant-funded rewards and tiered relationship benefits tied to breadth of holdings
<b>India, Singapore, Thailand</b>	QR ubiquity & real-time rails	Behavior signals arrive instantly	Build event-driven decisioning; trigger micro-rewards at bill pay, P2P, transit, and QR acceptance moments
<b>South East Asia</b>	Super-app competition	Routines live outside bank apps	Co-distribute benefits inside partner ecosystems; use closed-loop attribution to justify co-funding
<b>Japan, Korea</b>	High savings orientation & trust sensitivity	Emotional assurance > flashy rewards	Emphasise "quiet recognition" (fee waivers, service tiers, rate boosts) and predictable entitlements
<b>All</b>	Regulatory patchwork & data residency	Personalisation risk	Invest in privacy-safe profiles, transparent value exchange, and in-market data controls within the orchestration stack

# Loyalty funding models: from interchange to **mixed economics**

Sustainable funding is a critical test of readiness for the age of knowing. As engagement becomes real-time and behaviour-led, economics must become equally adaptive.

Critically, success in this era requires new funding approaches. As interchange income declines in mature markets, banks must shift toward models that are both sustainable and margin-enhancing.

## FUNDING LEVERS



### Smart pricing



*(Dynamic incentive pricing)*

AI allocates smaller incentives at high-propensity moments and stronger nudges where habits are weaker. This protects margins by spending only where it changes behaviour.

### Reward depth



*(Tiered recognition across the whole bank)*

Status unlocks fee relief, rate boosts, higher limits, or priority service based on relationship depth, rewarding product breadth and tenure rather than spend alone.

### Partner pays



*(Merchant-funded offers, card-linked & in-app)*

Merchants provide targeted discounts or cashbacks in exchange for attributable sales. This shifts costs away from the bank, delivers measurable ROI for partners while protecting high-frequency categories.

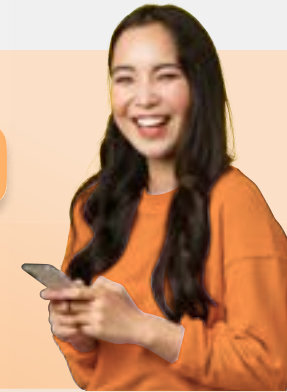
### Bundle benefits



*(Subscription memberships & bundles)*

Customers pay a recurring fee for a package of benefits such as delivery perks, fee waivers, insurance, lounges, or lifestyle rewards. This creates predictable revenue, reduces reliance on interchange, and encourages more frequent engagement.

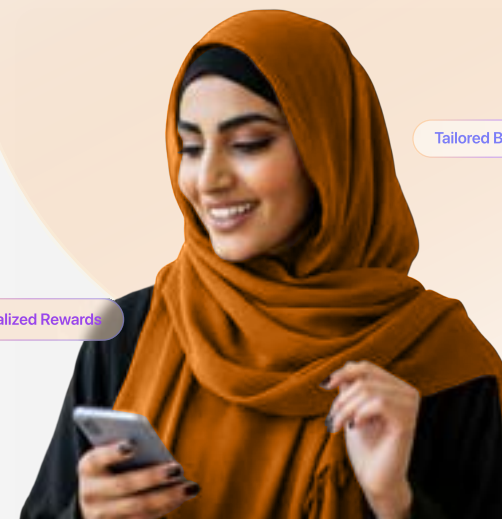
Options include merchant-funded rewards, third-party offers, subscription-based bundles, and lifestyle services for which customers are willing to pay.



If your goal is...	Use	Because	Cautions
Defend primary wallet in QR ecosystems	Merchant-funded, category-specific offers	Merchants see ROI from attributable sales	Offer fatigue; enforce frequency caps
Grow breadth (deposits, lending, payments)	Tiered relationship status	Rewards reflect balance and tenure, not just spend	Ensure transparency and fairness in rules
Create predictable revenue	Paid bundles/memberships	Converts sporadic perks into annuity	Price testing, breakage modeling required
Optimise spend efficiency	Dynamic incentive pricing	Rewards are allocated where behavior is elastic	Guard against bias, fairness issues, and guardrail drift

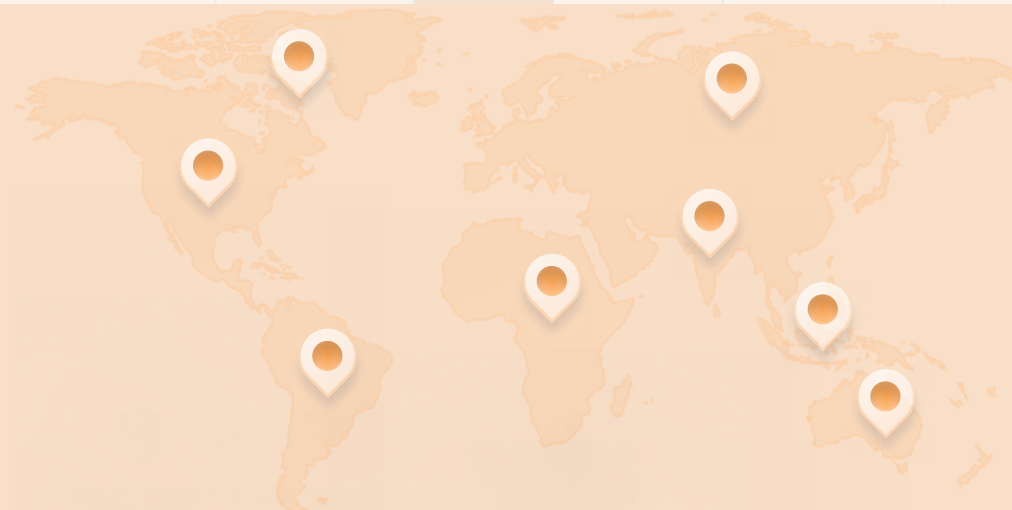
# The roadmap to **intelligent engagement**

Banks don't need to leap into the Age of Knowing all at once. The shift can be staged, **progressively unlocking value** while laying the **foundations for whole of bank loyalty**.



Phase	Modernise foundations	Activate smart experiences	Drive whole of bank loyalty
<b>Strategic focus</b>	From data collection to real-time action.	Deliver relevant engagement across channels.	Deepen relationships and embed whole of bank engagement.
<b>Key question</b>	Are we capturing and acting on behavioral data?	Can we engage in real time, across products and journeys?	Are we recognising customers not just for what they spend, but for how they engage with us across life stages?
<b>Enablers</b>	Unified profiles, CDPs, event triggers, integration of diverse data signals across banking, digital, and external sources.	Reward engines, ML segmentation, omnichannel orchestration, workflows that pivot automatically based on signal type, context, and goal.	Cross-product design, life-event triggers, flexible reward architecture, alignment of enterprise AI models with loyalty engagement.

# Who's already moving: intelligent loyalty in APAC



## APAC-wide REVOLUT

Uses tiered subscriptions and real-time perks to turn everyday financial interactions into personalised, premium experiences that feel continuous and rewarding.

## India UPI + CREDIT CARDS

Banks defend primary position in high-frequency spend categories through merchant-triggered offers at QR surfaces.

## Japan RAKUTEN & LYP PREMIUM

Loyalty spans banking, mobile, e-commerce, and messaging in a single ID, creating cross-service routines.

## Japan SMBC OLIVE

Integrates payments, savings, and lifestyle benefits under a single flexible ID, creating a seamless ecosystem where daily banking naturally earns recognition.

## Philippines GCASH

Offers daily rewards tied to mobile payments and referrals, reinforcing frequent app use.

## Australia COMMONWEALTH BANK YELLO

Responding to low interchange by blending app-personalised offers, merchant partnerships, and public claims of collective customer value.

## Indonesia GOPAY (GOTO GROUP)

Rewards span rides, food, and payments in real time, driving behavioral loops across the GoTo ecosystem.

Across Asia Pacific, forward-thinking banks, platforms, and ecosystems are already putting intelligent engagement into practice, **delivering rewards in real time, tailoring engagement to each individual, connecting benefits across the full banking relationship**, and shifting funding models to fit tighter margins.

# The boardroom agenda: six priorities to set now

To lead in the Age of Knowing, banks must design loyalty not as a program, but as an enterprise capability. One that connects data, decisioning, and delivery across every channel.

- ✓ **Make loyalty strategic, not tactical:** Redesign loyalty as a strategic lever, not just a program.
- ✓ **Break silos with agile squads:** Blend product, data, marketing, and tech talent.
- ✓ **Measure lifetime value, not redemptions:** Align KPIs with depth, tenure, and profitability.
- ✓ **Recognise diverse signals, not just spend:** See customers across products, channels, and life events.
- ✓ **Partner for scale:** Embed rewards from both merchants and internal divisions.
- ✓ **Fund smarter, not bigger:** Move beyond points and cashback to monetizable bundles, partner ecosystems, and embedded offers.

These banks will stop trying to compete by giving away cashback or points. They'll compete on **relevance, trust, and personalisation at scale.**



# Conclusion

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The Age of Knowing is not about richer rewards. It marks a shift in how banks earn the right to be chosen, by turning signals into recognition, and recognition into enduring loyalty. **Own the daily moments, recognise the whole relationship, and price and place every reward with precision. Fund everyday value through partners and memberships, then pay for growth by earning a deeper share of wallet. Let AI choose the timing and the price of the nudge. Let an event-driven stack do the heavy lifting.**

**In the Age of Knowing, the winners won't be those who reward more; they'll be those who understand more, and act fast in the moments that matter.**



# About Pulse iD



Pulse iD powers intelligent engagement for the world's leading banks and payment networks. Our whole of bank loyalty engine listens to customer signals across cards, payments, deposits, lending, and wealth, recognizing intent in real time and responding with the smallest, most effective nudge.

By combining behavioral decisioning with a global merchant-funded network, we help banks turn everyday activity into measurable outcomes: higher engagement, deeper product relationships, and lower churn.

API-first, privacy-safe, and certified to global standards, Pulse iD transforms loyalty from a static program into a living system of recognition, making every interaction timely, relevant, and personal.

**If you're ready to move to real-time, whole-of-bank loyalty, we're ready to help.**

[contact@pulseid.com](mailto:contact@pulseid.com)

