

# SMART SPENDING



## BAGGING BAD SPENDING HABITS FOR GOOD

The co-hosts of “Anna and Kristina’s Grocery Bag”  
share money saving tips and tricks

3

SAVVY  
TACTICS

TO PAY LESS AND BE  
REWARDED FOR EVERY  
DOLLAR SPENT

Double dipping  
Smart card strategy  
to maximize your  
loyalty points



Click for savings  
Tips and tricks for  
accessing great  
buys on the web





# CHALLENGES



TIP

1

USE YOUR SMARTPHONE AND QR CODES TO COMPARE PRODUCTS AND PRICES

WE RECOMMEND

**Bag bad habits**  
Anna Wallner and Kristina Maticic share their saving tips on their hit show "Anna & Kristina's Grocery Bag".  
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**“Probably our top shopping tip is to learn how to negotiate. This is not something people are initially comfortable with...”**

**The mobile wallet** **p. 2**  
New technology makes cash obsolete with a tap of your smartphone.

**Click for great deals** **p. 7**  
Navigate the web to save big on hidden online savings.

The current economic climate is making consumers question their spending habits. **Smart shoppers know that with a little strategy, they can have it all**—and be kind to their wallets.

# Positive change for your purse strings

**Y**ou’re home from the cottage (boo), the kids are back at school (yay) and your credit card bill just arrived (boo). Turns out your fun summertime activities had a hefty price tag. Now that September is here, families across British Columbia are focusing on the dreaded “b” word—budget—and getting back into money-saving mode.

One surefire way to make the most of your consumer buck is to join some of the loyalty programs retailers and service providers offer. Whether collecting points or redeeming them for movie tickets or flights abroad, Canadians are a loyalty-loving nation. In fact, the average Canadian actively participates in 8.9 loyalty programs, according to a recent study by COLLOQUY, a group focused on the loyalty marketing industry.

**Reaping the rewards**

**1** There’s a reason these programs are so popular. With families looking for more value as they spend, programs that reward your everyday purchases, such as gas and groceries, allow dollars to stretch further, says Kelly Hlavinka, managing partner at COLLOQUY. “It’s mo-

ney you’re already spending, so loyalty programs that reward your core purchases really give you the biggest bang for your hard-earned dollars,” says Hlavinka.

As shoppers reap the discounts and bonuses loyalty programs offer, retailers collect information about their spending habits. “Stores and brands know more about their consumers than ever before due to the data captured through participation in loyalty programs,” says Hlavinka. “This delivers real value for consumers because retailers can then serve them better through more relevant offers, products and services.”

There are also more than merely monetary advantages to joining loyalty programs. Today, more and more programs give members the option to contribute their points to charitable causes. “Consumers are looking for more meaningful brand experiences and are voting with their wallets for ethical companies that reflect their social and environmental values,” says Hlavinka. “Donating [points] to charitable causes is an easy way to make a difference.” With British Columbia’s North Shore Credit Union, for instance, cardholders in its Choice Rewards loyalty program can donate points to the Canadian Cancer Society and the United Way of Canada’s National Children’s Initiative.

**Alicia Androich**  
Consumer and Business writer

MY BEST TIPS

**Pick and choose**

**1** Streamline your loyalty program cards down to a few favourites, plus a credit card that earns points towards the same program, to get the most value from points-earning purchases.

**Keep tabs**

**2** Earn rewards faster by collecting points at your favourite retailer, paying for everyday purchases with a co-branded loyalty credit card and taking advantage of in-store bonus offers. Also be sure to read the e-mails and mailings from your loyalty programs to cash in on your rewards so they don’t expire.

**A whole new level of savings opportunities**

**2** There are also ways to save when shopping in the online world. Online flash sales offer discounts of up to 80 percent off retail prices on merchandise. The catch is these sales, which usually require you to sign up for a free membership, are over faster than you can say “click and save.” For instance, the sales at Canadian fashion flash sale website The Peacock Parade only last two to four days. And, as with most flash sites, quantities are limited, so shoppers need to be quick with their credit cards—and keyboards. It’s a small price to pay for, well, paying a small price.

For families wandering the aisles of bricks-and-mortar stores, another shopping advancement has cropped up over the past few years. Thanks to encrypted wireless communication technologies that store credit card information, shoppers can swipe their mobile phone against a scanner to make payments in some retail outlets. This convenient “e-wallet” system eliminates the need to re-enter the stored data each time a shopper makes a purchase.

With all of these ways to spend money wisely and get more value from your purchases, it looks as if the “b” word isn’t so scary after all.

# Introducing the mobile wallet

**As security systems on mobile devices improve, savvy marketing firms are restructuring loyalty programs and ushering in a new era of smart spending where your phone is your wallet.**

Marketing companies offering mobile-based reward programs, check-ins and targeted advertising are becoming increasingly popular.

Take Payscale for example. This application, a brainchild of Cleveland-headquartered SparkBase, lets users keep track of their rewards, points and freebies, and locate local businesses and the deals they have on.

“Payscale is essentially a mobile wallet that eliminates a need for plastic loyalty cards,” says John Heaney, brand director at SparkBase. Heaney says that

the average household belongs to more than 18 loyalty programs.

“Nobody wants to carry 18 cards—it’s a mess,” he says.

Heaney explains the company recently rolled out a pilot for the program that serves small to mid-sized businesses in the Chicago area “with about 20 merchants participating.”

“It actually exceeded our expectations,” says Heaney. “We hoped that a couple hundred consumers would download it. We had 500.”

**Using existing technology**

Unlike Near Field Communication technology that some marketing gurus have dubbed “the future of digital payments”, Payscale functions with existing point-of-sale (POS) systems.

The merchant only needs a simp-

le sensor dongle designed to interface with their existing system.

To activate loyalty points, consumers approach the sensor pad with their smartphone.

On the business side of things, Heaney says “it gives another platform of [marketing] for the smaller merchants who don’t have the drive or the resources to launch a large scale loyalty plan.”

SparkBase plans to slowly roll out Payscale throughout the U.S. in October.

**Benefits for both consumer and retailer**

Carlo Pirillo, vice president of digital for Maritz Canada, a loyalty marketing company based in Mississauga, says his company has “a pretty intense focus on loyalty” in Canada.

He says Maritz is looking to utilize NFC

technology to allow customers to pay for their products using their mobile devices.

“It’s positive from a retailer’s perspective because we’re providing footfall traffic and there’s no POS necessary,” says Pirillo. “It also gives them a chance to dip their toes in the NFC waters.”

He points out that although some businesses have been sitting on the sidelines waiting to see if the mobile wallet technology takes off, support is growing—it just may take a bit for people to get around to buying NFC-capable mobile phones.

“It’s interesting because everyone says NFC is four to five years off,” says Pirillo. “The retailers are ready and the (next pieces) are the phones and mobile devices.”

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QUOTE

**“People continue to rate travel as one of the most important features of a rewards program. It’s something people use to treat themselves.”**

—Tracy Hendricks, Vice President, New Business Development, American Express Canada



Put your unused points  
towards making a  
difference

**Misunderstanding your loyalty reward options can result in unused tangible benefits.**

However, by partnering with a charity, you can experience a feeling that money can't buy. Point donation is a popular alternative provided through loyalty reward programs, such as AIRMILES, to consumers who'd like to contribute bountifully to aid organizations like: the Red Cross, WWF, Kids Help Phone and The Special Olympics. "We believe we can make a difference in communities by focusing on protecting the health and well being of families and inspiring youth to realize their talents," says Debbie Baxter, chief sustainability officer of AIRMILES.

## A little goes a long way

Donations are made online and with one click of the mouse, you can participate in corporate philanthropy by giving some or all of your points, which are equivalent to dollars, to a registered charity. This initiative has motivated consumers to band together for a great cause. "For example, when the earthquake hit Haiti, AIRMILES partnered with the Red Cross and collectors responded exceedingly well. Three hundred and fifty thousand dollars were raised strictly through donations," Baxter explains. "The great part about this is that point collectors who choose to donate, will receive a tax receipt in the mail from their selected charity," she conti-



“We believe we can make a difference in communities by focusing on protecting the health and wellbeing of families...”

**Debbie Baxter**  
Chief Sustainability Officer, AIRMILES

much as you have received. Corporations have created a lane for point collectors to benefit enormously with every purchase. By paying it forward to other organizations who are in need of supplies and products, each dollar adds up and unlocks a gateway for change. Consumers play a substantial role in the success of these kinds of programs and together we will make our nation a better place one loyalty point at a time.

## Matters of the heart

"We really believe that the opportunities for consumers to have choices are important and some are looking for this type of option, says Baxter." It is important to give as

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# INSPIRATION



**The co-hosts of “Anna & Kristina’s Grocery Bag” regularly dole out money-saving tips and tricks to Canadian viewers.** However, before they became shopping sages, they admit they had their own weaknesses.

# Bagging bad spending habits—for good

## LEADER TO LEADER

**For their viewers across Canada and the U.S., Anna Wallner and Kristina Maticic offer product testing and practical, hands-on advice on smart shopping.**

The co-hosts of Anna & Kristina's Grocery Bag and Anna & Kristina's Beauty Call on W Network and other channels (including The Oprah Winfrey Network, which airs the Grocery Bag), gained some of this insight on the front lines over the years—as shoppers. The award-winning journalists both worked on the news side at Global TV in

Vancouver before launching their first advice program, *The Shopping Bags*, which aired for seven years on W Network.

Maticic admits she is a reformed impulse buyer and Wallner confirms that she experienced her share of purchase woes before she became a wiser consumer.

Both were asked in a joint interview for the

most important advice they can pass on to shoppers. Here are their core points:

## Break the impulse buying habit

If you are a habitual impulse buyer and it is causing havoc with your budget, switch to only using cash for impulse purchases rather than simply pulling out your creditcard, says Wallner.

Matisse agrees. Another tip she offers is to “give yourself time to think about the purchase.” She doesn’t buy on impulse any more. “If I am still thinking about it a week later, then I will go back and look at it again.”

## Pick the right reward program

"Once you get your spending under control" and are using a credit card that you are paying off each month, says Wallner, make sure your reward points really are a reward. "Look at your lifestyle. If you are not a frequent flyer, make sure the rewards program offers what you want." Some cards, for example, offer a wide selection of products you can obtain with

## PROFILE

**Anna Wallner  
& Kristina  
Matic**

■ **Awards:-**

Both (Kristina in 1997; Anna in 1999) were voted Broadcaster of Tomorrow by the BC Broadcasters Association, while working for Global TV, Vancouver:

■ Both have also won numerous awards for their two current TV programs.

points; others return a percentage of your spending back to you.

Many people with a credit card that has a good rewards program use that card to cover as many of their purchases as possible each month. You can use that monthly statement to see what you spent each month on eating out, purchases, etc., said Wallner. "The credit card statement can help you with your budgeting."

## Learn how to negotiate

"Probably our top shopping tip is to learn how to negotiate," said Matisic. "This is not something that most people are initially comfortable with, but... it really helps make you a smart shopper."

"In the current climate," said Wallner, stores "are more willing than ever to negotiate. There are so many choices and so much competition today, it really is possible to get a better deal through bargaining." And it doesn't just have to be a price reduction you are bargaining for, point out both Matisic

and Wallner. You can negotiate for free delivery as part of the purchase, or an added item. "If you are buying a bike," adds Wallner, "ask for a free basket."

## Loyalty cuts both ways

It is also an advantage for smart shoppers to be loyal to specific stores and to befriend sales staff, said Matisoff. For example, sales staff who know you frequent their store often and understand your needs and interests are more apt to go out of their way to tell you about an upcoming sale on something you collect or have been considering. "And such stores are more likely to negotiate with you when you are a regular customer," says Wallner.

**BOB SPENCE**

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**CLASS 1AB - FALL SEMESTER CLASS SCHEDULE**

HOUR	MON	TUE	WED	THUR	FRI
8AM	WATER PUMP & SENSORS	CHEM 431-AP			
9AM	ENGLISH 102A-B		HISTORY 109-HB		FLAT TIRE
10AM		DEAD BATTERY	LOCK KEYS INSIDE CAR		
11AM	ECON 102E-C	ASK A RANDOM STRANGER FOR A BOOST	TRY COAT HANGER	ADMIN STUDIES 109-HB	WALK TO GAS STATION
12AM					
1PM	PHYSICS PHE-C	WALK HOME	THINK ABOUT USING ROCK TO SMASH WINDOW		REALIZE AIR HOSE DOESN'T STRETCH 21 BLOCKS
2PM	MATH-ADV. 108-MA				
3PM	HISTORY 108-MH		TRY COAT HANGER	ECON-2 ADV. 19E	
4PM					
5PM					

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# INSPIRATION

**TIP**  
**2**  
**SET A BUDGET...  
AND STICK TO  
IT!**

**TIPS**

**Patrick Sojka**  
is travel rewards consultant and the CEO/Founder of Canada's only travel rewards resource: Rewards-Canada.ca.

## Find the perfect loyalty program

**Canadians love their loyalty programs and retailers know this. That is why it seems like every retailer in Canada has a reward program. By using the following criteria, you can decide whether you should use a program or not:**

### Variety is best

**1** Find a program that makes it easy to earn point/miles and offers a variety of rewards. Coalition programs with many partners are the easiest to earn with and typically have many reward options. The two biggest coalition programs in Canada are AIRMILES and Aeroplan.

### Are you actually loyal?

**2** Do you use a merchant enough that you will actually be rewarded? If not, then it may not be worthwhile to join the program unless they partner with a program you do use frequently.

### Pick your prize

**3** Does the program actually offer rewards that you would make use of? There is big difference between that free flight from an airline program and the free sub from the sandwich shop down the street.

**SHOPPING SAVVY**  
Both Wallner and Matic  
overcame their own spending  
challenges while honing their  
shopping know-how.  
PHOTO: JONATHAN CRUZ

get ready for fall

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# WHY DOUBLE DIPPING IS THE NEXT BIG THING

**A growing number of financial institutions are pushing their loyalty programs towards open-ended rewards that allow customers to choose where to spend their reward dollars.**

According to a report issued by COLLOQUY an organization that collects data about the loyalty marketing industry, Canadians hold a total of 120.7 million memberships to the various loyalty programs. That means about nine in 10 Canadians carrying 9 different membership cards. Like our neighbours to the south, the Canadian loyalty market is driven by the financial services category, with active memberships up almost 20 percent, from 25.9 million in 2008 to 31 million in 2010.

**Double dipping**

Tracy Hendricks, vice president of new business development, rewards and strategy at American Express Canada, says “double-dipping”, the use of a loyalty card in conjunction with a credit card attached to a re-

wards program, is a growing trend. She says that smart consumers will pay with their co-branded credit cards attached to a reward program to earn points on all their spending while at the same time using their loyalty card to accumulate point towards the same program. Even with an open-ended rewards program in place, Hendricks says the biggest market is still travel - one of the key markets for double dippers. “People continue to rate travel as one of the most important features of a rewards program,” says Hendricks. “It’s something people use to treat themselves.” In Canada, both Air Miles and Aeroplan, two travel-related reward programs often linked with financial institutions, grew their active memberships with the former rising 5.3 percent from 9.5 million to 10 million and the latter reporting a stable active membership of four million. Hendricks muses that the average consumer’s favouritism towards travel rewards is likely, in part, because travel is something that takes a gre-



**Tracy Hendricks**  
Vice President, New Business Development,  
American Express Canada

“People continue to rate travel as one of the most important features of a rewards program.”

at deal of planning and budgeting prior to the trip. Often, travel rewards members will account for the amount of points they can use as part of their ticket in their initial budgeting. Although the concept of attaching travel rewards to a credit card

may not be new, a growing number of financial institutions including AMEX use a system allowing the reward points to be used on travel with whomever the customer chooses. “We really try to make our programs as flexible as possible,” says Hendricks. “For us that means not dictating or determining where the customer decides to use their points.” **The world’s your oyster** Mike Henry, Scotiabank’s senior vice president and head of Canadian retail payments, deposits and lending, says the basic DNA of a rewards program is rooted in finding ways to compliment customers spending habits. “The spirit is ‘do what you already do and be rewarded for that’,” says Henry. He points out that although program such as Scotiabank’s Scene card - which offers moviegoers discounts and perks - are still popular (Scene has over 3 million members with 1 million being Scotiabank customers) the real growth in popularity has been the common every-

day spending rewards. Programs that offer points that can be converted towards mortgage payments, groceries, fuel and medicine. “We’ve seen a lot of broad appeal for that,” says Henry. “Cash is king.” And when all else fails, put your points on a gift card adds Hendricks. “In the last year or so, we’ve seen an increase in (that),” says Hendricks. She says she lacks the figures to show whether people are using the gift cards for themselves or as gifts but it seems to be a popular choice to help customers spend the money where they want to. But with an endless array of loyalty programs tied to financial institutions fluttering around, does it benefit the banks? “If a customer likes your product then it means they’ll spend more money on your card,” says Hendricks. “It’s a win-win situation.”







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