

## ***eBay's Customer Rewards Program***

Want to trade in those frequent-flier miles that will never amount to anything for something you want or need more—like an antique rocking chair or a great deal on a mountain bike? People who have unwanted miles or hotel points can swap them for eBay points. Each eBay point is worth one cent, and you can use those points to pay for items that are for sale on eBay while helping partners like American and Hilton Hotels off-load the number of free perks they need to pay out to customers. At American, for example, this means the more people who trade in their miles to buy goods on eBay, the more "free" seats the airline can now sell at market prices. Other partners, similarly, cut the expense of the freebies they must deliver.

For eBay, it is been a good swap so far: The Company's loyalty push, inaugurated in May and handled via the Points.com Web site, has translated into 300,000 new and repeat eBay customers who have signed up with the program. Already, 85 percent of the Anything Points issued through the program have been redeemed for eBay items and seller's fees.

Companies can learn from this example, to Partner with other industry verticals to off-load the number of free perks they need to pay out to customers and enhance customer-loyalty.

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