

ASSA RECOGNITION AWARD 2016

PROJECT PROPONENT:

Pag-IBIG Fund (Home Development Mutual Fund) - Philippines

CATEGORY:

Innovation Recognition Award

Creation of an Innovative Technology, Product, or Service that has led to improvements in products and services

1. NAME OF PROJECT

Pag-IBIG Fund Loyalty Card Program

2. OBJECTIVE AND NATURE OF THE PROJECT

The Pag-IBIG Fund Loyalty Card Program is a benefit program implemented to provide Pag-IBIG Fund members with additional benefit and savings in the form of discounts on the purchase of their priority and everyday needs. Through the program, a Pag-IBIG Fund Member with a Loyalty Card can enjoy discounts on purchase of fuel, groceries, medicines, and payment of tuition, and others. These discounts come from leading partner-establishments in the Philippines.

Members get to avail of up to 60% discounts on selected medicines, provided by Pfizer; up to 20% discount on tuition from 17 schools and colleges; up to 10% discount on hospital bills from 27 clinics and hospitals; 5% discount on generic and unbranded medicines from the Philippine's largest pharmaceutical retailer The Generics Pharmacy; 20% discount on ship-travel fare from 2Go Travel; among other perks.

Through the program, members can also accumulate points, which may be used to buy groceries from Puregold Price Club, one of the largest hypermarkets in the Philippines, and purchase fuel from gas stations of Petron Corporation, one of the largest oil refining and marketing companies in the country.

As of July 2016, the Pag-IBIG Fund Loyalty Card Program now has 109 partner-establishments located nationwide to serve its increasing number of cardholders. By the end of 2016, the program will have reached 140 partner-establishments providing discounts and rewards to its cardholders. The Pag-IBIG Fund Loyalty Card has thereby created a comprehensive discount program for Pag-IBIG Fund members, consolidating all the discount programs of various establishments in just one card.

Started in March 2013 with Baguio, Cebu, and Davao as pilot areas, the program achieved the target initial 200,000 cardholders in just five months, one month ahead of the projected program introduction run. Following its successful pilot run and launch in the National Capital Region, the program was implemented nationwide in March 2015. After one-and-a-half years of being available nationwide, the Pag-IBIG Fund Loyalty Card Program has registered 1,859,975 cardholders.

The Pag-IBIG Fund Loyalty Card Program showcases an innovative feature in the efficient and convenient manner by which Pag-IBIG Fund members may apply for the card. To enable utmost convenience for members and save them the need to leave from work, Loyalty Card enrolment kiosks are sent to members' offices and company premises where they can easily apply for a card. A member takes only around five minutes to apply for his card. The card is then delivered to the member's place of work or residence, whichever is more convenient for him.

Aside from providing member benefits, the Pag-IBIG Fund Loyalty Card Program is also a step towards transitioning Pag-IBIG Fund to a paperless and mobile-based transaction system. Equipped with a magnetic stripe, the Loyalty Card is programmed with the member's unique Membership Identification (MID) Number. Paired with the member's biometric data stored in the Pag-IBIG Fund database, the cardholder will also be able to use the card in mobile online kiosks to avail of

provident benefits such as viewing their membership profile and filing for short-term loan applications. When all the security features are in place, the Pag-IBIG Loyalty Card will become a single important tool by which all Pag-IBIG Fund members can enjoy all their member benefits.

3. WHY IT SHOULD BE RECOGNISED

More than just an identification tool, the Pag-IBIG Fund Loyalty Card becomes an important vehicle for the members to avail of additional social security benefits from Pag-IBIG Fund – benefits that may be enjoyed daily and in every aspect of their life. Through discounts on purchases and payments, it gives an additional means for the Pag-IBIG Fund members to save, enabling Pag-IBIG Fund to expand on one of its twin mandates. Pag-IBIG Fund is tasked to provide an effective savings mechanism and affordable housing finance to its members, the Filipino workers worldwide.

Aside from benefitting the Pag-IBIG Fund members with the savings accorded to cardholders, the Loyalty Card Program also provided the institution with a tool to update its member database at no extra cost. During the enrollment process, members are required to update their records and get their Membership Identification (MID) number, in case they do not have this yet.

As of July 2016, a total of P5,629,321.07 (USD119,341, at USD1 to P47.17) in discounts and rewards have been saved by 87,256 Pag-IBIG Fund Loyalty Cardholders on their practical daily purchases such as fuel, medicines, and groceries. Used in 403,340 point-of-sale transactions, the Loyalty Card has become a part of the members' purchasing habit, and a valuable tool towards savings and benefit. Along with other transactions that were manually recorded by partner-establishments, a larger number of Pag-IBIG Fund members have benefitted from the Loyalty Card Program.

In a country where every peso counts, the savings provided by the Pag-IBIG Fund Loyalty Card in the form of discounts have gone a long way in helping Pag-IBIG Fund members in their daily finances. Considering that the minimum daily wage in the National Capital Region is P466 (USD10) and even lower in other regions, the Pag-IBIG Fund Loyalty Card Program has provided a relevant financial assistance to Pag-IBIG Fund members.

Real-life stories of benefits gathered from Pag-IBIG Fund Loyalty Card holders are testament to the relevance that the program brought to them:

Mr. Manolito Frenila, a government employee from Rizal Province, saved P3,000 (USD64) in hospital bills when his two daughters were hospitalised due to dengue.

Ms. Jessica Balorio, a factory worker from Cebu City, saves P240 (USD5) monthly on her post-surgery clinic check-ups – a small amount that sums up to a few thousands on the long term.

Ms. April Sulasula, a member from Cagayan De Oro, saves P115 (USD2.50) on inter-island travel fare each time she travels to visit her family.

Ms. Melly Damaso, a Human Resource Specialist from Benguet Province, saves P500 (USD10.60) monthly on her maintenance medication.

Mr. Jonathan Pascual, a private sector worker from Ilocos Province, saved P5,000 (USD106) on his fuel purchases.

Mr. Bernice Ferreras, a supermarket employee from Manila, *Ms. Mary Ann Malinao*, a factory worker, and 28 other cardholders from Davao City have enjoyed a total discount of almost P57,000 (USD1,208) on their tuition, allowing them the opportunity to apply for better job offers afforded for those with higher education.

More than discounts and purchase benefits that the Pag-IBIG Fund members currently enjoy, the Pag-IBIG Fund Loyalty Card will soon be used to allow members to transact securely and easily with Pag-IBIG Fund whenever they avail of the social security benefits, particularly short-term loans, which

the institution provides. Pag-IBIG Fund members will then enjoy better convenience, higher security of transactions, faster processing, and increased efficiency in applying for their short-term loans.