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Payment Card Offers And Selection Based On Benefits Offered If Applied To Present Transactions

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PAYMENT CARD OFFERS AND SELECTION BASED ON BENEFITS OFFERED IF APPLIED TO PRESENT TRANSACTIONS

Abstract

By examining a user's current payment card transaction and payment card transaction history, the present technology examines the benefits of using each of a plurality of payment cards and determines, based on rules, 1) which existing user payment card to recommend/use in the current transaction, and/or 2) which new user payment card to recommend/offer to the user.

Keywords

Payment card; credit card; payment card benefits; electronic advertisement auctions; and payment card transaction history.

Description

A payment card, such as a credit card or a debit card, enables a user to make a payment by electronic funds transfer. Typically, payment cards are electronically linked to a payment account. These accounts may be deposit accounts, loan accounts, or credit accounts. The payment card is a way for the card user to access the underlying payment account for payment in transactions, such as in a transaction with a merchant at a point-of-sale (POS) device. Many payment cards offer benefits and incentives such as cash back on purchases, frequent flyer miles, and special offers.

In some instances, the user's phone can serve as a proxy for an underlying physical card and payment account. For example, in mobile wallet technology, also commonly referred to as "electronic wallet" and "digital wallet" technology, a user can present a mobile device at a POS device to conduct a transaction at a brick-and-mortar merchant location. Some electronic wallets

allow the user to make online payments via the electronic wallet. Most electronic wallets accommodate underlying multiple payment accounts.

While the present document refers to "payment cards," such as credit cards and debit cards, the technology described herein can find use with cards of other user accounts, for example, loyalty accounts, coupon account, and travel accounts.

Referring to Figure 1, in typical electronic wallet architectures, the electronic wallet application provider maintains an account for the user in an electronic wallet server. The electronic wallet server interacts with both merchant systems (such as a POS system, by "tapping") and conventional payment card authorization and processing systems via the Internet to complete transactions.

Typical electronic wallet applications do not store the user's payment card information on the user's mobile device. Rather, the electronic wallet application "tokenizes" the payment card. This is also known as replacing the payment card/account number with a "proxy." With payment card tokenization, an alias/placeholder/proxy account number remains stored on the user's mobile device. The actual payment account information is stored with the electronic wallet server.

A user can initiate a payment transaction with the electronic wallet by presenting the mobile device at a brick-and-mortar merchant's POS system. Upon presentation, the POS system and the user's mobile device establish a communications channel. For example, "tapping" the mobile device at a POS system may establish a communications channel between the mobile device and the POS system using Near Field Communication (NFC) technology. Other communications channels, such as a Bluetooth wireless communication technology channel or a

Wi-Fi ™ wireless communications channel can be used apart from, or in conjunction with, the NFC channel.

The user's mobile device and the merchant's POS system exchange information, including user's mobile device communicating the alias account information to the merchant's POS system, via the communications channel established between them. The merchant's POS system interacts with the electronic wallet to receive the actual account information. From this point, the transaction can be processed as if the user had presented a physical payment card to the merchant.

Outside the brick-and-mortar context, electronic wallets can be used to complete transactions online between a user and a merchant. In such cases, the communications channel between the merchant's web server and the user's computing device is a network such as the Internet.

The benefits offered by the payment accounts underlying various payment cards vary greatly across cards, across transactions, and over time. As a continuing example, a first payment card/account may offer 3% cash back on fuel purchases and a frequent flyer mile/$1 on other purchases from a first set of merchants. A second payment card/account may offer 2% cash back on fuel purchases and 2% cash back from a second set of merchants overlapping the first set of merchants. A third payment card/account may have recently changed from offering 4% cash back on fuel purchases and now offers only 1% cash back on fuel purchases charged to the account. Keeping track of the various incentives across payment cards can be an onerous task.

Using a user's current payment card transaction and payment card transaction history, the present technology can assess the benefits of using each of a plurality of payment cards and

determine, based on rules, 1) which existing user payment card to recommend/use in the current transaction, and/or 2) which new user payment card to recommend/offer to the user.

In some embodiments, the technology can recommend a payment card from among the user's available payment cards. By identifying the merchant name or merchant type, the technology can apply rules (for example, provided by the payment card issuers) for similar merchants. In the continuing example, if the present transaction is for gasoline at a Fuelco gas station (part of the first set of merchants, but not part of the second set of merchants), the technology can apply the reward rules of the first, second, or third payment card to the transaction. In the case of the continuing example, use of the first payment card will reward the user 3% cash back. Use of the second payment card will not reward the user, since Fuelco is not part of the set of merchants for which rewards are offered for that card. Use of the third payment card will reward user 1% cash back. In this situation, the system will recommend that the first payment card be used in the present transaction.

In some embodiments, the technology can recommend a payment card from among one or more cards not currently held by the user. The technology can accept payment card offer details and bids (for example through a web portal for that purpose) for the opportunity to have one or more payment cards recommended to the user. Bids associated with payment cards that would provide a better benefit to the user can be more favorably adjusted than bids associated with payment cards that would provide a lesser benefit to the user. In a variation of the continuing example, upon initiating the present transaction at a Fuelco gas station, the technology can identify a fourth payment card (not held by the user) that offers 4% cash back on all fuel purchases, a fifth payment card (also not held by the user) that offers 5% cash back on fuel purchases at Gasco stations. The fourth payment card offers a greater benefit in the pending

transaction that the user's existing card. While the fifth payment card offers a greater reward for fuel purchases, the fifth payment card does not offer that reward at Fuelco stations. In this case, one card (the fourth payment card) can be offered to the user. In some cases, prompt, or even immediate approval (including in some cases temporary approval) can be offered to the user for the new payment card.

While the description above is directed to current transactions, the technology also can consider transaction history in recommending an existing payment card or recommending a new payment card – whether in response to a presently detected transaction or not. The functions described herein can be executed as instructions on a single platform (such as the user's smartphone or a payment system server) or distributed across multiple platforms. The specific business rules for determining the best value offered by a card are for example only, and various other business rules, including rules that can compare different types of benefits (for example, cash back and frequent flyer miles), or require a threshold difference between existing and new cards, can be implemented.

As depicted in the Fig. 1, an architecture for the present technology includes network devices; each of which may be configured to communicate with one another via a communications network, such as the Internet. A user associated with a device may have to install an application and/or make a feature selection to obtain the benefits of the technology described herein.

In situations in which the technology discussed herein collects personal information about users, or may make use of personal information, the users may be provided with an opportunity or option to control whether programs or features collect user information (e.g., information about a user's social network, social actions or activities, profession, a user's

preferences, or a user's current location), or to control whether and/or how to receive content from a content server that may be more relevant to the user. In addition, certain data may be treated in one or more ways before it is stored or used, so that personally identifiable information is removed. For example, a user's identity may be treated so that personally identifiable information cannot be determined for the user, or a user's geographic location may be generalized where location information is obtained (such as to a city, ZIP code, or state level), so that a particular location of a user cannot be determined. Thus, the user may have control over how the technology collects and uses information about the user.
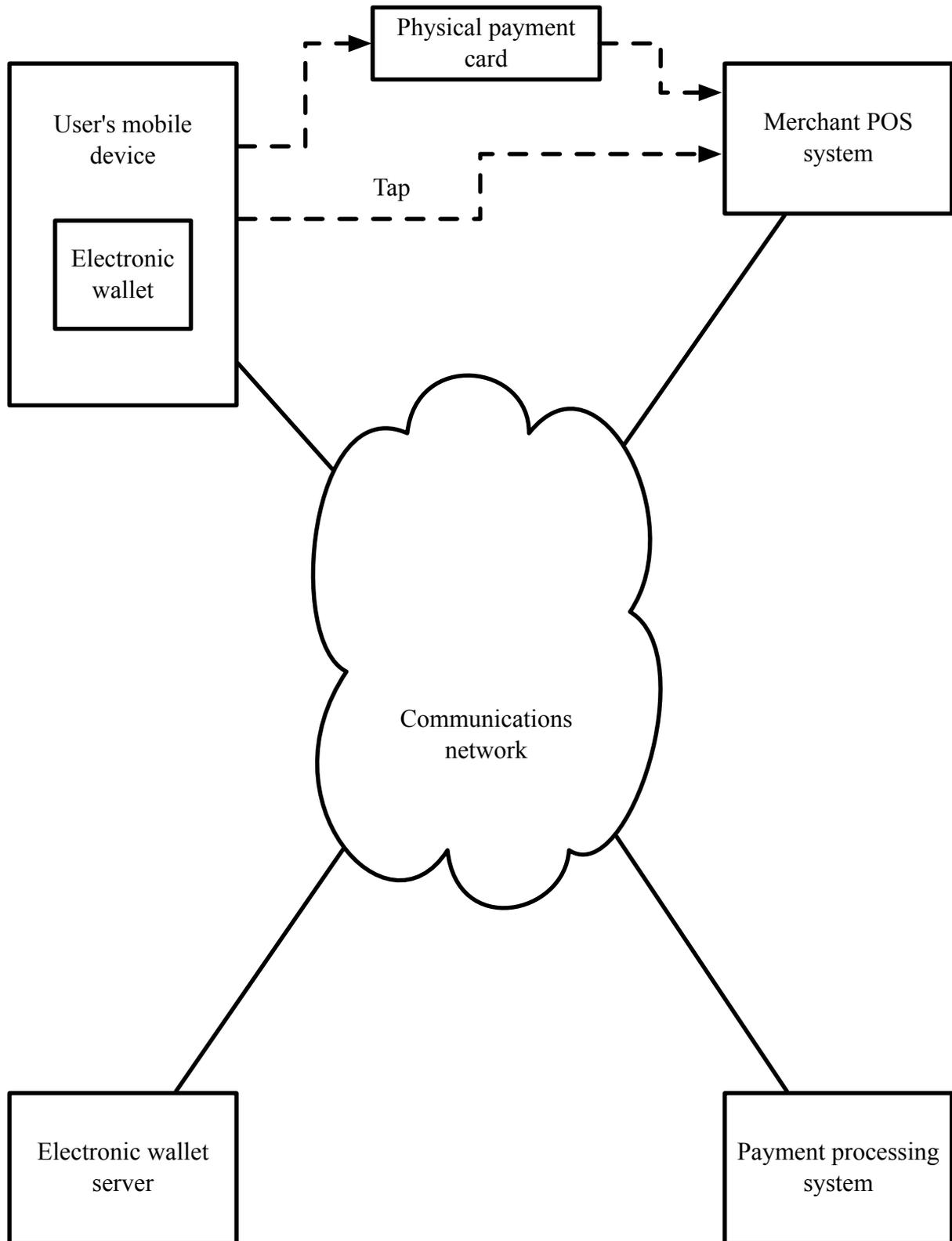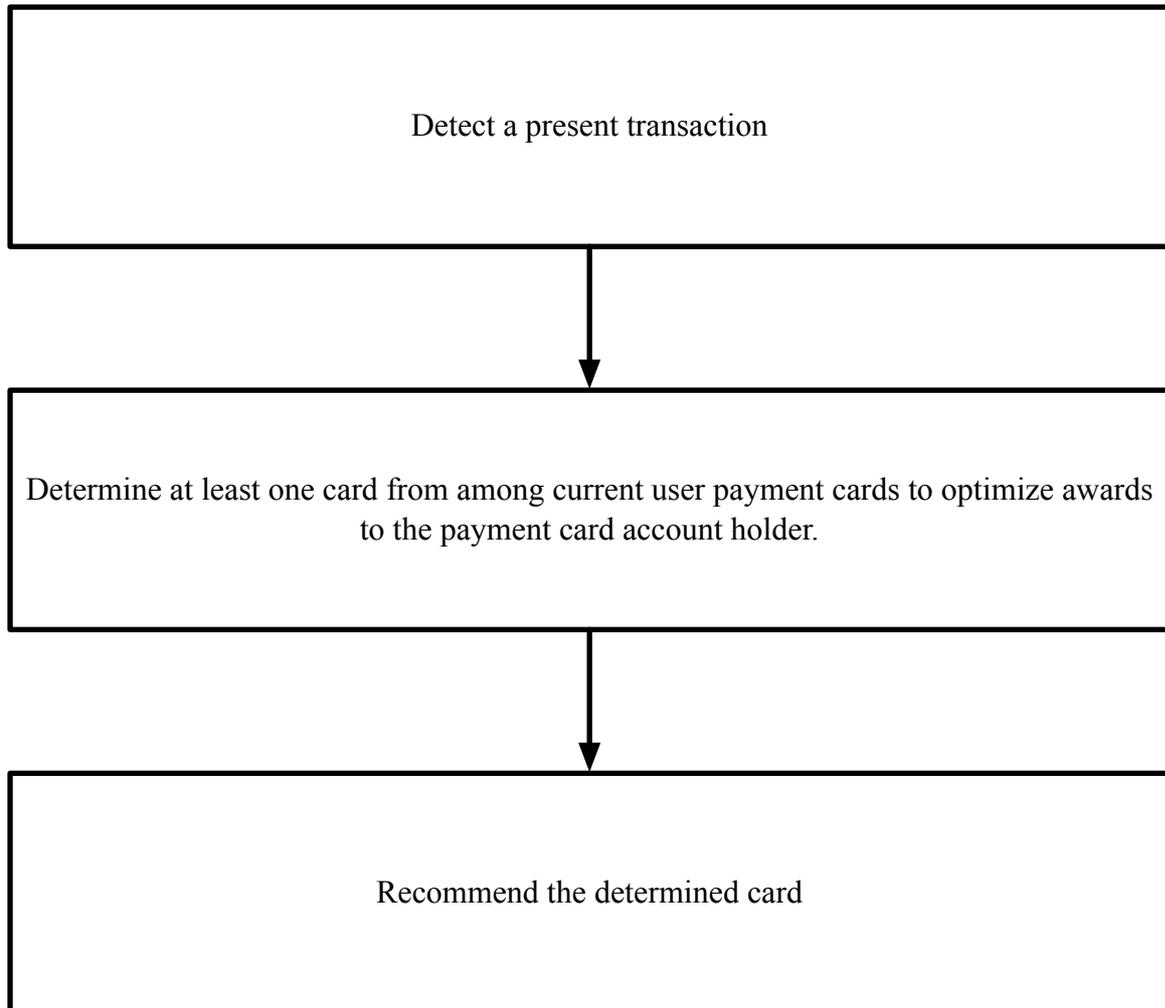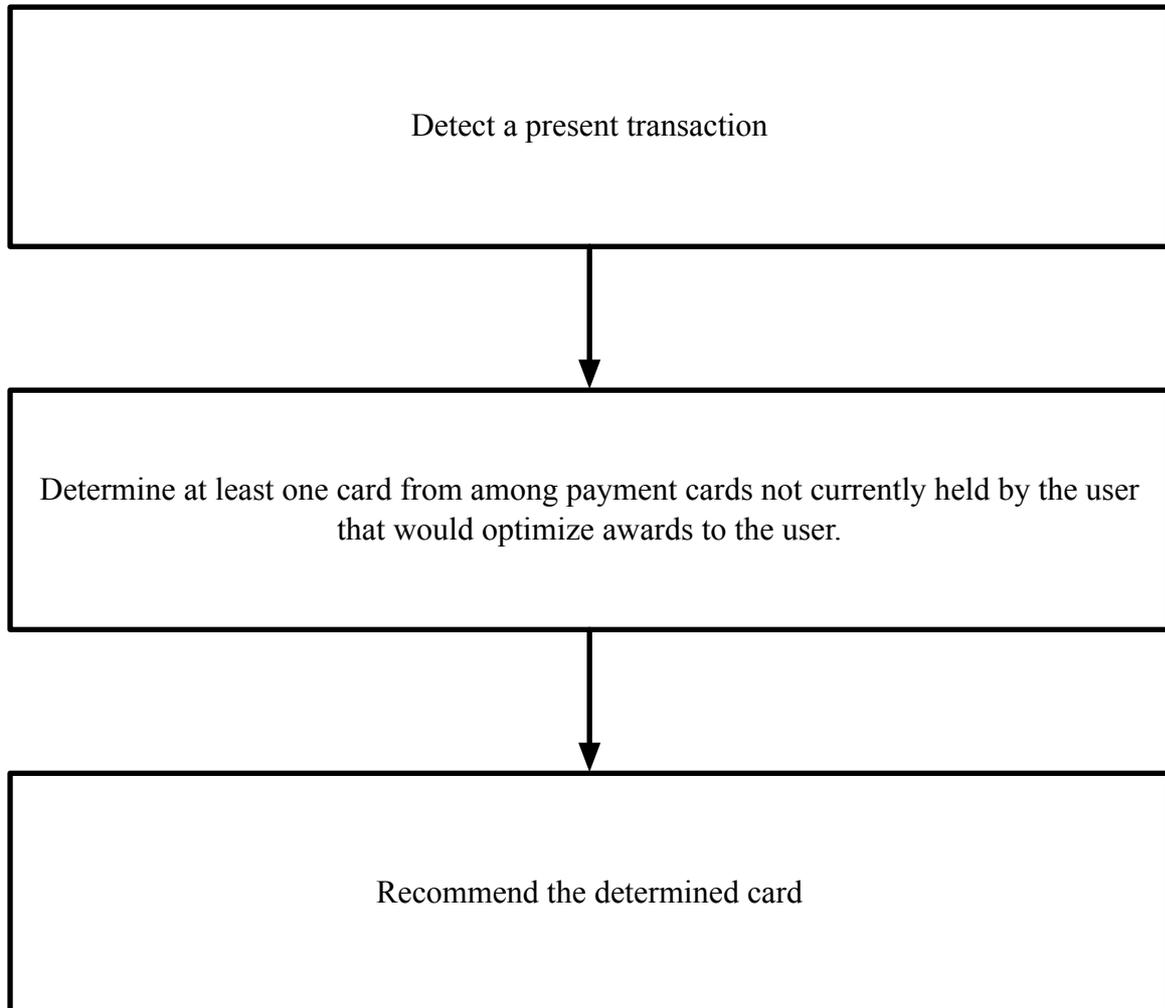
FIG. 1

Detect a present transaction

Determine at least one card from among current user payment cards to optimize awards
to the payment card account holder.

Recommend the determined card

FIG. 2

Detect a present transaction

Determine at least one card from among payment cards not currently held by the user that would optimize awards to the user.

Recommend the determined card

FIG. 3