



Cobra Standard™ Version 2.0
Protocol Priority for Offer Redemption

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The Cobra Standard

Problem Definition:

When a consumer activates multiple offers or loyalty programs from the same merchant to one payment card, there is no industry recognized, pre-established systemic sequence in which the programs get reconciled and applied that is understood by consumers and merchants. There is also no option for either consumers or merchants to select their own preferences regarding when, how, and which offer program is applied to a transaction. In addition, merchants do not have visibility or control of the number of offer redemptions for a specific offer over time, across multiple offers platforms and publishers. This set of barriers creates a disincentive for merchants to provide offers on multiple offers platforms and creates a suboptimal consumer and merchant experience with using card-linked offers.

There are additional industry friction points around the inability to understand the linkage of a customer to multiple cards and the fact that not all offers are card-linked (i.e. paper, mobile, barcode, etc.) that will not be dealt with in this version of The Cobra Standard but will be considered for future versions.

Solution:

The Cobra Standard is a default industry standard systemic sequence for handling the application of offers and loyalty programs when multiple offers are attached to one card that also enables consumers and merchants to define their own preferences. The standard requires the tracking and managing of the overall total number of redemptions per offer to a single or multiple subsequent transactions. This tracking and management includes determining both the total number of times a single consumer can use an offer and the number of redemptions available across all consumers. Lastly, this standard mandates the requirement for common identification of a merchant, consumer, and offers across the industry in order to be considered in compliance with the standard. The specific system implementation of the standard is not described and is not within the scope of this document.

Legal Disclaimer:

It is the policy of The CardLinx Association and its members to promote and foster competition. Therefore, in carrying out its activities, it is the policy of CardLinx and its members to act at all times in accordance with, and strictly adhere to, the letter and spirit of all applicable national and international antitrust, competition laws and regulations.

Nothing within the Cobra Standard shall be interpreted or implemented in such a way as to contravene such laws and regulations or to restrict parties from negotiating competitive market terms for goods and services or restricting competition in any way.

How to Provide Feedback/Comment:

Members of the CardLinx Association are invited to provide feedback on the standards to cardlinxstandards@cardlinx.org.

Cobra Standard Description

Standard Systemic Sequence for Offer or Program Application:

In addition to standard input and output Application Programming Interfaces (“API”s) and protocols that are shared across CardLinx members, the Cobra standard also defines standard logic that should be used by all CardLinx members when applying offers or programs to transactions. Below is the sequence of steps and considerations:

1. Determine valid offer. Valid offers are defined as offers that are not expired and whose Start and End dates are applicable to the transaction date. Additional offer elements may be considered when determining validity, such as the time of the transaction, minimum purchase amounts, or item- or SKU-level information.
2. Identify all Unique Offers. It is possible that multiple Publishers might distribute the same offer to a consumer, which would result in the offer being linked multiple times to a single card. This step of the sequence would identify if any of the offers on the card are the same and would determine which publisher would get credit for the redemption. Unique Offers are defined as offers with a unique identifier across the industry. Consumer linked offers will take precedence over system loaded offers. The offer acceptance date (date the offer was added to a card) should be used to determine which offer should be used when multiple offers have the same Offer Identifier. The offer with the most recent acceptance date should be included in the subsequent evaluation steps.
3. Check Merchant combinability preferences, which are preferences that indicate whether or not an offer can be combined with another offer and the offers with which it is combinable.
4. Prepaid Offers
5. Highest Discount Value to consumer
6. Funding source (non-Merchant, non-Publisher, Merchant, Publisher)
7. Offer Acceptance date

Description:

In the instance that multiple offers are attached to one card, the systemic sequence described will be used to determine which offer(s) should be applied to a single transaction. The systemic sequence would first determine which offers are valid for the transaction based on Start, End, and Expiration dates. Since it is possible that the same offer was distributed to a consumer by multiple Publishers, the sequence will identify all unique offers by evaluating the offer identifiers. If multiple offers have the same offer identifier, then any offers that were linked by the consumer will take precedence over offers that were automatically loaded systematically without consumer action. If there are still multiple offers with the same identifier, the offer that has the most recent Offer Acceptance date will be used for subsequent evaluation steps. The sequence will then determine if any of the offers can be used together by checking any Merchant combinability preferences. The resulting offers and offer combinations will then be evaluated to determine which one will be applied towards the transaction. Any offer or combination of offers that includes a prepaid offer should be applied first. If there are not any prepaid offers or if there are multiple prepaid offers, then the offer or combination of offers with the highest discount value to a consumer would be applied. If there are multiple offers or combinations of offers that are tied for the highest discount value, then the system would determine which offer or combination of offers has the lowest merchant cost by evaluating the offer funding sources. If there are still offers or combinations of offers that are tied, then the option that has an offer with the most recent Offer Acceptance date would be used.

Cobra Standard Description

Standard Systemic Sequence for Offer or Program Application, Continued:

Example:

The following four offers are loaded to a card:

- A. \$10 off \$30 purchase, Offer ID 123, Publisher A, Start date – 12/15/13, End Date – 2/15/14, Expiration Date – 1/15/14, Non-Loyalty, Acceptance Date – 12/15/13; not combinable
- B. \$10 off \$30 purchase, Offer ID 123, Publisher B, Start date – 12/15/13, End Date – 2/15/14, Expiration Date – 1/20/14 Non-Loyalty, Acceptance Date – 12/20/13; not combinable
- C. \$10 off any purchase, Offer ID 345, Publisher A, Start date – 1/10/14, End Date – 2/15/14, Expiration Date – 2/15/14, Non-Loyalty, Acceptance Date – 12/30/13; combinable with offer 678
- D. \$5 off any purchase, Offer ID 678, Publisher C, Start date – 1/10/14, End Date – 12/30/14, Expiration Date – 12/30/14, Loyalty Offer, Acceptance Date – 1/7/14; combinable with offer 345

The transaction date is 1/10/14 for \$100. The logic for applying offers is as follows:

1. Determine valid offer: All offers are valid based on their start, end, and expiration date
2. Identify unique offers: A, C, & D (A & B have the same Offer ID; B is used since it has the most recent offer acceptance date.)
3. Check Merchant combinability preferences: C&D can be combined; B cannot
4. Prepaid: None of the offers are prepaid
5. Combining offers C & D provides a higher discount value to the consumer than offer B.
6. Result: C & D will be used towards the transaction

Areas for Future Consideration (Not within the scope of the current Cobra Standard)

- Payment Card Tokenization: Determine a common method or methods that could be used by all CardLinx members which would meet various compliance and platform requirements.
- Standardized Offer Schema: Identify standard offer schema elements that would be used by all CardLinx members.
- Maintaining Service-Level Agreements: Various platform SLAs should be considered when defining a framework solution or time sensitive services, such as Redemption.
- CardLinx Framework: Additional analysis needed to determine the appropriate type of integration. Some examples are a peer to peer network, a centralized solution, or shared algorithms. Pros and cons of each should be considered while taking into account the various types of platforms and perspective of CardLinx members.
- Redemption Service: Additional analysis is needed to identify a redemption service that could be technically implemented by all CardLinx members. Analysis would need to include the various points of redemption within the Card-Linked Offers ecosystem, such as prior to authorization and post authorization. It would also need to include the various locations where redemptions could occur, within the terminal equipment, at the processor, issuer, or network, etc.

Defined Terms & Data Fields

CardLinx Cobra Standard Input/Output Fields:

The API definitions and input/output fields below comprise common protocols that CardLinx members are required to provide to one another when complying with the Cobra Standard. The specific technology implementation of these APIs and input/output fields are not within the scope of this standard.

API Input/Output Calls Common Input/Output Calls		
Name	Description	Notes
CardLinx Member Registry	CardLinx members will register themselves with the association and will provide details that will help other members interact with them.	Information includes business name, member type, contact and technical integration information.
CardLinx Merchant ID	A merchant or a publisher on behalf of the merchant would register a new merchant and will receive a common identifier for the merchant that would be used by all CardLinx members. CardLinx members could obtain an existing Universal Merchant ID by providing key merchant identifying information.	CardLinx collects identifying merchant information from various sources and CardLinx members in order to enable members to submit a variety of merchant details. Information includes merchant name, address, longitude, latitude, and tax ID.
Manage Offer Inventory	A merchant or a third party on behalf of a merchant would create inventory for each offer they want distributed. A unique offer ID would be generated by the system creating the inventory. The unique offer ID would need to be used by all CardLinx members when referencing the offer.	Offer information includes elements such as offer name, \$/or% off, minimum transaction amount, valid store locations, inventory information, combinability information, publishers, etc.
Offer Information	The system that is housing the offer inventory would provide a way for parties that will be distributing the offer to obtain the offer information needed to distribute. This would include a common offer ID that will be used by all parties that are distributing the offer.	Offer information includes elements, such as offer id, offer name, \$/or% off, minimum transaction amount, valid store locations, inventory information, combinability information, publishers, etc.
Payment Card Tokenization	All CardLinx members would use a standard method of generating payment card tokens, so that the token could be shared across platforms and used by all CardLinx systems. (Further analysis needed to determine an agreed upon common method of card payment tokenization.) If a CardLinx member would like to obtain a token, rather than generate on their own, CardLinx could provide a service that would use the same agreed upon method used by all members.	Further analysis is needed to determine an agreed upon method of card payment tokenization.
Offer Linking Availability	A CardLinx member can check with another member to determine if there is any availability to link an offer to a payment card.	The service will check both global and payment card availability.
Link Offer to Payment Card	A CardLinx member will notify the source inventory system that a consumer has linked an offer to a payment card.	This will enable the source inventory system to track inventory.
Offer Redemption	Enable CardLinx members to determine if a single offer can still be used towards a transaction. The service would determine if the offer still has inventory available and if the consumer has reached their maximum usage limits.	This would be the base service, could be expanded to support stacking of unique offers. (Further analysis needed to determine inputs and outputs.)
Merchant Offer Preferences Registry	A merchant or a publisher on behalf of the merchant could submit a merchant's preferences for how their offers should be processed.	Possible preference elements could include whether they allow combinability, should the highest value to consumer be used or the lowest value, etc. (Further analysis needed to determine inputs and outputs.)
Consumer Offer Preferences Registry	A publisher can submit any consumer offer preferences they have collected on the behalf of the consumer.	Possible preference elements are preference to use prepaid over coupons and would they want to use the most recent one they added to card, instead of oldest added, etc. (Further analysis needed to determine inputs and outputs.)

Input & Output Call Examples:

Input/Output Call: CardLinX Member Registry		
Function: CardLinX members will provide key identifying and integration information		
Who: Advertiser, Sales Organization, Publisher, or Merchant		
Value	Description	Notes
Input		
Member Business Name	Business name of the member	
Member Type	Identifies the businesses type of business. Examples are sales organization, merchant, or publisher.	
Contact Information	Method of contacting the member, which could include an email address or phone number	
Technical Integration	Include information needed to integrate with member. An example would be endpoint information.	
Output		
CardLinX Member ID	Unique identifier that signifies the business	
Status	Indicates the businesses standing within association. Possible statuses are: active, pending, and closed.	

Input/Output Call: CardLinX Merchant ID		
Function: Submit identifying merchant information that CardLinX would use to provide the unique CardLinX merchant id (Note: Further analysis needed to determine available input data.)		
Who: Advertiser, Sales Organization, Publisher, or Merchant		
Value	Description	Notes
Input		
Merchant Business Name	Name of merchant	
Merchant Physical Address	Address for the merchant's location	
Merchant Billing Address	Address merchant commonly uses for billing purposes	
Merchant Tax ID	Unique identifier that represents the merchant with the IRS	
Merchant Location Longitude & Latitude	The longitude and latitude associated with the location's physical address	
Merchant Zip Code	Zip code of merchant's physical location	
Merchant Phone Number	Contact phone number for merchant location	
Merchant Email Address	Contact email address for merchant location	
Output		
CardLinX Merchant ID	Unique identifier that represents the individual merchant location(s) with CardLinX.	The CardLinX merchant ID would be used by all CardLinX members when communicating with each other about the merchant location.
Status	Indicates the businesses standing within association. Possible statuses are: active, pending, and closed.	

Input/Output Call: Manage Offer Inventory

Function: Submit offer information to a CardLinx member or to CardLinx. Information could then be used to track inventory and provide information to other CardLinx members for distribution. (Note: Further analysis needed to identify common offer schema that will be used by all CardLinx members)

Who: Advertiser, Sales Organization, Publisher, or Merchant

Value	Description	Notes
Input		
CardLinx Member ID	Unique identifier that represents the business that is submitting the offer	
CardLinx Merchant ID	Unique identifier that represents the individual merchant location(s) with CardLinx	
Offer Name	Name of the offer	
Offer ID	A unique identifier that represents the offer within the system submitting the offer	
Start Date	First date an offer can be used by a consumer	
End Date	Last date an offer can be used by a consumer	
Discount Amount	Amount that would be taken off the total transaction	
Offer Description	Text that can be used when publishing the offer to consumers	
Offer Image	URL for offer image	
Discount Percentage	A percentage off the total transaction	
Max Discount Amount	The maximum dollar amount that can be taken off the total transaction	
Minimum Transaction Amount	The minimum amount a consumer needs to spend to receive the discount	
Item Identifier(s)	A unique identifier that represents a particular item for which the discount applies	
Combinability	Indicates if the offer can be combined with another offer(s). Possible values are: yes/no.	
Combinable Offers	Unique offer ID(s) of the offers with which the offer the can be combined	
Global Inventory	Total number of available redemptions across all consumers	
Maximum Redemption	Total number of times an individual consumer can use the offer	
Expiration Period	Indicates the time period when an offer will expire after it has been linked to a payment card. (X months, X days, etc.)	
Output		
CardLinx Offer ID	A unique identifier that represents the offer within the system of record for the inventory	This offer ID will need to be used by all CardLinx members in order to track offer usage across all platforms.
Global Inventory Count	Signifies the number of offers available for redemption	

Input/Output Call: Payment Card Tokenization		
Function: A CardLinx member can submit payment card information in order to obtain a token that can be used to represent the payment card. CardLinx will use the same standard tokenizing process as all CardLinx members so platforms can communicate with each other.		
Who: Advertiser, Sales Organization, Publisher, or Merchant		
Value	Description	Notes
Input		
CardLinx Member ID	Unique identifier that represents the business that is submitting the offer	
PAN	A unique primary account number that represents the payment card	
Output		
CardLinx Token	A unique identifier that represents the payment card	All CardLinx members will use the token to represent the payment card when communicating with one another. The CardLinx token service will use industry standard tokenizing

Input/Output Call: Offer Linking Availability		
Function: Check if an offer still has inventory available to link to a payment card		
Who: Advertiser, Sales Organization, Publisher, or Merchant		
Value	Description	Notes
Input		
CardLinx Member ID	A unique identifier that represents the business that is submitting the request	
CardLinx Offer ID	A unique that represents the offer within the system of record for the inventory	This offer ID will need to be used by all CardLinx members in order to track offer usage across all platforms
CardLinx Token	A unique identifier that represents the payment card	All CardLinx members will use the token to represent the payment card when communicating with one another. The CardLinx token service will use industry standard tokenizing mechanisms.
Link Source	Represents who is linking the offer to the payment card. Possible inputs are consumer or system.	
Output		
Global Inventory Count	Signifies the number of offers available for redemption	
Payment Card Offer Link Count	Signifies the number of the times the offer ID has been linked to the unique payment card	

Input/Output Call: Link Offer to Payment Card Function: Notify the source inventory system that a consumer has linked an offer to a payment card Who: Advertiser, Sales Organization, Publisher or Merchant		
Value	Description	Notes
Input		
CardLinx Member ID	Unique identifier that represents the business that is submitting the request	
CardLinx Offer ID	A unique identifier that represents the offer within the system of record for the inventory	This offer ID will need to be used by all CardLinx members in order to track offer usage across all platforms
CardLinx Token	A unique identifier that represents the payment card	All CardLinx members will use the token to represent the payment card when communicating with one another. The CardLinx token service will use industry standard tokenizing mechanisms.
Link Source	Represents who is linking the offer to the payment card. Possible inputs are consumer or system.	
Link Date	Date offer was linked to the payment card	
Output		
Link Confirmation ID	A unique identifier that represents the offer and payment card combination	
Link Status	Indicates the state of the offer linked to the card. Possible states are: active, pending, and inactive.	