



Media Release

FOR IMMEDIATE RELEASE

Is Woolworths credit card headed for the rocks before the honeymoon?

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Let's hope the new credit card partnership between Woolworths, HSBC and MasterCard does not follow the same path as the Ezy MasterCard. The Ezy MasterCard was launched in 1999 and hit rocky times in 2003 when legal action was taken against MasterCard; the Commonwealth bank claimed MasterCard had breached the exclusive credit card deal by joining Myer to launch a similar card. The partnership managed to survive, but in 2006 was scaled back and was no longer offered to new customers.

Woolies new credit card aims to compete against Myer and David Jones branded credit cards and to offer a more comprehensive loyalty program to its customers.

According to Rubilda Segura of Affinity Maker, "We saw, in the partnership Woolworths established years ago to launch its Ezy MasterCard, how a partnership can underperform and later fall over. More importantly it showed us that if the foundations are not solid, no matter how big your organisation is, the partnership can go terribly wrong". As a marketing specialist, Rubilda is part of the team of experts at Affinity Maker that has helped organisations of all sizes to create new partnerships and alliances or make existing ones work better.

She continues explaining; "For the new card to be successful, Woolworths, HSBC and MasterCard should have a clear partnership framework, which includes building the right behaviours, efficient processes and an effective governance structure including their common shared objectives; as well as a detailed execution plan. This would allow them to design a rock solid foundation for the new alliance, if they are serious about making it work".

Often these partnership basics, as Rubilda describe them, get lost in the details and excitement of a new partnership prospect. "Woolworths probably had a rethink on its financial services strategy, and hopefully would have gone through a more thorough partner selection process to avoid past failures." The comments follow the launch of the Affinity Engine™, a tool that the Affinity Maker™ team of partnering and alliancing experts have designed to aid organisations when it comes to creating new partnerships or making existing ones work better. It features two sections, the 'Partnership Repair' is a starting point to help organisations get their partnership or alliance back on track; and its unique 'Business Matchmaker' which helps organisations create and develop alliances and partnerships with relevant like-minded organisations.

As part of the normal partnering process described in the Affinity Engine™ (Affinity Maker's innovative new tool to facilitate and improve the matching and partnering process between organisations), Woolworths is now entering the Maximise the Value stage, "At this point Woolworths, HSBC and MasterCard should watch out for any symptoms that might indicate problems with the foundations of the partnership, so they can tackle the issues at an early stage and help the partnership to work effectively".

The launch of Woolworths Credit Card at the same time as the launch of the Affinity Engine™ has provided Affinity Maker™ with a current example of how business partnership foundations are of paramount importance to determine the outcome of any partnership or alliance. Rubilda commented; "Only time will tell us if Woolworths did its

homework this time... anyhow now there is the Affinity Engine™ ready to help, if things do not go according to plan for Woolworths”.

About Affinity Maker™

Affinity Maker is an international boutique consulting company that helps clients create new partnerships and alliances or make existing ones work better. As part of their research, Affinity Make looked at the ways individuals date each other and make their relationships better when things start to go wrong. Combining this with their knowledge of business partnerships led to the creation of Affinity Engine™. Affinity Maker has worked with leading Australian organisations including: AIG, Priceline, NRMA and DRIVA-Check.

For Further Media Information Contact:

If you require more information about this topic or to schedule an interview, please call Rubilda Segura at +61 432 563 272 or e-mail rubi.segura@affinitymaker.com