

# DELIVERING RESULTS



## FACING CHALLENGES

Preferred Credit Union struggled with what many credit unions face – debit cards that go unused or rarely used with the plethora of other cards in members' wallets. The organization was seeking a way to increase members' debit card usage to bolster interchange revenue and member engagement. The credit union needed to identify members to target and determine the right reward to offer to encourage these members to use their cards more often at the point-of-sale (POS).

## CREDIT UNION PROFILE

Preferred Credit Union (PCU) is a community based credit union in Michigan, headquartered in Grand Rapids with locations in Kalamazoo, Ludington, Hastings, Greenville and Belding, PCU's mission is to provide to all its members equally, a sound, fair, value-conscious and friendly source of financial service that can assist and enhance their economic well-being.

## PROVIDING SOLUTIONS

PCU determined that CO-OP Revelation powered by Saylent, a card portfolio optimization solution, coupled with CO-OP Preferred turnkey marketing services, was the right choice for its debit card usage needs.

Using CO-OP Revelation, Saylent segmented and analyzed PCU's member base to determine those members who fit specific criteria – those with a POS PIN and signature spend of less than \$250 in the baseline month of April 2014. The goal was to increase these members' spend to \$500 or more in the month of the campaign, June 2014.

To motivate the targeted members to increase their card usage, Saylent devised the "Drive On" campaign, which would reward members who met the incentive threshold during June with either a \$10 gas card (\$500 to \$750 in debit card spend) or a \$20 gas card (for more than \$750 in debit card spend).

Saylent functioned as a true extension of PCU's marketing department, implementing all components of the campaign, including the creative, direct mail piece printing and mailing, reward fulfillment and reporting to PCU, freeing PCU to focus on its core business.

*"In mid-2013, we created a Cards Services Department to focus on our card portfolios. To increase non-interest income with all our plastic activity, we began by taking advantage of the "Drive On" campaign. We are impressed with the minimal staff resources needed, and the significant and continued growth in interchange revenue. That impressive start led us to participate in two additional campaigns."* – Rhonda Harrington, VP of Card Services, Preferred Credit Union

# POWERFUL INSIGHTS. PROFITABLE OUTCOMES.

Preferred Credit Union achieves better service and bigger bottom-line results by relying on Saylent's turnkey marketing program run through CO-OP Revelation.

## DELIVERING RESULTS

More than 11% of those targeted qualified for a reward from the campaign. These members increased their debit card usage from an average of less than six purchase transactions per card during the baseline month to an average of close to 24 purchase transactions per card during the campaign month. This activity was sustained post-campaign, with a purchase transaction volume per qualified card increase of 247% through August 2014.

These qualified members went from spending an average of just \$136 per card during April to \$1,002 per card in June, sustaining this spend in the months following the campaign, with a 465% increase through August.

Not only did the campaign positively impact the qualified group, but those who were targeted overall boosted their debit card usage and spend as well. Targeted members increased their card usage from an average of less than five purchase transactions per card during the baseline month to more than seven purchase transactions per card on average during the campaign month. This activity was sustained post-campaign, with a purchase transaction volume per card increase of 55% through August 2014.

During April, these members spent \$110 per card, on average. In June, they increased their spend to \$234 per card, with a 122% increase in debit card spend sustained through August.

The campaign generated an impressive 74% increase in interchange revenue over three months, and PCU is expected to achieve a campaign ROI of 266% in 12 months. While the financial impact to the credit union was significant, the credit union benefited further from increasing its member engagement and loyalty by offering a reward that its members desired. Preferred Credit Union was so happy with the results of this campaign that it pursued two additional campaigns since then through CO-OP Revelation and Saylent.

*CO-OP Financial Services (CO-OP) is a Credit Union Service Organization serving more than 3,500 credit unions around the country. CO-OP allows credit unions to serve their cardholders with payments products that would otherwise be only available to larger financial institutions. These services include ATM processing, shared branching, call center, and debit and credit card processing, as well as many more complementary products.*

*Saylent provides financial institutions with data analytics software and services that improve profitability and product innovation by delivering smarter, deeper, actionable insights on the financial behaviors of consumers and businesses. With Saylent's solutions, financial institutions are empowered to drive new revenue streams and increase loyalty by delivering programs and solutions that their customers and members desire.*

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