

SPRING IS IN THE AIR

CO-OP Preferred Campaign Results for 2015 Q1

Q1 Results and Benefits

CO-OP's SPRING IS IN THE AIR campaign ran during the month of March 2015. CO-OP's team used CO-OP Revelation® to identify and segment cardholders, focusing on those with low POS (SIG, PIN, PAVD) dollar spend who had performed less than \$250 in POS transactions during the month of January 2015. The goal was to motivate members to increase the dollars spent to \$500 to \$749 in March to earn a \$10 Amazon gift card or to spend \$750 or more in March to earn a \$20 Amazon gift card.

CO-OP at the same time ran an optional activation campaign during the month of March 2015. CO-OP's team used CO-OP Revelation to identify and segment cardholders who were newly issued cards in December 2014 and January 2015 and performed no POS (PIN or SIG) purchase transactions in January 2015. The goal was to motivate members to make a purchase (PIN or SIG) five or more times in March 2015 in order to receive an incentive \$10 Amazon gift card.

Thirty-four credit unions took advantage of this turnkey usage campaign while 16 credit

unions participated in the activation campaign. Those members were sent the direct mail piece announcing the promotion. CO-OP's team handled every aspect of the program, from defining the target group for each credit union, designing the creative piece, and working with each credit union to brand the mailer, to mailing the direct mail piece to the member, tracking the results and fulfilling the incentives for those members who reached the tier.

85,978

SPRING IS IN THE AIR
targeted cardholders

12.76% | 276%

Qualified for
an incentive
Amazon gift card

Projected ROI
at the end of
12 months

About CO-OP Preferred

Every quarter, CO-OP Preferred offers targeted, fully managed, turnkey marketing campaigns. By means of CO-OP Revelation®, CO-OP's software solution that combines sophisticated business intelligence, analytics, and advanced segmentation techniques, these campaigns are easy to implement and highly effective.

Using the power of CO-OP Revelation, CO-OP Preferred delivers world-class marketing campaigns that leverage insights on every cardholder and every transaction. Powerful segmentation capabilities group members by specific criteria—such as number of card transactions and demographics—and then use that insight for highly targeted and cost-effective marketing campaigns.

To participate in the Preferred Campaigns, please remember that there are two requirements: 1) Your credit union must process your debit with CO-OP, and 2) Your credit union must be using CO-OP Revelation.

Every CO-OP Preferred campaign makes it easy to:

- Increase revenue and make the most of your potential profitability by building transactions, purchase volume and average spend.
- Satisfy and retain more members by engaging them with relevant offers and incentives.
- Minimize expenses by concentrating resources on cardholder segments you've targeted with precision.
- Operate more efficiently by relying on CO-OP's fully managed resources, and gain the freedom to concentrate on better serving your members.

5,728

Activation targeted cardholders

4.94%

Qualified for an
incentive Amazon
gift card

182%

Projected ROI at the
end of 12 months

The results were outstanding. 4,898 members, a whopping 5.69 percent, reached the first spend target and were sent an incentive \$10 Amazon gift card. 6,070 members, 7.05 percent, reached the second spend target and were sent an incentive \$20 Amazon gift card. Additionally 283 members, 4.94 percent, activated and used their cards, reaching the transaction target to qualify for a \$10 Amazon gift card. But even better, thousands of other members increased their overall spend and number of transactions, making the overall performance even higher.

For the SPRING IS IN THE AIR pre-campaign, the average spend per card across all credit unions was \$100. Post-campaign, that number was \$225. More impressively, of the cardholders who qualified, spend skyrocketed to \$946.87. The activation group's pre-campaign spend across all credit unions went from \$0 to \$76, and for those cardholders that qualified, spend jumped to \$696.88. Historically that trend will continue with less than 5 percent attrition over time.

SPRING IS IN THE AIR average spend
per card for all cardholders

\$100

Pre-campaign

\$225

Post-campaign

Activation average spend per card all inactive cards

\$0

Pre-campaign

\$76

Post-campaign

The average number of POS transactions increased by 236 percent for those who qualified for an incentive Amazon gift card, and interchange income increased by 455 percent in that group.

The break-even point for the effort is estimated to be in June 2015. This is the point at which the increased interchange revenue surpassed the cost of the campaign. From then on, all the increased revenue will be pure gain. The activation campaign break-even point is estimated to be in July 2015. The SPRING IS IN THE AIR campaign projected a 12-month net interchange increase of \$1,220,862 which will yield an ROI of 276 percent, while the activation campaign's projected 12-month net interchange increase of \$28,333 will yield an ROI of 182 percent! A win-win for everyone.

For cardholders who qualified during SPRING IS IN THE AIR campaign:

Spend increased by

706%

Spending an average of

\$946.87

per card

Increasing transactions from

5.89 to 19.80

per month

Great Value

Many credit unions know how to analyze data. They just don't have the time. CO-OP not only crunches the data for credit unions, but they also have the knowledge and experience to define the right offer and the right target group.

CO-OP also offers economies of scale. By conducting campaigns for multiple credit unions, they can get bulk rates and implement the campaigns more cost-effectively than a single credit union can.

The ability to report real metrics and results to senior management is the icing on the cake. CO-OP puts the proof in your hands, showing how a discreet

group of members were targeted and the desired results achieved. And the positive financial reward makes it easy to justify doing future campaigns to continue growing your business.

Interchange
increased by

556%

for qualified
cardholders

Projected one-year increase
in interchange

\$1,220,862

About CO-OP Revelation®

CO-OP Revelation helps credit unions improve the profitability of debit and ATM portfolios by uncovering hidden opportunities in their own data. It is the market-leading weapon that arms credit unions with the tools to maximize their debit portfolios by turning debit transaction and terminal data into actionable, profitability-boosting programs. Starting with executive-level summary reports and full transaction data analytical tools, through outsourced consultation expertise, CO-OP Revelation provides a complete solution to increase profitability, reduce risk, and fight fraud.

CO-OP Financial Services
9692 Haven Avenue
Rancho Cucamonga, CA 91730
CO-OPfs.org

