

## SHOP THIS WAY

### Q4 RESULTS AND BENEFITS—Debit Usage Campaign

CO-OP's SHOP THIS WAY campaign ran during the month of November 2016. CO-OP's team used CO-OP Revelation® to identify and segment cardholders, focusing on those with low POS (SIG, PIN, PAVD, PIN-less), volume of 1 to 7 POS (SIG, PIN, PAVD, PIN-less) transactions during the month of September 2016. The goal was to motivate members to increase their transaction volume in November 2016 to between 15 and 19 POS transactions to earn a \$10 cardholder-selected gift card or to 20 or more POS transactions to earn a \$20 cardholder-selected gift card.

Fifty-nine credit unions took advantage of this turnkey usage 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.

The results were outstanding: 5,273 members, a whopping 3.7 percent, reached the first spend target and were sent an incentive \$10 cardholder-selected gift card. And 7,651 members, 5.3 percent, reached the second spend target and were sent

# 141,810

SHOP THIS WAY  
targeted cardholders

# 9.11%

Qualified for an  
incentive cardholder-  
selected gift card

# 142%

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 CO-OP 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.

an incentive \$20 cardholder-selected gift card. But even better, thousands of other members increased their overall spend and number of transactions, making the overall performance even higher.

SHOP THIS WAY Usage Campaign average  
POS usage per card for all cardholders



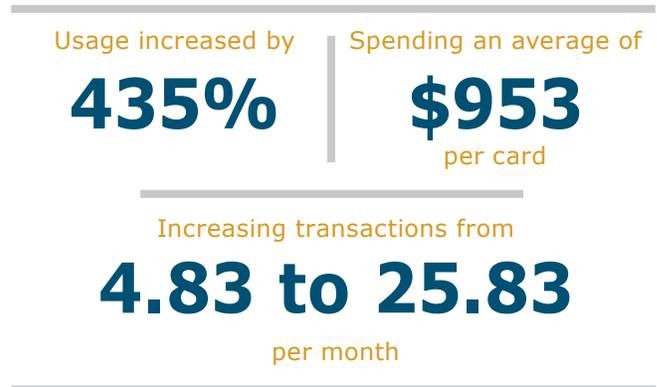
Pre-campaign, the average POS usage per card across all credit unions was 3.38. Post-campaign, that number was 5.39. More impressively, of the cardholders who qualified, POS usage skyrocketed to 25.83.

The average number of POS transactions increased by 435 percent for those who qualified for an incentive

cardholder-selected gift card, and interchange income increased by 345 percent in that group.

The break-even point for the effort is estimated to be in March 2017. This is the point at which the increased interchange revenue surpasses the cost of the campaign. From then on, all the increased revenue will be pure gain. The SHOP THIS WAY campaign projected a 12-month net interchange increase of \$985,326, which will yield an ROI of 142 percent! A win-win for everyone.

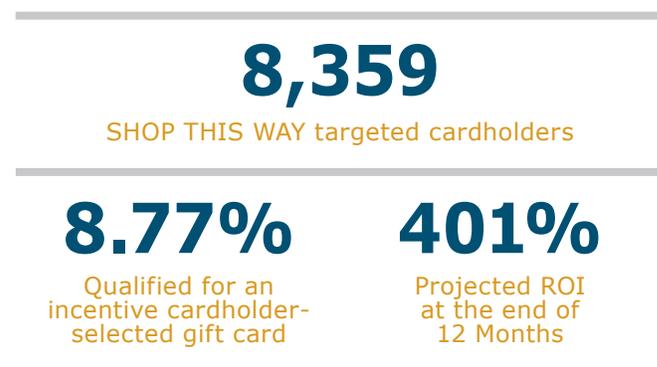
For cardholders who qualified in the SHOP THIS WAY campaign:



## Q4 RESULTS AND BENEFITS—Debit Activation Campaign

CO-OP's SHOP THIS WAY activation campaign ran during the month of November 2016. CO-OP's team used CO-OP Revelation to identify and segment cardholders who were newly issued cards in August 2016 and performed zero POS (PIN, SIG, PAVD, PIN-less) purchase transactions in August and September 2016. The goal was to motivate members to make a purchase (PIN, SIG, PAVD, PIN-less) five or more times in November 2016 in order to receive an incentive \$10 cardholder-selected gift card.

Twenty-four 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.



The results were outstanding: 733 members, 8.77 percent, activated and used their cards—reaching the transaction target to qualify for a \$10 cardholder-selected gift card. But even better, hundreds of other members increased their overall spend and number of transactions, making the overall performance even higher.

**Q4 RESULTS AND BENEFITS—Debit Activation Campaign** (continued)

SHOP THIS WAY Activation Campaign average spend per card all inactive cards

**\$0**

Pre-campaign

**\$79**

Post-campaign

The activation group’s pre-campaign spend across all credit unions went from \$0 to \$79, and for those cardholders that qualified, spend jumped to \$712. Historically that trend will continue with less than 5 percent attrition over time.

The average number of POS transactions increased from 0 to 18.51 per card for those who qualified for an incentive cardholder-selected gift card, and interchange income increased from zero to \$9.31 per card in that group.

The break-even point for the effort is estimated to be in January 2017. 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 SHOP THIS WAY activation campaign projected a 12-month net interchange increase of \$92,838, which will yield an ROI of 401 percent! A win-win for everyone.

**For cardholders who qualified:**

Spend increase from

**\$0 to \$712**

Increasing transactions from

**0 to 18.51**



Be There. Be More.

## 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 also has 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.

### Usage Campaign

Interchange increased by

**345%**

for qualified cardholders

Projected one-year net increase in interchange

**\$985,326**

### Activation Campaign

Projected one-year net increase in interchange

**\$92,838**

## 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.