

SHOP THIS WAY

Q4 RESULTS AND BENEFITS—Credit Activation

CO-OP's SHOP THIS WAY credit 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 credit cards in August 2016 and performed zero POS (credit purchase) transactions in August and September 2016. The goal was to motivate members to make a POS (credit purchase) five or more times in November 2016 in order to receive an incentive \$10 cardholder-selected gift card.

Three 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: 10 members, 5.32 percent, activated and used their cards reaching the transaction target to qualify for a \$10 cardholder-selected gift card. But even better, many other members increased their overall spend and number of transactions, making the overall performance even higher.

188

SHOP THIS WAY
targeted cardholders

5.32%

Qualified for an
incentive cardholder-
selected gift card

966%

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.

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

\$0 | **\$1,884**

Pre-campaign

Post-campaign

The activation group's pre-campaign spend across all credit unions went from \$0 to \$141, and for those cardholders that qualified, spend jumped to \$1,884. Historically that trend will continue with less than 5 percent attrition over time.

The average number of POS transactions increased from 0 to 17.20 per card for those who qualified for an incentive cardholder-selected gift card, and interchange income increased from zero to \$32.09 per card in that group.

The break-even point for the effort is estimated to be in December 2016. 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 credit activation campaign projected a 12-month net interchange increase of \$4,840, which will yield an ROI of 966 percent! A win-win for everyone.

For cardholders who qualified in the SHOP THIS WAY campaign:

Spend increased from

\$0 to \$1,884

Increasing transactions from

0 to 17.20

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.

Activation Campaign Projected one-year net increase in Interchange

\$4,386

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.