



2017 ANNUAL CONFERENCE
APRIL 4-7 | ORLANDO, FL

Payments Simplified.

Enhancing the Credit Card Loyalty Proposition -
Breakout Session

April 5, 2017

Dave Chojnacki

Enhancing the Credit Card Loyalty Proposition

CUs Need to Up Their Game! A Credit Union Success Story: Evansville Teachers Federal Credit Union

Competition in the marketplace is hotter than ever when it comes to credit card rewards! Please join us for a discussion on the potential strategies and tactics to make credit union loyalty and rewards offerings more attractive and competitive, including the many ways that you can leverage ScoreCard to accomplish just that!

Group Questions...”



Group Questions

- **Do you currently offer Loyalty Rewards?**
 - If not, what barriers have prevented adding Rewards?
- **If you have Rewards in your current set up**
 - What is the differentiation of your card from the competition?
 - What incentives do you offer to members?
- **Who currently carries your card?**
 - employees/board/you?
- How do you ensure you are hitting the spot with members?
- Is your card currently top of wallet?



Why Rewards? (Some Quick Facts)

Card Rewards Remains Biggest Factor in Acquisition

Examples



Wells Fargo
Cash Wise Card
Apple Pay
rewards

Earn cash rewards:

- 1.5% cash rewards on everyday net purchases¹
- 1.8% cash rewards on Android Pay™ or Apple Pay® mobile wallet net purchases during the first 12 months from account opening²

Every 10th Uber ride is free
up to \$15 with Quicksilver
through March.

[Learn more about this offer.](#)

Capital One / Uber
partnership



Discover Amazon

Get Up To \$300 Back¹
Offer Ends 6/15/2016

Blue Cash Everyday[®] Card
from American Express

[Apply Now](#)

Get a decision in as little as 60 seconds.

Notes and Fees

10% Taxes [e](#) [Compan](#) [Prod](#)



GET UP TO \$300 BACK
— Here's How:

\$100 BACK after you spend \$1,000 in
purchases on the Card in the first 3
months.

Plus, apply by 5/15/2016 to get 10%
back when you use the Card at US
Wireless Telephone Service Providers in
2016, up to \$200.

You will receive cash back in the form of
statement credits.²

NO ANNUAL FEE

No annual fee and no annual fee for
Additional Cards.

Amex wireless offer

Loyalty Rewards Statistics

Nearly **90%** of Americans participate



There are more than **2.5 billion** loyalty memberships in the U.S.



Source: Colloquy

The North American loyalty market is estimated to be

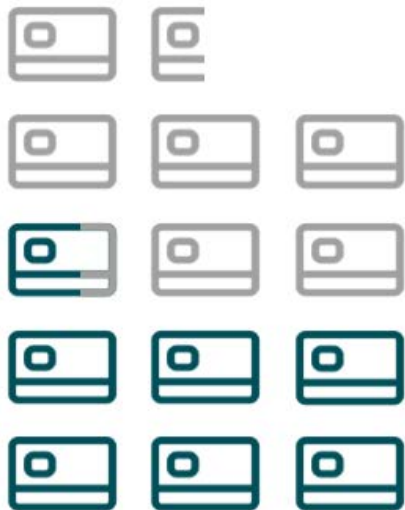
\$54 billion

and growing at 20% per year.



Loyalty Landscape Fast Facts

What's in their wallets?



Of the **13.4** memberships per person, only active in **6.7** this year.

Redemption is key to experience

>1/5

More than 1/5 of members have never made a redemption

2.3X

Non-redeemers are 2.3X more likely to defect than those who did in last 12 mo

More opportunity with mobile

57%

of members would like to engage with loyalty programs via a mobile device



49%

of members don't even know if there is an app for their program

Knowing what Consumers want, Means we can Solve the Toughest Challenges



Source: Gallup, Colloquy, Cisco, Maritz



60% of all payment cards have a rewards component



90% of all credit card spend goes on a card with rewards



64% of consumers won't even consider applying for a card without rewards

In Summary... Why Rewards?

Credit

- 90+% of all credit card spend occurs on Rewards cards
- Competitive Pressure – National issuers
- Visa & MC pay higher interchange on Rewards bins
- ***A Must Have on Credit Offering***

Debit

- FI interest at its peak since Dodd-Frank legislation
- FI's continue to look for ways to drive more interchange from debit
- Program can easily be adjusted to offset any future industry changes/regulation
- Provides a foundation for Enterprise Rewards



Why Cardholder Engagement Matters

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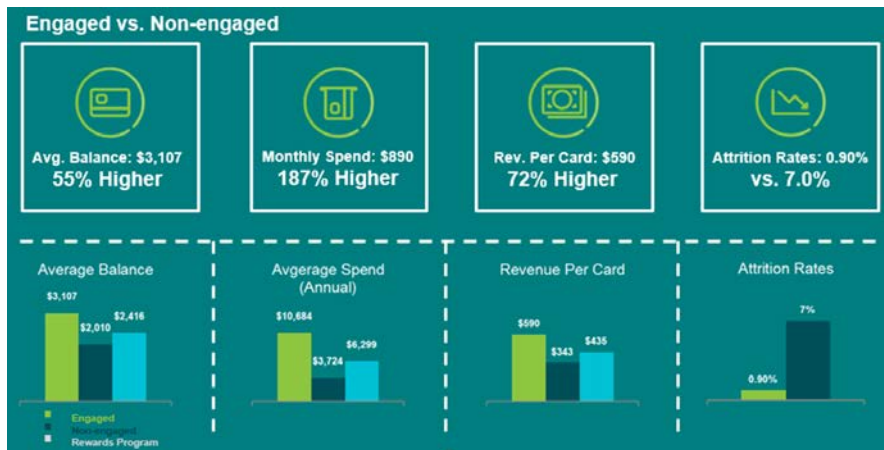
ScoreCard Rewards Helps you Showcase the Value of your Card Offers and Helps to Keep Members Engaged



Positive Cardholder Engagement can Increase Cardholder Spend and Overall Card Profitability

Engaged vs. Non Engaged

- Avg. Balance \$3,107 or 55% higher
- Monthly Spend \$890 or 187% higher
- Revenue per card \$590 or 72% higher
- Attrition Rates 0.90% vs. 7.0%



Success Story – Evansville Teachers FCU

Andrea Brown, Director of Market Data – Evansville Teachers FCU

Benefits of Loyalty Rewards



Overview of Evansville Teachers Rewards Program

Credit Rewards

- Triple points on a quarterly rotating basis
- Increased average monthly credit card applications by 89%
- Members choosing Rewards card versus Rate card increased by 14%

Debit Rewards

- Platinum checking product, 500 bonus points each month
 - 15 debit swipes each month
 - Online or Mobile Banking access during the month
 - Electronic Statements
 - One Direct Deposit each month



EARN 3x POINTS
WITH YOUR
PLATINUM REWARDS CREDIT CARD

3x TRAVEL AND ENTERTAINMENT
JULY - SEPTEMBER

- Airfare
- Hotels
- Cars
- Trains
- Flights
- Limousines
- Concierge
- Travel Agents
- Travel Insurance

2x POINTS ALL YEAR LONG
ON GAS AND GROCERIES

1¢ ALL OTHER PURCHASES

ADDITIONAL BENEFITS INCLUDE:
NO ACTIVATION REQUIRED • NO EARNINGS LIMIT
LOW RATES • NO BALANCE TRANSFER FEES

APPLY TODAY!

APPLY TODAY!

LOW RATES • NO ACTIVATION REQUIRED • NO EARNINGS LIMIT

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Comments: 0

Author: Dave Chojnacki

Innovative ScoreCard Rewards Promotion Delivers Results

CSCU member Evansville Teachers Federal Credit Union has increased its average monthly credit card applications by **89%** after extending to members its “3-2-1” ScoreCard Rewards program. Since July 2015, the program has offered credit union members triple points on a quarterly rotating category, double points year round on gas and groceries, and one point per dollar spent on all other purchases.

Evansville Teachers Federal Credit Union gives triple points to its members in these seasonal categories:

- First quarter: recurring bill payments, i.e., cell phone and utility bills
- Second quarter: home improvement purchases
- Third quarter: travel and entertainment, i.e. hotels, airlines, amusement parks and sporting events
- Fourth quarter: restaurant purchases

“ Our CSCU representative was extremely helpful in providing insight as we developed the ‘3-2’1’ program, “ said Evansville’s Director of Market Data, Andrea Brown. “ We conducted extensive analysis to choose the merchant categories with higher interchanges that would make our card top of wallet. Our success has been reliant, in part, on CSCU’s support, resources and knowledge of the ins and out of our industry.”

Approval ratings remain consistent

While growing its average monthly applications by **89%**, members' approval ratings remained consistent. In addition, the number of members choosing the ScoreCard Rewards credit card vs. the low-rate credit card ideal for revolving balances grew by 14%. The lending team has been instrumental in cross-selling the rewards program by conducting pre-approvals during any new loan process.

Brown added, "We primarily target existing members with this promotion and use the rotating categories to keep the program fresh, which has proved successful. We offer a cash back reward to further incentivize members to apply for the credit card, with 35% of our members using their reward points to receive cash back."

Rewards are a vital part of Evansville's strategies

Evansville initially implemented ScoreCard Rewards with its debit program, where it offers one point per two dollars spent on every signature purchase. In January 2015, the credit union launched a Platinum Rewards checking product that rewards members with 500 bonus points each, given they meet minimum usage requirements. Currently, more than half of its 15,000+ Platinum Rewards accounts are benefiting from the bonus points by meeting these criteria:

- Complete 15 debit swipes per month
- Access online or mobile banking at least once per month
- Receive electronic statements
- Receive at least one direct deposit per month

Brown concluded, "Loyalty programs such as ScoreCard Rewards are a vital part of our strategy. We value our partnership with CSCU and consider it an important part of our mission to keep our members engaged."

Website Promotion Ideas



TRANSFER YOUR DEBT
to **ETFCU'S VISA PLATINUM**
CREDIT CARD and **SAVE!**

[LEARN MORE](#)


EVANSVILLE TEACHERS
FEDERAL CREDIT UNION

4000 0012 3456 7899

PLATINUM
CREDIT REWARDS

CARDHOLDER

VISA



CREDIT CARDS

Earn 2x and 3x points
with your Platinum
Rewards credit card

You can earn even more when
you use your Plantinum Rewards
credit card. Earn 2x points on gas
and groceries year-round,
and earn 3x points on bill
payments through March.

[LEARN MORE](#)

ScoreCard Promotions

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Competitive Offers in the Market

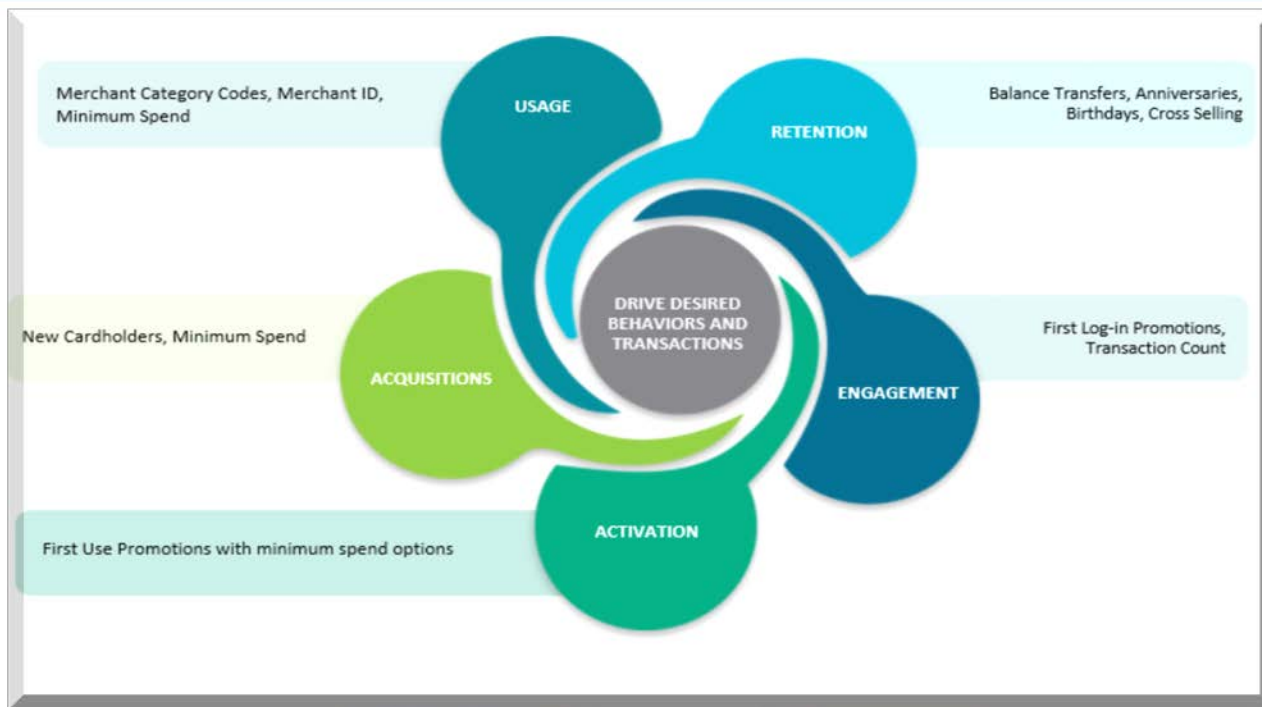


Card Issuer/Name	<i>Chase Sapphire Preferred</i>	<i>Citi Double Cash</i>	<i>Capital One Venture One</i>	<i>BoFA Travel Rewards</i>	<i>BoFA Cash Reward</i>	<i>Barclaycard Arrival+</i>
Required Credit Rating	Excellent	Excellent/Good	Excellent	Excellent/Good	Excellent	Excellent
Intro Rate on Purchases	N/A	0% for 15 months	0% intro on purchases until February 2017.	0% for 12 billing cycles	0% for 12 billing cycles	N/A
Intro Rate on Balance Transfers	N/A	0% for 15 months	N/A	0% for 12 billing cycles	0% for 12 billing cycles	0% for 12 months (must be completed within the first 45 days of opening the account)
Sign-up Bonus	50,000 points when purchase requirement is met	N/A	N/A	20,000 bonus points after meeting purchase requirements	\$100 cash bonus after meeting purchase requirement	40,000 bonus miles
Rewards Rate	2x points for travel and dining; 1x points for all other	1% cash back when you buy, 1% cash back when you pay	Unlimited 1.25 miles per dollar on every purchase, every day	1.5 points per \$1 spent on all purchases	1% cash back on every purchase, 2% at grocery stores and 3% on gas	2 miles for \$1 spent of all Net Purchases
Rewards Cap	None	None	None	None	\$1,500 per quarter	None
APR on Purchases	16.24 - 23.24% (Variable)	13.24 - 23.24% (Variable)	12.24 - 22.24% (Variable)	15.24% - 23.24 (Variable)	13.24% - 23.24% (Variable)	16.24 - 20.24% (Variable)
APR on Balance Transfers	16.24 - 23.24%	13.24 - 23.24%	12.24 - 22.24%	15.24% - 23.24%	13.24% - 23.24%	16.24 - 20.24% (Variable)
APR on Cash Advances	24.99%	24.99%	24.99%	24.99%	24.99%	25.24%
Minimum Interest Charge	None	\$0.50	Terms not disclosed	\$1.50	\$1.50	\$0.50
Annual fee	Intro of \$0 for the first year, \$95 thereafter	\$0	\$0	\$0	\$0	Intro of \$0 for the first year, \$89 thereafter
Foreign Transaction Fee	None	3%	None	None	3%	None
Balance Transfer Fee	Either \$5 or 5%, whichever is greater	Either \$5 or 3%, whichever is greater	\$0	Either \$10 or 3%, whichever is greater	Either \$10 or 3%, whichever is greater	Either \$5 or 3%, whichever is greater
Cash Advance Fee	Either \$10 or 5%, whichever is greater	Either \$10 or 5%, whichever is greater	3% of cash advance, but no less than \$10	Terms not disclosed	Terms not disclosed	Either \$10 or 5%, whichever is greater

How Can you Make your Loyalty Rewards Offer Better?



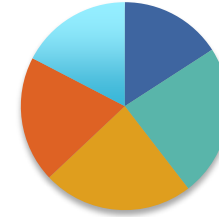
Keys to Success with your Rewards Program Scoring Promotions



Making the Best Offer to Cardholders

- **Influencing Choice** – 63% of consumers are influenced by Rewards when choosing a new credit card
- **Ease of Use** – 94% of consumers who have a low effort service experience will engage again in 12 months
- **Expectations are increasing exponentially** – 93% of U.S. consumers say type of Reward offered is an important factor in decision to join and engage with a loyalty program
- **Digitization is everything** – 78% of consumers would like better access/ability to redeem their rewards
- **Driving desired behaviors** – 69% of consumers will break habit to earn more rewards

Confluence of Forces



- Influencing Choice
- Ease of Use
- Expectations
- Digitization

Usage Promotion

- Offer 2X, 3X Points
- By Merchant ID
- MCC
- Reason Codes (Full Service Only)
 - Mail, telephone, e-commerce
 - Recurring Transactions
- **Many options to make Rewards offering customizable for your members**



Special Promotions - Encourage Desired Member Behaviors and Transactions with Rewards Options!

Activation & Usage
Standard Promotions

- Merchant Category Codes, New Cardholders, Minimum Spend Amount
- Receive double points or more per dollar spent



Examples:

Double Bonus Points on **gas purchases** during June!

Double Points on **gas purchases car washes, tires...** with a cross sell from an auto loan.

Special Promotions (*cont.*)

Acquisition, Activation & Usage

Usage/Activity
Promotion

- New Cardholders, Minimum Spend Amount
- Receive set amount of additional points



Example: Spend **\$250 or more** during July and receive 1000 additional Bonus Points

Special Promotions (*cont.*)

Acquisition & Retention

Balance Transfer Promotion

- Standard, New Cardholders, Minimum Amount, Usage/Activity Balance Transfer
- Receive set amount or multiples of points

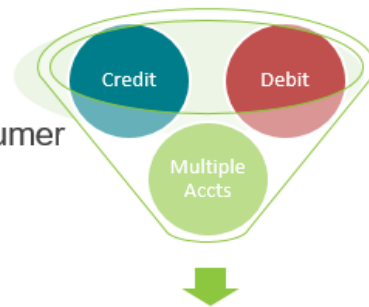


Example: Transfer a **minimum of \$1000** and receive 5,000 Bonus Points during August

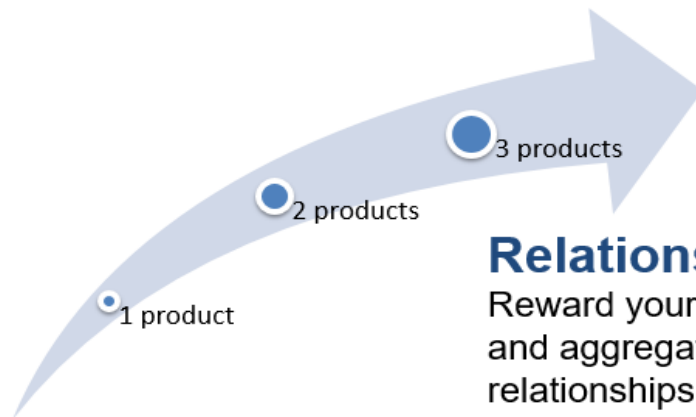
Householding: Allows Members to Combine Rewards from Multiple Accounts

Householding

Enables cardholders to combine their reward points from multiple card accounts (debit and credit; consumer and commercial) into one earnings pool



One Earning Pool



Relationship Rewards

Reward your cardholders for the strategic and aggregate value of each of their relationships. This program enhancement allows for breakage and float.

Let CSCU Help you Create a Successful Rewards Offering

- Review of portfolio to help drive growth, profitably and efficiency
- Make executable recommendations to strengthen the reward offering
- Best practices feedback
- Access to other industry experts and sharing of information
- Ongoing Support and Collaboration

Benefits of Loyalty Rewards through FIS (ScoreCard)

Industry Recognized Solutions

SCORECARD[®]



**Fuel Redemption
Best POS Innovation**



Credit, Debit and Prepaid Rewards

Credit, Debit and Prepaid Rewards:

A market-leading rewards program that builds relationships, increases revenue and improves the ability to acquire, activate and retain accounts.

Available in multiple currencies to include Bonus Points, CashBack, or Hybrid option

- Integrated to **all** FIS card processing platforms
- Flexible scoring platform & administrative tools
- Comprehensive reporting & marketing materials
- Client support services & training
- Marketing promotions, sweepstakes & reward catalogs
- Cardholder website & 24x7 customer support
- External interfacing capabilities

ScoreCard Consumer Website

Standard

- Easy navigation
- Validate point totals
- Browse for Rewards
- Redeem Points
- Real time integration
- Point balance
- Redemption
- Award tracking
- Householding

Custom

- Logo & select text
- Fully Branded



Credit, Debit and Prepaid Rewards Merchandise

Over 2,500 Merchandise Items Available

- Electronics, Home Goods, Recreation, Personal
- Gift Cards, Cash Options, Charitable Awards, Custom Awards
- Brand Name Manufacturers
- Achievable Award Levels - 700 Points
- Awards are 100% Guaranteed
- Award Costs Include Freight And Handling

Hot Deals & Special Values

- Monthly promotions and specials
- International Fulfillment Capabilities



Fast Track Rewards – Pay for Performance

Credit & Debit Activation

- Credit selection 60-90 days since issuance
- Debit selection 30-60 days since issuance
- Activated account, no retail transactions in 90-450 (Credit)/45-90 (Debit) days

Turn-Key Solution

- Marketing materials Postage
- Scoring Platform
- Rewards
- Customer service 24/7
- Fulfillment

Rewards Selection

- Full array of reward selection
- Fresh & relevant rotating rewards
- Regular item evaluation to ensure highly desired items are promoted



Additional References

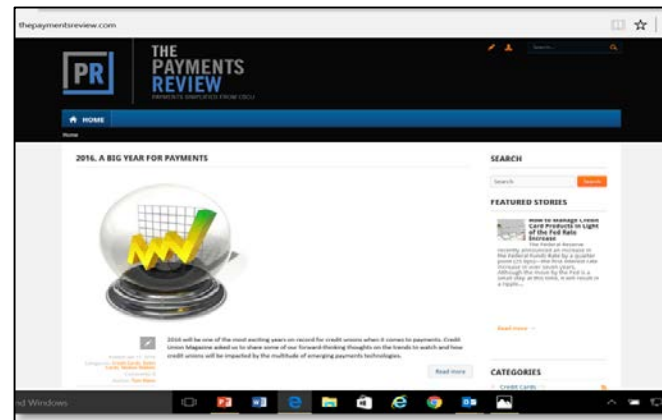
The PaymentsReview.com

CSCU's New Thought Leadership Site.

- Launched January 2016
- Provides thoughts, ideas, opinions and suggestions on the ever-changing world of payments
- Open commentary and expertise for the entire industry
- Designed to help CU's learn, grow, and stay informed
- Register today at
 - www.thepaymentsreview.com
- Also follow us on twitter
 - www.twitter.com/paymentsreview



THE
PAYMENTS
REVIEW
PAYMENTS SIMPLIFIED FROM CSCU



ScoreCard Rewards

LoyaltyMarketingOnline.com

- Our marketing materials Web site has been updated to include new features to keep your card **top of mind** and **top of wallet**!
- Not sure how to promote these sweepstakes or utilize your social media channels to their full capabilities? We are here to help! Keep your cardholders engaged with our **FREE** monthly social media content. We have posted detailed instructions on how to use each of the different social media channels as well as content for your institution to use on www.LoyaltyMarketingOnline.com!



Summary

Loyalty Rewards remains your strongest ally in attracting new credit card members along with keeping existing members engaged.

With ScoreCard Rewards, you have the flexibility and advantage to set up a Rewards program, specific to what appeals to your members.

Let CSCU / FIS assist you to ensure your program is competitive.

Questions?

Thank You