



CASE STUDY

First Entertainment Card Suite Transformation and Member Journey Mapping Create Blockbuster Gains in New Accounts, Usage and Balances

Executive Summary

When the COVID-19 pandemic shut down the entertainment industry in early 2020, First Entertainment needed to act fast to provide flexibility and liquidity for its members, while strengthening its own competitive position and balance sheet. Advisors Plus® collaborated closely with First Entertainment to transform its consumer and small business credit card suites, develop an innovative cardholder onboarding journey and market the new cards through a series of highly successful balance transfer and usage campaigns.

These initiatives created industry-leading growth for First Entertainment's credit card program, with an increase of 88% in new accounts, 78% in total dollar volume and 27% in balances for the two-year period between September 2020 and September 2022.

Client Profile

First Entertainment Credit Union, headquartered in Hollywood, Calif., was founded in 1967 with \$40 and a big-screen dream: to become a lifetime financial partner for the creators of the entertainment industry and the individuals and small business owners who help them make the magic happen.

Today, First Entertainment has grown to more than \$2 billion in assets and serves nearly 90,000 members and over 400 companies. Membership in First Entertainment Credit Union is open to any individual or business working, residing, attending school or worshipping in Los Angeles County.

First Entertainment serves its members through a team of over 220 dedicated employees, nine branches, 24/7 digital

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banking, a full-service contact center and access to a nationwide network of 5,000 shared branches and 30,000 ATMs.

The Challenge

The Los Angeles-based entertainment industry may seem glamorous, but those who work in it often deal with financial and lifestyle challenges like unpredictable cash flow; unconventional income sources; long, erratic hours; and far-flung commutes that demand reliable transportation.

First Entertainment has always gone the extra mile to support its members' unique needs. It invites new members to "join the family" and offers them a wide range of specialty services, from branches located right on studio lots to bridge loans for union dues, Coogan Trust Accounts for child performers and even medical insurance for working animal actors.

But there was no script for the crisis First Entertainment's members faced when COVID lockdowns paralyzed the entire entertainment industry in early 2020. Almost overnight, First Entertainment needed to retool its credit card program to provide the security and liquidity its members desperately needed. And with no end to the pandemic lockdowns in sight, First Entertainment needed to take immediate steps to strengthen its own balance sheet for the long haul.

The Opportunity

First Entertainment, a longtime PSCU client, turned to the credit card consulting team at Advisors Plus for help. Principal consultant Barney Moore, who was based in Southern California, immediately set to work meeting with First Entertainment and analyzing its financials.

Working closely with First Entertainment's C-suite and card teams, Moore quickly identified significant opportunities to improve First Entertainment's revenue performance and enhance member experience by revitalizing its credit card program.

Thus began an ongoing collaboration between First Entertainment and Advisors Plus that has transformed First Entertainment's consumer and small business card product sets and propelled its new card offerings to exceptional new heights.

Since 2020, that collaboration has revitalized First Entertainment's consumer and small business card suites, implemented



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a groundbreaking digital cardholder onboarding program and created a highly engaging calendar of marketing campaigns.

Between September 2020 and September 2022, First Entertainment's credit card program achieved:

- 27.2% two-year growth in balances
- 78.3% two-year growth in total dollar volume
- 88.7% two-year growth in new accounts

The Growth Strategy

When First Entertainment and Advisors Plus began their collaboration to transform First Entertainment's credit card program, their first strategic priority was to create individual and small business product offerings that would be competitive and exciting.

Entering 2020, First Entertainment offered a single, one-size-fits-all Visa Platinum card. Everything about the offering was underwhelming, from the subdued look of the plastic itself to the card's ho-hum points rewards structure. For First Entertainment members who were part of the Hollywood power structure – or aspired to be – the card was an unlikely candidate for top-of-wallet status.

Another problem was that First Entertainment's emphasis on rewards points – specifically travel and entertainment points – was no longer resonating with its members. Even before the pandemic, cash-back cards were quickly becoming the competitive standard.



With online shopping becoming the norm during lockdown and restaurant dining and business travel strictly curtailed, First Entertainment's rewards structure suddenly felt completely obsolete.

First Entertainment's small business card offering represented even more of a missed opportunity. It offered no rewards of any kind, making it a non-starter for the thousands of sole proprietors who support the entertainment industry behind the scenes as caterers, makeup artists, animators, casting directors, etc.

In short, First Entertainment's credit cards and marketing campaigns weren't exciting existing members, much less attracting new ones. First Entertainment and Advisors Plus agreed the situation had to change – and change quickly.

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Credit Card Product Transformation

Based on a thorough analysis of both First Entertainment’s member base and its industry competition, Advisors Plus worked closely with Daniel Arita, First Entertainment’s VP of Digital and Payments Experience, to transform First Entertainment’s individual and business card offerings. The new offerings highlighted:

- 0% introductory APRs
- No annual fees
- Flexible, generous cash-back terms, bonuses and premium rewards
- Bold, upscale branding on the card plastics, including eye-catching gold elements on the Spotlight™ Visa card

First Entertainment Credit Card Product Transformation Before and After for Individual and Business Offerings	
Before Card Product Transformation	After Card Product Transformation
<p>Original Individual Offering</p> <p>Consumer Visa® Platinum Credit Card:</p> <ul style="list-style-type: none"> ■ No annual fee ■ Low APR (Annual Percentage Rate) ■ Rewards program with basic earning structure of 1 Point for each \$1 spent ■ One-size fits all 	<p>New Multiple Individual Offerings</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Visa Platinum Card</p> <ul style="list-style-type: none"> ■ 0% intro APR ■ Great for balance transfers ■ No annual fee </div> <div style="text-align: center;">  <p>Preferred Cash Visa Card</p> <ul style="list-style-type: none"> ■ 0% intro APR ■ \$100 sign-up bonus ■ 1.5% unlimited cash back ■ No annual fee </div> </div> <div style="text-align: center; margin-top: 10px;">  <p>Spotlight™ Visa Card</p> <ul style="list-style-type: none"> ■ 0% intro APR ■ 20,000 sign-up points ■ 2 points per dollar ■ Premium rewards </div>
<p>Original Business Offering</p> <p>Business Visa® Credit Card:</p> <ul style="list-style-type: none"> ■ No annual fee ■ Low APR – matches consumer rates ■ One-size fits all ■ No rewards program 	<p>New Multiple Business Offerings</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Visa Platinum Business Card</p> <ul style="list-style-type: none"> ■ Low rate ■ No frills ■ No annual fee </div> <div style="text-align: center;">  <p>Preferred Cash Business Visa Card</p> <ul style="list-style-type: none"> ■ 1.5% unlimited cash back ■ No annual fee </div> </div>

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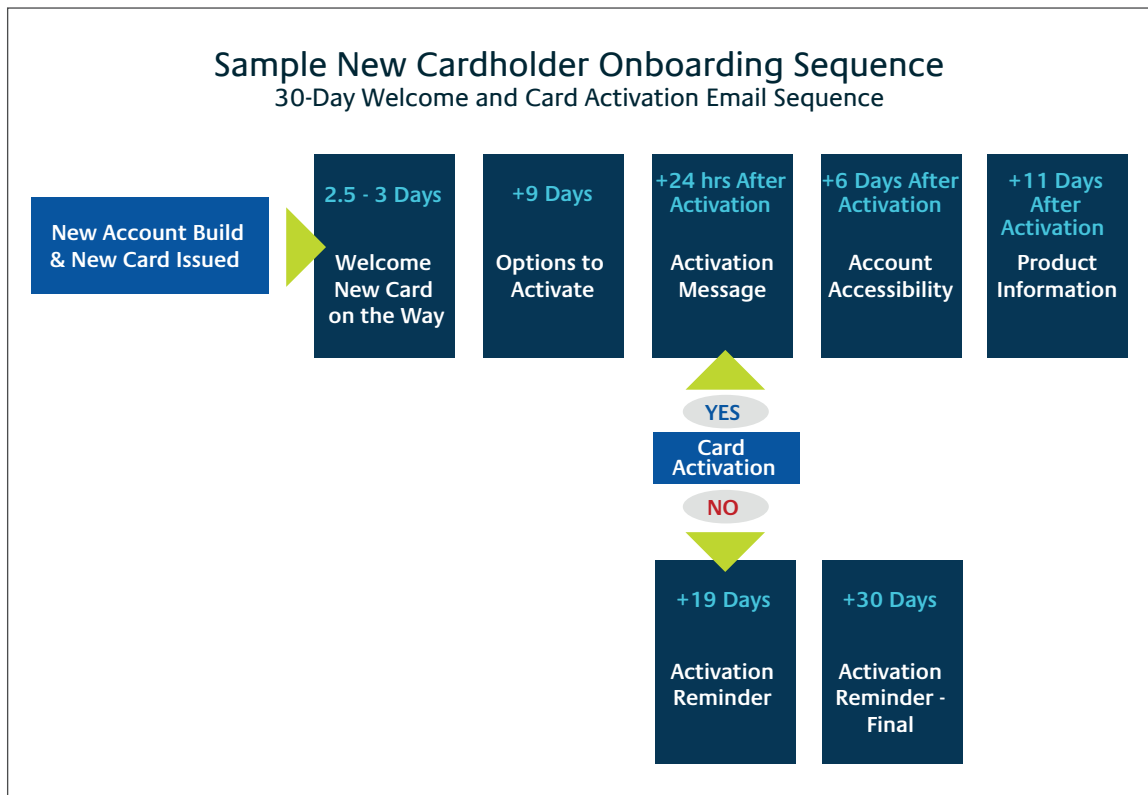
Digital New Account Onboarding Journey

With the individual and small business credit card product transformations in place, Kirk Rudolph, Manager for Card Marketing and Profitability at Advisors Plus, began working with Hiram D. Carrington, First Entertainment's Product Manager for Payments and Rewards, to create an exciting new digital account onboarding journey.

Their goal was to develop a 30-day sequence of personalized emails that would be member-centric and welcoming in tone, rather than messaging any particular promotion or

campaign. The emails were designed and written to maximize new member enthusiasm and card activation by:

- Introducing new cardholders to First Entertainment
- Walking cardholders through the steps needed to activate their cards
- Reminding cardholders to activate
- Pointing out various new and exciting card features
- Using the emails as a communication vehicle to keep cardholders up to date on other First Entertainment opportunities and offerings



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2020-2022 Marketing Campaigns

First Entertainment and Advisors Plus also turned their attention to crafting a calendar of marketing campaigns designed to grow card usage and balances. Rudolph and John Aldenderfer of Advisors Plus Marketing worked closely with First Entertainment to craft a comprehensive plan to roll out the new offerings to existing and new members, while spurring card activation and transactions.

First Entertainment enrolled in the Advisors Plus Accelerate program, which works with credit union clients to create and manage

three customized marketing campaigns each year. First Entertainment's strategy was to vary its campaigns between account activation incentives, balance transfer and credit line increase initiatives and seasonal themed usage promotions. In addition, each campaign was typically crafted to test the response to various delivery channels and differing APRs, promotion durations and fees.

Summarized below is First Entertainment's 2020-2022 calendar of credit card marketing campaigns, showing response rates, average amount per responder and total revenues for each campaign.

First Entertainment 2020-2022 Marketing Campaigns

2020-2022 Balance Transfer Campaigns

Balance Transfer				
Timing	Terms	Response Rate	Avg. Responder Amount	Total Amount
February 2022	2.99% for 12 months, no fee	2.03%	\$5,533	\$763,590
February 2021	0.00% for 12 months, 3% fee	2.64%	\$5,833	\$1,014,888
August 2021	0.00% for 12 months, 3% fee	3.04%	\$6,684	\$434,478
January 2020	2.99% for 12 months, no fee	3.15%	\$6,253	\$887,926
January 2020	3.99% for 12 months, no fee	5.54%	\$4,620	\$378,868

2020-2022 Balance Transfer + Credit Line Increase Campaigns

Balance Transfer + CLI				
Timing	Terms	Response Rate	Avg. Responder Amount	Total Amount
July 2022	CLI + 0.00% for 12 months, 3% fee	NA	NA	NA
August 2021	CLI + 0.00% for 12 months, 3% fee	2.58%	\$3,917	\$971,122

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2020-2022 Retail Usage and Activation Campaigns

Retail Usage/Activation Campaigns				
Timing	Terms	Response Rate	Avg. Responder Amount	Total Amount
Holiday 2022	In progress	NA	NA	NA
June 2022	0.00% on purchases for 6 months	23.36%	\$408	\$382,591
July 2021	0% on purchases for 12 months	58.79%	\$971	\$3,331,460
November 2021	2% Double Cash-Back on seasonal retail MCC purchases	64.34%	\$494	\$45,420
November 2021	2X Rewards on seasonal retail MCC purchases	45.43%	\$540	\$1,643,630
November 2020	2X points on holiday retail MCC purchases	47.25%	\$629	\$2,402,651

The Results

As highlighted earlier, First Entertainment's credit card balance, transaction and new account growth between 2020 and 2022 has far outpaced industry benchmarks, posting 27.2% two-year growth in balances, 78.3% percent two-year growth in total dollar volume and 88.7% percent two-year growth in new accounts.

First Entertainment also proudly points to its 51% increase in transaction volume between 2020 and 2021, when its new cash-back card offerings were introduced.

In the most recent Advisors Plus quarterly card program review with First Entertainment, Barney Moore reported outstanding results on additional card program metrics. For the period ending September 2022, First Entertainment's credit card portfolio outperformed the industry on:

- New account production
- Active account penetration
- Average balance per active account
- Interest yield

- Net interest margin
- Interchange revenue per active account
- Gross charge-off percent

The Future

The close collaboration of Advisors Plus with First Entertainment to revitalize and grow its credit card program continues to exceed all expectations. First Entertainment's members are highly enthusiastic about the new offerings and First Entertainment's own balance sheet has strongly benefitted as well.

Front-row center on the homepage of its website, First Entertainment CEO Stephen Owen invites members to "share their stories" directly with him, simply by clicking a direct email link.

First Entertainment CEO Stephen Owen invites members' feedback:

Your Story Matters™

Have a question for our CEO? Click the button below to email him directly.

[Connect With Stephen](#)

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What do First Entertainment members tell him? Most often, they express their gratitude that First Entertainment stood by them, their families and their businesses during the dark, uncertain days of the COVID-19 pandemic. They express optimism that they have found a trusted financial ally who is committed to helping them reach their financial goals.

If that isn't a Hollywood ending, we don't know what is.

Advisors Plus

Founded in 2004, PSCU's Advisors Plus offers consulting services for credit unions to help fuel growth and achieve financial and business goals. From project analysis to implementation and management, Advisors Plus offers an end-to-end portfolio of consulting services, including business strategy, business and affinity cards, credit and debit cards, risk and collections analysis, branch sales training, marketing services and B2C campaign execution. Whether your credit union is looking to expand its offerings, build a legacy of community involvement, create the strongest possible capital footing—or all of the above—Advisors Plus consultants bring the strategic vision, deep industry expertise and proprietary data analytics needed to help credit unions better serve their members and their communities. For more information, visit advisorsplus.com