



## Marketing Services

*Consumers CU Aims for Top-of-Wallet with Visa Signature<sup>®</sup>  
Upgrades Featuring Online Acceptance and Custom Rewards*



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### Overview

#### Client Profile

Since its founding in 1930, and with roots stretching back to a group of housewives who formed the Cooperative Trading Company of Waukegan in 1910 as a buying club to save on milk prices, Consumers Cooperative Credit Union has remained true to its founding principles of “long-term stability, dedication to providing the finest financial services [and] a committed investment in our Members.” Now popularly known simply as Consumers, the credit union has survived two world wars, the Great Depression, and a major reorganization during the 1970s, among other growth challenges.

Today, Consumers, with Membership open to anyone, has become one of the largest credit unions in Illinois, with over \$930 million in assets, more than 83,000 Members, nine Illinois-based service centers, and an international network of shared branches and ATMs.<sup>1</sup>

#### Business Challenge

As an Advisors **Plus** Alliance-Level member, Consumers had worked closely with Advisors **Plus** Marketing Services since 2012 to plan and conduct three credit card marketing campaigns per year. Although those campaigns had been uniformly successful, the upside potential of the various balance transfer and usage campaigns was becoming constrained due to low credit lines, especially for longer-term Members.

The issue came into focus when Consumers launched a Visa Signature<sup>®</sup> upgrade program with a \$10K minimum line and a monthly minimum spend. Consumers discovered that placing so many restrictions on the card was limiting its appeal to highly creditworthy Members who balked at the spending restrictions and tended to pay their balances in full every month.

#### The Solution

Realizing that the path to top-of-wallet status lay in expanding not only its Visa Signature<sup>®</sup> card’s penetration but enhancing its Members’ spending power as well, Consumers reached out to Advisors **Plus** for help in creating and executing a more inclusive upgrade opt-in offer with a \$5K line and no spending restrictions. As part of the effort, Consumers also pilot tested Advisors **Plus**’s innovative upgrade-acceptance website that allowed its Members to accept their offers and personalize their rewards online.

#### The Results

The campaign posted a blockbuster response rate of 12.22 percent. The online acceptance drew nearly 60 percent of the responses and drew them far more quickly than direct mail. Cash rebates were the overwhelming rewards personalization choice, accounting for nearly 77 percent of Members’ choices.

<sup>1</sup> [www.myconsumers.org](http://www.myconsumers.org)

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Consumers Cooperative Credit Union, headquartered in Lake County, Illinois, has always taken an uncommonly Member-centric approach to its business. In fact, Consumers is that rarest of credit unions that allows anyone of any age who possesses valid U.S. Government identification to become a Member.

#### **Forging Strong Alliances**

As an Alliance-Level member of PSCU, Consumers had worked closely with Advisors **Plus** Marketing Services since 2012. Advisors **Plus** typically worked with Consumers to plan and execute three credit card growth campaigns per year, typically balance transfer, card activation, credit line increase, and usage incentives that award double reward points or cash rebates for targeted behavior.

Over the course of more than a dozen such campaigns, a thriving partnership had developed between Advisors **Plus** cross-channel marketing specialist Pilar Ramirez, Consumers VP of Payments Bonny Thomas, and Consumers VISA Manager Jennifer Wenckowski. The team worked seamlessly together to formulate campaign strategy, customize underwriting criteria, and pore over post-campaign tracking analytics — all with the shared goal of making each Consumers campaign more successful than the last.

#### **Optimizing for Impact**

Throughout 2014 and 2015, the team amassed an unbroken string of campaign successes that, while highly impressive in terms of their response rates and percentage growth in incremental balances, seemed to register a relatively limited impact on CCU's overall credit card business.

Something needed to be optimized and Ramirez, Thomas and Wenckowski drilled down into the numbers to pinpoint exactly what was lacking. When they discovered that the sample sizes of those actually selected to receive the campaign mailings were too small to meaningfully move the needle on the overall card business, it became clear that Consumers had been taking too cautious an approach.

#### **Impressive but Restrictive**

Indeed, the custom underwriting attributes that Consumers was specifying for its credit line increases were so restrictive that although Members who received any given mailing were responding enthusiastically, the same extremely creditworthy Members were being solicited so regularly that their highly utilized credit lines were not allowing room for additional purchases or balance transfers.

For example, a custom credit line increase and usage campaign that ran during the summer of 2014 yielded a 12-month average monthly net income of just over \$17 per account, representing a jaw-dropping 43 percent increase over the pre-promotion period, with interchange and purchase interest factored in. Yet, the enthusiastic response of those who activated the offer was tempered by the fact that only 649 Consumers accounts received the mailing in the first place.

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### Good Intentions, Unforeseen Outcomes

Ironically, in its well-intentioned desire to identify and target only its most creditworthy Members for card offers, Consumers had been systematically overlooking opportunities to craft additional offers that would more profitably reach larger segments of its Membership.

What’s more, among its most creditworthy Members, Consumers was seeing both its card usage rates and revenues languish. Not only was that group rebelling at the minimum spending provisions, but a disproportionate number of them were paying their balances in full every month, depriving Consumers of valuable interchange and interest income.

### Setting Their Sights on Top-of-Wallet

During the latter half of 2015, Consumers management stepped up to meet the challenge of making its credit card program not only a stronger profit center but a leading force for driving innovation and enhancing Member loyalty.

As Jennifer Wenckowski recalls, “We set our sights on the goal of making the Consumers Visa Signature® card the top-of-wallet choice for our Members and realized that our past approach wasn’t going to get us there. We were excited about creating a really innovative program for our Members so we turned to Advisors **Plus** for expertise and guidance.”

### Breaking Records and Boundaries

The record-and boundary-breaking Visa Signature® upgrade campaign that Advisors **Plus** worked with Thomas and Wenckowski to create ran from the beginning of February through the end of March 2016.

The campaign targeted 10,094 existing Consumers Platinum cardholders with a minimum credit line of \$5,000 and no spend requirement. The response rate for the campaign was 12.22 percent, dramatically ahead of upgrade response rates Advisors **Plus** marketing had seen in the past.

### Online Offer Acceptance Becomes an Instant Hit

Where the campaign truly broke ground however, was in pilot testing a new online offer acceptance portal created by Advisors **Plus**. As Table 1 shows, the website acceptance portal was an instant hit, with nearly 60 percent of respondents choosing to use it rather than mailing the offer back.

**Table 1**

Total Offer Responders	Website Acceptances	Mail Acceptances
1,233	738	495
	59.85%	40.15%

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What’s more, the website offer acceptances came in far more quickly than via traditional mail channels. Advisors **Plus** had provided login information to Consumers to retrieve website entries at their convenience and Jennifer Wenckowski describes logging into the website mailbox shortly after the upgrade offer dropped just to make sure she knew how everything would work. Instead, she was greeted by the sight of dozens upon dozens of acceptances. “Bonny [Thomas] and I couldn’t believe our eyes,” Jennifer remembers.

#### Customizing the Card Rewards

Once Consumers Members had accepted the online upgrade offer, the website next took them to a screen where they could choose between receiving a Reward Points card and a Cash Rebate card.

As Table 2 indicates, the cash rebate option proved to be by far the more popular, though as Jennifer Wenckowski was quick to explain, “Our rewards points Members are an intensely loyal group and here at Consumers, we actually know many of our longtime Members’ stories personally. For example, we have one Member who saves all of her points to bring her children and grandchildren home for the holidays each year. Giving our Members those kinds of options is what we think personalized service is all about.”

**Table 2**

Total Offer Responders	Cash Rebate	Reward Points
1,233	949	284
	76.97%	23.03%

#### Creating a Personalized Lending Approach

Despite — or perhaps because of — having achieved such dramatic success with its upgrade campaign and online offer acceptance portal, Consumers is more determined than ever to make its credit cards the top-of-wallet choice of its Members.

In fact, that goal has been the catalyst for Consumers to extend its Member-centric card strategy to encompass all of its lending products. Led by Dan Mathews, VP of Lending and Dave Valentine, VP of Sales and Marketing, the Consumers Sales and Underwriting team now regards every loan application and credit pull — whether credit card, auto loan or even a mortgage — as an opportunity to enhance Member liquidity and build Member loyalty and engagement.

By looking at Members’ loans with Consumers in the context of their overall portfolio of cards and credit lines, Consumers can ensure that it tailors each Member’s Consumers card account to optimize its credit line and offer preapproved cards to new Members who are taking out other types of loans.

What else lies ahead for the Consumers credit card program? “We just addressed that very question at our joint planning meeting yesterday,” laughed Pilar Ramirez. “We’re already planning our next



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campaign, which means constantly adjusting our roadmap to factor in what has changed and what's now possible."

#### **Building on Card Program Success**

"Our philosophy here at Consumers is that building Member loyalty is the highest ROI thing we can do. Happy Members will repay our investment many times over in the years ahead," added Wenckowski.

Building on the success of the Advisors **Plus** online offer customization portal, clearly more personalization options lie ahead for Consumers. "We're exploring the possibility of automatic credit line increases at various times of the year, as well as automatic CLIs based on spend," Wenckowski mentioned.

"And Consumers is looking into pairing our credit cards with various checking options so that we can personalize our offerings and have a comprehensive enough picture of our Members' overall financial profile that we can offer the highest possible line at the lowest possible rate. And our service center agents have been extensively trained in how to cross-sell preapproved credit cards when we approve Members for other loans."

#### **Thanks, Advisors Plus**

"We are more than satisfied with Advisors **Plus**," summarized Wenckowski. "There are exciting times ahead for Consumers and its Members and we value our partnership with Pilar and Marketing Services. It's great to know Advisors **Plus** will be with us every step of the way."

Added Bonny Thomas, "Advisors **Plus** has the tools and resources that allow us to quickly implement and monitor campaigns that bring our usage to a whole new level. We value the recommendations and expertise that the Advisors **Plus** family provides to our credit union."



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### About Advisors Plus Marketing Services

Advisors **Plus** Marketing Services provides leading-edge marketing capabilities using marketing intelligence to develop and manage successful marketing campaigns. By employing proven techniques such as data mining, predictive modeling and segmentation analysis, Advisors **Plus** Marketing Services helps credit unions maximize their marketing results by offering the right service at the right time to the right member.

Advisors **Plus** Marketing Services assists well over 200 credit unions each year on a customized, targeted basis, as well as structuring semi-annual new account acquisition and activation campaigns for more than 175 credit unions twice per year.

Advisors **Plus** Marketing Services mails over 3.25 million targeted direct mail pieces each year on behalf of participating credit unions. Using Advisors **Plus**'s targeted direct mail practices, modeling and segmentation techniques, credit unions achieve response rates and average balances well above industry standards, averaging 16 percent growth in balances and 5 percent growth in gross active accounts from year to year.

### About Advisors Plus

Advisors **Plus** serves as the consulting arm of PSCU, helping credit unions to meet their financial and business challenges and grow. The team provides practical, data-driven expertise in the areas of business strategy, credit cards, debit and checking, marketing growth campaigns, digital and branch channel engagement, and contact center and operations optimization.

With over 250 years of combined experience, Advisors **Plus** consultants partner with credit union management to provide actionable solutions for sustainable business growth, exceptional member experiences and measurable operational efficiencies. For more information, visit [AdvisorsPlus.com](http://AdvisorsPlus.com).

### About PSCU

Advisors **Plus** is an independent business unit of PSCU, the nation's leading credit union service organization (CUSO). Founded in 1977, PSCU is owned by over 800 Member-Owner credit unions representing 18.5 million credit, debit, prepaid, online bill payment, mobile and electronic banking accounts. 24/7/365 member support is delivered through call centers located throughout the United States that handle more than 18 million inquiries a year. For more information, visit [PSCU.com](http://PSCU.com).