



# Credit Card Analysis and Marketing Services Consulting



## Baxter Credit Union Reaches for Higher Performance

### Overview

#### Client Profile

Baxter Credit Union (BCU) was established in 1981 by a group of health care executives to provide auto loans, checking and savings accounts. BCU has become one of the top 100 credit unions, with assets in excess of \$1.5 billion and 25 branches across the U.S. and Puerto Rico. Its current membership is 147,000.

#### Business Challenge

BCU was interested in improving its metrics to reach a performance level that met or exceeded its top credit union peer group. Baxter partnered with Advisors **Plus**<sup>®</sup> to map and implement an aggressive growth strategy for new accounts, balance transfers and outstanding balances, as well as a strategy aimed at attrition retention.

#### The Solution

Advisors **Plus** Consulting Services initiated a comprehensive series of Strategic Consulting Reviews to help BCU increase its overall performance and Advisors **Plus** Marketing Services coordinated the implementation of all recommended campaigns.

#### The Results

From December 2010 to December 2011, purchase volume increased by 5.69%, exceeding BCU's objective. Balances outstanding increased .09% and net sales increased 6.86%.

### Targeting Growth with Marketing Promotions

In 2010, Baxter Credit Union (BCU) conducted its annual planning session with Advisors **Plus**. BCU shared its objectives of increasing purchase volume by 5% and increasing outstanding balances by 6% in 2011.

In response, Advisors **Plus** Marketing Services developed a marketing calendar to target growth areas and address BCU's objectives. The marketing plan included:

- Two balance transfer campaigns (a Post-Holiday and a Back-to-School)
- Two usage campaigns (a Home Improvement and a Holiday Travel/Dining)



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Advisors **Plus** Marketing Services drew on its experience with SAS analytics and segmentation to identify Baxter members in active and non-active segments. This enabled Advisors **Plus** and Baxter to create a highly customized approach that targeted each BCU member at the right time with the right offer.

### Marketing Campaign Results

**As 2011 progressed, Advisors Plus analytics revealed opportunities for additional campaigns, resulting in the five custom campaigns described below:**

#### January 2011 – Post-Holiday Balance Transfer campaign

Beginning on January 15, 2011, targeted cardholders received one of two promotional APR offers, 5.9% or 7.9%, based on their credit bureau score. The campaign concluded on April 15, 2011, and resulted in a response rate of 5.22% which translated to \$661,973 in transferred balances.

#### April 2011 – Home Improvement Usage campaign

This springtime campaign ran for two months from April 1, 2011 to May 31, 2011. The offer included triple CUREwards® points or a low APR on home improvement purchases. The campaign yielded a significant response rate: 42%, and booked \$5,223,753 in home improvement transactions.

#### August 2011 – Back-to-School Usage campaign

Taking advantage of the most popular shopping period outside of the December holidays, this campaign ran for two months from August 1, 2011 to September 30, 2011. Double CUREwards points, with 2% cash back or a low APR on back-to-school purchases was the basis of the offer. Similar to the Home Improvement campaign, this campaign garnered a high 42% response rate with back-to-school transactions of \$2,374,863.

#### October 2011 – Balance Transfer campaign

A second balance transfer campaign was completed in the fall but on a shorter six-week timeframe from October 1, 2011 to November 15, 2011. This offer included three different promotional APRs: 5.9%, 7.9% or 8.9% based on credit bureau score, and was targeted toward accounts typically less likely to respond. Compared to the January Post-Holiday Balance Transfer campaign, this campaign yielded a much lower 2.29% response rate, yet more than doubled the amount of transferred balances to \$1,565,228.



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### November 2011 – Holiday Usage campaign

This campaign began just days before Thanksgiving on November 21, 2011 and concluded on New Year's Eve: December 31, 2011. The Holiday Usage campaign contained several offers based on the cardholder's behavior segment and program: \$25 credit for 10 or more purchases; \$25 credit for spending over defined thresholds; and double CUREwards points or 2% cash back for spending over defined thresholds. The overall response rate ranked in the double digits at 15.69% and yielded \$10,779,697 in transactions.

### Aggregate Value Delivered

When comparing total annual results for December 2010 to December 2011, these five marketing campaigns delivered significant value to BCU and allowed it to exceed its aggressive upfront objectives. Total sales dollar volume grew by 5.69% and net sales increased by 6.86%.

### About Advisors Plus Marketing Services

Since 2005, Advisors **Plus** Marketing Services has provided leading-edge marketing services 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.

Today, Advisors **Plus** Marketing Services assists over 75 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.

In 2011, Advisors **Plus** Marketing mailed over 2.2 million targeted direct mail pieces on behalf of participating credit unions. Using Advisors **Plus** targeted direct mail practices, modeling and segmentation techniques, credit unions have achieved response rates and average balances well above industry standards. Advisors **Plus** Marketing Services campaigns have helped credit unions achieve phenomenal growth in balances, with credit unions having on average 16% growth in balances and 5% growth in gross active accounts from year to year.



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### About Advisors Plus

Advisors **Plus** was established in 2005 to provide consulting and marketing services to credit unions. Our range of services covers the key areas of strategy, credit cards, debit and checking, marketing, contact center, operations, and branch sales.

The experienced consultants at Advisors **Plus** work with the organization's staff through the entire process from project analysis to implementation and management. Our goal is to ensure that each financial institution achieves sustainable business growth, exceptional member experiences and operational efficiencies.

As of December 31, 2011, Advisors **Plus** has superior NPS Scores of: 74 – Credit; 81 – Debit and Checking; 91 – Contact Center. For more information, please visit [AdvisorsPlus.com](http://AdvisorsPlus.com).