

Early Concept Document

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for updated information.

Pass it  n

CONCEPT DOCUMENT



TEAM MEMBERS

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THE OPPORTUNITY

The nationwide average of accounts per member at credit unions is 1.90, according to Callahan & Associates. When the fact that all members must have a share account to belong to a credit union is factored into that statistic, the startling truth is that most members do not recognize the full advantages of credit union membership. Consumers make buying decisions based upon company beliefs that are in line with their own – but do members really know who credit unions are and what they believe? As a benefit to consumers and credit unions, credit unions need to do a better job of educating on the fundamental differences between a bank and a credit union.

THE SOLUTION

Pass It On is a loyalty program aimed at educating credit union members about what makes their credit union different and superior to other financial institutions while providing incentives for stronger utilization and engagement. The greatest source of new business for credit unions comes from member referrals and *Pass It On* strengthens loyalty and encourages members to advocate on the credit union's behalf.

At account opening and during the normal course of serving members, retail staff will introduce the program to members and sign them up. A welcome email will be sent to the member getting them started with the program through an opt-in process. It also introduces them to navigation of the *Pass It On* microsite and offers them their first opportunity to earn points.

On a monthly basis, emails will be sent to members educating them about the many credit union membership benefits such as community philanthropy, cooperative philosophy, credit union history, innovation, and individual personalized service. All emails will include an offer to earn additional points. These offers are completely customizable by credit union and can be tailored to target new products and services, as well as rate specials. A library of offers will be developed and shared in the administrative side of the program.

All emails will include the option for the member to refer both the education and the offer on to friends and family. The ultimate goal is to share the secret of credit union membership and *Pass It On!*

Accumulated points can then be redeemed by the member for rewards. Rewards can also be customized by credit union to include benefits, such as lending rate discounts or deposit incentives, credit union and local business gift cards, and free merchandise.

TARGET MARKET

The target markets for this concept are:

New credit union members because they are more likely to learn about the organization they just joined and reaffirm their buying decision.

Existing credit union members that are not fully engaged with the credit union because they may re-think their credit union relationship if they understand all of the organization's benefits.

Existing credit union members with strong credit union relationships because they may share their experiences with potential members.

CONSUMER BENEFITS

Pass It On combines the structure of familiar reward and loyalty programs with the power of knowledge about credit unions, as well as exclusive access to credit union offers as an incentive to participate in the program.

The true test of a loyalty rewards program is whether or not the loyalty has been increased if the rewards are removed. *Pass It On* is truly focused on helping members gain a clearer, stronger understanding of their credit union and seeing how their values align.

CREDIT UNION BENEFITS

Credit Unions will benefit from the *Pass It On* program by having a more engaged and educated membership base. They will earn more accounts per member based on this loyalty program and benefit from referrals to potential new members.

PILOT RESULTS

Through surveying adult consumers, the evidence was found that *Pass It On* is an effective tool for credit unions to utilize for stronger member relationships. When asked if they would be interested in a credit union rewards program, 88.9% said yes. As further proof that *Pass It On* will engage members, 91.7% said they would be motivated to earn rewards based upon their activity as a credit union member. They also stated that cash back and discounts to local and national retailers would be the most attractive offers. Respondents noted that the most popular rewards programs for which they were enrolled included travel, cash back, and retail store merchandise.

In order to ensure member satisfaction, the structure of the *Pass It On* program is designed based upon consumer comments directly from the survey. The following are highlights from the survey.

When asked what would make a credit union rewards program unique enough that you would tell other people about it, the top three responses were:

1. Worthwhile rewards
2. Simplicity of use and redemption
3. Convenience

How do consumers like to be informed of special offers:

Email - 76.4%

Direct mail – 37.5%

Facebook or other social media - 20.8%

In person - 13.9%

Phone – 1.4%

Other (newspaper, website) - 1.4%

How often do consumers prefer to be informed of special offers?

Daily - 1.4%

Weekly - 34.7%

Monthly - 40.3%

Quarterly - 15.3%

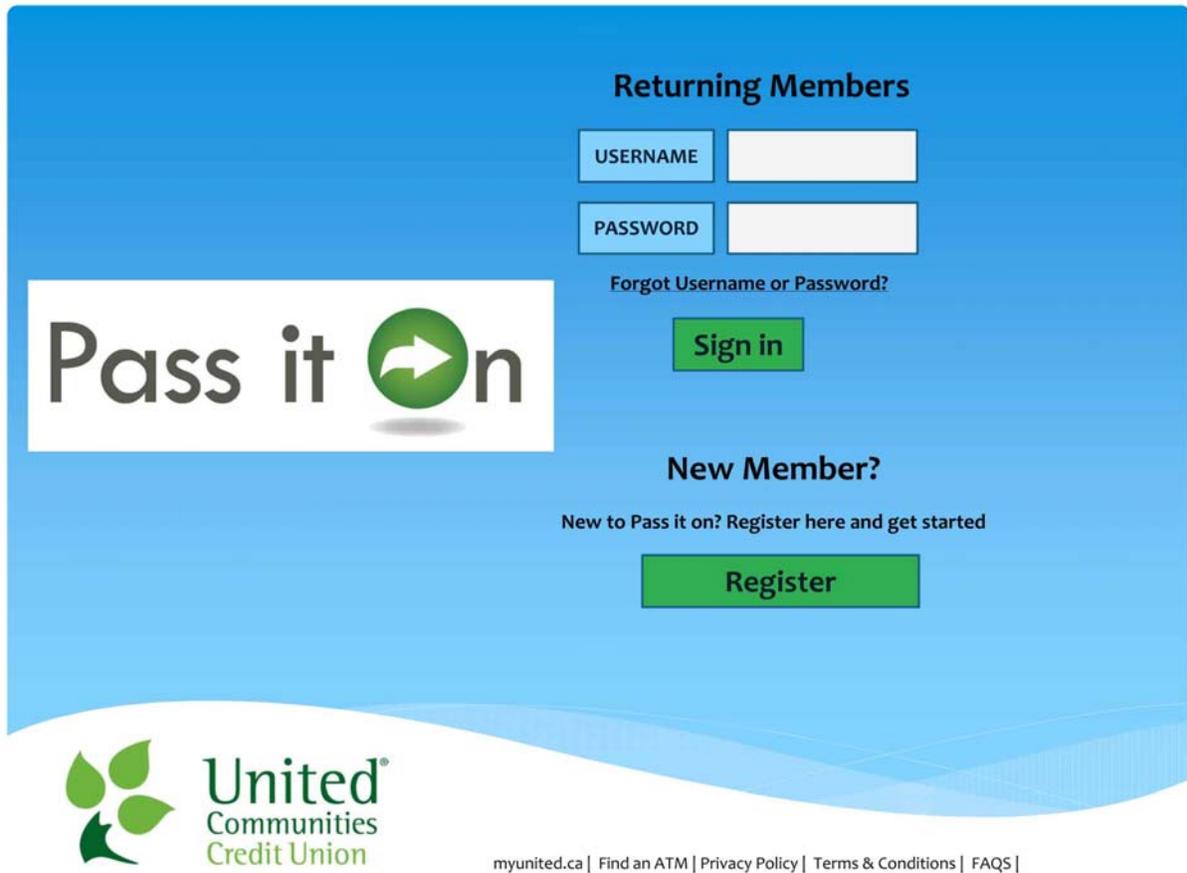
Annually - 5.6%

Other (on demand) - 2.8%

When it comes to the rewards that members would earn, the consumers surveyed said airline travel, cash back, and free or discounted merchandise were most important to them. The idea of a fee for this program was also explored; however, consumers largely said that they would not pay for a rewards program. Those that did were more comfortable with a one-time signing fee and stated that the rewards must be in line with the fee.

OPERATIONAL AND OTHER CONSIDERATIONS

The final product is a single *Pass It On* microsite that credit unions can customize to their needs.



Login Page

The login page of the microsite is simple, clean and user-friendly for new members.

Carlene, did you know you are helping in your community just by being a United Communities member?

Your loans and deposits help us grow the credit union and directly affect the dollars we are able to give back to our members. In 2010 United Communities donated \$75,000 in perishable foods including 35,028 lbs. of apples, 63,150 lbs. of potatoes and 15,880 lbs. of meat, which was distributed over the winter months to food banks in Windsor and Essex County as well as to the food banks in Huron and Perth Counties. This contribution helped with the immediate and serious need for supplies affecting all our food banks.

[Click here to learn more](#) about the Farms to Food Banks program.

Current Offer

My History

Redeem Points



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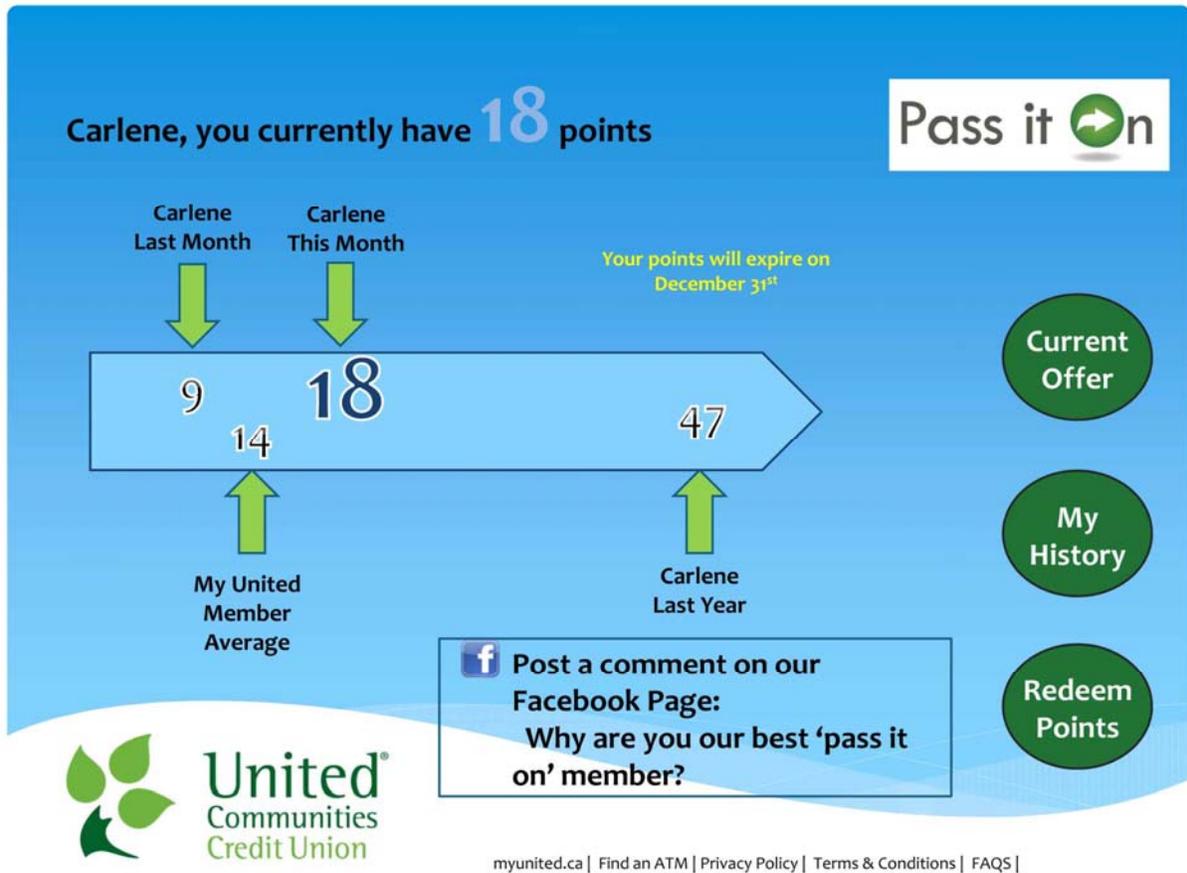
Pass it on

Educational Page

Once logged in, the first page displayed would give the credit union an opportunity to highlight an educational piece on their history, community involvement, innovations, etc.

The information on this page is limited to one paragraph with an option to “Click to learn more”. Expectations are that at least 15% of users will actually read the paragraph and 5-10% will choose to learn more. If the stories are compelling, and change frequently, members will continue to read and learn about their credit unions.

For those members who wish to go directly to the current offer, they can simply click on a navigational button on the right side of the page.



“My History” Page

Viewing the “My History” page will allow the member to not only see their accumulated points, but will also reference these against the average credit union member and their previous months. To keep this page fresh, there may also be calls to action via social media, such as this example with a Facebook page.

This month's offer:

Sign up for e-Statements

Click here to learn more or sign up for e-Statements

What's in it for me?

Find out how e-Statements can simplify your life

'Like' this offer on Facebook=1 point 

Sign up for e-Statements=3 points

Refer a friend for e-Statements= 5 points

Click here to sign into Online Banking and sign up

Watch a short video about e-Statements 

Pass it  on

My Points

My History

Redeem Points

This offer will expire on April 30th

16 42 06
HOURS MINUTES SECONDS
Offers Counting Down



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Current Offer Page

Throughout the microsite, the pages are simple and the necessary information is bold and clear. This sample Current Offer page states the offer simply and then moves to “What’s in it for me?” Members can click to find more about the offer and easily see how points can be accumulated. To fully engage all members, point offerings should be designed to allow a variety of actions to trigger the reward. In this example, a member who already has e-Statements could earn points by referring a friend or choosing to “Like” the offer on Facebook. To create a sense of urgency, the expiration of the offer is listed in the form of a countdown clock.

Carlene's Point History:

	Points
+January	5
-February	8
'Liked' the Financial Planning Offer- 1	
Attended the Budgeting Seminar – 5	
Brought a Friend along - 2	
+March	5
Year To Date	18

Take our Poll:
Did you attend the Budgeting Seminar in February?

I should have

Response	Count (Approximate)
No	350
Yes	100

Vote

Pass it on

Current Offer

My History

Redeem Points

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“My Points” Page

The Points page allows the member to view their detailed point accumulation. Other engagement mechanisms such as polls can be incorporated to maintain the interactivity of the site.

FINANCIAL PRO-FORMA/ROI

Year 1

Projected Net Income = (\$10,576)

First Year Revenue = \$22,604

Total Expenses = \$33,180

Expenses Breakdown

Programming = \$23,700

Program Management = \$8,750

Website Hosting = \$250

Website Monitoring = \$480

Year 2

Projected Net Income = \$20,004

First Year Revenue = \$23,734

Total Expenses = \$3,730

Expenses Breakdown

Programming = \$1,500

Program Management = \$1,500

Website Hosting = \$250

Website Monitoring = \$480

Revenue projections were made using the Forecasting Simulation Tool from the Innovation Engineering Lab assuming approximately 80 credit unions in the United States and Canada would adopt *Pass It On*. Expense projections assume a programmer, website hosting, and monitoring fees would need to be paid to implement *Pass It On*. Money for program management was also allocated for an administrator to add new credit unions to the program and manage the library of ideas and offers from multiple credit unions.

RESOURCES

Survey conducted through Survey Monkey in December 2010 with consumers in Canada, Colorado, Minnesota, and Indiana.

GETTING STARTED

Contact the Filene Research Institute at innovation@filene.org to find out more about the *Pass It On* program.