



Concept Document

Team Members

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Problem Definition

How might we leverage money saved by consumers during retail transactions to build actual savings?

Very frequently consumers pay less than retail price for everyday purchases like groceries, health and beauty products, clothing, shoes, home goods, electronics, and many others. From 2013-2015, American consumers redeemed over \$10 billion in coupons.¹ This pales in comparison to the \$1.5 trillion in coupon savings available to consumers over the same time period.² We were intrigued by all of these savings and were led to ask the question: what happened to all of that money? Did consumers actually save it?

The spending and saving habits of American consumers have been the topics of countless surveys, studies, and research projects. The evidence is overwhelming that Americans as a whole are great at spending and not so great at saving. A 2016 survey found that 69% of Americans have less than \$1,000.00 in savings and 34% have no savings at all.³ In fact, the savings rates of Americans actually got worse from 2015 to 2016.⁴

The inspiration for Savelt was born of a real-life experiment in shopping and saving. Our teammate kept track of the money she saved on her regular, everyday purchases for a 2-month period. At the end of that time, she was elated that she had saved \$397.24. Getting a deal on a purchase feels so good! It's a feeling we all can identify with. Sadly, in her case, that money never made it to her savings account and she has no idea how she ultimately spent the money. How many times has that happened to you? We all know that saving money is good, but we have to actually save it in order to begin to build economic security for ourselves, our families, our members, our communities, and our nation.

¹ Valassis 2016 Coupon Savings Report

² Valassis 2016 Coupon Savings Report

³ GOBankingRates.com

⁴ GOBankingRates.com

Innovative Solution

We love shopping. Consuming is a big part of our way of life and we are good at it. Why not make real saving a part of that experience? With over \$500 billion in coupon savings and sales available to consumers annually, we can spend and grow our savings balances at the same time. Savelt is unlike any savings solution available on the market today. It is the first product of its kind to capture the money "saved" on retail purchases containing sale items, coupon savings, and other credits to fund consumers' actual savings accounts.

If you can snap a photo of a receipt with your phone or tablet, then you can save with Savelt. It's that easy. Getting started is also a breeze. Users simply download the Savelt app on their smartphone or tablet and complete a brief enrollment process. This opens their digital savings account to capture their savings. During the enrollment process, users are prompted to enter their debit card number. The money they save is transferred to their Savelt account by debit transaction when they take a photo of their receipt.

Savelt uses OCR, Optical Character Recognition, technology to read the discounts on a sales receipt and prompt users to save the amount displayed. We know that consumers want flexibility and control, so, they can increase or decrease the amount to be transferred to their Savelt savings with the swipe of a finger.

Savelt engages users long after the shopping trip is over with its unique user experience designed to help them keep saving for the things that are important to them. Savelt users can set multiple savings goals and allocate the funds in their Savelt account toward these goals with the swipe of a finger. Want to reallocate funds? It's just as easy. We know that the dreams and goals of Savelt users are as unique as they are. That is why each savings goal is represented with a user-defined custom image. Saving for a trip to Hawaii? How about a picture of the surf on Oahu's famous north shore?

A recent study found that the ability to visualize a goal affects a consumer's commitment toward savings. In particular, "as people approach a goal, external representations, which increase the ease of visualizing the goal, enhance goal pursuit. Specifically, consumers judge easy-to-visualize goals to be closer than difficult-to-visualize goals, which in turn increases effort and commitment."⁵

⁵ Amar Cheema, Rajesh Bagchi (2011) The Effect of Goal Visualization on Goal Pursuit: Implications for Consumers and Managers. *Journal of Marketing*: March 2011, Vol. 75, No. 2, pp. 109-123.

Prototype



From the application login screen, users can enroll, login to manage their Savelt account, reset their account password, and capture a receipt to initiate a savings transaction. The application supports touch id on touch id supported devices.

Receipt capture is available without login. Touch id authentication is required to initiate the savings transfer if outside of an authenticated session.

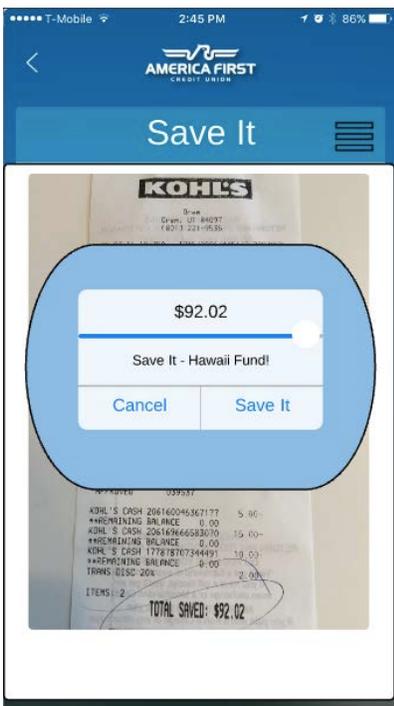
Application prototype shown with America First custom branding including colors and logo.



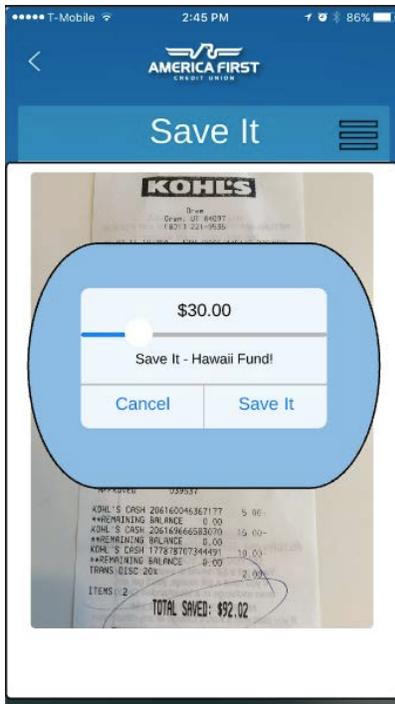
To capture a sales receipt, simply line up the image in the frame displayed. To capture the image, tap the camera icon.



Savelt uses OCR technology to read the savings and discounts on the sales receipt. The user is prompted to select from their customized savings goals to allocate the amount saved.



After the user has selected the desired savings goal, they can increase or decrease the amount to be transferred to their Savelt savings account by adjusting the thumb on the slider. The user can tap the "Save it" button to complete the transaction or "Cancel" to exit the transaction flow.



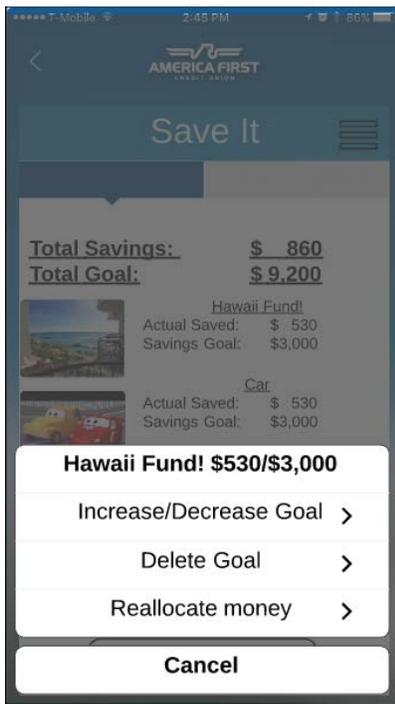
The amount to be saved has been decreased by the user from \$92.02 to \$30.00 by sliding the thumb to the left on the slider. The amount displayed above the slider changes dynamically as the thumb is moved along the track.



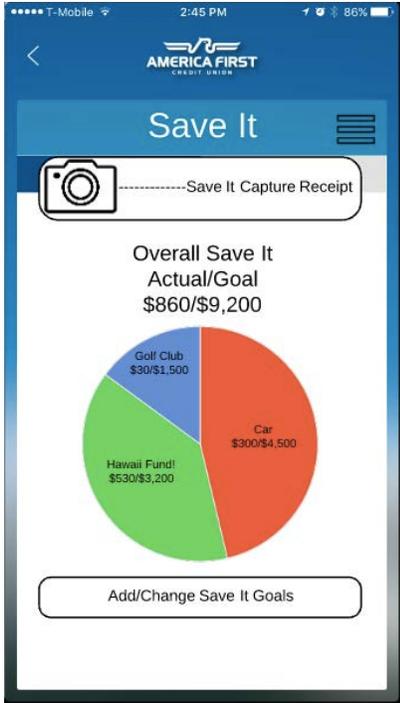
The user receives a confirmation message after tapping the "Save it" button on the previous screen.



The Savelt account landing screen displays the user's account balance, customized savings goals, and amounts allocated to each goal. The user selects a custom image to represent each goal. Images can be added from the device camera or camera roll. The user can tap on the title of each savings goal to open another menu to manage that goal as well as view history.



From this menu the user can change the goal amount, delete the goal, or reallocate saved funds to or from this goal.



Alternate account balance view offering a more traditional graphical depiction.

Testing and Results

To demonstrate the desirability of this product we solicited feedback from over 100 consumers. We surveyed consumers and asked them to interact with an online version of the Savelt prototype. We sought to answer the following questions:

- Would consumers actually use this product to achieve greater savings?
- Are the manual aspects of the process a barrier to use for consumers?
- Do consumers feel that they can actually save the money “saved” during a retail purchase or do consumers purchase sale items only because it helps them meet their budgets?
- What features would increase the value created for consumers using this product, such as:
 - Goal Setting
 - Social Components
 - Gamification
 - Coupon/Offer Delivery
 - Adaptation to Online Shopping Experience
 - Partnership with Select Retailers
 - Integration with Rewards and Loyalty Programs

We received specific feedback from 71 respondents varying in age, profession, income level and socioeconomic background. Among these respondents were self-identified savers, spenders, and those in between. We found that this product has a very broad appeal across all groups. Our key takeaways were that people do want to save more money and Savelt can help make that a reality. We found the following results most compelling:

- 47% of respondents said that they “loved” the idea and/or would definitely use Savelt.
- Only 6% of respondents reported that they would not be likely to use this product.

- Only 11% of respondents questioned whether they could actually save their “savings” from sale or coupon purchases.

We found that interest in the additional features above existed across respondents. Interest for additional features was varied without any specific feature emerging as the clear front-runner at this phase. However, strong indications exist that any of these features would add value and increase engagement with Savelt. We would like to explore these possibilities in the next phase of development.

Business Model and Financial Proforma

Savelt is designed as a white label product that credit unions can use to increase member deposits and engagement, while helping members build savings to achieve financial freedom. This positions it as an attractive offering for both credit unions and their members. By allowing credit unions to re-brand the product, it can be marketed to their members as a continuation of their e-service offerings, rather than as a new, stand-alone product.

For participating credit unions, the product would be an expense on par with establishing other e-services (person-to person transfers, etc.). Credit unions would pay a small upfront fee to customize and set up the app, followed by an annual fee that would adjust as member participation thresholds are met. Savelt enhances member experience and loyalty, rather than creating a new revenue stream.

Our concept is based on a smartphone app that would require an upfront investment in app developers, an IT security and maintenance team, legal and compliance staff, and a business development sales force. Additionally, forward thinking credit union partners are critical to market test the product and establish realistic adoption rate and deposit growth estimates. Finally, the concept can evolve to provide even greater value by engaging retail partners to establish POS and loyalty/rewards integration.

While Savelt has clear benefits in transitioning members from shoppers to savers, growing a low-cost funding source for credit unions, and building member loyalty and engagement, it remains premature to establish a proforma until we establish better estimates of adoption rates and impact to credit union deposits.

Partner with us!

We are excited about the potential Savelt has to help consumers build savings, but we need partners for the next phase of development. We are seeking:

- A technology partner to build a working prototype application.
- Retail partners to explore point-of-sale and loyalty/rewards program integration.
- Forward-thinking credit unions as investment partners to fund our project.