Sitewink

CONCEPT DOCUMENT

filene F³

IDEAS · INNOVATION · IMPLEMENTATION

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THE OPPORTUNITY

Credit Unions are facing a changing environment when it comes to handling the regulatory changes. We are constantly trying to balance the loss of interchange revenue and fees with our common mission to be member owned. Unfortunately, most of the costs are passed on to the member in the forms of rising ATM and bank account fees.

Another challenge Credit Union's are facing is the increase in fraud. Fraud cases are on the rise in the United States making it a number one priority for everyone. Sitewink functions as a free fraud monitoring system.

Credit Unions are also looking for an easy way to attract the 18-34 demographic as well as increase our small business relationships. During our original research, we found that the most interested age demographic for Sitewink is within the 18-34 market. With the additional opportunity to allow small businesses a mobile marketing platform, Sitewink offers the Credit Union a chance to offer a very unique service.

Members and Credit Unions are also looking for ways to balance their income with rising costs. Sitewink offers a great way to offer a perfect balance. Not only is it inexpensive to implement, it offers the credit union a new revenue stream and members receive a discount. An additional opportunity is an increase in interchange revenue as members use Sitewink.

THE SOLUTION

Sitewink is an additional service you can offer to your checking members for free. Once signed up, the member will receive emails on all their Debit Card purchases in real time. They have the choice of posting the email directly to their Facebook page or deleting them. This functions as a fraud alert system since members will be able to see where their card was used last. In addition, they will receive special discounts and offers from the Credit Union small business members.

With most credit unions offering small business services, credit unions have a perfect market to match members looking for discounts with local area businesses. By offering small business owners an inexpensive way to advertise to a new market, credit unions can also gain additional revenue.

A simple text message offer would appear each time the member receives an email about their debit card purchase. The text message would offer a discount coupon at the local business. The business would pay for each email sent allowing it to be easily tracked by both parties. The credit union could offer this as an added service when opening a business checking account.

TARGET MARKET

Location-based mobile marketing is extremely useful for businesses that require users to go to a store to buy products and services. For years, free giveaway marketing has brought success to many businesses, and mobile coupons allow you to take advantage of the latest technology.

Any store or business can gain brand awareness and product awareness through location-based marketing, however consumers must be provided with something of value for it to be successful. Campaigns must motivate users to take steps right away to exploit time-sensitive offers. Location-based marketing applications (apps) let you do this by simply inserting advertisements about your business in existing successful apps. There are several such apps in the market today;

FourSquare is a smart phone app in which the user can search for his favorite restaurant, bar, mall or any other store that is of interest to him. Based on the advertisements posted by businesses in the locality, the application will provide a list of places worth visiting near the location of the user. Users can collect rewards on their way and these rewards will be sponsored by the advertising businesses. This application is quite useful when users are looking forward to a place to visit.

Gowalla is an app that lets users find places locally and enjoy rewards. By sharing it with friends through social networks, more rewards can be collected. This app lets users search for any place like a bar, restaurant, theater, or even road side shops to get what you want. On their way to the shops, users can collect rewards that can be redeemed later.

DreamWalk is a brand new application on the iTunes app store that will entertain those who are always on the lookout for free giveaways. Without a doubt, these freebies can easily get the attention of the wanderers. The app is more engaging since users can search for their favorite freebie and find out if it is available. Mobile phone users will login to this app from time to time to know if there is a prize or stamp that can be collected from nearby shops. Users are provided with a number of clues to hunt for real treasures. Businesses can easily get loyal customers by advertising their hunts, free stuff, and other free goodies that can be distributed to customers.

Facebook is a social networking site intended to connect friends, family, and business associates. It is the largest of the networking sites and began as a college networking website, but has since expanded to include anyone and everyone. Facebook's Places app allows users to check-in to their current location, so that they can connect with nearby friends or just share details of their experience. Users can also find local deals – which can be individual, friend, loyalty or charity, by checking in to individual businesses that are offering those features to users. Individual deals and charity donations are offered by the individual businesses or organizations. Friend deals require tagging a number of friends to share savings, and loyalty deals require multiple check-ins to save.

Though FacebookPlaces is similar to Sitewink in some respects, it is because of Facebook's reach across the populations of the United States and Canada, that it is the most logical social networking tool to utilize for Sitewink:

Facebook.com user facts and figures:[1]

- Average user has 130 friends on the site
- Average user sends 8 friend requests per month
- Average user spends an average 15 hours and 33 minutes on Facebook per month
- Average user visits the site 40 times per month
- Average user spends 23 minutes on each visit
- Average user is connected to 80 community pages, groups and events
- Average user creates 90 pieces of content each month
- 200 million people access Facebook via a mobile device each day
- More than 30 billion pieces of content are shared each day
- Users that access Facebook on mobile devices are twice as active on Facebook compared to non-mobile users
- Facebook generates 770 billion page views per month
- More than 94,000,000 US users
- More than 13,000,000 Canadian users

Breakdown of US Facebook users (gender and age):

	Total Users	Male	Female
13-17	14,402,580	6,646,820	7,719,380
18-25	50,679,700	23,004,960	27,048,020
26-34	29,703,340	13,588,320	15,577,380
35-44	23,596,860	10,216,440	12,775,140
45-54	17,425,520	6,915,900	10,176,980
55-64	10,459,580	3,982,340	6,301,480

[1] in resources section for details on these statistics.

CONSUMER BENEFITS

- Fraud alert system
- Discounts/offers for merchandise
- Add on service for the checking account
- Easy Facebook status update from email

CREDIT UNION BENEFITS

- Trackable exposure for the Credit Union on Facebook
- Additional service to offer to the Credit Union's small business accounts
- Generate income through a new service with small business'
- Free marketing for Credit Union
- Great way to attract the youth market
- Increase our interchange fees

SURVEY RESULTS

A short survey about SiteWink was conducted in late February 2011, with a total of 355 responses. The survey was completed primarily by credit union employees, with additional results from individuals within our team members' social and business networks. Respondents were given no direct information about the concept prior to answering the questions. The full results are contained in Appendix 1.

The initial response of respondents to the concept was negative. When asked if they would use a free credit union service that would automatically update their Facebook status based on where they used their debit card, 73.9% responded no. Only 5.7% said yes, with 20.3% saying maybe. In the next question, the overwhelming majority (94.2%) stated that they would prefer to have their status updates sent to them via email, so that they could approve or decline the status update.

The next question provided more information about the benefits of the free service, which resulted in a more positive response from those surveyed. When asked if receiving an update each time their debit card was used seemed appealing from an anti-fraud perspective, only 48% of respondents said no. 44.8% indicated it was appealing for their own card, and 16.2% indicated was appealing for their children's debit card.

When asked to rank additional benefits or features in order of preference, the clear favourite at an average rating of 3.10 out of 4, was to receive discounts from retailers where the respondents use their debit card (similar to Facebook's Places deals. This was followed by a loyalty reward program at 2.71, free products or services for signing up at 2.60, and adding an integrated gaming component was last at 1.60.

The survey's demographic information showed that those who most often use Facebook are in the 18-34 demographic, and they find the product most appealing. The results also show that there is a

portion of the 55 and older demographic that likes the idea and uses Facebook often; this demographic group is growing and is nearing the size of the 13-17 year-old demographic.

Based on the survey results, users in the 18-34 demographic are Sitewink's primary target market. Notification emails should be sent to users, so that they can choose whether or not to post the location of their debit card purchase. The key product features to be developed and marketed are retailer discounts and real-time fraud alerts.

OPERATIONAL AND OTHER CONSIDERATIONS

Sitewink is a program whose primary vision is to make it more convenient than ever for members to stay connected with their social graph through location identification. A successful implementation would include a strengthened relationship between the member and the credit union while increasing interchange revenue overall by each node utilizing the network.

In addition to the main focus of the program there are available minor alterations to the process which will be described that will allow further diversified appeal among other demographic groups and also allow for possible enhanced channels of revenue opportunity.

To begin our discussion Sitewink utilizes much of the process and framework already built into current social networking sites which were created to allow their users to post updates through electronic mail channels. The specific example we will outline in this section will be through the site facebook.com, but could also be created with other such services as twitter.com, etc.

We will also discuss how this can be accomplished from a financial institution core system which in this example will be the DNA system from Open Solutions Inc. other core systems should also be able to provide this functionality either within the system itself or through the extract and processing of the data by an application created outside of the core.

The process in and of itself is very easy to create, operate and understand. Below is an example of how it would work with the services outlined above for each necessary piece of the program.

1 - Electronic Mail (email)
First we should understand that most social networking sites in operation today have special electronic mail addresses that can be used by members to update their profile statuses. On facebook this address can be obtained while logged in and going to the URL:
http://www.facebook.com/mobile/

Once on this page you will notice in the bottom left hand corner under "Upload via Email" a special electronic mail address that is unique to your account.

More Facebook Mobile Products

facebook.com
- Update your Status, browse your News Feed and view friends' Profiles all from your phone.
- Works on all phones with mobile web access.

Text a link to my phone

Upload via Email
Use a personalized upload email to post status updates or send photos and videos straight to your profile. Your personal email is:

sitewinkmember@m.facebook.com

Send my upload email to me now

Find out more

Facebook for your phone
Download rich, interactive applications built for your phone. Available for:

iPhone	Nokia
Palm	Android
Sony Ericsson	Windows Phone
INQ	Sidekick
Blackberry	

Once the member obtains this address, a new "Social Network" address type can be created in the financial institutions core system to store this address in addition to the member's regular home/business electronic mail address. When a member signs up for the service the member service representative (MSR) would confirm the current home/business email address on file and then obtain the custom facebook profile address that will perform the status update.

Even though as you will see the member will have an opportunity to view the update before posting and delete or accept the update, there maybe members who do not use a social network or wish to have any updates posted. If the member would only like to receive an email for every debit transaction done and not have any possibility of a status update occurring, the MSR need only enter the current regular email address on-file in the "Social Network" type email address. In this way the member could utilize the service only as a possible fraud detection measure without the need to participate in the full program as designed.

2 – Debit Transactions

Next we look at the trigger mechanism by which these electronic mails or "winks" will be sent to the member, card transactions. Whenever a card transaction is done on the system, the core will check if the "Social Network" address exists in the database. If this address exists, the program will strip out all characters in the transaction description leaving only the description of the merchant, city and state (normal description info) and build the record that will be delivered to the member. Below is an example of the regular expression (for use in any language that supports regex) that can be used to accomplish this where ExtDesc is the description text.

REGEXP_REPLACE(regexp_replace(SUBSTR(trim(ExtDesc),1,length(trim(ExtDesc))-4) || ' ' || SUBSTR(trim(ExtDesc),length(trim(ExtDesc))-3,2), '[^a-z,A-Z, "]',''), '( ){2,}', ' ')

This trigger can be in real time, such as an Oracle trigger on Open Solutions Inc. DNA product set to detect an "On Insert" statement to the card transaction table or for other core systems that can not perform a procedure in real time this could be done instead with reoccurring extracts of the data pushed and processed through a separate application.

Each record should contain at least;

- The members regular home/business email address
- The members "Social Network" email address (or can be a copy of the home/business if no status updates should occur)
- The extracted transaction description formatted for delivery (i.e. "Just checked in from --> RIGGINS CRABHOUSE LANTANA FL")

3 – Relay System

Once the record is created a system to relay the information to the member through electronic mail channels is necessary. This can be accomplished directly in a core system or can be done by a separate application.

Continuing with our example using the Open Solutions Inc. DNA core system, we can send relay this information directly out of the core system in real time by creating an Oracle database a custom built procedure to send these emails using either the simple "UTL_MAIL" abilities and packages provided by Oracle or creating a deeper level custom package which uses the built in UTL_SMTP ability. Again if your specific core system does not have email functionality a separate program with email capability can be used as a replacement.

Once you have your electronic mail application in place to process the records, these can be sent by relay off of the credit union's existing email system. The important step here to allow members a choice to delete or post status updates relies on the creation of the initial email. The format below will provide the member with the ability to simply reply to the original email for the content to auto-update their status.

- The To: - Must be the members regular home/business email address
- The From: - Should be the members "Social Network" email address (or a copy of their regular address if no updating should ever occur.
- The Subject line: - Must be the Sitewink message (see example below)
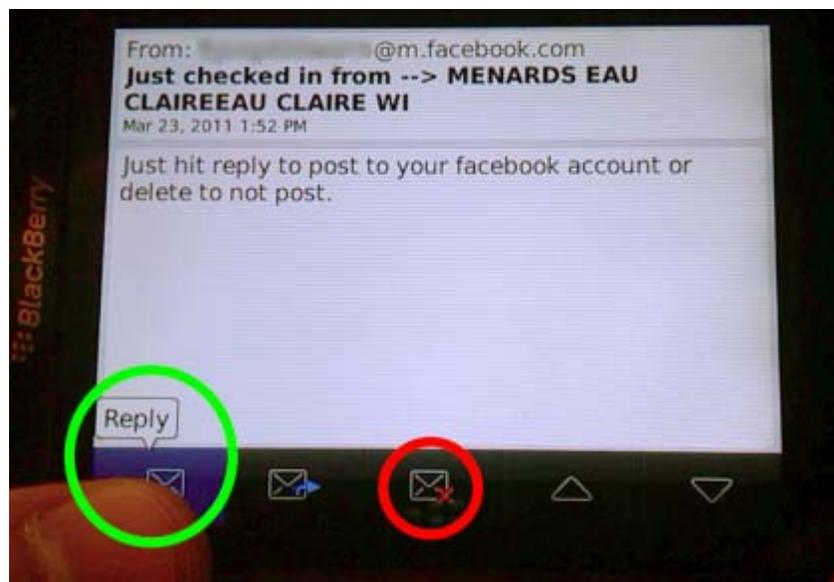
The member can be confirm or delete the status by simply choosing the appropriate options from any cell phone on which the member can receive email.

If the member deletes the message no further action is required, if the member replies to the message then their facebook or other social network of choice will update their status with the message. It is also important to note that during the reply phase the member has the option to reformat the message to their liking by adding/deleting/changing the text that will be sent to their facebook status. Once they finish and send their status will automatically update such as the example below.

Anyone know how to plant roses? Just got some at --> MENARDS EAU CLAIRE WI

2 minutes ago via Email · 🔒 · Like · Comment

FINANCIAL PRO-FORMA/ROI

There are two ways to generate income from Sitewink. The first is through offering a marketing service to the small business accounts. Each credit union can structure this part of the program to meet their needs. One suggestion would be to have a fee for the set-up of the campaign. This would cover any costs for the credit union to push the message to the members who have signed up for the service. As the member base grows, you could also include a per message fee.

Recommended fees based off other Mobile Marketing platforms:

Set-up Fee Per Campaign: $100.00

$.04 each message sent

The second way to generate income is through the increase in Interchange income. We used the forecasting simulation from Innovation Engineering to come up with increased sales in the credit union market of $7,142,400.

Reference Appendix 4 for additional detail.

RESOURCES

1) http://www.kenburbary.com/2011/03/facebook-demographics-revisited-2011-statistics-2/, with information sourced from facebook.com. pingdom.com, and checkfacebook.com.

GETTING STARTED

Contact us if interested at innovation@filene.org.

Appendix 1 – Filene Sitewink Survey

Question 1:

Would you sign up for a free credit union service that allows you to post a Facebook status update based on where you used your debit card?		
Answer Options	Response Percent	Response Count
Yes	5.7%	20
No	73.9%	258
Maybe	20.3%	71
answered question		349
skipped question		6

Question 2:

Would you prefer to have the status updates:		
Answer Options	Response Percent	Response Count
Post automatically to your Facebook page.	5.8%	18
Sent to you via email to approve or decline the post.	94.2%	293
answered question		311
skipped question		44

Question 3:

Does receiving an update each time your debit card is used appeal to you from an anti-fraud perspective? (please choose each answer that applies)		
Answer Options	Response Percent	Response Count
Yes, for myself	44.8%	155
Yes, for tracking the spending or location of my children	16.2%	56
No	48.0%	166
answered question		346
skipped question		9

Question 4:

Which benefits or features would make you more likely to sign up for this service (rank in order, with 1 being least likely and 4 being most likely)?						
Answer Options	1	2	3	4	Rating Average	Response Count
Loyalty points with a rewards program	30	89	72	73	2.71	264
Discounts from retailers where you use your debit card	33	41	81	136	3.10	291
Free products or services for signing up	10	121	113	43	2.66	287
Integrating a gaming component into the service	230	15	4	53	1.60	302
					answered question	339
					skipped question	16

Question 5:

Thinking about the places you use your debit card, are there retailers or businesses for which you would not want your status updated? If yes, please explain.

There were 350 responses, with 5 respondents skipping the question. 131 respondents, or 37.4% of respondents, said "no" – that there were no retailers or businesses they would not want to appear on their status update. The other 219 respondents, or 62.6%, indicated some hesitation to having the location of their purchases appear on their status update. Common responses included privacy concerns (not wanting the location of any purchases to appear in their status), entertainment venues such as bars and casinos, adult stores, liquor stores, and pharmacies. Others expressed concerns about keeping gift purchases private.

Question 6:

What is your age?		
Answer Options	Response Percent	Response Count
Under 18	0.3%	1
18-34	33.2%	115
35-49	43.1%	149
50+	23.4%	81
answered question		346
skipped question		9

Question 7:

How often do you use Facebook?		
Answer Options	Response Percent	Response Count
Multiple times daily	25.9%	90
Once daily	19.5%	68
Several times per week	10.9%	38
Once weekly	7.2%	25
Less than weekly	16.7%	58
Never	19.8%	69
answered question		348
skipped question		7

Appendix 2– Filene Sitewink Survey – Age Crosstab

Question 1:

Would you sign up for a free credit union service that allows you to post a Facebook status update based on where you used your debit card?

Answer Options	What is your age?				Response Percent	Response Count
	Under 18	18-34	35-49	50+		
Yes	0	3	9	8	5.8%	20
No	1	84	109	61	73.7%	255
Maybe	0	28	31	12	20.5%	71
				answered question		346
				skipped question		0

Question 2:

Would you prefer to have the status updates:

Answer Options	What is your age?				Response Percent	Response Count
	Under 18	18-34	35-49	50+		
Post automatically to your Facebook page.	0	5	8	5	5.8%	18
Sent to you via email to approve or decline the post.	0	102	118	70	94.2%	290
				answered question		308
				skipped question		38

Question 3:

Does receiving an update each time your debit card is used appeal to you from an anti-fraud perspective? (please choose each answer that applies)

Answer Options	What is your age?				Response Percent	Response Count
	Under 18	18-34	35-49	50+		
Yes, for myself	0	48	61	44	44.6%	153
Yes, for tracking the spending or location of my children	0	19	29	7	16.0%	55
No	1	58	72	34	48.1%	165
				answered question		343
				skipped question		3

Question 4:

Which benefits or features would make you more likely to sign up for this service (rank in order, with 1 being least likely and 4 being most likely)?

Answer Options	What is your age?				Rating Average	Response Count
	Under 18	18-34	35-49	50+		
Loyalty points with a rewards program						
1	0	15	10	5		
2	0	28	40	19		
3	0	23	38	11		
4	0	27	24	21		
	0.00	2.67	2.68	2.86	2.71	261
Discounts from retailers where you use your debit card						
1	0	8	11	14		
2	0	24	9	8		
3	0	31	30	19		
4	0	42	70	23		
	0.00	3.02	3.33	2.80	3.10	289
Free products or services for signing up						
1	0	5	2	3		
2	0	42	59	20		
3	0	40	46	26		
4	1	14	19	8		
	4.00	2.62	2.65	2.68	2.65	285
Integrating a gaming component into the service						
1	1	79	108	40		
2	0	3	8	4		
3	0	3	1	0		
4	0	23	15	15		
	1.00	1.72	1.42	1.83	1.61	300
					answered question	336
					skipped question	10

Question 7:

How often do you use Facebook?						
	What is your age?					
Answer Options	Under 18	18-34	35-49	50+	Response Percent	Response Count
Multiple times daily	1	55	26	8	26.1%	90
Once daily	0	22	31	13	19.1%	66
Several times per week	0	9	20	9	11.0%	38
Once weekly	0	5	14	6	7.2%	25
Less than weekly	0	9	27	21	16.5%	57
Never	0	15	30	24	20.0%	69
					answered question	345
					skipped question	1

Appendix 3– Filene Sitewink Survey – Facebook Usage Crosstab

Question 1:

Would you sign up for a free credit union service that allows you to post a Facebook status update based on where you used your debit card?							
	How often do you use Facebook?						
Answer Options	Multiple times daily	Once daily	Several times per week	Once weekly	Less than weekly	Response Percent	Response Count
Yes	9	4	3	0	2	6.5%	18
No	61	48	27	18	45	71.3%	199
Maybe	20	16	8	7	11	22.2%	62
						answered question	279
						skipped question	0

Question 2:

Would you prefer to have the status updates:							
	How often do you use Facebook?						
Answer Options	Multiple times daily	Once daily	Several times per week	Once weekly	Less than weekly	Response Percent	Response Count
Post automatically to your Facebook page.	6	6	2	1	1	6.4%	16
Sent to you via email to approve or decline the post.	73	54	34	22	51	93.6%	234
						answered question	250
						skipped question	29

Question 3:

Does receiving an update each time your debit card is used appeal to you from an anti-fraud perspective? (please choose each answer that applies)							
	How often do you use Facebook?						
Answer Options	Multiple times daily	Once daily	Several times per week	Once weekly	Less than weekly	Response Percent	Response Count
Yes, for myself	36	32	17	10	29	44.8%	124
Yes, for tracking the spending or location of my children	17	12	9	3	7	17.3%	48
No	43	31	18	14	25	47.3%	131
					answered question		277
					skipped question		2

Question 4:

Which benefits or features would make you more likely to sign up for this service (rank in order, with 1 being least likely and 4 being most likely)?							
	How often do you use Facebook?						
Answer Options	Multiple times daily	Once daily	Several times per week	Once weekly	Less than weekly	Rating Average	Response Count
Loyalty points with a rewards program							
1	8	6	1	2	7		
2	20	20	14	5	18		
3	16	18	7	5	8		
4	19	15	5	5	9		
	2.73	2.71	2.59	2.76	2.45	2.65	208
Discounts from retailers where you use your debit card							
1	6	9	2	2	6		
2	13	9	4	5	5		
3	23	12	9	3	15		
4	32	26	17	12	24		
	3.09	2.98	3.28	3.14	3.14	3.11	234
Free products or services for signing up							
1	5	1	3	0	0		
2	35	22	10	9	14		
3	28	27	13	9	19		
4	12	8	7	2	8		
	2.59	2.72	2.73	2.65	2.85	2.69	232
Integrating a gaming component into the service							
1	62	45	27	18	32		
2	4	3	2	1	4		
3	2	0	0	1	1		
4	17	12	5	2	6		
	1.69	1.65	1.50	1.41	1.56	1.61	244
					answered question		270
					skipped question		9

Question 6:

What is your age?							
	How often do you use Facebook?						
Answer Options	Multiple times daily	Once daily	Several times per week	Once weekly	Less than weekly	Response Percent	Response Count
Under 18	1	0	0	0	0	0.4%	1
18-34	55	22	9	5	9	36.2%	100
35-49	26	31	20	14	27	42.8%	118
50+	8	13	9	6	21	20.7%	57
					answered question		276
					skipped question		3

Appendix 4– INNOVATION ENGINEERING Forecasting Simulation

Number of Final Decision Makers
62,000,000
Assumptions/Logic
92 million credit union members and 1/3 are too young to have a credit card so 92 - 30 = 62

Concept Persuasion
Minor Impact Innovation
Assumptions/Logic
Survey results showed some interest but not GREAT or WOW

Marketing Support
Small Company Marketing
Assumptions/Logic
Most credit union's marketing budget is very small.

Revenue Per First Purchase
20
Assumptions/Logic
Average dollar amount spent each month on debit card purchases is around $45 and interchange income is at
.44 cents right now. $45 x .44 = 19.80

Repeat Rate
25
Assumptions/Logic
Go out some place special several times per month but want to post it 1/4 of the time.

Revenue Per Repeat Purchase
20
Assumptions/Logic
gave it the same amount for the next time out

Number of Repeat Purchases
12
Assumptions/Logic
Based on a monthly amount