

# Coastal Federal Credit Union increased engagement and revenue through a digital-only campaign, using Saylent's turnkey marketing program and CO-OP Preferred.



- **Headquartered in Raleigh, N.C.**
- **22 branches in the surrounding 16 counties**
- **\$2.7 billion in assets**
- **More than 213,000 members**



## CO-OP Revelation Benefits

- Maximizes portfolios by turning card transactions and terminal data into actionable, profitability-boosting programs
- Informs marketing decisions through member-behavior and demographic insights
- Saves marketing costs and resources with turnkey marketing campaigns tailored to members' transaction behaviors

## Facing Challenges

Coastal Federal Credit Union identified an opportunity within their debit card portfolio to boost the purchase transaction volume on targeted cards. If they could successfully engage their members with underperforming cards by providing a meaningful incentive for increased use, the credit union could realize a tremendous potential for increased interchange revenue. Managing a project of this size, however, presented its own challenges for effective use of resources.

## Credit Union Profile

Coastal is a \$2.7B credit union in North Carolina with headquarters in Raleigh and 22 branches in the 16 surrounding counties. Founded in 1967 to service the local IBM community, it has since expanded to include many other Select Employer Groups (SEGs) in the Triangle and NC areas.

## Providing Solutions

Coastal's first step was to identify the cards to target for a new campaign. Coastal knew the CO-OP Revelation® platform, a card portfolio-optimization solution powered by Saylent, provided a detailed repository of their card data and the capabilities to analyze and segment their portfolio.

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For a comprehensive execution plan, Coastal entrusted the CO-OP Preferred turnkey marketing program, driven by Saylent’s marketing services team. Saylent devised and implemented the campaign to increase the targeted group’s spend to \$500 or more during the month of June. There were three main elements of the digital campaign:

1. Saylent segmented the portfolio, identifying cards with a low POS Spend—cards that spent less than \$250 during the baseline month of April.
2. Saylent created an incentive marketing strategy to motivate the target market to increase spending and earn a gift card from their selected popular merchant. Spending \$500 rewarded a cardholder with a \$10 card, \$750+ with a \$20 card, and \$1000+ with a \$25 card.
3. Saylent developed digital marketing content for updating the cardholder on their reward status. Coastal deployed these distinct, personalized waves of communication via their email service platform and digital banking solution.



During the campaign cycle, Saylent functioned as an extension of Coastal’s marketing department by implementing all strategic and tactical components, and providing a projected ROI to gauge performance.

**Delivering Results**

Success! Over 12 percent of the targeted Coastal cardholders qualified for a gift card reward. These cardholders increased their average debit card purchases from 7 to 24 during the campaign month. This amounted to a staggering 253 percent increase in purchase activity.



Qualified cards exceeded expectations with an astounding 731 percent increase in their POS Spend per card. They also increased their average spend amount from \$130 per card in April to an average of \$1,084 in June, resulting in a 520 percent increase in interchange revenue per card.

The positive impact did not end with just the qualified members. Overall, the target group saw a 28 percent change in transactions volume per card, a 123 percent change in spend per card, and an incredible 69 percent growth in total interchange revenue for the month of June.

***"Electronic communication is widely accepted by our member base, and the CO-OP Preferred "Treat Yourself" Campaign proved we can impact change while effectively using resources."***

**Brandon McAdams,  
VP, Marketing and Product Development  
Coastal Federal Credit Union**



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All targeted and qualified cards are sustaining their growth behavior beyond the campaign period, too. June through September 2016 data shows:

**4-Month Average:  
1 Campaign + 3 Post-Campaign Months**

	TARGET MARKET	QUALIFIED CARDS
Transaction Volume	11.46 per card	21.46 per card
sustained growth over baseline	47%	211%
Transaction Spend	\$270.55 per card	\$806.95 per card
sustained growth over baseline	157%	519%
Transaction Interchange	\$3.74 per card	\$9.36 per card
sustained growth over baseline	95%	372%

As the collaborative efforts of CO-OP Preferred and Saylent's Marketing Services Team had accurately projected, Coastal Federal Credit Union surpassed their Break-Even Threshold in September 2016. This puts the credit union on target for an estimated first-year ROI of 289 percent. All with a strictly electronic communication stream!

**CO-OP Financial Services** is a Credit Union Service Organization serving more than 3,500 credit unions around the country. CO-OP allows credit unions to serve their cardholders with payments products that would otherwise be only available to larger financial institutions. These services include ATM processing, shared branching, call center, and debit and credit card processing, as well as many more complementary products.

**Saylent** provides financial institutions with data analytics software and services that improve profitability and product innovation by delivering smarter, deeper, actionable insights on the financial behaviors of consumers and businesses. With Saylent's solutions, financial institutions are empowered to drive new revenue streams and increase loyalty by delivering programs and solutions that their customers and members desire.

To learn more about  
CO-OP Revelation, call  
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