Building the Factory

I WANT TO INCREASE CREDIT CARD BALANCES

Find out how to

TALK TO MEMBERS OVERPAYING THEIR CREDIT CARDS!

Data Bootcamp Edition:

Featuring Kim Youngblood, FOCUS CU

Simple DIY Instructions Inside!

CU*ANSWERS Management Services

Vol. 5: I Want to Increase Credit Card Balances

This document and the following volumes are intended to give a credit union a complete road map to execute a marketing campaign. This road map will take the user from the very beginning point all the way through to the end of the process and the evaluation of the campaign. This design will contain all the steps necessary to create the campaign, the steps to follow through to the end using the referenced CU*BASE options to mine the data and track the sales success.

What is the Campaign?

Contact members with existing credit cards that pay more than their minimum payment and suggest they take advantage of balance transfer offers—the end result being your credit card portfolio grows. This campaign targets active credit card members, which will increase the penetration success of the campaign. This utilizes the Loan Payment Activity Analysis to identify members who had overpayments. The campaign solicitation can be customized according to credit score (e.g. member with lower credit score may get a different solicitation vs. member with higher credit score).

How Do I Find the Target Group?

1. Go to the Loan Payments Analysis on the Management Processing/Active Beta Tests (MNMGMT) menu.

   a. Select loan payment activity for LOC.

   b. Analyze payments received during MMYYYY. Leave as default MMYYYY, this will be the most recent prior month end.

   c. Loan payment frequency = Monthly.

   d. Loan Category = choose specific credit card category or choose all credit card categories (alternatively select via loan product or business unit).

   e. Current credit score: perform this process for each of your credit tiers (e.g a credit range 700-899, then 600-699, etc.).

   f. Interest rates between = default.

Loan Payment Activity Analysis — Filters

i The primary purpose of this application is to analyze payments received during the selected month/year compared to the due dates that were anticipated as of the prior month-end. Use the below filters to refine the data for your specific needs.

Loan payment activity for ○ Closed end or ● LOC

Analyze payments received during **Jun 2016** 📅 [MMYYYY] compared to the due dates that were anticipated as of prior month-end.
(Analysis will include only loans that were on the books as of the previous EOM snapshot. Loan payments made during the selected month that were not anticipated as of prior EOM will not be analyzed.)

Loan payment frequency   **Monthly** ▼

Product	Select
Business unit	Select
Loan category	Select
Collateral type	Select

Current credit scores between **700** and **899**
Interest rates between **0.000** and **99.999**

WA (5743) 7/20/16

2. Press Enter for Summary Page.

Loan Payment Activity Summary - LOC/CC — June 2016

		Actual Payments for 6/2016				Payments Expected for 6/2016				Variance	
	EOM Balance	# of Pmts	Total Pmt $ Collected	Accrued Int Collected	Net Principal/ Misc Funds	BOM Balance	F	# of Pmts	Total $ of Payments	# of Pmts	Total Funds Collected
Expected	44,182	9	35,504	0	1,078	1,078 M		70	1,078	61-	
Over pmts	347,615	260	333,121	0	10,533	119,994 M		133	113,141	127	109,460
Under pmts	44,500	2	41,960	0	1,266	76 M		7	75	5-	1,189-
Payoffs	0	14	6,169	0	296	6,433 M		9	6,421	5	6,137
Net over/un	392,115	262	375,081	0	11,799	120,070 M		140	113,216	122	108,270
No payment	43,501	0	33,782	0	1,020	0 M		69	0	69-	1,020-
Total	436,297	271		0		410,585		210		61	108,270
			121,148		114,295				12,878	29%	840%

As of May 2016 there were 210 loans analyzed, with 0 written off, for a net of 210.

i Note: Members fall into categories based on expected payment amount not expected number of payments.
The total row is the sum of over payments + under payments + expected payments (payoffs are included).
The net over/under row is the sum of the over payments + under payments.
The no payment row shows the expected payments with no payments received.

Filters
Weekly

WA (5742) 7/20/16

3. Next click the Magnifying Glass for "Over pmts".

Generating the List for Member Connect

Once you've narrowed down your list of records to only those you want to contact, select the **Export** button. Select to export the selection of accounts for Member Connect. Enter a file name; this will create a database file in your QUERYxx library.

Note: Selecting to Export the record for Query will create a database file with the information seen on the screen and all records will be included. Selecting to Export to Member Connect will create a file that includes only Account Base and will eliminate any duplicate records (preventing you from calling the same member twice for a single campaign.

What Do I Do with the List?

Once you've created your database file, select the **Member Connect** button on the screen. From here, you will have a variety of options depending on the resources available to you, and the method you choose to use to market to these individuals. Start by entering your newly created file in the *File name* field.

Sending an Electronic Communication

1. Enter the name of the database file created in the previous step. (This must have been stored in your credit union's QUERYxx library.)
2. Click the "Online banking and/or email message" button and press enter to continue.
3. Here you have several creation/selection options:
   - If you have performed this campaign before and have already saved a message for this campaign, select the message and select the *Send* button. Go to Step 8.
     OR
   - If this is the first time you are performing this particular campaign, select *Create* (F6).
4. Enter a two-digit *Message type*; this must be a letter and a number or two numbers—two letters are reserved for messages from the Master Message Library.
5. Enter the *Message subject* "**Thanks for being a Valued Member---Save Money with a Balance Transfer**" This text will appear in the subject line when the message is sent as an email message. Enter to continue.
6. Now you are on Member Connect Message Maintenance screen. Here you can enter or edit the text of the message. Enter your text as follows:
   Do you have credit card balances with other banks or credit card companies? AWESOME Credit Union is here to help. We would like to help you transfer your other balance(s) to your credit card account at AWESOME Credit Union. With your ACU credit card account, and no balance transfer fee, we can help save you money with our great credit card rate of 11.88%. To start saving today, call 555-555-5555 and ask to speak with a loan officer.
   Thank you for your membership!
7. Select Save Changes.
8. Now you are ready to send the email or **It's Me 247** online banking message. Select the message and click the Send option.
   - **IMPORTANT:** All email messages will have the Signature Line message (SL message) text automatically appended to them. Editing the Signature Line or (SL message) is similar to editing a message. *SEE ALSO:* Editing the Signature Line (or SL Message).
   - **TIP**: In your Signature Line, you may want to include text explaining how a member can "opt out" of receiving future marketing email messages. This can be done by having them "opt out" using the two options on the Info Center|Contact Preferences page in **It's Me 247**.
9. Select to send the message via *Priority*. This will send the message to members with email addresses first, and then to members with online banking accounts without email addresses. Set a comment purge date one month out from the current date.
10. Click *Send* (F5).
    - NOTE: Online banking messages will only be sent to members who have already logged into online banking.
11. Press Enter to confirm your sending.

How Do I Track the Results?

Now that you've run your campaign, how do you follow up and track your results? This can be accomplished a couple different ways.

Using Common Bonds to Track Balances

One way is to use Common Bonds, and specifically the Account Composition feature to track member balances over time. Before initiating the campaign to contact members, run the database file created for Member Connect through the Common Bonds tool on the Management Processing/Active Beta Tests (MNMGMT) menu.

In the "Account Analysis 3" section of the Account Composition feature, you will see a breakdown of the targeted members' accounts, including their LOCs/CCs.

Open-Closed Account Analysis — Analysis 5 of 10

From Jan 01, 1901 to Dec 31, 2039 — Status Opened — Gender All
Employee All Employees — Branch All Branches — Records analyzed 8,668

Average Tiered Service score 424.9 — Average risk score 673 — Disbursement limit 49,095,670

Category	# Accounts	Total Balance	Average Balance	# Closed	# Active	Active Avg Balance
Savings	2,275	2,706,577	1,189	391	1,884	1,436
Checking	782	2,350,006	3,005	171	611	3,846
IRA	70	336,264	4,803	48	22	15,284
Certificates	416	302,257	726	382	34	8,889
Loans	3,401	5,048,698	1,484	2,969	432	11,686
Loans (written-off)	3	4,994	1,664	0	3	1,664
LOCs/CCs	1,721	2,539,821	1,475	335	1,386	1,832
LOCs/CCs (written-off)	0	0	0	0	0	0

For a more granular look at loan balances, continue to analysis 8 of 10, "Loan Category". Here you can make note of their balances specifically in the credit card loan categories you selected in the Loan Payments Analysis.

Open-Closed Account Analysis — Analysis 8 of 10

From Jan 01, 1901 to Dec 31, 2039 — Status Opened — Gender All
Employee All Employees — Branch All Branches — Records analyzed 8,668

Loan Category	Description	Count	% Total	Total Balance	% Total	Weighted Avg Rate	Average Int Rate
01	CONSUMER LOANS	2,019	51	4,261,178	56	4.136	8.458
02	2ND MORTGAGE	116	3	342,930	5	5.605	8.079
03	REAPS	54	1	377,099	5	4.421	5.271
04	1ST MORTGAGES	3	0	0	0	0.000	7.263
05	KWIK CASH	42	1	0	0	0.000	13.321
06	OVERDRAFT LOC	5	0	0	0	0.000	16.000
07	TAX ADVANTAGE	22	1	0	0	0.000	8.053
08	INDIRECT AUTO LOANS	27	1	208,916	3	4.286	4.183
10	INDIRECT AUTO LOANS	12	0	0	0	0.000	13.458
11	INDIRECT CYCLE LOANS	91	2	87,763	1	3.995	7.101
12	UNSECURED LOANS	337	9	147,909	2	15.027	13.661
13	UNSECURED LOCS (KWIK-ODP)	223	6	363,410	5	11.025	12.260
14	CONSUMER LN	2	0	0	0	0.000	3.990
20	MASTERCARD CLASSIC	545	14	774,314	10	12.900	10.294
21	MASTERCARD CLASSIC	159	4	240,456	3	12.900	8.962
22	MASTERCARD GOLD	321	8	784,041	10	11.880	8.716
23	MASTERCARD (S)	30	1	0	0	0.000	1.485
24	MASTERCARD (S)	9	0	0	0	0.000	0.000
25	MASTERCARD (S)	25	1	498	0	12.900	0.992
● Drill down	Totals	3,949		7,593,515		6.736	7.778

Make a note of these numbers. A month later, complete this same exact process with the same file you used the first time. How do the numbers compare? Have balances gone up?

> **IMPORTANT:** If you plan on tracking results using this method, don't use a generic file name when creating the file for Member Connect/Common Bonds. If the file is overwritten later with different account numbers, you will not be able to compare the members over time!

Using the Credit Card Analysis to Observe Card Trends

A more general way of observing results is to use the Credit Card Portfolio Analysis available from the Management Processing/Active Beta Tests (MNMGMT) menu.

Credit Card Portfolio Dashboard

			Period 1	Jul 2016	[MMYYYY]			Period 2	Jun 2016	[MMYYYY]	
Ctg	Category Description	Rwd	Members	Cards	Balance	Rates	Members	Cards	Balance	Rates	
20	MASTERCARD CLASSIC	*	500	471	770,648	12.90	498	466	751,640	12.90	
21	MASTERCARD CLASSIC	*	138	123	260,179	12.90	138	123	253,500	12.90	
22	MASTERCARD GOLD	*	306	271	779,770	11.88	306	270	770,615	11.88	

● Transactions ● Reissue ● Rate Detail ● Comparative Analysis ● 12 Month Comparative Analysis ⬆ ⬇
● Export ● Common Bonds

| Categories | 3 | BINs | 2 | BINs with rewards | 2 | 944 | 865 | 1,810,597 | 12.46 | 942 | 859 | 1,775,755 | 12.46 |

Using the Comparative and 12 Month Comparative analyses, you can track the balances of your credit card portfolio as a whole. If the campaign worked, you may notice an increase in balances over time. The disadvantage of this analysis is it leaves the results subject to interpretation since you would be specifically reviewing just those members contacted and changes may have been caused by other factors.

Discover More!

CU*Answers Management Services
6000 28th Street SE
Grand Rapids, MI 49546
(800) 327-3478
www.cuanswers.com