



Amazon Prime Day

A prime opportunity for credit unions.

Billions of dollars of spending activity will mark the annual promotional event, which kicked off Monday (July 15) and which now extends to two days — a full 48 hours and up from last year's 36 hours. The bonuses and discounts, will, of course, span all manner of tangible goods and intangible ones (such as subscriptions to various services) online and in store.

Amid the commerce and promotions, according to Norm Patrick, Vice President of Advisors Plus Consulting at PSCU, credit unions can lock in loyalty among diverse client bases — with the aid of loyalty programs.

In an interview with PYMNT, he said that PSCU (and the consulting group) have promotional efforts in place for Prime Day where they are offering cash back incentives for cardholders making purchases on Prime Day. He told PYMNTS that the cash back offers stand at around two percent.

And as he said, amid an event such as Amazon Prime Day, which he termed “extremely visible event with huge awareness and marketability. I do see in the credit union market the offers that are out there — they are not only more numerous; they are more valuable.”

As an example, he pointed to the Evansville Teacher's Federal Credit Union in Evansville, Indiana, which has offered — in tandem with Amazon Prime — a promotion with five times the number of points on Amazon Prime Day purchases made with credit cards. There also is a contest in place to win an Amazon Prime subscription, he said. The embrace and scope of the promotional activity on the part of credit unions vis a vis Prime Day may now even eclipse what is seen by some of the larger issuers, he said.

The overarching goal is to cement relationships between credit unions and their customers that go far beyond the

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days of this week's buying frenzy and the attendant lift in interchange fees — as credit union cards jockey for position to be top-of-mind and top-of-wallet for one-click checkout activity and beyond.

“I think it's going to show up not only in those Amazon Prime Day numbers but you know practically every other set of numbers from any type of events that you'll see throughout the year. I am a firm believer that you're going to have different segments of people who have very different transactional behavior ... It's going to range from ... somebody potentially in a lower income situation on the younger side or really loves to manage their dollars, very hopefully, they're going to transact with debit, then they're probably going to be a little thriftier and focus more on household

goods,” he told PYMNTS. At the same time, he said, other buyers may be hyper-focused on rewards points to use with higher ticket or luxury items.

The Prime Day event also has advantages beyond online commerce, as Patrick noted that brick and mortar activity is poised to get a significant boost. For example, Whole Foods is offering a free, \$10 Amazon credit along with its grocery deals.

Writ large, it's a matter of cross-pollination, which done right can fuel interest on the part of credit union members in what their financial institutions can offer them. “From an information sharing and promotion perspective,” Patrick said, “the promotions digitally delivered through the website's online banking channel as well as direct mail and within the branch environment — it is all extremely important in terms of driving the message ... if I were running a financial institution myself I would be getting it through every channel possible.”

Opportunity and Challenge

With the acknowledgement that eCommerce may represent among the most immediate and significant growth opportunities for credit unions, he said that payments rendered in bits and bytes also represent among the biggest “points of resistance” for customers, tied to the “ultimate fear of placing their payment credentials in a mobile wallet or card on file situation specific to Amazon. It is really incumbent on the card associations as well as the issuers to reassure the card

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holders about the protections in place,” he said, pointing to zero liability and all of the fraud monitoring capabilities that are offered. Against that backdrop, more robust educational and outreach efforts are needed.

As promotional events show up with more frequency and even get extended — Amazon Prime Day, after all, used to be a single day and now it is two — Patrick surmised that various shopping “seasons” will elongate too. For example, back to

school shopping activity is already in place. He said that, for credit union activity in particular, opportunities cut across generational and income strata as holiday shopping starts, unofficially, in October.

“I think as the industry does a better job in doing that outreach, credit unions stand a really good chance to win here,” he added, of Prime Day — and beyond.

Advisors Plus

Founded in 2004, PSCU’s Advisors Plus offers consulting services for credit unions to help fuel growth and achieve financial and business goals. From project analysis to implementation and management, Advisors Plus offers an end-to-end portfolio of consulting services including business strategy, business and affinity cards, credit and debit cards, contact center optimization, risk and collections analysis, branch sales training, marketing services, and B2C campaign execution. Whether your credit union is looking to expand its offerings, build a legacy of community involvement, create the strongest possible capital footing—or all of the above—Advisors Plus consultants bring the strategic vision, deep industry expertise, and proprietary data analytics needed to help credit unions better serve their members and their communities. For more information, visit advisorsplus.com.