



Case Study: Amazon Tie-In Fuels Campaign Success BFSFCU card usages increase.

Overview

In 1947, the employees of the World Bank and the International Monetary Fund in Washington D.C. came together to find a convenient and affordable way to save and borrow, creating Bank-Fund Staff Federal Credit Union (BFSFCU). Today, the credit union has grown membership to more than 86,000 with assets over \$4.6 billion. Members are well served by over 300 employees and the credit union has four branch locations in addition to its main office. Membership is open to employees and consultants of the World Bank Group, International Monetary Fund, BFSFCU, World Bank Children's Center and Bretton Woods Recreation Center, as well as retirees of those organizations. Immediate family members of those groups are also eligible to join. Visit <http://bfsfcu.org>.

Background

Turn your TV on during prime time or to watch a popular sporting event, and at some point, you'll likely see a commercial from a major bank promoting their Visa or Mastercard. Usually, there will be an incentive offer in the advertising message—perhaps a percentage cash-back or travel miles. Such promotions are constant in the media, and for credit unions with limited budgets, competing for market share is a challenge. Success versus the competition for less well-known financial institutions often depends on being very strategic. With assistance from PSCU's Advisors Plus, that's the approach taken by Bank-Fund Staff Federal Credit Union in Washington, D.C.

Scott Young, Payments Director for BFSFCU describes the challenge. "It's such a highly competitive field right now. Issuers are extending their features and benefits programs to levels we've never seen

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before. The credit union offers a number of card products to best match members' qualifications and preferences. Regardless of the type of card, the credit union wanted to run an incentive campaign that made it clear that members carrying BFSFCU plastic are valued. A way was needed to cut through the competitive noise vying for those members' attention.



To help orchestrate and implement the campaign, BFSFCU called on Advisors Plus to customize a November – December card activation campaign. As for a “hook” that could attract the desired interest, the credit union decided to leverage the name recognition of perhaps the most potent retailer in the country today—Amazon.com.

Solution

For the past several years, more and more people have been going online to make their holiday season purchases. For a huge swath of those shoppers, their first—and sometimes only stop—is Amazon.com. As the fall of 2017 approached, Young saw an opportunity.

“I wanted to do something special during the holidays for our cardholders,” he recalls. Because Amazon is one of BFSFCU’s top five merchants, a smart tactic was targeting members who shopped there. At the same time, there was a goal of capturing the holiday spend that members planned to do with Amazon by providing an incentive to use their Bank Fund Staff credit cards.

The credit union opted for a full Advisors Plus custom campaign which included development, marketing communication (direct mail and email), reporting and post-campaign analysis. The campaign offered all of BFSFCU’s credit cardholding members a generous incentive for the BFSFCU card they carried.

While BFSFCU clearly wanted to get in on the holiday purchases that members were making with Amazon, the credit union was looking for longer-term revenue benefits as well. Young explains, “Our strategy was not only to reward members during the holidays, but also to get our cards in the top pole position in the Amazon wallet for Amazon’s ‘click and pay’ feature.”

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“By leveraging Amazon’s reach across the buying spectrum—especially in the holiday buying season— we felt it could really be as easy and basic as that, to have a relevant campaign,” Young says.

Results

When the six-month analysis of the Amazon November – December 2017 campaign came in, Young was very pleased about the numbers—starting with 127% ROI and a spending lift of 10.15% over 2016. However, the success of the promotion isn’t stopping there.

Just as had been hoped, many of the credit union members have apparently put their BFSFCU cards in the Amazon “default” payment position leading to an uptick in incremental purchases throughout the year. Better still, Young sees evidence that members are getting into the habit of using their BFSFCU cards with other online merchants as well.

Young goes on. “We’re happy with those results. But above and beyond the share in wallet and increase in transactions, our members are excited and our employees are excited as well. There’s buzz!”

Seizing the momentum of the holiday-season campaign, BFSFCU followed up with a two-day Amazon Prime promotion in July of 2018. A much tighter time frame made it feasible for the credit union to “go big” on the promotion, offering triple the normal rate for their Visa Platinum

cardholders, and five times the normal rate for Signature cardholders. The bigger incentive produced the desired effect, giving BFSFCU a 24.4% spending lift over 2017.

The reporting and analysis that Advisors Plus provides is especially important to Young. In his past, credit unions ran campaigns looking at short-term performance but often didn’t have the time or discipline to follow through with the campaign to see how it performed over time. “Advisors Plus has the discipline and time to create these reports for us that look not only at short-term performance, but also long-term performance over time. When you’re going to bat for marketing funds, if you can show a positive ROI it’s easier to get approval for ideas and campaigns. That’s a huge feather in Advisors Plus’s cap,” he says.

Whether Advisors Plus is providing a full customized campaign for BFSFCU, or acting in support of a one-off promotion, Young appreciates the value proposition that comes from PSCU’s consulting service to credit unions. He notes how attuned Advisors Plus is to BFSFCU’s unique business needs and objectives, and praises the collaboration that produces such successful marketing campaigns.

Young states, “We want our members and employees to think of us as their preferred financial institution. Putting together such timely, relevant campaigns does that.”

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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.