

# PERSPECTIVES

## Rewards Program Pays Big Dividends for Citadel

October 2015

What kind of incentives does your credit union offer on its debit and credit cards? If you're not meeting the expectation of cardholders in terms of rewards, you may be missing out on a revenue goldmine. See how one CU drove significant sales growth through the addition of a total loyalty program.

Cardholders' expectations for value in their most frequently used (top-of-wallet) credit or debit card have risen to rather lofty levels. Back in the day – when credit cards first appeared on the payments scene – many folks were happy just to get a credit card because it extended their buying power in the absence of ready cash on hand. But now, people expect far more. What was once an optional component is now essential to card program growth. Today, rewards incentives – double points, charitable donations, cash back, sweepstakes, contests and lifestyle perks – are necessary add-ons for issuers to effectively drive consumer acceptance and usage. A solid rewards program is quite often the top reason consumers choose one card over another.



**Chuck Fagan**  
President & CEO, PSCU

Chuck Fagan, III joined PSCU as CEO in April 2015 after serving as CEO of Credit Union Executive Society (CUES) since January 2013. Fagan's 28-year career in the credit union industry began in 1988 as the card services manager for Virginia Credit Union. In 1997, Fagan joined PSCU as the company's SVP/ eastern region manager and in 2004 was named EVP, Chief Sales Officer and helped pioneer the company's role in bringing emerging payments technologies to credit unions. While CEO for CUES, a membership association dedicated to educating and developing credit union executives and emerging leaders, the organization launched its Strategic Innovation Institute™ with MIT and Stanford, and a blended learning offering, designed to maximize learning and minimize travel, in partnership with Cornell University. Fagan holds a BSBA in finance from Longwood University in Farmville, Va. He served as a director on the administrative board for Shady Grove United Methodist Church and currently sits on the Richmond Country Club Board of Directors.

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added to give members the opportunity to earn even more points and redeem them where they want.

Citadel optimizes rewards programs aimed at increasing usage and giving back to members, which includes participating in PSCU's Magic Minute™ sweepstakes. Magic Minute is a program that recognizes and rewards credit union members for their trust and loyalty to their credit union. The event itself – a 60-second dash through a warehouse packed with high-end merchandise – is a different take on the classic rewards program model. It is geared toward bringing the credit union spirit to life and providing a way for credit unions to achieve deeper engagement, promote loyalty and drive usage overall.

Last year's Magic Minute dashers loaded up on MacBook Airs, iPads, Canon EOS Rebel DSLR cameras, Dyson vacuums, Dooney & Bourke designer handbags, 50-inch flat-screen TVs and other goodies worth about \$36,000 altogether.

The Magic Minute sweepstakes is open to all PSCU Member-Owner Credit Unions that are enrolled in the company's CUREwards® loyalty programs. The sweepstakes aims to benefit participating credit unions through increased membership, higher card activation and usage rates, and the gathering of cardholder email addresses for use in future targeted marketing campaigns.

## Total Member Loyalty Rewards

The most effective rewards programs

are built for the unique needs of credit unions – like Citadel and their members – with a goal of increasing loyalty that ultimately translates into growth. A consultative and custom approach to loyalty programs allows credit union members to address their specific needs and create a rewards program that targets their unique objectives.

hundreds of credit unions and has helped them build successful rewards programs that truly engage members, build relationships and grow program value and profitability.

So rewards programs now need to consider the entire scope of a member's relationship with their credit union, not just the debit or credit card account. PSCU's Total Member Loyalty Rewards program has generated record sales growth and has increased engagement for credit unions since its launch. Three million cardholders and 280 credit unions currently utilize PSCU's rewards platform to successfully build member relationships and increase revenue. Started nearly 20

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Total Member Loyalty Rewards offers five programs tailored to connect with members' lifestyles: Transaction Level Rewards, Member Loyalty Rewards, Rebate Rewards, *CURewards*® Select and *CURewards*® Mall. Credit union members

enrolled in the company's rewards program can use the *CURewards*® mobile app to view merchandise redemption options, check on points and review offers. Members can also use the mobile app to redeem points for special travel offers and hotel bookings. Loyalty is a two-way street that rewards both members and their credit unions. For more information on PSCU's Total Member Loyalty Rewards program, visit [pscuc.com/loyalty](http://pscuc.com/loyalty).