

update certegy

"A Direct Mail Success Story!"

"Launch. Reach 120 mph in less than four seconds. Go straight up. 420 feet up. Look down, way down. Bank. Spiral. Near free-fall. Brake. Stop. Go ahead. Take a second to scream."

Quoted from Cedar Point's description of the experience on the Top Thrill Dragster Roller Coaster

With a name like Vacationland Federal Credit Union (VFCU), it's no surprise to learn that it shares a home town with legendary Cedar Point, a 364-acre amusement park and home to the world's tallest and fastest roller coaster, the Top Thrill Dragster. At 420 feet tall, Top Thrill Dragster is the first coaster in history to surpass the elusive 400-foot-tall barrier. Those daring enough to ride reach speeds of 120 MPH in less than four seconds!

But what does the Top Thrill Dragster have to do with VFCU?

For Terry Souter, Credit Card Officer and the Card Plan Manager at VFCU, the performance of their card portfolio felt just like a ride on the Top Thrill Dragster. Except the ride was nearing the end, and the numbers were quickly spiraling down. Like many other home-town credit unions, the last four to five years had seen a loss of over \$1M in outstanding balances. Like a Super Wal-Mart next to a mom-and-pop store, the big financial players lured members away with low-ball introductory rates and offers seemingly too good to refuse.

Been There - Done That

As Terry and the management at Vacationland FCU explored their options, lurking in the back of their minds was the recent offer to purchase their entire card portfolio. Was it time to bail? They tried guerrilla tactics with catchy names-like the Red Pen Promotion. "We give tellers red pens and let them slash rates right in front of people," said Terry. "But over the last few years, we've been losing people and balances-everyone is transferring balances to cards with lower rates."

"We'd tried direct mail before, through an in-house program," said Terry. "It was quite a few years ago, and the amount of work involved doing the whole thing in-house was not worth the results."

But VFCU was not willing to give up such a potentially profitable loan product without a fight. So they looked to Certegy for help. Certegy's Direct Mail program appealed to VFCU because it was 100% turnkey. Unlike

their in-house program, it would not drain their resources to manage files, prepare the mailing, send it, answer the mail, score the results, screen the results, and sign up new accounts. Instead, Certegy handled the entire process, including scrubbing the file for duplicates; prescreening and scoring the applicants; customizing the mailing; post-screening; and new account entry directly into Certegy's card processing system.



Turnkey Operation

VFCU decided to try Certegy's Direct Mail program this past June. Terry worked directly with her Certegy account executive to complete the paperwork and decide on the parameters for the Direct Mail offer. At first, VFCU discussed a fixed rate offer of 12.25%, but decided that was too high, given the low rates offered by the big guys. So they reduced it to 9.99%, which they felt was a good selling point. Their 1.99% introductory offer was not the lowest around, but still very appealing. One unique feature of the offer was their decision to exclude those with higher-end credit scores. Instead of the 740-780 range typically targeted, VFCU went for the 640-729 range. "We wanted to target those members that don't normally get such good offers," explained Terry. They also chose Visa Classic over a Platinum offer-another twist compared to many similar offers.

Results?

The roller coaster took a spin and headed north again! VFCU realized an astounding 6.94% response and if you count those whose application was rejected due to slightly lower scores and later personally helped through their loan officer, the adjusted response was 7.8%. Compared to the national average of

0.5% (that's POINT FIVE percent!), VFCU might as well have taken the Top Thrill Dragster all the way to the top. Their results soared at a whopping 1460% higher than the national average! And if that wasn't enough, the new cardholders are using their VFCU Visa with a per account average balance of \$1,900 to date.

Terry raves about her experience with Certegy and the Direct Mail program. "Our account representative was awesome-no question was too weird! Anthony from Certegy went through the enrollment package page by page and walked me through the whole thing. It was easy when we did it together. He was very patient. For the money, it was an awesome way to generate new cardholders. It's really a profitable and very convenient way to get new cardholders. We're going to do it again!" VFCU has plans to mail again in February 2004.

Certegy's Direct Mail-it's just like the Big Thrill Dragster roller coaster. It's a little scary at first, but you have to keep coming back for more. Call your Certegy account executive for additional information and an enrollment package at 800-215-6280 x72111 or you can find it in the members only section of www.cscu.net.

To Mail In	You Must Have Your Complete Enrollment Package Into Certegy By...
February	December 12, 2003
April	February 13, 2004
June	April, 9, 2004
August	June 11, 2004
October	August 13, 2004
December	October 1, 2004