



ACCESS THE WORLD

ISSUE 14 | MARCH 2009

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# In an ailing economy, there's no better time for a "check up"

*MAP offers "hands-on" workshop to help clients increase the sales volume and revenue of their debit card program*

Even when you take care of yourself – eat right, exercise, drink plenty of water and rest – your body is still susceptible to hidden and unforeseeable ills. The same can be said of a financial institution. A cautious, watchful path of sound financial practice does not necessarily ensure a healthy and prosperous end result.

Now is the time to make sure your product lines and cardholder services are "fit" and ready to compete in a tough market.

MAP is kicking off a new program and workshop designed to help you improve and evaluate the health and success of your debit and ATM products. In 2009 we will provide statistical data in the form of a Penetration, Activation and Usage (PAU) Model to each of our Debit and ATM clients. The PAU model, along with its peer-to-peer counterpart, the "Check Card Scorecard", aid in the development of practical, personalized, portfolio tools that measure current and future sales, revenue volumes, promotions, and tracking of cardholder activation and usage. Exclusive to MAP clients, Visa specialist and director, Greg Borchardt,

## Scorecard Workshop



Date: April 21, 2009

Time: 9:00 AM to 3:00 PM

Location: The Golf Club at Newcastle

will present a one-day educational session April 21st at The Golf Club at Newcastle. Each credit union will leave with an individualized model and immediate applications to benefit their unique portfolio and membership.

This special workshop will feature three guest speakers, Greg Borchardt and Julie Lucas, Visa

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# Ensuring the health of your Debit Card Program

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USA, and Scott Butterfield, Paragon Group. During the workshop attendees will learn strategies and hands-on tactics designed to jump start your debit program and improve portfolio performance. Mr. Borchardt will share Visa's methodology for evaluating and benchmarking individualized portfolios so each participant is able to focus on chosen, targeted areas throughout the session. During the class attendees will become familiar with a broad array of statistical tools and marketing resources available at little or no cost.

## Visa Check Card Penetration, Activation, Usage (PAU) Sensitivity Model

Classmates will learn how Visa performance measurement calculators quantify a credit union portfolios and its potential, and help to manage and target the best areas to invest marketing dollars and time. Visa marketing expert, Julie Lucas, will present marketing strategies built to increase penetration, activation, and usage as well as Issuer best practices that can be implemented in their branch networks and beyond.

This workshop is recommended for staff involved in the operational support, service, management or marketing of their credit union's Debit and/or ATM products.

## More about Scorecard

Visa CheckCard Scorecard is a tool designed to benchmark, or "score" your credit union against peer group performance. With the score card you can track, monitor and improve your debit card performance based on the following key metrics: Power Scores, PAU (Penetration, Activation, Usage), Portfolio Growth, Accounts and Cards, Transactions by merchant Category Code (MCC), and Operations Metrics.

The Scorecard reports show you how you score versus peers and the Visa network system in the area of activation, ATM, In-branch penetration and usage. The comprehensive four page report can tell you in an eyeshot how your portfolio is performing by bottom lining data



in to two "power" scores: Transaction Power Score and Sales Volumes Power Score. The Transaction Power Score makes an overall statement about the quality and quantity of your debit card transactions per eligible account – per month. The Sales Volumes Power Score

displays how successful your total sales volumes were per eligible account.

Before we review the Power Scores, let's examine the areas that feed their totals.

## Card Penetration, Activation and Usage (PAU)

Visa Check Card Scorecard provides information back on the percentage of your membership that are cardholders (Penetration), and the percentage of members actively using your card products (Activation). The activation number is arrived at by calculating the percentage of Visa check card accounts that are making at least one signature-based (offline) transaction per month as compared to your total cardholder base. The model dis-

## Workshop Agenda

Strategies to Increase Debit Sales & Revenues	9:00 to 10:30
<ul style="list-style-type: none"> <li>• U.S. Debit Landscape</li> <li>• The Debit Cardholder</li> <li>• Benchmark Your Portfolio / Set Goals</li> </ul>	
Break	10:30 to 10:45
Debit Marketing Tools and Best Practices	10:45 to Noon
<ul style="list-style-type: none"> <li>• Penetration, Activation, Usage</li> <li>• In-branch Acquisition Program</li> <li>• Visa Online (VOL) Enrollment &amp; Tutorial</li> </ul>	
Lunch: Special Presentation – American Debt Relief Challenge	Noon to 12:45
Strategies to Increase Debit Sales & Revenues	12:45 to 1:15
<ul style="list-style-type: none"> <li>• Develop Strategies</li> <li>• Visa Tools / Visa/DPS Data Resources</li> </ul>	
Break	1:15 to 1:30
Performance Calculator Overview / Demo	1:30 to 3:00
<ul style="list-style-type: none"> <li>• PAU Definitions / PAU Model</li> <li>• Activation Model</li> <li>• ATM Upgrade Model / In-branch Penetration Model</li> <li>• Usage Model</li> <li>• MAP-Client Case Study</li> </ul>	

Continued on page 9, See Healthy Debit Card Program

# Take the Challenge!

ADR saves consumers money and increases credit union revenue

From the Credit Union Development Educator that introduced us to BizKid\$ and comes the American Debt Relief Challenge. Participate in this challenge with credit unions across nation to provide relief to American families. How much money can your members save by switching their high-interest mega-bank credit card balances over to your naturally lower not-for-profit credit cards? Our interactive American Debt Relief Challenge map will show you, your members, the media, legislators and families across America. Check it out at [www.adrchallenge.org](http://www.adrchallenge.org).



## Goals and Benefits:

1. Improve the lives of your credit union members
2. Leverage the difference between low-interest credit union not-for-profit credit card rates and sky-high, for-profit mega bank rates to reduce debt for millions of families nationwide.
3. Increase membership and the credit card portfolios of U.S. credit unions, thus increasing their revenue, empowering them to increase their assets and ability to serve.
4. Document the amount your credit union saves consumers in your community and the total that all credit unions across the U.S. save American families to highlight the inspirational role credit unions play in helping people to help themselves.
5. A national PR campaign by a publicist the Credit Union Times calls a "PR Whiz" and former publicist for the World Council of Credit Unions.

## Participation in the American Debt Relief Challenge comes with:

1. Access to the ADR Challenge website
2. Advertising campaign of your choice or create your own to using the official ADR logo and style guide.
3. Branded credit card switch products for marketing to members.
4. Webinar training on how to use the online system, implement the advertising campaign, and conduct the American Debt Relief credit card transfer or consolidation loan with the consumer. For more information, contact Scott Butterfield at The Paragon Consulting Group, [SButterfield@theparagongroup.com](mailto:SButterfield@theparagongroup.com), or at 888-755-2725.

# BranchMap: "It's for you"

MAP clients "Access the World" with Branchmap ATM Locator

Whether they are at their computer or in their car, your members will have easy access to network and surcharge-free ATMs thanks to MAP's new ATM Locator, BranchMap. Your credit union may be part of several ATM networks and with BranchMap your members can quickly find any of your ATM locations and any of your network locations, nationwide, all in one locator tool.

## Website ATM Locator

BranchMap is a powerful and fun information resource. Instead of scrolling through endless lists or clicking to network sites, your members can explore their neighborhood from the air and see all of your locations laid out before them!

### Highlighted Benefits

- Combines all of your networks and branches into one easy tool
- Members search by city, state, zip, and even partial addresses
- Tracks locations/areas your members are most interested in
- Updates all your network location information for you

## Mobile ATM Locator

BranchMap Mobile lets members use their mobile phone or PDA to find all of your locations anytime, anyplace! Not everyone is sitting in front of their desktop computer all day, and not everyone has an iPhone. That's why BranchMap Mobile was designed for the most common mobile devices and PDAs on the market. With the most light-weight content possible and the simplest possible user interface, your locations will load quickly and easily on even a low cost cell phone. The member will simply look up [www.mapmobile.org](http://www.mapmobile.org) and enter their current location. Then, BranchMap will show them a list of your nearest locations, including branches and ATMs, as well as any shared branch network locations and surcharge-free ATM networks you offer. For more information, contact Member Access Pacific's Joyce Carter at 866-598-0698 x7113



Find Surcharge-Free ATMs on your mobile phone or PDA at [www.mapmobile.org](http://www.mapmobile.org)



# Dream Points Rewards Program helps MAP clients compete with state-of-the-art loyalty rewards program

MAP has entered into a business partnership with Consumer Benefit Services, Inc. (Cbsi). Through this partnership, MAP now has the resources to provide our credit union clients with the most innovative and cost effective loyalty rewards programs available. Through the Dream Points program, client credit unions will be able to compete head-to-head with larger institutions. Cbsi will provide credit and debit card loyalty solutions for MAP client credit unions to build their card programs and portfolios. Cbsi's credit and debit card programs reward cardholders with point-based credit and debit card transactions. Redemption opportunities include Total Access® to over 300,000 merchandise items, gift cards, travel, green products, experiences, charitable donations and cash back.

We recently visited Cbsi Vice President of Sales, Matthew Martorano, to learn more about the new program and what it will mean for our clients.

*What is Cbsi's mission?*

*Martorano:* We are in the relationship business, so producing loyalty and innovative solutions for our clients that help them in their marketing efforts is a major focus. We take a great deal of pride in this, and we do not outsource any of our program work. We have built our flexible rewards program internally and have 24/7 systems and staff to support them.

*What is the role of a rewards program in today's card market?*

*Martorano:* It all boils down to the member experience and to the relevance of any rewards promotion. Years ago, people participated in S&H green stamps. Today with our flexible rewards program, we give credit unions a competitive edge against other larger institutions that are all going after the same customers or members with rewards programs because credit unions can formulate a rewards package based on the relevance it holds for their members. We have the rewards choices and also the tools that allow credit unions to tailor rewards offerings unique to their marketplaces so they can both acquire and retain members.

*How does the Cbsi program allow smaller credit unions to compete head-to-head with larger institutions?*

*Martorano:* In many cases, larger institutions design their own programs. This also means that there is often more inflexibility in the rewards options that they are able to offer. Because we are an entirely dedicated rewards program resource with in-house market research and rewards program design skills, our skills bank and dedication can be leveraged by credit unions, which can then tailor rewards programs to credit union members that can capably compete with larger competitors.

*What is the best way for a credit union to focus its rewards program in today's economy?*

*Martorano:* Focus on core deposits by keeping your members engaged. A strong rewards program can help to facilitate these core strengths through both member acquisition and retention efforts. Next, use rewards incentives to build member credit and debit card use. Finally, understand the demographics of your membership. Our research indicates that baby boomers prefer travel rewards, while younger members in the 28-40 year old age group prefer merchandise and very young members under age 28 like gift cards. We also find that online redemption of points



**dream points**

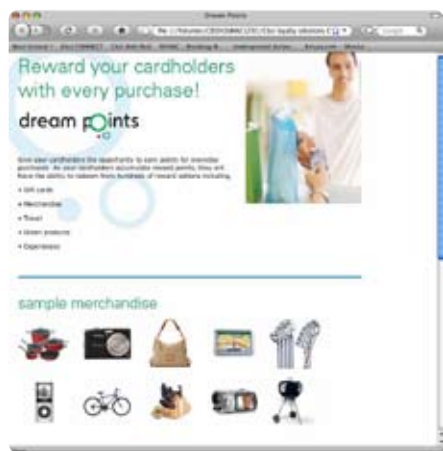
## Cbsi Rewards program

*Continued from previous page*

is valued by members. Other rewards programs we have recently seen take off in popularity include reusable energy credits for green initiatives and experience rewards such as a trip in a hot air balloon.

*What "best practice" recommendations do you have for credit unions for running their rewards programs?*

**Martorano:** Data is very important. You have to both understand and constantly monitor your program to make sure that it is accomplishing what you want it to accomplish. Constantly ask yourself, is our rewards program improving our members' engagement with the credit union—and if not, what can we do to improve performance? The rewards program will work if it is done the right way. Part of this means constantly promoting it and keeping it in the faces of the members.



*Where do you think rewards program will go in the future?*

**Martorano:** First, a rewards program designed for today won't look the same two years from now. The member base goes through a constant evolution. Goals change and so should rewards. Our goal as a credit union partner is to do the research, make the necessary adjustments and provide rewards opportunities to credit unions that allow them to manage the costs.

*What has it meant to Cbsi as an organization to partner with Member Access Pacific?*

**Martorano:** We are very excited about our partnership with Member Access Pacific. MAP is very dedicated to its clients, and came to us because they wanted to ensure that MAP clients had the best rewards program possible. Member Access Pacific worked with us for a pre-designed rewards package that its member credit unions would have access to. The process is so straightforward that a MAP credit union member can be up and running in ninety days.

For more information about the Dream Points Loyalty Rewards program or to request a Marketing Guide, contact Member Access Pacific's Herb Tajalle at 866-598-0698 x7116

## Industry News

**The latest figures on ATM usage are out from the EFT Data Book**, according to ATM & Debit News. Thus far in 2008, monthly ATM transactions are averaging 210 million. Growth in off-premise ATMs is 59 percent, with a total of 239 million more off-premise ATMs being deployed. Total 2008 nationwide ATM volume to date is 11,748,000 transactions.

**Consumers are more likely to open checking accounts at financial institutions that offer debit cards and surcharge-free access to an extensive network of ATMs**, reported industry research firm Aite Group (Boston, MA). The same survey also indicated that forty percent of 19,000 consumers questioned wanted debit cards that provided rewards when they used their cards for purchases.

**Card rewards perks are taking on new meaning.** Traditional card perks like air travel and catalogue buying are slowly being "tapped out" as exciting options for cardholders—and issuers are increasingly looking for new areas in which to offer perks, or new ways to enhance old perks options. One emerging perk area is in status-oriented perks that give cardholders a feeling of importance by delivering exclusive access privileges, such as to an airline airport flight lounges. A second area of perks is comprised of "convenience" options that give cardholders ways to conserve time in their daily lives (see Dream Points article, page 4).

**A recent Mercatur Advisory Group survey revealed that open-loop prepaid cards are finding their best success outside in retail and convenience store outlets.** Consumers loaded \$5.03 billion into open loop prepaid cards in 2007, up 70 percent from \$2.96 billion in 2006. Overall percentage growth in actual gift card purchases was still down on a year to year basis—but the dollar load carried by these cards grew dramatically. The Mercatur study also revealed that consumers were only purchasing about one percent of these cards from financial institutions. The study concluded that financial institutions should spend more time actively promoting their gift cards during holiday periods like Christmas and Thanksgiving—and that they should work more closely with promoting the cards for use in the small and medium-sized businesses that are part of their business development networks.

**More trials for online PIN-debit testing are underway.**

The pilot programs are designed to test consumer use of PIN debit cards over the Internet in ways that enable consumers to make purchases without sharing their PINS or account information on a merchant's Website. The program push comes as more consumers become wary of Internet fraud.

# New Ways to Approach Your Card Portfolio

Executives at financial institutions understand that the economic downturn has had an impact on how much consumers spend—and how often they are using their credit and debit cards. Like other businesses, credit unions have to take a fresh look at their card portfolios, arriving at new marketing and outreach strategies that allow them to be aggressive yet safe in the 2009 economy.

## Here are few fast facts from longer-term history:

- Since 1994, the mix of income derived from card fees versus interchange income has started to reverse. Fifteen years ago, fee income nationwide was at \$7.3 billion and interchange income was at 34.8 billion. By 2001, Interchange income had doubled to 64.7 billion—but fee income had quadrupled to 27.7 billion.
- During the same period, acceptances of unsolicited credit card offers decreased from 2.4 percent to 6 percent.
- The delinquency rate in 1994 was .99 percent, but by 2001 it was at 5.01 percent.
- From 2001 to 2008, these trends have continued to run a similar course in an environment that has seen exponential increases in late fee charges, substantial increases in ATM fees and a growing number of consumers who still work very hard to pay off their monthly credit card balance, even in the face of credit turbulence.



members' credit histories and tendencies for delinquency. And in difficult economic times, it is important to note that credit unions are not the ones going under or seeking bailouts. This hasn't been lost on your members, either.

You can use your MCIF system to assess your members and their life cycle needs and performance with card products, since MCIF has the ability to display member data by different age groups and geographies. However, even MCIF reports may not get you where you want to go when it boils down to really getting to know each member demographic—and whether it is substantially invested with you.

## *How can a credit union navigate through a market characterized by these trends in tough economic times?*

### Assess Your Membership

Card portfolio and activity reports are invaluable because they benchmark your credit union's performance against peer groups, and they also offer benchmarks against your own historical results. In an eyeshot, they can tell you where the credit union is underachieving and where it is exceeding expectations—but it won't necessarily tell you how to market to your members.

With trends continuing to point to a growing ineffectiveness in "cold sell" bulk marketing of credit cards, your members are your most important asset. You know each other. That includes knowing your

Average member account balance is a prime example. Credit unions often set goals by establishing account balance averages against which they measure their entire membership—but the average account balance signifying "good" membership is likely to be different for the 21–34 age group than it is for the 55+ age group. By setting relative performance benchmarks for each membership demographic, credit unions gain a more granular understanding of their members and their members' financial behavior because the credit union gains an understanding of what a typical account balance of a member well invested in the credit union looks like when that member is 30 years old—knowing that the same account balance figure



will be expected to grow when that same member is 55+. This puts the credit union into a stronger position to market to its members and to establish realistic results figures that truly tie to each member's unique financial situation—and the loyalty the member is able to provide. If the account balance figure is expected to go up for the member over time, the credit union also has a realistic member growth strategy (with an expanding target for average account balance over time) to ensure that the member stays invested.

## Tap Your Membership Base

A credit union's membership is its strongest asset—and is almost always under-exploited. By understanding your membership's usage patterns at a granular level that takes account of the life cycle needs in various age groups and demographics, you equip yourself to align your rewards program and other cardholder benefits to these needs—and to potentially assess a fee or collect through increases of ATM transactions or lower account maintenance charges with increased electronic traffic. Credit unions are closer to their memberships than the larger institutions they compete against. They have a golden opportunity to not only establish, but to entrench member loyalty for the long haul—particularly if they tie card services and marketing efforts to front line incentives and promotions in online banking and the physical branch system, where the credit union actually interacts with the member.

Credit unions, like other businesses, can do well with these incentive programs, which are geared at member acquisition and can be easily measured by the number of members you sign up for card products. Where credit unions encounter rougher traction is in the area of member retention.

Card account dormancy is a good example of this.

Dormancy runs at 30 percent in the average credit union card portfolio—and is accepted and seldom challenged. There are many reasons for dormancy and the unwillingness to target it as a retention issue. It begins with the issuance of a card to a new or existing member, followed by a failure to keep communications and incentives for using the card going. Front line tellers and member service representatives are prompted by their computers to inform member of card promotions, but they can't compete with repetitive ads in the marketplace that continuously beckon members to what they perceive as greener pastures.

Since the average credit union member carries four or five different credit cards in his wallet, he uses the card most often that he perceives as giving him the best value. Along the way, if he develops a specific use pattern, he might forget altogether about the credit card that the credit union initially issued him, so his account becomes dormant.

At the same time, credit union management tends to forget about dormancy, too. Psychologically, it is always easier to go after new business than to revive dormant relationships. Gaining new business

*One-third of a card account base is a lot of members to leave on the table.*



is easier to chart, track, incent—and feel good about.

Nevertheless, one-third of a card account base is a lot of members to leave on the table.

Dormant accounts can be brought back to life with telephone or mail promotion to a highly targeted list of dormant account holders. Telephone call campaigns are most effective, because if the member rejects the offer, the call agent is in a position to ask pre-prepared questions to determine why the member isn't using the card. The additional information can be used by card services and marketing to design card offers that will overcome these objections. One other note: a call campaign is most successful if the incentive system for the agents is based not only on the number of members they bring out of dormancy, but also upon the number of members they get to answer the survey.

### Expand Off Your Member Base

Once a credit union does its homework and understands and sets goals for card usage at a granular level that is specific for each demographic of its member base, this understanding can be expanded into the community through promotions and outreach efforts for new members that target the life cycle triggers that that credit union already knows. One of the best ways to do this is by incentivizing existing members to bring in family, friends and acquaintances (which credit unions have traditionally been good at doing)—and to enroll these new members into card products concurrently as they open up accounts.

### Focus on Businesses

Credit unions continue to struggle with outreach to the small business and employee groups in their communities, primarily because working with business is still relatively new and working with consumers is a well-hewn skill. However, the rewards of working with businesses to bring in new members and to solidify yourself with existing members who may own and work for these businesses, cannot be overstated.

In today's market, one of the hottest card products is prepaid cards. They can be used for gifts, for wage payments, for health benefits or for other purposes. A strong business outreach program puts the credit union in a position to work with businesses, which also stand to benefit from prepaid cards—where they are used for merchandise purchases, or to administer employee salaries and benefits. Opening up the business market is another way for credit unions to build their community footprints. After the latest financial problems at larger banks, many of these businesses are ready to look for a new business partner that can offer financial stability!

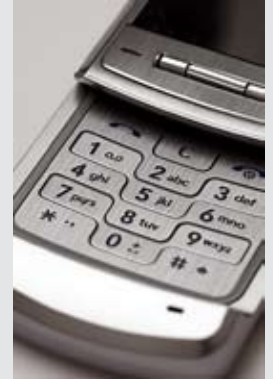
Your business market representatives should call quarterly on existing employee and business market groups—but they also need to get out to community functions like Rotary Clubs, Chambers of Commerce and business and trade association meetings and tradeshows—the events that can really solidify your credit union's long-term capabilities to network with businesses and gain commercial customers for prepaid and corporate credit cards and other products.

### Bringing It All Together

From their earliest inception, credit unions have been ahead in the game when it comes to knowing their members and their members' needs at a granular level. At the beginning, it was easy to target these member needs, because credit unions were started by members to meet certain pressing needs. Now that credit unions have grown well beyond startup, they have to deal daily with more complicated issues and management constraints—but a golden opportunity remains to reconnect with members in card products and other offerings.

## Visa News

Visa has launched a new **Visa/Plus ATM locator designed specifically for use on mobile devices.** Cardholders can now search ATM locations at [www.visa.com/mobileatm](http://www.visa.com/mobileatm) without having to access the Internet via computer.



**Effective February 1, 2009, Visa will implement an annual fee for Issuers participating in the Visa Extras monthly e-mail statement service.** The charge will be \$.58 for each cardholder receiving the e-statements.

**On January 9, 2009, Visa will migrate its payment system to IBM's zTPF operating system.** zTPF is a best-of-class transaction processing environment. It is used in high volume, rapid transaction processing like financial payments, hotel and airline reservation processing and air traffic control systems. The new system also offers exceptionally robust reliability and security.

**Revisions to the Visa International Operating Regulations will allow acquirers to impose access fees on international ATM transactions,** and to remove regional bilateral cash disbursement fee agreements between Asia-Pacific, Canada and the United States. A new ATM interchange fee structure for international ATM transactions, as well as modifications to the International Service Assessment on acquired transactions will also be implemented. The changes go into effect on April 18, 2009.

**Effective April, 2009, Visa will expand its No Signature Required program to include the U.S. Postal Service.** This program eliminates signature requirements on eligible transactions that are less than \$25 and protects acquirers from chargebacks under Reason Code 81.

**Recent Visa findings show that authorizations submitted by acquirers at high velocity can often impact issuers, potentially causing time-outs.** As part of its best practices, Visa recommends that acquirers do not sort and send batches by account number or BIN, and that issuers who enter into promotional agreements should ensure that processing arrangements made with the merchant and acquirer will not result in negative impacts to the issuing center.

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## Healthy Debit Card Program

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plays your penetration and activation percentages in comparison to your peers and the Visa system over a rolling four-quarter period.



### Portfolio Growth

Portfolio growth shows growth by the percentage of sales and transactions for each quarter – displaying these numbers versus similar percentages for your peers and the Visa network system. The average dollar amount is based on the per transaction purchase of your cardholders and benchmarked against peer and Visa data.

### Accounts and Cards

The number of both active and inactive card accounts are totaled for your credit union, and then profiled in percentage gain or loss for both total account growth and total card growth compared to your portfolio's performance one year earlier. These figures are cross-compared to peer and Visa industry numbers.

### Transactions by Merchant Category Code (MCC)

The total transaction load of your credit union is broken down by percentages over Visa merchant category codes (MCC) to show you where your members are using their cards. You can compare this "spend mix" with similar numbers from your peers and the overall Visa system – and use the information to determine where there are opportunities for you to market and potentially change the spend mix of your transactions.

### Operations Metrics

Operations metrics provide your credit union with the information to help you measure various performance aspects against your peers and the Visa system. You can review the percentage of authorization approval and decline rates, as well as the percentage rate of cardholder chargebacks.

#### The Power Scores

Power Scores are the bottom line indicators of your debit card portfolio's financial health. All of the detail information explained above is rolled into two final scores. The Transaction Power Score measures card penetration. The Sales Volume Power Score measures how effective your institution is in driving sales volumes.

Visa Check Card Scorecard is a straightforward methodology that helps you improve your portfolio performance – and assists with your portfolio management and strategizing. Want to learn more? Attend the PAU Workshop on April 21, 2009 at The Golf Club at Newcastle or contact Member Access Pacific's Joyce Carter at 866-598-0698 x7113.

## Saving Money at ATMs Helps in Uncertain Economic Times

In a recent Javelin study, one out of every three consumers said they are buying fewer basic goods; 57 percent of those surveyed say they are more careful about how often they eat out at restaurants; and 46 percent say they are shopping more at superstores to save money. People are looking for ways to cut corners. One of the easiest ways that you can show your members that you care about their financial well-being is by offering ways to trim expenses and improve their finances.

Your credit union's participation in Member Access Pacific's surcharge free ATM network is a great way to remind members of the power of over 100,000 surcharge-free ATMs throughout the U.S. and internationally.

At a time when many financial institutions continue to increase fees for ATM transactions, the cost savings at surcharge-free machines is noticeable and immediately impactful to members.

Member Access Pacific's Website ([www.mapacific.com](http://www.mapacific.com)) offers an easy locator engine that allows a member to simply type in the location where he or she is looking for an ATM—and then receive the information back.

MAP surcharge-free networks have seen more than a 100 percent increase in transactions, with much of the growth coming in recent months. It is likely that some of this growth is due to consumers making more of an effort to find surcharge-free ATMs so they can save up to \$3 per transaction.

We encourage your credit union to make the best of uncertain times by participating in and actively promoting surcharge-free ATMs—available through the MAP network coast to coast and around the world. Your cardholders will appreciate your efforts to decrease fees and help them save money.

For more information about the surcharge-free ATM networks offered by MAP and its business partners, contact Herb Tajalle at 866-598-0698 x7116).



## Visa Prepaid Cards can now be Reloaded on ATMs

Visa has enhanced Visa ReadyLink, its prepaid card reload network, so that consumers wishing to add funds to eligible Visa prepaid cards can do so at participating ATMs that accept envelope-free deposits across the United States.



**Visa ReadyLink**

Over 7,000 merchant locations across the U.S. have implemented Visa ReadyLink since it first started in 2006. ReadyLink Prepaid cards help meet the needs of over 80 million unbanked U.S. consumers who rely heavily on cash for everyday transactions and are looking for a card payment alternative.

With Visa ReadyLink, consumers have an easy way to reload funds to Visa reloadable prepaid cards – including payroll, general purpose reloadable and government disbursement cards – at everyday merchant locations like supermarkets and convenience stores. This provides immediate access to funds with a safer, more convenient payment alternative to cash and checks.

### This is how Readylink works:

Customers make deposits at envelope-free ATMs by simply inserting cash or paper checks. Consumers with eligible Visa reloadable prepaid cards can then add cash funds to their cards conveniently and securely in the same manner at participating ATMs.

Reloadable prepaid cards bring immediate relief to unbanked consumers, who often face long waits in lines while they carry around a week's wages. The Readylink option also offers these consumers greater convenience and safety—at the same time that Visa partners obtain the opportunity to capture a larger share of the cash and check spend market.

Additionally, Visa ReadyLink delivers greater value to ATM owners and financial institutions. For ATM owners, Visa ReadyLink creates an opportunity to provide innovative services to consumers that can help drive incremental revenue—all through an existing VisaNet connection. For financial institutions, VisaReadyLink transactions are processed like any other Visa transaction. Like authorized and approved transactions, prepaid funds are guaranteed by the ATM acquirer to the card issuer.

Visa and its partners are investing in the growth of prepaid products to penetrate cash and check-spending consumer segments in the U.S.. The investment also allows Visa participants to grow their electronic payments in countries that still rely heavily on cash. Increasingly, consumers are turning to prepaid products for the convenience and security they provide, while businesses and governments are realizing cost savings and efficiencies by distributing payroll and benefits – like unemployment and child support funds—with a Visa prepaid card instead of checks.

## Visa News

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**Visa partners with MoneyGram to expand ReadyLink card-reloading Network.** Visa Inc. is partnering with MoneyGram International to drive more volume to its prepaid debit card-reloading network. MoneyGram has agreed to enable consumers to use its 40,000 U.S. sites to reload their Visa prepaid debit cards on the Visa ReadyLink reloading network. The agreement, which is to take effect this summer, quintuples the number of sites where cardholders can access the ReadyLink network. It now is available in 7-Eleven Inc. stores and grocery stores that offer prepaid cards from Safeway Inc.'s Blackhawk Network unit, among other sites. The partnership "gives us a national footprint of locations across the country," says Nizam Antoo, Visa senior business leader for under-served products

### Consumer education is needed for contactless cards.

Approximately nine percent of the U.S. population now has contactless cards—and 25 percent of consumers are aware of the product. However, Javelin Strategy & Research reports that only 50 percent of consumers understand how the contactless card payment process works. One educational bright spot was the 85 percent of merchants that understood how to process the cards. "You have to move people through technology changes and accepting the convenience factor with contactless," said Randy Vanderhoof, Executive Director of Smart Card Alliance in Princeton Junction, NJ. Improving contactless card education can't come too soon. By year-end 2008, 200,000 U.S. merchant locations will accept contactless payments.



# Letter from the CEO



Cyndie Martini - CEO - MAP

*At MAP, we believe that education is key to managing a strong, viable card portfolio and to being competitive in today's financial services marketplace. Free training for the life of your agreement is one more way we demonstrate that we are committed to your success.*

Dear Members,

The current credit crisis and economic slowdown have many issuers taking a more conservative approach toward traditional practices. While consumers continue to search for innovative ways to stretch their money – something credit unions have provided their constituencies for decades – many issues have placed a greater focus on product cost and internal efficiencies when analyzing new partners and service goals.

MAP has recently developed **several new products** with the above in mind – all built to strengthen member loyalty, increase transaction volumes, and reward member use of your products and services:

**PAU Workshop:** This new educational program is dedicated to the sales, revenue growth and usage of our client debit card programs. On April 21, 2009 MAP will host a one-day "check up" workshop centered on Visa's Penetration, Activation, Usage (PAU) Model at The Golf Club at Newcastle. Workshop participants will learn strategies and tactics to improve their debit portfolio performance. The one-day workshop is cost-free, with financial assistance for travel available upon request. All clients who process their debit products with MAP will receive quarterly statistical models detailing their unique credit union data for future evaluation and benchmarking of their portfolios. We hope the new tool will aid our clients in better measuring and defining methods for successful product development and growth, now and in the future.

**BranchMap:** We were pleased to present the addition of BranchMap to our growing list of business partners and member services. BranchMap is a powerful ATM locator that can be easily accessed from either an Internet browser or mobile phone. MAP has customized the BranchMap ATM locator to instantly recognize each client's unique set of surcharge-free ATM networks. We are currently installing BranchMap onto client Websites and distributing materials to educate their membership in the use of BranchMap Mobile for locating shared branch, network and surcharge-free ATMs from their mobile phones or PDAs.

**Dream Points:** To expand member and cardholder loyalty and product use, MAP launched our new Dream Points Loyalty and Rewards Solution. Use of a rewards and loyalty program such as Dream Points is proven to attract new members and strengthen relationship with your cardholders, increase usage and achieve cardholder behavior objectives. Customizable, MAP Dream Points credit, debit and enterprise bonus rewards platform aid in creating loyal members for life, and help in differentiating your program and competitive edge.

**Card Portfolio Analysis:** Another crucial strategy during these cautious times will be building on your existing member relationships. You know your members, but maybe not as well as you could. As explained in "New Ways to Approach Your Card Portfolio" on page 6, card dormancy runs at about 30 percent at most credit unions. Identifying members with dormant accounts expands your opportunity to reach out to a trusted cardholder and educate them on the greater value your credit union offers over the other cards in their wallet.

**Service and client education is at the heart of all we do at Member Access Pacific.** As we expand our product offerings, we are ever mindful to preserve and enrich the premium client services and training you have come to expect from us. I am always available to you to hear your concerns and answer any questions you might have. Feel free to call me, 1-866-598-0698, ext. 7110 or email me at [cyndie.martini@mapacific.com](mailto:cyndie.martini@mapacific.com).

Best regards,

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President/CEO





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