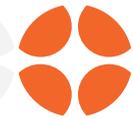


## PARTNER CASE STUDY: KAWARTHA CREDIT UNION

# Engagement Leads to Strong Portfolio Growth

**With more than 60 years of banking experience, Kawartha Credit Union is a well-established Canadian financial institution. It serves 50,000 members across a 25 branch network with a full range of financial products. Among those products is its newly revitalized credit card program.**



**PARTNER**  
Kawartha Credit Union

**CHARTERED**  
1952

**LOCATION**  
Peterborough, ON

**MEMBERS**  
50,000

**2015 ASSETS**  
\$1.2 billion

While Kawartha had an existing credit card program that provided basic products and services to members, Kawartha's leadership team was interested in finding a partner that could provide flexible payment solutions. Collabria—a new credit card issuer servicing credit unions and financial institutions in the Canadian marketplace since early 2015—offered the solutions Kawartha and its members needed.

“We appreciated Collabria's online application form that would allow our staff to input credit card applications in-branch on behalf of our members. This functionality would enable fast adjudication decisions and let our members obtain the credit card of their choice quickly and easily,” said Kawartha CEO Rob Wellstood.

Collabria's suite of card products and their cooperative approach to providing flexible card programs were identified as a great fit for Kawartha, providing their members with more value and a stronger card payments program.



At its core, Collabria is dedicated to providing an alternative to the “one-size-fits-all” programs found in the marketplace. Collabria's team of professionals work with credit unions to design solutions built specifically to their unique member needs. This was exactly the customized approach Kawartha was looking for in a card issuer.

After partnering with Collabria in July 2015, Kawartha was eager to begin growing its card portfolio.

However, Kawartha's card portfolio remained with its former issuer and could not be converted to the Collabria program. In order to win back cardholders from Kawartha's former issuer, Collabria and Kawartha launched a multi-channel marketing campaign that would:

- **Introduce members to the new suite of credit card products** available through Kawartha Credit Union
- **Create excitement at the branch level** and stimulate employee conversations about the new credit card products
- **Leverage Kawartha's unique brand approach** by extending the benefits of the new credit cards through appealing collateral

### Establishing Engagement

In order to introduce the unique benefits of switching to the Kawartha Collabria MasterCard, the Collabria team worked with Kawartha to launch a direct mail campaign showcasing the new card program to Kawartha's members.

Two primary direct mail pieces were sent out to Kawartha members. The first was a launch letter which showcased the four credit cards, explained the card benefits and outlined the ways Kawartha members could apply for the cards.

The second direct mail piece presented a select group of Kawartha members with an opportunity to apply for a Cash Back MasterCard. Members who received this mailing were pre-qualified and strategically targeted as those most likely to be approved for the credit card. Through this targeted approach, Collabria was able to provide a more positive experience for Kawartha's members.

Member response for the Cash Back MasterCard mailing surpassed expectations. The gross response rate was 82 percent greater than the goal, while the net response rate was 40 percent greater than the goal.

### In It to Win It

To drive excitement and motivate Kawartha employees, Collabria introduced a six-week employee incentive program. The ultimate goal of this program, entitled "Drive 2 Win," was to encourage Kawartha employees to engage members in conversations about the new card program and to sell Kawartha credit cards in-branch. A fun race theme and cash incentives for each new approved credit card account kept employees engaged.

The results of Kawartha's employee incentive program proved to be very successful. More than 200 employees participated in the contest, and during the six-week program, Kawartha approved over 1,300 new accounts, reaching 315 percent of their goal.

"We were thrilled and pleasantly surprised by the success of the initial employee incentive program. Our staff was very engaged and driven by a sense of competition. We witnessed staff working hard to achieve podium placement week after week," said Kawartha Marketing Manager Sarah Gencey.

### Taking a Multi-Channel Approach

The simultaneous cross-platform launch of marketing materials for the Kawartha credit card program was strategically executed to reach as many Kawartha members as possible. Materials reached members through in-branch sales materials, website banners, social media and direct mail.

### A Means to an End

**Within the first nine months of its partnership with Collabria, Kawartha built its credit card portfolio to roughly three quarters of the size of its previous portfolio with another issuer.**

A single direct mail piece alone was able to capture 22 percent of the size of the prior card portfolio. Kawartha's previous portfolio had been built over the course of many years, so gaining almost a quarter of that volume with just one mailing was phenomenal.

Through its partnership with Collabria and a combination of marketing efforts, Kawartha experienced a 48 percent increase in card accounts between July 2015 and March 2016. This contributed to Kawartha's 102 percent increase in total account balances in that same time period.

"We are extremely pleased with the credit card portfolio growth we've seen with Collabria. After 18 months, we anticipate exceeding the number of cards we had with our previous card supplier. Our five-year goal is to obtain 20 percent penetration of our membership base," said Gencey.

