INSTANT ISSUANCE HELPS ENHANCE SERVICE LEVELS

CASE STUDY OVERVIEW

CUSTOMER: Tower Federal Credit Union is a member-owned, non-profit financial cooperative in Laurel, Maryland.

CHALLENGE: Credit union realized that having members wait seven to 10 days to receive their debit cards negatively affected their customers' satisfaction.

SOLUTION: An instant issuance strategy featuring the Datacard® CardWizard® financial issuance software.

RESULTS: Credit union seeing the convenience that instant issuance offers as a long-term benefit in addition to now generating more revenue through interchange fees that come with faster activation and usage.

CARDWIZARD® SOFTWARE BENEFITS

- Datacard® CardWizard® financial issuance software is the leading instant issuance solution for Visa® and MasterCard®.
- CardWizard software has been implemented in thousands of branch locations worldwide

THE SERVICE GAINS OF INSTANT ISSUANCE

The "I want it now" generation has spurred change in every industry you can name including consumer goods, entertainment, retail and manufacturing. From "pay-at-the-pump" to online movies, consumers have been conditioned to expect instant gratification.

Financial services customers are no exception. When customers open new accounts or want a new PIN number for a card, they want it now, a scenario that has begun to challenge financial institutions to up the ante in instant customer service offerings.

DEBIT CARDS IN AN INSTANT

Financial institutions around the country have been turning to instant issuance card technologies to help address the immediate needs of today's consumers; additionally, for financial institutions, instantly issuing cards can increase activation rates to 100 percent from the industry rate of 59 percent. Instant issuance increases average sales by providing a fast, safe and easy way for consumers to obtain private label or co-branded debit card accounts at the point of service. With instant issuance, a card carrying the Visa or MasterCard logo can be "hand delivered" to the customer in a credit union branch office or remote location. Additionally, these cards include all the security features required for proper encoding, embossing and indent printing.

By offering instant issuance, customers can receive permanent cards at the opening of an account, making immediate purchases a snap. For customers who have misplaced their cards or fallen victim to theft, instant issuance provides an immediate solution without having to wait days or weeks for a replacement. With these consumer benefits in place, credit unions can more easily retain and gain customers.

FEDERAL CREDIT UNION UPS ANTE IN CUSTOMER SATISFACTION

Tower Federal Credit Union recently went through the process of selecting and implementing an instant issue system. Tower is the largest federally chartered credit union in Maryland and among the top 50 in the nation with more than $1.5 billion in assets. Based in Laurel, Mass., Tower provides a full range of financial products and services to its more than 115,000 members, which include businesses and government

CARDWIZARD®

"After implementing instant issuance in our branches, we did extensive research to examine the convenience we offered our members, the efficiencies we've gained throughout Tower, and the increased revenues we gained through interchange fees. CardWizard software has been a great choice and we would — we have — recommended it to others, no questions asked."

— *Vickey Rohde, senior analyst of research and development, Tower Federal Credit Union*

agencies such as the City of Laurel, Howard County government, the Federal Communication Commission, the National Security Agency, General Dynamics, Netcom and OfficeMax.

Through a combination of member input and quality assurance research, Tower's management team realized that sending co-branded debit cards through the postal service and having members wait seven, 10 or as many as 14 days to receive their cards negatively affected their customer's satisfaction.

In many cases, it simply was not reasonable to expect members to wait up to two weeks to receive a new card. For people ready to leave town, this turnaround time left them stranded without a debit card also, as branches of the credit union were located solely in Maryland, this presented a significant problem for customers traveling out of state. In order to keep customers happy and improve satisfaction rates, Tower wanted to make obtaining a debit card more efficient and convenient.

In late 2005, Tower representatives researched implementing instant issuance technology. After selecting Datacard® CardWizard® software as its instant issuance software of choice, the credit union launched a pilot test at its main office, where its IT department is located. The implementation team put the technology through a wide variety of test scenarios. They used the cards in live environments and in situations where they needed to re-PIN. A key part of the test was ensuring that the eFunds batch maintenance files worked properly with CardWizard software and that all data fields were correct. CardWizard software passed every test and implementation began.

Using instant issuance technology, the member services representatives no longer have to manually e-mail the back office to complete the process of issuing a debit card, as they had previously. This has helped to eliminate inefficiencies and improve the standard process for card issuance.

In the first year since it implemented its instant issuance system, Tower has issued approximately 9,500 debit cards. The credit union sees the convenience that it can now offer members as the most important long-term benefit of instant issuance. In addition, Tower is able to generate additional revenue through interchange fees that come with faster activation and usage.

INSTANT ISSUANCE: THE FUTURE

It is not a matter of *if*, but *when* all financial institutions will implement instant issuance card options to their consumers. Consumers are already able to walk out of their credit union branch and begin using cards right away. Therefore, as more members look for this instant access to their cards, providing immediate access will help drive loyalty between the member and credit union as well as create immediate interchange income for the financial institutions offering the service.

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