

Credit Union Stories: Embracing Aura to Support Local Economies

FAQ

Question 1:

Greg Sol, can you tell us a bit more about your experience with your local Chamber of Commerce and how you approached them?

Answer:

Greg Sol: Our local chamber is unique in that it works with the whole South Okanagan so there are three communities within our Chamber. As a chamber they have been struggling on providing value to the businesses so I approached and said here is an opportunity because there has been a lot of conversation about the shop local side of things. So, all of the same reasons that I have expressed here, I expressed to them. We have engaged with the Chamber and are part of the ongoing marketing with them. There are various levels that you can engage with the Chamber as a business and they are even contemplating to spotlight that in the packages with the various accounts/businesses. There has been a great pickup by the businesses because of the opportunity to tap into 3500 local members of their community through Osoyoos Credit Union and are able to spotlight their particular uniqueness. It is also driving more members to our credit unions who may not have known of us previously.

Question 2:

Can the card only be used at local businesses that register, or any business?

Answer:

Kristen Wilson/Aura: The Aura card can be used anywhere MasterCard is accepted, including online and at merchants worldwide.

Question 3:

Greg Sol, were there any challenges experienced with the Dividend/Patronage program? What feedback have you received from members?

Answer:

Greg Sol: The biggest challenge was the transfer of money into all of the accounts. Since we were the first to do a large contribution like that. We haven't seen the rollout to members yet because there has been some delay with COVID-19 so it is hard to judge at this point. But what I can say is that the folks who do have the card at this point have been very excited about it.

Kristen Wilson/Aura: Aura has automated the process of loading patronage funds or other CU incentives. Just provide Aura with a list of members and the amounts to be credited. It's that easy.

Question 4:

Do you also offer credit cards and if so, how have you trained staff on how to position credit cards vs Aura to your members? For example, do they offer both and let the member decide or ask questions and make a recommendation? How do you avoid the two products competing against one another?

Answer:

Mark Vos: We do offer both. We use Collabria for our credit cards and Aura for the pre-paid side. Our selling tactics are to ask the member questions and give them the information to make the decision for themselves. We don't push anything onto our members but we think that memberships can use both. Aura is more for day-to-day spending and credit cards are more for larger transactions. We also use Aura for those members that don't qualify for credit cards. Our member cards aren't available on any mobile wallets but the Aura card is a solution for that for our members.

Greg Sol: We have positioned Aura as our patronage and dividends tool. We are going to gather most of our community because of that alone. Also, positioning in a "shop local" manner allows members to support their community through the platform. We also provide the Collabria card that is used for a traditional credit card.

Pauline Marchionkowski: They both have their pros and cons. With Aura you have more security and less risk with online shopping instead of using that larger balance credit card. I think they are two different use cases. Credit card for larger spends, AURA is the card for deals and members who don't qualify for Credit Cards

Kristen Wilson/Aura: From a program perspective we see the two products as being complementary. Aura provides members the flexibility to use the MasterCard platform without having to use credit while enjoying the loyalty benefits and digital experience.

Question 5:

Are the offers from local business via the app?

Answer:

Kristen Wilson/Aura: The local business register through your credit union or with the folks on the Aura program team and the local merchant offers are listed on the carousel within the Aura app. The member would activate the offer and when they make the purchase at the local business, they will see the offer dollar amount credited to their account. This is also visible in their transaction history on the app.

Greg Sol: As a credit union, we can position some of our existing members and put something on the carousel for them. For example, we did an offer with a local coffee shop and Osoyoos Credit Union is picking up the bill for that offer. From a business case perspective, we are contemplating building that into our service charge brochures for our businesses saying that each year you get up to X dollars of Aura patronage. So, this is a great way to drive some new business opportunities as well.

Question 6:

Do the funds loaded reside with Aura or do they remain within the credit? If they sit with Aura do you have any concerns about that?

Answer:

Kristen Wilson/Aura: The funds remain on the Aura platform.

Greg Sol: Yes, it has crossed our minds. It is risk mitigation but we did not feel that the risk was significant enough that we would see too much of a drain and so far, we have not.

Mark Vos: From the statistics from our membership I have seen that they spend what they load on the card so there are not a lot of funds that are staying on with Aura long term.

Kristen Wilson/Aura: When the Aura platform was designed, this was one area which was top of mind. We felt the member use cases showed the card would be primarily used for transactional spend; those transactions (gas, groceries, etc.) which members would be making where the funds would be coming from their accounts anyway. Now that we have 11 CU's in production, our statistics are proving what we believed, with ~95% of the card load being spent in the month it's loaded, meaning very little balance is being held in the platform. In fact, in October more funds were spent on the platform than were loaded.

Question 7:

What are the perks? Are there points or cash back?

Answer:

Kristen Wilson/Aura: It is instant cash back. There are offers that are provided on the offer carousel in the app. For example, if you spend \$10 and get your \$1 back, you will see that instant cashback. There are other ways that you can provide incentives from your members like patronage as Greg mentioned and we have a credit union on the East Coast that is going to be using a mortgage incentive. There is the opportunity for each credit union to put forth a variety of different use cases in terms of that cashback to your members. Visit auraloyalty.ca for more information on the benefits of Aura or speak with your Celero account executive.

Question 8:

Does the credit union earn revenue and if so, what is the revenue model?

Answer:

Kristen Wilson/Aura: There is a revenue share and it is based on the interchange revenue of the card. If your credit union is interested in Aura, we can take you through a full financial model that we have built based on the assumptions of your credit union.

Question 9:

Does it provide same protections a regular credit card provides?

Answer:

Kristen Wilson/Aura: Yes, it does. Aura is backed by Mastercard and provides all of the liability that Mastercard would cover. So, if there is any fraudulent activity reported, that is covered through Mastercard. Aura is a fully registered MasterCard product, meaning all of the fraud and liability coverage, and chargeback rights MasterCard provides is available on the card. This also means Aura

must be compliant with all MasterCard standards so you know the platform is built on a strong foundation.

Question 10:

Is Celero considering a traditional credit card offering to go along with this?

Answer:

Kristen Wilson/Aura: A credit card is not in our roadmap at this point.