



Alternative Loyalty Systems and Streamlined Merchant Acquisition for Boston Community Change

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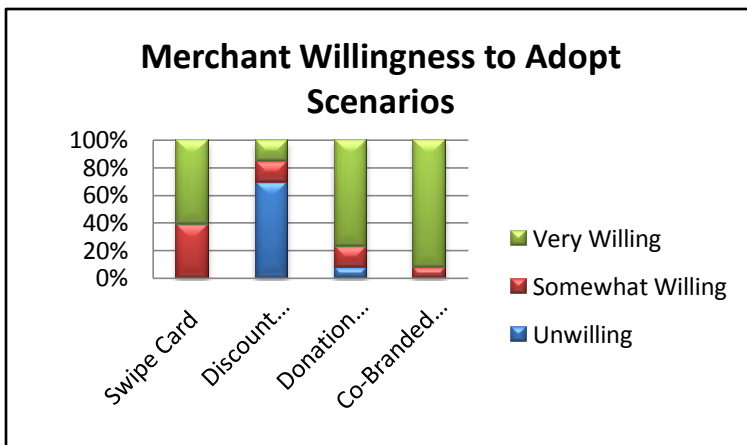
Executive Summary

Boston Community Change (BCC) is a community loyalty program that gives businesses the ability to offer rebates to cardholders on one unified platform. Costly rebate software and a bank identification number (BIN), funded by a group called Interra, made the program unique. The economic downturn coupled with the Madoff scandal led to Interra's loss of funding. Due to the lack of funding we set out to analyze alternative loyalty systems. This search brought about the opportunity to explore ways to streamline the currently labor intensive merchant acquisition process. Our goal was to analyze the feasibility of implementing alternative loyalty systems and provide Boston Community Change with a streamlined sales process. We set out to accomplish our goal by completing three objectives. First, we developed a number of promotions for the card platforms. Second, we analyzed the current merchant acquisition process. Third, we developed a streamlined merchant acquisition process that could be implemented for any of the card platforms. We then compiled our findings into a comparative analysis and recommendations packet that we presented to Boston Community Change for their consideration.

To complete our three main objectives we collected data from merchant surveys, merchant interviews, BCC database analysis, and discussion with possible card partners. This data was used to analyze the three possible card platforms, the co-branded card option, and the merchant acquisition process.

We developed a questionnaire and a sell sheet for each card platform which we used to interview 13 businesses in the Jamaica Plains district. From our interviews, as shown in the

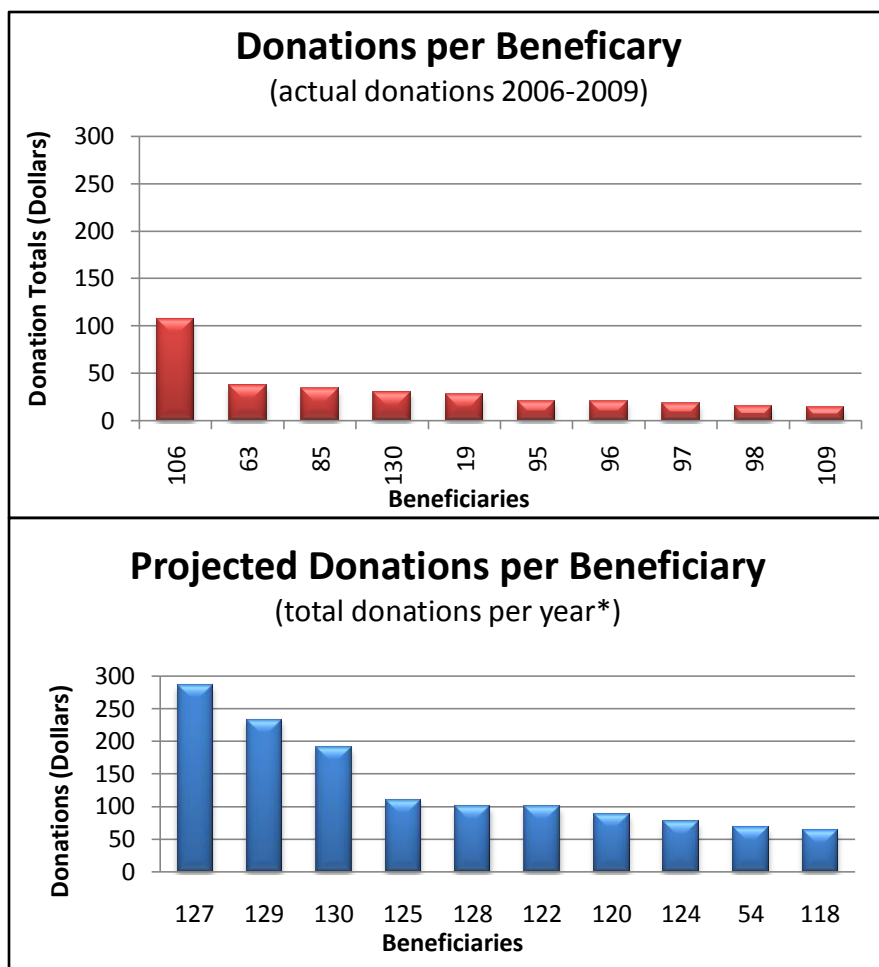
“Merchant Willingness to Adopt Scenarios” graph, we determined that a donation card was the most widely accepted platform, with about 80% of merchants stating that they are “Very Willing” to implement such a system. We also found that 100% of merchants are willing to accept a co-branded card regardless of the platform used. We



developed an online merchant survey that was sent out to all participating merchants in the

Boston Community Change program. Of the merchants that responded, 22% felt that the cardholders' sole purpose for getting the card was to generate donations for beneficiaries and 56% said that they thought the cardholders simply wanted to support local businesses. From this data we determined a co-branded donation card would be the most accepted future loyalty system.

Next we examined data on the beneficiaries under the current system. As shown in the "Donations per Beneficiary" graph, there are 236 beneficiaries that have received some donation since the BCC program started and only one amassed more than 40 dollars. By allowing the



merchants to choose their own beneficiary under the new platform BCC can decrease the number of beneficiaries and increase the donations to each one. The "Projected Donations per Beneficiary" graph depicts the top ten beneficiaries if the top ten merchants in BCC sales volume donated 2% of qualifying sales to their beneficiary. All ten beneficiaries would receive over 40 dollars per year and the top three would receive over 150 dollars.

Next, we contacted the Massachusetts Bay Transportation Authority (MBTA), Boston Public Library (BPL), openairboston.net, and EzXchange to discuss the possibility of partnering. Based on discussions with each, we determined that the MBTA is willing to discuss co-branding. They would be a vital partner when co-branding the donation card because of their

large cardholder base. Partnerships with the BPL and EzXchange would also be beneficial and deserve consideration; however, the MBTA should be the priority.

We established ways to streamline the merchant acquisition process based on our merchant interviews and discussions with the BCC staff. Brian Goodman, the head of the BCC sales team, gave us extensive descriptions of the different phases in the current process. He described the very labor intensive process that generally required 5-7 visits per merchant. In our interviews with 13 businesses, several of the merchants recalled 4 visits from a representative before they enrolled. To streamline the process we developed templates of online Merchant Information Request, Merchant Referral, and Promotional Material Request forms. The implementation of these online forms would minimize the manual labor necessary in several steps.

Our final recommendation came after we found that 100% of the merchants interviewed commented on the need for more promotion of the program. This finding came too late into our project to research the most effective methods of promoting the program. However, it is important to point out the merchant's dissatisfaction with the advertisement of the program.

By using the aforementioned findings we made recommendations that will enable the Boston Community Change program to revitalize its cardholder and merchant base by emphasizing the community aspect of the project. By focusing on donations to beneficiaries, cardholders and merchants will regain interest in the program due to the spotlight on philanthropy.

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Abstract

Boston Community Change (BCC) is a loyalty program that allows businesses to offer rebates on one unified platform. The Interra organization funded the rebate software but recently lost its funding due to the Madoff scandal. Therefore, our goal was to propose an alternative loyalty system and provide BCC with a streamlined sales process. We conducted interviews, surveys, and meetings with participating merchants and BCC staff and recommended the best alternative loyalty system and an electronic approach to merchant acquisition.

Chapter 1: Introduction

For every \$100 spent at a local store, \$45 is circulated back into the community, whereas only \$13 is distributed back into the community when spent at a Wal-Mart (“A Rewarding Route”, 2007). This problem is recognized nationally, and Boston is no exception. The Boston Main Streets (Appendix A) program and the Department of Neighborhood Development (Appendix C) developed an organization called Boston Community Change (BCC). The purpose of this program is to help revitalize small business in the Greater Boston Area by incorporating a loyalty card rebate program for customers who choose to shop locally. BCC was the pilot program for the Interra Project, which now has similar programs around the nation. Initially, the program started in Roslindale, but expanded to cover all nineteen of the Boston Main Streets’ districts (Appendix B). Boston Community Change depends on 120,000 dollar rebate distribution software and a bank identification number (BIN) paid for by Interra grantors.

The grantors are no longer able to provide Interra with financial backing because of the current economic turmoil which was sparked by the collapse of the sub-prime housing market. To make matters worse, many grantors were directly affected by the Madoff scandal (Appendix D). BCC is left in a challenging situation, since Interra funded the software and BIN used by the program.

Boston Community Change asked us to help them prepare for the inevitable changes facing the program. While exploring alternative loyalty systems we took the opportunity to investigate ways to reduce labor when acquiring merchants. We looked into the BCC merchant acquisition rate and discovered that after peaking at 61 merchants per quarter in the spring of 2007 the rate quickly dropped to only 4 merchants per quarter by December 2008. The program currently has only one sales representative who has to make 2-7 visits to each business before enrollment. Since the slow and laborious process has caused the drop in merchant acquisition, BCC wants to revamp their sales process.

Our goal was to analyze the feasibility of implementing alternative loyalty card systems and provide Boston Community Change with a streamlined merchant acquisition process for each system. Initially, it was beneficial to look at literature relevant to loyalty card programs and local businesses, various card technologies, and customer relationship management. To achieve our goal, several steps were required. Initially, we developed card promotions for each possible system and created informative sheets for each one. Next, we analyzed the current merchant

acquisition process. We then detailed a streamlined merchant acquisition process for BCC. After detailing the merchant acquisition process, we discussed possible future partnerships with representatives from the MBTA and Boston Public Library. When finalized, we used the card promotions to acquire merchant perspectives on each. We also took the opportunity to ask them about their experience enrolling in the program. In addition to the interviews we issued online surveys to the merchants in the program and received feedback on the sales process and prospective systems.

From our interviews we determined that a donation card platform was the most widely accepted platform, in fact 80% of the merchants interviewed were very willing to implement such a system. Additionally 100% of merchants said they would be willing to adapt a co-branded card with any of the platforms. In conjunction with the donation card platform, we examined donations presently made to beneficiaries. Only one of the 236 beneficiaries that received a donation since the program's inception has exceeded 40 dollars. In response, we developed projected donations based on each merchant selecting their own beneficiary and either donating 2% of their total BCC sales or ten cents per BCC transaction.

We established ways to streamline the merchant acquisition process based on our merchant interviews and discussions with the BCC staff. Brian Goodman, the head of the BCC sales team, gave us extensive descriptions of the different phases in the current process. He described the very labor intensive process that generally required 5-7 visits per merchant. In our interviews with 13 businesses, several of the merchants recalled up to 4 visits from a representative before they enrolled.

With this collective information and knowledge, we were able to recommend the best loyalty system to adopt as well as several ways to streamline the merchant acquisition process. Our analysis and recommendations were compiled into a comprehensive packet that was presented to Boston Community Change for their consideration.

Chapter 2: Background

2.1 Introduction

Our project's goal, as stated in chapter 1, was to analyze the feasibility of implementing alternative loyalty card systems and provide Boston Community Change with a streamlined sales process for each system. To help accomplish this goal we planned to explore why local businesses are essential, the purpose of BCC and the Interra project, the current transaction platform, various card technologies, and the current merchant acquisition process. The project plan at the end of this chapter explains the steps we took to achieve our goal.

2.2 Chain Stores and the Community

Chain stores have become the primary shopping centers in America. The convenience of one-stop shopping and lower prices appeals to consumers and often casts a shadow on specialty stores and mom-and-pop shops. A study of Wal-Mart in the Chicago area found that the benefit of their better paying jobs is lost because the size of Wal-Mart forces smaller businesses to close (Center for Labor, 2004). Also, total revenue in the area may decrease because the lower prices and closure of businesses will contribute to a loss in tax revenue (Center for Labor, 2004). There are benefits to shopping at local businesses that supersede the price of goods and convenience which are sometimes overlooked.

2.3 Local Business and the Community

Local businesses are a vital component to a healthy community. A strong local economy can enhance the quality of life in that community. When a customer shops at local stores, their loyalty to that store has more of an impact on their community than they may know. Whenever money is spent at a business it circulates throughout the community. The Midcoast Maine region found that the 8 local businesses participating in a study "...spent 44.6 percent of their revenue within the surrounding two counties and another 8.7 percent was spent elsewhere in the state of Maine" (Institute for Local Self, 2003). The businesses' revenue that stayed in-state was broken down to include "wages and benefits paid to local employees, inventory, supplies and services from other local businesses, profits that accrued to local owners, taxes paid to local and state government, and contributions made to local charities." (Institute for Local Self, 2003)

LocalFirst.com displays a chart detailing the breakdown of \$100 spent at a locally owned business versus a non-locally owned business in the Greater Grand Rapids region of Michigan (See Figure 1).

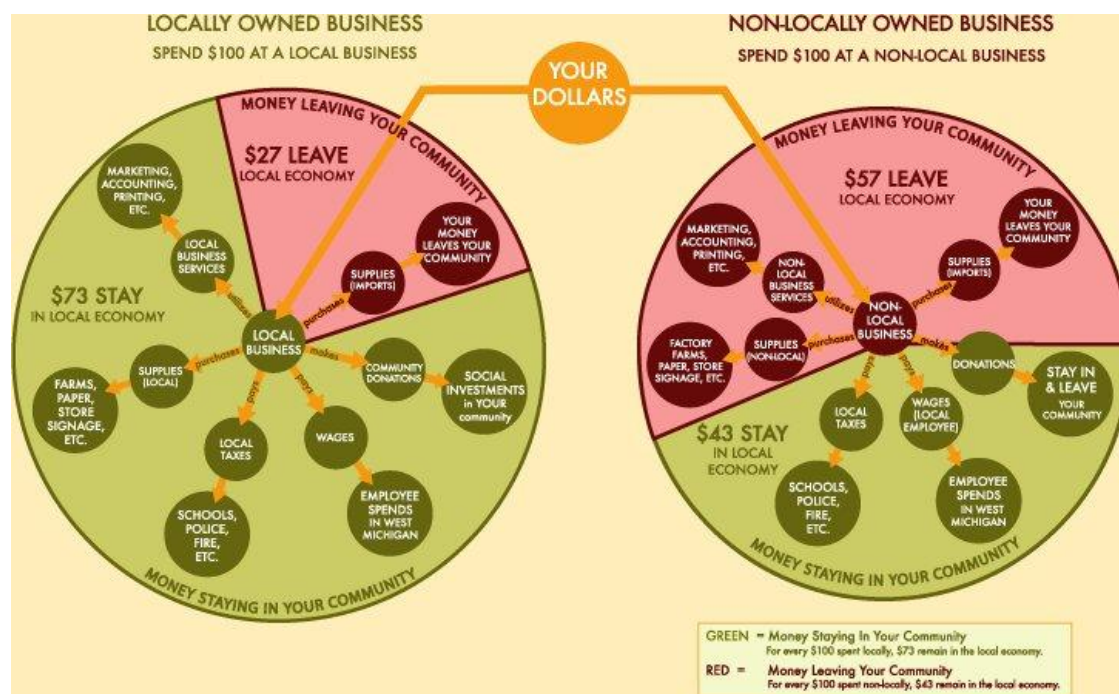


Figure 1-Distribution of Revenue in local communities

Note: from "Why Local First?", localfirst.com

The green area of each chart denotes the money that stays in the local economy and the red denotes the money leaving the local economy. The circles within the chart describe what the money is being used for. It is clear from the chart that 30 more dollars stay in the local economy when shopping at a locally owned business rather than a non-locally owned business. A similar study done in Andersonville Chicago reinforces the findings that more money stays within the community when spent at local businesses rather than chain stores. The study found that "For every \$100 in consumer spending with a local firm, \$68 remains in the Chicago economy." However, "For every \$100 in consumer spending with a chain firm, \$43 remains in the Chicago economy" (Center for Labor, 2004). The studies show that shopping locally helps to circulate wealth within a community. The money spent at local businesses supports the community through local services, supplies, taxes and wages. There are programs like the Interra Project and Boston Community Change that work to support local business.

2.4 The Interra Project and the Boston Community Change Program

Interra is the parent organization of the Boston Community Change, iBuyNeo, and the Puget Sound Community Change programs. Interra was founded by Greg Steltenpohl, founder of Odwalla foods, Sridhar Rao, founder of Exchange.com, and Dee Hock, founder of Visa International. Their idea for the loyalty program was to encourage community members to direct spending away from large-scale companies to locally-owned, community markets and merchants (“About Interra”, no date). Traditionally, people acquired goods from markets and street-side merchants and acquired services through tradesmen and acquaintances. Since those days, consumers have slowly inherited the luxury of buying more and more of the necessities for everyday life at one or two supermarkets or chain business stores, and for arguably less than comparable goods for sale at smaller, non-affiliated stores. Though financial benefit often overrules concern for the community, Interra has recognized a way to combine three virtues into one system: intra-community spending, philanthropy and service, and personal financial return.

There are three programs under the Interra project: iBuyNEO, based in Northeast Ohio, Puget Sound Community Change, based in Puget Sound Washington, and Boston Community Change, based in the greater Boston area. The Boston Community Change, iBuyNEO, and Puget Sound Community Change programs are initiatives which incorporate the average consumer’s desire for satisfaction in a program which rewards local businesses and increases exposure. Customer satisfaction is based on their drive to search out deals and rebates, but also the desire to do good for the community. In these programs, the customer’s desire to give back is carried out through donations to non-profit organizations and local schools which in turn improve the quality of life in the community.

The original intention of Interra was to expand similar community programs across the country and distribute the costs across all the programs. The more communities involved the less overhead for Interra. Since the programs were dependent on Interra, private funding was used to subsidize operational costs and their partnership with Nietech. Nietech is the company responsible for the software that enables the programs to effectively manage their rebates and data collection. Since Interra is in danger of dissolving due to the results of the Madoff scandal, the BCC is looking for ways to finance a partnership with Nietech or develop alternative loyalty systems.

2.5 Current BCC Transaction System

Niotech gives Boston Community Change the ability to be an innovative loyalty card program. One of the benefits of the system is the similarity to a credit card. It works with the merchants' existing credit card terminal making integration into the program simple. As shown in Figure 2, Bank of America breaks the process down into 4 main steps.

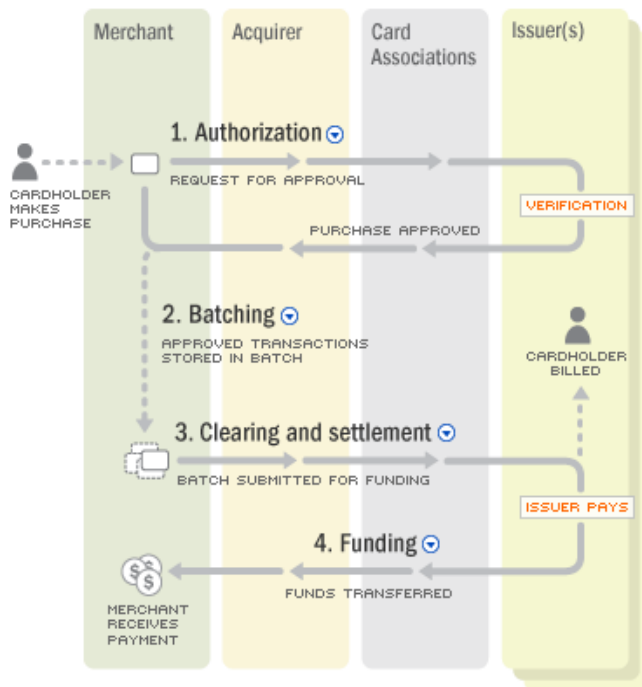


Figure 2- Credit Card Transaction Process
Note: from "Card Processing Basics", bankofamerica.com

2.5.1. Authorization

When a credit card is swiped information is collected at the point of sale (POS) terminal. This information includes the account number, bank identification number (BIN), transaction amount, and country code among other information. This information is sent to an acquirer who processes the information from the transaction. They verify that the credit card number and the amount of the transaction are valid and approve the transaction for the cardholder ("Card Processing Basics", no date).

2.5.2. Batching

When the transaction is authorized the merchant stores the information in a batch. The merchant sends the batch, a group of stored transactions that have not been settled yet, to the acquirer at the end of each day to receive payment ("Card Processing Basics", no date).

2.5.3. Clearing and Settlement

In this step the acquirer then sends the information from the transaction to the correct card association such as Visa or MasterCard. The card association then pays the acquirer and charges the issuer, the bank or organization that issued the credit card, for the transaction ("Card Processing Basics", no date). Acquirers are paid for each transaction and are necessary because there are thousands of credit card transactions to process daily.

2.5.4. Funding

When the card association pays the acquirer the issuer then pays the merchant for the amount of the transaction but it withholds the amount paid to the acquirer (“Card Processing Basics”, no date).

The Boston Community Change card goes through a similar process. When the card is presented to a cashier they enter the amount of the transaction and swipe the card through the POS terminal. The card is denied because it is not a means of payment but the information from the transaction is still collected and sent through the same process to a MasterCard BIN. Nietech software then sorts the information, calculates the rebates, and delivers the information to Boston Community Change. The information is also added to the online accounts for the merchant and cardholder so they can track their usage. Merchants are later billed for the total rebates at their store each month. This money is distributed to the cardholders, non-profit organizations or schools, and Interra. However, there are more card platforms available if loss of funding makes this system unfeasible.

2.6 Card Technologies

We identified three different card technology systems including; the swipe card, scan card, and smart card.

2.6.1 Swipe Card

As explained in Section 2.5.4 Boston Community Change uses a swipe card system. A swipe card contains several features, the main feature being a magnetic stripe located on the back of the card. The stripe is compiled of three “tracks” where the account number, bank identification number (BIN), country code, name, and other information are stored (“How Credit Cards Work”, 2006).

2.6.2 Scan Card

Another type of card is a scan card, often used in grocery store loyalty card systems, which involves a barcode that is scanned during each transaction. A scan card is dependent on two major pieces of hardware and software. The main piece of hardware is a scanner that is either handheld or mounted in a register, which reads the information in the barcode. Each card has a unique bar code that provides access to the discounts archived in the stores cash register system. The software needed is the database which allows for the addition and subtraction of

discounts and promotions. This database is often stored at a central location and is accessible by a connection (phone, cable, or satellite) in the store. The database also stores the information of each cardholder and their transaction records.

2.6.3 Smart Card

The last type of card is a smart card. Smart cards offer a variety of options with the technology embedded within a standard sized credit card. The smart card is built with a smart chip which has the capacity to run a number of applications, store user info, and act as a means of payment. An important part of the smart card is its flexibility to cater to the subscriber's needs, since the equipment involved in the smart card platform can be expensive. In order to carry out a transaction, the merchant must have a reader which transmits information from the card to the merchant's payment software, and vice versa. The option is also available to add a magnetic strip and/or a barcode which could be used at businesses not equipped with the necessary smart card scanner. Depending on the type of smart card issued, additional software could be necessary for transactions to be processed whether the merchant swipes or scans the card.

With the smart card, the option is available to store rewards money directly on the card which could then be used towards future purchases. The back end of the payment system would be run through a provider such as Smart Card World or Inline. There is also the ability to add value to the card.

2.7 Card Promotions

In addition to the various technologies available for loyalty cards there are also numerous promotional programs in use throughout the loyalty industry. The three formats that we considered are the rebate card, the discount card, and the donation card.

2.7.1 Rebate Card

The rebate card promotion is what Boston Community Change currently utilizes. A consumer in the rebate program would initially pay full price on all items in the store but would later be issued a rebate compliant with the merchants offer.

2.7.2 Discount Card

Simple discount cards are a common type of loyalty card which offers the consumer predetermined discounts on certain purchases. Stipulations can range from flat rates to buy-one

get-one free type discounts. Over 90 percent of Americans use some type of loyalty card system (Berman, 2006). The most basic system is a show-and-save discount card. This system does not collect any information on the consumer, and only tells the merchant that the consumer is eligible for a discount. Using a show-and-go discount system is very easy for most companies since there is no software or hardware needed. Today, loyalty card programs are a 6 billion dollar industry with over 2,250 different loyalty card programs across the country (Berman, 2006).

2.7.3 Donation Card

The donation card functions similar to a discount card, but in place of a discount the merchant donates to a beneficiary of their choice each time the card is shown. No new software or hardware is needed to implement this system; however the merchant must keep track of card usage. The beneficiary card is another way for customers and merchants to circulate more money into the local community. Past BCC survey results show that cardholders are more much interested in the donation aspect of the program than the cash rebate. Furthermore, the Figure 3 illustrates the importance of the community to cardholders. In fact, 88% of respondents chose ‘support local businesses’ as motivation to order their card.

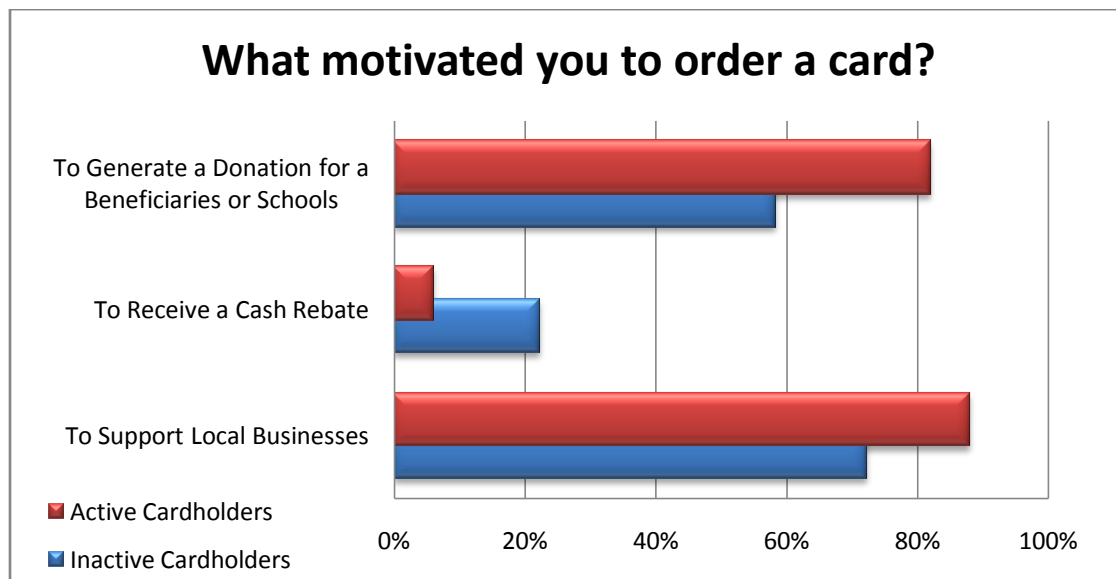


Figure 3-Reasons that cardholders chose to order their card.
This information was generated from a Boston Community Change-issued survey in 2008

2.7.4 Co-Branded Card

One way to expand the capabilities of the card platforms would be creating a co-branded card by involving various partners. Different partners could give the cards a wider range of

usage, increased publicity, and higher appeal. By using merchant interviews and assessing business hardware, we will further determine the feasibility of implementing each alternative means for issuing rewards to customers. With these types of card systems in mind, it is also important to explore how each will need to be marketed and managed with respect to small businesses.

2.8 Customer Relationship Management

Customer Relationship Management (CRM) is vital to obtaining and maintaining merchant interest in Boston Community Change. BCC-merchant interaction at each sale is relatively simple, but the goal is to first portray the positive aspects of the program to businesses and then sign them on. It is important to spend significant time and effort on strategic planning for acquiring and retaining merchants. Rust and Chung (2006) propose a formula for developing positive financial impacts on processes through CRM.

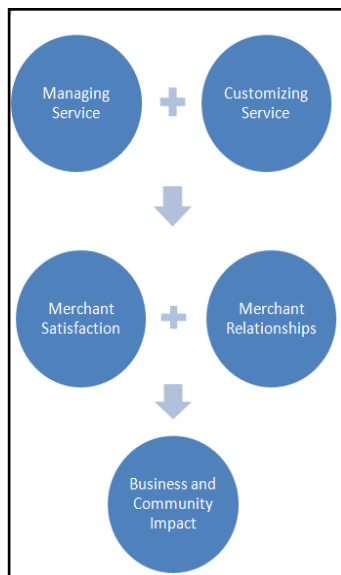


Figure 4-Customer relationship management flow chart

As shown in Figure 4, the ways in which BCC manages and customizes service impacts the level of merchant satisfaction. This leads to the overall success of the program and level of impact on the community. For acquiring merchants, representatives from BCC follow a set of guidelines for contacting businesses. This system of acquisition often requires multiple visits and is hindered by merchant apathy and reluctance. The reason for this reluctance is that the contract involves disclosing sensitive bank and routing information which businesses are hesitant to release. One example of a sticking point in merchant acquisition is that the business must issue a discount. The merchant can choose any discount and will mull over all of their options.

When discussing merchant satisfaction, an advantage of Boston Community Change is that it allows each business to customize how they will issue rebates to customers. For example, Charles Street Supply currently offers cardholders 10% off a purchase of \$50 or more (“Merchant Rebates”, 2009). This stipulation has two positive impacts: Cardholders realize a special deal that only they are entitled to and are more likely to take advantage of and the price

requirement promotes more spending at the local store. Both benefits of customized service encourage more spending at Charles Street Supply and lead to increased merchant satisfaction.

In the context of firms and clients, Monroe (1990) explains perceived value as the ratio of perceived quality to perceived price. Similarly, a potential merchant generally bases their decision to contract on the perceived benefits per cost of offering rebates through BCC. To reinforce the perceived value, the BCC representative uses merchant packets and presentations to illustrate the benefits of membership.

If it becomes necessary to implement new technology for the customer-merchant transaction platform, CRM calls for a study into the feasibility of each with regards to merchant retention and satisfaction. The Satisfaction/Productivity tradeoff idea from Rust and Chung (2006) is an important facet to the customer relationship management of the Boston Community Change. Essentially the satisfaction of each community business leads to retention, publicity, and community impact. The BCC merchant acquisition process entails many of the CRM techniques discussed.

2.9 Current Merchant Acquisition Process

The current merchant acquisition process has been an issue for Boston Community

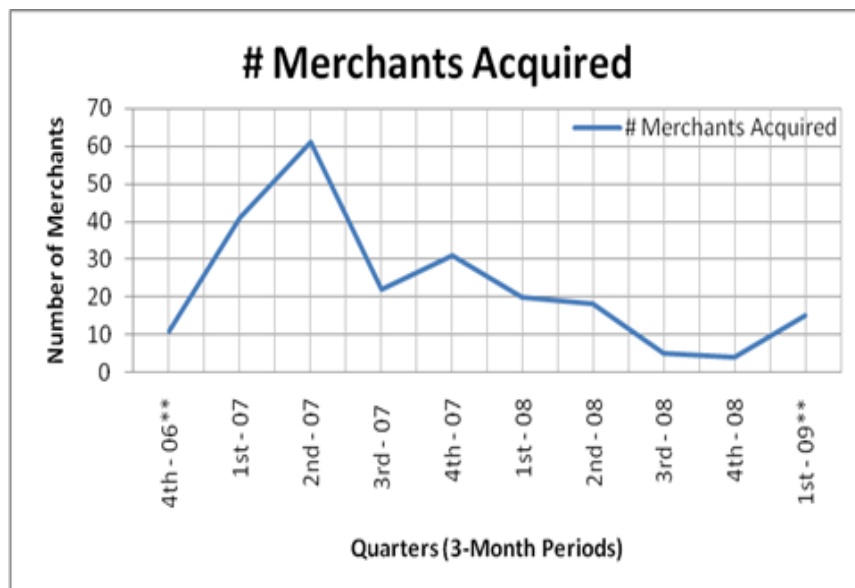


Figure 5-Merchant Acquisition rate per quarter since BCC's inception in late 2006

Change. Signing up a single merchant can take up to 6 or more visits, depending on the store owner and/or manager. Since the Boston Community Change program's inception in 2006, the rate of merchant acquisition has fluctuated greatly, as shown in Figure

5. When recruiting merchants, as shown in Figure 6, representatives follow six basic steps. The merchants are able to choose the specific rebates and sales requirements which can add to the time necessary for

successful acquisition. The owner's availability also affects the acquisition timeline. If merchants are not available to meet with the BCC representative at predetermined times, the representative must reschedule. When presented with the program specifics, storeowners tend to need time to evaluate the program. During this time numerous questions and concerns often arise, which can delay the process even more.

Merchants are able to request information about the program online and the requests are actively updated on an online database. The digitization of this preliminary means of contact with businesses is necessary, especially since timely expansion will greatly enhance the effect on the community. If a merchant seeking the program visits www.bostoncommunitychange.org, and clicks on "Join", they will notice that the instructions for completing the online information request are fairly simple. The remaining paperwork is what can really hinder the process. Representatives often have to revisit the business two to four times in-order-to obtain the merchant agreement and rebate plan, which are both necessary to officially put them online and send them their advertising materials.

The current process requires hours of labor to acquire each merchant. The process can be improved by communicating with and interviewing the merchants involved in the program. The merchants use the program everyday and share relationships with cardholders and other BCC businesses. It would be beneficial to analyze their unique views and opinions quantitatively propose beneficial changes to merchant acquisition.

2.10 Project Plan

To achieve our goal, we had to determine the different promotions and feasibility of implementation for several loyalty systems. We used this information to create one-page summaries, or sell sheets, of each approach to present to the merchants to determine their viability. We then provided Boston Community Change with a comparison of: acceptance

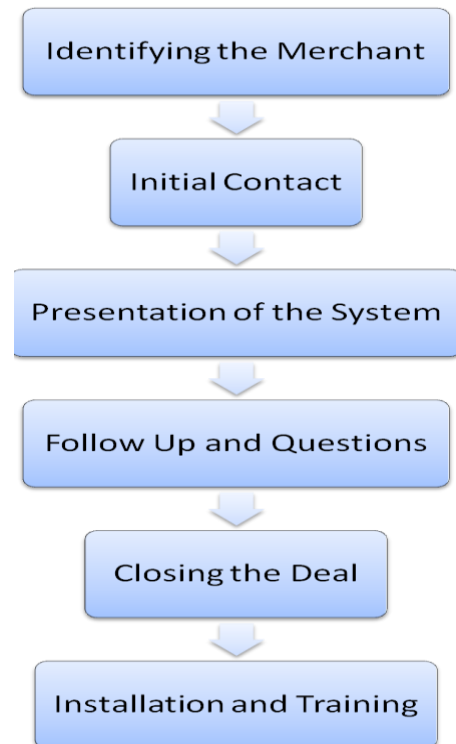


Figure 6-Current Merchant Acquisition Process

among merchants, required technology, and feasibility. This data was then interpreted and utilized in the development of our recommendations for an alternative system.

In order to determine what could be done to improve the BCC's current merchant acquisition process we looked into several factors. First we needed to examine the current process in action so that we could analyze it in full. We had already identified the basic outline of the sales process through discussion with BCC representatives. By observing the sales team in the midst of their sales pitch and follow-up meetings we determined where opportunities for improvement existed. Along with analyzing the current system we also evaluated the current sales material. BCC offers various pamphlets, PowerPoint presentations, and information sheets to prospective merchants. We needed to determine how appealing and effective the material is and then try to improve the weak points that we found.

Once we looked at the current process and sales materials we needed to create a streamlined sales process. By utilizing the current process as a guideline we discussed the process with Boston Community Change to insure the streamlined sales process was acceptable and feasible. Finally, we formalized the results of our investigations into a comparative analysis packet with recommendations.

2.11 Conclusion

The preliminary research discussed in this section provided a solid footing as we prepared to approach the problems associated with Boston Community Change. We have shown that Boston has a need for a local loyalty program. We have also shown that the system already employed by the Department of Neighborhood Development, the Boston Community Change program, is in a period of drastic change. We have explored different technologies that could be substituted for the current card program. We have also discussed the drawbacks in the current merchant acquisition process and how we will address each problem. This knowledge along with more extensive research made it possible for us to complete our goal.

Chapter 3: Methodology

3.1 Introduction

The goal, as stated in Chapter 1, was to analyze the feasibility of implementing alternative loyalty systems and provide Boston Community Change with a streamlined merchant acquisition process. We planned to achieve this by completing three objectives. Our first objective was to develop card promotions for the various systems and present them in the form of sell sheets for the merchants. Next we analyzed the current merchant acquisition process. Then we developed a streamlined merchant acquisition process and adapted it to the different systems. After completing these objectives we were able to evaluate the feasibility of each system in a comparative analysis packet and recommend the most viable alternative to the current system.

3.2 Objective One: Develop Card Promotions

Due to the possibility of losing the current card system we researched the different card technologies available and searched out partnerships with other programs that could enhance each system. We began by researching discount cards, scan cards, swipe cards, and smart cards. Next we explored the rebate and donation platforms. For our interview and survey methods, we divided the card promotions into four sections:

1. The current Boston Community Change card
2. A discount card (show and save)
3. A donation card
4. A co-branded version of any of the previous card types

For each card promotion we explored how the BCC could utilize the four standard technologies and the feasibility of implementing them. We focused on the rebate and donation features of each, analyzed the benefits and drawbacks of each system, and evaluated merchant willingness to adopt each promotion. For each promotion we created an informative, one-page synopsis of the proposed card promotion, called a 'sell sheet' (Appendix H). We used the sell sheets to present the contrasting platforms to collect feedback from merchants.

We identified the Jamaica Plain Centre/South District as prime location to conduct interviews based on merchant activity and diversity. During these interviews the merchants were presented

with one of the four sell sheets to study and the promotion was then discussed with the aid of a questionnaire. When asked about adopting each platform, merchants responded with “Unwilling”, “Somewhat Willing”, or “Very Willing”. From their responses we statistically measured the acceptance of each system (Appendix C). The remaining sell sheets were then discussed in the same manner and finally the merchant was asked to select their preferred system.

We spoke with representatives from the MBTA and Boston Public Library to discuss partnerships with each organization. We discussed the necessary steps for partnering and options for co-branding the card face.

3.2.1 Key Data Sources

The key data collected in this objective was qualitative and came from researching academic and professional articles to understand the different technologies. The result of this research was a one-page visual description of the current, discount, and donation card promotions with information about the technologies involved, their implementation, and the benefits of each. Also, we developed a multi-part deliverable that displays information about the available partnerships with the BPL, the MBTA, EzXchange, and openairboston.net. We presented these descriptions during our interviews. We evaluated implementation for each system based on our merchant interviews, discussions with potential partners, and meetings with Boston Main Streets representatives.

Using BCC archives we looked up merchant transactions and beneficiary donations over the life of the BCC program. The archives provided the information we needed to graphically depict the donations made to the Boston Community Change beneficiaries.

3.2.2 Deliverable

The first result of this objective was the set of sell sheets for the card promotions. The second deliverable was the graphs and tables displaying our analysis of merchant reactions to the sell sheets. We projected the donations generated by a new donation card based on sales and transaction data from the BCC archives. The projections depict donations using two methods at the POS; merchants offer a 2% rebate on qualifying transactions or merchants offer \$.10 per transaction. We used the beneficiary statistics from the archives to make these projections (Appendix K).

3.3 Objective Two: Analyze the Current Merchant Acquisition Process

Our second objective was to analyze the current merchant acquisition process. It was essential that we had a good understanding of the current process so that we could develop an improved process. To effectively complete the objective we conducted surveys and interviews to analyze the merchant acquisition rate, number of merchant visits required for acquisition, sales material effectiveness, and merchant perception of Boston Community Change. We constructed questions in our interviews (Appendix F) and survey (Appendix E) to target these key areas while keeping the time required for completing them short. We developed a merchant acquisition model displaying fluctuations in acquisition rates for the past two years which BCC can use to measure the future success of the program's acquisition.

3.3.1 Key Data Sources

The first set of key data was the merchant acquisition rate, which we gathered from the BCC archives. We then analyzed the merchant acquisition data by creating a graph and comparing it with the number of active representatives. This analysis provided us with the merchant acquisition rate which is the amount of merchants the program acquires per quarter since its inception in October 2006. Less concrete is the number of visits required before a merchant enrolls. There is no record of the exact number of visits per merchant, so we developed a number through BCC sales representatives and our merchant interviews. This result was important to streamlining merchant acquisition because reducing the number of visits is essential to reducing the labor involved for the limited BCC sales staff.

Through our interviews and survey we asked merchants about the strengths and weaknesses of the sales materials. We focused mainly on the merchant packet because it contains the merchant agreement, the PowerPoint presentations, and promotional materials important to advertising the benefits provided by BCC.

3.3.2 Deliverable

The result of the data collected in this objective first includes a flowchart of the current process (Appendix I). This description implemented the step-by-step process and the merchant acquisition rate as a baseline for measuring progress. The second deliverable is a wide-scale merchant response spreadsheet with the purpose of visually portraying our findings from the interviews.

3.4 Objective Three: Develop Streamlined Merchant Acquisition Systems

The merchant acquisition process is vital to the future success of Boston Community Change. To help ease the transition between the old and new processes we formulated a streamlined merchant acquisition system for each card promotion presented in Section 3.2. We then focused on eliminating complexity and time from the current process by implement automated and electronic solutions to procedures normally done by a representative. By simplifying this process Boston Community Change will be able to acquire more merchants without allocating more resources or time.

3.4.1 Key Data

The data on the current merchant acquisition system and the merchant feedback collected in Section 3.3.1 was be utilized in this section. We used the data highlighted in the responses from the survey and interviews to create an improved merchant acquisition process for each system.

3.4.2 Deliverable

The result of this objective is a set of flow charts that portray the streamlined merchant acquisition process for each card promotion including suggestions on digitizing the contracting process.

3.5 Final Deliverable: Comparative Analysis and Recommendation Packet

We created and delivered a comparative analysis and recommendation packet (Appendix I) for Boston Community Change. Our findings and analysis support our recommendations on where to improve the sales process and which alternative system is most feasible. It also contained our card promotions for each variation and the streamlined merchant acquisition process. We also implemented our studies on the sales materials and the feedback generated through them. The combination of these data sources provided the information needed to determine the best solution for Boston Community Change.

3.6 Conclusion

In this chapter we discussed how we completed our project goal. This process was done in three stages. The first stage was researching card systems and proposing their implementation into Boston Community Change. The second stage was the analysis of the current merchant

acquisition process, which involves sales materials, merchant needs, and the sales pitch process. In the third and final stage we developed a streamlined process for acquiring merchants detailing our specific propositions for each step. We compiled the results of these objectives in a comparative analysis and recommendations packet for BCC.

Chapter 4: Findings and Analysis

4.1 Introduction

Our methods and goals for the project were centered on sales and expansion for Boston Community Change's community program. We generated our findings from interviews with merchants, possible partners, the Boston Community Change sales team, and analysis of existing Boston Community Change data. We discovered the most widely accepted card platform, identified the most viable card partner, interpreted the ratings on the sales materials, and made an unexpected finding about program promotion.

4.2 Loyalty Card Systems

To determine which loyalty card platform to implement, we conducted merchant interviews to gather information on the best system. Using the sell sheets developed in Section 3.2, we received the merchants' opinions on each. The merchants answered as unwilling, somewhat willing, or very willing. Using these categories and individual comments we calculated the best card system to implement. We also took into consideration responses from our online survey of merchants in BCC as well as cardholder surveys. In addition, we incorporated data from discussions with BCC representatives.

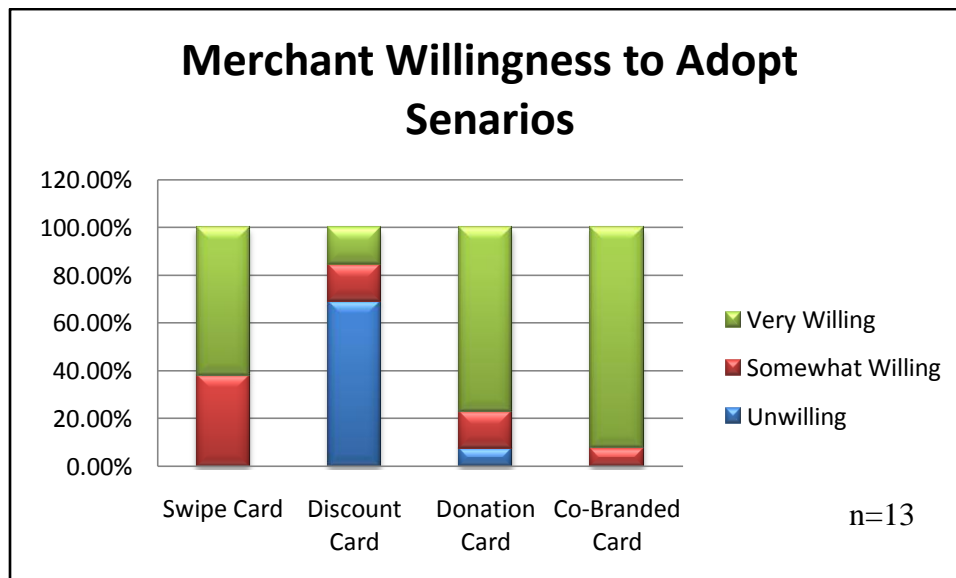


Figure 7-Merchants Willingness to Adopt Different Card Scenarios

4.2.1 Current Swipe System

The first card system we analyzed was the current BCC swipe card. As shown in Figure 5, we found that 38% of merchants were somewhat willing to continue with the current program and 62% were very willing to continue with the program. Even those merchants that recorded no change in foot traffic and sales still thought the current card was helpful. Every merchant expressed that it was important that little to no extra work was needed to transition to the new system.

4.2.2 Discount (Show and Save) Card

The discount card platform was not as well received. We found that 69% of the merchants interviewed were unwilling to adopt the discount card platform. Most believed that a regular discount card would be very time consuming considering the lack of immediate benefits to the merchant.

This is not surprising, since we found that only 22% merchants thought the BCC cardholders were interested in rebates. When looking at active card holder opinions gathered in a past BCC survey completed in 2008, as depicted in Figure 3, only 6% said they joined the program to receive cash rebates. To further this point, only 22% of inactive cardholders said they chose to join in order to gain cash rebates.

4.2.3 Donation Card

The donation card platform received the best reception among the three card platforms. As shown in Figure 5, 80% of the merchants interviewed were very willing to implement such a system. Only 8% were unwilling to adopt the donation card had, though they were among the lowest in cardholder transactions. Those businesses who cited an increase in foot traffic and sales due to the card favored the donation card over the swipe or discount card. All the businesses mentioned the importance of channeling money back into the neighborhood and, therefore, found this platform appealing. In the survey, 22% of merchants felt that the cardholders' sole purpose for getting the card was to generate donations for beneficiaries and 56% said that they thought the cardholders simply wanted to support local business. Only 22%, or 2 out of the 9 participants, felt that cardholders were selfish in their pursuit and joined only to receive cash rebates.

To supplement our findings, the BCC cardholder survey shows that 88% of cardholders polled joined to support beneficiaries. One issue with the current swipe card system is that the

majority of the beneficiaries receive little to no cash donations. We portrayed the BCC beneficiary data in a graph. There are over 600 beneficiaries to choose from but only 236 receive donation. In fact, out of the top ten beneficiaries receiving donations, as shown in Figure 7, only 1 beneficiary received more than 40 dollars since the program's inception.

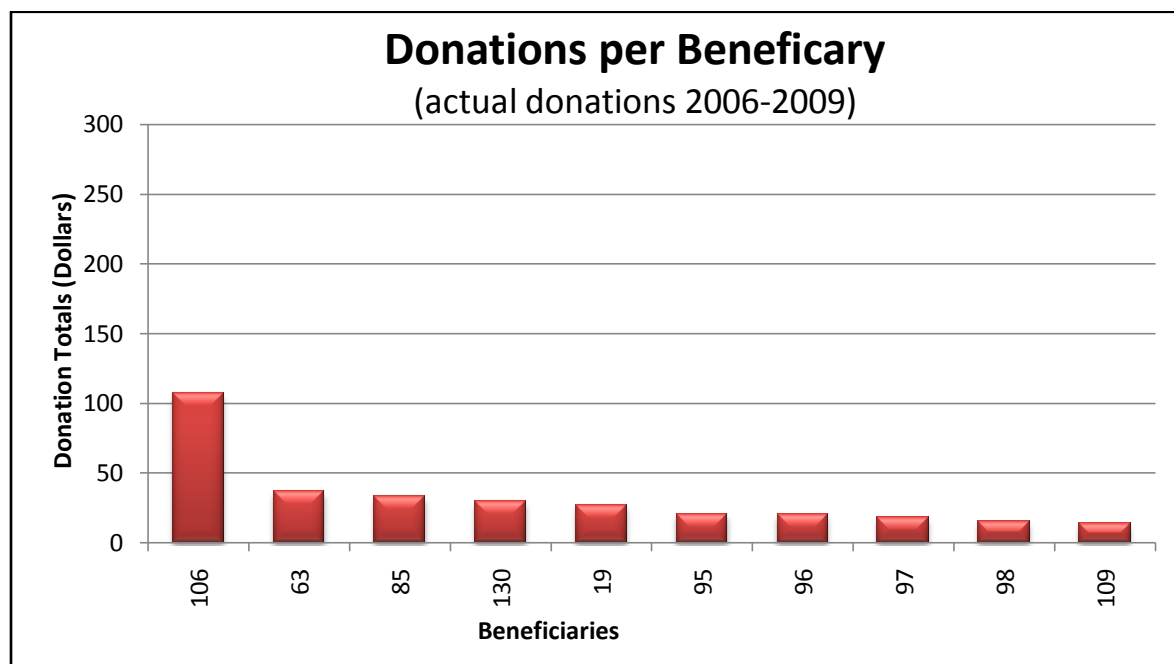


Figure 8-Total dollars received by the top 10 beneficiaries since the program's inception

Note: data from, Boston Community Change archives

We calculated the projected donations to beneficiaries if each merchant chose their own to donate to. Figure 8 shows, based on the top ten merchants in BCC sales volume, that if each merchant were to choose their own beneficiary the top ten beneficiaries would all receive over 50 dollars a year and half would receive over 100 dollars. We also calculated the projected donations based on a merchant donating ten cents per transaction to a beneficiary of their choice. As seen in Figure 9, based on the top ten merchants in BCC transactions, if merchants were to donate ten cents per transaction the top ten beneficiaries would receive less than if they donated 2% of their total BCC sales, however ten cents per transaction would still generate a significant amount more donations per year than the current system.

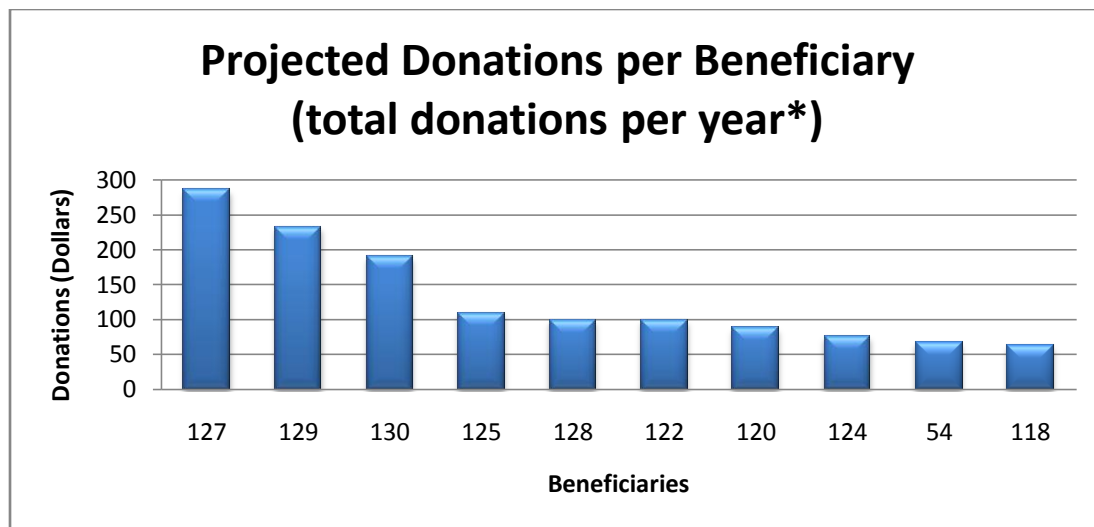


Figure 9-Projected donations per year to beneficiaries based on donating 2% of the average sales of the top ten merchants in sales volume in the BCC

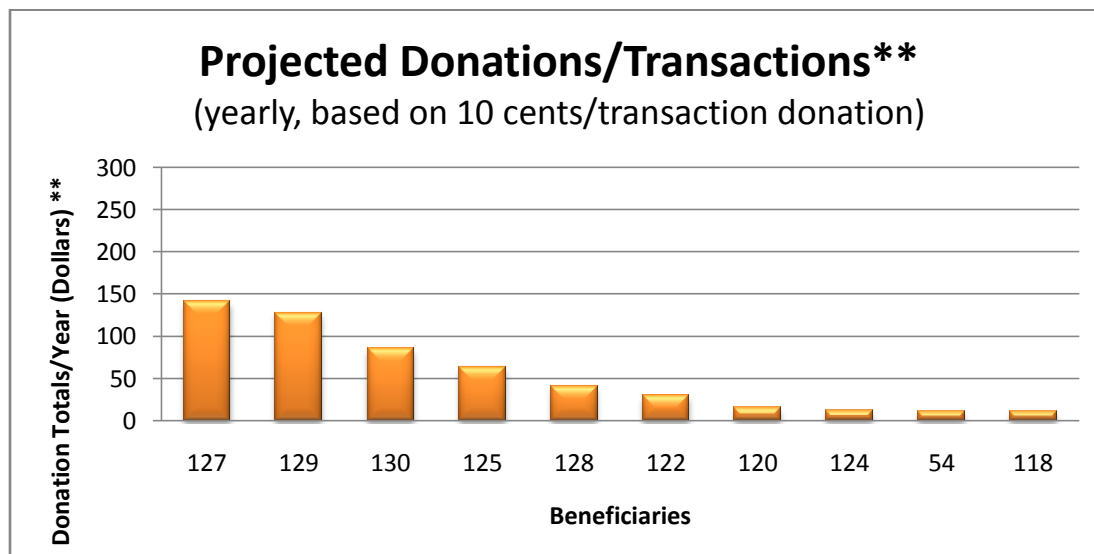


Figure 10-Projected donations per year to beneficiaries based on the top ten merchants in transactions in the BCC donating ten cents per transaction

4.2.4 Co-Branded Card

When presented with the option of co-branding the card with the BCC card, 100% of merchants' said they were "Somewhat Willing" or "Very Willing" to adopt it, as shown in Figure 5. The most important factor for the merchants was the added promotional benefits of the card. Many of them also commented on the added convenience that a multi-use card extends to the customers.

4.3 Card Partners

When we researched possible card partners the first option was the MBTA's Charlie Card. It is one of the most widely used smart cards in the nation, and one of the most basic and cheapest to produce. It is used as the main source of admittance to the five-line subway system that transports hundreds of thousands of people throughout Greater Boston every day. Since most users carry their card with them at all times, a co-branded card would be convenient for travelers looking to spend money at participating BCC businesses. Both parties would also benefit due to the promotional efforts of each company. We conducted a phone interview with Scott Henderson, a Project Engineer working with the Massachusetts Bay Transportation Authority. During the course of the interview Scott noted that the MBTA is willing to co-brand with BCC and that there are no technical hurdles in executing the partnership. He also explained that the Charlie Card is produced by Giesecke and Devrient and runs on the popular Mifare Classic smart chip. Also, the MBTA's card provider can re-print their cards to display partnerships and incorporate barcodes and magnetic stripes if required by other partners like the Boston Public Library. Another advantage of working with the Charlie Card is that the MBTA has also been working on a discount program which already offers discounts for community attractions.

The BPL has 26 different branches throughout Greater Boston and currently hosts over 2.2 million patrons per year ("A Brief History", no date). We contacted Koren Stembridge at the BPL to discuss their card and the possibility of partnering. Currently, the BPL library card is a free, simple scan card and to incorporate the card in onto the BCC card would only require a barcode label affixed to the back of it. Ms. Stembridge explained that they are working to partner with the local schools and cutting funds at the same time, so partnership in the immediate future is not possible. However, she did not discourage partnership with the Boston Community Change. Having a library card also entitles the user to rebates for other educational venues across the Boston area. For example, if a person shows their library card at the Boston Museum of Science, they are allowed to bring along three friends free of charge. Connecting the reward systems would offer a very appealing value proposition for new merchants. With such an extensive network, partnering with the BPL would immediately increase the appeal of the BCC card.

In addition to partnerships with the MBTA and the BPL, we looked into a partnership with two companies pursuing their own working relationship, EzXchange and openairboston.net. We were introduced to this partnership through our sponsor and in a partnership discussion. Openairboston.net is launching in two Boston districts, Mission Hill and Jamaica Plain. They are looking to provide wireless internet to participating merchants and residents in underserved communities. EzXchange offers a reloadable Visa card to those who do not have the ability to receive credit or open a bank account. Cardholders have the same benefits of a credit card and begin to build basic credit. Openairboston.net will provide wireless internet and allows EzXchange to reduce processing costs. Partnership with BCC would give these two emerging groups more visibility and increase BCC card versatility.

4.4 Merchant Acquisition Process

We focused on four main aspects of the sign up process for merchants: Contacting them, presenting the program, enrolling, and delivering promotional materials. We targeted the merchant acquisition experience as part of our interviews and surveys to develop a scientific data set depicting areas in the process for improvement. In addition to data gathered from quantitative answers, merchants like Salmagundi and Fresh Copy offered interesting comments and suggestions about better promotion and customer relations. Also, comments, suggestions and feedback from interviews with the BCC sales staff contributed to our findings.

4.4.1 Contacting

The cardholder opinion survey conducted by BCC in the spring of 2008 showed that 60% of the participant cardholders said they would use the card more often if businesses in their area accepted it, as shown in Figure 3. Furthermore, inactive cardholders took a similar survey and 48% said that they do not use the card because the businesses they shop at do not accept the card. In order to increase the merchant base, Main Streets representatives develop contact lists through networking events, online directories, and other connections. In our thirteen interviews in Jamaica Plain and survey responses from 9 businesses, 100% of the businesses were personally referred to the program by a member of the BCC staff.

Eight out of the thirteen JP businesses remembered personally meeting with a representative three or more times before signing up. Even in Jamaica Plain, a very community-based town, spreading the word about the program has required dedicated time and effort from

the limited BCC staff. Merchants are willing to promote the program, though, as five out of the nine survey respondents said that methods for increasing awareness of the program were “Very Important” to their decision to join and the other four said they were “Important” to their decision. Due to the program’s strong ties to the community, enabling the community to spread the word amongst residents is also very important.

4.4.2 Presenting

When discussing the program presentation, we focused on the merchant packet and personal presentation. We asked merchants to rate each aspect of the presentation on a scale from 1 to 10. As shown in Figure 8, the average rating for the personal presentation, based on helpfulness and information, was about 8.5, though the merchant packet was given an overall 7.23 on helpfulness and 7.77 on visual appeal.

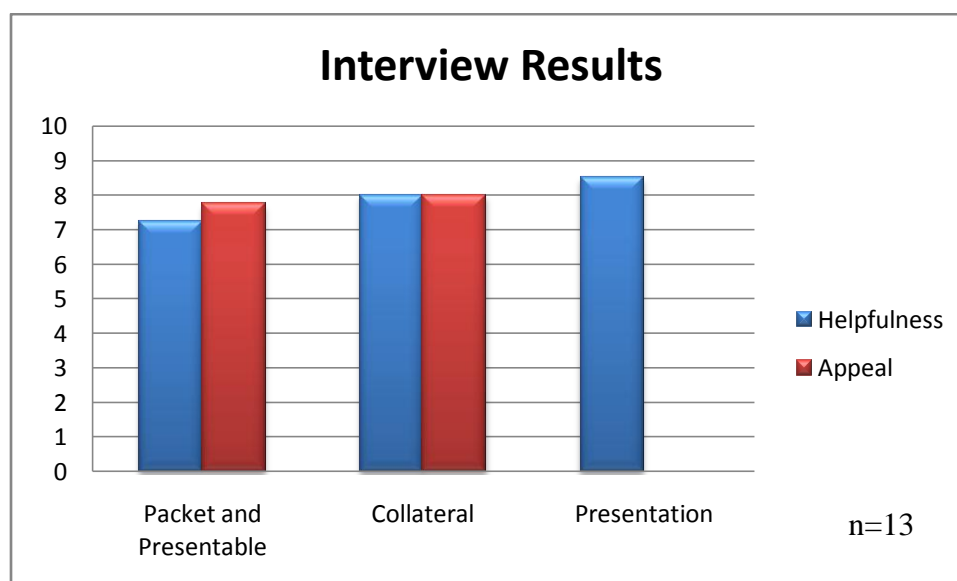


Figure 11-Interview Results on Helpfulness and Appeal of the Packet and Presentable, the Collateral, and Helpfulness of the Presentation

4.4.3 Enrolling

We posed questions to merchants in our interviews centered around their enrollment process as well. Seven out of nine said the confidentiality of their banking information was “Very Important” to their decision to enroll, and all nine said that the step-by-step POS instructions were “Important” or “Very Important” when they were deciding to join. Before merchants enroll in the program, they need to know exactly how their transaction process will change, how to properly carry out that transaction, and finally that their business is not compromised by insecure banking information management. In interviews with BCC staff and

Main Streets Managers, we found that it was often necessary for representatives to make multiple visits to merchants during the enrollment phase.

4.4.4 Delivering

Delivering promotional materials to merchants is by far one of the most important parts of the process. Delivering materials in a timely manner is very important because merchants often forget about the program if they don't immediately begin using it. During the course of our interview period, we were able to record the promotional materials that each business presently uses. In addition to the businesses we interviewed, we were able to visit a handful of other businesses that we could not interview, but did record their usage of promotional materials. In all, we recorded information for 27 businesses and only twelve of the businesses used only one type of promotional material, specifically the window decal. As shown in Figure 9, 81% of businesses had the window decal, though only 30% displayed the promotional poster.

Only 37% still had brochures for cardholders in their store, and only 7% had the rebate whiteboard. We found that at least 11% used additional promotional materials like website promotion and personalized posters and cards. This information is displayed in Figure 9. We also found that three of the businesses that used specialized promotional materials, Ula Café, Mt. Washington Bank, and City Feed all recorded increased foot traffic in their store. This is significant, because they were the only businesses that recorded noticeable increases in foot traffic.

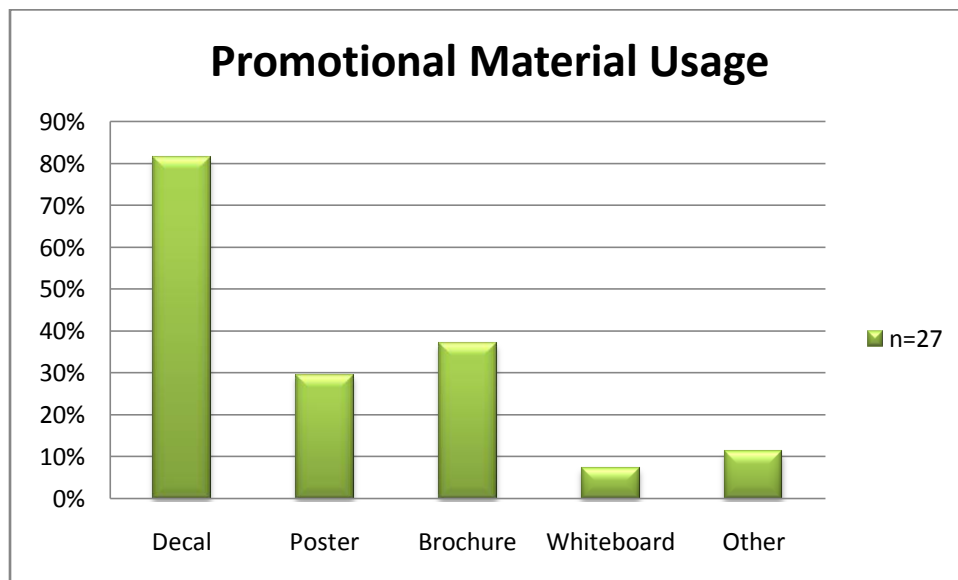


Figure 12-Promotional Material Usage by 27 Merchants in the BCC program

4.5 Program Promotion

A significant finding that we developed was with the program's promotion. All businesses that we confronted would like to see an increase in promotion and felt that this increase would greatly influence the number of cardholders, as shown in Figure 10. Also, about 31% of those polled felt that the color scheme could be improved to be more effective.

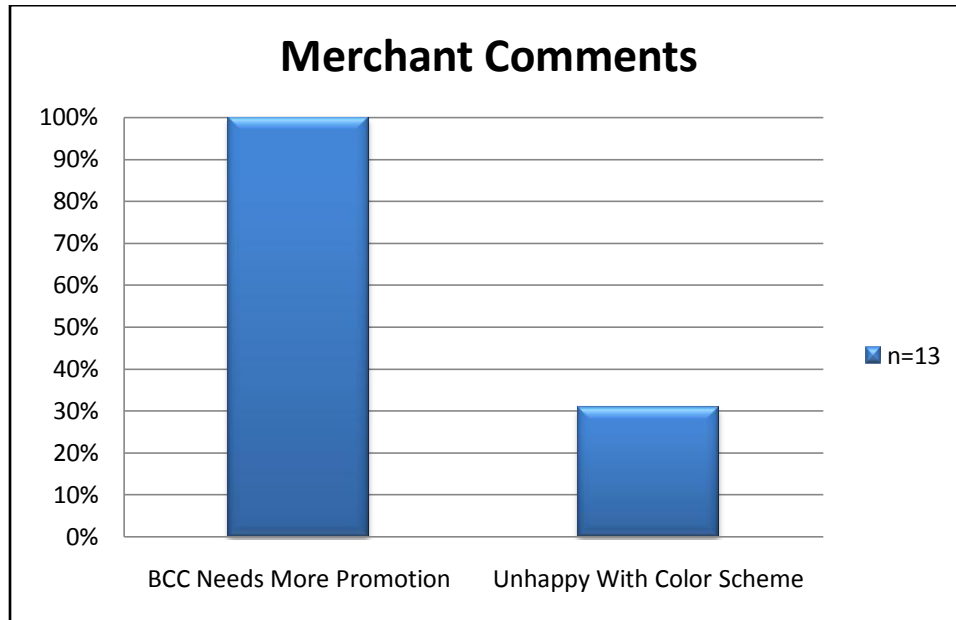


Figure 13-Merchant Comments on the lack of promotion of the BCC and materials aesthetics

Chapter 5: Conclusions and Recommendations

5.1 Introduction

After completing our research, interviews, surveys, and data collection we developed conclusions about the different card platforms, possible partners, merchant acquisition process, and the overall promotion of the program. Along with our conclusions we presented several recommendations for improvement for the merchant acquisition process and the program itself.

5.2 Card Promotions

We discussed the card promotions from Section 3.2 with several merchants involved in the program. The results of these interviews helped us to determine the preferences of merchants and the feasibility of implementing each scenario. From the results of the interviews shown in Section 4.2 we can see that only about 31% of the merchants said they would be somewhat willing or very willing to adopt a show and save discount card. Looking at comments from interviews it is clear that many of the merchants feel that the people who are using the card are doing so to support local business and generate donations rather than accrue rebates. This point is further proven by the cardholder surveys discussed in Chapter 4. Unlike the discount card the current system was more popular with about 61% saying they were very willing to stay with the system. Unfortunately there is a high probability that funding for the current system will not be granted and a change will occur. Regardless of the platform the most popular scenarios were the donation card and co-branded card. About 77% of merchants said they would be very willing to adopt the donation card and about 92% said they would prefer a co-branded card.

The high acceptability of the donation card and co-branded card led to our first recommendation for Boston Community Change. Given the merchant preferences discussed in Section 4.2, BCC should adopt a donation card platform and work to co-brand their card with the partners we have discussed.

5.3 Program Partners

Based on our findings in Section 4.3, we determined the MBTA CharlieCard is the most beneficial and viable partner. The Boston Community Change should begin working to partner with the MBTA immediately. In order to facilitate this partnership, the BCC staff should contact

Scott Henderson and arrange a meeting with the MBTA's Deputy General Manager. They will provide the BCC program with a boost in advertisement resulting in increased cardholders, merchants, and overall usage.

We also recommend that Boston Community Change actively pursues partnerships with the Boston Public Library and EzXchange. Offering additional card capabilities will increase overall promotion and card usage.

5.4 Merchant Acquisition Process

After studying interview and survey responses, we have found that setbacks in the merchant acquisition process are primarily due to the labor involved. Boston Community Change has a very limited sales staff and in order to maintain and increase merchant participation, it is necessary to adopt new ideas.

With respect to the contacting phase, we developed online request forms for the merchant packet and materials which we recommend the BCC staff implements immediately. Since cardholders have made it clear in the BCC cardholder surveys shown in Figure 3, that they would use their cards more often if the stores they frequent used the cards, we developed a merchant referral form. This allows cardholders the ability to refer a merchant to the program by accessing the "About" section on the webpage and clicking on a link that directs them to the form. The form includes fields for their information as well as for the business. We developed a similar form, the merchant information request, which will allow interested storeowners the ability to fill out their personal and business information and receive the merchant packet in the mail at their own convenience. The forms can be devised in Plone, the web management software on which the BostonCommunityChange.org website is built. Specifically, a function within Plone called formgen must be used to record data in tabular format and offer the administrator the ability to view results in the admin page. More importantly, the Salesforce PFG Adapter, available as an open-source application, transmits the user input from the Plone form directly into Salesforce. This option allows contact and basic personal information to be collected with no effort required from representatives.

Although this offers a very convenient method for data collection and business recognition, the database that the Department of Neighborhood Development maintains contains hundreds of businesses that do not currently accept the card. We recommend that BCC sends out

a single, informative brochure to each business in the Boston Main Streets districts, which would immediately spark a regained interest in the program. As merchants in the system respond very well to the appeal and usefulness of the program's materials, deploying pamphlets to non-contracted businesses will institute a rise in widespread recognition of BCC as well as an increase in storeowners interested in joining.

In order to further reduce the manual labor during the enrollment process, the Boston Community Change program should implement an online contract form. Similar to other online agreements, the terms of enrollment can be presented in a drop-down box and information fields can be used to securely collect the same information recorded from the paper copy. Salesforce and Plone software will record the merchant information and notify the BCC representatives of a new merchant contract submittal via email. An interview with Brian Goodman indicated that contracting is often a stumbling block during acquisition since merchants often need a day or two to fill it out. Online enrollment could eliminate the need for repeat visits from a program representative.

Finally, we recommend one more digital form which would greatly benefit the entire program. Since representatives need to make an extra trip to deliver promotional materials and merchants often require additional materials as time passes, a promotional material request form can record the business name and necessary items to be shipped or delivered. Data entered in this form will associate with individual Salesforce contact info and allow the District Managers and Main Streets staff the ability to either hand-deliver the loose materials or ship pre-boxed material using the Salesforce shipping label component. As was mentioned earlier, the promotional materials and collateral are important to storeowner satisfaction and enthusiasm, but they also serve to promote to cardholders and other businesses alike. Mailing the pre-boxed materials yearly to all businesses in the program would ensure merchants have the tools to promote the BCC program in their stores.

5.5 Promotion

The numerous comments made by the merchants detailing the lack of recognition of the program and the general absence of enthusiasm from the consumer; led the group to the striking conclusion that the BCC does not promote the program as aggressively as they need to, especially in the neighborhoods where there are multiple merchants. The unexpected problems

with the promotion of the program left no time for an in-depth study of the marketing principles necessary to make informed and precise recommendations.

Without the proper study it is beyond our ability to recommend any specific strategies or materials, however we can suggest that BCC increases their efforts on generating enthusiasm from the public about the program so they will enroll and begin to use their card. The current marketing materials are appropriate but we recommend that BCC expands their efforts into areas where the program is accepted by more merchants. We have a number of suggestions for Boston Community Change yet due to our lack of research and data collection on the matter will not include them at this time.

5.6 Summary

Throughout the course of our projects' objectives, findings, analysis, and research, we present to the Boston Community Change program four recommendations for future implementation:

First, the BCC program should adopt a co-branded donation card platform. Participating merchants should record BCC transactions and pledge to donate regularly to their favored beneficiary based on either transaction or sales volume.

Second, pursue a partnership with the MBTA immediately, but continue to seek partnership with the Boston Public Library and EzXchange.

Third, it is essential that Boston Community Change implements the online Merchant Information Request, Merchant Referral, Enrollment, and Promotional Material Request forms to aid in streamlining the merchant acquisition process.

Our fourth and final recommendation is that BCC increases the promotion of the program, specifically targeting areas where businesses are actively accepting the card. This includes the Promotional Material Request form and regular mailing of the materials.

By using the aforementioned recommendations, the Boston Community Change program will revitalize the cardholder and merchant base by emphasizing the community aspect of the project. By focusing on donations to beneficiaries, cardholders and merchants will regain interest in the program due to the spotlight on philanthropy. Finally, less man hours and greater promotion will increase merchant acquisition and the overall recognition of the program.

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Appendix A- Boston Main Streets

In 1995 Mayor Thomas Menino expanded the National Trust for Historic Preservation of Main Streets to incorporate Greater Boston. The National Trust for Historic Preservation is a private, nonprofit membership organization dedicated to saving historic places and revitalizing America's communities. This model is used to provide leadership, education, advocacy, and resources to save America's diverse historic places and revitalize communities ("About the National Trust", no date).

Using the National Trust for Historic Preservation model, the DND created the Boston Main Streets program to revitalize Boston's commercial districts. The Boston Main Streets was the first urban, multi-district Main Street program in the United States ("About Boston Main Streets", no date). The program is designed to help create centers of commerce, increase productivity in commercial districts, and get citizens more involved in the local community. An executive director is hired to manage financial and technical training and assistance for each of the 19 separate Main Streets districts. By using a four-step approach which involves community organization, design, promotion, and economic restructuring, they help revitalize the districts.

Appendix B- Boston Main Streets Districts

Boston Main Streets Districts	Address	Telephone
<u>Allston Village</u>	161 Harvard Ave., Suite 11, Allston , 02134	617.254.7564
<u>Bowdoin/Geneva</u>	200 Bowdoin St., Dorchester, 02122	617.436.9980
<u>Brighton</u>	358 Washington St., Brighton 02135	617.779.9200
<u>Chinatown</u>	#2 Boylston St., Suite G1, Boston 012116	617.350.6303
<u>Dudley Square</u>	PO Box 190185, Roxbury 02119	617.541.4644
<u>East Boston</u>	PO Box 584, East Boston 02128	617.561.1044
<u>Egleston Square</u>	3313 Washington Street Jamaica Plain, MA 02130	617.522.7752
<u>Fields Corner</u>	1452 Dorchester Ave., 2 nd Floor, Dorchester 02122	617.474.1432
<u>Four Corners</u>	345 Washington St., Dorchester 02124	617.287.1651
<u>Hyde/Jackson</u>	322 Centre St., Jamaica Plain 02130	617.522- 3694
<u>Hyde Park</u>	11 Fairmount Ave., 2 nd Floor, Room 109, Hyde Park 02136	617.361.6964

<u>JP Centre/South</u>	PO Box 302712, Jamaica Plain 02130	617.522.0300
<u>Mission Hill</u>	1534 Tremont St., Boston 02120	617.427.7399
<u>Roslindale Village</u>	2A Corinth St., Roslindale 02131	617.327.4065
<u>St. Mark's Area</u>	1914 Dorchester Avenue, Dorchester 02124	617.825.3846
<u>Upham's Corner</u>	594 Columbia Rd., Suite 302, Dorchester 02125	617.265.0363
<u>Washington Gateway</u>	46 Waltham St., Suite 304-A Boston 02118	617.542.1234
<u>West Roxbury</u>	1874 Centre St., 2 nd Floor, West Roxbury 02132	617.325.6400

Appendix C- Department of Neighborhood Development

One department of the City of Boston is the Department of Neighborhood Development. The main goal of the DND is to work with Boston communities to build stronger neighborhoods by providing unique services and programs. The DND contains seven operating divisions to oversee these programs. One of these is the Office of Business Development, or OBD, which is in charge of running the Boston Community Change program.

The OBD provides support for local communities and revitalizes commercial districts by providing local merchants with financial and technical resources.

Appendix D- Current Economy and the Madoff Scandal

America is in one of its worst recessions since the Great Depression. Sparked by the subprime housing market, the economy started to weaken as banks foreclose on mortgages. Many homeowners had taken out huge loans from the banks and were unable to pay. While this was happening, big investment companies were backing these bank assets and selling them overseas. Soon companies on Wall Street ran out of sufficient liquid assets and started to go bankrupt. As these companies crumbled, they effected smaller institutions and unemployment began to rise. As people lost their jobs many began defaulting on their mortgages. This has become the fate for millions of Americans and put the American economy in a downward spiral. As of March 6th 2009, the unemployment rate has risen to over 8.1%. This is higher than the unemployment rate during the great depression (United States Department of Labor, 2009). Not only are the job losses high, but they are also spread out between many different industries. This helps to illustrate how massive a crisis this is. As more people lose their jobs, the less people are willing to spend money on commercial services, which are provided by small businesses. This unfortunately directly affects all the local businesses across the country. To make matters worse, the United States was hit with the biggest financial fraud in history.

Using what is known as the Ponzi Scheme, Bernie Madoff cause hundreds of people and corporations to lose their assets. The Ponzi scheme is named after a man Charles Ponzi who used an illegal investment pyramid scheme in the 1920's (U.S. Securities and Exchange, 2001). He convinced investors that he would be able to give large returns on their assets than other investment accounts. He would then collect as many investments as possible and pay huge returns to the earliest investor to cover his tracks. This would continue with more and more investors. The unusually high, guaranteed returns would have investors coming back for more. This scheme only works as long money is still being invested. When the money runs out or too many people get involved the Ponzi scheme collapses. When the subprime housing market collapsed, Madoff's crimes were revealed.

Appendix E- Merchant Survey and Results

Constant Contact Survey Results

Survey Name: April 2009 Merchant Survey

Response Status: Partial & Completed

Filter: None

Apr 26, 2009 2:24:27 PM

1. Which of the following best describes your business?

	Number of Response(s)	Response Ratio
Bar and Pub	0	0.0%
Cafe, Bakery, Ice Cream	0	0.0%
Entertainment	0	0.0%
Grocery	0	0.0%
Health, Fitness, Beauty	1	11.1%
Home and Auto	0	0.0%
Restaurant	1	11.1%
Retail	2	22.2%
Other	5	55.5%
No Responses	0	0.0%
Total	9	100%

2. Who referred you to the Boston Community Change program?

	Number of Response(s)	Response Ratio
Another business	0	0.0%
Colleague or friend	0	0.0%
Main Streets Manager/City of Boston staff member	8	88.8%
Don't recall	0	0.0%
Other	1	11.1%
No Responses	0	0.0%
Total	9	100%

3. Would you recommend the Boston Community Change to a fellow store owner? Why or why not?

	Number of Response(s)	Response Ratio
Definitely	2	22.2%
Probably	4	44.4%
Not sure	1	11.1%
Probably Not	2	22.2%
Definitely Not	0	0.0%
No Responses	0	0.0%
Total	9	100%
4 Comment(s)		

4. Which of the following do you presently use to promote the program to your customers?

	Number of Response(s)	Response Ratio
Decals	8	88.8%
Poster	2	22.2%
Whiteboard	1	11.1%
Brochures	6	66.6%
Other	1	11.1%
Total	9	100%

5. How often do you use the Boston Community Change merchant management page online?

	Number of Response(s)	Response Ratio
at least once per day	0	0.0%
at least once per week	0	0.0%
at least once per month	0	0.0%
a few times per year	4	44.4%
Never	5	55.5%
No Responses	0	0.0%
Total	9	100%

6. What do you think is the primary motivation for cardholders using this card?

	Number of Response(s)	Response Ratio
To support local business	5	55.5%
To generate donations for local schools and nonprofits	2	22.2%
To earn cash rebates	2	22.2%
Other	0	0.0%
No Responses	0	0.0%
Total	9	100%

7. We're looking to improve the sign-up process for merchants. It would help if you would rate how important each of the following were to your decision to join.

Top number is the count of respondents selecting the option. Bottom % is percent of the total respondents selecting the option.

	Very important	Important	Unimportant	Very unimportant
The confidentiality of your banking and contact information	7 78%	1 11%	0 0%	1 11%
How to login and use the BCC's merchant website	4 44%	3 33%	1 11%	1 11%
The rebate	3 33%	6 67%	0 0%	0 0%
The vision and purpose of the program	5 56%	4 44%	0 0%	0 0%
Testimony from successful, contracted businesses	0 0%	7 78%	1 11%	1 11%
Step by step Point of Sale instructions	5 56%	4 44%	0 0%	0 0%
Methods for increasing awareness of the program	5 56%	4 44%	0 0%	0 0%
2 Comment(s)				

8. Please rate the presentations and packet given to you during the contracting process based on their appeal and attractiveness to you as a merchant. (Please feel free to comment below)

	Number of Response(s)	Response Ratio
--	-----------------------	----------------

Excellent	3	33.3%
Good	6	66.6%
Fair	0	0.0%
Poor	0	0.0%
No Responses	0	0.0%
Total	9	100%
2 Comment(s)		

9. Were you left with unanswered questions during the process of contracting with the program? If so, please add a comment!

	Number of Response(s)	Response Ratio
Yes	0	0.0%
No	9	100.0%
No Responses	0	0.0%
Total	9	100%
1 Comment(s)		

10. Do you have any suggestions on how we can gain merchants or keep them involved with BCC?

6 Response(s)

Appendix F- Interview Questionnaire

Introductions.

Preliminary Questions

1. How many years have you been in business?
2. How did you find out about BCC? (List choices: Main Street Manager, news/advertising, direct solicitation, other)
3. Which of the following hardware do you have?

UPC Scanner
Credit Card Terminal
Electronic Cash Register
Phone
Cable/Satellite Connection

Presentable

When you joined BCC, you received a packet of information to help you get started. Please help us rate the utility of that information.

1. Was the merchant packet helpful overall? Rate 1-10
2. How visually pleasing was it? Rate 1-10
3. Was the collateral (decal, whiteboard, POS cheat sheet, poster...etc) useful and effective? Rate 1-10
4. Was the collateral (decal, whiteboard, POS cheat sheet, poster...etc) visually appealing? Rate 1-10
5. What should we include to make this better?

Sales Process

1. How many visits did a BCC representative make before you signed on to the program?
2. Were the presentations you were given informative and helpful? Rate 1-10
3. What questions did you have prior to contracting?
4. Was the signing up process efficient?
5. Do you have any suggestions for improvements of the sales process?
6. Was there any ONE thing that made you join the program, what was it?

Results

1. How has BCC affected your bottom line? (List choices: More foot traffic, more purchases, higher profile for my store, more rebates issued, no change, negatively)
2. How would you rate the customer service and support provided by BCC staff?
Unsatisfied.....Somewhat satisfied.....Very satisfied
3. Do you have any overall suggestions, criticisms, or praises?

Program Scenarios (present merchant sell sheets)

1. Swipe Card with Rebate

1. How willing would you be to adopt this system?
2. Unwilling.....Somewhat willing.....Very willing

2. Show and Save Card

1. How willing would you be to adopt this system?
2. Unwilling.....Somewhat willing.....Very willing

3. Show and Donate Card

1. How willing would you be to adopt this system?
2. Unwilling.....Somewhat willing.....Very willing

4. Co-branded Card

1. How willing would you be to adopt this system?
2. Unwilling.....Somewhat willing.....Very willing

1. Of the four options presented which one was most appealing?
2. Why?
3. Of the four options presented which one was most unappealing?
4. Why?
5. Do you have any suggestions for these scenarios?
6. Which option do you believe would be most appealing to cardholders?
7. Why?

G-1

[illegible]

Appendix H- Sell Sheets



Swipe Card with Rebates

This system is similar to the current system. Each card has a unique number and is linked to a particular customer. The customer accrues rebates by using the card at participating merchants and is sent a check monthly for the total rebate.



Benefits

- Familiar System
- Community Support
- Customizable Discounts
- Advertising by the BCC
- Most Stores Need No New Technology
- Ability to Track Sales

Limitations

- Extra Step in the Sales Process
- Merchant Billed Monthly for the Rebates
- Contract Requiring Bank and Routing Information

Features

- Customer Rebates
- Donations to Schools
- Donations to Non-Profits

What is Needed?

- Discount Determined by the Merchant
- Credit Card Terminal
- Internet Access for Account Management

How It Works

1. Consumer shows the BCC Card at purchase
2. Salesperson types the total value into the credit card terminal
3. Salesperson swipes the BCC Card through the terminal
4. Terminal sends the value through the MasterCard Exchange
5. Terminal returns a "Decline" message
6. Customer pays by preferred method
7. Transaction is Complete





Show and Save Discount Card

The system is simple. A Boston Community Change cardholder presents the card at checkout and gets an instant rebate determined by the merchant.

Benefits

- Customized Discounts
- No Software Needed
- Advertising by the BCC
- No Contract Necessary

Limitations

- No Data Collection
- No Donations
- Requires Calculation at Point of Sale



Features

- Customized Discounts

What is Needed?

- A Discount Determined by the Merchant
- A Method of Calculating the Discount at the point of sale

How It Works

1. A Boston Community Change cardholder presents their card at checkout
2. The cashier subtracts the discount from the purchase
3. Customer leaves satisfied





Donation Card

Every time a Boston Community Change cardholder presents their card at checkout the merchant will make a cash donation to the non-profit group of their choice.

Benefits

- Customized Donations
- No Software Needed
- Advertising by the BCC
- No Contract Necessary
- Increased public relations
- Tax deductible donations
- Supports community



Features

- Merchant Determined Donation
- Discounts at Main streets Events

What is Needed?

- A donation determined by the merchant
- A method of tracking when a BCC card is used at their store

Drawbacks

- No Data Collection
- No Discounts
- Requires recording amount of BCC transactions

How It Works

1. A Boston Community Change cardholder presents their card at checkout
2. The cashier records a BCC transaction
3. Cashier completes the transaction





Co-Branded Swipe or Discount Card

The card would be a co-branded Boston Community Change card partnered with the Boston Public Library, the MBTA's Charlie Card as well as EzXchange and openairboston.net. These cards could work as both a swipe card or a show and save discount card.

Benefits

- Each Card can be a swipe or show and save card
- Increase in Merchants
- Increased Publicity
- Increase in Cardholders
- More Functionality

Swipe Version

- Works with any Credit Card Terminal
- Allows Donations to Beneficiaries

Show Version

- Easy to Implement
- Instant Discounts

Limitations

Swipe Version

- Contract Requiring Bank and Routing Information
- Merchant Billed Monthly for Rebates

Show Version

- No Data Collection
- No Donations to Beneficiaries
- More Responsibility for the Merchant



Features

- Use as Library Card
- Use on MBTA
- Store Money on the Card
- Pay and Save with Same Card
- Access to WiFi
- More Places to Save

What is Needed?

Swipe Version

- Discount Determined by the Merchant
- Credit Card Terminal
- Internet Access for Account Management

Show Version

- Discount Determined by the Merchant
- Method of Calculating Discount at Point of Sale

How It Works

Swipe Version

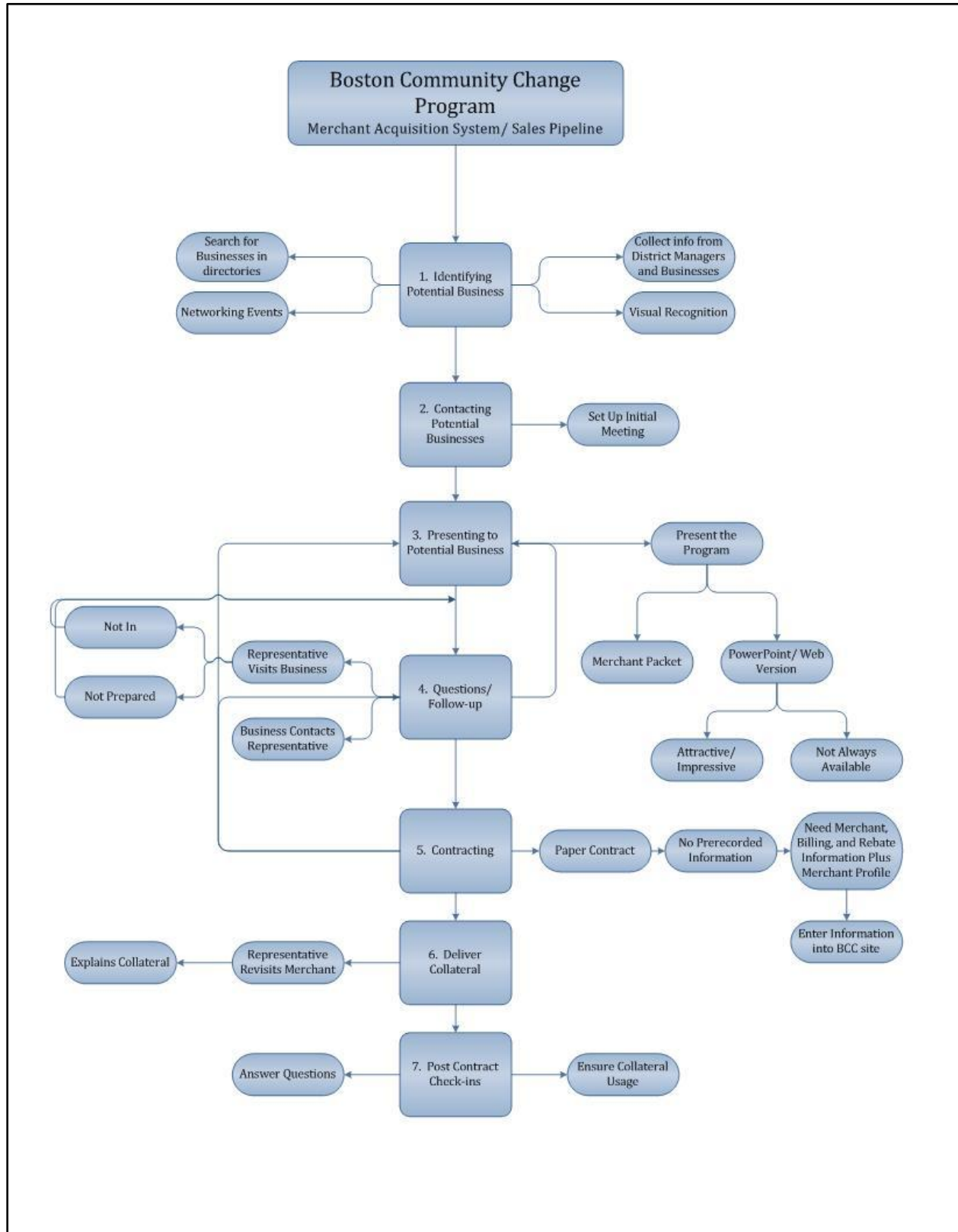
1. Customer shows the co-branded BCC card at purchase
2. Salesperson enters the amount of the transaction in the credit card terminal
3. Salesperson swipes the co-branded card
4. Card is denied but rebate information is sent in the process
5. Customer pays with EzXchange Visa card (or other means of payment)
6. Transaction is completed

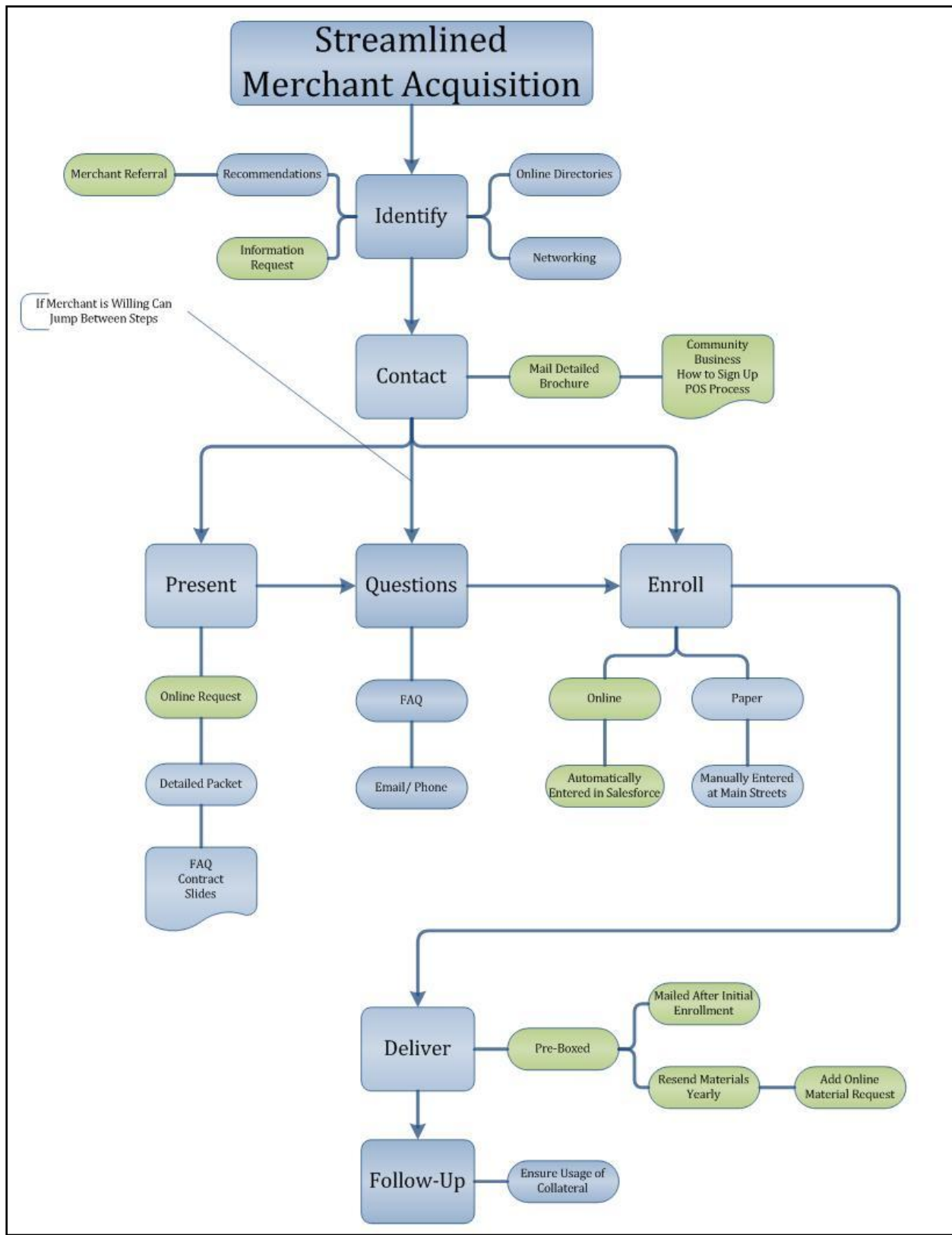
Show Version

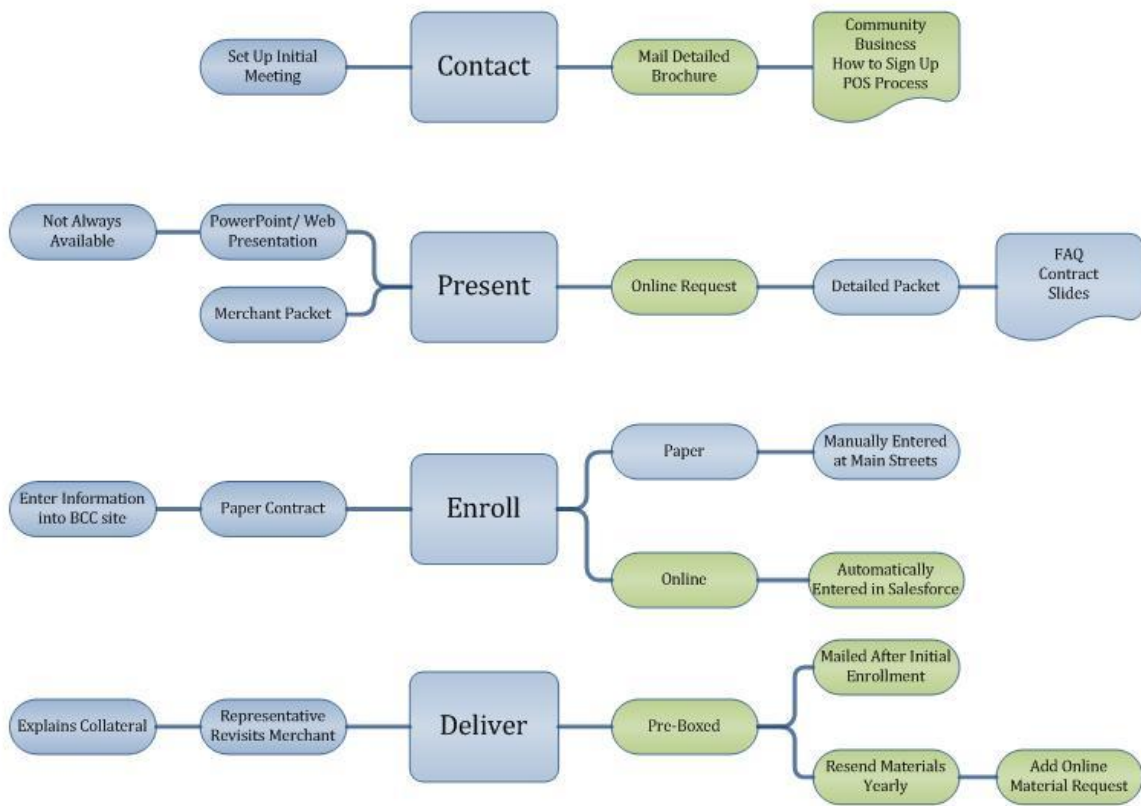
1. Customer shows the co-branded BCC card at purchase
2. The cashier subtracts the discount from the purchase
3. Customer pays with EzXchange Visa card (or other means of payment)
4. Transaction is Completed



Appendix I- Flow Charts







Appendix J- Card Holder Surveys

ACTIVE Cardholders

How did you find out about Boston Community Change?

Friend Colleague, Family Member	17%
Business	33%
Newspaper	17%
Internet	33%

What motivated you to order a card?

To Support Local Businesses	88%
To Receive a Cash Rebate	6%
To Generate a Donation for a Local Not for Profit or School	82%

What would motivate you to use your card more often?

An increase in the number of businesses that accept the card	33%
More businesses in my neighborhood that accept the card	27%
A lower minimum purchase amount to receive cash reward	20%
A larger donation to non profits	7%
Frequent reminders from program provider	13%

Please list businesses you would like to see in the program

Bar and Pub	73%
Cafe, Bakery, and Ice Cream	73%
Entertainment	18%
Grocery	91%
Health, Fitness, and Beauty	36%
Home and Auto	36%
Restaurant	73%
Retail	46%
Other	9%

NON-ACTIVE Cardholders

How did you find out about Boston Community Change?

Friend Colleague, Family Member	20.70%
Business	17.20%
Newspaper	34.50%
Internet	27.60%

What motivated you to order a card?

To Support Local Businesses	72.20%
To Receive a Cash Rebate	22.20%
To Generate a Donation for a Local Not for Profit or School	58.30%

If you haven't used your card, why not?

I never received it	3.50%
I forget to use it	13.80%
I don't know what businesses will accept it	24.10%
I shop at businesses that are not in the program	48.30%
I don't understand how the program works	10.30%

Please list businesses you would like to see in the program

Bar and Pub	39.10%
Cafe, Bakery, and Ice Cream	65.20%
Entertainment	21.70%
Grocery	95.70%
Health, Fitness, and Beauty	26.10%
Home and Auto	17.40%
Restaurant	73.90%
Retail	34.80%
Other	4.40%

Appendix K- Comparative Analysis and Recommendation Packet



Comparative Analysis and Recommendations

Presented to:

Department of Neighborhood Development

Submitted by:

Jesse Lane, Dan Moussette, Neil Nanisetty, & Kile
Simpson

Proposed: 30th of April 2009

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Program Descriptions

Presented as Sell Sheets



Swipe Card with Rebates

This system is similar to the current system. Each card has a unique number and is linked to a particular customer. The customer accrues rebates by using the card at participating merchants and is sent a check monthly for the total rebate.

Benefits

- Familiar System
- Community Support
- Customizable Discounts
- Advertising by the BCC
- Most Stores Need No New Technology
- Ability to Track Sales

Limitations

- Extra Step in the Sales Process
- Merchant Billed Monthly for the Rebates
- Contract Requiring Bank and Routing Information



Features

- Customer Rebates
- Donations to Schools
- Donations to Non-Profits

What is Needed?

- Discount Determined by the Merchant
- Credit Card Terminal
- Internet Access for Account Management

How It Works

1. Consumer shows the BCC Card at purchase
2. Salesperson types the total value into the credit card terminal
3. Salesperson swipes the BCC Card through the terminal
4. Terminal sends the value through the MasterCard Exchange
5. Terminal returns a "Decline" message
6. Customer pays by preferred method
7. Transaction is Complete





Show and Save Discount Card

The system is simple. A Boston Community Change cardholder presents the card at checkout and gets an instant rebate determined by the merchant.

Benefits

- Customized Discounts
- No Software Needed
- Advertising by the BCC
- No Contract Necessary

Limitations

- No Data Collection
- No Donations
- Requires Calculation at Point of Sale



Features

- Customized Discounts

What is Needed?

- A Discount Determined by the Merchant
- A Method of Calculating the Discount at the point of sale

How It Works

1. A Boston Community Change cardholder presents their card at checkout
2. The cashier subtracts the discount from the purchase
3. Customer leaves satisfied





Donation Card

Every time a Boston Community Change cardholder presents their card at checkout the merchant will make a cash donation to the non-profit group of their choice.

Benefits

- Customized Donations
- No Software Needed
- Advertising by the BCC
- No Contract Necessary
- Increased public relations
- Tax deductible donations
- Supports community



Features

- Merchant Determined Donation
- Discounts at Main streets Events

What is Needed?

- A donation determined by the merchant
- A method of tracking when a BCC card is used at their store

Limitations

- No Data Collection
- No Discounts
- Requires recording amount of BCC transactions

How It Works

1. A Boston Community Change cardholder presents their card at checkout
2. The cashier records a BCC transaction
3. Cashier completes the transaction
4. Merchant tallies and sends donations monthly





Co-Branded Swipe or Discount Card

The card would be a co-branded Boston Community Change card partnered with the Boston Public Library, the MBTA's Charlie Card as well as EzXchange and openairboston.net. These cards could work as both a swipe card or a show and save discount card .

Benefits

- Each Card can be a swipe or show and save card
- Increase in Merchants
- Increased Publicity
- Increase in Cardholders
- More Functionality

Swipe Version

- Works with any Credit Card Terminal
- Allows Donations to Beneficiaries

Show Version

- Easy to Implement
- Instant Discounts

Drawbacks

Swipe Version

- Contract Requiring Bank and Routing Information
- Merchant Billed Monthly for Rebates

Show Version

- No Data Collection
- No Donations to Beneficiaries
- More Responsibility for the Merchant



Features

- Use as Library Card
- Use on MBTA
- Store Money on the Card
- Pay and Save with Same Card
- Access to WiFi
- More Places to Save

What is Needed?

Swipe Version

- Discount Determined by the Merchant
- Credit Card Terminal
- Internet Access for Account Management

Show Version

- Discount Determined by the Merchant
- Method of Calculating Discount at Point of Sale

How It Works

Swipe Version

1. Customer shows the co-branded BCC card at purchase
2. Salesperson enters the amount of the transaction in the credit card terminal
3. Salesperson swipes the co-branded card
4. Card is denied but rebate information is sent in the process
5. Customer pays with EzXchange Visa card (or other means of payment)
6. Transaction is completed

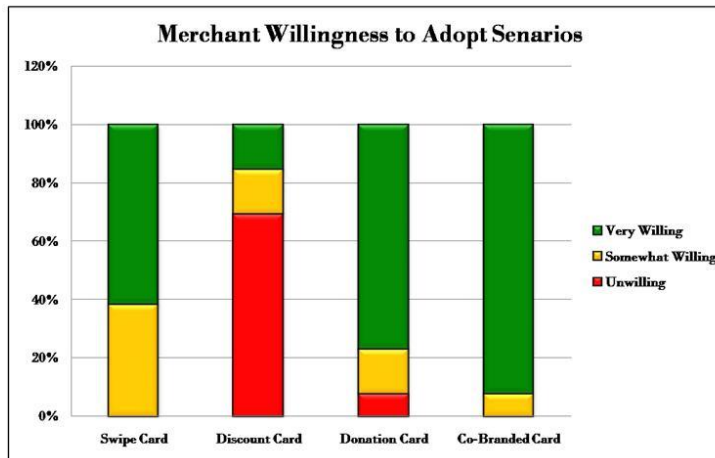
Show Version

1. Customer shows the co-branded BCC card at purchase
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4. Transaction is Completed



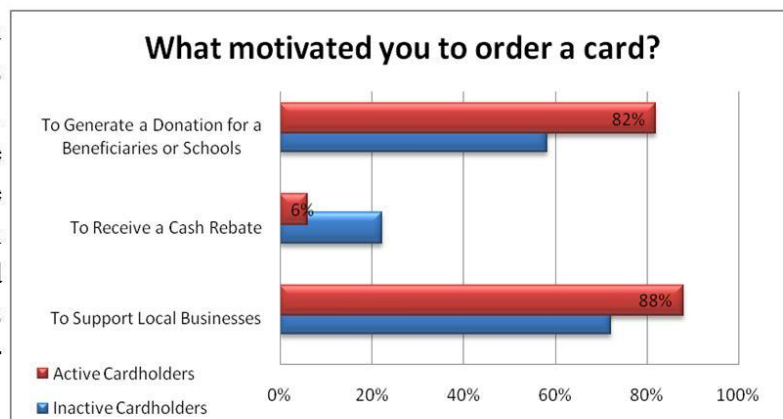
Program Scenario Data

After interviewing 13 merchants, over 60% said they were unwilling to adopt a discount card however, about 80% said they would be very willing to adopt a donation card.



When asked about adding a co-branded card, 100% of the merchants responded that they were either somewhat willing or very willing to adopt the co-branded card.

When asked in a survey why cardholders ordered their cards, only 6% of the active cardholders ordered the card for rebates and in turn about 82% cited generating donations as their motivation to order the card.



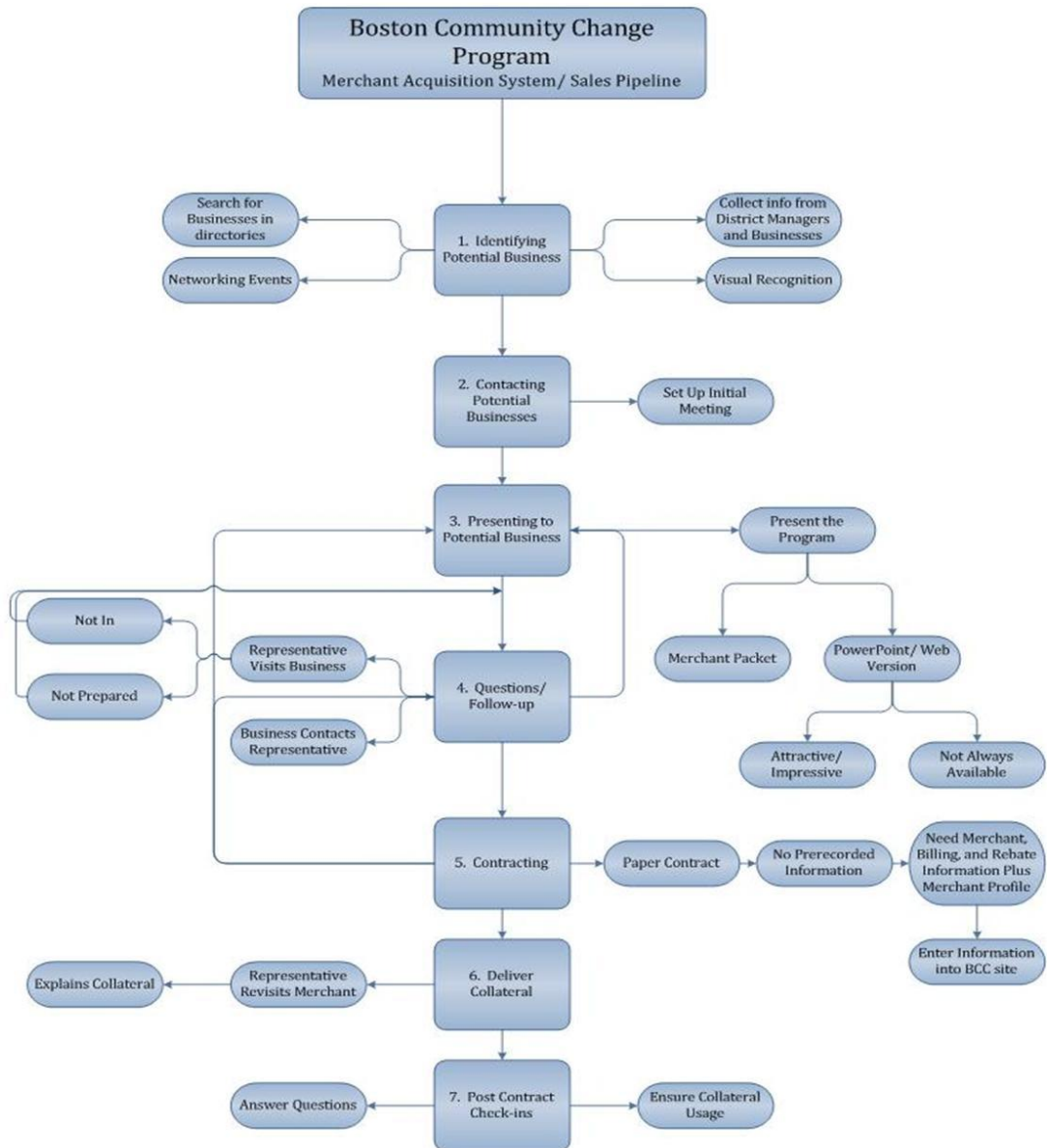
* Graph developed using data from a 2008 BCC cardholder survey question



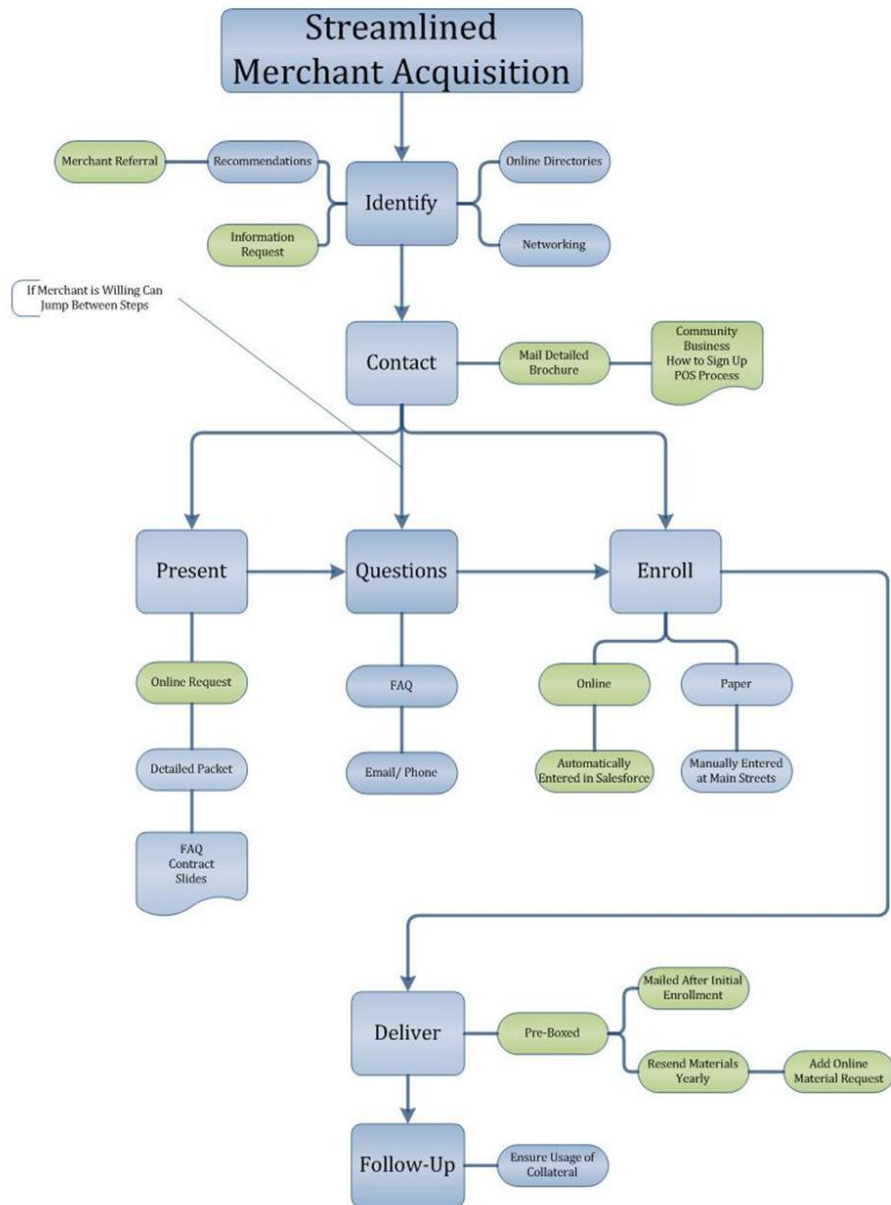
Merchant Acquisition Processes

Presented as Flow Charts

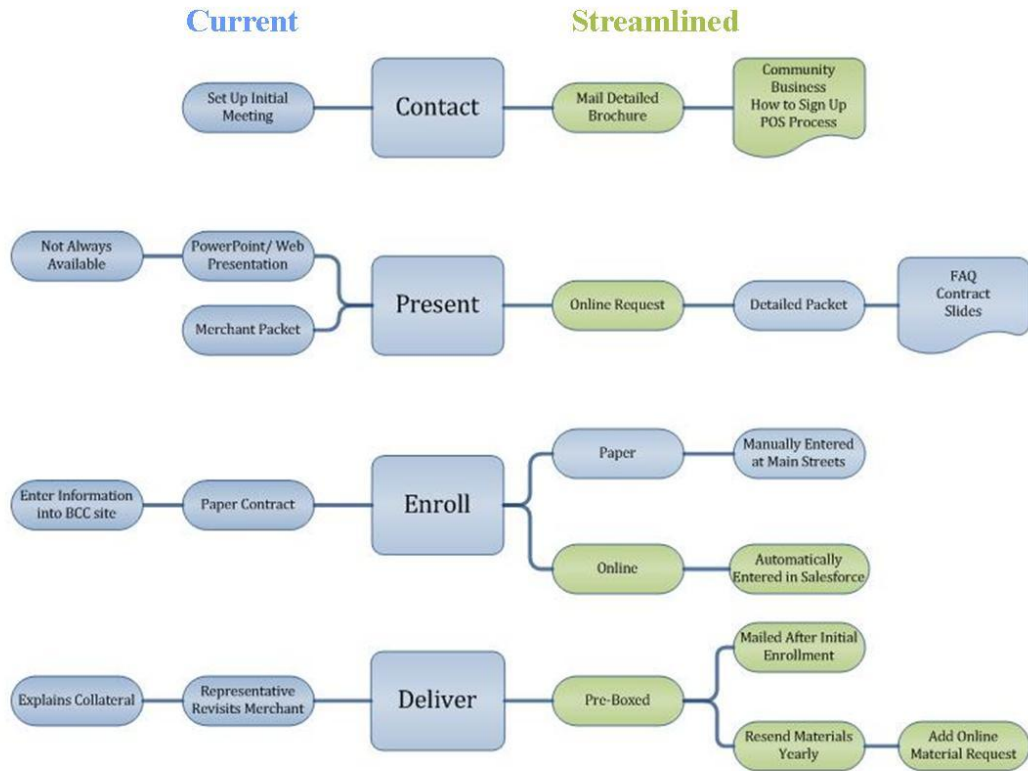
Current Process



Streamlined Process

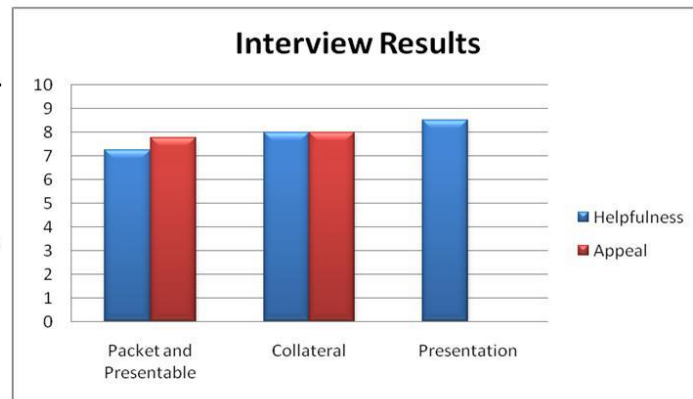


Process Comparison

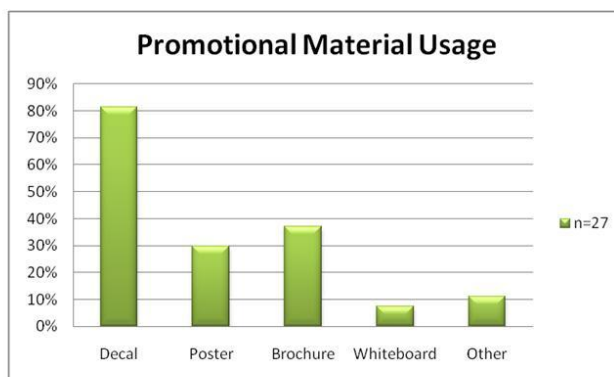


Acquisition Data

We asked merchants to rate each aspect of the presentation. As shown in the interview results chart, the average rating for the personal presentation on a scale from 1-10, based on helpfulness and information, was about 8.5, though the merchant packet was given an overall 7.23 on helpfulness and 7.77 on visual appeal.



We recorded promotional material usage for 27 businesses and found that twelve of the businesses used only one type of promotional material. As shown in the promotional material usage chart below, 81% of businesses had the window decal, though only 30% displayed the custom rebate poster. We also found that 37% of the merchants still had brochures for cardholders in their store and only 7% had the rebate whiteboard. In



addition we found that the two businesses using specialized promotional materials, Ula Café, Mt. and Washington Bank, all recorded increased foot traffic in their store. This is significant, because they were two of the only three businesses that recorded noticeable increases in foot traffic.



Recommendations

Recommendation Outline

- 1. Adopt a co-branded donation card**
- 2. Pursue partnership with the MBTA immediately**
 - a. Continue to pursue partnerships with Boston Public Library and EzXchange/openairboston.net**
- 3. Streamline the merchant acquisition process by:**
 - a. Implementing online Merchant Information Request, Merchant Referral, Enrollment, and Promotional Material Request forms**
 - b. Mail informative pamphlets to all businesses in Boston Main Streets' districts**
- 4. Improve program promotion**
 - a. Specifically target areas that have businesses accepting the card**

Recommendations**1. Adopt a co-branded donation card platform**

As seen on the merchant willingness graph on page 8, the most widely accepted scenario is a donation platform with a co-branded card. Also, the cardholder survey results portrayed in the second graph on page 8 show that the majority of cardholders signed up for the card to support local business and generate a rebate. These results brought us to conclude that a **co-branded donation card** would be the **best future platform for the program** when Nietech no longer processes transactions.

The current platform has not generated significant donations to any of the beneficiaries except for Boston Main Streets. To help improve the donation totals the merchants should choose a beneficiary to regularly donate to. This will allow the number of beneficiaries to decrease and the donations per beneficiary to increase. These relationships are shown on the next page.

For this type of card we modified our co-branded and donation card sell sheets to reflect one platform shown on page 18.

Donations Comparison

How to read this page:

Graphs are based on data collected for sales volumes and number of transactions based for active merchants since the inception of the Boston Community Change program in late 2006. The numbers will be conservative since most businesses didn't begin accepting the card until after 2006. Since projected beneficiary donations are based off total transactions for ALL active merchants over a span of TWO YEARS whether or not they were active for two years, actual donation amounts could be much greater than those projected.

The graph depicting actual donations per beneficiary is based on the actual donations recorded in the Boston Community Change management page for the 236 beneficiaries which have received donations to date. With the high number of beneficiaries, it is clear that the average donation and impact to the community is quite low.

*Projected donations per beneficiary based on a 2% donation for qualifying purchase amount, 100% of rebates donated to beneficiaries, exactly one beneficiary per merchant, and average transaction number from the last two years. Specifically, each beneficiary's donation total per year is calculated by dividing total qualifying sales volume by 2 (projecting average sales from last two years over next fiscal year) and multiplying by 5%.

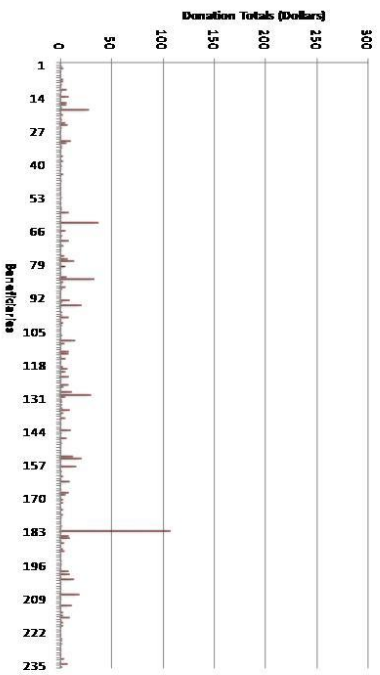
**Projected donations based on a \$10 donation per qualifying transaction and average transaction number from last two years. Specifically, each beneficiary's donation total per year is calculated by dividing total qualifying transaction number by 2 (projecting average transactions per year over next fiscal year) and multiplying by \$10 (or 10%).

Projected Yearly Donation with current card

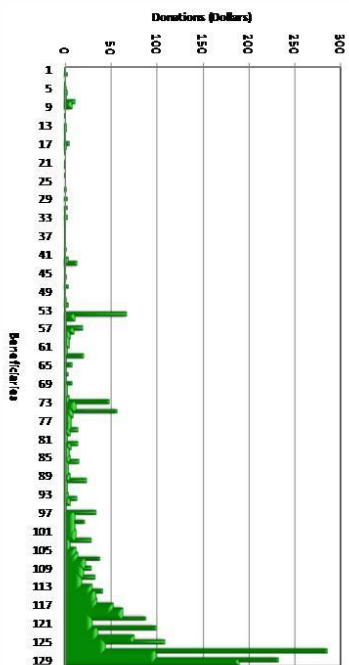
Projected Yearly Donation with Donation Card (Based on 5% donation per qualifying purchase)

Projected Yearly Donation with Donation Card (Based on 10 cent donation per qualifying transaction)

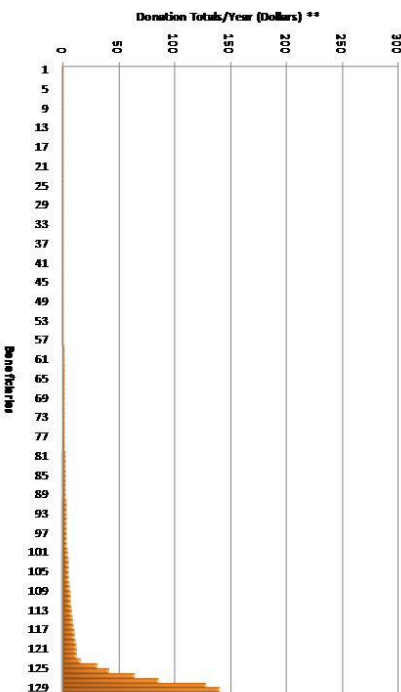
Donations per Beneficiary
(actual donations 2006-2009)



Projected Donations per Beneficiary*
(based on 2% donation per qualifying purchase)



Projected Donations per Beneficiary**
(based on 10 cents/transaction donation)





Co-Branded Donation Card

The card is a co-branded Boston Community Change card partnered with the MBTA's Charlie Card, the Boston Public Library, as well as EzXchange and openairboston.net. This platform will incorporate the most popular part of the current program with the most popular scenario for the future.

Benefits

- Can help donate and use the card for numerous purposes
- Increase in Merchant Participation
- Increased Publicity
- Increase in Cardholders
- More Functionality
- Easy to Implement



Features

- Support Community with Donations and Local Spending
- Use on MBTA or as Library Card
- Store Money on the Card
- Pay with Same Card
- Access to WiFi

What is Needed?

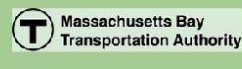
- Donation Determined by the Merchant
- Beneficiary Chosen by the Merchant
- Internet Access for Account Management
- Method of Tracking Donations or usage at Point of Sale

Limitations

- Merchant Responsible for Data Collection
- Cardholders are not choosing benefactors
- No Discount Given

How It Works

1. Customer shows the co-branded BCC card at purchase
2. Salesperson records the amount of donation or marks down a transaction
3. Customer pays with EzXchange Visa card (or other means of payment)
4. Transaction is completed



Recommendations

2. Partner with MBTA immediately

Our first recommendation involves co-branding the BCC card . After discussing partnership with several groups we have determined that the **most beneficial and viable partner is the MBTA CharlieCard**. We recommend that Boston Community Change **begins working to partner with the MBTA CharlieCard immediately**. In order to facilitate this partnership the BCC staff should contact Scott Henderson, an MBTA Project Engineer, and arrange a meeting with the MBTA's Deputy General Manager. They are already willing to discuss partnership and can provide the BCC program with a boost in advertisement resulting in increased cardholders, merchants, and overall usage.

We also recommend that Boston Community Change actively **pursues partnerships with the Boston Public Library and EzXchange**. Offering additional card capabilities will increase overall promotion and card usage.



Recommendations**3. Streamline Merchant Acquisition Process**

We developed templates for online request forms for the merchant packet and materials. We recommend implementing **an online merchant information request (p. 23)**, which will allow interested storeowners the ability to provide their information in order to receive the merchant packet to review at their own convenience. Cardholders have made it clear in the BCC cardholder surveys that they would use their cards more often if the stores they frequent used the cards, so we also developed a **merchant referral form (p. 24) to incorporate into the website**. This allows cardholders the ability to refer a merchant to the program. The **forms can be devised in Plone**, the web management software on which the BostonCommunityChange.org website is built. A **specific application within Plone called formgen will record data** in tabular format and offer the administrator the ability to view results in the admin page. More importantly, the **Salesforce PFG Adapter**, available as an open-source application, **transmits user input from the Plone form directly into Salesforce**. This option enables basic contact and personal information to be collected with no effort required from representatives.

3. Streamline Merchant Acquisition Process (continued)

To reignite an interest in the program, we **recommend that BCC sends out an informative brochure to each business in the Boston Main Streets districts.** Merchants in the system responded very well to the appeal and usefulness of the program's materials. Therefore, deploying pamphlets to non-contracted businesses will increase storeowners awareness of the program.

Since enrollment often requires multiple visits, the Boston Community Change program should **implement an online enrollment form.** Similar to other online agreements, the terms of enrollment can be presented in a scroll box and information fields can be used to securely collect the same information recorded from the paper copy. Salesforce and Plone software will record the merchant information and notify the BCC representatives of a new merchant contract submittal via email. Online enrollment would eliminate the need for repeat visits from a program representative.

3. Streamline Merchant Acquisition Process (continued)

Finally, **we recommend one more digital form.** Since representatives need to make an extra trip to deliver promotional materials and merchants often require additional materials as time passes, we recommend **a promotional material request form (p.25).** This form would record the business name and the items they need shipped. Data entered in this form will associate with individual Salesforce contact info and allow the District Managers and Main Streets staff the option to either hand-deliver the loose materials or ship the pre-packaged material using the Salesforce shipping label component.

Recommendations

Merchant Info Request

[\(close\)](#)

Learn more about the program!

Please fill in your contact and business information and we'll send you the Merchant Packet and materials

Also, learn more about the program by browsing the 'About' section

Your First Name: *

Your Last Name: *

Email Address: *

Business Name: *

Business Title: *

About the Business:

Tell us a little bit about your business and why you want to join Boston Community Change

Business Website:

Business Phone #:

Business Address:
Include City, State,
and Zip

* indicates required field

Submit

23

Recommendations

Merchant Referral

[\(close\)](#)

Spread the Word!

Please fill in your contact information and some info about the business you're referring and we'll send them the Merchant Packet and materials. Also, learn more about the program by browsing the 'About' section

Your First Name: *

Your Last Name: *

Email Address: *

Business Name: *

Business Contact: *
(and title)

About the Business:

Tell us a little bit about the business and why they should join Boston Community Change

Business Website:

Business Phone #:

Business Address:
Include City, State,
and Zip

* indicates required field

Submit

Recommendations

Promotional Materials Request

In need of materials to promote **Boston Community Change**? [\(close\)](#)

When used effectively, these free promotional materials can:

- increase cardholder usage
- increase your sales volume
- promote community support

Fill in your business's name, select the materials you need, and we'll mail them to you along with tips on increasing your store's promotion.

Business Name:

<input type="checkbox"/>	Materials
<input type="checkbox"/>	Brochures
<input type="checkbox"/>	Customer Flyers
<input type="checkbox"/>	Decal
<input type="checkbox"/>	POS Sheet
<input type="checkbox"/>	Rebate Poster
<input type="checkbox"/>	Whiteboard
<input type="checkbox"/>	Window Flyer

4. Improve program promotion

Numerous comments made by merchants detailed the lack of consumer recognition and enthusiasm. This led us to conclude that BCC can more effectively promote the program, especially in neighborhoods where there are participating merchants.

Without the time to properly study promotional techniques it is beyond our ability to recommend any specific strategies or materials. We have a number of suggestions for Boston Community Change resulting from our observations and conversations in the field, and we present these suggestions in the next section.



Promotion Suggestions

Suggested Promotional Possibilities

Increase promotion of system by:

1. Issuing Flyers and community billboards
2. Newspaper ads (Gazette has free community advertising)
3. Bus stop and subway advertising (especially when joining MBTA)
4. Promoting at community events
5. Advertising in communities with participating businesses
6. Providing merchants with customer focused brochure to help advertise to customers

Promotional Flyer



***Are you committed to shopping locally?
Do you want to support local non-profits?***

The Boston Community Change provides a card that rewards local organizations whenever you shop at participating local business.

Get your card today!

Sign up today at: www.bostoncommunitychange.org



- Doubles as a CharlieCard for access to the MBTA
- Is also your Boston Public Library card
- A prepaid reloadable Visa card
- Membership offers limited free Wifi

To Brian and whom it may concern,

Our group's intention has been to determine areas for improvement in the workings of the Boston Community Change program. We researched card platforms, customer relationship management, and merchant acquisition techniques based on national case studies, past BCC surveys, and feedback from small, local businesses. Outside of our listed findings and recommendations, we have found that merchant excitement and activity is reliant upon the cardholders' interest and activity in the program. One of the most important aspects of the program is Community, so why not embellish upon this characteristic and induce more of a community feeling in the program? If there were a way for cardholders and merchants to communicate via internet, maybe on a BCC forum or discussion board, search engines and referrals would point more users to personal discussion of the program. The more people that are talking about BCC, the more excitement and interest invoked in the city's residents. The program's potential is huge and could become incredibly successful with the help of excited, willing residents who spread the word effectively.

Our group is comprised of four individuals who chose to work specifically on a program that could benefit small business, and we will continue to keep in mind what we have learned while in Boston. Should any questions arise or should any materials be lost, we are happy to talk with you about our project and forward you any of the materials we presented in this packet. We enjoyed our time here and we'd like to thank you for the productive and friendly atmosphere as well as the memorable experiences we've shared.

Sincerely,
The Worcester Polytechnic Institute
Boston Community Change
Interactive Qualifying Project Team
Jesse Lane
Dan Moussette
Neil Nanisetty
Kile Simpson