

## **NACHA-THE ELECTRONIC PAYMENTS ASSOCIATION PAY IT GREEN™ PROJECT BRIEF**

### **BACKGROUND**

Significant attention is now focused on environmental issues and global warming trends in business and consumer practices. Industry is recognizing the environmental benefit of “greening” their work process and the value of pushing that “green” message to the consumer. Consumers are increasingly making choices based on their desire to lessen their personal – and household – impact on the environment.

Electronic payments are inherently “green”. This fact is not lost on the financial community; however, this is not intuitive and clear to the consumer. A strategic industry initiative to educate consumers on the impact that choosing electronic payments over paper payments will have on the environment will result in higher acceptance and use of electronic payments. Consumers have embraced the concept that individual action can collectively lead to real impact on the environment. Consumer behavior change occurs when an individual recognizes a clear choice between options – such as an action that offsets or sequesters the same or more carbon dioxide than is emitted<sup>1</sup> – an electronic payment is in that category.

Many financial services, electronic payment, and consumer billing organizations have all begun separate green campaigns in the past year. This industry initiative is intended to enhance those campaigns with unified industry messages, national media attention, and tools and resources – resulting in stronger campaigns across the industry and decreased development and execution costs for organizations implementing a “green campaign”.

### **PROPOSED STRATEGY**

Form the Pay It Green™ Alliance<sup>2</sup> comprised of stakeholders in the electronic payments industry – financial institutions and billing processors. The Pay It Green™ Alliance will plan and implement a campaign that will:

- Provide financial institutions with consistent messaging, information, and tools to use with their corporate and consumer customer base/audience;
- Develop “white label” materials for financial institutions and billing companies<sup>3</sup> to use with their corporate and consumer customer base/audience;

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<sup>1</sup> Terms such as “carbon neutral”, “carbon positive”, and “carbon negative” are used interchangeably despite being separate actions/reactions.

<sup>2</sup> Named October 2, 2007.

<sup>3</sup> Includes government(s) with respect to consumer billing and payment.

- Inform and educate consumers of the environmental benefits to electronic payments (and electronic billing);
- Position the financial services industry as environmentally responsible and the cumulative impact on the environment as electronic payments replace paper-based payments.

## **PROPOSED TACTICS**

The public discussions of environmental issues, global warming trends, and industry and personal “carbon footprints” will accelerate as the country moves into the 2008 presidential election season. The Pay It Green™ Alliance will develop and make available resources and “white label” tools well in advance of Earth Day 2008 (April 22) and leverage the media channels in April 2008. Proposed deliverables will be delivered in electronic format(s) and include:

- Original research
- Macro statistics projecting and measuring cumulative impacts
- Message development
- Launch Pay It Green™ website
- Best practices/Case studies
- Consumer news article placement (print and online)
- Media interviews
- Audio and video news tour(s) and release(s)
- Partnering opportunities (environmental organizations, states, cities)
- Presentation decks for Alliance partners
- Speaking opportunities at industry events

Potentially, the Alliance could develop “white label” print, radio, and online advertising creative that approved organizations could brand and execute in their market. The cost of developing advertising creative can be significant. The feasibility of underwriting such an element would be an Alliance consideration and decision.<sup>4</sup>

## **PROPOSED RESULTS**

The campaign will result in similar, but distinct, outcomes for financial institutions, billing companies, and consumers.

### **Financial Institutions**

- Increase visibility as a corporate environmental leader
- Provide corporate customers with valuable tools/resources
- Improve consumer customer use rate
- Opportunity to migrate more customers to online/home banking platform
  - Increase consumer customer use of electronic statements

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<sup>4</sup> Not currently included in funding proposal

- Potential aggregation opportunities working with corporate/billing companies
- Positive public relations

### **Billing Companies**

- Increase visibility as a corporate environmental leader
- Improve customer use of both electronic billing and payments
- Decrease costs spent on processing paper
- Positive public relations

### **Consumers**

- Recognize the avoidable waste resources in paper billing and paper payments
- Understand the benefits of electronic billing, statements, and payments
  - Reduce overall household paper
  - Save time and costs
  - Improve access, recordkeeping, and storage
  - Decrease identity theft/fraud risk
  - Improve credit rating
- Increase positive perception of electronic payments

## **MILESTONE TIMELINE**

The following suggests a guideline of milestone dates.

### **2007**

October	Determine needs, finalize plan, and allocate resources
November/December	Research, web, toolkit build

### **2008**

January/February/March	Key deliverables ready for market
April	Media outreach and activities
April 22	Earth Day
May	Evaluate project and opportunities
July	Measure campaign metrics/success
September	MMG assumes long-term management

## **PROPOSED BUDGET/ALLIANCE STRUCTURE**

The Pay It Green™ Alliance is a self-funded industry campaign focused on meaningful and actionable deliverables. The leadership organizations will be highly visible and will gain recognition from corporate customers, consumer customers, and media. This industry collaborative campaign will provide the financial services community with the “green” platform that is deserved, but largely unrecognized. **Alliance organizations will be featured in all aspects of the campaign** – from the website to media spokespeople.

NACHA – The Electronic Payment Association will manage the campaign and underwrite staff resources, meeting and general overhead expenses. A number of advisor/liason seats have been named and several analyst firms are involved.

A leadership team will oversee the Alliance, working in tandem with the *Marketing Management Group*. The *Marketing Management Group* has the experience, expertise, and contractors in place to develop and implement this initiative quickly and cost-effectively. The Alliance will name a sunset date and turn over the long-term management of materials and project monitoring to the *Marketing Management Group*.

### **STAFF CONTACT**

Robin Reeder, Senior Director, Communications and Industry Marketing, NACHA-The Electronic Payments Association, [rreeder@nacha.org](mailto:rreeder@nacha.org) 703.641.0005

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