

Green Dot



“TSYS provides a great deal of comfort on the back-end issues. I don’t have to ever worry about overwhelming their capabilities.”
Steve Streit, CEO

The Opportunity

Make it simple for retailers to sell branded, prepaid cards to the mass market.

The Solution

Partnering with TSYS® to leverage truly scalable, back-end debit and prepaid card processing with efficient statement services to offer key customers the ability to create a custom solution. Through this partnership, Green Dot gained the technology backing that allowed it to focus on becoming the leader of the fastest growing card segment in the United States. “TSYS provides us with endless growth potential,” said Steve Streit, founder and CEO of Green Dot.

The Benefits

- TSYS’ payments back-end processing platform, which services leading issuers such as Target, Circuit City and Nordstrom, supports Green Dot’s retail partners.
- Statement services provided by TSYS — one of the largest first-class mailers in the U.S. — have some of the lowest error rates in the industry.

- Green Dot can now focus its full attention on growing this emerging market while benefitting from TSYS’ scale and expertise in back-end processing. “With TSYS, we can focus our efforts and investments on managing our clients and customer service for the consumers who buy our prepaid cards,” Streit said.
- TSYS has a client-focused tradition of helping its customers solve problems, deliver on needs and create opportunities. “From the first conversation we hit it off, and they understood that we were trying to create something different,” Streit said.

The Case

When Steve Streit set out in late 1999 to create a next-generation prepaid product, there were more skeptics than believers. Conventional wisdom was that prepaid cards would not be accepted by mainstream America. However, Streit’s vision for an innovative prepaid product that would benefit both retailers and card-loving Americans has certainly been embraced by the masses since its launch.



"I believed that this product would appeal to a wide variety of consumers, from the unbanked and credit-challenged to the high-end consumer who wants to shop more securely online and the parent who is searching for a better card alternative for their college-bound children," Streit said. "We were trying to figure out this opportunity when we met TSYS, which was also trying to learn about this market at the time. Together, we created this vision and brought it to the market."

The outstanding success of Green Dot has been noticed by the industry. Streit took an idea, and with determination and innovation, drove the expansion and acceptance of reloadable prepaid in the marketplace. Green Dot, in partnership with TSYS, has been successful in creating a prepaid card that consumers love, but also improves the profitability of retailers.

Today, California-based Green Dot is the largest prepaid card company in America with a 95 percent share of the retailer-sold market. It also has the largest loading network, with more than 50,000 locations. Since going live with its product in 2001, the company has signed multiple retailers, including marquee chain stores such as: Rite Aid, CVS, Brooks/Eckerd, Hess, Radio Shack, Walgreens, The Pantry convenience stores and many others.

"We are the leaders, and we have barely scratched the surface of this opportunity," Streit said. "Consumers love it, because they control how much money they put on the card, and they use it to treat themselves for their own purchases. Retailers profit by having a product that consumers want and associate with their store, but can use everywhere."

Green Dot's MasterCard- and Visa-branded offering is, today, increasing foot traffic at retailers as a result of more repeat consumers who trust it the way they do cash or any other branded card. For retailers, the impact has been extraordinarily profitable. Like prepaid phone and wireless cards, reloadable, branded prepaid cards have become a lucrative Stock Keeping Unit (SKU) for retailers — one that is profitable, low risk and rapidly becoming a leading-destination product.

"Retailers are seeing an increase in foot traffic in their stores. If you are a grocer, you have a product like milk that makes you a destination for customers. Our product is doing that for merchants," Streit said. "It's not uncommon for one of

our chains to have up to 100,000 unique visits per month because of this product. Retailers know they have to be in the prepaid business, and they realize this is a great SKU to sell." In addition to driving traffic and sales, consumers are increasingly reloading and reusing the cards — often at the chain where it was purchased. "The average value placed on the cards is increasing, and we are seeing the reload amount get larger too," he said.

At the same time, retailers' store-branded gift cards, offered along side Green Dot prepaid cards, are not jeopardizing the viability of their products. "A gift card is something you buy for someone else. This is something you buy for yourself. Since you pay a fee for it, it is valuable to you," Streit said. "It only strengthens the entire category of prepaid cards."

In the last several years, Green Dot has established a cash-acceptance network, now the largest in the United States, which enables cardholders from all issuers, who join Green Dot's network to reload their prepaid cards at 50,000 locations nationwide. Additionally, Green Dot has partnered with large banks and wireless carriers, who create their own branded, prepaid-debit cards.

TSYS worked for more than a year to help Green Dot deliver on the promise of a reloadable prepaid card. The company provides back-end debit and transaction processing, branded-card production, statement production and has helped Green Dot's customers create unique capabilities.

Today, Streit is focused on continuing his ambitious growth model to include increased circulation of this innovative product, expansion of what is today the largest reloading network in the United States and increased product innovation and functionality to further enhance the value of prepaid to his customers. Streit's team at Green Dot is dedicated to servicing clients and operating a specialized customer-care facility, which, in partnership with TSYS, provides the best service in the industry.

"TSYS has been and continues to be a valuable partner to Green Dot. They have clearly been a key ingredient in Green Dot's recipe for success," said Streit.

TO LEARN MORE

Visit www.tsys.com/prepaid, call +1.678.566.4188, or e-mail prepaysales@tsys.com

GET TO KNOW TSYS
www.tsys.com

ASIA-PACIFIC
+86 21 68801088

EUROPE
+44 (0) 1904 562004

JAPAN
+81.3.5428.8425

SOUTH AMERICA
+55.11.5501.2081

NORTH/CENTRAL AMERICA,
MEXICO & THE CARIBBEAN
+1.706.649.2307