

ACE Cash Express Petition Message Development: Qualitative Topline Findings August 27, 2015

Background/Objectives

ACE Cash Express sought customer insights to craft messaging motivating customers to sign a petition on whitehouse.gov; urging the administration to reconsider the Consumer Finance Protection Bureau's (CFPB) rules restricting short-term loans for consumers. The current findings will be used to develop messages and communications strategies to maximum potential impact.

The overall objectives for the present study include:

- Determine strategies around how to present the petition case to customer groups
- Identify positive themes around which to build messages
 - Are most resonant and relevant
 - Are most effective at symbolizing the benefits consumers find useful
 - Provide the most compelling reasons to take action
 - Fit well with ACE, representing brand/heritage
- Define priority of messages – which ones to lead with, which ones are support/secondary

Study Design and Participation

The study consisted of five 1-hour individual depth interviews (IDIs) and five 1-hour triad interviews at Dallas by Definition in Dallas, TX. A total of 10 females and 11 males participated. Participants were paid \$75 for their commitment to the process. Participants included ACE payday loan customers, active in the past 60 days, with two more loans repaid in the past year.

In the study, we used an iterative process starting with concepts hypothesized to be of interest to customers, and were revised based on customer feedback for the following day.

Karen Seratti, PhD, (the moderator) explored customer opinions about an introductory paragraph outlining the issue of CFPB considering restrictions to short-term lending, along with some specific details about the restrictions and a call to action for signing the petition. Discussion followed. Next participants looked at several themes and discussed how necessary the information was, as well as how to motivate them to sign the petition. Finally, participants were forced to choose the top three themes, using green stickers to indicate the most important message, yellow stickers to indicate the second, and red stickers to indicate the third most important message. Participants were asked to craft a subject headline for an email, and finally, were asked how they might hear this important information.

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Key Findings

Short-Term Loans are a Critical Financial Tool

- Many described short-term loans as a necessary financial tool, and a critical part of their financial future. Most had used between 3 and 10 loans in the past 12 months, and could not think of how they could stay current on bills and deal with emergencies without them.
- In addition to *needing* the loans, most said they *wanted* to borrow money this way. Many said they preferred getting loans this way over going to the bank, although some admitted their poor credit rendered it their only option. They described the process as convenient, quick, and low hassle.
- They equate the loans with privacy: no one else needs to know about the loans they take with ACE. They appreciate an opportunity to get the money they need without having to tell anyone else.

CFPB Rules Restricting Short-Term Loans

- After reading the general introductory paragraph, almost all participants said they were not aware of the proposed restrictions. One or two thought they might have heard something from an ACE store associate, but were not sure.
- Customers questioned why the government would want to restrict loans to 90 days total in a year, or why they would impose a 60 day moratorium to individuals who were current in the payments and paid loans back in full.
- Many expressed disbelief, and in some cases, doubt. They felt certain there would have to be a work-around, such as going to another loan vendor or taking a different type of short-term loan, such as a title loan.
 - In some cases, it was hard to convince customers that the paragraph was true and the threat to their loan accessibility was real.
 - When convinced the message was factual, several thought it was a government plot to redirect loans to the big banks.

The IDEA that Will Motivate Them to Sign

- *My finances are my responsibility, and not that of the federal government.* Customers want to tell the government to stay out of their business, and stop trying to fix a process that works.

Reasons to Take Action

- *The federal government is trying to limit your ability to get the money you need.* This message is enough to get customers' attention. While most come to like some of the details such as the 90-day restriction and 60-day moratorium after discussion, these

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details confuse many customers and distract them from the idea of signing the petition.

- *If, by October 7, 100,000 American sign a petition saying they do not want their access to short-term loans limited, the White House will officially respond to their request.* Customers mention this request should include a website, link, or other easy-to-use instructions for how to do that.
- *Please work with us to make sure the government knows that short-term loans are a financial tool you need and want.* The statement used the term “are a critical financial tool” in testing; however, some customers asked what critical meant. Simpler, consumer-friendly language is preferred. Once again, this message should include specific instructions of what the customer needs to do, how, and in what timeframe.

Supporting Evidence

- *The state of Texas has allowed small-dollar lending for over 10 years, and this should not change.* Customers say this point acts as supporting evidence of the process currently in place.
- *Some of the rules include:*
 - *Out of 365 days in a year, you could only have an active loan for 90 days total*
 - *Every time you pay back a loan, you have to wait 60 days before you can get another.*

The specific restrictions provoke an outburst from those who use loans frequently and consistently, which is good, but it confuses them at first and takes quite a bit of time to explain. It is great information that might be explained better in-store by a sales associate or online with a graphic or an analogy as reference point.

- *Over 12 million Americans like you have used payday advances for short-term help over the past year.* Several customers, particularly female customers, find this number quite surprising: they have no idea so many Americans use short-term loans. They find this fact comforting because it lets them know they are not alone in needing financial help every now and then. Some mention that helping other people in need offers yet another reason to sign the petition.

Signing the Petition

- A few participants have signed petitions in the past, most often related to their jobs.
- Most agree they would be willing to sign this petition to prevent their loans being restricted, however they must be:
 - Made aware of the issue (they are not right now).

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- Convinced the issue is real, and once the rule is in place it will not include a work-around or exceptions.
- Impressed with the urgency of signing the petition today; not procrastinate and risk forgetting about it.

How They Will Learn About It

- Participants will learn about the issue in-store or via email. Some might also respond to a mailer or a reminder on social media. If they have questions, they may visit the ACE website to learn more.
 - Most agree that multiple messages across a variety of media will help the message get noticed and act as a reminder to sign the petition.
- This audience of frequent users is in the store often to make payments. Most of them are very familiar with the store and its employees, and look there for products, offers, and other information.
 - However, if they do not sign the petition right in the store, they need an easy, high impact reminder to take home.
- Several read emails from ACE; especially with intriguing subject lines. They want the email to give them simple instructions and a link to the site to sign the petition.

Captivating Subject Lines

- Customers later craft attention-getting subject lines. Some include:
 - Tell the Government to Leave Our Loans Alone
 - Stop the Government from Taking Away Your Payday
 - New Rules May Take Away Your Right to Borrow Money
 - Act Now. Don't Wait Until It's Too Late

KEY ELEMENT MESSAGING

Some of the communication methods that will be utilized are Email, Store Signage, and the Petition website itself. Suggested content is as follows:

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Email Message

ACT NOW: Stop the Government from Taking Away Your Payday

The federal government is trying to limit your ability to use payday loans. New rules proposed by the government would change payday loans for everyone making it harder – sometimes impossible – for you to get the money you need. Over 12 million Americans like you have responsibly used payday advances for short-term help over the past year. Don't let the government take away your right to this financial tool.

Act now to protect your financial freedom by signing the petition.

[Sign the Petition Now](#) ➔

If, by October 7, 100,000 Americans sign saying they do not want their access to short-term loans limited, the White House will have to officially respond.

In-Store Signage Message

ACT NOW: Stop the Government from Taking Away Your Payday

The federal government is trying to limit your ability to use payday loans. New rules proposed by the government would change payday loans for everyone making it harder – sometimes impossible – for you to get the money you need.

Some of the rules include:

- *Out of 365 days in a year, you could only have an active loan for 90 days total. **What will you do the other nine months out of the year when you can't get cash?***
- *Every time you pay back a loan, you have to wait 60 days before you can get another. **What would happen if you were forced out of payday loans for 60 days?***

Over 12 million Americans like you have responsibly used payday advances for short-term help over the past year. Don't let the government take away your right to this financial tool.

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Ask your store associate for more details and act now to protect your financial freedom by signing the petition at www.petitions.whitehouse.gov.

If, by October 7, 100,000 Americans sign saying they do not want their access to short-term loans limited, the White House will have to officially respond.

Petition Message

WE PETITION THE OBAMA ADMINISTRATION TO:

We ask the United States government to leave payday loans alone. New rules proposed by the Consumer Financial Protection Bureau greatly limit our right to financial freedom.

Some of the rules include limiting us to only being able to borrow money for 90 days out of the year and being forced to wait 60 days between loans. If these rules become law, many of us don't know what we'll do.

Why are you unfairly targeting us? These changes won't impact you personally, but they will impact us. We use these loans responsibly and will be backed into a corner if they go away.

Payday loans are a tool that works for millions of Americans and we do not want them to be limited. We believe finances are a personal responsibility, and not that of the federal government.

We would like the government to hear our voices and leave payday loans alone.