

# Branded Marketing LLC

By Paybefore Staff

Start-up Branded Marketing LLC is still a month away from launching its first prepaid products, a line called Pr1macard, but its Senior Vice President and General Manager Duane Jacobsen is confident that the value-added benefits the company is integrating into its cards will stimulate adoption and create stickiness that leads to loyalty and long-term use.

be issued with up to four additional Pr1macard Duo cards for family members. Jacobsen, a veteran of American Express, Clarity Payment Solutions and TSYS, joined the company in October 2007, to support founders President/CEO Richard Jackowitz, Executive Vice President Mark Colyer and Chief Marketing Officer Anthony Uva in bringing their concept to fruition—creating a line of value-



Duane Jacobsen, Senior Vice President and General Manager, Branded Marketing

opportunity to build a system that seamlessly integrates telephone calling and financial services through a prepaid card. There's real synergy, yielding real savings for the cardholder."

## brandedmarketing™

The core of the prepaid product line is the MasterCard-branded Pr1macard, a general purpose reloadable spending card, targeted to Hispanics and Latinos. In addition to supporting the expected functionality—ATM access and signature-based purchasing—the card includes bill payment and reward features. The reward is in the form of free domestic and international telephone calling value, up to \$4 for every \$100 loaded onto a card. And, the company is developing a process to analyze cardholders' financial transactions to create a usage history that it hopes can be used to build a financial profile and payment history. Two variations of the Pr1macard, the Pr1macard and Pr1macard Elite, also offer remittance functionality and may

added prepaid card products with strong appeal in ethnic communities. Although the first rollout is being targeted to the Hispanic/Latino community, Jacobsen says the concept can be adapted for other ethnic groups as well.

Why the ethnic orientation? Jacobsen notes that ethnic communities, with large populations of immigrants, are dependent on their telephone calling cards to stay connected to friends and family at home. "People in ethnic communities spend a lot of money on prepaid phone cards and sometimes the terms aren't fair," he explains. "And, this group is typically underserved by traditional financial institutions because it lacks financial literacy about how money is handled in the United States. We saw the

A unique aspect of Branded Marketing is its ownership of a switch that enables calling to Latin America very economically. "With our rates, the \$4 in calling value that a cardholder earns when he loads \$100 to a card gets a lot of minutes if he's calling Mexico City, for example," says Jacobsen. In addition, Branded Marketing has developed, with one of its partners, a patented technology called Pay Per Spot, which delivers targeted advertising. Seven- and 15-second audio messages can be delivered anywhere along the IVR chain. Based on robust and specific financial spending data, the ads target cardholders' general demographics and their spending behaviors.

Responding to a question about how Branded Marketing will compete with established brands that target the underserved population, including

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ethnic groups, Jacobsen says that that the combination of “value-added services and the price point,” which he did not disclose, will create a strong perceived value for the card and will drive consumer acceptance. He also notes that the company will drive acceptance through partnerships and distribution channels. The distribution plan at retail is “about a lifetime annuity.” The distributor—a check casher or other money services business, for example—will participate in revenue sharing for as long as a card it sold is active, providing a strong incentive to sell the card, he says.

Branded Marketing’s toll-free number 1-800-TARJETAS (translates to “I-800-CARDS” in Spanish) will be used for all Pr1macard IVR and live operator services. The company is betting that the recall factor of the toll-free number among Hispanic/Latino consumers will generate significant viral marketing.

In addition, education and social networking play a big part in Branded Marketing’s plans to introduce its products to ethnic communities. Jacobsen says the company is bringing writers on board to develop educational programs that will be available through its 1800tarjetas.com portal and through Webinars, podcasts and YouTube videos. He adds that the company will go into its customers’ communities to “bring education to the street.” There are a lot of guerilla-type marketing opportunities, he adds.

Branded Marketing is also planning to introduce a social networking aspect to card ownership, similar to Facebook or MySpace. “Social networking will help people take advantage of the portal,” Jacobsen states. “This is their financial tool. This is what’s going on in their community. It’s a way people can share information, build local communities and meet people.”

Jacobsen is enthusiastic about the potential for general purpose prepaid cards, saying that the market is just on the ramp up. He adds that there are successful products on the market today, but there’s room for the Pr1macard. “Our target market is buying phone cards anyway,” he says. “Now they can stop buying the phone cards and use Pr1macard, which gives them the best of both worlds.”

## Getting to Know Branded Marketing LLC

**1800-tarjetas.COM**™

[www.1800tarjetas.com](http://www.1800tarjetas.com)

- **Marketplace Names:** 1800tarjetas.com, Pr1macard, toll-free phone number: 1-800-TARJETAS
- **Location:** Haskell, New Jersey
- **Organized:** April 2007
- **Open for Business:** First product to be launched in March 2008
- **Line of Business:** General purpose network branded prepaid spending cards targeted to ethnic groups. Other general spend/alternate payment vehicles for pharma, payroll direct deposit and gift verticals.
- **Secret Sauce:** Linking general purpose spending cards to free international phone calls
- **Founders:** Richard Jackowitz, Mark Colyer and Anthony Uva
- **Funding:** Angel investors
- **Employees:** 10
- **Ownership:** Founders, key employees and angel investors
- **Business Philosophy:** To make a positive difference in the day-to-day experiences of cardholders who use the company’s financial and telephone services
- **Business Model:** Leveraging the unique ability to bring telephony, financial services and social networking together through targeted distribution channels, partners and Web portals for people who need these features
- **Key Partners:** Issuer—Palm Desert National Bank; processor—i2c; plastic fulfillment provider—VCT/GCS; network brand—MasterCard; and key Hispanic/Latino channel and distribution partners
- **Something You Might Not Suspect:** Owns its own switch to provide telephone service to Latin America