

Good Morning

As a retail marketing consultant, I have spent the past ten years working with various financial services providers in the money services business.

As a result, I have come to learn a great deal about this industry, its consumers and their needs.

But it wasn't always that way,

When I first entered this industry, I could not imagine why anyone would pay to cash a check in a check cashing store.

I really didn't understand what motivates people to use our services.

Like most of the general public, I was raised under the mainstream philosophy that having a checking account with a bank was the only real way to cash your paycheck and pay your bills.

**“In this and like communities, public sentiment is everything.**

**With public sentiment, nothing can fail;  
without it nothing can succeed.”**



*-- Abraham Lincoln*

Unfortunately, most of society still thinks this way, especially its thought leaders.

Granted, things have moved along this continuum a bit

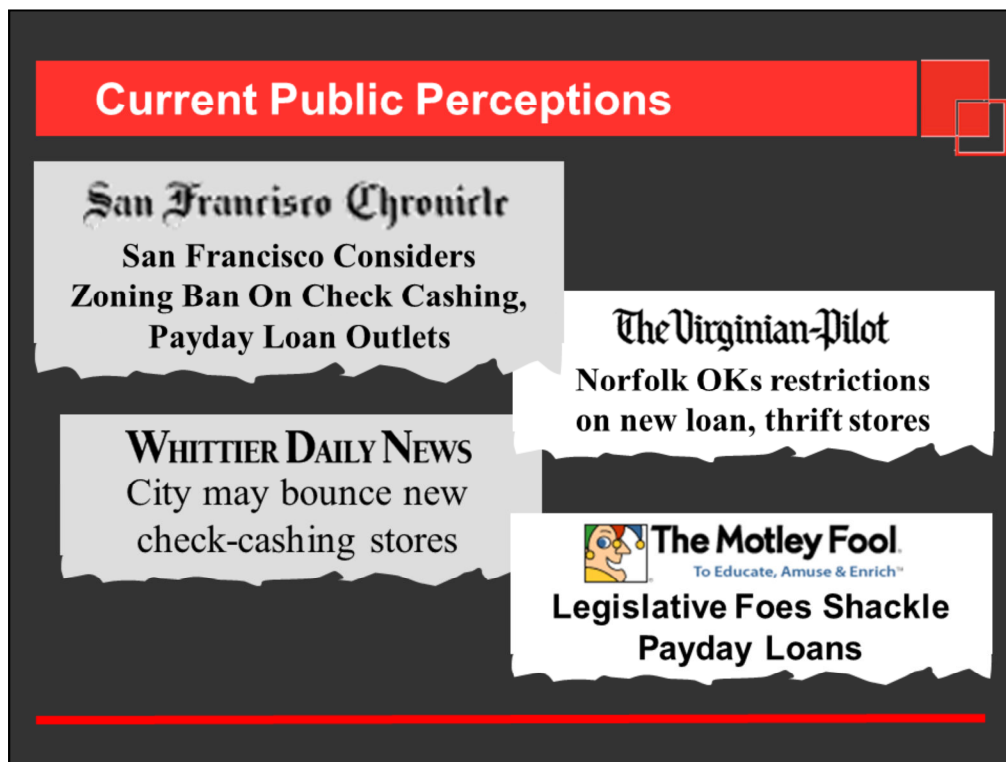
from the extreme mainstream to some understanding of the needs that people have for our services.

Little by little, the lines are beginning to blur between traditional banking and the money services business.

So why is what the public thinks about our industry so important?

Because, as indicated by the words behind me by our 14th President, the continued success of our industry is reliant on public sentiment being in our favor.

“... without it, nothing can succeed.”



Public relations activities influence public perceptions. And, public perception influences public policy.

As an industry, the money services business has been affected by a variety of public policies.

Beyond the stepped-up compliance requirements brought on by 9/11,

most other regulations that require licensing, cap fees, call for security bonds, or restrict store expansion through zoning, are all too often the result of our negative reputation.

Traditionally, we just haven't done a good enough job in presenting a positive image about the money services business to general public.

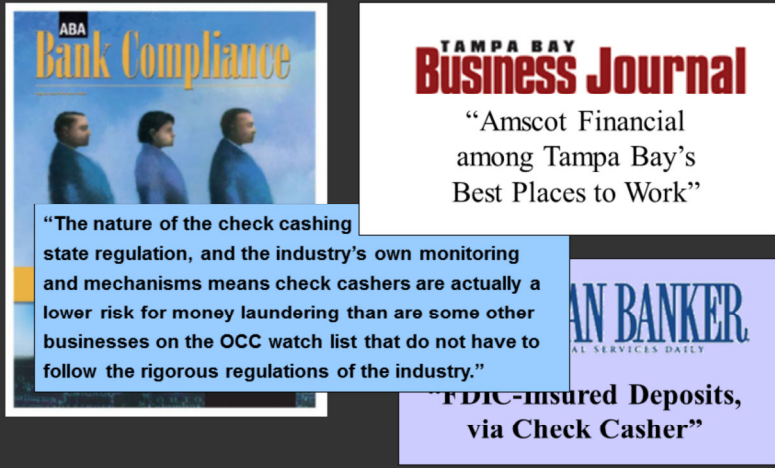
For years the landscape has been dotted with shabby facilities. Our operations were based in rundown, urban environments and were often tied to the distribution of government entitlement benefits to the poor.

Our activities in the communities we served were minimal and, in far too many stores, the levels of customer service was nothing to write home about either. We just figured if we opened our doors and provided a needed service, then people would come.

We've been known as check cashers, and a little later on, payday lenders and we were typically linked to the sub-culture of the underground economy.

Not a very rosy picture, is it?

## Changing Perceptions



Well, we all know that this is not an accurate assessment of who we are today.

Over the past dozen or so years, we have made some very positive progress  
(click)

Much being the result of a number of thought leaders within our industry.

Organizations such as FiSCA and several state associations have done a very effective job of unifying independent operators into a single industry voice.

As a result, our reputation with regulators and legislators is beginning to turn the tide.

And although we certainly have not yet attained regulatory utopia, at least we are recognized today as a legitimate sector of the financial services industry.

(click)

Many progressive **operators** have also led the cause, by pioneering new products and services, being good corporate citizens in their communities, working to help shape balanced regulation and effectively using media coverage to tell their stories.



But this progress does not mean that we can now sit back on our laurels.

There still is a long way to go. Much of the general public still needs to be re-framed regarding who and what we are.

Regular news stories still continue to paint our industry as predatory,

charging excessive fees to the poor,

trapping people in a cycle of debt

and taking advantage of immigrants wiring money to their homelands.

Unfortunately, all of the headlines on this slide were printed this year!

To most of the public, we are still pretty much perceived as single-service providers,

and to barriers to our customers' abilities to accumulate assets and build credit.

This is the next frontier,

to re-frame our critics about the value of our industry as a legitimate, alternative financial services provider for millions of working-class Americans.

## Levers of Change

Store Appearance

Product Positioning

Community Involvement

Education

Media Relations

I recently had the privilege to write an article for this issue of CURRENTS magazine about Altering Attitudes.

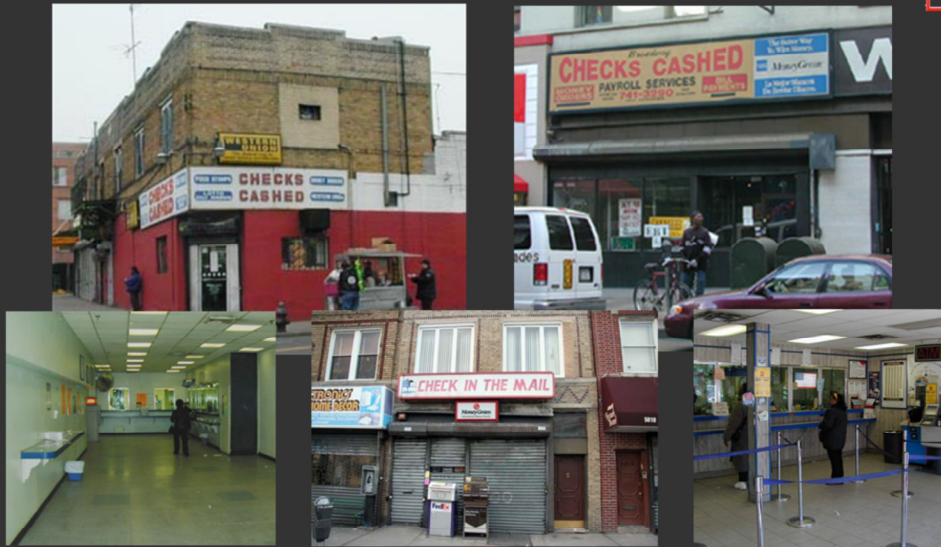
It features a variety of best practices of companies, both large and small, that are re-framing the public's perceptions of them while still growing their business and profits.

The best practices focus on superior performance in five key areas:

- The appearance of their stores and their impact on the neighborhoods
- How the products and services they offer position them in the marketplace
- Being active **in** and giving back **to** the communities that they serve
- Educating Government Officials and Consumer Advocates
- And communicating proactively to the media about who we are and what we do!

These are the areas where we can all work to change public perception.

## Store Appearance



First let's talk about Store Appearance.

Our stores are our face to the world. They create the first impression people form about us and are what shapes their opinions.

Not only to our customers, but to the public in general.

In fact, the image of our stores to non-users impacts public perception even more than it does with our customers.

If our stores look shabby and run down, then they do nothing to improve the image of our industry.

The fact that we have stores today that still look like these, is one of the reasons why the negative perceptions of our industry continue to persist.

This is definitely an area where we need to improve.

Facilities like these are exactly what landlords and municipalities envision when they seek to restrict a lease for a new location. This is the image they are looking to keep out of their neighborhoods and strip centers.

If you still have a store that looks like this, then you are part of the problem, not the solution.

## Store Appearance



On the other hand, many progressive operators have come to understand the importance of having an appealing, professional-looking retail environment.

Not only will most of these operators tell you that by upgrading the appearance of their store they enhanced their image in the neighborhood,

they will also often attest to seeing increases in same store revenues and profits.

I've been told that they find it a lot easier to secure leases for new stores when they are looking to expand too.

Having a strong retail presence is not only good for your image, it's good business.



## Store Appearance



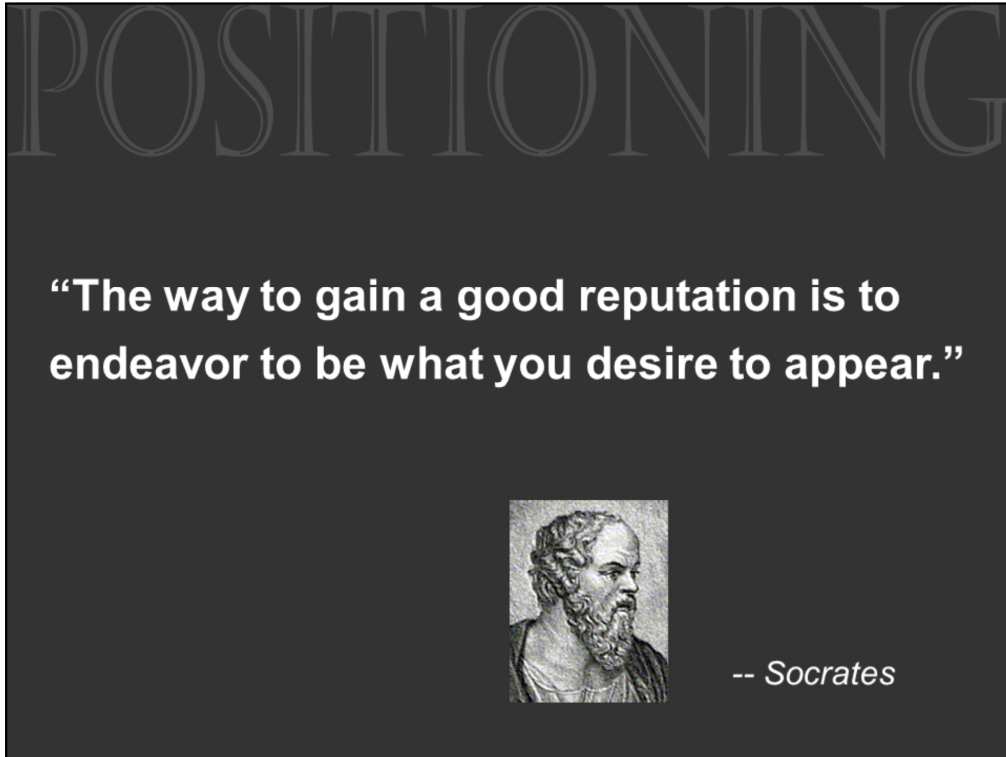
It need not cost a fortune to have a nice store.

Fresh paint, additional lighting, some merchandising fixtures to organize posters and signs, store-branded shirts or vests for employees ... are all of these are affordable methods to improve your curb appeal.

If your store is suffering from a little “deferred maintenance”, this might be a good time to consider some remodeling to both the facility and your image in the neighborhood.

And I want to stress, this is not just the domain of large national chains. All of the pictures on this slide are local or regional businesses of a dozen or less stores.

They simply understand the value in looking like a national chain.



But it takes more than just looks to change perceptions.

How we position ourselves also plays a significant role in how we are perceived.

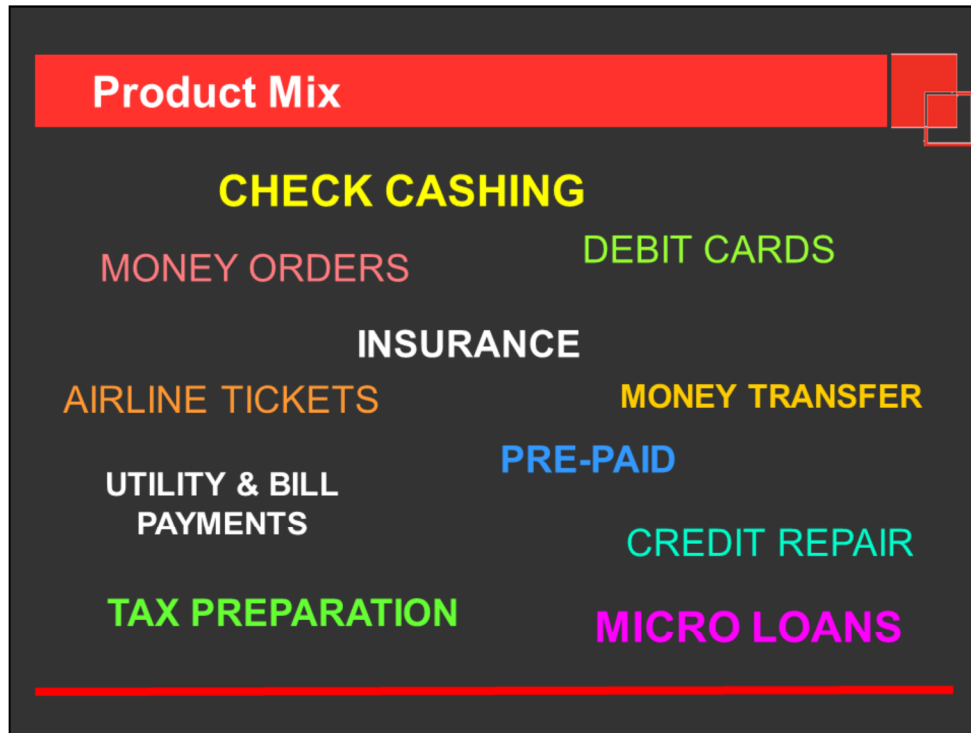
For example, in 1999, the National Check Cashers Association traded its moniker, NaCCA, for a new one – FiSCA, the Financial Service Centers of America.

It did this because we said that it better described what we do.

Yet, most stores in this industry still have signs that primarily identify the business as “Checks Cashed” or “Payday Loans”.

Many still refer to themselves as check cashers, not financial services providers.

And although I truly understand that the bulk of revenue comes from these core services, they cannot be what defines you. If you continue to think of yourself with a singular position, then that is the reputation you will maintain.



It is critical that the variety of services we offer is communicated effectively both inside and outside our stores.

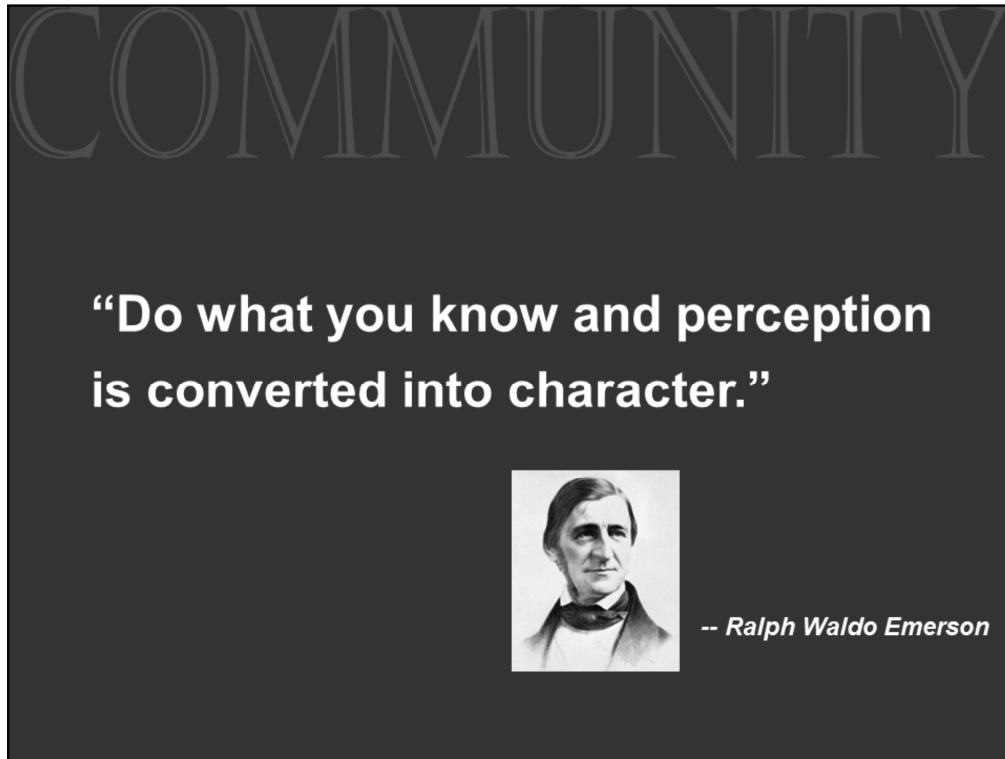
This is how the world will come to see us as more than just check cashing stores.

The more you can integrate these relevant, financial services, the more you will be perceived as a mainstream resource and a truly valuable alternative for our customers.



You can be sure that the banks and retailers that Mark spoke earlier about entering this space will do so with fresh eyes, they will certainly be looking to offer many of these new services.

You need to be able to differentiate yourselves in order to compete ... and to survive.



Looking good and delivering the right services are the basics for changing our image and reputation with the general public.

To really change our image, you will also need to invest some face time in your communities.

You employ local residents, spend money with local businesses and fuel the neighborhood economy by putting millions of dollars in cash on the street each year.

Ensure that your local business communities or chambers of commerce all understand the value that you provide in their neighborhoods.

Let them know that the customers that you serve are the same ones that they do.

Look for common ground where you might be able to co-promote your services with another business.

Get out into your communities and be known.

## Community Activities

- Sports Team Sponsors
- Financial Literacy
- Charitable Fundraising
- Food / Clothing Drives
- Volunteer

Get involved in activities important to your neighborhood.

Support local sports teams like little league and football,

host or facilitate financial literacy seminars,

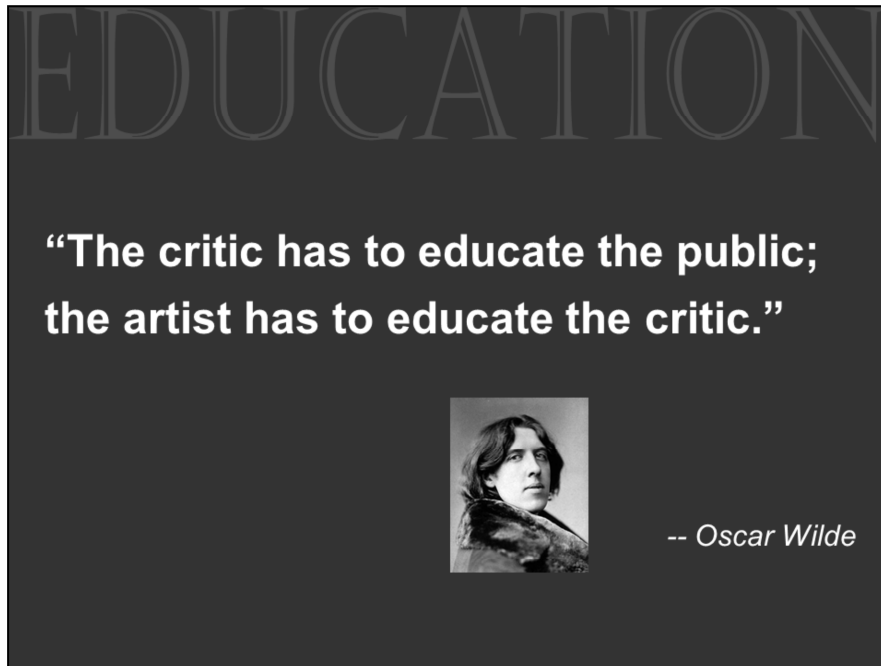
spearhead fund drives with spare change collections

or sponsor food or clothing drives making your stores local collection centers.

volunteer your time and that of your employees to serve on the boards of local non-profits or participate in their activities.

It is not so much a matter of what you do as it is that you do something.

You see, it's hard for the public to have a negative perception of a business that is well known and highly regarded in its community.



As I said earlier, public perception influences public policy. And negative perceptions will usually lead to negative public policy.

As long as public influencers believe that what we do is inherently wrong, we will continue to see legislation intended to protect consumers from us.

Many times legislators are caught between opposing positions by the industry and its detractors. If the wrong issues become the focus, then bad legislation can result restricting the way we do business and keeping valuable services from the very community it intended to protect.

A great example of how to re-frame influencers to result in reasonable regulation can be found in the work done by Craig Schaeffer of Money Service Centers in Hawaii. As president of this 12-store chain of check cashing and payday advance stores, Craig engineered an unprecedented cooperative effort with a local consumer-advocate organization to help craft that state's PDA legislation.

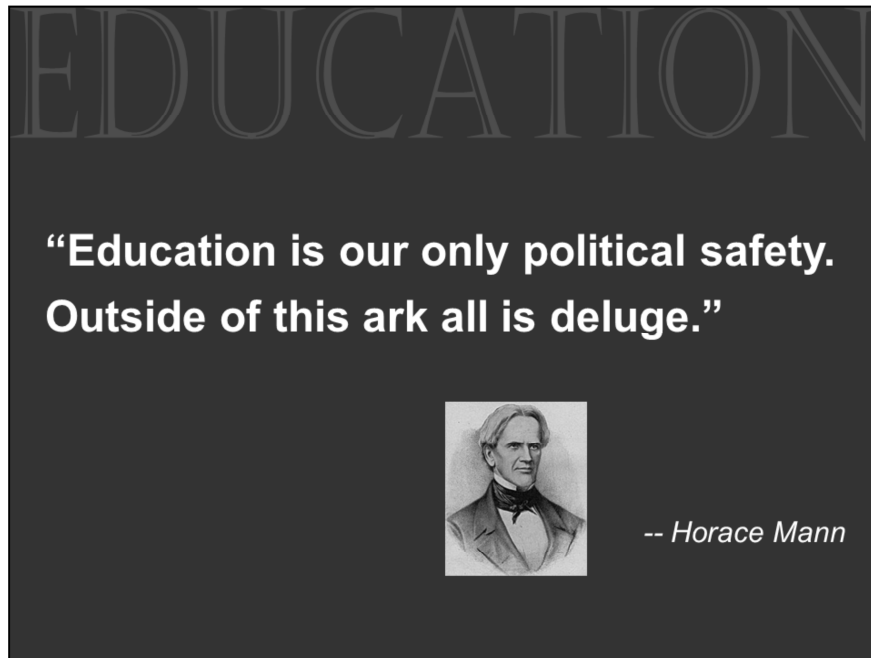
In short, by better educating the advocates to the facts, he redirected their issues away from the perceived negative effect of fees and triple-digit interest rates

more toward the real protections achieved by limiting rollovers and providing payment plans.

The result was a bill that was acceptable to all parties and provided for a true safety net for consumers.

It also created a more positive image about the usefulness of this service and the integrity of the organizations who provide it.

To learn more about Craig's groundbreaking work, be sure to attend his workshop tomorrow morning at 11:45.



In Tampa FL Amscot Financial Centers is another great example of making sure its communities truly understand its business.

Amscot routinely invites local elected representatives, banking regulators and community leaders to visit their headquarters to see the professionalism of their staff and systems.

They take them on tours of stores to see the customer activities first hand, how products and services are presented and the quality of service provided.

You don't need to be a big chain to make a difference, Craig only has 12 stores in Hawaii and he made a huge difference in the way his state regulates his business.

There are many ways to get involved.

Be active in FiSCA and your local association, attend municipal planning meetings and zoning hearings,

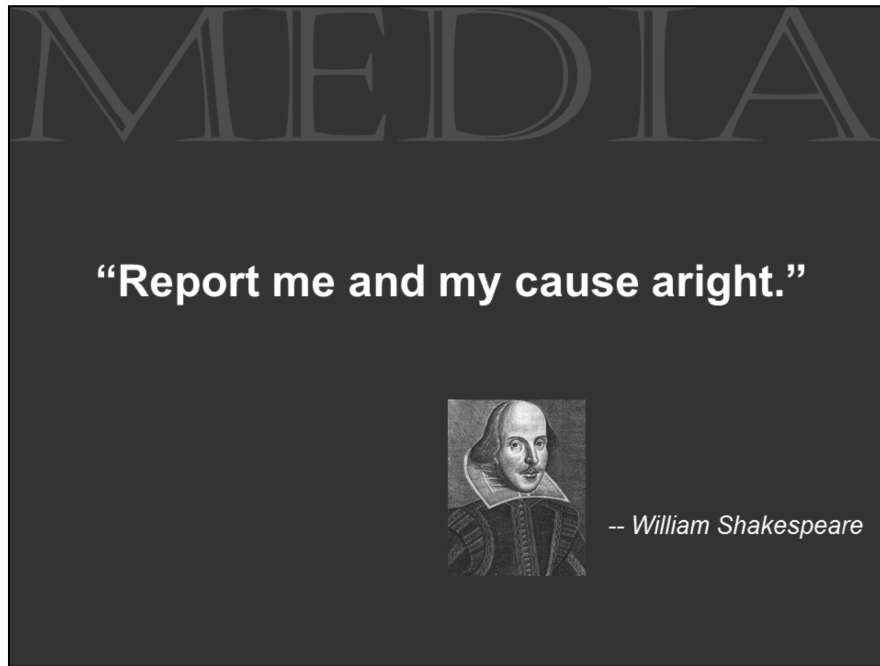
communicate with your representatives

and support political action committees that advance our causes.

Don't wait idly by for someone else to do it.

We need you to be involved.





Because, if we are proactive in educating the influencers, then the media should have different stories to report. The media's job is to report the information that it is provided. If we want our side of the story told, then we need to provide our story – specifically and objectively.

If you don't already subscribe, sign up for the FiSCA Newsclips service.

This valuable, free service to members sends you regular e-mail messages with national news stories pertaining to our industry.

It's a great way to stay on top of news, trends and the general media tone around our business.

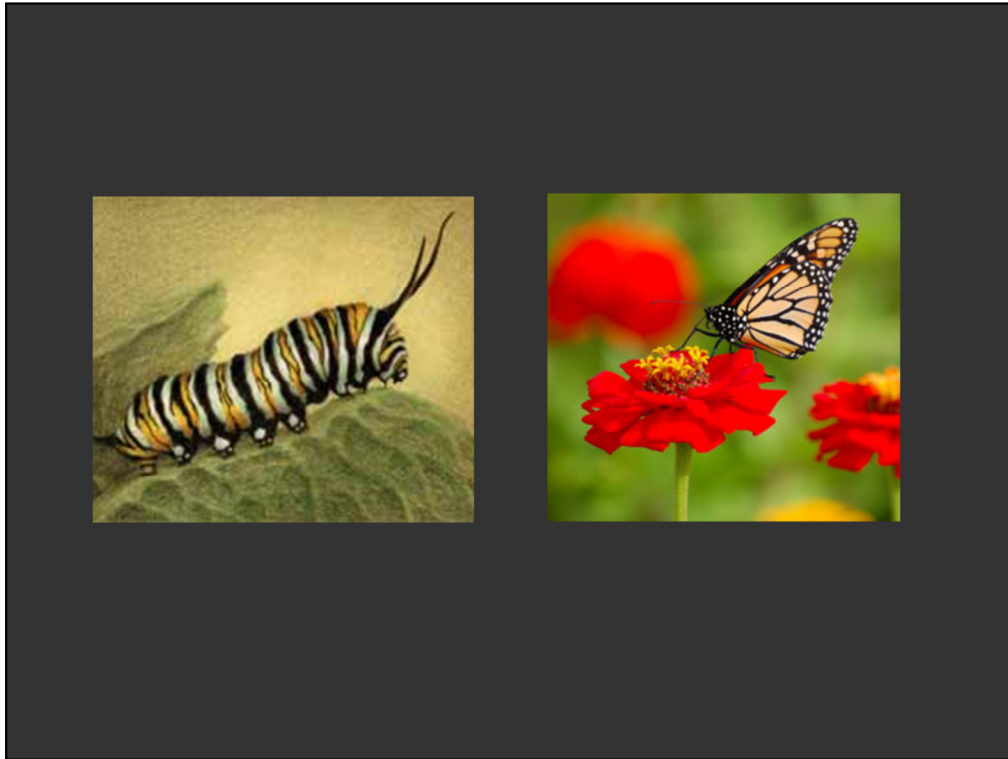
Because as an industry, we all need to be ready to respond to inaccurate media coverage.

Take every opportunity to snuff out any sign of misinformation in the media.

Better yet, be proactive, not just reactive,

Send out newsworthy, positive announcements about new store openings, new product offerings, employee promotions and your community activities.

Give the media positive news and it can help to sway the fulcrum more in our direction.



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Sometimes it may seem that the negative perceptions will never change.

(click - caterpillar)

But as the old adage goes, “The only constant that is guaranteed is change.”

(click - butterfly)

Many changes in perception already have occurred in our industry, but we need to make sure that many more are still to come.

Our industry is strong.

It has continued to grow and prosper despite the drag caused by the negative image that has surrounded us for years.

As an industry, we are stepping up to the challenges and improving our reputations.

## Impact Change!

- Appearance
- Products/Services
- Community Involvement
- Positive Press
- Educate 3rd Parties

But, our ability to continue this change is only as strong as our weakest link.

Every one in this room needs to take an active part in improving our reputation.

Don't be the weak link in the chain.

Think outside of the box.

Take a good look at your storefront. Does it present a positive image in your neighborhood?

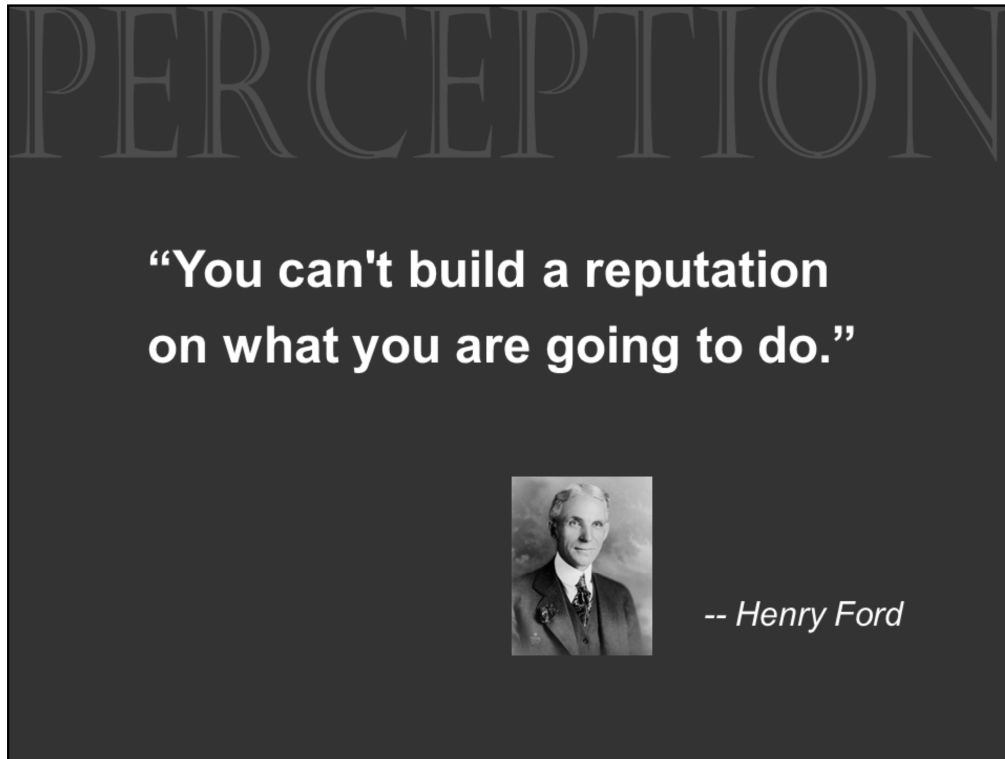
Continually test new products or services. Are you expanding the services that define your business?

Get involved in your community. Do you make a difference in your neighborhood?

Respond to negative press and set the record straight with your local media when they bash our business.

Invite reporters and legislators to visit your stores and learn more about who we are and how we operate.

We have a great story to tell.



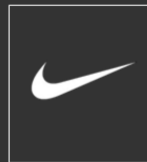
When our industry is presented in a poor light, it should be a personal affront to you,  
To your employees  
and to your business.

The war on negative perception is won one battle at a time, in the trenches with  
everyone involved.

But as Henry Ford said, “You can’t build a reputation on what your are going to do.”  
It’s not enough for us to just talk about improving our image.

***We have to take action and show the world what we are really all about!***

**JUST DO IT.**



-- Nike

As my last quote for the day so aptly says,

Just Do it.

Thank you