CASE STUDY RUSHCARD

theTASCgroup

CRISIS MANAGEMENT: **RUSHCARD**

THE CHALLENGE

RushCard, created by entrepreneur Russell Simmons, was one of the first prepaid debit cards on the market in the U.S., designed to serve the population of nearly 80 million unbanked or underbanked Americans. When a technological malfunction caused many RushCard customers to become locked out of their accounts for several days, a form of a bank run occurred at RushCard. The company lost nearly half its customers, with many of them going directly to the media with their stories.

The TASC Group was hired to mitigate the crisis by keeping customers informed throughout the resolution of the issue, restore customers' long-term trust in the product and rehabilitate the reputation of the company and co-founder Russell Simmons.

THE STRATEGY

TASC fielded hundreds of media requests for statements about the crisis. TASC encouraged RushCard to set up an emergency response team that investigated customer complaints quickly and resolved issues before stories went live. Simmons addressed customers directly on social media and made personal calls to hundreds more. TASC advised RushCard to create a $20 million compensation fund and helped the company develop a "free fee holiday," which suspended all fees for customers for a four-month period. TASC also set up face-to-face meetings for Simmons with members of Congress. TASC generated positive media attention around RushCard announcements, including hiring a new CEO, product launches and a new mobile app.

THE RESULTS

Over the crisis period, the coverage TASC secured earned an estimated 649 million media impressions. The National Newspaper Publishers Association (NNPA), the nation's largest African American newspaper association, ran a series of positive stories about RushCard post-crisis that reached its 22 million readers. By the third and fourth quarters of the year after the malfunction, RushCard had its best new-customer acquisition periods in the company's 14-year history, and the number of RushCard customers surpassed pre-crisis numbers. The following January, 15 months after the crisis, RushCard was sold to Green Dot, the largest prepaid debit card company in the industry, for $170 million, representing a significant profit for Simmons and his investors.

TASC generated coverage in national outlets including The New York Times, The Wall Street Journal, the Associated Press, Fast Company, Consumer Reports Magazine, the New York Daily News, BET and in over 200 community-based NNPA newspapers. Stories also appeared in finance industry outlets American Banker, PYMNTS.com, Yahoo! Finance, Paybefore and PaymentsSource. After meeting with Consumers Union, RushCard received the "Recommended" status from Consumer Reports magazine.

649M+ MEDIA PLACEMENTS

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