

Cbsi makes FI's debit card top of wallet for the holiday season.

Case study

Situation

The client's primary goal was to increase debit cardholders' signature activity during the peak holiday shopping season. Additionally, they wanted to encourage a shift from PIN usage to signature for existing PIN users, as well as raise awareness about the product to make it "top of wallet" for the holidays. 7,000 postcards were mailed to the "Never Active" account holders and 1,500 postcards were mailed to the "Moderately Active" group. The cardholders were mailed oversized postcards offering a \$25 credit to their checking account or 5,000 bonus points if the cardholders made five signature transactions between November 22 and December 31. For tracking purposes, customers were segmented into three groups: Never Active, Moderately Active and a control group. The control group consisted of customers from both groups who were not sent a postcard but were tracked to see the difference in usage between someone who was being offered an incentive and someone who was not.

The promotion

Cardholders in the segmented groups Never Active and Moderately Active were mailed one of the two versions of an oversized postcard.

The offer outlined to cardholders was one of the following:

- Make 5 signature transactions between November 22 and December 31 and receive a \$25 credit to their checking account
- Make 5 signature transactions between November 22 and December 31 and receive 5,000 bonus points

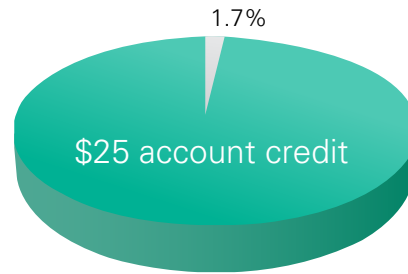
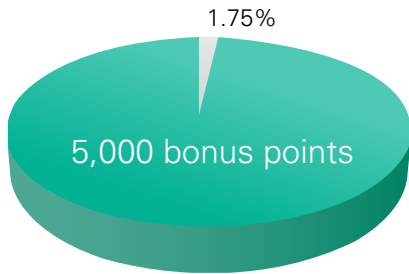
Case study: Holiday activation campaign (source CMC)

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Results

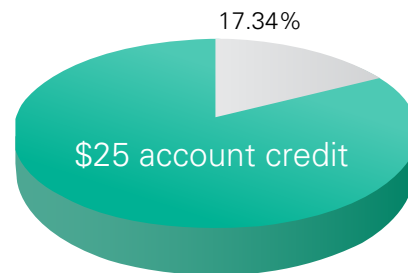
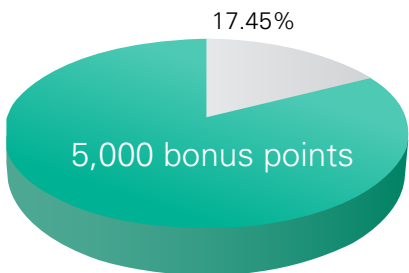
Never Active (0 signature transactions since account opening)

	Qualified cardholders	Response rate
5,000 bonus points	61	1.75%
\$25 account credit	59	1.7%



Moderately Active (1-5 signature transactions in the 90 days before the campaign)

	Qualified cardholders	Response rate
5,000 bonus points	126	17.45%
\$25 account credit	128	17.34%



Control group

	Cardholders that would have qualified
Never Active	62
Moderately Active	106

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Conclusion

The client chose to segment their customer base and provide different offers in order to learn how they would respond. They discovered that the cardholders in the Moderately Active group were more responsive than the Never Active group who had not previously used their cards. However, within the individual segments, the client found that the offers of cash or bonus points were almost equally enticing. Neither results of the offers significantly outweighed the other. Another important discovery was that many of their cardholders had multiple open debit accounts, which were a mix of active and inactive.

Based upon the findings, it was recommended that for future activation campaigns, the client should scrub the list of inactive accounts and identify customers with multiple accounts. The inactive accounts could be closed or combined to produce a more accurate and concise account list. Also suggested was to include a letter or fold-over postcard including the last four digits of the account number to keep the various accounts separated.

Considering the 90 day time frame, the increases in debit signature transactions for both promotions in the Moderately Active accounts were above 17%.

Though the 1.75% and 1.7% response rates for the Never Active promotions, 120 Never Active accounts made 5 signature transactions within the promotion time frame!