

## Turning Inactive Cardholders into Card-Carrying Members

Getting inactive cardholders to use their credit cards may be as simple as offering a small reward. That is what TNB Card Services' credit union clients found when they recently reactivated more than 1,350 cardholders by offering a modest incentive. Inactive cardholders who used their card at least five times during the promotional period and spent more than \$100 received a \$20 credit.

The 2007 summer reactivation promotion was aimed at engaging inactive cardholders to use their credit union credit card. With a 20 percent response rate, the promotion generated volume of more than \$841,000.

One credit union that tried this novel promotion was Mobiloil Federal Credit Union of Beaumont, Texas. The results, which beat the credit union's expectations, led to the reactivation of 230 cardholders and balances exceeding \$130,000.

**Mobiloil**  
**FEDERAL CREDIT UNION**

"This promotion was really just a test to see if we could get the attention of our inactive cardholders," said Laura Purkey, director of lending for Mobiloil FCU. "The response far exceeded our expectations."

Purkey added that the credit union conducts a variety of card promotions each year, but this was not only the easiest to execute, but it delivered a significant return. Mobiloil FCU serves the community of Jefferson, Jasper, Orange, Newton, and Hardin counties in Texas. The credit union has 38,000 members and assets of more than \$215 million.

Generating a 26 percent activation rate, East Texas Professional Credit Union of Longview, Texas, motivated 119 inactive cardholders to use their card.



"This promotion was part of our overall expanded emphasis on our card portfolio," said Byron Norton, CEO of East Texas Professional CU. "Our card program had become stagnant, but since we've been more proactive in promoting our credit card with TNB, our portfolio has grown in numbers and volume."

Norton added that the reactivation promotion was a cost-effective way to encourage inactive cardholders to use their credit union credit card rather than a competitor's card.

The \$276 million East Texas Professional CU serves those who work and live within 10 Texas counties and has a membership of 45,000.

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