

In-Branch Marketing Revs Up Credit Card Portfolio

The way to cardholders' hearts began through the stomachs of food-loving employees of NE Texas Credit Union of Lone Star, Texas. After years of having an idle card program, the \$100 million credit union turned to its branches to gain new credit cardholders. With a nominal investment and some employee training, the credit union launched a "Work for Food" promotion to entice its staff to cross-sell its credit card.



Each of the credit union's five branches was rewarded with lunch every month, courtesy of the credit union, if they added a minimum of 10 new cardholders. Every branch employee benefited if the branch met the goal.

"The Work for Food incentive was quite popular among our employees, who enjoy a good meal, especially when it's on us," said Kay Stewart, CEO of NE Texas Credit Union. "This was a simple way for us to reward our employees as a team to demonstrate our appreciation for helping us achieve our goals. It was also the beginning of our ongoing commitment to using our branches to market our credit card."

Leveraging the success of the "Work for Food" effort as well as the staff's enthusiasm to cross-sell its card product, the credit union worked with TNB Card Services to develop an expanded program that included recognizing individuals for their sales efforts by offering a cash reward of \$5 for every new card they brought in. The incentive was open to all employees and was relatively easy to achieve. Employees in the back office and front line were all encouraged and trained to cross-sell the card whenever they had an opportunity to interface with members.

TNB also worked with NE Texas Credit Union to create an incentive for its cardholders, to reward them for using other credit union products and services. Card-carrying members receive a reduction of basis points, up to 15 percent, when they apply for a loan. If they aren't a cardholder, all they have to do is sign up when they apply for a loan and they are rewarded with a better rate.

Within 18 months from turning its branches into a marketing channel, NE Texas Credit Union added more than 615 new card accounts, an average of 35 accounts per month.

Stewart noted, "With a relatively small investment we have doubled our cardholder base, and have grown our balances to more than \$1 million, which is 48 percent greater than what we started with when we kicked off our in-branch marketing initiative."

The addition of new cardholders has also led to more than a 30 percent increase in net retail sales, as well as delivering a net yield of 9.06 percent, a 21 percent increase from November 2006.

NE Texas continues to expand on its in-branch marketing effort based on recommendations made by the TNB account team that works with the credit union to provide ongoing strategic counsel. The most recent promotion, for its debit and credit cardholders, involved a contest to become a "Millionaire for a Day." In celebration of the credit unions 60th anniversary, every time a cardholder used their debit or credit card they were entered into a drawing. The grand prize was roughly \$1,500, the daily interest earned on \$10 million, plus a trip to the Gaylord Texan resort in Grapevine, Texas. The six-week promotion generated 61,000 card transactions.

With the aid of ongoing marketing consulting from TNB, NE Texas Credit Union's credit card has become a prominent offering within its product portfolio. The credit union plans to continue to expand on marketing the card through its

branches, along with other promotions such as a balance transfer offer, with the intent of growing balances to \$1.4 million and adding another 300 to 400 cardholders.

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