



Marketing Services

Credit Card Growth Campaigns



CFE Federal Credit Union Executes Credit Card Marketing Campaigns

Overview

Client Profile

CFE Federal Credit Union was founded in 1937 as Orange County Teachers' Federal Credit Union by 23 dedicated teachers. Over the past 70 years, CFE has expanded membership to all who live, work, attend school, volunteer or worship in Orange, Osceola, Lake or Seminole counties in Florida. CFE has 118,000 members and over \$1.1 billion in assets.¹

Business Challenge

CFE is a long-time client of Advisors **Plus**® Marketing Services, dating back to 2006. This credential reviews the results of four credit card marketing campaigns conducted for CFE during 2011.

The Solution

Based on previous CFE marketing campaigns as well as other Advisors **Plus** Consulting Services work in the areas of Risk and Collections and Credit, the Advisors **Plus** Marketing Services team designed and executed four targeted credit card growth campaigns.

The Results

Advisors **Plus** helped CFE divide its portfolio into three categories, each with its own targeted, theme-based marketing campaigns throughout the year. Each segment achieved notable success, with response rates ranging from 30-39% and over \$640M in transferred balances.

Setting a Strategy

After extensive research and continued conversations with Advisors **Plus**, CFE collapsed all of its card portfolios into three categories, Low Rate, Cash Back and CUREwards®. Additionally, Advisors **Plus** assisted in the development of the new risk-based pricing strategy.

Further recommendations included engagement with the Advisors **Plus** Marketing team to grow the portfolio while mitigating risk. As a result, CFE has been an Advisors **Plus** Marketing client since 2006 and has conducted an average of three customized campaigns per year.

¹ As of December 31, 2011

Executing Marketing Campaigns

In our 2010 annual planning session with CFE, the credit union wanted to implement marketing campaigns that would engage its members and contribute to growth. Advisors **Plus** Marketing Services recommended and helped execute a calendar of customized campaigns:

January 2011 – Post-Holiday Balance Transfer campaign

Beginning on January 15, 2011, this campaign was targeted to conclude on April 15, 2011. The offer, based on a 2.9% promotional APR, generated a 3.53% response rate with \$639,429 in transferred balances.

April 2011 – Home Improvement Usage campaign

Taking advantage of the traditional home improvement season in the spring, this campaign ran from March 15, 2011 to May 31, 2011. The offer included Double CUREwards points, 2% Cash Back or \$10 or \$25 credit based on spend (depending on the cardholder's program) on home improvement purchases. Compared to the Balance Transfer campaign, CFE realized a robust 39% response rate with \$1,273,688 in home improvement transactions.

June 2011 – Utilities Usage campaign

In the heat of the summer months, this campaign ran from June 1, 2011 to July 31, 2011. The opportunity was extended for Double CUREwards points, 2% Cash Back or a \$10 credit for 3 or more transactions (depending on the cardholder's program) in utilities merchant category codes. This summertime campaign garnered a 30% response rate with \$476,218 in utilities transactions.

November 2011 – Account Activation campaign

In time for the holiday shopping season, this campaign kicked off on November 21, 2011 and ran past New Year's to January 9, 2012. The offer included double CUREwards points, 2% Cash Back or a \$10 credit for 10 or more transactions (depending on the cardholder's program). This campaign drew a 34% rate with \$499,471 in transactions.

Combined Results Positioned CFE for Success in 2012

Leveraging CFE's success of 2011, Advisors **Plus** Marketing Services recommended a number of programs for 2012. The first recommendation was to implement a balance transfer promotion at the post-holiday and back-to-school periods. Cash users, new revolvers and previous responders were the primary targets for this promotion as they are most likely to respond. Advisors **Plus** recommended soliciting the target base with a direct mail letter with attached convenience checks and a reference to



Marketing Services

Credit Card Growth Campaigns

the CFE balance consolidation phone number to give cardholders another option to easily transfer a balance. Additionally, e-mail was used as a reminder/follow-up.

Advisors **Plus** also recommended implementing a credit line increase promotion once the debt-to-income (DTI) attributes were available via Score Source (tentatively scheduled with the second quarter score run) or through CFE's own bureau pull. The target group would be cardholders meeting Advisors **Plus** criteria as approved by CFE, along with age and DTI requirements. Advisors **Plus** recommended soliciting the target base with a direct mail letter detailing the line increase. A spring usage promotion was also proposed.

About Advisors Plus Marketing Services

Since 2005, Advisors **Plus** Marketing Services has provided leading-edge marketing services using marketing intelligence to develop and manage successful marketing campaigns. By employing proven techniques such as data mining, predictive modeling and segmentation analysis, Advisors **Plus** Marketing Services helps credit unions maximize their marketing results by offering the right service at the right time to the right member.

Today, Advisors **Plus** Marketing Services assists over 75 credit unions each year on a customized, targeted basis, as well as structuring semi-annual new account acquisition and activation campaigns for more than 175 credit unions twice per year.

In 2011, Advisors **Plus** Marketing mailed over 2.2 million targeted direct mail pieces on behalf of participating credit unions. Using Advisors **Plus** targeted direct mail practices, modeling and segmentation techniques, credit unions have achieved response rates and average balances well above industry standards. Advisors **Plus** Marketing Services campaigns have helped credit unions achieve phenomenal growth in balances, with credit unions having on average 16% growth in balances and 5% growth in gross active accounts from year to year.



Marketing Services

Credit Card Growth Campaigns

About Advisors Plus

Advisors **Plus** was established in 2005 to provide consulting and marketing services to credit unions. Our range of services covers the key areas of strategy, credit cards, debit and checking, marketing, contact center, operations, and branch sales.

The experienced consultants at Advisors **Plus** work with the organization's staff through the entire process from project analysis to implementation and management. Our goal is to ensure that each financial institution achieves sustainable business growth, exceptional member experiences and operational efficiencies.

As of December 31, 2011, Advisors **Plus** has superior NPS Scores of: 74 – Credit; 81 – Debit and Checking; 91 – Contact Center. For more information, please visit AdvisorsPlus.com.