

Competitive landscape and acquisition costs drive Early-Month-On-Book strategies

Credit card issuers know it is highly competitive and costly to acquire a new cardholder. In fact, the cost can range from \$200 to \$1,000 per account. To make activation more challenging, U.S. adults have four credit cards on average, with a full 50% of cards in force in the U.S. deemed to be inactive (no single transaction within the past 12 months).¹

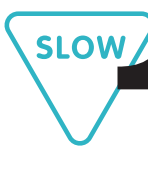
These facts contribute to the importance of dedicating resources and budget to “early and often” onboarding communications that quickly move cards not only to top-of-wallet, but also top-of-app status.

 **90** days

86% of new cardholders who activate do so within **the first 90 days of receiving a new card.**²

 **3X**

The **long-term value of a customer is up to three times greater** when they engage frequently in the first 90 days.³

 **14%** slower to activate

Of the remaining 14% who do not activate within the first 90 days, **only 5% can be expected to activate** after the EMOB phase.²

 **30%** higher

Cardmembers who activate early – within the first 30 days – **have 30% higher spend.**²

5 best practices
recommended by Media Logic

Best-in-class card marketers stick to best practices by reaching out to new cardholders “early and often.” They are also nimble to both define and implement new strategies and tactics:

- 1** Send a welcome email and activation reminder ahead of plastic delivery to engage as early as possible
- 2** Emphasize digital card activation through mobile app or online, providing simple “steps” to easy activation
- 3** Practice the art of sacrifice and focus on only few key features/benefits – rewards, contactless, security
- 4** Promote digital behaviors – proven to retain top-of-wallet status – at the right time across 90 days
- 5** Use trigger-based communications to acknowledge and reinforce key new cardholder behaviors

¹ “Changing the Vicious Cycle of Push to Pull in Customer Acquisition,” Medium.com, Unifimoney Editorial Team, February 2020

² “The First 30 Days of Card Issuance: What Healthcare Professionals Can Learn from the Payments Industry in Driving Engagement,” TSYS, 2019

³ “From Plastic to Pixels: Digitizing the Credit Card,” Robert Mau and Kevin Mole,” McKinsey & Company, September 2016

Media Logic has helped some of the top financial brands in the world develop effective EMOB strategies. To find out how we can help your company, call our Financial Services lead:

Nicole Johnson, Group Director, 866.353.3011