

6 Important Steps to Consider When Structuring a Credit Card Rewards Program

Offering a great credit card is one of the best ways a credit union can bring value to its current members and attract new ones. In order to establish a competitive credit card program, it's important to consider a variety of factors, including credit line management, late-fee assessment timing, and bin consolidation. However, when it comes to actually attracting members to your program, we find that few things are more important than your rewards strategy.

Here are a few tips to running your best rewards program ever:

1. Establish an annual marketing calendar outlining your plan to promote your credit card program throughout the year; consider traditional marketing methods along with digital platforms like email, social media, and landing pages.
2. Combine APR, usage, and education campaigns to keep your card relevant (i.e. tokenization, Visa Checkout, and CR management).
3. Be sure to set firm end dates for your promotions; we've seen many examples where during a 90 day balance transfer promotion, 50% of the transferred funds came in the last two weeks of the campaign.
4. Try analyzing the ACH activity of your share drafts to look for card payments to big banks, and then target additional marketing to those members.
5. Offer custom programs focused on market dynamics. Consider: Cash-back redemption options, charitable donation redemption options, advanced scoring on e-commerce (sites like Amazon), promotions tied to new locations accepting Visa (like Costco), and redemption options offered by local merchants that have relationships with your credit union.
6. Continually analyze your card program to determine your areas of need and tailor your promotional campaigns to directly address those needs.

A great credit card program is essential to retaining your current members and attracting new ones, yet only 60% of credit unions currently offer a credit card to their members. We know that credit card programs can be very expensive to run, especially for smaller credit unions, but there are products available that can help you offer a great credit card to your members with no start-up fees and very little risk to your CU. Unhappy with your current provider or looking to offer a credit card for the first time? Check out EZ Launch from LSC, where members benefit from competitive interest rates and an awesome rewards program.