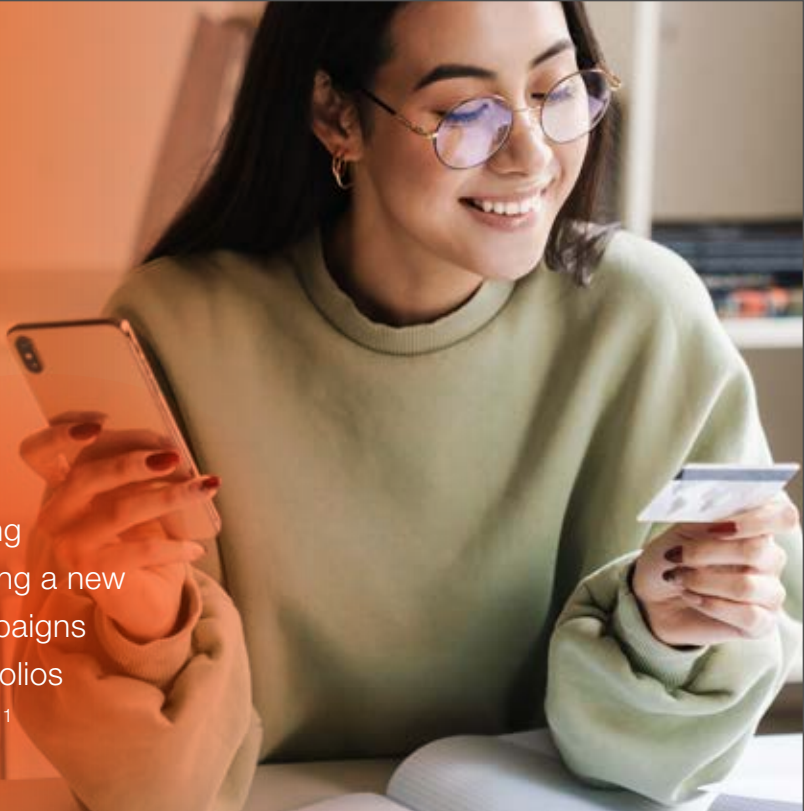


# Early Month on Book: Truth and Consequence

Community Banks are seeing growth as an increasing number of consumers favor smaller FIs when selecting a new credit card. And, Early Month on Book (EMOB) campaigns have renewed importance in growing profitable portfolios after the investment required to acquire cardholders.<sup>1</sup>



**24% of consumers prefer a local option for a new credit card<sup>1</sup>**

## TRUTH: EMOB Challenges

- Banks **under-invest** in the vital EMOB stage.<sup>2</sup>
- Only about **57%** of new cardholders activate after receiving the plastic, leaving about half un-activated.<sup>2</sup>
- Cardholder value is made in the first **90 days**. After that, creating high-value cardholders is very difficult.
- Consumer preferences are driving a shift to **digital experiences**.<sup>3</sup>

## CONSEQUENCE: EMOB Positive Results

- Systematic engagement in the first 90 days can result in cardholders who are **3x as valuable**.<sup>2</sup>
- Cardholders receiving EMOB messaging activate cards **five days faster** on average than other customers.<sup>2</sup>
- Systematic EMOB messaging results in **diverse spend, card-on-file status and other sticky behaviors**.<sup>3</sup>
- Reinforcing rewards and benefits across 90 days has been shown to **increase spend by as much as 40%**.<sup>2</sup>

## Essential EMOB Through Lines

**Mix traditional and digital with a long-term goal of a fully digital journey<sup>3</sup>**

- Customer surveys show fully digital onboarding is favored.
- Begin the journey with high-functioning early communications.
- Include value prop and key benefit reinforcement.

**Use digital onboarding solutions to deliver key benefits<sup>3</sup>**

- Speed, convenience and transparency are important to new cardholders during onboarding.
- Integrating early card use from the moment the cardholder is onboarded – for example, offering digital issuance with immediate access to credit – is a plus for all stakeholders.

**Communicate early and often**

- Send a welcome and preapproved status email ahead of plastic delivery.
- Encourage activation first.
- Use a predefined roadmap with specific “asks” on days 1, 5, 30, etc.
- Use incentives only after allowing time for natural activation.
- Include triggered communications in response to behaviors.

## 5 Behaviors Associated with Card Preference

- 1. Frequent transactions**  
Use EMOB to drive a second transaction within one week of first transaction.
- 2. Diverse category spend**  
Encourage cardholder to spend in new categories.
- 3. Transactions over \$100**  
Use personalized offers to incentivize making larger purchases.
- 4. Card used at mass retailers**  
Use merchant partner offers to help habituate this behavior.
- 5. Used for special services/benefits**  
Build awareness and educate (the why and how) to achieve sticky behaviors like bill payment and card-not-present.

Flybits: [flybits.com/resources/blog/optimizing-the-cardholder-lifecycle-activation-early-month-on-book/](https://flybits.com/resources/blog/optimizing-the-cardholder-lifecycle-activation-early-month-on-book/); 2019

**Leverage bank-owned data and bank channels<sup>2</sup>**

- Use owned data to personalize offers delivered via mobile/OLB apps and other bank-owned channels to boost activation rates while keeping costs low.

Media Logic has helped some of the top financial brands improve their marketing. To find out how we can help your company, call our Financial Services lead:

**Nicole Johnson, Group Director, 518.621.1600**



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<sup>1</sup> PYMNTS: <https://www.pymnts.com/wp-content/uploads/2023/11/PYMNTS-Credit-Unions-and-Community-Banks-Gain-Credit-Card-Issuing-Momentum-November-2023.pdf>; 2023

<sup>2</sup> Flybits: [flybits.com/resources/blog/optimizing-the-cardholder-lifecycle-activation-early-month-on-book/](https://flybits.com/resources/blog/optimizing-the-cardholder-lifecycle-activation-early-month-on-book/); 2019

<sup>3</sup> VCA: <https://corporate.visa.com/content/dam/VCOM/global/services/documents/vca-how-to-boost-your-customers-onboarding-experience.pdf>