

# Opening up new markets, big and small

US Bank is powering ahead with its successful affinity card marketing programme, targeting both large demographic groups in the country as well as small associations thanks to new technology and a strong belief in the affinity card business model. **Charles Davis** reports

US Bank's substantial two-year-old affinity credit card programme is redefining the term 'affinity' by thinking really big and really small at the same time.

On the one hand, the issuer, the ninth-largest bank in the US, continues to think on the macro level, as evidenced by its recent new card co-branded with the pro-Israel US charity Heritage Affinity Services aimed at the US's large Jewish community.

The card devotes a percentage of overall spending to up to five Jewish charities chosen by the cardholder from a network of 15 institutions. Spending on the card also earns points redeemable for both standard rewards, like miles on US airlines, or for more Israel-oriented perks like travel to the Holy Land or kosher foods.

On the other hand, US Bank has also invested heavily in technology that allows it to create highly customised programmes on a micro level.

"It used to be that we wouldn't look at some of the smaller groups, but US Bank has invested in technology that allows us to reach a lot lower down into market size," said Tanya Turner, US Bank's senior vice-president of affinity products, in an interview with *BMI*. "We now can offer 100 percent customisation on the issuance side, customised marketing materials and even customised customer service for very small groups."

Turner said one of the best investments that US Bank has made is its card issuance technology, which can change from card to card instantly. Rather than run 10,000 cards for one programme, then 1,000 for another, the system compiles all incoming orders, then loads images of the card onto the card printer.

The system allows, for instance, US Bank to issue four different versions of the Heritage card: one with a picture of Jerusalem's Wailing Wall; one with a Star of David; another with the Israeli and US flags (*see image*); and one with a less obviously Israel-related design that bears a ray of light.

"We can print a card for the American Rose Society, then one for Pheasants Forever [*see image*], then one for the Children's Cancer Fund," Turner said. "It allows us to be much more nimble."

Customisation is key to the Heritage affinity programme, marketed by Heritage Affinity Services of Cedarhurst, New York, which designed the programme, markets the card through Jewish and pro-Israel organisations, and recruits the charities and merchants that disburse the rewards.

The rewards are specific to the Heritage programme, as are the marketing materials and even the customer service experience, Turner said.

"Our customer service representatives have all of the Heritage materials in front of them and the cardholder is identified as a Heritage member so that incoming calls

from them are treated differently than, say, the University of Missouri-Rolla," Turner said. "We greet them as a member of a particular affinity programme and are familiar with the services and rewards offered through their programme and that helps strengthen that affinity relationship."

Turner said that the affinity card business is evolving from broad-based consumer reward programmes to more relational affinities – from General Motors drivers, to college *alumni*, to rose growers – but added that opportunities abound at the macro level as well, where ethnic or nationalistic sentiments form broader collections of potential cardholders.

She cited The Ancient Order of Hibernians, an Irish identity group, and Latina Style, a foundation geared towards Hispanic women, as examples of ethnic affinities for which US Bank has issued cards in recent years. Heritage said it is looking at creating versions

of its programme for other ethnic groups, such as Russians, Portuguese, Jamaicans and Colombians.

Turner said that the bank evaluates leads almost daily, looking for the right combination of attributes. "We're looking for a partner who has a pretty strong membership from a loyalty standpoint and allows us access to a variety of marketing points," she said. "If they are willing to allow us to really delve into a marketing relationship, then we can make it work."

## Ideal affinity partners

Turner said that almost any group of passionate *alumni*, hobbyists, or other interest groups make ideal affinity partners.

"We seek devoted, active membership and don't really pay much attention to the group, because it isn't central to the decision," she said, citing the American Rose Society, a group dedicated to the cultivation and appreciation of roses, for which she had just seen a card coming off the presses.

"We can take that card – featuring a stunning, full-colour red rose – and then have take-one applications with rose cards on it and it is written straight to the rose people. Then the website offering is tailored as well and it

becomes its own marketing device."

Sports – particularly participatory sports clubs – have proven lucrative to US Bank, which has signed up the American Taekwondo Association, USA Softball, the United States Fencing Association and the Professional Bull Riders Association in the past two months.

Dozens of other affinity relations, from the Moose Club to the Scottish Rite Freemasons, have been initiated during the past year, Turner said, including several smaller educational institutions that would have been overlooked by affinity issuers in an earlier era.

"We can slice and dice and make a profitable relationship out of a much smaller group these days," she said. ■

