

Belgians go for personalized cards

KBC reports that 120,000 of its banking customers uploaded a favourite image on to their payment cards in the four months after it began offering the service, suggesting that 1.2% of Belgium's entire

population are now carrying an individually-designed KBC card in their wallets.

Around 20% are new cards and 80% replacements of existing cards, with the age span running from 10 years old for the



youngest to 94 for the oldest. To date, KBC has not charged for the service but has recently begun testing a €10 fee.

In promoting the initiative, KBC abandoned traditional direct mail channels in favour of online marketing via:

- An email campaign;
- A card design competition giving away digital cameras and holidays;
- A link from the online banking application.

"Since day one, our personal banking cards have been a huge success," says An Deventer, product manager, cards, KBC: "They're going down very well with our customers, and the number taken out has already exceeded our expectations."

With the Web 2.0 genera-

tion growing exponentially, KBC says online marketing is vital if card issuers are to retain a competitive advantage over their peers. Meanwhile, response rates generated by traditional direct mail are diminishing in the US, dropping to 0.2% in 2006.

Technology provider Serverside is seeing significant interest in its online card customization technology from card issuers globally.

"If KBC had used direct mail and the current average US credit card response rate applied, they would have needed to send five separate letters to every man, woman and child in Belgium to get 120,000 respondents. Not a great plan," says Serverside president Adam Elgar.