

New Chase card can cross-sell and boost account openings by appealing to credit invisibles

Article

The news: Chase launched a credit card designed to help users build their credit history while enjoying cash-back benefits and rewards, according to a press release.

Here's how it works:

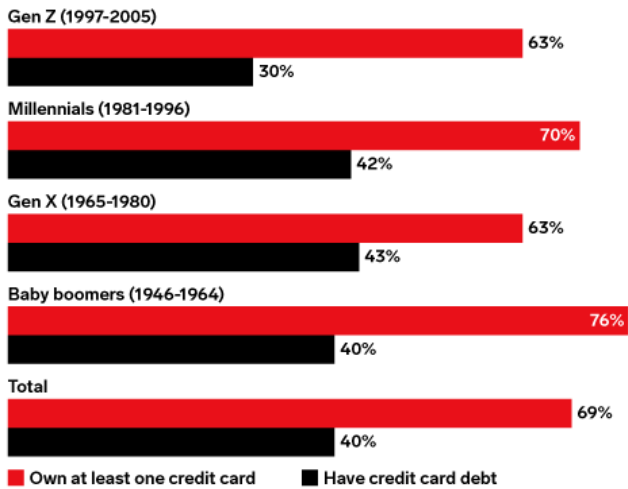
- **Chase Freedom Rise** cardholders can earn 1.5% cash back on purchases, with no annual fee or minimum to redeem rewards.
- Customers can earn \$25 for enrolling in autopay in the first three months of account opening.
- They can also check on their credit score and access educational resources, which might incentivize users to build safe payment habits.
- To improve the likelihood of getting approved, customers can open a Chase checking account with a \$250 balance within two days of applying for a card.
- Customers need to visit a Chase branch to apply for the card.

Why it could work:

1. **It should attract younger users.** Many [Gen Zers are cautious about credit card use](#): 30% reported having credit card debt, per a February 2023 Morning Consult survey. Cash-back rewards and credit-building tools—without fees—should appeal to this demographic, as will financial educational tools.
2. **Credit invisibles will boost account openings.** Chase and other issuers can capitalize on this large, relatively untapped group. Almost one-fifth (19%) of US adults, or 49 million people, don't have conventional credit scores, [per](#) Oliver Wyman. Marketing introductory cards to this segment, as Chase is doing, can draw credit invisibles.
3. **There are cross-selling opportunities.** Chase is already incentivizing consumers to open checking accounts by increasing the likelihood of approvals for Freedom Rise. Highlighting the benefits of other products can encourage uptake. And targeting users earlier to build relationships should lead users to embrace other products as they progress into financial adulthood.
4. **New cards draw crowds.** One in 5 customers applied for a new credit card within the last year, [per](#) NerdWallet. Chase can appeal to consumers who want starter credit cards. But needing to apply in branch could deter some consumers from applying, and Chase may have missed out on the wave of consumers looking for new credit cards as rising interest rates put people off borrowing.

US Adults Who Own at Least One Credit Card vs. Those Who Also Have Credit Card Debt, by Generation, Feb 2023

% of respondents in each group



Note: read as "63% of Gen Z adults own a credit card, and 30% of Gen Z adults who own a credit card have credit card debt"
Source: Morning Consult, March 7, 2023

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