

2009 Credit Card Rewards – Consumer Insights

Key Insights

1. Membership in Credit Card Rewards Programs Decreases Among FI Members in 2009

Significantly less FI members report being a member of a credit card rewards program in 2009 (67%) compared to 2008 (71%). Debit card rewards program members among all FI members increased from 34% in 2008 to 45% in 2009. With the current economic downturn, consumers are abandoning their credit cards in favor of using their debit cards to make purchases.

2. Gas Credit Card Rewards Members Most Satisfied

Consumers who are members of gas rewards programs through a credit card report the highest level of satisfaction (39% Top-2 box) and value (42% Top-2 box), even higher than ratings given for rewards programs overall.

3. Rewards Membership Influences Credit Card Usage

Rewards program memberships have the largest influence on choice of gas credit cards with 43% of members indicating that their membership is “very influential” on their choice of company.

4. Most Consumers Not Willing to Pay Higher Interest Rate for Rewards

Roughly 70% of consumers who are members of credit card rewards programs are NOT willing to pay a higher interest rate for a credit card with loyalty rewards.

5. Gas Rewards Programs Most Often Used

Gas rewards programs tied to a credit card are used “every time” or “most of the time” by 76% of gas rewards members.

About this Study

First Data Competitive Intelligence conducted the Consumer Loyalty Study with 2,449 U.S. consumers in April 2009. The study focuses on rewards programs with Financial Institutions (FIs), the travel sector and the retail sector. This CI Market Brief focuses on consumer insights regarding rewards for the Credit Card sector. Sample sizes completing the survey for specific rewards programs are as follows: Bank Credit Card (n=290); Gas Credit Card (n=135); Department Store Credit Card (n = 197).

Prepared by: Sharon Brant – Director

Media Contact : Mediarelations@FirstData.com (303-967-6323)

Investor and Analyst Relations Contact: Silvio.Tavares@FirstData.com (303-967-8276)

Key Insight #1: Membership in Credit Card Rewards Programs Decreases Among FI Members in 2009

The number of consumers reporting they have a credit card with a rewards program from a bank or credit union has decreased significantly. Significantly less FI members report being a member of a credit card rewards program in 2009 (67%) compared to 2008 (71%). Debit card rewards program members among all FI members increased from 34% in 2008 to 45% in 2009. With the current economic downturn, consumers are abandoning their credit cards in favor of using their debit cards to make purchases.

Credit and Debit Rewards Memberships

Credit Card Rewards Programs (Among those having credit, debit or other FI rewards programs)	2008	2009
Percentage who report having credit cards without rewards programs	65% [†]	55%
Mean number of credit cards without rewards programs	2.3	2.1
Percentage who report having credit cards with rewards sponsored by a bank, credit union or other FI	71%	67%
Mean number of credit cards with rewards sponsored by a bank, credit union or other FI	1.8	1.7
Percentage who report having credit cards with rewards sponsored by an airline or retailer	39% [†]	33%
Mean number of credit cards with rewards sponsored by an airline or retailer	1.7	1.5
Debit Card Rewards Programs (Among those having credit, debit, or other FI rewards programs)	2008	2009
Percentage who report having debit cards without rewards programs	46%	46%
Mean number of debit cards without rewards programs	1.3	1.3
Percentage who report having debit cards with rewards programs	34%	45% [†]
Mean number of debit cards with rewards programs	1.1	1.2
Other Financial Institution Rewards Programs (Among those having credit, debit, or other FI rewards programs)	2008	2009
Percentage who report having other FI rewards programs	17%	23% [†]
Mean number of other FI rewards programs	1.1	1.1

[†] Indicates a statistically significant difference between 2008 and 2009 at the 95% confidence level

Date: April, 2009

2008 (N = 449) 2009 (n = 835)

Key Insight #2: Gas Credit Card Rewards Members Most Satisfied

Consumers who are members of gas rewards credit card programs report the highest level of satisfaction (39% Top-2 box) and value (42% Top-2 box), even higher than ratings given for rewards programs overall. Department store credit card rewards programs experience the lowest level of satisfaction and value compared to all rewards programs.

Satisfaction and Value of Rewards Programs

	Satisfaction (%9-10)	Value (%9-10)
Overall	23%	22%
Gas (Tied to Credit Card)	39%	42%
Credit Card	19%	18%
Department Store (Tied to Credit Card)	14%	11%

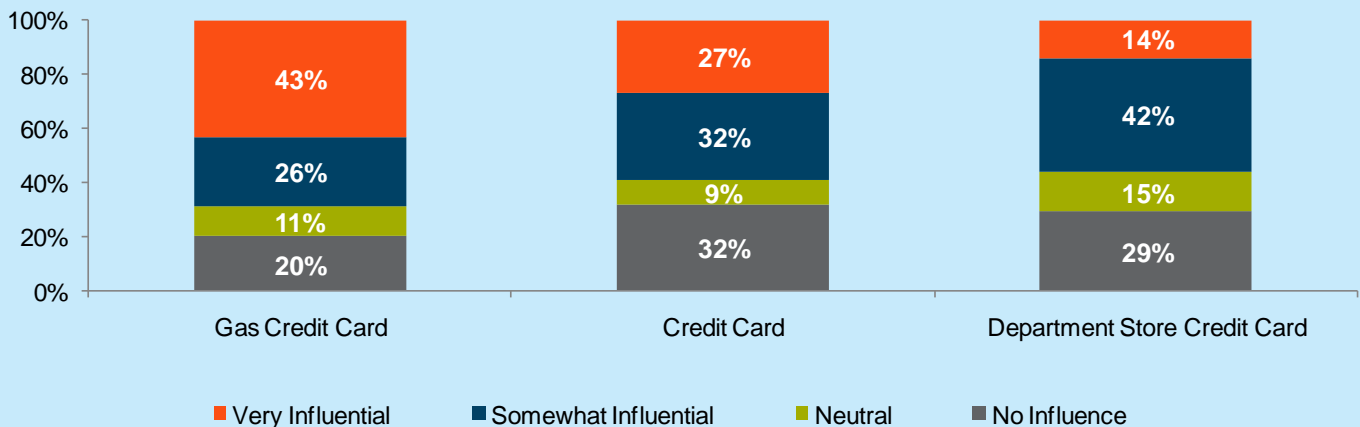
Date: April, 2009

Total (n = 2,249) ; **Gas** (n =135); **Credit Card** (n =290) ; **Dept Store** (n =197)

Key Insight #3: Rewards Membership Influences Credit Card Usage

Rewards program memberships have the largest influence on choice of gas credit cards with 43% of members indicating that their membership is “very influential” on their choice of company. Rewards programs for department store credit cards have the least influence on consumer choice.

Influence of Credit Cards Rewards Membership on Choice of Company



Date: April, 2009

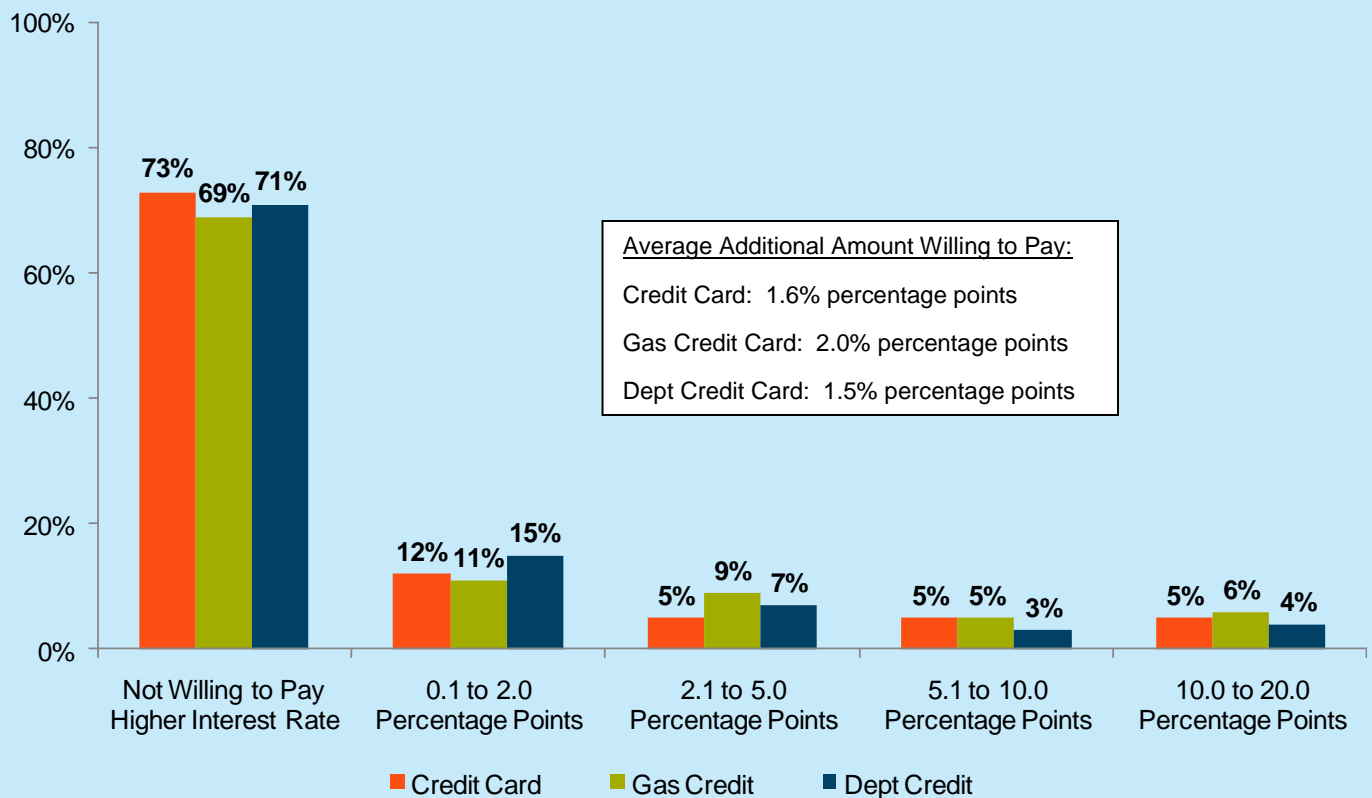
Gas (n =135); **Credit Card** (n =290) ; **Dept Store** (n =197)



Key Insight #4: Most Consumers Not Willing to Pay Higher Rate for Rewards

Roughly 70% of consumers who are members of credit card rewards programs are NOT willing to pay a higher rate for a credit card with loyalty rewards. Members who are willing to pay a higher rate for a card with loyalty rewards averaged an additional 2.0% percentage points for gas credit cards; 1.6% for bank credit cards; and 1.5% for department store credit cards.

Willingness to Pay Higher Interest Rate for Card with Loyalty Rewards



Date: April, 2009

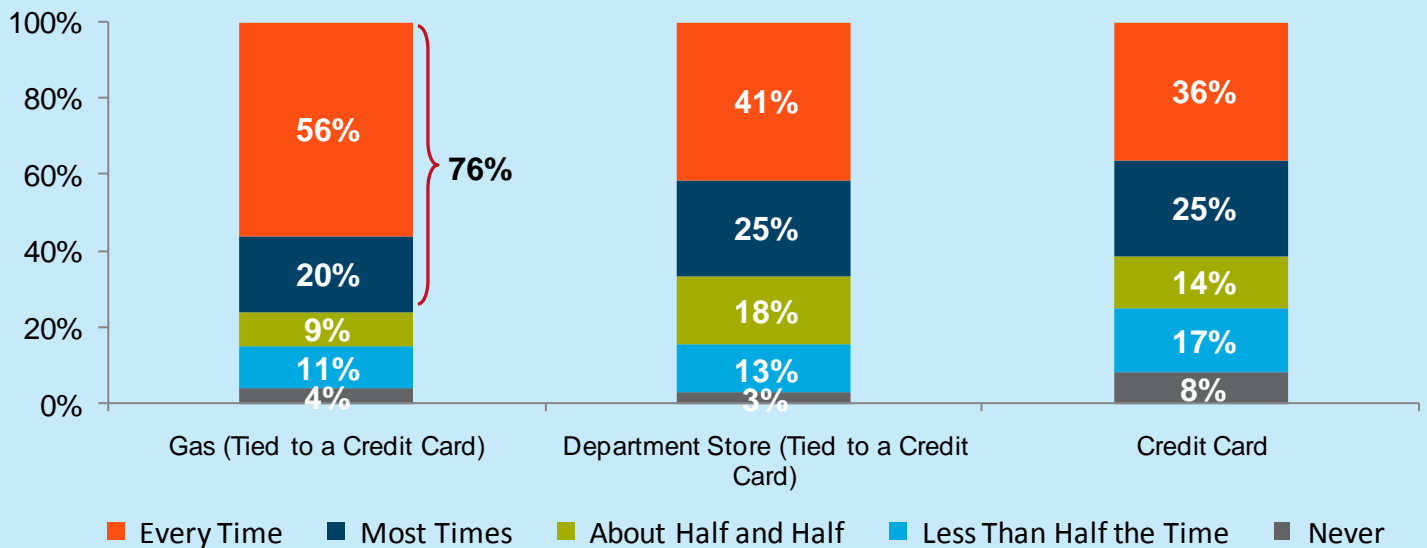
Gas (n=135); Credit Card (n=290); Dept Store (n=197)



Key Insight #5: Gas Rewards Programs Most Often Used

Gas rewards programs tied to a credit card are used “every time” or “most of the time” by 76% of gas rewards members. 66% of Department Store credit card rewards members and 61% of bank credit card rewards members use their memberships “every time” or “most of the time”.

Frequency of Using Rewards Memberships
 % Using Rewards Membership While Making a Purchase
 (Among Category Members)



Date: April, 2009

Gas (n =135); Credit Card (n =290) ; Dept Store (n =197)

