

# 2009 Financial Institutions Rewards Programs – Consumer Insights

## Key Insights

### 1. Membership in Credit Card Rewards Programs Decreases While Debit Membership Increases

The number of consumers reporting they have a credit card with a rewards program from a bank or credit union has fallen from 71% in 2008 to 67% in 2009. Significantly more consumers report having a debit card with a rewards program in 2009 (45%) compared to 2008 (34%).

### 2. Credit and Debit Rewards Members Equally Satisfied with Programs

19% of consumers who are members of credit or debit rewards programs rated their satisfaction with the programs at 19% (Top-2 box score) compared to an overall satisfaction with rewards programs of 23%.

### 3. Debit Card Least Influential Rewards Program

41% of debit card rewards program members reported that the programs had “no influence” in their choice of FI.

### 4. Gas Rewards Programs Used Most Often

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

### 5. Majority of FI Members Not Willing to Pay More for Program Benefits

Roughly 70% of consumers who are members of FI loyalty programs reported that they were not willing to pay a higher interest rate for a card with loyalty rewards. Of those members willing to pay a higher interest rate, gas credit cards have the highest average additional amount at 2.0%.

## 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 FI sector. Sample sizes completing the survey for specific rewards programs are as follows: Bank Credit Card (n=290); Debit Card (n=286); Gas Credit Card (n=135); Department Store Credit Card (n=197).

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## Key Insight #1: Membership in Credit Card Rewards Programs Decreases While Debit Membership Increases

The number of consumers reporting they have a credit card with a rewards program from a bank or credit union has fallen from 71% in 2008 to 67% in 2009. Significantly more consumers report having a debit card with a rewards program in 2009 (45%) compared to 2008 (34%). 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 <b>without</b> rewards programs	65% <sup>†</sup>	55%
Mean number of credit cards <b>without</b> rewards programs	2.3	2.1
Percentage who report having credit cards <b>with</b> rewards sponsored by a bank, credit union or other FI	71%	67%
Mean number of credit cards <b>with</b> rewards sponsored by a bank, credit union or other FI	1.8	1.7
Percentage who report having credit cards <b>with</b> rewards sponsored by an airline or retailer	39% <sup>†</sup>	33%
Mean number of credit cards <b>with</b> 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 <b>without</b> rewards programs	46%	46%
Mean number of debit cards <b>without</b> rewards programs	1.3	1.3
Percentage who report having debit cards <b>with</b> rewards programs	34%	45% <sup>†</sup>
Mean number of debit cards <b>with</b> 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% <sup>†</sup>
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: Credit and Debit Rewards Members Equally Satisfied with Programs

19% of consumers who are members of credit or debit rewards programs rated their satisfaction with the programs at 19% (Top-2 box score) compared to an overall satisfaction with rewards programs of 23%. Gas card rewards programs were rated the highest amongst FI programs at 39% (Top-2 box score). Perceived value of credit and debit rewards programs were rated at 18% and 17% (respectively).

### Satisfaction and Value of Rewards Programs

	Satisfaction (%9-10)	Value (%9-10)
<b>Overall</b>	23%	22%
<b>Gas (Tied to Credit Card)</b>	39%	42%
<b>Credit Card</b>	19%	18%
<b>Debit Card</b>	19%	17%
<b>Department Store (Tied to Credit Card)</b>	14%	11%

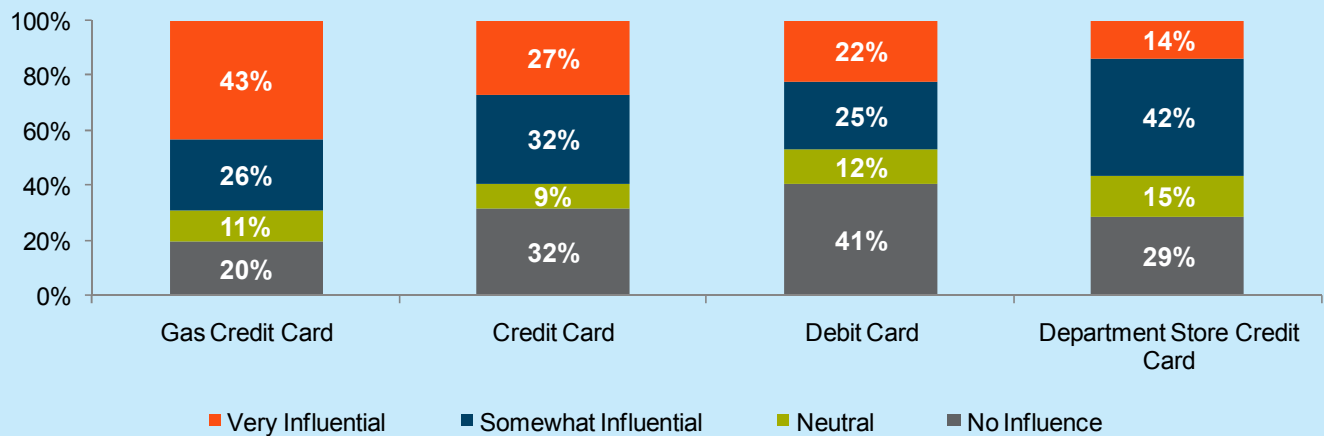
**Date:** April, 2009

**Total** (n = 2,249) ; **Gas** (n =135); **Credit Card** (n =290) ; **Debit Card** (n =286) ; **Dept Store** (n =197)

### Key Insight #3: Debit Card Least Influential Rewards Program

41% of debit card rewards program members reported that the programs had “no influence” in their choice of FI. Gas credit card programs have the most influence on company choice with 43% of gas credit card program members indicating the program was “very influential” in their choice” of gas stations.

#### Influence of FI Rewards Members on Choice of Company/Retailer



**Date:** April, 2009

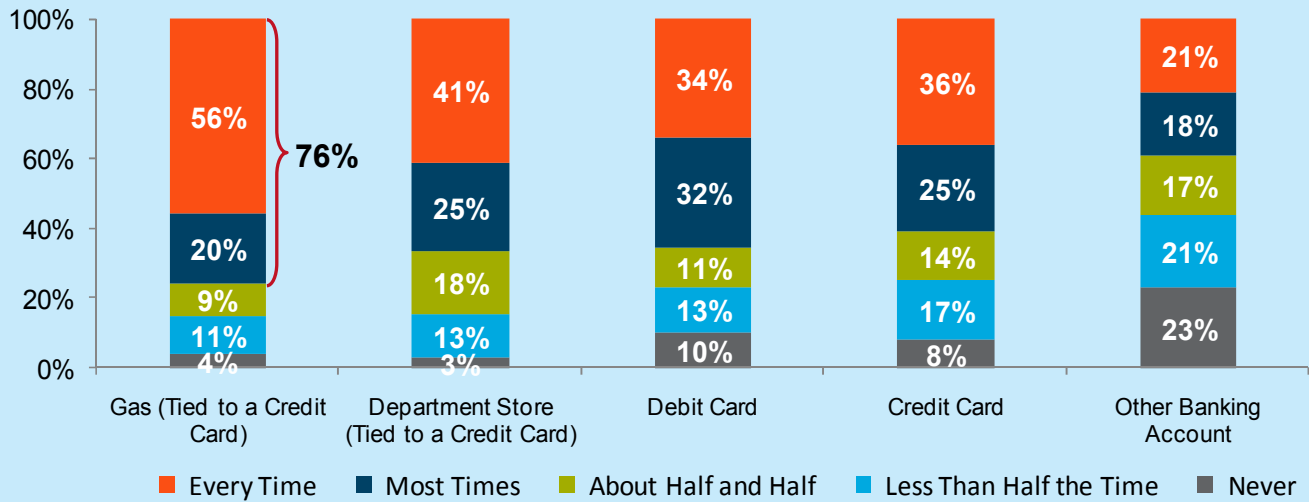
**Gas** (n =135); **Credit Card** (n =290) ; **Debit Card** (n =286) ; **Dept Store** (n =197)



## Key Insight #4: Gas Rewards Programs Used Most Often

Gas rewards programs tied to a credit card are used “every time” or “most of the time” by 76% of gas rewards members. This compares to 66% for department store credit cards and debit cards and 51% for credit card rewards members.

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



Date: April, 2009

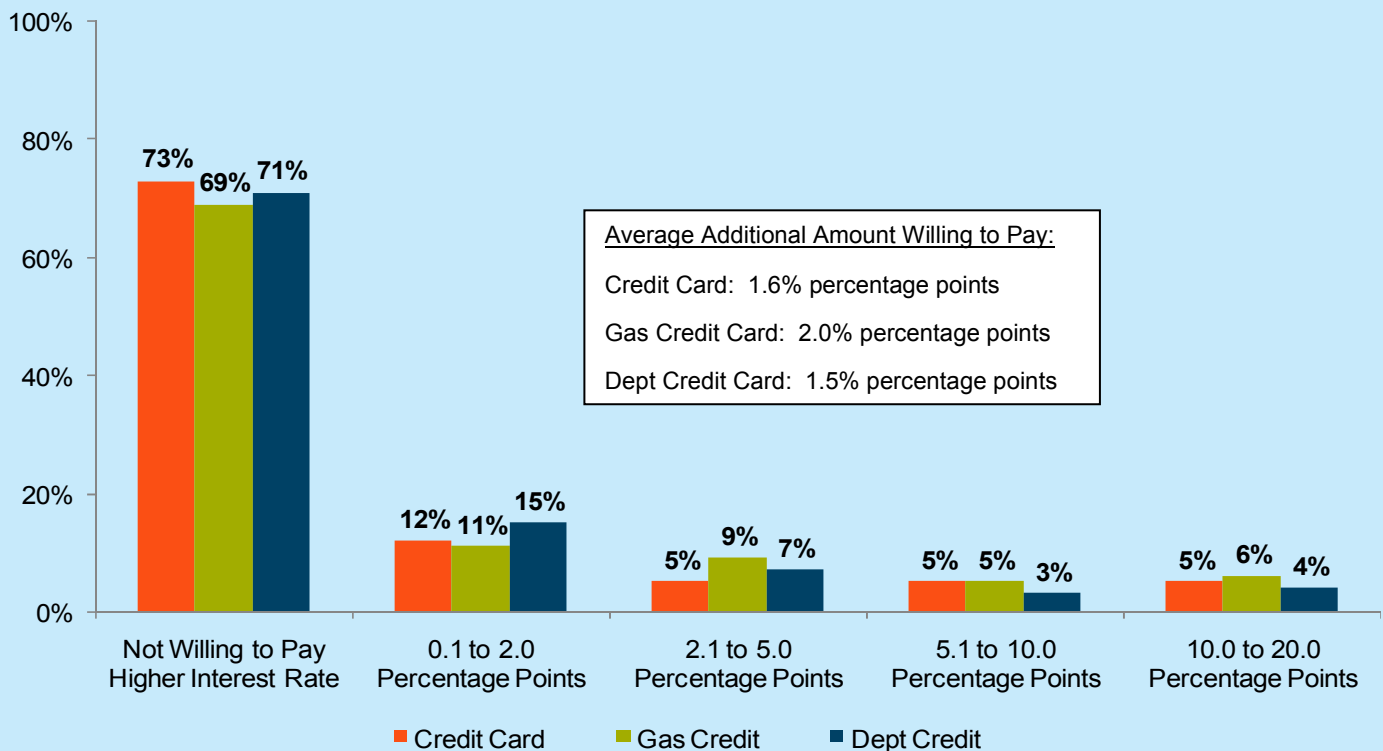
Gas (n =135); Credit Card (n =290); Debit Card (n =286); Dept Store (n =197)



## Key Insight #5: Majority of FI Members Not Willing to Pay More for Program Benefits

Roughly 70% of consumers who are members of FI loyalty programs reported that they were not willing to pay a higher interest rate for a card with loyalty rewards. Of those members willing to pay a higher interest rate, gas credit cards have the highest average additional amount at 2.0%.

### 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)

