

The Rewards Study reveals complexities of consumer attitudes

As an issuer, you face intense competition for share of wallet and share of mind among consumers attracted to rewards card programs. The *Rewards Study*, part of the **Comparative Cardholder Dynamics** suite of studies, was created by MasterCard Advisors to help you understand these marketplace dynamics and design successful rewards programs.

Rich data drawn from a broad study panel covers the full spectrum of pertinent business issues. Our experts synthesize the results into powerful insights into the complexities of consumers' response to an increasing array of rewards offerings. You benefit not only from such insight, but from competitive information as well, including a comparative view of the cardholder-revenue-generating potential of the top rewards card offerings.

The *Rewards Study* reveals how rewards card programs resonate with both credit and debit cardholders and compares categories of rewards programs for price sensitivity. With its rigorous analytical approach, the study helps answer your most important questions about rewards card programs:

- Are your rewards card programs realizing their full potential?
- Are your rewards card programs winning a greater share of wallet for your portfolio?
- Do your rewards cardholders spend and revolve more than cardholders of competing rewards and non-rewards cards?



- Do proprietary rewards programs work better than co-branded rewards programs?
- Which rewards programs outperform the competition in terms of cardholder satisfaction, redemption experience, attrition risk, and cardholder advocacy?

With the *Rewards Study*, you will be equipped to learn from a single comprehensive source how to attract and maintain the most profitable cardholders.

Insights on Cardholder Satisfaction, Benchmarks and Performance Factors

Based on a broad sample of U.S. cardholders, this unparalleled analysis of the rewards space presents data-based insights about rewards cards usage and consumer reaction to the redemption experience.

The study covers important business concerns, including:

- Cardholder expectations of satisfaction with major rewards cards, including American Express, Discover, and the leading credit players
- Benchmarks of both proprietary and non-proprietary rewards programs as well as differences among types of rewards
- Details on the underlying performance factors for cash-back, travel-related, auto and merchandise-based rewards programs

Ideas for Realizing the Full Revenue Potential of Rewards Programs

Findings from the *Rewards Study* can assist you in starting a program or improving an existing program. You will learn about share of total spending and revolving balances captured with rewards cards.

The study discusses primary card preferences and the cardholder-revenue-generating potential of the leading rewards card offerings. A top-line review of the life stage of rewards cardholders shows the extent of their potential engagement with rewards card programs. Also covered is consumer fee elasticity associated with various rewards programs, as well as competition against non-rewards programs and alternate forms of payment.

Strategies and Tactics for Meeting the Competitive Challenge

The U.S. payments marketplace is experiencing rapid growth in rewards card offerings—a proliferation of cards linked with cash, travel-based, auto, and merchandise rewards programs. Results of competing rewards portfolios are mixed. Additionally, the introduction of debit rewards cards has added to the complexity of the payments space. Meanwhile, consumers are becoming increasingly savvy and discerning.

The *Rewards Study* equips you to meet these challenges by providing powerful perspectives on consumer attitudes and behaviors. Offering unrivaled competitive intelligence, the study can help you improve the performance of your rewards cards and identify additional drivers for enhancing the value of your rewards offerings to consumers.

Are satisfaction scores and behaviors related?

Average monthly spend by overall satisfaction



To learn more about the *Rewards Study* in the **Comparative Cardholder Dynamics** suite of studies, please contact your MasterCard representative or visit the MasterCard Advisors website www.mastercardadvisors.com.

About the Advisors Payments Panel

The Advisors Payments Panel is a U.S.-based panel of more than 40,000 consumers of credit and debit cards. The panel is sourced from an existing nationally representative panel maintained by Ipsos, a leading provider of market research services. The information collected provides a powerful and comprehensive perspective, not only across all cards in the wallet, but also across all forms of consumer payment.

About MasterCard Advisors

MasterCard Advisors, LLC, the professional services arm of MasterCard Worldwide, provides payments-focused consulting, information, and outsourcing services to financial institutions and merchants worldwide. With its unparalleled category expertise, deep understanding of customer needs, and successful track record in addressing complex challenges throughout the payments lifecycle, MasterCard Advisors delivers customized end-to-end solutions that maximize the value of clients' cards and payments businesses. MasterCard Advisors shares the goals and vision of its clients, and works in partnership with them to deliver actionable insights that drive tangible impact and financial gain. For more information, go to www.mastercardadvisors.com.

Comparative Cardholder Dynamics

studies offer a broad and deep understanding of payment behaviors and consumer attitudes toward credit and debit cards. Issuers gain powerful competitive intelligence and marketplace insights for developing strategies to improve performance.



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