

Credit Card Strategies To Win Competition

Consumers seek personalized, relevant rewards from their credit cards. With more than one billion credit cards in circulation, maintaining top-of-wallet status poses a central challenge for credit card issuers.

Consumers Want Rewards From Their Credit Card

50%

50% of credit card consumers say an attractive rewards program is an important consideration when deciding which card to apply for.¹

47%

47% of card holders who switched to a new card within the past 12 months did so for a better rewards program.²

During inflation, credit card issuers should incentivize users by offering rewards that are attractive in price-sensitive categories such as groceries and gas.

How FIs Can Stay Competitive With

1 billion

Credit Cards in Circulation

Personalize Rewards

Only 26% of U.S. consumers say their credit card rewards are “very personalized.”³ Surface rewards such as highly personalized card-linked offers to keep your card top-of-wallet.

26%

Motivate To Activate

In a survey of the top 50 Visa and Mastercard issuers, activation rates were only 57%.⁴ That means 43% of issued cards are never activated. Give customers a reason to activate right away.

57%

Engage Quickly

The long term value of a customer is up to three times greater when they activate and engage within the first 90 days.⁵ Give customers a reason to engage right off the bat.

3X

Keep Engagement Constant

Only 50% of credit card consumers used the same primary card over a 2-year period.⁶ Keep rewards top of mind for consumers to prevent losing top-of-wallet status.

50%

1. <https://www.paymentsjournal.com/the-most-important-factors-for-consumers-choosing-a-credit-card/#:~:text=62%25%20of%20credit%20card%20users,credit%20card%20to%20apply%20for.>
 2. <https://www.jdpower.com/business/press-releases/2018-us-credit-card-satisfaction-study>
 3. <https://thefinancialbrand.com/news/payments-trends/credit-card-trends/how-credit-card-issuers-can-stay-top-of-wallet-amid-fierce-competition-153986/>
 4. <https://emiboston.com/10-considerations-to-boost-credit-card-activation-rates/#:~:text=According%20to%20The%20Nilson%20Report%2C,Fifth%20Third%E2%80%99s%20was%20just%2049>
 5. <https://www.medialogic.com/blog/financial-services-marketing/credit-card-customer-onboarding/#:~:text=July%2016%2C%202021%20%E2%80%A2%20Author%3A,cards%20are%20deemed%20inactive>
 6. <https://www.oliverwyman.com/our-expertise/insights/2017/sep/achieving-top-of-digital-wallet-.html#:~:text=Yet%2C%20it%20isn't%20working,both%20higher%20spend%20and%20revolve.>

