FinGoal

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%

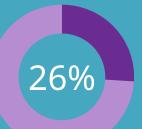
47% of card holders who switched to a new card within the past 12 months did so for a better rewards program.²

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 Staying 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.



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.



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.



50%

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.

- 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-attisfaction-study 5.https://www.medialogic.com/blog/financial-services-marketing/credit-card-trends/beting/active/beting/b