

Loyalty Programs in Financial Services - US - November 2013

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“Loyalty programs need to address consumers’ desire for financial security and fiscal responsibility that has continued since the financial crisis of 2008. Loyalty program providers need to think differently about what might appeal to the customer, and go beyond the traditional program features in order to differentiate themselves from their competitors.”
 – Susan Menke, Senior Financial Services Analyst

This report looks at the following areas:

- Regaining trust
- Social media can be a blessing or a curse
- Some of those with rewards cards need help managing their rewards
- Deploy all marketing strategies that can continue to strengthen the relationship (ie, social and mobile)
- There has been some activity in the white space – that place where gains can be made by differentiation

Loyalty programs are an integral part of the product mix in the financial services industry. Six in 10 consumers are currently enrolled in a credit or debit card loyalty rewards programs, which corresponds somewhat with the percentage of consumers who either qualify for, or want a credit card, or who are participating in a much less commonly offered debit card rewards program. This indicates that financial services institutions are using these programs as a way to compete fiercely for desirable customers.

The report looks at these programs from the consumer perspective, as well as the overall market for the larger issuers of credit cards, the changing shape of household debt since the Great Recession (which impacts the attractiveness of loyalty rewards), and the many types of programs that are currently available. In addition, it looks at the attitudes toward, and experiences of consumers with credit and debit card rewards programs, as well as how these programs are viewed and discussed in social media.

This report builds on the analysis presented in Mintel’s *Credit and Debit Cards – US, July 2012*, as well as *Premium Credit Cards – US, November 2011* and *Credit and Debit Cards – US, July 2011*.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Social media can be a blessing or a curse

The issues

The implications

Some of those with rewards cards need help managing their rewards

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The implications

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