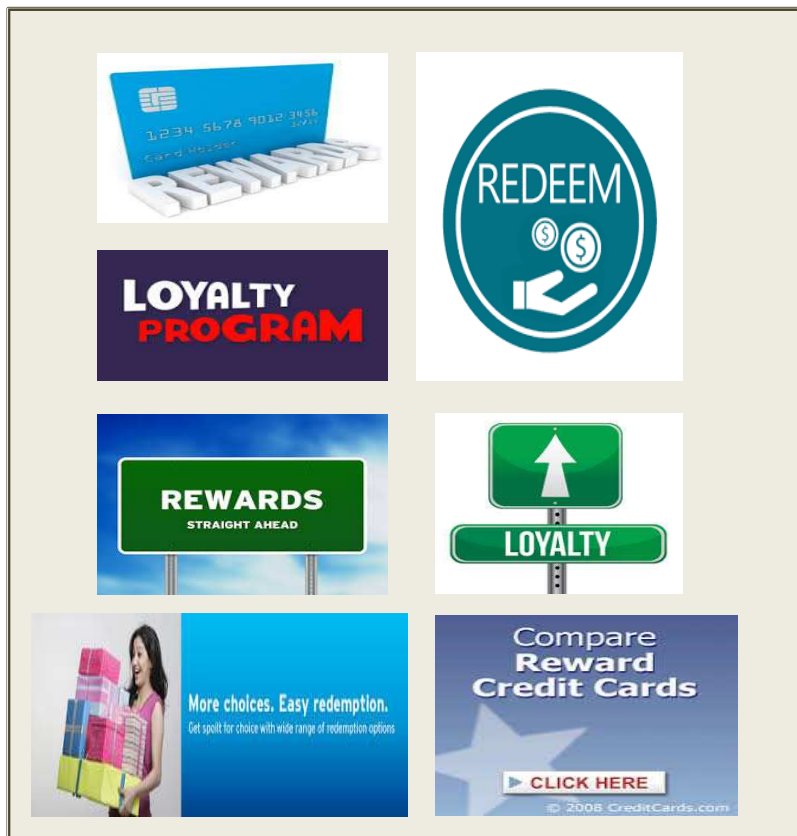


PHOENIX

Chart Extracts From:

2016 Credit Card Monitor Report *Credit Card Rewards, Redemption & Merchant Loyalty Programs*



April 2016

Greg Weed

828-697-9192

Greg.Weed@phoenixmi.com

Table of Contents



	Page
I. Objectives & Methodology	3
II. Findings & Conclusions	4
III. Detailed Findings	8-41
A. Rewards Card Ownership & Volumetrics	8
B. Last Time Rewards Were Redeemed	14
C. Perceived Value of Credit Card Rewards Programs	16
D. Attitudinal Agreement Ratings	22
E. Merchant Loyalty Programs	29
F. Single POS Payment and Loyalty Rewards Transactions	36
G. Most Important Sources of Information	39

I. Objectives and Methodology



Objective

- Investigate consumer usage, perceptions and attitudes toward credit card rewards programs and merchant loyalty programs.

Methodology

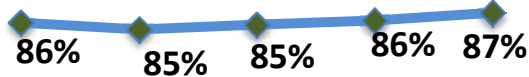
- The information in the documents is from the Phoenix Credit Card Monitor, an ongoing tracking study that has reported on the credit card market over the last 15 years.
- Data collection used in this report occurred in March 2016 among 3,003 respondents owning a general-purpose credit or charge card for personal use.
- Respondents were qualified to make all or most of the household purchases and pay all or most of the household bills.
- The ending sample is Census-balanced to align with age/income distributions for households – not population – sourced from the Current Population Survey and the Phoenix Consumer Payments Monitor.

Rewards Card Ownership Trend



Most credit cardholders own a rewards credit card. The high incidence of ownership ($\approx 85\%$) has held steady over the past 3 years.

% Total Credit Cardholders Owning a Rewards Credit Card



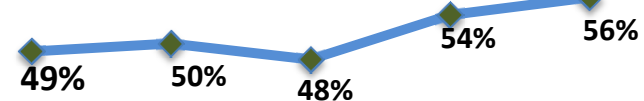
In March 2016, 87% of GP credit or charge card survey respondents reported owning at least one rewards card.

It is estimated that this projects to about ≈ 79 million households.

Q1 2013 2013 2014 2015 Q1 2016

Base: All GP Credit or Charge Card HHs Within Time Period. In March 2016, n=3,004.

% Total Rewards Credit Cardholders Revolving Balances



The proportion of rewards credit card owners who revolve balances has increased to well over half during recent time periods.

Q1 2013 2013 2014 2015 Q1 2016

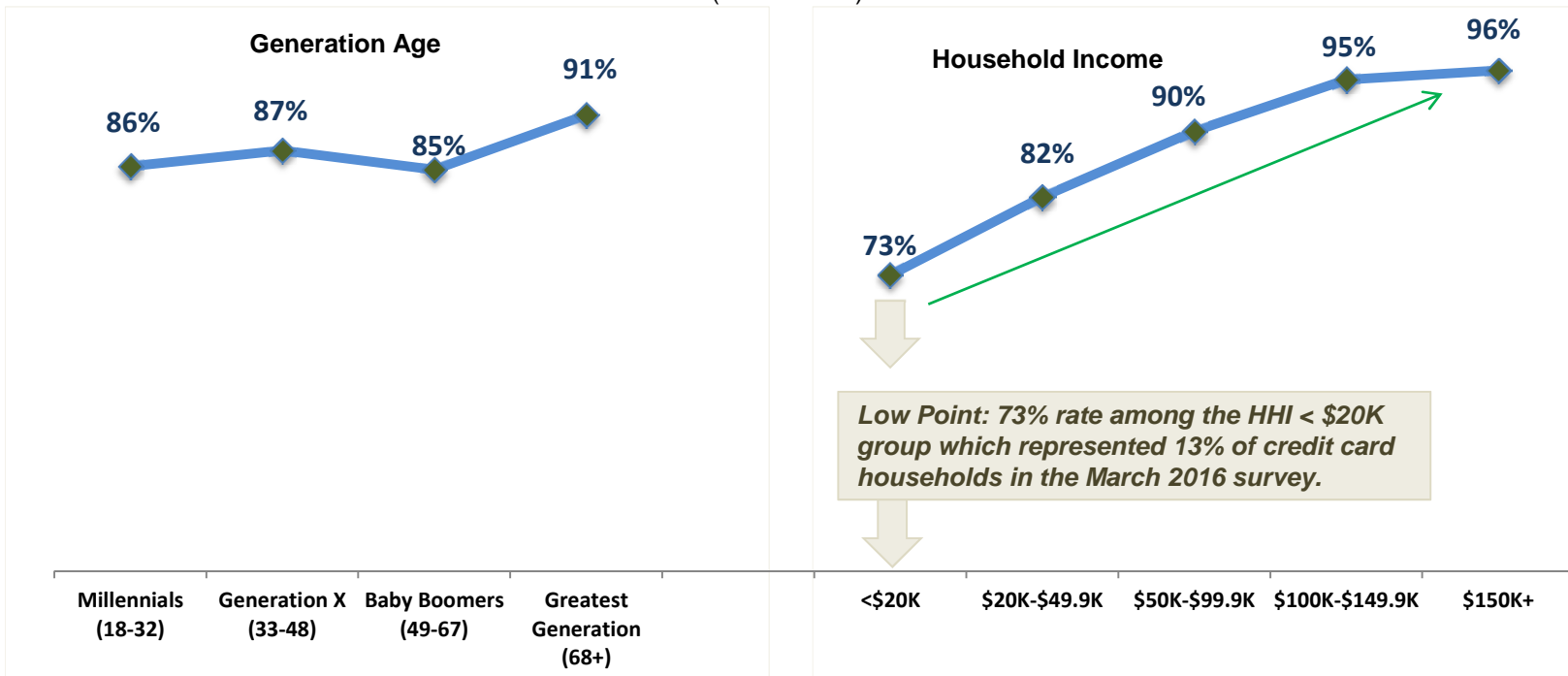
Base: All GP Credit or Charge Rewards Card HHs Within Time Period. In March 2016, n=2,610

Rewards Card Ownership by Age & Income



Despite the clear correlation of rewards card ownership and income, nearly three fourths (73%) of the lowest-income group report owning a rewards credit card.

% Owning a Rewards Credit Card
(March 2016)

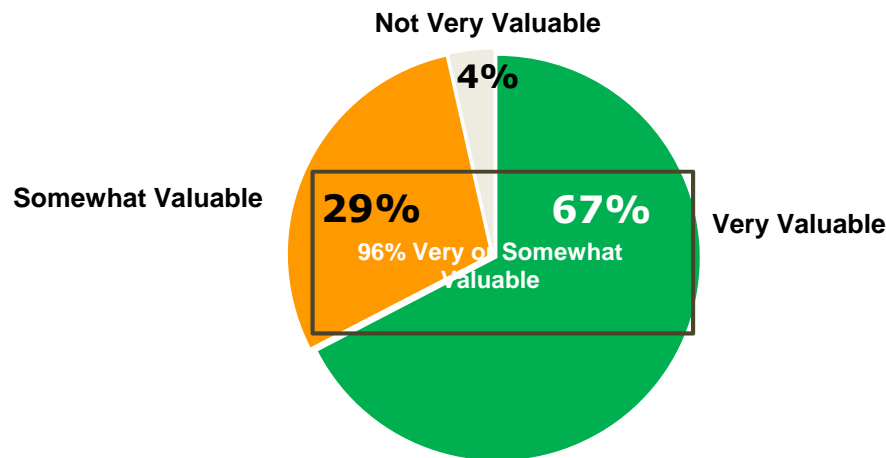


Value Perception of Rewards Cards Owned



96% of rewards credit card owners say that their card-based rewards program is 'very or somewhat' valuable.

All Rewards Credit Card Owners
(March 2016)



Top 3 Boxes (8,9 or 10)

Middle 4 Boxes (4,5,6 or 7)

Bottom 3 Boxes (1,2,3)

Rating on a 10-Point Scale:
 "10" = Extremely Valuable
 "1" = Not at All Valuable

"Again thinking about the rewards credit card that you use most often, how would you rate the value of your credit card rewards programs?"

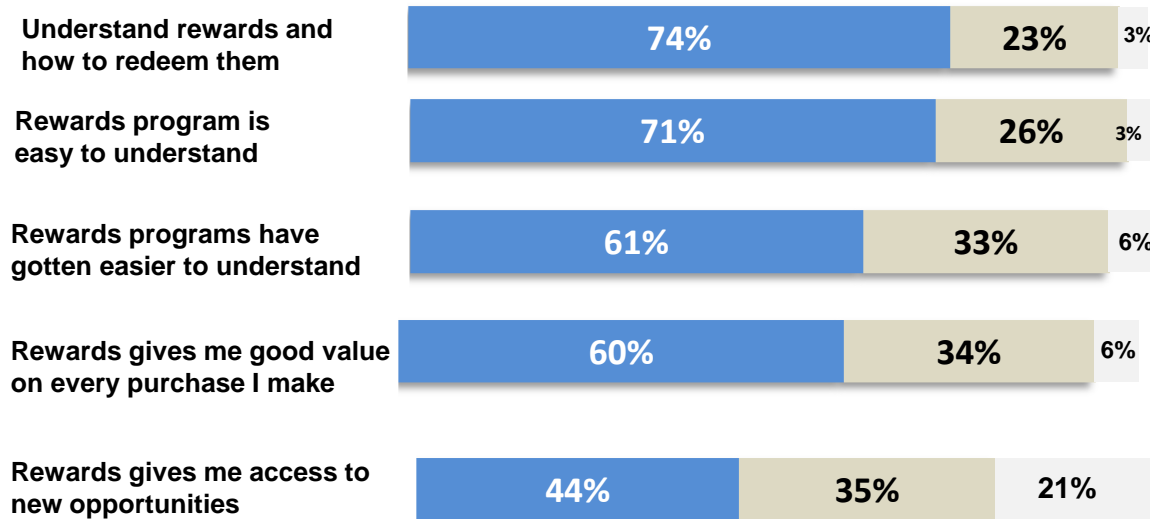
1	2	3	4	5	6	7	8	9	10
Not at all valuable									Extremely valuable

Agreement Ratings -- Overview



Over 70% of rewards credit card owners report that they understand their rewards program, they know how to redeem rewards and they found the rewards program easy to understand.

Agreement Ratings on Attitudes About Rewards Credit Cards
(March 2016)



Agree
Top 3 Boxes (8,9 or 10)

Neutral
Middle 4 Boxes (4,5,6 or 7)

Disagree
Bottom 3 Boxes (1,2,3)

Rating on a 10-Point Scale:
"10" = Strongly Agree
"1" = Strong Disagree

"Please indicate how strongly you agree or disagree with each of the following statements."

