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Cash Back Is the Most Common and Most Preferred Credit Card Rewards Program

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Cash Back Is the Most Common and Most Preferred Credit Card Rewards Program

New York, NY – Among the 78% of U.S. adults who have at least one credit card, nine in ten (91%) are satisfied with their cards, including nearly half (46%) who say that they are *very* satisfied, according to a new study conducted by Ipsos Public Affairs on behalf of the American Bankers Association.

Perhaps this satisfaction is linked to the rewards that card holders are earning, as more than eight in ten current credit card owners (83%) say that their card is currently associated with a rewards program. Cash back is the most common type of reward, utilized by 51% of cardholders, followed by general reward points (35%). Travel and transportation rewards programs fall into a second tier - airline miles (20%), gas rewards points (12%), and hotel points (11%), while only two percent say that they have a card that offers some other rewards program. At the same time, many are missing out on these benefits, as nearly one in five (17%) say that their credit cards do not have any rewards associated with them.

When asked which type of credit card reward program is *most appealing*, cash back cards top the list (55%), selected by a majority of credit card holders. General points cards that allow points collected to be redeemed for things like gift cards and electronics rank second (23%), followed by airline miles (13%), hotel points cards (5%), and other types of reward programs (1%). Only 2% of credit card holders say that nothing appeals to them when it comes to reward programs offered by credit cards.

Further, a valuable rewards program (29%) is among the top factors when deciding which credit card to apply for, ranking just behind a low APR (35%). A quarter of respondents (25%)

say that their primary motivation for choosing a credit card involves the card not having any specific fees associated with it, while only one in twenty say the same of having a high credit limit (5%) or the card being sponsored by a retailer at which they frequently shop (4%). Very few respondents mention some other motivation (1%) or say that nothing really motivates them to choose one credit card over another when deciding which credit card to apply for (1%).

Redeeming Rewards

More than nine in ten respondents (93%) with a rewards card claim it is very (57%) or somewhat (36%) easy to understand when it comes to using the rewards. Furthermore, among rewards card holders, nearly nine in ten (89%) have redeemed rewards at some point, including a quarter who have done so within the past month (26%), and more than a third who say it was within the past six months (35%). Another one in five (17%) claim that they have redeemed points within the past year, while only 6% have done so within the past two years, and another 5% over two years ago. One in ten of those whose cards are associated with rewards programs, however, have never redeemed their credit card rewards (11%).

Participation in Loyalty Programs

While credit card rewards programs are widely used, so are loyalty programs offered by different types of businesses. More than three quarters (78%) of Americans say that they participate in some sort of rewards program, including more than half who participate in programs offered at drugstores (e.g. Walgreens, CVS, etc.) (54%). Roughly three in ten participate in loyalty programs offered by different retailers (e.g. Home Depot, Best Buy, etc.) (32%), food chains (e.g. Subway, TGI Friday's, etc.) (30%), and department stores (e.g. Macy's, Kohl's, Nordstrom, etc.) (29%), while one in five participate in loyalty programs offered by coffee chains (e.g. Starbucks, Dunkin Donuts, etc.) (19%). Supermarket or grocery store loyalty programs are mentioned by roughly one in ten respondents (9%), while very few mention that they participate in programs offered by airlines (1%), hotels (1%), or some other type of



business (2%). Slightly more than one in five, however, do not participate in any loyalty programs (22%).

- Women (84%) are significantly more likely than men (72%) to say that they participate in loyalty rewards programs, especially when it comes to drugstores (64% vs. 43% men), department stores (36% vs. 22%), coffee chains (23% vs. 16%), and supermarket or grocery stores (11% vs. 6%). Men (28%), on the other hand, are more likely than women (16%) to say that they do not participate in any loyalty programs.

These are findings from an Ipsos poll conducted March 11 to 13, 2015. For the survey, a sample of 1,006 U.S. adults age 18 and over was interviewed online, including 774 respondents who say that they have at least one credit card. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 3.5 percentage points for all respondents.

The data were weighted to the U.S. current population data by gender, age, region and household income based on Census data. Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding.

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