

**Rewards, Benefits Crucial in Battle to Be Consumers' Primary Credit Card, J.D. Power Finds**American Express Ranks Highest in 2017 Hong Kong Credit Card Satisfaction Study

**HONG KONG: 18 July 2017** — Cardholders are consolidating their spending into one credit card as the percentage of customers with more than one card declines to 72% from 80% last year, according to the J.D. Power 2017 Hong Kong Credit Card Satisfaction Study,<sup>SM</sup> released today. With major credit card issuers recognising this, they have increased the earn rate and improved the benefits and services offered.

With richer rewards programmes and better benefits/ services being offered by the primary card issuer, overall satisfaction—measured on a 1,000-point scale—improves to 702, a 14-point increase from 2016. Specifically, satisfaction with rewards programmes increases to 720 from 706, and satisfaction with benefits and services increases 23 points to 684. The study also finds that cash rewards is the most preferred redemption programme, being cited as the most preferred programme by 36% of cardholders.

“The issue here is whether cardholder loyalty lies with their card issuer or the rewards programme and benefits,” said **Anthony Chiam, practice leader, service industry at J.D. Power**. “With nearly 25% of cardholders considering switching from their primary card issuer—either for a better rewards programme or better benefits—it is important that issuers consider their long-term engagement strategies to minimize customer attrition.”

Although rewards programmes have become richer, the study shows that more than 70% of cardholders do not fully understand all aspects of their programme. “It is crucial that issuers make all terms and conditions as concise as possible and that they do not hide key terms in the footnotes,” Chiam said. “Improving communication can go a long way toward reducing the problems faced by cardholders, which are the same as last year: fees; benefits and services; rewards; and credit limits.”

With 41% of cardholders using mobile payment services, adoption of this channel is high, even more so among Millennials<sup>1</sup> (46%). There is a +39-point effect of this service on overall satisfaction, increasing to 725 points when this service is used from 686 when it is not used.

Satisfaction ultimately drives loyalty among cardholders, as the study finds that 63% of cardholders who are delighted with their card issuer (overall satisfaction scores of 900 or higher) say they “definitely would” recommend their card to a friend or colleague, compared with the study average of 15%.

Following are additional key findings of the study:

- The focus on being the primary card of choice becomes increasingly important, as 52% of cardholders' total spend is on their main card, with spending primarily focused on big ticket items, such as travel.

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<sup>1</sup> J.D. Power defines Millennials as those born between 1982 and 1994.

- The average spend on cards with an attractive rewards programme is HK\$7,978 vs. HK\$4,824 for an unattractive programme, and overall satisfaction with more appealing rewards programmes is 263 points higher than with unattractive programmes (827 vs. 564, respectively).
- The study shows that cardholders are more comfortable interacting digitally (online and mobile) with their card issuers than with call centres, as 86% have used digital channels in 2017, compared with 82% in 2016.

### Study Rankings

**American Express** ranks highest in credit card satisfaction with an overall score of 773 and performs well across five of the six factors. **DBS** ranks second with a score of 730, while **Citibank** ranks third with a score of 724.

### About the Study

The 2017 Hong Kong Credit Card Satisfaction Study examines customer satisfaction with the product and service provided by their main financial institution. The study measures overall satisfaction in six key factors: interaction (34%); billing and payment (20%); credit card terms (15%); benefits and services (15%); rewards (13%) and problem resolution (4%).

The study is based on responses from 2,685 credit card customers. Coverage includes 10 major credit card issuers in the market, nine of which are rank-eligible, with scores based on the customer's primary card used and was fielded in May-June 2017.

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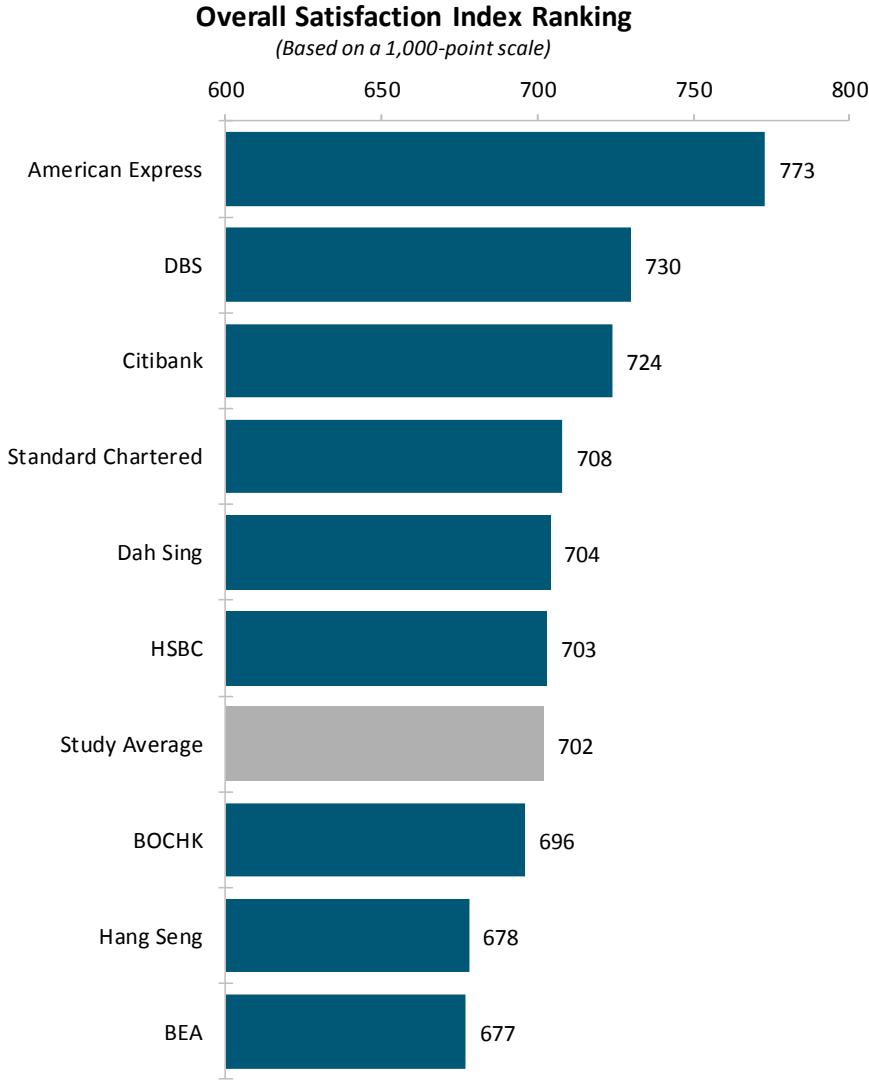
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NOTE: Two chart follows

# J.D. Power 2017 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>



Note: Included in the study but not ranked due to small or insufficient sample size is AEON.

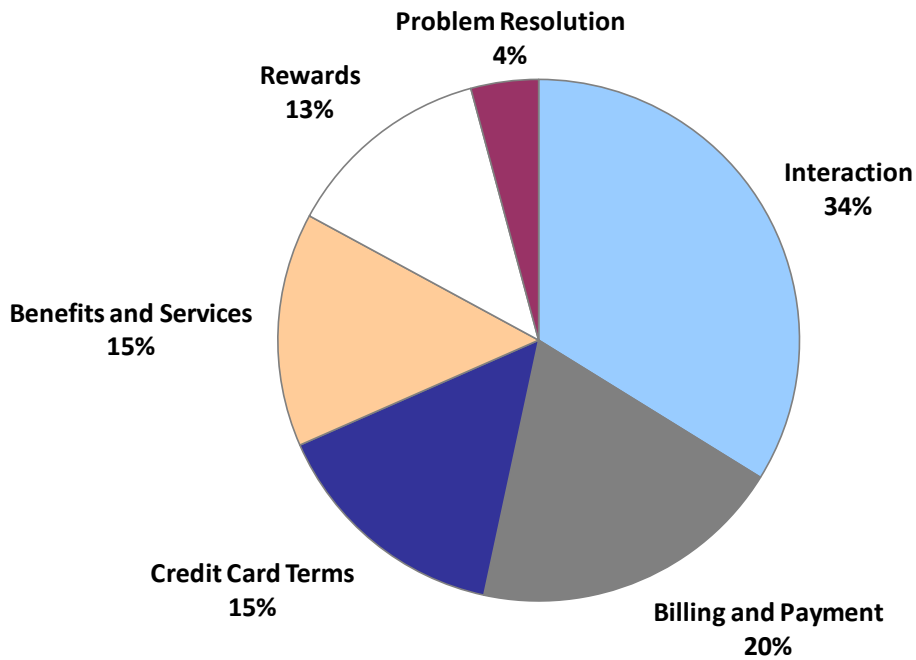
Source: J.D. Power 2017 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>

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## Factors Comprising Overall Satisfaction



Source: J.D. Power 2017 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>

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