Consumer perspective on the state of co-branded cards

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www.mommypoints.com
What does Mommy Points know about co-brands?

Mega Event WorldWide Co-Brand Track
29th November – 1st December 2017
Living and Breathing Rewards

- First travel rewards card at 19-years-old
- Currently have about 20 open rewards cards – combined with spouse we have over 35
- Help tens of thousands of consumers each month navigate loyalty programs and credit cards on mommypoints.com
Co-brands are Bed Buddies with the Airlines and Hotels

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So goes the loyalty program, so goes the co-branded card.
Fool me once, shame on you. Fool me twice, time for a cash back card.
Consumers Do Basic Math

American Airlines wants 230,000 miles + $22.40 for two people to fly from Houston – New York City December 22 – 26, 2017.

Yes, it is peak season, but same itinerary costs $1,393.00
Rockefeller Tree Isn’t That Nice

½ a cent per mile is viewed as worthless and no one wants to spend $230,000 on a co-branded credit card to get two round trip tickets from Houston to New York.
Need Value and Options

Consumers will probably still get a co-branded card with a high enough offer, but won’t keep or use it without a reason.
Consumers Have Choices

Co-brands have to compete with...

Transferrable Points

Cash Back Card
Where Co-Brands Are Still King

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The Co-Brands We Love

- Reduced mileage awards
- Extra award inventory
- Annual upgrades
- Annual free nights
- Free breakfasts
- Exclusive experiences
- Discounts
- Free parking
The Co-Brands We Love

• SPG Amex - hard to earn points, nights/stays credits
• United Club – 1.5x miles, lounge access & fee waivers
• Hilton, IHG, Hyatt* – annual award night
• Southwest – easy to use + Companion Pass
• Club Carlson – 40,000 points per year
• Spirit Airlines – 2,500 mile award flights
Be Like Starbucks

When in doubt, be more like Starbucks and the Starbucks app.

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The Future…

Co-branded cards have to unlock doors within the brand that non co-branded cards cannot.
Consumers are Only Loyal to the Best Deal
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