

# HOW CREDIT CARDS CAN MAKE CONSUMERS HAPPY

Most Americans have a credit card in their wallet; in fact, between 2016 and 2018 credit card accounts increased by 4.1%. A common misconception among those in the payment space is that millennials are not interested in obtaining credit cards. FICO research indicates, though, that 83% of millennials use credit cards. In order to better serve our customers with a robust product line of services and card options, it is critical for credit unions to have a solid understanding of member needs and expectations of credit card product features.



According to VISA® Consulting and Analytics, there are four key features credit card providers need to offer in 2019 that are extremely important among consumers and are the primary acquisition drivers:

## **Safety/Security of Information**

84% of all consumers believe the security of their payment method is of the utmost importance. For millennials, specifically, 56% want account notifications and 53% are looking for improved security. The mobile experience, for the 25-33 year old market, is crucial. If mobile isn't safe and fast, they'll look for another company.

## **Reward program**

Let's face it; we're all going to be spending money. Why wouldn't we want to be rewarded for it? 71% of millennials are looking for a card with a quality reward program; most consumers prefer cash back rewards programs. Of all consumers, nearly ninety percent, cash back rewards rank as the most valuable feature followed closely by reward points.

## **Annual Card Fee**

While credit card fees are federally regulated, consumers maintain a negative sentiment toward annual card fees. According to creditcards.com annual survey of 100 popular cards, 26 charge an annual fee. While that number is up from 2017, it seems fees across the board are freezing as interest rates climb.

## **Interest Rate/APR**

Of the features most important to consumers, 58% indicated interest rate/apr is extremely important. In fact, of those consumers open to acquiring credit, 24% indicated a dislike of paying interest prevents them from taking the leap. FICO also reports that 71% of millennials are focused on a low interest rate. As such, creating services to educate and inform consumers on credit card best practices would likely ease consumer worry over rising interest rates.

Traditionally credit unions focus their credit card acquisition efforts towards their "low rate" offer or balance transfer specials. While those are important aspects of a successful credit card program, credit unions tend to overlook marketing their fraud prevention services and reward programs front and center. Successful card marketing needs to find ways to incorporate all of these features as they appeal to millennials.



**Ready to start your credit card program?**

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