

## **Survey: Rewards, not bonuses draw credit card applicants**

Those flashy, lucrative welcome bonuses do entice people to apply for a new credit card, but a recent CardRatings survey revealed that a mega bonus isn't the primary thing people consider when applying for some of the most popular rewards cards on the market.

In December 2018, CardRatings commissioned a survey of 200 users of each of the following cards: Capital One Venture Rewards, Chase Sapphire Preferred, Chase Sapphire Reserve, Wells Fargo Propel American Express Card, The Platinum Card from American Express, The Business Platinum Card from American Express OPEN (this card name has been changed to The Business Platinum Card from American Express), the Premier Rewards Gold Card from American Express, Barclays Arrival Plus World Elite Mastercard, Ink Business Preferred Credit Card and Capital One Spark Miles, all credit card options that CardRatings experts find to be among the most widely discussed cards across credit card industry blogs and websites and all contenders for placement among CardRatings' "Best credit cards of 2019."

CardRatings experts ultimately named six of those surveyed cards as winners or runners up in various travel-related categories featured on the "best of 2019" list, after considering the features, perks, rewards and fine print of hundreds of cards in the CardRatings database.

But do everyday users agree with the experts' opinions? In a word, yes, but perhaps not for all the reasons the experts would expect.

The CardRatings survey asked a variety of questions designed to determine what attracted users to the card to begin with, the value cardholders placed on the rewards they earn, how simple it is to understand the rewards program and redeem their rewards, how satisfied they are with their credit card company's customer service, how they feel about the annual fee (if their card has one), whether they'd recommend their card to a friend and a number of other topics.

### **Ongoing rewards top list of why people apply for travel rewards cards**

With the exception of one card – the Business Platinum Card from American Express – survey respondents said the primary reason they applied for their card was not the initial bonus opportunity but was, instead, the ongoing rewards earning structure.

And, the Business Platinum Card from American Express featured a widely publicized and unusually high limited time bonus offer in mid-2018, which could mean that some of the survey respondents were drawn in by that recent bonus.

All of the surveyed cards except one (Wells Fargo Propel) charge an annual fee, but in every case cardholders said the fee was "just right given the features of the card." Several respondents – an

average of 20 percent across the five surveyed “best of 2019” cards that charge annual fees – replied that they believed the annual fee to be a “bargain.”

### **Users place high value on their credit card rewards**

When it comes to their rewards, respondents agree with CardRatings experts that the rewards these cards offer are “extremely valuable.” Across all six cards that made the CardRatings “Best of 2019,” list 90 percent or more of users for each of those cards said they found their respective card’s rewards to be “extremely valuable” or “somewhat valuable.”

Still, even though they found those rewards to be valuable, survey respondents did not appear to be what you might call “credit card power users.” Instead, the overwhelming majority of survey respondents indicated they use their card only “A few times per week” rather than “Everyday.” That indicates that users are earning rewards, but are perhaps not earning them as quickly as they could be, assuming that most people make at least one purchase every day that could be placed on a credit card.

### **Credit card customer service viewed favorably**

Survey respondents were overall pleased with the design of their credit card’s rewards plan as well as the ease at which they could redeem those rewards.

And they are redeeming their rewards. For each card, at least 78 percent of respondents said they are using their rewards at least a few times each year, and in many cases, are using their rewards every few months or at least once a month. The Business Platinum Card from American Express users were most likely to use their rewards at least once a month, with 69 out of 200 respondents said they do so.

Perhaps one of the reasons people are redeeming their rewards so frequently is because it’s simple to do so. Greater than 95 percent of respondents for each card reported they found it “extremely” or “somewhat easy” to understand [the rewards program] and redeem rewards for their respective cards.

Those pleasant feelings toward rewards redemption extend to the credit card company’s overall customer service. Not a single respondent for any of the six cards that made the “Best of 2019” list reported being “not satisfied” or “very unsatisfied” with their credit card company’s overall customer service. In fact, at least 93 percent of respondents for each card reported being “very satisfied” or “somewhat satisfied” with the customer service. The remainder reported being “neutral.”

### **Everyday users recommend their cards to friends**

CardRatings’ goal with the survey was, in part, to determine whether actual users agreed with the experts when it comes to naming cards to the “Best credit cards of 2019” list and, overwhelmingly, they do.

In fact, for each card, at least 57 percent of respondents said they were extremely like to recommend their card to a family member, co-worker or friend and three cards – Capital One Venture Rewards, Chase Sapphire Reserve and The Platinum Card from American Express – earned the distinction that not a single respondent indicated they would be “not very likely” or “would not recommend” the card to a friend.

*Methodology: In November and December 2018, CardRatings commissioned Op4G to conduct surveys among 200 users nationwide for each of the following credit cards: Capital One Venture Rewards, Chase Sapphire Preferred, Chase Sapphire Reserve, Wells Fargo Propel American Express Card, The Platinum Card from American Express, The Business Platinum Card from American Express, the Premier Rewards Gold Card from American Express, Barclays Arrival Plus World Elite Mastercard, Ink Business Preferred Credit Card and Capital One Spark Miles. All participants were current cardholders who also reported credit scores of 670 or higher. Responses from users of each card were combined to allow comparisons between users of different cards.*