

# Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe

**Report Prospectus**

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*Expertise in European financial services*

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## What is the research?

Finaccord's report entitled *Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe* is a unique research publication dedicated to a broad investigation of affinity financial services in Europe with the focus on credit cards and banking services. It draws on the findings of over 100 interviews carried out over a 24-month period from September 2003 to August 2005 in order to assess the development of affinity and partnership marketing strategies in European credit cards and banking and to highlight examples of both banking institutions and partner organisations that embody best practice in this field. It covers credit cards and other consumer banking sectors in equal measure and represents the most comprehensive source of intelligence on this important topic.

In an increasingly mature market for credit cards and retail banking in Europe, initiatives in affinity and partnership marketing represent some of the best opportunities for business growth in both domestic and international markets. Indeed, ultimately, affinity and partnership marketing strategy is a fundamental issue for all card issuers and banking institutions given its potential to deliver superior revenue growth. As such, *Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe* delivers mission-critical insights allowing you to identify viable opportunities, learn from best demonstrated practice and to influence your own organisation's partnering strategy accordingly.

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## What is the rationale?

The rationale for producing this publication is essentially five-fold:

- revenue growth rates for credit cards and other banking services marketed through affinity and partnership marketing programs are, frequently, higher than those for the underlying markets as a whole;
- most card issuers and banking institutions have embraced affinity and partnership marketing to some extent, some very visibly, others more subtly;
- the experiences of banking institutions in one segment of affinity finance (eg. credit cards) can provide pointers for their peers in other areas (eg. mortgages);
- moreover, there is potential for broad affinity banking programs to develop in conjunction with existing affinity payment card initiatives, and vice versa;
- there is no other source of intelligence that seeks to present the 'big picture' as it pertains to affinity and partnership marketing strategy at the pan-European level.

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## What is the definition?

Finaccord's broad definition of affinity and partnership marketing is that it extends to the way in which card issuers and banking institutions in Europe are forming strategic or tactical partnerships with external organisations for the purposes of marketing and distributing their products. Partner organisations in the affinity financial services universe fall into four main categories:

- not-for-profit organisations (eg. charities, educational institutions, professional associations, sports organisations and trade unions);
- financial institutions (eg. banks, credit card issuers, insurance companies and other specialised finance entities);
- other commercial entities (eg. automotive associations, dealers and manufacturers, football clubs, media / Internet firms, retailers, telecoms companies, travel companies, utilities - electricity, gas and water companies);
- and employers (ie. the 'worksite').

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## What methodology has been used?

*Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe* is based on over two years of primary research that Finaccord has undertaken into this subject. Its research extends to over 100 interviews with leading protagonists in the field including major banks and card issuers. The research also comprises surveys of partner organisations in categories such as automotive associations, football clubs, loyalty schemes, media / Internet entities, professional associations, retailers, telecoms companies, trade unions, and travel and leisure companies.

As such, it represents by far the most comprehensive published source of information on the subject of affinity and partnership marketing strategy in credit cards and banking in Europe.

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# Which organisations have been interviewed?

## *Banks / card issuers*

Abbey National  
 ABN AMRO  
 Banca Intesa  
 Bank Austria  
 Banque Accord  
 Banque Sofinco  
 Barclaycard  
 BBVA  
 BDK  
 BHW  
 Bipielle  
 Caja de Madrid  
 CartaSi  
 CC Bank  
 Cetelem  
 Citibank  
 Cofidis  
 Cofinoga  
 Co-operative Bank  
 CSF  
 Danske Bank  
 Deutsche Postbank  
 Fidelity

## *Banks / card iss. (cont.)*

Findomestic  
 Förenings Sparbanken  
 GE Consumer Finance  
 HBOS  
 HFC Bank  
 Hispamer  
 Hypovereinsbank  
 IKANO Banken  
 ING  
 Intelligent Finance  
 La Caixa  
 LBW  
 Lloyds TSB  
 Morgan Stanley  
 Nordea Finans  
 OP Bank Group  
 PAYBACK  
 Paysquare  
 Société Générale  
 The Funding Corporation  
 Visa CEMEA

## *Partner organisations*

ACP  
 ADAC  
 Ældre Sagen  
 Age Concern  
 Amicus  
 ASDA  
 ASTI  
 Autoclub Repsol  
 Belgacom  
 Candis  
 CFTC  
 CSCO  
 CISL  
 DGB  
 Easymoney  
 Electrabel  
 FGTB  
 FNCAR  
 Fortum  
 Gaz de France  
 HappyDigits  
 Hartmannbund  
 Help the Aged

## *Partner orgs. (cont.)*

IG BAU  
 INO  
 ipoints  
 LO  
 Marks & Spencer  
 Manchester United FC  
 Maximiles  
 Motability  
 NOA  
 nPower  
 OPA  
 over50s.com  
 Oxfam  
 RAC  
 Repsol  
 Ryanair  
 Sainsbury's  
 Southampton FC  
 T-Mobile  
 T&GWU  
 Tchibo  
 Telegraph Group  
 TeliaSonera

## *Partner orgs. (cont.)*

Tesco  
 UGT  
 UNSA  
 UNISON  
 Virgin  
 Vodafone  
 WWF

## *Others*

Benefits Alliance  
 BMA Services  
 bringme  
 Choices Extra  
 CIMS  
 Goldshore  
 Grass Roots Group  
 Hewitt  
 MLP  
 Parliament Hill  
 peoplevalue  
 Tillinghast Towers Perrin  
 Watson Wyatt  
 youatwork

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# What is the report structure?

0. *Executive Summary*: providing a concise evaluation of the principal findings of the report.
1. *Introduction*: offering rationale and a detailed description of methodology.
2. *Events and Implications – Two Years Reviewed*: analysis and interpretation of recent events in affinity and partnership marketing in credit cards and banking in Europe.
3. *Market Profiles*: analysis of the market for affinity and partnership marketing strategies in key European credit card and banking markets: Benelux, France, Germany, Italy, Scandinavia, Spain, UK and Central and Eastern Europe. The analysis is accompanied by case studies of leading protagonists in the arena.
4. *Trends and Opportunities in Major Partner Categories*: a chapter summarising Finaccord's research as it pertains to some major partner categories, namely: automotive associations; football clubs; entities focused on the 'grey' market of older customers; loyalty schemes; media / Internet entities; professional associations; retailers; telecoms companies; trade unions; travel and leisure companies; and utilities.

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## What is the report structure? (cont.)

5. *Worksite Marketing*: an examination of the development of worksite marketing in the same European territories as those covered in chapter 3, preceded by sections dedicated to benefits and drawbacks of worksite marketing and key success factors for marketing initiatives directed through employers.

# What are the key features of the research?

Key features of this report include:

- broad consideration of affinity and partnership marketing strategies in European credit cards and banking;
- genuinely pan-European coverage with individual sections dedicated to Benelux, France, Germany, Italy, Scandinavia, Spain, the UK and Central / Eastern Europe;
- case studies of the affinity and partnership marketing strategies of leading financial services market protagonists including: Banca Intesa, Banque Sofinco, Co-operative Bank, Deutsche Postbank, Fidelity, La Caixa, MLP, Nordea Finans and The Funding Corporation;
- case studies of the involvement in affinity financial services of successful partner organisations such as ADAC, Ældre Sagen, Age Concern, Autoclub Repsol, the Benefits Alliance, Hartmannbund, IKEA, LO, Maximiles, PAYBACK, Saga, Sainsbury's, Tchibo, Tesco, Virgin and Vodafone;
- detailed analysis and interpretation of important developments in affinity and partnership marketing in European credit cards and banking.

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## How can the research be used?

You may be able to use this report in one or more of the following ways:

- gain access to a comprehensive overview of affinity and partnership marketing strategy helping you to understand this key issue in the widest possible context;
- appreciate the extent of development of affinity and partnership marketing in major European countries and how these compare to the 'reference market' represented by the UK;
- learn from the affinity and partnership marketing experience of important card issuers and banking institutions and incorporate key elements of their success into your own organisation's affinity and partnership marketing strategy;
- understand the characteristics and features that define attractive partner organisations, thereby helping your company to identify partners with which it can establish successful distribution alliances;
- appreciate not only what is happening in the world of affinity and partnership marketing but, also, why it is happening and how it could influence your own organisation's strategy.

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## Who can use the research?

1. *Banks and card issuers*: this research provides a thorough review of developments in affinity and partnership marketing in your own sector and will also help you to evaluate the implications of parallel developments in insurance and assistance;
2. *Insurance / assistance firms*: insurance and assistance firms are also making increasing use of affinity and partnership marketing strategies but what can they learn from the experience of their peers in credit cards and banking?
3. *Management consultancies*: are you helping a card issuer or banking institution with its affinity and partnership marketing strategy or assisting a partner organisation with its drive into the financial services market? Understand best practice in affinity and partnership marketing of credit cards and banking services in Europe, saving time and effort on researching the subject yourself.

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## What are some of the key findings?

Key findings from the executive summary include:

- European consumer credit markets offering above-average growth potential have witnessed a slew of joint ventures between local banks and specialised finance providers as exemplified by the links between Banca Nazionale del Lavoro and BBVA in Italy, Banco Sabadell in GE Capital in Spain and FöreningsSparbanken and Barclaycard in Scandinavia;
- affinity and co-branded cards continue to outpace substantially the market for mainstream credit cards in Europe boosted both by private label conversions (eg. John Lewis) and aggressive launch and expansion activity (eg. Italy);
- with affinity and co-branded cards accounting for between 10% and 15% of the total number of cards issued in Europe, as opposed to an data point in the US of between 25% and 40%, it is clear that there is still scope for considerable development in Europe
- however, partner selection will remain a key issue for card issuers seeking to establish new affinity and co-branding programs especially in continental Europe where credit card profitability typically lags that which is attainable in the UK;

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## What are some of the key findings? (cont.)

- affinity and co-branding are an increasingly core component of the strategies of card issuers and banking institutions in many European territories including Central and Eastern Europe as well as Italy, Spain and the UK
- Finaccord's research indicates that credit cards are the type of financial product most commonly marketed by football clubs (nearly 50% of the top European clubs according to its latest data), followed by savings accounts;
- in a survey of 440 professional associations in Europe, Finaccord has found that over 45% offer at least one financial product or service to their members with 6.6% offering 10 or more, 18.6% providing at least five and 26.1% offering at least three;
- leading retailers in Europe are both expanding their involvement in financial services (eg. Casino, Tchibo) and re-evaluating their approach to participation in the financial sector (eg. Karstadt Quelle, Marks and Spencer), creating opportunities for card issuers and banks;
- worksite marketing of financial services is advancing at different rates in different European countries in line with a number of variables;

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## What are some of the key findings? (cont.)

- with 470,000 members, Denmark's Ældre Sagen accounts for around 25% of the country's over-50 age group of whom up to 20% avail themselves of the financial services that it has organised on their behalf;
- with around 350,000 cardholders, Barclaycard's affinity card with the FA Premiership is the most widely-held football affinity card in the world;
- Germany's PAYBACK has grown to become the largest loyalty scheme in Europe with over 25m cardholders, its partners including investment firm CortalConsors and insurer HDI as well as a number of major retailers;
- Ryanair's co-branded card developed with MBNA had reached around 250,000 cards in circulation by the end of 2004, thereby making it one of the affinity specialist's largest programs in the UK;
- Tesco Personal Finance business, Tesco's joint venture with Royal Bank of Scotland, secured profits of £202m in 2004, up by 26% relative to the previous year, making it the largest retailer financial services business in the world.

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## What is the cost and format?

*Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe* is available as a standard *Adobe Acrobat* PDF document and / or hard copy. Costs for this research and other recent titles in the European partnership marketing series are as follows:

<b>REPORT</b>	<b>COST *</b>	<b>FORMAT</b>
Affinity and Partnership Marketing Strategies in Credit Cards and Banking in Europe	£1,995	c. 230 pages
Affinity and Partnership Marketing Strategies in Insurance and Assistance in Europe	£1,995	c. 230 pages
Automotive Financial Services in Central and Eastern Europe	£2,495	c. 260 pages
Automotive Financial Services in Western Europe	£2,495	c. 270 pages
Creditor Insurance in Northern and Central Europe	£2,495	c. 190 pages
Creditor Insurance in Southern and Western Europe	£2,495	c. 190 pages

*VAT at 17.5% will be added to the basic price except for where the request is for hard copy only.*

*Costs quoted are for a single site user license only.*

*For a corporate user license, an additional 10% of the basic cost is payable.*

*Printing and postage costs of £30 will be added for delivery of each hard copy.*

*Invoices can be paid in €, at the prevailing exchange rate, if preferred.*

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## How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site - <http://www.finaccord.com/uk/order.php> - and fill in the on-line order form, clearly indicating the report that you require, whether you also require a corporate user license, the billing name, address and e-mail address, and the purchase order number, if applicable.

Please allow one working day for the delivery of electronic copy and one working week for the arrival of hard copy.

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