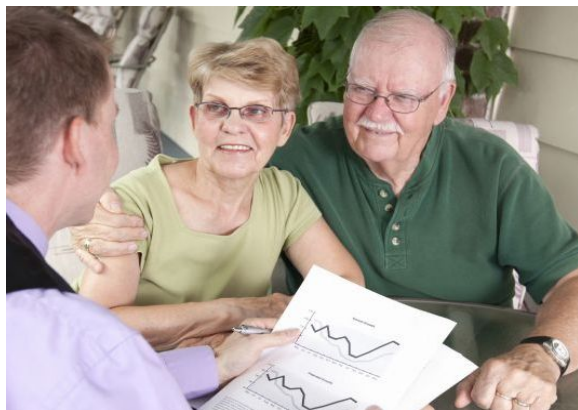


Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"The preference of high income earners for unique/non-purchasable rewards is an opportunity for marketers to think out-of-the-box and come up with creative rewards which may not be materially extravagant, but appeal to the status conscious."

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Designing winning features that resonate with target segments
- Bridging the trust deficit towards the financial services industry among certain segments
- Improving loyalty program tracking and communication
- Enhancing the appeal of loyalty programs among younger Canadians

Canadians love to participate in loyalty programs and this has resulted in one of the most vibrant markets in the world in this regard. Marketers have used loyalty programs to influence the shopping habits of consumers and have made the pursuit of loyalty rewards an everyday activity in the lives of most Canadians. As consumers are inundated with offers, it is important for loyalty marketers to understand the features that consumers value and how to design a program that resonates with their target segment.

Financial institutions also pay a great deal of attention to the topic of customer retention and how to distinguish their program from their competitors. This report aims to tie in these two themes by examining the reasons behind why customer switch financial institutions, their participation in loyalty programs, features they value most and general attitudes around the theme of customer loyalty. It also examines how loyalty programs influence shopping decisions and how satisfied customers are with loyalty program tracking and communication.

BUY THIS
REPORT NOW

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Introduction

Methodology

Abbreviations

Executive Summary

Market factors

Overall negative impact of lower oil prices on the Canadian economy

Impact of interest rates, inflation and exchange rates

Outlook on the real estate and housing market

British Columbians have the highest net worth

Household debt in Canada

Population count and growth in Canada

Companies, brands and innovation

The consumer

Most Canadians are loyal to their main financial institution

Figure 1: Switching of main FI in the past five years, February 2015

About a third switch due to better deals

Figure 2: Reasons for switching main FI (top three reasons), February 2015

Travel rewards top the list of Canada's most popular loyalty programs

Figure 3: Types of loyalty programs participated in the past year, February 2015

Convenience, cashback and immediate discounts rated as the most important features of a loyalty program

Figure 4: Most important features of a loyalty/rewards program (top five), February 2015

Females aged 35-54 are most likely to be strategic shoppers influenced by loyalty programs

Figure 5: Summary of attitudes towards loyalty, February 2015

What we think

Issues in the Market

Designing winning features that resonate with target segments

The facts

The implications

Bridging the trust deficit towards the financial services industry among certain segments

The facts

The implications

Improving loyalty program tracking and communication

The facts

The implications

Enhancing the appeal of loyalty programs among younger Canadians

The facts

The implications

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Trend Application

Trend: Secret Secret

Trend: Let's Make a Deal

Trend: Prove it

Market Factors

Key points

Economic overview

Overall negative impact of lower oil prices on the Canadian economy

Figure 6: Canada's GDP, by quarter, Q4 2008-Q4 2014

Figure 7: Household disposable incomes and savings in Canada, by quarter, Q4 2008-Q4 2014

Figure 8: Canada's unemployment rate, by gender, 2008-15

Impact of Interest rates, inflation and exchange rates

Figure 9: Inflation rates in Canada (%), 2004-14

Bank of Canada cuts interest rate to 1% in January 2015

Figure 10: Canada bank rate by month, 2005-15

Outlook on the real estate and housing market

British Columbians have the highest net worth

Figure 11: Canada median net worth, by province, 2012

Household debt in Canada

Consumer Confidence

Figure 12: Consumer Confidence Index, monthly, January 2008-February 2015

Demographic overview

Population count and growth in Canada

Figure 13: Share of population of Canada, by territory/province, 2015 (projected)

Minority groups account for less than 20% of Canada's population

Figure 14: Estimated population of Canada, by ethnicity, 2011

Canada's population is expected to age in the coming years

Figure 15: Population aged 65 years and over in Canada, historical and projected (% of total), 1971-2061

Figure 16: Projected trends in the age structure of the Canada population, 2014-19

Who's Innovating?

Key points

AIR MILES, YMCA and Public Health Agency Initiative to Drive Fitness Participation

About the participants

Montreal Canadiens Club 1909 and San Francisco 49ers Faithful 49 loyalty schemes

MasterCard and One Inc.'s loyalty program solution

SCENEtourage from SCENE

Loyalty Programs

Air Miles

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Overview
Recent news
SCENE
Overview
Recent news
Aeroplan
Overview
Recent news
PC Plus
Overview
Canadian Tire Money
Overview
Recent news
Starbucks Card
Overview

Brand Communication and Promotion

Key points
RBC is the largest direct mailer of loyalty/rewards cards
Figure 17: Top loyalty (rewards) direct mailers, February 2014 to February 2015
Selected Campaigns from Mintel Comperemedia
RBC Visa Infinite Avion Travel Rewards Card Card
University of Toronto Platinum Plus MasterCard
Rogers First Rewards MasterCard

The Consumer – Switching of Main Financial Institution

Key points
Most Canadians are loyal to their main financial institution
Figure 18: Switching of main FI in the past five years, February 2015
Young males most likely to switch their main financial institution
Figure 19: Switching of main FI in the past five years, by age and gender, February 2015
About a third switch due to better deals
Figure 20: Reasons for switching main FI (top three reasons), February 2015

The Consumer – Loyalty Program Participation

Key points
Travel rewards top the list of Canada's most popular loyalty programs
Figure 21: Types of loyalty programs participated in the past year, February 2015
Females have a higher participation rate across most programs
Figure 22: Loyalty participation by gender, February 2015
Quebecers have a lower participation rate in loyalty programs

BUY THIS
REPORT NOW

VISIT: store.mintel.com
CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
EMAIL: reports@mintel.com

Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 23: Loyalty program participation (any), by region, February 2015

Some 56% of Canadians participate in three or more loyalty programs

Figure 24: Repertoire analysis of participation in loyalty programs, February 2015

Key Driver Analysis

Methodology

Receiving special status drives leisure/entertainment program participation

Figure 25: Key drivers of Loyalty Program Participation, February 2015

The Consumer – Most Important Loyalty Program Features

Key points

Convenience, cashback and immediate discounts rated as the most important features of a loyalty program

Figure 26: Most important features of a loyalty/rewards program (top five), February 2015

Status and better service appeal more to men

Figure 27: Loyalty program features rated higher by males relative to females, February 2015

A quarter of high income earners would like to be granted special status by their loyalty program

Figure 28: Differences in feature preferences between low and high income earners, February 2015

Older Canadians place a higher value on convenient reward redemption

Figure 29: Differences in feature preferences, by age, February 2015

The Consumer – Attitudes towards Loyalty

Key points

Summary of Attitudes

Figure 30: Summary of attitudes towards loyalty, February 2015

Females aged 35-54 are most likely to be strategic shoppers influenced by loyalty programs

Figure 31: Attitudes related to the strategic use of loyalty programs, February 2015

Younger Canadians are relatively less satisfied with loyalty program communications and tracking

Figure 32: Attitudes related to tracking of loyalty programs, February 2015

About half of Canadians have a perception of unfair customer treatment from the financial services industry

Figure 33: Attitudes relating to value and fairness, February 2015

The Consumer – Chinese Canadians and Loyalty

Key points

Chinese Canadians have a higher membership rate across most loyalty programs

Figure 34: Membership of loyalty programs, Chinese Canadians vs overall population, February 2015

Chinese Canadians place more value on receiving cashback on purchases and being granted special status

Figure 35: Importance of loyalty program features, Chinese Canadians vs overall population, February 2015

Chinese Canadians more likely to be strategic shoppers who aim to maximize rewards

Figure 36: Agreement with loyalty attitudes, Chinese Canadians vs overall population, February 2015

The Consumer – LGBT Canadians and Loyalty

Key points

LGBT customers have a higher propensity to switch their main financial institution

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Loyalty in Financial Services - Canada - April 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 37: Switching of main FI in the past five years, LGBTs vs overall population, February 2015

Movie theatre and airline loyalty programs resonate more with LGBTs

Figure 38: Participation in loyalty programs, LGBT Canadians vs overall population, February 2015

LGBT customers are less trustful of the financial services industry

Figure 39: Agreement with select attitudes towards loyalty, LGBT Canadians vs overall population, February 2015

The Consumer – Target Groups

Key points

Three target groups

Figure 40: Target groups, February 2015

Disengaged (38%)

Cynics (32%)

Traditionalists (30%)

Appendix – Key Driver Analysis

Interpretation of results

Figure 41: Credit or debit rewards program participated in the past year - key driver output, February 2015

Figure 42: Store loyalty program participated in the past year - key driver output, February 2015

Figure 43: Leisure or entertainment loyalty program participated in the past year - key driver output, February 2015

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com