

CONSUMER ATTRIBUTE AND PROFILE PREFERENCES FOR AFFINITY CREDIT CARDS

Tracy A. Suter, University of Southern Mississippi
Scott A. Jones, University of Tampa

ABSTRACT

Banks and financial institutions are interested in lasting relationships with profitable, reliable customers. Many financial services firms have found some success by developing affinity or cobranded credit cards. This two part study was undertaken to gain insight into consumer attribute preferences of university-sponsored affinity cards.

INTRODUCTION

Colleges and universities across the United States continue to look for nontraditional sources of revenue. The use of affinity credit cards as a resource for increasing revenue, while establishing affiliation for the consumer, is one possible avenue. For instance, First USA maintains over 100 affinity programs with university and cause-related organizations. Those institutions experiencing success with their programs vary by size, cobranding partner, and program benefits. Previous research into these cobranding and affinity relationships is scarce.

RESEARCH OBJECTIVES

The primary research objective was to determine the attributes, or combination of attributes, that are most critical in consumer's profile preferences and selection of university-sponsored affinity cards. The priority placed on the branded logo and program beneficiaries were attributes of particular interest.

RESULTS

Study 1

Results from a 2 X 2 X 2 X 2 X 4 fractional factorial design showed that the most important single attribute when considering an affinity credit card was the program beneficiary. More specifically, the university's general scholarship fund was the most highly regarded among four possible beneficiaries.

Study 2

Results from a follow-up 2 X 2 X 4 full factorial design showed that the most important single attribute was again the program beneficiary and more specifically, the university's general scholarship fund. However, the background of the credit card increased in attribute importance as compared to the results of Study 1. To be more specific, subjects preferred the athletic department logo to the university (academic) logo for the background or face of the card.

GENERAL DISCUSSION AND FUTURE RESEARCH CONSIDERATIONS

This two part study does offer some interesting insights into consumer attribute and profile preferences of affinity credit cards but much more research needs to be done. While the concept of cobranding has apparently gained acceptability in the business world, the field remains very young in the academic literature. Additionally, many possible combinations of affinity cards and potential programs exist with only a few tested in this set of studies. Many future research opportunities exist to expand and extend the scope of the present research.