

2024 TRAVEL BENEFITS AND CUSTOMER ENGAGEMENT REPORT

A study commissioned by
Collinson International and
independently conducted by Cint



Overview of report

This report, based on recent research commissioned by Collinson International and conducted independently by Cint, emphasises the importance of improving Card Value Propositions (CVPs) through enhanced travel rewards and benefits. It provides banks in the Asia Pacific (APAC) region with actionable insights gathered from analyses of consumer preferences and behaviours in credit card use. The report highlights how strategic improvements in CVPs can significantly influence customer acquisition, retention, and overall satisfaction. By addressing these factors, we aim to help banks better meet evolving consumer expectations, bolster their market standing, and cultivate lasting customer loyalty.



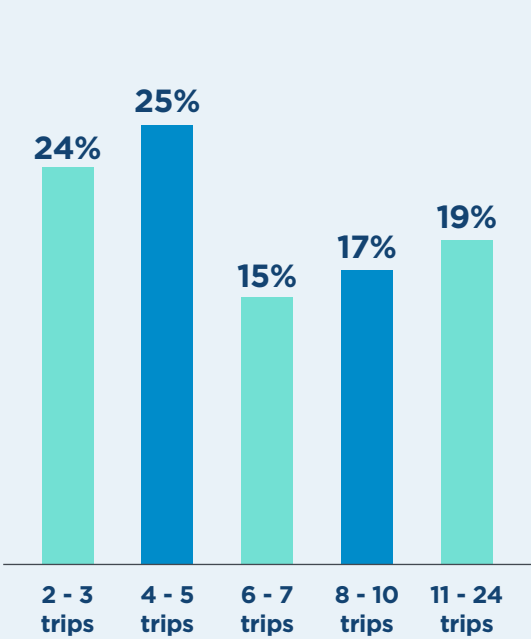
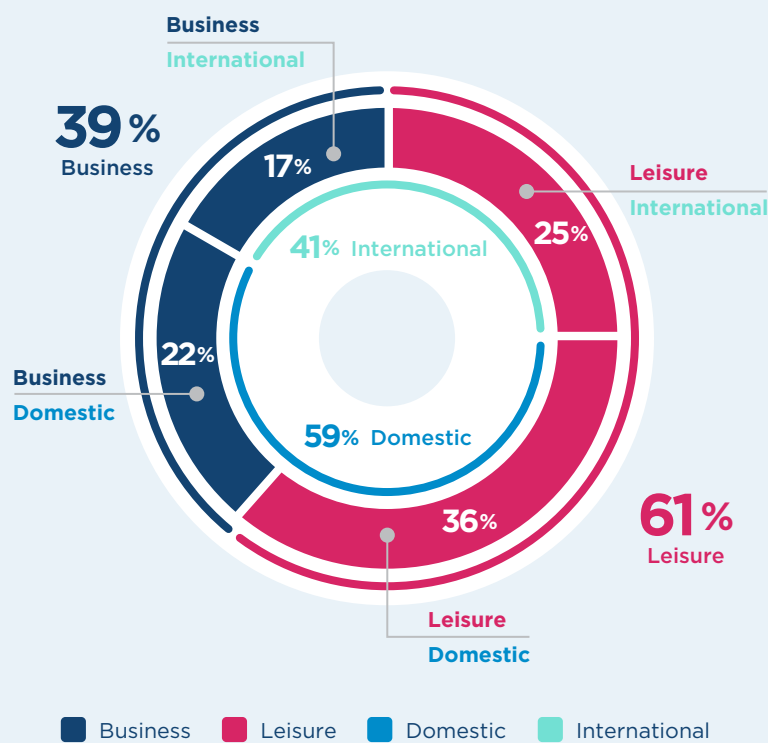
The power and influence of travel

Traditional banks face increasing market pressures, shifting consumer loyalties, and intensified competition from new and digital-native players. At a time when **NPS for traditional banks significantly lags behind their new-age competitors**, travel emerges as a beacon of light for both traditional banks and the broader financial services sector, **especially as this popular pastime continues to be one of the fastest-growing consumer spend areas, with one in three consumers planning to splurge on travel.**

With travel being a priority for consumers, the **Collinson 2024 Travel Benefits and Customer Engagement Report** looks at the power and influence that travel has specifically on payment cardholder behaviour. The study reveals that **half of APAC travellers fly more than five times annually.**

This resilience in the travel sector post-pandemic highlights its enduring influence on shaping spending habits and lifestyle choices across APAC.

Travel breakdown in the last 12 months



By incorporating meaningful experiences into their strategies, card-issuing banks in the APAC region can position themselves for growth and differentiation. This proactive approach not only addresses evolving consumer needs, but has the potential to drive customer acquisition, retention, and increased usage.

Key survey highlights

1. Travel rewards and benefits drive payment card acquisition
2. Travel is a key spend category and represents a substantial portion of consumer budgets
3. Travel rewards and benefits strongly influence spending intent
4. Benefit redemption boosts cardholder engagement and usage



1 | TRAVEL REWARDS AND BENEFITS DRIVE PAYMENT CARD ACQUISITION

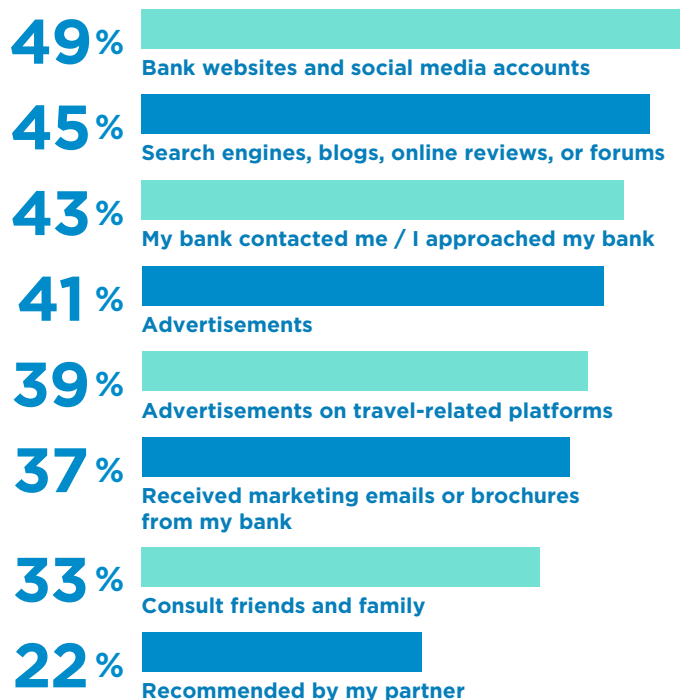


Average number of cards owned

	 Debit Card	 Credit card: With an annual fee	 Credit card: No annual fee
Gender			
Male	1	1	1
Female	2	1	1
Generation bins			
Gen Z	2	1	1
Millennials	1	1	1
Gen X	1	1	1
Boomers	2	1	1

According to the survey, **all respondents carry at least three payment cards:** one debit and two credit, with one credit card typically having an annual fee. Women generally have four payment cards compared to three for men, and, like Gen Z and Baby Boomers, often hold two debit cards.

Credit cards research channels



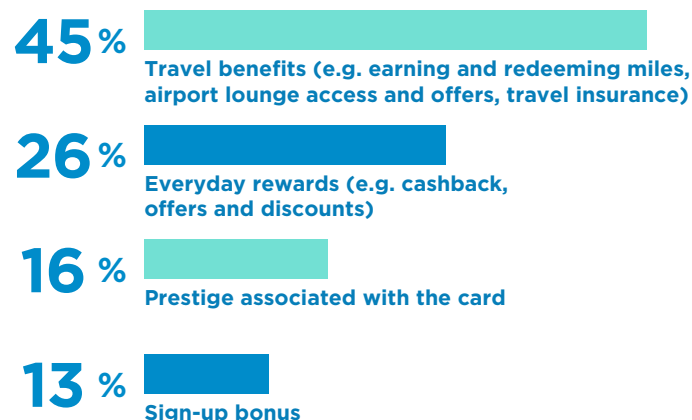
With limited wallet space to contend for, the majority of cardholders **(92% of respondents) research and compare rewards and benefits across cards before applying**, with a bank's website and social media accounts being the leading channels used.

This reflects a **growing demand for transparency and accessibility in financial services**, where consumers expect banks to provide and promote attractive benefits. The welcome pack is also a key source of information, with 25% citing it as a way to learn more about card benefits upon signing up.

Importance of researching credit card benefits



Consumer's ranking of credit card benefits

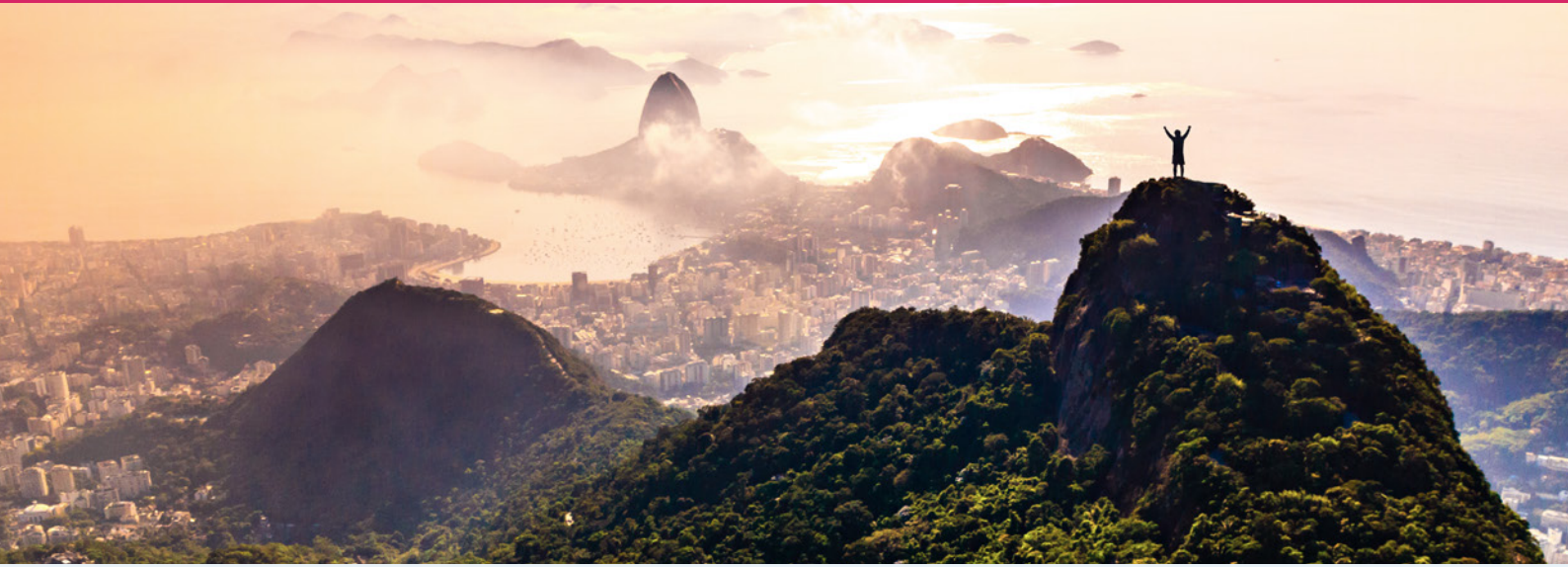


The survey further reveals that **cardholders are well aware of CVPs** and choose cards that maximise the benefits which most align with their spending habits and lifestyle. **The top benefits consumers seek in a payment card are travel-related**. 45% of respondents state that travel benefits are the most important feature when deciding to sign up for a credit card, above everyday rewards, prestige associated with the card and sign-up bonuses.

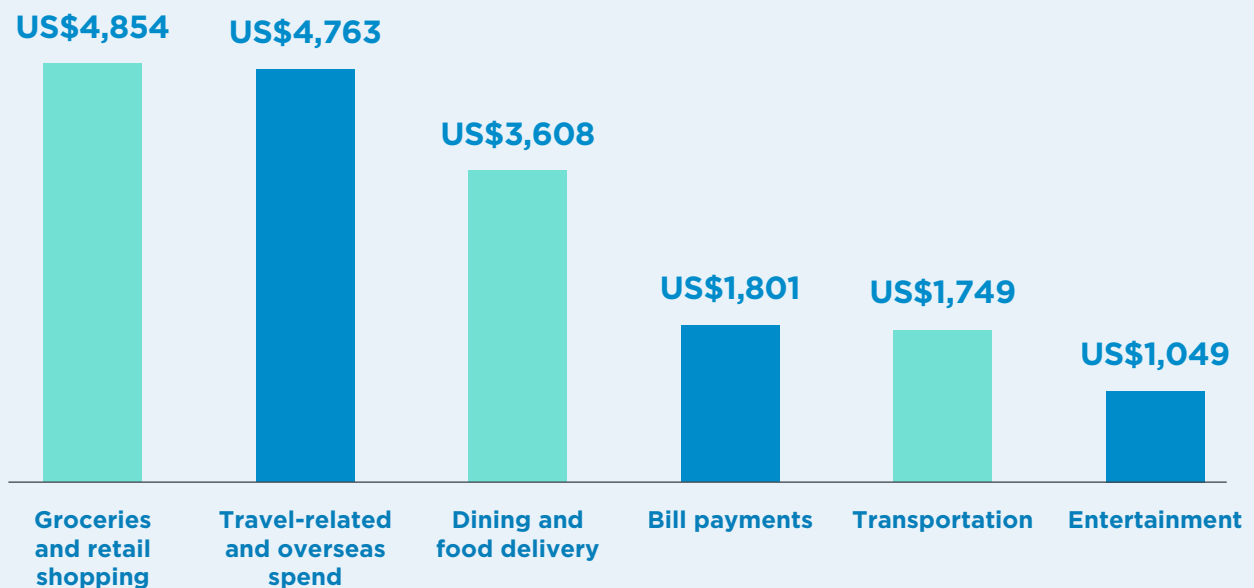
Due to the aspirational nature of travel, travel-related benefits tend to engage and emotionally connect with cardholders, creating a unique acquisition proposition that differentiates the card and its provider from competitors.

2

TRAVEL IS A KEY SPEND CATEGORY AND REPRESENTS A SUBSTANTIAL PORTION OF CONSUMER BUDGETS

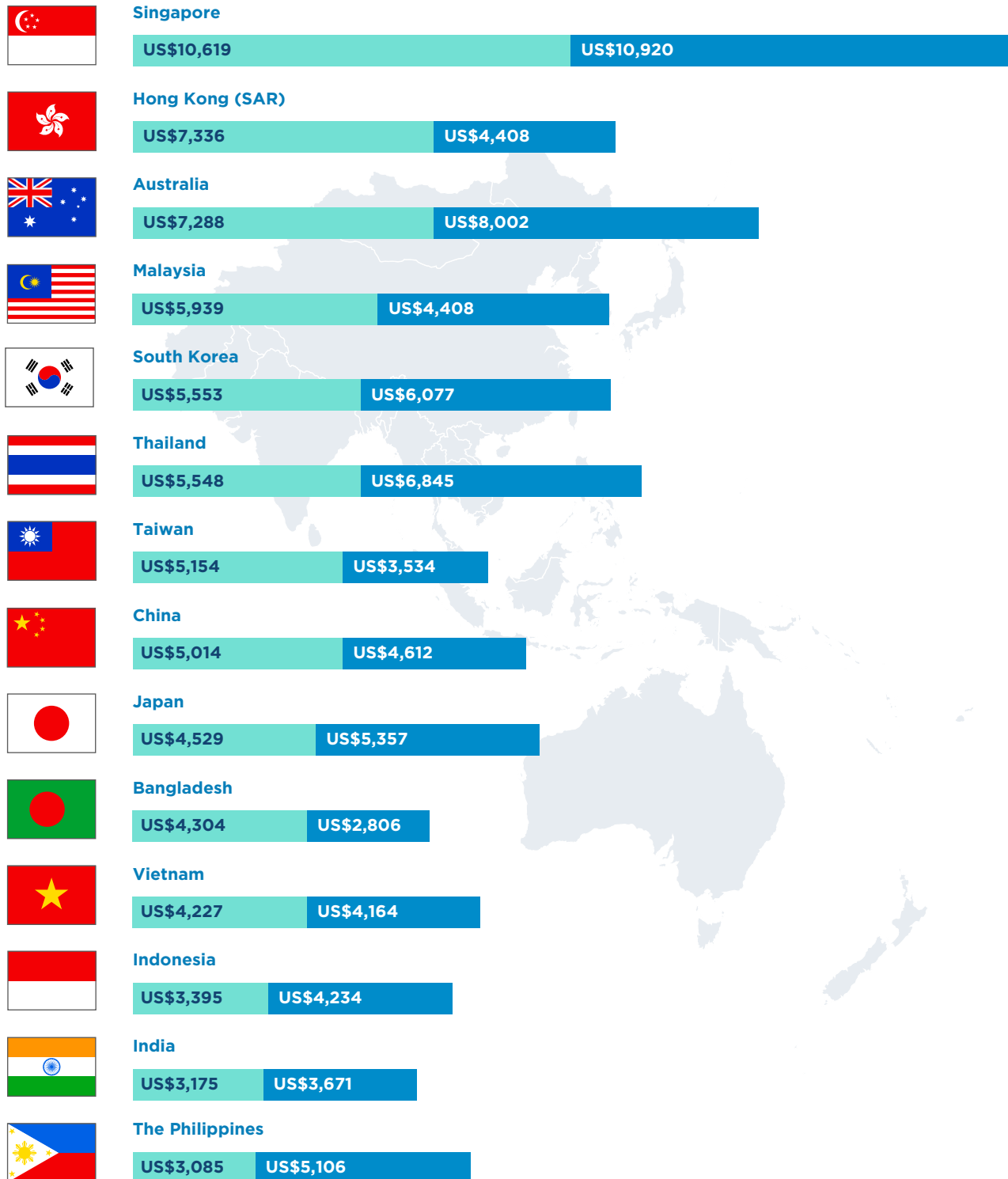


Median annual card expenditure by category



According to respondents using a credit card with an annual fee, **travel – comprising both travel-related and overseas spending – is one of the highest expenditure categories across all markets**, accounting for nearly a third of annual spend. This is matched only by everyday expenses, which includes groceries and retail shopping.

Median annual card expenditure by APAC market

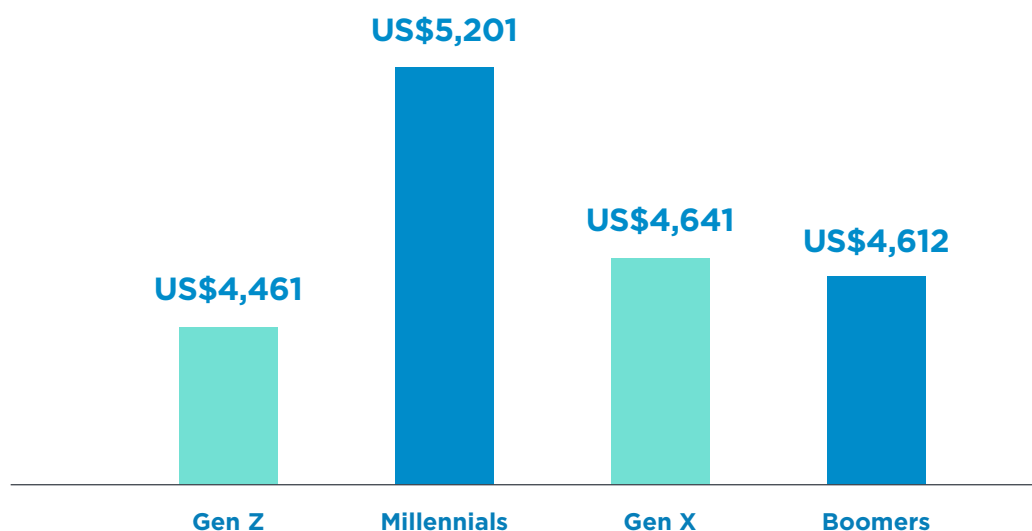


- Travel spend (travel-related and overseas expenses)
- Everyday spend (groceries and retail shopping)



The median travel-related and overseas spend on credit cards is US\$4,763, varying significantly by market. Consumers in **Singapore, Hong Kong (SAR), and Australia show bigger spending**, due in part to the higher concentration of affluent consumers and their preferences for luxury travel experiences.

Annual travel and overseas spend by generation



Among generations, **millennials lead in travel spending**, averaging US\$5,201 annually. This reflects their strong preference for experiential activities and their appreciation for products and services that enhance these experiences. This trend is significant, as by 2025, **half of APAC consumers are projected to be millennials or younger**.

Frequent travellers, millennials, and Gen Z are valuable demographics for credit card issuers. Focusing on these groups offers banks the potential to enhance market position and drive revenue growth.

3 | TRAVEL REWARDS AND BENEFITS STRONGLY INFLUENCE SPENDING INTENT



"Having travel rewards or benefits on a payment card makes me more likely to use that card for my **everyday expenses**"



"Having travel rewards or benefits on a payment card makes me more likely to use that card for my **travel expenses**"



*Source: The New Rules of Engagement: Customer Expectations Revealed 2023

92% of cardholders in APAC state that having travel rewards and benefits on their payment card makes them more likely to use it for both everyday and travel spending...

...clearly highlighting the significance that travel rewards and benefits have on driving consumer behaviour.

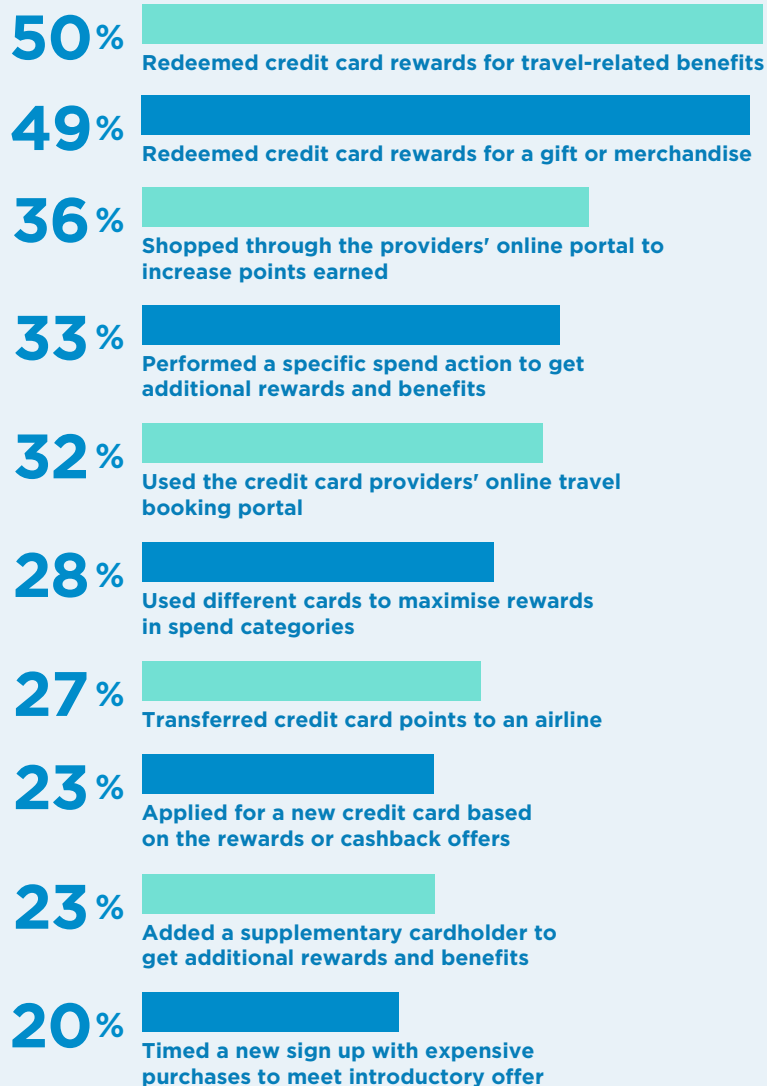
This represents an **18% increase in consumer sentiment regarding the influence of travel rewards and benefits** compared to last year's results from a similar, though not identical, cohort of respondents.

Travel benefits not only incentivise consumers to use their cards for travel, but also influence their daily spending habits; highlighting the significant impact of travel benefits on card usage.

4 | BENEFIT REDEMPTION BOOSTS CARDHOLDER ENGAGEMENT AND USAGE



Consumers' credit card activities in the last 6 months



50% of respondents redeemed credit card rewards for travel-related benefits in the last six months, closely followed by 49% who redeemed for gifts or merchandise. The two biggest categories of redemption activity indicate that, even in a tougher economic climate, travel remains aspirational and a key driver of card activity, on par with everyday redemption items.

Interestingly, **issuers can also motivate consumer behaviour with the right kind of incentives and benefits.** 36% of respondents would shop through the card issuer's website to earn points, and 33% have made purchases to get additional rewards. Almost one in three cardholders (28%) use different cards to maximise rewards across different spend categories, reflecting their awareness of CVPs and preference for using the card that gives them the most benefits.

76%



Feel emotionally connected to their preferred brands

Source: The New Rules of Engagement: Customer Expectations Revealed 2023

Complementing this survey, our past customer engagement and loyalty research shows that **most consumers have an emotional connection with the brands they use most frequently.** This presents a potential for banks to move beyond fulfilling functional needs and focus on driving greater emotional engagement and value.

Banks play a significant role for their customers by providing financial solutions such as budgeting tools, savings accounts, and investment opportunities. However, their customers' needs are diverse and evolving, and **banks have the opportunity to expand from being a utility to becoming an integral part of their customers' lives.**

Rewards strategy is essential for card issuers to effectively influence cardholder behaviour, including driving frequency and usage.



With strong, positive consumer sentiment towards travel, brands, particularly in the financial services sector, have a unique opportunity to leverage travel as a key competitive advantage. By integrating travel and airport related benefits and experiences – such as lounge access, security fast track, airport transfers, dining and duty-free offers – into customer engagement and loyalty programmes, brands are able to level-up their customer value proposition, enhance customer satisfaction, differentiate from competition, and deliver measurable business impact.”

Rohan Bhalla

Vice President of Business Solutions, Asia Pacific
Collinson International



THE WAY FORWARD: CREATING NEW GROWTH OPPORTUNITIES WITH TRAVEL

Based on the insights gathered in this report, APAC banks are navigating a dynamic landscape where consumer expectations and market pressures are rapidly evolving. Travel is a priority for consumers, and its aspirational nature is expected to endure well into the future. The findings reveal strong and sustained demand for travel-related rewards and benefits, which significantly influences consumers' payment card choices and behaviour. Consumers prefer credit cards with benefits that align with their interests, particularly travel, making travel-related rewards a key differentiator in selecting payment cards.

These results are consistent with similar research conducted in 2022 and 2023, which also showed that travel remains a significant priority for consumers and its importance has been progressively growing. **Despite economic uncertainties and pandemic-related restrictions, consumers chose to reduce spending on dining, gym memberships, and streaming services rather than cut their travel budgets.** These insights underscore the significant influence and power of travel on consumer behaviour and loyalty.

Aligning card benefits with consumer preferences not only drives customer satisfaction but also strengthens the perceived value of the card. For payment card issuers, understanding and leveraging this strong correlation in CVPs is essential for enhancing market position and customer loyalty. However, banks tend to fall into the trap of a one-size-fits-all approach where pricing and rewards strategies are not tailored to individual consumer needs. This outdated model fails to recognise cardholders as individuals with varying preferences and willingness to pay. In designing rewards strategies, it is crucial to account for these differences by acknowledging individual consumers for their value and loyalty, and rewarding them with benefits that resonate most with their specific needs at that particular point in time.

Collinson International, with its extensive expertise in travel engagement and customer experience, is well-positioned to assist banks and card issuers in effectively navigating these challenges. By leveraging our deep understanding of consumer preferences and behaviours, along with innovative strategies, we can support financial services organisations in crafting compelling experiences that resonate with modern cardholders.

Discover more about Collinson International's expertise in enhancing customer engagement through highly valued travel rewards and benefits. Speak with our experts to explore tailored strategies that drive satisfaction and loyalty.

[Get in touch with us](#)

Survey methodology

The survey targeted frequent travellers across 14 APAC markets who currently hold credit cards with annual fees offering rewards or benefits. It explored consumer preferences for credit card selection criteria, perceptions of travel-related benefits such as airport lounge access and the Priority Pass airport lounge and travel experiences programme, and travel and spending behaviours.

Conducted by Cint in April 2024, the survey involved 7,250 respondents who met specific screening criteria: owning a fee-paying credit card with annual rewards or benefits and having flown at least twice in the past year. The respondents were diverse, with a median of six trips taken annually. They included 51% male and 49% female respondents, with an average age of 41 years. Notably, 70% were parents, 80% had a partner, and 81% were employed full time. The median gross annual household income was US\$58,000.

About Collinson International

We are a global, privately-owned company dedicated to helping the world travel with ease and confidence. We work with the world's leading payment networks, over 1,400 banks, 90 airlines and 20 hotel groups worldwide. We deliver market-leading airport experiences, loyalty and customer engagement, and insurance solutions for over 400 million end consumers.

Collinson International is the operator of **Priority Pass**, the world's original and leading airport experiences programme. Travellers can access a network of over 1,600 lounges and travel experiences, including dining, retail, sleep and spa, in over 725 airports in 145 countries, helping to elevate the journey into something special.