

STATE OF
CREDIT CARD
MARKETING



CONTENTS

03

Introduction

- 04 The changing credit card landscape
- 05 A note from the CEO

06

Market conditions & emerging realities

- 07 Economic shifts
- 10 Digital innovations
- 13 Regulatory changes
- 14 Marketing takeaways

17

The Big Eight & their impact

- 19 Strategy
- 19 Channel mix
- 24 Messaging
- 26 Optimizations
- 27 Opportunities
- 28 Financial education
- 29 Generational trends
- 30 Preferred language

32

Competition for the prime revolver

- 33 Buyer's market
- 35 Saturation and stress
- 36 Credit card alternative
- 37 Latent potential
- 38 Reactivate and retain
- 39 How to win

40

Co-brand & private label credit cards

- 43 PLCC have the power
- 43 Strategic guardrails
- 44 Rewards ROI
- 45 Consumer insights
- 46 Growth accelerator

How to use this report:

Each section is self-contained and offers targeted insights into a specific aspect of credit card marketing. Whether you're exploring market conditions or messaging strategies, you can navigate directly to areas of interest while gaining a cohesive understanding of how the entire ecosystem interrelates.



01

INTRODUCTION

THE CHANGING CREDIT CARD LANDSCAPE

The good news for card issuers is that demand remains high.

Despite a fierce group of competitors who continue to raise the stakes with bigger budgets and richer benefits, there are clear opportunities for card issuers willing to think ahead and think differently.

Success now depends on understanding today's landscape, the ability to pivot, and actively preparing for what's next.

The industry is facing some new and challenging headwinds. Record-high credit card debt, different payment methods, and an unpredictable economy are reshaping consumer behavior and challenging traditional growth strategies.

This report offers a practical view of what is driving the current state of credit card marketing. It highlights the forces shaping the market along with valuable, actionable insights.

These insights can help refine card value propositions or optimize acquisition, activation, and share-of-wallet strategies in a shifting environment.



THE
CREDIT
CARD
LANDSCAPE
IS ALWAYS
SHIFTING



A NOTE FROM KELLY BALL, FINANCIAL AND CARD MARKETING EXPERT



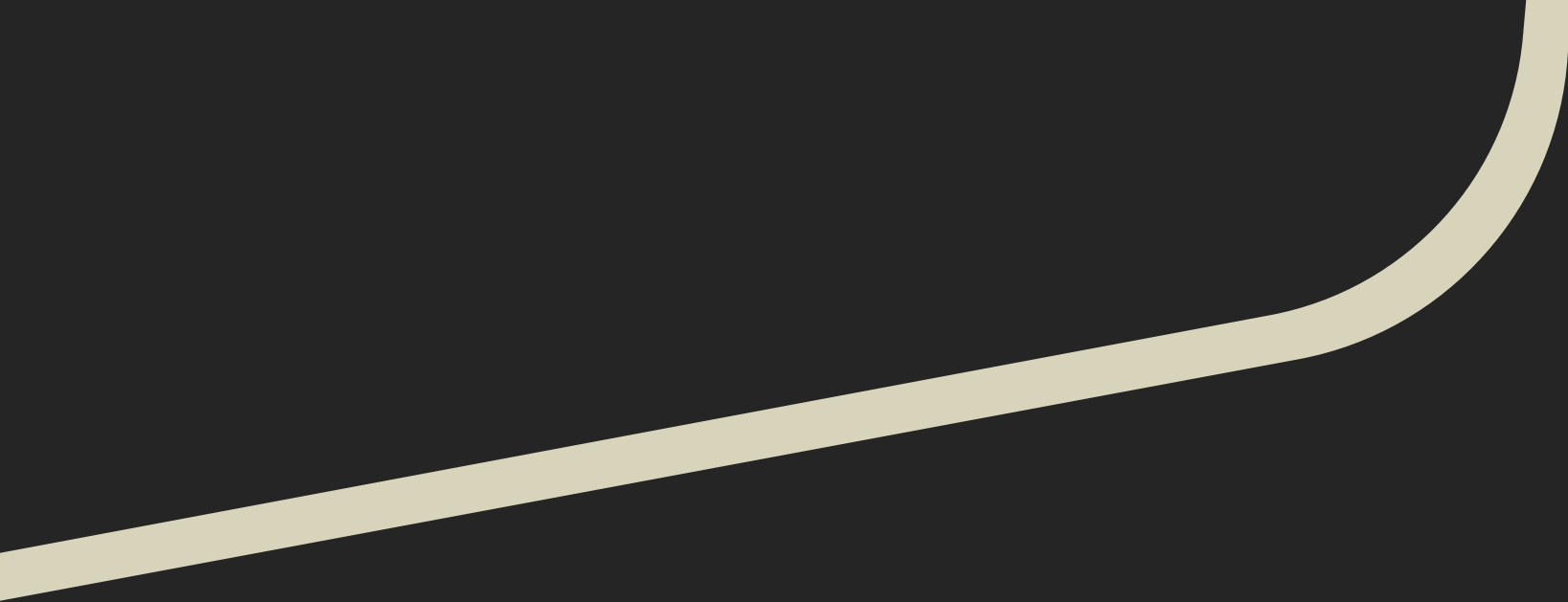
Through it all, one thing has remained constant: the value of learning from real-world outcomes. We created this report to share the patterns we're seeing across campaigns and client work – what's gaining traction, what's losing momentum, and where marketing efforts can drive real results right now.

Inside, you'll find a clear analysis of the credit card marketing landscape as it stands today. We've included insights to help you make informed, effective decisions in a constantly evolving space.

A handwritten signature in black ink that reads "Kelly Ball". The signature is stylized, with the first name and last name clearly legible.

Kelly Ball
CEO

Pathfinders has served financial services clients for nearly five decades. In that time, we've seen almost every economic environment and shift in how credit cards are marketed, sold, and used.



02

MARKET CONDITIONS
& EMERGING REALITIES

ECONOMIC FACTORS AFFECTING THE CREDIT CARD MARKET

Despite ongoing economic uncertainty, appetite for credit cards remains strong.

Credit cards in high demand

Credit cards still rank as the #1 most sought-after banking product¹, with 80% of U.S. households holding at least one card.² The relative ease of obtaining credit cards combined with evolving consumer needs presents significant opportunities for growth, innovation, and brand differentiation.

At the same time, macroeconomic forces are reshaping how people use and manage their credit. The after effects of COVID, recent political changes, inflation, and job security concerns are catalysts for increasing consumer debt, which is at an all-time high³, elevated credit usage⁴, and a noticeable shift toward more conservative spending behaviors.

Balance transfer offers are gaining traction

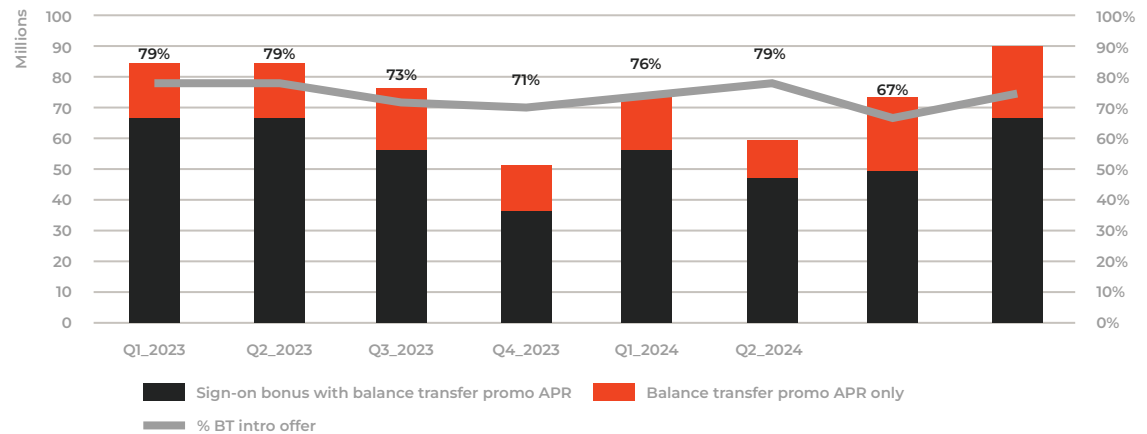
With credit card debt rising and interest rates still high, balance transfer (BT) offers are gaining real momentum. Consumers want ways to borrow without sky-high interest, and BT card offers deliver.

Issuers are stepping up their game with more aggressive BT offers, including 0% APR for an increasing number of months combined with other introductory offers, positioning these products as smart tools for short-term debt relief and spending flexibility. The result? A steady stream of competitive BT-forward acquisition offers as issuers try to capture a bigger share of wallet and meet rising demand.

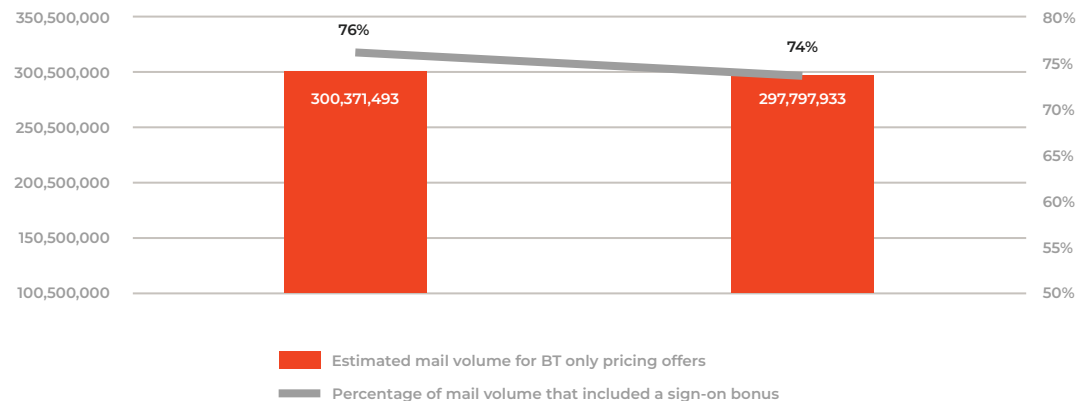


Balance transfer introductory pricing: estimated volume

In the past two years, acquisition card offers that included balance transfer introductory pricing represented just 6% of the total mail volume. For balance transfer pricing offers, it was common for the issuer to also extend a sign-on bonus. 75% of the BT offer volume also included a sign-on bonus. Overall, offers that strictly included an introductory balance transfer component were the least frequently observed offer.



Competiscan. "Mail Volume by Offer." Competiscan, 2025. <https://www.competiscan.com> [accessed June, 2025].



Competiscan. "Mail Volume Intro Offers." Competiscan, 2025. <https://www.competiscan.com> [accessed June, 2025].

The estimated volume captured for balance transfer offers Y/Y remained relatively flat and declined by only 1%. Most of that estimated mail volume observed that offered BT pricing, but not purchase pricing continued to include a sign-on bonus as part of the offer.

Consumers facing higher prices and growing balances are looking for ways to continue spending while also reducing their card debt or monthly payments. A balance transfer offers an attractive “reset” on current debt, while a 0% or low APR on introductory purchases can offer a little breathing room as consumers try to make budget adjustments.

No annual fee cards retain strong appeal

Even though some new cards offer a richer benefits package with an annual fee, most consumers default to looking for a no-annual-fee card.

Not surprisingly, cash back rewards are a key driver for consumers when opening a new credit card in the current economy. Points and retail discount opportunities are a close second.

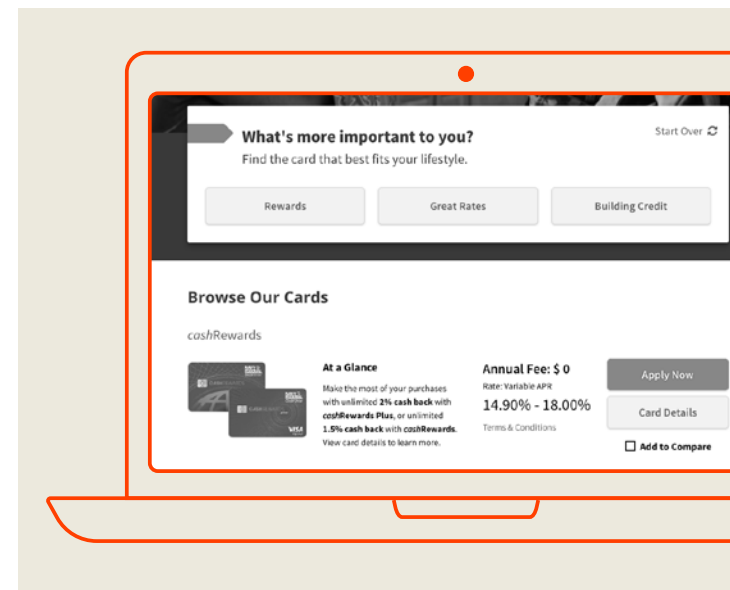
Consumers getting smarter about credit choices

In a market where a delicate balance of consumer caution and demand for credit cards is rising, issuers can meet consumers by offering not just rewards but smarter credit solutions that reflect the realities of today’s economy.

The U.S. Navy Federal Credit Union’s card search tool is a strong example of this shift. It allows users to easily find the card that best matches their current preferences – whether that’s maximizing rewards, earning cash back, or managing debt more effectively.

Personalization that builds trust

For credit card marketers, delivering personalized, needs-based guidance is essential to connecting with consumers seeking flexibility and relevance. Today, segmentation and personalization using psychographics are table stakes for marketing strategy and execution. Finely tailored communication with ongoing touchpoints not only differentiates a card but also provides reassurance to consumers navigating ongoing uncertainty.



U.S. Navy Federal Credit Union card search tool

DIGITAL INNOVATIONS

Digital wallets and payment technology innovations continue to redefine how consumers access and use credit.

Digital wallets

The rapid rise of digital wallets, now used by over half of U.S. consumers, signals a major shift away from physical plastic cards.⁵ Debit and credit cards stored in digital wallets are projected to surpass physical card transaction value for in-store payments by 2027, indicating a significant share-of-wallet move toward digital payment methods.⁶

By 2028, plastic cards may largely disappear,⁷ giving way to app-based financial ecosystems, real-time spending controls, and seamless integration with rewards platforms and cashback apps.

Even biometrics are now being incorporated, allowing consumers to literally pay with a smile, like

Mastercard's biometric checkout pilot happening now to demonstrate and validate new ways to pay that are more frictionless and secure.⁸

Innovations like Visa's Flexible Credential and Mastercard's One Credential initiatives point to the 16-digit card number soon growing obsolete, replaced by dynamic virtual credentials tied to devices or specific use cases.⁹

Marketing in the age of digital wallets

As digital wallets continue to reshape consumer preferences, card issuers are facing a pivotal moment in their evolution. To stay relevant and remain top of mind, they'll need to adapt quickly, not just in their product and

program designs but especially in how they are marketed.

To remain competitive, issuers must go beyond promoting utility and rewards to innovate and demonstrate value through:

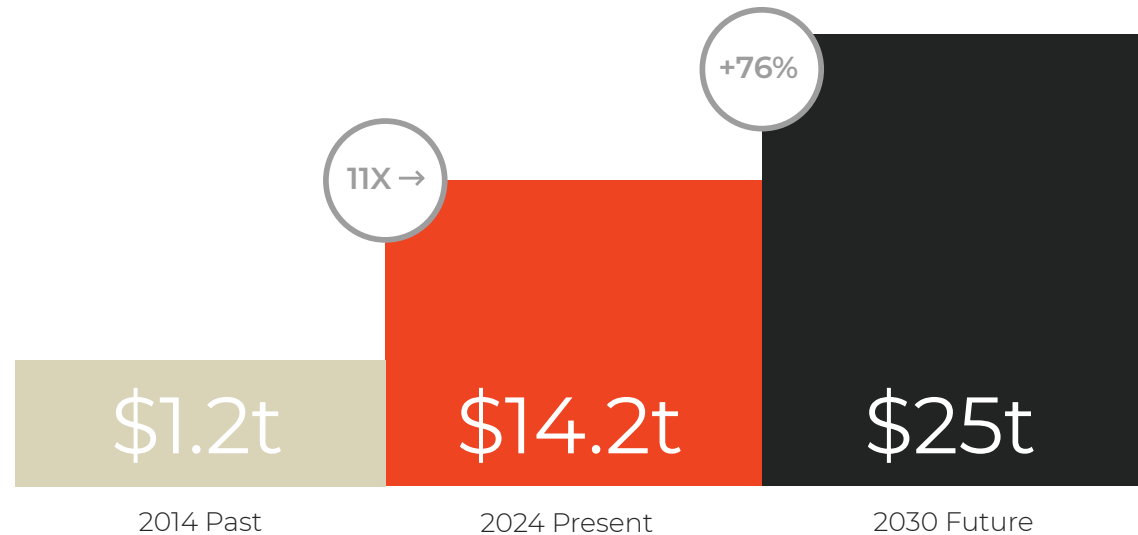
- Seamless integration that embraces new technologies
- Real-time relevance with extremely fine-tuned personalization
- Trust, especially when it comes to privacy and security

Why digital wallet adoption matters

Marketers must tailor messaging to both digital natives and legacy card users, emphasizing convenience and security.

Earning a spot in the digital wallet is part of a broader race toward relevance. It takes more than issuers' evolving card products; it requires marketers to nuance thoughtful innovation with omnichannel marketing that meets consumers across their journey in real time and in context on their phones, in apps, and at their point of need.

Estimated global transaction value of digital payments at POS



worldpay.com/en/global-payments-report

The role of plastic in a digital world

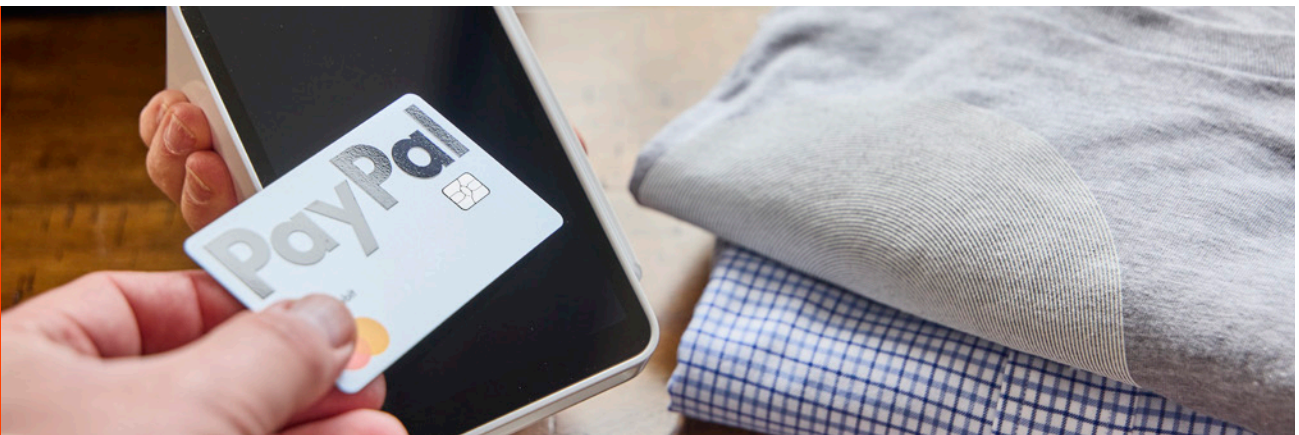
Plastic cards won't vanish overnight. However, card issuers need to act quickly to secure their spot in the consumer's digital wallet.

Marketers need to balance strategies that attract digital adopters while maintaining engagement with longtime plastic card users. Encouraging the switch from physical to digital wallet adoption may require a little coaxing and marketing magic. A well-timed incentive or personalized message can be just the nudge legacy card-swipers may need to help them embrace digital convenience while clearly communicating that their privacy and security remain uncompromised.

Privacy-first payments

Burner-style virtual cards that obscure purchase histories are also gaining popularity. These cards cater to rising privacy expectations, a direct response to growing concerns over transaction tracking and data protection.¹⁰

10. *The Daily Economy*, 2020



Buy now pay later: old concept, new tools

The demand for more flexible and affordable credit solutions is not always met with a futuristic breakthrough. Sometimes, a fresh twist on a classic can be repurposed to meet a need, like the 19th-century practice of Buy Now, Pay Later (BNPL).¹¹

Younger generations, who are new to credit cards or are credit card-averse, like the availability, convenience, and predictability of equal monthly payments spread out over time.

Older generations are also now using BNPL services to lower their credit card

balances and avoid high interest rates on large-ticket items.

BNPL has become so popular that it is no longer just used for large purchases like appliances or furniture; DoorDash is now offering installments for takeout purchases.¹²

Major credit card issuers have noticed the trend, and some are offering BNPL or Pay Over Time options as card benefits. BNPL activity is showing no signs of slowing down – make sure your marketing strategy is keeping up.

Reason for using BNPL	'24	'23	'22
Wanted to spread out payments	87%	87%	87%
Convenience	82%	82%	83%
Avoid interest charges	58%	60%	59%
Only way I could afford it	58%	55%	56%
Did not want to use a credit card	53%	54%	54%
Wanted a fixed number of payments	49%	46%	46%
Only accepted payment method I had	22%	21%	21%

fool.com/money/research/buy-now-pay-later-statistics

11. The Motley Fool, 2024 Buy Now, Pay Later Trends Study | 12. DoorDash, 2025



REGULATORY CHANGES ARE STILL IN THE CONVERSATION

New legislation has been introduced that could directly impact your credit card strategy. These include capping late fees (Credit Card Competition Act) and limiting interest to 10%.¹³

While the chances of these and other emerging legislation passing are low, it's still worth some contingency planning to assess how these proposals could influence your card offerings and marketing approach. It's important to stay up to date on regulatory changes and how those could impact your card program.

¹³ 10 Percent Credit Card Interest Rate Cap Act

SMART MOVES FOR CREDIT CARD MARKETERS

Economic uncertainty, accelerating technology, and mounting regulatory scrutiny are reshaping the credit card landscape. For marketers, being proactive is no longer optional. Heeding the advice of Teddy Roosevelt, “The worst thing you can do is nothing,” and Jack Welch, “The best thing you can do is change before you have to,” is more relevant than ever.

Card marketers should regularly evaluate product offerings and reward structures to ensure that targeted, compelling strategies are implemented at every stage of the user journey, from acquisition to activation and beyond.

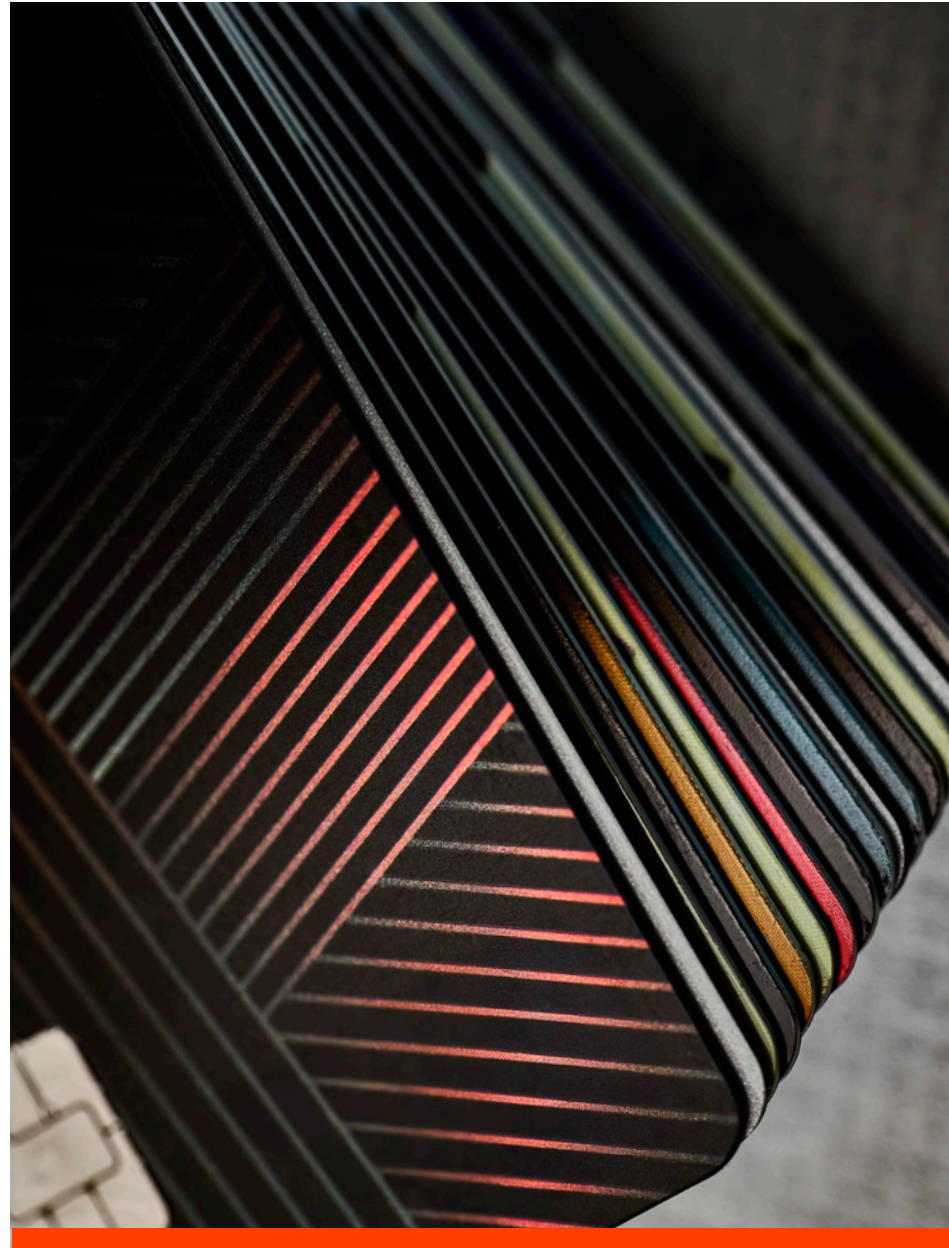
Whether the goal is to earn, maintain, or increase share of wallet, success will lie in anticipating consumer needs and remaining agile. Other key considerations include:

QUESTIONS TO CONSIDER	EXAMPLES AND INSIGHTS
How are you positioning your products as solutions when cash back, points, and miles still drive consumers to apply, but they also seek ways to manage debt and avoid fees?	Bundle rewards with financial wellness benefits. For example, promote a cashback card with a tiered interest rate that decreases with on-time payments. Highlight tools like “spend forecasting” and fee-avoidance alerts in messaging.
What triggers activation and ongoing usage for customers who take advantage of balance transfer offers, and what follow-up tactics are most effective?	Deploy customized follow-ups (e.g., 10 days after BT approval, email “3 Tips to Maximize Your 0% APR Period”) followed by monthly reminders to set autopay, track balances, and avoid interest. Offer spending-based rewards to encourage usage beyond just balance transfers (e.g., “Spend \$500 in the first 3 months and get \$50 cash back”).

QUESTIONS TO CONSIDER	EXAMPLES AND INSIGHTS
Are you delivering timely, clear communication to prospects and existing cardholders to educate them on the benefits and usage tips of new technologies like digital wallets?	Create an explainer video highlighting how to add the card to Apple Pay/Google Pay and offer a \$5 statement credit for first-time digital wallet use. Message in onboarding emails, in-app banners, and social media channels. Follow up with usage stats and security reassurance messaging after the first use.
How are you rigorously testing offers, messaging, and channels to optimize every touchpoint from acquisition to engagement?	Run A/B tests on acquisition offers across three channels (email, social, direct mail) using two different calls to action: “Earn \$200 in 3 Months” vs. “Save on Interest for 15 Months.” Track application rate, approval, and first 90-day spend.
Does the offer a consumer receives online, in the mail, or in-app match what they find in-branch? How consistent is your omnichannel messaging? How often do you audit/refresh your channels and messaging?	Conduct regular offer audits to ensure omnichannel messaging consistency in terms, reward language, and visual design. Create a centralized “Offer Repository” that all teams (digital, branch, call center) can access.
How often are you reviewing your inactive accounts to identify and reengage dormant, creditworthy cardholders?	Segment inactive cardholders into groups (e.g., no activity in 6–12 months). Launch “We Miss You” campaigns offering targeted incentives like 5% cash back for 3 months or 1,000 bonus points for using the card 3 times in 30 days.

CREDIT DEMAND REMAINS STRONG

Demand for credit remains strong. Staying on top of economic, technological, and even legislative changes will help you adapt for a better return on your marketing investment.





03

THE BIG EIGHT
& THEIR IMPACT

The “Big Eight” credit card issuers – Discover, Chase, American Express, Citi, Capital One, Bank of America, U.S. Bank, and Wells Fargo – dominate the U.S. credit card market. These brands are household names that likely own the coveted “top-of-wallet” spot for millions of American consumers.

Company	Purchase Volume
Chase	\$1.25 trillion
American Express	\$1.12 trillion
Citi	\$593.8 billion
Capital One	\$575.4 billion
Bank of America	\$494 billion
Discover	\$217.9 billion
U.S. Bank	\$200.2 billion
Wells Fargo	\$192 billion

money.usnews.com/credit-cards/articles/biggest-us-credit-card-companies-this-year



And the landscape just shifted again.

With Capital One’s acquisition of Discover finalized, **the Big Eight is now the Big Seven.** This is a game-changer, as the new credit card giant now holds upwards of 19% share of the US card market.¹⁴

Marketers should anticipate seeing:

- Bold, hyper-personalized offers as the new entity flexes to scale
- Rewards innovation, network disruption, and tighter distribution control
- New pressure on challengers

HOW THEY MARKET AND WHAT'S WORKING

With massive marketing budgets and rich consumer data, the Big Eight set a high bar that smaller banks and credit unions struggle to match. Keeping a close eye on their marketing strategies and borrowing from their playbook costs nothing but attention.

For example, in Q2 2024, Amex CEO Stephen J. Squeri justified the company's decision to increase its annual marketing budget from \$6B to \$6.8B, stating, "...because we see the opportunity".¹¹ This isn't just spending because they can; it's confident, data-driven investments powered by AI, segmentation, and relentless testing. Their targeting zeroes in on Millennial and Gen Z cardholders using tailored, tech-forward messaging across all channels.¹⁵

CHANNEL MIX AND DIRECT MAIL MASTERY

The Big Eight continually refines its campaigns through testing of offers, creative elements, channel mix, messaging, and frequency. This rigorous discipline ensures strong ROI.

Direct mail still matters

Surprisingly, direct mail continues to outperform many digital channels. Digital fatigue plus a pendulum-swing return to analog are attributed as reasons for some direct mail delivering response rates 5 to 9 times higher than comparable digital tactics across all channels.¹⁵

Not to mention the volume is staggering; if you have a mailbox and a decent credit score, you've likely noticed the surge. From large-format envelopes to varnish, embossing, and hyper-personalized content, the creative spans tailored and tactile to polished and persuasive. Amex even tried testing scented envelopes with an Islands Scratch & Sniff mailer, showcasing just how heavily the Big Eight are invested in this classic yet constantly evolving channel.

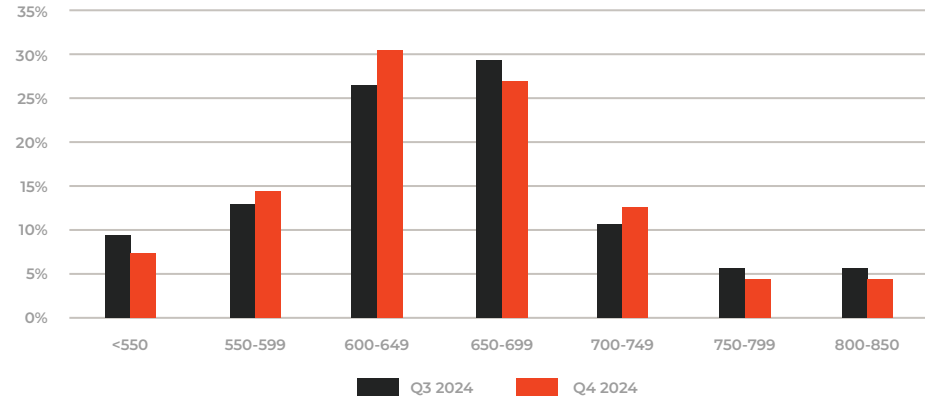


15. The Stack, 2024 | Data & Marketing Association, 2025

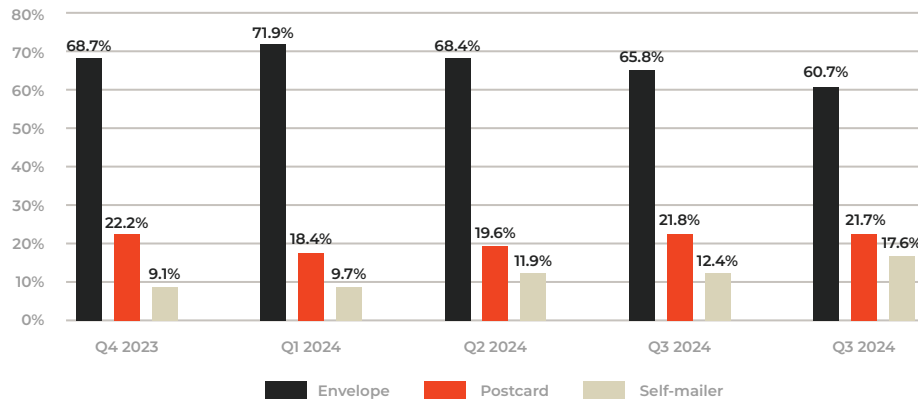
Estimated mail volume: FICO® distribution

The following chart shows the FICO® Score distribution of consumers who received credit-building card offers through direct mail in Q4 2024.

During the quarter 79% of offers were observed by panelists with a credit score below 700, which was the same as the distribution observed in the previous quarter. Notably, the 600-649 range was the most targeted in Q4 2024.



Competiscan. "FICO® Scores, Q4 2024." Competiscan, 2025. <https://www.competiscan.com> [accessed June, 2025].



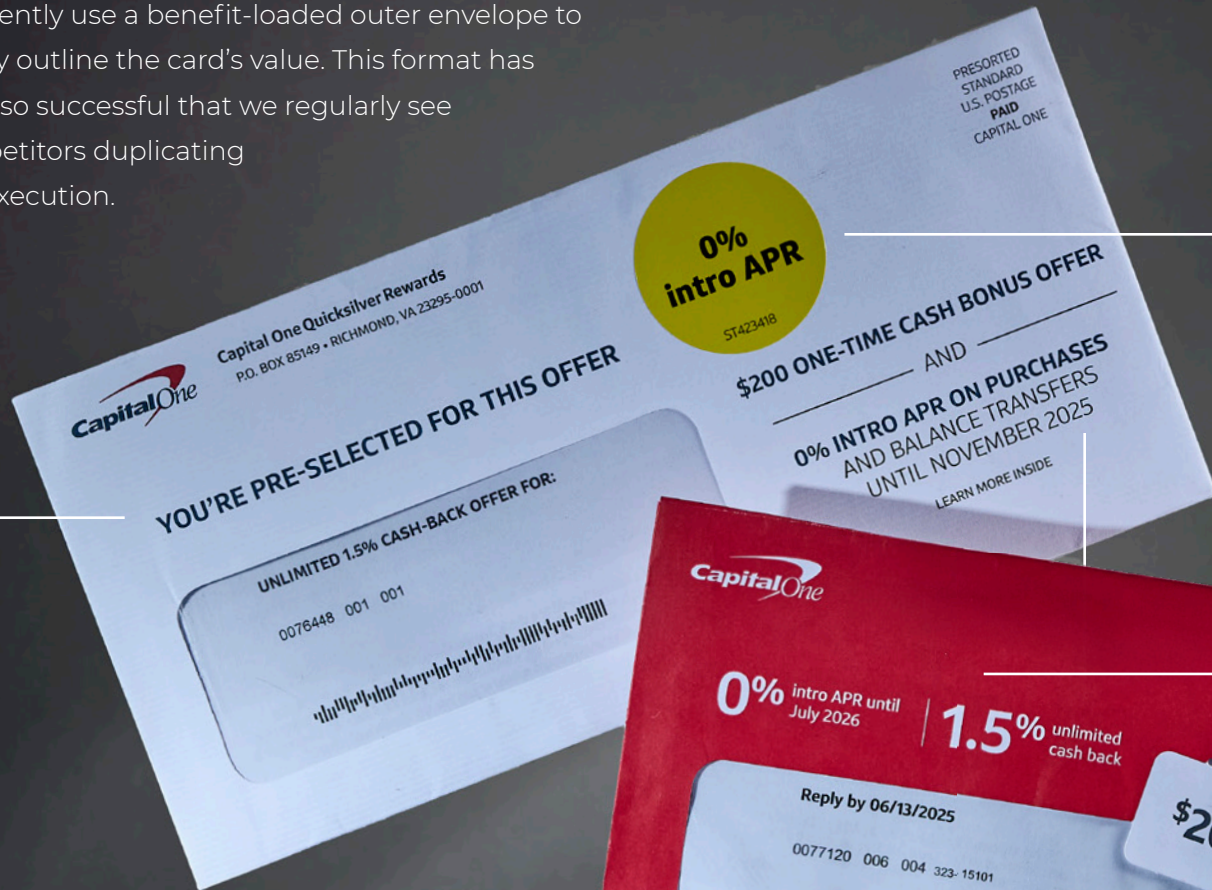
Competiscan. "Mail Volume by Format, Q4, 2024." Competiscan, 2025. <https://www.competiscan.com> [accessed June, 2025].

Estimated mail volume: formats over time

The share of envelope packages continued its decreasing trend with just 60.7% of the share of mail observed in Q4 2024. The five-percentage point q/q drop in envelope share of mail was replaced by self-mailers which made a five-percentage point q/q increase.

Envelope strategy that sets the bar

Capital One's envelopes are the ones to watch. They frequently use a benefit-loaded outer envelope to clearly outline the card's value. This format has been so successful that we regularly see competitors duplicating this execution.

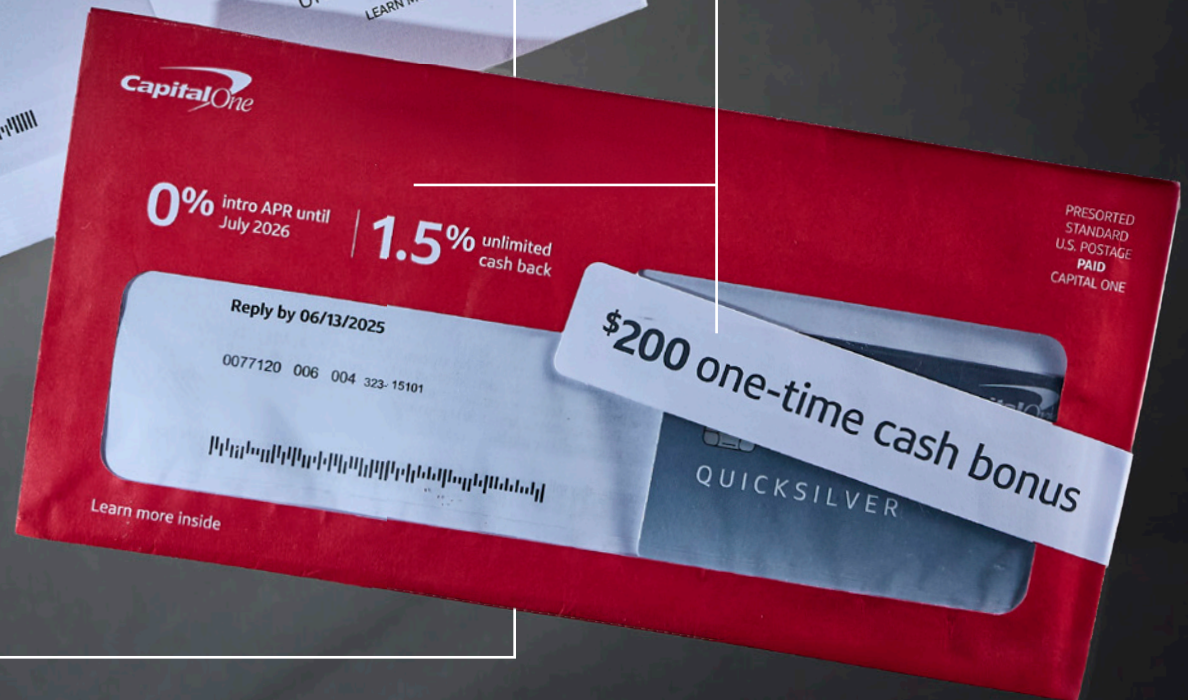


Low-to-no APR rates are featured to attract cost-conscious consumers

Card benefits and value props are prominently and clearly communicated

Benefit-loaded envelopes use every inch of space to capture attention, front and back

Limited-time offers and bonus promos are highlighted to encourage immediate response



Additional Big Eight tactics emerging as winners in direct mail include:



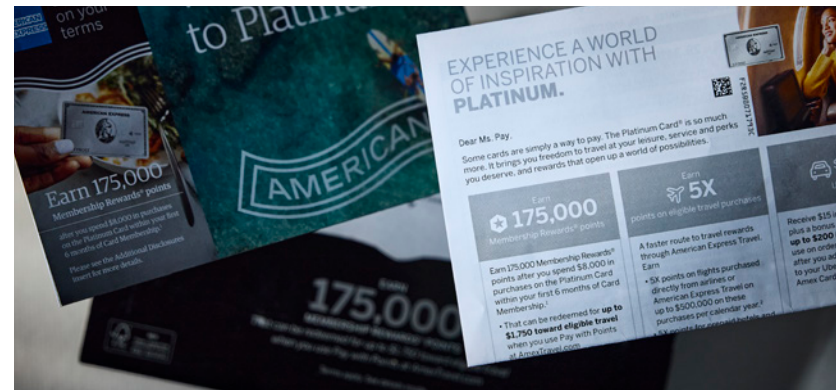
Personalization beyond just name and address



Prominent "No Annual Fee" messaging

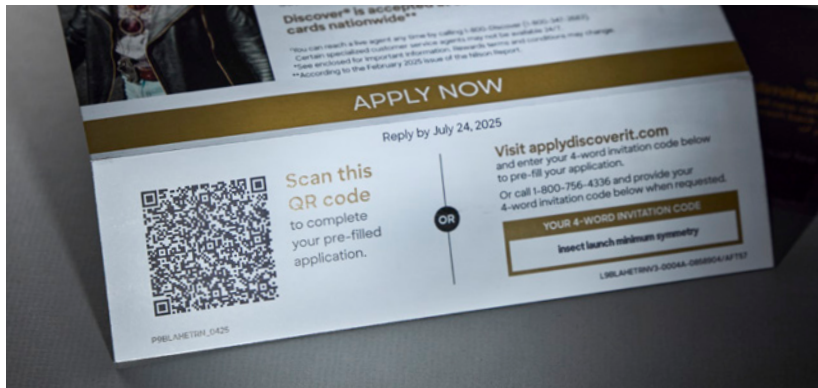


Premium print finishes like foils, soft-touch varnish, or embossing for tactile appeal



Rich acquisition offers
(100,000+ points or \$750 cash back)

Additional Big Eight tactics emerging as winners in direct mail include:



QR codes linking to pre-filled applications for easy, frictionless response



Brief, scannable benefits with clear CTAs replacing traditional lengthy letters



Instant access to credit without having to wait for physical cards

STILL WINNING WITH REWARDS, BUT THE STORY IS EVOLVING

Rewards remain the dominant story in direct mail campaigns.¹⁶ Whether it's cash back, points, or miles, the message is clear: everyday spending can earn meaningful returns. Even when 0% APR is included in an introductory offer, the spotlight stays on the rewards value proposition. Why? Because it works. Rewards messaging remains a powerful driver for card acquisition and deepening engagement.

Consumers want more than rewards

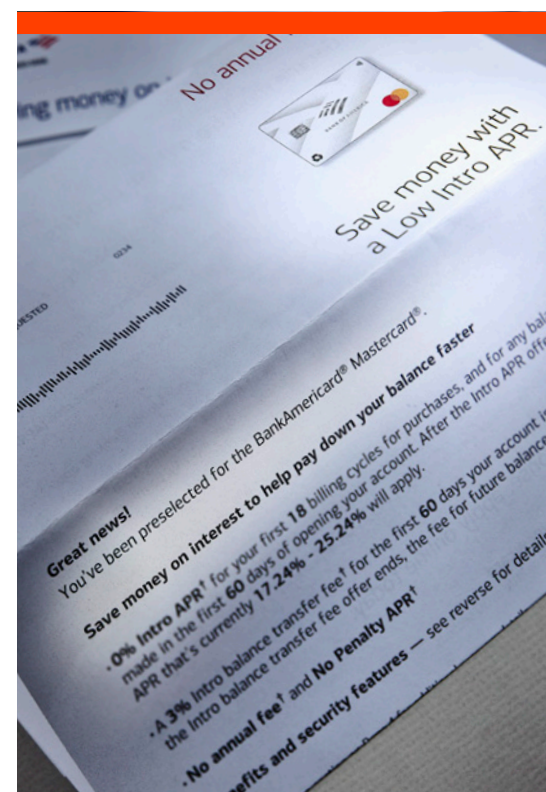
As consumers face higher prices, growing credit card balances, and tightening household budgets, they are increasingly seeking financial empowerment over flashy perks. Many are now looking for trusted guidance and practical help with credit management, a shift from “earn more” to “save more.”

“Help me do better with credit” is the emerging consumer mindset. While rewards may be the lead story today, many consumers are beginning to recognize that rewards alone can't

solve real financial problems. They're looking for trusted financial guidance that goes beyond stale sound bites about ordering fewer lattes or packing a lunch more often instead of buying fast food. They want smarter options that align with their goals.

Big opportunity for smaller issuers

Community banks and credit unions have a unique advantage when it comes to pragmatic offerings. Many already offer significantly lower APRs than the Big Eight, which is attractive to consumers who carry a balance. We're already seeing some credit unions shift the conversation from rich bonus offers to emphasizing lower interest rates that help members save substantial amounts annually, reframing the value proposition from “get more” to “save more.”



¹⁶ Lob, 2025

The emotional value of keeping it local

While some of the Big Eight have a significant branch network, they are not omnipresent. Smaller issuers with cards tied to community banks and credit unions are leveraging their local advantages, like offering free, in-person financial counseling on credit card and debt management, to provide a level of accessibility and personal care that larger banks struggle to match.

More consumers are increasingly drawn to the appeal of keeping their money local.¹⁷ For those frustrated or disillusioned with large financial institutions, supporting a local entity and seeing their dollars reinvested into their community offers them emotional and financial value.

More human messaging

In a category dominated by points, perks, and polished marketing, there's growing space for more human-centered messages that speak to real needs, not just rewards.

Smaller issuers have a unique opportunity to stand out by emphasizing what truly matters to many consumers: lower rates, real savings, trusted advice, personal service, and community investment. By leaning into these values, they can differentiate themselves from the Big Eight's massive, sometimes impersonal, marketing pushes focused on offering a flashy signup bonus.

Like plastic cards, the rewards story isn't going away anytime soon. But now more than ever, there's room to tell a deeper story of financial confidence that goes beyond piling up points. Messaging that highlights meaningful benefits, personal connection, and transparency can resonate strongly with today's credit card customers, especially for those who appreciate brands willing to show up with care and authenticity.

Human-centric marketing messages can include:

A trusted backup for emergencies	Supporting local businesses	Shared emotional connections (e.g., environmental, sports, alumni)	Rewarding responsible financial behavior	Personalized offers based on spending habits
Tailored rewards for everyday spending, including recurring payments	Helping customers meet savings or debt goals	Transparent terms for building confidence and trust	Emphasizing customer service and human support	Promoting financial wellness initiatives

17. Kiplinger, 2025

OPTIMIZE FOR YOUR AUDIENCE

What works for the Big Eight doesn't guarantee success for everyone. Although their omnipresent campaigns may feel like a free master class in marketing, you cannot simply copy their work and expect to get their results. However, there is much to learn from their strategies.

Where to start and why

Benchmark and refine. Start by evaluating your current direct mail efforts, as they usually produce high response rates. Review performance metrics, identify gaps, and adjust your strategy based on what resonates with the market.

- Audit and optimize the application process, identifying and removing roadblocks
- Emphasize unique strengths such as personalized services like local financial counseling, discounts to local sports or cultural events, lower APRs, or bundling discounts for multiple products and services, or community impact
- Reward financial wellness as well as spending
- Test new offers, designs, formats, and messaging tailored to specific audience segments. Maintain consistency across channels and continuously optimize your channel mix to maximize your marketing ROI



FIND YOUR WHITE SPACE

The Big Eight are laser-focused on rich acquisition incentives and attractive rewards to capture the coveted first card in wallet slot. This leaves room for other products to carve out unique “white spaces” for unmet consumer needs with authentic and differentiated stories.



How smaller issuers can differentiate:

 Highlight lower APRs	 Personalized financial counseling and other financial wellness offerings	 Local services (financial counseling) and perks (free coffee and meeting room)
 Community engagement (support local teams and businesses, offer discounts)	 Bundle discounts or added rewards, with multiple products or services	 Celebrate milestones like birthdays, anniversaries, or local “holidays” with tailored offers

FINANCIAL EDUCATION REALLY MEANS REDUCING FINANCIAL STRESS

A recent survey showed that most Americans now define financial happiness as being able to pay all their bills and live debt-free.¹⁸

A lack of emergency savings and an over reliance on credit cards as a plan B are often at the heart of financial stress. While conventional wisdom advises saving up 3-6 months' worth of expenses, those living paycheck to paycheck feel it is impossible.

From financial competence to financial confidence

This is a huge shift as today's consumers really don't want more financial content – they want context and confidence. Truly helpful education must be personalized, practical, and rooted in empathy to reduce financial stress and support smarter decisions.



59%

of Americans believe
**money can buy
you happiness**



17%

define financial
happiness as
**reaching a certain
net worth**



2 in 3

say financial
happiness is
**paying bills on time
and being debt-free**

Empower Financial Happiness, 2023.
<https://www.empower.com/the-currency/money/research-financial-happiness> [accessed June, 2025].

GENERATIONAL TRENDS

Understanding financial preferences by generation is key to delivering relevant guidance and building trust and long-term engagement.

Financial education isn't one-size-fits-all. Nearly 50% of Gen Z learns about money on TikTok, not their bank. And only 49% of consumers trust advice from their financial institution.¹⁹

Effective marketing has moved on from segmenting by demographics and doing a deep dive into psychographics: who cares about what, and where are they looking for financial answers and advice that feels safe, relevant, and actionable?

Marketers can drive engagement by sharing practical financial advice and real testimonials that resonate across generations and lifestyles. They can meet customers where they are with tools and guidance that build confidence, not just understanding.

Generation	Banking & Financial Views	Preferred Financial Education Channels
Silent Gen (80–97)	Frugal, debt-averse, cash-oriented	Traditional banks, in-person, analog tracking
Boomers (61–79)	Status-focused, utilizes credit	Digital banking, spreadsheets, webinars
Gen X (45–60)	Value-driven, tech-integrated	Online/mobile apps, financial professionals
Millennials (29–44)	Prioritizes ease, risk-tolerant	Social media, gamified apps, financial advisors
Gen Z (13–28)	Entrepreneurial, digital-native, calculated risks	TikTok, YouTube, family, AI chat, mobile apps

¹⁹ First Merchants Bank, 2023

LANGUAGE IS IMPORTANT

Effective marketing doesn't just push messages; it tailors communication that clearly resonates with its target audiences. This requires research to understand and reach people, connecting on their terms, using language, tone, and cultural cues that feel familiar and relevant. This approach builds trust, breaks down barriers, and drives engagement.

One clear example is the growing Hispanic consumer segment in the United States. Financial products and offers for Spanish-speaking households need to be presented clearly and in their preferred language.

Nearly 43% of Spanish-speaking U.S. households have a store-issued credit card. This is significant for an audience that typically has a lower penetration of general credit cards. For retailers and marketers, especially those operating in areas with Spanish-speaking consumers, it would be strategic to test dual-language signage and promotion materials or provide communication in the customer's preferred language.

Hispanic households

- **Credit card ownership:** Steady growth with 67% owning at least one credit card in 2023, up from 58% in 2022, but still trailing the U.S. average of 81-87%²⁰
- **Financial behaviors:** Conservative \$555 average monthly expenditures vs. \$664 national average²⁰
- **Payment preferences:** Still prefer cash (64%) or debit cards (61%) over credit cards (27%)²¹
- **Multilingual services:** Almost 78% consider multilingual services very important for choosing a financial institution²⁰
- **Opportunities for marketers:** Tap into the potential of the Hispanic market, tailor financial education and marketing collateral in Spanish with culturally relevant messaging to improve trust, financial literacy, and engagement tailored offers

Opportunity awaits beyond the Big Eight

While the Big Eight continue to dominate the credit card market, growth doesn't come from scale alone. These giants have left clear gaps in prioritizing thoughtful, consumer-centered marketing.

There is ample opportunity for brands willing to engage closely with their audience, address real financial concerns, build trust, and empower customers to feel more in control of their financial lives.

Marketers who engage, listen, and adapt will have an advantage if they focus on personalized value and relevant solutions instead of competing solely on headline offers.

GROWTH
DOESN'T
COME
FROM
SCALE
ALONE



04

COMPETITION FOR
THE PRIME REVOLVER

Prime revolvers remain a top priority for issuers, with marketing competition heating up in 2025.

What is a prime revolver?

A credit card customer who has a prime credit score (typically FICO score 660–719 or higher) and carries a balance month to month instead of paying off the full statement balance. These financially reliable consumers generate interest income for issuers by not paying their balance in full, making them particularly attractive in credit card marketing and lending strategies.

Most card issuers aggressively target the same pool of prime revolvers. Due to their profitability, issuers spend massive amounts trying to entice them with standout acquisition offers, including perks like access to premium products and experiences.

A BUYER'S MARKET LIKE NEVER BEFORE

With so many attractive offers available, creditworthy consumers have their choice of options, and they know it. Welcome bonuses hit six figures in points and miles, alongside cash-back offers that were unimaginable just a

few years ago. It has turned into a race for sign-up bonuses as most cards now offer similar benefits and rewards, making the welcome bonus the primary differentiator.



Bonus chasing and churn

Much to issuers' dismay, an increasingly savvy segment of consumers is churning through cards just for the lucrative sign-up bonuses. They're applying for cards, meeting the minimum, grabbing the goods, and moving on without starting the spending relationship issuers need to turn a profit.

Even among loyal “prime revolvers,” who typically already have multiple cards in use, there is a unique opportunity to increase their share of wallet. By delivering genuine ongoing value beyond the initial sign-up bonus and tailoring rewards to individual preferences and spending habits, issuers can capture more transactions from these savvy consumers.

Proactive, personalized engagement, seamless digital experiences, and timely offers can help keep the card top-of-mind and wallet, encouraging deeper relationships with prime revolvers who demand more from their credit products.

Pro tips to prompt spending

Once you've acquired these valuable customers, the next step is to keep them engaged. Encouraging consistent card activity is crucial to convert signups into loyalists. By offering enticing features and personalized benefits, you can turn occasional users into cardholders who choose your card first and often.

Consider creative strategies to drive repeat use:

 Fresh new card designs to choose from	 0% APR on new purchases	 Reminders of bonus categories	 Limited-time bonus offer	 Offer options, e.g., reward points or 0% interest pay over time
---	---	---	--	--

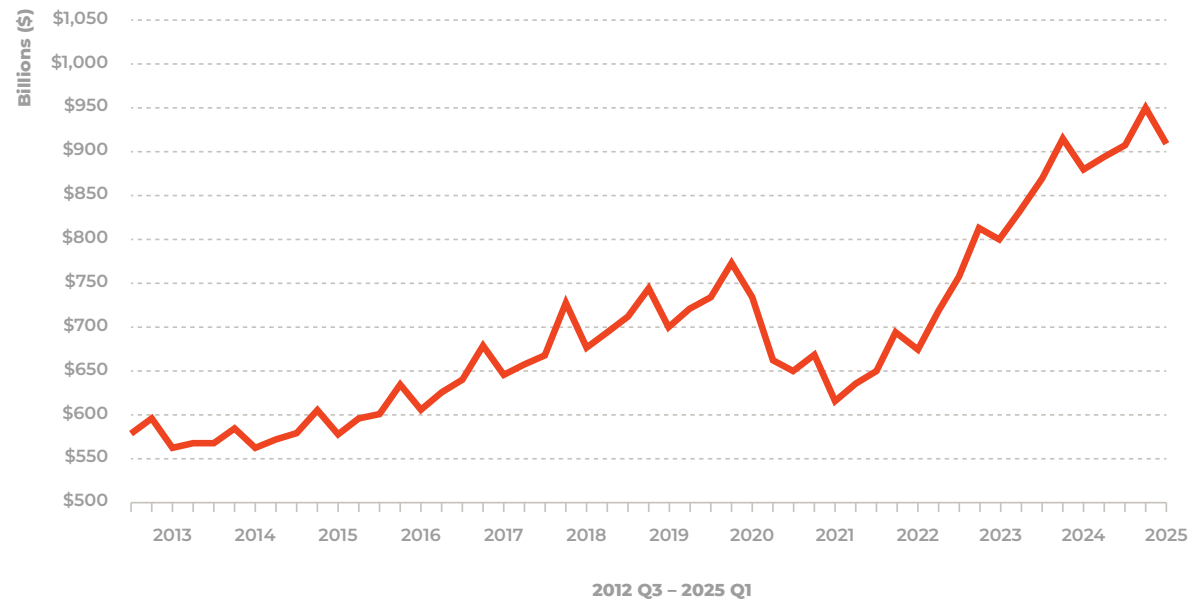
Gently reminding cardholders of their current credit limit can also add value, highlight their spending power, and encourage them to take full advantage of their card benefits.

CARDHOLDER SATURATION & CREDIT STRESS

Most prime borrowers already have three to four credit cards and are creeping toward their credit limits. Even people with solid FICO scores are missing more payments, maxing their credit limits, and falling behind on bills.²²

The Fed's latest numbers tell a story of growing consumer credit stress, and some major issuers are tapping the brakes on approvals.

Credit Card Balances: Total Balances



FR Y-14M Data, Federal Reserve Bank of Philadelphia <https://www.philadelphiafed.org> [accessed July, 2025].

Reality check

This data has “encouraged” some issuers to look downstream instead of fighting over the same shrinking pool of prime customers.

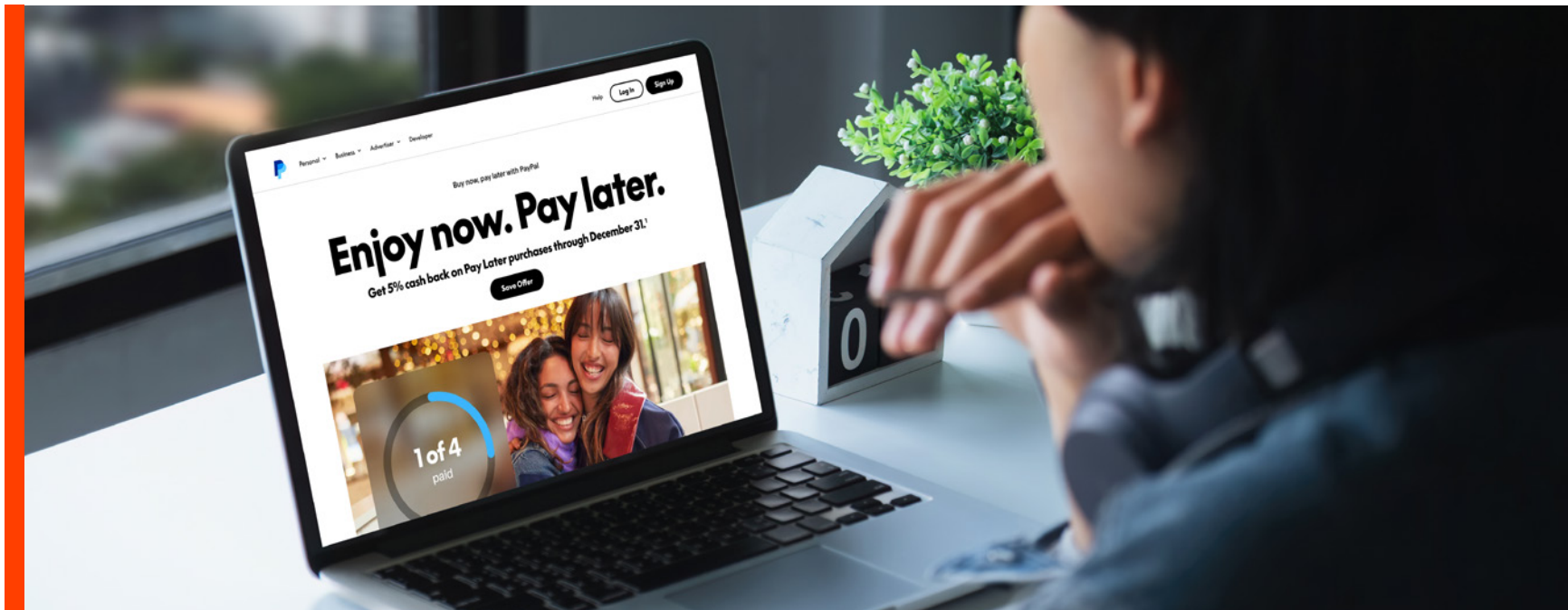
Huntington Bank, for example, offers starter cards for people with less-than-perfect credit. Helping someone when they need it most can help develop strong customer loyalty that could result in a long and mutually beneficial relationship for the bank and the consumer alike. It's not without risk and may require an investment in credit education.

22. Federal Reserve Bank of New York, 2025

CREDIT CARD ALTERNATIVE CAPTURING YOUNGER CONSUMERS' ATTENTION

Credit cards aren't the only way to borrow money. Buy-now-pay-later (BNPL) has swept Gen Z off its feet because it feels simple, looks fee-free, and doesn't require a credit check.²³ Some card issuers and networks have already noticed the rising popularity of BNPL and have started to implement that benefit into card products.

To stay competitive, card marketers must closely monitor shifting consumer attitudes toward credit and proactively respond by incorporating and highlighting flexible billing cycles, waived late fees, extended grace periods, and attractive low or 0% APR on qualifying purchases. Aligning card benefits with the convenience and transparency that BNPL offers helps better meet customer expectations and protect, or even grow, their market share.



LOWER-RATE BORROWING OPTION LURING CARDHOLDERS AWAY

The value of U.S. homes has hit an all-time high. With over \$35 trillion of untapped borrowing power, homeowners have access to six-figure sums at an interest rate that is now just below 7% APR.

With credit cards pushing average interest rates into the mid-20% range, home equity lines of credit can offer an attractive money-saving alternative to borrowing for big-ticket purchases or debt consolidation. Home renovations paid with a HELOC could also have tax deduction benefits.

HELOC vs. Credit Card: Key Differences	Home Equity Line of Credit	Credit Card
Definition	A revolving line of credit secured by the equity in a borrower's home	An unsecured line of credit with flexible spending and monthly payment terms
Annual % Rate	Typically lower than a credit card or personal loan	Generally higher APR than HELOCs or credit cards
Borrowing Limits	Most lenders will let you borrow up to 85% of your home's equity	Dependent on credit score and issuer
Use Cases	Can be used to help you pay for home renovation/repairs, consolidate other higher rate debt, or education	When used responsibly, you can earn rewards for the things you buy every day

Citizens Bank, HELOC vs. Credit Card <https://www.citizensbank.com> [accessed July, 2025].

While HELOCs may appeal to rate-conscious borrowers, credit cards still hold a key advantage. Cards offer immediate access to funds, while many HELOCs can take up to six weeks to process. Card marketers should lean into that convenience, emphasizing speed, simplicity, and flexibility. Messaging can also highlight unsecured borrowing (no risk to the home), rewards potential, and promotional APR offers as competitive differentiators against home equity products.

REACTIVATE AND RETAIN

As consumers begin to inch closer to credit limits on the cards they regularly use, card issuers have a valuable opportunity to re-engage their inactive cardholder accounts.

Reactivating dormant cardholders is a cost-efficient alternative to new customer acquisition and remains an underused lever for growth. As customer acquisition costs (CAC) rise across sectors, including financial services and credit cards, customer acquisition ROI is declining. Meanwhile, reactivation campaigns, where you can target a known audience with existing behavioral and transactional data, enable more precise and personalized outreach. This results in lower marketing spend per conversion with typically higher response rates, making it a strong strategy to balance new acquisition efforts.

Co-branded and private label credit cards specifically have a larger percentage of inactive accounts in their portfolios than general-purpose cards, with some estimated to reach as high as 50%.²⁴ This untapped source of potential revenue and engagement presents a huge opportunity for cost-effective potential. Issuer strategies should focus on cost-effective reactivation as a key growth tactic.



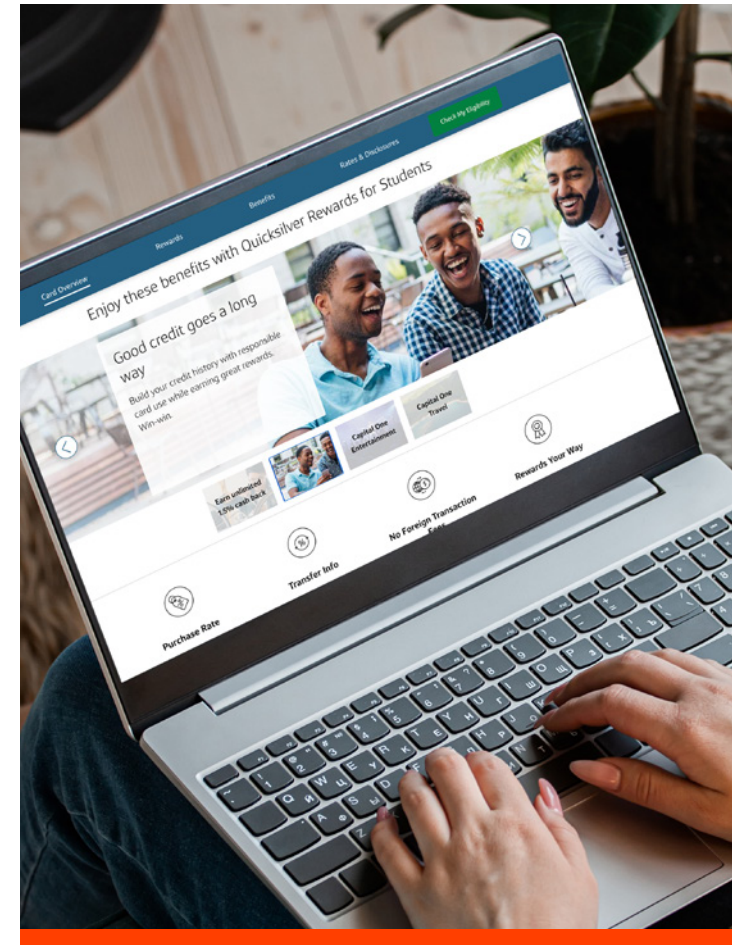
HOW TO WIN: COMPETE SMARTER, NOT HARDER

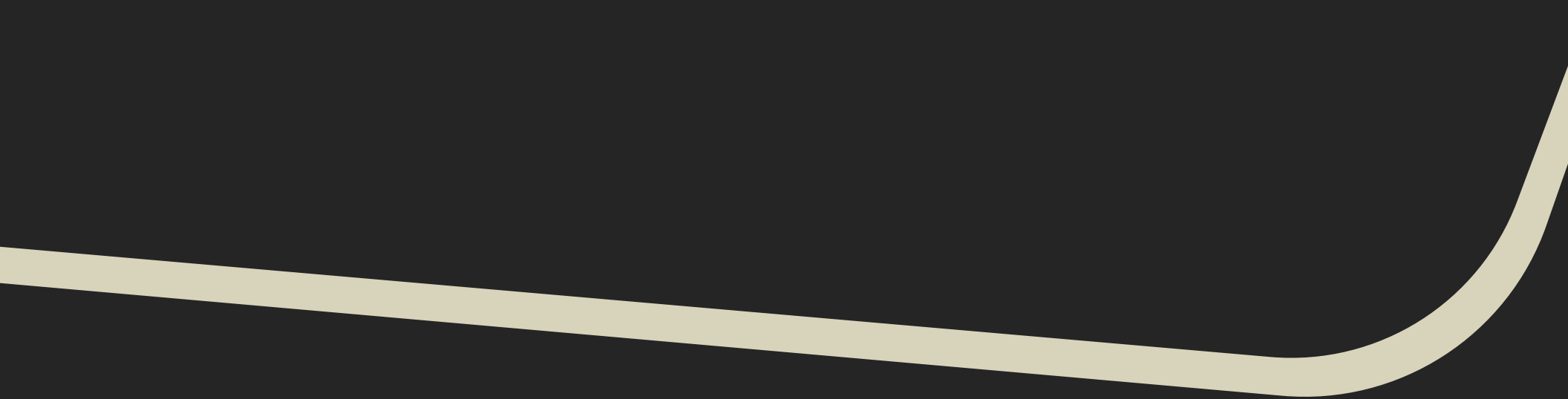
The race for the prime revolver is intense, but fighting over the same pool of consumers by offering bigger bonuses is not sustainable. Long-term winners will come from building deeper, more meaningful cardholder connections across a broader segment of the credit spectrum, not just targeting the prime revolver.

To achieve this, focus on:

- Broadening the target audience by including emerging credit segments and including thoughtful, educational messaging to support their credit journeys
- Prioritizing financial wellness by positioning cards accompanied by financial education supports as tools to relieve financial stress and build long-term stability
- Adapting to evolving borrowing preferences by understanding alternatives like BNPL and HELOCs, and positioning cards competitively to retain and grow market share
- Reactivating dormant accounts through timely, data-backed offers and gentle reminders to unlock untapped revenue

Moving beyond the saturated prime revolver segment and focusing messaging on engaging a broader customer base with relevant, personalized offers and meaningful value to them is the way to grow in an increasingly competitive market.





05

CO-BRAND & PRIVATE LABEL CREDIT
CARDS (PLCC) ARE HAVING A MOMENT

Co-branded cards poised for a strategic resurgence

Co-branded cards are experiencing a strong comeback. Historically, these cards served as a powerful tool for a brand to deepen customer loyalty by adding significant value to loyal consumers by aligning a financial issuer with a retail, travel, or hospitality brand. Co-branded cards have thrived on offering unique benefits like rewards, exclusive discounts, access to special events, and early sale opportunities, creating memorable brand experiences.

Recent economic shifts have analysts projecting co-branded cards to grow steadily, driven by higher credit approvals and renewed consumer interest, especially with rising travel and retail activity. This growth signals a prime opportunity for issuers to capture market share by leveraging brand partnerships and delivering unique benefits.

What is a co-branded credit card?

A co-branded credit card is issued through a partnership between a financial institution (such as a bank) and a non-financial brand (e.g. retailer, airline, hotel). The card carries logos from both partners and typically offers rewards or perks tied specifically to the brand or network of brands, while allowing use anywhere the payment network (Visa, Mastercard, American Express) accepts it, not just at the co-brand partner's locations.

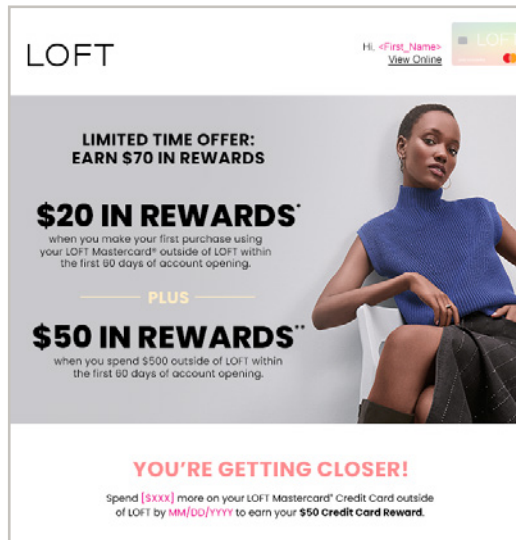
Travel	General Retail	Specialty Retail
Delta	Walmart	Apple
Southwest	Nordstrom	Cabela's
American Airlines	Amazon	REI
United	Costco	Best Buy
JetBlue	BJ's	Disney
Marriott Bonvoy	Kroger	PlayStation
Hilton	Target	Caesars Entertainment
Hyatt		Starbucks
IHG Hotels & Resorts		

Set up for success

Co-branded cards can secure a share of wallet by offering unique brand experiences. These can range from partnering with adjacent brands for additional reward opportunities to choosing a customized card design, which fosters a stronger emotional connection and encourages more frequent use.

Make every interaction count

Every communication touchpoint should be thoughtfully personalized. Recognize important moments from birthdays and “card anniversaries” to help cardholders feel valued and engaged. Regularly and clearly show how close a cardholder is to earning their next reward. Doing so helps provide a motivating incentive to increase card usage while deepening the cardholder’s relationship with the brand.

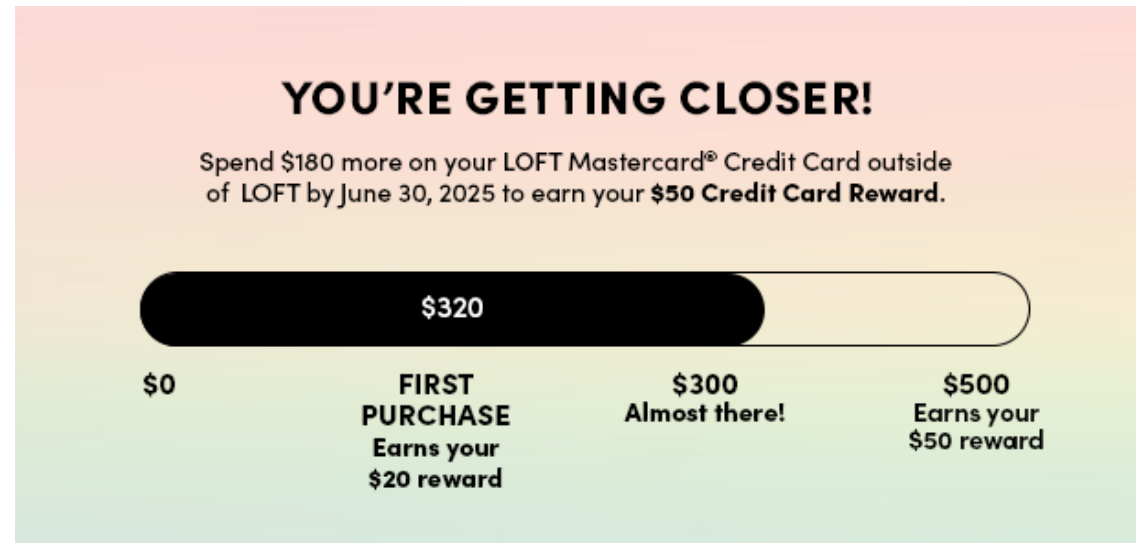


Stay fresh and relevant

Co-branded credit card programs face two major risks that can undermine their success: complacency and complexity.

Complacency often results from relying on a legacy program that no longer resonates. Be sure to regularly review the changing role of credit, shifting cardholder credit needs, and the buying habits of loyal fans. Cardholders increasingly expect card offerings tied to the partner brand and tailored to their lifestyle and financial goals.

Complexity is another common trap. Overly complicated reward structures, confusing jargon, or disjointed communications can muddy the value proposition and frustrate users. To optimize the loyalty these programs were designed to capture, position and communicate a program with clear, transparent benefits, making it as user-friendly and frictionless as possible.



PRIVATE LABEL CREDIT CARDS HAVE THE POWER TO OPEN DOORS

Private label credit cards (PLCCs) can serve as smart, accessible entry points into the credit system.

What is a private label credit card (PLCC)?

A store-branded or “private label” credit card is issued through a retailer’s partnership with a financial institution. It is primarily used for purchases within that retailer’s network and offers exclusive rewards and discounts. PLCCs often feature lower credit limits and tighter approval criteria, making them ideal starter cards for credit-building consumers.



According to Experian, nearly 50 million Americans are considered either credit “invisible” or “unscorable.” That’s a huge untapped market. When framed as a straightforward first step in a customer’s financial journey, PLCCs can serve as both a credit-building tool and a powerful driver of long-term brand loyalty.

GUARDRAILS ARE GOOD

PLCCs often operate on tight leashes with low limits and restricted use, which can feel limiting. However, for credit-builders or cautious spenders, a PLCC should be positioned as a financial safety net providing controlled spending power rather than a restraint.

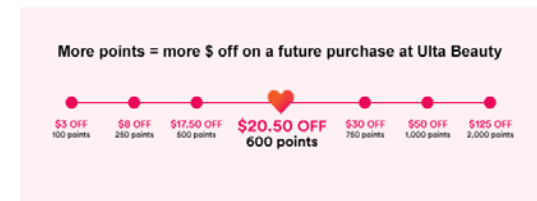
REWARDS SYSTEMS AS FORCE MULTIPLIERS

Safety net messaging resonates best when paired with targeted, high-value rewards, such as 5–10% back or exclusive access perks with a brand they’re already loyal to.

The perfect pairing: PLCCs + Loyalty Programs

Combining a PLCC with a loyalty program boosts its appeal and unlocks significant advantages: data-driven, hyper-personalized offers and direct, relevant communication that PLCCs alone may be restricted from delivering due to regulatory rules. Without this pairing, retailers risk underutilizing their PLCCs’

potential. A recent industry whitepaper outlines how “banks place restrictions on how retailers can communicate with their PLCC holders” and “many retailers quickly realize that implementing a PLCC without a comprehensive loyalty program is akin to leaving the glass half empty.”²⁵



Retailers from Target to Ulta have doubled down on the PLCC plus loyalty program model, building robust rewards ecosystems that deeply engage customers.

The result: customers who return and stay enthusiastically loyal, all while building their credit.

CONSUMER INSIGHTS FOR BUILDING LOYALTY

PLCCs hold an additional advantage over traditional cards: they own their data. This gives direct line of sight into the behavior of their customers. Zero-party data can help fuel personalized offerings, more intelligent segmentation, and tailored credit-building tools that also build customer loyalty like no other tool or strategy can.

What's more powerful than messaging that solves a problem? Messaging that delivers on an actual, in-the-moment need. Position PLCCs as timely – the card that is there when you need it – and accessible: the card you can get. For many, a PLCC is the first step into the world of credit, offering a bridge to more premium products. It helps build both credit and confidence, paving the way toward aspirational cards like a co-branded Visa, Chase Sapphire, or Amex Platinum.

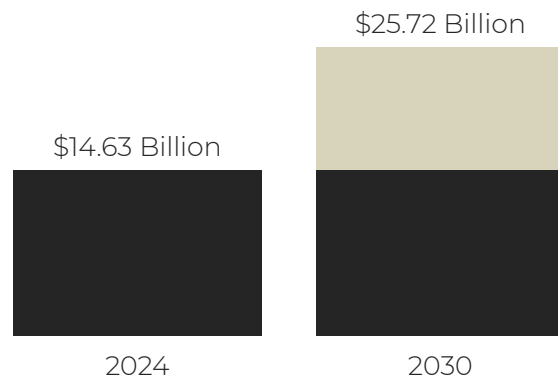


FROM SIDEKICK TO STRATEGIC GROWTH ACCELERATOR

PLCCs were once seen as the trusty backup card. Now they're taking center stage with their potential on-ramps as an avenue for credit education and a long-game brand loyalty growth strategy. Now is the perfect time to refresh PLCC programs and launch targeted campaigns to see what they can do, not just as a financial product, but as a credit-score growth accelerator.

Co-branded credit card market

Market forecast to grow at a CAGR of 9.7%



Co-branded Credit Card Market, Media Logic
<https://www.medialogic.com> [accessed July, 2025].

For credit card marketers, co-branded credit cards and private label credit cards (PLCCs) offer valuable opportunities to attract new customers and strengthen loyalty in today's changing financial landscape.

To maximize impact, marketers should incorporate bilingual marketing materials and promotions in markets with diverse consumer bases, as cultural relevance increases trust and connection.

Key marketing musts for these credit-building programs include:

- Positioning as essential credit-building tools that lay the foundation for aspirational premium products
- Providing customized financial education to foster customer trust and show ongoing value
- Pairing easy-to-understand programs with easy-to-access rewards
- Clear, targeted messaging that aligns benefits with the shared values or preferences of customers
- Utilizing data for personalized, timely, and empathy-driven marketing

By integrating these strategies, credit card marketers can elevate co-branded and PLCC products from basic transactional tools into powerful, credit-building catalysts for long-term growth and brand loyalty.

Closing thoughts

As you consider the trends and strategies outlined in this report, remember that success isn't just about reacting to change; it depends on being proactive – anticipating challenges, staying agile, navigating uncertainty, and being ready to adapt before you have to.

We hope you find these insights useful and actionable, inspiring you to incorporate them into your marketing strategies. Small changes can lead to significant improvements, and now is the perfect time to experiment, adapt, and expand your thinking.

SUCCESS
IS ABOUT
BEING
PROACTIVE



INTERESTED IN EXPLORING OPPORTUNITIES FOR YOUR BRAND?

LET'S CONNECT: [CARDMARKETING@PATHFIND.COM](mailto:cardmarketing@pathfind.com)