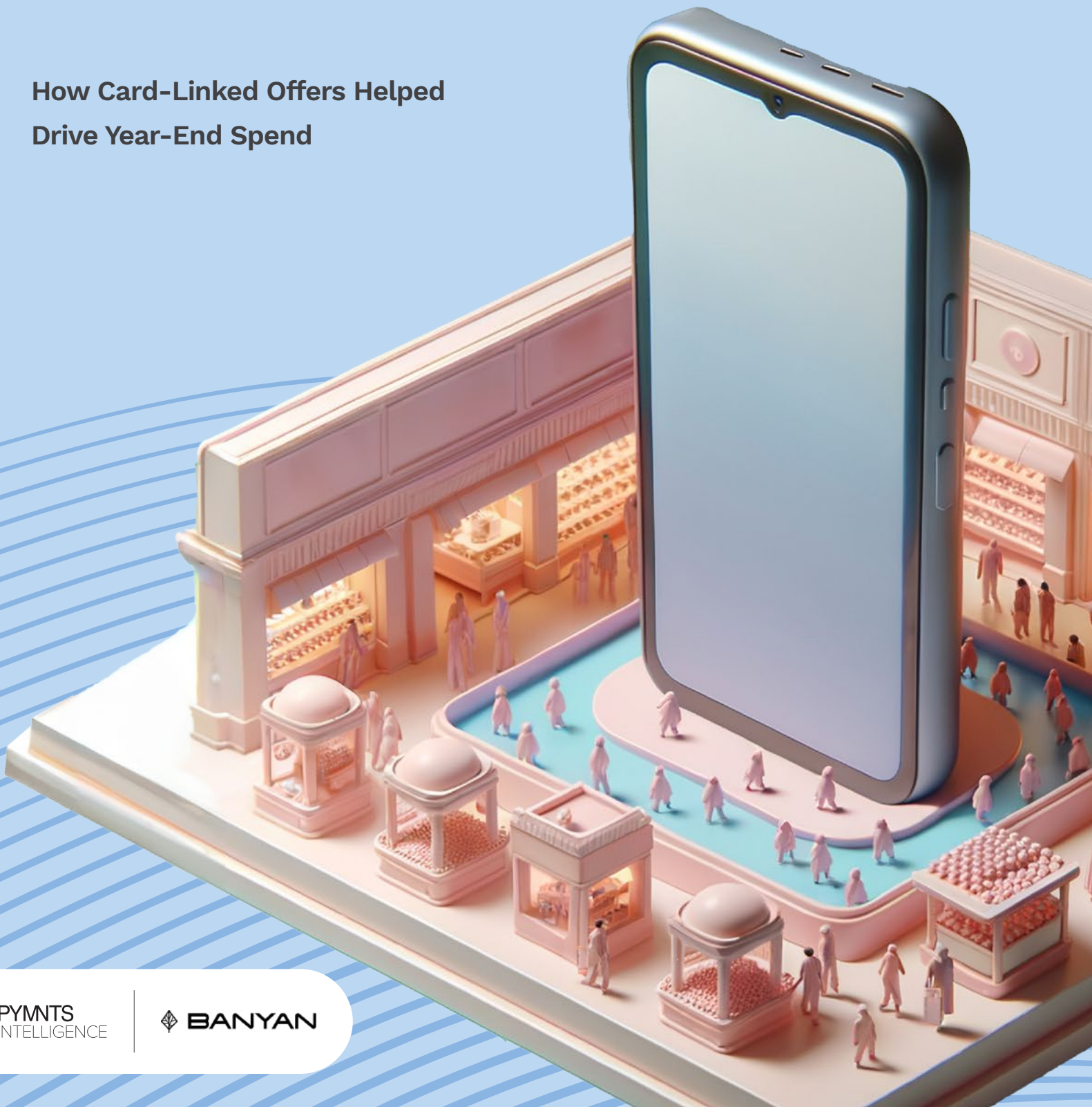


LEVERAGING ITEM-LEVEL RECEIPT DATA:

How Card-Linked Offers Helped Drive Year-End Spend



LEVERAGING ITEM-LEVEL RECEIPT DATA:

How Card-Linked Offers Helped Drive Year-End Spend

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January 2024

Leveraging Item-Level Receipt Data:

How Merchants Engaged Holiday Shoppers With Card-Linked Offers

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Leveraging Item-Level Receipt Data: How Card-Linked Offers Helped Drive Year-End Spend was produced in collaboration with Banyan, and PYMNTS Intelligence is grateful for the company's support and insight. PYMNTS Intelligence retains full editorial control over the following findings, methodology and data analysis.

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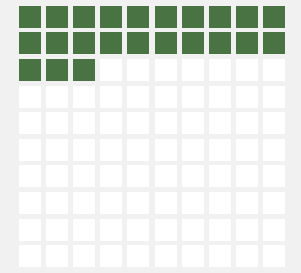
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WHAT'S AT STAKE

Despite concerns that high prices would cause consumer spending to decline during the last major shopping season of 2023, overall retail sales increased, surpassing the inflation rate, according to PYMNTS Intelligence data. Both merchants and card issuers benefited from leveraging item-level receipt data to provide card-linked offers to shoppers searching for holiday deals. Many United States consumers tightly managed their budgets during this time, and card-linked offers seem to have played a role in encouraging spending, as the offers helped budget-conscious shoppers extend their purchasing power, allowing users to upgrade their product selection and even shop with new merchants.

More than half of cardholders utilized card-linked offers during the 2023 holiday season, a share representing more than 97 million U.S. consumers. Close to one-quarter of cardholders took advantage of card-linked offers for all or most of their 2023 holiday purchases, and most card-linked offer users were satisfied with the level of savings they received.

23%



of cardholders took advantage of card-linked offers for **all or most** of their 2023 holiday purchases.

Data reveals consumer usage and satisfaction trends with card-linked offers: In particular, age, income and family status are key indicators. For instance, 77% of cardholders with children took advantage of card-linked offers for at least a few of their 2023 holiday purchases, with 68% highly satisfied with the level of savings they received, compared to 57% for both among all cardholders. A little more than one-quarter of card-linked offer users purchased more items than originally planned due to discounts or free shipping, and high-income consumers were the most likely to do so. Although most card-linked offers consumers received were not relevant to them, they tended to share very relevant offers with family and friends.

FIGURE 1:

Consumers who used card-linked offers

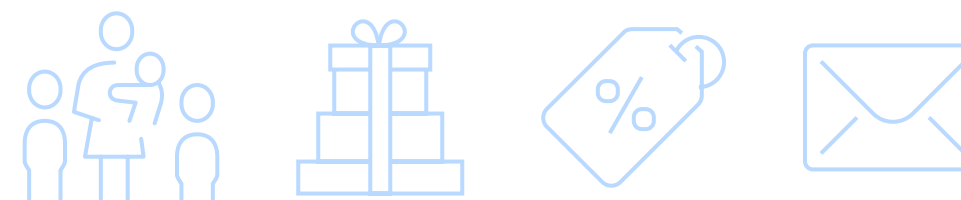
Share of card users citing the extent to which they used card-linked offers during the 2023 holiday shopping season



Source: PYMNTS Intelligence
 Leveraging Item-Level Receipt Data, March 2024
 N = 2,005: Complete responses, fielded Dec. 21, 2023 – Dec. 29, 2023

Leveraging Item-Level Receipt Data: How Card-Linked Offers Helped Drive Year-End Spend, a PYMNTS Intelligence and Banyan collaboration, examines how merchants and card issuers can use item-level receipt data to provide tailored and relevant card-linked offers that increase consumer engagement and attract new customers. We surveyed 2,005 United States consumers from Dec. 21, 2023, to Dec. 29, 2023, to study their use of card-linked offers during the end of 2023 and uncover how such personalized offers influenced their spending decisions.

This is what we learned.



KEY FINDINGS

01

HOLIDAY OFFERS

More than 97 million cardholders utilized card-linked offers during the 2023 holiday season.



77%

Share of cardholders with children who took advantage of card-linked offers for at least a few of their 2023 holiday purchases

02

MORE PERKS, MORE SPENDING

More than one-quarter of card-linked offer users purchased more items than originally planned due to the discounts or free shipping they received.



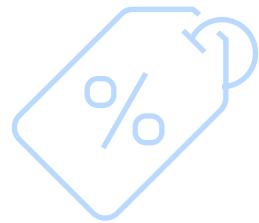
24%

Share of card-linked offer users who found gift ideas they had not originally thought of thanks to card-linked offers

03

RELEVANCY IS KEY

More than half of card-linked offers that users received were not relevant to their holiday shopping needs, yet those who did receive highly relevant offers encouraged friends or family to use the offers they received.



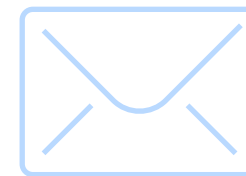
76%

Share of card-linked offer users who referred friends and family to at least some of the card-linked offers they received

04

OTHER OPTIONS

Nearly 30% of card-linked offer users primarily received these offers from a third-party app or loyalty platform, with 1 in 5 receiving the offers from a bank or credit card company via email.



21%

Share of card-linked offer users who received these offers via email from a bank or credit card company

PYMNTS IN DEPTH

Year-end shopping trends suggest that merchants that provided relevant card-linked offers engaged existing customers and attracted new ones while also increasing cardholder spending.

More than 97 million cardholders utilized card-linked offers during the 2023 holiday season, and 9 in 10 card-linked offer users were satisfied with their savings.

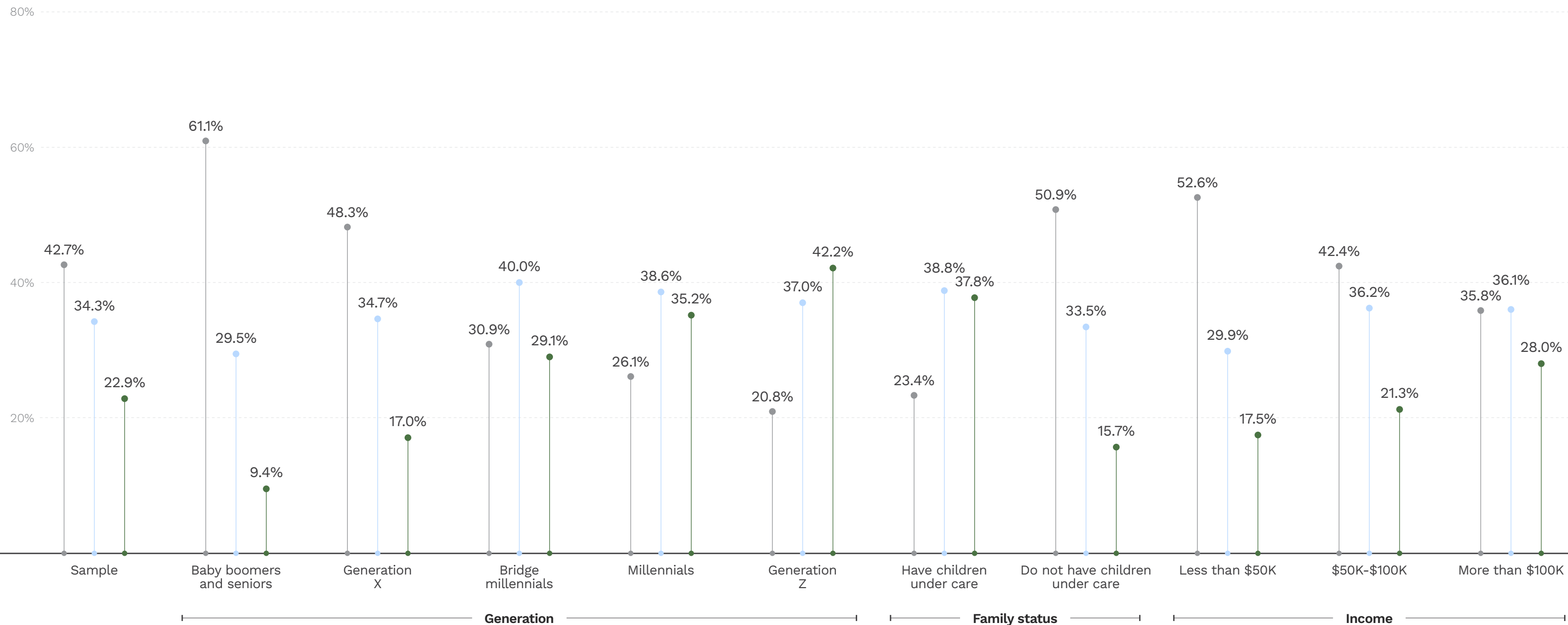
Card-linked offers were popular this past holiday season: Overall, 57% of consumers used these offers during this time, with 23% of cardholders saying that they took advantage of card-linked offers for all or most of their holiday purchases. Cardholders using these offers were a varied group: Gen Z and consumers with children, followed by millennials and high-income consumers, were the most likely to use these offers. While 79% of Gen Z cardholders and 77% of consumers with children under their care used card-linked offers this past season, so did 74% of millennials and 64% of those earning more than \$100,000. Card-linked offers are most popular among consumers looking to manage their spending, suggesting that as consumers' incomes and family responsibilities rise, so does their usage of card-linked offers.

FIGURE 2:

Cardholders' use of card-linked offers

Share of cardholders citing the extent to which they took advantage of card-linked offers during the 2023 holiday season, by demographic

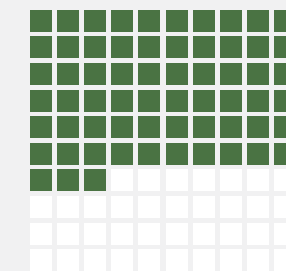
- In no purchases
- In some purchases
- In all or most purchases



Source: PYMNTS Intelligence
 Leveraging Item-Level Receipt Data, March 2024
 N = 2,005: Complete responses, fielded Dec. 21, 2023 – Dec. 29, 2023

High usage is not meaningful without satisfaction, and most card-linked offer users expressed satisfaction with their holiday savings from such offers. Nearly 90% of cardholders were satisfied with the savings they received from card-linked offers, and 57% of users reported high satisfaction with their savings. Across demographics, 69% of millennials, 68% of consumers with children, 66% of Gen Z consumers and 63% of top earners were very or extremely satisfied with the savings they received through card-linked offers. In fact, satisfaction with the level of savings from card-linked offers follows trends similar to card-linked offer usage, suggesting those more experienced with leveraging card-linked offers save more and are likely to be more satisfied.

63%



Share of top earners who were very or extremely satisfied by the savings received through card-linked offers

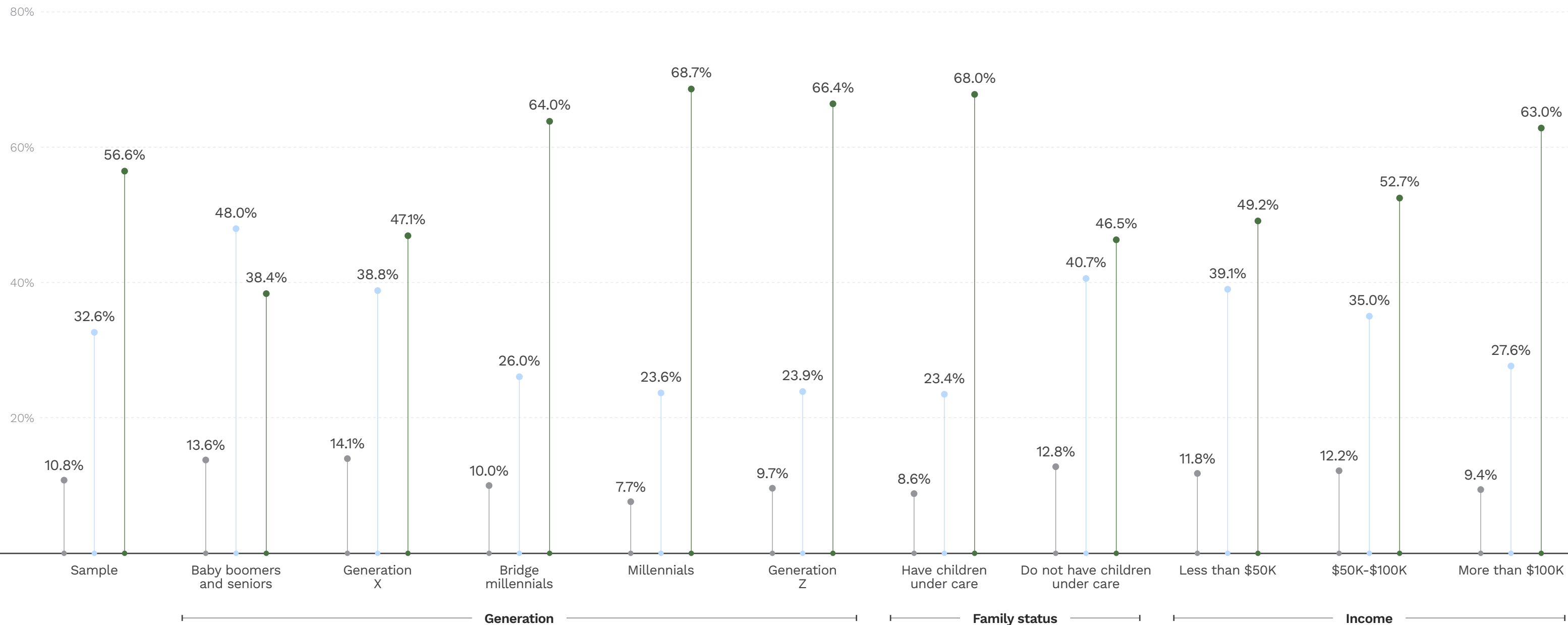


FIGURE 3:

Consumer satisfaction with card-linked offers

Share of cardholders citing how satisfied they were with the level of savings and rewards they received this past holiday season from card-linked offers

- Not at all or slightly satisfied
- Somewhat satisfied
- Very or extremely satisfied



Source: PYMNTS Intelligence

Leveraging Item-Level Receipt Data, March 2024

N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

More than one-quarter of consumers using card-linked offers purchased more items than originally planned due to the discounts or free shipping they received, with high-income consumers most likely to buy more to save more.

Card-linked offers do not just save users money — they can also encourage spending by incentivizing more purchases. Twenty-four percent of card-linked offer users found gift ideas they had not originally thought of thanks to card-linked offers, while 21% bought more items for themselves than planned due to card-linked offers. Additionally, 19% of cardholders say they shopped with a new merchant due to card-linked offers.

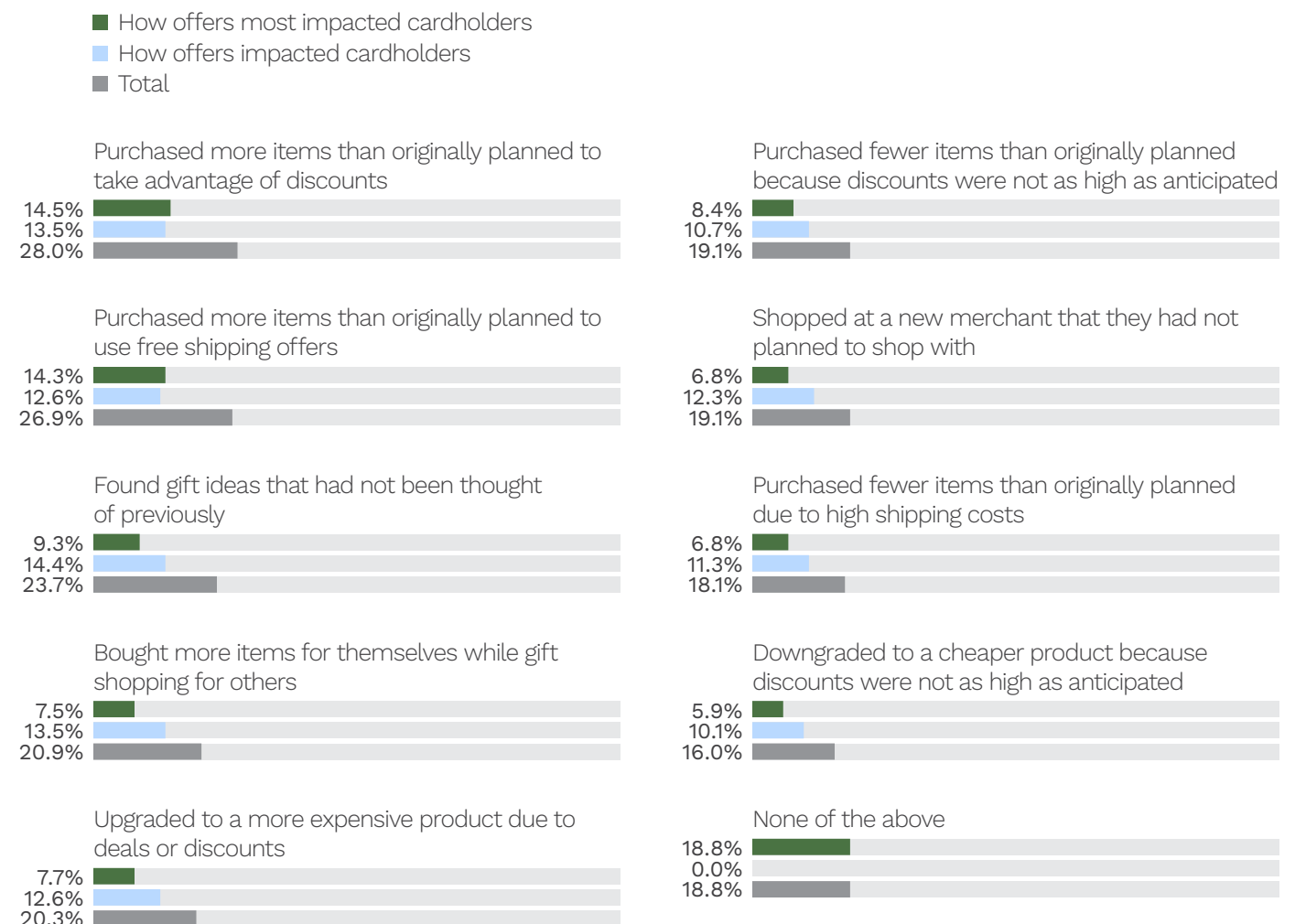
In fact, 28% of cardholders purchased more than originally planned this holiday season due to discounts, and 27% purchased more than planned for free shipping received via card-linked

offers. These findings highlight how card-linked offers can help consumers save money, increase their purchasing power and perception of value, and inspire them to spend more than originally planned.

FIGURE 4:

Card-linked offers' impact on purchasing habits

Share of cardholders citing how card-linked offers impacted their purchasing habits during the 2023 holiday season



Source: PYMNTS Intelligence
 Leveraging Item-Level Receipt Data, March 2024
 N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

Card-linked offers reward purchases while also encouraging curiosity to make unplanned purchases, so it follows that high-income consumers would engage most. For instance, high-income consumers, those earning more than \$100,000, were the income bracket most likely to buy more to save more, at 17%. Purchasing more is also how card-linked offers most influenced high earners' shopping choices, enabling them to spend what they saved on other purchases. Due to card-linked offers, high-income consumers were also the most likely to upgrade to more expensive products and try new merchants.

Despite their popularity this holiday season, card-linked offers did not always meet cardholders' needs, especially among those looking to manage their spending. Close to 1 in 5 consumers bought less than planned because discounts on cost and shipping were lower than expected. Low-income consumers, those earning less than \$50,000, cited smaller discounts, while middle-income consumers, those earning between \$50,000 and \$100,000, cited shipping costs as factors that limited their purchases the most. The implication here is that these budget-conscious consumers looked to card-linked offers for discounts or free shipping to extend their tight budgets rather than as a way to spend more, and may be less satisfied, as their offers did not allow them to save as much as they hoped.

“

Card-linked offers reward purchases while also encouraging curiosity to make unplanned purchases, so it follows that high-income consumers would engage most.

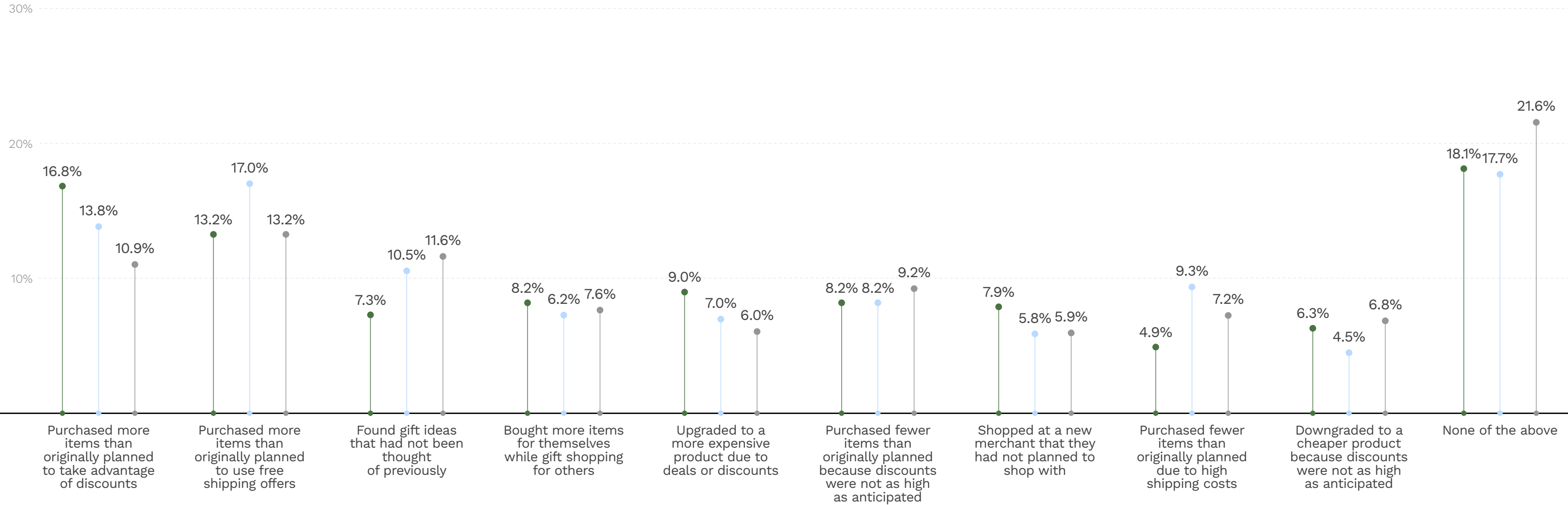
”

FIGURE 5:

How card-linked offers most impacted purchasing habits

Share of cardholders citing how card-linked offers most impacted their purchasing habits during the 2023 holiday season, by annual income

- More than \$100K
- \$50K - \$100K
- Less than \$50K



Source: PYMNTS Intelligence

Leveraging Item-Level Receipt Data, March 2024

N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

More than half of the card-linked offers users received were not relevant to their holiday shopping needs. Yet, those who did receive highly relevant offers encouraged friends or family to use the offers.

Historically, the main challenge with card-linked offers has been relevancy, which remained an issue this holiday shopping season. Just 44% of card-linked offer users found the offers they received to be highly relevant to them. The share of consumers who find card-linked offers relevant peaks among consumers with children, at 57%, and millennials, at 56%, suggesting that merchants tailoring offers to those purchasing gifts for children are more successful. Meanwhile, 74% of card-linked offer users who received all or most of their card-linked offers through third parties, such as a banking app or a cash back and shopping rewards platform, say these offers were highly relevant.



57%

Share of consumers with children who find card-linked offers relevant

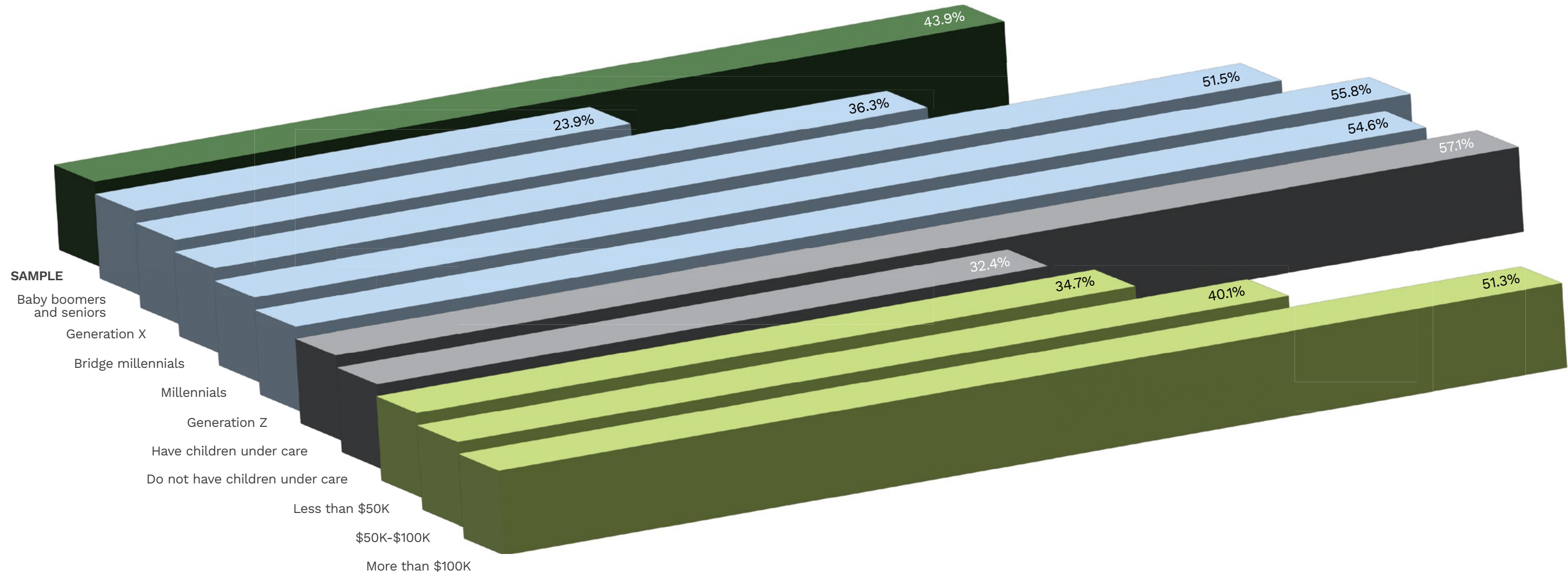
The good news for providers is that younger and higher-income consumers are more likely to use third-party card-linked offers and, as a result, find card-linked offers more relevant than the average user. These findings imply that card-linked offers from third parties may be more relevant and personalized than those directly from merchants where consumers shop or via internet search.

FIGURE 6:

Card-linked offers' relevancy

Share of cardholders who found card-linked offers very or extremely relevant to their holiday shopping needs this past holiday season, by demographic

- Generation
- Family status
- Income



Source: PYMNTS Intelligence

Leveraging Item-Level Receipt Data, March 2024

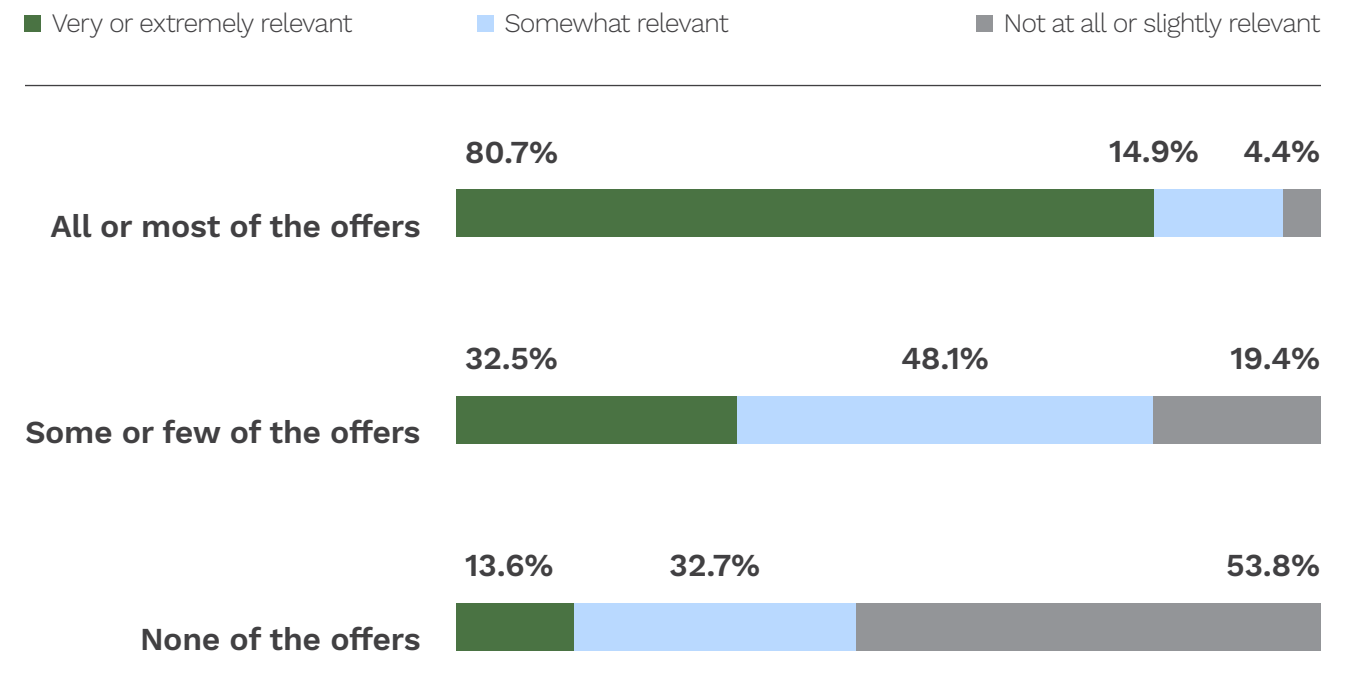
N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

Even if not all of the card-linked offers consumers received were relevant to them, those that were relevant made an impact, as many consumers ended up sharing these offers with friends and family. More than 3 in 4 card-linked offer users shared at least some of the offers they received with friends and family, suggesting that these offers can be spread effectively by word of mouth. The likelihood of a consumer sharing an offer is notably higher if the offer is highly relevant to the cardholder: 81% of card-linked offer users who referred all or most of the offers to friends and family find card-linked offers highly relevant. Frequent card-linked offers users regularly share these offers amongst themselves, often via social media, suggesting that social networks can be a key form of advertising if the merchants can better personalize the offers.

FIGURE 7:

Sharing card-linked offers with others

Share of cardholders likely to share offers they received with a friend, by how relevant the offers were to their holiday shopping needs this past holiday season



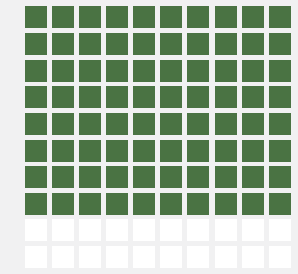
Source: PYMNTS Intelligence
 Leveraging Item-Level Receipt Data, March 2024
 N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023



Nearly 30% of card-linked offer users primarily received these offers from a third-party app or loyalty platform, with 1 in 5 receiving offers via email from a bank or credit card company.

Data shows that card-linked offers from third-party platforms are more likely to be highly relevant to these consumers, and this might explain why certain demographics use card-linked offers at higher frequencies. Overall, 80% of users received at least some card-linked offers from third parties, such as banking apps or cash back and shopping rewards platforms, as opposed to merchants where they have made purchases, while 30% received most or all of their card-linked offers from third parties. Yet, younger generations, higher-income earners and consumers with children under their care were the most likely to receive offers via third parties. Forty-three percent of Gen Z consumers say that all or most of the offers they received came from third parties, as do 44% of consumers with children under their care, suggesting that these consumers may find these offers more relevant than those issued by merchants.

80%



Share of users who received at least some card-linked offers from third parties, such as banking apps or cash back and shopping rewards platforms

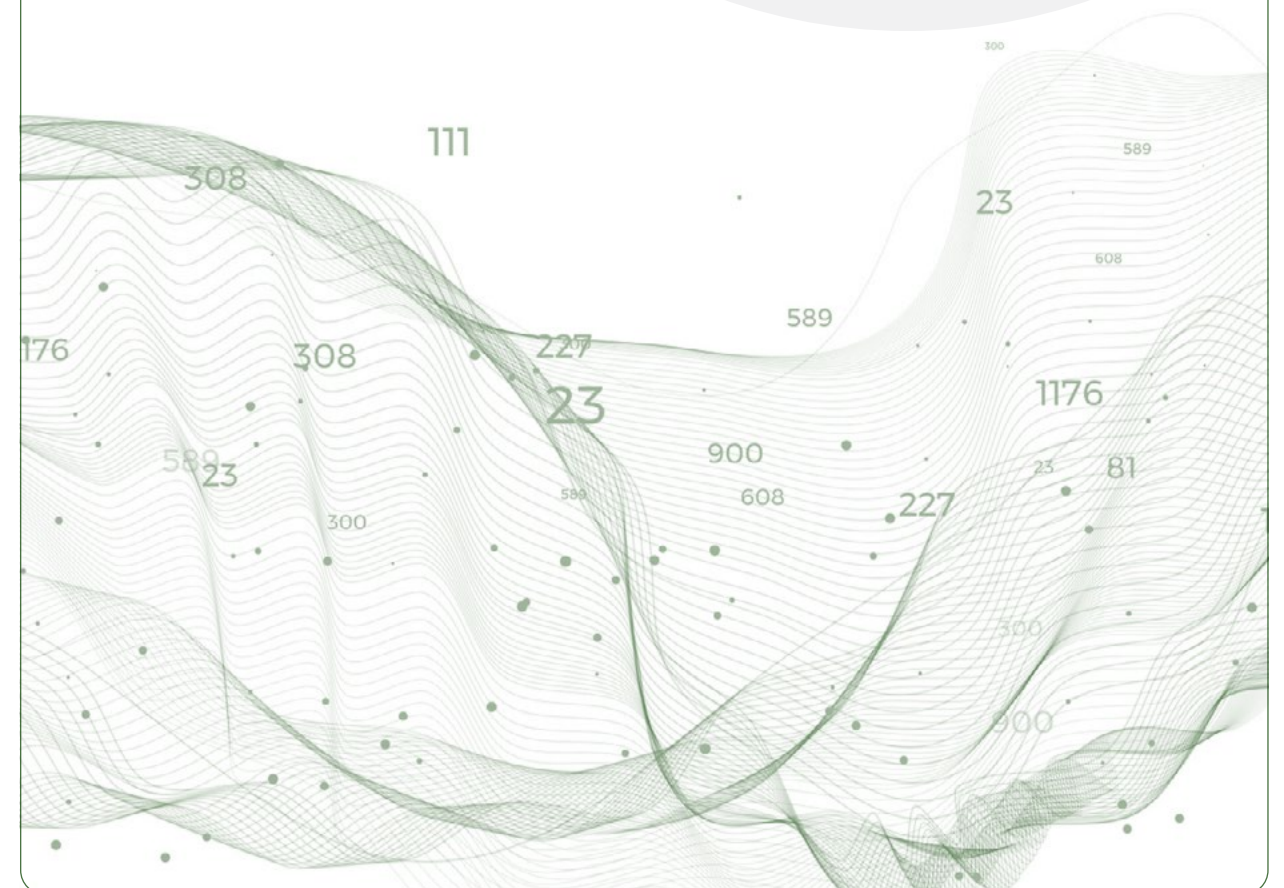
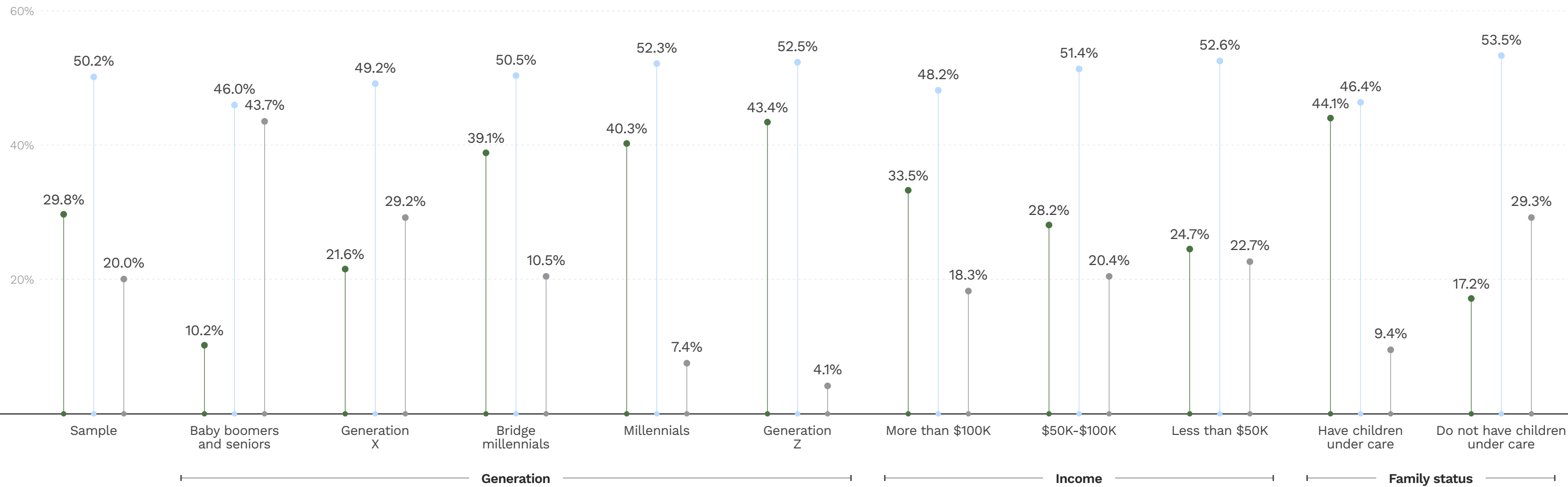


FIGURE 8:

Card-linked offers received from third parties

Share of cardholders citing how many offers they received from third parties such as banking apps or cash back and shopping rewards platforms, by demographic

- All or most offers came from third parties
- Some or a few offers came from third parties
- No offers came from third parties



Source: PYMNTS Intelligence

Leveraging Item-Level Receipt Data, March 2024

N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

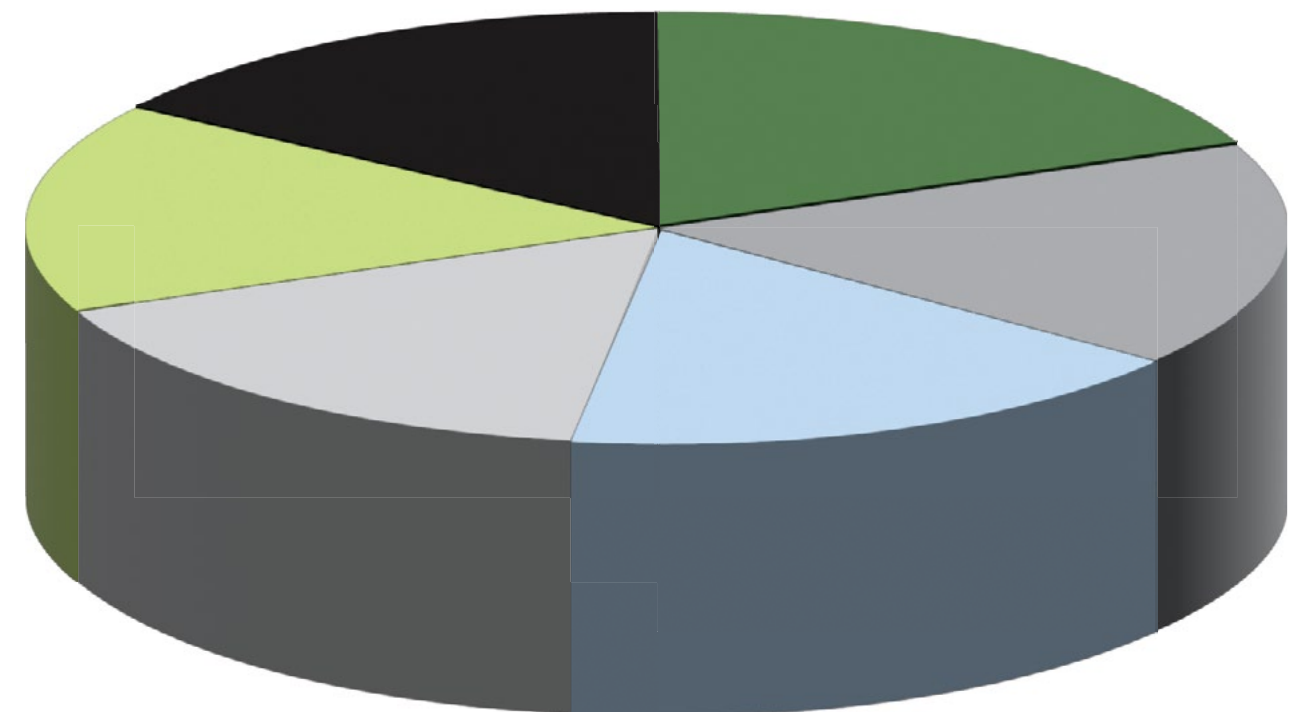
Holiday shoppers were more likely to use third-party card-linked offers they received from banks or credit card companies via email rather than via a mobile app or website, suggesting that consumers prefer these customized offers delivered directly to them instead of seeking them out. Nineteen percent of card-linked offer users used offers received via email from a bank or credit card company, while 16% used offers received via mobile app and 15% used offers received via a website. Meanwhile, 17% of card-linked offer users used offers received from a cash back or shopping rewards platform via email or mobile app, while 16% used offers received from a website. On the other hand, the shares of cardholders using third-party card-linked offers received via email, mobile apps and websites are relatively equal, which suggests that third-party providers have yet to optimize how best to engage consumers with card-linked offers.

FIGURE 9:

How consumers received card-linked offers

Share of third-party card-linked offer users citing how they received the third-party offers they used

- Via email, from a bank or credit card company: **18.6%**
- Via email, from a cash back and shopping rewards platform: **16.8%**
- Via mobile app, from a cash back and shopping rewards platform: **16.6%**
- Via mobile app, from a bank or credit card company: **16.2%**
- Via website, from a cash back and shopping rewards platform: **15.7%**
- Via website, from a bank or credit card company: **15.4%**



Source: PYMNTS Intelligence
Leveraging Item-Level Receipt Data, March 2024
 N = 868: Respondents who took advantage of third-party card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

DATA FOCUS

Despite inflationary pressures, holiday shoppers extended their purchasing power with the help of card-linked offers.

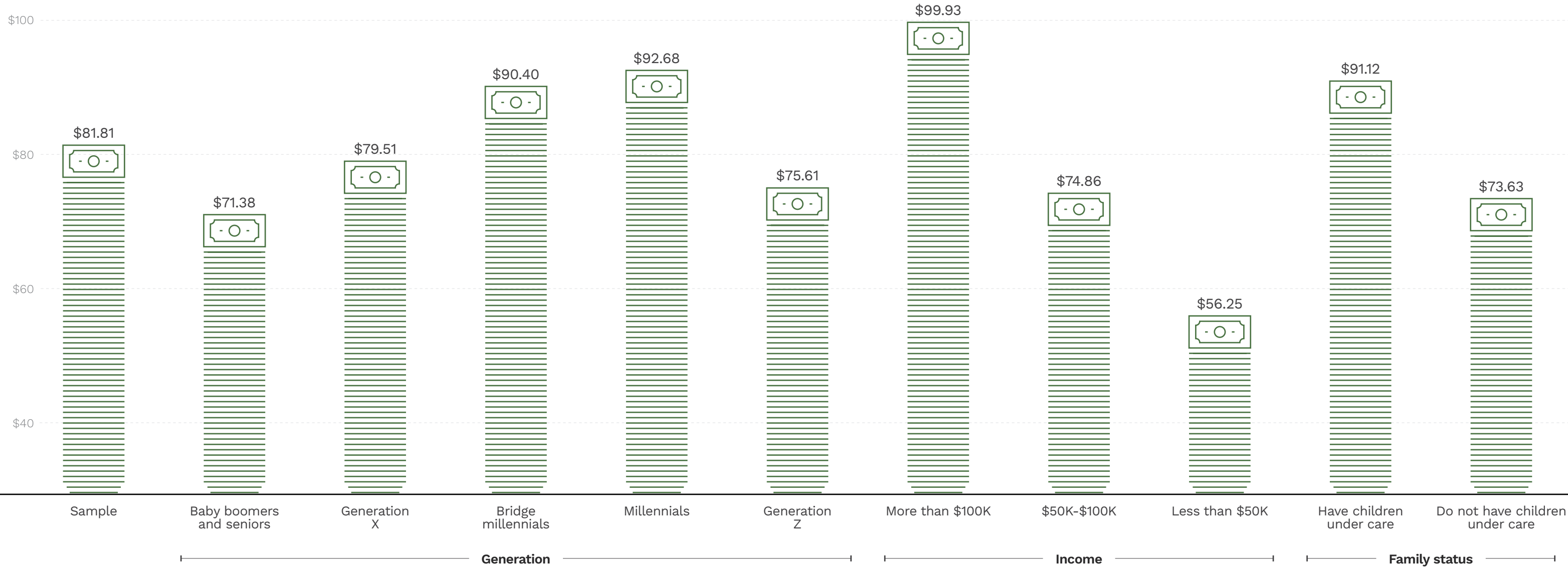
On average, cardholders saved \$82 on product purchases due to discounts received from card-linked offers this holiday season. Top earners, consumers with children under their care and millennials saved the most.

When consumers used card-linked offers to make purchases during the 2023 holiday season, benefits predominately took the form of savings. Data shows that cardholders, on average, saved \$82 on purchases as a result of card-linked offers. Millennials saved the most of any age demographic, with an average of \$93 saved. Moreover, there seems to be a correlation between increased savings and increased spending. As they were the most likely to use card-linked offers to buy more expensive items, consumers who annually earned more than \$100,000 saved the most, averaging \$100 in total savings on their total holiday shopping in 2023. Meanwhile, consumers with children under their care saved, on average, 24% more than consumers without children — further indication that those who spent more saved more.

FIGURE 10:

Consumer holiday savings due to card-linked offers

Share of cardholders citing the approximate total dollar value of savings on product purchases due to discounts they received from card-linked offers this past holiday shopping season



Source: PYMNTS Intelligence

Leveraging Item-Level Receipt Data, March 2024

N = 1,102: Respondents who took advantage of card-linked offers during the 2023 holiday season, fielded Dec. 21, 2023 – Dec. 29, 2023

ACTIONABLE INSIGHTS



01

Budget-conscious holiday shoppers used card-linked offers to help manage their spending, and trends suggest that as consumers' family responsibilities rose, so did their usage of card-linked offers. Consumer satisfaction with the level of savings from card-linked offers followed a similar trend, suggesting that those more experienced with leveraging card-linked offers feel most satisfied with the deals. Highly engaged consumers, such as high-income consumers and those with children, present a not-to-be-missed opportunity for merchants and card issuers that can provide tailored and relevant card-linked offers.



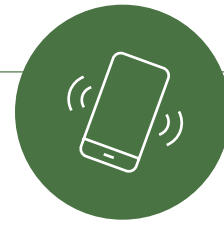
02

Card-linked offers had an impact on consumers' purchasing behaviors this holiday season, often inspiring them to spend more than originally planned. Low- and middle-income cardholders were an exception to this rule, tending to refrain from buying because their offers on discounts and shipping were less than expected — indicating that these consumers looked to card-linked offers to extend their already tight budgets. Better discounts and shipping offers from merchants could drive these budget-conscious consumers to increase their spending rather than pull it back.



03

Savvy card-linked offer users often share relevant offers with friends and family, especially if the offer is highly relevant to the cardholder. This suggests that social networks and other sharing options could be a key form of advertising, especially if offers are relevant and personalized, and sharing by word of mouth should be encouraged.

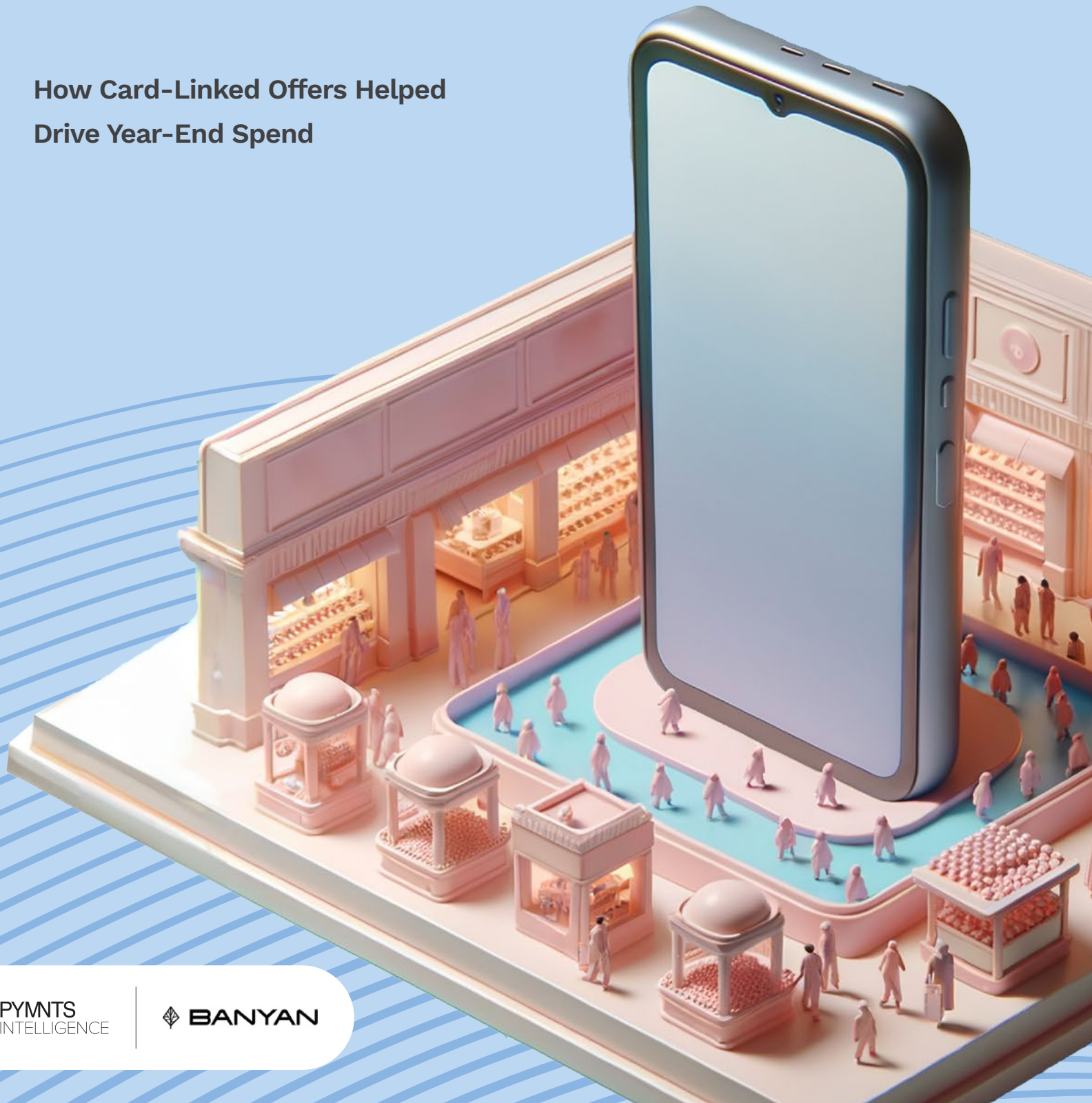


04

Holiday shoppers most commonly used third-party card-linked offers received via email from banks or credit card companies and cash back or shopping rewards platforms. The fact that consumers used card-linked offers received from third-party providers via email more than those received via a website or mobile app suggests that consumers prefer to have customized offers delivered directly to them instead of seeking them out. It also implies that third-party providers could benefit from optimizing how they engage consumers in card-linked offers, whether via email or mobile apps.

LEVERAGING ITEM-LEVEL RECEIPT DATA:

How Card-Linked Offers Helped Drive Year-End Spend



METHODOLOGY

Leveraging Item-Level Receipt Data: How Card-Linked Offers Helped Drive Year-End Spend, a PYMNTS Intelligence and Banyan collaboration, examines how merchants and card issuers can use item-level receipt data to provide tailored and relevant card-linked offers that increase consumer engagement and attract new customers. We surveyed 2,005 United States consumers from Dec. 21, 2023, to Dec. 29, 2023, to learn about their use of card-linked offers during the 2023 holiday season and how such offers influenced their spending decisions. Fifty-one percent of respondents identified as women, 35% held a college degree, their average age was 46 and 41% annually earned more than \$100,000.

THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT

Scott Murray
SVP and Head of Analytics

Story Edison, PhD
Senior Analyst

Margot Suydam
Senior Writer

ABOUT

PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

◆ BANYAN

Banyan is the receipt data platform powering innovation in commerce — fast, simple and secure. Banyan's privacy by design and first-of-its-kind data infrastructure enables merchants to easily collaborate with banks, FinTechs and other service partners to activate item-level receipt data solutions ranging from loyalty and marketing personalization to fraud and chargebacks prevention to commercial and consumer solutions that reduce payments friction. Banyan was named to the 2024 Fintech Innovation 50, an annual list by GGV Capital U.S. in partnership with Crunchbase that recognizes the most promising FinTech companies.

To learn more, visit www.banyan.com

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