

# LEVERAGING ITEM-LEVEL RECEIPT DATA:

How Personalized Card-Linked  
Offers Drive Store Card Usage



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■ September 2023

## Leveraging Item-Level Receipt Data:

How Card-Linked Offers Drive Customer Loyalty

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Leveraging Item-Level Receipt Data: How Personalized Card-Linked Offers Drive Store Card Usage 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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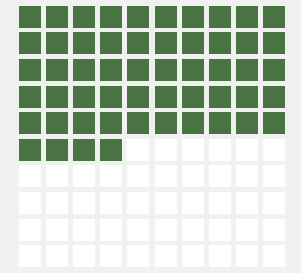
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# WHAT'S AT STAKE

**C**ustomer engagement is key to staying ahead of the pack in a highly competitive market, so numerous merchants and brands offer loyalty and rewards programs, many tied to store or co-branded credit cards. Though these offerings are enough to entice consumers to register, they are missing the mark in motivating store card holders to use the cards to make purchases on a regular basis. More than half of cardholders say they own a store and/or co-branded credit card, yet only 12% have made a purchase using their store cards in the last 30 days. One way merchants and brands can solve this issue is by integrating item-level receipt data into their product development, marketing and operations; this data can enable them to provide more relevant reward programs and card-linked offers.

Among loyal shoppers — consumers who shop where they are loyalty or rewards program members — 62% own a store card. Only 31% of sporadic shoppers — those who occasionally shop at specific brands or merchants — own a store card, however. Perhaps surprisingly, consumers who had recently shopped

# 54%



Share of card users who own a store and/or co-branded debit or credit card

with a new brand or merchant — new shoppers — align closer to loyal shoppers than sporadic, as 63% are store card holders.<sup>1</sup> New and loyal shoppers are the most likely to actually use their store cards to make purchases, but those activity rates are significantly lower than rates of ownership. Store card holders find all types of loyalty programs more appealing than all card users surveyed, yet card-linked offers that provide personalized rewards have the best chance at increasing consumer use of these programs.

<sup>1</sup> These groups are not exclusive, as consumers may identify as more than one of these shopping personas based on how they shopped in the last 30 days

**FIGURE 1:**

**Store card usage**

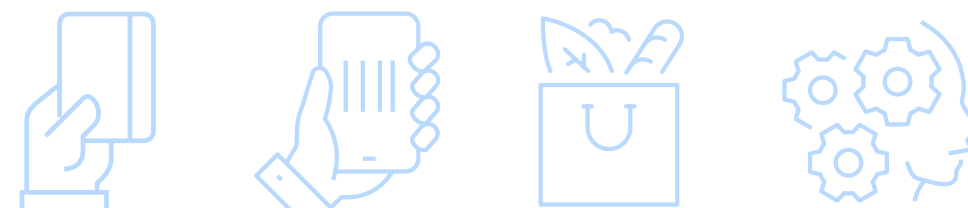
Share of cardholders who own a store and/or a co-branded credit card and used it to pay for purchases over the last 30 days



Source: PYMNTS Intelligence  
 Leveraging Item-Level Receipt Data, October 2023  
 N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

Leveraging Item-Level Receipt Data: How Personalized Card-Linked Offers Drive Store Card Usage, a PYMNTS Intelligence and Banyan collaboration, examines how merchants using item-level receipt data can enhance their store and/or co-branded credit card offerings with card-linked reward programs and their impact on consumer engagement and customer loyalty. We surveyed 2,074 United States consumers from Aug. 14 to Aug. 23 to learn about their interest in using these cards, their preference for personalized card-linked offers and what merchants can do to increase store card usage.

**This is what we learned.**

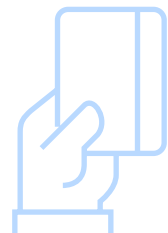


# KEY FINDINGS

## 01

### HIGH EXPECTATIONS

Consumers expect more from their store cards: More than half of card users own a store card, but few use them to pay for their purchases.



# 12%

Share of card users who used a store or co-branded credit or debit card to pay for a purchase in the past month

## 02

### CASH INCENTIVES

Merchants could increase consumers' use of store cards by offering cash-back shopping offers, particularly personalized offers for products based on consumers' purchase history.



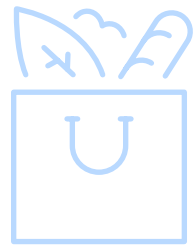
# 73%

Share of store card owners who are very or extremely interested in using cash-back offers for store cards tied to specific products in the next three months

03

## GROCERY OFFERS

Among all the different entities that offer store cards, consumers are most interested in receiving personalized card-linked offers from grocery store cards.



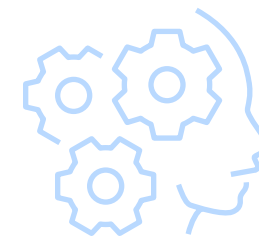
# 44%

Share of consumers who said grocery store cards are the store card from which they would be most interested in receiving offers

04

## WILLING TO SWITCH

More than one-quarter of cardholders would switch to merchants offering store cards with personalized discounts and rewards based on purchases.



# 27%

Share of cardholders who are highly likely to switch to merchants offering store cards with personalized discounts and rewards based on recent purchases

# PYMNTS IN DEPTH

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**Using item-level receipt data to personalize store card-linked loyalty programs, merchants can engage customers and attract new ones.**

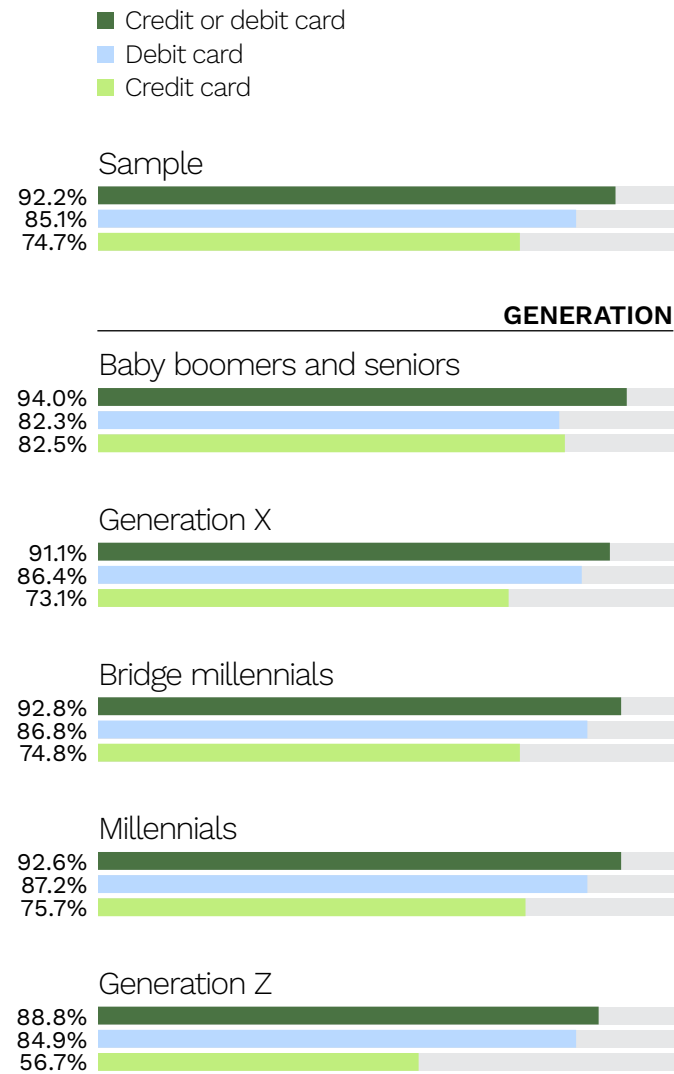
**Consumers expect more from their store cards than they are getting: More than half of cardholders own a store card, but only 12% use these to pay for their purchases.**

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A grand majority of Americans — 92% — are cardholders, meaning they own at least one credit card or one debit card. Yet, more hold debit cards than credit cards (at 85% and 75%, respectively). This trend, which spans several generations, suggests that some consumers need additional incentives to acquire and use credit cards. Except for baby boomers and seniors and Generation Z, the tendency of debit cards to be held by more consumers than credit cards is visible across age groups, indicating that how consumers prefer to pay may be based more on financial standing. The bookend generations are most polarized about credit: 83% of baby boomers and seniors own a credit card, leading age groups, while Gen Z consumers are the least likely to do so, at 57%. Still, all debit card users rely on readily available funds when making purchases and so may need better incentives to use credit cards more often.

**FIGURE 2:**  
**Consumers' credit or debit card ownership**

Share of consumers who own credit cards, debit cards or both, by generation



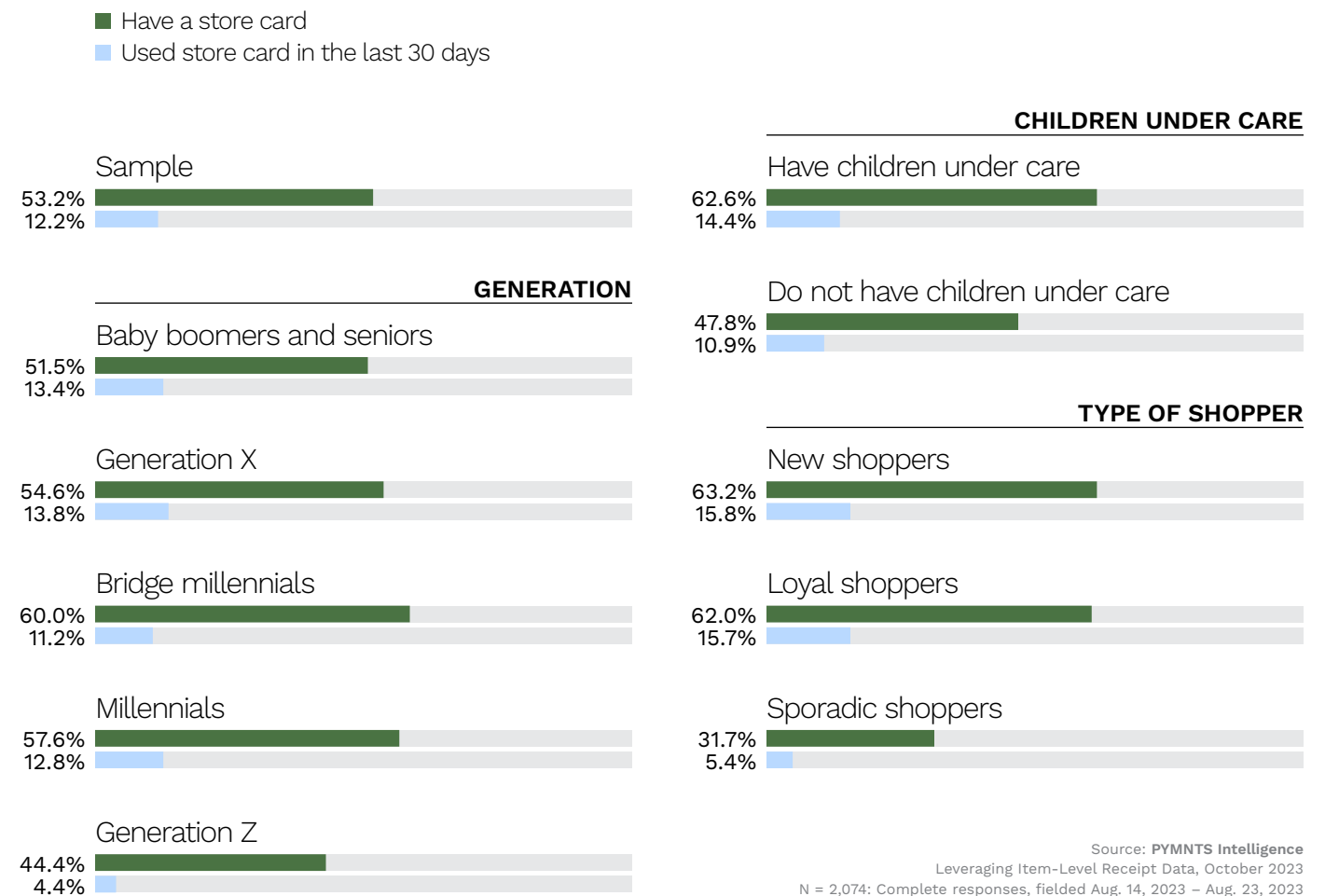
Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,088: Whole sample, fielded Aug. 14, 2023 – Aug. 23, 2023

With so many consumers holding at least one credit or debit card, it may not be shocking that 53% of all card users keep a store and/or co-branded card in their wallets — digital or otherwise — especially as leading merchants and brands continue to offer them. Data shows a disconnect between owning a store card and actually using it to make purchases, however: Only 12% of card users have used one to pay for their purchases in the past month. The persona groups our research deems to be new shoppers and loyal shoppers use store cards the most, as do consumers with children. While 16% of new and

loyal shoppers have used a store card to pay for purchases in the last month, 14% of consumers with children have done the same. Yet nearly two-thirds of these consumers own a store card, meaning that around 5 in 6 hold the cards but keep them dormant, indicating that these cardholders expect more from store cards than current incentives provide.

**FIGURE 3:**  
**Usage of store and/or co-branded cards**

Share of card users who own a store and/or a co-branded credit card and used it to pay for purchases over the last 30 days, by demographic



Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

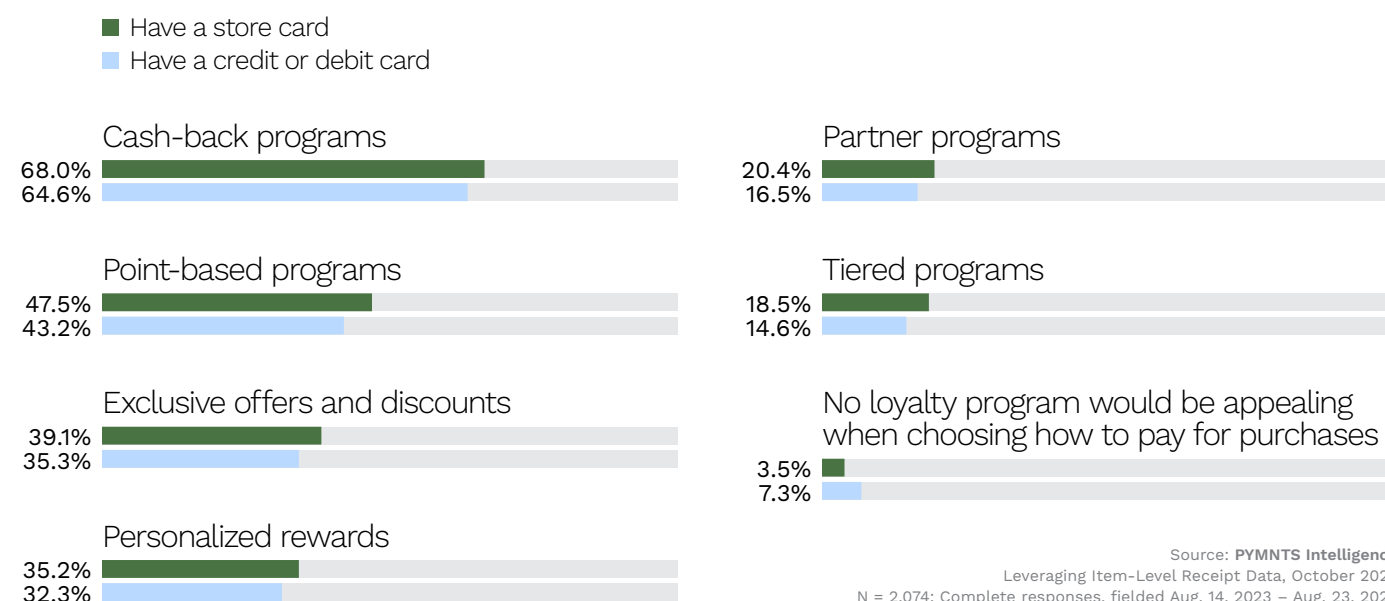
# Merchants could increase store card use by offering cash-back programs and discounts informed by consumers' purchase histories.

Cash-back programs are the most appealing type of loyalty program for all cardholders — and store card holders are particularly receptive to the programs. While 65% of all cardholders find cash-back programs attractive when choosing how to pay for their purchases, 68% of store card owners say the same. This pattern is consistent across other loyalty programs we studied: Store card holders are around 4 percentage points more likely than cardholders in general to find point-based programs and other offerings appealing. This highlights the opportunity for merchants and brands to leverage such incentives to encourage store card owners to use their cards more.

FIGURE 4:

### Interest in card-linked loyalty programs

Share of card users who find select loyalty programs offered for all cards appealing when choosing how to pay for purchases, by card ownership



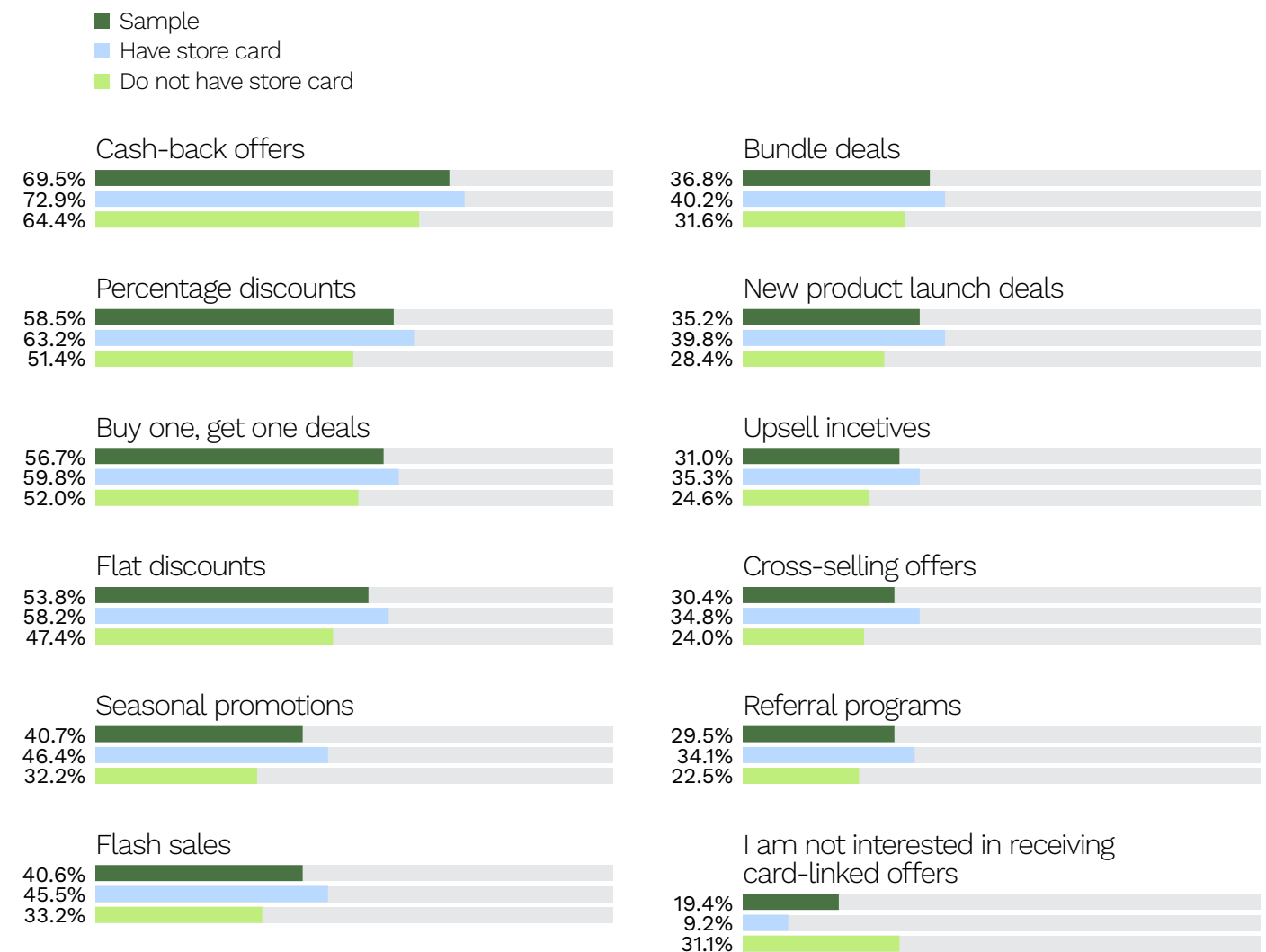
Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074; Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

**Offering cash back tied to purchase history — such as relevant offers for related goods purchases based on prior transactions — could also drive consumer use of store cards.** For example, if a consumer previously purchased dog food, offering them a card-linked offer for pet supplies may help to expand the share of wallet spend at a merchant. In fact, cash-back programs are the most popular store card-linked offers tied to specific products. While 70% of card users are very or extremely interested in using cash-back programs tied to specific products in the next three months, this share increases to 73% among store card owners. Other popular store card-linked offers tied to consumers’ purchase histories include percentage discounts: 63% of store card owners are very or extremely interested in using this offer in the next three months. Such high interest in card-linked, cash-back offers and discounts related to specific products among store card holders suggests that such personalized offerings could also increase consumers’ usage of store cards.

**FIGURE 5:**

**Interest in personalized card-linked offers**

Share of consumers who are very or extremely interested in using select card-linked offers for store cards tied to specific products in the next three months



Source: PYMNTS Intelligence  
 Leveraging Item-Level Receipt Data, October 2023  
 N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

# Among all the different stores that offer store cards, consumers are most interested in receiving personalized card-linked offers from grocery store cards.

Sixty-one percent of cardholders are interested in receiving relevant store card-linked offers from grocery store cards, with 44% saying they would be most interested in receiving offers for that type of store card. After grocery stores, card users were most interested in receiving store card-linked offers from clothing and fashion retail stores, at 41%. Only 15% mentioned these stores as the top store card type from which they would be most interested in receiving such offers, however, implying that consumers may be more interested in using store card-linked offers for essentials (e.g., groceries) than for discretionary spending.

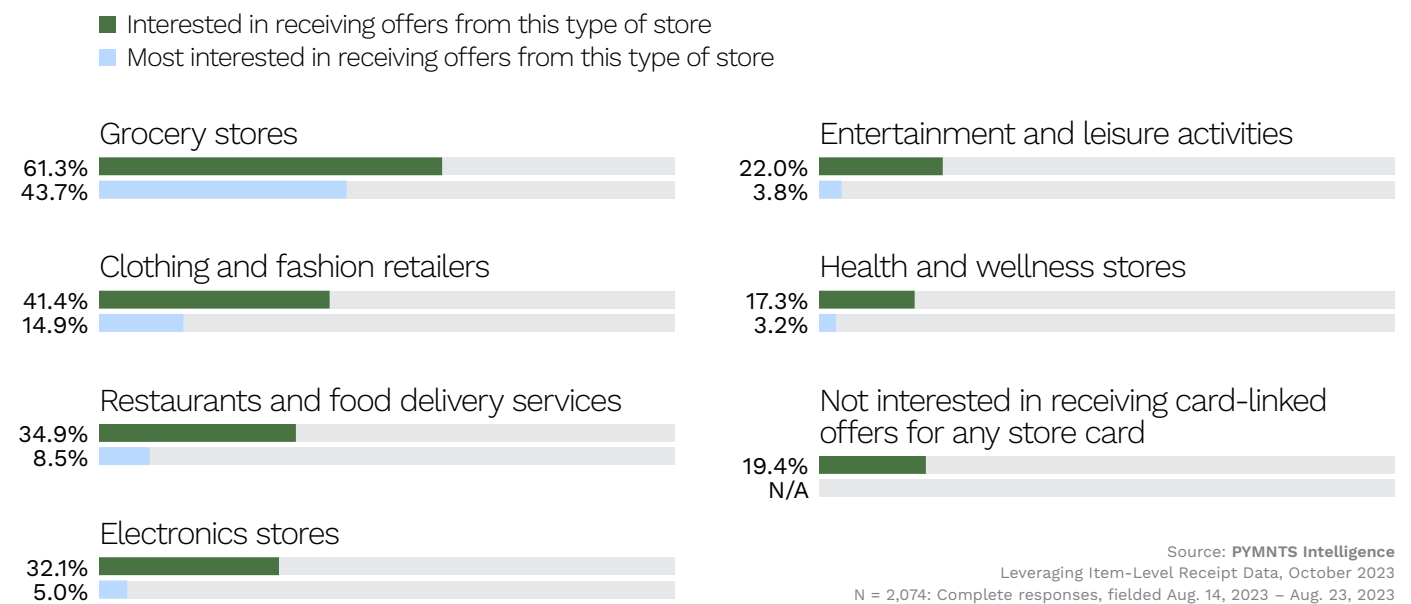
# 61%

Share of cardholders interested in receiving relevant store card-linked offers from grocery store cards

**FIGURE 6:**

### Interest in card-linked loyalty programs

Share of consumers interested in receiving store card-linked offers, by store type



As expected, the share of consumers interested in receiving personalized offers from grocery stores and other retail cards varies by shopper persona, as sporadic shoppers show little interest in loyalty programs.

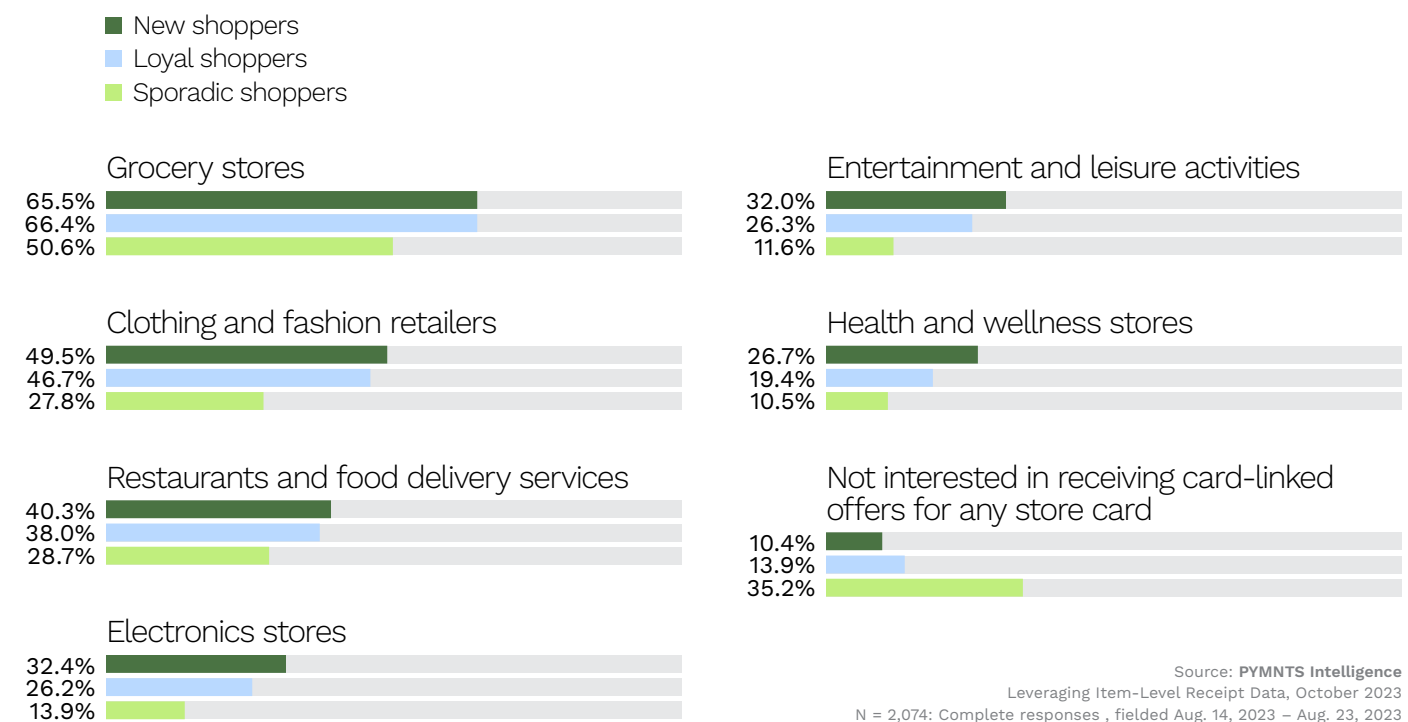
**New shoppers and loyal shoppers are the most interested in receiving personalized offers from grocery store cards.** While 66% of loyal shoppers and those new to brands or merchants say they would be interested in receiving card-linked offers for grocery stores, only 51% of sporadic shoppers say the same. New shoppers are slightly more likely to be interested in receiving card-linked offers from clothing retailers than loyal shoppers, at 50% and 47%, respectively.

Attracting sporadic shoppers presents a challenge for merchants offering card-linked offers, however, as 35% of these shoppers would not be interested in receiving card-linked offers for any store card whatsoever. After all, by their nature, sporadic shoppers are less likely to reap the benefits of loyalty programs.

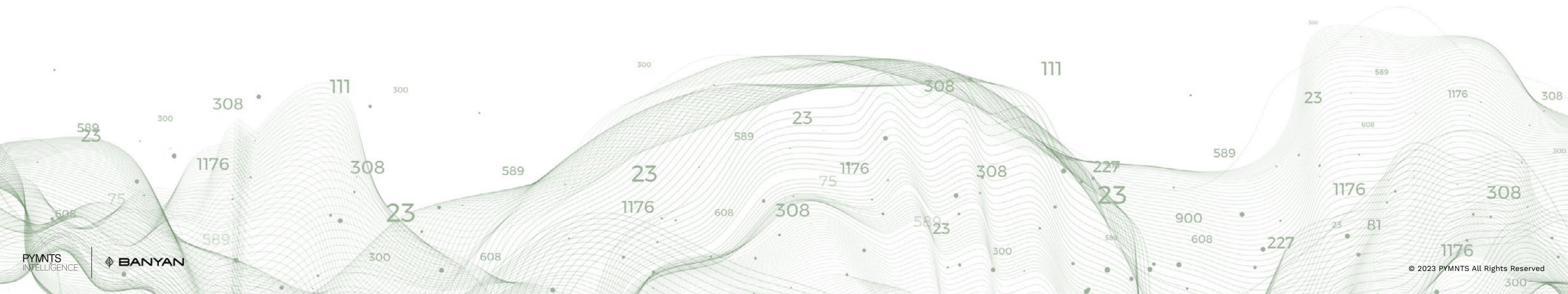
**FIGURE 7:**

**Types of shoppers who gravitate to certain stores' card-linked offers**

Share of consumers who would be interested in receiving card-linked offers from select types of stores, by type of shopper



Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023



# Almost one-third of cardholders would switch to merchants offering store cards with rewards and personalized discounts based on purchase history.

Tying cash-back offers to specific products could spur consumers' use of tailored card-linked offers, as consumers report that personalized discounts and rewards based on their regularly purchased products are key drivers in their interest in using store card-linked offers. This is because consumers have higher expectations for merchant store cards to offer personalized rewards and discounts compared to general purpose credit cards. So addressing this expectation is key to unlocking card spend via store cards.

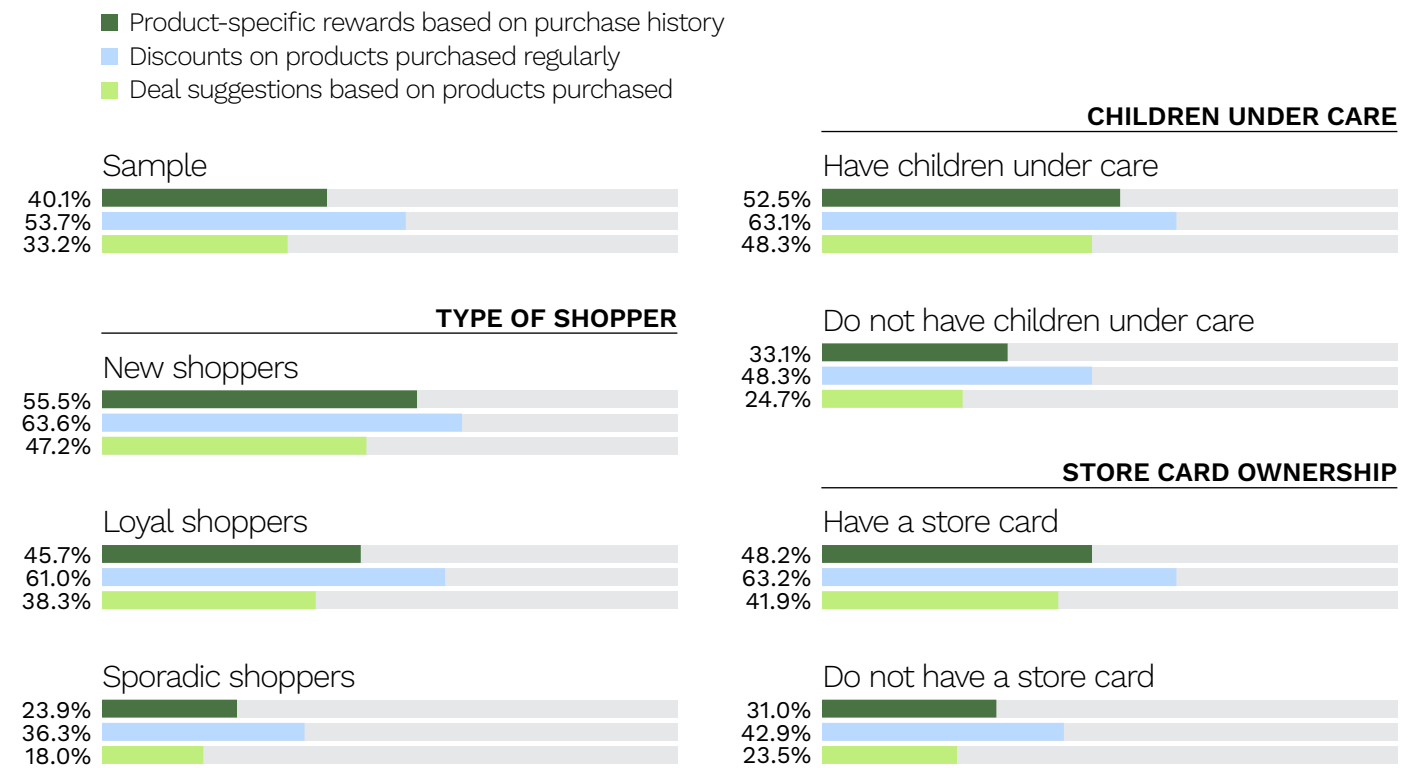
In fact, 40% of all card users are very likely to use product-specific rewards informed by purchase history, whereas 54% of card users want store cards to offer personalized discounts based on products they purchase regularly. This share increases

to 64% among new shoppers and to 63% among consumers who currently own a store card. Consumers with children are particularly likely to have interest in discounts on regularly purchased products, at 63%, followed by product-specific rewards, at 53%, indicating that cost-conscious consumers engage with merchants that help them manage their spending.

**FIGURE 8:**

### The appeal of tailored offers and rewards programs

Share of consumers very or extremely likely to use tailored offers and rewards if available, by store card rewards and demographic



Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074: Complete responses mple, fielded Aug. 14, 2023 – Aug. 23, 2023

Consumers are interested in personalized rewards and discounts based on the products they purchase, and many will switch to merchants offering these programs. Overall, 27% of all cardholders are highly likely to switch to merchants that provide store cards with personalized offers, as are 35% of current store card owners. Card users with children (43%) and new shoppers (40%) are the most likely to switch to merchants offering store cards with personalized discounts and rewards based on the products they purchase. Sporadic shoppers are the least likely to switch, at just 12%. Still, merchants could benefit from targeting their loyalty programs to all consumers to increase store card usage and grow their businesses.

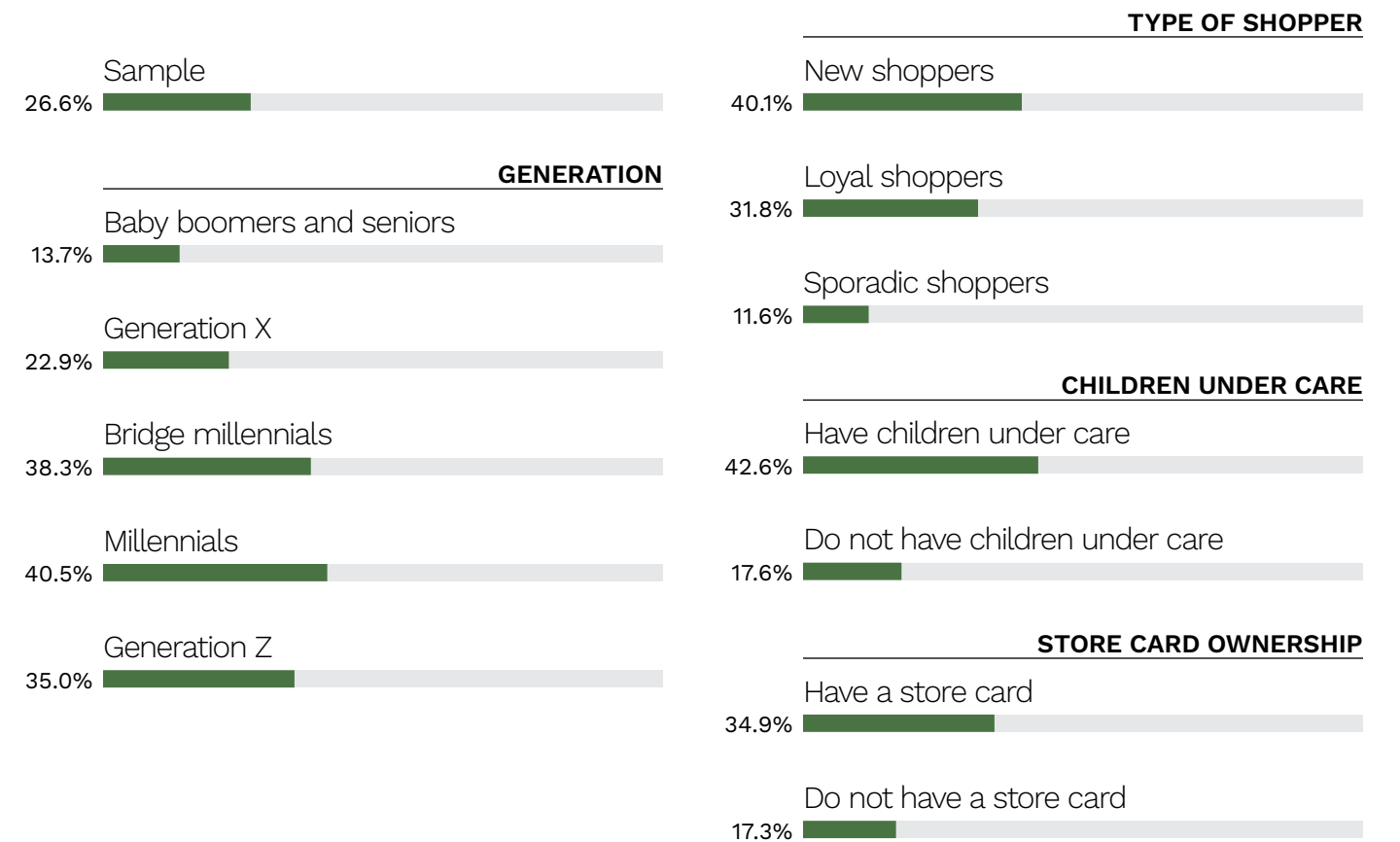
# 35%

Share of store card owners who are highly likely to switch to merchants that provide store cards with personalized offers

**FIGURE 9:**

**Impact on switching merchants**

Share of card users likely to switch to merchants that offer store cards with personalized discounts and rewards based on purchases, by demographic



Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

# DATA FOCUS

**Using receipt data, brands and merchants can provide the personalized card offers that are most likely to drive store card usage.**

## **Rewards, discounts and bundle offers are the best ways to encourage store card owners to use card-linked offers.**

Rewards based on the products they purchase are the personalized offers consumers would most like to receive from store cards. While 50% of all cardholders are interested in receiving personalized rewards from store cards as part of a card-linked, product-specific offers program, this share increases to 56% among card users with store cards. Only 44% of card users without a store card say the same. This contrast illustrates that there is a bigger opportunity with store cards to increase engagement through card-linked offers.

Discounts, bundle offers and coupons are also of interest to 50% of all cardholders and feature the exact same split as with personalized rewards: 56% for cardholders with store cards and 44% among those without a store card. Other personalized offers or discounts of interest to store card holders in particular include free shipping (48%), points and miles (46%) and exclusive offers (40%).

Cardholder interest in these offerings suggests that they are a lever merchants can pull if they want to increase usage of their store and/or co-branded cards — and further engage customers.

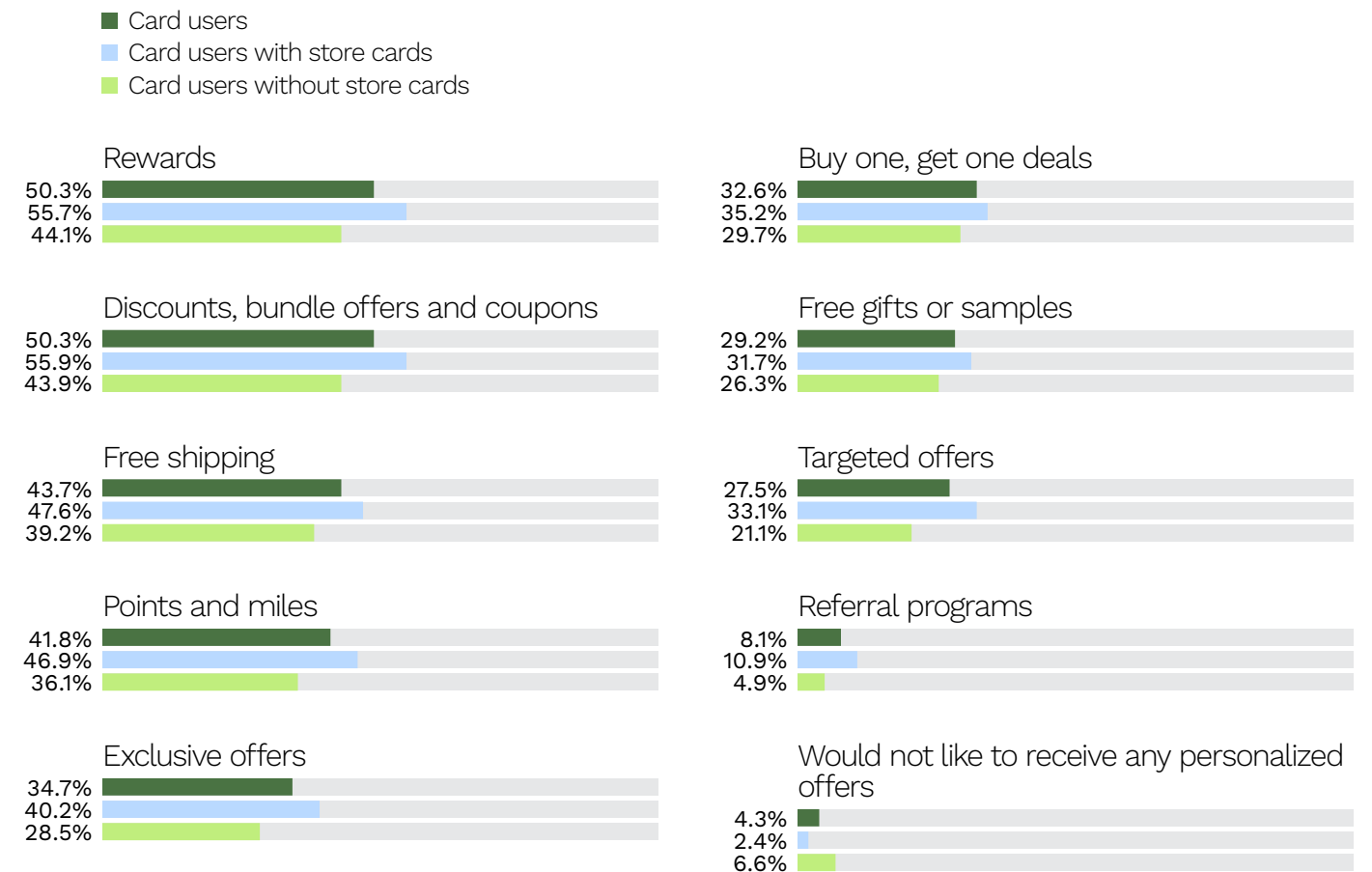
# 56%

Share of store cardholders who are interested in discounts, bundle offers and coupons as part of a card-linked, product-specific offers program

**FIGURE 10:**

**Personalized offers consumers would like to receive**

Share of consumers citing select personalized offers or discounts they would like to receive as part of a card-linked, product-specific offers program



Source: PYMNTS Intelligence  
Leveraging Item-Level Receipt Data, October 2023  
N = 2,074: Complete responses, fielded Aug. 14, 2023 – Aug. 23, 2023

# ACTIONABLE INSIGHTS



01

Consumers expect more from their store cards. More than half of card users own a store card, but just 12% used them to pay for their purchases in the last month. Merchants can leverage item-level data to provide tailored and personalized card-linked offers that drive store card spend. Consumers also have higher expectations for merchant store cards that offer personalized rewards and discounts compared to general purpose credit cards. So key to unlocking card spend engagement for store cards is addressing this expectation.



02

Cash-back programs are the most popular store card-linked offer tied to specific products, followed by discounts tied to consumers' purchase histories. Such high interest in these tailored card-linked offers related to specific products — among store card holders in particular — indicates that brands and merchants that provide such personalized rewards should turn to these incentives first to drive usage of their store cards.



03

Consumers are most interested in receiving personalized card-linked offers from grocery stores — especially loyal shoppers and those new to brands or merchants. This suggests that these consumers may look to card-linked, cash-back and discount offers to help manage the spending they need to do anyway. This presents a not-to-be missed opportunity for merchants and brands in the grocery arena looking to increase usage of their store and/or co-branded cards.



04

Cardholders are highly likely to switch to merchants offering store cards with personalized discounts and rewards based on their purchase history. This is especially true among cardholders with children — consumers who may also want access to personalized discounts and rewards as a way to manage their spending. Brands and merchants that provide such card-linked offers have an opportunity to win over these budget-conscious consumers and drive usage of their store and/or co-branded cards.

# LEVERAGING ITEM-LEVEL RECEIPT DATA:

How Personalized Card-Linked Offers Drive Store Card Usage



## METHODOLOGY

**L**everaging Item-Level Receipt Data: How Personalized Card-Linked Offers Drive Store Card Usage, a PYMNTS Intelligence and Banyan collaboration, examines how merchants and brands using item-level receipt data can enhance their store and/or co-branded card offerings with card-linked reward programs that increase consumer engagement and improve customer loyalty. We surveyed 2,074 United States consumers from Aug. 14 to Aug. 23 to learn about their interest in using store and/or co-branded cards, their preference for personalized card-linked offers and what merchants can do to increase usage of store cards. Fifty-two percent of respondents identified as women, 34% held a college degree, their average age was 48 and 39% earned more than \$100,000 annually.

# 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.

### THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT

Scott Murray  
SVP and Head of Analytics

Paula Armendariz Miranda, PhD  
Senior Analyst

Margot Suydam  
Senior Writer

## ◆ BANYAN

Banyan is the leading data collaboration platform for item-level purchase receipt data. Our privacy-first, first-of-its-kind data infrastructure brings together merchants, banks, FinTechs and their payments commerce partners onto a platform where they can unlock growth and efficiency solutions — fast, simple and secure.

To learn more, visit [www.banyan.com](http://www.banyan.com)

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