

Private Label Credit Cards in the U.S., 8th Edition

<https://marketpublishers.com/r/PDDEC2F67B4EN.html>

Date: April 2013

Pages: 136

Price: US\$ 4,500.00 (Single User License)

ID: PDDEC2F67B4EN

Abstracts

With U.S. retail credit card portfolios on the mend, private label accounts growing again, and major new players emerging from a spate of deals, the market for private label credit cards has definitely gotten a second wind. Receivables and volume declines are now in the rear view mirror: Packaged Facts forecasts that 2012 total private label credit card loans outstanding of \$108.6 billion will grow at six percent through 2015. This study provides market guidance on industry opportunities, with an emphasis on retail credit card program features and benefits analysis, retail card strategies and growth trends among bank and non-bank issuers, and trend spotting:

Assessment of leading private label credit cards from Target, Walmart, J.C. Penney, Sears, Macy's, Nordstrom, The Gap, Home Depot, Lowe's, Office Depot, Staples, Amazon and Best Buy—to gauge program differentiation and related features and benefits.

Relying on proprietary consumer research, analysis of which private label credit card features and benefits would most incentivize non-store card and store card users to sign up for a new private label credit card.

Analysis of U.S. private label card programs operated by North America's leading financial institutions, including Alliance, Data Systems, GE Capital Retail Bank, Citi Retail Services, Capital One, TD Bank, Wells Fargo and JPMorgan Chase, including private label income, volume and receivables analysis; card introductions; and key retailer profiles.

In-depth profiles of the in-house retail card programs of Nordstrom, Cabela's and Signet Jewelers, including private label income, volume and receivables analysis, and card introductions.

Analysis of branded credit card and store card (broken out into five categories) penetration, usage in past 30 days, and trending of monthly usage patterns for 2004-2012. Also featured is current demographic analysis for these metrics.

Contents

EXECUTIVE SUMMARY

REPORT SCOPE

Market size and forecast

TRENDS & OPPORTUNITIES

PRIVATE LABEL RETAIL CARD LANDSCAPE

Target REDCard
Walmart Credit Card
jcp credit card
Sears Card
Macy's Card
Nordstrom Retail Card
GapCard
Home Depot Consumer Credit Card
Lowe's Consumer Credit Card
Office Depot Personal Credit Account
Staples Personal Account
Amazon.com Store Card
Reward Zone Credit Card

PRIVATE LABEL BANK ISSUERS

Alliance Data Systems
GE Capital Retail Bank
Citi Retail Services
Capital One
TD Bank
Wells Fargo
JPMorgan Chase

PRIVATE LABEL NON-BANK ISSUERS

Nordstrom card program closing in on \$9 billion and 40% of net company sales

Cabela's: sky high FICO scores help credit card program contribute 10% to bottom line
Signet Jewelers gets half of sales from in-house financing

PRIVATE LABEL CREDIT CARD USAGE TRENDS

PRIVATE LABEL CREDIT CARD USAGE MOTIVATORS

CHAPTER 1: OVERVIEW

Major retailer benefits: usable data and customer loyalty

Major cardholder benefit: buying power

Healthy general purpose credit card volume growth

Table 1-1: U.S. General Purpose Card Purchase Volume, 2007–2012

CHAPTER 2: MARKET SIZE AND FORECAST

Total U.S. private label card loans outstanding

Graph 2-1: U.S. Private Label Credit Card Loans Outstanding: 2012

Receivables by issuer

Purchase volume by issuer

Table 2-1: Alliance Data Systems & Citi Retail Services Private Label Credit Card Loan Volume: 2012

Private label cards market forecast

CHAPTER 3: TRENDS & OPPORTUNITIES

Summary analysis

Improving economy leads to improving card portfolios

But declining loans outstanding

Post-recession consumer usage rebound

Increased industry deal-making and interest

Cobrand conversion

Turning an expense into income

Increasing customer loyalty

CHAPTER 4: PRIVATE LABEL RETAIL CARD LANDSCAPE

Summary analysis

Target REDCard

Walmart Credit Card

jcp credit card

Sears Card

Macy's Card

Nordstrom Retail Card

GapCard

Home Depot Consumer Credit Card

Lowe's Consumer Credit Card

Office Depot Personal Credit Account

Staples Personal Account

Amazon.com Store Card

Reward Zone Credit Card

Target REDCard

Everyday discounts emphasized

Table 4-1: Target REDCard Incentives, Rewards and Other Features

Differentiator

Walmart Credit Card

Table 4-2: Walmart Credit Card Incentives, Rewards and Other Features

Sign up incentives emphasized

A supplementary offering

jcp credit card

A rich mix of incentives and rewards

Table 4-3: JCP Credit Card Incentives, Rewards and Other Features

With a catch

Differentiator: strong incentive to spend now and return quickly

Sears Card

Table 4-4: Sears Card Incentives, Rewards and Other Features

Shop Your Way Rewards

Differentiator: Strong loyalty program association

Table 4-5: Sears Card Shop Your Way Rewards

Table 4-6: Sears Card VIP Tiers

Macy's Card

Strong incentives

Table 4-7: Sears Card Incentives, Rewards and Other Features

Differentiator: Loaded upfront

Nordstrom Retail Card

Table 4-8: Nordstrom Retail Card Incentives, Rewards and Other Features

Table 4-9: Nordstrom Fashion Rewards: Tiers and Benefits

GapCard

Table 4-10: GapCard Retail Card Incentives, Rewards and Other Features

Solid signup and rewards mix

Spend \$800 and get upgraded to Gap Silver

Home Depot Consumer Credit Card

A range of incentives

Table 4-11: Home Depot Consumer Credit Card Incentives, Rewards & Features

Differentiator: Variety to incentivize large purchases

Lowe's Consumer Credit Card

No-interest financing at sign up

Table 4-12: Lowe's Consumer Credit Card Incentives, Rewards & Features

Differentiator: card customization

Office Depot Personal Credit Account

Table 4-13: Office Depot Personal Account Incentives, Rewards & Features

The bait

Differentiation

Staples Personal Account

Table 4-14: Staples Personal Account Incentives, Rewards & Features

Key incentive

Differentiation

Amazon.com Store Card

Table 4-15: Amazon.com Store Card Incentives, Rewards & Features

A supplementary offering

Reward Zone Credit Card

Table 4-16: Best Buy Reward Zone Credit Card Incentives, Rewards & Features

Differentiation

CHAPTER 5: PRIVATE LABEL BANK ISSUERS

Summary analysis

Alliance Data Systems

GE Capital Retail Bank

Citi Retail Services

Capital One

TD Bank

Wells Fargo

JPMorgan Chase

Alliance Data Systems

Private Label Services and Credit

Competitive positioning

More than 30 million active accounts

Signings

Portfolio acquisitions

Sales growth

Key retailers

Table 5-1: Alliance Data Systems: Q1 2013 Private Label Credit Card Retailers

Limited Brands a key account

Figure 5-1: Alliance Data Systems Principal Receivables by Major Retailer & Retailer Category

New clients

Bon-Ton

Almost half of sales on private label card

Ascena Retail Group, Inc.

Express

J. Crew

Robust volume, receivables and account growth

Table 5-2: Alliance Data Systems Private Label Revenue, Volume, Receivables and Account Trends

And improving card portfolio health

Table 5-3: Alliance Data Systems Private Label Receivables Loan Health Trends: 2011 vs. 2012

A look inside Alliance Data's subsidiary banks

Table 5-4: Alliance Data Systems' Comenity Bank & Comenity Capital Bank Card Metrics: 2012

GE Capital Retail Bank

Private label powerhouse

Table 5-5: GE Capital Retail Bank Private Label, Co-brand & Affinity Partners: 2013

But transition to cobrand underway

Direct marketing and loyalty programs

Acquisitions and signings

Sales growth

Positive loan growth and account growth trends

Strong growth in loans outstanding and accounts

Table 5-6: GE Capital Retail Bank Loan & Account Trends

GE Capital Retail Bank income, credit card loans and credit card lines outstanding

Figure 5-7: GE Capital Retail Bank Income & Credit Card Line Analysis: 2012

Key retailers

Figure 5-2: GE Capital Retail Bank Retailer Credit Card Loans & Account Share: 2013

Table 5-8: GE Capital Retail Bank Retailer Credit Card Loan & Account Share: 2013

Trust portfolio analysis

Figure 5-3: GE Capital Retail Bank Credit Card Balance, Credit Limit, Account Age, Account Location & FICO

Analysis: 2013

Client analysis

Belk

Belk Rewards Card Loyalty Program

Fees received

Dillard's

Fees received

J. C. Penney

Private label credit cards an income bright spot

Citi Retail Services

Table 5-9: Citi Retail Services Retail Private Label & Co-brand Partners: 2013

Acquisitions

Key retailers

Best Buy

Macy's: Bounty approaches \$1 billion

New launches

CITGO card appeals to fee-wary merchants

ExxonMobil Smart Card: Transitioning from cobrand to private label

Rewards taken down a notch

Premium version

Reaching a broader retailer audience

Brandsource retailer coalition taps independents

Volume, loans outstanding and account growth trends

Figure 5-4: Citi Retail Services 2008-2012 Retail Credit Card Loan Volume, Loans Outstanding & Accounts

Table 5-10: Citi Retail Services 2008-2012 Retail Credit Card Loan Volume, Loans Outstanding & Accounts

Capital One

Competitive positioning

Parsing through the HSBC portfolio and making selective decisions

More activity to come

Acquisitions and sales

HSBC acquisition

New retail accounts

Kohls

Neiman Marcus

Polaris

Saks

A tiered approach

2013 relaunch

The contract

Capital One private label sales growth

Expectations for continued HSBC portfolio run off and otherwise weak demand

TD Bank

Target acquisition brings 5 million accounts and \$5.7 billion in receivables

Profit sharing agreement

A look underneath the Target portfolio's hood

Cards a strong profit generator, contributing 10% to Target's topline

But card revenue declines

Table 5-11: Target Corporation: 2010-2012 Retail & Credit Card Profit and Revenue

Analysis Proprietary credit cards increase share of Target retail sales but Target debit catching on

Target credit card charge volume passes \$11 billion—mostly at Target

Table 5-12: Target Corporation: 2010-2012 Retail Sales Attributable to Proprietary Credit & Debit Cards;

On- and Off-Premises Proprietary Credit Card Charge Volume Trends

Receivables in decline

FICO scoring reveals some good and some bad

Table 5-13: Target Corporation: 2010-2012 Credit Card Receivables FICO & Delinquency Trends

Zale

Heavily reliant on private label

Growing in U.S. with Citibank, but Canadian business goes to TD Bank

Fred Meyer Jewelers

Wells Fargo

Table 5-14: Wells Fargo Retail Private Label & Co-brand Partners: 2013

JPMorgan Chase

MILITARY STAR private label card

CHAPTER 6: PRIVATE LABEL NON-BANK ISSUERS

Summary analysis

Nordstrom card program closing in on \$9 billion and 40% of net company sales

Cabela's: sky high FICO scores help credit card program contribute 10% to bottom line

Signet Jewelers gets half of sales from in-house financing

In-House Programs: An Endangered Species

Nordstrom

Program metrics

Revenue growth trends

Rewards cost trends

A prime portfolio, with more prime borrowers

Saving on interchange

Private label receivables lag cobrand but are growing at higher rate

Card program charge volume nears \$9 billion, with debit driving growth

Table 6-1: Nordstrom Credit Card Metrics Analysis

Nordstrom FSB income, loan and unused credit line analysis

Table 6-2: Nordstrom FSB Credit Card Interest & Noninterest Income, Loans

Outstanding & Unused Credit

Card Lines: 2012

Cabela's

Credit card program generates more than 10% of company revenue

A distinguished group of cardholders; a sterling portfolio

Table 6-3: Cabela's Credit 2011 & 2012 Credit Card Metrics

Subsidiary World's Foremost Bank income, loan and unused credit line analysis

Table 6-4: World's Foremost Bank Credit Card Interest & Noninterest Income, Loans

Outstanding & Unused

Credit Card Lines: 2012

Table 6-5: Signet Jewelers 2011, 2012 & 2013 Credit Program Metrics

CHAPTER 7: PRIVATE LABEL CREDIT CARD USAGE TRENDS

Summary analysis

Credit card usage trends: 2004-2012

After dropping during recession, credit card use stabilizes

Store card declines trump branded credit card declines; growth for both hard to come by

Graph 7-1: Credit Card, Branded Credit Card & Store Card Usage Penetration:

2004-2012

Private label card usage trends: 2004 to 2012

Usage penetration down 26%

Gasoline card usage declines the steepest

Graph 7-2: Store Card Usage Penetration, by Card Type: 2004-2012

Active store card usage declines—then dives in 2009—with little rebound

Compared to 2007, still underwater

Post-recession clothing/specialty store usage a bright spot

Table 7-1: Store Card (and Store Card Type) & Branded Credit Card Usage in Past 30 Days: 2004-2012

Higher-frequency monthly store card use a trouble spot

Table 7-2: Store Card (and Store Card Type) & Branded Credit Card Monthly Usage Frequency: 2004-2012 .

Demographic analysis

Almost twice as many women use private label credit cards

Dramatic differences by type of store card

Discrepancy widens among active users, except at Sears and J.C. Penney

Table 7-3: Store Card (& Store Card Type) & Branded Credit Card Usage & Usage in Past 30 Days, by Gender:

2012

Private label sweet spot: age 55+

Table 7-4: Store Card (& Store Card Type) & Branded Credit Card Usage & Usage in Past 30 Days, by Age: 2012

Private label credit card usage higher among whites and Asians

But black consumers are active Sears and gasoline card users

Table 7-5: Store Card (& Store Card Type) & Branded Credit Card Usage & Usage in Past 30 Days, by Race/Ethnicity: 2012

Employment status

Targeting homemakers

Table 7-6: Store Card (& Store Card Type) & Branded Credit Card Usage & Usage in Past 30 Days, by

Employment Status: 2012

HH income trends among active users suggest J.C. Penney strength

Table 7-7: Store Card (& Store Card Type) & Branded Credit Card Usage & Usage in Past 30 Days, by HH

Income: 2012

CHAPTER 8: PRIVATE LABEL CREDIT CARD USAGE MOTIVATORS

Summary analysis

Private label card signup influencers

Reward me & help me save money: Points & everyday discounts biggest draw

Non-cardholders entrenched against store cards?

But points and discounts sufficient bait for some

Interest rate teasers less relevant

Graph 8-1: Private Label Credit Card Usage Motivators: Users, Active Users, and Non-Users

Gender rules

Table 8-1: Private Label Credit Card Usage Motivators: Users, Active Users, and Non-Users, by Gender: 2013

Age

Table 8-2: Private Label Credit Card Usage Motivators: Users, Active Users, and Non-Users, by Age:2013

Income

Table 8-3: Private Label Credit Card Usage Motivators: Users, Active Users, and Non-Users, by HH Income:

APPENDIX

METHODOLOGY

CONSUMER SURVEY METHODOLOGY

MARKET SIZE AND FORECAST

REPORT TABLE INTERPRETATION

TERMS AND DEFINITIONS

I would like to order

Product name: Private Label Credit Cards in the U.S., 8th Edition

Product link: <https://marketpublishers.com/r/PDDEC2F67B4EN.html>

Price: US\$ 4,500.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/PDDEC2F67B4EN.html>

To pay by Wire Transfer, please, fill in your contact details in the form below:

First name:
Last name:
Email:
Company:
Address:
City:
Zip code:
Country:
Tel:
Fax:
Your message:

****All fields are required**

Customer signature _____

Please, note that by ordering from marketpublishers.com you are agreeing to our Terms & Conditions at <https://marketpublishers.com/docs/terms.html>

To place an order via fax simply print this form, fill in the information below and fax the completed form to +44 20 7900 3970