



Reframing the Conversation on Loyalty Programs in Canada

Shifting the way in which loyalty programs are compared – from dividend analysis to ‘time to reward’

Introduction

The media and consumers have been comparing loyalty rewards programs for some time now to estimate and, in the case of media, recommend which programs are most worthwhile to join or invest in. However, due to the large number of loyalty programs from which to choose, time constraints and limited resources, comparisons are often made using simple and often misleading metrics.

Most commonly, loyalty programs are compared on the basis of dividend.* While dividend is a key metric in the comparison of loyalty programs, it is a simple metric that cannot offer a truly holistic understanding of more dynamic programs.

Third party research conducted by Environics Research Group and commissioned by COLLOQUY, a LoyaltyOne research group, aims to compare the top loyalty programs in Canada on a new metric – ‘time to reward.’ A ‘time to reward’ metric allows individuals to assess the value of a loyalty program in terms that are more meaningful to them – how long it will take them to achieve their desired reward.

The intent of this white paper is to illustrate how using a ‘time to reward’ metric, as opposed to a singular metric like dividend, can offer a better, more well-rounded way in which to assess the true value of loyalty programs in Canada.

Environics Research Group
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*Dividend is the value of the reward obtained by redeeming the points earned, expressed as a percentage of the amount of money that a program member must spend to obtain the points. For example, if 95 points are worth \$10 when redeemed to pay for a merchandise reward, the program member must spend \$1,900 to accumulate 95 points (at the rate of 1 point for every \$20 spent), the dividend is then \$10/\$1,900 or 0.005%.

Commissioned by COLLOQUY, a LoyaltyOne research group

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Executive summary and conclusions

The need for this paper grew out of the recognition that loyalty program points have long been recognized as a form of currency or medium to be used in an exchange. However, unlike traditional currency (i.e., money), media and consumers are often left to their own devices to understand which program represents the best investment of their resources (i.e., time and money). Most often, media and consumers have been comparing Canadian loyalty programs on the basis of dividend, a simple but often misleading metric when it is the sole basis of comparison. ‘Time to reward’ is suggested as a valuable measure for consumers to consider.

In an effort to reframe the public discussion on loyalty programs, COLLOQUY, a LoyaltyOne research group, commissioned Environics Research Group (hereafter Environics) to develop a methodology on how to evaluate and compare Canadian loyalty programs against one another and enlist credible, third party academics, with expertise in the Loyalty Industry, to evaluate the methodology and subsequent results.

The resulting research, developed by Environics Research Group, included a comparison of the top 22 loyalty programs in Canada and their affiliated cards on a number of measures contributing to each program’s overall value and ‘time to reward.’ To ensure the methodology was sound, Ken Wong, Distinguished Professor of Marketing at Queen’s School of Business and Frank Pons, Marketing Professor at Laval University, validated the methodology and results of the research and provided input to the resulting online tool.

Key findings of the study indicate that, while dividend is an important component in the comparison of loyalty programs, it does not tell the whole story due to the diversity and dynamic nature of many loyalty programs. Specifically, the research finds that:

- Coalition loyalty programs and their affiliated credit cards provide the fastest time to a travel reward, including long-haul and short-haul travel
- Retailer or bank-issued credit cards tend to result in the fastest time to cash and merchandise rewards
- In some cases, the cost to own a loyalty credit card (i.e., the annual fee) is so high that a reward will never truly be earned
- The ability to double-dip greatly reduces ‘time to reward’ in all reward categories (travel, cash and merchandise), and coalition programs are best utilized when program members double-dip

The data strongly suggests that ‘time to reward’ is a more complete metric to employ in the comparison of loyalty programs.

Background and objectives

In the media, it is not uncommon to see diverse and complex loyalty programs being recommended to the “average Canadian consumer” on the sole basis of program dividend. The problem with the media’s

approach is that, similar to giving financial advice, a one-size-fits-all approach is unsuitable when recommending the best loyalty program for an individual. Every financial advisor recognizes that each individual investor has different needs and thus should consider different financial metrics (e.g., stability, liquidity, short- versus long-term returns) in making investment decisions. The same is true when choosing which loyalty program to invest in. Likewise, there is no “average Canadian consumer” and if there was one, it is doubtful that they would shop at only one retailer or in only one shopping category.

Although loyalty points have long been recognized as a form of currency, unlike monetary investments where most financial advisors would recommend that investors consider more than just the stated rate of return, when the currency is loyalty points, media and consumers have had no option but to consider dividend. However, dividend is a simple metric that does not tell the whole story when comparing loyalty programs. Consequently, when an individual uses only dividend to decide which loyalty program is the best for them to invest their time and money in, ultimately that individual may choose a program that may get them to their desired reward at a slower rate.

While dividend is an important factor, the research finds that other individual considerations can and should include:

- the retailers most frequently shopped
- the amount spent at specific retailers on a monthly or annual basis
- acquisition bonus offers
- other monthly or annual bonus offers
- the desired reward the individual would like to achieve
- methods of redemption
- membership fees (where applicable)

In an effort to better understand the perceived value proposition of competing loyalty rewards programs, Environics undertook a detailed investigation into each of the aforementioned factors to determine which programs provide consumers with an equivalent value of rewards faster. The primary objective of this undertaking was to conduct an independent and stand-alone piece of research to help change the conversation around rewards programs from an emphasis on dividend to a more holistic metric – ‘time to reward.’

A ‘time to reward’ metric not only encompasses dividend, but it explicitly addresses the notion that consumer choice of a loyalty program will vary upon factors like usage patterns, the ability to double-dip, concentration on purchases and the like. It also strongly resonates with consumers’ increasing expectation of instant gratification. Consumers’ growing demand for instant results is evident in the marketing of nearly everything today, including fast food, weight-loss products, and programs and beauty products that promise to quickly reverse the signs of aging. When it comes to loyalty programs, what is ultimately most important to the consumer is being able to understand how long it will take them to achieve their desired reward. Using a ‘time to reward’ metric allows individuals to compare programs in this way, thus satisfying their desire for fast returns.

The research shows comparing loyalty programs on a ‘time to reward’ metric provides a better way to assess the true value of loyalty programs in Canada, and can help reframe the existing conversation around loyalty rewards programs.

Methodology

Developing a ‘time to reward’ algorithm required months of desk research involving the collection of publicly available loyalty program data, specifically the tangible and non-tangible features that contribute to a program’s value. The research was conducted in four stages between September and December 2012, with ongoing updates planned as loyalty programs continuously change and new programs enter the loyalty landscape.



The Environics project team recognizes that with new loyalty programs being introduced, existing ones being retired, and changes to the specific features and benefits of individual programs, this research will need to be updated on a periodic basis.

The top loyalty programs in Canada

The first stage in creating a methodology for consumers and media to calculate the true value of loyalty programs in Canada involved creating an exhaustive list of Canadian loyalty rewards programs and discovering the differences between program types (i.e., base programs, credit card programs and regional program availability). The top loyalty programs are considered to be those used by at least one percent of Canadians.

Due to time and budget limitations, the research did not evaluate every single loyalty program in Canada, and instead compares only the top 22 loyalty programs in Canada and their affiliated non-credit cards (i.e., base program membership cards) and credit cards; a total of 61 loyalty rewards cards. It should be noted that deliberate efforts were made to include most major bank-issued credit cards tied to a loyalty program, programs only available in certain regions of Canada, and one of the latest loyalty

programs to enter the Canadian loyalty landscape – the Target REDcard 5% Rewards Loyalty Program, regardless of the ‘top program’ criteria previously mentioned.

In order to determine the top loyalty programs in Canada, an online survey of 1,017 Canadians of any age was conducted in November 2012 to determine which programs met the ‘top program’ criteria. Respondents were provided an exhaustive list of Canadian loyalty programs and asked, “Which if any, of the following rewards/loyalty cards have you used to collect loyalty rewards/dollars in the past three months?” The question allowed respondents to select multiple programs from the list provided. The results of the survey indicated the top 20 loyalty programs in Canada.



Note: CAA’s loyalty program was removed from the research and replaced with WestJet Rewards because not enough information about the program was publicly available at the time online or elsewhere to make a complete comparison against the other programs. RBC Avion and RBC Rewards are grouped together under RBC Rewards in the research. Additional programs added to the research include: metro&moi, Target REDcard Rewards and TD Rewards.

The 22 loyalty programs and their affiliated non-credit and credit cards evaluated in this research are shown in the following table.

Loyalty reward program	Non-credit card (i.e., base program membership card)	Credit card
AIR MILES® Reward Program	AIR MILES® Membership Card	BMO AIR MILES® MasterCard® BMO® AIR MILES® World MasterCard® American Express® AIR MILES® Credit Card American Express® AIR MILES® Platinum Credit Card American Express® AIR MILES® Reserve Credit Card
Aeroplan®	Aeroplan® Membership Card	CIBC Aero Classic Visa™ Card CIBC Aerogold® Visa™ Card CIBC Aerogold® Visa Infinite™ Card American Express® AeroplanPlus® Card American Express® AeroplanPlus® Gold Card American Express® AeroplanPlus® Platinum Card
American Express® Membership Rewards Program	N/A	American Express® Card American Express® Gold Rewards Card American Express® The Platinum Card® American Express® Blue Sky® Credit Card
Best Buy®	Best Buy® Reward Zone™	Best Buy® Reward Zone™ Visa®
Canadian Tire®	Canadian Tire Money®	Canadian Tire® Advantage MasterCard® Canadians Tire® Options MasterCard®
The Club Sobeys Program	The Club Sobeys Program	BMO® Club Sobeys MasterCard®
Desjardins BONUSDOLLARS® Rewards Program	N/A	Desjardins BONUSDOLLARS® Rewards Program
Esso Extra®	Esso Extra®	RBC® Esso Visa®
Hudson's Bay™	Hudson's Bay Rewards™ Card	Hudson's Bay™ Credit Card Hudson's Bay™ MasterCard®
metro&moi™	metro&moi™ Program	N/A
President's Choice Financial®	N/A	President's Choice Financial® MasterCard® President's Choice Financial® World MasterCard®
PETRO-POINTS™	PETRO-POINTS™	CIBC PETRO-POINTS™ MasterCard® Card
plum® rewards	plum® rewards	N/A
RBC Rewards®	N/A	RBC Rewards® Visa® Gold Signature® RBC® Rewards Visa® RBC Rewards® Visa® Preferred RBC® Visa® Platinum Avion® RBC® Visa Infinite™ Avion®

The More Rewards Program	The More Rewards Program	The More Rewards MasterCard®
SCENE®	SCENE® Card	SCENE® Visa®
Sears Club™	N/A	Sears Card Sears Financial™ Voyage™ MasterCard® Sears Financial™ MasterCard®
Shoppers Optimum®	Shoppers Optimum® Card	RBC® Shoppers Optimum® MasterCard®
Target® REDcard® Rewards	N/A	Target® RBC® MasterCard®
TD Rewards®		TD Rebate Rewards® Visa® Card TD Drivers Rewards™ Visa® Card TD Gold Elite® Visa® Card TD Classic Travel Visa® Card TD Platinum Travel Visa® Card TD First Class Travel® Visa Infinite™ Card
Walmart Rewards™	N/A	Walmart Rewards™ MasterCard®
WestJet Rewards®	WestJet Rewards®	WestJet RBC® MasterCard® WestJet RBC® World Elite MasterCard®

High-level shopping categories

The second stage of creating a ‘time to reward’ algorithm required the creation of high-level shopping categories that could be easily understood by consumers in an online tool and also relatable to 2010 consumer spend data from Statistics Canada. Household expenditure data from Statistics Canada were used in the development of the ‘time to reward’ algorithm to gain an understanding of how each loyalty program performed on average.

The high-level shopping categories were created, keeping in mind items that are commonly categorized together by both Statistics Canada and loyalty programs. This allowed the research to compare shopping categories across the 61 loyalty cards in this research. The nine high-level shopping categories created are:

- Clothing and accessories (such as shoes, jewellery, hats and children’s clothing)
- General merchandise (such as books, music, movies, entertainment, electronics and children’s toys)
- Restaurants and dining
- Grocery, liquor and drugstore (including pharmaceuticals and over-the-counter medication products)
- Health, beauty and personal care (such as personal grooming and nutrition products)
- Home and office goods and services
- Automotive care and services (such as fuel, car parts/accessories, maintenance services and cleaning supplies)
- Travel and accommodations

Key variables measured in the research

Determining the key variables to be collected across all loyalty programs was necessary in order to calculate ‘time to reward’ and review key differentiators. After the collection of all relevant program information, the features that the research considered as impacting the overall value of a program can be categorized as general program information, collecting, bonuses, rewards and other.

General Program Information <ul style="list-style-type: none"> • Base program membership cards • Affiliated credit cards and credit requirements • Membership levels and annual fees • Expiry terms and conditions • Redemption restrictions • Fair use policies • Transferable reward programs and conversion ratios 	Bonuses <ul style="list-style-type: none"> • Average acquisition bonus over 1 month • Average bonus points per dollar per shopping category over 1 month
Collecting <ul style="list-style-type: none"> • Shopping categories per tool/card • Average points per dollar per shopping category over 1 month • Balance monitoring methods • Ability to collect on multiple loyalty program cards linked to a single account 	Rewards <ul style="list-style-type: none"> • Points redemption methods • Average points to \$1 conversion ratio for travel (long-haul and short-haul), cash equivalents (in-store, gift cards, vouchers) and merchandise
	Other <ul style="list-style-type: none"> • Special benefits with affiliated bank/airline/brand • Community engagement/recognition • Offers an online mall component • Regional program availability • Age requirements

‘Time to reward’ algorithm

In order to conduct an apples-to-apples comparison of all loyalty programs and their affiliated rewards cards, Environics developed an evaluation algorithm that predicts ‘time to reward’ as accurately as possible using relevant variables collected across every loyalty program. To get to the final ‘time to reward’ value (in months) was a multi-stage calculation that factored in 12-month points earnings and 12-month points value.

12-month points earnings are dependent upon the following:

- Card type (i.e., non-credit card or credit card)
- Membership level (i.e., Platinum card, Gold card)
- New or existing member
- Average dollar spend per shopping category
- Average points earned per shopping category
- Average annual bonus points per dollar spend

12-month points value is dependent upon the following:

- Average category redemption ratio
- Average bonus redemption ratio
- Annual card fees

To create an even playing field, the ‘time to reward’ algorithm was developed to predict how many months it takes to get to \$100 CAD worth of reward. After a scan of the various reward options available to consumers, the amount of \$100 CAD was chosen as a reasonable reward amount that takes into consideration the wide range of rewards a consumer can work toward, from a \$20 CAD gift card to a flight valued at hundreds of dollars. Additionally, the reward amount of \$100 lends itself well to calculations, and is an amount that is easily interpreted by media and consumers.

Based on 2010 consumer spend data from Statistics Canada, the most up-to-date average Canadian spend data publicly available at the time of research development, Environics was able to allocate average spend amounts to each of the high-level shopping categories created. Using the key measures data collected on each loyalty program, the Environics team was then able to calculate the average points earned per eligible shopping category and the dollar value of those points. The average points earnings ratio was comprised of a base points ratio and an accelerated points ratio. Additionally, the average annual bonus points per dollar spent was factored into the 12-month points earnings calculation.

High-level shopping categories	Average monthly dollar spend (Statistics Canada, 2010)
Clothing and accessories (such as shoes, jewellery, hats and children’s clothing)	\$ 287.67
General merchandise (such as books, music, movies, entertainment, electronics and children’s toys)	\$ 130.50
Restaurants and dining	\$ 172.17
Grocery, liquor and drugstore (including pharmaceuticals and over-the-counter medication products)	\$ 543.83
Health, beauty and personal care (such as personal grooming and nutrition products)	\$ 209.17
Home and office goods and services	\$ 160.25
Automotive care and services (such as fuel, car parts/accessories, maintenance services and cleaning supplies)	\$ 877.42
Travel and accommodations	\$ 204.33
TOTAL	\$ 2,682.58

While loyalty programs offer hundreds of items that program members can redeem their loyalty points towards, the research did not look at the time it takes to get to a specific reward item. Rather, the focus was on the time it takes to get to \$100 CAD worth of travel rewards (both long-haul and short-haul), cash equivalent rewards (including in-store cash redemption, gift cards and vouchers) and merchandise rewards. Again, using the key measures data collected on each loyalty program, Environics was able to determine how many real dollars a member of each loyalty program gets on average for redeeming their points toward long-haul travel, short-haul travel, a cash equivalent reward or merchandise reward. If a loyalty program did not offer a particular reward type, then an average redemption value could not be calculated for that reward type.

To calculate an average redemption ratio for each reward type across all loyalty programs, the Environics team had to consider that, within each reward category, some rewards require a higher number of points than others. For this reason, an item that required a low number of points for redemption and an item that required a higher number of points for redemption were chosen to get an average redemption ratio. For example, a \$20 CAD gift card might require only 3,000 points, whereas a \$50 CAD gift card might require 7,000 points. The lower points ratio in this case is 0.006667 (\$20 CAD/3,000 points) and the higher points ratio is 0.007143 (\$50 CAD/7,000 points). A weighted average of the lower and higher points ratio, where it was assumed that 75% of the time a program member would redeem for the lower points item and 25% of the time would redeem for the higher points item, was used to estimate the average redemption ratio.

The average monthly redemption value tells us how much reward, in terms of worth, a program member is getting on average. To calculate the average monthly redemption value in real dollars, the points a member earns from spending and bonuses are multiplied by the average redemption ratio. If the loyalty program has any fees associated with its membership, those are factored in at this point as well because fees reduce the average monthly redemption value.

In order to get to the ultimate 'time to reward' value, it was assumed that a program member is likely to redeem at least four times over the length of time they are an active member of a loyalty program. Thus, the final 'time to reward' value is the average of four redemption times. With no data to support this assumption, an average of four redemption times was selected for consistency purposes and to illustrate that 'time to reward' can vary slightly from the first redemption. In many cases, the first time to get to \$100 CAD worth of reward occurs in less time due to acquisition bonus points earned, while all other times after the first redemption are more reflective of the actual time it takes to get to \$100 CAD worth of reward from individual spending.

The research has led to the creation of an interactive online tool that allows consumers and media to determine which loyalty programs in Canada will get them to their desired reward faster (see <http://compareloyaltyprograms.ca> or <http://comparerlesprogrammes.ca>). The tool is supported by the evaluation algorithm developed from the research and aims to further validate the algorithm for a variety of consumers, whether they are already a member of a loyalty program in Canada, or not. By answering a series of eligibility based questions, which include age requirements, regional program availability and the ability to collect on multiple loyalty program cards linked to a single account among other things, individuals are then recommended the top three loyalty program cards that match their criteria and will help them earn rewards faster.

Limitations and considerations

The major limitation of this research study is that, due to time and budget restrictions, not every single loyalty rewards program in Canada was compared. Only the top 22 programs as determined by a general population poll were considered in this research. In addition, the Environics ‘time to reward’ model assumes that all credit cards are accepted everywhere as the precise acceptance rates are not publicly available.

It is important to keep in mind that the inputs for each program were done on a program-by-program basis, only making common assumptions across all loyalty programs where possible. For example, many programs offer accelerated earn rates for spending in certain categories, such as automotive care and services, or grocery, drugstore and liquor. In the case of these programs, Environics assumes that 75% of the time the program member will earn at the base point rate and 25% of the time they will earn at the accelerated point rate. Similarly, many loyalty programs offer redemption discounts. In the case of these programs, Environics assumes that 75% of the time the program member will not receive the discount when redeeming and 25% of the time they will.

At the basis of this model is the assumption that a program member will try to maximize their rewards with their loyalty program provider. This means that, in the case where program members can earn points at an accelerated rate by shopping with certain retailers or in certain shopping categories, the Environics ‘time to reward’ model assumes program members will take advantage of accelerated earn rates 25% of the time, as previously mentioned. However, in the case of programs that are specific to a retailer and/or shopping category, for example SCENE, it is assumed that 100% of the program member’s spend will be with that specific retailer. Therefore, they will always earn at the highest rate for shopping with their loyalty program provider. The Environics team recognizes that, in reality, program members will also likely shop with retailers where they do not earn points at an accelerated rate; however, without any data on how often program members take advantage of accelerated earn rates, this assumption had to be made.

Throughout the research process, every effort was made to collect accurate and up-to-date program information, as well as update program data if any changes occurred to a loyalty program.

Key findings and analysis

The research evaluated the top 22 loyalty programs in Canada, their affiliated non-credit and credit card offerings, and how each card performs in the ‘time to reward’ of long-haul travel, short-haul travel, cash equivalent and merchandise rewards. For a complete understanding of each of the 22 loyalty programs’ strengths and weaknesses, the base programs were compared against each other. The results were tabulated separately from their affiliated credit cards and credit cards that have no base program membership card but are loyalty programs in themselves, such as AMEX Rewards and TD Rewards credit cards. Similarly, all loyalty program credit cards were compared against each other, separate from the base programs. Where possible, the effect of double-dipping, or the ability to earn points on a single purchase by presenting the loyalty program’s base program membership card and credit card together at the time of purchase, was explored.

Non-credit loyalty cards

There were 22 base programs evaluated in this study. The research found that the largest coalition loyalty reward programs in Canada, AIR MILES and Aeroplan, both synonymous with travel rewards, have the lowest ‘time to reward’ in all reward categories, not just travel, with AIR MILES coming out slightly on top in the rankings. Both are coalition loyalty programs where members can earn at or through hundreds of retail partners, as opposed to just one. However, both programs remain best for consumers who are seeking long-haul and/or short-haul travel rewards.

Long-haul travel	Time to \$100 reward (months)
AIR MILES® Reward Program Membership Card	3.23
Aeroplan® Membership Card	4.08
PETRO-POINTS™	8.17
WestJet Rewards®	48.94

Short-haul travel	Time to \$100 reward (months)
AIR MILES® Reward Program Membership Card	3.06
Aeroplan® Membership Card	3.58
PETRO-POINTS™	8.17
WestJet Rewards®	48.94

The coalition programs perform only slightly better than some non-coalition programs, such as Shoppers Optimum and Canadian Tire, when it comes to cash equivalent rewards and far better than non-coalition programs when it comes to time to get to a merchandise reward.

Cash equivalent	Time to \$100 reward (months)
AIR MILES® Reward Program Membership Card	6.01
Aeroplan® Membership Card	6.04
Shoppers Optimum® Card	6.65
Canadian Tire Money®	7.71
metro&moi™ Program	10.02
SCENE® Card	10.23
PETRO-POINTS™	12.26
The More Rewards Program	12.45
Esso Extra®	15.55
plum® rewards	15.73
Hudson's Bay Rewards™ Card	18.73
The Club Sobeys Program	20.51
Best Buy® Reward Zone™	61.30

Merchandise	Time to \$100 reward (months)
AIR MILES® Reward Program Membership Card	5.34
Aeroplan® Membership Card	6.17
PETRO-POINTS™	9.44
The More Rewards Program	10.64
SCENE® Card	14.19
The Club Sobeys Program	21.37

Loyalty credit cards

While both AIR MILES and Aeroplan base programs performed well in all reward categories, their credit card offerings set the two programs apart. The top 10 loyalty credit cards for both long-haul and short-haul travel rewards included a few AIR MILES credit cards, but no Aeroplan cards. TD Canada Trust and Sears credit cards also performed well in the travel reward category.

Long-haul travel	Time to \$100 reward (months)
WestJet RBC® World Elite MasterCard®	1.64
American Express® AIR MILES® Reserve Credit Card	2.00
BMO® AIR MILES® World MasterCard®	2.01
Sears Financial™ Voyage™ MasterCard®	2.11
American Express® AIR MILES® Platinum Credit Card	2.32
American Express® Blue Sky® Credit Card	2.42
TD Platinum Travel Visa® Card	2.49
TD First Class Travel® Visa Infinite™ Card	2.52
Sears Financial™ MasterCard®	2.65
CIBC PETRO-POINTS™ MasterCard® Card	2.71

Short-haul travel	Time to \$100 reward (months)
WestJet RBC® World Elite MasterCard®	1.64
American Express® AIR MILES® Reserve Credit Card	1.84
BMO® AIR MILES® World MasterCard®	1.88
Sears Financial™ Voyage™ MasterCard®	2.11
American Express® AIR MILES® Platinum Credit Card	2.18
American Express® Blue Sky® Credit Card	2.42
TD Platinum Travel Visa® Card	2.49
TD First Class Travel® Visa Infinite™ Card	2.52
Sears Financial™ MasterCard®	2.65
CIBC Aerogold® Visa Infinite™ Card	2.67

According to the research, the credit cards that will get a program member to a cash equivalent or merchandise reward the quickest tend to be either retailer-specific or bank-issued credit cards.

Cash equivalent	Time to \$100 reward (months)
Target® RBC® MasterCard®	2.05
Sears Financial™ Voyage™ MasterCard®	2.11
Canadian Tire® Advantage MasterCard®	2.27
RBC® Shoppers Optimum® MasterCard®	2.63
Sears Financial™ MasterCard®	2.65
Best Buy® Reward Zone™ Visa®	2.69
Walmart Rewards™ MasterCard®	2.75
President's Choice Financial® World MasterCard®	3.02
President's Choice Financial® MasterCard®	3.31
Canadian Tire® Options MasterCard®	3.60

Merchandise	Time to \$100 reward (months)
Sears Financial™ Voyage™ MasterCard®	2.11
Sears Financial™ MasterCard®	2.65
CIBC PETRO-POINTS™ MasterCard® Card	3.13
TD Drivers Rewards™ Visa® Card	3.55
Desjardins BONUSDOLLARS® Rewards Program	3.73
BMO® Club Sobeys MasterCard®	4.00
American Express® AIR MILES® Platinum Credit Card	4.25
Signature® RBC® Rewards Visa®	4.28
TD Platinum Travel Visa® Card	4.58
RBC® Visa Infinite™ Avion®	4.61

An interesting finding to come from the research is that, in some cases, the cost of a loyalty credit card (i.e., the annual fee) is so high that a reward will never truly be earned, as the program member cannot ever earn enough loyalty points to offset the cost of membership. Essentially, this means that 'time to reward' is zero for these loyalty cards.

Double-dipping with non-credit and credit loyalty cards

The ability to double-dip with a loyalty program is not available with each of the programs evaluated in the research, as not all the programs have non-credit card and credit cards offerings, and some do not allow it. Double-dipping allows consumers to earn points faster and spend less because they are able to earn points on a single purchase using both their loyalty program's basic membership card, as well as that same loyalty program's credit card. In some instances, even when a loyalty program allows program members to double-dip they may not be able to if they live in a remote location where a program's retail partners are not available, or if they never carry the base program membership card with them, for example. In such cases, the program member could utilize the loyalty program solely through the affiliated credit card to still 'reap the rewards' of that program.

The research finds that the ability to double-dip greatly improves 'time to reward' in all reward categories. Again, the coalition programs have the quickest 'time to reward' when it comes to redeeming for long-haul and short-haul travel rewards, whereas retailer-specific and bank loyalty programs perform better in the cash equivalent reward category.

Long-haul travel	Time to \$100 reward (months)
American Express® AIR MILES® Reserve Credit Card	1.16
BMO® AIR MILES® World MasterCard®	1.18
American Express® AIR MILES® Platinum Credit Card	1.25
BMO AIR MILES® MasterCard®	1.45
American Express® AIR MILES® Credit Card	1.54
WestJet RBC® World Elite MasterCard®	1.57
CIBC Aerogold® Visa Infinite™ Card	1.66
CIBC Aerogold® Visa™ Card	1.66
American Express® AeroplanPlus® Gold Card	1.72
American Express® AeroplanPlus® Card	1.76

Short-haul travel	Time to \$100 reward (months)
American Express® AIR MILES® Reserve Credit Card	1.08
BMO® AIR MILES® World MasterCard®	1.11
American Express® AIR MILES® Platinum Credit Card	1.18
BMO AIR MILES® MasterCard®	1.38
CIBC Aerogold® Visa Infinite™ Card	1.42
CIBC Aerogold® Visa™ Card	1.42
American Express® AIR MILES® Credit Card	1.46
American Express® AeroplanPlus® Gold Card	1.47

American Express® AeroplanPlus® Card
WestJet RBC® World Elite MasterCard®

1.53
1.57

In general, the research finds that coalition programs' non-credit and credit cards do not, on their own, lead to the quickest 'time to reward' when it comes to cash or merchandise rewards. However, the ability to double-dip greatly improves coalition programs' time to merchandise rewards.

Cash equivalent	Time to \$100 reward (months)
RBC® Shoppers Optimum® MasterCard®	1.87
American Express® AIR MILES® Platinum Credit Card	2.50
CIBC Aerogold® Visa Infinite™ Card	2.70
BMO AIR MILES® MasterCard®	2.70
CIBC Aerogold® Visa™ Card	2.71
American Express® AeroplanPlus® Card	2.73
American Express® AeroplanPlus® Gold Card	2.83
American Express® AIR MILES® Credit Card	2.87
BMO® AIR MILES® World MasterCard®	2.99
CIBC PETRO-POINTS™ MasterCard® Card	3.05

Merchandise	Time to \$100 reward (months)
American Express® AIR MILES® Platinum Credit Card	2.18
CIBC PETRO-POINTS™ MasterCard® Card	2.35
BMO AIR MILES® MasterCard®	2.40
American Express® AIR MILES® Credit Card	2.55
BMO® AIR MILES® World MasterCard®	2.58
CIBC Aerogold® Visa Infinite™ Card	2.77
CIBC Aerogold® Visa™ Card	2.79
American Express® AeroplanPlus® Card	2.80
American Express® AeroplanPlus® Gold Card	2.91
The More Rewards MasterCard®	3.27

Summary

The study findings point to the conclusion that, when comparing loyalty programs, it is not enough to base evaluations solely on dividend, as the media and consumers have so often done in the past. While dividend is an important component in the comparison of loyalty programs, it does not tell the whole story. Due to the complexity and diversity of loyalty programs, it is difficult to create a single measure that compares every program on an even playing field. The research attempts to do this using a holistic measure called 'time to reward.'

By evaluating Canadian loyalty programs based on their 'time to reward,' the research finds that, in general, coalition loyalty programs have the fastest time to a travel reward (including long-haul and short-haul travel), whereas retailer, or bank-issued programs, tend to result in the fastest time to cash and merchandise rewards. While coalition programs do not perform as strongly in the cash and merchandise reward categories, they do allow members to earn points with hundreds of retail partners as opposed to just one, which can be a valuable feature on its own to a consumer. Lastly, a key finding from the research is that the ability to double-dip greatly reduces 'time to reward' in all reward categories (travel, cash and merchandise), and coalition programs are best utilized when program members double-dip.

The number of points an individual can earn matter very little and will not keep a consumer engaged in a program, if there is no reward in sight. What likely matters more to an individual is that whatever their chosen loyalty program, it will get them to their desired reward in the least amount of time.

Appendices

'Time to reward' rankings of all loyalty rewards programs and cards evaluated in the research

Appendix A:

Loyalty card ‘time to reward’ rankings for long-haul travel reward

All loyalty cards ranked by fastest time to a long-haul travel reward

Long-haul travel - Time to \$100 reward (months)	
American Express® AIR MILES® Reserve Credit Card	1.16
BMO® AIR MILES® World MasterCard®	1.18
American Express® AIR MILES® Platinum Credit Card	1.25
BMO AIR MILES® MasterCard®	1.45
American Express® AIR MILES® Credit Card	1.54
WestJet RBC® World Elite MasterCard®	1.57
WestJet RBC® World Elite MasterCard®	1.64
CIBC Aerogold® Visa Infinite™ Card	1.66
CIBC Aerogold® Visa™ Card	1.66
American Express® AeroplanPlus® Gold Card	1.72
American Express® AeroplanPlus® Card	1.76
American Express® AIR MILES® Reserve Credit Card	2.00
BMO® AIR MILES® World MasterCard®	2.01
CIBC PETRO-POINTS™ MasterCard® Card	2.03
Sears Financial™ Voyage™ MasterCard®	2.11
American Express® AIR MILES® Platinum Credit Card	2.32
American Express® Blue Sky® Credit Card	2.42
TD Platinum Travel Visa® Card	2.49
CIBC Aero Classic Visa™ Card	2.51
TD First Class Travel® Visa Infinite™ Card	2.52
Sears Financial™ MasterCard®	2.65
CIBC PETRO-POINTS™ MasterCard® Card	2.71
BMO AIR MILES® MasterCard®	2.97
American Express® AIR MILES® Credit Card	3.07
CIBC Aerogold® Visa Infinite™ Card	3.20
CIBC Aerogold® Visa™ Card	3.23
WestJet RBC® MasterCard®	3.23
AIR MILES® Reward Program	3.23
American Express® AeroplanPlus® Card	3.32
WestJet RBC® MasterCard®	3.49
American Express® AeroplanPlus® Gold Card	3.56
American Express® AeroplanPlus® Platinum Card	3.60
TD Classic Travel Visa® Card	3.68
Aeroplan®	4.08
Signature® RBC® Rewards Visa®	4.15
RBC® Visa Infinite™ Avion®	4.41
RBC® Visa® Platinum Avion®	4.48
RBC Rewards® Visa® Preferred	4.71
Sears Card	4.79
American Express® Card	5.53
American Express® Gold Rewards Card	6.39
RBC Rewards® Visa® Gold	7.05
CIBC Aero Classic Visa™ Card	7.33
PETRO-POINTS™	8.17
WestJet Rewards®	48.94
American Express® AeroplanPlus® Platinum Card	**
American Express® The Platinum Card®	**

Legend: Yellow = Double-dip / Blue = Base program membership only / Orange = Credit card only

** indicates reward can never truly be earned as you cannot earn enough loyalty points to offset the cost of membership (i.e., the annual fee)

Appendix B:

Loyalty card ‘time to reward’ rankings for short-haul travel reward

All loyalty cards ranked by fastest time to a short-haul travel reward

Short-haul travel - Time to \$100 reward (months)	
American Express® AIR MILES® Reserve Credit Card	1.08
BMO® AIR MILES® World MasterCard®	1.11
American Express® AIR MILES® Platinum Credit Card	1.18
BMO AIR MILES® MasterCard®	1.38
CIBC Aerogold® Visa Infinite™ Card	1.42
CIBC Aerogold® Visa™ Card	1.42
American Express® AIR MILES® Credit Card	1.46
American Express® AeroplanPlus® Gold Card	1.47
American Express® AeroplanPlus® Card	1.53
WestJet RBC® World Elite MasterCard®	1.57
WestJet RBC® World Elite MasterCard®	1.64
American Express® AeroplanPlus® Platinum Card	1.75
American Express® AIR MILES® Reserve Credit Card	1.84
BMO® AIR MILES® World MasterCard®	1.88
CIBC PETRO-POINTS™ MasterCard® Card	2.03
Sears Financial™ Voyage™ MasterCard®	2.11
American Express® AIR MILES® Platinum Credit Card	2.18
CIBC Aero Classic Visa™ Card	2.18
American Express® Blue Sky® Credit Card	2.42
TD Platinum Travel Visa® Card	2.49
TD First Class Travel® Visa Infinite™ Card	2.52
Sears Financial™ MasterCard®	2.65
CIBC Aerogold® Visa Infinite™ Card	2.67
CIBC Aerogold® Visa™ Card	2.69
CIBC PETRO-POINTS™ MasterCard® Card	2.71
BMO AIR MILES® MasterCard®	2.81
American Express® AeroplanPlus® Card	2.84
American Express® AIR MILES® Credit Card	2.91
American Express® AeroplanPlus® Gold Card	2.95
AIR MILES® Reward Program	3.06
WestJet RBC® MasterCard®	3.23
WestJet RBC® MasterCard®	3.49
Aeroplan®	3.58
TD Classic Travel Visa® Card	3.68
Signature® RBC® Rewards Visa®	4.15
RBC® Visa Infinite™ Avion®	4.41
RBC® Visa® Platinum Avion®	4.48
American Express® AeroplanPlus® Platinum Card	4.57
RBC Rewards® Visa® Preferred	4.71
Sears Card	4.79
American Express® Card	5.53
CIBC Aero Classic Visa™ Card	6.26
American Express® Gold Rewards Card	6.39
RBC Rewards® Visa® Gold	7.05
PETRO-POINTS™	8.17
WestJet Rewards®	48.94
American Express® The Platinum Card®	**

Legend: Yellow = Double-dip / Blue = Base program membership only / Orange = Credit card only

** indicates reward can never truly be earned as you cannot earn enough loyalty points to offset the cost of membership (i.e., the annual fee)

Appendix C:

Loyalty card ‘time to reward’ rankings for cash equivalent (in-store, gift cards, vouchers) reward

All loyalty cards ranked by fastest time to a cash equivalent reward

Cash equivalent (in-store, gift cards, vouchers) – Time to \$100 reward (months)	
RBC® Shoppers Optimum® MasterCard®	1.87
Target® RBC® MasterCard®	2.05
Sears Financial™ Voyage™ MasterCard®	2.11
Canadian Tire® Advantage MasterCard®	2.27
American Express® AIR MILES® Platinum Credit Card	2.50
RBC® Shoppers Optimum® MasterCard®	2.63
Sears Financial™ MasterCard®	2.65
Best Buy® Reward Zone™ Visa®	2.69
CIBC Aerogold® Visa Infinite™ Card	2.70
BMO AIR MILES® MasterCard®	2.70
CIBC Aerogold® Visa™ Card	2.71
American Express® AeroplanPlus® Card	2.73
Walmart Rewards™ MasterCard®	2.75
American Express® AeroplanPlus® Gold Card	2.83
American Express® AIR MILES® Credit Card	2.87
BMO® AIR MILES® World MasterCard®	2.99
President’s Choice Financial® World MasterCard®	3.02
CIBC PETRO-POINTS™ MasterCard® Card	3.05
Hudson’s Bay™ MasterCard®	3.07
BMO® Club Sobeyes MasterCard®	3.21
President’s Choice Financial® MasterCard®	3.31
Canadian Tire® Options MasterCard®	3.60
Hudson’s Bay™ MasterCard®	3.67
Desjardins BONUSDOLLARS® Rewards Program	3.73
TD Gold Elite® Visa® Card	3.73
The More Rewards MasterCard®	3.82
CIBC Aero Classic Visa™ Card	3.83
RBC® Esso Visa®	3.84
BMO® Club Sobeyes MasterCard®	3.84
CIBC PETRO-POINTS™ MasterCard® Card	4.06
TD Rebate Rewards® Visa® Card	4.66
Sears Card	4.79
American Express® AIR MILES® Platinum Credit Card	4.96
Signature® RBC® Rewards Visa®	5.12
RBC® Esso Visa®	5.18
American Express® AeroplanPlus® Card	5.40
SCENE® Visa®	5.46
BMO AIR MILES® MasterCard®	5.53
American Express® AIR MILES® Reserve Credit Card	5.70
American Express® AIR MILES® Credit Card	5.71
CIBC Aerogold® Visa Infinite™ Card	5.84
The More Rewards MasterCard®	5.87
CIBC Aerogold® Visa™ Card	5.90
RBC® Visa Infinite™ Avion®	5.95
Air Miles® Reward Program	6.01
Aeroplan®	6.04

RBC® Visa® Platinum Avion®	6.05
RBC Rewards® Visa® Preferred	6.23
TD Platinum Travel Visa® Card	6.52
Shoppers Optimum® Card	6.65
American Express® AeroplanPlus® Gold Card	6.71
BMO® AIR MILES® World MasterCard®	7.02
TD First Class Travel® Visa Infinite™ Card	7.17
American Express® Card	7.59
Canadian Tire Money®	7.71
TD Classic Travel Visa® Card	7.83
RBC Rewards® Visa® Gold	8.46
Hudson's Bay™ Credit Card	9.37
metro&moi™ Program	10.02
SCENE® Card	10.23
American Express® Gold Rewards Card	11.24
CIBC Aero Classic Visa™ Card	12.01
PETRO-POINTS™	12.26
The More Rewards Program	12.45
SCENE® Visa®	12.71
Esso Extra®	15.55
plum® rewards	15.73
Hudson's Bay™ Credit Card	18.73
Hudson's Bay Rewards™ Card	18.73
The Club Sobeys Program	20.51
Best Buy® Reward Zone™	61.3
American Express® AeroplanPlus® Platinum Card	76.37
American Express® The Platinum Card®	**
American Express® AeroplanPlus® Platinum Card	**
American Express® AIR MILES® Reserve Credit Card	**

Legend: Yellow = Double-dip / Blue = Base program membership only / Orange = Credit card only

** indicates reward can never truly be earned as you cannot earn enough loyalty points to offset the cost of membership (i.e., the annual fee)

Appendix D:

Loyalty card ‘time to reward’ rankings for merchandise reward

All loyalty cards ranked by fastest time to a merchandise reward

Merchandise – Time to \$100 reward (months)	
Sears Financial™ Voyage™ MasterCard®	2.11
American Express® AIR MILES® Platinum Credit Card	2.18
CIBC PETRO-POINTS™ MasterCard® Card	2.35
BMO AIR MILES® MasterCard®	2.40
American Express® AIR MILES® Credit Card	2.55
BMO® AIR MILES® World MasterCard®	2.58
Sears Financial™ MasterCard®	2.65
CIBC Aerogold® Visa Infinite™ Card	2.77
CIBC Aerogold® Visa™ Card	2.79
American Express® AeroplanPlus® Card	2.80
American Express® AeroplanPlus® Gold Card	2.91
CIBC PETRO-POINTS™ MasterCard® Card	3.13
The More Rewards MasterCard®	3.27
BMO® Club Sobeys MasterCard®	3.35
TD Drivers Rewards™ Visa® Card	3.55
Desjardins BONUSDOLLARS® Rewards Program	3.73
CIBC Aero Classic Visa™ Card	3.91
BMO® Club Sobeys MasterCard®	4.00
American Express® AIR MILES® Reserve Credit Card	4.23
American Express® AIR MILES® Platinum Credit Card	4.25
Signature® RBC® Rewards Visa®	4.28
TD Platinum Travel Visa® Card	4.58
RBC® Visa Infinite™ Avion®	4.61
RBC® Visa® Platinum Avion®	4.67
Sears Card	4.79
TD First Class Travel® Visa Infinite™ Card	4.83
RBC Rewards® Visa® Preferred	4.90
BMO AIR MILES® MasterCard®	4.91
The More Rewards MasterCard®	5.02
American Express® AIR MILES® Credit Card	5.07
AIR MILES® Reward Program	5.34
American Express® AeroplanPlus® Card	5.55
BMO® AIR MILES® World MasterCard®	5.78
TD Classic Travel Visa® Card	6.04
CIBC Aerogold® Visa Infinite™ Card	6.05
CIBC Aerogold® Visa™ Card	6.12
Aeroplan®	6.17
American Express® AeroplanPlus® Card	6.98
RBC Rewards® Visa® Gold	7.25
SCENE® Visa®	7.58
PETRO-POINTS™	9.44
The More Rewards Program	10.64
CIBC Aero Classic Visa™ Card	12.35
SCENE® Card	14.19
SCENE® Visa®	17.62
American Express® Card	18.58
The Club Sobeys Program	21.37
American Express® AeroplanPlus® Platinum Card	726.25

American Express® The Platinum Card®	**
American Express® AeroplanPlus® Platinum Card	**
American Express® Gold Rewards Card	**
American Express® AIR MILES® Reserve Credit Card	**

Legend: Yellow = Double-dip / Blue = Base program membership only / Orange = Credit card only

** indicates reward can never truly be earned as you cannot earn enough loyalty points to offset the cost of membership (i.e., the annual fee)