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FOR IMMEDIATE RELEASE

Cash-back rewards the new way to fly

CANSTAR CANNEX releases *rewards star ratings* report today.

Cash back and shopping vouchers are fast becoming the preferred choice of rewards by credit card holders. These simpler, easier-to-access rewards have overtaken frequent flyer points in the popularity stakes, as more people opt for rewards that fit their day-to-day living.

"It's a sign of the times that shopping vouchers or cash credited back to a credit card account have taken off in preference to flights," CANSTAR CANNEX financial analyst Peter Arnold said.

"Time is a scarce commodity for many who simply don't have the time or patience to browse through catalogues looking for a worthwhile reward."

"They still want something back for their spending loyalty so cash back or shopping vouchers at major retail chains have great appeal."

To reflect this swing in popularity, CANSTAR CANNEX has included Cash Rewards for the first time, along with Frequent Flyer and General Rewards in its latest *rewards star ratings* report.

CANSTAR CANNEX looked at 117 rewards programs, 73 of which offer Cash Rewards. These were evaluated at three different annual spend levels - \$12,000, \$24,000 and \$60,000.

Several different types of "cash" were included, such as direct cash back where a percentage of spending is credited back to the account, as well as points-based programs where points can be redeemed for cash credited to the account. CANSTAR CANNEX also looked at programs where points can be redeemed for shopping vouchers from major retail outlets.

"We measured net reward return which is a great indication of value to customers and found that GE Money's Myer One card had the best return if you spent \$12,000 or \$24,000 a year, while Westpac's Altitude Platinum Rewards AMEX was best for the higher spend of \$60,000 per year," Mr Arnold said.

Looking at the difference between the return you get with General Rewards compared to Cash Rewards, CANSTAR CANNEX found this was on a par at the lower annual spend of \$12,000. As the spending level increases, the value of return on general rewards outpaces cash.

"This is to be expected simply because rewards providers can take advantage of wholesale buying power, whereas cash is cash – there is no discount on the dollar," Mr Arnold said.

Highest Net Reward Return

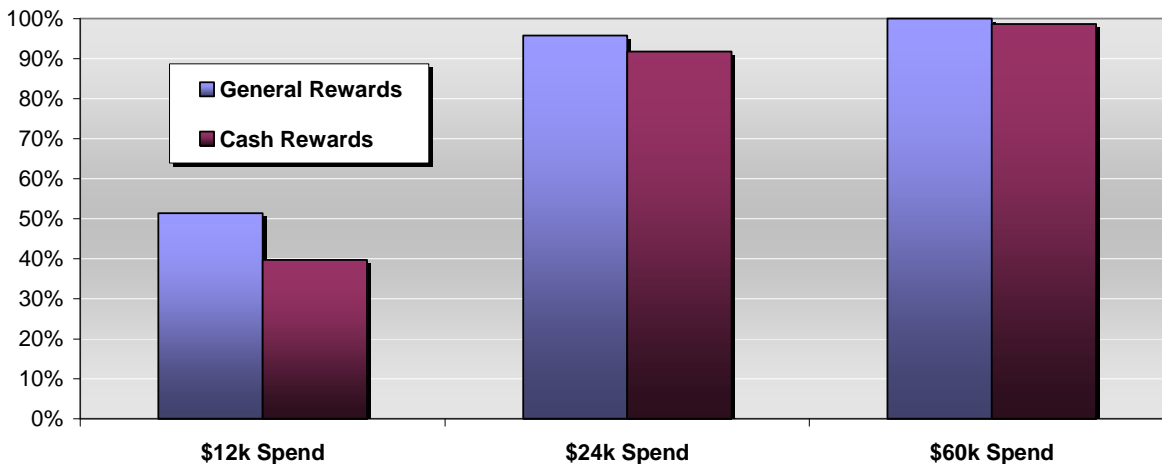
	General Rewards (merchandise, entertainment, travel, etc)	Cash Rewards (credit to account, shopping vouchers)
\$12k Spend	\$106.61	\$105.00
\$24k Spend	\$324.85	\$249.00
\$60k Spend	\$1,254.61	\$780.30

source: www.canstarcannex.com.au

Rewards programs are not for everyone though, and not all rewards programs suit the same people, cautions CANSTAR CANNEX.

A look at the Positive Reward Return of each reward program at different spend levels reveals that only at the \$60k spend level do all programs have a positive return, i.e. the average reward return outweighs the cost of the annual fee of the card and the rewards program.

Proportion of Programs With Positive Reward Return



“The bottom line is to make sure you have the right rewards card that delivers value to you,” Mr Arnold said.

“Decide what rewards you like – frequent flyer, general or cash rewards, then use our star ratings to find the right rewards card for you.”

Consumers can download the CANSTAR CANNEX *rewards star ratings* on www.canstarcannex.com.au

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About CANSTAR CANNEX:

Founded in 1992, CANSTAR CANNEX Pty Limited is Australia and New Zealand's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANSTAR CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. This information is also distributed to print and electronic media for publication and to Agents, Accountants, Brokers and Internet Portals for use in advising their clients.

What are the CANSTAR CANNEX star ratings?

CANSTAR CANNEX researches, compares and rates the suite of banking and insurance products listed below. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR CANNEX website at www.canstarcannex.com.au if you would like to view the latest star ratings reports of interest.

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