



18 May 2011
FOR IMMEDIATE RELEASE

How to get \$90 extra value out of your rewards card

CANSTAR CANNEX releases credit card rewards star ratings results today.

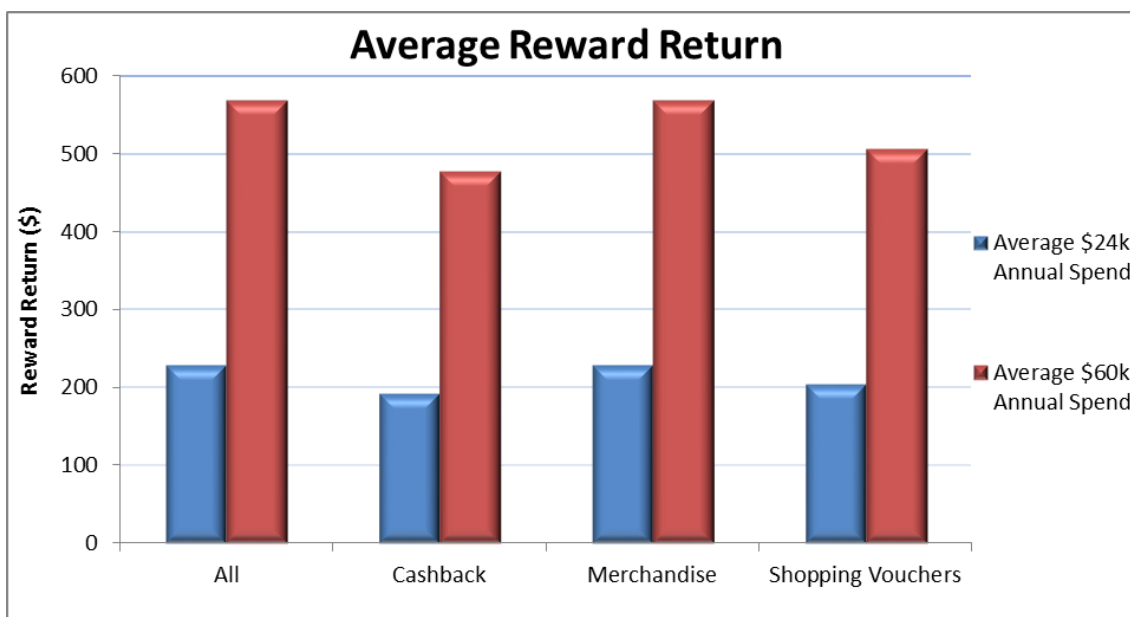
The way you redeem your credit card rewards determines how much bang for your buck you get with the points you have saved up.

Choosing merchandise, such as breadmakers or computer games, over cash back or shopping vouchers averages out to be the most economical way to redeem rewards, according to financial research and ratings company CANSTAR CANNEX.

Aside from flight rewards, three of the most popular reward redemption choice are merchandise (specific retail goods redeemed through an online or print catalogue), shopping vouchers and cash back. However each has its own costs and benefits, some are measurable while others are less so.

“Looking at the dollar value of a reward at a particular spend level, or measuring what we call the reward return, shows that redeeming points for merchandise rather than vouchers or cash back will see you better off by over \$90 if you spend \$60,000 a year on your card,” CANSTAR CANNEX New Zealand National Manager Derek Bonnar said.

“There are two main reasons for this – there is very little room to move for the card provider in offering cash whereas negotiations are more favourable for bulk deals on merchandise. This in turn gives you more retail value for your rewards points.”



Source: CANSTAR CANNEX, May 2011

There are, of course, benefits to claiming cash back or shopping vouchers with your points. Cash back gives you the freedom to hunt down your ideal reward from the cheapest retailer or even online. Alternatively, you can keep your spending in check by turning the cash rewards back into your credit card.

“Shopping vouchers give you slightly better value than cash back for points but you have an added benefit over merchandise redemptions because they allow you to choose your favourite brand and if it’s on sale you’ll get even more value for your money,” Mr Bonnar said.

CANSTAR CANNEX today released its credit card rewards star ratings report which compares 39 rewards programs linked to 51 credit cards.

Programs were evaluated to two different spend levels - \$24,000 and \$60,000 – and two methods of rewards – general and flight rewards. The result is a list of five-star products



CANSTAR CANNEX FIVE STAR REWARDS CARDS

GENERAL REWARDS

| \$24K Spend | \$60K Spend |
|---|--|
| BNZ GlobalPlus - American Express Gold | American Express Membership Rewards-Platinum |
| Westpac Hotpoints American Express | HSBC Premier Membership Rewards-Platinum |
| Westpac Hotpoints-Gold American Express | Westpac Hotpoints-Titanium American Express |

FLIGHT REWARDS

| \$24K Spend | \$60K Spend |
|---|---|
| ANZ Bank Air New Zealand Airpoints Platinum | American Express Air New Zealand Airpoints |
| ANZ Bank Qantas Frequent Flyer Classic | ANZ Bank Air New Zealand Airpoints Platinum |
| BNZ Global Plus – American Express Gold | BNZ Global Plus – American Express Gold |
| BNZ Global Plus – American Express Standard | BNZ Global Plus – Platinum Visa |

Flight rewards are a great attraction, with four of the banks and American Express offering either Air New Zealand airpoints dollars or Qantas frequent flyer points.

Just how far you can get on your air miles is what interests many. Air New Zealand has a useful tool on its website which shows at a glance how far you can travel with your airpoints dollars.

However, the key is to understand how many airpoints dollars you can earn when you spend on your credit card, as it can vary dramatically.

The graph below shows the credit card with the best earn rate versus the worst earn rate.

“The bottomline is that you would need to spend around 4.5 times more on the lowest earn rate card to redeem a \$238 return flight from Auckland to Queenstown,” Mr Bonnar said.



“Once you understand the points-earn rate, you then need to look at the cost of the credit card and think about how much you are really likely to spend on the card before committing.”

Consumer can download the CANSTAR CANNEX rewards star ratings on www.canstarcannex.co.nz

For further information:

Derek Bonnar
NZ National Manager
Ph. 021 486 330
derek.bonnar@canstar.co.nz www.canstarcannex.co.nz

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.co.nz if you would like to view the latest star ratings reports of interest.



DISCLAIMER:

To the extent that any CANSTAR CANNEX data, ratings or commentary constitutes general advice, this advice has been prepared by CANSTAR CANNEX Pty Ltd ABN 21 053 646 165 AFSL 312804 and does not take into account your individual investment objectives, financial circumstances or needs. Information provided does not constitute financial, taxation or other professional advice and should not be relied upon as such. CANSTAR CANNEX recommends that, before you make any financial decision, you seek professional advice from a suitably qualified adviser. A Product Disclosure Statement relating to the product should also be obtained and considered before making any decision about whether to acquire the product. CANSTAR CANNEX acknowledges that past performance is not a reliable indicator of future performance. .

All information contained herein shall not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without CANSTAR CANNEX's prior consent. All information obtained by CANSTAR CANNEX from external sources is believed to be accurate and reliable. Under no circumstances shall CANSTAR CANNEX have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of CANSTAR CANNEX or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information. Copyright 2011 CANSTAR CANNEX Pty Ltd ABN 21 053 646.