

# Walgreens launches credit card program in partnership with Synchrony

Article

**The news:** The new **myWalgreens Credit Card Program** includes two **Synchrony-issued** cards: a co-branded Mastercard and a private-label store card. Interested customers can

apply at the register or scan a QR code in-store to get a customized, pre-filled link. Once approved, they will earn a \$25 bonus if they use their card within 45 days.

**How it works:** The card's rewards structure benefits Walgreens loyalists.

- Cardholders earn **10%** back in Walgreens Cash on all Walgreens-branded products, and **5%** back on all other Walgreens purchases, including at the pharmacy. Mastercard holders earn **3%** back on all grocery, health, and wellness purchases, like fitness classes or medical appointments, and **1%** back on everything else.
- The card is housed within the Walgreens app. It includes digital features like contactless enablement and online receipts.

**The opportunity:** A newfound focus on health and wellness could give the program a strong start.

US health and wellness sales will grow **6.0%** this year, with ecommerce sales specifically increasing by **22.8%**—the second-highest growth rate of any product category. At Synchrony, health and wellness was the second-fastest growing vertical in Q2 2021.

As **interest** in health and wellness mounts in the coronavirus pandemic's wake, the **\$593.07 billion** market offers Walgreens a strong opportunity to attract customers and their dollars. Health-focused customers in particular may be incentivized to spend more at Walgreens than they otherwise would, **Synchrony SVP of co-brand programs David Parkes** told Insider Intelligence.

The program also can leverage repeat behavior, since customers tend to incorporate pharmacy visits into their daily lives. And it will benefit from seamless integration with an existing, popular rewards program: **Maria Smith, Walgreens' VP of payments and financial services** told us that the card "amplifies the rewards customers earn and love." Such close integration is a core feature in the success of co-brands.

**The bigger picture:** The Walgreens program—another signifier of the digital evolution of co-brands—further entrenches Synchrony as a leader in the space.

- While retail co-brands are the largest segment of the industry, the future of co-brands is online. The new Walgreens program, which Parkes called a "hybrid," navigates this shift by incorporating appealing digital features that are currently driving engagement.

- After years of heavy digital investment and strong online performance, Synchrony has attracted a slew of partners for digital-first products, including both the **Verizon Visa** and the **Venmo Credit Card**. The Walgreens launch could cement Synchrony as a partner of choice for brands looking to launch digital-forward card products and to put pressure on rivals. And it could help Synchrony accelerate its pandemic recovery while offsetting growth challenges tied to the loss of several major partners, including **Walmart** and **Gap**.

***Go deeper:** To learn more about the state of the co-brand cards market in the US, how retail and digital cards are performing, and best practices shaping success, check out our [Co-Brand Credit Card Report](#).*