

The airline and hotel co-brand credit card space is large, growing, and highly competitive

Article

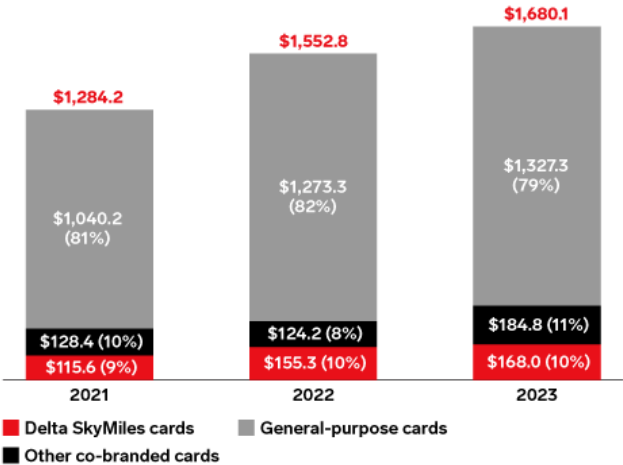
By now, all the largest airlines and hotels have mature credit card portfolios. Delta Air Lines, for example, had upward of 7.5 million cardholders in 2023, per View from the Wing. But even

airlines with smaller US footprints have gotten in on the action. Low-cost carrier Breeze, founded in 2021, launched a co-brand in partnership with Barclays in March 2024.

Co-brand cards make up a large share of issuers' volume. As of 2023, about 21% of American Express (Amex) network volume came from co-brand (both travel and non-travel) cards, per our estimates. A full 10% came from Delta alone. Similarly, roughly 16% of Citi's volume came from its co-brand cards, including those with American Airlines. All that volume means valuable interchange revenues—and interest payments—for issuers.

Delta and Other Co-Branded Cards Make Up a Growing Share of Amex's Network Volume

billions in American Express network volume worldwide, by card type, 2021-2023



Source: American Express annual filings, Feb 9, 2024

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Hotel and airline credit cards also attract far more spending than other co-brands. Hotel- or airline-affiliated cardholders spend \$1,555 a month on average, versus \$1,181 for retail co-brand cardholders, per a March 2024 PYMNTS Intelligence and Elan Credit Card survey. This largely owes to their historical popularity among wealthier consumers and frequent fliers coupled with the big-ticket nature of many flights and hotel bookings.

Hotel and Airline Cards Attract More Spend Than the Average Co-Branded Credit Card

dollars in average monthly credit card spending by US credit card holders, by card type, March 2024

General purpose	\$1,706
Hotel- or airline-affiliated	\$1,555
Retail-affiliated	\$1,181
Total co-branded	\$1,248

Note: average monthly spending over the past 12 months; among respondents who hold at least one card of the referenced card type

Source: PYMNTS.com, "The Role of Strategic Partnerships in Consumer Credit Cards" in collaboration with Elan, May 8, 2024

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They can be incredibly lucrative for brands, too. Southwest Airlines earned \$896 million in revenues from its loyalty program in Q3 2024—the overwhelming majority of which can be attributed to its Visa co-brand cards. That’s 13% of Southwest’s total revenues. And loyalty revenues for Choice, Wyndham, Marriott, Hilton, and Hyatt surged 11% YoY in 2023 to a record \$1.1 billion, per CBRE.

[Read the full report.](#)

Report by Tyler Van Dyke Jan 16, 2025

Airline and Hotel Co-Brand Credit Cards

