

Amazon expands co-brand program beyond retail rewards

Article

The news: Amazon and Chase rolled out new travel-based features for the Amazon Visa Card portfolio, which includes both the **Prime Visa** and **Amazon Visa** cards, [per](#) a press release.

- Prime Visa and Amazon Visa cardholders will now earn **5% back and 3% back, respectively, on purchases made through Chase Travel**, Chase's new booking platform.
- Both cards offer 2% back on local transit, including rideshares.
- They also feature **daily rewards**—an extremely valuable feature for 27% of respondents to our 2022 US Cash- Back Credit Card Benchmark survey—which lets cardholders view and redeem rewards on a daily basis rather than monthly.

Prime Visa and Amazon Visa already offered 5% back and 3% back on Amazon purchases, respectively.

Why this could work: Travel-based rewards can help attract and retain cardholders to the Amazon Visa card portfolio. They can also encourage broader card use than just Amazon purchases.

- The travel industry is booming as consumers release pent-up demand post-pandemic and take advantage of remote work's increased flexibility. Amazon hopes to benefit from this traction and prevent the spend from going on travel-focused credit cards.
- **Travel spending was 4% above pre-pandemic levels in January, according to** the US Travel Association. And more than half of US consumers intend to travel within the next six months.
- The average cost of a one-week vacation in the US for one person is \$1,578, **per** Bankrate. And total **US digital travel sales will total \$261.37 billion** in 2023, according to our forecast, opening up a large volume stream for Amazon.

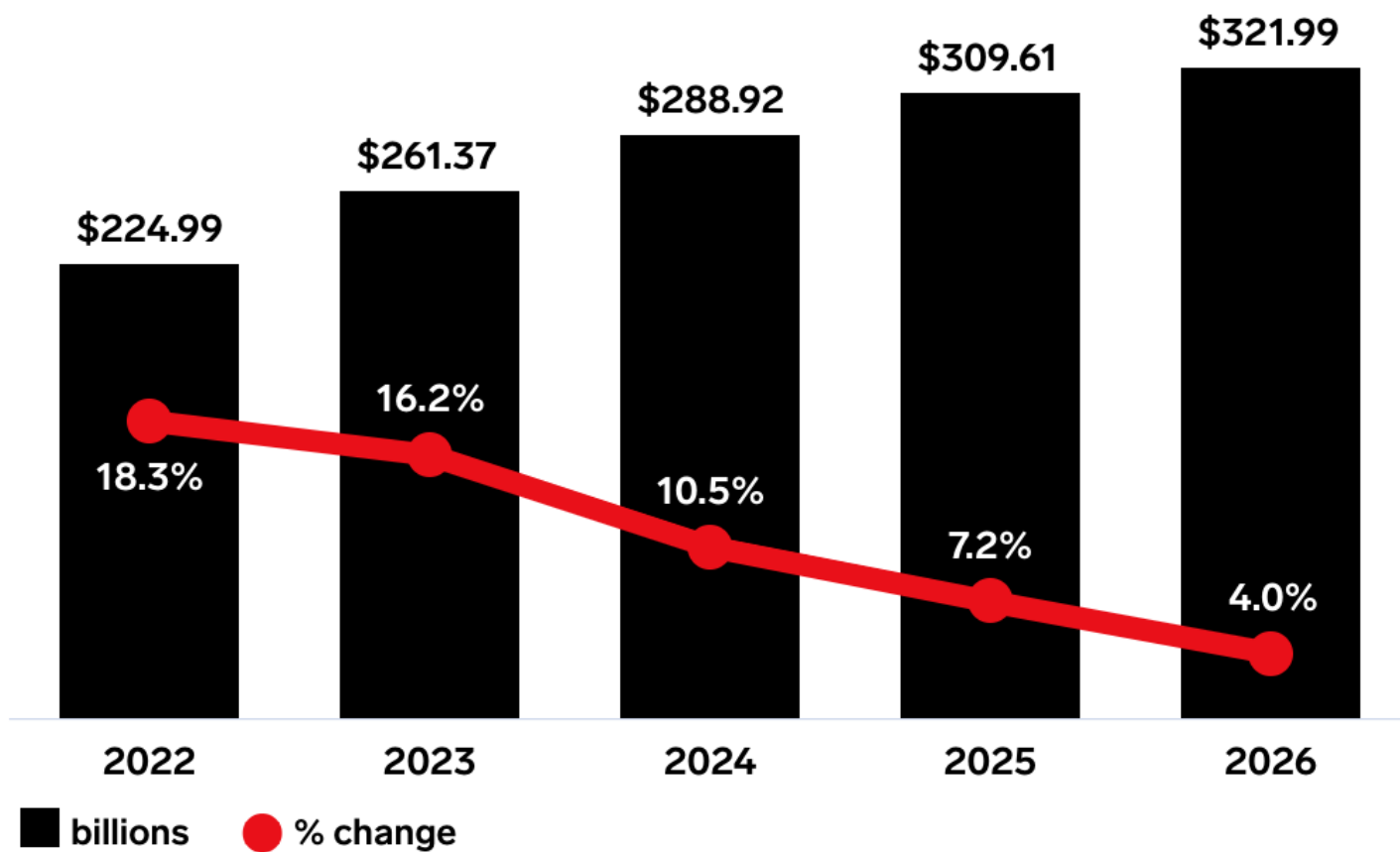
The bigger picture: The co-brand space is in flux.

- New programs have come online, including cards from **Chase and DoorDash** and **Citi and Overstock**.
- Other co-brand cards are changing hands: Wells Fargo took over the **Choice Hotels card**, and Walmart's sued to **terminate its partnership with Capital One**.

Moving the Amazon Visa portfolio beyond a traditional retail card by adding travel-based features can help the co-brands stand out in the field and make them more of a primary card for customers. It also lets the cards compete in the general travel card landscape, boosting their growth opportunities.

Digital Travel Sales

US, 2022-2026



Note: includes leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; digital travel includes accommodation, airline, car rental, cruise, hotel and transportation

Source: eMarketer, May 2022

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