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Loyalty Cards - Growth market of the Credit Card industry.

by Ted Hamilton

There are more people and organizations interested in credit cards than just the cardholder's and the issuing companies. Many retail and grocery stores today also promote credit cards that, when you use the card at their store, offer you discounts or chances at gaining points to redeem at that store. These types of cards are called 'Loyalty Cards'. By using Loyalty Cards, stores hope to create a reason to come back to that store as opposed to going to another store where you might not get a chance at a discount or any other sort of reward.

Although stores use Loyalty Cards in an attempt to help themselves out by increasing sales and improving their customers satisfaction (and by doing so, increase the chance they will come back), people who shop at the same store regularly or the same chain of stores regularly will also earn some things to help themselves out. When someone signs up for one of these cards, they often earn 5-10% discounts on the items that store sells. They also often get coupons and chances at other things in their mail. Sometimes, however, instead of getting a discount some stores have chosen to award points for each dollar spent in their store. These points can later be redeemed for products from the store or for a gift certificate to use in the store.

All major airlines offer these Loyalty Cards and were the first to do so. By using a credit card that is partnered with a airline, you would gain points for use whenever you traveled with that airline and sometimes whenever you used that credit card anywhere. With the airline Loyalty Cards, a holder could earn things like air miles, car rentals, points toward hotel rooms and other things like free upgrades. Almost all major hotels also have some sort of card so you can earn things such as free rooms and room upgrades. Cards like this are great for people who travel a lot, but might not be too appealing to shut-in's or people who don't really leave their area.

People who don't leave their houses except to get food, clothes or to buy a DVD can also take advantage of Loyalty Cards. Loyalty Cards are also offered at almost every major supermarket chain like Winn-Dixie, Kroeger, Giant Eagle, ect. They offer discounts on food items, coupons and sales that only cardholders can get and points to earn free products from their stores. Likewise, many major fashion outlets like Kohl's & JC Penny's also offer the same kind of services when you use their card. My friend Corey, who is a little bit obsessive about his DVD collection, is more than a little impressed with his Best Buy Loyalty Card that earns him points towards merchandise and discounts. He also gets mailed special coupons that give him discounts that other people don't get. This is a good thing for him, but a bad thing for those of us who don't want to see the first season of Star Trek for the 800th time. At least now he can afford to get the second season. William Shatner never gets old. Really.

There is a Loyalty Card for everyone, no matter whether you are looking to get discounts for food, clothes or electronics; necessities or entertainment. Taking advantage of Loyalty Cards is another way for people to use credit cards to save money.

by Ted Hamilton

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