Affinity Credit Cards as Relationship Marketing Tools: A Conjoint Analytic Exploration of Combined Product Attributes

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Abstract

The purpose of this exploratory research was to gain a greater understanding of the importance consumers assign to the product attributes of one of the most visible relationship marketing programs: affinity credit cards. Drawing on relationship marketing, symbolic consumption, and social identity, the authors explore the importance of attributes when choosing an affinity credit card. Three studies at different universities determined the ranked importance to student consumers of the background logo, the beneficiary, attributes such as annual fees and interest rates, and the financial institutions. Respondents placed most importance on the beneficiary, supporting self-concept aspects of relationship marketing. Background was of low importance, although students preferred athletic logos. The financial institution was the least important attribute. The information from this research is useful for credit card issuers and the managers of institutional or organizational brands, particularly during the negotiation of affinity card relationships.

Affinity Credit Cards as Relationship Marketing Tools: A Conjoint Analytic Exploration of Combined Product Attributes

Relationship marketing refers to the development, maintenance, and dissolution of relationships between marketing entities (Peterson, 1995). In general, the objective of a relationship marketing strategy is to retain customers by providing benefits to each party in the relationship (Arnold & Bianchi, 2001). Affinity credit cards represent a visible and popular marketing tool that finds its strategic roots in relationship marketing. Affinity card programs target consumers who have a common bond or shared interest. A market that has been one of the most popular and successful targets for affinity card programs is the fan base of a university’s athletic program and/or the students and alumni of a university.

University-sponsored affinity cards feature a graphic design utilizing a university-related logo, frequently the logo of the university’s athletic teams. A portion of the income derived by the credit card issuer is shared with the university, typically to support a community- or university-oriented fundraising activity. University-related affinity cards represent a unique form of relationship marketing in that three parties are seeking benefits from the relationship: (a) the consumer, (b) the credit card issuer, and (c) the partnering university. However, for the credit card issuer and the partnering university, fostering a relationship with consumers through an affinity card offering is contingent on providing the benefits consumers seek from this type of product.

While consumers may benefit through an affinity card relationship marketing strategy, the credit card issuer and the partnering university also benefit from the product offering. Credit card companies benefit from increased customer retention and customer loyalty (Shermach, 1996). Additionally, affinity cards provide the card issuer with critical cross-selling opportunities. However, an affinity card program is not risk-free for each partner. For example, credit card companies must be concerned with making a profit...
from the product offering. This profit objective should be a point of emphasis during the negotiation of terms regarding the nature and amount of the contributions provided to the university (Worthington, 1995).

From the perspective of the partnering university, affinity card programs provide important fundraising opportunities. For example, the University of New Mexico issued the Lobo Library credit card to raise funds specifically to support the university's library resources (Trojahn & Lewis, 1997). Western Kentucky University estimated additional revenue just under $100,000 for its alumni association in the first two years of its affinity card program (Gross, 1986). Affinity card programs also increase brand awareness by providing a new venue for brand exposure. Yet the protection of a university’s brand image is an important consideration. A brand image is the prevalent perception regarding a particular brand (Keller, 1993). Colleges and universities across the country are recognizing the importance of establishing a brand image and using that image in corporate-style marketing (Zack, 1998). Numerous factors contribute to a university’s public image. Of these factors, the university’s athletic program has the potential to have a significant impact on developing a strong brand.

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As the popularity and success of affinity card programs grows, universities continue to wield more weight in the negotiation process. Universities provide credit card companies with access to a profitable and loyal consumer market. With this in mind, universities are being more selective and demanding regarding the terms of an affinity card agreement. For example, in recent negotiations between Notre Dame University and a credit card issuer, the university insisted that the company not use telemarketing tactics (Monahan, 2001).

Symbolic Consumption
Researchers long have recognized that consumers seek more than functional benefits from product attributes (Gardner & Levy, 1955). One such class of benefits consumers seek is symbolic in nature (Park, Jaworski, & MacInnis, 1986). Symbolic benefits relate to the personal expression and self-esteem associated with user imagery (Keller, 1993). An affinity credit card provides symbolic benefits to consumers both by featuring a symbol of the partnering organization on the face of the credit card and through financial contributions to the organization. The significance of this symbolic benefit relates to group affiliation and social identity. Group affiliation is frequently motivated by a desire to identify with specific group associations. Identification may be described as a psychological orientation of the self, whereby individuals define themselves in terms of their group membership and derive strength and a sense of identity from the affiliation (Kelman, 1961). Identification through group associations may enhance self-concept or provide extrinsic rewards, such as public acknowledgement and support. This relationship between the self-concept and extrinsic benefits is supported by social identity theory.

Social Identity
Social identity theory (Stryker, 1980) involves the relationship between the self, roles, and society. While individuals maintain many identities, some roles are more salient than others, and these identities influence consumption decisions. The consumption and use of products like affinity credit cards provide a means for an individual to reinforce or enhance a social self-concept in an outward and visible manner. This connection has been the focus of several studies linking identity, satisfaction, and behaviors. For example, Arnett and Laverie (2000) investigated the link between identity salience and sporting event attendance, research that proved useful in segmentation for sports marketers. Thus, individuals engage in behaviors that reinforce their identities.

The desire to create an extension of the self through identification has been studied quite extensively in the context of athletic affiliations. For example, studies have found that consumers of sport identify with their favorite teams and players to the extent that they attempt to proclaim affiliation even when they had no hand in the team’s success. Basking in reflected glory (BIRGing) refers to the tendency of individuals to display a connection with a winning team (Cialdini, Borden, Thorne, Walker, Freeman & Sloan, 1976). The fan of a university’s athletic program, however, may identify with any associations the consumer views as positive (Fisher & Wakefield, 1998). In this sense, a winning reputation is not a required antecedent for identification with a sport property. Fans of non-winning teams focus on aspects of the team that are beneficial for their view of the self and ignore information about the team’s poor performance. This type of identification motive helps to explain the loyalty fans display for teams traditionally associated with poor on-field performance, such as the Chicago Cubs baseball team and a number of collegiate athletic programs.
In this case, fans seek to identify with positive team associations such as teamwork, perseverance, or geographical affiliations.

**Relevant Affinity Card Attributes**

Given the symbolic nature of affinity credit cards, the display and use of such a product enable individuals to reinforce a salient identity and enhance the self through identification with an entity. With this in mind, affinity credit card programs offer a mix of attributes that provide both symbolic and functional benefits in an attempt to develop and maintain consumer relationships.

**Background logo.** The background symbol on an affinity credit card enables consumers to demonstrate their affiliation with a group. Since a university’s associations extend well beyond the athletic arena, academic-related logos are a popular alternative to the athletic logo found on the background of many university affinity cards. For example, the use of the university seal by Florida State University in its affinity card offering provides the opportunity to incorporate the institution’s three principles—strength, skill, and tradition—within its logo. The use of an academic logo acts as a medium for communicating different types of associations with which many consumers may seek to identify. In this example, the academic logo behaves as a metaphor for the type of experience a student can expect to receive as a group member.

**Beneficiary.** Another product attribute unique to an affinity card is the designation of a beneficiary. In a typical affinity card arrangement, the compensation can include fees of $20 per new account and continuing payments of 0.25% to 0.50% of card charges (Monahan, 2001). Consumers derive altruistic benefits through this product attribute. Explanations for altruistic behavior include the desire to “do the right thing” (Dawes & Thaler, 1988), the need to view oneself as good and kind (Walster, Berscheid, & Walster, 1973), and the desire to experience a “warm glow” (Isen & Levin, 1972). An affinity cardholder has the opportunity to aid the university sponsoring the card or some organization related to the university in some way. Past research has provided insight on the concept of helping behavior (Batson, Bolen, Cross & Neuringer-Benefiel, 1986; Olsen, Granzin, & Biswas, 1993), especially in instances of heightened personal commitment (Smith & Alcorn, 1991; Suter, Sen, & Rao, 1995). In this manner, providing consumers with an opportunity to contribute to an organization they closely identify with may provide both functional benefits (a donation in support of a building’s construction or student scholarships) and symbolic benefits (enhancement of self-image) to the consumer.

**Other functional attributes.** In addition to the unique symbolic attributes that characterize affinity credit cards discussed above, several more traditional attributes are consistent throughout this industry. The three most common attributes discussed and marketed are annual fees, interest rates, and the recognition of the financial institutions. Any investigation into the influence and importance of affinity-related attributes must incorporate these factors in order to evaluate the relative importance of product attributes.

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**Predictions**

Given the exploratory nature of the research, formal hypotheses were not generated prior to the study. However, it is of interest to discuss briefly the a priori intuitions of the researchers. Given the symbolic-oriented attributes of an affinity card and the social identity theory discussed, we expected consumers to use affinity cards to identify themselves as members of a particular group. With this in mind, the background logo on the affinity card was expected to be a more important product attribute than the beneficiary or the credit card issuer. Additionally, the preference for an academic-oriented logo or an athletic-oriented logo might be influenced by the type of collegiate institution cosponsoring the relationship marketing program. For example, we expected that consumers seeking to identify with a university with a strong athletic tradition through an affinity card would prefer an athletic logo, whereas a consumer seeking to identify with a university without a strong athletic tradition would seek alternative associations such as an academic symbol.

In terms of the beneficiary attribute, consumers seeking to identify with a university also were expected to prefer a program through which donations derived from card usage fund university-related programs. Finally, the credit card issuer was expected to be the least important attribute for the selection of an affinity card. Finally, we expected that each of these attributes (background logo, beneficiary, and credit card issuer) would be considered less important than cost-related attributes such as the card’s annual fee and annual percentage rate (APR).

**Method**

We developed an experimental design to address the question of which attributes were most significant to consumers in selection of an affinity credit card.
Essentially, the best way to approach this question was via an experimental design whereby both the attributes and specific levels within those attributes could be altered. A review of various financial institution offerings revealed a common set of available attributes for most affinity credit cards. Companies provided information about annual fees, the introductory APR, and transaction-related benefactors. Additionally, the logos of both the credit card issuer and the partnering university were visible on the face of the affinity card. Information about fees and the APR was relatively standard across financial institutions. However, the potential beneficiaries of affinity card programs varied widely.

While some affinity cards (those sponsored by for-profit firms) offer the opportunity for cardholders to help themselves, university-sponsored affinity cards usually are designed to help either the sponsoring institution or a third party. Thus, it was determined that the present design (a) would not provide individualized incentives for use and (b) would consider a variety of beneficiaries other than the sponsoring institution. As long as a worthy cause was involved, the theme of affinity cards remained consistent. Thus, we identified some of the causes most heavily supported by the major credit card companies’ (e.g., First USA, MBNA, etc.) affinity programs to serve as potential beneficiaries in our design. All of this information was critical to the development of the 2 X 2 X 2 X 2 X 4 experimental design provided in Table 1. This design was developed to be both realistic and informative. The actual levels of each attribute were taken from actual offers in the marketplace to enhance the realism and believability of the task. In addition, we used the range of attribute variation to provide a more standardized presentation. In doing so, we believed each attribute would garner authentic attention rather than more attention based on artificial influences (Green & Srinivasan, 1978; Ostrom & Iacobucci, 1995).

The research was conducted at three different institutions represented in three studies. Varying the university focused on both size and athletic tradition and allowed for reflection on the influence of size and tradition across studies.

“This research should encourage the use of athletic logos as the background for affinity credit cards. It also underscores the importance of carefully marketing and managing the use of a university’s athletic logo.”

Conjoint Analysis and Sample Determination
Given the nature of both the research question and the experimental design, a conjoint analytic approach was determined to be most appropriate. Conjoint analysis allows researchers the opportunity to vary both the factor (attribute) and factor levels (Green & Srinivasan, 1978; Hair, Anderson, Tatham, & Black, 1992). More specifically, the research was designed to have respondents rank their credit card preferences. A consistent set of instructions was given to the respondents across all three studies. Respondents received the survey with instructions on how to complete the ranking task and could take as much time as needed to complete the task. Due to the potential for overload in a sorting task

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual fee</td>
<td>1. $20.00</td>
</tr>
<tr>
<td></td>
<td>2. $18.00</td>
</tr>
<tr>
<td>Annual percentage rate (introductory)</td>
<td>1. 5.9%</td>
</tr>
<tr>
<td></td>
<td>2. 6.9%</td>
</tr>
<tr>
<td>Credit card background (or face)</td>
<td>1. Athletic department logo</td>
</tr>
<tr>
<td></td>
<td>2. University logo</td>
</tr>
<tr>
<td>Credit card company</td>
<td>1. Visa</td>
</tr>
<tr>
<td></td>
<td>2. MasterCard</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>1. Local Red Cross</td>
</tr>
<tr>
<td></td>
<td>2. Local Wildlife Preservation</td>
</tr>
<tr>
<td></td>
<td>3. Local Boys &amp; Girls Club</td>
</tr>
<tr>
<td></td>
<td>4. University’s General Scholarship Fund</td>
</tr>
</tbody>
</table>
of this nature, no other data were collected from the respondents.

The analysis technique was multiple regression. Each factor (with its levels) was coded into dummy variables and regressed on the rank of the cards. The analysis allowed for individual utility functions to be calculated for each respondent and a group utility relative importance function. This group utility function was calculated by averaging the part-worths for each individual to arrive at part-worths for the group.

Undergraduate students are one of the key target markets for universities cosponsoring affinity cards. From the perspective of the card issuer, many students seek products that help to identify them as a student of a particular college or university. Since students are a focus of these credit card offers, a student sample was deemed appropriate. The student sample in each case included undergraduate business students. While these students might be savvier in terms of evaluating product offerings, they were not expected to vary substantially from other students in terms of their preferences for these product offerings (i.e., not expected to be “bigger” fans of the universities athletic programs). Additionally, upon graduation, alumni of a university also seek to maintain a connection with the school, fostering product loyalty.

Further, each of the studies employed a fractional factorial design due to the potential problems associated with asking respondents to rank order the 64 possible combinations of attribute levels (i.e., $2 \times 2 \times 2 \times 2 \times 4 = 64$ possible combinations). Therefore, respondents were asked to evaluate 16 affinity card offerings each with a unique combination of the five credit card attributes. Respondents received course credit for completing the ranking task.

### Results

**Study 1**

Study 1 was completed by a sample of 57 students from a large, public university with a strong athletic tradition. Although this sample size could be considered insufficient, the use of multiple regression tolerates this sample size given the ranking task (16 observations per respondent) and the number of variables. Respondents were provided a questionnaire with a pictorial representation of the credit card and descriptive information detailing the benefactor, the annual fee, and the introductory APR. All 57 were usable for data analysis.

Although the technique employed here allows for individual analysis of attribute preference, the overall preferences of the group remained the focus of analysis. Therefore, for each individual, a conditional relative importance function was calculated based on each respondent's rankings. Then, these individual functions were averaged to arrive at a group conditional relative importance function. In addition to the relative importance weights, the Pearson's $R$ found at the bottom of each table indicates the correlation between the independent variables (each respondent's ranking) and the dependent variable (the average rank).

Table 2 presents the averaged attribute importance for each attribute in Study 1 (Pearson's $R = 0.998$, $p < .01,$ $n = 57$).

The results showed that the most important attribute when considering an affinity credit card was the beneficiary. Among the beneficiaries, the university's general scholarship fund was the most highly regarded. The second and third most significant were the APR and annual fee, respectively.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Averaged importance of attribute</th>
<th>Preferred attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary</td>
<td>32.31</td>
<td>University's General Scholarship Fund</td>
</tr>
<tr>
<td>Annual percentage rate (introductory)</td>
<td>31.17</td>
<td>5.9%</td>
</tr>
<tr>
<td>Annual fee</td>
<td>25.32</td>
<td>$18.00</td>
</tr>
<tr>
<td>Credit card company</td>
<td>6.45</td>
<td>Visa</td>
</tr>
<tr>
<td>Credit card background (or face)</td>
<td>4.75</td>
<td>Athletic Department logo</td>
</tr>
</tbody>
</table>

Note. Pearson's $R = 0.998, p < .01, n = 57
It should not come as any surprise that subjects preferred lower APRs and lower annual fees. However, an interesting aspect of the results showed that the logos for the affinity card partners—the credit card company and the educational institution—ranked fourth and fifth, respectively, among the five attributes considered.

**Study 2**

Study 1 provided important insight into the stated preferences in an affinity card offering of students at a large, public university with a strong athletic tradition. However, many of the university-related affinity card programs in today's marketplace feature smaller universities without a recognized athletic history. With this in mind, and in an effort to increase the external validity of these findings, we initiated a second study. Study 2 included a sample of 48 students from a small, private university that lacks a strong athletic tradition. Again, all 48 were used in data analysis.

The survey instrument used in Study 2 is identical to the instrument used in Study 1 with the following exceptions: (a) The two background logos offered as alternatives were the athletic logo and the academic logo of the respective university, and (b) the beneficiary levels were changed to reflect the local community (e.g., Boys and Girls club, the university general scholarship fund).

Presented in Table 3, the results from Study 2 provided a slightly different order of attribute importance. Most notably, the financial attributes were given higher priority than in Study 1 (Pearson's $R = 0.944, p < .01$). The beneficiary in Study 2 was assigned a conditional relative importance of 24% as opposed to the 32% of Study 1. Additionally, the importance of the background logo and credit card issuer was reversed. However, similar to Study 1, these two attributes were deemed the least important.

Collectively, Studies 1 and 2 provided insight into the attributes students at universities differing in terms of size and athletic tradition deemed most important. The importance placed on financial-oriented attributes (APR and annual fee) was not surprising. More revealing was the importance placed on the beneficiary attribute. Though lower in Study 2, the affinity card beneficiary appeared to be an attribute of considerable importance for the target market considered in these studies. Further, and more specifically, the university's general scholarship fund was the preferred recipient.

In terms of the university-related logo, students preferred the athletic logo regardless of the athletic reputation of the university. However, for both studies, the background logo and the logo of the credit card issuer were assigned relatively low levels of importance. One potential explanation for this finding is related to the experimental design. In each of the studies, respondents were asked to select from 16 cards that each featured some form of university-related logo. Respondents chose between an athletic or academic background. If a non-university logo were offered, would the relative importance assigned to this attribute change? To explore this question we initiated a third study.

**Study 3**

The objective of the third study was to consider whether a university's athletic logo and a university's academic logo would be preferred over the corporate logo of the credit card issuer commonly used as a background on traditional credit cards. To address each of these questions separately, Study 3 consisted of two separate surveys (herein referred to as the Athletic

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**Table 3**

Conjoint Analysis Results for the Overall Sample: Study 2

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Averaged importance of attribute</th>
<th>Preferred attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual percentage rate (introductory)</td>
<td>34.3</td>
<td>5.9%</td>
</tr>
<tr>
<td>Annual fee</td>
<td>33.3</td>
<td>$18.00</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>24.2</td>
<td>University's General Scholarship Fund</td>
</tr>
<tr>
<td>Credit card background (or face)</td>
<td>6.2</td>
<td>Athletic Department logo</td>
</tr>
<tr>
<td>Credit card company</td>
<td>2.0</td>
<td>MasterCard</td>
</tr>
</tbody>
</table>

*Note. Pearson's $R = 0.944, p < .01, n = 48*
logo survey and the Academic logo survey), each administered at a large public university with a strong athletic tradition. The Athletic logo survey was identical to the instrument used in Studies 1 and 2 with the following exception: The two background logos offered in the Athletic logo survey were the athletic logo of the university and the corporate logo of a popular national bank. Similarly, the Academic logo survey was altered to feature an academic-oriented background logo and the same corporate logo of a popular national bank. Again, the beneficiary levels for both versions of the survey were altered to reflect the local community. The sample sizes for this study were 158 and 154 for the Athletic and Academic survey, respectively. Because of incomplete data, a few surveys had to be discarded (three athletic and four academic) for each condition, producing a response rate of approximately 98%.

The results of Study 3 are summarized in Tables 4 and 5. The results of Study 3 helped to confirm the findings of Studies 1 and 2. While the order is slightly different, once again respondents considered the two financial attributes and the beneficiary to be most important (Pearson’s $R = 0.992, p < .01$, and Pearson’s $R = 0.970, p < .01$, respectively). Additionally, the university general scholarship fund was identified in both samples as the preferred beneficiary. Although the credit card background attribute remained in fourth place in terms of overall importance, the importance attached to this attribute doubled when respondents were forced to select between a university- and a non-university-related alternative.

### Table 4
**Conjoint Analysis Results for the Overall Sample: Study 3 – Athletic Logo Sample**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Averaged importance of attribute</th>
<th>Preferred attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual percentage rate (introductory)</td>
<td>30.0</td>
<td>5.9%</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>24.3</td>
<td>University’s General Scholarship Fund</td>
</tr>
<tr>
<td>Annual fee</td>
<td>23.6</td>
<td>$18.00</td>
</tr>
<tr>
<td>Credit card background (or face)</td>
<td>12.9</td>
<td>Athletic Department logo</td>
</tr>
<tr>
<td>Credit card company</td>
<td>9.2</td>
<td>Visa</td>
</tr>
</tbody>
</table>

*Note. Pearson’s $R = 0.992, p < .01, n = 155*

### Table 5
**Conjoint Analysis Results for the Overall Sample: Study 3 – Academic Logo Sample**

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Averaged importance of attribute</th>
<th>Preferred attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual percentage rate (introductory)</td>
<td>27.8</td>
<td>5.9%</td>
</tr>
<tr>
<td>Beneficiary</td>
<td>24.9</td>
<td>University’s General Scholarship Fund</td>
</tr>
<tr>
<td>Annual fee</td>
<td>21.6</td>
<td>$18.00</td>
</tr>
<tr>
<td>Credit card background (or face)</td>
<td>14.3</td>
<td>Academic logo</td>
</tr>
<tr>
<td>Credit card company</td>
<td>11.4</td>
<td>Visa</td>
</tr>
</tbody>
</table>

*Note. Pearson’s $R = 0.970, p < .01, n = 149*
Discussion

Peterson (1995) asserted that critical components of a relationship marketing strategy include the development and maintenance of relationships between marketing entities. University-related affinity credit cards represent a unique type of relationship marketing strategy because they involve three or more marketing entities: (a) the consumer, (b) the credit card company, (c) the university and, potentially, (d) a benefactor. Students of a university represent a critical market for both the credit card issuer and a partnering university as they strive to develop and maintain a relationship. For universities, affinity credit cards provide an opportunity for consumers to identify with the specific sport or academic properties of a university. Fostering this identification may strengthen the relationship between students and the university and encourage other behavior such as gift-giving and other forms of institutional support. Likewise, credit card companies benefit from the relationship marketing strategy through consumer loyalty to the product. In order to access these potential benefits, each of these entities must understand the attributes a consumer seeks from an affinity card product.

The results of this research provide important insight for relationship marketing strategists employing affinity card programs. A finding consistent across each of the three studies is the importance placed on the beneficiary. This finding lends support for the importance of the altruistic benefits derived through an affinity card offering. Additionally, respondents in each of the studies preferred a program that contributes to the university’s general scholarship fund rather than to community-oriented programs. These observations suggest that consumers use affinity card programs as a tool to enhance their self-concept by helping an organization that is part of their identity.

Another finding of interest for relationship marketing partners is the relatively low importance assigned to the credit card background. This finding is tempered by the results of Study 3 that, when given a non-university-related background alternative, the background logo attribute approximately doubled in relative importance. When provided an athletic or academic logo, the athletic logo was the preferred alternative across the studies. This finding is particularly interesting given the use of respondents from universities with both a strong and weak athletic reputation. This research should encourage the use of athletic logos as the background for affinity credit cards. It also underscores the importance of carefully marketing and managing the use of a university’s athletic logo.

A final observation is that the credit card company attribute was consistently rated the least important attribute. Both Visa and MasterCard dedicate substantial monies toward marketing campaigns to differentiate their products from the competition. These studies suggest that the companies should consider carefully the benefits of creating customized affinity programs with universities.

“It would be helpful to gain insight on the factors that contribute to increasing the overall importance of the institution as a brand in this consumer decision. This information could be very beneficial in the future of affinity card programs.”

Future Research and Limitations

Although the studies reported here provide important insight for practitioners of affinity-card-based relationship marketing programs, there is still much to be learned regarding the consumption of this unique product. Given the importance of the beneficiary across the studies and the growing need for universities to seek alternative sources for funding, future research should examine other types of university-oriented beneficiaries (e.g., athletic funds, library funds, and student services). Varying the university-oriented beneficiaries may provide more insight into the behavioral intentions of consumers. Equally interesting would be a more focused look at the source of funding that is passed on to the beneficiary. Manipulating the source, whether it is annual fees, interest, or overall spending, also would provide insight into the behaviors of consumers. Additionally, the present studies do not consider alternatives featuring the individual specifically as the benefactor. While supporting a worthy cause is certainly attractive, individuals’ supporting themselves via merchandise gift certificates or similar individual-based incentives is an important consideration for future inquiry.

Future research also could investigate the relationship between attribute preference and other related concepts of interest. For example, collecting other organization-related variables like identification would enable researchers to develop a deeper understanding of preferences across groups. In addition, looking at these issues across cultures may reveal different preferences based on different life cycles of the product.

Each of the studies reported here used levels of the APR and annual fee attributes prevalent in the marketplace. However, the minimal discrepancy between the annual fee and APR alternatives may have influenced the assignment of importance. As with many experimental designs, there is a tradeoff between mundane...
realism and variable manipulation. Given the practitioner focus of this research, the experimental design was biased in the direction of actual market offerings. Future research may seek to provide greater separation between the annual fee and APR alternatives at the risk of sacrificing realism for further exploration of the importance placed on these attributes.

As with many studies, some general limitations need to be recognized. Although the analysis technique tends to be robust, the sample sizes of the first two studies can be a concern in terms of reliability and validity. However, the third study does not suffer from a sample size issue. One benefit of using an indirect measurement tool like conjoint analysis is the general assumption that the task is more accurately tapping preferences. This is met with the limitation that the collection of data using ranking of options constrains the statistical tests that can be performed. Future studies can be designed to utilize other techniques of inquiry. Lastly, because ranking tasks can be time consuming and require higher involvement, no other data were collected that could have been used for comparison. As mentioned above, future research would provide deeper insight into group differences if more information were known about the respondents.

Finally, another important consideration is the relatively low rank of both the institution and the credit card company. It would be helpful to gain insight on the factors that contribute to increasing the overall importance of the institution as a brand in this consumer decision. This information could be very beneficial in the future of affinity card programs. Credit card companies such as Visa, MasterCard, Discover, and American Express have a vested interest in understanding the nature of their brands as well.

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