

## Title:

Different Types of Rewards Credit Cards

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974

## Summary:

In today's world of the often and ever-buying consumer, it has become de rigueur for credit card companies, airlines, gasoline/oil companies and a host of other businesses eager to garner a share of the wildly spending and charging public's money, to offer some kind of bonus or reward for using them and their services.

## Keywords:

reward credit cards, cash back credit cards, gasoline credit cards, airline credit cards, frequent flyer credit cards

## Article Body:

In today's world of the often and ever-buying consumer, it has become de rigueur for credit card companies, airlines, gasoline/oil companies and a host of other businesses eager to garner a share of the wildly spending and charging public's money, to offer some kind of bonus or reward for using them and their services. Who can blame them? In a time when spending has become a national pastime, there are deals to be made and companies offering some pretty good benefits for signing up with them.

To further convince us that we need these cards are the attractive bonuses these companies are willing to issue. These days the offering companies know that the rewards they offer is what creates consumer loyalty. To help illustrate this point, let's look at a few of the many reward programs out there to entice the consumer to choose their card. The choices of reward credit cards we'll look at are, frequent flyer credit cards, cash back credit cards and gas credit cards.

Frequent flyer cards, also known as travel cards, offer great bonuses for people who actually are "frequent flyers". This group of select travelers should consider signing up with the airline that they travel with the most often. Most airlines today proffer such cards, both the large and small carriers. The biggest plus this kind of card offers is that the miles you earn by using your card can be incorporated into the miles you earn when you fly. There is a drawback to having and using an airline card and that is an annual fee. Though fees have decreased in the past few years, many cards still charge consumers anywhere from \$25 to \$125. It's wise to remember that it usually takes roughly

25,000 miles to cash in on one free ticket. That might not end up to be such a bargain if it takes three years for you to accumulate enough points on a card that still charges an annual fee.

There are also some bank cards that will give a customer a mile towards travel for every dollar they charge. They usually also have a broad selection of airlines that will honor these points. Because this type of card generally does not charge an annual fee, it is an attractive option for the larger group of travelers known as the "less-frequent" flyers. This type of card also targets flyers who are dissatisfied with the limitations that airlines will put on available flying dates. One drawback of using this type of card is the inability to add the miles you receive by using this card with any other frequent flyer points you may have. Some newer card offers are changing this by giving a point for each dollar spent and also a point for a certain number of documented miles logged flying.

Cash back cards are becoming an increasingly popular choice with reward-seeking credit card users. Many people like that there are no limits on cash back cards as to what can be chosen as a reward, as is the case with merchandise cards. Cash spends anywhere and that is always an attractive benefit for consumers. Some cash-back cards will offer a flat rate and that type is often the choice for people who don't charge large amounts. This is in contrast to cash-back cards that will offer "tiered" rebates, i.e., ones that will offer increasing cash-back options for consumers charging higher amounts.

There are also cards which offer greater cash back if the card is used at specific retailers and a lesser amount on all other purchases. In order to receive this lesser amount of cash back, these larger spenders will get a portion of the percentage at various levels of spending. For instance, if the cash-back offer is for 1%, in order to get this, the consumer must reach an annual spending goal. On their way to meeting this goal, they will receive .25% for the first quarter of the total met, 50% when half is reached and so on.

The gas rebate credit card is another popular choice of today's consumer. These credit card offers are marketed in generous-sounding advertising terms, but the wise consumer will read all of the fine print before signing up to be sure that the card offers them exactly what they're looking for. Some companies will begin with a great rebate of 10%, but further reading will explain that amount is good for only the first 60 days. After that, the rebate drops to 5%. This might not be too bad if you are always buying your gas from one company only, but this is not always the practical case. To counteract this, some cards will start out offering a 5% cash back option on any gas company brand, but will also give the spender a cash rebate on other purchases at select grocery stores or

drug stores with a 1% rebate for items purchased elsewhere. There are some controls that should make a potential gas credit card holder wary before deciding to sign up. A few of these are:

Terms and conditions of these cards can change at any time, with very little notice to the card holder.

Not all gas stations will qualify for the full rebate. These mainly will be gas stations associated with business such as wholesale clubs or reduced-price gas stations connected with other retail companies.

Some gas card policies do not automatically issue your rebate without a specific request from the consumer. Other issuers will have an expiration date for rebate claims.

Whatever rewards credit card a consumer chooses to have, it is always wise to read the small print before committing. When someone goes into these agreements aware of all terms and conditions, they can offer compensation for using something that is a mainstay of our modern spending culture-our credit cards.