

# Business Rewards Award

## METHODOLOGY



### What is the CANSTAR *Business Rewards Ratings*?

CANSTAR *Business Rewards Star Ratings* are a consumer-friendly benchmark or value index. CANSTAR star-rated products represent a shortlist of financial products. This shortlist narrows consumers' search to products that have been independently assessed and ranked. All star-rated rewards programs rated from one to five achieved a grade suitable for consumers to consider, with five-star products awarded a rating of "Outstanding". Products where the value of the rewards earned is known to be lower than the cost of obtaining the program are limited to one star for that profile, reflecting the fact that the full benefit of the rewards program is not seen at the particular spend level. The CANSTAR *Rewards Star Ratings* are a transparent analysis comparing both the Cost and Features across all rewards programs.

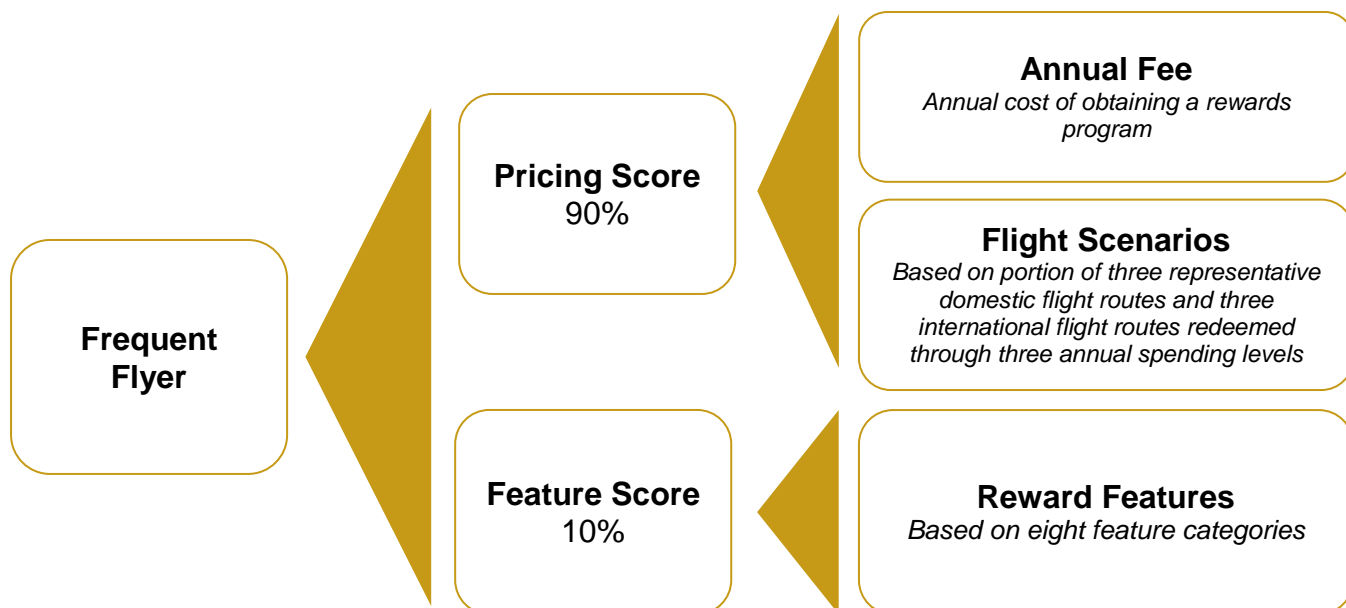
The results are reflected in a consumer-friendly *five-star* concept, with a five-star product denoting outstanding value.

### How is the CANSTAR *Business Rewards Ratings* calculated?

The ratings are assessed by taking the product with the best score from the Frequent Flyer or Cash Rewards Methodologies at three different spend levels: \$60K, \$120K and \$250K.

Each rewards program is assessed differently to reflect the characteristics of each program.

### Frequent flyer rewards methodology



## Pricing Component

The pricing score is calculated using the score for two components; Annual Fee and Flight Scenarios. The weighting for both components is distributed as follow:

Price Category	Annual Fee	Flight Scenario
\$60K Spend	40%	60%
\$120K Spend	20%	80%
\$250K Spend	10%	90%

### Annual Fee

The annual fee is the sum of the card annual fee and any additional rewards or frequent flyer program fees.

### Flight Scenarios

The flight scenarios look at the portion of the flight earned in a year based on \$60K and \$120K spend levels. Free flights are awarded in the flight scenarios calculations when offered without additional purchase or conditions. There are six scenarios: three domestic and three international:

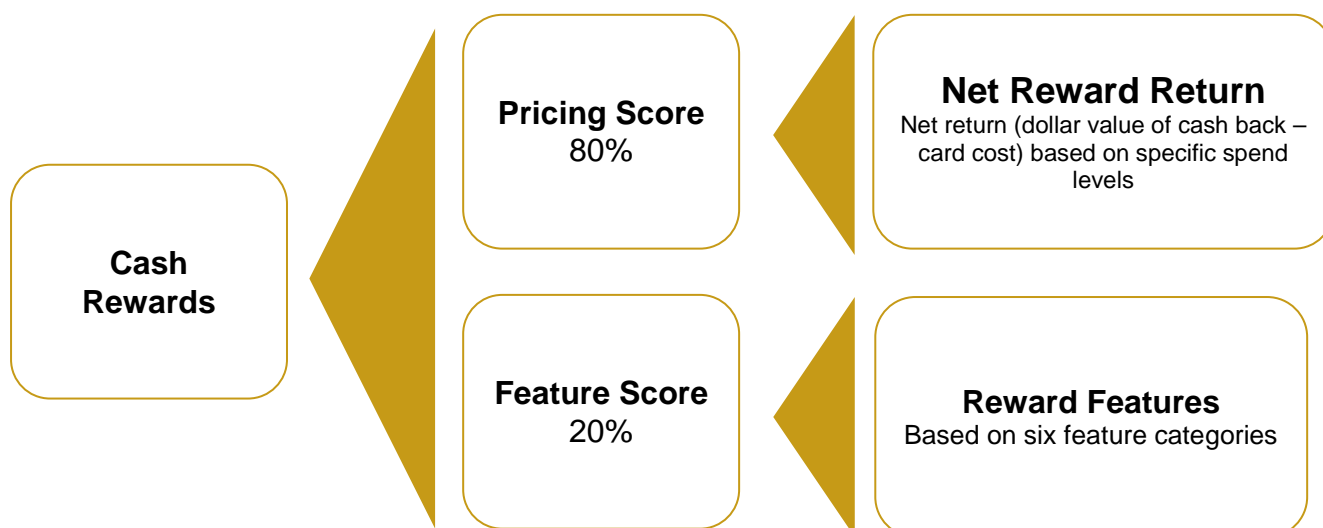


## Feature Component

Each reward feature is categorised into nine different categories and allocated points. The total feature score for each category (i.e. earning policies) is ranked and weighted with each category contributing to the overall features score.

Feature Category	Feature Weight
Earning Policies	15%
Points Capping	10%
Frequent Flyer Conditions	15%
Frequent Flyer Partners	10%
Instant Rewards Information	5%
Travel Rewards	15%
Customer Service Information	5%
Top-up Policies	10%
Account Status Information	5%
Point Expiration Policies	10%

## Cash/Shopping voucher rewards methodology



## Pricing Component

Price score is determined through assessment of *net reward return* – the dollar value of cash back less cost of the card based on the two spending levels, \$60K, \$120K and \$250K.

Where companion programs (American Express/Mastercard/Visa) exist the weighted score is used based on 60% Visa/Mastercard and 40% American Express

## Feature Component

Each reward feature is categorised into six different categories and allocated points. The total feature score for each category (i.e. earning policies) is ranked and weighted with each category contributing to the overall features score.

Feature Category	Feature Weight
Earning Policies	20%
Points Capping Information	20%
Instant Rewards Information	5%
Bonus Points Partners	5%
Account Status Information	10%
Points Expiration	10%
Points for Cash/Credit	30%

## How many products and financial institutions are analysed?

In order to calculate the ratings, CANSTAR analysed 31 rewards program products from 10 financial institutions in Australia.

## How often are products reviewed for star ratings purposes?

All ratings are fully recalculated every 12 months, based on the latest submissions from each institution. CANSTAR also monitors changes on an ongoing basis.

## Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers, who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Agribusiness
- Business Banking
- Business Life Insurance
- Car Insurance
- Credit Cards
- Deposit Accounts
- Direct Life Insurance
- Health Insurance
- Home & Contents
- Landlord Insurance
- Life Insurance
- Managed investments
- Margin Lending
- Online Share Trading
- Package Banking
- Personal Loans
- Pet insurance
- Reward Programs
- SMSF loans
- Superannuation
- Travel Insurance

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