

MEMORANDUM

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P-0692

FROM: Doug Evans x3382
 DATE: November 19, 1998
 SUBJECT: Mail Monitor Competitive Report — September 1998 Top Ten Issuers

1979
 123

 1856

Attached is the Mail Monitor Competitive Topline Report on the Top Ten Issuers for offers collected in September, 1998.

The base sizes (number of offers received), Visa share of issuer offers and the Issuer share of total offers are detailed below. Note that total offers includes non-bankcard offers.

	Number of Offers	Visa Share of Issuer Offers	Issuer Share of Total Offers
1 Citibank/AT&T Citibank AT&T	127	100	18.3%
2 Bank One/First US	107	0	15.7%
3 Capital One	98	0	14.3%
4 Chase Manhattan	72	0	10.5%
5 Novus Services	69	0	10.0%
6 Provident/First Depos	47	0	6.8%
7 MBNA	2	0	0.3%
8 Fleet Bank/Advanta	104	0	15.1%
9 People's Bank	69	0	10.0%
10 First Card/First Chicago	69	100	10.0%

4
 133
 107
 98

 114
 47
 2
 51
 69

625

 1431

43.7%
 159

1979

0.5
 5.7

71%

78.52

The Top Ten Issuers represented 79 percent of all offers received in September, slightly less than the 83 percent reported in August, and 87 percent for July. Estimated mail volume rose to 288 million offers received, from 246 million in August and 278 million in July.

Citibank/AT&T led all other issuers, surpassing Bank One/First USA. The combined mailings from Citibank/AT&T represented 18 percent of all offers in September, an increase from August, when they accounted for 16 percent of all offers received. Only 1 percent of Citibank/AT&T offers received in September were Visa, unchanged from August.

- ◆ Two (2) percent of the Citibank portion of the combined portfolio, representing 13 percent of all offers, were Visa offers in September. Visa's proportion of Citibank offers (without AT&T) has dropped considerably from March (27 percent), through April and May (3 percent), June (1 percent), July (none) and August (1 percent).
- ◆ The AT&T portion of the combined portfolio represented 5 percent of all solicitations. All were branded MasterCard.

Bank One/First USA had regained the top mailer spot in August after losing it (after a 14 month run) to Capital One in July. In September, Bank One/First USA again lost the top spot, this time to Citibank/AT&T. Bank One/First USA accounted for 14 percent of all offers in September, compared to 20 percent of all offers in August, and 19 percent in July. Forty-eight (48) percent of Bank One/First USA offers in September were Visa, virtually unchanged from 49 percent of offers in August.

- ◆ All of First Card/NBD offers were Visa, representing 3 percent of all offers. If the results reported above were recast to reflect the merger with Bank One/First USA¹, the combined entity would encompass 17 percent of all offers received in September (still surpassed by Citibank/AT&T), with 58 percent being Visa offers.

Capital One, a MasterCard Board Bank, accounted for 10 percent of all offers in September, down from August (13 percent) and July, when it led all issuers with 21 percent of all offers. Fifty-four (54) percent of Capital One offers were for Visa, down considerably from August (79 percent).

Chase Manhattan Bank, another MasterCard Board Bank, represented 7 percent of offers in September, 76 percent of which were Visa. Visa's share of Chase Manhattan Bank offers declined from August, when 90 percent were Visa.

Providian/First Deposit, a MasterCard Board Bank, accounted for 6 percent of offers received in September, all Visa branded.

MBNA, also a MasterCard Board Bank, represented 5 percent of all offers in September, versus 7 percent in August. Forty-four (44) percent of MBNA offers received in September were Visa, down from August (55 percent) and July (68 percent).

¹ On September 15, 1998 shareholders approved a merger between First Chicago NBD (First Card/NBD) and Banc One (Bank One/First USA), clearing the final hurdle for the merger creating the nation's fifth largest bank, and second largest credit card issuer. This merger, which became effective on October 2, 1998, will be reflected in reports encompassing October data onwards.

Visa shares of offers for three of the four MasterCard Board Banks in the Top Ten Issuer ranks declined from August. On average, the MasterCard Board Banks still had higher Visa shares than the three Visa Board Banks.

		Visa Share of Issuer Offers		Issuer Share of Total Offers	
		Aug	Sep	Aug	Sep
Visa Board Banks	Citibank/AT&T	1%	1%	16%	18%
	Bank One/First USA	49	48	20	14
	Fleet Bank/Advanta	NA	2	NA	5
MasterCard Board Banks	Capital One	79%	54%	3%	10%
	Chase Manhattan	90	76	6	6
	Provident/First Deposit	100	100	5	6
	MBNA	55	44	7	5

As of April, 1998, Citibank includes AT&T Universal.
As of March, 1998, Fleet Bank includes Advanta.

Assuming no change in the brand share performance within each Issuer, the merger between Bank One/First USA and First Card/NBD will improve Visa's share of (the new) Bank One's solicitations. However, while First Chicago NBD has generally skewed strongly to Visa offers, First Card/NBD has represented only 2 to 3 percent of all mailings this year. The moderate improvement anticipated in Visa's share of Bank One offers will not offset the relatively weak Visa share performance observed from Visa Board Bank members Citibank/AT&T and Fleet Bank/Advanta.

Mail Monitor® Competitive Report September 1998 Highlights

The month of September showed a small increase in competitive credit card direct mail activity. 79% of the households in the Mail Monitor® sample received offers, surpassing August's 75%.

Key Observations:

- The Top Ten mailers account for 79% of all offers mailed in September (a slight decrease from 83% in August).
- Citibank takes the lead as the new number one mailer with 18% of offers mailed in September.
 - Chase Manhattan climbs two spots to number 4 maintaining mailing levels seen in August.
 - Provident/First Deposit moves up one to number 6, still maintaining a 5% share.
- MBNA falls three spots to number 7, after a 4 month run at number 4, as its share of mail drops slightly (5% vs. 7% in August).
- Capital One maintains its August slot at number 3, but drops its share to 10% for September (from 13% in August).
 - Novus Services holds its position at number 5 maintaining its share of 6% for September.
- Fleet Bank/Advanta and People's Bank replace Wachovia and Partner's First/Bank Boston on this month's Top Ten.

Total Number Of Offers	1979
Total Number Of Households.....	667
Total Number Of Households Receiving Offers	526
Mail Volume Estimate (in millions)	287.6

Mail Monitor® Competitive Report Top Ten Mailers During September 1998

	Issuer	Prior Month Rank	% of Household Penetration	% of Total Offers	% No Fee	% Intro APR	% Balance Transfer Option	Comments
1.	Citibank/AT&T Universal†	2	31	18	96	6	95	• 95% MasterCard, 92% Platinum, 70% Pre-Approved, 30% AT&T Universal
2.	Bank One/First USA	1	30	14	100	81	100	• 96% Platinum, 89% Not Pre-Approved, 52% MasterCard, 31% Titanium, 52 Different Products
3.	Capital One	3	23	10	43	28	41	• 59% Standard, 54% Visa, 51% Not Pre-Approved, 25% Secured, 13 Different Products
4.	Chase Manhattan	6	16	7	94	79	100	• 76% Visa, 63% Platinum, 68% Not Pre-Approved
5.	Novus Services	5	15	6	100	100	92	• 72% Pre-Approved w/no specific credit line mentioned, 51% Regular Discover, 21% Smithsonian Inst., 20% Universal Studios
6.	Providian/First Deposit	7	15	6	41	41	41	• All Visa Pre-Approved (72% w/no specific credit line mentioned), 59% Standard
7.	MBNA	4	14	5	96 (3 FW)	4	99	• 80% Platinum, 75% Pre-Approved w/no specific credit line mentioned, 54% MasterCard, 42 Different Products
8.	Fleet Bank/Advanta†	*	12	5	100	92	100	• 98% MasterCard, 93% Pre-Approved w/no specific credit line mentioned, 70% Platinum
9.	People's Bank	*	10	3	100	100	100	• All Pre-Approved w/no specific credit line mentioned, 74% Visa, 73% Standard
10.	First Card/First Chicago	9	9	3	88	87	81	• All Visa Pre-Approved w/no specific credit line mentioned, 78% Platinum

FW % of offers Fee Waived.

* Not in last month's Top Ten.

† As of March 1998, Fleet Bank Includes Advanta; as of April 1998, Citibank Includes AT&T Universal.

NOTE: Platinum Includes 'Other Premium' (i.e., Titanium).

