



Independent Global Survey Finds Metal Payment Cards Give Financial Institutions a Competitive Edge

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Millennials' choice of bank influenced by the metal card form factor, according to survey of 18,000 consumers in 18 countries by Edgar, Dunn & Co.

SOMERSET, N.J.--(BUSINESS WIRE)--Apr. 13, 2022-- [CompoSecure, Inc.](#) ("CompoSecure") (NASDAQ: CMPO), a leading provider of premium financial payment cards and cryptocurrency and digital asset storage and security solutions, today released a [new report](#) based on an independent global survey from Edgar, Dunn & Company and commissioned by CompoSecure. The results of the survey found a strong affinity towards physical and metal payment cards, especially with digital-native millennials.

The majority of respondents (56%) preferred a physical payment card for in-person purchases versus a digital wallet or cash, underscoring consumer desire for physical cards while highlighting the branding opportunities for financial organizations. Millennial consumers were influenced by a payment card's form factor, as 61% stated they have a greater inclination to leave their bank for one that offers a metal card.

Consumers in many affluent and technology-forward countries preferred physical cards by an overwhelming majority versus digital wallets: U.S. (only 10% preferred digital wallets), France (only 7% preferred digital wallets), Canada (only 18% preferred digital wallets), Poland (only 10% preferred digital wallets), Italy (only 10% preferred digital wallets), and U.K. (only 11% preferred digital wallets).

Metal Cards Strengthen Brands

The survey found that metal payment cards are one of the best tools for financial institutions to bolster brand loyalty, attract new customers and establish positive brand interactions. Most consumers (70%) would select an offer that includes a metal payment card if all rewards and benefits were equal, which is up 4% from a prior Edgar, Dunn survey completed in 2019. This includes two-thirds (64%) of U.S. consumers, an 8% increase from 2019, and was significantly higher in India (91%), Mexico (88%), Brazil (88%), Turkey (82%), China (82%), and Indonesia (82%).

The survey also points to metal cards as an important decision-making trigger for the consumer's choice of financial institution in conjunction with a strong loyalty and rewards program. Key survey findings included:

- **Customer Retention** – Financial institutions offering metal payment cards are better able to keep their customers. Half of consumers surveyed (51%) took their desire for metal cards further by indicating they would leave their bank for another that offered a metal payment card, assuming the payment card benefits and rewards were equal. Millennials (61%) and wealthy (63%) consumers have a greater inclination to leave their bank for one that offers a metal card. This willingness to switch was most substantial in emerging markets such as Brazil (73%), India (72%), Indonesia (72%), Mexico (70%), and Turkey (65%). More than one-third (39%) of U.S. respondents would switch to a bank offering a metal card.
- **Brand Loyalty** – Metal cards are proven to build a positive brand image of the bank with customers. Most customers (58%) would feel more positive about their bank because they offered a metal card. This is particularly true for Latin American countries, with 73% of those surveyed in both Mexico and Brazil wanting their banks to offer a metal card. India and Indonesia had the highest lift in feeling positive about their bank offering a metal card, at nearly 9 in 10 respondents (89%).
- **Customer Awareness** – Awareness of metal cards also grew 7% from the prior survey. Globally, the majority (59%) of people were unaware of metal cards. The Asia Pacific (APAC) region was the most familiar with metal cards (India 24%, China 35%, Indonesia 41%, Singapore 51% and Japan 54%); however, many untapped regions have tremendous growth potential due to the lack of awareness of metal cards: Poland (74%), Canada (74%), Australia (70%), Germany (69%), Mexico (68%), Turkey (67%), U.K. (66%), Italy (65%), and Brazil (65%).
- **Affluent Consumers** – Financial institutions can better target wealthy customers by offering a premium metal payment card solution. Metal cards would be the card of choice (80%) for affluent consumers worldwide, if the benefits and rewards were equal to plastic options. The majority of wealthy customers (62%) also would be more willing to switch banks for one offering a metal card.
- **Future Customers** – Banks may be able to lower the age demographic of their customers by offering metal cards. The preference for metal cards spiked to 77% among millennials (ages 25-34) across all the regions, and particularly in Latin America and APAC with those surveyed in Brazil (89%), China (89%), India (88%), Mexico (88%), Indonesia (85%), and Hong Kong (81%) preferring a metal card.
- **Recycled Metal** – The report also indicated a global climate mindset, with an overwhelming majority (72%) of respondents saying they would choose a payment card made of eco-friendly materials if all rewards and benefits were the same. CompoSecure's premium metal card products should be of particular interest since they contain 54% post-consumer recycled material, made from an average of 65% post-consumer recycled stainless steel.
- **Metal Attraction** – According to survey respondents, the top two reasons consumers are attracted to metal payment cards

are their durability and innovative design. However, metal cards also are associated with exclusivity and luxury in many countries. This is especially true in India (49%), Indonesia (42%), and China (41%).

To download the free metal card report, please visit: <https://www.composesecure.com/the-growth-of-premium-metal-cards>

Methodology

The global survey of 18,000 people in 18 markets around the world was commissioned by CompoSecure and conducted by Edgar, Dunn & Company, an independent global strategy consulting firm specializing in payments and digital financial services. This latest 2021 study validates data from an initial study from 2019, reinforcing the value and demand for metal payment cards and the risks of customer attrition for banks only offering plastic products.

Edgar, Dunn & Company's Metal Card Consumer Study encompasses documentation of the financial industry and consumer trends along with an original survey to gauge and validate consumer demand and card issuer interest in metal cards. Edgar, Dunn & Company surveyed 18 different markets (Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Indonesia, Italy, Japan, Mexico, Poland, Russia, Singapore, Turkey, U.S. and U.K.) to present a holistic overview of the sentiment towards metal cards. These markets were selected as representative of a cross-section of global economies.

For more information about the survey and other market research, contact sales@composesecure.com.

About CompoSecure

Founded in 2000, CompoSecure is a pioneer and category leader in premium payment cards and cryptocurrency and digital asset storage and security solutions. The company focuses on serving the affluent customers of payment card issuers worldwide using proprietary production methods that meet the highest standards of quality and security. The company offers secure, innovative, and durable proprietary products that implement leading-edge engineering capabilities and security. CompoSecure's mission is to increase clients' brand equity in the marketplace by offering products and solutions which differentiate the brands they represent, thus elevating cardholder experience. For more information, please visit www.composesecure.com. ArculusTM was created with the mission to promote cryptocurrency adoption by making it safe, simple and secure for the average person to buy, swap and store cryptocurrency. With a strong background in security hardware and financial payments, the ArculusTM solution was developed to allow people to use a familiar payment card form factor to manage their cryptocurrency. For more information, please visit www.GetArculus.com.

Forward-Looking Statements

This press release contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements are based on various assumptions, whether or not identified in this Press Release, and on the current expectations of the Company's management and are not predictions of actual performance. Although the Company believes that its plans, intentions, and expectations reflected in or suggested by these forward-looking statements are reasonable, the Company cannot assure you that it will achieve or realize these plans, intentions, or expectations. Forward-looking statements are inherently subject to risks, uncertainties, and assumptions. Generally, statements that are not historical facts, including statements concerning the Company's possible or assumed future actions, business strategies, events, or results of operations, are forward-looking statements. In some instances, these statements may be preceded by, followed by or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements which speak only as of the date hereof. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of the Company. You should understand that the following important factors, among others, could affect the Company's future results and could cause those results or other outcomes to differ materially from those expressed or implied in the Company's forward-looking statements: the ability of the Company to grow and manage growth profitably, maintain relationships with customers, compete within its industry and retain its key employees; the possibility that the Company may be adversely impacted by other economic conditions (including the rapidly evolving conflict between Russian and the Ukraine), business, and/or competitive factors; future exchange and interest rates; and other risks and uncertainties included under "Risk Factors" in the Company's filings that have been made or will be made with the Securities and Exchange Commission from time to time. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that CompoSecure does not presently know or that CompoSecure currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. However, while CompoSecure may elect to update these forward-looking statements at some point in the future, the Company undertakes no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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