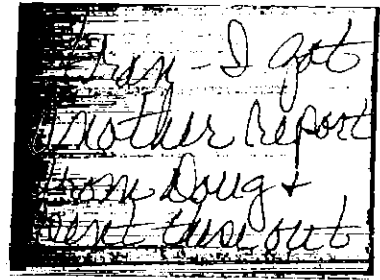


MEMORANDUM



TO: Michael Beindorff
Carol Cosby
Vic Dahir
Jeff Kann
Bill Stewart

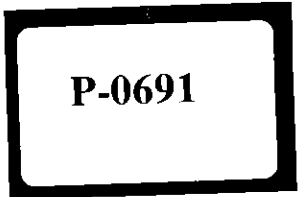
FROM: Fran Schall

DATE: October 28, 1998

SUBJECT: Mail Monitor July 1998

Attached is the July Mail Monitor data for the top Issuers. Of the eight banks listed on this report, Visa's weighted share of solicitations in July was 55.4%. As in the second quarter, the four MasterCard Board banks mailed predominantly Visa solicitations, while the three Visa Board banks mailed predominantly MasterCard offers. Please let me know if you have any questions.

Attachment



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Attachment

MEMORANDUM

TO: Fran Schall CC: Michael Marx
 FROM: Doug Evans x3382
 DATE: October 21, 1998
 SUBJECT: Mail Monitor Competitive Report — July 1998 Top Ten Issuers

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

The base sizes (number of offers received), Visa share of Issuer offers and the Issuers share of total offers are detailed below.

	<u>Number of Offers</u>	<u>Visa Share of Issuer's Offers</u>	<u>Issuer's Share of Total Offers</u>
1. Capital One	435	74%	21%
2. Bank One/First USA	382	34	19
3. Citibank/AT&T[†]	253	0	12
<i>Citibank</i>	184	0	9
<i>AT&T</i>	69	0	3
4. MBNA	190	68	9
5. Chase Manhattan	155	83	8
6. First Card/First Chicago	107	99	5
7. American Express	81	—	4
8. Providian/First Deposit	76	100	4
9. Novus Services	55	—	3
10. Fleet Bank/Advanta[‡]	47	30	2

[†] As of April, 1998, Citibank includes AT&T Universal.

[‡] As of March 1998, Fleet Bank includes Advanta.

The **Top Ten Issuers** represented **87 percent** of all solicitations in July, slightly more than the 84 percent reported in June. Overall, however, estimated mail volume declined to **278 million offers** received, from 363 million in June.

Capital One, a MasterCard Board Bank, accounted for 21 percent of all offers in July, much stronger than the 12 percent of offers reported in June. Seventy-four (74) percent of Capital One offers were for Visa, down from June (82 percent but equivalent to May (76 percent)).

Bank One/First USA, the top mailer over the past 14 months (accounting for 26 percent of all offers in June), declined 7 points, representing 19 percent of all offers in July and dropping to 2nd place. Thirty-four (34) percent of Bank One/First USA offers were for Visa, down considerably from June (52 percent).

Citibank/AT&T dropped to 3rd place for July, with 12 percent of all offers received. This was slightly down from last month, when Citibank/AT&T represented 15 percent of all offers. No Visa offers were received from Citibank/AT&T in July, versus 1 percent in June and 2 percent in May.

- ◆ The Citibank portion of the combined portfolio, representing 9 percent of all offers, had no Visa offers in July. 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) and July (none).
- ◆ The AT&T portion of the combined portfolio represented 3 percent of all solicitations, was down from the 7 percent reported in May and 4 percent in June. All were branded MasterCard.

MBNA, a MasterCard Board Bank, represented 9 percent of all offers in July, up from 6 percent in June. Sixty-eight (68) percent of MBNA offers received in July were Visa, up from June (54 percent).

Chase Manhattan Bank (also a MasterCard Board Bank) represented 8 percent of all offers in July, 83 percent of which were Visa.

In July, the four MasterCard Board Banks in the Top Ten Issuer ranks had higher Visa shares of offers than the three Visa Board Banks, continuing a pattern observed in recent months. The four MasterCard Board Banks collectively represented a larger share of all offers (42 percent) than the three Visa Board Banks (33 percent), a positive finding given their Visa share of offers.

	Visa Share of Issuer's Offers	Issuer's Share of Total Offers
<u>Visa Board Banks</u>		
Bank One/First USA	34%	19%
Citibank/AT&T [†]	0	12
Fleet Bank/Advanta [‡]	30	2
<u>MasterCard Board Banks</u>		
Capital One	74%	21%
MBNA	68	9
Chase Manhattan	83	8
Providian/First Deposit	100	4

[†] As of April, 1998, Citibank includes AT&T Universal.

[‡] As of March 1998, Fleet Bank includes Advanta.

Mail Monitor® Competitive Report July 1998 Highlights

The month of July showed a decrease in competitive credit card direct mail activity. 75% of the households in the Mail Monitor® sample received offers compared to 80% in June.

Key Observations:

- The Top Ten mailers account for 87% of all offers mailed in July (up slightly from 84% in June).
- Capital One takes over as the number one mailer with 21% of offers mailed (reflecting a 9% share increase over June).
- After being the number one mailer for fourteen months in a row, Bank One falls from the top slot to number two with 19% of July's mail.
 - Novus Services drops this month to number 9, with 3% of the mail share.
 - Fleet Bank/Advanta moves down five places to number 10 with 2% of mail (down from 5% in June).
- MBNA's share of mail increases to 9% (up from 6% in June), but maintains its place in the Top Ten at number 4.
 - Provident/First Deposit climbs two levels while mailing at similar shares in June (number 8, with 4% share of offers).
- American Express re-enters the Top Ten with a number 8 ranking and 4% of mail for July, after dropping out in June.
 - Partner's First drops back off the Top Ten list.

Total Number Of Offers	2045
Total Number Of Households	715
Total Number Of Households Receiving Offers	536
Mail Volume Estimate (in millions)	277.8



Mail Monitor[®] Competitive Report Top Ten Mailers During July 1998

	Issuer	Prior Month Rank	% of Household Penetration	% of Total Offers	% No Fee	% Intro APR	% Balance Transfer Option	Comments
1.	Capital One	3	37	21	66	18	62	• 74% Visa, 73% Not Pre-Approved, 60% Platinum, 19% Secured, 15 Different Products
2.	Bank One/First USA	1	31	19	100 (* FW)	25	100	• 97% Platinum, 88% Not Pre-Approved, 65% MasterCard, 60 Different Products
3.	Citibank/AT&T Universal†	2	25	12	93 (2 FW)	10	90	• 93% MasterCard, 81% Platinum, 57% Not Pre-Approved, 27% AT&T Universal
4.	MBNA	4	19	9	100	2	100	• 92% Platinum, 68% Visa, 56% Not Pre-Approved, 58 Different Products
5.	Chase Manhattan	7	18	8	96	32	100	• 83% Visa, 79% Platinum, 61% Pre-Approved w/no specific credit line mentioned
6.	First Card/First Chicago	8	13	5	86 (13 FW)	100	52	• 99% Visa, 89% Platinum, 65% Pre-Approved w/no specific credit line mentioned, 15% Rewards
7.	American Express	*	9	4	41	38	-	• 85% Small Business Corporate
8.	Providian/First Deposit	10	10	4	26	26	16	• All Pre-Approved Visa (66% w/no specific credit line mentioned), 74% Standard
9.	Novus Services	6	7	3	100	100	100	• 93% Pre-Approved (80% w/no specific credit line mentioned), 55% Novus, 45% Regular Discover
10.	Fleet Bank/Advanta†	5	7	2	100	96	100	• 98% Not Pre-Approved, 96% Standard, 70% MasterCard

FW % of offers Fee Waived.
 * Not in last month's Top Ten.

** Less than 0.5%.

† As a result of Fleet Bank's acquisition of Advanta in March 1998 and Citibank's acquisition of AT&T Universal in April 1998, the two issuers will be shown together in tables and data.

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

