



# Diners Club International®

## Market

Not many countries in this part of Europe can boast a credit card market on a par with that of Croatia. One of the reasons for this is almost 40 years of Diners Club market presence here. Diners was the first credit card company to enter the markets of Croatia and all of Southeast Europe, which nowadays benefits customers to a greater extent than in other markets. A significant number of consumers recognize numerous opportunities to finance their daily consumption needs, a fact that translates into 443,000 Diners Club cards issued by the end of 2007. In addition to cardmembers, many points of sale recognize the advantages of credit card transactions, which has brought 85,000 of service establishments to Diners Club, more than any other credit card company.

Diners Club Adriatic also applies its experience and know-how to the European markets covered by its subfranchises. It has been present in Slovenia, Bosnia and Herzegovina, Bulgaria, Romania and Albania for years and holds a stake in Diners Club Russia. Diners Club Adriatic's most recent success is the Hungarian market where it has been operating since December 3<sup>rd</sup>, 2007.

## Achievements

What sets Diners Club apart is certainly the innovation in their products and services. It was the first to launch a host of products, such as a free rewards program, a co-branded Croatia Airlines credit card and many others. With the launch of their D2C card in 2005 it aroused the interest of global credit card companies as it was the first to implement a dual chip card – with a contact chip for contact transactions and a contactless chip that allows the user to pay by simply placing the card against the contactless chip reader. The card offers more security in transactions as the applied technology prevents fraud and potential misuses. The novelty of this product was acknowledged by its principals, who presented Diners Club Adriatic with the prestigious "Best New Initiative" award in 2006, for the best new credit card product.

This honour is a great success, because Diners Club Adriatic faced competition from 49 countries in the EMEA region (Europe, Middle East, Africa). It was the third award of this kind for Diners Club Adriatic following the awards



**Kreditna kartica**  
Prešli smo dug put  
da bismo skratili vaš

**Diners Club International**  
**ERSTE**  
Iz svega Vi na prvom mjestu.

Diners Club Adriatic i Erste banka od sada su zajedno! Kreditna kartica s najpovoljnijim na našem tržištu i najbrže rastuća banka u Hrvatskoj koristeći su svoje snage kako bi vaš život učinile jednostavnijim. Kao savršeni partneri približit će vam svijet i učiniti ga pristupačnijim nego ikada. Uz stabilnost Erste banke i fleksibilnost Diners Club kartice sve što trebate od sada je nadoljetni ruksak! Popunita pristupnica na [www.diners.hr](http://www.diners.hr) ili u najbližjoj poslovnici Erste banke do 31.7.2007. I postanite korisnik Diners Club kartice bez plaćanja uplatine i članarine za prvu godinu članstva.

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presented for the development of free on-line services on [www.diners.hr](http://www.diners.hr) in 2002 and the launch of E-Card in 2004 – the only secure card for online purchases, fully guaranteed by Diners Club.

Beside innovation, Diners Club Adriatic is known for quality in its operations management, and has been among the world's top 10 Diners Club franchises for years. Diners Club Adriatic was awarded Diners Club International's "Best Franchise" of the EMEA region in 1996, 1998 and 2004.

## History

The history of credit card business begins with the Diners Club card. More than half a century ago, in 1949, Frank McNamara found himself in a delicate situation during a business dinner because he did not have his wallet on him due to a last-minute change of clothes. He managed to settle his bill, but could not help thinking that night how impractical it is for a person to be limited by the amount of cash they carry on them rather than the amount they can afford. A year later he dined in the same restaurant with his friend Ralph Schneider and this time paid with his Diners card. This 1950 event is nowadays known in the credit card industry as "the first dinner".

The credit card idea spread quickly and card use as a new means of payment increased as merchants realized how practical this alternative to cash payment was. Diners Club thus pioneered the credit card business and was accepted by thousands of stores in the first year of operation. Both the membership and merchant figures grew exponentially. The idea expanded beyond the United

States' borders and the Diners Club card became international. Diners Club soon focused on business people and their needs to offer the market the first corporate card in 1975. Within the following ten years card use spread to more than half of successful companies, and is nowadays used by businesses and institutions worldwide, including the leading multinational corporations. Diners Club numbers more than 11 million cardmembers, who can pay for the goods and services they receive at more than 14.4 million member establishments in more than 200 countries worldwide.

In Croatia the history of Diners Club is tied to the development of tourism in the 1960s. Along with foreign guests in the Adriatic came the need to introduce new forms of payment in order to increase turnovers and improve the quality of services on offer. December 12<sup>th</sup>, 1969 saw the signing of the franchise agreement with Diners Club International, the first such agreement in the Croatian and Southeast European markets. With Croatia's independence Diners Club became Diners Club Adriatic d.d. in 1992. In early 2007 it was acquired by Vienna-based Erste der Oesterreichischen Sparkassen AG (Erste Bank) to become a member of the Erste Bank Group.

## Product

One of the characteristics of Diners Club is the wide spectrum of services it offers to its cardmembers. The "tailored to your needs" principle makes sure Diners Club covers users of all ages. Beside standard and additional family cards it offers Junior Cards to young cardmembers of 14 years of age and up, Student Cards

**Petrošački zajam**  
Kreditna kartica  
za gušt

**Diners Club International**  
**ERSTE**  
Iz svega Vi na prvom mjestu.

Diners Club vam nudi jedinstveni pristup na kratak rok: petrošački zajam s povoljnom i potpunom oblikovanju prema vašim potrebama. Diners Club vam omogućuje savršeno planiranje vaših troškova i omogućuje vam da se odmorite na najblijem mjestu. Uz stabilnost Erste banke i fleksibilnost Diners Club kartice sve što trebate od sada je nadoljetni ruksak! Popunita pristupnica na [www.diners.hr](http://www.diners.hr) ili u najbližjoj poslovnici Erste banke do 31.07.2007. bez plaćanja uplatine i članarine za prvu godinu članstva.

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### Recent Developments

In early 2007 Diners Club Adriatic became a member of the Erste Bank Group. The affiliation has opened additional opportunities for a wider spectrum of products and services, which are offered to customers by both

and Senior Cards for retirees above the age of 55. The Diners Vision Card is intended for young users who have recently achieved financial independence and are making their first significant financial steps. It offers all the benefits of Diners Club membership and also allows automatic revolving credit facility.

Revolving credit is available to other Diners Club cardmembers on request. Diners Club revolving credit is unique on the market as it allows members the choice to pay their monthly outstanding balance in its entirety or to activate the revolving facility and make a monthly payment of 4% of the balance or a minimum of HRK 100. As Diners Club cards are classic credit and revolving facility cards, users can, upon reaching their revolving credit limit, continue to use the card according to standard charge card terms and conditions.

Cardholders who have been Diners Club cardmembers for six months or more are offered the Diners Plus card, which allows the possibility of paying their balances in 12 monthly instalments for charges incurred in Croatia or abroad. The most demanding users are offered the most prestigious card in Croatia – the Diners Exclusive Card.

As part of their business expansion and cooperation strategy Diners Club created a co-branded card with Croatia Airlines. By using the card cardmembers collect reward miles that can be used for free airline tickets and hotel accommodation. Following in the footsteps of this success, Diners Club has started cooperation with Hrvatski Autoklub (The Croatian Automobile Club), the Croatian Olympic Committee and other partners. Using the respective cards brings special advantages to cardmembers such as Croatian Automobile Club membership.

Diners Club also offers an array of business credit cards – Business for smaller entities and Corporate for large companies and corporations and stands out as the only provider of co-branded corporate credit cards in the market.

companies. Diners Club cardmembers can thus settle their monthly payments in one of the 117 Erste Bank branches free of charge, set up a standing order for their monthly payments and enjoy other benefits. In addition, Diners in cooperation with Erste Bank introduced the Diners Medo Štedo Card ("Savings Bear"), the first to combine the benefits of a credit card with those of children's savings with Erste Bank. The card is unique in that it brings users reward points, which in turn give them the right to enjoy the market's top interest rate for term deposits. It also makes it possible for its users to participate in a children's rewards program that allows them to select an attractive gift for their child.

In addition to products intended for private cardmembers, Diners Club Adriatic won the 2008 "Best Corporate Performance" award for significant growth in the business user segment. Diners Club International grants the award based on criteria such as the number of business credit cards issued, the transaction volume, other business sector services and compliance with set operational standards. Diners Club has 9 different business credit cards in its portfolio, ranging from the standard Corporate Card and the Business Card to the only co-branded card intended for companies, such as the Diners Club/Croatia Airlines Card, Diners Club/Croatian Automobile Club Card and others. The award conferred on Diners Club Adriatic is something to be very proud of as the competition consisted of 59 Diners Club International franchises from around the world.

### Promotion

Diners Club widely advertises its products and services and communicates with its cardmembers via direct advertising channels. Within the global strategy Diners Club in Croatia recognizes the specific characteristics of the local market, and creates campaigns to match global standards with their messages and implementation. The latest campaign also features Diners Club as an Erste Bank Group member, which it became in 2007.

The quality of Diners Club Adriatic TV and radio commercial spots was acknowledged and rewarded by Diners Club International on several occasions, and the Diners Club Exclusive party was voted the best publicity event in Croatia.

Diners Club is a major advertiser in Croatia and besides traditional advertising uses a host of topic-specific publications and radio and TV programs to approach the target audience. In this regard the "Kulturni info" (Culture Info) program stands out. In its Sunday afternoon slot it has broadcast an overview of cultural events in Croatia for years now, and is a platform for Diners Club's latest products and services.

Diners Club pays special attention to interactivity and recognizes the Web as a medium that allows interactive communication with members according to their needs and the information they require.

### Brand Values

A brand has long moved from being a simple logo or from representing the quality of services. The focus on clients is increasingly important as clients select the brand according to the goals they want to achieve. A brand also stands for satisfied employees, so that, knowing that education investments are a foundation of corporate development, Diners Club Adriatic has been investing in their employees' education for years.

The focus on knowledge is defined through the Diners Club sponsorship strategy, which has the corporation participate in projects in support of youth education. It has been part of the "Top stipendija za top studente" (Top Scholarship for Top Students) initiative. The program funds five of the top 32 Croatian student talents. It is also one of the Fulbright Scholarship sponsors, which finances the education of two Croatian citizens at prestigious universities in the United States.

[www.diners.hr](http://www.diners.hr)

### THINGS YOU DIDN'T KNOW ABOUT...

#### Diners Club International

- Diners Club was the world's first credit card company launched in 1950, and was also the first to enter the Croatian and Southeast Europe markets in 1969.
- A Diners Club credit card can be used as a means of payment in more than 200 countries and substituted for, believe it or not, 196 currencies in the world.
- Diners Club International launched its Rewards Program as early as 1984 which makes it the first to start awarding its cardholders' loyalty. The main campaign promoter was then Vice-President George Bush.
- Diners Club Adriatic was the first globally to launch a dual chip card – Diners D2C.

