

THE MASTERCARD® PREPAID FOR ECOMMERCE

CATCHING THE FULL ONLINE POTENTIAL



BY 2016, THE ECOMMERCE SECTOR IS ESTIMATED TO BE A TOTAL OF €356 BILLION

Prepaid has a strong role to play in the fast growing eCommerce space

eCommerce growth is outpacing any other channel and requires appropriate payment means. **Mastercard Prepaid card for eCommerce** provides issuers, program managers and merchants with a payment instrument capable of engaging consumers in the new ecosystem.

Consumers already use and know the value of prepaid online. Prepaid card-spend on the web across European countries reached up to 80% of total POS spend in 2011.¹ The business opportunity is sizeable: 20 – 30% of online purchases in EU are still made without cards.² Eastern and Southern Europe's share of cash on delivery is even larger.

MasterCard has experience in the most advanced Prepaid eCommerce programs in several European markets (Italy, UK, Spain, Germany, Belgium),³ and can provide its business partners with valuable insights on issuance, positioning, value added services, promotions and how to develop a communications campaign.

MasterCard prepaid card for eCommerce: value proposition

MasterCard prepaid is the only online payment tool equivalent to cash. It is available to everybody and can be easily used on the web.

Meeting customers' needs with the perfect solution

Across Europe, prepaid is highly valued by consumers for internet payments.⁴ It offers:

- Control – budget is kept under tight management as funds are loaded prior to purchase. Consumers can only spend the available balance, no overspend is possible
- Security – consumers have a strong sense of security when paying with prepaid
- Speed – transactions are finalised in a simple and fast way

These are the common denominators across different countries. However, cultural nuances add specific USPs reflecting the largest consumer group in each country – and they are both geographic and behavioural. For instance, some countries or segments might demand innovation and technology for their web payment card, while others appear to appreciate the democratic element of prepaid, or the special value added benefits associated with it.

MasterCard has the know-how and experience to assist you in determining what is the best combination for your country / target consumer segment.

eCommerce in the UK is expected to reach €90 billion by 2016.

Needs and solutions

Consumer concerns

- "I don't always know the sites I am surfing on, and I don't want to risk my card getting blocked for fraud"
- "I am afraid I will spend too much, or my family members will spend too much"
- "I don't want to put my personal data on the web"
- "I want to go on internet but I do not own a credit card or bank account".

Product values ("Reason why")

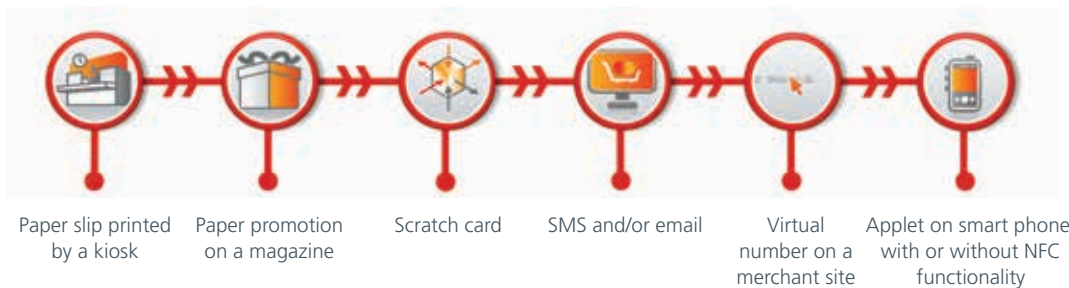
- Prepaid is safe (you only risk the money loaded onto the card, and you can block it by calling the green number as any regular card)
- Prepaid allows you to keep control of your budget (you cannot run into debt, you cannot overspend, your child is controlled)
- The card data of prepaid ring fences your money from any identity theft attack (funds are segregated from current account and/or line of credit)
- Prepaid is for everybody, no need for credit history or permanent job contract.

MasterCard prepaid card for eCommerce: the pillars of a successful proposition

- First: a strong positioning of the product, leveraging the key USP for the country / consumer segment. Everything, from card design to communication, should reflect the positioning.
- Second: build the product with value added services which differentiate prepaid from other forms of web payment, such as:
 - i) Segregation and protection of funds (full chargeback rights)
 - ii) Value added benefits/insurances, which MasterCard can provide through cardholder Solutions (based on MasterCard research, insurances increases consumers' propensity to buy by up to 30-40%)
- Third: add a tailor made loyalty program or national marketing web promotion making consumers shopping experience even more rewarding

MasterCard Prepaid: one proposition, different form factors – much more than plastic

From physical into virtual: to shop online a consumer simply needs a PAN, expiry date and security code (CVC2). This information can be delivered in many creative ways.



Virtual prepaid provides a payment solution to occupy the fast moving digital space as well as continuing to provide a payment platform to many applications in the physical world.



The total eCommerce spend in Germany by 2016 is projected to reach €61 billion

MasterCard – the support you need

The MasterCard Prepaid team is committed to helping you through every step of the programme implementation process by:

- Reviewing programme requirements
- Identifying and addressing all necessary launch steps
- Collaborating with you to build the most effective project plan
- Assigning you a dedicated team for all implementation tasks
- Providing turnkey marketing support materials

What MasterCard can provide

We can help you get to market with our network of issuing banks, programme managers and processors. We will work with you to:

- Assign a relationship manager
- Establish clear lines of communication
- Review programme requirements
- Identify and address necessary steps to achieve the desired results
- Develop and roll out a project plan
- Create a working team to ensure all implementation tasks at MasterCard are coordinated and performed
- Help determine performance metrics
- Share best practices
- Provide on-going support

Why MasterCard?

MasterCard serves consumers and businesses in more than 210 countries and territories.

- **As a franchisor**, we develop and market payment solutions and processes
- **As a processor**, we handle approximately 27 billion transactions each year
- **As an advisor**, we provide industry-leading analysis and consulting services to financial institution customers and merchants
- **As a leader in innovation and technology**, we have the facilities and knowledge to help make your programme a success

Working with us puts you at the heart of commerce where financial institutions, businesses, cardholders and merchants worldwide converge.

Get in touch

If you are interested in how the MasterCard Prepaid Card for eCommerce can benefit your customers, don't hesitate to get in touch. We are ready, willing and able to be your partner. Let us help you develop an offering that's right for your customers and bring the strength of the MasterCard Prepaid Card for eCommerce to your brand.



For more information, please contact your MasterCard representative or local MasterCard office



MasterCard Worldwide is at the heart of commerce. Our understanding of how and why commerce is conducted allows us to create more advanced methods of payment that fuel economic connections and drive real business value.

¹ MasterCard's proprietary processed data

² ComScore Report: Total EU eCommerce Dollar and Transaction Share by Payment Type, end 2010.

³ As of year-end 2012.

⁴ MasterCard's proprietary consumer research 'prepaid eCommerce and virtual cards', 8 countries surveyed in 2011, over 600 respondents per country, quantitative study