

## Our Strategy and MasterCard 3.0



We hear it every day. *I'm not sure I could state our strategy in 25 words or less. Everyone is talking about MasterCard 3.0 but I'm not exactly sure what that means. And, I don't know how our strategy connects with 3.0.* Recently MC Central sat down with Peter Kopp, our head of strategy, and got the straight scoop on our strategy and how 3.0 fits into the picture.

### **MC Central: How would you describe our strategy?**

Peter: Our strategy is (start the word count...)

**To grow electronic payments and grow our share by creating solutions that meet the needs of our stakeholders, including consumers, merchants, issuers and governments** (24 words).

To grow electronic payments ("grow the pie"), we have aggressive goals to win new consumers and new merchants, through a coordinated approach that will accelerate financial inclusion and move us toward a world beyond cash. We are also working hard to expand electronic payments into critical everyday spend categories such as transit and parking and new payment flows like bill pay, person-to-person payments and remittances.

To drive preference for our brands and grow our share, we are pursuing a range of actions to achieve competitive advantage versus other players. This involves delivering additional value to each of our stakeholders. We do that by being the best in providing solutions that are safe and secure. We do it by leveraging our data and analytics and our loyalty solutions to provide value to the entire commerce experience before, during and after the payment. And we do it by leading the convergence between digital and physical commerce. We power all that with our technology.

### **MC Central: How has the strategy evolved over the years?**

Peter: Pre-IPO, we were owned by our member financial institutions and were generally more responsive to their needs than to those of other stakeholders. Over the last several years, we have broadened our external focus and have made better efforts to understand and address the

needs of consumers, merchants and governments and other participants in commerce like telco's and digital giants, as well as financial institutions.

Additionally, our thinking has shifted away from a strategy focused on individual product silos to a more holistic strategy that cuts across products and geographies. And we are looking at commerce broadly, rather than focusing only on the actual payment transaction.

**MC Central: What does "MasterCard 3.0" mean?**

Peter: MasterCard 3.0 is how we express our long-term aspirations and it outlines our role in the world's economy.

In this vision, MasterCard is a trusted facilitator, helping all stakeholders achieve their goals and enabling commerce across all geographies, channels and devices. We will develop "sticky" relationships with buyers and sellers, becoming indispensable by understanding and meeting their needs – before, during and after the payment.

**MC Central: How does our strategy connect to 3.0?**

Peter: The principles of MasterCard 3.0 provide a consistent frame for evaluating and prioritizing our strategic initiatives and for allocating resources. Think of 3.0 as our "conscience" as MasterCard business owners consider various courses of action.

**MC Central: So 3.0 is a future state?**

Peter: Yes, our current strategies and corporate priorities are designed to help us achieve the 3.0 aspiration. For example, as we assess a potential initiative within our merchant strategy, we need to ask: Does this help merchants grow their business? Better understand their customers? Increase profits? Improve operating efficiencies? If not, then we shouldn't do it.

**MC Central: Employees have been asking, "Can I use the theme 3.0 externally?"**

Peter: No, 3.0 is a framework we are using internally. It should not be shared with external audiences.

**MC Central: Thanks Peter, this is very helpful.**

Peter: Glad to be of help.