

MasterCard
International

MasterCard

MasterCard Creative Brief

April 29, 1997

P-1212

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MCJ2827085

MasterCard Presenters

Alan Heuer - President, U.S. Region

Barbara Delia - Senior Vice President, global Research

Nick Utton - Senior Vice President, U.S. Region Marketing

Larry Flanagan - Vice President, U.S. Region Advertising

Debra Coughlin - Senior Vice President, Global Advertising
and Marketing Services

David Henderson - Vice President, Global Advertising/
Interactive Marketing

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MasterCard Creative Briefing Agenda

- Introduction/Opening Remarks Alan Heuer
- Payments Industry Overview/Situation Analysis Barbara Delia
- MasterCard Strategic Marketing Overview Nick Utton
- Market Research Highlights Barbara Delia
- MasterCard Brand Situation Analysis Larry Flanagan
- The "Future of Money" Positioning Larry Flanagan
- Creative Brief Larry Flanagan
- Creative Assignment Critical Path Larry Flanagan
- Market Research Testing Overview Barbara Delia
- Interim Plans - April through September Larry Flanagan
- Global Overview/Issues David Henderson
Debra Coughlin

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Payments Industry Overview/Situation Analysis

Barbara Delia
SVP, Global Research

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Industry Overview

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Background

- MCI is a not-for-profit trade organization.
- MCI and Visa are owned by 23,000 member banks.
- MCI and Visa generate revenue via bank assessments and "interchange". Interchange is the cost charged to banks for utilizing our transaction network.
- MCI is approximately a \$1 billion corporation.

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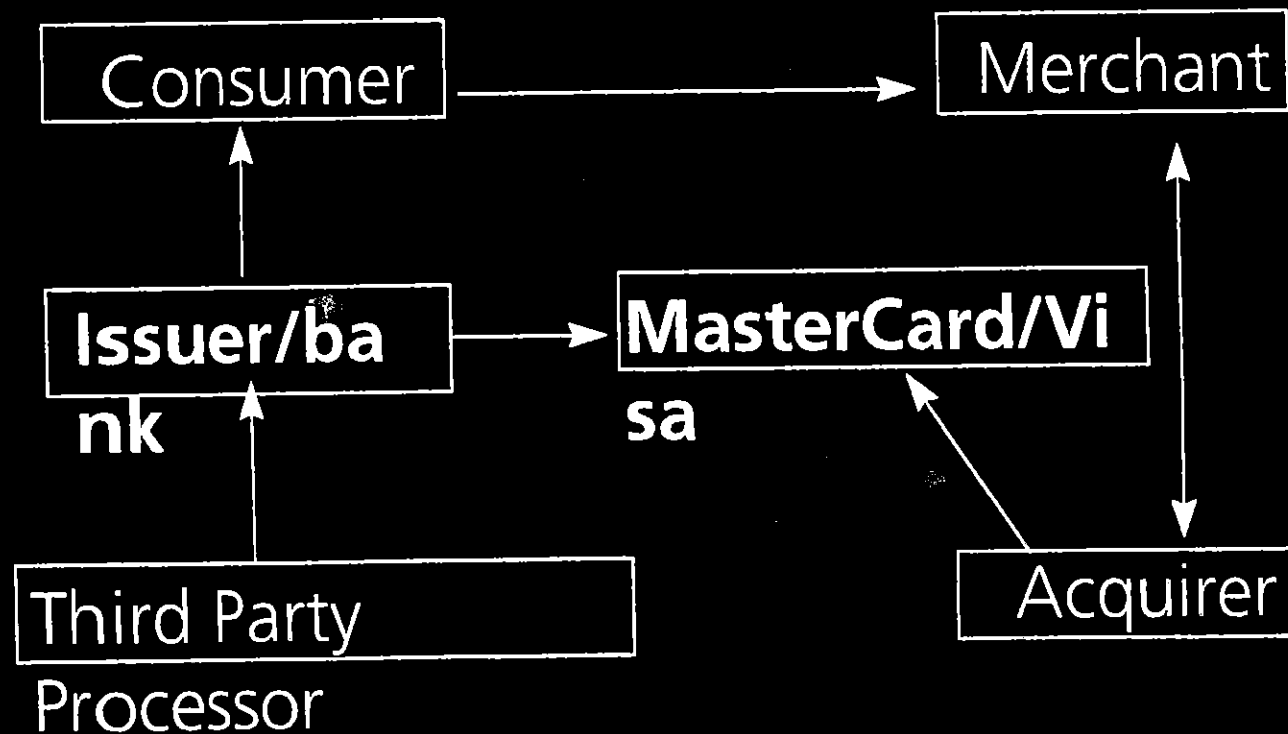
MasterCard Portfolio

MasterCard is a **PAYMENTS** company with multiple product offerings.

- Credit Cards - MasterCard
- Debit Cards - MasterMoney/Maestro
- Stored Value Cards - Mondex

Bankcard System

- There are 6 key players in the bankcard system



Bankcard Associations' Functions

- Member and Brand Management
 - By Laws
 - Operating Rules and Regulations
 - Licensing
- Brand Advertising and Promotional Campaigns
- Authorization and Clearing Systems for Interchange Transactions Settlement
- Statistical Analysis
- Security/Risk Management
- Assessment and Fee Based Services
- Develop New Products and Services

Issuer Functions

- Solicit Cardholders
- Issue Cards
- Set Credit Limits
- Set Card Fees
- Set Interest Rates
- Set Terms
- Set Discount Rates

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There Are Two Markets Under Consideration

The General Purpose Card Market:

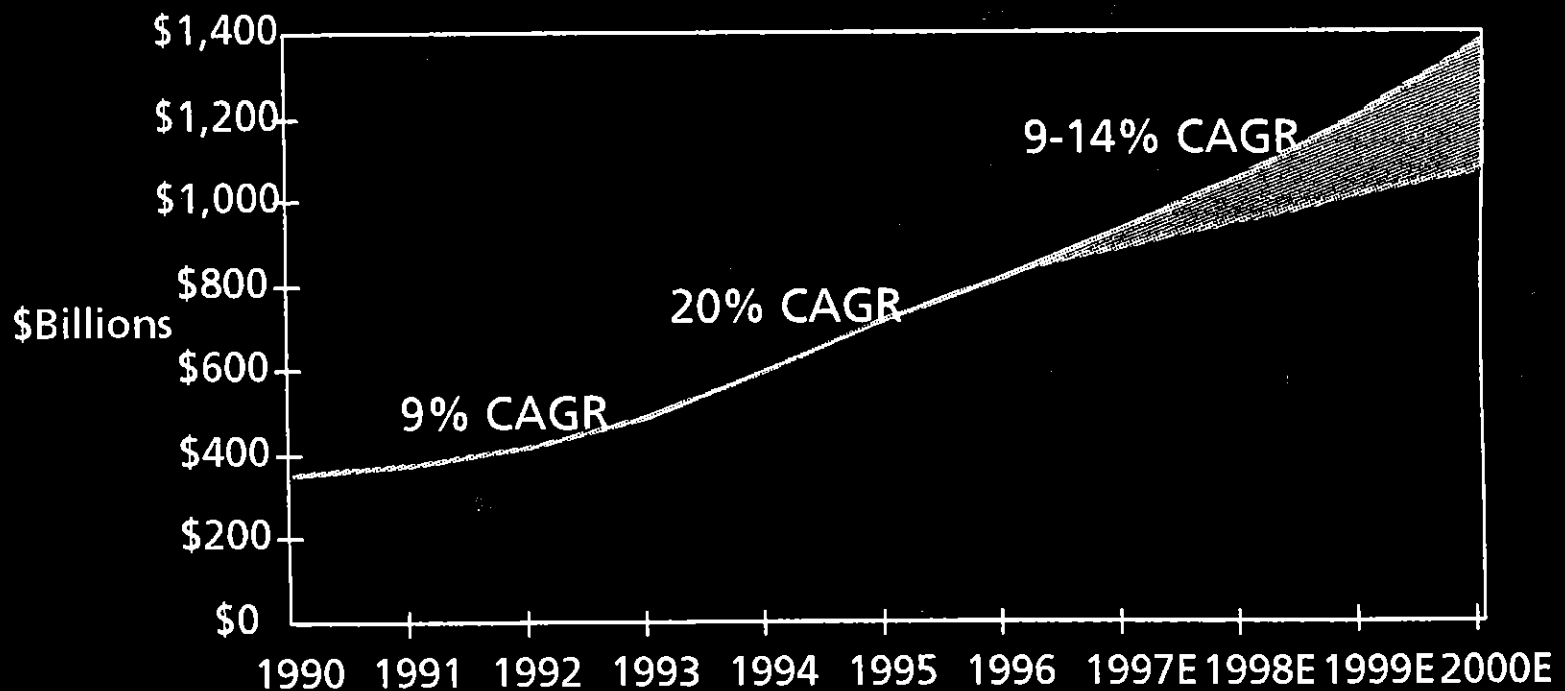
- Visa, MasterCard, American Express, Discover, Diners Club and all other cards issued by non-bank financial institutions

The Bank Card Market:

- Card issued exclusively by retail banks: MasterCard and Visa Cards

Volume Growth Will Continue, But at a Slowing Rate

Forecasted Growth in General Purpose Card Volume



Source: Nilson, Bernstein, MasterCard estimates

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General Purpose Card Performance in 1996

	Share %	Vol. <u>Growth</u> %
MasterCard	26.3	+13.5
Visa	51.4	+20.1
AmEx	15.0	+13.7
Discover	6.1	+12.8

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Bank Card Market

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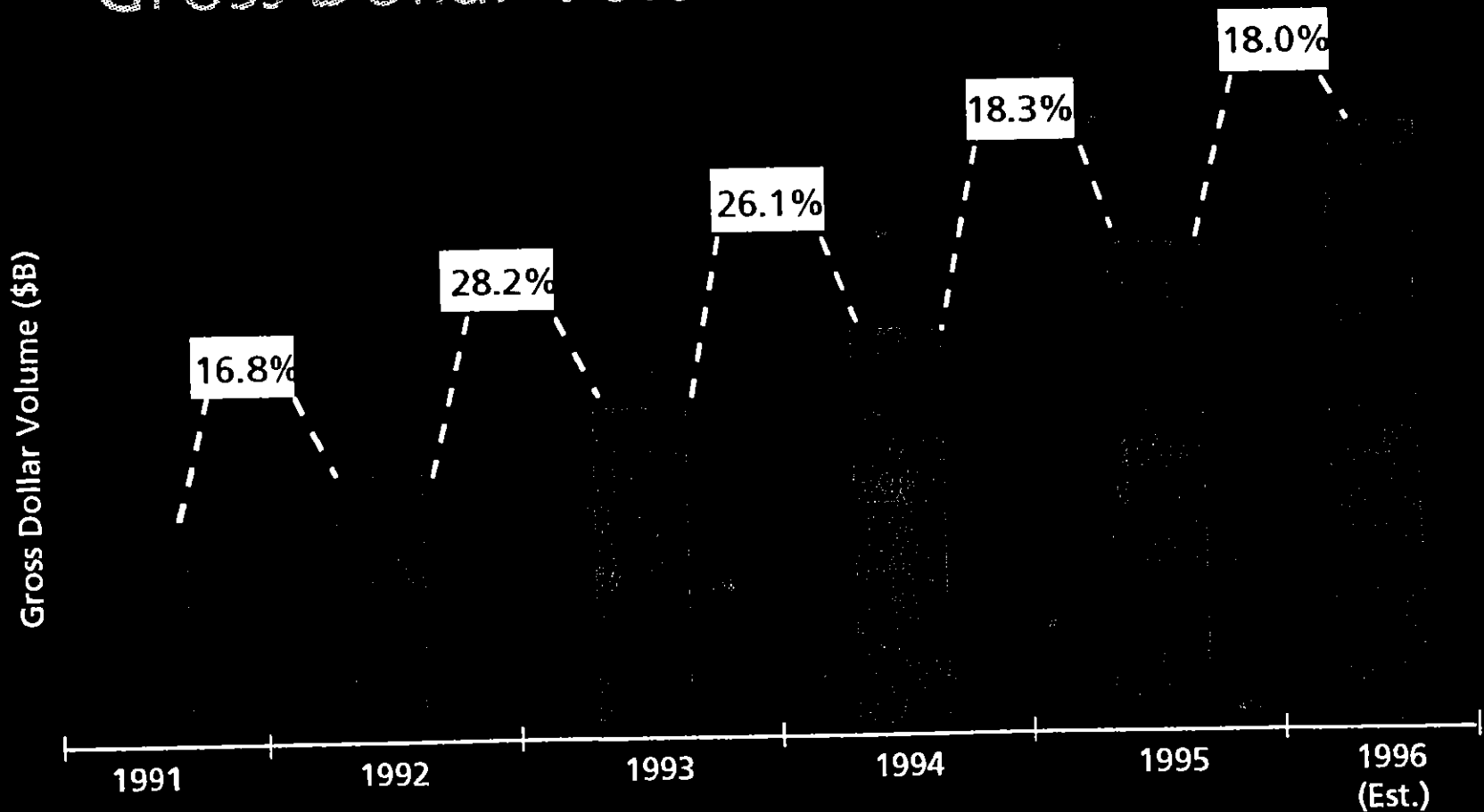
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Bank Card/Category Overview

- Number of MasterCard in circulation has been increased to 199.1 million - - 155.1 credit cards
- Average amount spent on a card annually is \$1,630 - -\$1,392 on credit.
- Average transaction size . . .
 - \$84.3 credit
 - \$44.5 debit

Five Year Growth Trend

Gross Dollar Volume - Billions



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MasterCard Performance

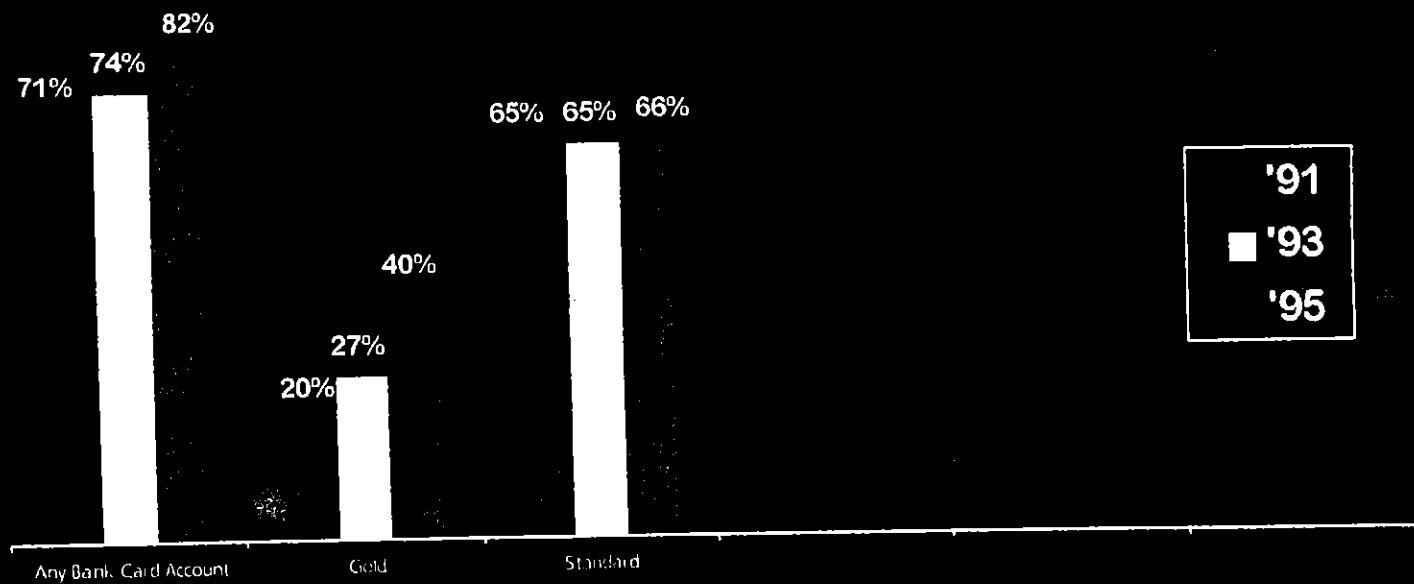
In the last few years, MCI has been losing share to Visa

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
	%	%	%	%	%	%
MC Credit	37.6	38.1	39.1	38.5	36.7	35.9
Growth	-5	.5	1.0	-0.6	-1.8	-0.4
Standard	35.9	37.3	39.2	39.3	38.3	37.5
Growth	-6	1.4	1.9	.1	-1.0	-0.8
Gold	42.1	39.8	38.3	37.3	34.6	34.2
Growth	-1.4	-2.3	-1.0	-1.5	-2.7	-0.4

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Gold Card are Driving Market Growth



Source: PSI's Card Services and Strategies Research Programs

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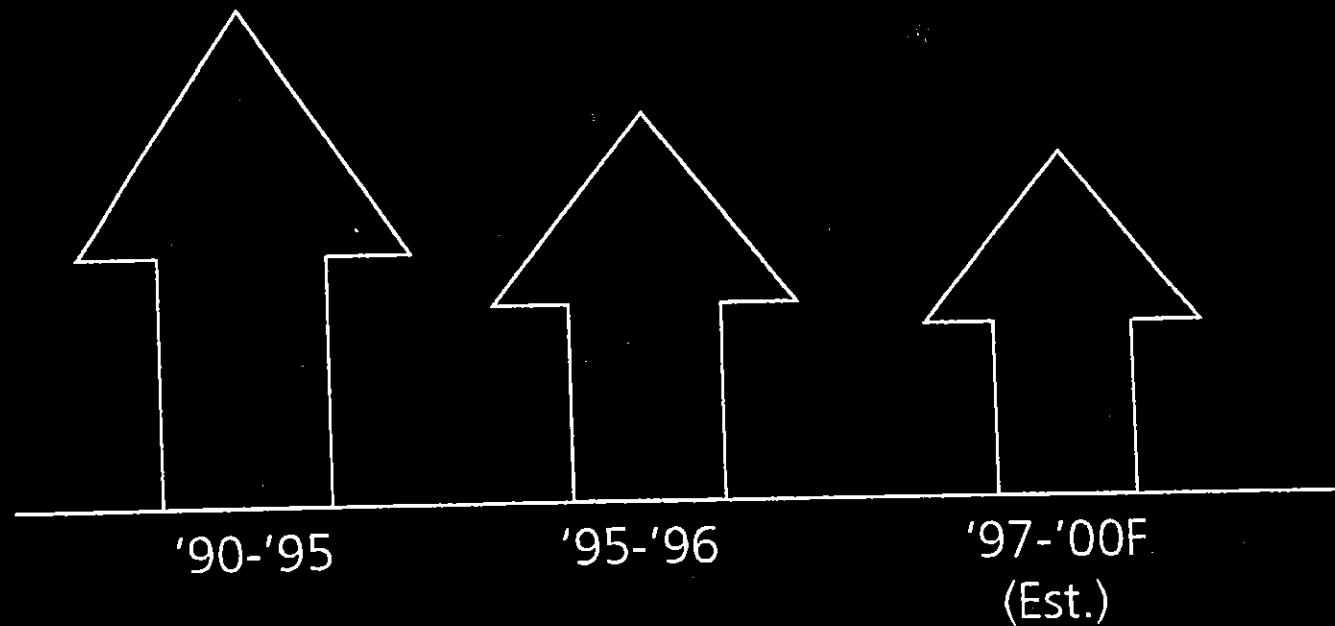
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Co-Branded Cards

- Represent 27% of all credit cards
- Dominated by MasterCard - 50% share
- Account for 43% of our gross dollar revenue

Co-Branding Growth Rates are Slowing

Growth in Outstandings



Source: Bernstein, Nilson and MasterCard estimates

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Mail Overview

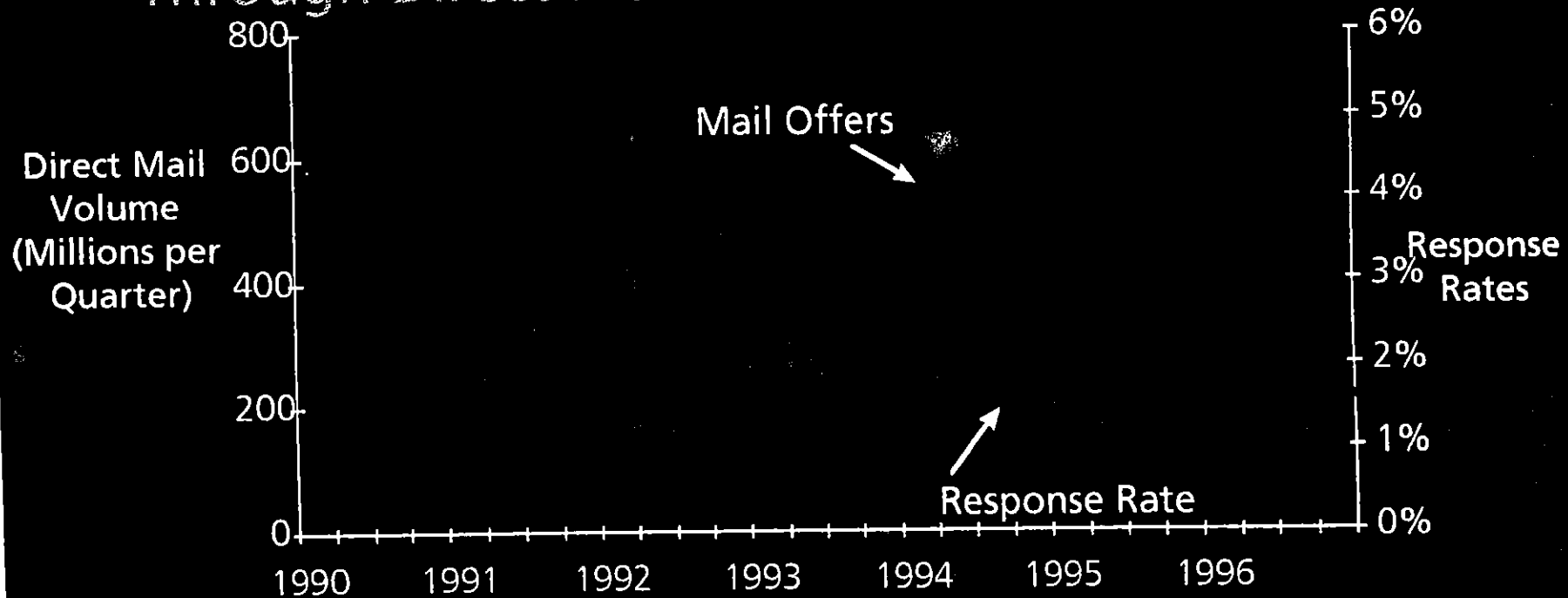
- Mail solicitations are the primary acquisition tool for bank card credit cards.
- Mail volume increased dramatically in the '90's but was down 10.5% in 1996.
- Estimated volume of mail for 1996 is 2.2 billion pieces.

Mail Overview

- For the last 5 years our share of mail versus Visa has been about 35%
- In the last 3 months, mail share has improved - approximating 50%
- Overall response rates have been trending downward to 1.4% for 1996

Mailbox Saturation Is Driving Declining Response Rates...

U.S. Consumers Increasingly Decline Credit Card Offers, Although Issuers Continue to Solicit Through Direct Mail

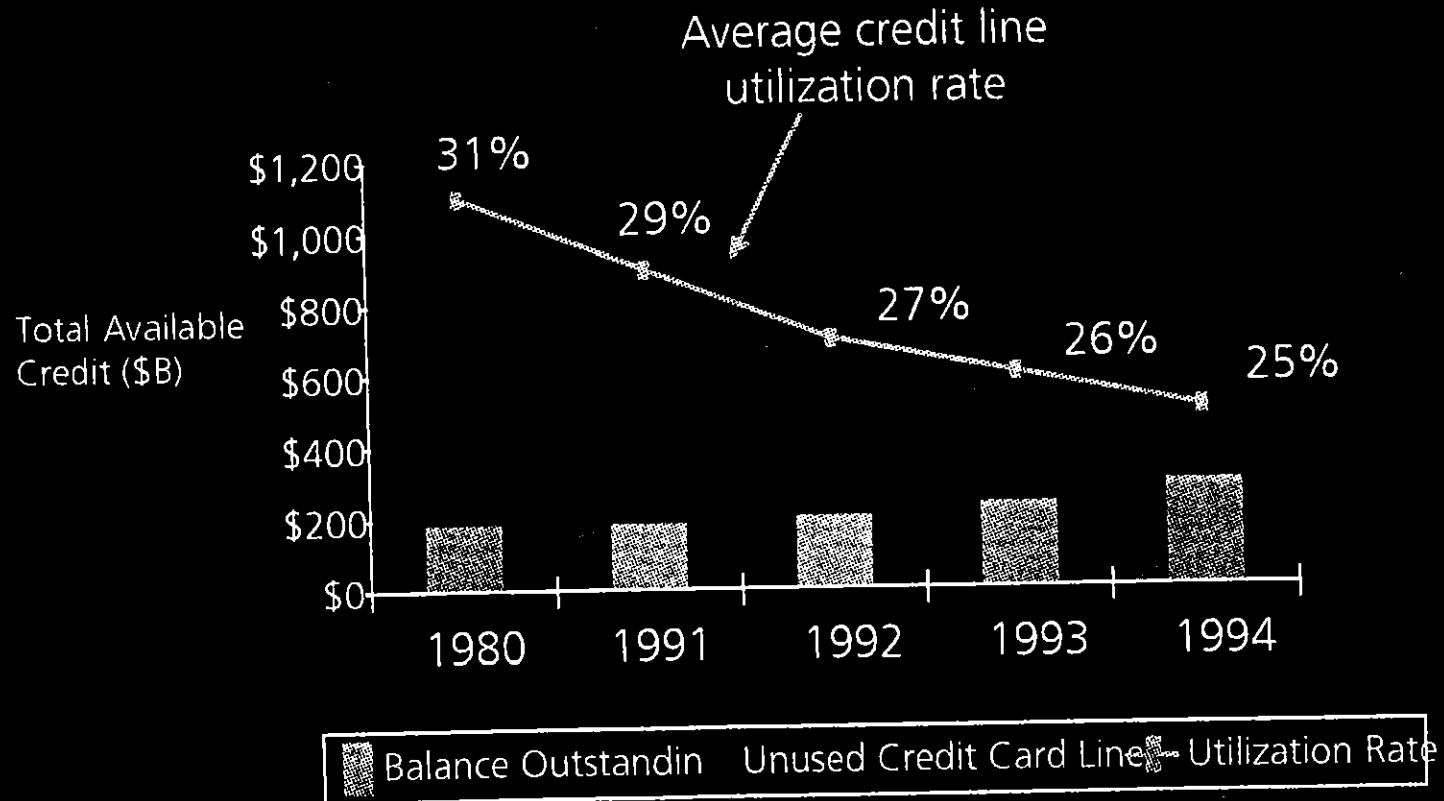


Source: Mail Monitor

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Utilization Rates for Credit Line Could be Improved



Source: FDIC and Bernstein estimates

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The Consumer

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Plastic Ownership

Plastic card ownership is widespread with nine in ten banked adults claiming ownership of some type of plastic card. A large minority of plastic card owners have both payment and ATM capabilities. Eight in ten own a general purpose credit card.

	<u>Total Banked</u>
	%
% Plastic Owners	89
Have both ATM and Payment	80
Payment only	15
ATM only	5
Any Payment	85
Any General Purpose	79
Any Store/Gas Card	62
Any ATM	76

Source 1996 US Consumer Tracking Study

Number of General Purpose Cards Owned

The majority of card owners own multiple cards.

	<u>Total</u> <u>Cardholders</u>
	%
1 Card	31
<u>2 or More Cards</u>	69
2 cards	26
3 cards	21
4 or more cards	21
Average	2.5

Source: 1996 Activation & Usage Study

Claimed Ownership/Use Most

Visa leads MasterCard by a substantial margin in both total ownership and most often usage.

American Express and Discover are well behind the market leaders for both measures.

Visa outpaces the competition in converting owners to most often users.

	<u>Claimed Ownership</u>	<u>Use Most</u>	<u>Conversion</u>
	<u>%</u>	<u>%</u>	<u>%</u>
Visa	56	37	66
MasterCard	42	21	48
Discover	20	7	35
American Express	12	5	42

MasterCard & Visa Ownership

The vast majority of plastic card owners have either a Visa or MasterCard (76%). Among this group, dual ownership is substantial with one in three owning both brands. Exclusive ownership of Visa is approximately double the level of MasterCard.

	<u>%</u>
Own Visa or MasterCard	<u>76</u>
Own Both Visa and MasterCard	33
Own Visa Only	29
Own MasterCard Only	14
Own Neither MasterCard or Visa	24

Source: 1996 US Consumer Tracking Study

Plastic Usage

General purpose credit cards are used, on average, six times per month.

	Average Number of Times Used <u>Past 3 Months</u>
Total General Purpose/ATM	28.5
General Purpose Payment	18.4
ATM	10.1

Source: 1996 US Consumer Tracking Study

Payment Behavior

Two thirds of cardholders are revolvers - that is, they carry forward a portion of their outstanding balance from month to month. One-third are transactors who pay the total amount due in full.

	Total Cardholder: %
Total Revolver	66
Sometimes pay total every month, sometimes pay less than the total	18
Always pay less than total, but more than the minimum due	45
Always pay the minimum due	12
Transact only	34
Revolve only	43
Both transact and revolve	15

Source: 1996 US Consumer Tracking Study

Demographic Profiles of Banked Adults, Plastic Owners & Non-Owners

	Banked Adults				
	Plastic Owners	MasterCard Owners	Visa Owners	American Express Owners	Discover Owners
<i>Base:</i>	(497)	(239)	(321)	(67)	(118)
Past 2 Year Travel	82%	88%	89%	83%	85%
Domestic	81%	87%	88%	82%	83%
International	23%	32%	27%	44%	23%
Gender	100%	100%	100%	100%	100%
Male	48%	49%	51%	58%	46%
Female	52%	51%	49%	42%	54%
Age	100%	100%	100%	100%	100%
Under 35	38%	39%	32%	34%	24%
35-49	40%	38%	44%	42%	42%
50 or Older	22%	23%	24%	24%	34%
Income	100%	100%	100%	100%	100%
Under \$15,000	6%	4%	4%	0%	7%
\$15,000-\$34,999	36%	26%	29%	19%	22%
\$35,000-\$49,999	26%	28%	29%	26%	32%
\$50,000 - \$74,999	21%	27%	25%	33%	27%
\$75,000 or More	11%	14%	13%	22%	12%
					(Cont'd)

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Demographic Profiles of Banked Adults, Plastic Owners & Non-Owners (Cont'd)

	Banked Adults				
	Plastic Owners	MasterCard Owners	Visa Owners	American Express Owners	Discover Owners
<i>Base:</i>	(497)	(239)	(321)	(67)	(118)
Education	100%	100%	100%	100%	100%
High School or Less	37%	31%	31%	25%	38%
Some College/Trade School	30%	32%	29%	31%	27%
College Graduate	33%	37%	40%	44%	35%
Marital Status	100%	100%	100%	100%	100%
Married	59%	62%	63%	62%	65%
Single	26%	23%	21%	27%	22%
Other	15%	15%	16%	11%	13%
Race	100%	100%	100%	100%	100%
White	81%	87%	84%	80%	90%
Black	15%	8%	10%	15%	5%
Other	4%	5%	6%	5%	5%

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Brand Awareness

Virtually all "banked" consumers are aware of MasterCard and Visa on an aided basis. Unaided awareness of Visa is slightly higher than MasterCard with American Express a distant third.

	Unaided Awareness	Total Awareness
	%	%
Base: Banked Consumers		
Visa	78	98
MasterCard	72	96
American Express	49	94
Discover	45	89
Diners	13	63
Optima	4	34
Maestro	1	4
Interlink	1	4

Average

3.4

7.0

Source: 1996 US Consumer Tracking Study

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Advertising Awareness

Driven by significantly higher spending levels, Visa leads MasterCard in unprompted advertising awareness. American Express and Discover are well below the market leaders in spite of historically heavier advertising spending relative to MasterCard.

Unaided
Advertising Awareness

	<u>%</u>
Visa	57
MasterCard	48
American Express	37
Discover	28
Diners	5

Source: 1996 US Consumer Tracking Study

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**MASTERCARD STRATEGIC
MARKETING OVERVIEW**

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*MasterCard
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MasterCard Strategic Marketing Overview

Nicholas Utton
SVP, Marketing & Promotions

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MasterCard Strategic Marketing Overview

Nicholas Utton
SVP, Marketing & Promotions

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African American Irishman



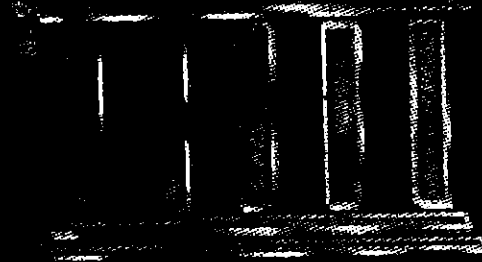
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MasterCard and Members



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Working Together to
Shape the Future of
Money

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MasterCard: The Future of Money

MasterCard's Vision:

Working with and behalf of members, MasterCard will help shape the future of money by becoming the world's best and most preferred way to pay.

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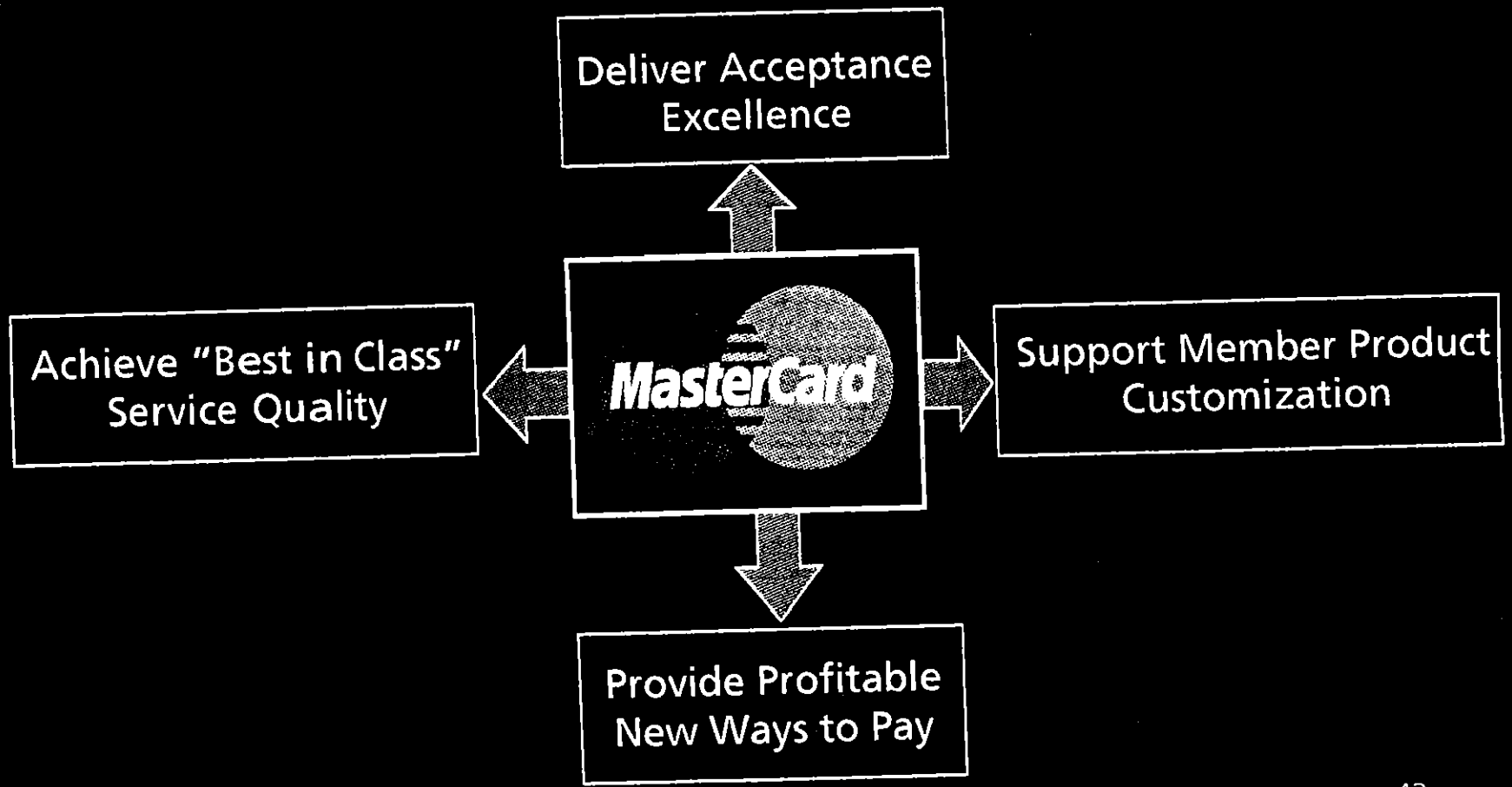
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MasterCard: The Future of Money

MasterCard's Purpose:

Our purpose is to add value to members and to markets worldwide by building superior brands and platforms, which ensure the highest-quality access to payments anytime, anywhere.

MasterCard- Prepared for the Future



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Marketing/Technology Challenge

"Become the world's best and
most preferred way to pay."



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The mind is the battleground



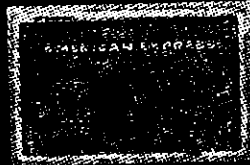
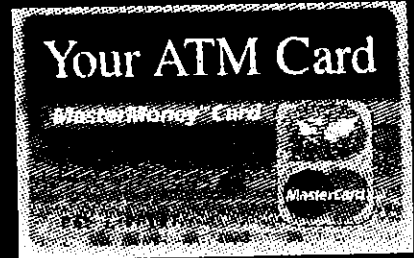
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Brand Differentiation - Key

MasterCard

6-12 3456 7890 1234
1234 5678 9012 3456
1234 5678 9012 3456
1234 5678 9012 3456



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Customer Focus - Key

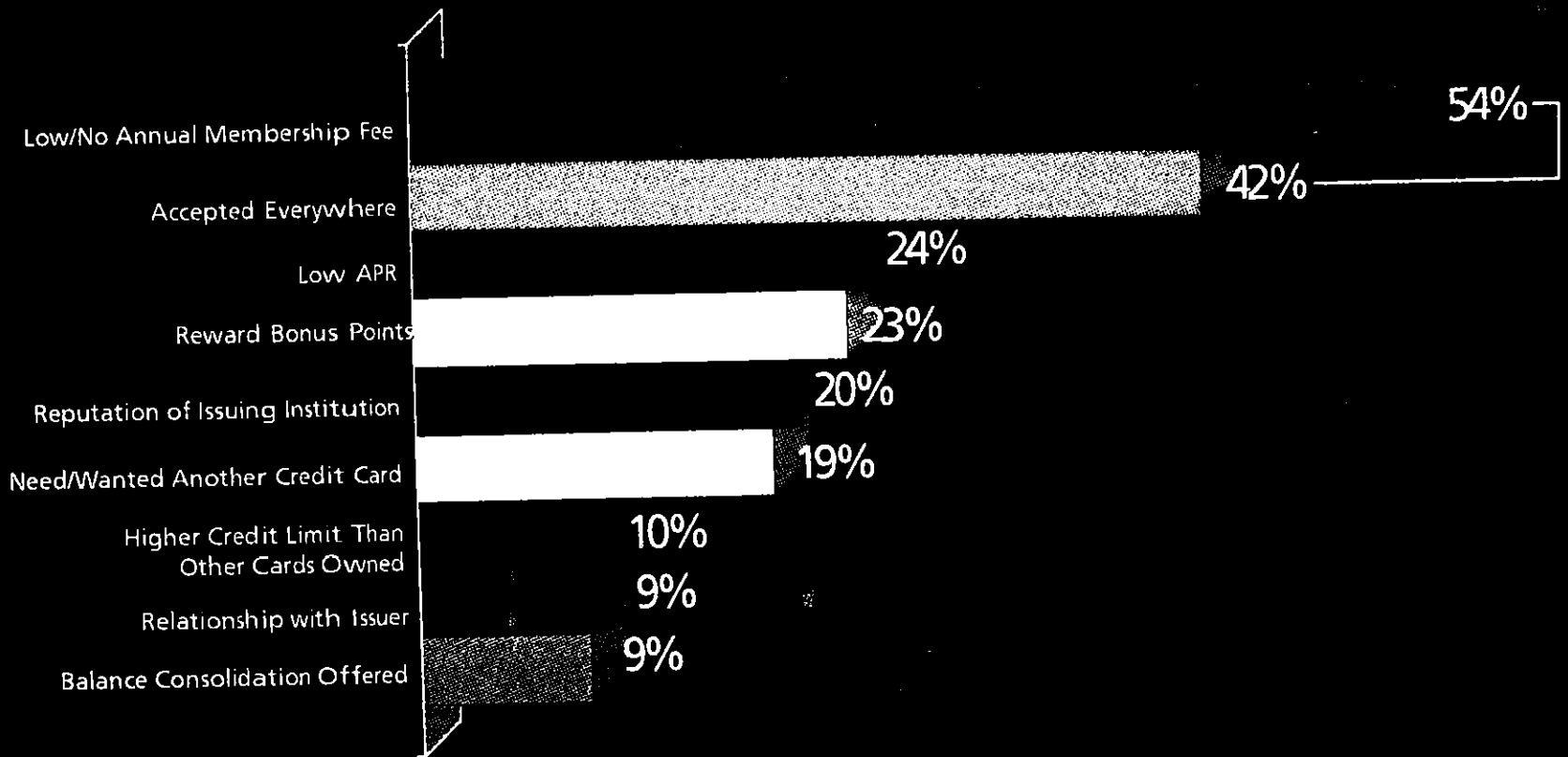
"If we don't take
care of our
customers,
someone else will."

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The Primary Reasons For Acquiring a Card

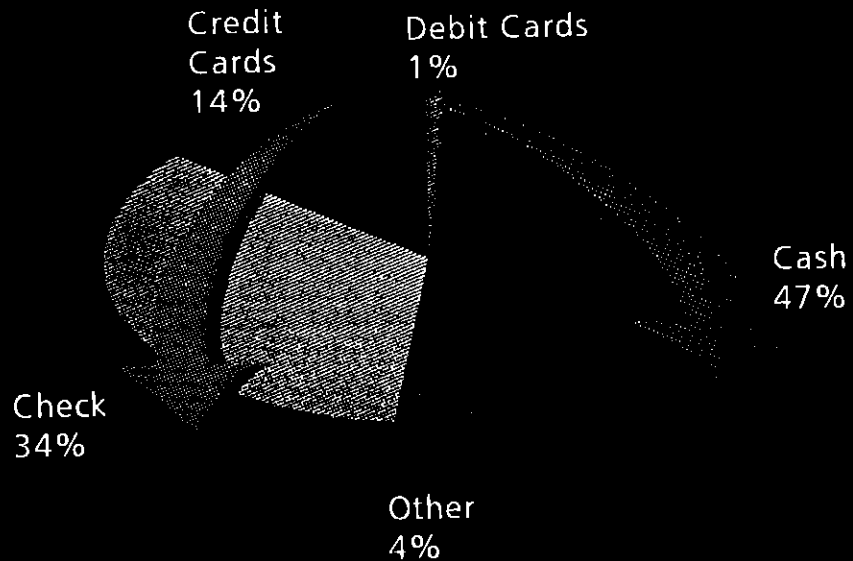
Related to Annual Fee and Acceptance . . .



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Rapid Displacement of Cash and Checks

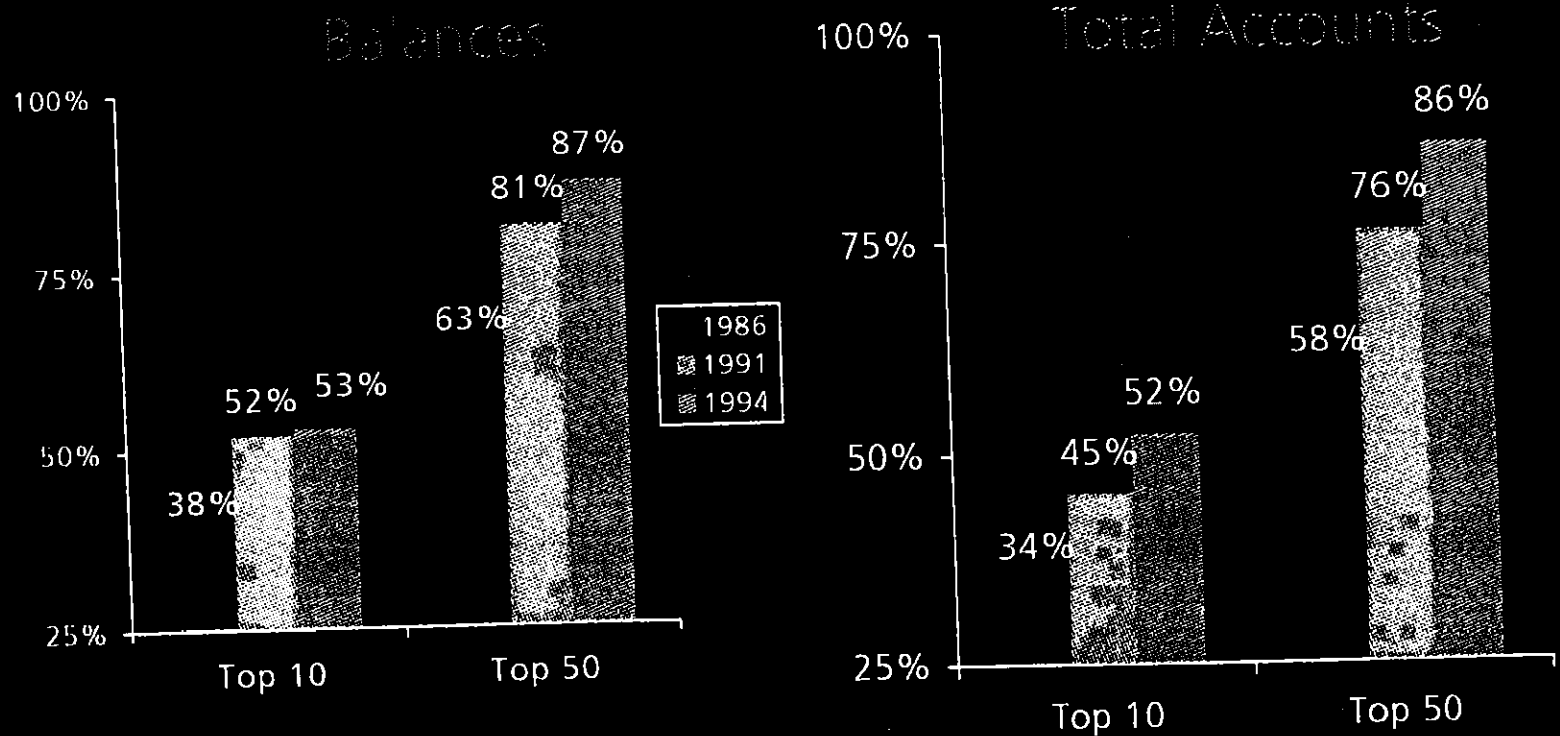


Total Personal Expenditures = \$4 Trillion

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Bankcard Consolidation Continues -- Only the Fittest will Survive



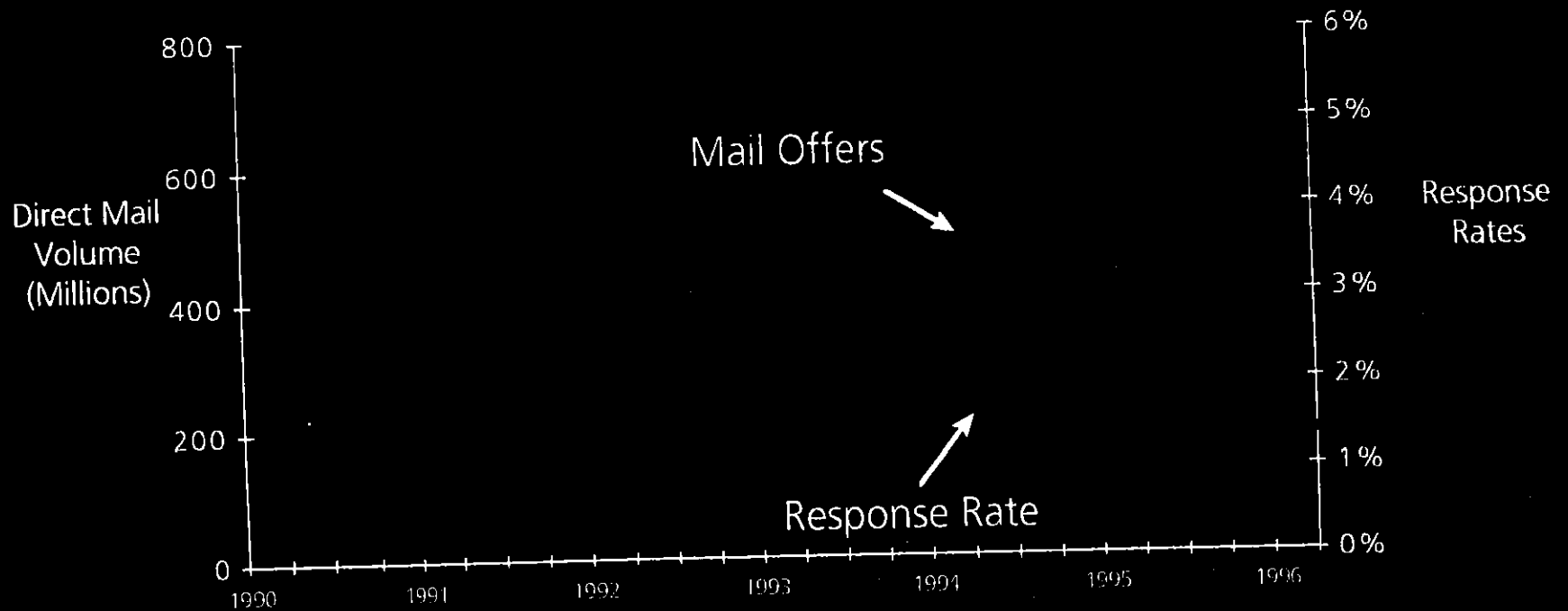
Source: Nilson, MasterCard and Visa

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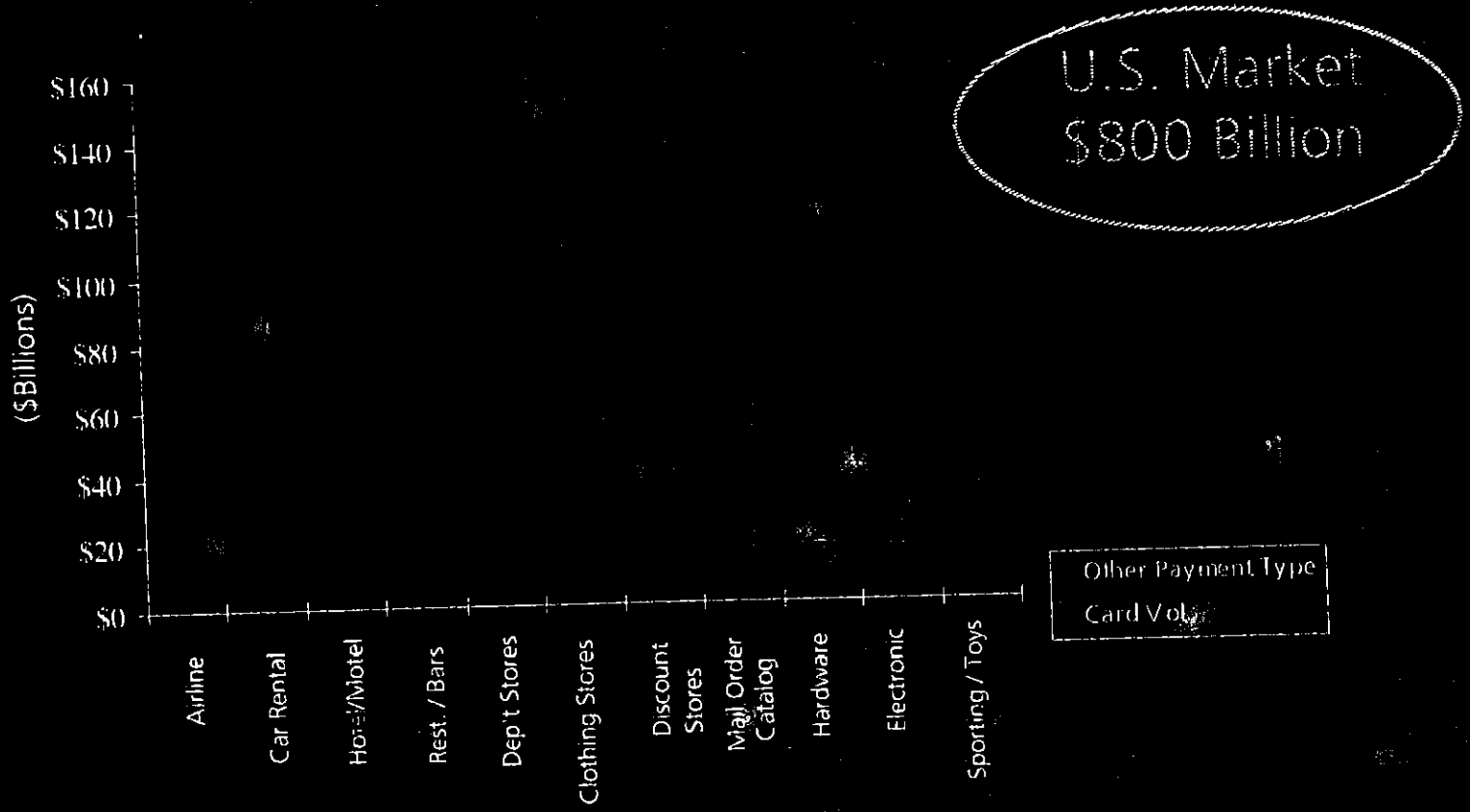
Saturation In The U.S.: Acquisition Will Not Move The Needle

Consumers Increasingly Decline Credit Card Offers, Although Issuers Continue to Solicit Through Direct Mail



Source: Mail Monitor

New Volume Exists in "Mature" Acceptance Categories

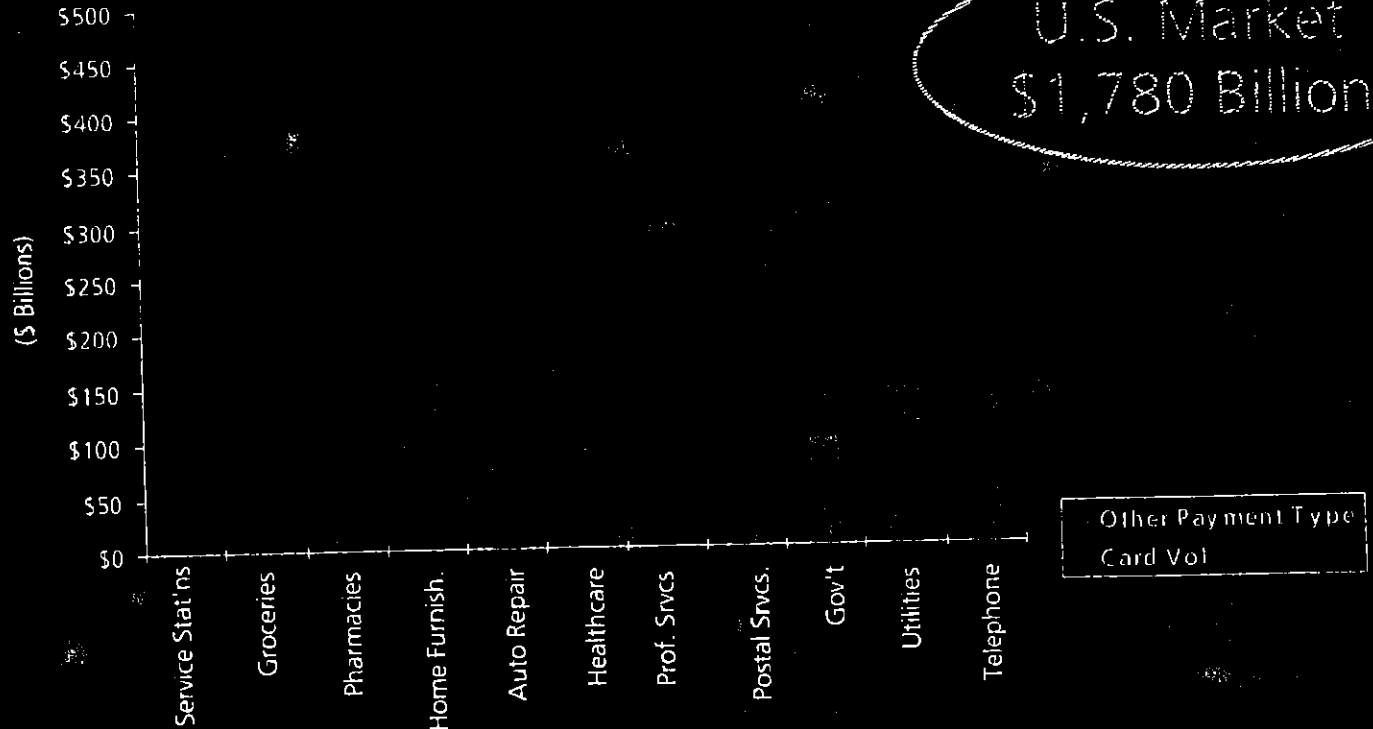


Source: U.S. Dept of Commerce, Bernstein, MasterCard

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Huge Incremental Volume in “Untapped” Categories

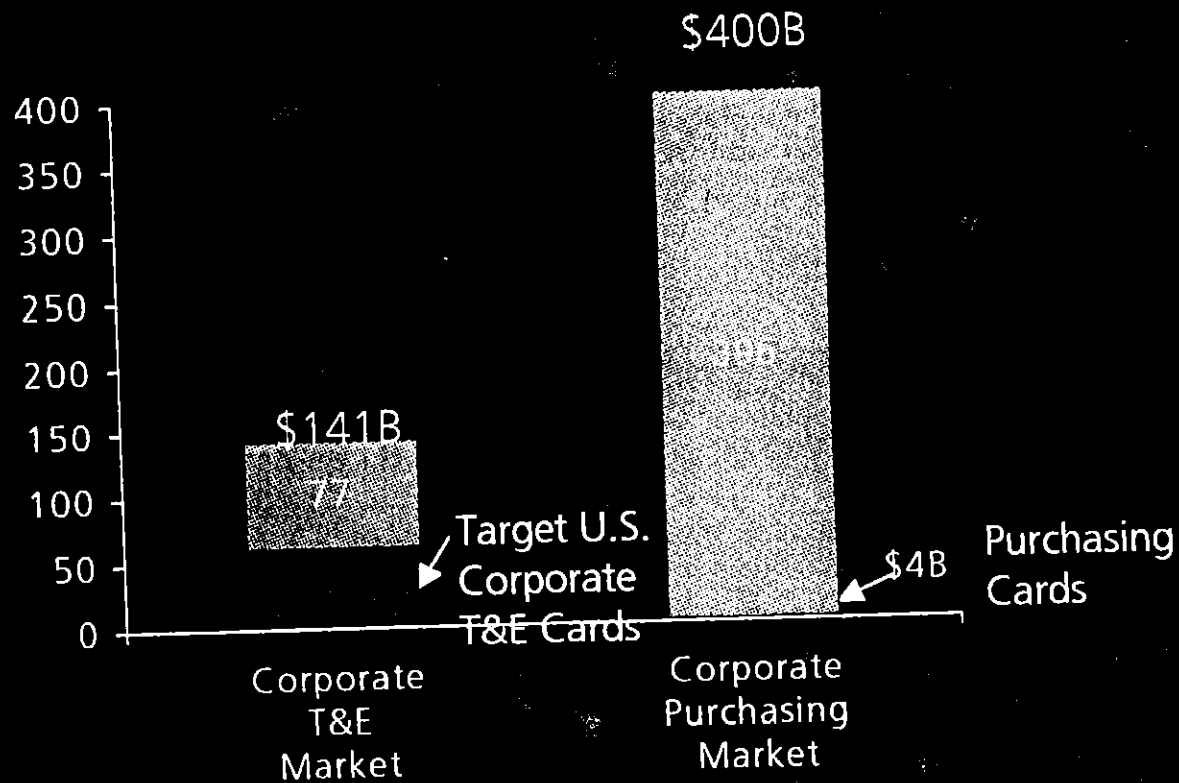


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Source: U.S. Dept. of Commerce, Bernstein, MasterCard

Business-to-Business has High Potential

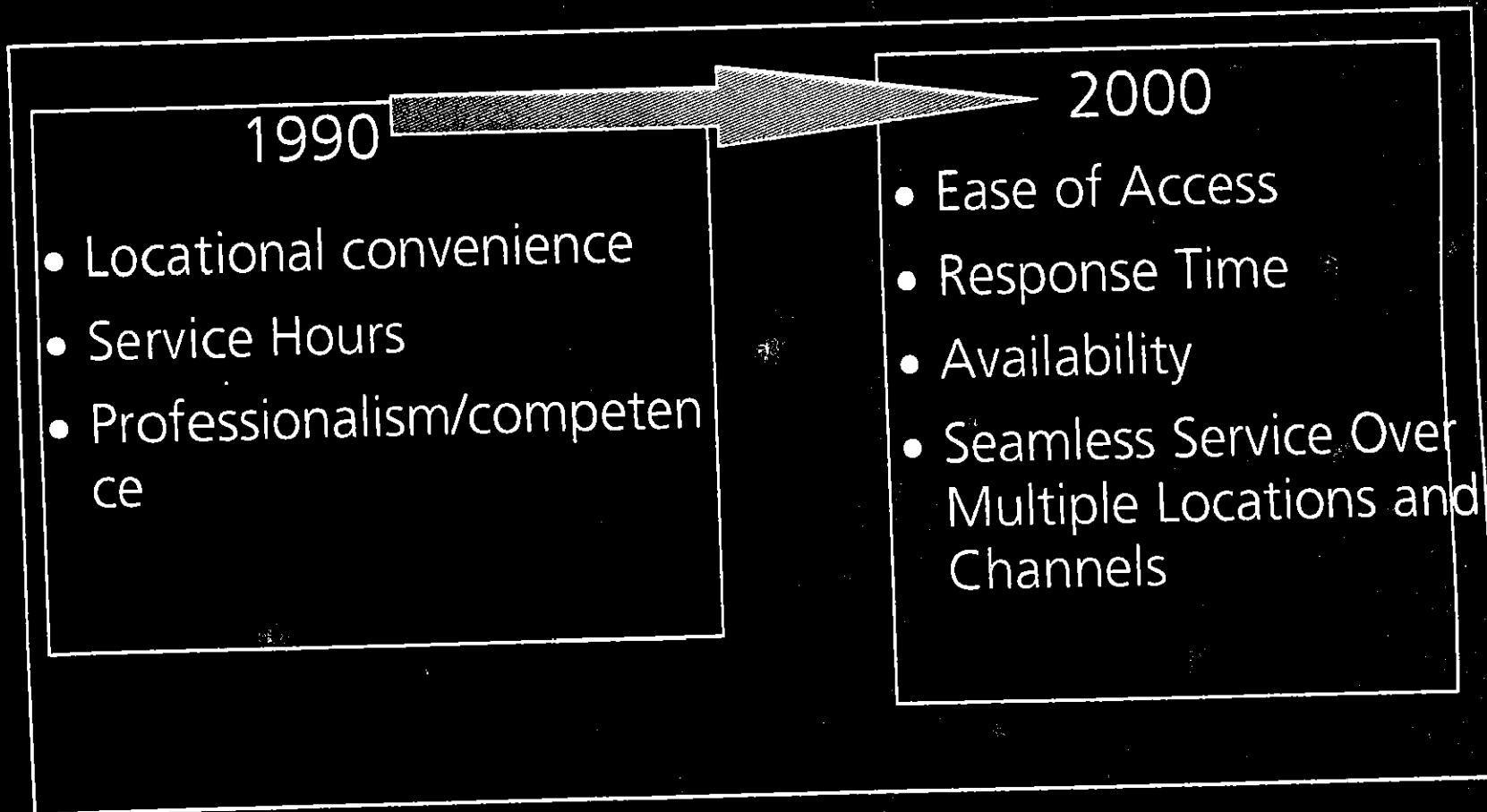


Source: Statistics of Income, 1989 Corporation Source Book, Dept. of the Treasury, Internal Revenue Service, Publication 1053 (Rev. 5-92), Spagna Dunn Research, EFMA, Industry Sources

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Consumers Want Convenience: Expectations are Changing

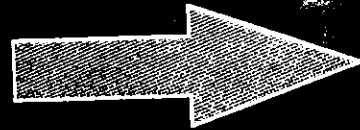


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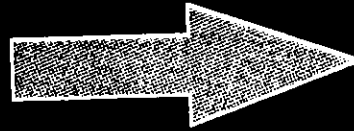
Consumer Behavior is Changing

• Delivery Channels



More remote

• Product Usage



Segmentation of behavior & profitability

• Relationship with Bank



Multibanked

Key US Marketing Issues

1. No Control of Top 4 Consumer Benefits:
 - Interest Rate
 - Annual Fee
 - Rewards Program
 - Terms

Implications

- Need Strong Brand Affinity
- Member's actions out of our hands

Key US Marketing Issues

2. Slow/declining Share

- Category Growth Strong (+15%)
- MasterCard Growth Below Category (-8%)
- Less Effective Mail Acquisition

Implication

- Need Usage Message

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Key US Marketing Issues

Implications

3. Consumer Confusion With Category

- No difference vs. Visa
- Are they the same thing?
- Decaled together/issued together (13 million locations)
- Debit cards vs. credit cards

- Differentiation critical

Key US Marketing Issues

Implications

4. MasterCard perceived as "Functional" brand:
- Brand for everyday usage
 - Visa seen as upscale/close to AMEX

- Is this good or bad?
- Focus on "positives"

Key US Marketing Issues

Implications

5. Too many campaigns/Messages
 - 5 campaigns in 11 years

- No managed equity
- Members dissatisfied

US Region Business Needs

A Strong "Future of Money" Campaign That Will:

- Increase consumer usage (153 Million Cards!)
- Differentiate MasterCard in a Relevant Way
- Integrate advertising, promotion and sponsorships
- Have longevity
- Satisfy Member Bank's concerns

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Payment System Portfolio - '97-'99 Strategy

- Build brand equity for MasterCard brand
"The Future of Money"

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Strategy
Replace Cash and Check



MasterCard



The Future of Money™

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'97 Plan Focus



Usage



*Look Who's Joining With MasterCard
To Bring You Exclusive Holiday Savings*



Activation

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30 Years MasterCard “Reshaping the Future of Money”

- Numerous “firsts” and impressive innovations
 - 1st golf bankcard
 - 1st co-branding programs
 - 1st bankcard for business
 - 1st laser hologram
 - 1st tamper-resistant signature panel
 - 1st truly global debit program

Important Consumer Learning

Current Brands Have Large Gaps Relative To Consumer Wants And Needs Of The Ideal Payments Brand/Company

Ratings Gaps: Current Brands vs. Ideal Payments Brand/Company

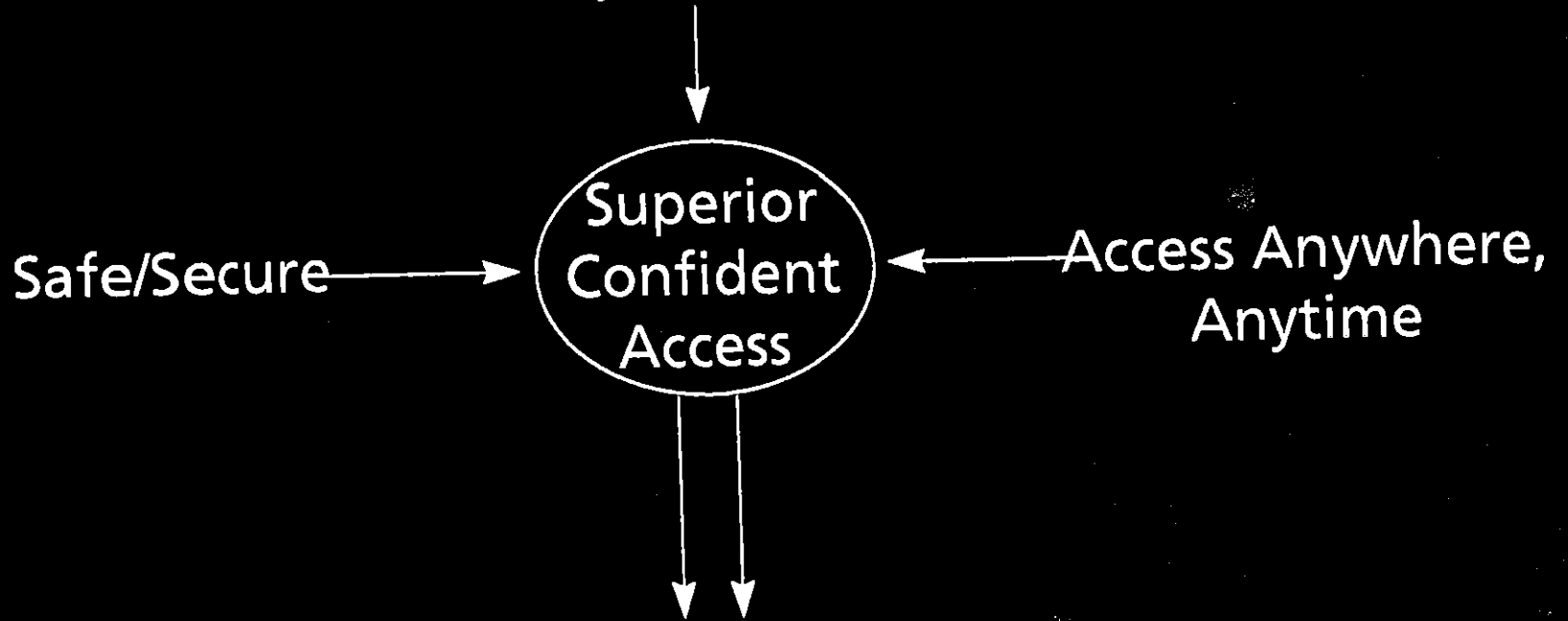
	All Customers	Profitable Credit Card Customers
Secure Money	-38	-49
Responsible	-36	-44
Listens	-33	-44
Customer Service	-32	-47
High Ethical Standards	-28	-41
Contacts You If Unusual Activity	-25	-32
Fraud Protection	-21	-29
Safeguards Privacy	-28	-35
Greater Control Over Money	-27	-34

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'97 MasterCard Global Positioning

Superior/ Innovative
Global Payments Network

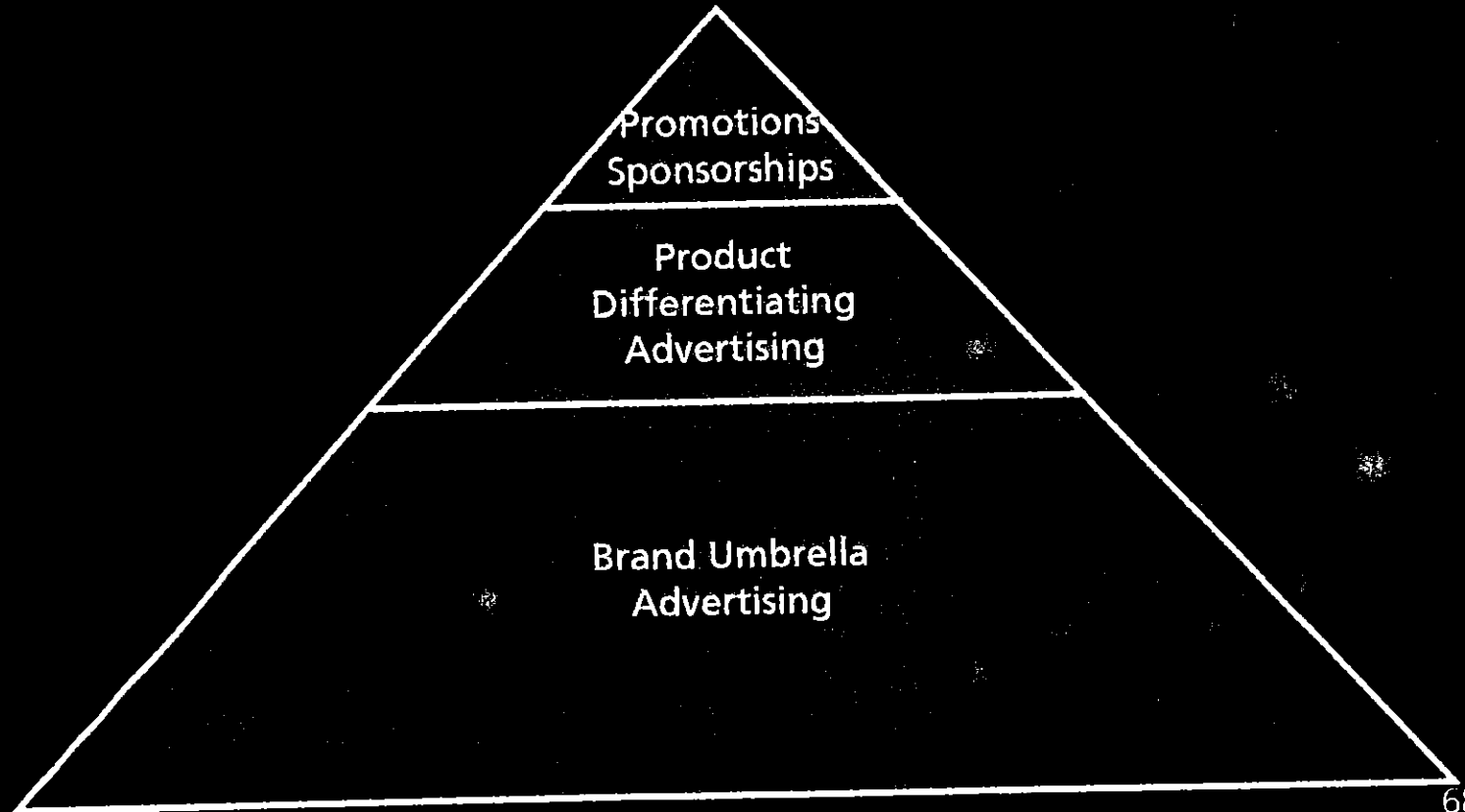


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Challenge

Develop optimal creative / media mix

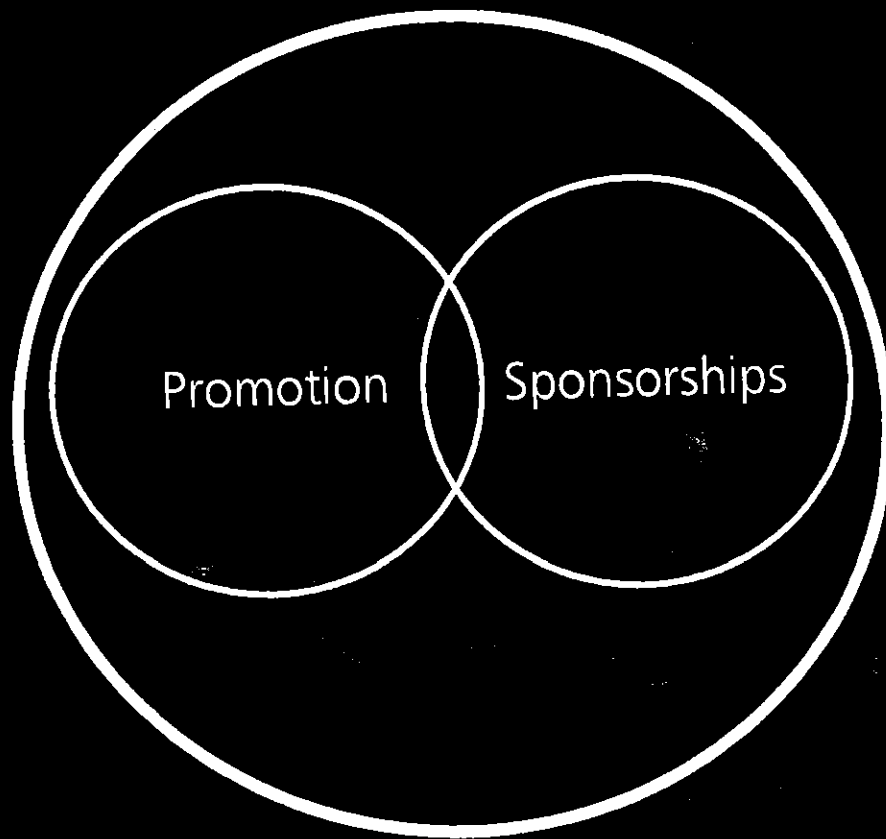


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Improved Marketing Integration

Advertising



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Advertising Execution Hurdles

- 80% of All Advertising

FAILS

Before the first word of copy is written

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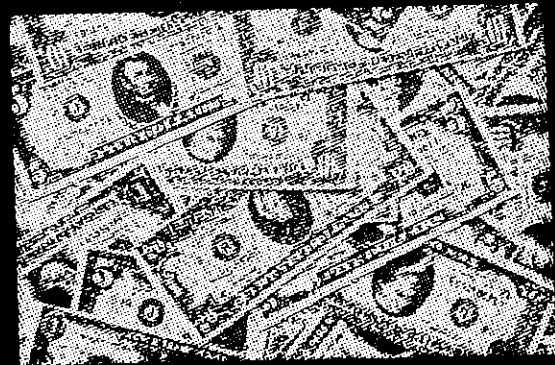
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Market Research is a guide

- To help minimize risk

RISK

- Maximize opportunity

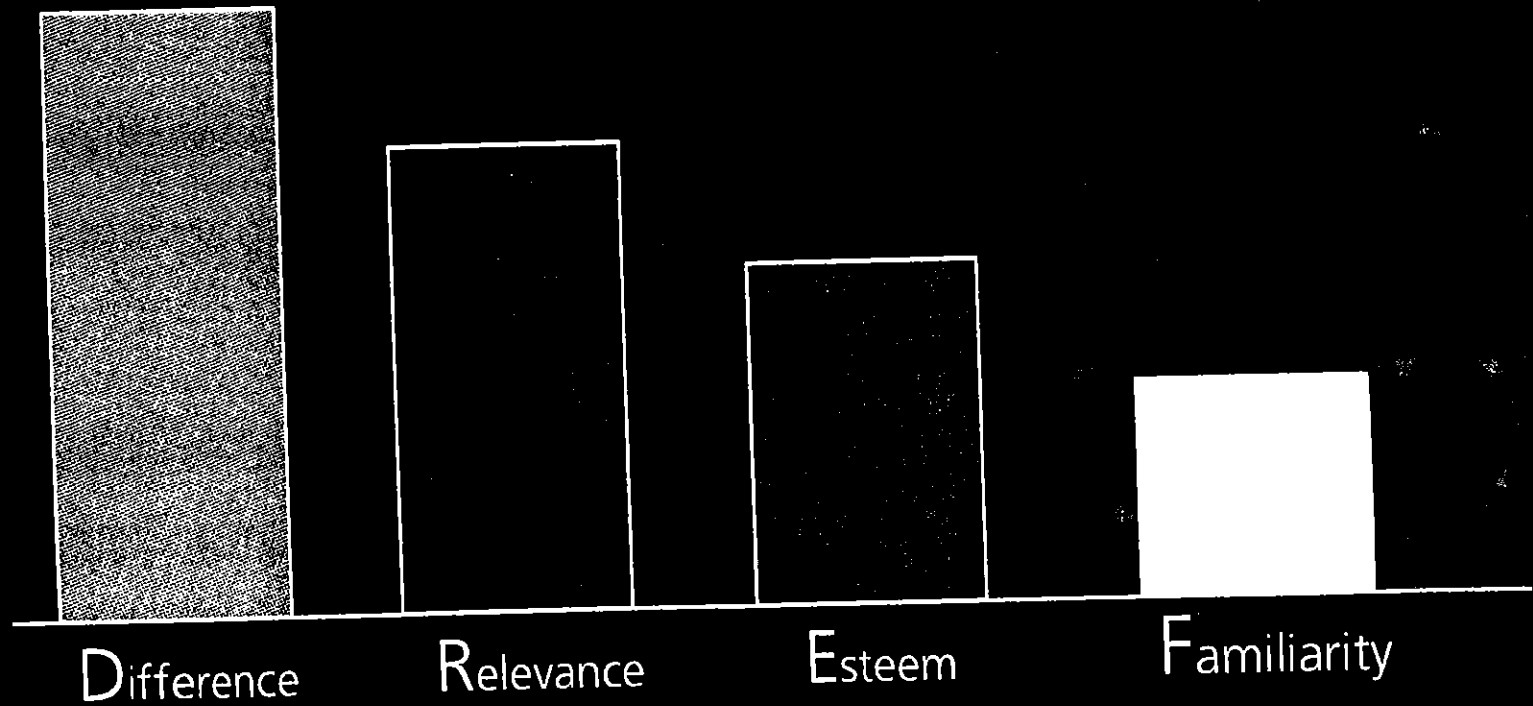


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Four dimensions - Brand Equity Attitude

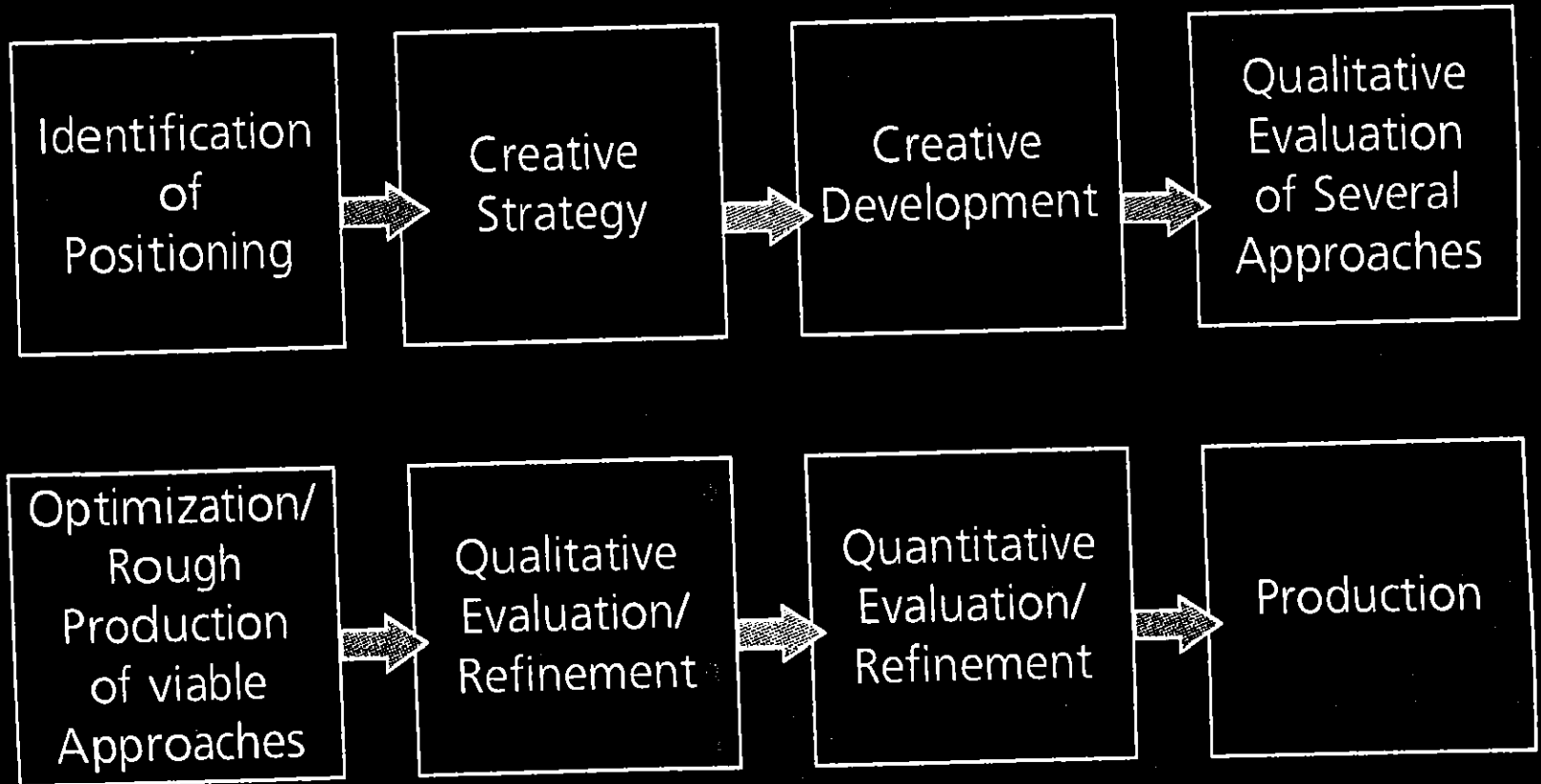
These can be shown as bars:



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Eight Key Steps



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Objectives of New Campaign

- It will break through
- It will differentiate us
- It will be personally relevant
- It will raise brand affinity
- It will motivate acquisition and usage

...all to our most profitable targets

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6 Month Plan Highlights

- Challenge- Build MasterCard preference/usage while
Developing the "Big Advertising" idea

6 Month Plan Highlights

- Strategy

- Support Key strategic Brand segments
- Phase in "Future of Money"

Tactical Advertising

Innovative Promotions

Integrated Sponsorships

6 Month Plan Highlights

- Strategy

- Support Key strategic Brand segments
- Phase in "Future of Money"

Tactical Advertising

Innovative Promotions

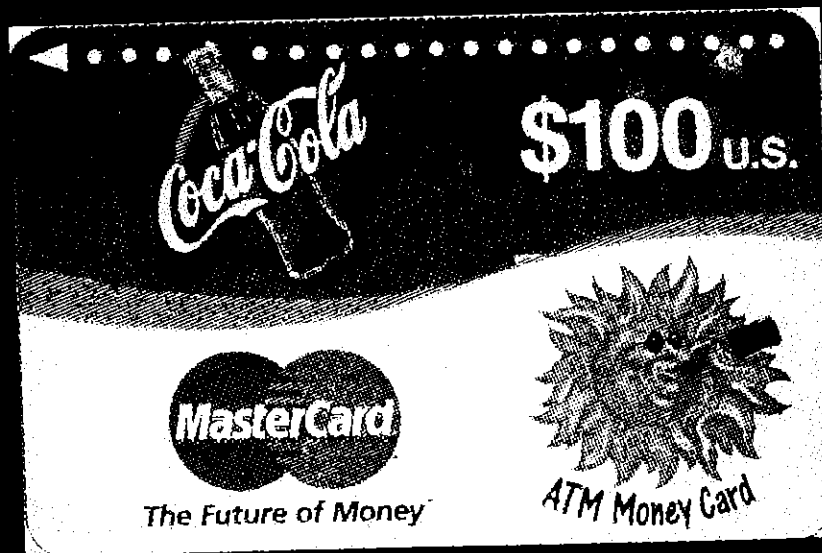
Integrated Sponsorships

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Promotion Highlights

- Coca Cola's biggest advertised promotion ever.
- Buy Coca-Cola- Win MasterCard ATM Cards



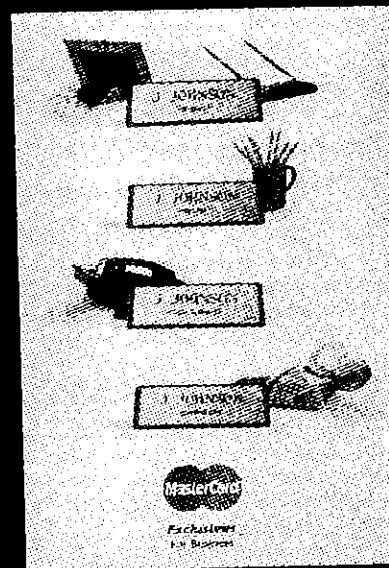
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MasterCard Exclusives - Usage programs



College



Business

Spring

Golf

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MCJ2827166

2nd Phase - Electronic discount program

**YOU'VE
NEVER SAVED
LIKE THIS BEFORE
AT OSHMAN'S.**



**MASTERCARD INTRODUCES
INSTANT SAVINGS UP TO 20%.**

*It's never been easier before. And now, it's even easier. MasterCard's new instant technology
allows you to save up to 20% on your purchases at participating Oshman's stores. With just one tap of your MasterCard, you'll get the full instant discount.
No coupons needed. No cash back. No waiting. Just instant savings. And up to 20% off your total.
You don't even have to ask for the discount. Just use your MasterCard for
every purchase you make at Oshman's. You skip the processing, automatically.
You've never saved this fast or easy before. So what are you waiting for?*

Get Free
MasterCard



It's Smart Money.™

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MCJ2827167



*MasterCard.
Always, The Best Seats Available!*



*Your Ticket To
April in New York.*

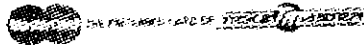
Plus, Exclusive Dining Packages.

It's the only place where you can find the perfect
combination of food and drink. And it's the only place
where you can find the perfect combination of food and
drink. And it's the only place where you can find the
perfect combination of food and drink.

And it's the only place where you can find the
perfect combination of food and drink. And it's the
only place where you can find the perfect
combination of food and drink. And it's the only
place where you can find the perfect combination
of food and drink.



CALL FOR THE
BEST SEATS
800-123-4567



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T H E F U T U R E O F

SP MasterCard **RT**

The Future Of Money.™

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Sponsorship Support

- World Figure Skating
- Golf Link - Golf Exclusives
 - 4 Majors
- World Cup Soccer/MLS tie-up
- NHL Million Dollar Shot
 - Advertising Link
- NASCAR

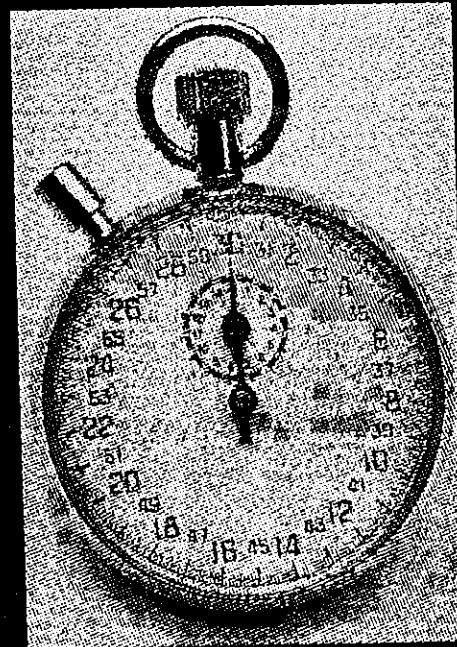
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MCJ2827170

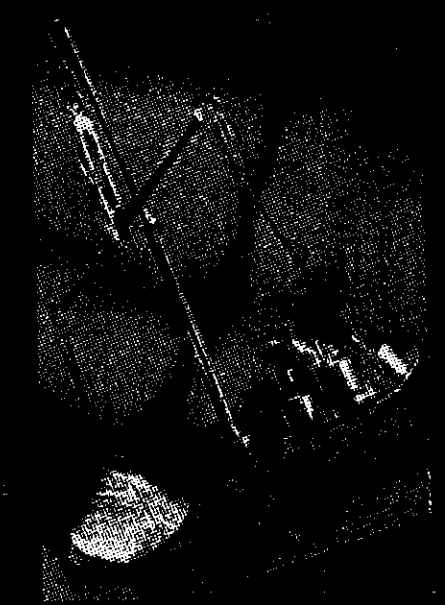
Key Marketing Elements



FOCUS



Speed

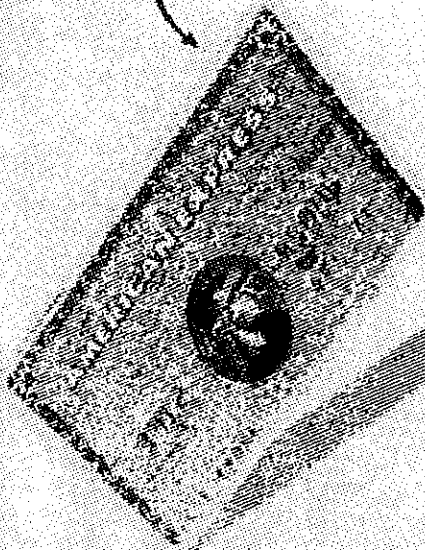


Cost/benefit

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Expires just outside points that never expire.



Widespread that you can't use before you know it, but
Big world travel is never that anymore.



Visa says they're everywhere, but isn't it more important to have a Card that helps you with just about everything?

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Cards

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MasterCard and Members



MasterCard

Working Together to
Shape the Future of
Money

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M CJ 2827 174

MARKET RESEARCH
HIGHLIGHTS

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MasterCard
International

MasterCard

Market Research Highlights

Barbara Delia
SVP, Global Research

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Research Overview

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Research Overview

- Positioning Study
 - Qualitative
 - Quantitative
- U.S. Consumer Tracking
- U.S. Merchant Audit
- Global Consumer Payments Study
- Need State Analysis

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Global Merchant Audit

- 6 out of 10 merchants accept a plastic payment card with the highest acceptance in the retail class - 76%
- 75-80% who accept cards display signage
- MasterCard and Visa are equally preferred

Global Consumer Payments Research



MasterCard

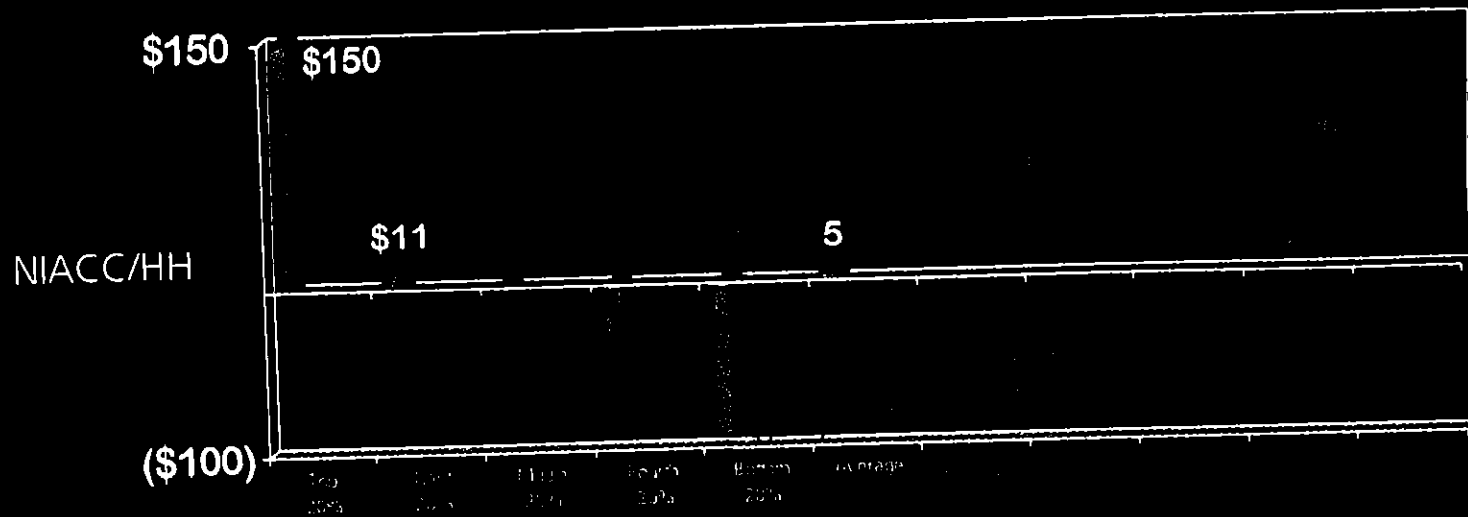
Project
Overview

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Credit Card Profitability Varies Widely

Credit Card Profit by Quintile



Credit Card Profit by Quintile

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Segments Have Very Different Profitabilities

Credit Card Profit Driver Segment	Credit Card Profit Quintile					Total
	Top 20%	Second 20%	Middle 20%	Fourth 20%	Bottom 20%	
1. Heavy Revolvers	77%	13%	5%		5%	100%
2. Light Revolvers	20%	54%	11%	5%	9%	100%
3. Heavy Transactors	5%	32%	27%	4%	32%	100%
4. Credit Challenged	2%	20%	13%	10%	55%	100%
5. Dormant		5%	29%	45%	21%	100%
NIACC/HH	\$150	\$11	(\$18)	(\$28)	(\$92)	100%

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MasterCard
International

MasterCard

Positioning Study

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Protective Order

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The MasterCard Image

MasterCard's image is much less clearly defined than Visa or American Express - "they're less visible."

Strengths

"Middle America"
"Family - Warm"
"Established"
"Conservative"
"Practical"

Weaknesses

"Older"
"Conservative"
"Utilitarian"

The Visa Image

Visa has a clear, consistent image "for people on the move and on the way up"

Strengths

"Fun"

"Youthful"

"Freedom"

"Travel"

"International"

Weaknesses

"Aggressive"

"Impersonal"

"Spend, Spend,
Spend"

"Bureaucratic"

"Greedy"

The American Express Image

American Express has a very clear consistent image as a "company I admire" - "for people who've made it"

Strengths

"Global"

"Business"

"Travel"

"Service"

"Prestige"

Weaknesses

"Limited Acceptance"

"Not Family - Not Warmth"

"Not The One Card"

"Snobby"

"Elitism"

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Company Personality

	Adversarial	Via	Aggressive	Aggressive
Idealist/Pragmatist Associated With Competitor	Stable/established (48%)	Stable/established (55%)	Stable/established (40%)	
	Aggressive (42%)	Reliable/trustworthy (47%)	Aggressive (38%)	
	Competent/successful (40%)	Competent/successful (46%)	Worldly (37%)	
	Worldly (39%)	American (46%)	Pragmatic (37%)	
	Addressive (36%)	Accessible (41%)	Blue chip/large (34%)	
	Impersonal (34%)	Worldly (39%)	Leader/innovator (30%)	
Motivates	Worldly (33%)	Blue chip/large (38%)	Competent/successful (29%)	
	Addressive (24%)	Aggressive (31%)	Aggressive (27%)	
	Impersonal (18%)	Impersonal (24%)	Stuffy (23%)	
	Bureaucratic (15%)	Bureaucratic (20%)	Bureaucratic (22%)	
	Greedy (13%)	Elitist (15%)	Impersonal (21%)	
		Greedy (15%)	Cold (20%)	
			Stuffy (20%)	
			Greedy (19%)	
		Elitist (18%)		

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Emotional Benefits Associated With Companies

	MasterCard	Visa	American Express
Most readily associated with company	Confident/in control (37%)	Safe/secure (44%)	Confident/in control (24%)
	Safe/secure (36%)	Confident/in control (42%)	Respected (24%)
	Up-to-date (35%)	Up-to-date (39%)	Up-to-date (23%)
	Up-to-date (31%)	Knowledgeable (35%)	Safe/secure (23%)
	Protected (27%)	Confident/in control (39%)	Knowledgeable (21%)
	Responsible (27%)	Responsible (35%)	Experienced (21%)
	Confident/in control (28%)	Respected (34%)	Responsible (21%)
		Protected (24%)	Intelligent (21%)
		Intelligent (24%)	Practical (20%)
		Accepted (24%)	
Average Rating	21%	28%	15%

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Functional Benefits Associated With Companies

	MasterCard	Visa	American Express			
Most Highly Associated with Company	Good reputation	(50%)	Widely accepted	(61%)	Global company	(43%)
	Widely accepted	(48%)	Good reputation	(60%)	Global access	(41%)
	Global company	(46%)	Global company	(58%)	Good reputation	(40%)
	Breadth of payment venues	(45%)	Breadth of payment venues	(54%)	High credit	(36%)
	Personal/800# access	(43%)	Personal/800# access	(53%)	Breadth of payment venues	(35%)
	High credit	(43%)	Fraud protection	(51%)	Widely accepted	(31%)
	Fraud protection	(41%)	High credit	(51%)	Fraud protection	(30%)
	Global access	(38%)	Global Access	(50%)	Personal/800# access	(29%)
Average Rating	32%	41%	23%			

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**MASTERCARD BRAND
SITUATION ANALYSIS**

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*MasterCard
International*

MasterCard

MasterCard Brand Situation Analysis

Larry Flanagan
VP, U.S. Region Advertising

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MCAJ2827191

MasterCard Brand Situation Analysis

- 10 Year Advertising Campaign Changes
- Competitive Advertising Environment
- Media Spending Dynamics
- What Does This All Mean For MasterCard?

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MasterCard Advertising Review Highlights

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Pre "Smart Money": 1986-1993

1986-1988

1988-1990

1990-1992

Campaign

So Worldly
So
Welcome

Master
The
Possibilities

Master
The
Moment

Key Idea

Acceptance

Control

Dependability

Strategy

MasterCard is the only card you'll ever need because you can use it anywhere you are, for whatever you need

MasterCard makes it possible for you to do anything you want to do

You can always count on MasterCard to be there, no matter what you need or want

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MCJ2827194

Some Key Observations

1986-1988

1988-1990

1990-1992

So Worldly
So
Welcome

Master
The
Possibilities

Master
The
Moment

Of Note:

- Celebrity Endorsements
 - James Coburn
 - Shari Belefonte
- Glamorous 80's imagery
- Toned down glamour with the presence of an elderly lady

Of Note:

- Change in tone of campaign
- Celebrity Endorsements
 - Angela Lansbury
 - Robert Duvall
 - Jackie Gleason
- Anti-Prestige

Of Note:

- Change in tone of campaign
- Executed in various creative formats
- Competitive vs American Express
- First Gold effort focused on features and services. 3 different tag lines.
- Incorporated Gold effort into "Master The Moment"
- "Choose To Make a Difference" affinity program
- MasterValues promotion/cash access

1993 - 1995
Smart Money Campaign
Development

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Smart Money

Deliver a new positioning that:

- Broadens
 - Payments, not just credit
 - Global, not just US
- Motivates
 - Key profitability segments
 - Member and other Influences
- Differentiates
 - vs. Current and emerging competitors
- Works
 - Immediately and over long term
- Acts Quickly

Communication Strategy

Campaign Objective

- Establish MasterCard as the smartest choice of payment vehicle.

Campaign Strategy

- Consumers are smart for choosing and using (Gold) MasterCard because no (Gold) card is more useful.

Communication Strategy (cont'd)

Campaign Support

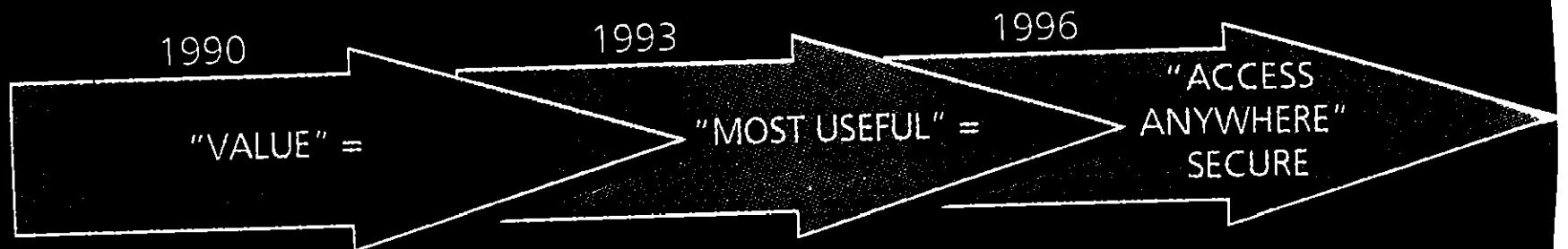
- 1 The Confidence of unbeatable acceptance.
- 2 Benefits of MasterCard features and services.

Gold Card Tonality

- Depicted as slightly more upscale, confident, in-control.

Long-Range Consumer Learning

Keeping Pace With Consumers' Evolving Definition of "Value"



- End of the Excesses of the 1980's
- Consumers Become Pragmatic
- Meet Consumer's Demand for Cards that Deliver More Value for Their Everyday Needs

"More Value for the Way You really Live"

- Consumer Confidence Index Bottoms Out
- Consumers are Increasingly Cynical
- Emphasize Superior Value of Card as a Useful Payment Tool

"Most Valuable Card= Most Useful Card"

- Electronic Payments Business Accelerates
- As Consumers Want Worldwide Access to Their Money, Their Concerns About Privacy and Security Rise
- Translate Value & Usefulness in a Way that Delivers Directly Against the Consumers Most Highly Valued But Unmet Need for Secure Access to Money & Services Worldwide

"Highest Value= Secure Access Anywhere"

MasterCard Historical Advertising Overview

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Competitive Advertising Environment

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Visa's Strategy

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Visa Continues To Be Where It Was: 1986-1996

Campaign

It's Everywhere You
Want To Be

Strategy

Universal Acceptance Versus
American Express

Visa 1986-Present

Overall

- High level of consistency throughout campaign
- Both components of strategy (acceptance/vs. AMEX) drive all efforts.

Standard Card

- AMEX reference is revealed at end of spot to boost imagery

Visa 1995-1996

Acceptance venues broaden beyond traditional T&E (skydiving, limo drivers, landscaper)

Strategically Visa has to break out of brand campaign to fulfill positioning as payments company

- Visa Check
- Visa Cash (aired only in Atlanta)

American Express Strategy

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AMEX 1986-1991

1986-1991

Campaigns



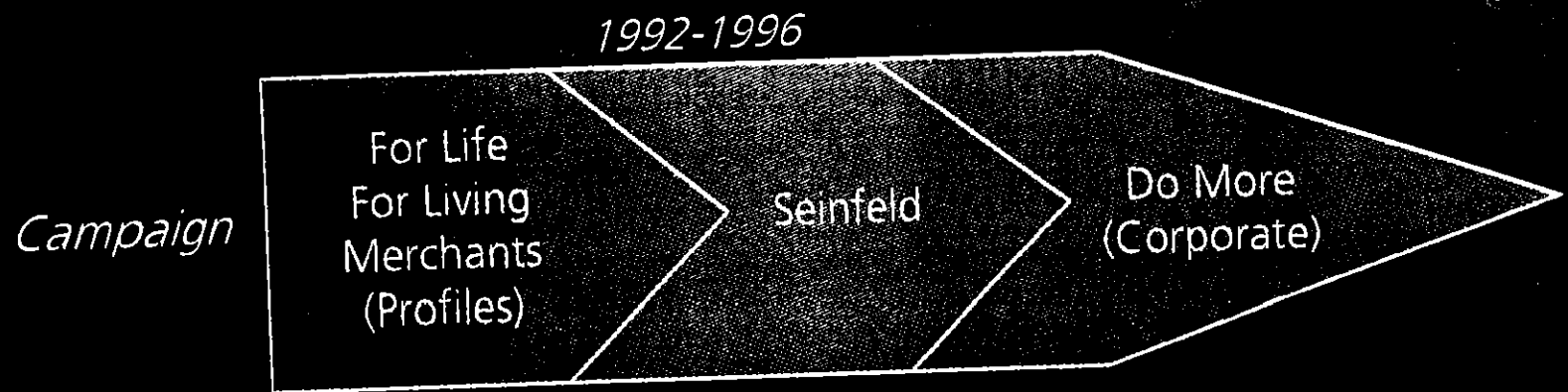
Observations

- A range of imagery--emotional to rational
- Use of two taglines--'membership has its privileges' and 'don't leave home without it'
- Some focus on card acquisition methods
- Introduction of the Optima Card--"You've Got the Option"
 - no differentiation versus the green card
 - almost more exclusive than green card--no focus on features or services

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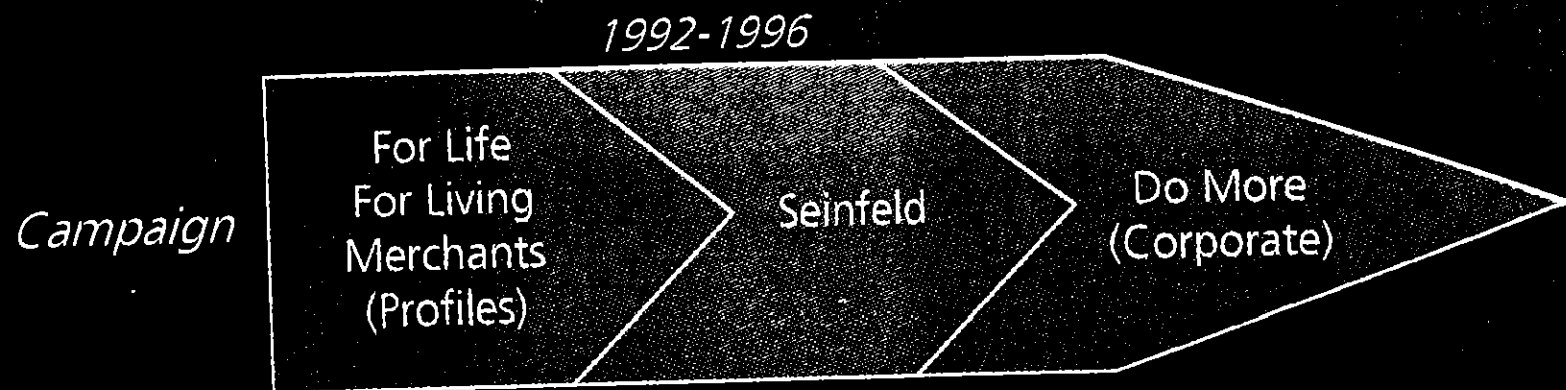
AMEX 1992-1996



Observations

- Seinfeld: Phase 1
 - deliver competitive message against bank cards
 - sell product -- a return to a focus on features and benefits
- Seinfeld: Phase II
 - a continuation of anti-bankcard message
 - reduced emphasis on product sell/features and services

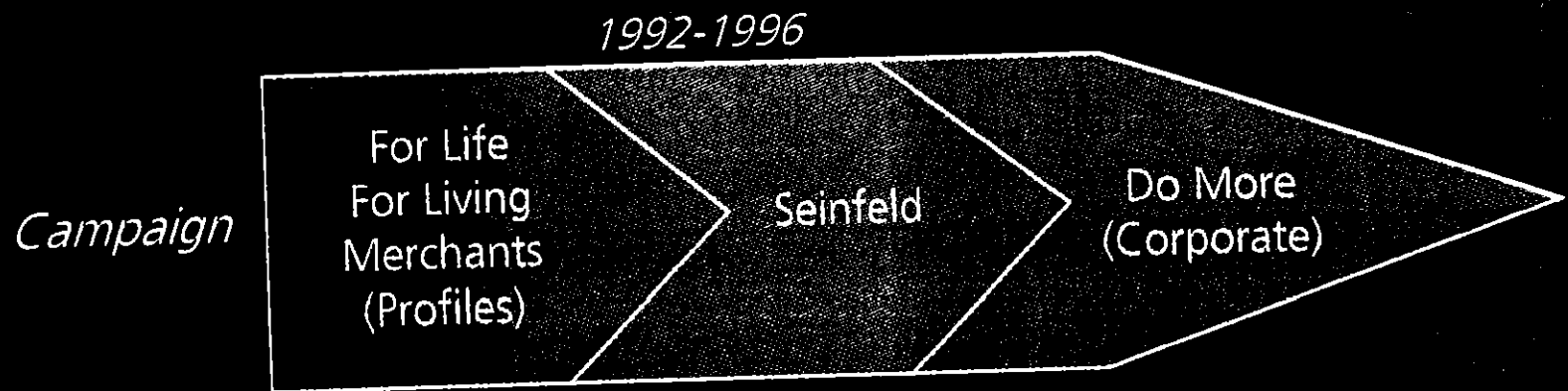
AMEX 1992-1996



Observations

- Reintroduction of the Optima True Grace card as "The Right Card For The Times"
 - clearly differentiated from the green card
 - not positioned as exclusive and with more utility
 - Martha Stewart endorsement of the utility of the card
- "Charge Against Hunger" affinity program
- Support of application/card acquisition efforts via 1-800#

AMEX 1992-1996



Observations

\$200MM spending committed thus far and projected to increase

Positioning AMEX as a financial supermarket

New global corporate image campaign launched in June '96

designed to integrate all aspects of AmEx business:

Financial services

Cards (corporate and personal)

Travel Related

Investment Services

Even utilizing new campaign positioning for launch of new product

-- AmEx Golf Card (Optima)

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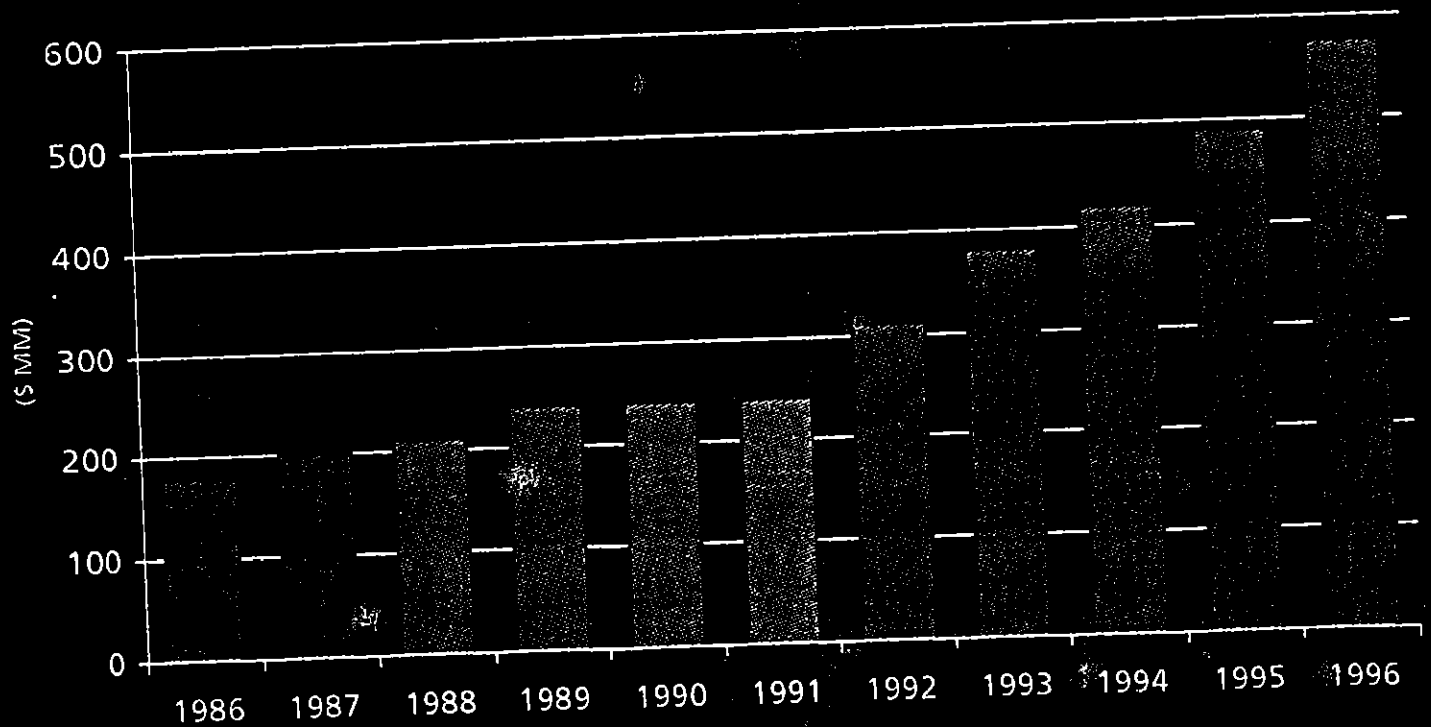
Media Spending Dynamics

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MCJ2827212

Credit Card Media Expenditures

1986 - 1996



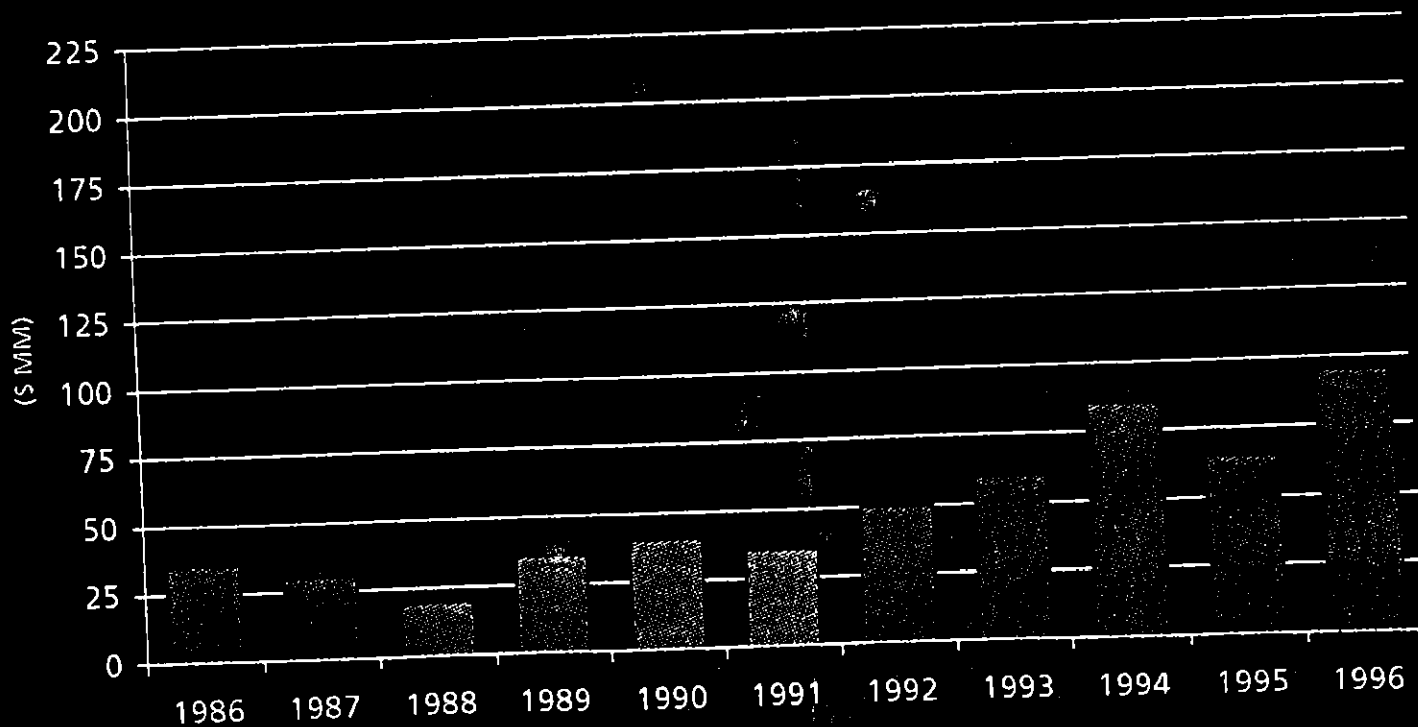
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MCJ2827213

Source: CMK

MasterCard Media Expenditures

1986 1986



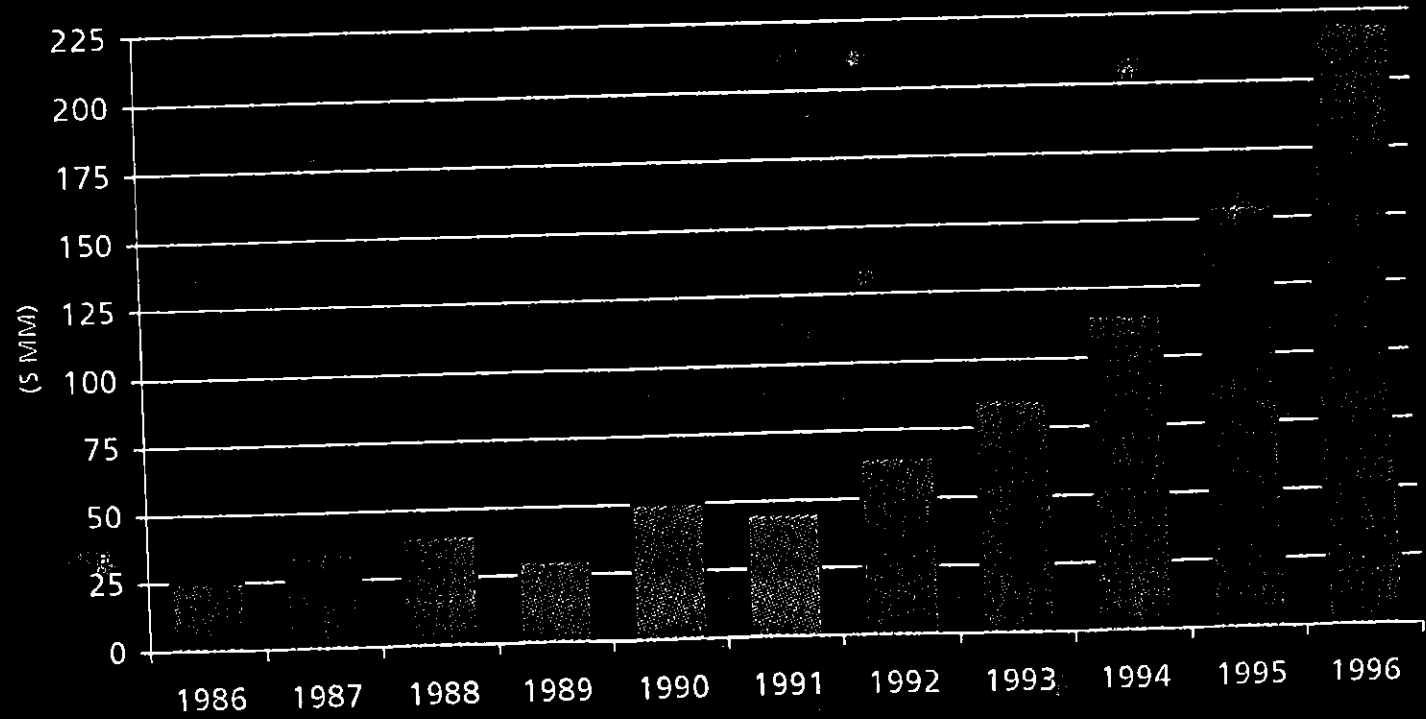
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Source: CMR

Visa Media Expenditures

1986 - 1996

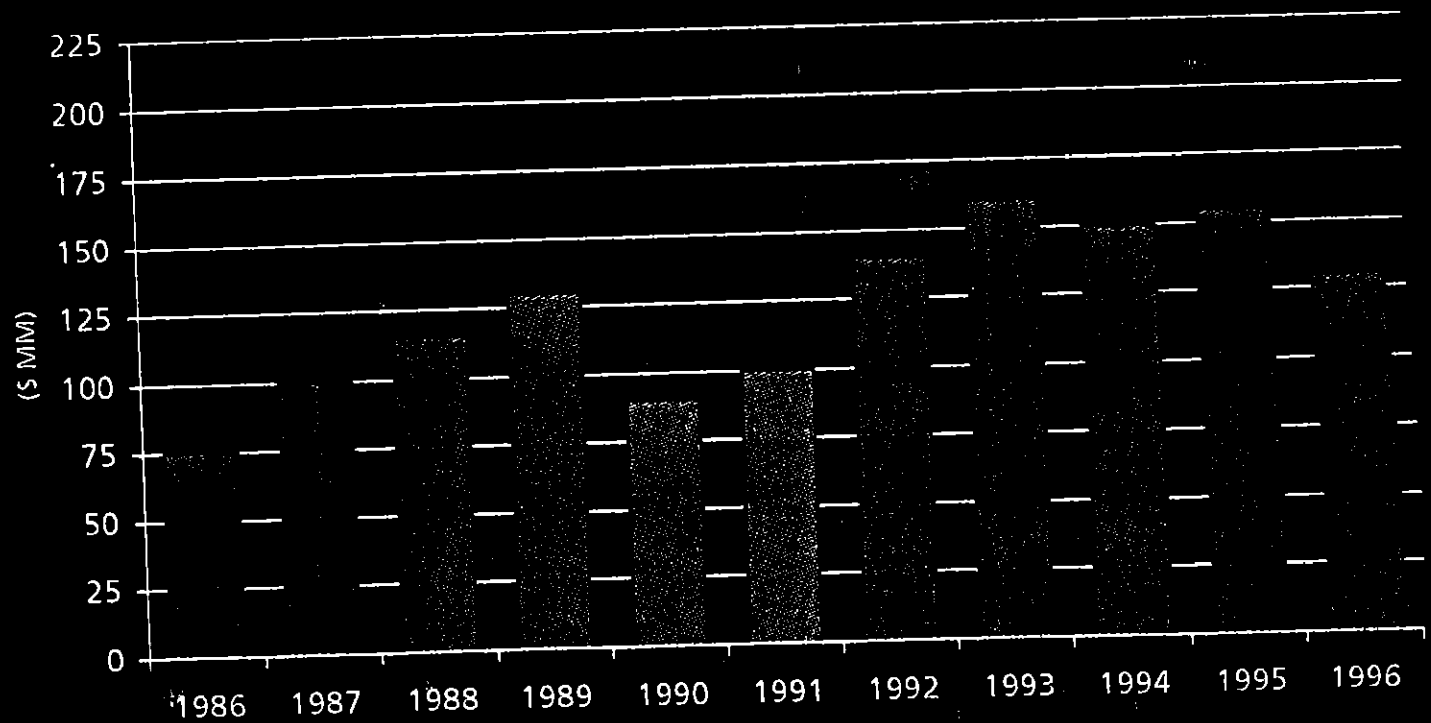


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MCJ2827215

Source: C MR

American Express Media Expenditures



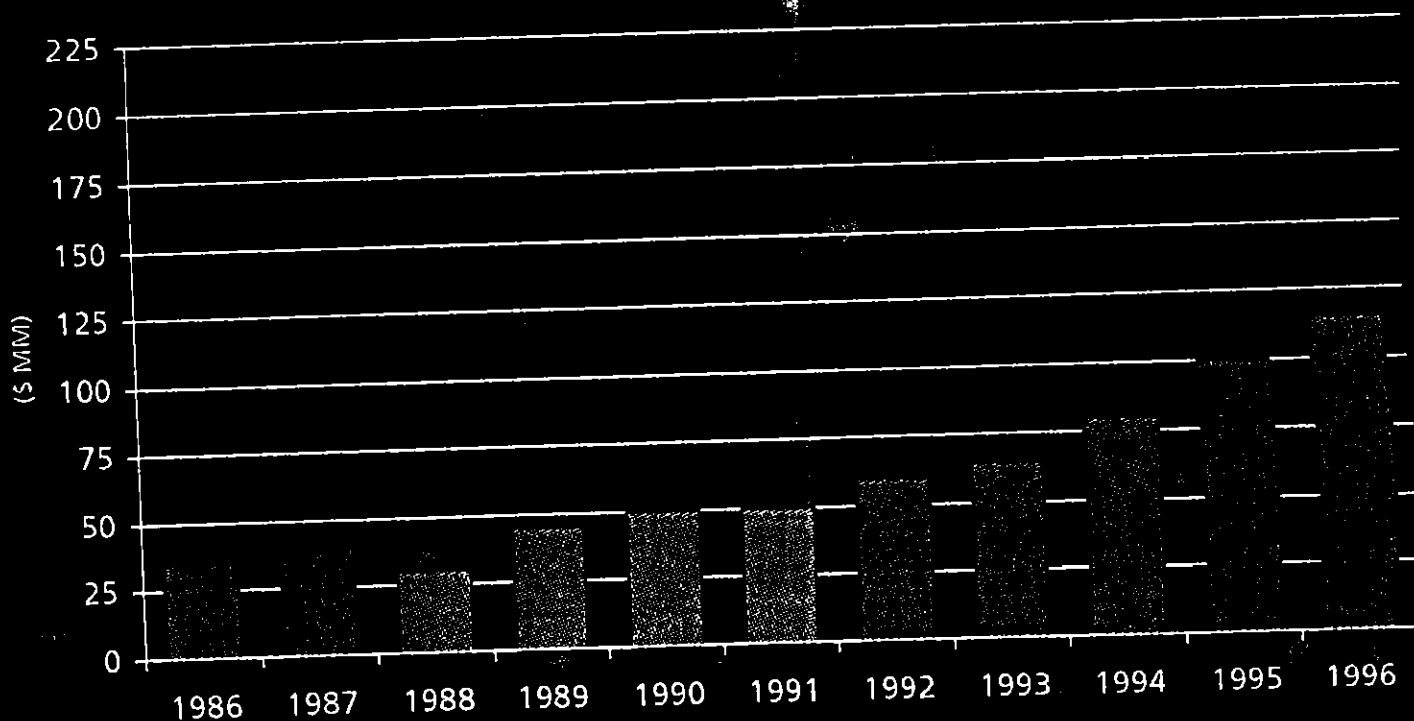
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Protective Order

MCJ2827216

Source: CMK

Discover Card Media Expenditures

1986 - 1996



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MCJ2827217

Source: CMR

Payments Industry 1997 Estimated Media Spending

	\$/MIN	SOV
Visa	260.0	40
AMEX	150.0	23
Discover	124.0	19
MasterCard	105.0	17
Diners Club	8.0	1
Total	647.0	100

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MCJ2827218

What Does This All Mean For MasterCard?

- We Need A Solid Advertising Positioning With Longevity:
 - Too many changes. No time to sink in.
 - MasterCard has no significant advertising equity (beyond circles) to build upon.

What Does This All Mean For MasterCard?

- We Need To Turn Visa's Strength into a weakness:
 - Consistent execution of leading category benefit - Acceptance.
 - "It's Everywhere You Want To Be"

What Does This All Mean For MasterCard?

- We Need To Appear "Bigger" Than We Are:
 - Media underspend vs. Visa/Amex will continue.
 - One dollar has to have the impact of three!

THE "FUTURE OF
MONEY" POSITIONING

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MCJ2827222

*MasterCard
International*

MasterCard

The “Future of Money” Positioning

Larry Flanagan
VP, Advertising

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MCJ2827223

Advertising Execution Hurdles

- A big compelling global idea
- Strong Branding
- Communicates
 - Brand leadership/superiority
 - Product leadership/superiority
- Works well in all mediums
- Fourth Quarter 1997

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MCJ2827224

“Future of Money” Tagline

- Globally applicable helps imply:
 - Leadership
 - Superiority
 - Innovation

IDEA: MasterCard is the “Future of Money” ...
it is in your hands (or it should be)...
why wait

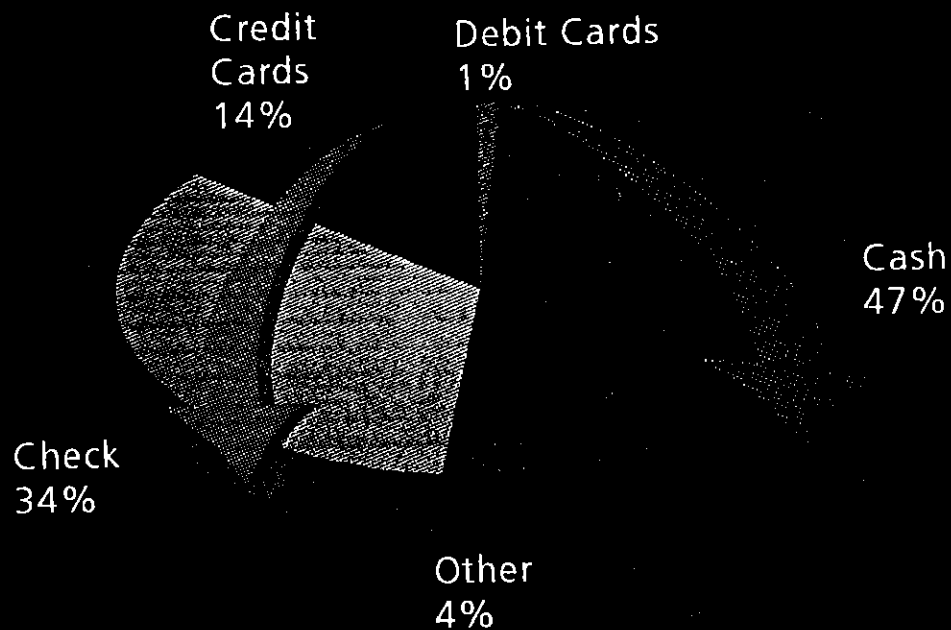
Consumer Reaction to “The Future of Money”

- Take Over From Money....Use Your Card For Everything
- Wedding of Credit Card, Debit Card....A New Kind of Marriage
- The Future is a Cashless Society
- Keeping Up With The Times
- The New Money
- MasterCard is on the Frontier of Science & Technology

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MCJ2827226

Rapid Displacement of Cash and Checks

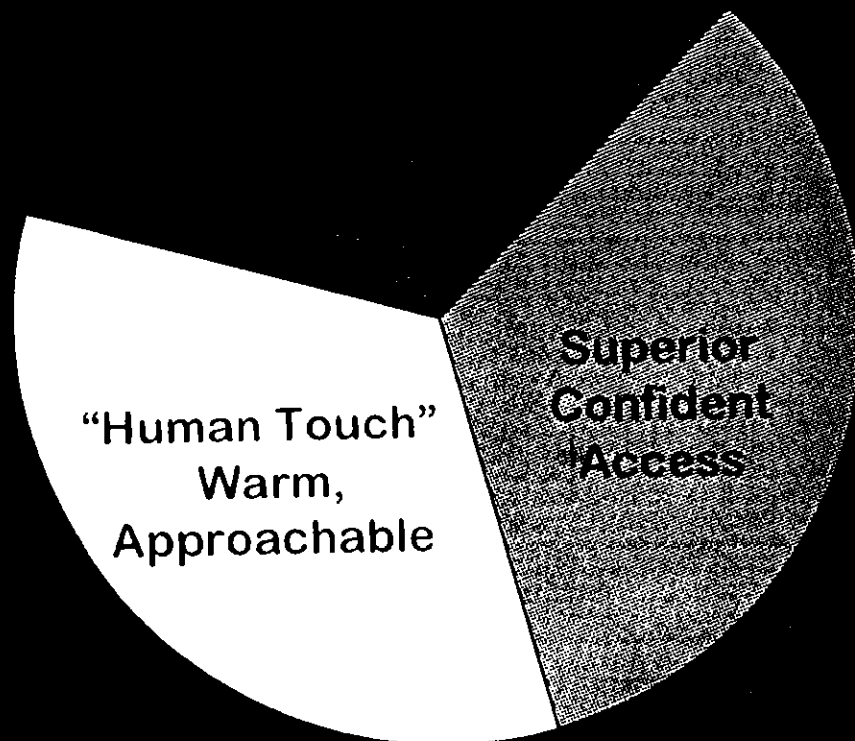


Total Personal Expenditures = \$4 Trillion

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“The Future of Money”

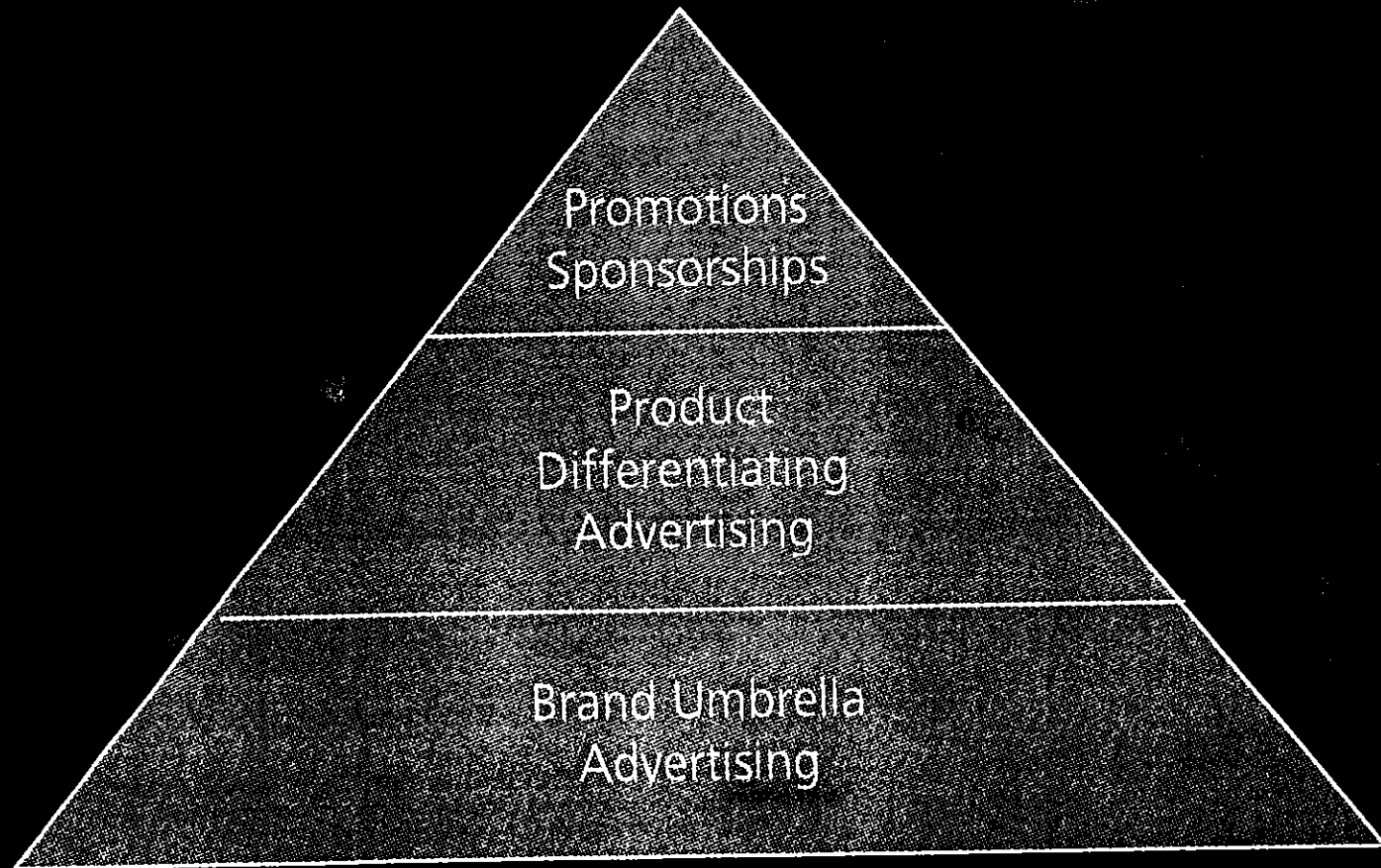


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Challenge

Development optimal creative / media mix



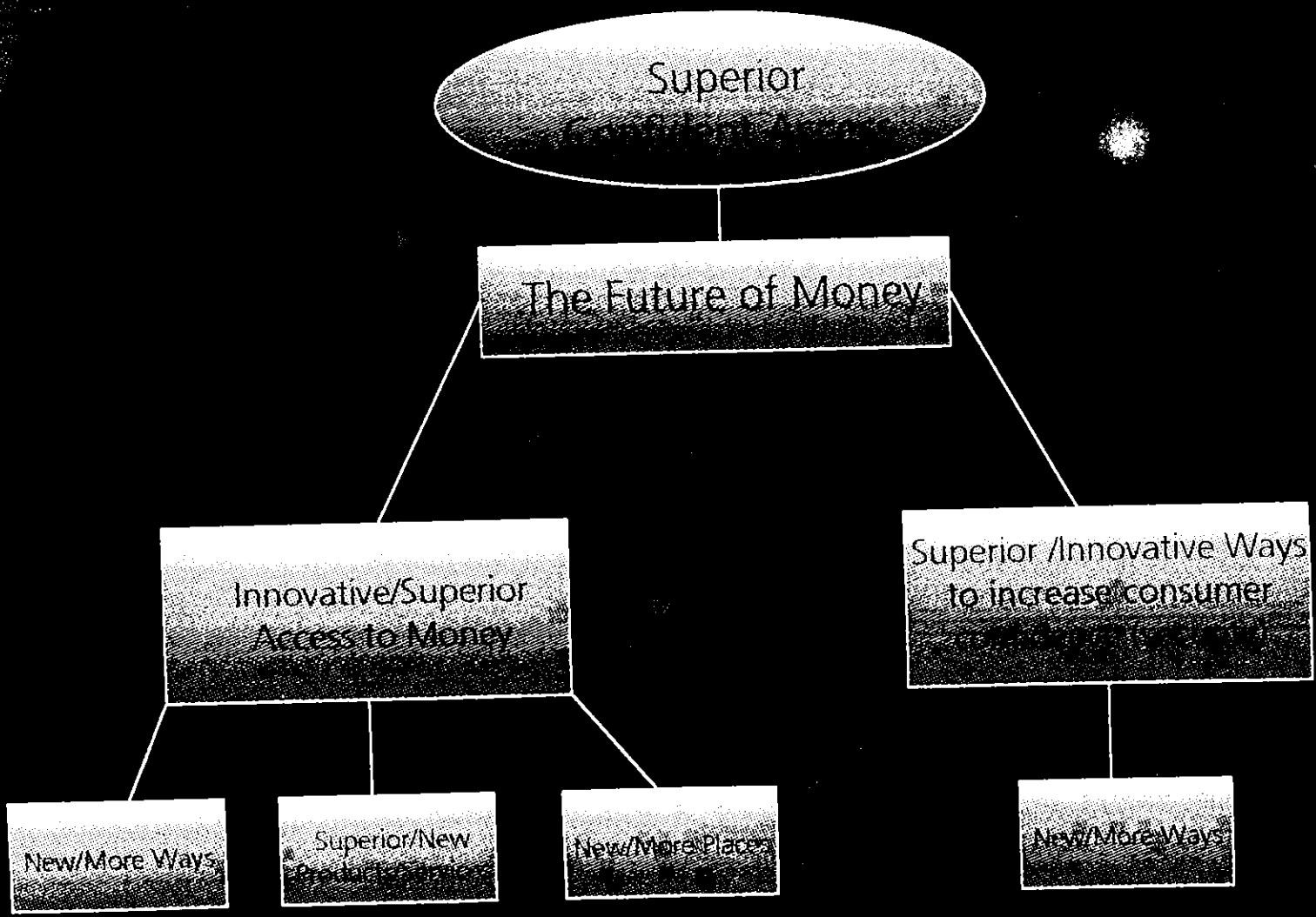
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M CJ 2827229

MasterCard Campaign Architecture - Key Issues

- 1 Hypothetical.
- 2 Requires Each Execution To Support "FOM" Positioning Versus Individual "Proof Points".
- 3 Raises Strategic Fit Issues Regarding Promotions and Sponsorships (I.e. PGA and "FOM"?).
- 4 May Overemphasize Role Of Security.
- 5 Demands Superiority Of Often Parity Products.
- 6 Missing Strategic And Executional Equities.

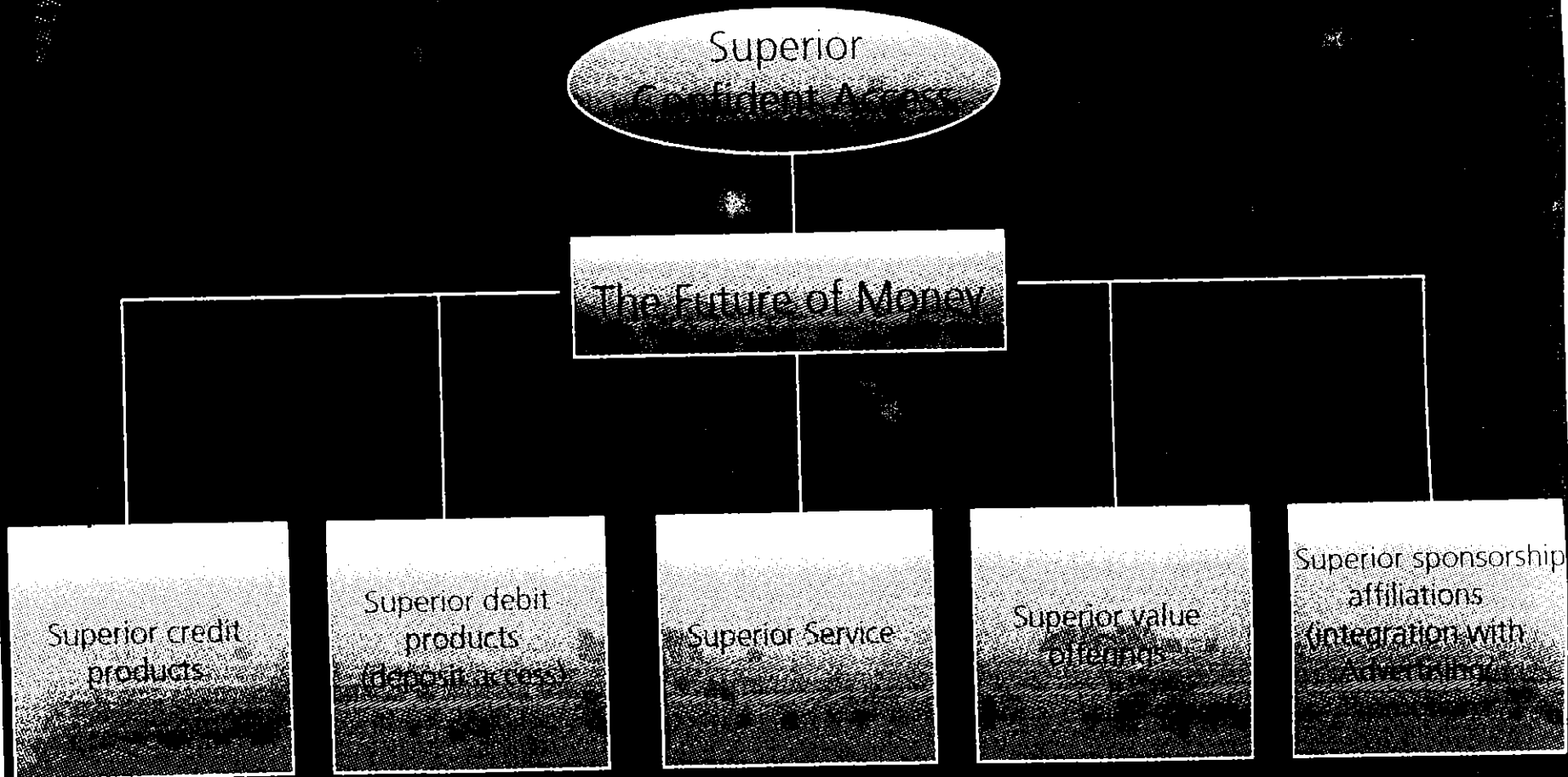
Campaign Architecture - Brand Leadership (tier 1)



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Campaign Architecture- Brand Leadership (tier 2)



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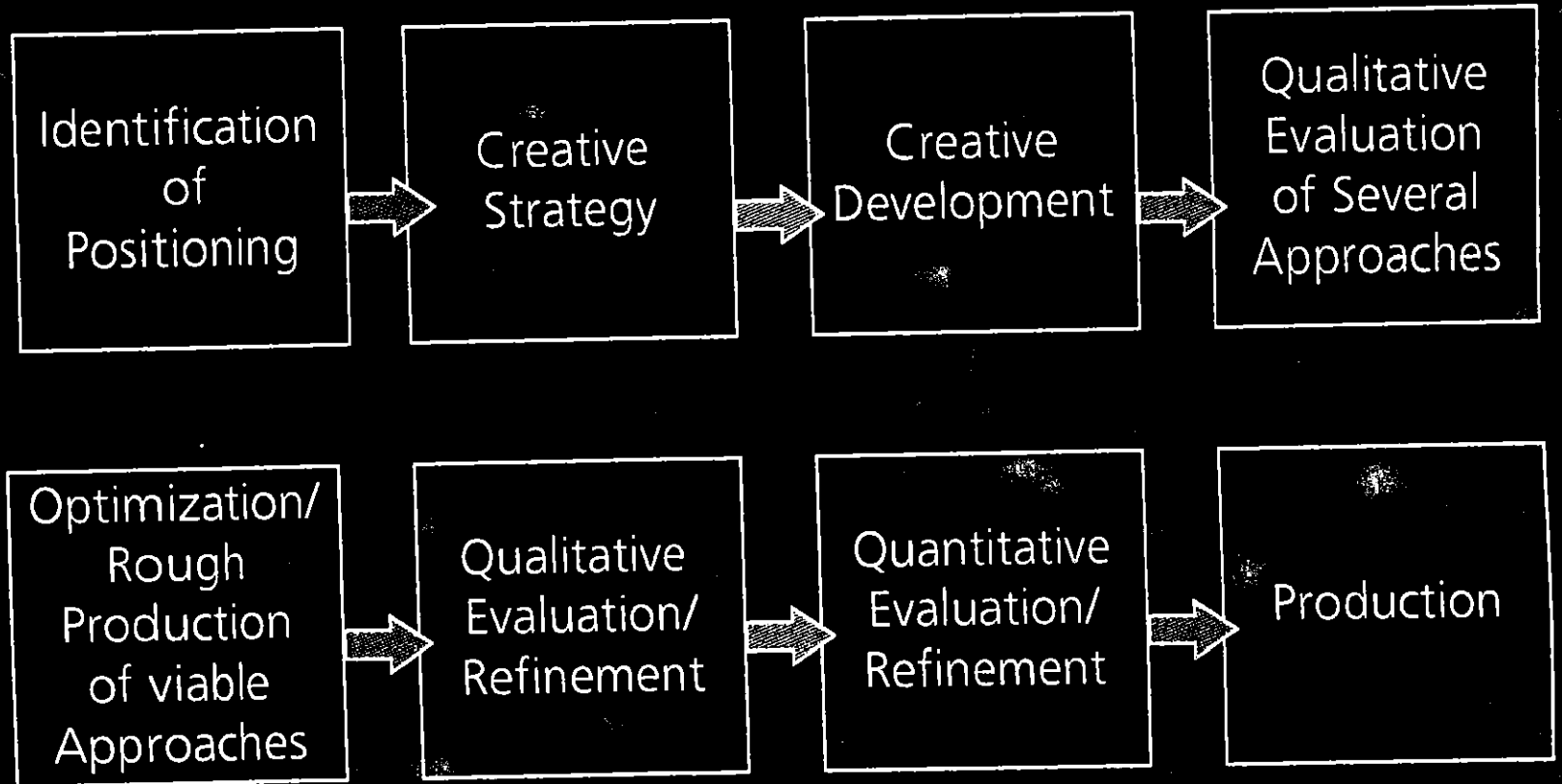
Advertising Execution Hurdles

- 80% of All Advertising Fails Before the First Word of Copy is Written

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Eight Key Steps



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MCJ2827234

At the end of this process what will we know about the advertising before it airs?

- It will break through
- It will differentiate us
- It will be personally relevant
- It will raise brand affinity
- It will motivate acquisition and usage

...all to our most profitable targets

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Advertising Creative Development

"Guidebook to the 21st Century"

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Advertising Creative Development

"Point of View"

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MCJ2827237

Advertising Creative Development

"Put It On MasterCard"

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MCJ2827238

MasterCard Advertising Development

Test Results

ASI	"POV" (30')			"Guidebook" (30')			"Put it on MasterCard" (15')			Norms	
	Taxi Cab	Flea Market	Wallet	Adjusting	Fitting In	Security	Ticket Master	New Born	Security	:30	:15
Related Recall	8	11	8	7	11	8	2	3	3	22	17
Measured Attention	33	49	39	29	30	30	38	33	19	49	43
Brand Linkage	.23	.23	.21	.23	.36	.28	.06	.09	.16	.47	.41
Millwood Brown Awareness Index	2	2	4	2	2	4	5	2	5	4.0	4.0
(avg)		(2.7)		(2.7)				(4.0)			

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Creative Brief

Handout

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MasterCard U.S. Region
Creative Brief

1. **Brand Umbrella**
2. **Gold Card**
3. **Premium Products**
 - **World Card**
4. **Deposit Access**
 - **MasterMoney Debit Card**

MasterCard Umbrella Creative Brief

4/29/97

Marketing Objectives:

- Increase usage (primarily) and acquisition (secondarily) through enhanced brand preference (credit and debit)
- Increase share of wallet (versus cash and checks and other cards)

Advertising Objective:

- Position MasterCard as the superior, easy, convenient way to pay for products and services.
- Create a personality for the brand that will emotionally connect with the consumer.

Target:

- About 2/3's are standard card holders and 1/3 are gold card holders
- Males (45%) and females (55%) aged 18-54 yr. (median 42.1)
- HH income \$75K or less with majority less than \$50K
- Some college or college grad. 62% married, employed. 2/3's revolvers
- On average they own 2.5 cards but use only 1.7
- These consumers are becoming more fee and rate savvy when selecting a card (2.2 billion solicitations annually). The top 5 criteria for selecting a card are controlled by the bank.

Psychographics:

Our target is active and enjoys a full life. As such they are often pressed for time. Therefore, they look for products and services that makes their lives easier, saves them time and effort. However, there are so many choices that sometimes this can be a bit confusing. When the products and services are easy to access, easy to use and of good value, they are readily adopted.

When it comes to financial services, consumers have embraced the ease and convenience of credit cards and ATM's. They use cards as a way of facilitating their lives and cards have become an integral part of their everyday lives. They have multiple cards and use each for different purposes. The accumulation of points, airline miles and other rewards through co-branded credit cards has facilitated usage by adding value. Consumers are, for the most part, comfortable with credit although on occasion, they may have to consciously manage it. They are just beginning to transfer their comfort with bank cards, credit cards to a wider range of "plastic" products such as debit cards, pre-paid phone cards, etc. that substitute for cash and checks.

The brand plays a major role in the choice and usage of credit card products. Rationally, consumers see VISA and MasterCard as the same. Emotionally, the brand plays a big role into their preference and usage. Consumers have a greater affinity with VISA due to VISA's consistently communicating its vitality, its accessibility and its aspirational image. On the other hand, MasterCard has no real differentiating image and generally defaults to generic "trusted brand" benefits. It is not uncommon to hear a consumer refer to "MasterCharge", a name that was abandoned over twenty years ago.

Competitive Frame:

- A better alternative than cash and checks
- Beyond Visa/Amex

Benefit:

- MasterCard is a better, more convenient way to pay for goods and services...no matter what I am buying and where.

Support:

- I can use MasterCard products anywhere. They are accepted all over the world (+1.5 billion locations...3000 new locations daily).
- MasterCard provides me with new ways and new places to pay.
- MasterCard products are more practical, safer and more convenient than cash or checks (credit and debit).
- If my card is lost or stolen, MasterCard makes sure I can get another card the next day.
- MasterCard helps me to better control my spending and finances by providing a monthly record.

Product Personality:

- MasterCard is confident and contemporary
- MasterCard knows what I want and need. It understands me. It always looks for the best products to make paying easier. MasterCard is helpful, understanding and straight forward.

Executorial Mandatories:

- "MasterCard. The Future of Money." tagline aligned to the positioning
- Executions must link with the tagline
- Executions must form part of a campaign
- Executions must have strong branding
- Executions must include the website address (ww.mastercard.com)

Executorial Guidelines:

- Include usage locations (where possible)
- Showcase purchases with higher ticket price (+100)
- Selectively include T&E elements (where appropriate)
- If possible integrate the MasterCard circles as a branding device (develop mnemonic device if appropriate)
- Include debit (when appropriate) to build on current credit image base

"Can't Do's":

- Discuss or refer to:
 - Interest Rates,
 - Annual Fees
 - Terms
 - Co-Brand Partners
 - Credit Limits
 - Specific Member Banks
 - Visa

Intended Media:

- :30 and :15 television
- P4C & BW print
- Radio
- Internet

Advertising Objectives

Clearly position MasterCard card as the preferred card that helps you function well in everyday life. Grow preference, usage and retention.

Target

The consumer who lives a busy everyday lifestyle...
Of those who are primarily standard card owners (not gold owners);
Males (45%) and females (55%) aged 18-54 (media 42.1);
HH income \$50K or less (median HH \$39.6);
High School, some college, married, employed, revolvers.

Psychographics

They most often use the card for purchases as a part of their busy daily routine. If a purchase is unplanned, the card is helpful because they know they can use it to cover the cost.

Primarily balance revolvers, they most often pay less than the total balance due, but frequently more than the minimum monthly due. They will put their cards away in a drawer as they reach their limits. They tend to be category managers who interact with their cards as brands with specific functions.

Credit is like a tamable monster - controllable, but able to get out of hand if not used properly. They are fee and rate savvy as a result of having been inundated with application offers for low APR and balance transfer opportunities. Card switching and balance transfers have become a large part of their credit card lifestyle. After rates and fees, it is important to be treated like a valued customer and carry cards from a bank or issuer that they trust. The differentiation between Visa and MasterCard can be blurry.

Creative Strategy

Convince the target that only MasterCard card helps them function well everyday (better than cash and checks, better than Visa).

Benefit

MasterCard is an important part of our everyday life because it helps you function well.

Support

Unsurpassed acceptance in the locations you frequent/need it most;
More practical and convenient payment method versus cash or checks;
Helps to better control personal finances.

Product Personality

MasterCard is dependable, confident, responsible, stable and established,
finds pleasure in everyday life, has values, and a classic sense of humor.
MasterCard is not impulsive, old, stodgy or boring

Executional Guidelines

Link to global brand positioning. Include brand logo and "The Future of Money" tagline.
Include website address: <http://www.mastercard.com>

Intended Media

4C and BW newspapers and magazines, :30 and :15 television & radio.

Gold MasterCard Card
Consumer Communications Strategy Brief
3/27/97

Advertising Objectives

Reposition Gold MasterCard card as the card that enhances everyday life.
Grow usage and retention.

Target

The consumer who lives a busy everyday lifestyle.
Males and females aged 18-54 (median age 47.9);
HH income \$25K+ (median HHI \$52.8);
some college; married; employed; revolvers.
61% own 3 or more cards. 47% of all gold cards are inactive.
40% of MasterCard Gold cards are inactive.

Psychographics

Gold card owners have worked hard to get where they are. They've earned the higher credit limit and additional benefits that come with the card. Gold card allows them to enhance the activities and purchases they make everyday. They tend to use it most often for purchases. These purchases tend to be bigger than the norm. For example, not just groceries, but gourmet groceries. Acceptance/not being turned down is an important attribute that comes with the higher line card.

Creative Strategy

Convince the target that only Gold MasterCard is a better partner in helping them enjoy the rewards of their everyday lives. (Better than cash and checks, better than Visa Gold).

Benefit

Gold MasterCard enhances your everyday life because it both helps you function well and offers you more.

Support

Unsurpassed acceptance, higher than standard credit line;
Preferred sports and entertainment ticketing (Gold Ticket);
Retail purchase protection for those special, self-rewarding items;
Rental car insurance coverage, Global traveler assistance

Product Personality

Gold MasterCard is not very different from the brand MasterCard. It is slightly more special, more experiential, more exciting. It is an achiever, responsible, proud, traditional, upper middle class, intelligent. Gold MasterCard is not stuffy, glitzy, pretentious, self-important or humorless.

Executional Guidelines

Link to global brand positioning. Include "The Future of Money" tagline.

Intended Media

4C and BW daily newspapers and weekly and monthly magazines
:30 network and :10 sponsorship
:30 television (long term need)

Premium Family of Products
Marketing Communication Brief - Consumer
3/17/97

Marketing Objective

To build MasterCard's leadership image in the 'Travel & Entertainment' segment and thereby gain market share in terms of cards acquired and number of transactions made, as well as grow consumer preference versus existing competitive card products currently targeted to the T&E segment.

Marketing Strategy

To launch a new Premium Family of products which better meets the needs of consumers who have a high propensity to travel and entertain. These consumers require financial flexibility, convenience and value-added benefits and services which meet their busy personal and professional lifestyles.

The two new products in this family are:

World MasterCard: To the sophisticated consumer, who lives a lifestyle that frequently includes purchases and activities related to travel and entertainment, World MasterCard offers unique, flexible payment options, combining the best of a bank-issued credit card and a charge card, as well as a personal concierge program and unsurpassed worldwide services and rewards all in one card.

Platinum Class MasterCard: To consumers who have arrived at a successful, upscale echelon in their personal and professional lives. Platinum Class MasterCard provides the superior combination of a high line of credit to meet financial payments needs and unsurpassed, quality services worldwide. (This positioning is not fully validated).

Measure of Success

Incremental revenue through card acquisition, usage and retention.
Growth in product awareness (as measured through continuous tracking).
Member awareness and support of MasterCard's T&E category leadership image in the form of a leadership share of total applications mailed (short term).

Source of Business

American Express cards; Visa Platinum and Visa Gold cards.

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MCJ2827247

Platinum Class MasterCard
Consumer Communications Strategy Brief
4/16/97

Advertising Objectives

Generate awareness of the new Platinum Class MasterCard; induce acquisition/trial.

Target

Adults 25-54

\$50M+ HH Income, own Visa, MasterCard, bankcards.

Psychographics

Experienced gold card holders, established achievers who like products and services that reinforce that they've arrived. Platinum is a symbol of their achievement and importance, it helps separate them from others. They need financial flexibility and like personal satisfaction, service and rewards.

Benefit

The new Platinum Class MasterCard recognizes the status and achievements that they've attained. It allows them to function well because it provides greater purchasing power and, more financial flexibility than I have come to know with my other credit cards.

Support

- Higher credit limit than gold.
- Ability to consolidate other card balances and still have room to charge.
- Gives me the MasterCard services and benefits that I trust.
 - Global Service, security & privacy features, travel assistance insurance.
- Superior access to funds and services worldwide
 - Accepted around the world at over 13MM locations.

Product Personality

Platinum Class MasterCard is prestigious, status-oriented, empowering.

Platinum Class MasterCard is not common, introverted, stuffy.

Tonality

Elite, prestigious.

Executional Guidelines

Clearly establish that the card is new. Demonstrate the functionality of the card to an audience who believe they have succeeded in life. Link to and include "MasterCard. The Future of Money" tagline and corporate logo.

Intended Media

4C and BW daily newspapers and weekly and monthly magazines.

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MCJ2827248

World MasterCard Card
Consumer Communications Strategy Brief
3/17/97

Advertising Objectives

Generate high introductory awareness of the new card and its unique features.
Induce acquisition and usage.

Target

The sophisticated consumer who lives a lifestyle that frequently includes purchases and activities related to travel and entertainment.

Travel often: 5+X per year; Adults 35-64; HH income \$75K+;
married, college graduate; own home and often own business (38%);
professional/managerial; retail profitable, transactors.

Psychographics

Travel and entertainment are an integral part of their busy personal/professional lives. They are savvy money managers, financially stable, and comfortable with credit. They are consumers on an international scale, who place a high priority on finding the best quality of goods and services rather than on finding the lowest price. They enjoy adventure and new opportunity. They find the achievement of elite reward program levels, as a result of their spending, enjoyable and rewarding.

Creative Strategy

Convince the target that World MasterCard is the one card they will want to carry and use.

Benefit

Only World MasterCard combines the most valued components of all their preferred travel and entertainment cards in one card.

Support

Only World MasterCard combines...

- No pre-set limit with the Option to pay in full or revolve a portion of the balance over time.
- Financial Flexibility
- Unsurpassed Worldwide Acceptance
 - Over 13 million acceptance locations, secure access to cash through extensive ATM network
- On call 24 hours a day worldwide Global Personal concierge
 - Personal assistance that offers time savings and convenience for business and personal travel and entertainment needs.
 - Data base managed personal files.
 - Shopping service.
- Unsurpassed Rewards
 - The best issuer-based rewards programs
 - Any Airline/no blackout
- Global Services
 - Travel, Medical and Insurance assistance, year-end account summary, expedited billing resolution, privacy, security

Product Personality

World MasterCard is Confident, Worldly, Venturesome and Intelligent.
World MasterCard is not Conservative, expected, pretentious, self-important or humorless.

Tonality

Introductory, Sophisticated and reflective of World MasterCard product personality.

Executional Guidelines

Clearly establish that the card is new. Showcase the all in one card benefit as the point of difference. Include "The Future of Money" tagline, logo, and website.

Intended Media

4C and BW daily newspapers and weekly and monthly magazines
:30 network and :10 sponsorship radio
:30 television

MasterCard Deposit Access
Advertising Brief

Marketing Objectives:

To increase awareness and usage of the MasterCard debit card

Marketing Strategy:

Differentiate from Credit Card by going against Checks and Cash

Advertising Objectives:

Explain the benefits of MasterCard debit to enhance usage of card.
Use MasterCard debit as a support for why MasterCard is the future of money (corporate positioning).

Target:

- Adults 18-49
- Slightly younger than credit
- Comfortable with new technology
- Active ATM users

Tangible End Benefit:

With MasterCard debit I can pay for things with my own money wherever the MasterCard logo is seen.

Emotional End Benefit:

MasterCard makes my hectic life better because now I can pay with my own money as fast and easily as if I used a credit card (gold standard for ease of use). And unlike cash which seems to disappear from my wallet, I have better control of my money when I pay with MasterCard debit.

Why should the Consumer Believe Us:

- Checks require a lengthy approval process: two forms of ID, phone number, managerial approval, bank approval.
- When out of cash must find an ATM.
- Purchases are recorded on your monthly statement so you can track your spending.
- MasterCard debit is accepted at 13 million locations, wherever you see the MasterCard logo.
- More convenient than carrying checks.
- It's from the bank you trust.

Tonality

Sincere, Warm, Helpful
Humor can be used.

Issues

- Is word debit seen as a negative or is it a clear descriptor
- Can't compete against Credit (our cash cow)
- Must differentiate from credit, since MasterCard is synonymous with credit
- Visa Check advertising is strong, our campaign must be stronger

Advertising Needs

- TV :15, :30 and :25 for :05 member tag
- Print (page or spread)
- Newspapers
- Radio :60 and :50 for :10 member tag

Critical Dates/Next Steps:

- All advertising will be tested
 - Qualitative before producing
 - Quantitative after produced
- Advertising must be ready by June 1

CREATIVE ASSIGNMENT
CRITICAL PATH

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*MasterCard
International*



Creative Assignment - Critical Path

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Briefing Timeline/Guidelines

Activity

- Issue Pre-read & Present Brief to Agency
- Follow-up Q&A with Agency
- Agency Creative Development Time

Timeline

Week 1

On-going

4 Weeks

Agency Deliverables:

a) Animatic/Ripomatic TV & Print for:

- Umbrella Campaign

b) Storyboards & Print for:

- Gold Card/New Places
- World Card Introduction
- Debit (MasterMoney) Card

Briefing Timeline/Guidelines (Cont'd)

<u>Activity</u>	<u>Timeline</u>
• Agency Present Creative Deliverables To MasterCard	Week 5
• Focus Groups/Creative Refinement with Agency	Week 6-7
• Agency Produce Animatics/Ripomatics	Week 8-9
• Ship for Testing*	Week 10
1 Millward-Brown	
2 ASI	

**MasterCard to Cover All Testing Costs (ex. Production)*

**3 Test Executions in Animatic/Ripomatic Format for ASI & Millward-Brown:*

Brand Umbrella Execution

Gold Card/New Locations

TBD - World or MasterMoney

**Action Standards TBD*

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Briefing Timeline/Guidelines (cont'd)

Activity

- In Field
- Review Test Results & Award
(Member Communication)
- Begin Finished Production of 1st On-Air Cmml.
- Approve, Ship for On-Air

Timeline

Weeks 11-17

Week 18

Weeks 19-20

Week 25

MARKET RESEARCH
TESTING OVERVIEW

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MCJ2827258

MasterCard
International

MasterCard

Market Research Testing Overview

Barbara Delia
SVP, Global Research

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Advertising Testing Overview

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MCJ2827260

4 Predictors of In-Market Advertising Effectiveness

- Communication of Strategy (i.e., communicating the intended message)
- Intrusiveness/Memorability (i.e., break through the advertising clutter)
- Brand Linkage (i.e., is the MasterCard brand linked to the selling message)
- Persuasiveness (i.e., motivate consumers to choose and use MasterCard)

Advertising Testing Overview

Two quantitative tests conducted:

- ASI
- Millward Brown "Link"

ASI Overview

Type of Study: On Air Recall Test in "Natural" Viewing Environment

Objective: To determine a commercial's ability to gain viewer attention and communicate in an in-home viewing situation.

Test commercial inserted in program vehicle (30 minute sitcom), along with three other test commercials and one "control commercial; simulating clutter of normal TV programming.

Program is aired on cable station that normally does not air programming.

Sample is pre-recruited and invited to preview "new" program material being considered for TV broadcast and told that they will be contacted the next day to obtain their opinions about show.

Sample: 200 Cable subscribers, 18-65, 1/2 male/1/2 female

Recognition Probes: Product Cue: During the program did you see a commercial for any of the following: a credit card, or ATM card, or debit or check card?

Brand Cue: Did you see a commercial for MasterCard?

How to Improve Advertising

- No formulas to construct advertising. However, we can improve our odds of success.
 - Introduce the brand early
 - Mention the brand often
 - Show logo when mentioning the brand
 - Increase length of time logo is on screen
 - Minimize # of cuts/obvious camera motion

Millward Brown "Link" Methodological Summary

Type of Test: Forced Exposure Central Location Test
Evaluative and diagnostic copy test

Method: Test commercial is inserted into clutter
reel of 5 ads. Re-exposed prior to
administering questionnaire.

Sample: 200 adults (1/2 male, 1/2 female), age
21-54, HH income of \$18,000 or
more, owns a multipurpose credit or
charge card, has some responsibility
for financial decision making.

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Key Measures in Millward Brown Link

- Awareness Index
 - Enjoyability
 - Positive Involvement
 - Easy to follow
 - Branding
- Communication of Strategy
 - Story of the Ad
 - Main Point Playback
- Persuasion
 - Relevancy
 - New News

**INTERIM PLANS-
APRIL TO SEPTEMBER**

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MasterCard
International

MasterCard

Interim Plans - April through September

Larry Flanagan
VP, Advertising

Highly Confidential Subject To
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MCJ2827268

MasterCard 6 Month Advertising Plan

CHALLENGE: How to BUILD MasterCard Preference and usage while we continue to search for the "Big" advertising idea.

STRATEGY: Launch a media/advertising blitz to support our key strategic brand, promotional and sponsorship segments.

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MCJ2827269

MasterCard 6 Month Plan - Highlights

ACTIVITY MARCH APRIL MAY JUNE JULY AUG. SEPT.

Brand Support

- National TV Flight
- Tiger Woods Spec. TV
- Photomosaic TV
- New Debit TV
- Acceptance Radio/Print



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MasterCard 6 Month Plan - Highlights

ACTIVITY MARCH APRIL MAY JUNE JULY AUG. SEPT.

Promotional Support

- Photomosaic Sweepstakes
- AA Fly Away Vacations
- Exclusives/Spring & Summer
- Deposit Access Sweepstakes
- Incredible Summer - TV



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MasterCard 6 Month Plan - Highlights

<u>ACTIVITY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>
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Sponsorship Support

- World Figure Skating TV
- NHL Million Dollar Shot
- Stanley Cup Spec/USAToday
- MasterCard Colonial
- MLS All Star



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MCJ2827273

MasterCard
International

MasterCard

Global Overview/ Issues

David Henderson
VP, Global Advertising

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Worldwide Marketing Overview

Current Situation

- Positioning
 - Agreed to worldwide
 - However, regional/local interpretations vary
- Execution
 - Common tagline "TFOM" being used
 - Execution of positioning varied
 - Quality varied

Worldwide Marketing Overview (Cont'd)

Current Situation

- Coordination
 - Limited sharing of creative
 - Leverage of worldwide media spend beginning
 - Communication/unified planning improving
 - Limited access to both MasterCard and competitor's activities worldwide

Global Marketing/ Agency Task

- Embrace global positioning
 - Articulate positioning and communicate in a consumer relevant way
 - Develop strategies that will work for the local market and be consistent with Global Positioning
- Establish creative guidelines and monitor their use to create a unified “look and feel” worldwide

Global Marketing/ Agency Task

- Produce advertising for global and multi-market use ... good ideas travel!
- Transport advertising across markets
- Facilitate the sharing of ideas across markets
- Compile, analyze and distribute MasterCard and competitive activity on a quarterly basis

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Top 15 Markets

Asia/Pacific

Australia

Japan

Korea

Taiwan

Canada

Europe

France

Germany

Italy

Netherlands

Spain

U.K.

Latin America

Brazil

Mexico

ME/A

South Africa

U.S.

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Select Market Issues

- Brazil - low brand awareness to emerging middle class
- U.K. - low brand awareness/conversion from Access brand
- Japan - target audience 18-25 years old
 - JCB strong competitor
- Canada - non dual market/perceived acceptance gap
- Taiwan - limited distribution/low brand awareness