

MasterCard Commerce Coalition™

The power and persuasion of personalized marketing





Consider this: a unique, personalized direct marketing program that targets exactly the right customers for merchant offers, based on where they prefer to shop and what they have purchased in the recent past.

MasterCard has teamed up with its issuers and merchants to deliver a direct mail package full of special offers that cardholders are sure to open and use. Each personalized packet comprises offers from retailers and restaurateurs that are in merchant categories already favored by the cardholder.

Commerce Coalition™ is an exciting and unique program that enables MasterCard issuers to increase spending and loyalty by delivering *customized* merchant offers to specific cardholder segments, such as the affluent demographic. MasterCard Commerce Coalition has been designed to create a win-win-win program for issuers, merchants, and consumers alike.

Nothing else like it

MasterCard Commerce Coalition is the first-ever direct marketing program that enables multiple merchants to offer differentiated promotions based on the purchase, loyalty, and value characteristics of actual customers, as analyzed by MasterCard Advisors' proprietary Commerce Intelligence data mining engine. For example, different merchant offers would be delivered to consumers who shop frequently at a retailer, as opposed to consumers who shop occasionally at a retailer, or to consumers whose purchase behaviors at similar retailers identify them as likely prospects.

Offers are focused on specific cardholder segments (e.g., affluent and small business) and are delivered through participating MasterCard issuers. These promotions are in-market for 45–60 days.

A win for issuers

The Commerce Coalition program provides numerous benefits to issuers, including:

- Value-added offers for consumers
- Increased revenue from higher card usage
- Heightened cardholder loyalty and preference
- Expansion into new spending categories
- End-to-end program management by MasterCard

MasterCard can even customize the program in multiple ways.

A win for merchants

For merchants, the MasterCard Commerce Coalition program can maximize profitable, revenue-producing customer behavior—generating better-than-market response rates through customized offers that:

- Stimulate new customer trials
- Increase spend from existing customers
- Increase purchasing frequency from less loyal customers
- Create cost-efficiencies by only sending offers that drive incremental spending and have minimal cannibalization rates
- Reduce marketing costs by allowing merchants to team up with other non-competitive peers in a single mailing

A win for cardholders

For consumers, the campaign reinforces their value to issuers and merchants, and serves as a reminder that they are highly valued cardholders to whom MasterCard is providing specially targeted, better-than-market offers.



Proven successful

MasterCard Commerce Coalition™ represents an outstanding opportunity for differentiation in the marketplace. As a payments innovator, MasterCard views Commerce Coalition as a next-generation platform for more targeted, cutting-edge product and platform capabilities.

The four U.S. pilot campaigns in 2006 generated more than \$16 million in incremental spend, as well as impressive average response rates ranging from 3% to 5%.

Overall, Commerce Coalition has been proven to:

- Stimulate new customer trials
- Increase average ticket size of transactions from existing customers
- Increase purchasing frequency from less loyal customers
- Heighten cost efficiencies by only sending offers that drive incremental spending and have minimal cannibalization rates.

Let MasterCard do it all for you

Commerce Coalition is designed to optimize targeting while minimizing administration and management required by merchants and issuers. We manage the entire marketing program, from recruiting merchants and eliciting promotional offers, to coordinating with issuers, developing all creative for direct mailings, managing printing and letter shop, and providing campaign reporting.

The remarkable Commerce Intelligence engine

The heart of the MasterCard Commerce Coalition program is our peerless, proprietary Commerce Intelligence data analytics capability. Commerce Intelligence attains a comprehensive view of market dynamics by leveraging a vast data warehouse to provide powerful analysis that

is not available to a single merchant or issuer. It then transforms this data into valuable behavioral marketing insights, providing companies with an alternative to reliance on demographics as they seek to optimize their marketing assets.

A smarter, personalized way to market

MasterCard Commerce Coalition provides unparalleled customer value by offering multiple targeted merchant offers that are unique and relevant to each cardholder's personal lifestyle, purchase behavior, and preferences.

For more information on program participation, please contact your MasterCard Relationship Manager.

Participating merchants

- Best Buy
- The Cheesecake Factory
- Chili's
- Great American Days
- Hertz
- The Home Depot®
- Linens-N-Things
- McCormick & Schmick's Seafood Restaurants
- Morton's, The Steakhouse
- Ross-Simons
- Tourneau



Here's how the MasterCard Commerce Coalition program works:

- 1 Establish target segment**
MasterCard creates a campaign strategy, theme, and profile around the target segment using our proprietary MasterCard Commerce Intelligence analytics engine.
- 2 Identify categories and merchants**
MasterCard selects complementary merchants in a range of categories consistent with the target segment's preferences.
- 3 Design offers based on loyalty**
MasterCard closely collaborates with merchants to develop offers that are relevant to the targeted consumer segment for participating issuers.
- 4 Creative development**
MasterCard develops all creative for a mailing campaign with merchant-specific coupons.
- 5 Score accounts**
The issuer provides MasterCard with desired ICA, BIN, and account range for participation in the promotion.
- 6 Apply selection criteria**
MasterCard selects accounts based on cluster designation, merchant and category loyalty, and affinity for participating merchants.
- 7 Compile accounts**
MasterCard provides the list of participating accounts to the issuer.
- 8 Process lists**
The issuer applies suppressions; then appends names and addresses and sends to letter shop.
- 9 Remove duplicates**
The letter shop combines mailing lists from all issuers, remove duplicate names, and sends the remaining list back to MasterCard.
- 10 Mailing**
The letter shop prints personalized mailers and mails the packages.
- 11 Track campaign**
MasterCard monitors the campaign and provides post-campaign analysis to participating issuers and merchants.



“The targeting method employed by the Commerce Coalition program ensures that pertinent merchant offers are delivered based upon individual consumers’ actual patterns of spend. This approach ensures that we are providing our customers with ongoing benefits that are both relevant and valuable.”

Lisa Bonalle
Chief Operating Officer
Value, Cash, and Rewards (VCR)
Citibrands

“By leveraging MasterCard’s strong relationships with its cardholders, the Commerce Coalition has allowed us to successfully attract new and valuable customers.”

Mark Juba
Director
CRM Analytics
Best Buy Co., Inc.