G-Cloud 15

Service Definition

<u>Mastercard Spending Pulse Next Generation (SPNG)</u>

Lot 2 Saas

1. Introduction

Company Overview

Mastercard is a global technology company in the payments industry. For more than 50 years, Mastercard has pioneered technology to make payments simpler, smarter, and safer for individuals, financial institutions, governments, and businesses. With connections across more than 200 countries and territories, Mastercard leverages a massive payments network.
Furthermore, Mastercard Data & Services is the professional services arm of Mastercard, focused on driving value beyond the transaction.

Mastercard Data & Services features more than 3,000 consultants spanning 53 countries, bringing unparalleled expertise; and encompasses Mastercard's offerings beyond the transaction: We deliver the technology and data capabilities to help organisations innovate, grow, and stay ahead of the competition in today's digital world. By harnessing the power of our real-time, anonymised, and aggregated transaction data, powerful software platforms and wealth of expertise, we empower customers to unlock a holistic view of consumer behavior, distil actionable insights and make more data-driven decisions, solving any business or political problems from end to end.

Value Proposition

This product enables policymakers to leverage powerful geo-based payment card and cash spend insights to improve analytics, policy and decision-making at macro and regional levels around the retail sector and high street economy.

The public sector always faces the challenge of understanding what is happening on the ground, in the real economy as a result of actions by real citizens. It also faces the challenge of understanding this in a timely manner. Typically, data is provided to the public sector via surveys, which only access a tiny sample, and deliver outputs months if not years after the original question was posed.

Spending Pulse largely resolves that problem by providing absolute economic data on retail spend across municipal regions of the UK and other territories in Europe on a near-real time basis. This means, for example, that Mastercard will provide users with hard economic data on the total value of retail spend in a city, and enable this to be compared with other similar cities, broken down by retail sector, and by sales channel (i.e. point of sale or online). And this can be provided for the previous month, or even week, depending on proximity to data upload.

This means policymakers will have an invaluable window into the real economy, almost immediately. They will therefore be able to react more quickly, as well as gain a more accurate picture of actual activity. In these terms, Spending Pulse provides an opportunity for transformational change in policymakers' understanding of the environments they are responsible for.

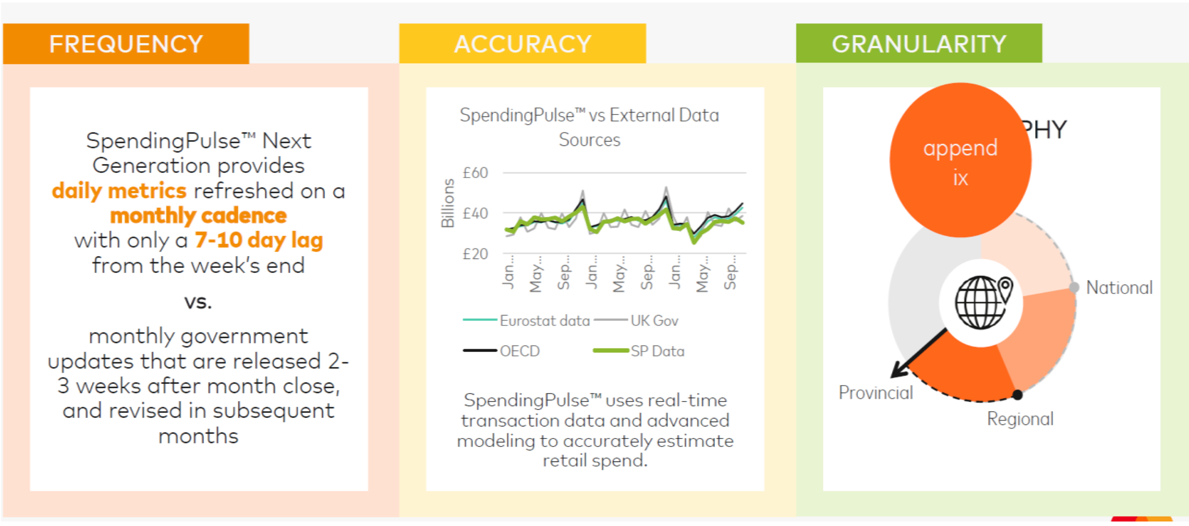


Figure 1 Spending Pulse offers frequent, accurate retail insights at a high level of geographic granularity

What the Service Provides

Mastercard Spending Pulse™ is a macroeconomic indicator of retail sales across all payment types. Spending pulse™ uses advanced proprietary models to calculate total and sector level retail sales based on aggregate sales activity in the Mastercard payments network and survey-based estimates for other payment types (including cash), and is tuned for macroeconomic factors such as country size and card payment penetration.

Overview of the G-Cloud Service

Spending Pulse™ leverages anonymised and aggregated Mastercard purchase data, plus other economic data sources derived from proprietary surveys and public data sources to either index performance or provide absolute levels of retail spend across national territories and local municipalities, industry sectors and sales channel (i.e. online and / or point of sale) and time. The dataset enables evaluation of regions and countries based on sales, a range of indices such as Year on Year change, and ten industry sectors based on card industry Merchant Category Codes. Outputs are available in daily, weekly, monthly, quarterly or annual slices starting from Jan 2018 to the present, updated on a weekly basis.

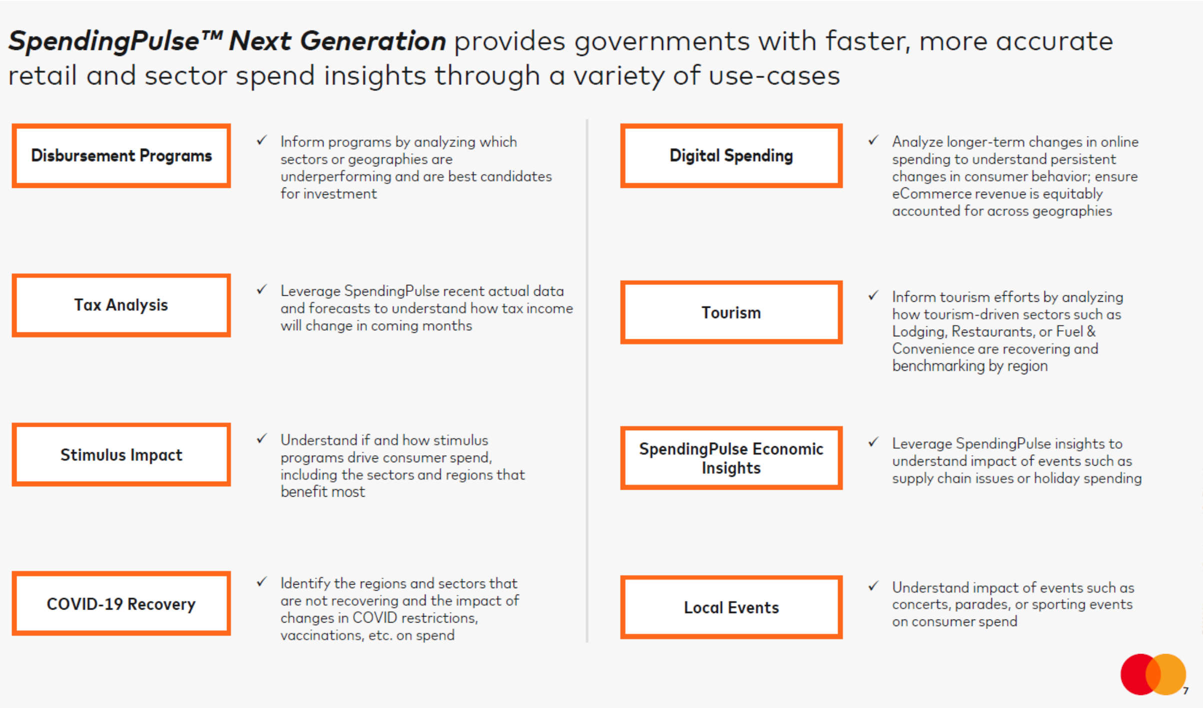


Figure 2 Main use cases

Spending Pulse™ provides government with faster, more accurate retail and sector spend insights through a variety of use cases:

- Disbursement programmes: inform programmes by analysing which sectors or geographies are underperforming and are best candidates for investment
- Digital Spending: analyse longer term changes in online spending to understand persistent changes in consumer behaviour; ensure eCommerce revenue is equitably accounted for across geographies
- Tax analysis: leverage Spending Pulse recent actual data to understand how tax income will change in coming months
- Tourism: inform tourism efforts by analysing how tourism-drive sectors such as lodging, restaurants or fuel and convenience are recovering and benchmarking by region
- Stimulus impact: understand if and how stimulus programmes drive consumer spend, including the sectors and regions that benefit most
- Economic insights: leverage Spending Pulse insights to understand impact of events such as supply chain issues or holiday spending
- Covid-19 recovery: identify the regions and sectors that are not recovering and the impact of changes in Covid restrictions, vaccinations etc on spend
- Local events: understand impact of events such as concerts, parades or sporting events on consumer spend

The following screenshots illustrate multiple features as follows:

Visualisations: Access to user interface to enable dynamic visualisations of local performance benchmarks

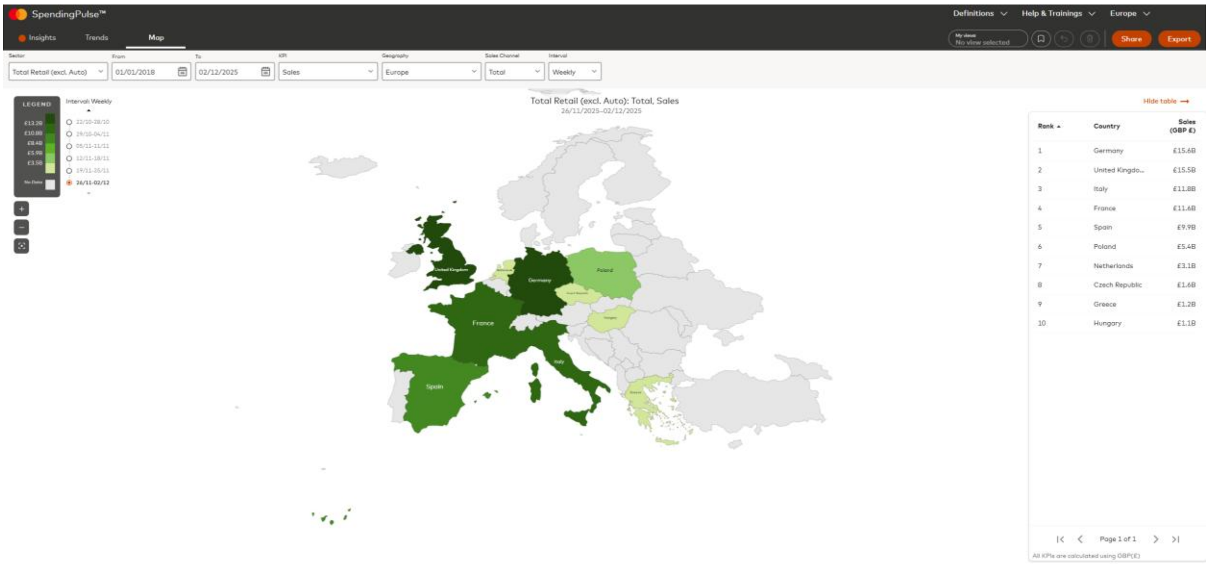


Image 2 : Sales performance by day since 2018, with weekly updates with a 7-10 day delay

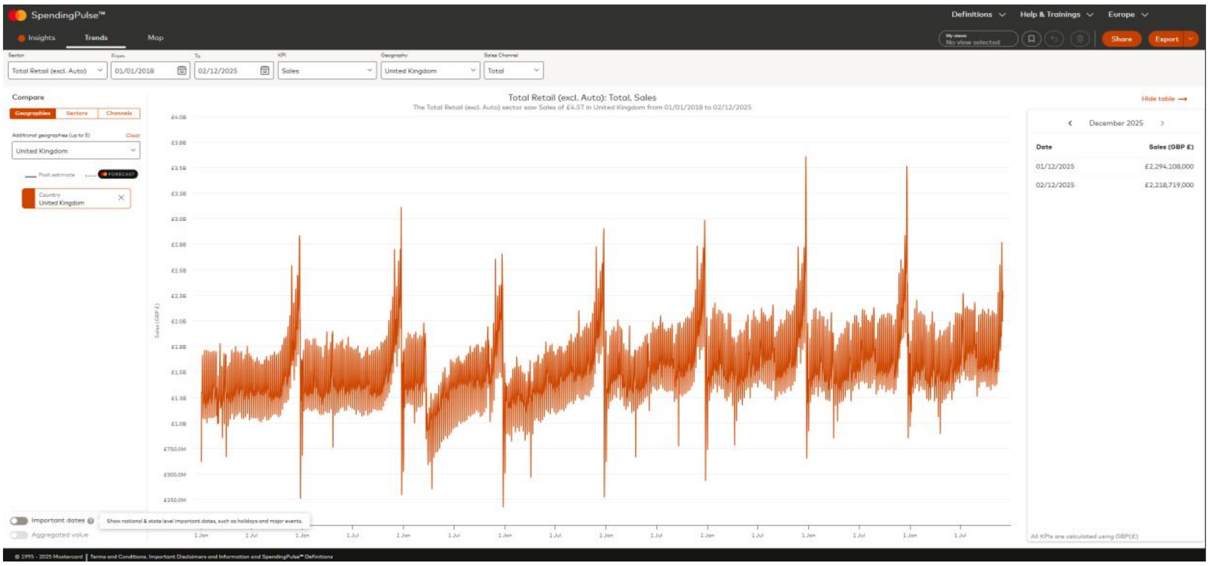


Image 3 : Sales metrics include sales by purchase channel (in-store, online)

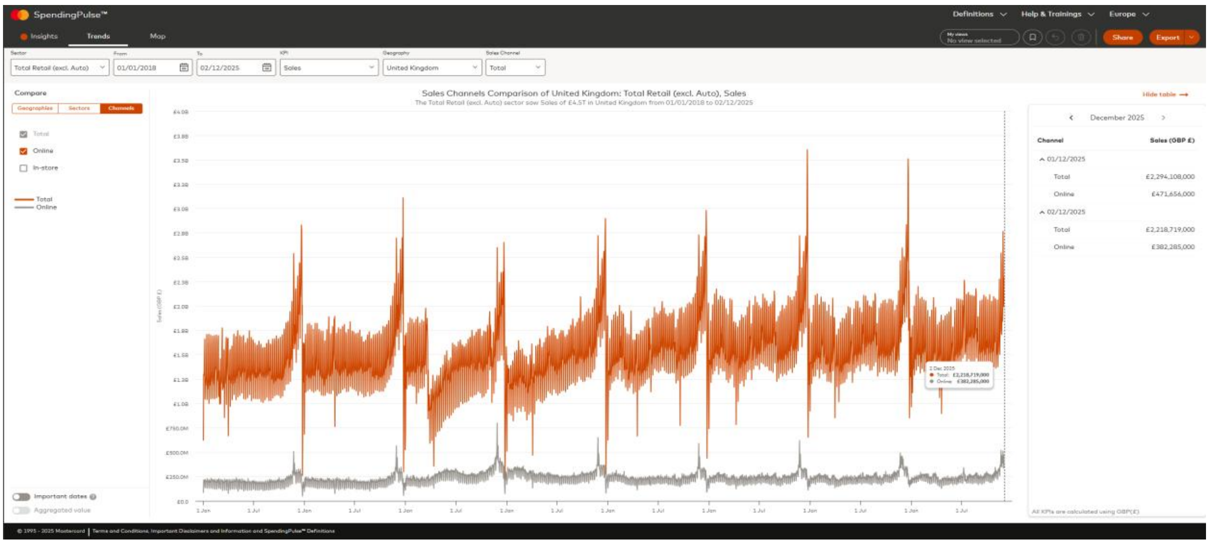


Image 4 : Drill down into local areas and retail sectors

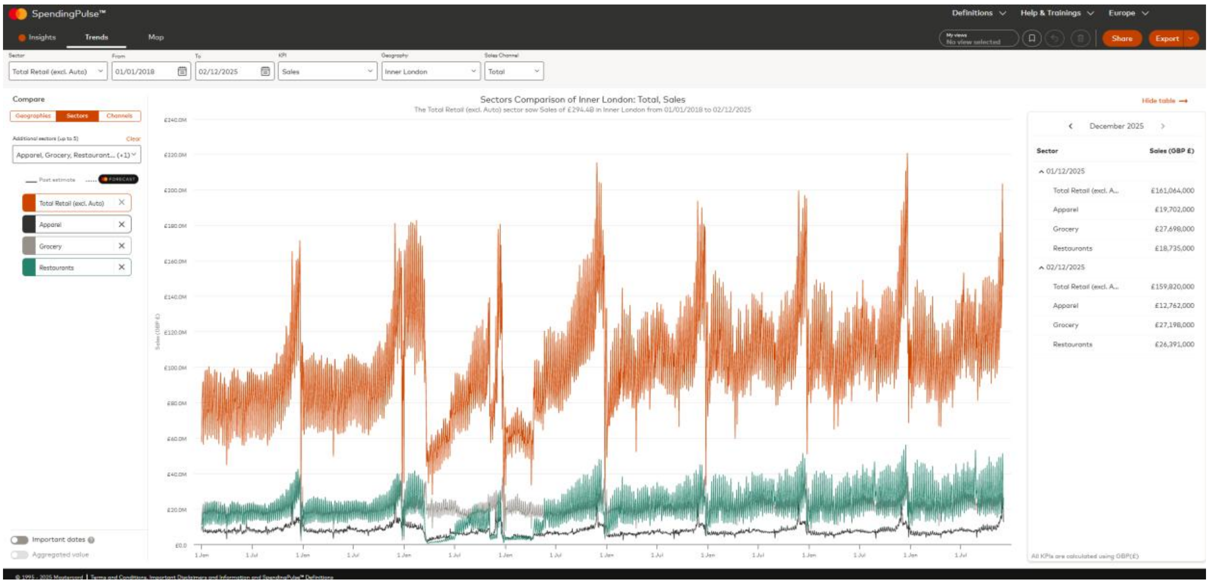
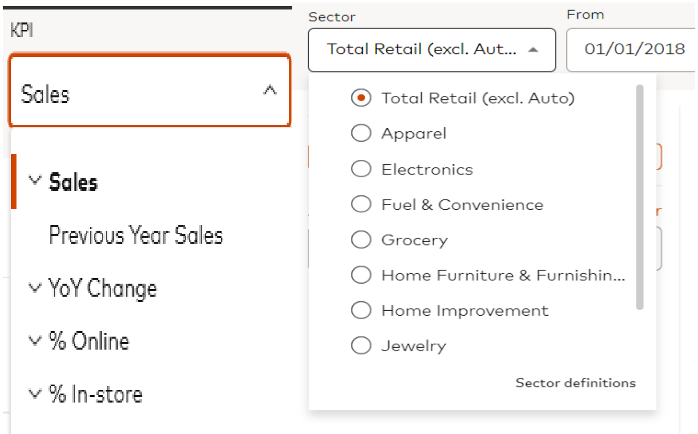
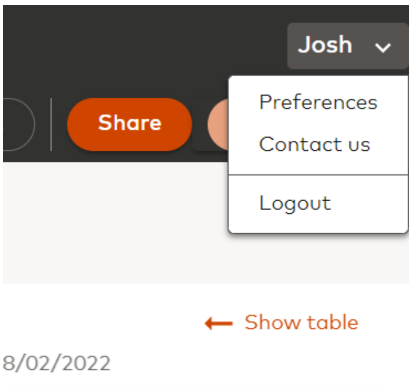


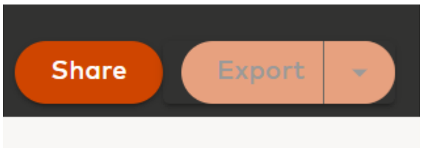
Image 5: Sales by a variety of KPIs and retail sectors



No technical integration required; only user names and email addresses for user account setup



Export any platform data or visuals to Excel



The service is priced by territory and length of subscription (see pricing document associated).

Associated Services

Mastercard can provide customer support, subject to user need, at no additional costs. These services may add value should a customer wish to deep dive into a certain area (e.g. a specific type or timeslot of spend), or retail sector, or undertake detailed comparisons between areas. Equally, as the data indicates where cards are UK or non-UK registered, customers may want more information on the origins and spend behaviours of non-UK registered cards typically held by tourists.

2. Data Protection

Information Assurance

The dataset is compliant with all relevant data privacy regulations and specifically GDPR and other data privacy regimes in use in the multiple territories in which Mastercard operates. Data is anonymised and aggregated, and granularity of data is suppressed against internal rules where geographies under view are too small to ensure anonymity of merchants with significant market share in specific locations.

Users are required to sign up to a data protection agreement as part of the contracting process that would ensure the data is not shared elsewhere, exploited in commercially inappropriate ways and viewed only by agents of the customer organisation. Regular monitoring of public domain publications is undertaken to monitor compliance with these requirements.

Data Back-Up and Restoration

Data is held remotely. Mastercard holds data in numerous data centres around the world to ensure resilience and load balancing, and is subject to rigorous test and back up procedures on a regular basis.

Data centres are fully air-gapped and accessible only to authorised personnel. For users working remote from office locations, VPN access is mandatory. Further details are available but note that the sensitive nature of activities in this area, and the critical importance of the Mastercard network to economies around the world, mean we will not be able to provide specifics.

Business continuity statement/plan

Mastercard has numerous extensive business continuity arrangements in place in multiple territories and in relation to numerous products and services. Further details are available but note that the sensitive nature of activities in this area, and the critical importance of the Mastercard network to economics around the world, mean we will not be able to provide specifics.

Privacy by Design

The service is designed to ensure all data is anonymised and aggregated in line with GDPR and other data privacy regimes in use in the numerous territories in which Mastercard is commercially active around the world.

Both Mastercard and the Customer will comply with all (i) all data privacy legislation – including GDPR; (ii) the applicable industry data security standards; (iii) all applicable provisions of Mastercard's or Customer's written information security requirements, and (iv) Mastercard's privacy policies. Customer acknowledges and agrees that Mastercard may transfer such data to any country in which any member of the Mastercard group does business.

3. Using the service

Ordering and Invoicing

Customers should email Simon Wright Lakin: Simon.WrightLakin@mastercard.com
Or contact the Main Sales Desk: +44 2075575057 to discuss requirements. Assistance will be provided in completing a Statement of Works (SOW) / Order Form.

Availability of Trial Service

Sample output reports to illustrate service capability can be made available at our discretion upon signature of a data evaluation agreement.

On-Boarding, Off-Boarding, Service Migration, Scope etc.

On-boarding is a simple process as the service is available via web interface and customers are given appropriate login credentials. This process can be completed within five working days and is led by our product team.

There are two options in respect of onboarding:

1. Standard Support, as covered in the licence price: support is provided via email contact with either your product or account manager. This includes:

- initial platform on-boarding / training session for customer users – normally a 60 minute discussion
- a monthly technical and data interpretation support from the centralised Spending Pulse support team, estimated to last typically 30 minutes

- a Bi-Annual Insights presentation from a Spending Pulse Product Analyst, including a review of customer usage, value creation, and additional applications
- access to best practice webinars, available on an occasional basis

2. Insights and executive package:
   - two Mastercard-led analyses leveraging Spending Pulse insights to address a pertinent business question, e.g. comparison of own-brand performance versus sector, identification of opportunity times / geographies. Customer presentation to key executives and agency stakeholders
   - an annual executive briefing by a Mastercard senior analyst / economist on recent spending insights and trends relevant to the customer

Training

The platform is very easy to use and understand, however each customer will access an hour of training with Mastercard's product team to resolve questions that may arise during the onboarding process (included in the pricing). This is a 60 minute session that would usually take place via video conference.

Implementation Plan

A detailed implementation plan can be provided to the buyer on request (without additional cost).

Service Management

Service management consists of the following under the standard licence arrangement:
- initial platform on-boarding / training session for customer users normally a 60-minute discussion
- a monthly technical and data interpretation support from the centralised Spending Pulse support team, estimated to last typically 30 minutes
- a Bi-Annual Insights presentation from a Spending Pulse Product Analyst, including a review of customer usage, value creation, and additional applications
- access to best practice webinars, available on an occasional basis

Service Constraints

Service support is during normal office hours only (Mon-Fri 0900-1700) excluding UK bank holidays.

Service Levels

Standard arrangements are for 48 hours response times on service questions, initial training, and other requests.

Outage and Maintenance Management

Scheduled outages and maintenance will be communicated by email. Outage events do not occur more than once every six months and last for no more than three hours.

Financial Recompense Model for not Meeting Service Levels

Unplanned service outages will be subject to recompense on a pro rata basis where these prevent service delivery for more than one full week.

4. Provision of the service

Customer Responsibilities

The customer may not share the dataset with third party organisations or individuals unless specifically noted in the order form. Only authorised individuals may receive the dataset. The customer may not resell the dataset. These requirements are reflected in our terms and conditions.

Technical Requirements and customer-Side Requirements

Customers will require access to the internet via any standard browser.

Development life cycle of the solution

The dataset is continuously being developed, and all product additions will be communicated by email to customers before implementation.

After-sales Account Management

Customers will be assigned an account manager for onward queries and service management. Account managers will agree a service review cycle with customers following service onboarding per the service management options outlined above.

Termination Process

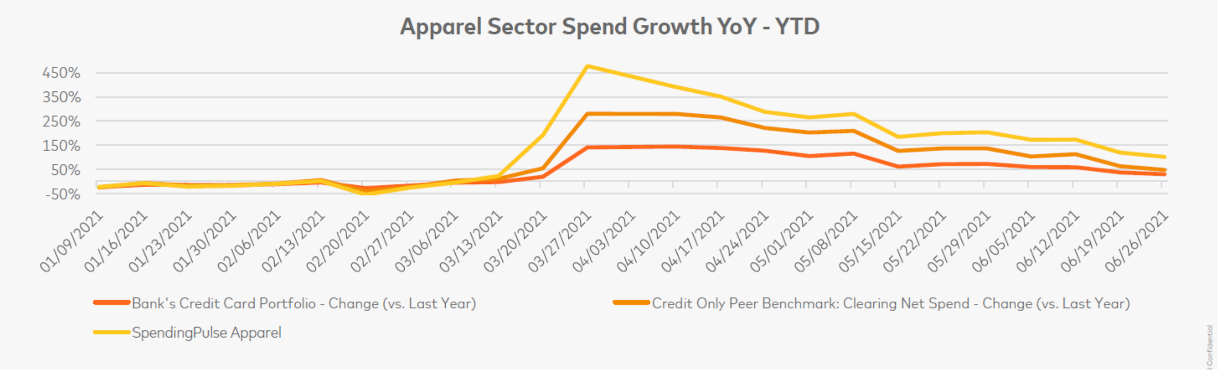
The Statement of Work will integrate the agreed date of termination of the contract. Service may be terminated for convenience with 30 days’ notice.

As for pricing, Mastercard will notify customer of any revisions on the agreed planning and may not undertake work relating to the revised Services until customer has executed a written amendment to, or replacement of, the Statement of Work setting forth such amended or revised terms.

5. Our experience

Case Studies

- A large bank's credit portfolio is underperforming Apparel spend among peer credit cards and aggregate sector spend (across all payment types)



The relative underperformance since mid-March indicates an opportunity to gain more of the surge in Apparel spend post-US stimulus through Apparel-focused strategies, such as card-linked offers with Apparel merchants.

- Spending Pulse data helped the Grocer identify when it was under and over-performing relative to competitors and which markets to prioritise during the under-performing time-periods:

Holiday Performance

	Indexed Grocery Brand Volume	Indexed SpendingPulse Grocery Sector Volume	Grocery Brand's Market Share %
Independence Day	1.207	1.051	4.42%
Labor Day	1.016	0.967	4.05%
Memorial Day	1.012	0.975	4.00%
New Years	0.976	1.009	3.72%
Thanksgiving	1.067	1.162	3.53%
Easter	1.069	1.193	3.45%
Christmas (week before and week of)	0.999	1.202	2.95%

Prioritized List of Underperforming DMAs by Market Share

1. Atlanta
2. Orlando
3. San Antonio
4. Houston
5. San Diego
6. Philadelphia
7. Charlotte
8. Minneapolis
9. Portland
10. Salt Lake City

Customers

We are happy to provide further detail on our customer list upon request. Earlier versions of the product have been used by UK financial agencies and Dublin City Council is a long-term user.

Dublin City Council
Comhairle Cathrach Bhaile Átha Cliath

Contact Details

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