

Scenario 4: Green Card From Mastercard

Overview

Mastercard is one of the world's major credit card networks and has a 34% market share in the U.S., based on the number of cards in circulation. The organization plans to launch a new credit card product – the Green Card, which is targeted at millennial consumers who are concerned about climate change and want to vote with their wallets to reduce their carbon footprint.

Mastercard plans to invest heavily in brand advertising and paid digital acquisition channels in the short term, but this level of spending will not be sustainable beyond the launch phase. Your task is to prepare a strategy to help build awareness of the Green Card during the pre-launch and launch phases, as well as acquire new customers once the product is available. The marketing strategy should include the definition of the target persona, the value proposition, advertising creative, content marketing plan and social media strategy to drive awareness and customer acquisition.

The Concept

In a competitive and ever-changing industry, Mastercard sees an opportunity to establish its eco-friendly credentials with this new credit card. Climate change receives unprecedented media coverage nowadays, and climate action has developed into a social movement. Governments and businesses are under pressure to decrease their emissions, but individuals also have an important role to play. The guidelines for doing so involve making small, but still significant, changes to their daily lives. Many of these substitutions fall into the “low-impact” category: replacing a typical car with a hybrid (0.52 tons); washing clothes in cold water (0.25 tons); recycling (0.21 tons); and upgrading light bulbs (0.10 tons). The Green Card provides a way for these individuals to contribute to climate change prevention without necessarily making wholesale changes to their daily lives.

In addition to providing its customers with an eco-friendly option, Mastercard's main business objective behind the Green Card is to challenge American Express and Visa for network purchase volume. To do so, Mastercard will prioritize building awareness in all launch phases to attract early adopters and high net-worth individuals. The more money Mastercard's customers spend on the Green Card, the bigger their contribution to climate change prevention. Additionally, this will help Mastercard tackle their challenge of increasing network purchase volume.

How It Works

This card will reward customers by contributing to carbon offsets for every purchase they make. For every \$1 spent on net purchases, Mastercard will buy two pounds in carbon offsets through the American Carbon Registry.

As a welcome bonus, Mastercard will retire 5,000 pounds of carbon offsets if a customer spends \$1,000 on purchases within the first three months.

Customer Pain Points

There is such a plethora of information and “green washing” that it’s difficult for the consumer to determine which products are truly environmentally friendly. The consumer often doesn’t know where or how to start contributing to sustainability, and it’s hard for them to keep up with the various credit card benefits on offer. Carbon offsets are not all made equal, and it can be difficult for consumers to determine if they are making a tangible impact. Points are hard to redeem and often carry stipulations on how and where they can be used.

Customer Benefits

- **Convenience:** Mastercard’s Green Card will be available as a digital-only option, allowing customers to store it on their smartphone in a digital wallet. Mastercard will partner with both Google Pay and Apple Pay to allow users to pay with the digital version of their Green Card.
- **Rewards Program:** Mastercard will offer double rewards to any customer that signs up within three months of product launch. As an introductory bonus, Mastercard will retire 5,000 pounds of carbon offsets if a customer spends \$1,000 in purchases within the first three months.

Competition

There are currently some credit card providers, such as American Express, Chase and Discover, that allow their customers to donate cash rewards from their regular credit card to a charity of their choice. However, certain banks have also hopped on the environmentally cautious train, providing credit or debit card options that directly help the environment through rewards. A couple of examples of these banks include:

- [Affinity Debit Card at Bank of America](#): The multinational investment bank and financial services organization provides a wide selection of Affinity cards — debit cards that allow banks to partner with various organizations and charities. Customers can choose from a selection of sustainability-focused cards, such as Defenders of Wildlife, National Wildlife Federation, The Nature Conservancy and World Wildlife Fund. With each purchase made with these specialty debit cards, Bank of America will donate a percentage of the rewards to the charity of choice.
- [Aspiration Planet Protection](#): This small, online-only bank based in the U.S. has started a new program called Planet Protection. Its mission is to allow customers to gas up their car and drive with a clear conscience. How it works is that the consumer uses their Planet Protection debit card when filling up their car, Aspiration’s systems records the total carbon output and they immediately buy offsets to help the climate impact.

While Mastercard has several competitors and banks already providing charitable reward donations for environmental causes, the Green Card will be a brand-new product to the market as its rewards will go solely to contributing carbon offsets.

Deliverables

- Target persona
- Customer insights
- Value proposition and positioning
- Customer journey mapping
- Digital channels
- Content strategy
- Customer acquisition
- Success metrics and monitoring (CAC; lifetime value)

