



**Mastercard  
Prepaid Consumer  
Experience Index**

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Consumer experience  
is the new competitive  
differentiator for  
prepaid programs

## Consumer experience is an essential element

Engaging with digital innovators like Amazon, Facebook, and Google every day, consumers feel empowered and delighted by their experiences. Consumer brands across every category are employing tools of the digital age—a deeper understanding of the consumer experience (CX), lessons learned from user experience (UX) design, and Big Data, for example—to earn their customers' preference and loyalty. As digital interactions become the norm and mobile devices become the preferred way to get things done, consumers expect every touch point with their favorite brands to be simple, seamless, and personalized. It's no wonder, then, that they have similar expectations of their financial brands.

Those businesses that have a deep affinity for the consumer and deliver a CX that makes consumers feel confident, safe, and delighted will help grow consumer preference, loyalty, and spend. Every touch point drives perception of your brand.

Evidence points to the rewards of making CX a top priority: Forrester surveyed 250 finance executives at organizations with USD 150 million or more in revenue to learn how consumer-focused organizations perform compared to others. CX leaders—organizations that relentlessly focus their strategy, operations, and budgets to enhance their knowledge of and engagement with consumers—outpace followers by margins of up to 30 percent (Figure 1).<sup>1</sup>

FIGURE 1

### CX leaders are financial leaders as well

Percent of organizations indicating increases in the following financial metrics in the most recent fiscal year vs. prior year.



*Consumer-focused leaders are prioritizing customer-focused initiatives this year and have experienced increases across three key customer-focused metrics: customer acquisition, customer retention, and customer satisfaction, and are more likely to report increases in revenue, profitability, and efficient cash flow—compared to followers that are not experiencing increases across the board.*

**Source:**

*A commissioned study conducted by Forrester Consulting on behalf of Dun & Bradstreet, "The Customer-Obsessed Finance Leader in the Age of Data," July 2017.*

# 6 months

The average prepaid cardholder moves to a new prepaid card or to another product after only 6 months of use.

With greater choice, a continuous stream of expert and user reviews, and the expectation that the mobile phone is their go-to tool, consumer allegiances are changing. Prepaid cardholders, like all consumers, are prioritizing who they do business with and are quick to share their good and bad experiences. In the diverse environment that prepaid plays in—from providing underserved consumers a convenient way to receive their social benefits, to providing a safe way for an affluent traveler to carry foreign currency on a trip—delivering an outstanding CX becomes an essential element to a successful program. It can help prepaid providers stand out from the crowd and solve for industry challenges like low engagement—nearly one-third of male prepaid owners and 44 percent of women do not use their prepaid cards,<sup>2</sup> for example, and average card ownership is only six months.<sup>3</sup>

To help providers optimize their programs, Mastercard has undertaken a comprehensive investigation of the prepaid consumer journey on a global scale, surveying card owners on their needs and preferences, evaluating over 60 programs across three verticals—General Purpose Reloadable (GPR), Travel, and Public Sector—and modeling all results against actual anonymized Mastercard prepaid spending data (see Methodology). This white paper highlights key findings from this powerful new tool: the Mastercard Prepaid Consumer Experience Index. For the first time, prepaid players will be able to identify card usage drivers, learn how each feature in the prepaid journey ranks in importance, and benchmark the CX of their program against industry averages in their vertical. The Consumer Experience Index offers players in the prepaid industry clear guidance on the big opportunities to win in this market by addressing unmet consumer needs.

## The changing prepaid landscape: what consumers want from their prepaid card experience

Leaders in the prepaid industry master a skill crucial to long-term success: Listening to the consumer. What does that mean? It does not mean overloading consumers with features, or merely creating beautiful interfaces. The consumer experience is the end-to-end consumer journey across every touch point, seamlessly integrated together to provide value to the consumer.

What does the holistic consumer lifecycle look like for prepaid users? To know where to start, we've mapped the end-to-end consumer experience, both physical and digital, that engage consumers as they use their prepaid account (Figure 2). From having the ability to use their account immediately after signing up, to tracking how the card is used, to asking Siri what your balance is, our CX Blueprint defines 9 overall phases of the consumer journey and 88 specific features that fall into 35 themes. By mapping the entire consumer lifecycle across both physical and digital touch points, we can identify where along the digital spectrum consumer expectations lie and how critical they are to consumer satisfaction.

FIGURE 2

## Prepaid CX Blueprint: Mapping the complete experience

Our blueprint identifies 88 features across 9 phases of the consumer lifecycle, reflecting the end-to-end consumer experience.



The consumer insights we have uncovered can help prepaid providers identify what matters to card owners, the relative importance of different features that deliver on consumer needs, and how well card programs worldwide are performing against these experiences. Employing this tool, prepaid providers can make smart investments to address the features that matter most and understand how consumer priorities differ across verticals: GPR, Travel, and Public Sector.

Through a combination of consumer quantitative research and data modeling, we calculated the relative importance of each phase of the journey and each feature on a scale of 1 star (least important) to 5 stars (most important). We also developed benchmark scores across each of the three verticals by calculating the percent of programs that currently deliver the features within these specific areas.










## Consistency across lifecycle phases

Of all the ways that consumers interact with their prepaid card, their account, and the financial institution or program manager, the importance of each phase of the journey is quite consistent across verticals (Figure 3):

FIGURE 3

### How consumers rank the prepaid experience journey

Mastercard's audit of the prepaid consumer journey found that the importance of the phases to card owners in all verticals was very consistent.

Phase	GPR			Travel			Public Sector		
	Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Account Management	1	★★★★★	54%	1	★★★★★	58%	2	★★★★☆	28%
 Funds Out	2	★★★★★	46%	2	★★★★★	42%	1	★★★★★	25%
 Load	3	★★★★☆	41%	3	★★★★☆	34%	3	★★★★☆	19%
 Customer Service	4	★★★★☆	61%	4	★★★☆☆	66%	4	★★★★☆	42%
 Track & Budget	5	★★★☆☆	35%	5	★★★☆☆	30%	5	★★★☆☆	22%
 P2P	6	★★★☆☆	40%	6	★★★☆☆	22%	6	★★★☆☆	0%
 Spend	7	★★★☆☆	23%	7	★★★☆☆	11%	7	★★★☆☆	13%
 Sign Up	8	★★★☆☆	42%	8	★★★☆☆	51%	8	★★★☆☆	23%
 Education	9	★☆☆☆☆	23%	9	★☆☆☆☆	16%	9	★★☆☆☆	30%

As we see, the phases of the consumer lifecycle most important to delivering an outstanding consumer experience (ranking 1 to 4 and garnering 4 or more stars typically) are:

- **Account Management:** Online and app-based access to their account and balances is a high priority for all prepaid cardholders—the importance of digital interactions underscored by consumers' overwhelming preference to manage their accounts digitally. Locking/unlocking their account also ranks high in this phase of the journey.
- **Funds Out:** Taking funds off the card, transferring to an external account, or receiving alerts when funds are taken off their card are among the features ranking as top-priority.
- **Load:** Many funding options round out the top phases of the ideal prepaid consumer journey. Across verticals, consumers want to be able to add funds with cash, direct deposit, or an external bank transfer, for example.
- **Customer Service:** Consumers expect to be contacted by their prepaid provider when fraud is detected, and want convenient ways to contact customer service for assistance.

## A closer look at top drivers

Let's take a closer look at some of the consumer interactions important to driving engagement. Each of the 88 features have been organized into 35 themes, as shown in Figure 2. Within each phase of the journey, some themes are more critical to delivering the ideal CX (Figure 4).
















As shown in Figure 4, online access to their accounts is one of the most important themes for GPR programs, rated five stars. The good news for consumers: 91 percent of issuers and program managers included in our Prepaid Consumer Experience Index are meeting this benchmark (shaded orange). Two other themes for which most providers are meeting expectations fall into the Customer Service lifecycle phase (78 percent of programs contact cardholders to alert them to fraud) and the Spend phase (74 percent alert cardholders when a card transaction occurs).

Even among the highest-ranking priorities, however, prepaid providers have great opportunity for improvement: only 50-65 percent of providers are meeting consumer expectations for seven of the top 15 themes (shaded dark gray). Given that the majority of GPR providers do not currently deliver on four of the top 15 themes (benchmarks shaded light gray), prepaid issuers and program managers should assess their own performance to identify points-of-interaction most in need of attention to drive greater usage. Just two obvious examples: savings goals, #9 ranked and garnering 4 stars, is only available from 33 percent of prepaid providers today. Also missing for most consumers, the auto reload option, rated as 4 stars, is only available from 19 percent of providers.

FIGURE 4

## General purpose reloadable cards: feature themes that matter most

Each of the 9 phases of the consumer journey—Account Management, Funds Out, etc.—has its own themes. Of the total 35 themes across all phases, these are the 15 most likely to drive engagement.

Phase	Theme	Rank	Rating	Benchmark
 Account Management	Lock/unlock account	1	★★★★★	58%
 Account Management	Online account access	2	★★★★★	91%
 Funds Out	External funds transfer	3	★★★★★	53%
 Funds Out	Funds out alerts	4	★★★★★	60%
 Customer Service	Customer service notifications	5	★★★★☆	78%
 Load	Funding sources	6	★★★★☆	63%
 Spend	Purchase alerts	7	★★★★☆	74%
 Customer Service	Fraud reporting	8	★★★★☆	60%
 Track & Budget	Savings goals	9	★★★★☆	33%
 Account Management	Card replacement	10	★★★★☆	12%
 Load	Auto reload	11	★★★★☆	19%
 Track & Budget	Low balance alerts	12	★★★☆☆	47%
 Track & Budget	Balance visibility	13	★★★☆☆	31%
 Load	Load alerts	14	★★★☆☆	56%
 Account Management	Account login	15	★★★☆☆	62%

## Tailor your prepaid solution to meet the unique needs of each vertical


Delivering the optimal consumer experience is accomplished by offering the most meaningful features for each type of program—GPR, Travel, Public Sector—and executing well. While there are activities common to all prepaid products, determining which features to prioritize and deliver on varies by use case. The three dominant verticals we analyzed revealed different CX drivers, based on who, where, and how cardholders use their prepaid card. Let’s take a closer look at each.

While the following examples are only a subset of the 88 features prepaid cardholders engage with throughout the consumer journey, they point to a key learning from the Prepaid Consumer Experience Index: the CX factors critical to driving cardholder engagement, and how well a given program is delivering

the optimal CX, varies substantially. All the more reason that prepaid program managers and issuers can benefit from the deep consumer insights the Prepaid Consumer Experience Index provides.


Closely examining different features across verticals is very illuminating. Consider the following:

### Consumers can access their account through an app

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Account Management	Access account via an app	3	★★★★★	88%	4	★★★★★	89%	16	★★★★☆	25%

Apps are the way we live, and GPR and Travel prepaid card issuers and program managers have taken this lesson to heart: nearly 9 out of 10 programs are delivering on this high-ranking feature. Even though social benefits recipients rank this feature highly, only one-quarter of Public Sector prepaid providers evaluated currently offer this convenient way for cardholders to manage their accounts.

### Consumers can check their balance in their app

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Track & Budget	Check balance in their app	7	★★★★★	77%	6	★★★★★	89%	33	★★★☆☆	25%

Knowing the balance of their account is critical for prepaid users, given the important role it plays in the consumer journey—ranking within the top 10 of all 88 features and earning 5 stars among GPR and Travel owners. Travelers, for example, tend to be planners and use a prepaid account to budget their travel spending, so understanding their balance during a trip is critical. Consumers using a GPR card either as a companion account or a bank-alternative also have high needs around budgeting and knowing their balance. In the Public Sector vertical, while the rank of this feature falls to #33, it still earns 3 stars. It is reassuring to see that 77 percent of GPR providers and 89 percent of Travel card providers are meeting this need, but only one-quarter of prepaid programs offer this feature in the Public Sector vertical.



## Consumers receive their remaining balance in each purchase alert

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
Track & Budget	Balance with purchase alert	16	★★★★☆	5%	25	★★★★☆	0%	12	★★★★★	0%

Knowing the balance on their account and keeping track of spending is a recurring theme that matters a great deal to prepaid card owners. With each purchase, not only would they like to receive a confirmation alert, but they also want to know the remaining balance in their account. This feature ranks in the top quartile of features for all verticals, and presents a rich opportunity for providers to drive engagement in their programs.

## Consumers receive an alert when they are close to a budget limit

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
Track & Budget	Budget limit alerts	19	★★★★☆	21%	22	★★★★☆	0%	10	★★★★★	0%


Several of the top-ranking features of prepaid cards relate to its use as a budgeting tool. The ability to not only set a budget, but to be reminded when close to reaching that budget, is highly important to all prepaid users. It may be even more important for social benefits recipients because, in some cases, this could be their only source of income and they want to make sure they're staying on budget. Though this is a 4 or 5-star feature, it is rarely available in programs today.

## Consumers can send money to recipients that have any debit or prepaid card

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
P2P	Send money to another cardholder	28	★★★★☆	33%	24	★★★★☆	5%	20	★★★★☆	0%


Peer-to-peer (P2P) payments via mobile devices are expected to exceed \$200 billion in the U.S. alone by 2020<sup>6</sup>, and there are plenty of P2P competitors willing to take this business away from prepaid providers. As we see from our comprehensive Prepaid Consumer Experience Index, however, very few prepaid card owners enjoy this capability as yet.

## Consumers receive alerts when their balance falls below a certain limit

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Track & Budget	Low balance alerts	30	★★★☆☆	47%	31	★★★☆☆	37%	26	★★★★☆	25%


Consumers want a convenient way to keep track of their balances in real time. Low Balance Alerts, in addition to being another convenience driver for real-time information, also provide consumers a “safety net” and a sense of security. Even if they forget to check their balance proactively through other means, an alert can be their fail-safe reminder. Receiving such an alert is important to prepaid cardholders in all three verticals, ranked near the top third of all features and earning 3 or 4 stars. Yet less than half of prepaid providers offer this today.

## If consumers need to replace their card, they are issued a card in their digital wallet to use immediately

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Account Management	Digital card replacement	31	★★★☆☆	2%	22	★★★★☆	0%	15	★★★★☆	0%

In this day of instant downloads and overnight package delivery, a long wait to receive a replacement for a lost or stolen prepaid card might seem unbearable. Near the top third of rankings, and garnering 3 or 4 stars, consumers find the idea of instantly receiving a new card in their digital wallet appealing. For travelers who lose a card or experience fraud, they want immediate access to their money so their trip isn’t disrupted. For a social disbursements recipient, the prepaid card may be their only source of funds, so they too need immediate replacement. Digital card replacement becomes a cost-effective way for prepaid providers to minimize expedited delivery expense as well as minimize consumer disruption.

## Consumers can make purchases with their phone

Phase	Feature	GPR			Travel			Public Sector		
		Rank	Rating	Benchmark	Rank	Rating	Benchmark	Rank	Rating	Benchmark
 Spend	Purchase with mobile phone	45	★★★☆☆	30%	41	★★★☆☆	16%	80	★☆☆☆☆	25%

Worldwide mobile payments are expected to reach USD 1.7 trillion by 2020—more than 5X the transaction volume in 2014.<sup>4</sup> With two-thirds of the world’s population owning a mobile phone today,<sup>5</sup> the shift to mobile purchases is to be expected. With new security measures like tokenization, prepaid providers can increase engagement by enabling convenient purchases across the mobile channel.

## Prepaid program providers struggle to keep up with changing consumer expectations

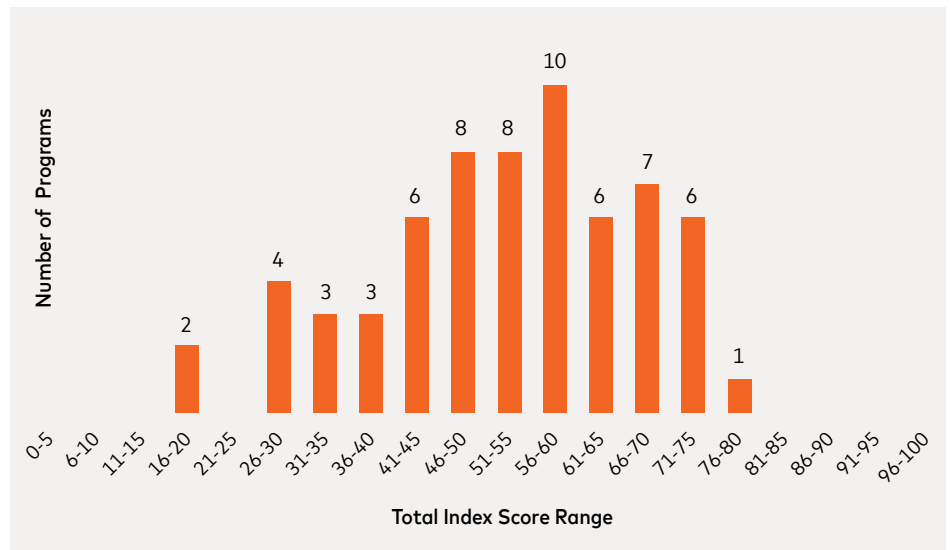
As William Gibson famously remarked, “The future is already here—it’s just not evenly distributed.” The same is true of the future of the Consumer Experience in payments. Most of the ideal features consumers seek from their prepaid card are already possible, but overall, prepaid programs are only adequately meeting these expectations (see Figure 5).

We find that execution on prepaid card owners’ Consumer Experience expectations is fragmented. Of the over 60 programs evaluated globally, there are a few at the upper end of the range (scoring 61 points or higher on a scale of 0–100) that are in tune with consumer expectations and have invested to bring the CX to life. Conversely, programs at the opposite end of the spectrum are early on their journeys. As consumer experience is no longer a “future” strategy—several programs are delivering on it today—it is time for all providers to deliver on the right combination of features that drive engagement and success for their programs.

FIGURE 5

### Total Prepaid Consumer Experience Index Scores: a fragmented execution of CX

The Total Prepaid Consumer Experience Index Score is a measure of the combination of features a prepaid program offers, multiplied by the weighted importance of each feature. Scores fall on a scale of 0 (worst) to 100 (best).



## To stand out from the crowd and win big, focus on the experience requirements that matter most

The Prepaid Consumer Experience Index helps providers make the most impactful investments. To drive engagement and raise topline metrics, this tool provides a clear innovation roadmap to help prepaid providers achieve these goals. It confirms which features are currently available, verifies how important they are to consumers, and indicates where there is room for improvement.

Using this powerful tool, for the first time prepaid providers can:

- Understand what matters most to consumers, recognizing that users in different verticals have different priorities.
- Benchmark a prepaid program against competitors to ensure meaningful product differentiation.
- Prioritize existing program roadmaps or develop new product constructs, focusing on the features that matter most.
- Partner with Mastercard to align your consumer experience to the features that will have the most impact in driving engagement and topline growth within your program.

Closing the gaps between consumer expectations and product delivery—what they need and how it's experienced—results in more value to the consumer. When the user experience is done well, prepaid operates in the background, frictionless to the end user. The experience takes center stage, and prepaid becomes the enablement platform bringing it to life. When consumers want to make cross-border purchases while traveling, safely buy goods online, or purchase coffee by tapping their fitness watch at the checkout counter, they shouldn't have to worry about how it's paid. They want to enjoy the moment! The more delighted they are by the experience, the more likely they will be to use a prepaid product and recommend it to others.

**Partner with Mastercard to align your consumer experience to the features that will have the most impact in driving engagement within your program.**

## Methodology

In order to identify the end-to-end Prepaid Consumer Experience that drives engagement with consumers, Mastercard conducted a customized study combining qualitative and quantitative consumer research, speaking to over 1,500 consumers across three markets. This was augmented with an analysis of cardholder spend using our proprietary transactional data, as well as a third party evaluation of prepaid programs. The Prepaid Consumer Experience Index is representative of the prepaid landscape in 2017.

### CX Blueprint

The Consumer Experience Blueprint was determined through a series of journey mapping exercises, and integrated with qualitative consumer research to identify the features and functionality consumers would like to have with their Prepaid account. Insights were gathered through a 3-day online discussion board with Prepaid card owners across two representative markets, and focused on the unique CX across GPR, Travel and Public Sector verticals

Note: The blueprint focuses on 88 features, organized into 35 themes and 9 lifecycle phases. The same set of features are leveraged across verticals.

### Program evaluation

Mastercard commissioned a third party to evaluate over 60 prepaid programs across six markets. The programs were evaluated on the inclusion of each of the 88 features in the CX Blueprint. Evaluations were completed using a combination of desktop research, conversations with customer service representatives, and acquisition of prepaid cards.

Note: Benchmark scores are an average of program evaluation scores within a vertical, across all markets.

### Feature importance

The relative importance of each feature in the CX blueprint was gauged on its ability to drive engagement through a combination of consumer preference and modeling cardholder spend:

- We conducted an online quantitative survey of 1,503 Prepaid card users across three representative markets and all verticals. The output of the quantitative research included a consumer preference score for each feature in terms of a consumer's willingness to use their card. The survey took place in July 2017
- We analyzed our proprietary transactional data to understand how the presence of a feature correlates to cardholder spend behavior. The analysis period was FY2016.

The overall importance of each feature was ranked and grouped into a 1 star (lowest) to 5 star (highest) rating.

1. A commissioned study conducted by Forrester Consulting on behalf of Dun & Bradstreet, "The Customer-Obsessed Finance Leader in the Age of Data," July 2017.
2. Javelin, "Navigating Prepaid Card Waters," March 2017.
3. Federal Reserve Bank of Philadelphia, "Consumers' Use of Prepaid Cards: A Transaction-Based Analysis," August 2012.
4. A mobile payment refers primarily to mobile payment methods like Apple Pay, as well as bank- and telco-led mobile wallets. Frost & Sullivan, March 2016. [Taken from: eMarketer, Global Mobile Payments StatPack, January 2017.]
5. At the end of 2016, 65% of the world's population had a mobile subscription. GSMA, The Mobile Economy, 2017.
6. eMarketer, "P2P Payment Transactions to Exceed \$120 Billion This Year", July 2017

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