

Corporate Innovation Research Report

Mastercard Technology

1.Name-Research Report

2. Corporate Profile-

- Name-**Mastercard Technology**
- Global Locations-Asia/ Pacific, Europe, Latin America, Middle East and Africa, America
- Industry-Multinational Financial Services Corporation
- Number of employees-24000

Often, we come across a lot of brands when it comes to card payment companies, one being Mastercard. To state the right terminology, Mastercard is, and operates as a technology company. Ranking 46th on Forbes list of 'The World's Most Innovative Companies', Mastercard has a 44.31% of innovation premium with its latest products and services launched during these couple of years. Mastercard offers payment solutions, with its core product being debit and credit cards transactions. The company has its headquarters located in Purchase, New York and is one of the largest competitors in card payment industry. Mastercard's annual revenue for year 2021 reported as \$18.88B. [1]

Business-

Mastercard facilitates payment transactions between merchants, acquirers and issuers, by acting as a network. The processing includes authorization, clearing and settlement of transactions. The company's annual growth rate is recorded as 10%, whereas the P/E ratio is calculated 33.79% as per 2022 forecast. Being a legacy business, it is currently focusing on adding cryptocurrency to their network and bringing more innovations to the table.

Stock ticker/ Stock performance



Image ref-

<https://www.google.com/finance/quote/MA:NYSE?sa=X&ved=2ahUKEwi26bjC9oX6AhWck4kEHbG9BvgQ3ecFegQIIhAi>

Past stock performance

Date	Close/Last	Volume	Open	High	Low
09/07/2022	\$328.62	1998373	\$324.08	\$329.20	\$322.05
09/06/2022	\$324.08	2043484	\$322.50	\$326.99	\$320.56
09/02/2022	\$322.56	1936812	\$329.41	\$329.67	\$320.53
09/01/2022	\$325.25	2493403	\$323.81	\$325.61	\$319.21
08/31/2022	\$324.37	3129021	\$328.29	\$331.18	\$324.28
08/30/2022	\$327.81	2618990	\$331.00	\$332.97	\$325.57
08/29/2022	\$329.35	2308360	\$329.99	\$332.81	\$327.77
08/26/2022	\$331.96	1925047	\$345.05	\$345.64	\$331.70
08/25/2022	\$344.67	2228637	\$340.00	\$345.13	\$337.32
08/24/2022	\$339.71	2218370	\$340.18	\$342.29	\$338.35
08/23/2022	\$340.89	2240652	\$342.69	\$345.21	\$339.37
08/22/2022	\$345.51	2312442	\$350.00	\$351.00	\$344.28
08/19/2022	\$354.28	1740744	\$356.63	\$356.77	\$353.56
08/18/2022	\$357.36	1934865	\$354.32	\$359.52	\$353.57
08/17/2022	\$355.33	2439884	\$353.50	\$356.96	\$351.75
08/16/2022	\$359.25	2448806	\$354.27	\$360.00	\$353.10
08/15/2022	\$359.95	2526281	\$352.33	\$361.95	\$350.82
08/12/2022	\$354.27	2514337	\$354.74	\$355.45	\$350.26
08/11/2022	\$350.58	2609451	\$355.85	\$355.85	\$350.35
08/10/2022	\$353.38	2443693	\$354.34	\$354.55	\$351.05
08/09/2022	\$346.54	2467497	\$350.40	\$351.12	\$345.35
08/08/2022	\$352.16	2477635	\$359.00	\$359.00	\$349.89

Image ref- <https://www.nasdaq.com/market-activity/stocks/ma/historical>

3. Innovation Activities [2]-

Accessible cards for the blind and partially sighted- They're calling it the Touch Cards! This is an initiative for those 2.2 billion people around the world with visual impairments, to quickly identify their cards. The problem statement they're addressing is the fight of people with visual challenges recognizing their cards. So here it is, building cards with unique notches, so that the touch itself will help people recognize card to use for payment.



Debit card comes with round notch, credit with square notch, and prepaid with triangular. This innovative solution by Mastercard to make sure all people get benefits of a digital world is huge, giving them a cutting edge over their competitors. Another big innovation is Mastercard's Small Business Digital Acceleration Program to help SMEs with cross border payment services.

Image reference- <https://www.mastercard.com/news/press/2021/october/mastercard-introduces-accessible-card-for-blind-and-partially-sighted-people/>

Analysis/ Differentiation strategy-

From my standpoint, since this innovation is ongoing and is expected to release by 2022-Q2, the idea behind the card design will see massive acceptance as it will become easier for visually impaired people to make card payments and this will differentiate it from other competitors like Visa, Discover or PayPal. The R&D performed is enhancement of existing product.

4. Life Cycle stage of corporate's innovation-

Awareness and Expansion-Mastercard values inclusivity and has been working on it ever since. With this radical innovation still being at expansion stage, the product will see growth, maturity and decline in its later stages. The customers will be **early adopters**. As of Mastercard as whole, the product is mature with worldwide acceptance of payments from Mastercard network.

5. Revenue and Profits (FY, 2022)-[3]

Closing stock price- \$322.6, Market capitalization-\$311.7B, Revenue-5.5B, Net income-2.3B

Justification-To say the least, payment industries, particularly Mastercard is fighting its greater competitor i.e., cash for a long time now. After pandemic, it has seen a revenue increase of 23%, along with cross border payments transactions growing by 32%. Overall, it is estimated that the net revenue will remain around **\$21.9B** for entire year 2022.

6. Mastercard's performance in near future (1-3 years)-

Mastercard will continue ensuring secure and safe transactions and will introduce new products (e.g., blockchain technology for payments) in the digital world. Its recent work to promote the idea to making use of wearable watches to make payments at POS terminals is huge. With its motive to create *Priceless* moments for its customers, Mastercard will continue making profits.

References-

<https://www.forbes.com/innovative-companies/list/#tab:rank> [1]

<https://www.mastercard.us/en-us/personal/find-a-card/touchcard.html> [2]

<https://www.forbes.com/sites/greatspeculations/2022/07/26/mastercard-stock-to-top-the-consensus-in-q2/?sh=6404e23d55cd> [3]