



RECON

The Future Starts Now

MASTERCARD ADVISORS INFORMATION SERVICES

SPENDINGPULSE™ AND SECTOR INSIGHTS

Sarah Quinlan


MasterCard Advisors™

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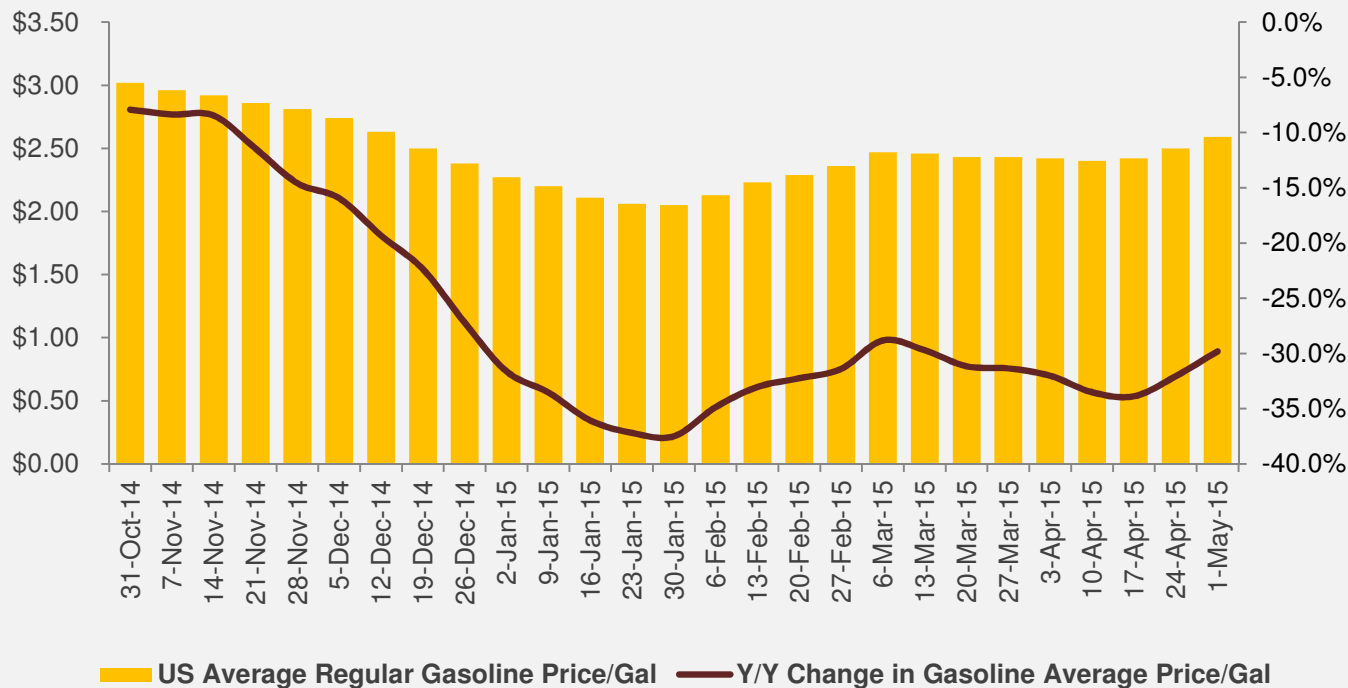
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US Gasoline Prices



Gasoline prices have recently rebounded, but still are **29.8% lower** than last year.

Source: SpendingPulse™

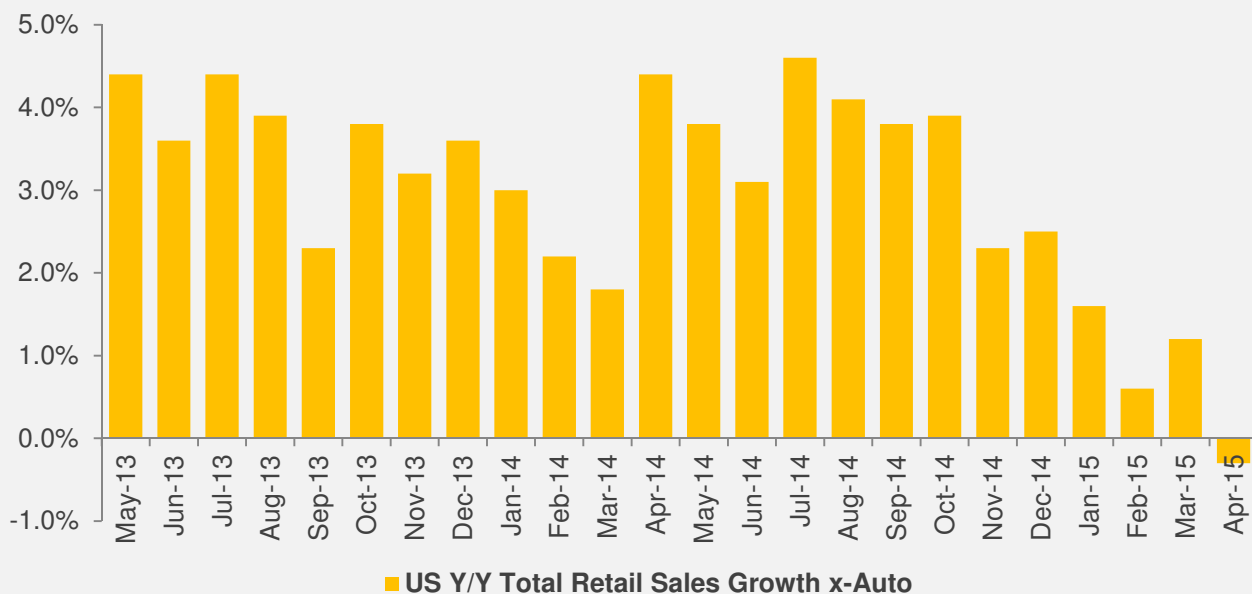


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US Y/Y Total Retail Sales Growth (ex. Auto)



Total Retail sales declined by -0.3% year-over-year in April. Excluding gasoline, total retail sales grew by 3.4%.

Source: SpendingPulse™



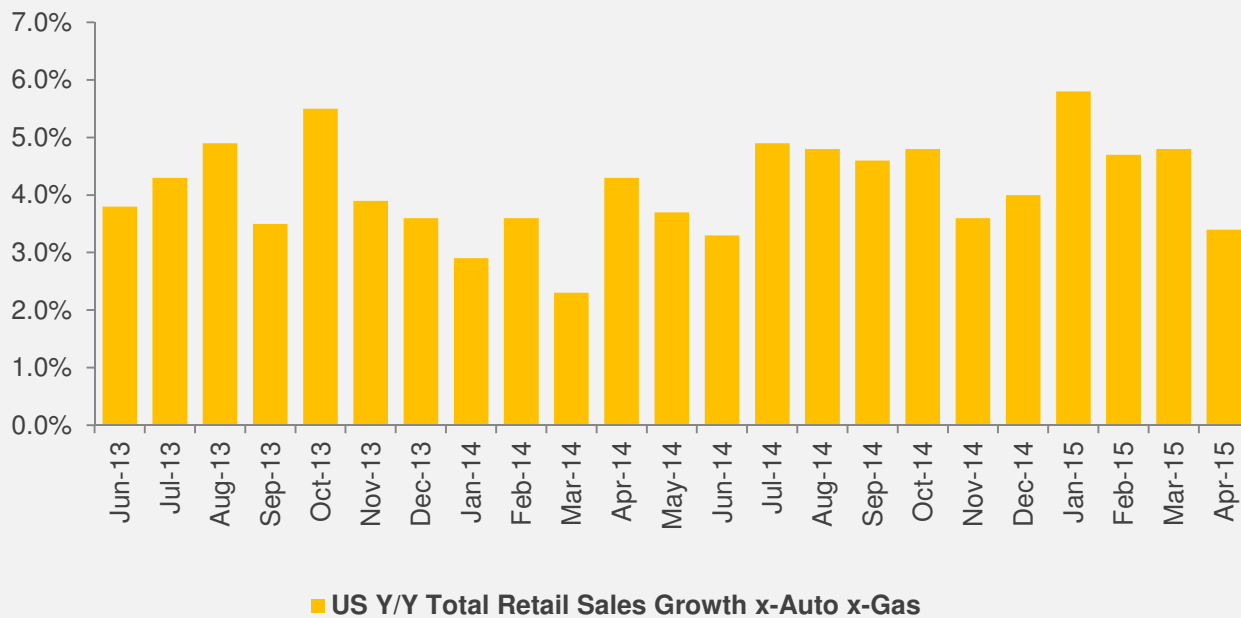
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US Y/Y Total Retail Sales Growth (ex. Auto+ex.Gas)



Total retail sales softened a bit in April, much due to the early Easter and the late arrival of Spring weather.

Source:
SpendingPulse™



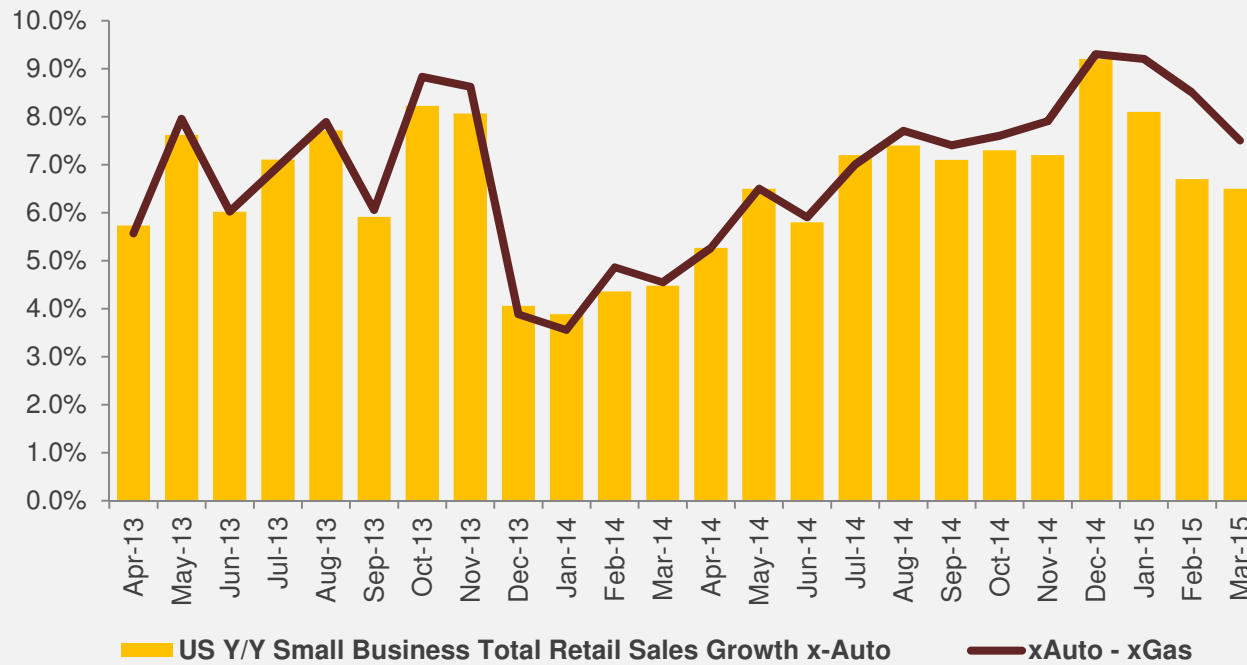
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US Y/Y Small Business Sales Growth



Small Business Retail xGas sales grew by 7.5% year-over-year in March. Including gasoline, retail sales grew by 6.5%.



Source: SpendingPulse™



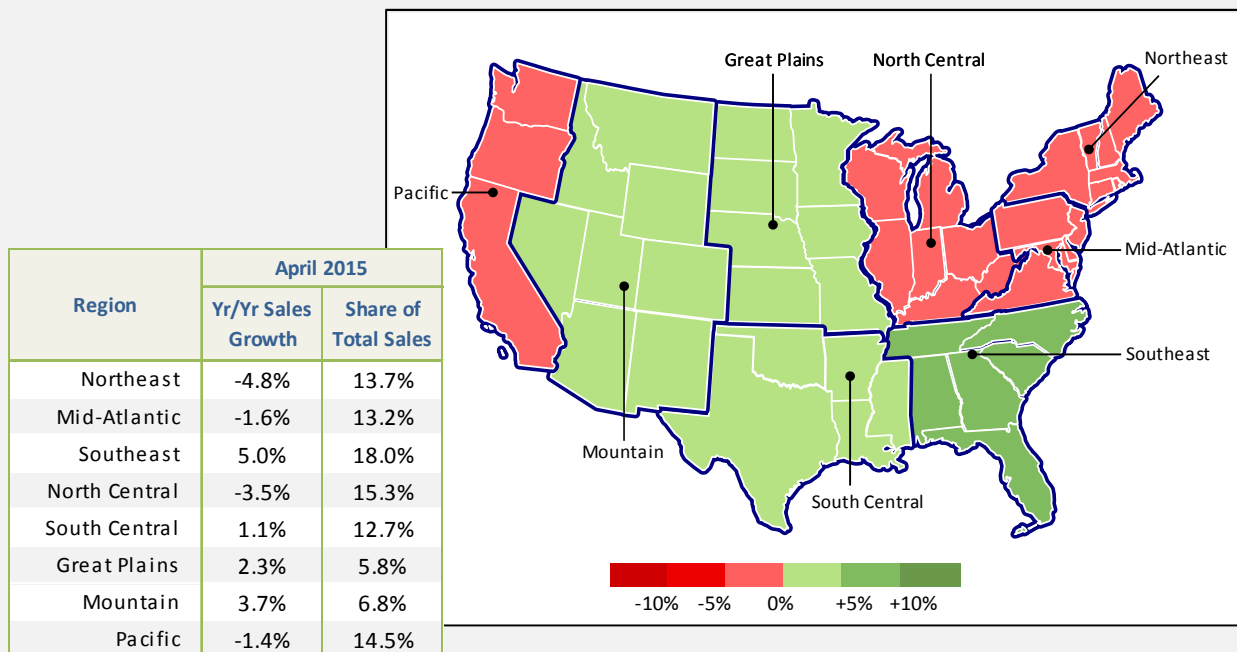
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Regional US Y/Y YTD Total Retail Sales Growth (ex. Auto)



Total retail sales continue to show **negative growth** for the Northeast Region.

Source:
SpendingPulse™



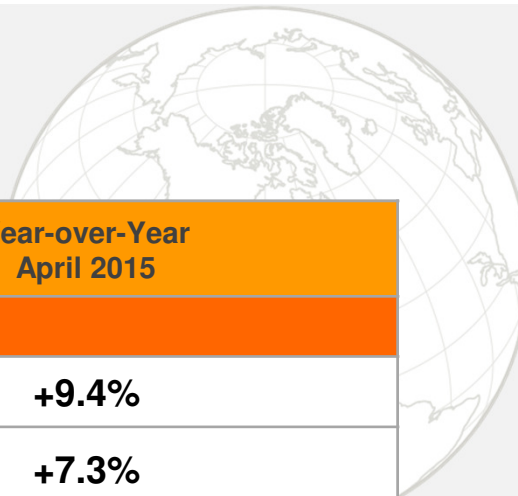
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US Sector Performance



Sectors	Year-over-Year April 2015
Leading	
Hardware	+9.4%
Restaurant	+7.3%
Electronics & Appliances	+5.8%
Lagging	
Jewelry	(4.6%)
Department Stores	(6.1%)
Luxury excl. Jewelry	(6.3%)



Hardware, led retail sales sectors, while experiential spending on restaurants continued its strong results.

Source:
SpendingPulse™



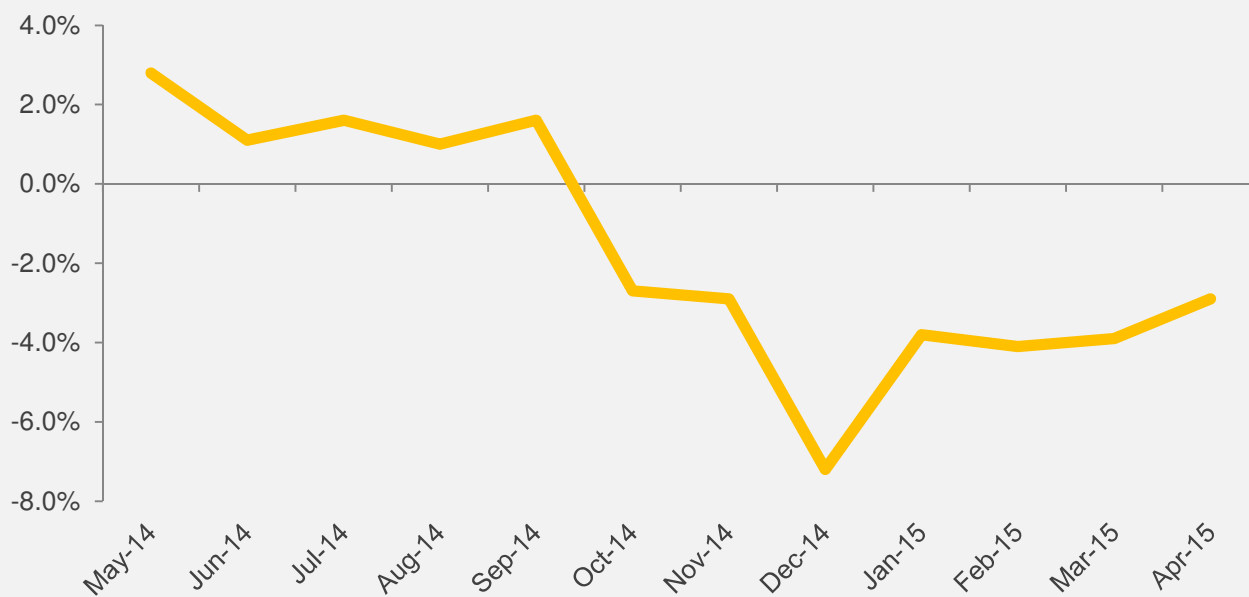
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US Automotive Repairs and Tires Y/Y Sales Growth



US Automotive repairs and tires declined reflecting stronger new car sales.

Source: SpendingPulse™



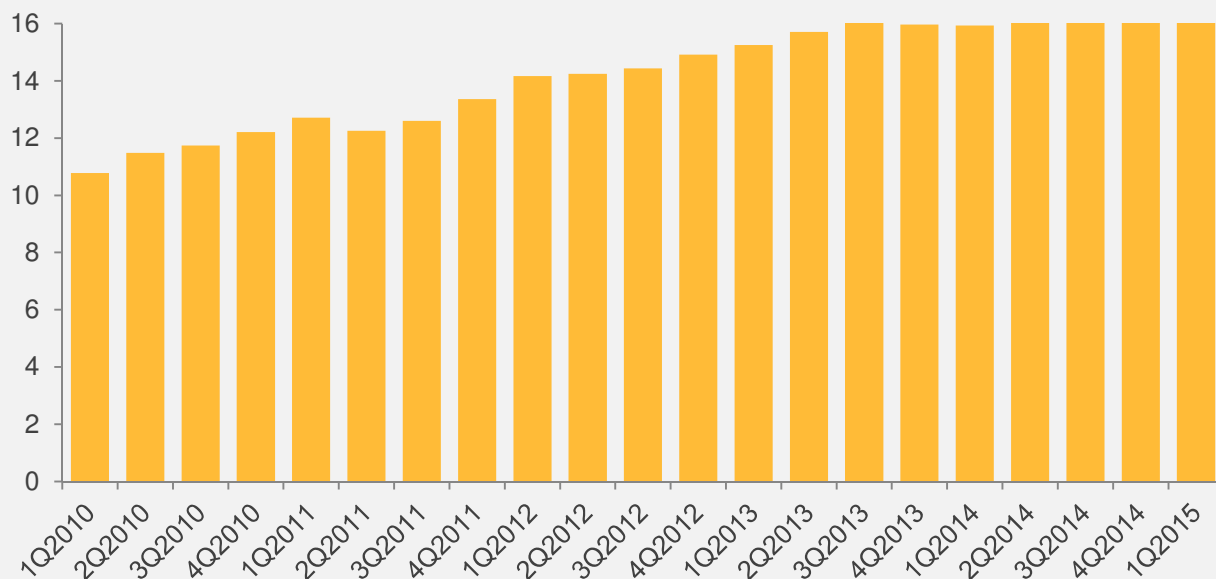
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US Auto Sales



■ US Auto Sales Annualized SA

Units in millions



The number of cars sold has increased over 40% from early 2010.



Source: Various publicly available sources

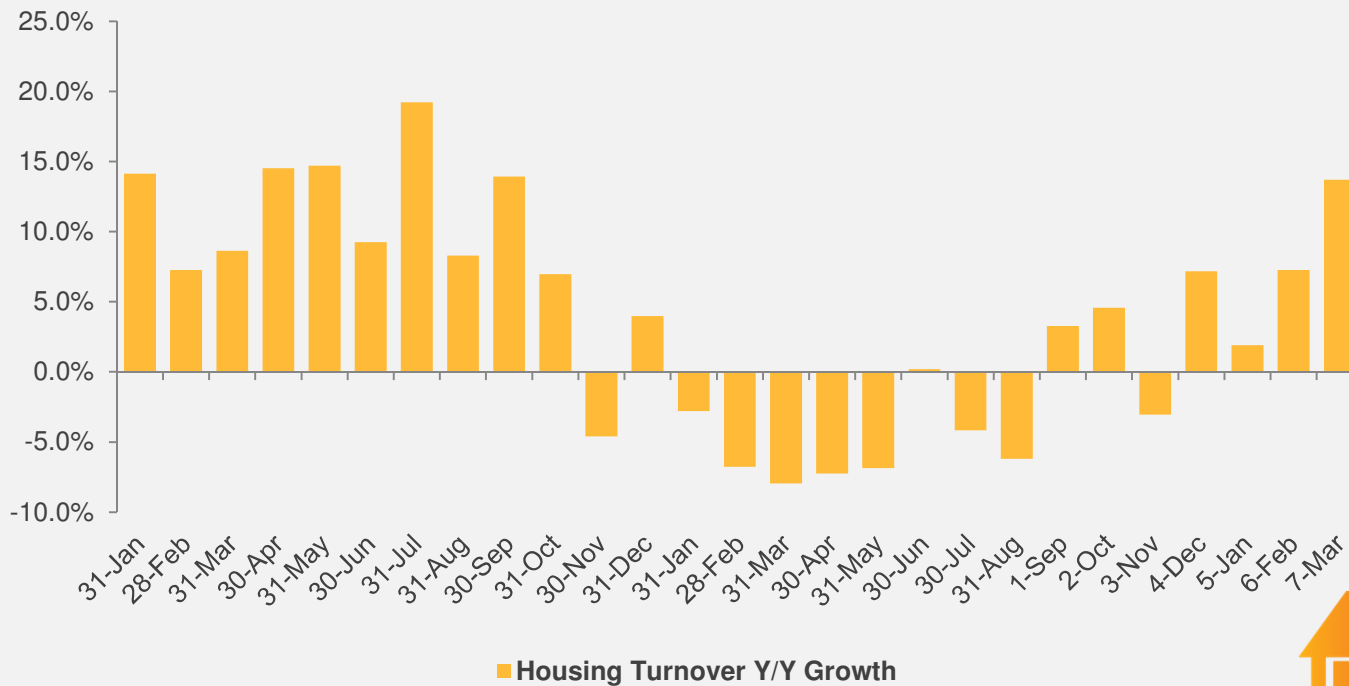


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U.S. Housing Turnover



The recent improvement in housing statistics is a **positive** for future spend on home related sectors.

Source: Various publicly available sources

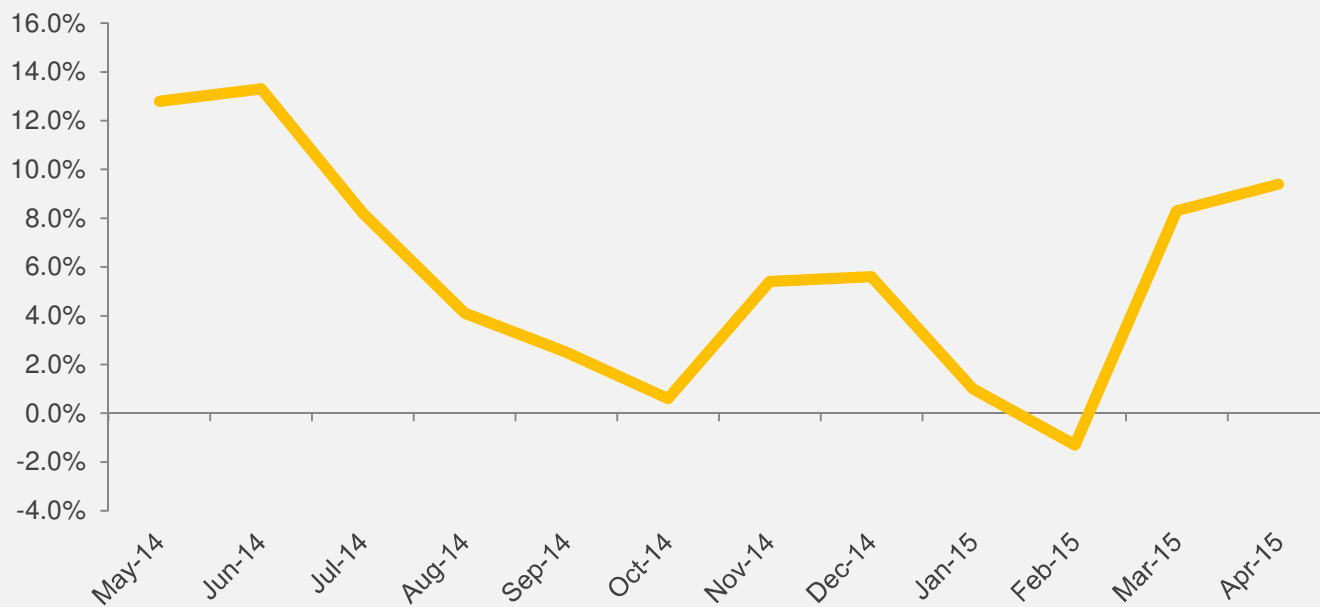


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US Hardware Y/Y Sales Growth



Hardware sales grew by 9.4% year-over-year in April. The consumer is spending on repairs from the harsh winter.

Source: SpendingPulse™



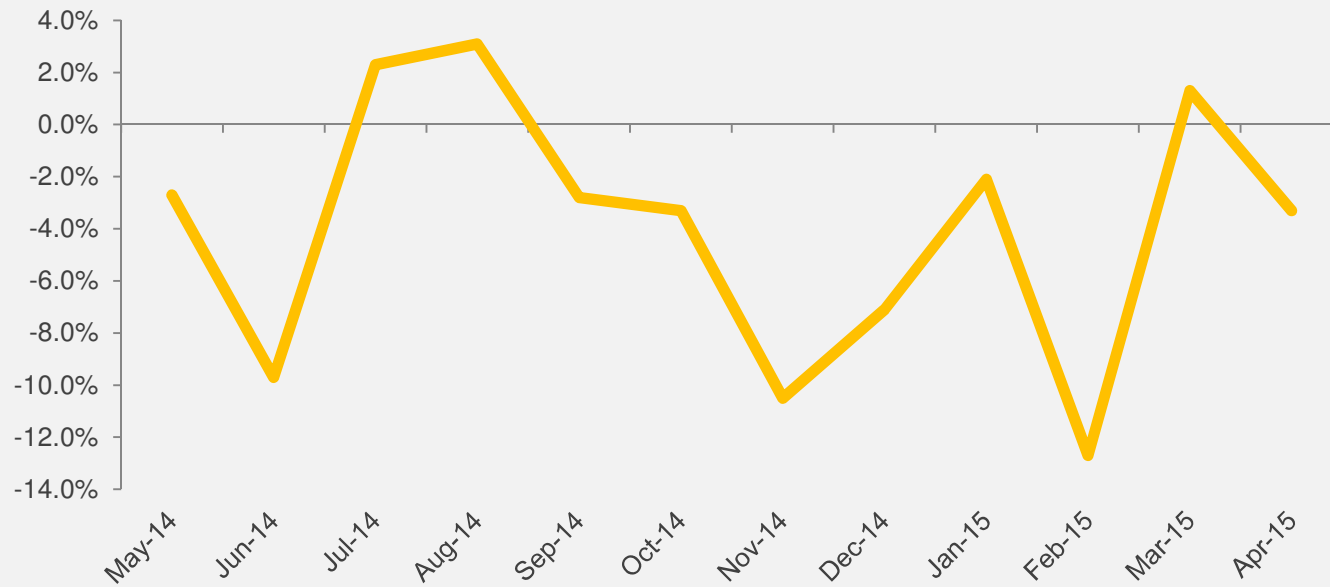
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US Appliance Y/Y Sales Growth



Appliance sales declined by **-3.3% year-over-year in April**. This reflects the weakness in housing sales, versus the increase in renters.

Source: SpendingPulse™



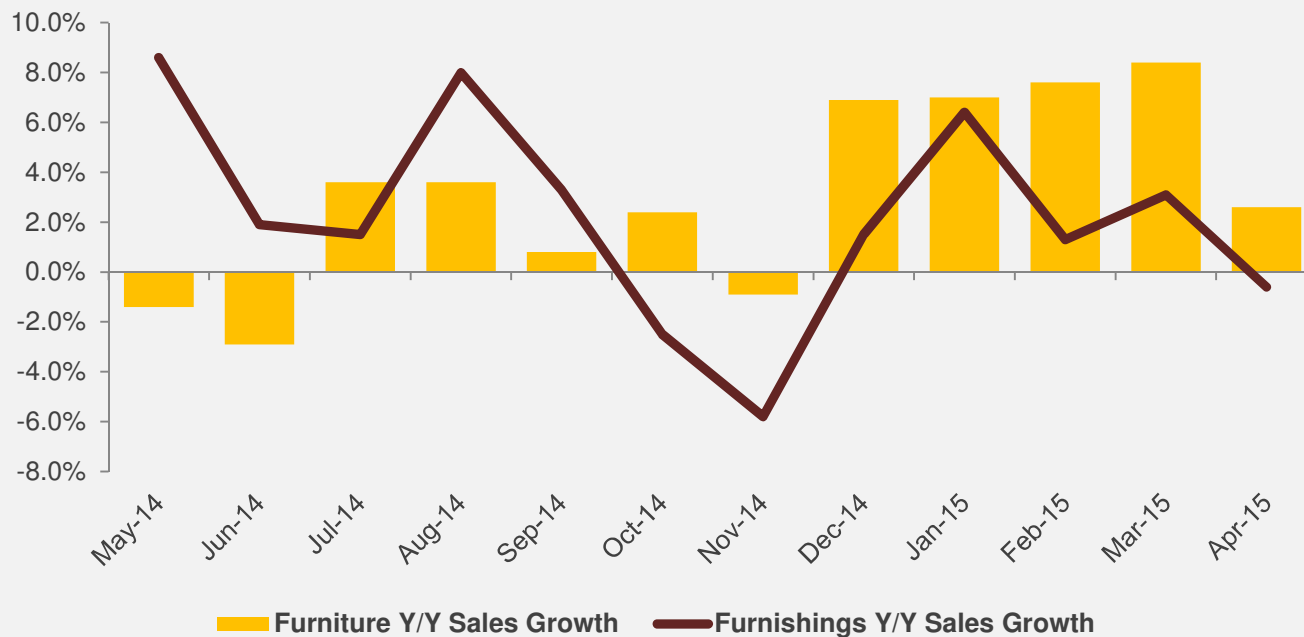
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US Furniture and Furnishings Y/Y Sales Growth



Furniture & Furnishings combined sales grew by 2.6% year-over-year in April.

Source: SpendingPulse™



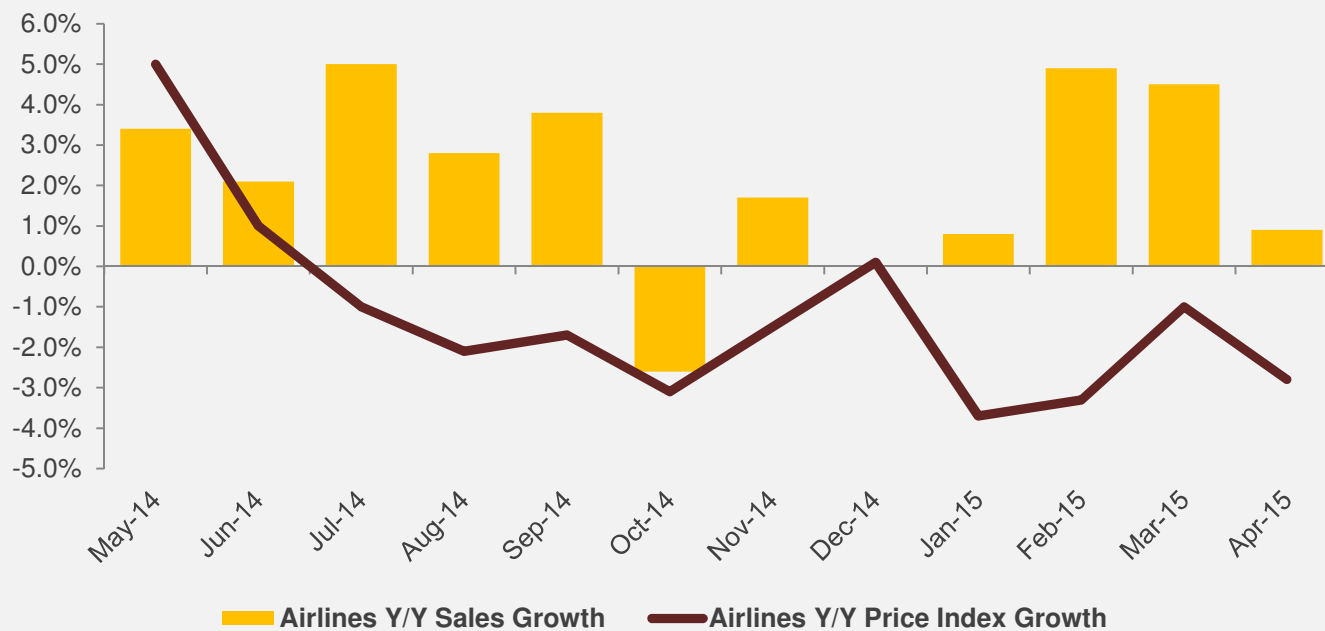
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US Consumer Airlines Y/Y Sales Growth



Consumer Airline Ticket sales grew by 0.9% year-over-year in April. The consumer continues to spend on travel.

Source: SpendingPulse™



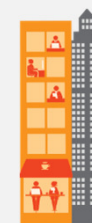
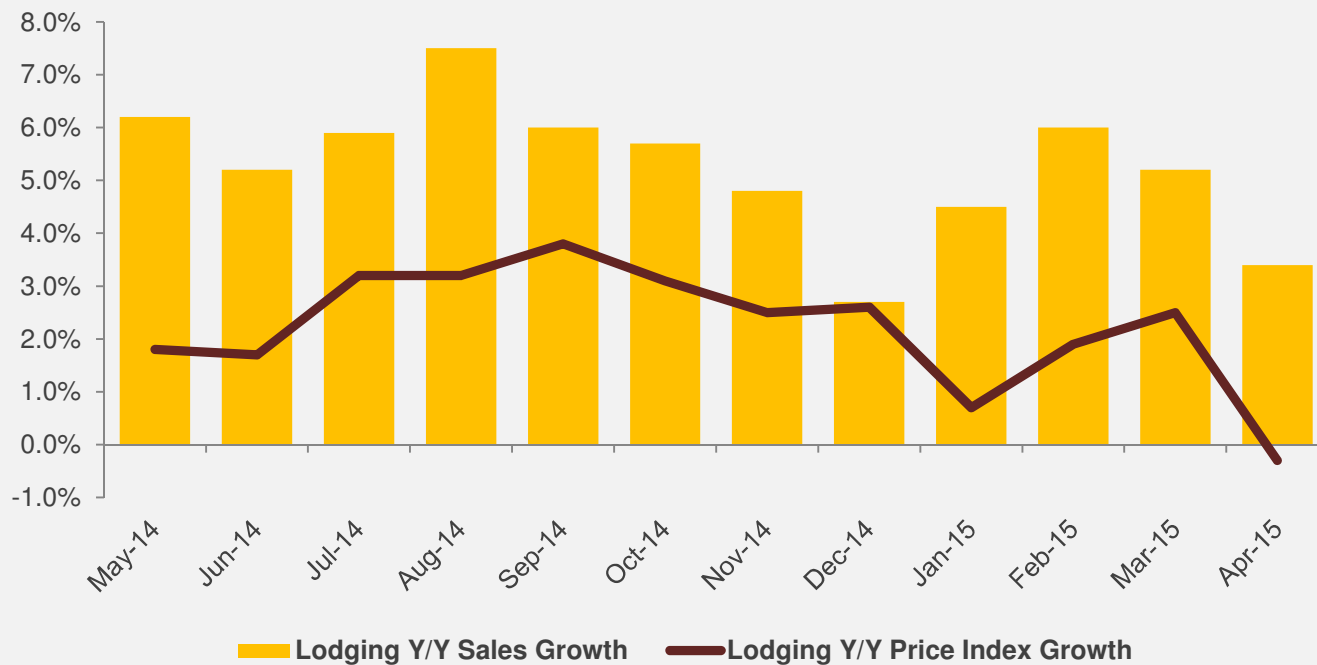
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US Consumer Lodging Y/Y Sales Growth



Lodging sales grew by 3.4% year-over-year in April. This reflects the continued focus on experiences by the consumer.

Source: SpendingPulse™

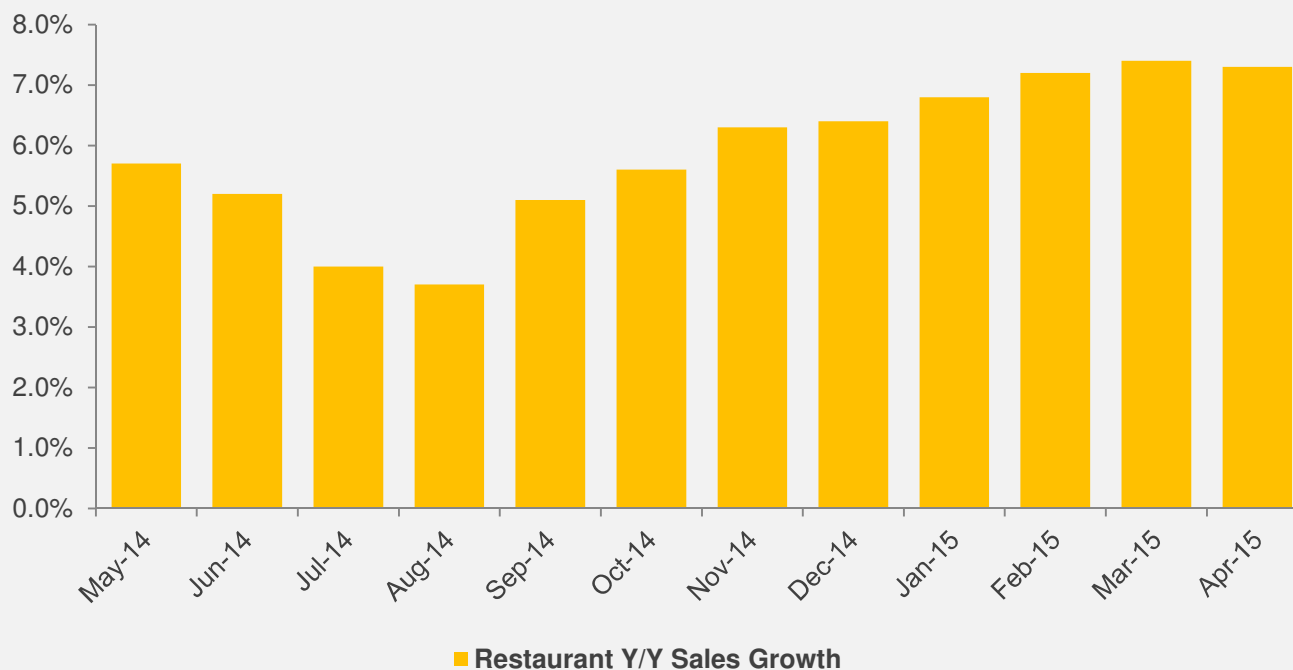


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US Restaurant Y/Y Sales Growth



Restaurant sales grew by 7.3% year-over-year in April. This is the 3rd consecutive month of over 7% growth.

Source: SpendingPulse™

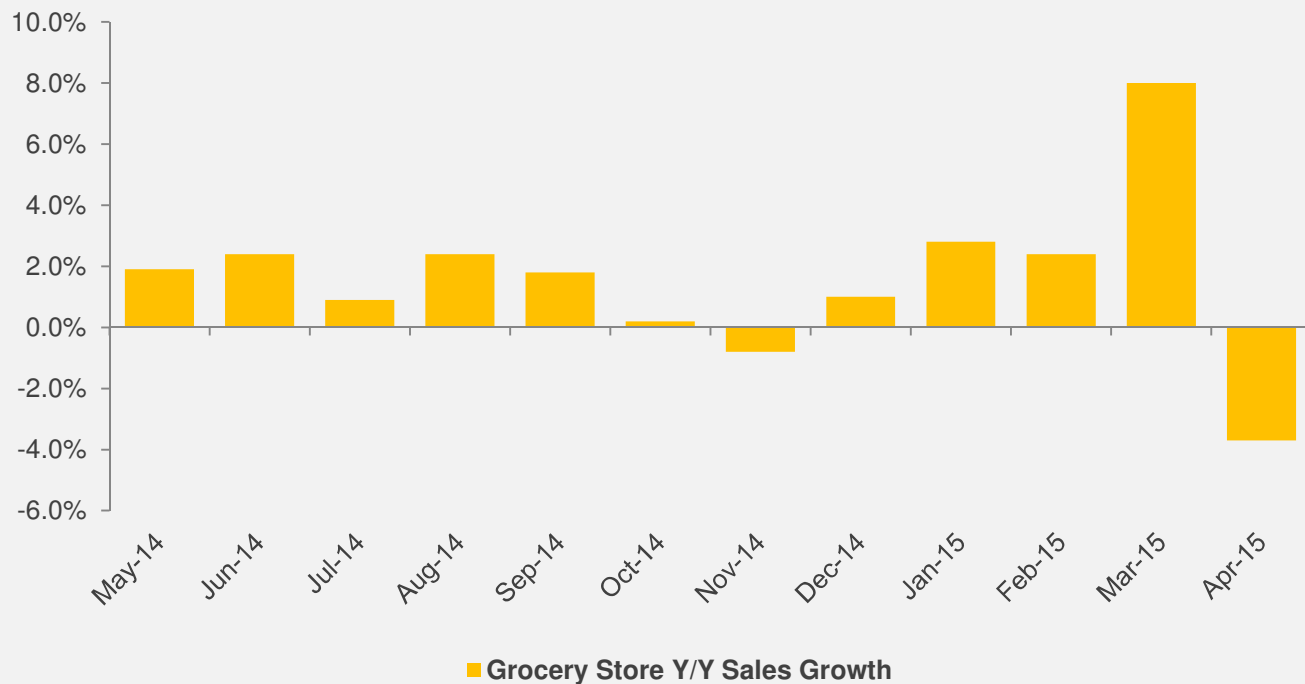


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US Grocery Y/Y Sales Growth



Grocery sales declined by -3.7% year-over-year in April. Some of this reflects an early Easter, but more importantly the consumer is dining away from home.

Source: SpendingPulse™

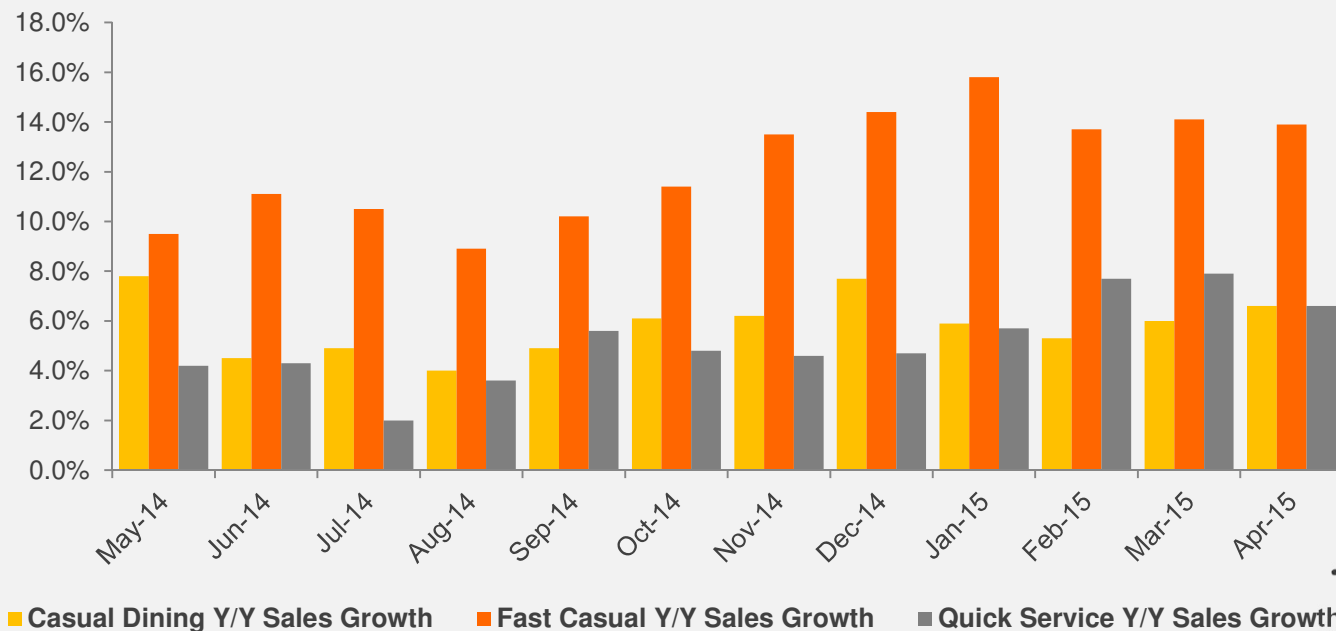


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US Fast Casual, Casual Dining and Quick Service Restaurants Sales



Restaurant segment year-over-year growth rates in April:

Casual Dining:

+6.6%

Fast Casual:

+13.9%

Quick Service:

+6.6%

Source: SpendingPulse™



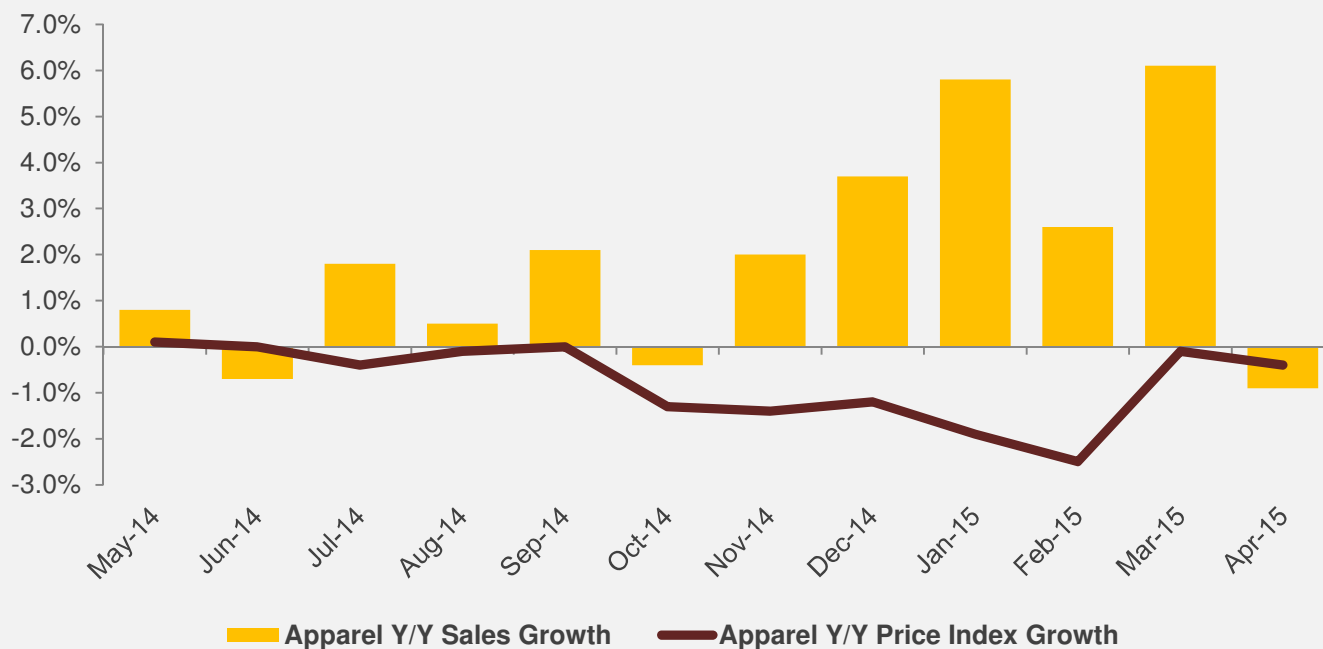
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US Total Apparel Y/Y Sales Growth



Specialty Apparel sales declined by -0.9% year-over-year in April. Apparel had improved recently, but the early Easter hurt April sales.

Source: SpendingPulse™




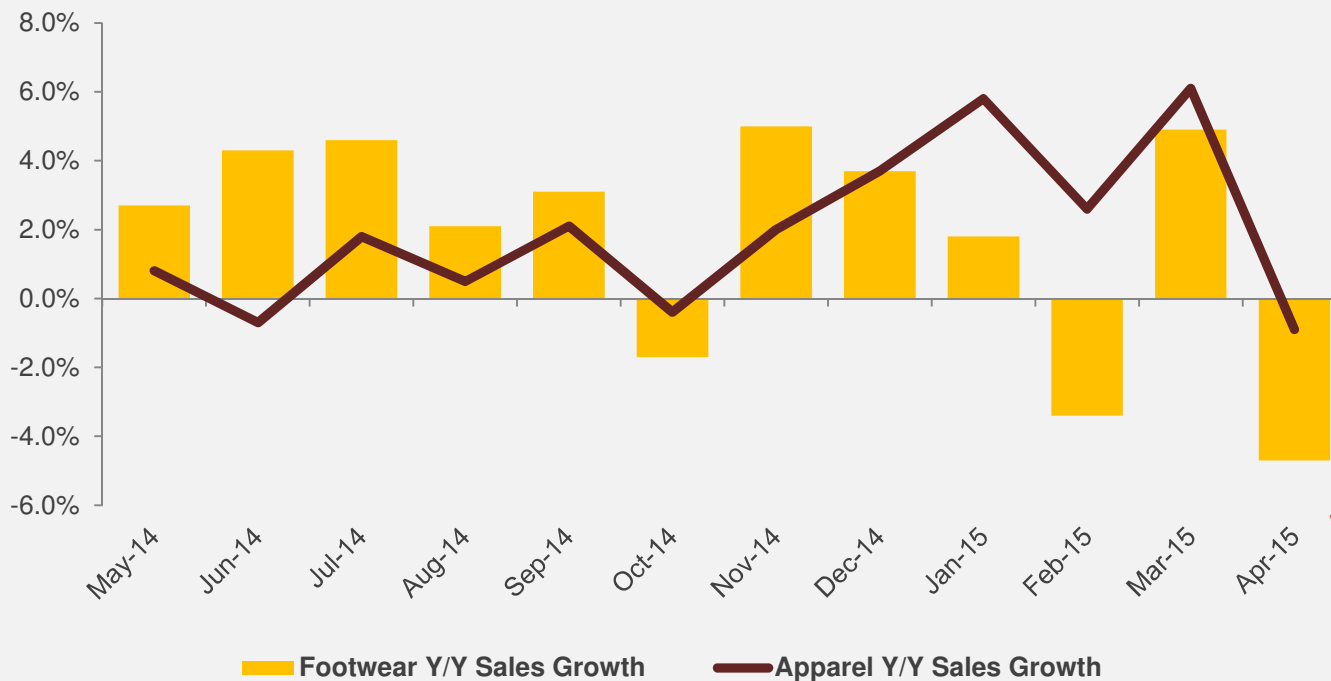
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US Footwear Y/Y Sales Growth



Footwear sales declined by -4.7% year-over-year in April. This reflects the early Easter.

Source: SpendingPulse™



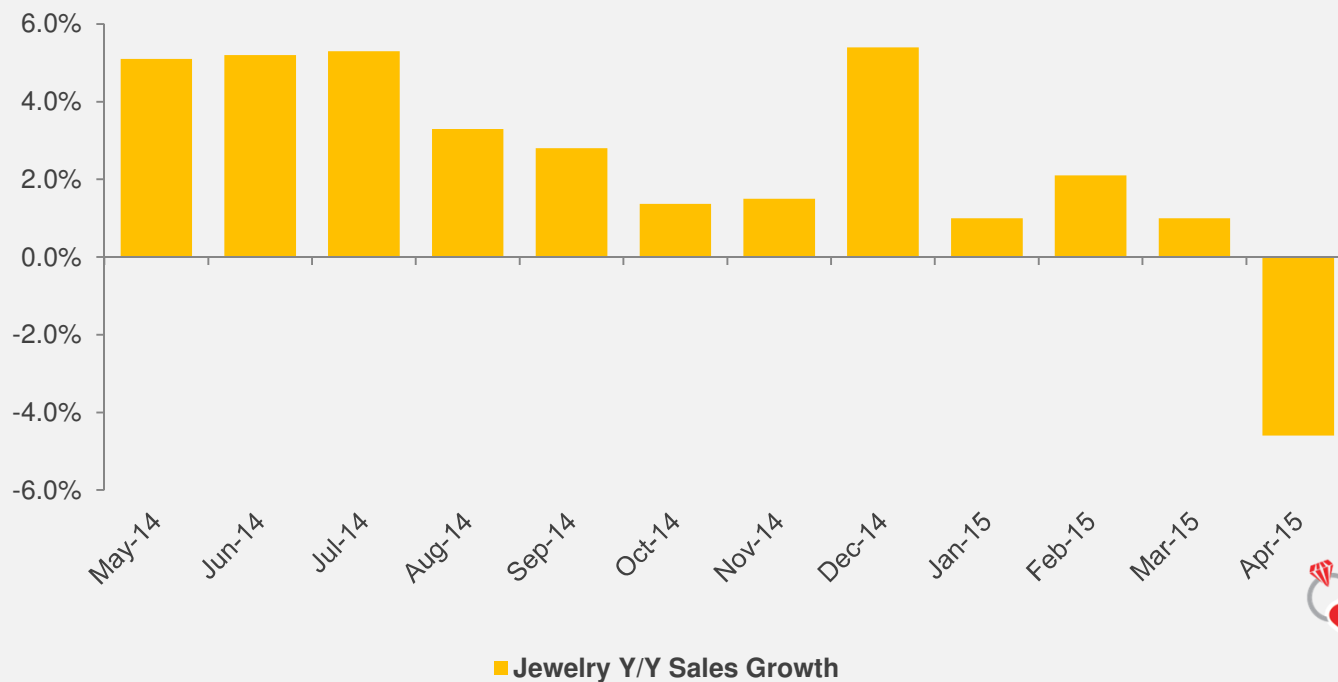
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US Jewelry Y/Y Sales Growth



Jewelry sales declined by -4.6% year-over-year in April. This is the first negative growth rate in 25 months.

Source:
SpendingPulse™



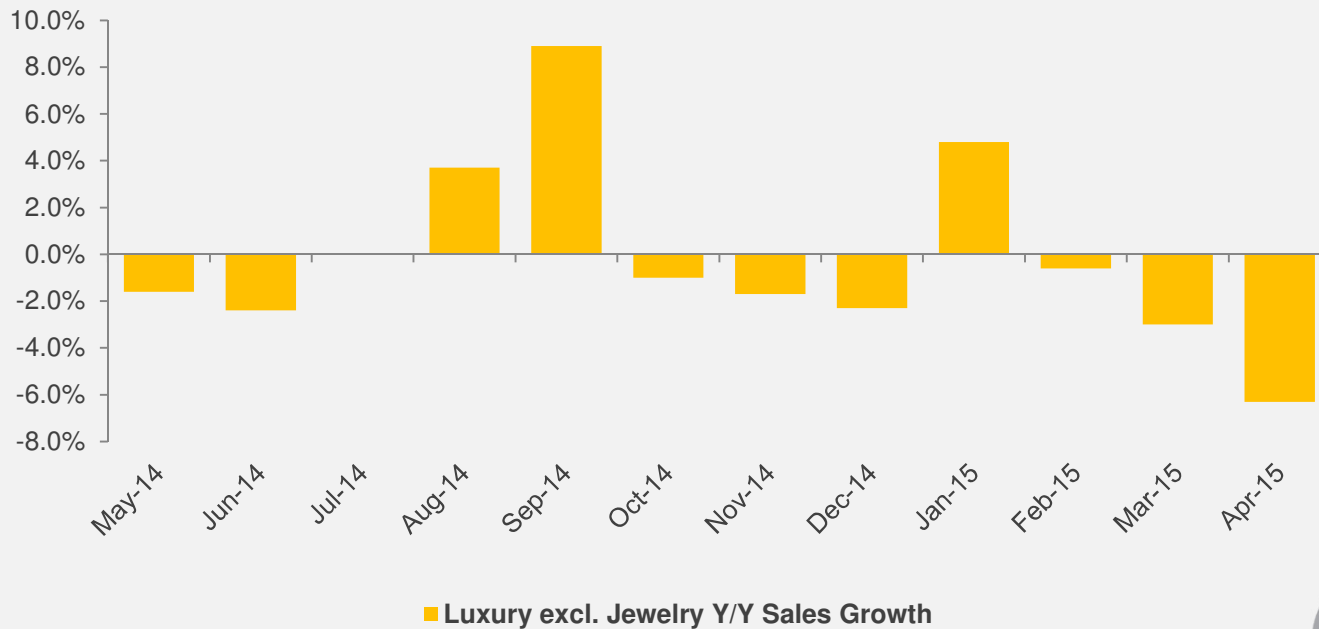
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US Luxury excl. Jewelry Y/Y Sales Growth



Luxury sales declined by -6.3% year-over-year in April. This continues the difficult results for this sector, showing the challenges of the stronger dollar.

Source: SpendingPulse™




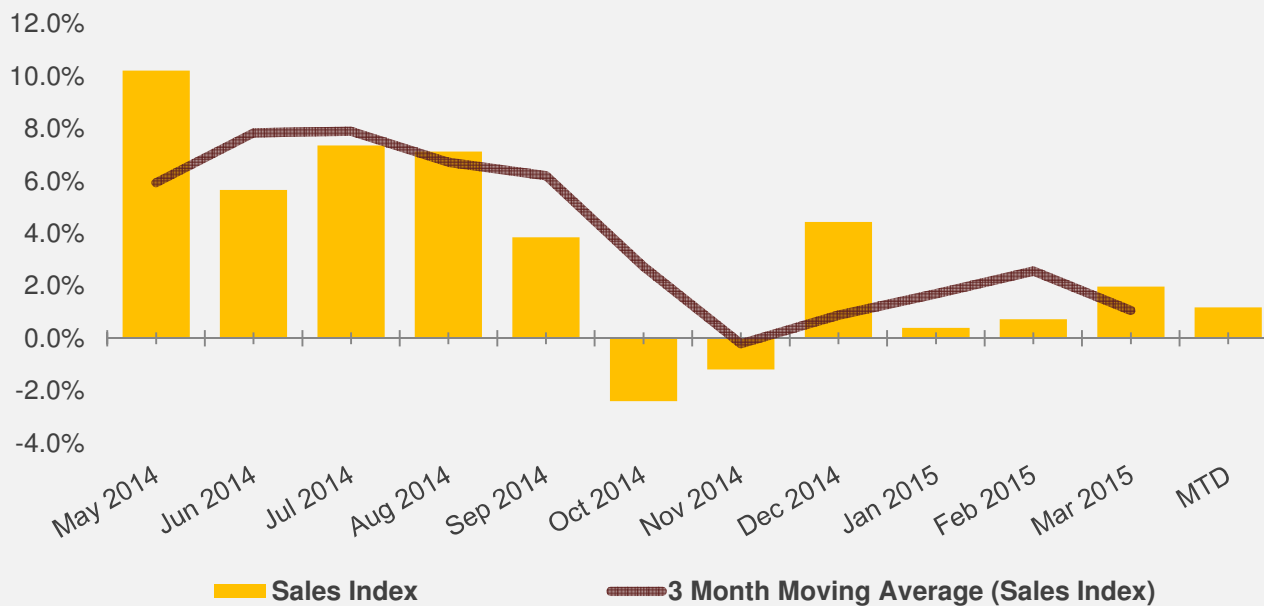
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US Luxury Goods & Accessories Total Sales



The larger retailers in luxury are capturing market share.

Source: Sector Insights™



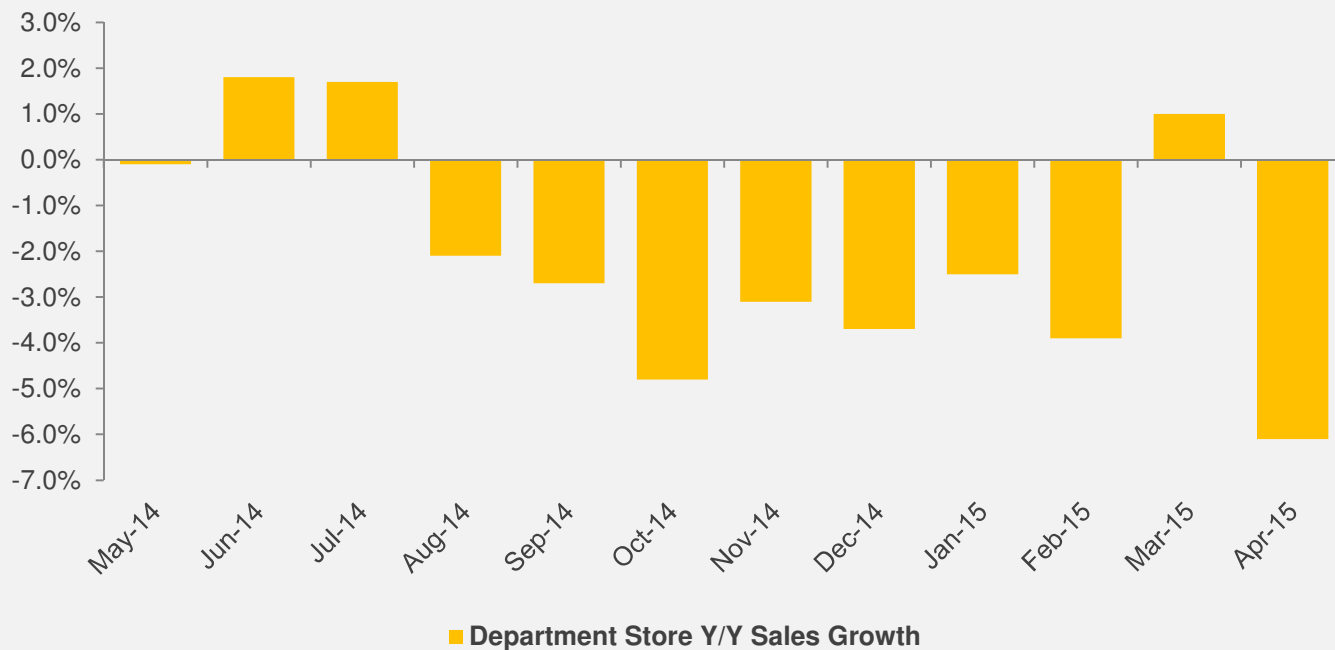
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US Department Store Y/Y Sales Growth



Department Store sales declined by -6.1% year-over-year in April.

Source: SpendingPulse™



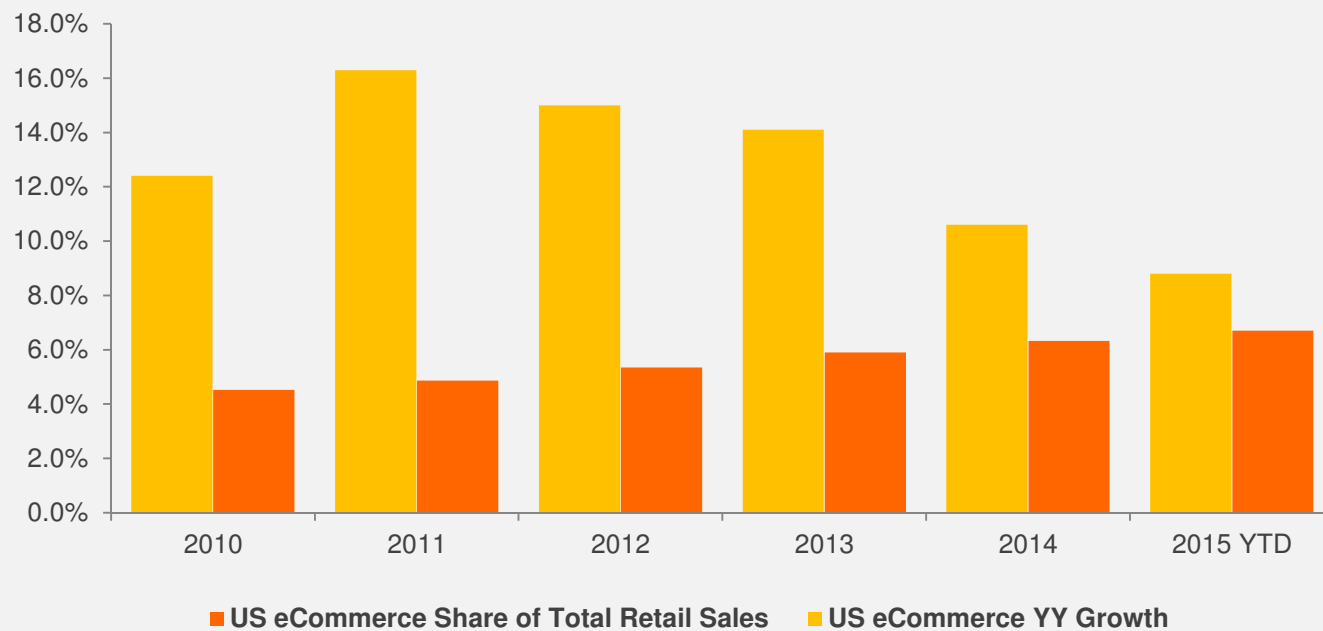
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US eCommerce YTD Sales Growth



eCommerce sales share of total retail sales is **6.7% YTD** in retail 2015, as growth remains in the single digits.

Source:
SpendingPulse™



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US eCommerce Sector Performance

Sectors	Year-over-Year April 2015
Total eCommerce	+8.4%
Leading	
Children's Apparel	+31.7%
Family Apparel	+19.9%
Electronics	+19.2%
Lagging	
Department Stores	(0.6%)
Jewelry	(4.8%)
Footwear Apparel	(8.7%)



Children's Apparel, Family Apparel, and Electronics were the leading eCommerce sectors for the month of April 2015.

Source:
SpendingPulse™



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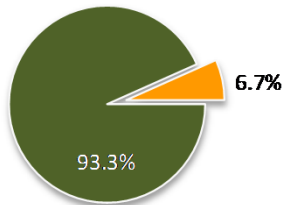


US Sectors eCommerce Shares vs. Brick & Mortar

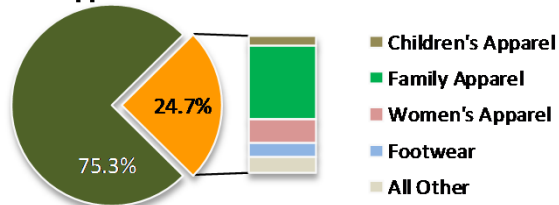
Channel Share
by Sector for
Apr. 2015

- In Store
- eCommerce

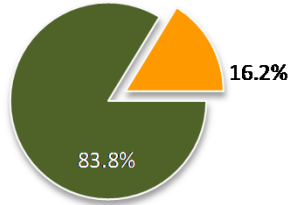
Total U.S. Retail Sales x Auto



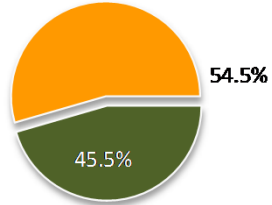
Apparel



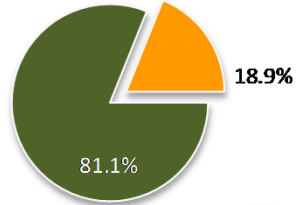
Department Store



Electronics & Appliances



Jewelry



eCommerce Share of total retail sales is 6.7% and sector shares are remaining stable.

Source: SpendingPulse™



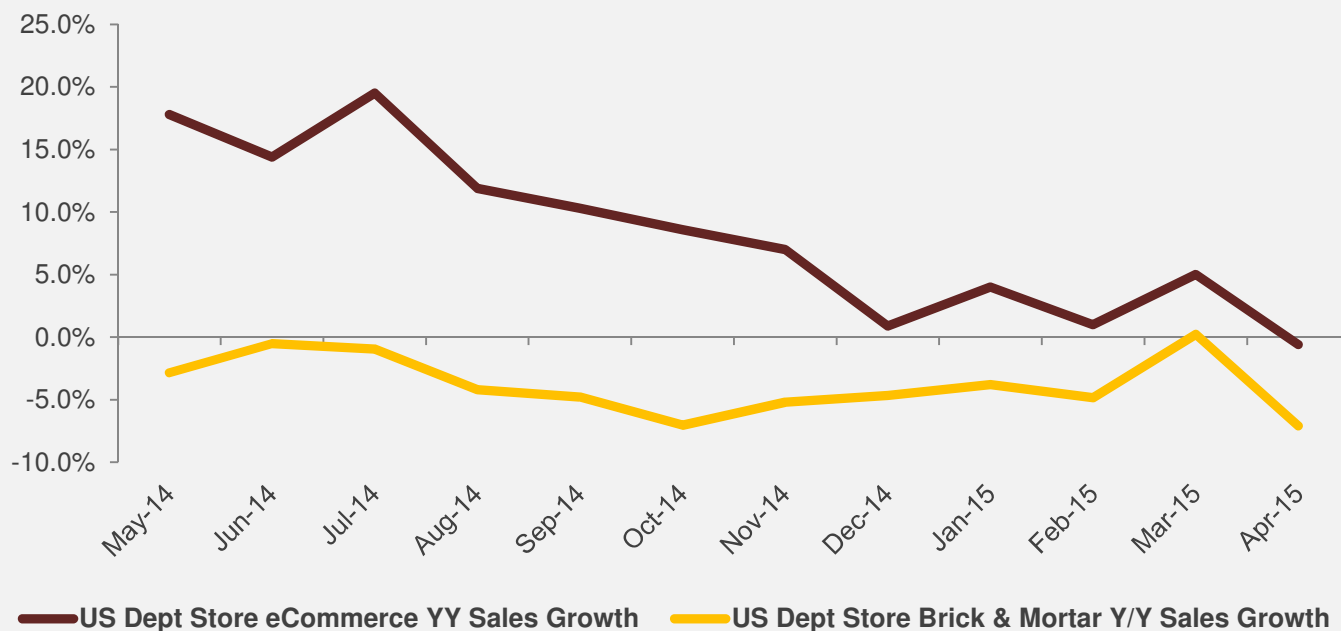
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US Dept. Stores eCommerce vs Bricks & Mortar



Department Store eCommerce sales declined by -0.6% year-over-year in April. Despite continued focus, this channel is not gaining favor.



Source: SpendingPulse™




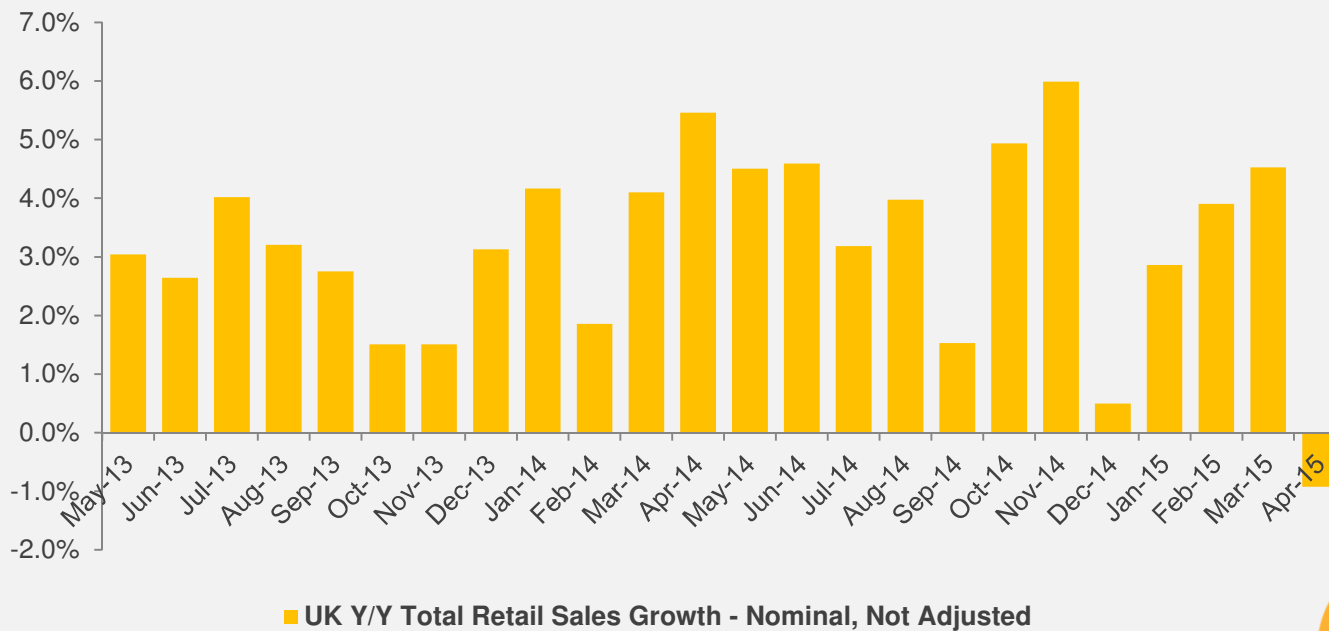
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UK Y/Y Total Retail Sales Growth (ex. Auto)



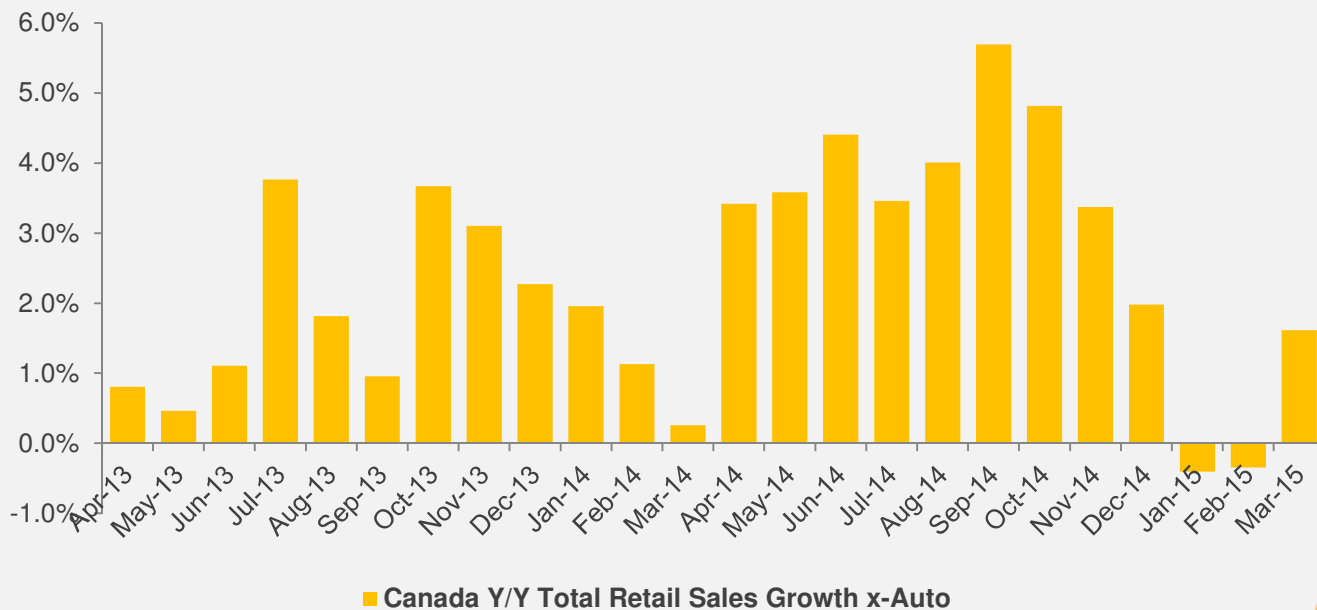
Total Retail sales declined by 0.9% year-over-year in April, reflecting an early Easter.

Source: SpendingPulse™





Canada Y/Y Total Retail Sales Growth (ex. Auto)



Total Retail sales grew by 1.6% year-over-year in March, as the impact of lower oil prices impacted spending.

Source: SpendingPulse™



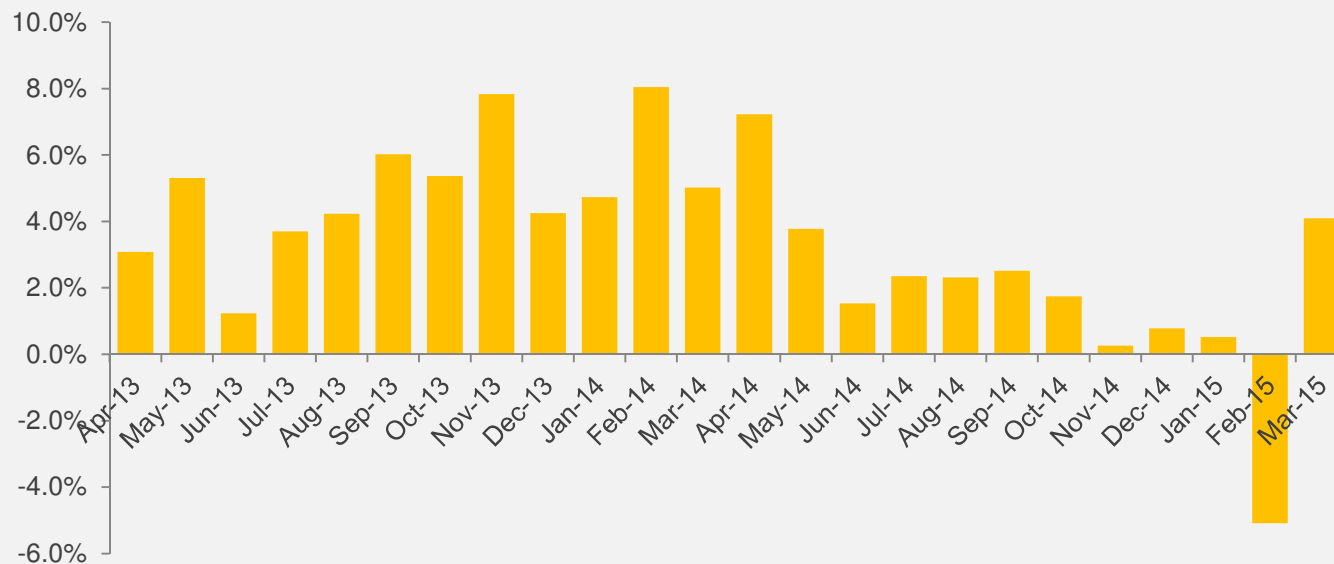
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Brazil Y/Y Total Retail Sales Growth



■ Brazil Y/Y Total Retail Sales Growth (Volume of Sales)

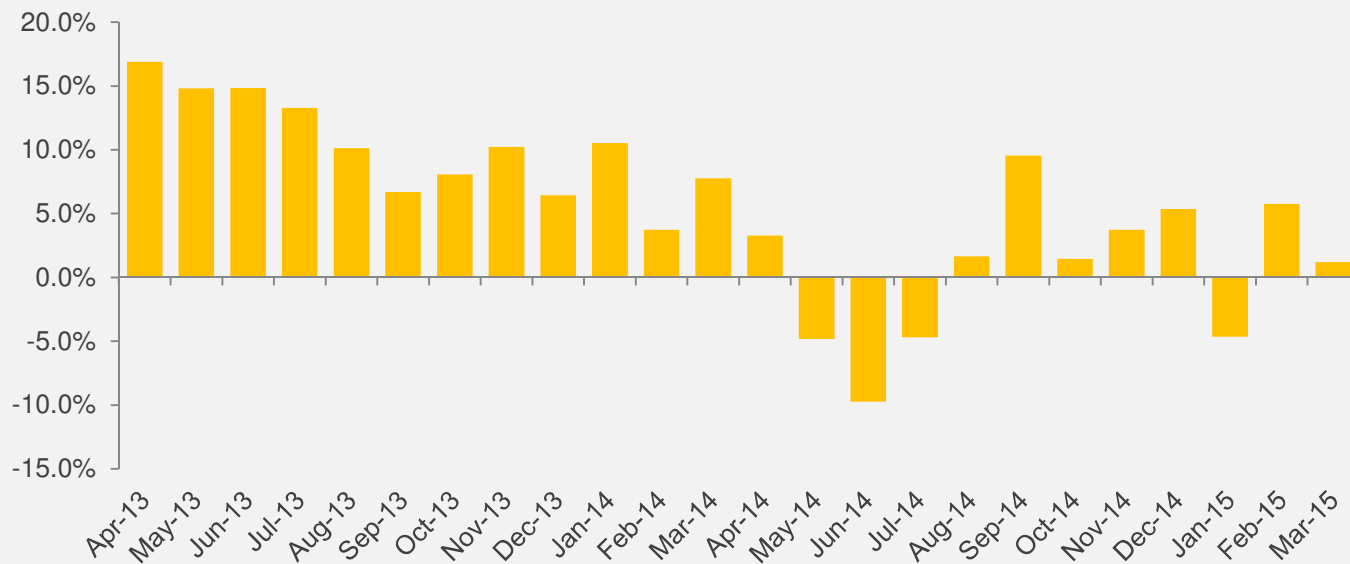
Total Retail sales grew by 4.1% year-over-year in March. But the overall trend remains negative.

Source: SpendingPulse™





Hong Kong Y/Y Total Retail Sales Growth



■ Hong Kong Y/Y Total Retail Sales Growth (Nominal Not Adjusted)



Total Retail sales grew by 1.2% year-over-year in March, which shows that the consumer is not back in Hong Kong.

Source: SpendingPulse™



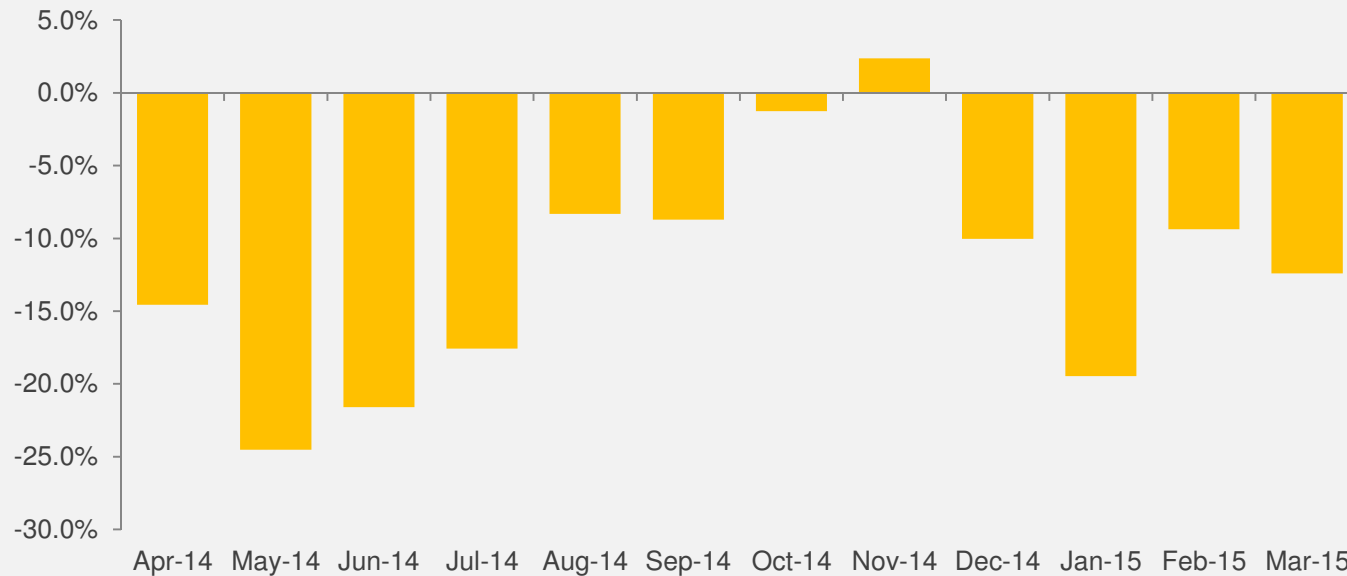
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Hong Kong Jewelry Y/Y Sales Growth



■ Hong Kong Jewellery Y/Y Sales Growth (Not Adjusted)



Jewellery sales declined by 12.4% year-over-year in March.

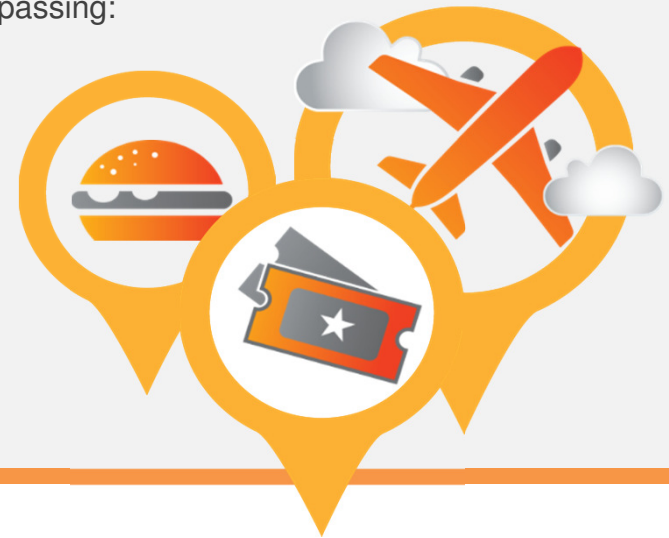
Source: SpendingPulse™



MasterCard Advertising Insights:

More precise online marketing based on location and aggregated spend behavior

- MasterCard identifies aggregate purchasing behaviors within account segments and links those segments to our match partner's online populations. Custom Insights allow for highly focused media buys.
- You can reach highly selective populations within your current customer base, an aggregated set of competitors, or whole-category spenders by specifying multiple characteristics encompassing:
 - Historic spend behaviors
 - Location spend behaviors
 - Future spend behaviors
- MasterCard Custom Advertising Insights: Aggregation and Analysis
 - Life-event indicators
 - Calendar-based spend behaviors
 - Combination of spend behaviors



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Custom Advertising Insights

Spend Insights Report

Provides insights their customer spend, specifically, around other industries where those consumers spend



Spend Lift Analysis

- Understand which marketing strategies performed best
- Helps answer questions such as these:

What was the performance of my campaign?

How much was spent online vs. offline?



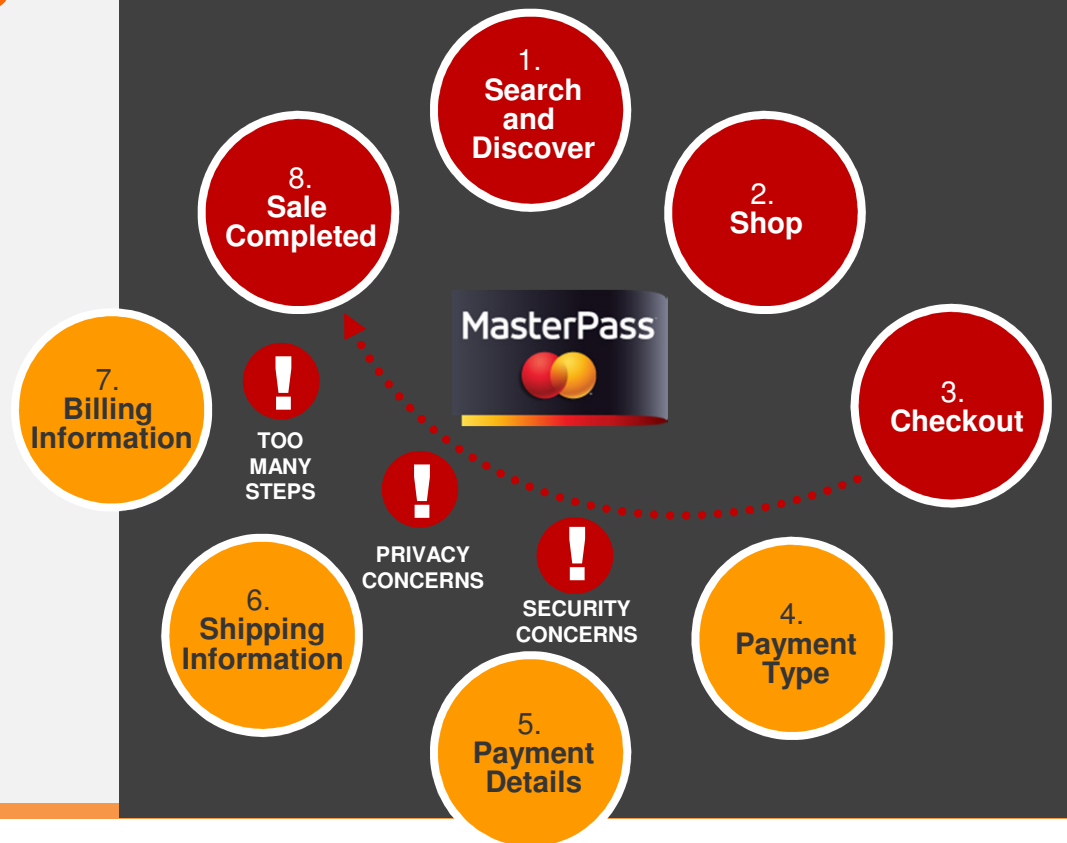
Custom segment built for client, with spend insights report and spend lift validation analysis in chosen a category.



What is MasterPass?

MasterPass is a digital wallet service that lets consumers pay—with any payment card, anywhere, on any connected-device—through an enhanced shopping experience that is as simple as a click, tap, or touch.

Simply put, MasterPass provides consumers with a **shortcut to what counts.**





MasterCard Retail Location Insights



Provides reliable new insights into the revenue performance of retail locations enabling critical decision around site selection, benchmarking and property evaluation

- Powered by MasterCard Retail Location Scores which highlight the following revenue metrics:



GROWTH

STABILITY

SIZE

TRAFFIC

TICKET SIZE

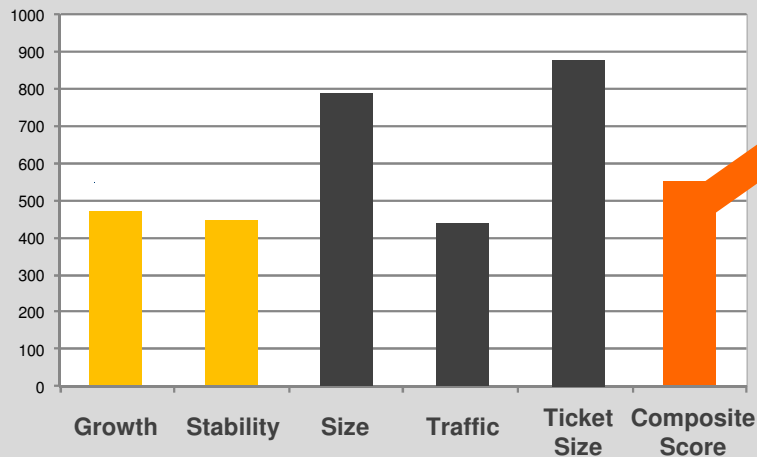
- Delivered through an interactive mapping tool, scores can be viewed at the census block level all the way up to the state level enabling decisions around:
 - **Retail site planning** – leverage for new stores and closures
 - **Retail benchmarking** – measure against total retailers and/or industry categories
 - **Property evaluation** – review historical trends to identify changing retail dynamics



MasterCard Retail Location Scores

- **Convenience** through standardized scoring and an interactive mapping tool
- **Reliability** by leveraging factual and aggregated transaction data
- **Timely** as monthly scores available within one week after month's end

Compare retail locations by each component score or focus on the Composite UpFront Score



All scores normalized on a scale of 0-1000



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Learn more at:

www.mastercardadvisors.com



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2. Go to **survey.icsc.org/2015RECON**
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Worldwide and in Your Neighborhood**

