



Retooling for a New Reality

Finding a Path to Renewed Profitability for Credit Card Issuers

By Andrea E. Glanz

This special issue of The Advisor is devoted to the current financial crisis and its implications for the U.S. credit card business. We have called on MasterCard Advisors' experts to provide top-priority recommendations to help issuers survive the crisis in the short term, and retool for renewed profitability in the new economic reality. The focus on the U.S. market owes to the simple fact that the financial meltdown started there, and that credit card use is far more widespread in the U.S. than in most other mature economies. Nevertheless, the suggested strategies found in this edition will likely be relevant to issuers around the world.

The collapse of credit markets signals profound changes to the payments industry, requiring a substantially new approach to issuers' business models, target customers, and product offerings. In these pages issuers will find new strategies for

servicing cardholders who may never spend the same way as before, along with best practices that always made sense—but can no longer be ignored.

The issue provides historical perspective on the economic crisis, a discussion of changing consumer attitudes and behaviors, and timely strategies for mapping a course in uncharted waters. MasterCard Advisors welcomes an open dialogue to help you assess opportunities, make sound decisions, and devise long-term solutions for thriving in this new era.



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