

Mastercard anticipates slower revenue growth after lukewarm Q4

Article

The data: Mastercard's gross payment volume (GPV) grew 8% year over year (YoY) in Q4 2022, slowing from the post-lockdown 23% YoY increase from the same period in 2021, [per](#) its earnings release.

Key context: [Inflation](#) played a role in bumping up Mastercard's volume—though it's difficult to quantify to what extent because price increases have cooled in recent months.

Rival **Visa** has minimized inflation's potential negative effects on the business—CEO AI Kelly [said](#) last year that personal consumer expenditures have historically remained strong for Visa during inflationary periods. That may also apply to Mastercard.

How we got here: Here are some other factors that may have contributed to Mastercard's Q4 growth.

- **Travel spending.** Consumers released more pent-up travel demand throughout the quarter, helping **boost Mastercard's cross-border volume 31% YoY**. Domestic flights increased 84% YoY in Q4, [according to](#) Emburse data. Flight prices have also [gone up substantially](#) in the last few months.
- **Holiday shopping.** Mastercard benefited from a flurry of holiday shoppers in the last months of the year. **US retail and ecommerce holiday sales grew 7% YoY and hit \$1.297 trillion in 2022**, [per](#) Insider Intelligence forecasts.
- **Tie-ups.** Mastercard [teamed up](#) with several companies to enhance its card offerings in Q4, including a [partnership with McAfee](#) that let cardholders access discounted security services. The collaborations help make Mastercard a more attractive network to work with and improve customer loyalty.

Looking ahead: Mastercard warned that revenue growth for Q1 would slow more than expected as pent-up travel demand diminishes—it [anticipates](#) percentage growth in the “high end of high single digits.” Analysts predicted Mastercard's Q1 revenues would grow 10% YoY in a Bloomberg [survey](#). The firm's share price tumbled about 2% on Thursday morning after the warning.

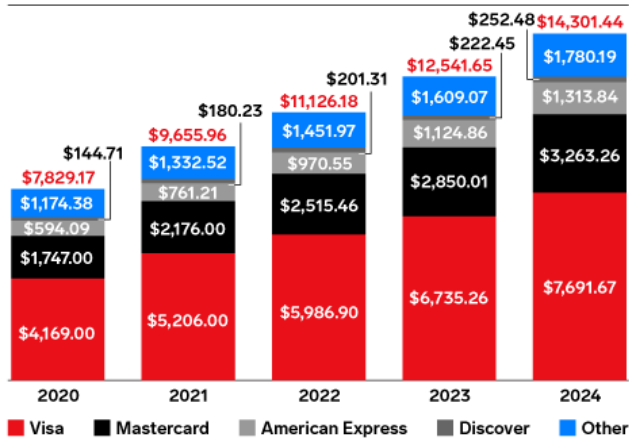
Despite the warning, Mastercard is working on projects that can set it on a path for long-term growth—like its investments into buy now, pay later (BNPL).

- Mastercard is [building out](#) its own BNPL program with merchants and fintechs.
- It recently [signed a deal](#) with Switzerland-based fintech **ZoodPay** to expand its prepaid virtual installment card product in Eastern Europe, the Middle East, and Africa.

Related content: Check out our [US Payment Card Networks 2022](#) report to learn about the competitive and regulatory threats affecting card networks and the growth opportunities they have.

US Total Card Transaction Value, by Card Network, 2020-2024

billions



Note: includes consumer and commercial cards; excludes returns, balance transfers, cash advances, and other activity
 Source: Insider Intelligence, Oct 2022

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