

Future of Commerce

A group of people, including a woman in a yellow top and a man in a grey shirt, are gathered around a smartphone held by the man. They appear to be in a meeting or collaborative work environment. The background is a dark blue with a grid pattern.

Phuc Nguyen

Head of Products

Vietnam, Laos & Cambodia

Vietnam Retail Banking Forum

HCM November 2018

VISA

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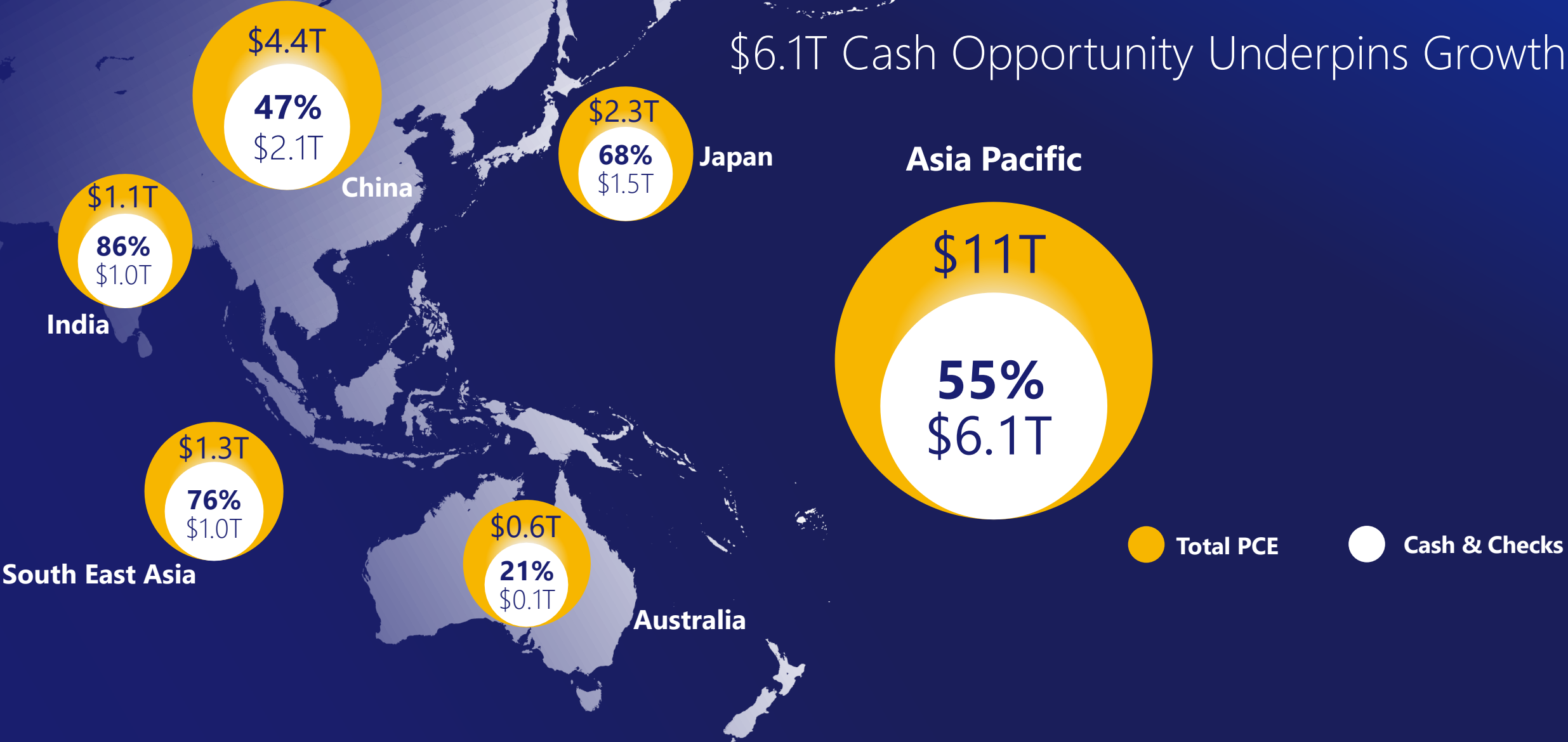
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There are more people living inside this circle than outside of it.

\$6.1T Cash Opportunity Underpins Growth



Source: Visa analysis of data from Oxford Economics, The Nilson Report, Euromonitor, Haver Analytics, The Bank of Thailand, Reserve Bank of Australia, Federal Reserve, and Statistics New Zealand.

The Shift to Mobile

As consumers increasingly turn to "mobile first", payment experiences are shifting accordingly



Globally,
7/10 consumers
purchased on
smartphones



110B finance sessions
South Korea alone



2015 - 2016,
230% increase in China
6.7B finance app
downloads

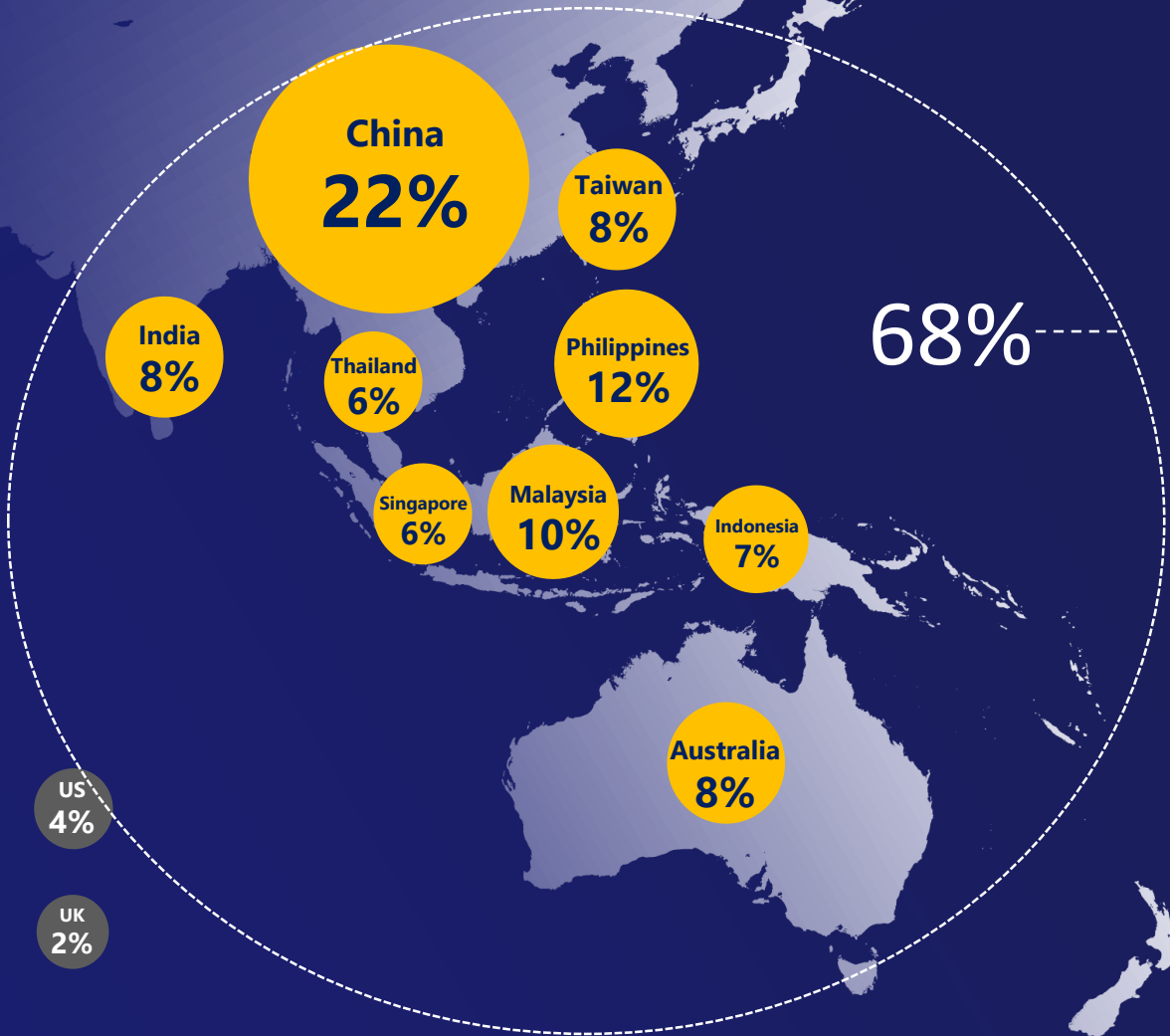


+25x a month
average monthly
banking apps session
In top 10 Australian
Bank

Apps **WeChat and AliPay** usage
penetration
7X average the top five banking
apps in China.

Asia-Pacific Cross Border Tourism is Booming

AP Tourism demand 10 year CAGR (2016)

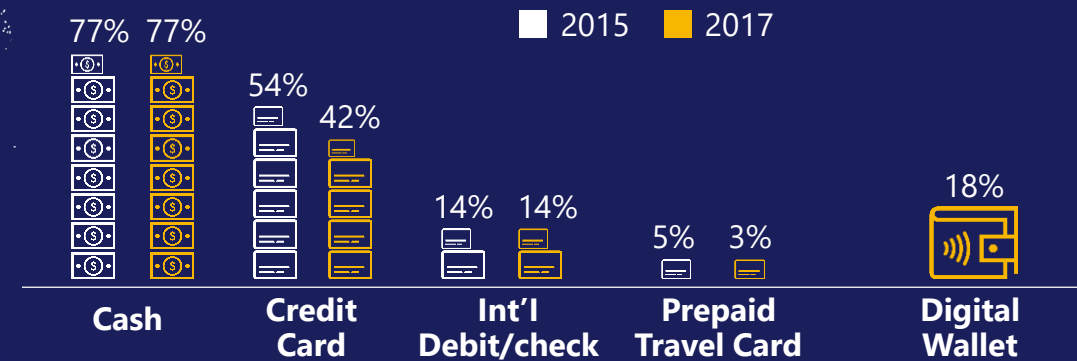


Travelers from Asia love short getaways

Proportion of trips 2 nights or less



Preferred mode of payment across all merchants



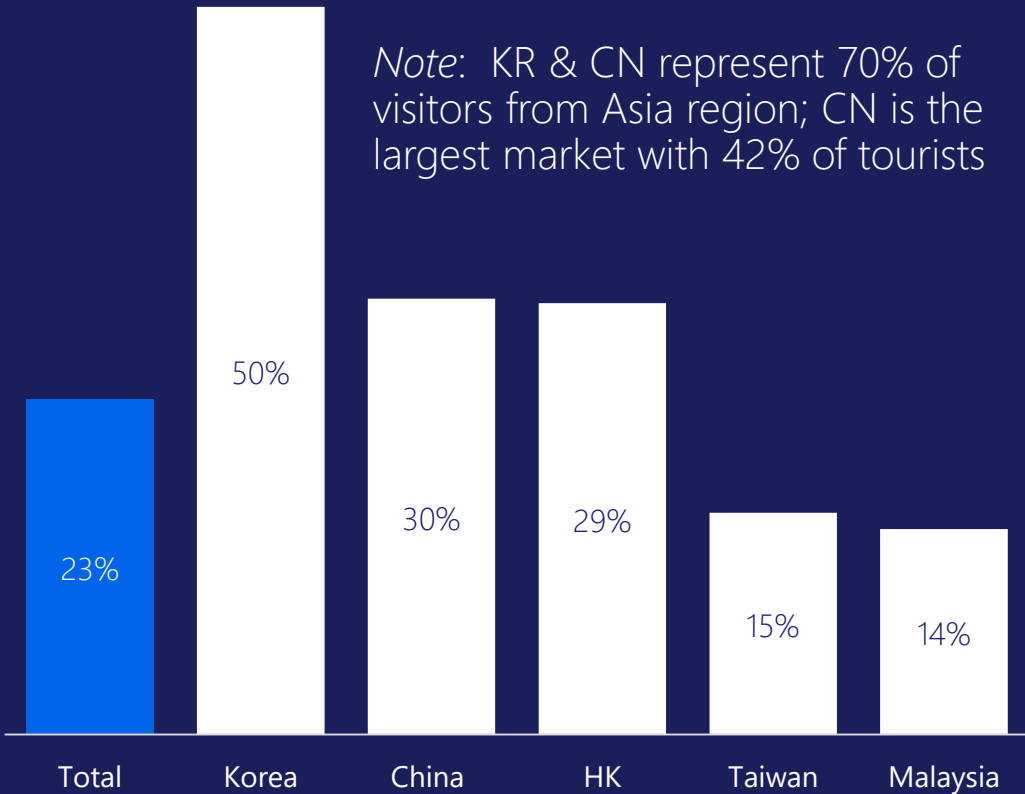
Source: VisaNet, VISIT Cities, Oxford Economics, Global Cities, (2017)

Source: Visa Global Travel Intentions study conducted in 2017

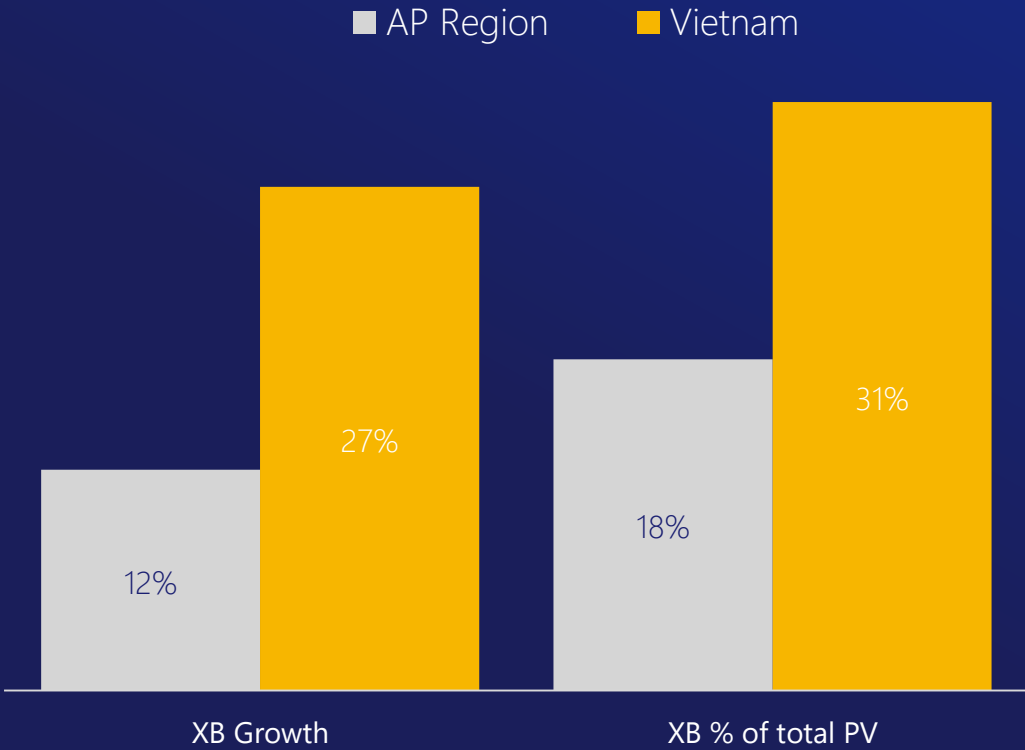
Cross Border Snapshot | Vietnam perspective

Vietnam XB growth has outpaced that of AP region & represents greater share of total PV

2018 Inbound Tourism: Vietnam Growth (first 9 months)



2018 Outbound Spend Growth (first 9 months)

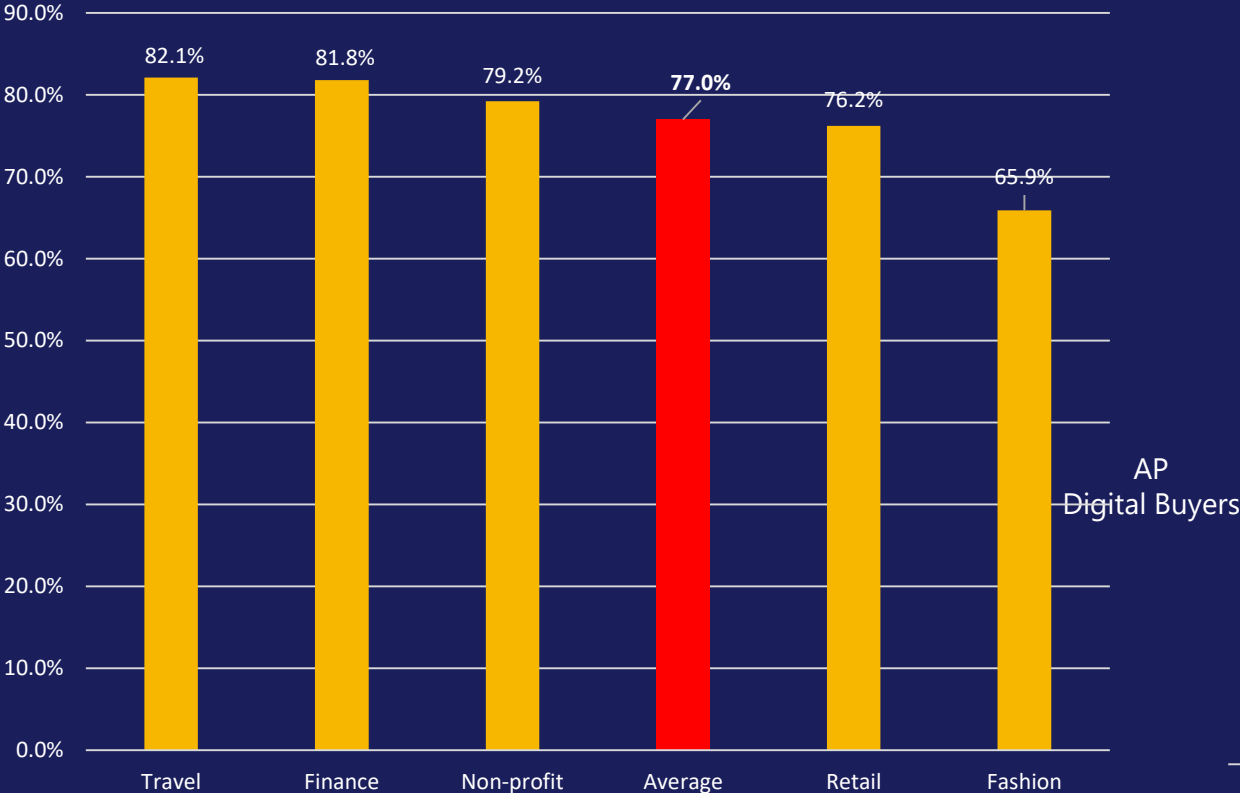


Source: Vietnam National Administration of Tourism, September 2018; 12MM visitors to Vietnam YTD

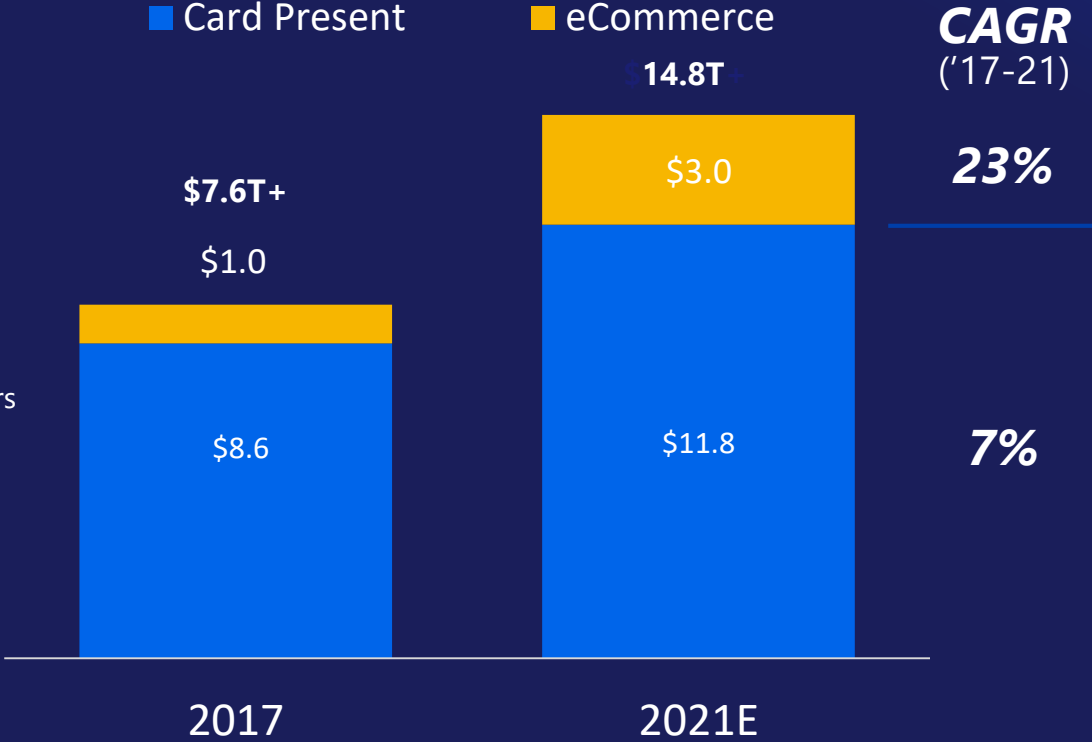
Source: VisaNet, September 2018

Digital Commerce is growing quickly

Online Shopping Cart Abandonment Select industries



Asia Pacific Retail Sales Volume (\$USD trillions)



Card on File data sourced from Deloitte Centre for Financial Services, Default Payment Methods survey, eMarketer 2016.
 2021 forecast growth eMarketer's Asia Pacific Retail & Ecommerce Sales 2016-2021 forecast of growth. (Excludes Travel & Digital tickets)
 Forward-looking estimates are not guarantees of future performance and should be used for educational purposes only.

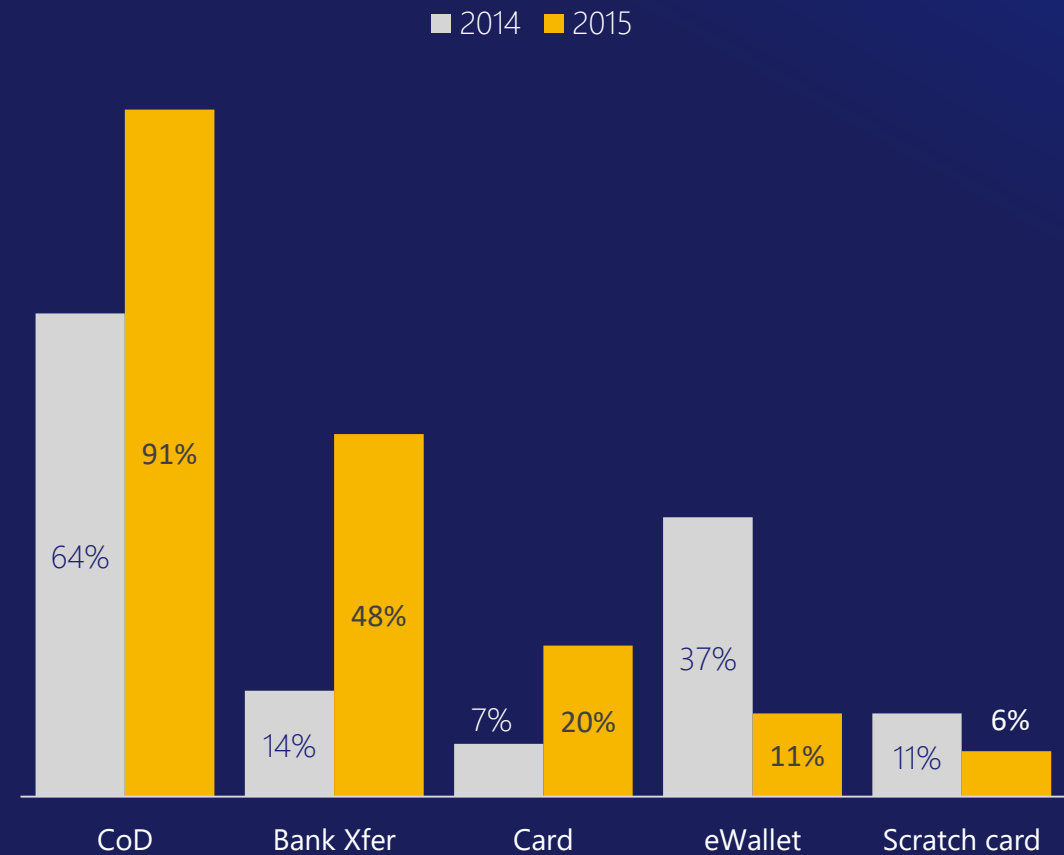
Digital Commerce | In Vietnam the opportunity is Cash Displacement

A US\$4 billion opportunity by 2021

Vietnam digital commerce users forecast (in millions)



Most popular online payment method



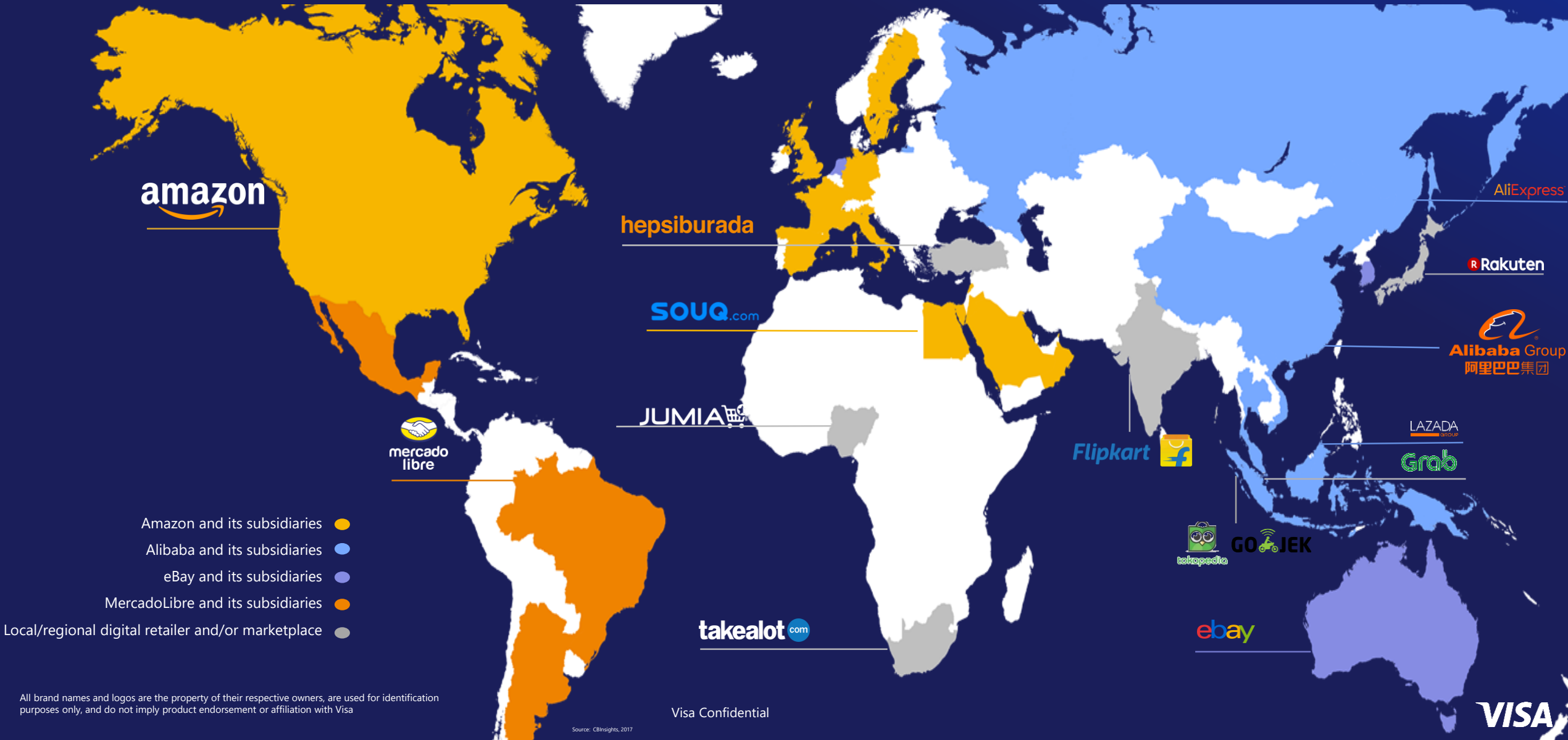
Source: eshopworld.com, 2017

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Commerce is Changing

Platforms and Marketplaces consolidating their hold over the global eCommerce landscape



Technology transforming commerce

1



Marketplaces, improved logistics and fulfilment processes

2



Automation of commercial applications

3



Enable personalisation of consumer experience

Data fuelling the commerce engine

Artificial Intelligence



Cloud Computing



Big Data

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Video clip

Expanding Payments Across Access Points

Today

3B+
cards



46M+
merchant
locations



Tomorrow and Beyond

~21B
ways to
pay



~400M
ways to
be paid



Customer Experience
Is Everything

Digital first is now table stakes

Consumers expectation around value-added services



Payments

NFC or QR to deliver payment credentials at the point of sale.



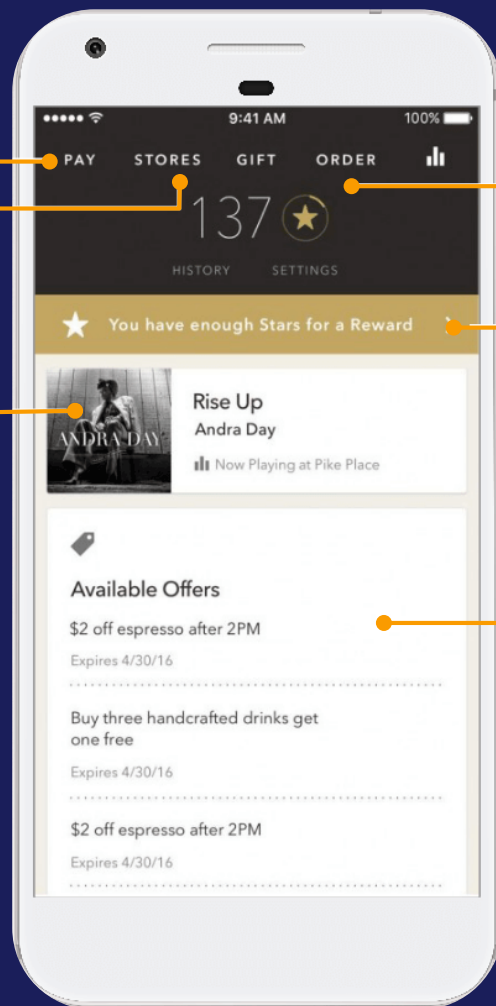
Store Location

Locates nearby stores using customer's geolocation and provides directions.



Contextual Information

Music playing in the store, special instore offers available now!



Order Ahead

Enables order placement virtually and in-store pick up to reduce queue time and improve satisfaction.



Loyalty Program

Enables order placement virtually and in-store pick up to reduce queue time and improve satisfaction. Burn points to Pay

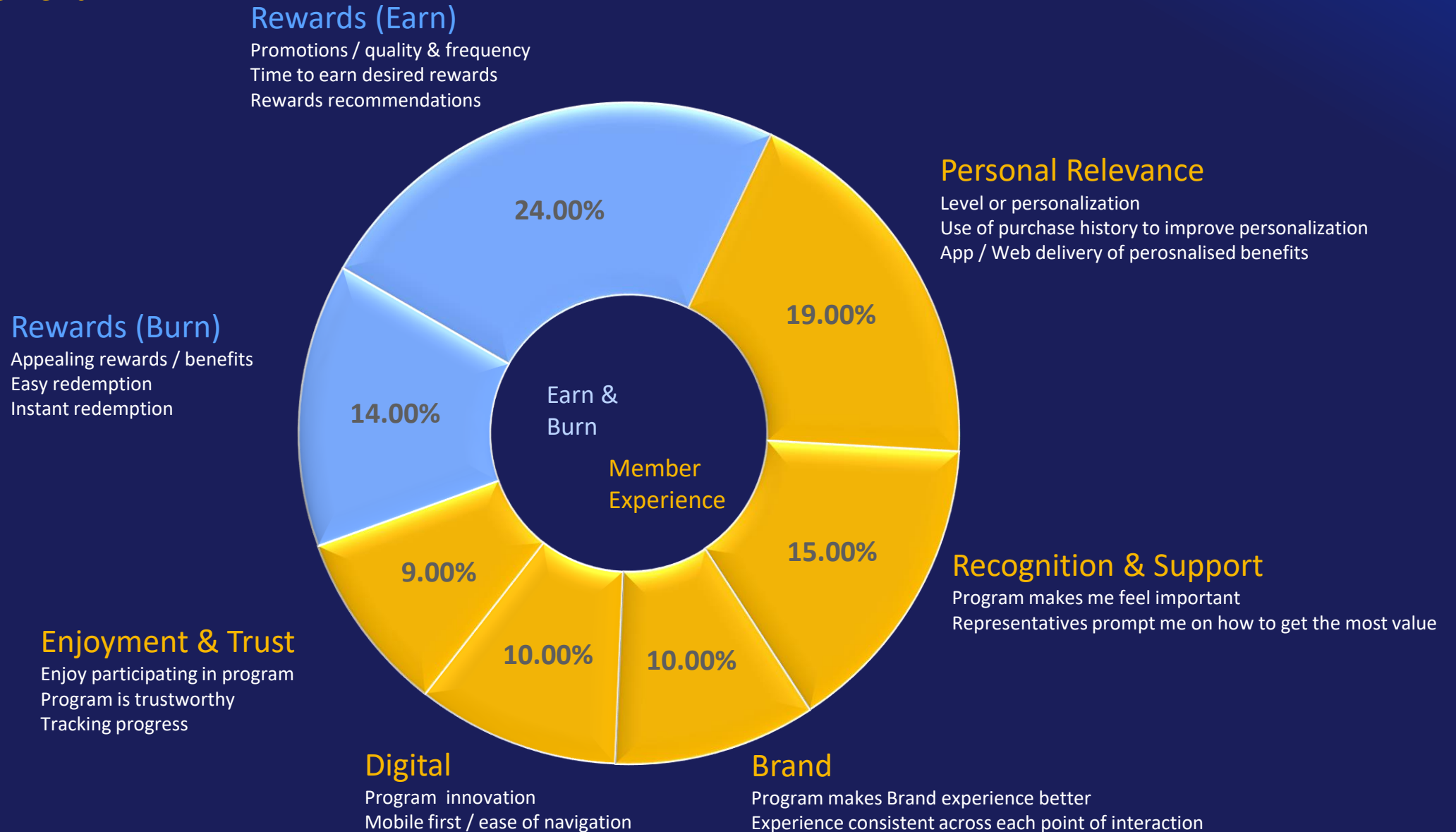


Card Management

Allows checking balances, adding cards, and money transfers, card controls.

Digital Experiences are critical for Customer Engagement

Drivers of Engagement



Earn & Burn components have a meaningful impact on overall satisfaction, **experience** components make up nearly 2/3^{rds} of the elements that **drive satisfaction**

Security is critical to build
trust & confidence

Our future depends on building layers of security to protect and harness data

Devalue Data

Render data useless for criminals, reducing incentive for payment breaches

Tokenisation, EMV



Empower Consumers

Engage cardholders as an underutilised resource in fighting fraud

Transaction Alerts, Spend Controls



Protect Data

Safeguard payment data

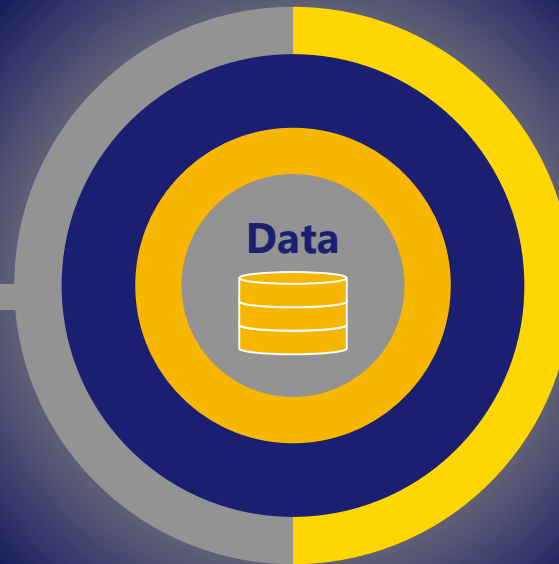
Encryption, PCI



Harness Data

Identify fraud before it occurs and increase confidence in approving good transactions

Risk-based Auth, Biometrics, OTP, Dynamic CVV2, Breach Response



Together shaping the
future of commerce

The Path Forward

1

Future-Proof Technologies

2

Focus on the Customer Experience

3

Innovate with Purpose

4

Prioritise Security

5

Co-Create and Collaborate

6

Leverage Globally Interoperable Standards

Thank you