



Consumer Payment Attitudes
Study 2022

NAVIGATING A NEW ERA IN PAYMENTS



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UNLOCKING THE POTENTIAL OF PAYMENTS IN A HYPER-DIGITAL WORLD

Technology will continue to blend payments and commerce into all aspects of our lives

The past year has been one of transition. Economies have been building on momentum created by the acceleration of digital payments usage during the pandemic, as consumers and businesses are pulled into an increasingly hyper-digitalised world. With more ways to pay, and more places for commerce to happen, the digital economy in Southeast Asia is projected to hit USD1 trillion by 2030¹.

To help you navigate this new era in payments, I'm proud to present findings from the eighth edition of our annual Visa Consumer Payment Attitudes study. The report provides key consumer insights based on the latest trends in payments, changing moments of commerce, and smarter consumer journeys powered by technology and innovation.

In Southeast Asia, payments and commerce are being defined by convenient and intuitive experiences that

blend across all aspects of life. Preference for cashless payments continues to grow, and nearly four in five (77%) Southeast Asian consumers plan to use cashless payments more often. This is driven by the widespread use of mobile wallets (52%) and contactless card payments (44%), as well as rising interest in the use of new methods such as Buy Now Pay Later (BNPL) solutions (63%).

With eCommerce and omni-channel retail becoming more prevalent, consumers expect shopping touchpoints to be embedded in our everyday lives. This has led to the rise of social media and livestream shopping as our world gradually becomes a marketplace. As shopping channels and consumer purchases evolve to become increasingly digital – from downloadable shoes and non-fungible tokens (NFTs) to digital-only goods in the metaverse – businesses need to keep pace and adapt. Now more

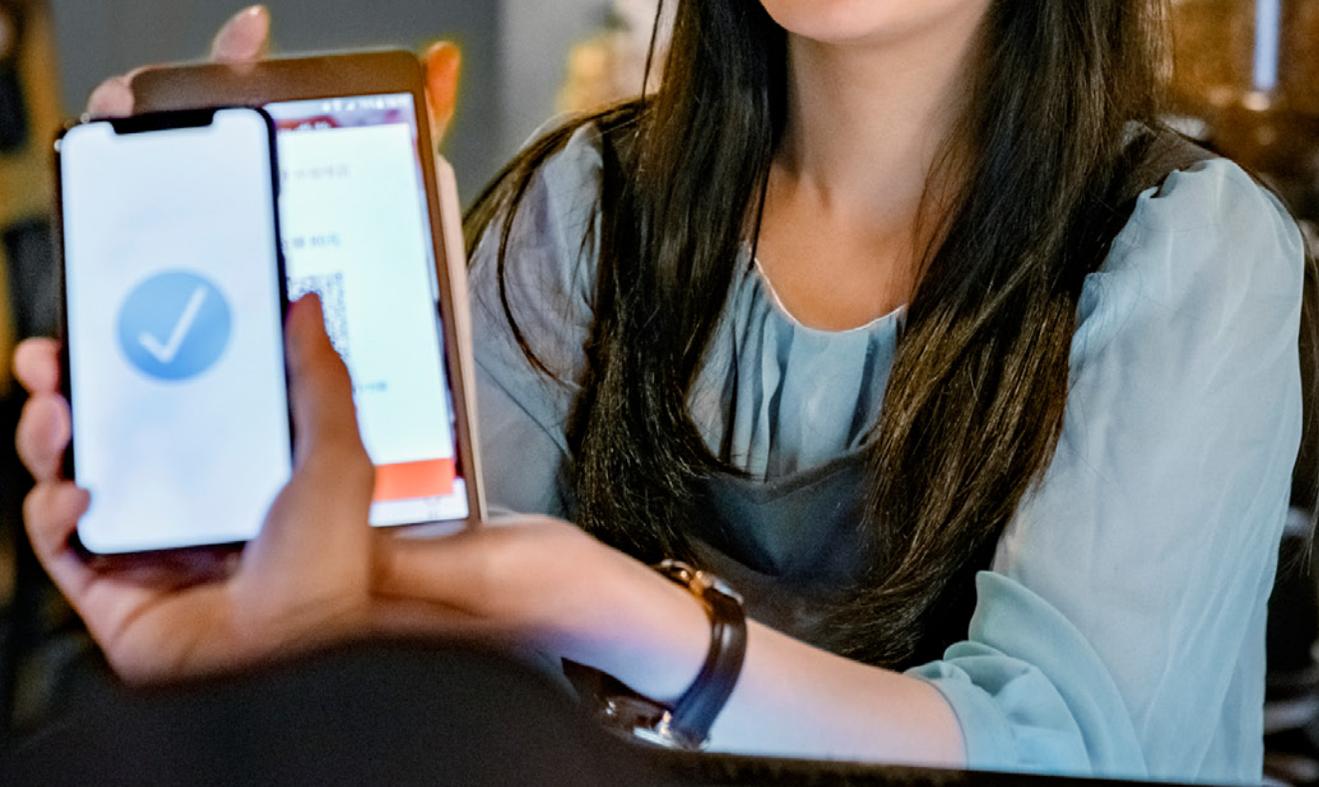
than ever is the time for businesses to re-examine operations and processes to go fully digital.

As the trusted engine of commerce, Visa wants to use the diverse capabilities of our network to enable individuals, businesses and economies to thrive. Working together with our strategic partners, we will continue to build and redefine the future of payments, making innovative payment experiences accessible to all, powering lifestyles and businesses around the world.

We hope that this report will provide valuable insights to the industry, from current trends to breakthroughs on the horizon, enabling moments of commerce for consumers and businesses that are more intuitive, seamless, and secure.

VISA

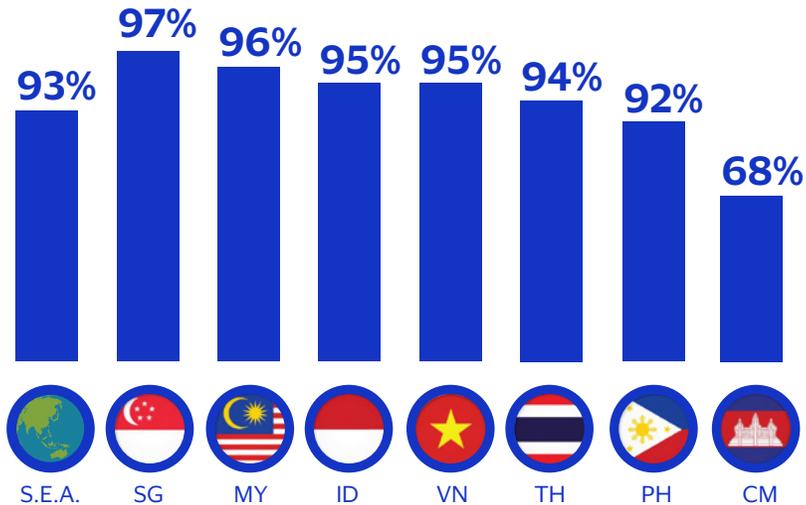
**New cashless habits
a part of everyday lives**



SOUTHEAST ASIA CONTINUES ITS SHIFT TOWARDS CASHLESS

Digital solutions continue to redefine the way people shop and pay. Across Southeast Asia, 93 percent of consumers use a multitude of cashless payment methods including cards, contactless cards and mobile contactless, mobile wallets and QR code payments. This is led by consumers in Singapore (97%), Malaysia (96%), Indonesia (95%) and Vietnam (95%). However, an increasing number of consumers are opting for cashless payments in markets where cash remains dominant, such as Cambodia, the Philippines and Vietnam.

Cashless payment usage



Nearly four in five Southeast Asian consumers plan to use cashless payment methods more often, particularly those in Thailand (89%), Vietnam (83%), Malaysia (78%), Indonesia (78%) and the Philippines (78%). This could be due to three in four (75%) consumers perceiving cashless methods as a safer way to pay, especially in Thailand (86%), Vietnam (80%) and the Philippines (79%). As such, nearly three in four Southeast Asian consumers (72%) support their governments' plans to develop their nations into cashless societies, and more than two in three (68%) prefer shopping at stores that accept cashless payments.

Attitudes towards cashless payments

	Plan to use cashless payments more often	View cashless as a safer way to pay	Support government initiatives for going cashless	Prefer shops that accept cashless payments
S.E.A.	77%	75%	72%	68%
SG	71%	66%	69%	61%
MY	78%	75%	73%	66%
ID	78%	79%	73%	63%
VN	83%	80%	76%	77%
PH	78%	79%	72%	71%
TH	89%	86%	80%	81%
CM	43%	49%	43%	43%

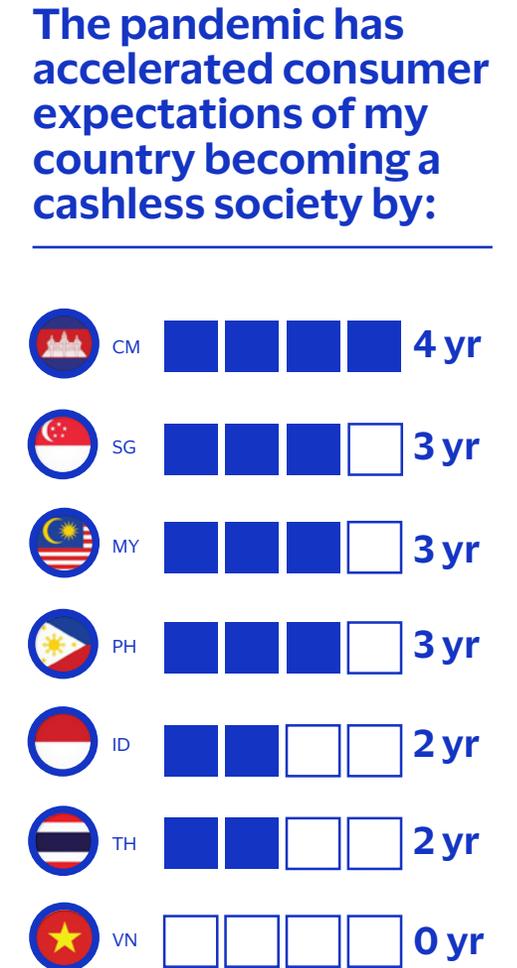
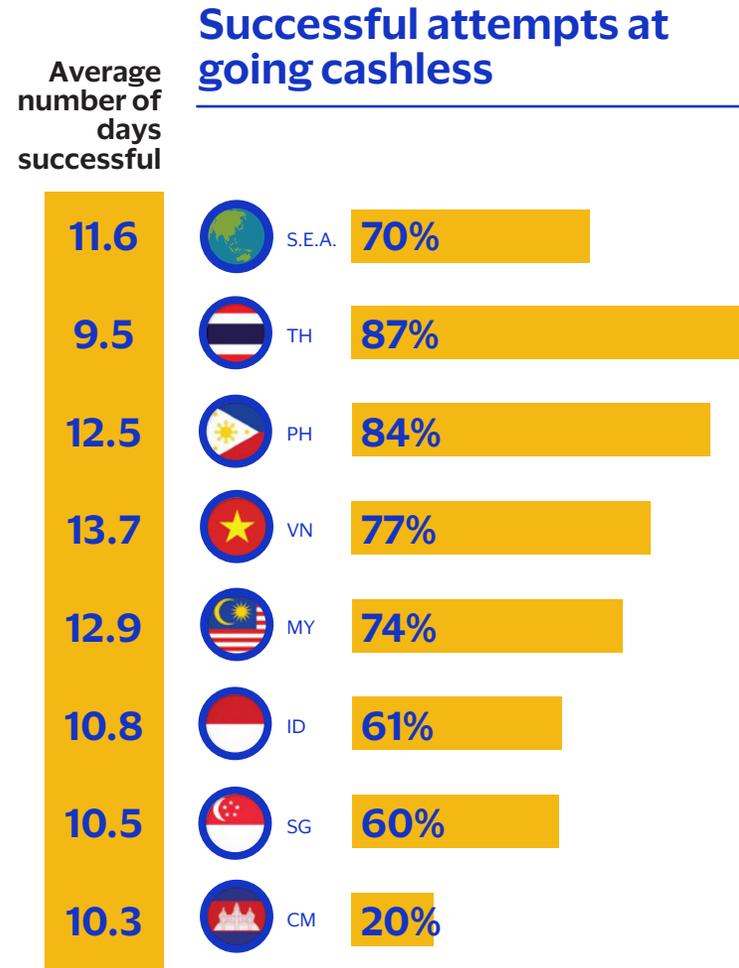
SAFER AND MORE CONVENIENT: MORE CONSUMERS ATTEMPTING TO GO FULLY CASHLESS

With consumers having increasingly digital lifestyles, 70 percent of Southeast Asian consumers have attempted to go fully cashless. This trend is led by Thailand (87%), the Philippines (84%) and Vietnam (77%). More than half of Southeast Asian consumers (53%) believe they can go cashless successfully for a week or longer, especially consumers in Vietnam (64%), Thailand (63%) and the Philippines (62%).

The pandemic accelerated the region's transition towards a cashless society by between at least two to four years for every country except Vietnam. Across the region, the average number of days consumers have been successful in going cashless increased by 14.6 percent to 11.6 days (nearly two weeks). Countries where consumers were most successful in going fully cashless include Vietnam (average of 13.7 days), Malaysia (average of 12.9 days) and the Philippines (12.5 days).

Benefits of a cashless society

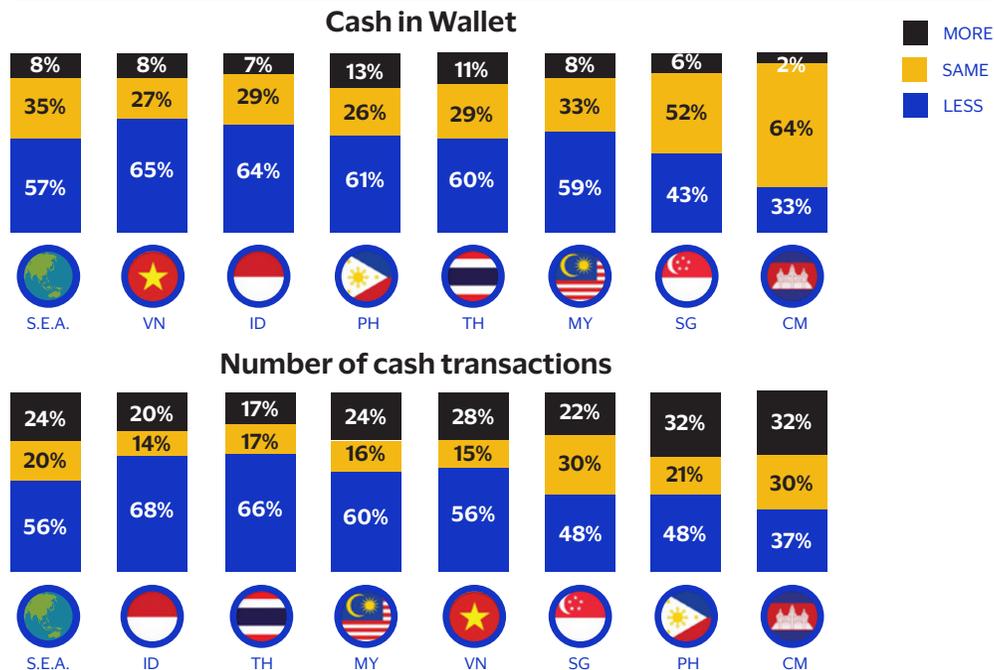
- 59%** Safer transactions
- 56%** Greater convenience and less hassle
- 53%** Ease of tracking financial records



SAFER AND MORE CONVENIENT: MORE CONSUMERS ATTEMPTING TO GO FULLY CASHLESS

Since the start of the pandemic, more than half of Southeast Asian consumers use cash less frequently (56%), particularly those in Indonesia (68%), the Philippines (66%), and Malaysia (60%). Nearly three in five (57%) have less cash in their wallets, especially consumers in Vietnam (65%), Indonesia (64%), and Thailand (61%). Fourteen percent of Southeast Asian consumers currently do not use cash, compared to just 10 percent the previous year. This trend is led by consumers in Cambodia (36%), Singapore (17%) and Malaysia (16%).

Change in cash usage since COVID-19



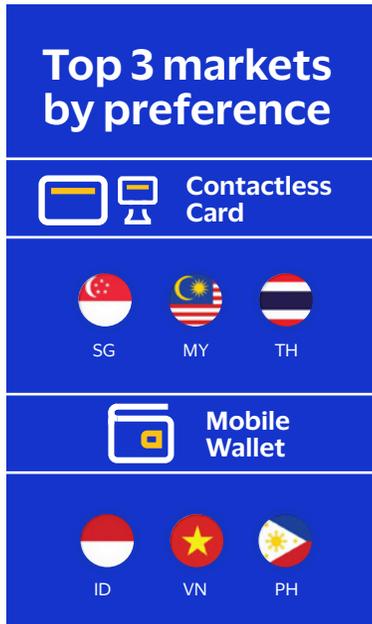
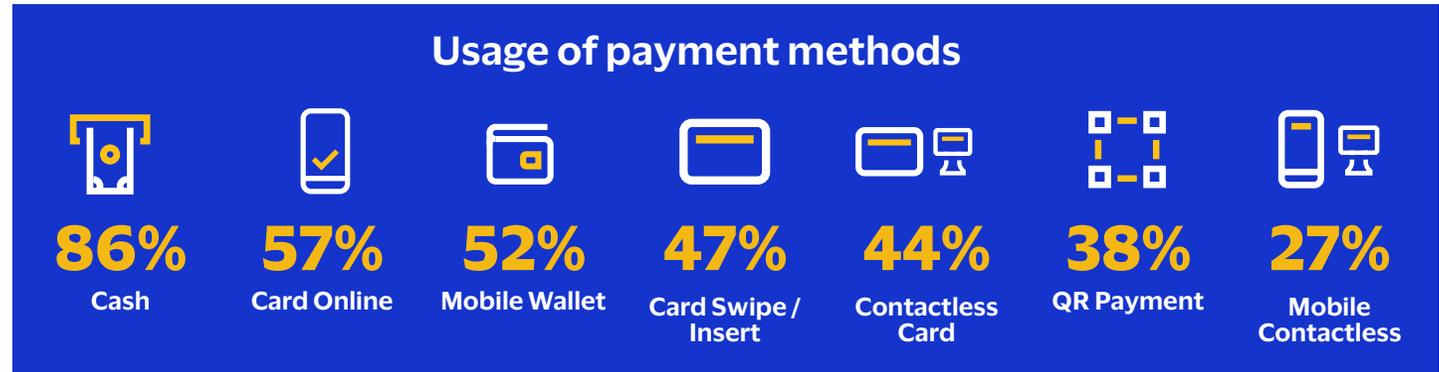
Safety and convenience are key considerations motivating Southeast Asian consumers' usage of cashless payments. Consumers today carry less cash due to rising use of contactless payments (69%) or card payments (49%), safety concerns of carrying cash (43%), greater availability of cashless payment options (42%), and fear of losing the cash they carry (42%).

Reasons for carrying less cash

Use contactless payments more often	PH TH MY ID
Use card payments more often	VN MY ID SG
View cashless as a safer way to pay	TH PH VN ID
Greater availability of cashless payments	PH TH MY SG
Fear of cash getting lost or stolen	PH VN TH ID

USE OF MOBILE WALLETS AND CONTACTLESS CARDS DRIVING CASHLESS PAYMENTS

Payments innovation in recent years has resulted in a wide variety of digital payment methods, with Southeast Asian consumers having more ways to pay. The most commonly used digital payment methods driving the region's shift to cashless include mobile wallets (52%), card payments by swipe/insert (47%) and contactless card payments (44%). Usage of card payments for online transactions (57%) is also high in the region.



However, payment preferences of Southeast Asian consumers remain diverse. Preference for cash in the region is limited to less than one-third of consumers (32%). The most preferred digital payment methods by Southeast Asian consumers include contactless card (12%), mobile wallets (12%) and online card payments (11%).

Preference of payment methods

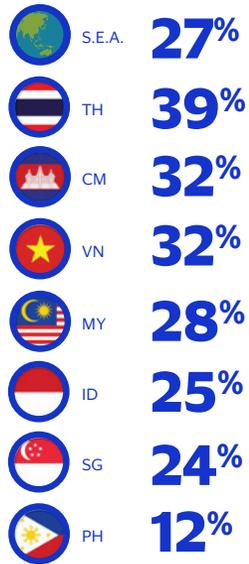
	Cash	Contactless Card	Card Online	Mobile Wallet	QR Payment	Mobile Contactless	Card Swipe / Insert	Others
SEA	32%	12%	11%	12%	7%	5%	7%	14%
CM	62%	29%	22%	21%	19%	11%	8%	20%
PH	49%	15%	15%	17%	11%	9%	8%	18%
VN	33%	12%	11%	13%	7%	9%	8%	15%

USE OF MOBILE WALLETS AND CONTACTLESS CARDS DRIVING CASHLESS PAYMENTS

The past year has seen a large number of first-time users for various digital payment methods in Southeast Asia. Mobile wallets gained the highest traction amongst first-time users (33%), followed by online card (30%) and QR code payments (26%).

Contactless card, mobile contactless and QR code payments are slated for continued growth, driven by high awareness and interest from non-users.

Likely not to use cash after COVID-19



First time usage due to COVID-19





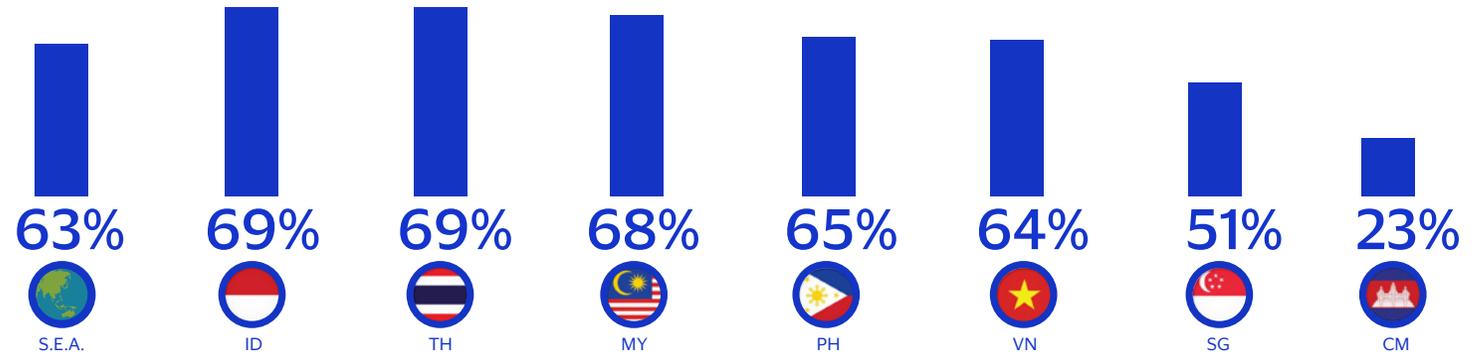
CONTACTLESS CARDS



Contactless cards remain prevalent across Southeast Asia. In the past year, there is growth in both number of users as well as frequency of use for more than half of consumers in Southeast Asia. Nearly half of Southeast Asian consumers (44%) currently use contactless cards, compared to 38 percent in 2020. Popular usage is led by consumers in Singapore (74%), Malaysia (56%) and Thailand (49%). More than three in five Southeast Asian consumers (63%) increased their use of contactless card payments during COVID-19, particularly consumers in Indonesia (69%), the Philippines (69%), and Malaysia (68%).

Contactless cards usage

Increase in use Current vs pre-COVID

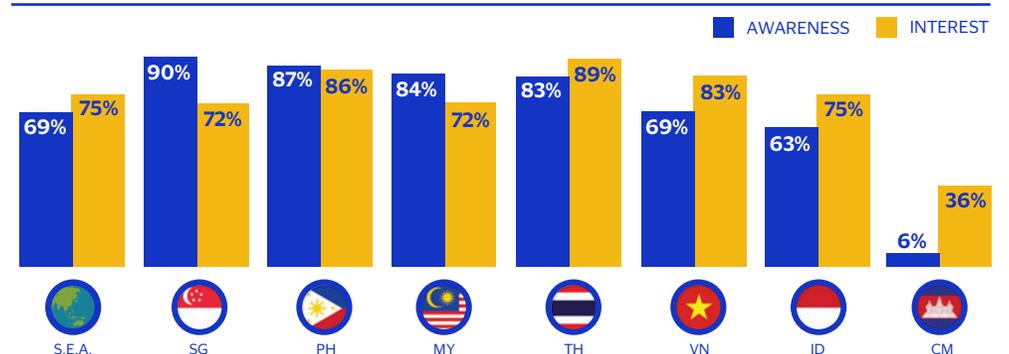


Key drivers of use

- 64%** Convenience of not needing to carry cash
- 59%** Physical safety
- 54%** Ease of set up and use

Contactless cards are poised for further growth in the region, due to high awareness (69%) and interest (75%) among non-users. Awareness is highest in Singapore (90%), Thailand (87%) and Malaysia (84%), consumers in the Philippines (89%), Thailand (86%) and Vietnam (83%) are most interested to use this payment method.

Level of awareness and interest for contactless cards





MOBILE CONTACTLESS



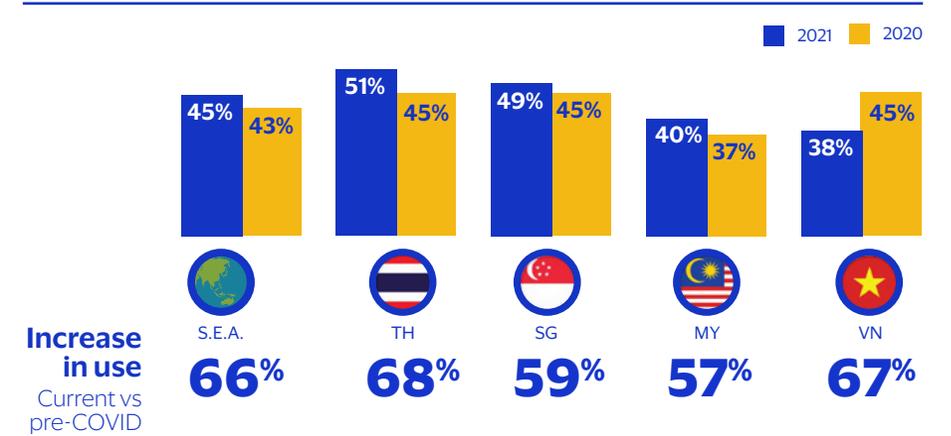
Despite being less common in the region, mobile contactless payments continue to gain traction in markets where they are available – namely Singapore, Malaysia, Thailand and Vietnam. Nearly half of consumers in these markets (45%) currently use mobile contactless payments, compared to 43 percent in the previous year. Use of mobile contactless payments is led by Thailand (51%), Singapore (49%), and Malaysia (40%). Two-thirds of Southeast Asian consumers used mobile contactless payments more frequently since the pandemic, mainly consumers in Thailand (68%), Vietnam (67%) and Singapore (59%).

The growth potential of mobile contactless remains strong in countries where it is currently available due to high awareness (79%) and interest (73%) among non-users. Awareness of mobile contactless payments is strongest in Thailand (88%), Singapore (86%) and Malaysia (80%), while consumers in Thailand (87%), Vietnam (80%) and Malaysia (72%) are most interested to adopt this payment method.

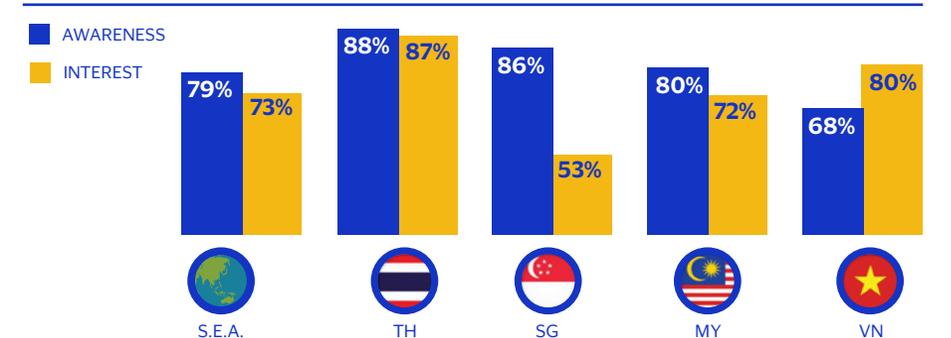
Key drivers of use

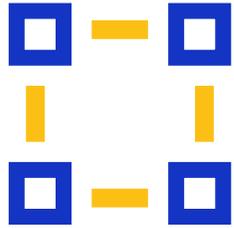
- 
59%
 Convenience of not needing to carry cash
- 
58%
 Physical safety
- 
52%
 Ease of set up and use
- 
50%
 Convenience of not needing to carry card

Mobile contactless usage



Level of awareness and interest for mobile contactless payments





QR CODE PAYMENTS



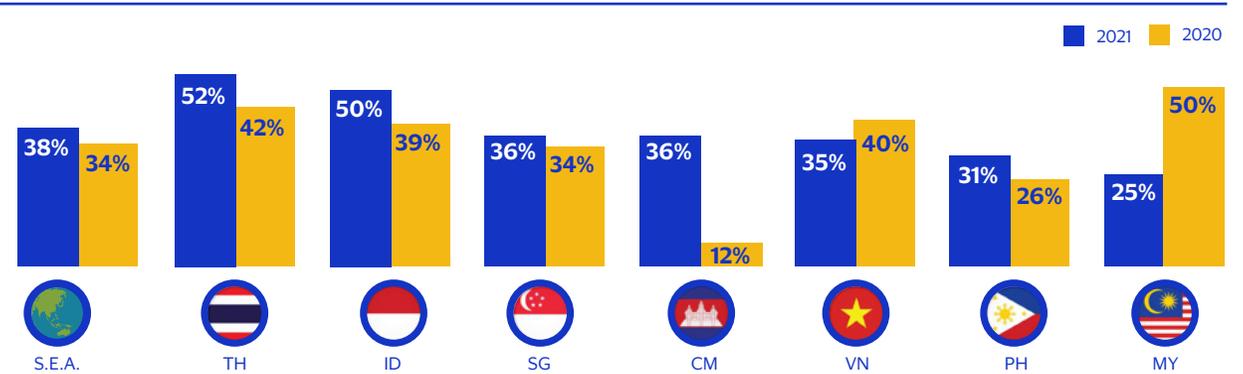
QR codes continue to be widely used beyond payment experiences in Southeast Asia, but less than two in five Southeast Asian consumers currently use QR codes for payments. QR code payments are most often used in Thailand (52%), Indonesia (50%), Singapore (36%) and Cambodia (36%).

The salience of QR codes is likely to drive the growth of QR code payments in Southeast Asia, with high awareness (83%) and interest (74%) from non-users. Consumers in the Philippines (92%), Malaysia (89%), Indonesia (89%) and Thailand (89%) are most aware of QR code payments, and interest in this payment method is led by those in Thailand (89%), the Philippines (84%) and Vietnam (84%).

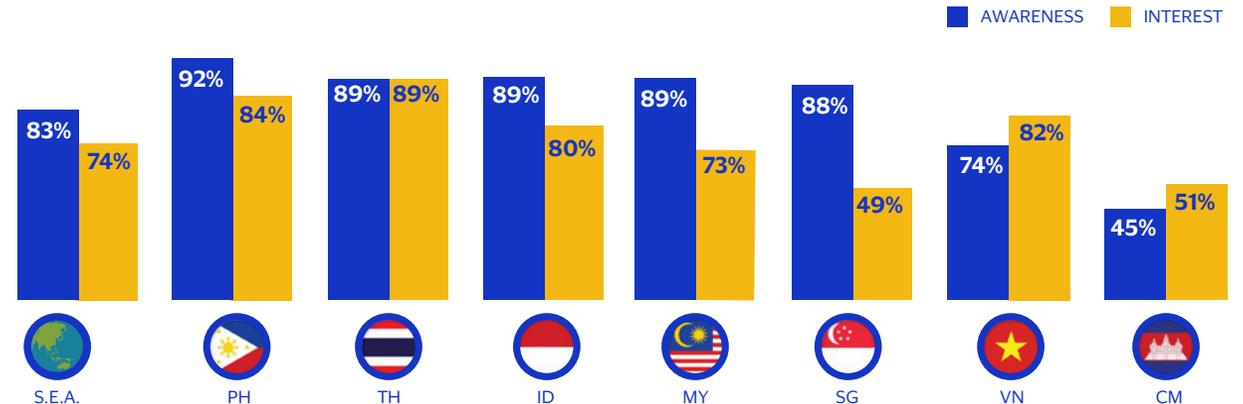
Key drivers of use

- 66%**
 Convenience of not needing to carry cash
- 61%**
 Physical safety
- 60%**
 Ease of set up and use
- 58%**
 Convenience of not needing to carry card

QR code payments usage



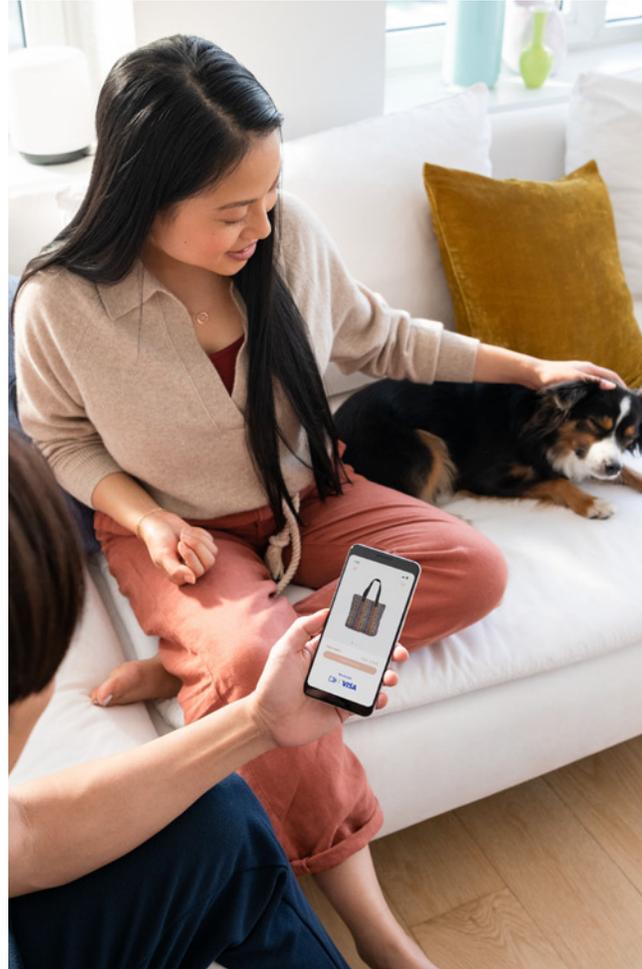
Level of awareness and interest for QR code payments



BUY NOW PAY LATER

Although it is a relatively new payment solution, nearly two-thirds of Southeast Asian consumers have used Buy Now Pay Later (BNPL) solutions — short-term financing solutions that allow consumers to make purchases immediately but pay for them later, often via interest-free instalments. Nearly one in three (29%) Southeast Asian consumers have used it more than twice in the past year, while almost one in five (19%) used it once or twice in the last two years. BNPL is most commonly used by consumers in Thailand (72%), Vietnam (66%) and the Philippines (65%), with more than three in five consumers in these markets trying the payment solution at least once.

Thailand leads Southeast Asia in frequency of BNPL usage, with two in five Thai consumers (41%) using it more than twice in the past year, followed by Indonesia (35%) and the Philippines (31%). Key barriers to the adoption of BNPL solutions across the region include high interest rates (51%), ability of consumers to pay in full (49%), and fear of spending beyond their means (41%).

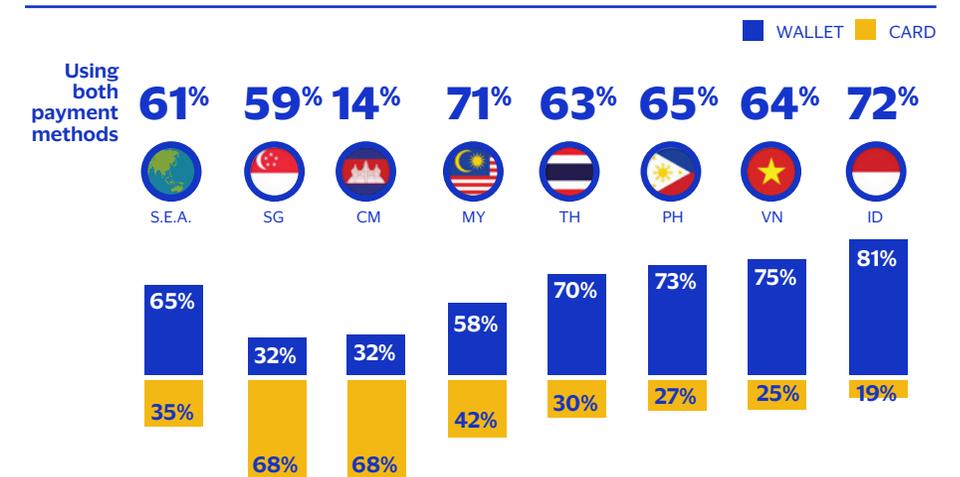


CARD VS MOBILE WALLET PREFERENCE

Cards and mobile wallets are two of the more prevalent digital payment methods in the region. Although three in five Southeast Asian consumers (61%) use both methods, nearly two in three (65%) prefer mobile wallets over cards. Preference for mobile wallets is driven by consumers in Indonesia (81%), Vietnam (75%), and the Philippines (73%), while consumers in Singapore (68%) and Cambodia (68%) show a preference for using their cards to pay.

While both methods are considered fast and convenient, the preference for card payments is driven by wider acceptance by merchants (43%).

Card vs mobile wallet preference



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Digital innovations transforming payment experiences

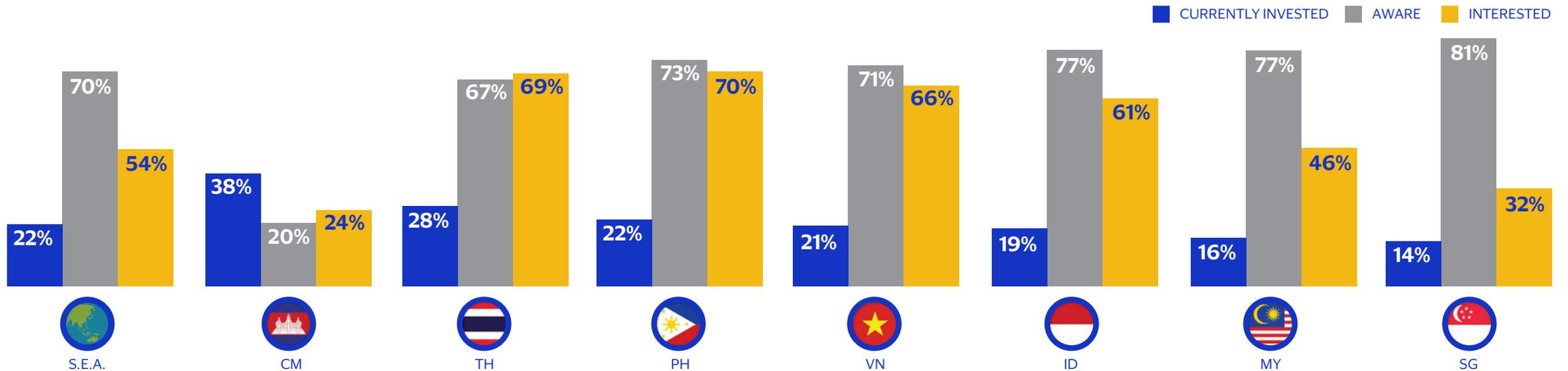


RISING INTEREST IN CRYPTOCURRENCY

Although awareness of cryptocurrency is nearly universal across the region (92%), less than one in four Southeast Asian consumers (22%) have invested in cryptocurrency. However, more than half of those who have not invested in cryptocurrencies (54%) have indicated interest to do so in future, which shows its vast growth potential. The majority of interested consumers are from the Philippines (70%), Thailand (69%), and Vietnam (66%).



Cryptocurrency usage and interest



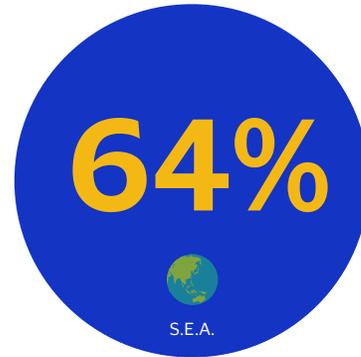
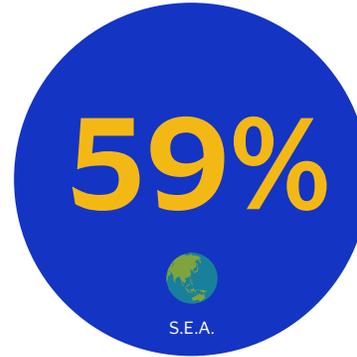
RISING INTEREST IN CRYPTOCURRENCY

Nearly three in five Southeast Asian consumers (59%) are likely to use credit or debit cards to make cryptocurrency-related purchases. The majority of consumers that indicated interest in cryptocurrency investments are from Indonesia, Vietnam, the Philippines and Thailand. Furthermore, nearly two in three consumers (64%) are interested in receiving debit or credit card rewards in the form of cryptocurrencies, viewing them as assets.

Nearly two-thirds of Southeast Asian consumers (64%) have also indicated interest in using cryptocurrencies for payments. Indonesia, Vietnam, the Philippines and Thailand lead the region in this trend. Interested consumers are lured by the convenience of use (53%), novelty of this new payment method (53%) as well as potential incentives and rewards (40%).

Cryptocurrency - For rewards

Interest in using card to make cryptocurrency payments for rewards



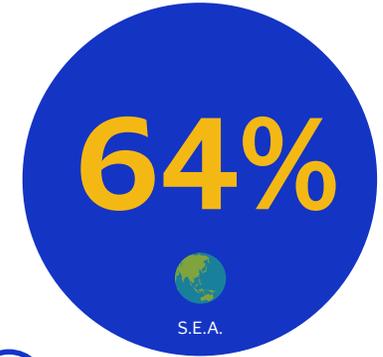
Interest in cryptocurrency rewards

Among those who pay with credit/debit cards



Cryptocurrency - For payments

Interest in making payments using cryptocurrency



Interested groups



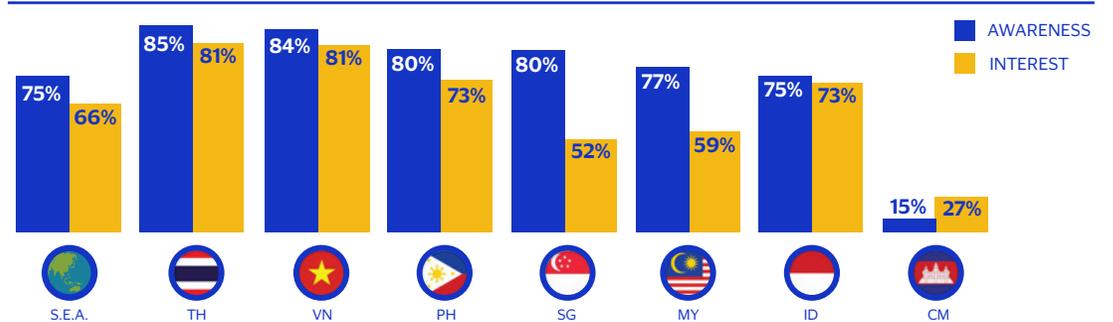
Reasons for interest



SPEED AND CONVENIENCE DRIVES INTEREST IN BIOMETRIC PAYMENTS

Awareness of biometric payments remains high among Southeast Asian consumers (75%), but certain barriers to usage mute consumer interest. Only two-thirds of consumers (66%) are interested in biometric payments, with consumers from Thailand (81%), Vietnam (81%), Indonesia (73%), and the Philippines (73%) leading the region. While convenience (59%), the novelty of the payment method (56%), and transaction security (53%) drive interest in biometric payments, more needs to be done to address concerns around the security of consumers' biometric data (43%), potential difficulties during setup (32%), as well as the reliability and availability of such transactions (28%).

Level of awareness and interest for biometric payments



Drivers of use

- 59%** Greater speed and convenience
- 56%** Novelty of payment method
- 53%** More secure transactions
- 48%** Not having to carry physical cards
- 48%** Safer transactions

Barriers of use

- 43%** Security concerns around biometric data
- 32%** Potential difficulty of set-up
- 28%** Lack of widespread acceptance
- 28%** Inconsistent or unreliable transactions
- 27%** Concerns about the hygiene of biometric instruments

Finger scanning (87%) and facial recognition (72%) remain the most popular biometric payment methods, likely due to their current widespread usage on mobile devices. Interest in voice recognition (45%) and retinal scans (44%) for payment is much more conservative.

Popular categories



FINGERPRINT SCAN

- 66%** Bills
- 64%** Public transport
- 63%** Supermarket
- 63%** Convenience store



FACIAL RECOGNITION

- 44%** Overseas travel
- 41%** Education
- 39%** Health & fitness



VOICE RECOGNITION

- 20%** Overseas travel
- 20%** Taxis & ride-sharing
- 20%** Health & fitness



RETINA SCAN

- 24%** Overseas travel
- 20%** Education
- 20%** Health & fitness

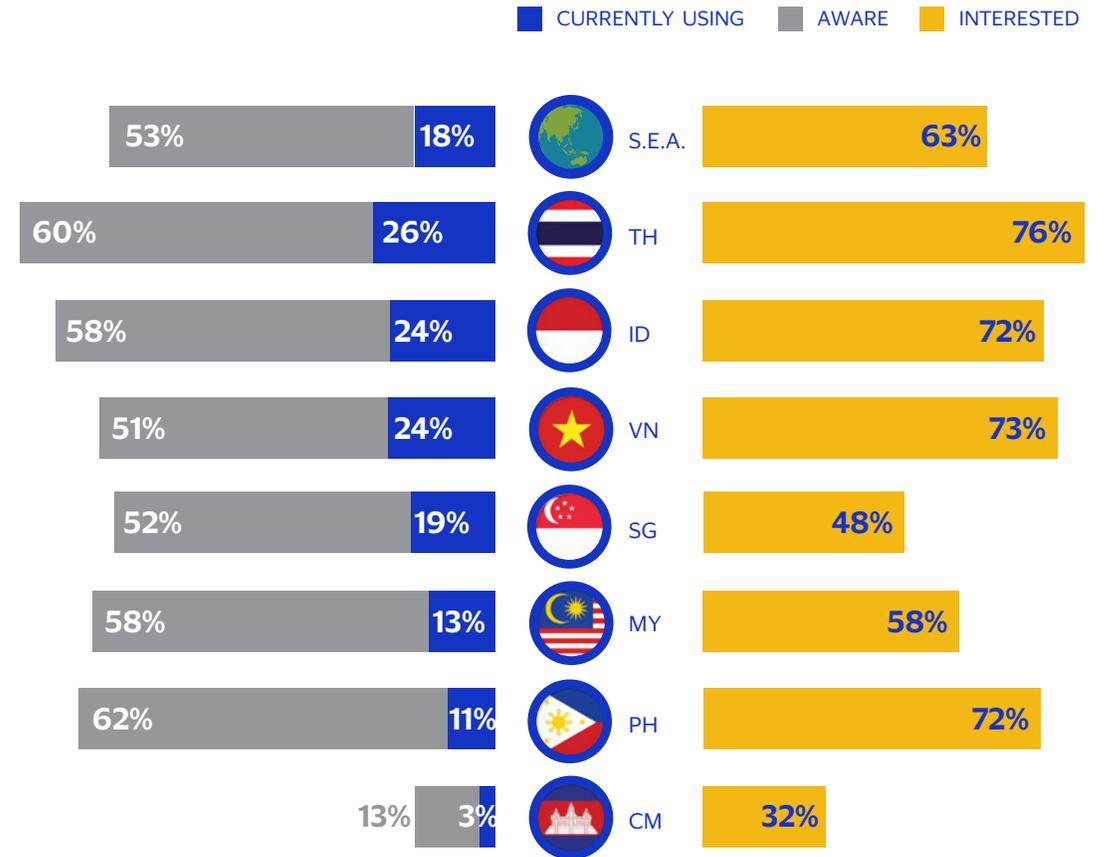
DIGITAL IDENTITIES SLATED TO POWER DIGITAL LIFESTYLES

With Southeast Asian consumers living increasingly digital lifestyles, digital identities like Singapore’s Singpass, Thailand’s NDID, and Indonesia’s VIDA, are slated to grow. While current ownership of digital identities in the region is low (18%), both awareness (71%) and interest among non-owners (63%) are relatively high. Digital identity ownership, awareness, and interest are highest in Thailand, Indonesia, and Vietnam, and are expected to show strongest growth.

TOP CONCERNS



Level of usage and interest for digital identity



Drivers of use

- 57%** Convenience
- 51%** Safer transactions
- 49%** Ease of use
- 48%** Novelty of digital identities
- 48%** Usefulness of having information connected online

Barriers of use

- 43%** Data security concerns
- 38%** Privacy concerns around personal information
- 29%** Lack of trust in digital identity solution provider
- 26%** Lack of familiarity with digital tools
- 25%** Lack of understanding of digital identities

DIGITAL IDENTITIES SLATED TO POWER DIGITAL LIFESTYLES

The use of digital identities in Southeast Asia revolves heavily around three core activities. Online transactions rank first (51%), with Thailand (58%), Indonesia (53%), and the Philippines (53%) leading the region. Nearly half of Southeast Asian consumers (49%) also use digital identities for financial management, which is mostly conducted in Vietnam (53%),

Indonesia (51%), and Singapore (50%). Many consumers also use digital identities to connect to public services (46%), with governments in Indonesia (54%), Singapore (51%), and Vietnam (45%) showing the highest adoption rates in the region.

Top uses of Digital Identities

Authenticating online transactions	Accessing public services	Consolidating financial information	Opening bank accounts	Registering for new services
51%	46%	49%	45%	42%
58%	54%	53%	49%	48%
53%	51%	51%	48%	44%
53%	45%	50%	47%	43%





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Lasting consumer preferences and expanding shopping journeys

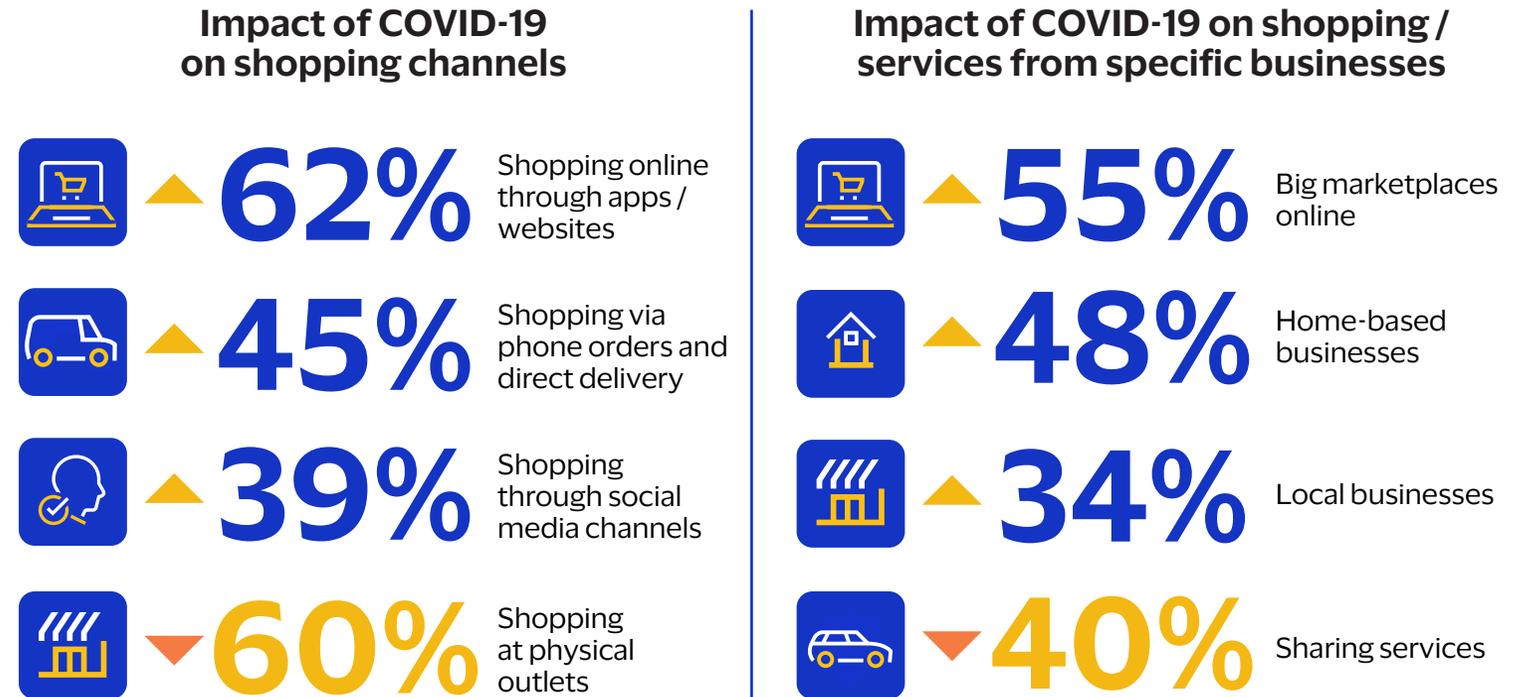


ECOMMERCE CONTINUES TO GROW AS CONSUMERS EXPLORE NEW SHOPPING CHANNELS

eCommerce continues to be widely used across the region; almost two in three (62%) Southeast Asian consumers shopped more frequently through apps or websites. However, with the emergence of new retail options and experiences, consumers are also exploring a variety of shopping channels. Almost half of Southeast Asian consumers (45%) shopped more frequently via proximity stores (direct delivery at home after ordering by phone) and almost two in five (39%) shopped more frequently via social media. Online shopping is becoming a growing habit, with three in five consumers shopping less frequently at physical outlets compared to two in five (44%) in 2020.

Big online marketplaces continue to rise in popularity during the pandemic, with more than half of Southeast Asian consumers (55%) patronising them more frequently. Nearly half (48%) and more than one-third of consumers (34%) also shop more often to support home-based and local businesses respectively.

Change in use of shopping channels



ECOMMERCE CONTINUES TO GROW AS CONSUMERS EXPLORE NEW SHOPPING CHANNELS

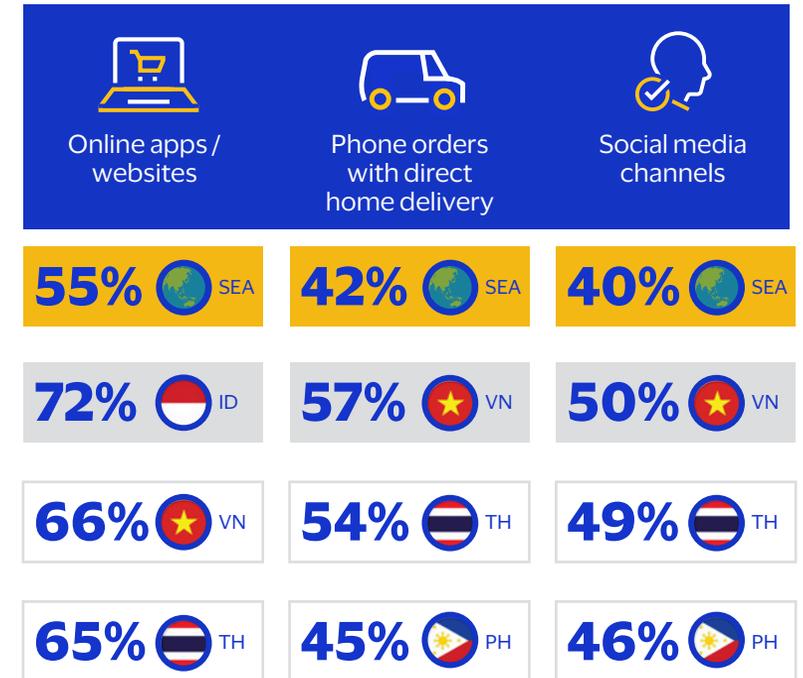
The stickiness of online shopping habits established during the pandemic should not be overlooked, with many consumers sustaining their digital-first habits beyond COVID-19.

New shopping channels have also gained traction during the pandemic. More than half of consumers (55%) shopped online via applications or websites for the first time due to COVID-19, and this trend was led by consumers in Indonesia (72%), Vietnam (66%), and Thailand (65%). Two in five Southeast Asian consumers also shopped with proximity stores (42%) and via social media channels (40%) for the first time. Vietnam, Thailand, and the Philippines are frontrunners for both trends.

Current shopping behaviour



New shopping channels during the pandemic



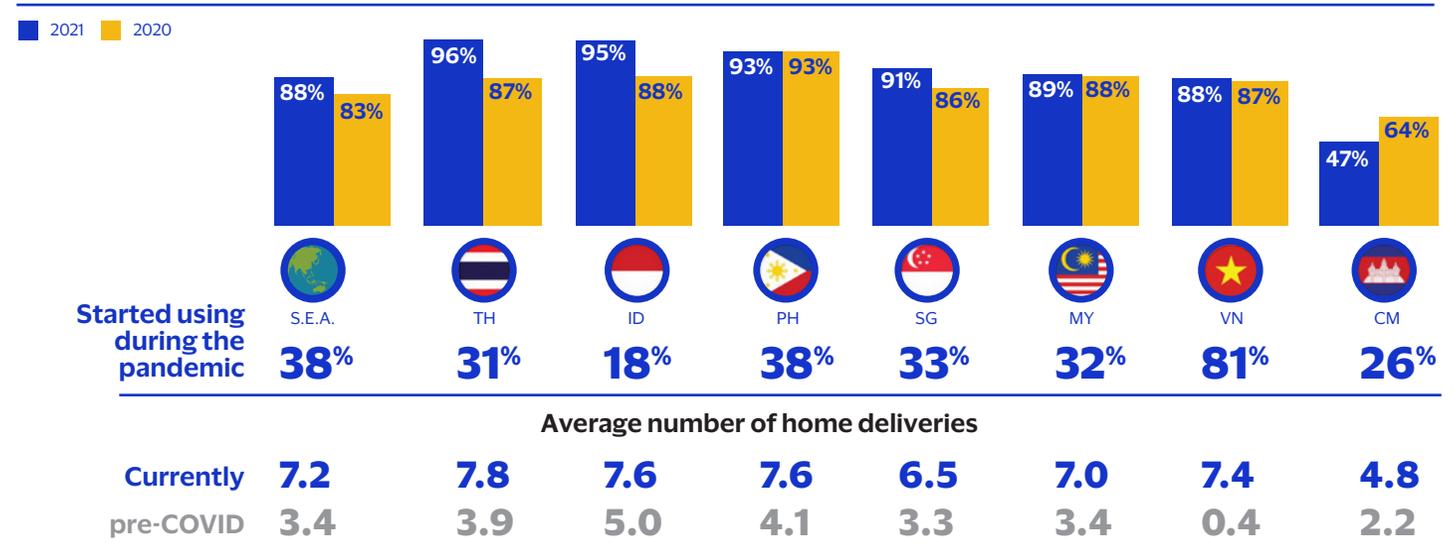
HOME DELIVERY GROWS IN POPULARITY AMONG CONSUMERS

The pandemic has further accelerated the growth of home delivery across the region, with 88 percent of Southeast Asian consumers now using home delivery, compared to 83 percent in 2020. Home delivery is particularly popular among consumers in Thailand (96%), Indonesia (95%) and the Philippines (93%).

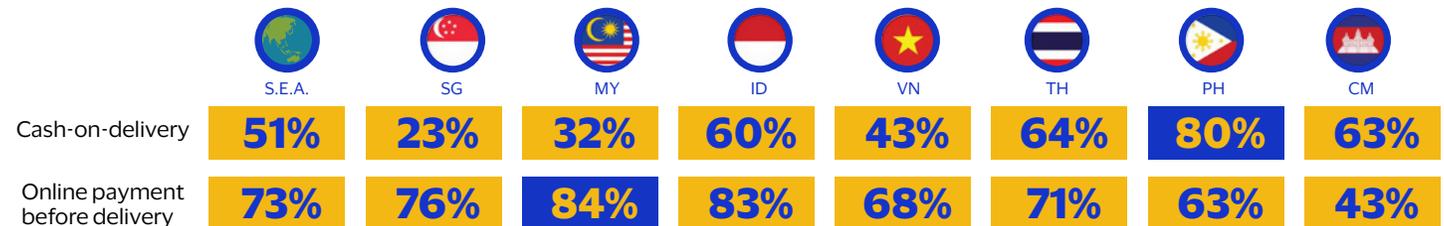
Almost two-fifths (38%) of consumers used home delivery for the first time during the pandemic. The frequency of home deliveries has also increased dramatically, with Southeast Asian consumers opting for home delivery an average of 7.2 times out of 10 (compared to an average of 3.4 times out of 10 pre-pandemic). Consumers in Thailand, Indonesia and the Philippines lead the region in frequency of home deliveries.

Almost three in four consumers use online payment before delivery (73%), making it the top preferred payment method for deliveries in Southeast Asia. This trend is led by Malaysia (84%), Indonesia (83%), and Singapore (76%). There is opportunity for growth in markets such as the Philippines (63%) and Cambodia (43%), where cash-on-delivery remains the default payment method for home deliveries.

Home delivery usage



Home delivery - Payment methods used



CONSUMERS EAGER TO RESUME PRE-PANDEMIC ACTIVITIES

Since the onset of the pandemic, consumer expenses have been heavily home-based, with increased spending in groceries (35%), home office equipment (28%), and content platform subscriptions (26%).



Consumers remain hopeful for travel opportunities as economies and governments worldwide adjust to COVID-19. Categories they are most eager to spend on include domestic travel (22%), international travel (20%), and staycations (12%).

Categories that saw increased spending

- 35%** Groceries
- 28%** Home office equipment
- 26%** Content platform subscriptions

Categories that saw reduced spending

- 38%** Out-of-home entertainment
- 38%** Fine-dining
- 36%** Luxury items and accessories

Categories that saw postponed spending

- 30%** International travel
- 28%** Domestic travel
- 27%** Out of home entertainment

Categories most eager to spend on

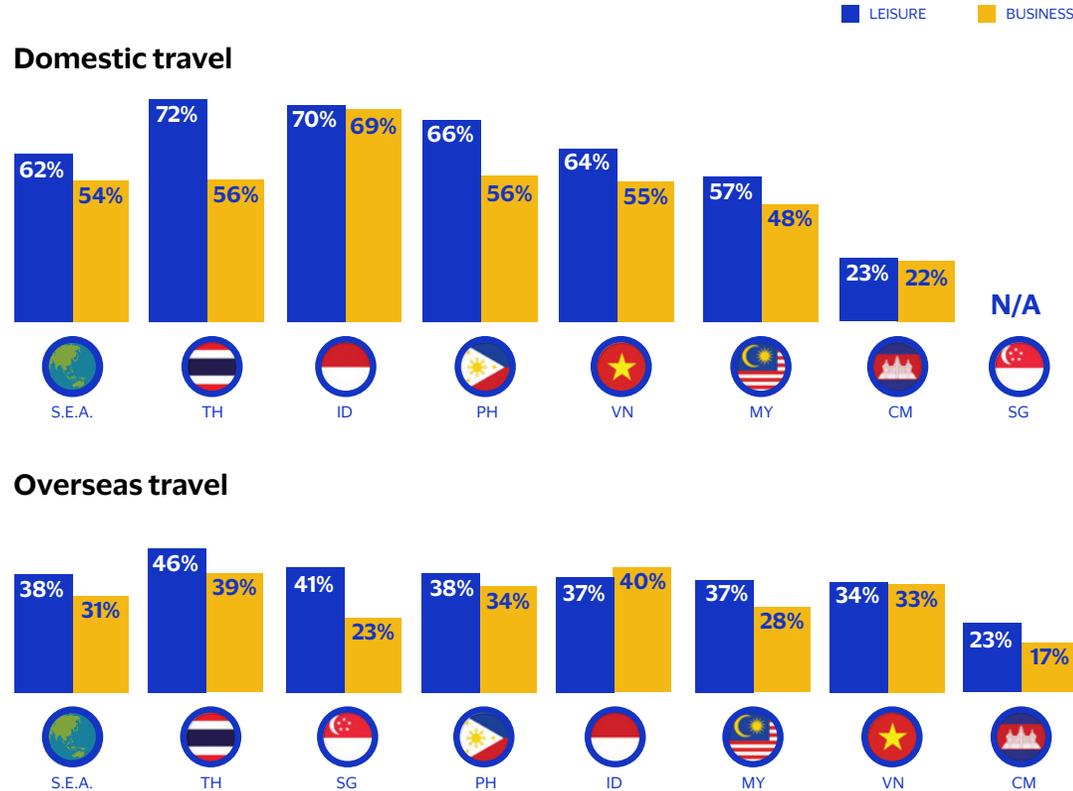
International travel	Domestic travel	Staycations	Out-of-home entertainment	Fine dining
20% SEA	22% SEA	12% SEA	7% SEA	7% SEA
43% SG	27% CM	18% CM	15% ID	11% PH
21% MY	26% MY	16% PH	7% MY	10% MY
20% TH	25% VN	13% ID	7% SG	10% SG

CONSUMERS EAGER TO RESUME PRE-PANDEMIC ACTIVITIES

Almost two in three (62%) Southeast Asian consumers are likely to travel domestically in the next 12 months, led by Thailand (72%), Indonesia (70%) and the Philippines (66%).

However, consumers remain cautious about international travel, with less than 2 in 5 (38%) likely to travel overseas in the next 12 months. Consumers from Thailand (46%), Singapore (41%) and the Philippines (38%) are most likely to travel overseas in the near future.

Likelihood of travels in next 12 months



Consumers remain wary of the global situation, listing vaccination rates (55%), the stability of the COVID-19 situation at the destination (53%) and a decline in global cases of COVID-19 (45%) as key considerations when contemplating travel.

Travel considerations

Being vaccinated	55%
Stability of COVID situation at destination	53%
Global cases of COVID decreasing	45%
Safe travel advisory from government	38%
Good medical facilities (including COVID care) at destination	30%
Hotels sterilisation and social distancing measures	30%
COVID insurance	29%
Travel discounts / promotions	28%
COVID safety measures put in place by authorities	28%
Airlines apply sterilisation and social distancing measures	26%

VISA

**Enhancing retail for
seamless consumer
experiences**



REDEFINING ECOMMERCE WITH LIVESTREAM SHOPPING

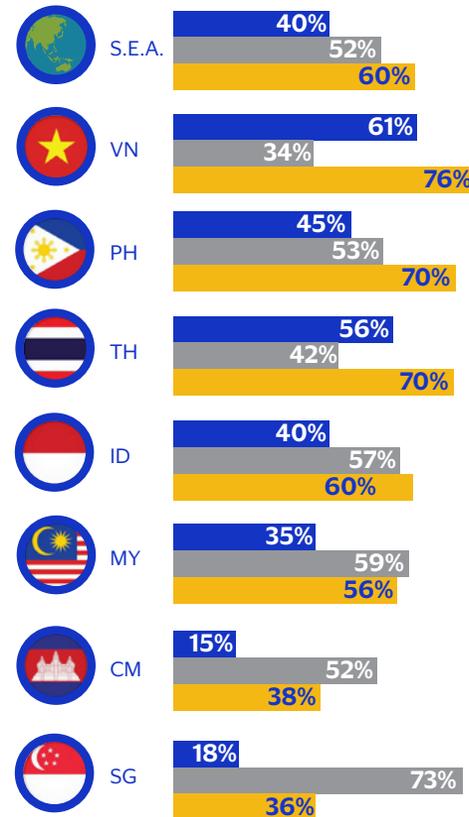
Livestream shopping has surged in popularity across Southeast Asia, with 92 percent of consumers being aware of it and 78 percent trying it. Thailand leads in awareness for livestream shopping (98%), followed by the Philippines (98%) and Indonesia (97%). Two in five Southeast Asian consumers (40%) have made purchases through livestream shopping, with Vietnam leading (61%) followed by Thailand (56%) and the Philippines (45%).

The trend is expected to grow, with three in five non-users showing interest in livestream shopping (60%). Interest among non-users is led by Vietnam (76%), followed by Thailand (70%) and the Philippines (70%).

Key drivers of purchasing via livestream shopping include affordable prices and promotions (62%), a host's ability to explain product features well (51%), and consumers' ability to view features of the product and to learn more about it during the livestream (37%). Notably, consumers tend to prefer livestream hosts who are social media influencers, followed by celebrities and owners or representatives of e-shops.

Livestream shopping

■ PURCHASED ■ AWARE ■ INTERESTED



Motivations to purchase

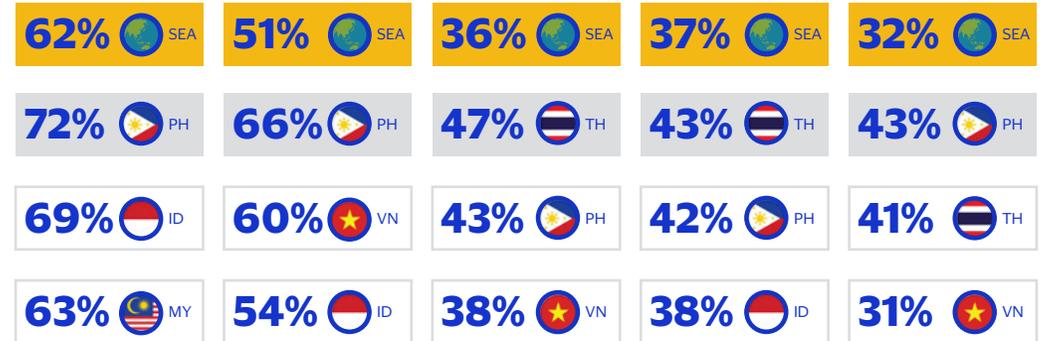
More affordable prices

Host explains the product specifications well

It's a modern and innovative way to shop

Able to see the product's features and get familiar with it

Host is trustworthy and credible

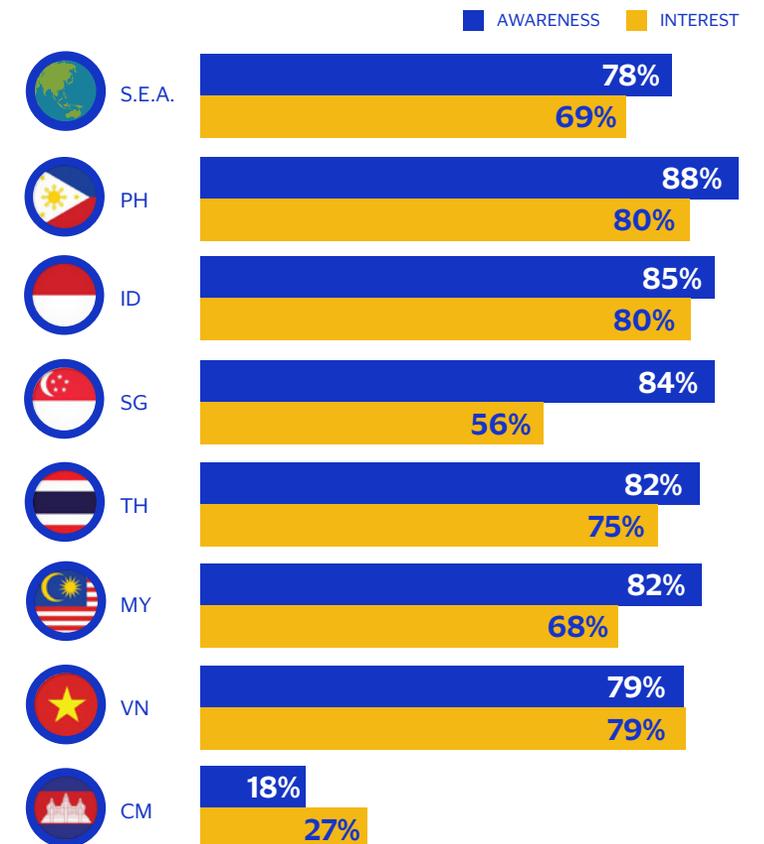


SMARTER SHOPPING WITH SMART DEVICES

Awareness and interest in smart devices such as smartphones, tablets, and smart watches are high for the majority of consumers across Southeast Asia, except for Cambodia. Seventy-eight percent of Southeast Asian consumers are aware of smart devices, with the Philippines leading (88%) followed by Indonesia (85%) and Singapore (84%). Sixty-nine percent of Southeast Asian consumers are interested in smart devices, with Indonesia leading (80%) followed by the Philippines (80%) and Vietnam (79%).

Key drivers of interest in smart devices include their novelty (61%), greater speed and convenience (53%) and consumers' desire to keep up with the latest technology and trends (52%). However, consumers need to be assured on concerns about transaction security (41%), potential difficulties during setup (35%) and concerns that the devices might be difficult to use (33%).

Level of awareness and interest for smart device payments



Drivers of interest

- 61%** It's an innovative / modern way to pay
- 53%** I think it is faster and more convenient
- 52%** I want to keep up with the latest technology / trends
- 51%** I am curious about it and would like to try something new
- 48%** It is a secure way of making payments

Barriers to interest

- 41%** I am not sure about the security of the transaction
- 35%** It may be difficult to set up
- 33%** I will find it difficult to use
- 31%** I am worried about additional charges
- 29%** The transactions may not go through / not work consistently

VISA

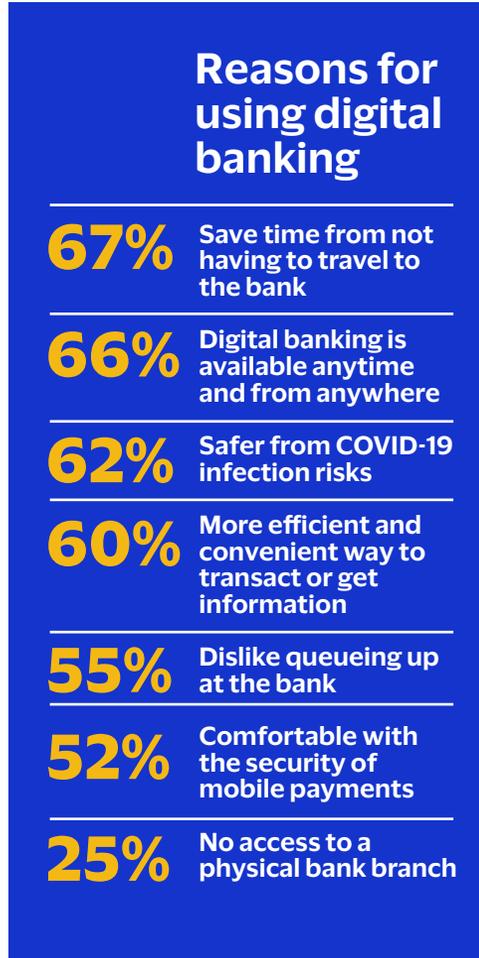
**Digital is here –
The next evolution
of banking**



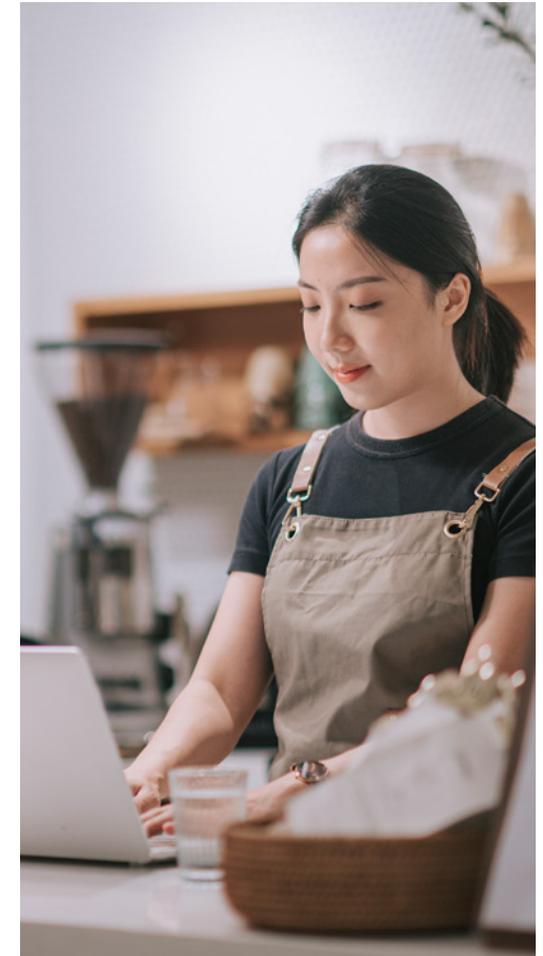
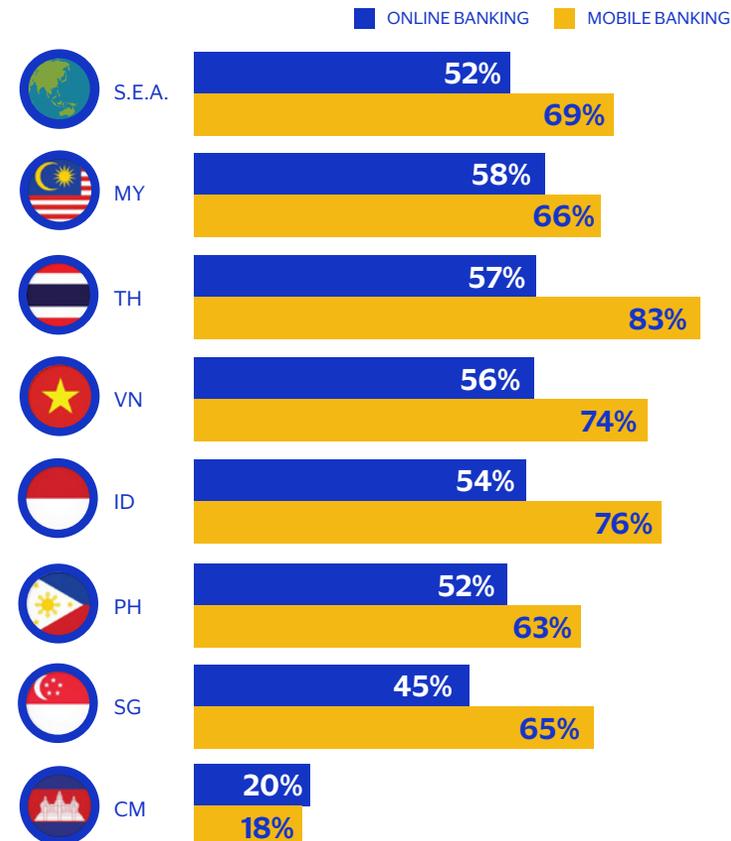
COVID-19 HAS ACCELERATED THE SHIFT TO ONLINE BANKING SERVICES

COVID-19 has accelerated the shift to online and mobile banking services, which have grown in popularity in Southeast Asia. More than half of Southeast Asian consumers (52%) use online banking at least once a week, while more than two-thirds (69%) use mobile banking at least once a week.

Key motivators behind the use of online and mobile banking include time saved from visiting physical bank branches (67%), being able to perform banking transactions anytime and anywhere (66%) and physical safety (62%).



Level of awareness and interest for digital banking

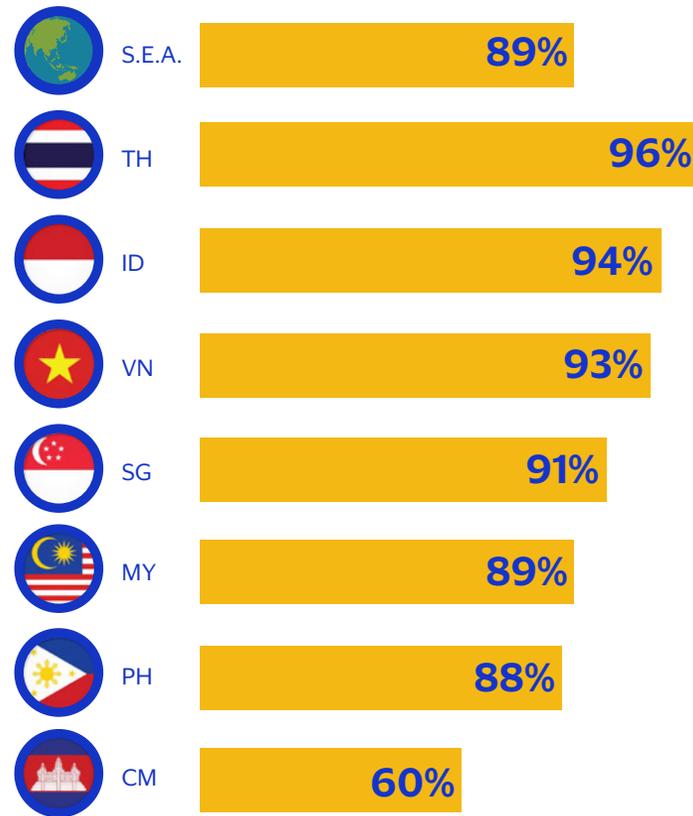


COVID-19 HAS ACCELERATED THE SHIFT TO ONLINE BANKING SERVICES

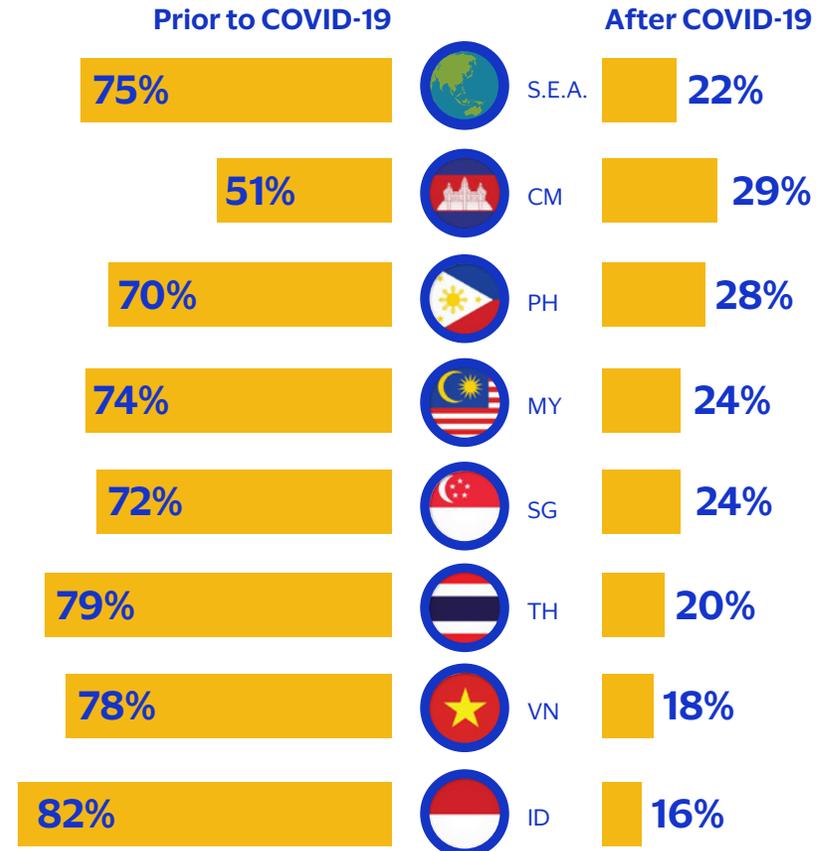
Currently, 89 percent of Southeast Asian consumers have a mobile banking app installed on their phone, with Thailand in the lead (96%) followed by Indonesia (94%) and Vietnam (93%).

In addition, three in four Southeast Asian consumers (75%) were already using mobile banking apps prior to COVID-19, and more than one in five (22%) became first-time users during the pandemic. Countries with the most first-time users during the pandemic include Cambodia (29%), the Philippines (28%), Singapore (24%) and Malaysia (24%).

Mobile banking app installed



First time users of mobile banking app



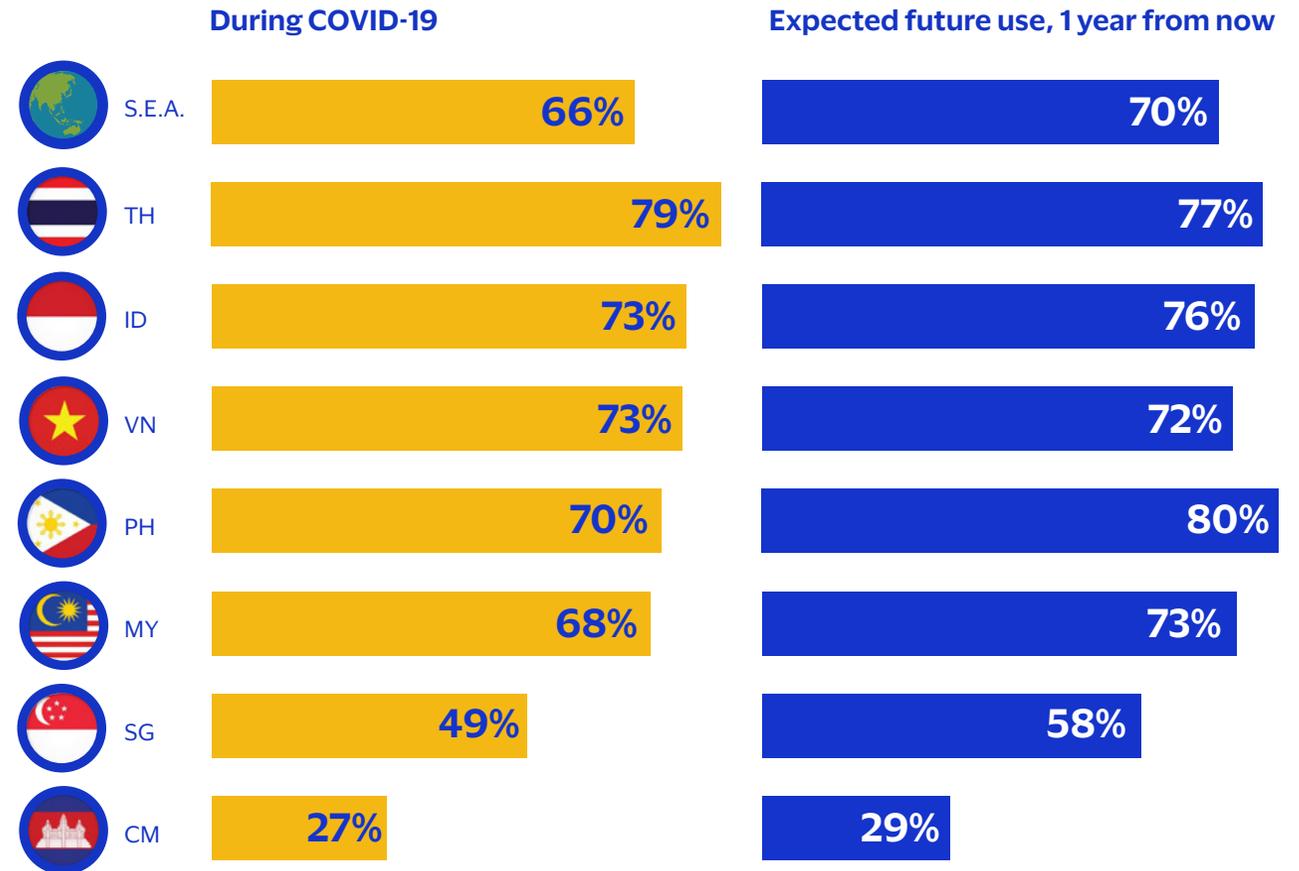
COVID-19 HAS ACCELERATED THE SHIFT TO ONLINE BANKING SERVICES



During the pandemic, two-thirds of Southeast Asian consumers (66%) also increased their usage of online and mobile banking services, with Thailand in the lead (79%) followed by Indonesia (73%) and Vietnam (73%).

With 70 percent of Southeast Asian consumers expecting to increase their usage in the next year, online and mobile banking services are slated to grow even further. Consumers from the Philippines (80%) are expected to drive the growth of online and mobile banking services in the region, followed by those from Thailand (77%) and Indonesia (76%).

Increase in usage of online / mobile banking services

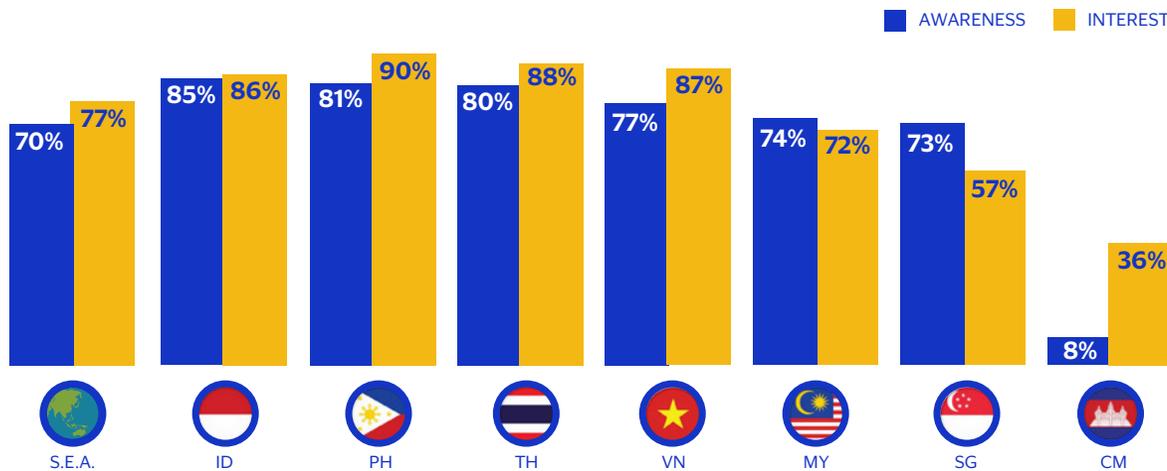


DIGITAL BANKS POISED FOR GROWTH IN SOUTHEAST ASIA

Digital banks are well-positioned for growth in Southeast Asia, where there is generally high awareness and interest from consumers. Seventy percent of consumers are aware of digital banks, with Indonesia in the lead (85%) followed by Thailand (81%) and the Philippines (80%). Furthermore, 77 percent of consumers are interested in services offered by digital banks, particularly consumers from Thailand (90%), the Philippines (88%), and Vietnam (87%).

Southeast Asian consumers are most interested in digital banking services offered by existing banks (87%), followed by well-known non-financial brands (79%), financial services companies (76%) and new startups (70%). The top services that consumers are interested in from digital banks include bill payments (65%), money transfers (65%) as well as deposits and withdrawals (65%).

Level of awareness and interest for digital banking



Interest in types of companies for digital banking



DIGITAL BANKS POISED FOR GROWTH IN SOUTHEAST ASIA

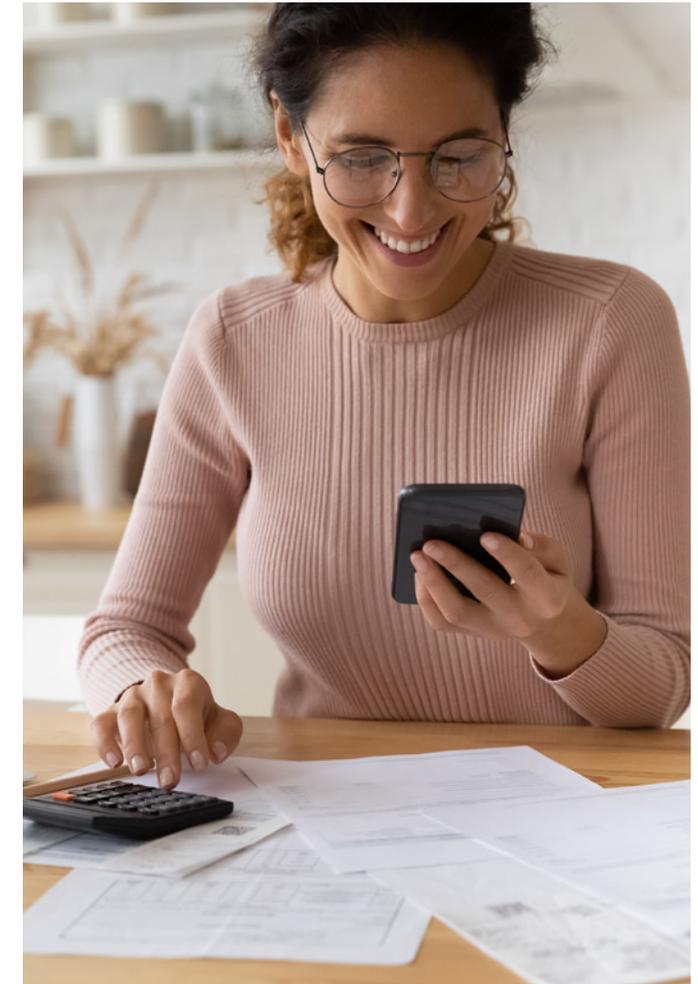
Southeast Asian consumers are also interested in having a fully-digitalised process for common banking processes such as account opening and loan approvals (72%), contactless kiosks for transactions (70%), live interactions with bank employees online via an app (69%), blockchain-based technology for data transparency (68%) and AI banking assistants at flagship bank branches (62%).

Interest in types of services

- 72%** Fully digital process for account opening, loan approvals, etc.
- 70%** Contactless kiosks for transactional service instead of self-service touchscreens
- 69%** Live interactions with bank employees online through digital app
- 68%** Blockchain-based technology for transparency of data
- 62%** AI-based banking assistant robots at flagship bank branches

Services interested in from a digital bank

Paying bills	Money transfers to family & friends	Deposits & withdrawals	Making payments for purchases at retail locations	Investments	International money transfers	Loans
65%	65%	65%	58%	49%	42%	40%
83%	81%	76%	70%	59%	51%	49%
72%	76%	74%	65%	59%	50%	48%
71%	71%	71%	65%	52%	48%	46%

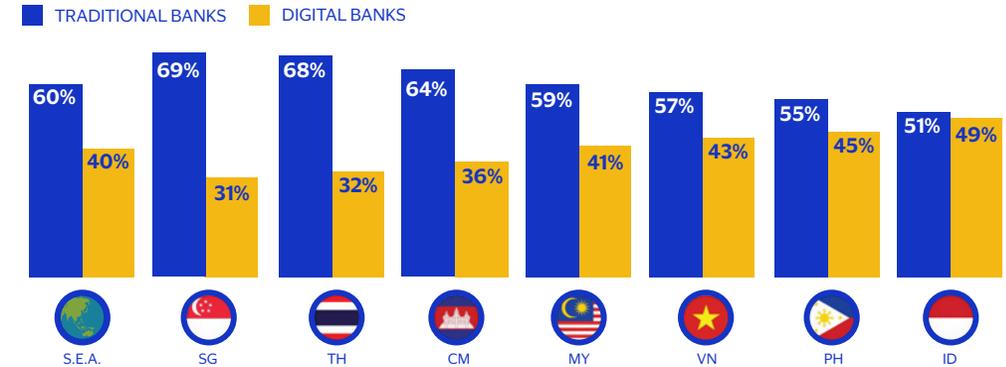


DIGITAL BANKS POISED FOR GROWTH IN SOUTHEAST ASIA

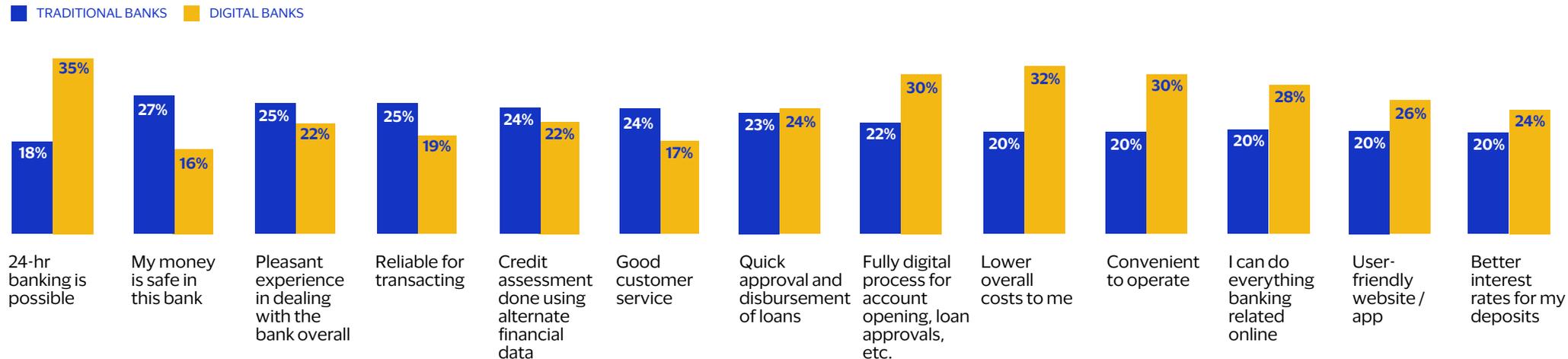
However, many consumers still prefer to hold their main banking accounts with traditional banks (60%) rather than with digital banks.

Despite this, digital banks are preferred in the areas of offering 24-hour banking (35%), lower overall costs (32%) and convenience (30%). Traditional banks on the other hand are preferred for safety (27%), reliability (25%) and positive customer experiences (24%). Consumer receptiveness towards digital banks is significantly higher in Indonesia (49%) and the Philippines (45%) compared to other markets.

Preference for digital banks vs traditional banks



Perceptions of digital banks vs traditional banks



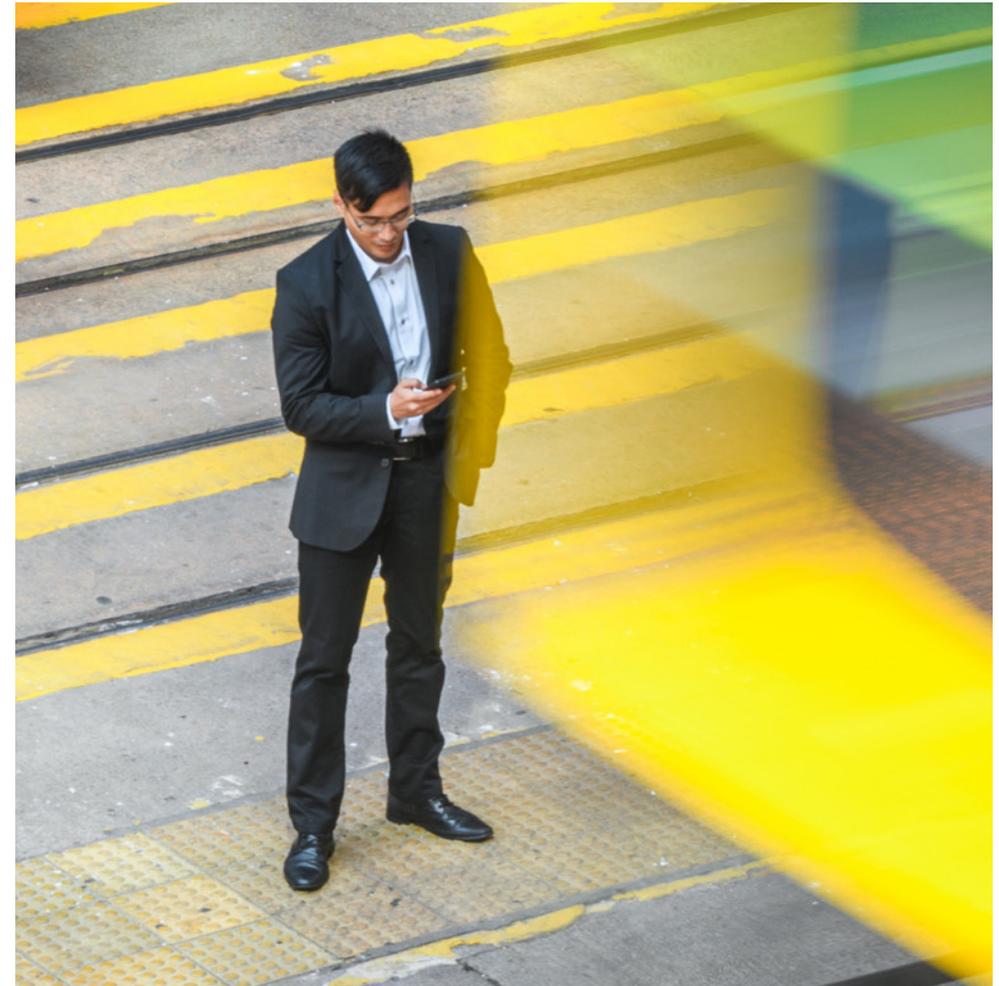
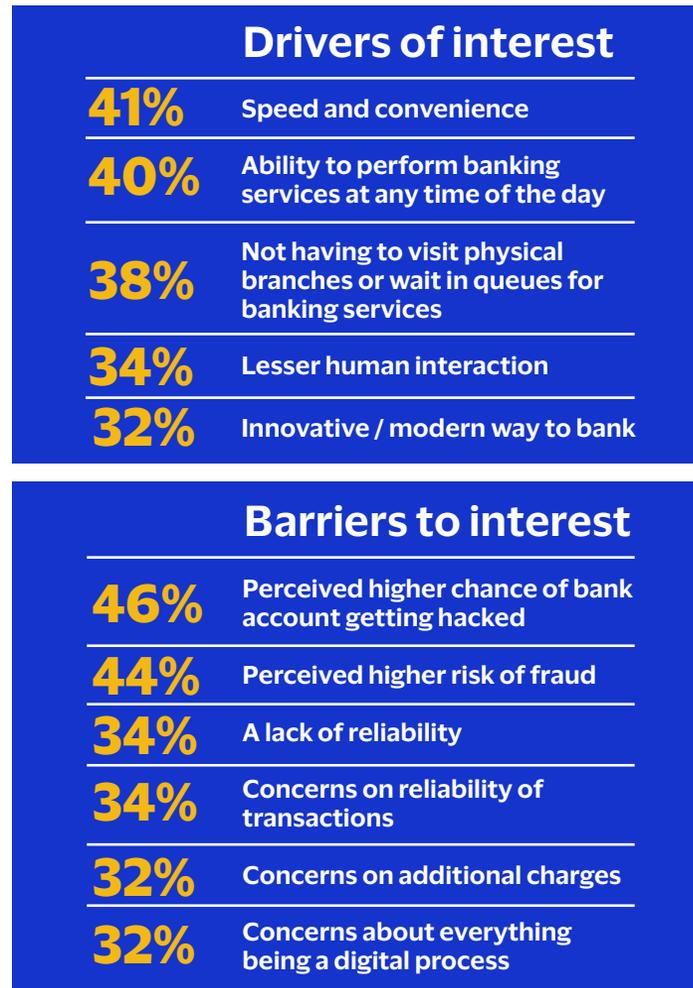
I would like to use this as my main banking account

60%

40%

DIGITAL BANKS POISED FOR GROWTH IN SOUTHEAST ASIA

Considering this, the adoption of digital banking services is expected to rise as Southeast Asia’s banking landscape continues to see liberalisation. In Singapore for instance, four recipients of digital banking licenses plan to begin operations in 2022², and the Philippines granted six digital banking licenses in 2021³. Malaysia has just awarded five digital banking licenses in April 2022⁴, while Thailand⁵ and Indonesia⁶ are exploring licenses for fully digital banks.



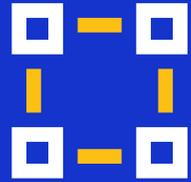
VISA

Market snapshots





CAMBODIA

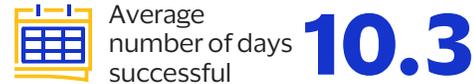
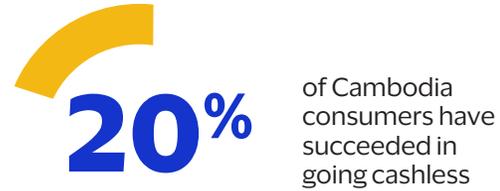


QR codes in Cambodia have significantly grown with more than 1/3 of consumers currently using (mostly Gen Y)

USAGE

>1/3

Success of going cashless

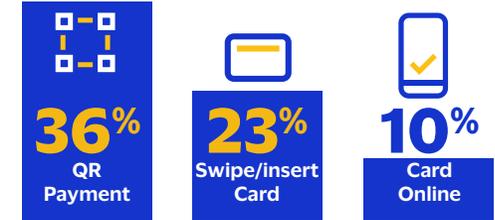


When Cambodia can be a cashless society

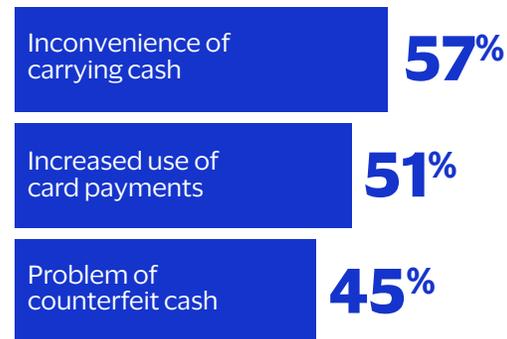
COVID-19 has accelerated consumer expectations of Vietnam becoming a cashless society by



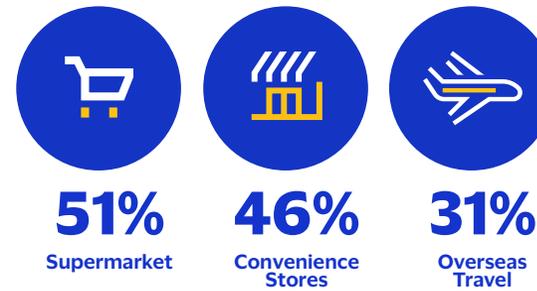
Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





INDONESIA



Indonesia leads the region in usage and preference for mobile wallets

USAGE

74%

PREFERENCE

21%

Success of going cashless



When Indonesia can be a cashless society

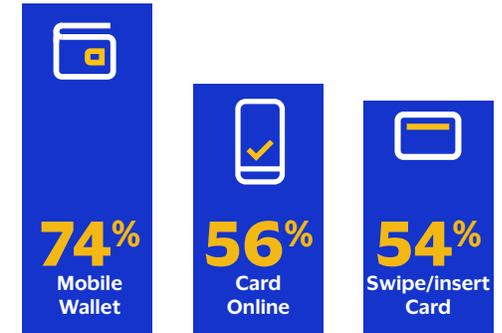
COVID-19 has accelerated consumer expectations of Indonesia becoming a cashless society by



2 years



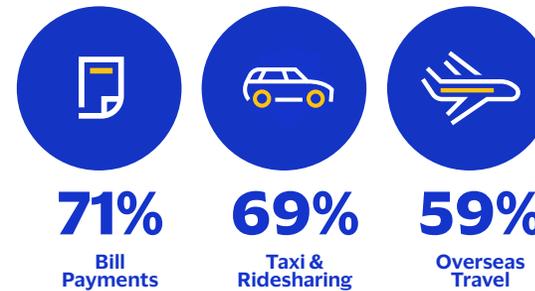
Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





MALAYSIA

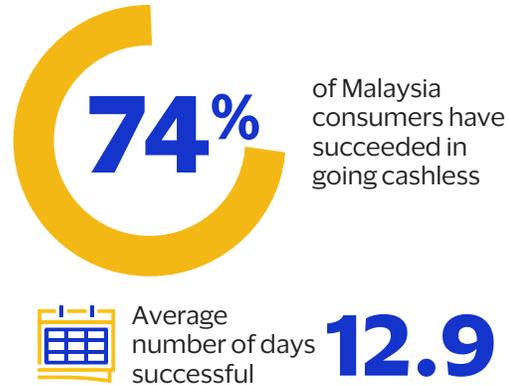


Home delivery usage remains high in Malaysia with 9 in 10 consumers currently using it. Of this, 1/3 are first-time users during the pandemic.

USAGE

9/10

Success of going cashless



When Malaysia can be a cashless society

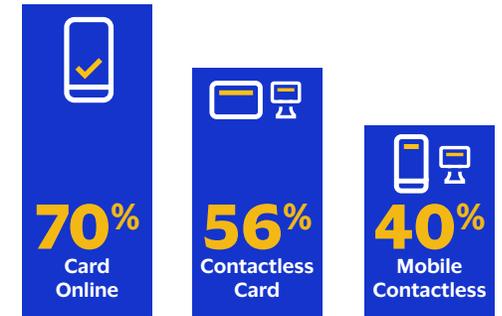
COVID-19 has accelerated consumer expectations of Malaysia becoming a cashless society by



3 years



Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





SINGAPORE



Singapore leads the region in usage and preference for contactless cards

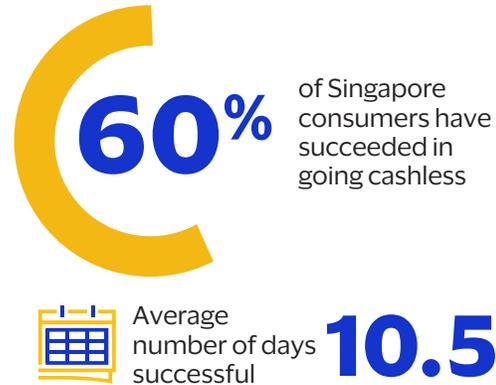
USAGE

74%

PREFERENCE

29%

Success of going cashless



When Singapore can be a cashless society

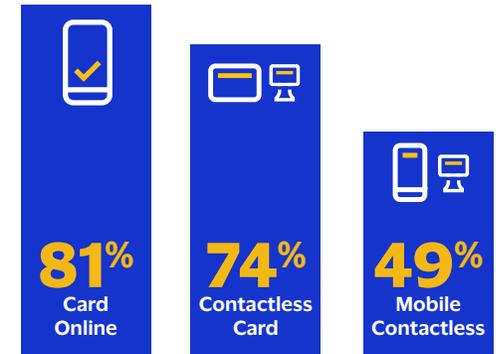
COVID-19 has accelerated consumer expectations of Singapore becoming a cashless society by



3 years



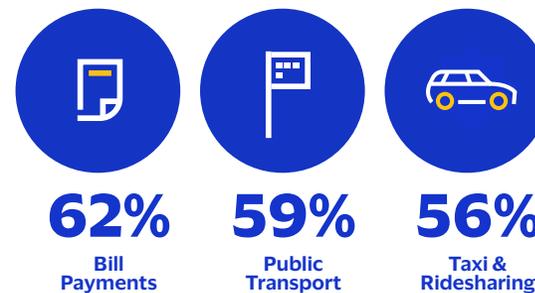
Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





THAILAND

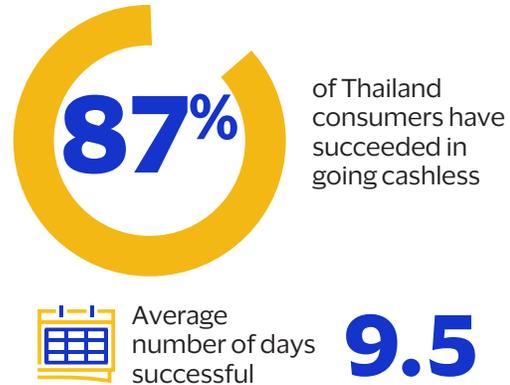


Instalment plans are relatively popular in Thailand, having been used more than twice by 40% of consumers in the last year.

USAGE

40%

Success of going cashless



When Thailand can be a cashless society

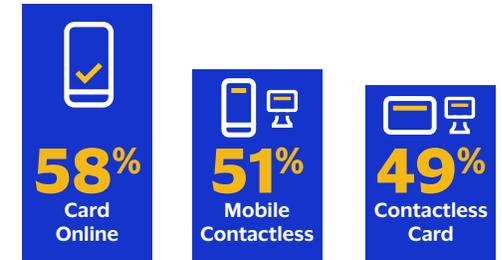
COVID-19 has accelerated consumer expectations of Thailand becoming a cashless society by



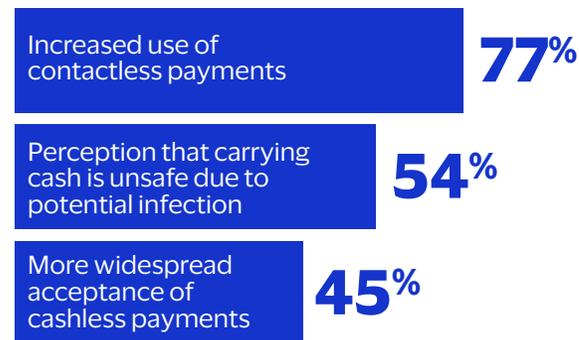
2 years



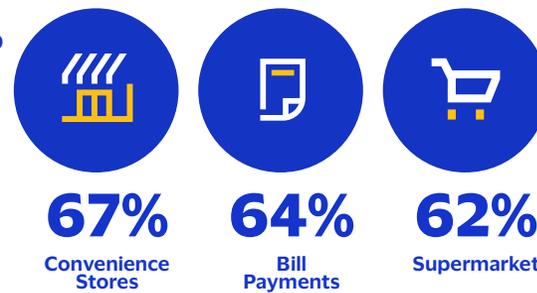
Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





THE PHILIPPINES

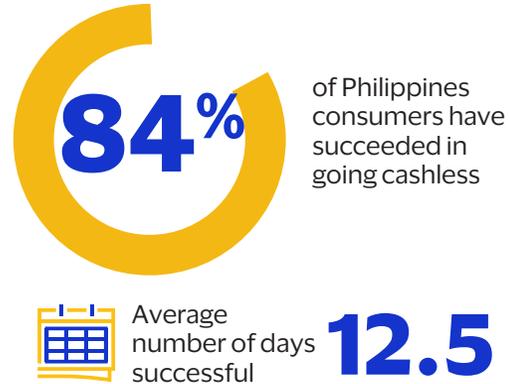


The Philippines has the most number of consumers who are familiar with cryptocurrencies

AWARENESS

65%

Success of going cashless



When The Philippines can be a cashless society

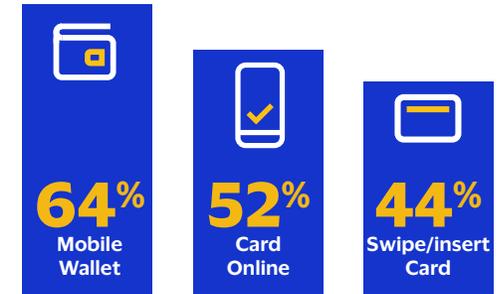
COVID-19 has accelerated consumer expectations of The Philippines becoming a cashless society by



3 years



Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic





VIETNAM

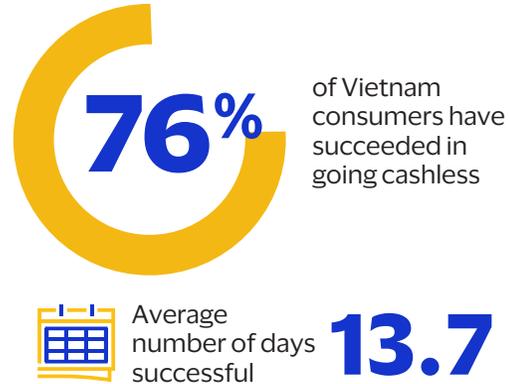


Vietnam has the highest market percentage of consumers who have tried and purchased from livestream shopping

USAGE

61%

Success of going cashless

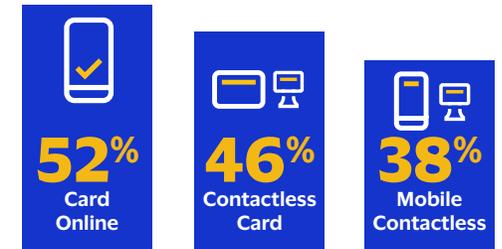


When Vietnam can be a cashless society

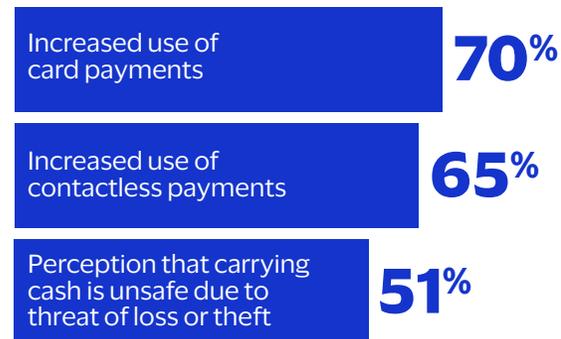
COVID-19 has accelerated consumer expectations of Vietnam becoming a cashless society by



Top 3 digital payment methods currently used in market



Top 3 reasons for carrying less cash



Top 3 categories going fully cashless



New shopping channels during the pandemic



