



VISA CONSUMER PAYMENT ATTITUDES STUDY 2021

POWERING THE
ACCELERATION OF
DIGITAL-FIRST
EXPERIENCES

VISA

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FOREWORD

THRIVING IN A DIGITAL-FIRST WORLD

Intuitive and seamless payment experiences are set to power digital lifestyles in the future



Mandy Lamb

Group Country Manager,
Regional Southeast Asia

The past year and a half has been challenging for many, with the global pandemic vastly changing the way we live, work and shop. In Southeast Asia, nationwide lockdowns, movement controls, and safe-distancing measures have led to new consumer behaviours and preferences, accelerating the shift towards digital-first experiences — particularly for payments and commerce.

As a result we have witnessed a remarkable transition to digital shopping and purchasing habits in the region, as shown by the findings in the seventh 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. Overall, in Southeast Asia, the pandemic has given rise to new habits that power consumers' increasingly digital lifestyles. Cashless payments continue to gain traction across the region, with 85 per cent of consumers embracing a multitude of digital payment methods.

In markets where cashless payments are already prevalent, consumers believe COVID-19 has accelerated the time it will take for their country to become a cashless society by at least three to five years. The pandemic has also resulted in more than half of Southeast Asian consumers preferring digital payments (54%). With the emergence of new payment experiences across the region, digital payments are more accessible than ever, and consumers are likely to continue seeking out more innovative ways to pay.

Southeast Asia has also seen the continued rise of eCommerce. The pandemic has resulted in many consumers in the region shopping online for the first time via websites or apps (43%) and through social media channels (35%). Other new shopping habits due to COVID-19 include shopping at big marketplaces online (52%), purchasing from home-based businesses (51%) and purchasing from local businesses (48%). As more consumers turn to their smartphones and computers for faster and more convenient retail experiences across a wider number of categories, eCommerce is poised for further growth during the pandemic and beyond.

We have also seen the lines between face-to-face and eCommerce blurring, as many brands embrace omnichannel commerce and aim to provide consumers with seamless shopping journeys across a multitude of channels. Digital services are increasingly being integrated into physical stores, from app-powered loyalty programs to smart checkouts. Simultaneously, more offline brands are going digital, launching stores on large online marketplaces and exploring social commerce integration. The future of commerce is geared towards a seamless and holistic ecosystem of services and touchpoints, all of which will redefine the retail and payments experience.

In response to changing consumer preferences and business needs, our ever-expanding payments ecosystem is poised for continued growth. The rise of fintechs has led to the emergence of new digital experiences, while traditional financial institutions continue to enhance their digital offerings. The rapid shift towards eCommerce and digital payments will continue to drive The Fourth Payment Revolution — where emerging technologies are set to transform user experiences as digital-first becomes the norm. Ultimately, the digital experiences that will excel are those that add value to consumers' daily lives and business operations — innovation driven by necessity.

As the global leader in digital payments and a key ecosystem player, Visa is committed to driving the fintech revolution to enable the movement of money anywhere in the world, for everyone. We will continue to work with our partners to create innovative solutions that enhance the digital payments experience, and make these new experiences accessible to all through our global network of networks.

While we look towards recovery from the pandemic, we hope that this report will provide valuable insights to the industry as we continue adapting to a digital-first world, powering lifestyles with intuitive, secure and seamless commerce experiences in the Fourth Payment Revolution and beyond.

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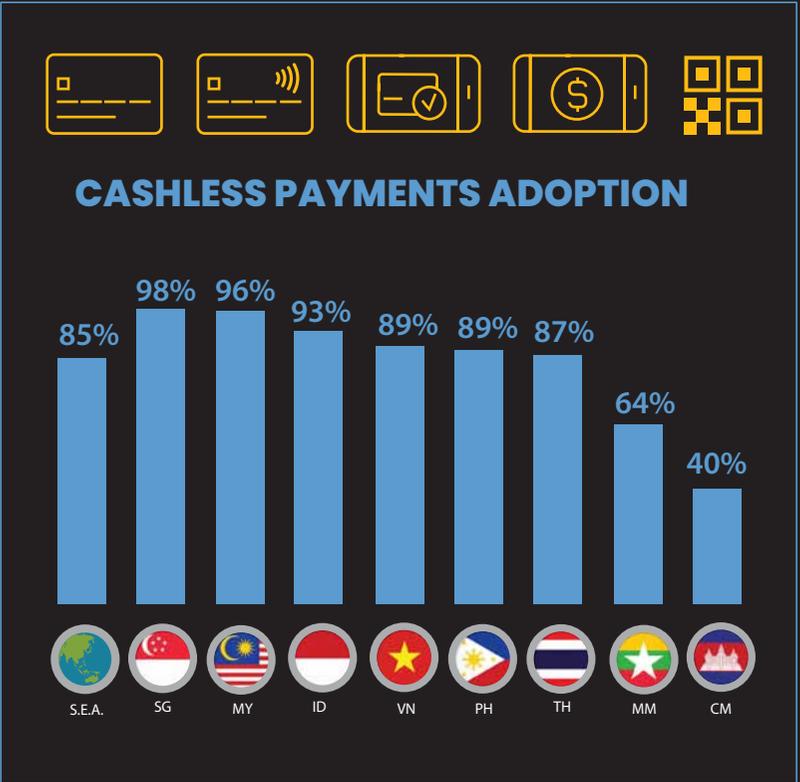
POWERING DIGITAL
LIFESTYLES WITH
CASHLESS PAYMENTS



CASHLESS PAYMENTS CONTINUE GAINING TRACTION IN SOUTHEAST ASIA

In recent years, technology has reimagined the adoption of payments and commerce; a variety of innovations now power the increasingly digital lifestyles of consumers. Across Southeast Asia, 85 per cent of consumers embrace a multitude of cashless payment methods — cards, contactless card and mobile payments, e-wallets and QR payments.

Cash remains widely used by consumers in this region, although less than half of consumers in Southeast Asia (45%) deem cash as their most preferred payment method. Preference for cash is led by Myanmar (91%) and Cambodia (89%), and is lowest in Singapore (15%), Malaysia (23%) and Indonesia (28%). Cashless payments continue to gain traction, and 10 per cent of consumers claim not to use cash at all. Currently, Indonesia (20%), Singapore (18%) and Cambodia (14%) are at the forefront of this trend.





63%

USE CONTACTLESS PAYMENTS

46%

USE CARD PAYMENTS



In Southeast Asia, the rising adoption of contactless payments (63%) and card payments (46%) is driving the shift towards cashless payment experiences. Among non-cash users in the region, over 1 in 4 (26%) are users of contactless payments, including contactless cards and mobile contactless. Non-cash users have also turned to online card payments (25%) and online wallets (23%). Other factors driving the shift towards cashless payments include the increase in digital payments acceptance by merchants (41%), as well as the perceived safety of cashless transactions (40%).

FACTORS DRIVING PREFERENCE FOR CASHLESS PAYMENTS



RISE OF eCOMMERCE



INCREASED ACCEPTANCE BY MERCHANTS



RISK OF CONTACT INFECTION



CASH CAN GET STOLEN / LOST

SHARE OF PAYMENT METHODS CURRENTLY USED

26%



CASH

17%



ONLINE WALLET

16%



CARD ONLINE

13%



CARD SWIPE / INSERT

11%



CONTACTLESS CARD

10%



QR CODE

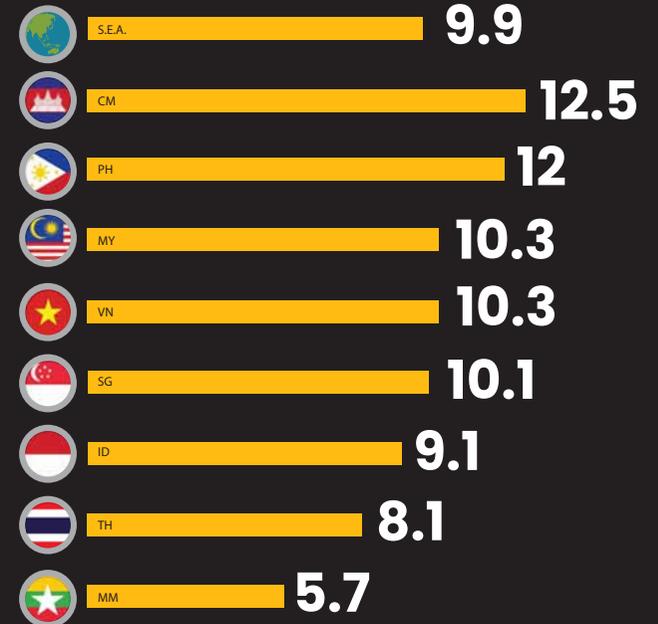
7%



MOBILE CONTACTLESS

Nearly two-thirds of consumers in Southeast Asia (64%) have attempted to go cashless, particularly consumers in Vietnam (84%), Thailand (82%) and the Philippines (79%). Consumers who tried to go cashless managed to do so for an average of more than a week (10 days), with consumers in the Philippines nearing two weeks (12 days). Consumers in Vietnam and Malaysia (both 10.3 days) were also largely successful in their attempts to go cashless. With the growth of digital payment experiences Southeast Asia's transition to a cashless society is gaining momentum.

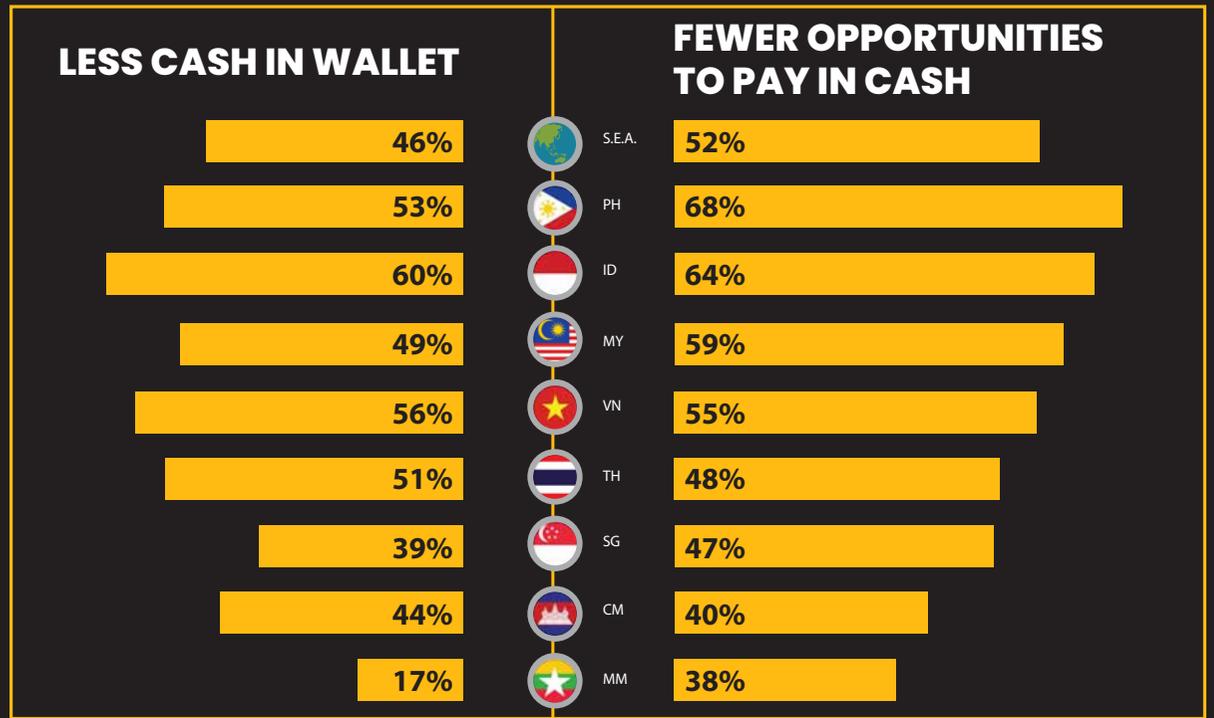
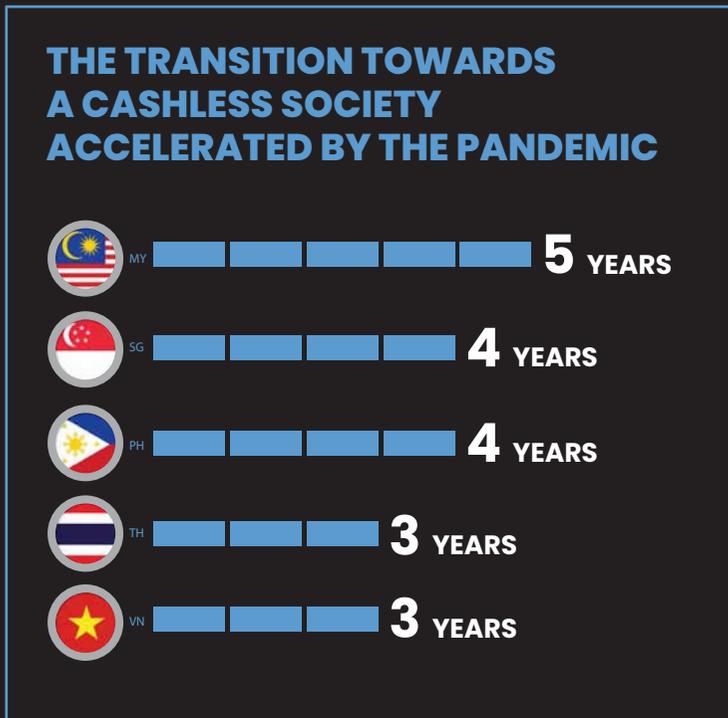
AVERAGE NUMBER OF DAYS GOING CASHLESS



COVID-19 HAS ACCELERATED THE TRANSITION TOWARDS CASHLESS

Southeast Asia’s transition towards cashless has been accelerated by the global pandemic. In markets where cashless adoption had a head start, COVID-19 accelerated the transition by at least three to five years. Malaysia, Singapore and the Philippines are at the forefront of this trend. In light of COVID-19, consumers in these countries have brought forward their expectations of a truly cashless society by at least four years.

The pandemic has also resulted in more than half of Southeast Asian consumers preferring digital payments (54%). More than two in five Southeast Asian consumers (46%) also carry less cash in their wallets compared to before the pandemic, particularly those in Indonesia (60%), Vietnam (56%) and the Philippines (53%). Over half of consumers in Southeast Asia (52%) also cited having fewer opportunities to pay with cash compared to before the pandemic — this is particularly evident in countries that faced movement order restrictions and nationwide lockdowns, such as the Philippines, (68%), Indonesia (64%) and Malaysia (59%). Health and safety concerns (43%) have also led to greater preference for cashless payments among Southeast Asian consumers.





Categories that are expected to go fully cashless in the future include essential categories such as bill payments (64%) and supermarket purchases (59%). This is likely due to their routine or recurring nature. Overseas travel is the third category that consumers would most likely go fully cashless (56%), possibly due to the convenience of being able to make pre-payments online.

Categories where convenience is prioritised — including taxis and ridesharing companies (52%), convenience stores (47%) and public transport (47%) — have also seen greater usage of digital payments.

CATEGORIES EXPECTED TO BE CASHLESS IN FUTURE



64%

BILL PAYMENTS



52%

TAXIS & RIDESHARING

59%

SUPERMARKET PURCHASES



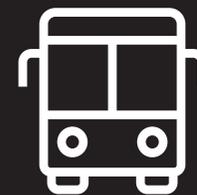
47%

CONVENIENCE STORES



56%

OVERSEAS TRAVELS



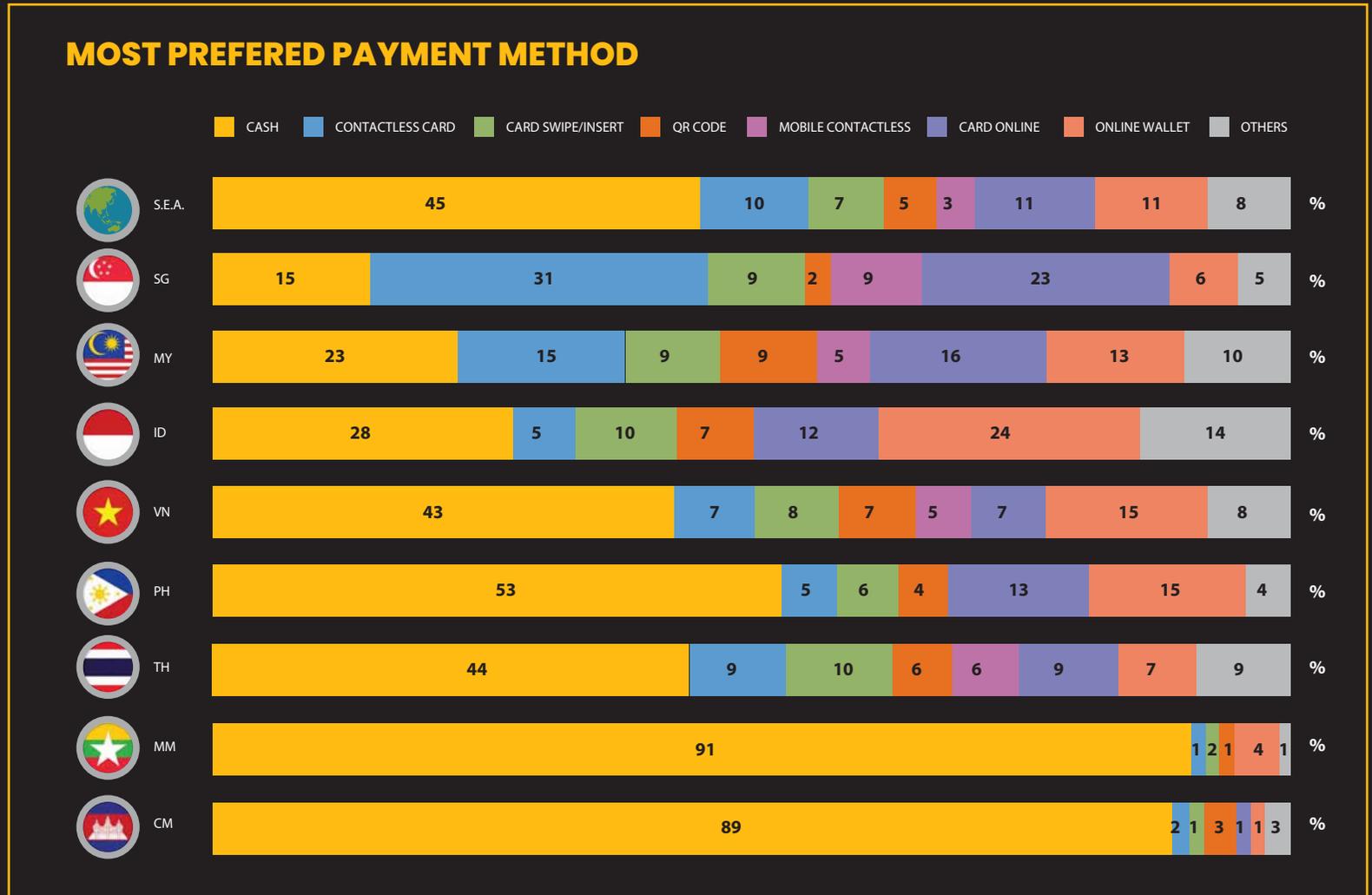
47%

PUBLIC TRANSPORT

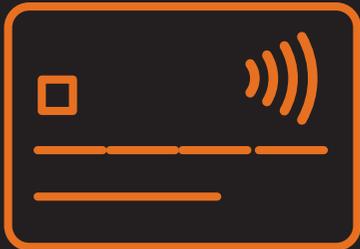
CONSUMERS FACE AN INCREASINGLY FRAGMENTED PAYMENTS LANDSCAPE

With a number of digital payment methods gaining traction across Southeast Asia, consumers now have an abundance of choice. There are more ways to transact and more places where commerce can happen.

The payment preferences of Southeast Asian consumers are diversifying as digital payment experiences become more fragmented. For instance, contactless cards are most preferred in Singapore (31%), likely due to widespread acceptance. In contrast, online wallets lead the way in Indonesia (24%) due to a multitude of e-wallet players.



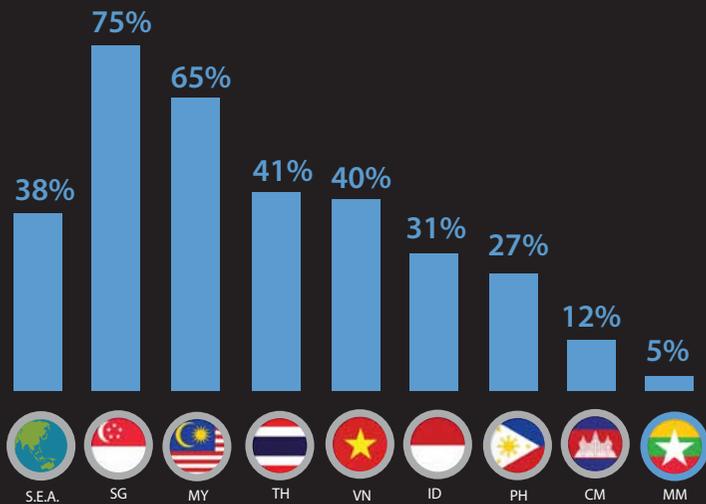
Contactless Cards



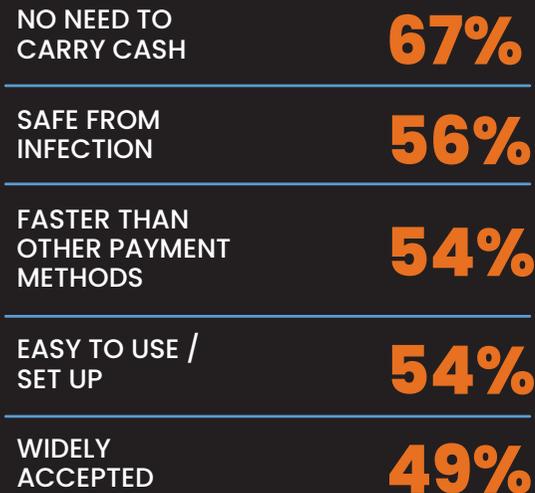
Contactless cards are fairly popular in Southeast Asia. More than four in five Southeast Asian consumers (82%) are aware of this payment method, while nearly two in five consumers (38%) use contactless cards. Popular usage is led by Singapore (96% awareness, 75% usage), Malaysia (95% awareness, 65% usage) and Thailand (89% awareness, 41% usage). In addition, among users of contactless card payments, nearly four in five (77%) are using this payment method once a week or more. High usage is most evident in countries such as Singapore (90%), Malaysia (80%) and Thailand (77%).

Despite widespread use in certain markets, there is still significant room to grow contactless card usage in several markets across the region. Nearly four in five non-users of contactless cards (74%) are interested in adopting this payment method, notably non-users in the Philippines (88%), Vietnam (87%) and Thailand (85%). The convenience of not having to carry cash (67%) is likely to drive greater usage of contactless cards, along with physical safety (56%), faster transactions (54%) and greater ease of use (54%).

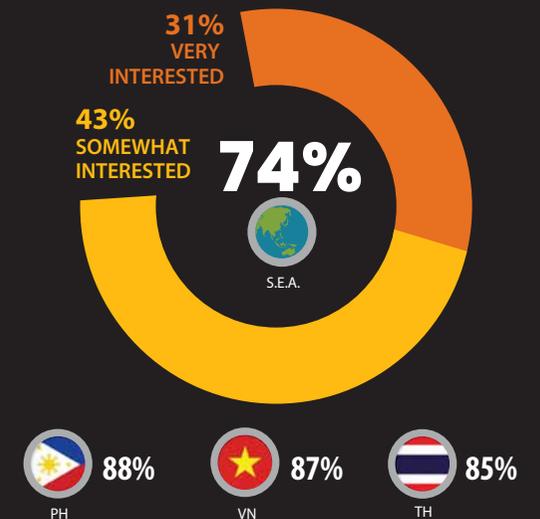
USAGE OF CONTACTLESS CARDS



KEY DRIVERS OF CONTACTLESS CARD USAGE



INTEREST TO USE CONTACTLESS CARDS



Mobile Contactless Payments



Mobile contactless payments are less prevalent in Southeast Asia but continue to gain traction in markets where they are available such as Singapore, Malaysia, Vietnam and Thailand. Nearly nine in 10 Southeast Asian consumers are aware of mobile contactless payments, but only two in five (43%) use this payment method. Popular use of mobile contactless payments is most evident in Thailand (92% awareness, 45% usage), Singapore (91% awareness, 45% usage) and Vietnam (88% awareness, 45% usage). Among users of mobile contactless payments, nearly four in five (76%) used this payment method once a week or more, especially in Singapore (81%), Thailand (76%) and Vietnam (76%).

With seven in 10 non-mobile contactless users in Southeast Asia being interested in adopting this mode of payment, particularly in Thailand (85%) and Vietnam (84%), there is an opportunity to grow usage in the region. The convenience from not having to carry both cash (61%) and cards (51%) is likely to encourage greater adoption of this payment method, as well as physical safety (55%) for hygiene reasons.

MOBILE CONTACTLESS PAYMENTS USAGE

Country	Usage
S.E.A.	43%
SG	45%
TH	45%
VN	45%
MY	37%

KEY DRIVERS OF MOBILE CONTACTLESS PAYMENTS

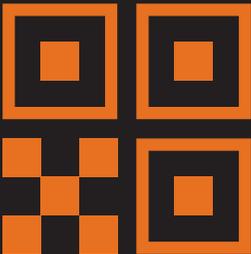
- NO NEED TO CARRY CASH **61%**
- SAFE FROM INFECTION **55%**
- NO NEED TO CARRY CARDS **51%**
- EASY TO USE / SET UP **48%**
- MODERN / INNOVATIVE WAY TO PAY **48%**

INTEREST TO USE MOBILE CONTACTLESS

Category	Percentage
Very Interested	31%
Somewhat Interested	39%
Total Interested	70%

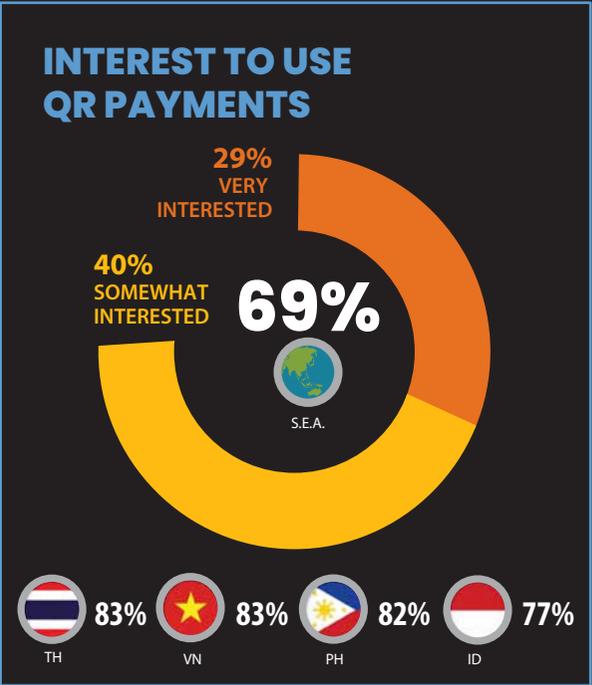
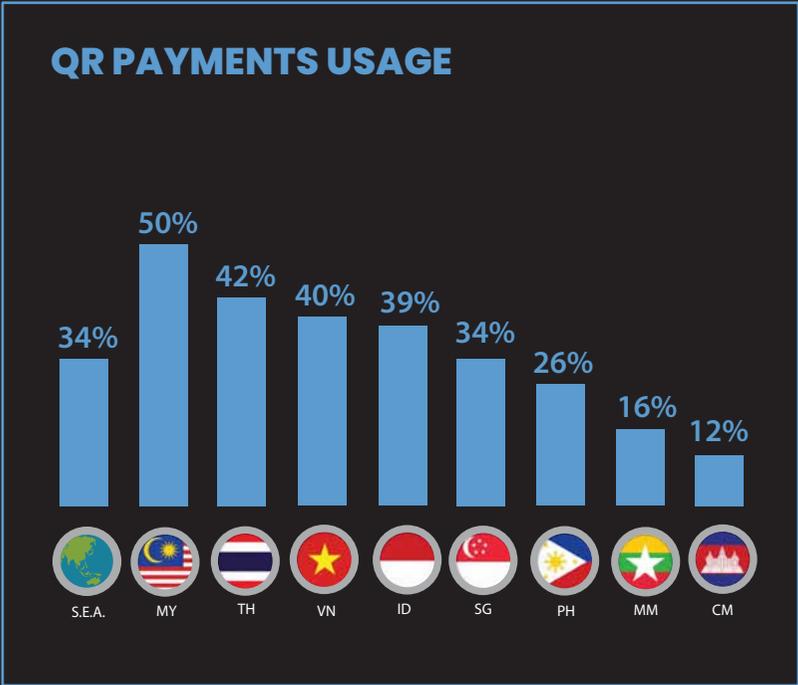
Country	Interested
TH	85%
VN	84%

QR Code Payments

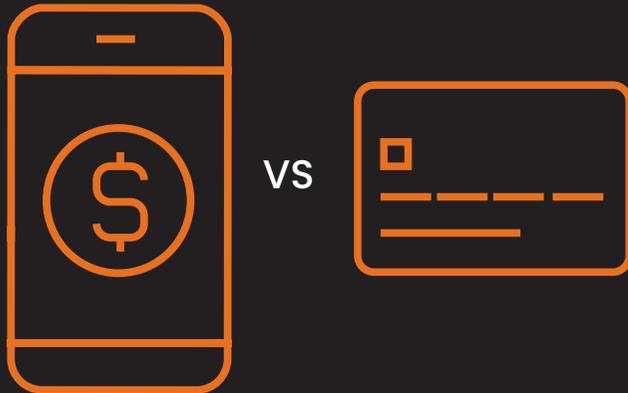


With the prevalence and salience of QR codes used beyond payment experiences, QR payments are also steadily gaining momentum across Southeast Asia. Consumers in Southeast Asia are familiar with using QR codes to scan or log-in to applications to get information on products or directions. QR codes are also particularly widespread in countries such as Singapore, where they are used for restaurant menus and contact tracing (SafeEntry check-ins). Despite high awareness of QR code payments among Southeast Asian consumers (87%), only one-third of consumers (34%) use this payment method. High usage is seen in Malaysia (93% awareness, 50% usage), Thailand (94% awareness, 42% usage) and Vietnam (93% awareness, 40% usage).

Nonetheless, there are opportunities in certain markets to grow the use of QR code payments. More than two-thirds of non-users in Southeast Asia are interested in using QR code payments, particularly non-users in Thailand (83%), Vietnam (83%) and the Philippines (82%). Usage is likely to continue growing, especially with the rise of more e-wallet players in the region and the use of QR code technology by national payment systems such as Singapore’s PayNow and Thailand’s PromptPay. Key factors driving the adoption of QR code payments are similar to that of mobile contactless payments, namely the convenience of not having to carry cash (65%) and cards (57%), as well as physical safety (55%).

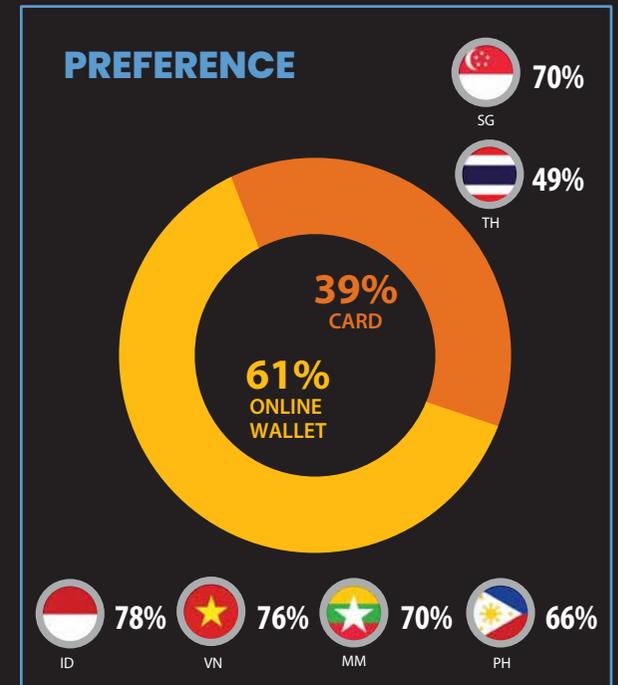
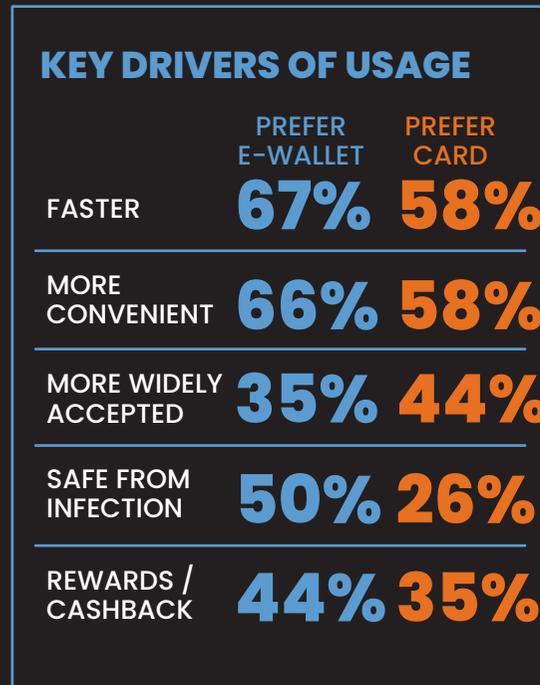
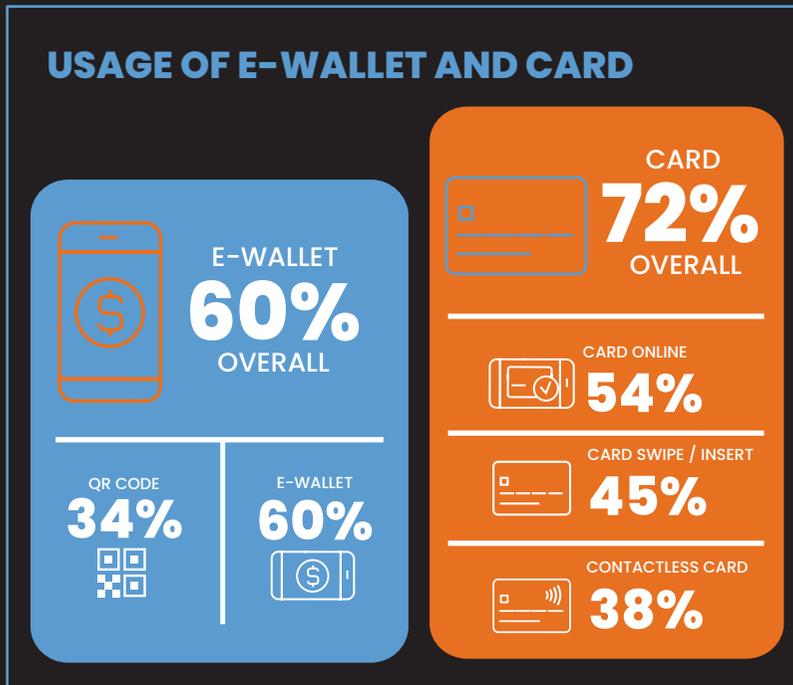


E-wallets versus Cards



Although more consumers use cards in Southeast Asia (72%) compared to e-wallets (60%), e-wallets are preferred (61%) over card payments especially in some markets (39%). Preference for e-wallets is driven by Indonesia (78%), Vietnam (76%) and Myanmar, whereas preference for cards is led by Singapore (70%) and Thailand (49%).

E-wallets are preferred due to the speed of transactions (67%), convenience (66%), and physical safety of consumers (50%), even though cards are perceived to be more widely accepted (44%). Nevertheless, significant dual usage exists in the region, driven by online payments. Nearly three in five consumers in Southeast Asia (56%) currently use both e-wallets and cards when making payments. Consumers' preference for e-wallets may drive the payment method's future growth and usage, especially if consumers perceive them to be more widely accepted.



VISA

THE DIGITAL FUTURE
FOR PAYMENTS
AND COMMERCE



THE PANDEMIC HAS GIVEN RISE TO NEW CONSUMER HABITS



Consumers have developed a variety of new habits due to COVID-19, many of which are expected to stay. These habits were only present for seven per cent of consumers in Southeast Asia before the pandemic began.

The future for payments and commerce is a digital one, with the pandemic paving the way for both digital payments and new online shopping habits for consumers in the region. With the continued rise of eCommerce, more consumers are shopping at big marketplaces online (52%), in addition to purchasing from home-based businesses (51%) and local businesses (48%).

The pandemic has also resulted in many Southeast Asian consumers shopping online for the first time via websites or apps (43%) and through social media channels (35%). Online shopping has boomed particularly in Thailand, with nearly two-thirds of Thai consumers (65%) shopping online for the first time via apps or websites. Over half of consumers in Indonesia (56%) and the Philippines (52%) are also first-time online shoppers. Shopping via social media has also seen rising popularity in the Philippines (45%), Thailand (44%) and Vietnam (44%), with nearly half of consumers in each market shopping online via social media channels for the first time.

PAYMENT AND SHOPPING BEHAVIOURS



54%
PREFER CASHLESS PAYMENTS



52%
SHOP AT BIG MARKETPLACES ONLINE



51%
SHOP FROM HOME-BASED BUSINESSES



48%
SHOP FROM LOCAL BUSINESSES

SHOPPING ONLINE FOR THE FIRST TIME



ONLINE SHOPPING THROUGH WEBSITES OR APPS

65% **56%** **52%**

TH ID PH



ONLINE SHOPPING THROUGH SOCIAL MEDIA CHANNELS

45% **44%** **44%**

PH TH VN

THE GROWTH OF ECOMMERCE IN SOUTHEAST ASIA

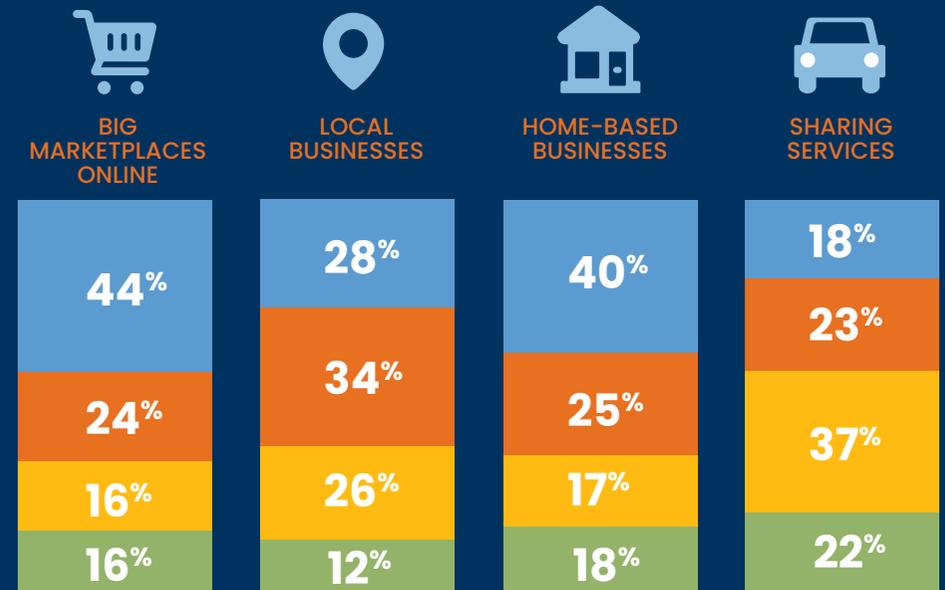
Nationwide lockdowns and movement controls in a bid to curb the spread of the virus have accelerated the growth of eCommerce in Southeast Asia. Seventy-two per cent of Southeast Asian consumers shopped more frequently online, via mobile apps or websites, while more than two in five (44%) shopped less frequently in person at physical outlets. Over three in five consumers in the region (62%) did their shopping more frequently by ordering over the phone and having their purchases delivered directly to their homes, while more than half (56%) shopped more frequently via social media channels.

With many consumers turning to eCommerce, big marketplaces have seen the largest growth during the pandemic. More than two in five Southeast Asian consumers shop more frequently at big marketplaces online (44%). At the same time, consumers are also more likely to support home-based businesses, with two in five (40%) indicating that they purchase more frequently from home-based businesses. Some consumers are also making the effort to shop local, with 29 per cent of consumers purchasing more frequently from home-based businesses.

IMPACT OF PANDEMIC ON SHOPPING CHANNELS

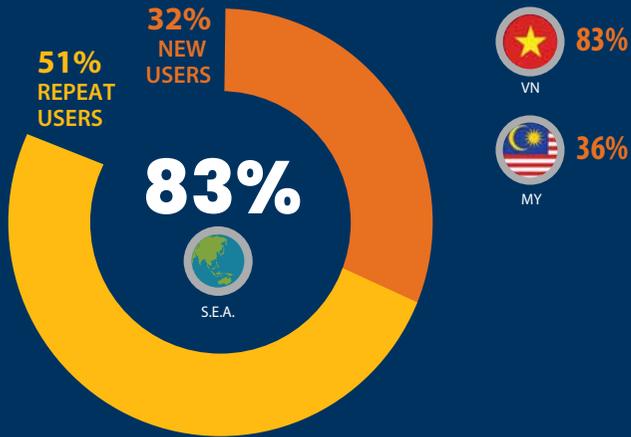


IMPACT ON SHOPPING FOR SPECIFIC BUSINESSES DUE TO PANDEMIC



MORE SOUTHEAST ASIAN CONSUMERS TURN TO HOME DELIVERY

USAGE OF HOME DELIVERY



AVERAGE NUMBER OF HOME DELIVERIES

PRE-COVID
3.5 TIMES

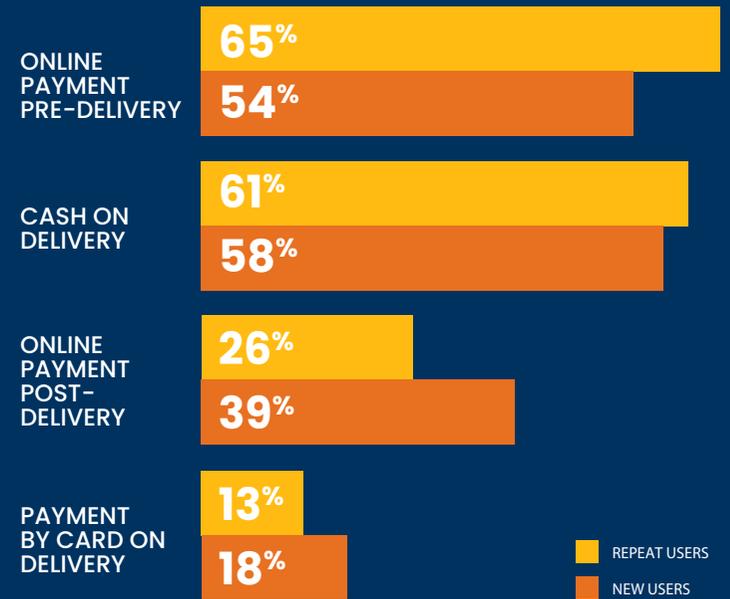
CURRENTLY
6.8 TIMES

** Out of 10 opportunities to opt for home delivery*

The pandemic has also led to home delivery becoming widespread in Southeast Asia. Consumers were most likely to opt for home delivery (6.8 times on average out of 10 opportunities) currently as compared to before COVID (3.5 times on average out of 10 opportunities). Over four in five consumers in Southeast Asia (83%) use home delivery, of which 32 per cent are new users.



PAYMENT METHODS USED



In terms of payment methods used, existing users of home delivery are more likely to opt for online payment before delivery (65%), while new users are more likely to opt for cash-on-delivery (58%). This could be due to an inclination towards assessing product fit or quality before making payment.

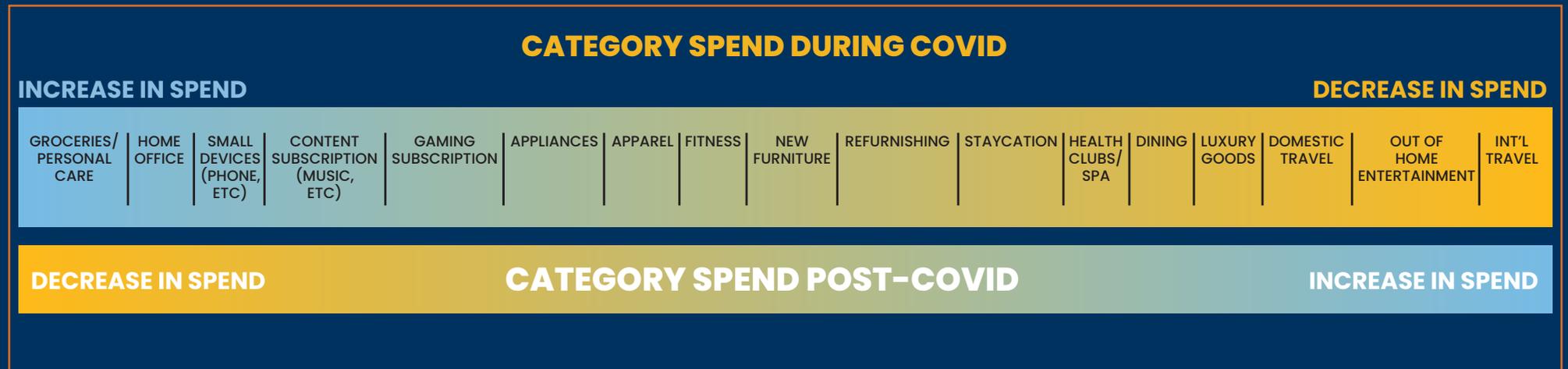
AFFECTED CATEGORIES LIKELY TO SEE HIGHER SPEND POST-PANDEMIC

In Southeast Asia, the pandemic has also affected consumer spend, with consumers prioritising spend for essential items — from groceries and personal care items to home office equipment and small technology items that help them work better from home.

Southeast Asian consumers also spent more on digital services such as content subscription services and gaming subscription services during the pandemic, likely due to more people staying home.

In contrast, Southeast Asian consumers decreased spending on international travel, out-of-home entertainment, domestic travel and dining during the pandemic. However, these categories are incidentally the ones that consumers are most looking forward to spending on after the pandemic ends.

THOUGH DOMESTIC AND INTERNATIONAL TRAVEL SAW A SIGNIFICANT DECREASE IN SPEND DUE TO THE PANDEMIC, IT'S WHAT CONSUMERS ARE LOOKING FORWARD TO SPENDING ON THE MOST POST-COVID.



VISA

THE MOBILE
REVOLUTION IN
OUR EXPANDING
PAYMENTS
ECOSYSTEM



DIGITAL BANKS SET TO TAKE THE REGION BY STORM

Southeast Asia’s banking landscape is poised for change, with favourable regulatory policies set to encourage digital challenger banks to enter the market. Singapore, for example, was the first in the region to issue digital banking licenses to innovative non-financial firms and conglomerates. Similarly, countries such as Malaysia and the Philippines have started to offer their own implementations of digital banking licenses, as other forms of digital banking models — including acquisitions of smaller regional banks by technology companies — are also looking to drive the digital banking ecosystem in the region.

In Singapore, for example, the Monetary Authority of Singapore (MAS) awarded two digital full bank licenses and two digital wholesale bank licenses to several non-financial institutions to drive greater competition and innovation in the banking sector¹. For the digital full bank license, awardees included a consortium comprising of Grab Holding Inc. and Singapore Telecommunications Ltd, as well as New York Stock Exchange-listed Sea Ltd. On the other hand, Chinese technology company Ant Group Co. Ltd. won the digital wholesale bank license to serve SMBs and other non-retail segments.

Two-thirds of Southeast Asian consumers (66%) are aware of digital banks, and many are excited about this new way to bank. More than two in three Southeast Asian consumers (67%) have shown keen interest in adopting digital banking services. Consumers in the region are lured by the prospect of saving time from not having to wait at physical bank branches (58%), having a faster and more convenient way to bank (58%), and being able to bank at any time of the day (57%).



KEY DRIVERS OF INTEREST

58%

DON'T HAVE TO SPEND TIME WAITING IN LINE

58%

FASTER AND MORE CONVENIENT

57%

ABLE TO BANK AT ANY TIME OF THE DAY

53%

INNOVATIVE / MODERN WAY TO BANK

44%

FEEL SAFE FROM INFECTION

BARRIERS TO INTEREST

39%

UNAUTHORISED / FRAUDULENT TRANSACTIONS

38%

RISK OF BANK ACCOUNT GETTING HACKED

29%

PREFER HUMAN INTERACTION FOR BANKING NEEDS

27%

DIFFICULT TO SET UP

27%

ADDITIONAL CHARGES

However, digital banks need to reassure consumers on security. Consumers are fearful that using digital banking services may make them more vulnerable to unauthorised or fraudulent transactions (39%) and successful hacking attempts on their bank accounts (38%). As some consumers prefer human interaction for their banking needs (29%), digital banks can look into personalisation to provide consumers with virtual services that retain a human touch.

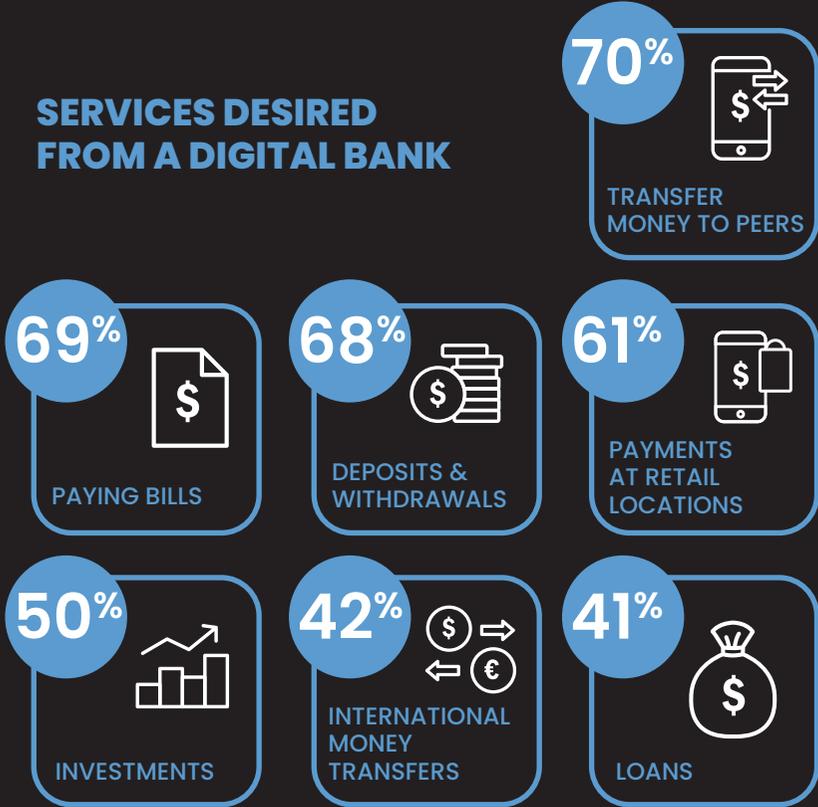
INTEREST IN TYPES OF PROVIDERS



The majority of consumers in Southeast Asia are interested in digital banking services provided by traditional banks (89%). However, there is an opportunity for other providers to disrupt the region’s banking landscape, with consumers showing interest in digital banking services by other service providers. Nearly four in five consumers in Southeast Asia (77%) are willing to bank with a well-known brand that is not currently in financial services, while seven in 10 are interested in digital banking services by a well-known financial services brand. Nearly two-thirds of consumers in Southeast Asia (65%) are also keen to bank with a completely new start-up.

Southeast Asian consumers have shown higher interest in digital banking services that are more likely to impact their day-to-day lives, such as peer-to-peer money transfers (70%), bill payments (69%), as well as deposits and withdrawals (68%). Other banking services such as investments (50%), international money transfers (42%) and loans (41%) were less desired.

SERVICES DESIRED FROM A DIGITAL BANK



MOBILE PAYMENTS DRIVEN BY THE RISE OF SUPER APPS

Eighty-four per cent of consumers in Southeast Asia prefer the convenience of using one app on their phones to conduct similar transactions. Over half of consumers prefer having one mobile super app to conduct all their transactions. The growing preference for mobile payments via super apps across the region has led to a variety of apps rising to the top in their respective markets.

PREFERRED MOBILE APP USAGE



56%

ONE APP FOR ALL TRANSACTIONS



28%

ONE APP FOR SIMILAR TRANSACTIONS



15%

ONE APP FOR ONE TYPE OF TRANSACTIONS



In addition to the rising trend of super apps, mobile-based payment solutions are also likely gaining popularity due to greater consumer trust in mobile payments. The perceived safety of mobile phone payments has improved significantly in the last year, with more than four in five consumers in Southeast Asia (86%) perceiving their personal information to be safe when making mobile payments in 2020. There has also been a 17 per cent growth in Southeast Asian consumers who perceive

SAFETY OF PERSONAL INFORMATION WHEN MAKING MOBILE PAYMENTS



81%
2019

86%
2020



mobile phone payments as “very safe” compared to the previous year (47% in 2020 from 20% in 2019).

Despite the improvement, there remain concerns by consumers in mobile payments and the top two security concerns include losing or having their phone stolen (48%) and getting hacked/someone intercepting the data (48%). With over a quarter of consumers in Southeast Asia claiming that these factors have caused them to significantly reduce their usage of mobile payments, there is a need for mobile payments solutions to address these security concerns.

TOP SECURITY CONCERNS

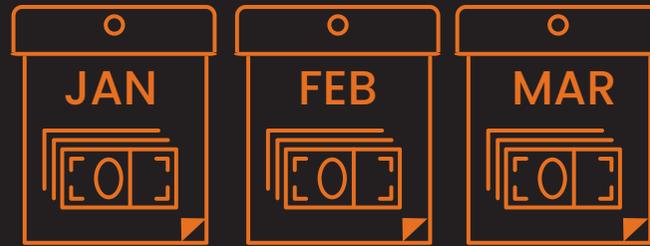
IMPACT ON USAGE
(% REDUCED SIGNIFICANTLY)

48%	LOST / STOLEN PHONE	27%
48%	PHONE BEING HACKED OR DATA INTERCEPTED	25%
34%	FINANCIAL DETAILS LEAK DUE TO HACKS ON COMPANIES	24%
31%	MISUSE OF PERSONAL DATA BY COMPANIES	19%
30%	PERSONAL DETAILS LEAK DUE TO HACKS ON COMPANIES	19%

INSTALMENT PAYMENTS HAVE AN OPPORTUNITY TO GROW

In Southeast Asia, there is strong awareness for instalment payments (90%), as this payment solution has been introduced as an option to many consumers (72%) both face-to-face and online. Instalment payments are particularly well-known in the Philippines (95%), Indonesia (95%) and Thailand (92%). They are frequently offered to consumers either before purchase while browsing (51%) or during checkout (32%).

Despite strong awareness for instalment payments, over a quarter of Southeast Asian consumers (28%) have used it once or twice in the past two years, while less than a fifth (16%) have used it more than three times. Usage of instalment payments in the past two years is led by the Philippines (59%), Thailand (56%) and Indonesia (54%). Low usage of instalment payments can be attributed to Southeast Asian consumers having enough spending power to pay their purchases in full (52%). High interest rates (49%) and the fear of spending beyond their means (36%) are other factors preventing greater adoption of this payment method.



TOP USERS OF INSTALMENT PAYMENTS

59% **56%** **54%**



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BARRIERS TO INTEREST

52%

ENOUGH SPENDING POWER TO PAY IN FULL

49%

HIGH INTEREST RATES

36%

FEAR OF SPENDING BEYOND THEIR MEANS

Among Southeast Asian consumers who have used instalment payments, many were offered this payment solution by financial institutions — namely credit and debit card providers (51%) or banks (29%). Nearly one-third (31%) were offered at merchant shops, especially with the emergence of fintech startups offering “Buy Now Pay Later” solutions in the region².

DRIVING INSTALMENT PAYMENTS



CREDIT AND DEBIT CARD PROVIDERS

51%



BANKS

29%



MERCHANT SHOPS

31%

BUY NOW PAY LATER

NEW EMERGENCE OF FINTECH STARTUPS

NUMBERLESS CARDS AS A SAFER WAY TO PAY



KEY DRIVERS OF INTEREST

54%

LIKE THE IDEA OF THE CARD NUMBER BEING UNKNOWN

50%

INNOVATIVE / MODERN WAY TO PAY

48%

CURIOUS TO TRY SOMETHING NEW

48%

MORE SECURE WAY OF MAKING PAYMENTS

45%

FASTER AND MORE CONVENIENT

BARRIERS TO INTEREST

44%

FIND IT DIFFICULT TO USE

37%

PREFER TO SEE DETAILS ON CARD

33%

SOME STORES MAY NOT ACCEPT

27%

ADDITIONAL CHARGES

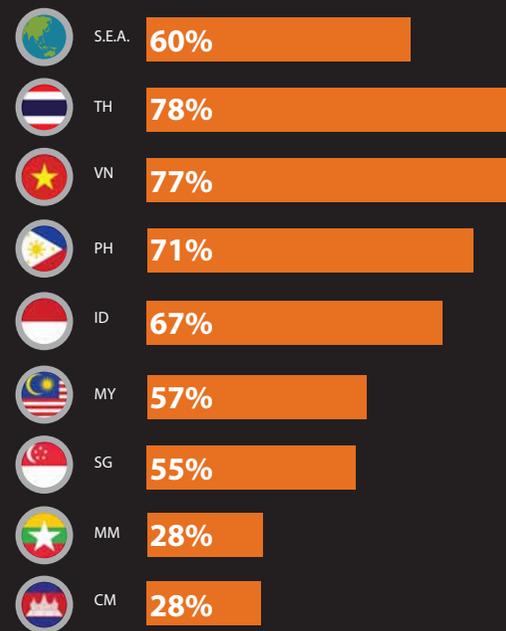
25%

TRANSACTIONS MAY NOT GO THROUGH / NOT WORK

Numberless cards is a fairly new concept in Southeast Asia, with moderate awareness levels among consumers in the region (45%). However, this payment method is well known by consumers in Indonesia (64%), Vietnam (62%) and Thailand (59%). Southeast Asian consumers are receptive to numberless cards with three in five showing interest (60%), led by consumers in Thailand (78%), Vietnam (77%) and the Philippines (71%).

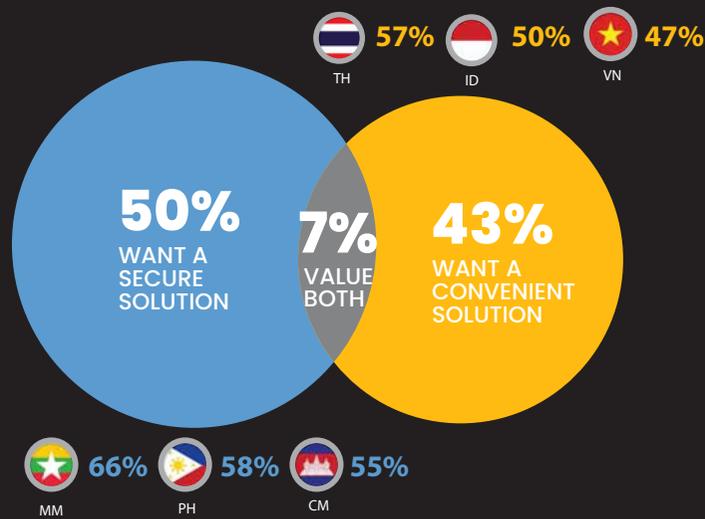
Southeast Asian consumers also appreciate the privacy and safety of their card numbers remaining hidden (54%), and interest is also driven by perception of it being an innovative way to pay (50%). However, adoption may be hindered by perceptions that the method is difficult to use (44%) and consumers' preference for seeing the details on their card (37%).

INTEREST IN NUMBERLESS CARD



SECURITY AND REWARDS DRIVE INTEREST AND ADOPTION

Although security and convenience are both key drivers of adoption for digital payment solutions, Southeast Asian consumers generally prioritise security over convenience. Nearly two-thirds of Southeast Asian consumers (65%) believe that security and convenience do not work hand-in-hand and believe that a trade-off is required. Under the assumption that the two are mutually exclusive features, half of the consumers in Southeast Asia (50%) would lean towards a secure solution over a convenient solution (43%) — this is led by Myanmar (66%), the Philippines (58%) and Cambodia (55%). Few markets stand out as they value having more convenient payments, particularly Thailand (57%), Indonesia (50%) and Vietnam (47%).



Southeast Asian consumers are also likely to change payment behaviour to benefit from significant rewards. Nearly one in four consumers (24%) would actively seek ways to maximise their rewards when they pay — consumers in the Philippines, Singapore and Indonesia are more likely to be “maximisers”. Over two in five (46%) would change their payment method if the reward was significant, with consumers in Malaysia, Vietnam and Thailand being more likely to do so.



MAXIMISER

I ACTIVELY LOOK OUT FOR HOW I CAN MAXIMISE MY REWARDS WHEN I PAY

PREFERER

IF I AM MADE AWARE OF A REWARD, THEN I WOULD CHANGE MY PAYMENT METHOD

CONSIDERER

IF I AM MADE AWARE OF A REWARD, I WILL ONLY CHANGE MY PAYMENT METHOD IF THE REWARD IS SIGNIFICANT

SCEPTIC

I AM VERY UNLIKELY TO CHANGE MY PAYMENT METHOD JUST FOR REWARDS

REJECTOR

REWARDS DO NOT MATTER TO ME

INFLUENCE OF REWARDS



INTEREST IN PURCHASE INCENTIVES



47%

ACCUMULATING MILES OR REWARD POINTS



46%

MAKING PAYMENTS USING CERTAIN PAYMENT METHOD



38%

ACHIEVING CERTAIN BILLING AMOUNT PER MONTH



38%

WINNING A CONTEST USING A CERTAIN PAYMENT METHOD



37%

WINNING A LUCKY INVOICE / QUEUE NUMBER WHILE PAYING



37%

BUYING DURING CERTAIN TIME PERIOD



36%

COMPLETING A SELF-SET PURCHASE TARGET OF SPECIFIC BRANDS / ITEMS

INTEREST IN SPECIFIC TYPES OF REWARDS



71%

INSTANT DISCOUNT



70%

CASHBACK



63%

FREE GIFT



58%

GIFT VOUCHER



56%

REWARD POINTS



45%

INSTANT LOTTERY / SPIN THE WHEEL



42%

LUCKY DRAW / LOTTERY AT A LATER DATE

Consumers in Southeast Asia appreciate simpler means of earning rewards, such as by accumulating points (47%) or by using certain payment methods (46%). They are less motivated by rewards that are earned via lucky invoices/bills/queue numbers while playing a game (37%), earned via purchases within certain hours or on a certain day (37%) or

earned via completing self-set targets of purchasing certain brands or products (36%). Southeast Asian consumers also value instant gratification, in the form of rewards such as instant discounts (71%) and cashback (70%). Consumers are less motivated by reward points (56%), instant lottery (45%) or lucky draws on a later date (42%).

VISA

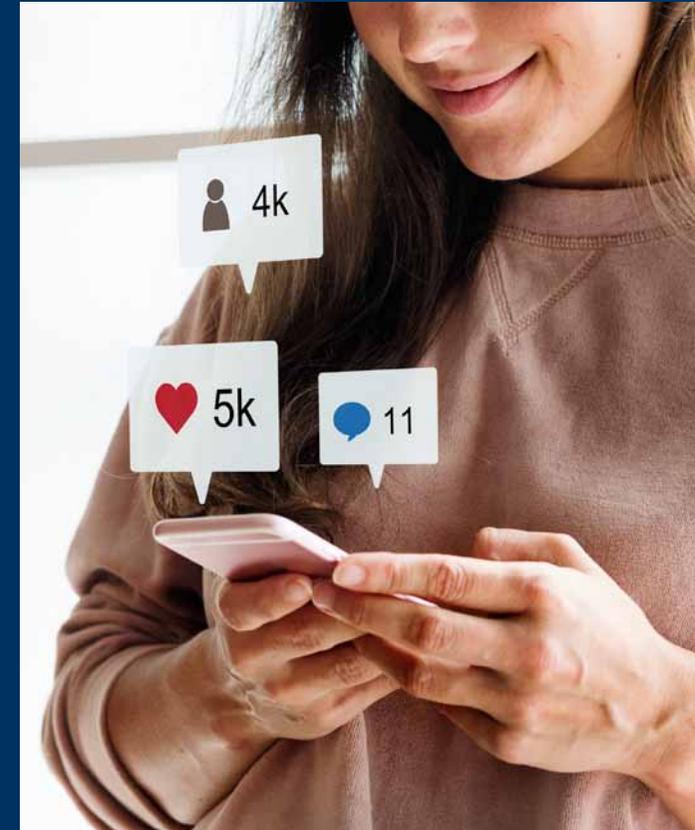
INNOVATING
FOR A SMARTER
COMMERCE
JOURNEY



INTEGRATING COMMERCE INTO SOCIAL MEDIA

Social media platforms are integrating payment systems into their websites and applications, allowing users to purchase directly from brands. As Southeast Asians spend more time on social media, this has led to an increased awareness of social commerce integration in markets such as Malaysia (60%), Indonesia (78%), Vietnam (77%), the Philippines (69%) and Thailand (78%).

Despite the region's interest in adopting social commerce integrations (56%), the safety of transactions made via social media platforms (61%) is a key concern among consumers for participating in social commerce. However, interest in wanting to keep up with the latest technology and trends (44%), and respondents spending much of their time on these platforms (54%) provide significant potential to grow usage for social commerce.



INTEREST IN SOCIAL MEDIA COMMERCE INTEGRATION



KEY DRIVERS OF INTEREST

54%
SPEND A LOT OF TIME ON SOCIAL MEDIA

50%
CURIOUS TO TRY SOMETHING NEW

48%
INNOVATIVE / MODERN WAY TO PAY

44%
KEEP UP WITH THE LATEST TECHNOLOGY / TRENDS

42%
MORE SECURE WAY OF MAKING PAYMENTS

BARRIERS TO INTEREST

61%
UNSURE OF THE SAFETY OF MY MONEY

30%
DO NOT USE SOCIAL MEDIA MUCH

29%
DIFFICULT TO USE

25%
ADDITIONAL CHARGES

24%
BENEFITS NOT GOOD ENOUGH FOR USING IT

In frontier markets such as Cambodia and Myanmar, which have seen low interest in social commerce integration, there is great opportunity to grow usage levels by driving awareness on the efficiency and convenience of these platforms.

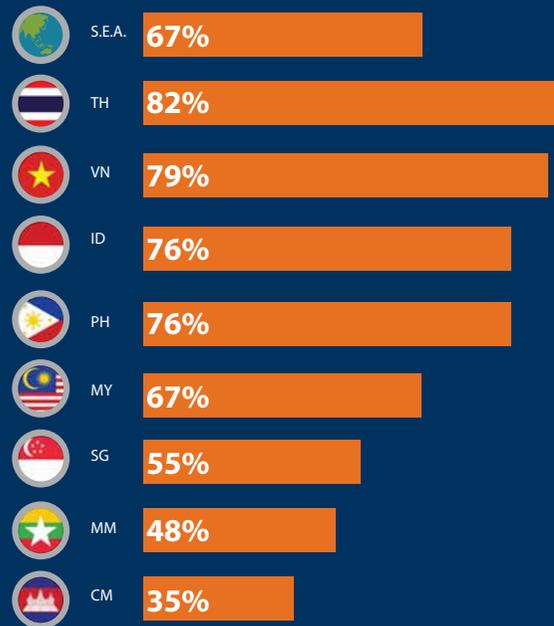
SMART CHECKOUT AS A SEAMLESS WAY TO SHOP



Smart checkout is a relatively new experience in Southeast Asia, but many consumers are aware of this new way to shop. Smart checkout allows consumers to easily add their purchases to a digital basket by scanning products with their mobile phones. This allows consumers to easily pay for their purchases upon leaving a store without the need to queue at physical checkout counters, making shopping a seamless part of their everyday lives.

More than two in three consumers in Southeast Asia (67%) are aware of smart checkout services, with the service being well-known in Indonesia (75%), Vietnam (74%) and Thailand (73%). Interest among consumers in

INTEREST IN SMART CHECKOUT



the region is high (67%), led by consumers in Thailand (82%), Vietnam (79%), Indonesia (76%) and the Philippines (76%).

In Southeast Asia, the transparency of shopping via smart checkout is a key driver of interest. Consumers like the idea of being able to see their full bill ahead of

checkout as they believe it can help them better budget their spending (57%). Consumers are also attracted by the novelty of this innovative solution (53%), in addition to it being a faster and more convenient way to shop (51%). However, merchants that offer smart checkout need to ensure their service is easy to use (42%) and be able to reassure consumers on the safety of transaction (42%) to encourage adoption.

KEY DRIVERS OF INTEREST

57%
HELPFUL IN BUDGETING AS I WILL KNOW THE BILL BEFORE PAYING

53%
INNOVATIVE / MODERN WAY TO PAY

51%
FASTER AND MORE CONVENIENT

49%
CURIOUS TO TRY SOMETHING NEW

44%
MORE SECURE WAY TO MAKE PAYMENTS

BARRIERS TO INTEREST

42%
DIFFICULT TO USE

42%
CONCERNED ABOUT SAFETY OF MY MONEY

26%
ADDITIONAL CHARGES

26%
DIFFICULT TO SET UP

23%
TRANSACTIONS MAY NOT GO THROUGH / NOT WORK

SHOPPING SMARTER WITH SMART DEVICES

As Southeast Asia continues its journey to 5G, networks with faster speed and lower latency will power smarter shopping experiences, such as shopping via smart devices. Smart devices can help users perform tasks automatically based on consumers' preferences and settings, taking tedious decision-making out of shopping and making it more intuitive. For instance, a smart fridge can be programmed to automatically purchase more bottles of milk once it detects that it is close to running out.

Nearly three in five consumers in Southeast Asia are aware of the ability to make purchases via smart devices, with the service being well-known in Indonesia (78%), Vietnam (75%) and Singapore (74%). Most consumers are also



receptive to the idea, with nearly two-thirds of Southeast Asian consumers (64%) showing interest in making purchases via smart devices. Consumers in Vietnam (83%), Indonesia (79%), Thailand (76%) and the Philippines (76%) are particularly keen on this service, so there is an opportunity for smart devices in these markets.

INTEREST IN SMART DEVICES



In Southeast Asia, consumers are largely lured by faster and more convenient purchases (57%), as well as smart devices being a more innovative and modern way to shop (56%). Many consumers are also curious about the technology and receptive to trying something new (49%). However, barriers to adoption include potential difficulties during use (47%), in addition to concerns on the safety of transactions (38%) and additional charges (32%).

KEY DRIVERS OF INTEREST

57%

FASTER AND MORE CONVENIENT

56%

INNOVATIVE / MODERN WAY TO PAY

49%

CURIOUS TO TRY SOMETHING NEW

47%

KEEP UP WITH THE LATEST TECHNOLOGY / TRENDS

45%

HELPS TO ENSURE FEWER / NO EMERGENCIES

BARRIERS TO INTEREST

47%

DIFFICULT TO USE

38%

CONCERNED ABOUT SAFETY OF MY MONEY

32%

ADDITIONAL CHARGES

31%

DIFFICULT TO SET UP

27%

TRANSACTIONS MAY NOT GO THROUGH / NOT WORK

ABOUT THE REPORT

The annual Visa Consumer Payment Attitudes Survey was conducted to understand the behaviours of consumers and identify areas where we can drive greater adoption of digital payments. With COVID-19 disrupting economies around the globe, the study explores how the pandemic has altered lives and payment behaviours, in addition to what we can expect in a post-pandemic world.

The latest survey was commissioned by Visa and conducted with CLEAR from August to September 2020, among 7,526 consumers aged 18-65 years of age in Singapore, Malaysia, Thailand, Indonesia, Philippines, Vietnam, Myanmar, and Cambodia.

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