



Virtual and Open Banking

Future of Commerce: Consumer Payment Attitudes Study

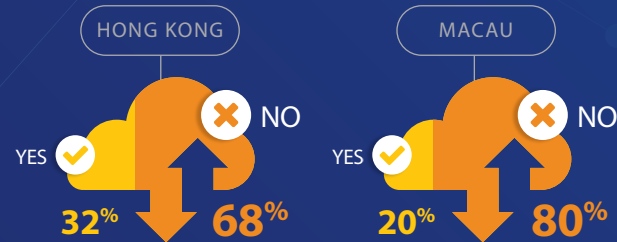
One in two Hongkongers are open to try virtual banks, while Macau consumers are more conservative.

Key benefits consumers look for are lower fees, better interests, more flexibility and better user experience.

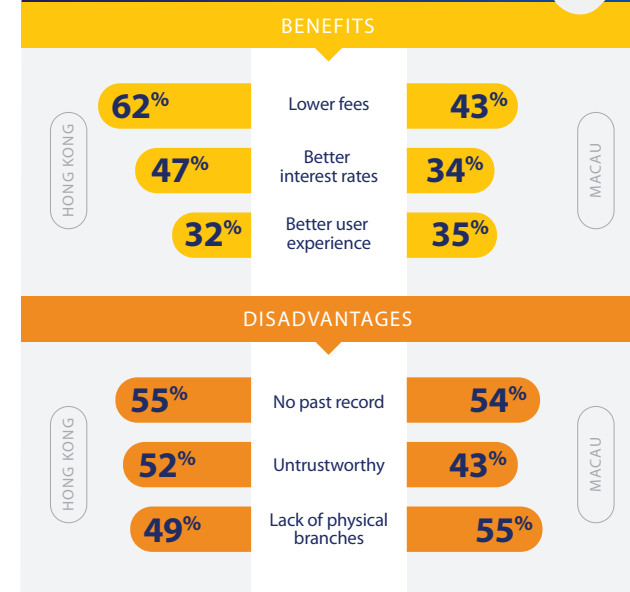
Virtual Banking Awareness



Open Banking Awareness



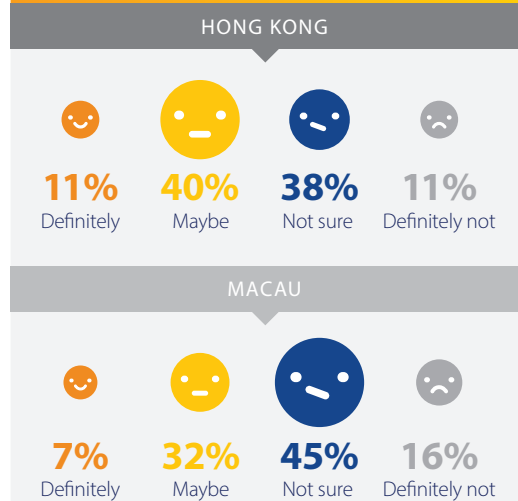
Perceived benefits and disadvantages of virtual banking



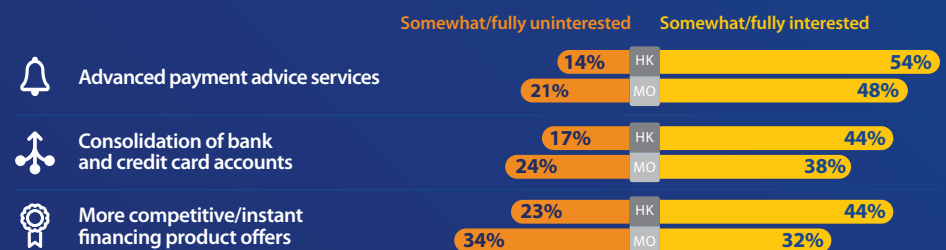
As we enter an era of open data, Hong Kong consumers want flexibility and choices when it comes to new banking products as much as data protection. The winners will be those who can strike the balance between, creativity, security and privacy."

Maaïke Steinebach
 Visa General Manager,
 Hong Kong and Macau

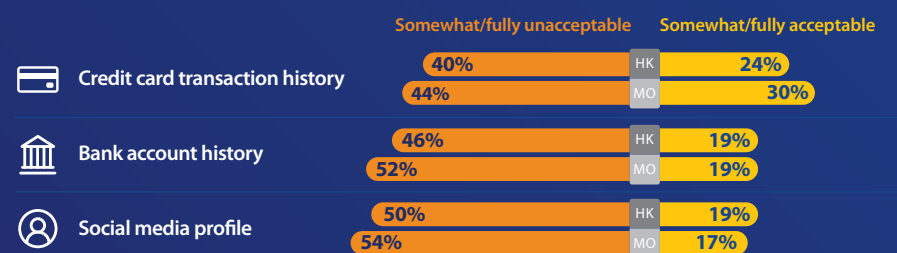
How likely to open an account with a virtual bank



Interest in open banking services¹



Acceptance of sharing personal information¹



¹Apart from 'uninterested' or 'interested' and 'unacceptable' or 'acceptable', the other votes went to 'neutral'.

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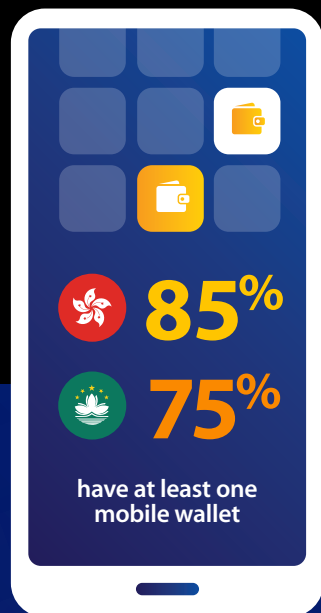
The Consumer Payment Attitudes Study for Hong Kong, Macau, and Taiwan aims to address key aspects of consumers' preferences and perceptions of digital payments. The annual study surveyed 1,250 consumers in the three markets to better understand consumer needs, expectations and aspirations when it comes to electronic payments and the digital transformation of commerce. The 2020 Study is the inaugural edition.



Mobile Convenience

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With improving customer experience and convenience, increasingly more transactions are made via mobile devices. Eight in ten Hongkongers use at least one mobile wallet for daily purchases, a similar proportion among Macanese. eCommerce will continue to fuel digital wallet usage. In Hong Kong, travel-related products and services account for a-quarter purchases online (43%), while in Macau it is bill payments (44%).



Mobile wallet usage



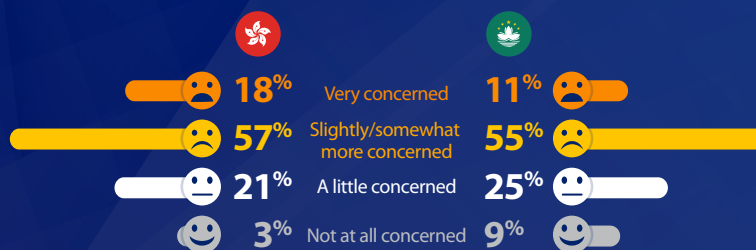
59%
of Hongkongers use credit or debit cards to fund mobile wallets

VS
27%
of Macanese use credit or debit cards to fund mobile wallets

Online shopping frequency



Degree of concern with security when making online purchases



Convenience is not enough.

Here is how Visa's multilayered security is protecting you

Devalue data

Removing sensitive data and make stolen numbers useless for criminals

Protect data

Safeguarding personal data and account details



Harness data

Identifying fraud before it occurs and increasing approval rate for good transactions

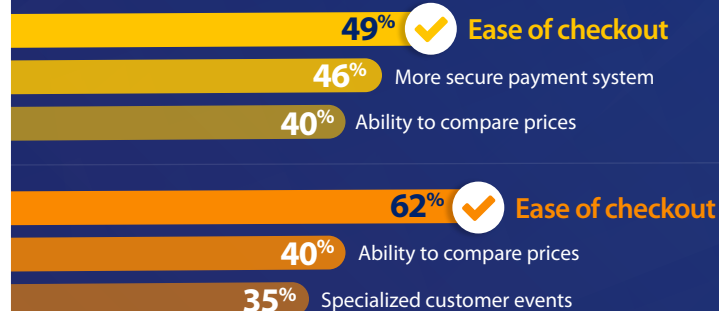
Empower consumers

Providing the resources to merchants and accountholders to fight fraud

Categories purchased online in the past year



Concerns that – if addressed – could improve online shopping experience



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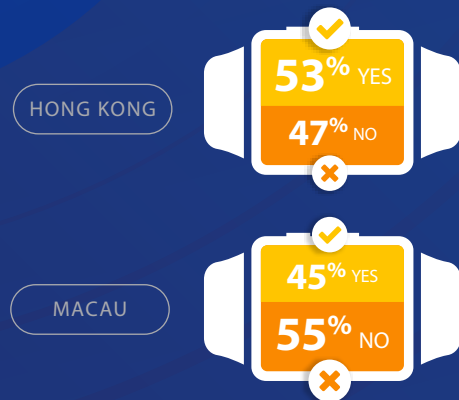
Cashless Future

Future of Commerce: Consumer Payment Attitudes Study

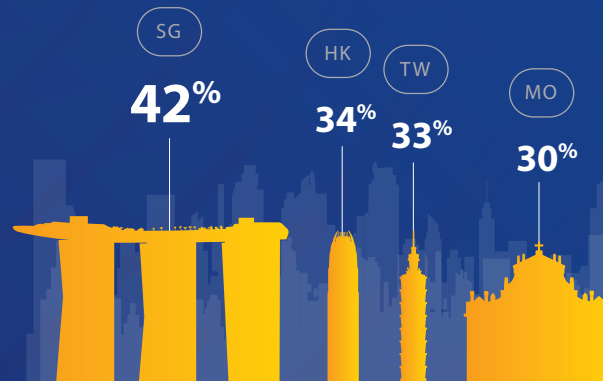
Hongkongers want to go cashless.

Four in five consumers use cash to pay at small merchants and eateries; but only four in ten prefer to use cash. The appetite for digital payments, credit and debit cards in particular, also extends to public transport too. About 45 percent of transactions are digital in Hong Kong. By moving the dial up to 60 percent, the city would see net direct benefits of USD 1.5 billion.*

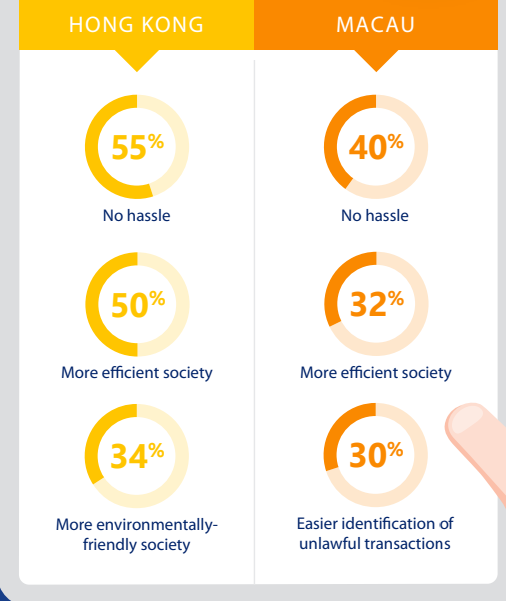
Have you ever tried going cashless?



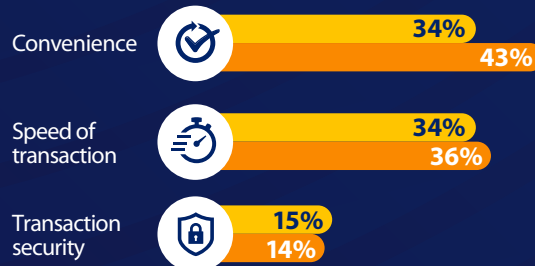
'Cashless society' will be possible in 4-7 years



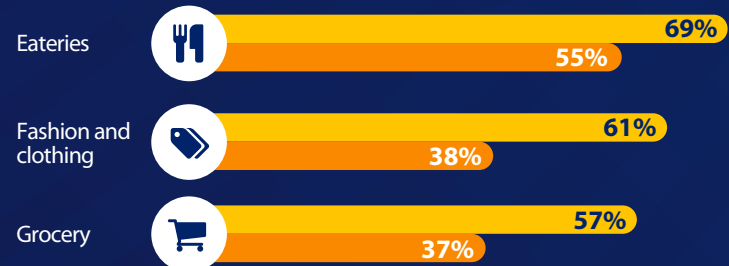
Top benefits of a 'cashless society'



Key factors when paying a small merchant



Small merchant types where consumers like to pay cashless



HONG KONG

'Paying directly from credit card for public transport will be more convenient'



64% Agree



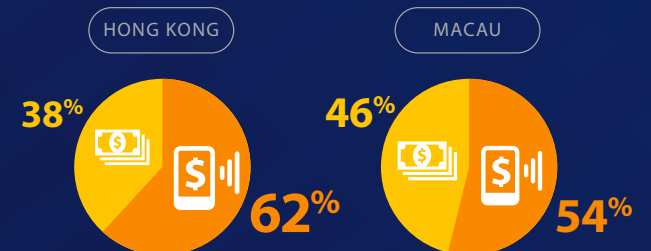
62%

Would likely use a credit card for public transport if available

Benefits perceived using credit card in Hong Kong public transport



Preferred type of payment method at small merchants



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*'Cashless Cities: Realizing the Benefits of Digital Payments' is a study by Visa and Roubini Thoughtlab that quantifies the potential net benefits experienced by 100 cities worldwide when move to an 'achievable level of cashlessness.' Visit the online data visualization tool and download the report at: www.visa.com/cashlesscities.