

VISA



**NEW HORIZONS
FOR PAYMENTS
IN OUR
HYPER-DIGITAL AGE**

CONSUMER PAYMENT ATTITUDES STUDY



CONTENTS

Payments are redefining lifestyles and businesses in Southeast Asia's digital decade	2	A new generation of Southeast Asian shoppers	25
<ul style="list-style-type: none"> - Southeast Asia continues embracing a multitude of digital payments - More consumers attempting to go fully cashless 		<ul style="list-style-type: none"> - Consumers are paying more attention to their spending habits - Eco-conscious consumers and sustainable payment options 	
Going cashless: part and parcel of everyday life	3	The future of retail: where physical meets digital	34
<ul style="list-style-type: none"> - Southeast Asia continues embracing a multitude of digital payments - More consumers attempting to go fully cashless 		<ul style="list-style-type: none"> - Enhancing experiences with augmented reality - Powering smarter ways to shop 	
Payments in a hyper-digital world	12	Market snapshots	40
<ul style="list-style-type: none"> - Buy Now Pay Later surges in popularity - Cryptocurrency for payments - Looking into the metaverse - Exciting possibilities of non-fungible tokens - The rise of digital banking - Insights into personal data and open banking 		<ul style="list-style-type: none"> - Cambodia - Indonesia - Malaysia - Singapore - Thailand - The Philippines - Vietnam 	
		About the report	48

PAYMENTS ARE REDEFINING LIFESTYLES AND BUSINESSES IN SOUTHEAST ASIA'S DIGITAL DECADE



Serene Gay
Group Country Manager,
Regional Southeast Asia

In recent years, Southeast Asia has seen a significant shift in consumer behaviour, with a growing preference for digital payment methods across various aspects of their daily lives. Particularly, we are seeing different forms of digital payments such as contactless cards and QR code payments being favoured by Southeast Asian consumers. This change in preference has led to card payments surpassing cash transactions throughout the region.

As consumers increasingly immerse themselves in the digital world, recent innovations have unlocked numerous opportunities for payments and commerce. From digital banks and cryptocurrencies to non-fungible tokens (NFTs) and the metaverse, individuals now have access to new ways to shop, make payments, and engage with the world around them.

In order to keep up with the modern Southeast Asian consumer and their post-pandemic habits, businesses must adapt accordingly. A significant number of consumers (58%) say that they will continue to shop at large online marketplaces. In addition, more than half of consumers also plan

to support home-based businesses (57%) and patronise local businesses (55%).

Concurrently, there has been a rise in eco-consciousness among consumers. A notable 81 percent are aware of the impact of their consumption and have either taken active steps or plan to minimise their environmental footprint.

As a global leader in payment technology, Visa is dedicated to driving innovations in payments and commerce that transform lifestyles and businesses around the world. This commitment includes facilitating digital payments in more aspects of consumers' lives, expanding access to new payment experiences for everyone, and supporting businesses of all sizes as they transition to the digital sphere.

By staying at the forefront of payment innovation and understanding the evolving preferences of consumers in Southeast Asia, businesses can remain competitive in this dynamic environment. From the use of digital payments to supporting local and eco-conscious businesses, the opportunities for growth are immense.

In conclusion, the landscape of payments and commerce in Southeast Asia is rapidly changing. Businesses must adapt to the evolving preferences of the modern Southeast Asian shopper, such as supporting online marketplaces, home-based businesses, and local enterprises. The resurgence of travel and a growing focus on eco-consciousness will also shape the way consumers spend and interact with businesses in the coming years. Hence, it is important that we ensure the payment experience is secure and seamless, be it at home, or when they travel abroad.

Visa remains committed to driving new payment innovations and supporting businesses in their digital transformation journeys. By embracing these changes and staying in tune with consumer preferences, businesses can ensure their continued success in the evolving world of payments.

We hope that this report will provide valuable insights to the industry and help shape ideas for new commerce experiences for consumers and businesses that are more intuitive, seamless and secure.

VISA



**GOING CASHLESS:
PART AND PARCEL OF
EVERYDAY LIFE**

SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS

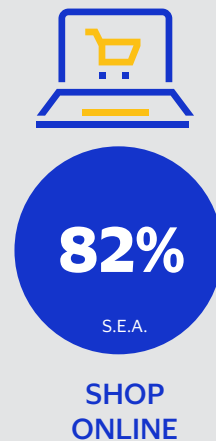
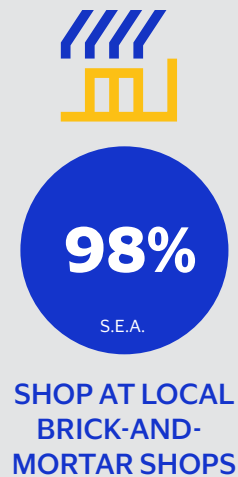


Digital payments gaining traction over cash across the region

Usage of digital payments is growing across Southeast Asia, as the region continues its transition to cashless. E-wallets are the most commonly used digital payment method (83%), led by consumers in Indonesia (93%), Vietnam (89%), and the Philippines (89%). Credit and debit card payments come close (80%) and remain the top payment choice for consumers in Singapore (97%) and Malaysia (92%).

Since the gradual relaxation of pandemic safety measures throughout the region, consumers have fully reverted to pre-pandemic shopping habits. Nearly all Southeast Asian consumers currently shop in local brick-and-mortar stores (98%), a huge change from last year when three in five consumers (60%) decreased their patronage at physical outlets.

We also see that shopping habits brought by the pandemic are here to stay. More than four in five Southeast Asian consumers (82%) continue to shop online, a trend led by Indonesia (92%), Vietnam (89%), and Malaysia (88%).



PAYMENT METHODS CURRENTLY USED



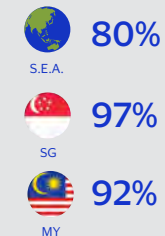
Cash



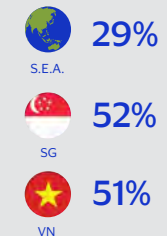
E-wallets



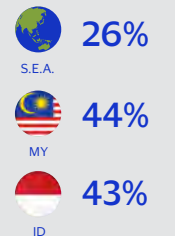
Credit/
Debit card



Mobile
contactless



Smart/
stored value
card



SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS



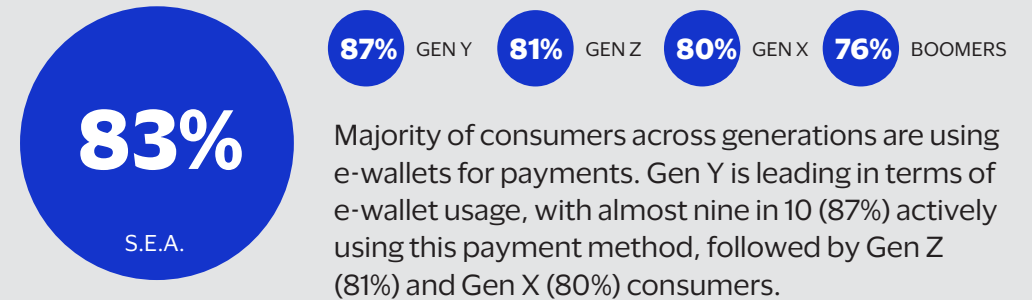
E-wallets spearheading the cashless agenda

E-wallets have grown in usage across the region in certain markets, driven mainly by consumers using their mobile wallets to make QR payments online or within the app. Close to 60 percent of consumers in the region use QR payments in physical stores. Top markets for QR payment usage include Cambodia (68%), Indonesia (62%), Vietnam (61%) and Thailand (61%).

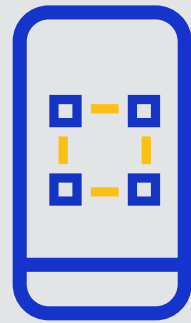
CURRENTLY USING THESE PAYMENT METHODS



E-WALLET USAGE BY DEMOGRAPHICS



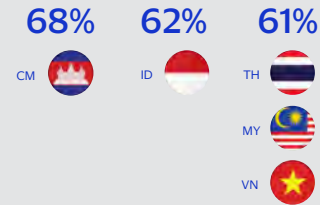
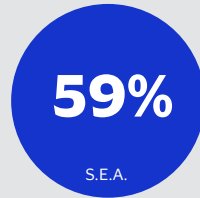
SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS



QR code payments

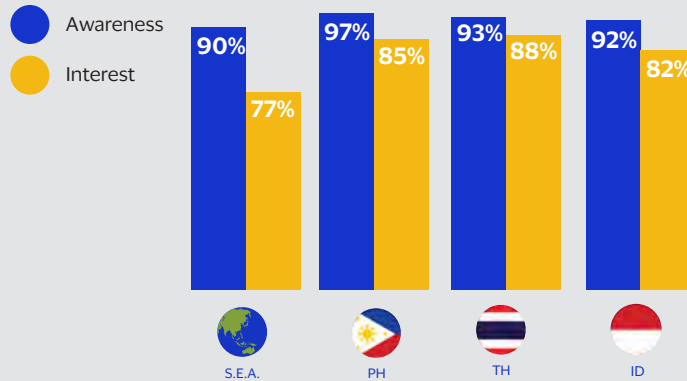
Convenience, security and widespread acceptance throughout the region have driven the exponential growth of QR payments to become the second-most frequently used cashless payment method in the region. Almost three in five (59%) Southeast Asian consumers currently using this payment method, compared to 38 percent last year. This payment mode is most popular in Cambodia (68%) and Indonesia (62%).

CONSUMERS
THAT USE
QR PAYMENTS



More than four in five consumers who pay via QR codes (82%) use this payment method at least once a week, while nearly two in five (37%) use QR payments at least four times a week. This trend is led by Thailand (88%), Vietnam (85%), and the Philippines (82%), where consumers use QR codes to pay at least once a week.

AWARENESS AND INTEREST

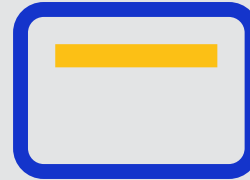


TOP CATEGORIES OF PAYMENTS MADE WITH QR PAYMENTS



Across spending categories, QR code payments are most widely used for food and dining (34%). QR code payments are also used for convenience store purchases (30%) and supermarket purchases (29%).

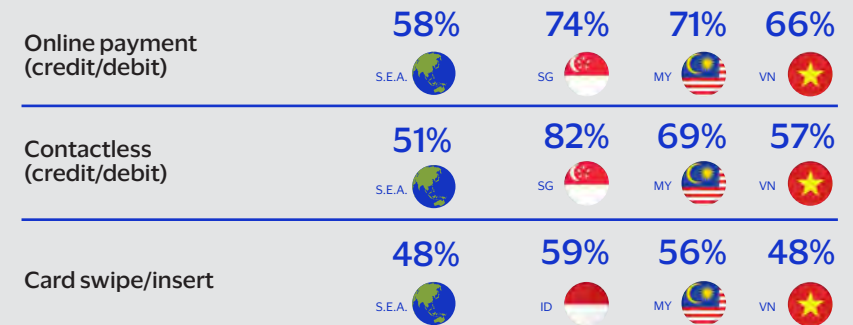
SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS



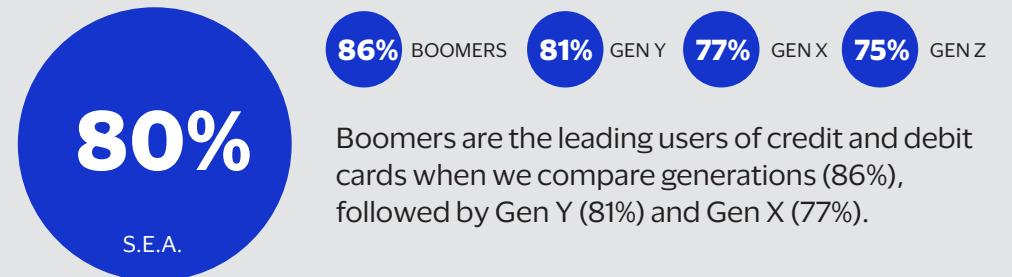
Credit and debit card usage shows steady growth

Credit and debit cards are also widely used across the region, and are the preferred payment method for consumers from Singapore and Malaysia. Contactless card usage across the region varies across the different markets, with Singapore taking the lead at 82 percent, followed by Malaysia (69%) and Vietnam (57%). Credit and debit card payments are mostly used for online payments in Southeast Asia, with nearly three in five consumers (58%) paying for their online transactions via credit or debit cards, led by Singapore (74%), Malaysia (71%), and Vietnam (66%).

CURRENTLY USING THESE PAYMENT METHODS



CARD USAGE BY DEMOGRAPHICS



SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS



Contactless card

Contactless cards are growing in usage due to their convenience, security, and widespread acceptance with merchants across the region. Over half of Southeast Asian consumers (51%) use contactless cards, up from 44 percent last year. This payment method is most used by consumers in Singapore (82%),

Malaysia (69%) and Vietnam (57%).

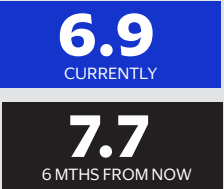
Consumers who use contactless card payments do so frequently, with more than four in five (83%) making such payments at least once a week. Nearly two in five (37%) do so four times a week minimally. This trend is even

more pronounced in markets such as Singapore, Vietnam, and Thailand. Nine in 10 (90%) contactless card users in Singapore use this payment method at least once a week, and similar usage is seen for more than 80 percent of Vietnamese and Thai consumers.

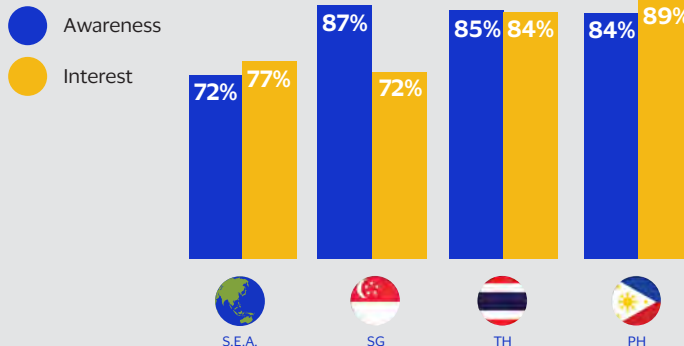
CONSUMERS WHO USE CONTACTLESS CARD PAYMENTS



AVERAGE NUMBER OF CONTACTLESS CARD PAYMENTS



AWARENESS AND INTEREST AMONG NON-USERS



TOP CATEGORIES OF PAYMENTS MADE WITH CONTACTLESS CARDS



Across spending categories, consumers pay with contactless cards most often at supermarkets (34%), ahead of QR code payments (29%) and swiping or inserting cards (28%). Other categories where contactless cards are used most often include food and dining (30%) and retail shopping (30%).

SOUTHEAST ASIA CONTINUES EMBRACING A MULTITUDE OF DIGITAL PAYMENTS



Mobile contactless

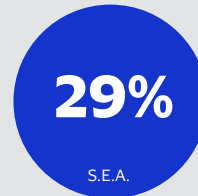
Mobile contactless payments have also increased in usage across the region, with three in 10 Southeast Asian consumers (29%) using this payment method, compared to over one in four (27%) a year ago. Popular usage is led by consumers in Singapore (52%), Vietnam (51%), and Thailand (49%). Consumers value

the convenience and security of mobile contactless payments, as well as its widespread adoption in the region.

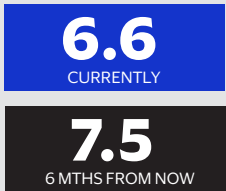
Consumers who use mobile contactless payments are doing so frequently. More than four in five (83%) use this payment method at least once a week,

while nearly two in five (37%) use it at least four times a week. Eighty-four percent of Vietnamese who use mobile contactless payments use this payment method at least once a week, followed by 83 percent of consumers in Singapore and Thailand.

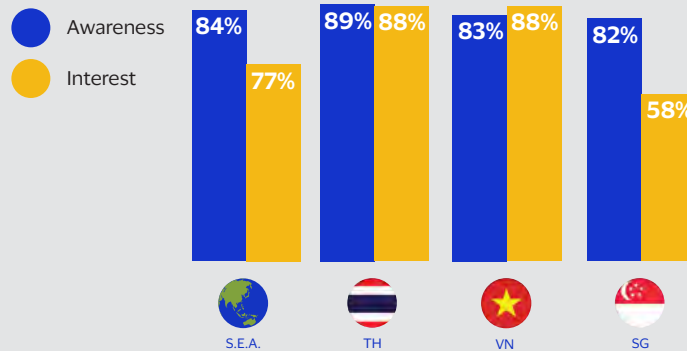
CONSUMERS THAT USE MOBILE CONTACTLESS PAYMENTS



AVERAGE NUMBER OF MOBILE CONTACTLESS PAYMENTS



AWARENESS AND INTEREST AMONG NON-USERS



TOP CATEGORIES OF PAYMENTS MADE WITH MOBILE CONTACTLESS



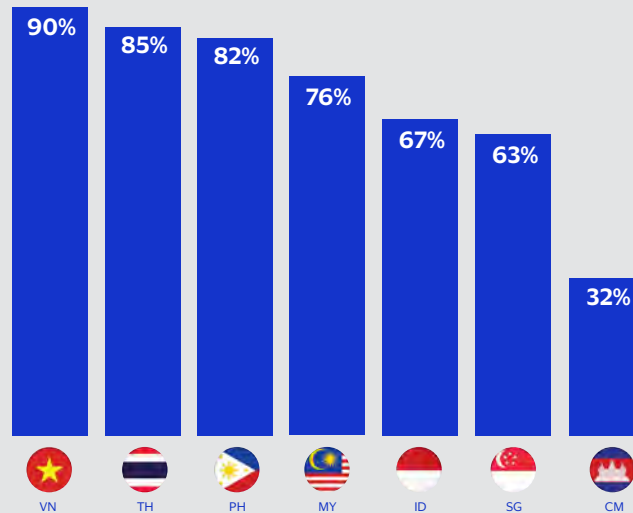
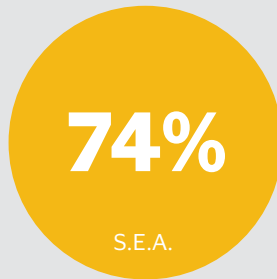
There is opportunity for more usage of this payment mode as consumers are choosing to use other cashless payment methods such as card or QR code payments. The main use cases for mobile contactless payments include food and dining (14%) and supermarket purchases (13%).

MORE CONSUMERS ATTEMPTING TO GO FULLY CASHLESS

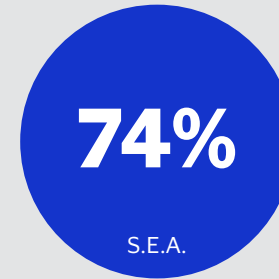


Nearly three in four Southeast Asian consumers (74%) have succeeded at going fully cashless for a week, an increase of 10 percent compared to the start of the pandemic in 2020. Consumers in Vietnam (90%), Thailand (85%) and the Philippines (82%) have seen the highest success rates at going cashless. Cambodia and Vietnam have also seen the greatest growth in going cashless; Cambodia saw a nine-percentage-point increase, followed by Vietnam with a six-percentage-point increase.

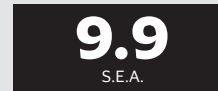
SUCCESSFUL ATTEMPTS TO GO CASHLESS



GOING CASHLESS BY DEMOGRAPHICS



Across generations, Gen Z and millennial consumers in the region have been more successful in going cashless compared to Gen X or boomers.

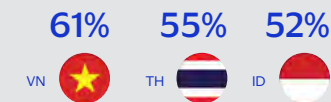
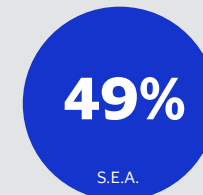


AVERAGE NUMBER OF DAYS OF SUCCESSFUL ATTEMPTS TO GO CASHLESS

On average, Southeast Asian consumers have succeeded at going cashless for slightly over a week (9.9 days), led by consumers from Malaysia (11.3 days), Vietnam (10.5 days) and Indonesia (10 days).

Consumers' attempts to go cashless indicate that they are gradually decreasing their reliance on cash. Nearly half of consumers in the region (49%) currently carry less cash in their wallets compared to pre-pandemic times/practices. This trend is led by Vietnam (61%), Thailand (55%) and Indonesia (52%).

CONSUMERS THAT ARE CARRYING LESS CASH POST-PANDEMIC

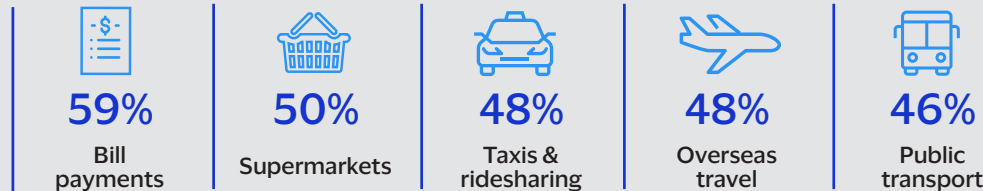


MORE CONSUMERS ATTEMPTING TO GO FULLY CASHLESS

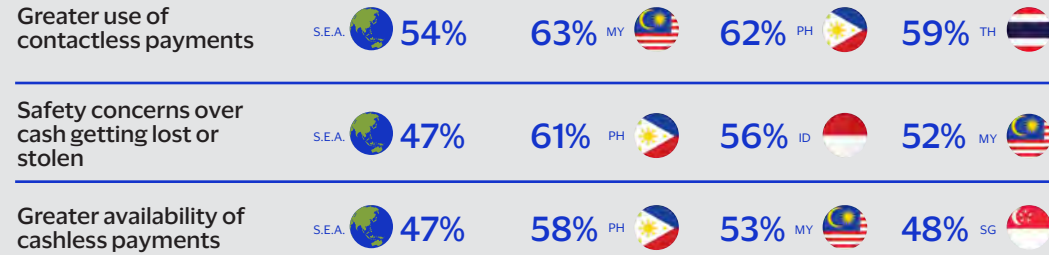
Consumers are also aware of the shift to cashless, and some believe it is inevitable. Nearly one in three Southeast Asian consumers (27%) think that their society is either already cashless or will be in the near future. More than two in three (69%) believe that the country will become fully cashless by 2030.

Categories that consumers expect to go fully cashless are related to everyday spend. This includes bill payments (59%), supermarket purchases (50%), taxis and ridesharing (48%), overseas travel (48%) and public transport (46%).

CATEGORIES GOING FULLY CASHLESS



TOP REASONS FOR GOING CASHLESS

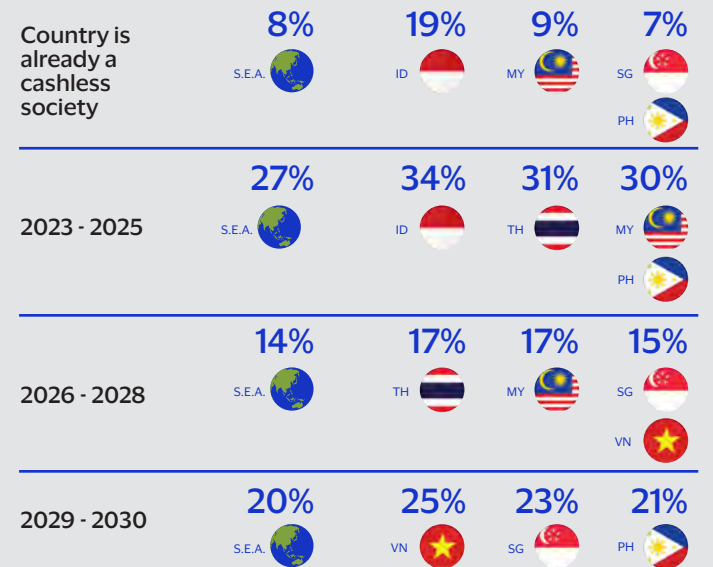


AVERAGE NUMBER OF CASH PAYMENTS



Consumers moving away from having more cash in their wallets do so because they are using more contactless payments (54%), have security concerns over their cash being stolen (47%), and can switch to other cashless payment alternatives (47%). Therefore, the region's average number of cash payments has decreased since pre-pandemic, and this trend will likely remain the same in future. Every market in the region has experienced a drop in the average number of cash payments except Cambodia.

POSSIBILITY OF A CASHLESS SOCIETY



The background features vertical stripes in shades of orange, yellow, and blue. Overlaid on this are several digital icons: a Bitcoin symbol (a 'B' with two vertical lines) inside a circle, and the letters 'NFT' inside a shield-shaped outline. The icons are arranged in a descending staircase pattern from top-left to bottom-right. The Bitcoin icon in the center is highlighted with a bright white glow, while the others are semi-transparent.

VISA

**PAYMENTS IN A
HYPER-DIGITAL
WORLD**

BUY NOW PAY LATER SURGES IN POPULARITY

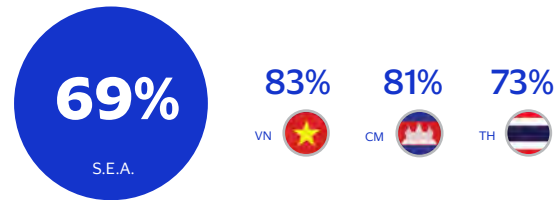


Buy Now Pay Later (BNPL)

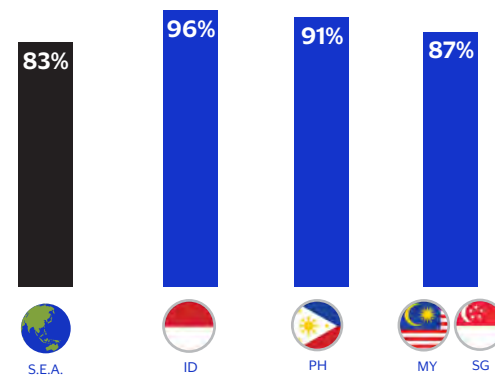
BNPL is starting to gain traction amongst consumers in Southeast Asia. Awareness of BNPL is high across the region, with more than four in five consumers (83%) aware of BNPL services. This is led by Indonesia (96%), the Philippines (91%), Singapore (87%), and Malaysia (87%).

Southeast Asian consumers love BNPL due to the ease of using the apps (60%), ability to use BNPL without having a credit card (46%) and gaining reward points when using this payment solution (44%). Seven in 10 consumers across the region (69%) have used BNPL services. This trend is led by Vietnam (83%), Cambodia (81%), and Thailand (73%). Awareness of BNPL is consistently high across generations, but usage is driven mainly by millennial (78%) and Gen Z consumers (75%).

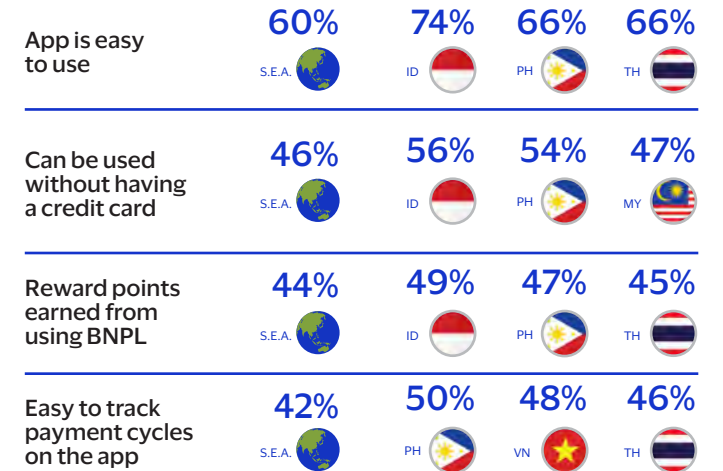
CONSUMERS THAT USE BNPL PLANS



AWARENESS OF BNPL PLANS



DRIVERS OF TAKE-UP OF BNPL PLANS





AVERAGE NUMBER OF BNPL PLANS TAKEN UP

5.9
CURRENTLY

Southeast Asia consumers who use BNPL tend to use it for more than one purchase, with an average of 5.9 BNPL plans per person. Indonesian consumers lead this trend with the highest number of BNPL plans (7.6 plans per person), followed by Cambodia (6.6 plans per person) and Thailand (6.5 plans per person).

BNPL is mostly used on eCommerce platforms (websites and apps). Top categories that BNPL is used for include electronic gadgets (49%), fashion and accessories (46%), and home appliances (46%).

WHEN AND WHERE BNPL PLANS ARE OFFERED

	Before shopping	While shopping but before checkout	During checkout	After checkout and full payments made
In-store	58%	60%	47%	23%
E-commerce shopping websites	50%	58%	47%	20%
E-commerce shopping apps	47%	51%	52%	23%

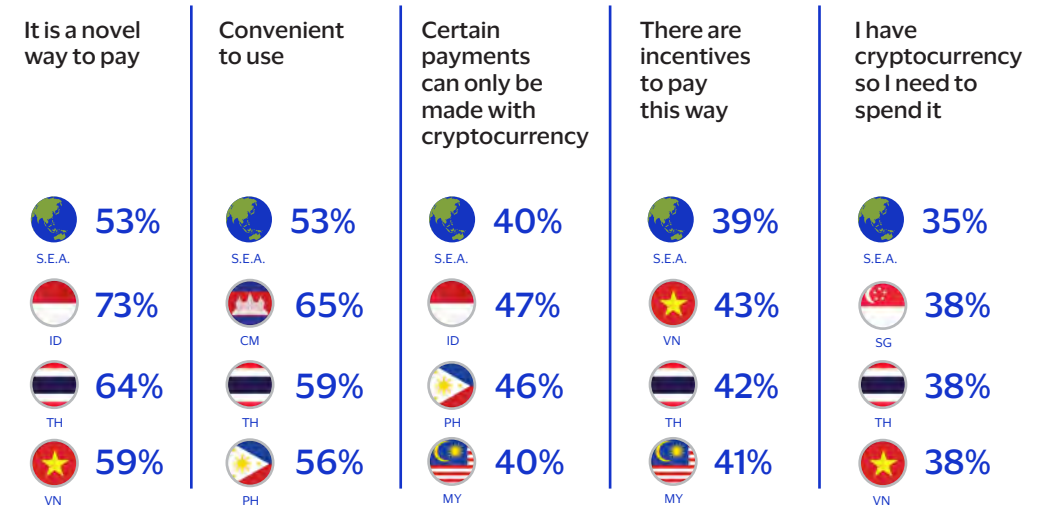
CATEGORIES PURCHASED WITH BNPL PLANS

Electronic gadgets	S.E.A. 49%	61% PH	53% VN	53% TH
Fashion & accessories	S.E.A. 46%	55% ID	52% PH	47% TH
Home appliances	S.E.A. 46%	57% PH	48% TH	47% VN
Health & beauty	S.E.A. 38%	46% CM	44% TH	41% VN
Travel	S.E.A. 30%	53% CM	35% TH	33% VN

CRYPTOCURRENCY FOR PAYMENTS

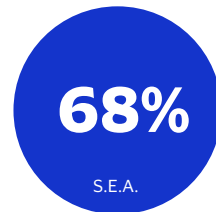


REASONS FOR INTEREST IN PAYMENTS USING CRYPTOCURRENCY



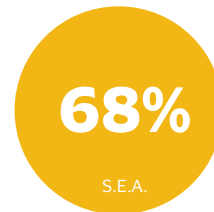
We are seeing more consumers using cryptocurrency across Southeast Asia. More than two in three (68%) Southeast Asian consumers, led by Vietnam (85%), the Philippines (79%), and Thailand (78%), have shown an increased interest in using cryptocurrency due to convenience (53%) and novelty (53%) of this payment method. Others have expressed interest because certain payments can only be made via cryptocurrencies (40%).

In addition, more than two in three consumers (68%), particularly from Vietnam (85%), the Philippines (81%), and Indonesia (77%), are also interested in receiving debit or credit card rewards in the form of cryptocurrency.



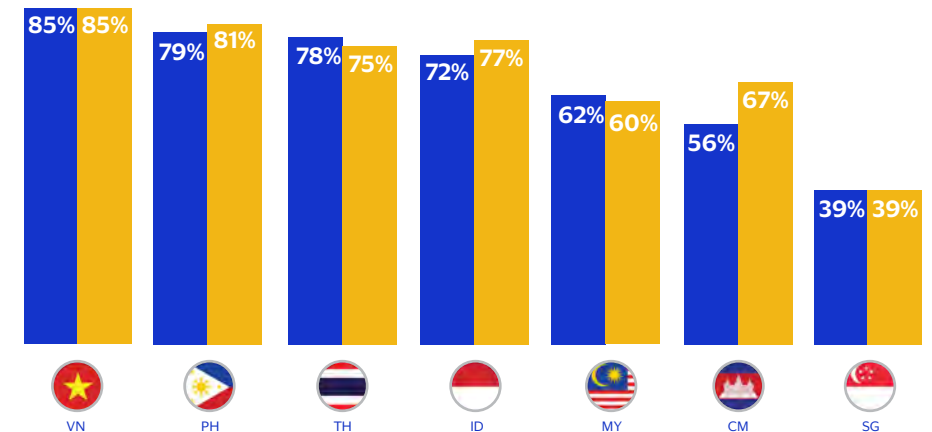
INTEREST IN CRYPTO PAYMENTS

Interested if cryptocurrency could be used to make payments



INTEREST IN CRYPTO REWARDS

Interested in receiving credit/debit card rewards in the form of cryptocurrency



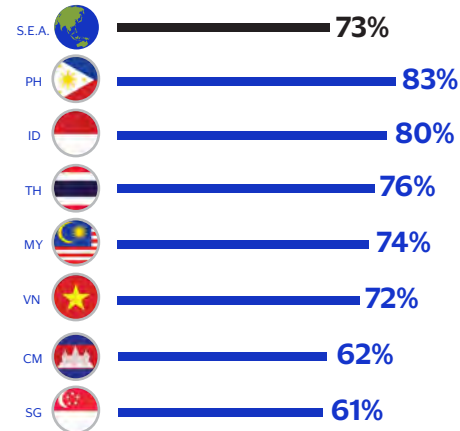
LOOKING INTO THE METaverse



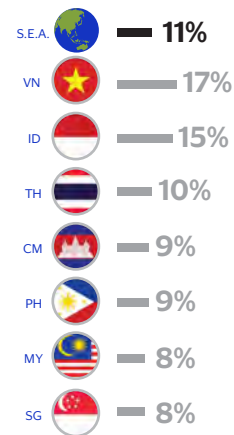
The metaverse provides an immersive experience for consumers through a two-dimensional virtual world. With high smartphone and internet usage across Southeast Asia, it is not surprising that more than seven in 10 consumers in this region are interested to participate in the metaverse. Interest is highest in the Philippines (83%), Indonesia (80%) and Thailand (76%). Key drivers for this interest include making new friends (41%), shopping for real and virtual products (38%), playing virtual reality games (37%) and attending learning events (37%).

Led by Vietnam (17%), Indonesia (15%) and Thailand (10%), a total of 11 percent of consumers in Southeast Asia have experienced the metaverse, with most of them using it to build an avatar (40%), play VR games (39%) and invest in digital artwork through NFTs (38%).

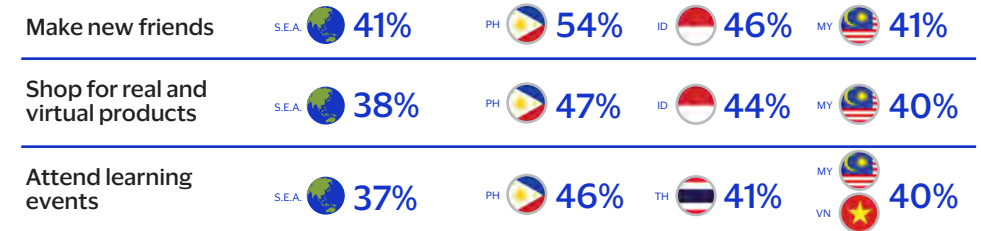
INTERESTED IN THE METaverse



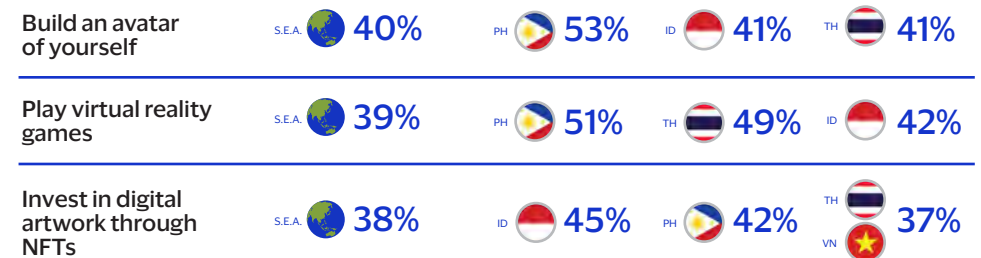
HAVE EXPERIENCED THE METaverse



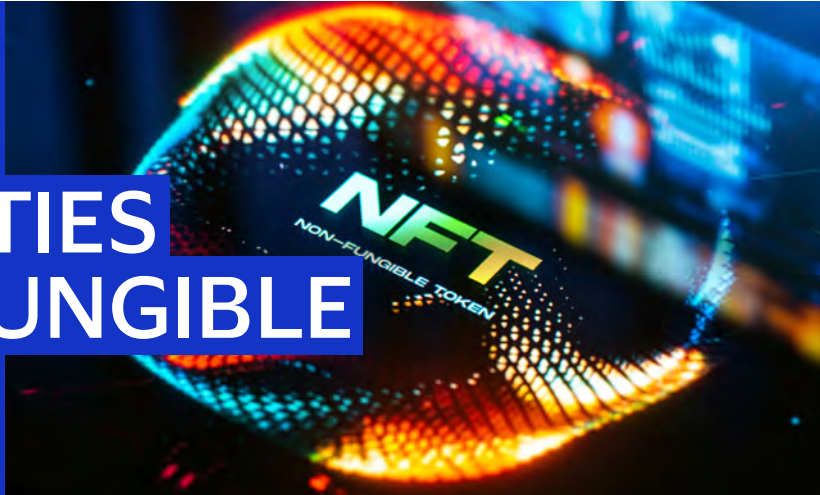
TOP 3 FEATURES CONSUMERS ARE MOST INTERESTED IN



TOP 3 ACTIVITIES IN THE METaverse



EXCITING POSSIBILITIES OF NON-FUNGIBLE TOKENS

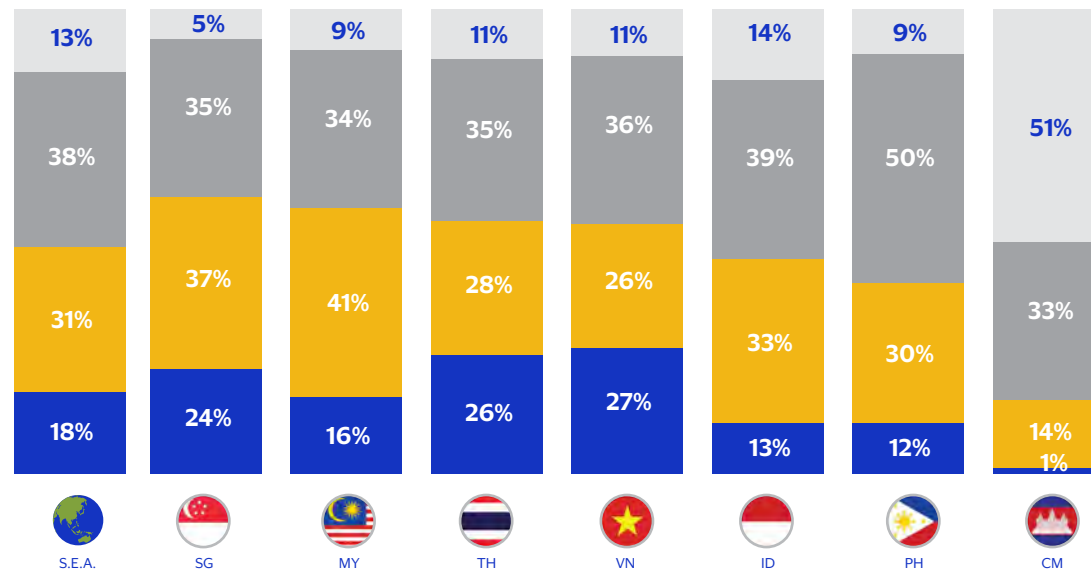


A secure and transparent way to authenticate ownership and provenance, non-fungible tokens (NFTs) provide a new way to represent and trade digital assets. Although more than two in three Southeast Asian consumers (69%) are aware of NFTs, only 18 percent currently own one. Thailand is in the lead with the highest number of consumers with NFTs (27%), followed by Vietnam (26%) and Indonesia (24%).

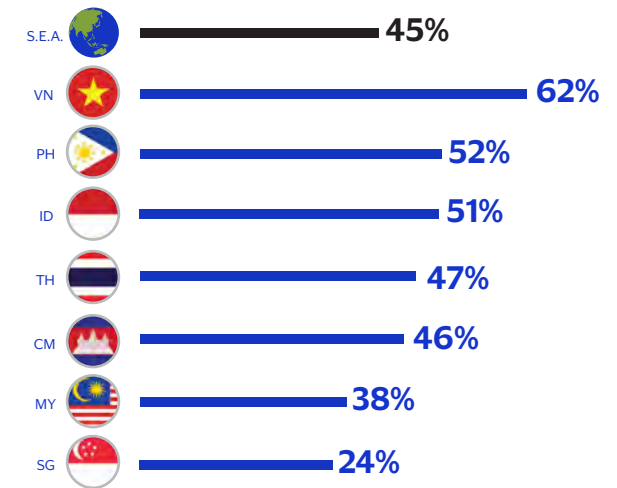
Amongst the various generations, millennials are leaders of the trend, with nearly one in four (22%) owning an NFT. This is followed by Gen Z (17%), Gen X (15%), and lastly, boomers (12%). Although ownership of NFTs is currently low, there is growing interest, with nearly half of consumers in Southeast Asia keen to purchase NFTs. Interest in NFT ownership is highest in Vietnam (62%), the Philippines (52%), and Indonesia (51%).

AWARENESS OF NON-FUNGIBLE TOKENS (NFTs)

- Not aware
- Heard of it
- Familiar
- Currently own



INTEREST IN NFTs NON-USERS

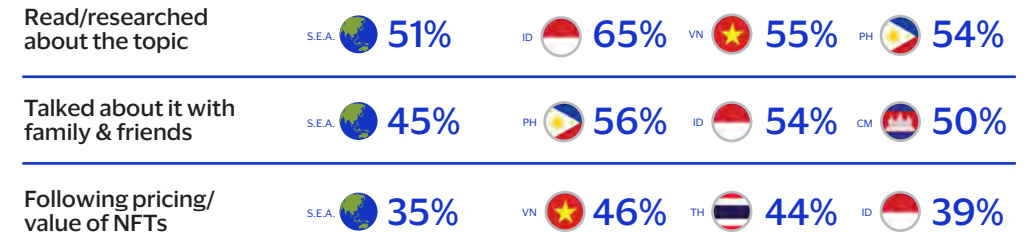


EXCITING POSSIBILITIES OF NON-FUNGIBLE TOKENS

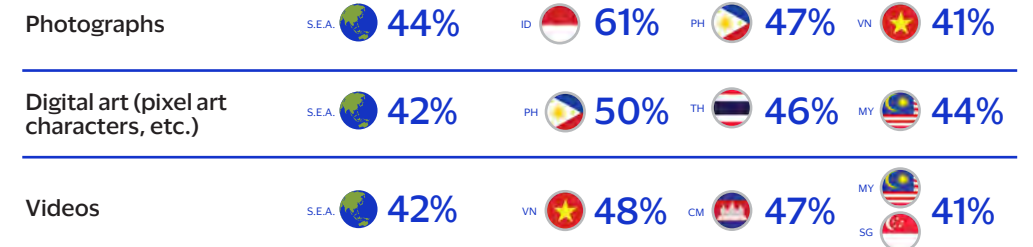


Half of consumers in Southeast Asia (51%) have read or researched about NFTs, and a similar number have also discussed NFTs with family and friends (45%). NFTs that are traded in Southeast Asia are mostly in the form of photographs (44%), digital art (42%), paintings (42%) and videos (42%).

TYPE OF ACTIVITY WITH NFTs AMONG THOSE WHO ARE AWARE



TOP 3 TYPES OF NFTs TRADED IN S.E.A.



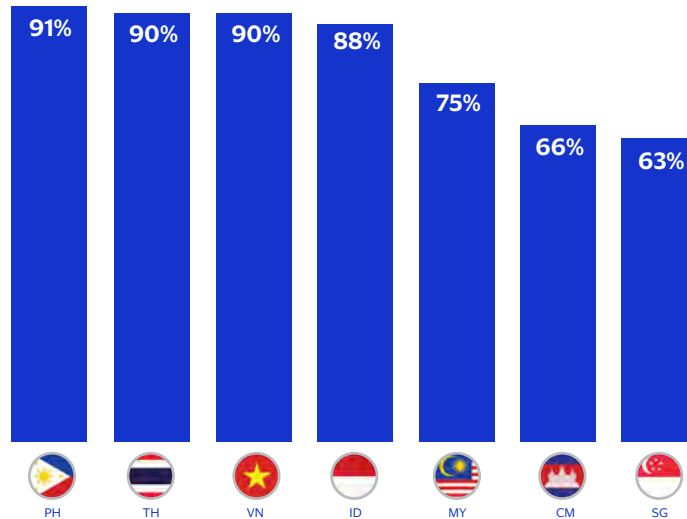
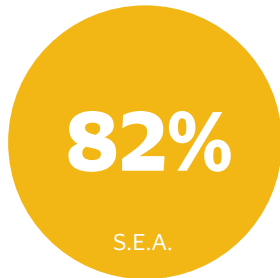
THE RISE OF DIGITAL BANKING



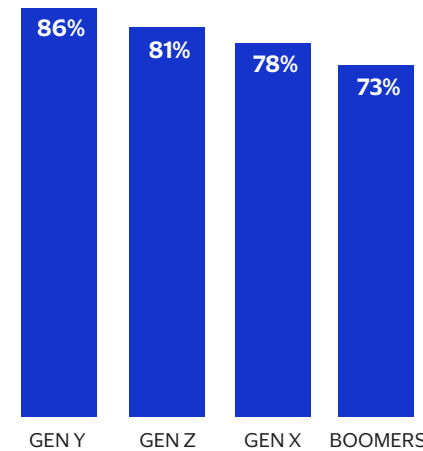
Digital banking has taken off in countries such as Singapore and Malaysia, where such services have either been launched or awarded licenses. In the region, more than four in five (82%) Southeast Asian consumers are interested in digital banking, as compared to 77 percent in 2021. Interest to use digital banking services is led by consumers in the Philippines (91%), Vietnam (90%) and Thailand (90%).

When it comes to digital bank providers, consumers are most interested in digital banking services offered by an existing bank (90%), with millennials being most keen to try out digital banking (86%), followed by Gen Z (81%), Gen X (78%) and boomers (73%).

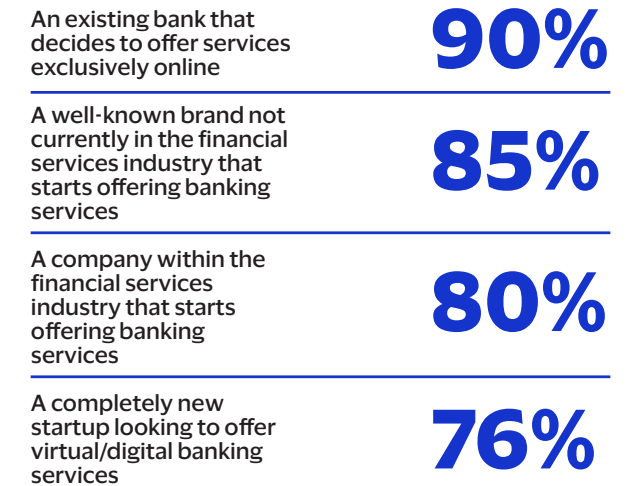
INTEREST IN DIGITAL BANKING



INTEREST IN DIGITAL BANKING BY DEMOGRAPHICS



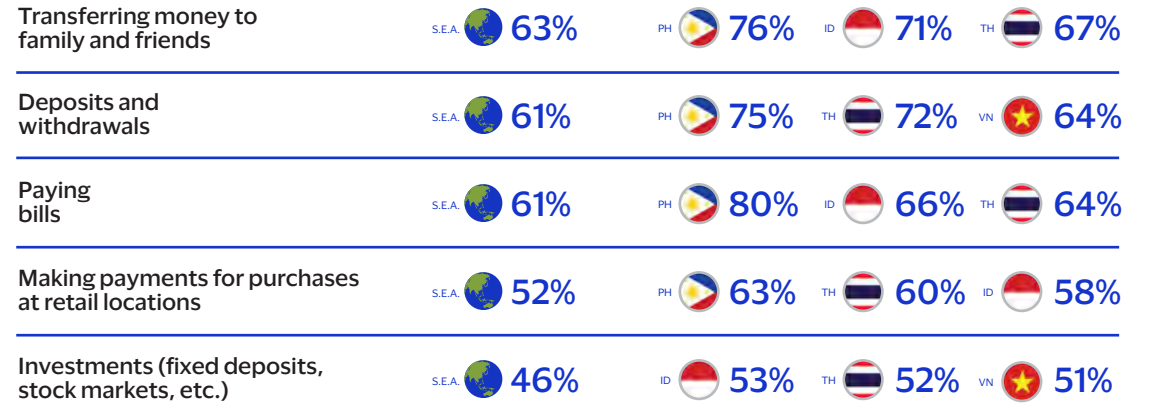
TYPES OF DIGITAL BANK PREFERRED



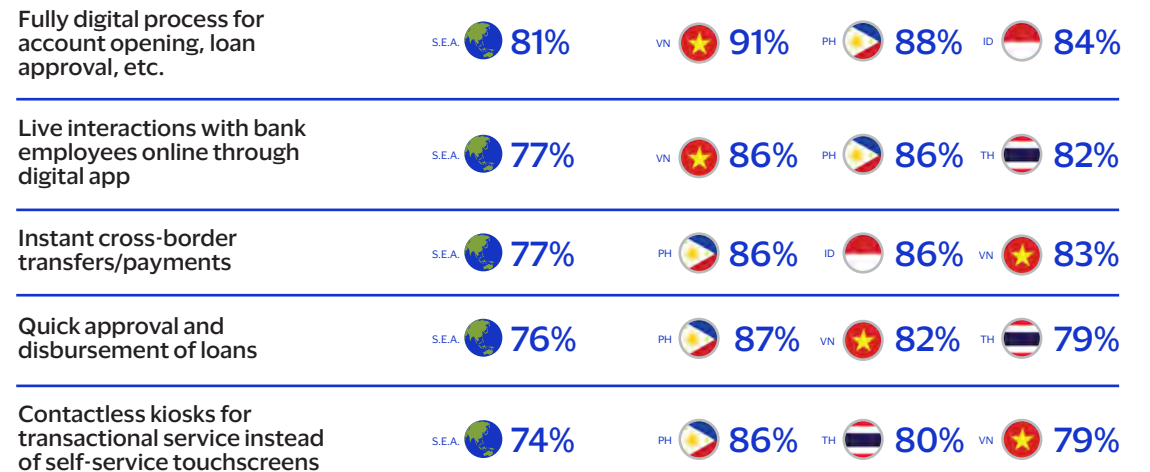
THE RISE OF DIGITAL BANKING

More than 80 percent of Southeast Asia consumers are most keen to have fully digital banking processes, with 77 percent interested in cross-border transfer payments and live interactions with bank employees online via a digital app. Top services that consumers are interested to use digital banking for include transferring money to family and friends (63%), deposits and withdrawals (61%), and bill payments (61%). Additional areas that consumers are keen on exploring with digital banks include making retail purchases (52%) and investments (46%).

TOP DIGITAL BANKING SERVICES



INTEREST IN TYPES OF SERVICES FROM A DIGITAL BANK



THE RISE OF DIGITAL BANKING



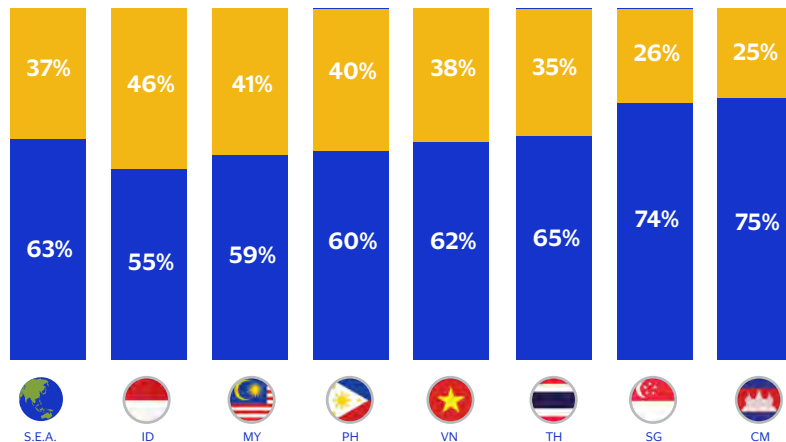
While many consumers prefer to have their main banking account with traditional banks due to security (31%), good customer service (30%), and an overall pleasant experience (28%), nearly two in five (37%) consumers in Southeast Asia are open to having their main bank account with a digital bank.

Lured by the possibility of 24-hour banking, perceived lower overall cost of banking, and having a fully digital banking process, Gen Z (42%) and Gen Y (39%) are more open to digital banking than Gen X (34%) and boomers (25%).

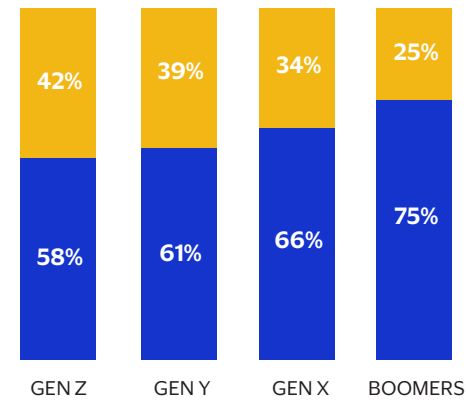
PERCEPTIONS OF DIGITAL BANKS VS TRADITIONAL BANKS

● Traditional banks ● Digital banks

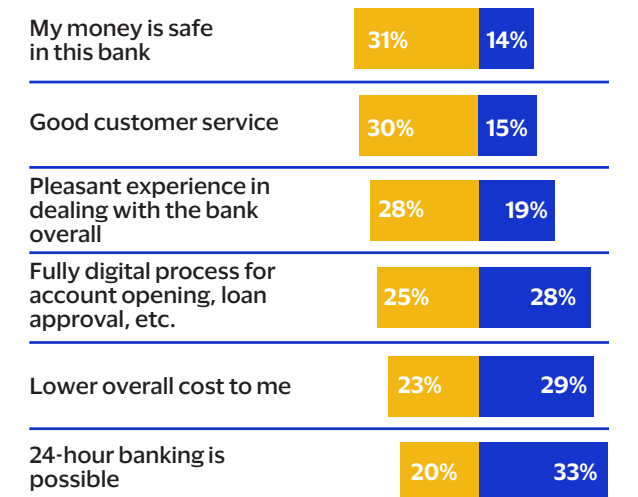
“I would like to use this as my main banking account.”



PERCEPTIONS BY DEMOGRAPHICS



TOP 5 PERCEPTIONS OF DIGITAL BANKS VS TRADITIONAL BANKS

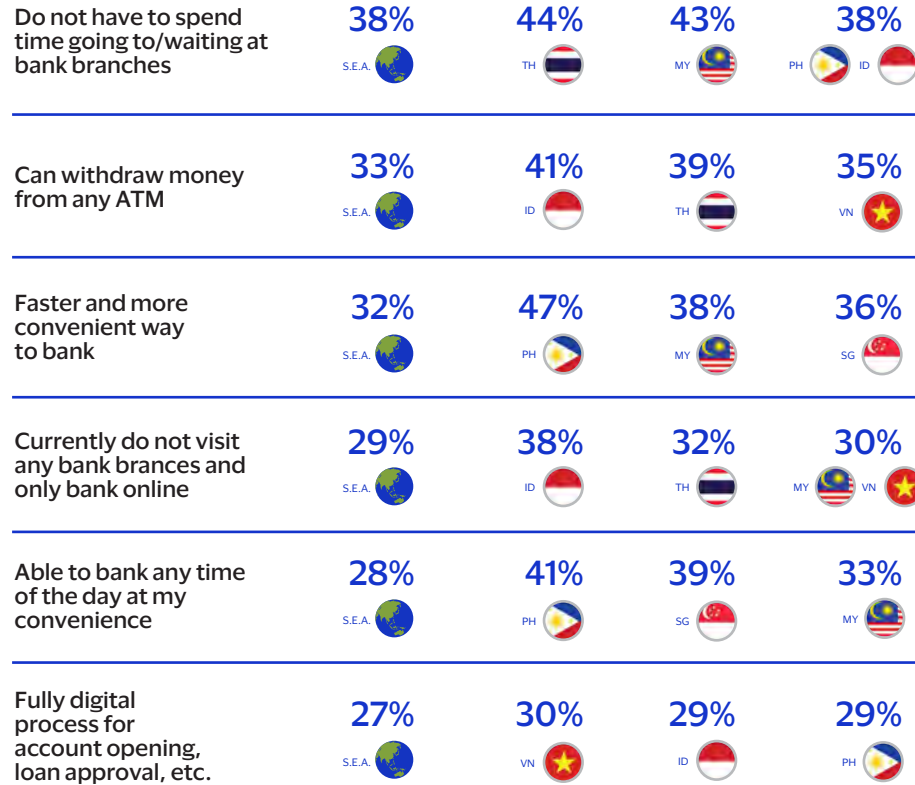


THE RISE OF DIGITAL BANKING

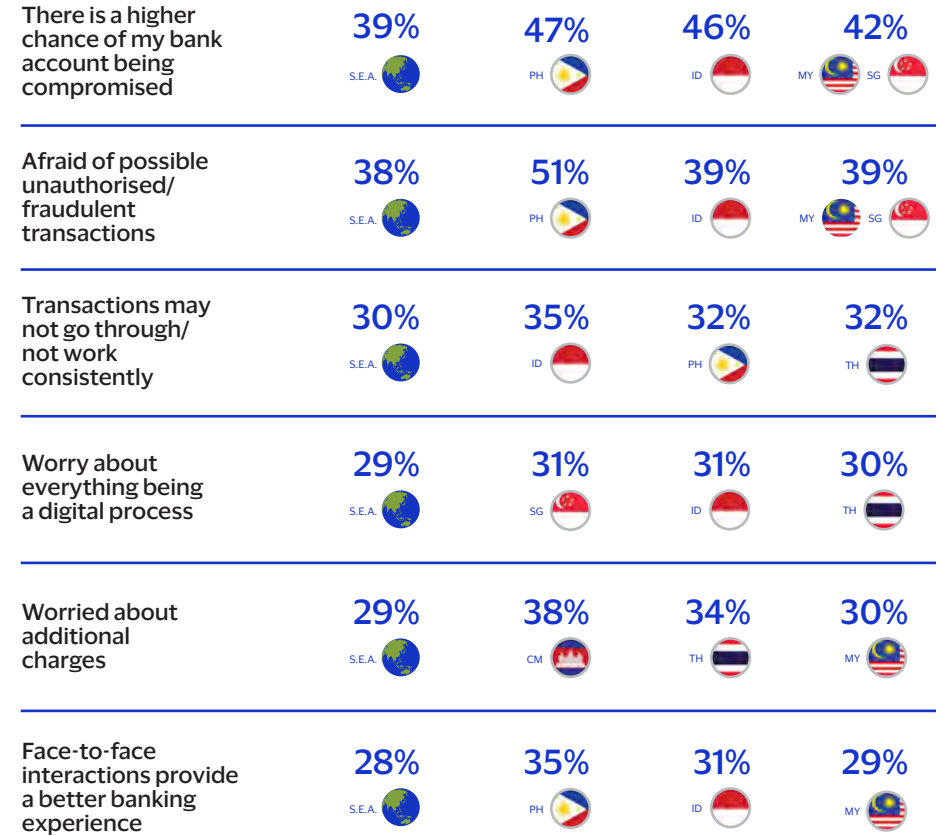


An area of opportunity that digital banks have to work on to build greater trust and confidence in consumers is security. Consumers in Singapore, Malaysia, Indonesia and Vietnam are most concerned with their digital banking accounts being hacked. In the Philippines and Thailand, consumers are worried that virtual banking could lead to unauthorised or fraudulent transactions from their banking accounts.

REASONS FOR PREFERRING DIGITAL BANKS



REASONS FOR NOT PREFERRING DIGITAL BANKS



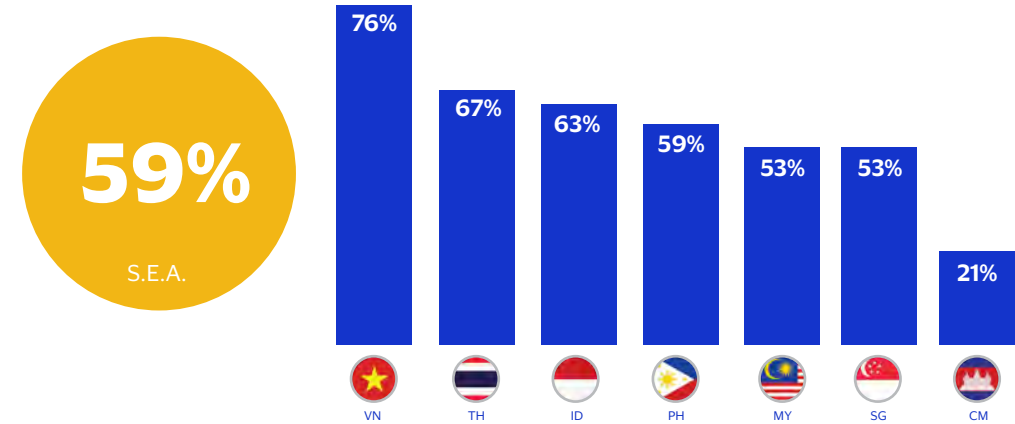
INSIGHTS INTO PERSONAL DATA AND OPEN BANKING



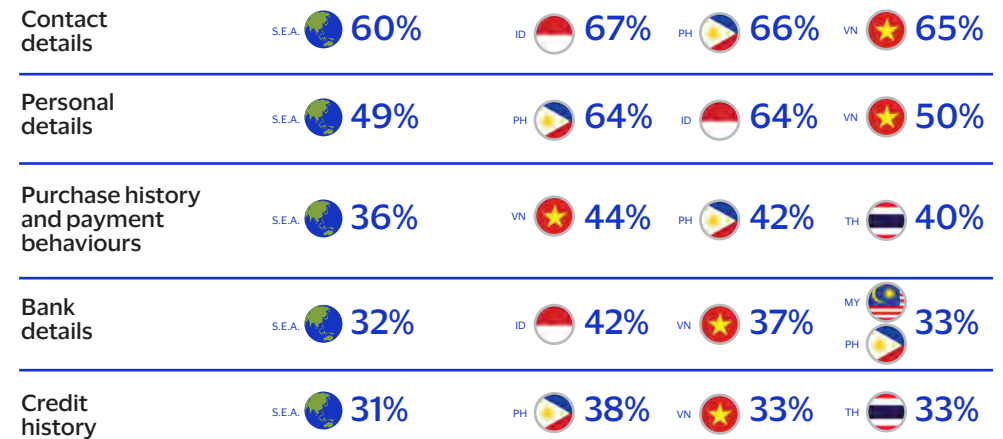
As online banking services and the emergence of fully digital banks across the region become more prominent, open banking is also an increasingly prevalent topic. Banks and financial institutions have the potential to streamline and make their digital banking services more seamless and provide more customised offers to consumers by sharing data with various providers including government agencies, telecommunication companies and others.

In Southeast Asia, nearly three in five (59%) consumers are aware of open banking, with awareness levels highest in Vietnam, Thailand and Indonesia. Consumers are most willing to share their contact information (60%), personal details (49%), as well as purchase history and payment behaviours (36%). Furthermore, those who are keen on open banking would like to get a comparison of products and services across multiple banks and companies (67%), have advance payment advice services (65%), and receive more competitive and instant financing offers (65%).

AWARENESS OF OPEN BANKING



INFORMATION CONSUMERS ARE WILLING TO SHARE



INSIGHTS INTO PERSONAL DATA AND OPEN BANKING



INTEREST IN TYPES OF SERVICES/FEATURES IN OPEN BANKING

Provides comparison on products and services across multiple banks and companies



Provides advanced payment advice services (i.e. automatically notifies when payments are due)



Provides more competitive/instant financing product offers (e.g. mortgage, personal loans, and car loans)



Allows online submissions/applications of credit cards, loans or other bank products



Open banking will require banks to list full details of all their product and services, including fees, commissions



VISA

**A NEW GENERATION
OF SOUTHEAST ASIAN
SHOPPERS**



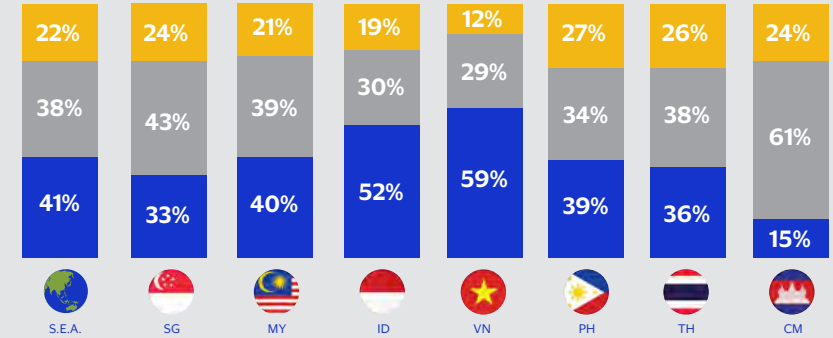
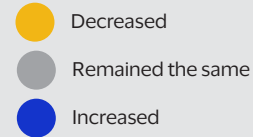
CONSUMERS ARE PAYING MORE ATTENTION TO THEIR SPENDING HABITS



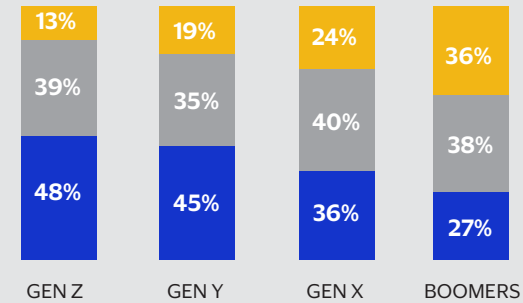
The pandemic has driven consumers to track their expenditures more closely and set aside more savings. Almost 4 out of 5 (79%) of consumers in Southeast Asia have observed either a rise or no change in their household savings, with more than half of consumers from Vietnam and Indonesia experiencing a rise in their savings. The generation with the highest proportion of consumers that had an increase or no change in household savings is Gen Z (87%).

Post-pandemic, most consumers began setting aside larger budgets for essentials (75%), followed by an increase in saving more money for the future (73%) and simply tracking their expenses more closely every month (73%).

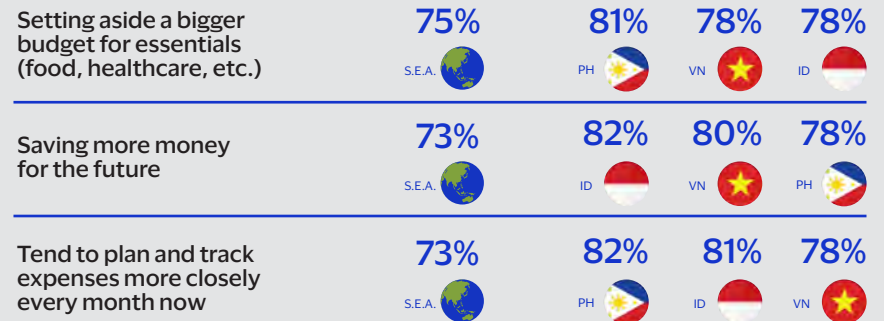
HOUSEHOLD SAVING STATUS



HOUSEHOLD SAVING STATUS BY DEMOGRAPHICS



IMPACT OF COVID ON SAVING BEHAVIOURS



CONSUMERS ARE PAYING MORE ATTENTION TO THEIR SPENDING HABITS

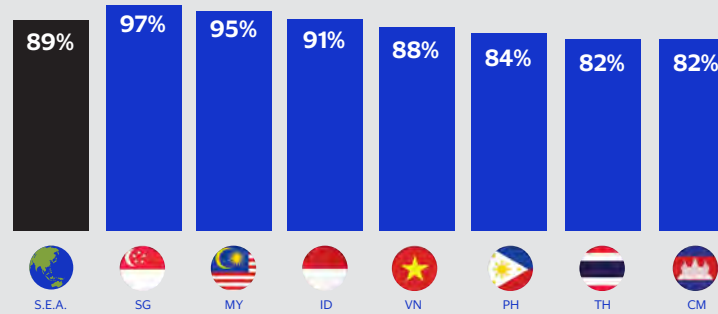


Most consumers (89%) have set budgets for their household expenditures, specifically for necessities.

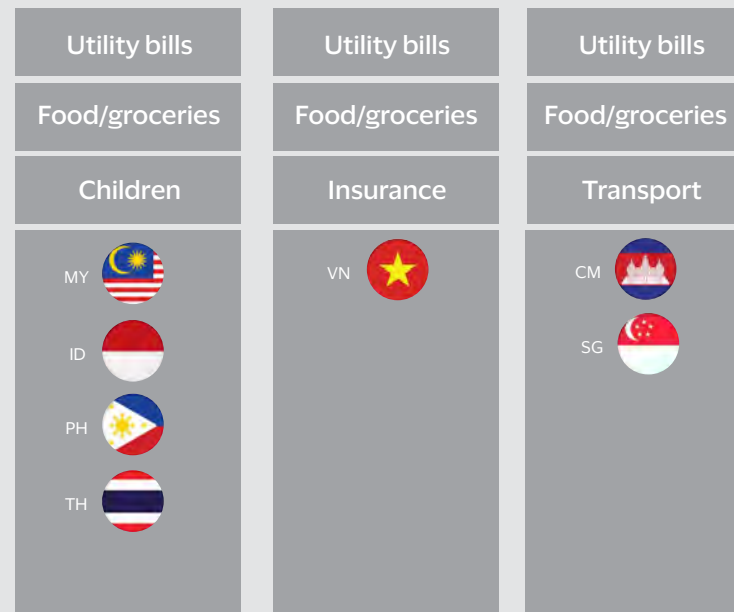
More than half (56%) of consumers in Southeast Asia set budgets for utility bills, followed by food or groceries (54%) and expenses for children (44%), with Singapore and Vietnam being exceptional for their inclusion of budgeting for transport and insurance, respectively.

HOUSEHOLD SAVING STATUS

RESPONDENTS THAT **SET BUDGETS** FOR HOUSEHOLD EXPENDITURES

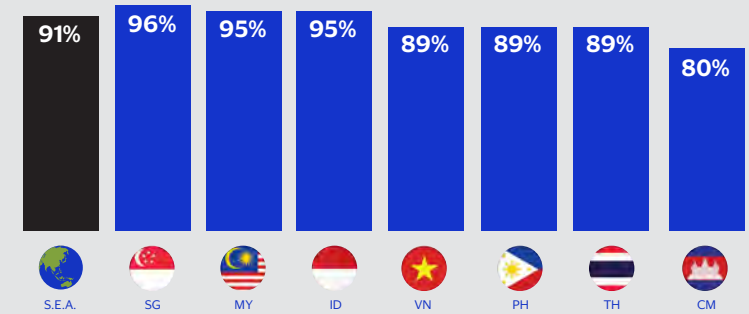


HOUSEHOLD EXPENDITURE AREAS WITH SET BUDGETS

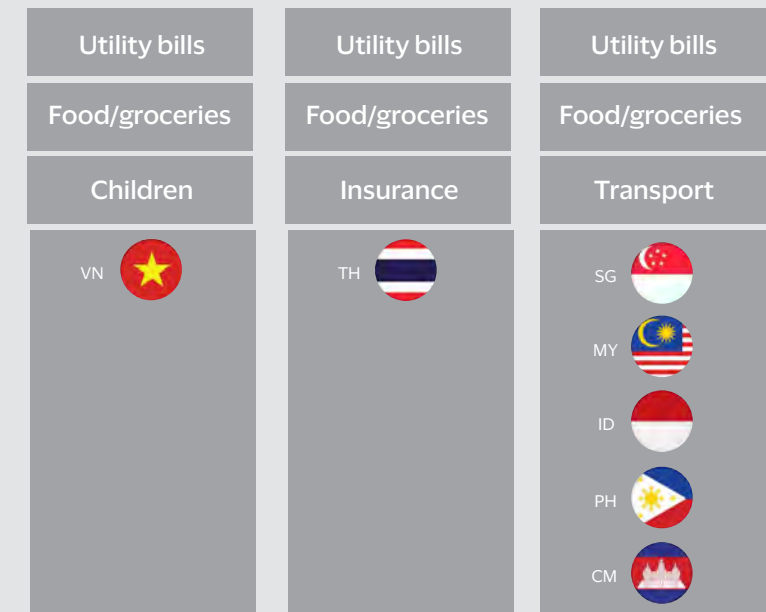


HOUSEHOLD SAVING STATUS

RESPONDENTS THAT **TRACK/MONITOR** HOUSEHOLD EXPENDITURES



HOUSEHOLD EXPENDITURE AREAS TRACKED



CONSUMERS ARE PAYING MORE ATTENTION TO THEIR SPENDING HABITS



High awareness of financial instruments

Although consumers in Southeast Asia are aware of most financial instruments, only a third have fixed deposits – led by consumers from Vietnam (41%) and Thailand (46%). Two in five consumers in the region have bank loans as well as stocks and shares. Despite being a fairly new financial instrument, more than 20 percent of consumers invest in cryptocurrencies and NFTs, especially in the Philippines (27%), Vietnam (27%) and Indonesia (26%).

The top reason that consumers highlight for not making investments is a lack of financial knowledge (48%). Many also prefer to either have physical cash or bank savings in case of other life events (47%), especially in Thailand and Cambodia.

CURRENTLY OWN THESE FINANCIAL INSTRUMENTS

Fixed deposits	32% S.E.A.	46% TH	41% VN	37% SG
Bank loan	23% S.E.A.	34% MY	31% TH	25% VN
Stocks and shares	23% S.E.A.	32% SG	27% VN	26% ID MY
Cryptocurrency and NFTs	21% S.E.A.	27% PH	27% VN	26% ID
Unit trusts, mutual funds and index mutual funds	20% S.E.A.	29% MY	29% ID	22% TH

BARRIERS TO INVESTING

Do not have enough financial knowledge to invest

S.E.A.	48%	50% ID	50% PH	50% TH
--------	-----	-----------	-----------	-----------

Prefer to have more cash on hand or savings in bank for other life events (children's education, home upgrading, etc.)

S.E.A.	47%	51% TH	51% CM	47% ID MY
--------	-----	-----------	-----------	---------------

Current climate is too risky and volatile

S.E.A.	37%	46% TH	45% ID	45% VN
--------	-----	-----------	-----------	-----------

Do not want to diversify or invest in too many products, feel that it is too risky

S.E.A.	37%	45% MY	39% PH	39% ID
--------	-----	-----------	-----------	-----------

Do not have excess cash or funds for investment

S.E.A.	37%	44% PH	41% CM	38% MY
--------	-----	-----------	-----------	-----------

CONSUMERS ARE PAYING MORE ATTENTION TO THEIR SPENDING HABITS



Financial institutions and traditional banks most trustworthy for financial advice

Almost four in five (76%) consumers indicate that financial institutions and traditional banks are most trustworthy for financial advice. This is the leading category across all countries except for Cambodia, where most consumers find government agencies to be the most trustworthy (77%).

More than half (56%) of consumers perceive banks or bank representatives as the top source of financial information, except for Indonesia and the Philippines, where friends, family members or relatives working in the financial industry are top sources for such information.

SOURCES OF FINANCIAL INFORMATION

Banks or bank representatives	56%	67%	64%	59%
	S.E.A.	TH	CM	MY
Friends, family members, or relatives (working in financial industry)	47%	59%	55%	53%
	S.E.A.	ID	PH	VN
Advisors from financial or investment firms	46%	51%	51%	50%
	S.E.A.	CM	VN	PH
Agents or financial advisors from insurance companies	42%	56%	50%	45%
	S.E.A.	CM	VN	MY

MOST TRUSTED INSTITUTIONS FOR FINANCIAL ADVICE

Financial institutions/traditional banks	S.E.A. 79%	84%	TH	82%	PH	80%	VN
Government agencies	S.E.A. 67%	77%	CM	70%	ID	70%	MY
Insurance companies/ personal insurance agents	S.E.A. 55%	62%	PH	59%	MY	55%	TH CM SG
Virtual banks	S.E.A. 42%	57%	ID	53%	TH	41%	CM

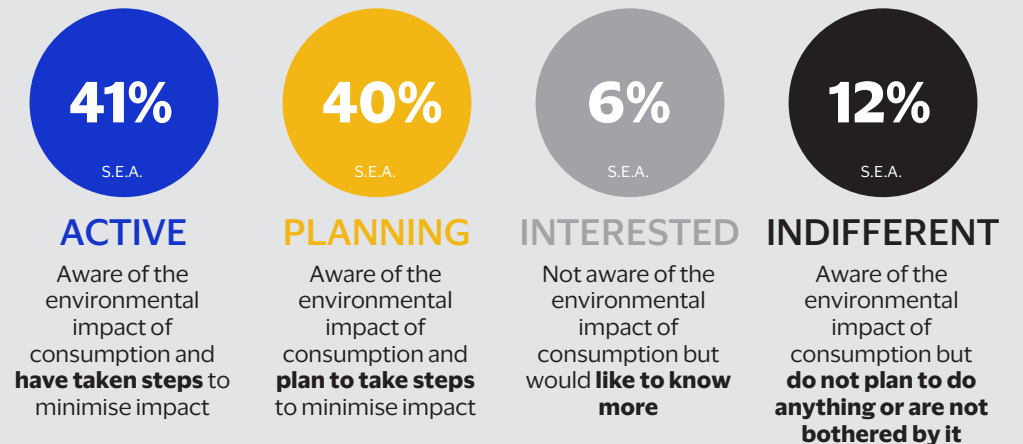
ECO-CONSCIOUS CONSUMERS AND SUSTAINABLE PAYMENT OPTIONS



ASEAN recognises climate change as a regional threat and all nations in the region have a target of securing 23 percent of the region’s primary energy from renewable sources by 2025. On the consumer front, two in five (41%) in Southeast Asia consider themselves aware of the environmental impact of consumption on society and are either planning or have already taken steps to address them.

A similar percentage (40%) of consumers have either actively tried to minimise their impact or are planning to do so. One in 10 (12%) are indifferent, and a small minority (6%) are not aware of their environmental impact and would be interested in learning more.

ADOPTION OF RESPONSIBLE CONSUMPTION HABITS

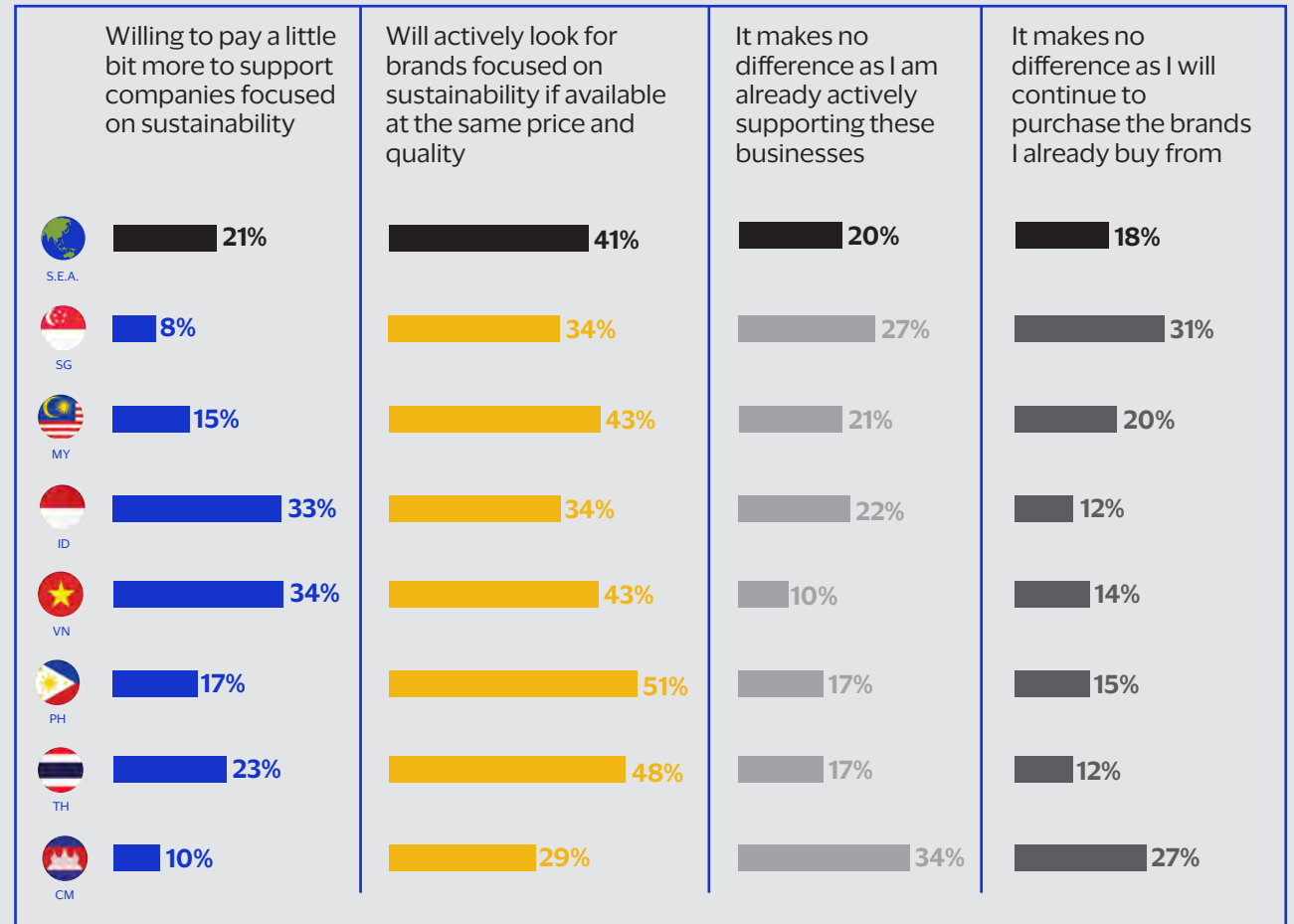


ECO-CONSCIOUS CONSUMERS AND SUSTAINABLE PAYMENT OPTIONS



More than sixty percent of consumers are either supporting brands that focus on ESG or will look for such brands when they make purchases, on the condition that there is no change in availability, price and quality. However, approximately one in three consumers in Vietnam (34%) and Indonesia (33%) are willing to pay slightly more to support sustainability-focused companies. By contrast, less than one third of consumers in Singapore (31%) and Cambodia (27%) indicate that they are indifferent and will continue to purchase from their usual brands.

IMPACT ON PURCHASING BEHAVIOUR TOWARDS COMPANIES THAT FOCUS ON ESG



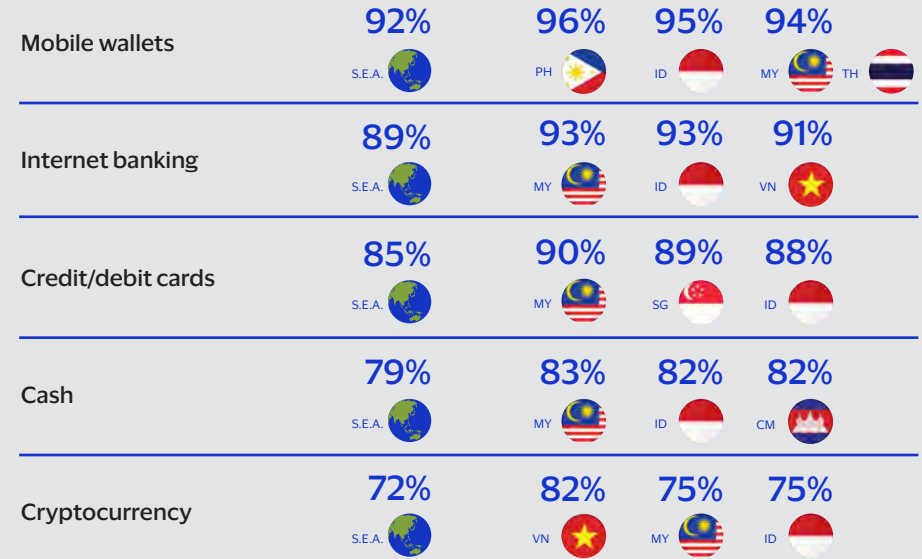
ECO-CONSCIOUS CONSUMERS AND SUSTAINABLE PAYMENT OPTIONS



Across most countries in Southeast Asia, the top three payment solutions considered to be eco-friendly are mobile wallets (92%), internet banking (89%) and credit or debit cards (85%). The only exception is Cambodia, where cash (82%) is most perceived to be most eco-friendly.

In terms of adopting eco-friendly payment solutions, the majority (73%) of consumers – led by the Philippines, Indonesia, and Vietnam – express interest in adopting sustainable cards made from recycled materials. Seven out of 10 (70%) are interested in personalised education providing cardholders access to tips and education on sustainable consumption. A little over sixty percent of consumers (65%) are keen on making charitable contributions to environmental organisations through card payments.

ECO-FRIENDLY PAYMENT SOLUTIONS



RESPONSE TO ECO-FRIENDLY PAYMENT SOLUTIONS

73%

Sustainable card materials: Payment cards made from recycled materials

70%

Personalised education: Cardholders can access personalised education on sustainable consumption

65%

Charitable contributions: Donations to environmental organisations can be triggered when the payment card is used

64%

Carbon offsets: Allows cardholders to elect to offset their carbon footprint with a range of projects such as forestry and clean energy

61%

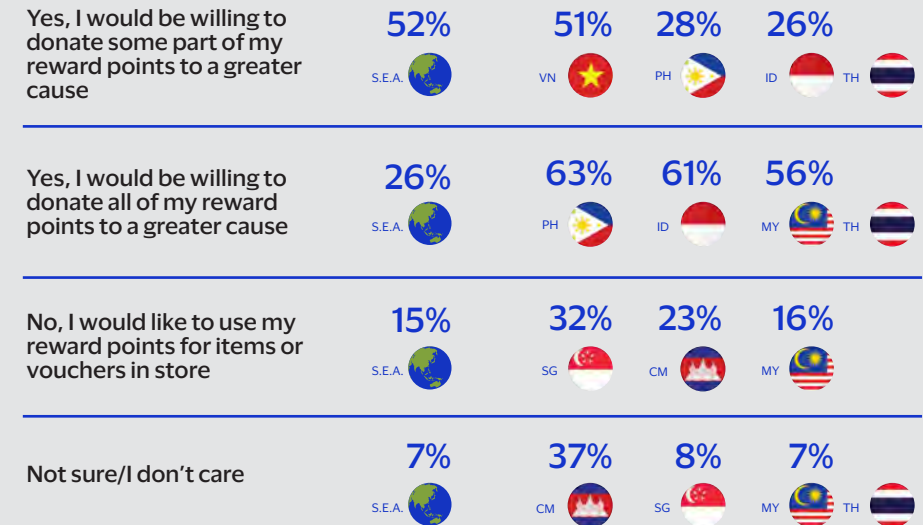
Carbon footprint calculator: Cardholders can understand the estimated carbon footprint generated by their purchases

ECO-CONSCIOUS CONSUMERS AND SUSTAINABLE PAYMENT OPTIONS



When it comes to donating loyalty reward points towards greater causes, slightly more than half (52%) of consumers express willingness to donate some of their points – particularly from the Philippines and Indonesia. Consumers are also more willing to donate to environmental causes, specifically towards air/water pollution (44%), waste management/recycling (44%) and sustainability (42%) efforts.

TRADE-OFF BETWEEN CONVENTIONAL LOYALTY REWARDS VS. SUSTAINABILITY REWARDS



VISA

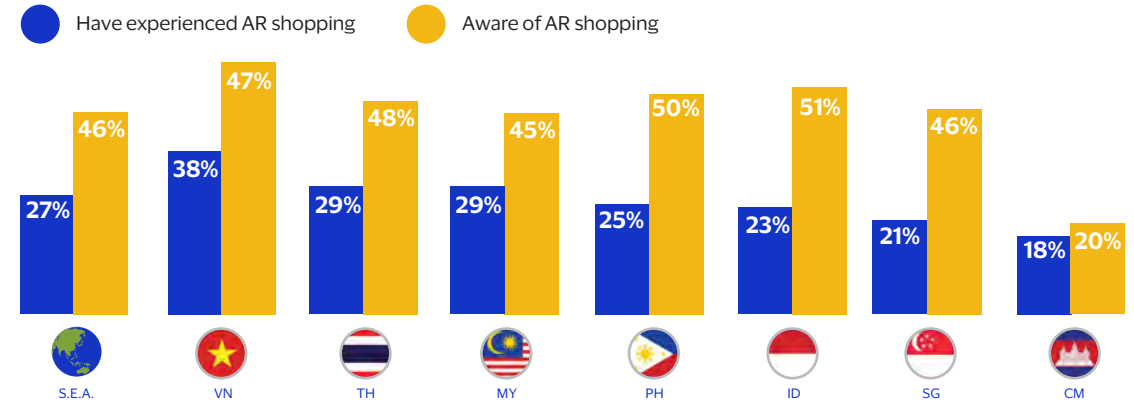


**THE FUTURE
OF RETAIL:
WHERE PHYSICAL
MEETS DIGITAL**

ENHANCING EXPERIENCES WITH AUGMENTED REALITY

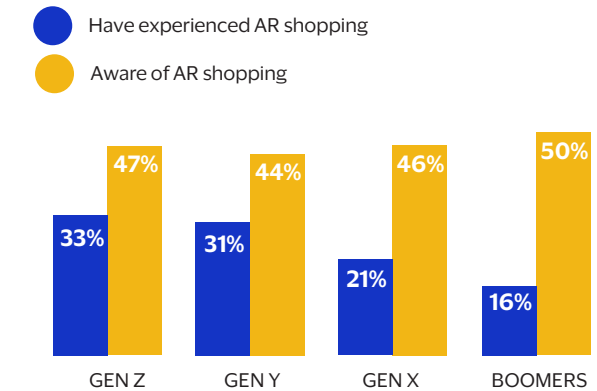


AUGMENTED REALITY IN RETAIL SHOPPING



Augmented reality is a novel experience with the potential to revolutionise the retail industry – one which businesses and consumers are keen to explore. Nearly half of Southeast Asian consumers (46%) are aware of companies using AR for retail, with more than one in four (27%) having tried it out. Usage of AR for retail is led by consumers from Vietnam (38%), Malaysia (29%) and Thailand (29%). Across generations, Gen Z and millennials are at the forefront of this trend, with 33 and 31 percent of consumers respectively having experienced AR retail.

AUGMENTED REALITY IN RETAIL BY DEMOGRAPHICS



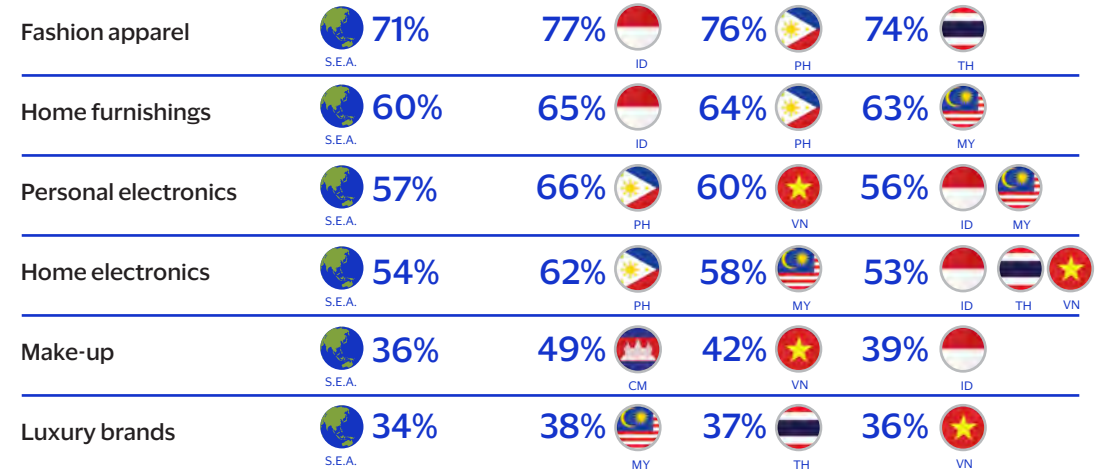
ENHANCING EXPERIENCES WITH AUGMENTED REALITY



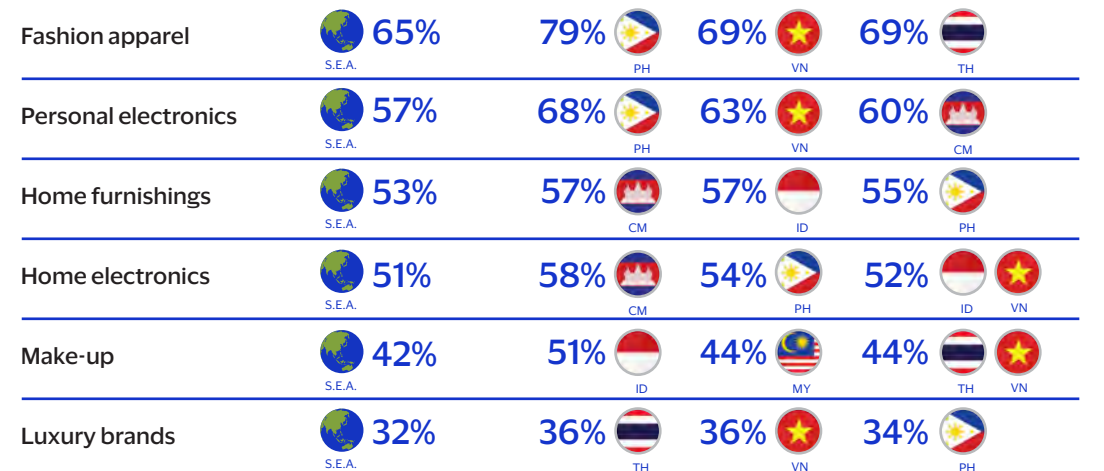
Most consumers who have tried AR in retail have used it in shopping for fashion (65%), followed by personal electronics (57%) and home furnishings (53%). These are the same AR retail categories that Southeast Asia consumers have expressed the most interest in using AR. Fashion (71%), home furnishings (60%) and personal electronics (57%) gain consumers' interest in AR shopping.

Fashion is the leading retail category for AR implementation across the region, with two exceptions. In Singapore, AR is mostly implemented in home furnishings, while Cambodia uses it most in personal electronics.

INTEREST IN AUGMENTED REALITY IN RETAIL



USAGE OF AUGMENTED REALITY IN RETAIL



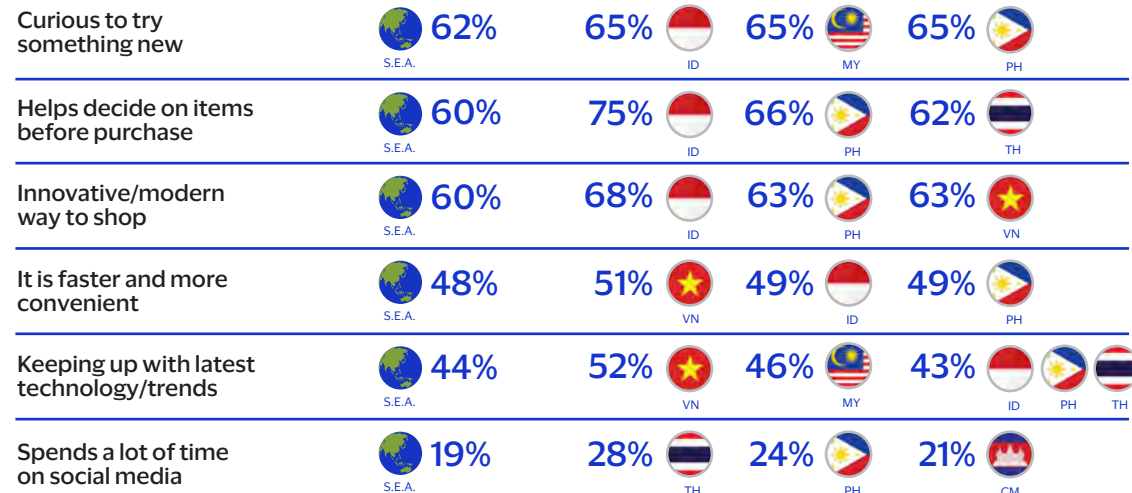
ENHANCING EXPERIENCES WITH AUGMENTED REALITY

AR in retail has strong potential for growth in the region. Over two in three consumers (69%) who have not experienced it have indicated interest in doing so. This interest is heavily influenced by consumers' curiosity about the new experience (62%), the usefulness of AR in helping them make purchase decisions (60%), and novelty of the experience (60%). This is consistent across all countries except Vietnam, where consumers

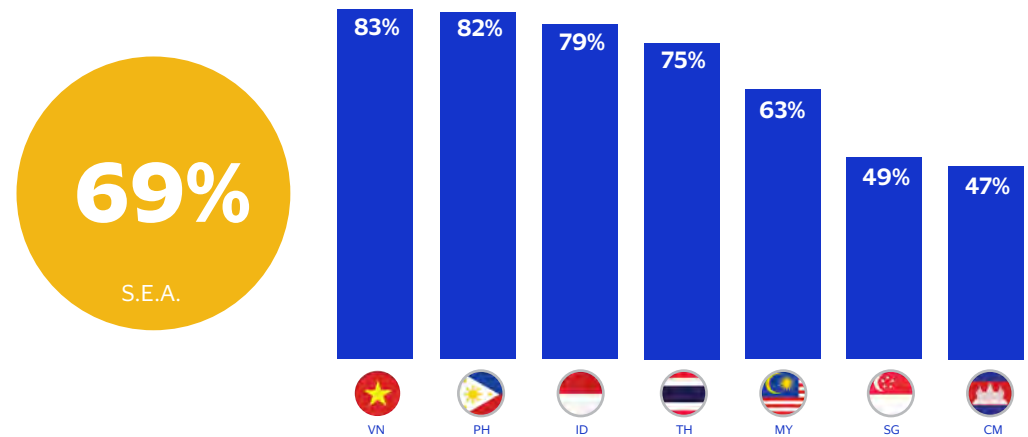
are focused on keeping up with the latest technology/trends, and Cambodia, where consumers value speed and convenience in making purchase decisions.

Across generations of consumers who have not experienced AR in retail, Gen Y (74%) and Gen Z (71%) have shown the most interest in trying it.

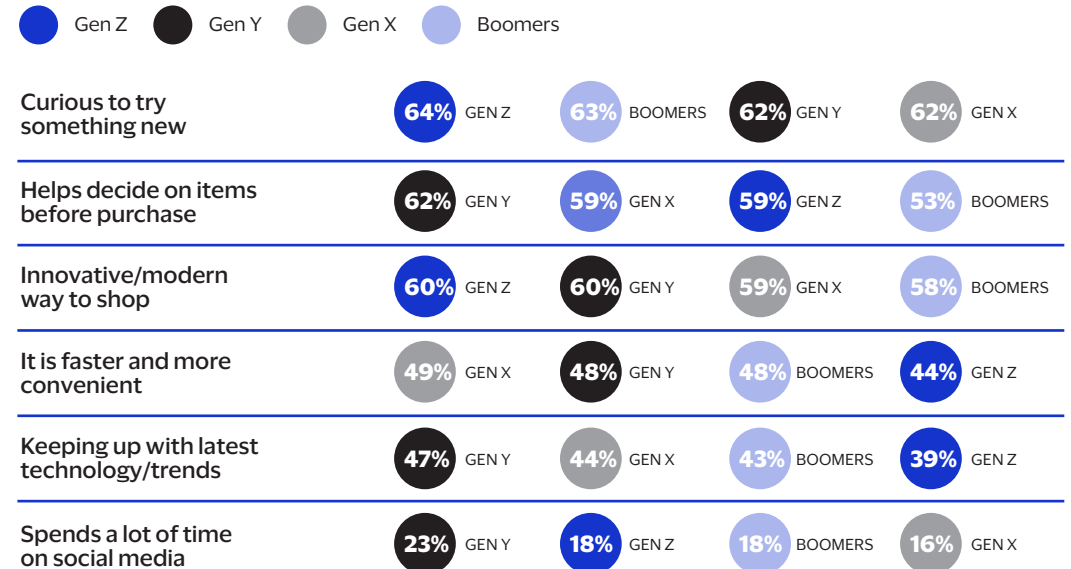
MOTIVATIONS FOR INTEREST IN AUGMENTED REALITY



INTEREST IN AUGMENTED REALITY IN RETAIL



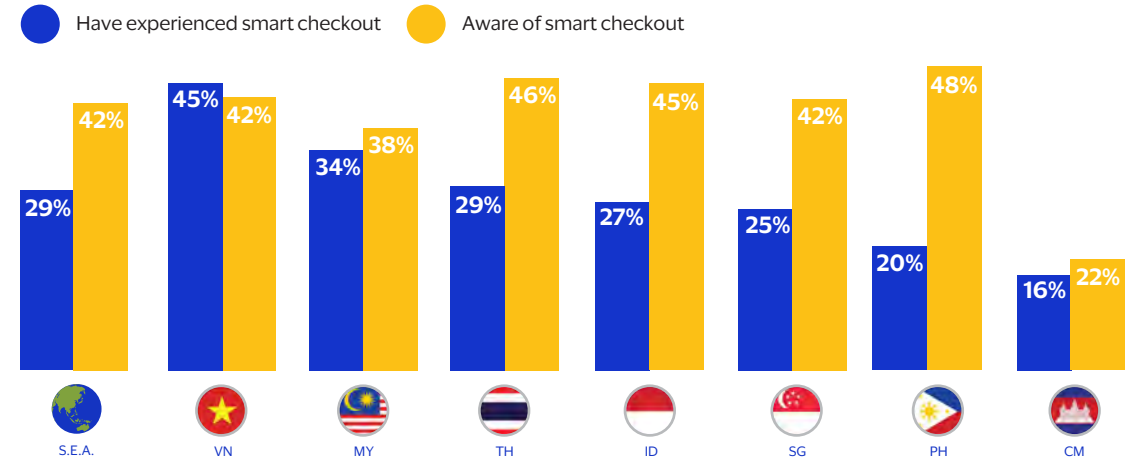
MOTIVATIONS FOR INTEREST IN AUGMENTED REALITY BY DEMOGRAPHICS



POWERING SMARTER WAYS TO SHOP

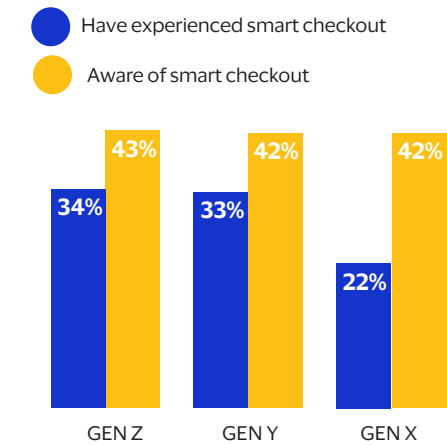


AWARENESS OF SMART CHECKOUT



Smart checkout is another retail experience with high growth potential in Southeast Asia. Seven in 10 Southeast Asian consumers (70%) are aware of smart checkout, with more than one in four (29%) having used this shopping method. Smart checkout usage is highest amongst consumers from Vietnam (45%), Malaysia (34%) and Thailand (29%).

AWARENESS OF SMART CHECKOUT BY DEMOGRAPHICS

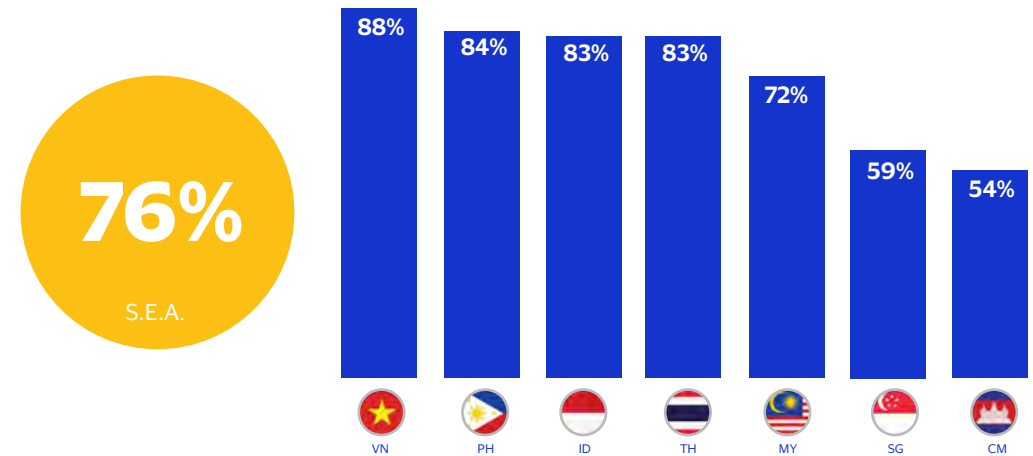


POWERING SMARTER WAYS TO SHOP

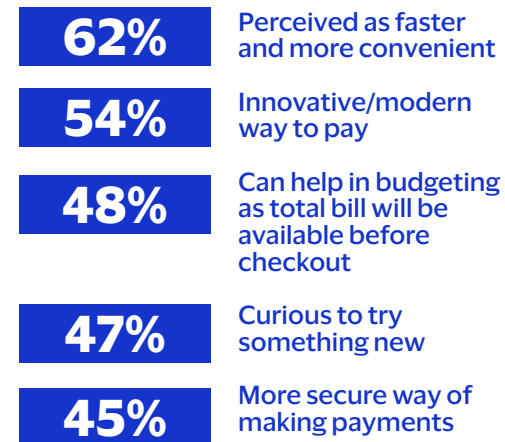


Smart checkout has undeniable appeal in its speed and convenience, novelty as a payment method, and ability to review the bill prior to payment during the shopping experience. More than three in four Southeast Asia consumers (76%) who have not tried smart checkout are interested in using this method in their retail shopping experiences. However, some have reservations about this shopping method, citing potential difficulties in usage, transaction security concerns, and potential additional charges as key deterring factors.

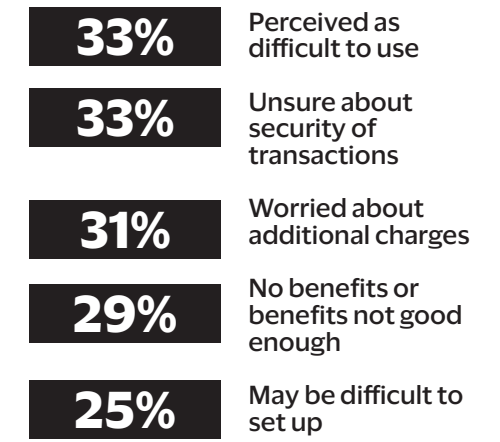
INTEREST IN SMART CHECKOUT



MOTIVATIONS FOR INTEREST IN SMART CHECKOUT



BARRIERS TO INTEREST IN SMART CHECKOUT



VISA

**MARKET
SNAPSHOTS**





CAMBODIA



SUCCESS OF GOING CASHLESS



of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



More widespread acceptance of cashless payments



Safety concerns over cash getting lost or stolen



Carrying cash is a hassle

TOP 3 CATEGORIES GOING FULLY CASHLESS



31%

Petrol/gasoline



31%

Bill payments



30%

Convenience stores

TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



QR code payments

68%



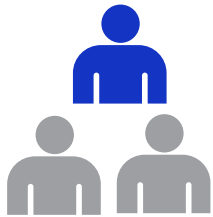
Card (swipe/insert)

24%

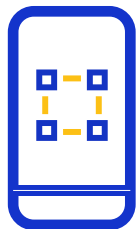


Contactless card

9%



A greater portion of consumers, **almost one third, have attempted to go cashless** in Cambodia compared to previous years



QR payments via mobile have grown in usage significantly and are **used at least once a week by 60 percent of consumers**



believe Cambodia will become fully cashless by **2025**



INDONESIA



SUCCESS OF GOING CASHLESS

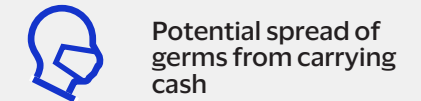
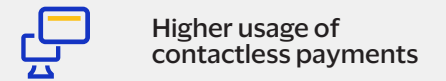
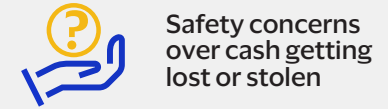


of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



TOP 3 CATEGORIES GOING FULLY CASHLESS



Bill payments

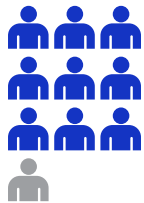
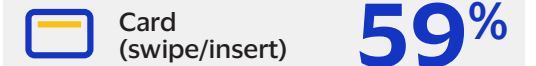
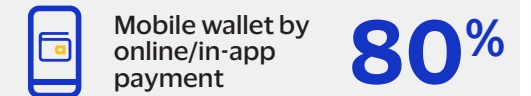


Taxis & ridesharing



Gaming

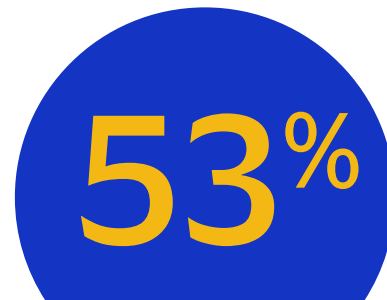
TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



Nearly **9 in 10 consumers** show interest in opening a virtual bank account, especially if it is from an existing bank that starts offering services exclusively online



Home delivery is the norm in Indonesia with three in four consumers using this service even before COVID-19. **Online payment prior to delivery** is the most frequently used payment method for most of these consumers



believe Indonesia will become fully cashless by **2025**



MALAYSIA



SUCCESS OF GOING CASHLESS



of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



Higher usage of contactless payments



More places adopting cashless payments



Safety concerns over cash getting lost or stolen

TOP 3 CATEGORIES GOING FULLY CASHLESS



59%
Bill payments



53%
Public transport



51%
Taxis & ridesharing

TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



Online payment (credit/debit)

71%



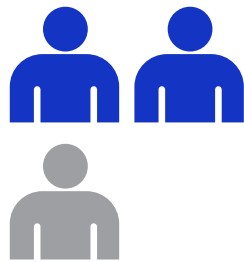
Contactless (credit/debit)

69%

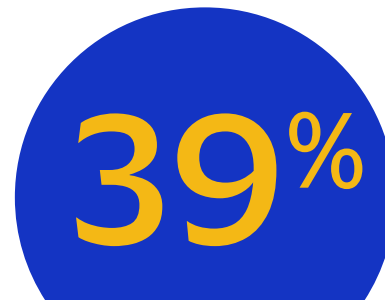


Mobile wallet by online/in-app payment

62%



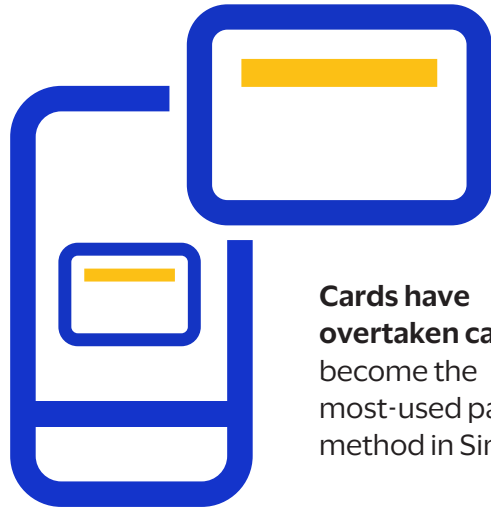
In Malaysia, at least **two in three consumers** have used **Buy Now, Pay Later** for their purchases



believe Malaysia will become fully cashless by **2025**



SINGAPORE



Cards have overtaken cash to become the most-used payment method in Singapore



believe Singapore will become fully cashless by 2025

SUCCESS OF GOING CASHLESS

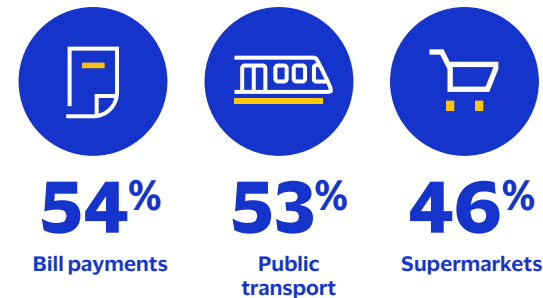


of consumers have succeeded in going cashless

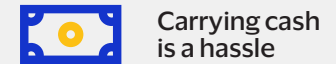
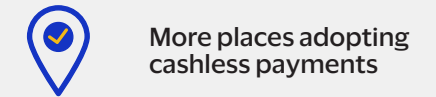
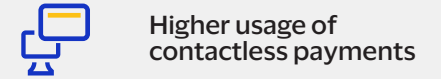


Average number of days successful at going cashless

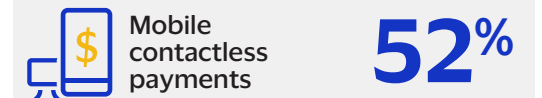
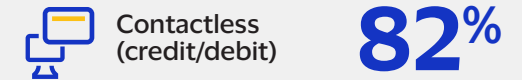
TOP 3 CATEGORIES GOING FULLY CASHLESS



TOP 3 REASONS FOR CARRYING LESS CASH



TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED

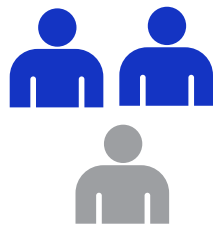




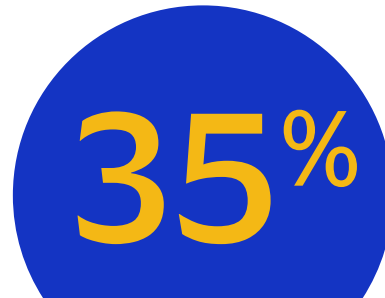
THAILAND



In Thailand, **80% of consumers are interested in trying smart checkouts**, mostly from the Gen Y segment



2 out of 3 Thai consumers are aware of open banking



believe Thailand will become fully cashless by 2025

SUCCESS OF GOING CASHLESS



of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



Higher usage of contactless payments



Cash withdrawals are easily accessible



Potential spread of germs from carrying cash

TOP 3 CATEGORIES GOING FULLY CASHLESS



Bill payments



Convenience stores



Overseas travel

TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



Mobile wallet by online/in-app payment

67%



QR code payments

61%



Online card payments

58%



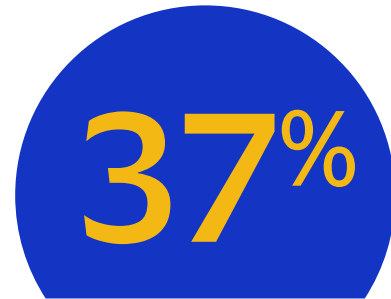
THE PHILIPPINES



At least **seven in 10 consumers** prefer making payments and receiving rewards with their mobile wallets (wallets preferred over cards in terms of receiving rewards, cashback or discounts)



At least **two thirds of consumers** have used **Buy Now Pay Later** for purchases



believe the Philippines will become fully cashless by **2025**

SUCCESS OF GOING CASHLESS



of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



Higher usage of contactless payments



Safety concerns over cash getting lost or stolen



More places adopting cashless payments

TOP 3 CATEGORIES GOING FULLY CASHLESS



76%

Bill payments



63%

Supermarkets



59%

Overseas travel

TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



Mobile wallet by online/in-app payment

68%



QR code payments

53%



Online card payments

50%



VIETNAM



SUCCESS OF GOING CASHLESS



of consumers have succeeded in going cashless



Average number of days successful at going cashless

TOP 3 REASONS FOR CARRYING LESS CASH



Safety concerns over cash getting lost or stolen



More places adopting cashless payments



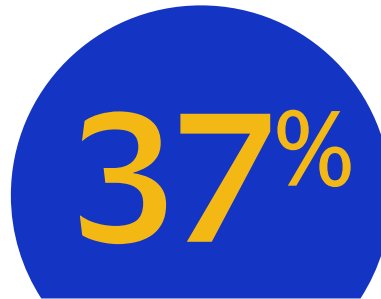
Higher usage of contactless payments



Usage of QR payments via mobile has grown significantly, with **90 percent of consumers using the method at least once a week**



At least **four in five consumers in Vietnam** are either already active in **minimising the environmental impact** of their consumption or are planning to take the steps to do so, with cashless payment methods perceived to be the most eco-friendly payment method



believe Vietnam will become fully cashless by **2025**

TOP 3 CATEGORIES GOING FULLY CASHLESS



60%
Bill payments



53%
Supermarkets



49%
Convenience stores

TOP 3 DIGITAL PAYMENT METHODS CURRENTLY USED



Mobile wallet by online/in-app payment

70%



Online card payments

66%



QR code payments

61%

VISA CONSUMER PAYMENT ATTITUDES STUDY



ABOUT THE REPORT

The annual Visa Consumer Payment Attitudes Study was conducted to understand the behaviours of consumers and identify areas where we can drive greater adoption of digital payments. The study highlights current and future trends in digital payments and commerce in Southeast Asia, examining how current developments have altered lives and payment behaviours.

The latest survey was commissioned by Visa and conducted with CLEAR from September to October 2022, among 6,550 consumers aged 18 - 65 years in Singapore, Malaysia, Thailand, Indonesia, the Philippines, Vietnam, and Cambodia.