

# Visa's spending recovery means the network can focus on high-growth sectors

Article

The news: Visa's total payments volume rose **34%** year over year (YoY) in its [fiscal Q3](#) (ended June 30, 2021)—an [improvement](#) from the same period last year, when the metric declined

10% YoY due to the pandemic. Volume was also at 121% of 2019 levels, [according to](#) Visa CEO AI Kelly. Here's a closer look at volume metrics:

- **Debit volume** jumped 37% YoY in Q3 (about [140%](#) of 2019 levels) compared with last year's 3% YoY growth in the same quarter.
- **Credit volume** increased 31% YoY in the period ([104%](#) of 2019), a strong recovery from Q3 2020, when volume plunged 20% YoY.

**How we got here:** On the company's earnings call, Kelly said external factors like economic impact payments and lifted COVID-19 restrictions propped up the card network's total payment volume in the quarter, especially debit.

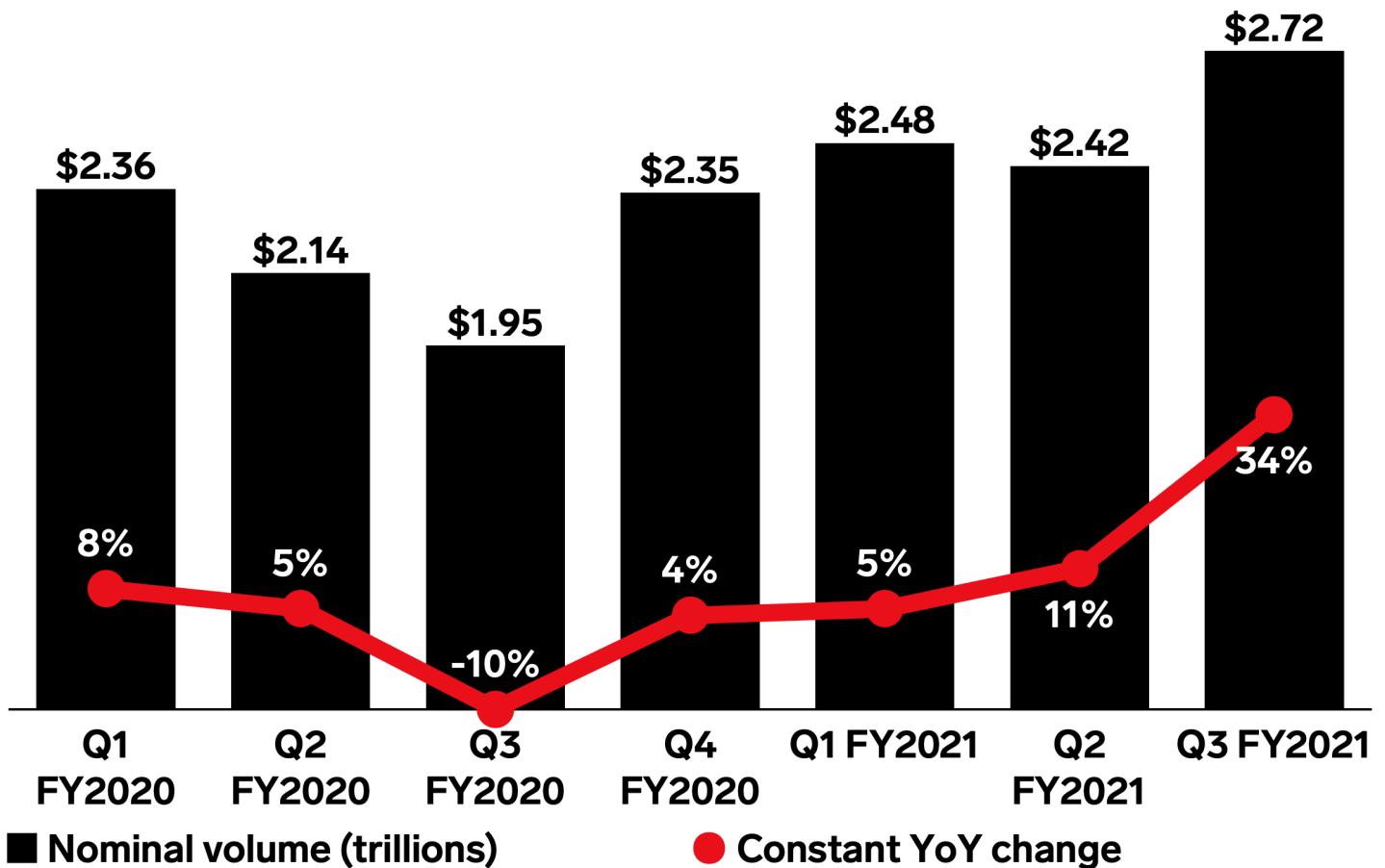
Lifting restrictions and economic improvements (relative to last year) provided more spending opportunities and let consumers [release](#) pent-up shopping demand. Credit volume also rose thanks to significant increases in travel, entertainment, and restaurant spending and the resurgence of affluent cardholder spending, Kelly said.

**What's next?** Here are three areas Visa is expanding into to maintain its growth trajectory and market share:

- **Cross-border payments:** Visa's cross-border volume, excluding intra-Europe, grew 53% YoY and was at 82% of 2019 levels—and improvements in travel and global trade should position Visa for growth in the coming months. The company's [recent acquisition](#) of API-based cross-border payments startup **Currencycloud** and existing solutions like [Visa Direct](#), its near-instant push payments platform, can help build out its cross-border business and open up new revenue-generating opportunities.
- **Buy now, pay later (BNPL):** The company [rolled](#) out global pilots for its forthcoming [BNPL product](#), which will let its cardholders pay for purchases in installments during or after a transaction. The solution can help Visa counteract the threat of [BNPL providers](#) like **Klarna** and **Afterpay**.
- **Cryptocurrencies:** Visa recently began [settling](#) transactions in USDC, and it's churned out several new crypto-linked [cards](#) in the last few months, which [netted \\$1 billion](#) in volume in H1 2021. According to [recent comments](#) from CFO Vasant Prabhu, the recent crypto frenzy is dying down, which means Visa's volume surge may be short-lived. Despite this, Visa's crypto activity can help it keep up with competitors like [Mastercard](#), which has also been extending its reach in the space.

# Visa Payments Volume

trillions



Note: Visa's fiscal Q3 2021 ended June 30, 2021

Source: Visa, 2021

Methodology: These figures are from Visa's quarterly earnings presentations released between October 24, 2019 and June 30, 2021.

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