

# Visa highlights 'enormous' growth opportunity in Q2 earnings

Article

**By the numbers:** Visa's total payment volume grew 8% year over year (YoY) in its fiscal Q2 2024 (ended March 31, 2024), per its earnings release.

- Growth was flat on the quarter but down from 10% a year ago.

- Cross-border volume increased 16% YoY, flat on the quarter but slower than last year's 24% jump.
- Net revenues grew 10% YoY, up from 9% last quarter but down from 11% a year ago.

**Digging deeper:** Visa executives spotlighted three growth areas during the company's [earnings call](#).

#### **Value-added services.**

- Other revenues for the quarter **catapulted 37% YoY**, driven by strong consulting and marketing services growth, per CFO Chris Suh.
- And Visa expects value-added services to keep outperforming: CEO Ryan McInerney said the opportunity is significant and broad-based.
- Visa's top 265 clients **on average use about 22 of the company's value-added services**.
- [Expanding Visa Protect offerings](#) and launching open banking solutions through **Tink** in the US should help sustain momentum in this category.

#### **Tap to pay.**

- Tap to Pay transactions grew 5 percentage points from last year to **account for 79% of all face-to-face transactions** outside the US.
- In the US, the share is nearing 50%. New York City became the first US city to reach 75%, which Visa attributes to transit payments and broader acceptance.
- Growing tap to pay spend brings in [more frequent volume and higher spending](#) for the company.
- It also helps Visa convert small-ticket cash transactions into Visa credentials.

#### **Visa Direct.**

- Visa Direct transactions **increased 31% YoY**.
- Visa wants this segment to break into new use cases, geographies, and enablers.
- It recently partnered with **TUNES**, which increased Visa Direct's push-to-card capabilities in more countries. And a tie-up with **JPMorgan** brought Visa Direct to the bank's business clients.

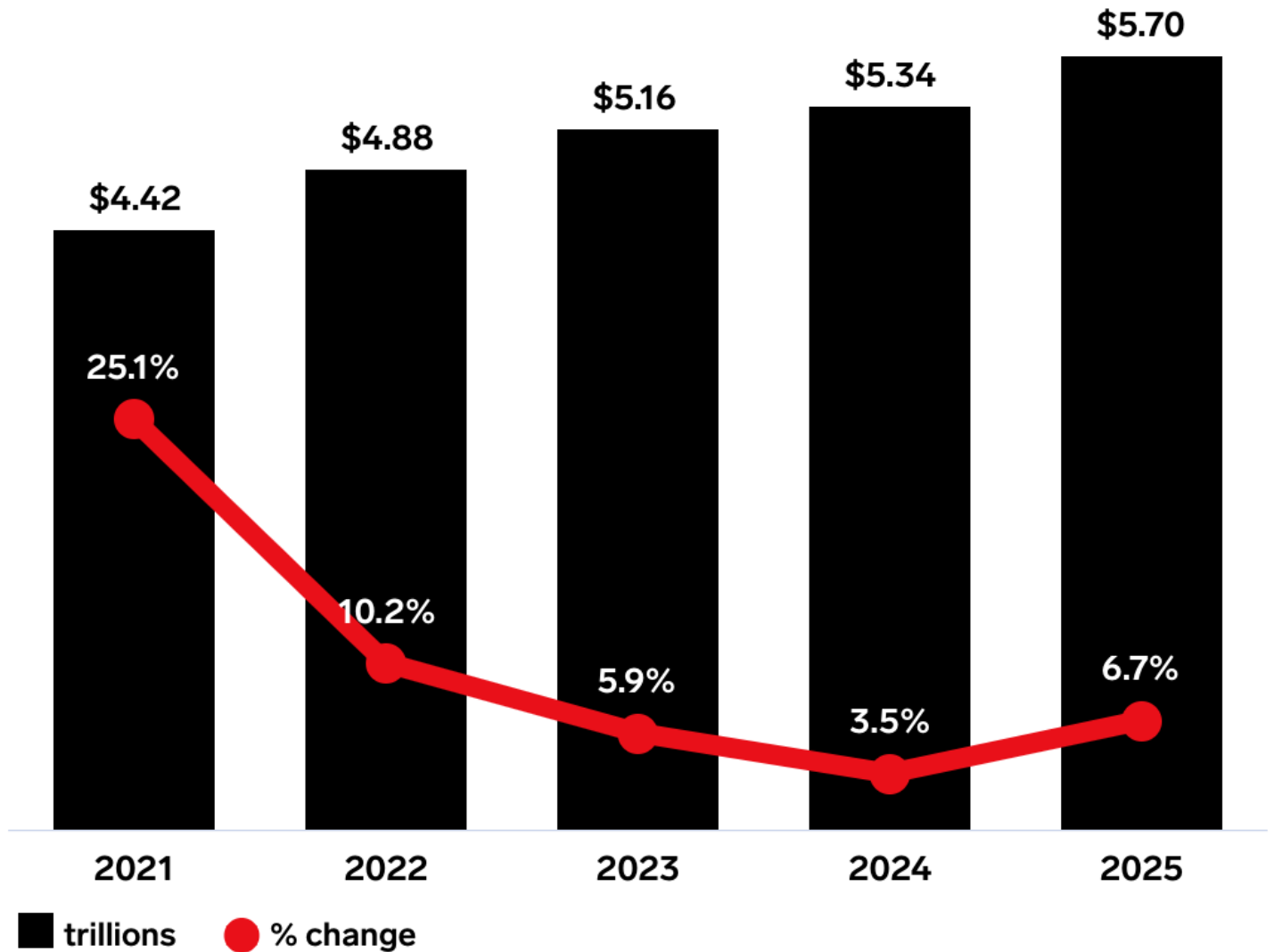
**Swipe fees already in the rearview mirror:** Visa isn't concerned with how the recently negotiated settlement will affect its business, instead viewing the deal as a win. McNerney said the settlement will bring clarity and stability to the market and let them move on from the matter.

**What's next?** Visa said the “opportunity in consumer payments is enormous.”

- Visa estimated that the global personal consumption expenditures in 2022, excluding Russia and China, was roughly \$40 trillion. It says its **addressable opportunity is more than \$20 trillion** of that spend.
- Half of that opportunity, per McNerney, is converting cash and check payments.
- Another is ACH and other electronic transactions. Visa wants to extend Visa as a bill pay method in categories like rent and education.
- Visa is also focused on converting global card payments that run on domestic networks.

# Visa Consumer Network Card Transaction Value

US, 2021-2025



Note: represents the aggregate dollar amount of purchases made with cards carrying the Visa, Visa Electron, V PAY and Interlink brands; includes only consumer cards; consumer cards are issued to an individual for personal use, although they can and are sometimes used for business purposes; excludes returns, balance transfers, cash advances and other activity

Source: EMARKETER Forecast, August 2023