

Visa rolls out slew of product updates to diversify and stay competitive

Article

The news: Visa launched a slew of new products at its annual Payments Forum this week, per a press release. The new products and services include **Visa Flexible Credential, Tap to**

Everything, Visa Payment Passkey Service, Pay by Bank, and Visa Protect for A2A Payments.

Here are the three launches that we think can be the most transformative:

Visa Flexible Credential

- This is one digital card product that lets consumers pay with debit; credit; **buy now, pay later (BNPL)**; or rewards. Cardholders have to have an open line of credit with the bank issuing their digital card to use the credit function.
- Participating banks will issue the digital cards and let consumers pick their payment preferences in their mobile banking app. For example, users can set it so they pay with debit for transactions under \$100 and credit for more expensive purchases.
- Issuers can handle the configuration preferences internally or use Visa's API service.
- The product is already live in Asia. It will launch in the US this summer through a partnership with **Affirm**.

Why it can work: More than half of cardholders are interested in accessing **multiple accounts through a single credential**, per a Visa study.

Making the payments process more convenient and seamless, removes key friction points that come with switching between payments tools.

Pay by Bank

- The product streamlines the **account-to-account (A2A) payments** process using technology from Visa's **Tink** acquisition.
- The product is available in Europe and is coming to the US.

The reason behind the launch: The [value of A2A payments](#) reached **\$525 billion globally** in 2022, growing 13% year over year (YoY), according to Worldpay's 2023 Global Payments Report.

The payment method has taken off for business payments but has struggled with consumer adoption. Visa is hedging its bet by having the infrastructure in place in case it does take off with consumers to avoid losing out on this volume.

Data Tokens

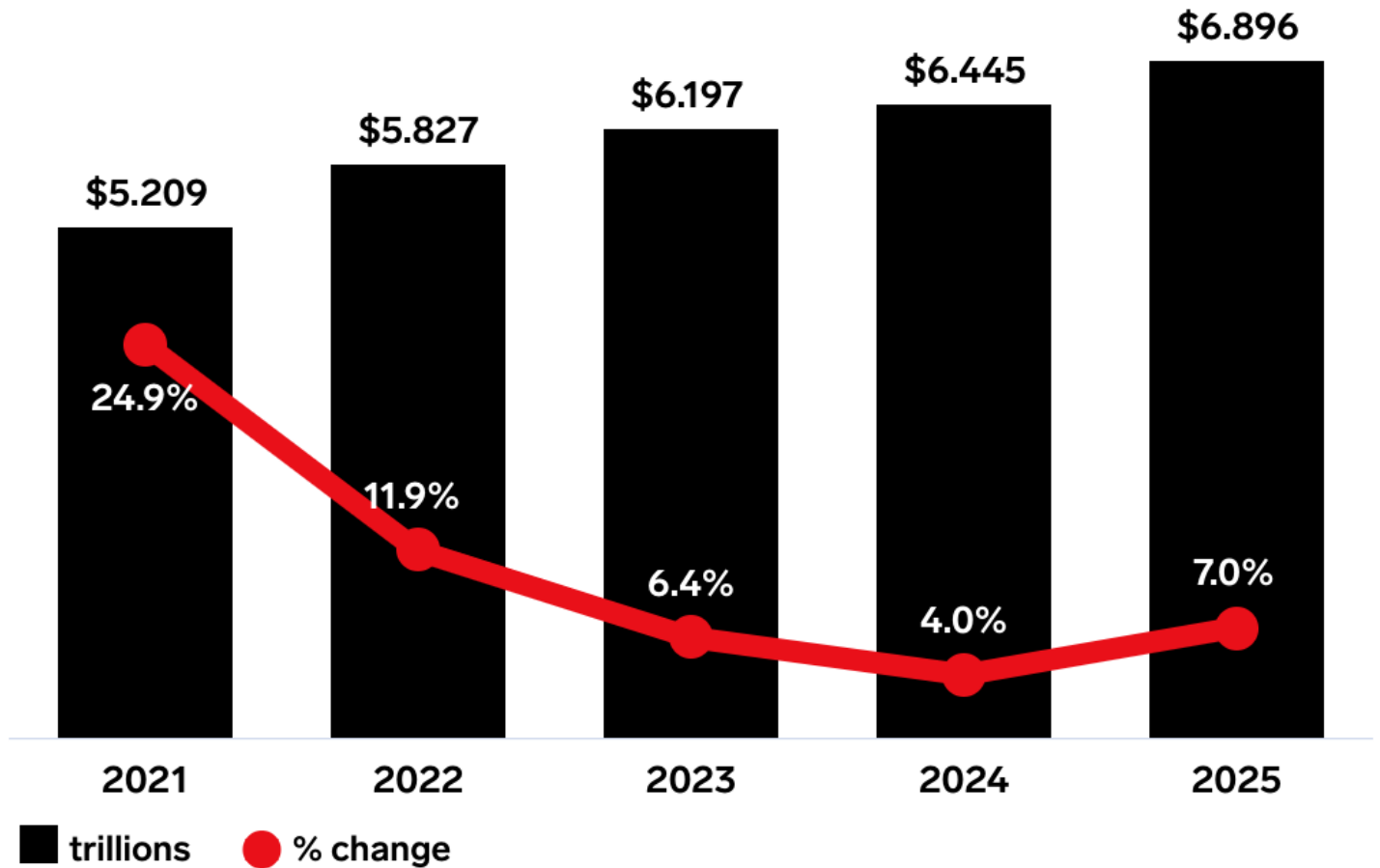
- The program lets consumers share their data with merchants when they shop online. Users can control this access directly from their banking app.
- Once consent is granted, Visa issues the data token to merchants, giving them AI-generated insights based on the consumer's purchase history. They can then use this data to offer shoppers recommendations in real time.

Why this matters: GenAI is transforming the consumer purchase journey. Visa is using the tech to offer personalized offers and to capitalize on the huge revenue opportunity to monetize transaction data.

The bigger picture: These launches will help Visa stay competitive as the industry continues to digitize and evolve. The rollouts will also create new revenue streams for the network, which will help Visa diversify away from relying on swipe fee revenue.

Visa 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 consumer and commercial cards; excludes returns, balance transfers, cash advances and other activity

Source: EMARKETER Forecast, August 2023