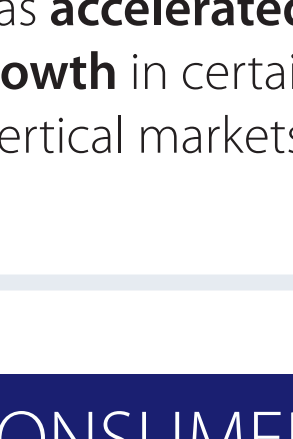


Purchasing in a Pandemic

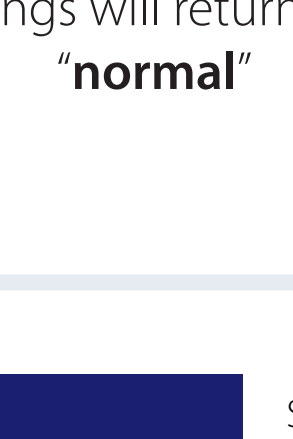
The Strawhecker Group (TSG) and Visa Consulting & Analytics (VCA) teamed up in July 2020 to survey a representative sample of U.S. consumers, and analyzed Visa's proprietary spend data with the goal of understanding how the COVID-19 pandemic has impacted consumer lifestyles, payment methods, and how behaviors may change after the pandemic.



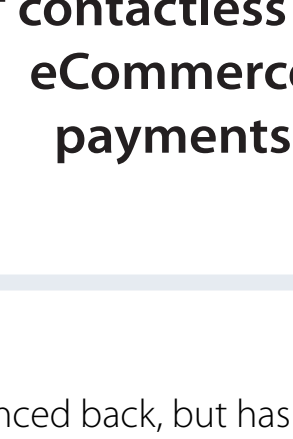
Key Takeaways



While travel remains hard-hit, COVID-19 has **accelerated growth** in certain vertical markets



Consumers are divided on when - and if - things will return to **"normal"**

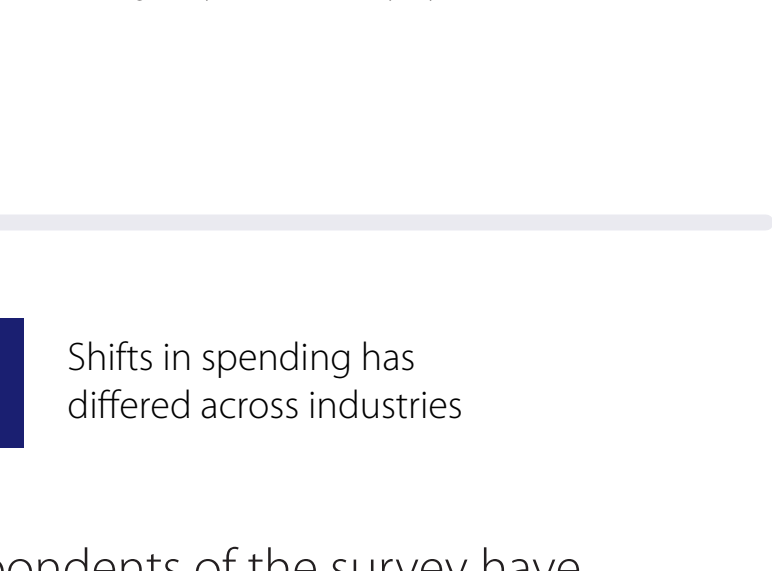


COVID-19 has accelerated growth of **contactless** and **eCommerce** payments

CONSUMER SPEND

Spending has bounced back, but has not yet reached pre-pandemic levels

After a sharp decline in April, the U.S. saw a V-shaped spending recovery and reached positive territory again in June, with further a climb into July. Volumes declined 18% in April before returning to positive territory in June. July volumes through the 21st are up 7%.



48%

of consumers are spending less



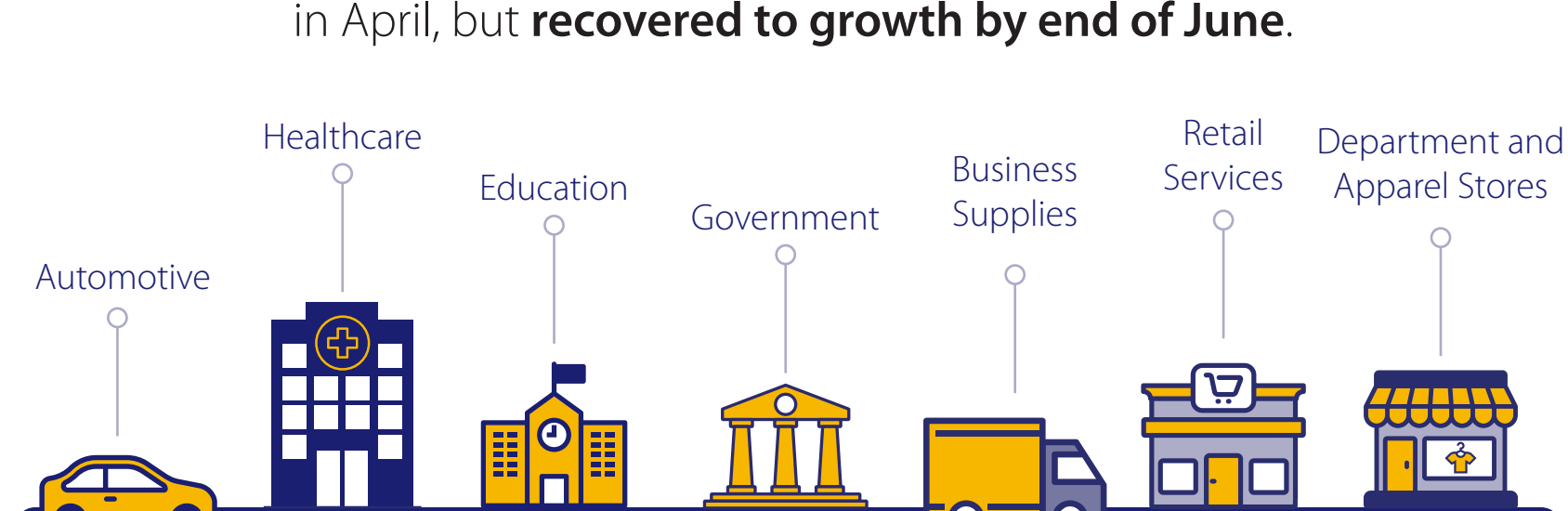
48% of consumers surveyed decreased overall spending since the pandemic started, but 28% of the respondents have increased their spending.

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

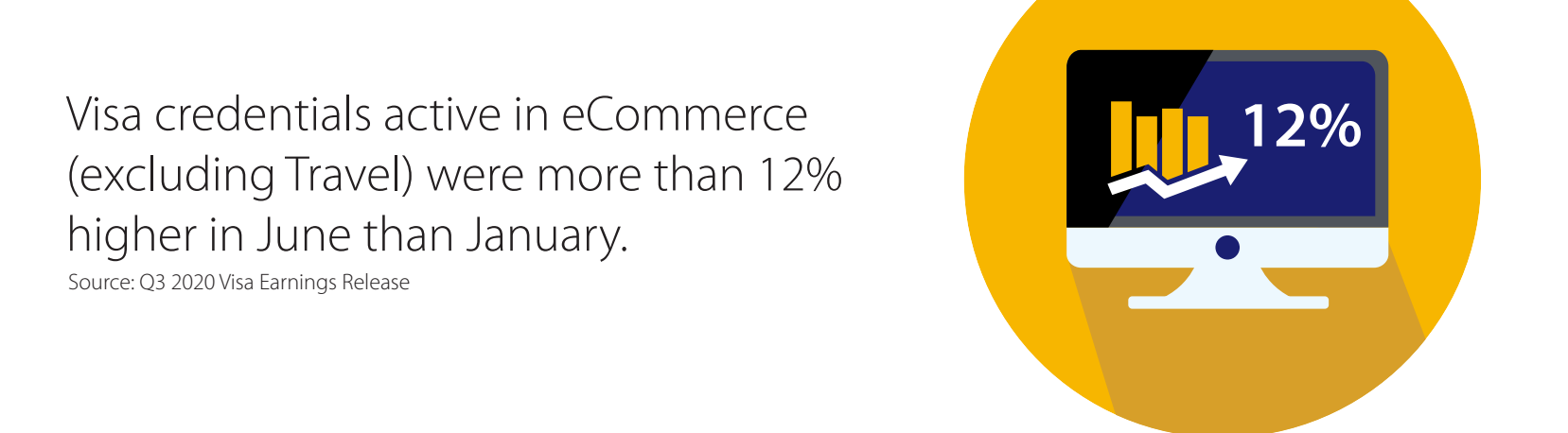
VERTICAL IMPACT

Shifts in spending have differed across industries

The image below shows how respondents of the survey have changed their spending habits across various industries since the pandemic began.

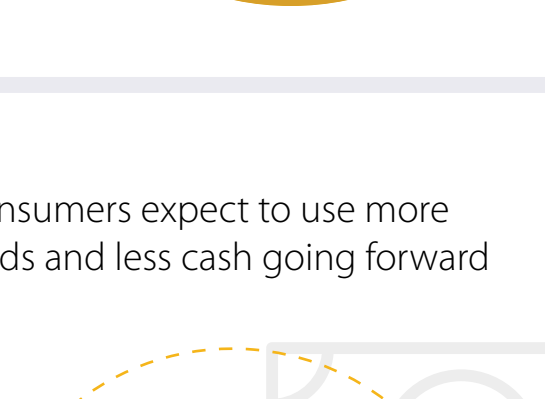


Visa reports that U.S. spend in these verticals declined 10% to 50% in April, but **recovered to growth by end of June**.



Visa credentials active in eCommerce (excluding Travel) were more than 12% higher in June than January.

Source: Q3 2020 Visa Earnings Release



PAYMENT METHODS

Consumers expect to use more cards and less cash going forward

CASH

26% of surveyed consumers expect to use cash less after the pandemic than before and 18% expect their use of cash to increase.

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

26%

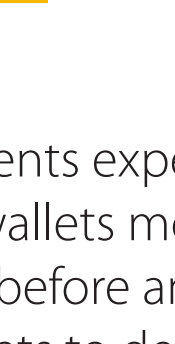
of consumers expect to use less cash



CARDS

27%

of consumers expect to use credit/debit more

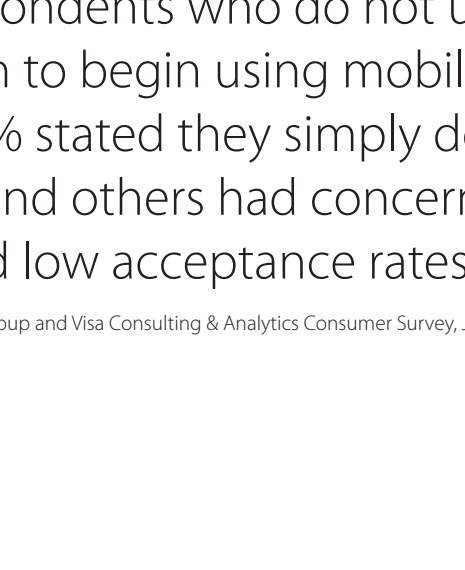


27% of consumers surveyed expect to use credit/debit cards more after the pandemic than before.

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

In August, debit spending grew **24%** year-over-year.

Source: Visa Form 8-K Filed September 1, 2020



DIGITAL WALLETS

34% of respondents expect to use mobile/digital wallets more after the pandemic than before and 7% expect their use of wallets to decrease.

34%

of consumers expect to increase mobile/digital wallet use



Most stores do not accept digital wallets.

I have privacy and security concerns.

I have one, I just do not use it. It is easier to pull out my card.

I don't trust the security level.

Of the respondents who do not use, and do not plan to begin using mobile/digital wallets, 69% stated they simply do not want one and others had concerns about privacy and low acceptance rates at stores.

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

CONTACTLESS CARDS

41% of respondents reported they have a contactless credit/debit card, showing there is lots of room to grow consumer access. Of those respondents, 60% use their contactless card for at least half of their purchases.

Source: The Strawhecker Group and Visa Consulting & Analytics Consumer Survey, July 2020

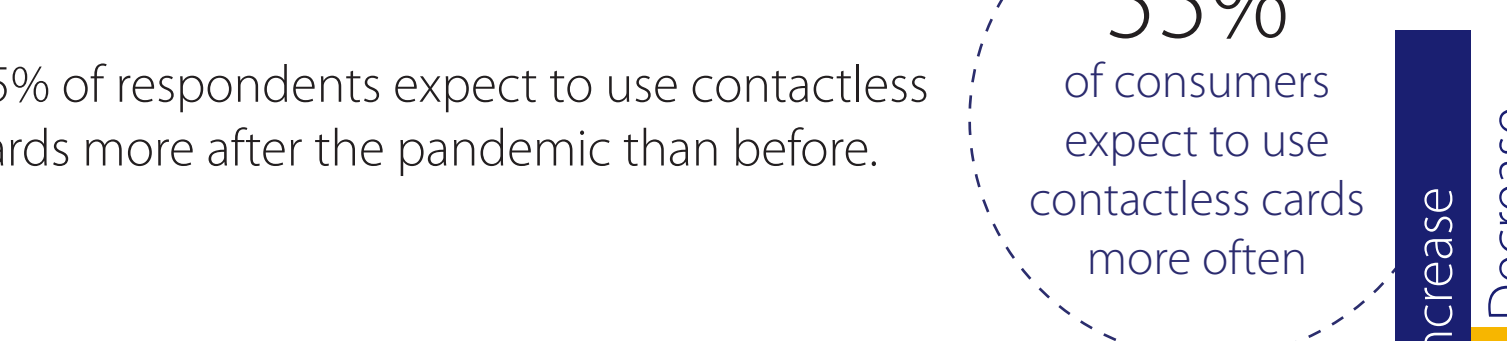
Visa added

80 MILLION

contactless cards during the first half of 2020

Source: Q3 2020 Visa Earnings Release

Of the top ten card issuers, nine now offer contactless cards.



Source: April 28, 2020 Visa Earnings Release, 9 of the top 10 Visa card issuers in the U.S. support Tap to Pay

42%

As contactless penetration continues to increase, 42% of survey respondents who use cards, indicate that they have not yet received a contactless card from their bank.

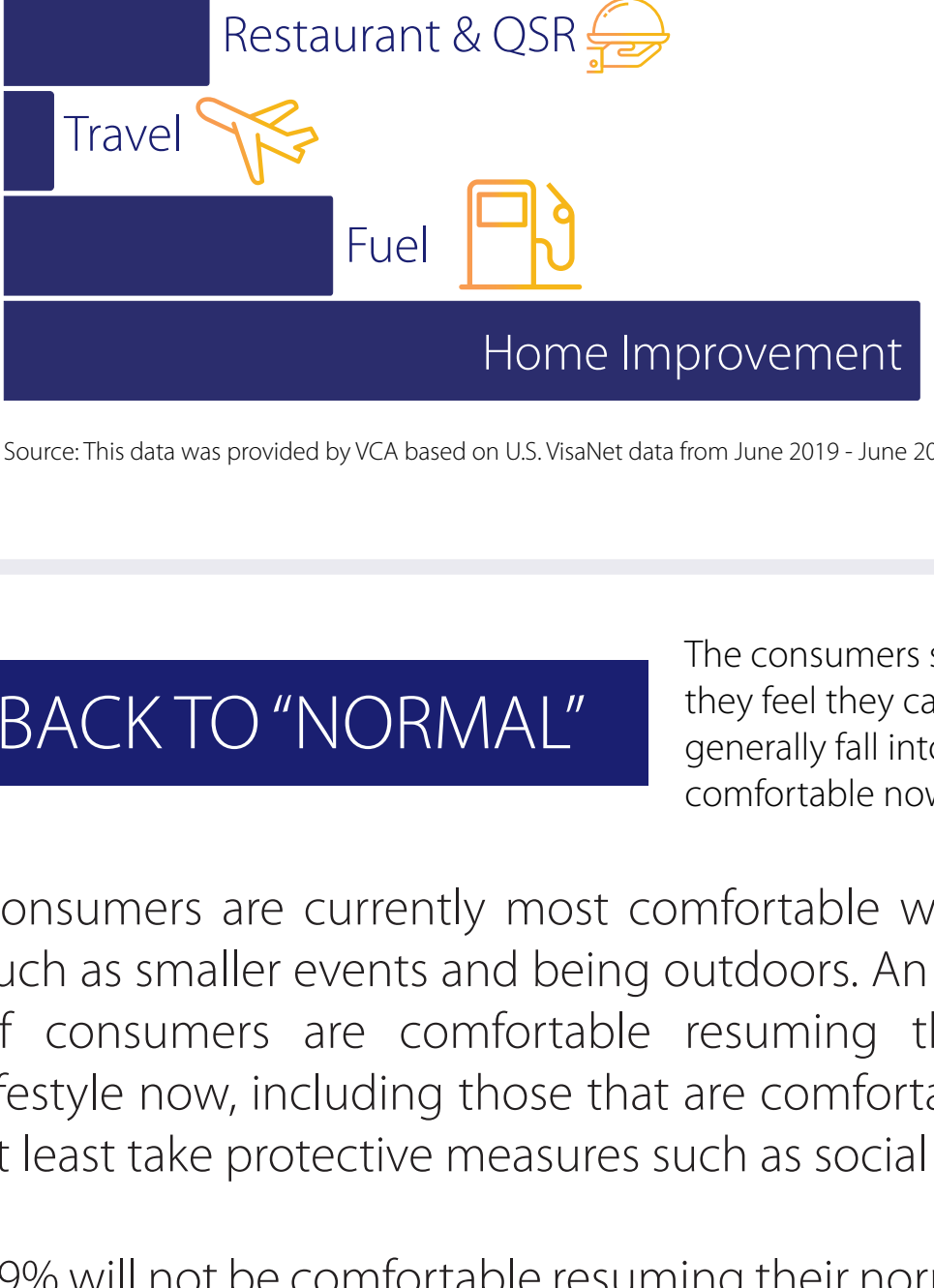
CONTACTLESS ADOPTION

Contactless use is up, but penetration varies across verticals

Education, access and broader enablement - particularly at small merchants - will help drive consumer contactless adoption.

Growth in Contactless Payments

2020 vs. 2019



Source: This data was provided by VCA based on U.S. VisaNet data from June 2019 - June 2020

2019 2020

Visa contactless usage is up **40%** in Q2 2020 year-over-year.

Source: April 28, 2020 Visa Earnings Release

BACK TO "NORMAL"

The consumers surveyed vary in their sentiment on when they feel they can resume a normal lifestyle, and they generally fall into two categories; those that are comfortable now and those that are not.

Consumers are currently most comfortable with social activities such as smaller events and being outdoors. An average of 41% of consumers are comfortable resuming their normal lifestyle now, including those that are comfortable if they at least take protective measures such as social distancing.



59% will not be comfortable resuming their normal lifestyle until additional progress is made to alleviate the pandemic, with 18% of that group not sure if they will ever be comfortable to resume their pre-pandemic lifestyle.

Average Comfortability Score

Darker = More Popular Response



Forward Looking Statements

Forward looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are generally identified by words such as "outlook," "forecast," "projected," "expects," "will" and other similar expressions. Examples of such forward-looking statements include, but are not limited to, statements we make about Visa's business, economic, outlooks, population expansion and analyses. All statements and other information of historical fact could be forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance and are subject to certain risks, uncertainties and other factors, many of which are beyond our control and are difficult to predict. We describe risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, any of these forward-looking statements in our filings with the SEC. Except as required by law, we do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise.

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Panel information: The Strawhecker Group (TSG) and Visa Consulting & Analytics (VCA) teamed up to survey 569 consumers in the U.S., with the goal of understanding how the COVID-19 pandemic is impacting lifestyle, payments methods, and how lifestyle and payments methods will change after the pandemic. The survey was conducted on July 20, 2020. All the results are from the perspective of a U.S. consumer. The survey represents consumers across various U.S. regions and age groups. The survey was conducted with a +/- 4% margin of error at a 95% confidence level. This report is based upon information we consider reliable, but its accuracy and completeness cannot be guaranteed. Information provided is not all inclusive. All information listed is as available. Reproducing or allowing reproduction or dissemination of any portion of this report externally for any purpose, without expressed written consent of TSG, is strictly prohibited and may violate the intellectual property rights of The Strawhecker Group. © Copyright 2020. The Strawhecker Group. All Rights Reserved.

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