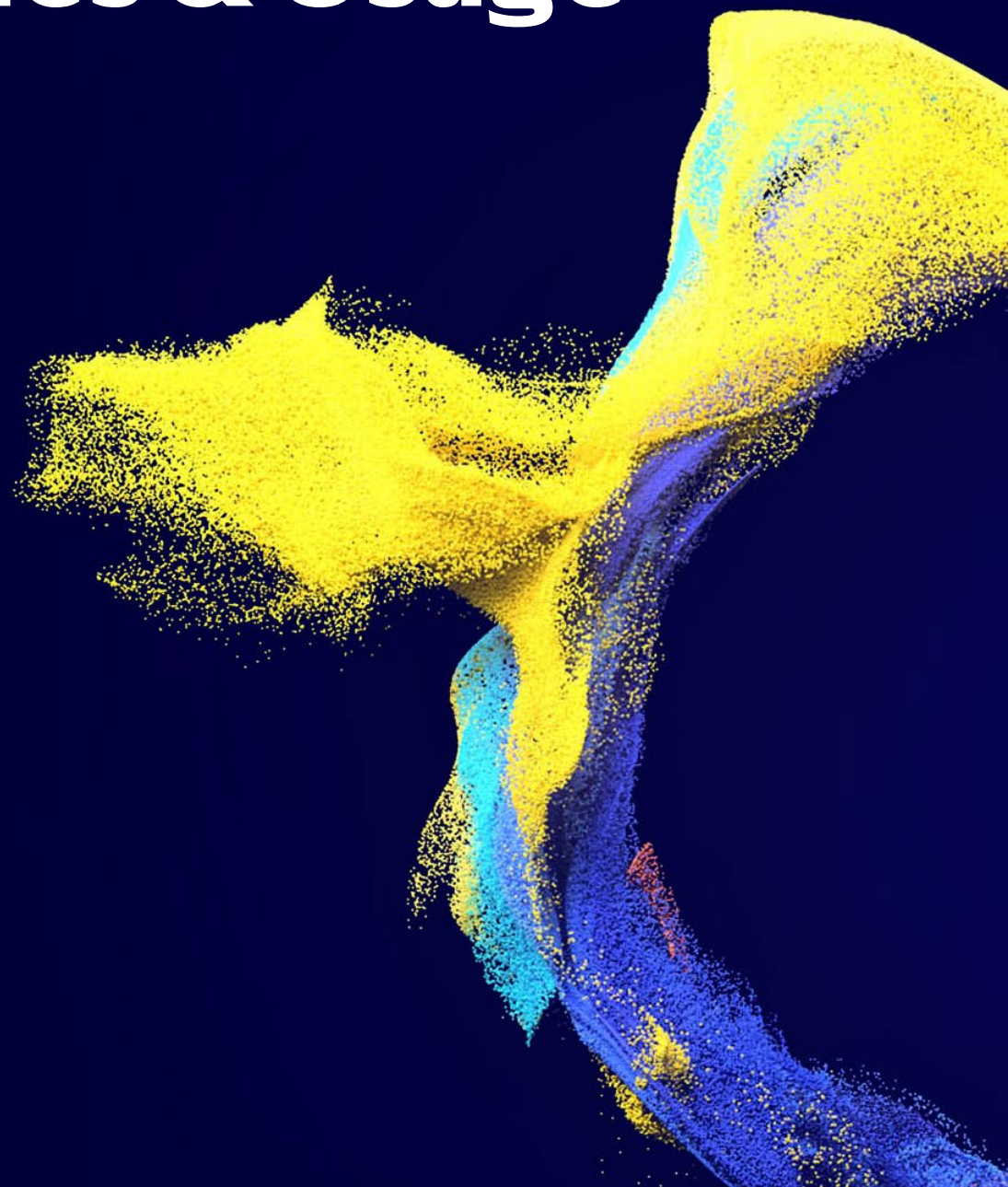


VISA

The Crypto Phenomenon: Consumer Attitudes & Usage



A MATERIAL+
COMPANY

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This paper contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 that relate to, among other things, our future operations, prospects, developments, strategies, business growth. Forward-looking statements generally are identified by words such as "believes," "estimates," "expects," "intends," "may," "projects," "could," "should," "will," "continue" and other similar expressions. All statements other than statements 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.



About Visa

Visa Inc. (NYSE: V) is the world's leader in digital payments. Our mission is to connect the world through the most innovative, reliable and secure payment network – enabling individuals, businesses and economies to thrive. Our advanced global processing network, VisaNet, provides secure and reliable payments around the world, and is capable of handling more than 65,000 transaction messages a second. The company's relentless focus on innovation is a catalyst for the rapid growth of digital commerce on any device for everyone, everywhere. As the world moves from analog to digital, Visa is applying our brand, products, people, network and scale to reshape the future of commerce. For more information, visit About Visa, [visa.com/blog](https://www.visa.com/blog) and [@VisaNews](https://twitter.com/VisaNews).

Visa's Global Crypto & Fintech group commissioned this study.

About LRW, a Material Company

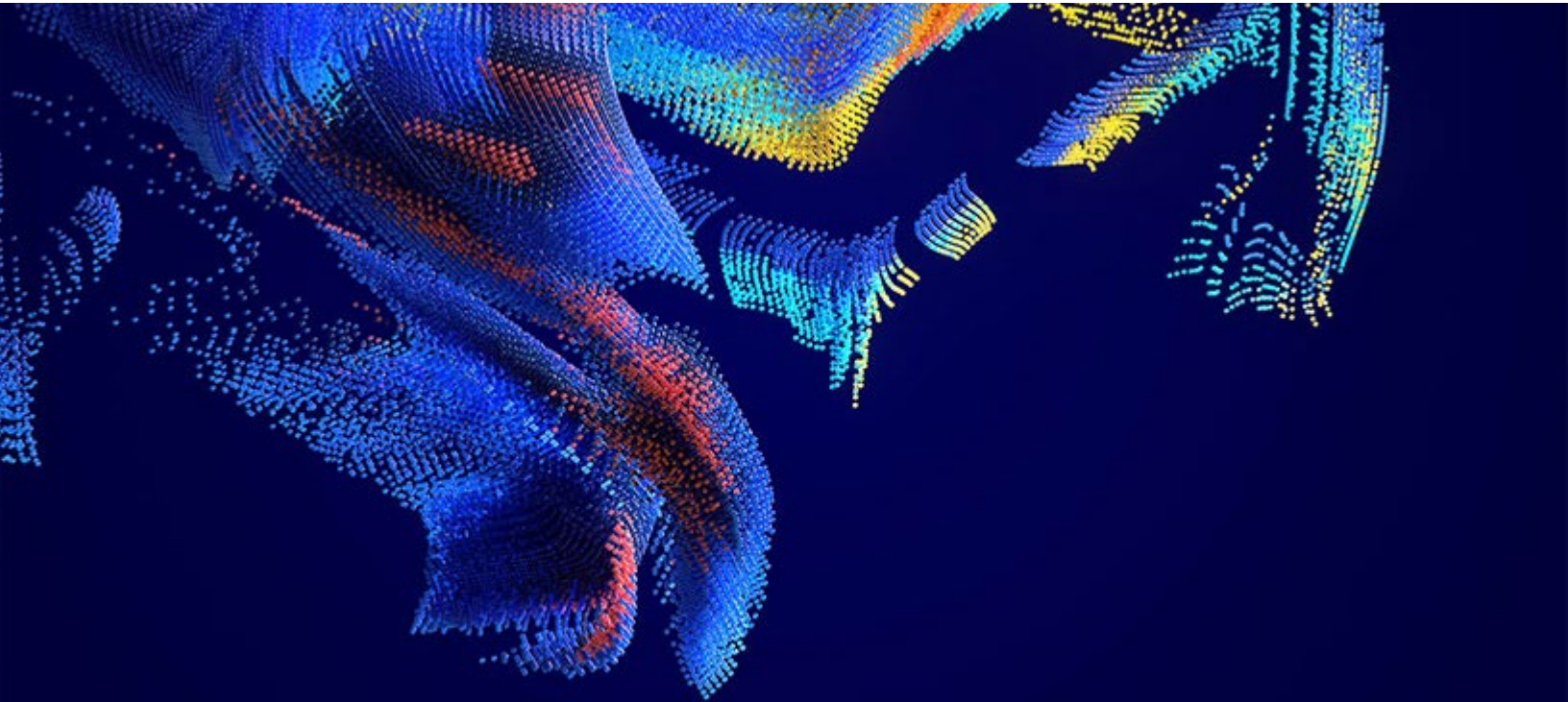
LRW, a Material Company, is an insights firm that translates deep human understanding and sophisticated data analytics into business success for its clients. For nearly 50 years, we've helped brands in almost 90 markets apply research and analytics to understand their customers and drive measurable business success. Rated the #1 Global Strategic Consultancy, LRW applies advanced modeling and analytic techniques to a wealth of data streams, layering in a "so what?"[®] consultative approach to provide unparalleled impact for clients.

Background of this White Paper

Crypto-related perceptions and products continually evolve as digital currencies gain momentum and mainstream popularity. As the market matures, questions arise about crypto's role in the future of finance and commerce, and what the role of traditional financial institutions will be in this new era.

This paper offers a data-driven exploration into the evolving landscape of crypto, drawing from an ambitious custom Visa / LRW study on the global attitudes and behaviors of consumers who exhibit varying levels of crypto engagement. The research combined both quantitative and qualitative methodologies to ensure depth of understanding and accurate sizing of behaviors and perceptions. This paper also outlines opportunities for financial institutions to meet consumers' needs regarding this increasingly popular global asset.

Visa is working to combine crypto with the power of their global payment network - one of the world's largest - to help connect everyone, everywhere, to new networks, leveraging its long legacy as a trusted engine of commerce and their deep expertise in the field of digital currency.



Methodology

This study, conducted in partnership with LRW, a Material Company, included 9 focus groups and 10 in-depth interviews in the United States, Germany, and Argentina from July 14th – July 26th of 2021, and collected 6,430 online survey responses across Argentina, Australia, Brazil, Germany, Hong Kong (SAR), South Africa, the US, and the UK between August 25th and September 13th, 2021. The research reflects the views and opinions of online populations in these markets and is demographically representative based on age, gender, household income, region and ethnicity. In order to qualify for the survey, respondents had to:

- Be at least 18 years old
- If 25 years old or older, have a household income of at least \$35,000 (or market equivalent)
- Have shared or joint financial decision-making responsibility in their households

Amongst this group, participants were further screened on their awareness of cryptocurrency: those who indicated awareness of cryptocurrency were invited to participate in the full survey on crypto attitudes and usage. Screening rates were captured to size this group among all online adults.

References to **“Developed Markets”** include Australia, Germany, Hong Kong (SAR), the US, and the UK whereas references to **“Emerging Markets”** include Argentina, Brazil, and South Africa. References to **“Global”** include all markets surveyed.

References to **“consumers with discretion over household finances”** refers to all consumers surveyed that met age, household income, and financial decision-making qualifying criteria.

References to **“crypto-aware consumers”** include respondents that meet all qualifying criteria, including having financial discretion and being aware of cryptocurrency.

References to crypto **“owners”** include respondents that meet all qualifying criteria and has ever done any of the following with cryptocurrency:

- Used it to buy goods and services
- Accepted as payment
- Transferred to / from someone else
- Developed a cryptocurrency
- Invested and held for the long-term or engaged in day-trading

See Glossary for additional definitions.



Please reach out to your Visa contact if you would like to discuss further or visit www.visa.com/crypto to learn more.

What is Cryptocurrency?

As this paper describes the current perceptions, use, and opportunities surrounding cryptocurrency, it is important to first understand what is meant by the term and how it fits in with other related terms such as “digital currencies” and “crypto”.

Digital currencies are essentially a digital version of cash, controlled by a private cryptographic key – a unique random string of numbers. In the same way that physical cash exists in a defined physical form and ownership is determined by holding paper bills, ownership of digital currency is determined by holding a private key associated with a crypto wallet which can be used to store and transfer digital currency. The term “crypto” is sometimes used to describe any digital currency.

There are three key types of digital currencies today:



Cryptocurrencies are currencies such as Bitcoin and Ether that are unaffiliated with any government or central bank.



Stablecoins are backed by a reserve asset (e.g., fiat currency held at commercial banks).



Central Bank Digital Currencies (CBDCs) are emerging digital versions of cash issued by a country’s central bank.

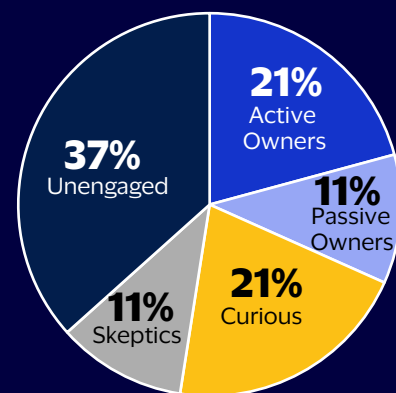
In many cases, digital currencies are issued by and exist on a public database maintained by what is commonly referred to as a blockchain. The database is distributed across computers that are running blockchain software. No single entity owns or controls the database, and anyone can access the database, prove ownership, and transfer digital currencies via the private keys associated with their crypto wallet.

Key Takeaways from the Research

Cryptocurrency and other digital currencies are part of the popular consciousness and poised for additional growth, especially in Emerging Markets—with wide-reaching implications for payments, finance, and commerce.

- The hype and headlines have made their impact—we see almost universal awareness of cryptocurrency at 94% globally among adults with discretion over their household finances. Crypto is moving from a niche asset class for a small community of investors to a broader market increasingly accessible for mainstream and new adopters.
- While cryptocurrency adoption is still in the early stages, it is significant – and growing fast. Nearly one in three crypto-aware consumers already own or use cryptocurrency, with the majority saying that their use has increased in the past year (62% Owners), and two-thirds expecting that they will increase the share of their investable assets invested in crypto in the next 12 months (66% Owners). Another 21% of crypto-aware consumers are curious about the space, have positive impressions of cryptocurrency, and are on the cusp of entering the cryptocurrency market.
- In Emerging Markets, ownership (37%) and curiosity about (27%) cryptocurrency is even more pronounced, likely due to a desire to hedge against unstable fiat currency and gain exposure to the US Dollar or the Euro via stablecoins.

Five types of crypto-aware consumers



The desire to build wealth and participate in a cultural and financial movement are key drivers for consumer adoption.

- The biggest drivers of owning and using cryptocurrency are to take part in the “financial way of the future” (42% Owners) and to build wealth (41% Owners) – both forward looking motivators.
- For those that transact with cryptocurrency, a large portion are motivated by avoiding exchange conversion fees (30% Active Owners), being able to transact any time (29% Active Owners), and low transaction fees (23% Active Owners).

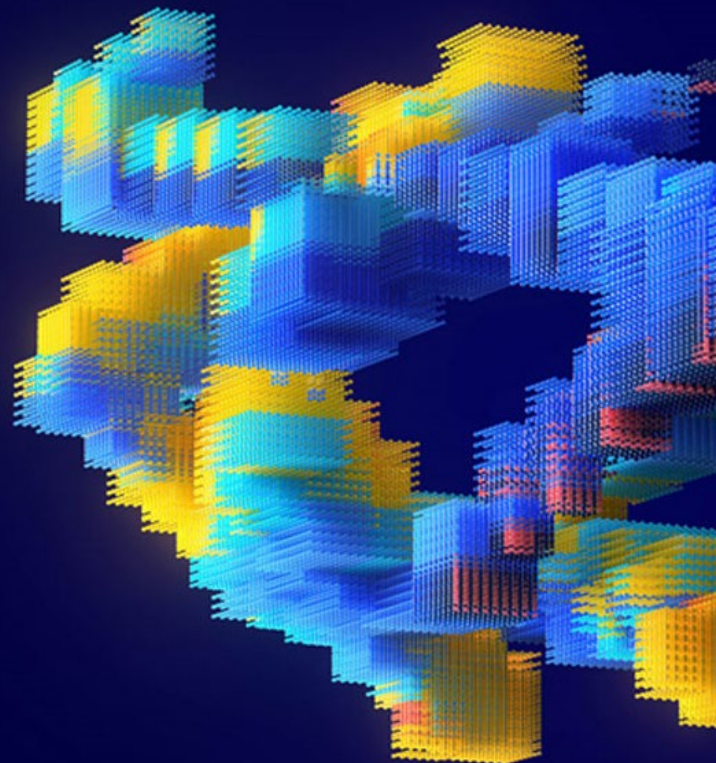
Please see the Glossary at the end of this paper for all defined terms.

Financial institution involvement, particularly through **crypto-linked cards** and **crypto rewards**, will be key to even broader acceptance and growth.

- Most consumers believe it will be necessary for financial institutions to embrace cryptocurrency for it to become widely accepted (59% Total).
- While there is some limited interest in using cryptocurrency as a means to buy goods/services (19% Total*), consumers express strong interest in crypto-linked cards (e.g., cards linked to crypto balances that are converted to fiat before being processed through traditional payment rails, 55% Total) and to enter the ecosystem through cryptocurrency rewards (57% Total).
- Most crypto owners would be interested in buying cryptocurrency from their bank (85% Owners), and many crypto owners are ready to take their business to banks that have jumped into crypto – more than a third of current owners indicate that they plan to switch to a bank that offers crypto products within the next 12 months (39% Owners).
- As crypto continues to emerge from being a niche area, there may be significant opportunities for non-crypto native companies (e.g., financial institutions) to add cryptocurrency rewards and payment options to their offerings. The significant majority of consumers who use cryptocurrency express interest in crypto-linked cards (83% Active Owners) and rewards (86% Active Owners).



A crypto-linked card allows you to convert and spend crypto at merchants. Crypto rewards cards allow you to earn crypto rewards based on your spend



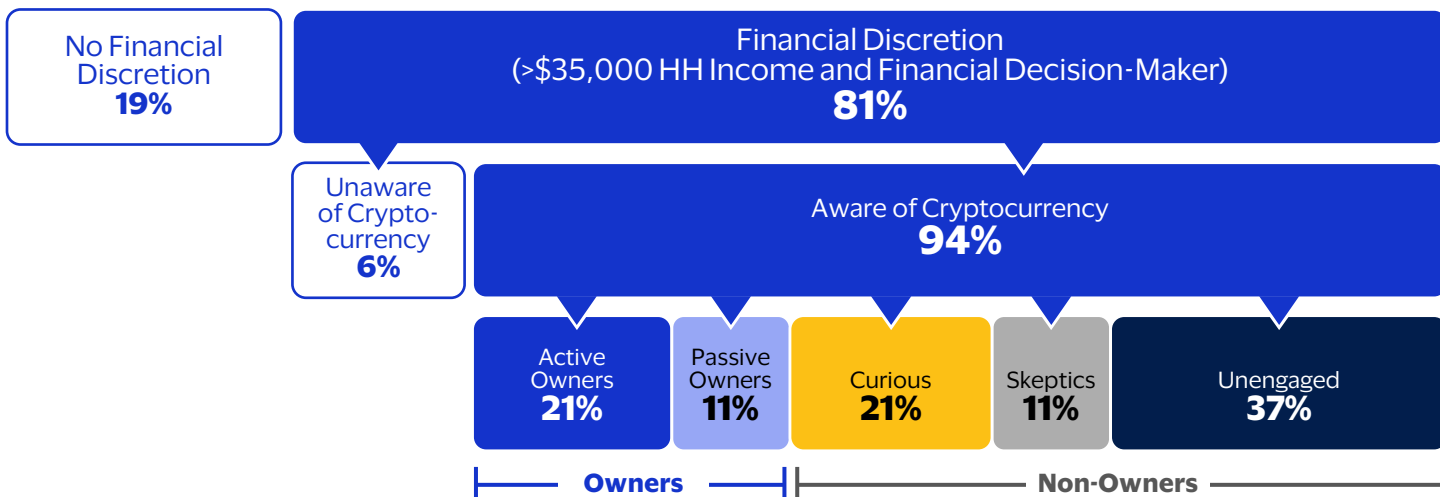
*Crypto can be used for purchasing goods and services through the following means that vary by awareness: buy directly on blockchain from other users; buy directly on blockchain from merchants who accept crypto; use crypto to fund purchases on crypto-linked cards.

Understanding the Current Market

Among adults that have discretion over their household finances, there is near universal awareness of cryptocurrency (94%).

Approximately one-third of crypto-aware consumers own cryptocurrency (32% Total), split between Active Owners who have transferred cryptocurrency or used it to buy and sell goods or services (21%), and Passive Owners who don't use it for transactions (11%). The remaining non-owners are split between the fully Unengaged (37%), a segment of Curious consumers who have taken steps to learn more and have a positive impression of cryptocurrency (21%), and a relatively small group of Skeptics who have also taken steps to learn more but generally have a negative impression (11%).

Global Adult Population (18+)



	Active Owners	Passive Owners	Curious	Skeptics	Unengaged
Developed Markets	19%	9%	16%	13%	42%
Australia	18%	9%	15%	11%	47%
Germany	16%	8%	18%	16%	42%
Hong Kong (SAR)	18%	13%	22%	15%	32%
United Kingdom	18%	9%	14%	12%	47%
United States	27%	9%	12%	8%	44%
Emerging Markets	23%	14%	27%	7%	28%
Argentina	20%	13%	28%	6%	33%
Brazil	22%	12%	29%	8%	29%
South Africa	28%	16%	26%	7%	23%



We Identified 5 Types of Crypto-Aware Consumers with Varying Degrees of Cryptocurrency Engagement: **Active Owners, Passive Owners, Curious, Skeptics, and Unengaged**

Crypto Owners

Active Owners (21% Global)

Active Owners are consumers who have used cryptocurrency to send or receive money, buy goods, or to accept payment at least once.

"I think it's the wave of the future, so I'm encouraging as many people as possible to jump aboard and let's ride this together."

- US Active Owner



Active Owners are optimistic and feel confident on the global economy

Active Owners generally have very positive perceptions of cryptocurrency across the board. **Active Owners are optimistic** – they are more likely than other segments to feel confident about the financial health of the global economy (45%) and believe that cryptocurrencies will replace traditional fiat currencies (45%). Active Owners are younger than other segments (49% Millennials), skew largely male (65%), and primarily get their information about crypto from YouTube (60%).

Passive Owners (11% Global)

Passive Owners are consumers who have purchased cryptocurrency as an investment but have not transferred/transacted with it.

"It's a good time to buy when it goes down and then look at the long term and see how it develops as an investment. It can go up and down, but in the long term I think it will remain higher."

- Germany Passive Owner

Not surprisingly, Passive Owners also have a positive impression of cryptocurrency, although they are significantly less likely than Active Owners to believe cryptocurrency is a better investment than the stock market (54% vs. 69%) or that they will be able to use it to pay for all purchases in five years (58% vs 71%). A bit less trusting of financial institutions, Passive Owners are more likely than other groups to be concerned about the motives of financial institutions (59%). Like Active Owners, Passive Owners also skew young (44% Millennials) and male (57%), although to a smaller degree. YouTube is their primary information source for crypto (55%).

Non-Owners

Curious (21% Global)

Curious consumers are those who have taken steps to learn about cryptocurrency and have positive perceptions of it but have yet to purchase any.

"Instead of the same old coffee maker I'd get from rewards points, I could try out crypto."

- Argentina Curious



The Curious segment is positive about cryptocurrency however they are less likely to believe that it is easy to use

While Curious are defined by having positive impressions of cryptocurrency, they aren't quite as positive as those that own them. Perhaps the starkest difference is that the **Curious segment is far less likely to believe cryptocurrency is easy to use** (38% Curious vs. 67% Owners). Consumers that are Curious are mostly split between Millennials and Gen X (33% each) and are slightly more likely to be women (54%) than men. Like those that own cryptocurrency, the Curious get information from YouTube (49%), but are equally informed through word of mouth by friends and family (49%).

Skeptics (11% Global)

Skeptics have taken steps to learn about cryptocurrency but haven't purchased any and only have negative perceptions of it.

"Keeping my money close to me, where I'm not going to lose it, or keeping it in more traditional growth models is where I need to be at this point in my life."

- US Skeptic

By definition, Skeptics are less favorable toward cryptocurrency, perhaps due to their increased preference for small risks with moderate rewards (76% Skeptics vs. 64% Total). Skeptics skew older than Curious consumers and are more likely to be Boomers (31%). Skeptics are equally split between men (49%) and women (51%). Skeptics' most frequent sources of information about crypto are word of mouth (39%) and news websites (36%).

Unengaged (37% Global)

Unengaged consumers have done no research into cryptocurrency and/or are indifferent about it.

Unengaged consumers are attitudinally very similar to Skeptics, indicating that negative impressions of cryptocurrency could be the default before becoming more informed. Similar to Skeptics, the Unengaged are older than other segments, and are most likely to be in the Boomer generation (39%). They are the most likely segment to be female (57%), and are more likely to hear about cryptocurrency watching television (30%) or from friends and family (28%) than any other single source.

Five Key Demographics are Predictive of Crypto Engagement Levels

Demographic Indicators

Five key demographics have been found to correlate with cryptocurrency engagement: gender, age, advancement of geographic market, income in some markets, and ethnicity in the US.

- **Engagement skews male.** Almost two in three consumers who transact with cryptocurrency are men (65% Active Owners), while a strong majority of completely Unengaged consumers are women (57% Unengaged). The exception is in Hong Kong (SAR) where there is little difference in participation between the genders.
- **Engagement with cryptocurrency is inversely proportional with age.** Those with stronger engagement tend to be younger whereas those with weaker or no engagement tend to be older. Over half of consumers who own cryptocurrency are under 35 (51% Owners), whereas the vast majority of those who have not engaged at all with it are over 35 (78% Unengaged).
- **Engagement with cryptocurrency is stronger in Emerging Markets.** While only 29% of crypto-aware consumers in Developed Markets own cryptocurrency, a full 37% in Emerging Markets own cryptocurrency. In Developed Markets, 42% of crypto-aware consumers have not taken any steps to learn about cryptocurrency, compared to only 28% in Emerging Markets.
- **In the US, while white Americans represent more than half of cryptocurrency owners, non-white consumers are leading the engagement with crypto.** While 32% of survey respondents in the United States are non-white, non-white Americans account for 44% of those who own cryptocurrency, compared to only 19% of those that are completely Unengaged. Non-white consumers account for an even greater percentage of the Curious segment (47% Curious), demonstrating significant growth opportunity.
- **In some markets surveyed, wealthier consumers tend to be more likely to engage with cryptocurrency.** Income does not universally play a role, but there are trends in Australia, the UK, Argentina and Brazil where engagement is correlated with income or socioeconomic level. For example, the majority of owners in Australia have household incomes over AU\$100,000 (52% Owners), compared to just over a third of non-owners (37% Non-Owners).

Crypto Owners Differ from Less-Engaged Consumers Across Markets and Demographics

Crypto Owners

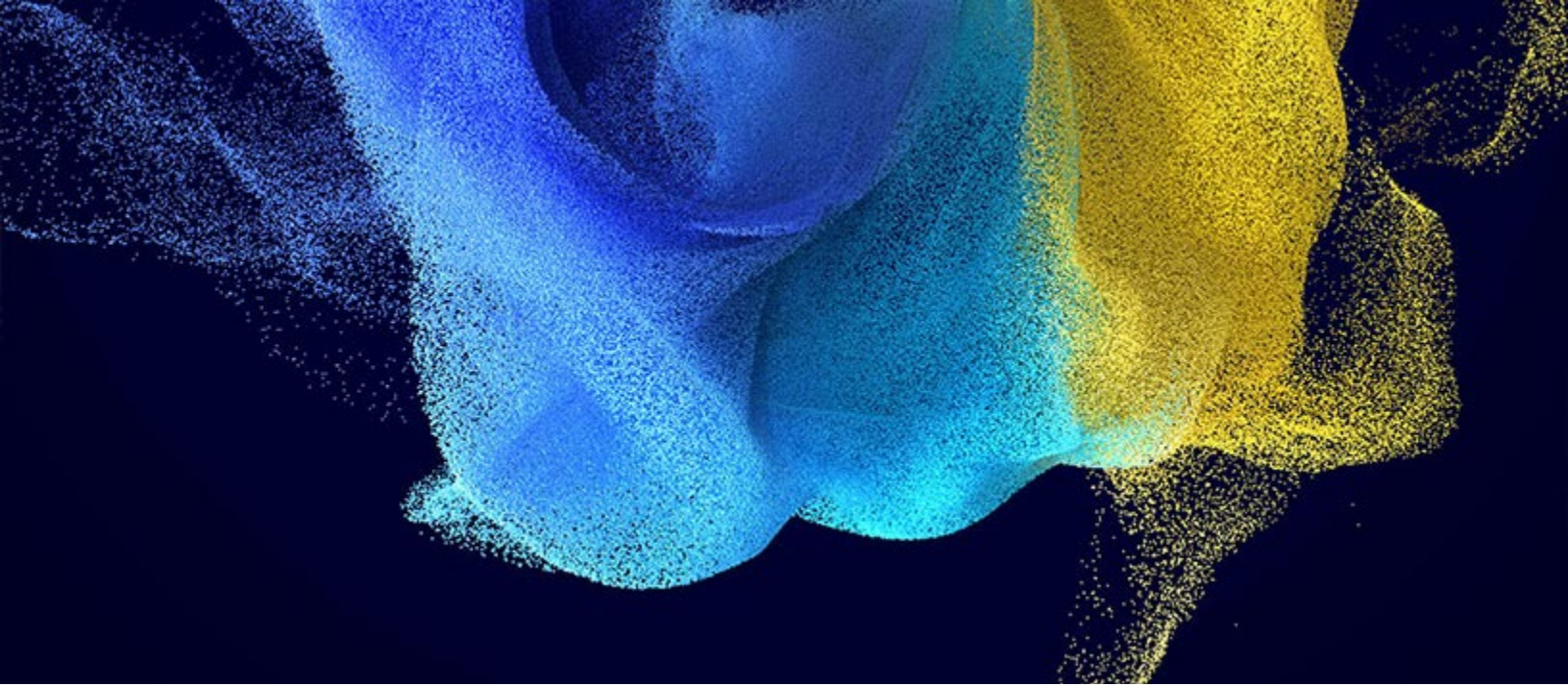
Globally, there are almost twice as many Active Owners as there are Passive Owners (21% vs 11% Total). In all of our survey markets, people using and paying with cryptocurrency outnumber people passively holding cryptocurrency.

South Africa has the greatest engagement overall, with both the highest percentage of Active Owners (28%) and Passive Owners (16%) of all markets surveyed. While Emerging Markets generally have a higher percentage of consumers who own cryptocurrency, the United States ranks among the highest of all markets in percentage of Active Owners (27% US).



Crypto-first exchanges are platforms designed for crypto specifically

Approximately half of consumers who own cryptocurrency acquire their cryptocurrency from **crypto-first exchanges** (49% Owners), with more than a third indicating that they earn crypto through mining or staking (39% Owners) and another third indicating that they acquire through investment platforms (35% Owners). Earning crypto through mining or staking is somewhat more popular in Emerging Markets (47% Owners in Emerging Markets), although crypto-first exchanges are still the most commonly used for acquiring cryptocurrency (51% Owners in Emerging Markets).



Non-Owners

There are generally a greater percentage of crypto-aware consumers who have taken steps to inform themselves about cryptocurrency in Emerging Markets than in Developed Markets (72% Emerging Markets vs. 58% Developed Markets). Developed Markets like Australia (47%), the UK (47%), and the US (44%) have the highest percentages of Unengaged consumers. South Africa, on the other hand has the smallest proportion of Unengaged consumers (23%) of all survey markets.



There are almost twice as many crypto-curious consumers than there are skeptics

Globally, there are almost twice as many crypto-Curious consumers (20 Total%) than there are Skeptics (11% Total). Indeed, **there are more Curious consumers than Skeptics in every survey market.** This trend is even more defined in Emerging Markets where there are almost four times as many Curious (27% Emerging Markets) as there are Skeptics (7% Emerging Markets), signifying greater opportunity for near-term growth. Brazil is most poised for expansion with the greatest percentage of Curious consumers (29%).

The prevalence of negative sentiments toward cryptocurrency is more pronounced in Developed Markets, as each Developed Market has a greater percentage of Skeptics than any Emerging Market surveyed. Germany has the greatest prevalence of Skeptics (16%) of all markets surveyed.

What Triggers Engagement with Cryptocurrency?

1. Being Part of the Financial Way of the Future

It's the financial way of the future

42%

Don't want to miss out

28%

Participate in this cultural moment

20%

Consumers who already own cryptocurrency are most likely to indicate that they are motivated to participate because it's the financial way of the future (42% Owners). There is a recognition that crypto is not simply a technological phenomenon; it's also deeply cultural, with consumers believing that there is a movement underfoot here and that cryptocurrency will be even bigger in the future.

The fear of missing out on cryptocurrency's momentum has also propelled many consumers to engage (28% Owners) and those in Developed Markets, in particular, are likely to cite having fun participating in a cultural moment (26% Owners in Developed Markets). While these feelings are also held by consumers who have yet to engage with cryptocurrency, it is to a significantly milder degree. Only one in four consumers who have yet to own cryptocurrency, for example, indicate that they are motivated by it being the financial way of the future (26% Non-Owners), and even fewer cite a fear of missing out (16% Non-Owners).

2. An Opportunity to Build Wealth and Diversify Investments

Consumers, regardless of whether or not they have purchased cryptocurrency, are motivated to buy it as a way to build wealth (41% Owners, 28% Non-Owners) and an opportunity to diversify their investments (28% Owners, 18% Non-Owners). Not surprisingly, Passive Owners are especially motivated by wealth building potential (45%).

Nearly half of consumers in Emerging Markets who own cryptocurrency are particularly motivated by its potential as a long-term wealth generator (47% Owners in Emerging Markets) and many believe it to be one of the best ways to store value for the long-term (36% Owners in Emerging Markets). The volatility of their national economies and high rates of inflation reinforces cryptocurrency as an appealing alternative to fiat currencies, as 30% in Emerging Markets are motivated by protection against inflation, compared to only 21% in Developed Markets.

3. Transaction Freedom and Lower Fees

Many Active Owners tout the freedom and flexibility of cryptocurrency as a key draw. A large portion are motivated to transact with cryptocurrency because of its global nature, allowing them to spend money abroad without exchange conversion fees (30% Active Owners), low transaction fees (23% Active Owners), and being able to transact any time (29% Active Owner).

Consumers in Emerging Markets are more attracted to the opportunity to use cryptocurrency globally than consumers in Developed Markets, as more than a third of Active Owners in South Africa (38%), Argentina (34%), and Brazil (33%) are motivated by lack of conversion fees abroad.

What Limits Engagement with Cryptocurrency?

1. A Fundamental Fear of Losing Assets

One of the top factors limiting engagement across all markets is consumers' concern that they will ultimately lose their money (46% Total). Especially with many considering cryptocurrency a means of diversifying their assets and an opportunity to build their savings, perceptions of its volatility (32% Total), the lack of regulation (31% Total), and the limited recourse in the case of hacking or stealing (28% Total) elevate the perceived risk of their investment.

2. The Perceived Steep Learning Curve

While consumers who are already engaging with cryptocurrency generally feel confident in their understanding of it, over half of consumers who have yet to own cite the steep learning curve as a reason why they haven't engaged yet (55% Non-Owners). This is more pronounced with consumers in Emerging Markets (58% Non-Owners in Emerging Markets) who have yet to engage with cryptocurrency feeling limited by their uncertainty around the fundamentals – how to invest, buy, and store cryptocurrency. And as mentioned previously, Curious consumers, who have favorable attitudes toward cryptocurrency but do not yet own it, are far less likely to believe cryptocurrency is “easy to use” (38% Curious) than Active Owners (71%) or Passive Owners (60%).

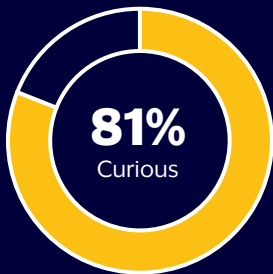
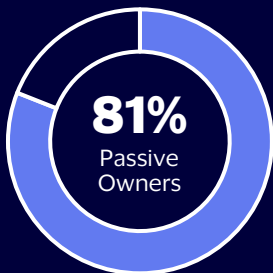
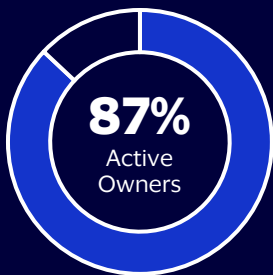
3. Negative perceptions of the environmental impact of cryptocurrency aren't pervasive but are felt most strongly by Developed Markets.

Approximately one-fifth of consumers believe that cryptocurrency is bad for the environment, a perception that is held significantly more strongly by consumers in Developed Markets than Emerging Markets (28% vs. 11%). Consumers in Germany, the UK, and Australia are the most likely to perceive a negative environmental impact of cryptocurrency.



The Role of Financial Institutions in Cryptocurrency

Interest in Purchasing Cryptocurrency from Their Bank if Offered



Over half of crypto-aware consumers believe that cryptocurrency requires participation from established financial institutions before it achieves mainstream adoption (59% Total) and that this is a necessary development for cryptocurrency to have staying power. This sentiment is strongest among consumers in Developed Markets, who are more trusting of financial institutions than consumers in Emerging Markets (55% vs. 39%), and who are more likely to believe that cryptocurrency won't be accepted without the participation of large financial institutions (65% Developed Markets vs. 49% Emerging Markets). In Developed Markets especially, financial institutions can be an enabler for Curious consumers to take the next step with cryptocurrency, as this particular segment is the most likely to believe cryptocurrency's future is tied to financial institution participation (71% Curious in Developed Markets).

The involvement of banks also has a meaningful impact.

Half of crypto-aware consumers are interested in their bank offering cryptocurrency (50% Total), including 87% of Active Owners, 81% of Passive Owners, and 81% of Curious consumers who are interested in purchasing cryptocurrency if it were offered by their traditional bank. Additionally, more than a third of crypto owners indicate that they are likely to switch to a bank that offers crypto products within the next 12 months (39% Owners).

Crypto-Linked Card Programs Offer an Accessible Entry-Point to Consumers

The Prevalence of Crypto-Linked Cards is Low, But Interest is High

Ownership of crypto-linked cards is relatively low when compared to the general engagement of consumers who are transacting in cryptocurrency. Only one in ten who own cryptocurrency have a crypto-linked card (10% Owners), and while engagement with cryptocurrency is generally higher in Emerging Markets, use of crypto-linked cards among those who own cryptocurrency in Emerging Markets is similar to the global average (9% Owners in Emerging Markets).

The issuance of crypto-linked cards presents an opportunity to start participating in crypto, as interest is high and evidence suggests that lack of awareness or familiarity with the cards may be a major reason for the lack of crypto-linked card adoption among those who use or own cryptocurrency. The vast majority of those who are Active Owners, Passive Owners or Curious are interested in a crypto-linked card and its possible benefits (83%, 77%, 78% respectively), suggesting that the adoption rate is poised for growth. The biggest reason consumers are interested in a crypto-linked card is in line with reasons for overall interest in cryptocurrency – joining the movement and supporting its rise in popularity (42% Total).

Interest in Crypto-linked Cards



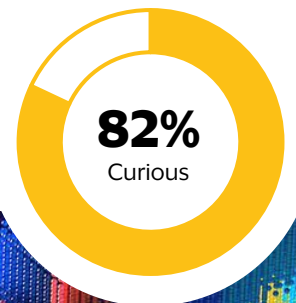
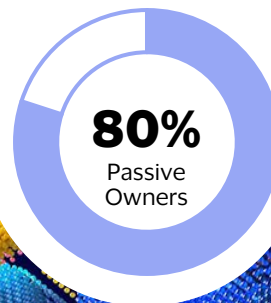
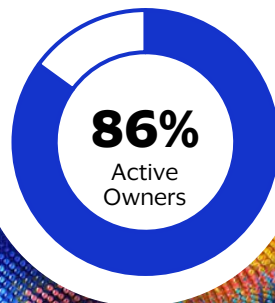
It is also likely that consumer interest in crypto-linked cards is tied to a desire to have payment optionality (32% of crypto-aware consumers are more likely to purchase from retailers that accept crypto) and for crypto owners, an easy way to tap into their crypto asset liquidity without having to sell and transfer their fiat. Assurance that cryptocurrency can be used like a fiat currency will give consumers the accessibility and ability to make payments from their crypto wallet balance moving forward in the same way they engage in commerce today.

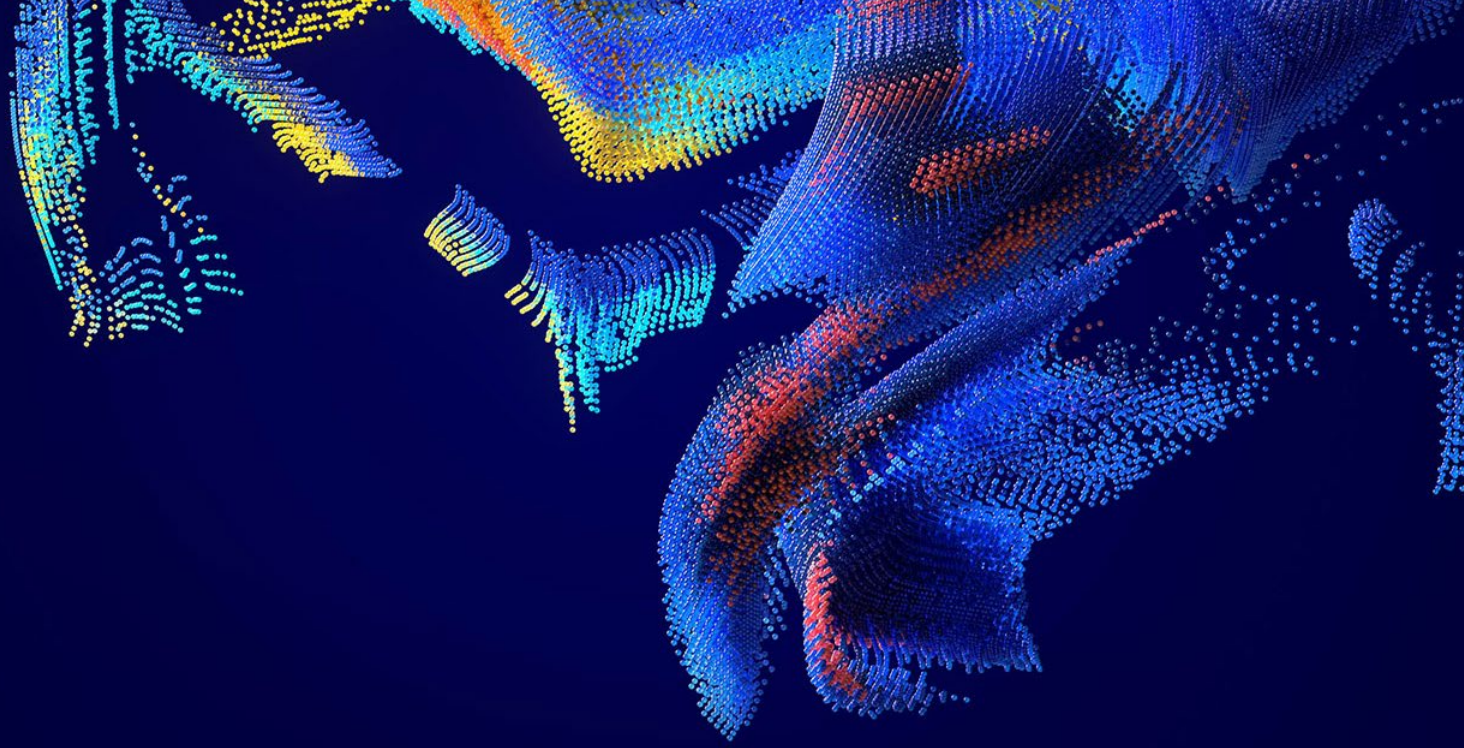
Among Active Owners, the segment most interested in crypto-linked cards, 26% express that having a larger portion of their savings in cryptocurrency rather than in their market's fiat currency is a reason for their interest in a crypto-linked card, a sentiment also shared by some Passive Owners (15%). **For many owners, a crypto-linked card could be the gateway to everyday spending with cryptocurrency, as those who already do have a crypto-linked card report spending roughly equal amounts of cryptocurrency and fiat currencies with it.**

Crypto Rewards Are Appealing and May Spark New Relationships with Financial Institutions

Interest in a cryptocurrency reward program, wherein a cardholder earns cryptocurrency as a reward for their spending, garners strong interest among consumers who already own cryptocurrency (84% Owners). Interest is also strong among those who are Curious about cryptocurrency (82% Curious), particularly in Emerging Markets (85% Curious in Emerging Markets). Cards that offer cryptocurrency rewards could be an easy entrance into the world of cryptocurrency, as even many Skeptics (38%) and Unengaged (45%) consumers in Emerging Markets are interested in earning crypto rewards, and it could likely remove any barriers associated with limited discretionary income or lack of knowledge.

Interest in Crypto Rewards



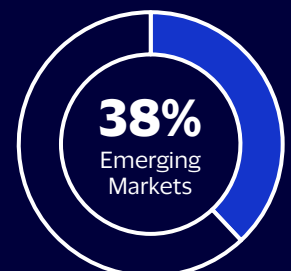
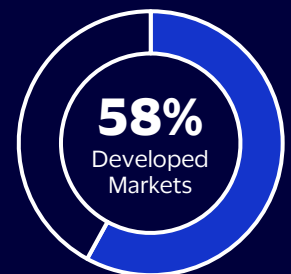


The Future of Crypto

Crypto is poised for growth as current owners indicate they will increase investment in it, and a large Curious segment is poised to enter the market. A third of all crypto-aware consumers indicate that their engagement with cryptocurrency has increased in the past twelve months (35% Total), including 63% of Active Owners and 61% of Passive Owners. In addition, two-thirds of owners expect that they will increase the share of their investable assets invested in crypto in the next 12 months (66% Owners), increasing the total percentage of investable assets invested in crypto from 23% to 27% among current crypto owners in one year.

Also, 21% of consumers fall within our Curious segment, and half of that segment has indicated increased engagement through reading or talking about it with others over the past year (**49% Curious**). This low-hanging fruit growth opportunity is larger in Emerging Markets where the share of Curious consumers is higher (27% Emerging Markets vs. 16% Developed Markets). These Curious consumers already have positive feelings towards cryptocurrency and express high interest in solutions that could offer low-risk entry points, which would bring them into the Passive Owner or Active Owner segments. In spite of not owning any cryptocurrency now, Curious consumers indicate that they are likely to hold 13% of their total investable assets in crypto a year from now.










Past 12 Months Increase Engagement Among Curious



Crypto's Evolution Continues to Transform with The Emergence of Other Forms of Digital Currency and New Use Cases













Awareness of CBDC and stablecoins are lower than awareness of cryptocurrency, which is not surprising given they are relatively newer forms of digital currency. By name, more consumers are aware of CBDC (57% Total) than stablecoins (46% Total), despite few CBDCs having progressed to the pilot stage (or beyond) at this time. Awareness of each is considerably higher in Emerging Markets than Developed Markets.

CBDC Awareness

	Global	Developed	Emerging
CBDC Awareness	 57%	 49%	 70%
CBDC Savings Interest	 22%	 18%	 29%
CBDC Spending Interest	 16%	 13%	 20%

Stablecoins are viewed as a strong saving and spending option, particularly among Owners as well as Curious consumers. Interest in stablecoins is high globally (42% Total), with strong majorities of Active Owners (70%), Passive Owners (60%), and Curious consumers (65%) indicating that they are at least somewhat interested. When given the option, more than a quarter of all crypto-aware consumers indicate that they would be interested in holding savings in Stablecoins (27% Total), and one in five would be interested in using stablecoins to spend (20% Total).

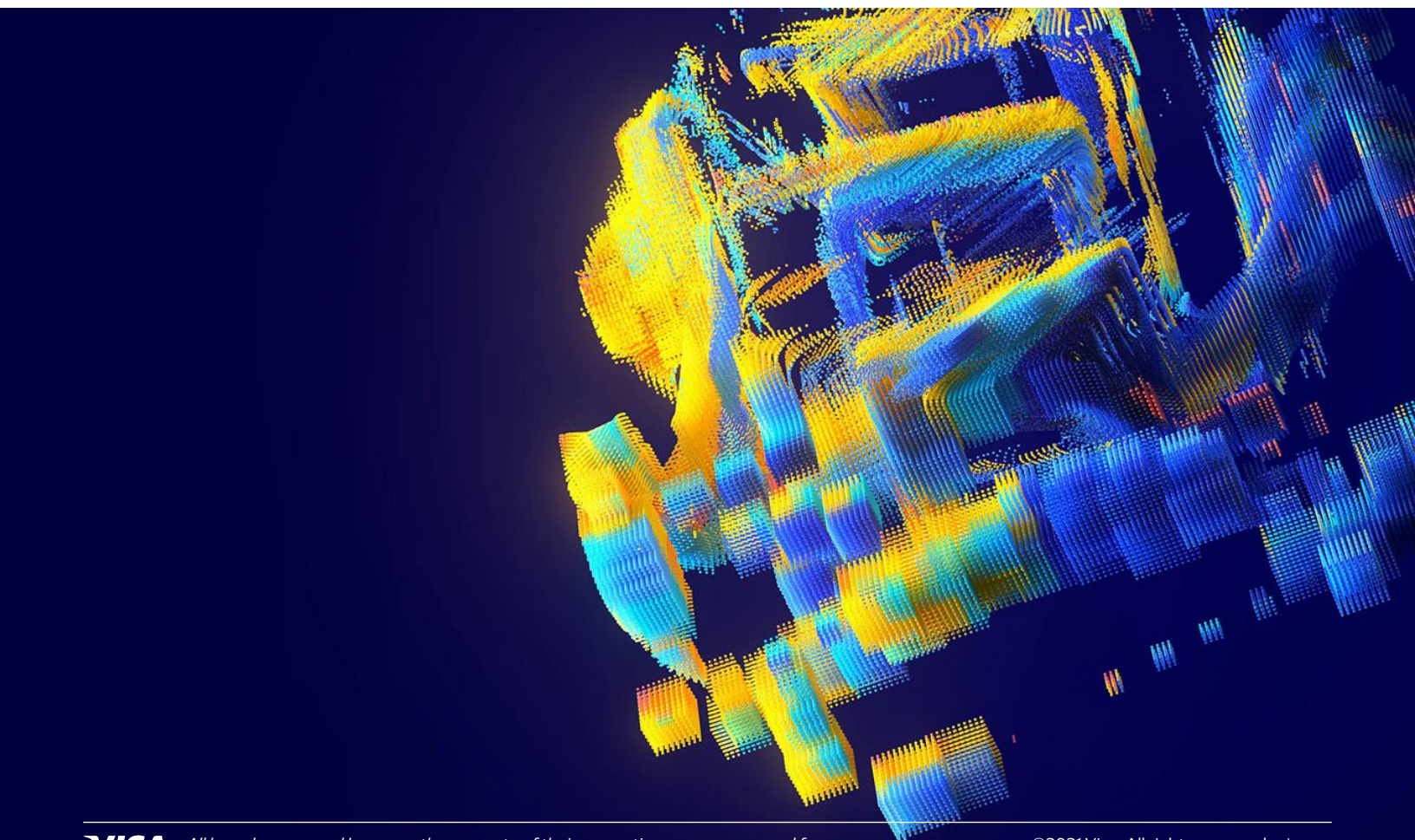
Stablecoin Awareness

	Global	Developed	Emerging
Stablecoin Awareness	 46%	 37%	 61%
Stablecoin General Interest	 42%	 38%	 49%
Stablecoin Savings Interest	 27%	 16%	 45%
Stablecoin Spending Interest	 20%	 14%	 30%

Stablecoins are particularly attractive in Emerging Markets, where almost half of all crypto-aware consumers show general interest (49% Emerging Markets). When given the option to hold savings in stablecoins, nearly half of consumers in Emerging Markets are interested in holding at least some of their savings in it (45% Emerging Markets). These consumers believe that stablecoins are a more secure option and a safer entry-point to the world of crypto since the level of risk is theoretically lower than other alternatives. In fact, most consumers in Emerging Markets feel that stablecoins hold their value better than bank deposits (60% Emerging Markets). Further, the majority of consumers in Emerging Markets prefer to send money internationally via stablecoins (55% Emerging Markets) over directly from bank accounts.

It's worth noting that the US dollar and the Euro were both used as examples of traditional currencies that may back stablecoins, which likely grows interest in Emerging Markets. CBDC, which is not necessarily backed by a stable currency like the US dollar, is significantly less popular for savings in these Emerging Markets (29%). Further, the interest in holding savings in stablecoins is not as strong in Developed Markets (16% Developed Markets vs. 45% Emerging Markets), where there is less inflation and currency volatility.

Both stablecoins and CBDC are less interesting to consumers as a method for spend than they are for savings. Less than a third of consumers in Emerging Markets indicate that they would prefer to use stablecoins over other forms of currency for spending their money (30% Emerging Markets), and stablecoins are even less popular as a method for spend in Developed Markets (14% Developed Markets). Similarly, only 20% of crypto-aware consumers in Emerging Markets prefer to spend CBDC, and even fewer have interest in spending CBDC in Developed Markets (13%). This in turn means that other forms of digital payments and cash are still a strong competitor, especially in Developed Markets, and particularly as a medium of exchange at this point in time.

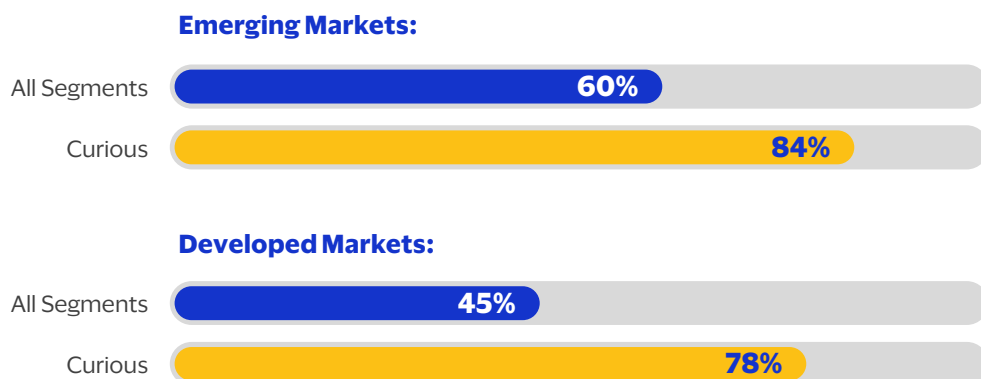


What should be done to engage Curious consumers in particular?

Given the large size of the Curious segment, converting this on-the-cusp group alone could lead to a 65% increase in the number of consumers who own cryptocurrency. Given the Curious segment already has positive impressions of cryptocurrency, conversion would likely be easier than changing the minds of the Skeptics or sparking the curiosity of the Unengaged.

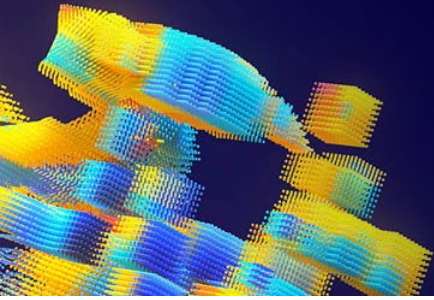
- **Focus on the future.** The most mentioned potential converter for Curious consumers are to build wealth (43% Curious), and that crypto is the way of the future (43% Curious) – both of which are forward-looking arguments. While present benefits of privacy and security may be important, a vision of the future will most likely inspire this segment to convert.
- **Identify opportunities to help educate.** Only a quarter of Curious consumers indicate that they are “familiar” with cryptocurrency (24% Curious). Further, one of the biggest differences between the Curious segment and those who own cryptocurrency is the perception of its ease of use. Offering simpler and more consumer-friendly education on crypto may help build more comfort.
- **Make cryptocurrency accessible.** For example, introducing options to purchase cryptocurrency directly from traditional financial institutions could have a meaningful impact on engaging Curious consumers because the vast majority (81% Curious) indicate that they are interested in purchasing cryptocurrency from their bank if it’s offered.

Interest in Purchasing Cryptocurrency from Their Bank if Offered



- **Promote user friendly ways to onboard into crypto such as crypto-linked cards and crypto rewards.** A large majority of Curious consumers indicate that they would be interested in crypto-linked cards (78%) and earning crypto rewards (82%) – approximately the same level of interest as those that already own crypto.

■ Visa – A Network Working For Everyone



Visa has long served as a trusted engine of global commerce, enabling the secure and reliable movement of trillions of dollars between individuals, businesses, and governments in over 200 countries and territories. Now, with the rise of crypto, we are committed to connecting our network to crypto and blockchain networks to deliver on our mission: enabling individuals, businesses, and economies to thrive.

Visa's Focus on Crypto Spans A Few Key Areas



Consumer Payments: Adding new credentials and acceptance points.

We're focused on making Visa the simplest and most secure way for consumers to buy and use crypto using a Visa card. This includes our efforts around:

Crypto-Linked Card Programs: Visa is working with more than 60 of the leading crypto platforms to issue crypto-linked cards, which make it simple and convenient to convert and spend crypto, at any of the 80 million merchant locations worldwide that accept Visa. For consumers who store assets in digital currency, or perhaps earn their wages in crypto, the ability to spend those funds anywhere Visa is accepted adds utility. What's more, these programs don't require coffee shops, dry cleaners, or grocery stores to directly accept cryptocurrencies at checkout. It's the magic of "tap and go" without the complexity of new acceptance points or cryptographic keys.

Enabling easy on-ramps into crypto : Visa has been working with its community of issuer and acquirer partners to make it seamless for Visa cardholders to purchase crypto assets (including non-fungible tokens) on various regulated platforms using their existing Visa credentials.

Non-Fungible Tokens (NFTs): Visa believes NFTs represent an evolution and the next stage of eCommerce. And given the significant interest from merchants, brands, and content platforms who are looking to participate in the NFT commerce ecosystem, Visa aims to play a role in connecting consumers who want to own and display NFTs with the artists and creators selling these goods. With this in mind, we are focused on enabling our partners to support acceptance of Visa products for this new category and are working with them to understand how to harness this new ecosystem.



New Flows: Advancing new forms of money movement

Visa is evolving into a network of networks, in which we serve as a single connection point for moving value domestically and cross border. This includes flows on Visa-owned networks, RTPs, ACHs, and newer networks like public blockchains and Central Bank Digital Currencies (CBDC) networks.

Stablecoins: With more than \$100 billion worth of stablecoins in circulation, stablecoins are starting to live up to the promise of “digital fiat” – with the developer-friendly characteristics of cryptocurrency and the reliability of fiat-backed reserves. We believe there is great potential for stablecoins to be used for driving financial inclusion and global commerce, and we’re exploring and advancing the application of this technology in a number of ways:

U.S. Dollar Coin (USDC) Settlement: Many of today’s wallets and crypto native neo-banks are building payment products entirely with digital currency. To make it easier for these crypto-first companies to work with Visa, we began piloting upgrades to our infrastructure to enable settlement with Visa clients in stablecoins starting with USDC. Visa continues to push the boundaries of its network, making it more accessible to the growing ecosystem of crypto-native companies. We see this as another important milestone in our effort to bridge traditional and digital currencies.

Facilitating Stablecoin Payouts: Visa is helping to make it possible for global marketplaces to pay their seller partners in USDC. Through a partnership with Circle, Visa is working to make this process seamless and secure. To learn more about [Stablecoin Payouts](#) click here.

CBDC: At Visa we’re engaging with Central Banks and policy makers to identify the most compelling CBDC use cases and how to bring them to life with secure, convenient, and reliable technologies that can seamlessly integrate with the existing payments ecosystem. Our efforts include original research to address design challenges that central banks will face, including offline payments and [interoperability](#); partnering with leading digital currency providers, and engaging directly with policy makers and central banks around the world to help shape the dialogue.



Crypto Value-Added Services: Differentiating Visa's network

Visa Crypto APIs

For banks or fintechs looking to develop new digital currency offerings, Visa can help them become crypto-enabled, including providing Visa Crypto APIs to enable consumers to buy or sell crypto through their existing digital banking apps. Please visit <https://developer.visa.com/capabilities/visa-crypto-apis> for more information.

Visa Consulting and Innovation Services

Visa has a network of experts across the Consulting & Analytics, product, innovation, and design teams, who are helping clients evaluate and meet the growing interest in digital currency and crypto. Through this, we help clients:

- Understand and uncover crypto trends helping financial institutions become more crypto-fluent
- Develop a crypto strategy that meets business needs and objectives
- Research, design, and pilot new crypto user experiences and product innovations

Please visit <https://usa.visa.com/solutions/crypto/digital-currency-innovation-hub.html> for more information.



Conclusion



Currently, consumers are primarily interested in cryptocurrency as an investment or store of value as opposed to a medium of exchange, though interest in crypto-linked cards indicates that this may soon change.

While most crypto-aware consumers view cryptocurrency as a wealth-building asset, many believe that within the next 5 years it will have permeated most types of transactions (e.g., everyday purchases of goods or services, transfers to friends and family domestically and internationally) and that within 10 years it will be used by most consumers. We are just seeing the very cusp of consumers experimenting with transacting with cryptocurrency.



The stability of a market's national economy is a big factor in driving engagement.

Consumers in Emerging Markets are more likely to own cryptocurrency and to consider saving and spending with stablecoins due to factors like local fiat inflation and currency devaluation. Consumers in Developed Markets, who do not experience the same instability in their national economies, are less influenced by these benefits.



Curious consumers are primed for cryptocurrency adoption, and additional crypto services offered by trusted financial institutions could push them to become more engaged. Something familiar and with appropriate consumer protections may encourage the transition to adoption.

There's an opportunity to provide digestible, trusted information on cryptocurrency to those consumers who want to feel they have a better understanding of cryptocurrency before getting involved. The participation of financial institutions is also likely to have a meaningful impact on these Curious consumers, providing them with the necessary education without compromising the needs of consumers who are already engaged. Skeptics and Unengaged consumers, on the other hand, need many more proof points that cryptocurrency is here to stay before thinking of becoming involved.



Crypto-linked cards and rewards can become low-friction gateways to engagement.

These solutions generate interest among Owners and Curious consumers, offering easier on-ramps to prompt further engagement with cryptocurrency. Financial institutions may have the potential to acquire new customers and engender deeper loyalty with consumers who are starting to try out cryptocurrency for the first time.

Glossary of Terms

Bitcoin: A type of digital currency that is created, distributed, traded, and stored with the use of a decentralized ledger system, known as a blockchain.

Blockchain: A system of recording information in a way that is decentralized and makes it difficult to change or hack.

Central Bank Digital Currency (CBDC): A digital currency issued by a government's central bank and is essentially a digital version of cash.

Crypto-aware Consumers: For the purposes of this research, survey respondents that meet all qualification criteria:

- Be at least 18 years old
- If 25 years old or older, have a household income of at least \$35,000 (or market equivalent)
- Have shared or joint financial decision-making responsibility in their households
- Be aware of cryptocurrency

Crypto-Linked Cards: A card that allows you to convert and spend crypto at merchants.

Crypto Rewards: A card that allows you to earn crypto rewards based on your spend.

Cryptocurrency: A form of digital currency created by solving a complex series of cryptographic equations. Once "minted", the cryptocurrency exists on a blockchain and is decentralized, meaning it is not controlled by a singular entity the way all traditional currencies are (e.g., Bitcoin and Ethereum).

Developed Markets: For the purposes of this research, the following markets were surveyed and included as "Developed Markets": United States, United Kingdom, Germany, Hong Kong (SAR), Australia.

Emerging Markets: For the purposes of this research, the following markets were surveyed and included as "Emerging Markets": Brazil, Argentina, South Africa.

Adults with Financial Discretion: For the purposes of this research, respondents that are 18+ years of age, have primary or shared decision-making responsibility for their household, and have \$35K+ household income or equivalent.

Ether: A type of cryptocurrency on the Ethereum blockchain. It is also a transaction token of the Ethereum network, which also facilitates peer-to-peer contracts known as Smart Contracts as well as Decentralized Applications (DApps).

Ethereum: A decentralized, open source blockchain with smart contract functionality.

Fiat Currency: A government-issued currency that is not backed by a commodity such as gold.

Fintechs: Financial services companies that integrate technology into offerings in order to improve their use and delivery to consumers.

Global: For the purposes of this research, the following markets were surveyed and included in the "Global" group: United States, United Kingdom, Germany, Hong Kong (SAR), Australia, Brazil, Argentina, South Africa.

Stablecoin: A new class of digital currency that attempts to offer price stability and is backed by a reserve asset.

Segment Definitions

Owners:

Refers to survey respondents that meet all qualifying criteria (adults with financial discretion and crypto aware) and have ever done any of the following with cryptocurrency:

- Invested for a long-term hold or engaged in day-trading
- Used it for transactions / payment or to transfer

Active Owners:

Has ever done any of the following with cryptocurrency:

- Used it to buy goods and services
- Accepted as payment
- Transferred to / from someone else
- Developed a cryptocurrency

Passive Owners:

Has ever done any of the following with cryptocurrency:

- Invested for a long-term hold or engaged in day-trading

Has never done any of the following with cryptocurrency:

- Used it for transactions / payment or to transfer

Curious:

Has ever done any of the following with cryptocurrency:

- Taken steps to research or learn about it

Has never done any of the following with cryptocurrency:

- Invested for a long-term hold, engaged in day-trading, used it for transactions / payment or to transfer

Holds positive perceptions of cryptocurrency (e.g., it will continue to grow in popularity, it's the next advancement in modern finance)

Skeptics:

Has ever done any of the following with cryptocurrency:

- Taken steps to research or learn about it

Has never done any of the following with cryptocurrency:

- Invested for a long-term hold, engaged in day-trading, used it for transactions / payment or to transfer

Only holds negative perceptions of cryptocurrency (e.g., it's illegal, bad or unsafe investment, will decline in popularity)

Unengaged:

Has never done any of the following with cryptocurrency:

- Taken steps to research or learn about it

OR says they are indifferent (i.e., don't have any positive or negative thoughts about cryptocurrency)