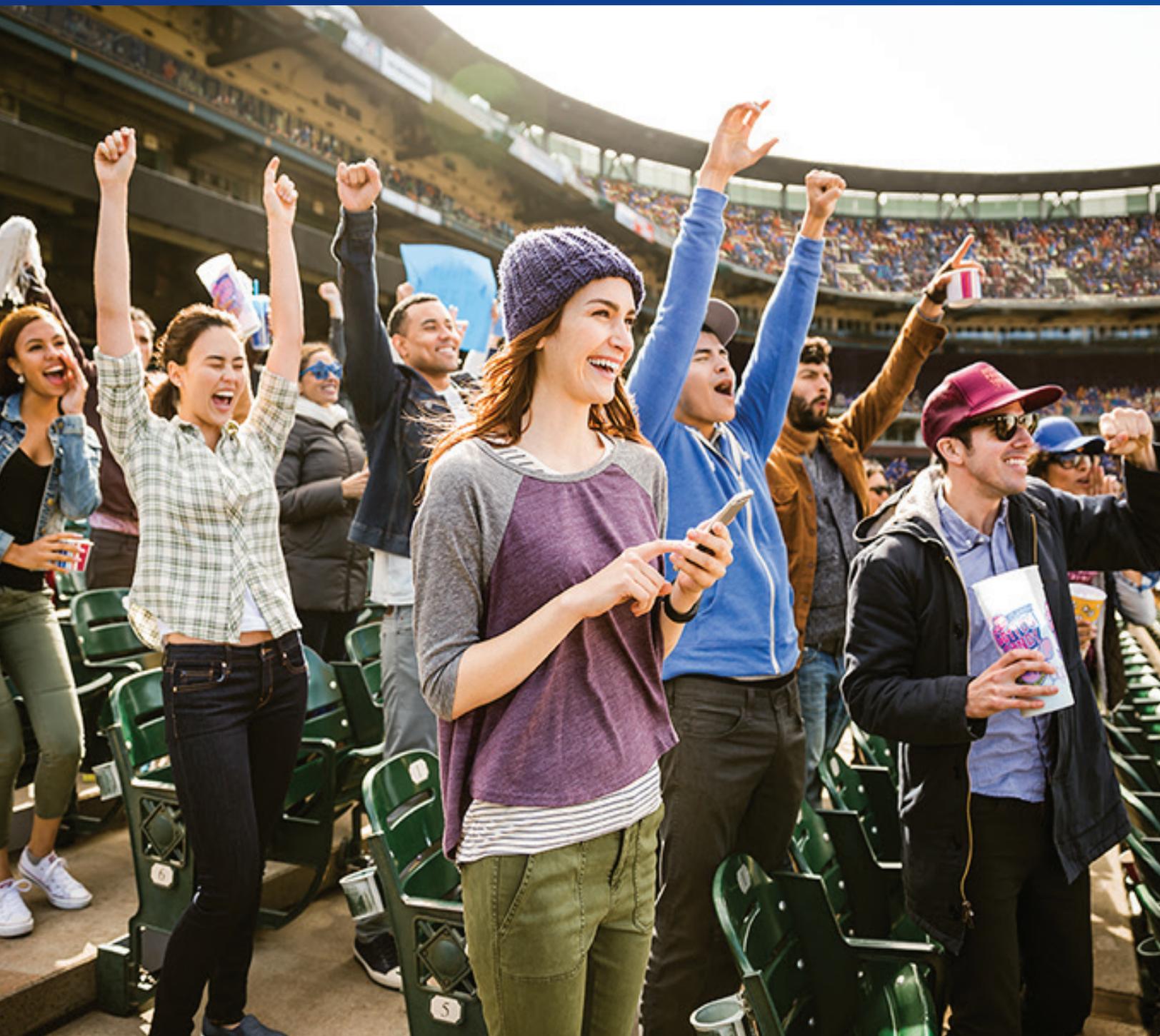


Visa Checkout: Partnering with merchants to power new customer growth



For more information, visit [VisaCheckout.com/business](https://www.visa.com/business)

VISA Checkout

Digital payment and marketing solutions that deliver growth

Visa has always worked to make it easy for consumers to pay, wherever and however they want. Delivering on that promise is at the heart of Visa Checkout, which has created an easier, faster, and frictionless way for online shoppers to make purchases regardless of whether they use a computer, smartphone, or other mobile device. But has it translated into new customers and sales? Data from Visa Checkout merchant partners is in – and the results speak for themselves:

Visa Checkout reaches new customers



46%

of customers who took advantage of a Visa Checkout promotion were new to that retailer, according to a survey completed by six Visa Checkout merchants.

Visa Checkout helps grow sales



30%

more transactions per customer among Visa Checkout customers across all eCommerce sites analyzed by comScore.¹

Putting the power of Visa behind our merchant partners

These findings resonate in today's hyper-competitive retail marketplace. Merchants report that it is getting harder and more expensive to reach new customers so they are looking for any edge they can get. Merchants also recognize that more of those customers are making more purchases online, and they want to reach them in the digital environments where they shop. A recent survey of marketers found that more than half are investing 25% or more of their digital dollars in programs to drive new customers.²

Visa Checkout helps address these challenges. It starts with a compelling product. Visa Checkout helps merchants obtain new customers by offering an easier and more convenient way for those browsing an online retailer to complete a purchase. All it takes is a few clicks to check out.

Just as important, Visa Checkout is backed by Visa's commitment to partnership. Over the last 60 years, Visa has established itself as among the largest, most trusted, and innovative payments-technology company in the world. But now, more than ever, we are putting the power of the Visa brand behind our merchant partners.

Since its launch in July 2014, Visa has invested in a full arsenal of advertising, sponsorship, and social media capabilities to establish Visa Checkout as the premier digital payments solution and drive customer use. But to get the most out of our marketing dollars, we have worked closely with Visa Checkout merchants to identify opportunities to take advantage of our world-class resources in ways that best meet their needs. To date, we have developed more than 40 different marketing campaigns with 20 different merchants in 10 different industries – all of which has helped amplify our broader efforts to promote Visa Checkout while helping our partners attract new customers to their respective sites.

A compelling product. A commitment to partnership. That's the powerful role Visa Checkout plays in helping merchants reach new customers and increase their sales. This white paper will explain how both fit together in greater detail.

Customer experience: Transforming shoppers into buyers

Online and mobile commerce continue to accelerate at a rapid pace,³ and so have merchant concerns over the significant portion of customers who abandon their shopping carts. On average, fewer than three in five online shoppers (56%) complete a purchase when using their desktop computer – and fewer than two in five online shoppers (38%) complete a purchase when using a smartphone.⁴

Visa Checkout's ability to deliver a better online checkout experience is absolutely key to improving these customer conversion rates. So, what is behind Visa Checkout's success?

1. **Visa Checkout greatly simplifies the checkout process**, allowing customers to store their card and address information in a personal account so that it takes only a few clicks to complete the transaction. Gone is the dizzying array of data fields to fill out.
2. **Visa Checkout allows the customer to stay on the merchant's web page to pay**, as opposed to sending them to a different site to complete the transaction. This helps provide reassurance that their transaction is secure throughout the entire payment process and can reduce the delays that cause consumers to abandon their shopping carts.
3. **Visa Checkout customer experience is consistent across devices**, providing the same familiarity and convenience however consumers want to shop.
4. **Visa Checkout allows retailers to tap into the trust consumers have in the Visa brand**; in fact, more than 96% of Visa Checkout customers said that they felt secure when making a purchase, according to a recent survey.⁵
5. **Visa Checkout is designed to be quick and easy to implement** so it seamlessly integrates with merchants' existing online checkout flow and payment processes.

Visa Checkout makes purchasing faster and easier for customers



Checkout conversion rate is
86% among Visa Checkout enrolled customers.



Completing a transaction is
17% faster with Visa Checkout than with a traditional checkout process.

Our Visa Checkout merchant partners are already seeing the benefits. A recent study found that enrolled Visa Checkout customers completed transactions from the shopping cart at a rate of 86%, and that they were 51% more likely to complete a transaction than customers who must enter card and address information in the traditional online checkout path.⁶ It's quicker, too, with enrolled Visa Checkout customers completing transactions 17% faster than customers using a merchant's traditional checkout process.⁷

We continue to deliver on our commitment to a superior digital payments solution that works for consumers and merchants alike. Drawing upon insights from usability testing and market research, we recently incorporated new customer personalization features into the Visa Checkout experience. That makes shoppers feel more comfortable and encourages use. For example, just by showing an image of the issuing bank's card in the checkout process, customers are eight times more likely to choose to pay using Visa Checkout, according to a recent short-term study.⁸

Customer education: Sharing marketing tools that work

Visa Checkout merchants have access to dozens of free marketing templates, saving time and money with proven messages that drive customer growth

Visa Checkout merchants have access to an array of marketing materials, allowing them to tap into effective messages and cutting-edge creative that can help drive usage and new customer growth. Over the past year, Visa has developed more than 50 unique advertising templates, social posts, and other educational materials that merchants can use off-the-shelf or easily modify with their own brand and marketing assets. That helps amplify our own efforts to drive customer awareness and usage, while saving our merchant partners time and money with a proven approach that can be tailored to their needs. So far, more than 20 Visa Checkout merchant partners have taken advantage of this outstanding content. And there's more good news – it is all absolutely free.

Beyond marketing materials, Visa is also committed to sharing best practices based on the testing and learning we have done. We can provide merchants tips on how to optimize use, such as where to place the Visa Checkout button, or how to more effectively target potential customers – from Millennials to Connected Moms.

A Visa and Gymboree promotional campaign to reach customers where they shop resulted in:



Consider, for instance, how we worked with the children's clothing retailer Gymboree to reach new customers with a Visa Checkout promotion last holiday season. With support from Visa, Gymboree placed ads on several parent-oriented blogs and websites, directing visitors to a Visa Checkout landing page on Gymboree's website. Gymboree also customized Visa-created banner ads with their own brand assets and marketing themes. The results of the campaign? Gymboree gained thousands of new customers and saw a 48% increase in the average number of daily transactions during the Visa Checkout promotional period.⁹ What's more, it continued to see strong results when the campaign ended. On average, it found that 43% of customers using Visa Checkout were new to Gymboree;¹⁰ of those new customers, about 35% were acquired during non-promotional periods.¹¹

Sponsorships: Creating opportunities that deliver growth

Visa Checkout puts the power of Visa's sponsorships to work for merchants

Visa Checkout merchants can benefit from unique opportunities created by Visa's sponsorship of the NFL, Olympic Games, FIFA World Cup, and dozens of athletes around the world. From highlighting "GameDay Deals" offered by more than eight Visa Checkout merchants on the Fox NFL Sunday halftime show to featuring our Team Visa athlete ambassadors in Visa Checkout television spots, we find innovative ways to build awareness and bring in new customers that our partners might not otherwise reach.

Besides creating opportunities for our merchant partners to feature their brand alongside some of the world's most exciting sports properties, Visa's sponsorships help them bring in the right customers. According to a recent poll, more than 70% of U.S. Millennials consider themselves NFL fans.¹² They also prefer alternative payment methods like Visa Checkout.¹³

That is just one of the reasons we featured eight-time, Pro-Bowl wide receiver Larry Fitzgerald using Visa Checkout to pay on his mobile phone while simultaneously fielding passes from three of the NFL's most celebrated quarterbacks. The ad, called "One-Handed Catch," emphasized how easy Visa Checkout is to use, while generating lots of buzz. In fact, besides receiving over 9 million views on Facebook, the spot was featured on ESPN, and later inspired a segment in which NFL players Drew Brees and Odell Beckham Jr. set a new Guinness World Record for the most one-handed catches in a minute. Not only did the spot help build awareness in Visa Checkout among consumers, it helped Visa Checkout merchants attract and convert shoppers visiting their websites.

We have also helped a number of Visa Checkout merchants develop distinctive campaigns tied to America's favorite sport – even going so far as to create a new national holiday. In September 2014, we established "Footballentine's Day" on the first day of football season.¹⁴ Visa teamed up with 1-800-Flowers for a promotional offer that encouraged football fans to use Visa Checkout to send roses as a "thank you" to friends, family, and loved ones for supporting their "fandom."

The campaign drew upon our deep insights about female consumers, including the fact that they make up 46% of pro football fans,¹⁵ to create an event designed to increase Visa Checkout awareness and usage among the target audience of female Millennials, while driving sales for a Visa Checkout merchant. By all accounts, it was a resounding success. A short social video went viral – and so did consumer interest. Footballentine's Day was mentioned in 49 news stories and generated more than 148.3 million impressions.¹⁶ And all that attention quickly turned into thousands of new customers for 1-800-Flowers. In fact, over 90% of the customers taking advantage of the Footballentine's promotion were new to 1-800-Flowers.¹⁷

Visa and 1-800-Flowers created a unique marketing campaign to attract new customers



Footballentine's Day festivities
kickoff football season



generating lots of buzz



translating into thousands
of new customers

Social and digital media: Reaching new customers in new ways

Through social and digital media, highly targeted promotions can drive sales growth by reaching customers where and when they are shopping online



Shoppable video: New technology that attracts new customers

Visa Checkout merchant partners have opportunities to create cutting-edge advertising campaigns that reach new consumers in new and exciting ways thanks to Visa's strong relationships with Facebook, Google, Twitter, and other big names in social media. We have led the way, piloting new types of ad units and other technologies. Furthermore, the insights we glean make us more effective at reaching fast-growing consumer groups like Millennials.

Take, for instance, online video viewing. One recent study found that 80% of Millennials find video helpful when researching a purchase decision – a segment that is projected to spend more than \$200 billion annually starting in 2017.¹⁸ So, in June, Visa was among the first to pioneer a set of "shoppable" videos¹⁹ with Williams-Sonoma, the high-quality cookware retailer that is a Visa Checkout merchant. The digital videos used a new technology from YouTube that allows viewers to buy the showcased cooking products quickly and easily by clicking directly on the images on the screen. Consumers were transfixed – with the videos racking up more than 1 million views.

What's more, Visa has recently built a sophisticated email analytics program that can deliver highly targeted email messages to Visa Checkout customers. So far, it has featured more than 70 Visa Checkout merchant partners, enlivened email with video content, and delivered targeted offers based on preferences. Customers who sign up for the program have an open rate of 35% and a click-to-open rate of 19%, well above industry benchmarks.²⁰ The early results suggest that this activity is translating into additional shopping: customers enrolled in the email program have a repeat Visa Checkout shopping rate that is 17% higher than the broader Visa Checkout population.²¹

Visa can help merchants reach the right customers with the right messages

Email open rate:



Email click-to-open rate:



Visa Checkout: Bringing valuable customers to merchants

From this start, it is evident that Visa Checkout can deliver a better customer experience when making purchases online or with a mobile device. The process is fast, seamless, and easy to use. But what is increasingly clear is the power of Visa Checkout's holistic marketing approach in helping our merchant partners succeed.

The proof is in the numbers. Our early results suggest that Visa Checkout promotional campaigns are not just delivering more shoppers to merchant websites – they are reaching some of the most valuable ones. Visa Checkout customers are more active online, spending 24% more time online compared to the average customer.²² They are more engaged online, too – with Visa Checkout customers visiting 22% more pages online compared to the average customer.²³ What's more, many are new. Roughly 46% of customers who took advantage of a Visa Checkout merchant promotion had not made a previous online purchase on that website, according to a survey completed by six Visa Checkout merchants.

That, in turn, is helping our merchants obtain better results. Research shows that Visa Checkout customers had 30% more transactions per person compared to overall online customers, across all eCommerce sites analyzed by comScore.²⁴ Many of our merchants have reported more repeat usage, too. Indeed, that is the power of Visa Checkout – the combination of a compelling product and a steadfast commitment to our merchants' success that makes it an essential tool in helping online retailers increase sales.

Visa Checkout's integrated approach helps merchants:



Sources

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⁸Statistic based on comparison between existing Visa Checkout customers with the 'remember me' option selected (allowing for the display of personalized card image), and all customers of the merchant set. All data taken during the week of January 21, 2015.

⁹Data from Gymboree. Promotional periods are 11/17–21/14, 12/12–14/14, and 12/17–21/14. Non-promotional periods are all other dates during the period 10/27/14 (Gymboree launch of Visa Checkout) to 3/10/15.

¹⁰Data from Gymboree for the period 10/27/14–3/10/15.

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¹²ESPN Sports Poll 2014.

¹³Millennial Banking Insights and Opportunities survey conducted by FICO August 2014 (<http://thefinancialbrand.com/49848/millennial-geny-digital-payments-banking-communication>).

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