Market Research Visa Inc

**Industry:**

Payment card services

**2 Close Peers to Visa inc:**

Mastercard

American Express

**Substitutes and new markets:**

Online banking providers who give their own cards such as Monzo and Starling

Electronic currency that does not use cards or ordinary payment services such as Bitcoin or Ethereum

**Revenue Drivers for Visa Inc:**

Demand – The number of new cards purchased each year due to loss or people turning of age where they need a bank card.

Charges – When people use card machines its very common for the payment service to take a charge for allowing payment to be made this way. While there are business who still use cash the general shift to electronic payments has risen massively since covid. Therefore the more electronic bank transfers and card transactions that are now made, the more Visa will receive in charges.

**Cost Drivers for Visa Inc:**

Taxes – Constant will never not be charged regardless of business performance

Raw Materials – Cards are made of plastic which the world is looking to use less and less of so the cost to make a card will now go up as there is less plastic being produced

**Industry and market trends that could effect Revenue as Costs:**

**Revenue:**

This is not something that will increase revenue but more decrease. The demand for cards while its still there the demand over recent years may have fallen due to the introcution of features on mobile devices such as Apple pay. This allows people to store card information on their phone and even use their phone to pay for items at contactless till points. This means they have no use for a physical as since covid contactless till are virtually everywhere. Other establishments may not even use card and be cash only so again the use for a physical card is not needed therefore demand is lowered.

**Costs:**

As mentioned above as the planet moves to a greener and less polluted future the production of plastic will slow down as the CO2 emissions will be high during production.

**SWOT:**

Strengths -

Largest Market Share: The company has the largest share base in the United States as it operates on a global level.

Endorsements: Visa has many sponsored events such as Visa Newsroom, Olympics, the Paralympics, FIFA and events happening on a global level.

Weakness –

Risk & Hazards: Visa is highly exposed to risk and fraud as individuals can attempt to claim they are someone else online or may get access to another persons card.

Opportunities –

E-currency: There are many apps being introduced which allow people to send money around the globe to family members. This is an opportunity for visa as they could expand into this and create their own payment system or upgrade current software to allow this feature to a larger number of countries

Threats -

Competition – One main threat to Visa is the growing competition in the market. This is through companies like Mastercard and online payment providers such as PayPal.

**PESTEL:**

Political –

The uk leaving the EU (BREXIT) – Any effect of Brexit may be harmful to Visa’s business as a good chunk of their business/ payments processing was between the UK and other member countries of the EU. With the UK leaving this may impact Visa as less transactions take place between certain countries which will effect the long term agreements they had in place with the Union.

Economic –

Increase use of digital payments – As the world shifts to more technological and internet based there is less of a need for physical cash as many transactions are now completed electronically.

Social –

Demographics and skill level of the population

Technology –

Innovation – As the world becomes more technologically dependent the need for Visa to innovate their current processes and systems. This will improve the straightforwardness of making payments as levels of automation can be implemented.

Environment –

Attitudes toward and support for renewable energy – Before visa enters into new and existing markets they should look at the attitude of that market towards climate change and renewable energy as many major countries such as the UK look towards a greener future to try and undo some of the damage done by climate change certain markets and industries who once did not pay much attention to these factors may find it hard to operate with the change in public view of these matters.

Legal –

Anti money laundering/ Anti terrorist financing and sanctions – The increase use in technology has seen a rise in money related crimes being committed like money laundering as criminals attempt to place dirty money in financial systems and then make multiple electronic payments in an attempt to layer its origin point.

The overall competitiveness of the market environment that Visa Inc operate in is seeing a large rise over the recent years as more and more payments companies are now either growing or simply entering the market. As discussed above one main competitor of Visa is Mastercard. Mastercard's annual revenue for 2022 was $22.237B which then grew to $24.367B in revenue for the twelve months ending September 30, 2023 was $24.367B, a 12.62% increase year-over-year. While Visa’s annual revenue for 2023 is expected to be $32.653B, which is an 11.41% increase from 2022. Therefore Visa’s revenue is higher still but with growth like that Mastercard may not take very long to catch up and then others like PayPal will soon also possibly grow with new international payment processors like Remitly enter the market and are also seeing substantial growth rates.