VISA | **adyen**

Growing eCommerce revenues with network tokenization

Visa and Adyen unlocked tangible benefits for merchants in 2020[1]

180+

Markets enabled by Adyen

125m

Visa network tokens provisioned or active from Adyen

2 to 7 %

Authorization uplift with EMV® network tokens, compared to non-tokenized transactions

A platform built to simplify and accelerate eCommerce

Adyen was founded in 2006 to build a platform capable of meeting the rapidly evolving needs of today's fast-growing global businesses. Today, Adyen is the payments platform leading brands, including LinkedIn, Microsoft, Spotify and Uber, processing over $369 billion in 2020[2]. Adyen and Visa have collaborated since 2006 and have been committed to leading tokenization innovation since 2017, sharing the vision that network tokens enable the future of eCommerce.

Minimizing false declines for merchants

Cards and their PANs were not designed to support eCommerce risk management. As a result, an estimated $443 billion in revenue was lost in the US in 2020 due to false declines[3]. Tokens are designed to better address this issue, management of eCommerce risk can no longer rely on PANs. This is compounded by 33% of U.S. consumers saying they would never return to a merchant after a false decline[4]. Adyen set out to overcome the limitations of digital card payments and to maximize authorizations for merchants, recognizing network tokens as the future of eCommerce.

Deploying network tokens quickly

Prizing a swift, innovation-led approach, Adyen worked closely with Visa to build on existing work to prepare its platform for token processing. This enabled Adyen to move quickly with Visa, rapidly scaling network tokens across its merchants, enabling 180+ markets, 100+ merchants and provisioning more than 125 million Visa tokens in 2020 alone[1]. Visa network tokens replace sensitive data and incorporate the additional information needed to deliver the latest digital commerce innovations. This increased security means issuers are more likely to trust transactions which, in combination with technology that ensures network tokens are always up to date, enables increased authorizations and, ultimately, richer checkout experiences.

Optimizing digital commerce performance

Visa's network tokens combined with Adyen's machine learning optimization delivered immediate impact, realizing an authorization uplift of 2-7% over PAN-based transactions[1]. While token performance varies by merchant, in markets like Australia where life-cycle management practices are widely accepted by issuers & merchants, the average uplift from tokens is +7%. This means merchants could bring home an additional $2-$7 for every $100 spent*. This has already boosted merchant revenues by tens of millions of dollars. Fewer false declines can also help merchants to maintain and build consumer satisfaction & loyalty, positioning them for further revenue growth long-term.

UK 2.80%
Bahrain 3.70%
US 4.74%
Brazil 3.23%
Australia 7.03%
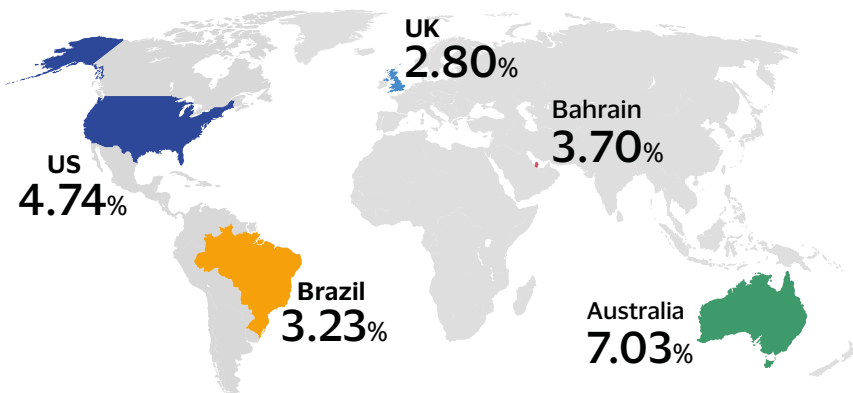
Please see figure 1 description.

Ubiquitous network tokenization is essential to the future of eCommerce, enabling richer and more secure payment experiences for everyone. Importantly, network tokenization is already delivering value to merchants and acquirers globally, enabling them to innovate with confidence to better serve consumers and grow revenue.

> "Network tokens bridge the gap between security and performance seamlessly. Merchants no longer need to trade off performance or security to enable the latest digital commerce experiences for their valued customers.
>
> Ansar Ansari, SVP, Product, Digital Solutions, Visa

> "Network tokens are one of the key building blocks for the future of eCommerce. We are glad to be at the forefront of helping scale and mature network tokens so that more merchants can benefit and realize this future sooner. We are already seeing immediate benefits as network tokens are vastly improving authorization rates globally.
>
> Kamran Zaki, COO, Adyen

Unlock Tokenization

Click below to enjoy the benefits now or get in touch with your Visa Representative

Discover how

Figure 1 description: The graphic is a world map. It highlights the uplift in authorization that Adyen's merchants have achieved with network tokens in different regions. US 4.74%, UK 2.80%, Brazil 3.23%, Australia 7.03%, Bahrain 3.70%.

1. Adyen Data Representing Visa Tokens processed by Adyen; Region: Global; Countries: 180+; January 2020-Dec 2020*
2. Morningstar FX conversion; EUR to USD; February 24 2021
3. ClearSale & Aite Group; False Declines Industry Report; May 2019
4. ClearSale; 33% of US consumers drop retailers after a false decline. Here's how to prevent those losses.; July 2020

* Disclaimer: Token performance varies based on merchant category and region.

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