

First Data®

VOLUME 2 | 2017

# CONNECTED

T H E C E N T E R O F C O M M E R C E



## INVISIBLE BORDERS

Travel Like a Tourist. Pay Like You're Home.

# INVISIBLE BORDERS



TRAVEL LIKE A TOURIST. PAY LIKE YOU'RE HOME.

**Let's say a family of five visits Disneyland. They've traveled thousands of miles from Mumbai to southern California to play with Mickey, Goofy, and Elsa. Tomorrow, it'll be Hollywood, a Lakers game, and—if they get lucky—a selfie with a star. But today, it's Main Street USA, sunshine, and plenty of thrill rides. There's just one problem. Before they left home, they forgot to add one more day—today—to their Disney Pass.**

Only a couple of years ago, that problem would have been costly. Back then, making changes to reservations meant getting out of line, going to guest relations, comparing emails and itineraries, and then trying to contact a Mumbai travel agent (whose office could already be closed.) And, if the family had no access to Mastercard or Visa, they were out of luck. Most of their vacation day would be wasted before they had the chance to enjoy it.

But this family wants to see Tomorrowland today. As they walk toward the entrance, the mother pulls up her Disney app, taps the existing reservation, adds five passes, and pays with her preferred method, RuPay, all before reaching the gate. The process is familiar and safe, like any of the hundreds of other transactions she'd make back home. And it's exactly the type of transaction consumers today demand—the ability to “take your country with you.”

This is made possible by First Data's partnerships with millions of vendors, all connected through their latest acquisition, Debit Solutions, which enables payment types like AliPay, RuPay, and China Union Pay, and through First Data's Local Payments solution, which will soon provide online clients access to 195 different payment options.

In countries like Brazil, India, and China, hundreds of millions of people have joined the middle class, and they are seeking the same rewarding experiences as consumers in more developed nations, including travel, a rise in personal status, and access to brand name goods. As a country's population moves into greater affluence, it triggers an adjustment in Maslow's classic hierarchy of needs, where esteem and the ability to showcase that new wealth become paramount concerns.

**IN COUNTRIES LIKE BRAZIL, INDIA, AND CHINA, HUNDREDS OF MILLIONS OF PEOPLE HAVE JOINED THE MIDDLE CLASS.**

In Brazil, the 100 million members of the middle class make up over half the population.<sup>1</sup> China's middle class will soon reach half a billion people, with consumption rising at 9% per year.<sup>2</sup> And India's population will surpass China's in the next five years, creating the world's largest middle class, currently at more than 600 million people.<sup>3</sup> They'll want to see the world, take cruises, visit theme parks, and dine at fancy restaurants. And importantly, they'll want to make transactions like they do in their home countries, using the same payment methods and the same currency.

First Data already has a wide footprint among those global entertainment and travel providers, and the company is working on ways to integrate the “take your country with you” concept into even more companies' websites and apps. The goal is to ensure that the profile of an international consumer booking travel on cruise or hotel websites won't change as the traveler crosses borders. In the Age of the Consumer, it is the traveler who chooses all the options and pays however he or she wants.

The process also works in the other direction—for the vendor. “The way an AliPay wallet is transacted is materially different from how a China Union Pay credit card is authenticated,” says Ashish Bahl, Executive Vice President and Head of Debit Solutions at First Data. “But for the merchant, all those differences are hidden, and what shows up is one standard transaction, which comes through First Data. Down the road, businesses can add 10 or 20 new payment type options with no hassle.”

**THEY'LL WANT TO BE ABLE TO MAKE TRANSACTIONS LIKE THEY DO IN THEIR HOME COUNTRIES.**

**TRAVELERS WANT UNIQUE, SEAMLESS EXPERIENCES. BUT WHEN IT COMES TIME TO PAY, CONSUMERS ARE SAYING THERE'S NO PLACE LIKE HOME.**

Of course, should consumers decide they want to be in another country after all, that can also be arranged. “If you book a ticket on Delta in the U.S., it's 25% cheaper than booking it as a cross-border transaction,” Bahl says. “Now, with all that information loaded in their wallets, they have access to cheaper card-not-present transactions. If they decide they want to zip off to Las Vegas—they can.”

When customers trust a transaction, they're more at ease and more able to enjoy their vacations, so, they'll shop more. The merchants who tap into that understanding of the global middle class will differentiate themselves from their competitors. They understand that travelers want unique, seamless experiences. But, when it comes time to pay, consumers are saying, there's no place like home. ▼

## In This Article:

#DebitSolutions  
#CrossBorderPayments  
#LocalPayments  
#ICanShowYouTheWorld  
#FinishEachOthersSandwiches  
#ThatsWhatIWasGunnaSay

# SOURCES

## Invisible Borders

<sup>1</sup>Road to Rio: Brazil's Middle-Class Dreams on Hold as Recession Hurts Households. International Business Times. Apr 2016.  
<http://www.ibtimes.com/road-rio-brazils-middle-class-dreams-hold-recession-hurts-households-2357490>

<sup>2</sup>China's Middle Class is Exploding. Business Insider. Aug 2016.  
<http://www.businessinsider.com/chinas-middle-class-is-exploding-2016-8>

<sup>3</sup>6 Surprising Facts About India's Exploding Middle Class. World Economic Forum. Nov 2016.  
<https://www.weforum.org/agenda/2016/11/6-surprising-facts-about-india-s-exploding-middle-class>

©2017 First Data Corporation. All Rights Reserved. The First Data® name, logo and related trademarks and service marks are owned by First Data Corporation and are registered or used in the U.S. and many foreign countries. The Money Network® name, logo and related trademarks and service marks are owned by Money Network Financial, LLC, an indirect wholly owned subsidiary of First Data Corporation. All trademarks, service marks and trade names referenced in this material are the property of their respective owners.

**DOWNLOAD THE  
ENTIRE ISSUE**

[WWW.FIRSTDATA.COM/CONNECTED](http://WWW.FIRSTDATA.COM/CONNECTED)

