

Mercari: Introduction of real-time¹ access to funds increases online marketplace seller satisfaction



Mercari's "Instant Pay" solution is widely adopted

5x

higher than Mercari expected for adoption rate of "Instant Pay"²

60%

of sellers who used "Instant Pay" were repeat users³

73%

month-over-month increase in use across the first two months post-launch⁴

A real-time¹ payment option that satisfies sellers' needs

Mercari is the selling app on a mission to make selling easier than buying. The Mercari consumer-to-consumer marketplace has a wide reach, with over 150,000 new listings each day and 45 million downloads in the United States to date.⁵ So when they received feedback that many sellers were unhappy with the time it took to access their earnings through ACH, Mercari wanted to lead the industry in developing a fast payment solution that makes it easier for sellers to access funds. Mercari developed their "Instant Pay" option to deliver funds to sellers in 30 minutes or less¹ by working with their financial institution, which utilizes Visa Direct. When it launched in August 2019, the adoption rate for "Instant Pay" exceeded expectations, with more than 1 in 4 sellers taking advantage of the payment method, even with limited marketing promotion.⁴ Mercari led the industry in meeting sellers' need for fast access to funds, reducing friction in the selling process and thereby supporting their mission statement.

Challenge: Sellers were dissatisfied with traditional ACH payments

Mercari sellers were dissatisfied that payments sent through traditional ACH were taking 3-4 days to process. Additionally, different banks processed ACH payments at different speeds, making it difficult for Mercari to let sellers know when their funds would be available. The need was especially pronounced among less active Mercari sellers who sell around five items per month because they needed to access their funds quickly to help cover immediate expenses. Mercari heard the sellers' demand for faster access to funds and sought a solution. Looking to be an innovator, Mercari decided to be one of the first in the industry to offer a push-to-card solution.

Solution: Mercari removes friction from the seller experience

Mercari worked with Visa Direct and the payments platform Adyen to develop the "Instant Pay" option that allows sellers to cash out and receive funds through their debit cards in real-time¹. To help reduce payment fraud risk and improve the user experience, Mercari clearly outlines the information that is required from sellers in order to enable "Instant Pay." Sellers must submit identity verification in the form of a driver's license to become eligible for "Instant Pay"; they then receive a verified badge, which provides the added benefit of helping increase the level of trust in the marketplace, since buyers know the sellers they're interacting with have been verified by Mercari. Seeking to make selling easier than buying, Mercari was satisfied to find a solution that's fast and easy for sellers.

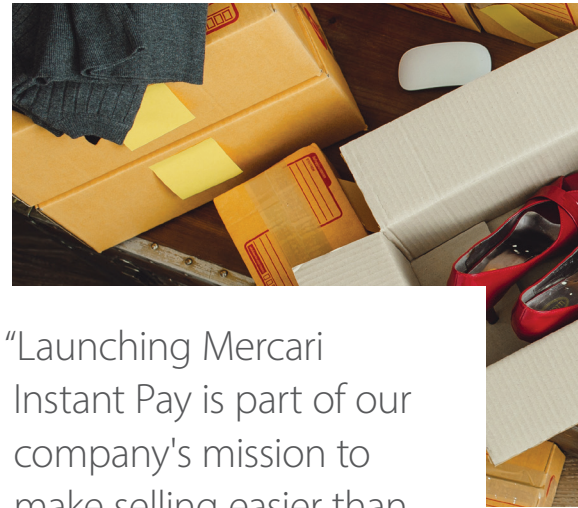
Result: "Instant Pay" is an industry-leading feature

Although there was limited marketing for "Instant Pay" when it launched, the product exceeded expectations with an adoption rate of 27%, which is more than 5 times the anticipated adoption rate.² Within 5 months, Mercari saw 10 times more sellers than expected seeking to become eligible for "Instant Pay".⁶ Repeat usage is high, with over half of each month's sellers returning to use the "Instant Pay" option.³ Sellers are happy with the ability to spend their funds right away. They value the fast access to funds enough to pay the \$2 fee per use of the "Instant Pay" option. As a result of this successful solution, Mercari is becoming known as an innovator in the industry.

"Out of all key product features released in 2019, Instant Pay was voted in the top third in making selling easier," says Shida Schubert, Vice President of Product at Mercari.

Mercari was one of the first online consumer-to-consumer marketplaces to offer push-to-card payments, thus meeting sellers' need for fast payments. Their "Instant Pay" option has resulted in high adoption rates and many satisfied sellers.

To find out how Visa Direct can help you build new tools and grow your business, contact your Visa representative or visit [visa.com/visadirect](https://www.visa.com/visadirect).



"Launching Mercari Instant Pay is part of our company's mission to make selling easier than buying. We know that online sellers want access to their earnings faster than other platforms can provide. Instant Pay now lets them get paid within minutes, not days. We've seen that sellers who have used Instant Pay once continue to use it. They love the convenience it offers them."

John Lagerling,
CEO of Mercari

¹ Actual fund availability depends on receiving financial institution and region.

² Mercari user data, July 2019 – January 2020

³ Mercari user data, November 2019 – January 2020

⁴ Mercari user data, July – August 2019

⁵ Mercari internal data, September 2019 – February 2020

⁶ Mercari user registration, November 2019 – January 2020