

Executive Summary

In 2016, Chinese tourists spent \$261 billion on foreign travel, a number that expands every year. Given the scale and potential of this market, Visa hopes that an increasing number of Chinese tourists will use Visa's payment services when they make purchases abroad. However, local competitors in China offer both familiarity and better exchange rates, and Visa found it challenging to win over customers.

In response, Rikai Labs, a chatbot startup, created a Visa travel-bot platform on WeChat that offers travel advice, on-site recommendations and targeted messages about Visa-specific benefits. In a three-month pilot between Visa and Rikai Labs, 52% of users had 10+ interactions with the brand, while 17% of users had 50+ interactions.

Challenge: How can Visa become the preferred payment choice for Chinese travelers?

The rapidly growing market of outbound tourism from China has attracted much attention in recent years, as Chinese travelers started to rank first in both total and per-person spending abroad as early as 2016. As the leading player in global payment solutions, Visa wishes to develop these Chinese travelers into customers, and for these travelers to use Visa when they make purchases abroad.

However, it is challenging to compete in China. As most places in China don't even accept Visa payment cards, Chinese consumers prefer China UnionPay because of its convenience and familiarity. As UnionPay also offers a more advantageous exchange rate, Chinese consumers' retention rates are further solidified. In light of this dilemma, how can Visa demonstrate a unique value proposition to attract Chinese customers who travel and spend abroad?

Solution: A Visa travel-bot providing personalized travel advice and benefit reminders.

Rikai Labs trains chatbots to mimic human interactions correctly and sufficiently, so that formerly human-dependent services, like customer service, can become scalable and automated.

Upon discovering Visa's challenge, Rikai Labs focused their efforts on Chinese millennials, as this generation accounts for more than half of Chinese international travelers. While older generations

tend to participate in group tours pre-arranged by travel agencies, Chinese millennials desire customized accommodation and unique immersion experiences in the local community. Thus, Rikai worked with travel experts – influencers and KOLs – to offer unique, individualized travel plans. By training chatbots to mimic the interaction between travel influencers and Visa customers, Rikai transformed these one-on-one consulting sessions into a scalable service – a Visa travel-bot that generates curated travel recommendations tailored to the tastes and interests of each traveler.

- When a new user discovers the service, the Visa travel-bot starts the interaction with an open-ended conversation about the user’s travel plans and goals. This process allows the travel-bot to learn about the preferences and interests of the user and highlights the personalized element of the service.
- After the initial conversation, the travel-bot presents the user with a curated list of travel recommendations: places to visit, eat, shop, etc.
- When the user arrives at a recommended location, they can turn to the travel-bot for an interactive conversation that introduces each site with in-depth details and a tour guide. The user can also ask for nearby restaurants, shopping sites and/or other interesting places to visit.
- Based on the restaurants and shopping sites that the user wishes to explore, the travel-bot then follows up with targeted benefits that customers receive from paying with Visa.

Result: Increased interactions and deepened connection with the brand.

Thanks to Rikai’s travel-bot service, Visa was able to offer its users custom travel suggestions as well as on-site travel support. In a three-month pilot between Visa and Rikai Labs:

- 52% of the travel-bot users had 10-20 interactions with the brand.
- 17% of the travel-bot users had 50+ interactions with the brand.

As users turned to Visa for assistance, their interactions with the brand increased, and trust deepened.

