Investors Bet That Visa, MasterCard Can Stand Up to Libra

Name

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Date

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Cryptocurrency is becoming more and more popular with every passing day and one of the most important examples of its popularity is that now Facebook has launched its own cryptocurrency, which is named Libra. It will allow the users to make the purchases and transfers without paying the service charges, which can affect the market shares and value of MasterCard, Visa and PayPal as these service providers deduct the service charges (Menton, 2019). However, most of the investors share the point of view that the services would be able to stand up to the cryptocurrency of Facebook, as explained by Menton in her article.

Most of the financial experts and investors are of the view that the new service of Facebook will not impact other companies like Visa, PayPal, and MasterCard quite drastically, at least in its initial period. One of the most important reason in this regard is that the functioning and practicality of cryptocurrency do not threaten general transaction methods, because it is not possible at the moment that the population of the whole world transfer to the use of cryptocurrency, instead of using the traditional transaction method (Menton, 2019). The general population is reluctant to depend too much on cryptocurrency, which can only fade away if there is a process of converting Facebook coins into traditional money.

Cryptocurrency would take an extensively long time period before becoming the sole transaction system in the world because most of the users or consumers do not believe in the safety and use of the digital asset. The service providing companies like PayPal and visa would not suffer a loss due to the momentary hype of cryptocurrency. Moreover, the future of cryptocurrencies is also not quite secure, which hinders the ability of the consumers to take a risk at an extensive level, thus profiting visa, PayPal and MasterCard.

Reference

Menton, J. (2019). Investors Bet That Visa, MasterCard Can Stand Up to Libra. *The Wall Street Journal*. Retrieved from: https://www.wsj.com/articles/investors-bet-that-visa-mastercard-can-stand-up-to-libra-11560881898