

Global payments report

Your definitive guide to the world of online payments

November 2015

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Introduction



Today it's more important than ever to ensure your online payment process matches your consumers' needs. But with more than 300 payment schemes operating around the world, this isn't always easy.

Our 2015 Global Payments report will help. Providing granular detail on current payment preferences and trends in 30 countries it's the perfect way to really make sure you are connecting with your consumers.

If you are thinking of expanding globally or want to optimise your payments, this report will give you an insight into which payment methods you will need.

Methodology

We compiled this report mainly using our own data and insights. In addition, we also used other external sources, namely: Euromonitor, Datamonitor and ystats.com.

The forward-looking statements and figures contained in this report relate to the eCommerce industry as a whole and not Worldpay's business. They are indicative predictions based on the data we have used and our own experience and should be treated as such.

Our knowledge is based on years of experience in global eCommerce and this report is complemented by a number of surveys and interviews with experts in the payments industry.

We have also used more than 100 other secondary data sources, including:

- Local card, banking, and/or payments associations
- Facts and figures on various eWallets and other alternative payments schemes
- Facts and figures on various card schemes and payments providers
- eCommerce industry reports and studies
- Other payments surveys and reports
- Third-party news articles

Payment method definitions



In this section you will find an explanation of each payment method outlined in this report.

- Bank Transfers
- Cash on Delivery
- Direct Debits
- eInvoices
- eWallets
- PostPay
- PrePay
- Others
- Pre-Paid Cards
- Debit Cards
- Credit Cards
- Charge Cards

Payment method definitions

Alternative Payments methods are all those payments that are not cards running on global scheme networks such as Visa, MasterCard or American Express.

Real-Time Bank Transfers

Consumers pay for goods using their online banking facility. They are either redirected to their bank or select their bank from a provider's page. Authorisation is immediate in most cases.

Examples: iDeal, Sofort Banking, eNets, Przelewy24, Safetypay

Offline Bank Transfers

Consumers are given a reference number during the purchase process. They can log in to their online banking facility, at their leisure and use the reference to complete the transaction. Authorisation is not immediate.

Examples: Dineromail, SafetyPay

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$212 bn/11.1%

2019 forecast
\$283 bn/11.7%

Cash on Delivery

A transaction in which a payment for goods is made at the time of delivery. This method is set to increase in India and certain countries in South East Asia.

Although popular in some regions, Cash on Delivery is specific to particular countries and suppliers, it isn't a scheme that can be rolled out globally.

Examples: Merchant and bespoke delivery company services

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$124 bn/6.5%

2019 forecast
\$165 bn/6.8%

Direct Debits

Direct Debits aren't relevant to all merchants. They're limited mainly to low-value or recurring transactions. They are popular for regular, predictable payments, such as subscriptions, although they carry the risk of chargebacks.

Examples: SEPA DD, ELV

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$5 bn/0.3%

2019 forecast
\$13bn/0.6%

eInvoices

When using eInvoices, consumers can pay for goods after delivery, without sharing credit card or bank details.

It can be as simple as entering their email address and postcode to make a payment.

Examples: Klarna, AfterPay

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$3 bn/0.1%

2019 forecast
\$8 bn/0.3%

Payment method definitions

eWallets

Easy and secure to use, this is quickly growing payment method becoming increasingly popular across all sectors. Consumers can either use stored value or take funds from a payment type linked to their eWallet, giving them choice and convenience.

Examples: Alipay, Tenpay, PayPal, Qiwi, Yandex.Money

PostPay

When a consumer selects a product online, they pay for it later at an affiliated outlet or store. The delay between the initial order and the consumer completing their payment means that this does not always suit perishable goods and time-sensitive purchases.

Examples: Konbini, Boleto Bancario

PrePay

Consumers need to buy a card or voucher before starting a transaction. These cards are not usually run on scheme networks (such as Visa and MasterCard) and are usually authorised immediately. Most prepay products have a funding limit and some don't allow multiple cards/vouchers to fund one single transaction.

Examples: paysafecard, NeoSurf

Others

These include mobile carrier billing, cryptocurrencies and other emerging technologies.

Examples: Bitcoin, Zong, BOKU

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$417 bn/21.7%

2019 forecast
\$668 bn/27.6%

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$18 bn/0.9%

2019 forecast
\$25 bn/1.0%

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$55 bn/2.9%

2019 forecast
\$122 bn/5.0%

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$20 bn/1.0%

2019 forecast
\$19 bn/0.8%

Payment method definitions

Pre-Paid Cards

These are cards that run on scheme networks such as Visa and MasterCard. These cards can be used to make purchases or withdraw cash in the same way as a debit or credit card. The key difference is that they need to be loaded up with cash in advance – the balance then operates as the spending limit.

Often offered to the un/under-banked, younger people, or people with a poor credit history.

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$45 bn/2.4%

2019 forecast
\$43 bn/1.8%

Debit Cards

Bank cards used in cash transactions, which are not credit cards. In a debit card transaction, the amount of a purchase is withdrawn from the available balance in the cardholder's account. If the available funds are insufficient, the transaction is not completed (except where an overdraft facility is in place).

Also called asset card (in the US), or payment card (in the UK).

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$387 bn/20.1%

2019 forecast
\$416 bn/17.2%

Credit Cards

Credit cardholders (who may pay annual service charges) draw on a credit limit approved by the card-issuer such as a bank, store, or service provider (an airline, for example).

Credit card balances are usually rolling, whereby part of the balance needs to be paid (with interest and/or charges) on a 30-day basis, until the full balance is paid.

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$577 bn/29.9%

2019 forecast
\$603 bn/24.9%

Charge Cards

Similar to credit cards, the main difference being that the full balance – of all purchases made in a period – has to be settled in full in the following 30 day period, rather than the balance rolling with part payment being made.

Examples: Most American Express cards

Total turnover value in US\$/
Percentage of total eCommerce
market

2014
\$59 bn/3.1%

2019 forecast
\$57 bn/2.3%

Top trends



Is the global eCommerce market growing?

in **2015** the global eCommerce market
is expected to be worth **US \$1.9 tn**



up
14%
on 2014

Global eCommerce is
expected to hit **US \$2.4 tn**
by **2019**



with
23%
of this being
exclusively
from mobile
devices



How will the landscape of Alternative Payments evolve over time?



They are set to claim



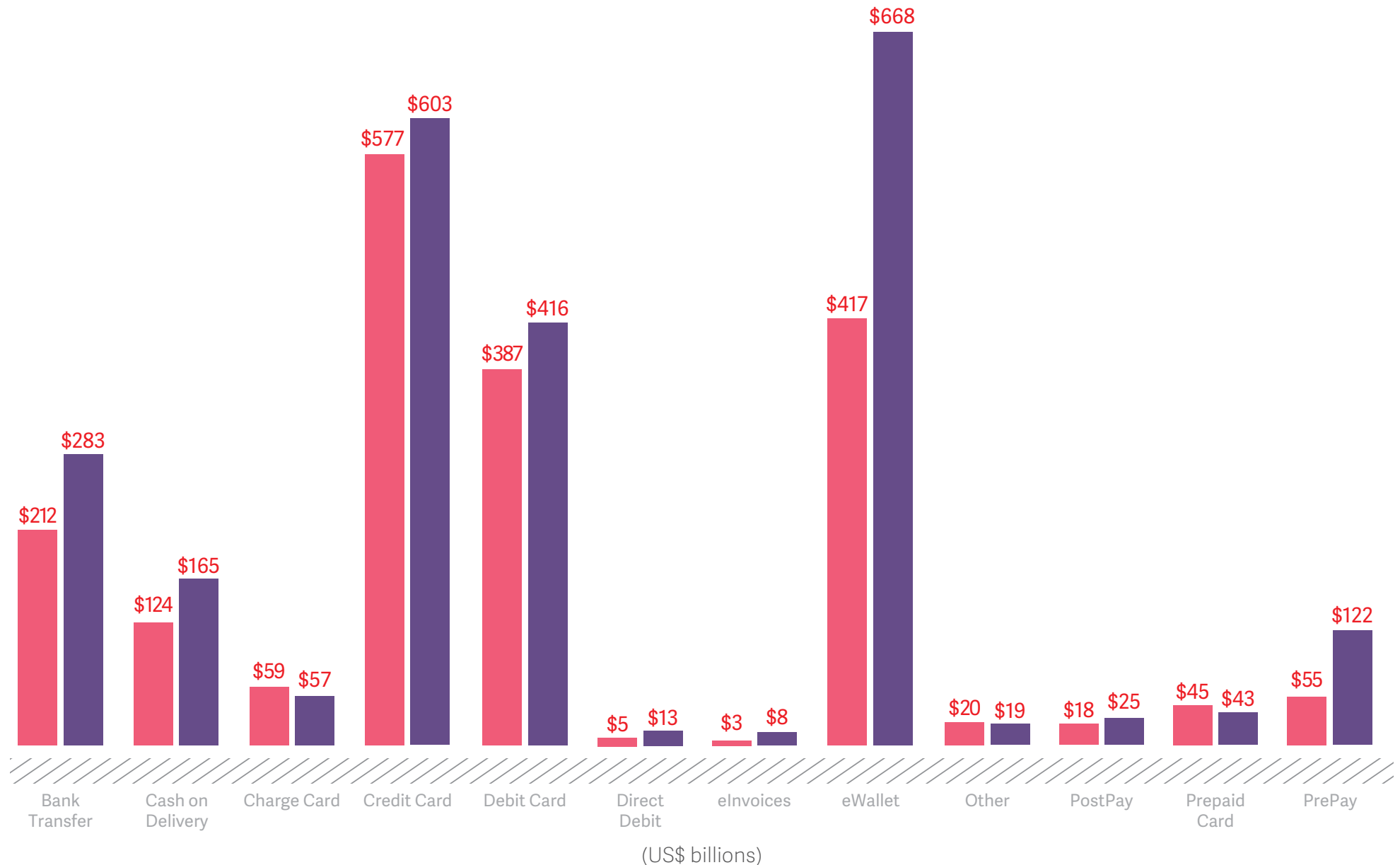
In our previous report we predicted that alternative payment methods would account for 59% all eCommerce turnover by 2017. Although alternative payments are undoubtedly on the rise, they have not grown as fast as originally predicted. This is mainly due to delayed launches of key card scheme's eWallet initiatives which were expected in 2013. Another important factor is that UnionPay has moved more slowly than anticipated in the Chinese eCommerce market, which is dominated by Alipay.

North America

is expected to have the largest shift towards alternative payment methods



Which payment method will become the most popular in the future?



In the future, what will be the split between Card and Alternative Payment Methods (APM) by region?

	APM	Card
2014	28%	72%
2019	35%	65%

North America

	APM	Card
2014	49%	51%
2019	55%	45%

EMEA

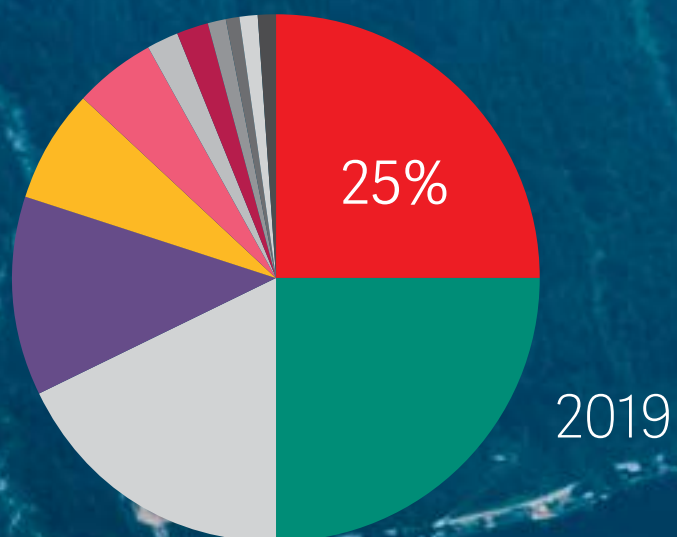
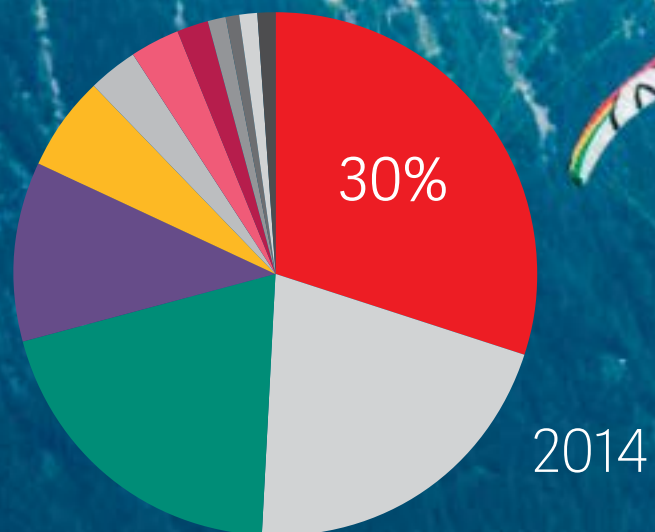
	APM	Card
2014	25%	75%
2019	29%	71%

Latin America

	APM	Card
2014	58%	42%
2019	63%	37%

Asia Pacific

Global payment methods breakdown



	2014	2019
Credit Card	29.9%	24.9%
eWallet	21.7%	27.6%
Debit Card	20.1%	17.2%
Bank Transfer	11.1%	11.7%
Cash on Delivery	6.5%	6.8%
Charge Card	3.1%	2.3%
PrePay	2.9%	5.0%
Pre-Paid Card	2.4%	1.8%
Other	1.0%	0.8%
PostPay	0.9%	1.0%
Direct Debit	0.3%	0.6%
eInvoices	0.1%	0.3%

Payment trends 2014 - 2019, North America

	2014	2019
Credit Card	40%	37%
Debit Card	25%	22%
eWallet	14%	21%
Bank Transfer	7%	8%
Cash on Delivery	4%	3%
Pre-Paid Card	4%	4%
PrePay	2%	2%
Charge Card	2%	1%
Direct Debit	1%	1%
Other	1%	1%

Payment trends 2014 - 2019, Latin America

	2014	2019
Credit Card	42%	40%
PostPay	16%	13%
Bank transfer	9%	10%
Debit Card	7%	9%
Cash on Delivery	7%	8%
Pre-Paid Card	7%	6%
PrePay	3%	6%
E-Wallet	5%	4%
Charge Card	3%	3%
Other	1%	1%

Payment trends 2014 - 2019, EMEA

	2014	2019
Debit Card	29%	26%
eWallet	20%	21%
Bank Transfer	17%	18%
Credit Card	13%	12%
Charge Card	7%	5%
Cash on Delivery	6%	7%
PrePay	3%	5%
Direct Debit	1%	1%
eInvoices	1%	1%
Other	1%	2%
PostPay	1%	1%
Pre-Paid Card	1%	1%

Payment trends 2014 - 2019, Asia Pacific

	2014	2019
eWallet	34%	38%
Credit Card	31%	26%
Bank Transfer	11%	9%
Cash on Delivery	9%	9%
Debit Card	8%	8%
PrePay	3%	7%
Charge Card	1%	1%
Other	1%	1%
PostPay	1%	1%
Pre-Paid Card	1%	1%



Key insights



The dragon awakens

China has been a leading force in the global economy.

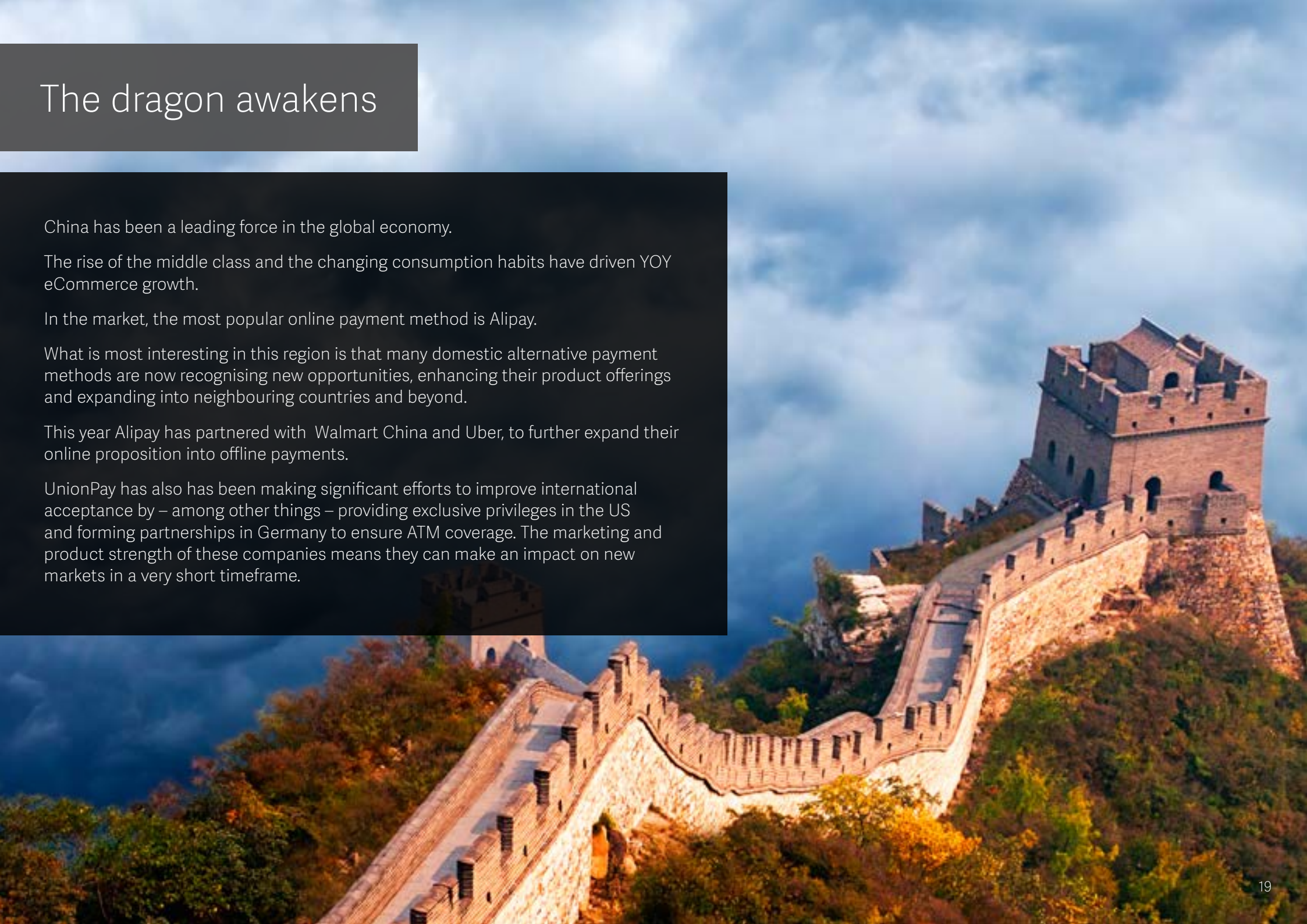
The rise of the middle class and the changing consumption habits have driven YOY eCommerce growth.

In the market, the most popular online payment method is Alipay.

What is most interesting in this region is that many domestic alternative payment methods are now recognising new opportunities, enhancing their product offerings and expanding into neighbouring countries and beyond.

This year Alipay has partnered with Walmart China and Uber, to further expand their online proposition into offline payments.

UnionPay has also been making significant efforts to improve international acceptance by – among other things – providing exclusive privileges in the US and forming partnerships in Germany to ensure ATM coverage. The marketing and product strength of these companies means they can make an impact on new markets in a very short timeframe.



The real winners we're likely to see in the coming years

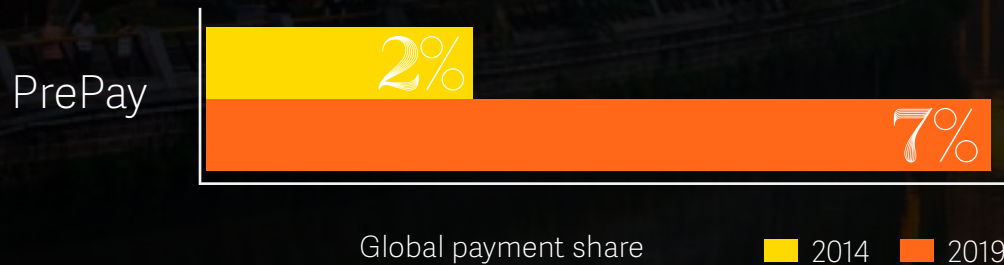
Alipay: The Chinese market is set to grow further in the next few years. Alipay will benefit from this growth as the most popular payment method. The payments giant is also expanding rapidly internationally, with a specific focus on Europe and US.

Tenpay: as a result of recent innovation, this payment method is poised to increase its share of Chinese market.

MasterPass: expected to win significant share by adopting a new approach of selective market entry, especially in non PayPal dominated markets and China.

UnionPay: the eCommerce user experience is evolving as the company better understands the eCommerce space. With a strong position in CPT (cardholder present transactions) in China, UnionPay is expected to succeed.

PrePay: the markets where Pre-Paid vouchers have been prevalent are flourishing, though in economies which are historically more credit-driven, consumers are now choosing to take more control over their finances. This is driving a preference for Pre-Paid payment options in historically credit-centric markets. Overall, in these markets the golden age of credit is over – a fact which is precipitating growth in Debit and Pre-Paid payment methods. No longer do consumers want to burden themselves with debt – they are hyperaware of the damaging effect of credit, and their buying behaviour has changed accordingly.



It is worth noting that other eWallets such as Apple Pay, Samsung Pay and Android Pay are also highly likely to increase market share in future, but as they have recently emerged, there is currently no data available to fully support this.



The Shangri-La of payments - eWallets

Our previous discussion about eWallets, in 2013, really included only V.me, MasterPass, Alipay and PayPal.

At that time, there were very few market entrants, and the main players enjoyed a substantial market share. Our (reasonable) expectation was that Visa and MasterCard would quickly steal significant share from the incumbents as the only viable alternatives.

But who would have thought the world could change so much, or so quickly?

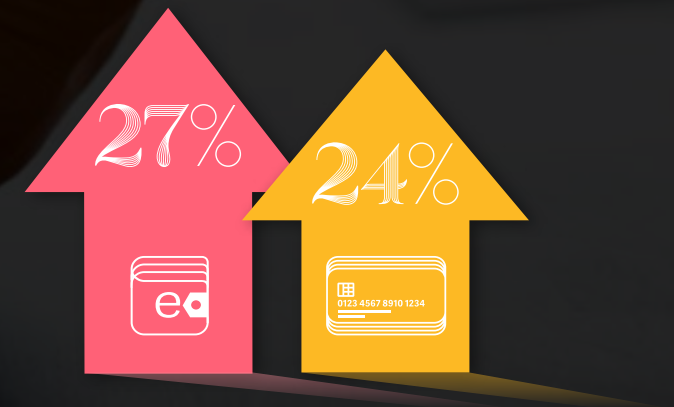
Not long ago, eWallets were invariably part of a retail giant, such as Alipay (Alibaba) and PayPal (eBay). But no longer. Recently, we have seen bank and network wallets emerge, with Visa Checkout, MasterPass and ChasePay as the forerunners. And there are other players, too, who have entered the market - players who are not, traditionally, in the payments field. Driven by a need to create customer 'stickiness' by integrating their technology into their consumers' everyday lives, multinationals such as Apple with Apple Pay, Samsung with Samsung Pay and Google with Android Pay are revolutionising the payments scene. Never before has consumer choice been so broad. Interestingly, this is not a result of a simple revenue-generation strategy by these giants; instead, it is all about value add – a strategy of enriching their customers' lives by delivering the consumer shopping experience of the future.

Who will win the eWallet wars?

Faced with more choice than ever, consumers are very clear on their needs.

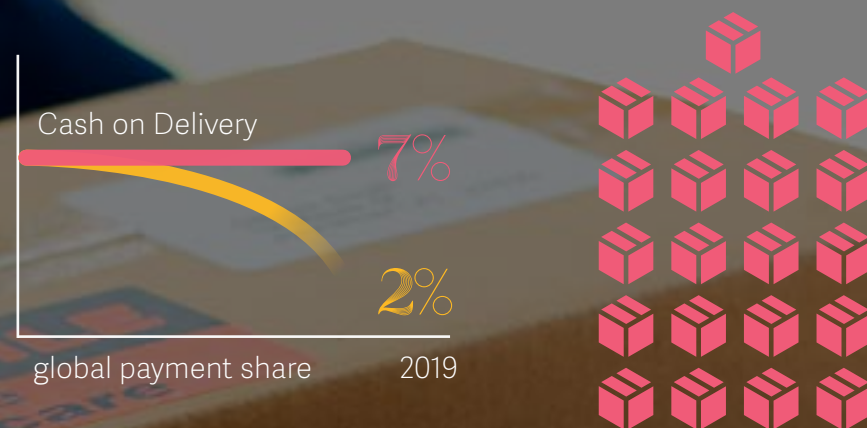
The winners of the eWallet war will need to provide a second to none customer experience, underpinned by the following pillars:

- Continuity of convenience – no need to enter card security details repeatedly;
- Reach/scale – a payment method that can be used in most places;
- Omni-channel – the ability to use the eWallet across all environments, such as in-store, online and in-app;
- Assured security – consumers still feel that security is more of a concern in non-card payments;
- Personalisation and loyalty – loyalty schemes and delivery preferences should be updated automatically, and in real-time.



eWallets will overtake Credit Cards by 2019

Cash on Delivery - still delivering



In our report of 2013, we predicted that Cash on Delivery would fall from 5% to just 2% of all payments. This prediction, however, did not factor in the impact of the BRIC economies on the overall payments landscape. Although these economies were maturing, we, along with other commentators, failed to appreciate just how quickly they would come of age.

The eCommerce market in India is expected to quadruple over the next four years. The country is also set to become the largest SME market in the world, overtaking the United States by 2017. With such expansion, consumer preferences cannot change at the same rate.

In an economy historically using cash, which also experiences a sudden boom in non-smartphone

based mCommerce, the need to deliver goods and services must inevitably result in Cash on Delivery becoming a premier payment channel.

In some markets – specifically China, Russia and Taiwan – we predicted a significant decline in Cash on Delivery. But the unexpected and substantial growth in these economies, coupled with the cultural link to paying with cash, upset this prediction. In Taiwan, particularly, consumers have a marked preference to paying with cash, and we can't see that changing in the foreseeable future.

As cash is such a globally fragmented payment type, there are no clear 'winners' in terms of countries. However, merchants who may be tempted to believe that cash is 'dead' would

do well to remember that Cash on Delivery still makes up 7% of all payments. It's also worth remembering, though, that there's a challenge with trying to operate with cash – most notably that it's highly market-specific and extremely fragmented, and retailers usually have their own Cash on Delivery agent. This makes it a payment form that's particularly challenging to adopt in the context of cross-border transactions, as it is both costly and subject to fraud. When thinking about establishing a delivery and fulfilment infrastructure in markets where Cash on Delivery is popular, it's important to select an appropriate partner, as it's likely that you will want them to collect cash payment on your behalf.

Mobile evolution

A row of smartphones is displayed in a museum setting, arranged diagonally from the top left towards the bottom right. The phones vary in size and design, illustrating the evolution of mobile technology. The background is blurred, showing other exhibits and museum lighting.

Global mobile penetration has increased 39% since 2009, precipitating perhaps the most significant shift in payments we're likely to see in our lifetime. It's a shift that offers a massive opportunity for merchants looking to sell their wares via mobile devices – as the Point of Sale can be almost anywhere.

Generally, when it comes to mobile, people usually think of markets that are extremely technologically savvy with high mobile penetration and internet access. In fact, the multinationals have built their mCommerce strategies around these types of market, predominantly focused upon an evolution from desktop to smartphone. The countries that drove this evolution were South Korea, Singapore, Hong Kong, the US and the UK – but these markets are now starting to mature and will not be the major growth engine for mCommerce in future.

Which mobile markets will be the ones to watch?

mCommerce appears to have two different facets in the global landscape. This split tends to be driven through mature versus emerging markets.

In mature markets, mCommerce is usually an extension to traditional eCommerce, either via mobile optimised sites or, more recently, apps on smartphones.

Conversely, in emerging markets such as India, Turkey, Mexico, Russia and South Africa smartphone penetration is poor, therefore feature phones (non-smartphones) are typically the device of choice, and this dictates an entirely different user experience.

Multinationals looking to take advantage of these markets will need to recognise that the principles of mature mCommerce markets do not apply to emerging markets.

Instead, to access 'the ones to watch', they will need to implement a non-smartphone mCommerce strategy.

mCommerce CAGR



for India, Turkey,
Mexico, Russia and
South Africa is

44%
Average for 2014 – 2019

Global mobile
penetration
has increased
39%
since 2009

Adapt or become obsolete

It's clear from the many payment methods in use around the world that one size doesn't fit all. The regional cultural nuances that affect payment preferences and behaviours around the world will never, at least in the foreseeable future, be eliminated.

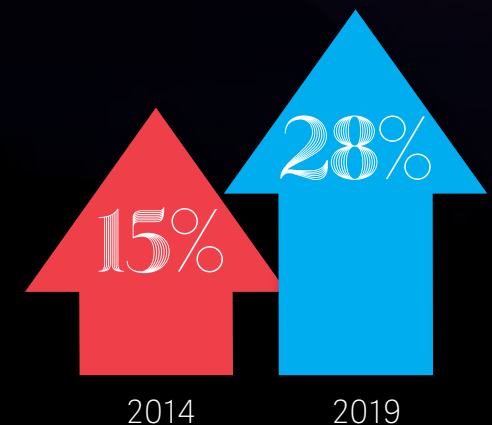
But it's also true that consumers are no longer bound by the classic payment methods and traditional credit-based options of the past. Take JCB, for example. A Japanese card scheme and a strong national brand, JCB has for many years enjoyed dominance of the domestic in-store market. However, JCB has limited international merchant coverage – a factor which became highly significant with the advent of eCommerce, which enabled consumers to purchase from beyond their national borders.

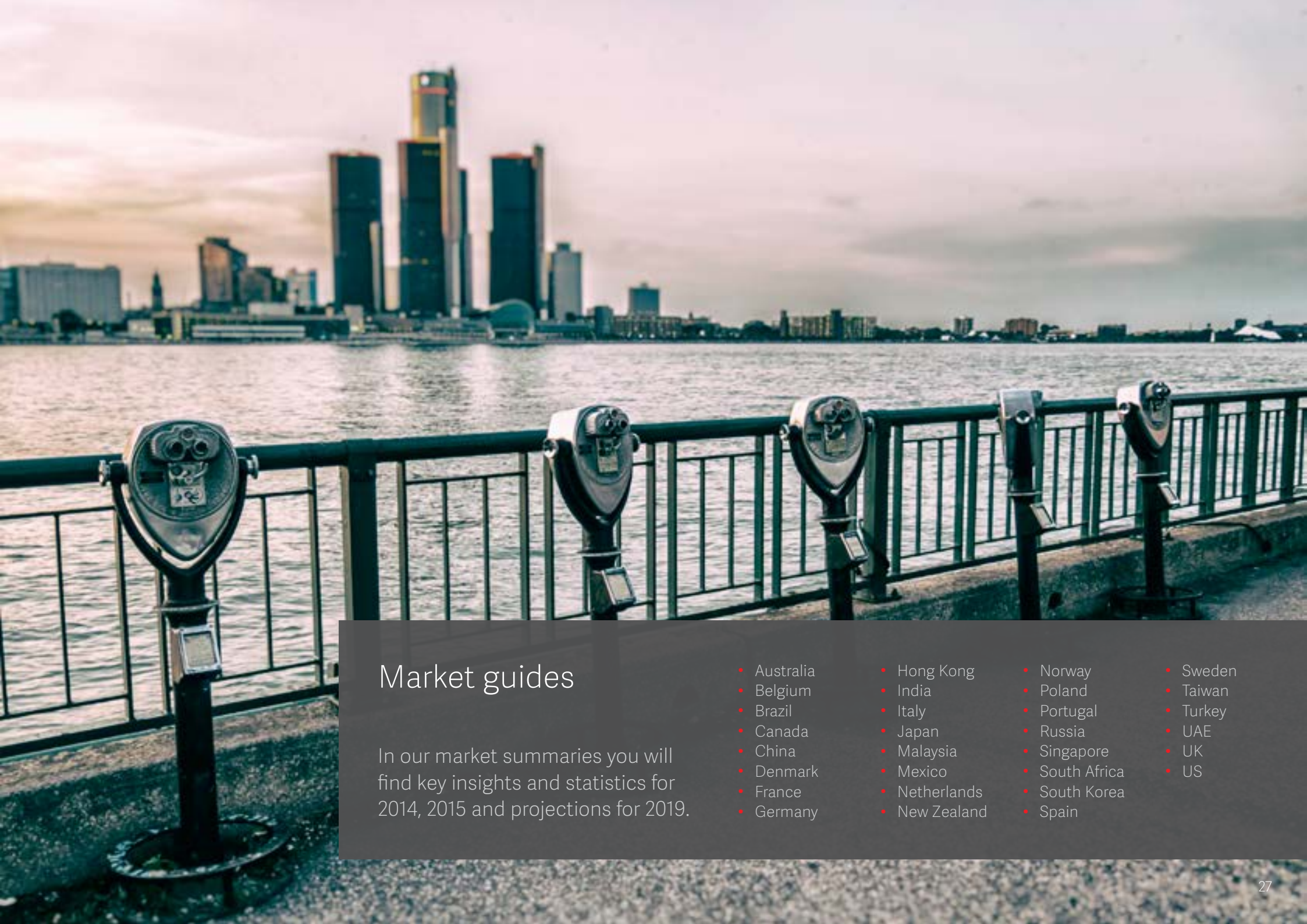
While this hasn't affected JCB's ageing consumer demographic, there is an emerging category of younger consumers who want to travel, and purchase goods and services, from outside of Japan. This group increasingly prefer an internationally recognised card rather than JCB, which has lower international acceptance than Visa and MasterCard. The result is a growing disparity between in-store and online market share. The challenge faced by JCB is to encourage younger Japanese consumers' preferences towards their own product, something they are addressing as they invest and successfully expand their international merchant coverage.

Another example of adaptation is in Malaysia, where we're seeing high growth in eCommerce, as a growing middle class of consumers increasingly embrace new ways to pay. Although cards currently dominate in Malaysia, with 75% of the market, it's likely that this share will fall sharply over the next four years, largely due to the higher availability of more culturally relevant payment methods – bank transfers and eWallets, for example. This, however, is not necessarily a shift in consumer culture, but rather the effect of companies adapting to the buying preferences of a new group of more affluent and tech-savvy consumers.

It is vital for payment methods to constantly innovate, to reflect the needs of current and future consumers. As younger generations grow up, their buying power increases accordingly, and once payment preferences have been established, they are very difficult to change.

Malaysia's eCommerce bank transfer share





Market guides

In our market summaries you will find key insights and statistics for 2014, 2015 and projections for 2019.

- Australia
- Belgium
- Brazil
- Canada
- China
- Denmark
- France
- Germany
- Hong Kong
- India
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Russia
- Singapore
- South Africa
- South Korea
- Spain
- Sweden
- Taiwan
- Turkey
- UAE
- UK
- US

Australia

While eCommerce grows steadily, we expect there to be a significant move away from card payments towards alternative payment methods.



With a high Internet penetration and technologically-aware consumer base, Australia is one of Asia Pacific's largest eCommerce markets. Although cross-border trade has been high compared to domestic purchases, this is now changing as local suppliers increase the sophistication of their online service.

For payment, cards – particularly cards with loyalty schemes – are currently a popular choice for online payments, with 61% share of the market, though this is likely to fall to less than 40% by 2019 in favour of alternative payment methods.



Top tip: As Australian consumers are among the world's biggest users of eWallets, merchants should support this payment method.

At a glance

23 Million

2014 population

83%

Internet penetration (% of population)

US\$1.44 tn

2014 GDP

1.31

Mobile subscriptions per capita

PayPal, Bpay & POLi

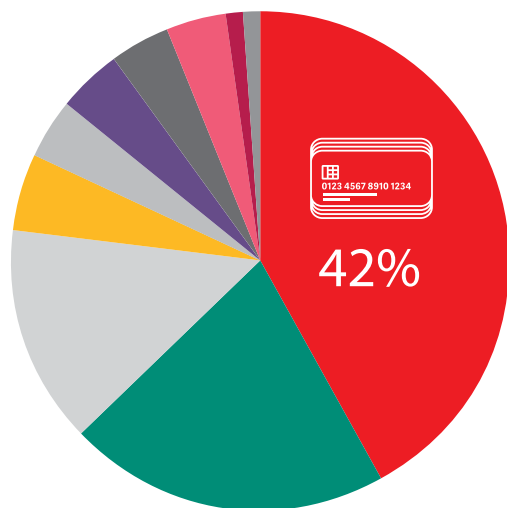
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$42 bn	US\$36 bn	US\$6 bn
2019	US\$67 bn	US\$53 bn	US\$13 bn

12% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Credit Card	42%
eWallet	21%
Debit Card	14%
Cash on Delivery	5%
Charge Card	4%
Bank Transfer	4%
PostPay	4%
PrePay	4%
Pre-Paid	1%
Others	1%



Card scheme breakdown

Visa	55%
MasterCard	28%
American Express	15%
Discover Financial Services	1%
Local Card Schemes	1%

Belgium

After a slow start, Belgium now has one of the fastest-growing eCommerce markets in the world



Although Belgium has high Internet usage, it was relatively slow to embrace the eCommerce model. This, however, is no longer the case and online sales are expected to show one of the highest growth rates in the world between 2015 and 2019. Much of this growth is expected to be as a result of an exceptionally high increase in mCommerce.

Cards and bank transfers comprise over half of all payments by volume, though eWallet and cash are also both significant. The current relative share of cards vs. alternative payment methods (57%: 43% respectively) is expected to remain static until at least 2019.



Top tip: Belgium's home-grown payment product, Bancontact, is second in popularity to cards and over 80% of all online merchants accept this payment method.

At a glance

11 Million

2014 population

82%

Internet penetration (% of population)

US\$535 bn

2014 GDP

1.14

Mobile subscriptions per capita

Mister Cash & Sofort Banking

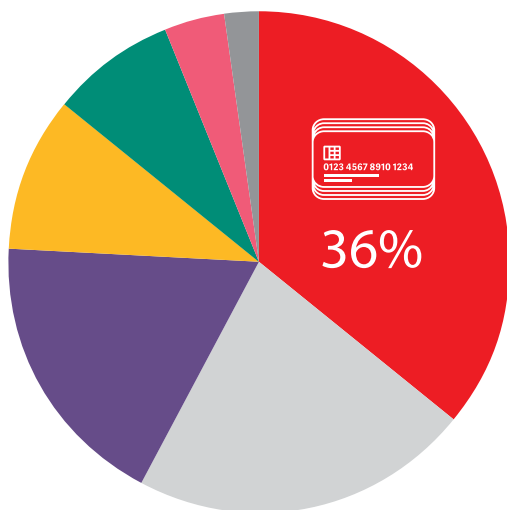
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$6 bn	US\$5 bn	US\$0.3 bn
2019	US\$12 bn	US\$11 bn	US\$2 bn

21% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Credit Card	36%
Debit Card	22%
Bank Transfer	18%
Cash on Delivery	10%
eWallet	8%
PrePay	4%
Others	2%



Card scheme breakdown

Bancontact/Mister Cash	86%
Visa	9%
MasterCard	2%
American Express	2%
Diners Club	1%

Brazil

Latin America's eCommerce giant still has plenty of room for growth.



Despite a relatively low Internet penetration, Brazil's large population has resulted in a huge eCommerce market. In fact, Brazil is responsible for over 60% of South America's total online purchases and it is a market that's expected to grow steadily over the coming few years, spurred by changes in regulations and the deployment of new technologies.

In the payment arena, the majority of Brazil's online shoppers prefer to use cards (54%), even though many of these are not enabled for cross-border settlement. Boleto Bancário, which supports both online and offline payment (including cash), is also extremely popular. The rapid adoption of mCommerce, which looks set to continue until at least 2019, is expected to catalyse a growth of approximately 8% (to 31%) in alternative payment methods by 2019. This market is clearly one to watch.



Top tip: An important fact of the Brazilian payment landscape is that a high proportion (up to 80%) of eCommerce purchases are paid for by instalments.

At a glance

202 Million

2014 population

52%

Internet penetration (% of population)

US\$2.35 tn

2014 GDP

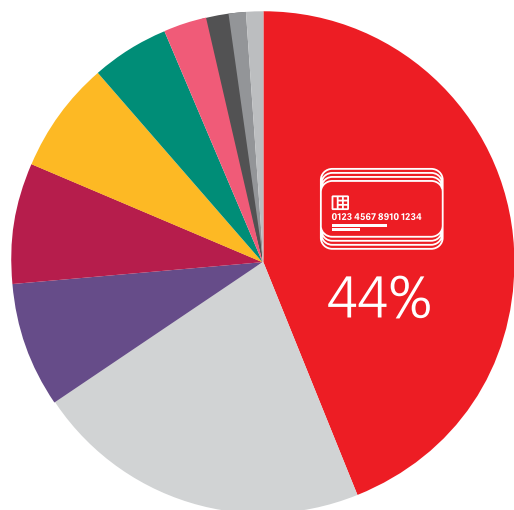
1.39

Mobile subscriptions per capita

Boleto Bancário & Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	44%
PostPay	21%
Pre-Paid Card	8%
Bank Transfer	8%
Cash on Delivery	7%
eWallet	5%
PrePay	3%
Debit Card	2%
Others	1%
Charge Card	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$24 bn	US\$22 bn	US\$1 bn
2019	US\$51 bn	US\$37 bn	US\$14 bn

21% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	49%
MasterCard	40%
Local Card Schemes	9%
American Express	2%

Canada

The dominance of credit cards is expected to weaken significantly, as Canada's eCommerce market grows steadily.



While Internet penetration is high in Canada, the eCommerce market here remains relatively small, leaving considerable room for growth. This growth is already happening at a modest but steady CAGR and there is an emphasis on mobile usage rather than desktop.

Cards, overwhelmingly, are the most popular form of online payment in Canada, though their usage is expected to decline by some 20% (from 73% currently) by 2019, in favour of alternative methods. Of these, Bank Transfers and eWallets (especially PayPal) are the most popular.



Top tip: It's worth noting that Canada is the global leader in cross-border retail eCommerce, with 75% of Canadian shoppers purchasing from US websites.

At a glance

35 Million

2014 population

86%

Internet penetration (% of population)

US\$1.78 tn

2014 GDP

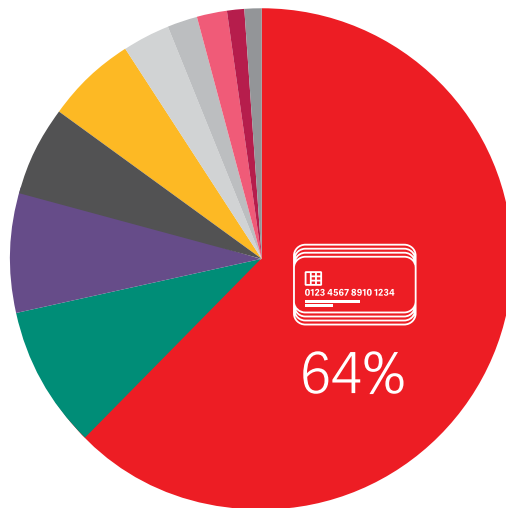
0.83

Mobile subscriptions per capita

Interac cards & PayPal

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	64%
eWallet	8%
Bank Transfer	7%
Debit Card	6%
Cash on Delivery	6%
Direct Debit	3%
Charge Card	2%
PrePay	2%
Pre-Paid	1%
Others	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$46 bn	US\$42 bn	US\$4 bn
2019	US\$73 bn	US\$62 bn	US\$11 bn

12% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	52%
MasterCard	30%
American Express	10%
Local Card Schemes	8%

China

Although alternative payments may lose share in coming years, their absolute value is likely to increase significantly.



Although eCommerce currently represents a relatively low percentage of China's total retail spend, the sector has a relatively high growth rate, which is expected to continue until at least 2019. Mcommerce sales, which are growing especially quickly, are also expected to quadruple within the same time-frame.

For online payments, eWallets (particularly Alipay) are the most popular form of payment, while credit and debit cards comprise a relatively low share of total payments with 20% of the market. However, with the growing popularity of card schemes such as UnionPay, this share is expected to increase by some 10% over the next few years, while alternative payment methods are expected to fall by the same amount, from 80% to 70% of the market.



Top tip: Merchants who want to fully penetrate the market in China should consider supporting Alipay, Tenpay and UnionPay.

At a glance

1,364 Million

2014 population

46%

Internet penetration (% of population)

US\$10.3 tn

2014 GDP

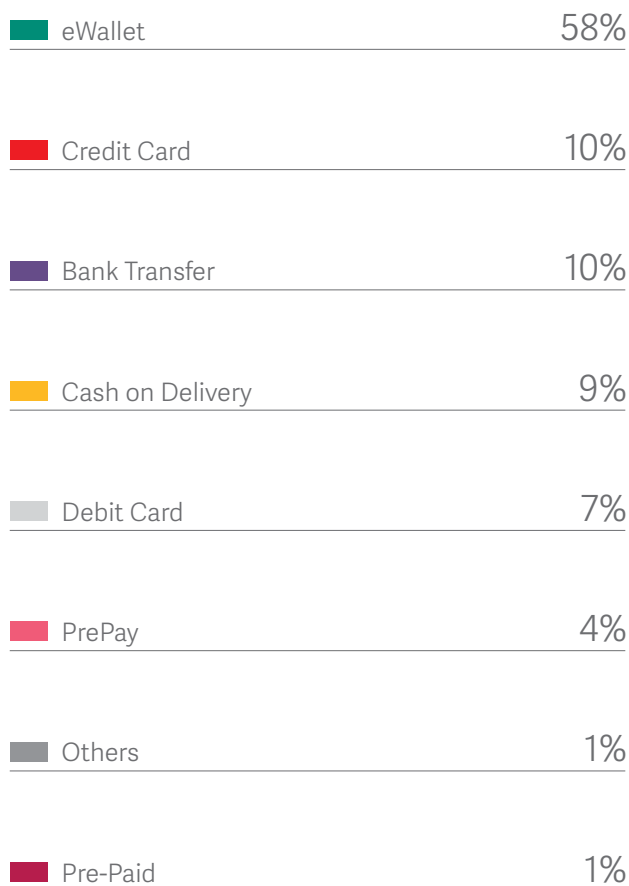
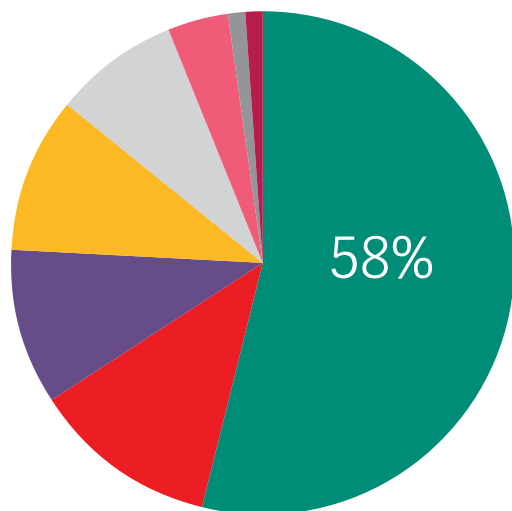
0.92

Mobile subscriptions per capita

Alipay, Tenpay & UnionPay

Popular alternative payment methods

eCommerce mix by payment methods



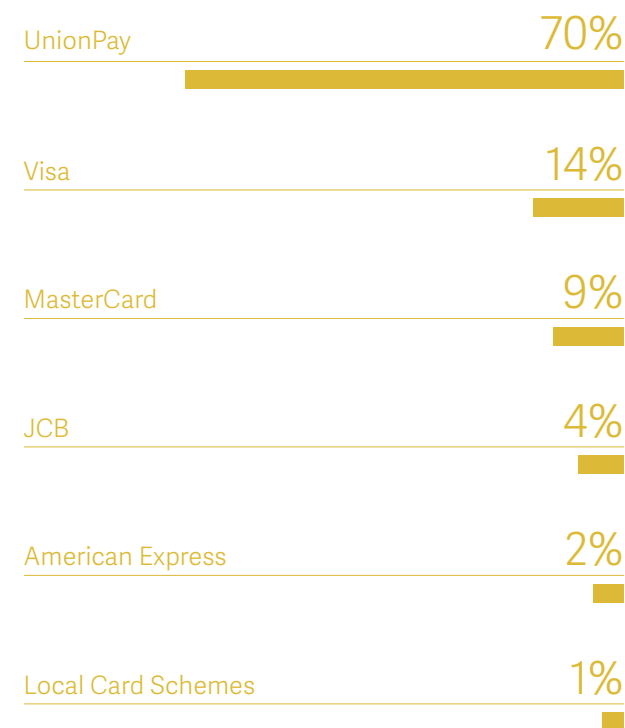
eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$310 bn	US\$272 bn	US\$38 bn
2019	US\$574 bn	US\$426 bn	US\$147 bn

17% ▲ 2015-2019 CAGR



Card scheme breakdown



Denmark

Credit card payments are likely to decline over the next few years, in favour of alternative payment methods.



With a very high Internet penetration and over four million online shoppers (over 70% of the market's population), Denmark has recently joined the global top 15 in retail eCommerce.

A high adoption rate of mobile technology has resulted in an equally high growth of eCommerce and this sector is likely to grow by some 400% in the period 2015-2019. Over the same period, card payments are expected to decline in popularity, from a 39% share to 30%, giving way to alternative payment methods, of which eWallets are likely to be the fastest-growing.



Top tip: The Danish eCommerce Association (FDIH) is an industry association that provides a range of support services for companies trading online.

At a glance

5 Million

2014 population

95%

Internet penetration (% of population)

US\$341 bn

2014 GDP

1.26

Mobile subscriptions per capita

Dankort & Trustly

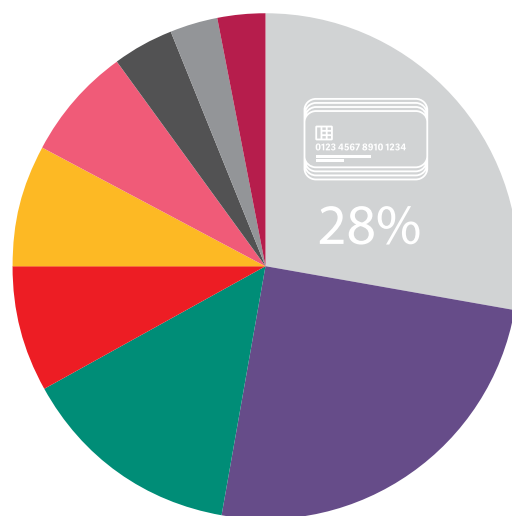
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$11 bn	US\$10 bn	US\$1.5 bn
2019	US\$21 bn	US\$15 bn	US\$6 bn

17% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Debit Card	28%
Bank Transfer	25%
eWallet	14%
Credit Card	8%
Cash on Delivery	8%
PrePay	7%
eInvoices	4%
Others	3%
Pre-Paid	3%



Card scheme breakdown

Visa	62%
MasterCard	31%
Local Card Schemes	6%
Discover Financial Services	1%

France

A mature eCommerce market with modest growth, France is innovating in the payments arena.



It is perhaps unsurprising that, as an early adopter of Internet technologies and now one of Europe's largest eCommerce markets, penetration is now high, leaving less opportunity for rapid growth. However, although growth is modest, it remains significant, particularly in mobile sales. The full range of payment methods are in use, with no clear domination by any one form, though Carte Bancaire (an interbank scheme that requires a connection to a local acquirer) has a relatively high share of eCommerce turnover.

Cards are expected to lose about 30% of their current market share by 2019, dropping to 41% (from 62%), when alternative payments is likely to comprise some 59% of all online payments. The French market is seeing innovation in the form of a new bank-owned national eWallet (Paylib), which is especially useful in mobile environments.



Top tip: France already has three times as many users of Paylib than PayPal and the trend is set to continue.

At a glance

66 Million

2014 population

82%

Internet penetration (% of population)

US\$2.84 tn

2014 GDP

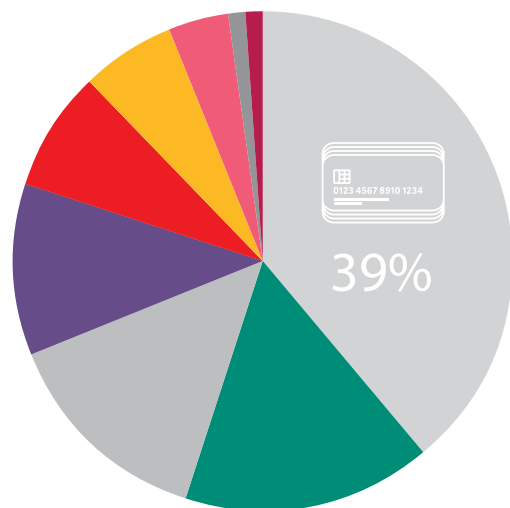
1.0

Mobile subscriptions per capita

Carte Bancaire, PayLib & PayPal

Popular alternative payment methods

eCommerce mix by payment methods



Debit Card	39%
eWallet	16%
Charge Card	14%
Bank Transfer	11%
Credit Card	8%
Cash on Delivery	6%
PrePay	4%
Others	1%
Pre-Paid	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$75 bn	US\$66 bn	US\$9 bn
2019	US\$107 bn	US\$89 bn	US\$18 bn

9% ▲ 2015-2019 CAGR



Card scheme breakdown

Groupement des Cartes Bancaires	90%*
MasterCard	4%
American Express	3%
Visa	2%
Others	1%

* Please note that this local card scheme operates on Visa and MasterCard networks.

Germany

By 2019, alternative payment methods are expected to comprise 92% of all online payments.



With a high Internet penetration, eCommerce is well established in Germany and the market ranks fifth in the world in terms of online sales volume. Mcommerce is on the rise, too, with an impressive CAGR (105%) which is predicted to be maintained for the next four years at least. Germany is also a world-leader in cross-border transactions, behind only the US and the UK, with some 50% of online purchases made via an international website.

When it comes to payment, the dominant method is real-time Bank Transfer, though other non-credit card payment methods such as Sofort Banking, SEPA Direct Debit and Giropay are also popular. The already low (12% of total) level of card payments is likely to fall further (to 8%) by 2019, when alternative payments are expected to dominate at 92%. Use of eWallets (particularly PayPal) are high in Germany.



Top tip: An easy to use online payment process is extremely important for German consumers.

At a glance

80 Million

2014 population

84%

Internet penetration (% of population)

US\$3.86 tn

2014 GDP

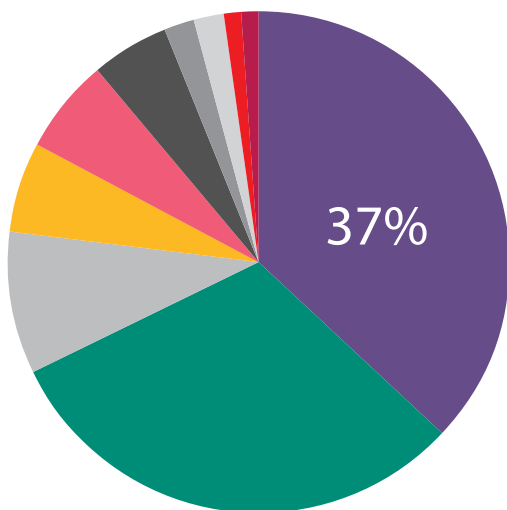
1.20

Mobile subscriptions per capita

Sofort Banking, SEPA DD/ELV & Giropay

Popular alternative payment methods

eCommerce mix by payment methods



Bank Transfer	37%
eWallet	31%
Charge Card	9%
Cash on Delivery	6%
PrePay	6%
Direct Debit	5%
Others	2%
Debit Card	2%
Credit Card	1%
Pre-Paid	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$81 bn	US\$73 bn	US\$8 bn
2019	US\$109 bn	US\$84 bn	US\$25 bn

8% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	43%
MasterCard	42%
American Express	12%
Local Card Schemes	2%
Discover Financial Services	1%

Hong Kong

Despite high mobile adoption, Hong Kong's mCommerce market is yet to fully ignite.



While Hong Kong's total Internet penetration is not among the global leaders, their adoption of mobile technology is significantly ahead of the rest of the world. However, this has not yet led to widespread adoption of mCommerce. The CAGR of this market is modest – as is the growth rate of eCommerce.

For online payments, Credit Cards (especially UnionPay) are the most popular method, making up 65% of all transactions. This figure is expected to grow by some 6% during 2015-2019. Among other payment forms, eWallets, cash and Bank Transfers all have a significant share.



Top tip: Hong Kong has one of the world's highest levels of smartphone penetration, therefore a payment process optimised for mobile platforms is advisable.

At a glance

7 Million

2014 population

74%

Internet penetration (% of population)

US\$290 bn

2014 GDP

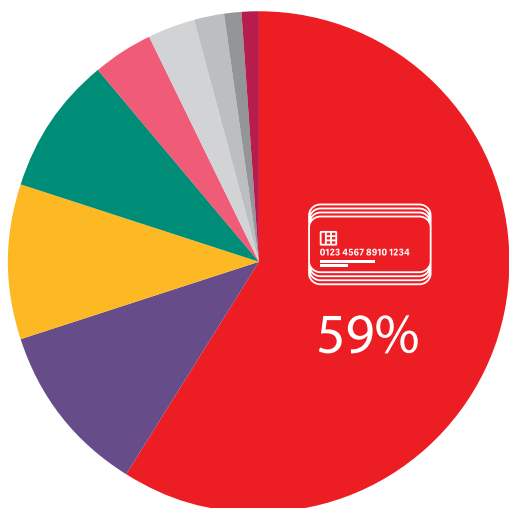
2.39

Mobile subscriptions per capita

Octopus card & Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	59%
Bank Transfer	11%
Cash on Delivery	10%
eWallet	9%
PrePay	4%
Debit Card	3%
Charge Card	2%
Others	1%
Pre-Paid	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$8 bn	US\$5 bn	US\$3 bn
2019	US\$12 bn	US\$7 bn	US\$5 bn

10% ▲ 2015-2019 CAGR

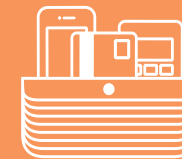


Card scheme breakdown

Visa	48%
MasterCard	25%
UnionPay	22%
American Express	2%
Local Card Schemes	2%
Discover Financial Services	1%

India

Massive growth potential has already begun to be realised, especially in mCommerce.



With the world's second-largest population and very low Internet penetration, India holds significant potential for eCommerce growth. In fact, this growth – despite low urbanisation and average income levels – has already started to boom. Ecommerce is expected to almost quadruple between 2015-2019. Mcommerce (driven by smartphone penetration) is the fastest-rising of all.

For online payments, Internet banking and cash dominate, as India is traditionally a market with low card usage. In fact, overall this method is likely to fall further by 2019, to a market share of 27%. In contrast, alternative payment methods are expected to increase to 73%.



Top tip: Due to RBI regulations, merchants will need to have a local entity for cross-border transactions, including a bank account for local currency settlement.

At a glance

1,267 Million

2014 population

15%

Internet penetration (% of population)

US\$2.20 tn

2014 GDP

0.75

Mobile subscriptions per capita

Cash on Delivery, Online Bank Transfer & Pre-Paid Cards

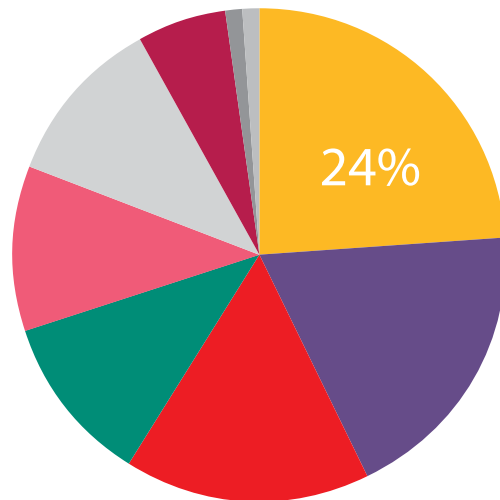
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$17 bn	US\$14 bn	US\$2 bn
2019	US\$61 bn	US\$51 bn	US\$10 bn

38%▲ 2015-2019 CAGR

eCommerce mix by payment methods



Cash on Delivery	24%
Bank Transfer	19%
Credit Card	16%
eWallet	11%
PrePay	11%
Debit Card	11%
Pre-Paid	6%
Others	1%
Charge Card	1%



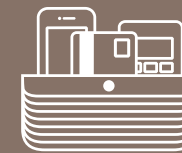
Card scheme breakdown

Visa	64%
MasterCard	21%
American Express	9%
Local Card Schemes	5%
Discover Financial Services	1%

Italy



With eCommerce growing rapidly, this is a market to watch.



Despite the fact that many Italians still prefer to pay with cash and that Internet penetration is still relatively low, the take-up of eCommerce in Italy is accelerating quickly. The increase is largely driven by mobile penetration, particularly smartphones – over one-fifth of Italians now purchase via their mobile or tablet.

The (perceived) higher security of Pre-Paid Cards make them a particularly popular form of payment, though the CartaSi Credit Cards and Postepay cards are also in common use. Overall, card payments are expected to fall by some 7% during 2015-2019, by which time alternative payment methods are likely to claim 52% of market share.



Top tip: PagoBancomat has recently enabled their cards for eCommerce. Given their 90% market coverage, this is expected to become a key online payment method of the future.

At a glance

61 Million

2014 population

58%

Internet penetration (% of population)

US\$2.14 tn

2014 GDP

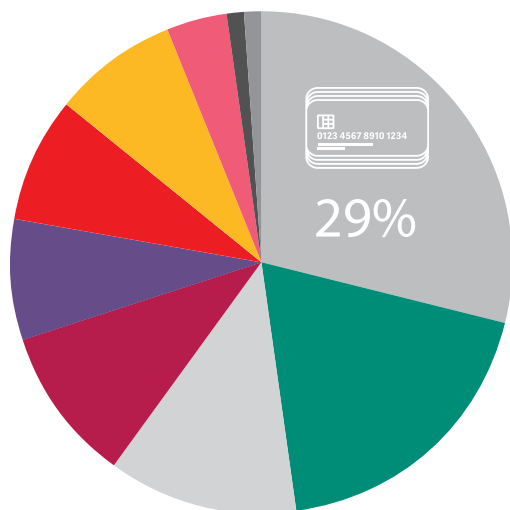
1.54

Mobile subscriptions per capita

Postepay, CartaSi & PayPal

Popular alternative payment methods

eCommerce mix by payment methods



eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$20 bn	US\$18 bn	US\$2 bn
2019	US\$38 bn	US\$34 bn	US\$4 bn

17% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	61%
MasterCard	33%
American Express	4%
Discover Financial Services	1%
Local Card Schemes	1%

Japan

Card payments remain dominant in Japan and their market share is expected to remain stable.



With a high proportion of urban population and a high Internet penetration rate, it is perhaps not surprising that Japan is the world's fourth-biggest eCommerce market, with a moderate but steady CAGR. Equally unsurprising is the fact that mCommerce is growing more quickly overall. Although cards dominate the payment process, cash and Konbini (payment for online purchases at convenience stores) still account for a significant proportion of the overall eCommerce turnover.

The share of the payment market enjoyed by cards and alternative methods are expected to remain stable until 2019, at 61% and 39% respectively. A marginal (2%) shift to alternative payment methods is highly probable, driven by the steady increase in mCommerce. Use of eWallets is relatively low.



Top tip: Japanese consumers tend to be highly security-conscious and favour websites that carry recognised security credentials.

At a glance

127 Million

2014 population

86%

Internet penetration (% of population)

US\$4.61 tn

2014 GDP

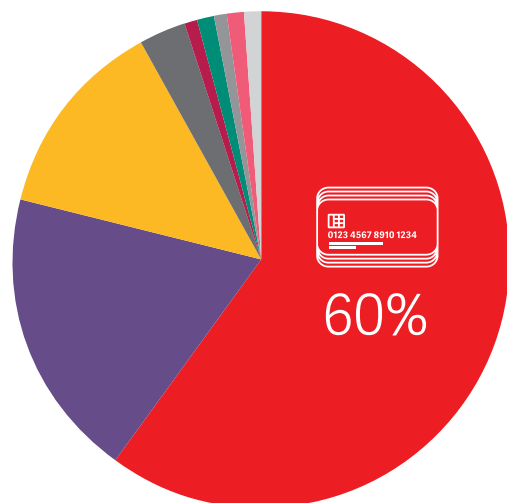
1.2

Mobile subscriptions per capita

Konbini & PayEasy Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	60%
Bank Transfer	19%
Cash on Delivery	13%
PostPay	3%
Pre-Paid	1%
eWallet	1%
Others	1%
PrePay	1%
Debit Card	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$119 bn	US\$92 bn	US\$26 bn
2019	US\$175 bn	US\$108 bn	US\$67 bn

10% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	48%
MasterCard	28%
JCB	18%
American Express	5%
Others	1%

Malaysia

Online purchases are expected to grow steadily, mainly as a result of Intra-Asian trade flows.



As part of the largest regional eCommerce market in the world (Asia Pacific), Malaysia is showing moderately high growth in online retail, despite a relatively low Internet penetration. Total online purchases are expected to almost double over the next 3-4 years. Much of this is likely to be a result of Intra-Asian trade flows, though various initiatives to increase international competitiveness are likely to stimulate trans-regional trade.

Currently commanding 76% of all online payments, cards heavily dominate the payment environment, though Bank Transfers are also very popular. However, cards are expected to lose some 20% of their current market share over the next few years, as alternative payment methods – and particularly Bank Transfers – are expected to grow from 24% to over 44%.



Top tip: The popularity of online banking in Malaysia, makes recurring payments and one-click purchasing a potentially powerful tool.

At a glance

30 Million

2014 population

67%

Internet penetration (% of population)

US\$327 bn

2014 GDP

1.49

Mobile subscriptions per capita

Online Bank Transfer, Cash on Delivery & PayPal

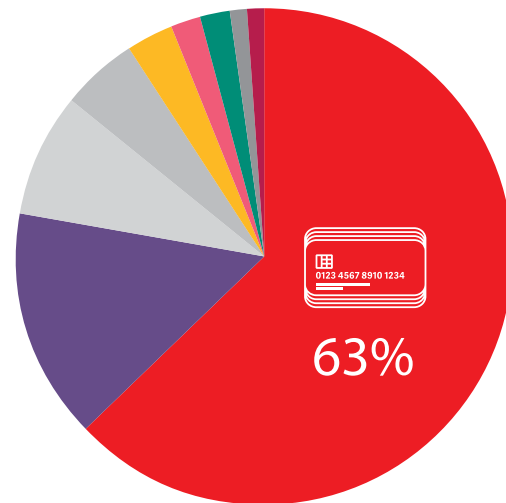
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$2 bn	US\$1 bn	US\$1 bn
2019	US\$3 bn	US\$2 bn	US\$2 bn

17% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Credit Card	63%
Bank Transfer	15%
Debit Card	8%
Charge Card	5%
Cash on Delivery	3%
PrePay	2%
eWallet	2%
Others	1%
Pre-Paid	1%



Card scheme breakdown

Visa	47%
MasterCard	44%
American Express	4%
Local Card Schemes	3%
Discover Financial Services	2%

Mexico

A rapidly-growing eCommerce market is likely to see a gradual decline in the use of cards.



Despite a relatively low Internet penetration, Mexico has the second-largest retail eCommerce market in Latin America after Brazil – and it's growing rapidly. In fact, at its current CAGR, the total value of the market's 2015 online purchases is likely to almost triple by 2019. Much of this growth is due to mobile purchases – Mexico has a high adoption of mobile technology and over one-third of the population uses smartphones, making Mexico the largest mCommerce market in Latin America. A high proportion of online purchases are cross-border transactions, primarily from the United States.

As many Mexicans do not have a bank account, cash makes up a significant portion of total payments, though cards and bank transfers are also popular. A relatively small (5%) increase in alternative payment methods (to 32%) is expected by 2019. Cards are expected to see a commensurate decline in share.



Top tip: Installments (for card purchases) are popular in Mexico, though a local entity is required to support this type of payment.

At a glance

123 Million

2014 population

43%

Internet penetration (% of population)

US\$1.28 tn

2014 GDP

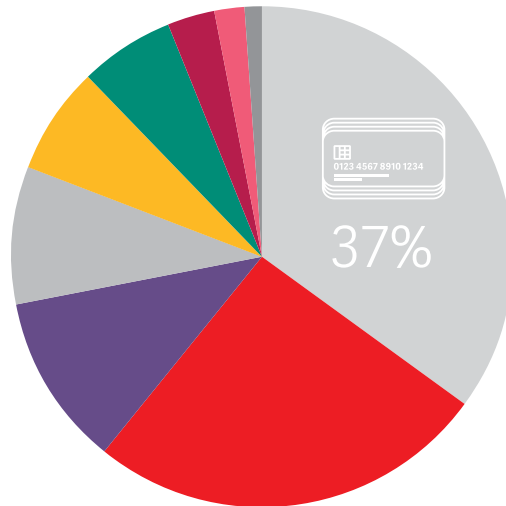
0.83

Mobile subscriptions per capita

Bank Transfer & Convenience store payment

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	37%
Debit Card	23%
Bank Transfer	11%
Charge Card	9%
Cash on Delivery	7%
eWallet	6%
Pre-Paid	3%
PrePay	2%
Others	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$10 bn	US\$9 bn	US\$1 bn
2019	US\$27 bn	US\$24 bn	US\$3 bn

27% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	61%
MasterCard	21%
American Express	14%
Local Card Schemes	4%

Netherlands

The increase in mCommerce is likely to generate steady growth.



With a high Internet penetration and a technologically-aware population, Holland's retail eCommerce market is growing at a moderate rate. The main growth is in mCommerce.

Cards comprise a low proportion of total payments, with 13% of the market, while the lion's share is taken by Bank Transfers in the form of iDEAL, a real-time inter-bank payment method designed for Internet settlements. The role of cards is expected to fall further by 2019, to 11% of online payments.



Top tip: Now that three major Dutch banks provide mobile versions of iDEAL, more than 90% of the Dutch population can use iDEAL in a mobile environment.

At a glance

16 Million

2014 population

94%

Internet penetration (% of population)

US\$866 bn

2014 GDP

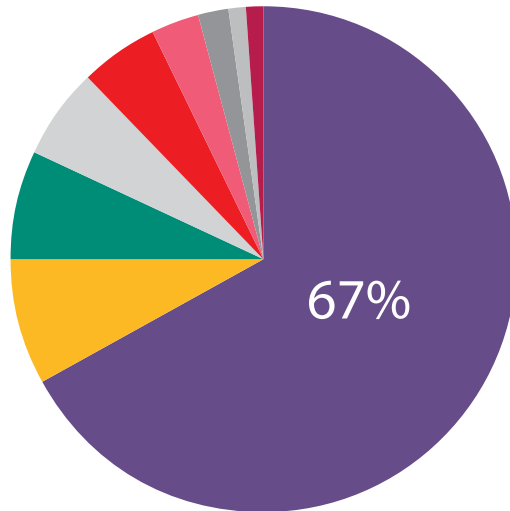
1.16

Mobile subscriptions per capita

iDEAL & SEPA DD

Popular alternative payment methods

eCommerce mix by payment methods



Bank Transfer	67%
Cash on Delivery	8%
eWallet	7%
Debit Card	6%
Credit Card	5%
PrePay	3%
Others	2%
Charge Card	1%
Pre-Paid Card	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$24 bn	US\$22 bn	US\$2 bn
2019	US\$37 bn	US\$32 bn	US\$5 bn

11% ▲ 2015-2019 CAGR



Card scheme breakdown

MasterCard	64%
Visa	21%
American Express	9%
Discover Financial Services	3%
Local Card Schemes	3%

New Zealand

After a faltering start, New Zealand's eCommerce market is now showing consistent growth.



While New Zealand was relatively slow to adopt the online shopping model, largely because of generally poor domestic website performance, the eCommerce market is now showing steady growth. With over half of the population using smartphones, it is perhaps not surprising that mCommerce is growing particularly quickly.

Cards (debit and credit) dominate and are expected to increase their total share from 61% to 72% between 2015-2019. Although eWallets are popular, New Zealand is one of the few countries which is likely to experience an overall decline in the use of alternative payment methods. By 2019, alternative payment methods are likely to claim approximately 28% of online payments.



Top tip: Almost 50% of New Zealanders have abandoned a purchase as a result of poor website performance, and bought the same product from another site.

At a glance

4 Million

2014 population

83%

Internet penetration (% of population)

US\$198 bn

2014 GDP

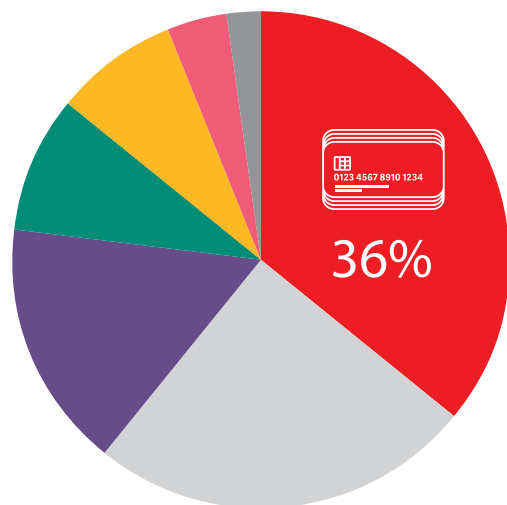
1.12

Mobile subscriptions per capita

POLi

Popular alternative payment methods

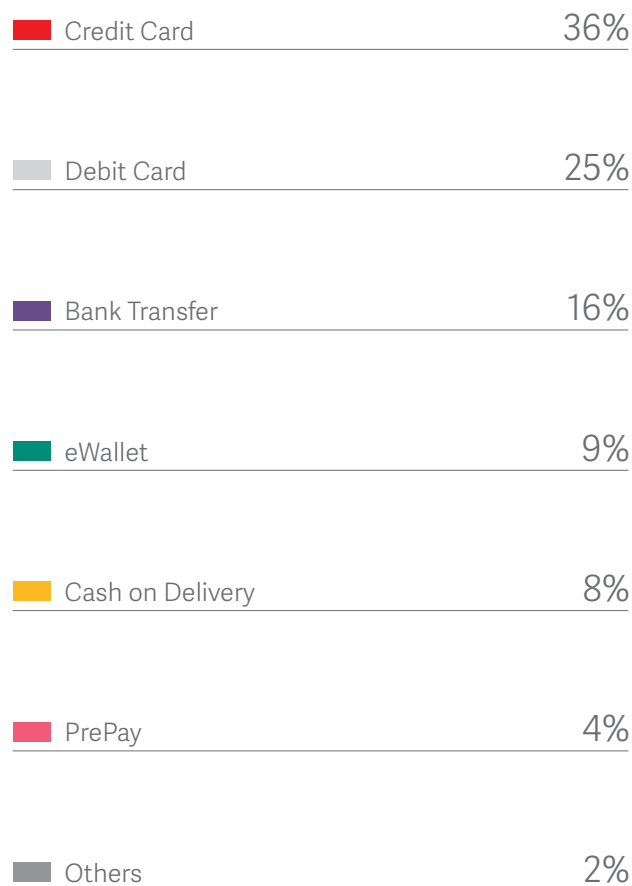
eCommerce mix by payment methods



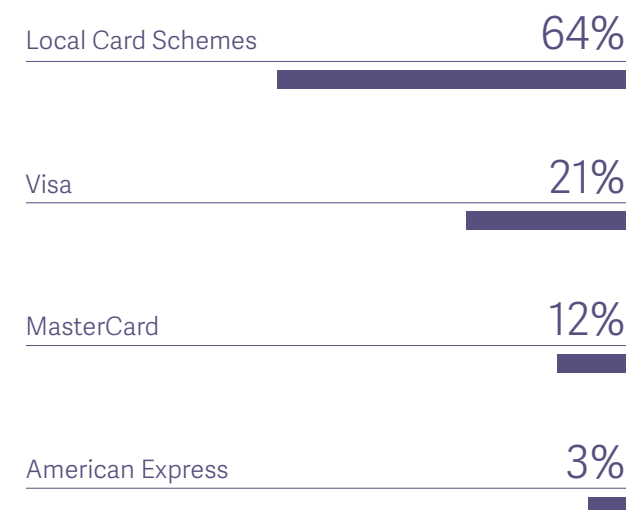
eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$4 bn	US\$3 bn	US\$0.5 bn
2019	US\$6 bn	US\$4 bn	US\$1 bn

11% ▲ 2015-2019 CAGR



Card scheme breakdown



Norway

Strong growth in Norway's eCommerce sector looks set to continue.



With one of the highest Internet penetration levels in the world, as well as a high GDP per capita and exceptionally low income inequality, Norway has a booming eCommerce market. In fact, the market accounts for an even greater proportion of Scandinavian eCommerce than Sweden, with just half the population. This situation looks set to continue, with the Norwegian online retail market growing strongly between 2015-2019.

With 31% of all payments, cards are the preferred method, though this is likely to fall to 26% by 2019. Invoicing and Bank Transfers are also popular, along with eWallets (particularly PayPal). These are expected to play a key role in the increase of alternative payment methods from 69% to 74% of all online payments.



Top tip: Any merchant considering Norway, should offer eWallets (particularly PayPal) as they are extremely popular.

At a glance

5 Million

2014 population

95%

Internet penetration (% of population)

US\$500 bn

2014 GDP

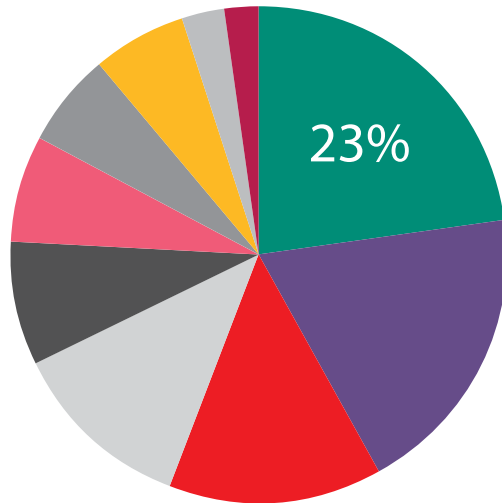
1.17

Mobile subscriptions per capita

Trustly

Popular alternative payment methods

eCommerce mix by payment methods



eWallet	23%
Bank Transfer	19%
Credit Card	14%
Debit Card	12%
eInvoices	8%
PrePay	7%
Others	6%
Cash on Delivery	6%
Charge Card	3%
Pre-Paid Card	2%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$16 bn	US\$14 bn	US\$3 bn
2019	US\$28 bn	US\$19 bn	US\$9 bn

15% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	53%
MasterCard	33%
Local Card Schemes	5%
Discover Financial Services	5%
American Express	4%

Poland

Card use is expected to fall in a market showing good growth.



Although historically behind the European average in the adoption of eCommerce, largely because of low Internet penetration, Poland is now showing good growth and is now one of the stronger online retail markets in Central Europe. The market has particularly strong growth in mCommerce and is expected to increase its mobile sales by almost 600% between 2015-2019.

Credit Cards have a relatively low share of the payment environment, which is dominated by Bank Transfers, though Debit Cards are popular. However, overall card use is likely to fall by some 10% (to 25%) by 2019, as alternative payment methods are expected to grow by the same amount to 76%. Use of cash and eWallets will play a large role in this increase.



Top tip: Online banking is by far the most preferred payment method in Poland. Online Credit Card use is relatively modest in comparison.

At a glance

37 Million

2014 population

63%

Internet penetration (% of population)

US\$547 bn

2014 GDP

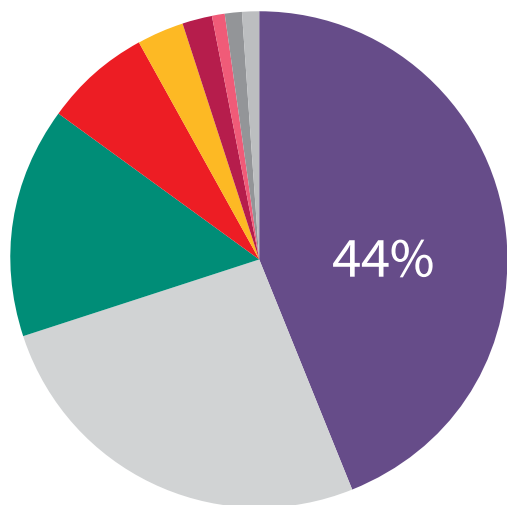
1.56

Mobile subscriptions per capita

Przelewy24 & PayU

Popular alternative payment methods

eCommerce mix by payment methods



Bank Transfer	44%
Debit Card	26%
eWallet	15%
Credit Card	7%
Cash on Delivery	3%
Pre-Paid	2%
PrePay	1%
Others	1%
Charge Card	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$11 bn	US\$10 bn	US\$0.6 bn
2019	US\$16 bn	US\$13 bn	US\$3 bn

11% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	56%
MasterCard	36%
Local Card Schemes	6%
American Express	1%
Discover Financial Services	1%

Portugal

This market is showing signs of growth as consumers begin to recover confidence.



After a period of difficult domestic economic conditions, consumer confidence in Portugal has begun to recover and the general retail market is showing signs of growth. This is clearly evident in mCommerce, where purchases are particularly strong and predicted to grow threefold by 2019 (against a 2015 base).

Although Credit and Debit cards are a popular way of paying, holding a 72% share of the payment market, this usage level is expected to decline significantly by 2019, to 59%. Cash, Bank Transfers and PrePay will all feature in the likely growth of alternative payment methods, to a 41% share of all online payments.



Top tip: As one in five Portuguese cross-border transactions are made from Spanish sites, merchants looking to penetrate the Portuguese market should consider a Spanish language site.

At a glance

10 Million

2014 population

62%

Internet penetration (% of population)

US\$230 bn

2014 GDP

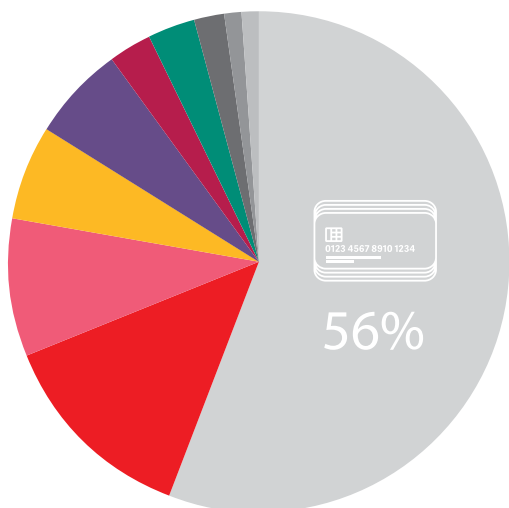
1.12

Mobile subscriptions per capita

Multibanco Bank Transfer & PayPal

Popular alternative payment methods

eCommerce mix by payment methods



Debit Card	56%
Credit Card	13%
PrePay	9%
Cash on Delivery	6%
Bank Transfer	6%
Pre-Paid	3%
eWallet	3%
PostPay	2%
Others	1%
Charge Card	1%

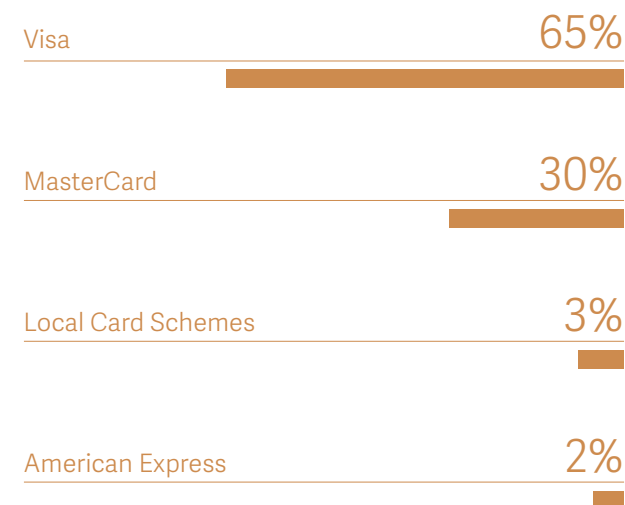
eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$4 bn	US\$4 bn	US\$0.4 bn
2019	US\$7 bn	US\$6 bn	US\$1 bn

13% ▲ 2015-2019 CAGR



Card scheme breakdown



Russia

Mcommerce is particularly strong within a steadily growing market.



Even with a relatively low Internet penetration, Russia has the largest base of Internet users in Europe, indicating room for significant growth in eCommerce. In fact, strong growth has already begun and is set to continue for the next few years. The market also has an exceptionally high smartphone adoption, a trend which is driving a booming mCommerce sector.

For payment, relatively few Russians use Credit Cards, instead preferring Debit Cards, Bank Transfers or cash. The most popular form of payment in Russia are eWallets, particularly Qiwi, WebMoney and Yandex Money. The relative share of cards and alternative payment methods is expected to remain unchanged between 2015-2019, at approximately 50% each.



Top tip: The single most popular form of payment in Russia are eWallets, particularly products such as Qiwi, WebMoney and Yandex.

At a glance

143 Million

2014 population

61%

Internet penetration (% of population)

US\$1.85 tn

2014 GDP

1.5

Mobile subscriptions per capita

Qiwi, Yandex & WebMoney

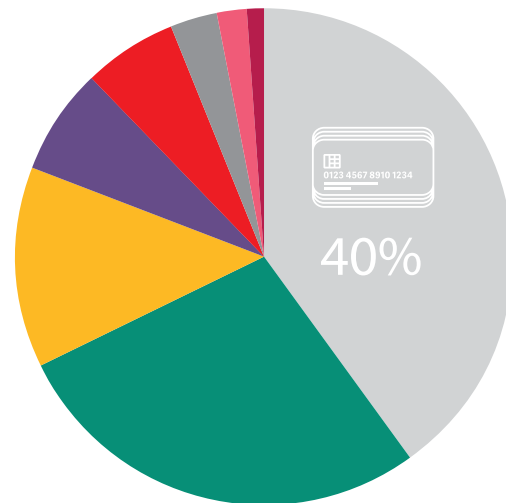
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$28 bn	US\$27 bn	US\$1 bn
2019	US\$55 bn	US\$52 bn	US\$3 bn

19% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Debit Card	40%
eWallet	28%
Cash on Delivery	13%
Bank Transfer	7%
Credit Card	6%
Others	3%
PrePay	2%
Pre-Paid Card	1%



Card scheme breakdown

Visa	61%
MasterCard	36%
Local Card Schemes	2%
Others	1%

Singapore

Alternative payment methods are likely to become more established in a market showing solid growth.



Singapore's urban population and high Internet connectivity have established it as a mature eCommerce market, with high levels of cross-border transactions. Although purchases via desktop are static, the overall eCommerce market is showing solid growth, largely due to of high smartphone penetration and mCommerce.

As many people in Singapore own multiple Credit Cards, it is perhaps natural that cards are, by some margin, the most popular payment method, though online banking and eWallets are not insignificant. The grip of cards, however, is likely to weaken over the next few years, falling by over 10% of market share (to 69%), as alternative payment methods become more established.



Top tip: Merchants do not need a local entity for cross-border transactions and can be paid in SGD or other currencies.

At a glance

5 Million

2014 population

73%

Internet penetration (% of population)

US\$308 bn

2014 GDP

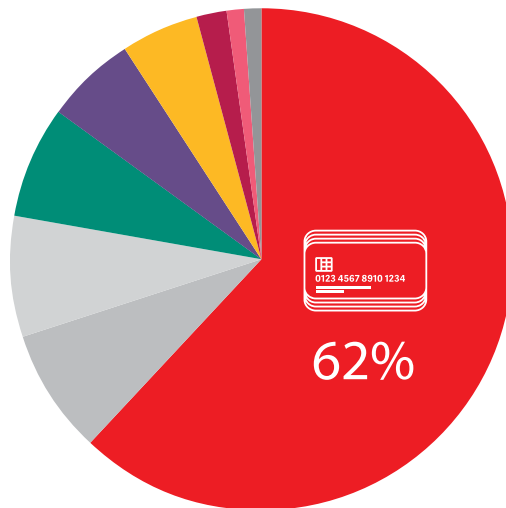
1.58

Mobile subscriptions per capita

eNets & PayPal

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	62%
Charge Card	8%
Debit Card	8%
eWallet	7%
Bank Transfer	6%
Cash on Delivery	5%
Pre-Paid	2%
PrePay	1%
Others	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$3 bn	US\$1 bn	US\$1 bn
2019	US\$4 bn	US\$1 bn	US\$3 bn

11% ▲ 2015-2019 CAGR

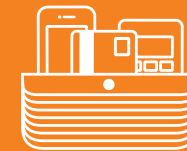


Card scheme breakdown

Visa	54%
American Express	24%
MasterCard	16%
Local Card Schemes	3%
Discover Financial Services	2%
JCB	1%

South Africa

Though in the early stages of growth, South Africa looks likely to become a significant force in eCommerce.



eCommerce penetration in South Africa is still relatively low by global standards, though the market's number of online consumers is expected to nearly double over the next few years, making it a significant force in the region.

One barrier to the growth of online shopping is security, which is why eWallets (particularly PayPal) claim a relatively high share of overall online payments. This is because PayPal does not share financial information with the seller when authorising a transaction. Despite this, Credit Cards claim 40% of online payments, while cards overall have some 57% of the market. This share is expected to fall slightly (to 55%) by 2019.



Top tip: Any merchant considering South Africa should promote security on their website.

At a glance

54 Million

2014 population

49%

Internet penetration (% of population)

US\$350 bn

2014 GDP

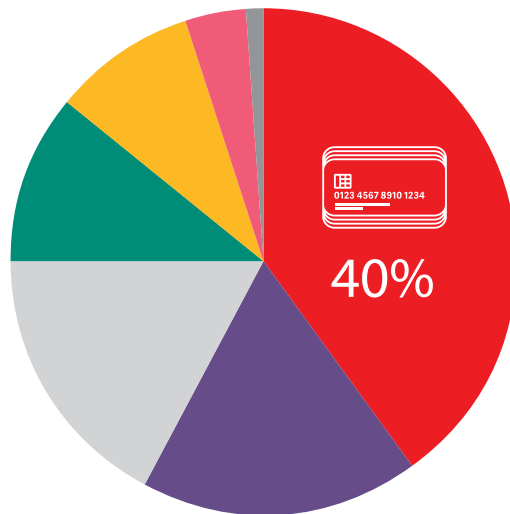
1.5

Mobile subscriptions per capita

PayPal, SID

Popular alternative payment methods

eCommerce mix by payment methods



eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$3 bn	US\$3 bn	US\$0.2 bn
2019	US\$5 bn	US\$4 bn	US\$1 bn

14% ▲ 2015-2019 CAGR

Credit Card	40%
Bank Transfer	18%
Debit Card	17%
eWallet	11%
Cash on Delivery	9%
PrePay	4%
Others	1%



Card scheme breakdown

Visa	64%
MasterCard	31%
American Express	3%
Diners Club	2%

South Korea

The grip of card-based payment methods will loosen, as South Korea's eCommerce market grows slowly but steadily.



After rapid expansion between 2011 and 2014, South Korea's eCommerce is now growing more modestly, though still steadily. Much of this growth is likely to be accounted for by mobile purchases, as the market's highly-connected population increasingly embraces the mobile environment.

Credit Cards (predominantly local) are by far the most common form of payment, with 69% of the market. Cards overall have a share of some 83%. This dominant position will weaken in the period 2015-2019, as alternative payment methods grow from a current 17% of online payments to 27%.



Top tip: Much of South Korea's eCommerce is cross-border and merchants offering these transactions will need a local entity and a bank account for local currency settlement.

At a glance

25 Million

2014 population

85%

Internet penetration (% of population)

US\$1.41 tn

2014 GDP

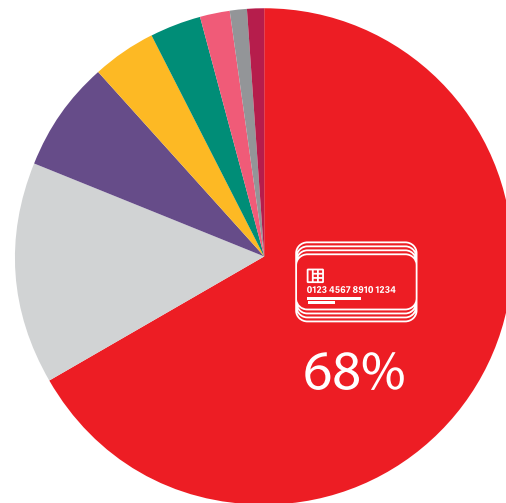
1.16

Mobile subscriptions per capita

Domestic cards & Online Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	68%
Debit Card	14%
Bank Transfer	7%
Cash on Delivery	4%
eWallet	3%
PrePay	2%
Others	1%
Pre-Paid	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$29 bn	US\$18 bn	US\$10 bn
2019	US\$40 bn	US\$21 bn	US\$19 bn

9% ▲ 2015-2019 CAGR



Card scheme breakdown

Local Card Schemes	53%
Visa	27%
Master Card	15%
American Express	2%
JCB	2%
Discover Financial Services	1%

Spain

The high potential of Spain's market has already begun.



Though still recovering from the effects of a financial crisis, Spain's high level of Internet penetration, coupled with widespread consumer enthusiasm for lower prices, indicates an eCommerce market with large potential. That potential has already begun to be realised and overall online retail is growing at a moderate rate, mainly due to a level of mobile activity that will see Spain's mCommerce market more than triple between 2015-2019.

Although card use is high, most of this is debit. Overall card usage is expected fall, from 59% to 39% of all online payments by 2019. By this time, alternative payment methods are likely to comprise some 61% of the market, especially online Bank Transfers, which show particular promise as users become even more confident with eCommerce.



Top tip: Over 60% percent of Spanish online shoppers buy from foreign websites, 90% of these shop within the EU.

At a glance

46 Million

2014 population

71%

Internet penetration (% of population)

US\$1.40 tn

2014 GDP

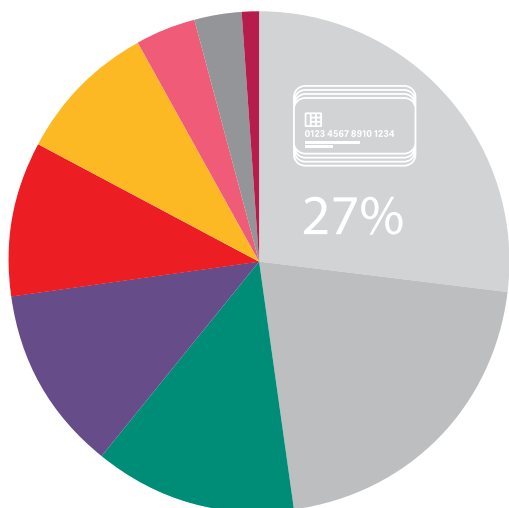
1.08

Mobile subscriptions per capita

PayPal, Sofort Banking & Trustly

Popular alternative payment methods

eCommerce mix by payment methods



Debit Card	27%
Charge Card	21%
eWallet	13%
Bank Transfer	12%
Credit Card	10%
Cash on Delivery	9%
PrePay	4%
Others	3%
Pre-Paid	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$24 bn	US\$22 bn	US\$2 bn
2019	US\$33 bn	US\$28 bn	US\$5 bn

9% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	71%
MasterCard	28%
American Express	0.5%
Local Card Schemes	0.3%
Discover Financial Services	0.2%

Sweden

Sweden is leading the way in open invoice payments, within a context of steady eCommerce growth.



Online purchases accounted for 6.4% of Sweden's total retail sales in 2014 and with one of the world's highest levels of Internet penetration; there is clearly a good foundation for further growth. In fact, the total eCommerce market is expected to almost double over the period 2015-2019, with mobile purchases increasing by nearly 400% in the same period. A high proportion of these purchases were from non-Swedish websites, such as the UK, Germany, China and the US. This trend is likely to continue.

Cards, which comprise 67% of all payments, are the most popular form of payment, though their share of the market is expected to decline by as much as 40% by 2019.



Top tip: Sweden leads the way in open invoice payments, mainly through Klarna, who operate eInvoices, eWallets and Bank Transfers, which handles about 30% of all eCommerce.

At a glance

9 Million

2014 population

95%

Internet penetration (% of population)

US\$570 bn

2014 GDP

1.28

Mobile subscriptions per capita

Klarna, Trustly & Nordea

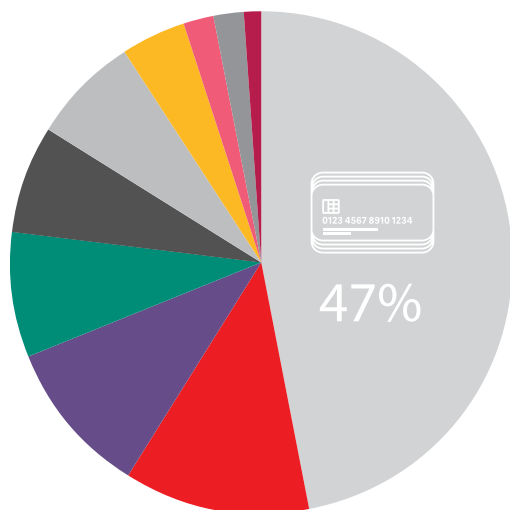
Popular alternative payment methods

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$14 bn	US\$12 bn	US\$2 bn
2019	US\$27 bn	US\$19 bn	US\$8 bn

18% ▲ 2015-2019 CAGR

eCommerce mix by payment methods



Debit Card	47%
Credit Card	12%
Bank Transfer	10%
eWallet	8%
eInvoices	7%
Charge Card	7%
Cash on Delivery	4%
PrePay	2%
Others	2%
Pre-Paid	1%



Card scheme breakdown

Visa	48%
MasterCard	44%
American Express	4%
Discover Financial Service	3%
Local Card Schemes	1%

Taiwan

Smartphone adoption is at the heart of Taiwan's solid eCommerce growth.



Taiwan's eCommerce market is growing steadily, driven mostly by high Internet penetration and widespread smartphone adoption. This growth is expected to be sustained over the next few years.

The market's enthusiasm for mobile technology has encouraged the introduction of several mobile payment initiatives, including systems that allow users to purchase products by scanning QR codes, pay taxi fares and restaurant bills with mobile devices. These initiatives, however, will not instantly alter Taiwan's payments landscape. Cards dominate with 39% of the market – a share which is expected to decrease to 33% by 2019. As in Japan, where cards also dominate, cash payments via convenience stores are popular with Taiwanese residents, though Bank Transfers and eWallets are also significant. By 2019, alternative payment methods are likely to comprise 67% of all online payments.



Top tip: With rapid and widespread smartphone adoption, Taiwan's mCommerce market has massive potential.

At a glance

23 Million

2014 population

N/A

Internet penetration (% of population)

US\$530 bn

2014 GDP

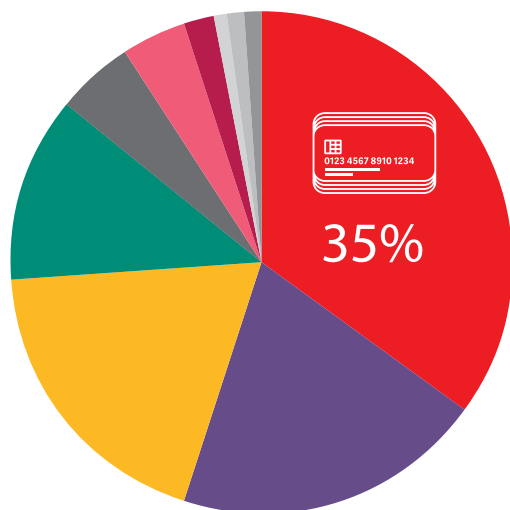
N/A

Mobile subscriptions per capita

Cash on Delivery & Convenience store payment

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	35%
Bank Transfer	20%
Cash on Delivery	19%
eWallet	12%
PostPay	5%
PrePay	4%
Pre-Paid	2%
Debit Card	1%
Charge Card	1%
Others	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$29 bn	US\$25 bn	US\$4 bn
2019	US\$41 bn	US\$33 bn	US\$8 bn

9% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	57%
MasterCard	34%
Local Card Schemes	6%
American Express	2%
JCB	1%

Turkey

A rapidly expanding market dominated by card payments, is showing significant growth in Pre-Paid Cards.



With a young, highly technologically-aware population, Turkey is one of the fastest growing eCommerce markets in the world. However, although online purchases on all platforms are growing rapidly, this is particularly pronounced in the mobile arena, where purchases are expected to quadruple during the period 2015-2019. Cross-border transactions are relatively low but growing. For payments, cards are by far the most popular method with 85% market share, a figure which will decline only slightly (5%) over the next few years.

Alternative payment methods currently have 15% of the market, with Bank Transfers, eWallets and cash all equally popular. Pre-Paid Cards, currently at a low level of usage, are beginning to enjoy higher growth levels.



Top tip: While Credit Cards are highly popular in Turkey, Pre-Paid Cards are enjoying the highest growth in usage.

At a glance

75 Million

2014 population

46%

Internet penetration (% of population)

US\$806 bn

2014 GDP

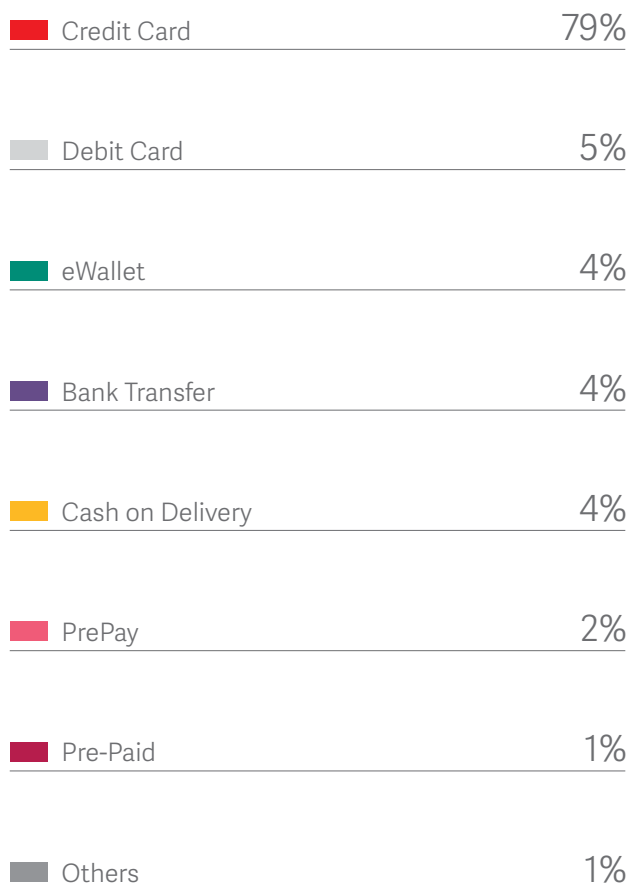
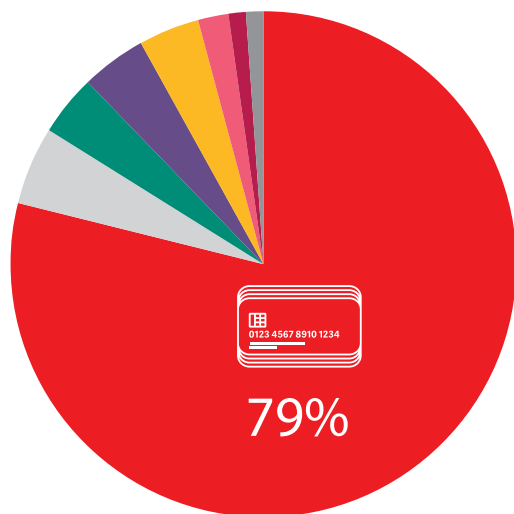
0.95

Mobile subscriptions per capita

Mobil Express, FastPay and WebMoney

Popular alternative payment methods

eCommerce mix by payment methods



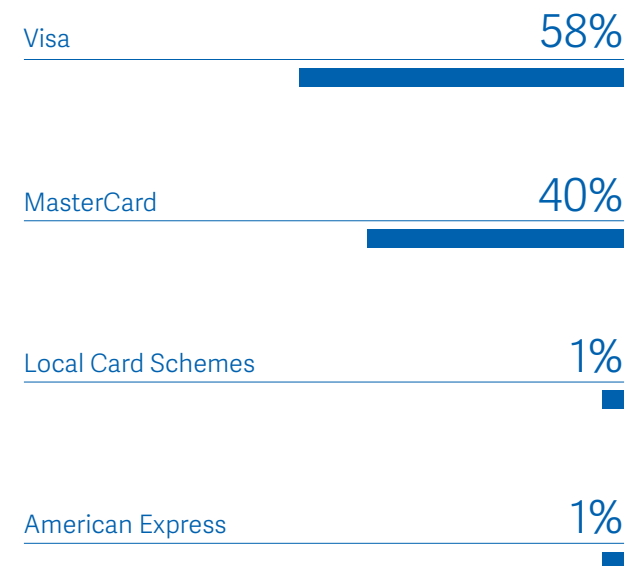
eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$13 bn	US\$13 bn	US\$0.7 bn
2019	US\$41 bn	US\$38 bn	US\$3 bn

33%▲ 2015-2019 CAGR



Card scheme breakdown



UAE

Continued moderate growth is expected, particularly in mCommerce.



With a relatively young median age, the UAE's population is extremely technologically savvy - a fact underscored by high Internet and mobile penetration. Because of this, eCommerce activity is already high and growth is now modest rather than dramatic. Much of this growth is generated from mobile devices.

In terms of payment, cards (credit and debit) are both popular, followed by cash and Bank Transfer, though eWallets also account for a significant share of online settlements. There will be no major shift in the relative share of Credit Cards and alternative payment methods (34% and 66% respectively) during the period 2015-2019.



Top tip: As a large part of UAE consumer spending is from expatriate sources, offering international card brands is an important strategic consideration.

At a glance

9 Million

2014 population

88%

Internet penetration (% of population)

US\$402 bn

2014 GDP

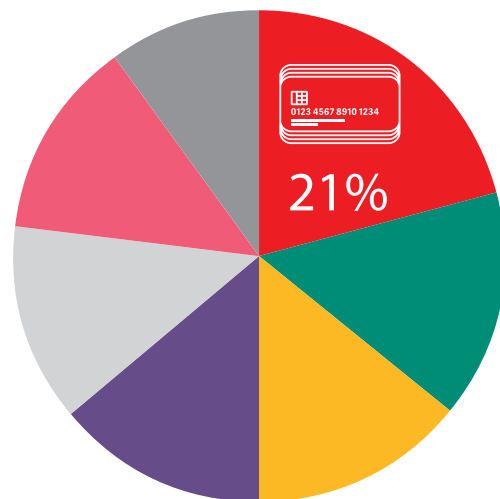
1.09

Mobile subscriptions per capita

CashU & Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$3 bn	US\$2 bn	US\$1 bn
2019	US\$5 bn	US\$2 bn	US\$3 bn

11% ▲ 2015-2019 CAGR

Credit Card	21%
eWallet	15%
Cash on Delivery	14%
Bank Transfer	14%
Debit Card	13%
PrePay	13%
Others	10%



Card scheme breakdown

Visa	57%
MasterCard	39%
American Express	3%
Diners	1%

UK

Despite high eCommerce penetration, the UK's online retail sector continues to grow.



One of the world leaders in e-tail adoption, the UK is very active in terms of both import and export eCommerce and the market is one of the most popular among European online shoppers. As a mature market, with high eCommerce penetration, growth is steady rather than dramatic. Mcommerce is likely to almost double over the next few years.

For payment, Credit and Debit Cards are popular, together comprising 63% of all payments. The use of cards as a whole will fall back to 50% market share by 2019, while alternative payment methods will grow from 37% to 50% of the market in the same period. Of these alternative payment methods, Bank Transfers are significant.



Top tip: The UK's use of eWallet payments is exceptionally high.

At a glance

64 Million

2014 population

90%

Internet penetration (% of population)

US\$2.94 tn

2014 GDP

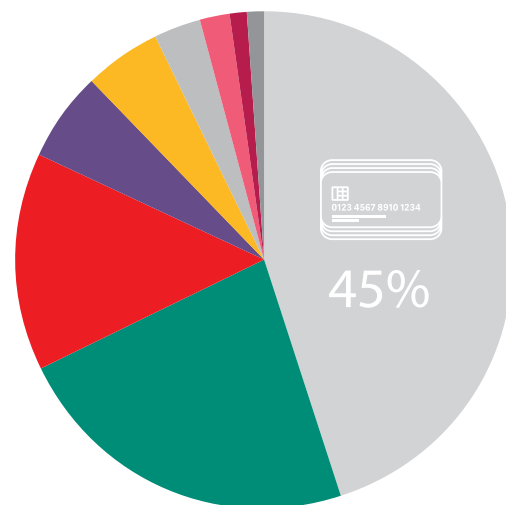
1.24

Mobile subscriptions per capita

PayPal, Apple Pay & Bank Transfer

Popular alternative payment methods

eCommerce mix by payment methods



Debit Card	45%
eWallet	23%
Credit Card	14%
Bank Transfer	6%
Cash on Delivery	5%
Charge Card	3%
PrePay	2%
Pre-Paid	1%
Others	1%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$157 bn	US\$132 bn	US\$24 bn
2019	US\$210 bn	US\$163 bn	US\$47 bn

8% ▲ 2015-2019 CAGR



Card scheme breakdown

Visa	79%
MasterCard	16%
American Express	3%
Local Card Schemes	1%
Discover Financial Services	1%

US

Although the US market is slowing, it is still the world's single largest eCommerce market and is expected to remain buoyant.



With its huge population and high Internet penetration, the US is acknowledged as an eCommerce Super Power. Although its CAGR for the 2015 – 2019 period is forecast to be lower than in the previous period, the market is expected to remain buoyant and show extremely high growth, particularly in mCommerce.

As the vast majority of the US population are Visa/MasterCard holders, it is unsurprising that the payment environment is dominated by cards, with 72% of the market. However, this share is expected to fall to 57% by 2019 as users gain more awareness of and confidence in, alternative methods of payment. eWallets, such as PayPal and Apple Pay, are particularly popular - and growing - form of payment in the US.



Top tip: Although PayPal is popular, its position is threatened by new market entrants such as Apple Pay and Google Wallet. A recent study* showed that PayPal is already losing share to these solutions.

* 451 Research, 2015

At a glance

318 Million

2014 population

84%

Internet penetration (% of population)

US\$17.41 tn

2014 GDP

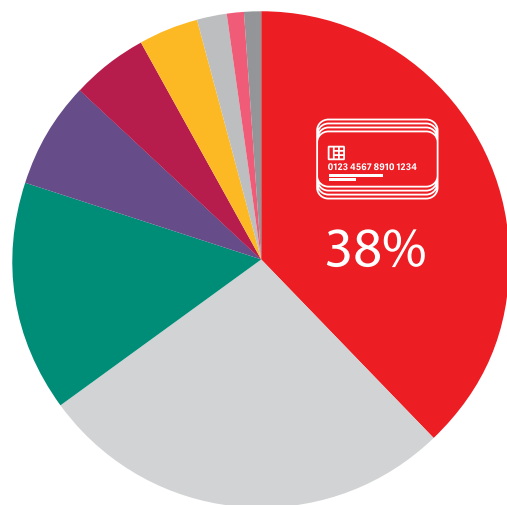
0.98

Mobile subscriptions per capita

PayPal & ACH

Popular alternative payment methods

eCommerce mix by payment methods



Credit Card	38%
Debit Card	27%
eWallet	15%
Bank Transfer	7%
Pre-Paid	5%
Cash on Delivery	4%
Charge Card	2%
PrePay	1%
Others	1%



Card scheme breakdown

Visa	53%
MasterCard	24%
American Express	15%
Local Card Schemes	5%
Discover Financial Services	3%

eCommerce projected growth

	eCommerce turnover	Desktop	Mobile
2015	US\$312 bn	US\$261 bn	US\$51 bn
2019	US\$536 bn	US\$424 bn	US\$112 bn

14% ▲ 2015-2019 CAGR

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