

2024 Global Ecommerce Report

The Changing World of Payments



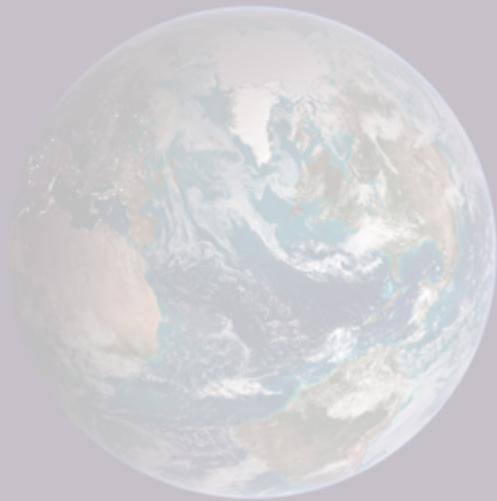
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Introduction

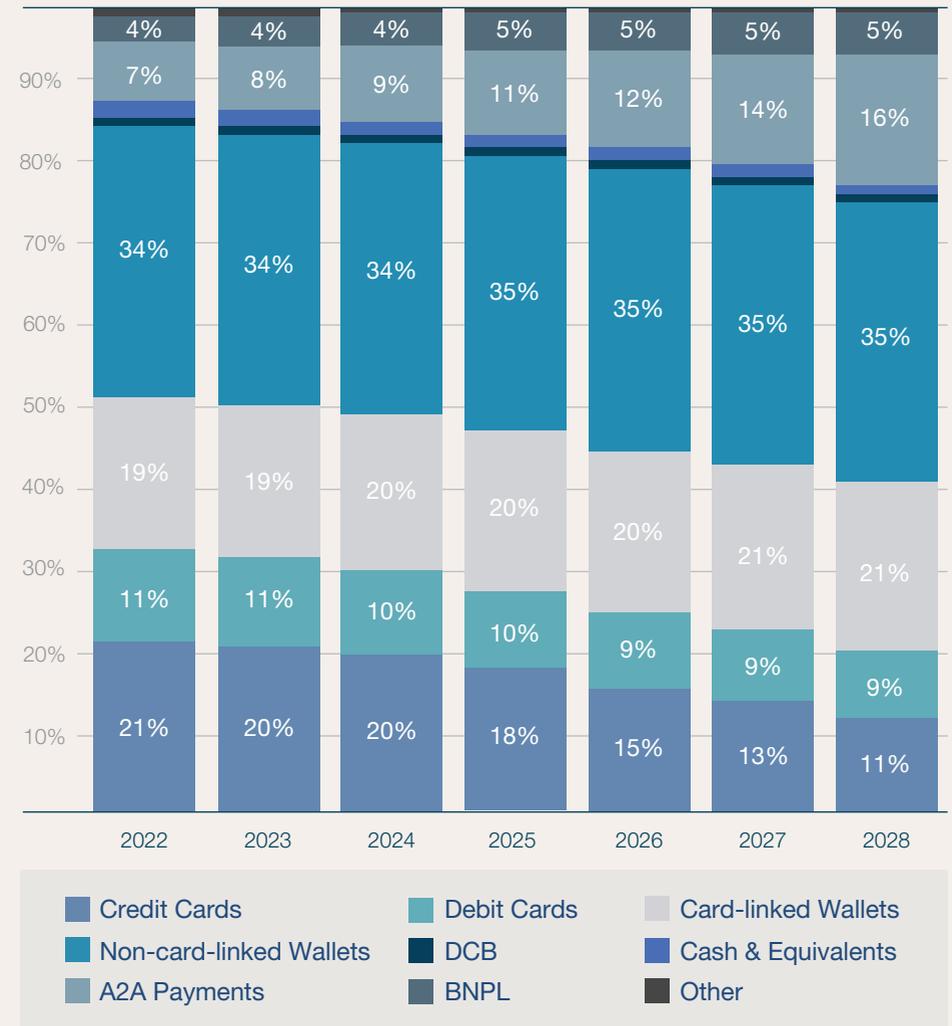
Many global businesses find themselves reacting to the rapidly evolving payments landscape instead of proactively planning their payments acceptance strategy – this leaves them at risk of competitive disadvantage. The 2024 Global Ecommerce Report, produced in collaboration with Juniper Research, analyses data from 37 major markets, highlighting global, regional and country specific trends. The Report’s detailed assessment and forecasts will enable you to prepare effectively for the future of ecommerce payments.

The report highlights that against a backdrop of continued strong growth in ecommerce, the global card schemes continue to lose share of checkout to regional and local payment methods such as digital wallets, account-to-account payments, carrier billing and BNPL offerings. This is a trend seen at an aggregate global level but also repeated in every region across the world.



Merchants need to embrace the growing dominance of these local payment methods, by making intelligent payment acceptance choices, giving their customers the freedom to pay the way they want to pay. By recognizing and respecting regional payment preferences, merchants not only ensure transaction growth, but also forge lasting relationships with their consumer base – a win-win in an otherwise challenging market.

Ecommerce Share of Checkout by Payment Methods (Value %), Global



The growing domination of local payment methods comes hand in hand with an inevitable increase in diversity and complexity of the ecosystem, characterized by:

- the continued proliferation of new LPM offerings to meet the needs of consumers (valuing security, convenience and rewards), merchants (looking to acquire new customers, lower fees, and explore new functionality) and governments/regulators (focused on sovereignty of payments infrastructure and creating 'healthier' ecosystems).
- at the same time, we are seeing signs of convergence that blurs the traditional boundaries between different categories of digital payments. Examples include A2A schemes adding BNPL options and digital wallets issuing debit cards.

It is vital that merchants have the tools to understand the evolving landscape and plan acceptance strategies – no business can afford to be complacent in this dynamic ecosystem.

We hope this report is of assistance on that journey.

To learn more about Boku and our global network of localized payment solutions please visit us at www.boku.com

Opinion: Are Local Payment Methods Making Visa and Mastercard Irrelevant?

Mastercard and Visa have dominated payments, particularly in Western markets, and their size and impact has been drastic, shaping the way people pay across much of the world.

However, the way global payment trends are evolving threatens to make these schemes increasingly less relevant with card's share of ecommerce transaction volume declining from 41% in 2023 to 30% in 2028.

Local payment methods will represent 59% of ecommerce transactions by value in 2028, from 49% in 2023, accounting for a majority of transaction value online for the first time. This is in the context of over 65% forecast growth in the value of ecommerce expected over the same period.



Every country is unique with different local conditions, user preferences and payment methods. Merchants who operate internationally must leverage a differentiated strategy.

– ADAM LEE,
CHIEF PRODUCT OFFICER

There are multiple ways in which Visa and Mastercard are being challenged by local payment methods:

1. Legacy Tech Can't Keep Pace With Local Methods

- Developments at a local level mean that the starting point for access to services isn't always banks, such as with mobile money services in Africa.
- Local payment methods increasingly offer a better user experience which is tailored to local requirements.
- Local payment methods also typically have biometric security built in, leading to quantifiable improvements in fraud performance versus cards.

These issues create a massive opportunity for digital wallets and A2A payments in particular, with A2A and non-card-linked wallets to account for over 50% of ecommerce transaction value globally by 2028

2. A Uniform Approach to Payments is Flawed

One size doesn't fit all – cards have a blanket approach, which does not work for all local experiences and payment scenarios.

- Local conditions and requirements can't be met with a single solution
- In emerging markets, banks cannot provide the reach needed to onboard users
- Local nuances and cultural differences are too strong for a single solution to work.
- Cards were fundamentally built for physical payments, meaning their ecommerce usage is compromised.
- LPMs offer a much more convincing user experience.

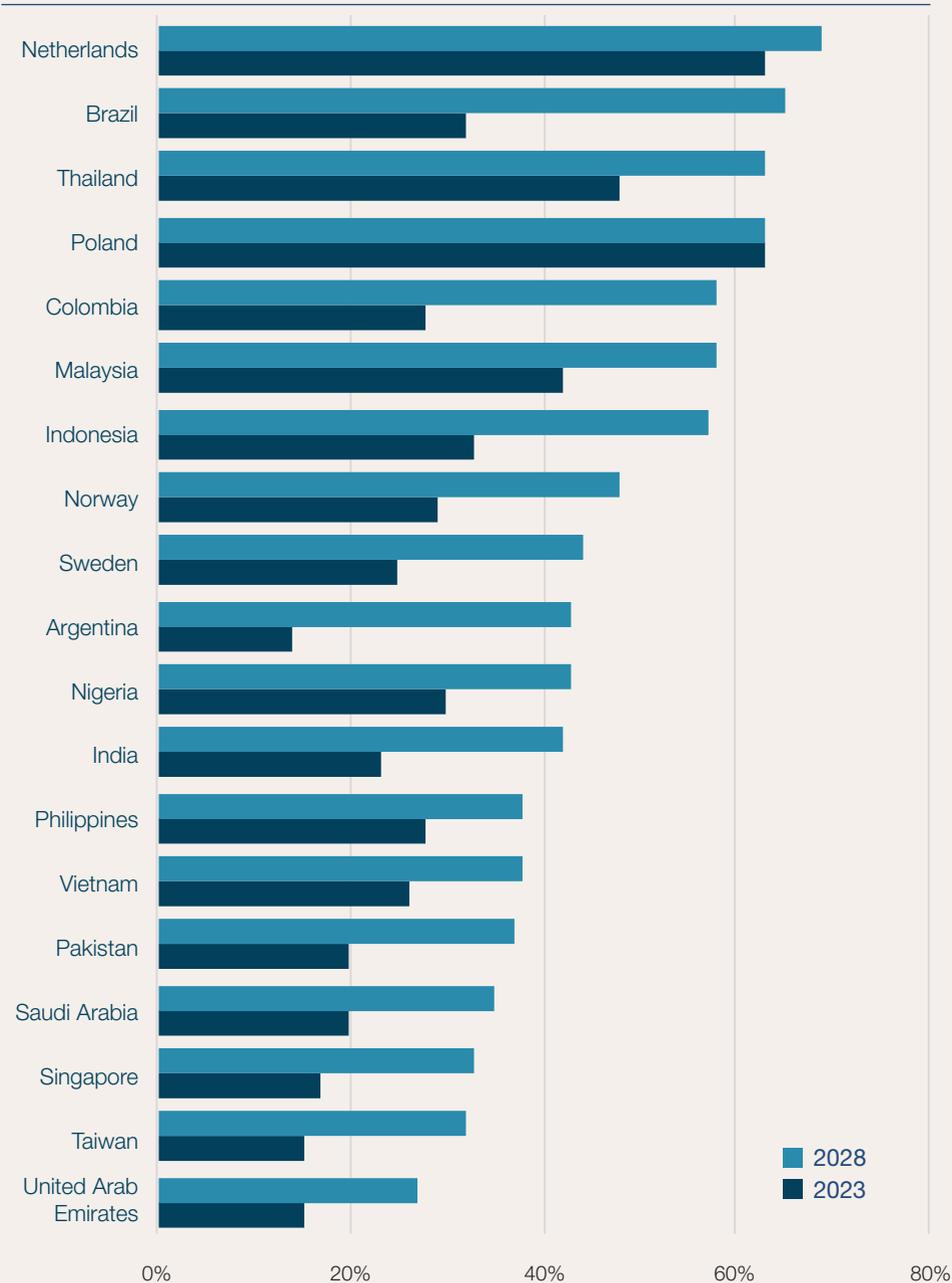
By offering a more tailored experience, LPMs will benefit greatly. A2A payments will double as a proportion of ecommerce transaction value globally between 2023 and 2028, reaching 16%.

3. Sovereignty of Payments Systems

Governments and regulators want greater oversight of how payments are made.

- Governments and regulators are pushing against foreign organisations owning the supply of money, warning of systemic risks and limited control of services.

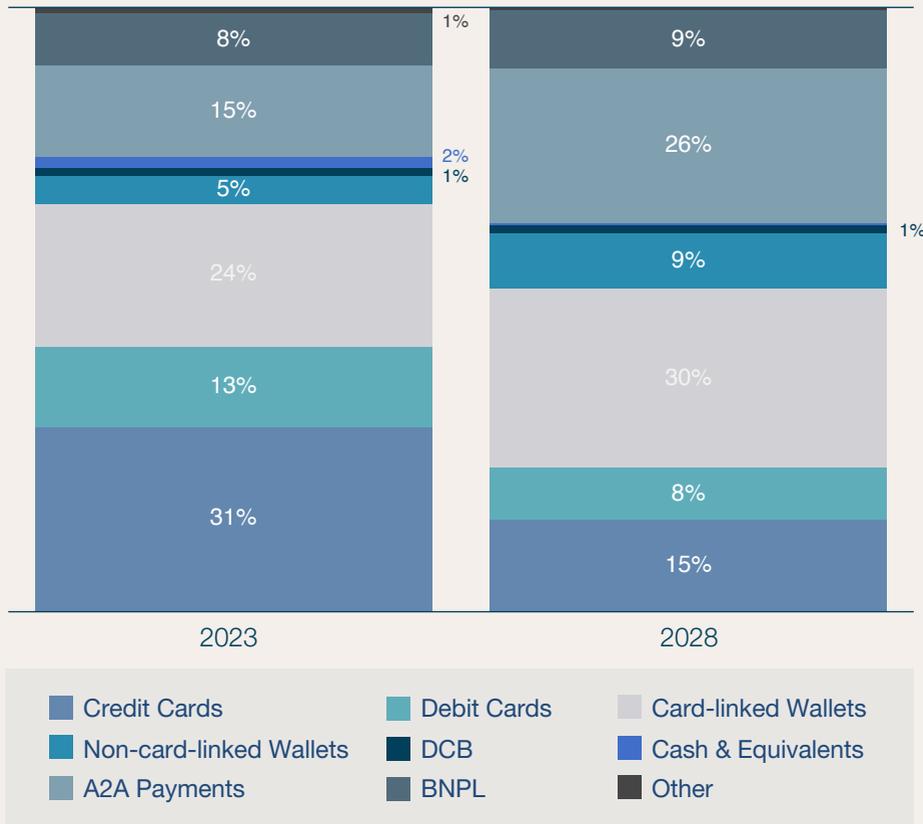
A2A ecommerce share of checkout by value, select markets, (%)



- ▶ Demonetization and taxation issues are being caught up in this debate, intensifying regulatory concern
- ▶ Local card schemes are one solution to this, and these schemes will see more robust ongoing card usage than other markets.
- ▶ A2A and local digital wallets will be the preferred mechanisms for the transition away from cash and the informal economy.

As a market concerned with this issue, Europe in particular will see a dramatic shift away from cards, with the proportion of ecommerce transaction value featuring cards dropping from 44% in 2023 to just 23% in 2028.

Ecommerce Checkout Value %, Europe



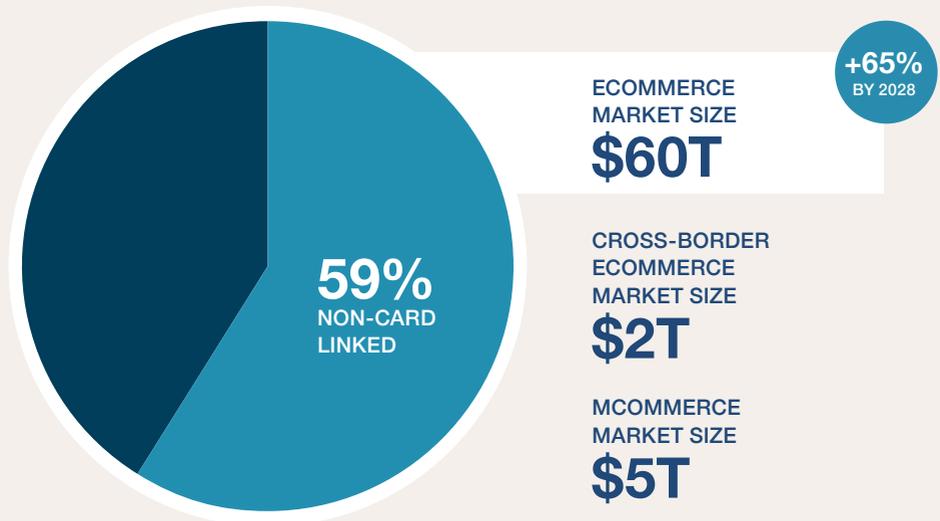
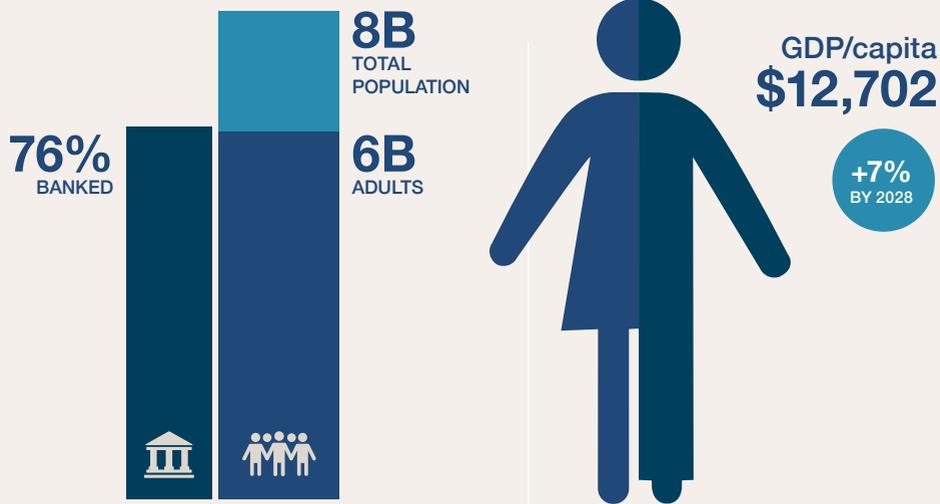
The landscape of the payments industry is marked by intense competition, with emerging contenders such as local fintech startups and alternative payment mechanisms potentially gaining prominence.

Local payment methods play a pivotal role in empowering individuals, enterprises, and communities in developing nations by furnishing them with accessible, cost-effective, and culturally resonant financial solutions.

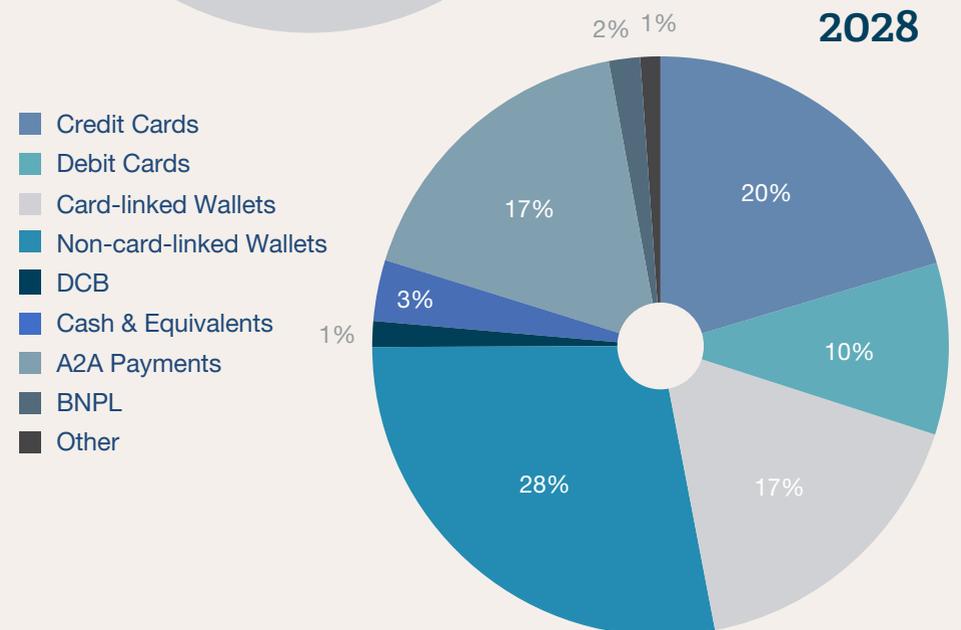
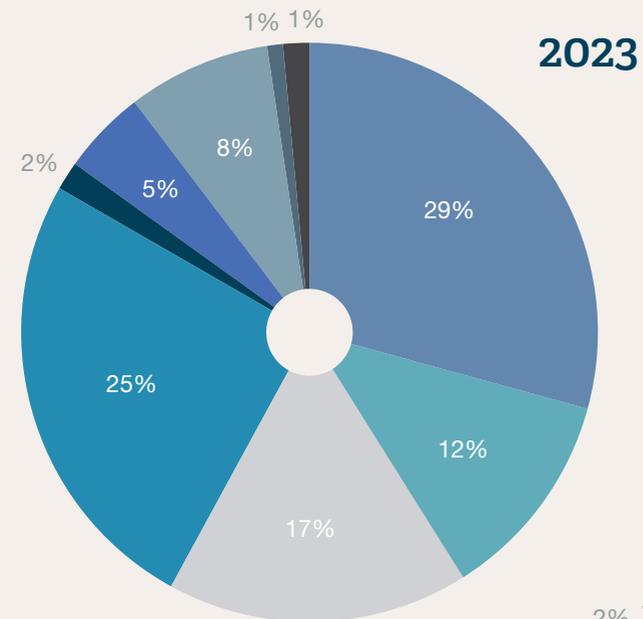
In conclusion, while cards may not hold the same ubiquity or indispensability as they once did, they will co-exist with local payment methods and will no doubt adapt and change.

Global

Key Market Statistics – 2023



Global ecommerce checkout volume %



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other

Key Takeaways

A2A Payments Gaining Enormous Traction, with Share of Volume and Value of Ecommerce Transactions Set to Double by 2028

- A2A payments will have the strongest growth of any payment method within ecommerce by 2028.
- A2A payments will account for 17% of all ecommerce transactions by volume by 2028 globally, from 8% in 2023, growth of over 115%. This increase is also reflected in value terms, with the value of ecommerce payments that is via A2A set to grow from 8% in 2023 to 16% in 2028.
- A2A payments are unlocking digital payments for many new users. Across the sentiment surveys we conducted, A2A payments were frequently the most popular local payment method, for example PIX in Brazil. It is this growth in the penetration of ecommerce, coupled with the easy access that A2A payment schemes provide, that will usher A2A payments into an increasingly important role.

Cards Playing a Smaller Role, as Local Payment Methods Get Greater Traction

- Cards will account for 30% of ecommerce transactions by volume in 2028, from 41% in 2023. A similar fall will be seen in value terms, from 31% in 2023, to 20% in 2028.
- While cards play an important role and can provide fairly universal access to ecommerce, they also have challenges, particularly in emerging markets, where cards are not widely adopted.
- Cards also have implications for merchants, particularly on cost grounds, which can be a major stumbling block.
- However, much of the reduction in direct card usage will be offset by growth in card-linked wallets, particularly in developed markets, where Apple Pay and Google Pay have strong traction.

Digital Wallets Enjoying Success, Spurred On By Transition from Direct Card Use to Card-linked Wallets

- Digital wallets as a whole will account for almost 56% of transaction values within ecommerce by 2028, showing a remarkable position within the market.

- Non-card linked wallets are also benefiting from the rise of A2A payments, with many wallet services being able to leverage centralized payment rails, such as PIX or UPI, showing that the lines are increasingly blurring between categories.

Direct Carrier Billing Has Strong Reach, Creating Opportunities for Merchants

- In terms of reach, direct carrier billing has an impressive depth within different markets, with services expected to reach 13% of the global population by 2028.
- Direct Carrier Billing is used as a payment method at checkout by 13% of the global population every month.



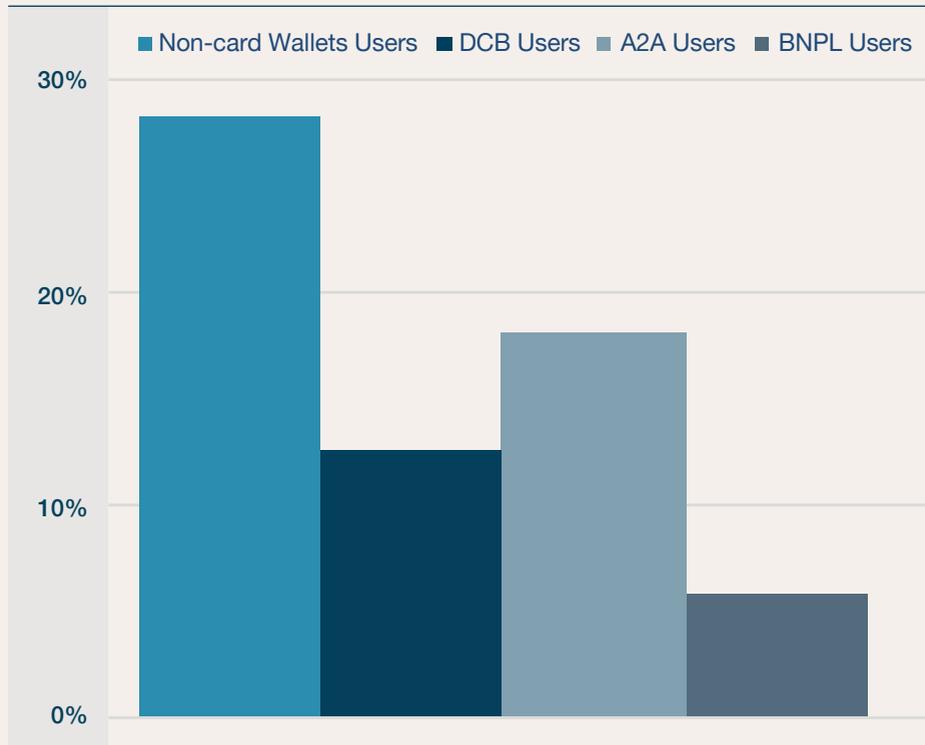
Fundamentally, this study shows that merchants must choose the right payment methods, and right partners, in their markets to capitalize on ecommerce growth.

– **MARK STANNARD,**
CHIEF BUSINESS OFFICER



- ▶ However, despite this reach, it represents a much smaller proportion of ecommerce volume and value, as a result of its strong adoption for specific use cases, rather than widespread ecommerce use. On average, carrier billing is only used around 4 times per year by a user globally, compared to over 30 for non-card wallet users.
- ▶ Given its broad reach, and user friendly nature, carrier billing is effective but underutilized by merchants in part due to the higher costs and slower settlement speeds compared to other payment options.

Total commerce monthly active users – Global



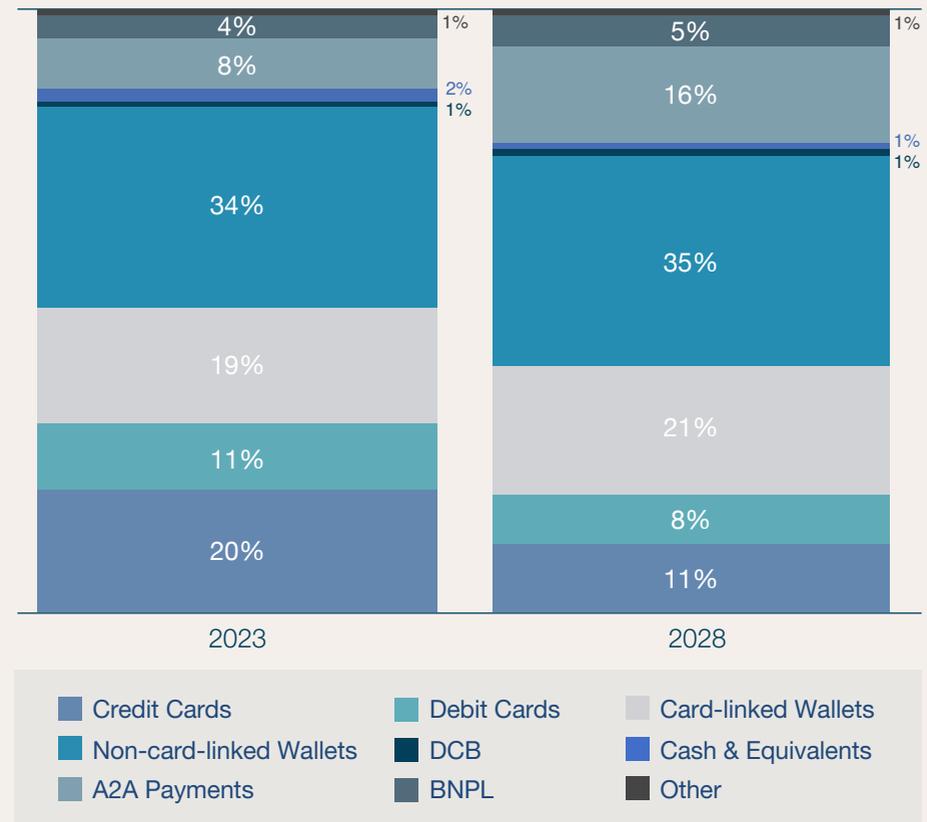
Cash on Delivery Use Declining, But Still Critical In Some Use Cases and Markets

- ▶ Cash on delivery (and other cash equivalents) use is forecast to decline through to 2028, as more digital payment methods take up the task of growing the ecommerce sector.

Fundamentally, while cash on delivery is basic, it does provide an accessibility that other payment methods cannot match, and it is still expected to account for 3.4% of ecommerce transactions by volume in 2028.

Therefore, we expect that cash will endure in a more niche role for some time, as markets adopt digital payments.

Ecommerce checkout value % – Global



Key Data

- Local payment methods will reach 58% of all ecommerce transaction value globally by 2028, reflecting a major shift within the ecommerce payments market.
- By 2028, almost 37% of all individuals globally will actively use local payment methods, reflecting massive growth and expansion of the ecommerce market across the world.
- Card values will decline to 20% of transaction value by 2028, from 31% in 2023, reflecting a major shift as the ecommerce market expands.
- BNPL is steadily growing its share of ecommerce values, from 4% in 2023 to 5% in 2028, reflecting steady progress outside of key, already highly saturated markets, such as Australia, Germany and Sweden.
- A2A payments are seeing strong growth, from 8% of ecommerce spend in 2023 to 16% in 2028, a dramatic increase, reflecting major shifts in this market.

What Merchants Need To Know

Merchants face an incredibly complex market for ecommerce payments globally. As such, it is important to focus on a few common themes:

Choice is key: In many of our surveyed countries, a key finding was that ecommerce users leverage multiple payment methods, such as India, where the average was 4.8 payment methods used online in the last month per user. As such, offering one method will never work for merchants – they have to offer a mixture.

Country markets are very different: Throughout this report, there are many different variances between markets, with user preferences and local payment methods taking very different forms. As such, a universal, one-size-fits-all approach is not suitable. Merchants who operate internationally must leverage a differentiated strategy.

User experience is critical: From the user point of view, in many cases the payment types are free to use. As such, cost is not a key differentiator for users, unlike for merchants, where cost of acceptance is a critical issue. Therefore, the battleground is user experience – offering the acceptance channels users want is vital to conversion, and ensuring that barriers to conversion are as low as possible can make the difference between success and failure.

This study shows that merchants must choose the right payment methods in their markets to capitalize on ecommerce growth. Failure to adapt to the evolving payment landscape with an effective acceptance strategy will leave them exposed to competition from newer, more agile merchants.

Methodology

Ecommerce Payment Methods – Survey and Forecast Methodology and Definitions

Survey Methodology

Juniper Research conducted an online survey of 750 ecommerce payments users in each of the following countries (10,500 in total):

- Brazil
- China
- Colombia
- India
- Indonesia
- Japan
- Malaysia
- Nigeria
- Philippines
- Saudi Arabia
- South Korea
- Taiwan
- Thailand
- Vietnam

The respondents were incentivized for their participation. The results were not weighted.

The results are presented with a $\pm 3\%$ margin of error at the 95% confidence level.

Many of the survey results are presented from the perspective on local payments users. Local payments users were identified as a subset of the respondents by identifying those respondents that had selected a greater number of local payment methods that they were using at least once a month than the number of card and card-linked methods they selected. This allows for a deeper understanding of local payment preferences in the surveyed markets.

Forecast Methodology

The forecasts use data gathered from a number of Juniper Research's Fintech and Payment research suites. The forecasts and datasets are updated on a quarterly basis; including the following data sets:

- Ecommerce Payments
- Digital Wallets
- Mobile Money in Emerging Markets
- Direct Carrier Billing
- Instant Payments.

These individual datasets enabled us to build a model including the various different payment methods included within this report, based on a robust, bottom up methodology for each payment method involved.

Data sources that input into our model includes regulator datasets that are regularly published, disclosures from vendors, and our own proprietary databases.

Within ecommerce payments, we include the following two categories:

- Physical goods: This includes any physical item ordered via an ecommerce service.
- Digital goods and services: This includes digital services, such as one-off purchases or subscriptions to digital content.

Definitions

We have used the following definitions in this report:

- **Account to Account Payments (A2A)** – a payment method that enables users to transfer money from their account to the account of a second party. This is used synonymously with bank transfer or instant payment in many markets. Examples would include PIX in Brazil, UPI in India, or iDEAL in the Netherlands.
- **BNPL (Buy Now Pay Later)** – BNPL is to break a purchase into multiple installments over a short period, typically over 3-4 months, and typically without any direct charges unless there are late payment fees incurred. Examples would include Klarna and Clearpay.

- **Card linked wallet** – a digital wallet that only acts as a direct proxy for a payment card, rather than having the capability to store a value. Examples would include Apple Pay and Google Pay (except within India).
- **Cash Agents and Equivalents** - includes cash on delivery and other cash based voucher payments.
- **Direct Carried Billing (DCB)** - DCB allows users to make purchases directly charged to their mobile phone bill or prepaid balance.
- **Non-card linked wallet** – a digital wallet that is not necessarily linked to a payment card, and can typically hold stored value. Examples would include mobile money services such as M-PESA or MTN MoMo.
- **Other** – this is a term which encompasses any payment method that is not elsewhere classified. This could include prepaid cards, and other available services not named elsewhere.

For the graphs that display the total user base for each local payment method versus the average monthly ecommerce transactions, we define active users as any account that is used at least once every 90 days. For the total user base for each local payments method, the user base is for use across all payments, including in-store and P2P payments. This can highlight cases where a popular payment method is used much more widely in the population for use cases other than ecommerce, and can show which user bases are most active.



Juniper Research provides over 6 million market statistics across 60 key countries, 8 key regions and more than 90 Fintech, Telco and IoT sectors.

Key Juniper customers are American Express, Disney, Google, MasterCard, Visa, Vodafone and many more

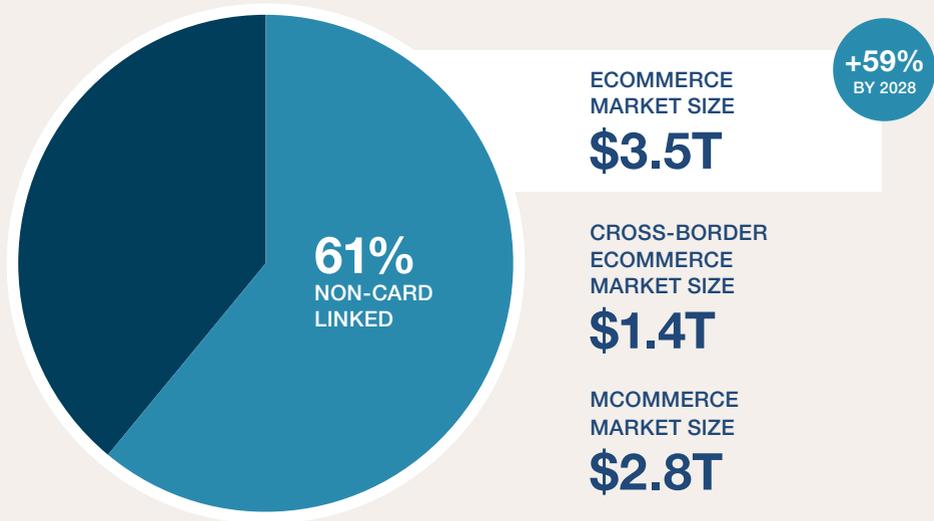
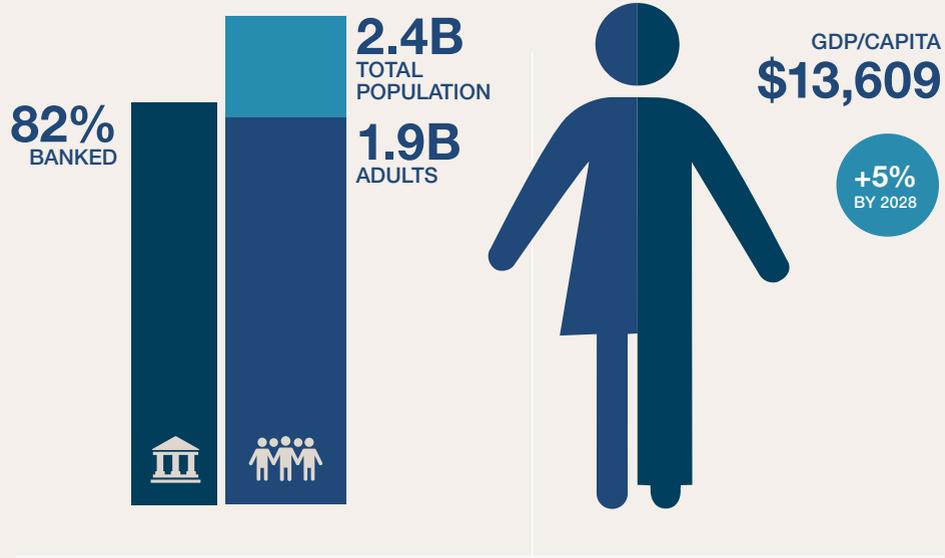
All satellite images courtesy of NASA - Visible Earth

A satellite image of the Asia Pacific region, showing the continent of Asia and the surrounding Pacific Ocean. The text 'Asia Pacific' is overlaid in large, white, bold, sans-serif font with a blue outline, centered over the landmasses.

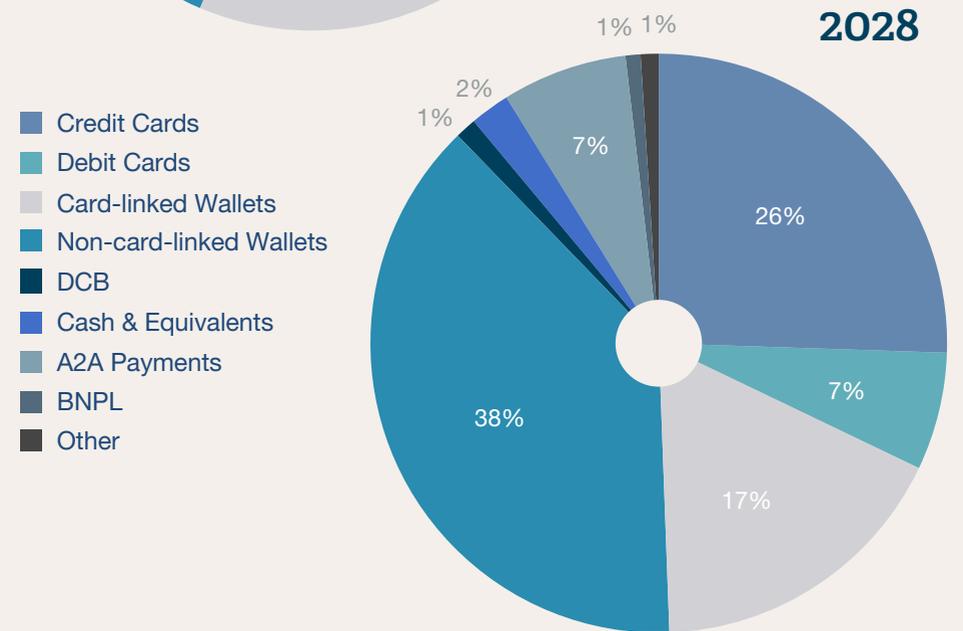
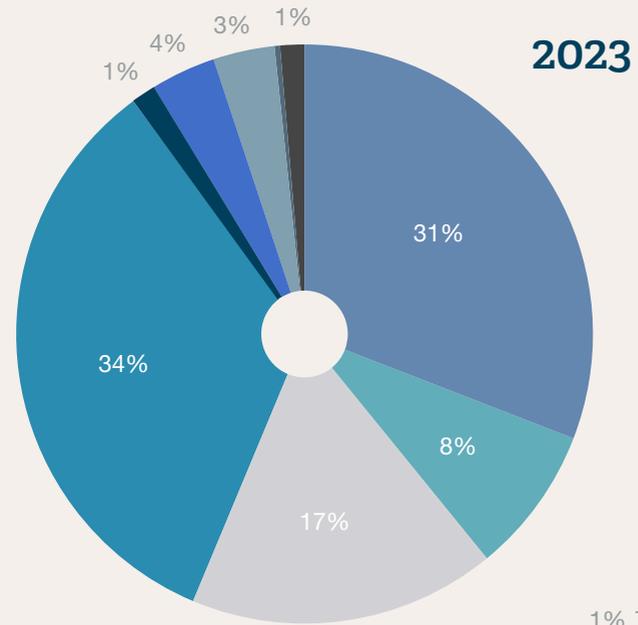
Asia Pacific

Asia Pacific

Key Market Statistics – 2023



Ecommerce checkout volume % - Asia Pacific



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other

Key Takeaways

Digital Wallets to Continue to Dominate in Asia Pacific

- Digital wallets, predominantly non-card-linked, will continue to grow at a steady pace, from 71% of ecommerce transaction value in 2023, to 73% in 2028.
- Digital wallets are so well established in China particular, leaving minimal scope for any other type of payment method. However, outside of China, the prospects for other payment methods are better, with A2A for example having an important role to play in markets such as Thailand and Vietnam.



APAC really is the home of payment innovation and consumer adoption. Digital wallets and national A2A initiatives are getting strong traction, with SuperApps drawing particular merchant interest.

- LOKE HWEE, VP AND GM, APAC



- Super apps in particular are having a major impact driving growth. These apps also prominently support BNPL services, although this will be reported within their overall payments traffic.
- As such, getting payments strategies right in Asia Pacific means understanding which methods work best where, and creating a nuanced acceptance strategy that reflects these differences.

Strong Differences Between Markets in Terms of Loyalty to Payment Methods

- The markets in Asia Pacific, where surveyed, showed marked differences in terms of how willing users were to change the payment methods they used online.
- Indonesia has the highest proportion of respondents who would consider changing services, at 84%, with Thailand, Malaysia, Taiwan, the Philippines, and Vietnam all having over 75% of respondents willing to change services.
- By contrast, Japan and South Korea were much more settled, at only around 50% of respondents being willing to change services.
- These differences show that there is much scope for innovation within this region, but it means choosing the right markets, where users are more willing to change.

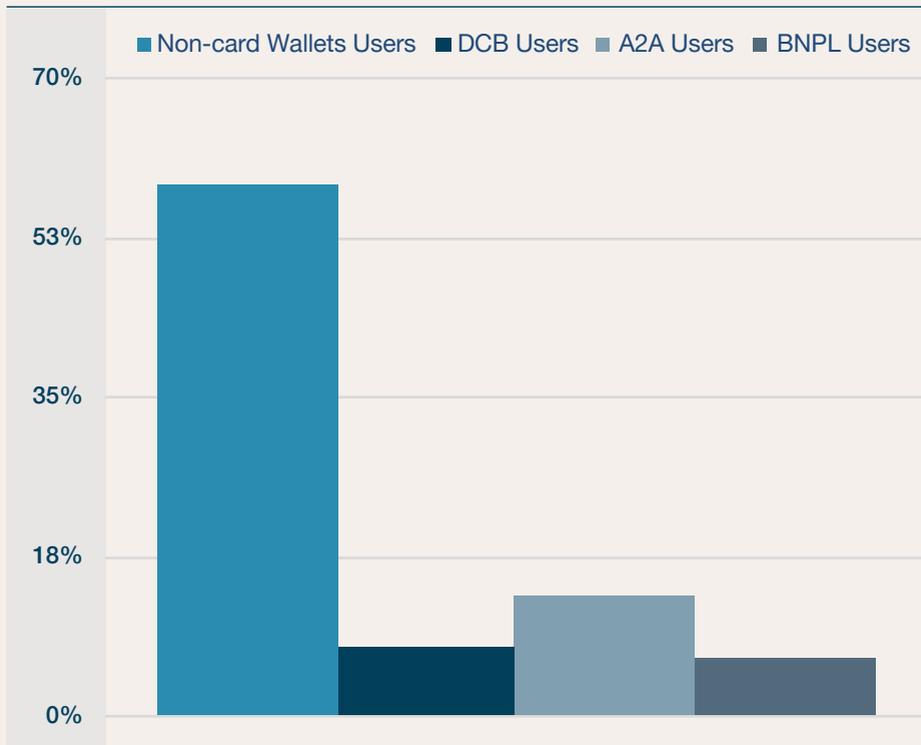
BNPL Expected to Grow Strongly, However will Still Have Very Little Share in Regards to Transaction Volume

- The number of BNPL users is anticipated to increase 170% between 2023 and 2028, rising from 154.1 million users to 416.7 million users. This increase in BNPL will be due to changeable economic circumstances, as well as greater support by merchants.
- In Asia Pacific, the share of BNPL will grow from 1% of ecommerce transaction value in 2023, to 2% in 2028.

A2A Payments Outpacing Rest of Market in Asia Pacific

- A2A payments will grow quickly in the region, from 4% of ecommerce transaction value in 2023, to 8% in 2028.
- Specific A2A initiatives, such as PromptPay in Thailand, PayNow in Singapore and PayTo in Australia have shown very strong growth trajectories.
- In future, Project Nexus, a cross-border interoperability scheme, will see easier use of A2A payments across Asia Pacific, driving up adoption and usage.
- This rise of A2A payments is a consistent trajectory outside of China and Japan in Asia Pacific, and reflects a sustained shift in this market, as user preferences change, and payment types evolve to provide greater accessibility to ecommerce for newer users.

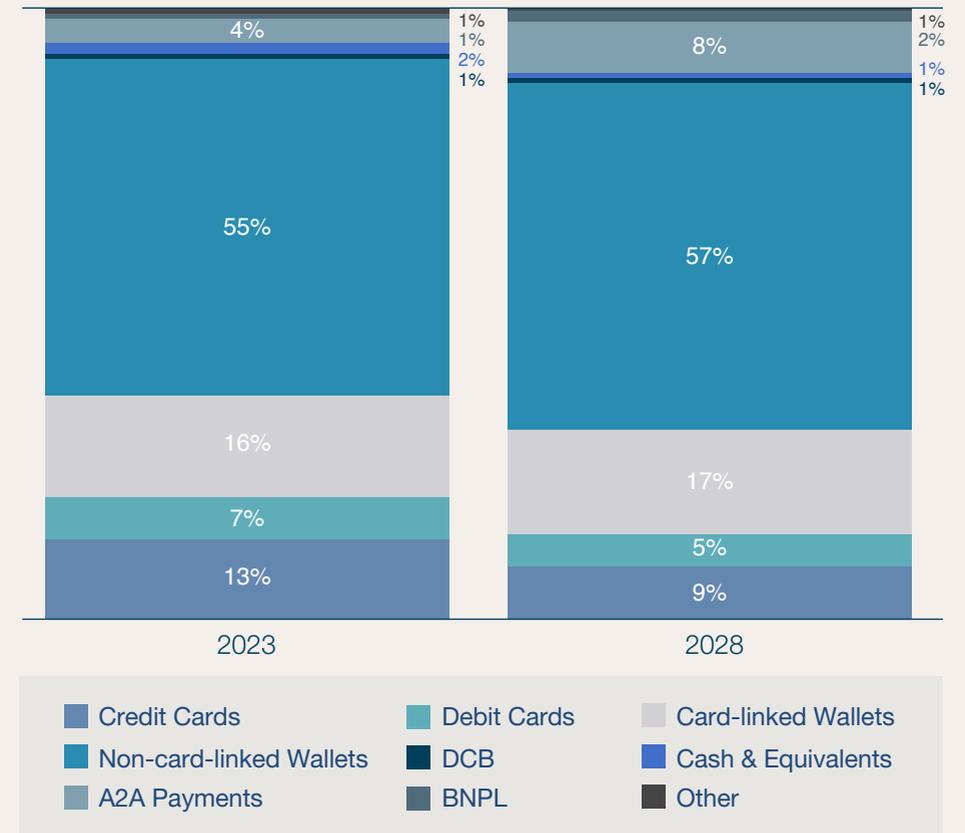
Total commerce monthly active users – Asia Pacific



What This Means for Merchants

Fundamentally, Asia Pacific payment requirements are changing quickly. While card payments are still going to remain significant (representing around a third of ecommerce payments by volume in 2028), local payment methods will continue to go from strength to strength. As such, merchants must expand their acceptance strategies to match these changing customer preferences.

Ecommerce checkout value % - Asia Pacific



Key Data

Local payment methods, particularly non-card-linked wallets in China will continue to dominate, with other methods, such as A2A, also growing their share in the rest of the region.

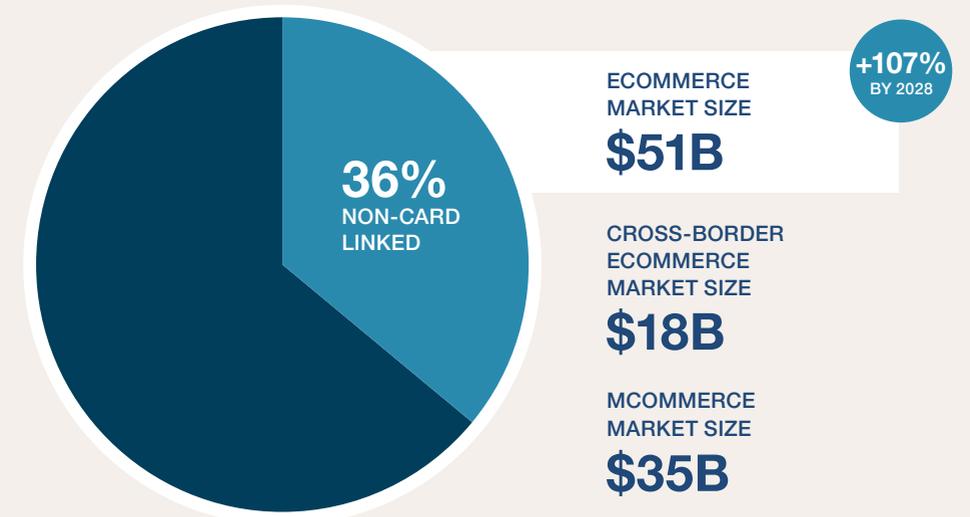
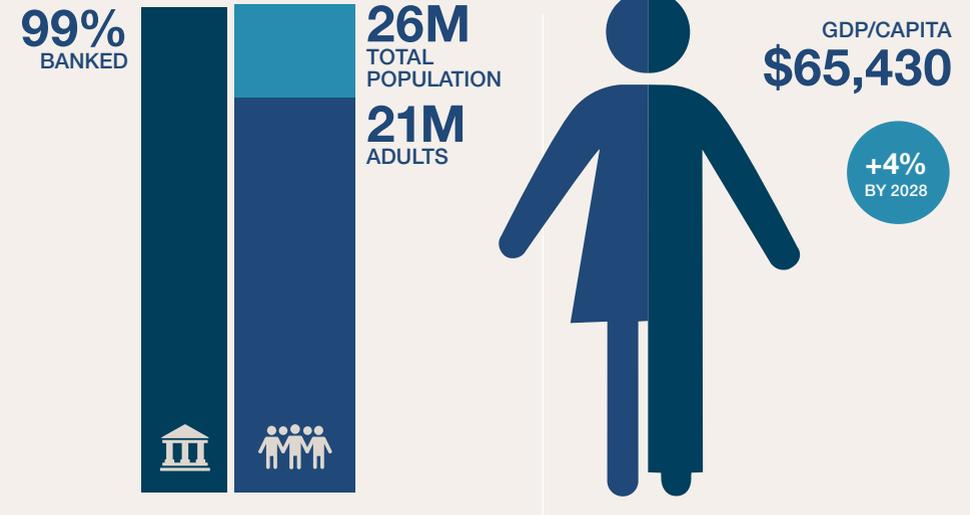
By 2028, over 61% of all individuals within Asia Pacific will actively use local payment methods, reflecting their strong traction in the region.

Across Asia Pacific, non-card-linked wallets will continue their dominance in value terms, reaching 57% of ecommerce transaction values by 2028. A2A payments will also more than double their share in value terms, as A2A schemes in markets such as Singapore and Thailand flourish.

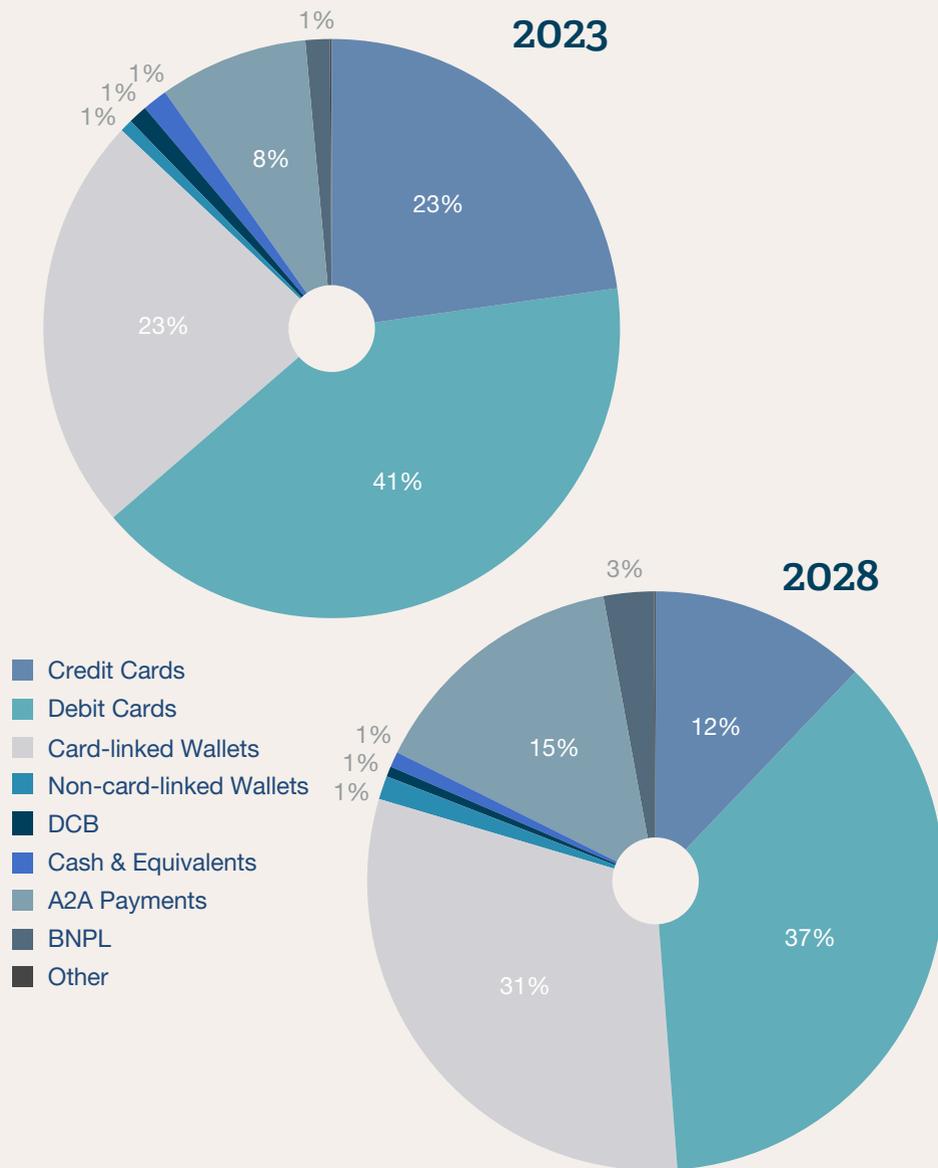
Australia

Key Market Statistics – 2023

Local Currency: A\$ – Australian Dollar



Ecommerce checkout volume % - Australian



Key Takeaways

Australian Market Still Card Dominated, but Local Alternatives Gaining Steam

- Within the Australian market, card payments will still dominate the ecommerce payments space, with credit cards, debit cards and card-linked wallets set to account for 80% of ecommerce transaction volumes in the market by 2028.
- However, this does represent a fall from 87% in 2023, showing change is happening.
- The support from regulators for local payment methods, coupled with strong rates of digital engagement, show that in the longer term, digitally-enabled local payment methods do have strong potential, but given the strong preference for cards, this will take time to translate into usage in practice.

Card-linked Wallets to Take Leading Role

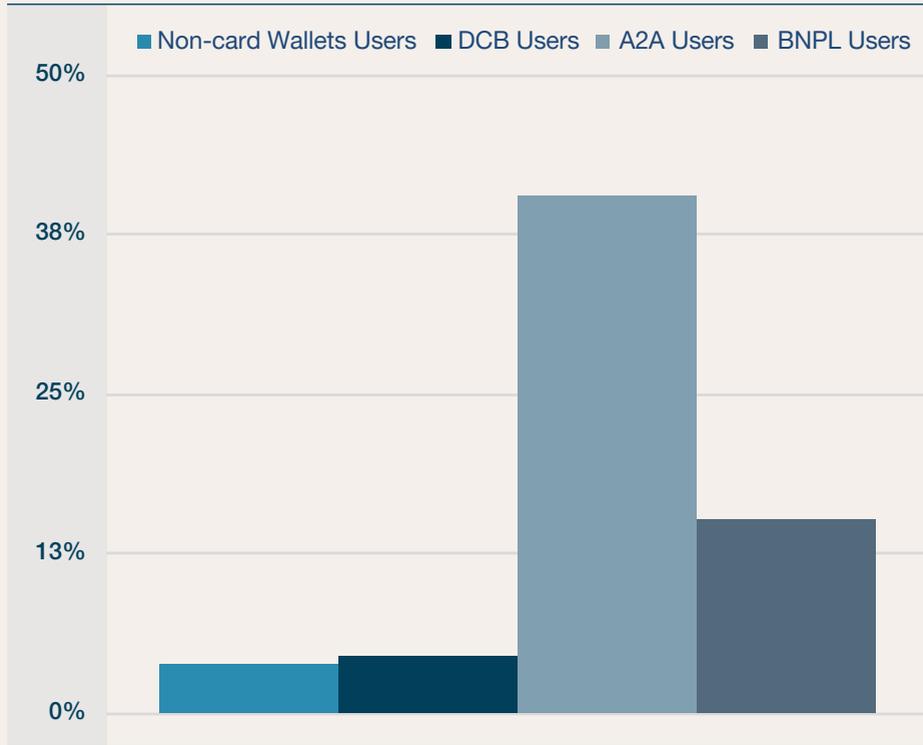
- Card-linked wallets, namely Apple Pay and Google Pay, have been very successful within the Australian market, catalyzed by strong adoption of contactless payments within this market, and long standing support for card payments. Also important is that these wallets support local EFT cards, which further boosts their success.
- This in-store success will increasingly translate into online adoption, with merchants in Australia adopting one-click checkout buttons to a large extent.

Selected Local Payment Methods - Australia

Payment Method	Launched	Type	Comments
	1997	A2A Payments	Over 60,000 businesses offer BPAY for bill pay.
	2022	A2A Payments	Broad, bank-backed network replacing direct debits and other payments in Australia.
	2018	A2A Payments	Enables A2A-based split bill and P2P functionality.

- We expect the card-linked wallets to launch additional services, such as built-in BNPL, to capitalize on this strength.

Total commerce monthly active users – Australia



Key Payments Data

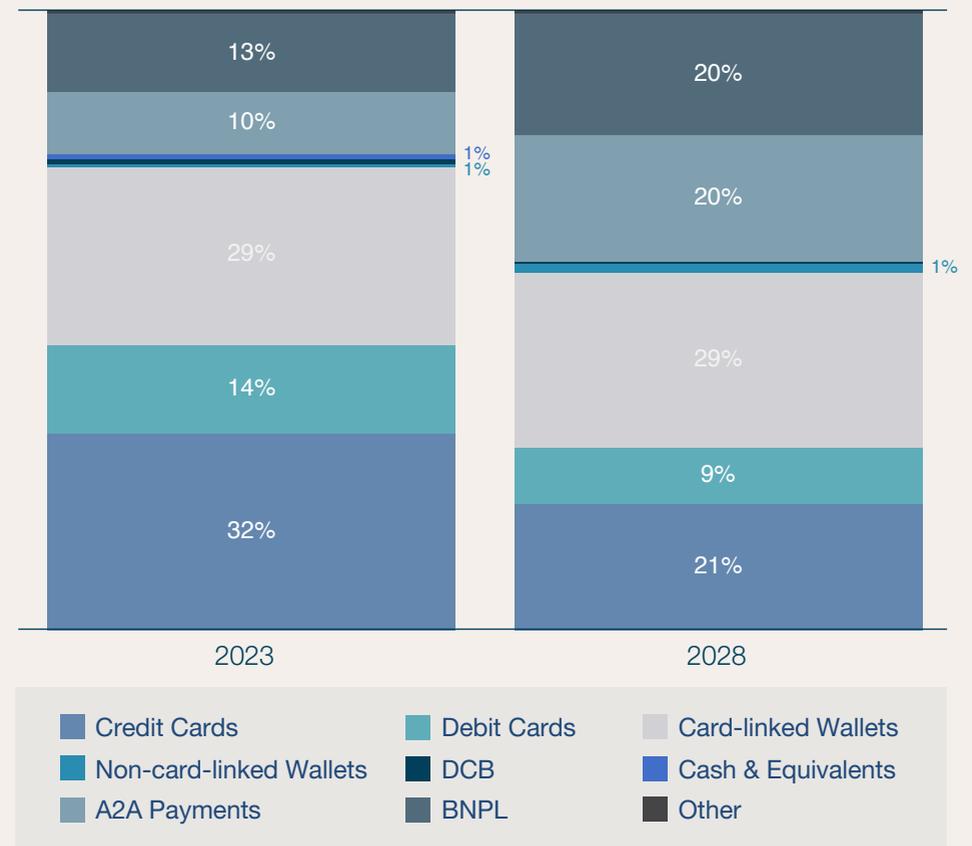
Card payments are set to retain their leadership within the Australian market, but local payment methods are growing in prominence, becoming closer to being a genuine alternative in what has been a long-term card-dominated market.

Account to account payments will grow to reach 87% of Australian users between 2023 and 2028, reflecting strong prospects for bank transfers within this market, within specific use cases such as bill pay and P2P.

A2A payments will rise from 10% of ecommerce transaction values in 2023, to 20% in 2028, showing strong growth. BNPL will be very significant, growing from 13% of value in 2023, to 20% in 2028.

The presence of A2A methods, supported by a regulator looking to grow local payment methods, means that Australia has the potential to see a significant shift in payments going forwards, but cards will be difficult to dislodge given their long standing importance within the Australian market.

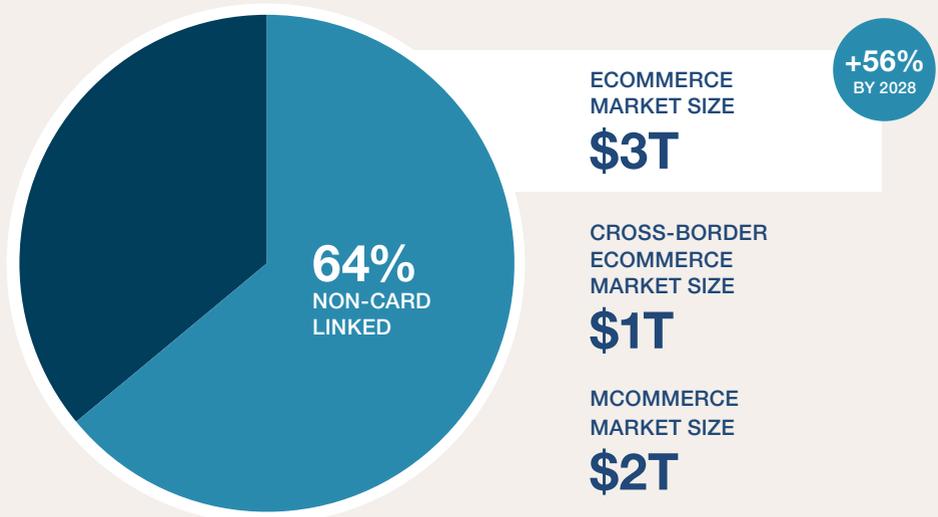
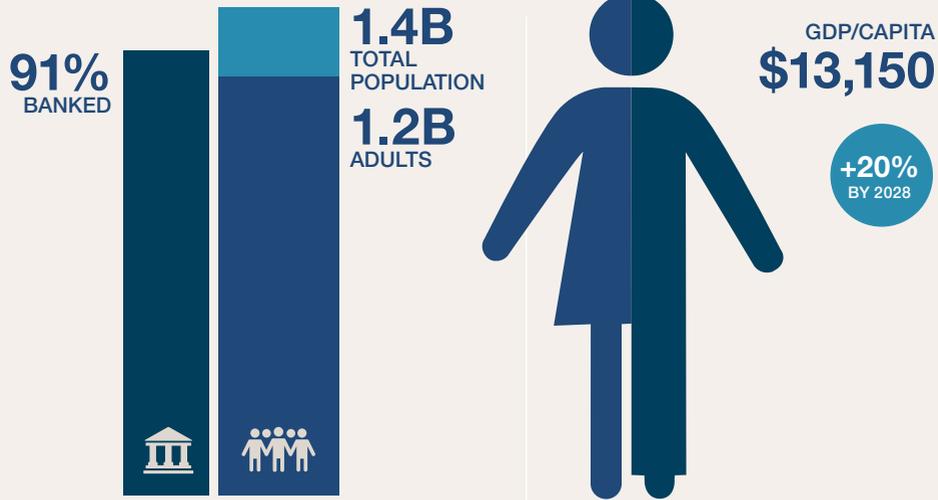
Ecommerce checkout value % - Australia



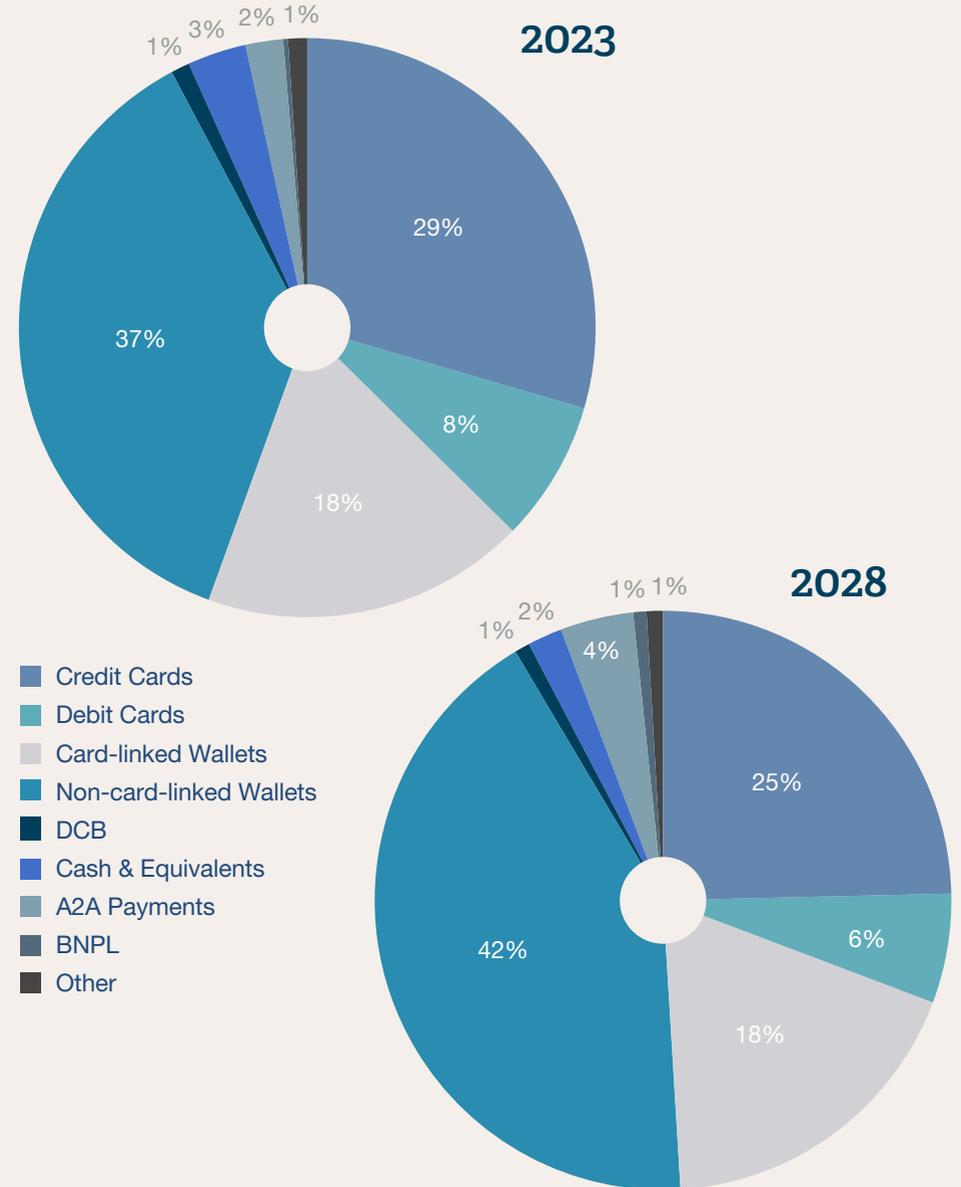
China

Key Market Statistics – 2023

Local Currency: CN¥– Chinese Yuan



Ecommerce checkout volume % - China



Key Takeaways

- Digital wallets, particularly non-card-linked wallets, will continue to dominate in China, with combined card-linked wallets and non-card-linked wallets growing from 55% in 2023 to 61% in 2028.
- There will be little change across payment types used, with DCB, cash, A2A payments and BNPL all having a very small share in the proportion of transaction carried out.

Cards Still Have a Role to Play, But Non-Card-Linked Wallets will Dominate

- Payment cards will continue to have the next greatest share of the market, behind mobile wallets, however this share is slowly falling as other payment methods emerge.
- The proportion of ecommerce transactions carried out through card will drop from 37% in 2023 to 31% in 2028, showing a fairly steady payment ecosystem with limited movement away from the current payment landscape.
- Even though card will still account for a large proportion of volume, it will only represent a far smaller 13% of ecommerce value in 2023.

Selected Local Payment Methods - China

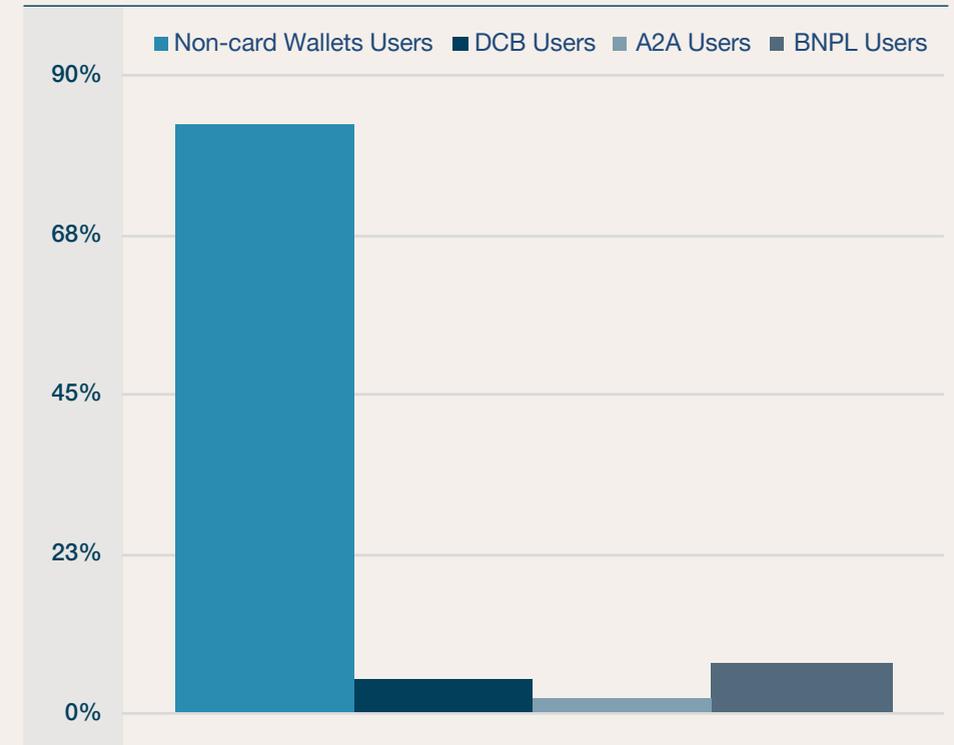
Payment Method	Launched	Type	Comments
 微信支付 WeChat Pay	2014	Non-card-linked wallet	WeChat Pay has over 1.13 billion active users as of 2023.
 支付宝 ALIPAY	2004	Non-card-linked wallet	Alipay has over 300 million users residing outside of China.
 UnionPay 银联	2013	Non-card-linked wallet	The app allows for payments via UnionPay cards or supporting bank accounts.

Key Payments Data

Payments cards are anticipated to account for only 31% of online transactions by volume in 2028, this is a major contrast compared to other countries, where cards are anticipated to keep a majority share, alongside A2A becoming more popular over time.

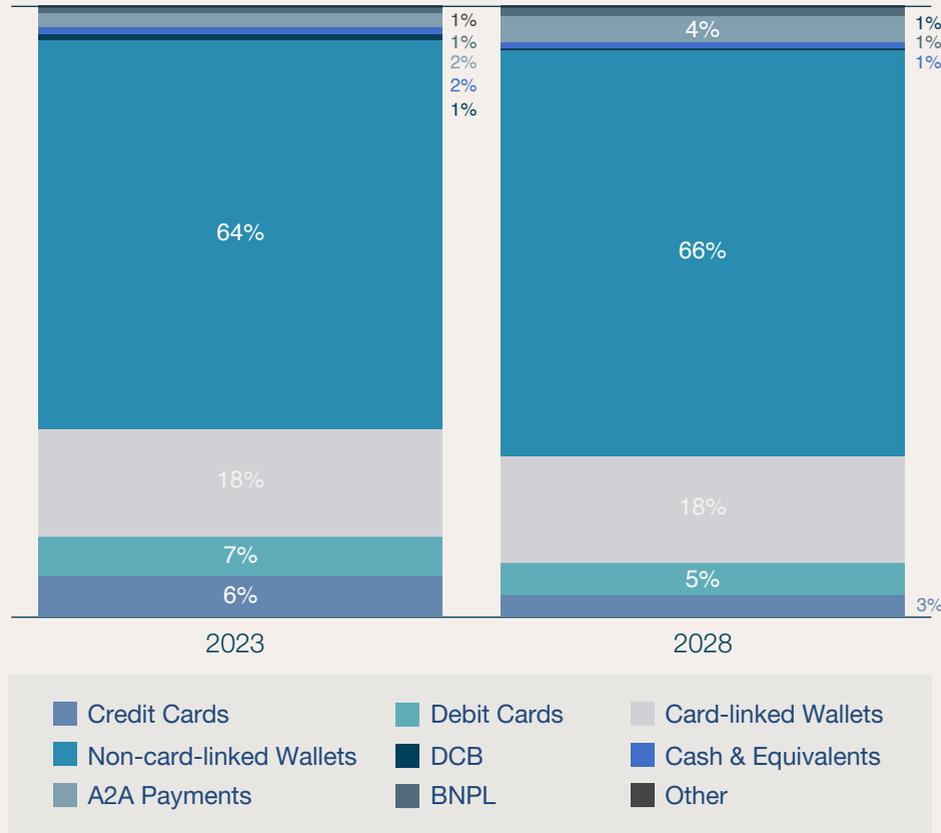
By 2028, non-card linked wallets will have reached saturation point in the Chinese market, reflecting the success of WeChat Pay and Alipay.

Total commerce monthly active users – China



Card-linked wallets and non-card linked wallets will continue to dominate payment methods in China, with cards themselves contributing little value. This consistent dominance of mobile wallets means that merchants will need to update their superapp strategies, or risk losing out to players who are able to offer a more connected experience.

Figure 9: Ecommerce checkout value % - China



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Mobile wallets dominate in terms of adoption, with 80% of respondents accessing a larger number of local payment methods within the last month online than card payments. By way of contrast, only 20% used more card methods than local payment methods online in the last month.
- WeChat is the most popular payment method, with 90% of respondents accessing it within the last month, this compares to other payment methods such as international network credit cards and international network prepaid cards that had 7% and 6% respectively.
- Willingness to consider changing payment methods is moderate across China, with 66% of respondents indicating they would be open to changing payment methods, with better tools, features and connected services being a large driver.

Local Payment Methods Users

Payment Types & Their Use Cases

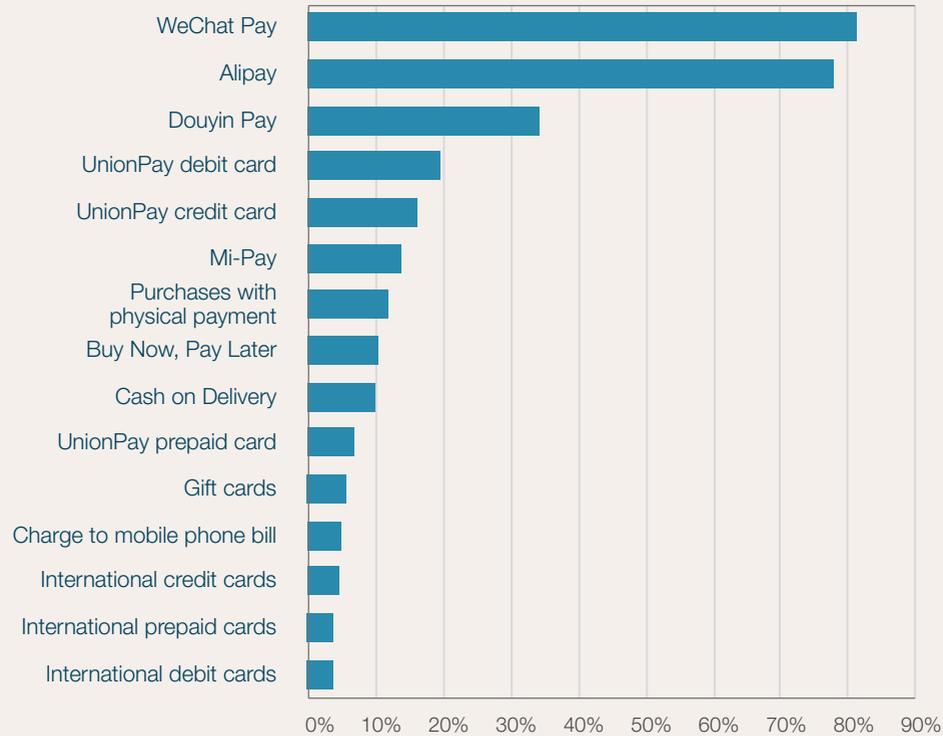
Users of predominantly local payment methods represented 80% (603) of the respondents, indicating a very heavily mobile dominated ecommerce market. The most common payment method for these users was WeChat Pay, being selected by 81% of local payment method dominant respondents. This was closely followed by Alipay, with 78% of mobile dominant respondents selecting this as a payment method.

WeChat Pay was heavily preferred for physical goods purchases, whereas Alipay was more preferred for bills payments, showing a difference already emerging between what payments are used for what purposes.

Why Do Local Payment Users Leverage These Methods?

- Local payments users much prefer more secure methods, with a simple user interface also being a key factor when it comes to choosing their preferred payment methods.

LPMs used last 30 days % - China



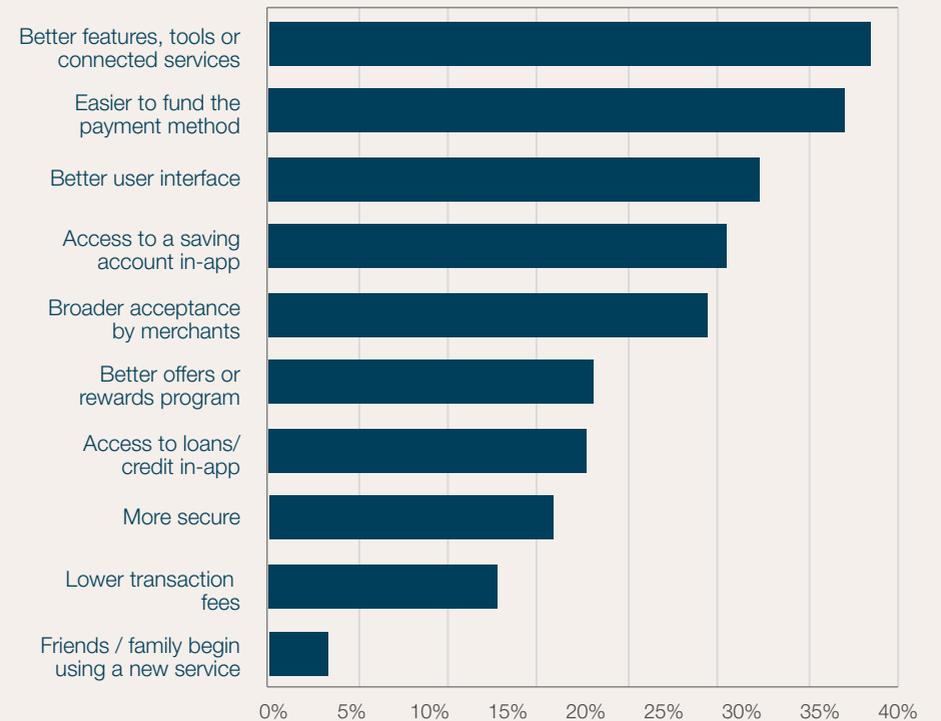
This indicates that providers must invest in making payment methods as simple as possible, but also have added services to incentivize new users.

Superapps will Remain Essential in China

The survey found that across both local payment users and card users better features, tools and connected services remain a top factor when deciding on a payment method and influencing respondents to utilize a different payment service.

This is unsurprising, given the current most used payment methods, such as WeChat and Alipay, are super apps and are able to provide a multitude of features, tools and connected services.

Key Reasons Respondents Would Change Payments Services (%)



Multiple Payment Methods Mean Broader Acceptance

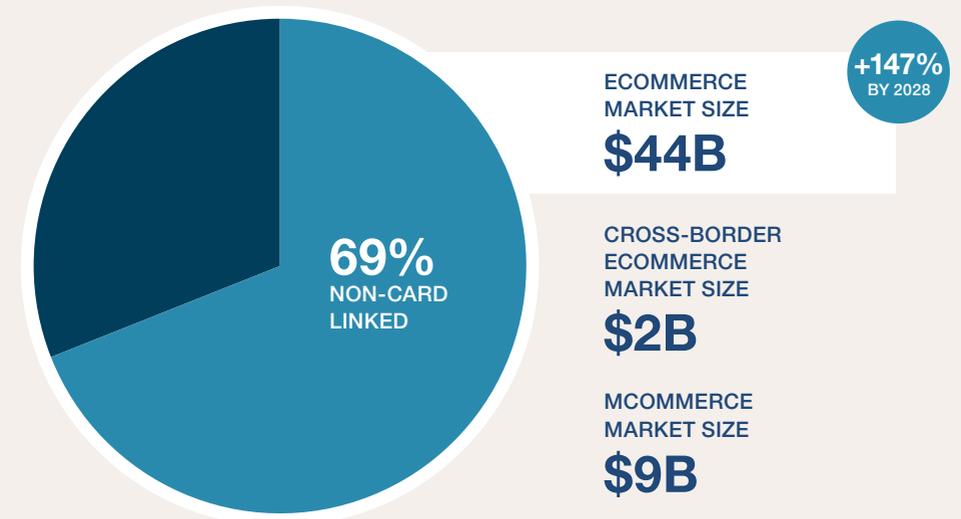
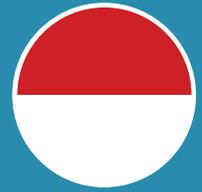
This means that merchants cannot simply implement one primary payment method, they must build a checkout and payments process that enables users to leverage the payment methods they want, without creating confusion for the user. Ultimately, given the strength of local payment methods, this means focusing on leveraging local payment methods, to best match user attitudes.

On average, respondents in China selected 3.7 payment types each that they have used online in the last month.

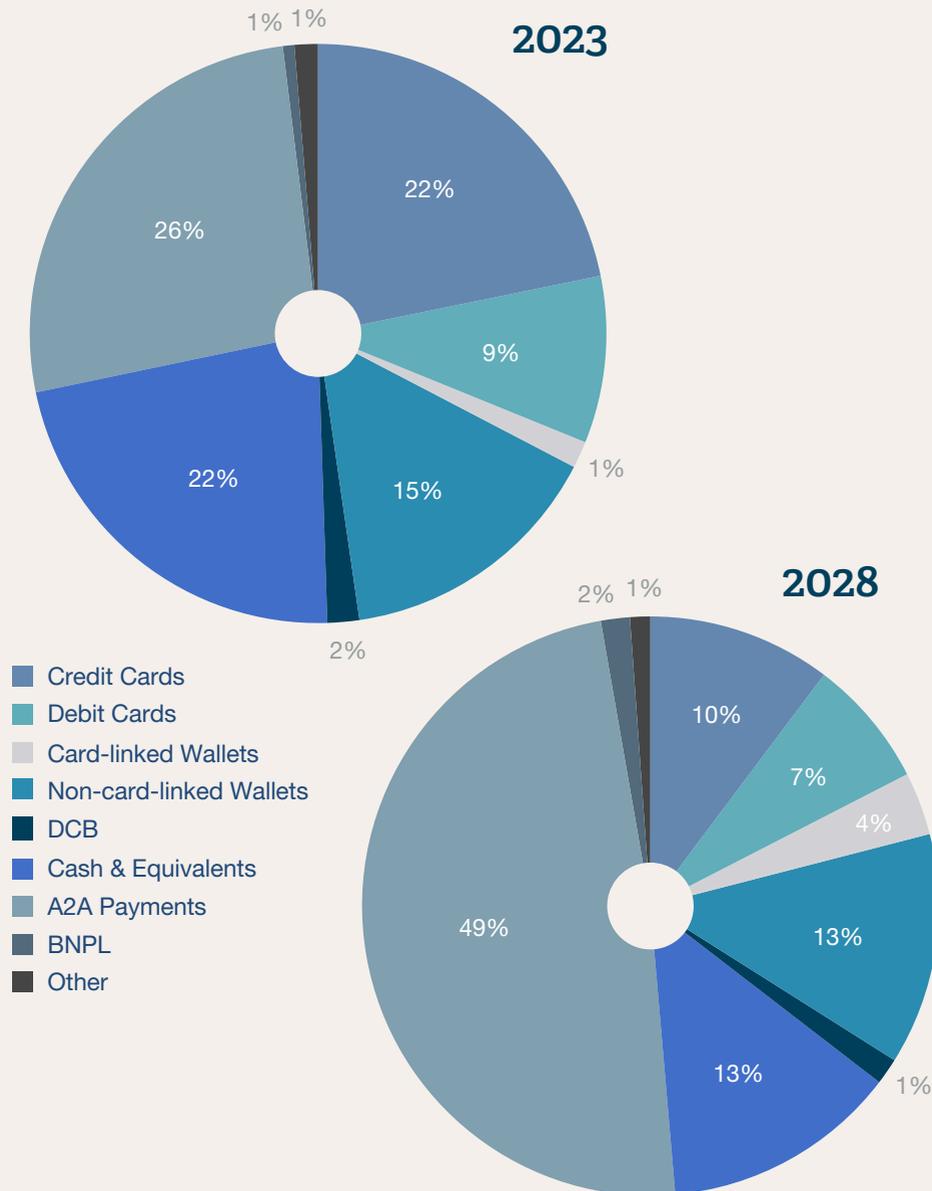
Indonesia

Key Market Statistics – 2023

Local Currency: Rp - Indonesian Rupiah



Ecommerce checkout volume % - Indonesia



Key Takeaways

Local Payments Dominating Indonesian Market

- The sentiment survey found that all of the top 5 payment methods being used in Indonesia are local payment methods, reflecting strong prospects for local, non-card payments.
- Local payment methods were also found to be much more likely to be used at least weekly, reflecting their heavy usage for everyday purchases.
- This is reflected in our forecast data, which predicts that by 2028, local payment methods will account for over 83% of ecommerce transactions in Indonesia by value, from 67% in 2023.
- QRIS is boosting interoperability and leading to a more locally focused market, making Indonesia a leader in local payment methods. GoPay is also being upgraded with Tabungan, which by working with Bank Jogo will result in A2A capabilities.

Cards Still In Use for Larger Purchases, but Role Under Threat

- The sentiment survey found that card payments are still more likely to be used for higher value purchases, with the convenience of use being a major factor.
- This is reflected in our forecast data, that shows by 2028, we still expect 10% of transactions by volume for ecommerce to be via credit cards, however this is a significant fall from 22% in 2023.

Selected Local Payment Methods - Indonesia

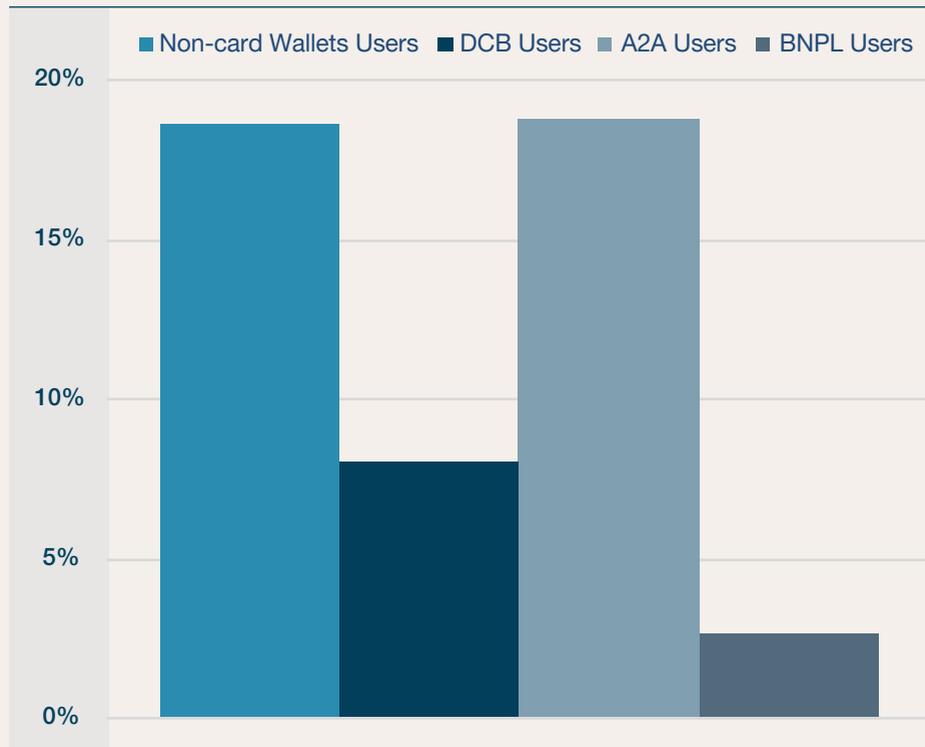
Payment Method	Launched	Type	Comments
QRIS	2020	A2A Payments	QRIS is a standardized QR system and bank-linked.
goipay	2015	Non-card linked wallet	GoPay is part of superapp Gojek, and includes BNPL features.
OVO	2017	Non-card linked wallet	Ovo includes BNPL as a value-added service.

- The momentum and shifts toward local payments mean that a card-centric acceptance model is no longer viable.
- Merchants must consider cards a fall-back method, rather than a method central to their acceptance strategies, and must prioritize accepting the most popular local payment methods in order to future proof their strategies. This is particularly important for international merchants seeking to enter the Indonesian market, who may not be set up to process local payments.

Key Payments Data

A2A payments will grow by 2028, primarily at the expense of cash payments, reflecting a significant shift in the way payments are made in this market.

Total commerce monthly active users –Indonesia

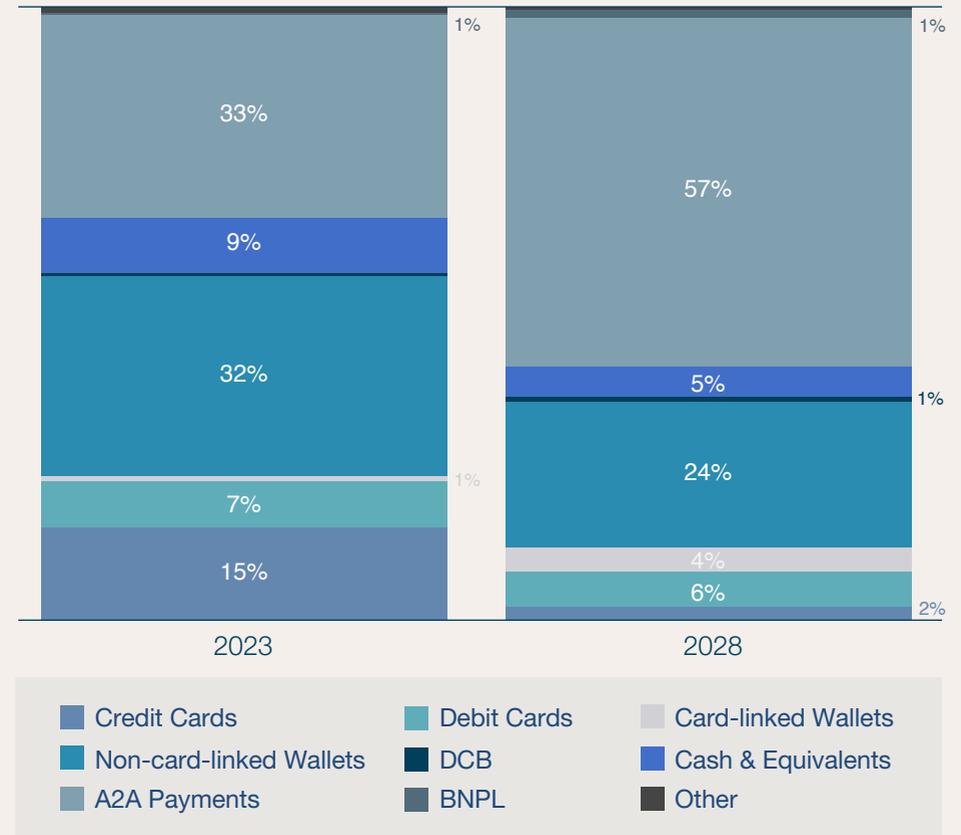


By 2028, 46% of Indonesia’s population will use A2A payments, from 19% in 2023, reflecting the rapid growth of QRIS-based solutions and its important role as the wider ecommerce market expands.

Indeed, given Indonesia’s banked population rate of 53% in 2023, this A2A payments penetration reflects an impressive achievement.

Local payment methods will account for over 83% of ecommerce transactions in Indonesia by value in 2028, from 67% in 2023, demonstrating an impressive local payments shift in this market.

Ecommerce checkout value % - Indonesia



The implementation of QRIS and the shift away from cards means that merchants must work to implement local payment methods, although the QRIS standardization in place means that this is a simpler process than many other markets.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with 93% of respondents accessing a larger number of local payment methods within the last month online than card payments.
- Local non-card-linked wallets are the top 4 most used payment methods online by our respondents, indicating the dominance that mobile payments facilitated locally have within this market.



Indonesia's consumers show clearly that different local payment methods are favored for different use cases. Boku is helping our merchants understand that, and adapt to a rapidly changing ecosystem.

– **DEKKA REBAUDO,**
BUSINESS DEVELOPMENT
MANAGER



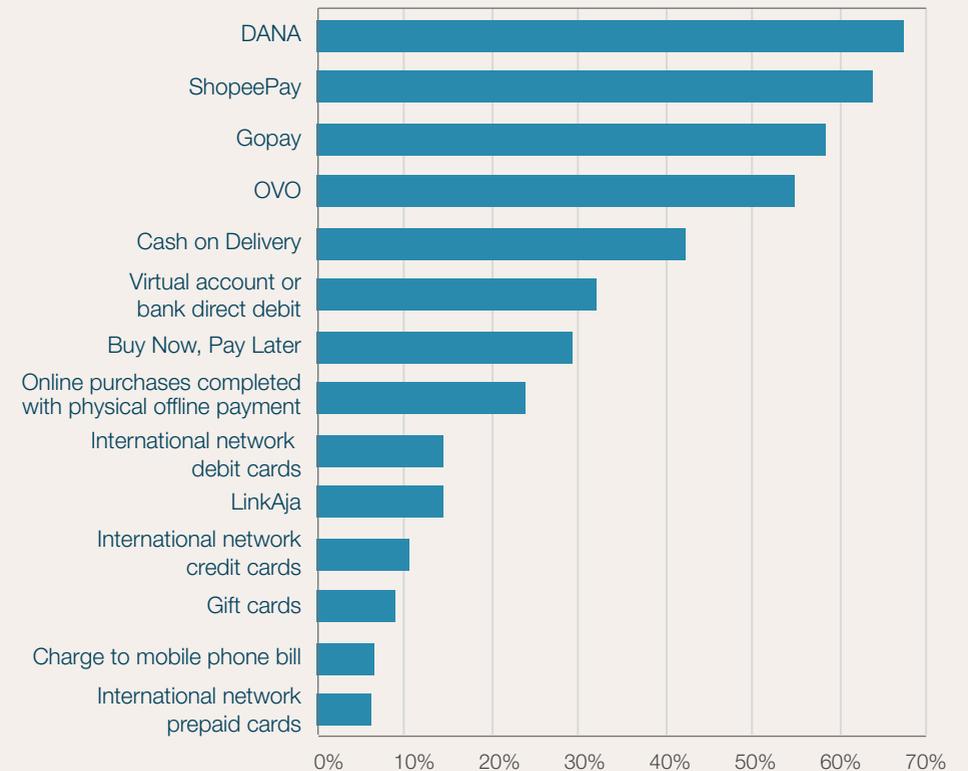
- Willingness to consider changing payment methods is very high across Indonesia, with 84% of respondents indicating they would be open to changing payment methods, with the QRIS standard making changing providers much easier than in other markets.

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 93% (701) of the respondents in Indonesia, indicating a heavily mobile dominated ecommerce market.

LPMs used last 30 days % - Indonesia



The most common payment method for these users was DANA, being selected by 67% of local payment method dominant respondents, followed by ShopeePay, GoPay and OVO. Cash on delivery rounded out the top 5.

All of the top 5 payment methods are local ones, reflecting a heavy bias towards local payment methods in this market.

Cash on delivery and GoPay were preferred for everyday purchases, whereas BNPL and international network credit cards were preferred for larger purchases. GoPay was the clear preference for ridesharing services and food delivery, reflecting its linkage to a super app ecosystem.

This indicates that acceptance strategies are heavily use case and segment specific within the Indonesian market, requiring a tailored local payments strategy.

Broader Acceptance From Merchants Leading Reason to Change Payment Services

48% of local payments users would be driven by broader acceptance by merchants into using a different payment service.

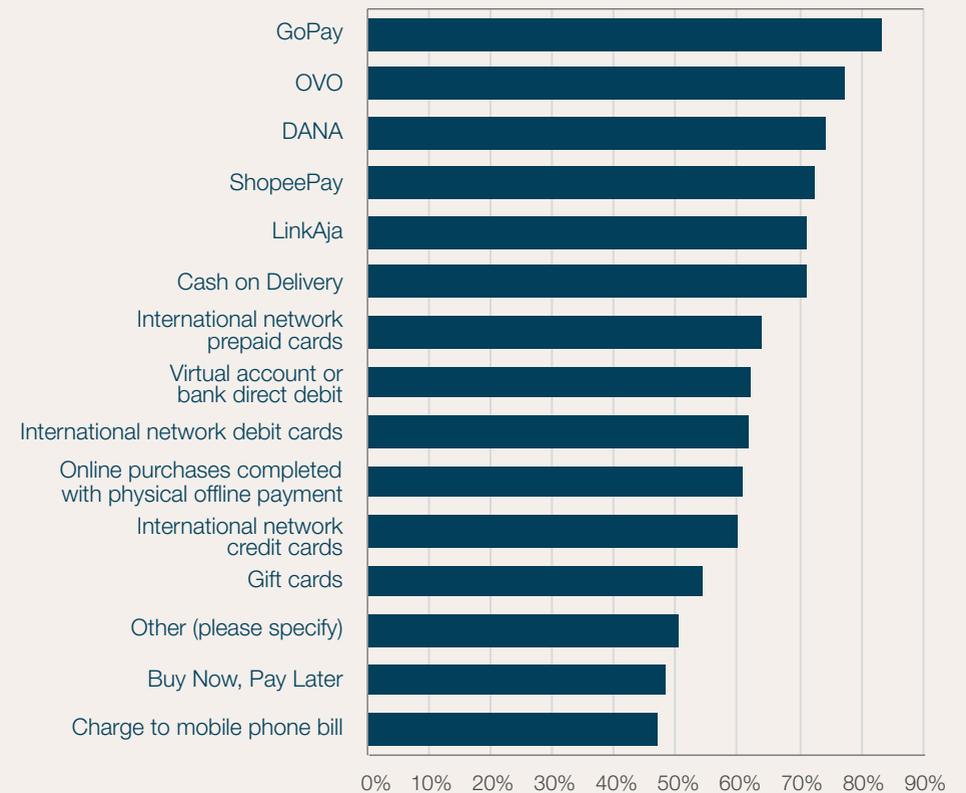
- This largely reflects the fact that Indonesia is a market where not one dominant service has emerged, meaning that merchants face a very difficult time in choosing which methods to accept and which to not. As such, merchants must stay close to the market and support a method as it gains popularity, as acceptance could lead to quick changes in user behavior.

Local Payment Methods Leading Usage

The study found that not only are local payment methods the most popular to start with, but they are used also much more frequently, with GoPay, OVO, DANA, ShopeePay, LinkAja and Cash on Delivery all being used by 70% of the respondents at least weekly.

This heavy use further cements the importance of local payments in Indonesia and invalidates any acceptance strategy that does not feature them prominently.

Weekly Usage Proportion % – Indonesia



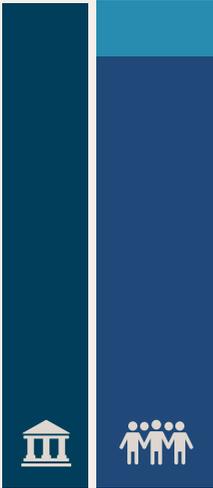
Japan

Key Market Statistics – 2023

Local Currency: JP ¥ - Japanese Yen



99%
BANKED

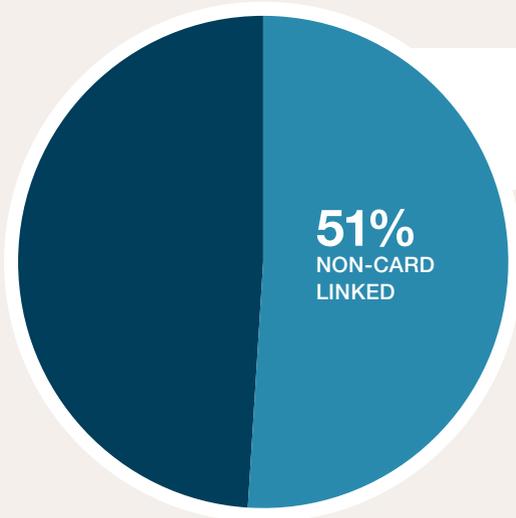


125M
TOTAL
POPULATION
110M
ADULTS



GDP/CAPITA
\$40,148

+5%
BY 2028



51%
NON-CARD
LINKED

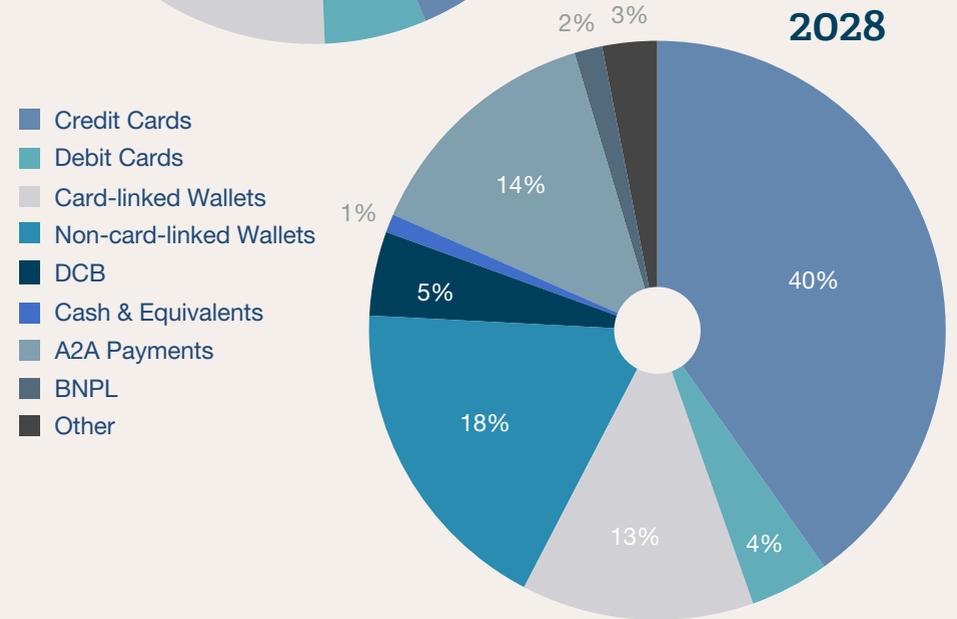
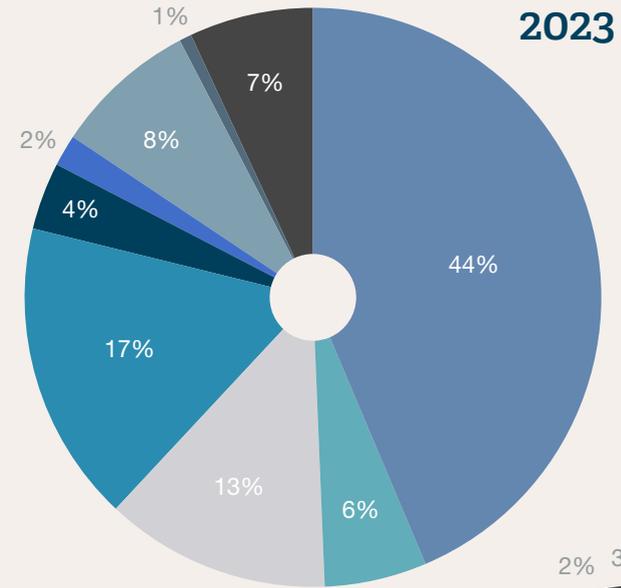
ECOMMERCE
MARKET SIZE
\$215B

CROSS-BORDER
ECOMMERCE
MARKET SIZE
\$3B

MCOMMERCE
MARKET SIZE
\$169B

+47%
BY 2028

Ecommerce checkout volume % - Japan



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalent
- A2A Payments
- BNPL
- Other

Key Takeaways

Card Payments to Remain Top in Japan

- The sentiment survey found that the top two payment methods were PayPay and international network credit cards, being chosen by 39% and 64% of all respondents respectively.
- There is some scope to influence what payment method a consumer will use, with just over half (54%) of users considering using a different payment method.
- The top two drivers for using alternative payment methods were lower transaction fees and better offers, this was the same for both local payment user and card users.

Local Payment Methods to Account for 38% of Transaction Value by 2028

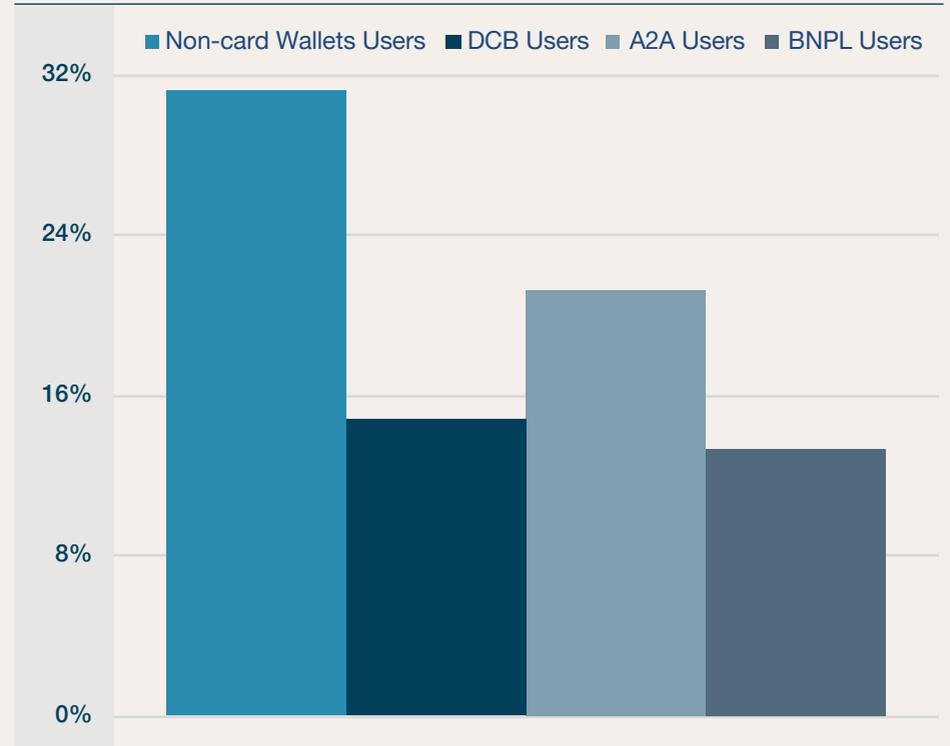
- The majority of local payment methods will be made up through non-card linked wallets, accounting for 17% of local ecommerce transaction value in 2023.
- BNPL is anticipated to have the greatest growth out of all local payment methods, increasing from 16.8 million users in 2023 to 30.7 million users in 2028, this is a growth rate of 83% over the forecast period.

Selected Local Payment Methods - Japan

Payment Method	Launched	Type	Comments
 PayPay	2018	Card-linked and non-card linked wallet	60 million users as of 2023. No 1 market share in JP
 R Pay	2016	Card-linked and non-card linked wallet	50 million users as of 2023 Rakuten has 138M Rakuten ID (membership)
 MerPay	2017	Non-card linked wallet	Over 12 million users are registered with MerPay

- There was a fairly even split between card-dominant users (those who selected more card and card-linked payment methods than local payment methods) and local payment method users.

Total commerce monthly active users – Japan

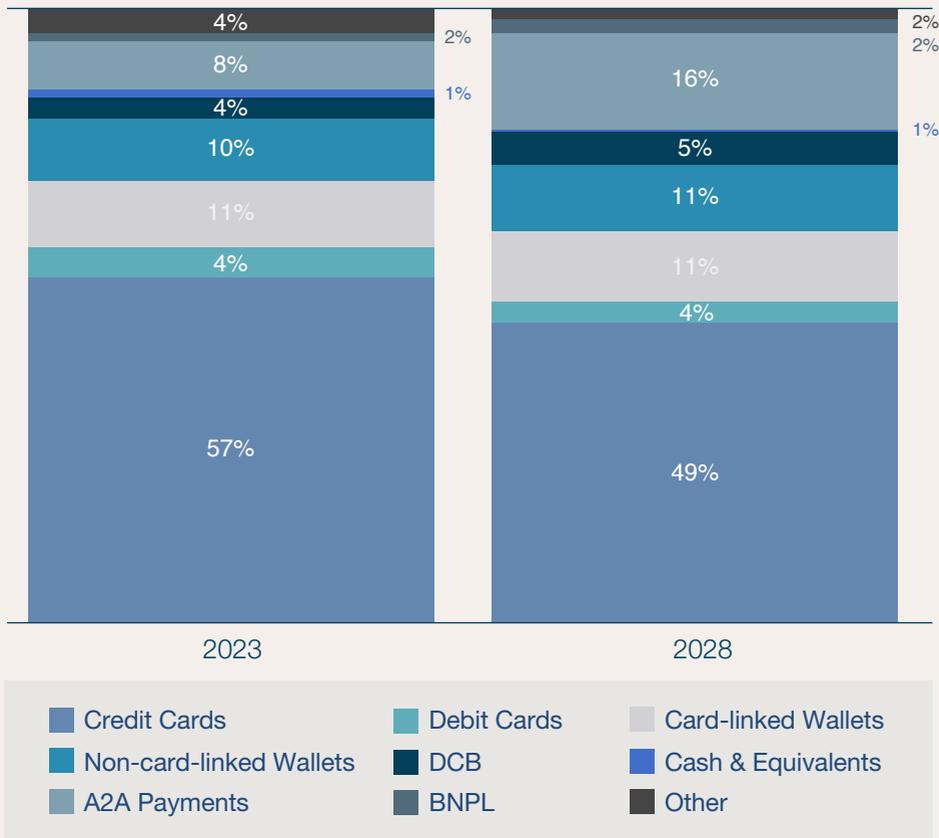


Key Payments Data

Cards will remain to be an important payment method within the Japanese market, accounting for 49% of online transactions by volume in 2023 falling to 45% of ecommerce transactions by volume in 2028.

By 2028, 34% of Japan's ecommerce value will be through local payment methods, from 23% in 2023, reflecting the continued importance on non-card-linked wallets across the region.

Ecommerce checkout value % - Japan



Cards account for a large amount of ecommerce value, with cards accounting for 61% of ecommerce transaction value in 2023 and wallets accounting for 21% in the same year, demonstrating there is opportunity for both local and card payments.

There is little movement in the payment method splits, with the value for credit cards remaining as the most prominent payment method when it comes to ecommerce value in 2028 and A2A payments experience the greatest growth.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- International network credit cards and PayPay were the top two payment methods, followed by D Brai and online purchases completed with physical offline payments. Showing that there are a variety of payment methods utilized across the country.
- Lower transaction fees, better offers or rewards program and easier to fund the payment methods are the greatest key drivers when it comes to choosing another payment service.
- Willingness to consider change is moderate, with 53% of respondents across Japan stating that they would consider using a different payment method.

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 41% (308) of the respondents, indicating a fairly evenly split ecommerce market, between local payments and card.

The most common payment method for these users was PayPay, being selected by 69% of local payment method dominant respondents. This was by far the most popular method, with international network credit cards being the next most popular with 40% of mobile dominant respondents selecting this as a payment method.

PayPay was heavily preferred for physical goods or everyday essentials and high value purchases, with mobile phone top ups also being a common purchase when it comes to international network credit cards.

Why Do Local Payment Users Leverage These Methods?

- Local payments users use their chosen payment method due to the relationship they have with the brand. They also prefer more secure methods, and methods that provide them with the ability to earn rewards or cashback.
- Secure methods was the number one driver when it came to card users, with personal relationship with the brand being the second most important factor to these respondents.

As such, partnering with local payment methods to feature in rewards ecosystems and marketplaces could be an effective strategy to drive growth when it comes to local payment users.

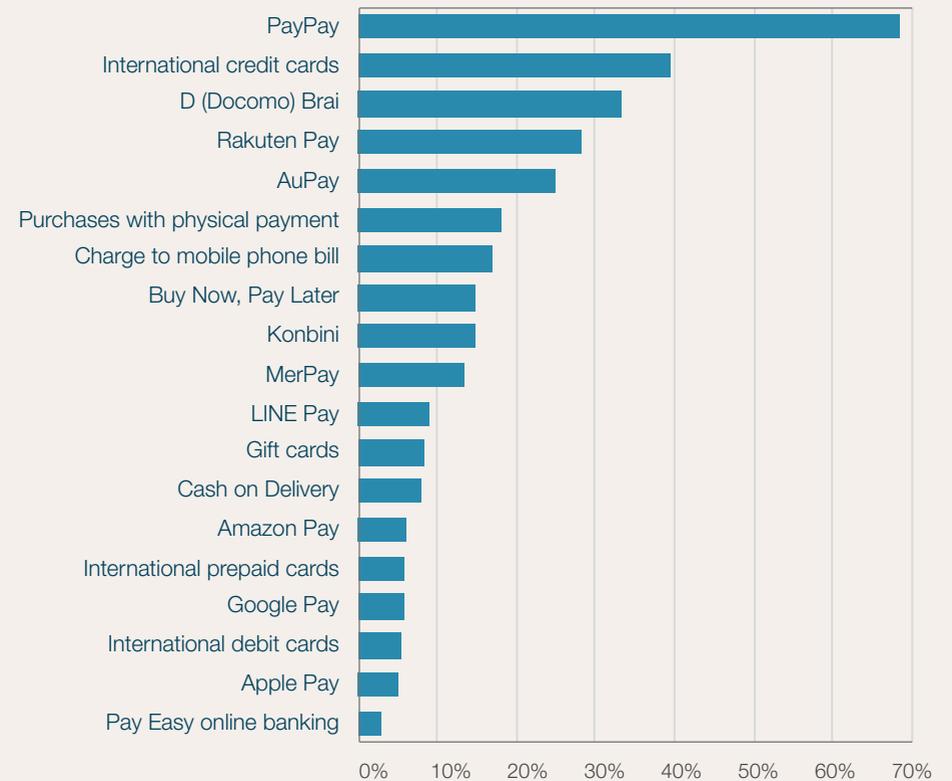


Japanese consumers continue to rely on a mix of local and international payment types. They will change method if they feel they can earn rewards, but security and brand loyalty remains strong.

– YODA, SVP APAC



LPMs used last 30 days %- Japan

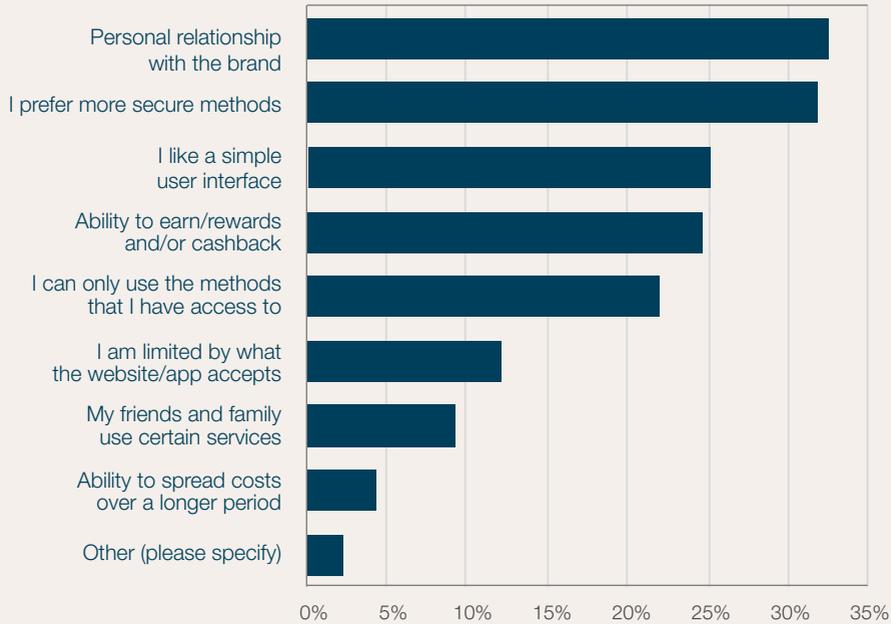


Personal Relationship with the Brand is the Key Factor when Choosing a Payment Method

The survey found that local payment method users are more likely to choose a payment method if they have a personal relationship with the brand, followed by the ability to earn rewards and cashback. In general having a simple interface and more secure methods were also in the top key factors when considering choosing payment methods.

It is therefore important for merchants to build relationships with their users in order to maintain their current user base, as well as incentivize new users.

Key Reasons Respondents Would Change Payments Services (%)



Over Half of Respondents Use More than One Payment Type

63% of users stated using multiple payment types. The main reason for this is that there are different services that are offered for different payment types. Another major factor was the fact that different rewards are offered through different services.

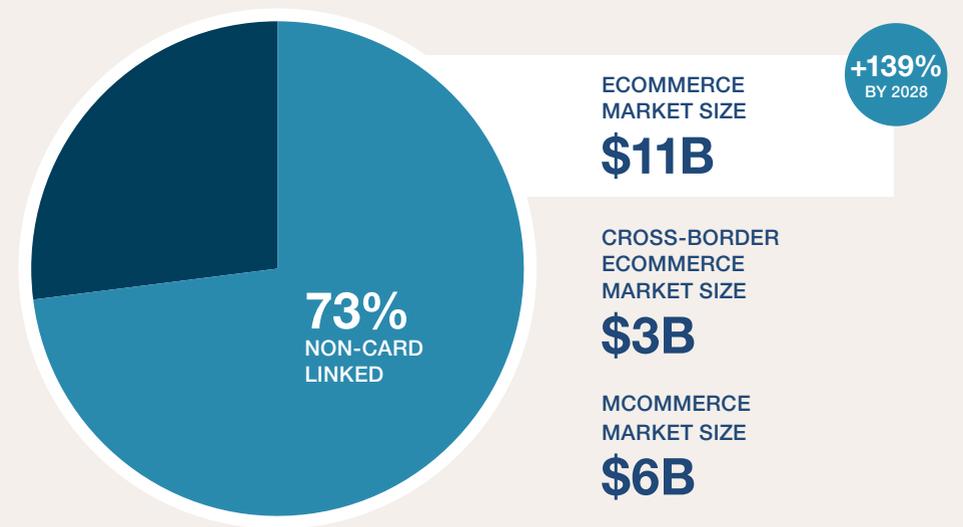
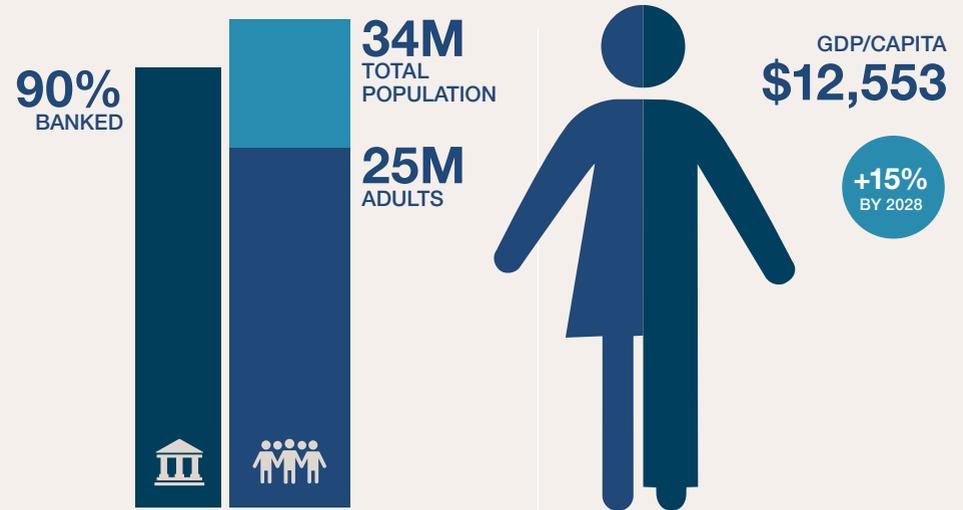
There is little influence on what family and friends use when someone is choosing payment methods and having multiple payment methods.

Due to the varying payment methods across Japan, with there being a mixture of users of both card payment and local payment, there is potential to leverage both payment methods, they must build a checkout and payments process that enables users to leverage a number of payment methods, so that the one they use is available.

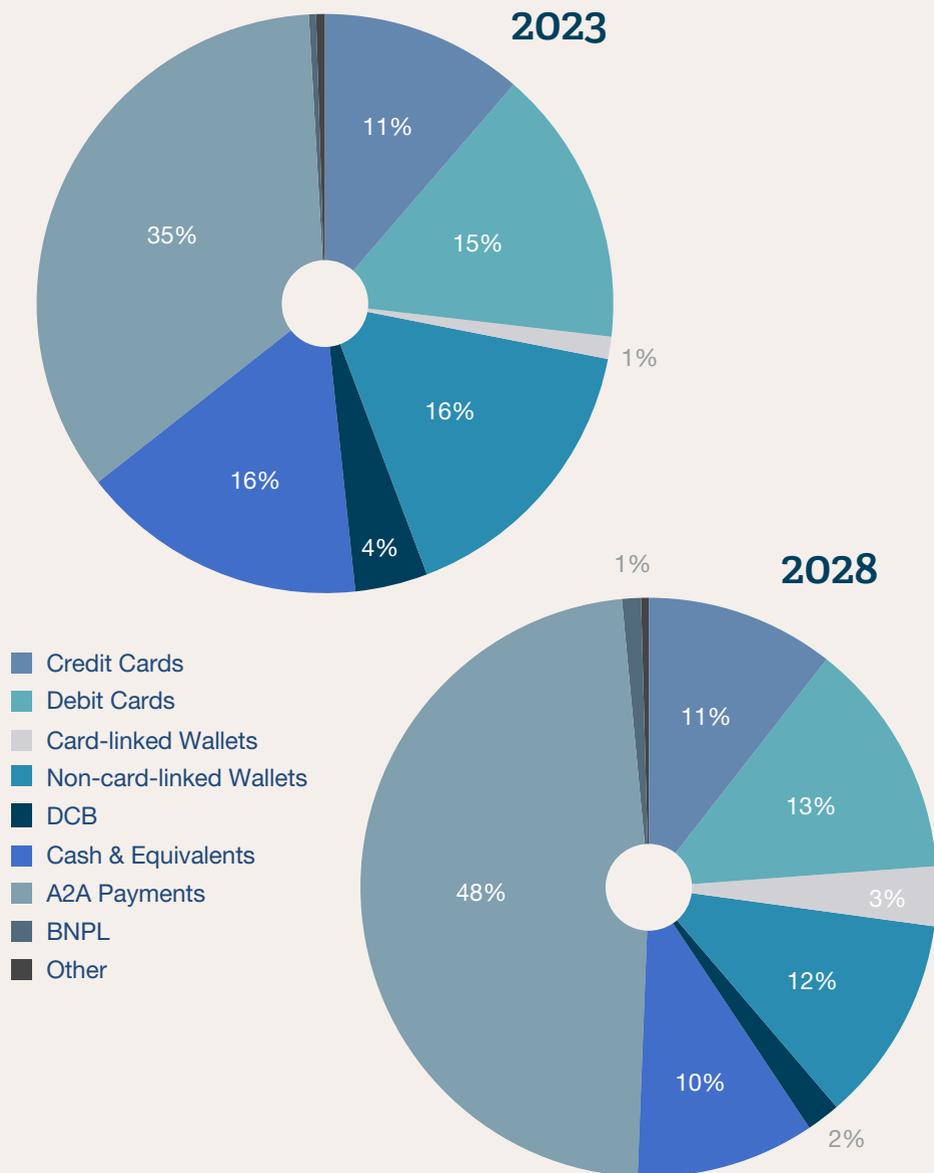
Malaysia

Key Market Statistics – 2023

Local Currency: MYR - Malaysian Ringgit



Ecommerce checkout volume % - Malaysia



Key Takeaways

Local Payment Methods Dominating Ecommerce Market

- The sentiment survey found that the top six payment methods used online were all local payment methods, comprising Touch 'n Go, ShopeePay, FPX, M2U, GrabPay, Boost, and Cash on Delivery, reflecting strong prospects for local payments in this market.
- Touch 'n Go and other local payment methods were also indicated as being used much more frequently than card-based ones, showing that local payment methods are the go-to method for everyday transactions.
- This is borne out in our forecast data, which shows local payments are accounting for over 72% of ecommerce transactions in Malaysia by value in 2028.
- As such, adopting a local payments-focused strategy is a must for merchants in Malaysia, and must be prioritized for merchant success.

FPX Powering A2A Payments Growth

- FPX, a local method of making payments using online banking credentials, is achieving success within Malaysia, supported by an above average banking penetration rate of almost 90% in 2023. FPX will be replaced by DuitNow Online in 2026.

Selected Local Payment Methods - Malaysia

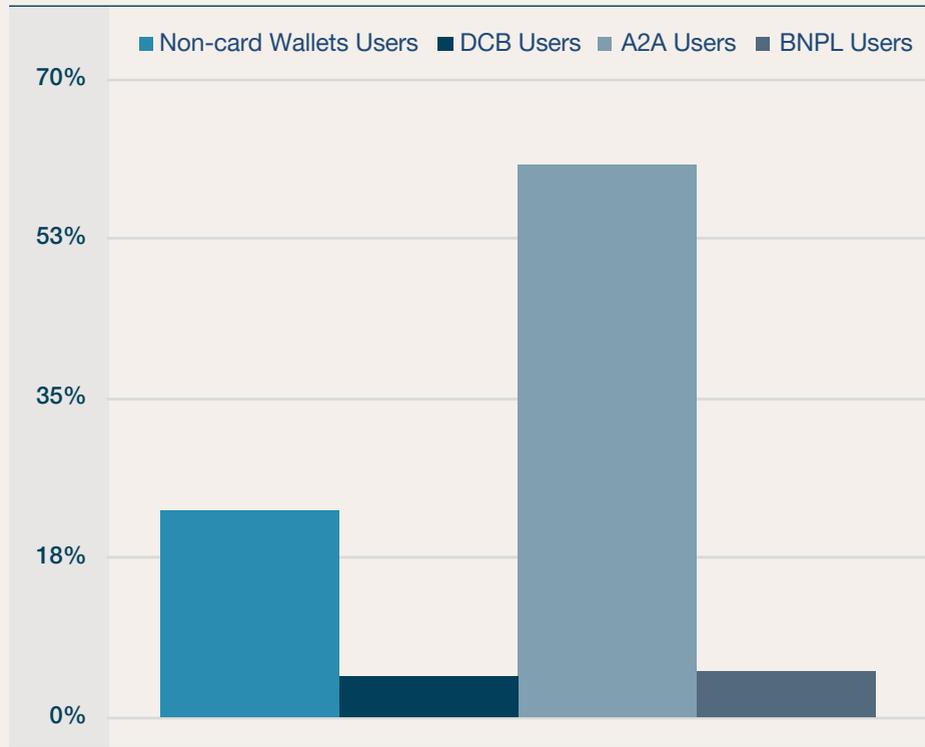
Payment Method	Launched	Type	Comments
	1997	Non-card linked wallet	This has evolved from a transit RFID card to a full wallet service.
	2012	Non-card linked wallet	GrabPay is the payment service of Grab, a leading super app.
	2019	A2A Payments	DuitNow is a fast growing A2A payments system.

- Surging popularity of FPX will drive A2A payments usage to 80% of Malaysia's population by 2028.
- Ensuring acceptance of FPX, as this will have the most widespread accessibility, is vitally important to merchants in getting their long term strategies correct.

Key Payments Data

By 2028, A2A payments, driven by FPX, will take increasingly dominant role in ecommerce transactions, accounting for 49% of volume.

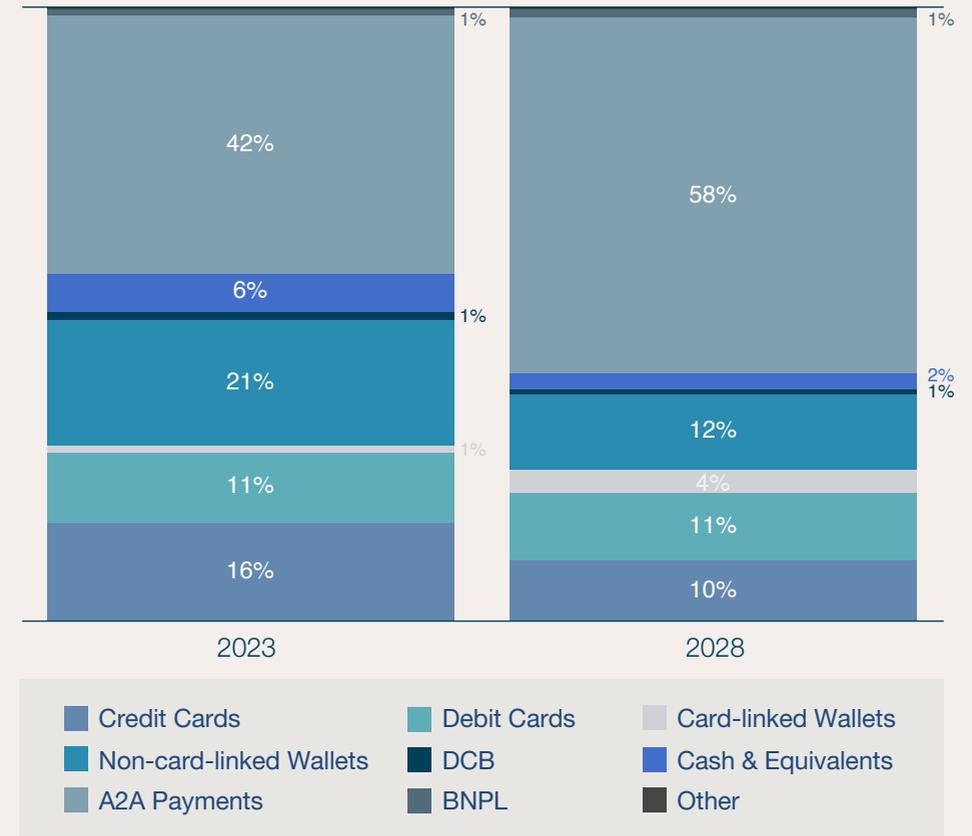
Total commerce monthly active users – Malaysia



By 2028, A2A payments will reach 80% of Malaysia's population, showing remarkable growth.

Local payment methods will account for over 72% of ecommerce transactions in Malaysia by value in 2028, demonstrating the primacy of non-card options in the Malaysian market.

Ecommerce checkout value % - Malaysia



This means that local payments will be the primary engines of growth within Malaysia, meaning that merchants must prioritize A2A and other local payment methods to drive their success going forwards.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with 85% of respondents accessing a larger number of local payment methods within the last month online than card payments.
- The top six payment methods selected by users were all local payment methods, indicating how dominated Malaysia is by local payment methods.
- Touch 'n Go has the highest adoption of any local payment type, at 78% of local payments users, but is typically used for smaller payments.
- Security is a big issue in this market for users, being the most important driver for choosing what service to use.



Feeling secure when paying is important for Malaysian consumers, and this is perhaps reflected in the fact that non-card wallets and A2A already account for 50% of the market.

– **CHERYLINE FONG**,
VP, BUSINESS DEVELOPMENT

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 85% (640) of the Malaysian respondents, indicating a heavily local payment method dominated ecommerce market.

The top six payment methods selected were all local payment methods, indicating how dominated Malaysia is by local payment methods, even without the growth expected over the next five years.

The most common payment method for these users was Touch 'n Go, being selected by 78% of local payment method dominant respondents. ShopeePay followed at 64%, with FPX at 56%.

The survey found that M2U, Boost and FPX were used disproportionately for bill payments, with all methods being used commonly for everyday purchases, and GrabPay being used disproportionately for ridesharing and food delivery services. This makes sense, given that GrabPay is owned by the Grab super app, which is dominant in ride hailing and food delivery.

This indicates that while Touch 'n Go is preferred overall, chosen payment methods are very dependent on which activity is being undertaken.

Local Payment Methods are Most Frequently Used Online Payments

Touch 'n Go, M2U and GrabPay were all used at least weekly by over 75% of users, reflecting the importance of these methods for everyday lives.

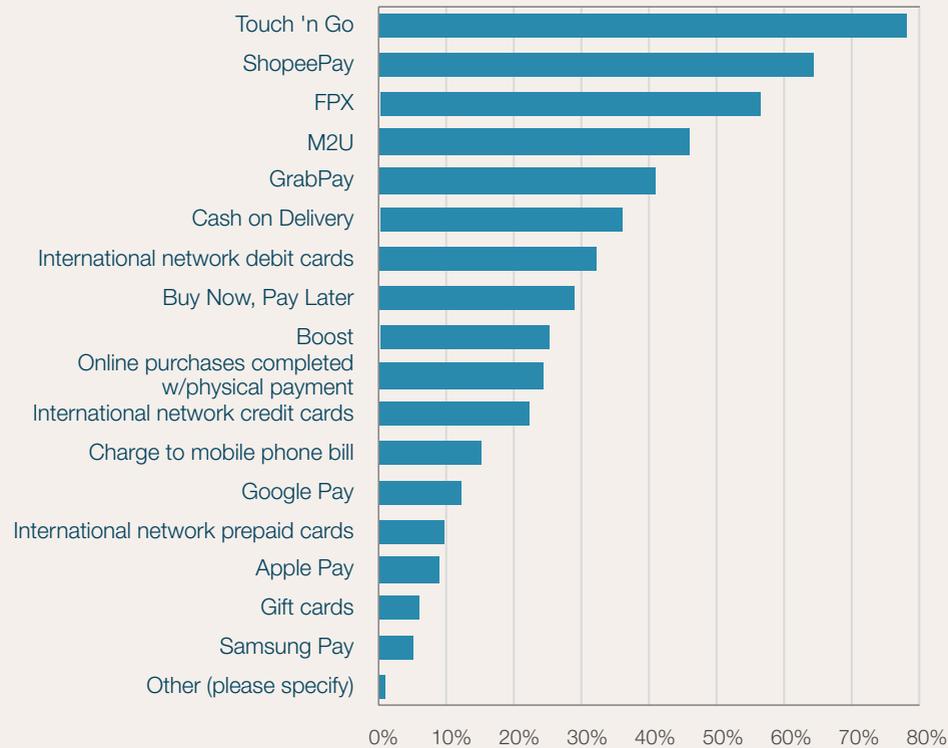
In contrast, BNPL, gift cards and charges to mobile phone bills were used least frequently, reflecting their more niche natures.

Credit Cards & BNPL Leading Average Value, but M2U & FPX Close Behind

The survey found that over 50% of users make an average payment of over RM150 via credit cards and BNPL, much higher than the around 15% for Touch 'n Go and cash on delivery. M2U and FPX also had higher average values, with over 40% of users hitting an average of over RM150.

- This reflects differences in terms of use cases – credit cards are still being used for larger purchases, but BNPL is also addressing that use case.
- M2U and FPX are also hitting this criteria well, increasingly addressing larger payments.
- In contrast, other local payment methods are used much more for every day payments, rather than larger one off purchases.

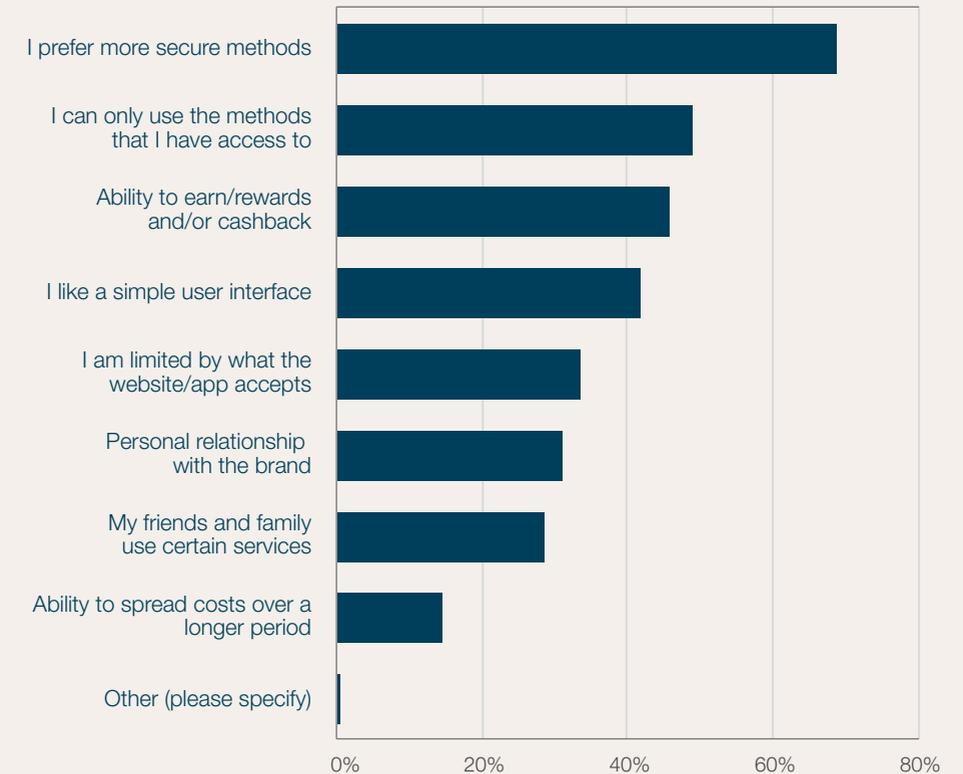
LPMs used last 30 days % - Malaysia



Security Main Driver for Choosing Payment Type

The survey found that security concerns were the main driver for Malaysians choosing which payment service to use, at 69% of respondents. Users only being able to use what they have access to was second, at just under 50% of respondents. By way of contrast, the ability to spread costs was a much lower priority, at only 15% of respondents.

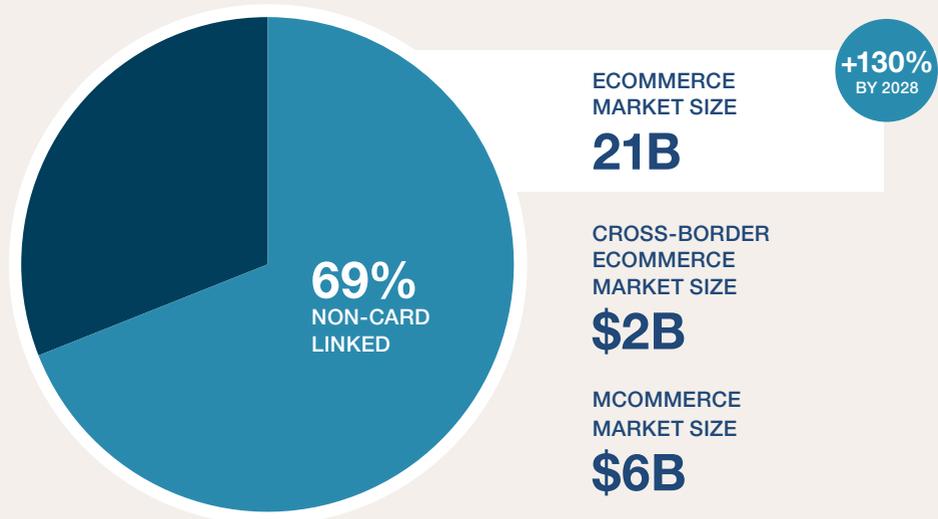
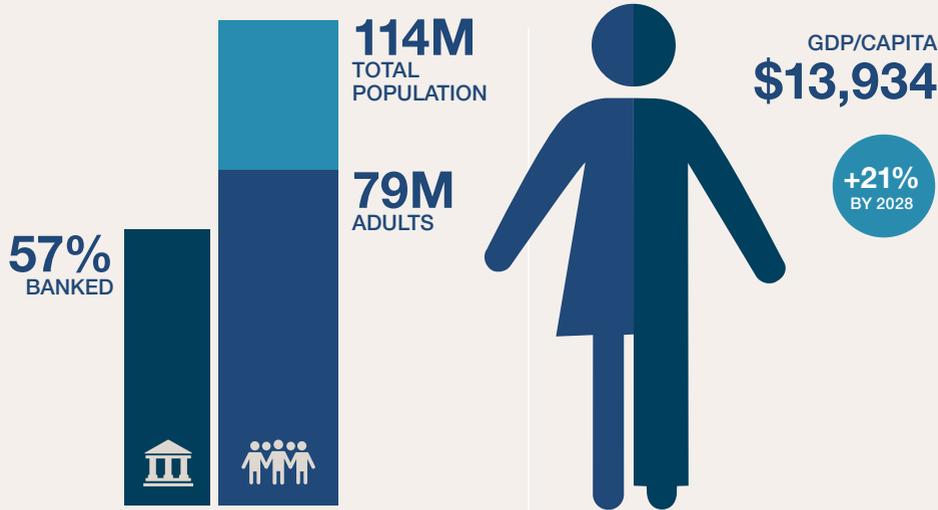
Key Reasons Respondents Would Use to Choose Payment Service, (% of Respondents who Selected Each Reason)



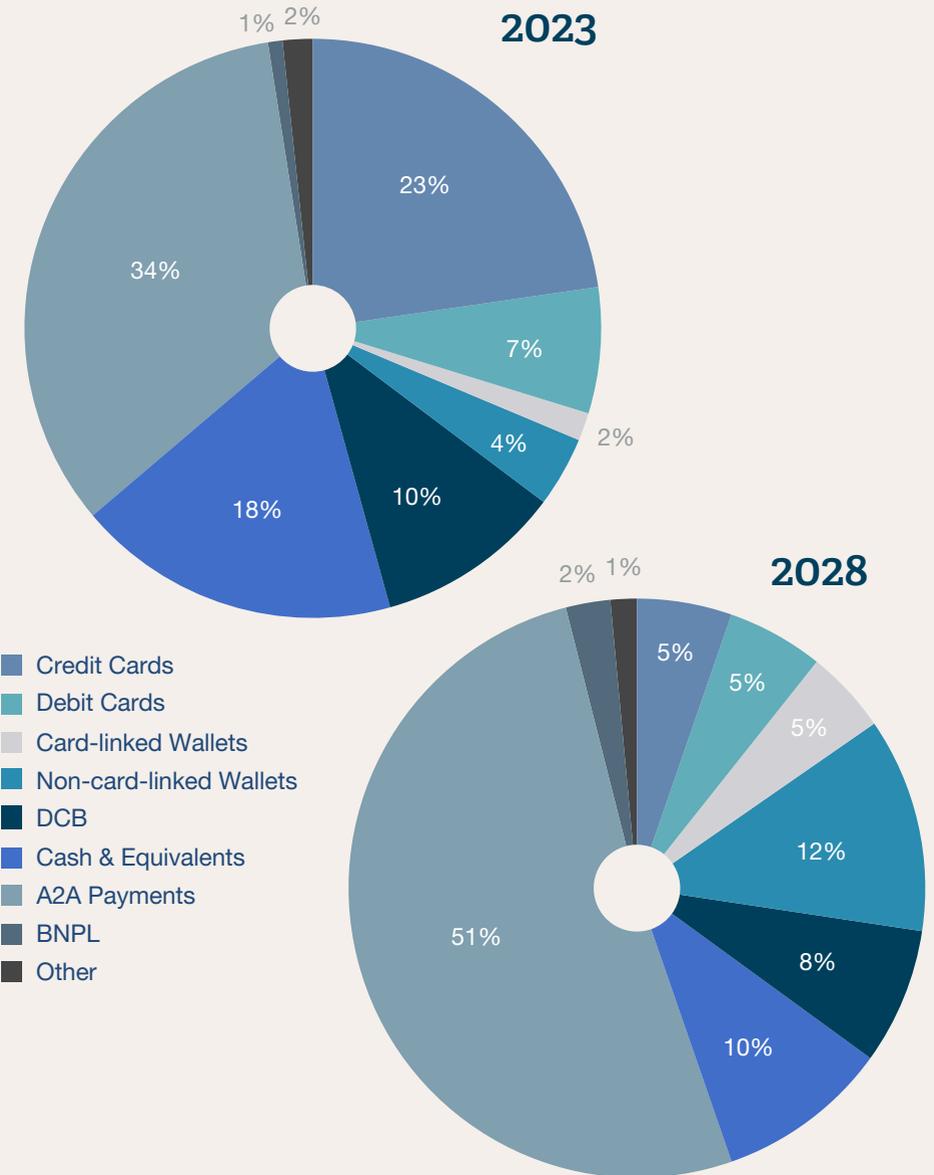
Philippines

Key Market Statistics – 2023

Local Currency: ₱ – Philippine Peso



Ecommerce checkout volume % - Philippines



Key Takeaways

Non-card-linked Wallets & A2A Payments to Have Unrivaled Reach

- The sentiment survey found that almost 97% of local payments users use GCash for online purchases at least once a month.
- Given the ability to link accounts to banks within the Philippines, this means that we will see greater use of both non-card linked wallets and A2A payments within this market. QR Ph will mean greater use of A2A payments in particular.
- As such, we expect digital wallets to be a major part of the Philippines payments market going forward, with strategies from merchants needing to match this.

Cash on Delivery Still Common for Ecommerce

- While cash is outmoded as a payment type within ecommerce in many markets, cash on delivery is still important within the Philippines, with 57% of local payments users using this method at least once a month.
- This is backed up in our forecast data, which shows that as of 2023, over 18% of ecommerce transactions within the country by volume were via cash.

Selected Local Payment Methods - Philippines

Payment Method	Launched	Type	Comments
 GCash	2004	Non-card linked Wallet	GCash offers investments and cryptoassets as well as payments.
 maya	2000	Non-card linked Wallet	Maya offers banking services as well as wallet functions.
QR-Ph	2021	A2A Payments	This standard was mandated for full adoption by July 2023.

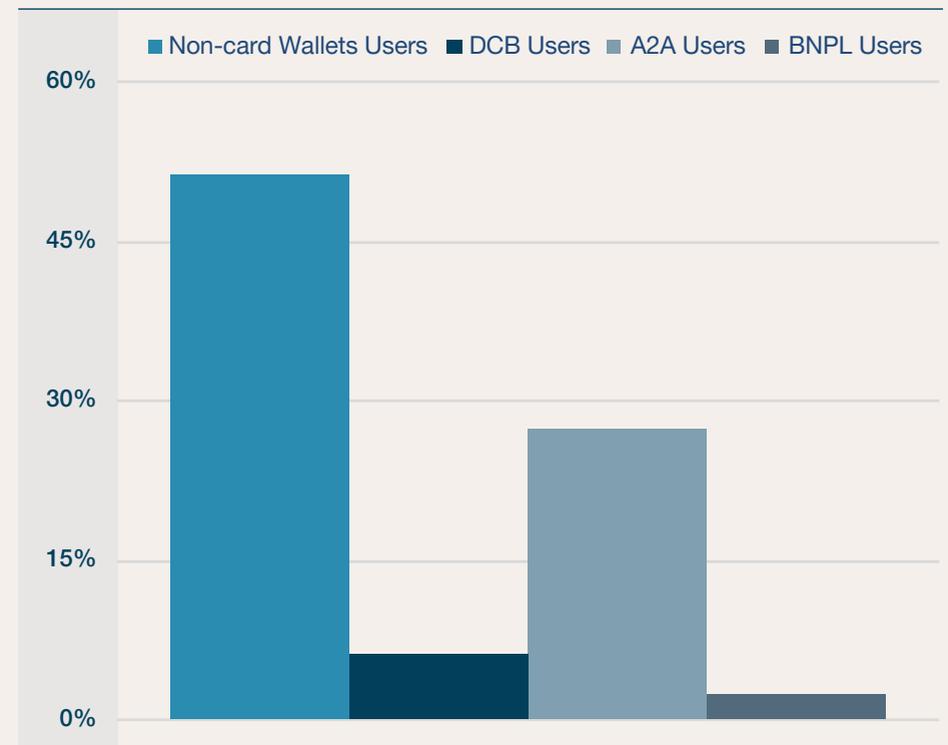
- The relatively low rate of banking penetration within the Philippines and a large informal economy locally is sustaining cash use in the short term.
- However, over a longer period, we expect rising mobile penetration and greater financial inclusion to accelerate the shift towards digital payment, driving wider ecommerce growth.

Key Payments Data

Local payment methods are long established within the Philippines market, with non-card linked wallets being common, such as GCash and Maya, among many others.

The linkage of bank accounts directly to wallets within the Philippines is common, with A2A payments expected to see a significant boost by 2028.

Total commerce monthly active users – Philippines

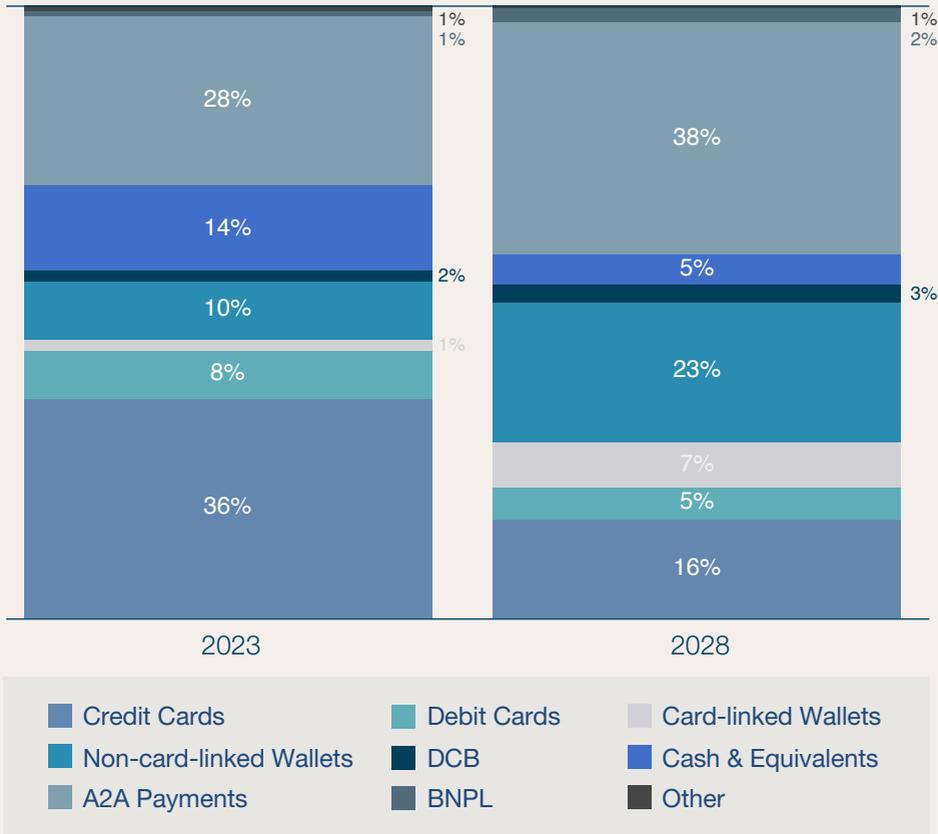


By 2028, 70% of the Philippines' population will use local payment methods, reflecting strong adoption.

Local payment methods will account for over 66% of ecommerce transactions in the Philippines by value in 2028, from 40% in 2023, showing that cards are quickly losing ground.

The continued dominance of local payment methods in the Philippines means that only accepting cards is not the correct way to access the market, with local preferences needing to be catered to.

Ecommerce checkout value % - Philippines



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with almost 90% of respondents accessing a larger number of local payment methods within the last month online than card payments.
- GCash has the highest adoption of any local payment type, at 97% of local payments users, but being used less frequently than other methods for high value purchases.
- Loyalty to a particular method is low in the Philippines, creating a potentially volatile payments market.

Local Payment Methods Users

Payment Types & Their Use Cases

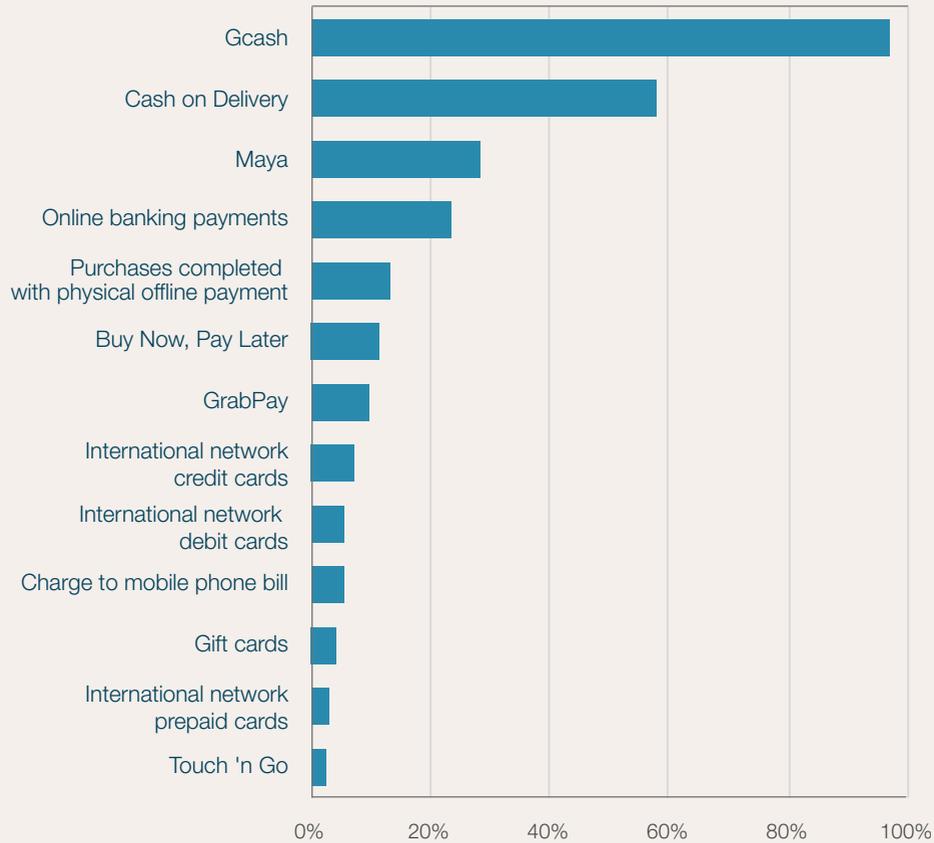
Users of predominantly local payment methods represented 90% (672) of the respondents in the Philippines, indicating a heavily local payment method dominated ecommerce market.

The top six payment methods selected were all local payment methods, indicating how dominated the Philippines is by local payment methods.

The most common payment method for these users was GCash, being selected by 97% of local payment method dominant respondents. This was by far the most popular method, with cash on delivery being the next most popular at 57%, and Maya at 28%.

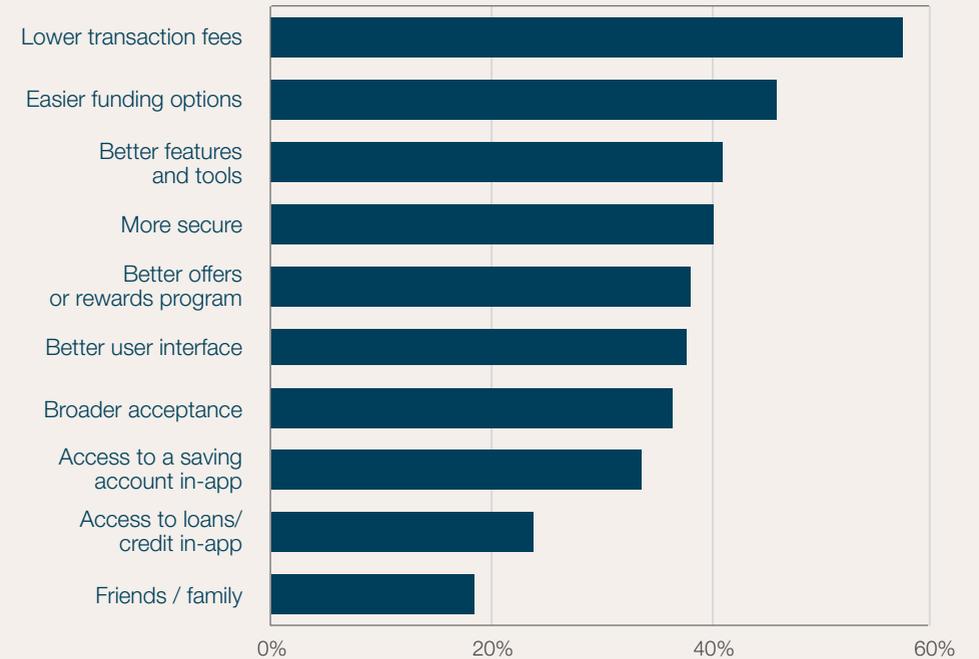
Cash on delivery was used very heavily by respondents for everyday purchases, to a larger degree than any other payment method. BNPL was used for higher value purchases alongside credit cards, with Maya and GCash being a lot less popular for higher value purchases. Online banking payments were used by over 72% of their users for bill payments, the highest of any method.

LPMs used last 30 days % -- Philippines



This indicates that while GCash is preferred overall, there is still a lot of variation under this, indicating an important need to understand the market in-depth to assess payment strategies.

Key drivers for changing payment method - Philippines



What Determines Which Payment Service is Used?

- Security was identified as the number one factor for choosing a payment service, at 56% of respondents.
- A simple user interface was also a high priority, being selected by 52% of respondents.
- In contrast, both limited by acceptance and I like to spread costs scored poorly, at 20% or under of respondents. This indicates that there is plenty of choice in this market and merchants already pursue broad acceptance strategies.

78% of Users Would Consider Changing Payment Services

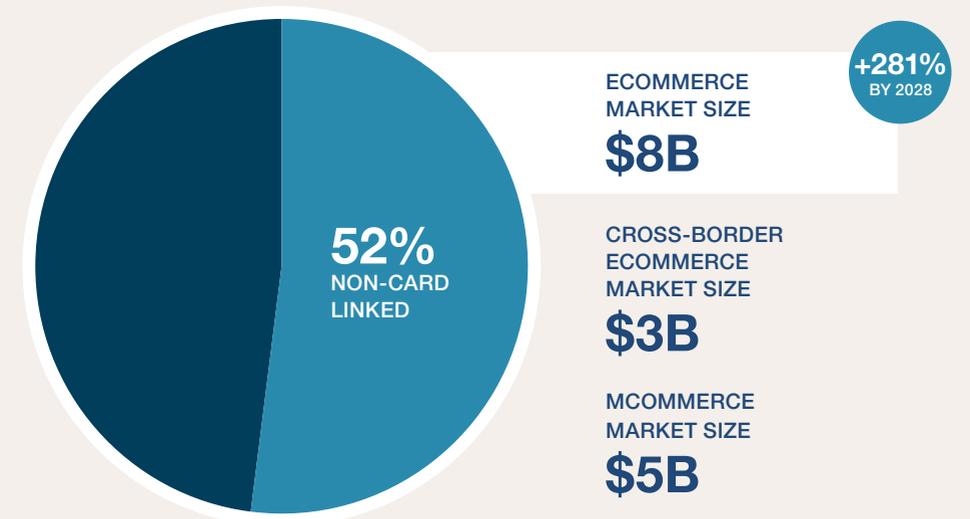
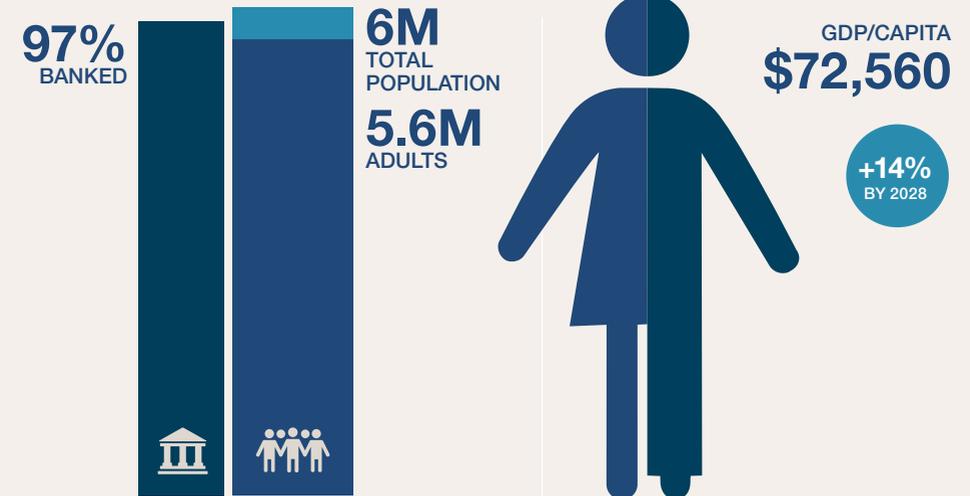
The study found that 78% of local payments users would consider changing what services they use to make payments.

As such, merchants must stay on top of changes in the market to account for shifts in popularity, or risk being caught on with an out-of-date strategy.

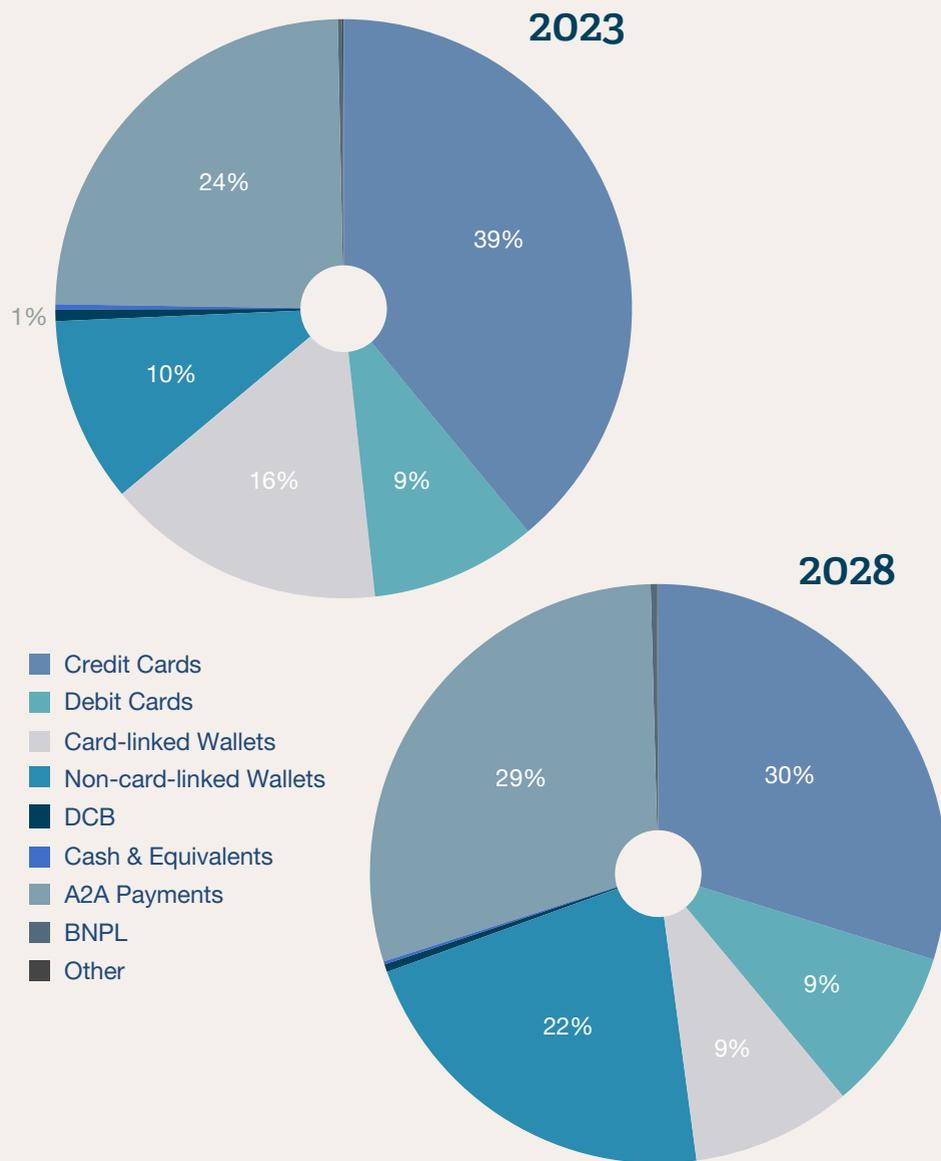
Singapore

Key Market Statistics – 2023

Local Currency: \$ SGD– Singapore Dollar



Ecommerce checkout volume % - Singapore



Key Takeaways

PayNow Driving A2A Success

- The success of the PayNow scheme is driving the growth of A2A payments across Singapore, with A2A payments set to account for just under 33% of all ecommerce transactions in country in 2028 by value.
- PayNow is also very well connected internationally, being linked to PromptPay in Thailand, UPI in India and DuitNow in Malaysia.
- We anticipate that PayNow and PayNow QR will become default options within Singapore, driving growth in the market for digital payments.

Strong Fintech Support & Regulator Involvement Means Rapid Pace of Progress

- Supporting Singapore's rapid transformation in payments terms is its regulators, such as the MAS (Monetary Authority of Singapore), who have created regulatory sandboxes and been forward thinking in supporting the growth of digital payments and fintech.
- Singapore also has one of the highest levels of banking access in the world, with banking penetration running at over 97% in 2023. As such, bank-linked A2A payment systems are very well suited to the market, and can gain significant scale.

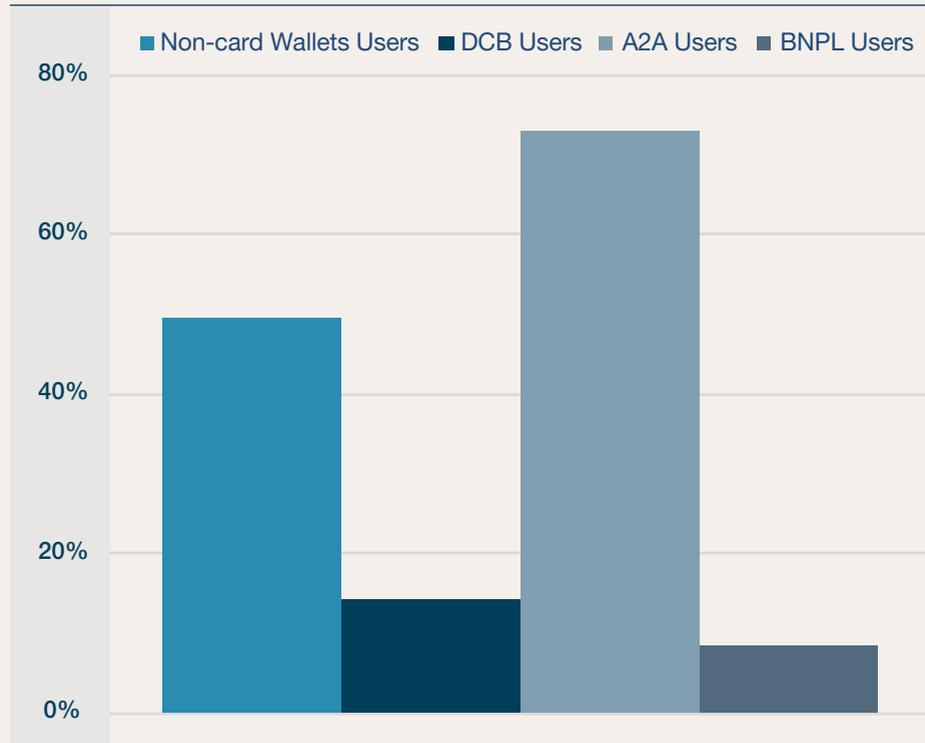
Selected Local Payment Methods - Singapore

Payment Method	Launched	Type	Comments
 PAYNOW	2017	A2A Payments	PayNow is linked to other schemes for easy cross-border transactions.
 GrabPay	2012	Non-card linked Wallet	GrabPay is the payment service of Grab, a leading super app..
 Shopee Pay	2015	Non-card linked Wallet	ShopeePay integrates vouchers and loyalty.

Key Payments Data

A2A payments are becoming much more prominent within the Singaporean market, with PayNow proving to be a major real-time payments success story. A2A payments are expected to account for 29% of ecommerce transactions volumes in Singapore by 2028, from 24% in 2023, representing very strong progress.

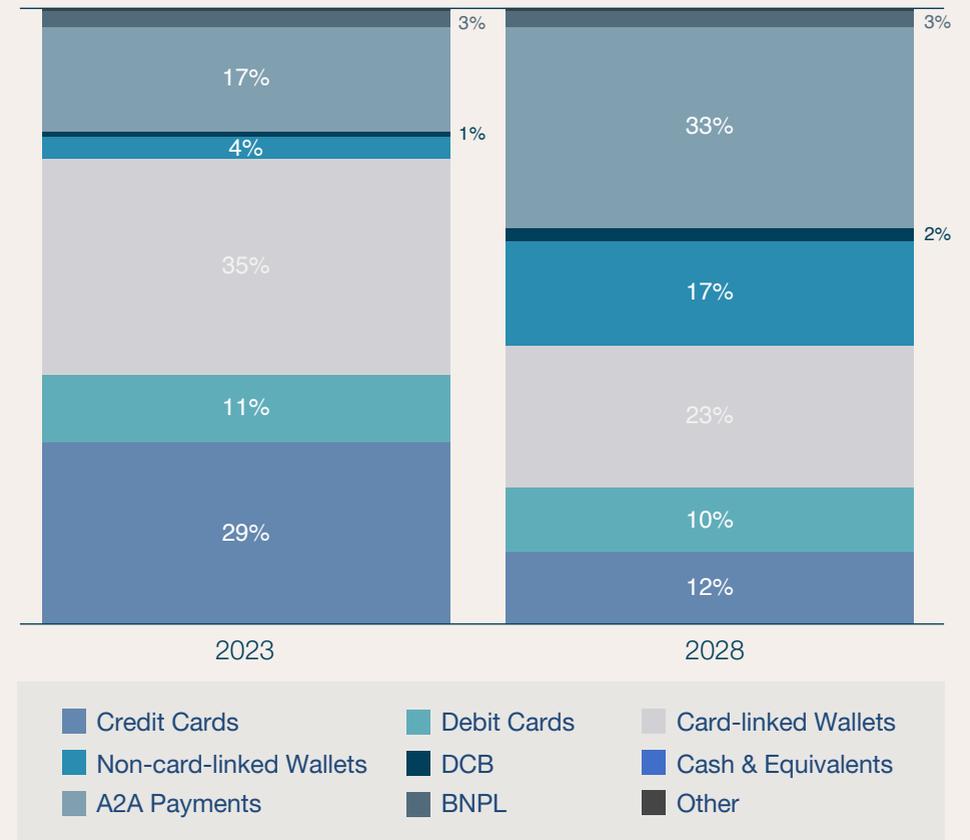
Total commerce monthly active users – Singapore



By 2028, A2A payments will have reached saturation within Singapore's population, reflecting massive adoption over the next few years, supported by high rates of banking penetration.

Local payment methods will account for over 55% of ecommerce transactions in Singapore by value in 2028, from 24% in 2023, demonstrating a rapid transition from cards for ecommerce usage, supported by PayNow deployments.

Ecommerce checkout value % - Singapore



The growing popularity of local payment methods, supported by the active role of MAS means that we envision an increasingly powerful transition. This means domestic merchants must move away from card-centric acceptance strategies, and international merchants looking at market entry should follow local payment focused models.

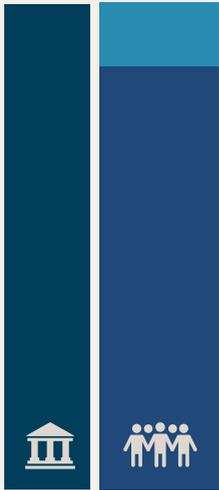
South Korea

Key Market Statistics – 2023

Local Currency: KRW – South Korean won



99%
BANKED



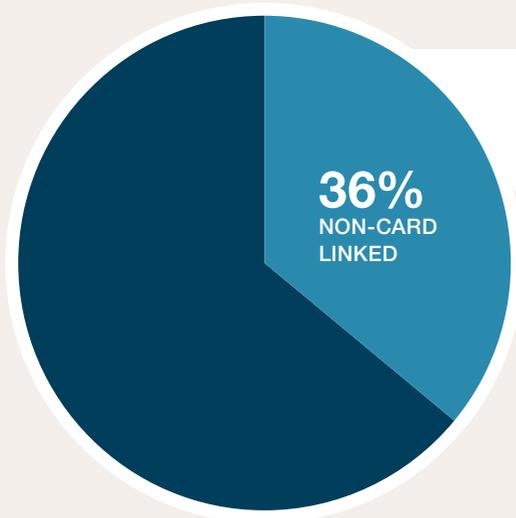
53M
TOTAL
POPULATION

46M
ADULTS



GDP/CAPITA
\$35,917

+10%
BY 2028



36%
NON-CARD
LINKED

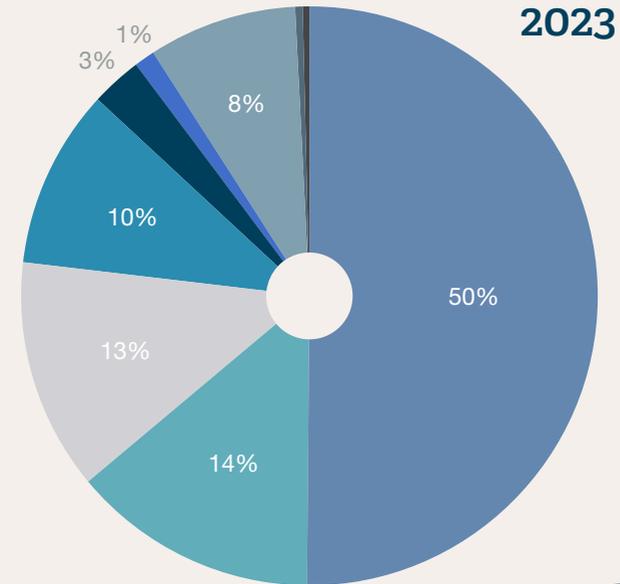
ECOMMERCE
MARKET SIZE
\$128B

CROSS-BORDER
ECOMMERCE
MARKET SIZE
\$55B

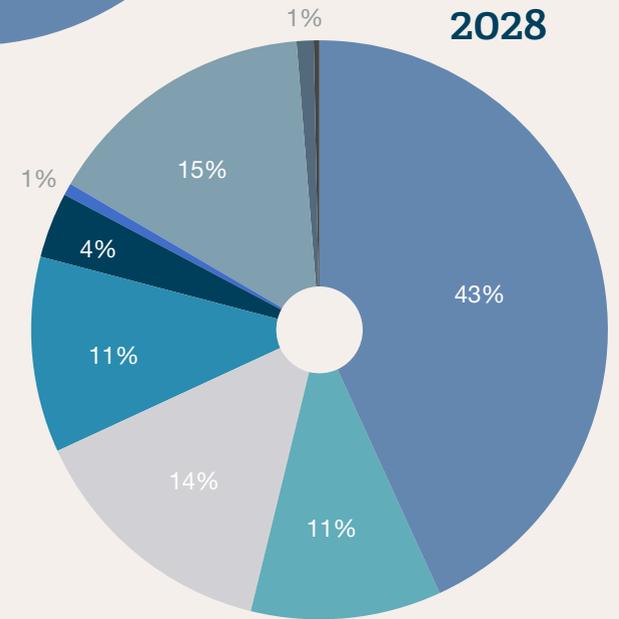
MCOMMERCE
MARKET SIZE
\$101B

+45%
BY 2028

Ecommerce checkout volume % - South Korea



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other



Key Takeaways

Local Wallets to be Most Common Payment Type

- The sentiment survey found that the top three payment methods were Naver Pay, locally-issued credit cards, Kakao Pay and Toss Pay. Indicating that mobile wallets play a large role in the South Korean payments ecosystem.
- South Koreans are less likely to change payment method type than other nations, with only 46% (347) of respondents stating that they would consider using a different payment method.
- The top two drivers for changing their payment methods were better offers and lower transaction fees.

Local Payment Methods to Account for a Smaller Proportion of Online Value than in Other Countries Across the Region

- Local payment methods only account for 25% of online value at present, with non-card-linked wallets making up the majority of this proportion (14%). This local payment proportion is anticipated to grow to 36% in 2028.
- The majority of local payment methods will be made up through non-card linked wallets, with them accounting for 14% of ecommerce transaction value in 2023.
- BNPL is anticipated to have the greatest growth out of all local payment methods, increasing from 8.8 million users in 2023 to 17.3 million users in 2028, this is a growth rate of 97% over the forecast period.

Selected Local Payment Methods - South Korea

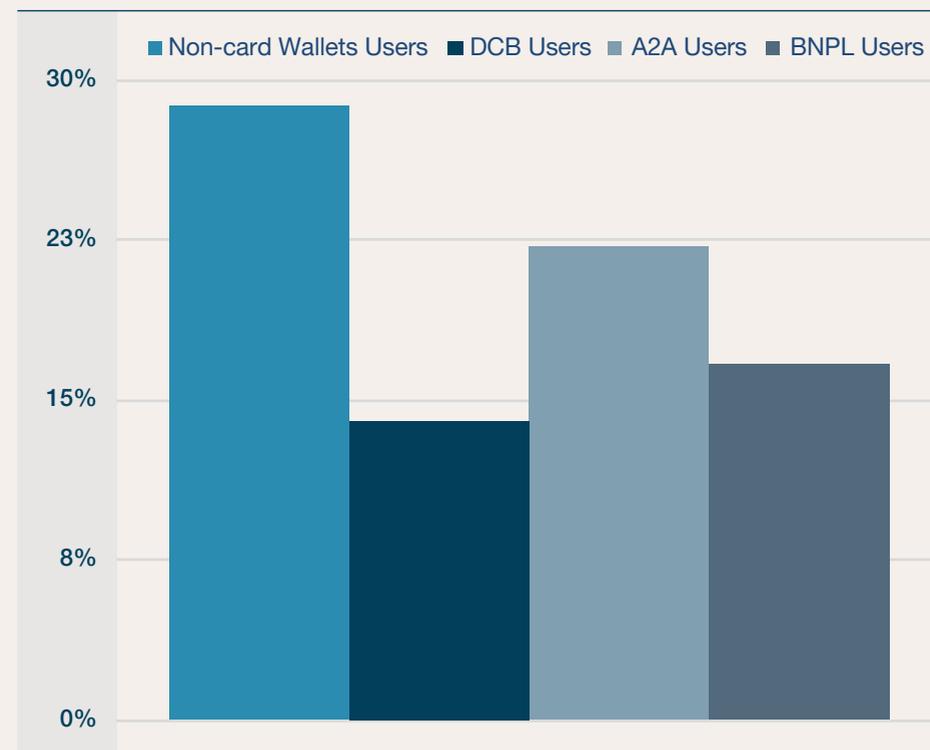
Payment Method	Launched	Type	Comments
 Naver Pay	2015	Non-card-linked wallet	Naver Pay has 38 million users (2023).
 Kakao Pay	2014	Non-card-linked wallet	Around 39.4 million users (2023)
 Toss Pay	2020	Non-card-linked wallet	Over 9.5 million registered users (2023)

Key Payments Data

Cards are anticipated to lose share of ecommerce volume between 2023 and 2028, going from 64% in 2023 to 54% in 2028. This is in contrast to card linked wallets which are set to grow from 13% in 2023 to 14% in 2028.

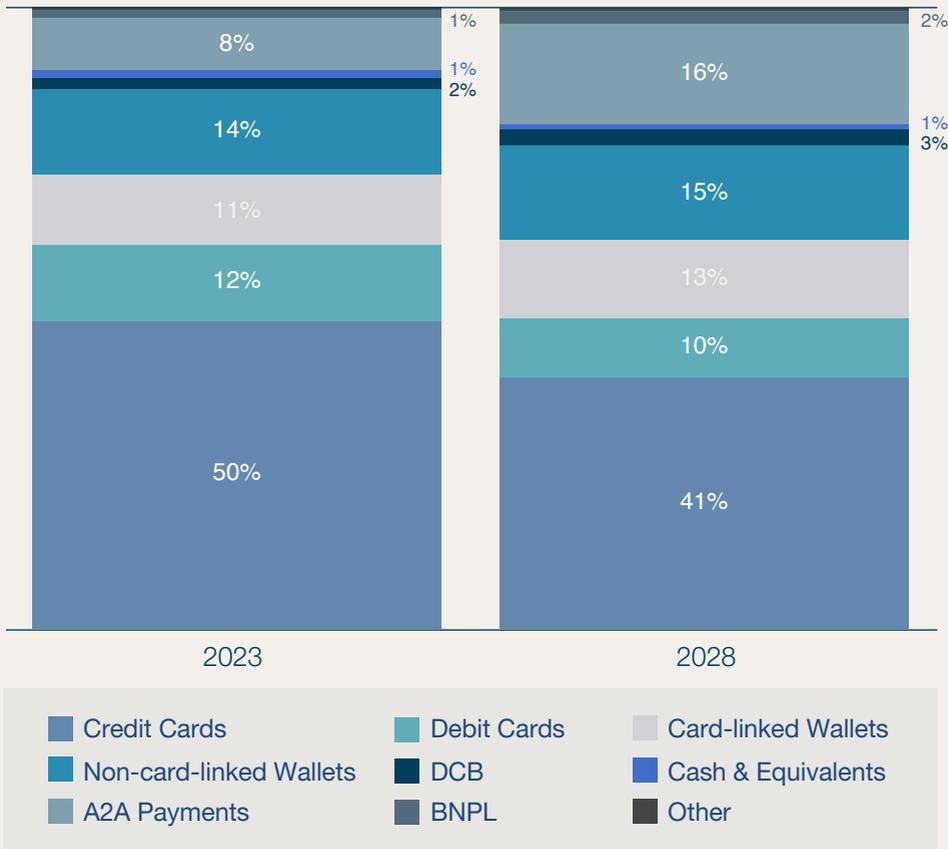
By 2028, 36% of ecommerce transaction value will come from local payments, up from 25% in 2023, reflecting the growing adoption of local payment methods.

Total commerce monthly active users – South Korea



Both BNPL and A2A payments will experience great growth in the proportion of population using them growing 91% and 39% respectively between 2023 and 2028.

Ecommerce checkout value % - South Korea



The greatest change in ecommerce payment value will be seen in credit cards, as these are anticipated to fall from 50% in 2023 to 41% in 2028. This is due to local payment methods, such as BNPL and non-card-linked wallets gaining further interest.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- There is a fairly even split between local payments users and card users, with neither group having a greater dominance of the market than the other, showing that the payments landscape is fairly even in regards to usage, however, the type of wallets that are used are split across local payment users, showing less loyalty towards one specific wallet.
- Willingness to consider changing payment methods is lower in South Korea than it is in other countries across the region, with local payments users being more likely to change their payment method than card users.

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 49% (369) of the respondents, indicating a fairly evenly split ecommerce market, between local payment users and card.

The most common payment method for these users was NaverPay, being selected by 76% of local payment method dominant respondents. This was by far the most popular method, with Kakao Pay being the next most popular with 62% of mobile dominant respondents selecting this as a payment method.

Due to the card usage in South Korea locally-issued credit cards also make up a large proportion of payment methods used, with 30% of local payment users using locally-issued credit cards.

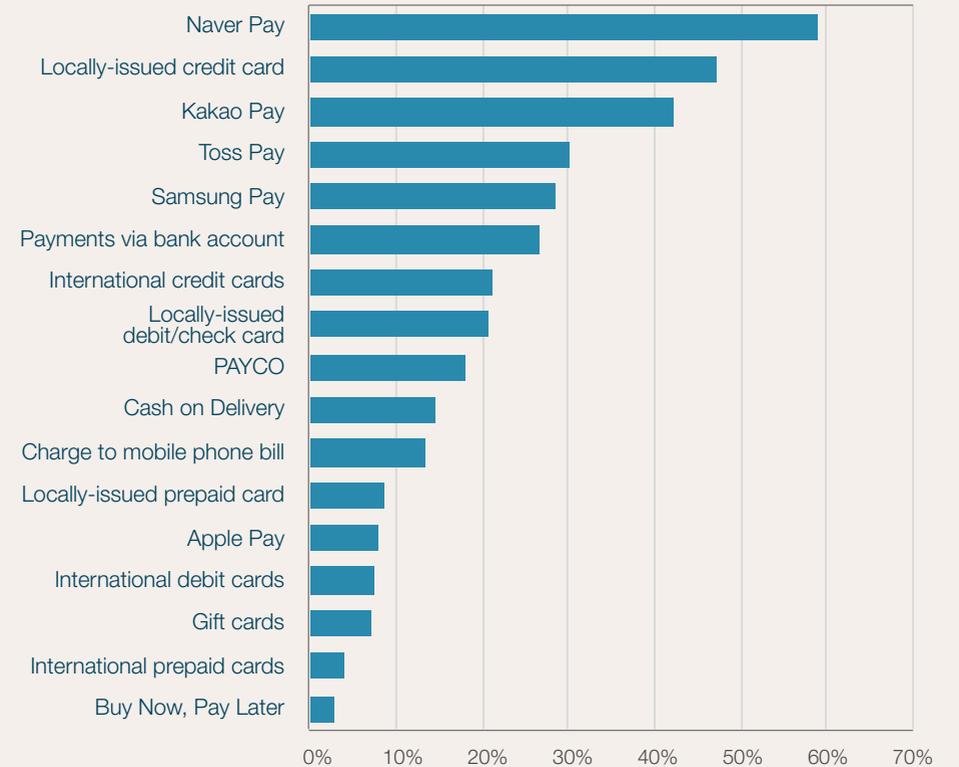
This indicates that while local payment methods are split by mobile wallet, with no specific one being drastically more popular than another, the majority of card users stick to locally-issued credit cards.

Why Do Local Payment Users Leverage These Methods?

- Kakao pay and Naver Pay are predominantly used for physical goods purchases of everyday essentials. Other common purchases for local payments users are food delivery through Naver Pay and Toss Pay.
- Mobile phone top ups are carried out the majority of the time through locally-issued credit cards for both card users and local payment users.



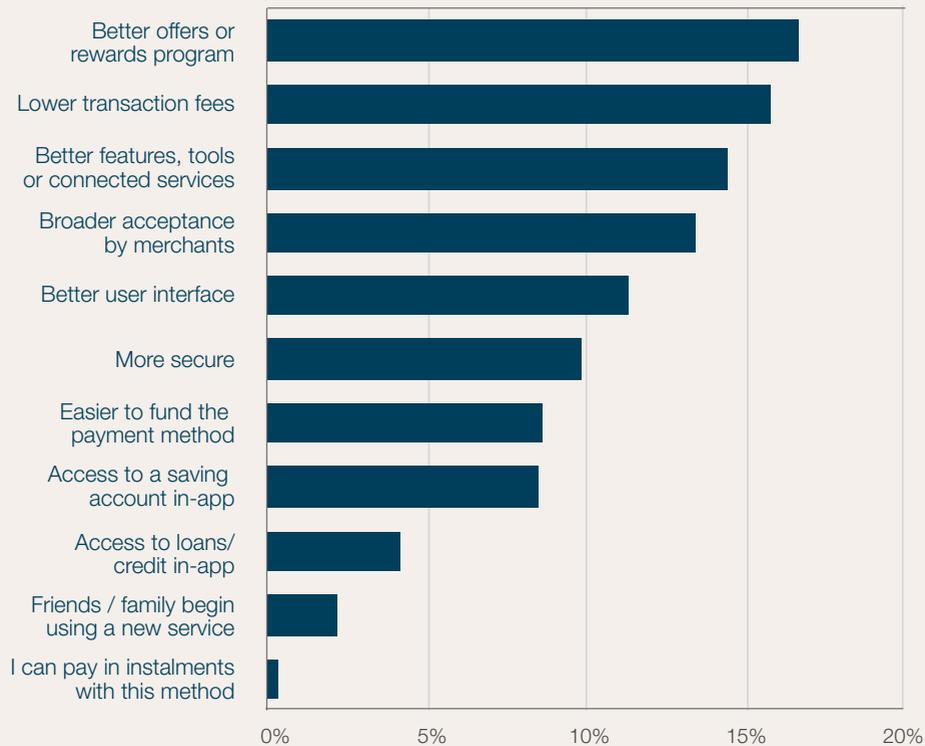
LPMs used last 30 days % - South Korea



Rewards and Cash back is a Major Driver in South Korea

One striking feature of the survey is the massive amount of different payment types that users selected. Over 80% of respondents selected multiple different payment methods, with the outstanding reason for this being that different rewards are offered for different payment methods.

Key Reasons Respondents Would Change Payments Services (%)



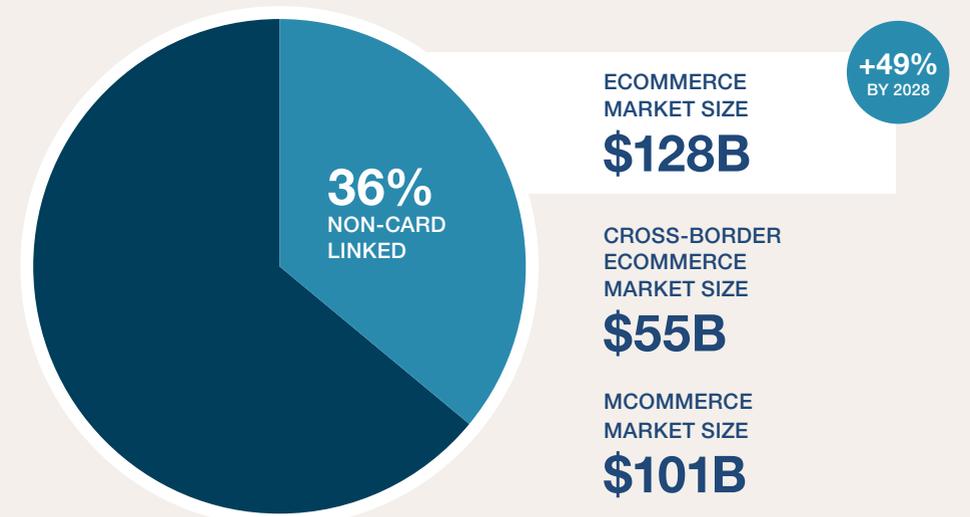
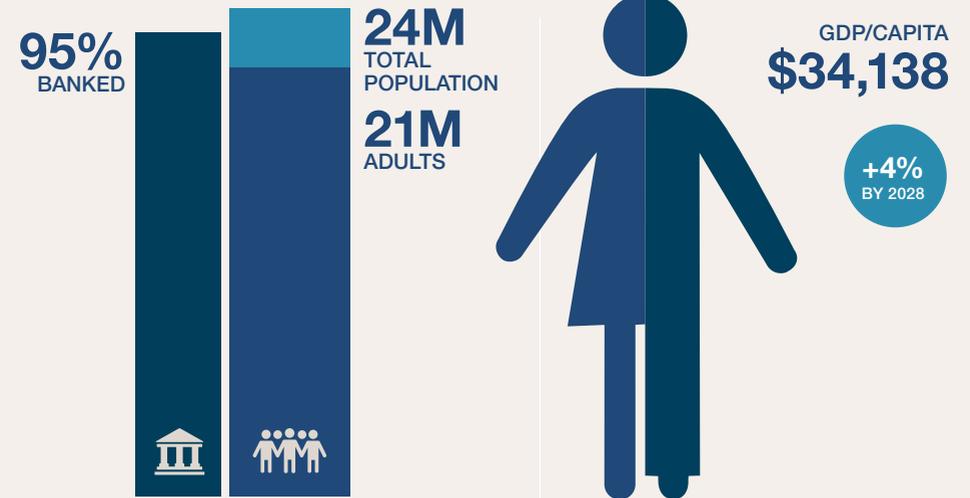
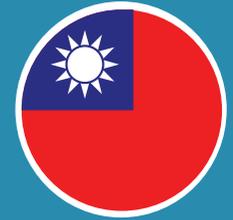
As is clear from responses the ability to earn rewards and cashback is a very large driver for respondents across South Korea.

Considering the importance of cashback and rewards in South Korea, payment providers should consider introducing incentivize such as rewards in order to increase their user base.

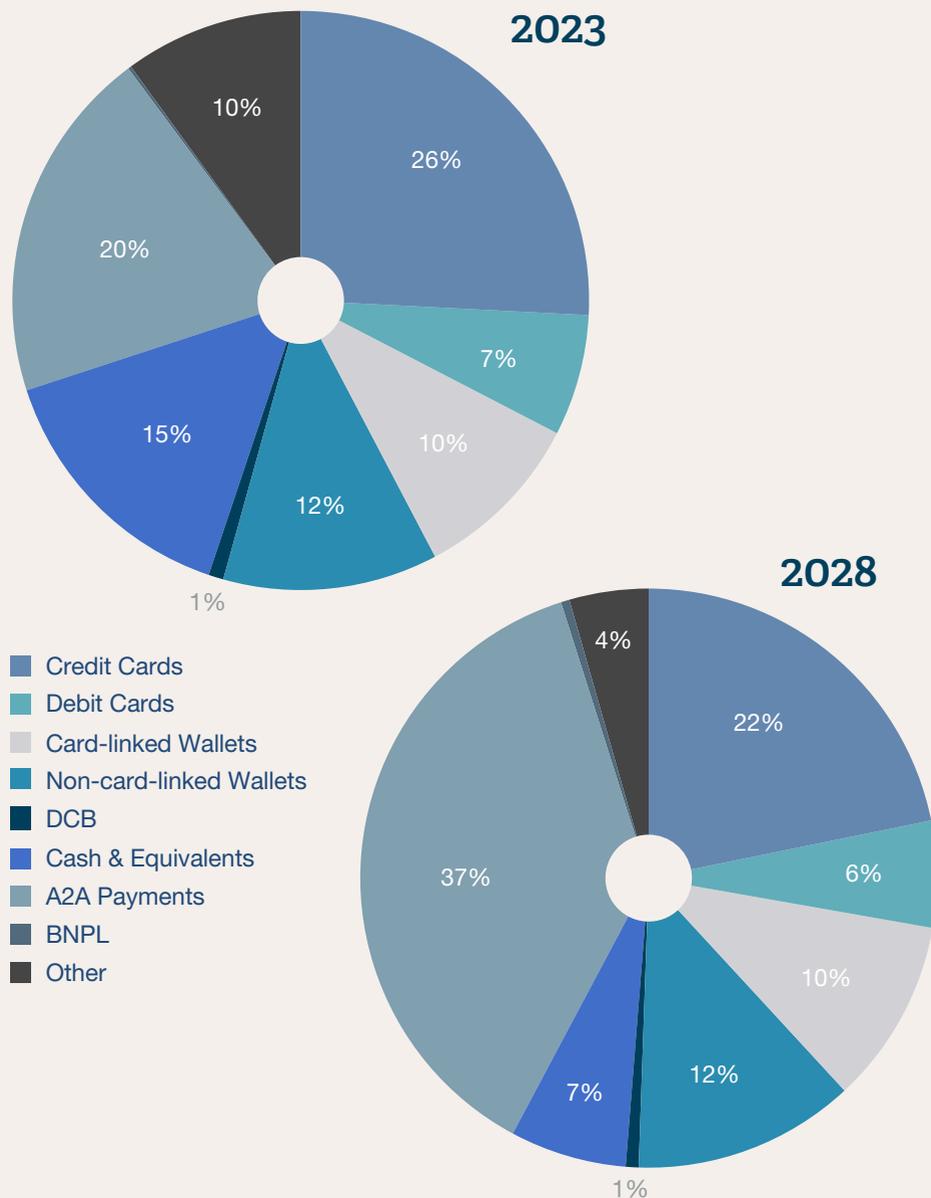
Taiwan

Key Market Statistics – 2023

Local Currency: New Taiwan dollar NT\$



Ecommerce checkout volume % - Taiwan



Key Takeaways

Local Payment Methods Top in Taiwan

- The sentiment survey found that the top two payment methods were LINE Pay and Easy Card, demonstrating that local payment methods are highly important within the market, with a large proportion of the sample stating that they had used these methods online in the past month.
- A large 82% of overall respondents would be willing to use a different payment method.
- The top two drivers for alternative payment methods were better offers or rewards programs and broader acceptance by merchants.

Over a Third of the Population to use Local Payment Methods by 2028

- By 2028, 50% of the ecommerce transaction volume will be made using local payment methods, with non-card-linked wallets and A2A being the top two local payment methods of choice.
- BNPL is anticipated to have the greatest growth out of all local payment methods, increasing from around 800,000 users in 2023 to 2.2 million users in 2028, representing a growth rate of 189% over the forecast period.
- Rewards are a large driving factor when it comes to people in Taiwan choosing which payment methods they are likely to use, especially when they have more than one payment method to choose from.

Selected Local Payment Methods - Taiwan

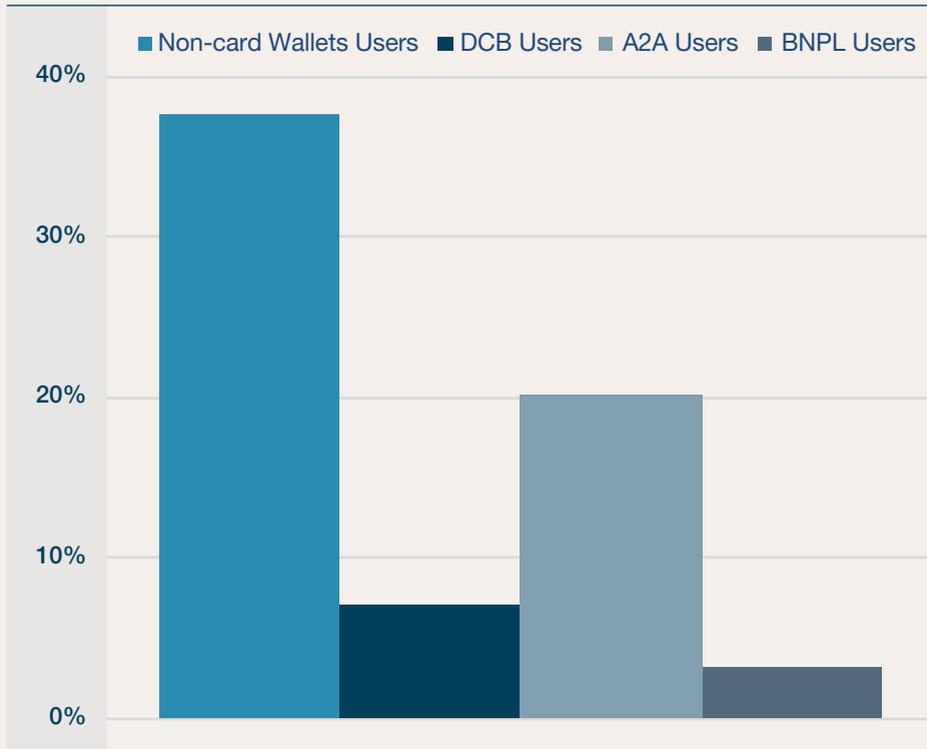
Payment Method	Launched	Type	Comments
 LINE Pay	2014	Non-card-linked wallet	Over 7 million users in Taiwan in 2021.
 全支付 pypay plus	2022	Non-card-linked wallet	Fast growing wallet which now has over 4 million users.
 街口支付 JKOPAY	2016	Non-card-linked wallet	Over 6 million users in Taiwan in 2023.

Key Payments Data

Cards will remain to be an important payment method within the Taiwanese market, accounting for 33% of online transactions by volume in 2023, only falling to 28% of online transaction by volume in 2028.

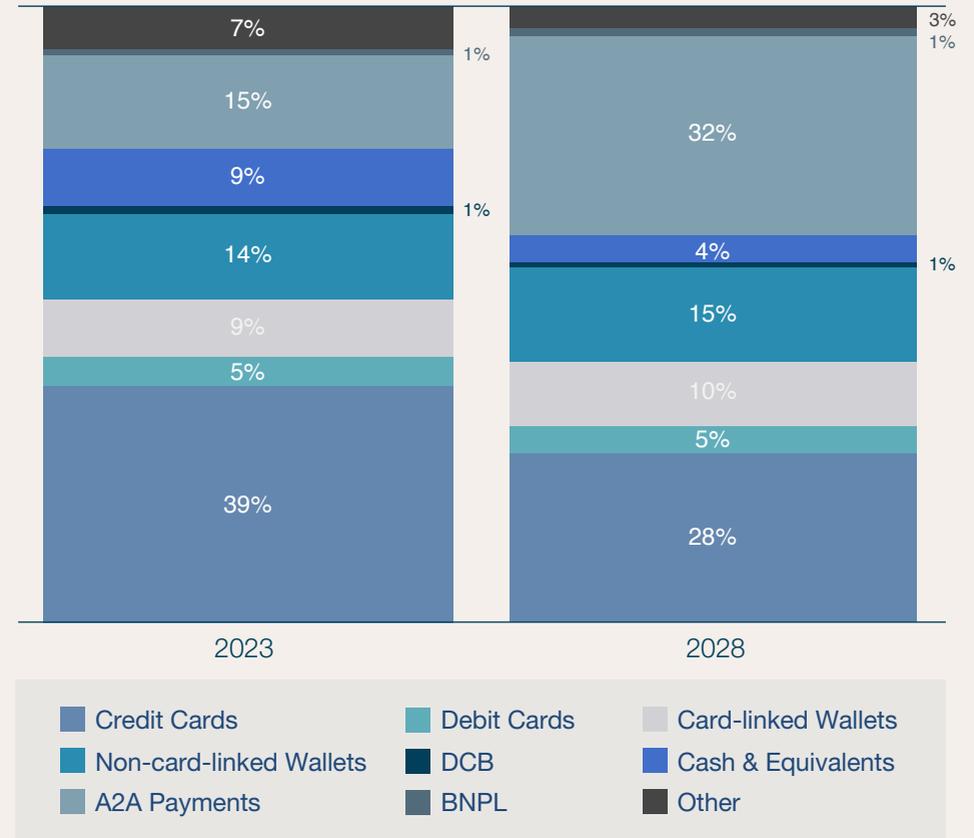
The main shift over the forecast period will be a strong increase in A2A payments, going from 15% of value in 2023 to 32% in 2028, reflecting strong prospects for A2A growth.

Total commerce monthly active users – Taiwan



By 2028, 50% of online transaction value will be carried out through local payment methods, with A2A payments accounting for 32% of transaction values.

Ecommerce checkout value % - Taiwan



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Card payments are dominating in terms of adoption, with 54% of respondents accessing a larger number of card payment methods than local payment methods within the last month online than card payments. By way of contrast, only 19% used more local payment methods than card payment methods online in the last month.
- Security within the payment methods used was a key factor when it came to choosing which payment method is used online in Taiwan, with 50% (378) of respondents selecting this as a reason, especially for card users. Local payment method users preferred the ability to earn rewards and cashback.
- Cash on delivery is still a large payment method across Taiwan with 52% (387) of respondents stating that they have used cash on delivery when making a purchase online in the last month.

Local Payment Methods Users

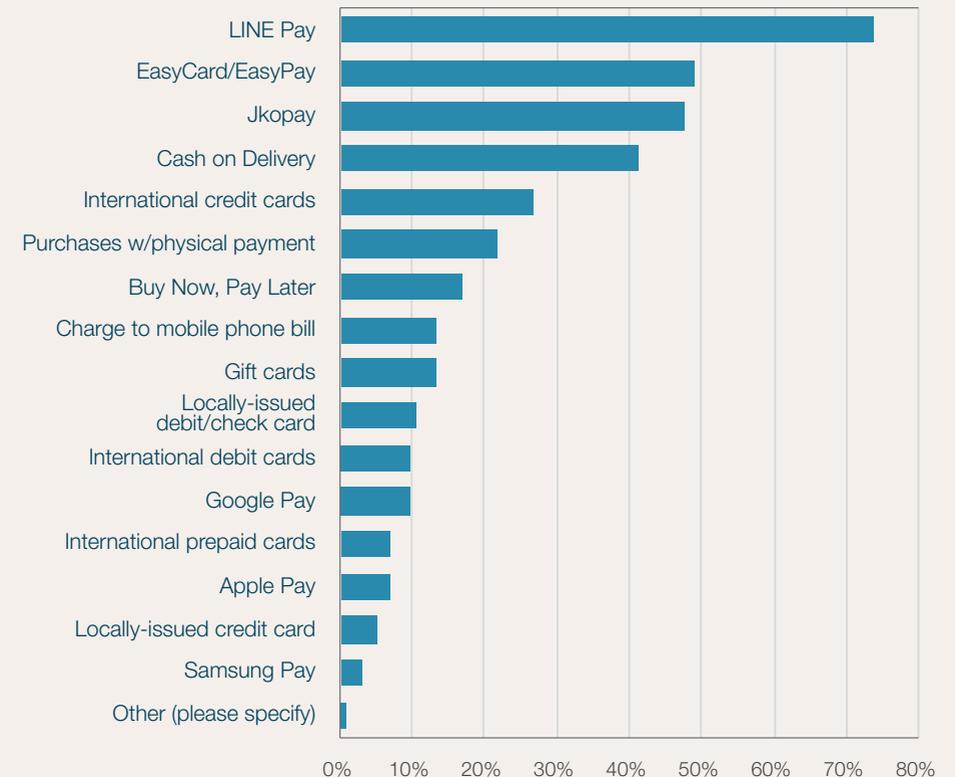
Payment Types & Their Use Cases

Users of predominantly local payment methods represented 18% (140) of the respondents, indicating that Taiwan is a more card dominant market.

The most common payment method for local payment users was LINE Pay, with this being chosen by 74% of the local payment users. LINE Pay was also the most dominant payment method overall, being selected by 50% of all respondents.

This shows that LINE Pay is a very strong payment method in Taiwan, with it having great dominance over the local payments users in the market.

LPMs used last 30 days % - Taiwan



When it comes to local payment users who use more than one payment method, the main reason for this was that different rewards are offered by different payment providers.

This indicates that rewards are highly important for local payment users so reward schemes should be considered by merchants when it comes to incentivizing users of certain payment types.

Why Do Local Payment Users Leverage These Methods?

- Local payments users prefer methods that offer rewards and cashback, followed by methods that are more secure.
- Personal relationship with the brand was not important for respondents in Taiwan, with only 27% (204) select it as a key factor when considering choosing which payment method to use online.



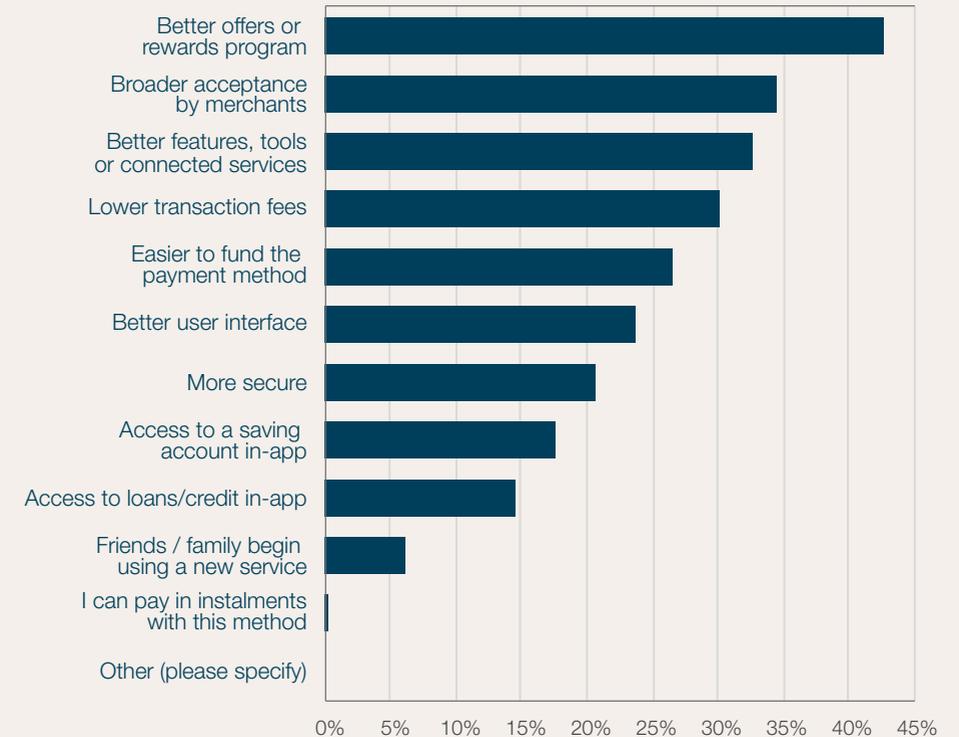
Consumers in Taiwan report frustration at the limited payment choices sometimes available to them. Our work with merchants has shown that offering a range of local options is crucial

**– TIFFANY LEE, SENIOR
BUSINESS DEVELOPMENT
DIRECTOR**

Better Acceptance is Needed by Merchants in Taiwan

The survey found that the ability to earn rewards and cashback was a large influencing factor when it came to local payment methods users choosing which method to use online.

Key Reasons Respondents Would Change Payments Services (%)



As such, partnering with local payment methods to feature in rewards ecosystems and marketplaces could be an effective strategy to drive growth.

The second most important factor when considering changing payment methods was if the payment method would be more broadly accepted by merchants. This therefore reflects an acceptance issue in Taiwan, where only certain payment methods are accepted by merchants.

Superapps Growing in Importance in Taiwan

One feature of the survey is the growing importance in the ability to access better features, tools and connected services. This was in the top three responses for both card users and local payment users.

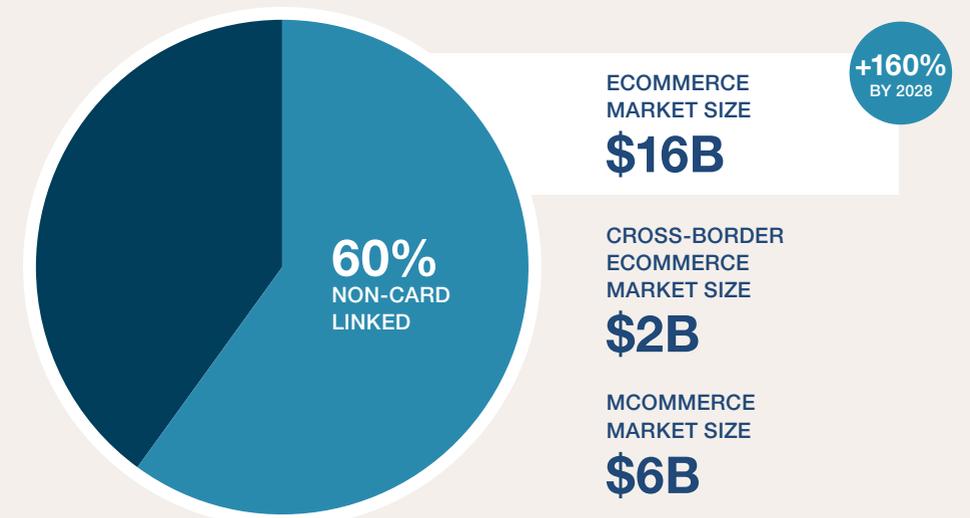
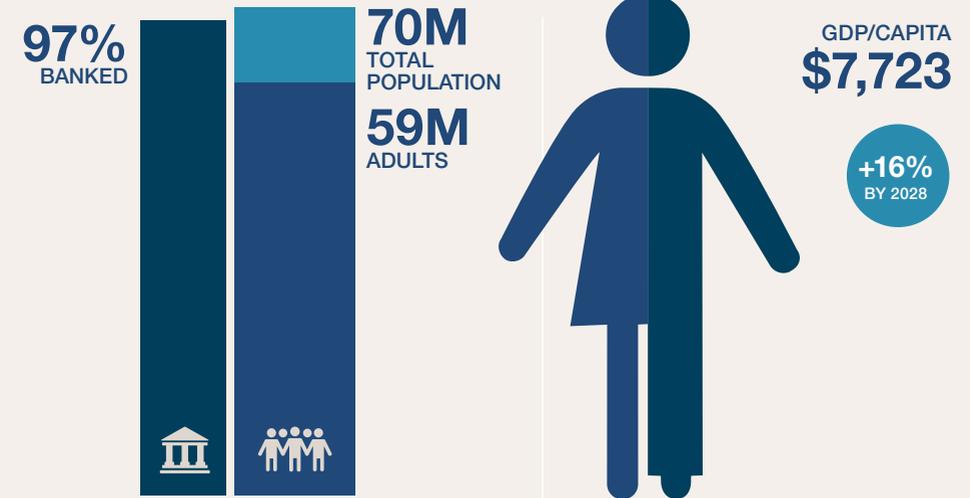
The survey shows that the respondents are interested in accessing superapps, including the additional features, tools and connected services they provide.

This means that merchants should consider improving the services they are able to offer with their mobile wallets to incorporate other connected services, which will interest more potential users when they are looking for alternative payment options.

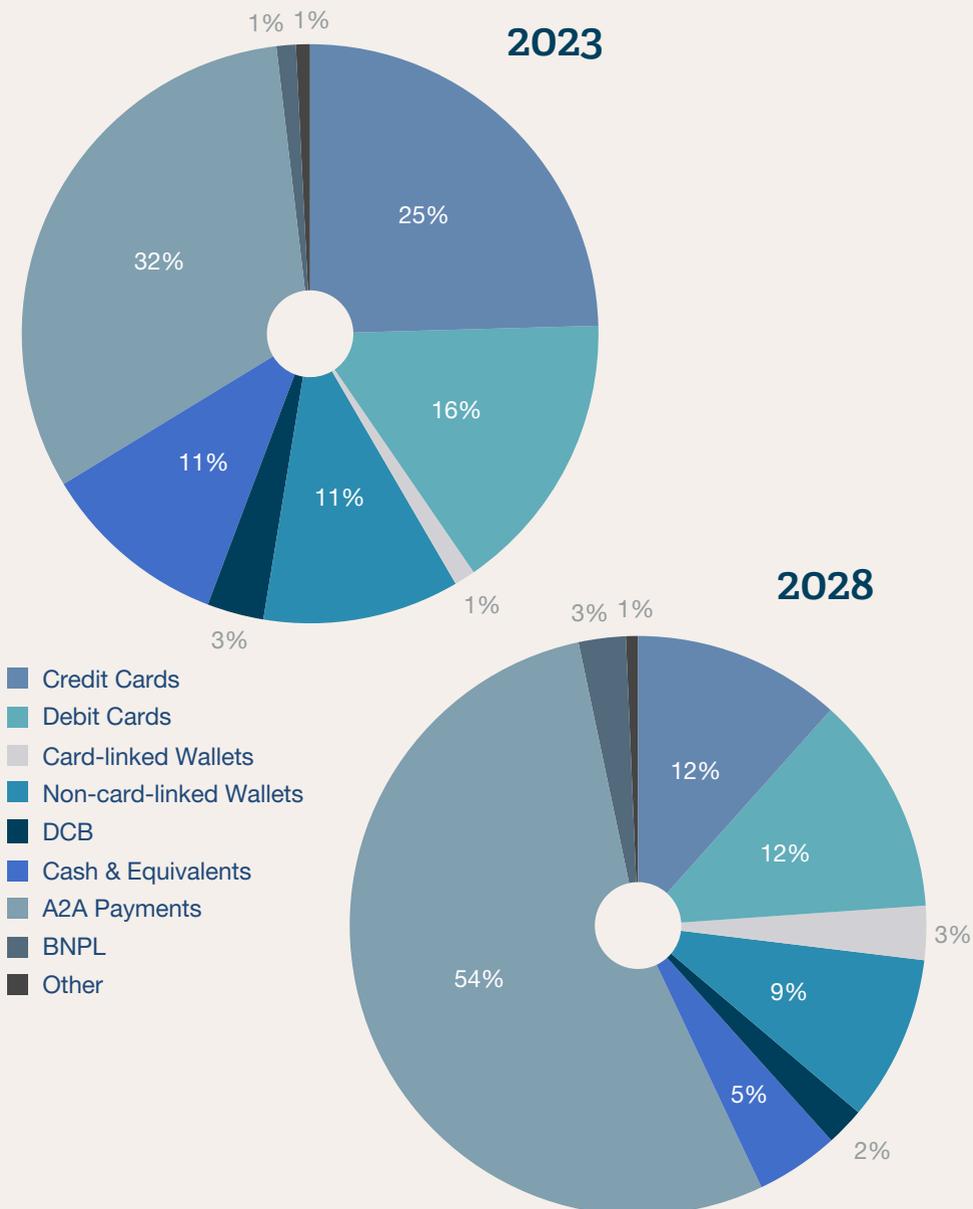
Thailand

Key Market Statistics – 2023

Local Currency: THB – Thai Baht



Ecommerce checkout volume % - Thailand



Key Takeaways

Local Payments Growing, Driven by Broad Accessibility

- Local payments are being driven ahead, by increasingly levels of accessibility across multiple methods. In particular, by 2028, A2A payments, driven by PromptPay, will have reached the vast majority of applicable users, driving ecommerce growth forward.
- The proportion of ecommerce transaction value being facilitated by local payment methods will reach 82% by 2028, from 69% in 2023.
- As such, we expect Thai merchants to focus on PromptPay acceptance, given its wide usage by the population and broad accessibility.

Cash on Delivery Still Popular, Revealing Security Perception Issues

- The survey revealed that cash on delivery is still popular within the Thai market, with 58% of users having used it as a method in the past month. This is backed up by our forecast data, which shows over 10% of transactions by volume in 2023 still occurring via cash.
- However, it is noteworthy that cash on delivery also scored well on the perception of security it provides, to a greater degree than any mobile-based or bank-based method. As such, it is clear that there is a reluctance from Thai users to wholeheartedly move to mobile-based methods for security concerns.

Selected Local Payment Methods - Thailand

Payment Method	Launched	Type	Comments
 PromptPay	2016	A2A Payments	PromptPay supports cross-border payments with a number of schemes.
 K+	2003	Non-card linked Wallet	21.7 million active users (2024)
 rabbit LINE Pay	2015	Non-card linked Wallet	This service is particularly popular within transit.

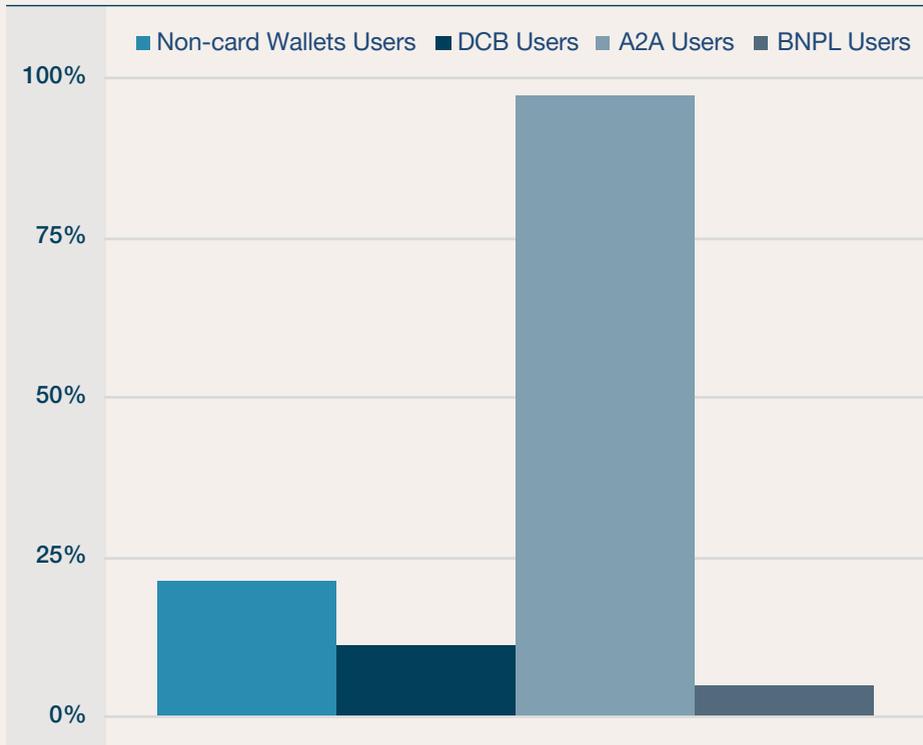
- Accordingly, we expect mobile payment providers in Thailand to focus on increasing the level of security they provide, in order to foster faster user growth.

Key Payments Data

A2A payments are becoming a significant force within the Thai payments market with PromptPay accelerating A2A payments adoption at a rapid rate.

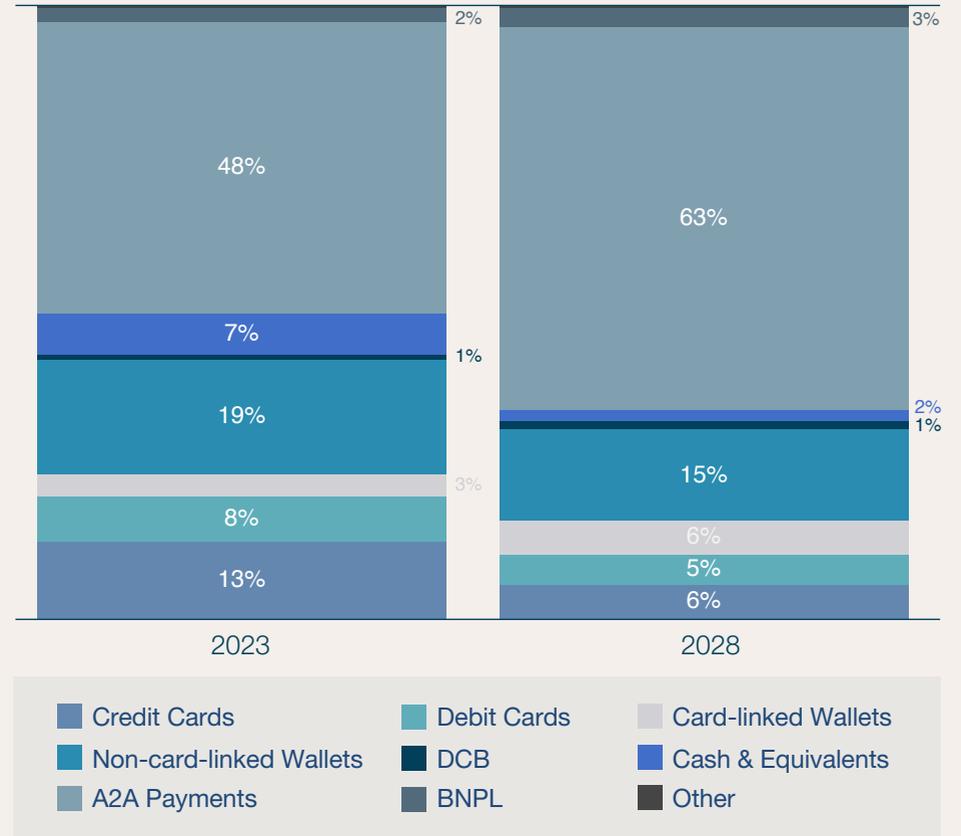
Local payment methods will account for over 81% of ecommerce transactions in Thailand by value in 2028, from 69% in 2023, showing rapid growth fueled by A2A payments.

Total commerce monthly active users –Thailand



By 2028, A2A payments will have reached the vast majority of applicable users, driving ecommerce growth forward.

Ecommerce checkout value % - Thailand



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with 86% of respondents accessing a larger number of local payment methods within the last month online than card payments.
- TrueMoney has the highest adoption of any local payment type, at 83% of local payments users, but is not used as widely as other methods, such as BNPL, for larger purchases.
- Security is a big issue in this market for users, being the most important driver for choosing what service to use, as well as being a main driver for cash on delivery's enduring usage

Local Payment Methods Users

Payment Types & Their Use Cases

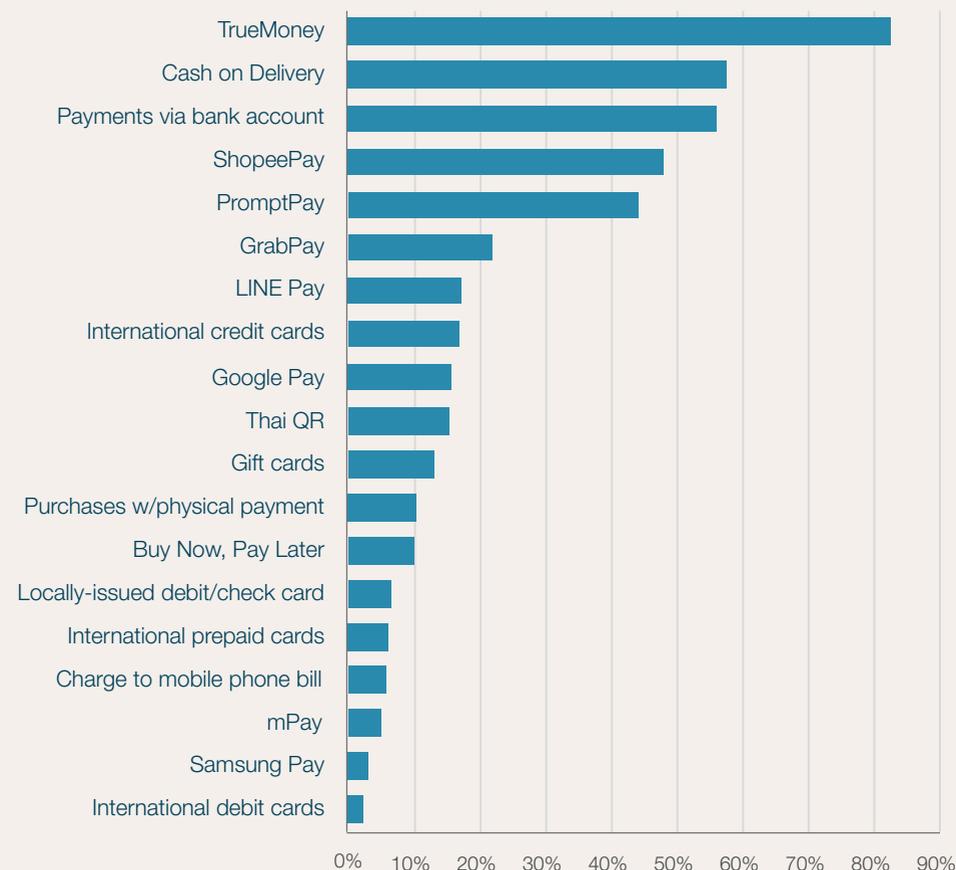
Users of predominantly local payment methods represented 86% (648) of the Thai respondents, indicating a heavily local payment method dominated ecommerce market, to a greater extent than other markets, such as Brazil, Japan and India.

The top five payment methods selected were all local payment methods.

The most common payment method for these users was TrueMoney, with cash on delivery being the next most popular at 58%, and payments via bank account at 56%.

Cash on delivery was used most commonly of all of the methods for everyday goods purchases. In contrast, credit cards and BNPL were used much more commonly for higher value payments, as were payments from bank accounts. TrueMoney was much more popular for bill payments, alongside payments via bank account and PromptPay.

LPMs used last 30 days % - Thailand



While TrueMoney is the most popular method, it is not being used that broadly in higher value purchases. This indicates the potential for development of more BNPL services by TrueMoney to change this, but is an important consideration for luxury merchants when deciding on their acceptance strategies.

Why Do Local Payment Users Leverage These Methods?

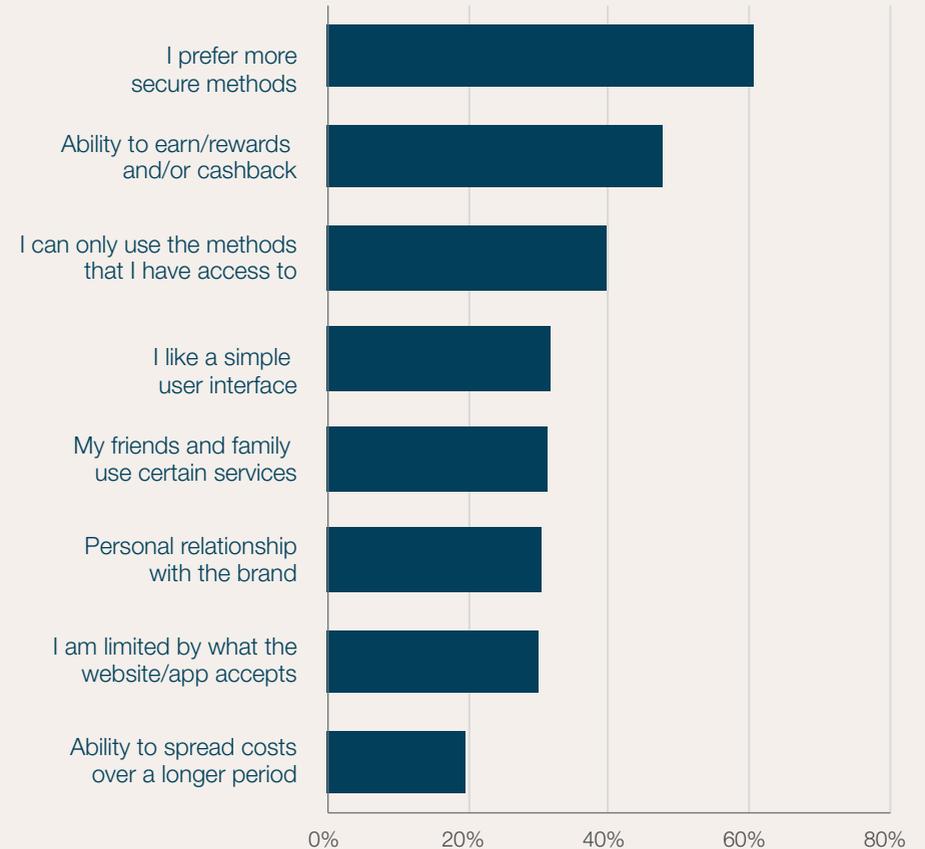
There are a few different drivers as to why users leverage particular services:

- ▶ PromptPay and ThaiQR scored highly for broad acceptance, which gives these methods a platform for future growth.
- ▶ mPay, while a more niche offering in terms of usage, scored the highest for being a trusted brand, indicating that this is a major positive factor for its success in future.
- ▶ Cash on delivery scored highest for the perception of security, indicating some reluctance in Thailand to shift to more digital methods in a comprehensive way.

Security Main Driver for Choosing Payment Type

The survey found that security concerns were the main driver for Thai respondents choosing which payment service to use, at 60% of respondents. The ability to earn cashback and rewards was also important, at 48%. By way of contrast, the ability to spread costs was a much lower priority, with only 20% of respondents selecting this as an answer.

Key Reasons Respondents Would Use to Choose Payment Service, (% of Respondents who Selected Each Reason)

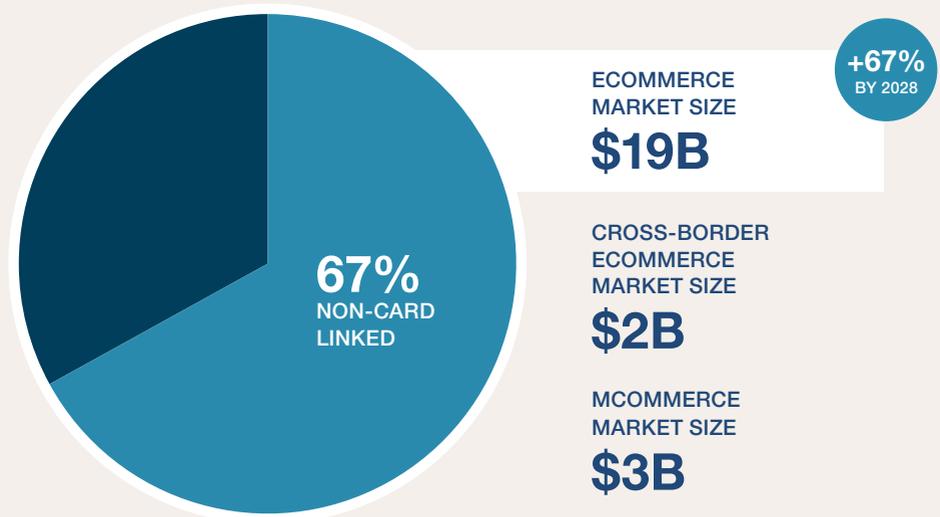
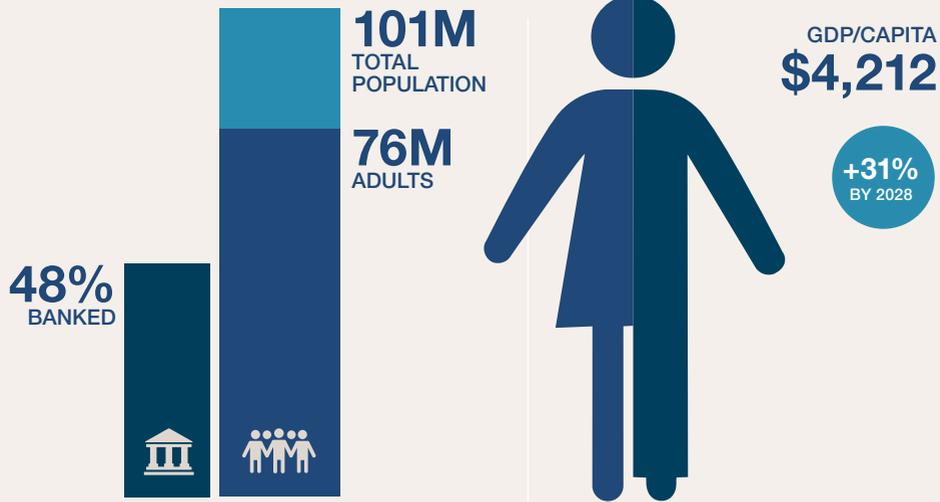


As such, we expect local payment vendors to focus on enhancing the perception of security within their services, which merchants must keep track of, to ensure that these improvements do not complicate their checkout processes.

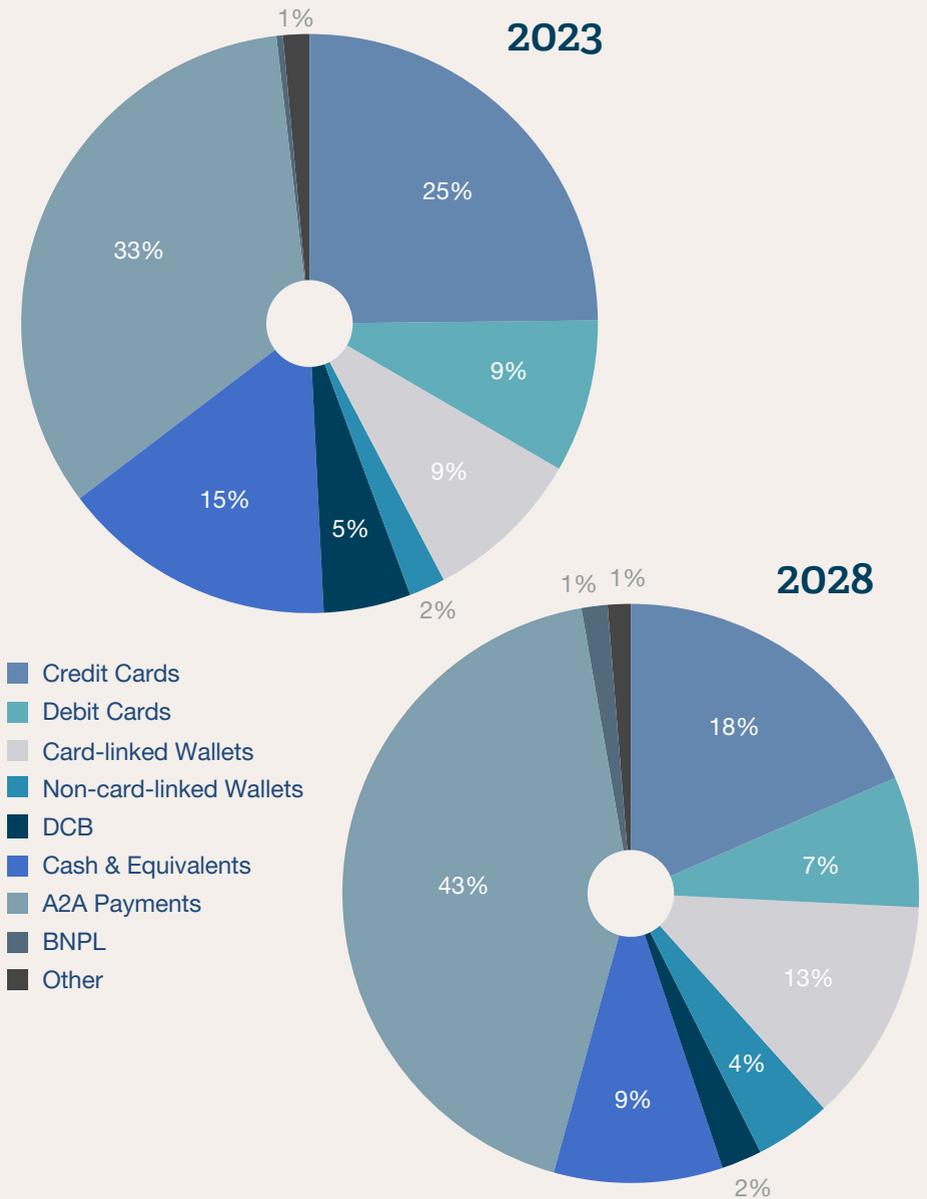
Vietnam

Key Market Statistics – 2023

Local Currency: đ VND – Vietnamese Dong



Ecommerce checkout volume % - Vietnam



Key Takeaways

Local Payment Methods Gaining Traction Rapidly

- Vietnam is a very strong market for local payment methods, with the proportion of ecommerce transaction value via these methods expected to reach 47% by 2028, from 29% in 2023.
- A2A payments will be a major part of this, driven by A2A schemes such as VNPAY QR, which are driving standardization. This standardization will drive A2A payments to account for 43% of ecommerce transactions by volume in 2028.
- We expect merchants to focus on local payment methods for their acceptance strategies in accordance with this, meaning that international merchants in particular must partner effectively with vendors that have access to this highly localized payments market.

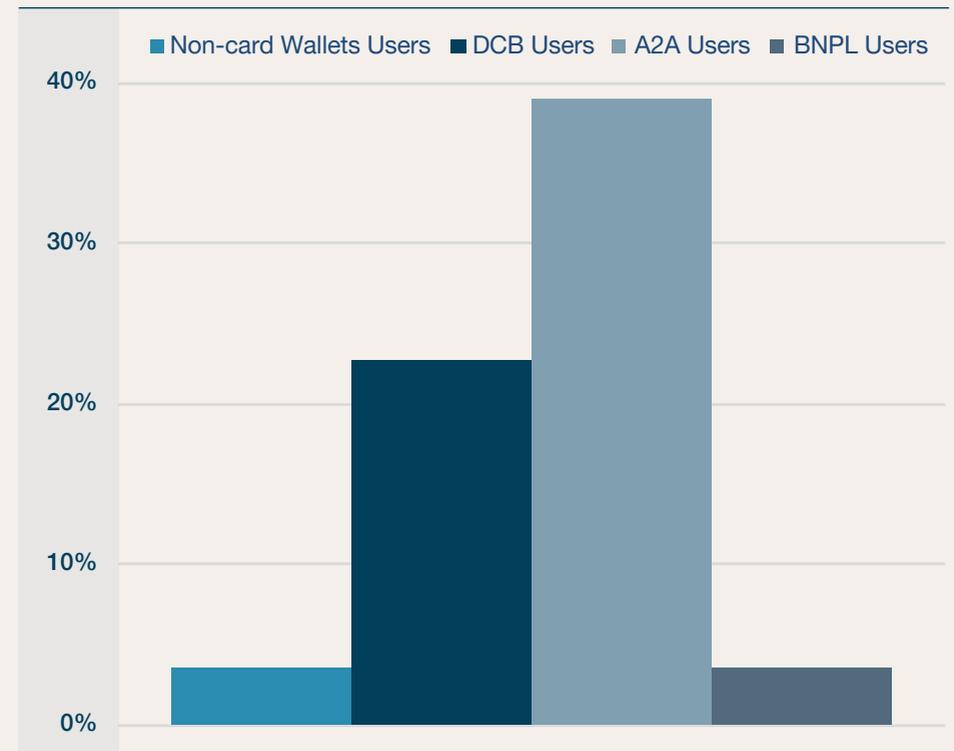
Selected Local Payment Methods - Vietnam

Payment Method	Launched	Type	Comments
	2007	Non-card linked Wallet	MoMo has widespread acceptance within Vietnam.
	2007	Non-card linked Wallet / A2A	25 million users, with 49 banks and 5 telcos linked.
	2021	A2A Payments	VNPAY QR standardizes QR payments to aid transformation.

MoMo Leading Usage, with Security a Leading Concern for Users

- The survey found that the most common payment method for local payments users was MoMo, being selected by 77% of local payment method dominant respondents. MoMo also had the highest proportion of users leveraging it at least once a week, showing its popularity.
- MoMo was preferred heavily for bill payment and everyday payments use cases, while not being leveraged extensively for higher value purchases.
- The survey also found that the perception of security and the ability to earn rewards were the two most important drivers for users to consider changing payment services in the Vietnamese market.

Total commerce monthly active users – Vietnam



Key Payments Data

Vietnam will have one of the most popular A2A payment systems within Asia Pacific, with its QR standardization bearing fruit, in a market attempting to rapidly digitize its payment methods.

Local payment methods will account for over 46% of ecommerce transactions in Vietnam by value in 2028, from 29% in 2023, demonstrating a rapid acceleration of A2A payments in particular, as regulators target digital transformation and reduced cash use.

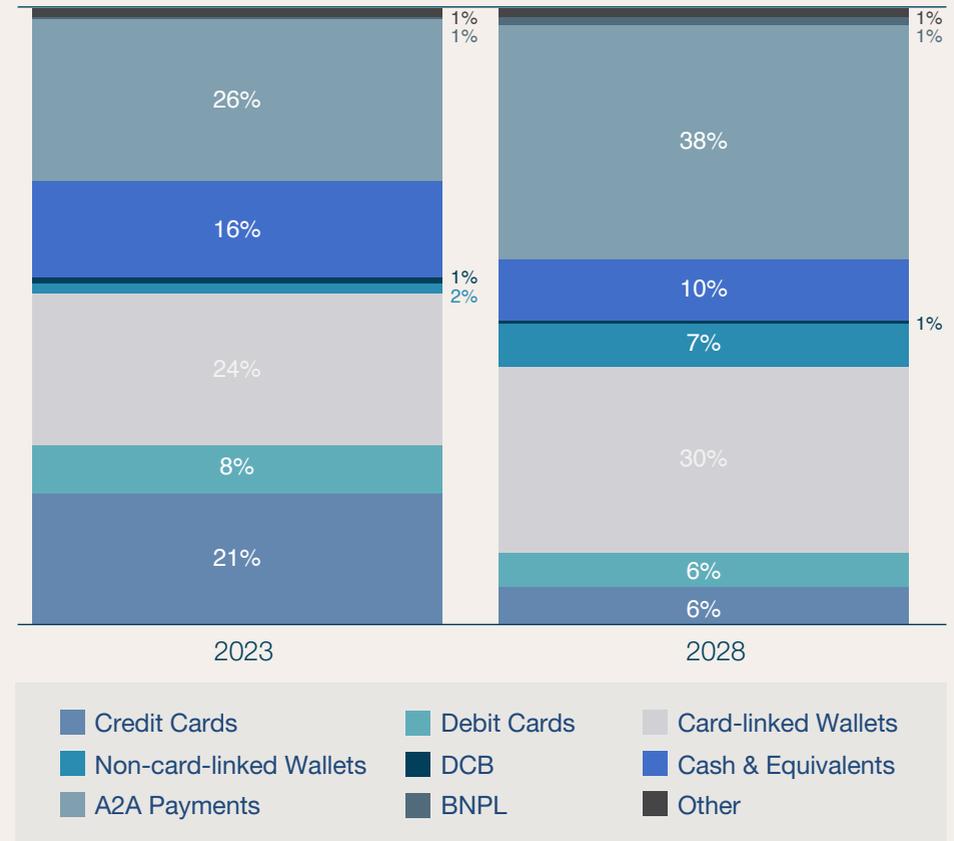
By 2028, over 80% of Vietnam's population will have access to A2A payments, showing remarkable progress with a comparatively low banking penetration.



International credit cards are going to become even more niche in Vietnam, with local payments accounting for nearly 50% of spend by 2028. Digital transformation and SuperApps are reducing the role of cash.

**– HA LE THU,
BUSINESS DEVELOPMENT
DIRECTOR**

Ecommerce checkout value % - Vietnam



The rapid growth of local payment methods in Vietnam, in particular A2A payments supported by QR payments, is impressive and will reshape the local payments market. As such, merchants wishing to succeed in the Vietnamese market must keep pace with this rapid rate of change.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with almost 85% of respondents accessing a larger number of local payment methods within the last month online than card payments. By way of contrast, only 4% used more card methods than local payment methods online in the last month, reflecting that outright dominance of local payment methods in Vietnam.
- MoMo has the highest adoption of any local payment type, at 77% of local payments users, and is also used the most frequently of any payment method, as well as being rated as very important for bill payments in particular.
- The security perceived for each method was identified as a major driver of user behavior, as was cashback.

Local Payment Methods Users

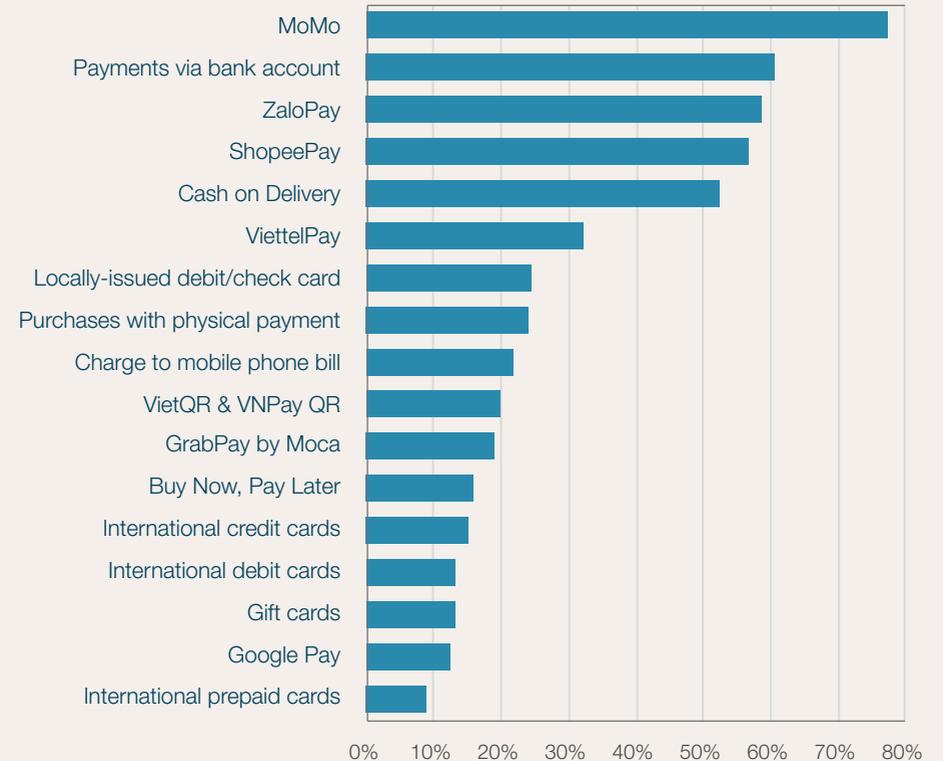
Payment Types & Their Use Cases

Users of predominantly local payment methods represented 85% (636) of the Vietnamese respondents, indicating a heavily local payment method dominated ecommerce market.

The top six payment methods selected were all local payment methods, indicating how dominated the Vietnamese market is by local payment methods.

The most common payment method for these users was MoMo, being selected by 77% of local payment method dominant respondents. This was by far the most popular method, with payments via bank account being the next most popular at 61%, and ZaloPay at 59%.

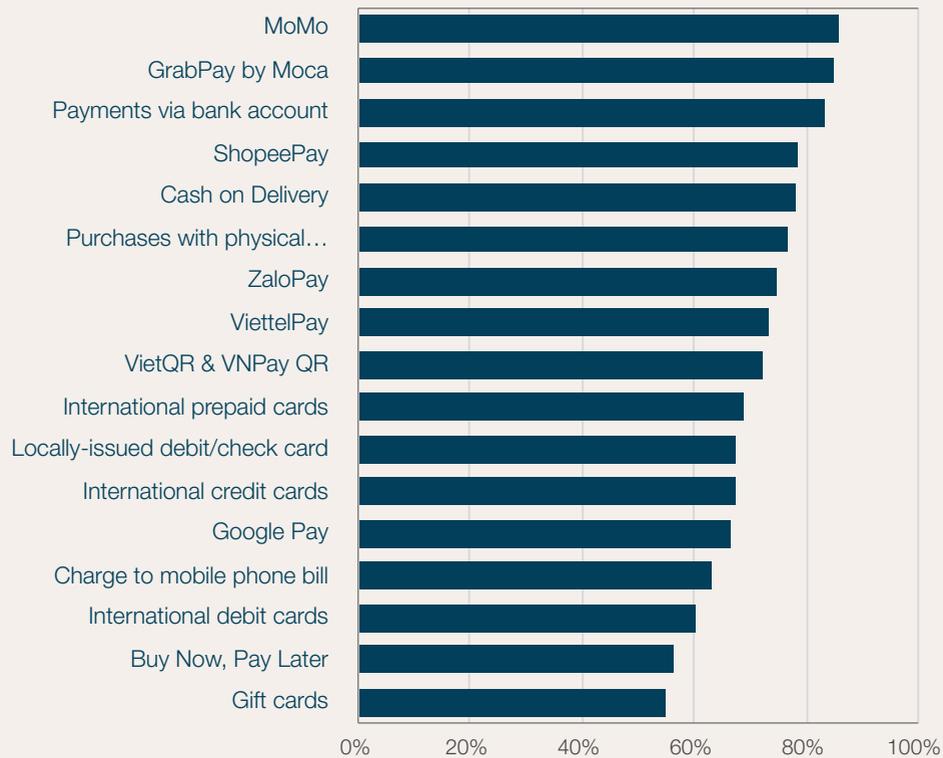
LPMs used last 30 days % - Vietnam



Cash on delivery and ShopeePay are used more frequently for every day purchases, with online purchases completed with payments in person and payments via a bank account are much more common for higher value purchases. MoMo was the clear favored method for bill payments, with GrabPay by Moca leading for ridesharing and food delivery.

As with other markets, each segment has its own payment preferences, meaning merchants must assess their area carefully before determining their acceptance strategy.

Frequency of Use of Each Method, Proportion Selecting At Least Weekly (%)



Why Do Local Payment Users Choose Certain Payment Methods?

There are a few different reasons as to why users would choose to use a particular payments service:

- A preference for more secure methods was the most important factor, at 61% of respondents choosing this.
- The ability to earn cashback was seen as a major driver also, selected by 48% of the respondents, and selected at a much higher rate than other markets within Asia Pacific.
- I am limited by what the website/app accepts and the ability to spread costs over a longer period were both much less popular, at 25% of respondents or under, reflecting that acceptance and credit are not key drivers for user behavior in this market.

MoMo Represents Most Frequently Used Payment Type

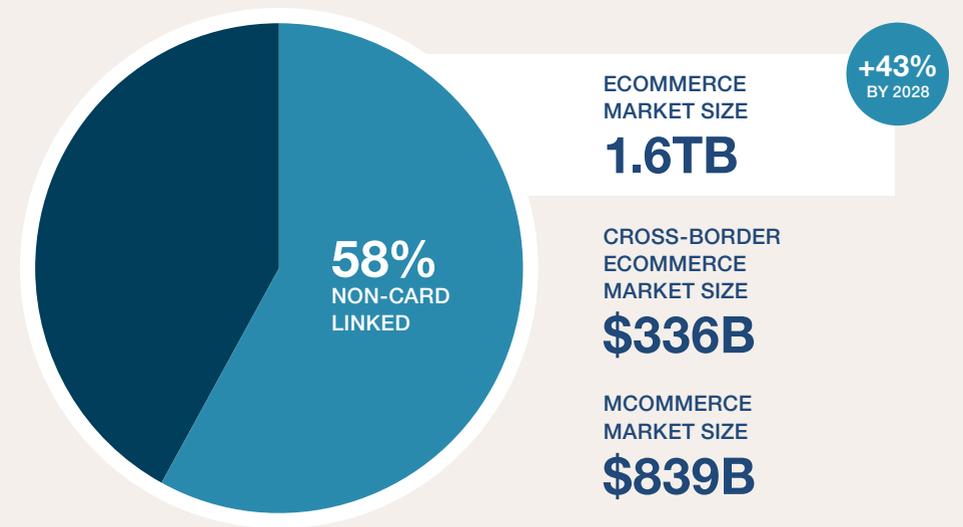
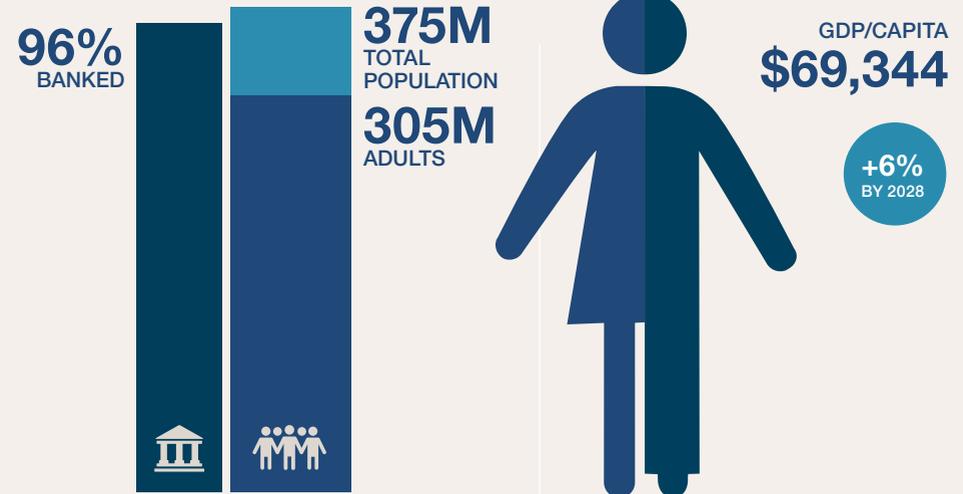
The survey found that MoMo, GrabPay by Moca, payments via bank account and ShopeePay were the most frequently used payment methods by their users, with between 85% and 78% of their users using them at least once a week.

By contrast, gift cards, BNPL, and debit cards were used much less frequently, indicating a market when card payments are heading for a more niche role.

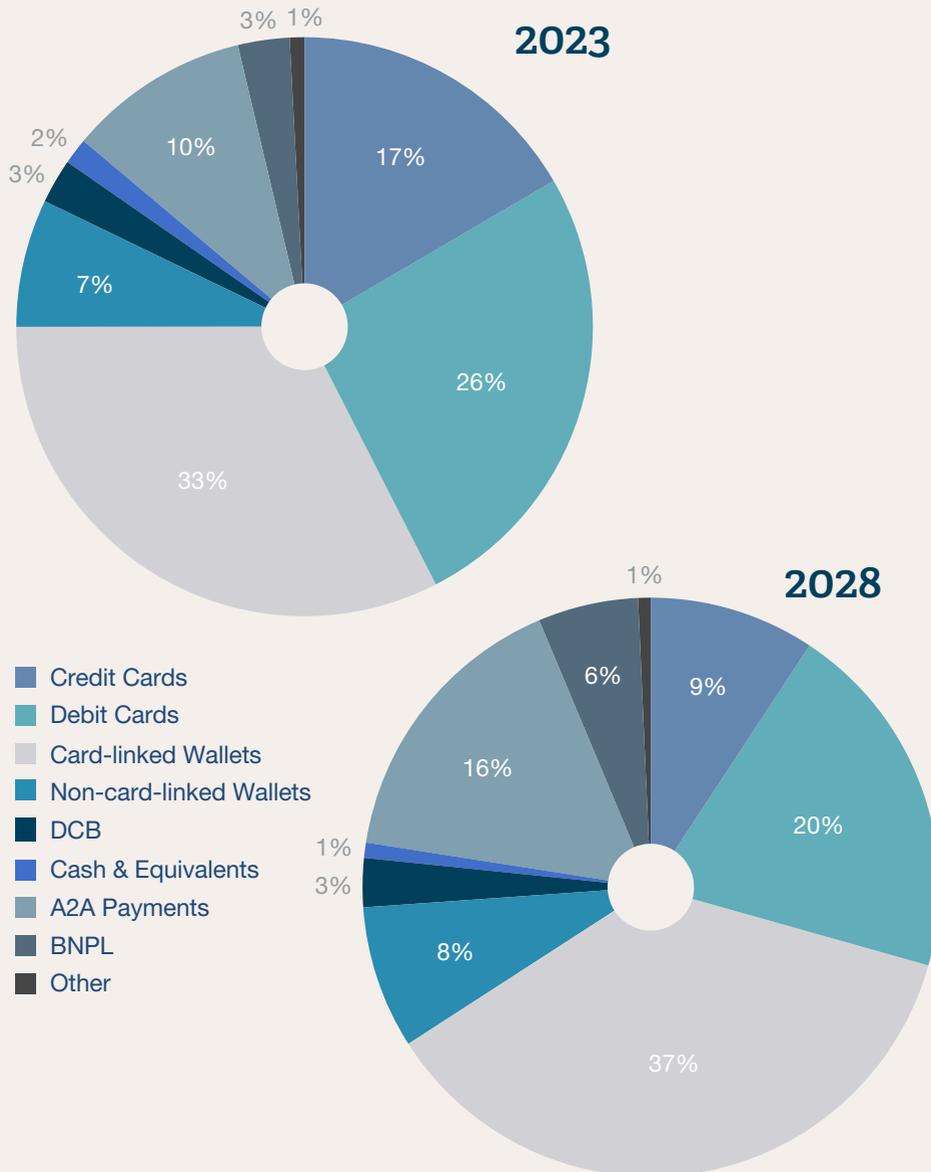
U.S. & Canada

U.S. & Canada

Key Market Statistics – 2023



Ecommerce checkout volume % - U.S. & Canada



Key Takeaways

Card to Continue to Lose Share in Ecommerce

- Credit and debit cards are forecast to lose share at ecommerce checkout, dropping from 42% of transaction volume in 2023, to 29% of transaction volume in 2028.

Consumers Require More Payment Method Options

- A2A and BNPL options will be the main winners, gaining at the expenses of cards. The latter set to exceed 10% share as more consumers turn to paying in installments as a result of the increasing economic challenges in North America.
- Merchants need to be offering A2A and BNPL payment options at checkout to ensure they are in-step with changing consumer preferences.

What This Means for Merchants

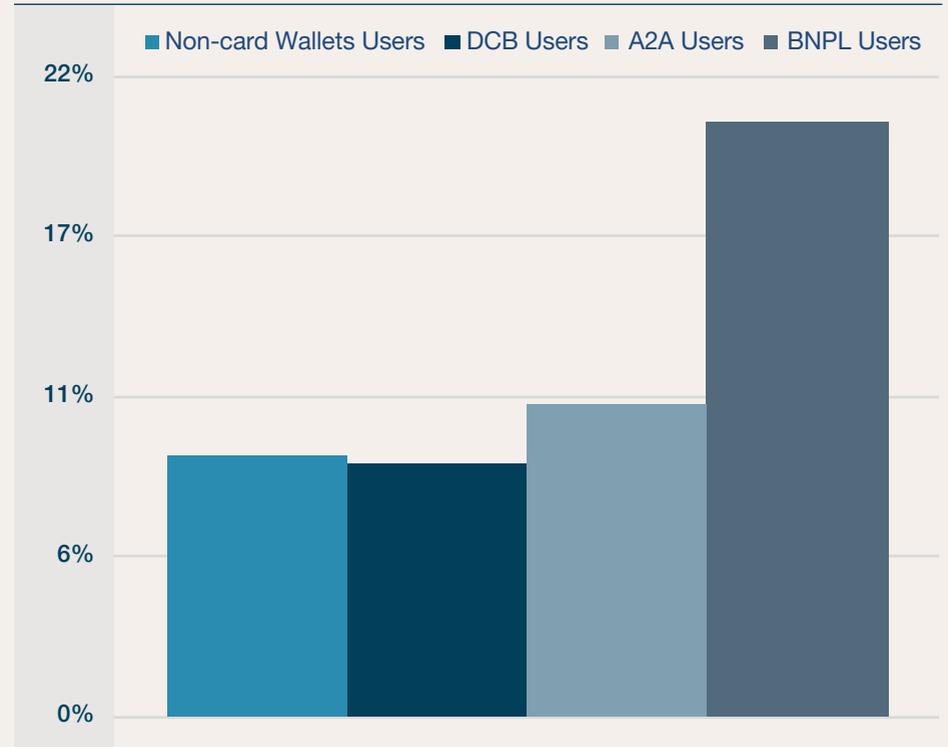
The U.S. and Canada are heavily developed markets in regards to ecommerce, with the majority of consumers having access to bank accounts. One of the greatest concerns for ecommerce consumers across North America is the ability to checkout seamlessly, as well as having access to pay in installments hence the great growth in regards to lower friction payment methods such as BNPL, A2A payments and non-card-linked wallets.

Key Data

The overall share of ecommerce payment methods in North America in 2028 will be shifting towards, card-linked wallets and A2A payments, which are anticipated to gain a significant share, as card usage shrinks, due to the ease and convenience they provide to consumers.

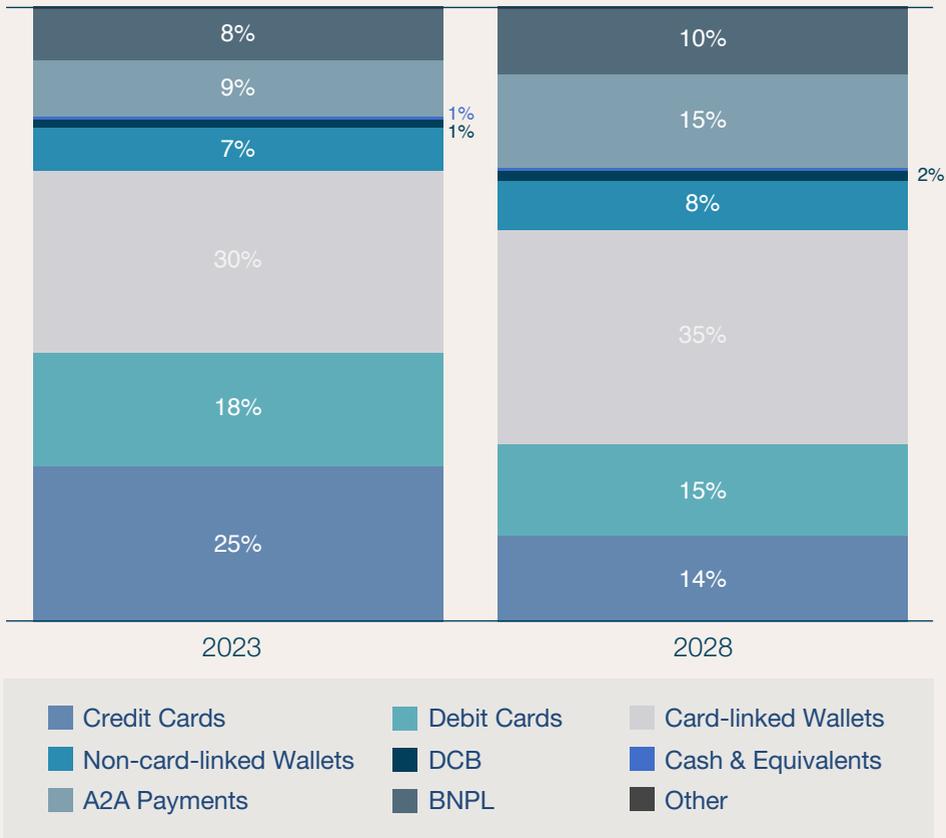


Total commerce monthly active users – U.S. & Canada



Across North America local payment methods will continue to gain traction. A2A payments will grow from 9% of the population using it in 2023 to 35% in 2028, a growth of 255% across the five-year period. BNPL will also experience some growth in the proportion of the population utilising it, from 17% in 2023 to 30% in 2028.

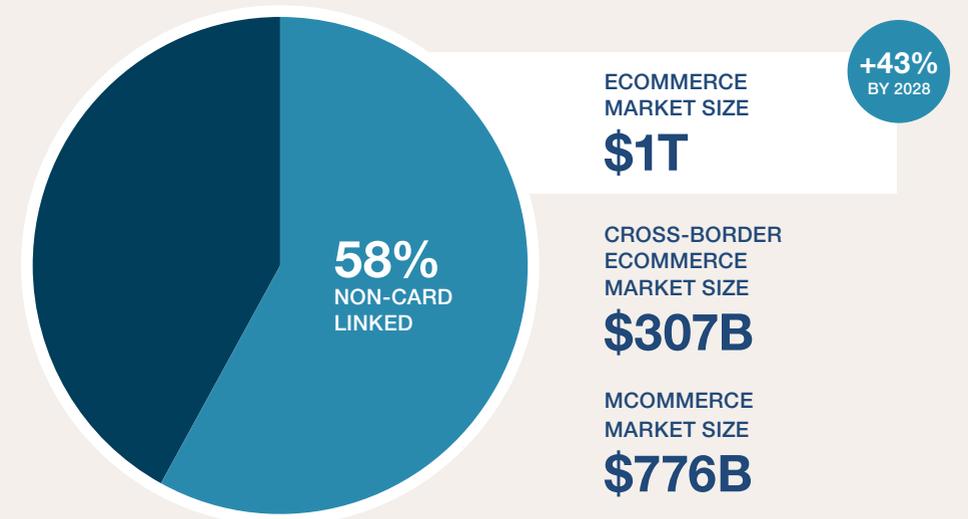
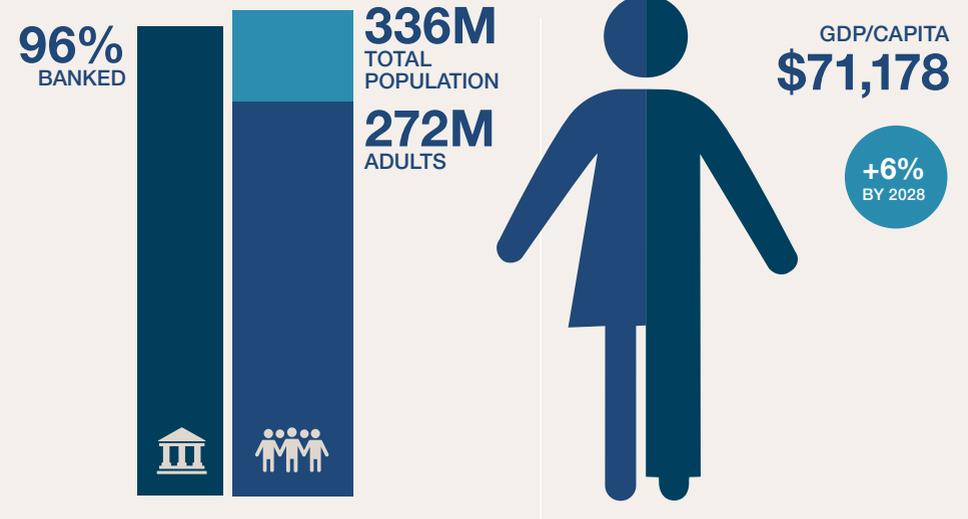
Ecommerce checkout value % - U.S. & Canada



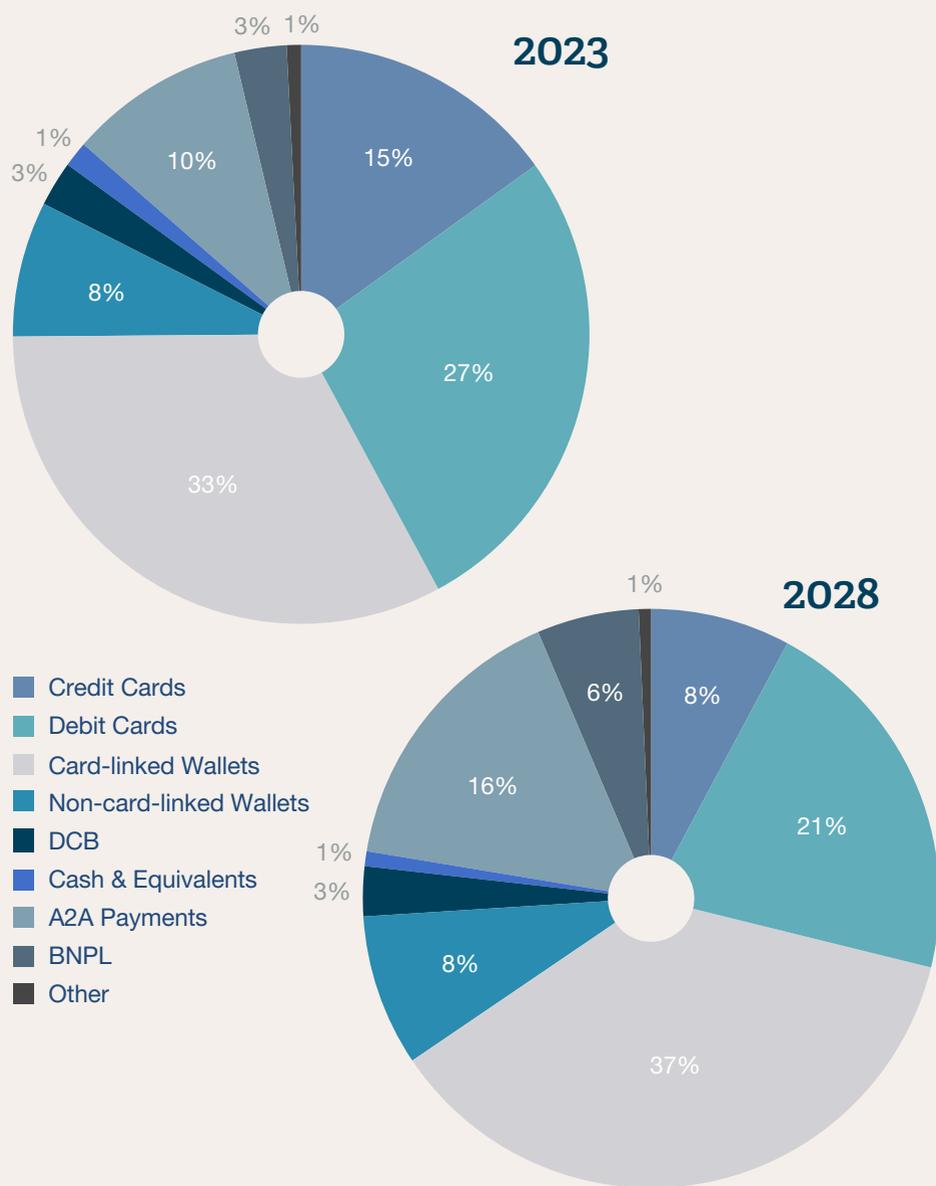
United States

Key Market Statistics – 2023

Local Currency: US\$ – US Dollar



Ecommerce checkout volume % - U.S.



Key Takeaways

Cash and Card to Lose Prominence to Digital Wallets

- Card share is anticipated to fall in regards to both ecommerce transaction volume and transaction value across the five year period, with card-linked wallets becoming the most utilized payment method in 2028, with credit and debit cards only accounting for 29% of all ecommerce transaction volume in 2028.
- Cash is also anticipated to fall from being used in 1% of ecommerce transactions in 2023 to 1% of ecommerce transactions in 2028.

A2A Growing in Interest Across the US

- A2A will be the local payment method to experience the greatest growth over the forecast period, due to the simplicity it is able to provide. It will account for 16% of ecommerce transactions by volume in 2028, from 10% in 2023.
- A2A payments within the US will be boosted by the FedNow service, which was launched by the US Federal Reserve in July 2023. This complements the existing RTP service in the US, with both services playing a role going forward.
- Both card linked wallets and non-card linked wallets will continue to grow in regards to the proportion of ecommerce transactions carried out using them, with the proportion of ecommerce values associated with card-linked wallets growing from 30% in 2023, to 35% in 2028.

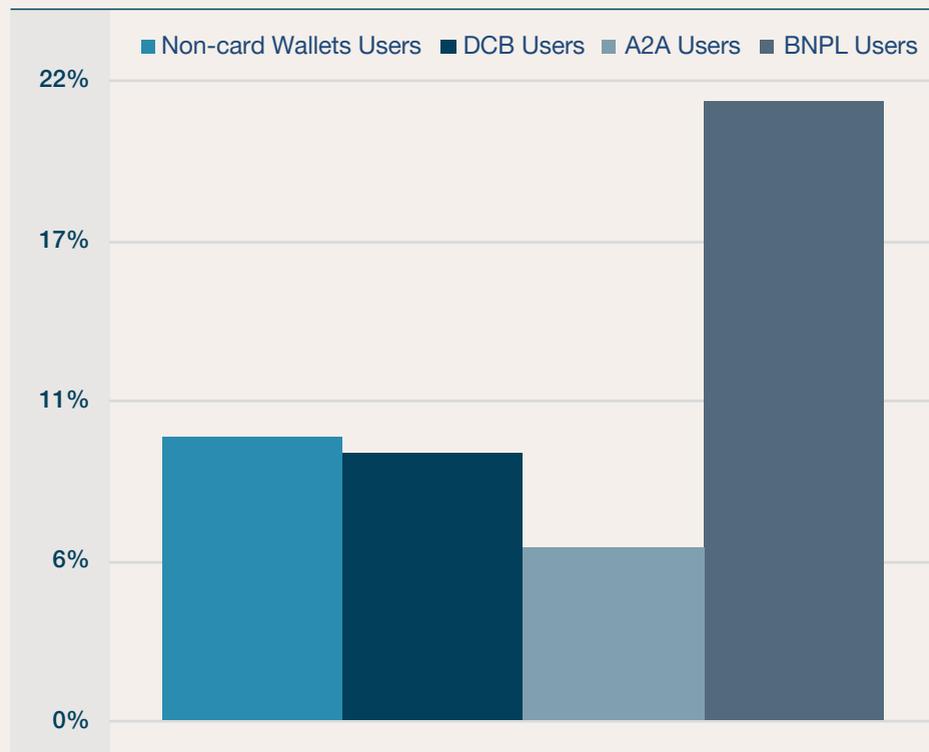
Selected Local Payment Methods - U.S.

Payment Method	Launched	Type	Comments
PayPal	2000	Non-card-linked wallet	PayPal also operates Venmo, a popular P2P app.
afterpay	2014	BNPL	Over 5 million active users within the US.
Cash App	2013	A2A Payments	Cash App is operated by Square, a major payments company.

Key Payments Data

Card payments are set to slowly lose the dominance they once had over the US market, albeit losing much of this ground to card-linked digital wallets. Over the forecast period, cards are anticipated to fall from being directly used in 42% of ecommerce transactions in 2023 to 29% of ecommerce transactions in 2028. This is due to other payment methods, that provide more ease during the transaction process, becoming available, such as digital wallets and A2A payments.

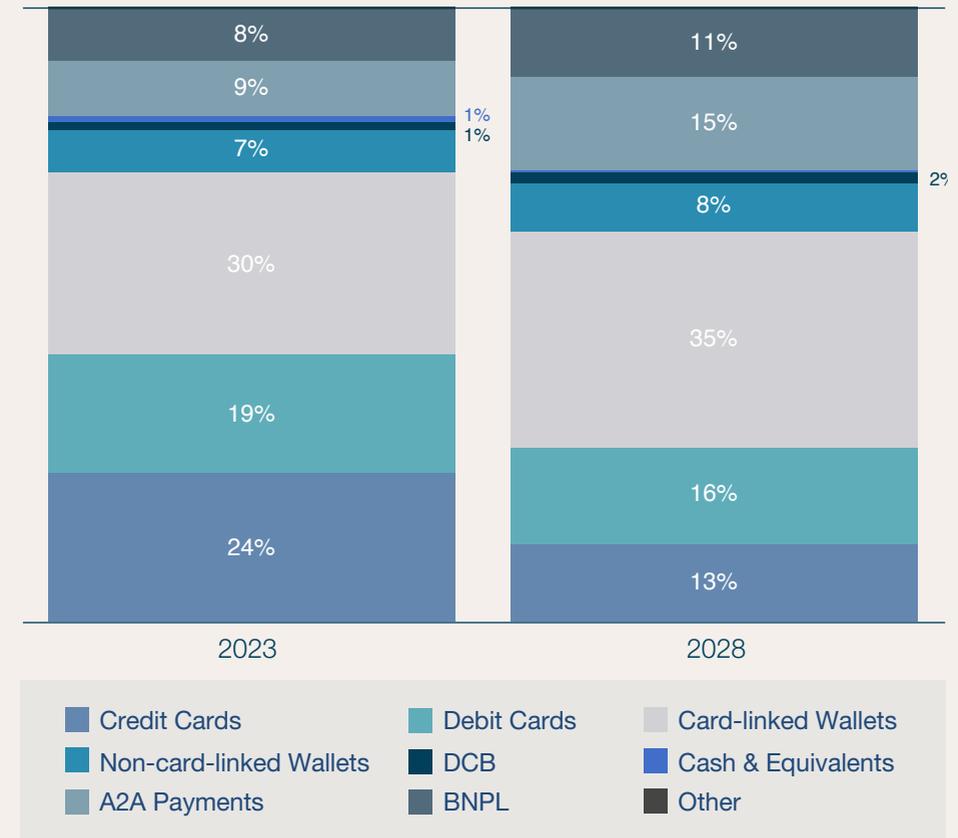
Total commerce monthly active users – U.S.



A2A is anticipated to experience the greatest growth in the number of users between 2023 and 2028, growing from 6% of the population using it in 2023 to 31% of the population using it in 2028, representing rapid growth.

A2A is anticipated to gain momentum over the forecast period, accounting for 16% of ecommerce transaction volume in 2028, up from 10% in 2023.

Ecommerce checkout value % - U.S.



The rapid growth of local payments, in particular A2A, means that merchants will need to update their acceptance strategies, or risk losing out to more agile players.

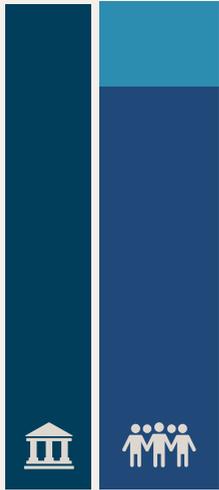
Canada

Key Market Statistics – 2023

Local Currency: CA\$ – Canadian Dollar



99%
BANKED

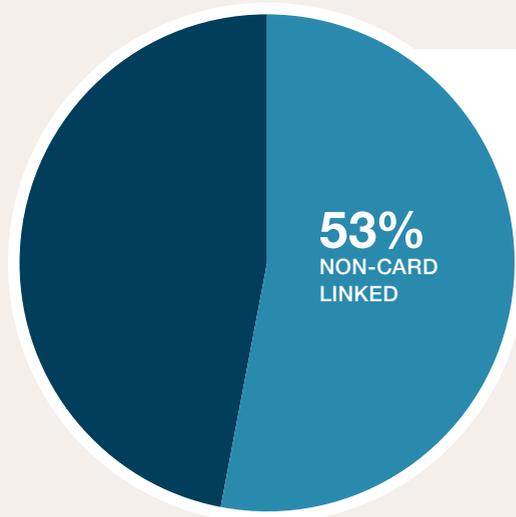


39M
TOTAL
POPULATION
32M
ADULTS



GDP/CAPITA
\$53,756

+3%
BY 2028



53%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$85B

+46%
BY 2028

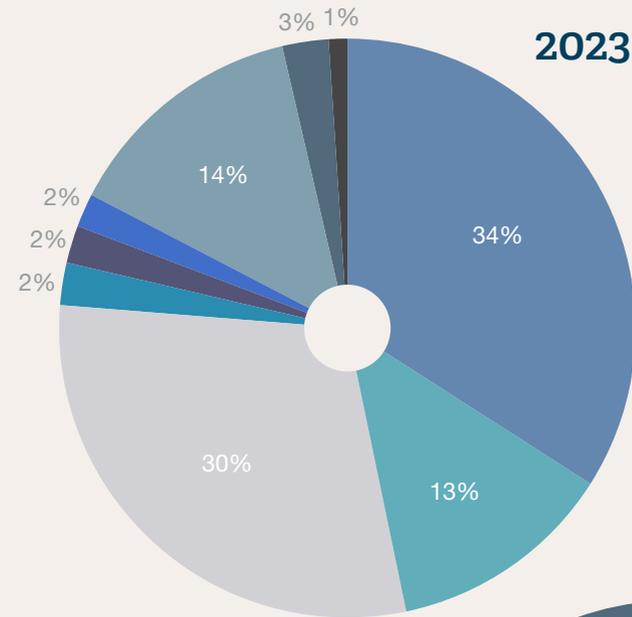
CROSS-BORDER
ECOMMERCE
MARKET SIZE

\$28B

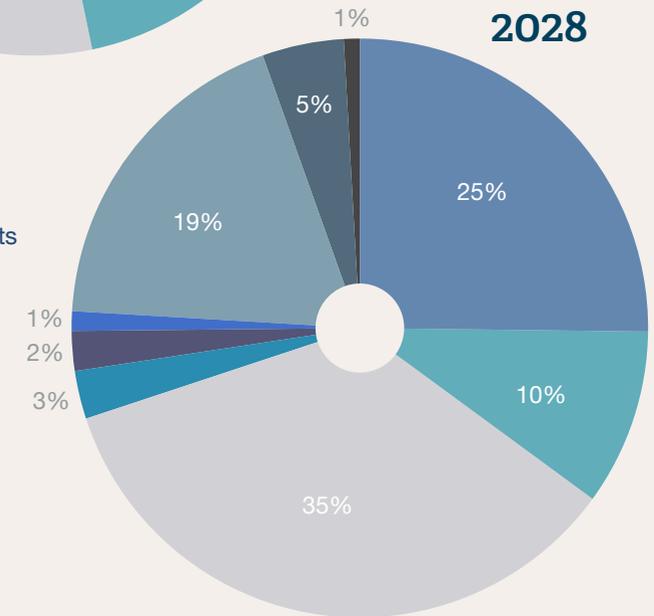
MCOMMERCE
MARKET SIZE

\$62B

Ecommerce checkout volume % - Canada



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other



Key Takeaways

- Canada is a card dominant payments markets and cards share of ecommerce is forecast to stay relatively high, being used for 35% of ecommerce transactions by volume in 2028.
- Card-linked wallets will also grow from 30% share of ecommerce transactions by volume in 2023, to 35% in 2028
- A2A payments are also anticipated to gain a greater market share, with 19% of ecommerce transaction volume in 2028.

A2A Payments to Be Most Prominent Local Payment Method in Canada

- A2A payments are anticipated to go from being used in 14% of ecommerce transactions in 2023, to 19% of ecommerce transactions in 2028.
- Credit and debit cards will still be used for just over 36% of ecommerce transactions by value in 2028.

Selected Local Payment Methods - Canada

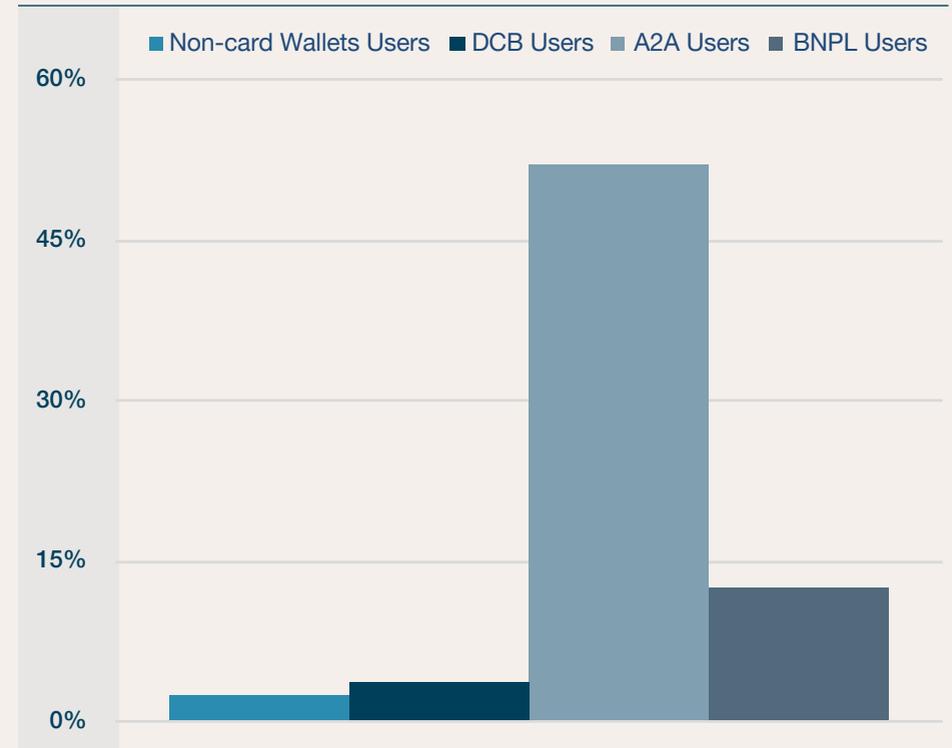
Payment Method	Launch	Type	Comments
 PayPal	2000	Non-card linked wallet	431 million users worldwide.
 Interac Online	2007	A2A Payments	Interac Online is backed by the local banks.
 afterpay	2014	BNPL	Afterpay is a popular BNPL option within Canada.

Key Payments Data

Payment cards in Canada will continue to fall in popularity, with their ecommerce share falling from 47% in 2023 to 35% in 2028.

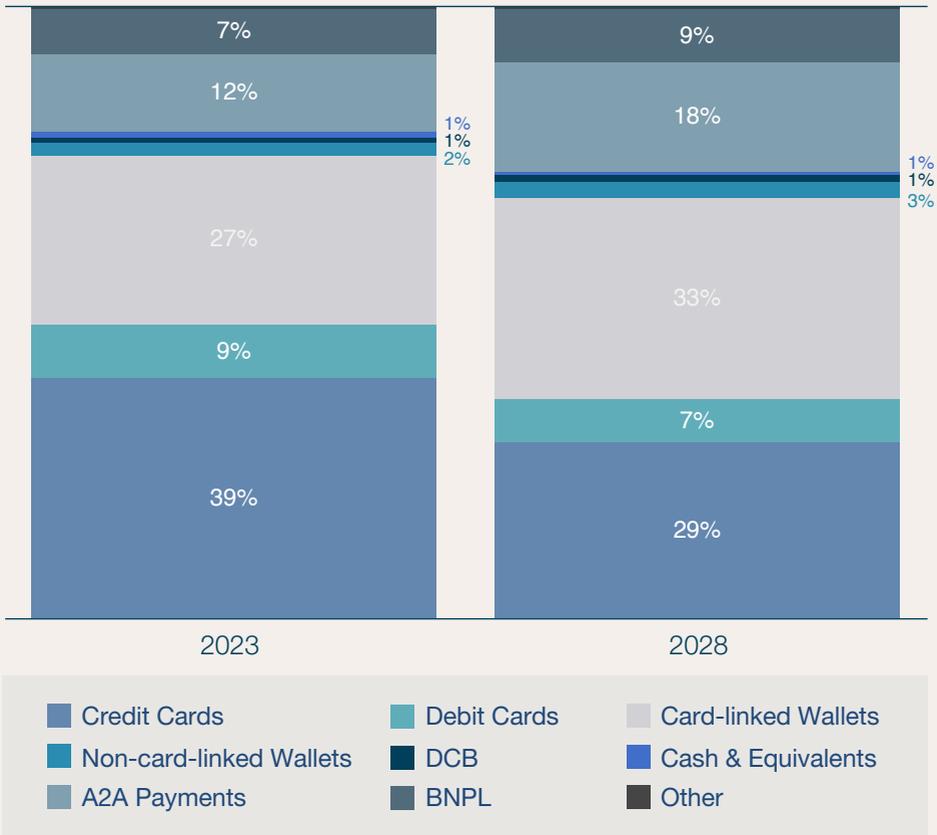
By 2028, 63% of the population will be actively using A2A payments, up from 52% in 2023.

Total commerce monthly active users – Canada



A2A payments will continue to gain traction throughout the period as it becomes more readily accepted at ecommerce checkout

Ecommerce checkout value % - Canada

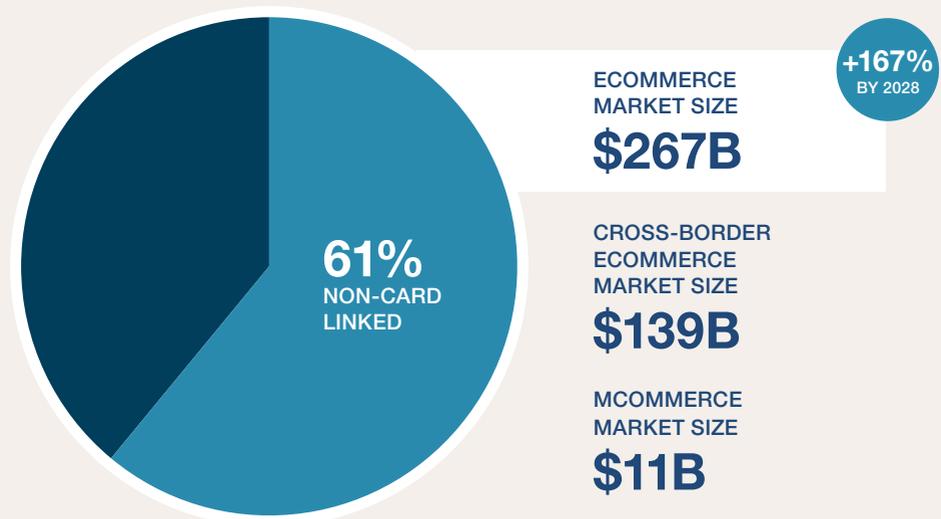
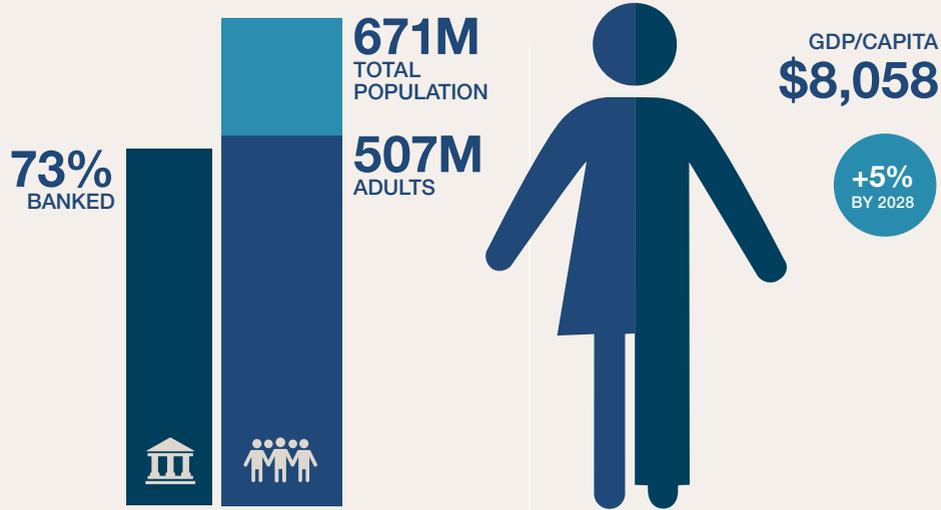


Cards will overall still continue to account for the largest share in regards to ecommerce value, alongside card-linked wallets, however A2A payments are continuing to grow over the forecast period, accounting for a larger proportion of the ecommerce value in 2028.

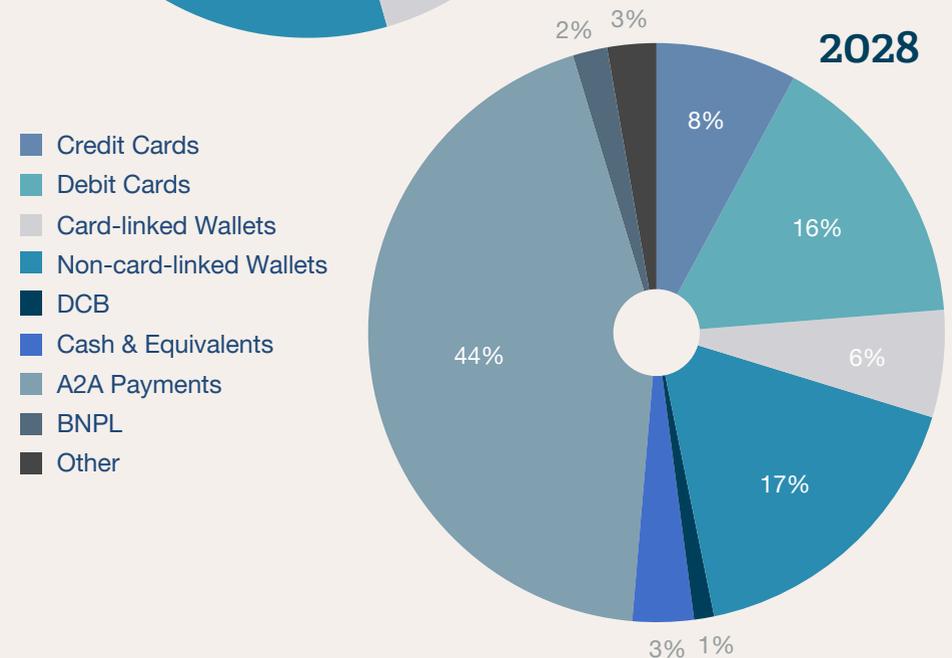
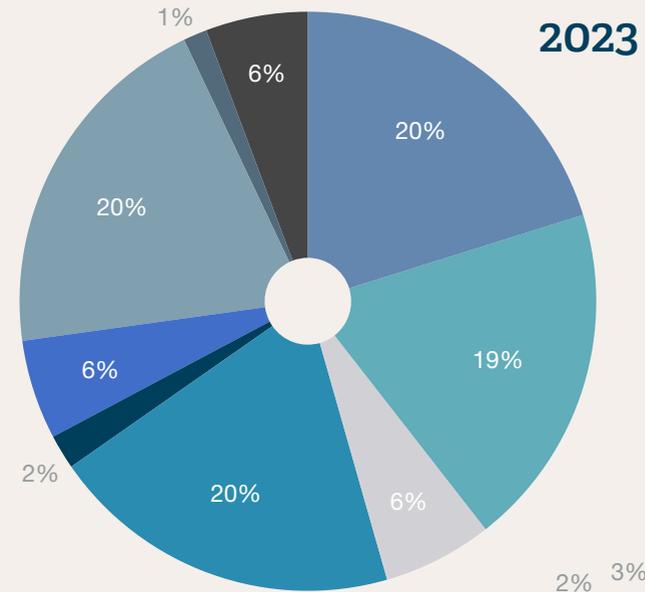


Latin America

Key Market Statistics – 2023



Ecommerce checkout volume % - LATAM



Key Takeaways

A2A Payments Driving Change in LATAM

- A2A payments will grow rapidly, from 20% of ecommerce transaction value in 2023, to 44% in 2028, showing remarkable progress in the Latin American market.
- The growth of A2A payments will be driving wider access to ecommerce within the Latin American market, allowing economies to reduce their early reliance on card payments.
- Pix is the obvious early success story, but CoDi in Mexico, as well as PSE in Colombia are also major successes.



Local payment methods are delivering financial inclusion and massive ecommerce growth in LATAM. The success of Pix in Brazil is already leading to similar moves across the region.

**-RICARDO AMARAL,
VP AMERICAS**

Cards to Lose Early Dominance Within Ecommerce as Alternatives Emerge

- Cards, in particular credit cards, will lose much of their early dominance within the LATAM market, with their share of transaction volume being reduced from 39% in 2023 to only 24% in 2028. Alternatives, such as A2A and BNPL are making inroads.
- BNPL has a major role to play within Latin America, where access to credit has been hampered by a lack of credit reporting, and 'thin files', where a credit record is held but not enough information is held to create a credit decision. BNPL will tackle this challenge, enabling under banked end users to access credit..
- BNPL is forecast to grow to 5% of ecommerce transaction value in 2028.

What This Means for Merchants

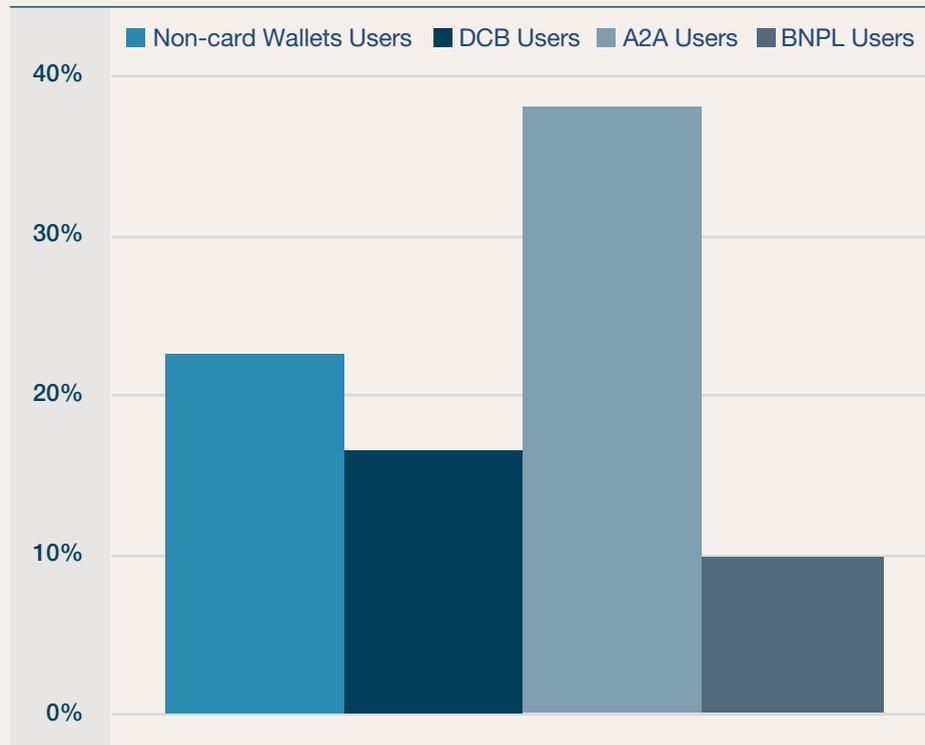
Fundamentally, Latin America is a market in motion – ecommerce payment methods are changing rapidly, which means merchants must alter their acceptance strategies, or they will fail to take advantage of ecommerce growth. This must apply to both local merchants, but also international merchants, who will lose market share if they fail to support the local payment methods users want.

Key Data

Card payments are set to lose significant ground across Latin America, as the early stage market lessens its reliance on cards for ecommerce payments. This change will be driven by A2A and other local payment methods, which will enable new users to access ecommerce, driving overall market growth.

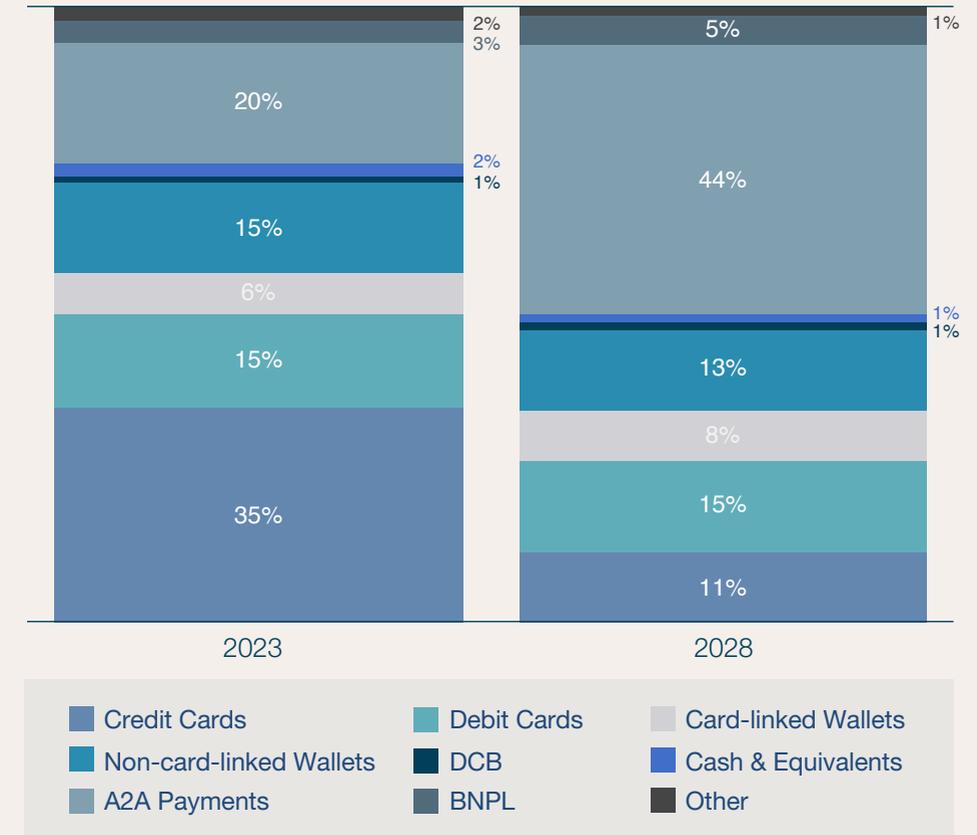
By 2028, almost 60% of all individuals within Latin America will actively use local payment methods, reflecting the massive growth of these methods within this region. A2A payments will have the largest local payment method user base.

Total commerce monthly active users – LATAM



Across Latin America, A2A payments will grow from 20% of ecommerce transaction value in 2023, to 44% in 2028, driving wider access to payments and ecommerce.

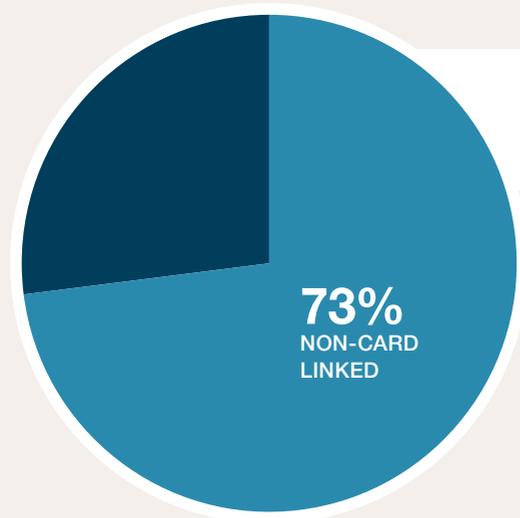
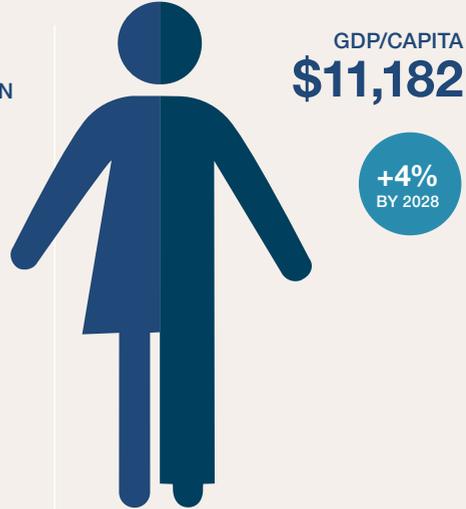
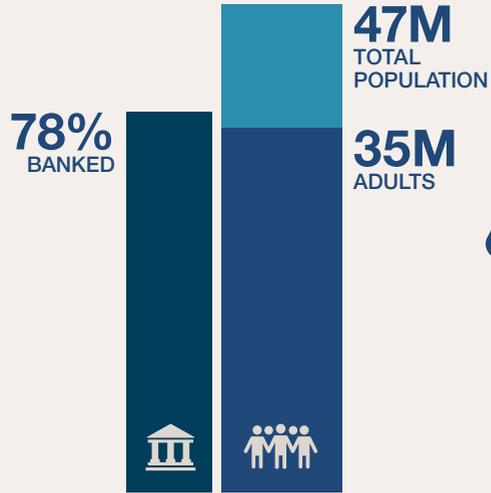
Ecommerce checkout value % -LATAM



Argentina

Key Market Statistics – 2023

Local Currency: \$ ARS – Argentine Peso



ECOMMERCE MARKET SIZE

\$19B

+243% BY 2028

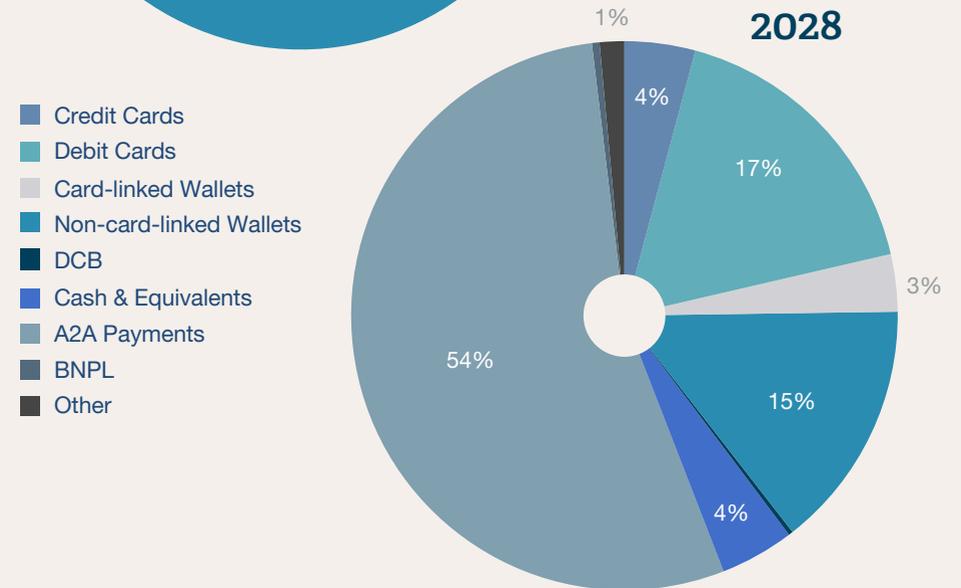
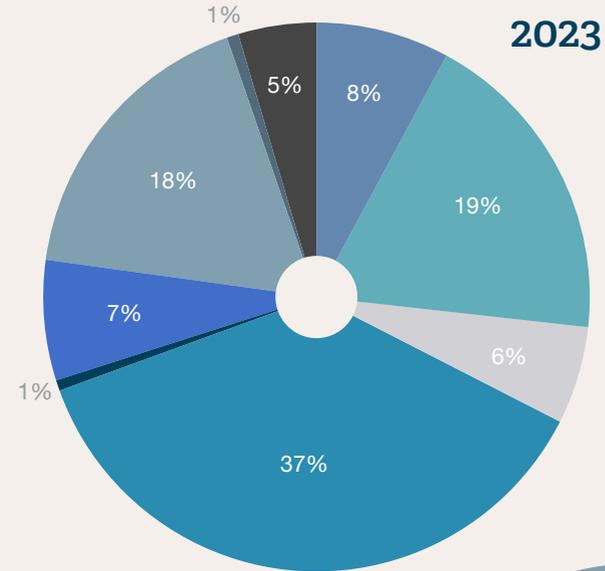
CROSS-BORDER ECOMMERCE MARKET SIZE

\$6B

MCOMMERCE MARKET SIZE

\$11B

Ecommerce checkout volume % - Argentina



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other

Key Takeaways

Bank Transfers to Rapidly Grow, as Local Payment Methods Grow

- Within the Argentinian market, bank transfers will be an important method for use locally, with A2A payments accounts for 43% of ecommerce transaction value in the country by 2028.
- Bank transfers are perceived as reliable within the Argentinian market, but are not accessible to all.
- As the rate of banking penetration is relatively low within Argentina, we expect non-card linked wallet, such as those using physical locations for top ups, as well as cash and cash equivalents (such as vouchers) to continue to be important, and to be increasingly linked to A2A methods as accessibility broadens.

Cards Still Have a Role to Play, But Role is Shrinking

- Payments cards have been important to start with in the Argentinian ecommerce payments market, reflecting a strong enabler for ecommerce growth, particularly where international websites are being used.
- However, their significance, particularly for larger purchases, is waning over time, with cards set to account for only 26% of transactions by value in ecommerce in 2028, from a more dominant 47% in 2023.

Selected Local Payment Methods - Argentina

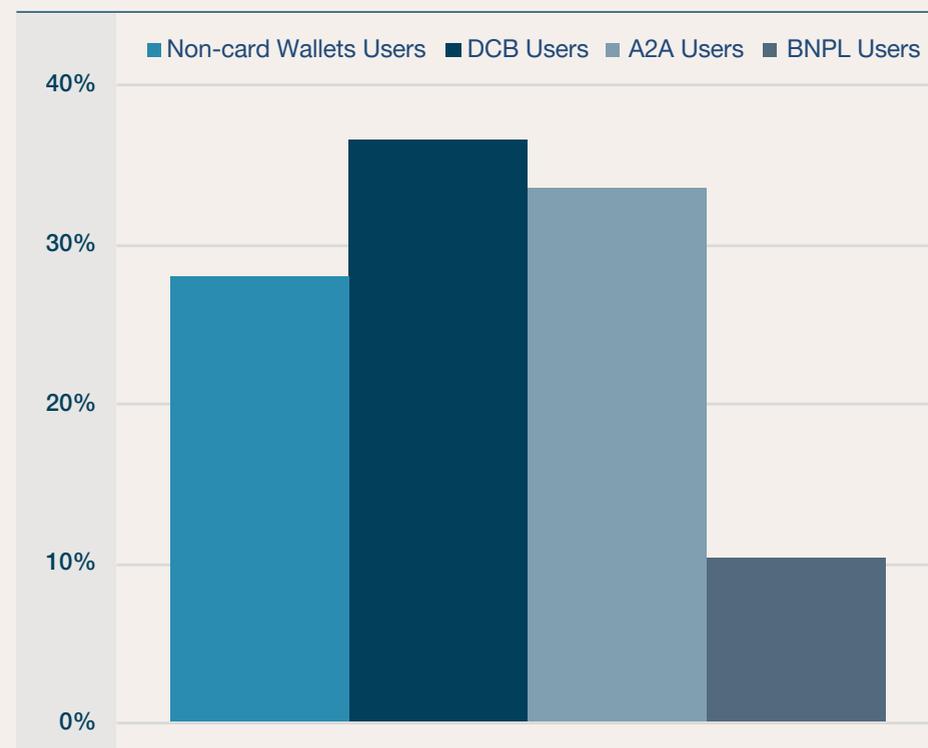
Payment Method	Launched	Type	Comments
	2003	Non-card linked Wallet	Offers a wide range of acceptance tools and credit products
	1996	Cash & equivalents	Over 8,000 branches throughout Argentina
	1994	Cash & equivalents	Pago Fácil has 3,600 locations

- Card will still account for a large proportion of volume, particularly debit cards, as banking penetration increases, and is a sensible method to keep as a fall-back, but for merchants that want to attract larger average order values, local payment methods are a must.

Key Payments Data

Card payments are set to lose significant ground within ecommerce within Argentina, as the early stage market grows with the help of A2A methods and other local payment methods, including bank transfers and non-card-linked wallets.

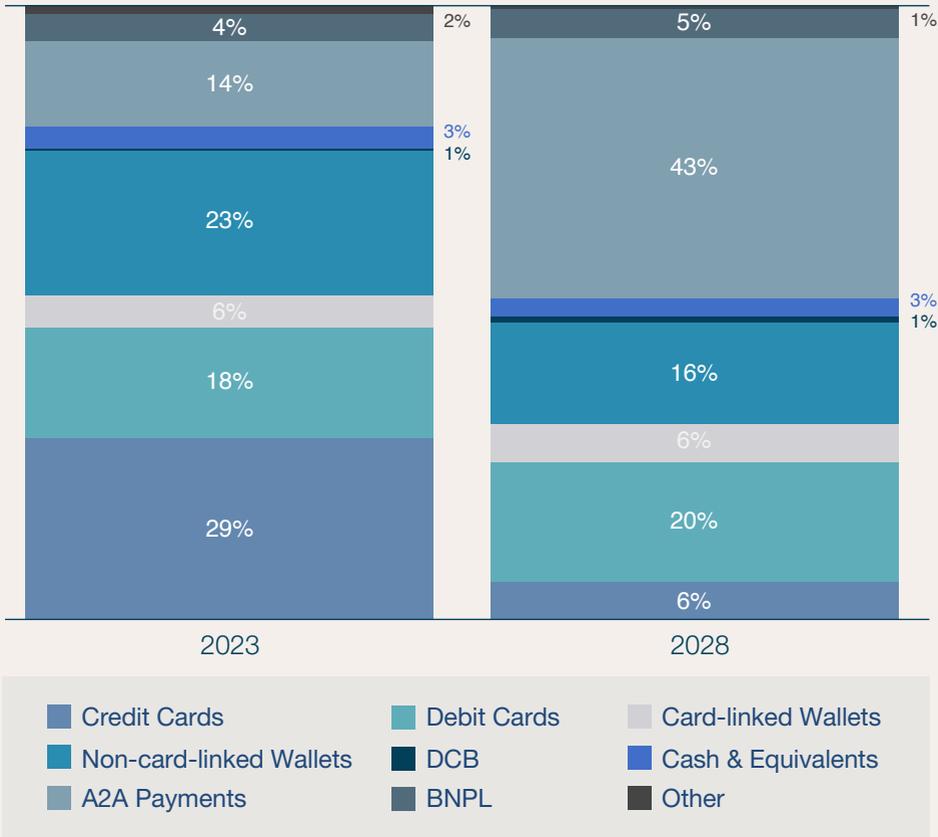
Total commerce monthly active users – Argentina



Account to account payments users will grow by 114% between 2023 and 2028, reflecting strong prospects for bank transfers within this market.

A2A payments will grow from 14% of ecommerce transaction value in 2023, to 43% in 2028, showing remarkable progress in the Argentinian market.

Ecommerce checkout value % - Argentina

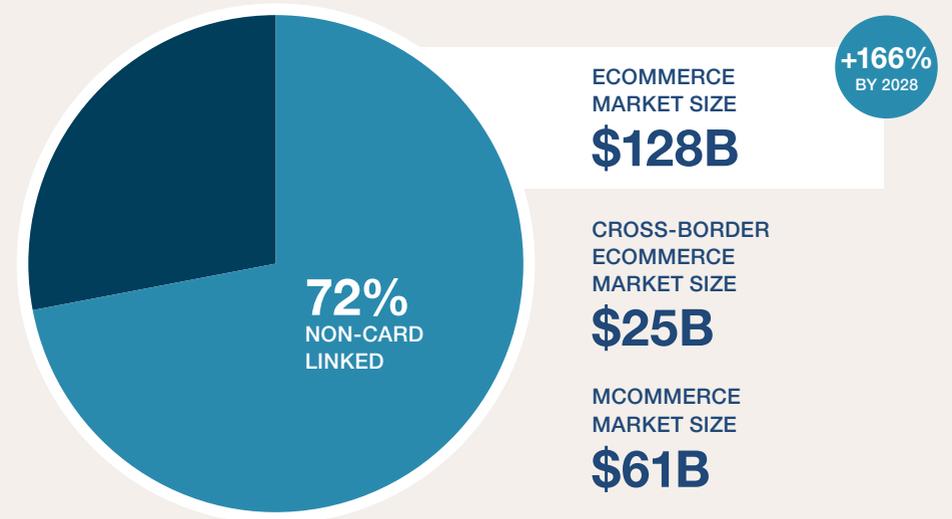
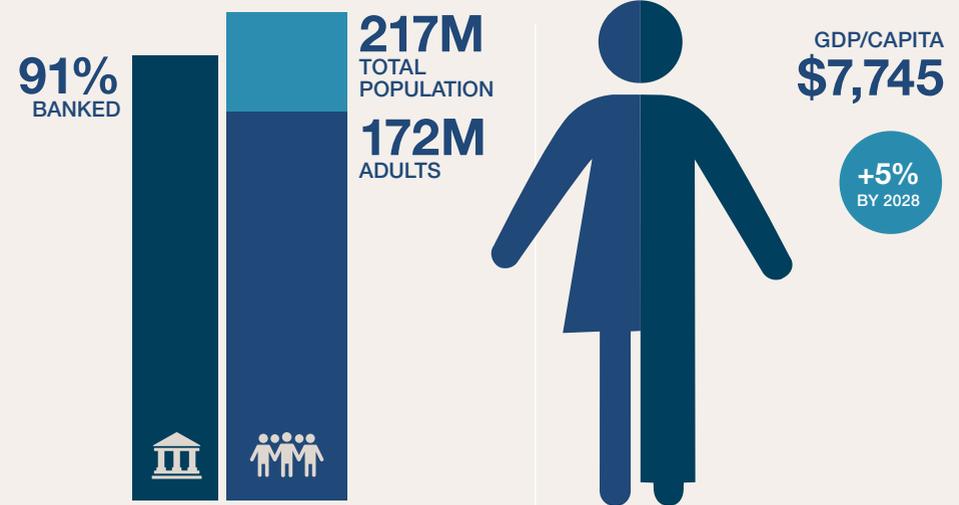


The rapid growth of local payments, in particular A2A and BNPL, means that merchants will need to update their acceptance strategies, or risk losing out to more agile players.

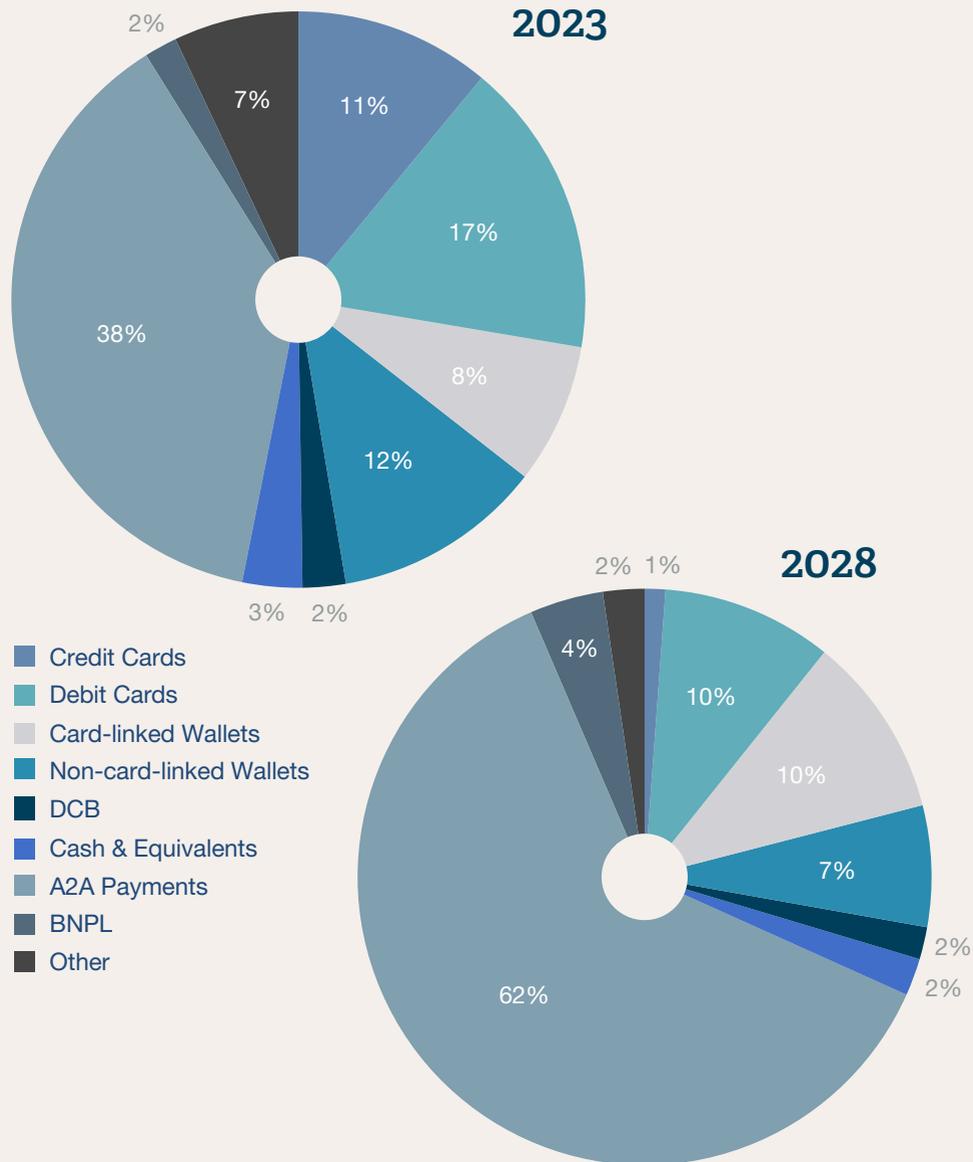
Brazil

Key Market Statistics – 2023

Local Currency: R\$ - Brazilian Real



Ecommerce checkout volume % - Brazil



Key Takeaways

PIX is a Must Have for Acceptance, with Adoption & Satisfaction High

- The sentiment survey found that PIX was the most popular payment type in the ecommerce environment among local payment users, chosen by over 72% of those users; showing that in a relatively short time period, PIX has become an absolute must have for ecommerce merchants.
- Reinforcing this importance is the high level of end-user satisfaction with PIX, with it being selected top of all the payment methods in terms of user satisfaction.
- The respondents also expressed strong interest in migrating to the PIX automatic debit service, again reflecting strong prospects for PIX.
- As such, PIX must be considered as ‘table stakes’ for ecommerce merchants in Brazil, being the single most important acceptance strategy.

Card Is Being Eclipsed by Local Payments

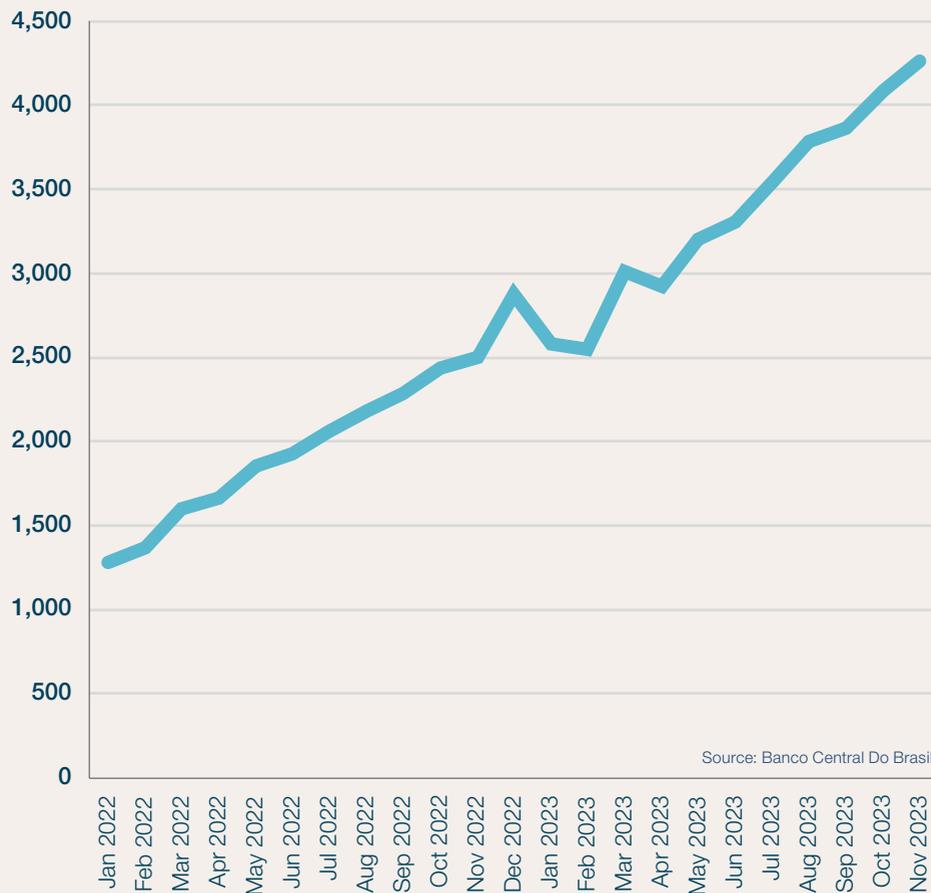
- A clear finding from the survey and from market data is that card’s early role in ecommerce within Brazil is waning, with card’s share of transaction volume online falling from 27% in 2023, to 10% in 2028.
- Card-dominant users (those who selected more card and card-linked payment methods) than local payment methods only accounted for 16% of our respondents in a representative sample, showing that this is a small user group.

Selected Local Payment Methods - Brazil

Payment Method	Launched	Type	Comments
 PIX <small>powered by Banco Central</small>	2020	A2A	Represents all of A2A in Brazil going forward.
 mercado pago	2004	Non-card linked Wallet	Mercado Pago supports Pix payments and other capabilities.
 PicPay	2012	Non-card linked Wallet	PicPay is a widely accepted non-card linked wallet.

- Over 70% of card users would consider changing their existing payment methods, showing weak loyalty which can further erode card's share.
- Merchants must consider cards a fall-back method, rather than a method central to their acceptance strategies, and must prioritize accepting the most popular local payment methods.

Volume of PIX Transactions, January 2022 – November 2023, Millions

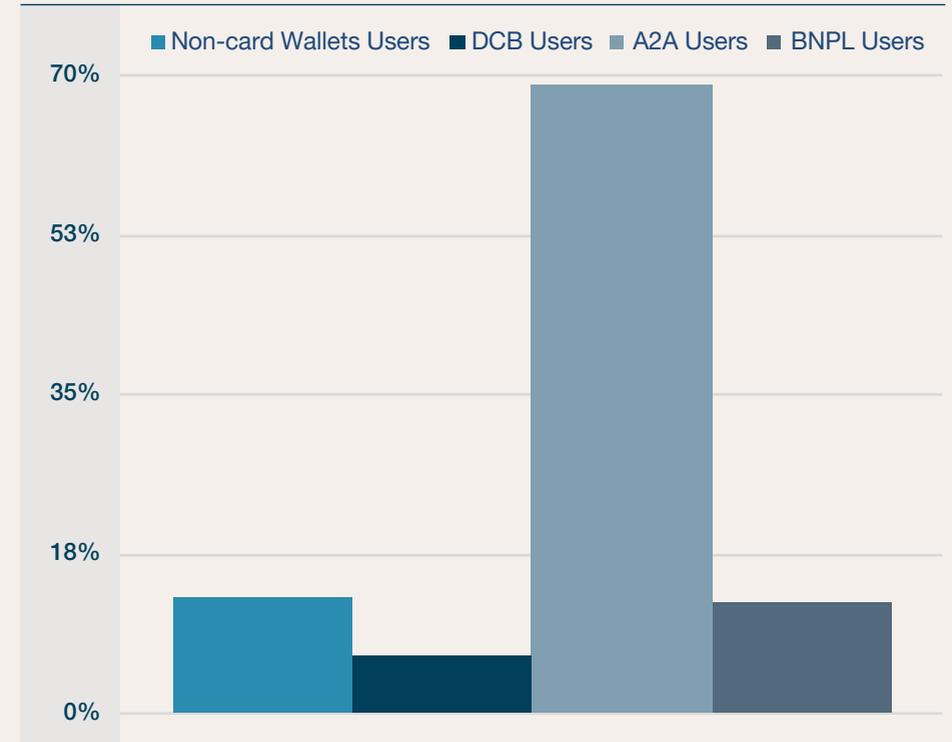


Key Payments Data

While payments cards were initially important within the Brazilian market, due to a lack of access to other methods, local payment methods are forecast to grow rapidly, with Pix having a transformative effect on the market.

By 2028, 82% of Brazil's population will use local payment methods, from 69% in 2023, reflecting the rapid growth of PIX in particular, with PIX driving A2A payments growth.

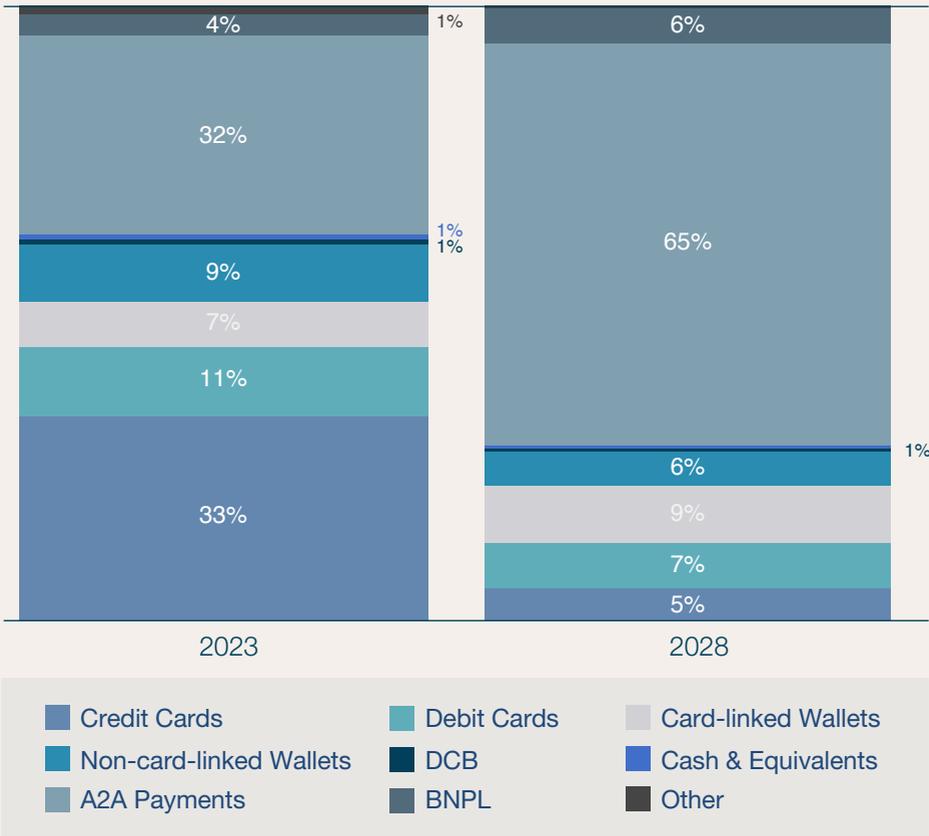
Total commerce monthly active users –Brazil



Local payment methods will account for over 77% of ecommerce transactions in Brazil by value in 2028, demonstrating a rapid transition from cards for e-commerce usage, as the market broadens.

The rapid growth of local payment methods in Brazil, in particular A2A payments, means that merchants must restructure their acceptance strategies, or they will be unable to meet end-user requirements in an effective way.

Ecommerce checkout value % - Brazil



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with 58% of respondents accessing a larger number of local payment methods within the last month online than card payments. By way of contrast, only 16% used more card methods than local payment methods online in the last month.
- PIX has the highest adoption of any local payment type, and the highest satisfaction of any payment type, showing how quickly it has cemented its role within Brazil.
- Willingness to consider changing payment methods is very high across Brazil, with 78% of respondents indicating they would be open to changing payment methods, with lowering transaction fees seen as a major driver for this, with security and better acceptance also seen as priorities.



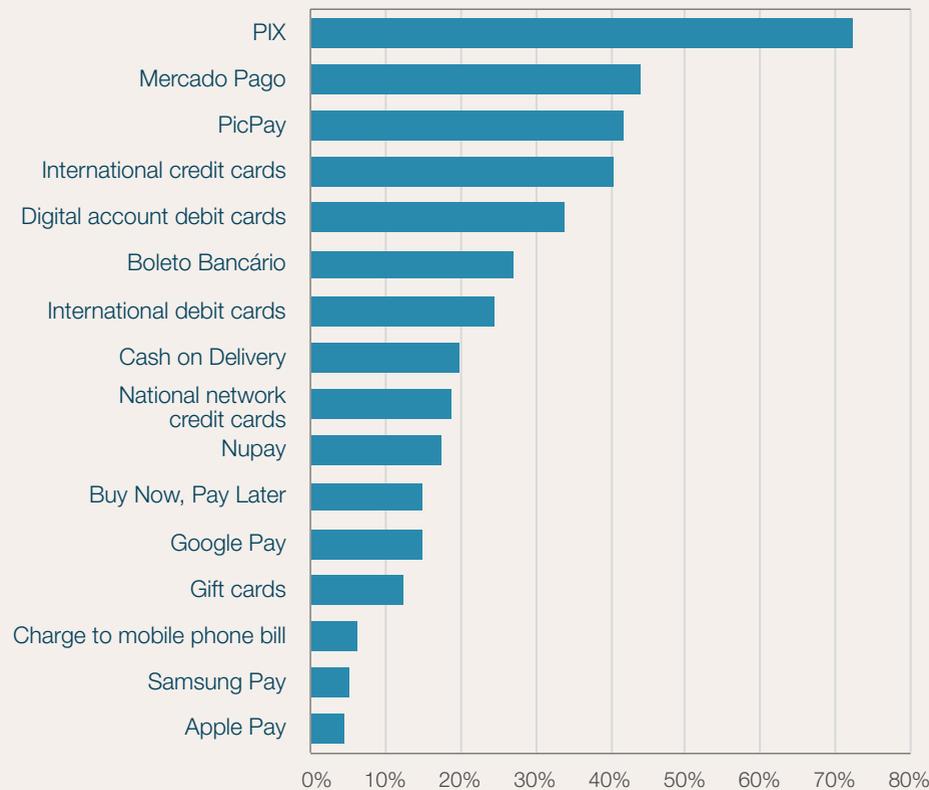
Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 58% (436) of the respondents, indicating a heavily mobile dominated ecommerce market.

The most common payment method for these users was PIX, being selected by 72% of local payment method dominant respondents. This was by far the most popular method, with Mercado Pago being the next most popular with 44% of mobile dominant respondents selecting this as a payment method.

LPMs used last 30 days % - Brazil



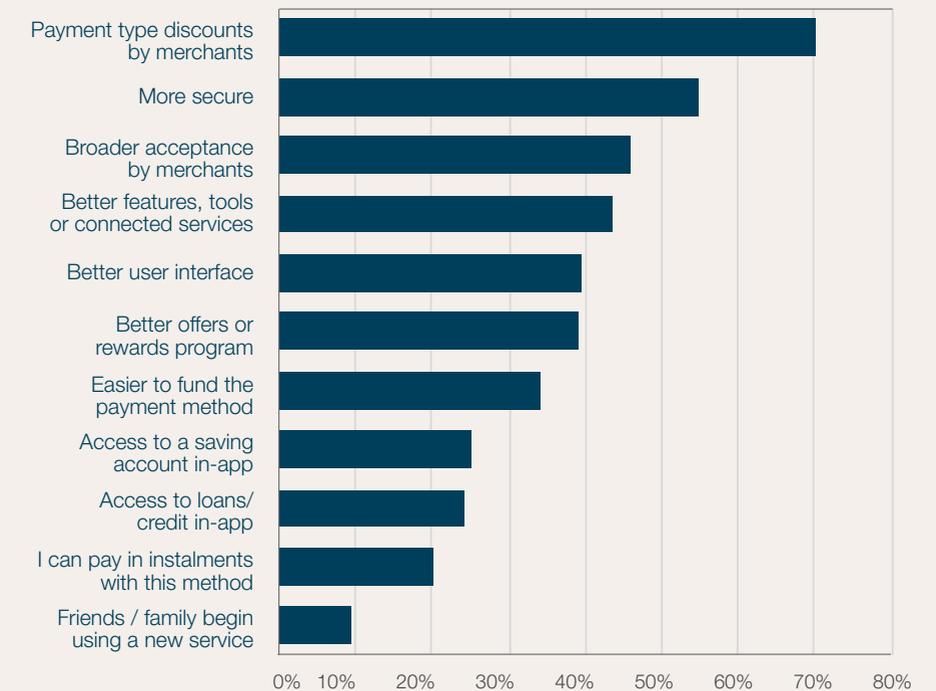
PIX was heavily preferred for bill payments, whereas card users were much more likely to make purchases on international websites, showing a difference already emerging between what payments are used for what purposes.

This indicates that while local payment methods are used extensively domestically, international merchants are missing an opportunity by not leveraging local payment methods, potentially leaving revenue on the table.

Why Do Local Payment Users Leverage These Methods?

- Based on the survey data, the most powerful drivers for local payments users are security, personal relationships with brands, and the ability to earn rewards or cashback.
- The ability to earn rewards or cashback was not a top driver for card users in the same way, indicating that rewards are a powerful driver for local payments users in particular.

Key Reasons Respondents Would Change Payments Services (%)



As such, partnering with local payment methods to feature in rewards ecosystems and marketplaces could be an effective strategy to drive growth.

The Potential for PIX & Automatic Debits

60% of local payments users would be willing to use PIX Automatico, showing strong prospects for the method for recurring payments.

This will largely be due to the fact that local payments users are largely already comfortable with PIX, and use it on a regular basis for one-off purchases. As such, merchants who bill on a recurring basis, particularly digital goods subscription companies, must work now to integrate this method to capitalize on this.

Payment Discounts Represent Main Driver for Changing Payments

The survey found that payment discounts from merchants were a major driver for respondents to consider changing services, with over 70% of respondents selecting this reason.

This is unsurprising, given the incentives we have seen for the use of Pix, which has been a powerful driver for adoption. Security and broader acceptance from merchants were also understandably key drivers for changes.

Multiple Payment Methods Mean Broader Acceptance

One striking feature of the survey is the massive amount of different payment types that users selected.

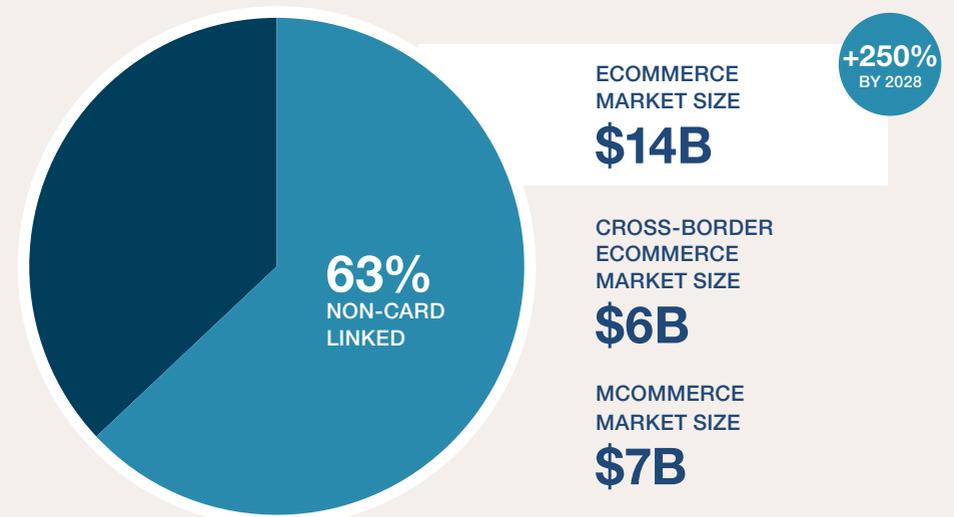
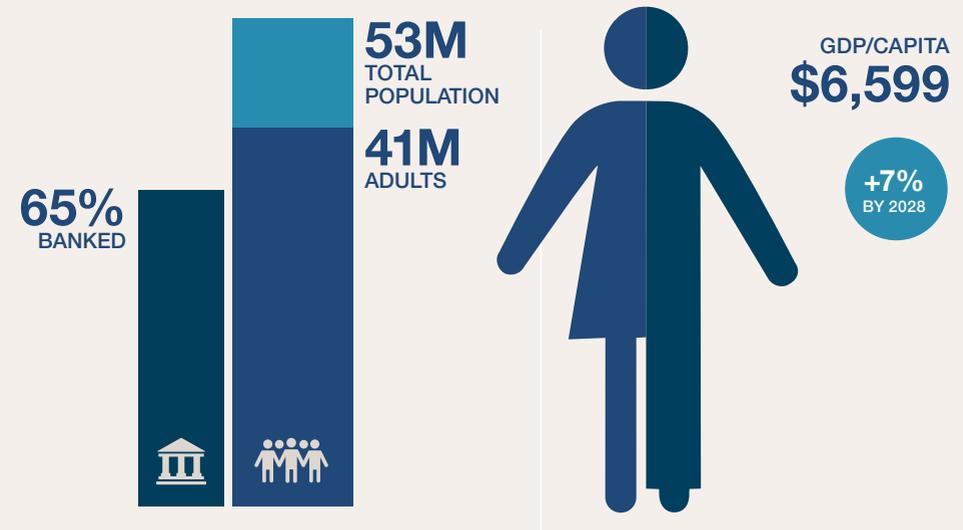
On average, Brazilian respondents selected 4.7 payment types each that they have used online in the last month.

This means that merchants cannot simply implement one primary payment method, they must build a checkout and payments process that enables users to leverage the payment methods they want, without creating confusion for the user. Ultimately, given the strength of local payment methods, this means focusing on leveraging local payment methods, to best match user attitudes.

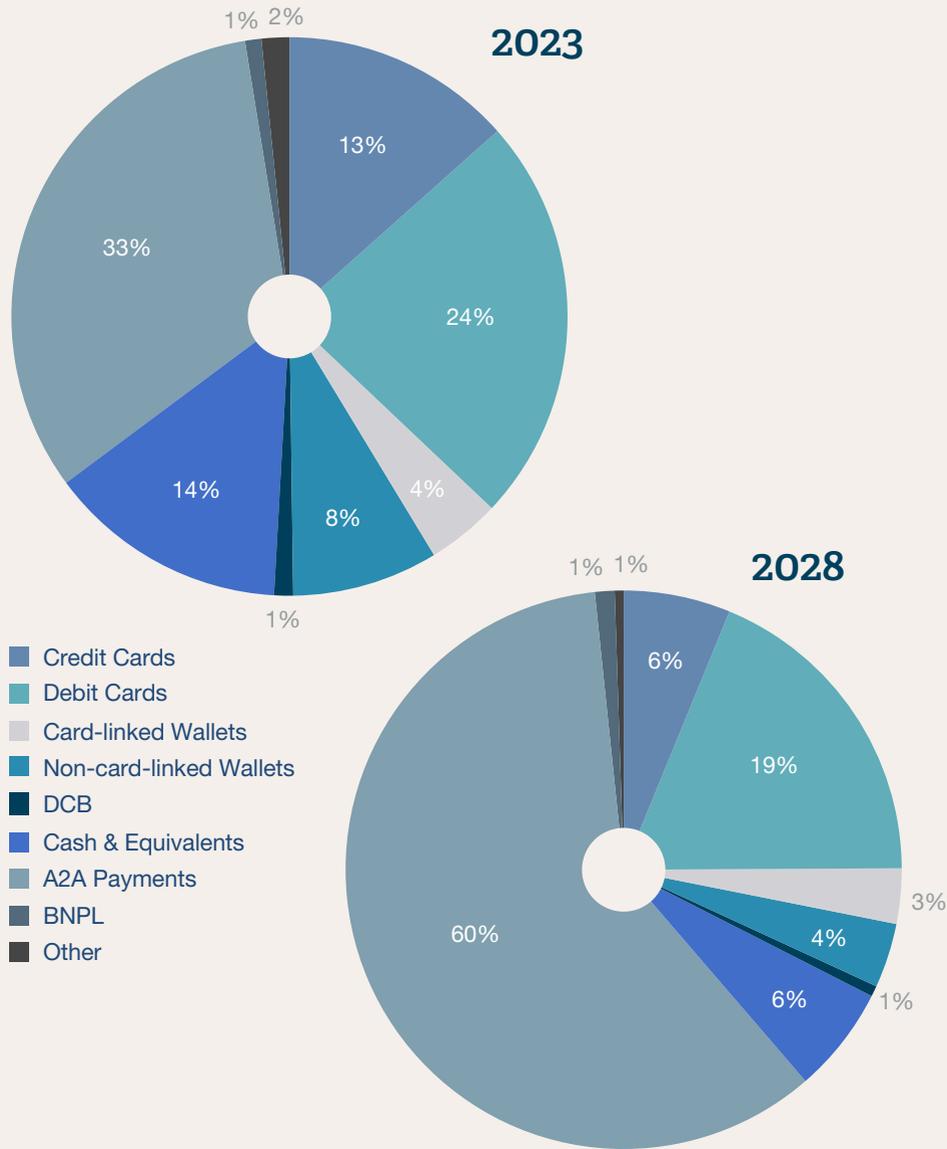
Colombia

Key Market Statistics – 2023

Local Currency: COL\$ – Colombian Peso



Ecommerce checkout volume % - Colombia



Key Takeaways

Local Payment Methods Driving Ecommerce Market Growth

- The sentiment survey found that the top three payment methods used online were all local payment methods, comprising Nequi, PSE and Daviplata, reflecting strong prospects for local payments in this market.
- Nequi was particularly strong, with almost 84% of local payments users leveraging this method.
- Cards are losing share as a result of local payments growth, with cards' share of ecommerce transaction value falling from 47% in 2023 to 22% in 2028.
- As such, adopting a local payments-focused strategy is a must for merchants in Colombia, and must be prioritized for merchant success.

Security the Overwhelming Driver for Choosing Payment Method

- Security was the biggest driver for choosing a payment method with 56% of all respondents selecting this reason.
- This means that ensuring that a secure end-to-end process is in place for transactions is a vital requirement.
- A personal relationship with the payments brand was the second most selected driver, reflecting a market where choosing payment types is about more than utility, and more about perception and trust.
- Accessing the right payment methods, that users feel an affinity with and have trust in will mean adopting a local payments focused approach.

Selected Local Payment Methods - Colombia

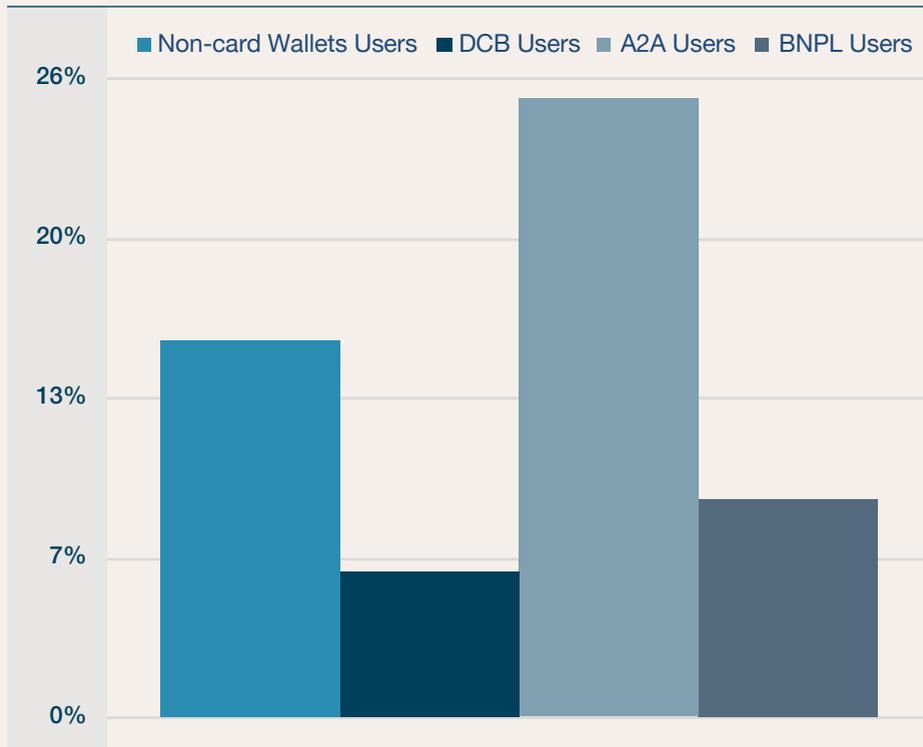
Payment Method	Launched	Type	Comments
 Nequi	2016	Non-card linked wallet	Nequi was the most popular method surveyed.
 PSE	2005	A2A	PSE is heavily favored for bill payments.
 DAVIPLATA	2011	Non-card linked Wallet	Daviplata has evolved since launch.

Key Payments Data

While banked penetration is lower in Colombia than Brazil, this market follows many of the same trends which are impacting upon Latin America, with cards being important earlier on in ecommerce payments, but losing their importance over time as local payment methods emerge.

By 2028, A2A payments have more users than non-card linked wallets and BNPL, reflecting PSE's strong growth.

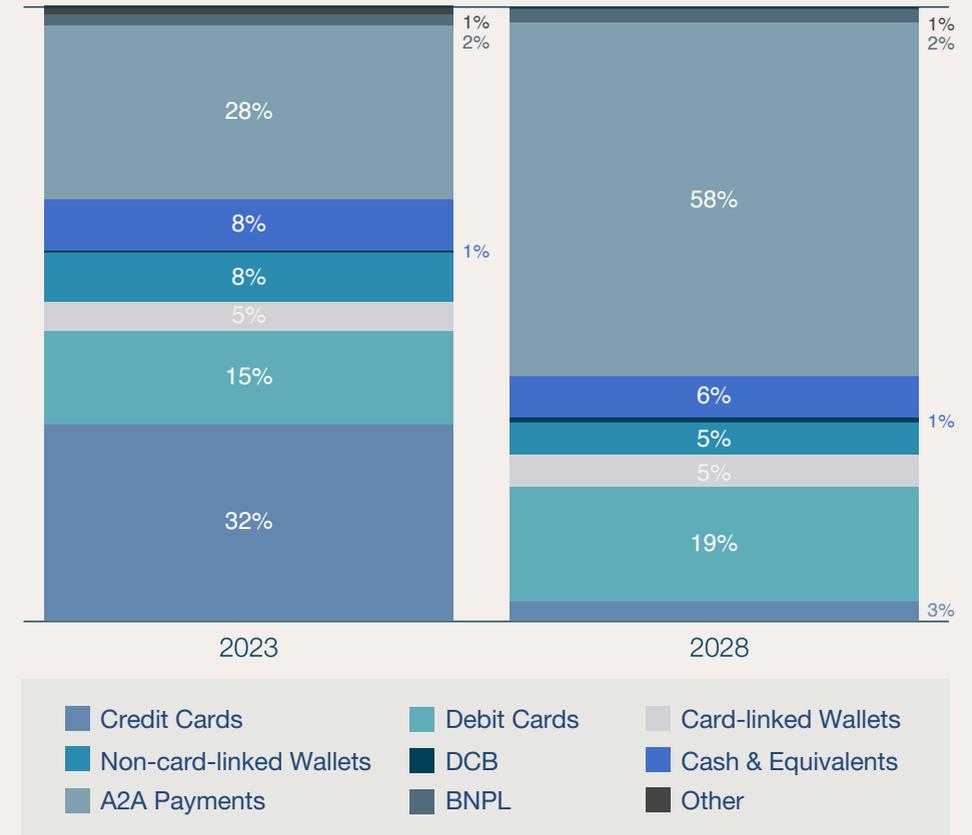
Total commerce monthly active users – Colombia



Local payment methods will account for 66% of ecommerce transactions in Colombia by value in 2028, demonstrating a rapid transition away from cards for ecommerce usage.

This means that local payments will be the engines of growth within Colombia, rather than cards, meaning that merchants must prioritize A2A and other local payment methods to drive their success going forwards.

Ecommerce checkout value % - Colombia



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments are dominating in terms of adoption, with 75% of respondents accessing a larger number of local payment methods within the last month online than card payments. By way of contrast, only 6% used more card methods than local payment methods online in the last month, reflecting that outright dominance of local payment methods.
- Nequi has the highest adoption of any local payment type, at 84% of local payments users, but has a challenge with acceptance compared to other methods, showing that merchants must prioritize broadening their strategies.
- Security is a big issue in this market for users, being the most important driver for choosing what service to use.

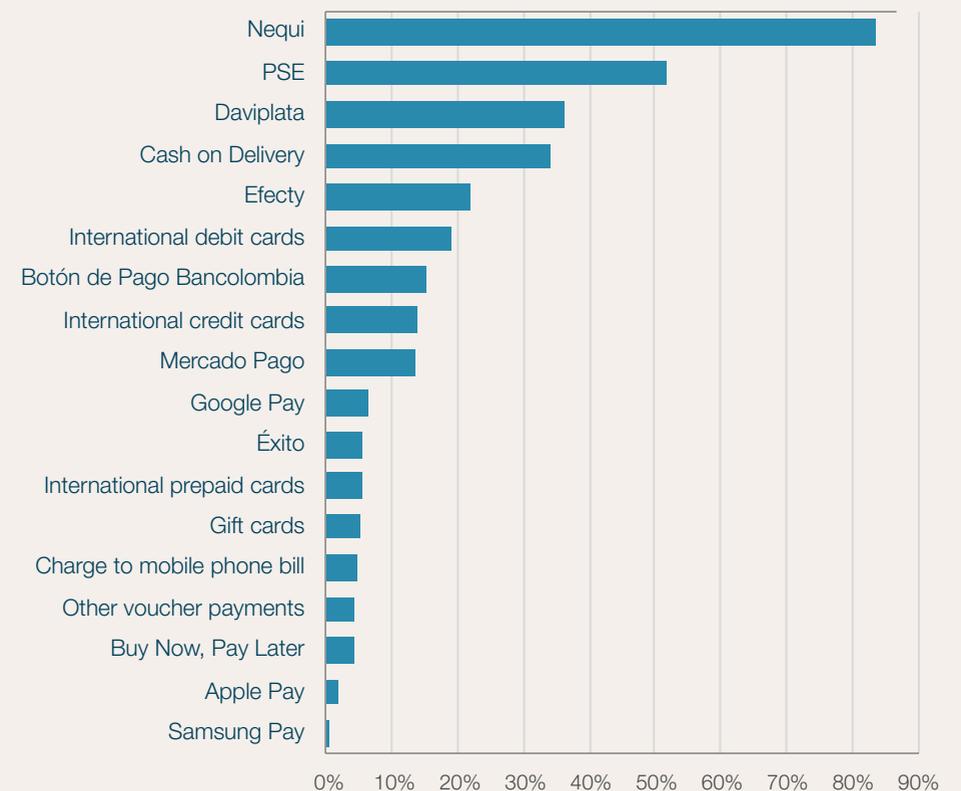


Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 75% (560) of the Colombian respondents, indicating a heavily local payment method dominated ecommerce market, to a greater extent than other markets, such as Brazil, Japan and India.

LPMs used last 30 days % - Colombia



The top three payment methods selected were all local payment methods, indicating how dominated Colombia is by local payment methods.

The most common payment method for these users was Nequi, being selected by 84% of local payment method dominant respondents. This was by far the most popular method, with PSE being the next most popular at 52%, and Daviplata at 36%.

PSE, a bank transfer system, was heavily preferred for bill payments, at over 66% of PSE users paying bills via this method. In contrast, Nequi, international network credit and debit cards, and cash on delivery were heavily preferred for everyday purchases.

This indicates that while Nequi is preferred overall, outside of bill payments, there is not a huge difference between which methods are used for different purchase types, indicating a need for a broad acceptance strategy for merchants.

Why Do Local Payment Users Leverage These Methods?

There are a few different drivers as to why users leverage particular services:

- Cash on delivery scored the highest of any method for the perception of security, cashback rewards and being used out of habit, suggesting that other payment methods have work to do in incentivizing users.
- Nequi was rated very highly for ease and convenience of use, but comparatively lower for the acceptance where users want to shop, indicating that Nequi is primed for growth, if acceptance can be improved.
- PSE is seen as much more trusted than other local payment methods from a brand perspective, reflecting its bank-linked nature.

Nequi was used by at least several times a week by 55% of its users, the highest of any payment method.

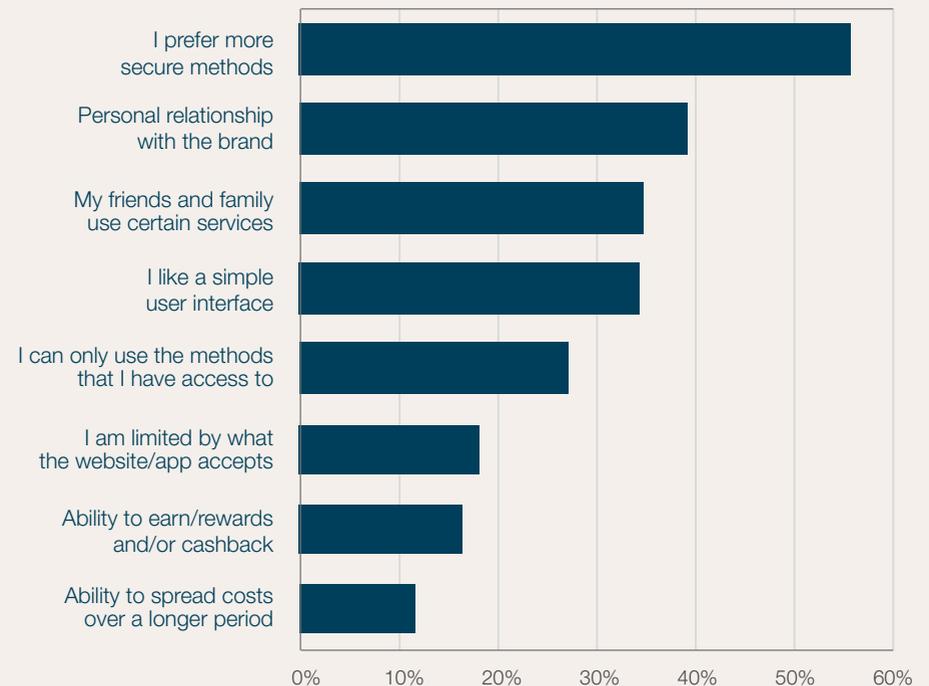
Nequi Most Frequently Used Online Payment

Cash on delivery, Daviplata and Botón de Pago Bancolombia made up the remainder of the top 4 most frequently used methods, showing that local payment methods are leading the usage within the Colombian market, making them essential for merchants.

Security Main Driver for Choosing Payment Type

The survey found that security concerns were the main driver for Colombians choosing which payment service to use, at 56% of respondents. The relationship to the brand and friends and family use were also important drivers. By way of contrast, the ability to earn cashback or spread costs was a much lower priority. The lack of interest in cashback contrasts with markets such as India and Indonesia in particular, where cashback was a priority for over 50% of respondents.

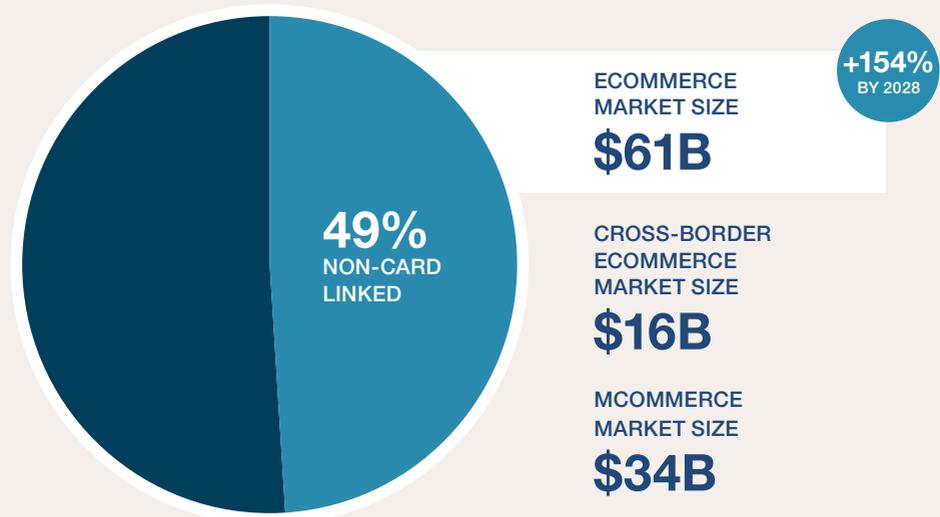
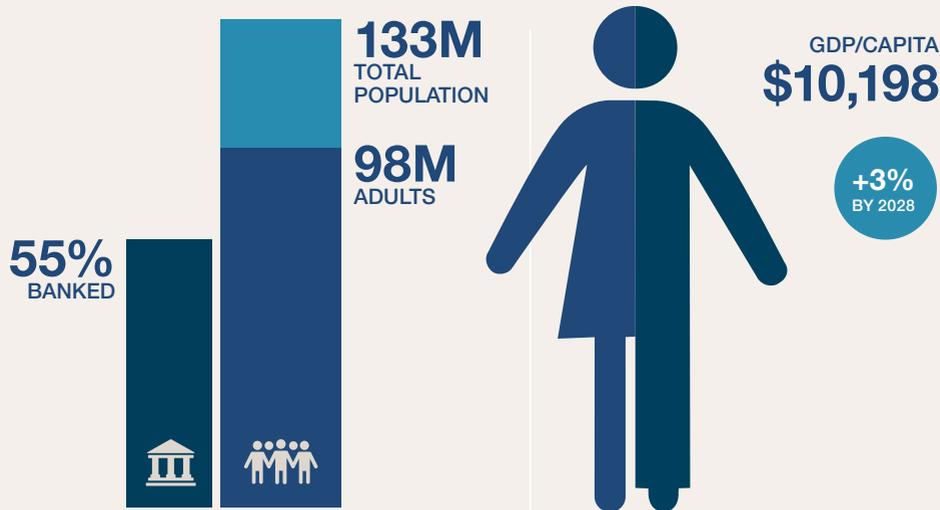
Key Reasons Respondents Would Use to Choose Payment Service, (% of Respondents who Selected Each Reason)



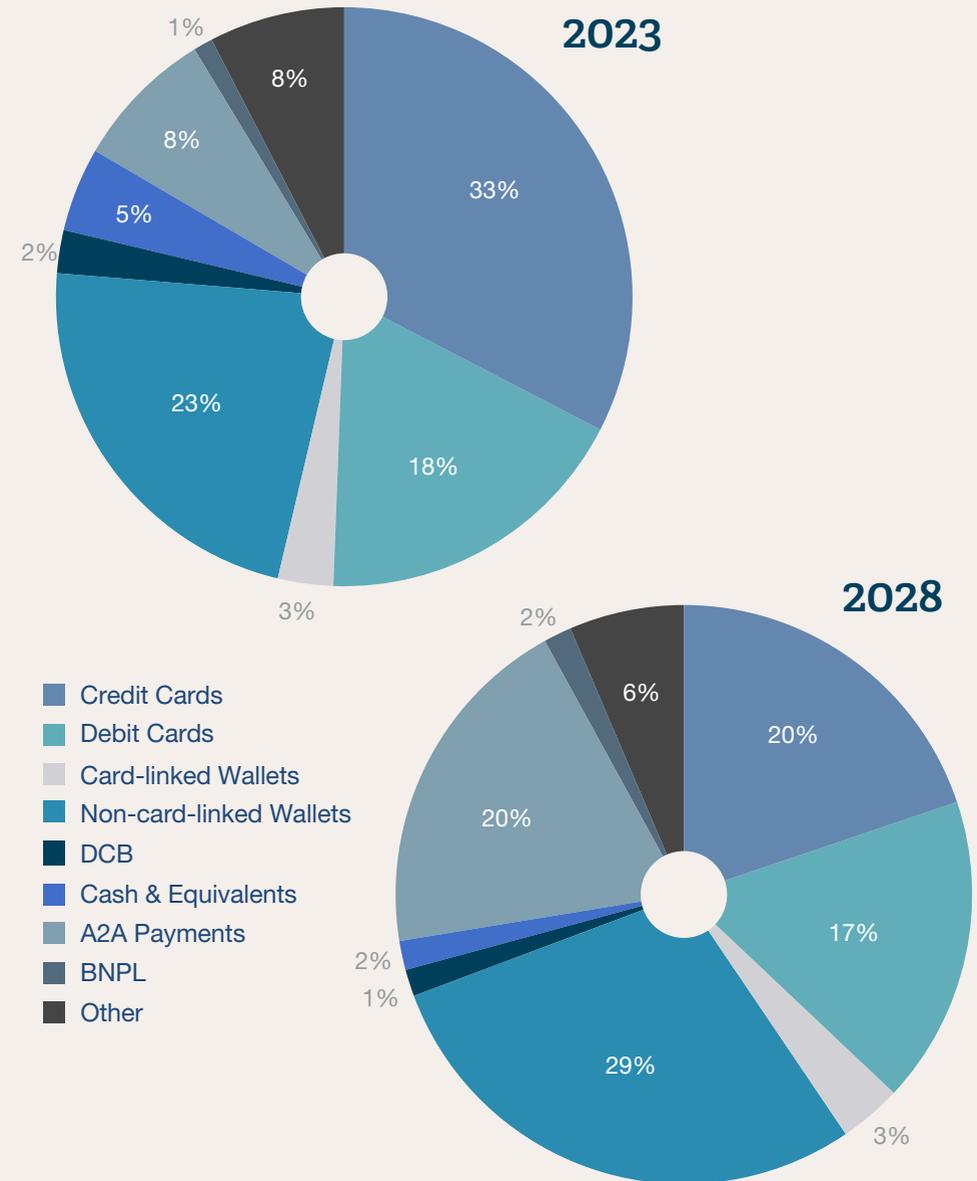
Mexico

Key Market Statistics – 2023

Local Currency: MX\$ – Mexican Peso



Ecommerce checkout volume % - Mexico



Key Takeaways

CoDi is Driving Strong A2A Payments Growth

- Mexico is a very strong market for account to account payments, with the proportion of ecommerce transaction value via A2A expect to hit 21% in 2028, from only 8% in 2023.
- CoDi is responsible for A2A payments growth within Mexico, and has, despite some initial skepticism, proven to be a reliable payments system.
- We expect CoDi to be a key focus area going forward for merchants, as they look to leverage the methods that local users want to access, maximizing their changes of checkout success.

Cards & Local Payment Methods to Coexist

- Our payments data shows that cards are set to lose some of their importance within the Mexican market, with the proportion of ecommerce transaction value that is via cards falling to 37% in 2028, from 51% in 2023.
- However, it is noteworthy that cards will still be important within Mexico, accounting for over a third of payments by volume by 2028. This is being driven in particular by the high degree of cross-border ecommerce that is present in Mexico, with international websites tending to use cards as a reliable cross-border system.
- We expect that international websites will increasingly look to support local Mexican payment methods in order to maximize user satisfaction.

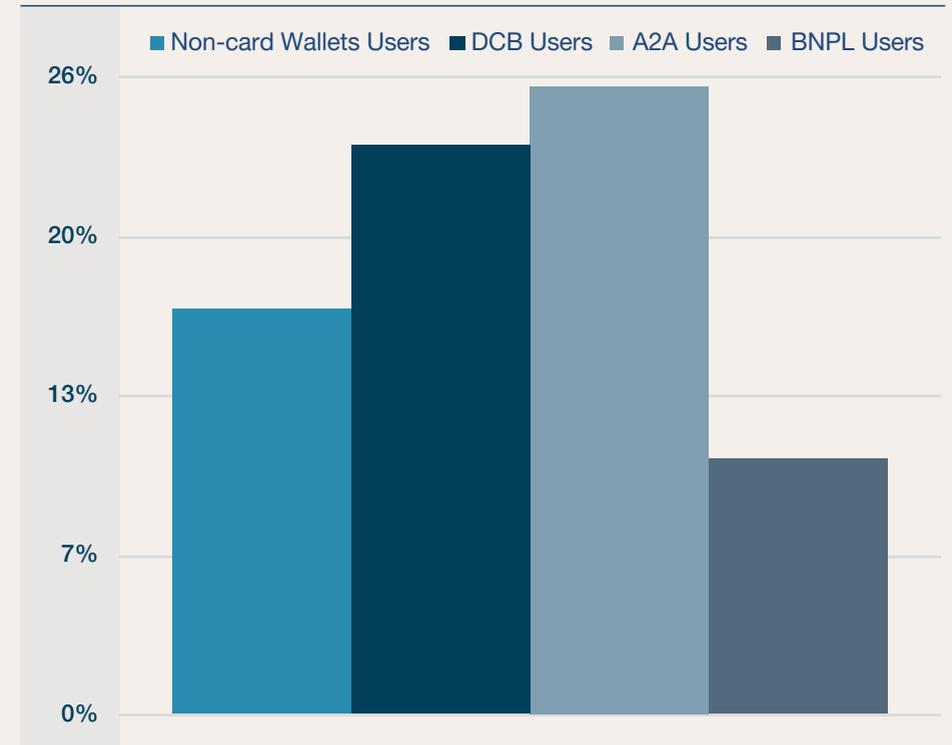
Selected Local Payment Methods - Colombia

Payment Method	Launched	Type	Comments
	March 2019	A2A	CoDi has scaled despite initial issues.
	2003	Non-card linked Wallet	Mercado Pago supports a full digital banking experience in Mexico.
	2012	Cash and equivalents	OXXO is a system from a popular retailer.

Key Payments Data

Cards will decline as a proportion of ecommerce transaction volume, from 51% in 2023 to 37% in 2028, as the ecommerce market grows and other methods, such as CoDi, go from strength to strength.

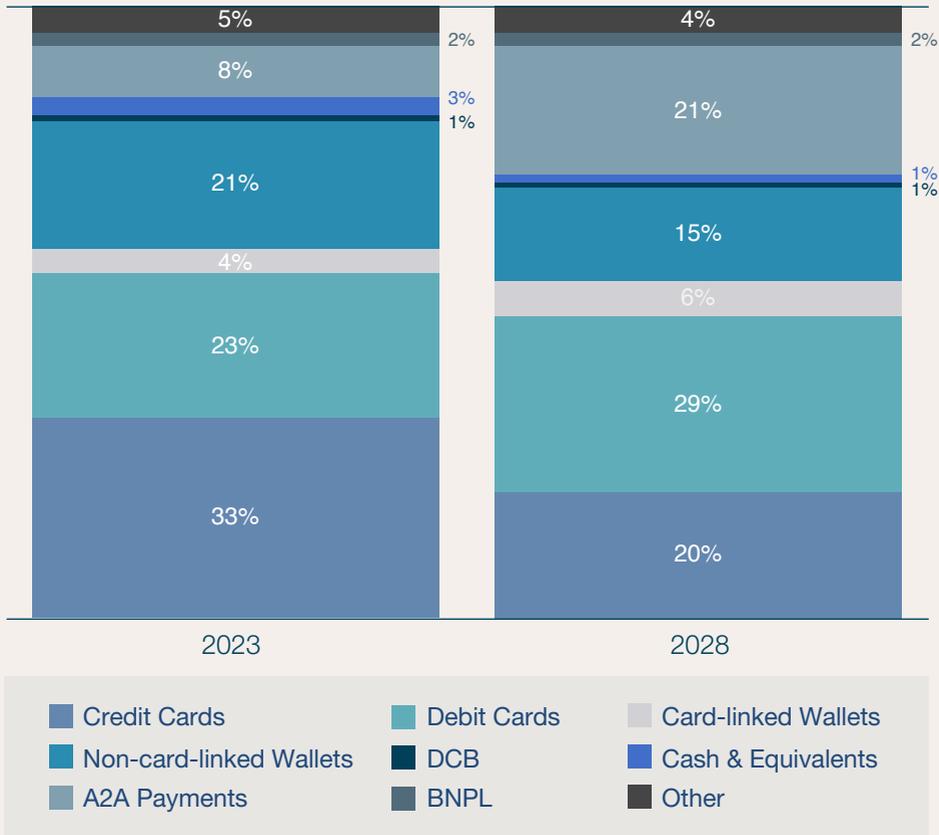
Total commerce monthly active users – Mexico



By 2028, 56% of Mexico's population will use local payment methods, reflecting strong success, considering the low banking penetration of 55% within this market.

Local payment methods will account for 40% of ecommerce transactions in Mexico by value in 2028, from 32% in 2023, demonstrating a rapid transition from cards for ecommerce usage, particularly for larger value purchases.

Ecommerce checkout value % - Mexico



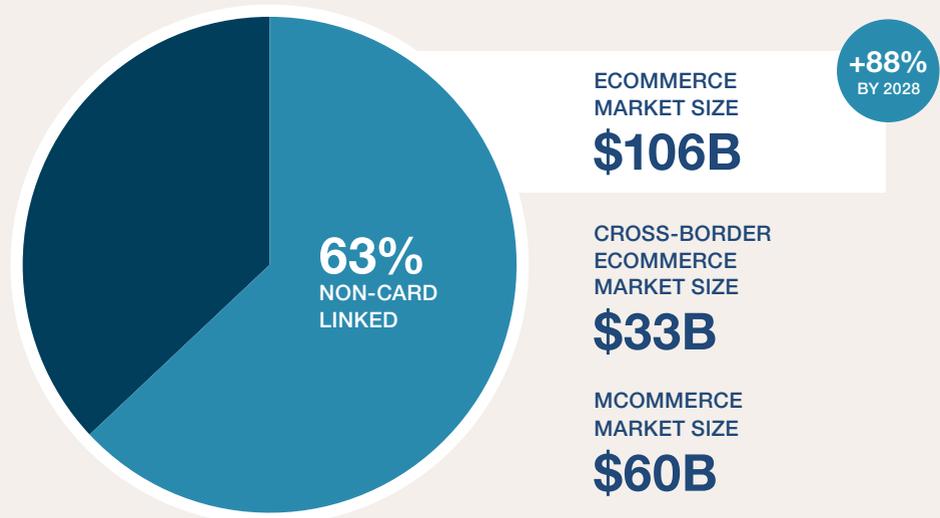
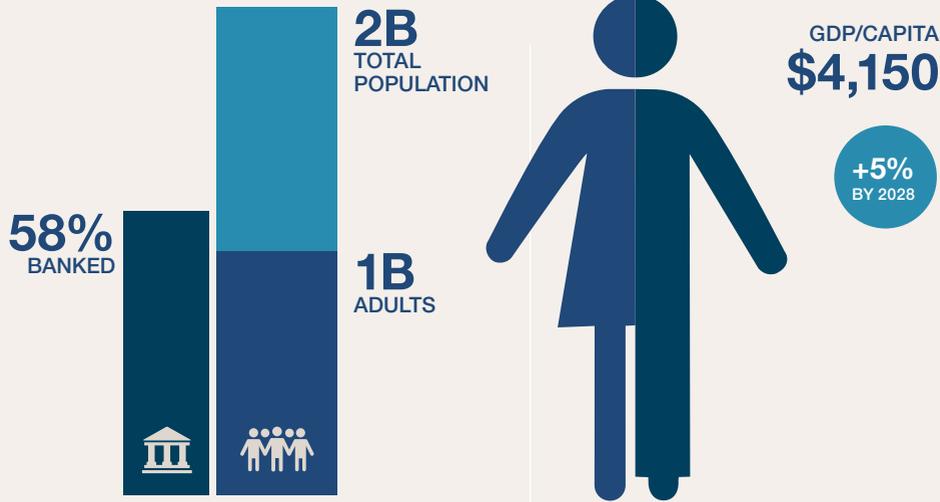
The rapid growth of local payment methods in Mexico, in particular A2A payments, means that merchants, particularly those focused on more expensive purchases, must change their acceptance strategies and align these increasingly with new capabilities emerging.

Africa & Middle East

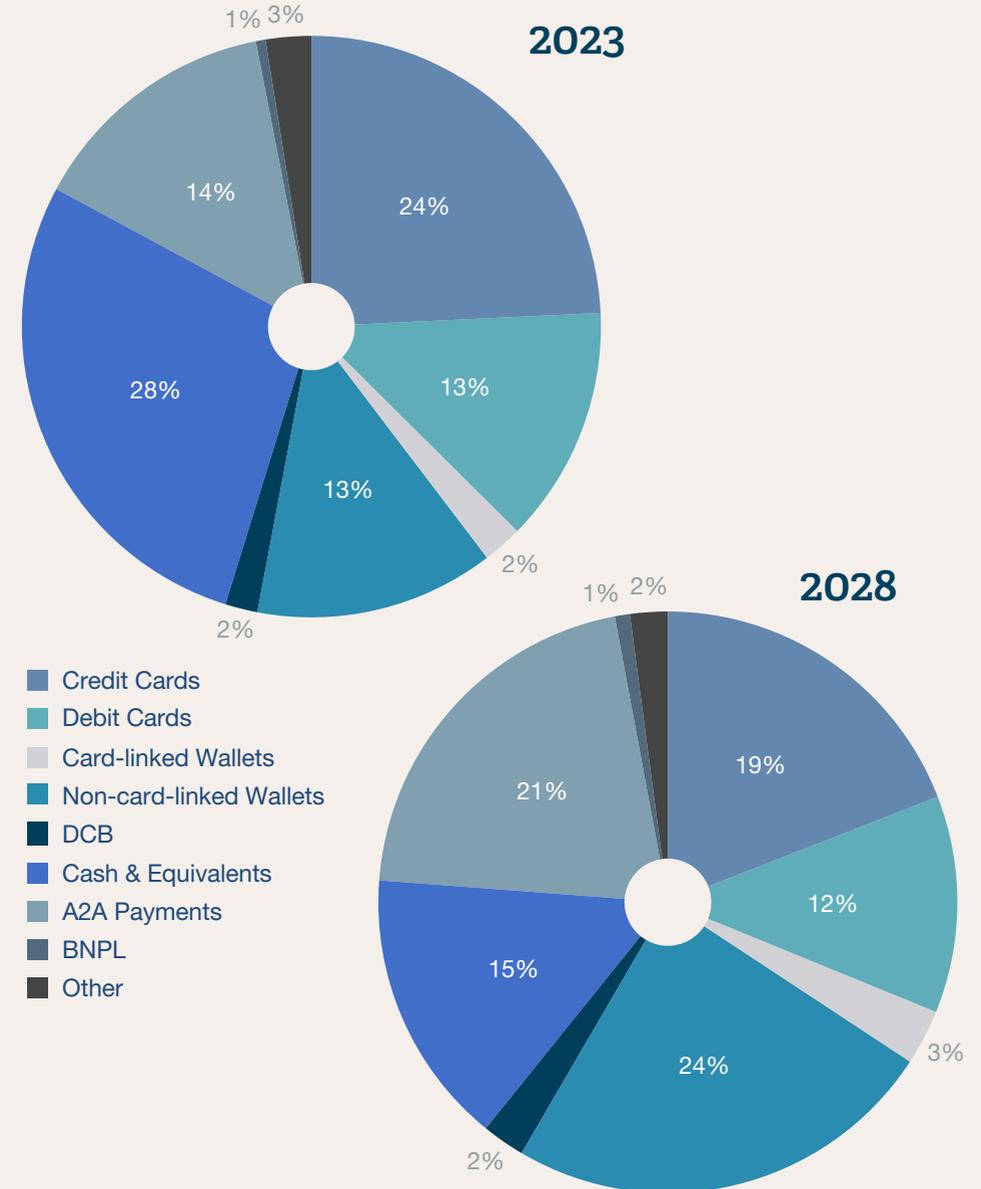


Africa & Middle East

Key Market Statistics – 2023



Ecommerce checkout volume % - Africa & Middle East

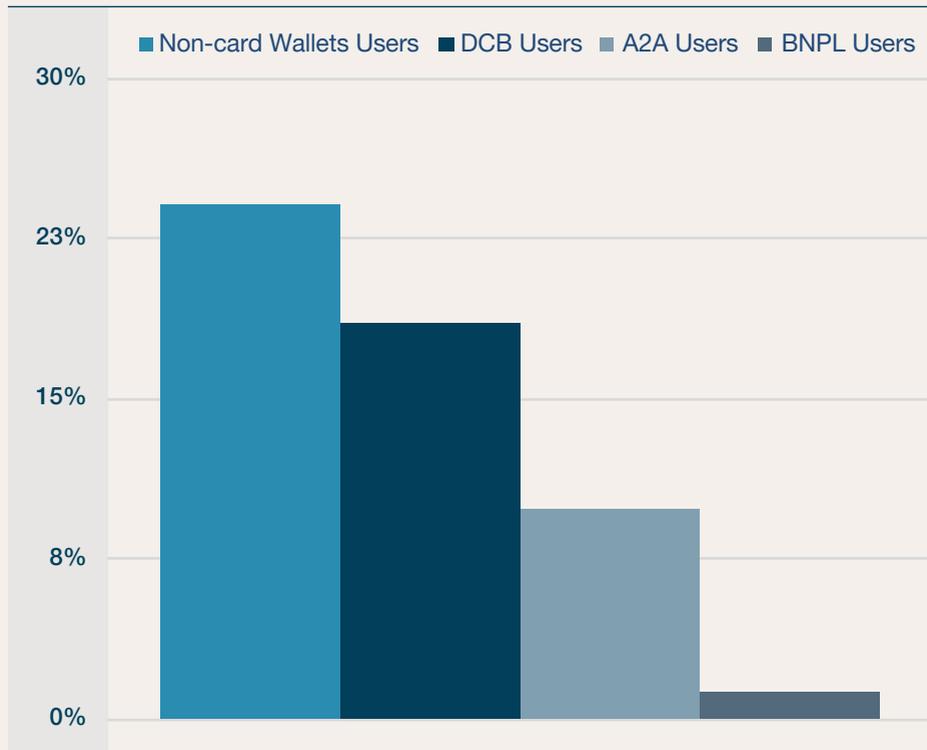


Key Takeaways

Mobile Money Driving Growth in Africa

- By 2028, non-card-linked wallets will account for over 25% of all ecommerce payments by value in Africa & Middle East, driven by the importance of mobile money services within Africa.
- M-PESA in Kenya is a powerful example of mobile money services in practice, achieving a dominant position within the local market.
- As mobile money services transition to smartphones, apps will enable additional features and growth in marketplaces.

Total commerce monthly active users – Africa & Middle East



Cards Playing a Smaller Role, as Bank-backed Wallet Apps Show Promise

- Cards will still be a prominent, albeit minority part of ecommerce markets within the Africa & Middle East region as a whole, driven by the Middle East, where credit card usage will remain resilient.
- Cards will account for 29.5% of ecommerce transactions by volume in 2028 in the region, just under a third, showing their enduring importance.



- A2A payments will reach 18% of ecommerce spend within Africa & Middle East, reflecting strong adoption of solutions such as Instant EFTCaptic pay and PayShap in South Africa, and the popularity of NIBSS within the Nigerian market and GhIPSS in Ghana. In addition, to the new promising launches as Sarie in KSA, AANI in UAE and Instapay in Egypt.

What This Means for Merchants

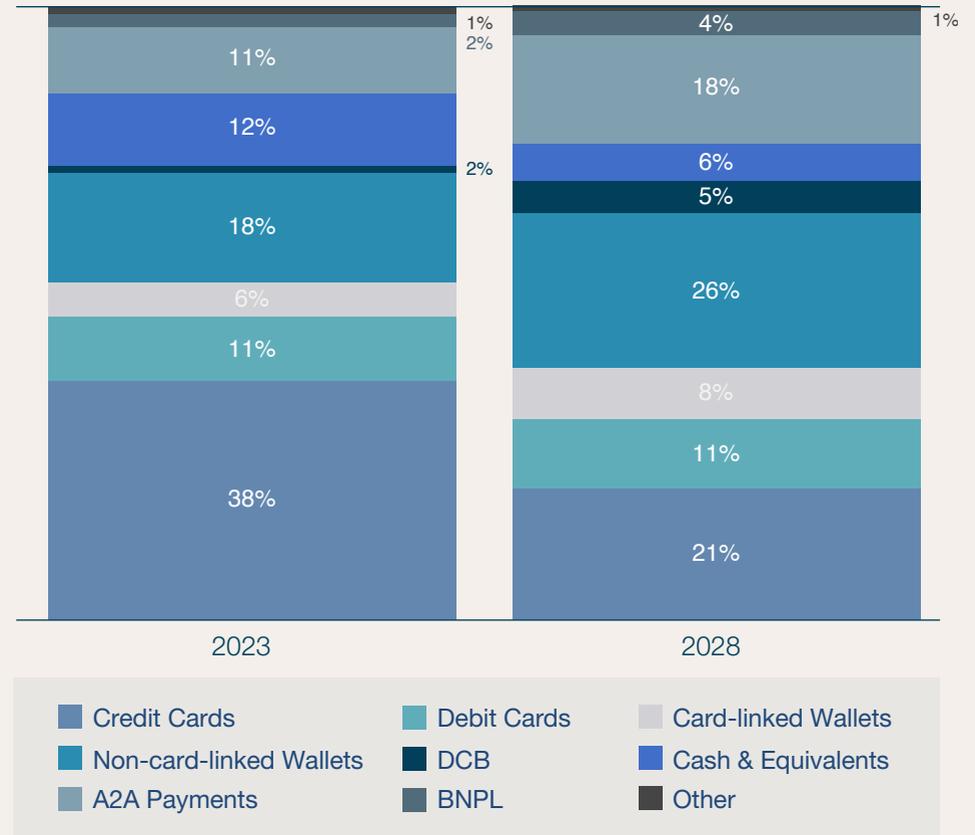
Africa & Middle East is in many ways already a local payments success story, and mobile money in particular, with services such as STCPay, Vodafone Cash, M-PESA and MTN MoMo, Orange Money, and Airtel Money. As such, this means having highly localized strategies in these markets is key.

Forecast Data

Across Africa & Middle East, local payment methods will grow from 33% of ecommerce transaction value in 2023, to 54% in 2028, showing remarkable progress, driving wider access to payments and ecommerce.

By 2028, almost 40% of all individuals within Africa & Middle East will actively use local payments, reflecting massive growth, despite issues with financial inclusion.

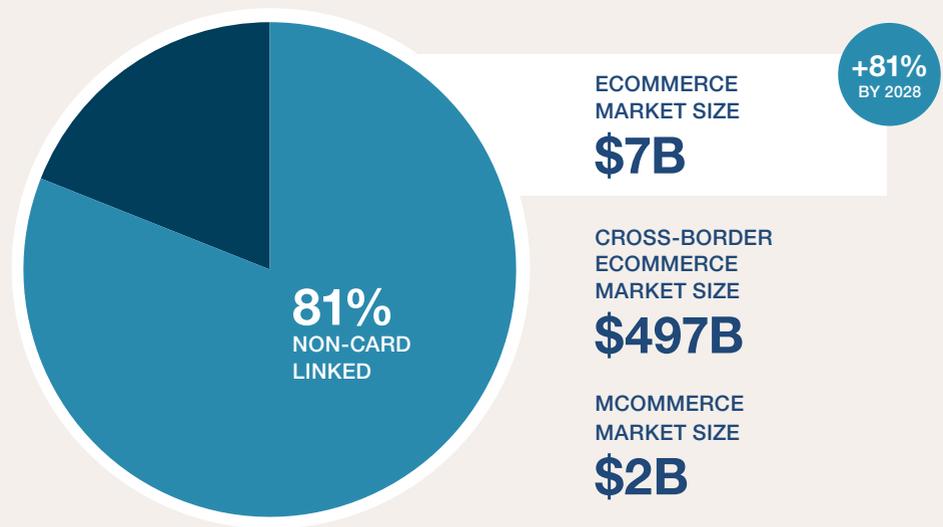
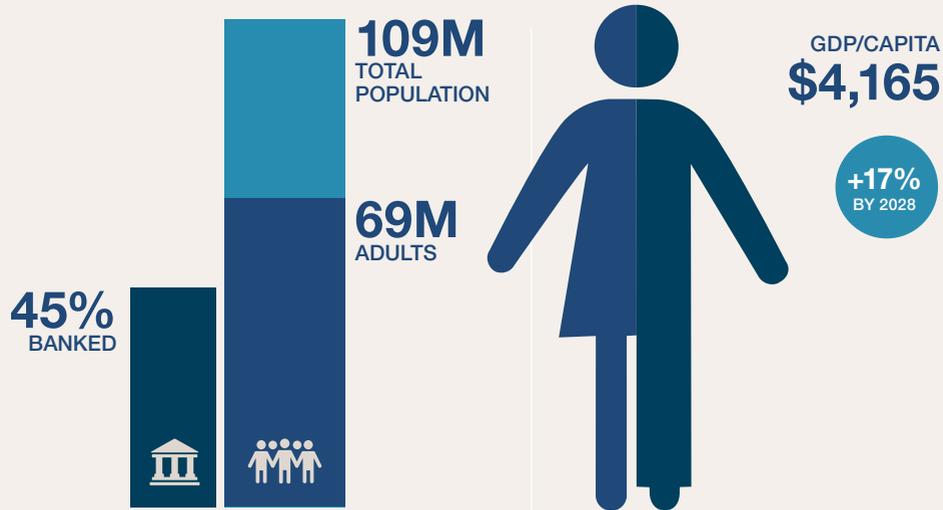
Ecommerce checkout value % - Africa & Middle East



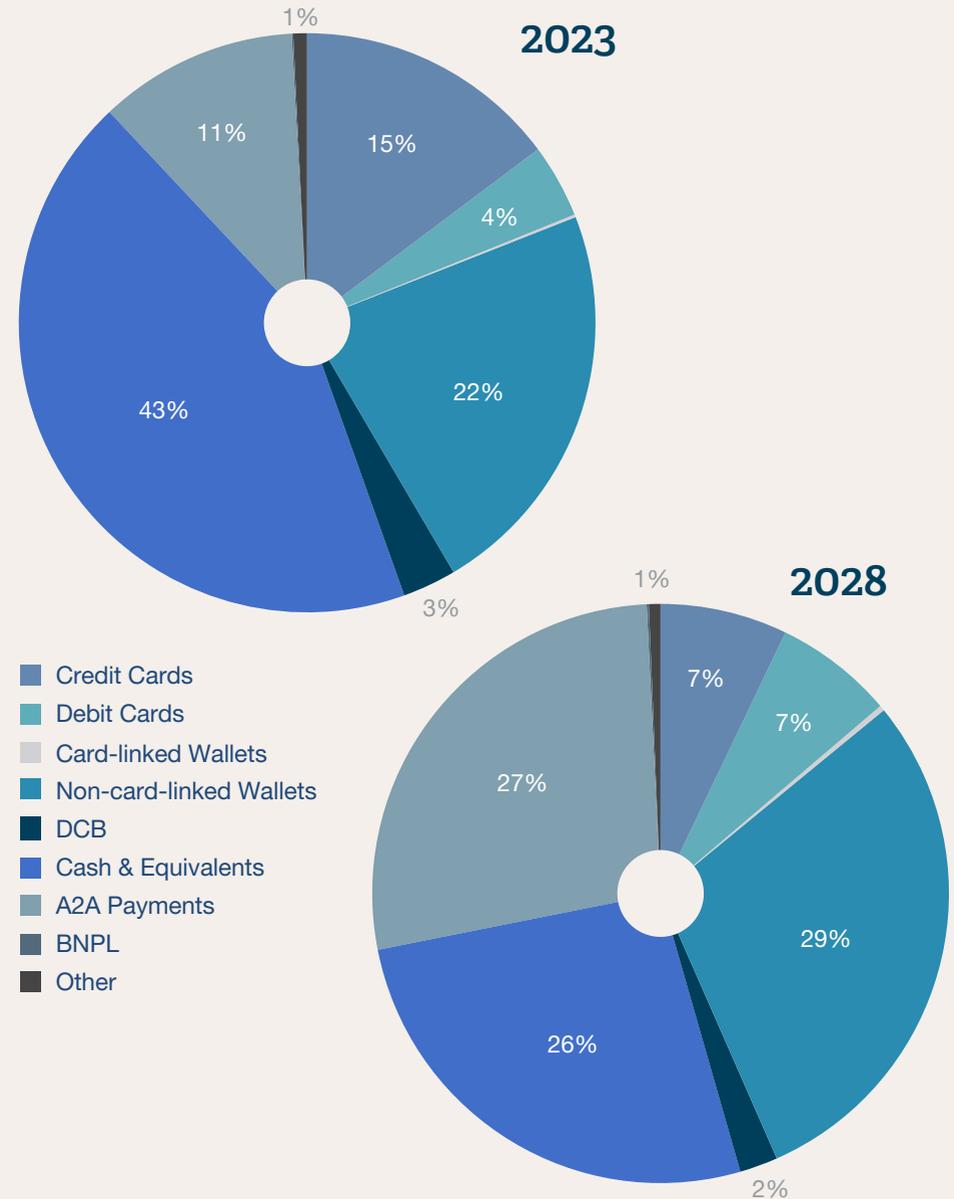
Egypt

Key Market Statistics – 2023

Local Currency: E£ – Egyptian Pound



Ecommerce checkout volume % - Egypt



Key Takeaways

Market Driven by Local Wallets & A2A Payments Replacing Cash

- Within the Egyptian market, local wallets will increasingly have a strong position, with non-card wallets accounting for 29% of ecommerce volume in 2028, and 22% of ecommerce value in the same year.
- Wallets, such as Vodafone Cash, Orange Cash, and Etisalat Cash have gained strong popularity, based on relatively low banking penetration and higher mobile penetration.
- Cash use at the same time is dropping significantly, with A2A payments (Instapay) and local wallets through the Meeza mobile wallet switch being the main beneficiaries.
- Ecommerce will be disproportionately local rather than cross-border in this market, given the currency controls in place in Egypt.

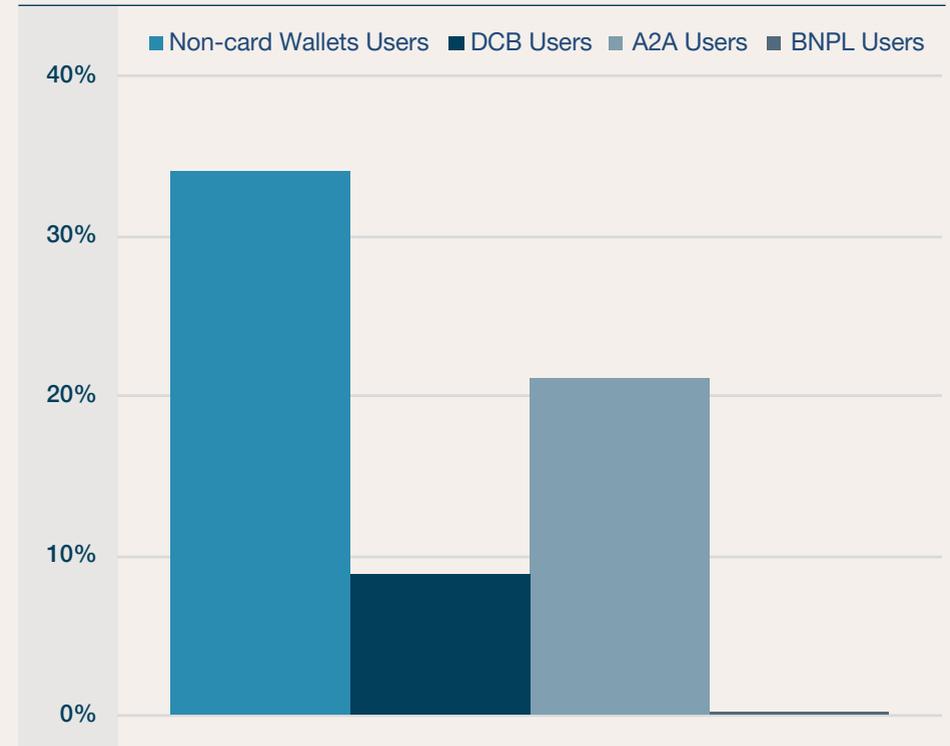
Card Use to be Very Limited

- Card payments will play a much smaller role in Egypt than other markets, with only 14% of transactions by volume in ecommerce being via cards by 2028.
- Local payments are leading the transition away from cash in this market, limiting the role that cards can play. A relatively low banking penetration is also a factor for limiting card growth, although banking penetration will rise over the next few years.
- Cards may benefit in future from mobile money services offering payment cards as a premium feature.

Selected Local Payment Methods - Egypt

Payment Method	Launched	Type	Comments
 Fawry	2008	E-payments	50 million network users and 9.3 million downloads.
	2013	Non-card-linked wallet	Around 3 million customers for Vodafone Cash in Egypt.
	2022	A2A payments	InstaPay is a nation wide A2A payments app.

Total commerce monthly active users – Egypt



Non-card wallets and A2A payments will grow to reach almost 50% of Egypt's population by 2028, reflecting strong prospects for local payments going forwards.

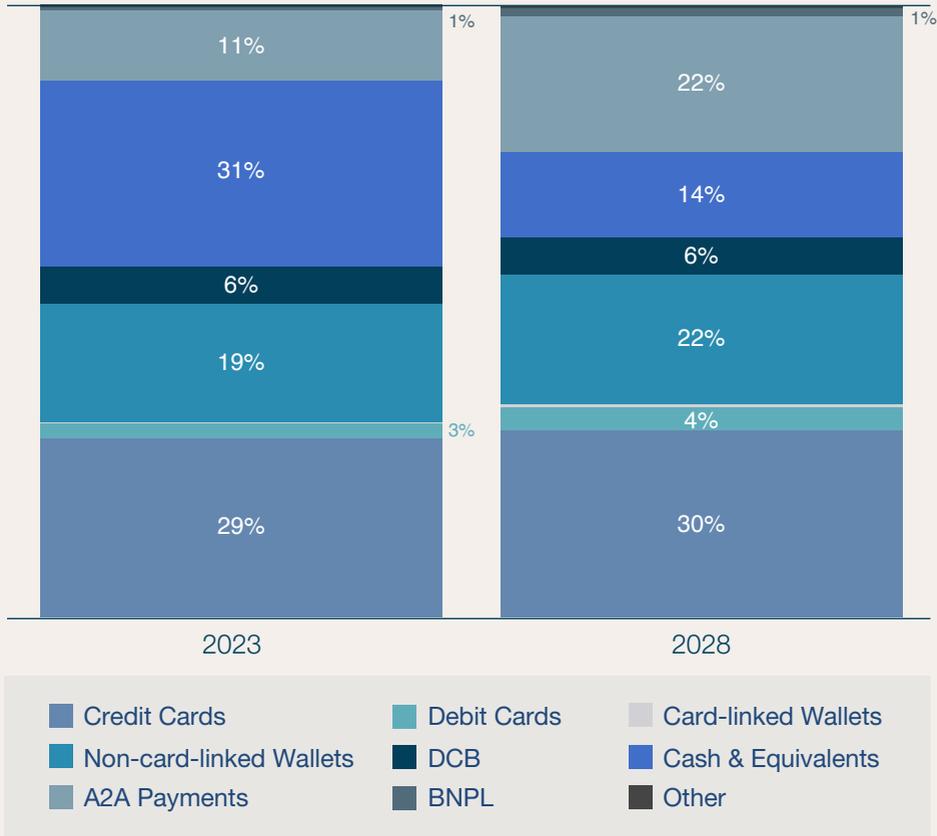
Key Payments Data

Local payment methods already have an important role to play within the Egyptian market, which will only increase over time as the transition to a less cash-centric economy intensifies.

Local payment methods will account for almost 51% of ecommerce transaction values by 2028, growing substantially from 37% in 2023.

The Egyptian market is a great example of where local payment methods are increasingly becoming the norm, meaning that local ecommerce merchants must prioritize these services for acceptance.

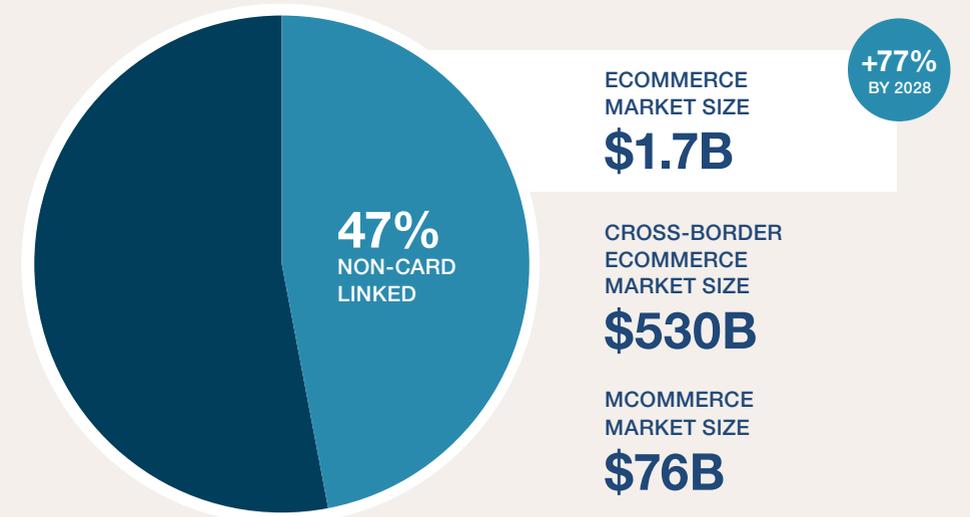
Ecommerce checkout value % - Egypt



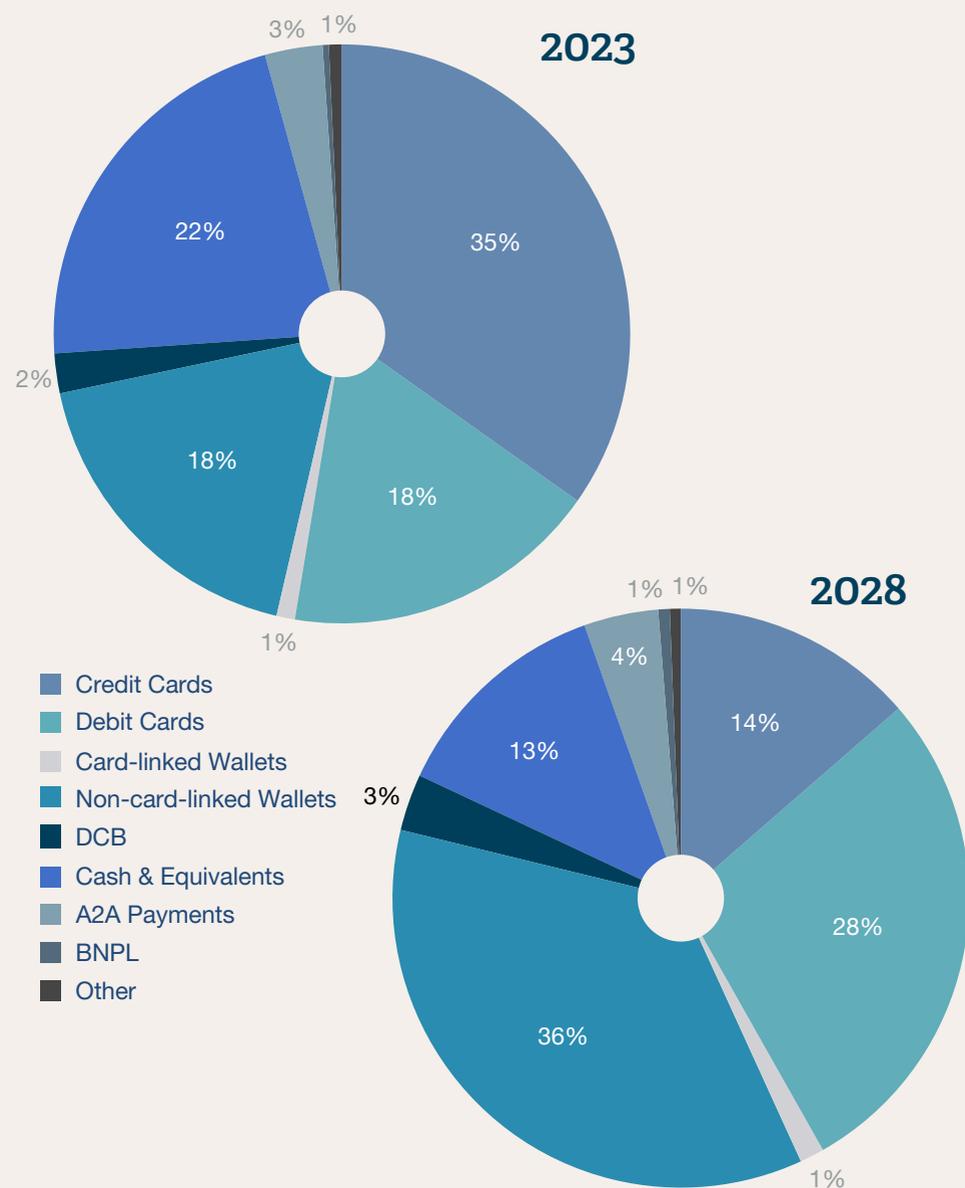
Ghana

Key Market Statistics – 2023

Local Currency: GH¢ - Ghanaian Cedi



Ecommerce checkout volume % - Ghana



Key Takeaways

Cards Remaining Important as Ecommerce Market Starts to Expand

- Within Ghana, cards have played an important role, as the ecommerce market has been limited in terms of overall scope.
- This means that cards will still play an important role, with the proportion of ecommerce transactions via card in the market expected to fall from 53% in 2023 to 42% in 2028.
- However, as the ecommerce market develops, mobile money and other local payment methods will become more prominent, expanding access to ecommerce over a wider set of addressable users.
- Merchants will need to ensure that they partner with the right platforms to capitalize on this growth going forward, whilst retaining cards.

Mobile Money Seeing Strong Growth

- We predict that by 2028, non-card wallets will account for 43% of transaction value within ecommerce in Ghana, growing from 24% in 2023.
- The growth of MTN MoMo is driving this, as well as local alternatives such as AirtelTigo Money and Vodafone Cash, which are surging in popularity.
- Merchants should ensure that they access the key mobile money marketplaces, in order to maximize their reach.

Selected Local Payment Methods - Ghana

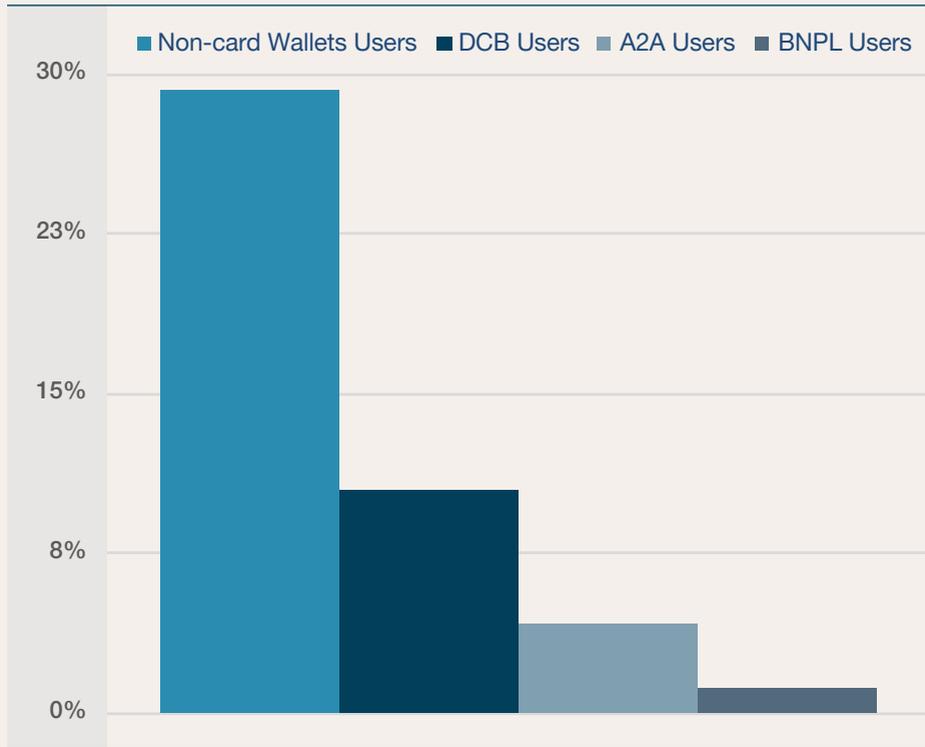
Payment Method	Launched	Type	Comments
 MTN MoMo	2009	Non-card linked Wallet	This MTN service had over 5 million users (as of 2023)
 at	2010	Non-card linked Wallet	Previously known as Airtel Money.
 Vodafone Cash	2015	Non-card linked Wallet	Vodafone Cash in this country is based on M-PESA.

Key Payments Data

Payment cards will still have an important role to play in the early-stage ecommerce market within Ghana, but the extent of their involvement will reduce over time, as local methods grow.

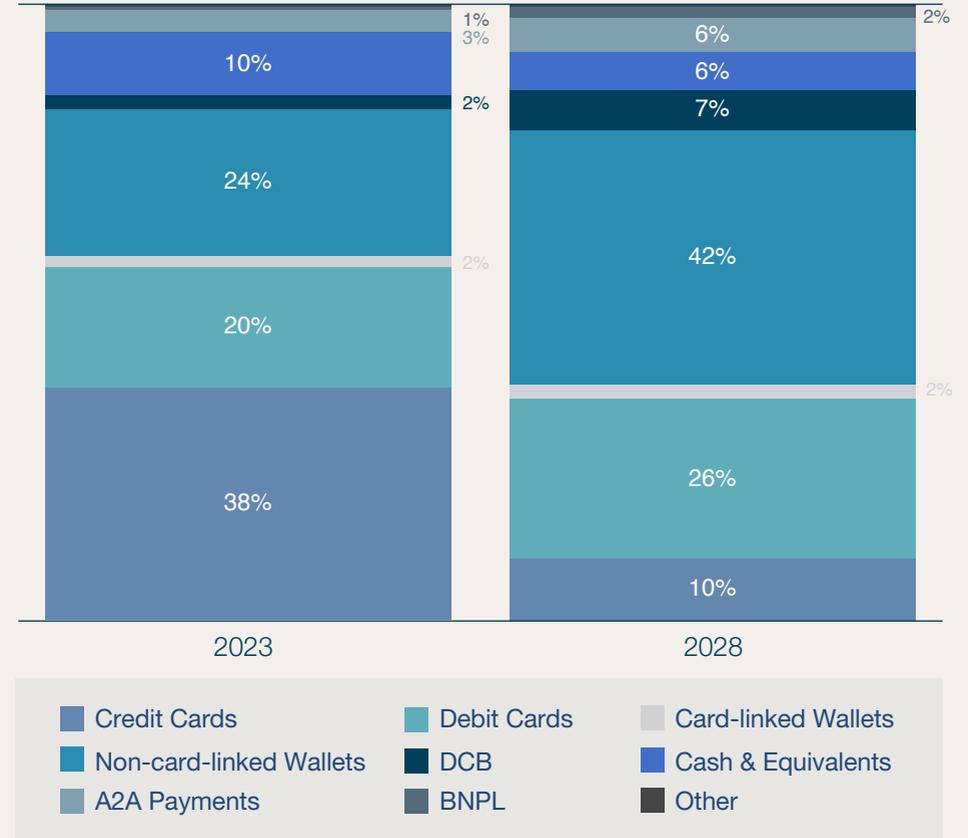
By 2028, 46% of Ghana's population will use non-card wallets, from 29% in 2023, reflecting the rapid growth of mobile money in particular.

Total commerce monthly active users – Ghana



Local payment methods will account for 55% of ecommerce transactions in Ghana by value in 2028, from 30% in 2023, demonstrating a transition from cards for ecommerce usage, as the ecommerce market broadens.

Ecommerce checkout value % - Ghana



Iraq

Key Market Statistics – 2023

Local Currency: IQD - Iraqi Dinar



46M
TOTAL
POPULATION

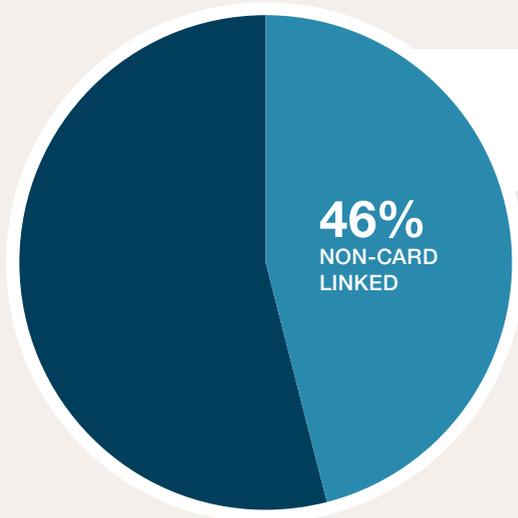
29M
ADULTS



GDP/CAPITA
\$4,357

+6%
BY 2028

22%
BANKED



ECOMMERCE
MARKET SIZE

\$3B

CROSS-BORDER
ECOMMERCE
MARKET SIZE

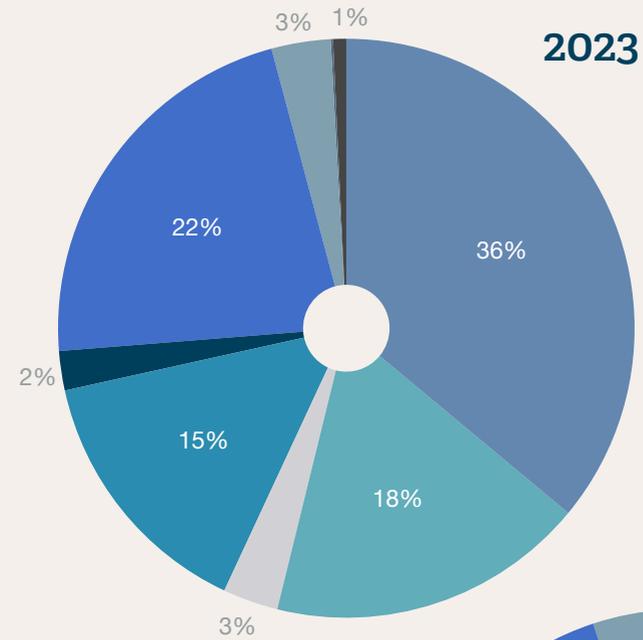
\$796B

MCOMMERCE
MARKET SIZE

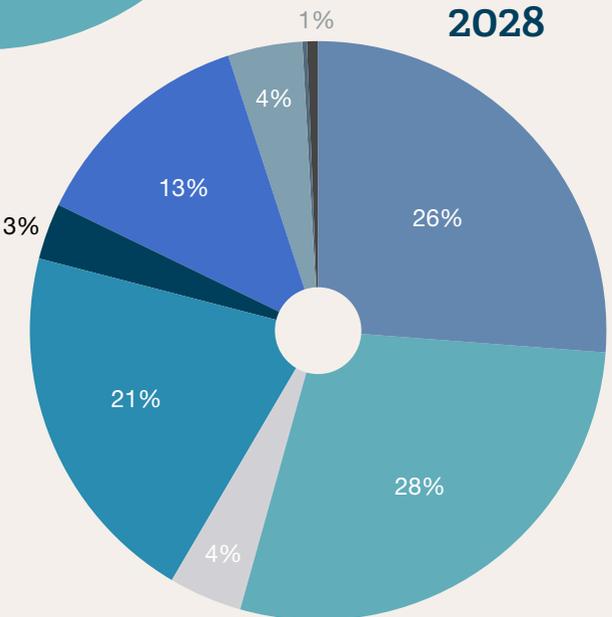
\$2B

+84%
BY 2028

Ecommerce checkout volume % - Iraq



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other



Key Takeaways

Local Payment Methods Expanding Within Iraq

- Local payment methods are becoming more popular within the Iraqi market, with increasing mobile access creating opportunities for more formal access to finance.
- Local payment methods will represent 39% of ecommerce transactions in Iraq by value in 2028, from 26% in 2023, showing significant growth as the ecommerce market expands.
- Given the very low banking penetration, Iraq has a large population that will find it hard to access card payments or A2A payments. As such, in the short to medium term, local wallet services will drive growth forward within this market.

Rising Affluence Creating Ecommerce Opportunities

- Within Iraq, rising affluence is unlocking an opportunity for ecommerce, with its market being small but growing quickly.
- Accessing the maximum number of users will be important, necessitating the user of payment systems with the broadest user bases. Given the much higher mobile penetration than banked rate, mobile-based solutions are the way forward in this market. Indeed, DCB will remain critical for digital entertainment and video games.

Selected Local Payment Methods - Iraq

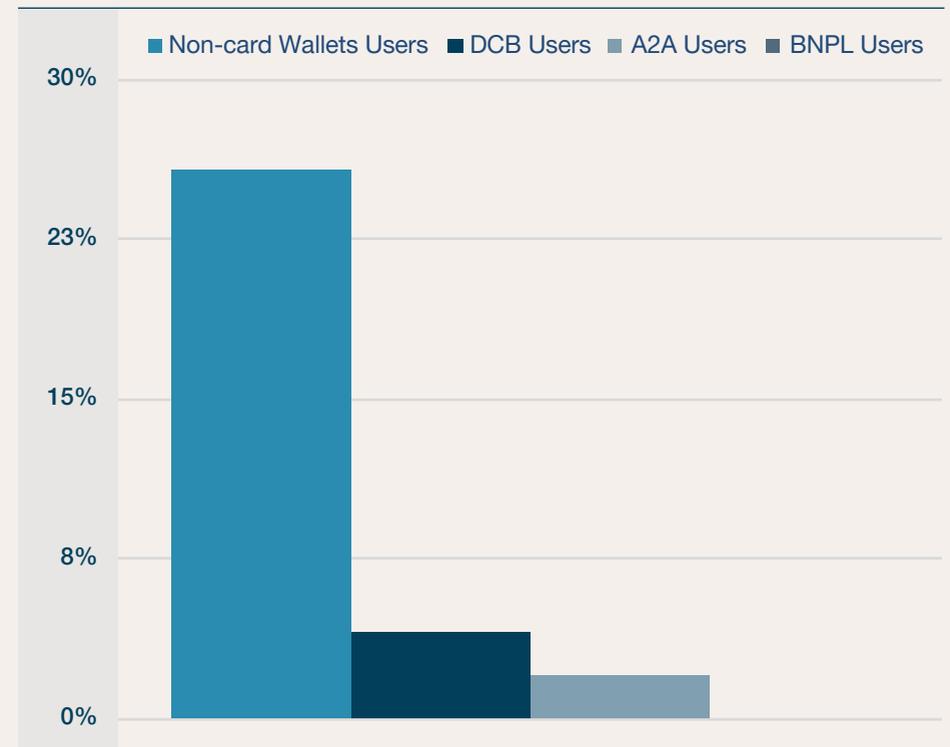
Payment Method	Launched	Type	Comments
 Zain CASH	2016	Non-card linked wallet	ZainCash is a market leader in Iraq, having broad reach.
 AsiaPay	2014	Non-card linked Wallet	AsiaPay has been used extensively by NGOs for bulk distribution.
 NASSWALLET Digital Banking	2019	Non-card linked Wallet	NassWallet offers many bank-style features and services.

- Ensuring that these services enable a platform for wider growth of ecommerce will be vital, and regulatory intervention will likely be necessary to ensure that payment systems are enabling future digital payments growth.

Key Payments Data

Iraq has a strong local payments market, driven by NGO aid distribution and other factors, with rising access to financial services also driving card usage in the country.

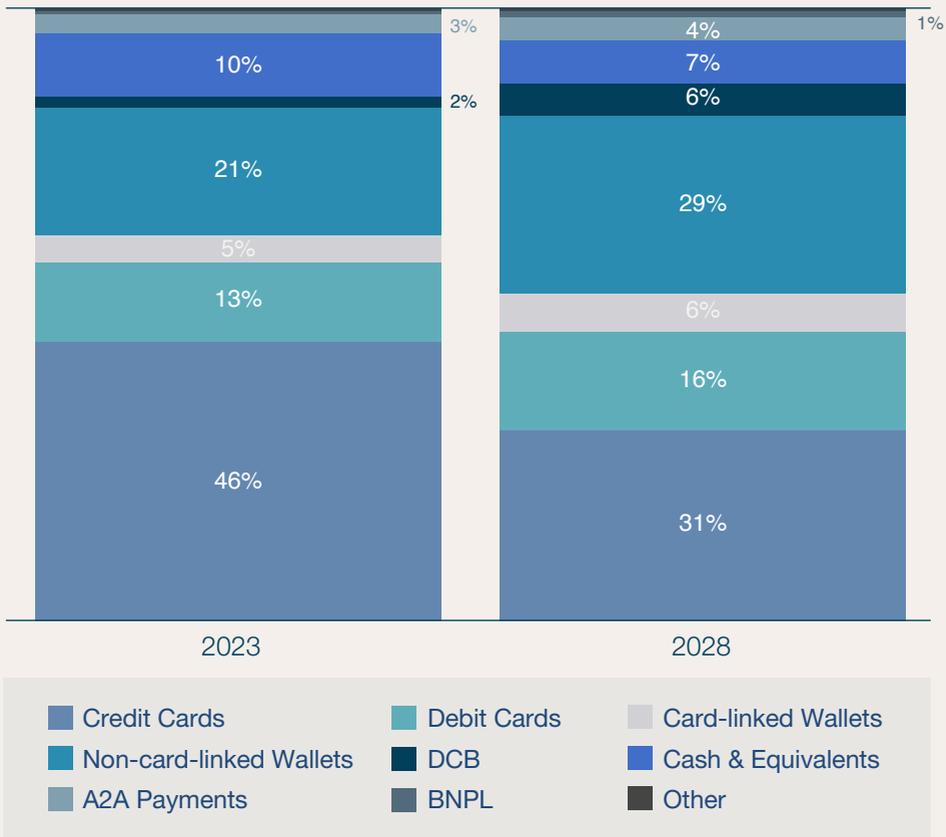
Total commerce monthly active users – Iraqi



By 2028, local payments will reach 41% of Iraq's population, showing remarkable growth.

Local payment methods will account for 39% of ecommerce transactions in Iraq by value in 2028, from 26% in 2023, showing significant growth as the ecommerce market expands.

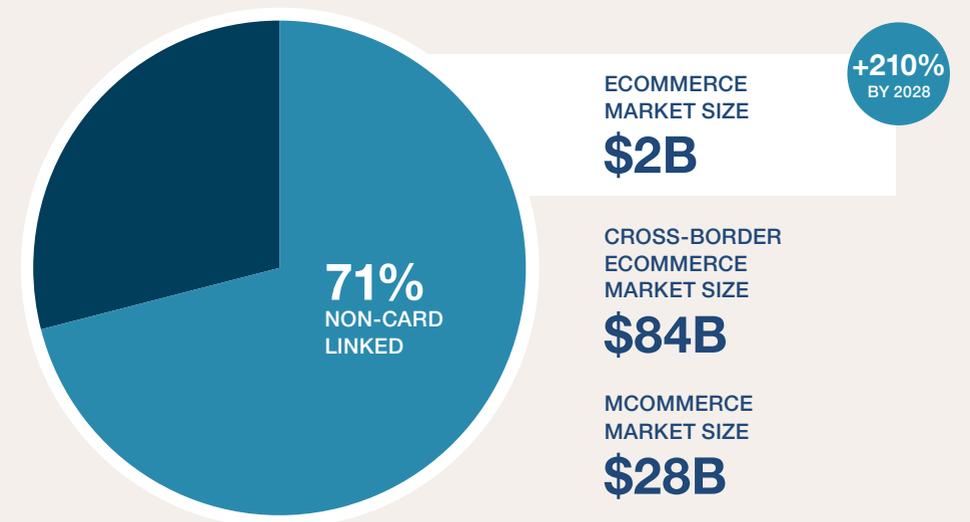
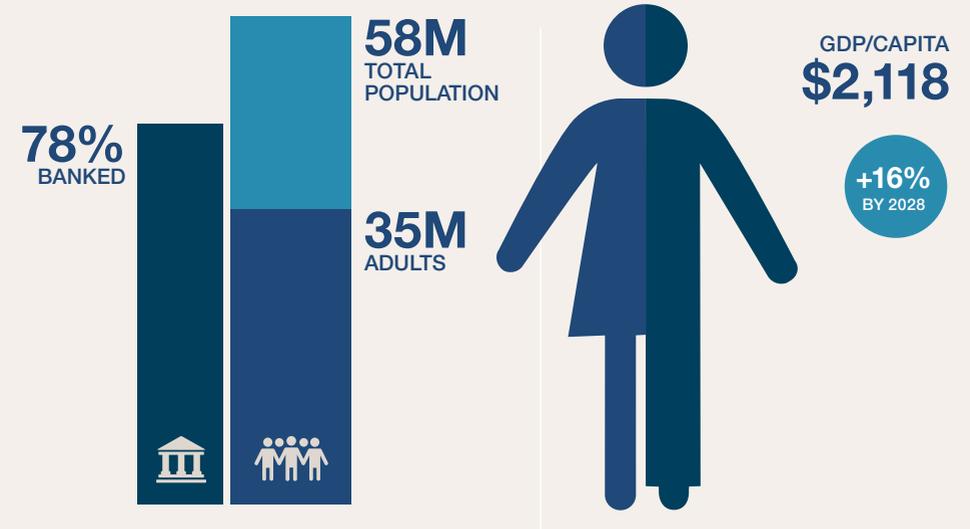
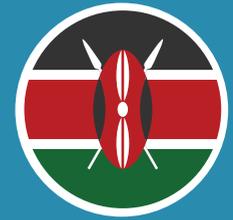
Ecommerce checkout value % - Iraq



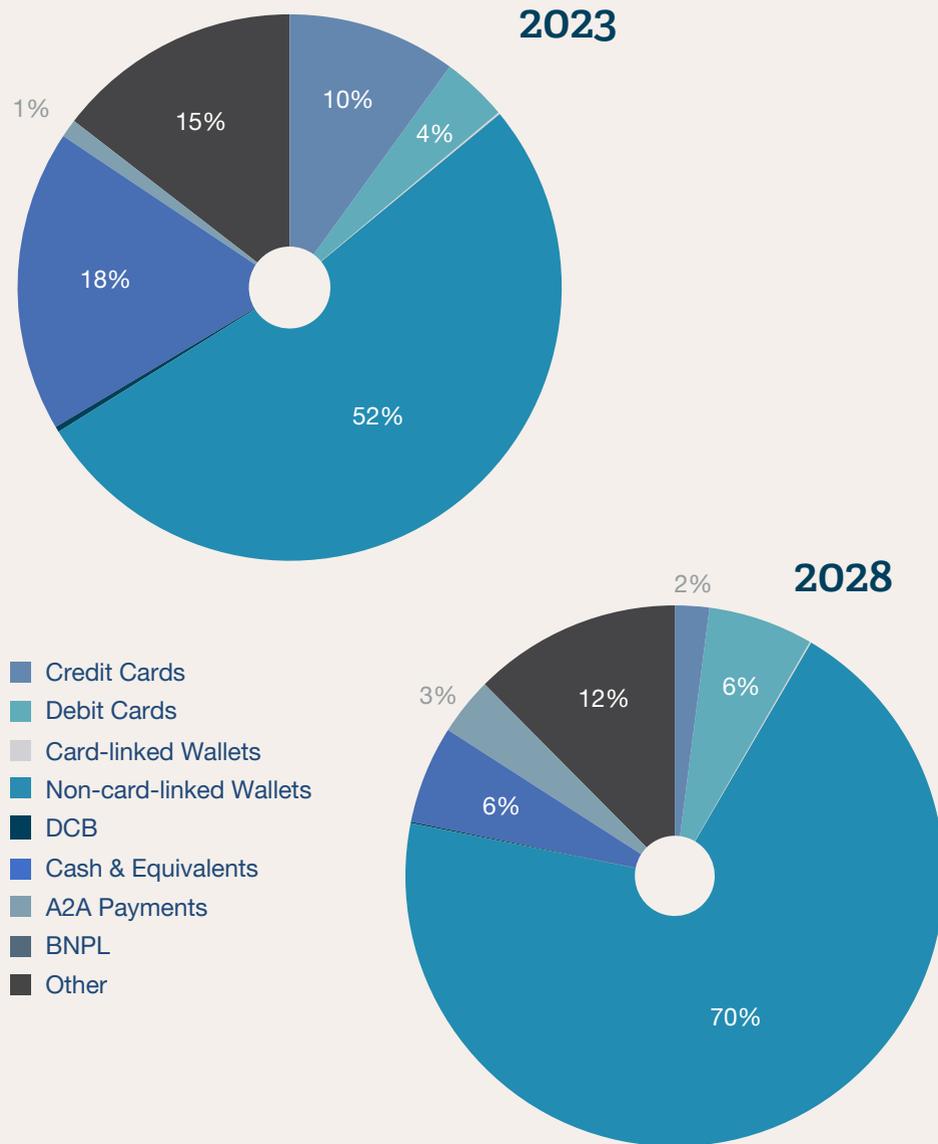
Kenya

Key Market Statistics – 2023

Local Currency: KES – Kenyan Shilling



Ecommerce checkout volume % - Kenya



Key Takeaways

M-PESA Driving Local Payments to Dominant Position

- Our forecast data shows that by 2028, 69.7% of all ecommerce payments by volume will be via non-card wallets, namely mobile money services, within the Kenyan market.
- With the presence of M-PESA in the market, Kenya is the example of how mobile money can provide a digital payments platform for growth in an emerging economy, creating a successful model that many other mobile network operators have tried to emulate.
- As users transition from basic feature phones to smartphones, M-PESA and its competitors will look to deploy more advanced services, such as access to loans and credit, which can increase their revenue.
- In terms of access to users, M-PESA is unrivaled within Kenya, and will continue to be seen as a go-to option for the foreseeable future.

Cash Use to Decline Quickly

- Within Kenya, cash use will decline quickly, as non-card linked wallets grow in strength.
- Indeed, cash use as a proportion of ecommerce transaction volume is set to decline from 45% in 2023 to 27% in 2028, a major shift.

Selected Local Payment Methods - Kenya

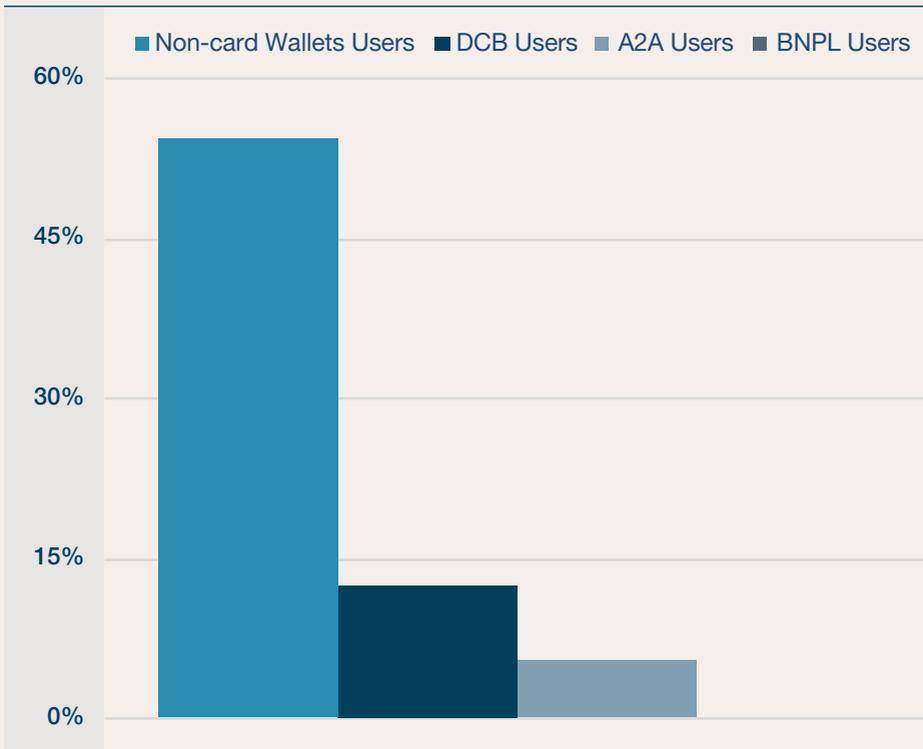
Payment Method	Launched	Type	Comments
 M-PESA	2007	Non-card linked Wallet	M-PESA has over 32 million customers in Kenya as of 2023.
 PesaLink	2016	A2A payments	Pesalink has over 3 million bank users in Kenya.
 airtel money	2010	Non-card linked Wallet	Airtel Money is a distant second in the Kenyan mobile money space.

- Card usage will also decline, as early adopters of ecommerce gives way to a wider group of ecommerce users, enabled by the accessibility wallets provide.

Key Payments Data

Local payment methods are long established within the Kenyan market, with non-card linked wallets being common, principally M-PESA. Cards will still play an important role, accounting for many higher value or international purchases.

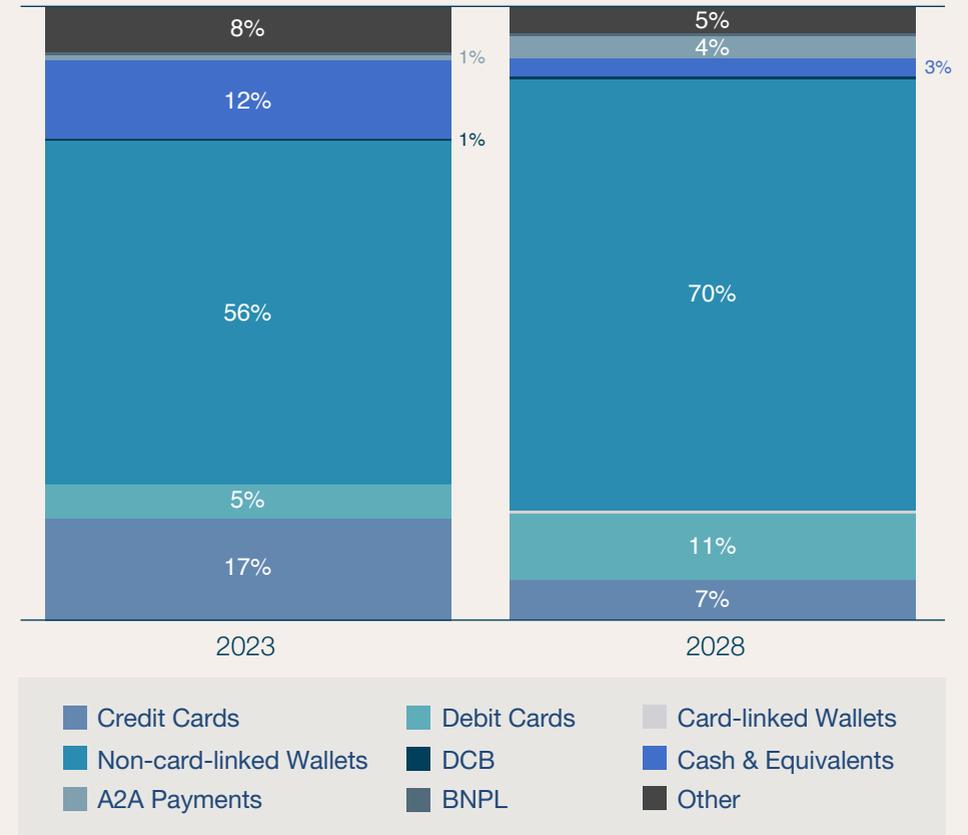
Total commerce monthly active users – Kenya



By 2028, 57% of the Kenyan population will use non-card linked wallets, across all commerce, reflecting strong adoption of M-PESA and rival services.

Local payment methods will account for 49% of ecommerce transactions in the Kenya by value in 2028, indicating their importance to the wider market.

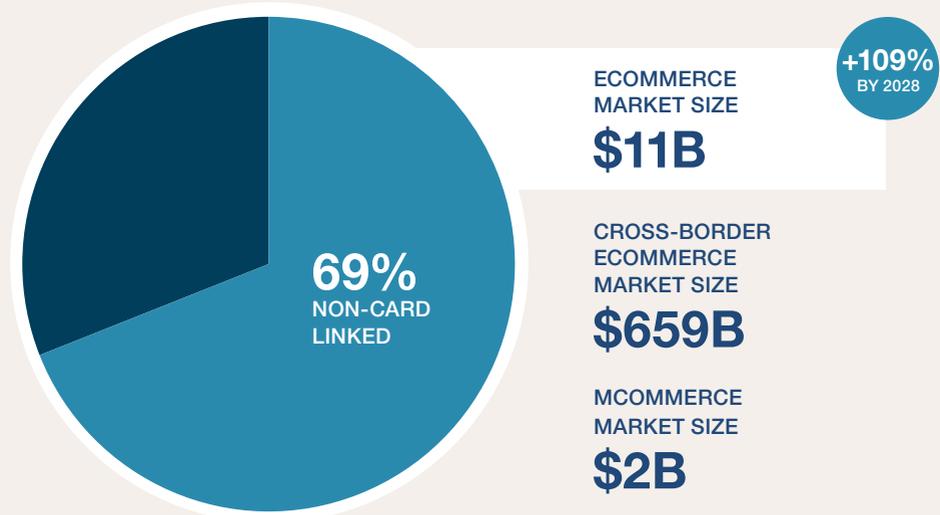
Ecommerce checkout value % - Kenya



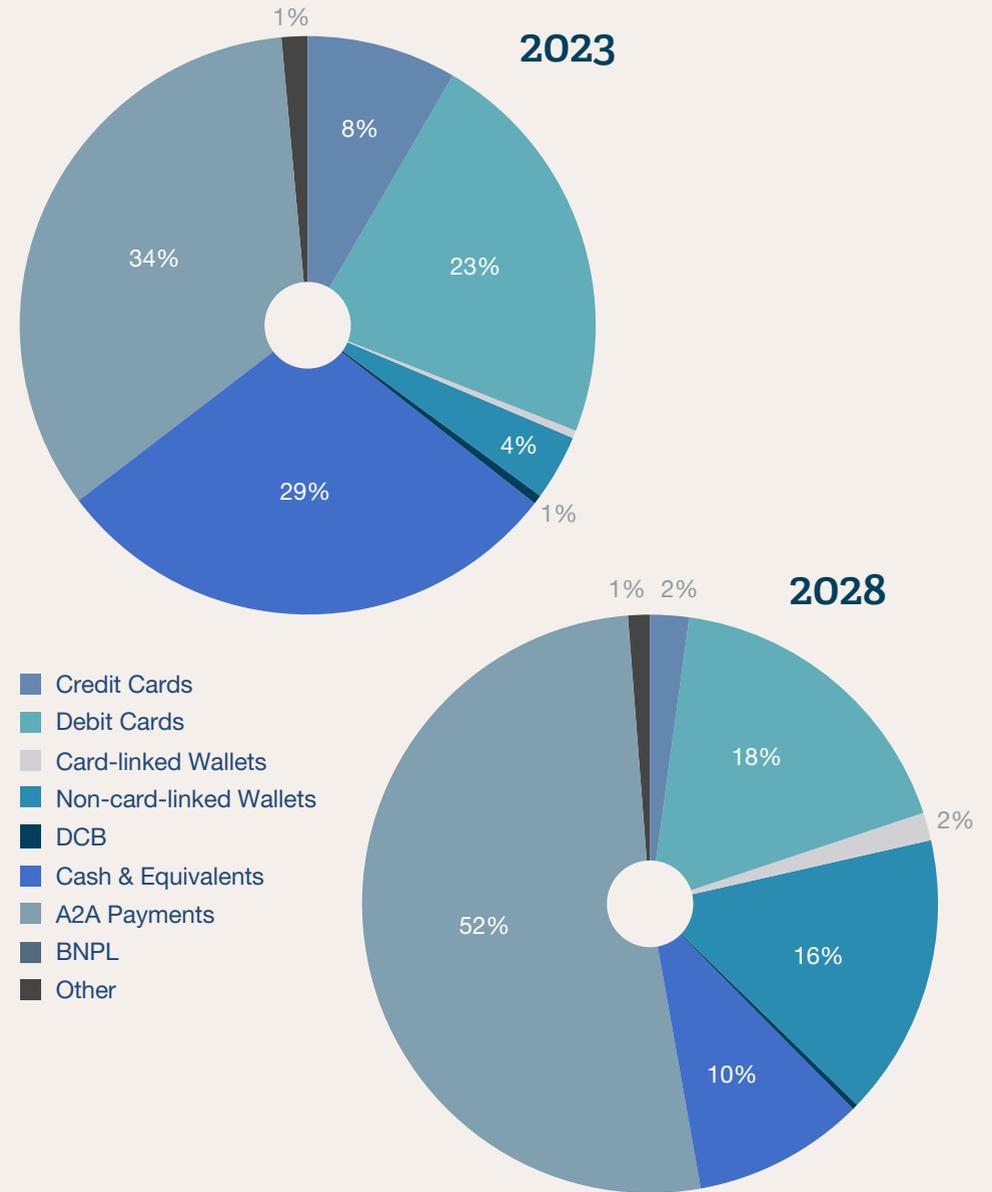
Nigeria

Key Market Statistics – 2023

Local Currency: ₦ – Nigerian Naira



Ecommerce checkout volume % - Nigeria



Key Takeaways

A2A Payments Driving Nigerian Market Ahead

- A2A payments will become a vital part of the Nigerian market by 2028, accounting for over 50% of ecommerce transactions by volume in 2028, from just under 34% in 2023.
- The most common payment method for local payments users in our survey was Pay with Transfer (internet banking), being selected by over 70% of local payment method dominant respondents, reinforcing the major role that banking services have to play in this space.
- As such, local payment methods will dominate in the Nigerian market, and are a must have for merchants.

Digital Wallets Set for Solid Growth

- Within the Nigerian market, digital wallets are also seeing major growth.
- We expect that non-card linked wallets will account for 15% of ecommerce transaction values by 2028, doubling its 2023 market share.
- International websites should look to adopt local methods to boost their potential user bases.

Selected Local Payment Methods - Nigeria

Payment Method	Launched	Type	Comments
	2011	A2A Payments	NIBSS is owned by a consortium of the major banks and Central Bank in Nigeria.
	2015	Local Wallet	Enables users to perform banking functions and access value added services.
	2010	Bill (voucher) Payment	Quickteller is heavily used for bill payments.

Key Payments Data

A2A payments (NIBSS), local wallets, and payments platforms such as Quickteller are becoming the default option within the Nigerian ecommerce space, accounting for over 68% of transactions by volume online in Nigeria by 2028.

By 2028, almost 70% of Nigeria's population will use A2A payment services, showing how important this is becoming.

Local payment methods will account for 60% of ecommerce transactions in Nigeria by value in 2028, from 39% in 2023, demonstrating the vast importance of these methods in this market.

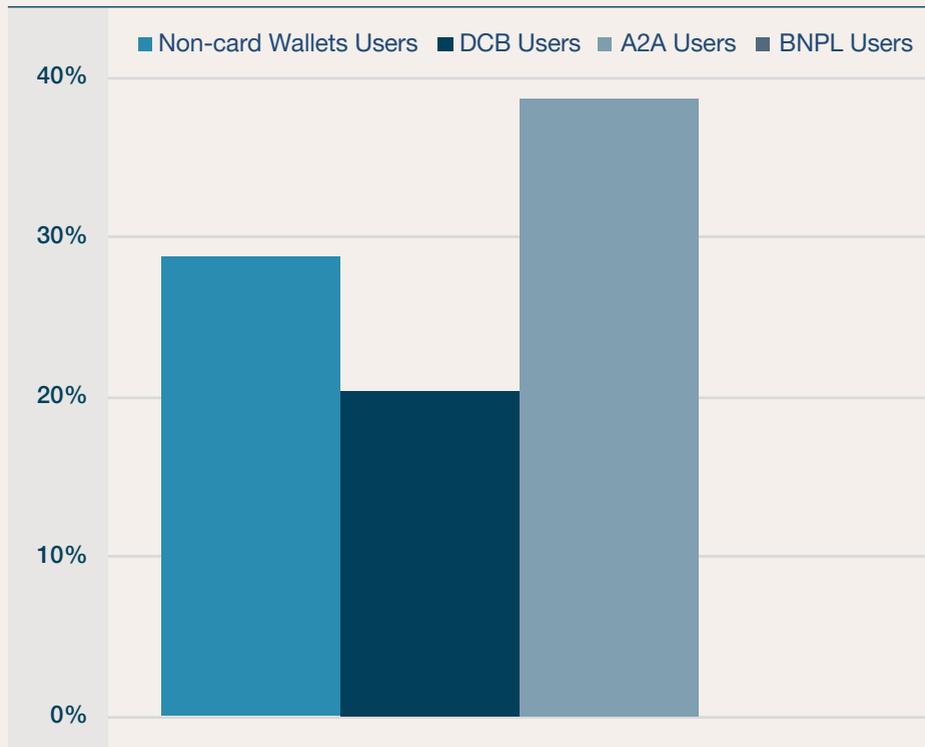


Our consumer survey shows the sheer complexity of the local payments market in Nigeria. We are working with merchants to find the right payment method that attracts their key target consumers.

– GANIU ODEWALE,
B.D. DIRECTOR



Total commerce monthly active users – Nigeria

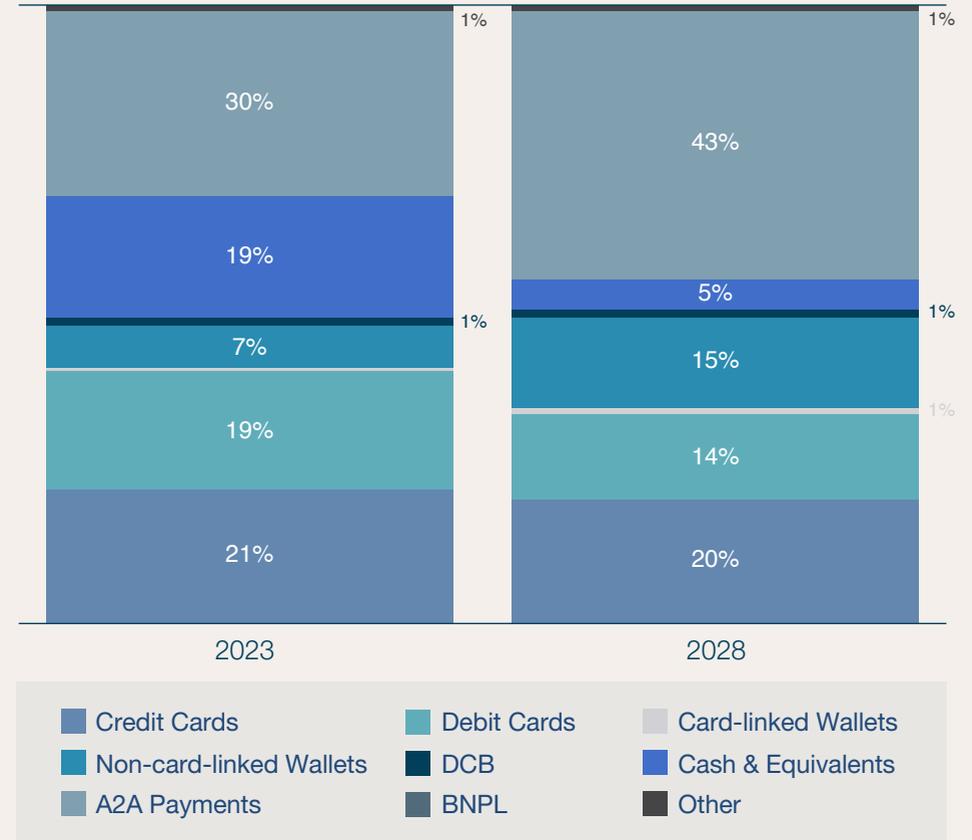


Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments, in particular bank-based payments are dominating in terms of adoption, reflecting a higher than average rate of banking access, particularly amount ecommerce users.
- Pay with transfer was the most commonly chosen method, followed by OPay, also having the highest average top up value by users.
- Bank-linked payments were chosen as the most common way of paying for bills, with mobile money agent locations being less common.

Ecommerce checkout value % - Nigeria



Local Payment Methods Users

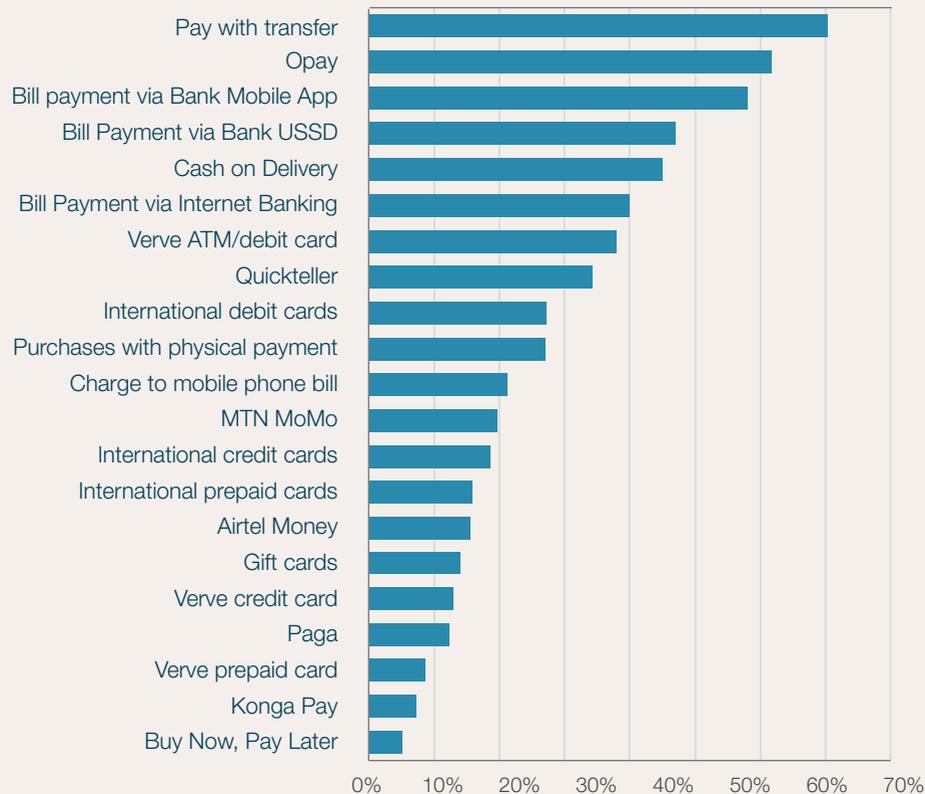
Payment Types & Their Use Cases

Users of predominantly local payment methods represented 58% (436) of the Nigerian respondents, indicating a local payment method dominant ecommerce market.

The top six payment methods selected were all local payment methods, indicating how dominated Nigeria is by local payment methods.

The most common payment method for these users was Pay with Transfer (internet banking), being selected by over 70% of local payment method dominant respondents. OPay was the next most popular at 62%, followed by bill payments using bank services.

LPMs used last 30 days % - Nigeria



OPay Best Wallet for Higher Value Purchases

The respondents indicated that OPay had the highest average top up value of any mobile wallet, being topped up to higher values more frequently than any other method. By way of contrast, the two more mobile money-focused solutions, MTN MoMo and Airtel Money had the lowest average top up values.

This data shows that not all wallets are created equal, with different wallets targeting different segments within the market. Knowing these user preferences and choosing the right methods is essential to providing the best user experience.

Why Do Local Payment Users Leverage These Methods?

There are a few different drivers as to why users leverage different services:

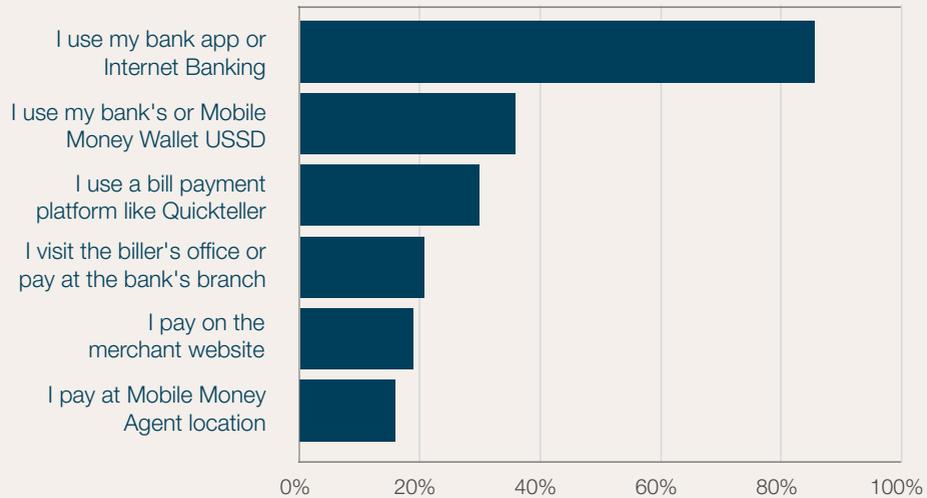
- The perception of security is the biggest driver, at 54% of respondents.
- Preferring a simple user interface was the second biggest driver, at 46% of respondents, showing that simplicity is key to the payments and checkout experience.
- Limited access to was the third biggest driver, indicating that there is a clear issue with availability of payment methods in this market for different users.

Internet Banking & Wallets Leading on Bill Payments

The survey found that bank apps and internet banking are the most common ways regular bills are paid, followed by USSD and bill payment platforms like Quickteller.

By contrast, mobile money agents and paying directly on merchant websites were the least common options.

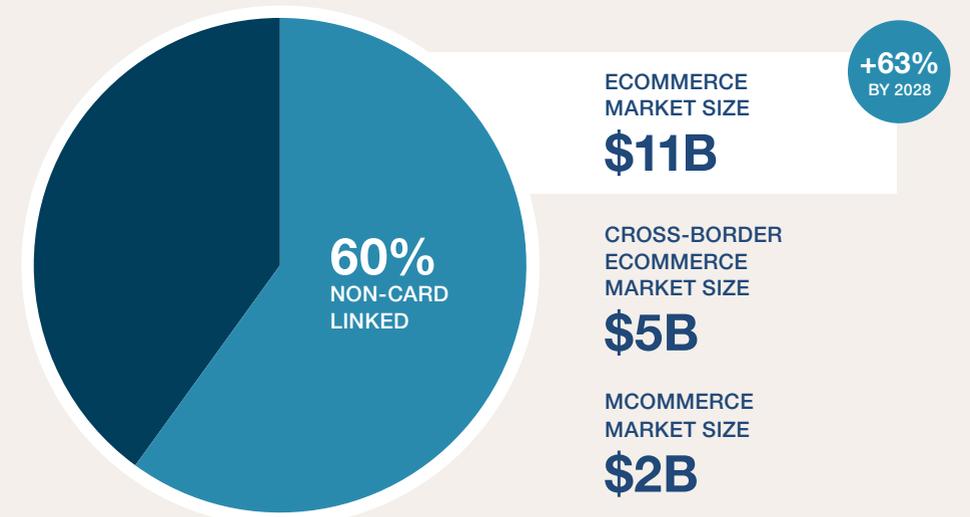
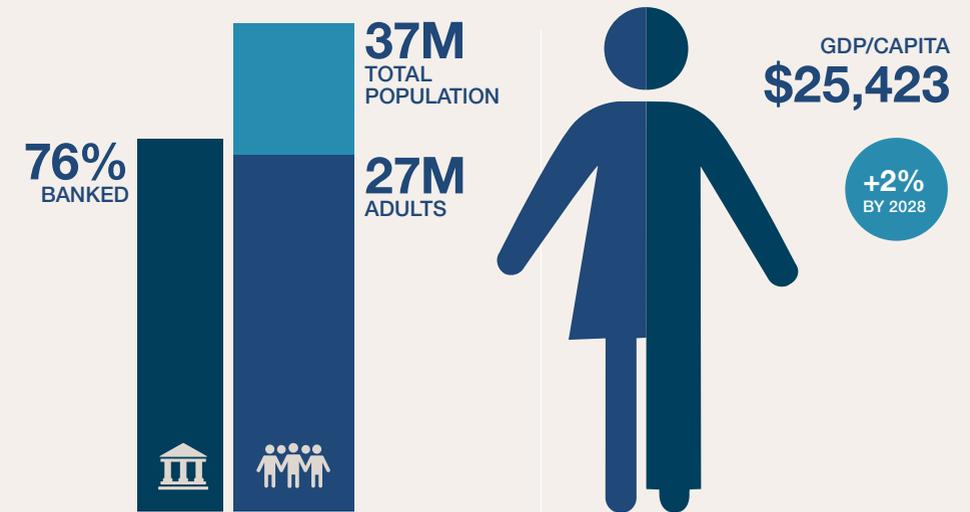
How do you pay for your school fees, utility bill such as DSTV, Electricity, Internet/data subscription or place your bets, (% of Respondents who Selected Each Answer)



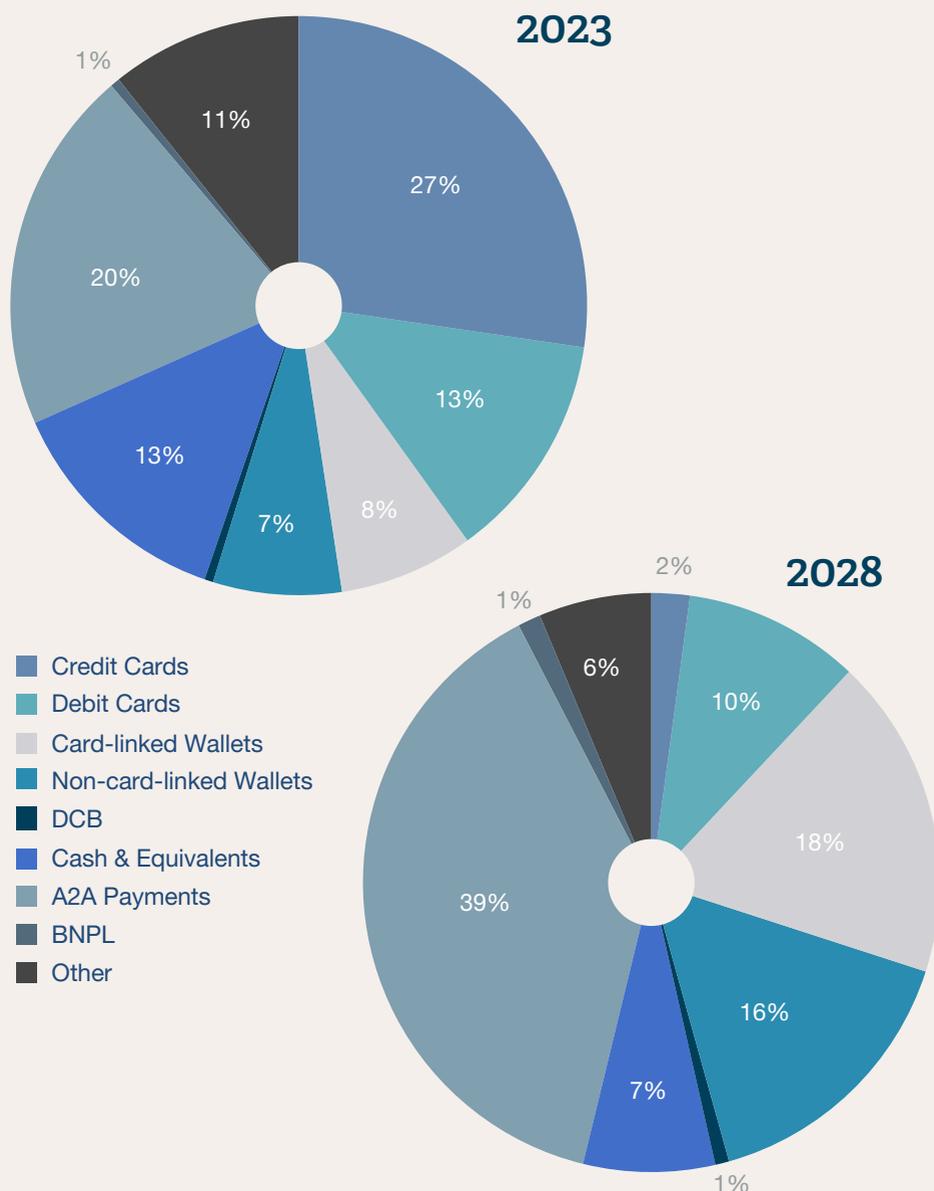
Saudi Arabia

Key Market Statistics – 2023

Local Currency: SAR – Saudi Riyal



Ecommerce checkout volume % - Saudi Arabia



Key Takeaways

Local Payment Methods Growing, but Role Still for Cards

- Local payment methods are certainly growing within the Saudi Arabian market, and they will account for over 52% of ecommerce transactions by value in 2028, from 31% in 2023.
- In the sentiment survey, the top seven payment methods selected by respondents were all local payment methods, indicating the strong proposition local payments offer in this market.
- However, cards will remain common, and Apple Pay, a card-linked wallet, was indicated as the most frequently used method for online purchases by survey respondents.
- As such, Saudi Arabia represents a mixed picture. Given the different payment methods in place, merchants must carefully assess the markets they are operating in and understand what methods best match their audience, in order to maximize their success.

Selected Local Payment Methods - Saudi Arabia

Payment Method	Launched	Type	Comments
	2018	Non-card linked Wallet	STC pay is the most popular local payment method in Saudi Arabia.
	2021	A2A Payments	SARIE allows transfers via bank accounts or aliases, such as mobile numbers.
	2021	Non-card linked Wallet	Urpay integrates different loyalty offers.

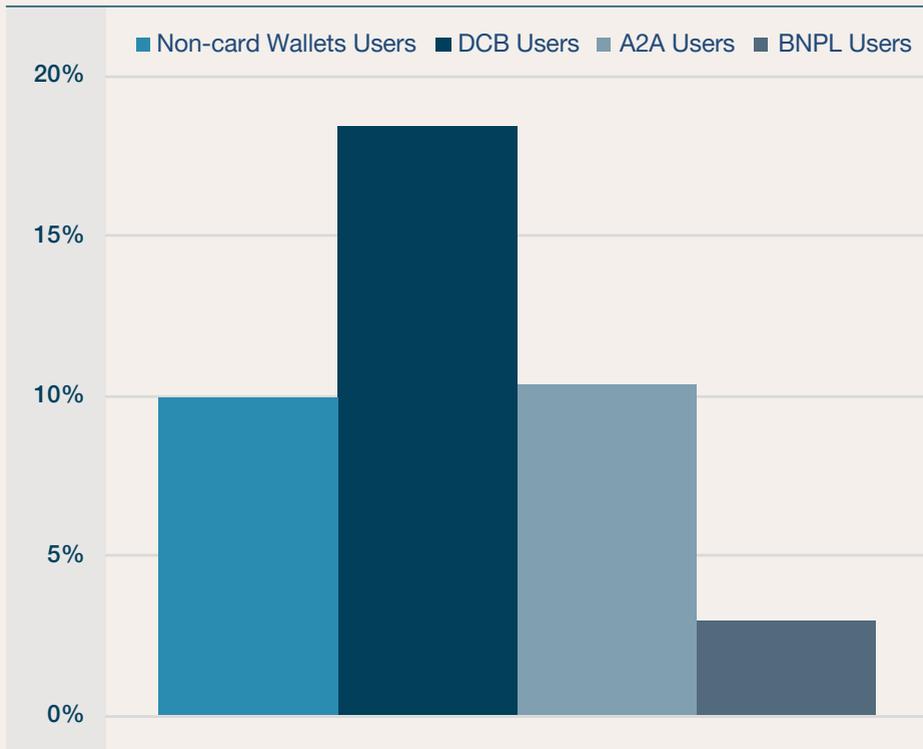
Mobile Payments Preferred by Respondents, with Security a Major Theme

- The survey revealed that mobile payments were the most frequently used online, with a mix of card-linked and non-card-linked wallets.
- A preference for more secure payment methods was the most important factor users identified in choosing which payment type to use online, with mobile's biometrics capabilities having a clear benefit.

Key Payments Data

Saudi Arabia is shifting towards digital wallets and A2A payments at a rapid rate, reflecting ongoing change in the market.

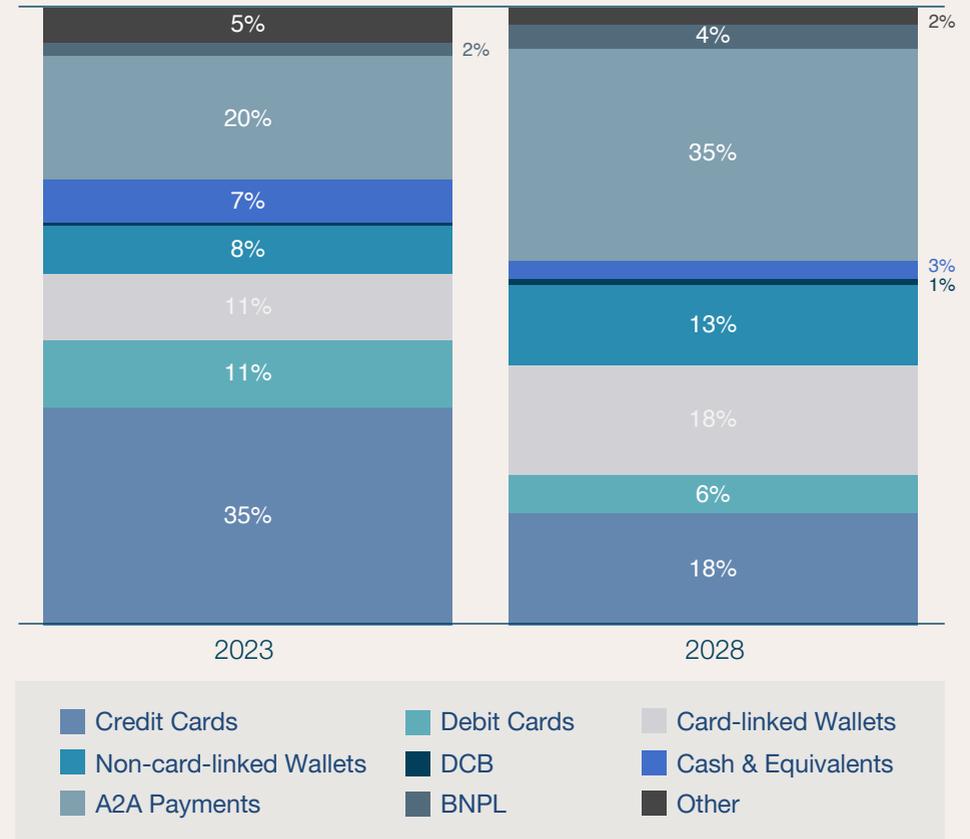
Total commerce monthly active users – Saudi Arabia



By 2028, the penetration of local payment methods will have significantly increased from 2023, reflecting strong growth in non-card-linked wallets such as STC Pay.

Local payment methods will account for over 52% of ecommerce transactions in Saudi Arabia by value in 2028, from 31% in 2023.

Ecommerce checkout value % - Saudi Arabia



Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payments an important trend, but more respondents selected that they used card payment predominantly than local payments, in contrast with many other markets surveyed.
- STC Pay was the most commonly chosen payment method by local payment users, followed by payments from bank account and cash on delivery, reflecting the wide accessibility of these methods.
- Mobile payment methods were used most frequently by the largest proportion of end users, with Apple Pay, Mobily Pay and Samsung Pay having the highest proportion of users leveraging them at least weekly.

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 28% (210) of the Saudi Arabian respondents, however this was lower than the proportion that predominantly used card-linked methods, at 47%, reflecting the card-heavy nature of the Saudi Arabian market.

The top seven payment methods selected were all local payment methods, indicating the strong proposition local payments offer in this market.

The most common payment method for these users was STC Pay, being selected by 72% of local payment method dominant respondents. This was by far the most popular method, with payments via bank account being the next most popular at 53%, and cash on delivery at 41%.

What Methods Are Used for What Purchases?

There are a few key differences in how payment methods are used within Saudi Arabia, regarding purchase type and average spend:

- Mada debit card and international network credit cards had the highest average value spend for ecommerce, with Google Pay and Mobily Pay having the smallest average spend, reflecting their different use cases.
- Apple Pay had nearly as high average spend as the card methods, reflecting its card-linked nature.
- Mada debit card, Urypay and payments via bank account were the most commonly used methods for bill payments, making these an important offering for this type of online merchants.



Our survey shows that consumers in KSA use a selection of international and local payment methods. A2A is becoming increasingly favored because of the built-in security.

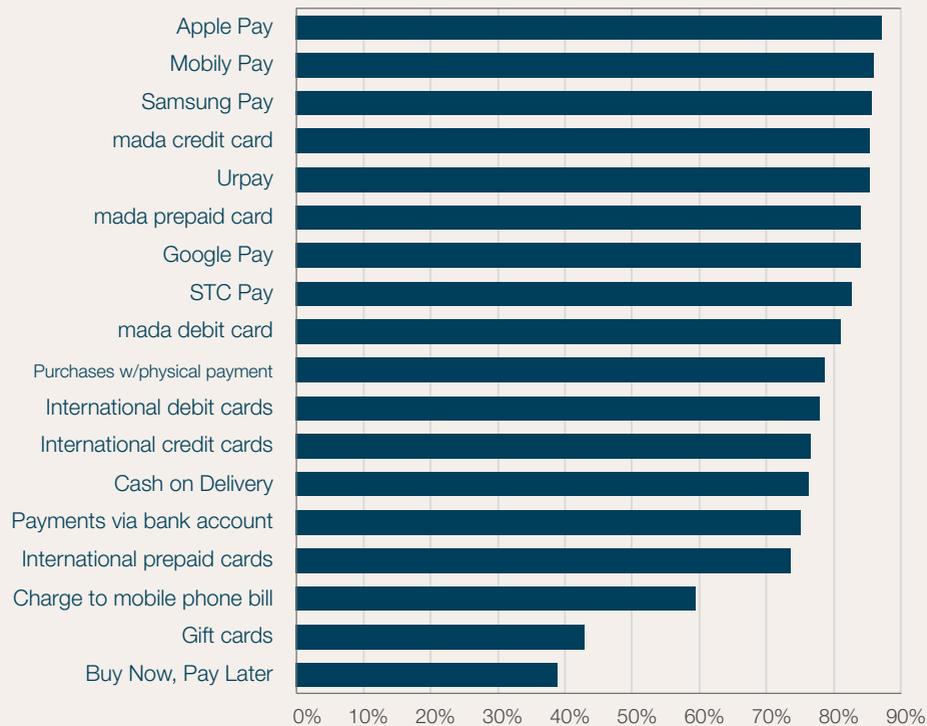
– ALLEN SAMAWI,
VP AND GM, MEA

- BNPL was used the most frequently for premium physical goods purchases, reflecting its primary purpose of increasing average order value (AOV).
- Google Pay was most frequently used for digital music subscriptions, closely followed by Mobily Pay.

Mobile Methods Leading Frequency of Use

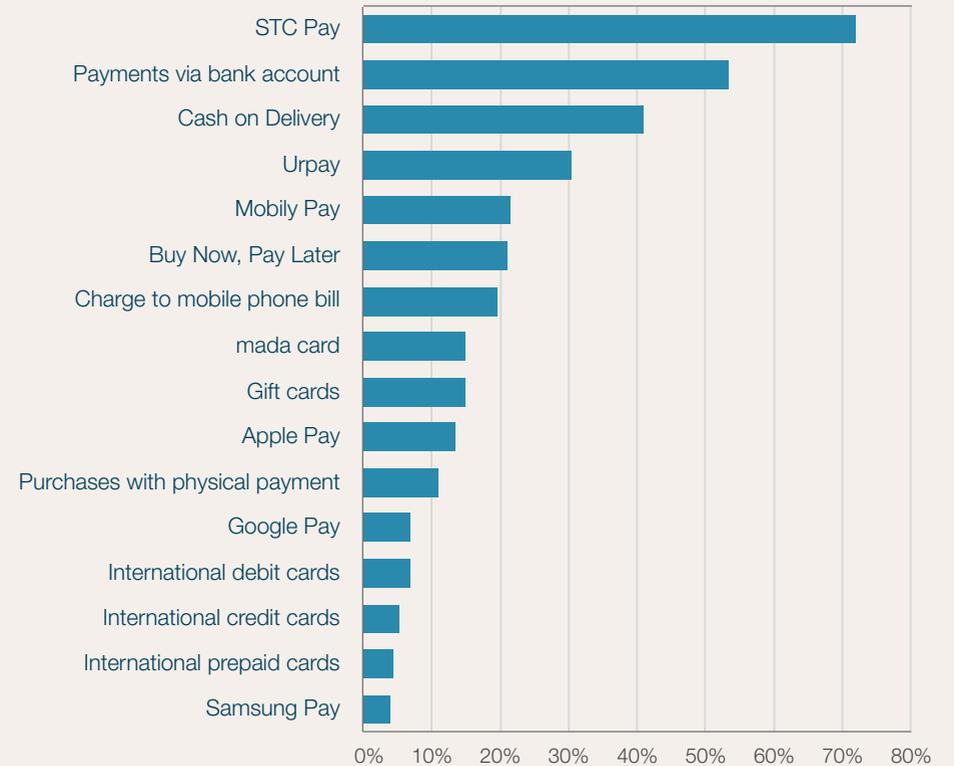
The survey found that mobile payment methods were the most frequently used, with the highest proportion of users leveraging them at least weekly. The top three methods were a mix of card-linked (Apple Pay & Samsung Pay) and non-card-linked (Mobily Pay), showing how varied the Saudi Arabian market is in terms of the times of wallets that have achieved success.

LPMs used last 30 days % - Saudi Arabia



As such, we expect local payment vendors to focus on integrating as many mobile methods as possible, in order to access the most active potential e-commerce users.

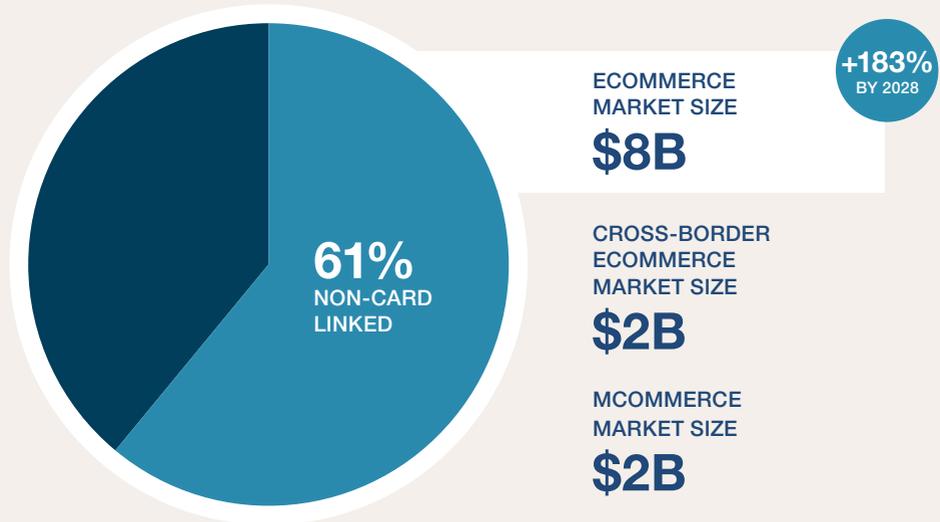
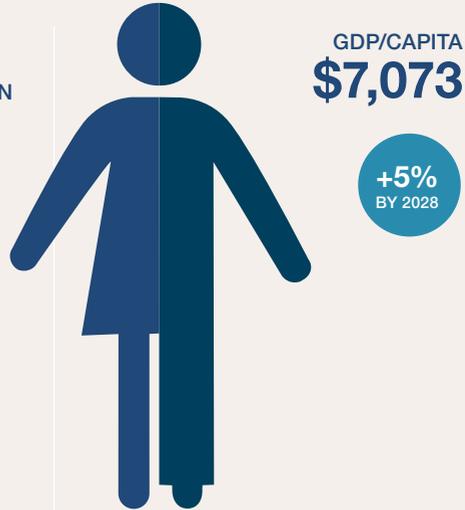
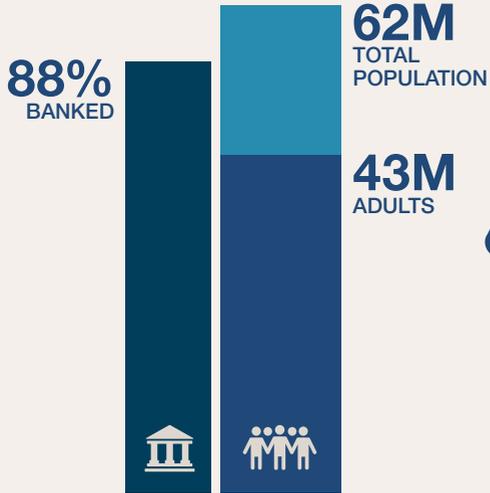
Proportion of Local Payments Users Who Selected That They Use Each Service At least Weekly, (%)



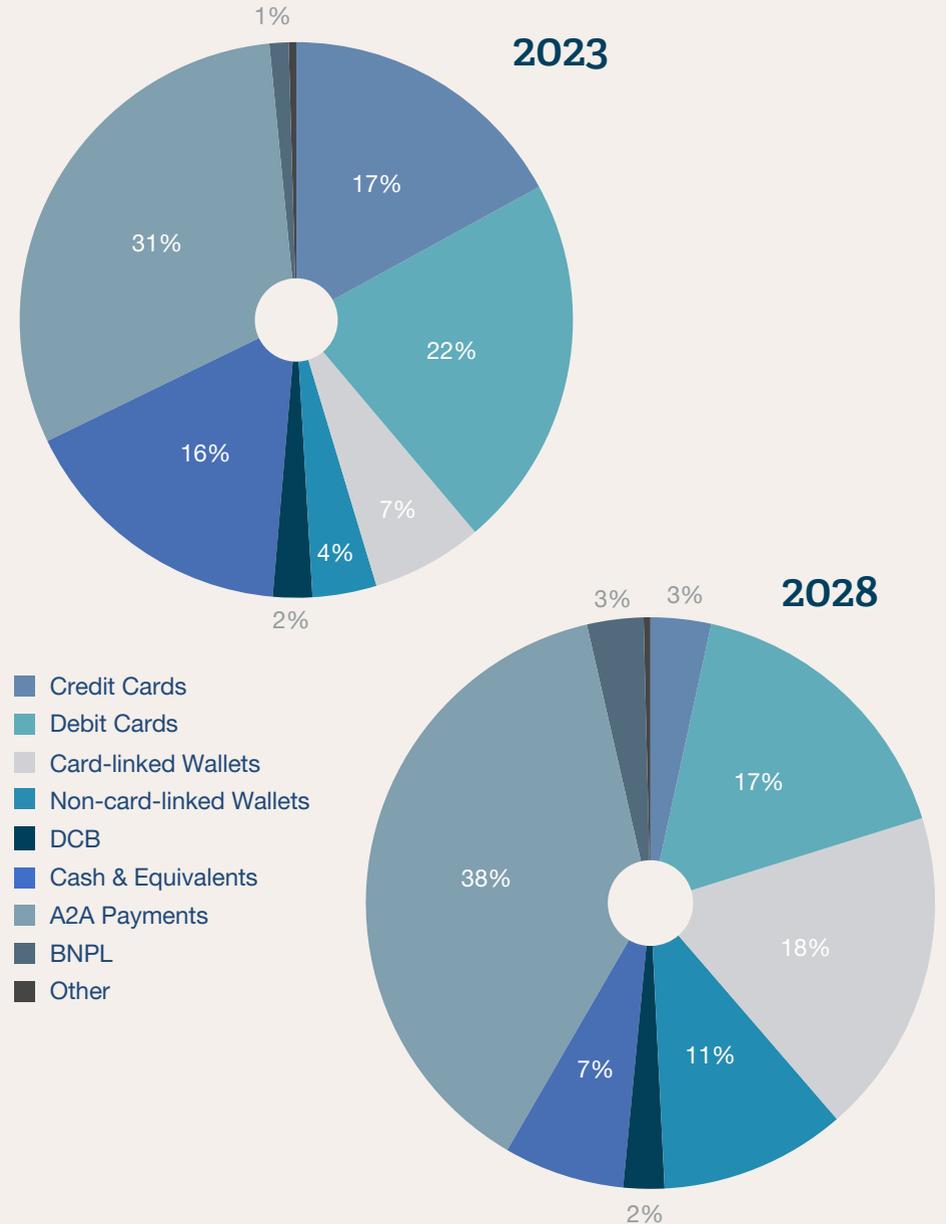
South Africa

Key Market Statistics – 2023

Local Currency: ZAR – South African Rand



Ecommerce checkout volume % - South Africa



Key Takeaways

Local Payments Gaining Traction, as Rising Ecommerce Market Drives Overall Growth

- In South Africa, local payment methods will account for 41.3% of ecommerce transactions by value in 2028, compared to 32.6% in 2023, representing strong growth.
- The ecommerce market within South Africa is growing rapidly, creating significant opportunities within the market.
- While cards appeal to higher income users in a relatively well penetrated banking market, local payment methods appeal to less affluent users who can access payments via local agent networks.
- A2A payments are a major force, with InstantEFT being a long standing method, but with some security issues, and PayShap building on this by providing faster settlement with a true instant payments system, which is preferred by the Central Bank.

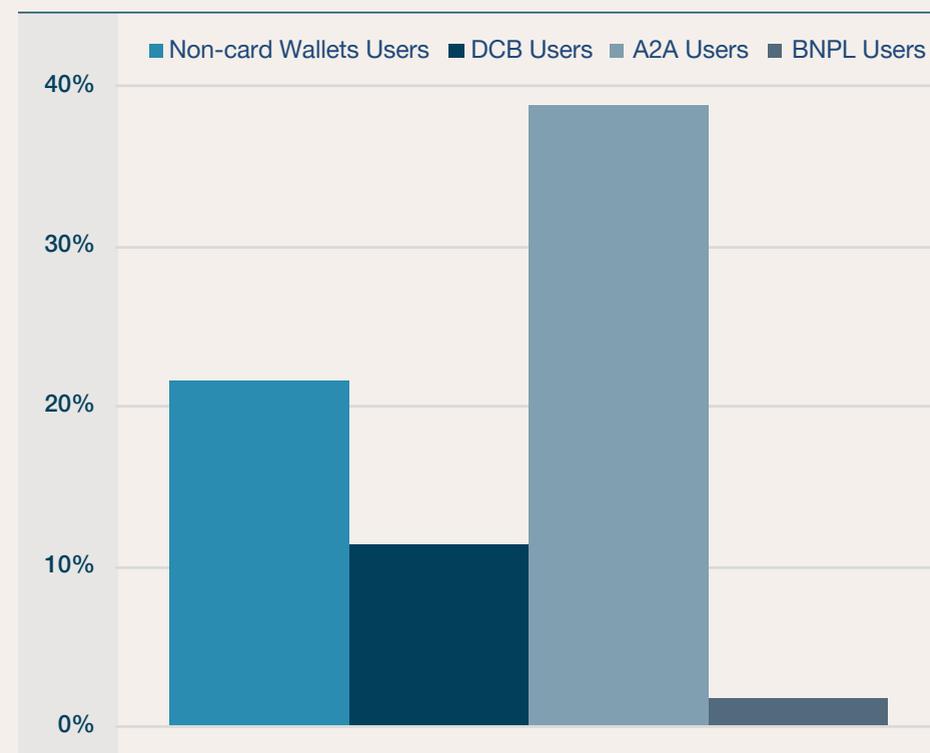
Selected Local Payment Methods - South Africa

Payment Method	Launched	Type	Comments
 instantEFT <small>by the first</small>	Various	A2A Payments	Instant EFT is very common in South Africa, but does not have instant settlement.
	2023	A2A Payments	PayShap is a new instant payments system being rolled out.
	2009	Non-card linked Wallet	MoMo has a very broad cash-in and cash-out network.
 CAPITEC	2023	A2A Payments	QR code based payments linked to bank accounts.

Merchants Must Pick Right Strategies in a Rapidly Growing Market

- Picking the right payment methods to offer at checkout will involve multiple considerations, such as target audience and what methods they prefer, costs of acceptance and quality of user experience.
- Getting this right as an international merchant will be tricky, as these merchants may lack an understanding of local methods such as Instant EFT.

Total commerce monthly active users – South Africa



Key Payments Data

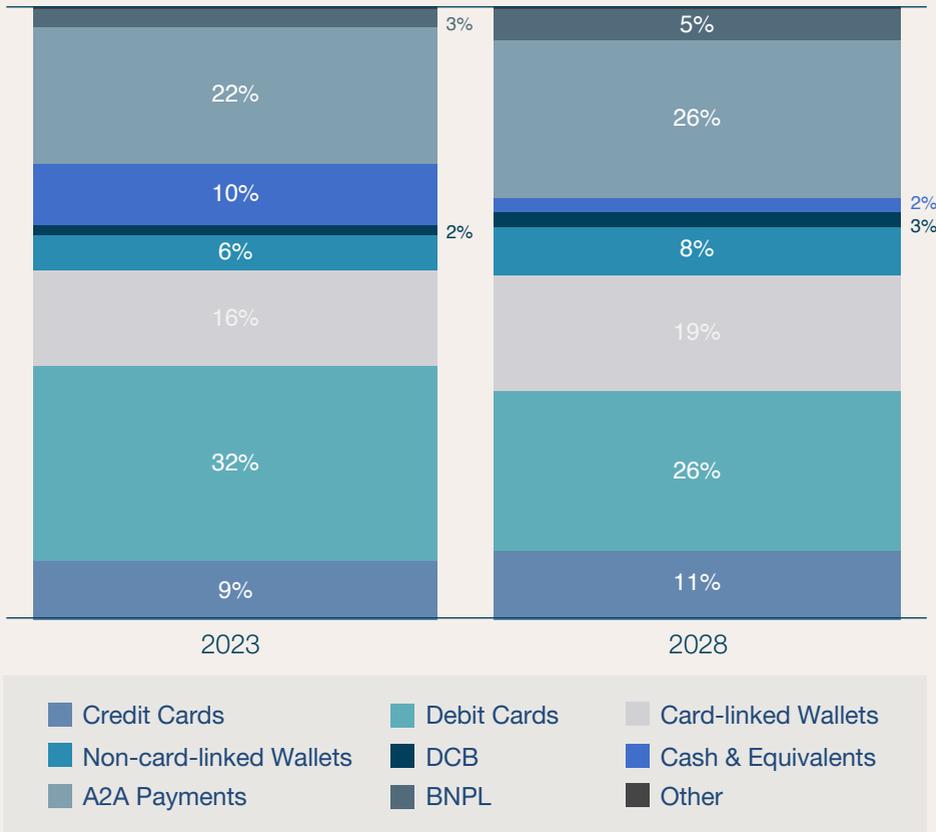
South Africa has an increasingly strong ecommerce market, with many different payment methods growing at the same time, as the market quickly expands.

Local payment methods will account for 61% of ecommerce transactions in South Africa by value in 2028, showing the major progress being made.

By 2028, 84% of South Africa's population will have access to local payment methods, showing remarkable progress.

In South Africa, merchants must closely examine which payment methods are dominant in their own use case in order to manage their checkout correctly.

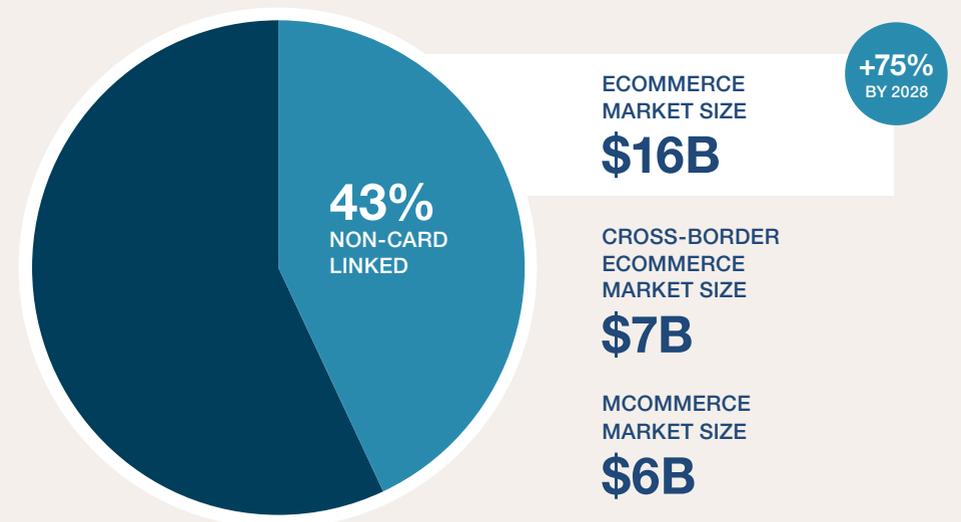
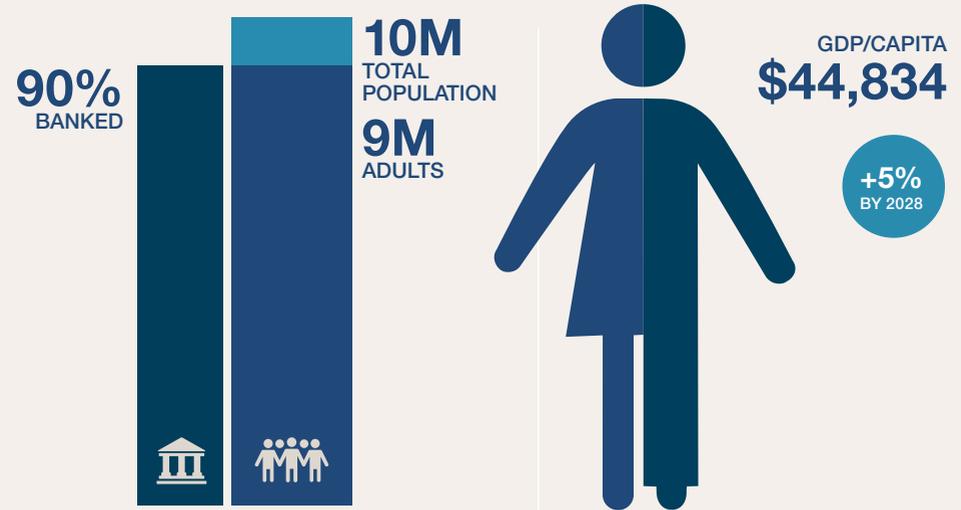
Ecommerce checkout value % - South Africa



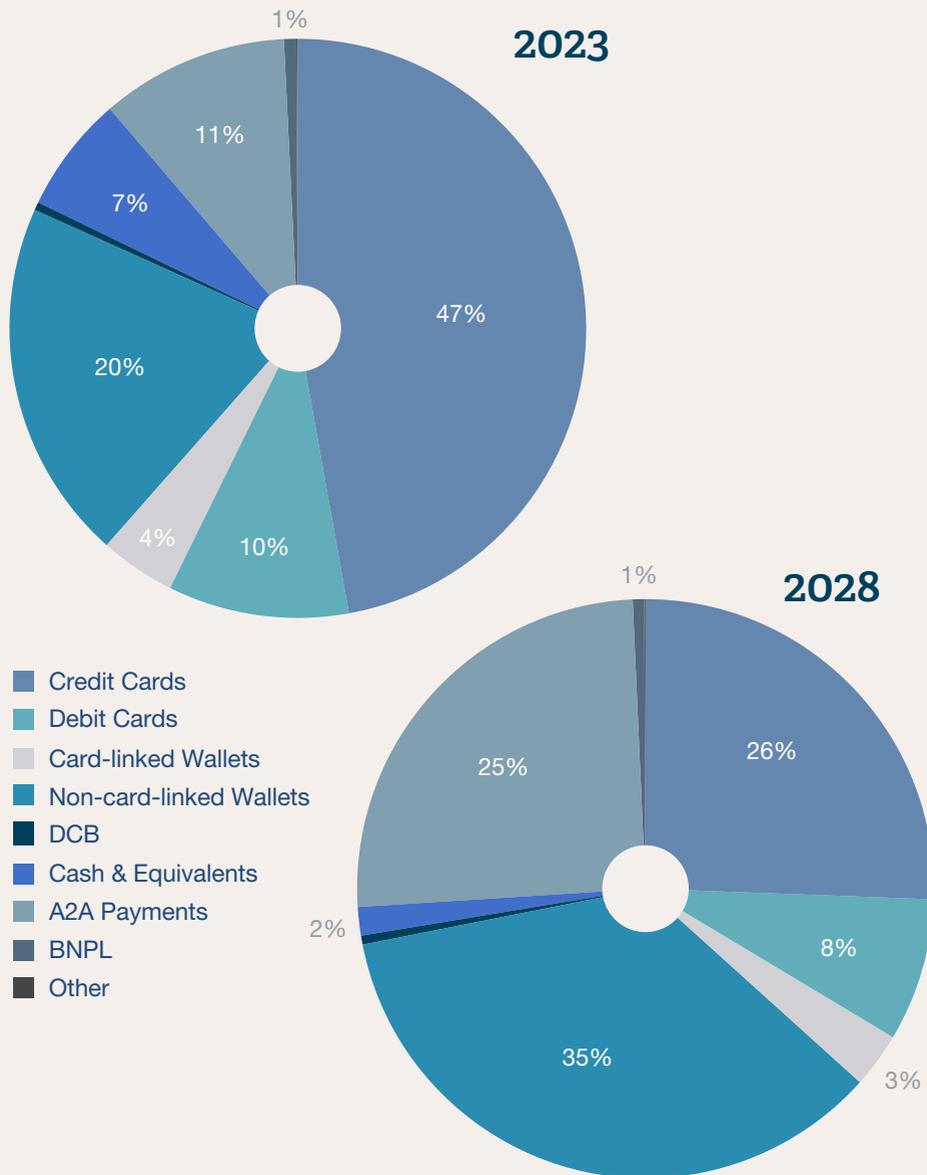
United Arab Emirates

Key Market Statistics – 2023

Local Currency: AED – UAE Dirham



Ecommerce checkout volume % - UAE



Key Takeaways

Local Payment Methods Gaining Traction Rapidly

- The UAE is seeing a fast expansion of both the availability and use of local payment methods. By 2028, the use of local payment methods as a proportion of the UAE's population will almost triple. Local payment methods will also account for almost 60% of ecommerce payments by value by 2028.
- A2A payments and non-card-linked wallets are the main drivers of this, with BNPL also playing a role, accounting for 4% of ecommerce spend in 2028.
- As such, we expect merchants to focus on local payment methods for their acceptance strategies in accordance with this, meaning that international merchants in particular must partner effectively with vendors that have access to this increasingly localized payments market.

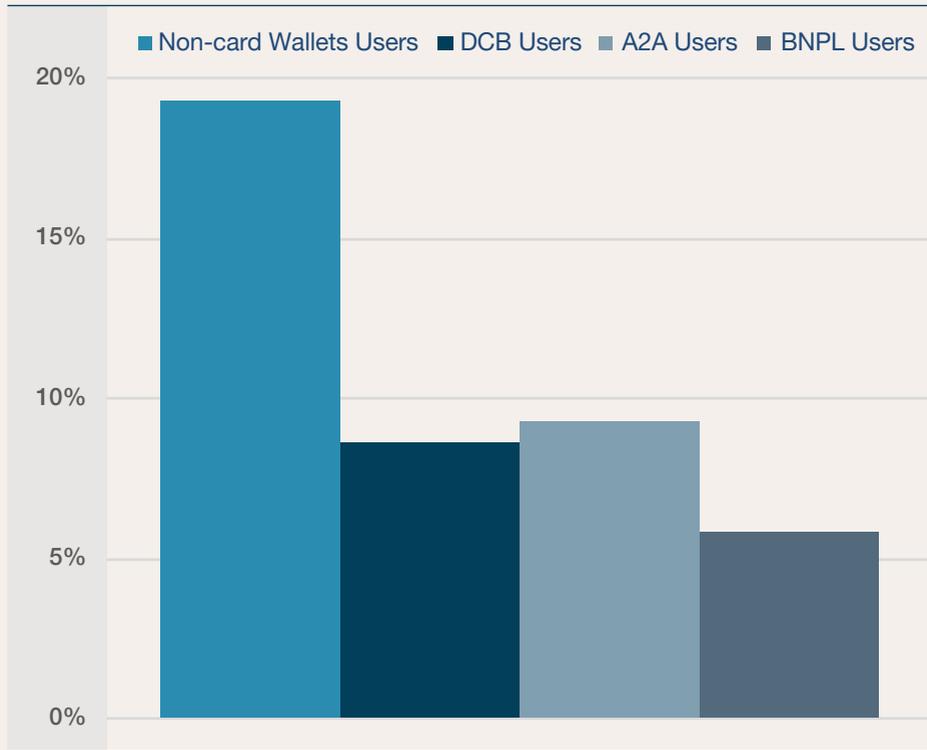
Card Payments Still Important, but Bank Strategies Changing

- Despite the growth in local payment methods, cards will still remain important, accounting for just over a third of transactions by volume locally in 2028.
- Card usage will endure in this market, with more affluent users preferring credit cards in particular.
- However, bank strategies are pivoting towards more local payments, with there being more focus on bank-backed wallets and bank transfers for all kinds of payment scenarios.

Selected Local Payment Methods - UAE

Payment Method	Launched	Type	Comments
 Careem	2022	Non-card linked Wallet	Careem offers a broad range of super app capabilities, including payments.
 payit	2018	Non-card linked Wallet	Payit is backed by FAB, a large bank in the UAE.
 آني Aani	2023	A2A Payments	Aani offers QR code and ecommerce payments via bank accounts.

Total commerce monthly active users – UAE



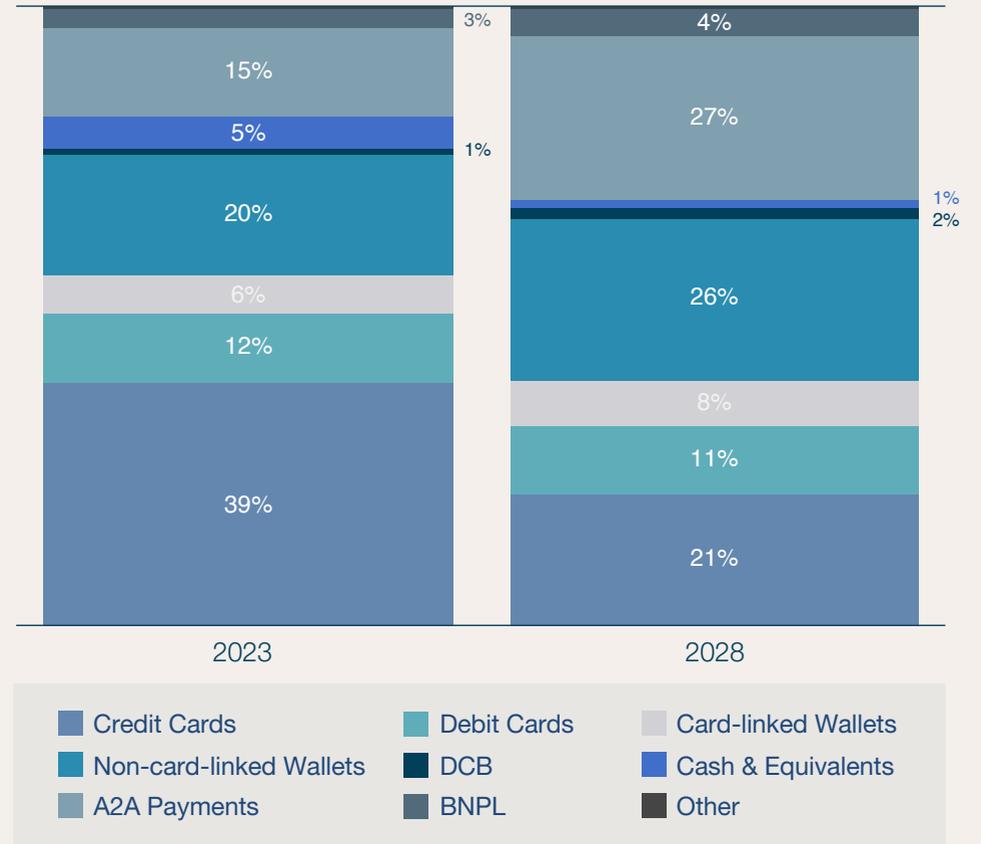
Key Payments Data

UAE will see a consistent expansion in the importance of local payment methods by 2028, although cards will remain important in certain segments, particularly for spending on international websites.

By 2028, UAE’s availability of local payment methods will almost triple, reflecting their gaining strength within this market.

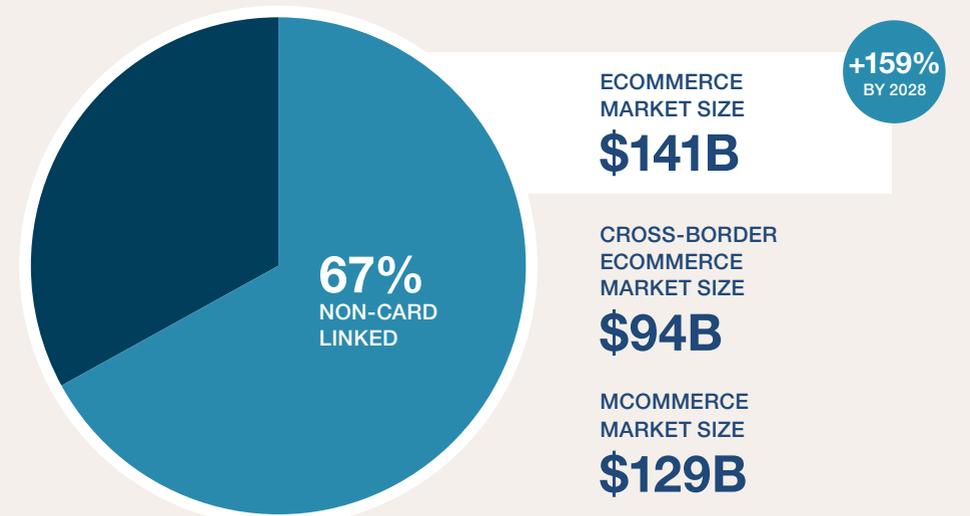
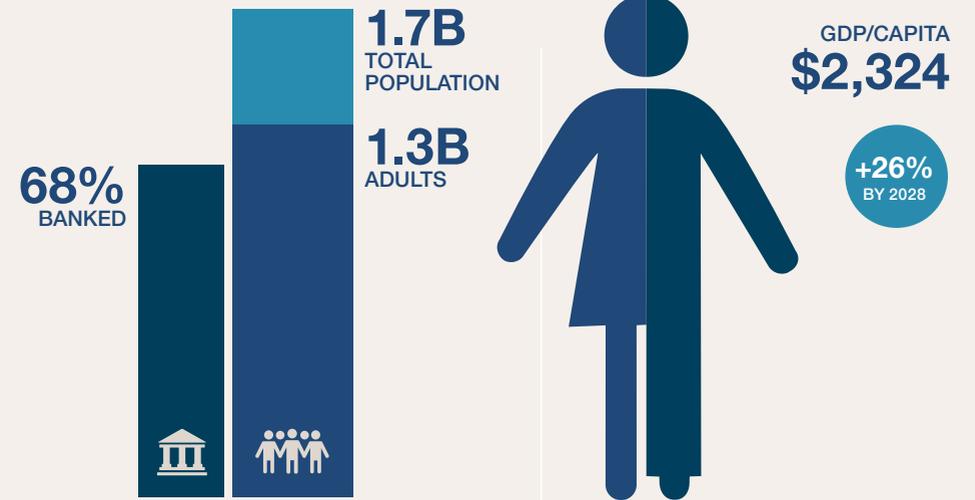
Local payment methods will account for 59% of ecommerce transactions in the UAE by value in 2028, from 38% in 2023, demonstrating a rapid growth in local payment methods, particularly for BNPL and non-card-linked wallets.

Ecommerce checkout value % - UAE

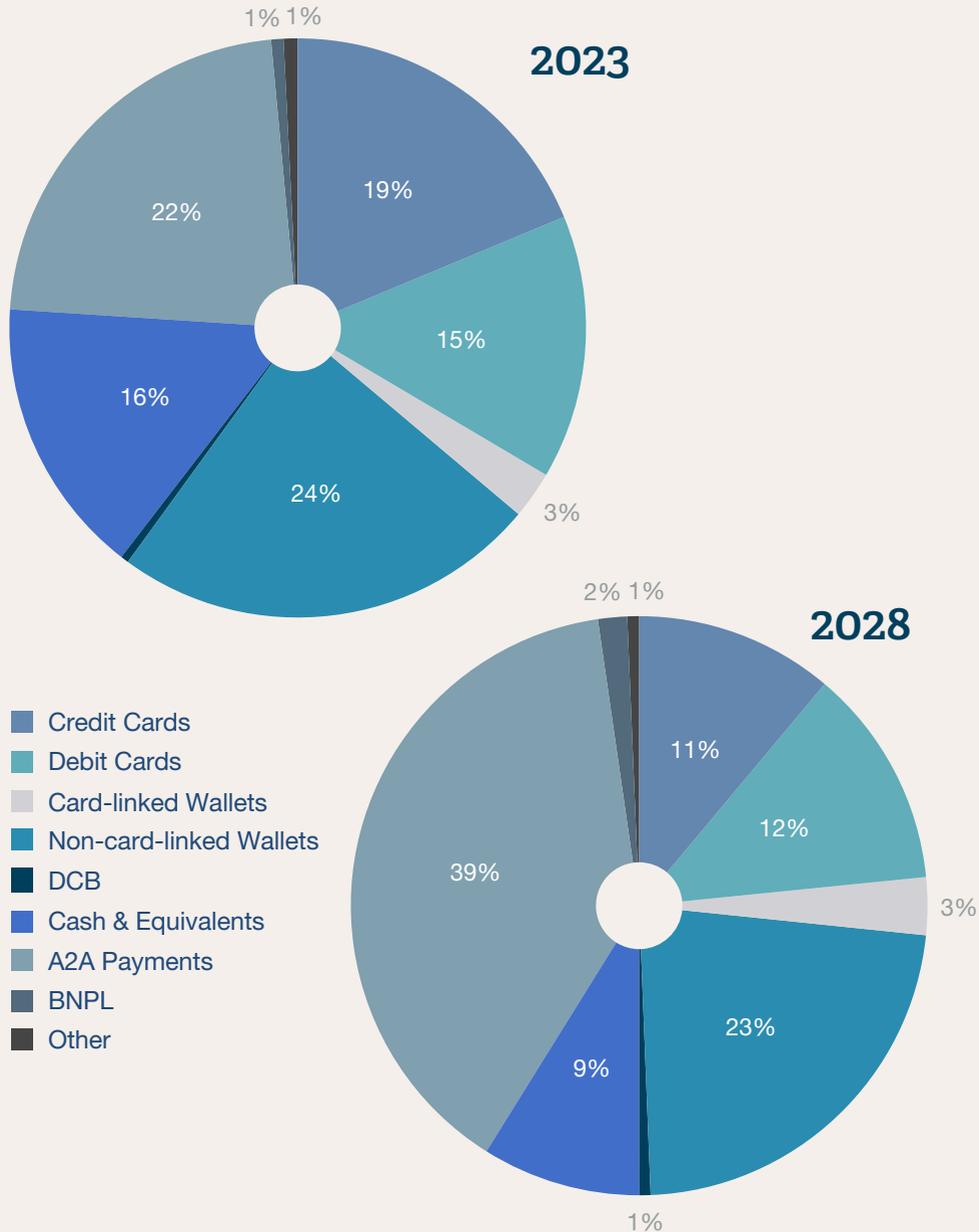


Indian Subcontinent

Indian Subcontinent Key Market Statistics – 2023



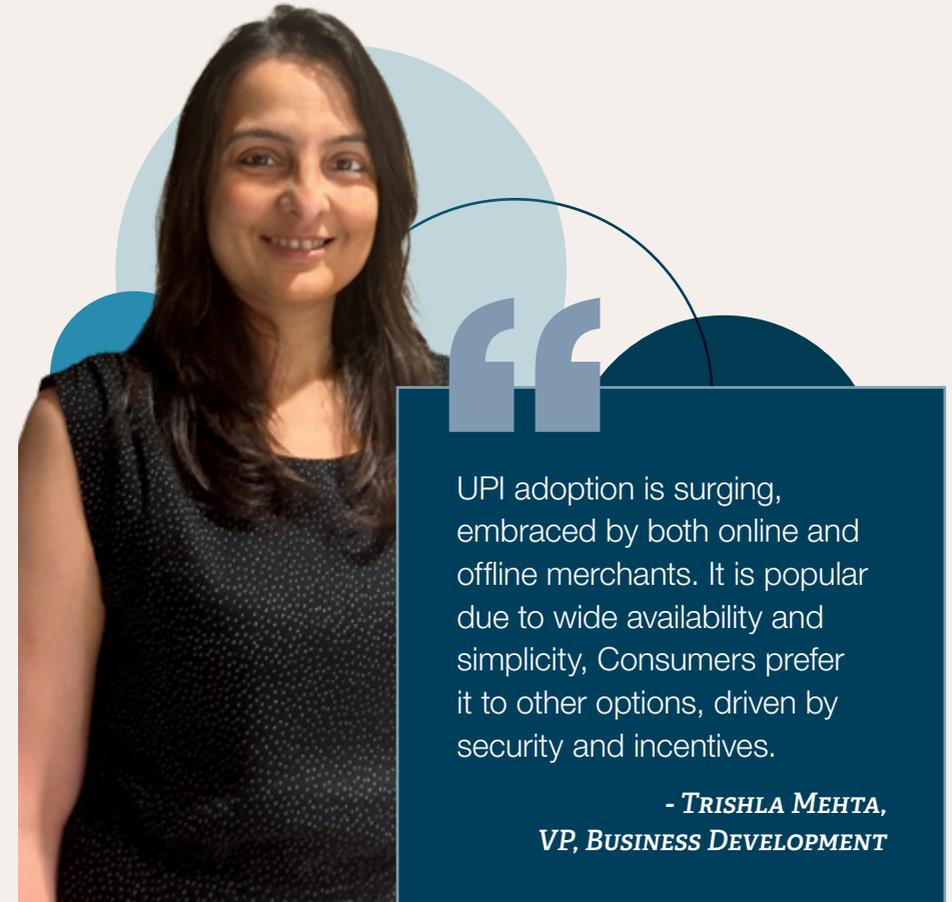
Ecommerce checkout volume % - Indian Subcontinent



Key Takeaways

Local Payment Methods to Take Lead Position in Indian Subcontinent

- Local payment methods are anticipated to represent a sizeable share of checkout by 2028, equating to 72% of ecommerce transactions by value, an increase from 58% in 2023.
- India is the largest driver of both volume and value within Indian Subcontinent, therefore it is unsurprising that the highly successful UPI scheme is driving local payments forward, providing a template for future growth.



UPI adoption is surging, embraced by both online and offline merchants. It is popular due to wide availability and simplicity, Consumers prefer it to other options, driven by security and incentives.

- TRISHLA MEHTA,
VP, BUSINESS DEVELOPMENT

Card Payments Have Role as a 'Premium' Offering

- While card payments and their share of ecommerce volume will decline by 2028, they will still have a major role to play in the regional market.
- Where mobile money has been popular, such as in Pakistan, access to credit and debit cards, as well as their use for payments, is seen as a premium service, which can be added on to many mobile money accounts.
- As such, we expect cards to remain an important element, particularly as access to banking services increases across the region.

What This Means for Merchants

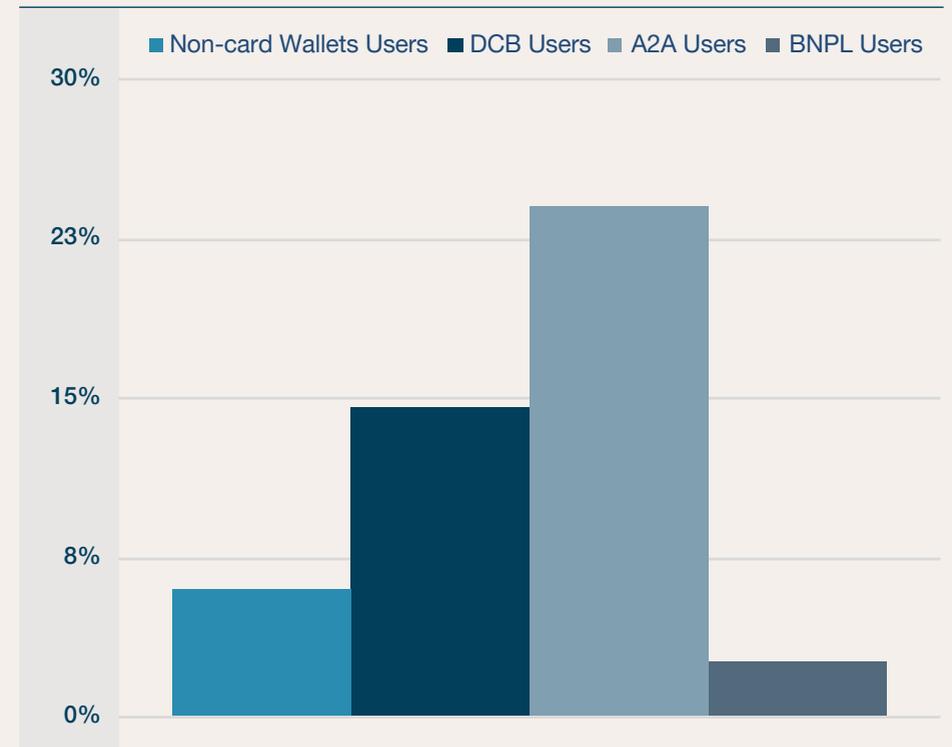
The Indian Subcontinent is seeing an increasing shift towards local payment methods, with A2A payments in particular gathering momentum. As such, merchants, particularly international merchants who are not on the ground in each country, must leverage local expertise, or they will increasingly disengage from their potential customers who want to use local payment methods.

Key Data

Local payment methods are anticipated to have a sizeable share of payment volume, equating to 64% of ecommerce transactions in 2028, up from 48% in 2023. Card share is anticipated to fall from 33% in 2023 to 23% in 2028 as local methods outpace card growth.

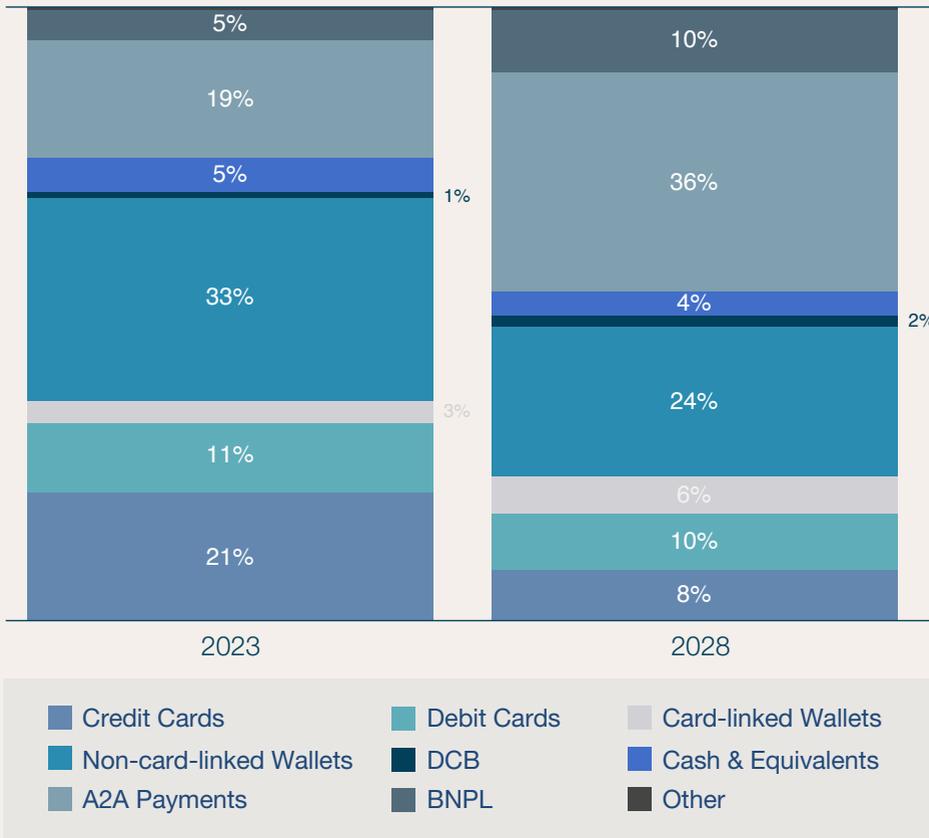
By 2028, 60% of all individuals within the Indian Subcontinent will actively use local payment methods, reflecting the massive presence of A2A payments and non-card-linked wallets across the region.

Total commerce monthly active users – Indian Subcontinent



Across the Indian Subcontinent, local payment methods are gaining ground, accounting for 72% of ecommerce transactions by value in 2028 in the region. A2A payments will be a major contributor to this, at 36% of transaction value by 2028, reflecting the success of UPI and Raast.

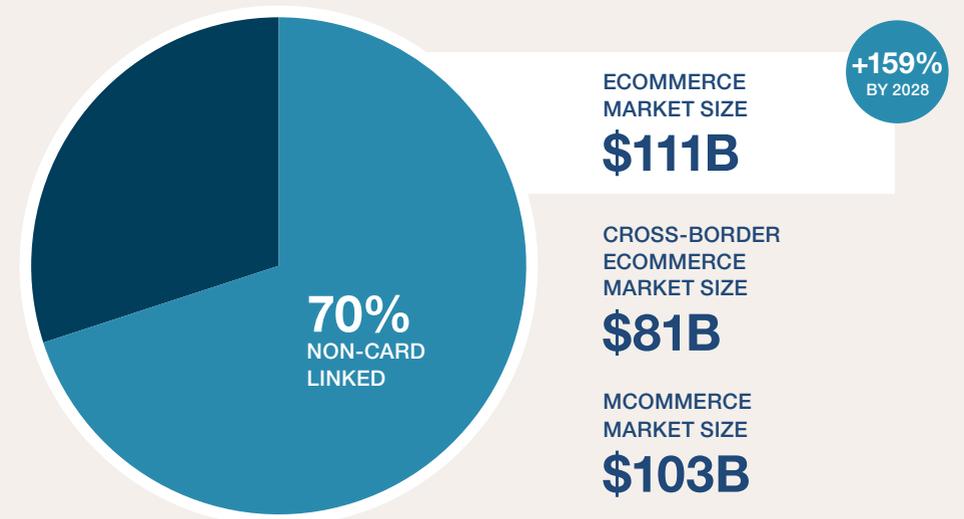
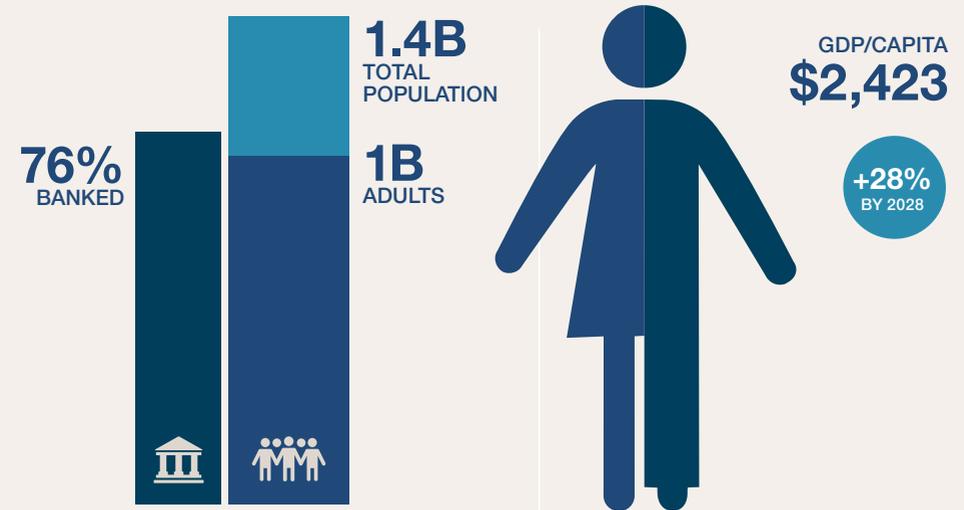
Total commerce monthly active users – Indian Subcontinent



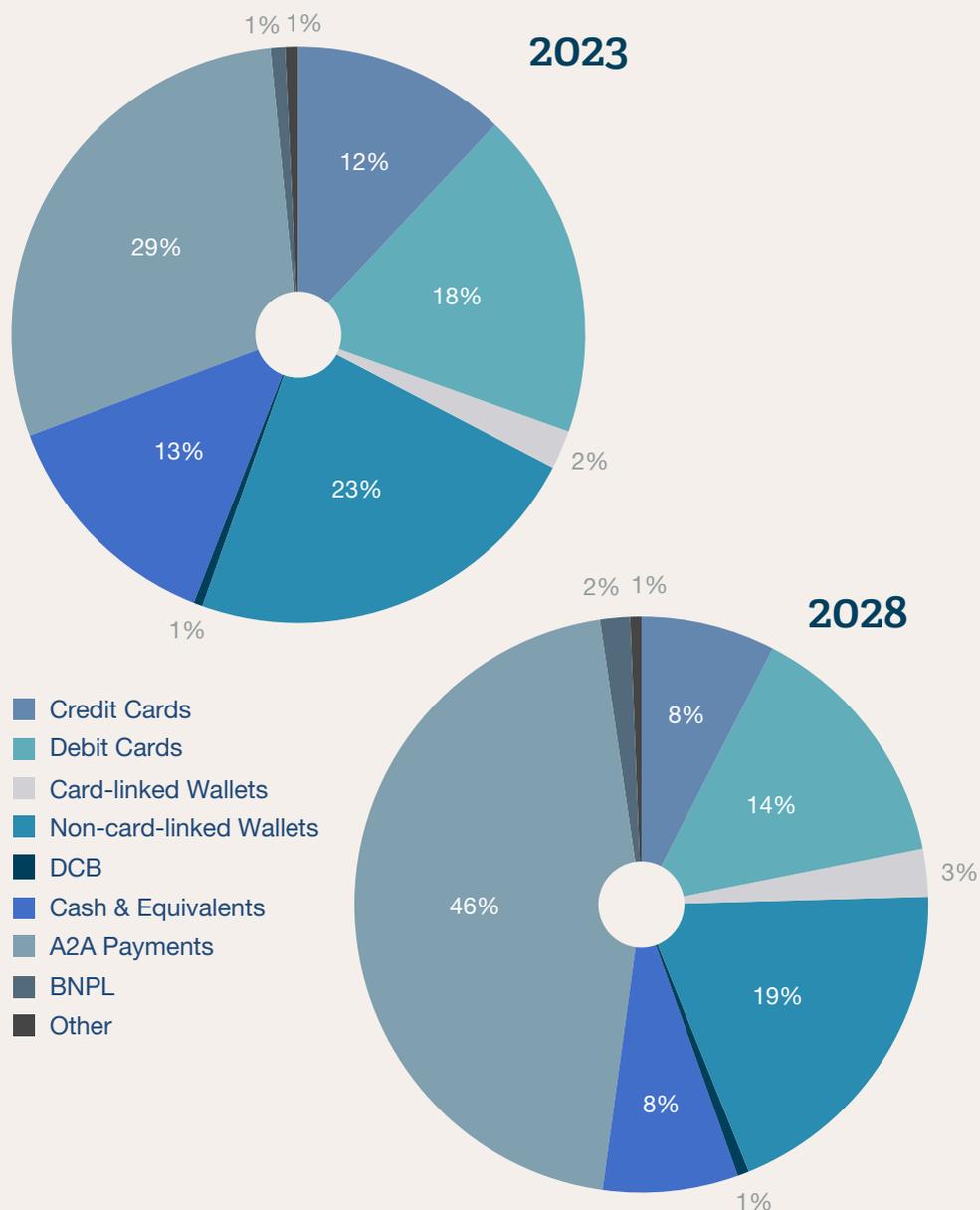
India

Key Market Statistics – 2023

Local Currency: ₹ - Indian Rupee



Ecommerce checkout volume % - India



Key Takeaways

Local Payment Methods Becoming the Default Option

- Local payments will be particularly dominant in India, driven by the impact of the UPI system. A2A payments will account for over 42% of ecommerce transactions by value in 2028, having a vital role in the Indian market.
- On the survey side, Paytm was the most popular payment method, with 89% of local payment users accessing it within the last month, with PhonePe and Google Pay, both also supporting UPI, both faring very well.
- As such, merchants, both domestic and international, must ensure that they are leveraging these methods as much as possible, in order to improve their checkout processes and conversion rates.

Market Quick to Change, with Users Using Lots of Different Services

- The sentiment survey found that willingness to consider changing payment methods is high across India, with 77% of respondents indicating they would be open to changing payment methods.
- This is supported by another survey finding, that on average, respondents in India selected 4.8 payment types each that they have used online in the last month.

Selected Local Payment Methods - India

Payment Method	Launched	Type	Comments
Google Pay	2017	Non-card-linked wallet	Google Pay, unlike elsewhere in the world, runs on UPI in India.
PhonePe	2015	Non-card-linked wallet	PhonePe has leveraged UPI to achieve quick success.
UPI UNIFIED PAYMENTS INTERFACE	2016	A2A Payments	UPI offers an easy way to make transactions within India.

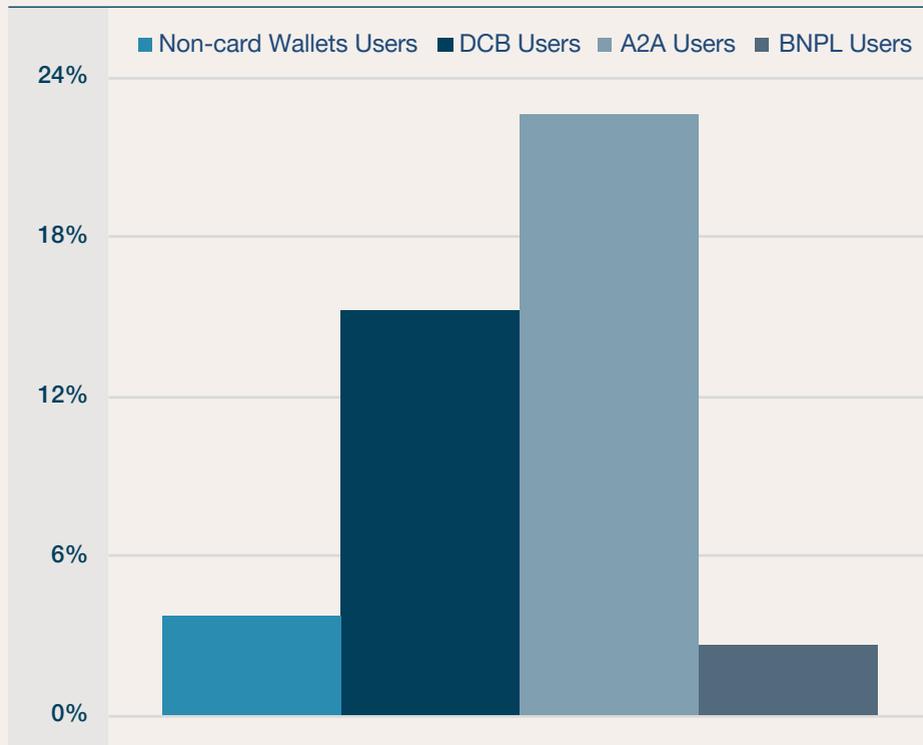
- As such, given a lack of loyalty to individual methods means that merchants must be highly diligent in terms of identifying changes in their markets, and working with the best connected payments partners in their markets of choice.

Key Payments Data

Payments cards are anticipated to account for only 22% of online transactions by volume in 2028, showing that UPI is gaining increasing momentum and is transforming the Indian payments system.

By 2028, 63% of India's population will use local payment methods, reflecting strong growth based on UPI.

Total commerce monthly active users – India



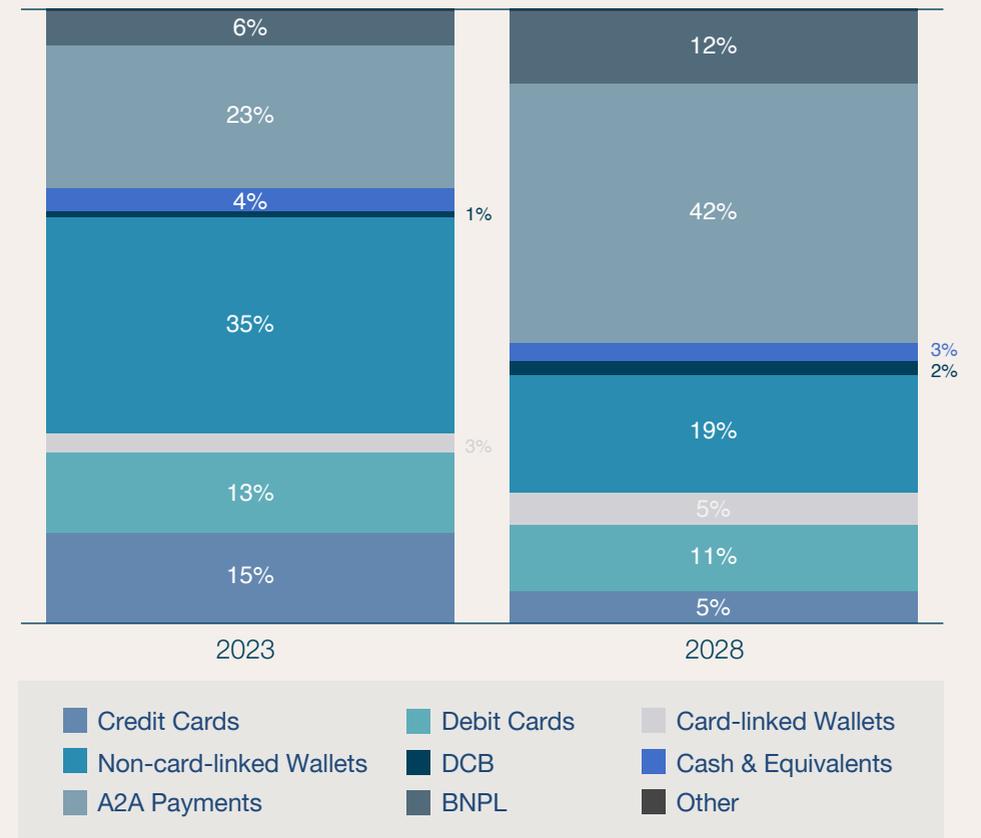
A2A payments will continue to grow their share of ecommerce payments by value by 2028, as UPI expands at the same time as the growth of the wider ecommerce market.

Consumer Sentiment Survey Insights

Key Survey Takeaways

- Local payment methods are seeing strong adoption, with 44% of respondents accessing a larger number of local payment methods within the last month online than card payments, with 80% of all respondents using at least one local payment method in the last month. By way of contrast, only 28% used more card methods than local payment methods online in the last month.

Ecommerce checkout value % - India



- Paytm is the most popular payment method with 89% of local payment users accessing it within the last month.
- Willingness to consider changing payment methods is high across India, with 77% of respondents indicating they would be open to changing payment methods.

Local Payment Methods Users

Payment Types & Their Use Cases

Users of predominantly local payment methods represented 44% (331) of the respondents, indicating a reasonably locally-dominated ecommerce market. The most common payment method for these users was Paytm, being selected by 89% of local payment method dominant respondents. This was closely followed by PhonePe, with 82% of mobile dominant respondents selecting this as a payment method. In third was Google Pay, at 68%, which unlike in other markets is not card-linked and uses UPI.

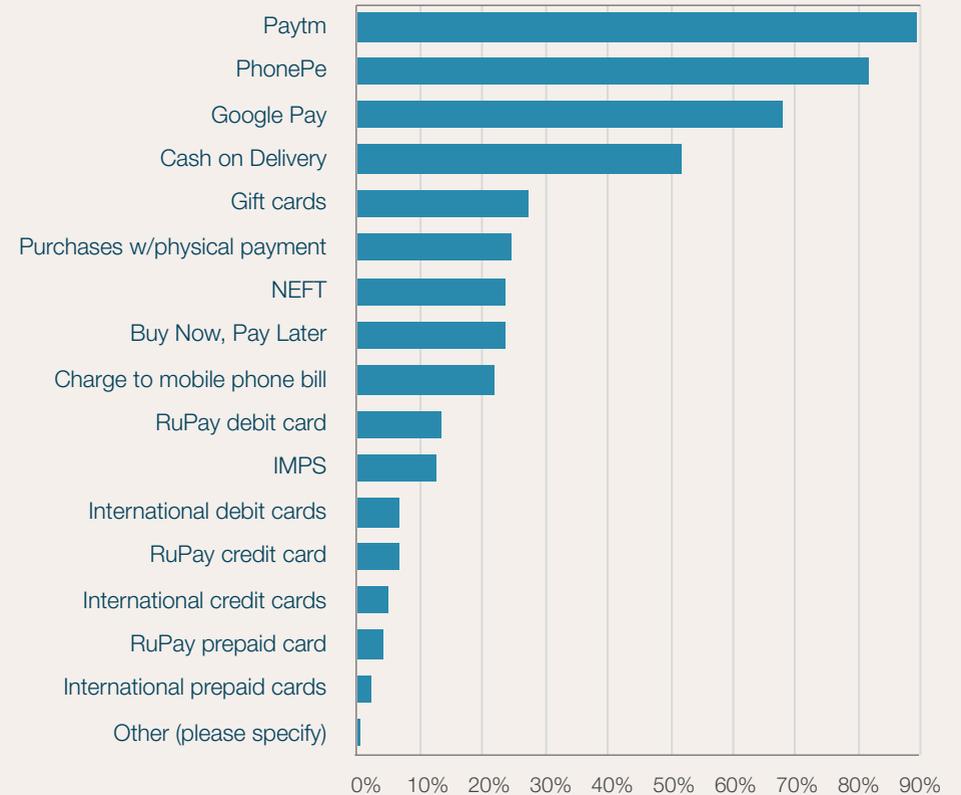
The top three methods selected are all UPI linked, showing the massive importance of the A2A scheme.

Paytm was heavily preferred for bill payments, mobile phone top ups and food delivery services, with cash on delivery being preferred for physical goods everyday purchases.

What Reasons Drive Users to Change Payment Methods?

- Local payments users much prefer better user interfaces, with this being a key driver to consider changing services. Other key reasons include lower transaction fees, which makes sense in comparison to mobile money services that sometimes charge for transactions. Better features rounded out to top three.
- By way of contrast, the ability to pay via installments was barely selected, suggesting BNPL is not that desirable in this market.

LPMs used last 30 days % - India



This indicates that providers must invest in improving their user journeys, which will have knock off effects for merchants.

Multiple Payment Methods Mean Broader Acceptance

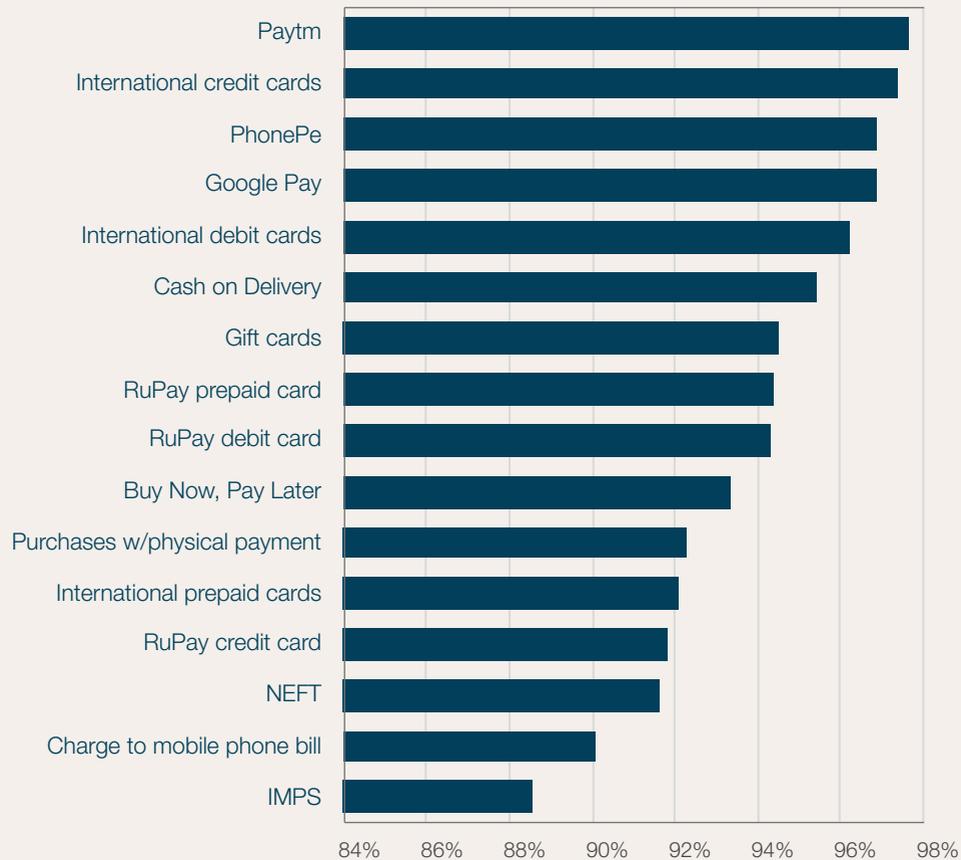
On average, respondents in India selected 4.8 payment types each that they have used online in the last month.

This means that merchants cannot simply implement one primary payment method, they must build a checkout and payments process that enables users to leverage the payment methods they want, without creating confusion for the user. Ultimately, given the strength of local payment methods, this means focusing on leveraging local payment methods, to best match user preferences.

Paytm Leading on User Satisfaction

The survey found that Paytm had the highest level of satisfaction of any payment method, reflecting its position as the most popular payment method.

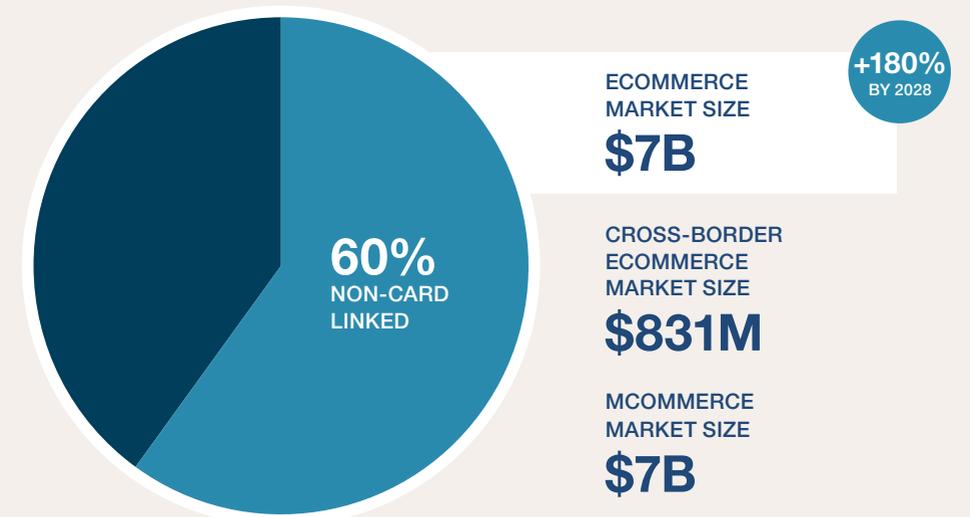
Proportion of Respondents Which Use Each Method At Least Weekly, (%)



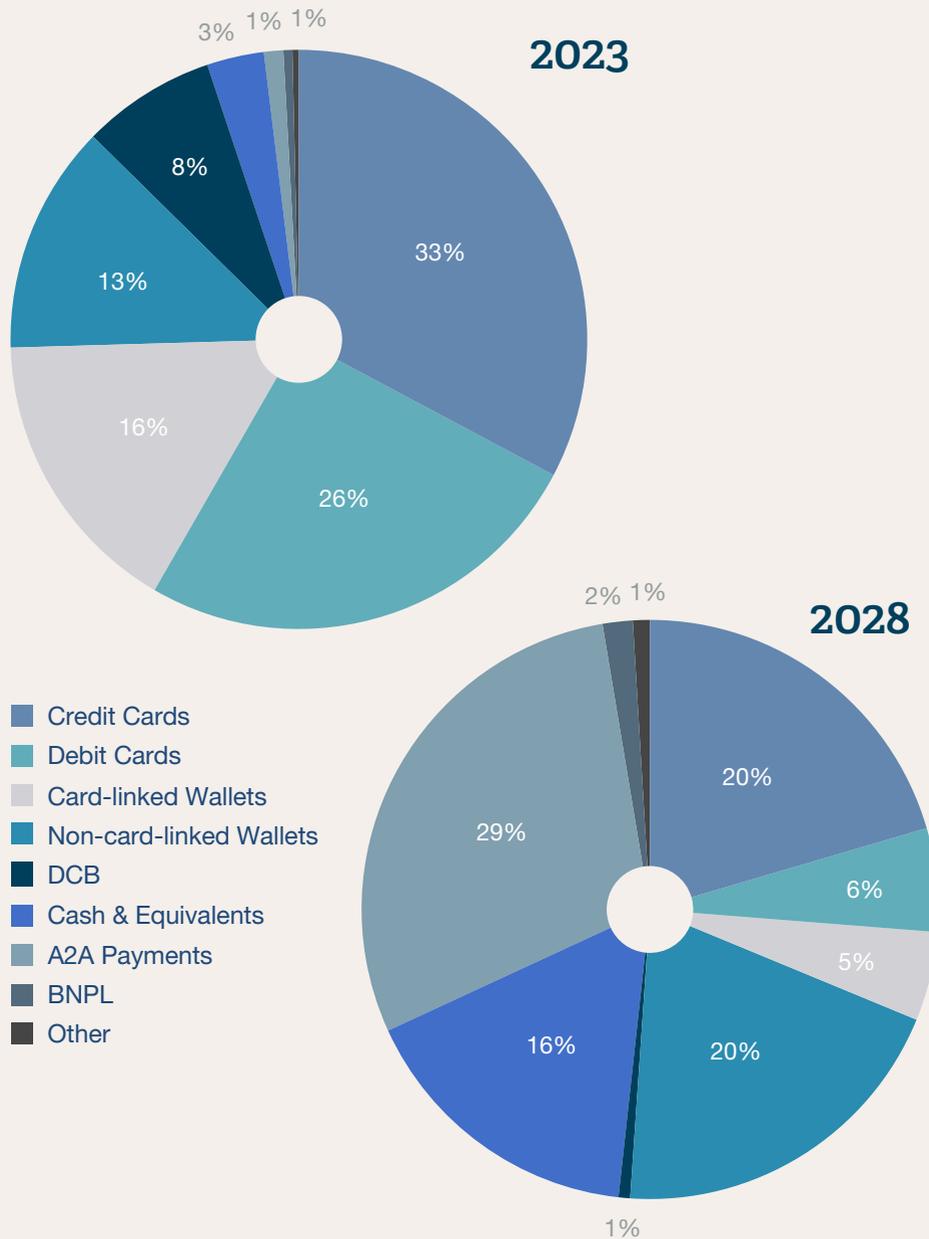
Pakistan

Key Market Statistics – 2023

Local Currency: Rs – Pakistani Rupee



Ecommerce checkout volume % - Pakistan



Key Takeaways

Card Payments to Continue to Remain Important in Pakistan, but Banking Penetration Limits Potential

- The data shows that by 2028, although card share of ecommerce transaction volume is declining, it will still be at 26% in 2028, making up a significant part of this market.
- However, the very low rate of banking penetration in the country limits the possibilities for card payments in the market.
- As financial inclusion expands, so will the utility of card payments, but a limited acceptance infrastructure remains a stumbling block.

Local Payment Methods to Account for 57% of Ecommerce Transaction Value by 2028

- The data shows a significant shift towards local payment methods, which will reach 66% of ecommerce transaction value in Pakistan by 2028, from 38% in 2023.
- Easypaisa and JazzCash are driving growth of non-card transactions, both having strong success in lifting users from informal financial systems to formal ones.
- Instant payments scheme Raast has potential to grow A2A payments, but further development will be required to enable it to achieve its goals across different ecommerce use cases.

Selected Local Payment Methods - Pakistan

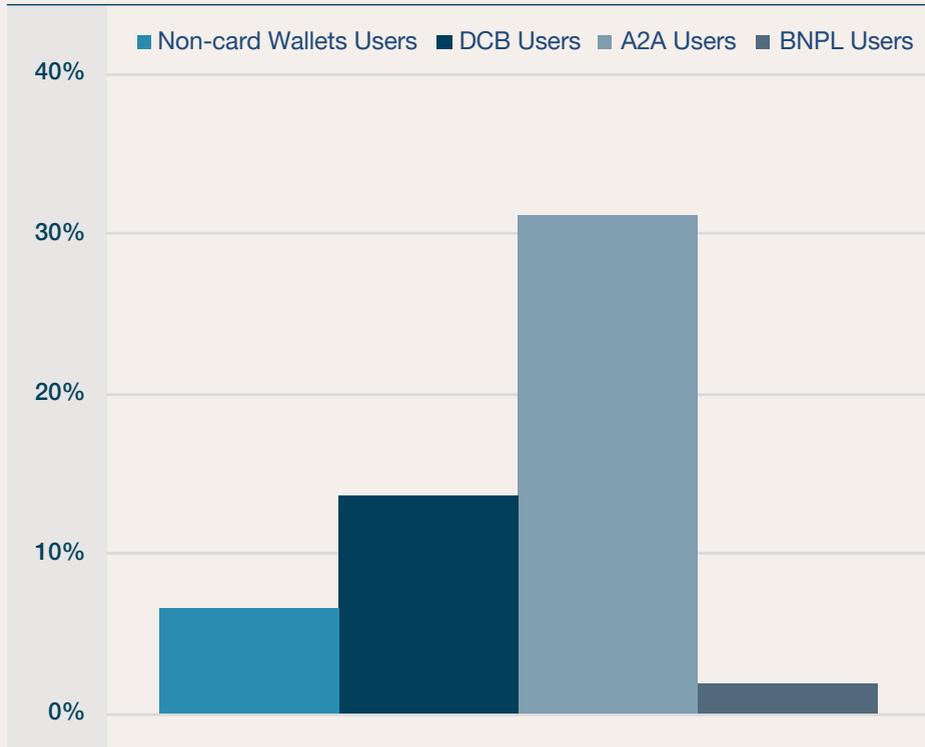
Payment Method	Launched	Type	Comments
 easypaisa	2009	Non-card-linked wallet	Easypaisa is increasingly offering bank-style services.
 JazzCash	2012	Non-card-linked wallet	JazzCash is a popular platform with cashback and rewards.
 Raast Pakistan's Instant Payment System پلی بریں - ملک بریں	2021	A2A Payments	Raast IDs are linked to mobile numbers for transactions.

Key Payments Data

Cards will remain to be an important payment method within the Pakistani market, accounting for 40% of online transactions by volume in 2023, falling to 26% in 2028, as local payment methods gain ground.

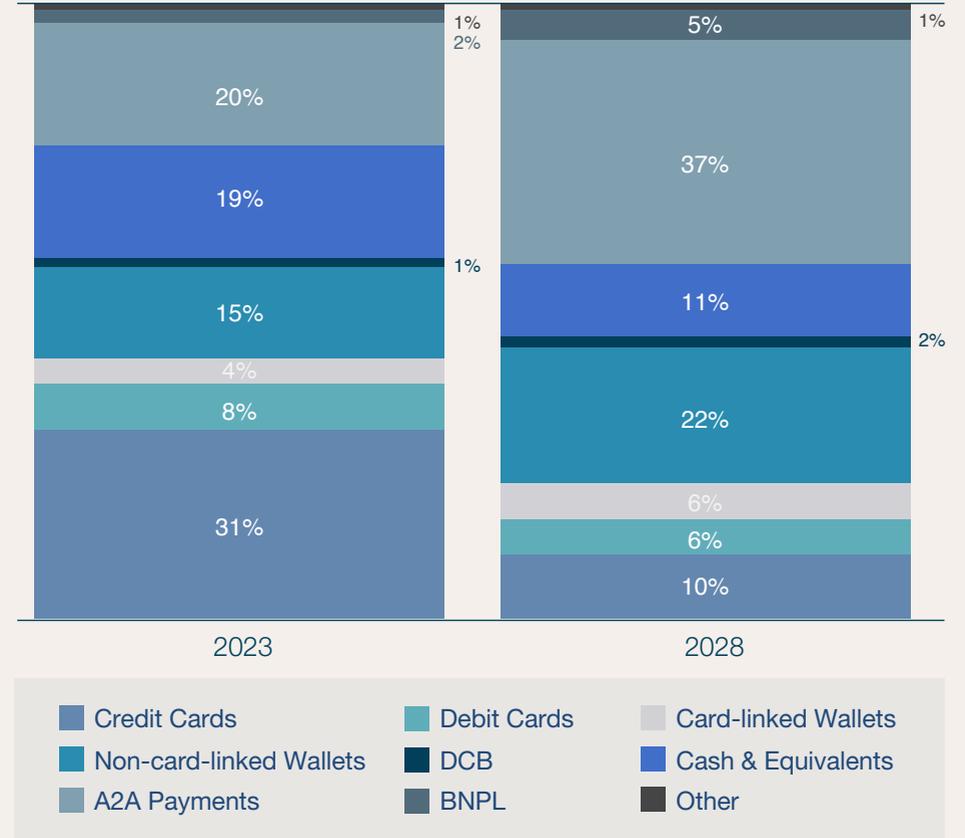
By 2028, almost 57% of Pakistan's population will use local payment methods, showing it is becoming an increasingly important consideration.

Total commerce monthly active users – Pakistan



Local payment methods are gaining traction, accounting for 66% of ecommerce transaction value in Pakistan by 2028, from 38% in 2023, making drastic progress as the ecommerce market grows quickly.

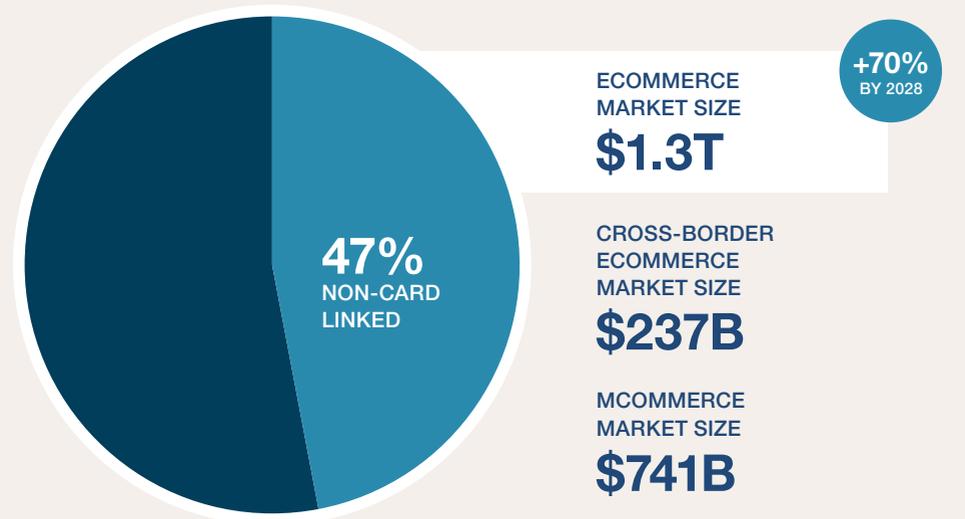
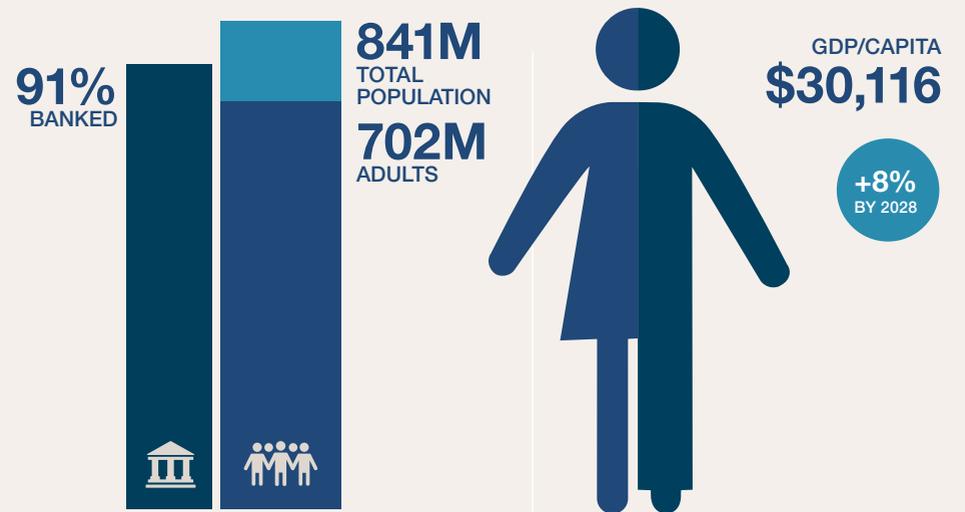
Ecommerce checkout value % - Pakistan



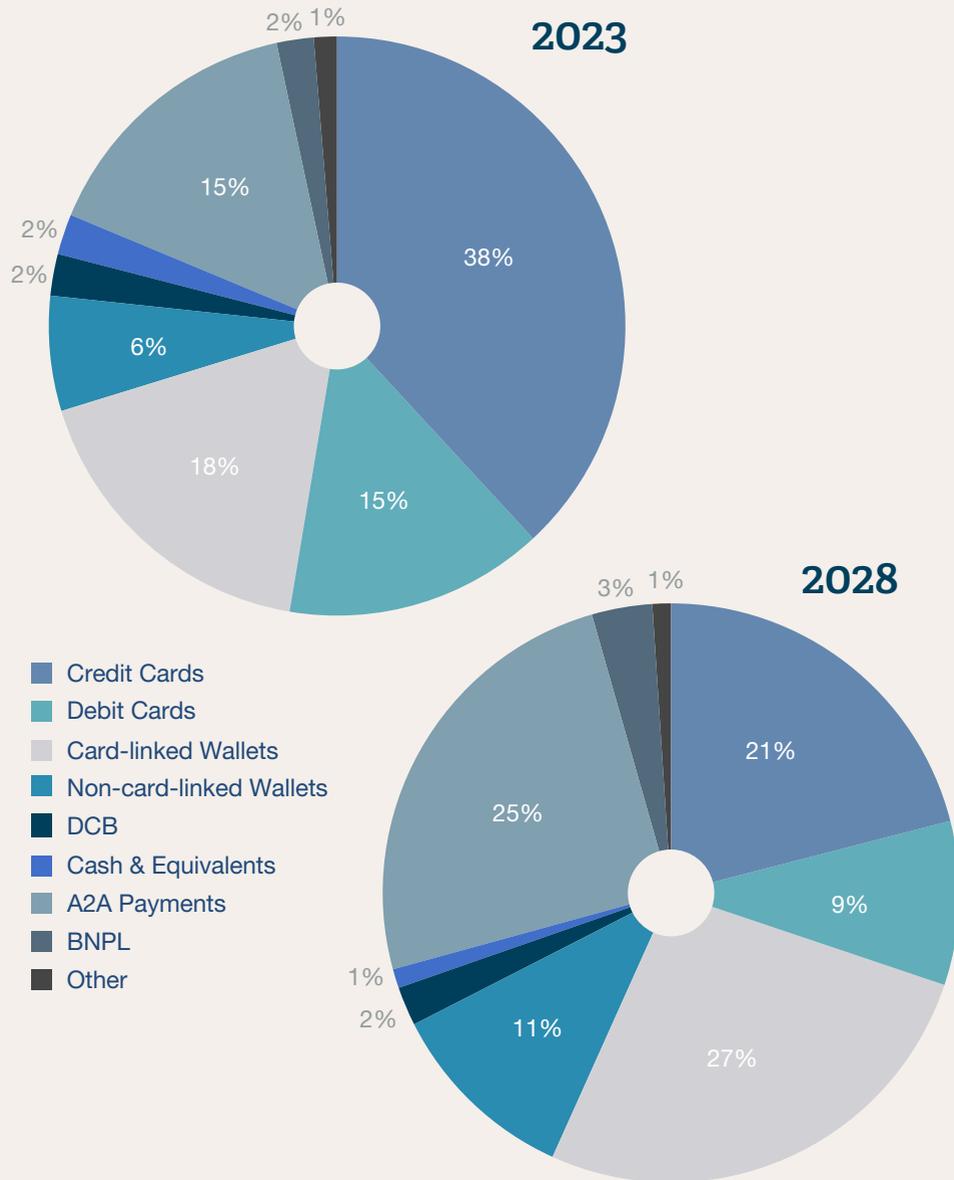
Europe

Europe

Key Market Statistics – 2023



Ecommerce checkout volume % - Europe



Key Takeaways

Cards to Continue to Lose Popularity in Ecommerce

- Credit and debit cards are forecast to record a significant fall in share of checkout, with credit cards falling from 38% of transactions in 2023 to 21% in 2028 and debit cards falling from 15% of transactions to 9% in 2028. This drop is as a result of competition from emerging payment methods that provide a more seamless ecommerce transaction, such as A2A payments.
- Cash will fall from 932 million transactions in 2023, to 774 million transactions in 2028. Ultimately, cash no longer provides the convenience and speed that is offered by other payment methods.



Merchants are sometimes surprised that a mature ecommerce market like Europe's can still be experiencing shifts in payment methods. We expect those changes to continue with growth in A2A and other local alternative payment methods in particular.

- CHRISTIAN WAMBSGANZ,
VP AND GM EUROPE



- It is important to note that there are several domestic card schemes in Europe, such as Cartes Bancaires in France, Dankort in Denmark, and Bancontact and PayConiq in Belgium. Where these schemes are popular, we expect cards to be more robust.

Consumers Require Frictionless Payment Methods

- Card-linked wallets and non-card-linked wallet transaction volume is anticipated to experience a 164.5% and 204% growth respectively between 2023 and 2028, due to the fact that these methods are able to provide a simpler checkout process for consumers, as well as providing additional features.
- BNPL offers a more frictionless shopping experience than traditional card payments, and with increasing economic challenges across Europe it will continue to grow as more people turn to paying in installments. As such, BNPL transaction volume within ecommerce is anticipated to grow by 187% between 2023 and 2028.

What This Means for Merchants

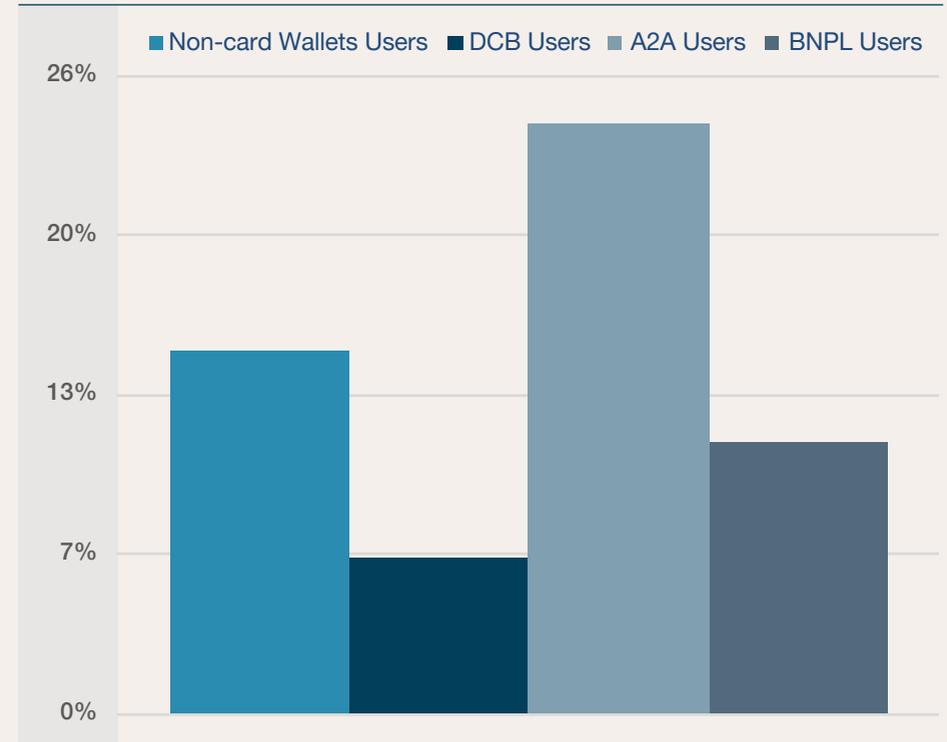
Europe is a heavily developed market in regards to ecommerce, with the majority of consumers having access to bank accounts. One of the greatest concerns for ecommerce consumers across Europe is the ability to checkout seamlessly, hence the great growth in regards to lower friction payment methods such as; BNPL, A2A payments and non-card-linked wallets. Merchants must be quick to offer these methods in the markets needed, otherwise checkout conversion rates will start to drop.

Key Data

Cards will see a decline in share of checkout with credit cards falling from 38% of transactions in 2023 to 21% in 2028 and debit cards falling from 14.5% of transactions to 9.1% in 2028.

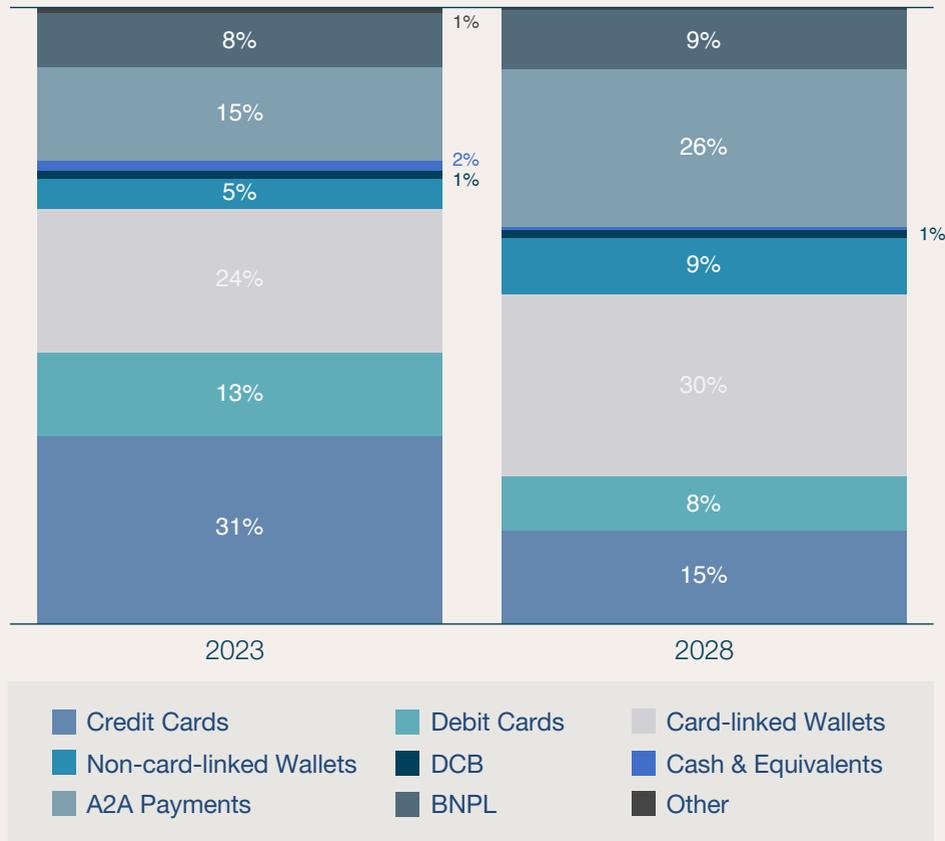
By 2028, A2A payments will have the largest user base of any local payment method within Europe.

Total commerce monthly active users – Europe



Across Europe, A2A payments will grow from 16% of ecommerce transaction value in 2023, to 27% in 2028, showing remarkable progress in Europe, while the share for other payment methods, in particular cards, decreases.

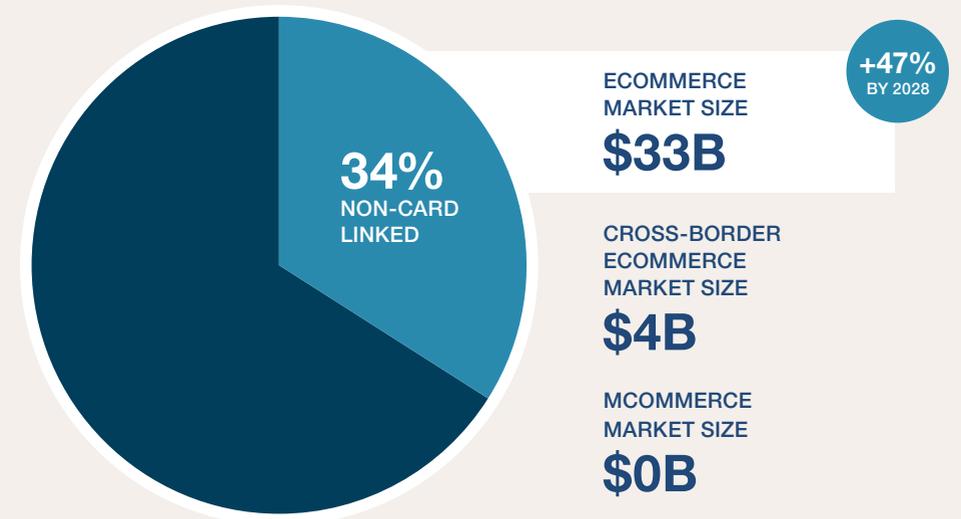
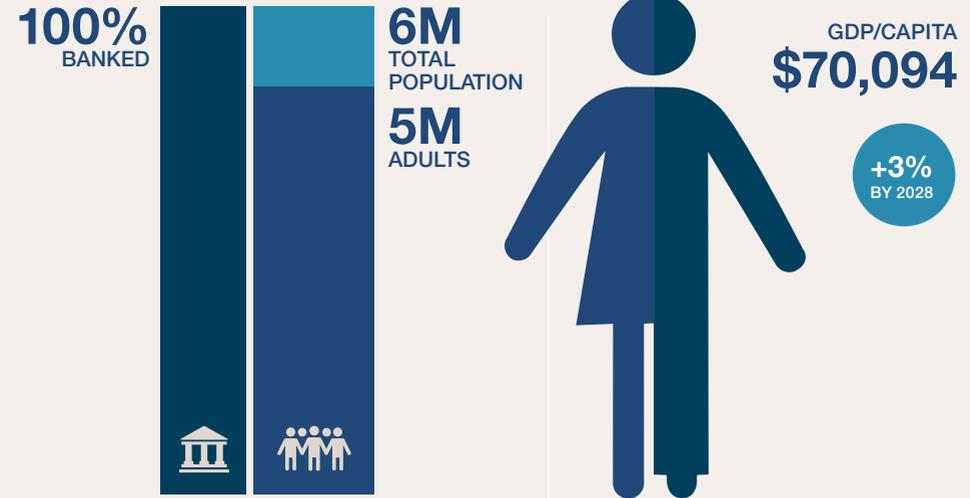
Ecommerce checkout value % - Europe



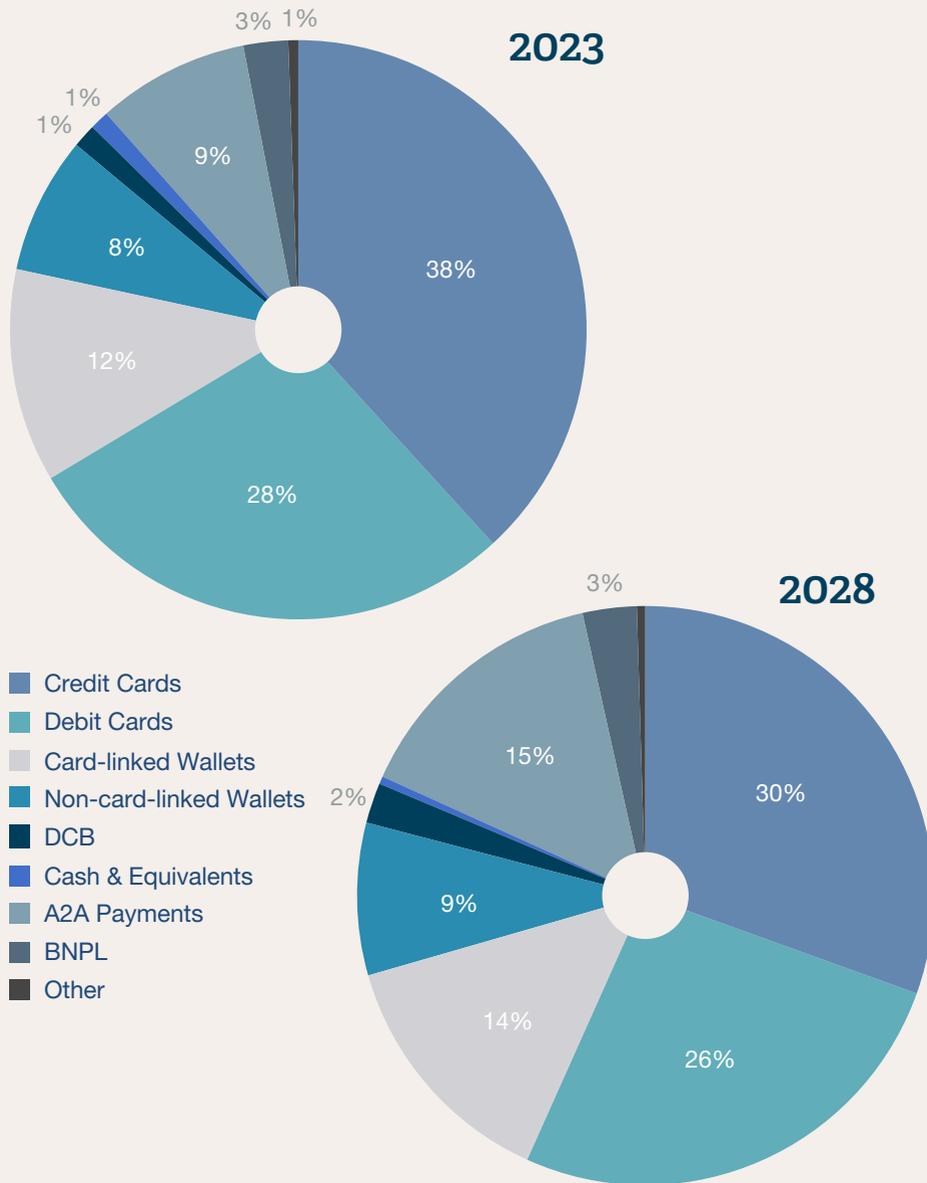
Denmark

Key Market Statistics – 2023

Local Currency: DKK – Danish Krone



Ecommerce checkout volume % - Denmark



Key Takeaways

A2A to Gain Traction in Danish Market

- Within the Danish market, bank transfers will become an increasingly important payment method, with A2A payments accounting for 15% of ecommerce transaction value in the country by 2028, this is up from 9% in 2023.
- This means that merchants must prepare and alter their acceptance strategies accordingly, given such a large shift is underway.

Wallets Growing in Interest in Denmark

- Both card linked wallets and non-card linked wallets will continue to grow, with the proportion of ecommerce values associated with wallets growing from 27% in 2023, to 29% in 2028.

Selected Local Payment Methods - Denmark

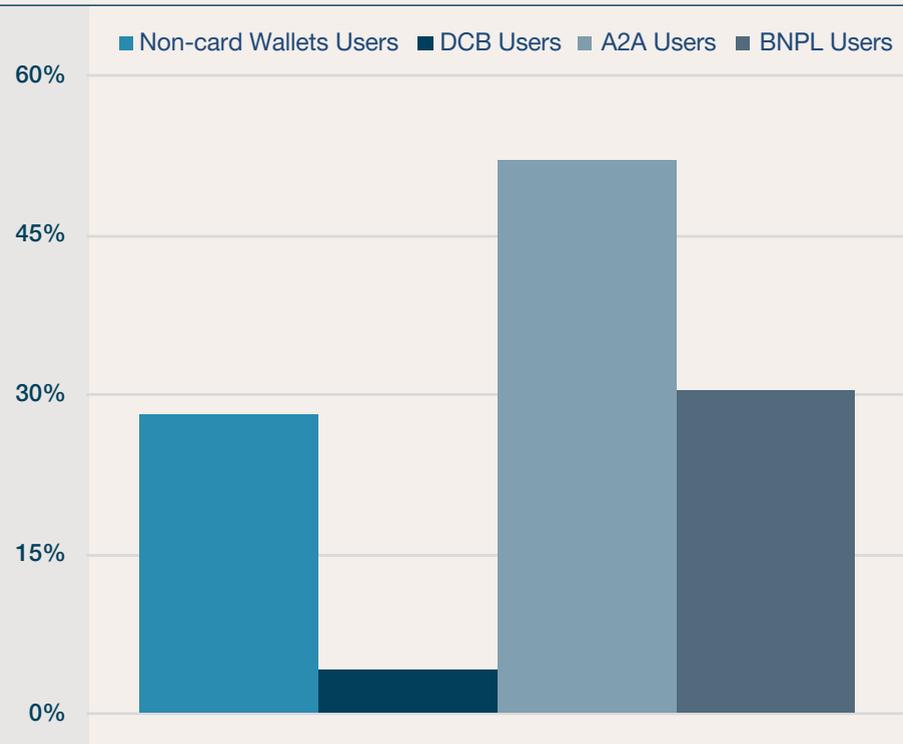
Payment Method	Launched	Type	Comments
	1983	Locally-issued debit card	4.5 million members (2023).
	2013	A2A Payments	Used by over 4 million people in Denmark (2023), transitioning from card linkage to A2A payments.
	1960 (wider group)	BNPL	Riverty is backed by Arvato Infoscure.

Key Payments Data

Card payments are set to lose significant ground within ecommerce within Denmark, falling from 66% of transactions occurring through card in 2023, to 57% of ecommerce transactions occurring through card in 2028, as consumers turn to more convenient payment methods.

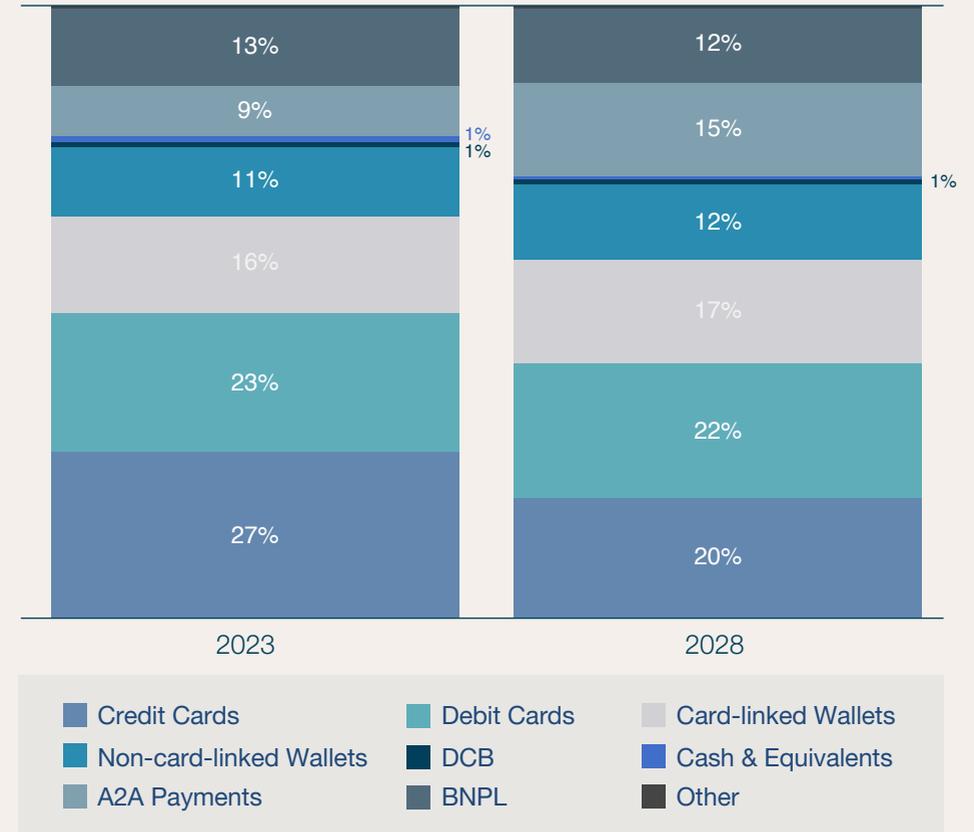
A2A will experience the greatest growth across payment types in Denmark, reflecting its ease of use and consumers looking for advanced security.

Total commerce monthly active users – Denmark



A2A payments will grow from 52% of the population using it in 2023, to 88% in 2028, showing the most progress in the Danish market.

Ecommerce checkout value % - Denmark



The rapid growth of local payments, in particular A2A, means that merchants will need to update their acceptance strategies, or risk losing out to more agile players.

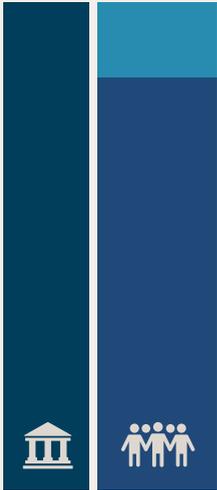
Germany

Key Market Statistics – 2023

Local Currency: € EUR



100%
BANKED



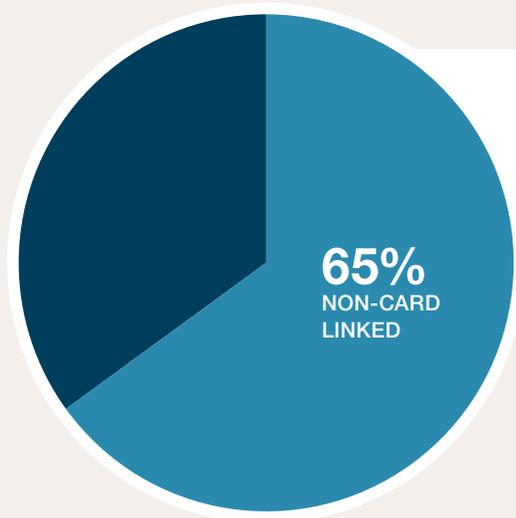
84M
TOTAL
POPULATION

71M
ADULTS



GDP/CAPITA
\$52,021

+5%
BY 2028



65%
NON-CARD
LINKED

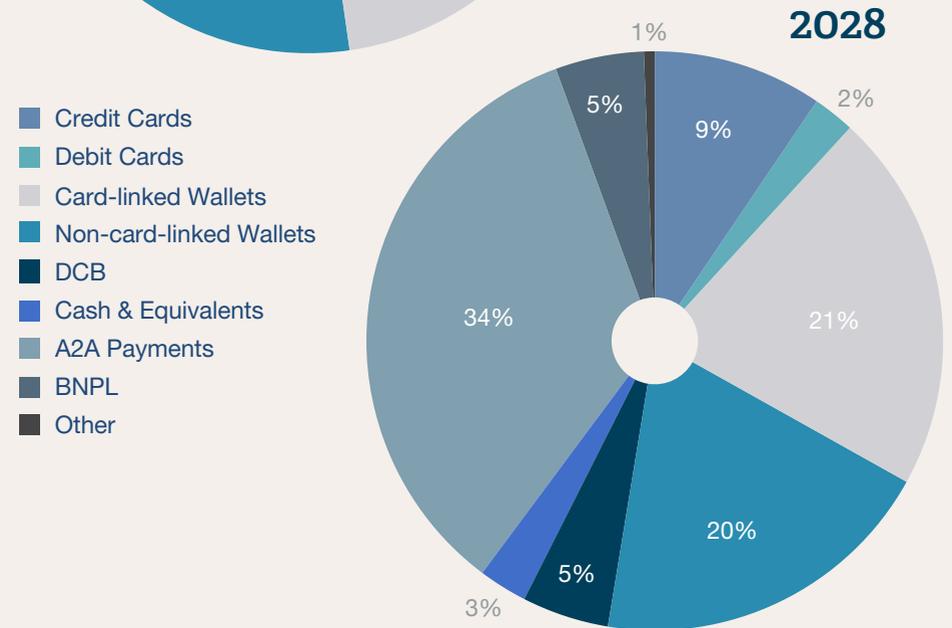
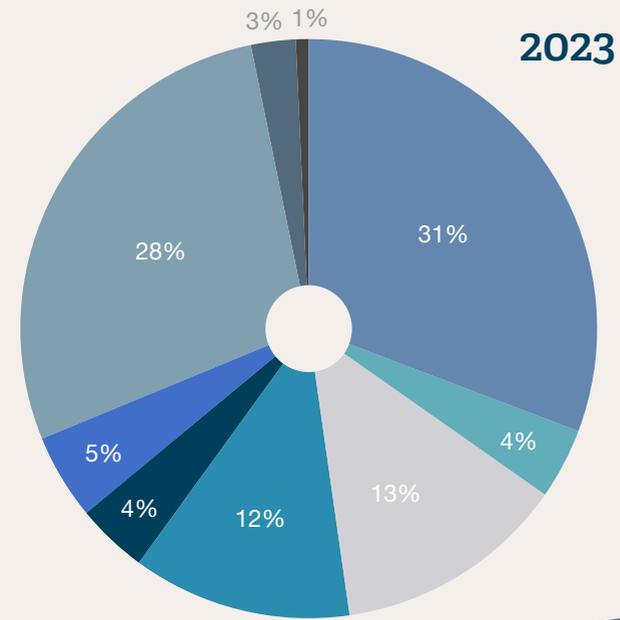
ECOMMERCE
MARKET SIZE
\$159B

+52%
BY 2028

CROSS-BORDER
ECOMMERCE
MARKET SIZE
\$36B

MCOMMERCE
MARKET SIZE
\$12B

Ecommerce checkout volume % - Germany



Key Takeaways

Card Use to Fall in Germany

- In line with other countries in Europe, card usage will continue to fall in Germany, going from 35% in 2023 to 12% in 2028.
- As card payments are anticipated to fall across Germany's ecommerce market, card-linked wallets will grow, going from being used in 13% of ecommerce transactions by volume in 2023, to 21% in 2028.

A2A Payments to Experience Great Growth in Germany

- A2A payments are anticipated to go from being used in 28% of ecommerce transactions in 2023, to 34% of ecommerce transactions in 2028, this is due to the growing popularity of both Open Banking and the existing bank payment methods which have been offered for some time.
- Compared to other countries in Europe, BNPL is not making as much of an impact in Germany, with it anticipated to only account for 5% of ecommerce transactions by volume in 2028. This weakness can be attributed to strong competition, from both credit cards and financing options from local banks, which are very well developed.

Selected Local Payment Methods - Germany

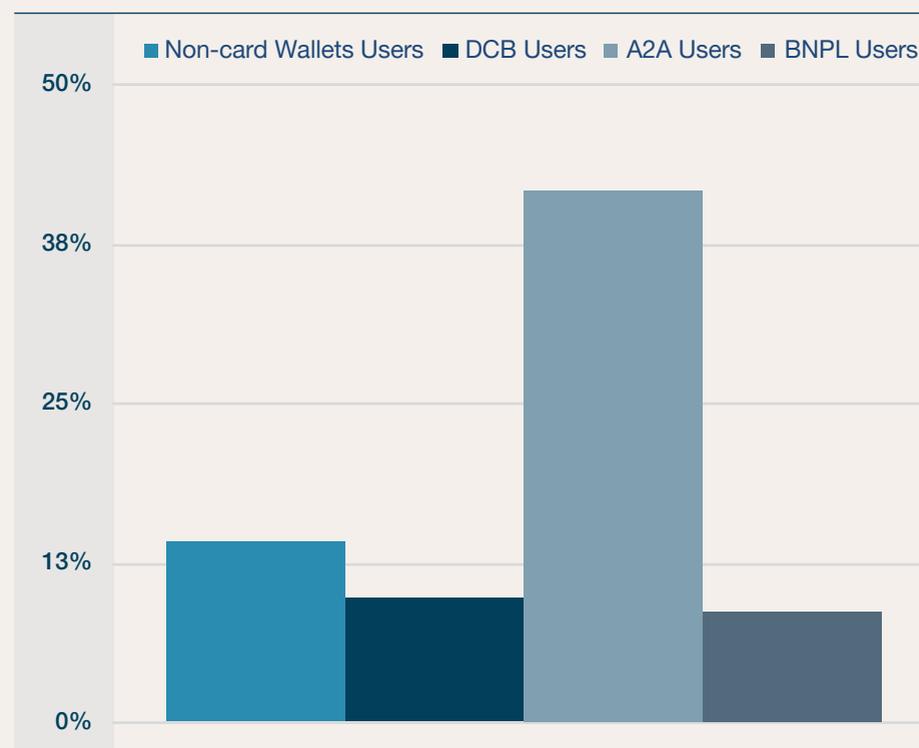
Payment Method	Launched	Type	Comments
	2005	A2A Payments	Acquired by Klarna in 2014.
	2006	A2A Payments	Giropay is broadly supported by Germany banks.
	2005	BNPL	Klarna is well supported within the German market.

Key Payments Data

Payment cards in Germany will continue to fall in popularity, with their ecommerce share falling from 35% in 2023 to 12% in 2028, this is due to increasing interest in other payment methods.

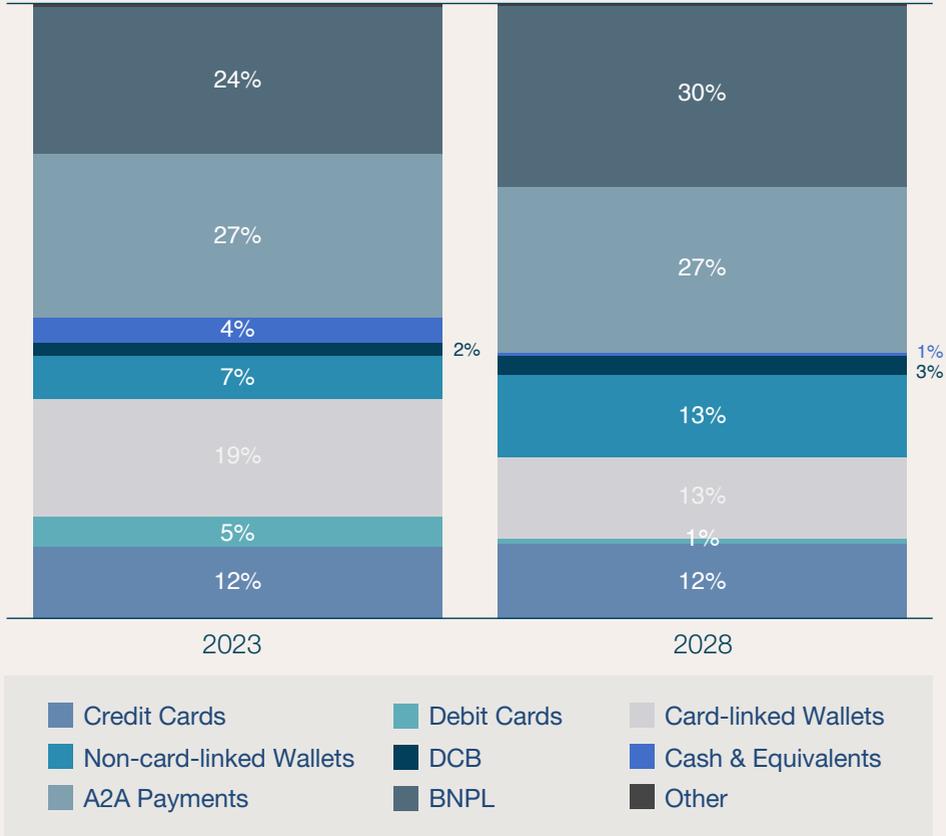
There will be large growth in A2A payments towards the end of the forecast period, as these payment methods become more readily available in ecommerce, their convenience will lead to many more consumers utilising them.

Total commerce monthly active users – Germany



By 2028, 82% of the population will have used A2A payments, this is a massive growth from the current 42% of the population that have used A2A payments for ecommerce.

Ecommerce checkout value % - Germany



As alternative payment methods continue to grow in Germany there will be less spend on traditional ecommerce payment methods, this can be observed in the figure above, with card-linked wallet spend falling from 19% of transaction spend in 2023 to 13% of transaction spend in 2028, reflecting changing user demand.

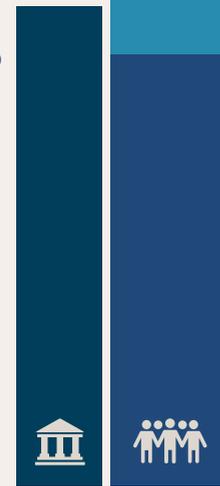
Italy

Key Market Statistics – 2023

Local Currency: € EUR



98%
BANKED

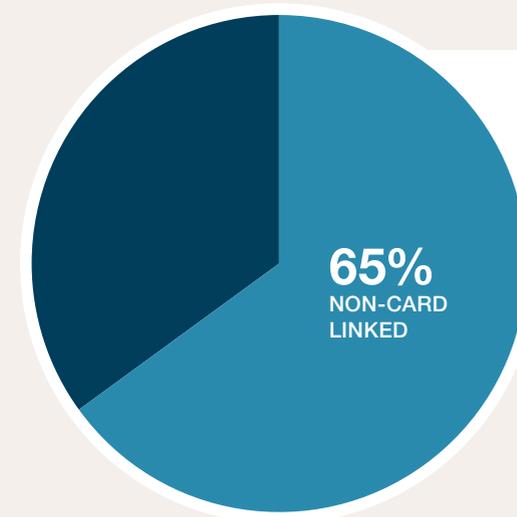


59M
TOTAL
POPULATION
52M
ADULTS



GDP/CAPITA
\$37,509

+7%
BY 2028



65%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$55B

+127%
BY 2028

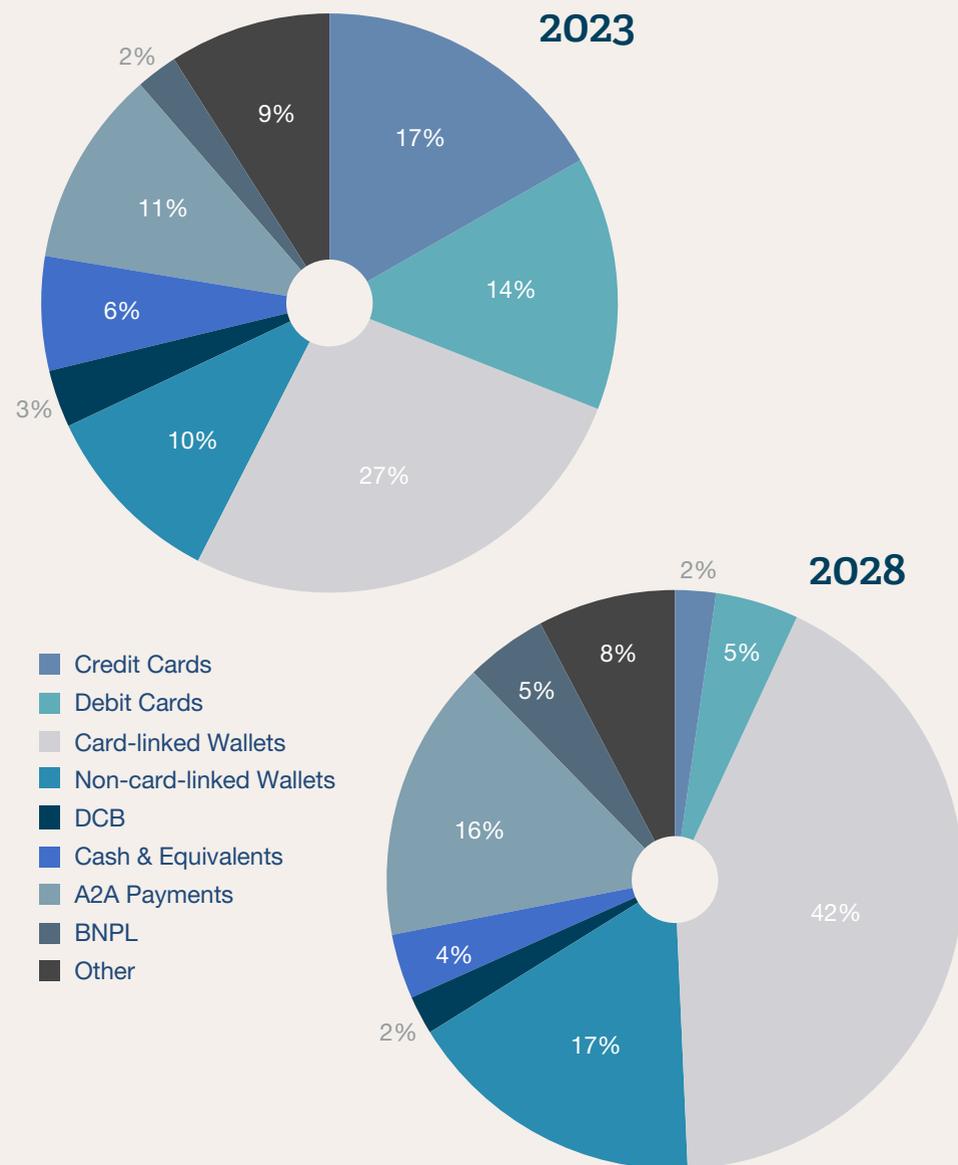
CROSS-BORDER
ECOMMERCE
MARKET SIZE

\$14B

MCOMMERCE
MARKET SIZE

\$34B

Ecommerce checkout volume % - Italy



Key Takeaways

Card Payments in Italy to Transition to Card-linked Wallets

- Cards are losing share as a result of alternative payments growth, with cards' share of ecommerce transaction value falling from 29% in 2023, to 4% in 2028.
- As such, adopting an alternative payment focused strategy is a must for merchants in Italy, and must be prioritized for merchant success.
- Card-linked wallets are also anticipated to grow in popularity over the forecast period from 34% of transactions by volume in 2023, to 44% of transactions by volume in 2028.

A2A Payments Achieving Significant Growth

- A2A payments are gaining traction within Italy, rising to reach 41% of all ecommerce transactions value by 2028, from 17% in 2023.
- The capabilities being unlocked by Open Banking, which is being adopted in Italy, is allowing Italians to make A2A payments in a much easier way, with a simpler user interface.
- Ensuring that checkout processes mirror changing user behaviors will be critical to maximizing ecommerce success in the Italian market.

Selected Local Payment Methods - Italy

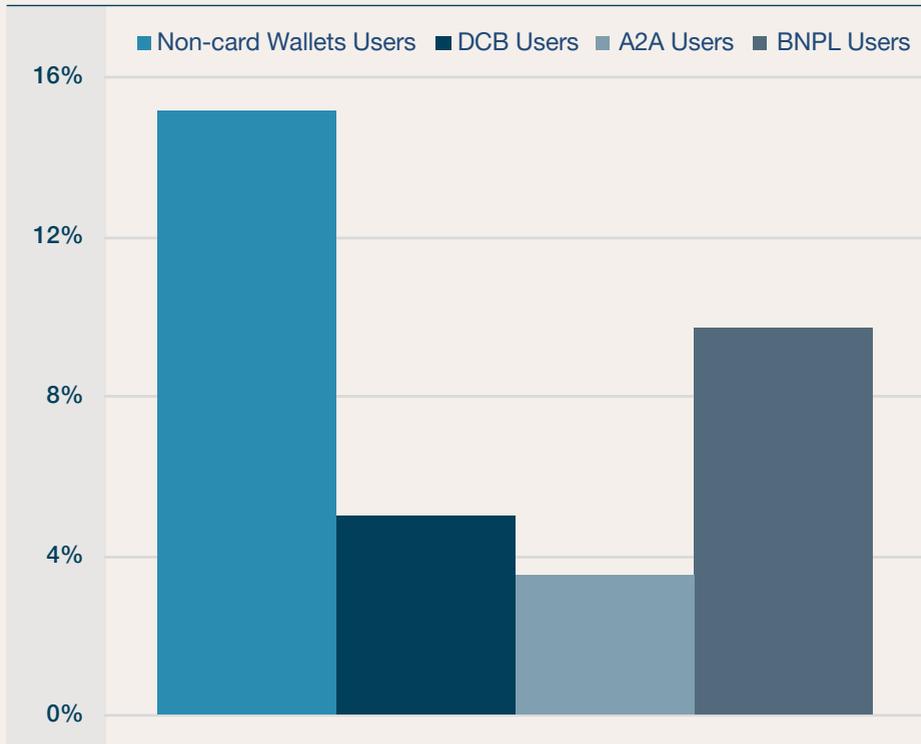
Payment Method	Launched	Type	Comments
 postepay	2003	Other	Postepay is a popular prepaid card scheme in Italy.
 satispay	2015	Wallet	Pay in stores, buy phone top-ups and exchange money.
 Klarna.	2005	BNPL	Klarna acquired the Italian BNPL startup Moneymour

Key Payments Data

While card usage in ecommerce transactions continues to decrease in Italy, card-linked wallets and A2A payments will gain significant popularity over the forecast period.

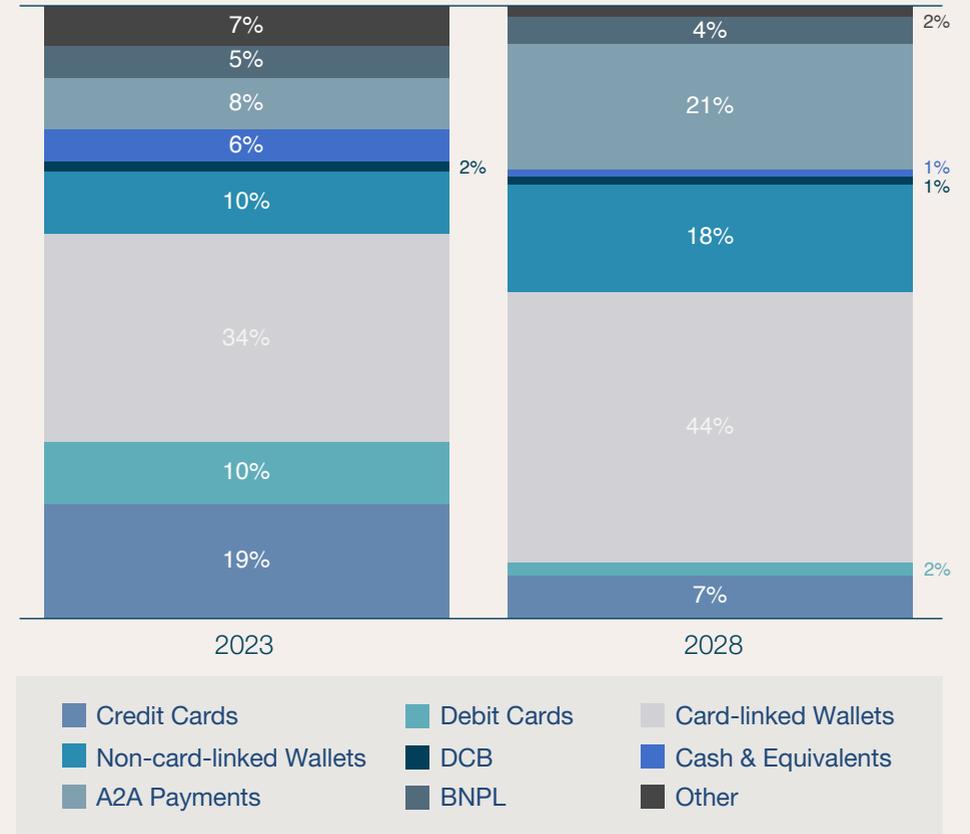
By 2028, A2A payments will have grown significantly, being the second most popular ecommerce payment method by both transaction volume and value.

Total commerce monthly active users – Italy



Local payment methods will account for over 25% of ecommerce transactions in Italy by value in 2028, demonstrating that cards are no longer unchallenged in this market.

Ecommerce checkout value % - Italy



Merchants must prioritize A2A and other alternative payment methods to drive their success going forwards, as there will be less interest in using card as a payment method within ecommerce in this market.

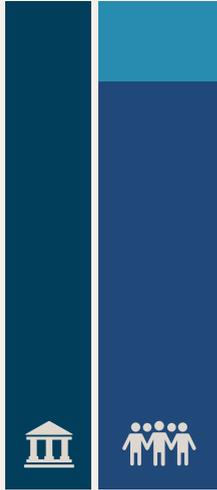
Netherlands

Key Market Statistics – 2023

Local Currency: € EUR



100%
BANKED



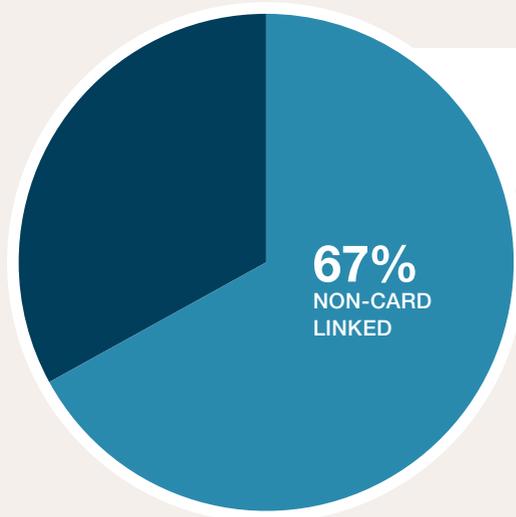
18M
TOTAL
POPULATION

15M
ADULTS



GDP/CAPITA
\$60,893

+4%
BY 2028



67%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$42B

+126%
BY 2028

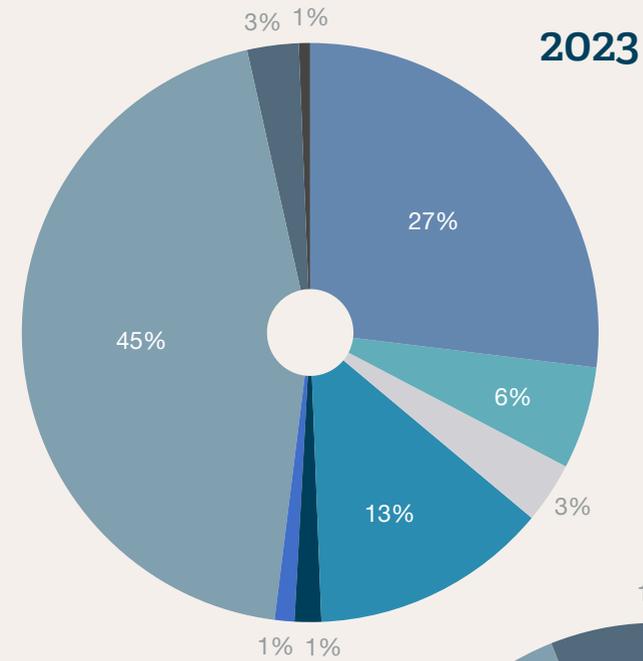
CROSS-BORDER
ECOMMERCE
MARKET SIZE

\$5B

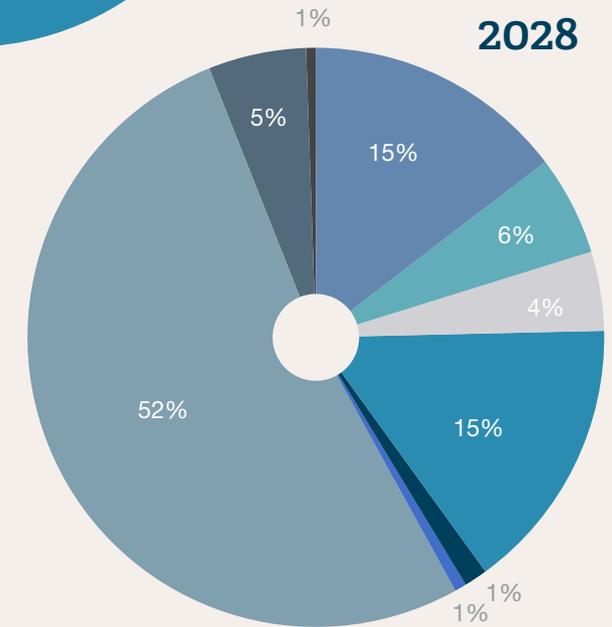
MCOMMERCE
MARKET SIZE

\$28B

Ecommerce checkout volume % - Netherlands



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other



Key Takeaways

iDEAL Driving Strong Growth for A2A

- The Netherlands is a very strong market for account to account payments, with the proportion of ecommerce transaction value via A2A expect to hit 69% in 2028, from 64% in 2023.
- iDEAL is well established for A2A payments and has been driving continuous innovation in order to sustain overall ecommerce growth.
- We expect iDEAL to be a key focus area going forward for merchants, as they look to leverage the methods that local users want to access, maximizing their changes of checkout success. This will be particularly important for cross-border merchants.

Cards & Local Payment Methods to Coexist, but Growth Slowing

- Our payments data shows that cards are set to lose some of their importance within the Netherlands market, with the proportion of ecommerce transaction volume that is via cards falling to 20% in 2028, from 33% in 2023.
- However, it is noteworthy that cards will still pay an important role within the Netherlands ecommerce marketplace, with cross-border interoperability being a key advantage for cards in such a cross-border oriented market.
- We expect that international websites will increasingly look to support local Netherlands payment methods in order to maximize user satisfaction.

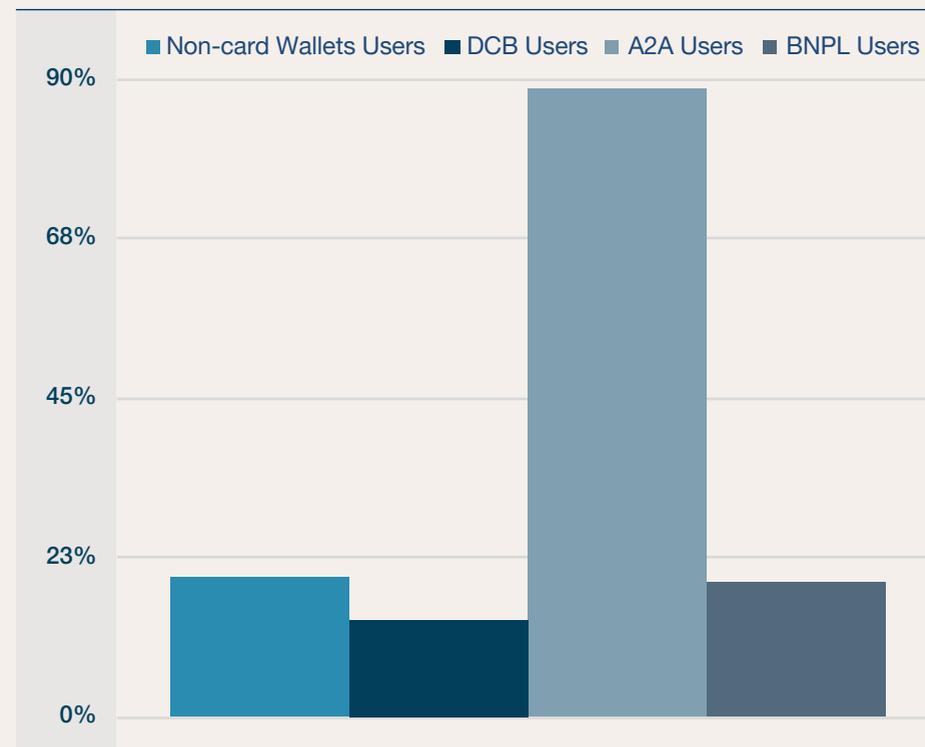
Selected Local Payment Methods - Netherlands

Payment Method	Launched	Type	Comments
	2005	A2A Payments	iDEAL is widely supported and well established.
	2022	BNPL	Riverty was previously known as AfterPay
	2005	BNPL	Klarna is well supported within the Dutch market.

Key Payments Data

As is common in much of Europe, A2A is anticipated to experience great growth across the forecast period, with over 93% of the population having used A2A payments by 2028.

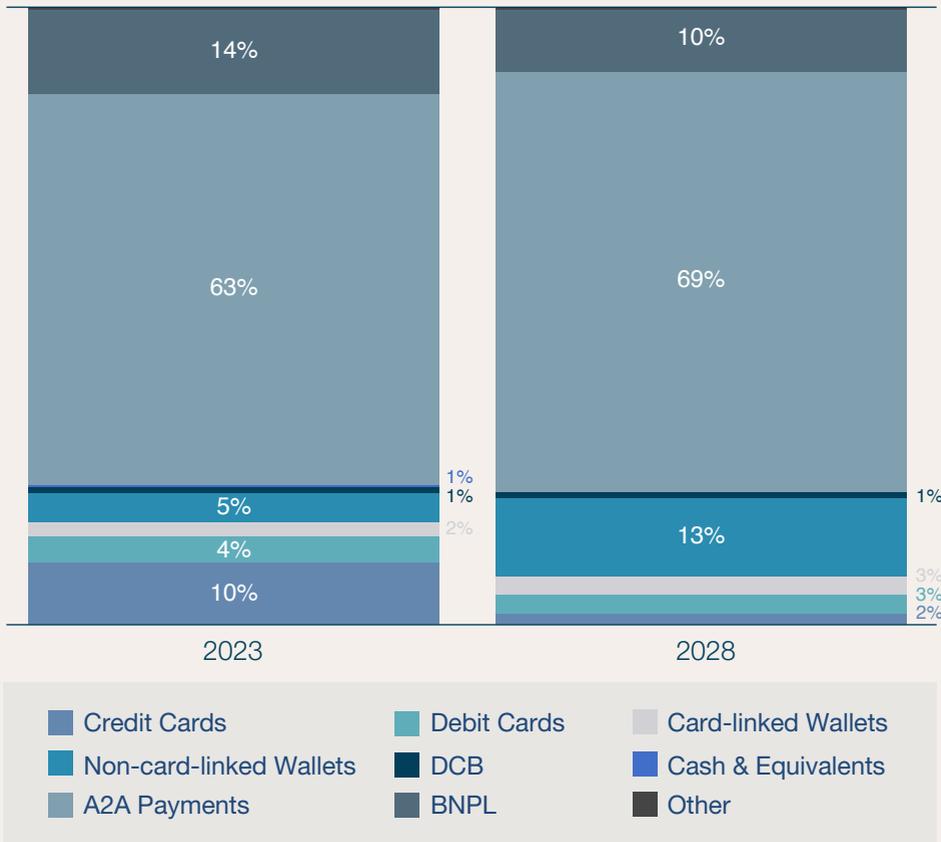
Total commerce monthly active users – Netherlands



By 2028, credit card and debit card will account for 20% of transaction volume of different payment methods, reflecting strong success for local payment methods.

The majority of the population in the Netherlands will be using A2A payment methods for ecommerce, over 90% of the population will utilize it as a payment method due to the simplicity it provides.

Ecommerce checkout value % - Netherlands



The rapid growth of A2A payment methods in the Netherlands, requires merchants to alter their acceptance strategies to align with the consumer needs.

Norway

Key Market Statistics – 2023

Local Currency: NOK - Norwegian Krone

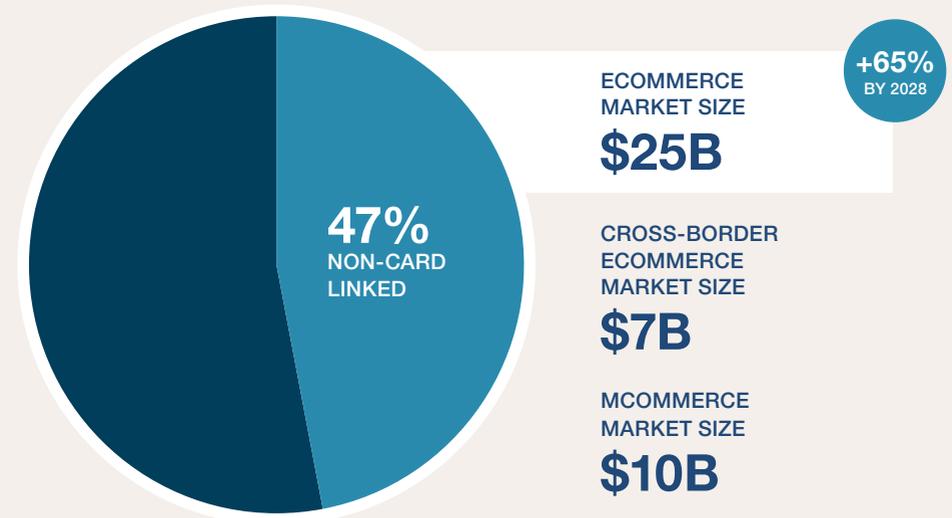


99%
BANKED

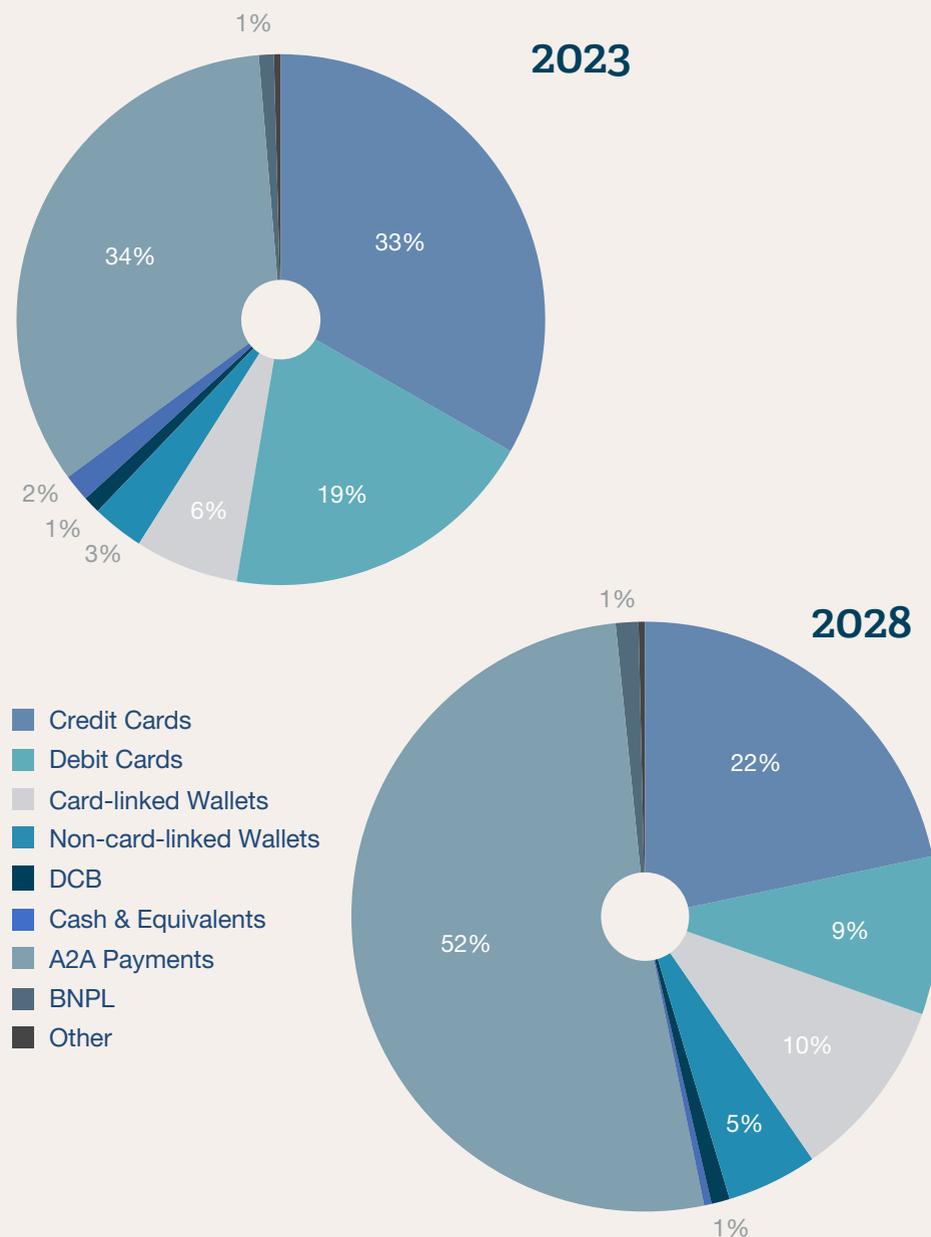
6M
TOTAL
POPULATION
5M
ADULTS

GDP/CAPITA
\$92,400

+5%
BY 2028



Ecommerce checkout volume % - Norway



Key Takeaways

Local Payment Methods Growing Quickly

- Norway is seeing a rapid transition towards local payment methods, which has big ramifications for ecommerce merchants.
- Local payment methods will account for 72% of ecommerce payments by transaction value in 2028, from 51% in 2023.
- This growth will be driven by the continued impact of Vipps in this market, as well as the rise of Open Banking within Norway, which is creating another alternative to cards within this market.
- Merchants should prioritize offering A2A payment methods in order to lower their cost of acceptance, which can be high with card payments.

Wallets Have a Large Impact in Norway

- Our payments data shows that wallets are set to grow further within Norway, with both card-based and non-card-linked wallets to increase their market share in terms of ecommerce transaction values through until 2028, reaching 25% of all ecommerce transactions by value in 2028.
- However, it is noteworthy that cards will still account for a large number of online payments in 2028 by volume, showing that the card is still an enduring method within Norway, suited to payments for international purchases in particular.

Selected Local Payment Methods - Norway

Payment Method	Launched	Type	Comments
 Vipps	2015	A2A Payments	Vipps is classified as A2A, and represents a service in transition, upgrading its payment rails.
 BankAxept	1991	Local Debit Card	BankAxept is Norway's local card network brand.
 Klarna	2005	BNPL	Klarna is well supported within the Norwegian market.

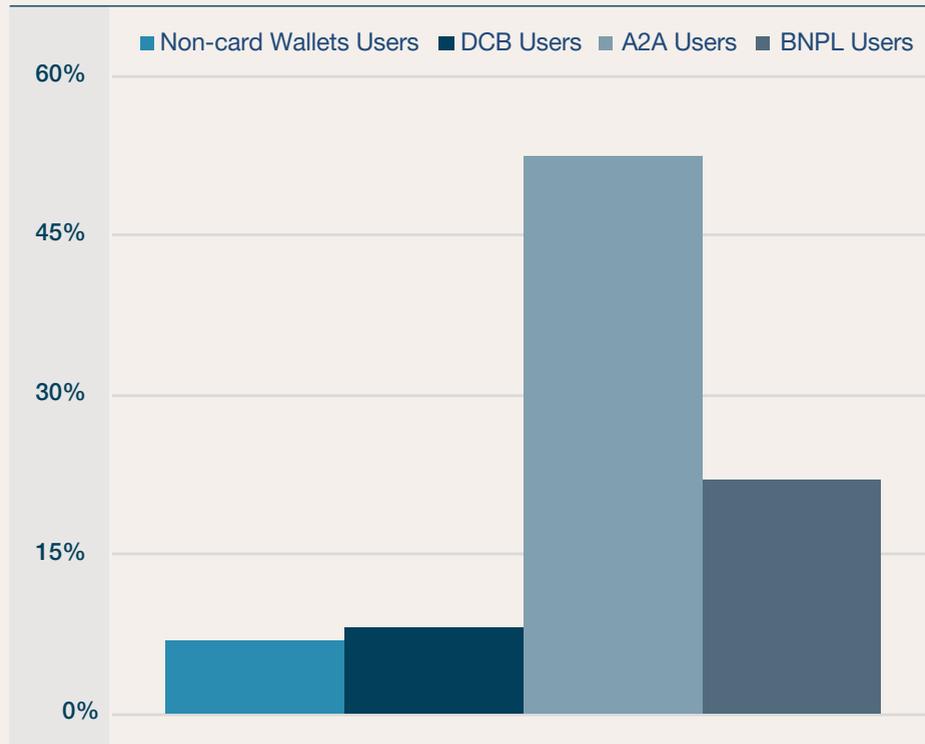
- We expect that international websites will increasingly look to support local Norwegian payment methods, including wallets, in order to maximize user satisfaction.

Key Payments Data

A2A payments will continue to gain traction within Norway, with digital wallets also rapidly growing, changing the ecommerce landscape within the market.

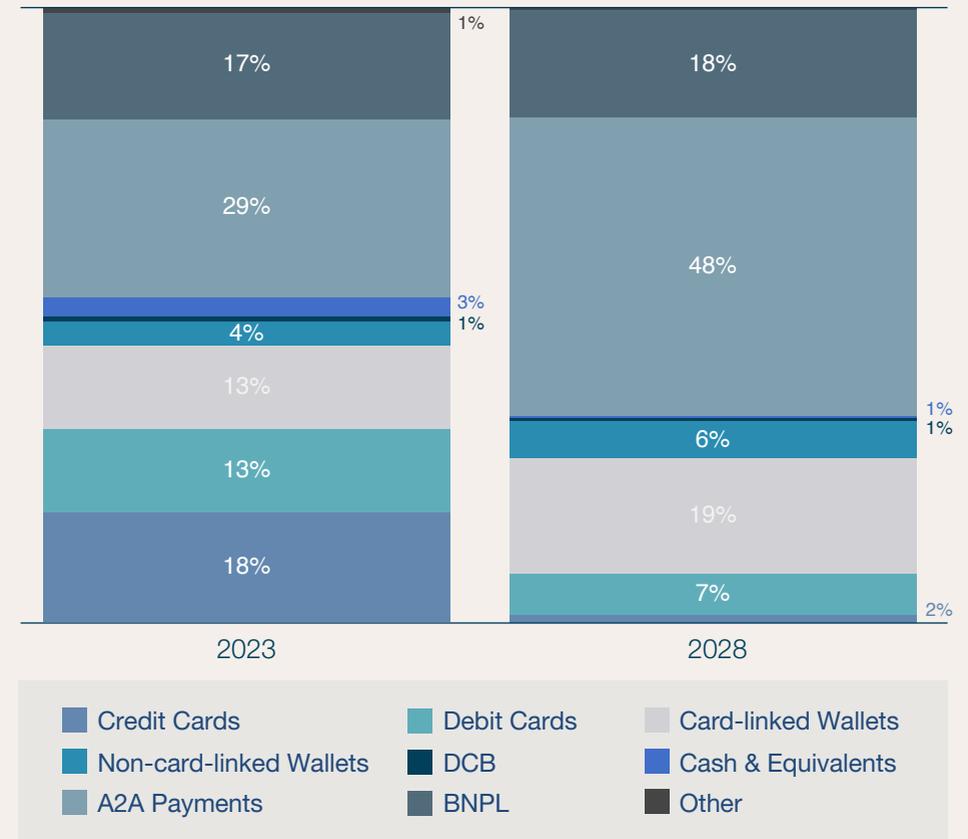
By 2028, card usage for ecommerce transactions will reduce significantly, from over 53% of transactions by volume to just over 30%, reflecting the success of A2A payment methods.

Total commerce monthly active users – Norway



A large amount of the population will be using A2A payment methods with 83% of the population having used A2A by 2028. Non-card wallets and BNPL will also have a great portion of the population having used them, with 41% and 47% having used them by 2028 respectively.

Ecommerce checkout value % - Norway

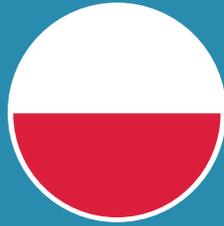


In regards to transaction value, A2A payments will make up just under half of transaction values within Norway by 2028, achieving very strong success and showing a strong transition away from card payments.

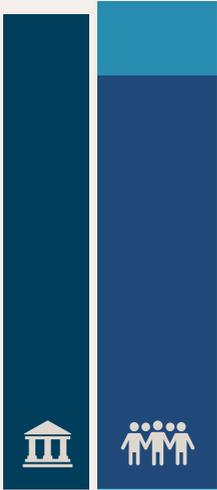
Poland

Key Market Statistics – 2023

Local Currency: PLN - Polish Zloty



97%
BANKED



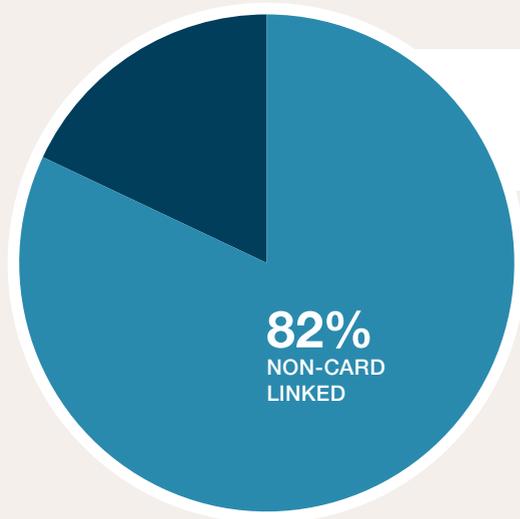
38M
TOTAL
POPULATION

32M
ADULTS



GDP/CAPITA
\$19,251

+15%
BY 2028



82%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$39B

CROSS-BORDER
ECOMMERCE
MARKET SIZE

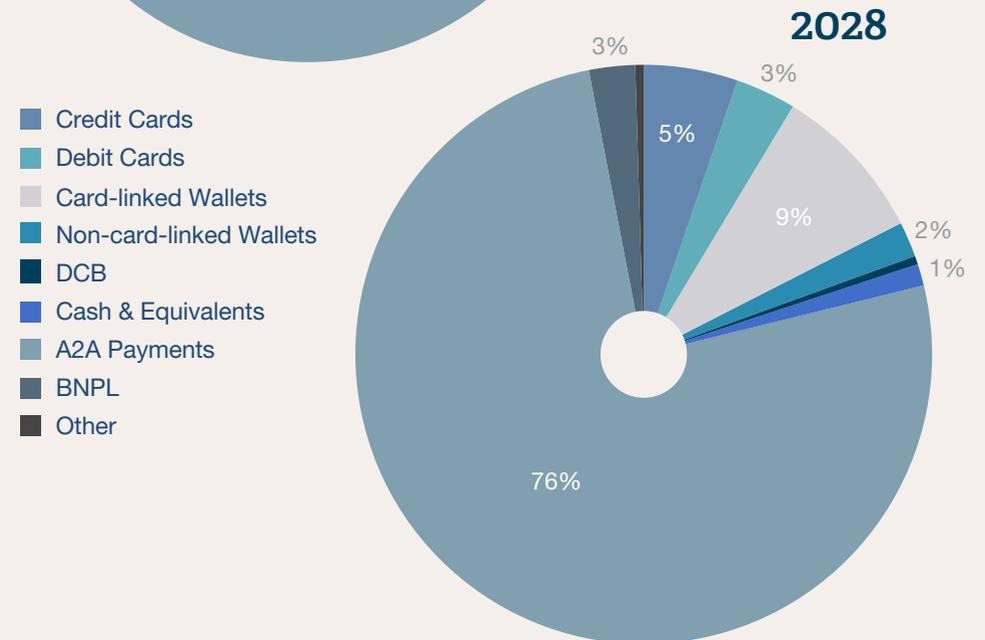
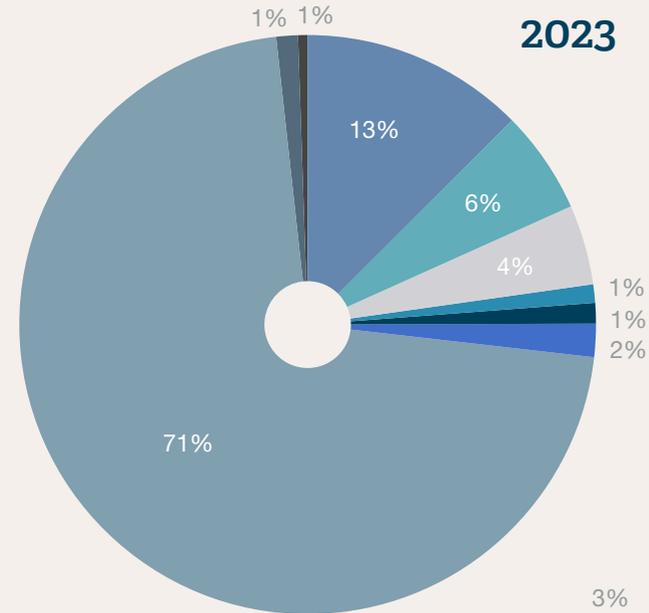
\$11B

MCOMMERCE
MARKET SIZE

\$26B

+149%
BY 2028

Ecommerce checkout volume % - Poland



Key Takeaways

Cards Playing Limited Role in Polish Market

- Poland will have a very small cards market by 2028, with cards expected to account for 9% of ecommerce transactions by volume in 2028, a fall from 18% in 2023.
- BLIK is one scheme which is offering an alternative, and will be important to driving A2A payments to over 63% of ecommerce transactions by value in 2028.
- We expect BLIK to be a key focus area going forward for merchants, as they look to leverage the methods that local users want to access and reducing their overheads, maximizing their chances of checkout success.

Homegrown Solutions to Power Poland's Growth

- Poland is a market with a very strong domestic payments market, with BLIK being a key example of innovations within the country.
- Poland also features PayPo, a local BNPL provider which has become the larger BNPL provider within Poland, a market that has seen decent take up of BNPL solutions.

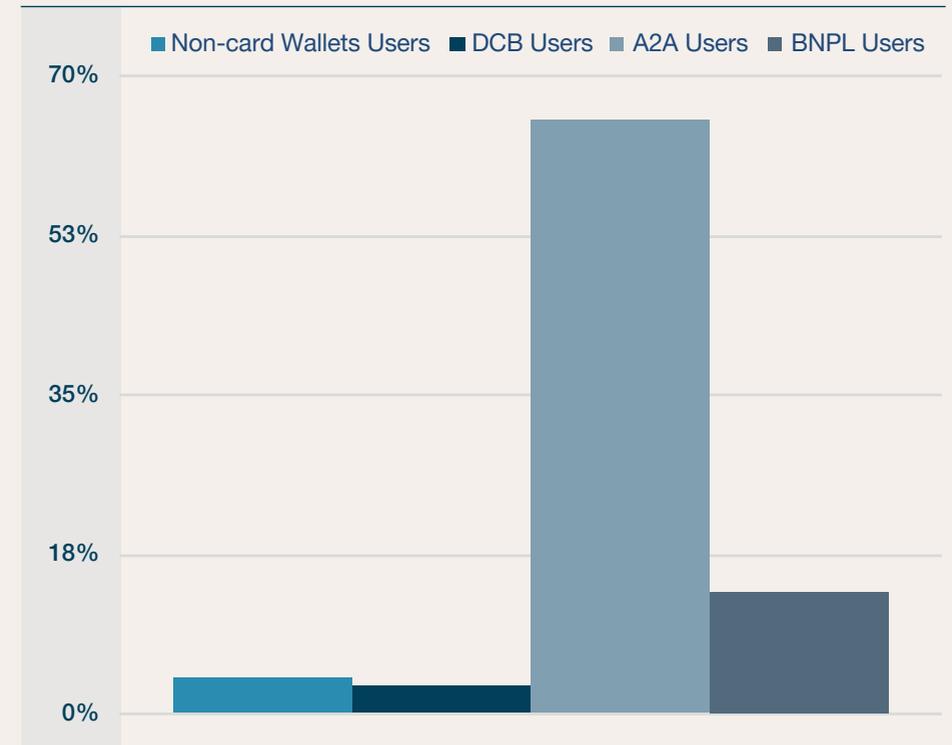
Selected Local Payment Methods - Poland

Payment Method	Launched	Type	Comments
	2015	A2A Payments	BLIK is well supported in Poland.
	2004	A2A Payments	Przelewy24 operates in partnership with all Polish banks
	2017	BNPL	PayPo is the largest BNPL provider in the country.

Key Payments Data

A2A is anticipated to have a large share of the ecommerce transaction volume, with A2A accounting for over 75% of the ecommerce volume and 63% of ecommerce transaction value in 2028.

Total commerce monthly active users – Poland



By 2028, 84% of Poland's population will use A2A payment methods, growing from 65% in 2023.

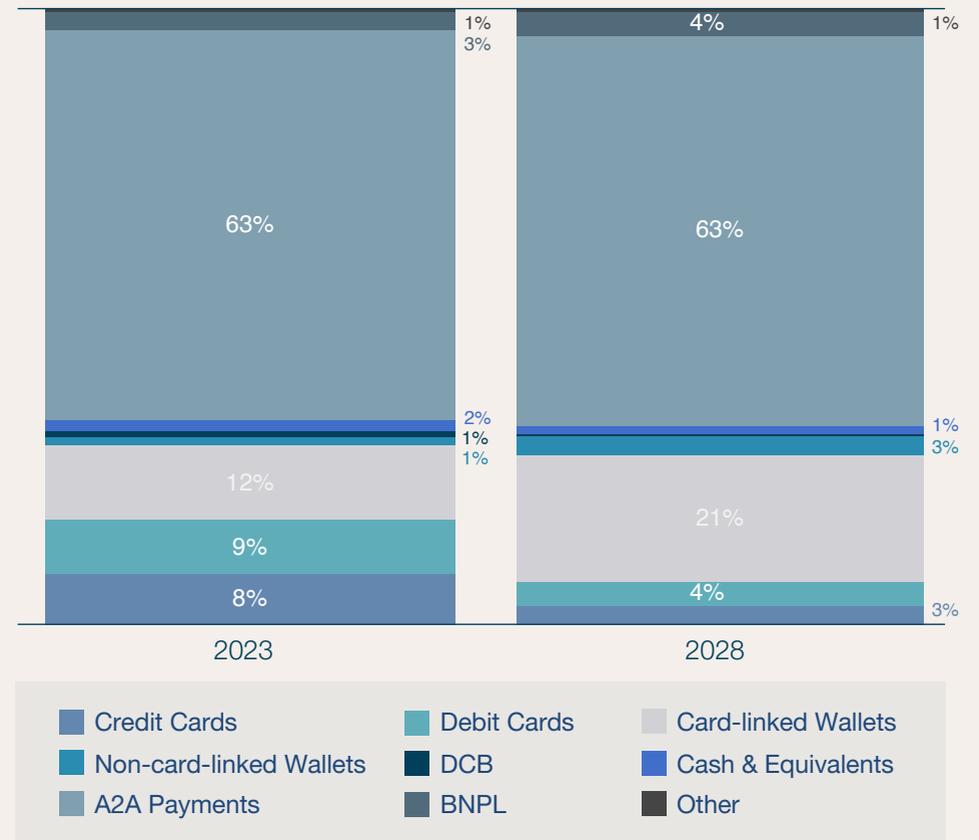
Card is anticipated to account for a falling number of ecommerce transactions through to 2028, and will also decrease when it comes to actual transaction value, with card-linked wallets and A2A payments increasing when it comes to ecommerce transaction value.



Its interesting to note how resistant Poland has been to international payment methods, and how BLIK now accounts for over 70% of ecommerce volume. Merchants can't afford to ignore this.

*– MICHAEL WALLA,
VP, BUSINESS INNOVATION*

Ecommerce checkout value % - Poland



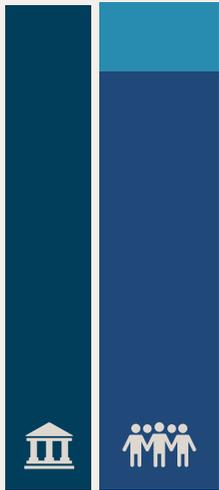
Spain

Key Market Statistics – 2023

Local Currency: € EUR - Euro



99%
BANKED

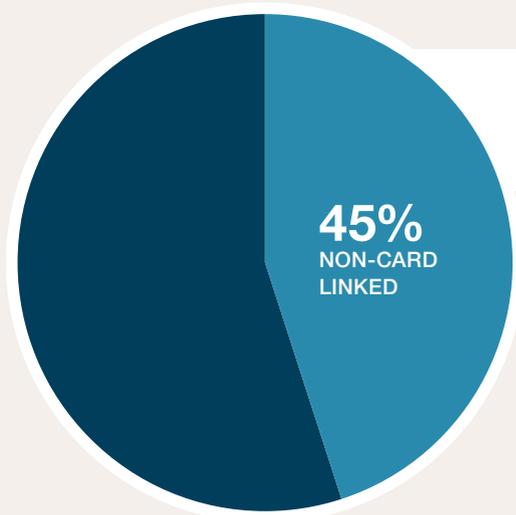


48M
TOTAL
POPULATION
41M
ADULTS



GDP/CAPITA
\$32,159

+7%
BY 2028



45%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$98B

CROSS-BORDER
ECOMMERCE
MARKET SIZE

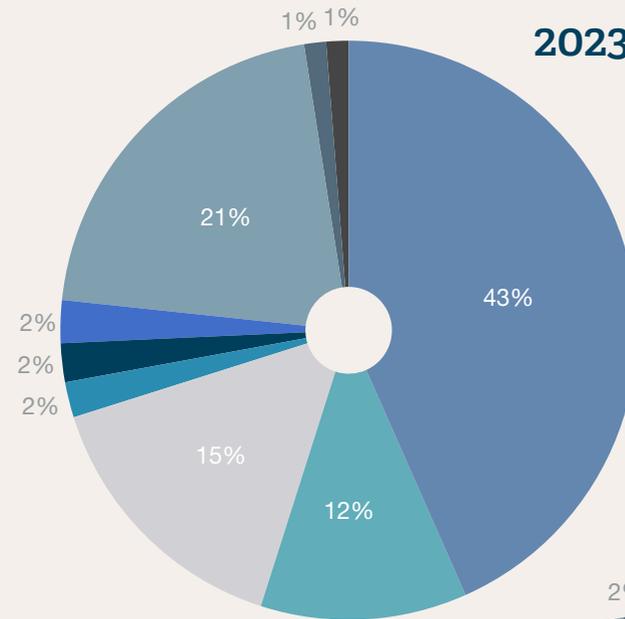
\$0B

MCOMMERCE
MARKET SIZE

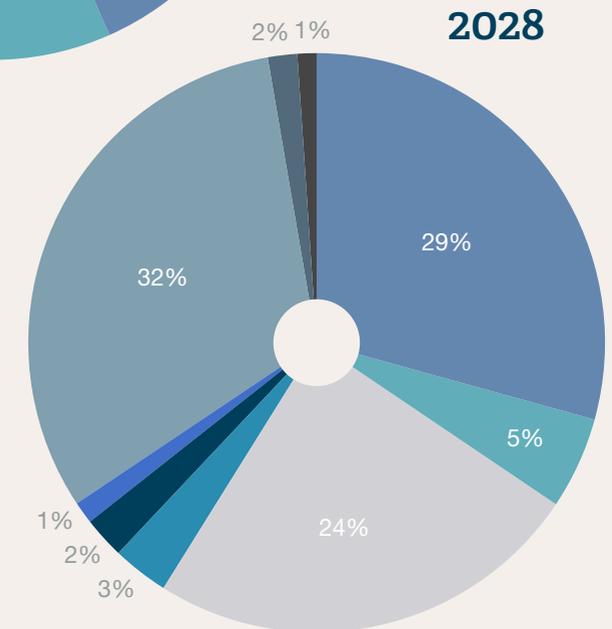
\$59B

+60%
BY 2028

Ecommerce checkout volume % - Spain



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other



Key Takeaways

Card Payments Strong in Spain, Supported by Card-linked Wallets

- Spain is seeing a strong reliance on cards, with card payments, in one form or another, seeing use in over 55% of ecommerce transactions by volume currently, however it is anticipated to fall to 34% in 2028.
- A2A payments currently have a 21% share of ecommerce transaction volume. This means that local payment methods are gaining a greater level of traction.
- However, the forecast of 25% of ecommerce transactions being via card-linked wallets in 2028 means that merchants still must look to integrate with these wallets via APIs, or they will fail to correctly serve their customers' preferences.

Bizum & Open Banking Bring Hope for Change

- While the scale of disruption in Spain from A2A payments has not yet matched other markets, there are disruptions to come, as Bizum and Open Banking scale up in the market.
- As such, we anticipate that A2A payments will reach 32% of ecommerce transaction volumes in Spain in 2028, from 21% in 2023, representing strong growth.
- We expect there to be further pilots, innovations and ultimately user adoption going forward, creating change in the Spanish payments market.

Selected Local Payment Methods - Spain

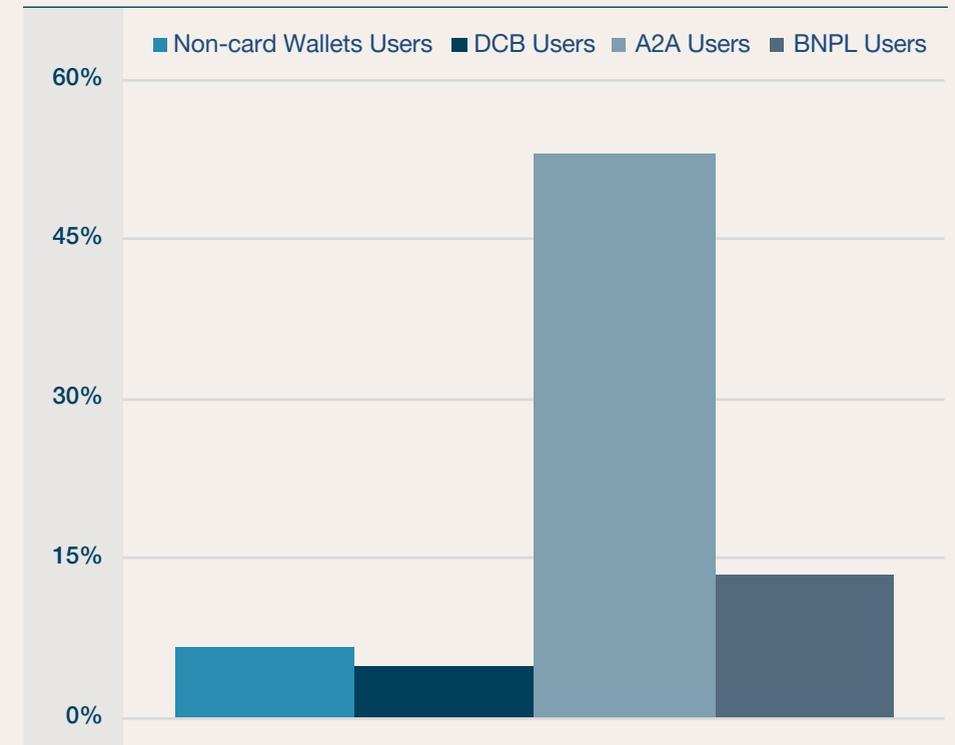
Payment Method	Launched	Type	Comments
 bizum	2016	A2A Payments	Bizum is a popular, bank-backed A2A payments service.
 aplazame	2014	BNPL	Aplazame is a popular local BNPL brand.
 Klarna.	2005	BNPL	Klarna is well supported within the Spanish market.

Key Payments Data

Cards will still play an important role within Spain, whether this is via a wallet, or directly via the cards themselves, but the extent to which this is true is reducing between now and 2028.

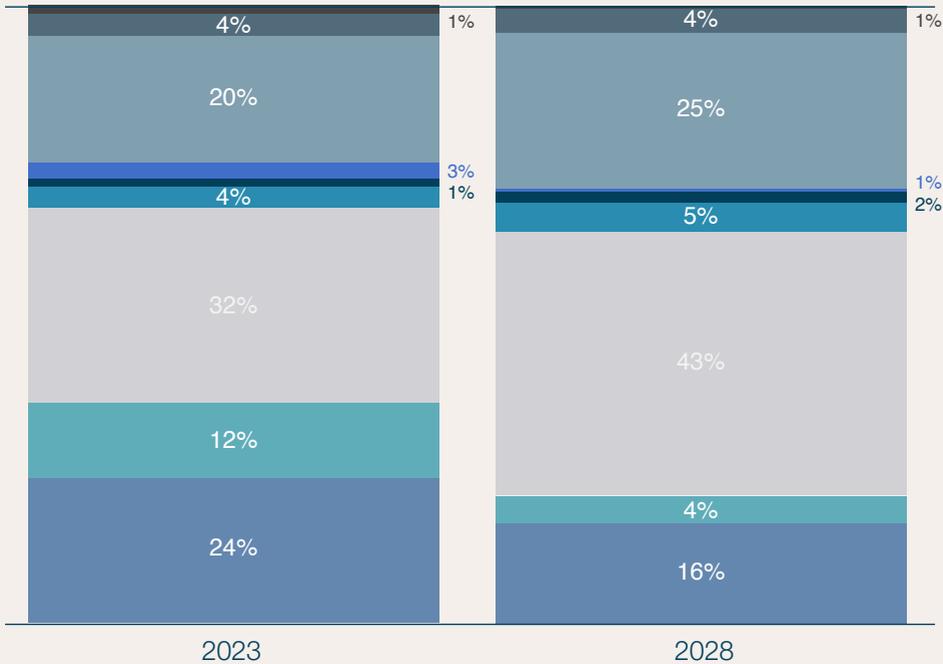
By 2028, 67% of Spain's population will have access to A2A payment methods, driven by the growth of Bizum.

Total commerce monthly active users – Spain



Local payment methods will account for 36% of ecommerce transactions by value in Spain in 2028, from 29% in 2023, demonstrating that local methods are becoming more popular, although at a slower rate than some European peers.

Ecommerce checkout value % - Spain



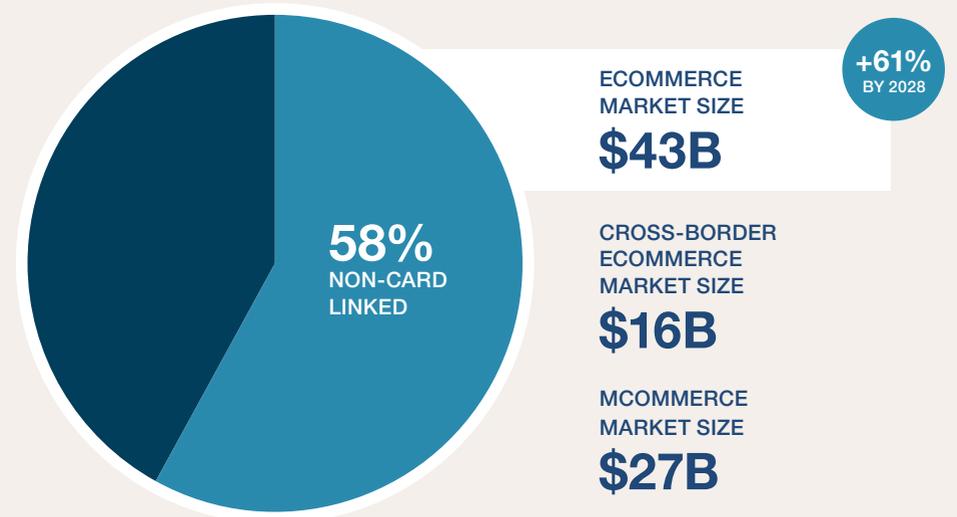
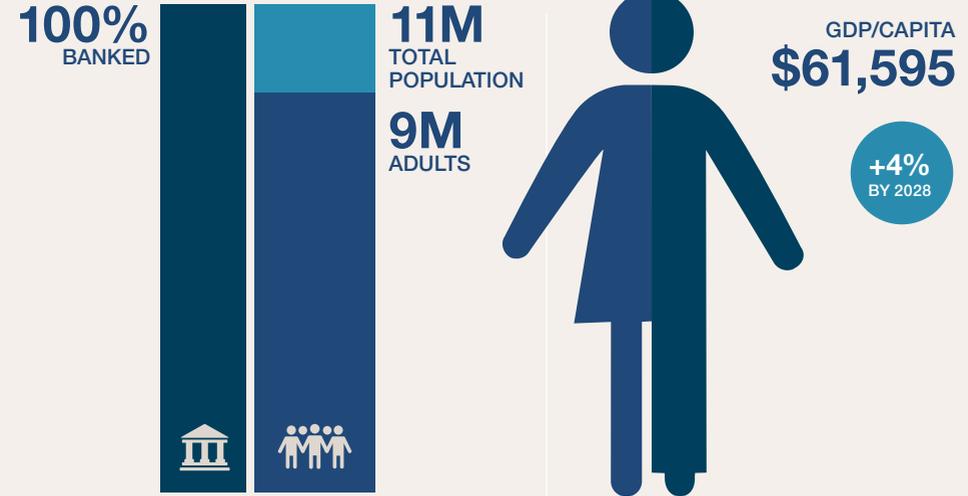
- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other

Open Banking and Bizum have the potential to uproot traditional payment methods within Spain, predominantly card, but it will take time for this transition to occur at scale.

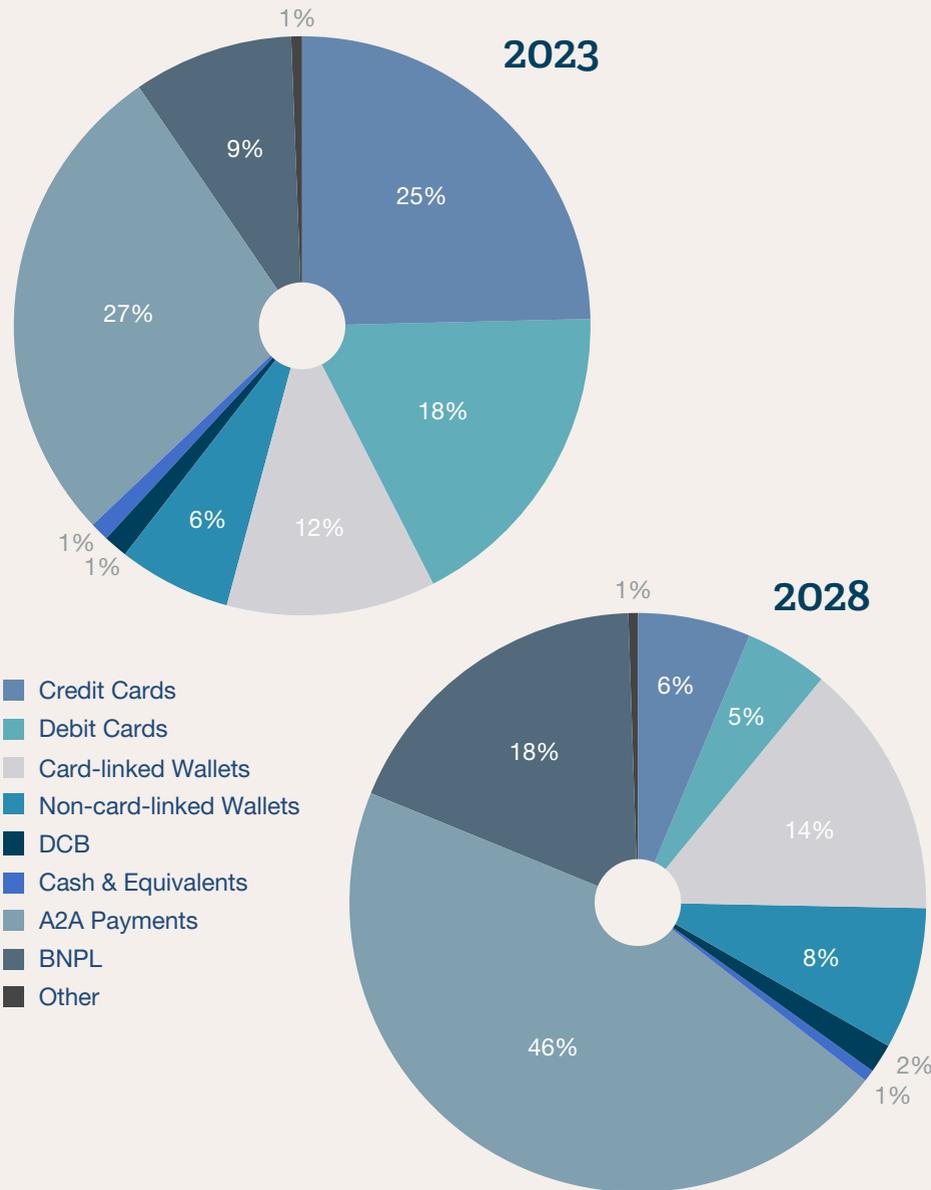
Sweden

Key Market Statistics – 2023

Local Currency: SEK - Swedish Krona



Ecommerce checkout volume % - Sweden



Key Takeaways

Swish is Driving Strong A2A Payments Growth

- Sweden is a very strong market for account to account payments, with the proportion of ecommerce transaction value via A2A expected to hit 46% in 2028, from only 28% in 2023.
- Swish is responsible for A2A payments growth within Sweden and has reached a level of penetration that is admired in many other markets, due to its ease of use.
- We expect Swish to continue to iterate and develop new features, in an effort to drive Sweden’s digital economy forwards.

Cards & Card-linked Wallets to Maintain Role

- Our payments data shows that cards are set to lose some of their importance within the Swedish market, they will account for just over 10% of ecommerce transactions by volume in 2028.

We expect that international websites selling into the Swedish market will continue to focus on cards as a well-supported part of the ecosystem, but they should also consider offering local payment methods to maximize their appeal.

Selected Local Payment Methods - Sweden

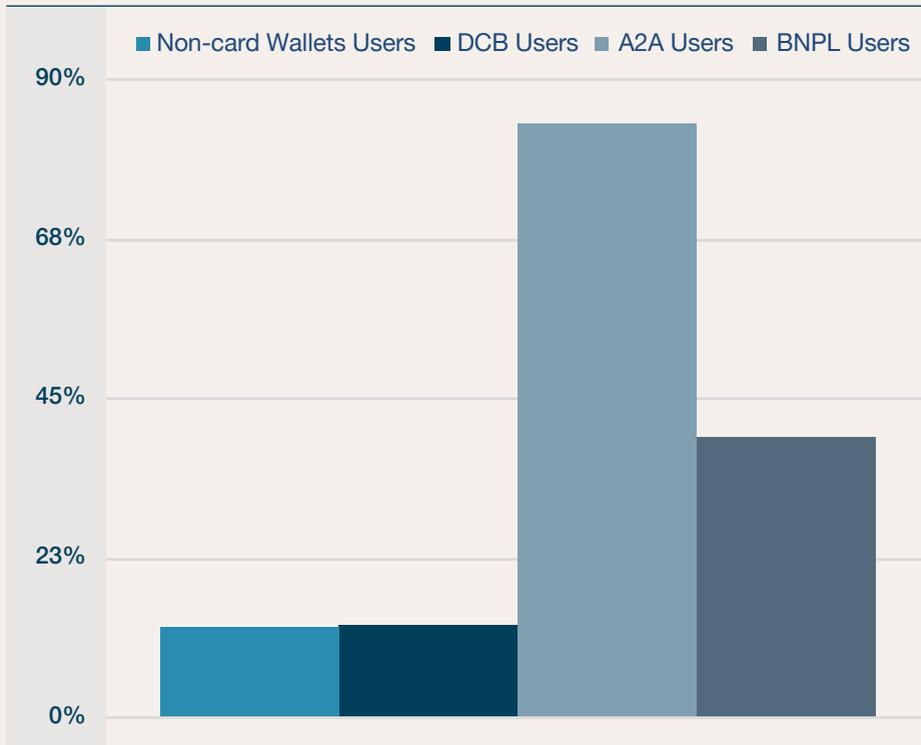
Payment Method	Launched	Type	Comments
swish®	2012	A2A Payments	Swish has 8.4 million users (2023)
PayPal	2000	Non-card-linked wallet	Largely accepted online within Sweden.
Klarna.	2005	BNPL	Klarna is well supported within the Swedish market.

Key Payments Data

Sweden will have one of the highest rates of A2A payments use within ecommerce in Europe, as Swish continues its success story in the market.

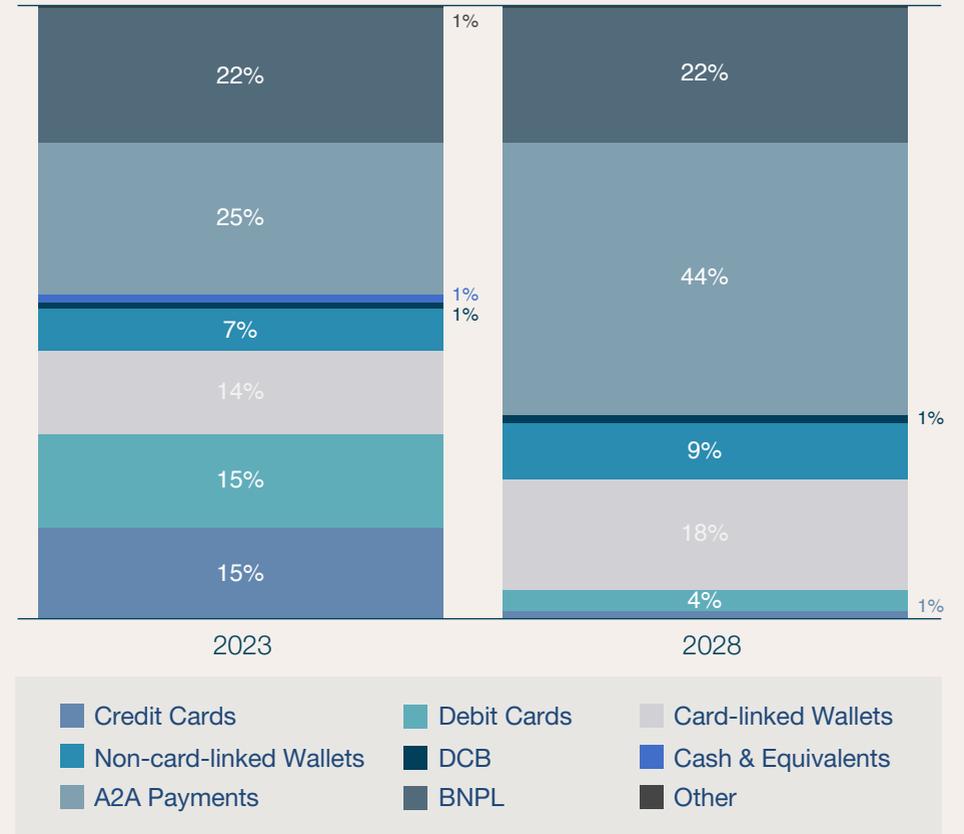
By 2028, A2A payments will reach saturation point within the population of Sweden, driven by the popularity of Swish.

Total commerce monthly active users – Sweden



Local payment methods will account for over 77% of ecommerce transactions in Sweden by value in 2028, from 55% in 2023, demonstrating a rapid transition to local payment methods for ecommerce usage.

Ecommerce checkout value % - Sweden

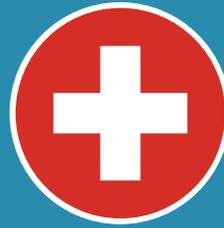


The continuing growth of Swish, alongside Open Banking and other local payment systems means that Sweden is a leader within Europe for the use of alternative payment solutions. As such, international merchants looking to enter the Swedish market must be aware that high banked penetration does not translate into a high propensity to prefer card payments in this market.

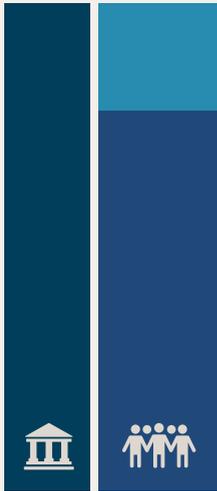
Switzerland

Key Market Statistics – 2023

Local Currency: CHF - Swiss Franc



100%
BANKED



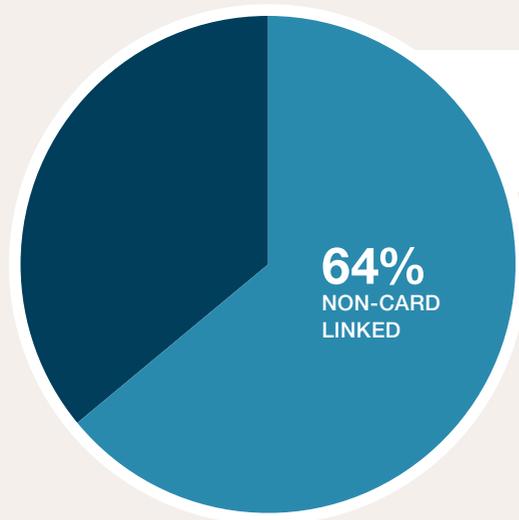
9M
TOTAL
POPULATION

7M
ADULTS



GDP/CAPITA
\$95,103

+3%
BY 2028



64%
NON-CARD
LINKED

ECOMMERCE
MARKET SIZE

\$17B

CROSS-BORDER
ECOMMERCE
MARKET SIZE

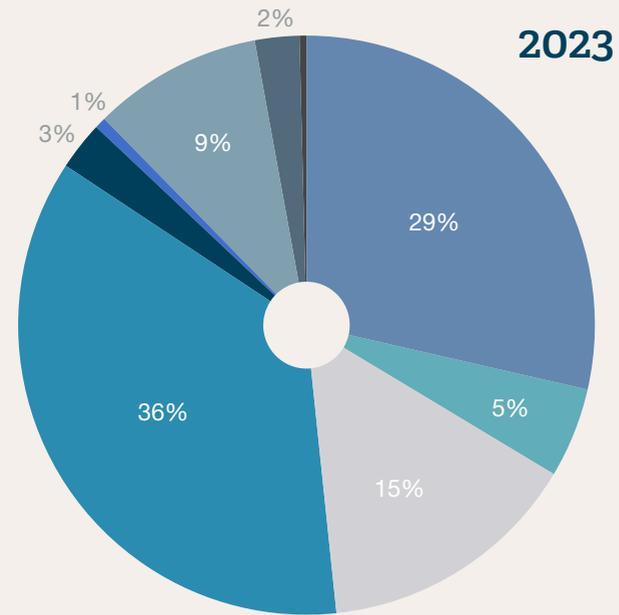
\$7B

MCOMMERCE
MARKET SIZE

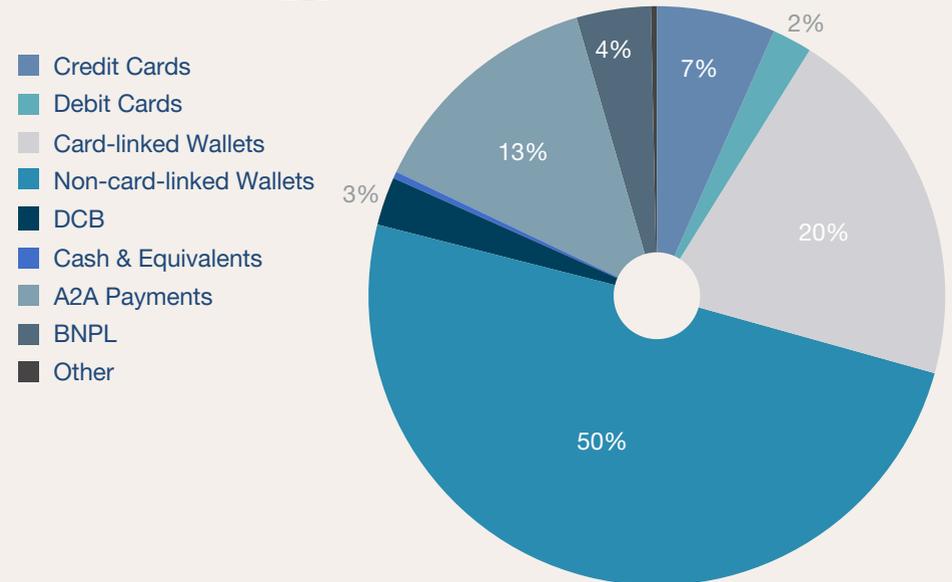
\$14B

+46%
BY 2028

Ecommerce checkout volume % - Switzerland



2028



- Credit Cards
- Debit Cards
- Card-linked Wallets
- Non-card-linked Wallets
- DCB
- Cash & Equivalents
- A2A Payments
- BNPL
- Other

Key Takeaways

Switzerland is Seeing Strong A2A Payments Growth, Driven by TWINT

- Switzerland is seeing strong A2A adoption, with A2A payments expected to make up 54% of ecommerce transactions by volume in 2028.
- TWINT is a positive example within this ecosystem, offering a QR code-based approach which has resonated with audiences in Switzerland.
- We expect A2A payments to be a key focus area going forward for merchants in Switzerland, as momentum builds. As such, building integrations will be important to achieving success.

Cards To Retain Important Role

- Our payments data shows that cards are set to fall in Switzerland's ecommerce payments landscape, accounting for over 11% of ecommerce payments by volume in 2028.
- Cards were successful in Switzerland due to the very high level of banking penetration, as well as due to the presence of high net worth individuals. However, we expect cards to fall with other local payment methods taking favor, as merchants seek to drive users towards lower cost options.

Selected Local Payment Methods - Switzerland

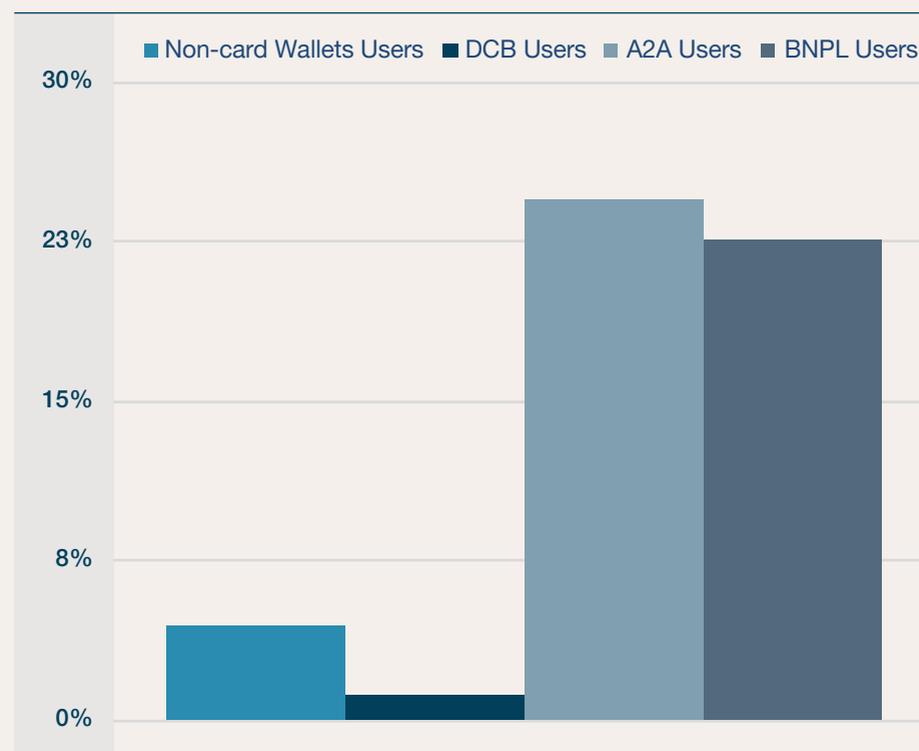
Payment Method	Launched	Type	Comments
 ratepay	2009	BNPL	Ratepay is available in Germany, Austria, Switzerland, and the Netherlands.
 TWINT	2015	Wallet	TWINT is a QR-based, bank-linked system.
 Klarna.	2005	BNPL	Klarna is well supported within the Swiss market.

Key Payments Data

Switzerland will witness a strong continuing importance of card-linked wallet payments within the next few years, but will also see increasing emergence of A2A payments.

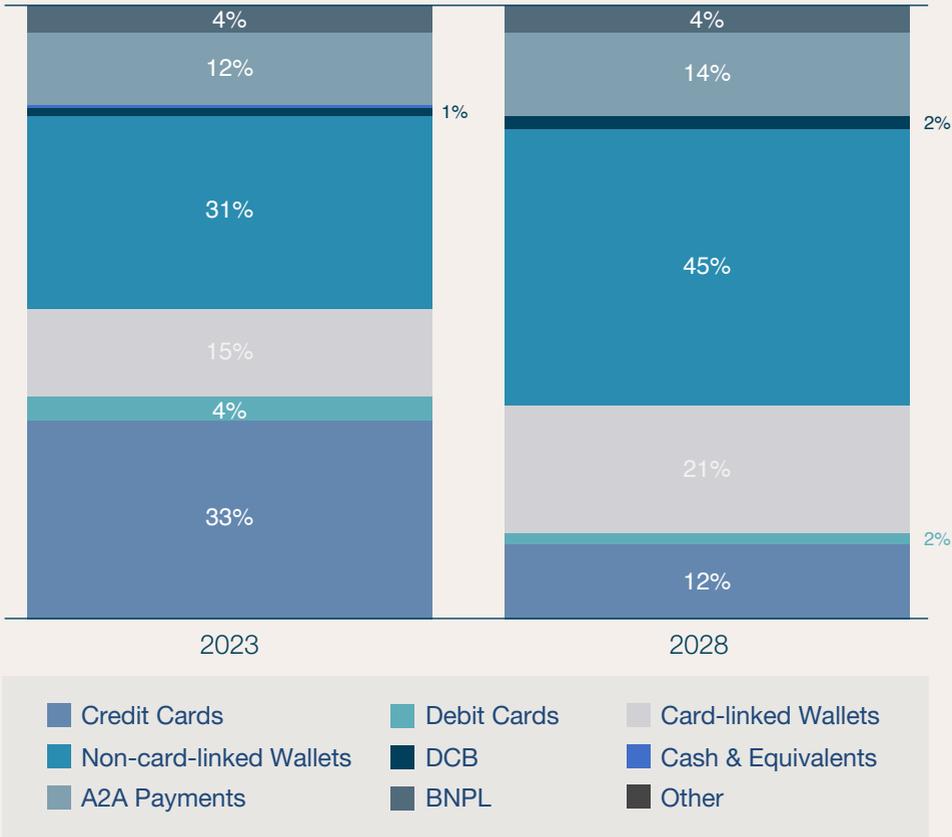
By 2028, 67% of Switzerland's ecommerce value will come from local payment methods, reflecting growth, but also a lagging behind other European payments markets.

Total commerce monthly active users – Switzerland



Local payment methods will account for over 67% of ecommerce transactions in Switzerland by value in 2028, from 56% in 2023, demonstrating strong growth.

Ecommerce checkout value % - Switzerland



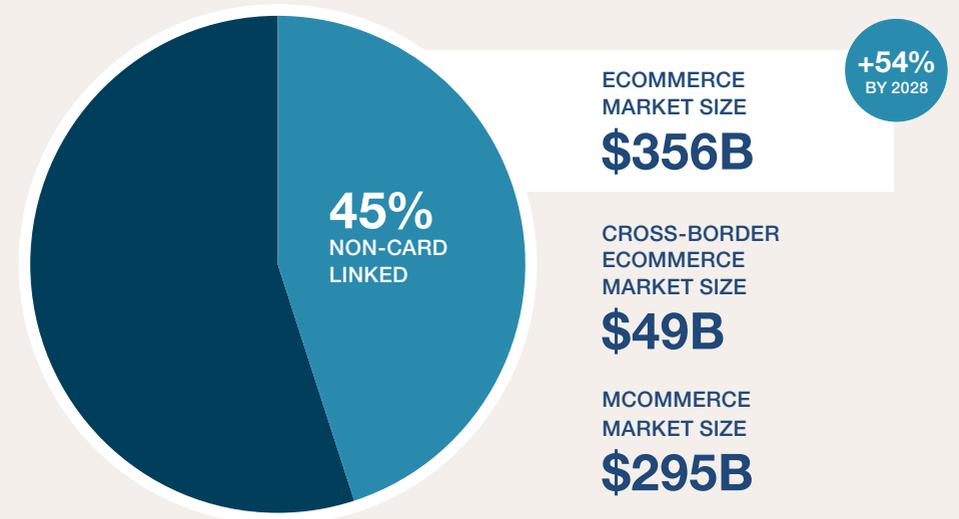
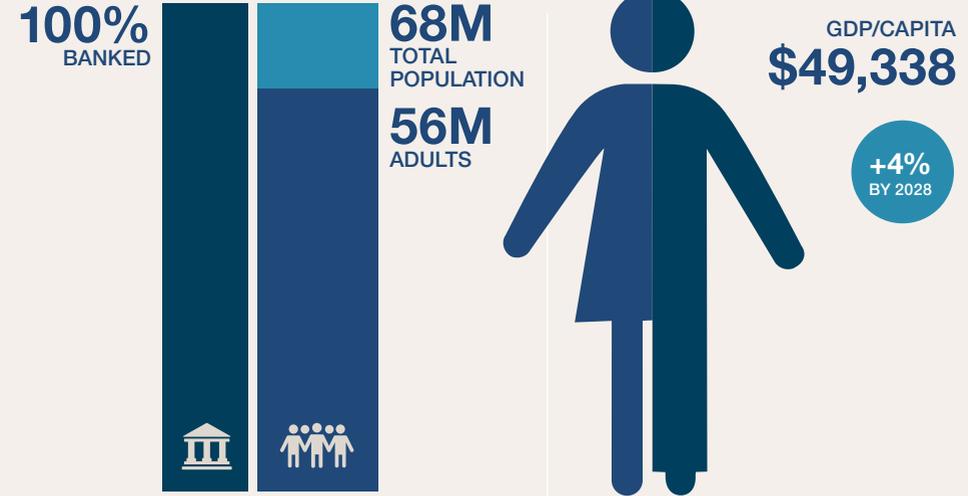
A2A payments will become a popular alternative to cards within Switzerland, but cards will have an important role to play going forward, mainly via card-linked wallet services, particularly as card schemes target high net worth individuals in this particular market.

United Kingdom

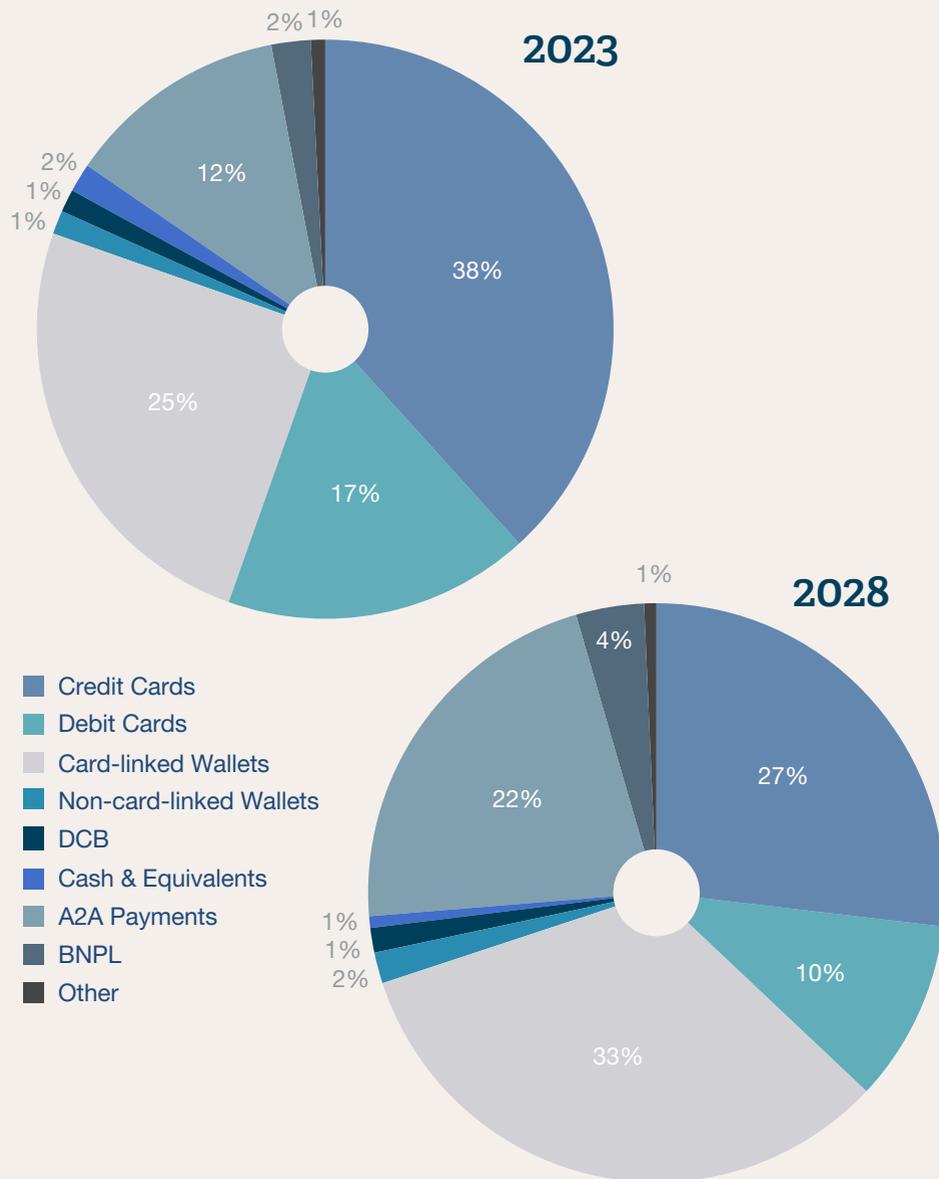
Key Market Statistics – 2023



Local Currency: £ GBP – Great British Pound



Ecommerce checkout volume % - UK



Key Takeaways

Open Banking Underpinning Local Payment Method Growth

- The UK has been seen as a leader within the Open Banking space, having seen early adoption compared to many other European markets.
- A major stumbling block to further Open Banking success is the lack of consumer awareness, which has restricted growth.
- We anticipate that Open Banking will drive A2A payments to account for 22% of ecommerce payment transactions by volume in 2028, representing a genuine challenge to cards in the longer term.

Cards & Local Payment Methods to Coexist in the UK

- Our payments data shows that cards are set to lose some of their importance within the UK market, with the proportion of ecommerce transaction volume that is via cards falling to 37% in 2028, from 55% in 2023.
- However, it is noteworthy that cards will still account for the majority of online payments in 2028, when including card-linked wallets. This is being driven by a long term reliance on cards within the UK payments market, longstanding user familiarity, and boosts in usage with the widespread popularity of contactless payments via digital wallets such as Apple Pay.

Selected Local Payment Methods - UK

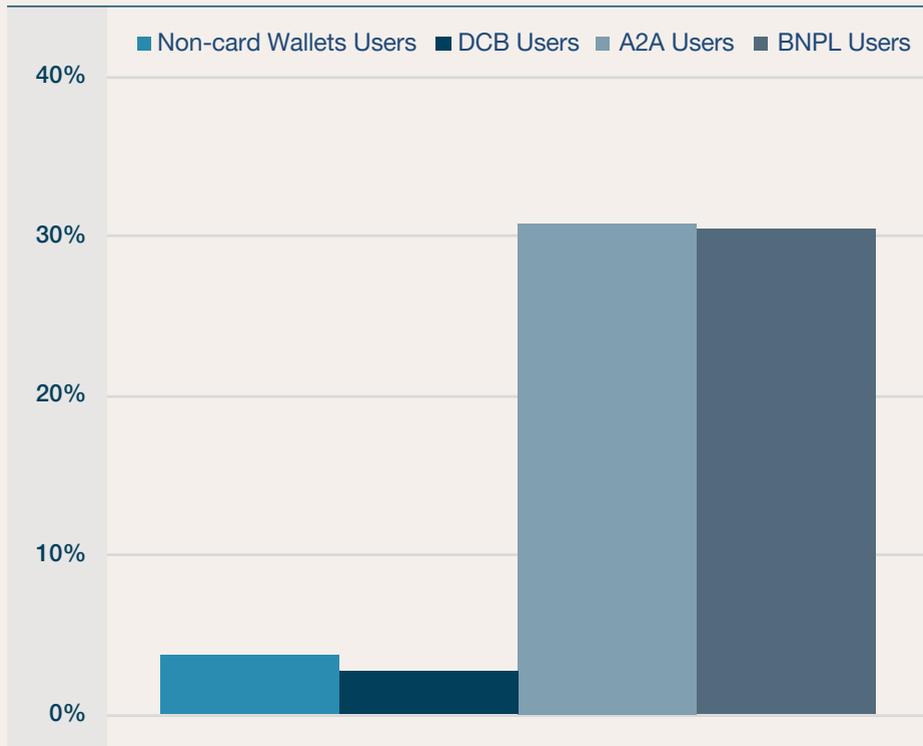
Payment Method	Launched	Type	Comments
Open Banking	2018	A2A Payments	Open Banking operates under many different brands at check-out and is underpinned by Faster Payments.
 clearpay	2015	BNPL	More than one million U.K. customers use Clearpay at more than 1,400 top retailers
 Klarna.	2005	BNPL	Klarna is well supported within the UK market.

- As such, cards will continue to play an importance role due to their near ubiquitous acceptance, but other methods will grow, as merchants and regulators look to reduce cost of acceptance for merchants.

Key Payments Data

The UK will still be card dominated in transaction terms, but local payments, most notably A2A payments, will lead to big changes within the UK ecommerce space.

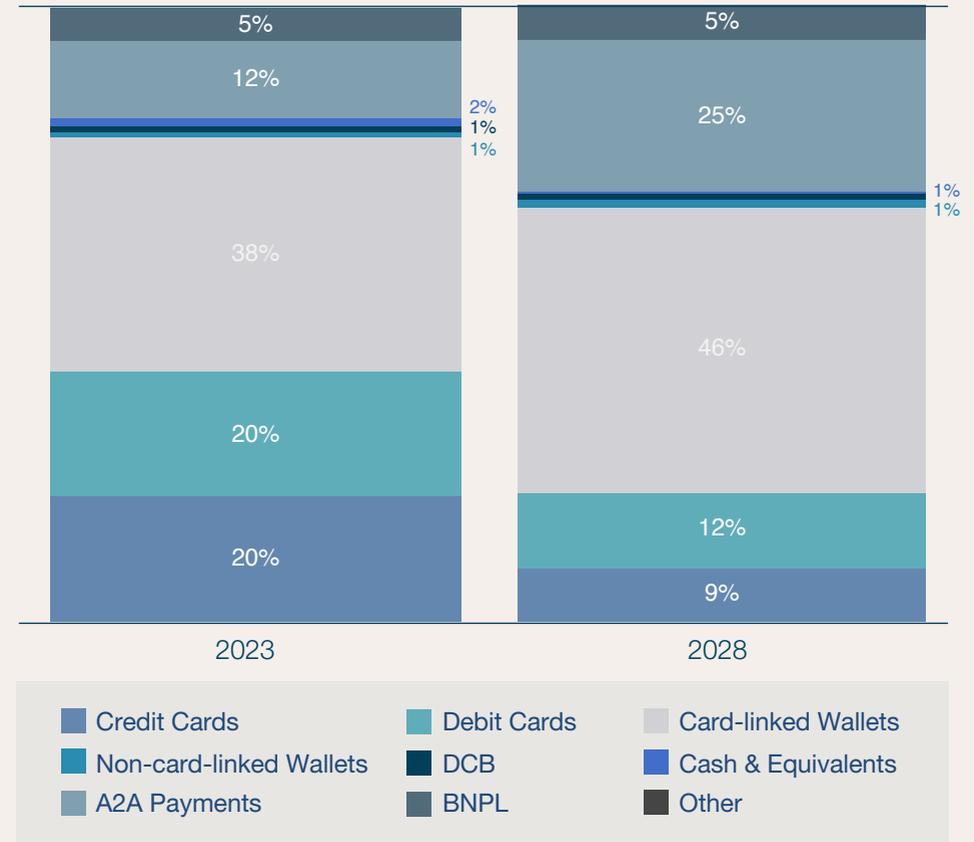
Total commerce monthly active users – UK



By 2028, around 79% of the UK's population will use local payment methods, reflecting strong success, driven by BNPL and A2A payments adoption.

Local payment methods will account for just over 30% of ecommerce transactions in the UK by value in 2028, from 19% in 2023, demonstrating that alternative payment types are growing quickly.

Ecommerce checkout value % - UK



The emergence of Open Banking is facilitating non-card payments within the UK market, and given the reduced cost to merchants from this approach, this is a move we believe will accelerate over the next few years. While cards are not disappearing, they will have genuine competition in the UK market going forward.

Ecommerce and GDP forecast, 2023-2028

	Total ecommerce (USD millions)			GDP per Capita (USD)		
	2023	2028	CAGR	2023	2028	CAGR
US & Canada	\$1,163,305.2	\$1,663,618.3	7.4%	\$69,344.0	\$73,475.7	1.2%
US	\$1,077,870.8	\$1,538,693.3	7.4%	\$71,178.3	\$75,651.5	1.2%
Canada	\$85,434.4	\$124,925.1	7.9%	\$53,578.4	\$55,285.1	0.6%
Latin America	\$267,419.8	\$714,912.4	21.7%	\$8,058.0	\$8,465.3	1.0%
Argentina	\$18,939.3	\$65,099.6	28.0%	\$11,182.7	\$11,571.7	0.7%
Brazil	\$128,092.9	\$341,012.3	21.6%	\$7,745.5	\$8,121.3	1.0%
Colombia	\$14,230.1	\$49,759.4	28.4%	\$6,599.3	\$7,065.0	1.4%
Mexico	\$60,775.0	\$154,425.9	20.5%	\$10,198.5	\$10,541.1	0.7%
Other LA Countries	\$45,382.5	\$104,615.2	18.2%	\$6,760.3	\$7,215.8	1.3%
West Europe	\$1,035,498.1	\$1,633,098.9	9.5%	\$48,085.5	\$50,810.5	1.1%
Denmark	\$33,297.2	\$48,994.4	8.0%	\$70,094.7	\$72,468.7	0.7%
Germany	\$158,994.6	\$241,402.5	8.7%	\$52,021.8	\$54,421.4	0.9%
Italy	\$55,213.7	\$125,518.2	17.9%	\$37,509.3	\$40,263.1	1.4%
Netherlands	\$42,384.5	\$95,615.3	17.7%	\$60,893.8	\$63,462.4	0.8%
Norway	\$24,888.1	\$41,112.6	10.6%	\$92,400.1	\$97,423.0	1.1%
Spain	\$97,650.0	\$156,329.0	9.9%	\$32,159.6	\$34,549.0	1.4%
Sweden	\$42,822.2	\$68,905.2	10.0%	\$61,595.8	\$63,724.9	0.7%
Switzerland	\$14,022.8	\$20,430.2	7.8%	\$95,103.9	\$98,065.5	0.6%
UK	\$365,009.9	\$562,997.1	9.1%	\$49,338.9	\$51,378.1	0.8%
Other WE Countries	\$201,215.0	\$271,794.3	6.2%	\$46,482.6	\$49,445.0	1.2%
Central & East Europe	\$216,267.9	\$489,396.3	17.7%	\$12,148.3	\$13,307.6	1.8%
Poland	\$38,537.5	\$96,047.1	20.0%	\$19,251.5	\$22,065.5	2.8%
Other Central & East Europe	\$177,730.3	\$393,349.2	17.2%	\$11,431.4	\$12,434.8	1.7%
Indian Subcontinent	\$140,503.1	\$363,806.8	21.0%	\$2,324.2	\$2,927.3	4.7%
India	\$111,849.8	\$289,879.1	21.0%	\$2,422.6	\$3,092.4	5.0%
Pakistan	\$7,392.5	\$20,666.8	22.8%	\$1,632.4	\$1,783.5	1.8%
Rest of Indian Subcontinent	\$21,260.8	\$53,260.9	20.2%	\$2,423.6	\$3,136.0	5.3%

Ecommerce and GDP forecast, 2023-2028, continued

	Total ecommerce (USD millions)			GDP per Capita (USD)		
	2023	2028	CAGR	2023	2028	CAGR
Far East & China	\$3,275,817.3	\$5,064,638.1	9.1%	\$16,163.0	\$18,739.4	3.0%
China	\$2,868,946.5	\$4,470,084.3	9.3%	\$13,150.6	\$15,806.7	3.7%
Japan	\$215,028.7	\$316,758.0	8.1%	\$40,148.7	\$42,009.8	0.9%
South Korea	\$127,674.3	\$185,444.9	7.8%	\$35,917.8	\$39,477.0	1.9%
Taiwan	\$22,020.4	\$32,733.7	8.3%	\$34,138.1	\$35,591.8	0.8%
Other FEC	\$42,147.4	\$59,617.1	7.2%	\$11,415.5	\$14,102.0	4.3%
Rest of Asia Pacific	\$202,418.8	\$455,398.5	17.6%	\$7,828.6	\$8,962.6	2.7%
Australia	\$51,116.4	\$105,881.5	15.7%	\$65,429.9	\$67,992.6	0.8%
Indonesia	\$44,097.6	\$108,811.4	19.8%	\$4,638.9	\$5,603.4	3.9%
Malaysia	\$10,913.6	\$26,071.9	19.0%	\$12,553.0	\$14,483.9	2.9%
Philippines	\$20,495.1	\$47,121.2	18.1%	\$3,934.2	\$4,941.1	4.7%
Singapore	\$8,434.5	\$32,181.3	30.7%	\$72,560.1	\$82,493.9	2.6%
Thailand	\$16,262.0	\$42,214.9	21.0%	\$7,723.2	\$8,929.9	2.9%
Vietnam	\$18,743.2	\$31,358.5	10.8%	\$4,212.4	\$5,528.8	5.6%
Other ROAP Countries	\$32,356.4	\$61,757.7	13.8%	\$4,433.9	\$4,822.0	1.7%
Africa & Middle East	\$106,056.2	\$199,774.4	13.5%	\$4,149.9	\$4,356.7	1.0%
Egypt	\$6,724.8	\$12,144.7	12.5%	\$4,165.4	\$4,884.5	3.2%
Ghana	\$1,658.3	\$2,930.7	12.1%	\$4,413.0	\$4,681.3	1.2%
Iraq	\$2,497.0	\$4,602.8	13.0%	\$4,358.1	\$4,639.1	1.3%
Kenya	\$2,192.7	\$6,798.4	25.4%	\$2,118.4	\$2,462.5	3.1%
Nigeria	\$10,722.1	\$22,375.5	15.9%	\$2,111.4	\$2,157.3	0.4%
Saudi Arabia	\$16,267.4	\$26,506.5	10.3%	\$25,423.3	\$26,976.2	1.2%
South Africa	\$7,960.8	\$22,507.8	23.1%	\$7,072.8	\$7,433.6	1.0%
United Arab Emirates	\$16,332.4	\$28,408.5	11.7%	\$44,834.1	\$51,452.0	2.8%
Other AME Countries	\$41,700.7	\$73,499.6	12.0%	\$3,497.5	\$3,632.5	0.8%
Global	\$6,407,286.3	\$10,584,643.8	10.6%	\$12,702.0	\$13,637.2	1.4%



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