



# Cross-Border Payments and Ecommerce Report 2020–2021

How to Sell Successfully Across Borders

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# Cross-Border Payments and Ecommerce Report 2020–2021

How to Sell Successfully Across Borders

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# Management Summary

Nowadays, people spend more time than before looking for products online – and by comparing different products or services, they observe that there may be other marketplaces or retailers abroad that sell an even nicer, better, or cheaper product than they could find in their home market.

At the same time, many merchants see a world of opportunity beyond borders, as the cross-border ecommerce market continues to grow at a fast pace and to gain in popularity. **Estimates** suggest that, by 2027, the global cross-border B2C ecommerce market will reach no less than EUR 3.9 trillion.

Considering the current context, the Cross-Border Payments and Ecommerce Report 2020–2021 is highly relevant for all the players that want to gain a comprehensive view of the global payments and ecommerce market. The articles, the interviews, and the research encompassed in our report supply a sharp overview of the main challenges and opportunities that might arise when selling across borders. Our key objective is to help merchants succeed in expanding globally and growing revenue, by providing information on what it takes to flourish. With that in mind, together with our contributors, we have decided to touch upon trends and topics that are closely related to this market.

## Intrinsic developments within the industry

In-store retail sales have continuously declined in the aftermath of the COVID-19 pandemic. This change of perspective allowed for an even steeper growth of the ecommerce industry, and the impact of the crisis upon consumer behaviour cannot be negated. Its effects, it seems, are here to stay, and in his contribution Jorij Ambraham of **Ecommerce Foundation** estimates that the industry will see a 40% growth in 2020, compared to 2019, registering one of the most impressive jumps in modern history.

## Raising the bar in digital shopping services to match consumers' demands

Worldwide, consumers across different generations changed their buying behaviour, as the lockdown that was in place in many countries forced them to reconsider their options and shop online. Therefore, the perfect time for expanding across borders is now! There are many factors that must be considered, especially since some of today's consumers are relatively new to online shopping; but regardless of that, everyone just wishes to have a streamlined shopping experience, an optimised checkout page, virtual consultations, and so on.

With retail websites reaching almost 22 billion visits in June 2020 (representing a huge 6 billion increase since January 2020), as the **Payvision** team states, it is vital to make the customer feel like home in the online space. This can be accomplished by personalising the online shopping experience as much as possible. Merchants need to localise their content, customise their offers, set up local customer support, or even tailor the checkout process to the customer's preferences because a positive user experience is vital – **90%** of marketers consider that personalisation is key when it comes to the future of online shopping, with **74%** of consumers disliking it when the content is not personalised and **48%** of consumers admitting that they spend more when their experience is tailored to their preferences.

Localising the payments process – by understanding the regional payment preferences of the customers and integrating local payment methods into their checkout experiences – is also vital, as Arik Shtilman of **Rapyd** stresses upon in his article. He also states that, on average, 78% of all online shoppers around the globe abandon their carts, and abandonment rates are higher for cross-border transactions. There are other elements that should not be treated lightly, such as language optimisation and currency conversion – and by accepting payments in local currencies, businesses can also mitigate the risk of chargebacks. These payment-related steps that need to be taken can be cumbersome for merchants, and that is why we expect to see even more alliances with modern fintech and ecommerce solution providers that can streamline the process. Another vital aspect is represented by logistics, as some of the main things online and multichannel retailers should consider when selling across borders are making sure that the products sold are well-stocked and being able to rely on a speedy delivery service. →

# Management Summary

## Marketplaces – still on the rise

Marketplaces are becoming more and more popular every year, mainly due to the level of trust they provide to the customer and their large number of products available at great prices. Accordingly, the technologies that have use cases in the ecommerce sector are continuously evolving; therefore, even though relevant developments in this space have been happening for years now, they continue to change in a split second. Most of the marketplaces categories already have established leaders in most regions – such as the US (e.g., Amazon, eBay), China (e.g., Alibaba, JD.com), Europe (e.g., Carrefour, Zalando, Otto), or Africa (e.g., Jumia).

Features like shopping assistance, augmented and virtual reality, or voice commerce have a lot of potential and enhance the experience by making it more appealing to consumers. Other factors that can make a difference are whether a marketplace is mobile-friendly (considering the millions of smartphone users), whether it offers numerous payment methods (to satisfy all the customers), and whether it has a reviews' section (which is relevant because customers usually want to check other people's opinions on certain products or services prior to buying them).

We estimate that most of these trends are here to stay, and we expect to see even more developments when it comes to online shopping platforms, in both horizontal and vertical markets.

## The report's structure

For this year's edition of the Cross-Border Payments and Ecommerce Report, we have decided to divide the contributions into five chapters, each representing a main frame of today's cross-border picture.

## COVID-19 impact on the global payments and ecommerce space

The COVID-19 crisis has a massive impact on all businesses, be it positive or negative. However, even though this situation is unprecedented in the history of globalised trade, **Limonetik** argues that the introduction of technological advances and new business models will help businesses recover and adapt to the new standard. The silver lining is that, as **PPRO** reinforces, throughout 2020, we have seen an acceleration toward ecommerce, and the volume of global cross-border ecommerce grew by 21% in the first six months of this year. **Banking Circle** talks about the post-pandemic global banking scene, touching upon the important role of financial infrastructure providers, who deliver new technological solutions that play an increasingly vital part in the financial ecosystem, helping banks and payment businesses improve cross-border payments for their clients.

Mark Beresford of **Edgar, Dunn & Company** suggests that cross-border payments are at a new crossroads following COVID-19, and from now on economies of scale, M&A, cost efficiencies, and new pricing strategies will be the new normal to secure new revenue sources. Joshua Chong from **Kapronasia** adds that when it comes to the actions taken by ecommerce platforms to streamline the process, the sales strategies designed to increase purchase amounts and basket sizes together with new features such as instant delivery (with the goal of improving the consumer's experience) are worth mentioning. Therefore, ecommerce posts the best prospects for growth over the next years, while cross-border sales are expected to continue to increase their share, **Euromonitor** concludes.

## Taking the pulse of the cross-border ecommerce market

The cross-border ecommerce space still shows an impressive growth potential, and some of the main aspects that merchants should consider are mobile enhancement, localising the payment and shopping experience, establishing trust, and making use of the latest technological tools. As **Lazada** displays in this chapter, livestreaming is one such example, representing a new frontier for online shopping, digitalising businesses, creating new jobs, and keeping brands and sellers connected to their consumers. What's more, according to **Euromonitor**, a greater focus on virtual brand engagement and the consolidation of the fintech space are also among some of the key developments that are expected to take place in the near future. →

# Management Summary

**IMRG** provides an insightful analysis based on a new index they launched in September 2020, with data from around 200 retailers on the **Global-e** platform – tracking online sales growth from UK retail sites to cross-border destinations. The regional perspective is taken even further by **Data Insight's** article, centred around facts and figures characterising the cross-border ecommerce market in Russia.

## How to succeed in selling across borders

There are many success stories revolving around selling across borders, and we have some tips and tricks to help merchants navigate these – perhaps – troubled waters. In this chapter, we feature valuable insights from companies such as **Cybersource**, explaining why some merchants found it easier than others to deliver the seamless digital experiences today's consumers demand. Furthermore, **Ixopay** elaborates on why it is relevant to optimise the existing payment strategy prior to expanding in new markets, while **Nexway** shares insights on how companies are managing the market disruption, while also remaining resilient during these uncertain times. **MRC** adds to this picture by discussing the intricacies of cross-border transactions and providing relevant advice regarding acceptance rates and their impact on revenue.

## Key considerations on cross-border payments

During the last decade, we have been witnessing continuous changes when it comes to the way in which people choose to pay. That is why, in this section of the report, we decided to take a closer look at the particularities of cross-border payments, emphasising the new developments that impact payment preferences across regions and elaborating on what it takes to optimise payments performance when working with multiple PSPs/acquirers.

The insights are offered by players such as **ACI Worldwide**, presenting the payments challenges and trends cross-border merchants need to be prepared for in 2021 and beyond, **Mastercard**, touching upon digital payments and the touch-free transaction landscape, and **Thunes**, revealing the most common payment challenges faced by businesses that start out in emerging markets. **Discover Global Network** shares the routes followed by RuPay, a card programme scheme in India, to build up the contactless payments mainstream in the country and ensure payment innovation and cross-border presence. **Trustly** completes the picture by elaborating on the rise of online banking e-payments across regions and the main benefits they present. Moreover, Sunil Jhamb of **WL Payments** explains why payment orchestration is so popular at the moment and shares tips for companies looking to replace their payment platform.

Liam Castagna, Head of Payment at **Insparx**, talks about the importance of having a multi-acquirer setup and shares useful pointers on the relevance of benchmarking different payment routes, while Dilip Asbe, MD and CEO of **NPCI**, elaborates on the key developments that can be observed in India's instant payments space and the urgency in driving financial inclusion and creating an evolved digital ecosystem to cater to the diverse requirements of the Indian population. Another hot topic featured in this chapter is represented by the implications of the European Commission Retail Payments Strategy on cross-border payments in Europe, a subject tackled by Robrecht Vandormael, Secretary General of **Payments Europe**. Peter Theunis of **Radar Payments** rounds off the chapter by elaborating on the way in which fintechs have changed the game of cross-border payments, with their unbeatable technology.

## Insights into the thriving marketplaces ecosystem

As online shopping platforms are constantly gaining ground, we found it imperative to take the pulse of the marketplaces sector, including in this section insights provided by prominent industry experts. Luiz Henrique Didier Jr. of **Bexs Bank** presents the key payment challenges for marketplaces in the Brazilian market and touches upon the most relevant emerging trends impacting cross-border marketplaces in the region, while Sami Louali of **Jumia** talks about the main challenges encountered by African marketplaces when it comes to payments and financial services. The global perspective is enriched by Floriane Gramlich, Director of Product at **Zalando Payments**, who shares insights on how to handle friction while providing unrivalled user experience in the PSD2 (European) context. →

# Management Summary

Other specialists sharing their expert knowledge in this chapter are John Caplan of **Alibaba**, who explains why it is extremely important to seize the marketplace opportunity in the B2B segment, Masha Cilliers on behalf of **Be | Shaping the Future**, pointing out why the risk and fraud management tasks for marketplaces should not be taken lightly, and Vanessa Culver, Senior Manager of Payments at **Zillow**, who sheds light into how to build a strategy around key payment challenges when it comes to transnational marketplaces.

## **Marketplaces – overview per target audiences and regions**

Subsequently, the spotlight is on online shopping platforms. Being driven by the industry's need for a comprehensive overview focused on marketplaces, we conclude the report with an in-house research, a one-of-a-kind analysis of the players in this space. Considering the diversity of this ecosystem, it was of the utmost importance to classify them by taking into account three pertinent variables: target audience, vertical, and region. The target audiences considered are B2C, B2B, and C2C, and the verticals covered are consumer goods and services, food and consumer goods delivery, mobility, hospitality and travel, finance, gig market and recruiting, and education. The infographic features players across all regions (Asia-Pacific, Europe, Latin America, Middle East & Africa, North America), while also including the global ones (those who are present in three or more of these regions). With this endeavour, we aim to provide a complete overview of the cross-border ecommerce market, so that our readers gain a better understanding of the diverse players from all over the globe.

## **Our commitment**

To help the players in the cross-border payments and ecommerce industry understand the opportunities that arise, throughout the report we provide up-to-date perspectives on this environment. The main subjects tackled here are relevant in depicting today's cross-border ecosystem and in determining the most successful path toward growing an ecommerce business globally.

We invite you to explore the Cross-Border Payments and Ecommerce Report 2020–2021 to stay one step ahead in these peculiar times.

Enjoy your reading!

**Raluca Constantinescu | Content Editor | The Paypers**

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## COVID-19 Impact on the Global Payments and Ecommerce Space

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As the COVID-19 pandemic brought such a visible briskness in the pace at which technology evolved and consumers shifted to digital, we felt it is paramount to take a closer look at all the ways in which the pandemic impacted the cross-border payments and ecommerce space. Top experts in the field focus on specific contexts such as cross-border banking, global trade, cross-border ecommerce, or put a close lens on regions that showed a particular penchant for digitalisation, such as Asia.

# Banking Circle

## Future-Proof Cross-Border Banking



**About Anders la Cour:** Anders la Cour used his experience in legal M&A venture capital and strong commercial acumen to co-found Banking Circle in 2013. In 2018 he orchestrated a USD 300 million management buy-out with EQT and secured a banking licence in 2020. Anders is the inaugural Chair of the Emerging Payments Association EU, having been on the EPA Advisory board since 2016. He is regularly invited to speak and present at industry events around the world, has won multiple awards, and had thought leadership articles published in a range of industry publications.

Anders la Cour ■ *Co-founder and Chief Executive Officer* ■ Banking Circle

COVID-19 has caused financial institutions to rapidly accelerate their digitalisation strategies. This article touches upon the vital role of digital financial infrastructure in rebuilding international banking to stand firm in an uncertain and unpredictable future.

Even before the pandemic plunged businesses of all types into unprecedented crisis-mode, banks had been changing. In order to create more responsive and flexible businesses that centre around customers' requirements and experience, banks have been working to change their business practices, their culture, and – most of all – their technology.

The banking industry has been tech-heavy for generations, but its technology has not always served it well. The monolithic systems and in-house servers on which banks are built have held them back from competing with the agility of new entrants, so they have not kept up with the pace of change in other industries. The once-pioneering systems pose a significant challenge for banks deploying new software and applying best practices, especially when it comes to cross-border transactions. And that's before you factor in a global pandemic.

In March 2020, Banking Circle **carried out a study** into how financial institutions in Europe were developing digital strategies. When this study was initially planned, the term 'COVID-19' didn't yet exist, so no one could have predicted that the timing would allow us to gain such a unique and valuable snapshot into business confidence.

Of course, by the time the study commenced, our respondents and interviewees were staring into a pandemic that was gradually shutting down nations and industries.

Our survey and interviews involved senior executives from a range of financial institutions across Europe. Encouragingly, and rather surprising in the circumstances, feedback showed industry-wide optimism for the future – a substantially different picture from a decade ago when the world was in the midst of a very different global financial crisis.

The most confident banks we spoke to were those that have already made heavy investments in their tech stack or re-aligned their financial infrastructure to use third-party services in response to changing demand. Less than a third of financial institutions are now concerned about the pace of technological change in banking – dropping to one in six among commercial banks.

90% of institutions reported that they are building technology design and architecture into their business planning. 80% of retail banks and 74% of commercial banks have already worked with infrastructure providers.

### The cross-border conundrum

One area in which incumbent banks struggle to compete with fin-techs is international transactions. Using the correspondent banking network, cross-border payments are slow and expensive. →

In a competitive, fast-paced, digital, and international market, the delays in cash flow and the high cost of cross-border transfers waste resources and limit growth. With businesses around the world currently operating on tighter margins and often with a smaller workforce, they cannot afford to waste that time or money.

Resolving these challenges has been on banks' agendas for some time, but COVID-19-induced pressure has quickly pushed the issue higher up the list. Financial infrastructure providers are delivering new technological solutions that play an increasingly vital part in the financial ecosystem, assisting banks and payment businesses in improving cross-border payments for their clients, helping them to access new opportunities and get back to profitable growth.

Financial infrastructure providers like Banking Circle are focused on developing the technology to process payments directly and to integrate with a vast network of local clearing and payments schemes. Using decoupled architecture, infrastructure providers can easily update or replace individual pieces of architecture with limited impact on the rest – meaning they can quickly add more functionality and work within new geographies without delays caused by setting up new banking relationships in each new region.

This means they are uniquely placed to give banks and payment businesses the ability to provide their customers with faster and cheaper cross-border banking solutions – all without the need for them to build their own infrastructure or correspondent banking partner network or to wait for different national payment systems to be joined up.

## Post-pandemic global banking

2020 has not provided the clarity it seemed to promise, with its connotations of clear vision and perfect eyesight. The rapidly changing landscape and the widespread uncertainty have clouded our view of the future. However, it is exciting and encouraging to see the increasing recognition of the value and potential of digital. Survey respondents and interviewees confirmed that the businesses they represented did already have in place plans to digitise more processes. However, many shared that these plans had to be fast-tracked due to the crisis, demonstrating the need for organisations to be adaptable, agile, and prepared. COVID-19 has certainly proved to be an accelerator for change.

As the world makes its way out of the pandemic and crisis mode, banks must take time to understand the future, using the lessons of the past – including those learned during this pandemic – to determine longer-term thinking around the collaboration and the infrastructure that enable success. In the process, everyone can regain the clarity and confidence that 2020 originally offered and see it as a time that lays the foundations for a bold, new, collaborative, accessible, and future-proofed financial ecosystem.

Banking Circle has published the results of its study in a series of three white papers, which are available to [download here](#).

**About Banking Circle:** Next-generation provider of mission-critical banking infrastructure, Banking Circle is leading the rise of a super-correspondent banking network. Banking Circle is a fully licenced bank able to deliver compliant and secure financial infrastructure at a low cost. Clients, including banks and payments businesses, can now access real-time payments regardless of borders and regardless of size, allowing them to seize market opportunities without having to commit to significant investment in their own internal infrastructure.

[www.bankingcircle.com](http://www.bankingcircle.com)

[Click here for the company profile](#)

<b>Company name</b>	Banking Circle
<b>Company description</b>	<p>A fully licenced bank, Banking Circle provides a mission-critical financial services infrastructure.</p> <p>Banks and payments businesses can access banking services – multi-currency banking accounts, local clearing, cross-border payments, and foreign exchange – all underpinned by market leading compliance and security.</p>
<b>Active since</b>	2013
<b>Head office</b>	Luxembourg
<b>Type of service provider</b>	Financial infrastructure provider
<b>Operational area</b>	Global
<b>Industries</b>	Targeting: PSPs, payment gateways, e-wallets, alternative payment methods, payment processors, banks
<b>Sales channels</b>	Direct sales team
<b>Core services</b>	Banking Circle provides global banking services for payments businesses and banks, allowing them to offer their customers access to fast, low-cost banking services, including local and cross-border payments, IBAN accounts, and foreign exchange.
<b>What problem does your company solve?</b>	Financial exclusion caused by inaccessible, high cost, slow banking, and payments for businesses around the world
<b>What is unique about your company?</b>	<p>Banking Circle enables cross-border transfers to happen in seconds, at a very low cost, in multiple currencies, and in a secure cloud-based environment.</p> <p>With Banking Circle, PSPs can add value to their proposition and offer their merchants own-branded global banking services, including payments, POBO and COBO, IBAN accounts, and foreign exchange.</p>
<b>Payment methods supported</b>	SWIFT, BACS, Faster Payments, Chaps, SEPA
<b>Potential reach (growth plans)</b>	Businesses in all regions, via their bank or payment provider
<b>Reference customers</b>	Shopify, Novalnet, Nuvei, Airwallex, Alibaba, PPRO, Paysafe, Stripe

# Limonetik

## Key Considerations on Global Trade During the Pandemic



**About Corinne Estève Diemunsch:** Corinne is CMO at Limonetik where she works closely with customers, partners, experts, and analysts. For more than 25 years in the fields of communications and marketing, Corinne has developed a strong leadership in innovative industries, technologies trends and new customer experience needs; she also holds a degree in Quality Management System, Environment and CSR. Before joining Limonetik, she has held various leadership positions in the ICT industry in consultancy structures, but also in OEMs company or software editor such as SEFAS - DOCAPOST, groupe La Poste, as Communications Director.

Corinne Estève Diemunsch ▪ CMO ▪ Limonetik

The coronavirus pandemic has undeniably had a profound, long-term, transformational effect on all businesses. To control the damage, many countries are imposing drastic measures to limit human interaction and contact. The situation is unprecedented in the history of globalised trade and economy.

The ecommerce sector, driven by the extraordinary acceleration of an inevitable digital transformation, has so far remained unfazed by the series of disasters (business and trade closures, job losses, layoffs etc.). As a matter of survival, brands have had no choice but to commit to digital technology in a quest for greater exposure and new business models.

### The rebound of ecommerce

A veritable canoe shooting the rapids, the digital transformation, constantly fuelled by technology and considered by some as mandatory, has cascaded down Niagara Falls over a few weeks' time. No one can deny that digital technology has become today's major challenge for all industries, whether private, public, educational, healthcare, B2C, or B2B. Only those organisations that can adapt and react quickly will survive and be able to prepare themselves for the future.

### A challenge to cross-border trade

The number of online sales worldwide has skyrocketed largely due to changes in consumer purchasing behaviour, whether by necessity or choice. In the Netherlands, for instance, non-food expenses have reportedly risen by 56%. In France, pleasure buying has also increased dramatically in recent months.

According to a [study](#) by Integral Ad Science (IAS), three quarters of European consumers claim they will do their Christmas shopping online. This study conducted in the UK, France, and Germany has also revealed a new battleground – advertising.

As ecommerce has developed, borders have fallen, leading to the massive use of online comparison tools, thereby resulting in greater competitiveness and differentiation. Two-thirds of consumers (67%) consider online ads useful for locating products and promotional offers. Ads have become a key factor for success. This also means that customers, in the cosy comfort of their homes, will be looking for better deals and customer relations as they make their personal or professional purchases.

### The platform strategy

Conforming to a new business model, marketplaces have recently carved out their territory and are taking the lead. In a study released in September 2020, [Cross-Border Commerce Europe](#) reported on the wave of marketplaces, and the giants – Amazon, eBay, AliExpress – are dominating the European market. This European market focus reveals that cross-border ecommerce represented a turnover of EUR 143 billion in 2019 (online), of which EUR 84 billion (59%) was generated by marketplaces. In the top 100 marketplaces, ecommerce platforms represent 36% of sales and whilst auction sites make up 10%. The study predicts that marketplace share will reach 65% by 2025. As Cross-Border Commerce Europe points out, it is obvious that 'the coronavirus pandemic is boosting cross-border online shopping on marketplaces'. →

According to a Gartner report, investments in digital channels and technologies will help mitigate revenue impacts, improve customer loyalty, and tailor product offerings to the post-pandemic world. In the same way, the introduction of new business models and technological advances will help organisations to recover and adapt to the new standard. Gartner predicts that by 2022 50% of large organisations that have failed to unify their engagement channels will have to deal with uneven and unsatisfactory customer experiences, whilst businesses that have spent over a year developing their marketplaces will see at least 10% increase in their revenues thanks to digital technology.

### Not all are equal when it comes to online sales

The impact of COVID-19 on ecommerce has not been the same for industries in different countries. **An analysis by Good Data and Emarsys** reveals stark differences by country in the evolution of online transactions over a year. While Brazil and Russia showed an unprecedented drop in online purchases, including -49% for Chinese retailers in April 2020, Western countries benefited significantly from ecommerce, with France and Germany marking an increase of over 96%, and the US, 105%. This difference is apparently influenced by the maturity of the markets.

There has also been a rift recently between so-called essential and non-essential goods. Mass-market retail, the main supplier of essential goods, has been the big winner in sales during the COVID-19 pandemic, with a 34.2% increase in online traffic. **ContentSquare**, an analytics platform, has recorded an unsurprising 17% rise for the parapharmaceutical industry. Whilst these trends vary significantly from country to country, some non-essential industries have also seen a significant increase due to new consumer lifestyles. For instance, keeping up physical activity during lockdown and practicing more widespread telework have given a fillip to the online sales of sports and technology equipment.

Despite the ecommerce craze, a significant proportion of online sellers are not exactly overjoyed, as they are confronted with the problem of consumers spending less on so-called non-essential items. In April 2020, from a sampling of 200,000 Amazon third-party vendors in the US, 36% experienced no sales activity during that month, as opposed to 28% in February. It seems that sellers offering fewer than 1,500 products with an Amazon Standard Identification Number (ASIN) were particularly affected, unlike those carrying over 3,000 such items.

### The payment experience – more critical than ever

Aware of the increased risk of fraud, yet careful to ensure a fluid customer experience, merchants must learn to control the dangers in a virtual world that has invaded the day-to-day real world. Key measures and performance indicators (KPIs) connected to payments, related costs, and litigation must be implemented and monitored. It is essential to sustain the continuity of operations in lockstep with changing customer expectations when it comes to payments. Businesses must continue to adapt payment systems in order to make transactions faster and more secure – and switch to contactless, mobile payments and QR code payments. Gartner claims that by 2024 the number of global mobile payment users will double to nearly USD 2 billion, from under USD 1 billion in 2019.

In today's highly complex, rapidly-changing market, the number of suppliers has grown exponentially; the value chain spans an ever wider geographic area and supports more alternative payment methods. Payment service providers must adapt their offerings to help merchants overcome the consequences of COVID-19, as no stakeholder is spared from the health crisis. Consumers, merchants, suppliers, and governments alike will have to work together in these turbulent times and maintain the most favourable and beneficial perspectives for everyone.

**About Limonetik:** Limonetik is a full-service payment aggregator that offers, via a unique API connection, acceptance of more than 285 international payment methods and advanced services – from collection and settlement management to reconciliation and account management – to enable new payment experiences (marketplaces, omnichannel model).

[www.limonetik.com](http://www.limonetik.com)

[Click here for the company profile](#)

<b>Company name</b>	Limonetik
<b>Company description</b>	Limonetik is a full service payment aggregator that offers, via a unique API connection, access to more than 285 international payment methods and advanced services, from collection and settlement management to reconciliation and account management, to enable new payment experiences (marketplaces, omnichannel model).
<b>Active since</b>	2008
<b>Head office</b>	5 rue Bouchardon 75010 Paris (France)
<b>Type of service provider</b>	Payment service aggregator, alternative payment methods creator, full service payment provider, B2B payment service provider
<b>Operational area</b>	Europe, MENA, North America, LATAM, China, India, Asia-Pacific/Australia
<b>Industries</b>	B2B and B2C: travel, marketplaces, payment methods, PSPs, acquirers, insurances, banks
<b>Sales channels</b>	Ecommerce, retail
<b>Core services</b>	Online payment processing, collecting, and reconciliation, one-stop solution for all the players in the payment sector
<b>What problem does your company solve?</b>	In one single unique API with six webservices to integrate, customers can reach all the payment processing capabilities of Limonetik in most of countries, worldwide.
<b>What is unique about your company?</b>	Our supported payment methods with large geographical coverage and with collecting and marketplace compatibility.
<b>Payment methods supported</b>	Over 285
<b>Potential reach (growth plans)</b>	We work with hundreds of PSPs and acquirers to serve hundreds of thousands of merchants worldwide.
<b>Reference customers</b>	<p><i>PSPs and acquirers such as:</i> Ingenico Worldline, ACI, Computop, Monext, Verifone, CMCIC-Monetico, Pay.NL, Dalenys – Natixis</p> <p><i>Payment methods:</i> bank transfer (e.g. Sofort, Giropay, iDEAL, ACH), payments by instalment (e.g. Cofidis, Oney), QR code payments (e.g. WeChat Pay, Alipay), mobile wallets (e.g. Apple Pay, Paylib), and others</p> <p><i>Other sample customers:</i> VeePee, Conforama France, Conrad, CMA CGM, TUI</p>

We caught up with Matthew Jackson, PPRO's Head of Partner Development in EMEA, to ask him about his views on cross-border digital payments during and after COVID-19.



**About Matthew Jackson:** Matthew Jackson is an expert in payments and business development. He joined PPRO in January 2019 as Partner Manager in the London Office and has quickly been promoted to Head of Partner Development for EMEA. In addition to managing a team of dedicated Partner Managers, he works closely together with key partners helping them grow and meet the demands of consumers around the world. With a broad experience of payments, he is very well aware of the trends and needs of the industry.

Matthew Jackson ■ Head of Partner Development for EMEA ■ PPRO

In May 2020, the volume of cross-border ecommerce sales into the US **grew by 42% year-on-year**. Over the course of 2020, the global volume of digital payments is **expected to rise by 15%**. With cross-border ecommerce and digital payments both growing rapidly in response to COVID-19, it is to be expected that cross-border digital payments will grow in volume too.

### Matt, what impact has the pandemic had on ecommerce and digital payments?

It's given both a massive shot in the arm, as you would expect. Throughout 2020, we have seen an acceleration toward ecommerce, as different countries and demographics shifted to shopping online. According to a recent study, in the first six months of 2020, the volume of global cross-border ecommerce **grew by 21%**.

And more cross-border ecommerce means more demand for global digital payments. We're seeing this in PPRO's own transaction data. One recent report estimated that the worldwide market for digital payments will grow by **20% a year for the next three years**.

### So, you think this shift in behaviour is here to stay?

Absolutely. Take the UK for instance: recent research found that **74% of shoppers** who switched to online shopping during lockdown intend to continue shopping online once things return to normal. This on its own is good news for merchants, but two related phenomena make it even more noteworthy.

The first is that many of these shoppers are from demographics who just didn't shop online all that much before. **Almost half of baby boomers** have said they are shopping more online than ever.

The second phenomenon is the impact of COVID-19 on brand loyalty. It's disrupting it. Research by McKinsey found that **77% of shoppers** had tried new shopping behaviours, new retailers, and brands during lockdown.

“If you've got this incredibly lucrative demographic suddenly shopping with you online for the first time, you don't just want to take their money. You want to build a relationship.”

All of a sudden, people are now open to buying from new retailers, to trying new brands and all sorts of things. Take the baby boomers I just mentioned, for instance. In the UK, baby boomers are 21% of the population but own **36% of the national wealth**. If you've got this incredibly lucrative demographic suddenly shopping with you online for the first time, suddenly open to buying new things in new ways, you don't just want to take their money. You want to build a relationship. You want them to come back. →

### What's the key to achieving this?

The key to attracting, retaining, and maximising the value of these new shopper demographics is creating the best possible customer experience. It's more important than ever before for merchants to figure out what elements of their online experience are not optimised or introduce uncertainty into the buying process.

Often, we see that the answer has something to do with the check-out or the payment process.

**31%** of consumers say they will only shop at a site which they know offers their preferred payment method. In any market, this would be a significant sales barrier. In a new market, in which you're trying to win the trust of consumers, it could be fatal.

### How will this shape the online shopping and payments markets?

Everyone – from ecommerce merchants to the payment service providers (PSPs) who support them – can expect more competition than ever before. In this new world, agility is vital. Whether that is entering a new market to grow revenues or accepting a new payment method, PSPs will need to work faster for their merchants.

If a PSP is stuck with cumbersome tech that makes it difficult to add a target market's preferred payment methods, now is the time to fix that. There may not be a second chance. An important element to this is the ability to offer the widest possible range of local payment methods (LPMs) at the shortest notice.

Right now, over **65%** of all ecommerce transactions worldwide are paid for using an LPM. That could mean anything from a locally-issued credit card to bank transfer or cash-based payment services. Whatever it is, if a merchant's customers like to pay with it and you don't support it, you're going to lose out to a PSP that does.

**About PPRO:** PPRO enables integrated electronic payment processing on a global scale spanning the entire payments value chain from acquiring through processing, collection, and settlement. PPRO acts as a B2B payments hub, connecting PSPs and other merchant aggregators, such as acquirers and processors, with local payment methods.

[www.ppro.com](http://www.ppro.com)

[Click here for the company profile](#)

<b>Company name</b>	PPRO
<b>Company description</b>	PPRO builds local payments infrastructure, removing the complexity of domestic and cross-border payments for top-tier financial institutions, payment service providers, and their merchants. PPRO provides partners with the ability to accept locally-preferred payment methods in more than 175 countries across the globe.
<b>Active since</b>	2006
<b>Type of service provider</b>	PPRO's powerful platform does it all – processing, collecting, reconciling, reporting, settling funds, and more – and we've got market experts in every region so that partners can turbocharge their speed-to-market and increase conversion in every corner of the world.
<b>Operational area</b>	Global
<b>Industries</b>	We cover different industries: retail, travel, digital products, forex, education, and more.
<b>Sales channels</b>	Information available upon request.
<b>Core services</b>	Providing the infrastructure – technology and services – required to manage the funds flow of hundreds of local payment methods in the world's top ecommerce markets.
<b>What problem does your company solve?</b>	PPRO reduces the complexity, cost, and time-to-market for payment services providers and their merchants. This enables businesses to offer their customers the widest possible range of local payment types and services – and therefore boost sales in worldwide markets.
<b>What is unique about your company?</b>	A unified access point unlocks hundreds of local payment methods from around the world. With a developer-friendly API and the vital support services like compliance and risk, we help our payment partners grow and globalise their businesses with the flip of a switch.
<b>Payment methods supported</b>	Hundreds of payment methods in 175 countries
<b>Potential reach (growth plans)</b>	160+ payment service providers partners with approximately 200,000 merchants
<b>Reference customers</b>	Global Payments, Credorax, PayPal, and many more

# Ecommerce Foundation

The Paypers interviewed Jorij Abraham, Managing Director of Ecommerce Foundation, to learn more about the impact of the COVID-19 crisis on the global ecommerce industry.



**About Jorij Abraham:** Jorij Abraham is an ecommerce generalist with more than 15 years' experience in integrating marketing, business processes, and information technology to build online turnover. He is currently the Managing Director of Ecommerce Foundation, and he also co-founded two companies: eVentures Europe and vZine.

Jorij Abraham ■ *Managing Director* ■ Ecommerce Foundation

## How did the COVID-19 crisis accelerate ecommerce expansion towards new merchants, new customers, and different types of products?

The COVID-19 crisis has led to a sharp increase in ecommerce, as we all know. What I find particularly interesting is the adoption of buying services online – not only when it comes to Netflix and Disney+ subscriptions, but an overall increase. Our projection for 2020 is that ecommerce will grow by about 40% compared to 2019; especially in specific industries, like services, DIY, or sporting goods, where we have seen surges of 100%, 150%, or even 200%.

“Ecommerce will grow by about 40% compared to 2019; especially in specific industries, like services, DIY, or sporting goods.”

We also observe that there were huge differences per countries as the restrictions varied. Some countries limited in-store shopping severely; therefore, with no limitations applied to online shopping, ecommerce grew very fast. There were also countries such as Brazil, Peru, or Chile that had very strict restrictions for online delivery as well – and since delivering goods was not possible, ecommerce actually shrank. So, the way in which governments handle the crisis has a sharp effect on how much ecommerce is growing.

It is also worth mentioning that apart from food delivery (which has spiked in Western Europe) and entertainment services, we see an

acceleration when it comes to the online sales plans of real estate agencies and car dealerships. In addition, entirely new services emerged. For example, doctors' appointments are now taking place online – which used to be impossible in many regions (besides Asia, where this had already been going on for years). In other words, we see that many of the services that required our physical presence can now be offered online.

## In this context, what can be done to support online merchants, while also protecting customers and increasing their trust?

This aspect is very country specific as well. In some countries, the logistical infrastructure is mature enough to handle this 40% increase in ecommerce. In others, that is not the case, especially where the national postal services still dominate the delivery space, or where these services have been privatised but still own 90% of the market. Here, we witness logistical problems because these players are not flexible enough and cannot scale up fast enough. The payment infrastructure also plays an important role, and there are countries in which it is constantly improving; but most payments are made with cash on delivery, which is very expensive.

However, my biggest concern now regarding trust is the massive increase in the number of scams due to the COVID-19 pandemic. The crime syndicates are rapidly going online, which was already happening. However, this trend is now being reinforced by the pandemic. According to one of our studies, 3% of all websites are now scams. That, of course, is hindering the consumers' trust as online fraud is now the most reported crime in the UK, the US, and across Asia. →

So, I think policies need to be developed to apprehend online scammers faster, otherwise consumers will lose trust and move towards physical marketplaces, which, I think, in the end, is not a positive development.

### What do you think is the short-term impact of the COVID-19 crisis on the ecommerce industry?

One of the big impacts of COVID-19 on the short-term is represented by higher costs. Amazon is a great example of a company that is protecting their organisation from COVID-19, spending around EUR 800 million in 2020 for that purpose alone, testing 50,000 employees every day to prevent their operations from stopping – however, all companies are faced with more sick leaves and higher costs to keep the operations going.

The second short-term impact of the crisis is constituted by the logistical challenges. As most packages are usually shipped with passenger flights, their sharp decline meant that they had to be shipped with cargo flights instead – thus, triggering a large increase in the logistics cost. In addition, warehousing costs have increased too, simply because there is more demand but the same amount of supply.

Finally, in regard to productivity, companies report an increase for now. However, I think that this is mainly caused by the fact that we simply work more hours, not because we work more efficiently. I believe that we will slowly start to see a loss of productivity in time, caused by the lack of social interactions. We also noticed that a lot of people are becoming unemployed, which is impacting the demand for products both in-store and online. So, even though there is a high demand for now, on the midterm, I expect that ecommerce will also suffer as people simply have less money.

### What about the long-term impact?

On the long term, we see three trends: ecommerce growth, changing consumer behaviour, and what I call regional platformisation.

I believe that ecommerce will keep growing because consumers will continue to shop more online after the pandemic. In addition, physical stores have been severely affected and are now simply closing – a trend that was visible for a long time and was just accelerated by the COVID-19 pandemic. A self-reinforcing effect is that the more people get used to online shopping, the less they will shop physically.

Regarding the changing consumer behaviour, as previously discussed, we see the emergence of new online services that mitigate the lack of physical presence. Besides online therapy, dating, and shopping, I expect virtual reality to become an option in travel and other forms of education and entertainment.

Finally, we have observed a move towards platforms, a trend that will also accelerate because we have more schemers, and people are moving towards marketplaces because they trust them more than they trust individual websites. Another trend is regionalisation: on one hand, we have industry giants like Google, Facebook, and Amazon in the US, while on the other, we have Alibaba and Tencent in Asia – which makes me curious as to what will happen in Europe, as I think that the governments are right in limiting the power of marketplaces in the region. My expectation is that regions will move towards their own growth, and as a result, we will see ecommerce becoming more regional and less global than we have previously thought.

**About Ecommerce Foundation:** [Ecommerce Foundation](#) is an independent organisation with the mission to facilitate ecommerce through the development of practical knowledge, market insights, and services. Safe.Shop is the Global Ecommerce Trustmark initiated by Ecommerce Foundation, helping online shops sell nationally and across borders by creating consumer trust.

[www.safe.shop/uk-en](http://www.safe.shop/uk-en)

# Who is really using your services?



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or call +31 20 238 6081



# Edgar, Dunn & Company

## Cross-Border Payments Are at a New Crossroads Following COVID-19



**About Mark Beresford:** Mark Beresford is a Director at Edgar, Dunn & Company (EDC) and has over 25 years of strategic consulting experience in the payments sector. He is responsible for the company's practice working with omnichannel merchants and payment service providers across the globe.

Mark Beresford ▪ Director ▪ Edgar, Dunn & Company

Consumers are increasingly ready to embrace digital payments, mobile e-wallets, touchless and contactless payments not just because of speed or convenience, but because of COVID-19. The pandemic has further reinforced the need for businesses to undergo digital transformation, which is pivotal in the digital economy. Cash is no longer king; ecommerce is the new king. Consumer thinking and behaviour in the digital economy have been forced forward by several years in just the last six months as a result of the pandemic.

As economies across the globe start to emerge from the COVID-19 pandemic, ecommerce businesses are also beginning to refine their recovery strategies. The value of cross-border payments is not expected to exceed the 2019 levels until the end of 2022 or even 2023 because this particularly deadly virus lacks natural immunity and does not yet have a vaccine. Estimates of the decline in cross-border transaction activity for 2020 vary extensively from 20% to 30%, depending on the business vertical. In certain segments, for example, corporate travel payments have taken a significant step backward.

There may still be uncertainty as the persistent pattern of a drop and the upsurge of the number of virus infections, local and regional lockdowns, but there remains an appetite to plan a new future. COVID-19 has meant that ecommerce businesses are having to go back to basics and re-examine the issues that surround friction, checkout process, conversion rates, and the need to ensure long-term customer loyalty. Some of the challenges in the wake of the pandemic include:

- Merchants and businesses will be more cost-conscious when deciding their payment strategies – cross-border payment providers must offer a compelling value proposition.
- With reduced cross-border traffic, localisation of payment acceptance is required to support local payment solutions, local payment options, and personalised digital payment journeys.
- Faster adoption of real-time payments will accelerate the movement of money between consumers and businesses and business to business (B2B).
- Omnichannel experiences and digital engagement with customers are now table stakes.
- Open Banking and instant cross-border payments are encouraging the introduction of more innovative services.

The crisis has certainly placed greater importance on digital and mobile, but that will not be enough to ride the storm. Economies of scale, M&A, cost efficiencies, and new pricing strategies will be the new normal to secure new revenue sources. Technology is pushing the boundaries of how consumers shop, and merchants cannot afford to overlook these changing dynamics if they want to win and retain customers. Creating new customer experiences is a core component in both driving overall ecommerce growth and improving conversion. Personalisation of the customer's journey will be able to generate relevant offers and discounts based on consumer spending habits and loyalty. →

The ecommerce conversion rate, for example, is an area that businesses have always found to be no small undertaking to improve. The proportion of successful transactions relative to the number of shoppers who make it to the payment page is a constant key performance indicator. Even the psychology of colour directly influences the consumer's behaviour at the payment checkout. Should the 'buy now' button be red, yellow, blue, or green? Payment page checkout design is vital to improving the conversion rate, and changing the colour of the 'buy now' button can be one of many adjustments that will hugely change the conversion rate. Then there are the consumers' payment preferences, which will differ across countries. How consumers prefer to pay in each country will equally change the conversion rate.

Furthermore, Open Banking and open APIs will define the method for sharing payment and non-payment data across businesses. APIs already allow businesses to connect to Alternative Payment Methods (APMs) and other non-payment related services, such as loyalty, authentication, and fraud prevention. APIs are providing cost efficiencies as well as opening up new channels, such as internet enabled devices, smartphones and wearables – the Internet of Things (IoT). As these opportunities multiply, economies of scale that simplify and standardise the number of integrations, third-party service providers will offer a range of microservices that will revolutionise digital customer experiences. New customer journeys will emerge where a personalised service in the future will allow, for example, the 'buy now' button to be automatically coloured based on the customer's preference or their funds availability or capacity to accept a loan or even spread the payments over a series of instalments.

Ever since the 1990s, the increased international mobility of goods and services, capital and people has contributed to the growing economic importance of cross-border payments. Payment providers must look to refresh the technology supporting cross-border payment systems, as they largely exist on legacy platforms that were built when paper-based payment processes were computerised, and the design focus was on only domestic payments. Reducing payment friction in cross-border payments will be at the top of the agenda when planning the new future. The G20 supported by the Financial Stability Board (FSB), the Committee on Payments and Market Infrastructures (CPMI), and a range of industry standard setting organisations have drafted this agenda for the planning of the new future of cross-border payments. As soon as we see the back of this pandemic, the hard work will resume.

**About Edgar, Dunn & Company:** Edgar, Dunn & Company (EDC) is an independent global payments consultancy. The company is widely regarded as a trusted adviser, providing a full range of strategy consulting services, expertise, and market insights. EDC expertise includes M&A due diligence, legal and regulatory support, fintech, mobile payments, digitalisation of retail financial services, and ecommerce.

[www.edgardunn.com](http://www.edgardunn.com)

# Euromonitor International

## Cross-Border Ecommerce in the COVID-19 Era and Beyond



**About Cosmin Dan:** Cosmin Dan is a consultant at Euromonitor International, with a focus on Services and Payments, and more than six years of experience in the industry. He advises clients across a range of industries on the latest developments, identifying and validating key trends, to support tactical and strategic decisions.

Cosmin Dan ▪ Consultant ▪ Euromonitor International

The COVID-19 effect on global retailing in 2020 was beyond any other we experienced. However, in a context defined by lockdowns, social distancing, mobility limitations, or contactless shopping, ecommerce thrived and continued to grow, reaching USD 2.4 trillion globally. With major parts of our existence – work, school, communication, entertainment etc. – switched to online, a growing number of the 4.2 billion internet users (54% of the world's population) sustained the growth of online sales.

Within ecommerce, cross-border transactions are set to post a growth of 24% in 2020. This is a deceleration compared to the past few years when as a result of e-tailers' expansion, improved logistics, rising consumer confidence, and overall online sales and online payments penetration, foreign purchases became increasingly popular among consumers. Due to the disruptions in supply chains, delivery, and other operational areas, cross-border was negatively impacted by the COVID-19 pandemic, but foreign sales quickly bounced back as soon as the global economies started to reopen. As a result, it maintained its share in ecommerce at 11% in 2020, and it is expected to resume its growth and penetration, to reach USD 500 billion globally by 2025.

### Asia-Pacific, by far the most important region for cross-border ecommerce

With cross-border sales of more than USD 100 billion in 2020, China takes a comfortable first place globally. This is not surprising, considering that China also represents the biggest market for ecommerce, as well posting one of the strongest penetrations of online sales in total retailing. Cross-border ecommerce happens almost entirely through popular online marketplaces, such as Tmall Global, where many international brands are selling their products.

Rising incomes in the country led to a growing demand for imported products.

Canada and Russia follow in top three biggest cross-border ecommerce markets. Neighbouring Canada, the US has long been considered an option for shopping across the border, and the transition to online sales came naturally. Amazon and eBay lead ecommerce in Canada, with a significant part of their sales generated cross-border. In Russia, AliExpress operates as a venture between the Chinese parent company Alibaba and Russian partners. Ranking second in the overall online sales, it is the main contributor to the country's cross-border sales. While planning to increase its share of Russian sellers, the marketplace is currently dominated by purchases made from China.

In some cases, online sales from abroad can count for more than 60%-70% or, as extremes, even more than 90% of ecommerce – in marginal markets such as Costa Rica or the Dominican Republic. The high share of purchases made from abroad is usually explained by a very underdeveloped online channel locally and by a strong presence of popular players in neighbouring countries.

### Amazon and Alibaba drive the globalisation in ecommerce

The two online giants have a clear focus on their domestic markets, the US and China respectively, but a wide global footprint. Amazon built its local presence – and solid logistics – in important markets such as Japan, UK, or Germany, favouring local sellers and reducing the cross-border sales. From a different angle, these hubs also serve as sources for cross-border purchases for other countries in their proximity. →

For example, Alibaba's AliExpress has a significantly different positioning, which is focused on bargains, with free or low-priced shipment, but extended delivery time that takes weeks. To fix this, Alibaba plans to develop fulfilment centres in different parts of the world, one such example being in Belgium. Naturally successful in emerging markets, AliExpress is under increasing pressure from faster growing local players and other cross-border players. One such example is in Russia, Alibaba's main market outside of China.

The emergence or quick growth of smaller cross-border ecommerce players in recent years showed that there is room for new entries, which can challenge the established brands with mobile oriented strategies, social media focus, influencer marketing etc. Two good examples could be Wish or Shein. In cross-border ecommerce, apparel and footwear, beauty products, or electronics remain the popular categories, even during the COVID-19 pandemic when the demand for non-essential products plummeted.

### The current context allowed experiments with new online sales channels

While livestreaming ecommerce exploded in China in recent years, North America and Europe are only now pioneering it. The mix of social commerce, live streaming, content creation, and influencer marketing is the new experiment in ecommerce. This model is targeting a young audience, in a hybrid of marketing and entertainment. Alibaba made public earlier in 2020 its intentions to build a European network of content creators that could support its livestreaming ecommerce sales expansion. However, replicating the Chinese success story in Europe might be challenging due to the variety in languages, set-up costs, and overall cultural diversity.

### Conclusion

Cross-border ecommerce is here to stay. 26% of Euromonitor International's Lifestyles Survey respondents ticked the ability to buy products/brands not available in the local market as one of the most important online shopping motivation factors in 2020. With the COVID-19 pandemic accelerating the transformations in the retailing industry, ecommerce posts the best prospects for growth over the next years, while cross-border sales are expected to continue to increase their share.

*Definitions note: Euromonitor International's methodology tracks under cross-border ecommerce only the sales of products between businesses and consumers (B2C), excluding trades between businesses (B2B) or consumers (C2C), as well as all services. To be considered cross-border, the products need to be shipped from outside the country where the online order is delivered.*

**About Euromonitor International:** [Euromonitor International](https://www.euromonitor.com) is the world's leading provider for global business intelligence, market analysis, and consumer insights. Our research solutions support decisions on how, where, and when to grow your business. With offices around the world, analysts in over 100 countries, the latest data science techniques and market research on every key trend and driver, we help you make sense of global markets.

[www.euromonitor.com](https://www.euromonitor.com)

# Kapronasia

## Ecommerce in Asia – Lessons Learnt During the Pandemic



**About Joshua Chong:** Joshua is an analyst at Kapronasia and has experience across banking, payments, and capital markets. Before Kapronasia, Joshua was with Morgan Stanley Equity Research in London and held strategy and business development roles with UK-based fintechs in the payments and asset management industries. Joshua graduated from the London Business School with a Master of Science in Financial Analysis and holds a BBA degree from BI Norwegian Business School.

Joshua Chong ▪ Analyst ▪ Kapronasia

### The impact of COVID-19 on ecommerce in Asia

When Brunei, a tiny sultanate in Southeast Asia, opened a national store on Chinese ecommerce giant JD.com, the first product offered to Chinese consumers was the blue shrimp. The national store – the Brunei National Pavilion – now includes a wide variety of Bruneian-made food products and fresh produce. Since the start of 2020, ecommerce in Asia has been growing at an unprecedented rate, and along with it the range of products available online has ballooned. At the nexus of this shift is the COVID-19 pandemic that has altered consumers' behaviours and accelerated digitization in the region.

The latest **forecasts from Forrester** show that online retail sales in 11 Asia-Pacific countries (Australia, China, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, South Korea, Thailand, and Vietnam) are expected to receive a boost due to COVID-19 and reach USD 2.5 trillion in 2024, with a CAGR of 11.3%. A key factor contributing to this growth is the surge in the amount of groceries bought on the internet. The 'online groceries' category has been relatively underpenetrated due to logistics issues. But a **report from Bain & Company and Facebook** found that the sector grew almost three times during the period of the outbreak in Southeast Asia, while one in three surveyed users said they planned to continue purchasing groceries online in the future.

A recent report from the iPrice Group and App Annie sheds light on changes in ecommerce usage and spending patterns in the second quarter of 2020.

In Southeast Asia, the total number of sessions on shopping applications grew by 39% from Quarter 1 2020 to reach 65.1 billion. The average basket size also increased by 23% year-over-year, reaching USD 28.50 per order. While most signs seem to point to a boom in ecommerce, non-essential categories such as fashion and beauty took a hit. Of note, the well-known Indonesia-based fashion ecommerce startup Sorable was forced to shutter its operations after demand dropped precipitously and pandemic restrictions hindered its ability to restock new goods.

In any case, the data clearly indicates a change in online shopping preferences, with more demand for essentials such as groceries and health supplements. Furthermore, analysts say the market share gained by online channels will be 'sticky' as the extended length of the pandemic makes it more likely that these shopping habits will become ingrained. It is no surprise then that ecommerce companies are racing to adapt.

### How are ecommerce companies responding?

The more obvious tactics ecommerce platforms employ are sales strategies designed to increase purchase amounts and basket sizes. These include flash sales and shopping festivals such as the 'Double Five' in China, named after its launch date of 5 May. Coupons and discounts are also handed out more frequently to increase customer retention and encourage repeat purchases. →

However, ecommerce companies are also including new features such as instant delivery with the goal of improving the consumer's experience in the midst of the COVID-19 movement restrictions. For instance, Indonesian ecommerce unicorn Bukalapak has partnered with Grab and Gojek to tap into their delivery services. We can expect that logistics will continue to be a hot topic, closely related to ecommerce, and we will (very likely) see more innovation in this area. Ninja Van, a tech-enabled express delivery startup in Southeast Asia, has implemented live tracking of parcels for improved visibility and a live chat feature that enables recipients to better communicate with shippers.

Additionally, Shopify has partnered with the Australian logistics technology startup Shippit to launch a cash-on-delivery service for buyers in Asia. Given that most consumers in the region largely deal in cash, cash-on-delivery services present a golden opportunity for online retailers to reach a previously inaccessible section of the market. At present, cash-on-delivery is still an under-utilised feature and will likely see more widespread usage in the near future.

One of the charms of ecommerce is the inclusion of social and entertainment components on the platform, otherwise known as 'shoppertainment'. During the outbreak, ecommerce players have taken full advantage of this to further drive user engagement and sales. Shopee Feed, a social feature on the Shopee app, enabled users to watch live-streams of K-pop concerts and exclusive interviews with popular K-pop stars during an event held over a week in June 2020. Similarly, Lazada has held live-streams of music concerts since 2019, and more recently it hosted a virtual charity concert to help in the fight against COVID-19.

While many of the dominant ecommerce players in the region have their focus on highly populated capital cities, competition is increasing from smaller upstarts that are looking to capture the largely untapped smaller cities. In the case of the Vietnamese ecommerce startup Sendo, this means looking beyond Hanoi and Ho Chi Minh City to target the tier 2 cities which are home to 70 million Vietnamese – or about 72% of the country's population. Moreover, Sendo features more localised content, and thus it has the edge in attracting onto its platform local businesses that were previously not online.

As ecommerce surges ahead in Asia, having a government-initiated national store on an ecommerce platform, as Brunei did, could become the norm. Following in the footsteps of its neighbour, Indonesia recently launched a national store on the Chinese ecommerce platform Pinduoduo and sold 100,000 items within two days of its launch. The store stocks products from many different Indonesian SMEs, giving them an online presence and a channel into the Chinese market. Indeed, it seems that the ecommerce boom in the wake of COVID-19 has brought greater recognition to the immense scale and opportunity of selling cross-border in APAC, a happy byproduct of the pandemic.

**About Kapronasia:** Kapronasia is a leading independent research and consulting company focused on the Asian financial services industry. We help financial institutions, technology vendors, consultancies, and private equity companies understand the impact of business, technology, and regulatory issues in banking, payments, insurance, and capital markets.

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# Taking the Pulse of the Cross-Border Ecommerce Market

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The cross-border ecommerce market has been one of the most potent engines of digital growth in 2020. With each online transaction, regional particularities in consumer behaviour became more apparent, while retailers and technology providers took avid notes to learn how to make the shopping and payment experience as seamless as possible. This chapter focuses on regional particularities of cross-border commerce such as the Russian market, m-commerce trends emerging in the UK, along with an in-depth exposé of the latest technologies changing the face of the Southeast Asian ecommerce market.

# Data Insight

## Cross-Border Ecommerce in Russia – Facts and Figures



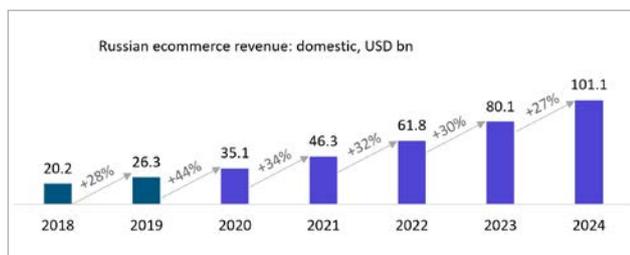
**About Nadezhda Vinogradova:** Nadezhda Vinogradova is an analyst at Data Insight. Nadezhda's responsibilities include preparing the monthly research 'Logistics for e-commerce market', reports from the 'Sales geography of product category' series, and other ecommerce market reports. Recently, Nadezhda graduated with honors from the Moscow State Linguistic University, Institute of Information Sciences.

Nadezhda Vinogradova ▪ Analyst ▪ Data Insight

The Russian ecommerce market size amounted to USD 32 billion and 800 million orders in 2019 (including across border) – and **according to Data Insight estimates**, the Russian domestic ecommerce market volume will reach USD 35,1 billion in 2020, while the number of orders is expected to exceed 1.1 billion. According to **Internet World Stats**, in 2019 the number of Internet users in Russia was 116,3 million people, representing approximately 80% of the total population of the country in 2019 (while the average for Europe is 87%).

Moreover, in 2019 ecommerce growth reached 28%, and it significantly accelerated in 2020, up to 44%. The pandemic became a growth driver, and some of the main growth factors are:

1. 10 million new consumers in three months of self-isolation;
2. 5-7 million employees working remotely;
3. an increased frequency of online purchases and a forced reduction in stores' visits;
4. a sharp growth registered in the eGrocery market (4.5 times from scratch, growth in geography and audience).



Between 2019 and 2020, the structure of the Russian ecommerce market has changed: some new market leaders have formed, claiming tens of percentage points of the market share and investing heavily in market infrastructure and advertising.

We estimate that investments in the ecommerce market exceeded USD 500 million in 2019. More precisely, the largest market players in **2019** were Wildberries (USD 3.2 million, with a 89% market growth), Citilink (USD 1.3 million, with a 24% market growth), and Ozon (USD 1.2 million, with a 93% market growth), with online sales accounting for almost a quarter of the domestic market in 2019. **47% of orders were placed for clothing, footwear, and accessories online stores, while the revenue leaders are electronics online stores (28%) and clothing, footwear, and accessories online stores (25%).**

When it comes to international players, these are very well positioned in the Russian ecommerce market, and the largest market share is occupied by Chinese online stores. AliExpress accounts for 79% of the total cross-border volume in parcels, representing 58% of all the money, and a smaller share goes in the direction of the west – only 5% in parcels and 27% in money. The top 5 foreign online stores in Russia are AliExpress, eBay, Joom, iHerb, and Asos. →

## Cross-border logistics and trade

There are many cross-border logistics operators in Russia, but a huge part of the parcels is transported by the Russian Post – more than 90% of the shipments. A smaller part of the shipments is represented by large orders, carried out by other international logistics operators. The cross-border trade scheme is different for the Russian Post, if compared with other logistics operators. To this point, the Post has simplified the customs clearance of parcels, while the customs clearance process for other operators requires more documents and takes more time and effort. Using bonded warehouses for Russia is a new story and has not been tested yet. When it comes to popular ways to pay for cross-border parcels in Russia, the preferred one is online payment by credit card, while the international payment system PayPal is rarely used.

## Ecommerce country insights

Lastly, we put together a short list that aims to shed more light on the intricate particularities of the Russian ecommerce market, including specific examples and stats.

1. **Fragmented logistics infrastructure** – the large territory, the remote settlements, and the poor quality of the roads complicate logistics and make it expensive. The only logistics operator delivering throughout Russia is the Russian Post. Until recently, it was not a good operator, so new logistics companies appeared on the market. The quality and the terms of the delivering services vary across all these companies, which is due to different delivery technologies.
2. **Popularity of delivery pick-up points** – during the pandemic, the share of orders which were delivered via pick-up points did not decrease. Delivery is carried out via specialised networks

(for example, Pickpoint, Russian Post offices, specialised grocery stores such as Pyaterochka), and the number of pick-up points grows constantly. From May 2019 to September 2020, the number of pick-up points with different addresses increased by 47% and amounted to 39,000 throughout Russia.

3. **Orders coming from large cities are disproportionate in volume** – Moscow and St. Petersburg are the main centres of ecommerce, which affects the warehouses' location and the hyper-concentration of retailers in the two cities. That is one of the reasons why the delivery to remote settlements can take up to two weeks, while delivering products in the central district takes on average two days.
4. **High customer expectations from the delivery process** – free or cheap delivery is the market norm and at the same time it represents a barrier for some logistic operators. Customers in large cities are used to next day delivery services, and Moscow residents are already benefiting from same day delivery of goods.
5. **Long way to shopping from foreign online stores** – a poor knowledge of English limits the Russian customers when making purchases from abroad. However, shopping from foreign online stores has seen a significant growth when these retailers adapted their websites to the Russian market, translating the content into Russian.
6. **Pay after delivery is very popular** – cards have become more widespread not so long ago, and now most Russians have bank accounts. However, cash is still popular, and customers are used to pay after their order is delivered.

**About Data Insight:** Data Insight is the first Russian research agency specialising in the ecommerce market. The agency was founded by Fedor Virin and Boris Ovchinnikov. Data Insight provides market data and statistics: sales, popular products, dynamics of prices, leading online retailers, ecommerce market research, and field studies for customer satisfaction or online store performance.

[www.datainsight.ru/en](http://www.datainsight.ru/en)

# Euromonitor International

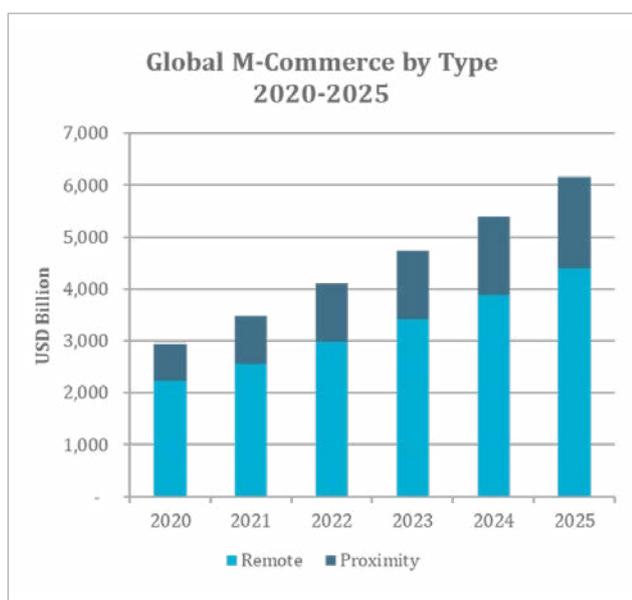
## Top M-commerce Trends to Look for in 2021



**About Kendrick Sands:** Kendrick Sands is Head of Consumer Finance Research at Euromonitor International, where he has worked since 2010. He organises research for 47 markets and consults with a wide range of clients from several industries. He has a master's from the University of Chicago and BA from Trinity College Dublin.

**Kendrick Sands** ■ *Head of Consumer Finance Research* ■ Euromonitor International

COVID-19 has accelerated existing m-commerce and consumer payment trends around the world. M-commerce growth has been limited by consumers not seeing the additional benefit over their existing preferred payment method. The pandemic has made clear the value from social distant purchasing both in proximity in-store and remote mobile payments. Euromonitor projects total m-commerce across 47 researched markets to reach USD 6.2 trillion by 2025. M-commerce across the same markets increased by 26% from 2019 to 2020. Some key developments in the immediate future for m-commerce will be the focus on virtual brand engagement, consolidation in the fintech space, rising level of fraud, and an increase in mobile proximity payments.



Source: Euromonitor International

### Virtual brand engagement

Companies have always sought to reach consumers where they already are, and with COVID-19 that has meant at home on their digital device. Social media companies have been well-positioned to connect companies to consumers and have launched several shopping platforms in 2020. In May, Facebook launched Shops, which enabled brands to set up virtual storefronts. Google launched Shoploop, a video shopping platform for discovering and purchasing products. Amazon opened up Amazon Live to influencers to enable them to earn money from it. Alibaba Group and JD.com recently hosted their annual 6.18 shopping festival, which generated USD 136 billion in sales. During the event, Alibaba Group's Taobao Live welcomed 300 celebrities and 600 brand executives to engage with consumers in real time. More than 50,000 retailers leveraged livestreaming capabilities to reach consumers during the event. Consumers are growing to expect this level of engagement, and these additional platforms will drive m-commerce growth in 2021.

### Fintech acquisitions to continue

M-commerce growth has led to a rise in financial card payment value much more than electronic direct/ACH payment growth. Due to the pandemic, from 2019 to 2020 global consumer payment value fell – with paper payments declining 17% but card payment value increasing 2%. The financial card networks have invested heavily in securing their position in payments partially through fintech acquisitions. In 2019 Mastercard acquired Ethoca, Vyze, Transactis, and RiskRecon, and in 2020 they acquired IfOnly and Fincity. →

In 2020 Visa acquired Plaid for USD 5.3 billion. These acquisitions allow the card networks to be well-placed in an evolving digital payment landscape and will likely continue into 2021. A complete m-commerce platform has many pieces, but the card networks will continue to be at the centre.

### Rising rates of fraud

The total value lost to fraud from financial cards has accelerated as more payment volume has moved digital. Of the seven categories that Euromonitor researches – card not present (CNP) has become the most widespread. CNP fraud accounted for 69% of total fraud in 2020. In the US, the total value lost to fraud increased in 2020 to amount to .12% of all card payments, well above the .04% global average. Without additional security standards adopted, total value lost to fraud is expected to continue to increase and could impact m-commerce growth.



Source: Euromonitor International

### Proximity payments gain momentum

The pandemic has increased consumer demand for less physical interaction during in-store payments, and contactless provides an efficient solution. M-commerce proximity payments increased 35% in 2020 in the researched markets, and they are projected to reach USD 1.8 trillion by 2025. In markets where contactless payments were not adopted, the infrastructure has been rapidly rolled out – and in markets where it has been adopted, consumers are utilising it more with networks allowing for higher value limits per transaction. While there has been a push for contactless in the past, since COVID-19 there is more consumer support than ever before, and it will drive greater adoption in 2021.

The pandemic has accelerated m-commerce growth and will leave a lasting impact on consumer payments and retail. The way companies and brands interact with consumers through their devices will continue to add value for customers. Financial card networks will likely remain the underlying technology processing m-commerce transactions, and they will expand their suite of products and services for merchants, consumers, and financial card issuers through fintech acquisition.

With more payment volume going digital and without new security measures, total value lost to fraud will increase. And finally, contactless proximity payments can provide a solution for in-store payments throughout the pandemic.

**About Euromonitor International:** Euromonitor International is the world's leading provider for global business intelligence, market analysis, and consumer insights. Our research solutions support decisions on how, where, and when to grow your business. With offices around the world, analysts in over 100 countries, the latest data science techniques and market research on every key trend and driver, we help you make sense of global markets.

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# IMRG

## How Are Cross-Border Sales Faring for UK Retailers?



**About Andy Mulcahy:** Andy has worked at the heart of the online retail industry since 2010. During this time, Andy has developed strong knowledge in multiple areas, with particular expertise in Black Friday.

Andy Mulcahy ■ Strategy and insight director ■ IMRG



**About Neil Kuschel:** With over 20 years of experience in ecommerce and operations, Neil has worked closely with hundreds of retailers and brands and brings with him extensive knowledge on the challenges and opportunities of cross-border ecommerce.

Neil Kuschel ■ CEO Europe ■ Global-e

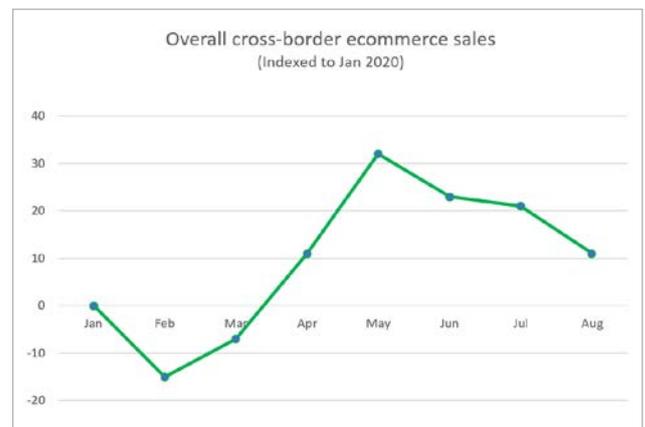
To say that 2020 has brought disruption to the retail industry would be something of an understatement. As it has become increasingly clear that the coronavirus pandemic is not going to be controlled as quickly as governments, businesses, and indeed people perhaps initially expected, all of us are having to make adjustments to our behaviour that have all of us guessing which changes might turn out to be temporary, and which are here to stay.

For many countries, a clear consequence of the outbreak has been a notable migration of orders online. In the UK, this resulted in growth rates shooting up to 50%, whereas in 2019 it came in at 6.7% for the full year. As the nationwide lockdown eased, we have seen the rate of online growth slow slightly, but many of the trend lines are showing signs of the much-discussed 'new normal' being established.

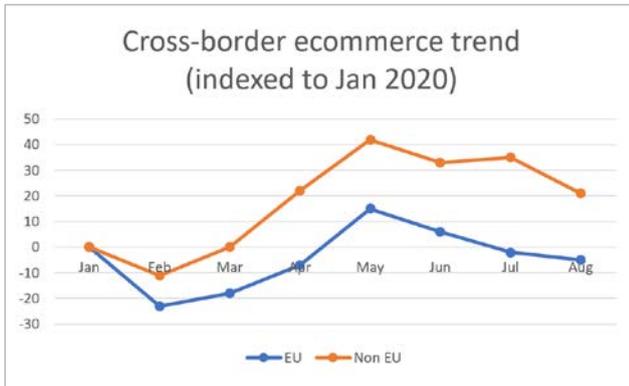
But this all relates to the domestic picture of demand; what about selling cross-border? What impacts has the pandemic had there? In September, IMRG launched a new index, based on data from around 200 retailers on the Global-e platform, tracking online sales growth from UK retail sites to cross-border destinations. This article looks at some of the trends we identified in it.

### Differences between EU and non-EU

As the below chart shows, there did appear to be a dip in demand in the early months of the year, as some of the major ecommerce markets across Europe and the rest of the world began to slip into national lockdowns. However, demand in those markets did rebound with year-on-year (YoY) increases in sales in the second half of April and through May-August. The index data shows similar trends across all markets, with sales rebounding and even exceeding pre-pandemic figures within six to eight weeks from initial lockdowns.

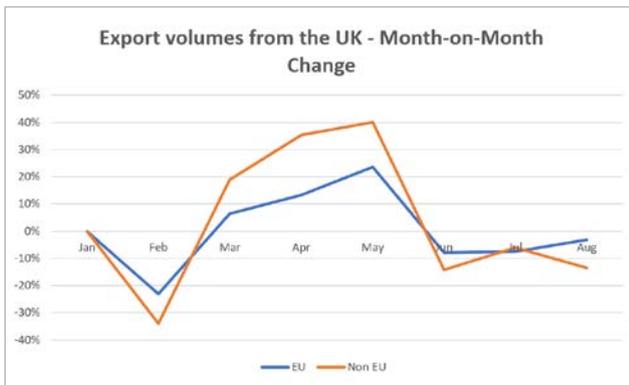


While that graph covers the overall sales to all destinations, the index further breaks down by EU/non-EU volumes. When analysed to that level, the trend lines follow a similar pattern but with non-EU starting off from a higher point straight away in February and increasing the gap over subsequent months.



Over the first two months of the year, we can see that the volume growth into EU markets experienced a sharper decline than non-EU markets, which may be related to the economic situation there, or perhaps reflect the fact that many major European countries were also hard hit by COVID-19 outbreaks. Spain and Italy, for example, went into lockdowns earlier than the UK (which was in mid-March). Both lines follow a similar pattern, just with non-EU volumes responding sharper than EU, and non-EU seeing the push back into positive growth in April, which for EU it was May.

The next graph shows the month-on-month change in export volumes, again split by EU and non-EU destinations.

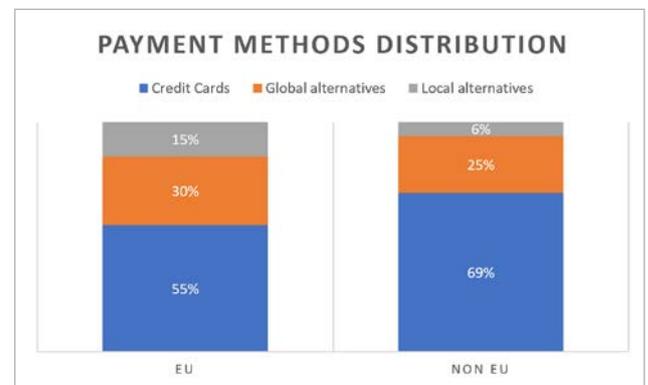


Though cross-border volumes went into negative territory over the summer months, this is similar to what we have seen with UK sites overall; as people go on holiday the amount of online purchasing being undertaken comes down accordingly versus the previous months.

It seems that volumes to EU destinations saw a MoM peak in May, which is something the UK sites overall did not experience domestically – the big shift in volumes occurred between March and April in the UK. Again, this may be related to the varying timings of lockdowns across European countries, which did not all follow the exact same pattern.

### Cross-border payments

Another dataset that the index covers is the method used to complete payments for cross-border transactions on UK sites. Though overall credit card remains the most common method, looking into many individual EU and non-EU countries we see that in many of them local and global alternative options are dominant. iDEAL in the Netherlands, Klarna in Germany, Yandex in Russia, Cash on Delivery in the Gulf Markets, and Alipay and WeChat Pay in China are only a few examples. Generally speaking, alternative payment methods are increasing in popularity across many markets, while global alternatives such as PayPal are slightly more popular in the EU. Deferred payment options such as Klarna and digital wallets like Apple Pay are becoming the preferred option especially across younger shoppers, both in and out of the EU.



Looking at the platform through which cross-border purchases are completed (split by desktop and mobile, which covers both smartphone and tablet), desktop is still the dominant one. While there will be some variance by individual country, overall, these figures are quite different from the UK market generally, where only 31% were completed on desktop in Q2 2020 (latest data available) and the majority go through smartphones.

The shift towards m-commerce continues, though people are spending more time in-doors due to lockdowns/higher instances of working from home etc. Looking at the trend, we expect that the rate of orders made via mobile devices will reach 50% of all cross-border ecommerce purchases over the next 12-18 months. This correlates the shift towards alternative payment options, that are adjusted to mobile.

So, overall, this data is telling us that the pandemic did appear to have some impact on online demand from cross-border markets, but that it did return strongly. The question is where the trendlines go from here – it feels like there may be more twists to come before we emerge out of this.

**About IMRG:** IMRG is the UK's online retail association. We help our members understand and improve their online retail performance through a busy programme of performance benchmarking, data analysis, insight, best practice-sharing, and events.

[www.imrg.org](http://www.imrg.org)

**About Global-e:** Global-e enables hundreds of leading merchants to boost cross-border ecommerce sales and grow customer satisfaction by offering shoppers in 200+ destinations worldwide a seamless localised online shopping experience.

[www.global-e.com](http://www.global-e.com)

# imrg DIGITAL DASHBOARD

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# Lazada Group

## The Transformative Power of the Ecommerce Industry



**About Raymond Yang:** As Chief Product Officer of Lazada Group, Raymond Yang drives the evolution of the company's product architecture, design, and experience, as well as innovation of its platforms (eCommerce, eWallet, Logistics) and apps across Southeast Asia. Raymond has vast experience in this field, having worked at Google and China Telecom Guangzhou Academy.

Raymond Yang ■ Chief Product Officer ■ Lazada Group

2020 has been a reality check on the burgeoning role that the ecommerce industry will play in the lives of consumers and to drive growth among retailers and brands.

The COVID-19 pandemic has accelerated this. Ecommerce players have influenced consumer behaviours, mindsets, and even how they make purchases – in their use of technology and innovations to boost accessibility and engagement. In turn, consumers have discovered and will continue to discover new ways to maintain their lifestyles – from the convenience of buying groceries to ordering their food and even accessing healthcare services online.

This trend is highlighted in a recent **report** by Google, Temasek, and Bain & Company, stating that in 2020 there are 40 million new internet users in Southeast Asia alone. This finding shows that 70% of the region's population now has access to the digital economy, and these trends are here to stay, with 90% of users intending to continue making online purchases.

In response to the penetration of the digital economy in the region as well as addressing the evolution of consumer behaviours, the ecommerce industry has pioneered innovations such as livestreaming, creating offline-to-online (O2O) experiences, and even pivoting quickly to meet consumer demands.

### Driving entertainment, boosting engagement

Livestreaming is the new frontier for online shopping, digitalising businesses, creating new jobs, and keeping brands and sellers connected with consumers. This robust technology tool for marketing and engagement is known as LazLive at Lazada, and it lies at the

heart of the platform's Shoppertainment strategy that blends experiential shopping and entertainment.

At its core, livestreaming enables brand partners and sellers to work with key opinion leaders to showcase their products to consumers. During broadcasts, consumers can ask about the products they are interested in and make purchases immediately through Lazada's 'See Now, Buy Now' closed-loop feature. This innovation has proven to be an interactive and effective sales channel for brands and sellers to drive conversions. For example, during Lazada's 2020 11.11 Shopping festival, its livestreaming technology gathered over 11 million views, and with more sellers adopting the service, it achieved a 380% year-on-year growth in Gross Merchandise Value (GMV).

In addition to driving engagement and entertainment for consumers, livestreaming has also become an invaluable tool to empowering individuals to forge new career paths and for sellers to find alternate pathways to reach a broader customer base. Lazada developed the Grassroot Livestreamers Incubation Programme to provide training to young talent to facilitate their careers as professional livestreamers and content creators, thereby creating a new job category within the ecommerce ecosystem.

### Innovating physical spaces with digital presence

The lockdowns and safety measures implemented by governments across the region accelerated the trend for department stores to transition online, and Lazada played a pivotal role in facilitating the mass online migration across Southeast Asia. →

As the ongoing pandemic threatened the retail sector, Lazada welcomed additional department stores such as Isetan, Decathlon, and Marks & Spencer, but wanted to go a step further to ensure the survival of malls and their tenants by providing opportunities to establish new consumer touchpoints and revenue streams.

Lazada did this by pioneering a new concept of the virtual mall and driving consumer awareness and interest via end-to-end marketing campaigns – by facilitating shopping malls to create virtual shopfronts, including for their tenants, on its platform. In Singapore and Thailand, Lazada onboarded two of the countries iconic malls, Marina Square Shopping Mall and Siam Center respectively, and dozens of their tenants such as Zara, Benjamin Barker, JBL, LEGO, and Aland.

To complement this transition, Lazada integrated online shopping with the offline experience. For the Siam Center, a landmark shopping centre in Bangkok, Lazada launched ‘Lazada on Ground’, the first pop-up store in Thailand to livestream and showcase 40 of Lazada’s top brands on LazMall. This gave consumers the opportunity to make purchases from the pop-up store via QR codes and to pick up in the pop-up or have their items delivered directly to their homes.

### Meeting consumer demands

Catering to the consumer demands has required the ecommerce industry to have the agility to pivot quickly and implement innovative solutions to expand assortments and scale delivery, on top of engaging and entertaining consumers. To achieve this, ecommerce players like Lazada have leveraged powerful data tools and the use of artificial intelligence to analyse buying patterns and forecast demands, in order to inform new solutions. One key area that Lazada quickly

innovated in was to expand the scale and capacity of its grocery arm, RedMart, in Singapore. Tapping into its extensive data algorithms, RedMart made a bold departure from its two-hour timeslot delivery system to an area-based one at the height of the pandemic, serving different regions of Singapore on different days, so that every customer received their daily essentials once every three days. It also reset its system to reach more customers across the island and scale operations to serve 50% more customers within the first month. This efficiency was achieved partly by accelerating automation processes at its West Fulfillment Centre.

Similarly, the ecommerce industry needed to meet gaps in convenient access to fresh produce during the pandemic. In Vietnam, recognising a need and demand for this, Lazada launched a fresh foods category to help fresh produce sellers and distributors transition from business-to-business to business-to-consumer models – to diversify revenue streams and provide consumers in Vietnam with ‘fast, fresh and safe’ access to their daily essentials online. Again, Lazada leveraged its logistics strength to ensure they could make deliveries within two hours to meet its promise of freshness to consumers.

### The road ahead

In its role of meeting the demands of consumers this year, the ecommerce industry has firmly established itself in the mindsets and shopping behaviours of consumers. The industry will continue to be a force that shapes the future of the digital economy across Southeast Asia. It will continue to evolve to meet changing consumers’ needs and to play a leading role in reshaping and redefining the consumer experience by pioneering innovations that complement the existing retail environment and that surprise and delight consumers.

**About Lazada Group:** Founded in 2012, Lazada Group is the leading ecommerce platform in Southeast Asia. We are accelerating progress in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam through commerce and technology. Since 2016, Lazada has been the Southeast Asia flagship platform of Alibaba Group powered by its world-class technology infrastructure.

[www.lazada.com](http://www.lazada.com)



# How to Succeed in Selling Across Borders

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Strategy stands at the core of any successful plan. According to the vastly experienced professionals sharing their insights in this chapter, some of the core ideas ensuring profit and scalability while selling across borders are: technology providers creating streamlined customer journeys for retailers as a starting point for a positive end-user experience or retailers optimising their existing payments strategy before thinking about expansion.

Moreover, this chapter includes valuable tips for localising the cross-border ecommerce experience, a rundown of strategies to deal with local payments as a cross-border retailer, and a 'resilience roadmap' – a summum of important advice in order to take on 2021 when it comes to planning for ecommerce growth.

# Cybersource

## Better Customer Experiences Start with Better Merchant Experiences



**About Lee Tango:** Lee is an experienced payments and fintech practitioner with an extensive knowledge, built up across 20 years in the industry. He works with global retailers, hospitality providers, and transit operators to help them understand how they can achieve and excel in their digital transformation aspirations. Lee has an intrinsic working knowledge of payments within enterprise organisations and the tough challenges merchants face when attempting to reinvent themselves.

Lee Tango ▪ Director, Unified Commerce Solutions ▪ Cybersource

*Merchants are rightly focused on delivering a great customer experience. But many are trying to do that with a complex combination of systems, silos, and processes, and without enough insight into all of their data. That is why Lee Tango, Director, Unified Commerce Solutions at Cybersource, argues that the starting point for a better customer experience is a better merchant experience.*

We are all familiar with the image of the swan floating gracefully down the river, while below the surface its legs are paddling like mad. If that swan represents the flawless customer experience that merchants strive to deliver, then the madly paddling legs reflect the hard work by merchants, acquirers, issuers, and technology partners to make it happen.

Delivering that flawless experience is even more challenging, considering that the digital journeys many merchants and their customers were already on have been accelerated by the global pandemic. I have seen, for example, contactless payment limits raised; merchants delivering in-app self-scanning solutions in stores, and rapid adoption of kerbside pickup, as well as other socially distanced delivery and collection options. These and many other solutions have been rolled out rapidly to help meet consumers' needs and expectations.

### Getting it right can be hard – but there is a way forward

Why have some merchants found it easier than others to deliver the seamless digital experiences today's consumers demand? Myriad factors come into play. Among them having access to the right internal teams, working with the right partners, and businesses thinking strategically about how they plan to grow with their customers. And of course, the technology investments merchants have made.

These and other factors come together to define 'the merchant experience'. Getting this right is the crucial stepping stone to getting the customer experience right. But it's not always straightforward.

Take technology, for example. A merchant that was historically a brick-and-mortar business may have acted quickly to implement a platform to enable online ordering. But that may mean that the systems and processes supporting in-store shopping are logically segregated from those supporting the online business. At some point down the line, the technical debt that has been introduced to cope with the current situation will have to be repaid.

What is more, those siloed systems and processes almost inevitably lead to siloed data. This can hamper the merchant's ability to recognise customers across channels and makes it harder to deliver the unified experience consumers expect. →

Tokenisation can be invaluable here as it allows merchants to use secure data elements (or ‘tokens’) to link and analyse data across different sales channels – in order to gain a single, 360-degree view of each customer. This improves the merchant experience as it provides the insight needed to deliver the desired customer experience, it can remove silos, and it helps drive customer spend and loyalty. Here at Cybersource, we have made sure our token management service is compatible with other platforms as well as our own, so that merchants can take a modular approach if desired.

### Utilita gets it right

Our customer, energy provider Utilita, understands the extent to which the merchant experience influences the customer experience.

Utilita serves a customer demographic that typically has tightly managed budgets and has seen its online business grow rapidly in the last few years. Its customers depend on always having an up-to-date view of their balance and being able to top it up at any time.

In working with Cybersource, Utilita now has the real-time visibility of transactions that it wanted and a platform that handles peak volumes – enabling its customers to complete top-ups as needed and offering credit customers the ability to pay their bills seamlessly.

Behind the scenes, Utilita is also helping to protect sensitive payment data from compromise with Cybersource’s tokenisation and secure hosted payments services.

The result? Utilita has gained the control, flexibility, and visibility it needed to deliver the best experience – ultimately helping its

customers to stay on top of their expenditure and fuel availability with greater confidence.

### Conclusion

The recent acceleration in digital commerce has highlighted the disconnect that still exists between the consumer and the merchant experiences. Siloed systems and data bring friction in the backend, making it harder to deliver on the seamless purchasing that consumers demand – even more so in the current environment.

At Cybersource, we put as much emphasis on the merchant experience as we do on the consumer experience – bringing visibility and insight into the consumers’ buying behaviour across multiple channels, plus expert help and best practices, so that our customers can ultimately meet their goals and deliver tailored, more flexible digital commerce experiences.

To learn more about how Utilita improved customer experience by addressing their own, [visit our website](#).

**About Cybersource:** Cybersource helped kick start the ecommerce revolution in 1994 and haven’t looked back since. Through global reach, modern capabilities, and commerce insights, we create flexible, creative commerce solutions for everyday life experiences that delight customers and spur growth globally. All through the ease and simplicity of one digital platform to manage all payment types, fraud strategies, and more. Knowing we are part of Visa and their security-obsessed standards, you can trust that business is well taken care of – wherever it may go.

[www.cybersource.com](http://www.cybersource.com)

[Click here for the company profile](#)

<b>Company name</b>	Cybersource, a Visa solution
<b>Company description</b>	Cybersource helped kick start the ecommerce revolution in 1994 and haven't looked back since. Through global reach, modern capabilities, and commerce insights, we create flexible, creative commerce solutions for everyday life – experiences that delight customers and spur growth globally. All through the ease and simplicity of one digital platform to manage all payment types, fraud strategies, and more. Knowing we are part of Visa and their security-obsessed standards, you can trust that your business is well taken care of – wherever it may go.
<b>Active since</b>	1994
<b>Head office</b>	San Francisco
<b>Type of service provider</b>	Cybersource is an acquirer-agnostic payment management platform, providing unparalleled options for merchants. Our ecosystem includes 4,000+ partners, and we are the only platform to offer global payment processing, fraud management, and other value-added services via a single API connection.
<b>Operational area</b>	Global – Cybersource provides payment processing services by connecting merchants to their choice of 150+ acquirer processors in 190+ countries.
<b>Industries</b>	Retail (fashion, electronics, digital products, luxury goods, healthcare); digital media (music, content, streaming); mobile QSR and order ahead; telecom; utilities; advertising/media; airlines, lodging; online travel agents
<b>Sales channels</b>	Cybersource goes to market primarily via three channels: direct to merchants – from enterprise and mid-size to small businesses; indirect through financial institutions and acquirers; indirect through technology and ISV partners.
<b>Core services</b>	Cybersource offers a full stack of componentised services, including fraud, tokenization, and global omnichannel acceptance, to provide businesses with flexibility to use only those services they need. Cybersource helps businesses operate with agility and reach their digital commerce goals by enhancing customer experience, growing revenues, and mitigating risk.
<b>What problem does your company solve?</b>	Cybersource's modular payment platform makes way for better experiences inside and out. We put as much emphasis on your merchant experience as you do on your consumers. Only Cybersource allows merchants to reach further, adapt faster, and grow stronger. By using Cybersource, merchants can grow globally, creatively, and securely.

<p><b>What is unique about your company?</b></p>	<p>Cybersource provides flexibility, creativity, and insights – wherever you want to be. Agnostic, audience-centricity puts businesses and experiences first. With support for 150+ acquirers/processors, in 190 countries and territories and 50+ funding currencies, we make commerce easy, any way, anywhere in the world with a modular single solution for all channels.</p>
<p><b>Payment methods supported</b></p>	<p>We support a wide range of payment methods, across multiple channels. Contact us for the latest list, which includes:</p> <p><b>Payment cards:</b> Visa, Mastercard, American Express, Discover, Diners Club, JCB, Maestro, Carte Bleue, Dankort, Elo, and more;</p> <p><b>Alternative and digital payments:</b> Apple Pay, Google Pay, PayPal, Alipay, Click to Pay, Klarna, Sezzle, Affirm, iDEAL, giropay, EPS, Bancontact, Sofort, and more.</p>
<p><b>Potential reach (growth plans)</b></p>	<p>Cybersource is a Visa solution and a global company, with offices throughout the US, Asia, Europe, Latin America, the Middle East, and Africa. Today, more than 450,000 businesses worldwide use Cybersource enterprise and SMB solutions. In 2019, we processed 16 billion transactions, the equivalent of USD 546 billion in payment volume worldwide.</p>
<p><b>Reference customers</b></p>	<p>ghd, Utilita, Amadeus, PizzaExpress and Flyt, JustPark and Judopay</p>



**About Rene Siegl:** Rene is the Founder and Executive Chairman of the IXOLIT Group, which was founded in 2001. Since 2014 Rene has been leading the development of the IXOPAY Payment Orchestration Platform, which addresses the global payment scaling needs of online merchants and licenced payment institutions. Contact Rene on [LinkedIn](#).

Rene Siegl ■ Founder and Executive Chairman ■ IXOLIT Group

### What should merchants that wish to enter new markets know about working with multiple PSPs and acquirers?

When a merchant is contemplating entering a new market, one of the first things they should do is look at their current payment strategy. Before they start working with new PSPs and acquirers, it is essential for merchants to take note of what is currently working, what could be improved, and what needs to change. A lot of merchants think that simply building a connection to a new PSP and acquirer is sufficient. However, I cannot stress enough the importance of a rock solid foundation – if it does not exist, you will struggle to get the returns you want. Therefore, expanding in new markets without a solid payment strategy might get the job done, but you will suffer in the long run.

“Expanding in new markets without a solid payment strategy might get the job done, but you will suffer in the long run.”

By adding a supplementary layer of payment orchestration, the merchant only has one connection – which will then allow them to associate with as many payment service providers and acquirers as they see fit; it also means that all customer payment details are stored in a third-party secure vault, so that merchants will have access to this information regardless of who is processing their payments. This flexibility allows merchants to add PSPs and APMs on the fly, leaving room for negotiating better rates.

Another crucial factor is that different countries use different payment methods – in fact, it is not just countries, it is different generations as well. Therefore, it is well worth the effort of doing a little research to see how your target market pays.

### Can you elaborate on the importance of smart transaction routing? Why is it particularly important for international players?

What people sometimes neglect to think about is that payments represent an important part of the user experience. If a transaction gets sent to a PSP that deems it too risky, because of the location or the payment method, the payment will not be accepted. This can happen frequently when operating internationally; a way to limit this is to set up routing rules. With IXOPAY you can use various criteria to control the routing decisions: card data; customer data; geographic parameters; risk classification, depending on whether it is a ‘low-risk’ or ‘high-risk’ brand; as well as any number of platform and application-specific data. It is also possible to balance the number of transactions that get sent to certain PSPs, and this can be done during periods of high traffic – or generally, so you don’t exceed any limits you may have. By routing your payments, you will keep your decline rates as low as possible and improve your user experience.

### What are the main obstacles global merchants should pay attention to?

A big issue for those who are selling on a large scale and across different markets is fraud – in fact, the larger you are, the more likely it is for people to try to commit fraud. Fraudulent transactions, charge-backs, refunds, and so forth are costly and time-consuming. →

With IXOPAY you can increase your risk checks, being able to identify suspicious transactions in real-time and mitigate payment risks and fraud. In addition to the basic checks, merchants can create their own 'risk rules' with user-defined parameters (e.g. the time of the completed transaction, the country in which the transaction takes place, the transaction amount, the payment method etc.). These transaction checks can be approved either automatically or manually.

Merchants also have problems with the consolidation of payment data. With individual connections, you receive reports in various formats and sometimes containing different information – making it difficult to effectively analyse them. IXOPAY saves time by collating all of your payment data. You can view it however you see fit – you can either see the whole picture or narrow it down to one payment provider in one location. It can also be exported into your BI software. What needs to be remembered is that payments aren't just about getting the money, they represent a complicated process – and when you have data that you can analyse and compare, you can see what is and what is not working and make efforts to improve it.

Something that also needs to be considered is time to market, meaning that if you want to add a new payment provider, you have to think about how long it will take you and how much it will cost to build individual connections. When using a payment orchestration platform, these connections are ready and waiting.

During this pandemic, the industry went through some irreversible changes. How can merchants keep up with the latest developments without putting their business (and maybe international expansion plans – from a global perspective) on hold?

Whether you are a solution provider, financial institution, or retailer, everyone has been affected by the pandemic, and we have all had to adapt to the new circumstances. Retailers in the digital environment (digital goods) saw an increase in turnover, while our retail and travel customers faced unprecedented challenges. As we always say, there is no one-size-fits-all solution, but the one thing our clients had in common was the flexibility to enter new market segments faster, thanks to a payment orchestration platform.

**About IXOPAY:** IXOPAY is a scalable and PCI-certified payment management platform for white label clients and enterprise merchants. The modern, easily extendable architecture enables the orchestration of payments, provides intelligent routing and cascading functions as well as state-of-the-art risk management, automated reconciliation, and settlements along with plugin-based integration of acquirers and PSPs.

[www.ixopay.com](http://www.ixopay.com)

[Click here for the company profile](#)

<b>Company name</b>	IXOPAY
<b>Company description</b>	<p>IXOPAY, part of the IXOLIT group, is a scalable and PCI-certified payment orchestration platform for white-label clients and enterprise merchants.</p> <p>The easily extendable architecture provides intelligent routing and cascading functions as well as state-of-the-art risk management, automated reconciliation, and settlements along with plugin-based integration of acquirers, PSPs, and third-party providers.</p>
<b>Active since</b>	2014
<b>Head office</b>	Vienna, Austria
<b>Type of service provider</b>	Payment Orchestration Platform – technical service provider
<b>Operational area</b>	Global – no restrictions
<b>Industries</b>	All – no restrictions
<b>Sales channels</b>	Ecommerce, MOTO, m-commerce
<b>Core services</b>	<ul style="list-style-type: none"> <li>- Smart transaction routing</li> <li>- Real-time monitoring and reporting</li> <li>- Reconciliation and settlements</li> <li>- Recurring payments with easy scheduler</li> <li>- Transaction pooling</li> <li>- Fee management</li> <li>- Risk management and fraud prevention</li> <li>- Customer payment profiles</li> <li>- Various integration options</li> <li>- Secure payouts</li> <li>- Access to multiple acquirers and PSPs via a single API</li> <li>- PCI-compliant card vaulting</li> <li>- White label solution</li> </ul>
<b>What problem does your company solve?</b>	<p>IXOPAY provides you with the necessary features to enter new markets.</p> <p>We facilitate the integration of preferred payment methods and reduce the time and effort needed for managing a complex payment architecture.</p> <p>Our acquirer-agnostic setup guarantees flexibility and control, helping you to reduce costs, maintain independence, and improve conversion rates.</p>

<p><b>What is unique about your company?</b></p>	<p>As an independent technical provider, we offer our white-label and enterprise clients maximum flexibility and security. The platform eases the management of multiple payment methods and enables you to scale your business globally. With our flexible architecture you can customise the payment orchestration platform to the unique needs of your business.</p>
<p><b>Payment methods supported</b></p>	<p>200+ global payment methods supported</p>
<p><b>Potential reach (growth plans)</b></p>	<p>As an independent technical provider, we can work in any location and with any business vertical that has a product or service to sell, such as iGaming, travel, trading, digital goods and retail, and so forth. Our white label option is also available globally to financial institutions, such as PSPs, acquirers, payments facilitators, and more.</p>
<p><b>Reference customers</b></p>	<p>Grover, eToro, One Insurance, Delivery Hero, Crypto.com, Bankart, Austrian Post, Omicron Media, B4Payment, and others</p>

# Nexway

## Resilience Roadmap: Insights for 2021 Planning



**About Victor Iezuitov:** With extensive international experience in finance and management, Victor has worked as board member, CFO, CEO, and Senior Analyst in investment funds and private banking companies.

Victor Iezuitov ■ CEO ■ Nexway



**About Casey Potenzone:** Casey currently serves as Chief Strategy Officer, having joined Nexway in 2014. A seasoned technologist who has been awarded multiple patents for developing new applications and business models, he previously worked for Arvato, Unicloc, Avangate, and MTV.

Casey Potenzone ■ Chief Strategy Officer ■ Nexway

The year 2020, our collective *annus horribilis*, has restricted our ability to socialise, work, study, travel, or shop the way we did before the global pandemic. The impact on commerce has certainly been unprecedented. But has it all been bad news? The pandemic has certainly accelerated the already occurring trend of a shift from in-store to digital sales. Out of necessity, customers and sellers swiftly moved purchases of all kinds online, rewriting the retail play-book for the foreseeable future.

Nexway surveyed ecommerce decision-makers around the world to understand the impact the crisis has had on their businesses and strategic priorities. Our proprietary research revealed unique opportunities for companies that are able to embrace the latest digital revolution.

In our report *Focus on Resilience: Ecommerce & Payment Top Priorities for 2021*, we look at how companies are managing the market disruption and remaining resilient during these uncertain times, focusing on a few key ecommerce areas that are very much within their control. Now is the time to learn from your peers and our experts so you can develop a practical plan for the months ahead.

### Survey findings

There's no denying 2020 shook things up for most businesses. Our research showed fully 80% of companies reported an impact

on sales during the pandemic. Perhaps it is a bit more surprising that for many companies this impact actually meant an increase in sales. While 44% of those surveyed reported a negative impact on company sales in 2020, 36% registered a positive turn, and 20% saw no change at all. In response to the crisis, a majority of companies surveyed (78.5%) adjusted their strategic objectives mid-year. The reasons for this change included the need to 'move from offline to online sales' and to create 'alternative payment paths'. As a result, many companies were looking ahead and rethinking their sales model, with 64% reporting that the COVID-19 crisis made them consider changing how they sell and distribute their product.

Some of the biggest ecommerce challenges companies are facing include lower consumer spending and mounting costs, especially due to increased commissions and fees. For many, reaching new clients or the right customers was paramount. For others, it was transaction fraud or cybersecurity that was keeping them up at night.

When it comes to what managers today value most when selecting an ecommerce solution provider, the three main criteria given by respondents were reliability, security, and cost. It makes sense that these are financial technology 'non-negotiables', and we can consider those items table stakes today. To really stand out to decision-makers, however, the desired solution should also offer speed, flexibility, a good website user experience, and lots of payment options. →

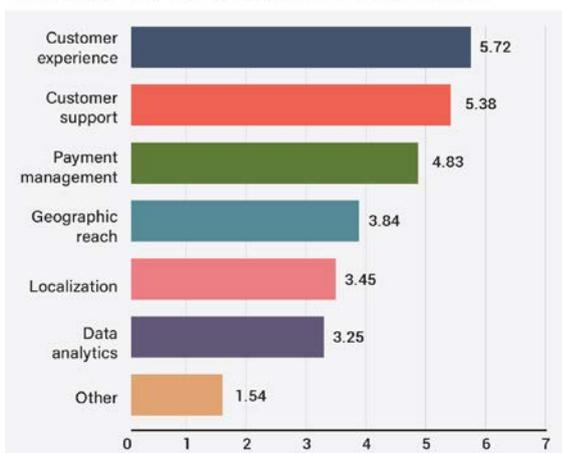
## Top priorities

In today's uncertain business environment, it is impossible to control all the factors at play. We cannot know how long the pandemic will last or how much lasting impact on economies and consumer spending it will have. Still, there are several ecommerce levers you can focus on now to prepare your business for 2021 and the road ahead.

We asked managers to rank their ecommerce and payment priorities for the year ahead, to understand how they were readying their company to be more resilient and responsive in the year ahead. The top three priorities cited in our survey were customer experience, customer care, and payment management (see table).

Business today is more customer-centric than ever before. We see this reality reflected in our clients' top priorities. When they tell us that customer experience and customer care are critical, we must respond with an offer that can truly set their sales operations up for success. The human element surpasses the transactional functionality now.

**RANKING OF THE TOP E-COMMERCE PRIORITIES FOR THE NEXT 6-12 MONTHS**



## 2021 planning

Focus on incremental improvements to these three key areas:

**Customer experience** – Consumers today have ever-higher expectations of service, so companies must have a deep understanding of their consumers' emotional needs and desires to provide personalised responses.

**Customer support** – Customer service not only plays the role of helping customers out when they have a question or a concern, but can actually be one of your business's best levers of growth by accompanying people along the customer journey.

**Payment management** – The Merchant of Record works within your business's over-arching customer experience to manage your entire payment journey, including everything from accepting a range of payment options to preventing fraud to maintaining data compliance to adhering to local sales tax regulations.

## Strategic opportunities

Companies looking to scale up quickly and take advantage of timely opportunities should look for global partners to help connect them to the growing ecommerce market. Many of the strategic decisions made by Nexway in recent years serve this very sense of purpose. Key investments made in updating the technology stack and streamlining processes have helped Nexway build a global operation with a strong customer-centric culture to help online businesses succeed.

After a year full of unprecedented events on the world stage, no one can predict all that 2021 will bring. Focus on the areas you can control, by applying a mix of human capital and smart technology, and seize the moment.

Click [here](#) to read the full research report.

**About Nexway:** Nexway is a software and service company for ecommerce and payment. We expand the sales potential of software, retail, and services companies across 140 countries. Our customers rely on Nexway to power their subscription models, manage local payment methods, prevent fraud, engage resellers, deliver key customer insights, and beyond.

[www.nexway.com](http://www.nexway.com)

[Click here for the company profile](#)

<b>Company name</b>	Nexway
<b>Company description</b>	Nexway is a software and service company for ecommerce and payments. We expand the sales potential of software, retail, and services companies across 140 countries. Our customers rely on Nexway to power their subscription models, manage local payment methods, prevent fraud, engage resellers, deliver key customer insights, and beyond.
<b>Active since</b>	2002
<b>Head office</b>	Paris (France)
<b>Type of service provider</b>	Ecommerce and payments service provider – Merchant of Record
<b>Operational area</b>	Europe/North America/LATAM/APAC
<b>Industries</b>	Software and gaming publishers, service providers, SaaS, retailers, distributors, marketplaces, manufacturers
<b>Sales channels</b>	Ecommerce and m-commerce
<b>Core services</b>	Full service ecommerce and payment management (Merchant of Record) based on Monetize, our ecommerce platform, to create and personalise shopping cart, product catalog, manage price and promotions, B2B portal, content localisation, local payment methods, invoicing, and more. Services such as refund and customer care management, fraud and chargeback mitigation, tax management and marketing services.
<b>What problem does your company solve?</b>	Nexway runs the full payment operations from checkout user experience management to payment, tax handling, and customer care, thus enabling our clients to focus on their product development and go-to-market strategies.
<b>What is unique about your company?</b>	Key strengths in payment, subscription management, and VAT handling.
<b>Payment methods supported</b>	Information available upon request
<b>Potential reach (growth plans)</b>	6 million subscribers
<b>Reference customers</b>	Kaspersky, Avast, Eset, Fnac-Darty, Bitdefender, TeamViewer, Techland, Shiro Games, Take-Two Interactive

# Payvision

## Taking Your Ecommerce Business Abroad? Here Is What You Should Look At!

One thing we have started to enjoy more than before is seeing the delivery guy at our door, handing us the products we have ordered online. With the COVID-19 pandemic, **online retail spending has gone through the roof**. Take UK for example, where online sales spiked by 26% in April 2020 compared to the previous year – or the US, with its ecommerce sales having soared by 45%. Retail websites reached almost 22 billion visits in June 2020, **a whopping 6 billion increase since January 2020**.

Consumers across Europe show a different appetite for international shopping. If the Dutch prefer mostly local e-shops, half of the Belgians are easy with e-shopping from other EU markets, while the Finns more so at 54%. When catering for a broader, pan-European market, for that matter, there is no standard approach to please all shoppers. As every country has its own specifics, you will have to take a good look at it and make sure your ecommerce satisfies every local flavour. That is where we share our wisdom with you.

### Make it local

First thing you need to look at – localise your content. Help your customers understand upfront who you are, what you sell, and how your web shop flow works. Localisation also means you will have to speak the language of your new market. And not by just verbatim translating your website, but by giving it the local flavour and recognising the target culture. It means you need to look at locally customised offers, specific price lists, and policies tailored to the shopping behaviour of the target audience.

### Show them you care – in their language

The second important thing to consider when localising your online store is setting up local customer support. Customer satisfaction and retention are driven, among others, by relatable product descriptions and localised FAQs to help customers self-navigate through different purchasing processes. Although customers should be able to solve their questions without direct contact with your team, consider setting up service emails. Take it one step further and hire a customer service person who speaks the language. That's the way to deliver sterling service.

### Let them order the way they are used to

A **locally tailored checkout** goes beyond a simple translation of the process. There are so many market specific details, shoppers are used to a fill-in option or to choose from a drop-down menu. Measurements, postal codes, dates expressed in a certain format and currency units are all factors to consider. If your customer knows their payment methods are not supported, not only do you miss out on a sale, but customers will abandon their shopping cart and feel as though their time has been wasted.

### Include the right payment method

When shopping online, there are few things more frustrating than discovering at the end of the ordering process that the payment method you use is not supported. Do your shoppers and yourself a favour: do the proper research and support the **right local payment methods**.

### Pricing strategy adapted to the market

You can't always charge the same price for one product, across all markets. When setting your price lists for a particular new market, you've got a couple of options.

The first and most simple one is the *cosmetic price localisation*; this is when a product has a standard price across all your markets, expressed in different local currencies. The second one requires more research, as it is a *true price localisation*. It adjusts to the local operational costs, the local disposable income, competition benchmarking, and local price sensitivity.

### Understand currency risks

Almost half of the shoppers do not feel comfortable purchasing an item in a foreign currency. While offering shoppers multiple currency choices can grant you a higher conversion rate, you might dread the forever-changing foreign currency exchange rates. →

There are ways to easily mitigate this:

- 1) open a bank account in the local currency and have the funds transferred whenever the exchange rate suits you;
- 2) find a **global card acquiring PSP** as it will do all the work for you, and you're free of all the hassle.

### Take into account the landed costs

In other words, **factor in all the taxes**, customs, duty, or shipping fees. These can add up and differ from one market to another.

### Set up delivery and returns

Shipping products internationally requires a reliable shipping company, and this is not something you would like to take lightly. For your peace of mind, better work with a global courier service that has a large network and a bundle of experience. On top of that, they offer additional services such as customs clearance.

### Do it by the book

Last but not least, do your homework and check all locally relevant legislation. If you are a merchant in Europe and working with a European coverage PSP, then you should be PSD2 compliant: SCA and 3D Secure 2.0.

Now you are in the know!



**About Payvision:** Payvision powers transactions for businesses across the globe. The dedication to our clients shows – this is where we truly make a difference. Since 2018 we are part of ING, and this partnership means cutting-edge innovations and a startup mindset backed by ING's expertise and global network.

[www.payvision.com](http://www.payvision.com)

[Click here for the company profile](#)

<b>Company name</b>	Payvision
<b>Company description</b>	<p>Payvision is a global payment processor that's driven by a passion for technology and simplifying payments. With one single, secure platform, we power transactions for businesses across the globe. We know our way around the latest techniques in artificial intelligence and omnichannel strategies. The dedication to our clients shows – this is where we truly make a difference. Since 2018 we're part of ING and this partnership means cutting-edge innovations and a startup mindset backed by ING's expertise and global network.</p>
<b>Active since</b>	2002
<b>Head office</b>	Amsterdam, the Netherlands
<b>Type of service provider</b>	Global acquirer, omnichannel payments provider
<b>Operational area</b>	Europe, North America, Asia-Pacific
<b>Industries</b>	Retail, ecommerce, financial services, gaming, global acquiring
<b>Sales channels</b>	Ecommerce, POS
<b>Core services</b>	Global card processing, global acquiring, alternative payment methods, POS debit and credit, ecommerce platform plugins, tokenization, underwriting, fraud/risk monitoring, fraud prevention, recurring payments, interchange optimisation, multicurrency processing, accounts payables, accounts receivables, split payments
<b>What problem does your company solve?</b>	At Payvision, we work hard to conquer the ins and outs of payments and deliver to the bottom line by bringing a clear vision and lively tempo to our clients' business. When it comes down to it, we get a kick out of smoothing the day-to-day kinks out of transactions, ensuring your payment goals are always achieved.
<b>What is unique about your company?</b>	Our people. At Payvision, we like to keep it real. We also like to get it right, so we're always working our hardest to make sure our products and tools work smoothly for our merchants. We come into work every day to push the envelope in payments.
<b>Payment methods supported</b>	More than 80
<b>Potential reach (growth plans)</b>	Information available upon request
<b>Reference customers</b>	Information available upon request

# Rapyd

## 2021 Is the Year to Localise and Personalise Your Cross-Border Ecommerce Experience



**About Arik Shtilman:** Arik is a cloud services expert and was surprised by the challenges of legacy payments infrastructure that hinders growth in the payment space. Arik started Rapyd to help build a global financial technology infrastructure that allows ecommerce merchants, gig economy platforms, financial institutions, or any business to embed financial services into their consumer offerings in a very simple way.

Arik Shtilman ■ CEO and co-founder ■ Rapyd

Nearly **88%** of ecommerce leaders worldwide see cross-border payments as critical to their company's long-term success. Yet only **35%** say their company is sufficiently equipped to sell cross-border with regularity.

There is a gap between ecommerce leaders' understanding of how important cross-border commerce is and what is needed to seize this huge and complex opportunity. While the task may seem daunting, modern fintech and ecommerce solutions can make the process easier than you might think.

### Localise payments to drive global online sales growth

Merchants face several challenges when expanding beyond their home markets, not the least of which is understanding regional payment preferences and integrating local payment methods into their checkout experiences.

On average, 78% of all **online shoppers worldwide** abandon their carts, and abandonment rates are higher for cross-border transactions. Offering local payment methods can improve conversions and acceptance rates.

Many western countries favour cards, but around the world, it is a different story. In Southeast Asia, offering bank transfers and e-wallets is a must. Cash vouchers like Boleto are indispensable in Latin America. Using a Global Payments Network, like Rapyd's, can simplify global commerce by providing shoppers with their preferred payment methods across countries and regions.

Rapyd Asia Pacific eCommerce and Payments Guide

### Why merchants fail when expanding into new markets

When a typical European merchant starts going global, they are now faced with hundreds of different **local payment methods**. Credit cards – which remain a major payment method in Europe – can count for less than 50% of sales in many markets.

Such merchants may then encounter shoppers' preferences for cash-on-delivery in Latin America, or realise that instalment payments are becoming a must-have for a clothing brand that needs to engage millennial consumers in Australia.

To meet acceptance rate and cost targets, merchants need to start thinking locally in each of their operational markets. In the past, this has meant difficult and costly work to find and negotiate with local payment partners and execute complex technical integrations. →

Now, however, Fintech-as-a-Service platforms offer all-in one solutions that optimise the payment experience based on customer location, while also providing additional services like fraud management, compliance, single-settlement, and foreign exchange.

## Other elements of successful localisation

In digital commerce, cultural distance is more important than physical distance. While payments are critical, many other elements of the customer experience must also be localised and optimised to drive sales and loyalty in any market. These elements include:

### • Local currencies

**73%** of cross-border shoppers want to pay in their own local currency and **45%** of cross-border shoppers feel uncomfortable buying in a foreign currency. Displaying prices in local currency is not optional. **Retail Info System's research shows** that one in four shoppers leave a website if their local currency is not displayed. Consumers can't make a value judgment if they aren't familiar with the currency.

### • Languages

Having site navigation, product descriptions, reviews, and instructions throughout the checkout experience professionally translated helps build trust. Modern browsers may be able to translate sites, but they leave the content feeling foreign and unfamiliar.

### • Site design

Designing sites and apps to meet regional expectations and preferences helps international merchants feel like local, trusted businesses. Design preferences vary around the globe. For instance, Japanese ecommerce web design tends to use much less white space than US sites.

### • Mobile web and/or apps

Preferences for mobile shopping change as you expand abroad. For instance, US consumers make purchases on mobile sites and mobile apps. In China, consumers have a strong preference for in-app purchases. And UK consumers prefer to complete transactions on the mobile web. Progressive web apps are an emerging trend where mobile sites use HTML5 to deliver an app-like experience, and they can help merchants improve conversions across regions.

### • Shipping and fulfilment

As retailers grow their business overseas, they should consider working with a third-party logistics company (3PL) that specialises in cross-border fulfilment and allows merchants to store their goods across borders to optimise delivery times.

### • Customer support

Providing customer support in your customers' languages helps make your company feel local even when you are half a world away. If live local language support operators are out of the question, consider a robust local language self-help section and/or chatbot.

## In cross-border commerce, act local to grow global

Local languages create trust, local currencies allow customers to make value judgments, and popular payment methods drive conversions. Embrace these tactics to fulfil your cross-border destiny.

**About Rapyd:** Rapyd is the fastest way to power local payments anywhere, enabling companies to expand worldwide without building complex payments infrastructure. By utilising Rapyd's global payments network and flexible Fintech-as-a-Service platform businesses can accept and disburse funds and create innovative payment experiences. Learn more at:

[www.rapyd.net](http://www.rapyd.net)

[Click here for the company profile](#)

# Rapyd

<b>Company name</b>	Rapyd
<b>Company description</b>	Rapyd is the fastest way to power local payments anywhere, enabling companies to expand worldwide without building complex payments infrastructure. By utilising Rapyd's global payments network and flexible Fintech-as-a-Service platform businesses can accept and disburse funds and create innovative payment experiences.
<b>Active since</b>	2016
<b>Head office</b>	London, UK
<b>Type of service provider</b>	Fintech-as-a-Service B2B Platform
<b>Operational area</b>	Global coverage in over 100 countries with operations in the Americas, Asia-Pacific, Europe, Middle East, and Africa
<b>Industries</b>	Ecommerce, marketplaces, technology providers, CPG, financial services
<b>Sales channels</b>	Direct (enterprise) and self-service onboarding (small/medium businesses)
<b>Core services</b>	Payment acceptance including cards, cash, e-wallets and bank transfers, payouts, card issuing, and white-label wallet services
<b>What problem does your company solve?</b>	Rapyd helps businesses create and deploy any fintech or payments application without having to build complex infrastructure, manage licensing or compliance issues, and provides multi-currency reconciliation through a single settlement process.
<b>What is unique about your company?</b>	The Rapyd Global Payments Network provides access to over 100 countries for payment acceptance and disbursement, supporting over 900 payment methods. It's the largest single network for local payments. Rapyd's Fintech-as-a-Service platform provides robust APIs, low code checkout, and no-code ecommerce plugins to meet any payment requirement.
<b>Payment methods supported</b>	We support 900+ payment method types for cards, cash, e-wallets, and bank transfers.
<b>Potential reach (growth plans)</b>	Rapyd has thousands of customers in the enterprise and small/medium business segments serving millions of consumers.
<b>Reference customers</b>	Uber, Bnext, Incomm, LytePay, PayMyTuition

# Merchant Risk Council

## To Be (Domestic) or Not to Be (Domestic), That Is the Cross-Border Question



**About Julie Ferguson:** Julie Ferguson, the CEO of MRC, has 25+ years of experience in developing, delivering, and promoting Internet-based technologies. She generates collaborations around industry problems and is enthusiastic about new technologies. Julie has a proven track record of bringing key stakeholders together to solve major problems and positioning existing technology to meet the needs of the audience, without changing fundamental value, proving to be a resourceful problem solver.

Julie Ferguson ▪ CEO ▪ Merchant Risk Council

Over the past few years, merchants have focused on acceptance rates and digging into why good orders get declined. One of the trends observed is the disparity in payment acceptance rates between domestic and cross-border transactions. Cross-border transactions are those that take place when the card issuing bank (the cardholder's bank) is in a different country than the acquiring bank (the merchant's bank). Domestic transactions are initiated using a payment card issued by a bank located in the same country as the merchant's bank.

Acceptance rates can differ based on several variables, many of which make cross-border transactions far more challenging in comparison to domestic transactions. These rates are calculated by comparing the number of approved (accepted) payments with the number of those declined. Most ecommerce merchants have a 90%+ acceptance rate. Subscription merchant acceptance rates are typically lower.

While this concept seems to be straightforward and simple to understand, evaluating the impact of cross-border acceptance rates is actually quite complex. Merchants must categorise all their sales, identify debit card versus credit card transactions, and detect the country in which the cardholder's bank is located (card issuing bank).

As a security measure, some card issuing banks provide a facility to their customers to set country/ merchant location restrictions on their account (e.g. to decline all cross-border transactions). However, consumers are not necessarily aware of how many of their regular purchases might actually be cross-border transactions.

Typically, consumers do not think they are transacting across borders when shopping online. They can forget that online shopping can frequently involve ordering from an ecommerce merchant located in a different country.

For all these reasons and more, calculating acceptance rates for cross-border transactions is complicated. It must go beyond simply comparing the number of successful and attempted payments for measures to be accurate and meaningful. The big picture will emerge when the following steps are taken:

- **Step One:** review historical orders, using at least one quarter of order history data.

We recommend that merchants examine their order history and identify the card issuing bank country and if the card used is debit or credit.

Merchants can determine the country and card type by using a Bank Identification Number (BIN) table, which is available on request from the acquiring bank/processor.

- **Step Two:** calculate and compare the acceptance rates by country and payment type.

After reviewing and sorting historical transactions, merchants should calculate the acceptance rates by issuing country and card type. Unusual variations might indicate issues with cross-border orders and uncover opportunities to increase revenue by processing domestically. →



Many merchants see acceptance rates as low as 50% in some countries. The two-step process is vital for an accurate analysis of the acceptance rate's impact on revenue. So many factors influence it. Calculating acceptance rates is a challenge – and as such, an entire disruptive industry was created focusing on payment optimisation and decreasing declines and failed payments. Solution providers emerging in this space offer valuable services, enabling merchants to process transactions domestically, increase their acceptance rates, and boost revenue. A few solution providers in this space are dLocal, PPRO, and EBANX.

When a merchant is considering whether to continue with cross-border payments or use only a domestic payment provider, the figures are fairly straightforward. They need to calculate what the acceptance rate would be if all the orders were processed domestically. If using a third-party service provider, the calculation should include the cost of that provider and the expected revenue. Merchants should also consider the soft benefit of increased payment acceptance, leading to better consumer experience and customer retention, because when a transaction fails, a merchant not only loses revenue from the sale, but also risks losing all future purchases from that consumer (often referred to as the lifetime value of the consumer).

Moreover, consumer experience is difficult to quantify, but must remain top of mind. Customer loyalty is hard to gain and easy to lose, especially when selling online, where competitors are just a click away. That is why, when evaluating options, merchants need to take into account that new customer acquisition is always more expensive than customer retention.

It is important to also consider alternative forms of payment. In some countries, card payments are not readily available to consumers, so alternatives need to be made available if you are to reach those customers. For our recent global virtual conference, MRC accepted card payments for registrations, aiming to keep payment processing costs low. Our goal was to automate as much as possible. However, several customers based in Europe advised us that they were not in a position to use payment cards for company-related sales, and they requested an invoice, so that the payment could be made by bank transfer instead. Therefore, we were compelled to offer invoicing as a payment option, so that our customers could attend the conference, and we were able to avoid the potential loss in revenue.

As merchants expand geographically, it is important for them to examine how consumers typically like to pay in different countries. Some of our larger solutions providers offer global payments reports, which provide good insight into what payment methods ecommerce merchants should accept in each of the different countries.

Many solution providers that offer domestic payments will also act as the Merchant of Record for alternative payments. When accepting different payment types, the costs, refunds, disputes (chargebacks), and all the associated fees can quickly become an accounting nightmare if your volumes are small. For that reason, when getting started, many merchants choose to outsource the alternative payment offerings until they are ready to bring those in-house.

In conclusion, it is important for all ecommerce merchants to measure cross-border transaction activity and ensure the volume and trends are similar to those for domestic orders – or they run the risk of missing out on a lot of potential revenue.

**About Merchant Risk Council:** The MRC is a global membership organisation connecting ecommerce fraud and payments professionals through educational programmes, online forums, career development, conferences, and networking events. The MRC encompasses a membership network of over 500 companies including 350+ merchants, all focused on fraud prevention, payments optimisation, and risk management. Hear our members share the value of MRC collaboration.

[www.merchantriskcouncil.org](http://www.merchantriskcouncil.org)



RISK AND PAYMENTS INDUSTRY DEVELOPMENT



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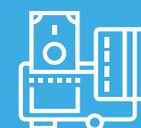
## CHARGEBACK ESSENTIALS

Learn all about chargebacks, how to prevent them and protect your revenue.



## FRAUD ESSENTIALS

Fight fraud with knowledge. Learn about fraud risks, how to detect and prevent fraud.



## PAYMENT ESSENTIALS

Learn about payments, how to optimize them and increase payment acceptance.



# Key Considerations on Cross-Border Payments

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Actions speak louder than words. This chapter includes detailed case studies and nuanced dissections of specific trends and tech, such as: the touch-free payments revolution, how to tackle cross-border payments challenges, global trends in online banking e-payments, the importance of payments orchestration and transaction routing, multi acquirer setups, or the potential of digital money in cross-border payments and trading. All this topped with analyses of the implications of the European Commission Retail Payments Strategy on cross-border payments in Europe and the status of instant payments in India.

# ACI Worldwide

**Peter Moedlhammer, ACI Worldwide, reveals the impact of change in 2020 and what challenges and trends cross-border merchants need to be prepared for in 2021 and beyond.**



**About Peter Moedlhammer:** Peter, in his role as Director, Product Management at ACI, is responsible for defining, positioning, and launching the company's **Secure eCommerce solution**. Bringing many years of product management experience in eCommerce and payments to ACI, Peter's primary focus is on how Merchants and Merchant Intermediaries interact with ACI's eCommerce tools, platform, and value-added products (via the API) to create value and drive business growth globally.

Peter Moedlhammer ■ *Director, Product Management, Secure eCommerce solution* ■ ACI Worldwide

## It has been a year of extraordinary change. What has been the impact on the ecommerce sector?

The growth in ecommerce due to the pandemic has set a high bar for what is now considered baseline growth. In Q2 2020, US retail ecommerce reached USD 211.5 billion, up 31.8% from Q1 and 44.5% year-over-year. Among our global merchant base, we have seen a similar boost for ecommerce merchants, particularly in sectors such as gaming, digital goods, and homeware retailers.

As you would expect, ecommerce has also accounted for a larger proportion of overall retail sales in 2020, across the board. In Europe, 64% of consumers say that during the COVID-19 crisis they shopped more online than before, and 89% of them expect to continue to shop online post-lockdown, even more often.

“*The use of mobile payments and digital wallets is continuing to grow, as is the adoption of ‘buy now pay later’, instant credit, and ‘pay by instalment’ options.*”

For multi-channel merchants, there's also been a huge increase in 'buy-online-pickup-instore' because it has allowed them to provide their customers with the ultimate in convenience, speed, and safety during the pandemic.

Of course, these trends are not new – they were already growing channels – but they have seen enormous acceleration in 2020.

## Payment methods have always been a key issue, especially for cross-border merchants. What are the key trends that merchants need to be aware of?

Most shoppers have certain preferred payment methods. Besides these, the rest are not of interest to them. Indeed, research shows that 59% of shoppers will abandon a transaction if their preferred payment method is not in place.

Working with our merchant customers, we have demonstrated that offering three payment methods can lift conversion by up to 30%, so it is vital for merchants to make sure they are offering the customer a choice of payment methods. Increasingly, merchants are understanding that customers in different demographic groups and different geographies are looking for different payment options. Preferred payment methods also vary by device and customer tenure (as both consumer and merchant build a more trusting relationship). Any merchant looking to grow, domestically and especially across borders, needs to focus investment in this area – particularly on tailoring payments choice.

Broadly speaking, there are a few global trends that merchants also need to consider supporting. The use of mobile payments and digital wallets is continuing to grow, as is the adoption of 'buy now pay later', instant credit, and 'pay by instalment' options. →

Buy now pay later is a particularly interesting trend, and it is also presenting some great benefits for merchants, with an average 15% higher order value and 30% higher customer lifetime value for shoppers using this payment option.

### Looking into 2021 and beyond, what do you believe will drive growth for online and cross-border merchants?

Consumers are indicating that 'ownership' is no longer as important to them as it was before, and they are increasingly opting for usership and consumption-based buying. As a result, subscriptions, recurring billing, and flexible payment options are emerging as a strong growth trend, and this can potentially offer new business models and sales opportunities for many merchants.

We are also likely to see the continued rise of 'invisible payments' – where the payment process happens seamlessly behind the scenes.

To identify one of the key drivers for growth, we need to look at the preferences and habits of Gen Z, as they start to come of age and become a bigger consumer buying group. Gen Z makes up the second-largest age demographic of early adopters, they have a heavy influence on their families' spending, and have a spending power of their own worth USD 44 billion. These younger consumers are driving the adoption of omnichannel shopping, digital wallets, and social commerce, and they will undoubtedly influence the success of voice and IoT commerce – something that is set to become a significant differentiator for trailblazing merchants.

These are the key areas of growth that merchants need to be prepared for in 2021, and they need to ensure that they can fulfil the experience-related expectations and preferences of their customers and of the digital native generations that will become the core consumers of their products and services.

### What challenges do merchants face in preparing for these opportunities, and how can they make sure they can meet customer demand?

Merchants need to deliver the right customer experience, which means supporting innovative customer journeys and catering to shopper preferences.

To achieve this, it will be critical for merchants to break down the walls between the digital experience and the end payment process, to make sure the entire journey is seamless. This will mean using simple, but effective tools that can unlock the potential of growing sales channels. It will also be vital to remove the boundaries between channels to enable true omnichannel journeys and bring digital payment experiences to the store environment, including pay-in-aisle, mobile payment apps, and QR code acceptance.

Ultimately, to take advantage of the opportunities ahead, merchants need a flexible, future-proof payments platform that enables them to innovate and adapt quickly and cost-effectively to stay ahead of their competitors – and customer demand.

**About ACI Worldwide:** ACI Worldwide is a leading global provider of real-time, any-to-any electronic payment and banking solutions. Through our comprehensive suite of software solutions, delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities, and we enable the industry's most complete omnichannel payments experience.

[www.aciworldwide.com](http://www.aciworldwide.com)

[Click here for the company profile](#)

<b>Company name</b>	ACI Worldwide
<b>Company description</b>	<p>ACI, the Universal Payments (UP) company, is a leading global provider of real-time, any-to-any electronic payment and banking solutions.</p> <p>Through our comprehensive suite of software solutions, delivered on customers' premises or through ACI's private cloud, we provide real-time, immediate payments capabilities, and we enable the industry's most complete omnichannel payments experience. To learn more, visit <a href="http://www.aciworldwide.com">www.aciworldwide.com</a>.</p>
<b>Active since</b>	1975
<b>Head office</b>	Naples, Florida, the US
<b>Type of service provider</b>	Payments and fraud software solutions provider, powering electronic payments for more than 5,100 organisations around the world
<b>Operational area</b>	Global
<b>Industries</b>	Banking, payment intermediaries, retail, telecommunications, gaming and digital goods, travel, grocery, restaurants, hotels, fuel and convenience, consumer finance, insurance, government, higher education, healthcare
<b>Sales channels</b>	Direct and indirect
<b>Core services</b>	Payments, payments intelligence, and fraud prevention solutions; industry-leading cloud offerings; comprehensive implementation and support services
<b>What problem does your company solve?</b>	We enable fast, frictionless, and seamless payments, anytime, anywhere, and across all channels. Our services support merchants and banks in delivering a superior customer experience, driving revenue growth, and expanding safely both domestically and across borders.
<b>What is unique about your company?</b>	The breadth of our services, the performance and scalability of our solutions, our 40 years of payments experience, and our global reach, with customers in more than 90 countries
<b>Payment methods supported</b>	Hundreds of payment methods and local and cross-border acquirers, accessed through a global payments network with a single, one-time integration through an open RESTful API
<b>Potential reach (growth plans)</b>	More than 1,000 of the largest financial institutions and intermediaries, as well as thousands of global merchants, rely on ACI to execute USD 14 trillion each day in payments and securities. Our solutions support millions of consumers around the globe.
<b>Reference customers</b>	For customer information please visit <a href="http://www.aciworldwide.com">www.aciworldwide.com</a> .

# Discover® Global Network

## How RuPay Ensures Payment Innovation and Cross-Border Presence



**About Praveena Rai:** Ms. Praveena Rai is Chief Operating Officer of NPCI (National Payments Corporation of India). She is responsible for running the business, the products, the operational and technical delivery. Passionate about payments and technology as drivers to economic value, she helps NPCI attain its strategic objectives of offering simple, secure, and seamless digital payments experience to consumers and users across the ecosystem.

Praveena Rai ■ Chief Operating Officer ■ NPCI

Cards are a popular payment method for online shopping, representing **29% of transactions**, or USD 10.6 billion in sales in India. Although cash-based payments used to dominate the market, the pandemic impacted the country's shopping habits, just like it did all over the world, and now, card payments are expected to rise dramatically in 2021.

Considering the commerce potential of emerging markets, India continues to be an attractive spot for international merchants, perhaps now more than ever, considering the **governmental efforts** to modernise and standardise cross-border commerce operations. These events also mean great opportunities for national programs like **RuPay**, a product of National Payments Corporation of India (NPCI).

Any domestic network that seeks to make a difference in this digital payments world should consider an international partner. Praveena Rai, the COO of NPCI, depicts the successful journey from a local network to now issuing millions of global cards, the way they have contributed to the ever-increasing cashless society, and the partnership with Discover® Global Network and Diners Club International® that increased RuPay's worldwide acceptance.

Discover Global Network is a comprehensive, payments network accepted at millions of merchant and cash-access locations. Diners Club International introduced the first multipurpose charge card to the world in 1950. Now, it's accepted by millions of merchants in 200 countries and territories.

### Building up the contactless payments mainstream in India

RuPay is currently accounting for nearly 35% of cards market share in India. It is issued by more than 1,000 banks, holding around one-third of the market, and with a base of approximately 600 million cards across all the categories, including prepaid, debit, credit, and commercial cards. RuPay has brought an added value by opening up its services for all consumers with different types of needs, and by making it possible for every Indian citizen to access and afford a payment card, due to the wide coverage across the country, over both rural and urban areas. The company applies the same inclusive approach to merchants. From small to large ones, they all get the necessary support in their expansion towards digital enablement.

The first objective was advancing a strong card network program, and after establishing the full issuance and acceptance, RuPay has brought out to the market the best of what NPCI could offer: technological progress and a platform for partners. By bringing together banks on one side and fintech players on the other side, NPCI merged technologies, scaled up its services, and added more features, such as switching, e-KYC (Know Your Customer), onboarding services, and offline contactless payments via the National Common Mobility Card program, which permits the use of RuPay cards for various mobility purposes.

NPCI is also launching a new generation of RuPay with 'RuPay 2.0'. The all new RuPay 2.0 would comprise of five unique features – Contactless Offline, Contactless Transit, Wearables, AutoPay, SoftPoS in an attempt to provide RuPay cardholders a seamless →

purchase experience. With the advent of these features, consumers can witness a greater sense of convenience and smart technology while making contactless transactions. With the amalgamation of cutting edge NFC technology and innovative card payment solutions, the acceptance infrastructure of RuPay is set to revolutionise the payment ecosystem. Apart from being active in creating digital awareness and security campaigns, a major focus of NPCI lies in affordability and access for its consumers, from mass segment to super premium segments, thus marking its contribution to the financial inclusion in India. For example, RuPay has nearly 160 million cards in Jan Dhan accounts (part of **PMJDY** initiative). The Classic and Platinum variants of RuPay account for over 421 million cards at present.

### RuPay's journey with Discover® Global Network

NPCI's mission is to serve a billion people, and this is not possible without serving people with international needs.

Once RuPay identified the need for an international partner to enable their customers to make payments outside the domestic shores, they teamed up with Discover Global Network, a company with a strong array of bilateral relationships in many regions, providing support in more than 200 countries and territories, while also being committed to the Indian market. At present, international merchants are interested in serving the 600 million RuPay users from India.

And while there could be a smaller percentage of them who would go overseas, cross-border ecommerce is a fast-growing segment, increasing by at least 20%-plus year-on-year. Therefore, despite the declining number of travelers today, the cross-border payments opportunity remains. RuPay has currently reached an impressive milestone – according to the latest estimate, the national program will soon cross the threshold of having issued 100 million global cards.

RuPay's relationship with Discover Global Network involves a technology and knowledge based collaboration. RuPay's product suite ranging from tokenization to loyalty programmes comprise market leading technical solutions that tie up with Discover services, and the partners also organise workshops, knowledge-sharing sessions to understand how both companies can take the best advantage of what each other brings to the table. By activating partnerships with global financial services, RuPay augments its contribution to the accelerated digital transformation that, more recently, has been spurred by the COVID-19 pandemic. Ecommerce is growing leaps and bounds in India from both the safety and convenience standpoints. So, the main focus for RuPay now is making ecommerce transactions simple, while also providing tokenized services without any security aspects being challenged, at both the domestic and international level.

**About NPCI:** National Payments Corporation of India (NPCI) was incorporated in 2008 as an umbrella organisation for operating retail payments and settlement systems in India. NPCI has changed the way payments are made in India through a bouquet of retail payment products such as RuPay card, IMPS, UPI, BHIM, BHIM Aadhaar, NETC FASTag, and Bharat BillPay.

**About Discover Global Network:** Discover Global Network, the global payments brand of Discover Financial Services, processes millions of cardholder transactions each day. With industry expertise, innovative technology and a closed-loop infrastructure, Discover Global Network provides effective, customised solutions that evolve as needs change. Discover Global Network has alliances with more than 18 payment networks around the world and is led by three Discover businesses: Discover Network, with millions of retail and cash access locations; PULSE®, one of the leading ATM/debit networks in the US; and Diners Club International®, a global payments network with acceptance in more than 200 countries around the world.

[www.discoverglobalnetwork.com](http://www.discoverglobalnetwork.com)

[Click here for the company profile](#)

<b>Company name</b>	Discover® Financial Services
<b>Company description</b>	Discover® Global Network, the global payments brand of Discover Financial Services, processes millions of cardholder transactions each day. Discover Global Network has alliances with 20 payment networks around the world, and it is led by three Discover businesses: Discover Network, PULSE®, and Diners Club International®.
<b>Active since</b>	1986
<b>Head office</b>	Riverwoods, Illinois
<b>Type of service provider</b>	Global payment network
<b>Operational area</b>	Global
<b>Industries</b>	All
<b>Core services</b>	International payment network for POS, ecommerce, omnichannel, fraud and risk management
<b>What problem does your company solve?</b>	Discover Global Network empowers our partners to achieve their business objectives through offering scale, unmatched global reach, a collaborative approach, and future-readied technologies and capabilities that are designed to evolve with your unique needs and goals.
<b>What is unique about your company?</b>	Discover operates a unique closed-loop model with deeply integrated issuing and network businesses – allowing us to establish direct relationships with consumers, merchants, and other payments ecosystem participants (e.g., acquirers, gateways). This commitment to bilateral relationships and collaboration has allowed us to develop custom payment solutions that evolve as our partners’ needs change.
<b>Payment methods supported</b>	Credit card, debit card, prepaid card, online banking, e-wallet, mobile, offline
<b>Potential reach (growth plans)</b>	189 million+ DGN Cardholders around the globe

*All claims in the table above are based on internal Discover Financial Services data.*

# Mastercard

## Embracing Change – The Touch-Free Payment Revolution Is Here



**About Keith Douglas:** Keith Douglas is Executive Vice President at Mastercard Payment Gateway Services. As the leader of Mastercard's Gateway business, Keith has responsibility for the end to end merchant gateway business in over 100 countries. Keith brings over 25 years of financial industry experience across strategy, marketing, sales, delivery, customer and product management disciplines.

Keith Douglas ■ Executive Vice President ■ Mastercard Payment Gateway Services

We're seeing a step change in how people pay. Social distancing is keeping us away from our loved ones, but by necessity, we are becoming more digitally connected than ever before – including when it comes to paying. This evolution is likely to continue post-coronavirus, as even slow adopters realise the benefits of moving to digital payments.

Coronavirus has sped up a change Mastercard has worked towards for more than 15 years – fast, seamless, and secure checkouts for consumers and merchants and resilience for businesses. We've worked with industry partners across sectors to empower smarter and safer payments for customers.

People were already asking for speed and convenience for everyday purchases. Contactless has been on the rise worldwide for this exact reason. However, the desire for touch-free commerce is increasing demand for other methods of payments. Click and collect is in vogue as a way of keeping contact to a minimum, alongside e-invoicing, in-app payments, and pay by link replacing cash. This has made them ideal for coping with a pandemic – and people aren't looking back, **according to the Mastercard research:**

- almost 7 in 10 consumers say the shift to digital payments will likely be permanent, and nearly half plan to use cash less – even post-pandemic;
- 46% of respondents in Asia-Pacific say they are using cash less, while two-thirds of Latin American respondents say they are using cash less or not at all;
- 64% of European respondents say tap and pay is now their preferred way to pay in-store.

Besides face-to-face contactless payments, touch-free transactions have skyrocketed as people are pushed towards new channels. In the US, ecommerce spending grew 93% year-on-year in May 2020, and in the UK, ecommerce reached 33% of total retail sales in April/May 2020.

### Small businesses push to digital

It's no surprise that small businesses have been hit the most by COVID-19. **Around 50% of US companies think they'll see a significant decrease in revenue in 2020, compared to 21% of digital small business owners.** People are embracing touch-free to weather this crisis, with SMEs adopting two methods to help keep business growing.

### E-invoicing

As physical sales drop and **invoices remain unpaid for longer**, many small businesses are turning to e-invoicing. As well as supporting their move to digital and speeding up invoice turnarounds, it helps prevent posted invoices sitting in abandoned buildings due to working from home. This doesn't mean a 100% e-invoicing approach is ideal for everyone, but it highlights the importance of an agile approach that allows smaller business owners to continue operating while discovering the extra benefits of digital.

In January 2020, **a report by the digital banking firm Tide** showed the average UK SME owner spends 1.5 hours per day chasing late payments and is owed GBP 8,500 (about USD 11,000) – over GBP 50 billion (USD 65.5 billion) across all SMEs and 900,000 hours per day. While e-invoicing wouldn't eradicate this completely, it can simplify tracking and settlement. →

### Recurring payments

The surge in online transactions and flood of new and returning customers has made recurring payments an important issue. Three out of four US consumers have tested a new shopping behaviour during the COVID-19 crisis – 40% a new shopping method, 37% a different brand, and 33% a different retailer. Loyalty is being disrupted with more than **50% of US consumers citing convenience and value as drivers for switching where they shop.**

The increase in first-time buyers and those trying out new channels is a chance for business owners to expand their share of digital sales. However, it's also a threat to those with an established presence and lacking digital checkout experience. Online shoppers looking for repeat purchases will be frustrated by inconveniences such as re-entering payment details or resubmitting the same order every week.

Physical store owners moving to digital should appreciate the importance of recurring payments. Ensuring that the first-time buying experience is smooth and promising an even smoother experience next time is key to making a return visit so much more appealing – an important lesson even some digitally native SMEs could learn.

### Larger businesses, big changes

Change isn't limited to small business owners. **From as simple a solution as going cashless to as advanced as disinfectant misters and thermal scanners,** some changes are here to stay.

We're seeing a big shift in the US towards touch-free payments, which is particularly notable due to how the country has lagged behind others on the adoption of new payment methods – only 3% of US cards were contactless-enabled in 2018, compared to 64% and 96% in the UK and South Korea, **respectively.** Click and collect saw a record 130% year-on-year growth in June 2020, as shoppers tried to keep contact to a minimum, **with physical sales dropping 21% when compared to May 2020.**

Business owners who are lucky enough to already have a robust touch-free system in place are seeing an increase in revenue. In-app payments and online banking surged in April 2020, with a 22% increase for in-app payments, and downloads of banking apps up 60%. Nearly three quarters (73%) of app verticals in the US reported boosted revenue, beating the still-impressive 65% **worldwide figure.**

### Looking forward, reinventing the world

COVID-19 is unsurprisingly dominating the news, but consumers are still looking towards a brighter future, with **a third** wanting to see more topics that have nothing to do with coronavirus.

Though it may be difficult to imagine where the road ahead will lead us, there is a clear desire to change things for the better – both personally and globally. As the digital payments and touch-free transaction landscape continues to evolve, it's clear that they are becoming an ever-more important part of the future we're building together.

**About Mastercard Payment Gateway Services:** Mastercard Payment Gateway Services offers industry-leading global payment processing technology for merchants, partners, and acquirers. Our white-label capability enables acquirers and technology partners to rebrand/resell our payment gateway. Facilitating a variety of payment methods across multiple channels internationally, our solution enables customers to meet their business objectives.

[www.mastercard.com/gateway](http://www.mastercard.com/gateway)

[Click here for the company profile](#)

<b>Company name</b>	Mastercard Payment Gateway Services
<b>Company description</b>	Mastercard Payment Gateway Services offers industry-leading global payment processing technology for merchants, partners, and acquirers. Our white-label capability enables acquirers and technology partners to rebrand/resell our payment gateway. Facilitating a variety of payment methods across multiple channels internationally, our solution enables customers to meet their business objectives.
<b>Active since</b>	1997
<b>Head office</b>	London
<b>Type of service provider</b>	We offer a comprehensive range of payment gateway and risk management solutions with one of the largest global networks of acquiring connections, and we provide acquirers with white label capability and consultancy support on 'go to market' plans. We leverage the wider Mastercard organisation to enhance our technology and innovate faster.
<b>Operational area</b>	Global
<b>Industries</b>	We have customers who operate in many industry verticals, including retail, airlines, travel and entertainment, hospitality, ticketing, gaming, digital content, finance, education, government, telecommunications, transit, and many others.
<b>Sales channels</b>	We are able to support all channels: online, mobile, virtual terminal, and in-store.
<b>Core services</b>	We are a payment technology provider for ecommerce, POS/omnichannel, fraud and risk management services. Our primary customer base consists of white-label partnerships; we also service global merchants and work with other leading payment providers who wish to access our unique capabilities.
<b>What problem does your company solve?</b>	We provide payment technology partnerships for customers who want a partner that offers a market leading service and access to the latest payments innovations – and that will never compete with them.

<p><b>What is unique about your company?</b></p>	<p>We are truly global. Empowering our partners to succeed is at the heart of what we do. We offer our partners the Mastercard difference: proven technology, security acumen, and payments expertise.</p>
<p><b>Payment methods supported</b></p>	<p>All major payment schemes/networks, payment methods such as Click to Pay, Apple Pay, Google Pay, and Samsung Pay, and alternative payment methods such as PayPal, Sofort Banking, Giropay, ACH, Alipay, WeChat Pay, iDEAL, MultiBanco, SEPA, Poli, OXXO, Boleto Bancario, eNETS, Klarna, Pay by Bank App, and more.</p>
<p><b>Potential reach (growth plans)</b></p>	<p>With more than 190 acquirer connections, many of whom white label our service, we are able to process multi-channel payments, service many verticals, offer all major card schemes, and provide access to leading alternate payment methods across the globe.</p>
<p><b>Reference customers</b></p>	<p>Please <b>contact us</b> for current references.</p>

# Radars Payments

## How Fintechs Are Taking Their Stake in Cross-Border Payments



**About Peter Theunis:** Peter Theunis is Senior Vice President, Managing Director, Board Member at BPC and CEO & co-founder of Radar Payments. Peter is an inspiring leader and strategist with over 20 years of experience in payments. Peter carries multiple hats at BPC, a leading Switzerland-based provider of banking, ecommerce, and mobility solutions. He leads sales and delivery teams across Europe and Asia. He is also the co-founder and co-CEO of Radar Payments, BPC's newest paytech and payment processing business.

Peter Theunis ■ Co-founder ■ Radar Payments by BPC

Cross-border payments have always been a concern for consumers and businesses, as sending money internationally has been a challenging process. There is a simple reason for this, since there is not a single omnipresent system that connects various banks all over the world, through which an international transaction can be done. There are schemes, SWIFT, correspondent banks and, on top, fees are not transparent, while the variety of daily changing currency rates adds in complexity. Although the market is not a straight road, the payment business is getting bigger and bigger, as we keep seeing an increase in commerce trades.

In the midst of this era, cross-border payments through banks remain a difficult process. We are now seeing ambitious fintechs or giant ecommerce players like Amazon and Alibaba eradicating all barriers in payments by letting customers pay from any part of the world by using their fingertips.

Currently, as of 2020, the cross-border payment market is valued at nearly USD 21 trillion, and it is only expected to grow exponentially in the coming years. Banks are usually terrified of the consequences that come with the difficulties of cross-border payments – i.e., the process of having dissatisfied customers. Various governments are changing the way international payments are made, which results in variations between the original and the receiving countries.

In common perception, cross-border payments are seen as a challenge mainly because of cost, speed, and transparency. With cost, elements such as transaction fees, account fees, and

FX conversion come into play, making international transfers an expensive affair. The time that is involved in processing a cross-border payment, as the time taken for funding and defunding, is usually elongated. As users have limited access to tracking the progress of their transfers, constant ambiguity revolves around financial risk and fraud.

Cross-border payments act as an integral link for the livelihood and economy of migrants from all over the globe. Furthermore, they have also been associated with global trade, and due to the high volume of transactions that come with it, fintechs have been seeing this market as an opportunity. They have discovered contactless, swift solutions that eradicate the concept of the middleman.

Looking at one of the largest cross-border payment markets – China –, startups are rivalling to change the way we trade and pay with neighbours and beyond. Geoswift in Hong Kong had to adapt to make payments faster than ever. They recently enabled overseas customers to remit money directly into bank accounts in China via UnionPay, through a partnership with Nium, a Singapore-based fintech startup that provides digital, international money transfer services to individuals and businesses. Traditionally, sending remittances to China required business or personal users to transfer funds into that market; however, the recipient had to pick up funds at a bank branch or through a remittance centre. This service allows users to make real-time fund transfers into UnionPay card accounts connected to 14 banks in China, while another 50 banks will be able to get funding into another 48 banks in that market. →

The fintechs involved in international transfers have been showing significant progress over the years. Companies like TransferWire, a billion-dollar fintech, WorldRemit from UK, and InstaRem, a fintech from Singapore, raised funds in their initial years and are already profit-making organisations. Fintechs have certainly changed the game of international remittances, and consumers all around the globe are making them their first choice for the same reason.

Why are fintechs chosen over banks, which have traditionally represented the entity that has transferred funds from one country to another? It is because fintechs have various advantages that make them proficient in the realm of cross-border payments. Fintechs, with their unbeatable technology, provide transfers quicker than traditional banks, as their apps are designed to eliminate the extra time needed. They also create new rails, connecting directly to central banks, as does TransferWise.

Due to the eradication of multiple costs that are involved in a traditional bank transfer, fintechs had the competitive edge of providing better exchange rates to their end users. Customers were also able to choose from their desired payment method – credit card, debit card,

and other non-traditional payment options such as Google Pay and Apple Pay. Fintechs are also eligible for providing multi-currency accounts – so, whenever the receiver gets the money, it is in the same currency. Therefore, there is no need to worry about exchange rates. Apart from these advantages, the cherry on top is the inclusion of AI in cross-border payments. Big Data provides vital insights related to transaction frequency, devices, locations, and so on, giving the fintechs an opportunity to study their audience.

Fintechs that are looking to provide solutions for remittances are blooming organisations. With their pocketful of new technology, they are able to assist through their existing product range or even build a service from scratch, as per the organisation's requirements. They are looking for newer ways to overshadow the concept of traditional correspondent banking, mainly keeping remittances and peer-to-peer payments at the forefront. Real-time payments, PSD2, and open banking systems are drastically changing the world of cross-border payments. As we keep moving ahead, the role of fintech in international payments is only going to upsurge at an unbeatable pace – and transferring money to another country will be as ordinary as buying your day-to-day groceries.

**About Radar Payments:** Radar Payments is a paytech firm specialised in end-to-end omnichannel payment processing. The company offers out-of-the-box acceptance and issuance of credit, debit, prepaid, virtual cards in addition to supporting e-wallets and emerging payment instruments. Radar Payments delivers a white label solution used by payment service providers, fintechs, banks, and other payment institutions, which, in their turn, serve their portfolios of merchant customers.

Radar Payments is owned by BPC Group.

[www.radarpayments.com](http://www.radarpayments.com)

[Click here for the company profile](#)

<b>Company name</b>	Radar Payments by BPC
<b>Company description</b>	Radar Payments is a leading payment processing provider dedicated to acquirers, issuers, PSPs, banks, and fintechs. It offers advisory services and a one-stop white label platform for end-to-end omnichannel processing, enabling acceptance of the most widely adopted payment methods, delivered on a PaaS, SaaS, or fully managed service model.
<b>Active since</b>	2019
<b>Head office</b>	Switzerland
<b>Type of service provider</b>	Payment processor
<b>Operational area</b>	Global
<b>Industries</b>	Banking, payments, mobility, fintech, paytech
<b>Sales channels</b>	Omnichannel commerce: e/m-commerce, MOTO, ATM/POS, wallets
<b>Core services</b>	Omnichannel acquiring services including ecommerce/ATM/POS acquiring, merchant management including billing/fees/hierarchy/pricing, merchant self-service portal, clearing, reconciliation, settlement, dispute management, customer-behaviour-based anti-fraud services, multi currency/language/timezone support, DCC, P2P money transfer, digital merchant onboarding including eKYC, scheme merchant tokenization services, PSD2 compliance including TRA, reporting
<b>What problem does your company solve?</b>	Fintechs and banks want to offer fast and seamless international payment services to their customers, online, in-app, and in-store in multiple currencies across the globe. Radar Payments removes the complexity by delivering a one-stop platform and a range of white label services, putting partner brands at the forefront.
<b>What is unique about your company?</b>	Radar Payments has a comprehensive 360-Payment Service including Omnichannel Acquiring and Issuing Services, which aligns with both fintechs and large banks' needs in order to grow and optimise their operations. Furthermore, the service is white labelled, which means that financial institutions can serve their own customers while attaining piece of mind.
<b>Payment methods supported</b>	18 (including card-based and non-card-based payment methods)
<b>Potential reach (growth plans)</b>	380 million transactions are processed by Radar Payments on a daily basis. In 2019, over two trillion dollars were transacted on our platform.
<b>Reference customers</b>	Geoswift, Soft Space, Maldives Islamic Bank, Tonik Bank Philippines, and more

# Thunes

**Bogdan Dinu, head of product at Thunes, a leading cross-border payment network, reveals the most common payment challenges faced by businesses that start out in emerging markets.**



**About Bogdan Dinu:** As a seasoned product and fintech executive, **Bogdan Dinu** has more than 15 years of experience in the global payments market. He currently heads the product team at Thunes and drives innovation in cross-border payments, leveraging technology to deliver solutions in emerging markets.

**Bogdan Dinu** ■ *Head of Product* ■ Thunes

## What are the top payments-related barriers a business may face when entering a new market?

The COVID-19 pandemic has fast-tracked significant shifts in the global economy. Ecommerce and the sales of digital goods and services are booming – and this is only going to become more important as the global economy begins its recovery. One of the factors fuelling growth is the proliferation of digital payment methods that make it possible to buy and sell goods from anywhere in the world.

A key consideration for any business expanding into new markets is a simple one: how to send and receive payments across borders. Making sure that cross-border payments work is not as straightforward. The combination of growing protectionist measures, like having to use local infrastructure and comply with regulatory requirements, can make it tough for international players to launch.

“Thunes removes the complexity of cross-border payments, allowing our partners to focus on their business and move funds worldwide.”

Moreover, it is critical to understand the local payment landscape and financial ecosystem. Getting it wrong can derail a business' growth plans. An important step is to find a reliable local partner that has the structures in place to facilitate local currency payments,

whether it is via mobile wallets, bank accounts, or cash pickups. Businesses need to be ready to offer local payment methods that reflect the demands of customers.

Understanding the local regulatory environment can be a minefield, especially if a local office or presence is required. Ensuring compliance with regulatory bodies can be time-consuming and expensive, but the risk of ending up on the wrong side of the rules can make or break a business.

There are also many factors that impact currency fluctuations, which have a knock-on effect on a company's cash flow, including macro-economic trends and competitive behaviours. Currency controls need to be taken into account when moving money both within and across borders.

## Given your expertise in cross-border transactions, can you elaborate on the challenges that are rather specific to certain markets?

No two markets are the same. Depending on the industry, we look at general developments in the payment industry, global trade activities, the local geopolitical climate, unique developments within each sector and country, and have a deep understanding of ecommerce in each market.

What works in Europe and the US doesn't automatically work in Latin America, Africa, or Asia. And what works in Nigeria may not work in Kenya. There is no one-size-fits-all approach. Payments need to be tackled country by country and adapted as the market changes. →

In Latin America, cross-border payments have been inefficient, especially for smaller value transactions. Cash usage is high, the payments infrastructure is fragmented, and there are regulatory constraints to overcome.

**Thunes** provides a better alternative for banks, money transfer operators, payment service providers, technology platforms, and marketplaces. We have built the infrastructure, a cross-border payments network that allows the movement of money in a safe and timely way between countries.

### How can Thunes' payment network help businesses operate in new markets?

The beauty of working with a partner like Thunes is that we have done the hard work in building a payment network in emerging markets. If a customer in Europe wants to send money to an M-pesa account in Kenya, we make it possible to transfer money effectively.

In every country, the level of financial inclusion differs from a more formal banking system to a majority of unbanked population. We connect more than **100 countries under a single API that complies** with all regulatory and capital control requirements. Thunes removes the complexity of cross-border payments, allowing our partners to focus on their business and move funds worldwide.

Consumers are given a great deal of choice with multiple payment methods like e-wallets, mobile money, and bank accounts. Thunes' solution allows previously incongruent payment methods to fully operate with each other, connected to the vast web of partners. Partners will then be able to move money between each other in a faster, more economical, and reliable way.

### What are some of the main trends and developments that will shape the cross-border payments space in the next couple of years?

There is an ever-increasing demand from customers and **businesses** to move money across borders in a streamlined way. Interoperability between digital wallets and banks is one of the major developments in this area. Businesses expect real-time payments not just across cities but across borders, and that is an area where Thunes has invested **in the right technology** and infrastructure.

There are many initiatives leveraging distributed ledger technology (DLT) beyond blockchain. This area is still quite new, but there are positive trends there that will enable instant payments and provide access to the unbanked in more remote areas. These capabilities will become a must-have over time.

Lastly, given the current geopolitical environment, payment flows are likely to change on a per-country basis. Southeast Asian (ASEAN) countries are set to trade more with other regions, for example, while China is likely to trade less with the US and Europe but more with Latin America, Africa, and ASEAN countries. That means opportunities for providers in the market are also likely to change.

The reality is that cross-border retail payments are incredibly complex and involve working with vastly different banks, technologies, internal and international payment operators, merchants as well as the end consumer. As fintech continues to evolve, and the need for inclusive growth in the global economy increases, payments will continue to play a vital role in these developments.

**About Thunes:** Thunes is a B2B cross-border payments network that enables the seamless transfer of funds between payment systems in more than 100 countries and 60 currencies. Thunes aims to drive greater financial inclusion and reduce the inequality gap so that individuals and businesses worldwide have access to financial products and services that meet their needs.

[www.thunes.com](http://www.thunes.com)

[Click here for the company profile](#)

<b>Company name</b>	Thunes
<b>Company description</b>	Thunes is a B2B cross-border payments network that enables the seamless transfer of funds between payment systems in more than 100 countries and 60 currencies. Thunes aims to drive greater financial inclusion and reduce the inequality gap, so that individuals and businesses worldwide have access to financial products and services that meet their needs.
<b>Active since</b>	2016
<b>Head office</b>	Singapore
<b>Type of service provider</b>	<ul style="list-style-type: none"> <li>- Business payments, which enable businesses to trade easily across borders</li> <li>- Mass payouts, which support globalisation and the sharing economy</li> <li>- Remittance processing, which fosters worldwide financial inclusion</li> <li>- Virtual accounts, which help merchants access new markets around the world</li> </ul>
<b>Operational area</b>	Global
<b>Industries</b>	Fls, ecommerce, banks, PSPs, MTOs
<b>Sales channels</b>	Financial services
<b>Core services</b>	Our solution is a cross-border payment infrastructure with full interoperability between payment methods. From mobile wallets, e-wallets to bank accounts, the connectivity we provide between payment methods across the world helps expand its reach, especially to financially underserved segments.
<b>What problem does your company solve?</b>	Our service enables our partners to provide reliable, transparent, and cost-effective cross-border money transfer services for individuals and businesses worldwide. We save time and resources on developing countless integrations to multiple systems, and we reduce the entry barrier in global markets by providing a single, effective connection to the world. We offer our members unparalleled access to new partners in emerging markets and accelerated financial inclusion.

<p><b>What is unique about your company?</b></p>	<p>We are able to provide access to over 225 million mobile wallets, 3 million bank accounts and 200,000 cash pick-up points all through one single integration – enabling seamless movement of money between those mediums, with coverage of 100+ countries across 60+ currencies.</p>
<p><b>Payment methods supported</b></p>	<p>Cash pick up, mobile wallet, bank account</p>
<p><b>Potential reach (growth plans)</b></p>	<p>We are connected to 400 partners around the world, across a variety of business types. Even though our partners come from very different backgrounds, application layers, and infrastructures, our platform is able to seamlessly operate and interface with theirs.</p>
<p><b>Reference customers</b></p>	<p>Western Union, Commercial Bank of Dubai, M-Pesa, Singtel, WorldRemit, Equity Bank, Grab</p>

# Trustly

We sat down with Mario Klapsis from Trustly to discuss the rise of online banking e-payments and the role of Trustly in enabling acceptance globally.



**About Mario Klapsis:** Mario is the Vice President Financial Services & Sales, as well as General Manager UK. His team is responsible for setting up the strategy, articulating and distributing the relevant solutions, and driving accelerated growth for our Financial Services business. He has over 20 years of experience in change management and business development worldwide. He has been focusing on the global payments industry for the last 15 years, first with American Express and now with Trustly.

Mario Klapsis ■ GM UK & VP Sales Financial Services ■ Trustly

*In the Netherlands, the implementation of iDEAL in 2005, the local payment method for online banking e-payments, was a milestone in the rise of non-card payments. Meanwhile, online banking e-payments have become increasingly important, not only in The Netherlands and Sweden but globally.*

**Globally, the market share of card-based payment methods is declining, and we see online banking e-payments becoming more relevant. In which countries and regions do you see consumer preference for this method increase?**

I think the best way to answer this question is to take a step back and understand what makes this area such an exciting one of growth and change. There are three forces driving the adoption and development of online banking e-payments: firstly, there is the regulatory force, which differs across the world in the way it is impacting the adoption of online banking e-payments. For example, in Europe and Australia, regulators want to foster simple and secure transactions locally, which, in turn, will also bring about more cross-border trade. Secondly, consumers themselves drive change: various segments of consumers have their own preferences, needs, and priorities, depending on what kind of online transaction they want to make. Even though there are many different types of consumers, we see that their preferences are converging globally towards online banking e-payments. For example, we have seen growth in mobile enablement globally, and that, of course, drives online transactions, which in turn drive online banking e-payments. Thirdly, we see merchants driving change to online banking: merchants have clear needs in terms of operational efficiencies and making

themselves accessible and relevant to their customers, which can all be met by online banking e-payments. All three groups want simplicity and transparency, and online payments can provide that.

“ Online banking e-payments remove chargebacks to the greatest extent possible, they provide speed and good UX when implemented well, and they are cost-effective.

Moreover, in places like Europe, we see a combination of these three forces, which is why change is happening very quickly there. In the US, the regulators are lagging behind somewhat, but the combination of merchant and consumer demand is still present, driving change. In fact, we see the consumer being the primary driver of enabling online transactions everywhere from the US to Southeast Asia.

**You mentioned the US, a region that traditionally favours card transactions over all others: is the change happening differently there than in Europe?**

While the context is slightly different, the factors driving consumers to online payments are the same almost everywhere. We have observed three trends in consumer preferences. →

Firstly, there is a generational trend: generally, Millennials and Gen-Z, unlike the Baby Boomers, have grown up with fast and reliable online payment infrastructure as part of their lives, so they are accustomed to simple enablement and a direct relationship with the merchant. Secondly, there is a trend away from loyalty: there are some groups in the US that are very attached to loyalty programmes, but due to the changing economic circumstances, loyalty has become very hard to support financially. So even if a consumer is used to a card instrument, oftentimes it can be difficult to use and it is very prone to fraud, so they might consider a faster, safer, and simpler method. Some people will stay with cards because that is what they are used to and they are comfortable with it, but there is a growing segment of consumers that are opting for online payments instead. Finally, we see an almost universal preference for consumers to spend money they have, not the money they would like to have, which is an important driver away from cards and towards online banking e-payments.

### What are the benefits of online banking e-payments for merchants, compared to card-based payments?

When discussing the merchant side, it is important to remember that merchants do not think about payments as their number one priority. Nor their number two, or three. Payments are considered at the very bottom of the list, and payment service providers are considered enablers of a business. An enabler needs to provide an operationally efficient solution: it needs to be cost-effective and reliable, as it supports the entire proposition that the merchant offers to its customers. Online banking e-payments provide these operational efficiencies: they remove chargebacks to the greatest extent possible, they provide speed and good UX when

implemented well – especially for the consumer segments that we discussed before –, and they are cost-effective.

### What is the role of Trustly in online banking e-payments?

Trustly provides a payment *ecosystem*, a word that people love to use in very different ways. In essence, anyone that provides base services such as payment initiations, authentications etc. can call themselves an ecosystem. At Trustly, we focus on value-added services that we developed on top of this base layer. We are able to help merchants understand their flow of transactions, we enable quick refunds, and we enhance the user experience. We offer these and other value-added services, and we are excited to be at the forefront of this thrilling and evolving part of the payment world.

**About Trustly:** Trustly is a Swedish fintech company that makes online bank payments fast, simple, and secure. Today, it covers 29 European countries and the US. Trustly's payment solutions attract global merchants in ecommerce, travel, financial services, and more.

[www.trustly.net](http://www.trustly.net)

[Click here for the company profile](#)

<b>Company name</b>	Trustly
<b>Company description</b>	Trustly is a Swedish fintech company that makes online bank payments fast, simple, and secure. Today, it covers 29 European countries and the US. Trustly's payment solutions attract global merchants in ecommerce, travel, financial services, and more.
<b>Active since</b>	2008
<b>Head office</b>	Stockholm, Sweden
<b>Type of service provider</b>	Bank payment service provider Platform enabler API connectivity for payment initiation API connectivity for data retrieval & value-added data solutions and service TPP checking & repository End-user solutions and propositions Fraud/Risk/Security
<b>Operational area</b>	Europe, US, Canada, Australia
<b>Industries</b>	Digital goods, ecommerce, financial services, travel, iGaming, online gaming, FX
<b>Sales channels</b>	Online
<b>Core services</b>	Online payment processing, reconciliation information (web)
<b>What problem does your company solve?</b>	Trustly is a fast, simple, and secure way for European consumers to pay directly from their bank account.
<b>What is unique about your company?</b>	Trustly enables fast, simple, and secure bank payments in over 20 European markets and the US. In addition to pay-ins, Trustly also provides loyalty enhancing instant refunds and payouts to consumers' bank accounts.
<b>Payment methods supported</b>	Online bank payments
<b>Potential reach (growth plans)</b>	Over 600 million bank account globally
<b>Reference customers</b>	Paypal, Alibaba, Skrill, TransferWise, Airbaltic, KLM

# WL Payments

The Paypers interviewed Sunil Jhamb of WL Payments to explore the topic of payment orchestration and get some tips for companies looking to replace their payment platform.



**About Sunil Jhamb:** Sunil Jhamb is the CEO & Founder of WL Payments, a trusted white-label global payments platform. With over 20 years' experience in consulting and sales, Sunil is an authority on international payments. Before this, Sunil founded Newgen Payments and worked at GlobalCollect as the director of global planning and strategy – developing corporate strategies and driving revenue opportunities globally.

Sunil Jhamb ■ CEO and Founder ■ WL Payments

## What issues arise when payment companies work on a dated platform?

Even when working on a modern payment platform, expanding a business globally comes with many challenges. However, on a dated platform, these challenges could mean the end of your expansion. Issues such as high costs, extended timelines for integrations, insufficient insights, and difficulties complying with new rules and regulations may arise, not to mention the need for innovations like pay-by-link, split payments, or one-click payments. Therefore, working with the right PaaS (Platform-as-a-Service) provider that can help with payment orchestration is crucial, especially for large merchants operating in multiple domains and countries.

“ Full-blown payment orchestration is not always necessary, but it can yield good results in the long-term if one chooses the right partner.

## Why is payment orchestration so popular at the moment?

All companies want to lower costs and increase conversion rates. At the same time, the competition from big players like Amazon, Alibaba etc. has increased. Thus, one needs to be prepared not only locally but also internationally. Complying with all the new rules and regulations is an additional barrier for companies to overcome while staying competitive. Even the largest companies are now looking

at PaaS providers like us for help. For example, we developed a flexible 3DS solution on the gateway level, so merchants do not need to use the acquirers' 3DS, saving them money and providing better conversion.

There is also a risk factor involved; as seen with the Wirecard meltdown, working with only one acquirer presents a continuity risk. Moreover, no single acquirer has the best success rates and costs for all countries. Thus, from an optimisation perspective, payment orchestration is the way to go.

## You mention optimisation; is that related to transaction routing? And how does it help?

Yes, transaction routing is an integral part of optimising payments, as are cascading, retries, and second chance functionalities. The goal is to route transactions to the acquirer that has the highest acceptance rate. For example, local cards should be processed by local acquirers, while specific BIN ranges might work better with a particular acquirer. Having such a rule-based routing engine allows you to tweak transaction flows and continually improve your success rate. Our merchants saw an increase between 5% and 15% in their success rate after switching to our platform. →

### How can merchants know how to set up these rules without knowing all the acquirers' performance?

As an actively involved payment orchestration partner, we not only help merchants select the right acquirers, but we also support them with our real-time acquirer health dashboard. All the information needed for improving transaction routing can be found there. Moreover, we have developed machine learning technology to enhance transaction routing further.

### How do you see the future of WL Payments?

I see a bright future for WL Payments: payment companies, banks, and ISOs now realise that they need the best platform to stay relevant to their clients. Maintaining in-house technologies is a huge challenge, and businesses no longer want to run that risk. That is why WL Payments can add immense value to these companies and ensure that their customers get the highest quality solution.

### Any tips for companies looking to replace their payment platform?

The obvious one is, of course, to contact us. Aside from this, I think that to understand what kind of technology they require, companies involved in payment services should analyse their existing and potential customers. Full-blown payment orchestration is not always necessary, but it can yield good results in the long-term if one chooses the right partner. At WL payments, we believe in carefully guiding our partners through this process and figuring out what kind of payment orchestration best fits their requirements. The aim is to make this journey as smooth as possible while also yielding the best results for our customers. Therefore, our motto: we grow when our customers grow!



**About WL Payments:** WL Payments offers a white-label payment gateway platform with secure plug-and-play fintech solutions for ISOs, PSPs, acquirers, banks, and online merchants. Our advanced orchestration of payments is integrated into a single-layered architecture with many innovative features, such as Intelligent Transaction Routing, Automated Reconciliation, and Smart Retries.

[www.wlpayments.com](http://www.wlpayments.com)

[Click here for the company profile](#)

<b>Company name</b>	WL Payments
<b>Company description</b>	WL Payments offers a white-label payment gateway platform with secure plug-and-play fintech solutions for ISOs, PSPs, acquirers, banks, and online merchants. Our advanced orchestration of payments is integrated into a single API connection with several key functionalities including: Intelligent Transaction Routing, Automated Reconciliation, Risk Engine, and more.
<b>Active since</b>	2019
<b>Head office</b>	Meeuwenlaan 100, 1021 JL Amsterdam
<b>Type of service provider</b>	Payment gateway, Platform-as-a-Service (PaaS), white label, reconciliation, payment orchestration
<b>Operational area</b>	Europe, North America, LATAM, Asia-Pacific/Australia.
<b>Industries</b>	High and low risk industries including banking, payment intermediaries, retail, gaming, digital goods, travel, and more
<b>Sales channels</b>	Online and offline sales representatives, online and offline events, demos, panels, (key-note) speakers, account management, and client service channels
<b>Core services</b>	Payment gateway, intelligent routing, automated reconciliation, in-depth analytics, integrations, and other payments services
<b>What problem does your company solve?</b>	We serve companies with low success rates, lack of insights into their payments, and high maintenance costs. Our highly skilled payment specialists have extensive knowledge of the challenges payment brands face, and they apply their technological expertise to help customers facilitate secure payments while increasing conversions.
<b>What is unique about your company?</b>	Speed and service, combined with a state-of-the-art platform, make WL Payments a unique partner. We think in hours and days, not weeks or months. Usually, it would take 2-3 years to build your own platform. Save time and focus on growing your business.
<b>Payment methods supported</b>	40+ payment methods supported, including Apple Pay, Google Pay, iDEAL, PayPal, SEPA, Interac, Skrill, Neteller, Vipps etc.
<b>Potential reach (growth plans)</b>	Through our cloud-based platform we can service clients independent from where they are located. Through our excellent product and service we strive to be the industry's 'trusted payments platform partner'.
<b>Reference customers</b>	WL Payments works with a broad range of clients and business partners like Bankingblocks and Link4Pay.

# Insparx

## Multi Acquirer Setups – Giving Power Back to the Payment Manager



**About Liam Castagna:** Liam Castagna is Head of Payment at Insparx GmbH. He is responsible for their Payment and Fraud vision and works tirelessly to optimise the payment flow. With 22 integrated Acquiring Banks benchmarked in the past year, he believes leveraging your own data is the most effective way to build business performance.

Liam Castagna ▪ *Head of Payment* ▪ Insparx

Feeling powerless when talking to banks is common for a payment manager. Listening to my peers, I come across this topic very frequently. Payment managers find themselves asking how to contact an issuing bank or discussing their frustration at not getting an actionable reply from their acquiring bank. They don't have visibility into the payment chain – their payments are failing, and they do not know why.

However, the payment chain doesn't need to be a total 'black box', it can be reverse-engineered. You don't need cutting edge technology, but you do need a certain setup, a multi-acquirer setup. The principle is simple: with multiple routes for transactions, you can test one route against another and infer why they perform differently. Ideally, you would replicate every link in the payment chain and could mix and match all elements to create tests with limited variables. In reality, this is not always practical or cost-effective. For example, according to my experience, different gateway services connecting to the same acquiring bank have little effect on performance – however, multiple acquiring banks have performed very differently.

### Running tests

A great way to benchmark your different payment routes is to split your volume equally between two or more different acquiring banks – often (but not always) a country can perform differently with different acquiring banks, and sometimes the cause can be traced back to a bug or an erroneous setting in the acquiring bank. Deep diving into the data identifies one segment of the transactions that is the cause of the low performance. In the past, I have identified issues the acquiring bank didn't know about, such as card sub-types not being activated on a MID (Merchant ID), price limits wrongly applied to a local currency instead of the settlement currency, or unusual foreign card and country combinations being blocked.

Sometimes an acquirer will just perform better in a market – we don't find any root cause, but we see the same trend across more than one merchant, and the acquiring bank performs consistently better than several competitors. Even without understanding the mechanics, this is a win for us, and we reward this acquiring bank with more volume.



A great way to look at the merchant's reputation with an issuing bank is to start new traffic on a MID. From my experience, new traffic is given a general risk rating from the issuing bank. Over time, the acceptance rates will either go up or down. I like to imagine machine learning models taking on critical volumes of fraud and decline data – but when authorisation rates for a bank changed on a schedule every month, the reality may be a little less technical. →

If the authorisation rate goes down, maybe your MID has a reputation issue. Different setups can be tested to understand what the issuing bank is concerned about. Removing failovers from one MID can show if high declines are an issue. Splitting traffic by fraud risk can give an overall uplift by the better performing good traffic and indicate you have a fraud or chargeback sensitive issuer. This can be useful information especially if you are running a dynamic 3DS setup.

### Failovers

For this testing strategy to work, you need to recover the lost transactions to limit their impact on revenue. Testing between acquirers can mean you are running large volumes through a route known to be sub-optimal to achieve statistical significance. This is only possible if you have a robust failover strategy. Successful failover transactions give you two benefits: identification of payments that should have worked and a mechanism for limiting the cost of testing. It's a hard conversation to have – explaining sales have been lost because you wanted to see how they failed. It's a much easier conversation to explain why you have some increased processing costs from retrying transaction. Being able to safely fail gives us the freedom to test new setups and to 'fail fast and learn faster'.

### Communication

You are now communicating with the banks from a position of control; you have benchmarked your acquiring bank against its competitors and you can demonstrate transactions are failing when they shouldn't. Corresponding with your acquiring bank is now different; you are no longer requesting support but informing them of their performance. You have multiple acquiring banks – so, the volume is easily rerouted until they have a solution in place. The internal pressure from reduced revenue is no longer there, the whole process is stress-free; you are back in control.

With each acquiring bank now getting a smaller slice of your business, the downside of this strategy is negotiating for prices or support resources. Some will be less inclined to go the extra mile for their client.

A multi-acquirer setup gives the payment manager good insights into what issues are affecting their authorisation rates, hypotheses can be tested, and data can be produced to back up the findings. Fixes can be implemented quickly and without relying on resources from the banks.



**About Insparx:** Based in Munich, Germany, Insparx GmbH is a leading global online dating merchant in over 40 different countries. With a fully subscription-based business model, they are experts in customer retention and managing an extended payment lifecycle.

[www.insparx.com](http://www.insparx.com)

# NPCI

The Paypers sat down with Dilip Asbe, MD and CEO of NPCI, to learn more about India's digital transformation and the status of instant payments in the region.



**About Dilip Asbe:** Mr. Dilip Asbe has played a pivotal role in designing, building, operationalising, and managing large scale innovative payments processing platforms like UPI, BHIM, IMPS, and India's home-grown card network RuPay. He has been instrumental in designing AEPS and defining MicroATM standards for interoperable financial inclusion along with the team at UIDAI.

Dilip Asbe ■ MD and CEO ■ NPCI

## How did the payments and commerce space evolve in India since the launch of UPI in 2016, and what are the key developments that can be observed today?

The implementation of UPI transformed the way payments were made in India and ensured seamless interoperable transactions, both peer-to-peer (P2P) and peer-to-merchant (P2M). The core objective of the NPCI is to transform India into a digital society by creating an ecosystem that is accessible across the country and all strata of population. This needs continuous improvement of all our products to cater to different needs of the market.

“ Driving financial inclusion and creating an evolved digital ecosystem to cater to the diverse requirements of the Indian population is the need of the hour.

In the pre-COVID-19 phase, the Indian digital landscape was witnessing an exponential rise, with the total monthly UPI transactions crossing the 1 billion mark for 6 consecutive months (October 2019 – March 2020). The COVID-19 crisis has tested the preparedness of India's digital capabilities, and UPI saw a sharp decline in March and April 2020, for the first time in many months – mainly due to the lockdown. However, we undertook the task of creating and launching the #IndiaPaySafe campaign along with the UPI ecosystem players to educate consumers about safe digital payments amid the pandemic. The overarching trend that was observed during the lockdown was the increased adoption of digital payments.

India is a favourable market for the growth of the UPI network because of the encouraging government and regulatory policies, developing infrastructure, improved communication systems, expanding customer base, and ease of doing business. India has always been a nation that has been receptive to innovation, which made it an exciting platform for testing because of the scale and diversity that we have to offer.

It is notable that 2020 has demarcated several major milestones for us as an organisation. One of them was the launch of 'UPI AutoPay' – which gives customers an option to create an auto debit mandate for all their recurring payments of up to Rs. 2,000 (EUR 23) on any UPI enabled app. Another milestone took place in Andhra Pradesh (state in the southern part of India), where over 15,000 village and ward secretariats were empowered with UPI-based payments. The drive, which was launched in association with NPCI and Canara Bank, is being seen as a progressive move to enable rural folk to go cashless through UPI. The introduction of QR codes for the facilitation of payments is expected to lay the foundation for hassle-free transactions and also empower thousands of villagers.

## What new functionalities and benefits should merchants expect to have access to when using instant payments?

Driving financial inclusion and creating an evolved digital ecosystem to cater to the diverse requirements of the Indian population is the need of the hour. We, at NPCI, are tasked with the responsibility of onboarding merchants (from rural and urban areas) onto the digital payments ecosystem and providing them with streamlined business transactions, thereby reducing their dependency on cash. →

The recently launched UPI AutoPay will revolutionise the way merchants and customers perceive recurring payments by providing an additional layer of convenience and security across varying categories, especially the SaaS and content providing merchants.

Some key benefits for merchants include:

- seamless fund collection from customers – using a single identifier like UPI ID (e.g. name@xyzbank);
- no risk of storing customers' other sensitive payment details;
- market expansion, as customers just need a smartphone;
- in-app and link-based payments, suitable for remote payments;
- QR-based Scan and Pay (in contactless mode).

### As smartphone penetration increases worldwide, what is next on NPCI's agenda to put this growth into service and further support real-time payments?

The Government and RBI's push to improve digital literacy across the country through a bouquet of initiatives spanning infrastructure, literacy, and ease of access to digital services had a significant impact on improving the overall digital maturity of the Indian populace. With the increased adoption of mobile phones and greater penetration of the internet, the awareness of digital payments started percolating into the grassroots levels of society. Additionally, we are constantly trying to inculcate the new technologies (AI, blockchain, ML, IoT, cloud computing, data analytics, tokenization) to create user-friendly experiences for today's tech-savvy consumer.

With our recently launched subsidiary firm NIPL (NPCI International Payments Limited), we are set to realise our ambition of internationalising UPI and other products by taking them to newer markets. Several nations have expressed an inclination towards replicating the unique payments system set up by NPCI in India. This is a great

opportunity for us to work with participating nations and expand the acceptance network of UPI and RuPay in global markets.

### When it comes to the way people pay in India, can you share with us your prediction on what the future holds?

It is thrilling to see India's transformation from a cash-dependent economy to an economy known for its varied digital payments landscape. As part of the ecosystem, we still need to continue the investments into proactive cybersecurity systems, potent data protection initiatives, robust risk management, resilient systems, and an end-to-end, real-time grievance redressal mechanism. We have started the work on the real-time Online Dispute Resolution based on the RBI's direction, and it is expected to offer a speedy resolution to customer complaints.

As a national organisation, we have an obligation to grow and support the startup ecosystem. With that in mind, NPCI has started its API accelerator programme, where we have launched a marketplace of APIs from NPCI, banks, and other fintech players. This platform allows the developers to perform stub testing and reduce their turn-around time to launch their product with enabled fintech services. We are also reaching out to several accelerators to become their knowledge partner and assist startups in launching their products and connecting them with other stakeholders in the ecosystem. NPCI organises the Fintech Yatra (Journey) every year, and we end up touching as many as 100-200 startups. The 2020 Fintech Yatra is touching 500 fintechs, although virtually.

While it is difficult to predict the future of the digital world, we can safely say that in India we aspire to reach a billion UPI transactions a day in the near future.

**About NPCI:** National Payments Corporation of India (NPCI) was incorporated in 2008 as an umbrella organisation for operating retail payments and settlement systems in India. NPCI has changed the way payments are made in India through a bouquet of retail payment products such as RuPay card, IMPS, UPI, BHIM, BHIM Aadhaar, NETC FASTag, and Bharat BillPay.

[www.npci.org](http://www.npci.org)

# Payments Europe

## The Implications of the European Commission Retail Payments Strategy on Cross-Border Payments in Europe



**About Robrecht Vandormael:** Robrecht is Secretary General of Payments Europe. Together with the founding members, Robrecht set up and launched the association in 2019. He is responsible for setting the strategic direction, the day-to-day management, and the external representation of the association. Robrecht fulfils this role as Managing Director at FTI Consulting, a global business advisory firm. Robrecht has more than 10 years of experience in EU advocacy, communications, and coalition building, in particular in the field of financial services, fintech, and payments policy.

Robrecht Vandormael ▪ *Secretary General* ▪ Payments Europe

It's no news that the European payments landscape has undergone profound transformations over the past few years, which have been fuelled by new technology and regulation. On the policy side, the European Retail Payments Strategy has been the latest addition to a series of regulations in Brussels aiming to create a more diverse, competitive, and integrated market with accessible and low-cost payment methods. In its latest payments statistics, the European Central Bank (ECB) showed that the total number of non-cash payments in the euro area increased by **8.1% to 98.0 billion in 2019** compared with the previous year, suggesting that regulation has pushed the market in the right direction, with consumers and retailers having access to a wide array of electronic payments solutions.

In the age of digital solutions, however, the European payments market needs to be further integrated. The EU has made significant contributions in this direction with the European Retail Payments Strategy. In addition to preparing the review of PSD2, it has outlined a future vision for Europe and the necessary regulations that potentially need to come with it. Below we outline what the implications of the Retail Payments Strategy are for cross-border payments and what we believe this means for the future.

### The Retail Payments Strategy and cross-border payments in Europe

In the Retail Payments Strategy, the European Commission has developed a vision for the EU's retail payments. It aims to make it possible for citizens and businesses in Europe to benefit from a

broad and diverse range of high-quality payment solutions supported by a competitive and innovative payments market. It is also looking to encourage the development of homegrown and pan-European payment solutions to support Europe's financial sovereignty – and become less dependent on card payments and global card schemes. Finally, the Commission made significant contributions to improve cross-border payments with non-EU jurisdictions, including remittances.

A key cornerstone of Europe's strategy is the further development of instant payments. The Commission is aiming for full uptake of instant payments via the SEPA Instant Credit Transfer (SCT Inst.) by the end of 2021. If this uptake goes too slow, the Commission will decide whether it is appropriate to propose legislation requiring payment service providers' adherence to the SCT Inst. Scheme by the end of 2021.

### Increasing consumers' trust in instant payments

There is a clear drive to consider how consumer protection can be built into instant payments. The Commission believes charges for both regular and instant credit transfers should be the same – although it notes that there will be additional costs for the provider if features and add-ons, such as chargebacks, are offered with instant payments. →

In the context of the Payment Services Directive (PSD2) review, the Commission will assess the extent to which the EU's existing consumer protection measures (e.g. rights to refunds) can provide consumers making instant payments with the high level of protection offered by other payment instruments. The Commission will assess the impact of charges levied on consumers for instant payments and, if relevant, it will require that they are no higher than those levied for regular credit transfers.

### A European card player

It is not a secret that the European Commission and the ECB have been a strong advocate of the creation of the European Payments Initiative (EPI), an initiative by several leading banks in a number of Eurozone countries, including Germany and France, to set up a European card scheme. While this is a market-led initiative, the Commission aims to ensure that the right regulatory framework exists.

The Commission will also continue to play an 'active political role' in driving pan-European payments. Later in its mandate, the Commission will explore the feasibility of developing a 'label' accompanied by a visible logo for eligible pan-European payment solutions – exploring ways to facilitate the deployment of European specifications for contactless card-based payments (CPACE) and supporting the modernisation and simplification of EU merchants' payment acceptance facilities, enabling for example cash registers to issue e-receipts.

### The Review of PSD2

The review of PSD2 will have wide implications. Strong Customer Authentication (SCA) and contactless will definitely feature high on the list of priorities. The Commission has already committed to exploring whether additional measures should be considered to address new types of fraud, in particular with regard to instant payments. It will also re-examine the existing legal limits on contactless payments, with a view to striking a balance between convenience and fraud risks.

It also plans to assess, in the framework of the PSD2 review, whether the transparency of cross-border international transactions needs further improvements.

### Where to go from there

The EU has set out an ambitious vision for developing an autonomous European payments market. When it comes to encouraging cross-border payments, the Retail Payments Strategy pushes for the development of European grown technologies, mainly based on instant payments to be developed across the single market. The Commission sees itself as the political catalyst, whilst relying on the private sector to 'design' the relevant payments solutions. The Commission has made it clear that it will not shy away from introducing further regulation to achieve this goal.

**About Payments Europe:** Payments Europe is an association of global and European card-based payment solutions providers created to strengthen the voice of the industry. Our mission is to promote a better understanding of the complexity of card payments and the inherent value it brings to society. We support a vibrant, innovative, and competitive European payments market, that is based on a balanced regulatory framework, putting consumers and consumer protection at the heart of everything. Payments Europe's members are active throughout Europe representing card issuers, card acquirers, four-party card schemes, and other stakeholders active in the ecosystem that offer card-based payment solutions.

[www.paymentseurope.eu](http://www.paymentseurope.eu)

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# Mirela Ciobanu

## The Untapped Potential of Digital Money in Cross-Border Payments and Trading



**About Mirela Ciobanu:** Mirela Ciobanu is a Senior Editor at The Paypers and has been actively involved in drafting industry reports, carrying out interviews, and writing about innovation in payments and fintech. She is passionate about finding the latest news on AI, crypto, blockchain, DeFi, and she is an active advocate of the need to keep our online data/presence protected. Mirela has a bachelor's degree in English language and holds a master's degree in Marketing. She can be reached at [mirelac@thepaypers.com](mailto:mirelac@thepaypers.com) or via [LinkedIn](#).

Mirela Ciobanu ▪ Senior Editor ▪ The Paypers

Noticing what can be done via the internet and digitalisation to transform communication, consumers and businesses strive for the same experience with payments, money transfers, and (e)commerce. No matter what channels are used (physical card, bank transfer, even cash), the action taken (swipe, tap, wave, wink, touch) is not so much due to COVID-19. Regardless of where the process of payments starts (online, offline), consumers aim for a quick and stress-free experience – and, most of the time, this happens when buying a small, common item, such as a cup of coffee. But when paying for imports or sending money to relatives abroad, the process often involves filling out forms (therefore it is paper-based), waiting for days, and paying too much, given that there are hidden fees sometimes. Cross-border payments are too slow, too expensive, and not everyone has access to them.

### The rise of digital money

The world needs reliable and interoperable payment means and trading rails that can deliver on the promise of 'the internet of money' – and goods, we might add. Moving money and products around the globe, while abiding to country-specific regulation, should be as easy and cost-effective as sending a message or sharing a photo. We are about to get there sooner than some have expected, as cross-border payments are about to be disrupted, with solutions such as Alipay, Libra, M-Pesa, Paxos, Stablecoins, Swish, WeChat Pay, DCEP (China's Digital Yuan), and Zelle that are expanding consumers' choice of ecommerce payments.

### What keeps international merchants up at night?

To better understand the disruptive potential of the new payment means that have captured our attention, let's start by examining **the challenges encountered by merchants** when it comes to cross-border payments and (e)commerce. Prior to that, it is worth mentioning that while adapting to local customs, and especially while trying to innovate, many international merchants have turned these challenges into opportunities.

- **Selling across borders in different currencies** – trading is a cultural thing, and a US-based merchant might find it difficult to sell in LATAM. Not only because customer behaviour in LATAM is different from the one in the US, but there are also separate rules when it comes to regulations or FX fees and, of course, different currencies. Currencies could represent a major obstacle for brands that sell abroad. In some instances, international ecommerce sites only accept one type of foreign currency, making it difficult for shoppers to use their own currencies when purchasing goods.
- **Paying out suppliers across borders** – with no end-to-end system across borders, cross-border payments typically involve higher transaction fees and longer processing times than domestic payments. Smaller businesses making infrequent global transactions to suppliers are most impacted by this complexity. This could be one of the reasons marketplaces such as Uber, Lyft, and Farfetch have joined Facebook's Libra.
- **Offering diverse payment methods** – the differences in customer behaviour also impact the preference for certain payment methods. To please as many customers as possible, merchants need to be able to offer the full stack – cash payments, mobile payments, contactless payments, bank transfers, boleto, and so on. →

Brands must know what payment methods are present in their target countries or regions, and they need to make sure that they can support them. However, this is a cumbersome and costly movement for a merchant looking to expand in multiple countries/regions.

- **Taking regulations into account** – some countries have adopted stringent consumer protection laws, making it difficult for online merchants to reach them.
- **Speaking the same language** – irrespective of the languages they speak, many global merchants use browser-based translation tools to make their online shopping platforms more accessible to shoppers. Furthermore, there are also websites that optimise their content 100%, by providing country-specific versions of their platform and not relying on browser-based translation tools to translate their content. But there are also situations in which the translation tools do not support the languages spoken by certain customer segments.
- **The current trade war between the US and China** – which affects online sales between these countries.
- **A complex payment ecosystem** – localising payment methods, abiding by local laws, speaking similar languages, and using the same currency for trade led to a complex payment ecosystem. Yet the industry players are working to simplify it, as cross-border merchants consolidate their collaboration with their PSPs and with other payment providers that can offer a payment orchestration layer.

## Digital money – a helping hand

Considering the complex context described above, a series of initiatives have been created that – along with many other aspects of the payments experience – are also set up to create a disruptive paradigm shift in the cross-border ecommerce market. Central bank digital currencies (CBDC), electronic money or e-money, stablecoins, cryptocurrencies, tokens, and more could change ecommerce and solve its payment-related pain points.

**Stablecoins** are digital units of value that are not a form of any specific currency (or basket of currency) but rather, by relying on a set of stabilisation tools, try to minimise fluctuations in their price in such currencies. South Koreans have started to move from card to stablecoin payments, and the fastest growing mobile payment app in **South Korea is CHAI**, which is based on the Terra blockchain. Terra is an algorithmic stablecoin that maintains the value of its currencies through self-correcting market mechanics, rather than holding funds into a vault and issuing coins based on that, the way Libra is proposing. Terra allows the issuance of tokens pegged to different currencies (e.g., USD, KRW), which makes it a practical unifying system for cross-border payments.

From December 2019, 14,000 physical CU stores (Korea's largest convenience store chain) adopted CHAI payments. The company also integrated with TMON, one of Korea's more prominent ecommerce sites with more than 9 million users. These payment initiatives, coupled with attractive discounts offered to buyers and low fees to sellers, enabled the **South Korean company to achieve growth in a short period**.

Today's entrants in the payment arena will transform the way in which money works, and central banks will play an important role in moulding this future. The rules they set will bear heavily on the adoption of the new digital money. They have already embarked on this innovative journey, as in some countries central banks partnered with e-money providers (China's case) to effectively test and provide central bank digital currencies (CBDC), a digital version of cash.

According to the Bank for International Settlements (BIS), CBDC is **'a digital form of central bank money that is different from balances in traditional reserve or settlement accounts'**. A CBDC is a digital payment instrument, denominated in the national unit of account, that is a direct liability of the central bank.

As cross-border payments involve numerous players, time zones, jurisdictions, and regulations, they are often slow, opaque, and expensive, making us believe that an interoperable CBDC could play a role in improving cross-border payments. →

The country that is most advanced when it comes to testing their CBDC, promising to launch such a system prior to the Winter Olympics in 2022, is China.

**According to Fan Yi Fei, Deputy Governor** of the People's Bank of China (PBoC), the country's 'digital currency, electronic payment' or DCEP trials have surpassed 3 million transactions (USD 162 million) between April and August 2020 in the cities of Shenzhen, Suzhou, and Xiong'an. Ranging from transportation tickets, bills, government services to buying groceries, DCEP has already covered over 6,700 payment scenarios, according to the Governor's statement. However, PBoC maintains that DCEP has solely covered micro-transactions. The DCEP tests have integrated with existing payment methods like QR codes and facial scanners. As per Yi Fei, more than 120,000 personal and corporate digital wallets for the DCEP were created since the trials began.

## Facebook Libra

The digital payment experiment that has sparked and intensified the need to innovate how money moves is, by far, Facebook's Libra. According to the **European Central Bank**, 'Libra is an integrated construct that simultaneously encompasses a new settlement asset, a new payment rail and new end-user solutions'.

Libra is a stablecoin to be used on a permissioned blockchain payment system, which will be managed through **the Libra Association**. The Association is a group of 27 members represented by payment companies (PayU, Coinbase, checkout.com, Xapo), technology providers (Uber, Lyft, Spotify), online marketplaces (Shopify, Farfetch), venture capitals, and non-profits. To carry on the transactions between different parties, Facebook has introduced its wallet called Novi.

Besides the multi-currency Libra, the Association announced in April 2020 that it is augmenting the Libra network by including single currency stablecoins in addition to its own Libra coin. They aim to start with some of the currencies in the proposed Libra basket (e.g., LibraUSD, LibraEUR, LibraGBP, LibraSGD).

According to **Facebook's Libra white paper**, this will allow people and businesses in the regions whose local currencies have single

currency stablecoins on the Libra network to directly access a stablecoin in their currency. But people and businesses in countries that do not have a single-currency stablecoin on the network can use the Libra coin for cross-border payments, as a low-volatility option. This approach allows the network to support a wider range of domestic use cases and to provide a path for integrating CBDCs, as they become available.

Now the Association is just experimenting, but the final goal is to introduce a new payment method, which is as easy as sending a message to someone through their favourite messaging apps. For instance, in November 2020, the **team behind Facebook's Libra** conducted experimental research into a payments protocol called FastPay that is seven times faster than the Visa system.

Overall, we should definitely keep a close eye on their journey, because if this whole project turns out to be as good as it sounds, it is going to be quite revolutionary.

This new understanding of the very concept of money is about to battle with good old cash and bank deposits. Traditional banks and payments providers will need to transform and reinvent their products to remain relevant for their users and offer the same convenience as e-money. Of course, no one denies the risks this new form of money involves (stability of its value, consumer protection) and the deeper implications it has on global fiscal and monetary policies; however, policymakers should be prepared for some disruption in the banking and payments landscape.

The concept of digital money is changing the industry, and payment experts are advised to watch this space. Its potential resides in the fact that it is real-time, everywhere, seamless, can be personalised, is predictive and for everyone, and reaches the unreachable, as Chris Skinner stresses in its new book **Doing Digital: Lessons from Leaders**.

Read more on the topic in The Paypers' **Central Bank Digital Currencies for Dummies** – a quick reference guide into CBDCs that aims to inform readers about what these are, the innovation they promise, and the implications and risks they pose.



# Insights Into the Thriving Marketplaces Ecosystem

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The marketplace model has been one of the most expanding trends in cross-border ecommerce. We focus, in this chapter, on the key challenges for marketplaces in the Brazilian and African markets, along with specific topics such as B2B ecommerce in cross-border expansion, risk and fraud management for the marketplace model, or how PSD2 has impacted the marketplace paradigm.

# Bexs Bank

The Paypers sat down with Luiz Henrique Didier Jr. of Bexs Bank to discuss the key payment challenges for marketplaces in the Brazilian market.



**About Luiz Henrique Didier Jr.:** With over 25 years of experience at leading financial institutions in Brazil, Didier's fields of expertise include innovation in payment processing, marketing, product and business development, and Brazilian FX regulations. At Bexs, his challenge is to bring innovation to facilitate, through payment transactions, access to global goods and services.

Luiz Henrique Didier Jr. ■ CEO ■ Bexs Bank

## How would you elaborate on the most relevant payments challenges for marketplaces in the current Brazilian market?

As part of the process of expansion of a cross-border marketplace for Brazil, it is essential to understand the local payments culture that is highly specific and unique in relation to other countries. The payments segment is highly concentrated and just five large banks hold more than an 80% share in the sector, thereby dictating regulations and standards on payment methods, financial settlement periods, and interest, amongst others. Due to the fact that banking services are generally quite expensive, 55 million Brazilians have no ties to these institutions, meaning they have limited access to credit cards and use payment slips (called 'boletos' in Portuguese) for the purchase of goods and services. Another local reality that an international company should understand is that only 5% of Brazilians have credit cards that can be used internationally. Therefore, although we have an enormous market, very few people are able to make purchases in foreign currencies. This means that companies should offer a purchasing experience in Brazilian currency, as well as use the most common payment methods, which are mainly domestic credit cards, payments made as lump sums or in instalments, payment slips, and debit cards. Finally, it is worth stressing the high currency fluctuation that Brazil has been experiencing over recent years, this being a critical point in international operations, but one which can be controlled with a partner that offers a smart hedge solution and controls the FX rate.

## How about the main opportunities presented for this type of businesses? What makes Brazil an attractive market for marketplace expansion?

Brazil has a population of more than 210 million people, and around 100

million of them make online purchases, meaning it is a large consumer market. The ecommerce segment has seen annual double-digit growth and, according to eBit/Nielsen, achieved revenue increase of 16.3% in the last cycle. In April 2020 alone, ecommerce expanded by more than 80%, a trend that is becoming more established amongst Brazilians and still leaves room for cross-border business growth. Furthermore, the Brazilian population is one of the most eager to experiment with new digital technology, representing one of the biggest user bases of Spotify, Waze, Facebook, and TikTok.

## What are some specifications on the Brazilian FX regulations that impact the understanding of local payment methods for a marketplace expanding in this region? What about the Brazilian tax structure?

The exchange process in Brazil is highly regulated and supervised by the Brazilian Central Bank, meaning strict analysis is necessary to guarantee the compliance of the operation. An international marketplace that expands into Brazil needs a payment gateway that collects the amounts relating to the products or services in local currency. Following this process, it is necessary to pass on the sums resulting from the transactions to the many international merchants operating in the marketplace. This operation is performed by a bank that holds a licence for this type of transaction that involves the exchange of currencies.

It is important to find a single platform that offers both the payments gateway and the exchange in an integrated and digital form, that speedily takes care of the entire regulatory process, and that also offers a smart hedge solution and takes online control of the FX rate, especially during periods of exchange fluctuation. →

## How would you describe the popularity of the cross-border sector after the massive disruption caused by 2020 and the COVID-19 pandemic?

In 2019, the ecommerce cross-border segment's revenue grew 67% in relation to the previous year, showing that it is increasingly becoming an option for Brazilians searching for new products and competitive prices. The number of Brazilians making purchases on international sites in 2019 rose 18%, and this should become increasingly consolidated following the pandemic that we are currently experiencing. The coronavirus pandemic has drastically altered consumer behaviour, since social distancing has brought the digital universe into people's lives to a much greater degree. Many people have had their first experiences with ecommerce during this period, and the platforms are expanding enormously. Initially, the items most sought after were those in the health care, well-being, and decoration segments, as well as those in categories focused on enabling home office activities, such as computing and electronics.

Some of the most important points that international marketplaces should consider to be able to make contact and strengthen ties with this new, post-pandemic consumer profile are:

- **Invest in user experience** – the digital market is booming, and many companies are leaving the offline environment. It is therefore extremely important to offer platforms that have extensive experience in online purchasing, with a crucial focus on the payments stage of the customer journey.
- **Cross-media benefits and presence** – due to the anticipated high level of competition, it is important to offer advantages to those consumers who are becoming increasingly more experienced and will become more demanding.
- **Invest in logistics** – the logistics factor is very important for the cross-border experience, since it could take more time.

## What are the most relevant emerging trends for cross-border marketplaces in the region and how would you envision the future of this ecosystem in the coming years?

In addition to the payment methods that are crucial to the purchasing experience in Brazil, logistics is currently a limiting factor for cross-border ecommerce. This is due to the fact that deliveries take a minimum of 30 days, sometimes arriving much later, which is an important driver in cart abandonment on cross-border sites (a rate of 82% in Brazil), considering that clients cannot or do not want to wait. The Brazilian Government has signalled its intention to privatise the Brazilian Mail and Telegraph Service (ECT) amidst the new coronavirus pandemic. There is speculation that large global companies, including those in the retail sector, have shown an interest in this acquisition, which could have a positive impact on the entire ecommerce sector.

Another important factor is the migration across devices. Online purchases have been increasingly performed using smartphones. Between 2018 and 2019, this number advanced 10 percentage points, and m-commerce purchases currently account for approximately 42% of the total. On Black Friday in 2019, they surpassed sales via desktops/notebooks.

Finally, it should be stressed that the payments segment has also been changing a great deal. New players have moved in, including fintechs and digital banks, which offer more 'friendly' financial services, making them more popular. All the while not even counting the tech innovation brought along by new trends such as Open Banking, culminating with the national instant payments platform led by the Central Bank, which will develop over the course of 2021.

**About Bexs Bank:** Bexs Bank is specialised in international payments processing and FX transactions for global ecommerce, SaaS, and investments. Through a unique API Platform, our solution provides the collection of Brazilian currency via local payment methods, helping big and small companies to connect with customers in the digital world.

[www.bexs.com.br](http://www.bexs.com.br)

[Click here for the company profile](#)

<b>Company name</b>	Bexs Bank
<b>Company description</b>	<p>Bexs Bank is a Brazilian bank focused in providing cross-border payment services and performing FX transactions for global digital businesses.</p> <p>Through an unique API platform, our solution combines payment and banking capabilities to enable medium and big companies processing payments locally in Brazil, paying Brazilian users or companies, while integrating the Brazilian customers to the global digital economy.</p>
<b>Active since</b>	1989
<b>Head office</b>	São Paulo, Brazil
<b>Type of service provider</b>	<p>Our bidirectional B2C and B2B payment platform processes payments locally, through local payment methods (pay-in), and sends money to Brazilians (payout) via API integration, embedded checkout, or payment link. Merchants can benefit from connecting to a single provider for both pay-in and payouts to Brazil, also benefitting from smart hedging capabilities and cloud redundant infrastructure, leveraging their payment performance in the Brazilian market.</p>
<b>Operational area</b>	Brazil
<b>Industries</b>	Retail, gaming, education, travel and leisure, streaming, SaaS, investments, PSPs, referral programmes etc.
<b>Sales channels</b>	Information available upon request
<b>Core services</b>	Payment processing, massive payouts; B2B payments; cross-border payments and banking infra-structure integration.
<b>What problem does your company solve?</b>	<p>Integrating to the local payment and banking ecosystem in Brazil and to the Brazilian digital consumer base without establishing legal entities or having presence in Brazil. Handling the volatile currency fluctuation of Brazilian local currency.</p>

<b>What is unique about your company?</b>	We provide a unique solution combining payment service provider and FX banking via an API platform. Bexs is fully authorised by the Central Bank of Brazil and can offer all types of international transactions, all in one platform.
<b>Payment methods supported</b>	Around 20 payment options, meaning all local card schemes; boleto and bank transfer with all licenced bank institutions in Brazil.
<b>Potential reach (growth plans)</b>	Brazil has 212 million people, and they are eager to buy digital goods and services. It is essential to understand certain cultural aspects of Brazilians, and the relevance of local payment methods, which account for 90% of transactions. With Bexs solutions, international businesses can access the entire Brazilian market.
<b>Reference customers</b>	SimilarWeb, Start2Pay, TikTok, Softline, PayMyTuition, Storytel, B2W

# Alibaba.com

## Seizing the Marketplace Opportunity: B2B Ecommerce Cross-Border Expansion



**About John Caplan:** John Caplan is the President of North America & Europe at Alibaba.com, one of the world's largest B2B and wholesale online marketplaces, doing business globally, processing billions of dollars of transactions, serving millions of businesses, and making it easy for small businesses anywhere to do business everywhere. Over 20 years of experience as a Founder, CEO, and President/CMO have given him a unique perspective on transformational innovation and results for businesses big and small.

John Caplan ■ *President of North America & Europe* ■ [Alibaba.com](#)

Online marketplaces that allow cross-border trade are enormous drivers of economic growth. For years, B2C platforms have been the centre of attention, with many not recognising the incredible growth underway in the B2B segment. This is indeed a huge miss: B2B ecommerce represents a USD 23.9 trillion market globally, **according to the US International Trade Commission** – six times that of the B2C ecommerce.

What began primarily as a listing directory of Chinese manufacturers, for Alibaba.com, has transformed – in just the past three years – into an end-to-end trading platform for small- and medium-sized businesses (SMBs) in more than 190 countries and regions, which will have facilitated tens of billions in gross merchandise volume (GMV) in 2020.

The current pandemic, for all of its serious challenges, is only accelerating the digitisation of B2B SMBs. In fact, it has spurred more positive changes in the last few months than over the last two decades – a truly remarkable turn of events. Analogue businesses are now digitising to keep up with higher online demand and cashing in on the promise of ecommerce as a great way to find new customers and suppliers and boost sales, which will only continue to grow in the post-COVID-19 era.

While these companies are digitising, they are globalising – rapidly. According to the latest **Alibaba.com US B2B SMB Survey of 5,000 companies**, cross-border business is increasing in importance for US B2B companies, making up an average of 25% of their business – a significant uptick from 17% since the last survey in December 2019.

And ecommerce is making that more accessible than ever before. In fact, respondents cited key benefits of cross-border ecommerce as helping them access international markets (24%) and built-in translation services, helping them communicate with trading partners in different languages (16%).

Cross-border trade is fundamentally complex, especially for wholesale trade. Businesses encounter language barriers, complicated logistics across various touchpoints, foreign exchange considerations, and potential licensing and compliance requirements of both countries. Cross-border trade is also subject to multiple legal jurisdictions, it is considered riskier than buying and selling domestic, and any losses can directly impact the bottom line – which raises the issue of trust: what is the recourse if an international counterparty doesn't fulfil their end of the deal?

That's where B2B marketplaces come in. Established B2B marketplaces provide significant value in that they have the resources, services, and protocols in place to help companies minimise or outright overcome these trade barriers and complexities – especially SMBs, which may not have the expertise, experience, or staff to navigate each hurdle. One of the more straightforward advantages that the digital services marketplaces provide is that they offer real-time translation functionality to ensure effective communication across languages. →

Another one is that they build in reviews to ensure a marketplace where all businesses are represented accurately and can address any feedback to improve their goods and services. Critically, online marketplaces use their role as intermediary to offer dispute resolution to foster trust across all parties.

In this context, companies such as Alibaba.com offer services that can help de-risk global trade, such as a digital freight service, so that companies can compare, book, manage, and track ocean and air freight in real-time and seamlessly arrange bulk shipments, as well as escrow and online payment, in order for buyers and sellers to transact with peace of mind. And because SMBs lack access to the same financing options they have for domestic trade, a supply chain financing product called Alibaba.com Payment Terms was introduced, which provides 60-day payment terms on invoice to help with the cash crunch that comes from the longer lead and transit times involved in global trade.

Finding the right online global commerce strategy that meets the particular needs of a business is key to its long-term transformation and growth. And doing so is more pressing than ever. This unprecedented moment of global uncertainty required businesses to pivot and expand – and many are embracing the opportunities in greater global demand and access that are afforded by B2B ecommerce marketplaces, which will drive cross-border expansion even further in the future.



**About Alibaba.com:** The first business unit of Alibaba Group, [Alibaba.com](http://www.alibaba.com) is a leading platform for global B2B ecommerce that aims to make it easy to do business anywhere. Launched in 1999, Alibaba.com is engaged in services covering all aspects of commerce, including providing businesses with tools that help reach a global audience for their products and helping buyers discover products, find suppliers, and place orders online efficiently. It serves millions of buyers and suppliers from over 200 countries and regions around the world.

[www.alibaba.com](http://www.alibaba.com)



**About Sami Louali:** Sami joined Jumia since its launch in 2012, where he served as co-CEO of Jumia Morocco, co-MD of Jumia Marketplace, and most recently as EVP Strategy & Investor Relations. Sami is a French-Moroccan national with a Master of Science from École Nationale des Ponts et Chaussées in Paris, and an MBA from Collège des Ingénieurs in Paris.

Sami Louali ▪ *EVP Financial Services* ▪ Jumia

The African ecommerce ecosystem is displaying signs of steady growth. In 2020, the restrictions that were imposed out of necessity accelerated this upward trend, as more and more local players oriented toward launching online stores.

Cross-border ecommerce is gaining ground as well, with African consumers displaying a big appetite for items from abroad, which are mainly ordered via ecommerce platforms. Online commerce between the African markets has a massive potential, and it is expected to further develop in the next ten years, particularly with the creation of African special economic zones, as well as the emergence of streamlined custom processes and lower custom fees. Our goal here, at Jumia, is to become the go-to online platform for African shoppers by addressing this future online cross-border market.

In the short term, we expect cross-border ecommerce coming from China to continue to grow – and in the long term, we believe that cross-border trade from the US and Europe is also promising. We will keep on addressing the gap in supply of consumer goods in order to always better serve our consumers' needs.

### Taking the pulse of the African markets

Africa has a large share of unbanked population, according to the World Bank, with 62% of Sub-Saharan Africans not having a bank account – mainly due to poverty, financial illiteracy, and political unrest.

The good news is that technological advancements, smartphone affordability supplied by Jumia, and mobile connectivity have enabled those in the region to manage their money without having to open a

traditional bank account. 21% of Sub-Saharan Africans have mobile money accounts, which are used to pay bills, save money, and access financial services like loans. A good case study is represented by Kenya-based M-Pesa (Safaricom), which has played a big role in financial inclusion via mobile banking.

Cash on Delivery remains the most preferred payment option for consumers who shop on Jumia, although the outbreak of COVID-19 has significantly shifted several of them toward digital payments in order to minimise the use of physical cash and further lessen the spread of the virus.

Online payments are still relatively new in many markets, but they are becoming more popular thanks to customer education, safe payment options like JumiaPay, and greater trust in marketplaces.

To drive the initiative, the 'contactless safe delivery' option has been implemented on the payment platform JumiaPay. This enables consumers to make prepaid payments for products online and have them delivered without direct body contact or cash exchange with the delivery agent. Moreover, we have adopted a local approach in each country where we operate our payment solution JumiaPay, we offer all relevant local payment methods (e.g. local cards, mobile money, bank transfers) and work with multiple local acquiring banks. This localised setup enables us to optimise both our payment success rate and cost efficiency. →

## Key challenges for marketplaces in Africa

Some of the challenges encountered by the African marketplaces when it comes to payments and financial services in general are:

- Cash is still king in many of our markets, which obviously makes Cash on Delivery a more ‘natural’ option for our customers. We are still in an early stage of the online payment adoption in most countries, it will take time to win the trust of our users and convince them to test the convenience of online payments. The good news is that when our customers use our JumiaPay payment platform once, they usually keep on using it.
- Consumer credit gap, and especially the lack of credit cards in circulation (except in some countries like Egypt, which has a sizable pool of credit cards), is making pay later or instalment options difficult to scale. In Latin America, the high number of credit cards has helped marketplaces like MercadoLibre to grow, by offering payments in 3/6/12 months. It is one of the reasons why many alternative lenders are launching in Sub-Saharan Africa.
- Lower card acceptance rates versus mature markets (cards which are not enrolled for online payment or not 3DS enabled) – many banks are still progressively equipping their customers with secured cards for online payments.
- Automation as well as speed of refunds to the cards can sometimes be a challenge (refunds processing can take several weeks, when it should ideally be close to instant).

- The lack of standardisation of local regulations, e.g. AML/CFT requirements or licences to be obtained are country specific. The region also has multiple payment regulations that are quite similar, but there are always some specificities that need to be considered.
- The lack of structured databases in some markets (e.g. credit bureaux or local sanction lists), making it sometimes more challenging to automate some of our services.



**About Jumia:** Jumia is a leading ecommerce platform in Africa. Jumia is built around a marketplace, Jumia Logistics, and JumiaPay. The marketplace connects hundreds of thousands of sellers to millions of consumers. Jumia Logistics enables thousands of partners to deliver millions of packages. JumiaPay facilitates online transactions for Jumia’s ecosystem. We believe that ecommerce is creating new opportunities for SMEs to grow and job opportunities for a new generation to thrive.

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# Be | Shaping the Future

## Are Risk and Fraud Management Easy Tasks for Marketplaces?



**About Masha Cilliers:** Masha is a Specialist Partner at Be | Shaping the Future as well as a Board Advisor to Limonetik, Principal Consultant at Payment Options Ltd, and a Non Executive Director at two UK fintechs, PaySME and Trust Payments. She brings over two decades of experience of working within the payments industry, and prior to consulting she held a number of senior appointments within the payments industry – including at Mastercard, Visa, Microsoft, Cybersource, and Ingenico. Her core focus is within online and mobile commerce, and she has a track record in delivering complex payment solutions for payment facilitators and marketplaces.

Masha Cilliers ▪ *Specialist Partner* ▪ Be | Shaping the Future

### What are marketplaces?

The past decade has seen a vast growth in this relatively new sector. In fact, the marketplace concept has become so wide and all-embracing that there are many varying definitions of what the term actually means: there are pure-player marketplaces, there are retailers opening their websites to third-party sellers, there are gig economies, shared economies, franchises, business-to-business platforms, and new-age procurement platforms – to name just the main models.

But the term is also used for a 'yellow pages' type of services, checkout platforms, and even international retailers. For the purposes of this discussion, let us focus on the following definition: marketplaces are online platforms which enable purchases of goods or services by multiple buyers, from multiple sellers, from marketing to facilitating the payment.

By the nature of acting as a platform and processing the payment for goods and services, marketplaces are usually in scope for seller risk and transaction fraud. And because of the longer 'value chain', or the number of parties involved in these payment transactions, there can be ambiguity as to whose responsibilities lie where.

The fact is that both the marketplaces and their payment providers need to be aware of the risks involved. Let us consider these in more detail under the following two headings.

### Managing risk of sellers

The marketplace will have a process for onboarding sellers, including a range of tools to help assess potential risks. Some platforms will build their own systems with a comprehensive KYC (Know Your Customer) process. This can be done by collecting required personal information and then sending it via an API to an identity verification company, of which there are many. Others may choose to leverage onboarding tools provided by their payment provider instead, or they may do a combination of both.

Identity verification is a legal requirement for whomever is providing the payments for the platform – it helps ensure that the seller (or any of its main shareholders and directors) is not laundering money or using the platform for illegal purposes. Anti-money laundering regulations are increasingly applicable to a broader range of companies, therefore marketplaces must regularly check their compliance with rules and regulations relevant to them.

For the identity checks, it is generally recommended to use a 'risk-based approach', which means heightening the level of checks as the transaction volume or its amount, and thus risk exposure, increases. →

The challenge with marketplaces using a payment provider's tools is that the level of KYC might not be equally appropriate for different types of platforms and sellers, and it may be disproportionate to those with small exposure – or insufficient for those with high exposure.

Seller settlement schedule may also need to reflect the risks related to the types of products and services the seller vends: a book is less likely to be damaged in shipping than a crystal vase, so allowing customer time to receive and check the product before settling to the seller may be a sensible policy. The marketplace must also be clear about what type of products or services it allows sellers to sell and what is prohibited. Normally this information would be presented to the seller in legal terms and conditions that they sign as part of onboarding. It may be worth ensuring that these are very visible and do not get lost in the 'small print'.

### Managing transaction fraud

Any online merchant is potentially a target for a fraudster and it is important to take precautions to identify and protect against them. There are multiple ways to fight online fraud, and there is a great choice of providers whose entire businesses are built on helping to manage fraud. In a standard ecommerce scenario, the merchant would be responsible for sourcing such a solution, however, with marketplaces, this can be also a service that the platform provides to all the sellers.

There are clear benefits from using a fraud management tool for multiple merchants; from economies of scale in terms of costs to the valuable insights into threats and fraud attempts, which the larger amount of

data provides. Marketplaces can employ fraud management experts, which smaller sellers would not be able to do if they handled this directly. But such a system must be very flexible to allow for different business models of different sellers – be that different transaction values, geographies served, or the type of product or service sold.

### Conclusion and recommendations

Building a marketplace platform is a complex task with the added challenges of understanding compliance requirements, managing risk exposure, and protecting against online fraud. Marketplaces should consider the two separate areas of exposure – seller onboarding and transactional fraud management – as part of the overall platform service and think about offering tools for managing these risks for the sellers. This added value will help cut losses, as well as contribute to the return on investment in such tools. And with compliance requirements getting increasingly strict, it might be a good idea to include these features on the roadmap soon.

**About Be | Shaping the Future:** Be Shaping the Future, listed in the STAR segment of Borsa Italiana, is a management consultancy and transformational digital engagement and solutions firm dedicated to the ever evolving financial services ecosystem. We serve our clients by helping them to shape their journey through offering specialist content advice, digital services and innovatively orchestrating end to end solutions. Our people stand out for their domain knowledge, can do attitude and commitment to live by client pace and culture.

[www.be-tse.it](http://www.be-tse.it)

# Vanessa Culver

## Transnational Marketplaces: Building a Strategy Around Key Payment Challenges for Global Merchants



**About Vanessa Culver:** Vanessa Culver leverages her 10+ years in financial and payments operations and strategy for global ecommerce companies to deliver a broad view of both merchant and payment provider perspective to generate billions in additional revenue and save millions in operational costs.

Vanessa Culver ▪ Senior Manager, Payments ▪ Zillow

The world has become a global economy where the presence of online marketplaces enables purchasing power across countries. This poses a great opportunity and challenge for merchants who are looking to expand their global footprint.

There are three key challenges when building a payments offering for a global marketplace:

1. curation of offering;
2. trade-offs of going direct vs centralised;
3. foreign currency management of cross-border payments.

### Curation of offering

There are various payment method offerings globally. [Adyen](#) currently offers almost 100 payment methods across the various payment channels: credit and debit cards, cash and ATM payment methods, direct debit, online banking, open invoice, prepaid, and wallets. Given the variety, it is important to curate for best fit to ensure what is above the fold is the most relative to that customer base and does not create decision fatigue. In order to measure the effectiveness of conversion with payment selection, it is important to A/B test offering and placement. Ultimately, the merchant will want to limit to the mix that is at the intersection of least cost and highest conversion, which will vary by region.

In this graph below, card vs bank transfer preference dominates and varies by country within Europe; in Germany there is a mixed balance of preference. This highlights the importance of offering and curation when considering the many options available by country.

Source: [J.P. Morgan](#)

With the various types of payment methods there is also consideration around whether to connect directly to the payment method provider or through a Payment Service Provider (PSP).

### Direct vs centralised

PSPs like Adyen are often reselling the various payment methods and will include a mark-up to cover their costs. Merchants can save money, cash flow time, and enhance configurations by going direct. However, there are many costs involved in maintaining each connection and therefore the ROI must be considered.

Generally, onboarding an individual payment method can take one to six months, depending on complexity, and will incur ongoing maintenance costs. In addition, by going direct, the merchant is losing out on economies of scale pricing wise. →

# Vanessa Culver

Therefore, merchants will only consider going direct where there is financial incentive and when special configurations are required for success of the business. Otherwise, leaning on a PSP for these offerings will deliver the biggest value by abstracting the need to maintain technical updates and regulations.

In addition to determining the platform strategy, merchants will also need to consider their treasury management strategy.

## Foreign currency management

Foreign currency collection and maintenance is expensive. It is one thing to offer Boletos, it is another to consider whether to hold and maintain Brazilian Real as a currency in the bank account. Merchants without a dedicated Treasury team may ask that their PSP provide the service in which they will incur a few different fees; once at time of settlement (if presentment and settlement differ) and then at time of conversion to their preferred currency. If the merchant has a more mature Treasury team, they may consider consolidating under G-11 currencies or allowing settlement in local currency if there is an existing entity in that market.

The foreign exchange (FX) impact is the main consideration when determining which currencies to present and settle in. The merchant may prefer settlement in their local currency, which could differ both from the buyer currency as well as the marketplace currency. For example, if a UK buyer is purchasing on a US website from a German seller, there are potentially three currencies involved: currency presentment in GBP; currency settlement in USD; seller payout in EUR. The merchant must then determine the appropriate strategy: to convert the currency at the time of the settlement (100-200bps cost from the PSP plus a 200-300bps mark-up on FX by the network) or to hold the presentment currency in nostro accounts and convert balances as part of a monthly/quarterly exercise. If holding local currency, the merchant should also consider a hedging strategy at the transaction level or on bulk movements. Generally, if a merchant is choosing to enable dynamic currency conversion for both the buyer and seller, they benefit most from collecting the funds in local currency for payouts to the seller. Currency deficit management will then require Treasury oversight and hedging strategy.

In closing, merchants have a lot to consider with payment offerings when serving a global customer base. The strategy stretches across both treasury and platform and the level of abstraction relative to each area will be correlated to the merchant's maturity within the respective area.

# Zalando

## Getting a Grip on PSD2 – How to Handle Friction While Providing Unrivalled User Experience



**About Floriane Gramlich:** Floriane Gramlich is the Director of Product for Zalando Payments. She is a senior product and commercial tech-savvy leader with broad international experience in strategy, growth, marketing, operations, business development, analytics, and product management, with over 15 years of work experience with companies like OLX/Naspers, Twitter, eBay, and PayPal.

Floriane Gramlich ▪ *Director of Product* ▪ Zalando Payments

PSD2 impacts everyone dealing with payments, independent if operating only in one certain country or across the EU market. The European Commission and the European Banking Authority introduced PSD (Payment Services Directive) in 2007, as it was recognised that consumers need a wider choice of payment services, enabling faster payments while increasing consumer protection and transparency. PSD2 is the newest regulatory directive building upon that to further increase customer security in the payment space. This was needed as more and more ecommerce business models emerged and hence ecommerce was growing fast.

Fintechs, neobanks, wallet providers, and merchants like Zalando from all over Europe not only recognise the challenges but also work hard on reducing the friction that comes with the new regulatory directive. Ultimately, it is not only about allowing the customer to pay with their preferred payment method, it is also about the safety of the entire process (it needs to happen in the safest way possible). The challenge is to bridge the gap between providing secure transactions and minimising checkout churn by optimising the user experience in a regulated space – and it is vital to have a certain understanding of what the regulation means or what is defined and what not. Coming up with a strategy on how to address PSD2 and having an internal risk assessment plan are also two important steps.

Strong Customer Authentication (SCA), as specified in a new Regulatory Technical Standard (RTS), is a particular challenge, as it can complicate the experience by introducing the friction of authentication. RTS defines the requirements and exemptions for SCA and secure communication between banks and the Third-Party

Payment Service Providers (TPPs) in order to fight rising fraudulent transactions, which harm the consumers' trust and the businesses.

According to the new directive, three groups of factors are used for authentication: knowledge (something only the user knows – e.g. password), possession (something only the user possesses – e.g. a smartphone, a one-time password), and inherence (something the user is – e.g. fingerprint). The RTS requires that SCA uses at least two factors from distinct groups, and the selected factors must be mutually independent so that the breach of one does not compromise the reliability of the other.

However, there are exemptions to SCA, especially for low-risk or low-value transactions, but we also have to count some use cases like contactless transactions at the point-of-sale, transport and parking fares, or payments to self. Additionally, the trusted beneficiaries' use case can be interesting for merchants. The cardholder can request the issuer to whitelist a merchant so that SCA is not required on subsequent transactions to that merchant. Merchants can provide a flow in the checkout funnel so that the cardholder can request to whitelist a trusted merchant while shopping. However, allowing it depends on the respective bank.

Acquirers can be exempted from SCA when they can provide a combination of an exemption threshold value (ETV) corresponding to a PSP reference fraud rate combined with other risk management criteria – e.g. the location of the payee is not identified as high risk. The maximum ETV is EUR 500, and it depends on the acquirers' ability to manage the risk. →

These exemptions are important, as SCA also requires the implementation of 3DS for card transactions, which leads to some cart abandonments because cardholders have not learned to expect 3DS, but also because 3DS flows might differ, depending on the implementation.

There are also grey areas like where to apply Merchant Initiated Transactions (MIT), as the RTS does not clarify if all the payment use cases are applicable to MIT, and each merchant should do its own risk assessment.

Delegated authentication is also a strategic move to consider, which enables the merchants to take back control over the SCA implementation in doing the authentication in their own shop experience. However, this is also dependent on the acquirer and bank used.

Ultimately, each merchant needs to decide on a set of strategies that comply with the challenges of SCA – by considering that not all aspects are defined yet, and the regulatory space answers regularly to new developments when it comes to fraud and customer security.

While the regulation applies to the entire EU market, customer behaviour is different from market to market. More customers are getting used to 3DS, and the acceleration of ecommerce adoption due to COVID-19 boosts digital payments and credit card transactions – hence more customers get exposed to 3DS authentication and get familiar with the user experience.

It is in the hands of each merchant to do everything possible to minimise the friction caused by SCA and to explore ways that will help them provide a good user experience. Start gaining knowledge about PSD2, gather data on bank readiness, experiment with what customers adapt to, collect data with research and A/B tests, and discuss options with your PSPs and acquirers/respective banks – these will ease the adaptation to new challenges. Do not wait, as the regulation is here to stay and actively approaching it might also help you gain a competitive advantage.

**About Zalando:** Zalando is Europe's leading online platform for fashion and lifestyle. Founded in Berlin in 2008, we bring head-to-toe fashion to more than 35 million active customers in 17 markets, offering clothing, footwear, accessories, and beauty. The assortment of international brands ranges from world-famous names to local labels. Our platform is a one-stop fashion destination for inspiration, innovation, and interaction. As Europe's most fashionable tech company, we work hard to find digital solutions for every aspect of the fashion journey: for our customers, partners, and every valuable player in the Zalando story. Our goal is to become The Starting Point for Fashion and a sustainable platform with a net-positive impact for people and the planet.

[www.zalando.com](http://www.zalando.com)



## Marketplaces – Overview per Target Audiences and Regions

# Introduction

In the last year, more than ever before, it has become apparent that one of the key trends in the retail industry has been the growth of the marketplace model. Already on the rise all over the world, marketplaces have been the apex of both complexity when it comes to meeting the requirements of the most elaborate value-chain model in the ecommerce field and, at the same time, of the sum of benefits on all sides.

In the social, economic, and technological context of 2020, digital is not only reigning supreme, but steadily becoming second nature in most verticals, geographies, and consumer behaviour patterns. With new paradigms, current needs have to be fulfilled at a larger extent (online education, gig economy and recruiting, consumer goods and services, just to name a few). All this is paired with more efforts put in for this vast agora of sellers, technology providers, payments aggregators, and cybersecurity experts to work together in order to make the end-consumer's experience worthwhile and virtually as seamless as possible. Competition and innovation have thus never been more centre stage.

Considering the diversity of this ecosystem, it can be difficult to gain insights regarding the whole space. Therefore, we decided to publish a comprehensive overview of marketplaces, so that our readers get a better understanding of the diverse players from all over the globe. We have conducted an in-depth analysis of the main regional and global marketplaces and we grouped them based on three criteria:

- geographical spread (per regions);
- the field in which they operate;
- the target market that they address (B2C, B2B, C2C).

The last criterion is a newly added one in this year's edition of the report, after observing the staggering differences in some verticals in the way the service offerings and the business models are approached.

The regions researched by us are North America, Latin America, Europe, Middle East and Africa, and Asia-Pacific. And for the purpose of this report, based on the research we made, we have distinguished seven categories of marketplaces:

- consumer goods and services;
- food and consumer goods delivery;
- mobility (ride sharing, transportation);
- hospitality and travel;
- finance;
- gig market and recruiting;
- education.

The marketplaces overview that resulted is the outcome of the desk research conducted by our editors, combined with the data available on marketplaces' websites. We would like to invite our readership to take some time to go over our findings and reflect over how the latest trends in this space are mirrored by our overview.

Marketplaces per vertical, target audience, and regional spread

# Consumer goods and services

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C						
B2B						
C2C						

Marketplaces per vertical, target audience, and regional spread

# Education

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C	  	    	    	      	        	             
B2B		      		   	    	            
C2C						      

# Finance

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C	   	        	  	  		   
B2B	     	        	   	  		  
C2C	     	    	  	      	  	    

Marketplaces per vertical, target audience, and regional spread

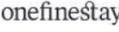
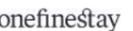
# Food and consumer goods delivery

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global	
B2C	   	    	   	    	      	       	        
B2B	    	        	   	  		     	
C2C	  	  			    	 	

# Gig market and recruiting

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C	   	     	     	     	<p>Lorem</p> 	         
B2B	  	  			<p>Lorem</p>   <p>SKYWORD</p>	        
C2C		   	  	 		    

# Hospitality and travel

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C	      	         	    	         	   	        
B2B	   	 		 	  	 
C2C	  	    				     

# Mobility

	Asia-Pacific	Europe	Latin America	Middle East and Africa	North America	Global
B2C	    	        	        	      	    	      
B2B	  	    	      	  	      	        
C2C	    	        		    	    	          

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