



WHITEPAPER

# Going Global: Payment Insights to Achieve Growth at Scale

JANUARY 2018



Payment Gateway Services

mastercard.



## Introduction

**As technology continues to expand at an exponential rate, changing the way we live and the way we interact with one another, industries across the board are having to adapt to ensure they are equipped to handle these changes and deliver the end-user experience consumers have come to expect.** The payments industry is no exception, and with new innovations — from AI to biometrics — a digital transformation is well underway. However, the rate of this transformation varies significantly across the globe.

Card payments are still prevalent in the UK and Australia, whereas the United Arab Emirates is leading the charge in payments via PC and tablet, as opposed to mobile. Developing countries are facing further challenges, including a proportion of the population who are unbanked and without smartphones. Nonetheless, each of these countries is still ripe for expansion in digital payments — and all countries can and should take learnings from the trends that are proving to be most successful across the board.

There are significant payoffs to be made from getting payments right. In 2016, US consumers spent \$12.8 billion online during the five-day period from Thanksgiving Day through Cyber Monday.<sup>1</sup> Predicting trends, knowing your market and providing the right payment platform is mission critical to a retailer's success. The race is on in each market to find the right way to engage with a changing population's payment needs.

However, with all of these opportunities come challenges. Infrastructure varies significantly across the globe, which in turn impacts payment habits. Some would argue less economically developed countries with little legacy infrastructure are able to catch up with the latest technology much faster than experts first anticipated because they are able to implement mobile technology very quickly, but there are implications in each market that need to be addressed, such as security and financial literacy to name a few, which of course impacts overall market demand for digital payments.

**This playbook provides a snapshot of what payment innovations look like in select markets:** the US, UK, Australia, India, Singapore, United Arab Emirates, Brazil and Mexico. The content highlights preferred payment methods, overall trends for consumers and retailers, and learnings that can be applied to other markets that will ensure they are set up for success and able to reach their potential growth in digital payments.

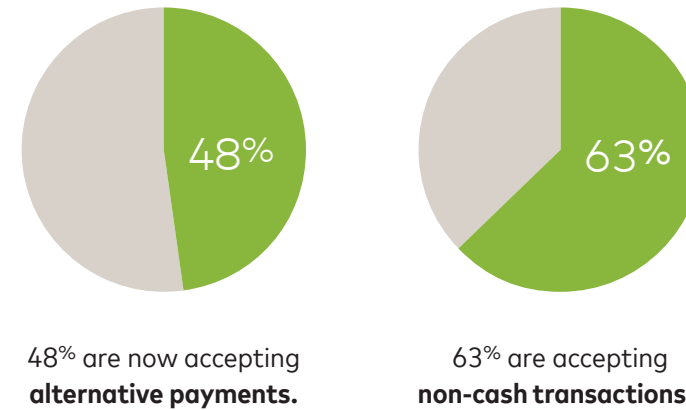
<sup>1</sup> <https://www.practicalecommerce.com/Sales-Report-2016-Thanksgiving-Day-Black-Friday-Cyber-Monday>



# United States

## Payments Offered by the Government and Businesses

### BUSINESSES IN THE US

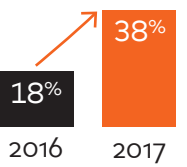


### ACCEPTANCE OF NFC / CONTACTLESS PAYMENTS

18% of small retailers accept NFC / contactless payments.



38% of businesses plan to implement NFC acceptance in the next 12 months.<sup>9</sup>



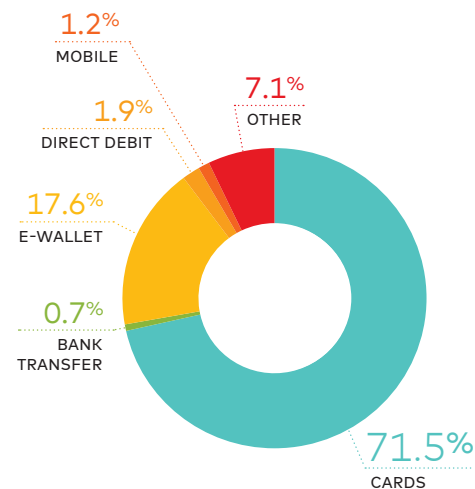
## Preferred Payment Methods



Cash, checks, and eChecks are still more common than other markets.<sup>2</sup>

17% of US mobile buyers have used a mobile wallet to pay for products or services.<sup>6</sup>

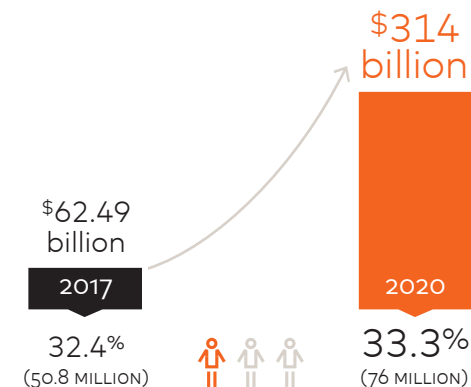
### PREFERRED ONLINE PAYMENT METHODS<sup>3</sup>



### PROXIMITY MOBILE PAYMENTS

The number of proximity mobile payment users in the US will climb to 32.4% in 2017 to reach 50.8 million. By 2020, close to one-third of US smartphone users will use proximity payments at least once every six months.<sup>4</sup>

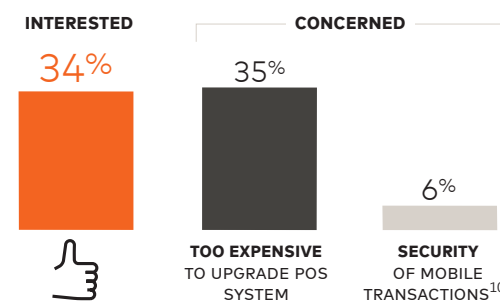
US proximity payments will exceed \$314 billion by 2020.<sup>5</sup>



## Small Business Acceptance

### SMALL BUSINESSES OPEN TO NEW PAYMENT TRENDS BUT STILL HAVE RESERVATIONS.

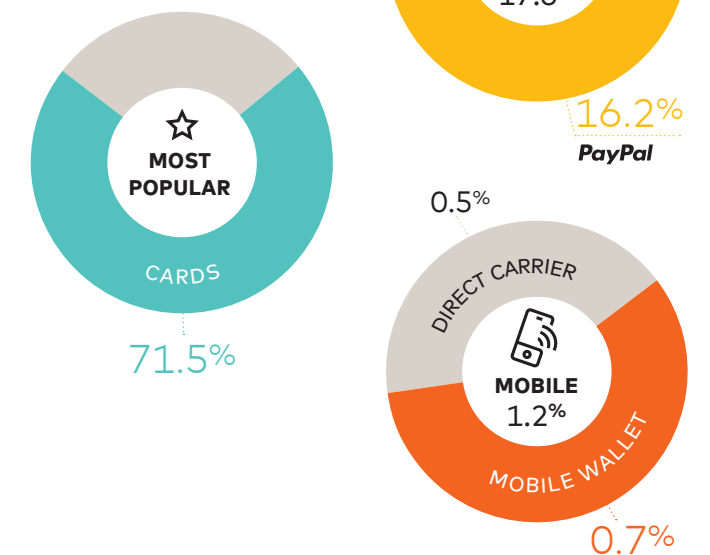
While 34% of US small business owners are interested in exploring mobile wallet payments<sup>10a</sup>, several owners cite expenses and security as a reason to not accept mobile payments.



48% of businesses are accepting alternative payments (includes credit and debit cards).<sup>12</sup>

## Consumer Buying Trends

### PAYMENT METHOD FOR US ECOMMERCE CUSTOMERS<sup>12</sup>



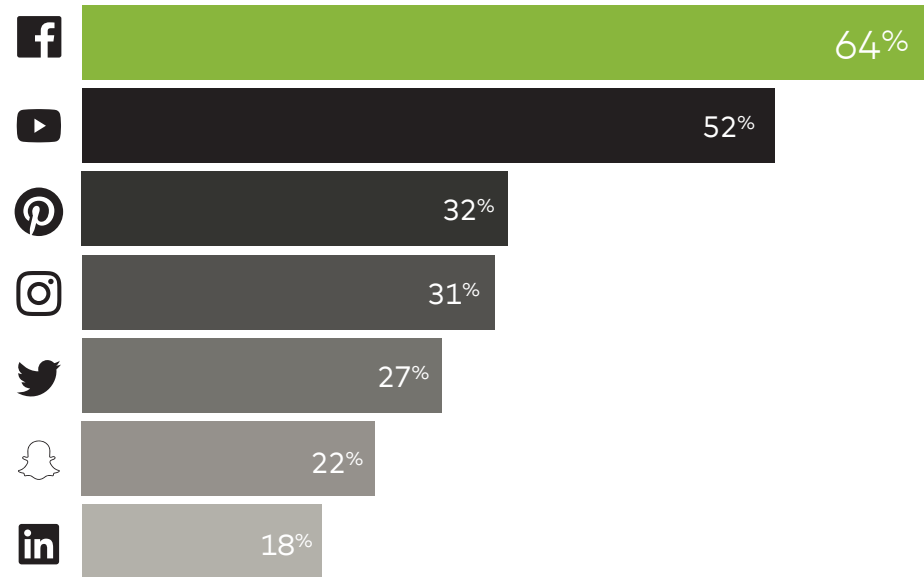
Nearly 1/2 of US digital buyers aged 18 or older surveyed in May 2017 by American Express said they rarely, or never, use cash for purchase.<sup>7</sup>

## Country Shopping Holidays<sup>13</sup>

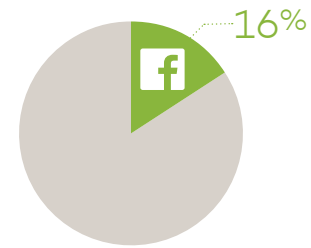
BLACK FRIDAY | CYBER MONDAY | SUPER SATURDAY | BOXING DAY (SAT BEFORE XMAS)

## Top Social Buying Networks

**US INTERNET USERS THAT HAVE MADE A PURCHASE INFLUENCED BY A VIDEO**<sup>14 & 15</sup>



**US INTERNET USERS THAT HAVE MADE A PURCHASE BASED ON AN AD SEEN ON FACEBOOK**<sup>16</sup>



85% of US respondents interact with brands on social.

53% have made a purchase after watching a branded video.<sup>17</sup>

Overall, the US is making progress, but due to its sheer size and existing infrastructure, progress may appear slower than some would have expected. But, having said that, amongst a younger generation, newer payment methods are more popular, and Facebook has overwhelming social buyer influence.

## Country Mobile Penetration<sup>18</sup>

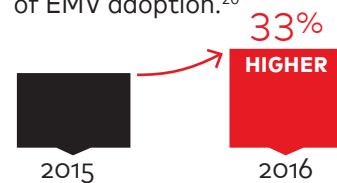
ESTIMATED MOBILE PHONE PENETRATION IN 2017 IS  
**81%**

## Top 3 Industries with Mobile Payment Adoption<sup>19</sup>



## How Has Fraud Been Impacted by New Payment Technologies?

**Ecommerce fraud** was 33% higher in 2016 than the previous year, due to fraud attempts being more difficult because of EMV adoption.<sup>20</sup>



Mobile device owners are increasingly using **financial alerts** for their credit cards and bank accounts to help them reconcile their spending, avoid fees, and be aware of fraudulent activities.<sup>21</sup>

**64%** of mobile phone owners surveyed in 2016 indicated they receive alerts to warn of a **potential fraud attack, payment card balances, transactions, or coupon expiration**, up from 60% in 2015 and 52% in 2014. Financial alerts appear vital for mobile payments given that 92% of mobile payment users receive them.<sup>22</sup>

<sup>2</sup> <https://www.federalreserve.gov/newsevents/pressreleases/files/2016-payments-study-recent-developments-20170630.pdf>

<sup>3</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Papers; CIA

<sup>4</sup> E-marketer 2017

<sup>5</sup> E-marketer.com - US Mobile Payments Outlook: Strong Growth Forecast for Proximity, Peer-to-Peer Payments in 2017 and Beyond November 14 2016

<sup>6</sup> E-marketer.com - Interactive Advertising Bureau (IAB) - A Global Perspective of Mobile Commerce conducted by Device Research Sep 17 2016

<sup>7</sup> E-marketer 7th August 2017

<sup>8</sup> <https://www.betaout.com/blog/10-most-common-reasons-for-shopping-cart-abandonment-tips-to-overcome-them/>

<sup>9</sup> "The Future of Point-of-Sale - Strategies to Meet Small Retailers' Evolving Needs" Javelin © 2016 / Global Payments Playbook Country Questionnaire - USA

<sup>10</sup> Emarketer, New Technologies that US SMBs Are Interested in Exploring, Feb 2017 (% of respondents)

<sup>11</sup> Thrive Analytics, February 2017 "Local Pulse Report: 2017 Key Highlights."

<sup>12</sup> MPGS global handout

<sup>13</sup> Mastercard Country Survey USA 2017

<sup>14</sup> E-marketer: Animoto The State of Social Video 2017: Marketing in a Video first World

<sup>15</sup> E-marketer: Animoto The State of Social Video 2017: Marketing in a Video first World

<sup>16</sup> E-marketer: CivicScience 24 Aug 2017

<sup>17</sup> E-marketer: Brightcove, The Science of a Social Video: Turning View into Value Nov 15 2017

<sup>18</sup> <https://www.statista.com/statistics/222307/forecast-of-mobile-phone-penetration-in-the-us/>

<sup>19</sup> Mercator ©2016 "MOBILE PAYMENTS: MARKET LEADERSHIP UP FOR GRABS"

<sup>20</sup> RBR "Global Payment Cards Data and Forecasts", 2017

<sup>21</sup> Payvision 2016 "The Mobile Payments Report 2016"

<sup>22</sup> Payvision 2016 "The Mobile Payments Report 2016"

# United Kingdom



## Payments Offered by the Government and Businesses

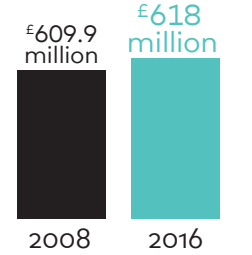
### CARD ACCEPTANCE



The number of **contactless POS terminals** in the UK **surpassed 0.45 million**, up by 45% in 2015.<sup>26</sup>

eCommerce purchases reached **1.8 billion** (+11%), with value spent amounting to **£154 billion** (+9%).

**Fraud losses** on UK-issued payment cards increased by 9% to **£618 million** in 2016. This was the 5th consecutive year of increase and higher than the peak of £609.9 million seen in 2008.<sup>27</sup>



### VALUE OF CONTACTLESS CARD TRANSACTIONS

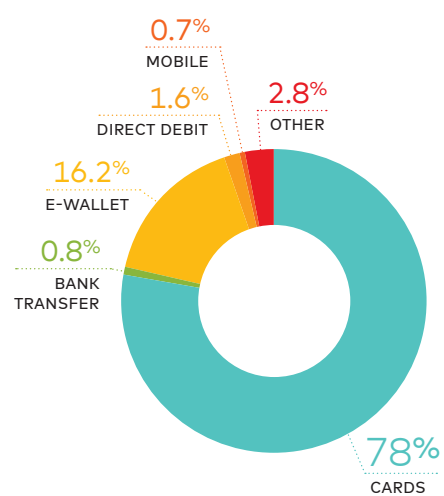
Payments UK forecasts that the value of contactless card transactions in the UK will reach **£9.46 billion** (\$12.77 billion) in 2025, up from £1.05 billion (\$1.42 billion) in 2015.<sup>28</sup>

### Small Business Acceptance

**41%** of businesses are accepting alternative payments (includes credit and debit cards).<sup>29</sup>

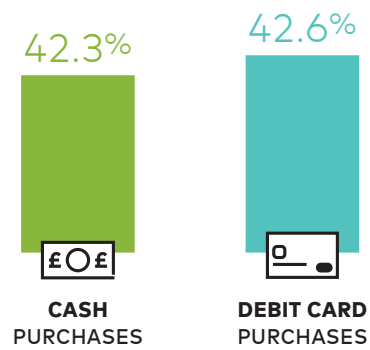
## Preferred Payment Methods

### PREFERRED ONLINE PAYMENT METHODS<sup>23</sup>



### 2016 RETAIL TRANSACTIONS

The British Retail Consortium (BRC) reported that **2016 was the first year** for which the share of **debit card purchases surpassed cash** for all retail transactions in the UK. When combined, debit, credit and charge were used for 54% of retail purchases last year.<sup>25</sup>



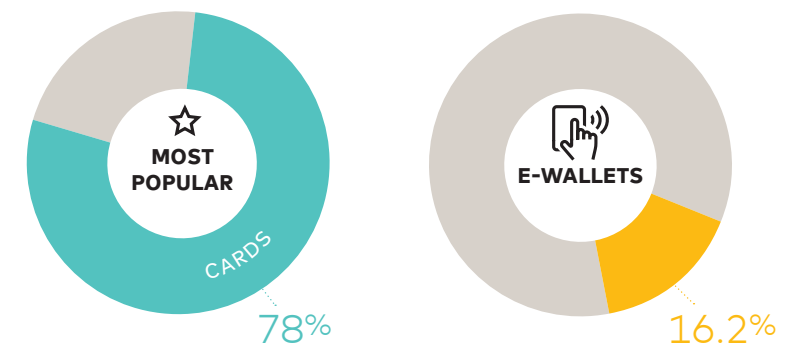
**24%** of UK mobile buyers have used a mobile wallet to pay for products or services.<sup>24</sup>

## Consumer Buying Trends

### NUMBER OF CARDS PER CAPITA

The UK has 3.5 cards per capita, which is the highest in Europe.<sup>30</sup>

### PAYMENT METHOD FOR UK ECOMMERCE CUSTOMERS<sup>31</sup>



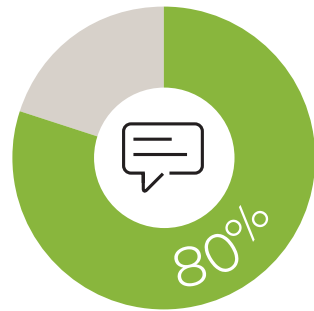
Banks are also entering the mobile payment space, with **Barclays' Pingit service** accounting for 0.05% of transactions. **Offline cash-based payments** are rarely used, and are made up mainly of cash on delivery (0.9%) and **pre-paid accounts** (0.3%).<sup>31</sup>

## Country Shopping Holidays<sup>32</sup>

BOXING DAY | BLACK FRIDAY | CYBER MONDAY | NOVEMBER AND FIRST HALF OF DECEMBER (IN THE RUN-UP TO XMAS) AND OTHER KEY SPORTING EVENTS, SUCH AS THE GRAND NATIONAL

### Top Social Buying Networks<sup>33</sup>

UK RESPONDENTS THAT INTERACT WITH BRANDS ON SOCIAL



MADE A PURCHASE AFTER WATCHING A BRANDED VIDEO



### Top 3 Industries with Mobile Payment Adoption<sup>35</sup>



GAMING



FASHION



RETAIL

### Country Mobile Penetration<sup>34</sup>



ESTIMATED MOBILE PHONE PENETRATION IN 2016 IS

66.95%

### How Has Fraud Been Impacted by New Payment Technologies?



Fraud is a factor in new eCommerce payment types that has led to demands from merchants to be able to screen new payment types.<sup>36</sup>

Contactless is becoming more popular with the UK, which has the highest cards per capita in Europe. Figures for digital wallets also look encouraging, but it is clear there is still a long way to go when it comes to mobile payments – the share of the market here is still small.

<sup>23</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Paypers, CIA

<sup>24</sup> E-marketer.com – Interactive Advertising Bureau (IAB) – A Global Perspective of Mobile Commerce conducted by Device Research Sep 17 2016

<sup>25</sup> E-marketer 7th August 2017

<sup>26</sup> 2017 E-marketer www.emarketer.com

<sup>27</sup> 2017 E-marketer www.emarketer.co

<sup>28</sup> 2017 E-marketer www.emarketer.com

<sup>29</sup> E-marketer UK Alternative Payment Metrics 2016 & 2026

<sup>30</sup> Euromonitor 2015 via Country and Regional Situational Assessment, p15

<sup>31</sup> MPGS global handout

<sup>32</sup> Mastercard country survey UK 2017

<sup>33</sup> E-marketer: Brightcove, The Science of a Social Video: Turning View into Value Nov 15 2017

<sup>34</sup> <https://www.statista.com/statistics/553464/predicted-number-of-smartphone-users-in-the-united-kingdom-uk/>

<sup>35</sup> Mastercard Country Survey UK 2017

<sup>36</sup> Mastercard Country Survey UK 2017

<sup>37</sup> Euromonitor 2015 via Country and Regional Situational Assessment, p15

# Australia

## Payments Offered by the Government and Businesses



Australia's growth in digital payments is enabled by the high number of POS devices.

### TERMINALS PER MILLION INHABITANTS<sup>42</sup>



40,130  
AUSTRALIA



36,331  
CANADA



32,750  
ITALY



31,096  
SINGAPORE



30,254  
SWITZERLAND



**53** Australian banks and credit unions now support digital credit and debit card payments via **Apple Pay**.<sup>43</sup>



**Android Pay**, launched in July 2016 is available in **53** banks and credit unions.<sup>44</sup>

## Preferred Payment Methods

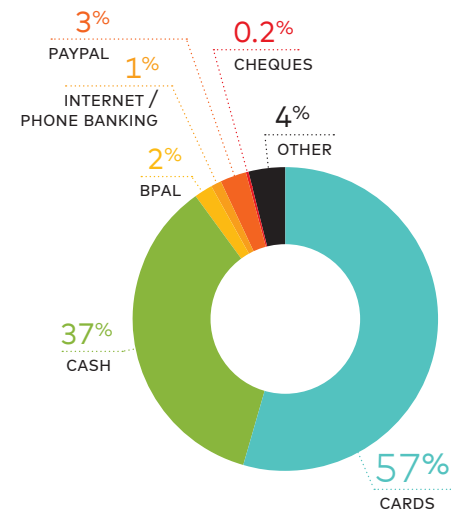
### THE DOMINANT PAYMENT METHOD



CARDS

More than **50%** of consumer payments in 2016 were made with cards.<sup>38</sup>

### PREFERRED PAYMENT METHODS<sup>39</sup>

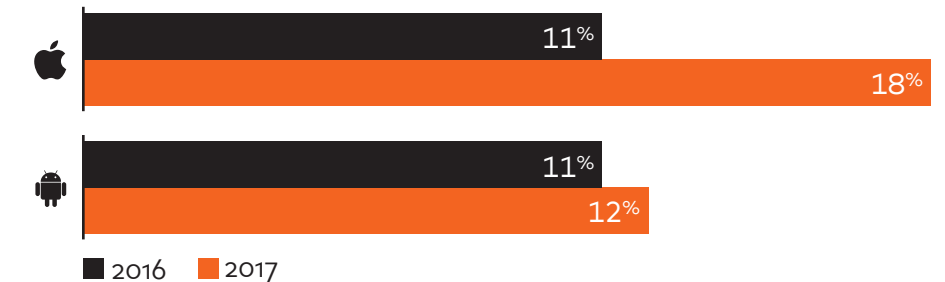


### FOR TRANSACTIONS

Australian consumers use **debit cards more frequently** than credit cards.<sup>40</sup>

**19%** of Australian mobile buyers have used a **mobile wallet** to pay for products or services.<sup>41</sup>

New mobile payment options are growing on Australian consumers. **Year over year Android and Apple Pay usage continues to increase.**<sup>45</sup>



## Small Business Acceptance

For smaller businesses, such as cafés, the **availability of a contactless card terminal** is likely to have increased the speed at which they can handle card payments, potentially **lowering the overall cost of accepting cards.**<sup>46</sup>

Similarly, a reduction in interchange fees for small/contactless card payments by one of the international card schemes occurred in late 2012. This may have contributed to a greater willingness by some businesses to accept cards for low-value purchases. Additionally, **the reduction of interchange fee may have reduced the incentive to specify a minimum spend for card transactions.**<sup>47</sup>

## Consumer Buying Trends

### MOST FREQUENTLY USED MEANS OF PAYMENT



Credit and debit cards combined were the most frequently used means of payment in the 2016 survey, overtaking cash. Cards are increasingly being used for lower-value transactions, reflecting the adoption of contactless "tap and go" functionality at the POS.<sup>48</sup>



### FIRM CANDIDATE FOR A CASHLESS SOCIETY

Australia is a firm candidate for a cashless society because of its **fast increasing use of contactless card payments, the development of new digital cash substitutes** (such as mobile P2P payments) and the **high adoption of smartphones** (89% in 2016).<sup>49</sup>

### LOWER-VALUE TRANSACTIONS



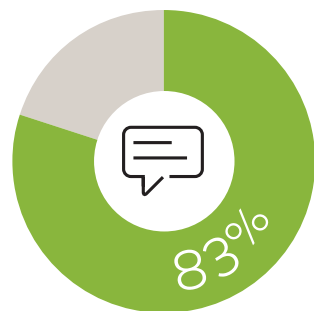
Cash continues to be used more often for lower-value transactions – it was the most common way of making payments of **\$10 or less** in 2016, accounting for over 60% of these small payments.<sup>50</sup>

## Country Shopping Holidays<sup>51</sup>

EASTER | NEAR CHRISTMAS | MELBOURNE CUP (FIRST TUESDAY IN NOV) | MOTHER'S DAY (FIRST SUNDAY IN MAY)

## Top Social Buying Networks<sup>52</sup>

### UK RESPONDENTS THAT INTERACT WITH BRANDS ON SOCIAL



### MADE A PURCHASE AFTER WATCHING A BRANDED VIDEO



## Country Mobile Penetration<sup>53</sup>



ESTIMATED MOBILE PHONE PENETRATION IN 2016 WAS

81%

## Top 3 Industries with Mobile Payment Adoption<sup>54</sup>



RETAIL/ LEISURE



GAMBLING APPS



FOOD/ DRINKS

Just under a fifth (19%) of mobile wallet users residing in Australia have used a mobile wallet to pay for food and drinks.<sup>55</sup>

## How Has Fraud Been Impacted by New Payment Technologies?



Fraud is definitely **becoming more of a concern** for merchants. The growth with online payments has led to a growth in fraud. In Australia, the take up of 3DS authentication is low due to the perceived poor user experience, so **merchants are beginning to require fraud scrubbing solutions.**<sup>56</sup>

Again, card leads the way in Australia, but interestingly, 19% of Australian mobile buyers have used a mobile wallet to pay for products or services.<sup>57</sup> It seems Australia's current growth in digital payments is enabled by the high number of POS devices.



<sup>38</sup> Payments Down Under report

<sup>39</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Papers; CIA

<sup>40</sup> RDP 2017 report

<sup>41</sup> E-marketer.com – Interactive Advertising Bureau (IAB) – A Global Perspective of MOBILE Commerce conducted by Device Research Sep 17 2016

<sup>42</sup> Payments Down under report

<sup>43</sup> Chamberlin, Chris. "Which Australian Banks Support Apple Pay Credit Card Payments." Australian Business Traveler, 10 Oct. 2017, www.ausbt.com.au/which-australian-banks-support-apple-pay-credit-card-payments.

<sup>44</sup> "Android Pay - Participating Banks." Android.com, Android,www.android.com/intl/en\_au/pay/participating-banks/.

<sup>45</sup> "Mobile Payment Services Used by Mobile Payment Users in Australia for In-Store Purchases, 2016 & 2017." EMarketer, 21 Nov. 2017,totalaccess.emarketer.com/chart.aspx?r=214442.

<sup>46</sup> RDP 2017 report

<sup>47</sup> RDP 2017 report

<sup>48</sup> Payments Down Under report

<sup>49</sup> Payments Down Under report

<sup>50</sup> RDP 2017 report

<sup>51</sup> Mastercard Country Survey Australia 2017

<sup>52</sup> E-marketer: Brightcove, The Science of a Social Video: Turning View into Value Nov 15 2017

<sup>53</sup> <https://www.statista.com/statistics/257041/smartphone-user-penetration-in-australia/>

<sup>54</sup> Mastercard Country Survey Australia 2017

<sup>55</sup> E-marketer –Interactive advertising Bureau (IAB) and On Device Research Sep 2016

<sup>56</sup> Mastercard Country Survey Australia 2017

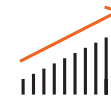
<sup>57</sup> E-marketer –Interactive advertising Bureau (IAB) and On Device Research Sep 2016



# India



## Payments Offered by the Government and Businesses



Mobile payments and QR-based payment methods are **fast gaining popularity in India**, primarily due to under penetration of POS devices.<sup>63</sup>

Just one month later, this figure jumped to **\$106 million**.

By March, it reached **\$359 million**.

UPI and Paytm have both seen tremendous growth post-demonetization and have become two of the top players in India's payments market. Right before demonetization, UPI, which allows users to send peer-to-peer (P2P) payments across participating banks, **was seeing roughly \$15 million monthly in payments volume via its interface**.<sup>64</sup>

Furthermore, *Paytm*, India's leading mobile wallet, saw immediate jumps in usage and adoption. Because of this, the firm added 20 million users in the first month after demonetization and more than 50 million by February, surpassing 200 million – **helping the company reach 1 billion transactions in 2016**.<sup>65</sup>

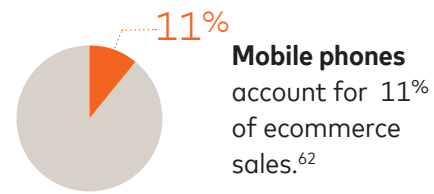
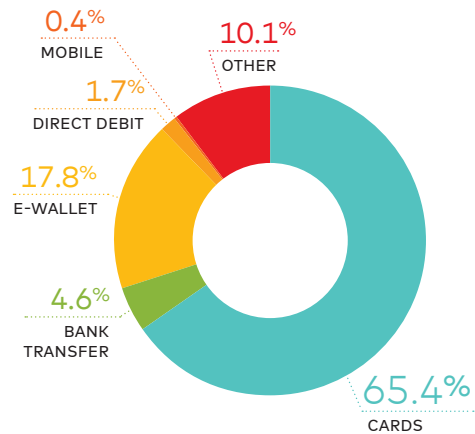
## Preferred Payment Methods

Based on research, **45-55%** of online transactions are now being paid by credit or debit cards.<sup>58</sup>

Alternative payment methods, such as NetBanking transactions, account for nearly **35-45%**

Mobile wallet transactions carried out via mobile wallets have grown by an **astounding 500% between 2014 and 2016**.<sup>59</sup>

### PREFERRED ONLINE PAYMENT METHODS<sup>60</sup>



India had the **second highest rate** in APAC for mobile payments as a form of e-commerce.

**4%** of total e-commerce payments in 2012

### CARD PAYMENT TRANSACTIONS

The use of cards became **very common in India in 2016**. The value of card payment transactions **grew by 15% during 2016**, with the primary drivers of growth being **pre-paid cards and debit cards**. The banked population in India is now at 66%.<sup>61</sup>

## Small Business Acceptance

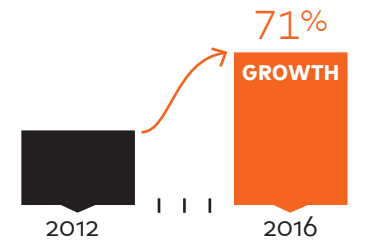
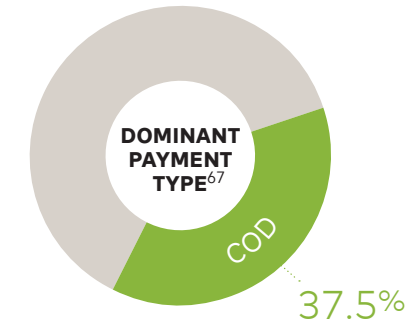
Retail category penetration has increased to **60%** reach and has grown to **37.5 million users**.<sup>66</sup>

Cash on Delivery (COD) is still a big component of e-commerce payments.

Upwards of **50%** of payments are paid using COD.

There has been an increase in mobile wallets, but **most Indian acquirers also run their own mobile wallets to compete with players like:**

## Consumer Buying Trends



Analysts forecast the mobile commerce market in India to **grow at a CAGR of 71% over the period 2012-2016**.<sup>69</sup>

Mobile commerce currently contributes **3%** of total e-commerce, (approximately \$450 million), but mobile commerce **grew 800% from 2012 to 2013**.



## Country Shopping Holidays<sup>71</sup>

JUST BEFORE **THE FESTIVAL OF DIWALI** (GENERALLY IN OCT OR NOV EVERY YEAR)

## Top Social Buying Networks<sup>72</sup>



WHATSAPP



FACEBOOK



INSTAGRAM

**53%** of online consumers in India make mobile purchases for **entertainment services, cinema, theatre shows and sport games.**<sup>73</sup>

## Country Mobile Penetration<sup>74</sup>



ESTIMATED MOBILE PHONE PENETRATION IN 2017 IS

**299.4 million**

## Top 3 Industries with Mobile Payment Adoption<sup>75</sup>



UTILITIES/BILL PAYMENTS



E-TAIL



TRAVEL

## How Has Fraud Been Impacted by New Payment Technologies?



Since India is a **100% 2nd Factor Authentication** market, the most common type of reported online fraud involves **skimming.**<sup>76</sup>

*Due to its population size alone, India is a market to watch. As more and more people get online, we are going to see an explosion in the market. Estimated mobile penetration is only at 299 million people now, but based on 100% smartphone penetration and the current population of India exceeding 1.3 billion (and still rising), they have a long way to go.<sup>77</sup> COD is the dominant payment type in India, making up 37.5% of all transactions.<sup>78</sup>*

<sup>58</sup> Ecommerce Payment methods report 2016

<sup>59</sup> Ecommerce Payment methods report 2016

<sup>60</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Papers; CIA

<sup>61</sup> Passport Financial cards and payments in India, Euromonitor International, October 2016

<sup>62</sup> E-marketer: Global Mobile Payments Statpack January 2019

<sup>63</sup> <http://uk.businessinsider.com/google-expected-to-launch-new-payment-product-in-india-2017-9>

<sup>64</sup> <http://uk.businessinsider.com/google-expected-to-launch-new-payment-product-in-india-2017-9>

<sup>65</sup> <http://uk.businessinsider.com/google-expected-to-launch-new-payment-product-in-india-2017-9>

<sup>66</sup> <http://www.icommercenral.com/open-access/analyzing-perceived-risks-and-website-attributes-in-ereetailing-a-study-from-india.php?aid=38197>

<sup>67</sup> MPGS global handout

<sup>68</sup> Mastercard Country Survey India 2017

<sup>69</sup> Cross Border E-commerce Country Report – India (Payers report)

<sup>70</sup> Cross Border E-commerce Country Report – India (Payers report)

<sup>71</sup> Mastercard Country Survey India 2017

<sup>72</sup> Mastercard Country Survey India 2017

<sup>73</sup> Cross Border E-commerce Country Report – India (Payers report)

<sup>74</sup> <https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/>

<sup>75</sup> Mastercard Country Survey India 2017

<sup>76</sup> Mastercard Country Survey India 2017

<sup>77</sup> <https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/>

<sup>78</sup> MPGS global handout

# Singapore

## Payments Offered by the Government and Businesses

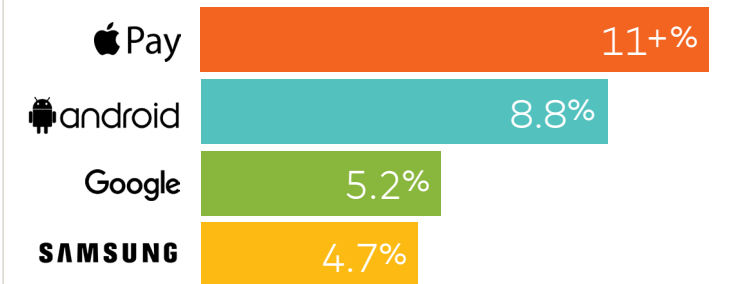
The government of Singapore's push towards a **cashless society** is set to spur exponential growth in m-commerce over the forecast period 2016-21 with the category set to increase in value at a CAGR of 19% at constant 2016 prices to reach SGD3.8 billion by 2021.<sup>82</sup>

19%▲ 2016-21 CAGR

Singapore is one of the **first** territories outside of the US to accept Apple Pay, Samsung Pay and Android Pay.<sup>83</sup>

## Consumer Buying Trends

High smartphone penetration bodes well for mobile payments in Singapore, though contactless cards are also popular. Apple Pay retains 11+% of the mobile wallet market, followed by Android at 8.8%, with Google (5.2%) and Samsung (4.7%) taking a smaller percentage of the market.<sup>84</sup>



## Country Mobile Penetration<sup>85</sup>

ESTIMATED MOBILE PHONE PENETRATION IN 2016 IS  
149.8%

*Ultimately, Singapore's use of mobile commerce is skyrocketing, with value sales of m-commerce surging by 137% between 2013 and 2016, and this is unsurprising, given the government's support to go "cashless."*<sup>86</sup>

## Preferred Payment Methods



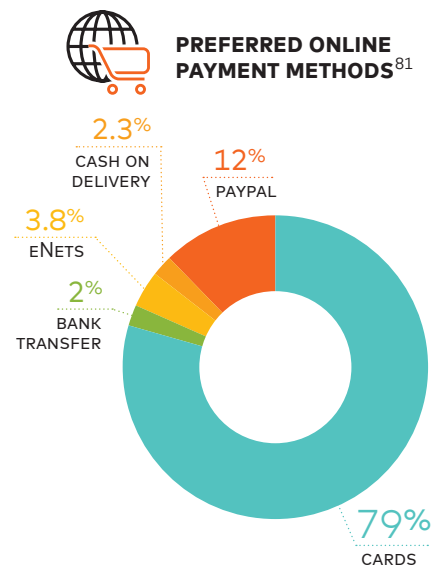
### MOBILE COMMERCE

The use of mobile commerce in Singapore is skyrocketing, with current value sales of m-commerce surging by **137%** between 2013 and 2016 to reach SGD1.6 billion.<sup>79</sup>

## PayPal

### ONLINE SHOPPERS

According to PayPal's cross-border trade insights in 2016, two-thirds of online shoppers in Singapore purchase goods from online overseas retailers, whilst the majority prefer large global retailers like Amazon.<sup>80</sup>



<sup>71</sup> Mastercard Country Survey India 2017  
<sup>72</sup> Mastercard Country Survey India 2017  
<sup>73</sup> Cross Border E-commerce Country Report – India (Payers report)  
<sup>74</sup> <https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/>  
<sup>75</sup> Mastercard Country Survey India 2017  
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<sup>77</sup> <https://www.statista.com/statistics/467163/forecast-of-smartphone-users-in-india/>

<sup>78</sup> MPGS global handout  
<sup>79</sup> Financial cards and payments in Singapore, Euromonitor international November 2016  
<sup>80</sup> Financial cards and payments in Singapore, Euromonitor international November 2016  
<sup>81</sup> eMarketer, Preferred Payment Method for Digital Purchases According to Digital Buyers in Singapore, Sep 2016 (% of respondents)  
<sup>82</sup> Financial cards and payments in Singapore, Euromonitor international November 2016.  
<sup>83</sup> Financial cards and payments in Singapore, Euromonitor international November 2016.

# United Arab Emirates

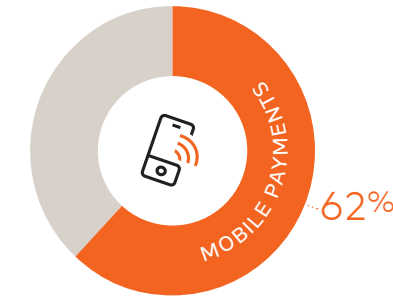


## Small Business Acceptance

The government has led various initiatives to move towards a cashless economy. This has included the development of various e-wallets and pre-paid cards.<sup>92</sup>

The Emirates Identity Authority continue to work towards integrating Emirates ID cards with the banking networks to develop technology and infrastructure to use the card in place of financial cards at ATMs.<sup>93</sup>

## Consumer Buying Trends

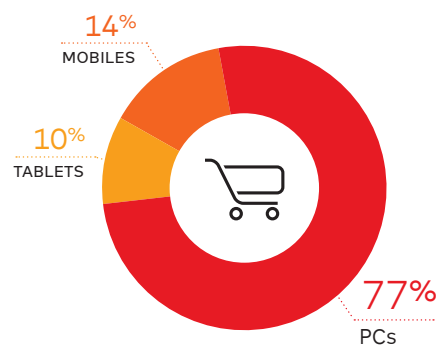


Retail remains the leading industry in proximity payment solutions, accounting for 62% of total mobile proximity payments.<sup>94</sup>

**Beam Wallet** had been an early winner in leading the proximity payment segment as a startup specializing in mobile payments using Bluetooth technology.<sup>95</sup>



## Preferred Payment Methods



PC remains the main device for remote payments in the UAE, with **77% of total remote purchases made through PCs.**

Whilst the use of tablets and mobiles is growing at a faster pace, they constitute about 10% and 14% of remote purchases, respectively.<sup>87</sup>



During 2016, the UAE saw an increase in cashless transactions, although cash accounted for **75%** of the total consumer payment transactions.

## Payments Offered by the Government and Businesses



Pre-paid cards are expected to emerge as a key category in the financial cards and payments landscape defined by more conservative lending and borrowing behavior.<sup>90</sup>



Pre-paid cards accounted for 80% of total card payment transactions in 2016, and these type of cards are used mostly to pay for public transportation.<sup>89</sup>

According to press sources, more than **50%** of the POS terminals in the country are NFC enabled.<sup>91</sup>



Mastercard partnered with Beam Wallet in 2016 to allow Beam Wallet users to pay at terminals accepting Masterpass payments, opening the gateway to over 250,000 global locations for the Beam Wallet app.<sup>96</sup>

*The United Arab Emirates remains digitally advanced on the world stage, but surprisingly, PC remains the main device for remote payments in the UAE, with 77% of total remote purchases made through PCs. Although the use of tablets and mobiles is growing at a faster pace, they constitute about 10% and 14% of remote purchases respectively. Similar to Singapore, the United Arab Emirates' government believes in a move towards a cashless economy.*

With a CAGR of **31%** by 2021 for commerce through tablets and **25%** for mobile remote commerce this is a high-growth area.<sup>88</sup>



<sup>87</sup> Digital Consumer in the United Arab Emirates, Euromonitor International

<sup>88</sup> Digital Consumer in the United Arab Emirates, Euromonitor International

<sup>89</sup> Digital Consumer in the United Arab Emirates, Euromonitor International

<sup>90</sup> Financial cards and payments in the United Arab Emirates, Euromonitor International 2016

<sup>91</sup> Passport, financial cards and payments in Singapore Euromonitor International, November 2016

<sup>92</sup> Financial cards and payments in the United Arab Emirates, Euromonitor International 2016

<sup>93</sup> Passport Financial Cards and Payments in the United Arab Emirates, Euromonitor International October 2016.

<sup>94</sup> Passport, Digital Consumer in the Arab Emirates, Euromonitor international march 2017

<sup>95</sup> Passport, Digital Consumer in the Arab Emirates, Euromonitor international march 2017

<sup>96</sup> Passport, Digital Consumer in the Arab Emirates, Euromonitor international march 2017

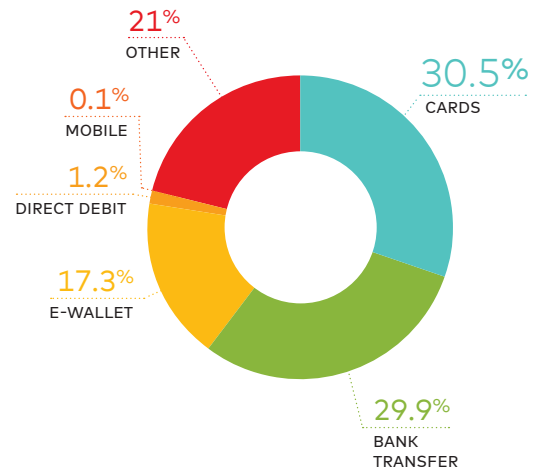
<sup>97</sup> Digital Consumer in the United Arab Emirates, Euromonitor International

# Mexico

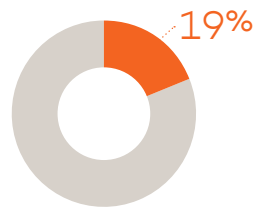


## Preferred Payment Methods

### PREFERRED PAYMENT METHODS<sup>98</sup>



### MOBILE WALLET USAGE FOR PAYMENT



Mexico is on par with most of Latin America due to its mobile payment landscape. **19%** of internet users aged 18-34 use mobile wallet for payment, and **3 in 4 use cash.**<sup>99</sup>

### CASH USAGE FOR PAYMENT



### MORE CONSUMERS OVER 15 ARE STARTING TO BANK.<sup>100</sup>



## Payments Offered by the Government and Businesses<sup>102</sup>

### PROSPERA

Prospera is an example of a **government strategy focused on financial inclusion.**

### Bansefi

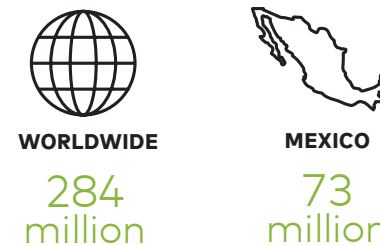
Prospera works with Bansefi – a **social development bank** in Mexico that not only issues pre-paid cards for Prospera financial benefit but also considers financial inclusion.

## Consumer Buying Trends

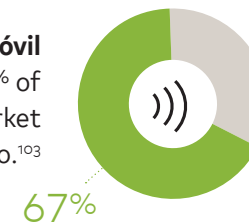


PayPal has partnered with América Móvil, one of the top telecom carriers in Latin America to launch payment apps. América Móvil has 284 million subscribers worldwide and 73 million subscribers in Mexico.

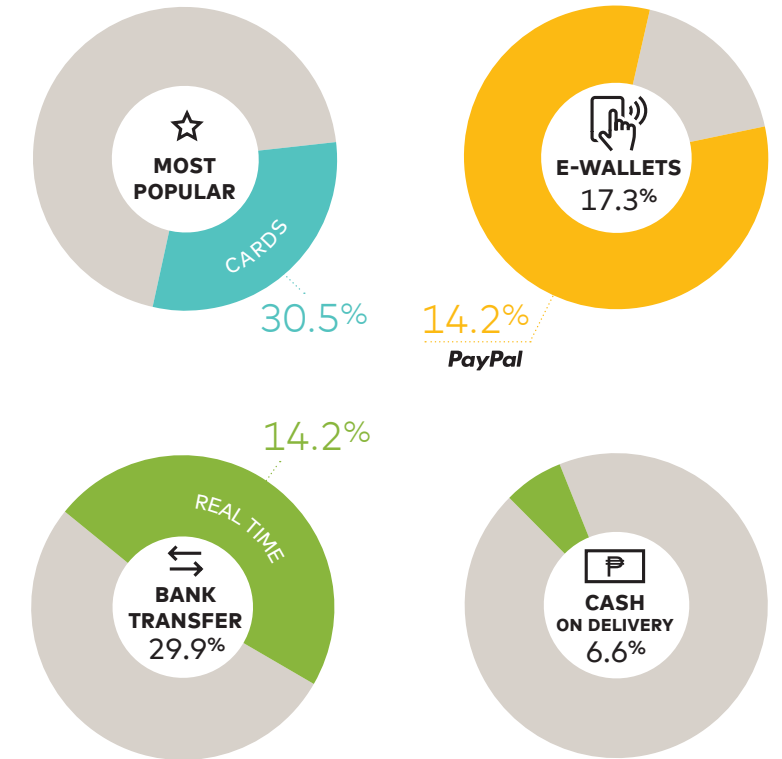
### SUBSCRIBERS



América Móvil takes over **67%** of the wireless market in Mexico.<sup>103</sup>



### PAYMENT METHOD FOR ECOMMERCE CUSTOMERS<sup>104</sup>



**10%** of mobile buyers have used a **mobile wallet** to pay for products or services.<sup>101</sup>



Mexico clearly has ground to make up but is making positive steps to closing the gap on financial exclusion. As it is, banking providers play a large role in Mexico, with 30.5% of transactions paid for by card and 29.9% made by bank transfer, with 14.2% made in real time.<sup>107</sup> In addition, security is a large issue when it comes to payments, with a large value lost to fraud. Once infrastructure is secure, payment trends will start to become more apparent.

## Country Mobile Penetration<sup>105</sup>



ESTIMATED MOBILE PHONE PENETRATION IS

36.8%

## How Has Fraud Been Impacted by New Payment Technologies?



Security is one of the predominant challenges regarding payments in Mexico. There is still important value lost to fraud, which has increased along with growth in the use of financial cards. 72% of monetary claims that consumers presented in 2015 were attributed to fraud.<sup>106</sup>

<sup>98</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Papers; CIA

<sup>99</sup> E-marketer: Lexis Nexis data 2016

<sup>100</sup> Passport Financial cards and payments in Mexico, Euromonitor International January 2017

<sup>101</sup> E-marketer.com – Interactive Advertising Bureau (IAB) – A Global Perspective of Mobile Commerce conducted by on Device Research Sep 17 2016

<sup>102</sup> Passport, Financial cards and payments in Mexico, Euromonitor international 2017

<sup>103</sup> Q2 Latin America E-commerce Market Share report

<sup>104</sup> MPGS global handout

<sup>105</sup> <https://www.statista.com/statistics/270970/number-of-smartphone-users-mexico/>

<sup>106</sup> Passport, Financial cards and payments in Mexico, Euromonitor international 2017

<sup>107</sup> MPGS global handout



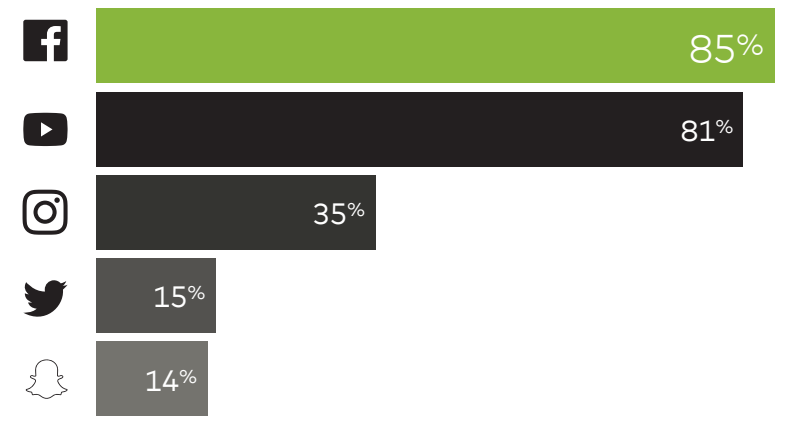
Payment Gateway Services

# Brazil

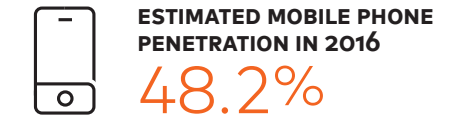


## Top Social Buying Networks

**TOTAL DIGITAL REACH**  
(DESKTOP + MOBILE Q2 2017)<sup>114</sup>

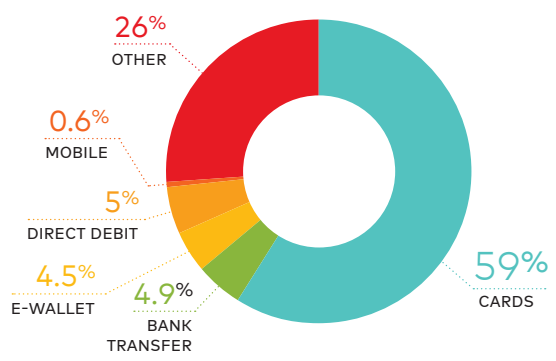


## Country Mobile Penetration<sup>115</sup>

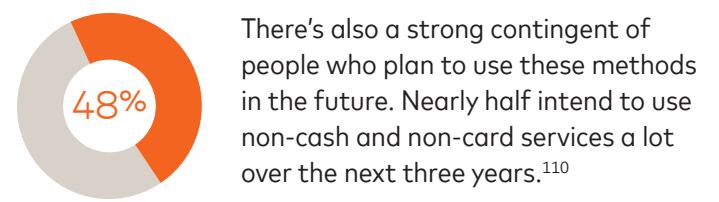


## Preferred Payment Methods

**PREFERRED PAYMENT METHODS<sup>108</sup>**



**NON-CASH & NON-CARD PAYMENT METHODS (DIGITAL BUYERS)<sup>109</sup>**



**13%** of Brazil mobile buyers have used a mobile wallet to pay for products or services.<sup>111</sup>

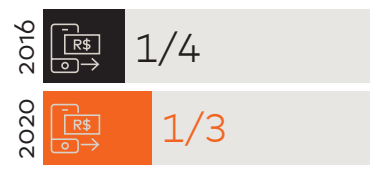
*Most interestingly in Brazil, phone penetration continues to rise and Facebook and YouTube retain large areas of the social market, so they have huge potential reach and influence over buying decisions.*



## Consumer Buying Trends

**ECOMMERCE SALES**

Mobile will make up roughly one-quarter of ecommerce sales in Brazil and Mexico this year. By 2020, about one-third of retail ecommerce sales in Brazil and Mexico will come via mobile devices.<sup>112</sup>



**63%** of Brazilians feel that mobile payments are more convenient.<sup>113</sup>

<sup>108</sup> Mastercard payment gateway service report: Source: Global Guide to alternative payments, 2013, Nilson Report, eMarketer, Euromonitor: the Papers; CIA  
<sup>109</sup> E-marketer: Global Mobile Payments Statpack January 2019  
<sup>110</sup> E-marketer: Croma Marketing Solutions 2016  
<sup>111</sup> E-marketer.com – Interactive Advertising Bureau (IAB) – A Global Perspective of Mobile Commerce conducted by on Device Research Sep 17 2016

<sup>112</sup> Worldwide retail and e-commerce sales: e-marketers estimates for 2016-2021  
<sup>113</sup> E-marketer.com – S4M Solutions for Mobile  
<sup>114</sup> Q2 Latin America E-commerce Market Share report  
<sup>115</sup> <https://www.statista.com/statistics/257060/smartphone-user-penetration-in-brazil/>



## Conclusion

**In the last few years, we have witnessed a revolution in payments, transforming both how consumers make purchases as well as the opportunities available to retailers.**

Digital wallets and other smartphone methods of payment are gaining market share, but in all markets, card and bank transfers are still hugely popular.

As consumers start to use more and more alternative payment methods, businesses small and large will be expected to keep up. In 2018, payment options will mean everything to consumers. According to a ClickandBuy survey, **over 50% of regular online shoppers will cancel a potential purchase if their preferred payment method is not available.**<sup>116</sup>

In addition, online social networks are starting to play a vital role in the purchase process of **84%** of the most senior B2B buyers. **75%** of B2B buyers and **84%** of

C-level/vice president (VP) executives surveyed use social media to make purchasing decisions.<sup>117</sup> It's becoming more common for retail sales to be driven by social networks, and we are seeing consumers also being influenced by social networks.

Finally, **mobile payments also offer a significant growth opportunity**, with current levels of penetration still relatively small in many markets.

The next few years in payments will be a particularly interesting time, as we are likely to see even more opportunities open up as a result of innovation. Consumers and retailers alike should be ready to embrace staggering levels of digital transformation, which, if implemented according to consumer demand in each market, should have extremely positive outcomes.

<sup>116</sup> <https://www.betaout.com/blog/10-most-common-reasons-for-shopping-cart-abandonment-tips-to-overcome-them/>

<sup>117</sup> <https://cdn.londoncalling.co/wp-content/uploads/ics-social-buying-linkedin-whitepaper1.pdf>

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