Your global guide to Alternative Payments
Second edition
Introduction

eCommerce is growing rapidly with global online transactions rising by 16% in 2013.

The value of alternative payment methods was up 21% in 2013, with turnover value up 44% compared with 2012. And as customers embrace new ways to pay for goods and services, it pays to accommodate the new technology.

More than 300 alternative payment schemes operate around the world, so you need to understand which payment types to offer. This depends on where your customers are and what kinds of services are being offered. Given the global nature of eCommerce, a payment strategy that focuses on customer needs worldwide is essential.

And with more than 200 alternative payment methods, we are expertly positioned to advise you on the most effective payment types to offer.

This is the second edition of Your global guide to Alternative Payments. It analyses the landscape by volume, type, sector and country. We hope you find it useful.

How we define alternative payments

This report defines an alternative payment as one that doesn’t use a credit or debit card.

This includes the following payment methods:

- **Bank transfers**
  - Online (real-time) bank transfers
  - Offline bank transfers
- **Direct Debits**
- **E-wallets**
- **Mobile**
- **Cash on delivery**
- **Other**
  - Local card schemes
  - Pre-pay
  - Post-pay
  - E-invoices
  - Digital currencies
Alternative payments by type

Bank transfers
Online (real-time) bank transfers offer payment with immediate online authorisation via the customer’s bank. Settlement is usually next-day. Banking systems are moving towards quicker payments.
Example schemes: IDEAL, eNets and Sofortüberweisung.
In most cases, offline bank transfers are processed via the customer’s online bank account. Instead of being redirected during the transaction process, the customer is presented with a reference number, which they must then quote when they log in to their online bank account to make a payment. The customer can also choose to pay in a bank branch or via telephone banking, using the same reference number.
Example schemes: Dineromail, SafetyPay and PayU.

Direct Debits
Direct Debits aren’t relevant to all merchants. They’re limited mainly to low-value or recurring transactions. They are popular for regular, predictable payments, such as subscriptions, although they carry the risk of chargebacks.
Example schemes: ELV (Elektronisches Lastschriftverfahren, Germany) and Domiciliation Bancaria (Spain).

E-wallets
E-wallets are the fastest growing payment type around the world. They’re easy to use and increasingly popular for buying digital goods and video games.
In more mature eCommerce economies, like the UK and US, new e-wallet products from traditional card providers are being accepted more and more, such as V.me by Visa. Globally, Alipay and PayPal continue to dominate the e-wallet market. Young shoppers are driving this growth.
Example schemes: Alipay, V.me by Visa and QIWI.

Mobile
Mobile payments fall into two categories – direct carrier billing and mobile wallets.
With the rise of smartphones and app stores, direct carrier billing is becoming more important. It’s quick and simple, with shoppers only needing to provide their phone number to pay, so it suits buying digital goods.
The number and range of mobile wallet payment systems has increased in the past year but very few are capable of global reach yet. Most operate in their local country or territory.
Example schemes: Boku, MoPay, Zong, Zapp, SEQR, Znap (MPayME), Pingit and PayBox.

Cash on delivery
Couriers collect payments when they deliver goods. This method is becoming less popular.
Example schemes: Merchant and delivery company specific.

Transactional value and share of payments market in US billions

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2017 forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank transfers</td>
<td>US $122 bn / 7%</td>
<td>US $245 bn / 6%</td>
</tr>
<tr>
<td>Direct Debits</td>
<td>US $42 bn / 2%</td>
<td>US $54 bn / 1%</td>
</tr>
<tr>
<td>E-wallets</td>
<td>US $295 bn / 17%</td>
<td>US $1,656 bn / 41%</td>
</tr>
<tr>
<td>Mobile</td>
<td>US $18 bn / 1%</td>
<td>US $117 bn / 3%</td>
</tr>
<tr>
<td>Cash on delivery</td>
<td>US $93 bn / 5%</td>
<td>US $93 bn / 2%</td>
</tr>
</tbody>
</table>

1Please note: all providers offer a breadth of services, not just offline.
Local card schemes

Local card schemes, specific to certain markets, often operate like traditional cards. Some will be more sophisticated, for instance offering card and bank transfer options.

Example schemes: MisterCash (Belgium), UnionPay (China), Carte Bleue (France).

Pre-pay

Customers are required to buy a card or voucher before starting a transaction. These cards are usually authorised immediately. Most pre-pay products have a funding limit and some don’t allow multiple cards/vouchers to fund one single transaction. This means that pre-pay methods are not suitable for high-value goods.

Example schemes: Astropay, Postepay, Swiff, uKash, Neosurf, Paysafecard and Toditocash.

Post-pay

When a customer buys a product online, they pay for it later at an affiliated outlet or store. The delay between the initial transaction and settlement to the merchant means this does not suit merchants selling perishable goods and time-sensitive purchases, such as travel tickets.

Example schemes: Konbini, Boleto Bancário, Multibanco.

E-invoices

When using e-invoices, customers can pay for goods after delivery, without sharing credit card or bank details. It can be as simple as entering their email address and postcode to make a payment, reducing fraud risk.

Example schemes: Klarna, Billmelater and Afterpay.

Digital currencies

Digital currencies or cryptocurrencies are becoming popular despite high barriers to entry. Governments or central banks do not back these and their value can fluctuate hugely.

Example scheme: Bitcoin and Litecoin.
Global payment trends

In 2012 the global eCommerce market was worth US $1,713 billion and growth continues. Traditional payment methods are popular in mature markets, such as the UK and US. But other regions report strong growth in alternative payments – experts estimate these will account for 59% of online transactions in 2017, from 43% in 2012.

Europe
Europe accounted for 34% of the global eCommerce market in 2012, with a turnover of US $579 billion. 41% of transactions were made using alternative payment methods in 2012, of which e-wallets were the most popular. UK, Ireland, Denmark and Turkey still favour cards, while alternative methods dominate in Poland, Finland, Germany and the Netherlands.

The Americas
In 2012 North America was the leading business-to-consumer eCommerce market with a 36% share and turnover of US $625 billion. This is a card-dominated market (71%) where alternative payments are used less often. By comparison, Latin America, which had an eCommerce global share of 2% in 2012, has a more diverse range of payment preferences, ranging from bank transfers (13%) to e-wallets (10%).

Asia Pacific
Asia Pacific has shown the fastest growth in the eCommerce market, with a turnover of US $461 billion in 2012 (27% global share) and a compound annual growth rate of 34%. 23% of transactions were made using e-wallets and this trend is set to grow over the next five years.

Middle East and Africa
In 2012, Middle East and Africa had a 1% share of the global eCommerce market, of which the majority of transactions were cash payments. That said, 5% of eCommerce transactions were made with e-wallets in 2012 – showing promise for uptake of alternative payments in this region.

This chart compares eCommerce 2012 transaction values with 2017 predictions. Forecasts show transactions made using cards and e-wallets are set to increase dramatically over the next five years. Cash payments will stay at the same value of US $93 billion and payments made via bank transfers and other methods are expected to rise slowly by 2017.

By 2017 alternative payments will account for 59% of all transaction methods

59%

Transaction value for payment methods 2012 vs 2017

 Payment transactions 2012 vs 2017

<table>
<thead>
<tr>
<th>2012</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>43% Alternative payments*</td>
<td>59% Alternative payments*</td>
</tr>
<tr>
<td>57% Cards</td>
<td>41% Cards</td>
</tr>
</tbody>
</table>

*Alternative payments excludes international card brands.
## Global e-transaction payment mix

### US and Canada
- Cards: 71%
- E-wallets: 18%
- Direct Debit: 2%
- Cash on delivery: 1%
- Bank transfer: 1%
- Other: 7%

### Europe
- Cards: 59%
- E-wallets: 13%
- Direct Debit: 5%
- Cash on delivery: 5%
- Bank transfer: 8%
- Other: 11%

### Latin America
- Cards: 47%
- E-wallets: 10%
- Direct Debit: 4%
- Cash on delivery: 8%
- Bank transfer: 13%
- Other: 18%

### Africa and Middle East
- Cards: 34%
- E-wallets: 5%
- Direct Debit: 0%
- Cash on delivery: 48%
- Bank transfer: 3%
- Other: 10%

### Asia/Pacific
- Cards: 37%
- E-wallets: 23%
- Direct Debit: 1%
- Cash on delivery: 11%
- Bank transfer: 14%
- Other: 14%

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### Alternative Payments

**2012**
- Europe: 41% of e-transactions made using non-card methods.
- US and Canada: 29% of e-transactions made using non-card methods.
- Latin America: 53% of e-transactions made using non-card methods.
- Africa and Middle East: 66% of e-transactions made using non-card methods.
- Asia Pacific: 63% of e-transactions made using non-card methods.

**2017**
- Europe: 59% of e-transactions made using non-card methods.
- US and Canada: 63% of e-transactions made using non-card methods.
- Latin America: 66% of e-transactions made using non-card methods.
- Africa and Middle East: 66% of e-transactions made using non-card methods.
- Asia Pacific: 63% of e-transactions made using non-card methods.

**By 2017 alternative payment methods will account for 59% of all transactions, an increase from 43% in 2012.**

By 2017 cash on delivery will account for 2% of e-transactions.

Paper-based invoices are being replaced by digital, guaranteed forms of invoice such as Klarna, BillPay and RatePay.

**By 2017 alternative payment methods will account for 59% of all transactions, an increase from 43% in 2012.**
Over the next few pages a series of charts show the percentage uptake of alternative payment types by region and country. The payment types covered are cards, bank transfers, Direct Debits, e-wallets, mobile, cash-on-delivery and other.
Asia Pacific
Trends and drivers

The rise of the e-wallet

Leading alternative payment methods have grown on average by 35% in recent years. While growth is spread across all payment types, e-wallets are undoubtedly the leader. In China e-wallets account for the largest proportion of the eCommerce market at 44%.

Of the e-wallet providers, Alipay and PayPal dominate. Alipay is market leader in China with 30%, with Tenpay just behind at 13.3%. PayPal and others have a marginal market share.

Card providers recognise the growth opportunity for e-wallets and are developing them for their own brands. For example, Visa has just launched V.me. We can expect e-wallet technology to target mobile devices, increasing potential for providers. Expect also card-based wallets to account for 25% of the card market by 2017.

While e-wallet transactions are growing across eCommerce, they’re a digital content favourite. For downloads such as books, films, TV and video games, they’re seamless.
Innovation and rapid growth in the past 12 months have seen handset manufacturers seeking to differentiate devices and payment providers introduce compatible services. And as the user experience improves, customers warm to making higher value purchases this way.

As mobile devices develop, specialised payment systems are emerging – from independents and established players, who have invested heavily to develop user-friendly applications.

Smartphones now number more than 1.4 billion around the world, with an average yearly growth of 44%. The prolific growth in new technology is rapidly accelerating the adoption of mobile payments.

By 2017 cash on delivery will account for 2% of e-transactions, down from 5% in 2012.

Selected markets

- UK: 7.9%
- Germany: 7.3%
- Turkey: 6.0%
- Netherlands: 6.0%
- Russia: 5.9%
- China: 5.7%
- Italy: 5.0%
- Denmark: 5.0%
- France: 4.6%
- US: 4.2%
- Poland: 4.1%
- Belgium: 2.6%
- Brazil: 2.5%

The rise in digital invoices

Services such as Klarna, BillPay and RatePay have made invoice-based payments easier for customers, while providing greater guarantees to merchants. For example, RatePay, which is particularly popular in Germany, provides customers with an open invoice letting them pay after they have received their goods. High-value goods and services, such as consumer electronics, are being bought through invoice-based services – a trend which gives customers a longer period to pay. Invoicing is more popular in markets where fewer people use credit cards, such as Scandinavia.

The decline of cash on delivery

Other forms of payment, such as cards and e-wallets, are increasingly replacing cash on delivery. New ways of making cash payments are emerging to suit those without access to banking services.

Bank transfers – from offline to on

Bank transfers are increasingly moving from two-step offline payments to real-time Internet banking transfer schemes.

Bank coalitions such as iDEAL, UnionPay Online Payments, GiroPay, EPC, Interac Online and Bpay are growing rapidly and gaining market share. The same is true for independent aggregators such as Sofort Überweisung and P24. In the UK, Faster Payments is an initiative run by banks to cut the time to send payments between accounts and is a key driver for this activity.

British-payday loan company Wonga.com recently acquired BillPay, potentially signalling a push into other markets.
Conclusion

Growth of alternative payments
Credit and debit cards have long been the payment method of choice for online transactions. But by 2017 alternative schemes will overtake cards for products and services purchased online, with alternative payments accounting for 59% of all transactions.

Significant growth trend for e-wallets
By 2017 e-wallet transaction value is set to rise by US $1,361 billion to 41% market share.

Emergence of specialised mobile payments
Ways to pay by mobile will continue to grow as technology advances and more and more people buy smartphones. The value of mobile transactions will increase from US $18 billion in 2012 to US $117 billion by 2017.

Decline of cash on delivery
Cash on delivery will decline from 5% of the payments market in 2012 to just 2% by 2017.

Global diversity in preferred payment types
It’s essential to offer customers their preferred payment method. Preferences vary by demographic, country and the product or service customers buy. This shows the importance of working with a payment provider with specialist knowledge.

Subsequent editions of this report will explore alternative payments in specific verticals and regions in greater detail.

Alternative payments across the globe

Payment method types vary in popularity by country. You need to understand local preferences if you want to expand internationally and maximize transaction rates.

Country profiles
The next section examines payment trends by market and penetration levels of payment methods by type.
**Australia**

**Market summary**
Australia has seen sharp growth in eCommerce, with turnover rising 43.9% in 2010. However, the global recession saw growth drop to 27.8% in 2011 and 2012, although eCommerce turnover as a proportion of gross domestic product has continued to rise – it was 3.1% in 2012, up from 2.9% the year before.

 Australians pay for eCommerce goods and services via the banking sector. Cards account for 53.4% of transactions, with bank transfers, mainly online, accounting for a further 22.5%. E-wallets are also widely used in Australia, making up 20% of payments. PayPal leads the way with 18.8%.

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**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 million</td>
<td>$1,521</td>
<td>$47 billion</td>
</tr>
</tbody>
</table>

**Popular alternative payments methods**

<table>
<thead>
<tr>
<th>Card</th>
<th>Bank Transfer</th>
<th>Direct Debits</th>
<th>E-wallets</th>
<th>Mobile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>53.4%</td>
<td>22.5%</td>
<td>1.3%</td>
<td>20%</td>
<td>0.7%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

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**Austria**

**Market summary**
Austrians use a number of payment methods. Cards are dominant but, at 34.5% of transactions, not the majority choice. Bank transfers (31.1%) are also popular, and most of those are done online in real time (25.2%).

 E-wallets are popular, accounting for 13.6% of payments. PayPal leads the way with 9.4% but a number of other providers, including Quick (2.3%) and ClickandBuy (1.4%), account for a proportion of the e-wallets sector. Mobile wallets (0.75%) are the main method of mobile payments, which comprise 1% of transactions. Many Austrians (14.1%) use offline payment methods – cash on delivery at 8% of payments is significant.

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**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 million</td>
<td>$395</td>
<td>$12.6 billion</td>
</tr>
</tbody>
</table>

**Popular alternative payments methods**

<table>
<thead>
<tr>
<th>Card</th>
<th>Bank Transfer</th>
<th>Direct Debits</th>
<th>E-wallets</th>
<th>Mobile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>34.5%</td>
<td>31.1%</td>
<td>5.7%</td>
<td>13.6%</td>
<td>1.0%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

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Bangladesh

**Market summary**
Bangladesh’s economy is growing rapidly, yet eCommerce turnover made up only 0.2% of gross domestic product in 2012.

Most payments for eCommerce goods and services are made by card (56%) with offline bank transfers accounting for a further 15%.

A large proportion of payments – 28.3% – are made via other methods, with cash on delivery being the most common at 23.3%. E-wallets and mobile each account for just 0.2% of transactions.

**E-commerce turnover**
2009-2012 compound annual growth rate: 37%

<table>
<thead>
<tr>
<th>Year</th>
<th>Card</th>
<th>Bank transfer</th>
<th>Direct Debits</th>
<th>E-wallets</th>
<th>Mobile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$89</td>
<td>$120</td>
<td>$168</td>
<td>$231</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>$15.0%</td>
<td>0.3%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>56.0%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28.3%</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
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</tbody>
</table>

**Belgium**

**Market summary**
Belgians rely on the banking system to pay their eCommerce goods and services. They complete 55.9% of transactions via cards and 24.3% via bank transfer, mostly offline in real time (14.6%).

PayPal dominates e-wallet payments, making up 2.4% of the total 2.7% of transactions. Cash on delivery remains a significant for goods and services, comprising 5.4% of transactions, while invoices account for 7.5%.

**E-commerce turnover**
2009-2012 compound annual growth rate: 16%

<table>
<thead>
<tr>
<th>Year</th>
<th>Card</th>
<th>Bank transfer</th>
<th>Direct Debits</th>
<th>E-wallets</th>
<th>Mobile</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$4.9</td>
<td>$5.3</td>
<td>$6.9</td>
<td>$7.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td>24.3%</td>
<td>0.9%</td>
<td>2.7%</td>
<td>0.4%</td>
<td>55.9%</td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>2012</td>
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</tr>
</tbody>
</table>

**At a glance**

**Bangladesh**
- 2012 population: 155 million
- 2012 GDP (USD bn): $116
- eCommerce turnover: $231 million
- Mobile ownership: 49%
- Smartphone ownership: 2%

**Belgium**
- 2012 population: 11 million
- 2012 GDP (USD bn): $484
- eCommerce turnover: $7.7 billion
- Mobile ownership: 89%
- Smartphone ownership: 42%
Brazil

Market summary
Brazil saw the growth in eCommerce touching 40% in 2010 before slowing suddenly to 26% the following year. However, eCommerce turnover remains a significant proportion of gross domestic product (24% in 2013) although the growth rate is expected to slow. Brazilians pay for eCommerce goods and services mainly by card (59%), although offline methods remain significant. Cash accounts for 20% of transactions, with cash on delivery accounting for a further 3.1%.

E-wallets have a foothold, comprising 4.5% of payments, with PayPal handling about half of those transactions (2%). Mobile wallets (0.3%) are the main choice when paying by mobile, although that proportion is small compared to other payment methods – mobile makes up just 0.6% of transactions.

At a glance

2012 population 199 million
2012 GDP (USD bn) 2,189
eCommerce turnover 16.2 billion
Mobile ownership 84%
Smartphone ownership 28%

Popular alternative payments methods
Boleto Bancario
Transferencia Bancaria Local
PayPal
MercadoPago

Canada

Market summary
Canadians prefer cards, accounting for 65% of transactions. But e-wallets comprise 23.2% of the payments market, which is dominated by PayPal (22%). Bank transfers make up 3.3% of transactions, while offline cash payments account for a further 7.2%.

At a glance

2012 population 35 million
2012 GDP (USD bn) 1,821
eCommerce turnover 31.6 billion
Mobile ownership 74%
Smartphone ownership 43%

Popular alternative payments methods
PayPal
Insta Debit
Google Checkout
Interac
China

Market summary
Nearly half of all transactions in China (44.3%) are made using e-wallets. Alipay is the most popular provider with 30% and Tenpay accounts for 13.3% of transactions. International providers such as PayPal have a much smaller presence, with less than 1% of the market.

Cards account for just 15% of the market in China, with local provider UnionPay taking 14%. Cash on delivery remains a common payment type for business to consumer merchants, accounting for 10.9% of the market, although that is slowing.

Denmark

Market summary
Cards dominate payments in Denmark, 84.2% of transactions are made in this way, with local providers accounting for 63% of transactions and international providers 21.2%. This leaves little room for other payment types, although e-wallets are experiencing the fastest growth for micropayment transactions.

At a glance
2012 population 1,351 million
2012 GDP (USD bn) $8,227
eCommerce turnover $190 billion

At a glance
2012 population 6 million
2012 GDP (USD bn) $310
eCommerce turnover $9.5 billion

Popular alternative payments methods
Alipay
Tenpay
Industrial Commercial

Popular alternative payments methods
PayPal
Klarna

Graph in USD billions

Graph in USD billions

Card
Bank transfer
Direct Debits
E-wallets
Mobile
Other

Card
Bank transfer
Direct Debits
E-wallets
Mobile
Other

2009 2010 2011 2012

2009 2010 2011 2012
Egypt

Market summary
Cash on delivery accounts for 70% of transactions. This in part reflects the age profile of Egypt, where 45% of the population is under 18 and so cannot have a bank card.

E-wallets are making inroads. PayPal expanded into Egypt in April 2013 and we expect to see the market share of 2.1% rise as customers become familiar with e-wallet services.

Growth can be expected for mobile payments. World Bank figures show that mobile phone subscriptions have nearly doubled since 2009, when the figure was 69% – in 2012 that figure was 115%.

At a glance
2012 population 81 million
2012 GDP (USD bn) $257
eCommerce turnover $3.9 billion
Mobile ownership 76%
Smartphone ownership 9%

Ethiopia

Market summary
Cash on delivery dominates in Ethiopia (92.8%). However, mobile payments now represent 5.6% of transactions. Mobile wallets make up 4.2% of the total and direct carrier billing accounts for 1.4% of transactions. Cards comprise just 0.4% of total transactions.

eCommerce turnover
2009-2012 compound Annual Growth Rate: 50%

At a glance
2012 population 92 million
2012 GDP (USD bn) $43
eCommerce turnover $65 million
Mobile ownership 30%
Smartphone ownership 4%
Finland

Market summary
Online bank transfers dominate eCommerce purchases, accounting for nearly half of all transactions (48.1%). Invoice payments are also popular, accounting for 17.7% of transactions but mobile accounts for just 1%. According to the World Bank, mobile phone subscriptions have grown and are now at 173 per 100 people, suggesting mobile is an area for focus.

At a glance
2012 population 5 million
2012 GDP (USD bn) $248
eCommerce turnover $12.5 billion
Mobile ownership 96%
Smartphone ownership 46%

Popular alternative payments methods
Nordea
OP-Pohjola
S-Bank
Klarna

France

Market summary
Cards are the main payment type in France – 76.6% of transactions, with 65.6% provided by local banks, led by Visa provider Carte Bleue. Second most common is e-wallets, representing 11.2%. PayPal holds the major share at 10.4%.

eCommerce turnover
2009-2012 compound Annual Growth Rate: 19%

At a glance
2012 population 66 million
2012 GDP (USD bn) $2,614
eCommerce turnover $73.7 billion
Mobile ownership 86%
Smartphone ownership 40%

Popular alternative payments methods
PayPal
ClickandBuy
Cofinoga
Carte Aurore
Carte Bleue (Domestic)
Germany

Market summary
Germans use a number of alternative payment methods – invoice payments, Direct Debits and e-wallets. Cards account for just 21% of transactions, while Direct Debits are just ahead at 22.1%. PayPal dominates e-wallets, with 10.4% of transactions, while the total of e-wallet transactions stands at 13.3%.

Mobile has just 1.7% of transactions. However, invoicing is the principal means of paying for goods and services, accounting for 28% of transactions.

At a glance
2012 population 82 million
2012 GDP (USD bn) $3,430
eCommerce turnover $83.6 billion
Mobile ownership 89%
Smartphone ownership 31%

Popular alternative payments methods
Elektronisches Lastschriftverfahren (ELV)
PayPal
Klarna
Sofort Überweisung
Giropay

Ghana

Market summary
Cash on delivery dominates payments in Ghana, accounting for 70.7% of transactions.

Mobile is the next biggest way of paying for goods, accounting for 12.2% of transactions. Cards are at 11.2% and direct carrier billing accounts for 8% of transactions. Meanwhile, e-wallets are gaining ground, with 5.1% of the market, and m-wallets not far behind at 4.2%.

At a glance
2012 population 25 million
2012 GDP (USD bn) $41
eCommerce turnover $90 million
Mobile ownership 59%
Smartphone ownership 10%

Popular alternative payments methods
Airtel
PayPal
iWallet
TxtnPay
### Greece

**Market summary**
E-commerce has grown steadily in Greece, reaching 1.5% of gross domestic product in 2012 – nearly double 2011 (0.8%). Cards remain most popular with 41% of transactions. Bank transfers account for 14.4%, although Direct Debits represent only 1.5% of transactions.

E-wallets are gaining ground with 23.2% of transactions. PayPal is most used (21%). Possibly reflecting Greece’s economic crisis, cash on delivery has a high proportion of payments, at 17.2%. Mobile, by contrast, only accounts for 0.2% of payments – clearly an area for providers to focus on.

### At a glance

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
<th>Mobile ownership</th>
<th>Smartphone ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 million</td>
<td>$249</td>
<td>$3.7 billion</td>
<td>89%</td>
<td>37%</td>
</tr>
</tbody>
</table>

### India

**Market summary**
Cash is king in India, with a combination of cash on delivery and cash cards making up 37.5% of transactions. Cash cards depend on the network of retail outlets where providers, such as ITZ Cash, can recharge cards with funds.

Bank transfer is the other main way of making payments, accounting for 29.3% of transactions. Only 3.7% are made by Direct Debit. Mobile accounts for just 4% of transactions, while e-wallets, led by PayPal, make up just 1.5% of transactions.

### At a glance

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
<th>Mobile ownership</th>
<th>Smartphone ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,237 million</td>
<td>$1,842</td>
<td>$14 billion</td>
<td>56%</td>
<td>4%</td>
</tr>
</tbody>
</table>
Indonesia

Market summary
Bank transfers dominate the payments landscape in Indonesia, accounting for 39% of transactions, with 34.5% in real time. Offline bank transfers are declining and stand at 4.5%.

Cards make up 26% of transactions but other banking services, such as payment via cash machines, are popular. 23.8% of payments are made via a cashpoint. Mobile penetration in Indonesia has been growing. According to the World Bank, phone subscriptions were at 115 per 100 people in 2012, up from 102 in 2011. However, mobile payment methods only account for 0.1% of transactions. While PayPal leads e-wallet payments, these only total 2.7% of transactions.

Ireland

Market summary
Cards are prevalent in Ireland, accounting for 87.2% of transactions. However, the Laser debit card scheme accounts for 3.5% of payments and is due to close in February 2014, creating opportunities for other providers.

Of the small remaining slice of payments, e-wallets account for 8.5%, with PayPal taking the lion’s share of that (6.5%). Mobile is barely on the radar, accounting for just 0.2%.

At a glance
2012 population
247 million

2012 GDP (USD bn)
$878

eCommerce turnover
$1.5 billion

Mobile ownership
55%

Smartphone ownership
11%

Popular alternative payments methods
KlikBCA
PayPal
Guadang Voucher

At a glance
2012 population
5 million

eCommerce turnover
$10.1 billion

Mobile ownership
91%

Smartphone ownership
57%

Popular alternative payments methods
PayPal
Skrill e-wallet
Paysafecard
Italy

Market summary
Despite an overall decline in economic growth in Italy, eCommerce has been rising as a proportion of gross domestic product. Customers usually use cards (65.4%) – credit and prepaid Visa/MasterCard products – to pay for goods and services online.

Cards and e-wallets are replacing cash on delivery. E-wallets accounted for 17.8% of transactions in 2013, with PayPal dominating the sector (17.1%), having grown from just 2% of the market in 2006. Local provider Moneta Online (0.4%) is just behind Google Checkout (0.5%).

Japan

Market summary
Card payments dominate transactions in Japan, accounting for 56% of the market. Perhaps surprisingly, given Japan’s advanced technology infrastructure, Konbini and other convenience store payments account for a high level of transactions (12.7%), while cash on delivery stands at 8.9%.

Mobile payments make up just 0.3% of transactions, although e-wallet use is higher than in many countries, at 6.6% of transactions.
Kenya

Market summary
Like many African markets, cash is preferred. Cash on delivery makes up 45% of payments. Mobile use is growing as telecoms providers focus on mobile. According to the World Bank, while just 72 people per 100 had a mobile subscription in 2012, mobile payments account for 19% of all transactions, with mobile wallets making up 15.5%. As more Kenyans get mobile phones, this is an area to keep an eye on.

Growth of mobile wallets proves this. For example, M-Pesa launched in Kenya in 2007 and had 17 million subscribers by 2011. Mobile payments are spread evenly between direct carrier billing, mobile wallets and so on. Cards make up 29.4% of payments, outstripped by the more traditional, riskier cash on delivery, which accounts for 45%.

Malaysia

Market summary
Malaysians mainly use the banking system rather than alternative payment methods. 50% of transactions are made by card, while a further 19.9% are real-time bank transfers.

E-wallets account for 3.3% of transactions, mainly used to pay for goods and services outside the country. Offline, cash on delivery remains a popular way to pay, accounting for 19%.

At a glance

2012 population 43 million
2012 GDP (USD bn) $37

Popular alternative payments methods
M-Pesa
Zap
Tigocash
eTranzact

2012 population 29 million
2012 GDP (USD bn) $304

Popular alternative payments methods
MayBank2U
CIMBClicks
PayPal
Mexico

Market summary
Mexicans rely on banking providers when it comes to paying for transactions – 30.5% are paid for by card, with a further 29.9% made by bank transfers, 14.2% in real time.

Alternative payment methods have a significant foothold in Mexico, where e-wallets are used to pay for 17.3% of transactions. Here PayPal takes the lion’s share at 14.2%. By contrast, offline cash-based payments are not widely used – cash on delivery accounts for just 6.6% of transactions.

Mobile has yet to take off in Mexico. Just 0.1% of transactions are made this way and all via direct carrier billing.

Netherlands

Market summary
Bank transfers dominate in the Netherlands. The native real-time bank transfer scheme iDEAL accounts for the majority of e-purchases – 59.5% of the total 63.8%.

Due to the popularity of this home-grown payment method, card use is low compared to other countries in Western Europe, sitting at just 16.1%. The same can be said for e-wallets, which account for just 2.6%. PayPal holds 2.3% of that. Invoice-based payments are still used for 12.1% of transactions.
Nigeria

Market summary
As in many other African countries, mobile has a decent share of the payments market, as telecoms providers tend towards mobile infrastructure rather than landlines. Nigerians pay for 19.6% of their transactions via their mobiles, with mobile wallets accounting for 15.3% of that total.

Card use is healthy too, accounting for 41.6% of transactions, although offline forms of payments are also important. Cash on delivery is used for 31% of transactions. E-wallet use is minimal at just 0.9% of payments.

At a glance
2012 population 169 million
2012 GDP (USD bn) $263

Popular alternative payments methods
Paga Wallet
eTranzact
Ready Cash
ChamsMobile

Norway

Market summary
Norwegians use cards to pay for goods and services to an overwhelming extent, accounting for 60% of transactions. Bank transfers, mostly online and in real time, account for a further 13.2%. Invoicing is also a popular way to pay, with 13.9% of transactions settled in this way.

E-wallets, dominated by PayPal, account for a further 5.9% of transactions but mobile barely registers on the radar at present. Just 0.5% of payments are made in this way although, according to the World Bank, 116 people per 100 of population have a mobile subscription, suggesting that this area could see growth.

At a glance
2012 population 5 million
2012 GDP (USD bn) $500

Popular alternative payments methods
DnB NOR
Autogiro
PayPal
Bank Axess

Graph in USD billions

Philippines

Market summary
E-commerce is only a small fraction of the Philippines’ economy, representing just 0.28% of gross domestic product. The population uses a number of different payment methods, mostly offline. Paper-based cash payments make up 21.9% of payments, with most of those going via convenience stores. Cash on delivery accounts for 4.2% of transactions.

Cards and bank transfers have significant market share, at 24.6% and 20.1% respectively. E-wallets account for 13.9% with PayPal dominating at 9.2% of those transactions.

Poland

Market summary
Bank transfers dominate payments in Poland, with 44.6% of transactions – fewer than half of those take place in real-time (20.6%). Offline payment methods remain important – cash on delivery accounts for 25% of payments, with cash at stores making up a further 9.1%.

Card use is low, at just 9%, while mobile takes 2.4%. Most mobile payments are by direct carrier billing. E-wallets also account for 4% of payments with PayPal handling the majority.

At a glance
2012 population 97 million
2012 GDP (USD bn) $250
eCommerce turnover $0.7 billion
Mobile ownership 81%
Smartphone ownership 39%

Popular alternative payments methods
PayPal
Smart Money
Gcash

At a glance
2012 population 39 million
2012 GDP (USD bn) $490
eCommerce turnover $5.4 billion
Mobile ownership 82%
Smartphone ownership 23%

Popular alternative payments methods
Przelewy24
PayPal
Payu
Portugal

Market summary
Portuguese customers prefer card payments for online purchases, completing 40.4% of transactions this way. Bank transfers, e-wallets and cash on delivery are also important ways of paying for goods and services. All bank transfers appear to be offline (19% of transactions).

Offline methods of payment – particularly cash on delivery – remain important with 17.5% of transactions. E-wallets account for 15.6% of payments, with PayPal the leading provider.

At a glance
2012 population 11 million
2012 GDP (USD bn) $212

eCommerce turnover $1.5 billion
Mobile ownership 84%
Smartphone ownership 32%

Popular alternative payments methods
PayPal
Multibanco
Paysafecard
Direct Debit

Russia

Market summary
Russia’s eCommerce economy is growing fast and projected to grow faster over the next two years. However, its payments landscape is based largely on cash (55.5% of transactions). Cash on delivery makes up the bulk of those at 41.2%, with payment terminals accounting for 5.8% of eCommerce transactions. Card use and bank transfers are low, at 11.9% and 4.1% respectively, and bank transfers are exclusively offline.

Russians prefer local providers for e-wallets – 26.7% of payments are made this way, with local provider Yandex. Money accounts for 7.3% of those. PayPal limps into fourth place at 3.4%. Mobile payments are low (1.8%) and again local providers dominate the scene, including mobile wallet provider RuRu.

At a glance
2012 population 144 million
2012 GDP (USD bn) $2,017

eCommerce turnover $13.2 billion
Mobile ownership 88%
Smartphone ownership 15%

Popular alternative payments methods
Yandex.Money
WebMoney
QIWI
PayPal
**Singapore**

**Market summary**
As a banking hub, it’s perhaps unsurprising that most Singaporeans pay by card (65.5%) and bank transfers (21.3%). E-wallets make up 5.2% of transactions, with PayPal as the leading provider (4.8%).

More surprising is the low take-up of mobile payment solutions, especially given the high penetration of mobile. Despite 153 people per head of population having a mobile subscription, according to the World Bank, mobile is used to make just 0.3% of payments. Offline cash-based payment methods are unsurprisingly a small part of the landscape, with cash on delivery accounting for 2.4% of transactions.

**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
<th>Mobile ownership</th>
<th>Smartphone ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 million</td>
<td>$275</td>
<td>$3.4 billion</td>
<td>85%</td>
<td>72%</td>
</tr>
</tbody>
</table>

**Popular alternative payments methods**
- eNets
- DBS
- UOB
- Citi

**South Africa**

**Market summary**
South Africa’s payments landscape is fragmented. ECommerce has been rising as a proportion of gross domestic product, accounting for 0.31% of the economy in 2012. However, many don’t rely on the banking sector – card use is low at 37.5%, with bank transfers accounting for just 5.2% of transactions, mostly offline.

Most payments (39.6%) are cash-based offline, with cash on delivery accounting for most of those payments at 37%. Mobile is popular – 13.3% of payments are made in this way, mostly (11.1%) via direct carrier billing. E-wallets do not have much of a foothold, with just 3.9%.

**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
<th>eCommerce turnover</th>
<th>Mobile ownership</th>
<th>Smartphone ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>51 million</td>
<td>$384</td>
<td>$1.2 billion</td>
<td>82%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Popular alternative payments methods**
- Cell Pay Point
- M-Pesa
- PayPal
- NetCash
South Korea

Market summary
As a country that has led the way on mobile provision, it’s perhaps surprising that South Korea uses mobile payments for just 1.5% of transactions. However, this is a larger proportion than many of its Asian neighbours.

Cards are the main payment method – 73.8%. Bank transfers, mainly online, account for a further 4.5%. Many South Koreans still prefer offline cash-based methods of payment – cash payments at convenience stores make up 14.4% of transactions, with cash on delivery accounting for a further 2.3%, ahead of e-wallets, used in just 2.1% of transactions.

Spain

Market summary
Despite the economic conditions in Spain, eCommerce is a growing part of the economy, accounting for 1.8% of a shrinking gross domestic product in 2012. Most payments (70%) are made by card, with bank transfers (7.6%) and e-wallets (7.2%) also forming significant parts of the payments landscape.

However, offline cash-based payments are very much in evidence, accounting for a total of 13.2% of transactions. Cash on delivery forms more than half of those payments at 7.3%. Mobile as a means of payment is small, making up just 0.3% of transactions with direct carrier billing forming the bulk of those payments.
**Sweden**

**Market summary**
More than half of Sweden’s eCommerce transactions are made through its banking system. Card payments account for 34% and bank transfers, mostly online real-time transfers, account for a further 27%.

However, the other significant area is offline – invoicing makes up 26.3% of transactions. E-wallets also hold a significant share of the market at 5.3%, with PayPal completing 4.2% of transactions. Mobile devices are used to make 0.9% of transactions.

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**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 million</td>
<td>$515</td>
</tr>
</tbody>
</table>

**eCommerce turnover**

$16.3 billion

**Popular alternative payments methods**

- SwedBank
- Klarna
- PayPal
- BankGiro

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**Switzerland**

**Market summary**
Given Switzerland’s reputation as a leading provider of banking services, it’s perhaps surprising that offline payment methods make up 31.3% of the market. At 21.3%, invoicing is the main offline payment method and merchants’ own schemes make up 10.5% of these.

Cards account for 47.5% of transactions and bank transfers for a further 8.7%. However, most of these take place offline (5.5%) with just 3.2% made online, in real time. E-wallets are an important payment method, with 9.8% of transactions being completed in this way. PayPal handles the majority of those transactions at 7.9%, while mobile has yet to gain a foothold – just 0.4% of payments are made via a mobile device.

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**At a glance**

<table>
<thead>
<tr>
<th>2012 population</th>
<th>2012 GDP (USD bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 million</td>
<td>$632</td>
</tr>
</tbody>
</table>

**eCommerce turnover**

$11.7 billion

**Popular alternative payments methods**

- PowerPay
- PayPal
- Payolution
- MyOne

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Taiwan

Market summary
Taiwan is noted for its advanced Internet infrastructure, yet the majority (93.1%) of its eCommerce payments are made offline. Cash on delivery accounts for 52% of payments, which is very high for a developed economy. Payment via convenience stores and cash machines accounts for 31%.

Cards are used for just 3% of transactions, and bank transfers are only 1.5%. Most take place offline (1%). E-wallets make up 1.8% of payments, with Chinese provider Alipay the market leader (1%). PayPal has just 0.4%. Mobile payments are also low, at 0.4% of transactions.

Thailand

Market summary
Thailand’s economy depends heavily on exports and the service sector, yet many of its eCommerce payments are made offline. Payment via cash machines and convenience stores accounts for 20% of transactions, and cash on delivery for a further 15%.

Cards and transfers make up 54.5% of payments, with cards at 24.5% and offline transfers 30%. E-wallets account for 4.8% of transactions, with PayPal again the main provider (4.2%). Mobile also appears to be gaining ground, accounting for 1.4% of payments.

At a glance
2012 population 23 million 2012 GDP (USD bn) $467

eCommerce turnover $15.7 billion

Mobile ownership 63% Smartphone ownership 51%

Popular alternative payments methods
WebATM 7-11 bon Join Card Alipay

At a glance
2012 population 67 million 2012 GDP (USD bn) $366

eCommerce turnover $3.4 billion

Mobile ownership 69% Smartphone ownership 21%

Popular alternative payments methods
PayPal One-2-Call Cash Zest
Turkey

Market summary
Card payments make up 83% of transactions in Turkey. Virtual cards – where providers give users card details but no physical cards – are popular. The other leading payment method is cash on delivery (8%). E-wallets (0.7%) and mobile payments (0.7%) are low – mobile wallets stand at 0.35% and direct carrier billing at 0.35%.

Of the e-wallets, PayPal is the leading provider with 0.6%, then Google Wallet (0.05%).

UK

Market summary
British customers use cards mainly to pay for goods and services (78%). E-wallets are the next most popular payment method, with 16.5% of transactions completed this way, PayPal handling 13%.

Mobile accounts for only 0.65% of payments with a fairly even split between mobile wallets (0.5%) and direct carrier billing (0.3%). Banks are starting to develop other mobile means, such as Barclays’ Pingit service, which handles 0.05% of transactions. Emerging mobile platforms include Weve, a joint initiative between the three largest UK mobile operators – EE, Telefonica and Vodafone. Offline cash-based payments are barely used, making up just 2.8% of transactions, split mainly between cash on delivery (0.9%) and pre-paid accounts (0.3%).

eCommerce turnover
2009-2012 compound Annual Growth Rate: 35%

[Graph in USD billions]

eCommerce mix by payment type
2009-2012 compound Annual Growth Rate: 14%

[Graph in USD billions]

At a glance
2012 population
74 million

2012 GDP (USD bn)
$1,586

eCommerce turnover
$19.9 billion

Mobile ownership
84%

Smartphone ownership
18%

Popular alternative payments methods
PayPal
Turkcell Mobile Wallet
BonusPay
3Pay

At a glance
2012 population
63 million

2012 GDP (USD bn)
$2,041

eCommerce turnover
$212 billion

Mobile ownership
92%

Smartphone ownership
55%

Popular alternative payments methods
PayPal
Skrill e-wallet
Mopay
ClickandBuy
**US**

**Market summary**
US customers overwhelmingly pay for eCommerce goods and services by card — 71.5% of transactions are completed in this way. Despite difficult economic conditions in the US, eCommerce is a growing part of the economy, rising to 3.7% of gross domestic product in 2012, up from 3.5% the year before. E-wallets are also a significant method of payment, accounting for 17.6% of transactions. PayPal (an American company) unsurprisingly accounts for the bulk of those payments at 16.2%. Google Wallet, also from the US, is a distant second with 0.7% of transactions.

Mobile devices are used to complete 1.2% of payments, with mobile wallets being used for 0.7% of these. Direct carrier billing makes up 0.5% of the total.

**At a glance**
- **2012 population**: 314 million
- **2012 GDP (USD bn)**: 16,260
- **eCommerce turnover**: $593.6 billion
- **Mobile ownership**: 86%
- **Smartphone ownership**: 55%

**Vietnam**

**Market summary**
Vietnam’s eCommerce customers pay for their goods and services mostly by offline bank transfer (56.1%). Other cash-based offline payments are also important, comprising 25.2% of transactions. Cash on delivery makes up just under half of those payments (12%), with postal payments accounting for a further 10%.

E-wallets are also gaining ground, accounting for 8.6% of transactions, although mostly used for transactions outside Vietnam. PayPal provides 6.7% of these.

**At a glance**
- **2012 population**: 89 million
- **2012 GDP (USD bn)**: 142
- **eCommerce turnover**: $255 million
- **Mobile ownership**: 85%
- **Smartphone ownership**: 20%
About the data in this report

Worldpay and First Annapolis Consulting compiled this report. Its findings are based on extensive surveys and interviews with experts in the eCommerce and m-commerce payments industries.

We have also used more than 130 secondary sources, including:

- Local eCommerce trade associations
- Local card, banking, and/or payments associations
- National banks
- Facts and figures of various e-wallets and m-wallets and other payments schemes
- Facts and figures of various card schemes and payments providers
- E/m-commerce studies and reports and other research
- Other payments surveys and reports
- Third-party news articles
Contact us

To find out more, just get in touch with your Relationship Manager or email us: dropusaline@worldpay.com