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Cross-Border Payments and Ecommerce Report 2023-2024

Complete Overview of Trends, Developments, and Future Perspectives

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Foreword

Diana Lupuleac
Content Editor at The Paypers

Welcome to the fifth edition of The Paypers' **Cross-Border Payments and Ecommerce Report**! This latest issue continues the tradition of bringing together subject matter experts and providing insights into the newest trends and developments in the fields of online payments and ecommerce.

At a time plagued by uncertainty, when failure – even more than before – is not an option, businesses interested in expanding across borders must tread carefully, take all risks into account, and strategically leverage the resources at hand to ensure a comprehensive understanding of the local challenges they might face.

In light of this situation, this report seeks to offer the relevant information parties might need when deciding to expand across borders. On top of this, with this newest issue, we take a step forward by shedding light on the importance of capitalising on strategic partners such as payment orchestrators, and by offering a close analysis of the emerging trends and technologies that can be used to lower costs – such as artificial intelligence (AI).

A snapshot of the current landscape

As research shows, when it comes to cross-border payments and ecommerce, we are now at a crossroads of sorts. While ecommerce-related domestic spending has started to show signs of slowing down over the last year, the cross-border sector in general is still thriving.

The current situation is made possible by a myriad of factors. To start, Zoomers and millennials – two of the most digitally-savvy age cohorts – prefer online shopping. Additionally, efforts are being made to promote digitalisation, and many developing markets are growing economically. Moreover, online marketplaces are more popular than ever, and merchants worldwide are taking steps towards adding alternative payment methods to cater to customer demand.

In a development that seems to mirror the shift towards digitalisation that we already saw consumer payments go through during the COVID-19 pandemic, the B2B cross-border payments sector is also experiencing significant transformation. In the case of B2B payments, their recent boost has been attributed mainly to the emergence of online marketplaces and platforms aimed at supplying businesses with services and goods – similar to how consumers engage in ecommerce.

With an educative undertone and a clear aim to address the challenges and subsequent emerging opportunities that the current cross-border payments and ecommerce landscape has to offer, the *Cross-Border Payments and Ecommerce Report 2023–2024 – Complete Overview of Trends, Developments, and Future Perspectives* follows an intuitive structure that allows you to dive into specific trends and ways to solve the challenges faced when considering an international expansion. →

The state of cross-border ecommerce today and future directions

We kick off the report by delineating the current landscape and providing an outlook of future directions in cross-border ecommerce. The chapter includes a discussion regarding the ongoing changes in global ecommerce and seeks to offer a response to the question 'Is global retail ecommerce showing signs of slowing down?'.

With help from our contributors, we investigate the challenges currently threatening the success of cross-border ecommerce and the importance of leveraging technology innovations in today's business landscape – by integrating older legacy systems with modern digital tools. Other relevant topics tackled in this chapter are the untapped potential of AI and GenAI, their anticipated effect on ecommerce in general, and the APAC supply chain market in particular.

Finally, we take a closer look at one of the hottest trends: social selling – by examining its role in building trust and breaking down cultural barriers, as well as the dynamics of social selling in Asia and its impact on global ecommerce.

Trends shaping the future of cross-border ecommerce payments

The second chapter of the report takes readers on a journey into the history of cross-border payments – from barter to digital – and offers a glimpse into one of the most notable regulatory initiatives to this date: the 'Roadmap for Enhancing Cross-border Payments', an initiative that seeks to tackle some of the most relevant pain points associated with these payments.

We further explore topics such as the significance of borderless payments in today's global economy, key trends in GenAI for finance, and what's in store in terms of emerging technologies – among other insightful themes.

Addressing specific challenges by leveraging strategic partnerships

The key to success in the realm of cross-border ecommerce is leveraging strategic partnerships. This section of the report starts with an overview of the most recent global partnerships that defined and built resilience within the payments sector, alongside the role of fintech in promoting financial inclusion and the use of a Merchant of Record model to ensure global growth.

Some other important topics covered encompass the particularities and benefits of payment orchestration – with a focus on what this means for both merchants and financial institutions –, the impact of localisation on successfully expanding across borders, and how foreign exchange can address specific challenges for global marketplaces.

Payment orchestration has been an emerging topic in the field of commerce in the past years. To offer a clear image of the capabilities of some of the most relevant payment orchestration platforms (POPs), we reached out to key players in the industry and asked them to discuss their offerings. The **POPs infographic** we put together can be used as both an educational resource and a starting point when looking for a payment orchestrator.

The growth of the B2B cross-border ecommerce and payments sector

As previously stated, B2B cross-border ecommerce is on an upward trajectory. In this section of the report, our contributors offer insights into the B2B subscription commerce model – and provide pointers for B2B merchants interested in integrating new payment solutions.

B2C ecommerce: focusing on verticals

B2C ecommerce is one of the driving forces behind the expansion of the cross-border sector. This chapter includes pointers on how to navigate the cross-border payments landscape and cater to customer demands and expectations, while zooming into two key verticals: retail and digital goods – video gaming. ➔

To complement these contributions, we have included a **series of infographics focusing on marketplaces** that are present in the following regions: Europe, Asia-Pacific, Middle East and Africa, North America, Latin America, and global. We further categorised them based on three target groups – B2C, B2B, and C2C – and three verticals: consumer goods and services, gig market and recruiting, and hospitality and travel.

Regulatory standards and initiatives

ISO 20022 and Visa Compelling Evidence 3.0 have been some of the most notable developments in the cross-border segment in the past twelve months. The contributions in this chapter explore how these standards and initiatives affect industry stakeholders, and what experts argue comes next.

Insights into local developments across the globe

The closing chapter of this year's edition of the *Cross-Border Payments and Ecommerce Report* sheds light on emerging technologies and networks that reshaped cross-border payments for businesses. To this, we present businesses interested in expanding to new markets with three information-packed materials that showcase the local progress and payment preferences in the US, Australia, and Spain.

Finally, we want to take the chance to say a very kind thank you to our collaborators who accepted to be part of this journey and authored insightful and valuable contributions. A special thank you also goes to the members of The Paypers' team who lent their support and time to ensure that the final version of the report, that we present today, brings together valuable contributors and impactful research pieces.

Without further ado, we invite you to read and enjoy the *Cross-Border Payments and Ecommerce Report* 2023–2024 – *Complete Overview of Trends, Developments, and Future Perspectives*!

Table of Contents

Table of Contents

Table of Contents

The State of Cross-Border Ecommerce Today and Future Directions

- Global retail ecommerce – signs of slowing down?
- The current state of cross-border retail ecommerce and expert projections
- Emerging marketplaces and other developments impacting regional ecommerce
- Challenges threatening the sustained success of cross-border ecommerce

Euromonitor International

The Changing Dynamics of Global Ecommerce – Current Developments and Future Projections

Bob Hoyler is a manager at Euromonitor International focused on sharing insights about the evolving retail landscape. Based out of Chicago, he has nearly a decade of experience in the industry. Bob helps to oversee Euromonitor's global Retail, Digital Consumer, and Ecommerce syndicated research products, with a focus on content and client engagement.

Bob Hoyler ▪ *Manager – Retail and E-Commerce Insights* ▪ Euromonitor International

In 1982, the world's first ecommerce retailer, the Boston Computer Exchange, opened for business in the US. That means that online retail will turn 41 in 2023 – and, just as many human beings tend to slow down a bit as they enter their 40s, global retail ecommerce is showing signs of doing the same. 2022 marked the lowest rate of year-on-year retail ecommerce sales growth since the channel's inception, and the first-time growth has failed to crack double-digits since the economic downturn of 2008-2009. Though the rate of growth is projected to accelerate in 2023 in constant terms – i.e., after removing the effects of inflation – it will remain low compared to the dizzying heights of the pandemic years.

There are two main reasons for the slowdown. The first is the return of pre-pandemic shopping behaviours. With China ending its zero-COVID-19 policy in late 2022, consumers everywhere are putting the pandemic behind them from a psychological perspective. As a result, they are logging off and heading back to brick-and-mortar stores to purchase goods.

The other major reason for the slowdown is widespread economic stress. With high inflation continuing to impact many markets, a large share of consumers are rationing their spending to conserve cash, with many especially cutting back on online purchases of big-ticket items and other discretionary goods. Although high inflation has been less of an issue in Asia-Pacific countries, the economic recovery of China – Asia's retail powerhouse – is sputtering, which is also hurting global ecommerce growth.

This is not to say that ecommerce is in any danger of going into retreat. Quite the contrary, retail ecommerce penetration is still advancing globally. Yet, the double-digit year-on-year growth rates that ecommerce sales regularly recorded even in the years preceding the pandemic look to be a thing of the past. Going forward, global ecommerce sales are expected to grow at a slower, steadier rate – fitting for a channel that is now hitting middle age.

Even as online sales growth is normalising at a more subdued pace, cross-border ecommerce remains a bright spot. In 2022, global cross-border retail ecommerce sales stood at USD 396 billion, accounting for 11% of the total ecommerce sales worldwide. This share has more than doubled since 2014. The main driving force behind the increased importance of cross-border ecommerce is the sustained success of online marketplaces. Third-party sellers are continuing to make inroads on these platforms, and many of them are cross-border specialists, with business strategies built around using the reach that marketplaces offer to sell across national borders to consumers located thousands of miles away.

As the share of marketplace sales out of the total retail ecommerce sales continues to grow – and as third-party sellers account for an ever-larger value share of marketplace transactions – cross-border ecommerce is making significant gains. As a result, in 2022, the year-on-year growth of global cross-border ecommerce sales was nearly three times higher than that of retail ecommerce sales as a whole. →

China remains the key cog in the global cross-border ecommerce sector, acting as both the most important outbound market and the most important inbound market for cross-border sales by a significant margin. Despite the headwinds battering the Chinese economy as a whole in 2023, cross-border sales originating from China are getting a welcome boost thanks to the astounding success of a new online marketplace that has burst onto the scene: Temu.

Since launching in September 2022, Temu – which is owned by PDD Holdings, the same company that operates Chinese ecommerce giant Pinduoduo – has already racked up billions of dollars in sales. Temu offers a vast assortment of products, ranging from consumer electronics to apparel, at incredibly low prices. The common factor is that all these products are sold by third-party sellers operating out of China. Temu initially concentrated on selling exclusively to consumers in the US, where it soon became a sensation. By February 2023, the Temu app became the most downloaded mobile app in the country. In the same month, Temu expanded operations to Canada, followed by Australia and New Zealand in March 2023, and then Western Europe in April 2023. Although the marketplace faces regulatory scrutiny regarding the transparency of its operations and its environmental impact, it has inarguably helped bolster the continued growth of cross-border ecommerce around the world.

Temu is not the only cross-border success story in 2023. After a bit of a down year in 2022, US-based ecommerce leviathan Amazon has righted the ship, with renewed sales growth powered primarily by third-party sellers, many of which are cross-border specialists. Marketplace giant Mercado Libre – which is based in Argentina and has contributed greatly to the development of cross-border ecommerce across Latin America – has also continued to rack up steady sales gains over the course of the year. Meanwhile, in May 2023, digitally native fast fashion juggernaut Shein launched its own third-party marketplace – with a distinct cross-border focus.

Despite these victories, several challenges threaten the sustained success of cross-border ecommerce. In September 2023, the Indonesian government enacted a ban on sales of goods through social media platforms, which was widely viewed in the industry as a move intended to curb the influence of TikTok, the popular social media platform operated by Chinese tech company ByteDance. Its shopping feature, TikTok Shop, had exploded in popularity in Indonesia since its launch there in 2021, acting as a massive conduit for cross-border sales into the booming economy of the populous Southeast Asian nation. Additionally, Brexit continues to wreak havoc on the outlook for cross-border ecommerce sales in the UK, which have barely budged upwards since 2021. Most ominously, mounting difficulties facing the commercial real estate sectors in markets from China to the US make the chances of the global economy sliding into recession at some point over the next two years all too likely.

Despite these concerns, however, the prospects for cross-border ecommerce remain bright, fuelled by the animal spirits of entrepreneurship and innovation that have been unleashed by the power of an increasingly connected global consumer base. As a result, Euromonitor International projects that cross-border retail ecommerce sales will increase at a compound annual growth rate of 9%, at constant prices, from 2022 to 2027. And, regardless of the factors working against it, cross-border retail looks set to continue to be one of the most dynamic aspects of the global ecommerce landscape.

Note: Euromonitor International's definition of cross-border retail ecommerce encompasses online sales of products between businesses and consumers (B2C) shipped across national borders, but excludes trade between businesses (B2B) or consumers (C2C), as well as all sales of services.

Technological Developments

- Bridging the gap between legacy technology and digital transformation
- Outdated technology systems and other dilemmas related to security, risk management, and compliance
- Integrating older legacy systems with modern digital tools
- Costs and opportunities – the importance of a clear ROI approach
- Delivering an optimised, user-centric experience

Redbridge Debt and Treasury Advisory

Bridging the Divide: Balancing Legacy Technology and Digital Transformation in Today's Business Landscape

Gabriel has been providing strategic advice to international and multichannel merchants in their payment transformation and optimisation journeys since 2020. He previously worked for four years as Chief Operating Officer at TSI Payment, a Parisian fintech specialising in alternative payment methods.

Gabriel Lucas ▪ *Associate Director* ▪ Redbridge Debt and Treasury Advisory

With 15 years of experience in payments, **Chaira** joined Redbridge in 2022 to help bring the payment practice to the next level. After a few years working as a payment consultant, she worked at Visa for 10 years as Fraud Manager and Business Analyst.

Chaira Mekkaoui ▪ *Associate Director* ▪ Redbridge Debt and Treasury Advisory

In today's fast-evolving digital environment, businesses face a significant challenge in addressing the gap between legacy technology and digital transformation. Owners are compelled to reassess their business models and respond promptly to meet their customers' needs.

On the one hand, companies must maintain the reliability and functionality of their existing legacy systems, often the backbone of their operations. However, legacy payment systems are progressively losing their effectiveness in fulfilling their original purposes while they become expensive to maintain. On the other hand, companies must harness the transformative potential of digital technology to remain competitive and responsive to the evolving demands and expectations of modern consumers. Transformation can be very expensive, both from a system and an organisational standpoint.

Bridging the gap between legacy technology and digital transformation is a critical endeavour for merchants and service providers seeking to uphold their competitiveness and relevance in today's changing business landscape. For payment providers, escaping from legacy systems is usually necessary to remain competitive and gain new customers. For merchants, making the switch will highly depend on how central innovation and payments are to their value proposition.

As there is no 'one-size fits all solution', companies must align their payment strategy with short, medium, and long-term objectives, and carefully assess the return on investment (ROI) of each type of project.

Assessment – acceptance and customer experience

In the ever-changing environment of the payment sector, the top priority is delivering an optimised, user-centric experience. As new payment methods and technologies emerge, customers engage in online transactions and mobile payments – and expect to have a seamless, effective, and user-friendly payment process. Legacy systems might struggle to adapt to these requirements causing friction and confusion for users. The aim is to make payments as streamlined as possible – and offer the most relevant payment options to **maximise revenues**.

Security, risk management, and compliance

Outdated technology systems present a significant security dilemma. These systems often lack the advanced security features that are standard in modern technology. They may no longer receive vital security patches or vendor support, rendering them susceptible to known vulnerabilities and potential exploits. →

Additionally, these obsolete systems might not align with the compliance prerequisites and standards dictated by the industry regulations and data protection laws – especially in sectors such as the Payment Card Industry Data Security Standard (PCI DSS) and the General Data Protection Regulation (GDPR). Non-compliance can result in severe violations and lead to legal and financial repercussions. At the same time, working with very innovative and young companies may be a risk per se, as they may not be as solid and robust – both from a technical and financial standpoint.

Architecture and internal organisation

The process of integrating older legacy systems with modern digital tools, platforms, or third-party services poses a substantial challenge. Legacy systems frequently lack the compatibility necessary to integrate with modern APIs and data formats. This mismatch not only complicates the technical aspects of integration but also heightens the risk of operational disruptions, complexities in data transformation, and potential security vulnerabilities.

To address these obstacles, a strategic approach is needed, which may involve the use of middleware, data transformation procedures, and security measures to bridge the divide between legacy and contemporary technology. For such transformation, it is imperative to have a team well-acquainted with both legacy system intricacies and modern technologies to formulate effective integration strategies. Moreover, promoting collaboration, offering training, and highlighting the long-term advantages of integration can create an environment in which employees are more willing to embrace and actively participate in the **transformation process**.

Providers and outsourcing technology

When it comes to providers in such a fast-paced environment, they can be both a challenge and the solution. While providers that struggle to keep innovating can very quickly become a burden for companies where innovation and go-to-market is at the core of their value proposition, established providers, although usually more legacy, can be the best fit for companies mature enough to manage most of their payment complexities internally. Moreover, internal legacy challenges can also be tackled by outsourcing certain activities to specialised providers.

Cost and opportunity loss – ROI

As already mentioned, maintaining a legacy system can be quite expensive. One the one hand, sometimes fixing minor issues will not solve the root cause – and worse, it may lead to an accumulation of bigger problems and risks. At the same time, legacy systems usually suffer from manual processes to deal with the lack of features and automation and drastically reduce the time to market with subsequent opportunity loss. On the other hand, upgrading your system will result in an efficiency gain, contrary to legacy accounts that reduce your operational efficiency – but it can also represent a very significant investment. Therefore, an ROI approach with a clear roadmap is required to define the right strategy and facilitate the decision-making process.

Recommendations

As payments tend to have more central roles across all organisations, staying ahead of the game has become a strategic objective for most companies and verticals. However, while new companies can rely on the newest technologies straight away despite a potentially higher cost, more established companies must embrace a more thorough and tactical approach to adopt such types of transformation projects.

While short-term initiatives may help find part of the necessary resources and arguments to obtain the necessary buy-in to move towards transformation, companies must prepare for the future and set medium and long-term objectives with a structured and agile roadmap.

The Potential of AI in Ecommerce

- The importance of leveraging AI to enhance resilience
- The potential of AI in breaking down language barriers
- AI – improving customer service and shopping experiences
- GenAI and its future impact on the APAC supply chain market
- How GenAI can help logistics operators drive industry competitiveness

Cainiao Group

William Xiong, Senior Vice President of Cainiao Group, talks about the supply chain evolution in APAC and the importance of leveraging AI to enhance resilience.

William Xiong
Senior Vice President
Cainiao Group

What technologies have revolutionised the logistics industry in the last years?

While the traditional logistics ecosystem is often vulnerable to gaps and disruption, the advent of Generative AI (GenAI) could act as a unifying factor to achieve a more holistic value chain. Today, the application of cutting-edge technologies like the Internet of Things (IoT), augmented reality (AR), and artificial intelligence (AI) in logistics scenarios have been huge game changers, creating efficiencies and productivity boosts previously unimaginable. With a **projected market growth** of 5.25% annually between 2022 and 2027, the logistics industry in Asia-Pacific (APAC) needs to capitalise on new technologies available to stay ahead of the curve.

How can logistics operators maximise the adoption of GenAI technologies to drive industry competitiveness?

Amid surging ecommerce logistics demand, logistics operators have embraced digitalisation to scale their operations and elevate customer experiences more efficiently. Out of the available technologies, GenAI becomes pivotal in facilitating the processing of an exponentially growing volume and demand, allowing logistics operators and their customers to better access the global digital economy.

For example, GenAI can optimise decision-making processes by providing actionable insights. It is already delivering significant improvements across routine logistics operations in areas like demand forecasting for ecommerce logistics needs, delivery route optimisation, and more, complementing the workforce to enhance overall efficiency and productivity. As logistics operators integrate AI into existing systems as part of their digital transformation journey, this will free up resources to allow them to focus on other critical aspects that can drive growth and increase competitiveness.

What is the potential impact of GenAI on the logistics talent pool in APAC?

Partially attributed to general stereotypes about the nature of the industry and workforce, such as perceptions of it being labour-intensive, the APAC logistics market continues to struggle with talent attraction and retention. Beyond driving smarter supply chain management, GenAI will be an indispensable asset in revolutionising talent development and retention. By streamlining workflows and empowering employees with more strategic work, GenAI fosters a greater sense of fulfilment within the modern workforce. In the same thread, employees can stay abreast of the latest technologies and serve as competitive participants in the digital economy. At industry level, GenAI can elevate logistics jobs. Not only do we witness the emergence of new jobs, such as prompt engineers, but businesses are also exploring ways to diversify their workforce to remain future-ready and resilient. When managed responsibly, GenAI has the potential to redefine work and revitalise the logistics talent pool.

How is GenAI expected to further impact the future of supply chains in APAC?

In the APAC supply chain market, GenAI alone is expected to **expand at the fastest rate between 2023 and 2032**. As such, logistics operators must embrace it as a strategic necessity to stay ahead and effectively navigate the evolving supply chain landscape. GenAI's multifaceted capabilities have the potential to revolutionise supply chain operations by making them agile, efficient, and customer centric. It empowers decision-makers, streamlines training processes, and acts as a catalyst in forging new digital frontiers, all while optimising logistics and ensuring compliance.

It is without a doubt that this emerging technology will play a leading role in the future of supply chains and logistics operators, and those that are adaptable in leveraging new technologies will stand to gain a significant competitive advantage.

AI Consulting Group

The Potential of AI in Breaking Down Language Barriers and Improving Customer Service and Shopping Experiences

Rad Anandakumar is the Practice Manager of AI Consulting Group, taking the lead on its growth, providing thought leadership, project advisory support, and strategic consulting. He is responsible for helping organisations solve problems through data, AI, IoT, ML, and data science – and offers guidance on security, ethics, and best practice governance.

Rad Anandakumar ▪ *Practice Manager* ▪ AI Consulting Group

In today's global market, the presence of language barriers, rooted in linguistic and intercultural differences, hinders businesses from attaining their full potential. This hurdle not only limits market reach, but also affects customer experience and engagement. With over 7,000 languages spoken globally and their inherent different cultural nuances, enterprises must find ways to overcome this difficulty. Artificial intelligence (AI) can play a pivotal role in breaking down language barriers. AI-based solutions can automate language translations to adjust content to specific languages, cultures, or regions – and simplify everyday communication. It can break through limitations outside of spoken and written language, and it can also work via other types of communication such as images and icons, thus facilitating mutual understanding and increasing the use of inclusive language. AI offers revolutionary solutions that could redefine how businesses interact with a global customer base. Let's explore the myriad of ways in which AI can overcome linguistic barriers, enhance customer experience, and provide personalised shopping solutions.

Breaking down the language barriers

AI has been used to overcome the linguistic divide through various translation solutions for both written and spoken languages.

Machine translation: AI-powered machine translation systems have made significant strides in translating text and speech between languages. These systems use neural networks and deep learning to constantly improve translation accuracy.

Real-time translation: AI can enable real-time language translation during conversations, making it easier for people who speak different languages to communicate effectively. Devices like smart earbuds can provide on-the-fly translation services. They offer improved accuracy and the ability to translate in real time, facilitating smoother cross-language communication.

Language learning: AI can assist in language learning by offering personalised lessons and practice exercises. Language learning apps use AI to adapt content to an individual's proficiency level and learning style.

Video conferencing with automatic captioning: Conferencing platforms now use AI features such as automatic captioning to boost user experience. With auto captions, teammates who speak different languages can better understand what is being said in the conversation.

Speech-to-text and text-to-speech: AI-driven features like speech-to-text and text-to-speech can enable communication for individuals with different language abilities, making digital content more accessible.

Enhancing the customer experience and bringing true business value

In addition to hindering understanding, language barriers can compromise a positive customer experience (CX). It's vital for companies to deliver inclusive language to customers to optimise the customer experience, and AI has tremendous potential to do that. →

Intelligent virtual agents: AI communication tools can help ease a company's reliance on one or a few multilingual employees to translate conversations. One such tool is an intelligent virtual agent (IVA). IVAs can enable customers to find answers to their questions in various languages, via their preferred channel, and on their own time. This autonomy improves customer experience and can reduce the negative impacts of language barriers. Real-time intelligent voice virtual agents are available now.

Icon-based interfaces: Designing interfaces with icons, images, and symbols instead of relying solely on text can make products and services more accessible to users with diverse language backgrounds.

Chatbots and virtual assistants: AI-driven chatbots and virtual assistants can provide instant responses to customer inquiries, handle routine tasks, and offer 24/7 support. They can be trained to understand natural language and resolve issues efficiently.

Sentiment analysis: AI can analyse customer feedback and sentiment on social media and other platforms. This helps companies understand customer opinions, identify issues, and make necessary improvements.

Personalised recommendations: AI algorithms can analyse customer data to provide personalised product or service recommendations. This improves the overall shopping experience and can lead to increased sales and customer satisfaction.

Advancements in neural machine translation (NMT): NMT has seen continuous improvement, with major tech companies investing in research and development. These systems are now capable of providing more contextually accurate translations.

Recommendation systems: AI-driven recommendation engines, like those used by Amazon and Netflix, analyse user behaviour and preferences to suggest products or content that are likely to be of interest. This increases user engagement and sales.

Visual search: AI can enable visual search capabilities, allowing users to look for products using images rather than text. Retailers are integrating AI-powered visual search features into their apps and websites, making it easier for customers to find what they're looking for. This improves the shopping experience, especially in industries like fashion and home décor.

Voice search and recognition: Integrated AI-driven voice search capabilities can understand and respond to spoken queries in multiple languages. This allows customers to search for products and navigate shopping platforms using voice commands.

Real-time translation for reviews and descriptions: These utilise AI to ensure that shoppers can access and understand the opinions and details about products, even if they are written in a language they are not familiar with.

Chat translation in online marketplaces: In online marketplaces where individual sellers may communicate with buyers, the integration of AI-driven chat translation services can facilitate communication, regardless of the merchant's and buyer's language preferences, thus enhancing the potential for sales and encouraging customer retention.

Maximising the AI benefits

Considering that AI also has tremendous potential in providing important enhancements to further personalise the shopping experience, by incorporating AI-driven solutions, businesses can break down language barriers and create a more inclusive and user-friendly environment. This not only expands the potential customer base, but also fosters positive interactions and relationships with a global audience.

Social Selling

- Live commerce across borders: technological advancements, enhanced personalisation, global collaborations, sustainability
- How live commerce contributes to building trust and overcoming cultural barriers
- The evolution of the cross-border live commerce landscape
- The dynamics of social selling in Asia

Maximum Advertising Group

Li-Xiong Chu, Account Director at Maximum Advertising Group, talks about the role of live commerce in the context of cross-border trade and examines its prospects.

Li-Xiong Chu is a Dutch-born Chinese proficient in English, Dutch, and Chinese. Through Chu Consulting, he advises companies on how to navigate the China market in this regard. He has a specific interest in talent acquisition, digital marketing, and ecommerce-related projects. In addition, he holds a permanent position as an Account Director at Maximum Advertising Group, focusing on employer branding in a global context.

Li-Xiong Chu ▪ *Account Director* ▪ Maximum Advertising Group

The global ecommerce market is expected to reach a total of USD 6.3 trillion in 2023. It is estimated to grow further over the next few years, a factor indicating that borderless ecommerce is becoming an increasingly important option for retailers. By 2024, **21.2% of total retail sales will happen online**.

Live commerce started in 2016, with the launch of Alibaba's Taobao Live, and has become mainstream in China. It is becoming more and more popular in other important markets, such as the US and Europe. **Live commerce in cross-border commerce is marked by** technological advancements, enhanced personalisation, global collaborations, and a focus on sustainability.

It is important to realize that different markets are in different stages of development or implementation for these points, and the demographics of those engaging in live commerce also vary. As businesses try to adapt their strategies to these notions, the cross-border live commerce landscape is expected to evolve into a more interconnected, personalised, and dynamic ecosystem, providing new opportunities for international trade and consumer engagement.

As live commerce continues to gain momentum, what challenges do businesses face in adapting their strategies for cross-border ecommerce? Additionally, are there opportunities that arise for businesses in this process?

Live commerce will have to deal **with similar struggles as cross-border ecommerce in general**. Understanding and respecting cultural nuances that impact consumer expectations, diverse payment and transaction systems, currencies, and transaction regulations across borders can complicate the execution of live commerce transactions. Moreover, delivering products internationally involves complex logistics, potentially leading to delays, increased costs, or difficulties in meeting customer expectations. Complying with diverse regulations and legal frameworks in different countries is a complex task for businesses engaged in cross-border live commerce. Varied technological landscapes and internet accessibility levels in different regions may impact the delivery and quality of live commerce experiences. As a business, how adeptly can you adjust your strategies to overcome these challenges will largely affect your success in the future.

> *“Viewing the world as a global marketplace means recognising it as a vast talent market for hiring the right people. Being able to attract and hire the right talents plays a vital role in overcoming trust and cultural barriers.*

Tmall International and JD Global Purchase are ecommerce platforms for international brands to sell into the Chinese market that plan on providing a live streaming functionality to be implemented for direct selling campaigns. As these platforms operate in the China market, it is often managed by so-called certified Tmall (Trade) partners that also offer marketing and human resource services to help with implementing a live commerce strategy. With the gradual increase in the scale of the import cross-border ecommerce in China, the competition surrounding live streaming is **similarly anticipated to surge**. →

In what ways does live commerce contribute to building trust and overcoming cultural barriers in cross-border transactions, and what implications does this carry for the future dynamics of global trade?

This goes together with the challenges mentioned before. When we are talking about building trust and overcoming cultural barriers, live commerce can facilitate real-time interactions with direct communication and responsiveness, visual product demonstration, user-generated content and reviews, and customisation for local preferences.

Viewing the world as a global marketplace means recognising it as a vast talent market **for hiring the right people**. Being able to attract and hire the right talents plays a vital role in overcoming trust and cultural barriers. For example, if you are focusing on expanding into the China market, you need to set up a suitable, dynamic team to facilitate that, people who can speak to the right audience.

With the right people, you can enhance cross-cultural communications to increase accessibility and understand cultural sensitivities and expectations. Live commerce has the potential to revolutionise global trade dynamics by enhancing trust, overcoming cultural barriers, and **creating a more personalised and inclusive online shopping experience**. Businesses that leverage live commerce effectively and prioritise cultural understanding stand to benefit in the evolving landscape of cross-border transactions.

What technological advancements are expected to drive the future of live commerce in the context of cross-border transactions, and how might these innovations impact the global marketplace?

Virtual and augmented reality will play an increasingly important role for live-streaming platforms by providing new opportunities for brands to engage with audiences through virtual shopping assistance or showrooms. Moreover, incorporating advanced language translation tools powered by artificial intelligence (AI) can facilitate real-time translation during live commerce events. This can help overcome language barriers in cross-border transactions without the additional investments in human resources. Additionally, localisation tools can adapt content, promotions, and user interfaces to align with the cultural preferences of different regions.

As various regions and markets work with different digital infrastructures, more integrations between live commerce and ecommerce platforms are to be expected. This will streamline the purchase experience by connecting live streams with product pages and offering integrated payment options for an optimised purchasing experience.

Sustainability is becoming an increasingly significant concern, and technologies that support eco-friendly practices, such as carbon footprint tracking and sustainable sourcing, may play a role in shaping the future of live commerce. Businesses that prioritise sustainability can **appeal to environmentally conscious consumers globally**.

Brands that incorporate these technologies into their live commerce strategies may provide a more engaging and memorable shopping experience, which can help them stand out in a crowded market. The future of live commerce in cross-border transactions will likely be shaped by a combination of technological advancements that enhance interactivity, personalisation, security, and efficiency.

Could you elaborate on the dynamics of social selling in China within the live commerce landscape?

Social selling in China, particularly within the live commerce landscape, has unique dynamics that set it apart from practices in other regions. The integration of social media, ecommerce, and live streaming within the digital infrastructure has transformed the way businesses engage with consumers. As an extended functionality within social commerce, live shopping has become a mainstream strategy in China. The live commerce market in China reached a value of USD 3.49 billion in 2021, with projections indicating an increase **to USD 4.92 billion in 2023**.

MAXIMUM

maximum.com

Maximum Advertising Group is a strategic employer branding agency that helps brands attract, hire, and retain people in the right places. Maximum is a marketing and design consultancy that specialises in navigating the global talent market by leveraging cultural nuances to best manage human capital and drive business strategy.

Trends Shaping the Future of Cross-Border Ecommerce Payments

- Cross-border payments – on an upward trajectory
- The history of cross-border payments: a journey from barter to digital
- What are cross-border payments and how can they be categorised?
- The ‘Roadmap for Enhancing Cross-border Payments’ initiative

The Paypers

Beyond Borders – a Deep Dive into Cross-Border Payments

Diana is an experienced and dedicated Content Editor at The Paypers. She has an extensive background in content creation and is a graduate of Foreign Languages and Literature studies, currently specialising in payments and ecommerce. She strives to bring forward the latest trends for our readers, while investigating the ever-evolving landscape of cross-border payments, B2C and B2B ecommerce, and emerging technologies across the globe.

Diana Lupuleac ▪ *Content Editor* ▪ The Paypers

For today's consumer, a world without the possibility of shopping online and having access to cross-border payments seems unfathomable. Case in point, a **recent study by Statista** indicates that, by 2027, 25% of the total global retail sales will be made online. Similarly, data from **FXC Intelligence** shows that, in 2023 alone, the cross-border payments industry had an approximate total market size of USD 190.1 trillion.

Despite the convenience we enjoy today, it is easy to forget that things didn't always look the same. In fact, the first ecommerce payment – at the time **covered by The New York Times** – was made in 1994, when Dan Kohn, a 21-year-old economics graduate, sold a CD to a friend who was more than 480 kilometres away. The transaction was made via Dan's website, and it involved the use of data encryption software to secure the credit card information.

Cross-border payments are currently on an upward trajectory. By 2027, their value **is expected** to reach USD 250 trillion, a growth that many attribute to a boost in customer demand, international trade, and globalisation. Given the context, having a closer look at the history of cross-border payments and their impact can prove useful for consumers, merchants, and service providers alike. The following article aims to offer a deep dive into the history of cross-border payments – from their rudimentary origins to their present-day advanced iterations.

A journey from barter to digital

When compared to ecommerce transactions, cross-border payments have a history that precedes that of modern ecommerce, and that is closely tied to the evolution of money and globalisation. As civilisations developed, the trade of goods across borders grew, and people moved from the **barter system** to exchanging precious metals and coins when purchasing goods and services in new markets. This led to the emergence of exchanges that required the physical movement of currencies when completing purchases. For a long while, money changers acted as intermediaries, eventually giving way to the use of cheques and – starting from the 19th century and the surging needs brought forward by industrialisation and the invention of the telegraph – to the sending of funds via wire transfers.

After the telegraph was invented, **Western Union** started offering money transfer services by wiring funds to different locations. Soon after, banks adopted wire transfers, and this is how electronic fund transfers (EFT) came to be.

In 1858, when the first transatlantic cable was installed, a new path of communication opened between Europe and North America. Although the first cable had a very short lifespan of just three weeks, the event established the basis for the use of transatlantic cables – and indirectly shaped the world of finance as we know it. Even today, **undersea cables** are used to power the internet and the messaging systems that lay at the core of the financial world.

If we take a close look at the history of cross-border payments, previous developments don't even come close to the speed at which advancements were made over the last five decades. As a result of the latest technological and logistical advancements and the impact of consumer demand, cross-border transactions made a huge leap forward, making it possible for more and more people to have access to them. →

One of the breakthroughs came in 1973 with the introduction of **SWIFT** (the Society for Worldwide Interbank Financial Telecommunication), a financial messaging service developed as a result of a joint effort of 239 banks from 15 countries. The SWIFT messaging services went live in 1977 – and, since then, it has enabled standardised communications between financial institutions making international transactions. While the messaging system does not play an active part in sending money across borders, it is crucial in helping financial institutions transfer funds correctly.

Apart from SWIFT, some other notable recent developments are the introduction of blockchain and distributed ledger technologies, the emergence of real-time payment systems, the launch of central bank digital currencies (CBDCs), and Open Banking initiatives. Even more so, as a result of the partnerships they constantly forge, fintechs have started to open access to alternative payment solutions. Consequently, regulatory bodies have stepped in and introduced new regulations.

What are cross-border payments, and how can they be categorised?

Cross-border payments are financial transactions where the person making the payment and the person or entity receiving it are based in different countries. One important aspect of international transactions is the payment method used. When choosing this, the payer has to consider how fast they need to make the payment, the amount of money they plan to send, and the fees and currencies involved.

Some common cross-border payment methods used today include card payments, wire transfers, ACH payments, digital currencies, EFTs, and blockchain-based payments, among others, whereas cross-border transactions are usually categorised as wholesale and retail payments.

Wholesale payments are large-scale transactions made between businesses, governments, banks, and other entities. According to FXC Intelligence, the overall cross-border payments market was worth USD 190.1 trillion in 2023, with **USD 146 trillion** coming from wholesale cross-border payments alone. **Retail** transfers are consumer-oriented payments like remittances or payments such as those made for online purchases.

If we take into account the parties involved in a cross-border payment, we can further distinguish between:

- **Cross-border business-to-business (B2B) payments** – that refer to transactions that pay for goods and services between businesses in different countries. As a new study by **Juniper Research** shows, these payments are expected to surpass USD 40 trillion by the end of 2024, with the significant rise attributed to the surge in the popularity of ecommerce marketplaces.
- **Cross-border business-to-consumer (B2C) or consumer-to-business (C2B) payments** are, as one would expect, transactions between businesses and consumers in different countries.
- **Cross-border consumer-to-consumer (C2C) payments** are transactions made by individuals who either send money or make payments to other individuals based in other countries.

How are cross-border payments made today?

Making a cross-border payment is significantly more complex than making a domestic transfer. This is the case as international payments require complying with multiple country-specific regulations and dealing with the challenges of currency exchanges.

Despite all these factors, for each cross-border transaction, the institution responsible for making the payment (be it a bank, a payment service provider, etc.) has to follow a set of steps so that they initiate, convert, route, clear, and finally transfer the funds between the payer's and payee's accounts.

Most cross-border payments made today use the SWIFT messaging system, which enables banks to send each other payment details and instructions. Because SWIFT does not actually handle any money, the infrastructure that makes it possible to hold deposits and transfer funds is offered by **correspondent banks**. These banks are authorised institutions that can provide services on behalf of other banks that do not have a presence in the country where the cross-border payment is made.

Even though SWIFT is recognised as the main global financing network, it is not the sole option one has. In fact, **data from the Bank for International Settlements** (BIS) shows a constant decline in correspondent banking networks. Some of the most popular alternatives to SWIFT are blockchains and cryptocurrencies, ACH transfers, or fintech layer services – among others. ➔

Pain points and new developments

As stated at the beginning of the article, statistics show that the market size of cross-border payments continues to grow. Despite their popularity, international payments come with a series of pain points such as the high fees they imply, the lack of speed and transparency, and the fact that not everyone has access to them.

To counter this, organisations have started to put forth various initiatives to make cross-border payments easily accessible and efficient. One of the most widely recognised initiatives of this kind is the **Roadmap for Enhancing Cross-border Payments** – supported by the **G20** leaders – which was developed by the Financial Stability Board (FSB) in coordination with the Committee on Payments and Market Infrastructures (CPMI) and other relevant international organisations and standard-setting bodies. The initial roadmap, published in 2020, featured a set of KPI-based targets set to be met by 2027.

In October 2023, the FSB published a **consolidated progress report** that outlines the first signs of progress and showcases a series of conclusions based on the monitoring of the initial KPIs. Despite consistent efforts, the latest report talks about disparities between user experience and costs across regions – with lower-income regions being further from meeting the targets related to costs and speed than other regions.

The report further emphasises the need for both the public and the private sector to make efforts to meet the targets and highlights some priority areas of action. Some of the recommended action points include developing the capabilities of central payment and settlement infrastructures, using common data standards for payment messages, harmonising APIs, and reviewing the legal and regulatory frameworks that govern cross-border payments – among others.

In a world where cross-border payments are vital not only to our economies but also to our daily lives, it is important to educate ourselves to understand what these transactions are and how they impact us. Similarly, it becomes essential to direct our efforts towards initiatives that stride to democratise access to these transactions for everyone and lower any friction associated with them.

Payment Innovation and Industry Developments

- Cross-border payments and the next decade of emerging technology
- The significance of borderless payments in today's global economy
- Key trends to watch in generative AI for finance
- The role of payment innovation in shaping the future of cross-border trade

Freemarket

Richard Harrison, VP of Sales at Freemarket, talks about cross-border payments and the next decade of emerging technology.

With over 20 years in sales and a decade of experience in payments, **Richard** heads the Freemarket team responsible for acquiring new business across various industries. This includes PSPs, regulated markets, financial institutions, and fintechs. Under his leadership, the team provides cross-border and foreign exchange services to SMEs.

Richard Harrison ▪ *VP of Sales* ▪ Freemarket

How has the globalisation of the economy heightened the significance of cross-border payments? What are the traditional challenges faced in this context?

The globalisation of the economy has made cross-border payments more important than ever. Businesses of all sizes are now operating in a global marketplace and need efficient and secure ways to send and receive money across borders. According to the PYMNTS 2022 report, 40% of small and medium-sized enterprises (SMEs) have increased their international trade. However, only 23% of them were satisfied with cross-border payments.

Traditional challenges in the realm of cross-border payments are numerous, but to name a few:

- Slow transaction times: they can be sluggish and take days or even weeks to process;
- High costs: they can be expensive, due to high fees charged by banks and other financial institutions, eroding profitability and deterring international business ventures;
- Lack of transparency: it can be difficult to track their status, and businesses often pay hidden fees;
- Complexity: they can be complex, due to different regulatory requirements and currency exchange rate fluctuations;
- Fraud: they're more susceptible to fraud, due to the lack of standardisation and interoperability between different payment systems.

From where I'm standing, digital transformation is key to solving these challenges. By embracing new technologies, the financial industry can streamline payments to promote global economic growth.

What are the key trends marking cross-border payments?

One of the foremost trends is the drive for faster, cost-effective, and transparent cross-border payments. Customers and businesses alike are demanding quicker, affordable options that provide greater visibility into the transaction process.

The range of payment methods is expanding rapidly. Beyond traditional bank transfers, we now see a growing array of options, including mobile wallets and cryptocurrencies. These alternatives offer greater flexibility and choice to users, catering to diverse preferences and needs.

> *“ With a forecasted **USD 250 trillion** market by 2027, cross-border payments are a key battleground. With this comes competition, a driving force for innovation.*

In an era where time is of the essence, I think the ability to send and receive money in real time is a game changer. This trend is driving the development of faster payment networks and instant cross-border payment solutions. I've seen integration become increasingly vital. Partnerships and collaborations between fintech firms, banks, and payment providers are on the rise. These integrated solutions offer comprehensive services, combining the strengths of various players to provide seamless and efficient payment experiences. →

How are emerging technologies like blockchain, stablecoins, artificial intelligence (AI), and Open Banking expected to influence the future of cross-border payments?

This is where I feel it gets exciting, with emerging technologies poised to revolutionise the payments landscape – they hold the promise of simplifying international transactions, reducing friction, and expanding access to global financial services. Blockchain technology promises secure, transparent, and tamper-proof transactions. Smart contracts enable automated cross-border payments, reducing the need for intermediaries and associated costs. This innovation enhances the efficiency, speed, and trustworthiness of international transfers.

From speed to accessibility, stablecoins are poised to have a significant impact as they gain popularity and acceptance. We're seeing companies develop stablecoins that are backed by a basket of fiat currencies, rather than just a single currency – this would make them even more stable and less susceptible to price fluctuations. And, as a relatively new technology, there's a lot of room for future advancements.

AI: friend or foe? While we need to train it to reflect our context, the potential power to boost productivity is immense. **Juniper Research** predicts that AI-enabled financial fraud detection and prevention platforms will reach USD 10 billion by 2027. Machine learning algorithms can identify anomalies and ensure regulatory compliance, reducing fraud and error rates. Open Banking initiatives promote data sharing among financial institutions. This fosters competition and innovation, leading to the development of new cross-border payment solutions that offer better rates, convenience, and transparency.

What role do regulations, competition, and customer demand play in shaping the future of cross-border payments?

Regulatory frameworks are pivotal in shaping cross-border payments. They ensure security, mitigate risks, and combat financial crimes. Emerging regulations often fuel innovation, pushing for enhanced transparency and adherence to compliance standards. For instance, the implementation of anti-money laundering (AML) and know your customer (KYC) regulations spurs the development of more secure payment solutions.

With a forecasted **USD 250 trillion** market by 2027, cross-border payments are a key battleground. With this comes competition, a driving force for innovation. Fintech startups, traditional banks, and tech giants are vying for a share of the cross-border payments market. This competition motivates the creation of new technologies and pricing models, ultimately benefiting consumers with faster, cheaper, and more user-friendly options. Customer expectations are instrumental in shaping the future of cross-border payments. People now demand faster, cost-effective, and transparent transactions. As consumer preferences evolve, businesses and financial institutions are urged to adapt, offering solutions that cater to these changing needs.

What are the key takeaways industry stakeholders should consider?

My advice is for stakeholders to remain agile and open to innovation, as emerging technologies like blockchain, AI, and real-time payment systems are reshaping the landscape. I'm really excited about the direction these technologies are taking us in, but understanding their potential applications is crucial for staying relevant and competitive. Bear in mind that the impact of these changes isn't confined to local markets. Cross-border payments have a global reach, affecting businesses, individuals, and economies worldwide. Stakeholders should recognise the interconnectedness of financial systems and the importance of harmonising payment standards and regulations across borders. It's our mission at Freemarket to address these challenges head-on, providing businesses with solutions that optimise cross-border payments and foster global economic growth, while ensuring security and efficiency.

Freemarket

wearefreemarket.com

Freemarket partners with SMEs worldwide to drive growth by facilitating cross-border payments and currency exchange. Our API-enabled platform unlocks more currencies and markets for businesses, optimising international transfers through a correspondent banking and payments network. We make it safer, faster, and easier for businesses to move money around the world.

Freemarket	Freemarket partners with SMEs worldwide to drive growth by facilitating cross-border payments and currency exchange. Our API-enabled platform unlocks currencies and markets for businesses, simplifying international transfers through a correspondent banking and payments network. We make it safer, faster, and easier for businesses to move money around the world.
Contact	**hello@wearefreemarket.com**
Year founded	2010
Core solution	Moving money across borders is expensive, slow, opaque, and risky for businesses. Freemarket enables clients to expedite growth, reduce their time to market into new jurisdictions, and improve their liquidity management by ensuring they are getting the best wholesale FX rate from across our network of correspondent banking partners and NBFIs.
Payment capabilities	B2B payments, settlement currencies, instant settlement, pay-out/disbursements, payment methods supported
Target groups	Gaming merchants, PSPs, fintech, banks, brokers, crypto, and FX
Geographical presence	Global
Licence type	PI (Payment Institution): FCA PI and CBI PI
What account type do you serve?	Business/corporate
Payment methods supported	SWIFT, SEPA, UKFP, CHAPS, BACS
What is unique about your company?	Freemarket, a dynamic startup, champions customer-centricity. Our platform ensures effortless access to tailored cross-border payments and FX. We prioritise customer experience, with our team globally engaging with clients to build relationships and understand their unique needs. In today's digital world, face-to-face connections remain vital in shaping the future of payments.
Future developments	Over the next year, we're set to expand geographically, bolster support for stable-coins, and enhance our array of payment methods to provide more choice and convenience to our clients. These three pillars of expansion will ensure a broader reach and more versatile payment options for SMEs.
Partners	Tier-1 and Tier-2 banks
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Payments Consulting Network

The Significance of Borderless Payments in Today's Global Economy

Nina started working in the payments industry in 2005 and held several management positions at international financial institutions. She acts as a licencing expert for several working groups for cross-border payment providers.

Nina Huelsken ▪ *Associate, Frankfurt* ▪ Payments Consulting Network

In a world where businesses and individuals are increasingly connected across borders, the significance of borderless payments cannot be overstated. Cross-border payments, the process of transferring money or making transactions between individuals, businesses, and financial institutions located in different countries, have become the lifeblood of the global economy. From multinational corporations to freelancers working remotely, to tourists exploring new horizons, or migrant workers sending money home to their families to pay for housing, education, or medical bills, borderless payments play a pivotal role in several industries.

During the 2023 edition of the Payments Leaders' Summit in Rotterdam, I had the privilege of moderating a roundtable discussion with a group of seasoned experts. During our exchange of ideas, we delved into the challenges faced by businesses and financial institutions in navigating the complexities of cross-border payments.

In this article, we will explore the key takeaways from the summit, shedding light on innovative solutions and emerging trends that promise to reshape the landscape of international transactions.

1. Cross-border payments have come a long way from the days of slow, expensive, and complex international wire transfers.

Technological advancements, particularly in the fields of fintech and blockchain, have revolutionised the way we conduct cross-border transactions. These innovations have not only reduced the costs associated with cross-border payments but also significantly enhanced their speed and security.

2. One of the most significant advantages of borderless payments is the dismantling of financial silos.

Traditional banking systems often require multiple intermediaries, resulting in prolonged processing times and high fees. Through borderless payments, individuals and businesses gain the ability to transact directly, bypassing the need for middlemen. This streamlined peer-to-peer approach can be especially beneficial for small and medium-sized enterprises, which may not have the resources to navigate complex international banking networks.

3. The impact of borderless payments on global trade is profound.

The smooth and efficient flow of funds across borders is pivotal for international commerce. This ability to conduct cross-border transactions seamlessly and efficiently enables businesses to expand their customer base beyond domestic markets, fostering economic growth and job creation. Furthermore, it facilitates the import and export of goods and services, supporting the international supply chain.

The gig economy, characterised by freelancers and independent contractors working across borders, heavily relies on borderless payments. Platforms and freelancers working in fields like software development, content creation, and graphic design depend on the capacity to receive payments from clients worldwide. Borderless payments ensure that these workers can access their earnings without being hindered by geographical constraints.→

4. Borderless payments have revolutionised the remittance process, making it faster and more cost-effective.

Remittances, money sent by individuals working abroad to their families in their home countries, represent a crucial source of income for many developing nations. The reduction in fees associated with cross-border remittances translates to a higher portion of their funds reaching their intended recipients. This, in turn, serves to alleviate poverty and contributes to economic development in the receiving countries.

Borderless payments also hold the potential to enhance financial inclusion on a global scale. Many individuals in underserved regions lack access to traditional banking services. By leveraging mobile banking and digital payment solutions, they can participate in the global economy, access and secure credit, and cultivate financial stability, even in the absence of a physical bank branch in their vicinity.

Conclusion

The ongoing technological advancements in the payments landscape are set to further revolutionise the way we conduct cross-border transactions. As the world continues to shrink and businesses expand their horizons, the significance of borderless payments will only continue to grow, reshaping industries and improving lives across the globe.

The intense competition in cross-border payments, driven by lucrative opportunities, fuels a race between new and established players adopting innovative business models. This dynamic shift is propelled by changing consumer behaviours and heightened expectations, as individuals and corporations alike seek streamlined, transparent, and 24/7 real-time payment experiences.

Embracing these innovations is not just an option; it's a necessity for maintaining a competitive edge in today's rapidly evolving global economy. As businesses and individuals forge stronger international ties, the transformative power of borderless payments becomes increasingly undeniable.

Optimus Fintech

The Evolution of Financial Operations and Key Trends to Watch in Generative AI for Finance

Swapnil Mengawade, Founder and CEO of Optimus Fintech, brings over 15 years in technology management, including over a decade of revolutionising payment back offices for Fortune 500 companies in the retail payments sector. Prior to Optimus Fintech, Swapnil has spearheaded groundbreaking initiatives viz. space payload launches at NASA – and implemented the world's first robotic supply chain system at Estee Lauder. He holds a B.Eng. in mechanical engineering from Drexel University and an M.Eng. from Cornell University.

Swapnil Mengawade ▪ *Founder and CEO* ▪ Optimus Fintech

'In the halls where calculators once clicked and keyboards clacked, there is now a symphony of automation. The Fintech Revolution has not just streamlined processes; it has composed an orchestra where efficiency conducts the melody.'

The evolution of financial operations

Financial operations have come a long way from manual ledger systems to modern, fintech-based solutions. This evolution showcases the ongoing intersection of finance and technology, marked by innovation and progress. The shift towards digital transformation, automation, AI, and Generative AI (GenAI) is reshaping how we handle financial transactions, making processes more dynamic and responsive.

The state of finance and payments back-office operations

The current state of finance and payments' back-office operations reflects a landscape in transition, caught between the inertia of traditional systems and the urgent call for innovation. Many back-office operations depend on legacy systems, marked by the persistence of manual data entry, time-consuming reconciliation processes, and a lack of real-time insights.

- Nearly 65% of financial professionals spend a significant portion of their work hours on manual data entry and reconciliation tasks (Institute of Finance and Management).
- More than 70% of financial institutions encounter difficulties in achieving real-time visibility into critical financial information and financial data insights (Accenture).
- 7 out of 10 businesses encounter scalability and integration challenges with their existing back-office systems (Forrester).
- Inefficiencies in cross-border payments are known to result in USD 50 billion in excess costs annually (McKinsey).

The rise of Generative AI

Unlike traditional AI, GenAI can analyse data and autonomously create, learn, and adapt, marking the beginning of a new era of efficiency and innovation. Instead of relying only on existing data, GenAI generates content, makes predictions, and creates realistic images, addressing challenges faced by traditional systems, as outlined below.

1. Automated financial operations

GenAI streamlines financial data management and reconciliation by automating extraction, synthesis, and analysis. It efficiently pulls structured and unstructured data, from financial statements to textual documents, organising it for a comprehensive overview. On the reconciliation front, Generative AI serves as a practical AI/ML-powered suggestion engine, simplifying the investigation and classification of reconciliation breaks. It extracts insights, using string-matching models to match data across various transaction types, addressing complex scenarios. This end-to-end automation boosts processing speed, minimises human error, and improves decision-making for accurate financial insights. We have effectively integrated Generative AI alongside advanced data mining and analytics tools like neural networks and decision trees to enhance real-time analysis for our Fortune 500 clients, eliminating manual tasks and optimising workflows.

2. Advanced reporting and analytics

GenAI enhances reporting in financial operations for merchants, banks, insurance companies, and payment providers. It provides advanced analytics, including trend analysis and predictive reporting. Automation tools driven by GenAI generate regular and customisable financial reports, saving time and resources. This improves →

decision-making and offers comprehensive operational insights and forecasting for financial performance. The technology streamlines reporting processes, delivering actionable insights and supporting data-driven decisions. Its adaptability to various sectors ensures efficiency in managing and analysing financial data, contributing to informed decision-making and operational optimisation for businesses across the financial landscape.

3. Protection from fraud, chargebacks, and disputes

Generative AI utilises predictive analytics to pinpoint transactions at risk of chargebacks, enabling businesses to identify unusual patterns and proactively address issues. Its ability to analyse patterns and detect anomalies in real time enhances security measures, mitigating the risk of fraudulent activities on merchants, banks, and payment service providers. Automation simplifies chargeback resolution by efficiently categorising and managing disputes, overseeing responses, documentation, and communication – all achieved without manual intervention, ensuring a streamlined and effective process. Automation streamlines chargeback resolution by categorising and managing disputes, handling responses, documentation, and communication without manual intervention.

4. Fees and payouts

GenAI algorithms dynamically compute and adapt transaction fee structures, guaranteeing accuracy for financial institutions, payment service providers, and merchants with diverse fee systems. Automated systems manage payout calculations based on predefined rules, reducing errors, expediting payment processes, and ensuring timely payouts for merchants, insurance companies, and banks.

Key trends to watch out for in Generative AI for finance back-office operations

Experts agree that upcoming trends in GenAI will boost efficiency, improve security, and make finance back-office operations more agile. Here are some key developments to watch:

- **Advanced Natural Language Processing (NLP)** will enhance the understanding and generation of more complex financial documents, improving communication and documentation processes.
- **Explainable AI (XAI)** for regulatory compliance will enable transparent decision-making processes, aiding compliance efforts in finance.
- **Generative Adversarial Networks (GANs)** will aid financial services in creating realistic synthetic data to train fraud detection models.
- **Customisable Generative AI models** will allow finance teams to revolutionise real-time decision-making processes and tailor solutions to their specific needs, from addressing unique challenges in data acquisition and ingestion to transaction matching, exceptions and case management, or analytics and reporting.
- **Generative AI will enhance risk management capabilities and automate financial reporting**, predicting the impact of various financial scenarios and ensuring accuracy and compliance with reporting standards. This is expected to streamline back-office operations, allowing financial professionals to focus on strategic decision-making.
- **Generative AI-driven personalisation in customer interactions** is expected to improve customer satisfaction and loyalty by providing personalised financial recommendations and pre-emptive resolutions.

Looking ahead

Generative AI offers transformative potential by autonomously creating, learning, and adapting, leading to unprecedented efficiency, accuracy, and innovation. Whether through advanced NLP simplifying data ingestion, dynamic scenario simulation for risk management, or real-time decision-making with continuous learning, GenAI challenges traditional financial systems, promoting accessibility and tailoring solutions to unique organisational needs. The potential for increased efficiency, enhanced security, and personalised customer interactions makes it crucial for businesses to position themselves as leaders in the dynamic and intelligent future of finance. The journey begins with boldly integrating Generative AI into the fabric of financial operations.

Optimus Fintech

Optimus Fintech is a financial services technology organisation offering an autonomous cloud platform – Optimus – to optimise payment and finance operations for businesses. The PCI DSS-compliant data platform automates data management, reconciliation, analytics, and reporting, processing billions of secure transactions annually. It democratises data fostering collaboration, enhances scalability, and boosts organisational efficiency and growth.

Contact	Tel: +919168237766, **amrit@optimus.tech**
Year founded	2020
Core solution	The PCI DSS-compliant SaaS platform democratises financial data, streamlines payment data management, and automates financial workflows across FinOps teams. It enables collaboration and data access through solutions covering data aggregation, reconciliation, exception management, fees and commission validation, in-depth payment analytics, and reporting. Businesses can track, manage, and account for money end-to-end.
Payment capabilities	Reconciliation and reporting, white-label solution, payment methods supported, settlement currencies
Target groups	Merchants, marketplaces, PSPs, banks, payment fintechs
Geographical presence	The US, Europe, APAC
Licence type	Fintech
What account type do you serve?	Business, corporate
Payment methods supported	150+ pre-built integrations
What is unique about your company?	Optimus is a PCI DSS-compliant data platform for FinOps automation that is available 24/7 across AWS and Azure environments globally. The zero-code drag-and-drop interface automates business processes and workflows instantly. From omnichannel retailers to payment providers across the globe, Optimus is the payment back-office platform for Fortune 500 brands.
Future developments	To improve reconciliation efficiency, we are implementing an AI/ML-powered recommendation system that can analyse patterns and identify inconsistencies, eliminating the need for repetitive manual tasks. It uses advanced data mining and analytics technologies, such as neural networks, to examine datasets, identify connections, and determine the best course of action.
Main clients/references	ACI Worldwide, Paysafe, Doku
Partners	Microsoft, AWS, ACI Worldwide, Checkout.com

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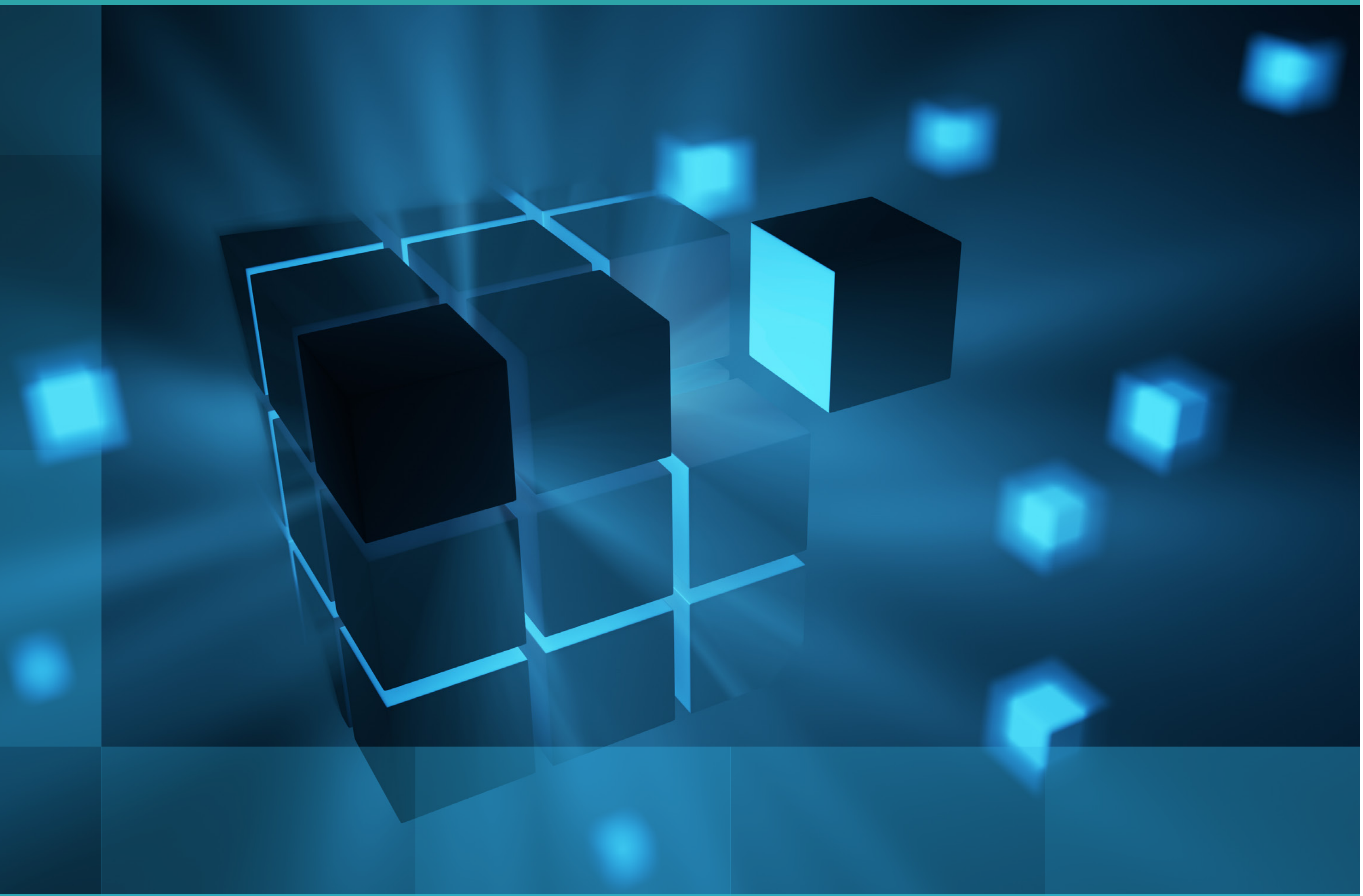
*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Addressing Specific Challenges by Leveraging Strategic Partnerships



- Global partnerships that defined and built resilience within the payments sector in 2023
- How to untangle the process of global business expansion
- Why should businesses use a Merchant of Record model for global growth
- The role of fintech in promoting financial inclusion

The Paypers

Global Partnerships Analysis for Q3 of 2023 in the Payments and Ecommerce Space

As a News Editor at The Paypers, **Estera** has a keen eye for quality assurance and loves deep diving into dense research and connecting relevant dots in the complex world of payments. She has been focusing on the ever-changing B2C payments and commerce landscape, never missing a good story, a particularly interesting new trend in the market, or the best reliable source of information.

Estera Sava ▪ *News Editor* ▪ The Paypers

The Paypers has researched and analysed the most prolific partnerships that defined and built resilience within the payments and commerce sector in Q3 2023, from payments infrastructure and varied technologies for improving customer experiences to cross-border payments and their continued momentum.

Payments and commerce

Q3 2023 saw a rapid change in this industry, with some of the biggest trends being cross-border payments and the solutions to the challenges they pose, payment methods' complexity and how merchants decide which suit their business model best, together with the acceleration of instant payments, as per The Paypers' **Payment Methods Report 2023**.

Per **GlobalData**, the digital payments market size is valued at USD 2,476.8 trillion in 2023 and is expected to increase at a CAGR of 14.3% over the forecast period. The increased adoption of digital payments is propelled by a high convenience level, as shown through the expansion of Tap-to-Pay tech, which started gaining momentum in **Q4 2022 – Q1 2023**. Additionally, such payments help eliminate the need for physical cash or cheques, which can be inconvenient and time-consuming. Globally, governments have advocated and endorsed digital payments for numerous reasons, such as bettering financial inclusion, minimising cash usage, enhancing transparency, and promoting economic progress.

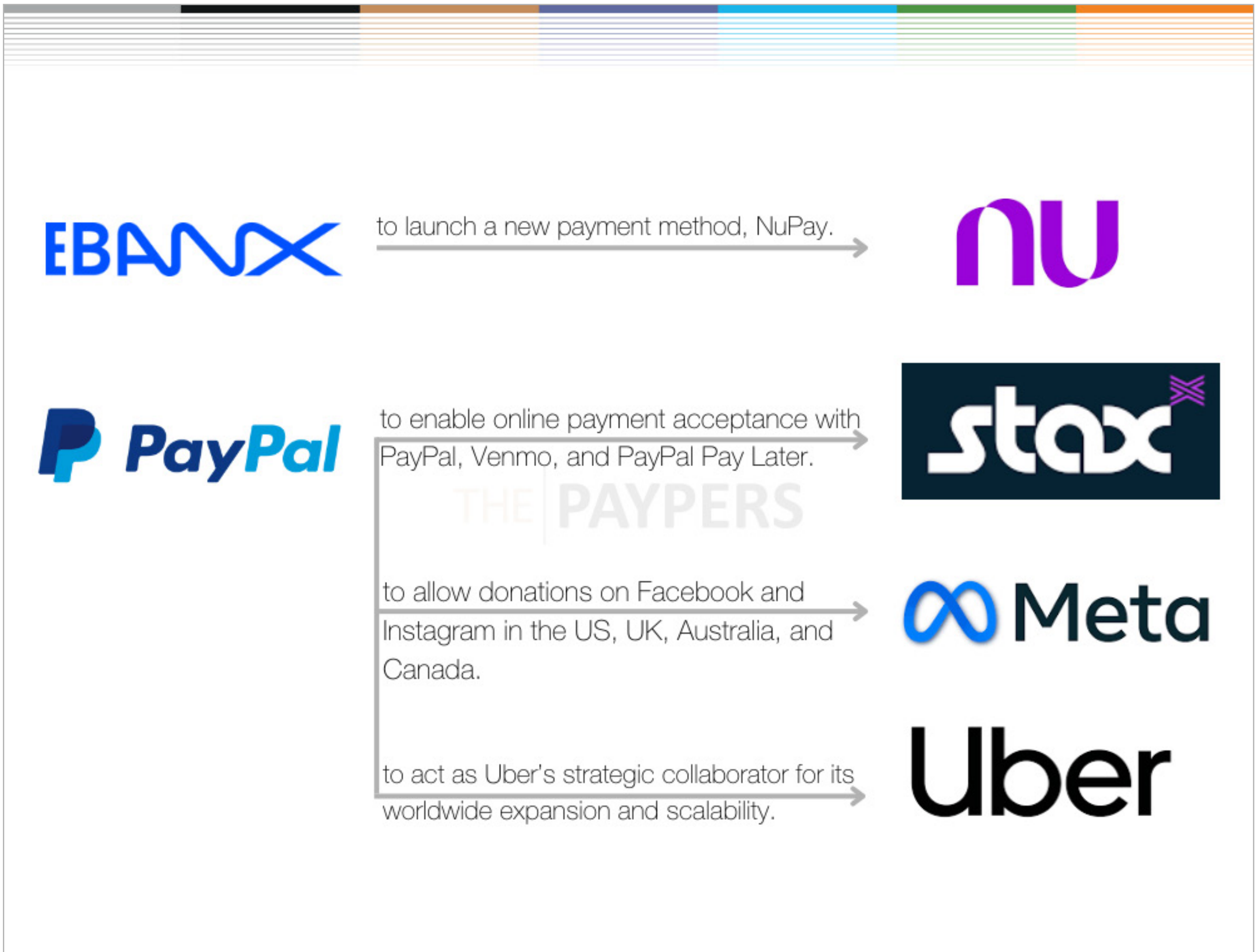
Diving into the developments to have taken place in this space, we'll first focus on worldwide partnerships within payments and ecommerce, and payment innovation with a regional focus in Europe, the Americas, Australia, Asia, and Africa.

Worldwide partnerships within payments and ecommerce

Early in July 2023, two Brazilian companies, namely **EBANX and Nubank**, announced their collaboration to launch a new payment method, NuPay, designed by the digital bank and focused on expanding access for Latin American individuals to the global digital ecommerce market. The service seeks to offer customers a more efficient payment experience, alongside an up to 12 instalments payment capability.

Within the same month, payment provider **Stax Payments joined forces with PayPal** for online payment acceptance, enabling customers to accept payments with PayPal, Venmo, and PayPal Pay Later options through the Stax payment platform, while offering nearly instant access to funds, fraud detection, and seller protection on eligible transactions, together with PayPal's built-in compliance standards. Additionally, PayPal's over 430 million global active accounts were permitted to purchase with said merchants. →

Later in September, PayPal announced two collaborations into separate verticals, the first one being with **Meta**, which sought to enable donations for charities on Facebook and Instagram in the US, UK, Australia, and Canada through the PayPal Giving Fund, and one with **Uber**, where it expanded its multi-year partnership to act as the latter's strategic collaborator for its worldwide expansion and scalability. Areas of cooperation include additional processing through PayPal Braintree, alternative domestic debit network routing across a range of geographies, instant driver, and courier payouts to PayPal and Venmo, and custom support for new business lines.



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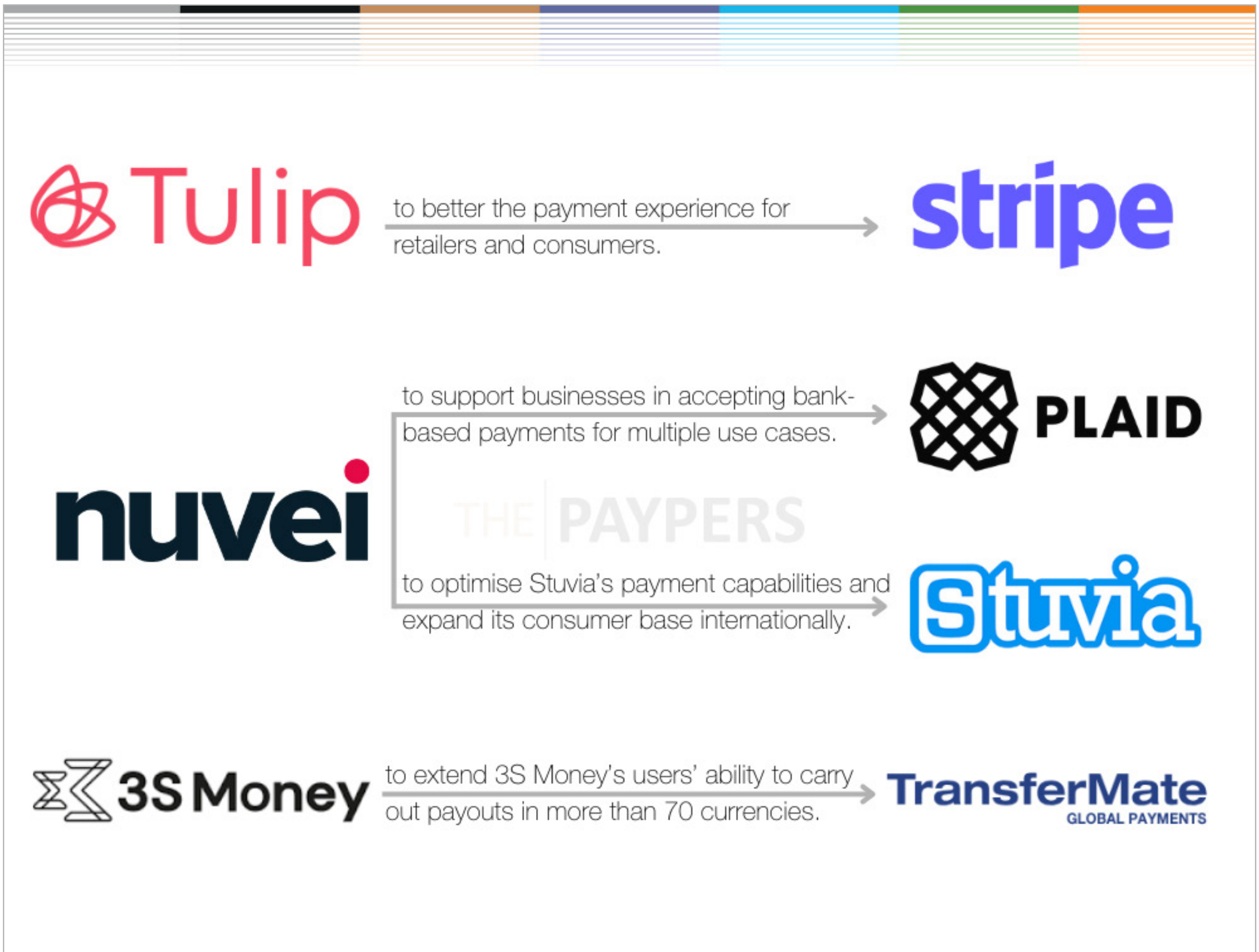
Financial infrastructure for businesses **Stripe and Tulip**, a cloud-based retail solutions provider, brought together the latter's retail POS solutions expertise and Stripe's payment tech to better the payment experience for retailers and their consumers alike. The integration enabled support for diverse payment methods such as BNPL and Payment Links, together with access to Stripe's payment infrastructure.

Within the context of diversifying payment methods to serve additional verticals of the ecommerce sector, **Nuvei and Plaid** extended their partnership to support an extensive array of businesses in accepting bank-based payments for multiple use cases, such as utilities and B2B. Nuvei also cooperated with **Stuvia**, a marketplace for educational material, to help expedite the latter's international growth by optimising its payment capabilities and expanding its target base. B2B payments company TransferMate was another enterprise to cooperate with an international payments platform to strengthen its global reach, namely with **3S Money**. →



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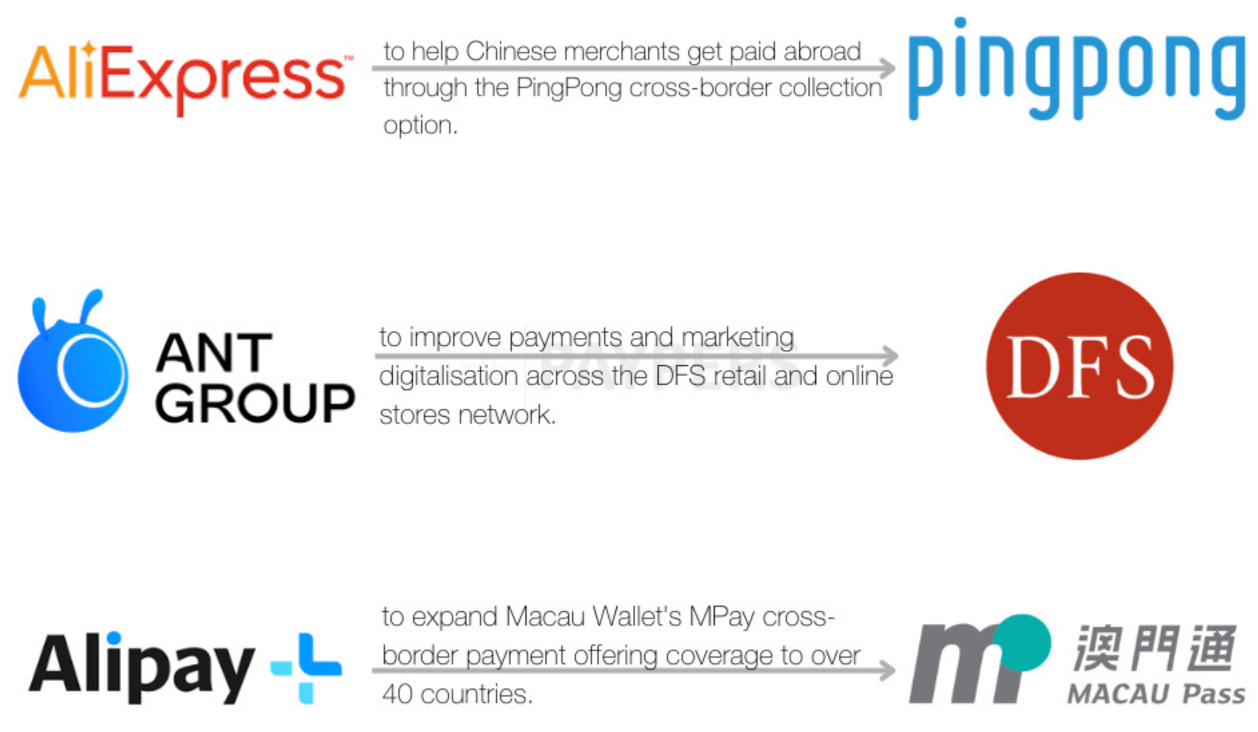
Cross-border payments and their continued momentum

Alibaba Group and its affiliates were amongst the names to have announced numerous developments within the cross-border payments space. The start of Q3 2023 saw AliExpress collaborate with China-based fintech **PingPong Payments** as an external partner to help Chinese merchants get paid abroad by having the PingPong cross-border collection option available on the ecommerce marketplace of Alibaba Group. In August, luxury travel retailer **DFS Group partnered with Ant Group** to better payments and marketing digitalisation across the DFS retail and online stores network. DFS was set to leverage Alipay+ to provide an end-to-end digital experience, engaging with its customers pre-, during-, and post-shopping across 36 stores in 15 markets, and 12 online shops in 4 markets. In the same month, **Alipay+ joined hands with Macau Pass** to help the company expand the coverage of Macau Wallet's MPay cross-border payment offering to over 40 overseas countries. →



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Similarly, global payments and financial platform Airwallex announced a partnership with **US-based unified global spend platform Brex** to advance its global market presence, enabling the platform to leverage its suite of solutions such as local currency collections for its global corporate card and its global employee expense reimbursements. Its focus on helping remove friction for international payments was also showcased by the August collaboration with Israel-based **OurCrowd**, which sought to facilitate investments in global startups by having the Airwallex API integrated to enable users from over 195 countries to invest in their own currencies and bypass restrictions caused by USD-denominated wire transfers. Shortly after, US-based payments consulting startup **Yeeld** teamed up with Airwallex, aiming to expedite global payments.

Cross-border payments platform **Currencycloud and fintech Incard** also partnered to help creators and digital entrepreneurs reach global markets, aiming to simplify and add value to international payments. What is more, Currencycloud cooperated with **accounts payable platform Nook** to upgrade the latter's capabilities, enabling invoices to be paid in 35 different currencies and to more than 100 countries. Financial messaging platform **Swift teamed up with Wise** looking to expand cross-border payment options for financial institutions globally. →

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Payments as a means to better UX

Further reiterating the worldwide payments space, other notable collaborations focused on payment orchestration, improved customer experiences, and overall checkout optimisation through varied technologies. Exemplifying this is the partnership between global payment orchestration platform **FinMont and chargeback mitigation provider Justt**, aimed at automating chargeback disputes through the usage of AI, and that between payment orchestration platform **IXOPAY and TrustPay**, which sought to provide worldwide merchants and clients alike with improved payment solutions. Similarly, the open SaaS ecommerce platform for B2C and B2B brands **BigCommerce teamed up with Google Cloud** to leverage AI, enabling enterprise merchants to improve operational efficiencies, enhance product discovery, and help drive more sales. A separate notable development was that of global retail management software **Teamwork Commerce and fintech Adyen**, who launched a Pay by Link solution, supporting omnichannel capabilities for simplified transactions for retailers.

Moving onto payment optimisation for separate verticals, some collaborations that caught our eye involved **Walmart and Expedia Group**, who sought to provide Walmart+ members with new benefits, such as the ability to get Walmart Cash by booking vacations, **Shift4 and RedWeek**, where Shift4's end-to-end commerce platform was set to be leveraged by RedWeek's online payments for their timeshare rental and membership transactions, and **FreedomPay and Worldpay from FIS**, which focused on providing integrated payments and omnichannel technology for varied enterprises within retail and hospitality, amongst others. In addition, gift card expertise and technology provider **Diggecard teamed up with Ingenico**, the global payments acceptance solution company, to launch a gift card solution facilitating the integration of payment and commerce services. →

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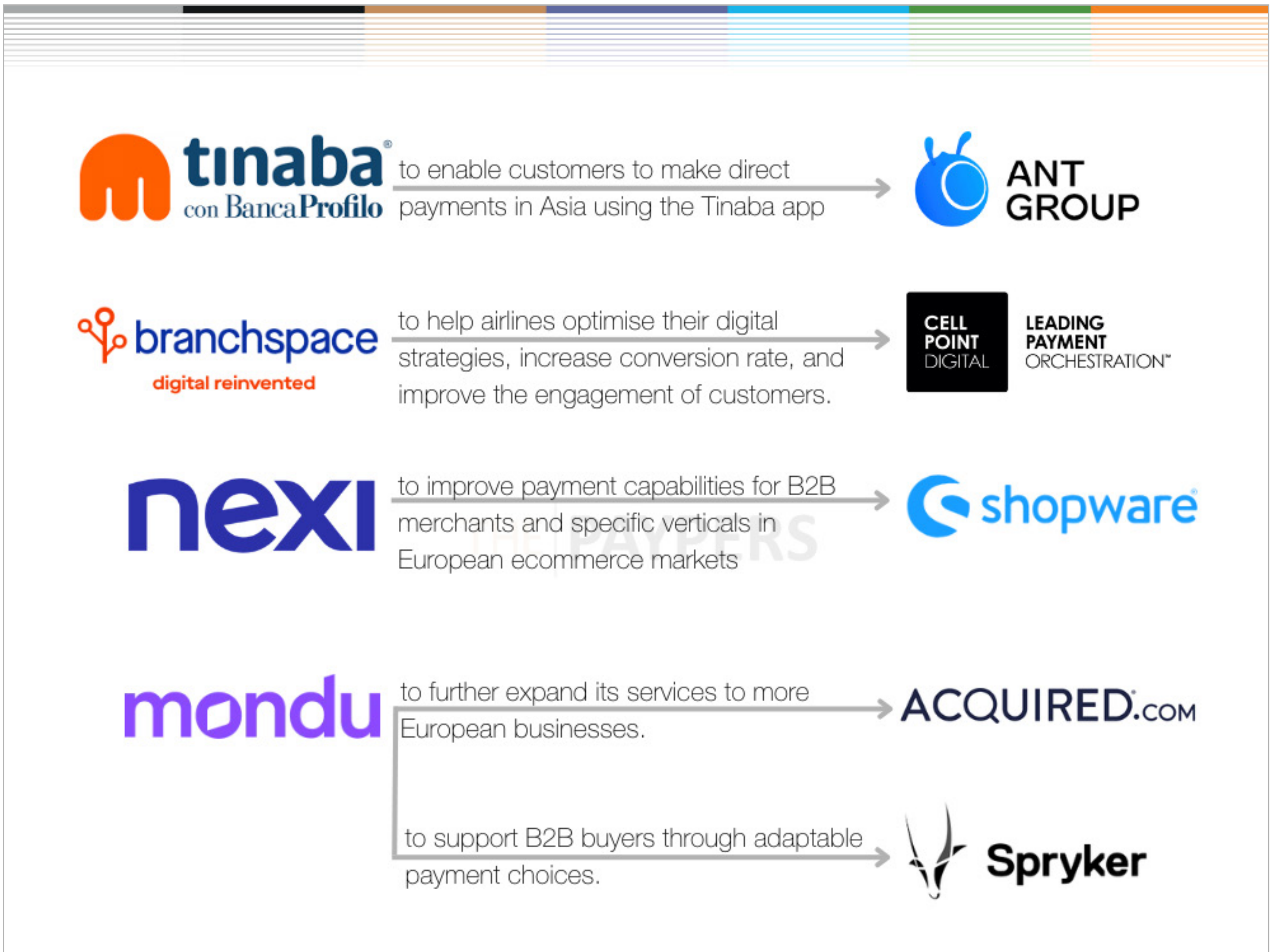
Payment innovation with a regional focus in Europe, the Americas, Australia, Asia, and Africa

Europe

In the European space, one of the first partnerships to have taken place in Q3 2023 was that between Italian fintech **Tinaba and Ant Group**, which sought to enable customers to make direct payments in Asia using the Tinaba app via QR codes at partner merchants supported by Alipay+ in South Korea and Malaysia. Within the context of travel payments, the UK-based provider of data-driven solutions and services for the airline industry **Branchspace partnered with CellPoint Digital**, a payment orchestrator, to help airlines leverage both companies' solutions for digital strategy optimisation, conversion rate increases, and better customer engagement with the launch of an airline-specific payments ecosystem.

The B2B industry saw three notable developments, with one of the first announcements in Q3 2023 centring **Nexi and Shopware**, which partnered to improve payment capabilities for B2B merchants and specific verticals in European ecommerce markets and to enable an omni-commerce suite, beyond ecommerce. Germany-based B2B payments company Mondu made public two separate collaborations – namely with payments specialist **Acquired.com**, to expand its services to more businesses in Europe, and with enterprise **commerce platform Spryker**, to support B2B buyers through adaptable payment choices. →



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When talking about bettering payments and the overall checkout experience for both merchants and consumers, Europe had multiple developments taking place throughout the region. **Ingenico and Axerve**, an Italy-based merchant service provider, partnered to improve merchant onboarding and in-store payments through the introduction of the former's Payments Platform-as-a-Service (PPaaS) solution. Dutch payments orchestration platform **WLPayments and Checkout.com**, a UK-based payments solutions provider, announced that they aim to provide new benefits to clients such as online merchants, acquirers, PSPs, EMIs, and ISOs. **Endava and AcceptPayments.com** teamed up to establish an online comparison marketplace for payment services – to change how businesses discover PSPs. The platform would enable merchants to compare services across varied categories for their online, physical, remote, or multichannel retail operations.

In the context of payment modernisation and innovation, Slovakian PSP **TrustPay partnered with Portugal-based SIBS** to include Multibanco and MB Way Pay in its portfolio, both popular payment methods in the region. **JCB and PAYONE** extended their collaboration to offer contactless payments in Germany and Austria by enabling the JCB Contactless payment method and the additional security layer of J/Secure. When talking about contactless payments, Intesa **Sanpaolo and Nexi** launched a SoftPOS solution for merchants to leverage smartphones and accept payments made with contactless cards and digital wallets.

Furthermore, **NatWest selected Icon Solutions'** payments framework to modernise payments as it continues to align with the ISO 20022 payment data message standards, aiming to enhance the end-to-end customer experience with flexibility in payment flow initiation. One other development to have taken place in this space was defined by the launch of the Tap-to-Pay functionality for merchants in Europe and North America, enabled by the partnership of fintechs **Aevi and Bleu**. →

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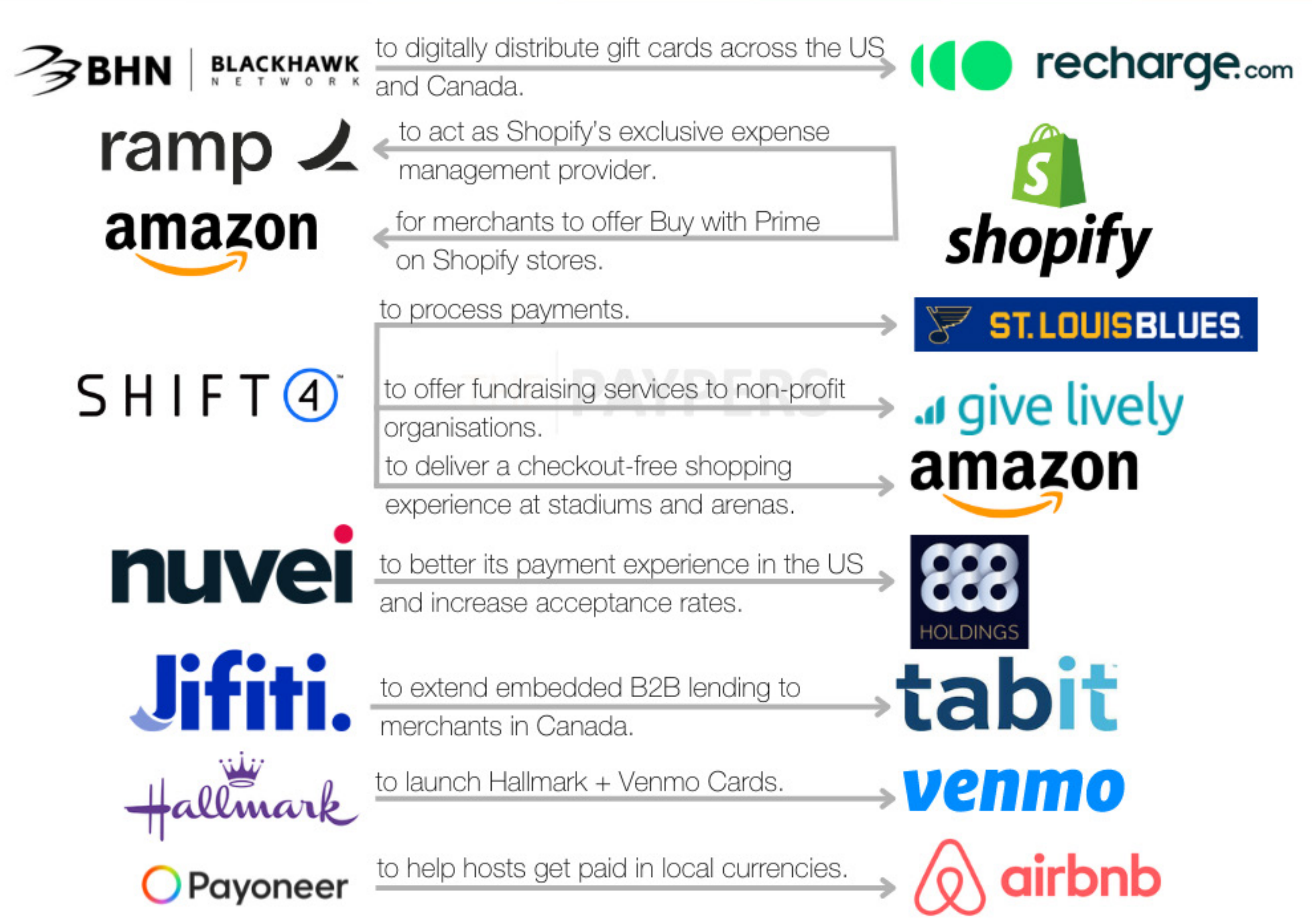
The Americas

The announcements centring payments within the North American space focused predominantly on infrastructure modernisation, with the companies that collaborated in Q3 2023 looking to better the experience for both businesses and consumers, be it through product launches or upgrades to their existing offerings. Such an instance is the partnership between payments provider **Blackhawk Network (BHN) and Recharge.com**, which enabled BHN to digitally distribute gift cards across the US and Canada. Finance automation platform **Ramp joined Shopify** as its exclusive expense management provider and entered the procurement space with the introduction of its flagship product, Ramp Plus, designed to integrate bill payments, vendor management, price intelligence, procure-to-pay, and spend management into a single unified platform. **Shopify also partnered with Amazon** to have the Buy with Prime app integration launched for merchants to offer Buy with Prime on Shopify stores.

Integrated payment processing solutions company Shift4 was among the names to collaborate with multiple companies in the space. It was chosen as a payment processor for **St. Louis Blues**, part of the NHL professional sports franchise, it partnered with **Give Lively** to offer fundraising services to non-profit organisations, and lastly with **Amazon** to provide customers at stadiums and arenas with a checkout-free shopping experience. Within the context of simplifying payments for ecommerce verticals, **Nuvei cooperated with 888**, an iGaming operator, to improve its payment experience in the US and increase acceptance rates, B2B BNPL solution provider **Tabit and fintech Jifiti** partnered to expand embedded B2B lending to merchants in Canada, **Hallmark and Venmo** launched Hallmark + Venmo Cards for their users, and **Payoneer and Airbnb** expanded their relationship to help hosts get paid in local currencies. →



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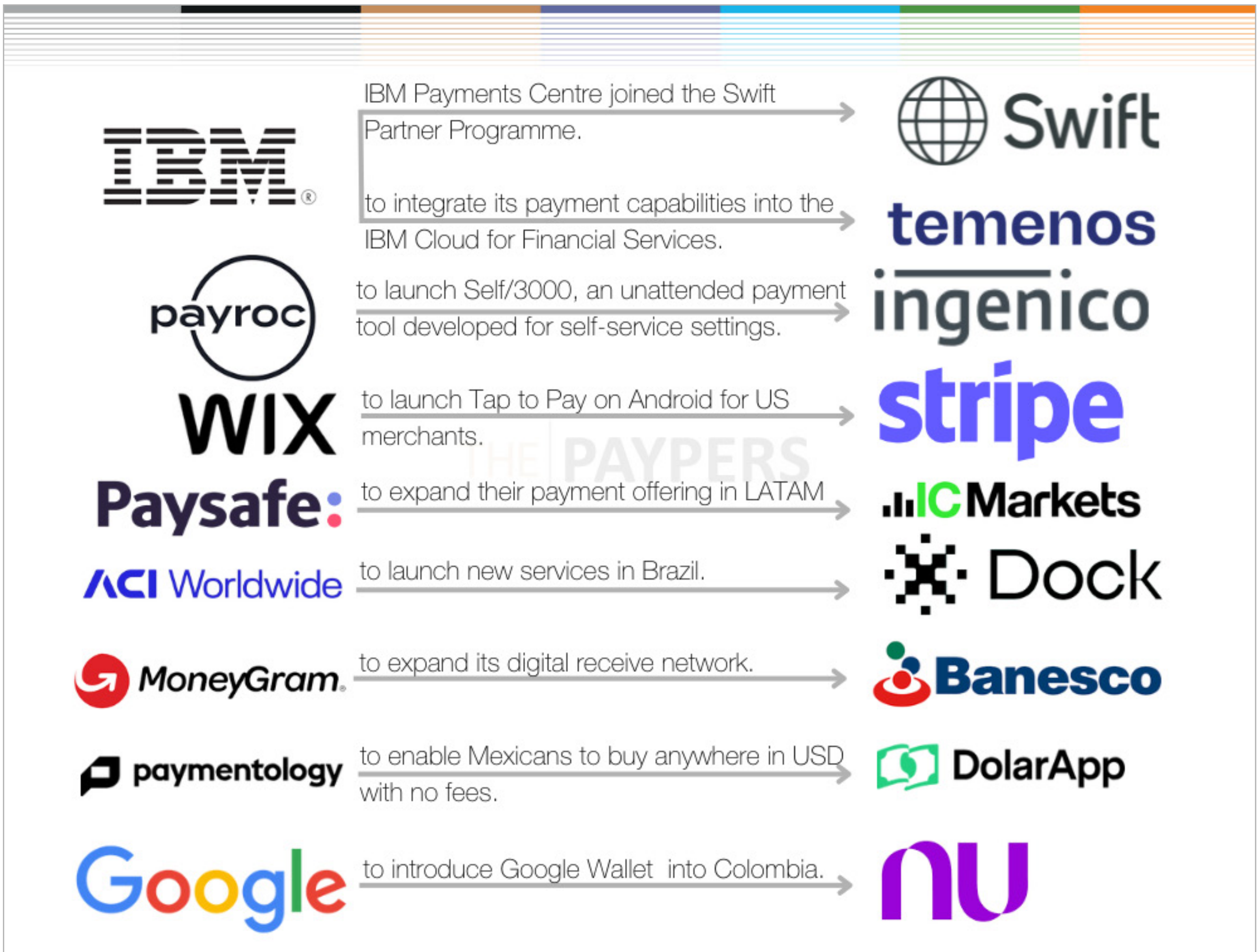
Moving further onto modernisation tactics, IBM's strategy clearly showcased further digitalisation plans. In September, it announced that IBM Payments Centre joined the **Swift Partner Programme** to collaborate with Swift members and provide access, integration, and the development of new payment solutions by utilising an expanded set of APIs and access to API testing materials, documentation, and accreditation status. Shortly after, it joined hands with banking software company **Temenos** to integrate its payment capabilities into the IBM Cloud for Financial Services. **Payroc and Ingenico** also partnered to launch Self/3000, an unattended payment tool developed for self-service settings, whereas **Wix and Stripe** announced the introduction of Tap-to-Pay on Android for US merchants to simplify in-person commerce.

In the Central and Southern American space, payments platform **Paysafe and FX provider IC Markets** announced the expansion of their payment offering in Latin America, and ACI Worldwide together with fintech infrastructure provider Dock made public their plans for the launch of **Acquiring-as-a-Service** solutions in Brazil. US-based payments and money transfer company **MoneyGram partnered with the Banesco** bank to expand its digital receive network to Venezuela, whereas issuer-processor **Paymentology and DolarApp** enabled Mexicans to buy anywhere in USD with no fees. Another important development within the space was the introduction of **Google Wallet** into Colombia following integration with Nu's Moradita Credit cards, a Nubank subsidiary in the region. →



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APAC and Africa

One of the most important developments in Q3 2023 within the Australian space was the partnership between ANZ Worldline Payment Solutions and **Alipay+**, which enabled Australia-based customers and businesses alike to accept payments through the latter's services. Alibaba Group's subsidiaries made several developments public within the Asian space, with one of the first being that **Alipay** is collaborating with Southeast Asian countries following an increase in Chinese tourist spending on the platform. **Ant Group and Central Retail**, a Thai retail platform, partnered to launch Alipay+ for tourists at its stores to benefit from digital payments. In the context of offering mobile payments for Asian tourists, Alipay+ cooperated with **the Saudi Tourism Authority** to introduce its unified mobile payment and marketing solution to Saudi Arabia, further expanding its coverage. Moreover, it joined hands with **UAE-based NEOPAY** to expand its digital payments offering to merchants in the region, and it cooperated with **PayNet** to offer payment services to inbound and outbound Malaysian customers and travellers. PayNet also partnered with **UnionPay International** to enable cross-border QR code linkage. Multiple developments within the Asian space focused on Malaysia, with fintech and full-stack payments and business banking platform **Razorpay partnering with Curlec** to launch an international payment gateway platform for Malaysia. **Stripe and digital platform Staytion** partnered to power payments in Southeast Asia, including Singapore, Malaysia, and Thailand. →

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Another name to have had partnerships across the board is the National Payments Corporation of India (NPCI). It helped Indian payments and API banking solutions company **Cashfree Payments** to launch AutoPay on QR for subscription-based businesses, and its subsidiary NPCI International Payments Limited (NIPL) teamed with **Fonepay** to launch a QR code-based payment solution between Nepal and India. One of its first developments in Q3 2023 centred **CRED**, which sought to introduce RuPay credit card UPI payments and make transactions more convenient for its members. CRED also partnered with **Shopify** to diversify payment options for merchants operating on the Shopify platform. The Indian space also saw **PhonePe and PayMate** collaborate for the launch of an income tax payment feature. Other companies that announced developments in the Asian space in Q3 2023 are the Chinese travel platform **VakaTrip and Nuvei** which partnered to enhance card payment acceptance for an international customer base, and South Korean **MOIN which teamed with Currencycloud** to expand global coverage for remitters and improve the cross-border payment experience for customers. →

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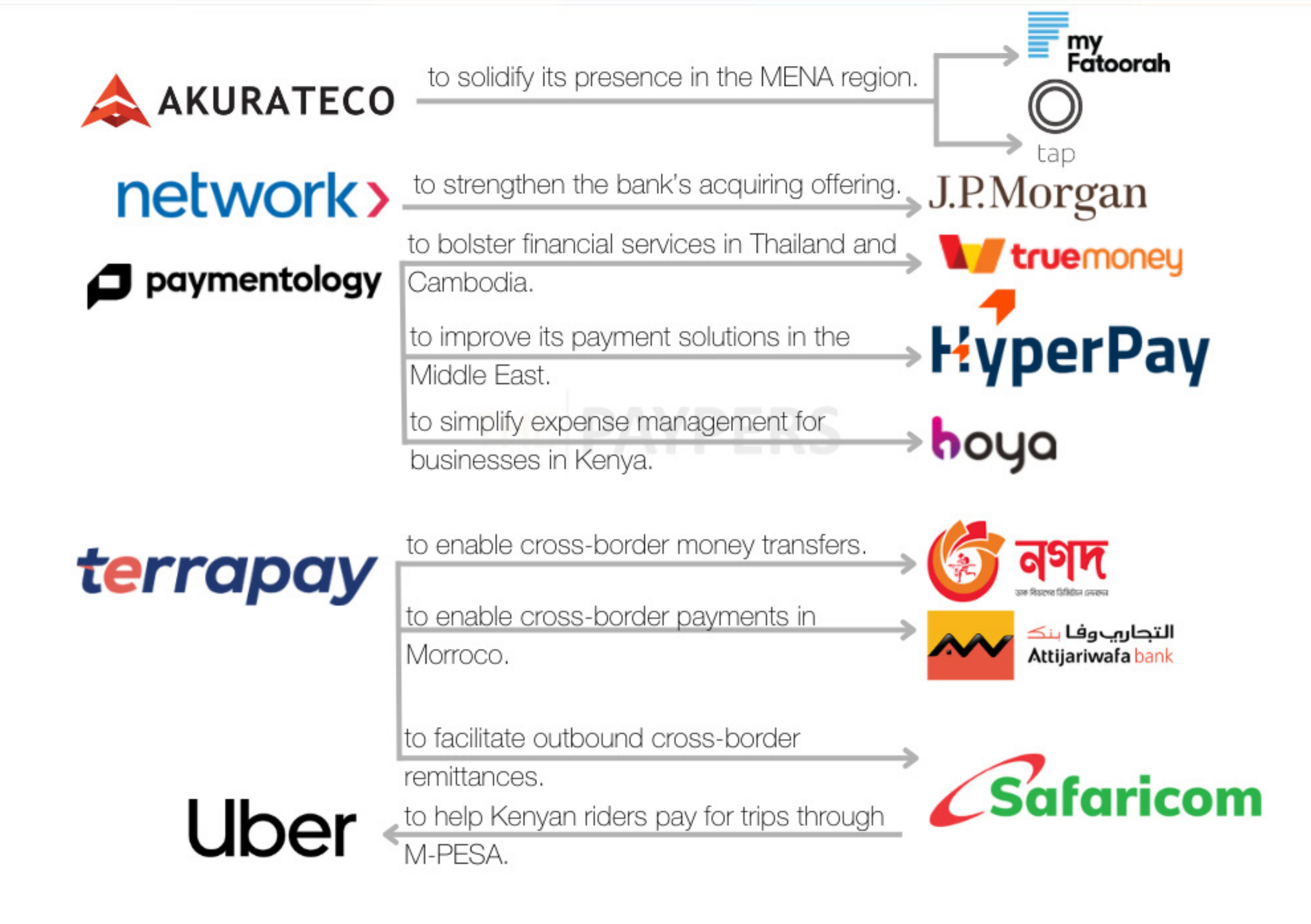
White-label payment gateway provider Akurateco announced two integrations in the MENA region, namely with **Tap Payments and MyFatoorah**. Digital commerce enabler **Network International partnered with J.P. Morgan Payments** to strengthen the company's acquiring offering in the Middle East.

An enterprise whose focus was on both the Asian and African spaces in Q3 2023 is Paymentology. One of its first collaborations was with e-payment and financial services provider **TrueMoney** with the goal of bolstering financial services in Thailand and Cambodia, followed by its partnership with Saudi Arabia-based **HyperPay** to improve the latter's payment solutions in the Middle East. What is more, it cooperated with **Boya** to simplify expense management for businesses in Kenya. Similarly, global payments network TerraPay had three collaborations focused on cross-border payments, one with Bangladesh-based mobile financial services provider **Nagad** to enable access to cross-border money transfers for Bangladeshi expatriates, one with **Attijariwafa** bank in a bid to facilitate cross-border payments in Morroco, and one with **Safaricom** to facilitate outbound cross-border remittances.

Moving onto the African space solely, **Uber and Safaricom** cooperated to help Kenyan riders pay for trips through the mobile money service M-PESA. Google along with the African card scheme **Verve** enabled Nigerians to pay with Naira cards on the Play Store, whereas the Nigeria-based fintech Flutterwave made public the launch of a digital FX platform for Nigerians, in partnership with **Wema Bank and Kadavra BDC**. Additionally, Flutterwave collaborated with financial institution **IndusInd Bank** for its expansion into India. →



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Conclusion

Summing up all the developments to have taken place in the payments and commerce space, we can clearly see a propensity for digitalisation, with businesses seeking to integrate advanced tech into their processes, optimise checkout experiences, and provide choice and flexibility in payments, with the goal of retaining customers and becoming front-runners in the industry. Lastly, the proliferation of real-time payments and Open Banking technology further showcases a consumer demand for instantaneous services.

*The content of this article was originally published in its extended form on The Paypers' website. Interested readers can access the complete version **here**.*

Nexway

Pierre-Henri Paulhe, VP of Global Accounts at Nexway, provides a glimpse into the complex process of businesses expanding on a global scale.

Pierre-Henri is the VP of Global Accounts at Nexway, a technology and services company for online commerce. As an expert in the global payment market, Pierre-Henri built extensive knowledge during ten years in the industry by supporting digital companies to expand into new markets, foster growth, and seek new opportunities.

Pierre-Henri Paulhe ▪ *VP, Global Accounts* ▪ Nexway

What are the main benefits of expanding your business globally?

In a context where all industries are getting extremely competitive – with a strong need for brands to be identified and perceived as clearly differentiated from other players – no market can be left behind. While the US and Europe are still driving significant volumes, Southeast Asia, the Middle East, Africa, and LATAM are key regions that all companies must consider entering from the very beginning, especially when it comes to selling digital goods.

Going global is key to imposing a strong presence, benefiting from fast-growing economies, and reaching out to any potential customer across the globe. However, having a global go-to-market ambition does not prevent a company from having a local approach, especially in terms of offer or business model, and some regions could be the best way to experiment with new models such as subscription, pay-per-use, activated trials, etc.

In your view, what are the main challenges of global expansion, and how can businesses face them?

Going for a global business expansion in a timely, qualitative, and controlled risk approach on your own is almost impossible, even with a strong team and significant resources. All topics must be covered for a proper go-to-market, from validating a local or cross-border approach to local payment service provider (PSP) identification, the onboarding and Know Your Customer (KYC) process, local tax registration and management, hiring local customer support, etc. The number of topics to cover for launching in a new region is vast and requires high local expertise.

When balancing the classic buy versus build approach, many players need to catch up on some fundamental elements that they need to assess and master to go global, and this can be very painful for a business, delaying the go-live step at best, and potentially creating legal and compliance risks in many cases.

> *“By leveraging its ecommerce platform and merchant services, Nexway covers the whole spectrum of digital expansion complexity.*

Identifying the right partner who can help your go-to-market is crucial to your company’s success and long-term profitability. With a full, hands-on, and localised approach, relying on one single and trusted partner to operate on all markets is the pinnacle of a great business strategy to avoid maintaining multiple integrations with local partners and creating a potential risk of unidentified defaults. Brand consistency, controlled product image, and elaborating the right pricing strategy are essential to international expansion. Nexway, with our extensive experience in online sales since 2002, does not act only as a solution provider, but also as a consulting team in all domains (IT, tax, payment, marketing and sales, CRM, customer support, legal and compliance, etc.). →

How and why should businesses use a Merchant of Record for global growth?

Nexway's Merchant of Record model provides a hands-on solution to go to market globally, effectively, and quickly – while benefiting from our local expertise in all aspects of online sales management. We create and integrate **a whole e-store experience directly on the partner's website within a few days**, allowing customers worldwide to purchase their products or services.

We understand that commercial initiatives and great business ideas often face internal resource constraints within companies, such as roadmap rigidity for new developments in R&D or the limitations of operating models.

The key advantage of using Nexway's solution is that we operate your business on your behalf, while still giving you control over it. All ideas will come to life with limited to no internal resource allocation from your end, thus accelerating your time to market.

Working as an extension to your team, Nexway takes care of:

- Localisation and hosting of purchase experience, including local payment methods and currencies;
- Invoicing and billing of users, both B2C and B2B;
- Compliance with local market rules and regulations (data management, market restrictions, locally applicable);
- Tax calculation and remittance;
- Fraud and chargeback management;
- Customer support;
- Reports and analytics to help you manage your activity while preventing the risk of legal and compliance on all the above.

What are the emerging markets' ecommerce opportunities for global expansion?

At Nexway, we are noticing **a strong and growing trend in Southeast Asian markets such as Vietnam, Indonesia, and Malaysia, but also a significant investment in regions such as the Middle East, LATAM, and Africa**. Users are getting higher budget allowances for digital goods and a growing appetite for online shopping, mainly through mobile and e-wallet purchases.

However, expanding globally and tapping into these markets requires a comprehensive and strategic approach. Even with a proficient team and substantial resources, attempting this on your own can be challenging. A thriving global expansion strategy involves meticulous planning and execution across various aspects of the business. This includes identifying and partnering with local PSPs, navigating through KYC processes, adhering to local tax regulations, ensuring compliance with laws specific to each region, and establishing high-quality customer support services.

At Nexway, we understand the complexities of global expansion in the ecommerce landscape. We offer customisable solutions for various business needs by combining cutting-edge ecommerce technology, merchant services, and a team of ecommerce experts. By leveraging our expertise, businesses can navigate the complexities of different regions, optimise their digital monetisation flows, and capitalise on the growing opportunities in emerging markets.

Nexway is the perfect partner for businesses aiming to expand their global ecommerce footprint. Our tailored solutions and deep industry knowledge empower our partners to enter new markets, connect with customers, and drive revenue growth while minimising risks and ensuring a qualitative and timely market entry.

NEXWAY	With over two decades of experience, Nexway is a global ecommerce and payment solutions provider specialising in digital monetisation for medium-sized and large enterprises through uncovering new opportunities for rapid global expansion.
Contact	**marketing@nexway.com**
Year founded	2002
Core solution	Nexway handles the complexity of online sales and covers the full scope of ecommerce aspects to help businesses optimise their online sales and revenue streams. From worldwide accepting payment to subscription handling and tax management, leverage time and money while scaling your business into the global market.
Payment capabilities	Tokenization, recurring payments, white-label solution, hosted pages, reconciliation and reporting, B2B payments, 90+ payment methods supported, settlement currencies
Target groups	Large and medium-sized companies selling digital goods, digital services, financial services, and subscription businesses.
Geographical presence	Global
Payment methods supported	90+ payment methods 45+ billing currencies
What is unique about your company?	Nexway builds up individualised experiences and custom shopping experiences online. We offer highly personalised, turnkey services that adapt to your online business' specific needs and evolve alongside your business as it grows.
Future developments	Nexway is set to broaden its 360° coverage through various strategic initiatives: • Elevating Nexway subscription engine to facilitate seamless upgrades, migrations, and flexible scenarios; • Diversifying payment methods to ensure global accessibility with a focus on emerging markets (APAC, the Middle East, Africa); • Major marketplace integration to extend global reach; • Enhancing B2B solutions with Nexway Reseller Portal.
Main clients/references	Kaspersky, ESET, Bitdefender, Opera, Avast, Darty-Fnac, and many other companies across the globe.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Unlimit

Jovi Overo, Managing Director at Unlimit, provides a valuable perspective on the crucial role of fintech in promoting financial inclusion.

With over 20 years of experience in fintech, payments, banking, and Lending-as-a-Service, **Jovi** currently serves as the Managing Director for Unlimit's global BaaS division. Jovi holds a bachelor's degree in psychology and an MBA from the prestigious Imperial College Business School. In his current role, Jovi is responsible for developing and implementing innovative BaaS solutions for Unlimit.

Jovi Overo ▪ *Managing Director* ▪ Unlimit

How do cross-border payments contribute to enhancing financial inclusion?

Cross-border payments are a cornerstone of financial inclusion, especially in a globalised economy. They enable people, regardless of geographic location, to participate in the global market.

Among the most popular initiatives to increase financial inclusion, Banking-as-a-Service (BaaS) appears to have the greatest potential. The reason for this stems from the fact that it makes it possible for any company to offer financial products that are tailored to the needs of their customers, without having to obtain a banking licence. So, although BaaS solutions don't service the end-user directly, they bring the provision of ever-developing technologies to BaaS clients who are then able to reach new regions and open opportunities in untapped markets. This trickle effect will support financial access as a long-term solution that is a catalyst for driving change through a highly flexible, cost-efficient, and continually developing technology.

BaaS platforms facilitate cross-border payments by lowering the barriers of entry for fintech companies – allowing them to offer affordable, secure, and efficient international transaction services. This is particularly beneficial for underbanked populations who can, consequently, receive remittances, engage in ecommerce, and access financial services previously out of reach.

How can businesses ensure that their services and products are made widely accessible to a diverse audience?

Businesses can leverage BaaS APIs to design products that cater to various customer needs, including different languages, currencies, and cultural preferences. By partnering with a BaaS provider, businesses can quickly adapt their offerings to meet the legal and financial requirements of multiple regions, making their services accessible to a broader audience. Incorporating inclusive design principles, such as simplicity and clarity, also ensures that financial products are user-friendly, regardless of their financial literacy levels.

Can you share with our audience what are some best practices for developing an attractive and intuitive UX?

An attractive fintech UX should be intuitive and prioritise simplicity and clarity. This means designing with a minimalistic approach, using familiar elements like recognisable icons and sliders, and providing a clear path to completion for any transaction. It also involves utilising a responsive design to ensure functionality across all devices, implementing progressive disclosure to not overwhelm users with information, and providing real-time feedback to keep users informed throughout their interaction with the app or platform.

> *"When navigating the regulatory landscape, global businesses should prioritise compliance, localisation, and adaptability, as understanding and adhering to the regulatory requirements in each jurisdiction is critical.*

➔

Of course, a smart UX design is essential for all digital products, but I think it's maybe more important for fintech than any other industry. There are a variety of different things fintech companies are required to disclose within their app — such as terms and conditions, policy links, disclaimers, and other useful information — and one of the central challenges is the placement of this information, setting up the app in such a way that it doesn't overwhelm and confuse the user. The best way to do that is to present the critical content upfront, with an easily accessible flow, and to add supplementary or hidden tooltips and dropdown menus for the rest.

What approach can fintechs take to foster trust?

Fostering trust in fintech revolves around transparency, security, and customer support. Companies should be clear about their processes, fees, and data-handling practices. Implementing robust cybersecurity measures and complying with industry standards like PCI DSS, as discussed previously, reassures users of their data's safety. Additionally, offering responsive and effective customer support, as we've seen with successful BaaS implementations, helps build confidence and loyalty among users.

Once a fintech has built that trust, it is vital not to lose it. One of the most common reasons for a loss of trust is a lack of transparency. Today, customers are not going to put up with any ambiguity regarding their personal and financial data when it comes to how it's collected, how it's stored, and how it's used by fintechs. Anything less than full transparency is going to cost you customers. Another big issue arises around security. You have to make the customers feel safe and secure online, and investing in dynamic, robust, and reliable security processes that protect financial transactions has never been so vital.

What are the fundamental aspects that global businesses should prioritise when navigating the regulatory landscape?

When navigating the regulatory landscape, global businesses should prioritise compliance, localisation, and adaptability. Understanding and adhering to the regulatory requirements in each jurisdiction, such as GDPR in Europe or PSD2 for payment services, is critical. Localisation involves tailoring services to meet local laws, cultural norms, and customer expectations. Lastly, it is crucial for businesses to be adaptable in order to quickly respond to regulatory changes and leverage their BaaS partnership to make necessary adjustments without significant downtime.

Unlimit

unlimit.com

Unlimit is a global fintech that offers a portfolio of financial services including payment processing, BaaS, and an on and off-ramp fiat solution for crypto, DeFi, and GameFi. With 500 employees across 16 offices and five continents, the company aims to eliminate financial boundaries for global business across Europe, the UK, LATAM, APAC, India, and Africa.

Unlimit	Unlimit is a global fintech offering one of the world's largest proprietary payment infrastructures, including payment processing, Banking-as-a-Service (BaaS), and an on and off-ramp fiat solution for crypto, decentralised finance (DeFi), and gaming finance (GameFi). Our mission is to deliver solutions that eliminate financial borders, enabling businesses to operate locally and internationally.
Contact	**r.jones@unlimit.com**
Year founded	2009
Core solution	Payment processing (acquiring), alternative payment methods, recurring payments, payouts, settlements, B2B payments, multicurrency IBAN accounts, card issuing, BaaS, and fiat on and off-ramp for DeFi, GameFi, NFTs.
Payment capabilities	B2B payments, payments orchestration, white-label solution, more than 1,000 payment methods supported, payouts, settlements
Target groups	Verticals – ecommerce, retail, gaming, travel, IT, Software-as-a-Service (SaaS), advertisers, publishers, web and software, licenced brokers
Geographical presence	Global: Europe, the UK, APAC, Africa, LATAM, China, the US, India, Japan
Licence type	EMI, Pan-European payments processing licence, local acquiring licences in regions of presence
Payment methods supported	More than 1,000 payment methods worldwide, including global card schemes, local card schemes, cash payment options, digital wallets, mobile payments, direct bank transfers
What is unique about your company?	We are one of the world's largest proprietary payment infrastructures.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

DECTA

Aivars Belis, CTO at DECTA, discusses the trends driving the financial industry today, emphasising their role in boosting the adoption of cross-border payments.

An adept payment industry professional with over 25 years of hands-on experience, excelling from programming to leadership roles in financial services. Combining extensive business and technical expertise, **Aivars** is proficient in innovating cost-effective software solutions. His proven track record spans card acquiring, issuing, fraud prevention, mobile payments, ecommerce, instant payments, loyalty solutions, PSD2, and emerging industry developments.

Aivars Belis ▪ *CTO* ▪ DECTA

What emerging trends in the financial industry do you see as having the most significant impact on the future of financial services and cross-border payments in particular?

The financial industry is undergoing a transformative shift, driven by several key trends that are reshaping the landscape. Noteworthy among these are Banking-as-a-Service (BaaS), Banking-as-a-Platform (BaaP), Open Banking, artificial intelligence/machine learning (AI/ML), cloud computing, and blockchain technology. Each of these trends is already exerting a considerable impact on the sector.

> *“DECTA’s Digital Banking Platform is a solution that addresses industry challenges and supports cross-border payments.*

In the realm of cross-border payments, these trends have a major impact on innovative solutions and industry players. Blockchain technology, with its inherent attributes of speed and efficiency, plays a crucial role in enhancing the processing of cross-border payments. This will be complemented by the integration of modern BaaS and BaaP platforms, ensuring the provision of cutting-edge digital banking experiences for end-users. Moreover, the incorporation of omnichannel customer service desks will fortify customer support, while the strategic utilisation of AI/ML technology will elevate customer servicing and facilitate insightful monitoring. This convergence of technologies is set to redefine the landscape of cross-border payments, offering a seamless and efficient experience for businesses and consumers alike.

How can financial institutions and digital banking platforms align their services with the expectations of connected consumers, and what measures can be taken to ensure customer retention?

Financial institutions and digital banking platforms must proactively align their services with the ever-evolving expectations of modern consumers who demand real-time access to information and seamless service availability throughout their entire interaction journey. Major ecommerce players, such as Amazon, have set high standards for user experience, encompassing every stage, from the initial shopping experience and payment execution to post-purchase customer support, including issues related to delivery and returns. The success of these platforms is intricately linked to their adept use of technology and digitalisation, raising the bar for service providers in the financial industry. To ensure customer retention and satisfaction, financial service providers should prioritise the following measures:

- **Streamlined digital onboarding**: simplify the onboarding processes by minimising steps and document requirements, ensuring a swift and efficient decision-making process. Modern banks offer online onboarding.
- **Real-time self-service**: offer a self-service environment that provides real-time information, ensuring that customers can access the data they need promptly and efficiently.
- **Transparent pricing**: maintain transparency in pricing structures, avoiding hidden fees, and providing a clear breakdown of costs to foster trust and confidence.
- **Efficient customer support**: move away from traditional IVR/phone-based customer support, which can be time-consuming and frustrating. Embrace efficient digital channels and technologies that reduce wait times, eliminate the need for repeated authentication, and enhance the overall customer support experience. →

By addressing these aspects, financial institutions can exceed the expectations of connected consumers, fostering loyalty and ensuring a competitive edge in the dynamic cross-border ecommerce landscape.

What are the key considerations for ecommerce businesses when selecting a digital banking platform to support their cross-border payment needs?

Selecting a digital banking platform for cross-border payment needs is a critical decision for ecommerce businesses. Key considerations in finding a reliable partner encompass:

- **Global reach**: evaluate the platform's ability to facilitate transactions across various countries using cost-effective rails, ensuring a seamless cross-border payment experience for businesses and customers.
- **Ease of integration**: prioritise platforms that offer flexibility, making it easy to implement new payment methods quickly. This not only reduces transaction costs and fees but also ensures adaptability to emerging market trends. Additionally, assess the ease of integration with existing business environments for accounting and reporting purposes, streamlining operational processes.
- **Security and compliance**: ensure the selected platform complies with regulatory standards and adheres to robust security measures to safeguard sensitive financial information.
- **Scalability**: opt for a platform capable of handling growth in transaction volumes without compromising performance.
- **Customer support**: 24/7 customer support availability is paramount. A user-friendly and accessible support system ensures that issues are promptly addressed, maintaining the smooth operation of cross-border transactions.
- **High-level SLA (Service Level Agreement)**: ensure the partner provides a robust SLA, outlining the commitment to service quality, uptime, and response times.
- **Proven experience**: look for a partner with a track record of success in the field. Experience is a key indicator of reliability, and a seasoned partner can offer valuable insights and guidance in the domain.

How does DECTA's Digital Banking Platform alleviate issues for industry players and support cross-border payments?

DECTA's Digital Banking Platform serves as a comprehensive solution that effectively addresses industry challenges and significantly supports cross-border payments. Businesses seeking a global presence benefit from a range of features designed to streamline transactions and enhance financial operations, including:

- **Digital onboarding excellence**: DECTA's platform offers multiple ready out-of-the-box integrations and the flexibility to introduce new integrations during implementation. This ensures a swift and efficient online onboarding experience for customers.
- **Integrated one-stop shop**: the platform enables businesses to combine various aspects seamlessly – from account opening to FX and payment processing, down to issuing payment cards and accepting payments for goods and services via ecommerce or POS. DECTA's solution consolidates multiple business functions, simplifying operational workflows.
- **Global product support**: DECTA facilitates global business operations by allowing the setup and implementation of different products and services within the same platform. This flexibility ensures that businesses can leverage the same cutting-edge technologies across various regions and offerings.
- **Omnichannel customer service desk**: DECTA's platform includes an omnichannel customer service desk, offering support through chat, messaging, and calls. This comprehensive approach ensures that businesses can provide responsive and personalised customer service, enhancing overall user satisfaction.
- **Integrations to accounting/GL systems**: the platform offers multiple out-of-the-box integrations to accounting and GL systems commonly used by organisations. The integration facilitates efficient financial management and reporting, reducing manual effort and improving accuracy.
- **Data lake for business intelligence**: DECTA's platform incorporates a data lake containing critical business information. This centralised repository can be accessed by the organisation's business intelligence tools, empowering businesses with valuable insights for strategic decision-making.
- **Flexibility for customisation**: the platform provides the flexibility for businesses to co-host their own developed components and services. This empowers businesses to tailor the platform to their unique requirements and preferences.

DECTA	DECTA's core products have seen more than 2,000 PSPs, banks, merchants, and partners harness its technology, resulting in close to EUR 1 billion in transactions annually. Its value chain includes FCA authorisation as an Authorised Money Institution in the UK and Cyprus and certified processor for Mastercard/Visa and UnionPay International.
Contact	**sales@decta.com**, **marketing@decta.com**
Year founded	2015
Core solution	DECTA offers end-to-end payment infrastructure, from a digital banking platform and white-label payment gateway to card and APM acquiring, card issuing, and payment processing. Unlike other players in the crowded payments marketplace, DECTA offers a complete, bespoke-as-standard solution aimed at making payments accessible to everyone.
Payment capabilities	Payments orchestration, tokenization, recurring payments, white-label solution, hosted pages, pay-out/disbursements, reconciliation and reporting, B2B payments, payment methods supported, settlement currencies
Target groups	**Banks and fintechs** – users of DECTA's white-label payment gateway, payment processing for card issuing and card acquiring, 3-D Secure services, card tokenization, and DECTA's digital banking service **Merchants and PSPs** – retail, digital, gaming, travel, money services, licenced FOREX, e-wallet, lending, and others
Geographical presence	Europe, the UK, and APAC
Licence type	DECTA is authorised by the UK Financial Conduct Authority and the Central Bank of Cyprus under the Electronic Money Regulation – and holds Principal Member status of Mastercard Worldwide and Visa International. DECTA's processes and technology solutions are PCI DSS Level 1 and PCI 3DS, ISO 27001, ISO 9001 certified.
Payment methods supported	Mastercard, Visa, Open Banking, Apple Pay, PayPal, Zimpler, Volt, Noda, and more alternative payment methods
What is unique about your company?	We own every part of the technology perimeter involved in delivering payments, from direct connection to schemes and ending with the payment gateway checkout through which the cardholder is making the payment. Thus, we are able to guarantee complete control over the entire payment workflow.
Future developments	Our 2024 roadmap includes continued development of the Digital Banking Platform solution and the Payment Gateway functionality, expansion of the in-store POS acquiring service geography, and implementation of new APMs.
Main clients/references	**https://www.trustpilot.com/review/decta.com**
Partners	AWS, Modirum, TietoEvry, Entrust, Moody's
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Mastercard Gateway

Maria Parpou, Executive Vice President of Mastercard Gateway, talks about the digital evolution challenging businesses and shaping the payments offerings.

Maria Parpou, Executive Vice President of Mastercard Gateway, leads the gateway business in over 100 countries. She joined Mastercard in 2022 and brings over 25 years of diverse payment experience, including consulting, investment fund management, commercial payments, and leading ecommerce solutions.

Maria Parpou ▪ *Executive Vice President* ▪ Mastercard Gateway

What has inspired this evolution to Mastercard Gateway?

The impact of new technology on the payments ecosystem has stretched the borders of our industry to include new services, challenges, and players. Integrating with these new features at a rate that aims to meet consumers' needs can feel like a frenzied race. Even more so, you can reach the finish line only to find out that the competition is already ahead.

> *"Our gateway gives customers global reach and local acceptance, with access to new technologies, markets, and solutions that are shaping the payments landscape.*

As a gateway, we operate at the heart of this changing ecosystem and feel the pressure that all players are under – to innovate. With this new digital evolution in play, we have reflected on how we serve our merchants and partners in this complicated space. This is why, in late 2023, we announced our expanded service offering as Mastercard Gateway.

What is driving payment complexities?

We tell our customers that to win globally, they need to think locally. Yet, local strategies often include disruptive integrations and expenses with no guarantee of results. In addition, the constant and dispersed shift in consumer behaviour across the globe and the increase in regulations and security standards are challenging businesses, demanding innovations, and straining development and customer service resources.

Our new services enable customers to reach for new horizons through a world of connections via a single integration. Our gateway gives customers global reach and local acceptance, with access to new technologies, markets, and solutions that are shaping the payments landscape.

How does this evolution help customers compete in the global payment landscape?

To provide customers with the end-to-end services they need, we are moving beyond the traditional limitations of payment processing and focusing on commerce facilitation. In this evolution, we can orchestrate a dynamic offering by extending seamless and secure payment experiences for our merchants and their end consumers.

Beyond a traditional gateway, customers can connect to our global network and enable their business to expand quickly into new markets, reach into new verticals and industries with our dynamic offering, and secure their payments with advanced risk and fraud technology. Backed by the expertise and power of Mastercard, customers can gain access to innovation by leveraging our wider suite of services and partners to better meet their continuously evolving needs. →

More than ever, customers need service providers to help them navigate the new emerging payment trends and bring value-added services. As a result of our unique position within Mastercard, we are helping connect our partners with new fraud prevention solutions, like Brighterion, which uses machine learning capabilities to lower false positive outcomes, and leading alternative payment method providers like PPRO. As we build out these relationships, we continue to strengthen our unified payment experience and help customers grow their geographic strategies.

What verticals and industries can use your services, and how can Mastercard help companies compete?

Mastercard Gateway delivers a flexible, dynamic, and reliable commerce offering. We will continue to offer feature-rich and flexible gateway services to customers across extensive verticals and industries. You can learn about a few of the tailored vertical solutions in action on **our website**.

We are here to help your business overcome challenges and reach goals. As experts in the gateway space for over 23 years, and as part of Mastercard, we have the opportunity to leverage ongoing innovation and developer tools – and to partner with leading payment experts on services for your company that can help you stay ahead of the competition.

What will your approach to security and fraud services be?

We are committed to protecting our customers from risk and fraud. In addition to being Level 1 PCI Certified, our services leverage the extensive fraud industry experts behind Mastercard's C&I business portfolio, in addition to our own hosted payments, scheme tokenization, and 3-D Secure services.

What determined the name change from Mastercard Payment Gateway Services to Mastercard Gateway, and how does the success of this evolution look like to you?

As we drive change for our industry, we also recognise our name needs to reflect our evolution. We dropped 'payment services' to reinforce that we are a gateway facilitating connections across the payments industry – including services from within Mastercard and other domestic schemes, as well as from acquiring and PSP players in the ecosystem. Our global gateway connectivity reflects the core of our offering.

Our success is our customer's success. Now that we've moved beyond the confines of a traditional payment gateway service, we are looking forward to tackling new challenges and connecting our customers with the tech and payment solutions they need to achieve their goals.

gateway

mastercard.com/gateway

Mastercard Gateway is an acquirer-neutral gateway with connectivity to more than 190 acquirers around the world. We provide an API-powered gateway platform, the knowledge and expertise of Mastercard, and a single connection to a growing catalogue of Mastercard products and services. We offer our partners the Mastercard difference: proven technology, security acumen, and payments expertise.

gateway	Mastercard Gateway offers industry-leading global payment processing technology for merchants of all sizes, partners, and acquirers. Our capability enables acquirers and technology partners to rebrand/resell our payment gateway. Facilitating a variety of payment methods across multiple channels internationally, our solution enables customers to meet their business objectives and better serve their customers.
Contact	**https://www.mastercard.com/gateway/contact.html**
Year founded	1997
Core solution	Our white-label gateway provides access to a catalogue of merchant-facing solutions offered through the forward-thinking innovation, assets, and investments made by Mastercard.
Payment capabilities	Tokenization, hosted pages, payment methods supported, payment orchestration, recurring payments, white-label solution
Target groups	Banks and financial institutions, merchants (retail and commerce of all sizes and select verticals), payment service providers (PSPs), payment facilitators, marketplaces, government, multi-national organisations
Geographical presence	Global
Payment methods supported	5 domestic schemes, 7 international schemes, 24 alternative payment methods, and 5 digital wallets
What is unique about your company?	We are truly global. Empowering our partners to succeed is at the heart of what we do. We offer our partners the Mastercard difference: proven technology, security acumen, and payments expertise.
Future developments	Please contact us to set up a conversation regarding your needs, our capabilities, and our future direction.
Main clients/references	Please contact us for current references.
Partners	Please contact us for current references.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Payment Orchestration and Optimisation – Improving Performance

- How payment orchestration can help merchants optimise payment processing
- Current state and emerging trends in payment orchestration
- How payment orchestration keeps banks at the forefront
- Payment orchestration – a catalyst for boosting customer conversion
- Overview of global payment orchestration platforms and their capabilities

Datos Insights

How Payment Orchestration Can Help Merchants Optimise Payment Processing

Ron van Wezel is a Strategic Advisor in Retail Banking & Payments for Datos Insights, providing research and advisory services to clients globally. His coverage includes payments, Open Banking, and digital transformation.

Ron van Wezel ▪ *Strategic Advisor in Retail Banking & Payments* ▪ Datos Insights

Market trends impose demanding requirements on global merchants to manage payments effectively and efficiently. They are looking for the flexibility to harmonise their payment processing, profit from local market conditions for better authorisation rates and cost reduction, minimise operational risk (e.g., outages), and simplify acquiring relationships when possible.

In recent years, a new category of merchant service providers – called payment orchestrators – have established themselves to support merchants in their payment optimisation journey. Payment orchestration is the process of efficiently managing a diverse range of payment methods, providers, and channels within a unified platform to ensure seamless payment processing for businesses.

Working with a payment orchestrator, merchants avoid the need to work directly with multiple integrations and different payment gateways, resulting in cost savings, improved payment success rates, and a superior user experience for customers.

Defining payment orchestration

Payment orchestration has become a widely used business term in the payments market today, and it may have many different meanings for various people. For this article, Datos Insights is looking at providers of ‘pure play’ payment orchestration solutions – such as ACI, BPC, Br-dge, Cellpoint Digital, Ixopay, Spreedly, WL Payments, and others. These companies provide an independent and acquirer-agnostic orchestration Platform-as-a-Service (PaaS) to merchants, either directly or through a payment service provider (PSP) that white labels the orchestrator’s solution. Merchants can connect to any PSP, acquirer, processor, fraud management system, or other third-party software. These payment orchestrators are independent of any acquirer or processor, managing the different APIs – but leaving the choice of provider and contractual arrangements to the merchant.

Value proposition

The value proposition for payment orchestrators is based on the following key features.

Smart payment routing

Smart (or intelligent) payment routing is a crucial feature in multi-provider setups, providing businesses with greater control over their payment strategy. This feature allows for the customisation of payment flows, the implementation of dynamic load distribution, the reduction of transaction costs, and the use of fallback routing and cascading to an alternate provider in case a payment provider becomes unavailable.

For enterprise merchants, having access to multiple payment integrations with acquirers, PSPs, gateways, and other stakeholders allows them to enhance payment acceptance rates and reduce processing fees. With more options available, they can choose the most suitable provider for specific transactions, thus optimising costs and improving payment success rates.

Vault for the storage of tokenized cards

To ensure the secure storage of sensitive payment data, businesses must comply with strict regulations and obtain a PCI-DSS Level 1 certification when processing credit card transactions. However, implementing and maintaining such an infrastructure can be costly and complex, prompting many ecommerce businesses to rely on their PSPs for data storage. This process involves tokenization, where credit card data is encrypted and stored by the PSP, while the business retains a token to be used for future transactions on →

its ecommerce platform. This method frees the business from the burden of securing sensitive payment data directly.

However, tokenization can create a strong lock-in effect with the current provider. If the business wants to switch to a different PSP or if their existing contract is unexpectedly terminated, they face challenges. Transferring customer data to a new provider is expensive and time-consuming, and asking customers to re-enter their payment data can lead to trust issues and lower conversion rates.

To address this issue, businesses can utilise an orchestrator to store their customers' payment data, therefore mitigating the risk of a lock-in effect. This way, tokenized payment instruments can be processed through any PSP connected to the platform. This gives businesses the flexibility to quickly reroute payments to a new provider.

Reconciliation and reporting

Reconciling transactions in a multi-acquirer set-up can be a complex and challenging process for enterprises. Different service providers may have varying approaches to providing reconciliation data, leading to differences in the timing, format, semantics, and granularity of the data – particularly based on the underlying payment methods.

The orchestrator can address these challenges by standardising the reconciliation process, regardless of the payment service providers and payment methods used by the business.

Fee management

Enterprises need a solution for managing and tracking a wide range of fees incurred during payment transactions. Orchestrators support different calculation modes, including blended pricing and Interchange++. They ensure accurate and flexible fee calculations in real time, based on various transaction types, including intra and inter-regional, personal/corporate cards, and specific transaction categories.

Management information

Orchestrators can provide a single dashboard and/or interface to enable merchants to analyse trends, measure performance, and test customer uptake of new initiatives.

Integration options

Orchestrators can offer a comprehensive suite of payment integration options to streamline the checkout process, such as plugins for commerce platforms such as Shopify, Software Development Kits (SDKs) to enable smooth payment integration into mobile apps, or virtual terminal catering for MOTO (Mail Order/Telephone Order) businesses.

Risk management

Orchestrators can provide a risk management tool to support merchants in their risk management and fraud prevention strategies. This tool can be used independently or integrated with external tools already used by the merchant.

Security and compliance

The best practices for management and control of the orchestrator's platform and organisation include multi-factor authentication, role-based access, cybersecurity best practices, PCI certification, data protection policies, and regular audits.

Conclusion

Payment orchestration is becoming an important function in a merchant's payment management toolbox. Global merchants are looking for providers that can help them optimise payment KPIs in revenue, cost, and risk in an increasingly complex payment ecosystem. To support its clients in understanding and potentially selecting a payment orchestration solution, Datos Insights is currently working on a vendor evaluation report comparing several leading providers, which will be published in Q1 2024.

aye4fin

We interviewed Thomas Tittelbach, Founder and Managing Partner at aye4fin, about the current state of payment orchestration and the future opportunities emerging from it.

After successfully completing his studies in industrial engineering in Karlsruhe (DE) and Nottingham (UK), **Thomas Tittelbach** started his career at a global provider of MOR ecommerce technology, where he was responsible for setting up and operating a global payments infrastructure. He then moved to the regulated e-wallet provider ClickandBuy (DE, UK). Since 2016, Thomas and his team have been advising companies on payment strategy, implementation, and transformation – and various projects have been successfully implemented at Klarna, Österreichische Post, HRS Group, Miles & More, and GK Software, among others.

Thomas Tittelbach ▪ *Managing Partner* ▪ aye4fin

What is your opinion on the current state of payment orchestration?

During the last ten years, we noticed a wave of new players emerging on the market, supported by strong investment fundings, such as Primer, **Gr4vy**, or **Paydock**, offering platforms with a strong focus on connectivity and card payments. Currently, around 50 companies worldwide offer payment orchestration solutions compared to thousands of payment service and payment methods providers. Successful payment orchestration providers such as **Computop** were acquired by large payment companies, while smaller players will steadily grow in niche industries.

Which merchants should opt for a payment orchestration solution over a direct PSP connection?

Merchants who fit one of the following profiles should opt for a payment orchestration platform (POP) instead of a direct PSP connection:

- Need to connect to more than five PSPs or payment methods to address its target markets;
- No deployed tech team or a small one to implement and maintain payment solutions;
- Need to avoid dependency from single PSPs and look for a dynamic payment routing solution;
- Need to address geographic markets such as APAC, MENA, and LATAM which are not covered by leading PSPs;
- Requirement to negotiate acquiring contracts themselves compared to relying on collecting PSPs.

Are there still industry verticals which have not yet utilised payment orchestration platforms?

Currently, payment orchestration is mostly adopted by merchants processing online or mobile payments. If you turn to classic retailers with POS focus, payments orchestration does not play a role yet, **even if it is estimated to play a role in approximately 77% of total retail sales by 2025**. This is mainly due to the tight connection between payment terminals and POS terminals, which is still counting for most of the POS implementations. With the growing trend of payments integrated into commercial off-the-shelf devices (COTS), there is a strong opportunity for POPs to play a relevant role in retail in the future.

> *“Successful payment orchestration providers need to add services such as BaaS or AI to gain more relevance in the payment process and keep growing. Technical gateways will only survive in niche industries.*

Marketplaces represent another opportunity, as they rely on single-payment-provider strategies due to regulatory challenges. If new providers manage to centralise the KYC process and route to the provider with the best suitable KYC process, it could greatly benefit the platforms. →

What are the forecasted major trends in this space over the next three to five years?

As digital payments will continue to show a strong **growth rate of 20.8% over the next years**, there will also be more opportunities driven by the following topics:

- **Regulatory changes**: with the recent **instant payment decision of the European Union**, as well as the upcoming PSD3, a new wave of providers and solutions is expected.
- **Central bank digital currencies (CBDCs)**: the growing number of CBDCs will have a direct impact on the future of payments. With 41 projects already started and 54 projects piloting or in development, the growing adaption will start having economic impact.
- **Smart checkout**: while connectivity was the major trend during the last years, the optimisation of authorisation rates due to customer specific workflows and payment method presentations will be a growing trend for large merchants.

Do established payment companies cooperate with POPs or avoid them?

Most payment providers offer payment orchestration and/or cooperate with other POPs to enable clients to allow a timely availability of required payment methods or payment connections, which is a challenge, especially in remote regions. At the same time, they activate new payment methods without additional technical implementation – and reach new clients.

However, legacy payment providers do not necessarily fancy the concept of being one of the many different providers, as this could lead to loss of revenue in case of low performance. While the motivation for such providers is fear of losing clients due to lack of quality, we strongly believe that only continuous competition with other PSPs will create enhanced service quality.

Will POPs become one of the leading payment trends of the next years?

With the growing number of payment providers and payment methods, there is a strong demand for payment-related middle layers to provide access to different products, and this will be done by payment orchestration platforms. Nevertheless, **only 25% of EU's GDP** accounts for international trade in goods and services, meaning that most of the trading business is done inside the European Union, which provides little requirement for connecting payment methods globally.

What is your advice to merchants who would like to implement a POP?

We start by listening to the merchant and understanding its needs and requirements instead of discussing market overviews. Once the decision for a payment orchestration platform is met, we ask the following questions to identify the top criteria:

- Does the platform support all required sales channels, such as ecommerce, mobile, and POS?
- Is technical documentation available in my preferred language, and does it reflect the current platform?
- Is there a test system available where I can quickly validate implementation?
- Are there experienced account and implementation managers with whom to communicate quickly?
- Are there references of clients with similar profiles (size, complexity, organisational fit)?

If these five questions are answered in detail, 99% of all implementations are likely to proceed smoothly.

aye4fin

aye4fin.com

aye4fin is a consulting company focusing on digital payment and business models. As part of CONSILEON group, we support corporates, banks, and payment institutes across Europe to build, grow, and optimise digital business models. Based on our credo – create positive commerce experiences – we work hand in hand with our clients from strategy to launch.

IXOPAY

Adam Vissing, VP Sales & Business Development at IXOPAY, discusses the role of payment orchestration platforms in optimising cross-border payments globally.

As VP Sales and Business Development for the leading payment orchestration platform IXOPAY, **Adam** supports global clients in designing and implementing scalable payment infrastructures.

Adam Vissing ▪ *VP Sales & Business Development* ▪ IXOPAY

What courses of action are open to businesses for an effective collaboration with local PSPs and acquirers to optimise authorisation rates in different regions?

Local acquirers will often achieve higher authorisation rates for lower fees, making it sensible for merchants to search them out. Many PSPs have acquiring partners in multiple countries, which can simplify the search. Getting advice from experts familiar with the local payments landscape is a good first step. IXOPAY's in-house experts advise our clients on the peculiarities of specific markets – what payment methods are preferred, which PSPs offer them – and suggest potential partners who can cover these requirements.

> *"A payment orchestration platform like IXOPAY provides a single hub for managing and monitoring all payments.*

What are the best practices for identifying and integrating country-specific alternative payment methods (APMs) to meet local customer expectations, and how can businesses address the obstacles associated with serving markets with low credit card adoption rates and unbanked populations?

Market research is the first step to understanding local expectations. Consumers expect their preferred payment method to be available, and, in the case of the unbanked, a payment method not tied to a bank account. The target audience is important – merchants selling luxury goods are unlikely to target unbanked populations, whereas merchants selling everyday goods need to be inclusive.

Payment methods for the unbanked differ by region. In Latin America, voucher payments are king. Upon completing an online purchase, the consumer is issued a code (bar code, QR code, etc.) used to settle the amount in cash at participating stores, post offices, etc. In Africa, mobile money rules the roost. These regions are home to many different providers, often only operating in a few countries. Again, there are PSPs specialising in these markets who cover multiple payment methods in multiple countries.

However, APMs are not static, as consumer preferences and expectations change. The ability to quickly pivot to new APMs gives the first-mover advantage. Integrating a new payment method is not always a trivial undertaking, but payment orchestration helps overcome this challenge with a single API for all providers.

How can businesses maintain real-time visibility and control over transactions – even when working with diverse service providers and spanning various geographical areas?

A payment orchestration platform like IXOPAY provides a single hub for managing and monitoring all payments. Transaction, settlement, and reconciliation data from all providers is collated in the platform, where it can be analysed and monitored in real time. ➔

Merchants can easily view KPIs like the number of declined card transactions across all providers, or total transaction volume over the past week. Given that each PSP uses its own proprietary API and error codes, with different levels of data granularity, consolidating this information can otherwise be challenging and expensive. IXOPAY translates all data into a uniform format, allowing for side-by-side comparisons and analyses over multiple providers. Comparing PSPs' performance side-by-side provides insights into which of them perform well in certain scenarios, allowing merchants to optimise their payments strategy and routing.

Data can be exported to reports or external systems, such as CRM and ERP solutions. As the data has already been translated into a uniform format, exports are vastly simplified. The same configuration can be used for all providers, allowing for a one-time setup.

What are the challenges associated with maintaining such a setup in-house, given that each provider uses its own proprietary API?

Developers are expensive; in-house development has high-cost overheads. Furthermore, experience matters to delivery times, and experience takes time to acquire. There is also the opportunity cost to consider – if it takes three to six months to integrate a provider, the merchant misses out on potential sales over that time. With a payment orchestration platform, the time-to-market is much shorter.

Furthermore, each integration needs to be maintained. The more APIs you are dealing with, the more frequent these changes are. A single API is the most efficient approach – and at the heart of payment orchestration. It's a one-time integration that insulates merchants from changes to individual APIs, with the platform handling API maintenance. Changes at individual providers generally require no changes to the merchant's integration.

While a payment orchestration platform's API is also subject to change, these changes are far less frequent, and payment orchestrators actively seek to minimise or avoid breaking changes. From the merchant's point of view, a payment orchestration platform offers a single API that is far more stable, eliminating the need for recurring maintenance projects.

What strategies can businesses employ to handle settlement and reconciliation processes when dealing with diverse data formats from different providers?

As with data analysis and API integrations, consolidation is the key benefit of payment orchestration. Merchants no longer need to deal with multiple formats with differing levels of granularity. Reports and data exports are defined just once, making it easy to share reports and export data to other systems.

Identifying discrepancies between the data from providers and that stored in the platform is automated – IXOPAY automatically flags any discrepancies for review. This results in significant time savings. Moreover, even if the format used by a PSP changes, the format used by the payment orchestration platform is unaffected, insulating merchants from these changes and ensuring an overall better customer experience.

IXOPAY

ixopay.com

IXOPAY is a payment orchestration SaaS that enables independent and scalable payment processing for enterprise merchants across all industries, in a PCI-DSS certified environment. The extensible architecture provides secure and intelligent transaction routing, risk management, automated reconciliation and settlement, and plugin-based integration of acquirers, PSPs, and APMs.

IXOPAY	IXOPAY is a scalable and PCI-certified payment orchestration platform for white-label clients and enterprise merchants. The easily extendable architecture provides intelligent routing and cascading functions, as well as state-of-the-art risk management, automated reconciliation and settlements, along with plugin-based integration of acquirers, PSPs, and third-party providers.
Contact	**info@ixopay.com** +43-1-353-0512
Year founded	2014
Core solution	IXOPAY provides you with the necessary features to enter new markets. We facilitate the integration of preferred payment methods and reduce the time and effort needed for managing a complex payment architecture. Our acquirer-agnostic setup guarantees flexibility and control, helping you to reduce costs, maintain independence, and improve conversion rates.
Payment capabilities	Payment orchestration, tokenization, recurring payments, white-label solution, hosted pages, pay-out/disbursements, reconciliation and reporting, 200+ payment methods supported, settlement currencies, instant settlement.
Target groups	IXOPAY is compatible with all verticals. Our clients can be found in the following fields: marketplace, ecommerce and retail, shipping and logistics, iGaming and sports betting, travel, financial services, telecom and communications, software-as-a-service, PSP/acquirer/payment gateway, healthcare, insurance, digital goods, crypto.
Geographical presence	Global
Licence type	As a payment orchestration provider, IXOPAY offers a purely technical solution and is not involved in the flow of money. For this reason, it does not need a licence to operate, but is PCI-DSS Level 1 and PCI-3DS compliant.
Payment methods supported	IXOPAY currently supports 200+ payment methods. Our list of integrations grows on a monthly basis and counts 185+ payment institutions worldwide.
What is unique about your company?	As an independent technical provider, we offer our white-label and enterprise clients maximum flexibility and security. The platform eases the management of multiple payment methods and enables you to scale your business globally. With our flexible architecture, you can customise the payment orchestration platform to the unique needs of your business.
Future developments	IXOPAY is constantly being improved and optimised. Are you interested in a sneak peek at our roadmap? Get in touch with our sales team: **sales@ixopay.com**
Main clients/references	DHL, crypto.com, Delivery Hero, Market Pay, eToro, Marley Spoon, Fastspring, Siemens, Grover, WeFox.
Partners	As an agnostic payment orchestration platform, everybody can become our partner. Get in touch: **partners@ixopay.com**
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Nuvei

Jasper Goeman, VP Sales - EMEA at Nuvei, shares insights into the opportunities and challenges associated with payment orchestration.

Jasper has 15 years of commercial experience within a diverse range of companies. As Vice President of Sales at Nuvei, Jasper is currently building out his business development team across EMEA and is looking forward to having conversations about how Nuvei could help support businesses across the financial services industry with next-generation payment technology.

Jasper Goeman ▪ *VP Sales - EMEA* ▪ Nuvei

What are the key factors contributing to the growth of the international ecommerce market in the last few years? What role did payment orchestration play?

Over the last ten years, the ecommerce landscape has evolved from a relatively straightforward concept to a complex ecosystem involving multiple devices, partners, and channels. In 2021, global online retail sales **amounted to approximately USD 5.2 trillion**, a figure expected to grow by 56% within the next few years.

Expectations for product customisation, mobile-optimised searches, quick checkout processes, and hassle-free delivery are growing rapidly as customers look for convenience at every turn. But as the sector matures, the amount of competition serving these expectations rises, along with the complexity of bringing these solutions to market.

> *Our recent study on payment orchestration shows that 56% of businesses rank decreasing payment acceptance costs as their top objective in implementing payment orchestration.*

Payment orchestration platforms allow online businesses to better position themselves in a constantly changing ecommerce market – while navigating the rising complexity of accepting online payments.

In the last few years, payment orchestration has undoubtedly been a contributing factor to the growth of ecommerce, enabling global expansion, improving customer experience, diversifying payment stacks, and mitigating fraud.

Why is it important for merchants to display local payment methods at checkout?

Online payments are witnessing a remarkable shift, with consumers in some regions gravitating towards alternative payment methods at an unprecedented speed. In the APAC region alone, an astonishing **69% of online payments** were made using a digital wallet in 2022.

When it comes to customer experience, **85% of UK-based shoppers** consider it very important to have their preferred payment method available, while 49% of both US and UK consumers will abandon their purchases if they can't use their local payment option.

To establish trust and appeal to local customers in new regions, online businesses should consider a payment orchestration platform that allows them to easily access and incorporate local payment methods into their checkout process. By customising the payment mix on a single payment page, businesses can cater to specific local demands. This approach not only fosters credibility and loyalty but also minimises cart abandonment, ensuring increased success rates and a higher return on investment.

What are the challenges that payment orchestration solves for businesses that are present in multiple regions?

Companies with global growth ambitions need to optimise their businesses quickly, to enter new markets and regions at speed. →

Using a payment orchestration solution, ecommerce businesses can adapt their checkout process to accommodate each region's most relevant payment methods, display amounts in local currencies and languages, while removing irrelevant fields. Moreover, integrating an orchestration layer allows companies to direct those transactions to payment partners who specialise in their business type and region, reducing payment acceptance costs and minimising cart abandonment.

In addition, payment orchestration can help businesses remain compliant across regions with varying regulations, simplifying the process of conducting cross-border transactions.

To scale fast and experience rapid customer acquisition when entering new markets, ecommerce businesses need to have partners capable of providing relevant payment methods across various markets in a short timeframe.

When integrated effectively, what are the three main benefits of payment orchestration?

In addition to ease in scaling, other benefits of payment orchestration include revenue enhancement, cost reduction, and internal efficiency.

Revenue enhancement

As well as offering multiple forms of payment for consumers, payment orchestration can ensure optimised approval and conversion rates by increasing the success of transactions with the most relevant acquirer and automatically routing transactions to the most cost-efficient payment processor. With an integrated solution, businesses also benefit from aggregated real-time payment analytics and batch data broken down by payment method, card brand, and geography. This helps brands understand why customers fail to complete their purchases and optimise their payment flow to lower cart abandonment rates.

Cost reduction

Our recent study on payment orchestration shows that 56% of businesses rank decreasing payment acceptance costs as their top objective in implementing payment orchestration. With the right platform, businesses can refine all processes in the payment cycle to minimise costs – from seamless integration of local payment methods to smart transaction routing, to taking a strategic approach to risk management.

Internal efficiency

Payment orchestration reduces the complexity of internal processes, such as financial reconciliation, by simplifying overall operations, automating processes, and scaling down manual intervention. In addition, an orchestration layer can improve accuracy by improving financial reconciliation processes, enabling companies to optimise their resources and focus on their core business.

How can Nuvei help businesses better connect with their customers?

Payments have become more complex than ever. Businesses today want solutions tailored to the specific regions and verticals in which they operate – without sacrificing sales and revenue. Nuvei's integrated orchestration platform allows merchants to get the best out of their existing tech stack, build onto it agnostically, as well as control and manage the entire payment process.

Nuvei's modular, flexible, and scalable technology allows companies to accept next-gen payments, offer all payout options, and benefit from card issuing, banking, risk and fraud management services. Connecting businesses to their customers in more than 200 markets, with local acquiring in over 47 markets, 150 currencies, and 634 alternative payment methods, Nuvei provides the technology and insights for customers and partners to succeed locally and globally with one integration.

nuvei	Nuvei is a Canadian fintech company accelerating the business of clients around the world. Nuvei's technology allows companies to accept next-gen payments, offer all payout options, and benefit from card issuing, banking, risk, and fraud management services. Nuvei connects businesses to their customers in over 200 markets, with local acquiring in 47+ markets, 150 currencies, and 669 alternative payment methods.
Contact	**https://nuvei.com/contact/**
Year founded	2003
Core solution	Nuvei allows businesses to accept cutting-edge payment options, optimise new revenue streams, and get the most out of their existing tech stack – all on one platform.
Payment capabilities	Hosted pages, white-label solution, recurring payments, 669 payment methods supported, 17+ settlement currencies, instant settlement, tokenization, payments orchestration, pay-out/disbursements, cryptocurrency payments solution, reconciliation and reporting, B2B payments
Target groups	Merchants: financial services, consumer retail marketplaces, digital goods and services, social gaming, regulated online gaming, digital assets and cryptocurrencies, travel and mobility, hospitality
Geographical presence	Global: Europe, North America, LATAM, Asia-Pacific, MENA
Licence type	Payment Institution (EEA), Electronic Money Institution (EEA), principal member of Visa, Mastercard, and Discover
What account type do you serve?	Business/corporate
Payment methods supported	669
What is unique about your company?	Nuvei's global reach, local payments market expertise, and extensive suite of APMs enable businesses to enter new markets and extend a diverse selection of payment options. Nuvei currently offers access to 634 APMs, all available through a single integration. Online businesses can customise payment methods for specific regions to enhance the consumer checkout experience.
Future developments	More information available on request
Main clients/references	New Balance, Virgin Atlantic, FTX, Valentino, D&G, Shein, WestJet, Bumble, Gett, lastminute.com
Partners	More information available on request
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Paydock

How Payment Orchestration Keeps Banks at the Forefront

Rob Lincolne is an entrepreneur with extensive experience in the payments space over the past ten years. As Co-CEO of Paydock, Rob is focused on changing the way the world transacts by building the most trusted payment orchestration platform.

Rob Lincolne ▪ *Co-CEO and Founder* ▪ Paydock

A growing urgency

A new breed of bank-ready payment fintechs are keeping banks competitive, as increasingly sophisticated payment alternatives emerge from challenger brands. The latter have enticed away a large proportion of merchants, warranting a call to action from banks – a call to embrace a powerful, non-acquiring technology solution to close the gap: white-label payment orchestration.

Challenger payment brands have long offered superior customer-centric payment experiences. Merchants have little choice but to switch to these challengers to address their payments needs, as legacy technologies employed by traditional banks are unable to keep pace with rapidly evolving consumer payment preferences.

This challenge presents an opportunity. Today, 51% of merchants would prefer to consume value-added services from their existing bank rather than from fintechs. However, **72% of incumbent banks** agree that it is hard to compete with fintech and big tech, particularly in merchant acquiring services, payment cards, and cash management.

Enter white-label payment orchestration, or 'Orchestration-as-a-Service' (OaaS). Supporting existing infrastructure, satisfying merchant needs, and future-proofing banks' merchant services offering, OaaS is positioned to play a pivotal role in shielding vulnerable areas of banks' core business income.

Introducing the banking orchestration paradigm

By adopting OaaS, banks embrace technological innovation and agility in meeting evolving customer needs. Simplifying and automating payment processes, OaaS delivers an efficient and personalised customer experience. Paydock recently deployed its OaaS solution with a major banking partner, addressing these challenges in under 12 months. Banks should expect to accommodate such timeframes in planning their next move, remaining cognisant that merchant attrition is not quickly or easily reversed.

Critically, through a single API integration, OaaS delivers a dynamic payment experience to a bank's merchants, without requiring an overhaul of the bank's existing infrastructure. By bridging legacy and emerging technologies, OaaS provides the foundational platform for the value-accretive payments solutions merchants seek, beginning with instant access to a myriad of payment methods, including Buy Now, Pay Later (BNPL), digital wallets, fraud tools, identification checks, Open Banking solutions, local schemes, and other payment methods. This expandable capability drives merchant satisfaction and retention.

Any change to the complexity of a bank's operational payments stack typically gives rise to a range of technological and security challenges and risks. OaaS avoids many of these by negating the need for a major transformation project. Moreover, a true bank-ready OaaS should have, at its core, the requisite bank-grade security credentials necessary to satisfy the bank's risk auditors. →

Defending revenue streams from erosion

The global ecommerce market is projected to grow at a **CAGR of 9.5% between 2023 and 2027**. Over the past 12 months, in many regions, banks' ecommerce volumes have stagnated, while the market has grown by up to 30%. Merchants are aware of this growth, and their response is clear, with **59% of them preferring a multi-vendor payments strategy**. Therefore, the banks that do not act quickly will face compounding market share loss each year. OaaS is the only viable solution available to banks to bridge the gap in a matter of months rather than years.

With this reduction in market share comes an ensuing reduction in acquiring revenue. Add to this the increasing margin pressure exerted by fintech challengers and the card schemes, and the need to find new revenue streams becomes even more acute. Once again, OaaS provides a solution to this. In addition to preserving and growing traditional acquiring revenue, banks can now offer payment processing fees for value-added services, as well as revenue share arrangements with downstream vendors.

Not only does OaaS offer a shield from the forces impacting traditional payments revenue, but future-ready paytech could deliver a 42% boost in payments revenue for banks.

Protecting core banking revenue

It's important to note that the risk to revenue is not limited to payments alone. In fact, core banking revenue in the form of net interest income is also under threat.

As challenger fintechs begin securing banking licences and offering their own suite of loan products, the preservation of deposits has become a strategic battleground. Payment vendors who own the ecommerce account have a greater influence over the flow of transaction revenue, directly impacting deposits and balances. Banks must retain their main financial institution status to preserve deposits and meet net interest income targets. **According to Mckinsey**, account ownership no longer suffices in preserving deposits. OaaS binds the merchant account to the main financial institution by repositioning the payment offering to best-in-class.

Conclusion

The incumbent banks' payment solutions are insufficient to keep pace with the offerings of fintechs. As the ecommerce market continues to grow at an unprecedented pace, only providers who offer exceptional, customer-centric payment solutions will be able to compete and gain market share.

From protecting revenue streams to preserving deposits, fostering net interest income growth, and establishing a stronghold on comprehensive financial relationships, OaaS emerges as the most compelling strategy for banks intent on being well-equipped to navigate the challenges of the contemporary banking landscape.

Paydock	Paydock is a bank-grade commerce orchestration platform that offers financial institutions and merchants connectivity to fintech and payment systems, seamlessly integrating with their existing infrastructure. Founded in 2015, Paydock serves more than 300 merchants and FIs, processing over USD 4 billion in monthly transactions with a year-on-year growth of over 120%.
Contact	**hi@paydock.com** & **sales@paydock.com**
Year founded	2015
Core solution	Paydock is dedicated to simplifying payment management and resolving systemic inefficiencies and risks associated with the industry's growth, such as ever-increasing complexity, lost profit, and material data risks. Paydock's platform has generated substantial ROI gains for customers, shrinking costs of payment ownership, including back-office administration, processing, technical, and compliance costs.
Payment capabilities	Payments orchestration, recurring payments, tokenization, reconciliation and reporting, white-label solution, recurring, hosted pages, payouts/disbursements, B2B payments, payment methods support, settlement currencies
Target groups	Financial institutions, merchants, marketplaces, PSPs, fintechs
Geographical presence	Global
Payment methods supported	50+ payment connections, including card, BNPL, APM, wallets
What is unique about your company?	Paydock is a fully white-label capable, acquirer-agnostic payments orchestration solution, ensuring a neutral platform built to optimise our customers' payment journeys. We partner with banks and enterprise merchants to solve problems through extensive design, onboarding, and training processes. As a Tier-1 vendor to FIs, we have bank-grade security and compliance credentials.
Future developments	Our priorities have been to create a platform with security and critical orchestration functionality at the core. We are now introducing a greater range of new payment methods and leveraging our stack to develop further solutions, such as onboarding processes, enhanced analytics, intelligence capabilities, and adding a checkout functionality to our multi-processor routing engine.
Main clients/references	Today, Paydock is a vendor for brands and platforms around the world. This includes financial institutions, retailers, not-for-profits, and initiatives with global wallet and consumer brands.
Partners	Paydock is integrated into most major gateways, acquirers, alternative payment methods, and fraud solutions. Our list of partners continues to grow as we expand globally.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Worldpay

We interviewed Alex Morgan-Moodie, Vice President and Head of Vertical Growth at Worldpay, about the importance of an optimised payment experience and the role of payment orchestration as a catalyst for businesses to boost customer conversion.

Alex Morgan-Moodie joined Worldpay in September 2020 and is Vice President and Head of Vertical Growth. Before Worldpay, Alex spent 11 years working for large multinational ecommerce businesses where he held various positions within the payments, product delivery, and corporate strategy functions, observing first-hand how the right payments strategy is an essential pillar underpinning growth.

Alex Morgan-Moodie ▪ *Vice President, Head of Vertical Growth* ▪ Worldpay

Why is optimising the payment experience crucial for merchants?

The drive to optimise the payment experience has quickly become an imperative for merchants across diverse industries. The landscape of commerce is dynamic, and the concept of payment optimisation can mean many things to many people. However, at its core, the goal is to maximise customer conversion, minimise costs, and concurrently mitigate the risk exposure inherent in financial transactions.

In an era where consumers demand seamless interactions, their tolerance for friction in the purchasing journey has reached unprecedented lows. Simultaneously, the surge in online data sharing has created fertile ground for fraudulent activities. Industries such as retail, gaming, airlines, grocery, and hospitality face mounting challenges with escalating customer acquisition costs or soaring operational expenses.

> *“Customer conversion begins with prioritising the user experience and optimising the payment page design.*

This challenging environment underscores why it is essential for merchants to optimise their payment flows comprehensively, from initiation to completion. It's not just a matter of convenience but it is more a strategic necessity.

What effective payment strategies can merchants adopt to improve acceptance rates?

Customer conversion begins with prioritising user experience and optimising the payment page design. Consumers expect a diverse array of payment solutions tailored to their needs, coupled with a presentation that is straightforward and intuitive. Digital wallets, for instance, play a pivotal role in reducing data inputs and mitigating cart abandonment – an issue often stemming from the inconvenience of having a physical card on hand. For global merchants, the ability to dynamically convert prices to local currencies is critical for broadening acceptance.

When we consider optimising for cost, understanding the payments mix – the spectrum of payment methods used by customers – is equally important. Having access to effective back-office tools can generate insights into customer behaviour and identify the drivers for those choices, which, in turn, can help in deciding how to effectively manage processing costs. This can be done either by identifying what payment solutions to present at a particular stage during the customer lifecycle, or by routing transactions through least-cost networks in the US, for instance.

Considering risk management strategies, the more merchants understand their customer base, the better they will be able to implement effective fraud management solutions that strike the right balance between transaction acceptance and protection. Strategies also need to consider the rise of subscriptions, which we see in new verticals like hospitality and education, and individualised customer loyalty schemes. →

How does payment orchestration enhance the payment experience for merchants across various markets and industry verticals?

Proper orchestration of payment flows is an optimal way to balance conversion, cost, and risk across diverse markets and industries. Recognising the unique needs of each sector is paramount – where an airline may need to prioritise local currency acceptance in multiple markets, an insurance firm may require to payout large sums, whereas a fashion retailer may need omnichannel solutions.

Effective payment orchestration doesn't have to be complicated. It is about understanding the optimisation factors and collaborating with trusted payments partners to deliver them. This collaborative approach ensures that payment strategies align with industry-specific requirements, delivering a tailored and effective solution for merchants.

We saw how important it is to provide a frictionless checkout for consumers, but what are the key elements for achieving it?

A frictionless checkout experience is the cornerstone of customer satisfaction. It revolves around three key pillars:

1. **Seamless and smooth** – payment pages should be slick, quick, and convenient, and they should anticipate customer preferences, provide customised offers, deliver contextualised messaging, and be localised whenever possible.
2. **Safe and secure** – building trust and loyalty requires an effective fraud strategy. Merchants need to prioritise security measures to safeguard customer data and transactions, fostering confidence in their brand.
3. **Payments performance** – a judicious mix of payment options, tokenization, dynamic transaction routing, and the capability to operate globally in multiple currencies maximises the overall performance of a merchant's payments function.

How can Worldpay assist merchants in optimising the payment experience?

Worldpay, as a leading player in the payments industry, offers tailored solutions to assist merchants in optimising their payment flows. Here are a few notable offerings:

- **Guaranteed payments** – popular with retailers and airlines, this solution shifts the liability for fraud, leading to an average increase in approval rates by around 5-7%.
- **Fraudsight** – a comprehensive fraud management tool applicable across all verticals. Leveraging machine learning on data from over 40 billion transactions annually, Fraudsight makes real-time fraud decisions in milliseconds, increasing safety and less friction at checkout.
- **Revenue boost** – this solution empowers merchants to manage customer credentials effectively through Network Payment Tokens and an Account Updater feature. It facilitates intelligent payment routing, immediate retries, and automatic recycling, all accessible through a unified dashboard that even allows peer benchmarking.

In conclusion, the imperative to optimise the payment experience is not only a technological, but a strategic necessity. Merchants need to embrace a holistic approach, leveraging technology, understanding customer behaviour, and collaborating with trusted partners to navigate the intricate landscape of payments successfully. Worldpay stands ready to assist merchants on this journey, providing solutions to enhance payment experiences across the board.

worldpay from FIS

fisglobal.com

Worldpay payment processing solutions allow businesses to take, make, and manage payments in-person and online from anywhere in the world. Worldpay solutions, which support approximately 225 markets in 146 countries and nearly 135 local currencies, are offered by FIS, a leading provider of technology solutions for merchants, banks, and capital markets firms globally.

worldpay from FIS	Worldpay payment processing solutions allow businesses to take, make, and manage payments in-person and online from anywhere in the world. Worldpay solutions, which support approximately 225 markets in 146 countries and nearly 135 local currencies, are offered by FIS, a leading provider of technology solutions for merchants, banks, and capital markets firms globally.
Contact	US +1 800 237 2169 UK + 44 800 096 3997 ROI + 1800 800 117 EMEA + 44 20 8081 3840
Year founded	1989 (as Streamline)
Core solution	**Take** – We offer a unified payment solution for every payment experience across various channels and provide access to local payment methods worldwide. **Make** – Merchants have access to 135 currencies and 225 markets for fast money transfers globally. **Manage** – Merchants can protect and optimise all their payments with fraud and chargeback management and optimisation tools.
Payment capabilities	Payments orchestration, tokenization, recurring payments, white-label solution, hosted pages, pay-out/disbursements, cryptocurrency payments solution, reconciliation and reporting, B2B payments, payment methods supported, settlement currencies, instant settlement
Target groups	Financial services and gaming; digital and government; retail; airlines, travel, and hospitality
Geographical presence	Global
Licence type	Authorised Payment Institution
Payment methods supported	300 payment methods globally
What is unique about your company?	We value our long-term relationships with merchants and partners and take a consultative approach so that, together, we can create payment experiences that consumers love.
Main clients/references	Google, Emirates, Amazon, ZARA, Bet365, PlayStation, Disney, Apple, Booking.com, Expedia
Partners	BigCommerce, Oracle, THG, Signifyd, FreedomPay
	View company profile in online database*
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Overview of Payment Orchestration Platforms

Introduction

Payment orchestration has swiftly become a buzzword in the world of payments, especially in light of such a large **surge in global retail sales**. In an attempt to cater to the ever-shifting demands of consumers, ecommerce giants and small businesses alike have taken steps to ensure that they offer a seamless payment experience to their customers, whilst at the same time trying to manage the complexities implied by accepting payments across various geographies.

To help with this, businesses started to turn to payment orchestration platforms (POPs) that enable them to manage their payments across multiple payment methods, gateways, payment service providers (PSPs), acquirers, and territories.

Apart from the payment management aspect, POPs also provide a series of additional benefits. For instance, when integrated into a business's payment infrastructure, orchestration services can ensure payment security and compliance, reduce costs, and boost customer satisfaction by improving conversion rates – a significant advantage, given the **latest insights from Baymard Institute** that showcased that the average online shopping cart abandonment rate reached no less than 70.19%. Moreover, some POPs additionally feature real-time data analytics and reporting services.

As no database lays out the leading features that POPs offer, we have prepared a comprehensive infographic with information verified by the players we included. To present a clear image of the capabilities of each orchestrator, we reached out to POPs to learn:

1. If they provide acquiring services or are subsidiaries of an acquirer;
2. If they offer fraud capabilities as an additional service;
3. If they provide tokenization capabilities (proprietary tokenization, network tokenization, or both).

The first criterion aims to differentiate between orchestrators that do not offer acquiring services and those that do. Given the revenue and reputational risks at play, the second one strives to showcase whether or not the companies included offer additional fraud services. Last but not least, as cards are the most common payment method for ecommerce transactions, the third criterion is centred around the idea of tokenization – a key concept in the context of payments in general and orchestration in particular.

Payment tokenization is defined as a way of replacing a customer's payment information with a token. Depending on whether the token is issued by a card network or by a payment processor or gateway, one can further differentiate between network and proprietary tokenization. **Network** tokens are universally accepted, offer real-time transaction risk assessment, are automatically updated when the underlying card details change, and **can help reduce costs**. **Proprietary tokens** are issued to protect customers' data and enable merchants to stay PCI compliant. These tokens can usually solely be used in a particular payment ecosystem of the processor, and they are not generally transferrable.

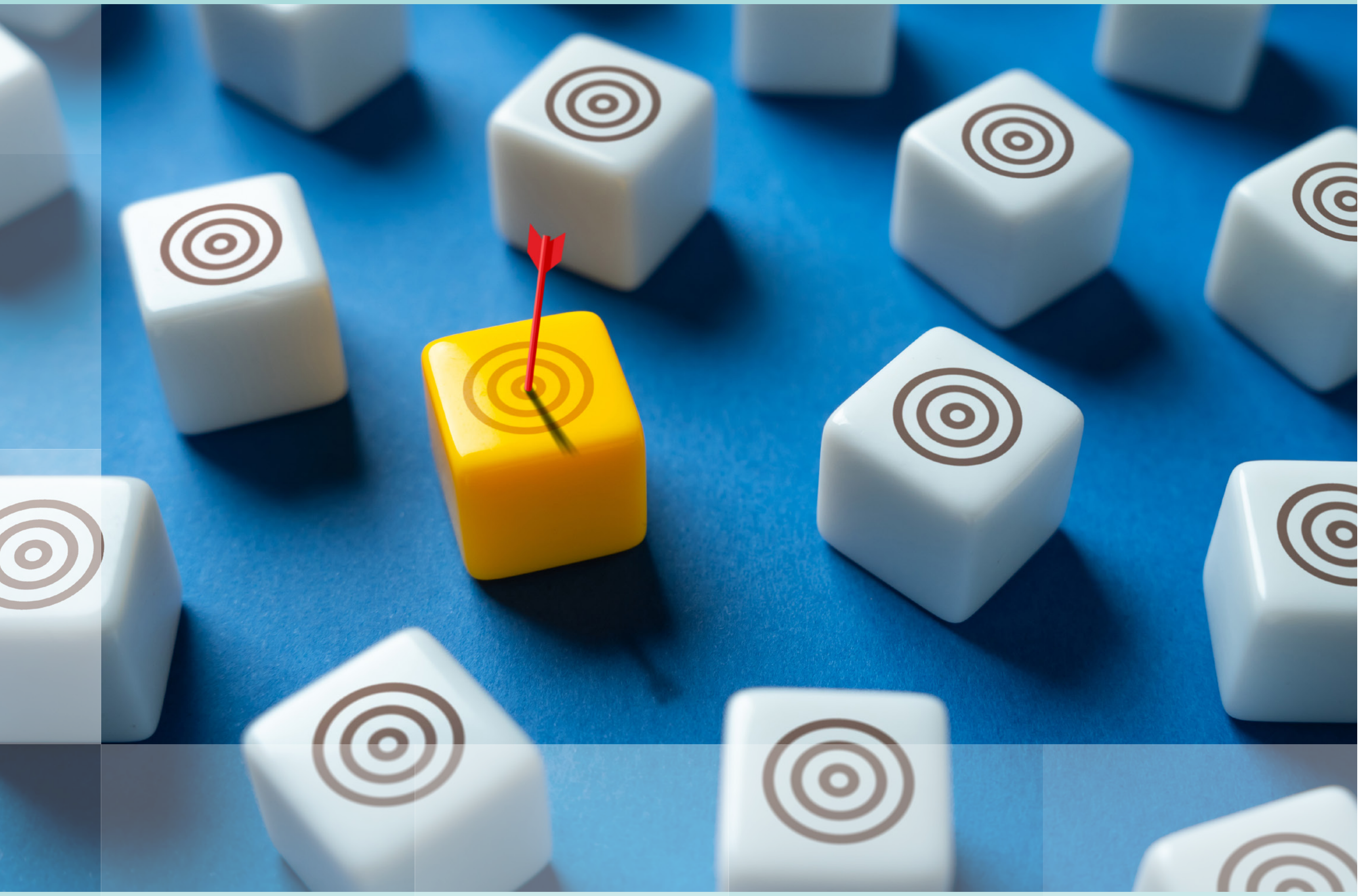
With these clarifications out of the way, we invite you to take a look at the infographic that resulted from our research – and use it either as an educative resource or as a starting point when looking into finding an orchestration service provider.

PAYMENT ORCHESTRATION PLATFORMS

Company	Does not offer acquiring /is not a subsidiary of an acquirer (Yes/No)	Fraud capabilities (Yes/No)	Tokenization (Yes/No)	Type of tokenization offered (Proprietary/Network/Both)
ACI Worldwide	Yes	Yes	Yes	Both
AKURATECO	Yes	Yes	Yes	Both
APEXX	Yes	Yes	Yes	Both
BlueSnap	No	Yes	Yes	Both
BR-DGE	Yes	Yes	Yes	Both
BRIDGERPAY	Yes	No	Yes	Both
CELL POINT DIGITAL LEADING PAYMENT ORCHESTRATION	Yes	Yes	Yes	Both
finMont	Yes	Yes	Yes	Both
GR4VY	Yes	Yes	Yes	Both
inai	Yes	Yes	Yes	Both
IXOPAY	Yes	Yes	Yes	Both
magnius	Yes	Yes	Yes	Both
NORBR	Yes	Yes	Yes	Both
nuvei	No	Yes	Yes	Both
Paydock	Yes	Yes	Yes	Both
PayRetailers	No	Yes	No	–
Primer	Yes	Yes	Yes	Both
ProcessOut	No	Yes	Yes	Both
Prommt	Yes	Yes	Yes	Proprietary
PURSE Make it grow.	Yes	Yes	Yes	Network
revio	Yes	Yes	Yes	Both
spreedly	Yes	Yes	Yes	Both
twikey	Yes	Yes	Yes	Both
WLPayments	Yes	Yes	Yes	Both
yuno	Yes	Yes	Yes	Both

Researched by ® The Paypers, 2023

Localisation as a Key Success Factor



- How the rise of local payment methods is giving consumers more ways to pay
- The need for local payment methods in cross-border ecommerce
- The importance of localisation in ecommerce and cross-border selling
- Insights into shaping your payment strategy for specific markets

PPRO

Shaping Your Payment Strategy to Ensure Cross-Border Success

Based in London, **Motie** joined PPRO in 2023 as Chief Commercial Officer, responsible for advancing the company's global commercial strategy, and as of October, he was appointed as CEO. He has over 20 years of experience in payments, having held a number of senior executive positions with renowned companies in the industry. He spent seven years in senior management roles at Worldpay and served as CCO at payments technology company Nuvei.

Motie Bring ▪ *Chief Executive Officer* ▪ PPRO

Across the global economy, ecommerce has emerged as an increasingly crucial component of business strategy. It's a core consideration for ambitious merchants who are looking to expand and operate both in their domestic market and internationally.

In line with the growth of ecommerce, there has been a massive surge in the adoption of digital payment methods. Cash is in decline, and by 2026, it is expected to be used for **less than 10% of global transactions made at point-of-sale (POS)**.

In contrast, this year, 77% of global ecommerce purchases will be made via digital and local payment methods. It's now predicted that the total transaction value in the digital payments market will reach **USD 15 trillion by 2027**, with digital commerce responsible for the majority share.

Digital wallet growth continues to accelerate, the Buy Now, Pay Later (BNPL) market is expected to see sustainable growth, and Open Banking-powered account-to-account (A2A) payments are projected to surge. **The Worldpay from FIS Global Payments Report 2023** found there are now around 70 real-time payment schemes providing high-speed payment rails that have driven A2A payments to account for USD 525 billion in global ecommerce transaction value last year – up 13% from USD 463 billion in 2021.

The plethora of payment options available today presents both a challenge and an opportunity for payment service providers (PSPs) as well as merchants seeking global success. It's important they cut through the complexity to create a payment strategy that's informed by consumer behaviour and agile enough to react to a developing payments landscape.

Putting together a checklist (and checking it twice!)

There is lots to do. This is why it's important to create a payment checklist that addresses the various variables in play.

Merchants need to ensure they are complying with local rules and regulations in each market, whilst making provisions for local language, fraud detection and prevention, and setting the right security standards.

It's critical they build a thorough understanding of local consumer behaviour and payment preferences. It's not a case of one size fits all. Europe, for example, is extremely fragmented when it comes to payment methods.

Germany and France are neighbouring countries and on the face of it could be very similar. But if you go to Germany, you'll find bank-to-bank transfers, including Giropay and SOFORT, are the leading payment methods. And if you go to France, it's cards – including global names like Visa and local ones such as Cartes Bancaires (CB).

In Italy, meanwhile, there is a real mixed bag of payment methods, with bank transfers, like MyBank, and e-wallets, such as Satispay and Bancomat Pay, leading the way. ➔

Providing the right digital payments mix

Once merchants understand the market, they can cater to it. It's essential for them to meet consumer expectations in each market they operate in, or they will be at a serious disadvantage.

In India, for example, Unified Payments Interface (UPI), the instant payment system developed by the National Payments Corporation of India (NPCI), is now processing around 60% of all domestic payments. It has **over 300 million active users** and supports nearly 400 banks and 100 third-party apps. **According to the NPCI**, the total value of UPI transactions for May 2023 hit a record INR 14 trillion (equivalent to around USD 173 billion). Merchants can't afford to ignore it.

Pix, the Brazilian instant payments scheme, is another one that's moved the needle and highlighted how the most powerful payment methods are the ones that meet people in the context and the geography they are actually in. Pix has had a meteoric rise since launching in November 2020, and by the middle of 2023, it had more than 150 million users.

By incorporating the right payment methods, such as Pix and UPI, at their checkout, merchants can increase conversion rates and avoid the issue of cart abandonment, which continues to hinder expansion efforts. Globally, cart abandonment rates remain high – reaching **85% in Africa** and similarly, 83% in Latin America. North America (79%) and Europe (79%) are not doing much better, and the lowest rate of cart abandonment stands at 76% in Asia and the Pacific.

Despite being relatively young, these new payment methods are experiencing huge and rapid growth. For online businesses, this presents both opportunities and challenges as they need to swiftly respond to the developing payments landscape. Having an agile payment strategy in place and the right partners at their side is essential. Only if they stay ahead and react quickly can they be successful in moving into new markets, growing existing ones, and cementing their position as leaders in the digital economy.

ppro

PPRO provides digital payment solutions to businesses and banks so that they can scale their payment services through one connection. Citi, PayPal, and Stripe are just some of the names that depend on PPRO to accelerate their roadmaps, boost their conversions, and eliminate the complexities of digital payments.

ppro.com

ppro

PPRO provides digital payment solutions to businesses and banks so that they can scale their payment services through one connection. Citi, PayPal, and Stripe are just some of the names that depend on PPRO to accelerate their roadmaps, boost their conversions, and eliminate the complexities of digital payments.

Contact	https://www.ppro.com/contact/
Year founded	2006
Core solution	At PPRO, our mission is to simplify access to local payment methods. In a nutshell, we offer local payments, global reach, and one platform. Our digital payments platform lets you scale your payment services through one connection.
Payment capabilities	B2B payments, white-label solution, payment methods supported in 85 markets globally, instant settlement, various settlement currencies, recurring payments, tokenization, payments orchestration
Target groups	Payment service providers and their merchants, enterprises with payment platforms, banks
Geographical presence	Global: the US, Europe, APAC, LATAM
Licence type	Regulated in the UK by the FCA and in Luxembourg by the CSSF
What account type do you serve?	Business, corporate
Payment methods supported	Hundreds of payment methods in 85 global markets
What is unique about your company?	Our digital payments platform lets you scale your payment services through one connection. Founded in 2006, we have more than 400 regional experts working across 11 locations worldwide.
Future developments	This year, PPRO signed a strategic partnership with NPCI International to unlock simplified access to India's UPI. We will continue to add best-in-class payment methods and are on a mission to enable the sale of goods and services to anyone in the world using their preferred way to pay.
Partners	PayPal, Global Payments, Online Payment Platform, Worldpay, Spreedly, APEXX, Nexi, and many more. MPE award winner 2023 for 'Best Cross-Border Merchant Solution'.

View company profile in online database*

*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Boku

The Future of Payments Is Local: How the Rise of Local Payment Methods Is Giving Consumers More Ways to Pay

Stuart is a C-level executive with a track record for leading fintech and mobile technology businesses – from VC-backed startups to enterprises. He was CFO at Boku at the time the company IPO'd on AIM and led Boku's Identity division and its sale to Twilio. Since 2020, he has been a Youth Mentor at Urban Synergy Mentoring Pool and is Chair of Artificial Intelligence (AI) company Loopin.

Stuart Neal ▪ *Incoming CEO* ▪ Boku

In an era marked by economic uncertainties and complex geopolitical concerns, global merchants are scouting for strategies to sustain and propel growth. One avenue that is providing a welcome boost is the integration of alternative (i.e., non-card) payment methods – commonly known as local payment methods (LPMs). This is because, in many markets globally, cards are the alternative in terms of usage, and LPMs such as Alipay, UPI, Pix, and others are the dominant forms of payment.

By tapping into region-specific payment preferences, companies can offer a more diverse, innovative, and fair ecosystem of local and alternative payment methods that finally allow people to make payments their way. Widening local choice, in turn, is helping global merchants gain subscribers and grow transactions in their less saturated markets.

Before we delve into how LPMs drive international growth, it's important to first understand what these methods are and what they encompass. The concept of alternative payments refers to any payment methods other than cash, debit cards, or the major international credit card brands. With the rise of fintech, alternative payment methods have quickly gained popularity and can include mobile wallets, Buy Now, Pay Later (BNPL) methods, account-to-account (real-time bank payments), and direct carrier billing.

LPMs describe alternative payment instruments that arise out of the specific cultural, economic, and tech landscape of a particular country or region – and are the preferred payment choice for consumers. In China, for example, the predominant method of paying is through the mobile wallets of the country's 'super apps' – WeChat Pay or Alipay –, while in East Africa, consumers are choosing to pay with local methods like M-PESA, the mobile payments service. In India, the Unified Payments Interface (UPI) dominates, and in Brazil, Pix has rapidly emerged as the prevailing choice for online payments. In Europe and the US, credit and debit cards remain popular, yet a growing number of consumers are also turning to new, mobile-centric, non-card payment methods: Bizum in Spain, Twint in Switzerland, BLIK in Poland, Satispay in Italy – to name just a few –, while younger Americans are turning to Venmo or Zelle.

Offering LPMs has a number of advantages for merchants. First and foremost, there's the trust factor. By allowing consumers to pay through methods that are commonly used in their area, global merchants can present a local, familiar transaction choice that shows their commitment to customers' preferences. In parts of the world that may be sceptical of credit cards or have limited access to them, options such as instant bank transfers (real-time payments) or the use of mobile wallets can make a world of difference in calming security concerns or facilitating the inclusion of new users. Indeed, not every potential client has access to a credit card, especially when it comes to younger demographics in emerging economies. By integrating local methods, merchants can address a larger, more diverse customer base, whose affinity to plastic cards is non-existent.

In addition, in a sluggish global economy, diversifying payment options is akin to diversifying investment. By not putting all their eggs in one basket, businesses ensure a continuous flow of transactions even if one payment method slows. →

Growing transactions

The impact of LPMs isn't just theoretical. Several businesses have reaped tangible benefits from this approach, as the user experience plays a pivotal role in the consumer's decision to complete a transaction. By offering a frictionless, localised payment experience, merchants significantly reduce cart abandonment rates. Moreover, extending these capabilities can allow customers to easily pay for subscription services. This streamlined path typically leads to higher transaction volumes and higher revenues.

In 2022, Boku worked to integrate a fully tokenized connection to Alipay CN/HK for a global interactive entertainment company, providing consumers located in China and Hong Kong with an easy, frictionless way to use their Alipay wallets to make transactions and pay for subscriptions. This vital product had been untapped until then, creating a new, recurring revenue stream for the company – and delivering a 35% uplift in transaction volume within six months of its launch.

Other global merchants are quickly beginning to understand how vital it is to offer regional consumers their choice of local payments. Take the example of a global streaming service that has recently made a push to expand beyond America and Europe and into Asia and other emerging markets: Netflix. A **Bloomberg News article** revealed that in a region where credit card use is not common, the streaming giant has turned to the integration of local payments to reach more potential clients. As an outcome of this strategy, the company increased revenues threefold and is now rolling out LPMs in other emerging markets.

Managing LPMs

In today's challenging economic landscape, merchants cannot afford to overlook any strategies that enable growth or deliver a truly global reach. LPMs, with their ability to offer the widest possible reach of paying customers, give any global brand the opportunity to gain users in areas with less access to conventional card payments. LPMs are critical to reaching new markets and boosting client growth, hence their adoption by many tech giants.

LPMs now roughly represent two-thirds of all global online payments – a significant rise from 2010, when they accounted for 25%.

LPMs show no sign of slowing down. Wallets such as Alipay, GoPay, and NaverPay or real-time payment schemes such as Pix and UPI are now the leading payment methods in their markets, and LPMs' share of global online payments will continue to grow worldwide. But managing the rising number of LPMs is no small feat. They must be vetted, have diverse APIs integrated, include the ability to analyse data, and have the capacity to adjust their availability on a per-country basis. That's why, rather than attempt to work directly with hundreds of LPMs, the world's biggest merchants choose to integrate and manage their LPM integrations using Boku's dynamic platform.

By recognising and respecting regional payment preferences, companies are not just ensuring transaction growth, but also forging lasting relationships with their consumer base – a win-win in an otherwise challenging market.

boku

Boku is a global provider of mobile payment solutions. Boku's mobile-first payments network, including mobile wallets, direct carrier billing, and account-to-account/real-time payments schemes, reaches over 7.5 billion mobile payment accounts through a single integration.

boku.com

boku	Boku is a global provider of mobile payment solutions. Boku's mobile-first payments network, including mobile wallets, direct carrier billing, and account-to-account/real-time payments schemes, reaches over 7.5 billion mobile payment accounts through a single integration.
Contact	**marketing@boku.com**
Year founded	2009
Core solution	Boku aggregates a variety of global alternative payment methods (including mobile wallets, account-to-account payments, local cards and carrier billing) into a single connection to our platform – which is tailored for automated, recurring charges initiated by the merchants. Boku provides real-time, continuous optimisation of the alternative payment methods connections, which improves conversion and authorisation rates.
Payment capabilities	Tokenization, recurring payments, white-label solution, hosted pages, reconciliation and reporting, B2B payments, instant payments. Payment methods supported: **https://www.boku.com/network** Settlement currencies: AUD, BRL, BGN, CAD, CLP, CNY, COP, CZK, DKK, EGP, EUR, HKD, HUF, INR, IDR, ILS, JPY, KRW, MYR, NZD, NGN, NOK, PHP, PLN, ROM, SAR, SGD, SEK, CHF, THB, TRY, UAE, GBP, USD, VND
Target groups	Merchants
Geographical presence	29 countries, including the US, the UK, IE, DE, EE, IN, SG, JP, CN, HK, VN, TW, BR, MY, ID, MX, AE, KE, NG, PK
Licence type	More info regarding Boku's global settlement operation, which is built on top of 34 corporate entities that are licenced, registered, or otherwise permitted to collect payments for merchants, can be accessed at: **https://www.boku.com/services**
What account type do you serve?	Business/corporate
Payment methods supported	Over 200
What is unique about your company?	Boku's payment volume is led on non-card payments, with a primary focus on compliance, security, and performance. Boku establishes standards, entities, and licences for fund transfers, using its proprietary technology stack. It has built a leading non-card payment network connecting major wallets and real-time payment schemes – and serving non-card payment issuers.
Future developments	Future developments include new support for FedNow, FasterPayments, SEPA ICT, and recurring payment flows for UPI, Pix, and BLIK.
Main clients/references	Google, Sony, Microsoft, Netflix, META, Tencent, Spotify
Partners	Alipay, Pix, PayPay, UPI, Twint
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

TrustPay

Karin Milková, Commercial Director at TrustPay, examines the need for local payment methods in cross-border ecommerce and explores key features that payment providers should have.

Karin is an experienced professional in all things related to the latest payment trends, whether it's within the European Union or around the world. She's currently in the position of Commercial Director at TrustPay, where she's the driving force behind building business relationships, shaping smart business strategies, analysing sales figures, finding potential leads, and nurturing important partnerships.

Karin Milková ▪ *Commercial Director* ▪ TrustPay

The concept of 'borderless ecommerce' is gaining momentum. Could you share some insights into how a payment provider can enable cross-border transactions and create a good experience for both merchants and customers?

In today's fast-changing world of online shopping across borders, the idea of 'borderless ecommerce' has gained momentum. At TrustPay, we cover all important and popular payment methods within Europe and beyond, and we are constantly expanding our offer and adding new ones. Making it easy for businesses and customers to buy and sell across different countries relies a lot on using payment methods that work well locally.

> *It is important to provide a unified platform that covers a wide array of local payment options, so merchants can find all these services consolidated under one roof.*

Local payment methods are key to building trust and making shoppers feel at home, no matter where they're from. Incorporating these methods – such as Blik in Poland and iDEAL in the Netherlands – is crucial for fostering trust and ensuring a seamless shopping experience for customers. These region-specific payment alternatives are essential for the survival of any ecommerce venture as they hold a more dominant position in the respective countries compared to standard card transactions – making them a critical component for conducting business. By providing these localised payment options alongside conventional credit cards and digital wallets, we can alleviate the complexities associated with international transactions, thereby boosting sales and fostering customer loyalty. Merchants need to make sure that customers can opt for their favourite payment method and improve their conversion. By paying attention to all these things, payment providers can make it much easier for businesses and customers to buy and sell internationally with confidence and ease.

Why are local payment methods crucial for ecommerce merchants operating on a global scale, and how should payment providers assist them in integrating these methods effectively?

In the ever-expanding world of global online business, understanding and utilising local payment methods is key for merchants to meet the diverse needs and preferences of customers worldwide. For example, our payment professionals can help merchants find a suitable payment mix tailored to their customers' distinct requirements and preferences. It is important to provide a unified platform that covers a wide array of local payment options, including bank transfers, digital wallets, and region-specific payment methods, so merchants can find all these services consolidated under one roof. Moreover, compliance and risk teams can guide merchants through the intricate regulatory landscape, ensuring adherence to the compliance standards associated with each local payment method. This approach guarantees a secure and smooth transaction process for both the merchants and their customers. Even more so, the infrastructure should be adaptable and designed to keep pace with the ever-changing landscape of payment preferences among international customers. →

What specific challenges do businesses encounter when it comes to cross-border payments in the ecommerce space, and what features should payment providers offer to mitigate them?

Businesses often face several challenges when dealing with cross-border payments in the ecommerce realm. One of the primary obstacles is navigating complex international regulations and compliance standards, which can differ significantly from one country to another. Additionally, fluctuations in currency exchange rates and associated transaction fees can pose financial hurdles for businesses engaged in cross-border transactions. Ensuring secure and reliable payment processing while maintaining transparency and trust across different jurisdictions is another critical concern for businesses operating globally. In addition, supporting multiple currencies helps businesses avoid foreign exchange losses commonly incurred during cross-border transactions. At TrustPay, we make sure to focus on putting secure measures in place and strong fraud prevention to build trust and keep both merchants and their customers safe. Moreover, accessible customer support and responsive services should be designed to assist businesses promptly, fostering a positive and seamless cross-border payment experience.

How do payment providers ensure the security of cross-border ecommerce transactions, and what specific fraud prevention measures and technologies are essential to protect both businesses and customers?

Making sure that cross-border ecommerce transactions are secure is crucial. It's all about building trust and keeping businesses and customers safe. To do this, we use a combination of different methods and modern technologies.

One important thing we need to do is use strong data encryption methods. This keeps sensitive financial information safe when it's being sent. We also use tokenization, which means replacing sensitive data with special symbols to lower the chances of any data breaches and make transactions even more secure. It is important to use smart systems to detect and prevent fraud. These systems could use artificial intelligence (AI) and machine learning (ML) to examine transaction patterns in real time. This helps quickly identify anything unusual or suspicious. Through these actions, we can halt any fraudulent transactions, thereby protecting both businesses and customers from potential financial losses and reputational harm. It is also crucial to implement measures like 3-D Secure and additional checks to verify who's involved in the transaction. This way, it is possible to decrease the risk of any unauthorised access or questionable activities. Our team, for example, keeps a constant watch on transactions, always on the lookout for anything unusual. If we spot anything suspicious, we should act promptly to prevent any issues and ensure the safety of cross-border ecommerce transactions. Regular checks and audits are also crucial.

What is the significance of a good provider relationship?

Establishing a solid partnership with a dependable payment provider is essential for businesses in various aspects. By enabling clients to concentrate on their core operations rather than tackling intricate payment issues, TrustPay adds value to their services. This not only guarantees smooth and secure payment processing but also cultivates a sense of trust and reliability among customers. A good relationship with their payment provider allows businesses to offer a variety of payment options, accommodating diverse customer preferences and enhancing the overall shopping experience. A robust partnership with a payment provider can facilitate efficient and timely resolution of any payment-related issues or concerns, contributing to customer satisfaction and loyalty. Moreover, a dependable payment provider can help businesses stay updated with the latest industry trends and technologies. This is instrumental in fostering business growth, customer satisfaction, and long-term success in the realm of online commerce.

TrustPay

trustpay.eu

TrustPay belongs to the first financial institutions within the region to provide secure ecommerce payments across the EEA area. Since its establishment, TrustPay has focused on providing innovative payment services for online businesses with cross-border reach, offering a variety of payment solutions. TrustPay's portfolio includes worldwide online card payment processing, a large portfolio of alternative payment methods, modern accounts for online businesses, innovative reconciliation tools, and reconciliation tools.

TrustPay	TrustPay provides payment services for online businesses with cross-border reach, offering a variety of payment solutions under one roof. TrustPay creates a customised strategy for every client – based on the specifics of the business – to ensure secure ecommerce payments and an optimised experience to fit your company's needs.
Contact	**sales@trustpay.eu**
Year founded	2009
Core solution	Worldwide online card payment processing, wide range of local payment methods, modern accounts for online businesses, reconciliation tools, and many others.
Payment capabilities	**Payments orchestration** – own gateway, tokenization, recurring payments, white-label solution, hosted pages, pay-out/disbursements, reconciliation and reporting – yes, various types of modern reports – daily via API, B2B payments, instant settlement **Payment methods supported** - worldwide online card payment processing, alternative/local payment methods, instant bank transfers, payment link **Settlement currencies** – EUR, USD, GBP, CAD, AUD, SEK, NOK, DKK, PLN, CZK, HUF, NZD, RON, CHF **SEPA** instant transfers
Target groups	Merchants (retail, digital, gaming – online games, subscription services, education), fintech, brokers, crypto, FX
Geographical presence	Global
Licence type	Payment Institution, Open Banking (PISP licenced)
Payment methods supported	Worldwide online card payment processing, alternative/local payment methods, instant bank transfers, payment link
What is unique about your company?	TrustPay, established in 2009, is one of the early financial institutions in the EEA to provide secure ecommerce payments in the region. The company distinguishes itself through a diverse portfolio, offering global card payment processing, tailored business accounts, local payment methods, reconciliation tools, and a commitment to ongoing innovation and expansion.
Future developments	More information available upon request
Main clients/references	Sample client logos list available on our website: **https://www.trustpay.eu/** or **https://www.trustpay.eu/case-study/**
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Worldline

Seizing Opportunities in Türkiye's Dynamic Ecommerce Landscape: a Strategic Guide for Global Enterprises

Guillaume is VP of Growth at Worldline, expanding the company's unique selling proposition through geographical expansion, alternative payment methods, and M&A. He has 20 years of experience in various positions, holds an MBA from ESCP Business School, and two master's degrees in Computer Science Engineering from Paris and Oxford.

Guillaume Tournand ▪ *VP of Growth* ▪ Worldline

As global connectivity continues to expand, the ecommerce sector has emerged as a promising platform for both local and foreign businesses. Payment systems are central to every online commerce transaction, playing a significant role in shaping the experience of consumers and businesses. Gaining insights into consumer payment preferences and habits is crucial for the sustained growth of various markets, particularly in the realm of cross-border transactions.

Türkiye, characterised by its rapid digital evolution, a large and youthful demographic, and forward-looking governmental initiatives, is a compelling and promising ecommerce environment. A blend of distinct elements – such as a significant inclination towards digital payments, a complex regulatory landscape, and susceptibility to currency fluctuations – requires an in-depth analysis of Türkiye's payment infrastructure.

For global online businesses looking to establish a foothold in this market, it's vital to understand the practical aspects and conditions prevailing in the region. The preference for card-based payments and the obligation to adhere to intricate regulations concerning local procurement processing are both influenced by currency instability. Adjusting to local payment methods, including digital wallets and instalment payment alternatives, is fundamental to fully capitalising on the potential of Türkiye's ecommerce sector.

Understanding the market

Türkiye's substantial youth demographic, which constitutes 46% of the country's total population, is the main reason why ecommerce is thriving. With an average age of 32, this cohort holds significant buying power and digital competencies that are crucial in shaping market dynamics and customer behaviours.

By promoting technology and digital literacy, Türkiye's education system has been pivotal in nurturing a digital-friendly culture. Coupled with the widespread use of social media and easy access to high-speed internet, online shopping has become a favoured and convenient option among the younger population.

This digitally adept demographic presents a profitable prospect for foreign ecommerce firms aiming to tap into this rapidly expanding market. The fusion of Türkiye's swift digital transformation and its tech-inclined population forms the foundation for a dynamic ecommerce environment.

Understanding local payment preferences

Türkiye's ecommerce market is significantly influenced by its diverse payment landscape. More to this point, card payments are preferred by Turkish consumers, making up 64% of online transactions, which equates to approximately USD 7.42 billion in yearly sales.

The Turkish payment sector offers a variety of options, ranging from debit and credit cards to digital wallets and instalment payment methods. The Troy card, backed by 13 Turkish banks and the government, is widely used, **with credit card transactions reaching 79 million, and debit card transactions hitting 139 million in 2020**.

➔

Although global online businesses may initially face hurdles due to local processing requirements, aligning with local payment trends can help tap into the immense potential of the Turkish ecommerce sector. Moreover, the active engagement of Turkish consumers in loyalty schemes and their familiarity with instalment payments underscores their financial acumen, presenting opportunities for enhanced customer loyalty and increased transaction values.

Addressing the fluctuating Turkish Lira

The volatile nature of the Turkish Lira (TRY) poses challenges for businesses entering the market. Nevertheless, despite this obstacle, Türkiye's ecommerce market has seen remarkable growth, hitting over **TRY 800 billion in 2022**, marking a 110% increase from the previous year. This rapid market expansion, coupled with the rising volatility of the Lira, emphasises the need for effective risk mitigation strategies for businesses venturing into this market.

A viable strategy is the implementation of multi-currency pricing, which enables businesses to offer their products in multiple currencies, including local and more stable international currencies like the USD or EUR. This strategy offers customers the option to transact in a trusted currency, ensuring a steady stream of international revenue for businesses. This approach is especially important for cross-border payments, facilitating smoother transactions and improved customer experience.

Another potential strategy is forging alliances with local firms to minimise exposure to currency volatility. Such collaborations can allow local partners to manage the sales and distribution in local currency, enabling the international partner to concentrate on transactions in their home currency.

Businesses must also adapt to the unique behaviours and preferences of Turkish consumers, particularly regarding payment methods. Strategies such as multi-currency pricing and partnering with local entities can help manage the fluctuating TRY effectively, ensuring a steady income flow.

Recently, Worldline made a strategic move into the Turkish market by partnering with Lidio Payment Services, a Turkish payment service provider (PSP). This alliance capitalises on local expertise to navigate complex markets, enhance stability, and build confidence in managing currency fluctuations. Consequently, global customers can enter this market through their existing integration, bypassing the need for extensive efforts.

Türkiye holds vast potential for global online businesses ready to understand local nuances and capitalise on the opportunities it offers, especially concerning cross-border payments. However, success in this market requires more than just an understanding of its economic landscape. It demands a deep dive into cultural insights, consumer behaviour, and regulatory standards. Companies that can seamlessly integrate these elements into their business strategies, while effectively managing the challenges posed by currency volatility, are likely to establish a strong foothold in the burgeoning Turkish ecommerce scene.

WORLDLINE	Worldline is a global leader in payments technology. We help businesses of all shapes and sizes to accelerate their growth journey – quickly, simply, and securely. With advanced technology, local expertise and solutions customised for hundreds of markets and industries, Worldline powers the growth of millions of businesses around the world.
Contact	**infoWL@worldline.com**
Year founded	1973
Core solution	Our suite of solutions helps businesses accelerate their growth journey. From in-store and online commercial acquiring to digital services and highly secure payment transaction processing. Wherever you are or want to go, our solutions help you get there.
Payment capabilities	Payment orchestration, tokenization, recurring payments, white-label solution, hosted pages, pay-out/disbursements, cryptocurrency payments solution, reconciliation and reporting, B2B payments, 150+ payment methods supported, settlement currencies, instant settlement
Target groups	Merchants (retail, digital goods and services, self-service, petrol and energy, hospitality and travel, transportation), marketplaces, PSPs, fintechs, banks, brokers, crypto, FX
Geographical presence	Geographical presence in 40 countries and commercial activities in more than 170 countries encompassing Europe, North America, LATAM, and APAC.
Licence type	PI (Payment Institution) or API (Authorised Payment Institution)
Payment methods supported	150+
Future developments	Extend the platform capabilities with new innovative use cases.
Main clients/references	Spotify, Subway, TOTAL, Lufthansa, Sephora, KLM, Trip.com, BNPP, Commerzbank, ING
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Kora

Fintech Frontiers: Breaking Down Barriers to Cross-Border Ecommerce Payments in Africa

Dickson Nsofor, founder and CEO of Kora Technologies, has extensive experience in IT, business analysis, and project management. He is pioneering payment technology in Africa, helping businesses scale across the continent. Dickson's African Founders Fund (AFF) provides funding opportunities for African talents. Since its inception, Dickson has invested in over fifteen African startups with a combined valuation of USD 2 billion.

Dickson Nsofor ▪ *Founder and CEO* ▪ Kora

For ambitious ecommerce businesses, expanding into new markets and acquiring users globally presents a substantial opportunity. For businesses considering expansion to Africa, tackling the intricacies of payments on the continent is a pivotal aspect of their expansion efforts. Compared to anywhere else in the world, payment dynamics in Africa are unbelievably complex.

When money is sent to a neighbouring African country, it undergoes a series of currency conversions, adding layers of complexity. Consider this scenario – a trader from Gambia needs to pay for a shipment of coffee beans to another trader in Ethiopia. Due to the absence of local-to-local transfers in Africa, Trader A's bank in Gambia engages a correspondent bank in Europe or in the US to convert Gambian Dalasi (GMD) to US dollars (USD) before a further conversion into Ethiopian Birr (ETB) for Trader B. While this correspondent bank facilitates the transaction, it amplifies both complexity and cost. The resulting intricacy of this situation incurs an annual cost of approximately **USD 5 billion for Africans**.

Nevertheless, amidst these challenges, it's crucial to spotlight success stories. Take, for instance, an excerpt from the **'Future of Fintech in Africa 2023 Report'** by Kora and Finextra, which mentions that 'two years after the global financial crisis, M-PESA, a Kenyan payments, money transfer, and micro-financing service, emerged as the most successful mobile phone-based financial service in the developing world. Transaction flows sent by banks have grown at an average rate of 10% year-on-year over the past decade. Simultaneously, mobile money payments skyrocketed, with the monthly transaction value surging 25 times between 2010 and 2018.'

In Africa, the digital payments market has outpaced Europe's growth. While electronic payments in France surged from 33 million in 2009 to 61.5 million in 2018, Nigeria witnessed a remarkable increase from 66 million in 2008 to over two billion in 2018.

Despite Africa's undeniable ascent, the existing payment infrastructure, primarily geared towards outside-in transactions, leaves much to be desired. Vertical rails dominate, with minimal horizontal payment rails facilitating direct transfers between African nations. The launch of the Africa Continental Free Trade Area (AfCFTA) and the Pan-African Payment and Settlement System (PAPSS) marks a significant stride towards seamless cross-border payments akin to the traditional SWIFT networks but tailored to power interoperability between the over 42 separate currencies in Africa. →

The burgeoning presence of fintech companies in Africa opens up a significant opportunity to revolutionise cross-border payments, fostering healthy competition and connecting the continent through a unified API. Kora stands at the forefront, actively building a pan-African payment infrastructure that empowers businesses to enter Africa, connect with all 54 countries, and support local enterprises in accessing global markets.

As mentioned before, governments and regulators must lead the way in fast-tracking the vision of seamless cross-border rails in Africa. One way to do this is by establishing favourable regulations, reducing bureaucratic obstacles, and bringing down unfriendly payment borders.

Banks, microfinance institutions, and fintech companies must also play our parts. The alliance between core banking infrastructure, fintech innovators, and regulators is critical in delivering a seamless payment experience.

An exciting technological innovation that the government is leading in Nigeria, for example, is the cNGN token that's launching on major crypto exchanges like Binance, Coinbase, and Kiplin in 2024.

The cNGN is one of the Central Bank's strategic initiatives aimed at fortifying the Naira as a robust and dependable currency, cultivating confidence among domestic and international investors. This measure seeks to position the Naira as a stable currency, thereby enhancing its appeal and utility on the global stage.

The second-order effect of a token like the cNGN and its baked-in interoperability is that it can expedite time to value for international transactions. The effect won't stop there. Done well, the cNGN may kick a trend of central bank digital tokens across the continent.

While acknowledging the commendable efforts of pioneers such as Interswitch, Cellulant, and e-tranzact and innovations like the cNGN, it is evident that there's still a considerable distance to cover.

With regulatory bodies, innovators, and legacy financial institutions aligning their strategies, we are committed to dismantling unfavourable payment borders. Ultimately, this enables international brands to set up operations in Africa, ensuring a seamless movement of money within and outside the continent, thus enhancing Africa's contribution to global trade.

kora

korahq.com

Kora is a pan-African payment infrastructure that provides payment APIs for businesses to collect, disburse, and convert payments across Africa, enabling rapid scalability for global companies. We power businesses to accept payments, make payouts, and convert across multiple channels with one integration. Our offerings span three major blocks: omnichannel payments, supercharged payouts, and settlements.

kora	Kora is connecting Africa to the world and connecting the world to Africa via payments. For startups and businesses working in Africa, we provide all the necessary help to start, scale, and prosper on the continent. Visit **www.korahq.com** to see all the ways you can thrive with Kora.
Contact	09139351686, **marketing@korapay.com**
Year founded	2017
Core solution	Kora offers a robust payment API for payment collections, disbursements, and conversions for businesses anywhere in Africa. Collect payments and make payouts in GHS, KES, NGN, EUR, GBP, and USD.
Payment capabilities	Pay-out/disbursements, white-label solution, B2B payments, settlement currencies (settlement in NGN, KES, GHS, GBP, and USD), recurring payments
Target groups	Gaming merchants, FX, travel, remittance, PSP, payment aggregators, fintech, ecommerce
Geographical presence	Africa
Licence type	Payment Solutions Service Provider (PSSP licence in Nigeria), Third Party Payment Provider (TPPP – EFT licence – in South Africa)
Payment methods supported	Cards, bank transfer, mobile money, M-PESA
What is unique about your company?	Kora gives global businesses payins and payout capabilities in all important markets in Africa through one single API. Easy cross-border settlement anywhere in the world.
Main clients/references	Exness, Ad Dynamo, Octa Fx, Exinity, AT Gaming, Betwinner, Alpari, Venco, GiG Logistics, Naga Capital
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Yuno

Juan Pablo Ortega, CEO and Co-Founder of Yuno, shares insights regarding growth markets and pointers about business expansion, talking about Yuno's journey so far.

Juan Pablo Ortega is the Co-Founder and CEO of Yuno. Before Yuno, he cofounded Rappi, LATAM's largest and fastest-growing on-demand platform – and one of the region's 'unicorn' startups, with operations in nine countries and a valuation of over USD 5.2 billion. He received a bachelor's degree in Applied Economics from Cornell University.

Juan Pablo Ortega ▪ *CEO and Co-Founder* ▪ Yuno

In the context of global commerce, what are the current trends and growth markets that businesses should pay close attention to?

We are currently at a significant turning point: on the one hand, there's a rise in consumption within emerging markets coupled with global digitisation. This leads to new markets increasingly influencing the production of services and goods. Simultaneously, organisations ranging from small businesses to large enterprises are shifting their focus toward direct-to-consumer (D2C) models.

> *"The strategic use of payment orchestrators enables businesses to optimise their payment strategies, adapt to local nuances, navigate compliance, and fortify their resilience against fraud.*

There is a noticeable turn towards alternative payment methods (APMs) like instant bank transfers, digital wallets, and Buy Now, Pay Later (BNPL), particularly in emerging regions such as LATAM, APAC, and EMEA. Ongoing digital and financial inclusion efforts are propelling more individuals into the financial system, even those without traditional bank accounts, who turn to APMs for their transactional needs.

Businesses are adapting to these changes and placing a significant emphasis on crafting personalised customer experiences. Leveraging technology and data-driven insights, companies are working to understand and meet the diverse expectations of their customer base around the world. The intersection of these trends paints a vivid picture of a fintech-driven future, where innovation and inclusivity take centre stage.

Latin America, Africa, and Southeast Asia are the most exciting growth markets that businesses should be paying attention to. Smartphone and ecommerce penetration are growing here more than in any other region, and the key to successfully enter these markets is to offer the right payment methods.

Expanding into new territories is exciting, but it comes with challenges. How can merchants overcome obstacles like speeding up time to market, fighting fraud, and avoiding low authorisation rates? What tips do you have for optimising payment strategies to ensure a successful international expansion?

Today, merchants face an increasingly complex landscape. The rapid evolution of commerce demands both convenience and ease of doing business and a high level of security. Merchants are expected to accommodate around 300 different payment types, each with its potential for fraud, which necessitates the integration of numerous fraud prevention solutions – a process which can be costly and overwhelming. Employing a payment orchestration solution can alleviate this burden, allowing businesses to concentrate on their core competencies and thrive in this dynamic environment.

One effective approach to overcome these challenges is using a payment orchestrator. The orchestrators possess a deep understanding of local consumer demands, allowing businesses →

to tailor their payment strategies to the diverse preferences of new customers. This is particularly valuable for merchants navigating the complexities of international expansion.

Moreover, payment orchestrators enhance business resilience against fraud. By integrating anti-fraud solutions into the payment workflow, orchestrators provide an added layer of security. They often come equipped with their own anti-fraud solutions and offer standard features such as 3-D Secure (3DS), contributing to a more secure payment environment.

In essence, the strategic use of payment orchestrators enables businesses to optimise their payment strategies, adapt to local nuances, navigate compliance, and fortify their resilience against fraud – all of which are key elements for a successful venture into new territories.

What was the inspiration behind the founding of Yuno, and what are the company's specific strengths and attributes that define its competitive advantage?

The founding of Yuno was prompted by the challenges faced while growing Rappi, an on-demand delivery company I cofounded in 2015. The intricacies emerged from integrating numerous payment methods, each with its distinct requirements, necessitating substantial time and effort for each integration. These persistent challenges prompted the realisation that merchants required a more efficient solution.

At the core of Yuno's mission is a commitment to offer merchants a broader range of payment methods, streamline the acceptance process, and reduce costs. Yuno's solution simplifies connections to new payment providers and integrates the Smart Routing tool, optimising payment flows and enhancing approval rates. Moreover, by prioritising client security, Yuno enables clients to select anti-fraud solutions integrated into their payment routes, ensuring a robust and secure payment environment for their operations. Yuno envisions a future where businesses, regardless of their region, can navigate the complexities of payment acceptance, with us as their trusted global partner.

What do you foresee as the next significant developments in the payments industry, and what should merchants do to stay at the forefront in the coming years?

To stay ahead of the curve, merchants must keep up with what customers want. Approximately half of the world's 236 central banks are exploring the idea of issuing their own central bank digital currencies (CBDCs), with countries like Nigeria (eNaira), Jamaica (Jamdex), and China already having launched theirs. In addition, several commercial banks, along with the New York Federal Reserve Innovation Center, have recently conducted a pilot for a digital dollar. This trend coincides with the growing consumption power in emerging markets. For instance, the average age in the Philippines is 24 years, compared to 38 in the US. This younger demographic demands different products and exhibits distinct purchasing behaviours. In the future, concepts like Embedded Finance or unified commerce will become standard rather than being seen as novelties.

We're seeing new ways to pay, not just from big players like Click Pay by Visa and Mastercard, but also from governments, like the Pix initiative in Brazil. These changes are shaping how we handle payments. There's a shift towards APMs, which are becoming more popular than traditional credit cards. People want payments to be easy, safe, and flexible to their needs. For instance, with BNPL, customers want to get what they want now and pay for it later. So, for businesses to keep up, they need to adapt quickly and work with these new payment options to meet what customers are looking for.

yuno

y.uno

Yuno is a global payments orchestration platform, with a presence in every region around the world. It enables the construction of a successful payments ecosystem, offering features such as one-click checkout modification, Smart Routing, the ability to view information from all payment processors, and fraud detection in one place, along with an intuitive workflow dashboard.

	Yuno is a global payments orchestration platform with a presence in every region of the world. It enables the construction of a successful payments ecosystem by offering features such as one-click checkout modification, Smart Routing, the ability to view information from all payment processors, fraud detection, and an intuitive workflow dashboard. Yuno aims to provide businesses with an online payment solution that addresses the challenge of managing multiple payment methods, as well as fraud detection tools.
Contact	Elisa Albornoz +57 3134302419 **elisa@y.uno**
Year founded	2022
Core solution	Worldwide Payment Orchestrator
Payment capabilities	Payments orchestration
Target groups	Merchants
Geographical presence	Global
Licence type	Software-as-a-Service (SaaS)
Payment methods supported	Over 300
What is unique about your company?	What makes Yuno unique is its global presence, as it allows you to integrate with over 300 payment methods worldwide from a single location. With an expert local team providing personalised support and cutting-edge technology, Yuno offers an optimal payment experience, all while increasing approval rates for merchant sales.
Main clients/references	We cannot mention all of them due to privacy policies.
Partners	Worldline, Riskified, Dlocal, VTEX, Nuvei, among others
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

PayRetailers

The Importance of Localisation in Ecommerce and Cross-Border Selling in LATAM

Ecommerce in Latin America has undergone a significant evolution. With a population of 640 million and a growing trend towards cross-border payments, its potential is remarkable.

In the region, **cross-border transactions account for 50% of total operations**. In this dynamic environment, PayRetailers has positioned itself as a key player, offering localised payment solutions that adapt to a variety of methods in multiple currencies, from cards and digital wallets to cash payments.

Payments work as a crucial pillar for strategic growth and, when managed through a unified platform, they can simplify operations, drive cross-border trade, and have a significant impact on businesses in previously unimagined ways. Below, we will examine how PayRetailers' innovative solutions in Latin America, with their focus on localisation, are making a difference.

Breaking barriers in LATAM

Currently, **85% of the world's population resides in emerging markets**, and, in Latin America, the opportunities are significant, given the growing digitalisation of the region, which already exceeds 60%. PayRetailers is dedicated to breaking down barriers in LATAM by addressing monetary and regulatory challenges in more than 12 countries.

One of the main challenges for merchants is to overcome geographical limitations and rigidity in payment options, which often results in difficulties to meet users' needs. PayRetailers has addressed this gap by developing a client-centred platform, which continuously improves their experience through a seamless payment system and a localised checkout process.

This solution allows customers to make purchases without leaving the website, using their preferred payment methods, which are adapted to the specificities of each country, and offering a wide range of options, from traditional to alternative methods, with intelligent routing to ensure successful transactions. Integrating a quick and easy payment process at checkout can increase conversion rates by up to 20%. This optimisation in the shopping experience generates greater confidence and comfort in customers when making online transactions, which translates into a greater willingness to complete the purchase.

The ecommerce ecosystem in LATAM

The ecommerce scene in Latin America shows a steady increase, with more than 300 million shoppers. The availability of a wide range of payment methods, including cards, cash, and online payments, has boosted both local and international shopping.

Regarding the preference for cross-border payment methods in Latin America, 58.4% prefer paying with international credit cards, 17.8% use debit cards, 7.9% choose bank transfers, 6.9% digital wallets, 2% prefer local credit cards, and the rest of 6.9% opt for other methods.

Digital payments play a crucial role in the development of industries, by benefiting both the banked and unbanked population. In Peru, where 58% of the population is not affiliated with a traditional banking institution, PayRetailers promotes financial inclusion by offering digital payment services such as digital wallets, QR codes, and mobile payments through other methods, such as BCP or BBVA.

Chile is also experiencing a **93% increase in local ecommerce transactions and a 79% increase in international sales**. PayRetailers adapts to the needs of this market by offering methods such as Webpay and Khipu, which are among the most popular online payment methods in the country.

Brazil is one of the continent's economic powerhouses, noted for its robust digital and cross-border trade, with an ecommerce sector valued at USD 47.635 millions). In response to the demands of this dynamic and demanding market, PayRetailers offers instant payments through Pix, the preferred payment method for most people in the country. With its speed and efficiency, it has become a powerful tool for ecommerce and, by enabling instant payments 24 hours a day, 7 days a week, it facilitates smooth and fast cross-border transactions. ➔

In Colombia, cross-border sales represent 34% of the total ecommerce sales in the country, and **the country is expected to become one of the three most innovative economies in the region by 2025**. In this market, PayRetailers offers a variety of online payments and the possibility to make payments with credit cards, such as Visa, one of the most popular methods in digital commerce, or PSE, which accounts for **52.7% of ecommerce payments**.

In other markets, such as Costa Rica, international payment methods and cross-border transactions prevail, accounting for **77% of the total ecommerce volume**. A remarkable 87% of the population has access to the Internet, and 70% have a bank account, showing a progressive trend towards banking and digitalisation. PayRetailers is focused on expanding payment methods to meet user preferences and streamline the purchase cycle in this country.

Overall, the landscape of cross-border payment method preferences in Latin America reflects the diversity of options, and this variety underscores the need for flexible solutions tailored to local preferences.

As ecommerce in the region continues to evolve, it is key to have a payment partner like PayRetailers, which operates in more than 12 countries in LATAM, with its innovative approach and strong presence in the region. Its robust strategy facilitates cross-border trade, ensures global expansion, and minimises obstacles, thus optimising business growth and profitability.

payretailers.com

Founded in 2017, **PayRetailers** is a global online payment service provider, specialising in Latin America. Through a flexible API, advanced technology, and commercial agreements, PayRetailers grants access to over 250 local payment methods. Headquartered in Spain, it has strategically located offices across Latin America, Bulgaria, and Isle of Man, among others. Learn more **here** and **follow us** to stay updated.

	PayRetailers is a payment processor in Latin America, known for its payment solutions for local and international businesses. With extensive experience in the online payment industry, we aim to ensure operational excellence and customer satisfaction. Active in various Latin America markets, we provide payment processing and customised solutions tailored to each business's specific needs.
Contact	**sales@payretailers.com**, Tel: (+34) 934 14 07 76
Year founded	PayRetailers was founded in 2017.
Core solution	PayRetailers offers a comprehensive payment processing solution, uniting global businesses with LATAM buyers. With a single API integration, we support over 250 payment methods in local currencies. From ecommerce to gaming, our platform streamlines pay-ins and pay-outs, eliminating the need for multiple acquirers, reducing complexity, and increasing revenue opportunities.
Payment capabilities	Payments orchestration, tokenization, white-label solution, hosted pages, global pay-ins and payouts, reconciliation and reporting, support for over 250 local payment methods, multi-settlement currencies.
Target groups	Our solution is suitable for various market segments, including PSPs, FX brokers, iGaming, financial services, e-learning, travel, marketplaces, SaaS, ticketing, and digital ecommerce companies of all sizes (business owners, head of payments, CEOs, investors, decision makers).
Geographical presence	PayRetailers is a trusted and reliable partner for local and international businesses looking to expand their presence in LATAM. With headquarters in Spain and regional offices in Bulgaria, Mexico, Colombia, Brazil, Argentina, Chile, Costa Rica, and Peru, our global team is dedicated to helping businesses of all sizes achieve their online payment objectives.
Licence type	We hold various licences and certifications, including Payment Card Industry Data Security Standard (PCI DSS) compliance and financial services licences in key regions.
Payment methods supported	We support over 250 payment methods, including major credit and debit cards, digital wallets, bank transfers, and region-specific options.
What is unique about your company?	Our single API integration for pay-ins and pay-outs supports over 250 payment methods in local currencies, enabling global businesses to boost revenue in LATAM. We offer a comprehensive payment solution, simplifying your operations and expanding your market reach, all on one platform.
Future developments	We are constantly evolving our technology to stay at the forefront of payment innovation. Future developments include enhanced artificial intelligence-driven fraud detection, expansion into new markets, and the integration of new payment technologies.
Partners	We collaborate with a network of technology partners and distribution channels to ensure our services are readily available. Our partners include global payment networks, financial institutions, and ecommerce platforms, enabling us to offer seamless integrations and access to our solutions.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Navigating Global Currencies – Foreign Exchange

- The benefits of Dynamic Currency Conversion for businesses
- Addressing specific challenges in cross-border payments for marketplaces and platforms with FX
- Meeting the expectations of digital-savvy customers
- Enhancing pricing transparency for customers purchasing in foreign countries

Mangopay

James Butland, VP of Payment Network at Mangopay, discusses the future of cross-border payments, and how they can be processed seamlessly by companies to drive cost optimisation.

James Butland is VP, Payment Network, at Mangopay, having joined the company in 2023. Prior to Mangopay, James spent six years at Airwallex, setting up its European entity, payment network, and operations. He has also worked for TransferWise (Wise) and Man Group, the UK-listed asset manager.

James Butland ▪ *VP, Payment Network* ▪ Mangopay

For marketplaces gearing up for global growth, what are the crucial factors they need to keep in mind while managing cross-border payments?

Around the world, national payment systems have embraced instant payments to bring speed and transparency to domestic payment networks. However, cross-border payments provide a multitude of challenges, and each corridor has its own unique challenges. While there are many moving parts in global payments, there are some fundamentals to keep in mind. Achieving success across borders goes beyond global expansion – it is about tailoring strategies to local dynamics to drive revenue. Building local payment experiences through currency coverage and payment methods is a key factor in monetising cross-border revenue effectively.

> *“Achieving success across borders goes beyond global expansion – it is about tailoring strategies to local dynamics to drive revenue.*

Additionally, it is important to keep treasury and financial operations in mind while managing different currencies and balancing multi-currency accounts. For instance, if you operate primarily in the UK and receive a large volume of payments from sellers in Europe, money must be transferred between accounts at the right time and cost. How are you going to make sure there is liquidity in the currencies you wish to operate in? When do you convert funds, and at what rate? This is where FX takes centre stage. An effective FX strategy adds stability to market fluctuations while converting funds from one currency to another. Overall, considerations include operational currencies, enabling local payment experiences for both buyers and sellers, and managing treasury operations.

What difficulties do platforms and marketplaces face when processing cross-border payments, and how can they overcome them?

To effectively monetise cross-border revenue, platforms must build local payment experiences. They must ensure buyers can pay in local currencies and sellers receive the exact amount, listed in their preferred currencies. Marketplace flows become more complex, particularly when multiple merchants sell in multiple currencies to a single buyer. The complexity of multi-currency transactions for buyers and sellers makes reconciling these payments and optimising costs difficult.

Cross-border payments also involve multiple intermediaries, resulting in less transparency and higher costs for both the platform and the end users. Each of these intermediaries increases processing times and costs, resulting in a complex network of exchange calculations and fees that must be carefully tracked and reconciled. This adds to the marketplace’s operational difficulties, as sellers contact support to find out why they are being paid in different amounts.

It is critical to prioritise the flexibility of FX to prevent the imposition of additional hidden fees by ensuring that it is not mandatory for all funds. Platforms frequently encounter the difficulty of quantifying expenses, which complicates budgeting and planning. Transparency is important to enable users to decide when and where they want →

to use FX. Thus, it is essential that you work with a payment partner which has extensive experience in processing transactions across multiple currencies through various channels, while ensuring that you maintain control over your FX strategy.

How does Mangopay's new FX solution address specific challenges in cross-border payments for marketplaces and platforms?

Recognising the need for efficiency while minimising costs, Mangopay's end-to-end FX suite enables platforms to drive global growth by simplifying cross-border payments. Built on our e-wallet infrastructure, platforms and sellers can use e-wallets to collect, hold, convert, and manage currencies. With multi-currency e-wallets, FX is not confined to a specific point of pay-in or payout, equipping platforms with the flexibility to leverage FX at any stage in the payment flow.

Mangopay's FX offers both Spot FX for real-time exchange rates and Guaranteed FX for locking rates for a brief period, enabling platforms to tailor FX flows for both user and platform funds.

This also extends to enabling platforms and their sellers to optimise conversions and reduce checkout churn by implementing multi-currency pricing. This, in turn, simplifies the process for both buyers and sellers, as buyers can shop in their local currencies, while sellers receive the exact amount listed. Additionally, platforms can leverage FX to apply markups and margins, enhancing monetisation opportunities.

At the same time, Mangopay's end-to-end FX makes managing liquidity and treasury easier. By lowering reliance on third-party integrations and optimising payment processes, it is possible to convert platform funds in real time through integrated FX capabilities. This not only improves the control and efficiency of treasury operations but also enables the seamless reconciliation of multi-currency payments.

What can we expect from cross-border payments in 2024?

We expect the cross-border payments landscape in 2024 to be characterised by a commitment to speed, efficiency, transparency, and enhanced user experiences. Some anticipated developments include:

- **Customer-centric cross-border payments**: continued emphasis on real-time payments to minimise friction, with a strong focus on improving the overall customer experience. This involves user-friendly interfaces, faster settlement times, and transparent fee structures.
- **Rise of multi-currency wallets for consumers**: anticipated widespread adoption of multi-currency wallets, empowering users to seamlessly hold and transact in multiple currencies using real-time FX rates. This would aim to simplify international purchases without traditional currency conversion hassles.
- **Integration of decentralised finance (DeFi)**: the increasing influence of DeFi will reshape cross-border payments by enabling stablecoins and payment flows to seamlessly interact with crypto-currencies. This shift introduces decentralised networks and smart contracts, offering a more efficient and automated framework for international transactions.
- **Built-in FX for advanced financial control**: advanced FX solutions with real-time rates, automated hedging, and integration with treasury management systems empower businesses to optimise costs, enhance treasury control, and ensure operational efficiency in the dynamic landscape of cross-border transactions.

To find out more about navigating cross-border payments, visit **mangopay.com/products/fx**.

mangopay.com

Mangopay empowers the platform economy with its modular payment infrastructure. Created in 2013, Mangopay has supported 2,500+ platforms and marketplaces. Built around its programmable e-wallet solution, Mangopay's end-to-end infrastructure covers platform payment needs, from pay-in to payout, for many platform business models and workflows. In March 2023, Mangopay was named Best Platform and Marketplace Provider at the Merchant Payments Ecosystem (MPE) Awards for providing best-in-class payment services to marketplaces and platforms, and, in October 2023, it was named one of FXC Intelligence's most promising cross-border payment companies.

mangopay	Mangopay empowers the platform economy with its modular payment infrastructure. Created in 2013, Mangopay has supported 2,500+ platforms and marketplaces. Built around its programmable e-wallet solution, Mangopay's end-to-end infrastructure covers platform payment needs, from pay-in to payout, for many platform business models and workflows.
Contact	**press@mangopay.com**
Year founded	2013
Core solution	Leveraging our flexible e-wallet infrastructure, we enable global platforms with end-to-end payment infrastructure to seamlessly collect, move, split, payout, and reconcile payments in a single integration. We empower global platforms to monetise cross-border revenue with payment processing, global payouts, identity verifications, and FX – all backed by AI-powered fraud prevention.
Target groups	We serve platforms, including product marketplaces, on-demand and service platforms, financial platforms, SaaS, franchises, social, gaming, and streaming platforms.
Geographical presence	Mangopay serves global platforms that operate out of the EEA and the UK from nine offices in France, Spain, Italy, Poland, Luxembourg, the UK, Germany, Ireland, and Sweden.
Licence type	• EU/EEA from the CSSF (Commission de Surveillance du Secteur Financier) • UK from the FCA (Financial Conduct Authority)
What account type do you serve?	Business and corporate
Number of currencies covered and geographic focus	Mangopay supports all major currencies to enable cross-border growth for global platforms and marketplaces. Our newly launched FX solution currently supports EUR, USD, and GBP. Over the coming months, we will be rolling out more currencies to expand our currency coverage.
FX rates provided	Spot Rates for instant currency conversions and Guaranteed Rates for short-period lock-ins. To get more information about FX at Mangopay, please visit us **here**.
Technology	API
Payment options in	Virtual IBANs; Cards: Visa, Mastercard, AMEX, Maestro, Cartes Bancaires, Bancontact; Bank wires: BACS, SEPA; APMs: Apple Pay, Google Pay, PayPal, Multibanco, iDEAL, Giropay, Payconiq, MB Way, Multibanco, BLIK, Satispay
Payment options out	SCT, SCT-INST, SWIFT, Faster Payments
Future developments	Expanding our currency and payment methods options, providing enhanced FX capabilities to empower global platforms with local payment experiences; enhancing Guaranteed FX capabilities allowing for longer lock-ins and strengthening fraud protection for users and businesses across the payment journey.
Main clients/references	Mangopay has supported over 2,500 platforms globally, including Vinted, Chrono24, Malt, and Wallapop.
Partners	Our partnership network includes Mondu, Hokodo, VTex, Aria, Billie, and more.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

Fexco

Sean Crowe, MD of the Payments Division at Fexco and Group Chief Commercial Officer, talks about digitalisation in the retail and hospitality sectors, and how Fexco's Dynamic Currency Conversion can benefit these industries and digitally savvy customers.

Sean joined Fexco as MD of the Payments Division and Chief Commercial Officer in July 2022. He previously served as Group Treasurer at the Bank of Ireland and as CEO of its Market & Treasury Division. His experience covers payments, financial markets, investment management, and insurance. Sean also served on the Bank of Ireland Group's Executive Committee and New Ireland Assurance Board from 2014 until 2020.

Sean Crowe ▪ *MD of Payments Division and Chief Commercial Officer* ▪ Fexco

What are the most relevant macro trends in terms of what consumers expect from payment service providers (PSPs) in the retail and hospitality sectors?

Fexco works with over 320,000 merchant businesses that now serve 3.7 million global merchant locations in more than 48 countries – including hospitality, retail, and cruise line operations. The two biggest macro trends that we see are the resurgence of cross-border travel post-COVID and an emphasis on enriching and personalising customer experiences. While there's an opportunity for these merchants to boost revenue by refining the customer experience through tailored services, it's not without its challenges. Keeping pace with advancing technology and ever-changing customer demands, especially at scale, requires adaptability.

To illustrate, consider these examples that we are seeing being rolled out:

- Mobile check-in/out: encouraging customers to use mobile devices for check-in and check-out optimises the process for those booking a cruise or hotel room.
- Contactless payment: implementing payment methods like mobile wallets and QR codes enhances the speed and convenience of transactions.
- Mobile ordering/payment: facilitating order placements and payments via mobile devices offers further practicality.
- Personalised recommendations: leveraging customer data for tailored product suggestions can foster a sense of value, potentially boosting sales.

By integrating these seamless solutions, both retail and hospitality sectors can offer a more personalised experience, ultimately bolstering customer satisfaction and loyalty.

How do fintech services, customer experience, and attitudes have an impact on these digital-savvy customers?

Digitally savvy customers expect top-tier experiences, particularly from financial service providers. They value flexibility, seamless technology, and superior customer service. A study by **Vonage** found that 86% of consumers are willing to pay more for a great experience while 32% of consumers would leave a beloved brand after one poor encounter according to a report by **PWC**.

> *“DCC enables customers to assess transaction costs in their preferred currency, promoting price transparency and facilitating informed purchase decisions when abroad.*

In fintech, consumer attitudes and experiences heavily influence loyalty. The pandemic-driven digital shift has reshaped industries like hospitality, amplifying demands for contactless interactions, online bookings, and clear digital payments. Hotels, acknowledging this trend, are upgrading their systems. This is demonstrated by a recent global **Statista survey** highlighting that half of travel and hospitality firms see 'new technology to better serve customers' as a priority. For fintech and hospitality businesses, a digital-first approach is vital. Efficient online booking, user-friendly payments, and innovations like Dynamic Currency Conversion (DCC) are central to enhancing customer satisfaction and loyalty. →

When it comes to digital payment methods, what challenges do businesses in the retail and hospitality sectors face?

In the retail and hospitality sectors, businesses encounter challenges when it comes to the adoption of digital payment methods. These include integrating diverse payment systems, managing costs associated with various providers, ensuring a consistent omnichannel experience, addressing cybersecurity concerns, and meeting evolving customer expectations regarding transactions. Additionally, foreign currency management and providing diverse payment options to accommodate international customers pose notable challenges.

What solutions does Fexco bring to the table to meet these foreign currency challenges?

Fexco offers an array of currency conversion solutions tailored for merchants that cater to international customers.

- Dynamic Currency Conversion (DCC) at the point-of-sale (POS) enables businesses to earn additional revenue with zero FX risk. It allows customers to pay in their preferred currency at the POS, whether it's online or at a physical location.
- The Multi-Currency Pricing (MCP) solution is designed for ecommerce, allowing international customers to browse, view prices, and make payments in their preferred currency. It ensures real-time currency management, enhancing the overall shopping experience.
- eDCC enables online customers to pay in their familiar home currency on the payment page, offering complete transparency about exchange rates and margins. This makes customers feel more comfortable and helps them better understand transactions.
- DCC@ATM gives international cardholders the option to withdraw cash at the ATM while paying for it in their currency – with full disclosure of the exchange rate and margin.
- These solutions collectively deliver a consistent, end-to-end payment experience, ensuring customer satisfaction, building brand loyalty, and generating additional revenue streams for businesses operating in the hospitality and travel industries.

What are the key benefits of DCC for businesses?

The advantages of DCC for sectors, such as travel and retail, encompass:

- Clarity and transparency: DCC enables consumers to see the exact amount they'll pay in their currency, aiding in budget comprehension. 85%* of consumers value the clarity DCC offers on purchase costs.
- Better consumer budgeting: DCC assists with budgeting, particularly in economically uncertain times.
- Boost in sales: merchants with DCC report an approximately 11% rise in sales.
- Brand perception and customer value: DCC improves brand image and boosts customer experience.
- Competitive edge and brand loyalty: DCC in payment methods distinguishes businesses in a competitive landscape, fostering increased loyalty. Qualtrics noted that 79% of consumers show higher loyalty to businesses providing DCC.

In summary, DCC benefits consumers through transparency and budgeting, while merchants see increased sales, brand perception, and customer loyalty.

You mentioned transparency there, how does DCC contribute to enhancing pricing transparency for customers when purchasing in foreign countries?

DCC significantly enhances pricing transparency for customers when making purchases in foreign countries in several ways.

- Clear cost understanding: DCC allows customers to view and pay in their preferred currency, providing a clear understanding of the transaction cost in a familiar monetary unit.
- Disclosure of exchange rates: DCC offers transparency by disclosing the applied exchange rates, ensuring customers are well-informed about the rate used in the transaction.

DCC enables customers to assess transaction costs in their preferred currency, promoting price transparency and facilitating informed purchase decisions when abroad.

* 2022 Qualtrics study of 200 merchants and 1000 consumers.

Fexco

fexco.com

Fexco, an established fintech player, was founded in 1981 and is headquartered in Killorglin, Co. Kerry – in the Southwest of Ireland. The company has 2,600 employees and has operations in 29 countries, with Fexco's DCC serving 3.7 million global merchants and ATMs across 48 countries.

Fexco	Fexco, an established fintech player, was founded in 1981 and is headquartered in Killorglin, Co. Kerry – in the Southwest of Ireland. The company has 2,600 employees and has operations in 29 countries, with Fexco's DCC serving 3.7 million global merchants and ATMs across 48 countries.
Contact	**info@fexco.com**
Year founded	1981
Core solution	Dynamic Currency Conversion (DCC), Multi-currency pricing (MCP), Payment Orchestration, Treasury Solutions, Bureau de Change and Remittances.
Target groups	PSPs, fintechs, banks, ATM owners/operators, FX, acquirers, merchants (retail, hospitality, ground transport, airlines, gaming, universities)
Geographical presence	Global
Licence type	Payment Institution (authorised by the Central Bank of Ireland) with permission to provide payment services across Ireland, the EEA, and the UK. The Fexco Group also includes a number of other regulated firms, among which, for example: a retail credit firm (Ireland), TCSPs (Ireland and the UK), an insurance intermediary (Ireland), and bureau-de-change/money service businesses (Ireland and the UK). We also operate as a regulated business in the Pacific region.
What account type do you serve?	All account types
Number of currencies covered and geographic focus	We support all the major and minor currencies across the key global regions, as well as a portfolio of some exotic currencies. We buy and sell up to 64 currencies through our retail, online, or walk-up channels.
FX rates provided	Our rates are based on live inter-bank pricing updated throughout the day – depending on customer requirements. We can offer up to 120 currency pairs to merchants.
Payment options in	Settlements can be made to dedicated safeguarded client asset accounts in approximately 16 currencies – for payment processing. Our corporate payments service is subject to regulation by the Central Bank of Ireland and Financial Conduct Authority, and clients can be assured at all times that there is no risk to their funds.
Payment options out	Fexco has a number of payment options including GBP Faster Payments, SEPA, Worldwide Urgent, and standard payments – and we have a 97% straight-through processing rate.
Future developments	We continuously seek to leverage emerging technologies, such as AI and Open Banking, to create value for clients and optimal customer experience. Our research hub in Killorglin reflects our desire to harness these developments.
Main clients/references	We have the top five of the world's biggest acquirers as well as the leading luxury retailers, hospitality, and travel retailers as clients.
Partners	AIB, Alpha Bank, Barclaycard, DAI Brasil, Global Payments, Mastercard, and Mitsubishi UFJ Nicos.
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

The Growth of the B2B Cross-Border Ecommerce and Payments Sector

- B2B subscription commerce – the power of recurring payments
- The frontiers of innovation in B2B payments
- The integration of subscription payments into accounts receivable systems
- Pointers for B2B merchants in implementing new payment solutions

Edgar, Dunn & Company

Unlocking B2B Subscription Commerce: the Power of Recurring Payments

As a Manager at EDC's Paris office, **Louis** enjoys witnessing the modernisation of payments and payment-related processes in B2B ecosystems reshape the financial institutions landscape.

Louis Wapler ▪ *Manager* ▪ Edgar, Dunn & Company

An Associate Consultant at EDC's London office, **Euan** has worked on consulting projects with EDC's global client base and is also a core member of EDC's M&A Advisory team.

Euan Jones ▪ *Associate Consultant* ▪ Edgar, Dunn & Company

What are recurring payments, and how do they relate to B2B subscription commerce?

Recurring payments are transactions that repeat at regular intervals, such as weekly, monthly, or annually. They are the cornerstone of subscription business models, allowing entities to buy and sell continuous access to a product or service. Whilst these are now commonplace in the world of consumer retail, the adoption of recurring B2B payments is still in a relatively early stage.

There are two types of recurring payments: push and pull. With push payments, like bank transfers, the customer initiates each payment. This gives them control but creates uncertainty for the business. Pull payments, like bank direct debit, give the business control as payments are pulled automatically on the due date.

Pull-based recurring payments are ideal for managing B2B subscriptions. They let businesses take control of getting paid, avoiding late payments, and unnecessary admin costs. Customers authorise them upfront, and funds are deducted on schedule. This predictability is key for subscription companies to forecast revenue and leverage growth opportunities.

Offering flexible recurring payment methods tailored to customer preferences boosts conversion and retention as businesses expand internationally. Optimising the billing experience is critical, as recurring payments are a continual touchpoint with subscribers. Recurring pull payments allow businesses to focus resources on core operations, not payments.

What are the use cases of recurring payments, and why are they appealing to businesses?

Recurring payments are ideal for any business model that involves ongoing access to a product or service. Some use cases for this are software subscriptions, equipment rentals, or membership sites.

The reason why recurring billing is so appealing is that it provides predictable cash flows for companies. With payments set to automatically pull on a fixed schedule, businesses can reliably forecast revenues from subscription or usage fees. Recurring pull payments also reduce uncertainty compared to invoice-based models, where the onus is on the customer to actively push through each payment. When payments are pulled automatically, businesses can rest assured funds will be collected on time without having to continually follow up to reduce late payments.

Beyond predictable revenues, recurring billing also provides companies visibility into their financial pipelines based on scheduled future payments. For any business that charges ongoing fees for access →

to products or services, implementing recurring pull payments like bank debit can transform financial operations by enabling reliable revenue forecasting and reducing payment failures.

Enabling recurring payments into the B2B space

There is a plethora of recurring billing providers operating in the B2B ecosystem. For those initially focused solely on subscription order-to-cash workflows and business operations, integrating recurring payment processing functionalities is a natural evolution to enhance their comprehensive offering.

Several players leverage payment service providers to add recurring payment capabilities to their offerings. Chargebee has developed its recurring billing capabilities by integrating with payment gateways such as Stripe or PayPal to run their recurring payment collection processes along with invoicing and notification reminders. Recurly's subscription billing and management platform has had success stories such as LiveChat – which is now able to offer its recurring payments capabilities to over 200,000 subscribers. Recurly's revenue recovery features increase retention and mitigate churn by reclaiming lost revenue from failed renewals. The San Francisco-based fintech integrates 15 gateways in more than 50 countries. GoCardless uses its global bank network to collect bank-to-bank payments for invoice payments. This solution targets small and large businesses.

Others do it a different way. BlueSnap, a B2B payment platform, has integrated Armatic in 2019 to add accounts receivable (AR) and invoicing automation. In this case, the automated invoicing solution has enabled the recurring payment capability for BlueSnap. In a conversation with Casey Griswold, who leads the GM Invoicing Solution within BlueSnap, he noted that he has witnessed the impact that this new layer has had on BlueSnap's customer base: 'Customers have started to experience a decrease ranging from 30% to 60% in their Days Sales Outstanding (DSO) as well as a reduction in the resource requirements for managing their AR process'.

The integration of subscription payments into accounts receivable systems

The AR automation market is today still relatively untapped in contrast to subscription management solutions focused on B2C. There is room for growth in automating B2B recurring payments in AR solutions. Accounts receivable automation has historically been very manual and lacking in innovation compared to other business functions. Most companies still use Excel or basic accounting software to manage AR. Yet, enterprise resource planning (ERP) systems such as NetSuite and Sage are building more subscription management capabilities natively, which could reduce the need for separate solutions.

But what is the value added here for the buyer?

Buyers reluctant to use recurring billing often express concerns about feeling locked into agreements that restrict their flexibility to switch suppliers easily. Vendors can mitigate this concern by communicating transparent terms, applying no-penalty cancellation fees, and offering flexible account management features such as pausing. Recurring billing may also help buyers optimise their budget predictability. If operated on a larger scale within the organisation, reconciliation, procurement, and payment costs can be significantly improved.

EDC sees more solutions to be integrated into the recurring payment offer. Instalment plans to provide buyers with further payment flexibility and dynamic early payment discount offers triggered by the supplier via the recurring billing solution are among the initiatives that can help refine the B2B recurring payment offer.

Redbridge Debt and Treasury Advisory

Gabriel Lucas, Associate Director at Redbridge, examines the frontiers of innovation in B2B payments.

Gabriel has been providing strategic advice to international and multichannel merchants in their payment transformation and optimisation journeys since 2020. He previously worked for four years as Chief Operating Officer at TSI Payment, a Parisian fintech specialising in alternative payment methods.

Gabriel Lucas ▪ *Associate Director* ▪ Redbridge Debt and Treasury Advisory

What is the current context in B2B payments?

The current context in B2B payments is shaped by the aim to align more closely with the B2C payment experience.

Indeed, merchant cards and digital payments have been historically focused on B2C – this is particularly true in Europe, while other countries like the US are very used to paying by card even for high-value B2B transactions. The main reason is that B2B payments have been traditionally more complex, involving more extensive onboarding requirements, and usually offering a payment term of several weeks after the invoice is issued.

However, digital payments have started to disrupt the B2B space as well, starting with those sectors where clients are relatively small and transaction value is low, and therefore, the customer journey is relatively close to B2C. Many B2B companies are also launching a direct B2C channel via ecommerce, and they must deal with this new field of expertise that they didn't use to have.

What are the main payment-related challenges that B2B merchants are facing, and what are their main objectives?

The main objective that most of our clients share is the acceleration of the order-to-cash and pay-out processes. This requires exploring innovative payment solutions to facilitate faster money transfers, as well as implementing automation across various processes, from onboarding and billing to dunning and reconciliation.

Another typical concern for merchants when talking about payments is the cost, which is particularly high when it comes to commercial cards and **cross-border payments**. Merchants may try to mitigate this challenge by negotiating transaction fees with their payment providers and exploring alternative payment methods and solutions.

In this pursuit of automation and cost reduction, streamlining risk management, including credit and foreign exchange (FX) management, has also become essential to ensure efficient and successful collection and disbursement processes. Lastly, enriching data analytics and prioritising data security have become a must-have to understand the market and adapt rapidly to remain competitive.

> *"In the pursuit of automation and cost reduction, streamlining risk management has become essential to ensure efficient and successful collection and disbursement processes.*

What innovative solutions are currently proposed? What trends may we expect to see soon?

As B2B payments are part of a much longer process than B2C transactions, streamlining payments as one of the key components of the order-to-cash process is extremely important, and there are a few solutions that are quite a hot topic at the moment:

- **Open Banking** (applicable to the European Economic Area – EEA) – leveraging account data and payment initiation through Open Banking provides a smoother and more secure payment experience while improving operational efficiency versus traditional SEPA Credit Transfers (SCT). Coupled with pay-by-link, we expect its →

adoption to increase significantly once electronic invoices become mandatory in Europe (expected by mid-2024 for companies subject to VAT).

- **Instant Payment** (SEPA Credit Transfer Inst in the EEA) – instant payment solutions, enabling transactions in as little as ten seconds, are gaining traction as they have been proactively pushed by **European institutions**.
- **Buy Now, Pay Later (BNPL)** – this payment option is the combination of payments with credit scoring and insurance services, and it allows merchants to further automate and outsource the risk inherent to offering a payment term.

Pay-out is also an area where we have seen a lot of innovation recently for B2B:

- **Virtual cards and purchasing card (P-Card) programmes** – these products streamline expense control and transaction analysis, while generating revenues for the merchant out of the interchange.
- **Visa B2B Connect and Mastercard Send** – partnerships like Visa's collaboration with Swift aim to enhance international B2B payments, offering more options and end-to-end transaction visibility. Similarly, Mastercard's partnership with B2B Pay aims to improve the efficiency and cost-effectiveness of international transactions.
- **Pay-out platforms** – these platforms focus on streamlining processes and managing FX, making cross-border transactions more efficient, both from an operational and a cost standpoint, by aggregating money transfers and therefore reducing the number of transactions – and by limiting or even removing the intermediaries (i.e., correspondent banks).

Another type of solution that has spread significantly in the B2B space is expense management. Easy access to detailed transactions associated with their respective receipts or invoices simplifies expense reporting, replacing slow and inefficient processes like spreadsheets and receipt-filled envelopes.

What do you think are key success factors for B2B merchants implementing new payment solutions?

B2B merchants seeking to implement new payment solutions must consider a few critical success factors. First, integrating these solutions with legacy systems is paramount, ensuring a seamless transition within broader digital transformation initiatives. Second, effective integration with ERPs like SAP or AX and CMS platforms like Magento 2 is crucial in creating an integrated and harmonised system architecture. Lastly, understanding budget constraints and adhering to a well-defined roadmap is essential to ensure its success.

What is your advice for B2B merchants who are still hesitant about embracing payment innovation?

My advice for B2B merchants who are still hesitant about embracing payment innovation is to take a pragmatic and ROI-based approach to assess their **payment architecture**.

Merchants can start to evaluate their current needs, keeping in mind that sometimes small changes (quick wins) can bring significant benefits. This process should involve all relevant departments in the decision-making process, as payment transformation is usually a transversal topic, while keeping their workload to the minimum required. This collaborative approach ensures that diverse perspectives are considered without overwhelming teams, and without leaving out any potential impact.

REDBRIDGE

redbridgedta.com

Redbridge Debt and Treasury Advisory is a leading financial management partner to corporations around the globe. It is committed to providing each client with all the information required to make the best decisions and optimise their financial performance. Redbridge's teams are located in Houston, New York, Paris, Geneva, and London.

TerraPay

We had the chance to talk to Ani Sane, Co-Founder and Chief Business Officer of TerraPay, who shared insights into the most pressing challenges and the future of B2B payments.

Aniruddha Sane, a seasoned entrepreneur, is a founding member of TerraPay Payment Services, a global cross-border payments network. With over 20 years of experience in global business development for electronic payments and services, Ani, as he is more popularly known, plays a pivotal role in shaping TerraPay's success and leading the company's global growth plans.

Ani Sane ▪ *Co-Founder and Chief Business Officer* ▪ TerraPay

How is technology influencing and reshaping the trajectory of B2B payments?

The global B2B payments market is charting a dynamic course, and a significant part of this journey is fuelled by the rise of technology, a key enabler pushing efficiency, access, speed, and security in B2B payments, whilst fundamentally redefining how businesses move money and manage their financial processes.

> *"The global B2B payments market is charting a dynamic course, and a significant part of this journey is fuelled by the rise of technology.*

The rise of digital/mobile wallets, for instance, has had an undisputed impact. In 2023, TerraPay enabled 18+ million transactions to mobile wallets across the globe. Moreover, QR code payments, Open Banking, and the proliferation of super apps are expected to drive digital wallet adoption. Cashless transactions will grow the fastest in Asia–Pacific, **increasing by 109%** from 2020 to 2025, then by 76% from 2025 to 2030, followed by Africa and Europe. The steady rise of mobile wallets and what the industry refers to as alternative payment methods (APMs) are great examples of how technology is driving a shift in opportunities for B2B payments.

In the backend, technology allows businesses to leverage data analytics to gain insights into their payment processes. By building our technology in-house, we can offer agility and transparency to our partners. Our proprietary technology further enables us to report transaction and service data to partners (clients), regulators, and key stakeholders, allowing them to make data-driven decisions for use cases such as compliance monitoring, demand forecasting, and identifying business patterns.

How can implementing B2B payment solutions impact a company's bottom line and overall business performance?

Enhanced efficiency and cost-saving, improved cash flow, faster processing times, and reduced discrepancies are all positive side effects of leveraging B2B payment solutions.

Fintech companies like TerraPay help the traditional ecosystem – encompassing banks, money transfer organisations, and global businesses – to access new markets, accelerate their go-to-market (GTM), and reduce the number of intermediaries, thus saving time and costs. For instance, a regional bank can access our fully compliant network to enable new corridors across the globe, or OTAs can leverage our payment capabilities for business pay-outs globally, in preferred currencies and methods – bank accounts, wallets, or cards. This is an expansion opportunity for businesses. →

In what ways does collaboration among businesses drive the transformation of B2B payments?

Collaboration is the driving force of B2B payment innovations. The B2B payment space is vast, and every industry has its specific demands. A collaborative approach will allow businesses to work together to establish common standards and interoperable systems. This lays the foundation for the development and adoption of industry-wide standards for B2B payments, reducing friction and boosting interoperability between different organisations.

Early in 2023, TerraPay and Visa forged a global network partnership with the shared goal of strengthening connectivity across the payments ecosystem through solutions that simplify global B2B payments. Visa Direct is tapping our global network for pay-outs, expanding mobile wallet reach and access to all our corridors. By leveraging such partnerships, we can avoid lengthy individual bank integrations and make transformative changes for customers, accelerating ecosystem progress.

Should companies customise solutions for specific industries through a vertical strategy, or is a horizontal approach with broad applicability more suitable for achieving business goals?

No two businesses are alike, so the idea of implementing a blanket, universally applicable payment strategy is somewhat outdated, especially in a world where the demand for flexibility and personalisation is rapidly rising.

Take the travel industry, for instance. On the one side, there are businesses like travel aggregators, OTAs, global distribution systems, etc., while on the other you have suppliers like hotels, tour guides, transit systems, etc. This industry has an overwhelming number of challenges and unmet needs. Sometimes, the supplier is an individual, and not a company, and therefore requires highly-specialised solutions such as immediate payments and transparent fee structures. The use cases are far too diverse for one approach to work for all. That effort can work but may not be sustainable, not in the long run.

Drawing on your company's track record of providing payment services for the travel vertical, how does TerraPay impact payment processes in the travel industry and help businesses strategically position themselves for future success?

TerraPay's comprehensive solutions, whether it's cross-border pay-outs, virtual cards issuance in multiple currencies, or card-to-account are all tailored to meet the diverse and unique needs of the various players in the industry. While we're relatively new to the segment, we have been able to tackle some of the industry's long-standing challenges regarding high transaction fees, slower delivery times, and uncompetitive FX rates while making cross-border transactions.

There are multiple use cases we cater to for businesses in the travel industry. For instance, hotels working with international suppliers often face challenges when they do not accept card payments, which also hinders their potential to increase their revenues due to acceptance issues. With TerraPay, hotels can make payments directly to the supplier's bank account in their local currency through TerraPay's card-to-account. Similarly, for instance, airlines suffer administrative burdens due to a large number of low-value payments that occur when they refund or compensate their customers for cancelled flights. By utilising TerraPay's API, airlines can initiate hassle-free bulk payments in preferred modes of payments, giving a choice to the end consumers.

terrapay

terrapay.com

TerraPay is on a mission to simplify global money movement – providing a single connection to the most expansive cross-border payments network regulated in 30 global markets and enabling payments to 139 receiving countries, 210+ sending countries, over 7.5 billion bank accounts, and more than 2.1 billion mobile wallets.

terrapay

	TerraPay partners with banks, money-transfer operators, wallets, and licenced global businesses to enable global money movement. TerraPay is headquartered in London, with offices in Bangalore, Dubai, Miami, Bogota, Dakar, Joburg, Nairobi, Milan, DaresSalaam, Kampala, Hague, and Singapore. Its investors include the IFC (the World Bank), Prime Ventures, Partech Africa, and Visa.
Contact	0091 77605 16000 **juveria.n@terrapay.com**
Year founded	2015
Core solution	TerraPay has built a cross-border payments platform with a suite of solutions that enable P2P, B2B, and B2P payouts, virtual cards, card-to-account, wallet payouts, and acquiring. TerraPay is regulated in 30 global markets enabling payments to 139 receive countries, 210+ send countries, 7.5+ billion bank accounts, and 2.1+ billion mobile wallets.
Payment capabilities	Payments orchestration, pay-out/disbursements, reconciliation and reporting, B2B payments, payments methods supported, multi-currency settlements, instant settlement, tokenization (virtual cards)
Target groups	Marketplaces, global businesses, banks, MTOs, wallet operators
Geographical presence	Global: the US, Europe, the Middle East, APAC, Africa, LATAM, India
Licence type	Licence type – API in the UK, AEMI in Italy. Our Singapore and Mauritius licences are the equivalent of an AEMI and all others are the equivalent of an API.
Payment methods supported	TerraPay is connected to 7.5 billion bank accounts, 2.1 billion wallets, and 6 billion cards. We facilitate cross-border payments for P2P, B2P, and B2B, and enable money transfer from and to bank accounts, wallets, virtual cards, and cards, enabling our partners to pay their users in their preferred method and preferred currencies. TerraPay has created the Request-to-Pay service that ensures interoperability for wallets – and is connected to 1.5 billion wallet holders in Africa for remittance service – who now have access to its Request-to-Pay offering.
What is unique about your company?	With the largest number of global licences and regulatory approvals, TerraPay has compliance at its core. The company has a 98%+ success rate across the globe and contributes to financial inclusion, especially in Africa, South Asia, and South-East Asia. TerraPay has proprietary tech that helps process billions of transactions a month.
Future developments	Business expansion in the geographies we are operational in, focused growth in emerging markets, and to expand to 175 countries by end of 2024.
Main clients/references	MTN, Visa, Orange Money, Safaricom (M-PESA), Sendwave, Network International, bKash, Western Union, WISE, Moneygram
	View company profile in online database*
	*The data present at the time of publication may be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.

B2C Ecommerce: Focusing on Verticals

- What should merchants know about the challenges of retail payments?
- Pointers on dealing with suppliers in different countries
- Utilising data from cross-border transactions to cater to the preferences of a global clientele
- Subscription-based models and microtransactions contributing to the evolution of payment trends for marketplaces

Marketplaces and Retail

- Navigating cross-border payments and adapting to customer demand
- Insights from The Fold: strategic approaches to retail payments when selling across borders
- Overview of marketplaces and online platforms in various verticals and regions

The Fold

Kelsey Fahy, Commercial Director at The Fold, provides pointers on navigating challenges related to cross-border payments and catering to the evolving preferences of a global clientele.

Kelsey Fahy
Commercial Director
The Fold

In the broader context of global ecommerce, what challenges has The Fold encountered in managing cross-border payments, and how have these challenges influenced your strategic approach?

Realising the huge potential of global D2C ecommerce, we found that the biggest challenge was providing international customers with a convenient shopping experience that instils confidence and trust.

Enabling clients to pay with their preferred payment methods, which vary from market to market, is crucial for reinforcing shopper confidence and increasing conversion rates. In many markets, these are even more important than credit cards. For instance, in the Netherlands, 75% of our customers choose to pay with an alternative payment method, and our conversion rate in the market increased by 74% YoY since launching our enhanced localised ecommerce experience.

Another challenge is maximising international acceptance rates and reducing fraud hazards. We overcame these challenges by partnering with an ecommerce solution provider that handles all aspects of our international ecommerce, giving us a simple and cost-effective solution, which has helped us to significantly boost our international revenue.

Given your commitment to sourcing fabrics from European mills, how do you navigate cross-border payment challenges when dealing with suppliers in different countries?

The Fold do not currently incur any notable cross-border payment challenges. Preferential origin procedures are managed internally to identify whether import duty is payable in advance of agreeing to the sale of goods. Trading terms are consistently FCA, meaning import VAT is accounted for by The Fold. The majority of transactions are between long-term suppliers, where workable credit terms are already established.

How does The Fold utilise data from cross-border transactions to better cater to the evolving preferences of its global clientele?

As a growth-driven business, data-backed insights are an important tool, helping us to expand our international ecommerce D2C business. In addition to the data gathered from our international transactions, our cross-border partner, Global-e, provides us with broader local market insights, industry benchmarks, and market trend analyses.

Together, these data-backed insights allow us to meet the evolving expectations of our audience and react quickly to changing consumer sentiment, setting the optimal proposition per market, including shipping options and rates, tax and duty solutions, and more. This also enables us to make informed business decisions, pinpoint and maximise new opportunities and potential revenue streams, and scale globally with efficiency.

Overview of Global Marketplaces

Introduction

In recent years, more than ever before, it has become clear that one of the key trends in the ecommerce space has been the growth of the marketplace model. While addressing the challenges of this sophisticated value-chain model is no easy task, untangling them yields a multitude of benefits for all stakeholders involved. As digital tools become second nature for consumers and businesses alike – in most verticals and geographies – and a new paradigm for ecommerce is taking shape, meeting ever-evolving requirements and offering relevant information to the parties involved becomes pivotal.

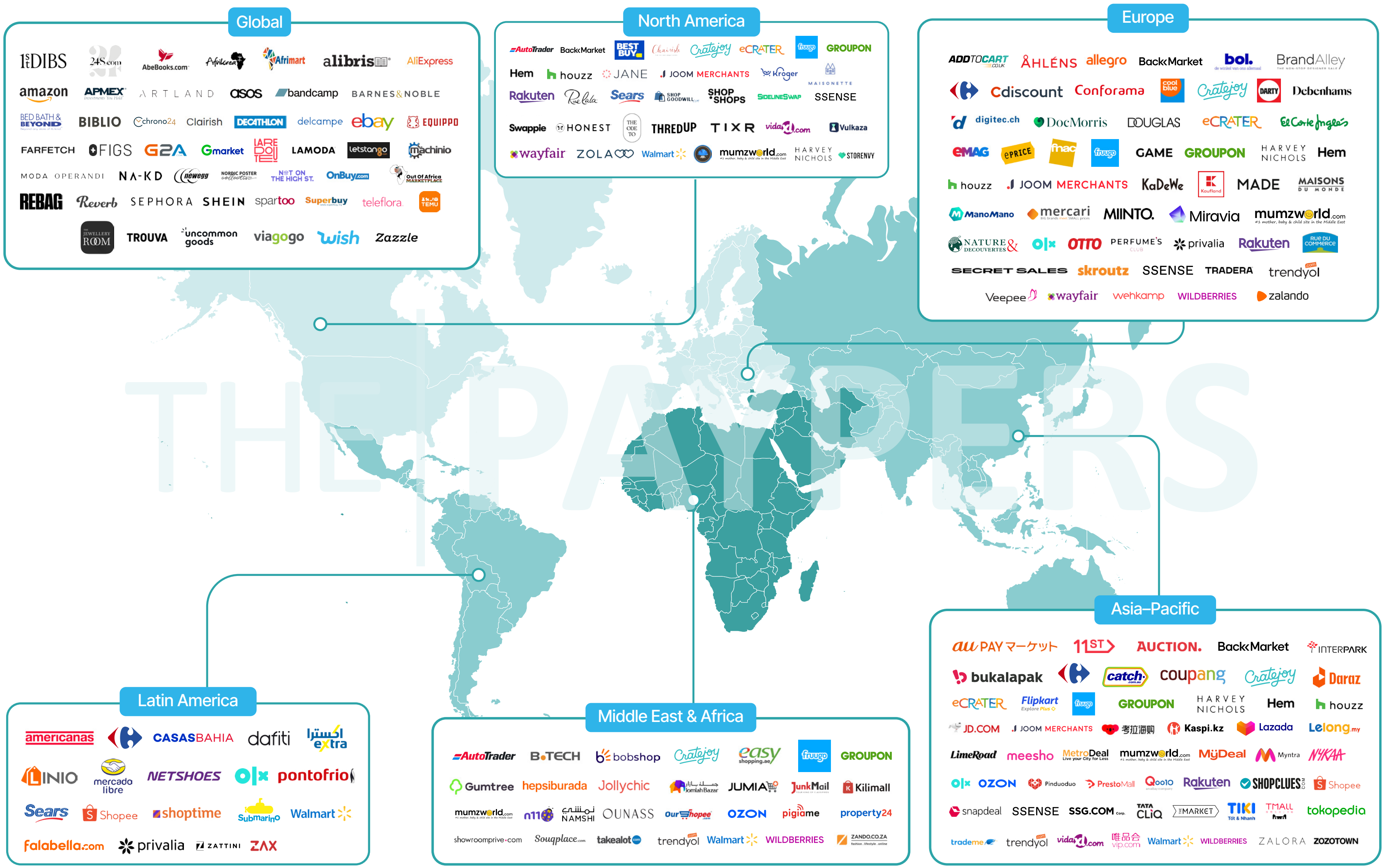
To address this need, considering the diversity of this ecosystem, The Paypers has set out to present an updated overview of marketplaces and online platforms by conducting research and creating a set of six infographics as a visual representation of our findings. In doing so, we analysed three variables:

- the regions where the marketplaces are present
  - Europe
  - Asia-Pacific
  - Middle East & Africa
  - North America
  - Latin America
  - Global
- the verticals in which they operate
  - Consumer goods & services
  - Gig market & recruiting
  - Travel & hospitality
- the target groups that they address
  - B2C
  - B2B
  - C2C

The overview that follows is the result of in-house desk research, combined with data available on the websites of the marketplaces and online platforms featured. In recognition of the effort behind the research that made the publication of these infographics possible, a special thank you goes to the members of The Paypers' editorial team – who lent their support and time to this project.

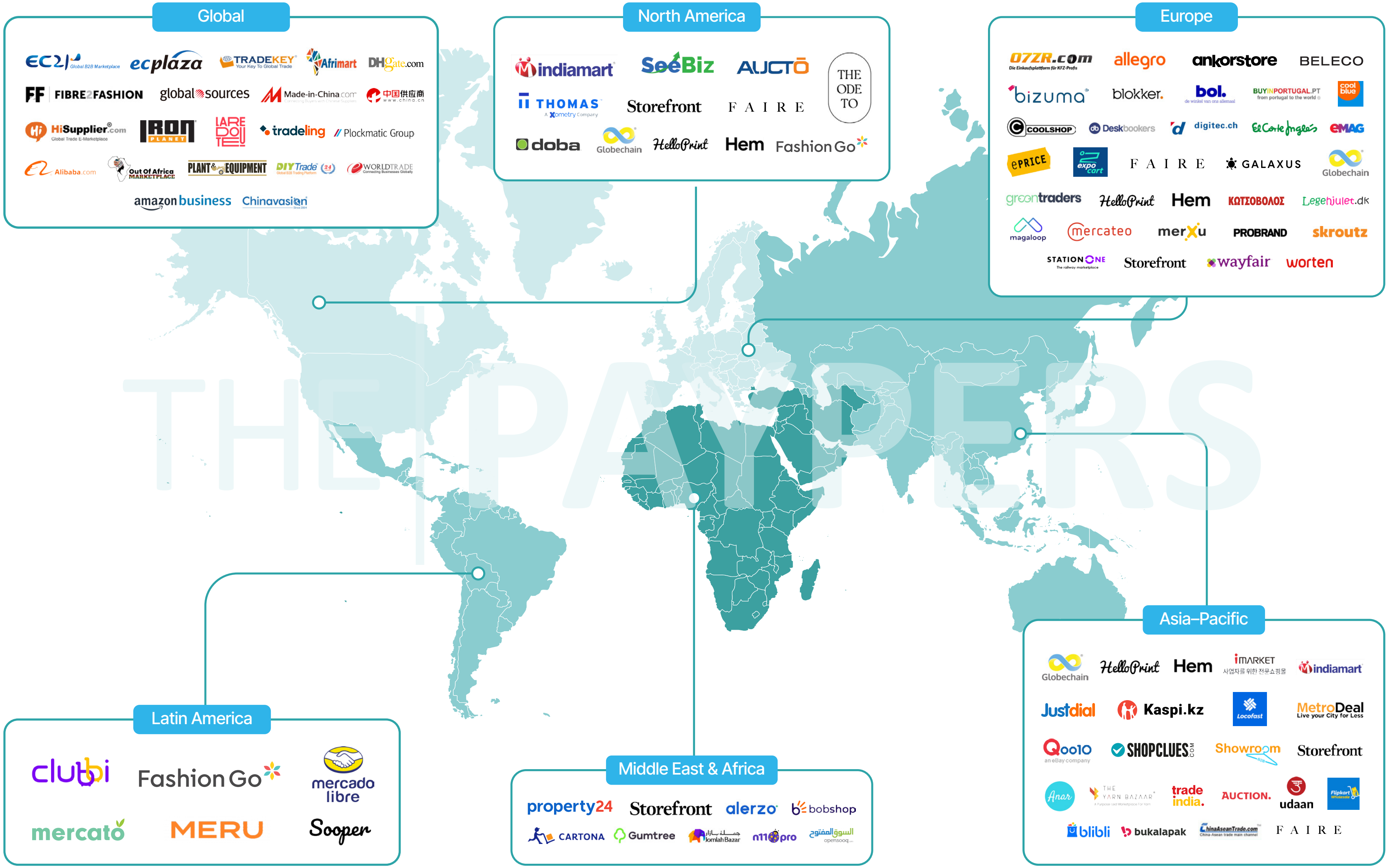
We invite you to explore the infographics we've crafted, hoping that the information encompassed will help you gain a strategic edge in the competitive realm of online marketplaces!

MARKETPLACES AND ONLINE PLATFORMS IN THE CONSUMER GOODS & SERVICES VERTICAL FOR B2C



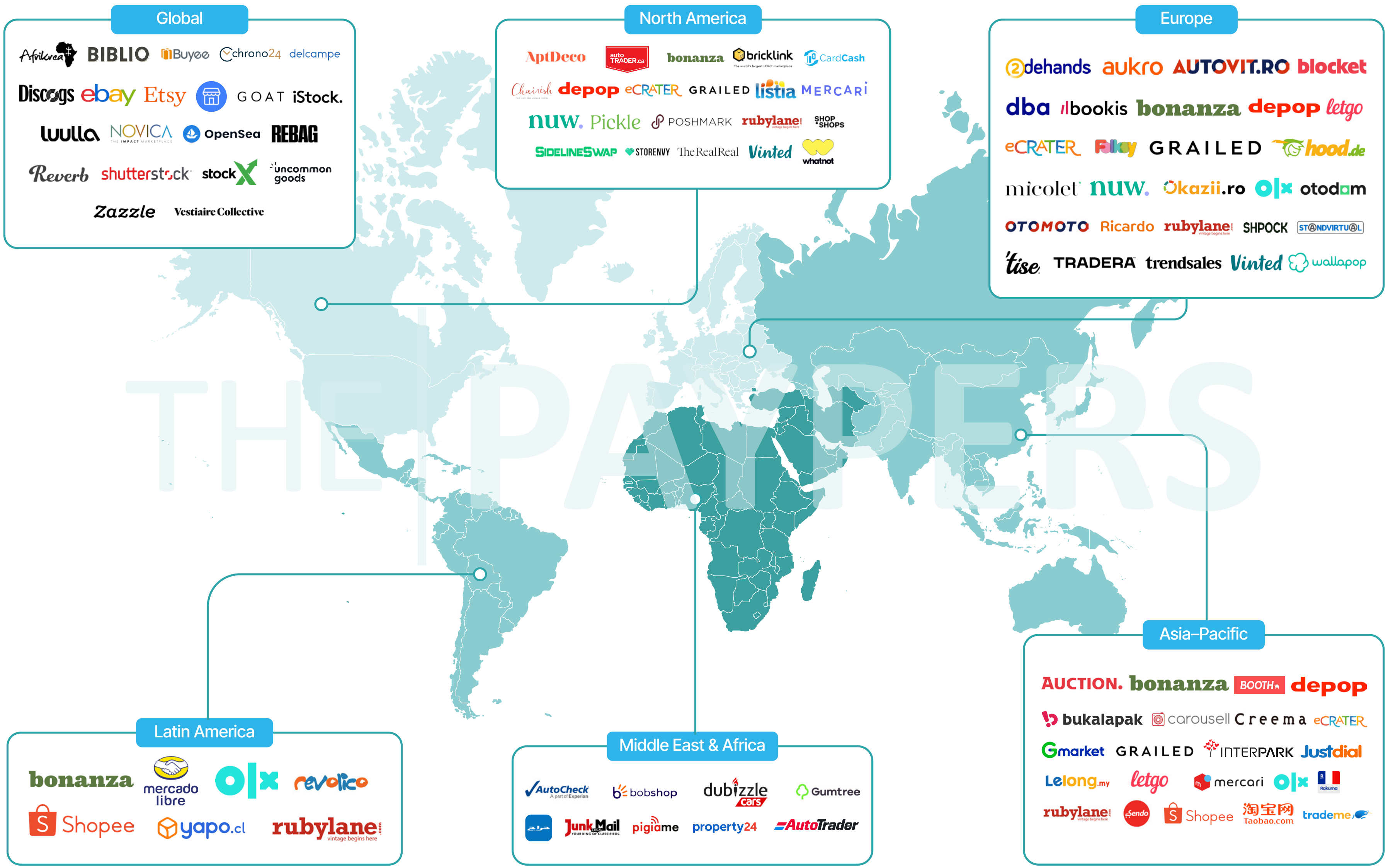
Researched by ® The Paypers, 2023

MARKETPLACES AND ONLINE PLATFORMS IN THE CONSUMER GOODS & SERVICES VERTICAL FOR B2B



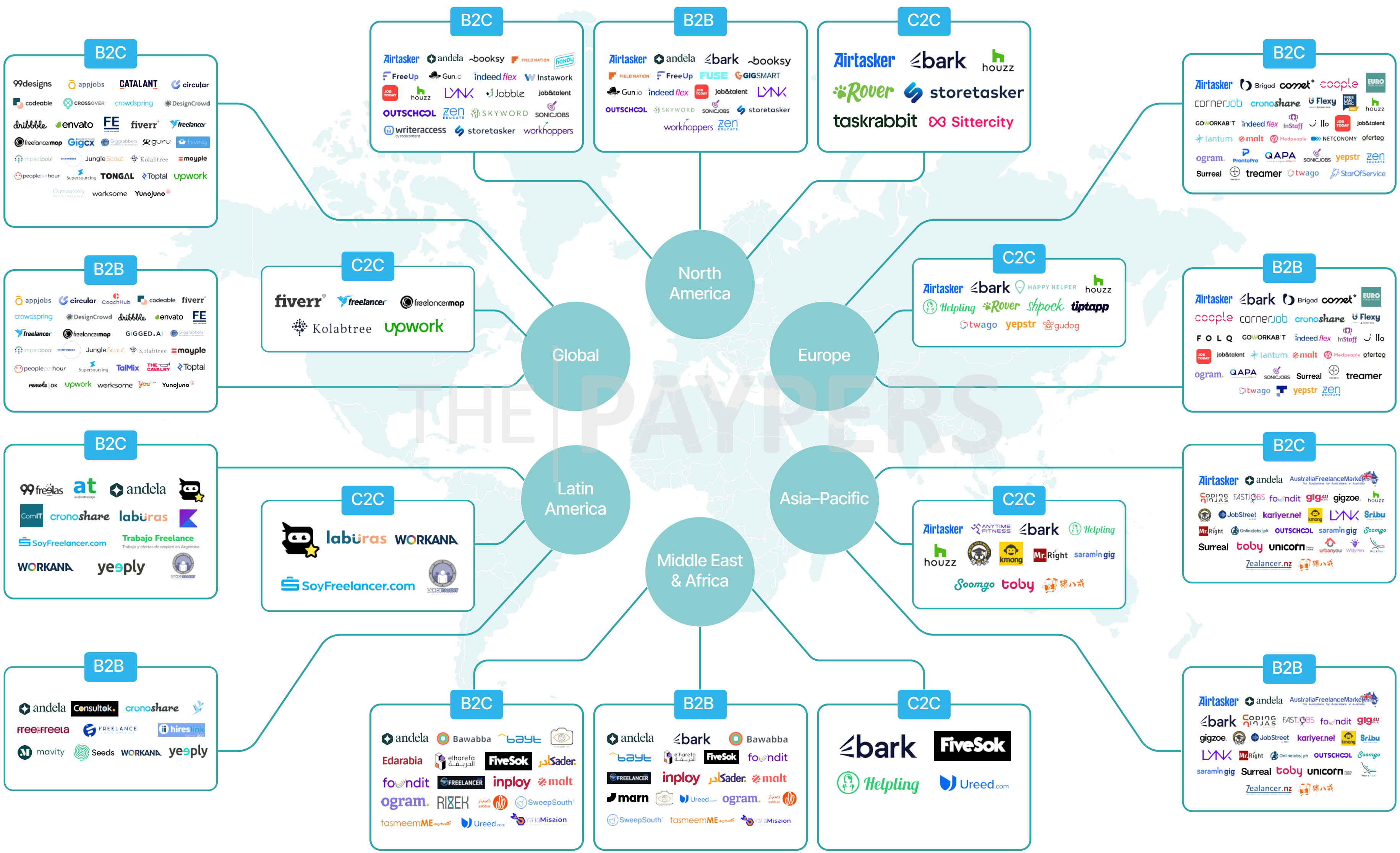
Researched by ® The Paypers, 2023

MARKETPLACES AND ONLINE PLATFORMS IN THE CONSUMER GOODS & SERVICES VERTICAL FOR C2C



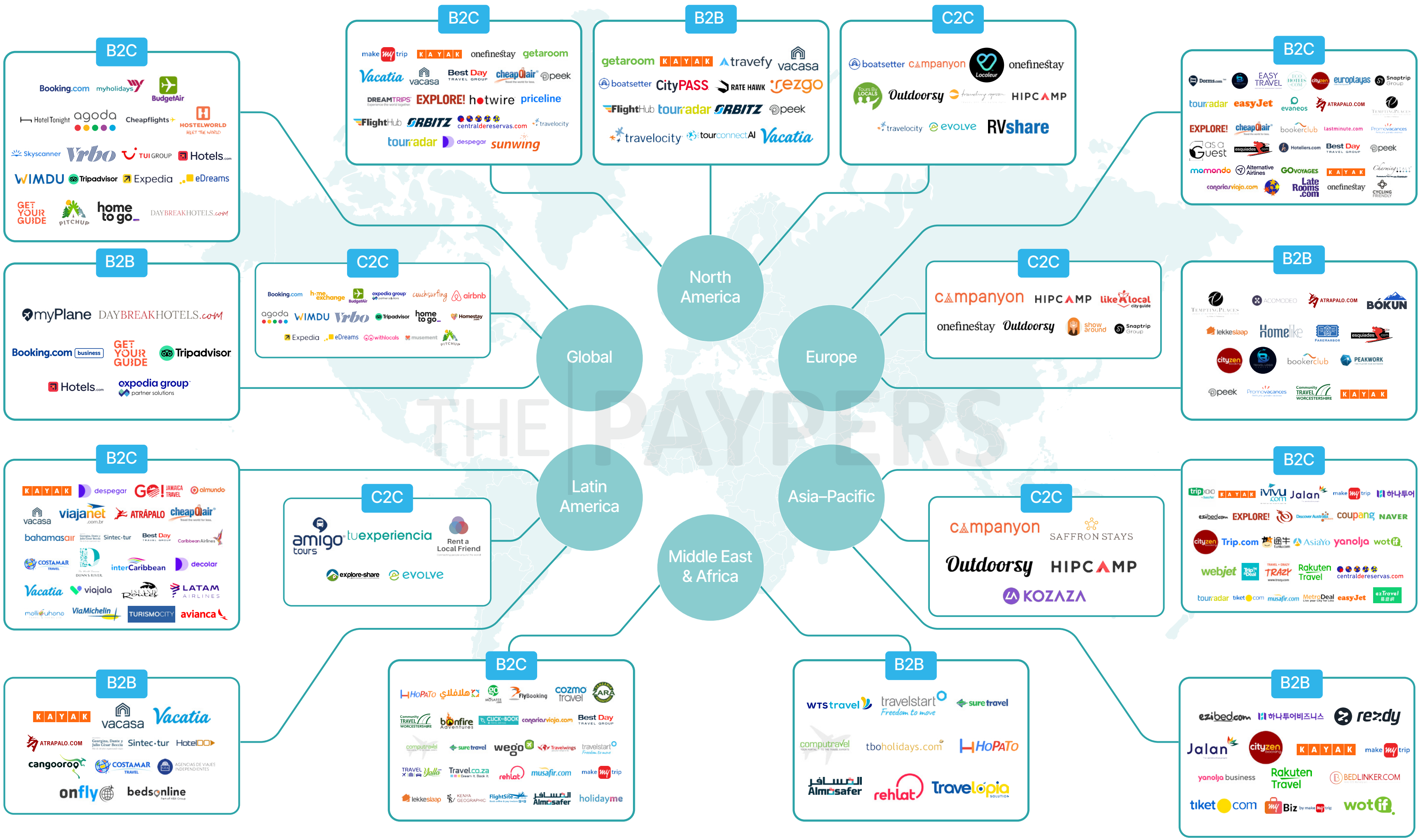
Researched by ® The Paypers, 2023

MARKETPLACES AND ONLINE PLATFORMS IN THE GIG MARKET & RECRUITING VERTICAL



Researched by ® The Paypers, 2023

MARKETPLACES AND ONLINE PLATFORMS IN THE TRAVEL & HOSPITALITY VERTICAL



Researched by ® The Paypers, 2023

Digital Goods: Video Gaming

- Gaming marketplaces – adapting to the increasing demand for alternative payment methods
- Insights from Eneba: an analysis of new payment trends in the gaming industry
- Enhancing the user experience by offering a wider array of payment options

Eneba

Mantas Eitutis, Head of Payments Operations at Eneba, provides an in-depth analysis of the challenges and opportunities brought forth by new payment trends in the gaming industry.

Mantas Eitutis

Head of Payments Operations

Eneba

In the dynamic landscape of the gaming industry, what challenges and opportunities emerge as payment trends evolve, and how do they influence the overall ecosystem?

One of the key challenges, as well as opportunities, is trying to keep up with the latest trends in general. It is difficult to track and accommodate rapid changes in both the gaming and payments industries, as it often requires expensive integrations with multiple payment processors. However, if businesses are late to adopt, they may miss out on opportunities and lose market share. In addition, new payment trends always bring fresh fraud and security concerns. Building trust in new systems is crucial to their widespread adoption, but as payment methods diversify, the risk of fraudulent activities increases. Game developers and platforms must invest in robust security measures to protect both the players and themselves from financial fraud.

Evolving payment trends can help gaming providers reach new and underserved markets, reduce friction and fees, and enhance privacy and security. However, they also face some technical, operational, and regulatory challenges, such as interoperability, scalability, and compliance. New payment technologies often come with faster transaction processing times and improved user interfaces. This can contribute to a more seamless gaming experience, reducing friction in the overall payment processes.

In what ways do subscription-based models and microtransactions contribute to the evolution of payment trends in gaming marketplaces?

Both payment models can help game developers and publishers generate more predictable revenue streams and enable diverse monetisation strategies. Subscriptions and microtransactions can increase user retention and the loyalty of gamers. They can also enhance user experience and satisfaction, effectively lowering the pressure associated with top-tier titles performance on a regular basis, which is particularly important with the rising costs of developing premium AAA video games.

However, to maintain their attractiveness and competitiveness, businesses are required to ensure a constant supply of high-quality content, as otherwise users are likely to lose interest. Moreover, while microtransactions contribute significantly to the industry's revenues, there have been ethical concerns regarding the rise of pay-to-win styles. Such practices often stir debates regarding fairness and the overall integrity of the games, pushing some developers to adopt hybrid monetisation models.

How are gaming marketplaces adapting to the increasing demand for alternative payment methods, and what impact does this have on user engagement?

Gaming marketplaces, like any other business, try to follow customer demand and are partnering with alternative payment providers to offer a wider range of payment methods, including digital wallets, mobile payments, bank transfers, cryptocurrencies, direct carrier billing, etc. There is an increasing localisation of available payment options to accommodate user preferences in specific regions, enhancing the accessibility for players around the world. Multiple studies by Bayard Institute, Statista and other business intelligence platforms, constantly rate the '*lack of desirable payment options*' as one of the key reasons for abandoning the shopping cart. Therefore, by ensuring that the payment process is seamless and secure, businesses can enhance the user experience, leading to improved monetisation, higher retention rates, and reduced fraud.

Regulatory Standards and Initiatives

- What's next on the horizon after Visa Compelling Evidence 3.0?
- How will ISO 20022 affect industry stakeholders?
- Leveraging the ISO 20022 standard to enhance business operations across borders

Merchant Risk Council (MRC)

First-Party Fraud: What's Next on the Horizon After Visa Compelling Evidence 3.0

Keith is a 25-year payments, fintech, and fraud prevention veteran with functional expertise in product management, marketing, and corporate strategy. He currently co-leads the Merchant Risk Council's advocacy efforts, working closely with MRC members, including the world's top ecommerce merchant brands, card issuers, solution providers, advisory organisations, and card networks.

Keith Briscoe ▪ *VP of Member Advocacy* ▪ Merchant Risk Council (MRC)

The MRC has written and educated extensively about the problem of first-party fraud (historically referred to as 'friendly fraud' and, most recently, as 'first-party misuse') and how to combat it effectively. In a recent **MRC blog**, MRC's CEO, Julie Fergerson, talked about the launch of Visa's Compelling Evidence 3.0 programme (Visa CE 3.0), introduced in April 2023.

In this article, we will address what's happened since – and what comes next. Transforming how the industry deals with these new compelling evidence programmes will require a highly coordinated effort across all payments ecosystem participants: merchants, supporting fraud and dispute solution providers, card issuers, card networks, and PSPs/acquirers.

Each has a vital role to play in ensuring the promise of card network programmes like Visa CE 3.0 is realised. Without all the hand-offs in place and each party following the correct process, we won't see all the potential benefits. Earlier this year, Mastercard announced it will also begin rolling out its **First-Party Trust solution** in 2024. In speaking with our merchant and payments ecosystem members, we noticed a few key misconceptions regarding CE 3.0 that need clarification.

Chargeback and fraud reporting metrics

To fulfil its dispute prevention benefit, CE 3.0 requires integration with Visa's upstream tool – Verifi's Order Insight. In the CE 3.0 pre-dispute flow, API-enabled access to the merchant's qualifying data elements is what ultimately prevents the chargeback from moving forward and effectively shifts liability to the card issuer. In addition, these prevented disputes will not be reported as fraudulent transactions, positively impacting merchants' fraud ratios.

However, in markets that have regulated Strong Customer Authentication (SCA) (such as under the PSD2 directive in Europe, as well as emerging regulations in Australia and Japan), there is a belief that CE 3.0 is less compelling since merchants don't bear the chargeback burden for fully authenticated transactions. While merchants won't see the chargeback for SCA-compliant transactions, this is problematic in a couple of ways.

Firstly, even issuer-liable fraud transactions must be reported under TC40 requirements – any merchant with sensitive fraud ratios will not see this benefit without CE 3.0 participation. Secondly, if issuers don't have the opportunity to present compelling evidence to the cardholder, we'll miss the key benefit in all of this: cardholders accepting accountability for good transactions they performed. Even in SCA-regulated markets, it will take global industry adoption for this new generation of compelling evidence to eliminate the pervasive problem of first-party misuse. Merchants should think about the ultimate benefits downstream if they participate now – the chargeback is just one input into the overall value equation.

Representment process changes/success rate

A subscription merchant recently asked us why they haven't seen much of a win-rate impact in the post-dispute flow since the introduction of CE 3.0. For this to happen, multiple parties must follow the right process.

Firstly, as defined by Visa, acquirers must pass the compelling evidence in the correct questionnaire format. Secondly, if the qualifying evidence meets the CE 3.0 criteria, the card issuer should accept it and the merchant 'wins' the representment. Because the CE 3.0 programme is new, it will take time for all the hand-offs and supporting processes to settle into a predictable rhythm. Once the merchant knows the right →

questions to ask their payment processors, feedback can be provided to card issuers so they can adjust their dispute resolution procedures and refine their team training. These learnings are taking place all over the industry right now – often facilitated by organisations like the MRC, and sometimes simply through real-world trial and error.

The impact of the global regulatory environment

There is a parallel journey happening now in the global regulatory landscape. As regulators look to impose tighter controls on fraud prevention through SCA, it's imperative to closely consider the progress we made on next-generation compelling evidence programme adoption. Genuine fraud and first-party misuse are intimately tied together, and we need to think about them in parallel.

One good example is AusPayNet's published **CNP Framework**. The MRC has been consulting closely with AusPayNet in Australia, as they made the effort to introduce tighter fraud ratio controls (20 basis points) into the market. While not a hard SCA mandate on all transactions, the framework requires merchants to put SCA controls in place progressively as they breach the threshold over successive months. It's pivotal to remember that for many digital goods, merchants' first-party misuse can easily exceed 20 basis points – and SCA will not address it, given that these transactions are not fraudulent.

This is a great example of how regulators should pay close attention to their card-not-present (CNP) fraud programmes to ensure their requirements are in lockstep with the scaling of card network compelling evidence rules and standards. It will take time for these programmes to fully launch, mature, and scale. Setting appropriate overall fraud reduction goals for merchants that are aligned with compelling evidence programme efficacy is a vital part of keeping the industry fair and balanced.

On the horizon

Compelling Evidence 3.0 is the start of a transformation in the payments industry to finally address the damaging consequences of first-party misuse. We need a global, coordinated push, and a harmonised approach – across all card networks – to fully realise the benefits that all stakeholders in the ecosystem will share. With Mastercard's incremental rollout of First Party Trust, we should begin to see greater industry alignment by the end of 2024.

Juniper Research

How Will the Adoption of ISO 20022 for Cross-Border Transactions Affect Industry Stakeholders?

Michael is currently analysing data on the latest developments within fintech and payments markets to help stakeholders understand their best opportunities. Visit the website to **download a sample of our instant payments research**.

Michael Greenwood ▪ *Research Analyst* ▪ Juniper Research

The adoption of ISO 20022 for cross-border transactions has a range of impacts on payment providers and users. ISO 20022 is a financial messaging standard prepared by the ISO (International Organisation for Standards), with the aim of enabling communication interoperability between financial institutions. It achieves this by providing a consistent format and protocol to all financial services providers. It also uses a set of XML (Extensible Markup Language) and ASN.1 (Abstract Syntax Notation One) design rules that allow the conversion of messages into models. These models and messages are published in a catalogue of messages and stored in the ISO 20022 financial repository, which allows for message sets to be defined by an internationally agreed approach.

The format of ISO 20022 messages makes it more suitable for machine reading, allowing for greater automation – which is key for instant payments. It also provides richer data, allowing additional services to be built off payment systems using this standard.

The adoption of ISO 20022 has helped to improve and standardise the payment data being collected. This enhanced data collection can be used to create more advanced screening algorithms, lessening manual workload. It is this reduction of manual intervention that will be needed to make compliant instant payments. By using the rich data it provides, ISO 20022 can also be used to minimise friction in the reconciliation process. This data can be made available to users – with many payment providers offering data-based, value-added features to their instant payment offering. This can take the form of data presentation, data manipulation, or support for more complex data analysis. Payment data can offer valuable insights and allow businesses to make better-informed decisions and adopt a more data-driven approach to decision-making.

However, ISO 20022 is not without limitations. One of its primary constraints is the timescale for putting it into effect – with banks and financial institutions needing multiple years to plan and implement the standard. This can be seen with SWIFT (Society for World Interbank Financial Telecommunication) using a phased three-year migration plan for implementing ISO 20022, with a coexistence period between new and legacy systems from March 2023 to November 2025. Another issue exists within banks and financial institutions. Rather than the standard, many of these institutions use legacy systems – which may employ language that is not easily compatible with ISO 20022, adding further complexity to the implementation process.

Despite these drawbacks, its benefits mean that ISO 20022 has been adopted by several of the major cross-border payment systems, notably SWIFT and SEPA (Single Euro Payment Area). These cross-border payment rails utilise ISO 20022 to offer instant payments. The primary advantage of this is the speed of the transactions – which will significantly improve cash flow. This will disproportionately benefit SMEs (small and medium enterprises), for whom cash flow is often tighter.

There is also a wide range of additional services that can be added on top of instant payments – with the majority of these offerings being designed to integrate with ISO 20022. Examples of additional services include automated anti-money laundering (AML), →

fraud detection, and sanction compliance checks. These systems utilise artificial intelligence (AI) to perform checks in real time, ensuring payments are secure and compliant, without slowing down the payment process. The ability to make payments secure, without slowing the payment process, will be key to the wider adoption of cross-border instant payments.

With many major markets already having domestic instant payment systems that utilise ISO 20022, such as Pix and FedNow, the next phase of instant payment rollout will be interconnecting these fractured networks with cross-border instant payment rails. The adoption of a single messaging standard, such as ISO 20022, will help streamline these integrations. With this momentum growing, Juniper Research forecasts the total value of cross-border instant payments will grow by over 500%, from USD 2 trillion in 2023 to over USD 13 trillion in 2027.

Figure 1: Total value of instant cross-border payments ($m), 2023 and 2027

Source: Juniper Research

The availability of cross-border instant payments will have a significant impact on the cross-border ecommerce market. This will take different forms in the B2B and B2C cross-border ecommerce markets. Businesses will use instant payments for cross-border ecommerce to reduce friction in international supply chains. This will be particularly the case for SMEs, where time spent by employees on resolving payments has a disproportionate impact. It will also significantly improve the delivery time for digital goods and services – which is often held up by payment terms. By leveraging instant payments and improved invoicing from ISO 20022 data, it becomes possible to deliver these goods and services in very short time frames.

B2C ecommerce will also benefit from instant cross-border payments. Many legacy payments can take multiple days to clear when sent internationally. Instant payments allow suppliers to begin the delivery process for physical goods the same day, soon after receiving payment. In the case of legacy systems, a merchant would either need to dispatch a delivery before payment had cleared, or slow down delivery to await payment.

Juniper Research expects ISO 20022, and the additional services layered on top of it, to streamline cross-border payments in the coming years. The additional services will increasingly utilise AI processes to speed up the most time-consuming aspects of cross-border payments and provide greater value to users.

Deloitte

Ulrike Guigui and Raquel Gomez Sirera from Deloitte share insights on how global businesses can leverage the ISO 20022 standard to enhance their operations across borders and the regulatory aspects of adopting it.

Ulrike Guigui is a Managing Director at Deloitte Consulting, where she leads engagements focused on helping the top US banks and payment companies address their pressing challenges in the areas of growth, operating model design, and payment transformation. Ulrike has 25+ years of experience in leading transformative change across financial services organisations.

Ulrike Guigui ▪ *Consulting Managing Director, Payments and Financial Services* ▪ Deloitte

Raquel Gomez Sirera is a Senior Manager who advises banks on transforming their corporate payments through product innovation and technology. Raquel leads Deloitte's ISO 20022 efforts in coordination with our global firms and partners, and her functional experience extends across commercial banking and treasury management.

Raquel Gomez Sirera ▪ *Senior Manager, Payments Modernisation* ▪ Deloitte

Could you provide an overview of ISO 20022 and its significance in the context of global payments?

ISO 20022 is the newest global message format structure used for payments, and it provides rich, structured data to create consistent payments messaging, including for high-value, batch, and real-time payments. Legacy payments data is often fragmented and disparate, and ISO 20022 empowers banks and corporates to leverage a uniform set of data fields, opening the door to an enhanced, interoperable payments ecosystem.

> *ISO 20022's adoption is largely shaped by the differing compliance timelines mandated by regional and global payments networks.*

Overall, ISO 20022 offers a window to a more connected world underpinned by safer payments, richer data, and faster straight-through processing for both domestic and cross-border payments. Payments networks across the globe are already using the ISO standard – real-time payments systems have widely adopted the standard, and many high-value systems have also announced plans to support ISO 20022, including Fedwire in the US, Lynx in Canada, and SWIFT for cross-border payments.

How can global businesses leverage the ISO 20022 standard to enhance their operations across borders?

Global organisations can leverage the ISO 20022 standard to achieve cost reduction, greater interoperability, and an enhanced customer experience while enabling easier cross-border transacting. Some potential benefits include:

- Standardised, structured data that reduces costs associated with payments transacting, accounting, and reconciliation;
- Interoperability across geographies, systems, and interfaces, reducing payments friction and bolstering operating efficiency;
- Richer data, which translates into enhanced payments and customer insights that help enable new use cases, improve data analytics, and provide a better understanding of the customer. ➔

In what ways does ISO 20022 facilitate cross-border payments' compliance with anti-money laundering (AML) and know your customer (KYC) regulations, and how does this impact the security and trust in ecommerce transactions on a global scale?

Leveraging the enhanced, richer ISO data will help augment existing fraud and AML capabilities to better monitor payments and customer activity. Financial institutions around the globe will speak a common language, which can make it easier to facilitate enhanced monitoring across geographies – thus, improving hit rates, reducing fraud, and decreasing false positives. This is expected to enhance trust in transacting online, as improved fraud capabilities also help increase payments transparency, security, and straight-through processing.

How does ISO 20022 support real-time payments and data-rich transactions, and what implications does this have for cross-border ecommerce in terms of customer experience and transaction tracking?

With many real-time payments systems using the ISO 20022 format, these systems can capture the value of instant funds availability, while also reducing payment errors, fraud, and friction.

Additionally, enhancements to customer experience are prevalent through improvements to existing payments use cases and the development of net new ones. Use cases like Request-to-Pay, partial pay, or bill split highlight the capabilities of ISO 20022, where structured remittance data enables banks to provide their customers with more information regarding their payments activity and payment options that are more flexible. This will also help banks to better understand their own domestic and cross-border payments activity and data.

ISO 20022 adoption is affected by differing regulatory frameworks in various regions. Could you expand on the regulatory aspects and outcomes of adopting ISO 20022 for global payments, as well as how organisations can navigate these challenges effectively?

ISO 20022's adoption is largely shaped by the differing compliance timelines mandated by regional and global payments networks. As a result of these divergent timelines, an ISO maturity spectrum has developed where current progress largely depends on participation in regional versus global payment schemes – and the level of complexity in the organisation's payments infrastructure.

While banks are recognising the importance of meeting minimum compliance requirements for local networks, in our experience, it has been the larger banks that have started considering how to capture the longer-term value of ISO. Meanwhile, global leaders are the most mature through participation in multiple regional and global networks, and they are not only focused on minimum compliance but also on capitalising on the long-term benefits of ISO 20022.

While the level of effort will vary depending on an organisation's ISO maturity, several factors remain important consideration points in the ISO landscape. Companies should consider the complexity of their technology infrastructure, their data quality and standards, testing requirements, client/vendor coordination, and employee training.

Through our prior work supporting clients with their ISO readiness, we have seen organisations' need for support across the ISO journey, including initial planning and target state strategy, impact assessments, data mapping, requirements, development, and testing.

Insights into Local Developments Across the Globe

- Emerging technologies and networks redrawing the competitive boundaries of cross-border payments in specific regions
- Regional developments and payment preferences in the US, Australia, Spain

Edgar, Dunn & Company

Emerging Technologies and Networks Redrawing the Competitive Boundaries of Cross-Border Payments for Businesses

Samee has advised some of the largest financial services organisations globally on competitive strategy, operations, and technology. He is an advisor on M&A/IPO transactions and leads the firm's Fintech & Advanced Payments Advisory Practice – covering digital financial services, banking and payments, digital commerce, and new technologies including blockchain-based systems and cryptocurrencies.

Samee Zafar ▪ *Director* ▪ Edgar, Dunn & Company

Pushing the boundaries

The cross-border payments sector is undergoing a dynamic shift, driven by specialist players, alternative networks, and technological innovations, while providers are gaining market share by offering a faster and cost-effective process. International card networks are entering the space, and new regional payment hubs/networks are emerging across the globe, challenging large global banks' domination of the industry.

Specialists gaining prominence

Banks have long dominated cross-border payments for business (XBB – also known as international business-to-business payments), and in many markets, they also hold significant market shares of cross-border consumer payments (XBC – these include remittances or payments for international digital commerce). This article will focus on XBB payments.

A majority of XBB payments by value are made over the 'correspondent banking system' that has roots in the old days of paper cheques and telegraphic instructions. A payment moves from a sender's bank account through a chain of banking intermediaries until it reaches the receiver's bank account. Global banks present in both the sending and receiving countries can manage both ends and facilitate payments for their correspondent banks.

However, large banks are more interested in serving large clients, and they pay less attention to small and medium-sized enterprises (SMEs). SMEs need more attention because they do not always have the skills or resources that large companies have to manage key tasks, such as preparing accurate payment instructions, being compliant with international requirements, and carrying out payment reconciliations. Specialist providers offer all these together with highly responsive client service. Some of them focus on specific industry verticals – especially those considered by banks to be risky, such as internet gaming and gambling. Compared to banks, these providers have a deeper understanding of customer needs within specific sectors.

Emergence of regional networks

The correspondent banking system has worked remarkably well, yet some payments can still take a long time to complete. In such an interlinked system, every intermediary takes a cut in the process, thereby increasing the cost of the transaction for the customer. There is no central entity, a sort of United Nations of Payments, capable of processing cross-border payments on a global basis.

In many parts of the world, however, we are seeing the emergence of regional initiatives such as the Pan-African Payment Settlement System (PAPSS), an initiative by central banks in Africa to enable cross-border payments across the continent, or project Nexus in Southeast Asia by the Bank of International Settlements (BIS), aiming to link central banks in the region. Similar networks such as BUNA, a cross-border and multi-currency payment system founded by the Arab Monetary Fund, or the pan-European TIPS (TARGET Instant Payment Settlement System) that offers SEPA (Single Euro Payments Area) Instant Credit Transfers across most of Europe have been in operation since 2018. In the future, such networks – connected to each other and to domestic instant payment networks, such as Faster Payments in the UK or Pix in Brazil – will be able to process global payments of any value in real or near-real time. →

Alternative technologies and networks

International card networks are also vying for the market. They already carry most of the payment traffic for XBC payments – such as those for digital commerce. They also enable XBB payments through corporate procurement products like procurement or purchasing cards. But a vast majority of their payments traffic today consists of consumer payments. These card networks, that are now investing resources to grow their XBB transaction volumes, have a global reach and can process payments without the need for intermediaries. The standardisation of payment messaging formats is also making it easier for bank payments and card payments to become interchangeable.

In the longer term, new technologies using crypto tokens have the power to make all other processes redundant though that is highly unlikely today. Currently, such tokens have low liquidity and are unsuitable for international trade payments. However, some corridors or some transaction types may migrate to such models earlier than others. Crypto or other digital currencies do not require clearing and settlement, which are archaic processes for completing payments, still in use today. For crypto-based value transfers, the value would be transferred immediately upon receipt, making the process as easy as sending and receiving email.

While the networks and technologies discussed above have the potential to redraw the competitive boundaries of the future XBB landscape, a new business model or technology will not succeed simply because it is better than the one that is widely used today. Like in every contest, the challenger must clearly prove that it offers a simpler and cheaper way to do business, which could be implemented easily and without causing business disruption.

EY Americas

Insights into Local Developments and Payment Preferences in the US

Jennifer Lucas
Payments Consulting Leader
EY Americas

What are the main local developments impacting ecommerce?

Consumer behaviour coupled with digital adoption have been driving ecommerce growth over the past few years. During the height of the COVID-19 pandemic, cash usage slowed as consumers relied more on digital platforms to purchase goods and services during lockdown. Organisations that offered a seamless experience continued to attract consumers as they settled into their ‘new normal’ post-pandemic routines. Despite the slower ecommerce growth rate since the pandemic, we can expect mobile shopping to continue to drive most of North America’s ecommerce growth over the next three years, as a result of entrenched consumer habits and smartphone ubiquity.

What are the payment preferences of consumers in the US market?

Compared to other countries, US consumers tend to be particularly attached to cards – both debit and credit cards. Credit cards, however, are the dominant payment vehicle for ecommerce. Digital wallets are becoming the de facto standard for accessing payment credentials like credit cards for online purchases. Last year, digital wallets were the top runner for consumers’ preferred online payment method.

Debit cards are used for ecommerce purchases, albeit at a lower volume than credit cards. We can assume that Gen Z’s preference for debit cards largely contributes to its popularity. As the next generation expands its footprint in the ecommerce market, we should see other targeted consumer payment options such as Buy Now, Pay Later (BNPL) continue to gain momentum.

The slower-than-anticipated growth of account-to-account (A2A) payments in the US may begin to gain pace with the launch of a new real-time payments network, FedNow, yet ubiquity among financial institutions offering real-time payments needs to happen to make this a substitute for other payment capabilities.

What are the specificities of consumer behaviour in the US market that brands should be aware of before entering it?

The US ecommerce market is highly attractive to new entrants, boasting an immense and diverse population of consumers, high purchasing power, and growing adoption of digital and technology solutions and interesting economics. While the opportunity in the US ecommerce market is vast, the number of financial institutions and options for payments makes it difficult to penetrate the full potential of the market. One thing that holds true, however, across all US consumers is the freedom of choice. We are seeing that Gen Z consumers, in particular, prefer to delay their entire purchase rather than select a payment option that’s not their preference. While younger consumers may lean toward frictionless payment solutions, many US consumers still rely heavily on legacy payment options (cheques, ACH, wires) for their purchases.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Australian Payments Network (AusPayNet)

Insights into Local Developments and Payment Preferences in Australia

Andy White

Chief Executive

AusPayNet

What are the main local developments impacting ecommerce?

Ecommerce continues to grow in Australia. According to figures from the Australian Bureau of Statistics, in non-seasonally adjusted terms, online retail increased from AUD 42 billion in 2021 to AUD 44 billion in 2022. An ever-increasing number of consumers are confident in making their purchases online, owing partly to their trust in and familiarity with electronic payment methods.

Regarding cross-border payments, the adoption of the ISO 20022 messaging standard continues at pace. Widespread implementation of the Committee on Payments and Market Infrastructures' (CPMI's) ISO 20022 data requirements is expected to lead to increased straight-through-processing of cross-border payments, making them cheaper, faster, transparent, and more accessible for consumers and ecommerce.

Additionally, Australian Payments Plus's fast payment system, the New Payments Platform, is **expanding** to incorporate an international payments business service to process the final domestic leg of an inbound international payment. This business service, also powered by ISO 20022, will be available to all financial institution participants by April 2024. It is expected that this service will speed up the delivery of incoming cross-border payments, benefiting consumer and merchant participants in cross-border ecommerce.

What are the payment preferences of consumers in the Australian market?

Today, Australians use a variety of payment methods, including credit cards, debit cards, mobile wallets, Buy Now, Pay Later (BNPL), and account-to-account payments, as well as – decreasingly – cash and cheques. Cards are by far the most popular payment method in Australia, with most in-person card transactions being contactless. Online purchases are growing strongly, while in-app purchases are becoming increasingly popular.

While the COVID-19 pandemic has driven much change, consumers across all demographics continue to opt for the convenience and ease of use of cards. This was highlighted by the Reserve Bank of Australia's (RBA's) most recent **Consumer Payments Survey**, which revealed that consumers over the age of 65, who have traditionally been high users of cash, now use cards for nearly two-thirds of their payments.

Because of the consumers' increasing preference for digital payments, the industry in Australia must focus on leading transformation in this space to drive efficiency, innovation, and choice, to facilitate optimal outcomes for end-users. This means ensuring our regulatory environment is fit-for-purpose and proactively planning and managing legacy payments systems, including frameworks for paper-based payments, namely cheques and cash. **The RBA's survey** showed that between 2019 and 2022, Australians halved their share of cash payments by number, from 32% to 16% of in-person transactions. →

What are the specificities of consumer behaviour in Australia that brands should be aware of before entering the market?

In an environment in which the number of consumers engaging in online retail will continue to grow, brands entering the Australian marketplace must be cognisant of the ongoing shift to digital payment channels, and factors such as simplicity and convenience that continue to drive that shift. It is essential to understand what a best-in-class online and in-app transaction experience looks like.

At the same time, merchants entering the Australian market must be acutely aware of the growing threat consumers and businesses face from economic crime, including fraud and scams. Unsurprisingly, with ecommerce being so prevalent, card-not-present (CNP) fraud now accounts for 90% of all fraud on Australian-issued payment cards. More specifically, CNP fraud rose 14.4% to AUD 516.8 million in **2022**, after increasing by 7.6% in 2021. The picture is complex, though; of that total, AUD 239.9 million consisted of fraud perpetrated overseas through Australian-issued cards. However, fraud perpetrated in Australia actually fell. Scam losses also increased to at least AUD 3.1 billion in 2022, according to **figures from the ACCC**.

In response to the scourge of fraud and scams, AusPayNet facilitates the **Economic Crime Forum** (ECF). The ECF brings together a broad range of participants, including law enforcement and intelligence agencies, regulators, representatives from AusPayNet's membership, and other key stakeholders in the banking and payments ecosystem to share intelligence on emerging threats and collaborate on joint responses and tactical initiatives to prevent all forms of economic crime. AusPayNet is also a member of the Advisory Board of Australia's **National Anti-Scam Centre**.

Brands considering entering the Australian marketplace must understand emergent and established channels of economic crime, particularly CNP fraud and scams, while also remaining keenly focused on the end user's experience. New technologies in payments will continue to emerge and provide consumers with greater choice and security.

Bizum

Insights into Local Developments and Payment Preferences in Spain

Ángel Nigorra
General Manager
Bizum

What are the main local developments impacting ecommerce?

Today, with the rise of fintech and new digital payment solutions, there is a clear growth in alternative payment methods to card payments, some based on SEPA Instant Transfers, which allow merchants to receive the sales income immediately in their accounts. Bizum is the main Spanish successful project within the local payment system sector that was launched by local banks in 2016, as part of its commitment to digitisation and innovation, to compete with the use of cash in Spain. Bizum is a mobile payment method whose value proposition is to provide users and merchants with a simple, immediate, convenient, and universal payment method, regardless of their bank or mobile device brand.

Bizum emerged from the collaboration across an entire Spanish financial sector with the bonus of being based on European standards and being an operational solution on the SEPA Instant Transfers scheme, the only one in Europe. With this, Bizum has anticipated the rise of account-to-account payments, positioning Spain at the forefront of the use of immediate transfers. At the same time, it can further develop cross-border operations, as demonstrated by its expansion into the Andorran market and its interoperability with other current solutions (for example, within the framework of EMPSA) or other initiatives that may be driven by European institutions (such as the digital euro).

Bizum, as a pioneering success case in Europe and the only one based on SEPA Instant Transfers, has pledged to help the European payment regulation that guarantees the possibility for this type of solution to compete on equal terms with other payment instruments. This will contribute to the adoption of immediate account-to-account payments in commerce and public administrations, facilitating opportunities for innovation and competition.

What are the payment preferences of consumers in Spain?

Before the launch of Bizum, Spain was one of the countries with the highest cash usage, although card payments were growing year after year and continue to do so. On the other hand, the use of smartphones, with one of the highest ratios in Europe for mobile lines per capita (now reaching 50 million in a country with 48.5 million inhabitants), was – and still is – a circumstance that profited the success of a mobile payment solution. Additionally, the pandemic has changed many of the habits of Spaniards, including an exponential increase in online purchases, accompanied by exponential growth in digital payments.

Currently, both merchants and payment solutions in Spain focus on offering users one-click shopping experiences that do not require many steps to authorise or complete a transaction. In this sense, Bizum has brought an improvement in the ecommerce shopping experience from mobile devices: with just their banking app and phone number, users can make an online purchase without having to provide additional data. Now, Bizum is used for more than 30% of purchases in some stores for its convenience when paying.

What are the specificities of consumer behaviour in the Spanish market that brands should be aware of before entering it?

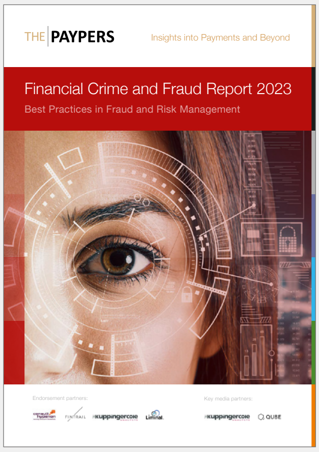
Although convenience is a highly relevant factor for Spanish users when making online purchases, security is the key factor in completing an order and making a payment. Users and merchants are loyal to their payment methods, and it is necessary to be didactic for that security to be perceived. In the case of Bizum, the fact that it is included in banking channels, with all the legal requirements, has made security one of the pillars of value perceived by users.

Don’t Miss the Opportunity of Being Part of Large-Scale Payments Industry Overviews

Once a year, The Paypers releases seven large-scale industry overviews covering the latest trends, developments, disruptive innovations, and challenges that define the global payments industry – B2B payments, cross-border ecommerce payments, embedded finance, payment methods and preferences, financial crime, Banking-as-a-Service, payments regulation, fraud prevention, and digital identity. Industry consultants, policy makers, service providers, merchants, banks, and fintechs from all over the world share their views and expertise on different key topics within the industry. Listings and advertorial options are also part of the guides for the purpose of ensuring effective company exposure at a global level.

Fraud Prevention in Ecommerce Report 2023-2024

Payment Methods Report 2023



Financial Crime and Fraud Report 2023

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