

How local payment  
methods help  
businesses  
**capture more  
market opportunity**



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Adopt the  
payment methods  
your **customers**  
**prefer**



# Today's shoppers are a diverse group with ever-changing payment preferences. **And increasingly they expect to be able to pay how they want.**

Recent research from The Paypers suggests that the major card brands have a market share of around 23% worldwide, while more than 70% of all consumer transactions are paid via bank transfers, digital wallets, and cash-based payments.<sup>1\*</sup>

By adopting the payment methods that your customers prefer, your business can have a targeted payment strategy that meets customers' payment preferences and generates significant business benefits:

- **Reach new customers.** Drive business growth by offering the payment methods your customers prefer in each market you serve.
- **Capture more sales.** Offering the right payment mix increases conversion rates, reduces cart abandonment, and helps grow revenue.
- **Optimize your costs.** Reduce your total cost of acceptance by offering lower-cost payment methods when and where they are available.
- **Reduce fraud and disputes.** Payment methods with higher levels of customer authentication typically result in lower fraud rates.

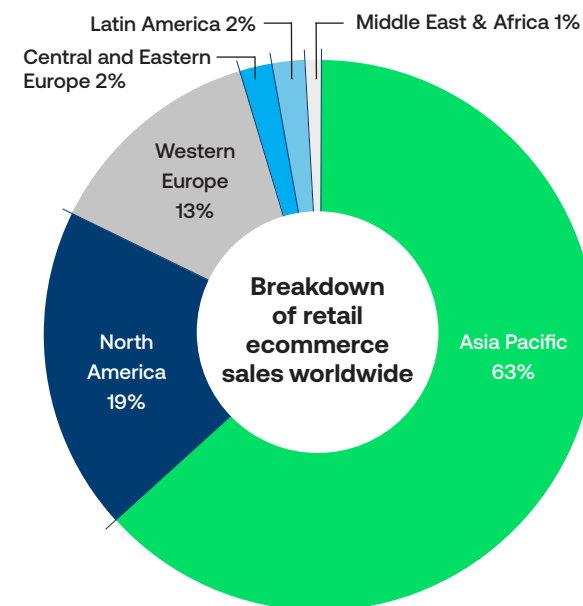
A successful payments strategy isn't about offering the most payment methods—it's about offering the [right payment methods](#) in the right markets.

In this payment methods market guide, we'll reveal the payment preferences of consumers all over the world—with a focus on online payment methods. That's because the global cross-border ecommerce opportunity for businesses is immense. Recent research suggests that globally ecommerce accounted for \$3.914 trillion in 2020.<sup>2</sup>

No matter where you're based, customers from around the world can buy from your business online. And if your payment mix meets their preferences, you greatly increase your opportunity for growth.

In the following pages, you'll learn which payment methods consumers in different global regions prefer, beginning with Asia Pacific, then the Americas, and finally Europe, the Middle East, and Africa.

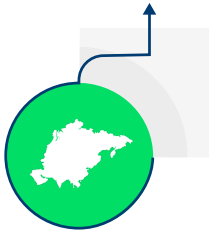
\*See page 21 for definitions of payment methods and terms.



**>70%**  
of all transactions use  
local payment methods

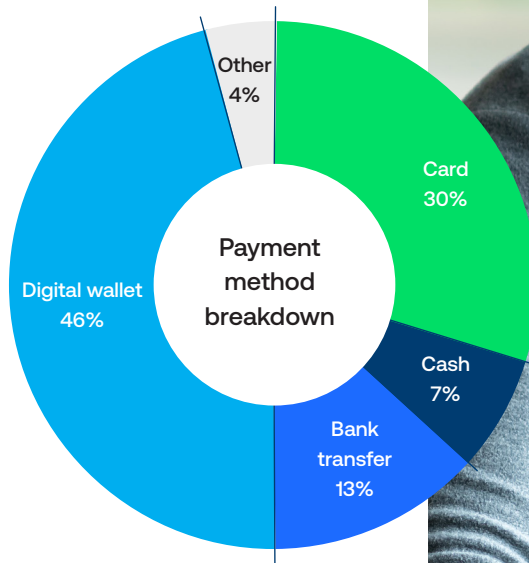
**23%**  
is the average market  
share for the major  
card brands

# Asia Pacific



## The online payment culture

Within the Asia Pacific region, the most common type of online payment method is the digital wallet, with 46% market share. Local payment cards are second with 30% market share, followed by bank transfers (13%), cash-based payments (7%), and various other payment types (4%). The card market is dominated by local payment brands and minor players with a combined 86% market share. Visa has 9% of the card market, while Mastercard owns 5% and American Express represents less than 1%.<sup>3</sup>



## Popular online payment methods in Asia Pacific

### UnionPay

UnionPay is the largest card payment brand in the world with approximately 7.5 billion issued cards, including over 100 million outside of mainland China.<sup>4</sup> UnionPay is constantly evolving, with the addition of new mobile payment methods including mobile flash payments, UnionPay QR codes, and the UnionPay app. UnionPay's acceptance rate has reached 90% in the Asia Pacific region.<sup>5</sup>

### Alipay

The digital wallet Alipay is China's leading online payment service, in both number of users and total transaction volume. It has more than 1.3 billion annual active users as of June 2020 and processed \$17 trillion worth of transactions in mainland China in 2020 alone. More than 80 million businesses use Alipay on average every month, and the app has more than 2,000 financial institution partners.<sup>6</sup>

### WeChat Pay

WeChat Pay—with more than 800 million<sup>7</sup> users worldwide—is embedded within the WeChat app, which has approximately 1.2 billion<sup>8</sup> monthly active users around the world. Its unique, integrated approach enables users to book and pay for items like a taxi ride, restaurant bill, or movie ticket within a retailer's app, all using the WeChat platform.



7.5b

UnionPay cards issued



1.3b+

active annual  
Alipay users



1.2b

active WeChat users

## Key ecommerce payments stats for countries in Asia Pacific<sup>9</sup>



### Australia

Credit cards are the most popular payment method, with Visa being the most popular brand.



### China

56% of payments are made with digital wallets, mainly Alipay and WeChat Pay.



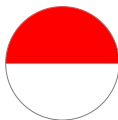
### Hong Kong

43% of payments are made with credit cards, mainly UnionPay.



### India

Credit cards are the most popular payment method at 32%, including RuPay, a local payment card.



### Indonesia

Credit cards are the most popular payment method at 35%, closely followed by bank transfer at 29%.



### Japan

Credit cards are the most popular, with 68% penetration. The most popular brand is JCB, representing 35% of payments.



### Malaysia

The most popular payment method is bank transfer, representing around 46% of payments.



### New Zealand

Credit and debit cards supported by Visa or Mastercard dominate, representing 55% of payments.



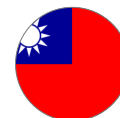
### Philippines

Cash-based payments lead at 37%, closely followed by bank transfers at 29%, while credit and debit cards represent 22% market share.



### South Korea

73% of payments are made through credit cards with Visa, Mastercard, and local card brands such as BC Card, Lotte Card, and T-Money.



### Taiwan

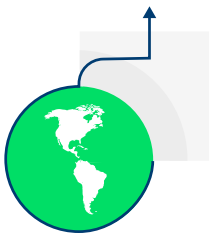
Credit and debit cards lead the way with 42% penetration, followed by bank transfers at 19%.



### Thailand

Credit and debit cards and bank transfers are the most popular payment options at 26% and 24% respectively.

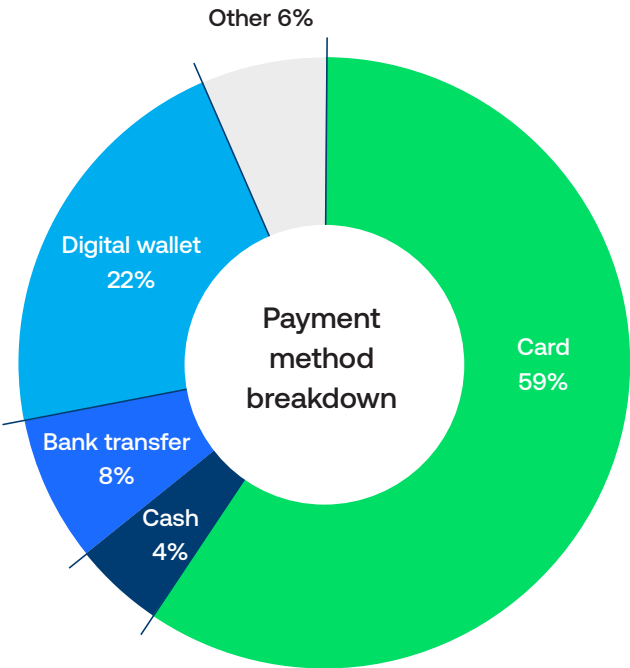
# The Americas



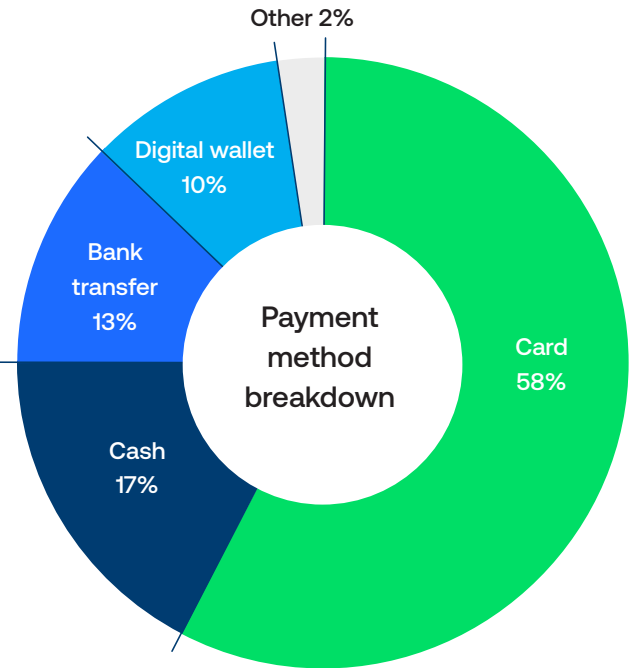
# The online payment culture

The most common online payment method across the Americas is the credit card, with approximately 59% share of the ecommerce payment market. Differences begin to emerge when the region is broken down by North, Central, and South America. In North America, digital wallets have 22% market share versus just 10% share in Central and South America. Bank transfers in North America stand at 8%, rising to 13% in Central and South America. And while cash-based payments represent around 4% in North America, they rise to a sizable 17% in Central and South America.<sup>11</sup>

North America<sup>10</sup>



Central and South America<sup>11</sup>



## Popular online payment methods in the Americas

### OXXO cash payments

While Mexico is the second largest ecommerce market in Latin America, around 71 million Mexicans do not have a bank account. The Mexican chain of convenience stores OXXO allows customers without bank accounts to pay for online purchases in store with cash. With more than 16,000 stores across the country, consumers can pay for their online purchases in cash, and businesses have zero risk of chargebacks.<sup>12</sup>

### Boleto Bancário

Approximately 53% of digital buyers in Brazil use Boleto Bancário for their online purchases.<sup>13</sup> Boleto Bancário is an official Brazilian payment method regulated by the Central Bank of Brazil, which generates 3.7 billion transactions per year.<sup>14</sup> It works by generating a payment slip that can be paid electronically (by bank transfer or mobile payment) or in-person at an ATM, in an approved store, or at a local bank branch.



# Key ecommerce payments stats for countries in the Americas<sup>15</sup>



## Argentina

Credit and debit cards represent 45% market share, but cash-based payments and digital wallets have a strong following at 18% each.



## Chile

While 70% of ecommerce purchases are made with a credit card, almost half use a local credit card.



## Peru

62% of ecommerce purchases are made with credit and debit cards, while cash-based payments represent 22% market share.



## Brazil

Credit and debit cards dominate the payment landscape at 62%, of which 12% is driven by local card brands. Cash-based payments are the second most popular method at 18%.



## Columbia

55% of ecommerce purchases are made with a credit card, while bank transfer remains popular at 21%.



## United States of America

59% of ecommerce purchases are made with credit and debit cards, with digital wallets as the second most popular at 23%.



## Canada

72% of ecommerce payments are made by credit and debit cards, with the major card brands accounting for the bulk of payments (49%).



## Mexico

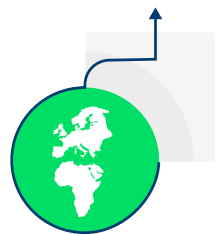
44% of ecommerce purchases are made with credit and debit cards, with cash-based payments coming in as the second most popular method at 21%.



## Uruguay

53% of consumers use credit cards, while cash-based payments are also popular at 26%.

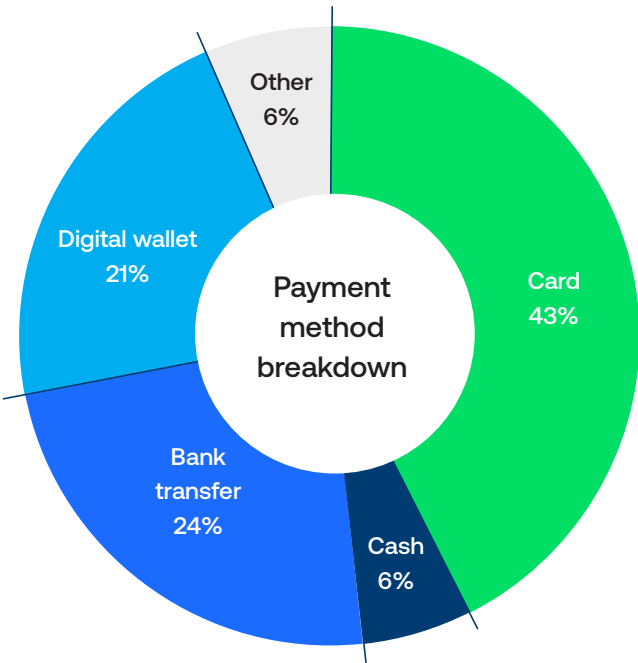
# Europe, Middle East, and Africa



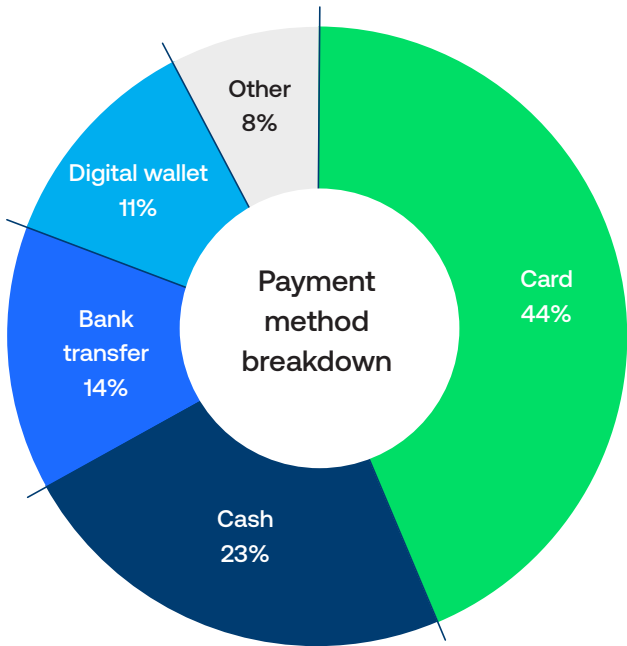
# The online payment culture

While individual countries vary dramatically, the most popular method of paying for online purchases across Europe, the Middle East, and Africa (EMEA) is with a credit or debit card, with approximately 43% share of the online payment market. Bank transfer is the second most popular option in Western Europe at 24%, taking 14% market share in Africa and the Middle East. Digital wallets are popular in Western Europe, with 21% share, while cash-based payments vary dramatically, taking 6% market share in Western Europe, rising to a sizable 23% in Africa and the Middle East.<sup>16</sup>

Western Europe<sup>16</sup>



Africa and Middle East<sup>17</sup>



## Popular online payment methods in Europe, Middle East, and Africa

### iDEAL

iDEAL is an interbank system, local to the Netherlands, allowing shoppers to use their bank accounts for online purchases. iDEAL is accepted by all major Dutch ecommerce sites. As of 2018, iDeal had 524 million users.<sup>18</sup>

### Open invoice

The German ecommerce market is one of the largest in Europe and is growing rapidly, worth approximately €103.4 billion.<sup>19</sup> For the past 10 years, open invoicing has been the most popular payment choice, accounting for 63% of all transactions.<sup>20</sup>

### Trustly

Trustly is a popular bank transfer method in Europe. Trustly bank transfers allow customers to pay instantly from their bank accounts. Trustly processes approximately 12 million transactions per month for 4,500 businesses, serving 600 million customers in 29 countries.



524m

iDEAL payments processed  
in 2018



+60%

of all German transactions  
are open invoice



600m

Trustly customers in  
29 countries

# Key ecommerce payments stats for countries in Europe, Middle East, and Africa<sup>21</sup>

## Europe



### Austria

The most popular payment option is bank transfer (46%), with open invoice being the second most popular method representing 30% of ecommerce payments in the market.



### Belgium

51% of ecommerce transactions are paid for with credit cards. Local card brand, Bancontact, dominates the market.



### Czech Republic

Cash-on-delivery is the most popular way to pay, with 44% market share, followed by bank transfers which stand at 27%.



### Denmark

Credit and debit cards are popular at 54% penetration. Local card brand, Dankort, leads with 34% market share.



### Finland

Bank transfers are the most popular payment method with 57% market share.



### France

Credit cards lead the way with 55% market share, the majority of which use local card brand Cartes Bancaires (50%).



### Germany

Credit and debit cards account for just 11% market share. The majority of ecommerce transactions are made with bank transfers.



### Greece

Credit and debit cards supported by Visa and Mastercard dominate, representing the majority of market share, followed by cash-on-delivery at 29%.



### Hungary

Cash-based payments lead the way with 45% market share, closely followed by credit and debit cards at 44%.



### Italy

41% of ecommerce purchases are paid by card with PagoBANCOMAT, accounting for 24% of overall ecommerce payments.



### Netherlands

Bank transfers dominate with 65% market share, the most popular being iDEAL representing 56% of the total bank transfer market share.



### Norway

Half of all ecommerce payments are made with credit and debit cards. The most popular option is BankAxept (41%).

## Europe



### Poland

Just a quarter of ecommerce payments are made with credit and debit cards. Bank transfers lead at 47%.



### Spain

Digital wallets have strong representation at 22%. Credit and debit cards dominate at 49%.



### Switzerland

Bank transfers are the most popular ecommerce payment method, accounting for 56% of market share.



### Slovakia

Cash-on-delivery dominates, representing 41% of total ecommerce purchases.



### Sweden

Credit cards make up 46% of ecommerce purchases, with bank transfers taking second position at 24%.



### United Kingdom

Credit and debit cards represent 56% of market share, while digital wallets follow at 25%.

## Middle East



### Egypt

Cash-on-delivery is strong, representing 55% of ecommerce purchases.



### Israel

Credit cards and the international card brands dominate, with 76% penetration.



### Saudi Arabia

35% of ecommerce payments are made with credit and debit cards, with local schemes being the most popular at 33%.



### Turkey

Credit and debit cards dominate at 71% market share, mainly Visa and Mastercard.



### United Arab Emirates

Credit and debit cards account for 39% market share, while cash-on-delivery remains a popular method at 20%.

## Africa



### Kenya

Cash-based payments are the most popular payment type with 40% penetration.



### Nigeria

Credit cards have a slight edge (27%) over bank transfer and cash-based payment options.



### Morocco

Cash-based payments are the most popular payment method with 41% of all ecommerce purchases made with cash-on-delivery.



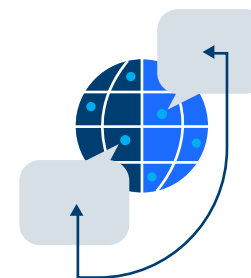
### South Africa

Credit and debit cards supported by Visa and Mastercard dominate the ecommerce landscape with 43% of payments, followed by bank transfer at 21%.

# Final **takeaway**



# Stay relevant with online payment methods that meet customer expectations



The global payment landscape is diverse, complex, and relentlessly evolving; today's innovation is tomorrow's expectation. As new payment methods continually emerge and gain popularity across different countries and regions, businesses need to stay one step ahead and tailor their payment choices to meet ever-changing customer preferences.

While there are hundreds of online payment methods, most businesses only need a select few to truly meet the needs of their customers. A few questions can help you identify the right mix for your business:

**Where do your customers live?** Explore online payment methods that are popular in the regions where your customers reside.

**Where do you do business?** Do you have multiple locations? Ensure you're offering payment methods for each location where you do business.

**Are they buying from your ecommerce site via their mobile device? A laptop? Tablet?** It may be easier for customers to pay with digital wallets when they're purchasing through their mobile devices and tablets. Even on their laptops.

**Do you wish to expand your customer base into other countries?** If so, be sure to offer the popular payment types where you're looking to expand.

By adopting the payment methods that your customers prefer, your business can have a targeted payment strategy that meets customers' payment preferences, driving higher customer satisfaction, reaching more customers, optimizing costs, reducing fraud and disputes—and maintaining your competitive edge.

## Need support to upgrade your payments?

There is no one-size-fits-all approach to payment acceptance. That's why we support a full range of over [140 payment methods](#)—so you can offer the right combination of payment options in each market and channel where you do business. [Contact us](#) to learn more.

# Definitions of payment methods and terms

**Bank transfer**—Bank transfers let consumers pay directly from their bank account.

**Buy now, pay later**—Buy now, pay later—a type of installment payment—lets customers break down the cost of a purchase into a series of payments over varying time periods, while the merchant receives the full payment up front.

**Card brand/card network**—A card brand, also known as a card network, is a central payment network that uses credit and debit cards to process payments.

**Cash-on-delivery**—Cash-on-delivery happens when consumers order goods or services online and then pay cash at the time they're received.

**Cash-based payments**—Cash-based payments enable customers to order online and generate a barcode or QR code as a way to pay. The customer presents this QR or barcode to a participating third-party retailer (e.g. post office, service station, convenience store) to complete the transaction. When the third-party retailer scans the voucher, the business issues the product or service to the customer.

**Credit cards**—Credit cards allow consumers to draw on a line of credit to pay for goods and services.

**Debit cards**—Debit cards enable consumers to quickly pay for goods and services from their bank accounts, without the need to borrow money like a credit card.

**Digital wallet**—Digital wallets may contain multiple payment types: credit cards, debit cards, or bank transfers. Wallets typically require customer verification (e.g., biometrics, SMS, passcode) to complete a payment.

**Ecommerce**—Ecommerce refers to electronic or digital commerce completed through a smartphone, computer, or other device on the Internet of Things (IoT).

**IoT**—The Internet of Things (IoT) includes the network of devices that are all connected through the web to one another. As the IoT grows, more and more payment methods will be accessible through smartwatches and other smart appliances and devices connected to the IoT.

**QR codes**—Quick response or QR codes are scannable bar codes that direct users to websites, mobile apps, menus, and more. Since the pandemic, they're being used more and more to help customers navigate information seamlessly and contactlessly from mobile devices to other digital content and payment methods.

# Sources

<sup>1</sup>The Paypers, 28 August 2020, [Payment Methods Report 2020](#).

<sup>2</sup>eMarketer, 22 June 2020, [Global Ecommerce 2020](#).

<sup>3</sup>PPRO, [Payments Report – Asia-Pacific 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>4</sup>UnionPay, October 2018, [UnionPay cards issued outside mainland China exceeds 100 million](#).

<sup>5</sup>UnionPay, [China Daily](#), 5 July 2019, [UnionPay issues over 7.5 billion cards globally](#).

<sup>6</sup>China Internet Watch, [Alipay](#).

<sup>7</sup>Statista, [Active WeChat accounts](#).

<sup>8</sup>Business of Apps, [WeChat revenue and usage statistics](#).

<sup>9</sup>PPRO, [Payments Report – Asia-Pacific 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>10</sup>PPRO, [Payments Report – The North America Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>11</sup>PPRO, [Payments Report – The Central and South America Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>12</sup>Ebanx [Oxxo Payment Method](#).

<sup>13</sup>eMarketer, March 2019, [How do digital buyers in Brazil pay for digital purchases](#).

<sup>14</sup>PagBrasil [Payment Methods – Boleto Bancário](#).

<sup>15</sup>PPRO, [The North America Report 2020](#) and [The Central and South America Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>16</sup>PPRO, [Western and Central Europe Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>17</sup>PPRO, [Middle East and Africa Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company.

<sup>18</sup>Statista, [Total number of payments with iDEAL in the Netherlands](#).

<sup>19</sup>Ecommerce News, June 2020, [Ecommerce in Germany](#).

<sup>20</sup>Export.gov, August 2019, [Germany Ecommerce](#).

<sup>21</sup>PPRO, [Western and Central Europe Report 2020](#) and [Middle East and Africa Report 2020](#) – Commissioned by PPRO: Edgar, Dunn & Company

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