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DISCOVER GLOBAL NETWORK
2018 ATPS APAC SPONSORS

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Sift Science  
TRAVEL FRAUDGUARD  
BAY PAY
How do you deliver outstanding experiences without inviting fraud?

$858M  1-2%  72%

Cost of payment fraud to the airline industry each year

Of travel agency revenue is used to manage fraud

Of businesses worry about preventing fraud without turning away good customers
Machine learning can separate fraudsters from real travelers

It's only when you apply behavioral analysis on a large scale, looking at all of a user's activity and all activity of users across the travel industry, that you can get an accurate picture of whether someone is truly who they say they are.

At Sift Science, we have over 16,000 signals we look at to identify fraud. Here are just a few examples:

- Account age
- Time until event
- Seat selection
- Order size
- Destination
- Buyer location
- Device type / ID
- Fare class

Sources: Statista, eMarketer, Zozi, IATA, Phocuswright, Sift Science

To learn more about how Machine Learning can help you prevent fraud email:
Tobias Abdon tobias@siftscience.com
ALTERNATIVE FORMS OF PAYMENT:
WHY YOU NEED THEM

Laurie Gablehouse
Ingenico ePayments
Principal Consultant, Travel Payment Strategies
Electronic payments are fostered by growth of the middle class and increase in banked population in emerging countries.

**Share of unbanked population**

<table>
<thead>
<tr>
<th>Year</th>
<th>India</th>
<th>Nigeria</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>48%</td>
<td>70%</td>
<td>44%</td>
</tr>
<tr>
<td>2012</td>
<td>36%</td>
<td>65%</td>
<td>36%</td>
</tr>
<tr>
<td>2013</td>
<td>27%</td>
<td>48%</td>
<td>27%</td>
</tr>
</tbody>
</table>

**Source:** Worldbank, Global Data / Timetric
These trends provide support for strong underlying growth of non cash transactions.

Non cash transactions by geography (bn transactions)

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia</td>
<td>36</td>
<td>80</td>
<td>137</td>
</tr>
<tr>
<td>Europe</td>
<td>48</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>MEA</td>
<td>85</td>
<td>114</td>
<td>148</td>
</tr>
<tr>
<td>North Am</td>
<td>12</td>
<td>19</td>
<td>27</td>
</tr>
<tr>
<td>Latam</td>
<td>19</td>
<td>148</td>
<td>16</td>
</tr>
</tbody>
</table>

16-20 CAGR

- Asia: 14%
- Europe: 11%
- MEA: 12%
- North Am: 7%
- Latam: 9%

Source: Global Data / Timetric
EVERY POINT OF INTERACTION BECOMES A POINT OF PAYMENT

Physical payment expanding beyond the store to address the new mobile consumer

- Self-serve unattended, connected objects becoming additional points of sale for impulse purchases
- More than 15bn connected devices by 2021
- Payments on screens, cars, fridges, etc

Any form factor

- New payment form factors leveraging mobile and wearables
- $95bn estimated annual mobile and wearable contactless payments in 2018, could reach $500 billion by 2020
Mobile commerce is the fastest growing segment of shopping

- China: m-commerce reaches 93% of all e-commerce sales in 2017
- Japan: the share of mobile shoppers tripled from 11% in 2015 to 34% in 2016
- US: An estimated 30% of all online sales are made on mobile devices

2 Bn Mobile or tablet users who made an e-commerce transaction in 2017
INCREASED FRAGMENTATION OF PAYMENT METHODS

Alternative payment players are already dominant in e-commerce

- APM growing at almost twice the rate of cards
- APM expected to represent 55% of e-commerce transactions by 2019
- Governments creating frameworks to encourage acceptance of alternative forms of payments
- New wallet players emerging from non payments backgrounds

And leveraging on regulation and technology to enter the physical world

- APM’s originating online but expanding into the physical world
- APM’s are dominant in certain geographies notably China
- Alipay and WeChat expanding acceptance globally with focus on Asia - Alipay targeting 1m offline merchants by 2019
- 48% of the biggest European multichannel retailers offer mobile wallets as payment options.
QR-CODE PAYMENTS GROWING IN ASIA AND BEYOND

Now mainstream in China for in-store payments
• 600m WeChat Pay users, 450m Alipay users
• 50% of mobile Internet users pay with QR-codes in physical stores

Chinese visitors driving cross-border adoption in APAC
• Asia is the primary destination with 100m yearly Chinese visitors

Generalising across Asia and the rest of the world
• EMV Co issued specifications for QR-code payments
• Schemes pushing QR code payments (mVisa, Masterpass QR)
• Domestic QR-code payments initiatives in several Asian markets
• Many local wallets now adopting QR code payment methods
The consumer is mobile and interconnected across multiple devices, shopping and switching from one to the other.

The most valuable shoppers buy in multiple ways: online, at check-in, in airport, onboard (on property) and have a 30% higher lifetime value than single-channel customers.

Payments are an integral part of the shopping experience and the "interconnected shopper" expects a seamless and secure experience.

Omni-channel and convergence with mobile are critical to attract and connect with these highly desirable consumers.
ALTERNATIVES OR CARDS?
Due to a well-developed infrastructure and high affinity of local consumers to online shopping, Singapore had the third largest B2C E-Commerce market in Southeast Asia.

- 51% of online shoppers in Singapore bought from abroad, with USA (30%) and China (22%) being the top countries for online purchases.
- M-Commerce is another strong market trend, accounting for 31% of B2C E-Commerce sales in 2015.
- 73% of adult Internet users shopped online in 2016.

Popular payment products:

- Credit card: 33%
- Bank transfer: 13%
- Debit card: 13%
- PayPal: 11%
- Cash or cheque: 7%
- Charge & deferred debit card: 5%
- Apple Pay: 4%
- Android Pay: 3%
- eNets: 3%
- Prepaid card: 3%
- Prepaid voucher: 3%
- Fastacash: 3%
- Samsung Pay: 1%
MALAYSIA

- M-Commerce product sales are projected to reach **22%** of total B2C E-Commerce sales in 2020
- **31%** of online shoppers in Malaysia made purchases via social media platforms in 2016
- **35.3%** of Internet users in Malaysia shopped online
- **77.9%** of households in Malaysia had broadband Internet access in 2016

Popular payment products

- Bank transfer
- Maybank 2U
- Cash or cheque
- CIMB Clicks
- Credit card
- Online Banking
- Debit card
- Charge & deferred debit card
- PayPal
- eWallet
- Prepaid card
- Prepaid voucher

ATPS APAC, Phuket, 2018
THAILAND

- Thailand had the second largest economy in Southeast Asia in terms of GDP and also the second largest B2C E-Commerce market by 2016 sales.
- 51% of online shoppers in Thailand made a purchase via social media channels in 2016.

- Internet penetration in Thailand increased from 22.4% in 2010 to 47.5% in 2016.
- 8% of Internet users made purchases online, as of Q1 2016.

Popular payment products:
- Bank transfer
- Credit card
- Cash or cheque
- PayPal
- Debit card
- Prepaid card
- TrueMoney
- AirPay
- Charge & deferred debit card
- Prepaid voucher

ATPS APAC, Phuket, 2018
VIETNAM

- In 2016, E-Commerce accounted for only around 1% of total retail sales in Vietnam, the fourth largest retail market in Southeast Asia.
- “Smartphone” (51%) ranked behind “Computer and Laptop” (75%) in share of online shoppers using it to perform purchase transactions in 2016
- Internet user penetration in Vietnam grew from 30.7% in 2010 to 52.7% in 2015
- 62% of Internet users in Vietnam shopped online in 2015

Popular payment products

- Bank transfer
- Cash or cheque
- Credit card
- Charge & deferred debit card
- PayPal
- Debit card
- BaoKim
- NganLuong
- Prepaid card
- Prepaid voucher

Internet user penetration in Vietnam grew from 30.7% in 2010 to 52.7% in 2015

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PHILIPPINES

- **61%** of online shoppers made purchases from foreign retailers in 2015
- **50%** of individuals surveyed in the Philippines in 2016 visited an online store, but only **38%** purchased a product or service online

- Internet penetration reached **40.7%** in 2015, up from **25%** in 2010
- Mobile commerce in the Philippines is developing due to rapid growth of smartphone penetration. However, Philippine’s online retail market is still in early stages of development.

### Popular payment products

- Cash or cheque
- Credit card
- Bank transfer
- PayPal
- Debit card
- Charge & deferred debit card
- eWallets
- Prepaid card
- Prepaid voucher

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ATPS APAC, Phuket, 2018
INDONESIA

- 66% of online buyers used smartphones more than other devices for online shopping
- 29% of Internet users made purchases online in 2016

Indonesia’s E-Commerce growth rate from 2015 to 2025 (+39%) is projected to be the fastest in the region

Internet penetration increased from **10.9%** in 2010 to **22.0%** in 2015.

Popular payment products

- Bank transfer
- Credit card
- Cash or cheque
- Debit card
- PayPal
- Charge & deferred debit card
- Prepaid card
- BBM Money
- eWallets
- Prepaid voucher
- Other
INDIA

- 10% of the online population has shopped online
- US is the most popular cross-border shopping destination
- 47% of online shoppers in India switched from COD to online payments following demonetization.
- The year-on-year growth rate in smartphone based penetration is 150%

Popular payment products

- eWallet
- Bank transfer
- Cash or cheque
- Debit card
- Credit card
- PayPal
- Charge & deferred debit card
- Prepaid card
- Prepaid voucher
- PayU

ATPS APAC, Phuket, 2018
NEW ZEALAND

- The US, Australia and the UK are the most popular destinations for cross-border ecommerce purchases
- **56%** of online population are online shoppers
- The smartphone penetration level is at a significant **60%** and almost **30%** of all Internet users have purchased through their device.
- **4%** growth in the number of online shoppers in the last year

### Popular payment products

- Credit card
- Debit card
- Bank transfer
- PayPal
- Other
- Charge & deferred debit card
- Cash or cheque
- Prepaid card
- Apple Pay
- Paysafecard
- Prepaid voucher

ATPS APAC, Phuket, 2018
AUSTRALIA

- 86% of online shoppers surveyed in 2016 made purchases from foreign e-commerce platforms
- 45% of online shoppers bought from smartphones on a monthly basis in 2017

- 80% of Internet users are online shoppers
- Majority of consumers use laptops to shop online

Popular payment products

- Credit card
- PayPal
- Bank transfer
- Debit card
- Cash or cheque
- Bpay
- Charge & deferred debit card
- Other
- Apple Pay
- Payza
- Afterpay
- Prepaid voucher
**SWEDEN**

- **80%** of the population in 2016 shopped online
- **35%** of the consumers purchased online 1-2 times per month
- **86%** of enterprises have mobile compatible websites
- Over **50%** of e-shoppers purchased via smartphone/tablet in 2016

### Popular payment products

- **Credit and Debit card**
- **Bank transfer**
- **Invoice after delivery**
- **Charge & deferred debit card**
- **Klarna**
- **PayPal**
- **Swish**
- **Prepaid voucher**
- **Cash or cheque**
- **Prepaid card**
GERMANY

- 82% of the population are online shoppers
- M-Commerce sales in Germany are expected to grow their share of retail E-Commerce sales from 33% in 2016 to 41% in 2020
- Laptop (66%) and desktop (50%) were ahead of smartphone (39%) and tablet (27%) in usage by online shoppers in 2016
- E-commerce was 12.7% of total retail revenue in 2016

Popular payment products:
- PayPal
- Bank transfer
- Credit card
- Cash or cheque
- Direct Debit (Sofort & ELV)
- Charge & deferred debit card
- Debit card
- Paysafecard
- Giropay
- Klarna
- Other
- Prepaid card
- Afterpay

ATPS APAC, Phuket, 2018
Popular payment products

- iDeal
- Bank transfer
- Credit card
- Cash or cheque
- Debit card
- PayPal
- Afterpay
- Prepaid card
- Charge & deferred debit card
- Other

NETHERLANDS

- 52% are using their laptops and 28% smartphone
- Most popular markets for Dutch online shoppers are Germany (19%), UK (24%), China (59%) US (6%)
- 84% of the population are online shoppers
- 27% preferred to buy online

ATPS APAC, Phuket, 2018
RUSSIA

- 64% of the eShoppers made at least one unplanned purchase
- 1 in 3 consumers makes purchases via smartphone
- M-Commerce accounted for 18% of B2C E-Commerce sales of products in Russia in 2016.
- 60% of domestic sales are paid via cash on delivery

Popular payment products

- Cash or cheque
- Bank transfer
- Debit card
- Credit card
- Webmoney
- Yandex
- Charge & deferred debit card
- PayPal
- Prepaid card
- Visa Qiwi Wallet
- Other

ATPS APAC, Phuket, 2018
BRAZIL

- 38% of the online population shopped online
- M-commerce transaction volume to increase to 32% in 2017

In cross-border purchases, “Credit card” (62%) was the top choice of Brazilian online shoppers, followed by “PayPal” (28%)

People aged 25-34 are the biggest group of internet users

Popular payment products:

- Credit card
- Bank transfer
- Charge & deferred debit card
- Cash or cheque
- Debit card
- PagSeguro
- PayPal
- Boleto Bancario
- MercadoPago
- Prepaid card
- Prepaid voucher
- Webmoney
ARGENTINA

- 57.1% of online population are e-shoppers
- 13% of online purchases in Argentina were made via smartphone (2016)

Revenue in the eCommerce market amounts to US $5,028m in 2018
Annual growth of online sales transactions amounted to 52% (2017)

Popular payment products

- Credit card
- Bank transfer
- MercadoPago
- Cash or cheque
- Debit card
- Rapipago
- Charge & deferred debit card
- Pagofacil
- PayPal
- Prepaid card
MEXICO

- 15.9% of Internet users purchased products online in 2016
- Mexico is the second largest B2C E-Commerce market in Latin America, with an estimated sales share of 17% of the region’s total in 2016

Online retail sales, including travel, grew by +59% to MXN 257.1 billion (EUR 12.5 billion) in 2015

Internet penetration in Mexico increased from 37.2% in 2011 to 59.5% in 2016

Popular payment products

- PayPal
- Debit card
- Credit card
- Cash or cheque
- Bank transfer
- Charge & deferred debit card
- MercadoPago
- Paysafecard
- Payza
- Prepaid card
- SafetyPay

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Thank You!
LAURIE.GABLEHOUSE@INGENICO.COM