

How In-app payments can be a game changer for the market



Speaker

Menno Hoekstra

Director of Product, Worldline

Rise
2024

Digital Markets Act



Are you aware of the
European Union's
upcoming Digital Markets
Act (DMA) legislation?

Menti.com
XXXXXXX

Speaker



Menno Hoekstra
Director of Product, Worldline

What is this session about?



A law regulating large online platforms in Europe providing a fairer market environment by putting constraints on those platforms called gatekeepers

Objectives of the DMA

Prevent gatekeepers from anti-competition practices

Increase consumer choice by enabling more market players

Boost innovation by providing more space for more companies

6 companies identified as Gatekeepers

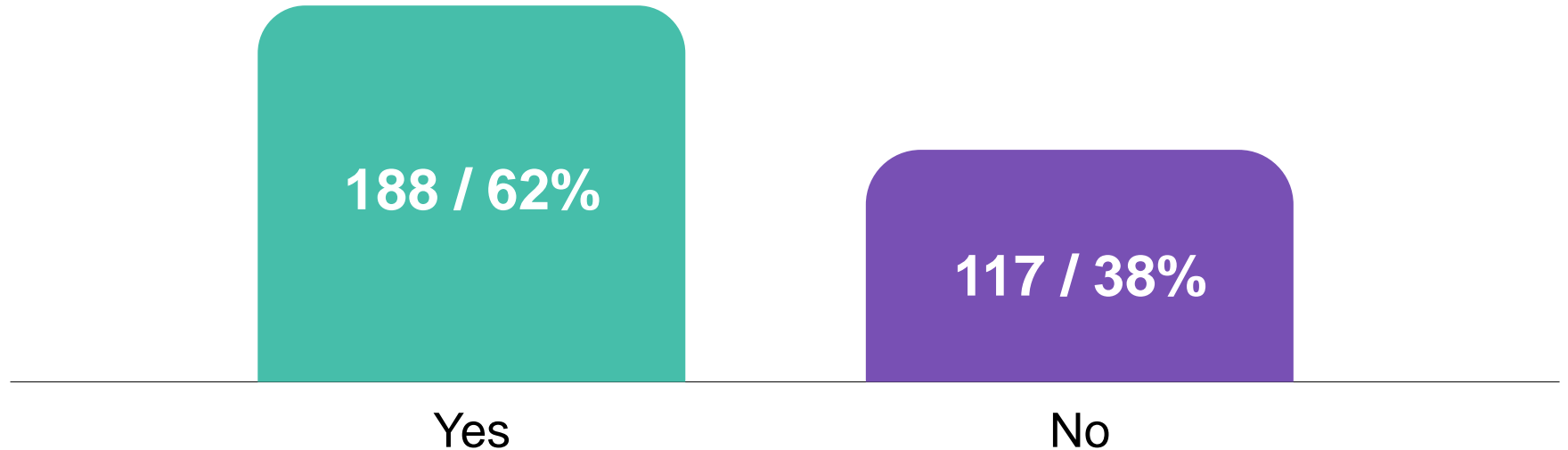
1. Alphabet (Google, Youtube, Android)
2. Meta (Facebook, Instagram, Whatsapp)
3. Bytedance (TikTok)
4. Microsoft
5. Amazon
6. Apple

Implementation of DMA is **7th of March 2024**

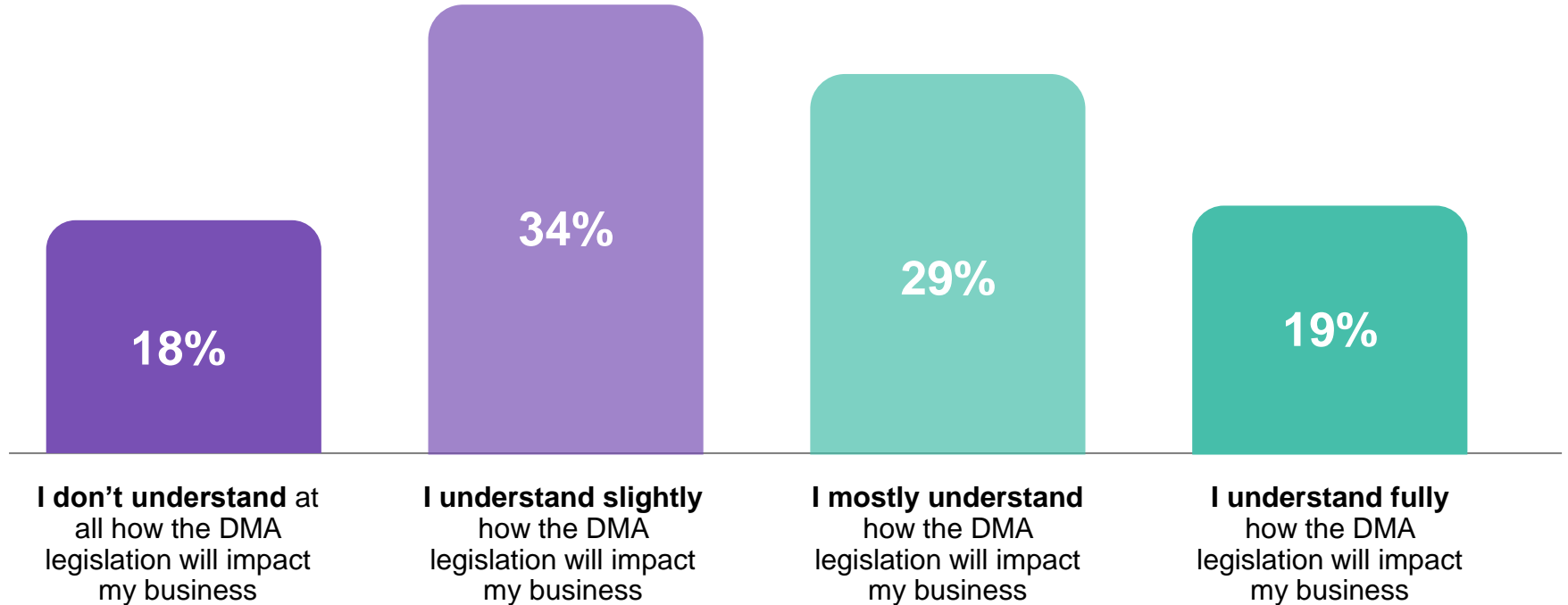


Are you aware of the European Union's upcoming Digital Markets Act (DMA) legislation?

We asked 300 Developers in the US, UK and DE



Do you understand how the EU DMA legislation will impact your business?



What is the impact

For you as a consumers

You will have more control over your data and digital experience

- Easily transfer your data to other providers, which will make it easier to switch between different services.
- You can uninstall pre-installed app's
- More default choices Like browser or Search Engine
- No more self-preferencing, search results will now be fairer ranked as companies are not allowed to bump their own goods / services
- New app market places

For you as a merchant

You will not be bound to using the gatekeepers systems

- App's are no longer bound to using the Appstore' payment system. **3rd party's are allowed to process transactions** from within the app.
- Developers can inform and/or redirect consumers to a payment page from within the app and offer other payment experience with different payment options & methods
- Merchant can start their own app marketplace and make that available on Android and iOS
- Consumers will be able to choose between using Apple's service or another NFC-enabled application on iPhone provided by their bank or card issuer for contactless transactions.

How did Google Respond

Google's new policy

Google offers 3 options:

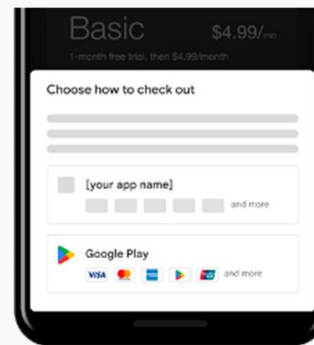
1. **Google play store:** Continue with only using Google play store
2. **User choice billing:** Offer Google Pay and alternative
3. **Alternative billing:** Only offer alternative billing

User choice billing (#2) and Alternative billing (#3)

- For **User choice billing (#2)** 4% reduced service fee 11% for the first \$1M and subscriptions 26% for excess of \$1M each year)
- For **alternative billing (#3)** 3% reduced service fee 12% for the first \$1M and subscriptions 27% for excess of \$1M each year)
- Request through declaration form
- Need to Integrate the alternative billing API's (mainly for reporting purposes)
- Follow UX guidelines

For you as a merchant

- You can use 3rd party payment providers
- Allow embedded WebView in app to show hosted payment page's
- Applicable for EEA
- User choice billing available in limited countries outside EEA for non-gaming app's



How did Apple Respond

Apple's (optional) new EU policy

- Reduced commission from 30% to 17% (10% for SMB and subscriptions)
 - 3% Processing fee if continue to use Apple's payment system
 - New core technology fee (€0.50 per install **on any app store** above 1 mil)*
 - Implement new set of API's
- Apple has the right to audit you on the implementation

"The same illegal anti-competitive system, replete with new garbage fees and new taxes on payments they don't process"

"Malicious compliance"

Tim Sweeney, CEO of Epic Games

"Apple clearly has no intention to comply with the DMA. Apple is introducing new fees on direct downloads and payments they do nothing to process, which violates the law"

Coalition for APP fairness

Impact of accepting the new policy

- You can use 3rd party payment providers
- You can redirect consumer outside of the app to a payment page on your (mobile) website
- Consumers will be informed on the App's product page in the app store that this app uses 3rd party systems.
- Consumers will be warned when making a purchase outside the apple payment system (in app or when leaving)
- Allows your app on 3rd party app store's
- Commissions and UX restrictions do not apply (only CTF)

"Apple's new policy is a step in the wrong direction"
Sarah Bond, Xbox president

How did Google Respond


Apple

- Reduced commission of 13% (17% for Subscriptions and SMB) (10% for Subscriptions and SMB)
- Additional fee (€0.50) per installation above 1 million annual installs
- Covers EU
- Either continue to use Apple's billing system OR use alternative
- Does not support embedded WebView but does support linking outside app
- Effective "march"


Google

- Reduced Commission 3% (12% under 1 million / 27% above 1 million)
4% if you offer Google pay next to alternative
- No additional installation fee
- Covers EEA (EU + Iceland, Lichtenstein and Norway)
- Can choose alternative billing system instead of or in addition to Google Play's billing system
- Supports embedded webview for payment page's but no linking outside app
- Effective date March 13 2024


In-app rules & Regulations USA



USA



Inform consumers within the app or by email of offers and alternative payment methods on website



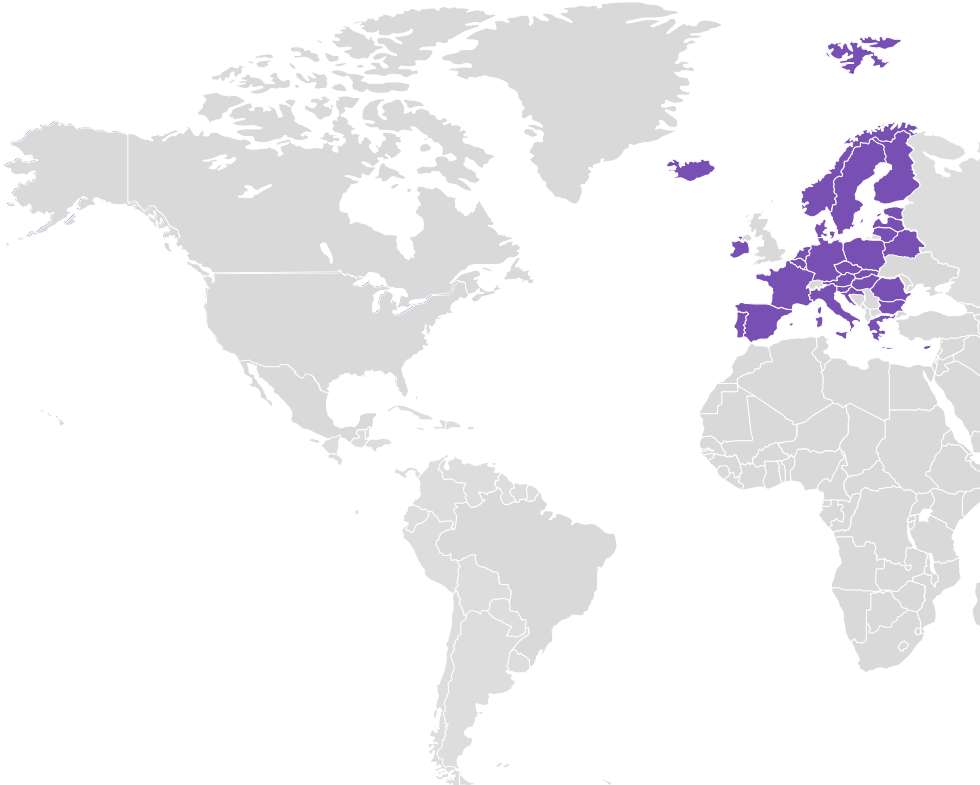
User choice billing offer
Alternative payment provider next to Google Play

A large rounded rectangle with a background image of the New York City skyline. A yellow pill-shaped label with the text 'USA' is positioned at the top center. Below the skyline, the rectangle is split into two vertical panels. The left panel has a teal background and features the Apple logo above the text 'Inform consumers within the app or by email of offers and alternative payment methods on website'. The right panel has a purple background and features the Google logo above the text 'User choice billing offer' and 'Alternative payment provider next to Google Play'.

In-app rules & Regulations South Korea



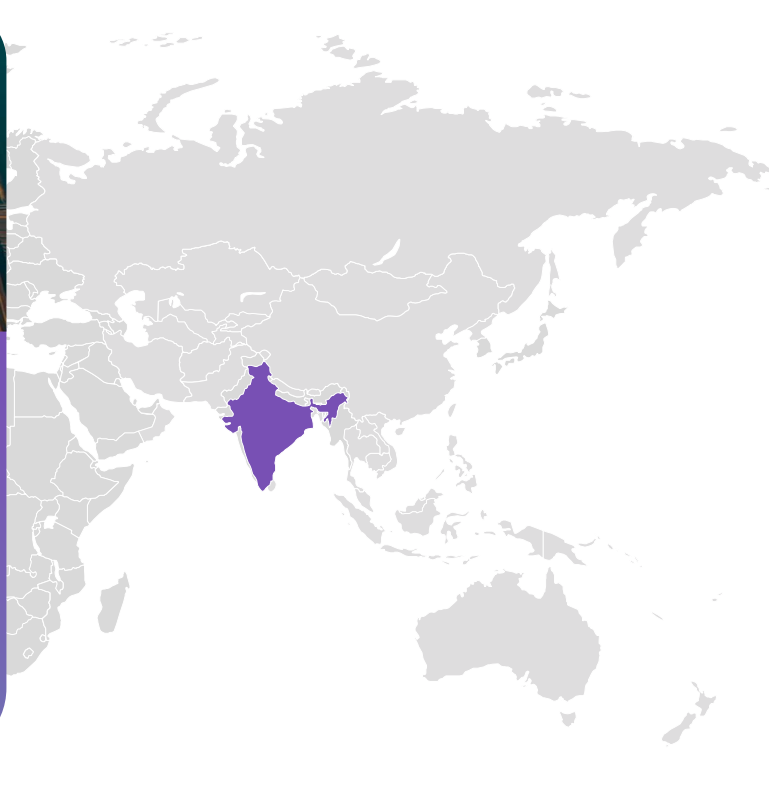
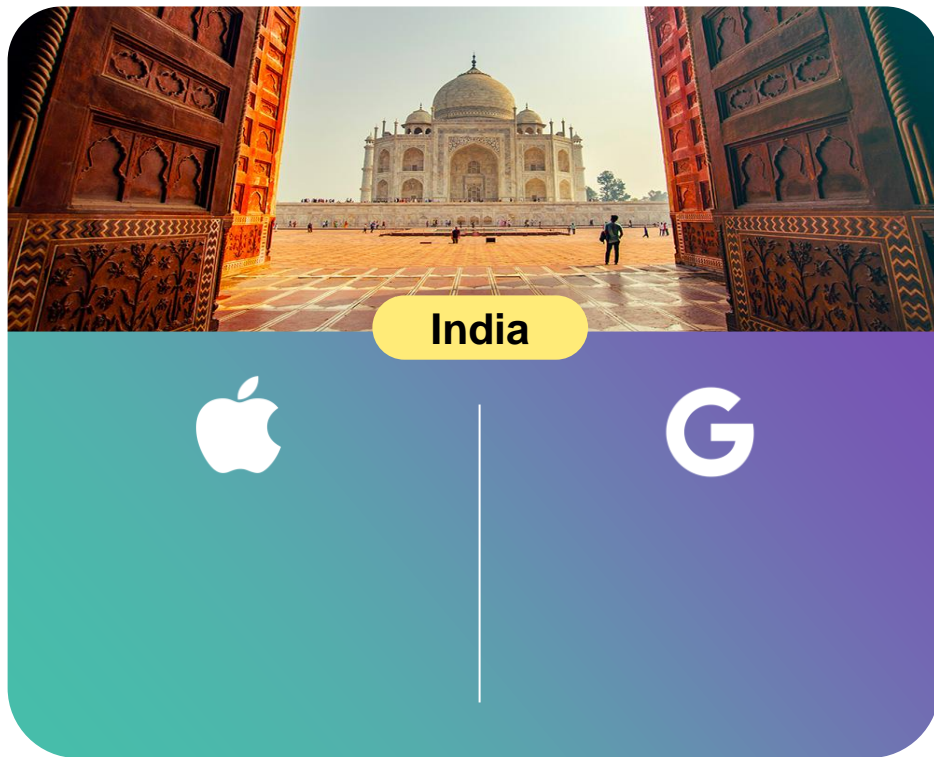
In-app rules & Regulations **EEA**



In-app rules & Regulations **Brazil**



In-app rules & Regulations India





Panel discussion

Panel Market Insights



Panel host

Simone Lavicka

Head of Strategy,
Marketing & Sales
enablement



Panelist

Menno Hoekstra

Head of Product
Management



Panelist

Andrew Monroe

Director Business
Development

Rise
2024

**Ready to conquer the world?
Let's go!**