

Payment Methods Report 2022

Latest Trends in Payment Preferences



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India's Digital Explosion and the Opportunities It Presents to Ambitious Online Businesses



As a Chief Executive Officer of Worldline India, **Ramesh** is responsible for leading the business strategy and driving the revenue growth of the company. He has over three decades of experience in various roles in the Information Technology industry, having worked with various companies like HCL and IBM, where he performed diverse leadership roles.

Ramesh Narasimhan ■ Chief Executive Officer – India ■ Worldline

Since well before the turn of the century, India has been undergoing immense changes in almost every aspect of life. GDP per capita has soared, literacy rates are up, life expectancy is higher than ever, and the country's digital economy is booming, with 75% of the population being under the age of 45.

According to **S&P Global Market Intelligence research**, India also attracted fintech funding of USD 5.94 billion raised across 236 deals in 2021, up from USD 1.5 billion across 118 deals in 2020. It is also predicted that consumer spending will double within the next three years, and ecommerce penetration will increase by a factor of five. This is expected to create an ideal environment for exponential growth, while placing the country as the world's third largest fintech economy, behind the US and the UK.

However, in order to capitalise on such enviable growth opportunities, online businesses need a deep understanding of this diverse, dynamic economy, with its interwoven ancient yet cutting-edge cultures, and of course, the latest regulatory and payments infrastructure.

Digital payments and fintech make now for an important part of the life of India's over 1.35 billion people, with 52% of the country adopting some form of fintech. With an estimated 750 million smartphone users, it is clear how far India has travelled in its rapid digital transformation, providing a strong environment for many digital businesses.

Overcoming barriers when entering the market

India's digital transformation was jumpstarted by 'Digital India', a campaign launched by the Indian government in 2015, aimed at ensuring the country's citizens are connected through high-speed

networks and can access a robust digital ecosystem. The economic rationale behind this campaign was clear: **research from McKinsey** states that digitisation can create 65 million new jobs by 2025 and add USD 1 trillion to the economy. This is a positive indicator for global digital businesses looking to succeed in the region.

The opportunities on offer are, therefore, very clear, but the ever-changing regulation and the ongoing developments in the digital and payments landscape can prove challenging. From a payments perspective, it is crucial to understand that local payment methods are the norm, not the exception. Therefore, offering a full range of payment methods that consumers are accustomed to – alongside traditional payment methods from other parts of the world – is essential.

Every merchant and their payment service provider (PSP) need to be able to process complex and confidential personal data, while remaining compliant with India's regulatory framework. The PSP that can deliver this most efficiently, rapidly, and robustly will inevitably provide the merchant community with the greatest comfort, to their mutually competitive advantage.

A unique payments ecosystem

Traditionally, India has been a high-cash economy. However, the National Payments Corporation of India (NPCI) was established by the Reserve Bank and Indian Banks' Association to encourage migration towards a 'less-cash' economy. The obvious replacement for cash was represented by debit cards – and, given mobile phones' coverage, phone-based payments and e-wallets. →

Amongst NPCI's many payment innovations is the widely used Unified Payment Interface (UPI), which allows instant payments through a variety of third-party payment methods. UPI is, by far, one of the most popular payment methods. It has reached a phenomenal milestone again, this time crossing the INR 10-trillion mark in transactional values and 6 billion transactions in terms of volume, in May 2022.



Recently, to boost digital payments, the Reserve Bank of India (RBI) launched 'UPI123Pay', which would enable payments of UPI to take place via feature phones. These are basic mobile phones that only provide access to calling and texting services. Currently, UPI payment transfers need an Internet connection – but, by using UPI123Pay, individuals can employ all the services that UPI has to offer, such as recharges, bill payments, balance inquiries, and money transfers using calls and texts, except for the scan and pay service. Currently, UPI processes more than half of all digital transactions in the country, with the Indian government successfully launching the UPI app internationally, in countries like Bhutan, Nepal, the Middle East, and Singapore.

RuPay, another NPCI initiative, essentially functions as an alternative to Visa and Mastercard, providing credit and debit cards, contactless payments, QR code payments – and is used in nine other countries. Similarly, Net Banking represents a local Indian real-time bank transfer product. With this solution, consumers with an account at one of several banks can pay for their online purchases via online bank transfer.

Another 'must have' for merchants is the ability to seamlessly repatriate cross-border revenues in the merchant's preferred currency. Conversely, a merchant should also be able to list services in Indian rupees through its payment processes to maximise customer satisfaction throughout their payment journey.

Partnerships are the way to go

The opportunities India has to offer are demonstrably huge – but changing regulation and developments in the digital and payments landscape can be overwhelming. Therefore, finding the right PSP is crucial for long-term success.

A PSP should not only be able to guarantee its ability to manage data within the boundaries of Indian compliance regulations, including privacy, but also collect funds locally and provide international funds remittance and access to local payment methods. Worldline is best placed to do this, with our long-standing experience in the region and a solution covering all of these requirements. Backed by over 2,000 employees across India, we have a deep understanding of the local financial ecosystem and consumer behaviour.


Considering all the above, India is a huge, fast-growing market, particularly regarding its use of digital technologies, making it highly attractive and – potentially – extremely lucrative for those international brands that know how to maximise the opportunity presented.

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Worldline [Euronext: WLN] is a global leader in the payments industry and the technology partner of choice for merchants, banks, and acquirers. Powered by 20,000 employees in more than 50 countries, Worldline provides its clients with sustainable, trusted, and innovative solutions fostering their growth. Services offered by Worldline include in-store and online commercial acquiring, highly secure payment transaction processing, and numerous digital services. In 2021, Worldline generated a proforma revenue close to EUR 4 billion.

Company	Worldline
	<p>Worldline is the European leader in the payments and transactional services industry and the #4 player worldwide. As an agile and fast-growing global leader, Worldline is at the forefront of the digital revolution that is shaping new ways of paying, living, doing business, and building relationships.</p>
<p>Website</p> <p>Head office</p> <p>Core solution</p> <p>Target market</p> <p>Contact details</p> <p>Geographical presence</p> <p>Year founded</p> <p>License type</p> <p>Member of industry association and/or initiatives</p> <p>Company's motto</p>	<p>www.worldline.com</p> <p>Tour Voltaire 1 place des degrés CS 81162 92059 Paris la Défense Cedex</p> <p>Our solutions ensure secure payments and trusted transactional services along the entire payments value chain, enabling sustainable economic growth. We provide an extensive range of merchant acquiring, payment processing, and business solutions to financial institutions, merchants, corporations, and government agencies. Our continuously growing portfolio of solutions is environmentally friendly and supports trust and social transformation.</p> <p>We operate in more than 50 countries and employ over 20,000 talented and dedicated experts. With a strong culture of innovation, Worldline helps clients anticipate the future, seize new opportunities, and navigate their challenges with confidence.</p> <p>Merchants: retail, luxury and specialised brands, hospitality, travel, transportation, entertainment Marketplaces PSPs Fintech Banks</p> <p>More information upon request to infoWL@worldline.com</p> <p>Geographical presence in more than 50 countries and commercial activities in more than 170 countries.</p> <p>EUROPE Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, the Netherlands, Ukraine, the UK</p> <p>AMERICAS Argentina, Brazil, Canada, Chile, Colombia, Costa Rica, Ecuador, Peru, Mexico, Paraguay, the US, Uruguay, Venezuela</p> <p>AFRICA AND THE MIDDLE EAST Morocco, South Africa</p> <p>ASIA-PACIFIC Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, Vietnam</p> <p>2004</p> <p>Payment service provider</p> <p>The European Digital Payments Industry Alliance (the EDPIA)</p> <p>Digital Payments for a Trusted World</p>
<p>Service provider type</p>	
<p>Payment Gateway</p> <p>Payment Service Provider – Acquirer</p> <p>Payments and financial infrastructure</p> <p>Cryptocurrency payments solution</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Channels – context	
Online	Yes
POS/In store	Yes
Omnichannel	Yes
Payments capabilities	
Hosted pages	Yes
White-label solution	Yes
Recurring billing	Yes
Payment methods supported	Yes, more than 150
Settlement currencies	Yes
Tokenization	Yes
Pay-out/Disbursements	Yes
Payments orchestration	Yes
Reconciliation and reporting	Yes
B2B payments	Yes
ERP integration	Yes
E-invoicing (automated)	Yes
Factoring	Yes
Reporting/dashboards	
Consolidated data and reporting dashboard	Yes
Fraud and risk management capabilities	
Chargeback management	Yes
Fraud and risk management partners	Yes
Financial and compliance capabilities	
FX – number of currencies available	Yes
Current account/settlement account	Yes
Client onboarding (KYC/KYB)	Yes for acquiring and collecting
Clients	
Main clients/references	Circa 1.1 million merchants like Accor Hotels, Spotify, Subway, TOTAL – and more than 320 financial institutions such as BNPP, Commerzbank, ING, UniCredit
Case studies	BNPP and Worldline launched the first banking app on macOS in France: https://worldline.com/en/home/knowledgehub/blog/2021/april/how-bnpp-and-worldline-launched-the-first-banking-app-on-mac-os-in-france.html Exclusive guest experiences for a best-in-class service: https://worldline.com/content/dam/worldline-new/assets/documents/case-studies/michelreybier_success_story_case_study.pdf
Future developments	Stablecoins – next generation regulated digital currencies: https://worldline.com/en/home/knowledgehub/blog/2021/february/stablecoins-next-generation-regulated-digital-currencies.html
Transactions	
Transaction volume	17 billion payment transactions per year, 9.6 billion issuing processing transactions, and 11 billion acquiring processing transactions
Transaction value	More information upon request to infoWL@worldline.com
	View company profile in online database

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Combining global reach with local business, technology, and payment expertise. Worldline helps enterprises enhance their global strategy and thrive in high-growth markets with our online cross-border expansion solutions.



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