

First Data
is now **fiserv.**

CONSUMER REPORT



INTRODUCTION

Digital goods and services are any nonphysical item or service purchased online – music streaming, grocery delivery, ride share, etc. Estimated to be three times the purchase rate of traditional physical online goods, they represent a significant chunk of the digital market. Digital goods and services providers need to be prepared to deliver positive purchase experiences for their consumers, at scale. And, in order to compete, they must truly understand their customers' needs, which vary drastically by region and demographic. If they are unable to support those varied needs, online retailers risk losing customers to a vast global ecosystem of competitors, and can miss out on one of the fastest growing segments.

In 2019 Fiserv commissioned an online survey to evaluate the nonphysical/digital goods and services market, specifically how purchase rates and methods differ by region and demographic.

The study looked at 6,115 adults across 15 countries and four regions – Australia, Argentina, Brazil, Canada, Denmark, Germany, India, Malaysia, Mexico, Norway, Philippines, Poland, Sweden, United Kingdom, and United States.

While much of the discussion surrounding online retail revolves around physical goods and the ways in which digital stores are disrupting traditional brick and mortars, digital goods and services actually represent a considerably larger portion of the online retail market. In order to survive the new age of online retail, eCommerce merchants and suppliers need to adapt to the evolving needs of the marketplace. We estimate that nearly three quarters of online purchases are of nonphysical goods. Additionally, the purchasing behaviors of customers differ significantly by demographic and region, adding to the complexity. Without a proper understanding of the complex nuances of customer segmentation, merchants who provide digital goods and services will struggle to keep up with competitors.

Our hope is that by going through this material, and understanding its content, our clients will be better prepared to compete in this fast growing segment. Fiserv aspires to move money and information in a way that moves the world. As a global leader in payments and financial technology, we help our clients achieve best-in-class results through a commitment to innovation and excellence in areas including account processing and digital banking solutions; card issuer processing and network services; payments; eCommerce; merchant acquiring and processing.

Methodology

Fiserv commissioned Forrester conducted an online survey of 6,115 online consumers organizations in Australia, Argentina, Brazil, Canada, Denmark, Germany, India, Malaysia, Mexico, Norway, Philippines, Poland, Sweden, United Kingdom, and the United States to evaluate the digital goods and services market. Questions provided to the participants asked about purchase frequencies of a wide array of digital goods and services well as top concerns in the purchase process. Respondents were offered a small monetary incentive as a thank you for time spent on the survey. The study began in May 2019 and was completed in June 2019.

KEY FINDINGS

- ➔ Nearly three-quarters of online purchases are digital goods and services. Based on the findings of this study, approximately 74% of online purchases are digital goods and services, as opposed to physical.
- ➔ Digital goods and service purchase rates differ substantially between regions and demographics. The digital goods and services market is not a singular entity. Our study found vast differences in the digital goods and services that countries and demographics purchase regularly.
- ➔ Price, security, and lack of payment options are consumers' biggest pain points and online retailers' biggest challenge. Approximately 74% of consumers cited security as a key concern when purchasing digital goods. However, online merchants are consistently failing to meet these needs. Price, security, and availability of preferred payment options are also the three areas consumers cite where online retailers most often provide negative experiences.
- ➔ After having a negative shopping experience, 57% will stop shopping at an online merchant/cancel a service entirely. The consequences of a negative experience has severe implications for online merchants. The majority of consumers will stop shopping at a digital store entirely or cancel a subscription, and almost half (47%) will leave a negative review or tell a friend about the bad experience.

LATIN AMERICA

The most urbanized region in the world – with four-fifths of its population dwelling in cities – Latin America brims with culture, diversity and tradition. Plus, its culture is known for warmth and hospitality. It comprises the region where Spanish, Portuguese and French – also known as the Latin languages – are spoken, along with many others.

Mexico City 

Brasilia 

Buenos Aires 



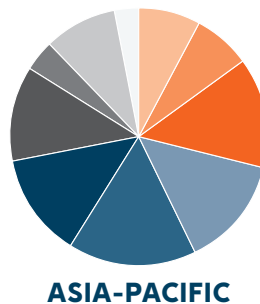
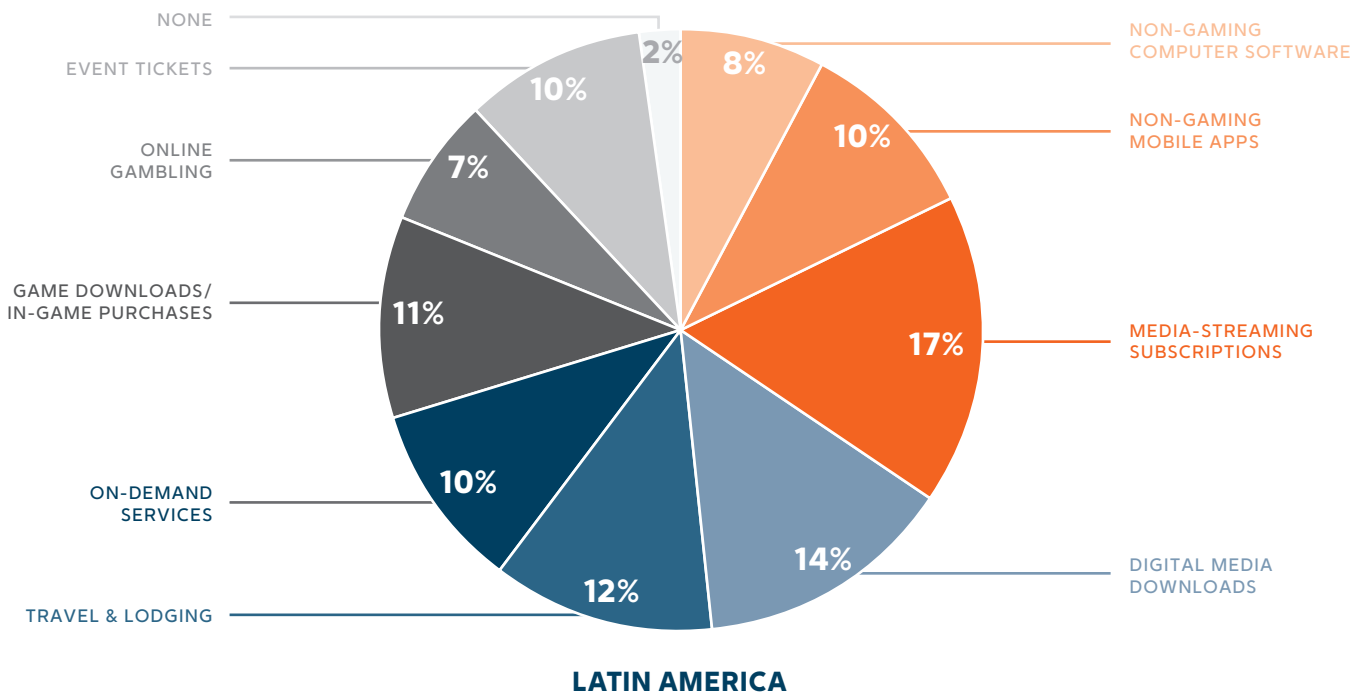
GLOBAL COMPARISON

According to recent reports from the International Monetary Fund, Latin American economic activity in 2019 stagnated, in part due to rising trade tensions and tighter financial conditions. However, growth is projected to increase in 2020. As in other regions, eCommerce is growing at a steady pace. In Argentina, for instance, Statista predicts that digital commerce will generate \$19 billion in revenue in 2022. A recent report from Americas Market Intelligence shows that 44% of digital consumers in Brazil shop online at least once a month. Further, 65% of Brazilian shoppers subscribe to one or more digital services.

When it comes to paying for online purchases, credit cards – Visa followed by Mastercard – are the top choice for most Latin Americans. Even in Mexico, where fewer than 10% of citizens have a credit card, cards are still the most popular payment method online. Throughout Latin America, card payments are followed by cash, bank transfers and e-wallets. Still, fewer than one-fourth of Latin Americans carry a credit card.

As the accompanying pie chart shows, the top services that Latin Americans purchase online are media-streaming subscriptions and digital media downloads. The region ranks second only to U.S./Canada in media-streaming subscription purchases. And Asia-Pacific tied Latin America for digital media downloads at 14%.

Although Latin Americans purchase travel and lodging online (12%), they do so at rates significantly lower than those living in Europe, the Middle East and the Asia-Pacific region. Merchants interested in entering the Latin American market should know that while the region is a definite digital commerce player, significant differences exist between countries in both affluence and payment culture. A cut-and-paste approach from one country to another is likely to be unsuccessful. It pays to take a country-by-country dive into the latest economic indicators and payment preferences before making a foray into the Latin American market.



ARGENTINA

Known for the Tango and European-styled capital of Buenos Aires, South America's third most-populous nation is also the leading tourist destination in South America and the second in Latin America with more than 5 million visitors annually.

Buenos Aires



45M

TOTAL POPULATION

68%

SMARTPHONE PENETRATION

\$15B

DIGITAL GOODS TPV

92%

URBAN MIX

\$638B

GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



34%

PREFER TO USE LOCAL CREDIT CARDS WHILE 17% PREFER CASH-ON-DEMAND SERVICES THAT ARE OFTEN UNIQUE TO THE COUNTRY.



#1

MARKET FOR MEDIA SUBSCRIPTIONS GLOBALLY.



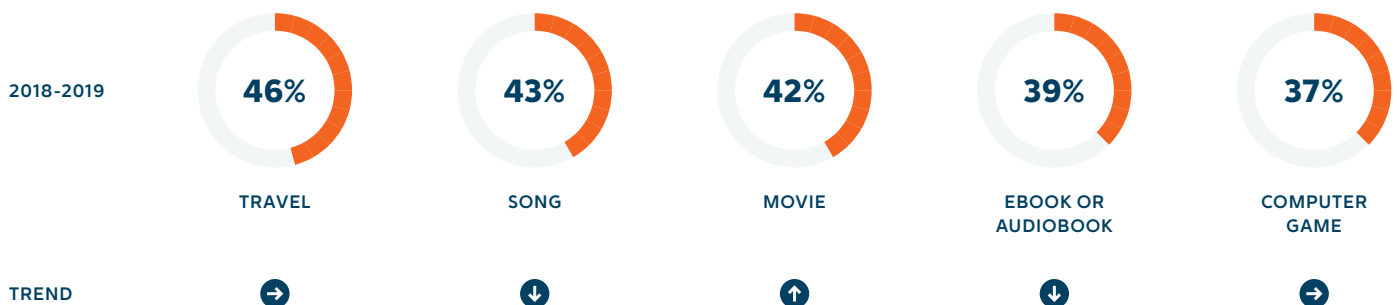
#2

MARKET FOR RESTAURANT DELIVERY SERVICES GLOBALLY.

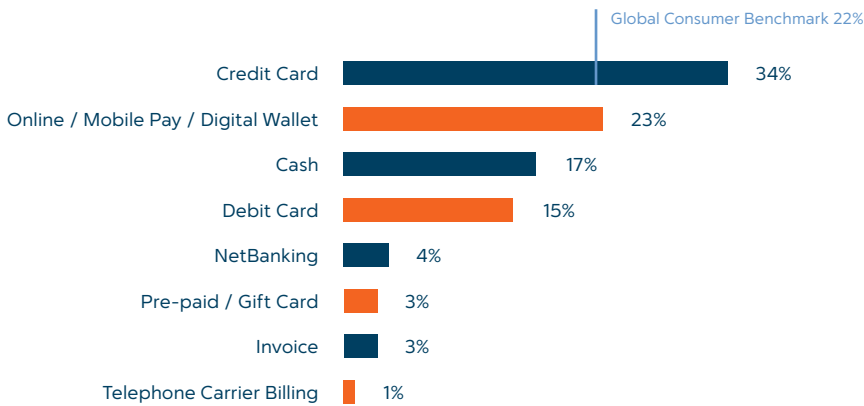
INSIGHT

Compared to our global consumer benchmark, Argentines are 4% more likely to have purchased a streaming media subscription in the past 12 months.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

While Argentines' payment preferences are similar to other LATAM countries, **debit cards are far less used than in other markets.**



THE FISERV ADVANTAGE

The local nature of payment types in Argentina makes acceptance complex. Fiserv offers local acquiring via a simple, API-based integration to access all the major payment types.

- American Express
- Visa
- Mastercard
- Nativa
- Argencard
- Cabal
- Club Nacion

Merchants typically wait 10 days for their credit card transactions to be funded, Fiserv offers the optional advantage of receiving funding in 48 hours after the transaction is processed.

INSIGHT

Argentine credit card brands offer **interest free installments over 12 months.**

BRAZIL

With nearly 60% of the Amazon rain forest and more species of monkeys than any other nation, this Portuguese-speaking country is a commodities powerhouse ranking as the world's top exporter of coffee, orange juice, sugar, and beef.



209M TOTAL POPULATION

60% SMARTPHONE PENETRATION

\$48B DIGITAL GOODS TPV

87% URBAN MIX

\$2T GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



45%

CREDIT CARDS PREFERRED METHOD OF PAYMENT FOR DIGITAL GOODS AND SERVICES.



#1

PURCHASERS OF DIGITAL MEDIA.



#1

IN MEAL DELIVERY SERVICES.

INSIGHT

Digital media is very popular in Brazil – nearly two-thirds of survey respondents reported purchasing media, more than 30% higher than our survey average.

DIGITAL GOODS & SERVICES CONSUMER SPENDING

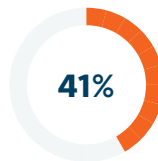
2018-2019



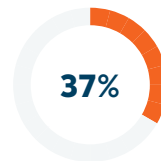
MOVIE



SONG



EBOOK OR AUDIOBOOK



RESTAURANT DELIVERY

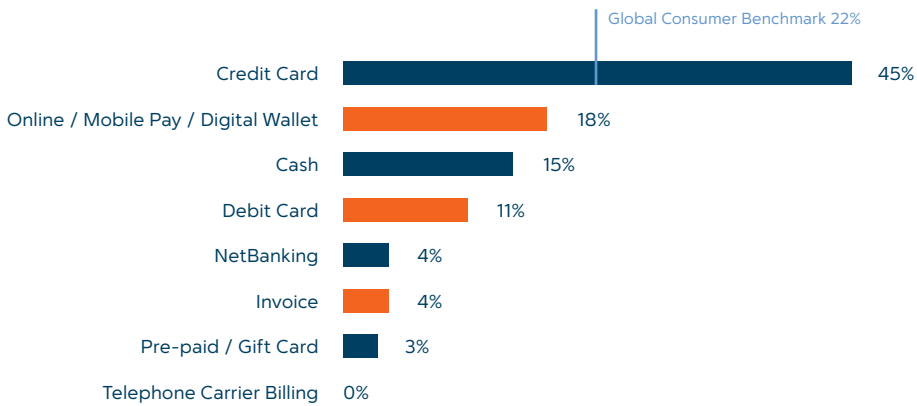


TRAVEL

TREND



PREFERRED PAYMENT METHODS



INSIGHT

While Brazil's payment preferences are similar to other LATAM countries, credit card was nearly **3x more popular** than the next leading payment choice.



THE FISERV ADVANTAGE

Authorization rates are critically important for digital media companies; Fiserv local presence enables clients to optimize their approval rates while minimizing their cost of acceptance.

INSIGHT

Installment payments are well established and popular, but impact the timing of merchant settlement. As a result, Brazil's central government recently increased its interest in accelerating settlement timeframes.

MEXICO

Mexico, the world's largest Spanish-speaking country is also the world's hardest working country with an average citizen of Mexico working 2,246 hours a year, or 43.2 hours a week.

126M

TOTAL POPULATION

52%

SMARTPHONE PENETRATION

\$27B

DIGITAL GOODS TPV

80%

URBAN MIX

\$1.2T

GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



13%

HIGHER THAN GLOBAL CONSUMER BENCHMARK FOR SMART OR INTERNET-CONNECTED TV OWNERSHIP.



#1

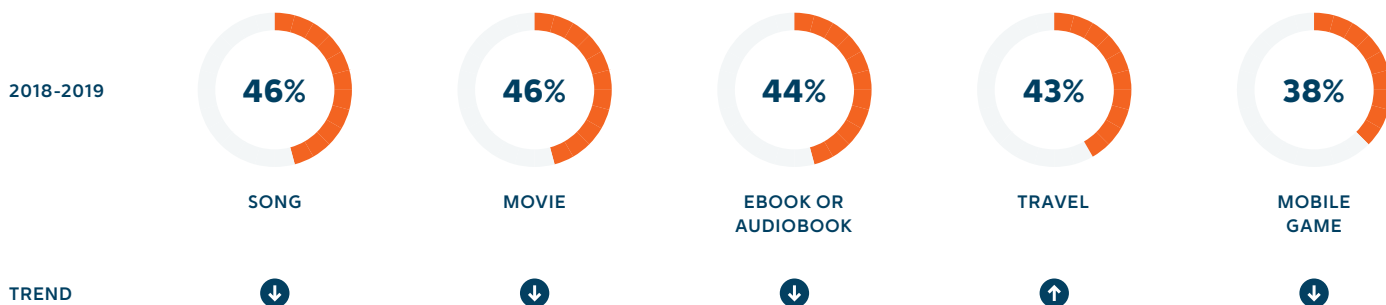
PURCHASERS OF CONTENT IN MOBILE GAMES.

Mexico City

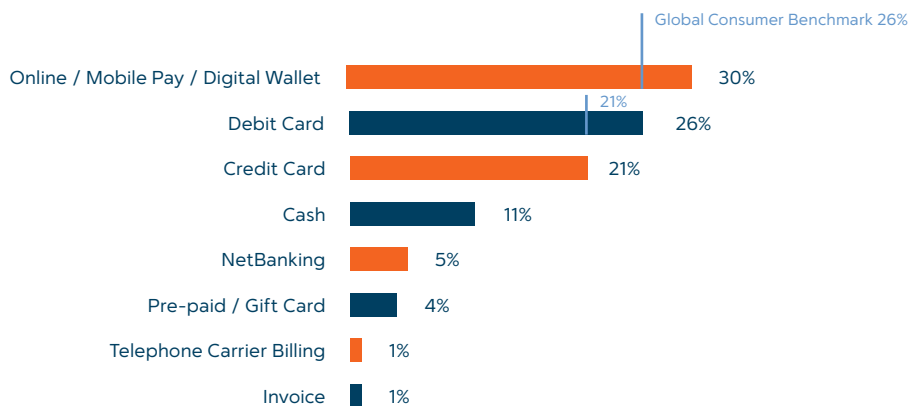
INSIGHT

Compared to our global consumer benchmark, **Mexicans are 8% more likely to have purchased streaming media subscription in the past 12 months.**

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Compared to other Latin American countries, Mexicans prefer Digital Wallets like PayPal by a substantial margin (**Mexico = 30% versus Brazil = 18%**)



THE FISERV ADVANTAGE

Consider a payments partner like Fiserv, who can offer a wide variety of local payment methods via a single integration to improve customer experience and reduce integration complexity.

Other than Fiserv, banks offer the only local merchant acquiring options. Fiserv is the only non-bank payments acquirer in Mexico, providing clients greater flexibility when choosing a payments partner.

INSIGHT

Recognizing the importance of digital payments, Mexico's central government has embarked on a project to create a QR-code based payment system named CoDi for buying goods and services online.

EUROPE

Europe is the second smallest continent in the world with land area of 4 million square miles – just behind Australia. However, the continent ranks third in terms of population, after Asia and Africa, at close to 730 million people. The continent includes the largest country in the world, Russia, along with the smallest, Vatican City.



London

Oslo

Stockholm

Copenhagen

Berlin

Warsaw

GLOBAL COMPARISON

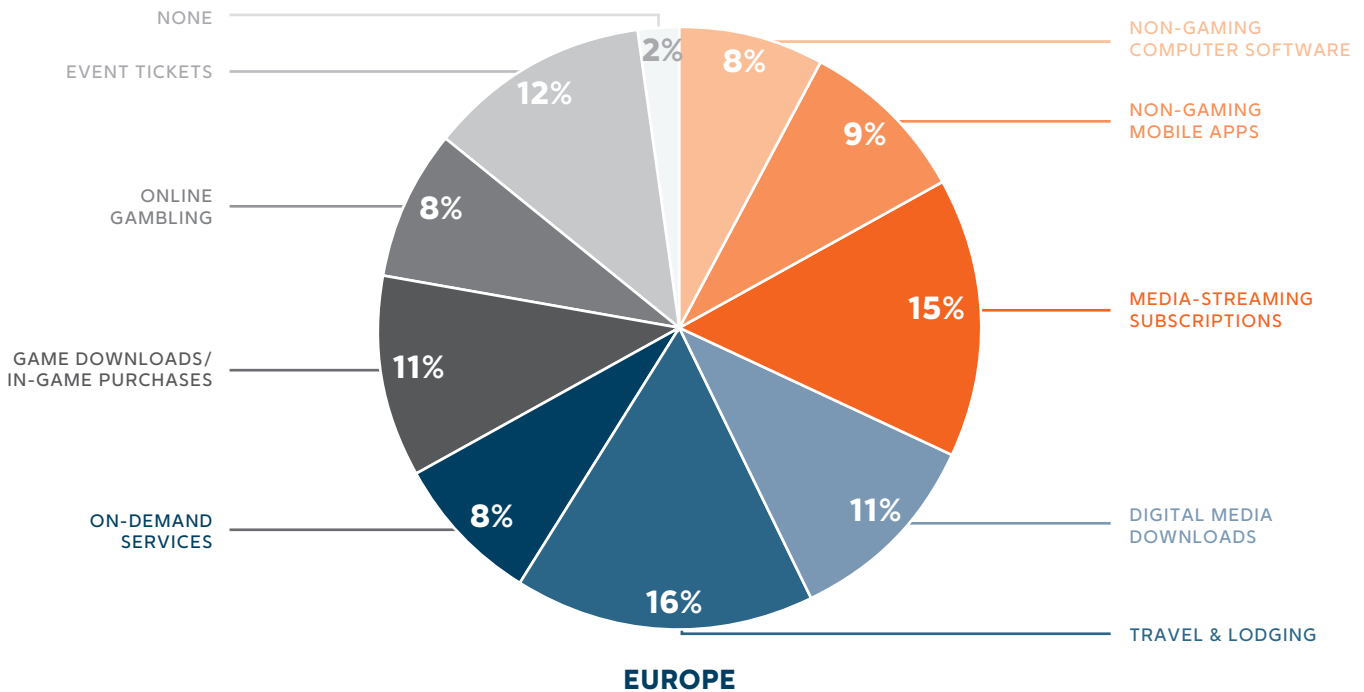
The twenty-one countries in the European Union produce 44% of the world's wine. And with one-third of the world's wealth, Europe is the richest continent on the planet.

While there are diverse country-specific payment cultures, when it comes to paying for digital goods and services, credit or debit cards are the top choice for this group, namely Visa followed by Mastercard. Other payment methods include e-wallets, bank transfers and cash, respectively.

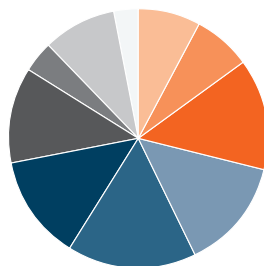
According to a Mckinsey study, by 2030 one in four Europeans will have reached retirement age and the average disposable income will decrease. This will lead to a smaller population with more buying power.

As the accompanying piechart reveals, the most prevalent digital good or service for this group is travel and lodging at 16%, with citizens of the United Kingdom and Poland traveling the most. Europeans are least likely to purchase online gambling, non-gaming mobile apps and on-demand services. Of all the regions, Europe came in lowest for purchasing on-demand services, at 8%.

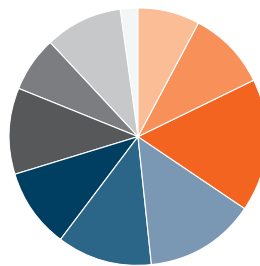
Since most of the people in this region have bank accounts and shop online with regularity, merchants would be wise to enter this market. Remember, though, to take a look at each country's economy and latest purchasing preferences before making the leap.



ALL COUNTRIES



ASIA-PACIFIC



LATIN AMERICA



NORTH AMERICA

DENMARK

The Kingdom of Denmark is a sovereign state in Northern Europe. With more than twice as many bicycles as cars, Copenhageners pedal more than 1.13 million kilometers every day.

6M	TOTAL POPULATION
85%	SMARTPHONE PENETRATION
\$8B	DIGITAL GOODS TPV
88%	URBAN MIX
\$325B	GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

OF ALL COUNTRIES, REPORTED THE HIGHEST OWNERSHIP AND REGULAR USAGE OF CONNECTED CAR.



50%

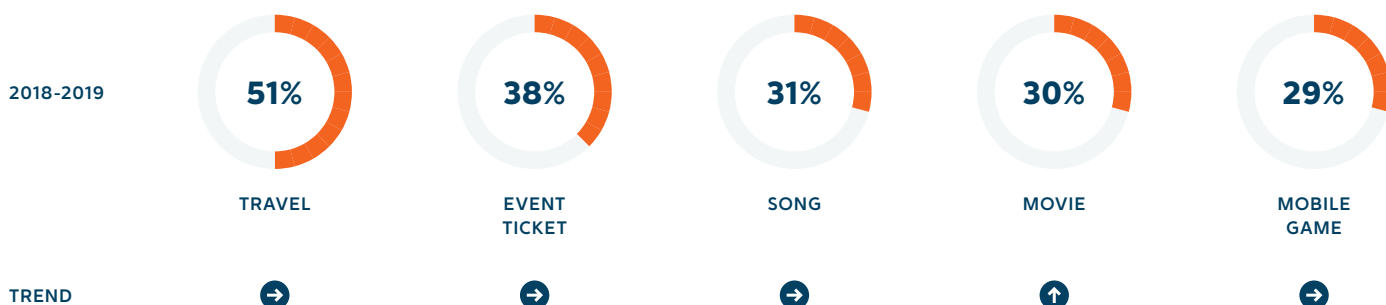
VERY LOW USAGE OF RIDESHARING, EVEN FOR HIGHLY URBANIZED AREA (40% LESS THAN GLOBAL AVERAGE) ALTHOUGH MORE THAN 50% OF COMMUTERS IN COPENHAGEN CYCLE TO AND FROM WORK.



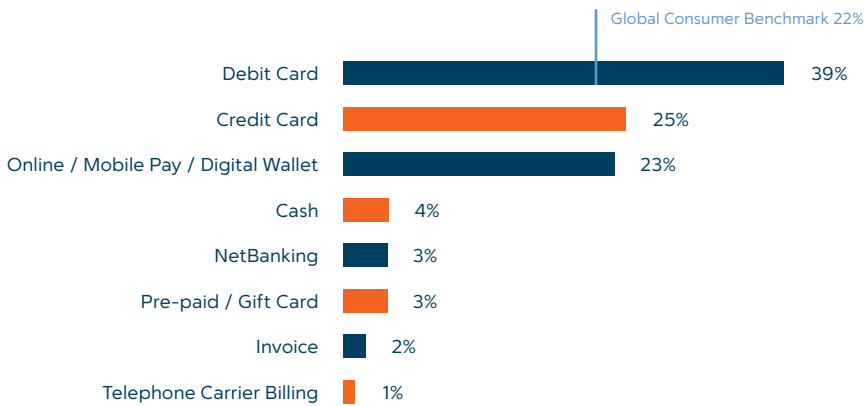
INSIGHT

Over half the Danish surveyed booked travel in past 12 months. This far outweighs emerging on demand services such as rideshare by 3x (2X as many bicycles as cars in this country).

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Denmark prefers debit cards at a rate of nearly 2x the global average.



THE FISERV ADVANTAGE

Fiserv offers a comprehensive digital commerce solution-set spanning an omni-channel gateway and market-leading in-app payment solutions, with connections to local and international payment schemes.

Fiserv flexible currency solutions allow merchants to present their prices in 80+ currencies.

INSIGHT

Within the online space, Danes spend significantly more than the average European, and often on high-ticket items, including holidays and travel, therefore it is important for businesses to offer digital and multicurrency solutions to capture market share.

GERMANY

With the largest national economy in Europe, this country boasts a host of castles, cathedrals and monuments along with some of the most popular beer in the world.

80M TOTAL POPULATION

78% SMARTPHONE PENETRATION

\$123B DIGITAL GOODS TPV

77% URBAN MIX

\$3.7T GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

GERMANS WERE THE MOST FREQUENT BUYERS OF CONSOLE GAMES – BOTH THE GAMES AND IN-GAME CONTENT.



< 50%

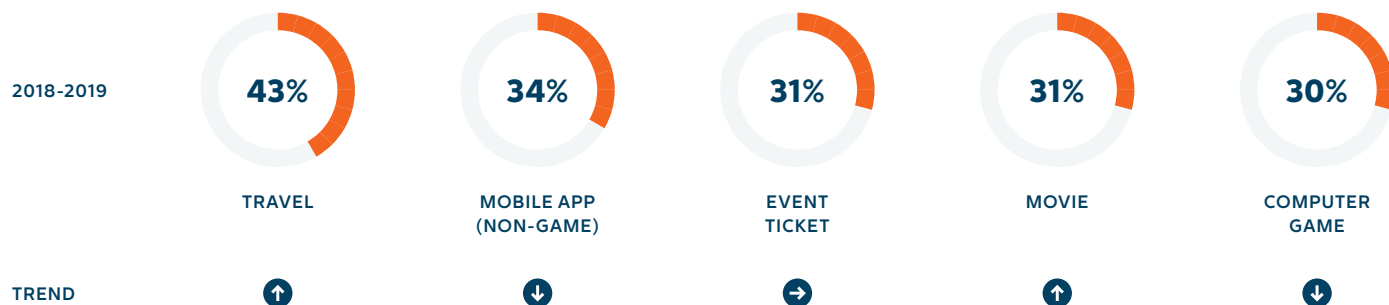
GERMANS WERE CONSISTENTLY THE LEAST FREQUENT USERS OF ON-DEMAND SERVICES (LESS THAN HALF THE GLOBAL AVERAGE), DUE IN LARGE TO PART TO LOCAL REGULATIONS AND AN ESTABLISHED TRANSIT SYSTEM.

Berlin

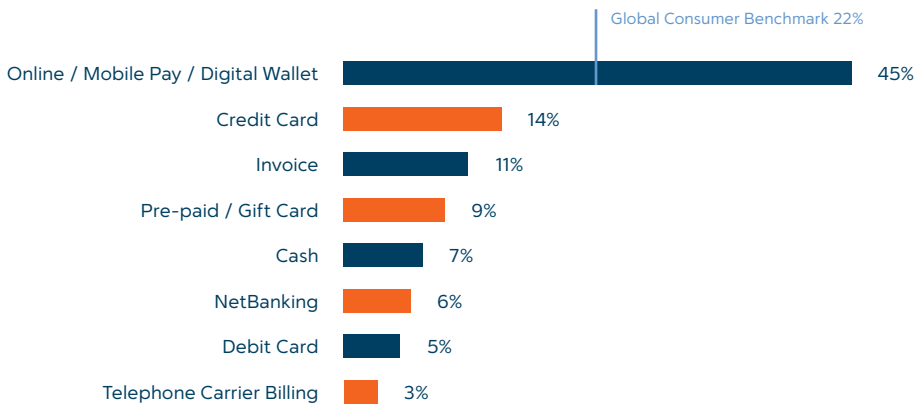
INSIGHT

Germans prefer established digital services over emerging on-demand services; Germans were the lowest adopters of ride-sharing, restaurant delivery, and home rental services.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Germans prefer digital wallets at a rate of nearly two times the global average, reflecting the strong success of digital wallets such as PayPal.



THE FISERV ADVANTAGE

Germany's unique mix of installment payments, digital wallets, and bank transfers makes it a complex market to serve. Fiserv has decades of experience serving the German market, including thousands of local eCommerce clients.

INSIGHT

In addition to being frequent users of digital wallets like PayPal, Germans also like to make use of installment payments when purchasing online.

NORWAY

Norway has a stable economy with a vibrant private sector, a large state sector, and an extensive social safety net. Norway opted out of the EU during a referendum in November 1994.

5M TOTAL POPULATION

87% SMARTPHONE PENETRATION

\$10.8B DIGITAL GOODS TPV

83% URBAN MIX

\$400B GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



1.5X

ONLINE GAMBLING FOR NORWAY WAS 1.5X THE GLOBAL AVERAGE.



LOWEST

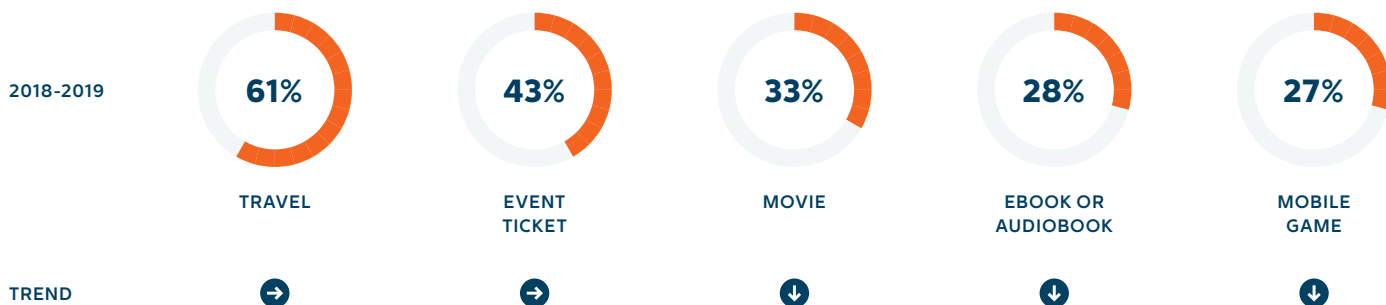
OF ALL COUNTRIES, NORWAY REPORTED THE LOWEST OWNERSHIP AND REGULAR USAGE OF A DESKTOP COMPUTER.



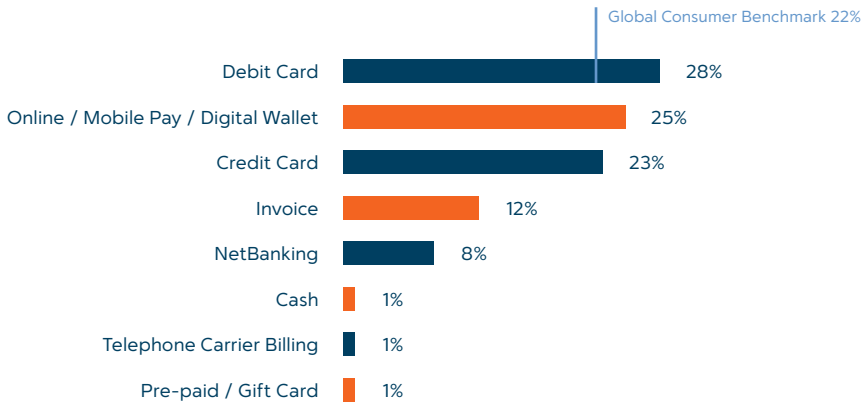
INSIGHT

Over 60% of Norwegians surveyed booked travel in past 12 months. This far outweighs emerging on demand services such as rideshare by 3x.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Norwegians prefer debit cards at a rate of nearly 1.5x the global average.



THE FISERV ADVANTAGE

The Fiserv mobile application commerce platform recently launched in Norway for a leading Fortune 100 client. Merchants in traditional offline verticals should consider how new digital use cases (buy online, pickup in store) can enrich their consumer experience.

INSIGHT

Over the past few years, Norwegians have shown strong adoption of alternative payment methods, including payment after delivery and mobile app methods.

POLAND

Poland has the sixth-largest economy in the EU and has long had a reputation as a business-friendly country with largely sound macroeconomic policies.



38M TOTAL POPULATION

63% SMARTPHONE PENETRATION

\$17B DIGITAL GOODS TPV

60% URBAN MIX

\$525B GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

POLAND WAS #1 FOR EVENT TICKETS IN OUR SURVEY; 56% OF POLISH RESPONDENTS HAD PURCHASED EVENT TICKETS IN PAST 12 MONTHS.



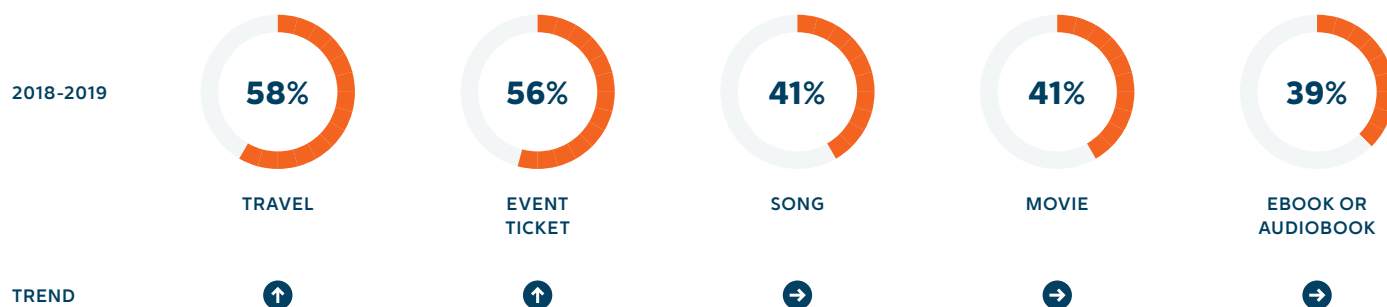
#1

MORE LIKELY TO PURCHASE/ DOWNLOAD A MOVIE MONTHLY THAN ANY OTHER COUNTRY.

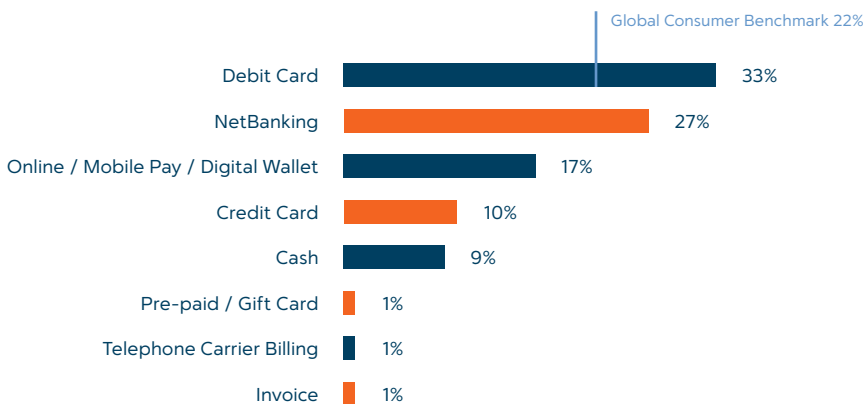
INSIGHT

Polish preferred purchasing event based tickets at almost twice the global average.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Netbanking in Poland is very popular – in fact, it ranked highest in terms of adoption. Also notable was Poles relatively high demand for cash-on-demand services (9%) compared to the rest of Europe (less than 2%).



THE FISERV ADVANTAGE

Fiserv has a long-standing local presence in Poland, serving both traditional POS and eCommerce merchants alike. Our leading currency solutions are highly popular with merchants located in border regions; merchants should strongly consider dynamic currency offerings as part of their consumer experience.

Additionally, Fiserv recently announced a partnership with Samsung and Visa on its 'SoftPOS' solution, enabling multiple payment methods through Samsung devices without the need of a traditional dongle.

INSIGHT

The bank-owned Polish Payment Standard (PPS) own 'BLIK', a net-banking payment powering both traditional POS payments but also mobile and digital payments.

SWEDEN

Sweden's small, open, and competitive economy has been thriving and Sweden has achieved an enviable standard of living with its combination of free-market capitalism and extensive welfare benefits.

10M TOTAL POPULATION

86% SMARTPHONE PENETRATION

\$18B DIGITAL GOODS TPV

88% URBAN MIX

\$535B GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

THIS REGION HAS ONE OF THE HIGHEST VIDEO-STREAMING SUBSCRIPTIONS AMONGST ALL REGIONS SURVEYED.



44%

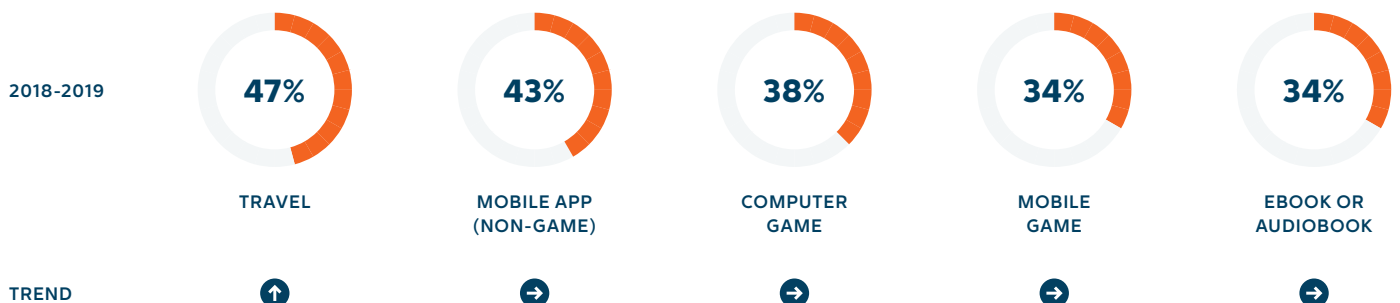
MUSIC STREAMING IS ALSO POPULAR, AS 44% OF CONSUMERS EXCLUSIVELY STREAM MUSIC AND ONLY 25% OF CONSUMERS EXCLUSIVELY DOWNLOAD THEIR MUSIC.

Stockholm

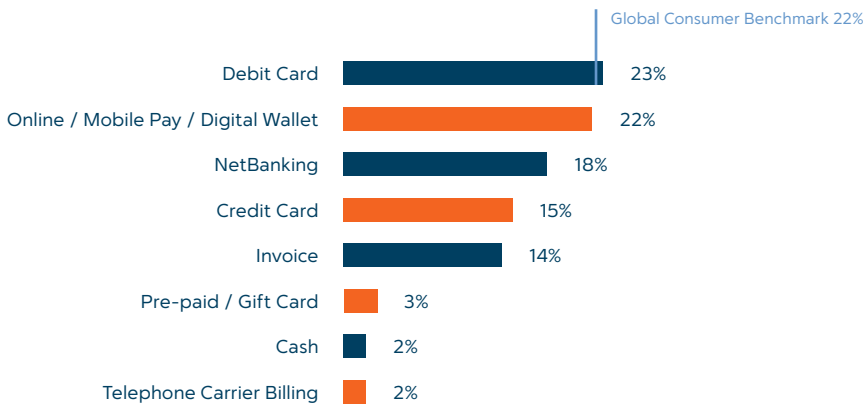
INSIGHT

Media-streaming subscriptions are the top non-physical product or service purchased over the last 12 months.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Swish, a mobile payment system, has become the go-to mobile payments app for digital transactions.



THE FISERV ADVANTAGE

The popularity of invoice payment methods requires a global platform to power this popularity form of acceptance – Fiserv global platform enables these types of payment methods and more across 45+ countries.

INSIGHT

Most of Sweden's bank branches no longer handle cash; which means many tourist attractions, shops, museums, and restaurants now only accept plastic and mobile payments. Even children most often pay with debit cards.

UNITED KINGDOM

Home of the Beatles, Big Ben, and the worlds oldest universities, the UK is considered a cultural superpower, as well as a leading trading power and financial center boasting the third largest economy in Europe.

65M	TOTAL POPULATION
76%	SMARTPHONE PENETRATION
\$139B	DIGITAL GOODS TPV
84%	URBAN MIX
\$2.7T	GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



10%

GAMBLING IN THE U.K IS MOST POPULAR OF ANY OF THE EUROPEAN COUNTRIES SURVEYED. 10% OF UK RESIDENTS SURVEYED PLACE A BET WEEKLY – ALMOST DOUBLE THE GLOBAL AVERAGE.



68%

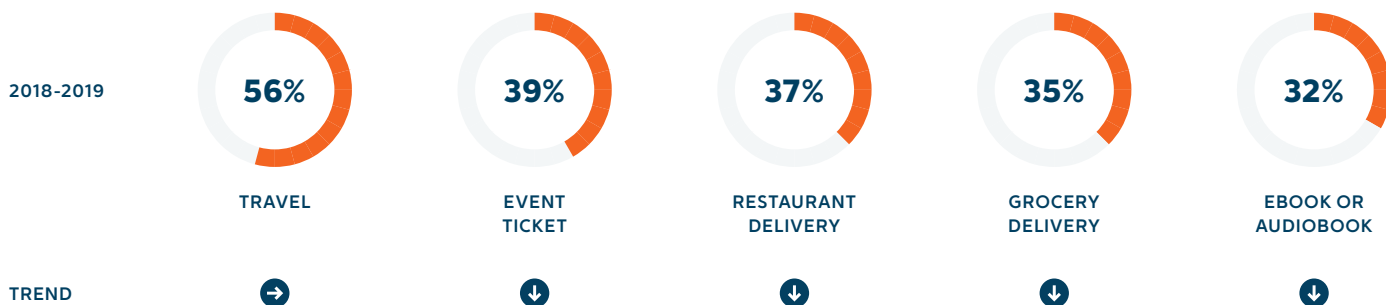
BRITS STRONGLY PREFER NOT STORING THEIR PAYMENT INFORMATION: 68%, HIGHER THAN ANY OTHER COUNTRY IN OUR SURVEY.



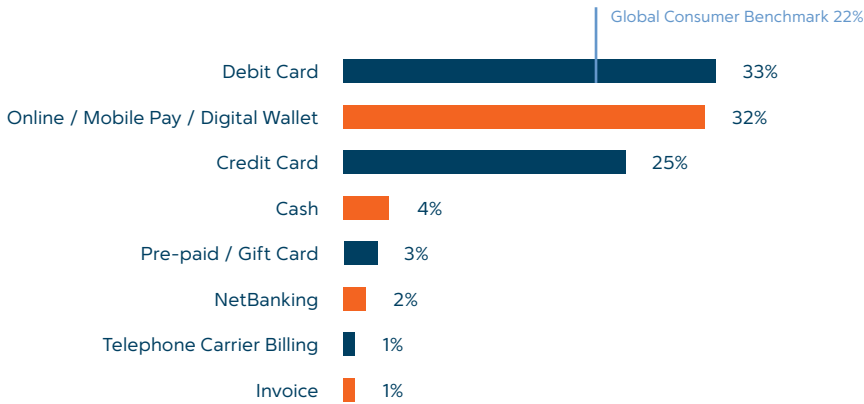
INSIGHT

Similar to other Europeans, the British are frequent buyers of eTravel services. They also scored high on restaurant delivery services.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

The UK was #1 in our global survey for their preference and use of debit cards.



THE FISERV ADVANTAGE

Given the reality of Brexit, merchants should consider a payments partner like Fiserv with a solution to cover both UK and EU domiciled companies.

As well, the Fiserv mobile application commerce platform powers unique commerce experiences for both digital and traditional merchants.

INSIGHT

The UK's Faster Payments initiative, including "request to pay", combined with new PSD2 Open Banking regulations are creating new payment options for consumers.

ASIA-PACIFIC

Home to 60% of the world's population – approximately 4.3 billion people – APAC includes the world's two most populous countries: China and India. The vast region extends north to Mongolia, south to New Zealand, east to the Oceania island states and west to Pakistan – and can be subdivided into the continental, archipelagic and small island ecosystems.

New Delhi

A stylized map of the Asia-Pacific region in shades of blue. Four orange location pins are placed on the map, each with a label: New Delhi in northern India, Kuala Lumpur in Malaysia, Manila in the Philippines, and Canberra in Australia. The map shows the outlines of continents and major islands.

Kuala Lumpur

Manila

Canberra

GLOBAL COMPARISON

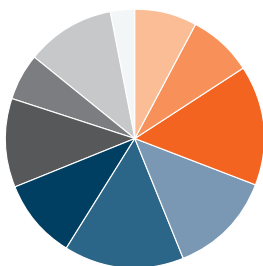
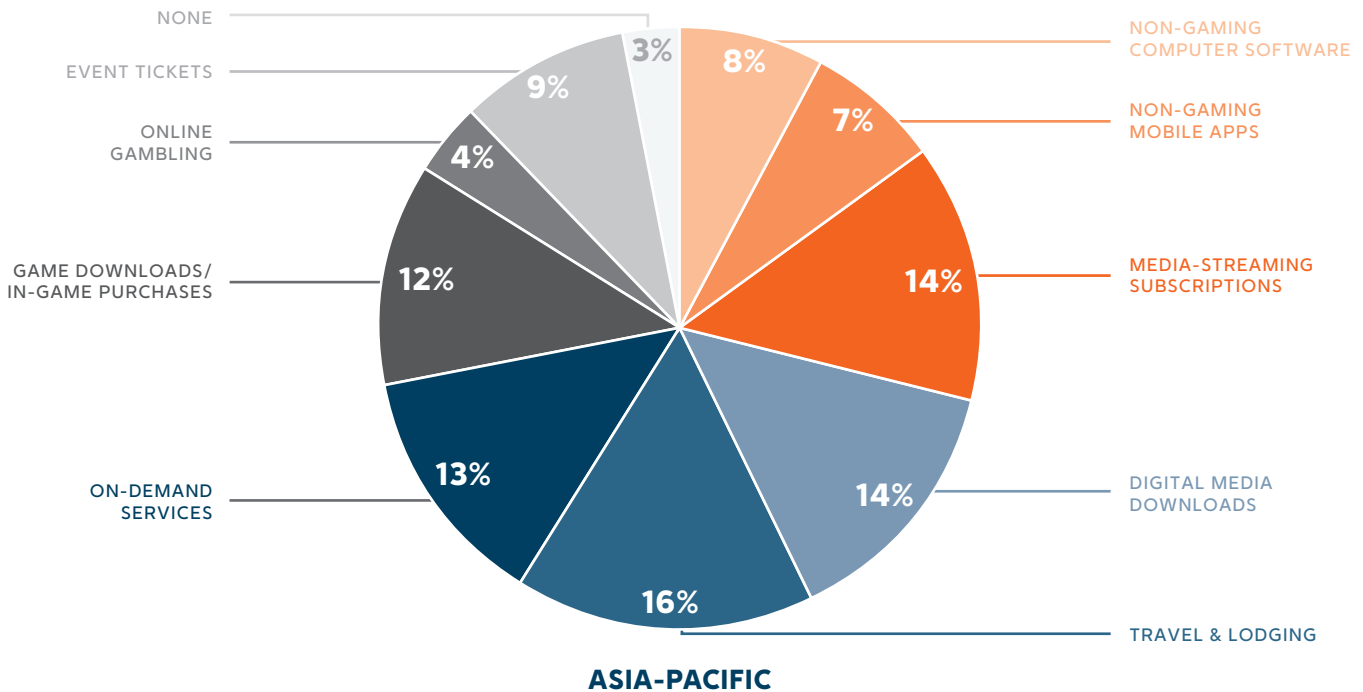
In recent years, the Asia-Pacific region's performance has been strong, and it continues to be one of the most dynamic regions in the global economy. The International Monetary Fund reports that APAC is the fastest-growing major region, contributing to more than two-thirds to global growth. And with continued population and economic growth expected in the years to come, RLI (Retail & Leisure International) reports that the Asia-Pacific region is at the forefront of the global retail industry.

When it comes to eCommerce, Asia-Pacific is the global leader in market size. In fact, AP (the Associated Press) reports that China accounted for more than half of global revenues in 2019 with Japan, South Korea and India making headway as well. Further, a McKinsey report shows that India is the second-fastest digital adopter among 17 major digital economies, with Indonesia ranking first. Interestingly, the most popular method of online payment in APAC is the e-wallet with credit cards not far behind, namely Visa and

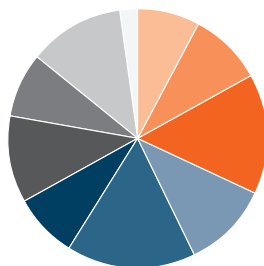
Mastercard. Bank transfers and cash are also used for digital purchases. However, in certain areas of the region, such as Southeast Asia, many adults are unbanked and therefore do not use credit cards, e-wallets or bank transfers.

As the accompanying pie chart shows, top services consumers in the Asia-Pacific region purchase online are travel and lodging at 16% (tied with U.S./Canada); and digital media downloads at 14% (tied with Latin America at 14%). The least likely service purchased online in APAC? Online gambling at 4%.

Merchants interested in entering the APAC eCommerce market should be aware that while the economy is red-hot in many of the countries, national differences exist in terms of prosperity and payment culture. Consequently, merchants are more likely to be successful by staying abreast of each country's economy before diving into the Asia-Pacific digital market.



ALL COUNTRIES



EUROPE



LATIN AMERICA



NORTH AMERICA

AUSTRALIA

The oldest, flattest and driest inhabited continent also boasts the lowest population density in the world at 2.8 inhabitants per square kilometer.

23M TOTAL POPULATION

81% SMARTPHONE PENETRATION

\$42B DIGITAL GOODS TPV

86% URBAN MIX

\$1.4T GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

FOR MEDIA STREAMING SUBSCRIPTIONS.



50%

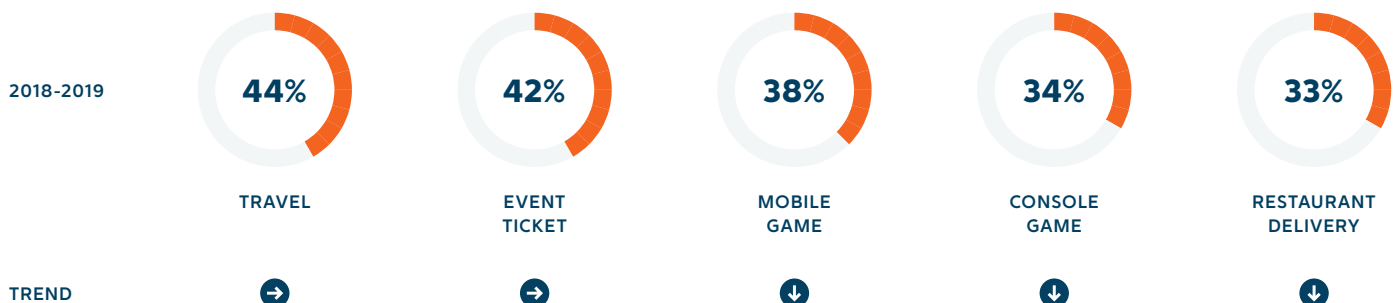
WITH WIDE ADOPTION OF SMARTPHONE, AUSTRALIANS PREFER TO PAY WITH THEIR MOBILE WALLETS, I.E. APPLE PAY (50% OF ALL MOBILE WALLET USERS) FOR THEIR ONLINE PURCHASES.

Canberra 

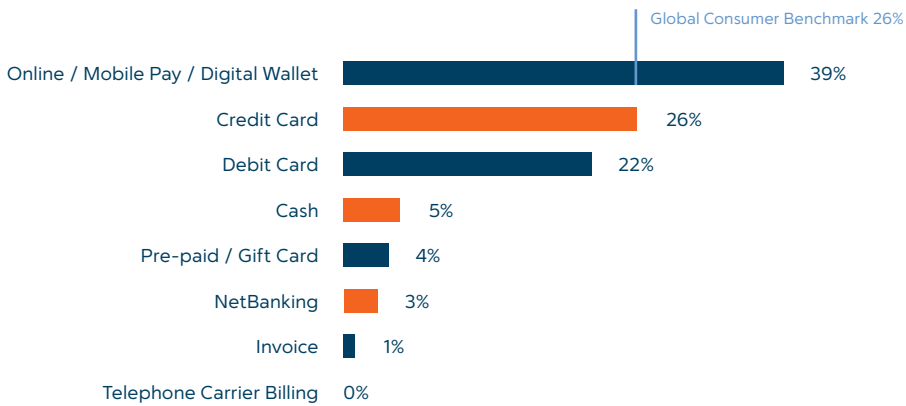
INSIGHT

Compared to our global consumer benchmark, Australian consumers are 10% more likely to spend on event tickets, i.e. concerts, sporting events, etc.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Compared to other APAC countries, Australian consumers prefer to use digital wallets like Apple Pay (Most popular 50% of all mobile wallet users), Google Pay, Samsung Pay, and Optus Pay.



THE FISERV ADVANTAGE

Fiserv flexible currency solutions allow merchants to present their prices in +80 currencies.

Fiserv global acquiring solution includes single integration access to +45 countries, including Australia, with local settlement in Australian and US dollar.

INSIGHT

Australia is a hotbed for cross-border eCommerce, both for locals and foreigners. Australians frequently shop abroad, with more than 40% of Australian shoppers' making regular purchases from Chinese web sites.

INDIA

The birthplace of yoga is famous for its mouth-watering spicy food, a rich and diverse culture, colorful clothing and the unofficial national sport, cricket.

New Delhi 

1.3B TOTAL POPULATION

24% SMARTPHONE PENETRATION

\$134B DIGITAL GOODS TPV

35% URBAN MIX

\$2.6T GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

MARKET FOR DOWNLOADED MUSIC.



#1

MARKET FOR RESTAURANT DELIVERY SERVICES.



28%

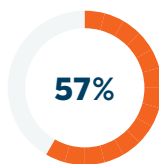
PAYMENT PREFERENCES SKEW TOWARDS DIGITAL WALLETS (28%) AND NETBANKING (18%) THAT ARE OFTEN UNIQUE TO THE COUNTRY.

INSIGHT

Compared to our global consumer benchmark, Indian consumers are 4% more likely to have purchased a streaming media subscription, and on-demand restaurant delivery service in the past 12 months.

DIGITAL GOODS & SERVICES CONSUMER SPENDING

2018-2019



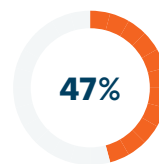
TRAVEL



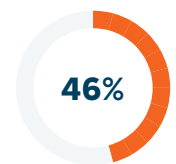
SONG



MOVIE



EBOOK OR AUDIOBOOK

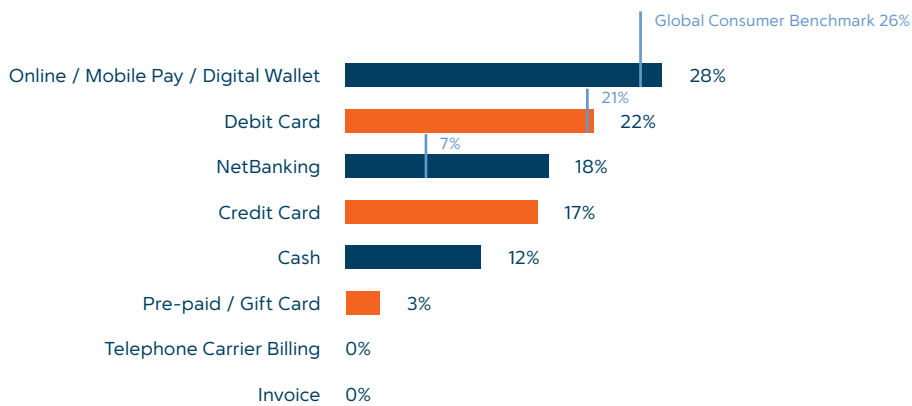


RESTAURANT DELIVERY

TREND



PREFERRED PAYMENT METHODS



INSIGHT

Compared to other Asian countries, Indian consumers prefer NetBanking, BharatQR and other NPCI-enabled bank transfers.



THE FISERV ADVANTAGE

In partnership with ICICI Bank, Fiserv is one of the top merchant acquirers in the country. Fiserv has extensive experience processing for both local and international clients seeking a locally supported solution.

The Fiserv platform enables not only traditional acceptance payment services, but also disbursements, split payments, remittances, lending with payback by card, as well as existing open banking (BHIM) offering.

INSIGHT

In 2018 The Royal Bank of India introduced a rule which requires payments data to be processed and stored within the country of India. This has the effect of requiring payment providers and merchants to process payments using technology residing strictly within India.

MALAYSIA

The country offers amazing cuisine, stunning national parks, world-renown aquatic life, picturesque beaches, and a vibrant culture.

Kuala Lumpur 

- 32M** TOTAL POPULATION
- 54%** SMARTPHONE PENETRATION
- \$8.6B** DIGITAL GOODS TPV
- 77%** URBAN MIX
- \$312B** GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1

FOR TRAVEL AND LODGING.



#2

FOR ON-DEMAND SERVICES, I.E. RIDE SHARING, FOOD DELIVERY SERVICES.



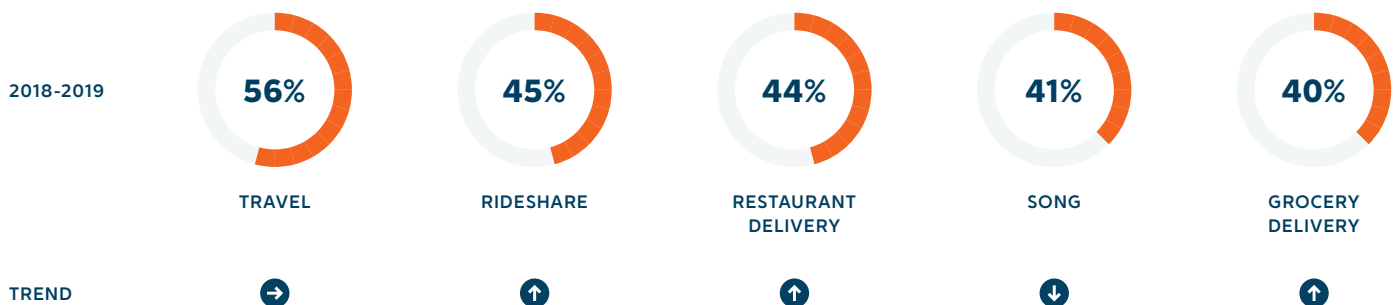
23%

MALAYSIA IS BALANCING ON FOUR MAJOR PAYMENT TYPES, HOWEVER CASH PAYMENT IS 10% HIGHER THAN GLOBAL CONSUMER BENCHMARK 13%.

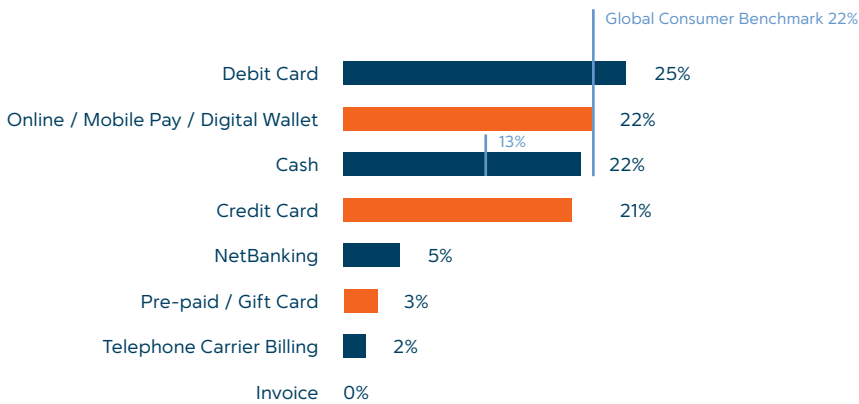
INSIGHT

Compared to our global consumer benchmark, Malaysian consumers are 13% more likely to have on-demand service, i.e. ride sharing, and food delivery service in the past 12 months.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Malaysian consumers have a strong preference for cash-based payments, #2 behind the Philippines.



THE FISERV ADVANTAGE

The local nature of these payment types in Malaysia makes acceptance complex. The Fiserv local acquiring solution offers a simple, API-based integration to access all the major payment types, with multi currency processing and local settlement currencies.

- Visa
- Mastercard
- China UnionPay

INSIGHT

With the rapid adoption of gig economy companies, such as Go-Jek and Grab, Malaysian consumers are becoming increasingly mobile savvy. As well, Malaysians are accustomed to using unique, local payment methods - FPX/Boost/TouchNgo are some of the preferred local payment methods available.

PHILIPPINES

With approximately 7,500 islands, the world's second-largest archipelago produces and exports more coconuts than any other country in the world.



106M TOTAL POPULATION

55% SMARTPHONE PENETRATION

\$8.5B DIGITAL GOODS TPV

47% URBAN MIX

\$313B GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



#1
FOR TRAVEL AND LODGING.

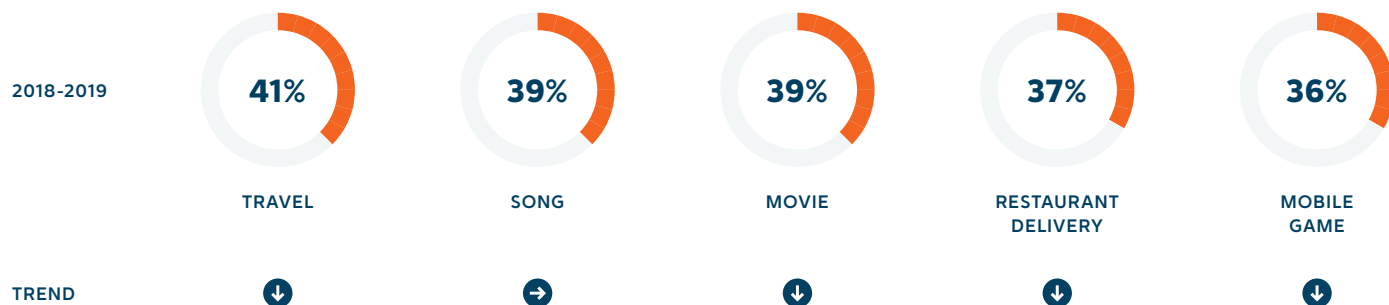


PREFERRED
WHILE DIGITAL WALLETS ARE POPULAR
ACCEPTED FOR ONLINE PURCHASES,
CASH IS THE MOST PREFERRED METHOD.

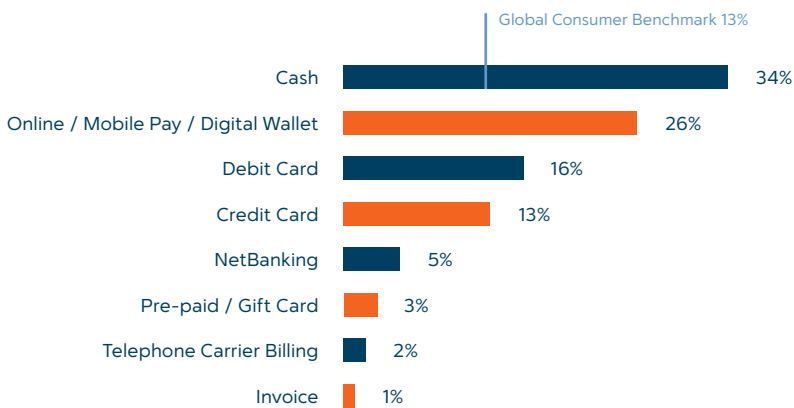
INSIGHT

Compared to our global consumer benchmark, Philippines spend relatively equally across all surveyed digital products/services.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

For Filipinos cash is king. Many prefer using cash for both in-store and online purchases.



THE FISERV ADVANTAGE

Fiserv offers single local acquiring via a simple, API-based integration to access all the major payment types.

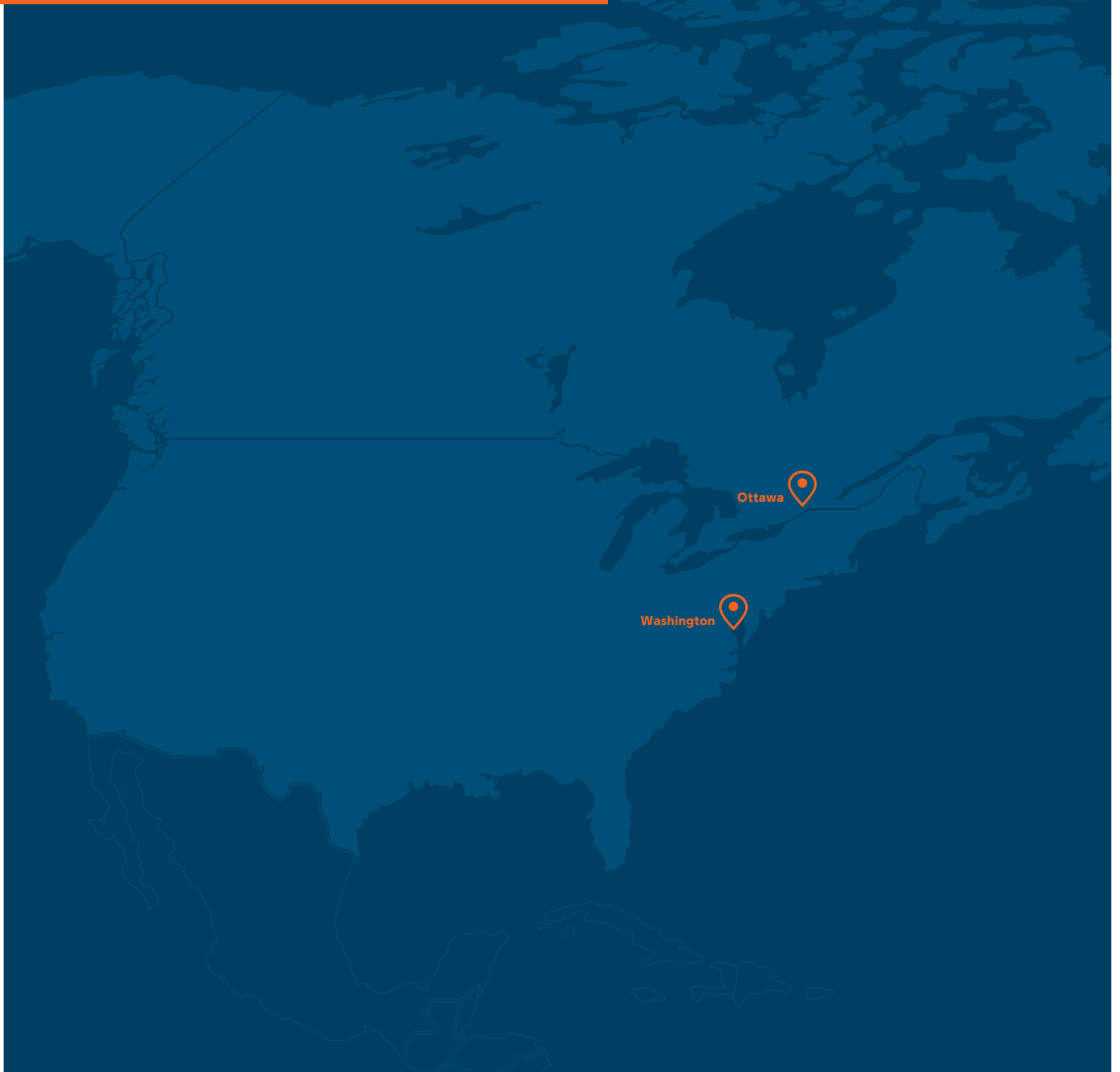
The broader capabilities of Fiserv into the wallet acceptance can help expand merchant payment acceptance for domestic and cross border businesses.

INSIGHT

Majority of the Philippine population is still under-banked. As a result, over-the-counter cash payment, which enables customers to shop online then pay with cash at various bank outlets or retail locations near them, is very popular. In addition, Filipino consumers are price sensitive and eager to cash in on deals and loyalty programs offering value for money.

NORTH AMERICA

The United States and Canada share integrated economies and the longest international border on the planet. The bilateral relationship is considered one of the world's closest and extensive, with trade nearing \$2 billion a day in goods and services – the equivalent of \$721 billion a year. The two countries are close in landmass, although Canada is slightly larger.



GLOBAL COMPARISON

Both Canada and the United States have highly developed, strong economies. According to the International Monetary Fund, the United States has the world's largest gross domestic product at \$20.49 trillion, while Canada ranks 10th at \$1.71 trillion.

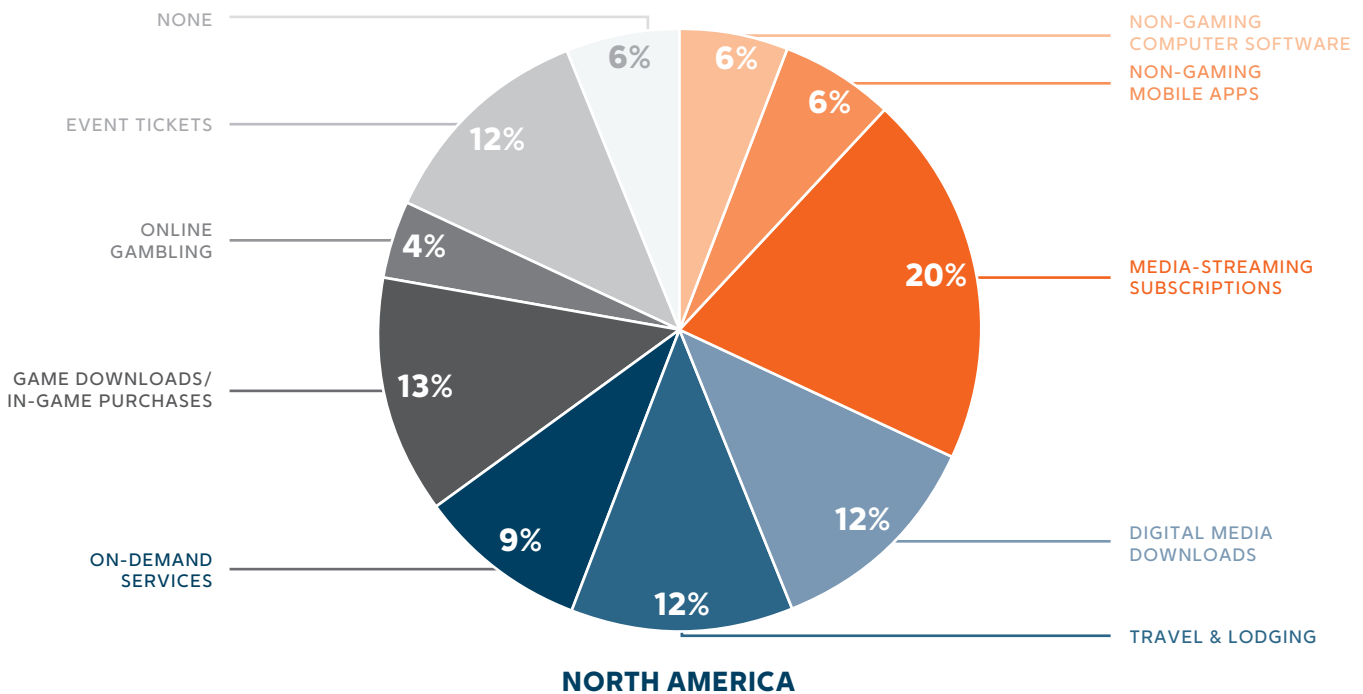
ECommerce in both countries remains strong. A recent Shopify report of consumers from 10 countries showed that Canadian shoppers spend an average \$100.66 per online transaction – second only to Japan. United States' consumers spend close to \$81.26 per online transaction – ranking fifth.

The leading method of online payment for both countries is the credit card. Credit cards are followed by e-wallets, bank transfers and cash. Keep in mind, though, the Federal Reserve in 2018 estimated that 22% of American households were unbanked. More than half of them have a credit card.

In Canada, just 6% of consumers report they're unbanked – although reports vary. A recent report by Finder shows that Canadians, on average, have two credit cards – equating to 74 million credit cards in circulation in Canada.

The piechart on this page shows the top service purchased by those living in the North American region is media-streaming subscriptions at 20% – higher than the other regions in this study. Its second-highest online purchase was game downloads – also higher than the other regions at 13%. Conversely, North American consumers were least likely to purchase online gambling (4%).

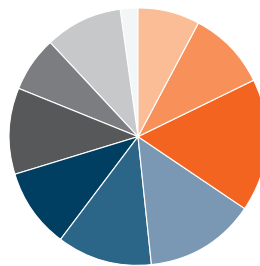
A word for merchants considering an entry into the North American market: just do it – but understand that plenty of competition exists. The role of digital commerce in this region cannot be overstated.



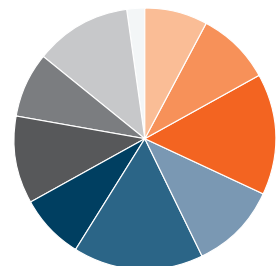
ALL COUNTRIES



ASIA-PACIFIC



LATIN AMERICA



EUROPE

CANADA

The world's second-largest country by total area is known for its stunning landscapes, dominance in ice hockey and for producing nearly two-thirds of the global supply of maple syrup.

35.9M TOTAL POPULATION

82% SMARTPHONE PENETRATION

\$50B DIGITAL GOODS TPV

81% URBAN MIX

\$1.8T GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



58%
OF CANADIANS HAVE PURCHASED OR USED MEDIA STREAMING SUBSCRIPTIONS WITHIN THE PAST YEAR.



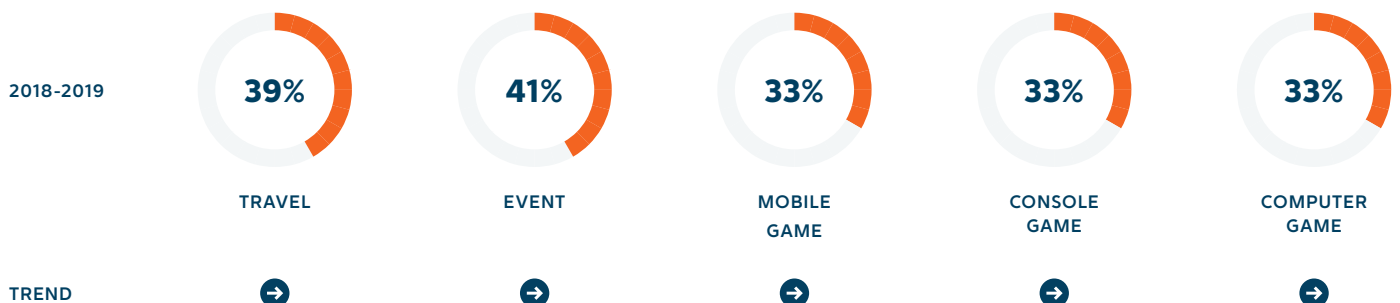
55%
OF CANADIANS PREFER TO USE CREDIT CARDS WHEN BUYING NON-PHYSICAL PRODUCTS



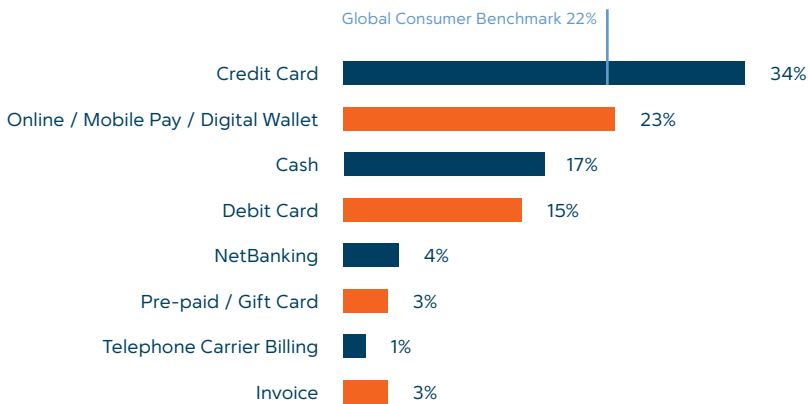
INSIGHT

Canadians embrace purchasing online services, especially event tickets and booking a trip.

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Canadians prefer to use credit cards online. But, recent moves to make Interac, a Canadian interbank network, available online should yield increased popularity of local debit networks.



THE FISERV ADVANTAGE

Fiserv has a long-standing, local presence serving leading Canadian digital brands including the top coffee chain. Global clients can also gain quick access to this market, and 45 other global markets, through our single API integration.

INSIGHT

77% of Canadians are active digital commerce users.

UNITED STATES

Land of the free, home of the brave, birthplace of jazz, this North American nation is considered the world's most dominant economic and military power.

Washington 

- 329M** TOTAL POPULATION
- 82%** SMARTPHONE PENETRATION
- \$650B** DIGITAL GOODS TPV
- 82%** URBAN MIX
- \$19.5T** GROSS DOMESTIC PRODUCT

SURVEY FINDINGS



46%

OF AMERICANS USE ON-DEMAND BUSINESS SERVICES LESS THAN 1 ONCE A MONTH.



32%

OF AMERICANS PREFER TO USE DEBIT CARDS FOR ONLINE PURCHASES



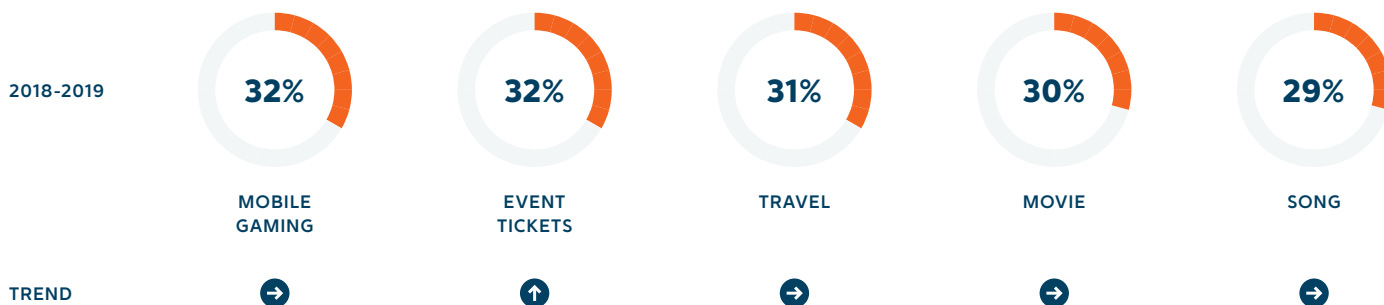
40%

OF AMERICANS WILL STOP USING AN APP ENTIRELY IF THERE IS A BAD EXPERIENCE WHILE MAKING A PURCHASE.

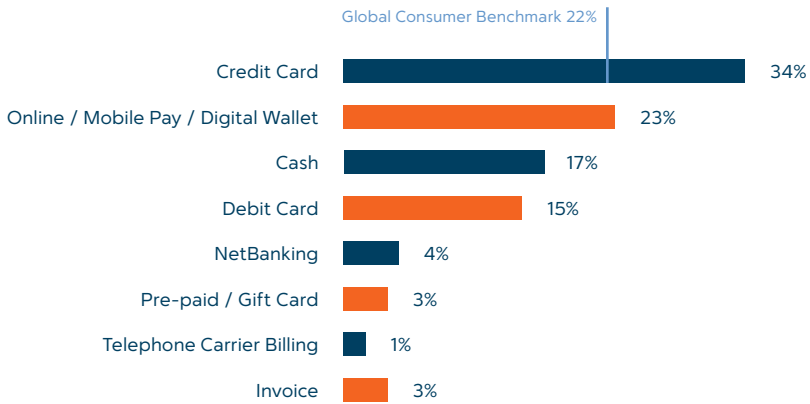
INSIGHT

Second largest digital good consumer population next to China. Leading in categories such as streaming (music and video).

DIGITAL GOODS & SERVICES CONSUMER SPENDING



PREFERRED PAYMENT METHODS



INSIGHT

Debit cards are quite popular in the US, especially for small ticket purchases commonly found in ridesharing, digital goods, and similar subscription services.



THE FISERV ADVANTAGE

Our unmatched intelligent payment solutions can help to clients to optimize their authorizations and route to the lowest available networks.

INSIGHT

Fiserv owns STAR and Accel, the largest independent debit networks in the US.

SOURCES

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