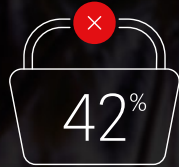


worldpay

## mobile payment journey

REASONS FOR CART ABANDONMENT



PREFERRED PAYMENT METHOD UNAVAILABLE

71%



MADE THEIR LAST MOBILE PURCHASE VIA AN APP



PREFER TO SAVE THEIR DETAILS WITH A USER PROFILE

MAIN REASON TO FAVOUR A USER PROFILE



FASTER TRANSACTIONS

GLOBAL STATS

Market Guide  
Travel + Airlines

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# Introduction

It's estimated that by 2020, worldwide digital travel sales will top US\$817 bn globally<sup>1</sup>, and it's no secret that travel eCommerce is benefiting from the mobile revolution.

Mobile devices, applications and their surrounding technologies are continuously evolving, as are the expectations of the end users.

Around the world, we know that people use their phones for almost every aspect of life. This presents an incredible opportunity for those who understand how each market works, differs, and how they can stay at the forefront.

When it comes to mobile payments, the focus is on apps, seamless user journeys and security. While mobile browsers still have their place in the ecosystem, everyone knows that an unresponsive site that doesn't quickly allow a person to complete their purchase will cost a brand their reputation and their customer. However, the future is hyper-relevance and apps provide a way to do this by creating an immersive and engaging environment that is an extension of the wider brand.

Done well, this in turn leads to longer and lifetime brand loyalty. A seamless payment

model that allows users to store details, enables one-click purchases and most importantly doesn't disrupt the user journey is key. Invisible payments do just that. By securely holding payment details that allow the user to purchase with biometrics or a quick click, allows them to quickly get through the user journey and removes friction and abandonment.

The important thing here is to understand how comfortable people are with providing their biometrics, in different countries, for different types of purchases and for high or low value transactions. Then to use this data to optimise the payment process and create a journey that makes users keep coming back.

With increasing numbers of people happy to submit both their personal and their payment details, security and fraud are important factors to consider. In Europe, PSD2 and Strong Customer Authentication (SCA) aims at driving down fraud by implementing a two-factor authentication process. This doesn't only affect European merchants, but everyone who has a global operational model and European users.

All transactions need to be authenticated with two of these three methods:

- **Knowledge:** something only the user knows, such as a password
- **Possession:** something only the user possesses, such as a token or mobile phone
- **Inherence:** something the user is, such as a biometric (e.g. fingerprint recognition)

We surveyed a diverse range of users across 10 countries to understand their preferred mobile payment methods and expectations. This report covers the highlights from each country to provide insight and recommendations into key factors such as travel purchases, alternative payments, cart abandonment and more.

<sup>1</sup>) eMarketer – Digital Travel Sales 2017

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# Australia

The Australian mCommerce market is on trend to be worth US\$21 bn by 2021.

This growth in mobile shopping will mean that mobile will overtake desktop as the eCommerce platform of choice down under. Desktop eCommerce is set to be worth \$US16 bn by 2021<sup>1</sup>. The number of Australians that browse online shopping sites on their mobiles has risen by 14% in the past year<sup>2</sup>.

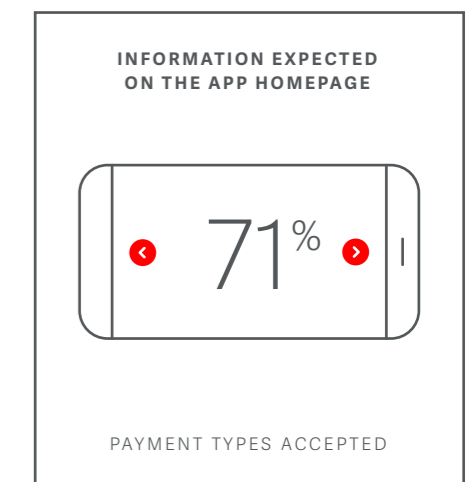
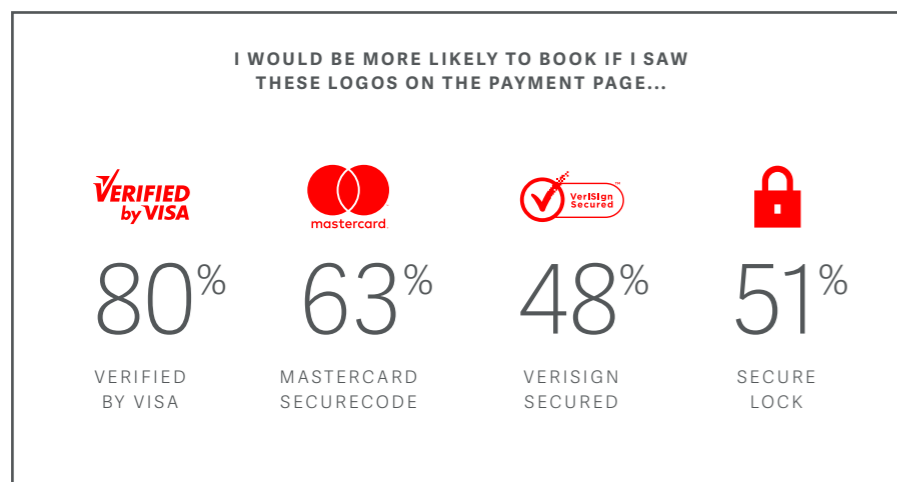
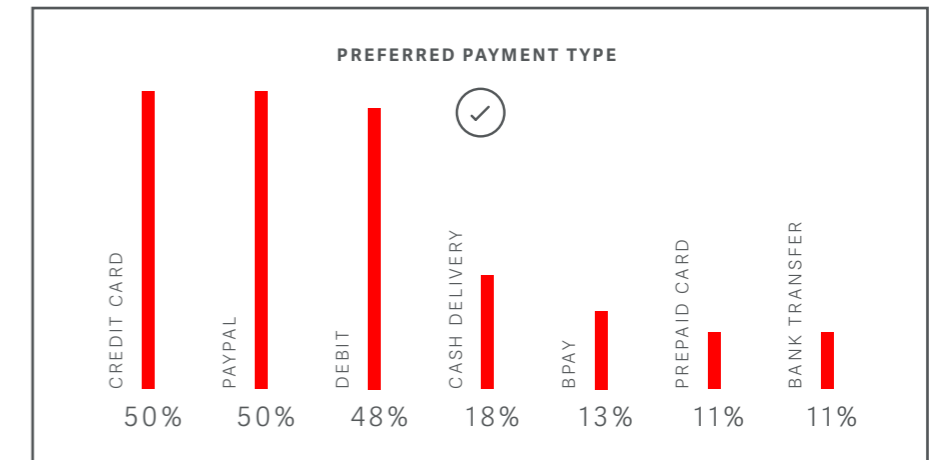
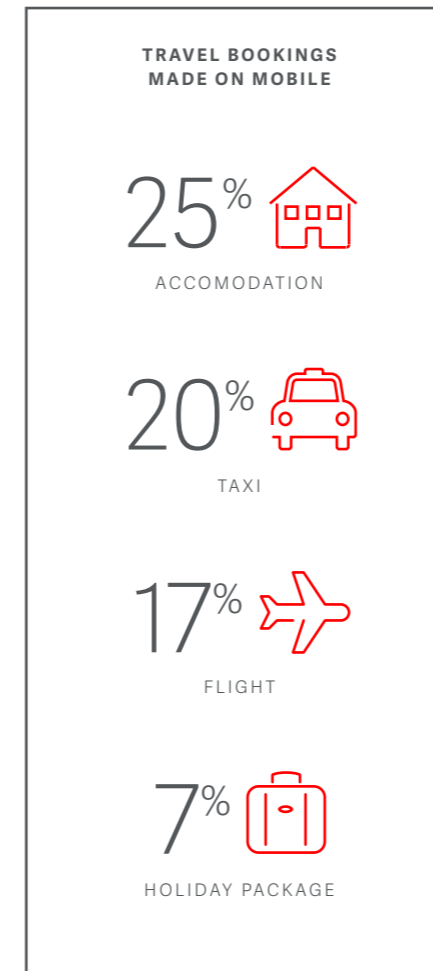
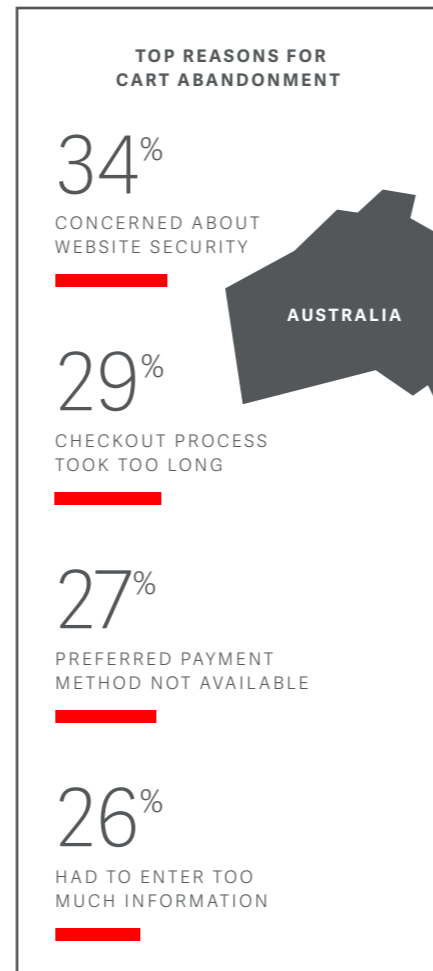
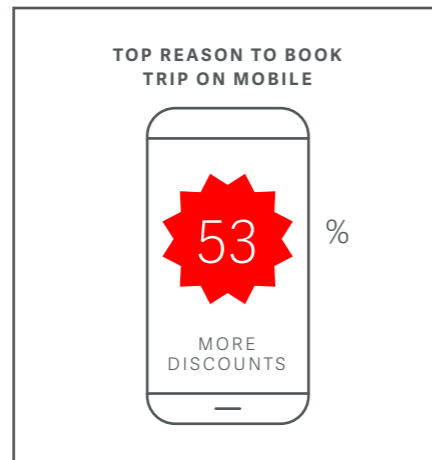
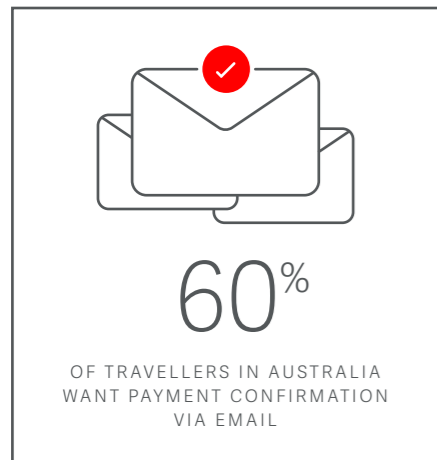
Almost 65% of people in Australia booked their last travel booking on a mobile app. If you want to gain traction in the Australian market, be sure to reassure customers that your mobile app is secure with security logos – as security is one of the top reasons why people would book elsewhere!

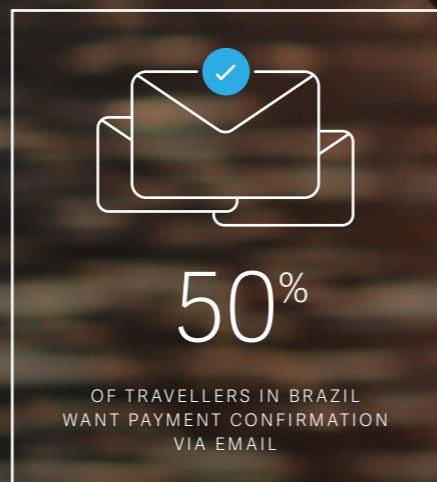
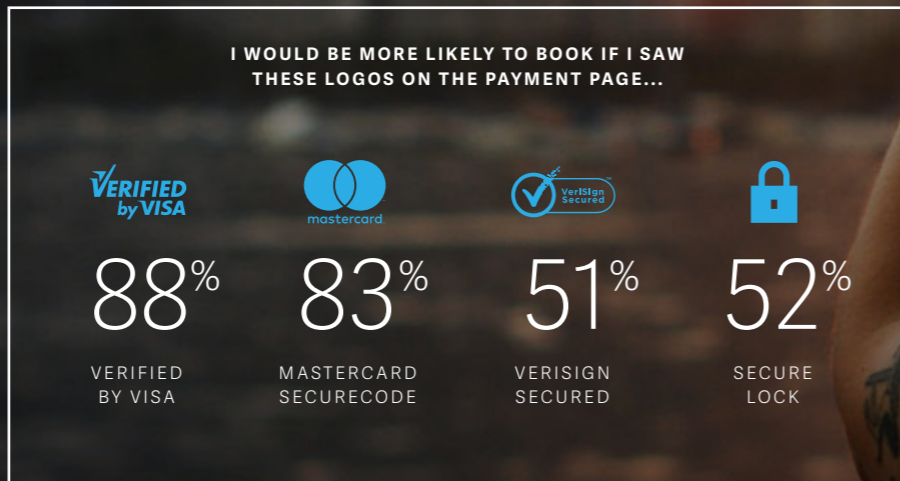
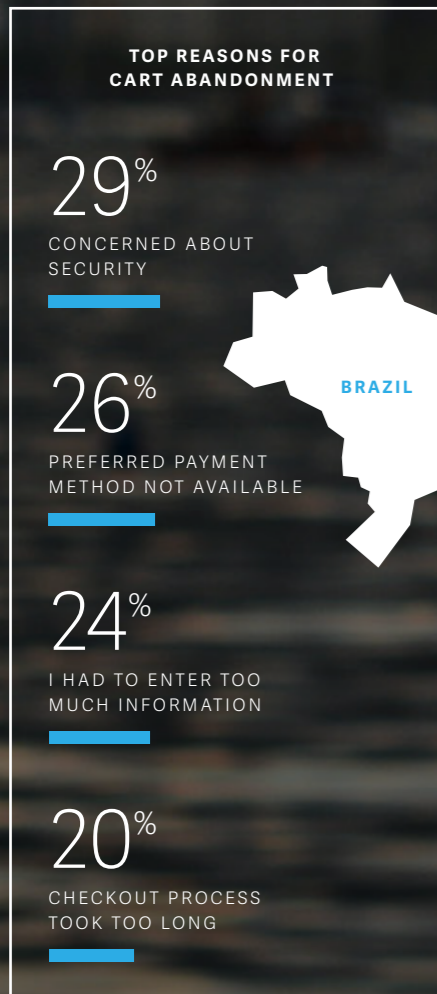
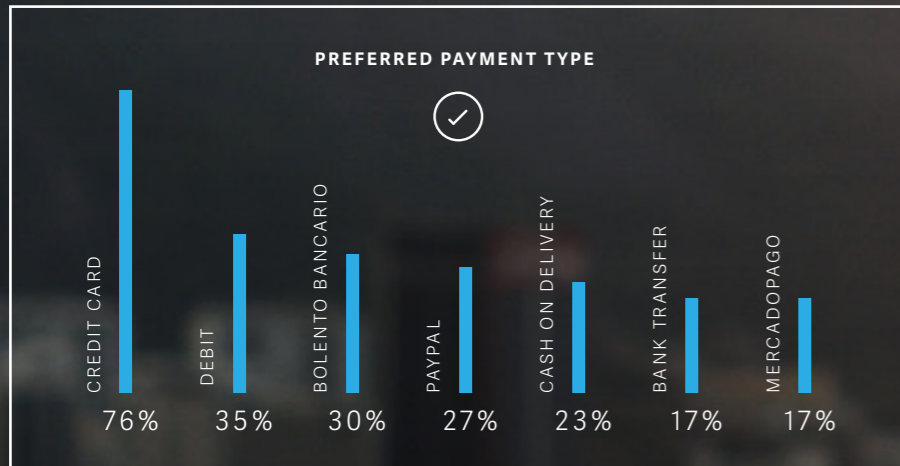
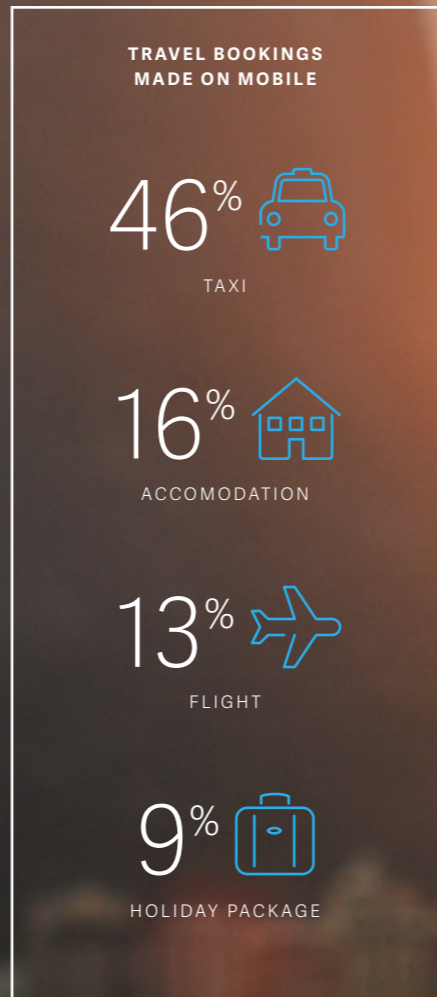
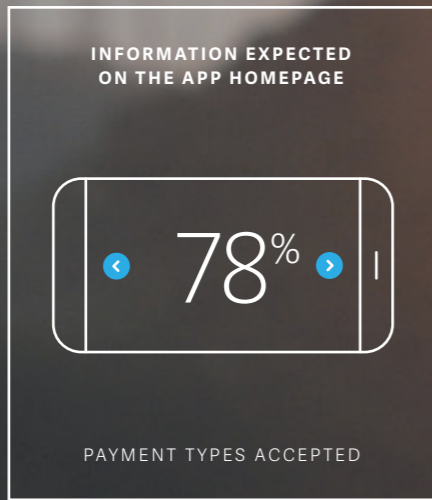
When it comes to how Australians like to pay, more than half want to pay with one-click, i.e. saving their payment details to pay with a swipe when they next book travel.

For high-value transactions, such as holidays – it's interesting to see that Australian travellers are happy to use alternative payment methods like PayPal, and save their payment details for easier and quicker future purchases.

1) Global Payments Report 2017

2) Deloitte - Smart everything, everywhere Mobile Consumer Survey 2017 The Australian cut





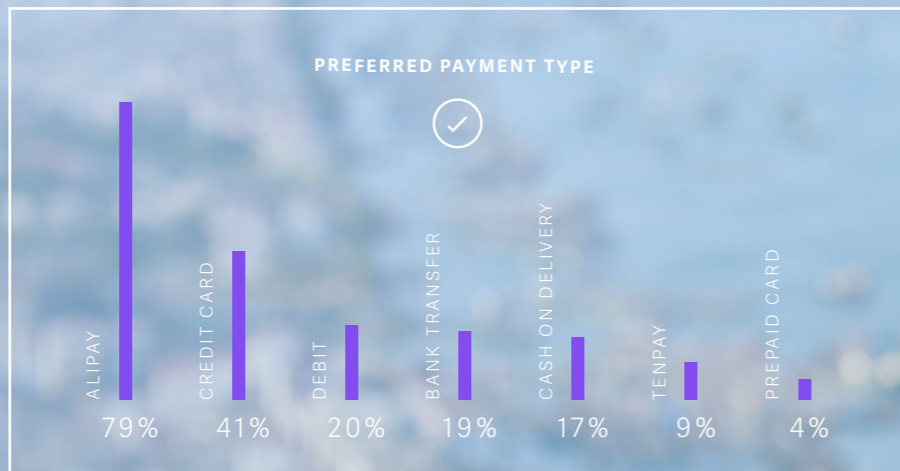
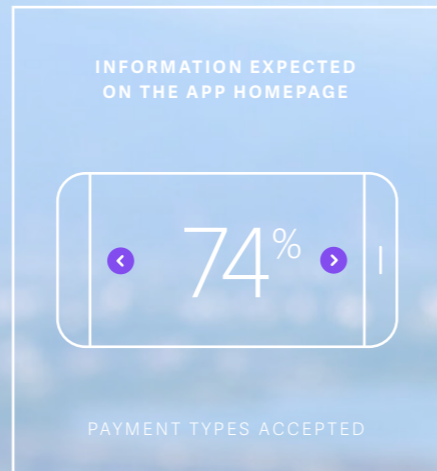
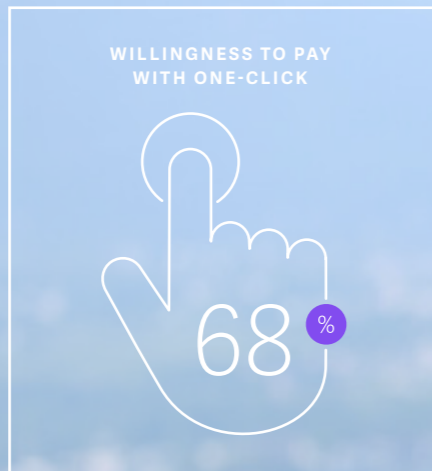
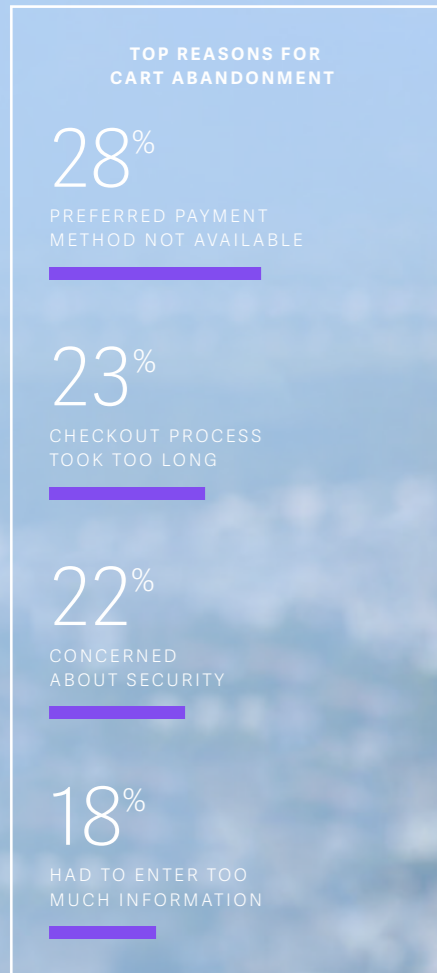
# Brazil

In Brazil, taxi bookings are a clear favourite when it comes to travel purchases made via a mobile device.

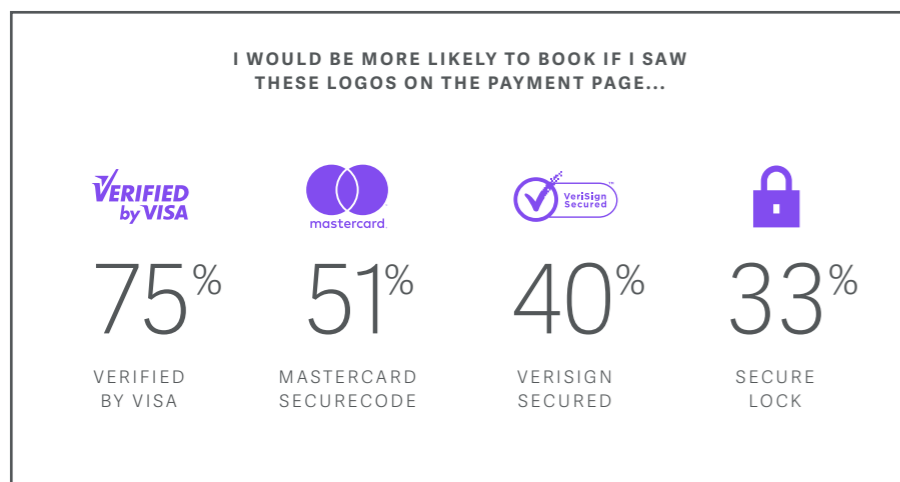
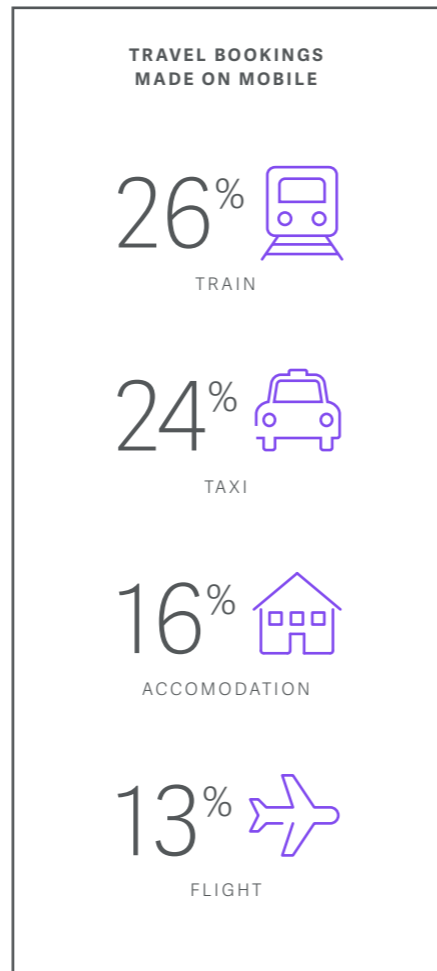
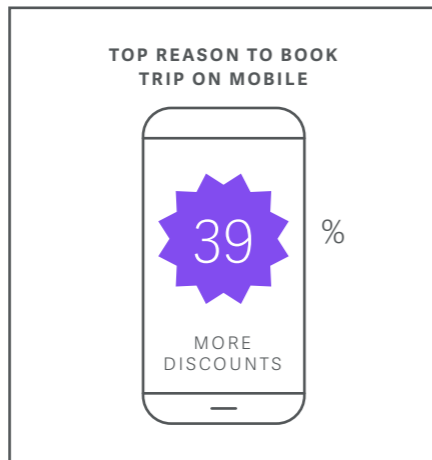
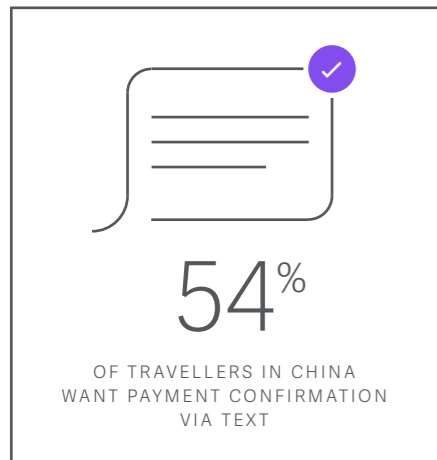
Brazilian consumers are comfortable in making lower value transactions via mobile. We see evidence of this as 26% of mobile travel purchases made in the last 3 months have been worth R\$42 or less. Higher value transactions are less common, but the mobile eCommerce market is rapidly growing into maturity and set to rise 100% in less than 5 years, from US\$5 bn to US\$10 bn by 2021<sup>4</sup>.

Travel providers in this region recognise the potential of mobile eCommerce, and with 59% of consumers willing to pay for travel services with 'one-click' technology, companies that actively enhance their mobile shopping experience could see themselves ahead of the curve in the near future.

<sup>4</sup> Global Payments Report 2017



China



In China, unsurprisingly Alipay is the most popular payment type, and this is the case for travel bookings too.

With such a strong bias towards Alipay, it's therefore not surprising that one of the main reasons travellers go elsewhere to book is when 'accepted payment types' aren't listed on the mobile app or site homepage. Travellers want to know they can pay the way they want to before going through an entire holiday search and booking process. Don't miss the opportunity to engage Chinese customers by advertising your payment types in various 'App stores' and on your homepage.

Chinese consumers continue to lead the way in their adoption and use of mobile, with mCommerce shoppers nearly doubling from 2014 to 2016. In fact, mobile has already surpassed desktop in terms of eCommerce market size, with mCommerce on track to be worth US\$1.01 tn by 2021<sup>5</sup>.

<sup>5</sup> Global Payments Report 2017

# Germany

PayPal surpasses credit cards as the payment method of choice via mobile in Germany.

Germany is Europe's largest economy as well as its largest travel market. The mobile eCommerce market in Germany is expected to be worth US\$37 bn by 2021<sup>6</sup>, with mobile travel bookings predicted to make up US\$12.9 billion<sup>7</sup>.

As well as PayPal, payments made via Sofort are also on the rise as many consumers now expect everything to be available in real-time. The age of instant gratification is here to stay. Travel providers are looking at real-time payments to

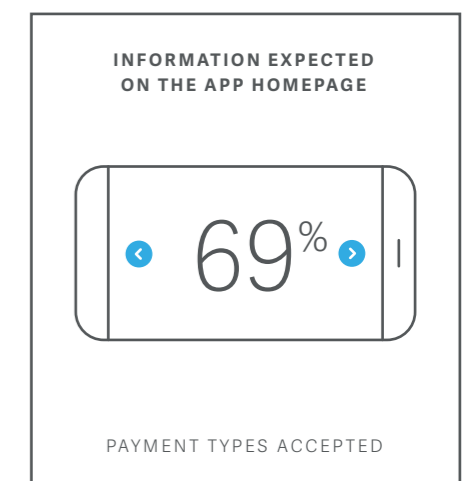
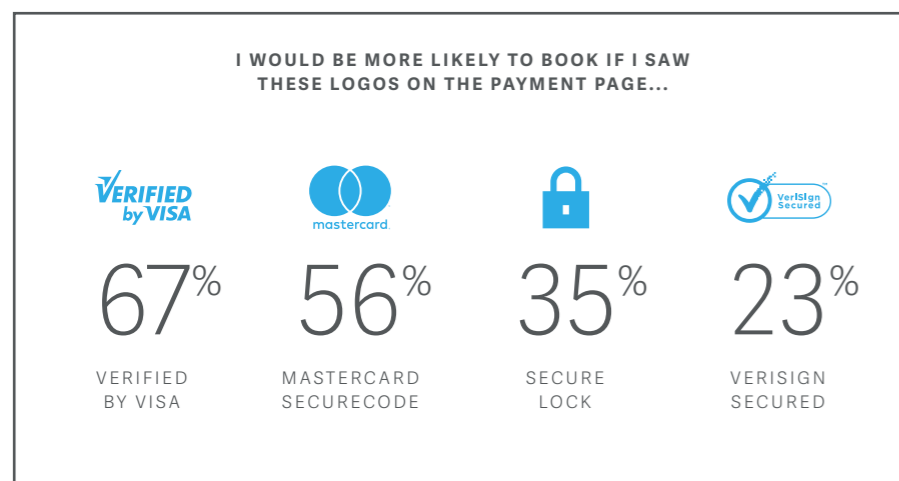
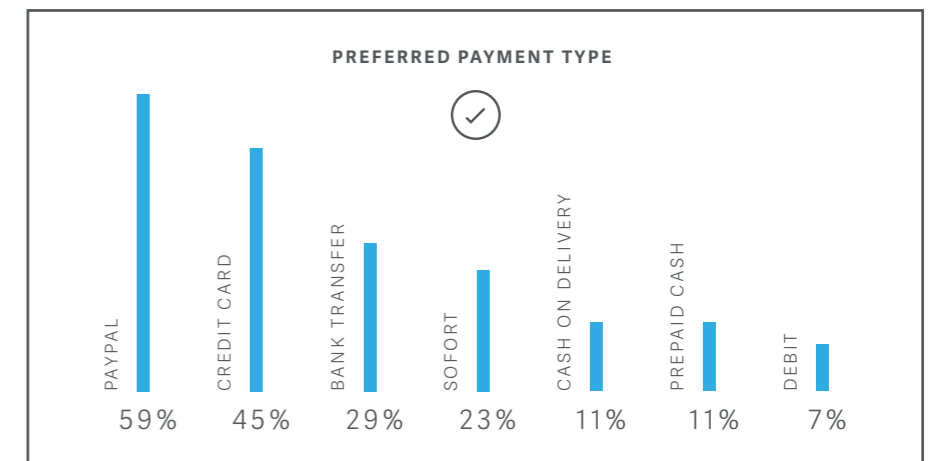
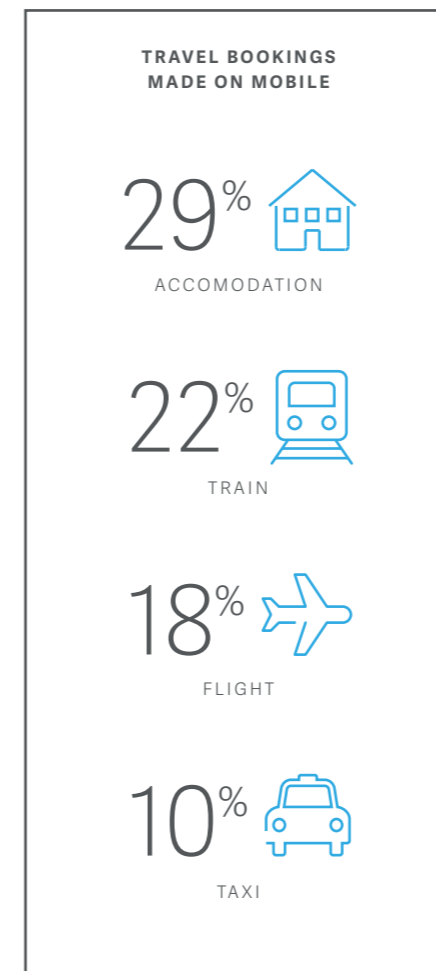
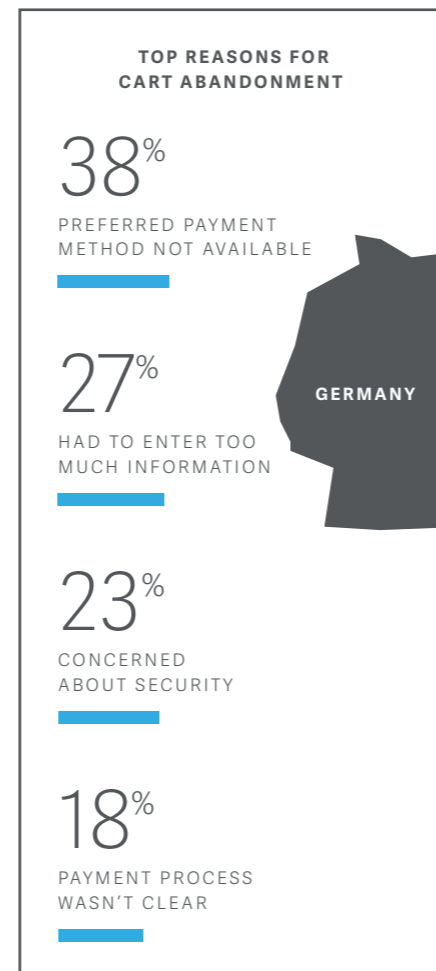
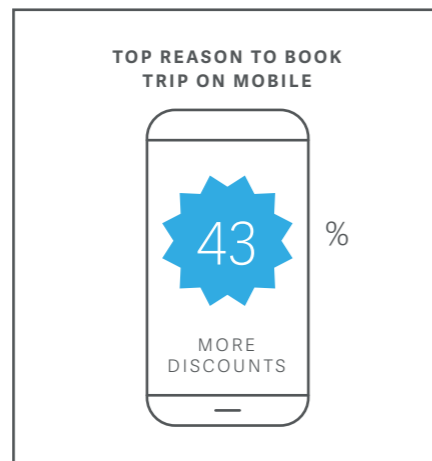
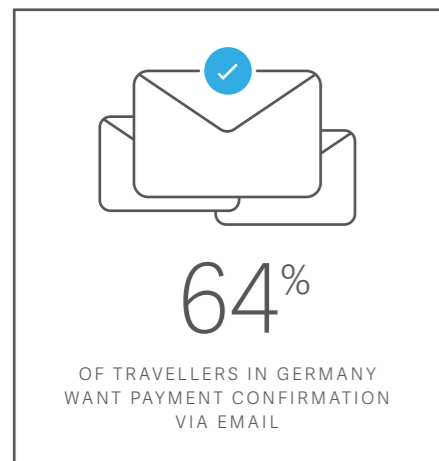
enhance their cash flow management, minimize fraud activity and provide peace of mind to their customers.

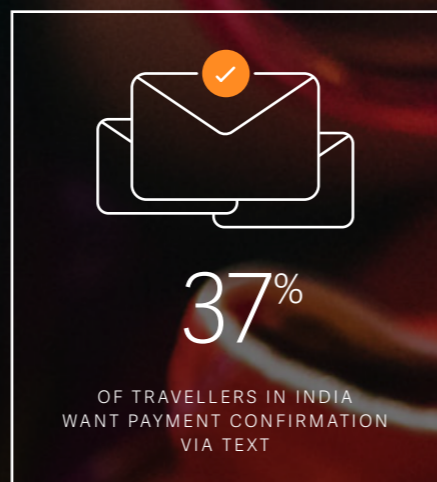
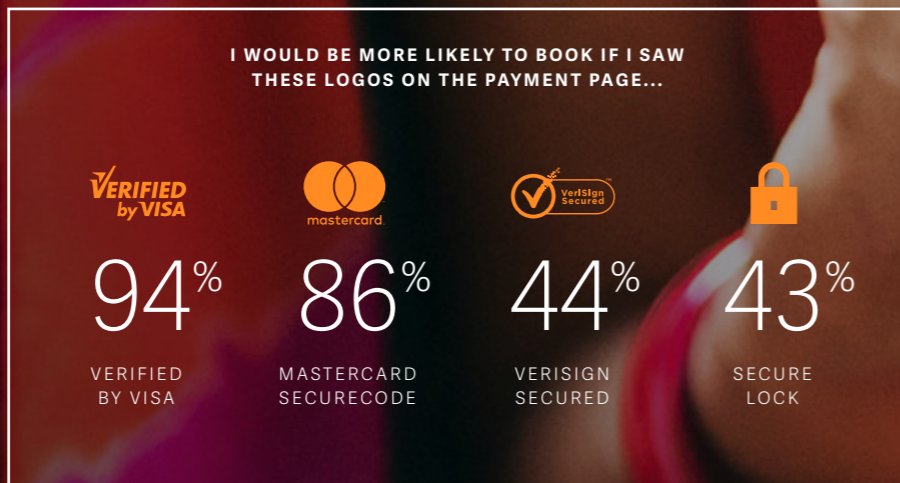
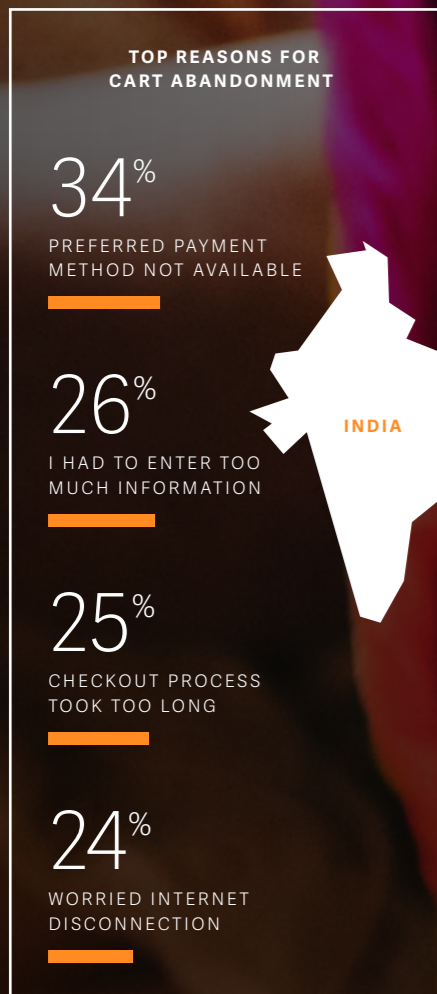
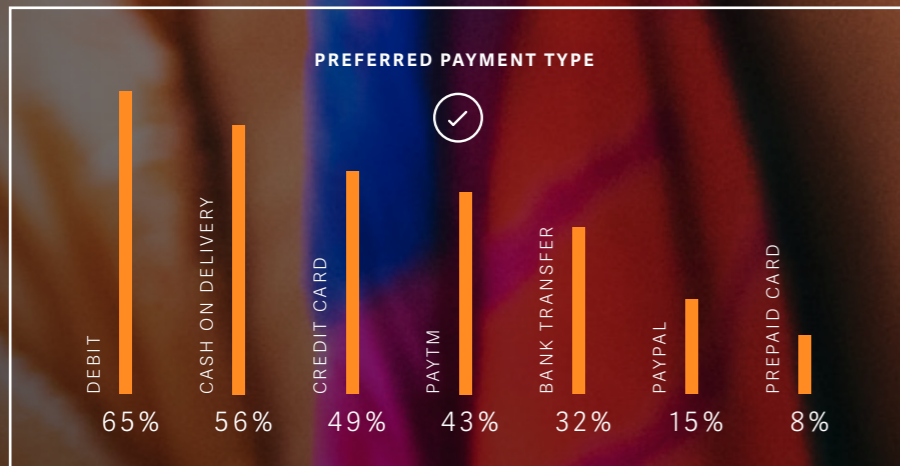
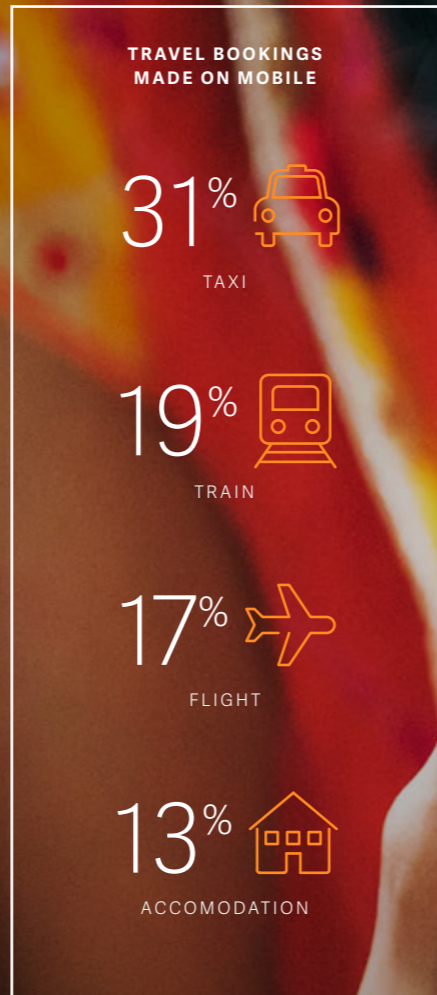
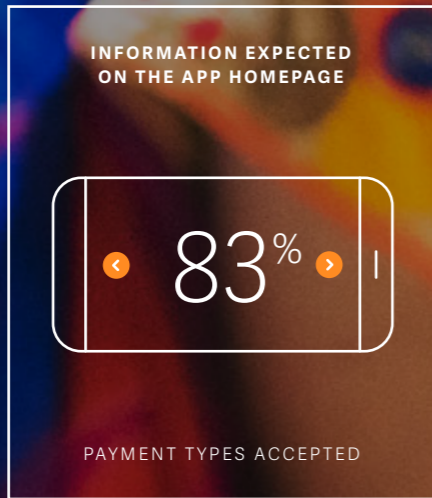
Germany currently has 55.5 million smartphone users, with an 84% smartphone penetration rate<sup>8</sup>. Mobile is rapidly becoming a critical distribution channel for Germany's travel suppliers.

6) Global Payments Report 2017

7) Phocuswright - German Online Travel Overview Thirteenth Edition 2017

8) Phocuswright - German Online Travel Overview Thirteenth Edition 2017





# India

In India, discounts are a major driver to download travel mobile apps.

If you want to drive more bookings on mobile in India, be sure to use offers and discounts to entice people to download your app. The majority of travellers said the last purchase on their mobile was to book a taxi in India – in fact it was nearly a third of people!

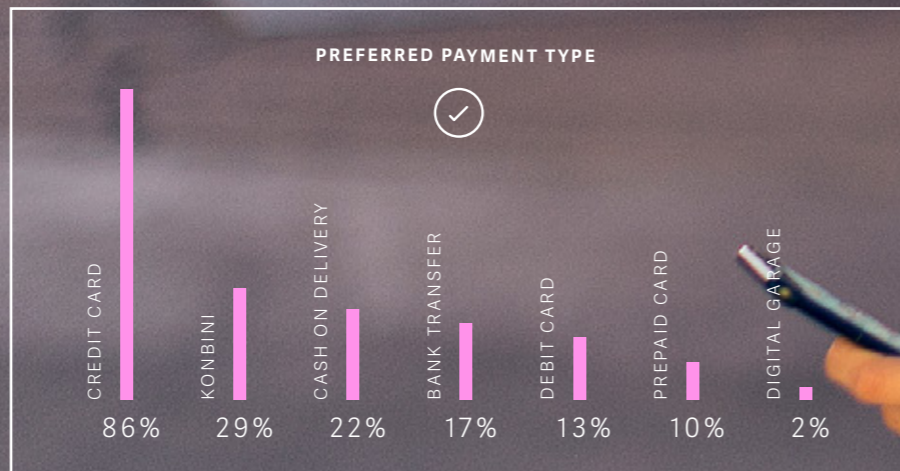
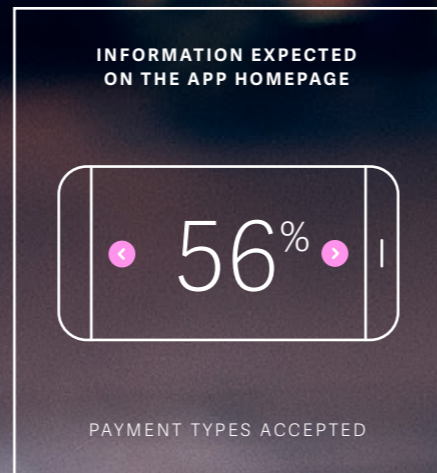
When asked if they would be comfortable to pay for a city tour via an app that has saved their payment details, two thirds of people said they would be

happy to pay with one click. From this, it's clear to see that Indian travellers are happy to book and pay on the go.

Overall, mobile booking has increased steadily in India, helping to fuel online growth overall, as some travellers access the internet for the first time via a mobile device. The Indian eCommerce market is predicted to be worth US\$49 bn by 2021<sup>9</sup>.

9) Global Payments Report 2017



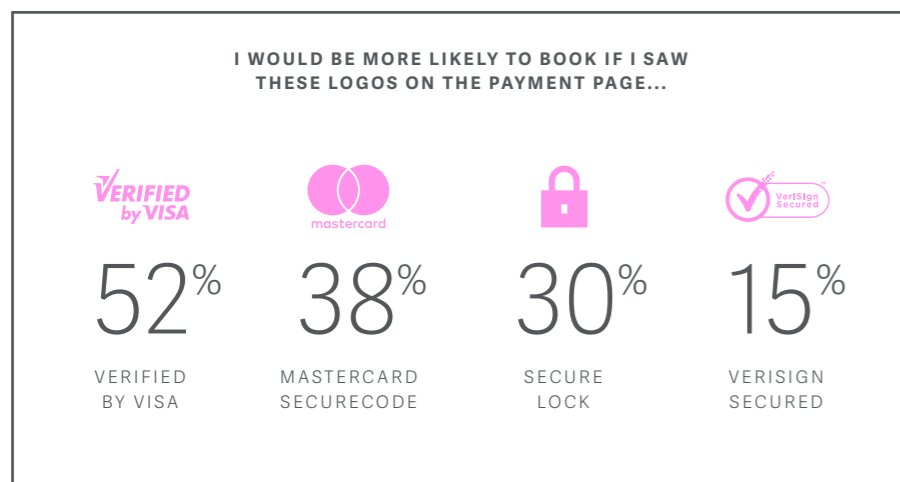
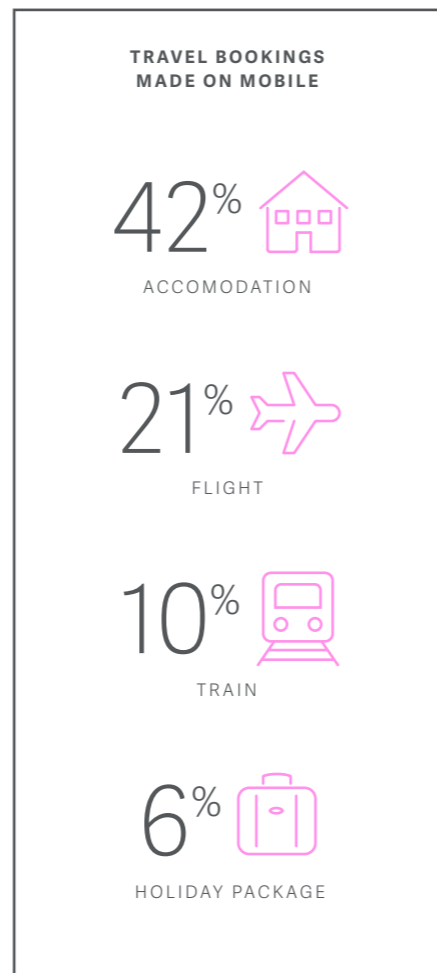
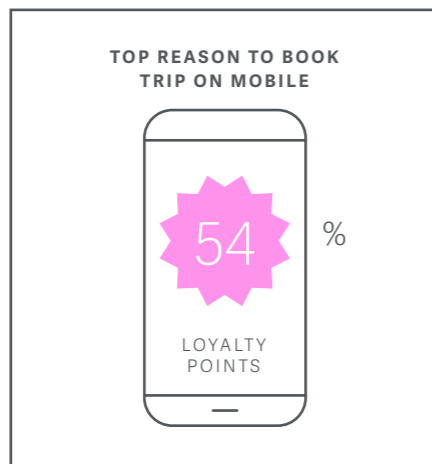
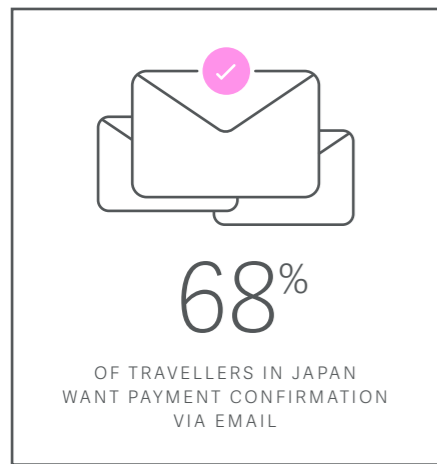


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mobile payment journey



 Japan



Japan is the second largest eCommerce market in Asia, with mCommerce currently valued at more than US\$40 bn.

With overall travel bookings of US\$96 billion in 2017<sup>10</sup>, Japan also has the second largest travel market in Asia Pacific (APAC), and although under two thirds the size of China's, it's three times the size of India's. Mobile currently accounts for 33% of online bookings, but this is set to increase to 43% by 2021<sup>11</sup>.

In Japan, the majority of travellers prefer to use a guest check out rather than saving their

payment details in a user profile. This may be down to the fact that there are concerns around the security of personal details, as two thirds of Japanese travellers told us they have concerns about the safekeeping of their data. Travel companies should offer a guest checkout option too as this could tackle cart abandonment issues.

10) Phocuswright - Japan Online Travel Overview Tenth Edition 2018

11) Phocuswright - Japan Online Travel Overview Tenth Edition 2018

# Russia

In Russia, the top reason for cart abandonment is due to a preferred payment method being unavailable.

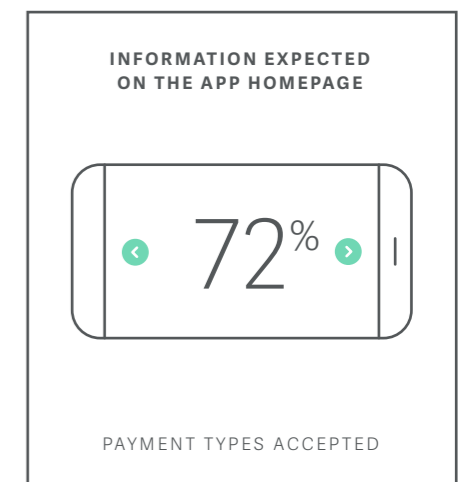
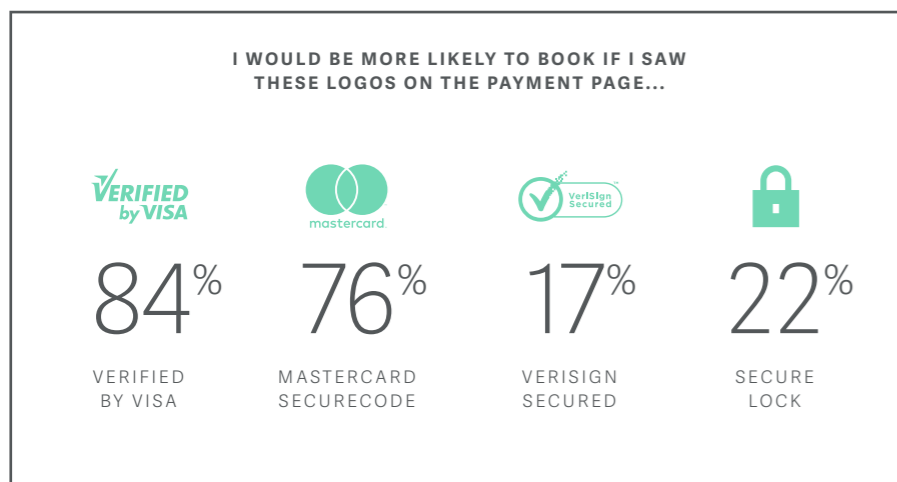
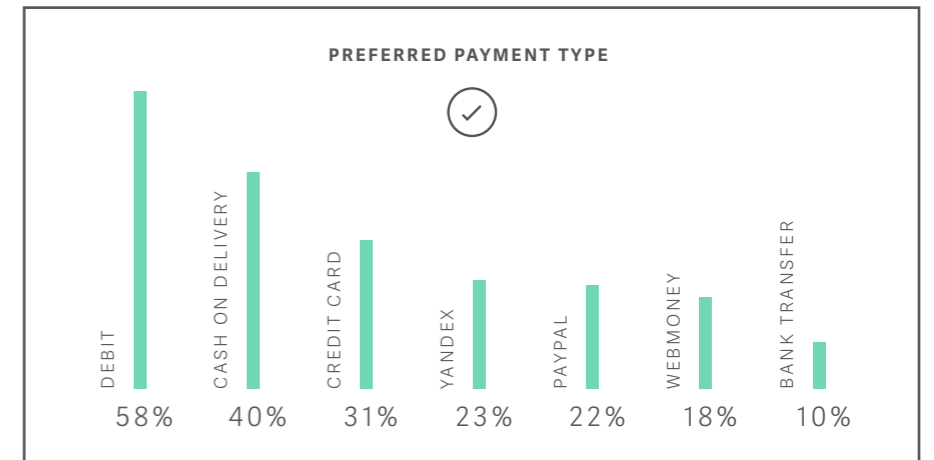
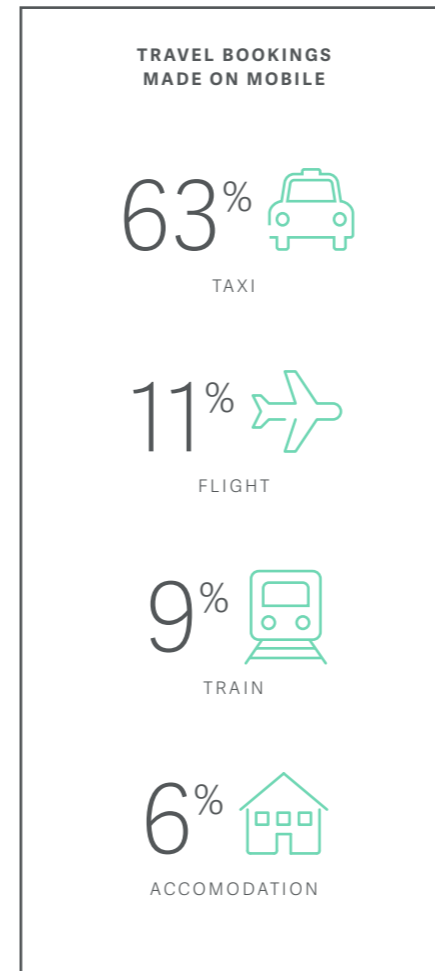
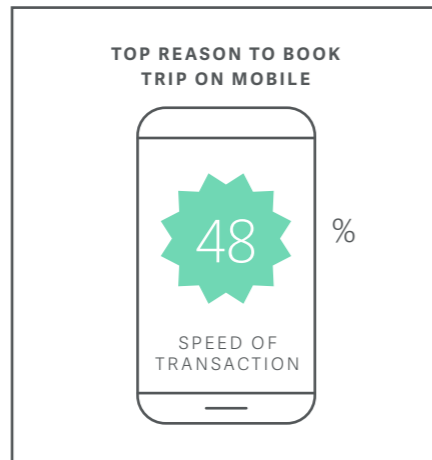
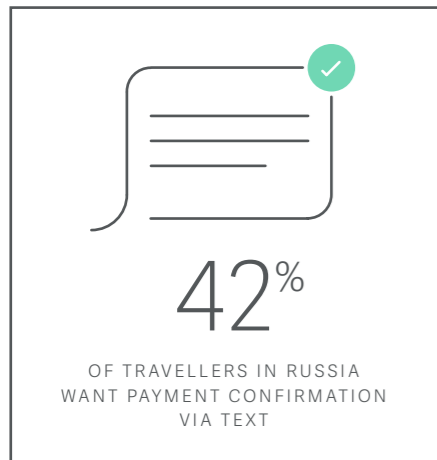
In this market there isn't a clear favourite alternative payment method when paying on mobile, but that's evidence as to why travel companies should work with payment providers who can enable them to offer a range of payments to suit travellers from Russia.

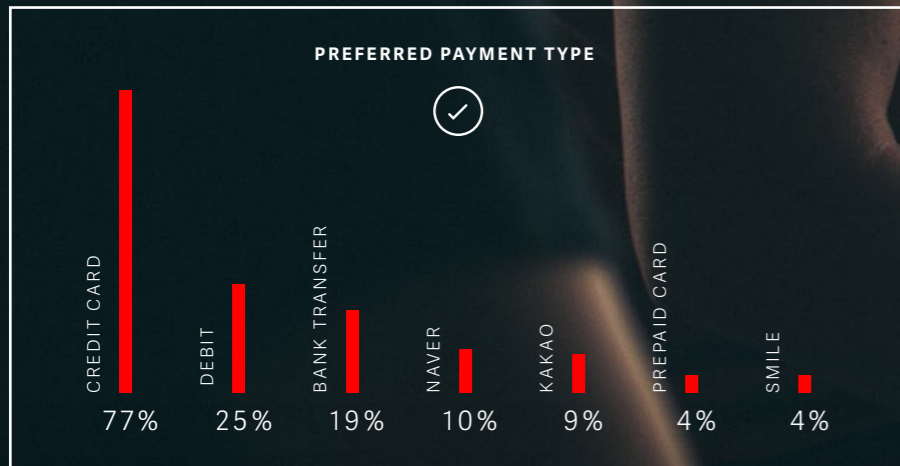
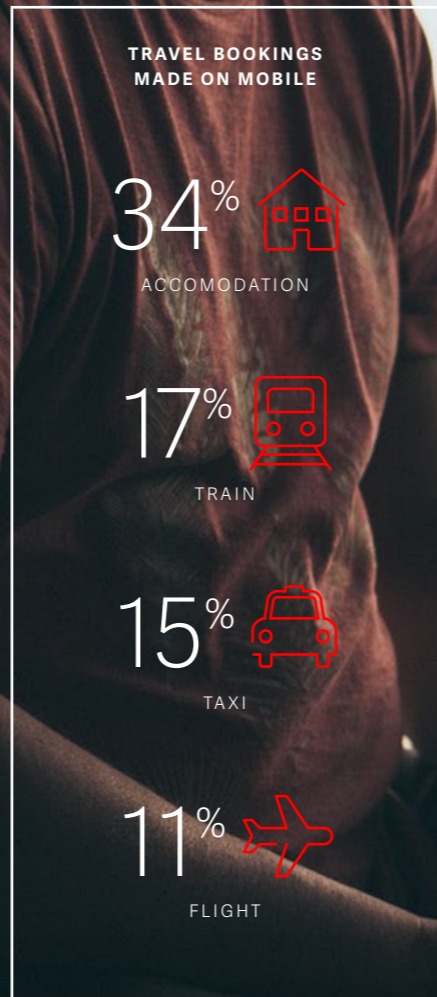
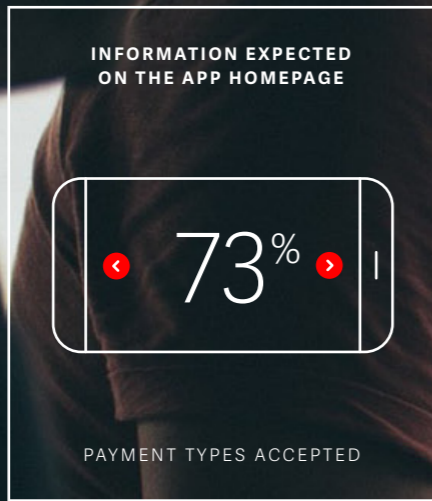
way payments can be made, especially through taxi apps, is the top reason why people choose to pay via mobile in this region.

People use mobiles to book taxis frequently in Russia, and the way travellers transact with taxi apps should be seen as a benchmark for travel providers operating in this region. The seamless

mCommerce is one of the growth drivers for eCommerce in Russia, as more and more consumers gain access to the internet via smartphones. The mCommerce market in this region is expected to be worth US\$12 bn by 2021<sup>12</sup>.

<sup>12</sup>) Global Payments Report 2017





# South Korea

In South Korea, the main drive to pay on mobile is the ability to make low cost transactions quickly.

For South Koreans, the no.1 reason why people didn't complete a travel booking was that they had to enter too much information. Both of these things point to the fact that speed is important to travellers in South Korea. Travel providers need to make the payment process as quick and easy as possible to secure more bookings.

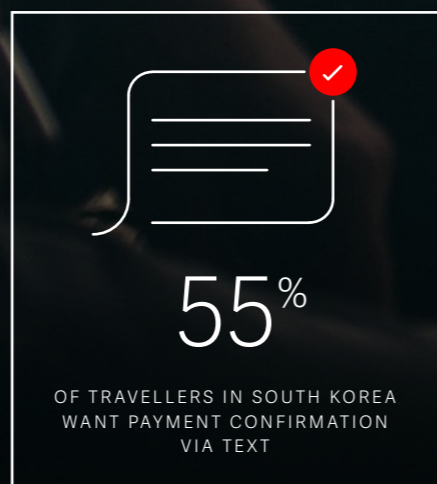
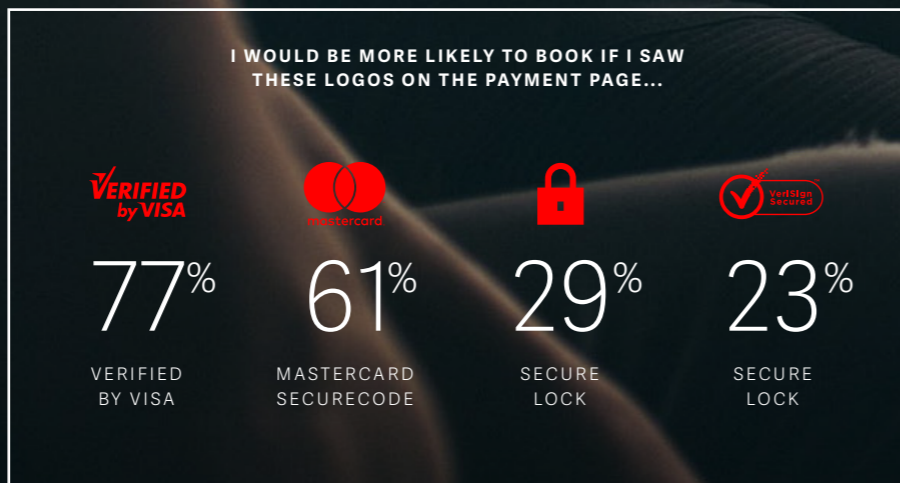
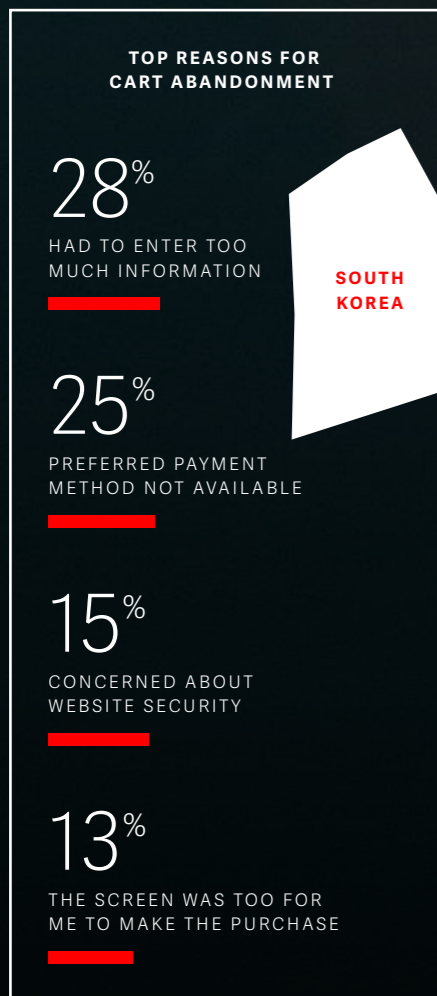
While on a trip, only a small minority of South Korean travellers rely on a hotel concierge to get information. Instead, smartphone users typically use their device to look up and research restaurants (66%), attractions (61%) and activities (49%)<sup>14</sup>. With a mCommerce market on track to be worth US\$60 bn by 2021<sup>15</sup>, there's a tremendous opportunity to impact the look to book ratio.

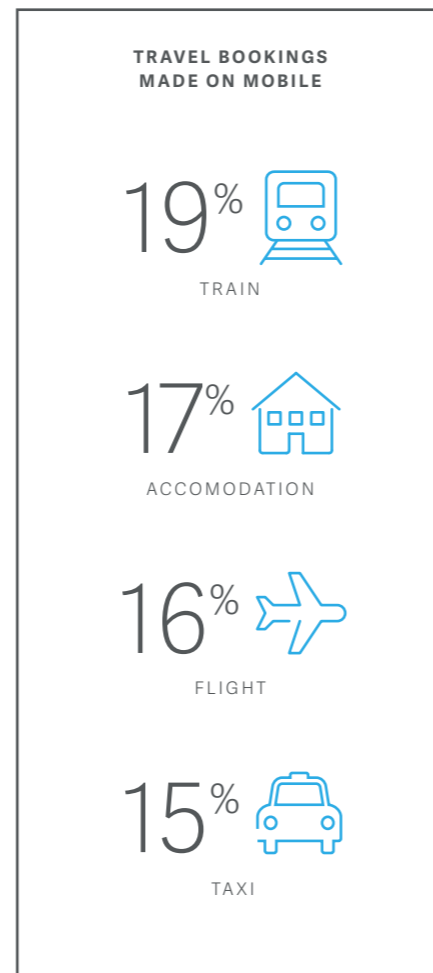
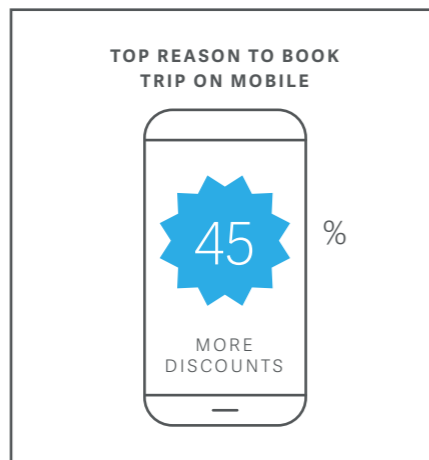
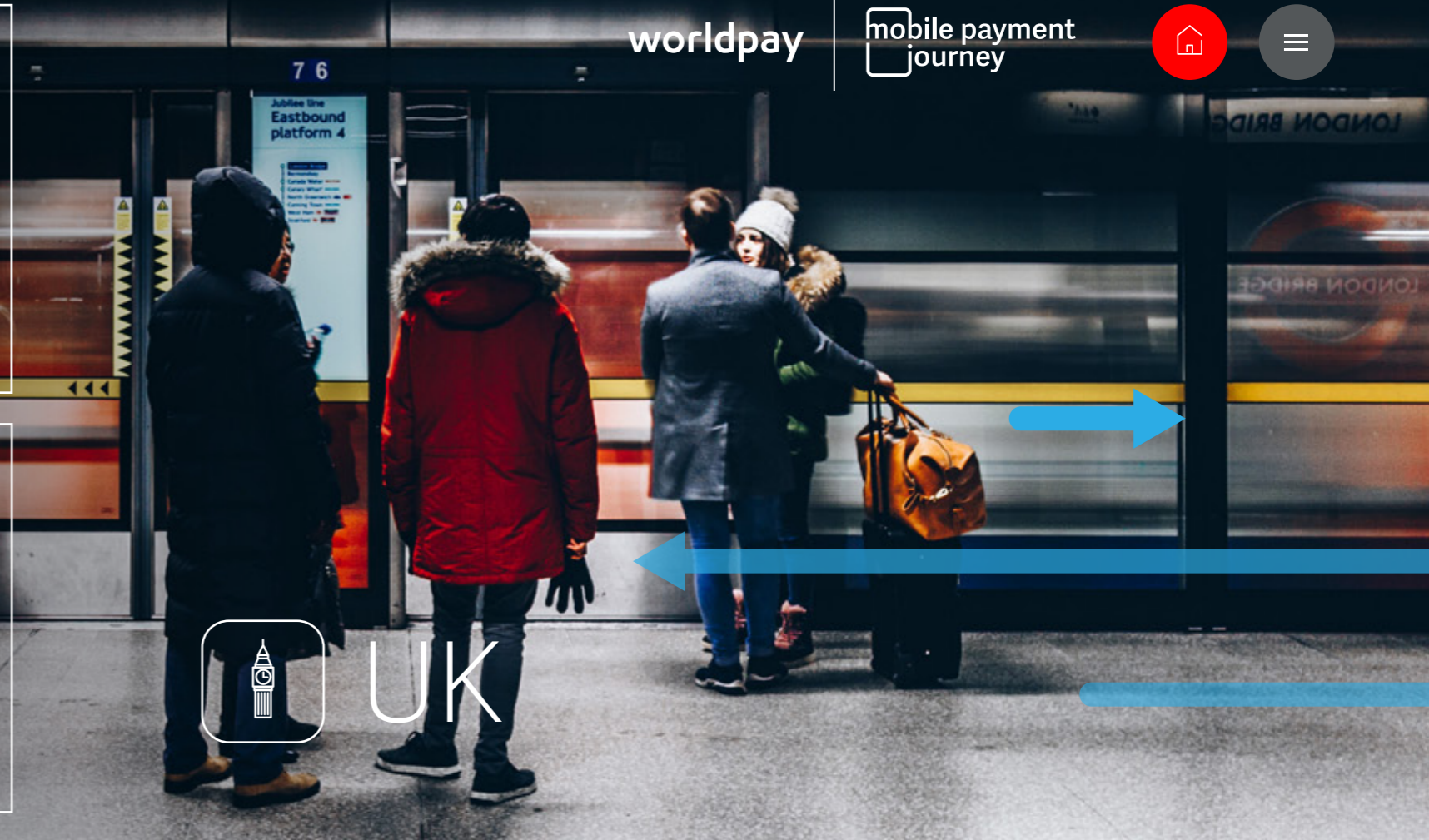
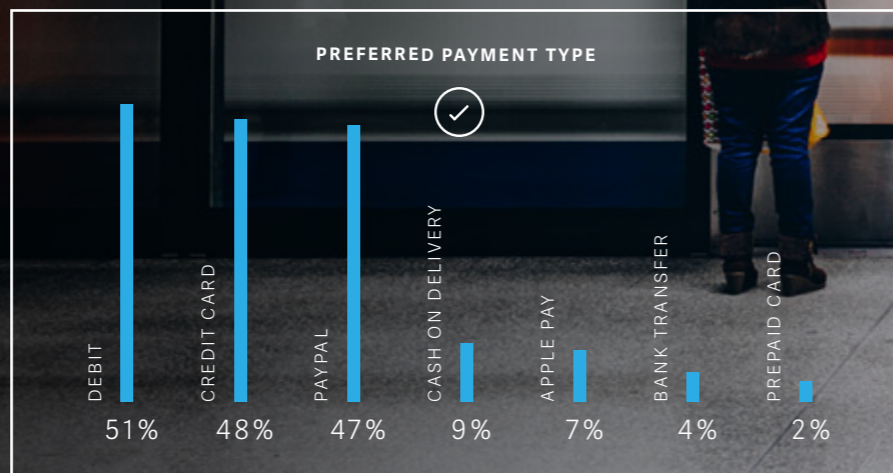
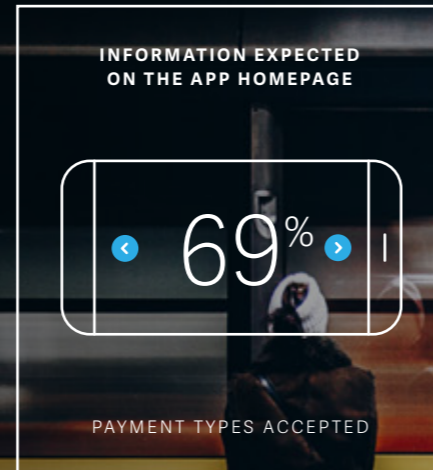
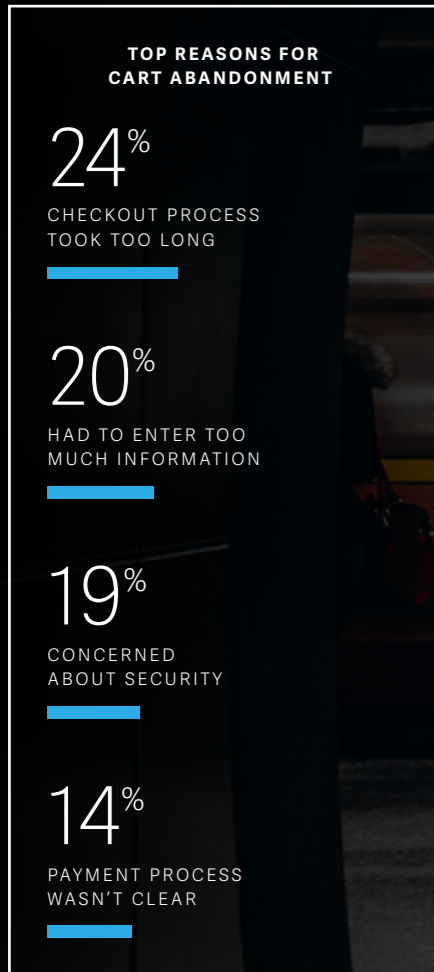
Online travel agents (OTA) play a leading role in the South Korean online travel market. Roughly two thirds of leisure travellers typically use an OTA for flight/hotel shopping and just under half typically book via an OTA<sup>13</sup>.

<sup>13</sup> Phocuswright - The South Korean Digital Traveler 2018

<sup>14</sup> Phocuswright - The South Korean Digital Traveler 2018

<sup>15</sup> Global Payments Report 2017





In the UK, PayPal continues to be the alternative payment method of choice, not only for transportation services but for other travel related services such as museum tickets and tours.

For travellers from the UK, it's all about minimal forms, as the top reasons why people don't complete a purchase are long checkout processes and lengthy forms. Of all the markets studied in this research, UK travellers are the only group who are unlikely to book travel add-ons via an OTA if they had to re-enter payment details. Don't miss the opportunity to be the travel provider of choice by saving payment details for a simple checkout experience.

Mobile's share of eCommerce, in the UK, is forecasted to increase to nearly 50% within the next 5 years, with the mCommerce market expected to be worth US\$94 bn by 2021<sup>16</sup>.

<sup>16</sup>) Global Payments Report 2017

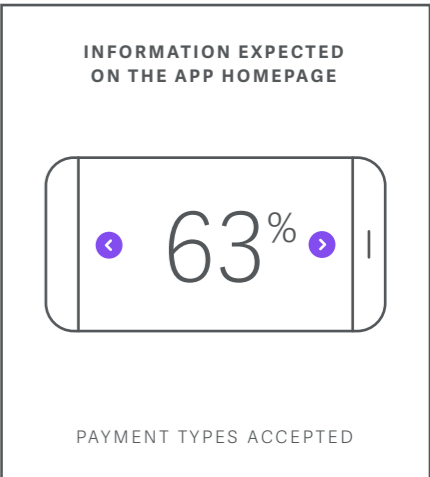
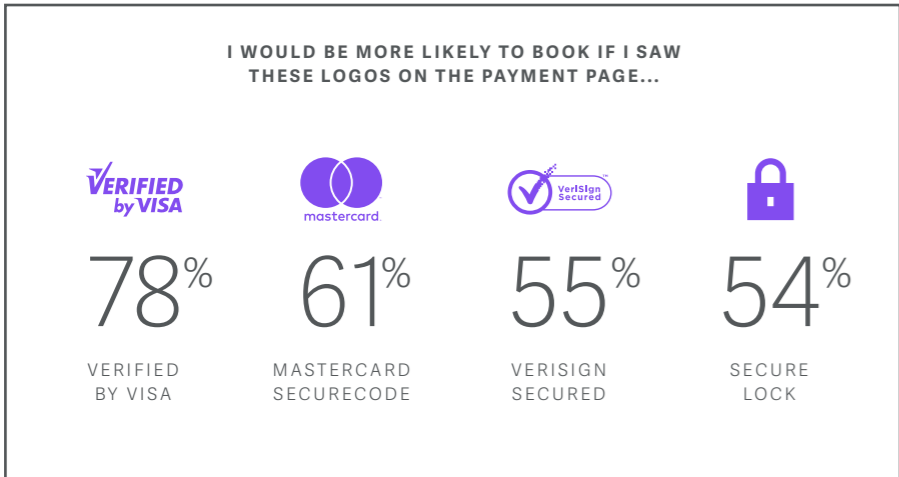
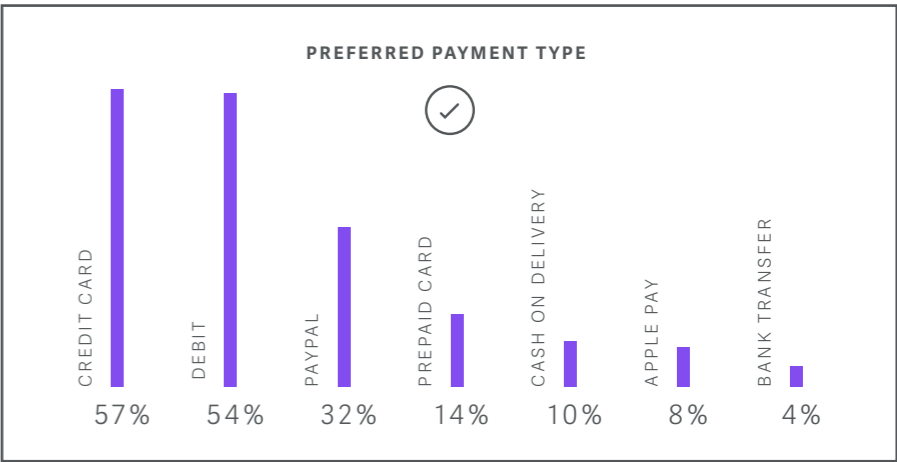
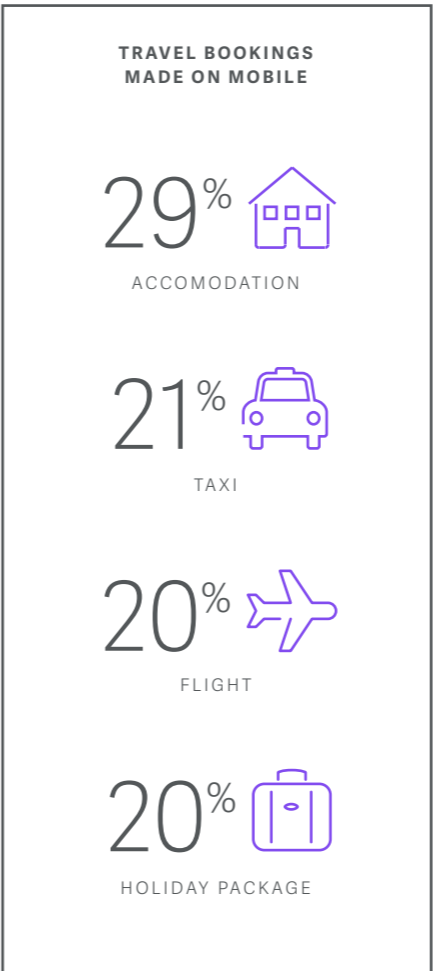
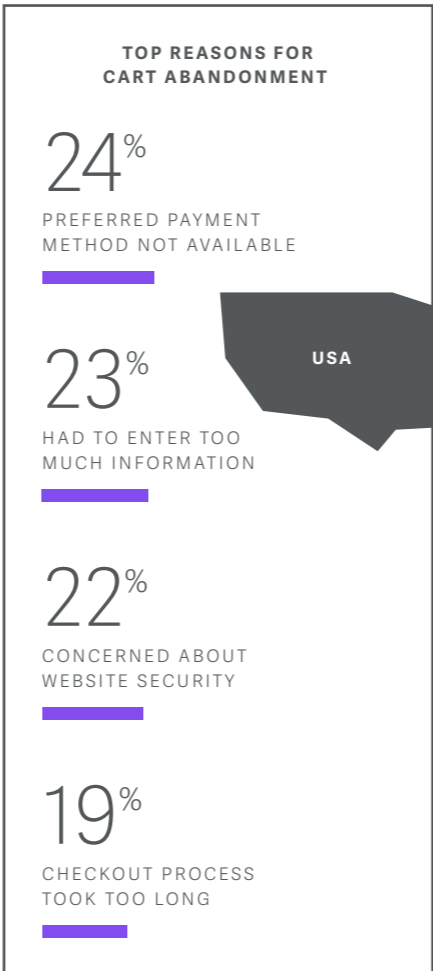
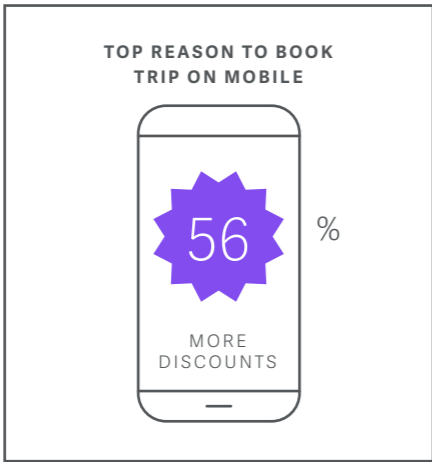
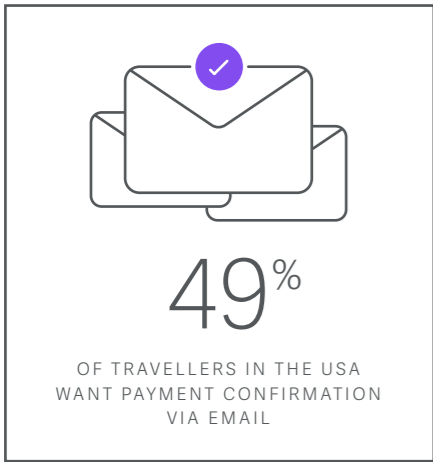
# USA

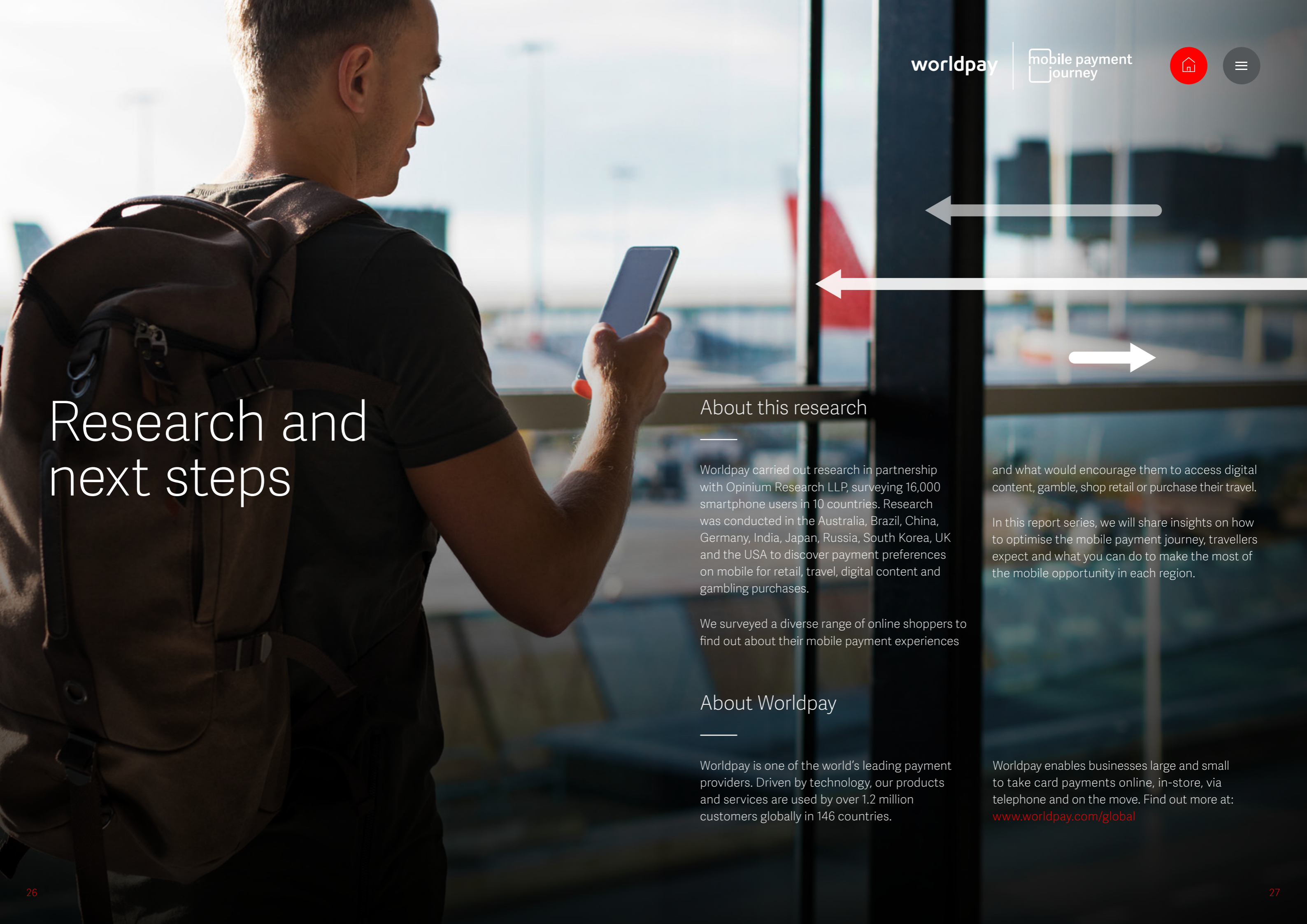
The USA is the second largest eCommerce market in the world, and by 2021, US travel sales made via mobile is expected to reach US\$109 bn<sup>17</sup>.

As the oldest eCommerce market, the USA continues to be one of the pioneers when it comes implementing mobile payments for travel purchases. We see evidence of this in how the implementation of PayPal and Apple Pay are tackling top cart abandonment reasons such as having to enter too much information, and lengthy checkout processes.

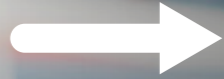
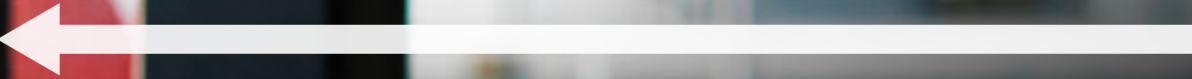
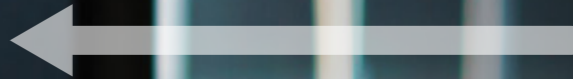
It could be argued that US taxi apps are leading the way in terms of user experience, but as mobile user experience becomes slicker, travellers in the US still want to know that travel providers are proactively enhancing security of personal information. A lock symbol alone gives peace of mind to over half of consumers in this region.

17) eMarketer – US Digital Travel Sales, by Device 2017





# Research and next steps



## About this research

Worldpay carried out research in partnership with Opinium Research LLP, surveying 16,000 smartphone users in 10 countries. Research was conducted in the Australia, Brazil, China, Germany, India, Japan, Russia, South Korea, UK and the USA to discover payment preferences on mobile for retail, travel, digital content and gambling purchases.

We surveyed a diverse range of online shoppers to find out about their mobile payment experiences

## About Worldpay

Worldpay is one of the world's leading payment providers. Driven by technology, our products and services are used by over 1.2 million customers globally in 146 countries.

and what would encourage them to access digital content, gamble, shop retail or purchase their travel.

In this report series, we will share insights on how to optimise the mobile payment journey, travellers expect and what you can do to make the most of the mobile opportunity in each region.

Worldpay enables businesses large and small to take card payments online, in-store, via telephone and on the move. Find out more at: [www.worldpay.com/global](http://www.worldpay.com/global)

# worldpay

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