

A ROPYD RESEARCH STUDY:  
CONDUCTED APRIL 2020  
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**Rapyd**

## Asia Pacific eCommerce and Payments Guide 2020

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India ● Indonesia  
Japan ● Malaysia  
Singapore ● South Korea  
Taiwan ● Thailand

[rapyd.net](https://rapyd.net)

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# About the Study

**In March and April 2020** Rapyd conducted a research study to understand the financial habits, payment method choices, considerations and preferences of consumers in seven different APAC countries.

We surveyed 4,000 online consumers in total – 500 respondents per country, including **India, Indonesia, Japan, Malaysia, Singapore, South Korea, Taiwan and Thailand.**

The survey enables businesses to understand the payment methods consumers currently use and the payment methods they prefer to use. This reveals opportunities for online businesses to grow adoption, loyalty and sales by better aligning their payment methods with consumer preferences.

## **Insights include:**

- Frequency of purchases through online and brick-and-mortar channels
- Consumers' attitudes toward new financial and payment technologies
- Top ecommerce categories
- Consumer payment method usage and preferences

# INTRODUCTION

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An accelerating global shift to ecommerce makes accepting digital forms of payment essential for businesses. All over Asia, we see strong growth in digital payment adoption, with unique patterns and trends emerging in every country.

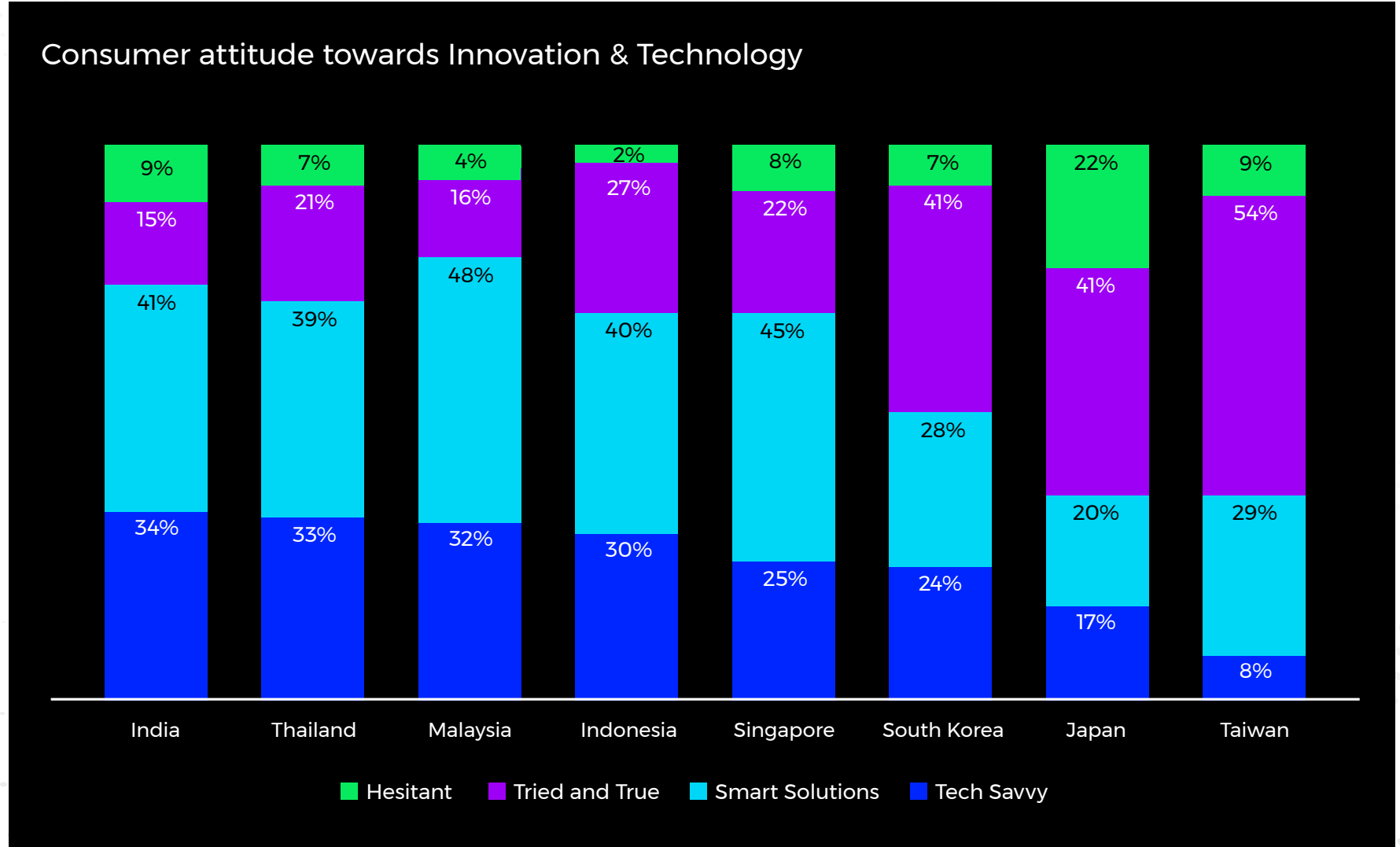
Localization is the key to sustaining long-term growth. This report summarizes insights into payment behaviors, brands of choice, and technologies that are critical in creating a relevant checkout experience for consumers living across top Asian markets.



# MORE INNOVATORS IN EMERGING MARKETS

The appetite for innovation and new technologies seems much higher in the developing markets. In Malaysia, India, Thailand, and Indonesia, 70% or more of consumers see themselves as 'Tech Savvy' or 'Looking for Smart Solutions'. While only 37% of consumers in Japan and Taiwan say the same thing. Singapore seems to be an exception from that trend as one of the region's Tech, Fintech, and Innovation hubs.

Consequently, in markets with a higher proportion of consumers who identify as 'Tech-Savvy', the use of alternative payment methods is higher.

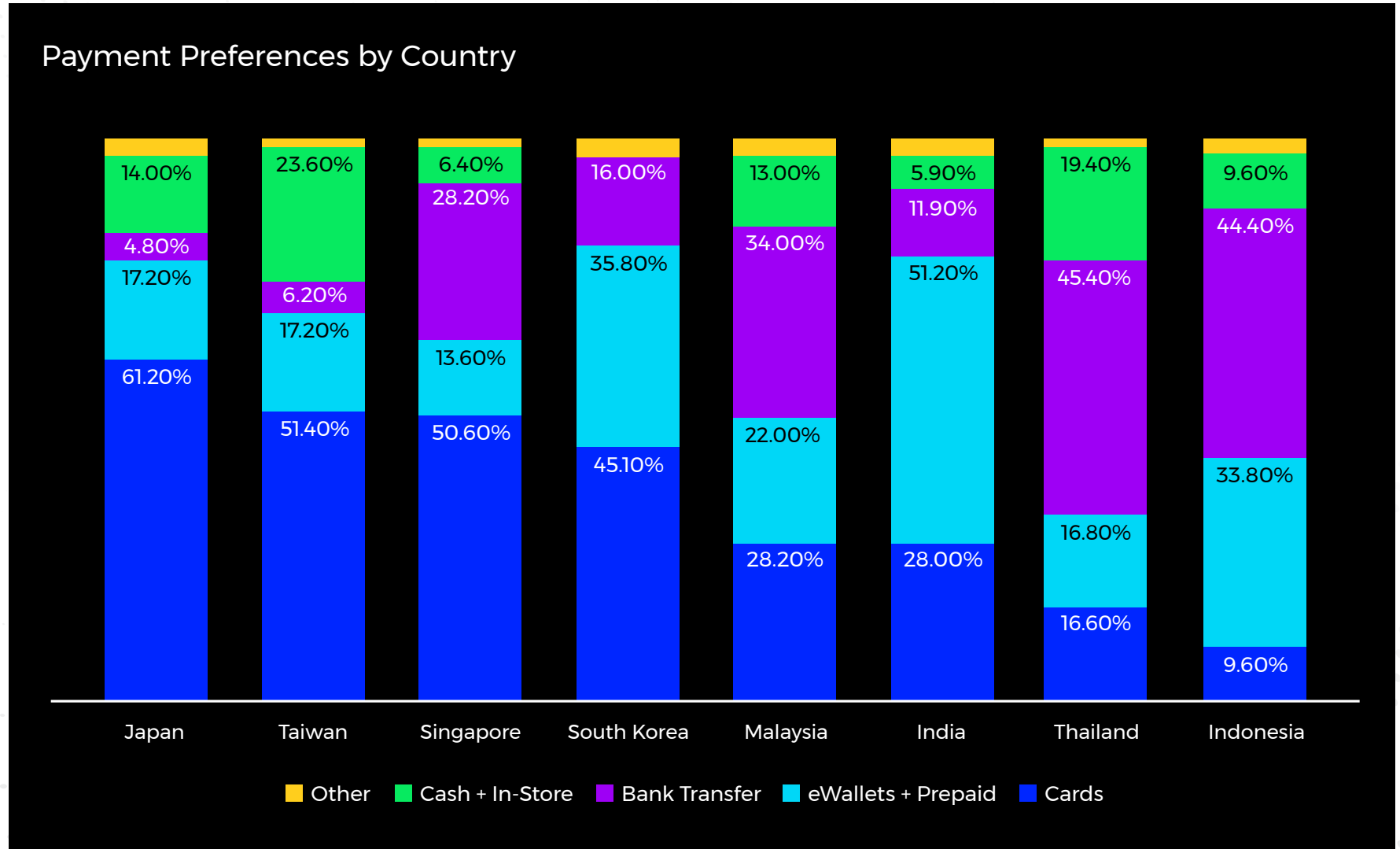


# CHALLENGES FOR CARD-ONLY MERCHANTS

While cards and card-powered mobile wallets are dominant in Japan (61%) and Taiwan (51%), across markets, there is a dramatic increase in the adoption of ewallets and bank transfers as preferred ways to pay.

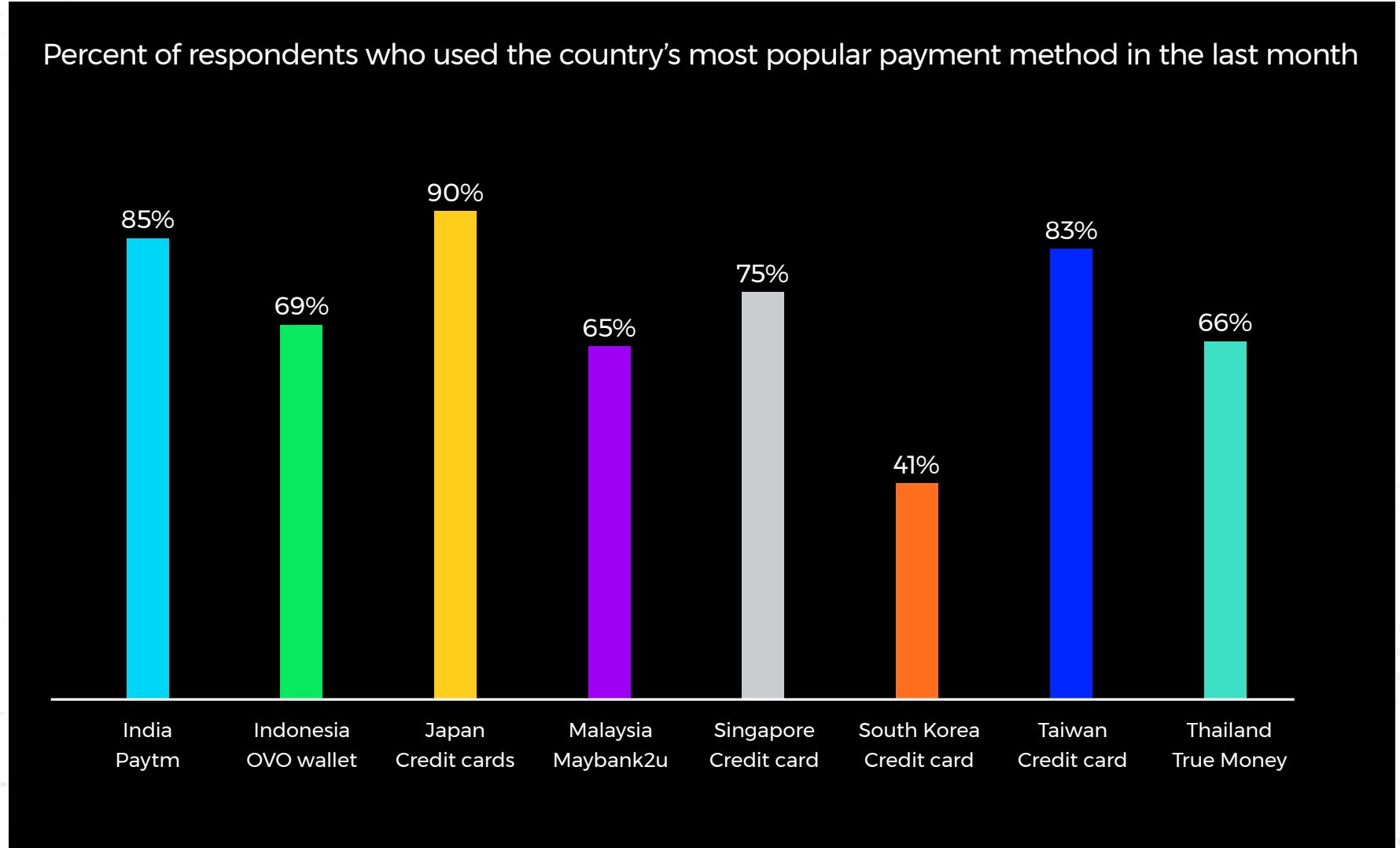
Taken together, ewallets and bank transfers represent an emerging wave of payments – particularly where they are enhanced by interoperable real-time payment (RTP) systems like UPI in India and PromptPay in Thailand.

But even in a card-preferring market like Singapore, ewallets and bank transfers such as PayNow are preferred by 42% of respondents.



# MOST USED PAYMENT METHOD BY COUNTRY

While developed countries like Singapore, Japan and Taiwan have been using cards for years and seem to be slower in adopting alternatives, consumers in the emerging economies leapfrogged the cards stage altogether and found their own ways to pay online or on mobile through mobile wallets or bank transfers.



# TOP 3 MOST FREQUENTLY PURCHASED ONLINE CATEGORIES BY COUNTRY

**India**



**Singapore**



**Indonesia**



**South Korea**



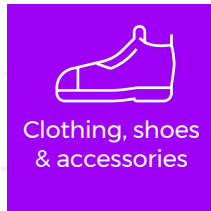
**Japan**



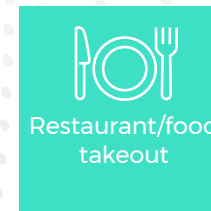
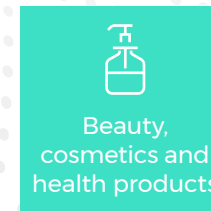
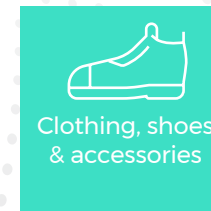
**Taiwan**



**Malaysia**

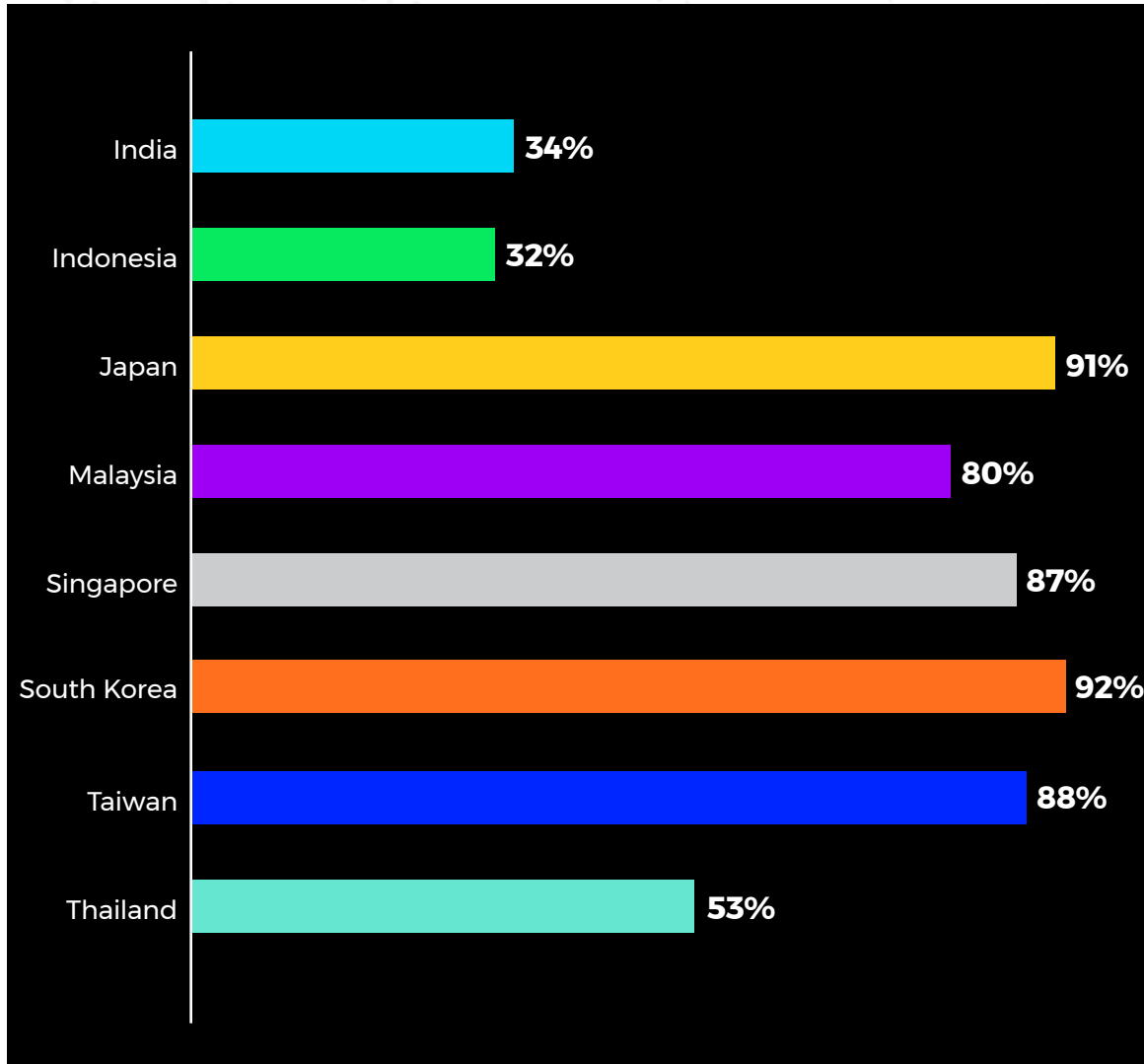


**Thailand**

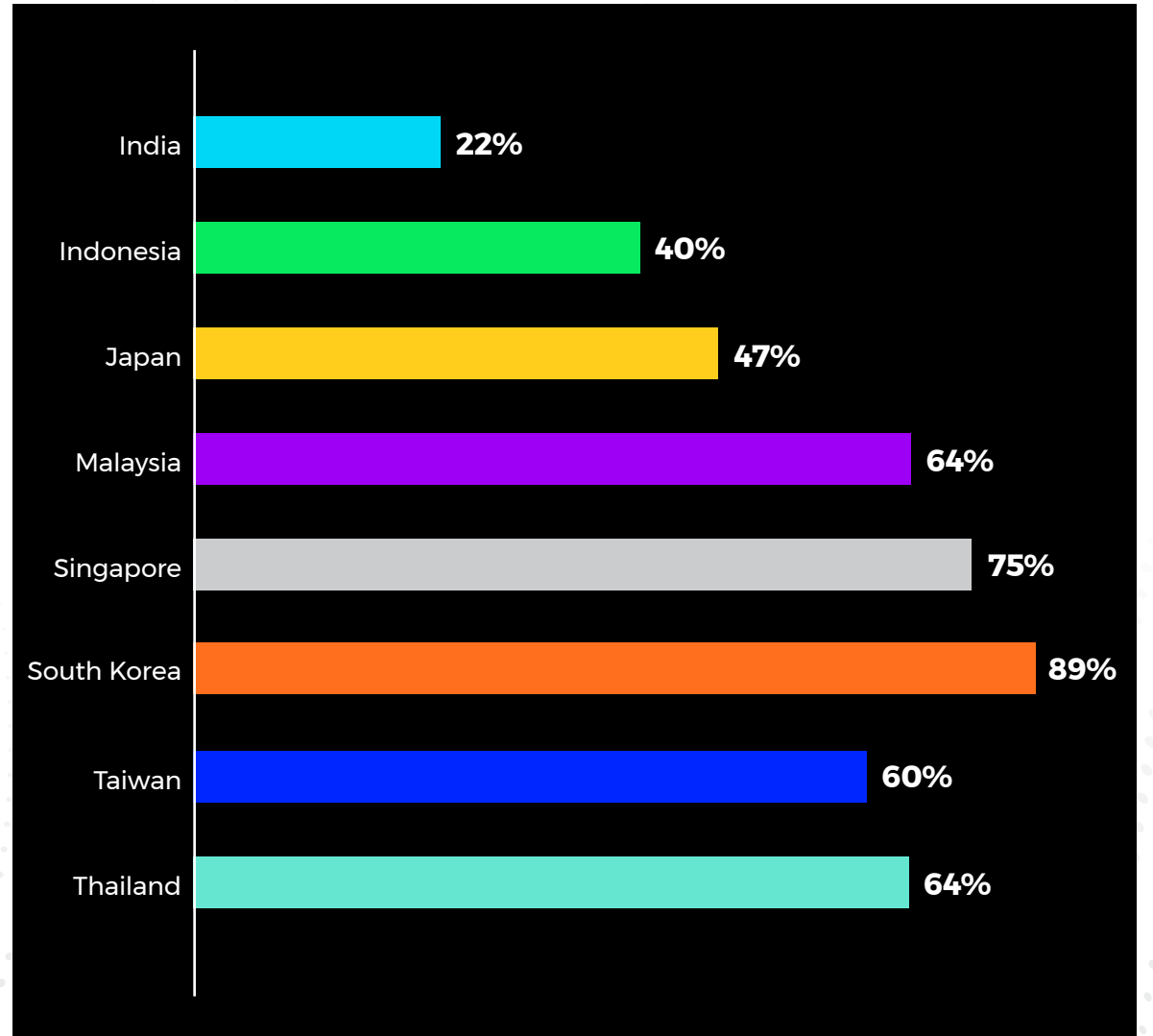




## INTERNET PENETRATION BY COUNTRY



## SMARTPHONE PENETRATION BY COUNTRY



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# India

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India is home to the highest consumer ecommerce growth rate in the world<sup>1</sup>. Yet, 735 million Indians still lack internet access<sup>2</sup>. Connectivity is the magic ingredient that will drive growth. Government and private firms are working hard to bring more of India's population online through initiatives like [Digital India](#).

Companies that establish an online foothold have the opportunity to dominate a massive market and a rapidly expanding digital economy.



# INDIA eCOMMERCE TRENDS

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## 1 Indians Have a Big Appetite for Cross-Border Shopping

Cross-border spending makes up 74% of total ecommerce sales<sup>1</sup>. Despite the strong growth of local platforms, cross-border product selection and pricing will remain attractive as more Indians join the middle class and adopt smartphones.

## 2 Indians Prefer App-Based Shopping on Mobile Devices

In-app transactions represent over 82%<sup>1</sup> of all completed mobile commerce purchases in India. Clearly, Indians prefer app-based shopping over mobile sites, and companies need to be mindful of designing stellar app-based shopping and payment experiences. India's relatively young population may drive this preference for in-app shopping. In 2019, 27% of Indians were under 14<sup>1</sup>.

## 3 Digital Payments Are Gaining Popularity

The Indian government has been a prime advocate of pushing consumers and businesses to adopt digital payment methods with initiatives such as:

- Unified Payment Interface (UPI) payments connecting most of the banks and eWallets
- Investments in instant bank transfer rails through IMPS
- Strengthening India's domestic card scheme RuPay and regulation of the cost of RuPay and bank transfers

The incredibly strong push to digital payments is resulting in 1.8X Y-o-Y growth of UPI<sup>3</sup> payments volume in 2019, and an estimated 52% growth of eWallet payments through 2023<sup>4</sup>.

## 4 Cash Can't be Ignored

Despite the booming popularity of digital payments, cash as a payment method is still extremely popular, with cash-on-delivery for ecommerce remaining incredibly durable as a way to ensure the delivery and quality of goods. Savvy merchants need to offer customers a variety of payment options, including cash, to maximize their reach in the market.

# INDIA SNAPSHOT



Population

**1.36 billion<sup>1</sup>**



Average age

**27.9 years<sup>1</sup>**



GDP per capita

**\$2,015.5<sup>5</sup>**



Online population

**460 million<sup>6</sup>**

## Online Profile



Internet penetration

**50%<sup>7</sup>**



Smartphone penetration

**22%<sup>1</sup>**



Business-to-consumer  
ecommerce market value

**\$36.5 billion<sup>1</sup>**



Mobile commerce market value

**\$16.8 billion<sup>1</sup>**

## Banking and Commerce



Banked population

**79.87%<sup>8</sup>**



Percent who shop cross-border

**25%<sup>9</sup>**

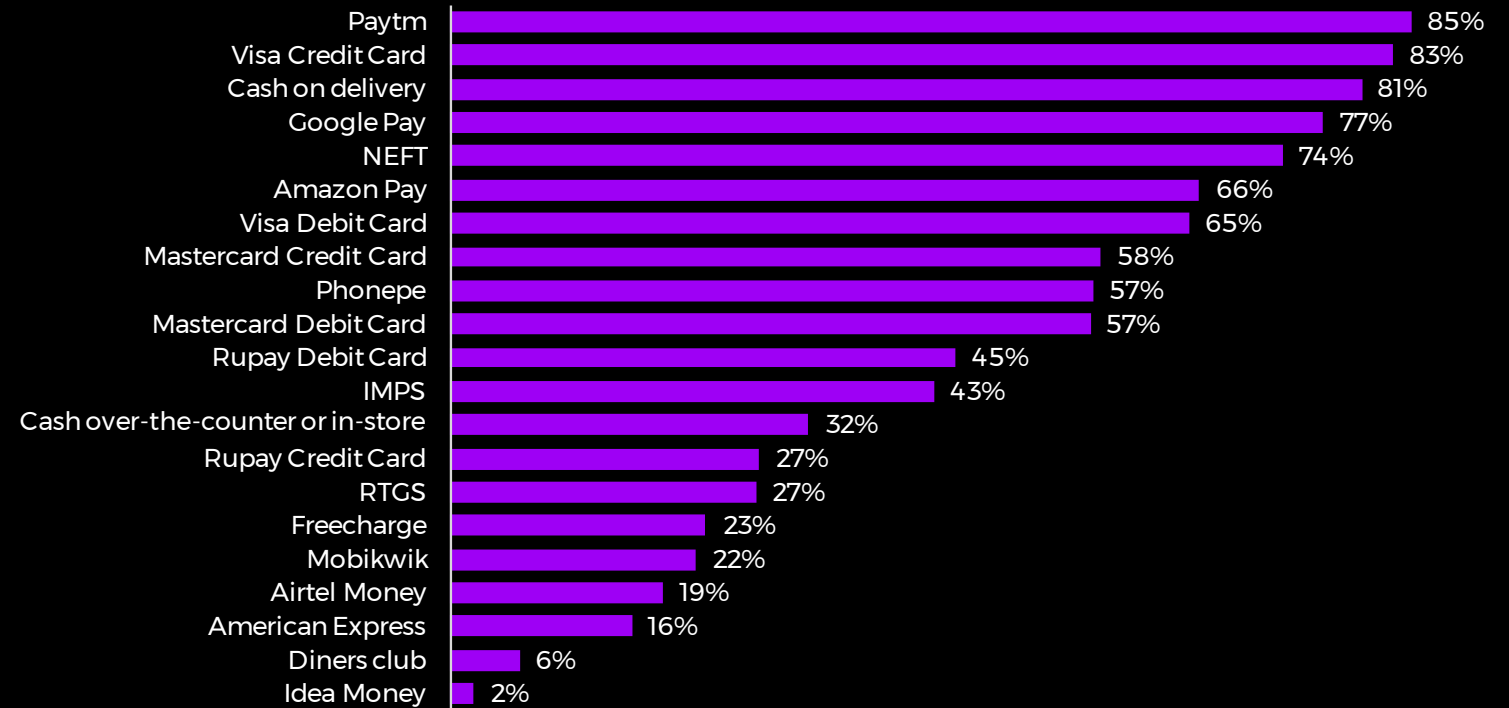
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2. [https://www.cci.gov.in/sites/default/files/whats\\_newdocument/Market-study-on-e-Commerce-in-India.pdf](https://www.cci.gov.in/sites/default/files/whats_newdocument/Market-study-on-e-Commerce-in-India.pdf)
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7. <https://www.statista.com/statistics/792074/india-internet-penetration-rate/>
8. <https://data.worldbank.org/indicator/FX.OWN.TOTL.ZS?locations=IN>
9. <https://www.cio.in/media-releases/cross-border-online-spending-grow-85-percent-2017-report>
10. [https://www.theglobaleconomy.com/India/people\\_with\\_credit\\_cards/](https://www.theglobaleconomy.com/India/people_with_credit_cards/)

# MOST USED PAYMENT METHODS IN INDIA

- India's top-five payment methods include the Paytm ewallet, credit and debit cards, cash, traditional bank transfers and Google's UPI-powered wallet Google Pay
- The diversity of popular payments highlights the importance of offering multiple local methods
- India's payments ecosystem is in the middle of a transformation from a cash economy to one driven by digital payments

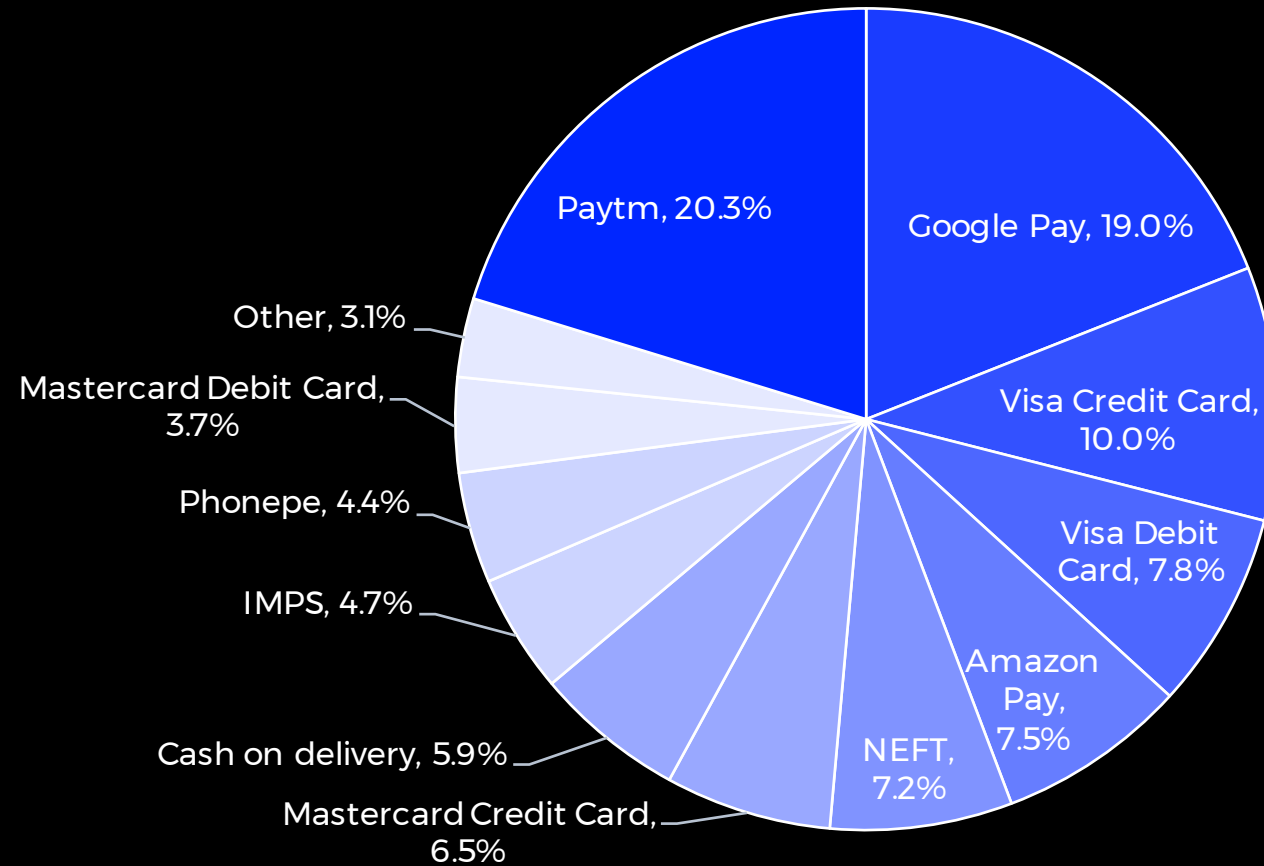
Which payment methods have you used to pay for goods and services online and offline in the past month?



# PREFERRED PAYMENT METHODS IN INDIA

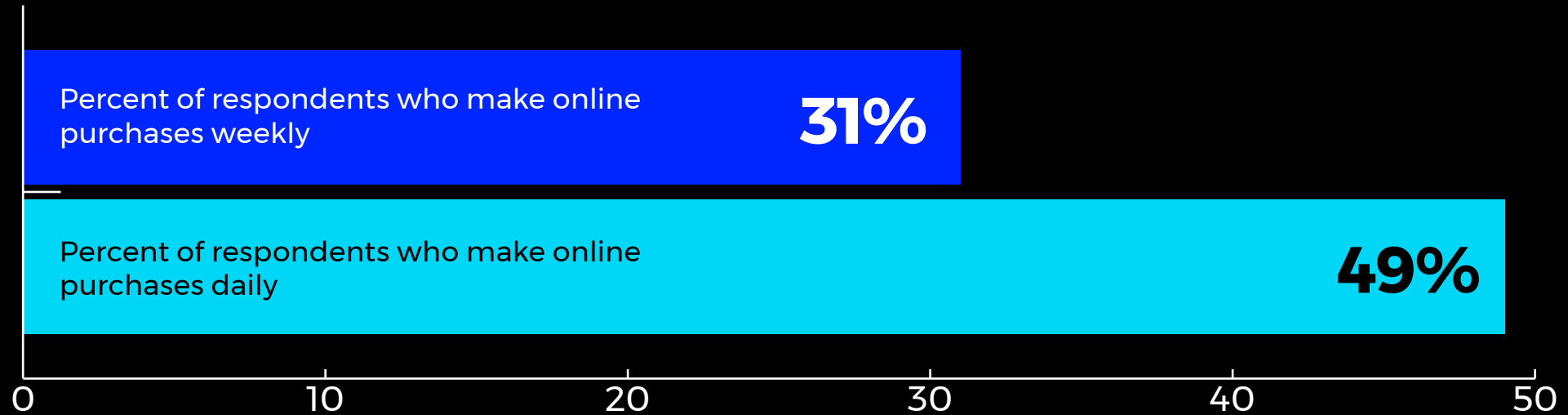
- While cash on delivery is the third most used payment method, it is ranked near the bottom in terms of consumer preference
- 53% of consumers prefer a UPI-powered ewallet
- eWallets are preferred to credit cards when consumers are given the option

Which of these is your preferred payment method?



# ONLINE PURCHASE FREQUENCY

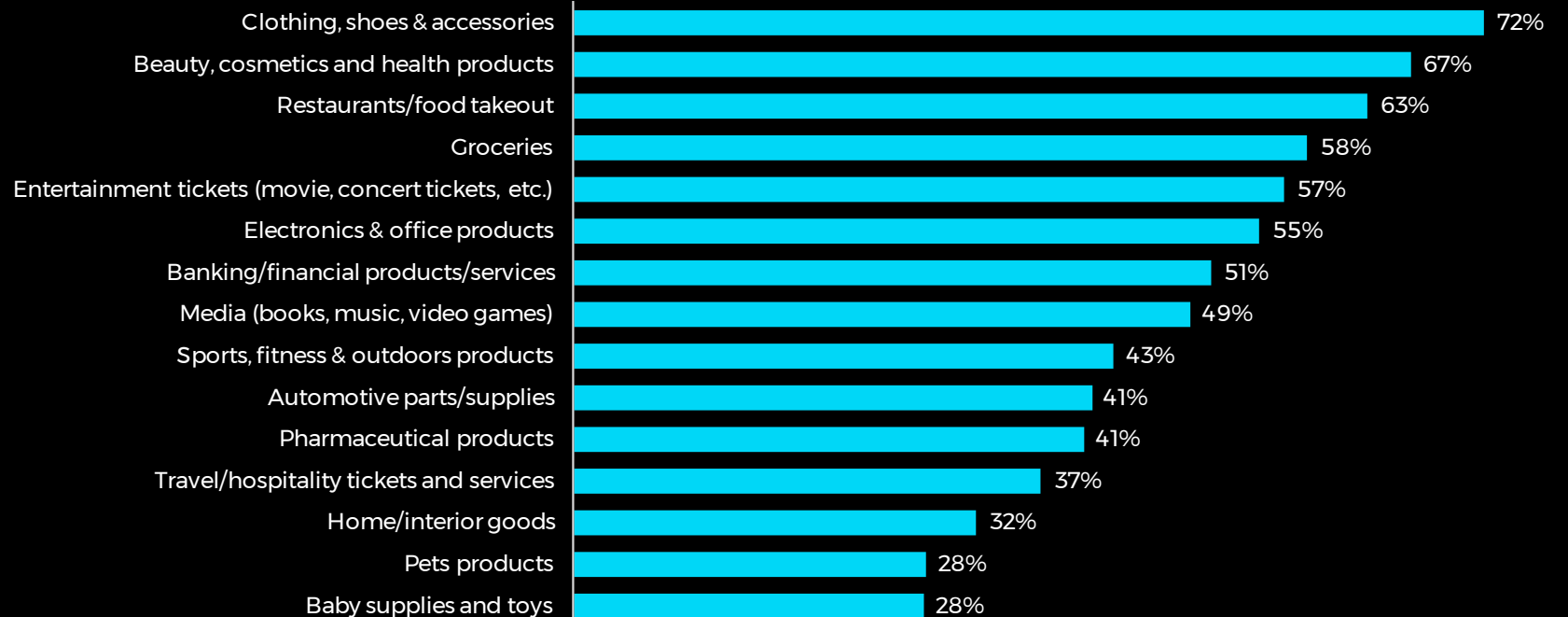
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN INDIA

- Fashion, beauty and food make up the bulk of online purchases in India
- While these categories have the highest purchase frequency, higher-priced items like travel and electronics still make up a large portion of overall spend

Which of these categories have you purchased online in the last 3 months?





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# Indonesia

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With over 200 ethnic groups<sup>1</sup>, the world's fourth-largest population and a GDP of over \$1 trillion<sup>2</sup>, Indonesia boasts the biggest economy in Southeast Asia.

The historically agrarian economy has boomed dramatically, giving rise to a connected population, tech unicorns and steadily improving living standards. Urban areas are quickly modernizing and the government and private sector are expanding infrastructure into edge cities and rural areas<sup>3</sup>. This makes Indonesia one of the most exciting markets for growing online sales in Southeast Asia.



# INDONESIA eCOMMERCE TRENDS

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## 1 A Long Runway for Fast-Paced Growth

While Indonesia is the largest economy in Southeast Asia, it is the least developed ecommerce market<sup>4</sup>. As of 2019, slightly more than 50% of the population had internet access<sup>5</sup>. But this percentage is expected to grow quickly.

## 2 Large Marketplace Players Dominate eCommerce

Shopee (Singapore), Tokopedia (Indonesia), and Bukalapak (Indonesia) are the three most popular ecommerce websites.<sup>6</sup>

## 3 eCommerce Sellers Face Unique Logistical Challenges

With more than 6,000 inhabited islands, delivering goods is challenging in some areas of Indonesia, especially when delivery services must traverse mountains and large bodies of water.

## 4 Online Payment Strategies Should Not Focus on Cards

Only 4% of Indonesians have international credit cards<sup>7</sup>, and their debit cards are often pre-set to disable online payments due to fraud and security reasons. However, it is very common for Indonesian ecommerce websites to use bank virtual accounts as an alternative way to debit funds from users' bank accounts.

# INDONESIA SNAPSHOT



Population

**264 million<sup>6</sup>**



Average age

**30.5 years<sup>6</sup>**



GDP per capita

**\$3,893.59<sup>8</sup>**



Online population

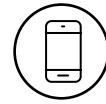
**143.26 million<sup>9</sup>**

## Online Profile



Internet penetration

**32.3%<sup>6</sup>**



Smartphone penetration

**40%<sup>6</sup>**



eCommerce market value

**\$13.6 billion<sup>6</sup>**



Mobile commerce market value

**\$7.1 billion<sup>6</sup>**

## Banking and Commerce



Banked population

**48.85%<sup>10</sup>**



Percent with credit card

**4%<sup>7</sup>**

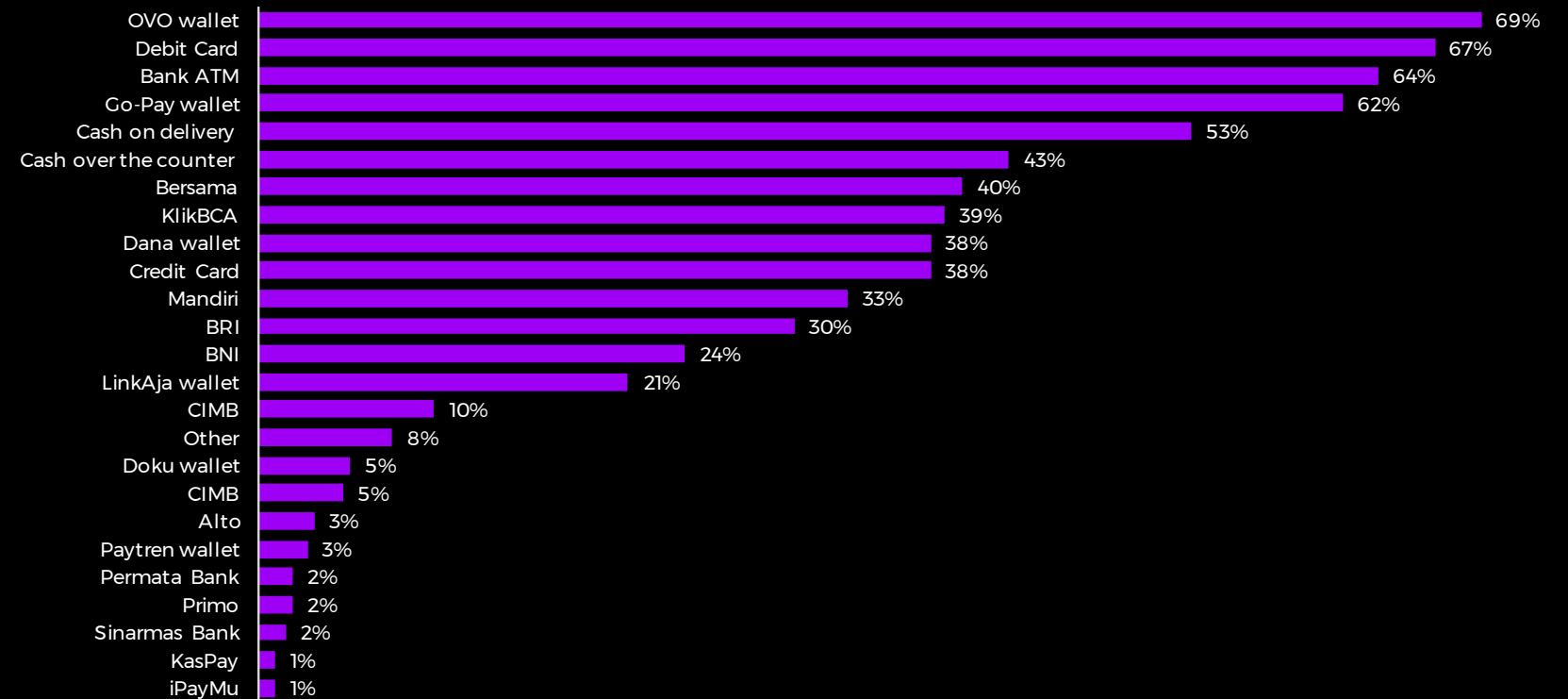
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3. <https://www.forbes.com/sites/forbesfinancecouncil/2020/02/28/e-commerce-is-poised-to-take-off-in-indonesia-how-to-seize-the-opportunity%E2%80%8B/#5b8eec87dfd0>
4. <https://www.statista.com/statistics/254456/number-of-internet-users-in-indonesia/>
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6. <https://www.jpmorgan.com/merchant-services/insights/reports/indonesia>
7. <https://assets.kpmg/content/dam/kpmg/id/pdf/2017/01/id-retail-payments-in-indonesia.pdf>
8. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=ID>
9. <https://www.export.gov/article?id=Indonesia-eCommerce>
10. <https://data.worldbank.org/indicator/FX.OWN.TOTL.ZS?locations=ID>

# MOST USED PAYMENT METHODS IN INDONESIA

- eWallets such as OVO, Go-Pay, debit cards and virtual account transfers paid at the ATM are the most frequently used payment methods
- Indonesia is home to a diverse ecosystem of payment methods, with ewallets, bank transfers and cash maintaining popularity

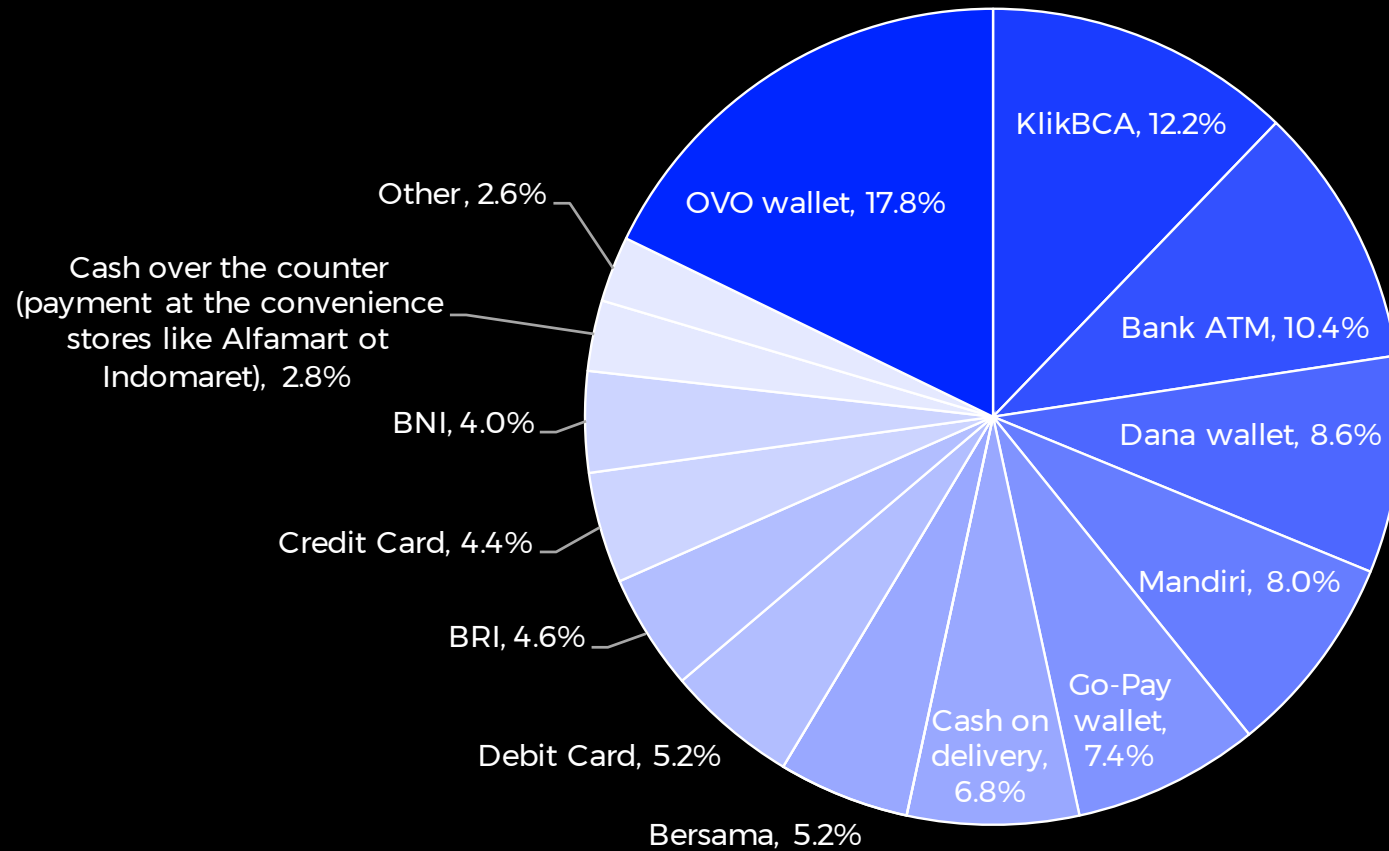
Which payment methods have you used to pay for goods and services online and offline in the past month?



# CONSUMERS' PREFERRED PAYMENT METHODS IN INDONESIA

- Consumers strongly prefer ewallets and bank transfers
- While debit cards are frequently used, they score low in popularity, highlighting the strong hold ewallets have on everyday transactions
- Businesses can gain market share in Indonesia by offering a wide breadth of payment options to consumers

Which of these is your preferred payment method?



# ONLINE PURCHASE FREQUENCY

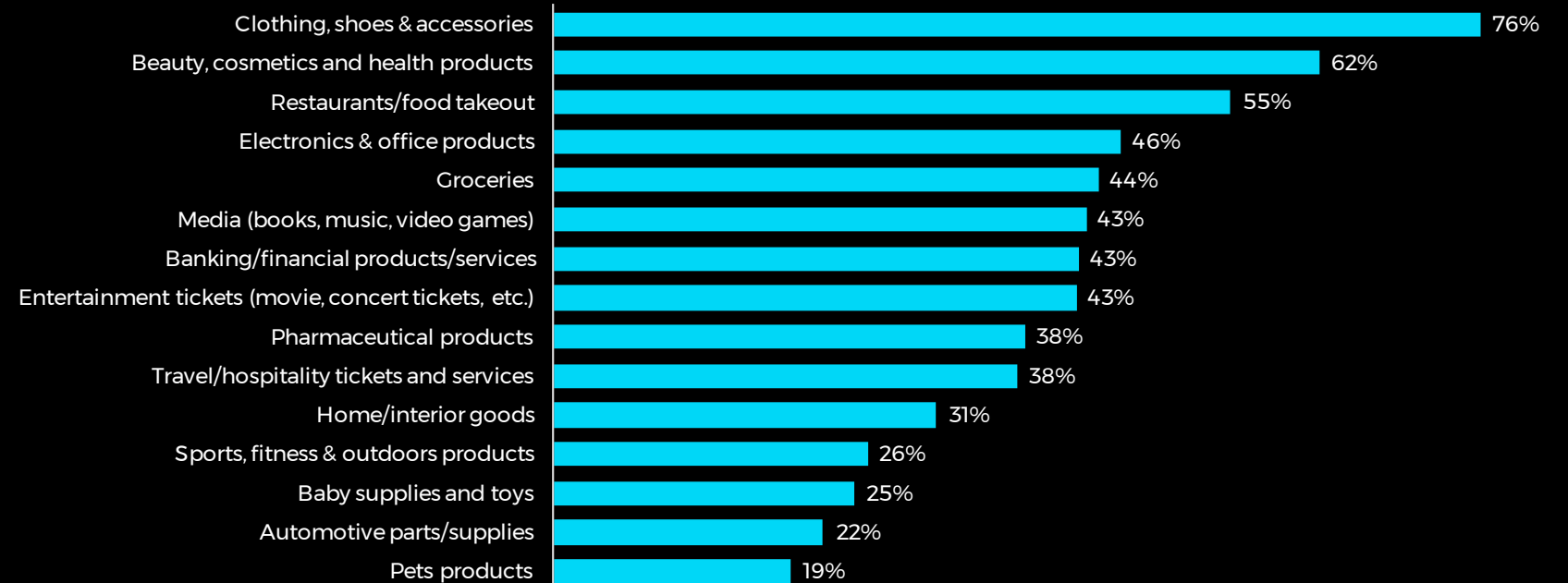
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN INDONESIA

- Fashion, beauty and food are the most frequently purchased categories
- While categories such as travel and home goods rank low in terms of frequency, they still make up a significant portion of total ecommerce spend

Which of these categories have you purchased online in the last 3 months?



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# Japan

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With Japan's tech-savvy population it comes as no surprise that the country has the second-largest ecommerce market in the Asia-Pacific region. Three very mature platforms—Rakuten, Amazon and Yahoo! Shopping account for over one-third of all online retail transactions in Japan and comprise nearly 100 million users.<sup>1</sup>

Japan is a tough market for outsiders to break into, with one of the lowest cross-border shopping rates. Just over 10% of Japanese consumers shop on overseas websites versus 54% of US shoppers.<sup>1</sup>





# JAPAN eCOMMERCE TRENDS

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## 1 Localization is Critically Important

Any businesses looking to make inroads into Japan must master the country's cultural norms and expectations for digital commerce experiences. Around 99% of Japan's population only speaks Japanese, and content must be flawlessly presented to meet cultural norms<sup>2</sup>. Merchants must invest in Japanese language websites and payment platforms that provide access to local currencies and payment methods. eCommerce page layout and design must also be optimized for Japanese expectations. eCommerce sites in Japan look different from westernized sites and feature dense images and text with a high level of product details and information favored over whitespace<sup>2</sup>.

## 2 Japanese Consumers Expect Lower Prices Online

45% of products sold in Japan are cheaper online and 48% are the same price<sup>3</sup>. This is the highest percent of products that are cheaper online of any major ecommerce market. Because many Japanese citizens live in dense urban areas that make brick and mortar shopping convenient, many online retailers have to compete on price to gain customers.

## 3 Mobile and eCommerce Span Generations

Japan's older generation is starting to drive online and mobile sales and Japanese people aged 40 and above are even more likely than their younger counterparts to shop online.<sup>4</sup> Considering Japan has the oldest population in the world, businesses will do well by targeting this demographic.

# JAPAN SNAPSHOT



Population

**126.8 million<sup>2</sup>**



Average age

**47.7 years<sup>2</sup>**



GDP per capita

**\$39,286.73<sup>5</sup>**



Online population

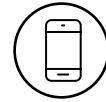
**108.3 million<sup>6</sup>**

## Online Profile



Internet penetration

**90.9%<sup>2</sup>**



Smartphone penetration

**46.8%<sup>2</sup>**



eCommerce market value

**\$150.1 billion<sup>2</sup>**



Mobile commerce market size

**\$36.6 billion<sup>2</sup>**

## Banking and Commerce



Banked population

**98.2%<sup>2</sup>**

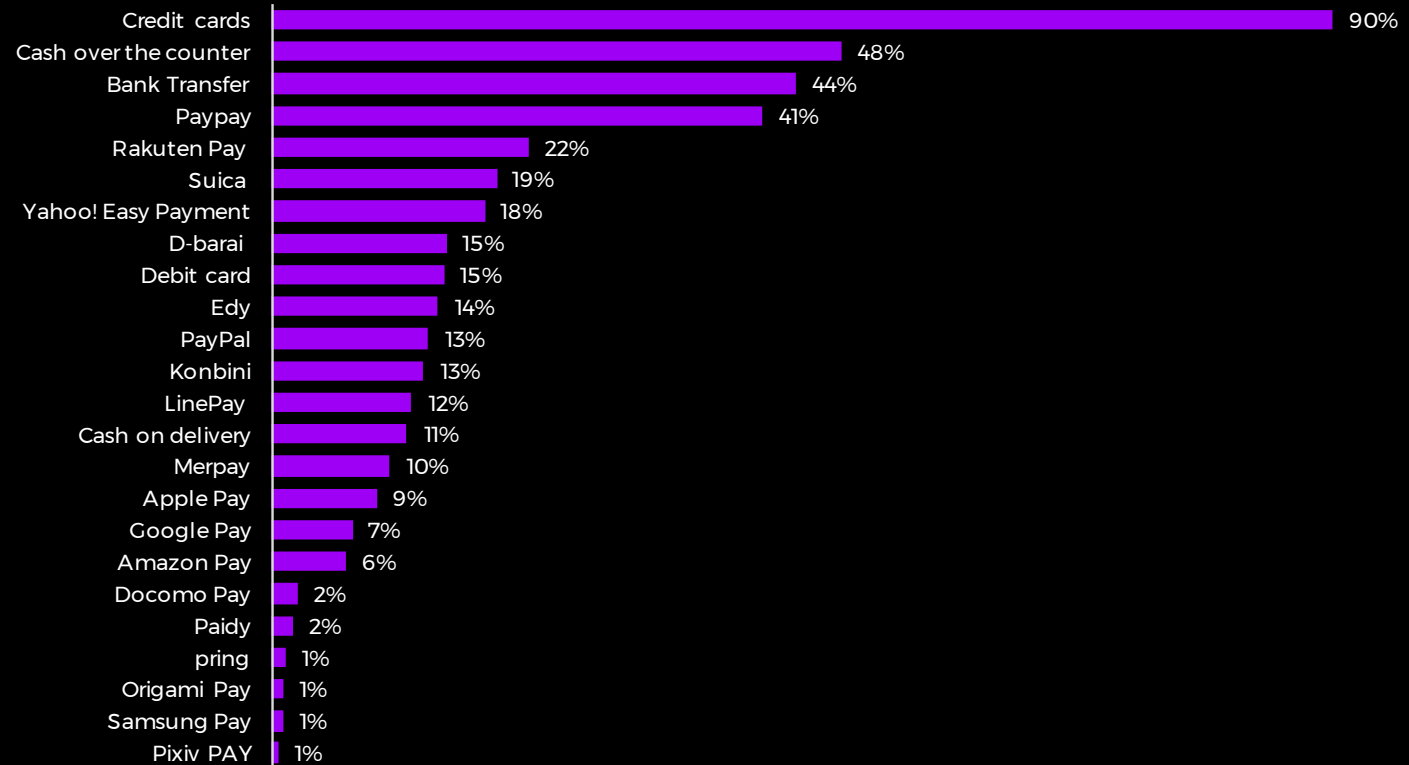
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2. <https://www.jpmorgan.com/merchant-services/insights/reports/japan>
3. <https://blog.btrax.com/e-commerce-trends-in-japan/>
4. <https://www.vlcan.com/mr/report/090/2/>
5. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=JP>
6. <https://www.statista.com/outlook/243/121/ecommerce/japan>

# MOST USED PAYMENT METHODS IN JAPAN

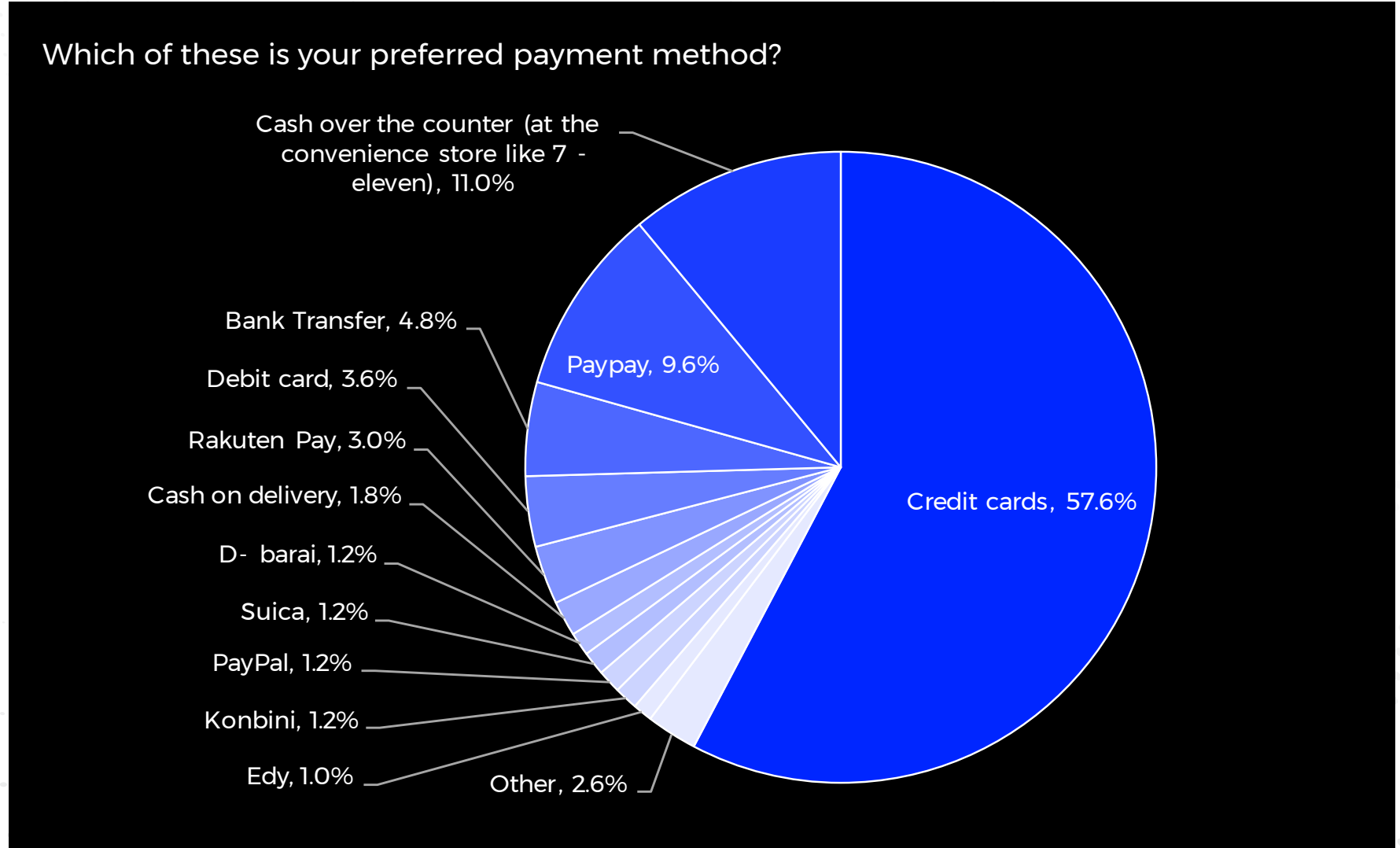
- Credit cards are the top payment method in Japan
- Cash over the counter, such as Konbini, is a strongly preferred payment method, along with prepaid accounts (Suica, Edy) and ewallets
- The most popular ewallets are PayPay – a joint venture of Softbank, Yahoo Japan and Paytm – and Rakuten Pay, from Japan’s largest ecommerce marketplace

Which payment methods have you used to pay for goods and services online and offline in the past month?



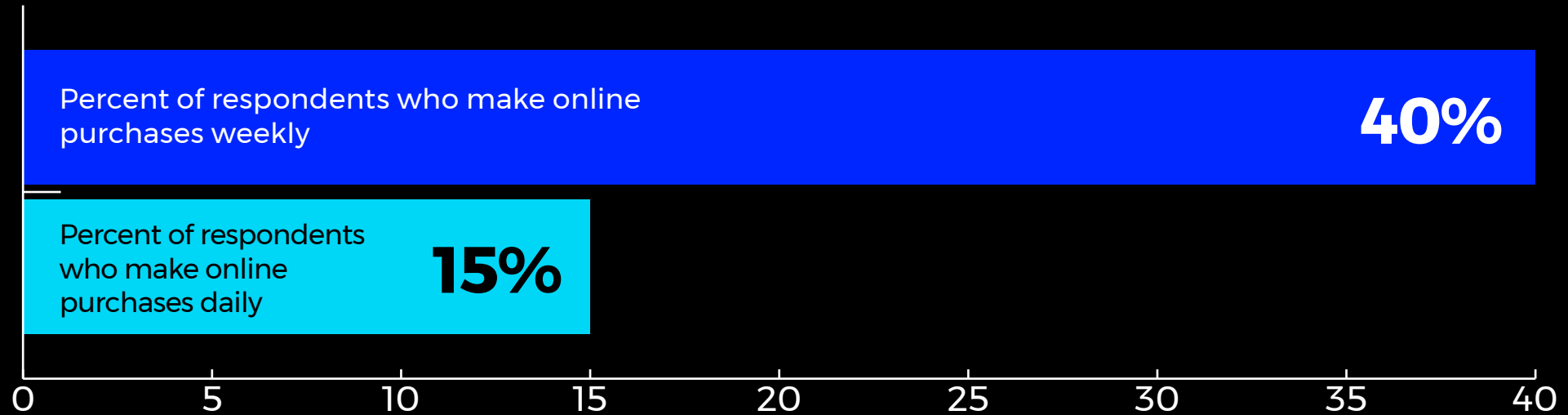
# CONSUMERS' PREFERRED PAYMENT METHODS IN JAPAN

- Most consumers still prefer credit cards and cash
- Amongst mobile payment methods, PayPay, a mobile payment app launched by a joint venture of Paytm, SoftBank and Yahoo Japan in 2018, is rapidly gaining popularity



# ONLINE PURCHASE FREQUENCY

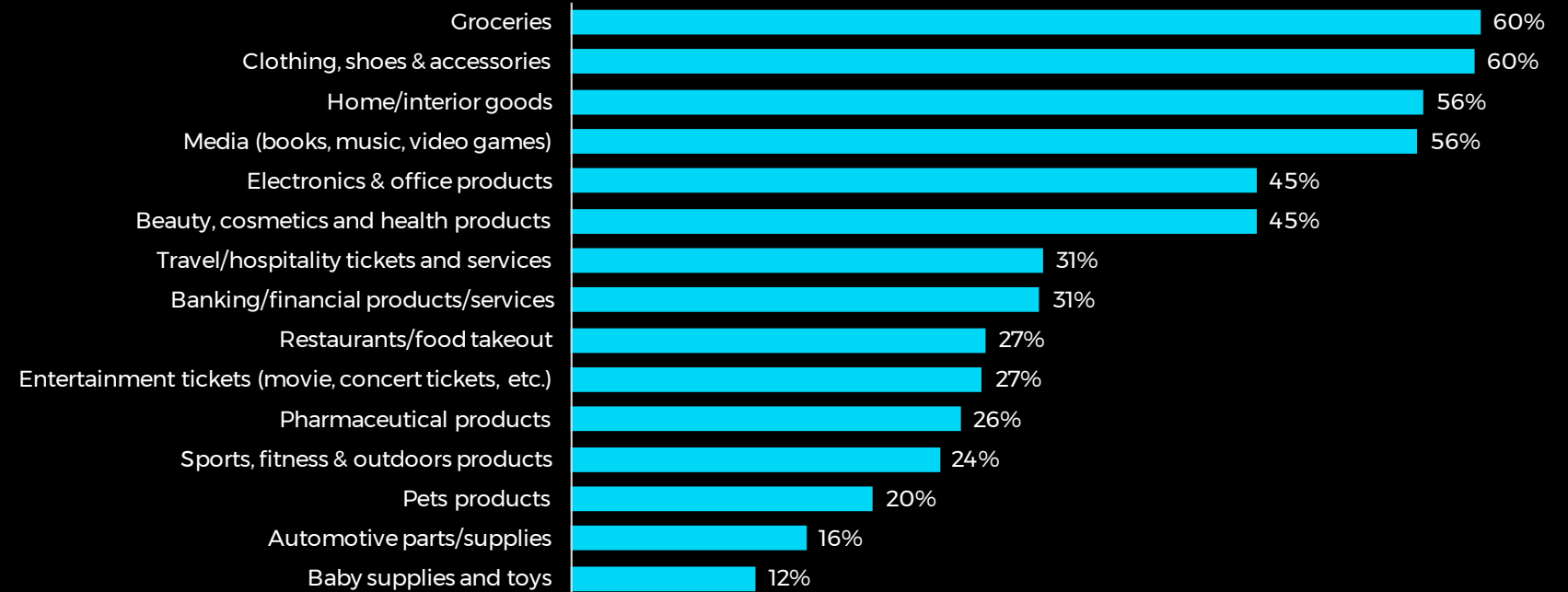
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN JAPAN

- Groceries is one of the most frequently purchased categories
- Grocery purchases online can represent both pick-up orders and grocery delivery from Japan's growing gig-economy

Which of these categories have you purchased online in the last 3 months?



## Malaysia

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Malaysia has a GDP of \$354.3<sup>1</sup> billion and is one of the most competitive economies in the ASEAN region. Despite recent political turbulence, the country has a good business environment, a relatively sound legal system, well-developed infrastructure and a young, active workforce that drives the adoption of ecommerce and digital payments.

It's one of the most active markets in terms of cross-border e-commerce transactions, with American and Chinese stores being very popular amongst Malaysian consumers.



# MALAYSIA eCOMMERCE TRENDS

## 1 Robust Infrastructure Drives eCommerce Adoption

Driven by a relatively high internet penetration rate, the ecommerce market in Malaysia is strong and expected to maintain growth and momentum over the next several years. eCommerce growth is fueled by high smartphone adoption and a willingness to buy from overseas merchants. Growing infrastructure and regulatory framework are also easing entry into this market for businesses looking for footholds on new shores.

## 2 Malaysians Love International Brands

When it comes to fashion, electronics and lifestyle, international brands are preferred and are often used to communicate prestige and accomplishment by Malaysian consumers<sup>2</sup>.

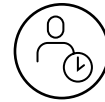
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8. <https://www.export.gov/apex/article2?id=Malaysia-E-Commerce>

# MALAYSIA SNAPSHOT



Population  
**31.6 million<sup>3</sup>**



Average age  
**28.7 years<sup>3</sup>**



Online population  
**15.3 million<sup>4</sup>**



GDP per capita  
**\$11,373<sup>5</sup>**

## Online Profile



Internet penetration  
**80.1%<sup>3</sup>**



Smartphone penetration  
**63.9%<sup>3</sup>**



eCommerce market value  
**\$4 billion<sup>3</sup>**



Mobile commerce market size  
**\$1.9 billion<sup>3</sup>**

## Banking and Commerce



Banked population  
**85.34%<sup>6</sup>**



Percent with credit card  
**11%<sup>7</sup>**



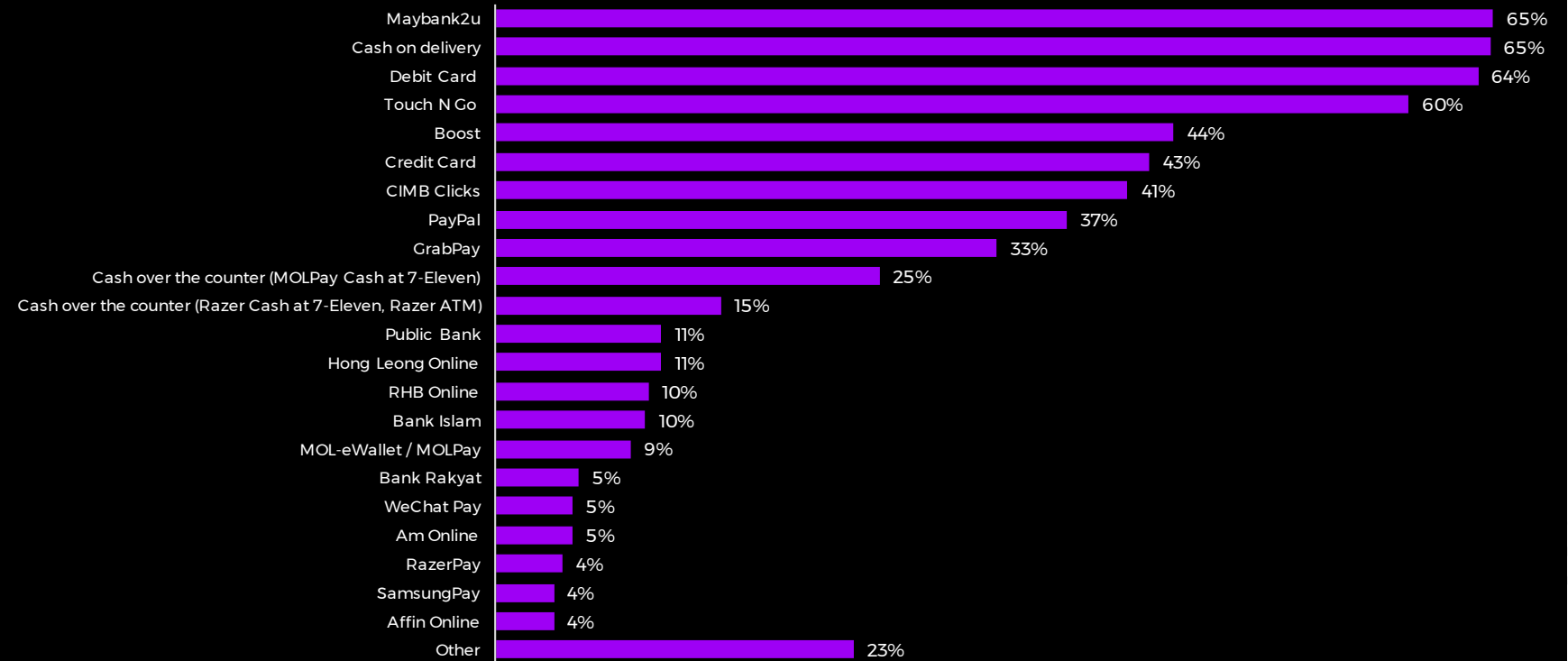
Annual online spend  
**\$3.5 billion<sup>8</sup>**



# MOST USED PAYMENT METHODS IN MALAYSIA

- Bank transfer by Maybank2u, the largest bank, remains the most popular online payment method
- eWallets including Touch N Go, Boost, PayPal, and GrabPay are all of rising importance
- Cash-on-delivery remains relevant as do debit and credit cards
- With multiple popular payment methods, an “all-of-the-above” approach to payment acceptance is important to selling in Malaysia

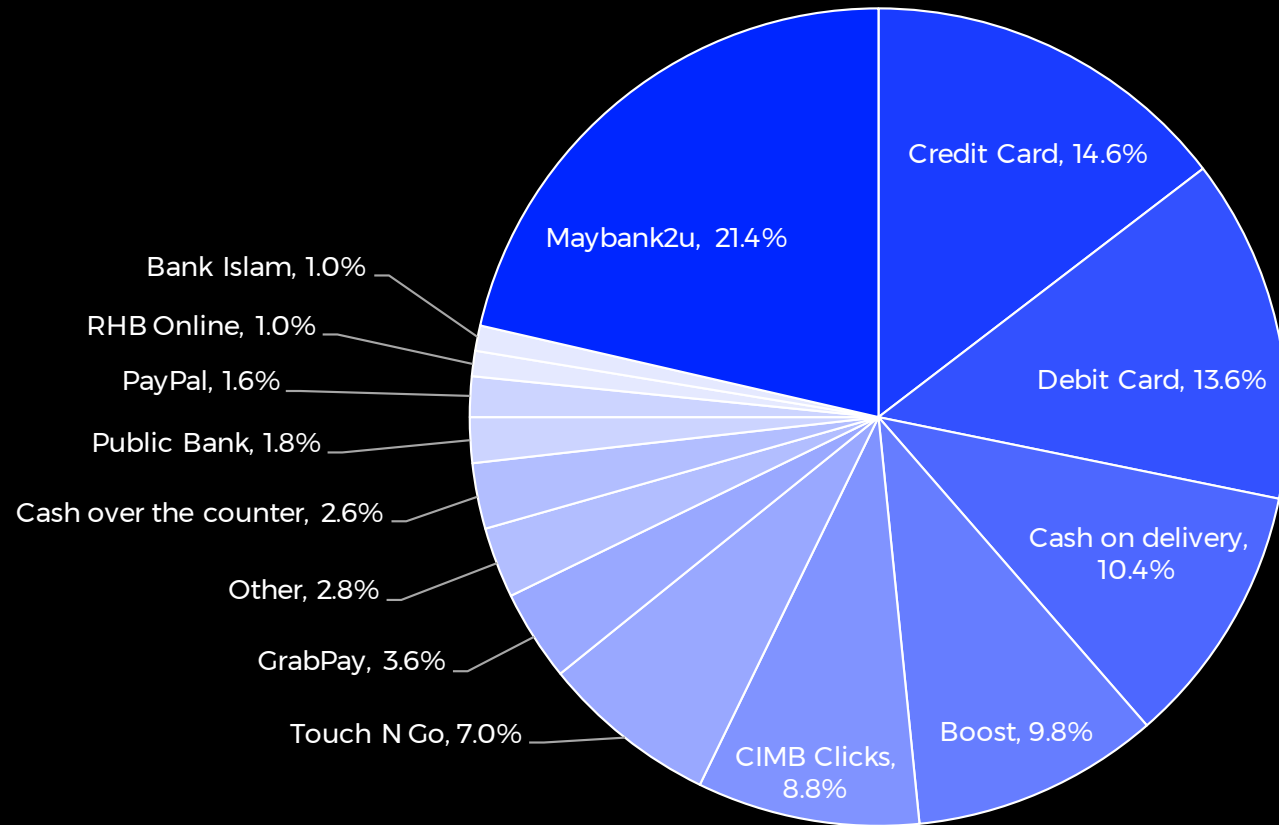
Which payment methods have you used to pay for goods and services online and offline in the past month?



# CONSUMERS' PREFERRED PAYMENT METHODS IN MALAYSIA

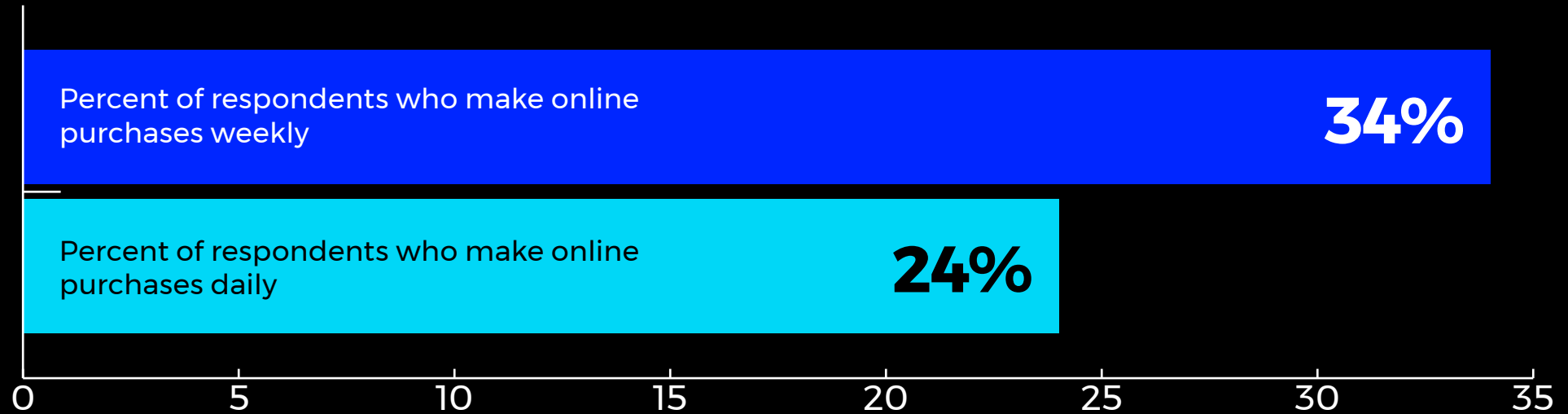
- Malaysians' payment preferences closely track the actual payment methods used, suggesting Malaysians are satisfied with their payment options
- One notable difference is a preference for credit cards, which could reflect a desire to buy now and pay later

Which of these is your preferred payment method?



# ONLINE PURCHASE FREQUENCY

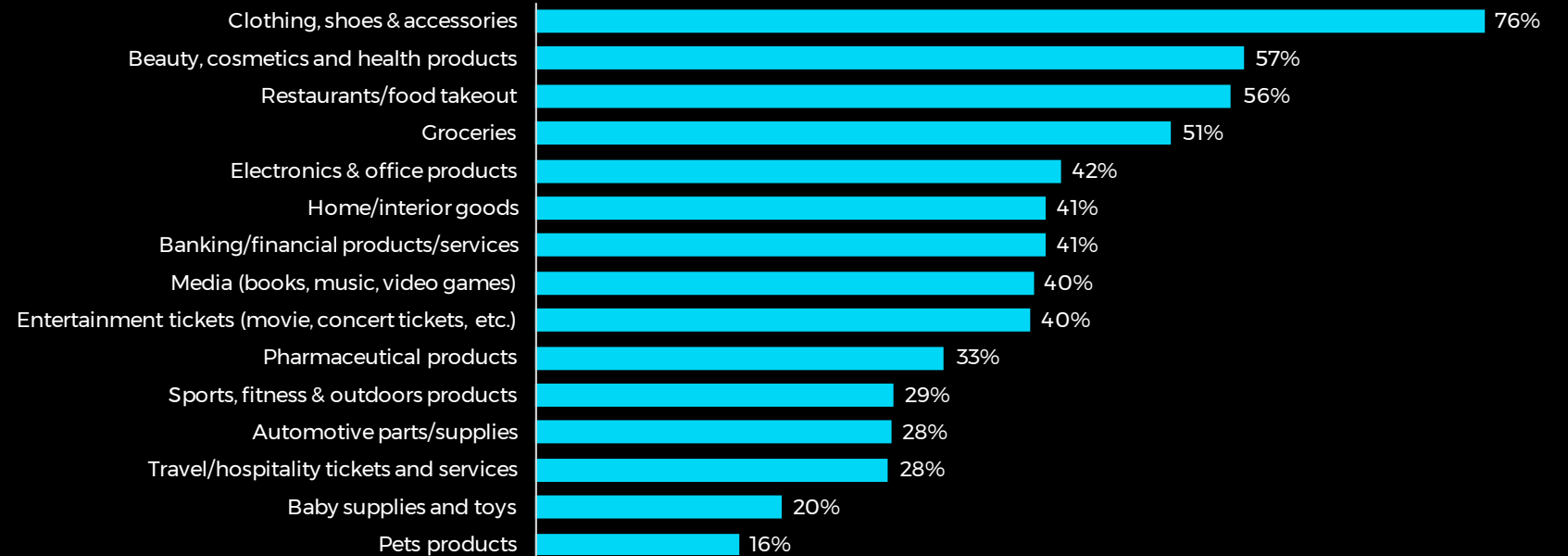
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN MALAYSIA

- Fashion, beauty, restaurants and groceries make up the most purchased categories in Malaysia
- Malaysia's top ecommerce categories include both ecommerce goods and gig-economy services

Which of these categories have you purchased online in the last 3 months?



**Rapyd**

# Singapore

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For ecommerce companies, marketplaces and gig-economy platforms looking to expand in Asia, few countries compete with Singapore's combination of affluent consumers and digital infrastructure.

As an international banking capital, Singapore has a mature payments infrastructure in place, making it an excellent ecommerce market for businesses looking for a foothold in the APAC region. On top of that, the financial sector is among the world's best for oversight and economic fundamentals.

Digital adoption and usage among Singapore's citizens and government efforts to transition to a cashless economy have led to an explosion of ewallet companies. Singapore is one of the Asia-Pacific region's top-three ewallet markets, with 23.3% of smartphone users embracing the technology.<sup>1</sup> Tapping into this small yet lucrative city-state means giving customers the ability to use their preferred payment methods. Businesses must be able to offer these payment options without the time and expense of navigating multiple technical integrations and regulatory hurdles.



# SINGAPORE eCOMMERCE TRENDS

## 1 Urban Convenience Drives Competition Between Digital and Brick-and-Mortar Commerce

With ultra-fast internet infrastructure and a tech-savvy, affluent population, it's unsurprising that Singapore is a strong ecommerce market. However, this urban nation offers strong competition from brick-and-mortar stores. This is due to outstanding transportation infrastructure and the urban population's close proximity to retail locations. International ecommerce companies looking for a foothold need to offer outstanding convenience, cost savings or both. Providing locally preferred payment methods can go a long way to satisfying consumers' expectations for convenience in the checkout process.

## 2 Deliver a Better Experience and Drive Sales with eWallets

By 2021, ewallet purchases will make up more than 22% of all sales in Singapore.<sup>2</sup> Currently, credit and debit cards are the most popular payment methods for ecommerce, but their use is declining. eWallets are on the rise because they offer a convenient checkout experience and give Singaporeans access to loyalty programs and rewards—such as airline miles and cash-back.

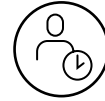
### Sources:

1. [data.worldbank.org/country/singapore](https://data.worldbank.org/country/singapore)
2. <https://www.jpmorgan.com/merchant-services/insights/reports/singapore>
3. <https://sbr.com.sg/information-technology/news/483-million-singaporeans-are-now-online>
4. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=SG>
5. <https://www.export.gov/article?id=Singapore-eCommerce>
6. <https://www.businessinsider.sg/7-in-10-singaporeans-own-at-least-1-credit-card-and-most-of-them-are-card-debt-free-study-finds/>

# SINGAPORE SNAPSHOT



Population  
**5.6 million<sup>2</sup>**



Average age  
**40.5 years<sup>2</sup>**



Online population  
**4.83 million<sup>3</sup>**



GDP per capita  
**\$64,581<sup>4</sup>**

## Online Profile



Internet penetration  
**87%<sup>2</sup>**



Smartphone penetration  
**75%<sup>2</sup>**



eCommerce market value  
**\$4.9 billion<sup>2</sup>**



Mobile commerce market value  
**\$2.1 billion<sup>2</sup>**

## Banking and Commerce



Banked population  
**98%<sup>2</sup>**



Percent who shop  
cross-border  
**60%<sup>5</sup>**

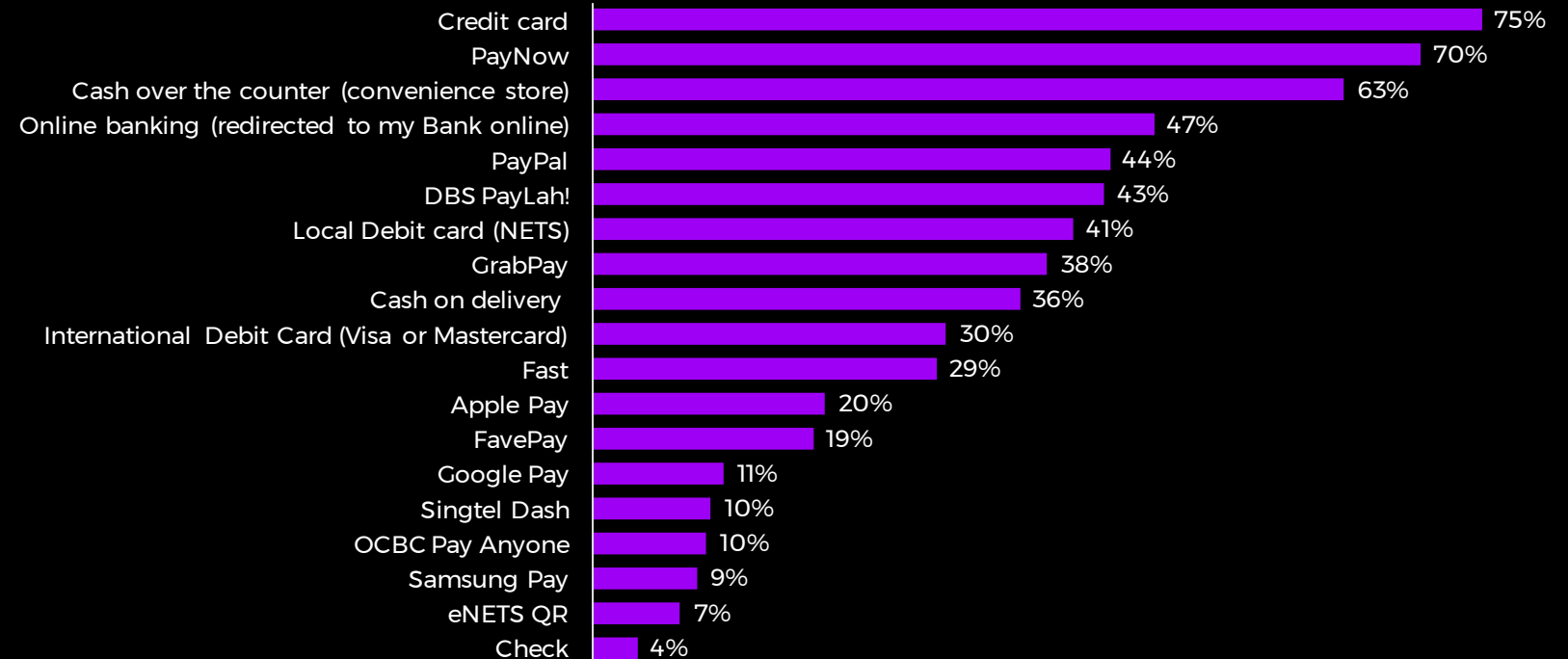


Percent with  
credit card  
**73%<sup>6</sup>**

# MOST USED PAYMENT METHODS IN SINGAPORE

- Credit cards maintain the top position in our survey
- The national real-time payment scheme “PayNow” has risen to the number two spot with an astronomical year-over-year growth rate of 713%
- Bank transfers and ewallets are gaining ground quickly in this city-state of young affluent tech-savvy early adopters

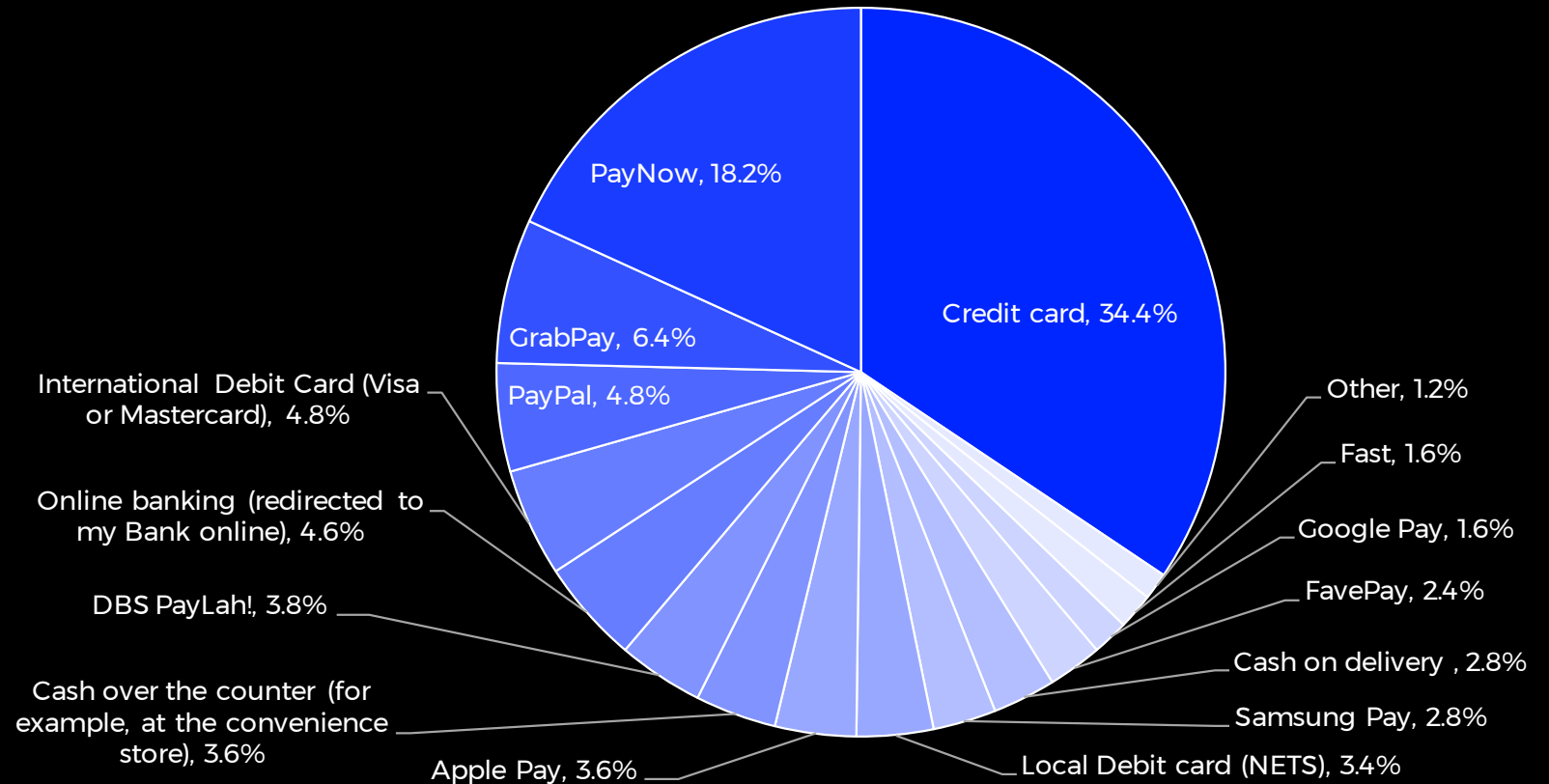
Which payment methods have you used to pay for goods and services online and offline in the past month?



# CONSUMERS' PREFERRED PAYMENT METHODS IN SINGAPORE

- Singapore's top two preferred payment methods are the same as the two most used payment methods, Credit Cards and PayNow
- eWallets rank even higher in terms of preference than they do in usage, this represents an accelerating trend toward digital payments and a cashless economy

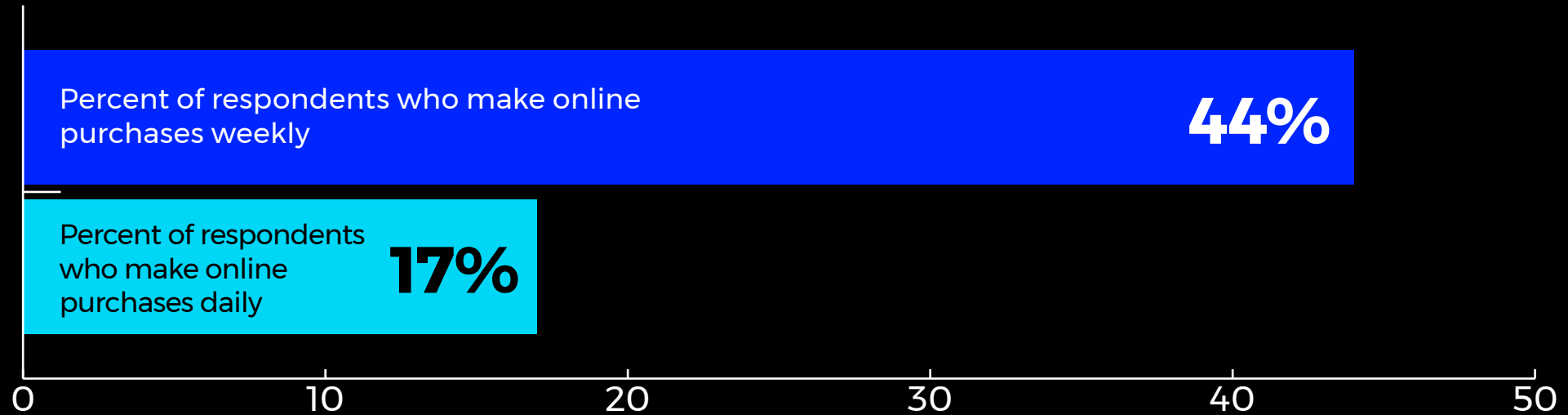
Which of these is your preferred payment method?





# ONLINE PURCHASE FREQUENCY

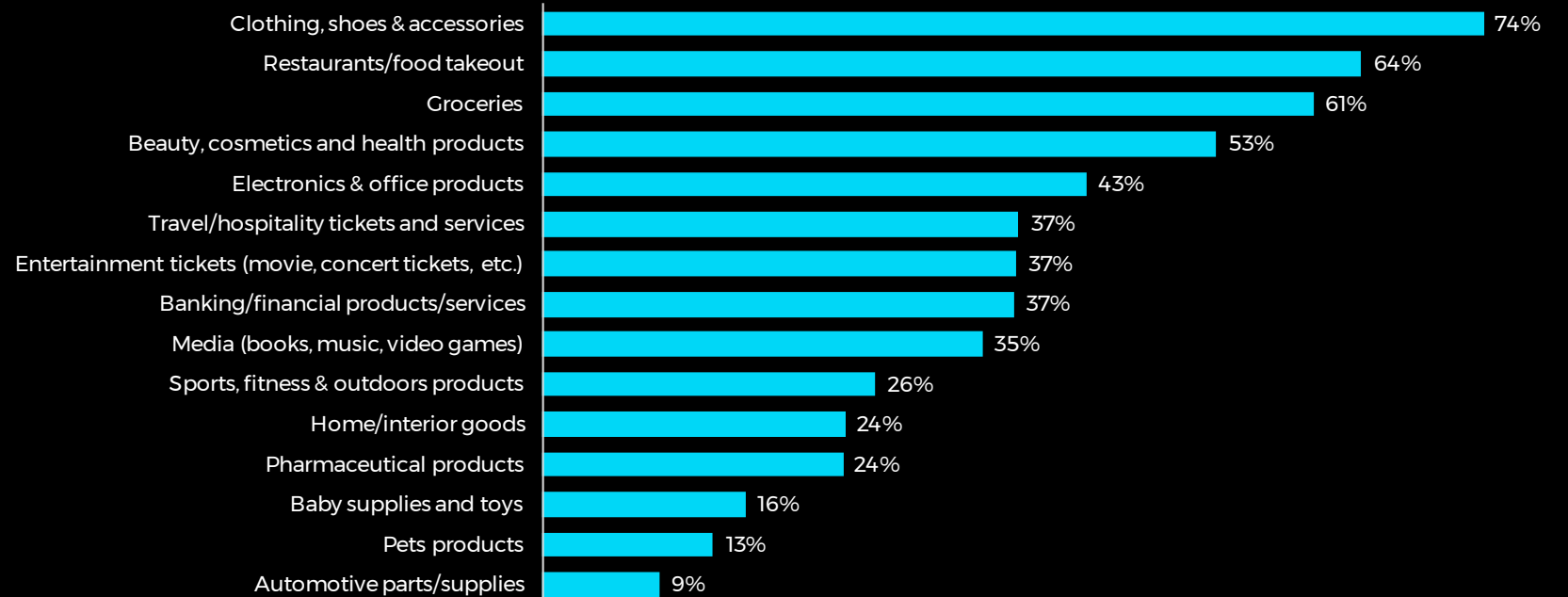
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN SINGAPORE

- Top ecommerce categories in Singapore include fashion, food delivery and beauty products

Which of these categories have you purchased online in the last 3 months?



## South Korea

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South Korea is one of the most affluent countries in Asia and a regional ecommerce leader, with the highest per-capita broadband internet adoption rate in the world.<sup>1</sup> ecommerce revenue is projected to exceed \$74 billion in 2020.<sup>2</sup>

The country's electronic payments ecosystem is fragmented and complex, with players from a variety of backgrounds, including hardware manufacturers, large retailers, social media platforms, and financial institutions all vying for market share.

With over 100 million cards for a population of 51 million, South Korea has been one of the most card-reliant markets, averaging four cards per household.<sup>3</sup> Visa, MasterCard and Amex are the most widely used credit card types for cross-border ecommerce transactions, but South Koreans prefer domestic card brands such as Shinhan Card, KB Card, BC Card, Samsung Card and Hyundai Card for local purchases.

Another payment trend that's important to understand is Simple Payments, a newly emerging category that includes payments enabled via mobile devices. Examples include Samsung Pay, Kakao Pay, and Payco.



# SOUTH KOREA eCOMMERCE TRENDS

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## 1 South Koreans Love to Shop International Sites Online

South Korean retailers typically charge higher prices than foreign merchants for the same goods. As a result, half of online shoppers in South Korea make cross-border purchases.<sup>4</sup> In a survey by the Korean Chamber of Commerce, 24.3% of respondents indicated that they have bought goods through foreign websites or overseas direct buying agencies. The primary motivation was 'lower prices'.<sup>5</sup>

The United States accounts for 75% of cross-border spending, with Japan, China and Germany rounding out the top four countries.<sup>5</sup> Overseas businesses selling in Korea have an opportunity to capture more sales by creating a localized shopping experience and offering local payment methods.

## 2 Mobile Gaming Is a Big Deal and Only Getting Bigger

South Korea is the fourth-largest grossing mobile game market in the world. More than half of South Korea's population plays games on smartphones. In 2018 Koreans spent \$5.6 billion on mobile titles. The average South Korean gamer is an adult, 21- to 35-year-olds are the largest gaming demographic and 36- to 50-year-olds are the second-largest cohort.<sup>6</sup>

## 3 Mobile Dominates eCommerce Sales

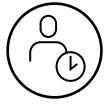
In South Korea, women account for 60 percent of mobile transactions. Most are in their 30s and are likely to have young kids. Mobile shoppers in South Korea are turning away from stores and other online retailing channels. According to research by McKinsey, "among those who shopped on a mobile device, 13 percent did not shop in stores, and 53 percent did not shop online using a computer. Increasingly, South Korean consumers can only be reached through their smartphones." Mobile ads and promotions influence three out of four mobile purchases.<sup>7</sup>

# SOUTH KOREA SNAPSHOT



Population

**51.6 million**<sup>8</sup>



Average age

**40.8 years**<sup>9</sup>



GDP per capita

**\$31,362.75**<sup>8</sup>



Online population

**43.4 million**<sup>5</sup>

## Online Profile



Internet penetration

**91.8%**<sup>9</sup>



Smartphone penetration

**88.5%**<sup>9</sup>



Mobile commerce market size

**\$2.8 billion US**<sup>5</sup>

## Banking and Commerce



Percent that shops online

**71.1%**<sup>5</sup> Of Internet Users



Percent who shops cross-border

**50.4%**<sup>4</sup>

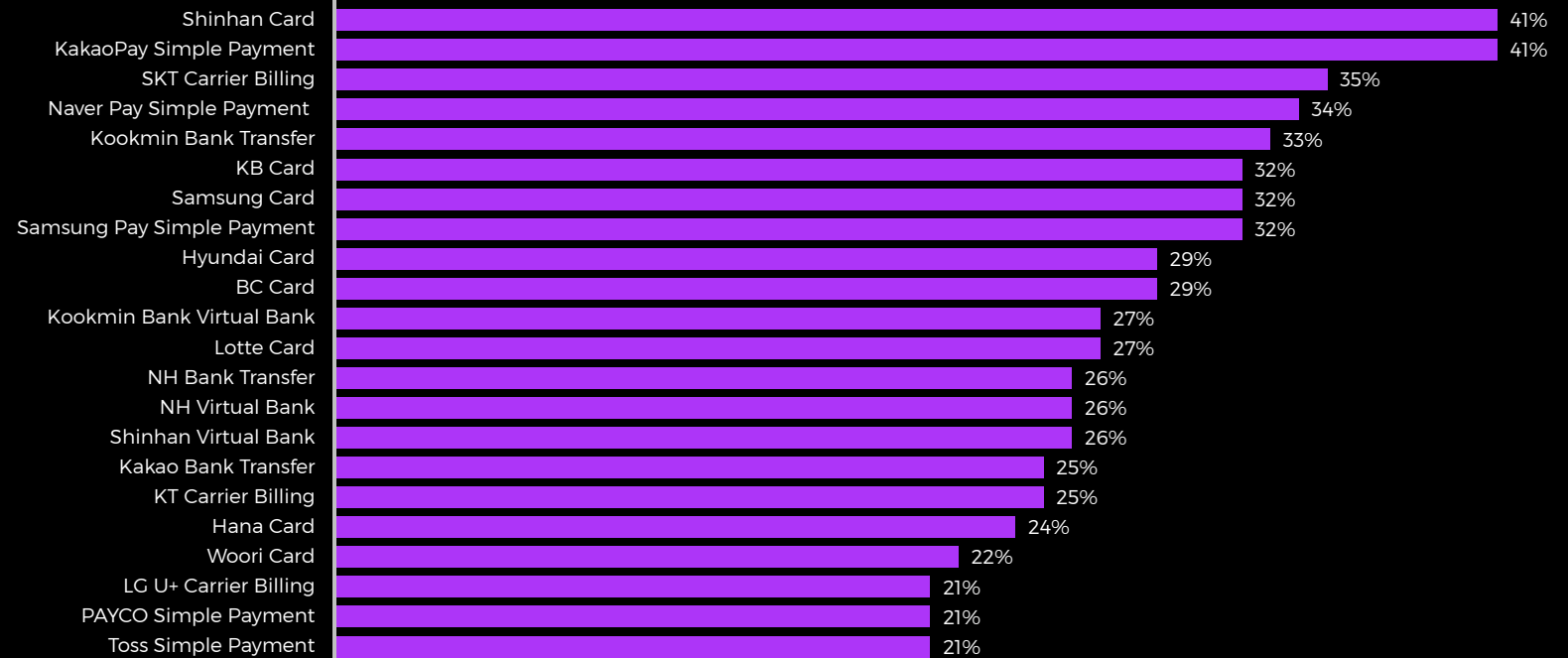
## Sources:

1. <https://www.businessfinland.fi/49f3ab/globalassets/food/south-korea-mh-v1.pdf>
2. <https://www.statista.com/outlook/243/125/e-commerce/south-korea>
3. <https://thepaypers.com/payment-methods/republicofkorea/23>
4. Nielsen, *Global Connected Commerce, Is E-tail Therapy the New Retail Therapy*, Jan 2016
5. The Paypers, *Cross-Border Ecommerce Report, Critical Facts and Insights for International Expansion*
6. [https://venturebeat.com/2019/04/28/south-korea-is-a-mobile-gaming-haven-even-for-western-studios/#:~:text=Examining%20the%20South%20Korean%20gamer,15%25\)%%2C%20according%20to%20Mintegral.](https://venturebeat.com/2019/04/28/south-korea-is-a-mobile-gaming-haven-even-for-western-studios/#:~:text=Examining%20the%20South%20Korean%20gamer,15%25)%%2C%20according%20to%20Mintegral.)
7. <https://www.mckinsey.com/industries/retail/our-insights/learning-from-south-koreas-mobile-retailing-boom#>
8. World Bank
9. Statista

# MOST USED PAYMENT METHODS IN SOUTH KOREA

- When it comes to card-based payments, South Koreans use locally issued cards over international cards
- The variety of local card issuers in South Korea creates a challenging payments ecosystem for international merchants
- Accepting simple payments like ewallets is an easy way to appeal to South Korean consumers

## Which payment methods have you used to pay for goods and services online and offline in the past month?

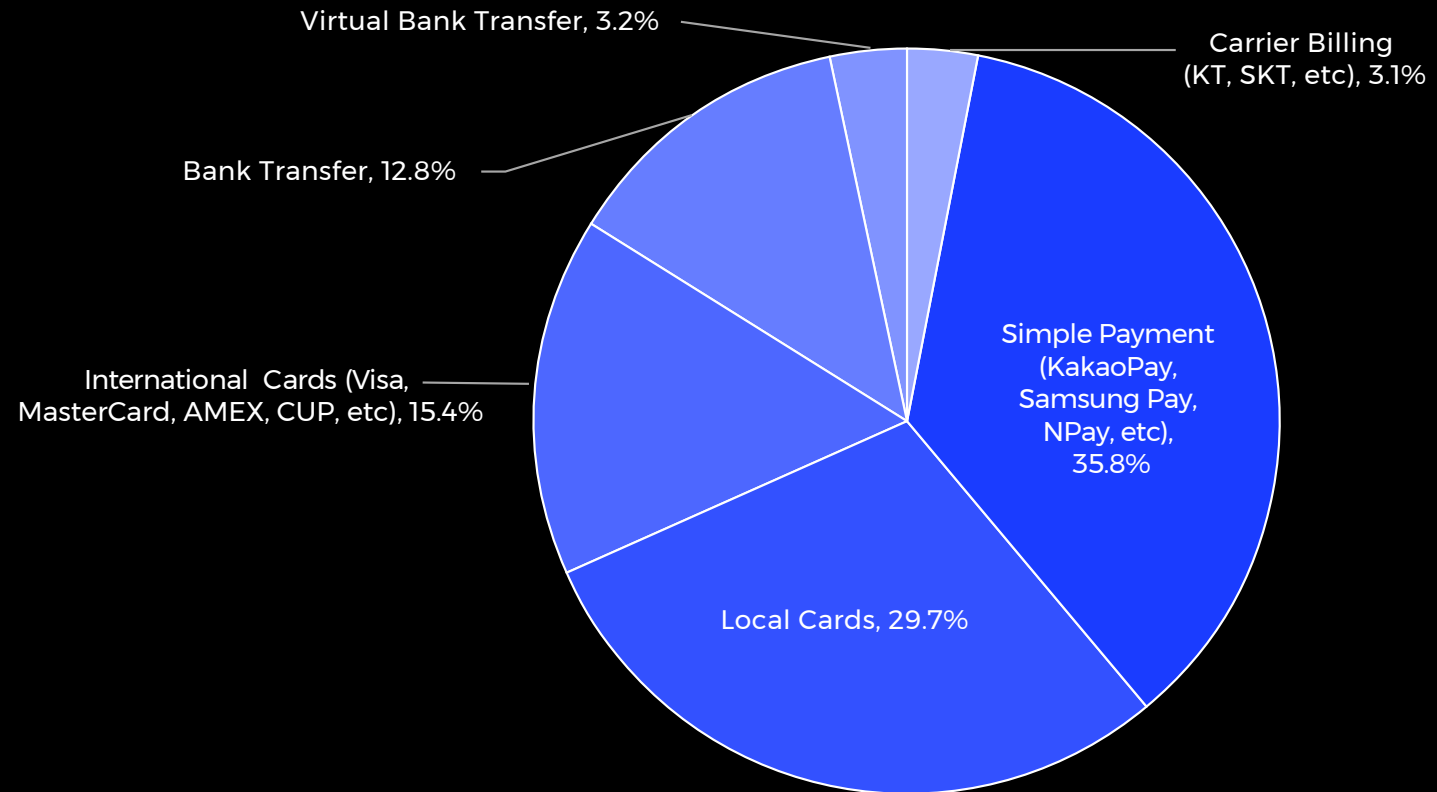


Due to the high number of payment methods available in South Korea, only methods that were used by more than 20% of respondents in the past month are shown.

# CONSUMERS' PREFERRED PAYMENT METHODS IN SOUTH KOREA

- Simple Payment services, such as KakaoPay and SamsungPay, are now the preferred payment method
- Accepting simple payments and local cards may be an easy way to optimize conversion and cater to the needs of South Koreans who shop cross border

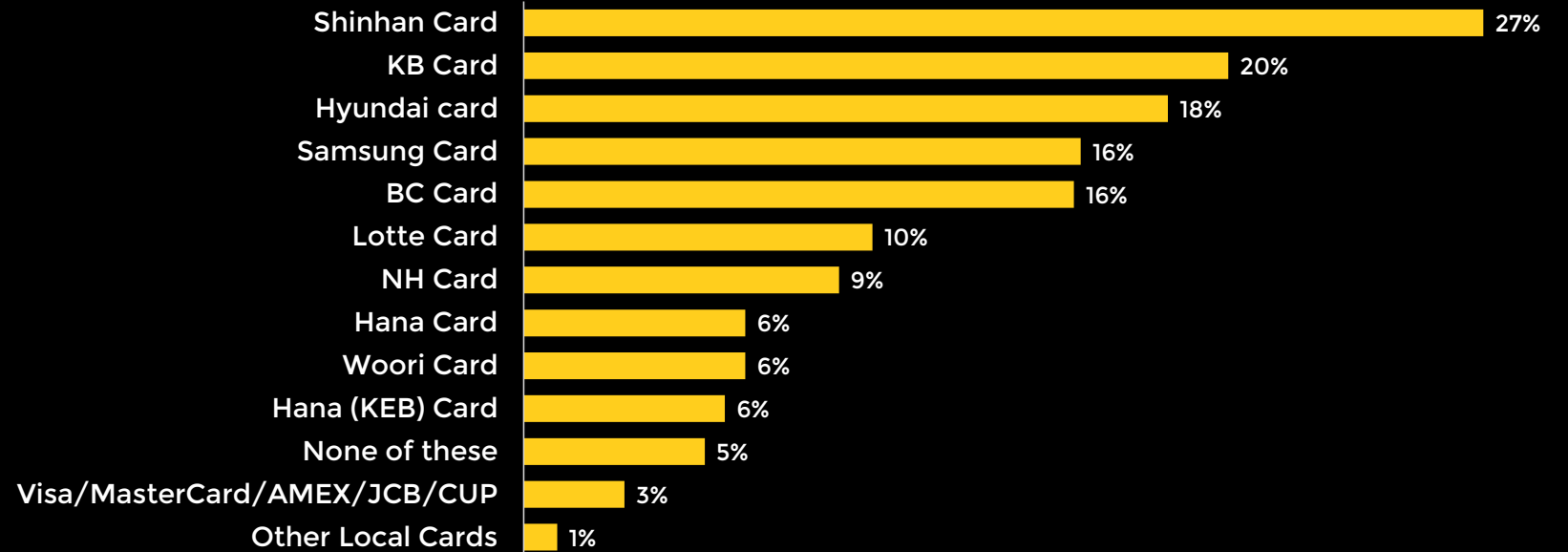
Which of these is your preferred payment method?



# CONSUMERS' PREFERRED CARD PAYMENT METHODS

- South Korea has a particularly large variety of local card issuers, which each have their loyal audiences

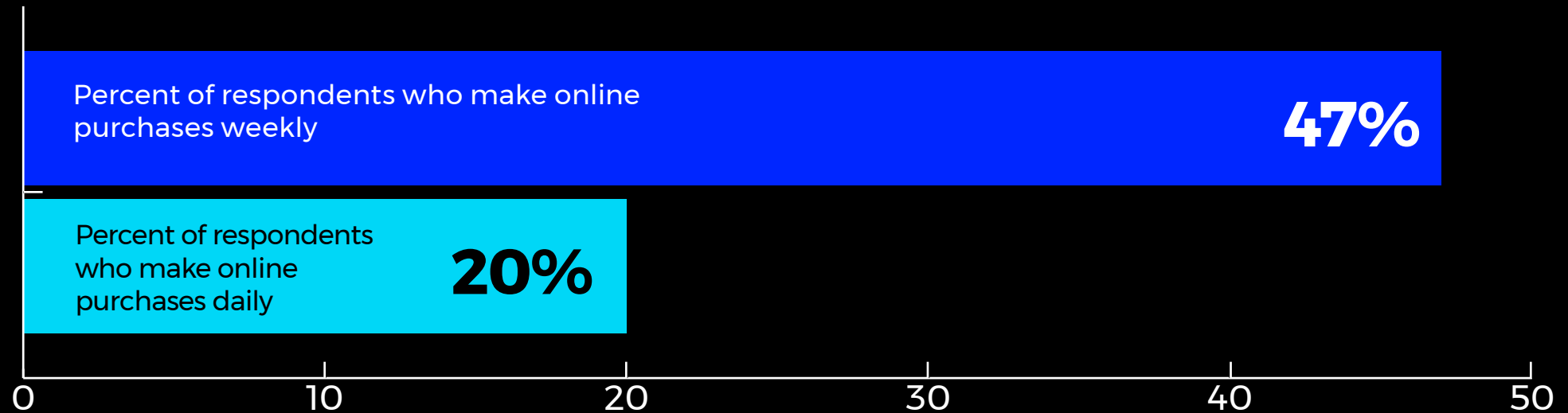
Which of these card payment method is your most preferred?





# ONLINE PURCHASE FREQUENCY

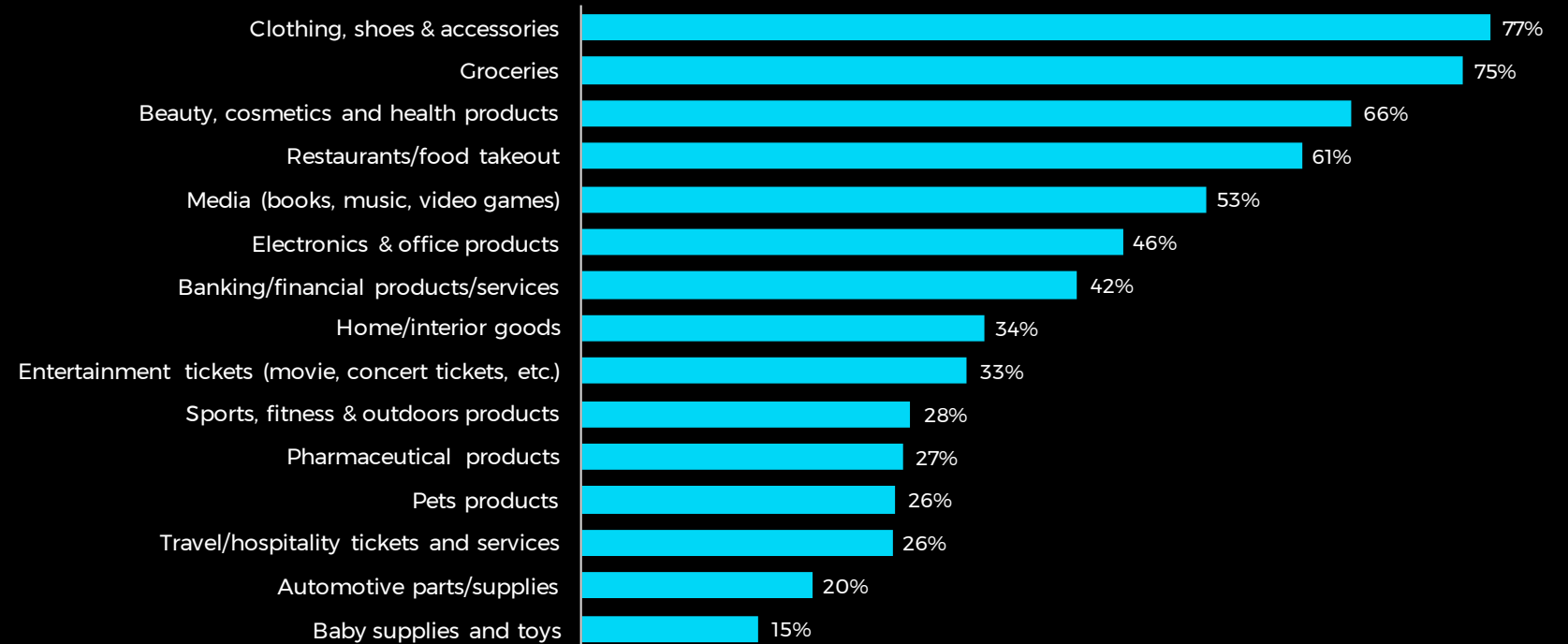
How often do you make purchases online?



# TOP ECOMMERCE CATEGORIES IN SOUTH KOREA

- Fashion, beauty, groceries, restaurants and media are the most frequently purchased categories
- South Korea is home to the world's largest market for male cosmetics and beauty products, contributing to the strength of the beauty and cosmetics category as a whole
- Media is a strong and growing category in South Korea, powered by one of the world's largest mobile-gaming markets

Which of these categories have you purchased online in the last 3 months?



**Rapyd**

# Taiwan

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Taiwan consistently ranks in the top 10 percent of the 190 countries evaluated by the World Bank for their “Ease of Doing Business.” It has a land mass slightly smaller than Switzerland, yet Taiwan’s GDP of over \$590<sup>1</sup> billion is the 17<sup>th</sup> highest GDP in the world. With accessible infrastructure, a skilled labor force, a strong legal system, and a stable democratic government that has always been business-friendly, Taiwan’s open market system has attracted major foreign investments over the years, making it one of the wealthiest and most dynamic economies in Asia.

Taiwan also boasts one of the world’s most advanced mobile commerce economies, with high internet and mobile penetration rates. In 2011, it was one of the first countries to offer nationwide free wifi for its citizens, later extending it to all visitors as well.

Taiwan has strong economic ties with other countries across the globe. In recent years, it has further strengthened its connections with other Asian economies and supply chains throughout the APAC region, making it a major global supplier for consumer and industrial goods. It has also become one of the world leaders in supplying a wide range of semiconductors that power the devices we have come to depend on in our everyday lives.



# TAIWAN eCOMMERCE TRENDS

## 1 Cross Border Shopping Is Driven by Lower Prices and Availability

According to Statista, favorable pricing and the availability of foreign goods are the top factors driving B2C cross-border online shopping in Taiwan<sup>2</sup>.

## 2 Social Media Takes Over in Taiwan

At 65%, Taiwan has the highest Facebook penetration rate globally<sup>3</sup>, leading ecommerce businesses to move into the social commerce space. Rakuten Ichiba Taiwan, ViSenze and Clozette are all major ecommerce retailers driving social commerce in Taiwan<sup>3</sup>.

## 3 Commerce Driven by Convenience Stores

Taiwan is the number-two country in the world<sup>4</sup> in terms of the density of convenience stores per citizen. These stores provide a wide array of services: from laundry to bill payments, ATM cash withdrawals and money transfers. They have become the infrastructure for eCommerce shopping, providing pick-up and payment points for customers that want to see their goods before they pay.

### Sources:

1. [https://www.taiwan.gov.tw/content\\_7.php](https://www.taiwan.gov.tw/content_7.php)
2. <https://www.statista.com/statistics/892780/taiwan-reasons-to-use-overseas-online-shopping-websites/>
3. [http://www.specommerce.com.s3.amazonaws.com/dl/fs/150409\\_fs\\_taiwan\\_factsheet.pdf](http://www.specommerce.com.s3.amazonaws.com/dl/fs/150409_fs_taiwan_factsheet.pdf)
4. <https://www.taiwannews.com.tw/en/news/3397167>
5. <http://worldpopulationreview.com/countries/taiwan-population/>
6. <https://www.ceicdata.com/en/indicator/taiwan/gdp-per-capita>
7. [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_smartphone\\_penetration](https://en.wikipedia.org/wiki/List_of_countries_by_smartphone_penetration)
8. [https://www.indexmundi.com/taiwan/internet\\_users.html](https://www.indexmundi.com/taiwan/internet_users.html)
9. <https://www.export.gov/article?id=Taiwan-ecommerce>

# TAIWAN SNAPSHOT



Population

**23,776,086<sup>5</sup>**



GDP per capita

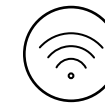
**\$25,026<sup>6</sup>**

## Online Profile



Smartphone penetration

**60%<sup>7</sup>**



Internet penetration

**88%<sup>8</sup>**



Online population

**20.601 million<sup>8</sup>**



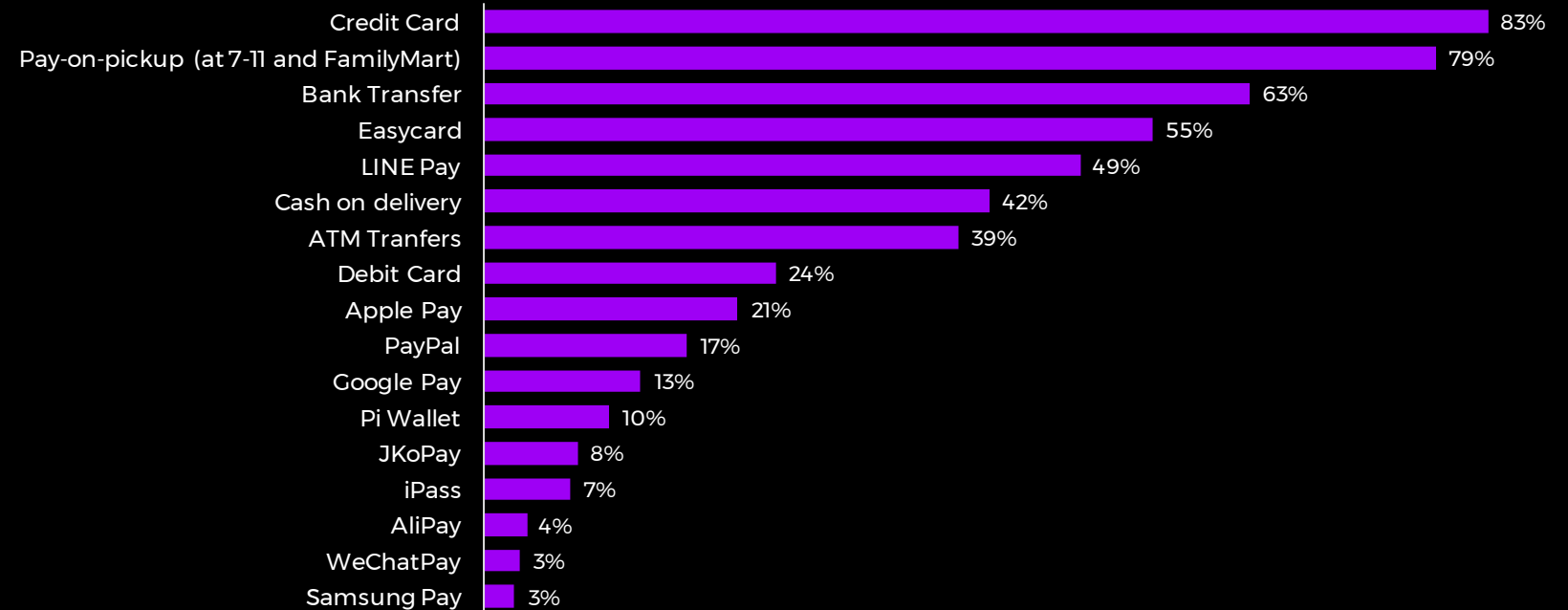
Cross-border retail growth

**5.4%<sup>9</sup>**

# MOST USED PAYMENT METHODS IN TAIWAN

- Credit cards are the top payment method in Taiwan
- A close second, Pay-on-pickup leverages the country's wide-spread network of convenience stores
- Bank transfers remain popular due to perceived security and the ability to make purchases without providing financial details

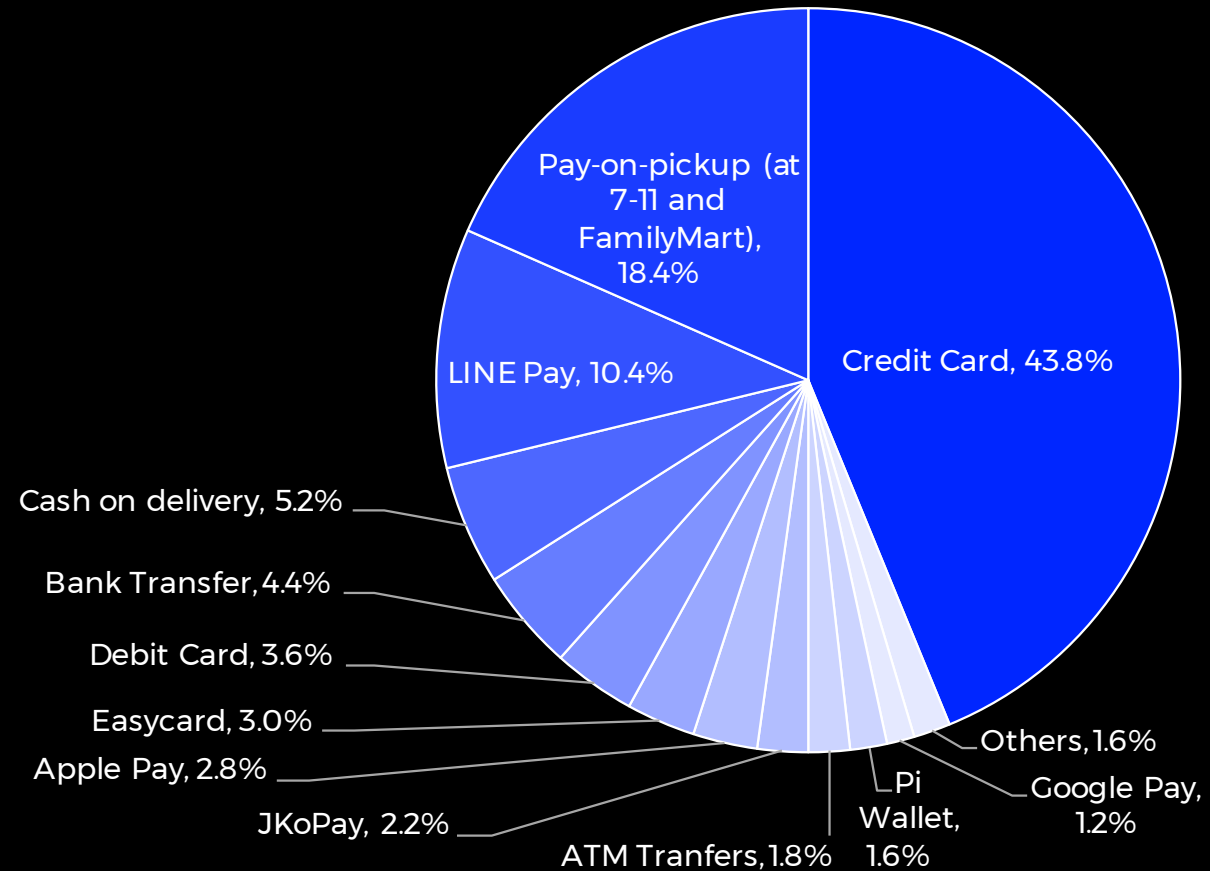
Which payment methods have you used to pay for goods and services online and offline in the past month?



# CONSUMERS' PREFERRED PAYMENT METHODS IN TAIWAN

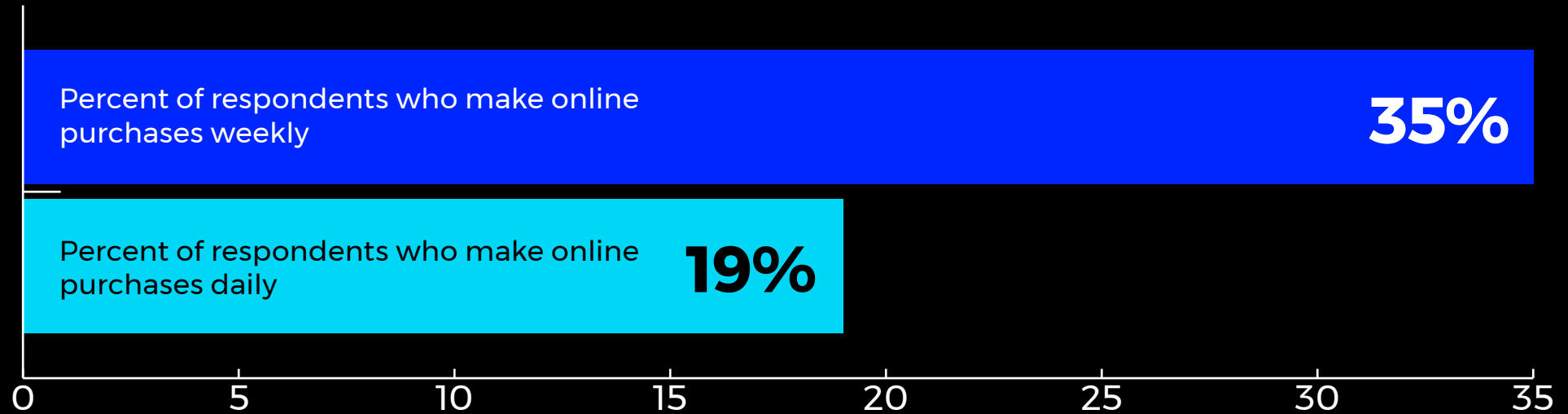
- Consumer preferences are split between credit cards and pay-on-pickup at convenience stores
- The third most-liked payment method is LINE Pay, a mobile wallet that was created on top of a popular LINE messaging app

Which of these is your preferred payment method?



# ONLINE PURCHASE FREQUENCY

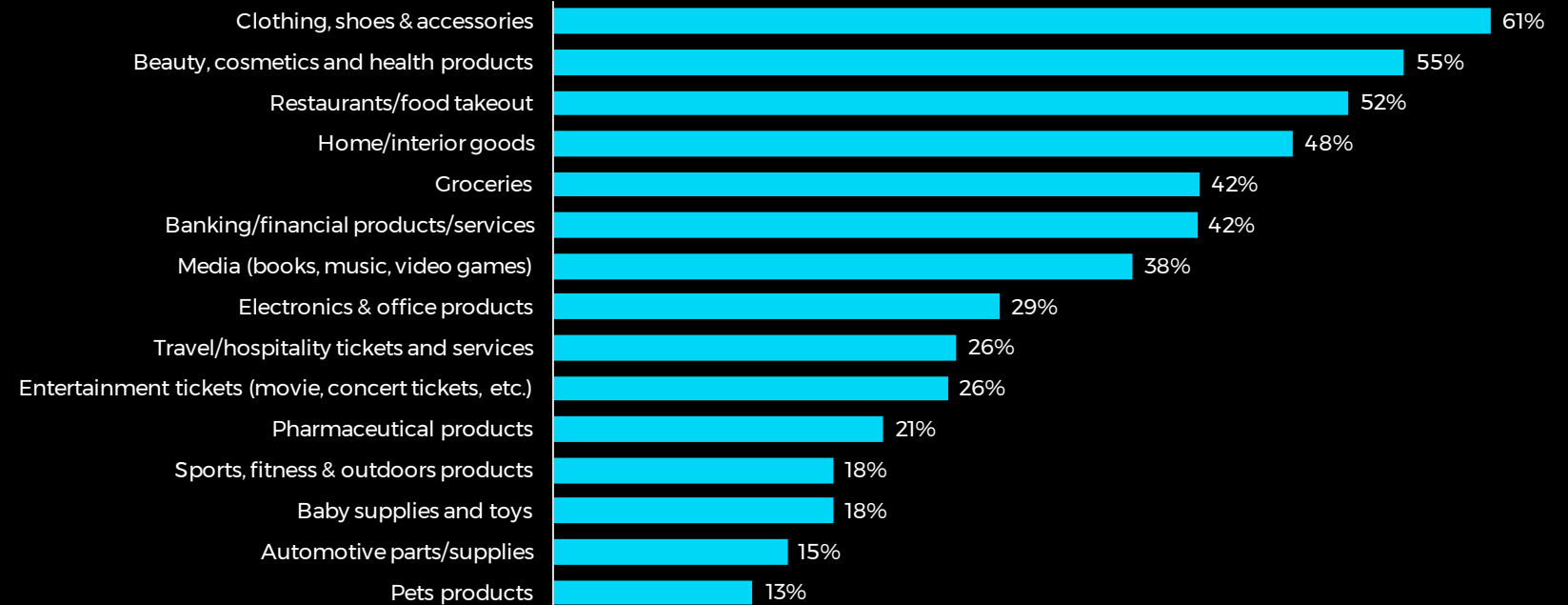
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN TAIWAN

- The most frequently bought ecommerce categories in Taiwan closely mirror those in other nearby countries
- An exception is Home/Interior goods which are more popular in Taiwan than in neighboring countries
- Taiwan's consumers may be more willing to frequently make large purchases online than in neighboring countries

Which of these categories have you purchased online in the last 3 months?





# Thailand

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Thailand is the second-largest ecommerce market in Southeast Asia. Yet it still has massive untapped potential for growth as more consumers gain access to the internet and mobile commerce adoption increases.

Thailand's economy has shown tremendous resilience. Recent national government initiatives have focused on simplifying the process of starting a business, creating a more transparent regulatory framework and rural internet expansion through the Thailand 4.0 initiative.



# THAILAND eCOMMERCE TRENDS

## 1 eWallets and Real-Time Payments Are Driving Innovation and Frictionless Payment Experiences

eWallets and bank transfers are quickly becoming dominant payment methods. TrueMoney, a digital wallet that leverages a network of convenience stores for over-the-counter cash payments provides access to digital payments for Thai consumers with or without bank accounts.

PromptPay, another popular method, provides real-time payments via bank transfer or most ewallets lets Thai consumers link their bank account to their mobile number for peer to peer payments.

## 2 Thailand Is the Global Leader in Social Commerce

Up to 40% of Thais shop through social commerce platforms<sup>1</sup>, the highest percentage in the world. Facebook and Line are the leading platforms.

### Sources:

1. <https://www.bangkokpost.com/tech/1803754/thais-setting-the-pace-for-social-commerce>
2. <https://www.jpmorgan.com/merchant-services/insights/reports/thailand>
3. [https://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_number\\_of\\_Internet\\_users](https://en.wikipedia.org/wiki/List_of_countries_by_number_of_Internet_users)
4. <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=TH>
5. <https://www.export.gov/article?id=Thailand-ecommerce>
6. <https://www.statista.com/statistics/950322/thailand-share-credit-card-holders/>

# THAILAND SNAPSHOT



Population  
**69 million<sup>2</sup>**



Average age  
**38.1 years<sup>2</sup>**



Online population  
**36.513 million<sup>3</sup>**



GDP per capita  
**\$7,273<sup>4</sup>**

## Online Profile



Internet penetration  
**53%<sup>2</sup>**



Smartphone penetration  
**63.9%<sup>2</sup>**



eCommerce market value  
**\$26.2 billion<sup>2</sup>**



Mobile commerce market value  
**\$13.6 billion<sup>2</sup>**

## Banking and Commerce



Banked population  
**81%<sup>2</sup>**



Percent who shop  
cross-border  
**50%<sup>5</sup>**

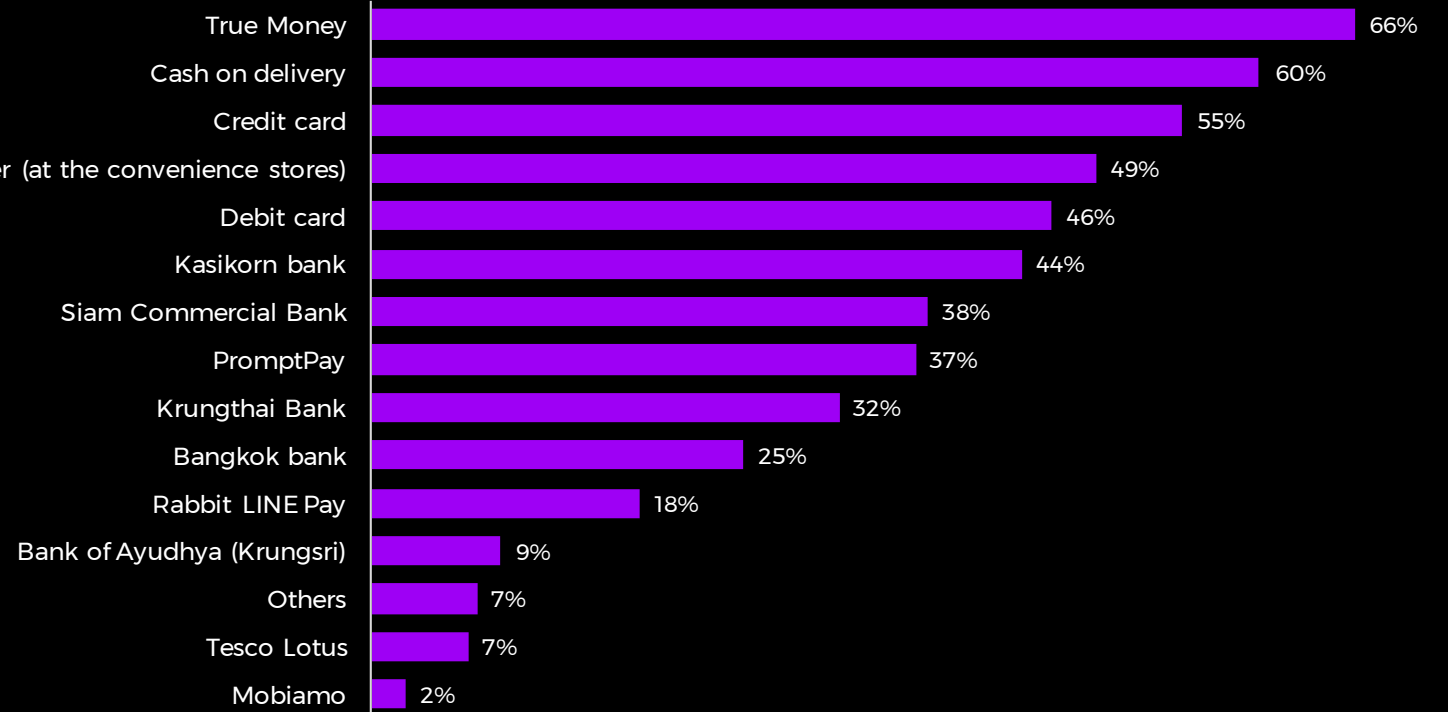


Percent with  
credit card  
**10%<sup>6</sup>**

# MOST USED PAYMENT METHODS IN THAILAND

- TrueMoney, an ewallet from a leading Telco is the number one payment method
- Cash-on-delivery and cash via convenience stores are important ways to pay
- Thailand is relatively banked, with broad access to debit and credit cards, and users use cards, online banking, and PromptPay the national realtime scheme
- Like many Southeast Asian countries, Thailand has a robust payments ecosystem with a variety of popular payment methods
- While CODs remain popular, they are quickly losing ground to digital payments

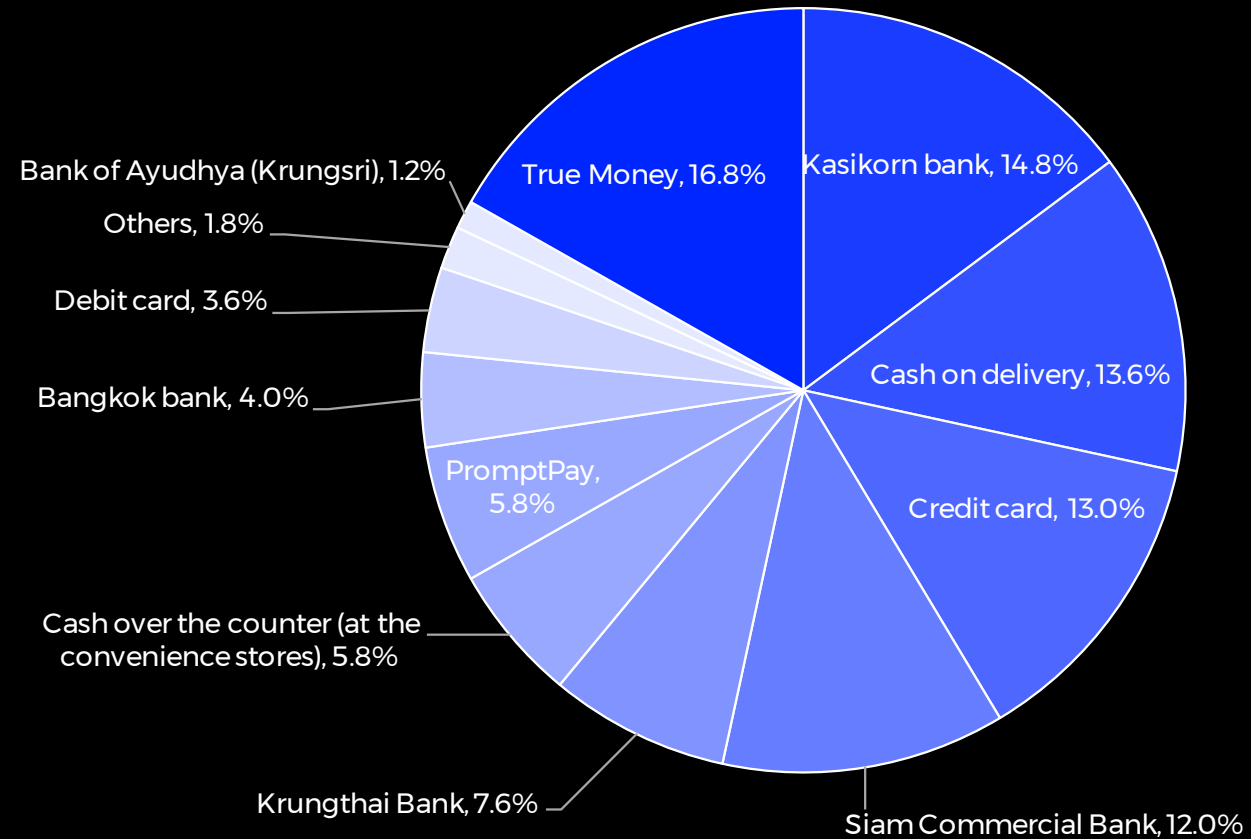
Which payment methods have you used to pay for goods and services online and offline in the past month?



# CONSUMERS' PREFERRED PAYMENT METHODS IN THAILAND

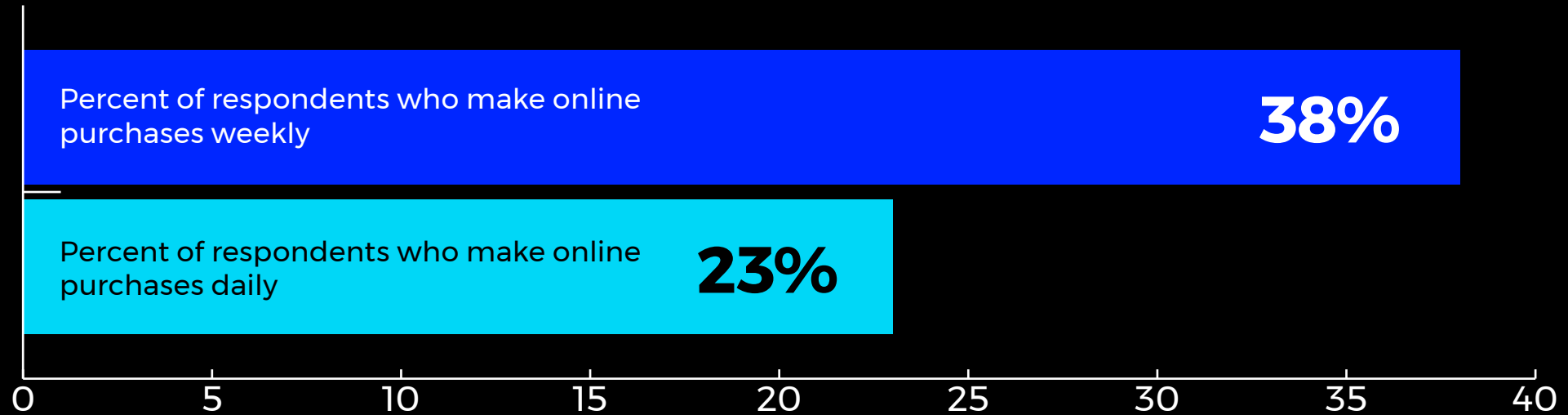
- Together ewallets and bank transfers make up the most popular payment methods
- The top four most popular payment methods are rounded out by cash-on-delivery and credit cards
- Each of the top four payment types represent different payment methods entirely - ewallets, bank transfers, cash, and cards - offering that same diversity in the payments merchants accept is important for success in Thailand

Which of these is your preferred payment method?



# ONLINE PURCHASE FREQUENCY

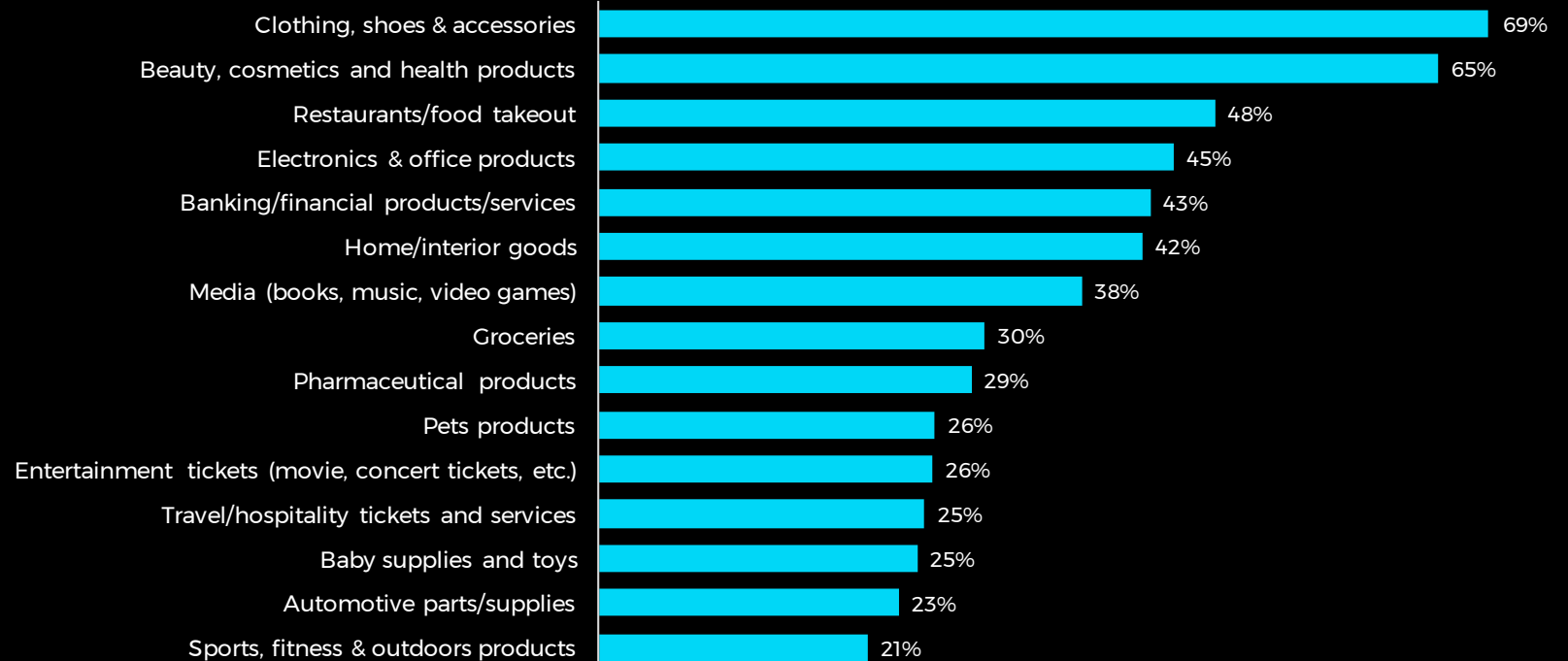
How often do you make purchases online?



# TOP eCOMMERCE CATEGORIES IN THAILAND

- Fashion and beauty dominate online spending
- Restaurants and takeout, fueled by gig-economy delivery platforms, are the second most popular category
- Thai consumers purchase a broad range of products online, with at least 1 in 4 consumers reporting a recent purchase in virtually every category

Which of these categories have you purchased online in the last 3 months?



# About Rapyd

Rapyd has developed the world's largest local payments network. We can get you into more countries with more ways to pay or be paid than any provider globally.

## Rapyd Fintech-as-a-Service Payment Platforms



### Rapyd Collect

Use Rapyd Collect API or Rapyd Checkout and accept payments from any buyer in any country using their locally preferred methods.



### Rapyd Wallet

Complement your marketplace experience with the white-label Rapyd Wallet.



### Rapyd Disburse

Meet the demands of your global sellers and payout in local methods and currencies quickly and securely.



### Rapyd Issuing

Issue your own cards and give sellers a way to easily access their earnings while driving engagement and loyalty.

Get Started at [Rapyd.net](https://Rapyd.net)

***Rapyd***

**rapyd.net**