

# BRIC ONLINE PAYMENT METHODS REPORT 2013 - FIRST HALF 2013

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- Market reports by yStats.com inform top managers about recent market trends and assist with strategic company decisions.
- yStats.com has been committed to researching up-to-date, objective and demand-based data on markets and competitors from various industries since 2005.
- In addition to reports on markets and competitors, yStats.com also carries out client-specific research.
- Clients include leading global enterprises from various industries including B2C E-Commerce, electronic payment systems, mail order and direct marketing, logistics as well as banking and consulting.

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# BRIC Online Payment Methods Report 2013 - First Half 2013

## General Information

### Product Details

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### Prices

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## Key Findings

### Online and mobile payments are increasing in BRIC countries, with new channels emerging

The recent „BRIC Online Payment Methods Report 2013 – First Half 2013“ report by Hamburg-based secondary market research company yStats.com provides information about the movement toward online and mobile purchase transactions. The report is based on recently published information from a variety of sources and details the latest trends and news on the topic, with projections of continued growth in the next few years.

In Brazil, the local payment solution Boleto Bancario was used widely, while several payment providers introduced new online and mobile payment tools in the country.

In Russia, cash remained the main payment method in B2C E-Commerce in 2012, but online payments gained in both awareness and usage. By far the most popular among online payment methods in the beginning of 2013 was bank card, followed by E-Money and online banking. Electronic payment providers in Russia saw a significant growth in revenue in 2012.

Direct debit was the most popular payment method within B2C E-Commerce in India in 2012, followed by credit cards.

The total online payment transaction value in China demonstrated strong quarter-on-quarter growth in 2011-2012. Third-party online payments, which are used by around a third of online shoppers in China, were especially on the rise. Also, Alipay launched a mobile wallet application in China, offering online-to-offline payments. In India, direct debit accounted for over a half of B2C E-Commerce payment transactions in 2012.



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## Samples

### SAMPLE OUTPUT: METHODS

RESEARCH ON INTERNATIONAL MARKETS  
We deliver the facts – you make the decisions

**Around the world, the share of Internet users who play online games reached XX% in 2013.**

Global: Share of Online Gamers on Total Internet Users, in %, 2013

Online Gamers XX%

Others XX%

Source: to be revealed in the original report

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### SAMPLE OUTPUT: TRENDS

RESEARCH ON INTERNATIONAL MARKETS  
We deliver the facts – you make the decisions

**Mobile payments in Brazil are expected to benefit from the new regulations adopted in May 2013.**

Brazil: Mobile Payment Trends and News about Players, 2013

- In May 2013, the Brazilian government passed a **new decree** to facilitate and regulate mobile and electronic payments, as Pulo Social reports. The decree formulates major guidelines for telecommunication companies which offer mobile and electronic payment services. The aim is to facilitate financial inclusion through mobile payments. The Central Bank, Ministry of Communications and National Monetary Council are all encouraged by the decree to cooperate with telecoms in this field.
- The government is reported to act in response to a developing mobile trend, rather than to initiate it, according to the same source. Rather, the telecommunication and payment processing businesses are in charge of the trend, with startups and established players competing for reaping the potential of the mobile payments market in Brazil. However, more large organizations, such as banks, are expected to enter the scene as the rules become clearer.
- In May 2013, Mobile Financial Services (MFS), the joint venture of **Telefonica** and **MasterCard**, launched a **new mobile payment service** in Brazil, as reported by Mobile World Live. The service, called **Zoom**, enables customers of Telefonica's Vivo mobile operator to use pre-paid mobile payment services via a mobile phone, including money transfers, making payments at 1.8 million POS, buying credit for the mobile service and paying bills. Customers will also be able to withdraw money at ATMs. According to ZDNet, the Zoom service targets the unbanked population and hopes to reach a target of 600,000 transactions by the end of 2013.
- Moreover, the mobile operator **TIM** partnered with **Iau Bank**, **MasterCard**, **Dedecard** and **Gemalto** to test the **NFC payments at POS**, while another mobile operator, **Oi**, launched a **mobile wallet** together with **Bank of Brazil** and the **Heaven** company, as reported by mobile Money Latam.
- According to Pulo Social, other players include **industry pioneers**, such as **Pagtel** which has offered mobile payments in Brazil since 2003, and **startups**, such as **Zoop**, launched in 2012 and initially targeting 10 million SMEs in the country by offering portable wireless mobile POS platform. Zoop's mobile POS supports EMV smart chip card payments, NFC payments and traditional cards, according to Crunch Base.

Source: Pulo Social, May 2013; Mobile World Live, May 2013; ZDNet, July 2013; Mobile Money Latam, May 2013; Pulo Social, July 2013; CrunchBase, 2013

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### SAMPLE OUTPUT: TRANSACTION VOLUME

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**In Morocco, B2C E-Commerce transactions made with bank cards grew by +45% y-o-y in value in 2012, reaching MAD 743 mil. (EUR 66 mil.).**

Morocco: Value and Number of B2C E-Commerce Transactions Made with Bank Cards, in MAD million and in thousands, 2011 & 2012

Value of Transactions, in MAD million

Number of Transactions, in thousands

in MAD million

in thousands

2011 2012

513 743

714 1250

+45%

+75%

Definition: number and value of online payment transactions with bank cards at merchant websites  
Source: CMI, AgadirNet, September 2013

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### SAMPLE OUTPUT: PLAYERS

RESEARCH ON INTERNATIONAL MARKETS  
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**Among the prominent players on the South African E-Commerce market are local online retailers and auctions, as well as international sites.**

South Africa: B2C E-Commerce Player Overview, 2013

- According to several different sources, the **leading player** on the B2C E-Commerce market in South Africa is online merchant **Kalahari**. As Euromonitor reports, **Kalahari has a 7% market share**, which is relatively small for a largest player due to high segmentation of the market and rapidly growing number of online shops.
- Also according to Acetric Marketing Research, cited by Business Tech, **Kalahari** ranks as the leading E-Commerce website, followed by international mass merchant **Amazon**, online auctions **Bid or Buy** and **eBay**, a multichannel chain retailer **Woolworths**, and an online classifieds website **Ox**. One of the fastest-growing online shops in this ranking was **Zando**, which after a launch in 2012 managed to become 9<sup>th</sup> online shop by popularity of the 59 ranked online merchants in 2013.
- Emerging player **Zando**, launched in South Africa by Rocket Internet in 2012, started as a shoes online retailer like its German equivalent **Zalando**, but then expanded its product offering across all fashion categories, as Human IPO reports. In October 2012, **Zando** received EUR 20 million investment from Summit Partners, following a previous investment by JP Morgan. **Zando's** online proposition to their customers is similar to **Zalando**, where the delivery as well as the return of products within 14 days is for free of charge.
- Another fast growing online merchant is **Yuppiechef**, which specializes in kitchen tools. According to Ventureburn, the company had a +300% year-on-year growth in 2011 and tripled the number of employees in 2012 from 16 to 54. **Yuppiechef's** strong customer service, free delivery and active social media engagement are reported to be reasons for success.
- Furthermore, **MasterCard** cited in TechCentral, also ranks mass merchant **Takealot** among the market leaders. **Bloomberg** reports that **Takealot** ships around 1,200 to 2,000 packages per day.

Source: Euromonitor, May 2013; Acetric Marketing Research, Business Tech, April 2013; Human IPO, February 2013; MasterCard, TechCentral, July 2013; Bloomberg, May 2013; Ventureburn, March 2013

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# BRIC Online Payment Methods Report 2013 - First Half 2013

## Methodology

### General Methodology of our Market Reports:

- The reports include the results of secondary market research: By using various sources we ensure maximum objectivity for all obtained data. As a result companies get a precise and unbiased impression of the market situation.
- Cross referencing of data was conducted in order to ensure validity and reliability.
- The reports contain a Management Summary, summarizing the main information provided in each chapter.
- Besides providing information on the specific topic, every chart contains an Action Title, which summarizes the main statement of the chart and a Sub Title, which gives information about the country, the topic, the unit or currency, and the time period the data on the chart refers to.
- Furthermore, the source of information and its release date are provided on every chart. It is possible that the information included in one chart is derived from several sources. Then, all sources are mentioned on the chart.
- If available, additional information about the data collection, for example the time of survey and number of people asked, is provided in the form of a note. In some cases, the note (also) contains additional information needed to fully understand the contents of the respective data.
- When providing information about amounts of money, local currencies were mostly used. When referencing them in the Action Title, the EUR values are also provided in brackets. The conversions are always made using the average currency exchange rate for the respective time period. Should the currency figure be in the future, the average exchange rate of the past 12 months is used.
- The reports include mainly data from the last 12 months. The exact publication dates are mentioned in every chart.

### Methodology for our Online Payment Market Reports:

- The Online Payment market reports include information about leading payment methods in B2C E-Commerce, recent trends on the payment market, information about the online payment transaction volume, statistics about online payment users, as well as strategic news about relevant players on the market.
- The "Methods" chapter includes information about the leading payment methods in B2C E-Commerce in the relevant country or region. For example, a breakdown of B2C E-Commerce sales by payment methods, or a ranking of the most popular payment methods could be included. These payment methods not only include payment procedures (such as credit card, bank transfer or online payment), but also payment companies (such as PayPal, iDeal, etc.).
- The "Trend" section includes mostly qualitative information about trends in online payment. The information included in this chapter allows the reader to identify future trends.
- Moreover, the Online Payment report includes information about the "transaction volume" in online payment, for example development of the volume over time.
- The "Users" section includes statistics about online payment users, for example the number or the development over time.
- Finally, the reports include strategic information about relevant players in online payment, for example about new products of a market player, or the expansion to another market.





# BRIC Online Payment Methods Report 2013 - First Half 2013

## Frequently Asked Questions

### WHAT IS THE TARGET AUDIENCE FOR THE MARKET REPORTS?

The target group of our B2C E-Commerce reports are decision makers in top-management, for example from the departments E-Commerce, Business Development, Strategy, Marketing, etc. from large corporations worldwide.

### WHAT TYPE OF RESEARCHERS ARE FINDING THE INFORMATION FOR OUR MARKET REPORTS?

yStats.com employs multilingual researchers that research and filter all sources and translate the relevant information into English. This ensures that the content of the original sources is correctly interpreted.

### WHERE CAN I SEE WHAT KIND OF INFORMATION IS INCLUDED IN THE MARKET REPORTS?

For every market report, a detailed Table of Contents is available, clearly stating what information is included. All Table of Contents can be found on our homepage and in the product brochures of the market reports.

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### WHAT SOURCES ARE USED FOR THE MARKET REPORTS?

The reports are all based on reliable sources including national and international statistical offices, industry and trade associations, business reports, business and company databases, journals, company registries, news portals and many other sources.

### WHAT TYPE OF ANALYSTS ARE WRITING THE MARKET REPORTS?

After the information is researched, it is further analyzed by our international team of research analysts. These analysts have a long experience in the field of E-Commerce research, and they understand the specifications of the market.

### IS THE INFORMATION IN THE MARKET REPORTS COMPARABLE FROM COUNTRY TO COUNTRY?

Due to the fact that the information included in the market reports is derived from different sources, some information is not comparable across countries. Different sources mostly have different definitions.

### IN WHAT FORMAT ARE THE MARKET REPORTS DELIVERED?

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6.1 We shall provide our products in the following standardized data formats: PowerPoint and PDF. For custom research reports, Excel documents may also be provided, upon request.

6.2 You must ensure that you have the corresponding technical resources to make use of these data. You may not derive any claims in this connection on grounds of breach of obligation.

6.3 Upon successful processing of payment, purchases made via the online shop will be immediately available to download. For all offline purchases, upon successful processing of payment, you will receive the requested product(s) and service(s) in the aforementioned standardized data formats, and all additional data pertaining thereto within two (2) business days.

### 7. DEFECTS AS TO QUALITY

7.1 No claims for defects as to quality are triggered by insignificant discrepancies between our products and services and the warranted quality or fitness for use.

7.2 Likewise, no claims for defects as to quality may be derived from entrepreneurial risks - e.g., with regard to questions of entrepreneurial discretion, an erroneous assessment of the market situation or the failure to recognize a business action's merit.

7.3 Defect-based claims are further excluded in cases of excessive or improper use or in connection with damages caused by extraordinary conditions not reflected in the Order Form. This is also true in cases of subsequent changes made by the customers or third parties unless such changes do not affect the analysis and removal of a given defect.

7.4 Claims for defects as to quality expire within one year from the commencement of the legal statute of limitation. This limitation does not apply to the extent that applicable law stipulates a longer period in cases of intentional or grossly negligent breaches of duty on the part of us, fraudulent concealment of a defect and injuries to life, body and health.

7.5 Claims for damages and the reimbursement of expenditures are further subject to Section 9.

### 8. LEGAL DEFECTS

8.1 We are liable for products and services infringing on third party rights only if and to the extent that our products and services are used in accordance with the agreed contractual requirements.

8.2 Unless agreed otherwise, our liability for the infringement on third-party rights is limited to the territory of the European Union and the European Economic Area as well as the place of its services' proper use as agreed under the applicable Order.

8.3 In the event that a third party asserts claims against the customer, alleging that a service performed by us violates its rights, the customer shall promptly notify us. If a service rendered by us violates third party rights, we shall choose one of the below actions, duly taking into consideration the customer's interests:

- a) procuring for the customer the right to use the service; or
- b) revising the service to render it free of legal violations.

8.4 Upon our request, the Customer shall assist us with the defense against third party claims according to this section 8, with each of the Parties bearing the costs of the use of its own personnel and counsel.

8.5 Claims the Customer may hold for legal defects expire in accordance with Section 7.4.

8.6 Claims for damages and the reimbursement of expenditures are further subject to Section 9.

### 9. LIABILITY

9.1 In cases of intentional misconduct and gross negligence, we are fully liable pursuant to applicable law.

9.2 Besides Section 9.1, we are not liable for any damages, especially but not limited to any incidental, special, punitive or consequential damages, loss of profits or loss of data. This limitation does not apply to any claims for damages due to damage to life, body or health in cases of simple negligence and - subject to the limitations set forth hereinafter - due to damage caused by a breach of a material contractual obligation. Material contractual obligations are obligations that (i) you reasonably relied upon at execution of the applicable Order Form and (ii) was of critical significance to the outcome of performance.

9.3 In case of a negligent breach of a material contractual obligation our liability for damages - except for damage to life, body or health - is limited to typical and at the time of the formation of this Contract foreseeable damage.

9.4 The aforementioned limitations do also apply to our liability for fault by our bodies, employees and vicarious agents as well as our bodies', employees' and vicarious agents' personal liability.

9.5 Our liability for damages under warranties (Beschaffenheitsgarantien) is limited to instances in which the warranty expressly includes such liability.

9.6 Claims for the reimbursement of expenditures and other liability claims asserted by the Customer against us are subject to sections 9.1 through 9.5.

### 10. CONFIDENTIALITY

10.1 The Parties shall hold in strict confidence for a period of 10 years of the formation of this Contract regarding all data and information materials of which they gain knowledge as part of a Contract, be it orally, in writing or otherwise, directly or indirectly, provided that such data or information materials are designated confidential or must be considered confidential based on their nature, and shall use them exclusively as part of the services covered by the relevant Order. This duty of confidentiality excludes data and information materials that:

- a) were already known or accessible to any third party at the time of disclosure;
  - b) which is lawfully disclosed to you by a third party that is not subject to a confidentiality obligation regarding this data or information;
  - c) must be disclosed by order of and to a government agency or another competent third party; and
  - d) must be disclosed to legal or tax advisors of the contractual customer in question for consulting purposes.
- In the cases of Sections b) and c) above, the parties shall (i) promptly inform each other about a given request and prior to disclosing confidential information, and (ii) limit the disclosure of confidential information to the minimum required.

10.2 We may use your company name and logo as a reference so long as no contractual details are divulged.

### 11. JURISDICTION, GOVERNING LAW, MISCELLANEOUS

11.1 In Contracts with merchants, legal persons under public law, or special assets (Sondervermögen) under public law, the place of payment is Hamburg, Germany.

11.2 In Contracts with merchants, legal persons under public law, or special assets (Sondervermögen) under public law, all disputes arising from or in connection with any Contract between the Parties shall exclusively be resolved through the courts of Hamburg. Governing law is German law under exclusion of the CISG.