



Digital Wallets to Represent Half of Global eCommerce Sales by 2023, According to 5th Annual Worldpay Global Payments Report

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Report Findings

- **Shifting the balance of payments:** Digital/mobile wallets set to be the online payment method of choice by 2023 with 52 percent market share.
- **Emerging trend:** Buy Now, Pay Later schemes expected to be fastest-growing online payment preference globally over the next five years.
- **Global forecast:** Global eCommerce market is set to increase by 53 percent by 2023, to be worth US\$5.9 trillion.

JACKSONVILLE, Fla.--(BUSINESS WIRE)--Feb. 27, 2020-- Financial services technology leader FIS™ (NYSE: FIS) today released its [Worldpay from FIS 2020 Global Payments Report](#), a comprehensive analysis and forecast of consumer payment trends in 40 countries around the world. The report predicts that digital wallets will represent half of global eCommerce sales by 2023, while “Buy Now, Pay Later” (BNPL) methods emerge as the fastest-growing online payment preference over the next five years.

The Worldpay 2020 Global Payments Report indicates that even as global eCommerce continues to grow to an estimated \$5.9 trillion by 2023, the marketplace is rapidly changing as digital and mobile wallets transform consumer behaviors online. Many diverse factors are driving this change, including the urbanization of emerging economies, widescale technological adoption, the increasing spending power of Generation Z consumers, and the rise of social commerce.

Smartphones are becoming the new wallet for many consumers who are forgoing traditional payment methods in-store, according to the Worldpay report. In 2019, 22 percent of in-store purchases globally were conducted using mobile/digital wallets¹ – up from 16 percent in 2018.² Market forecasters project that more than one billion shoppers will make a digital or mobile wallet payment in 2020.³

“Mobile commerce is set to make up half of all global eCommerce spending in five years because the reach and scale of the technology means you can shop and buy anywhere,” said Shane Happach, EVP, head of global eCommerce, Worldpay Merchant Solutions, FIS. “If a merchant’s payment strategy doesn’t consider mobile-first payment methods like digital wallets and ‘Buy Now, Pay Later’ options, they are going to lose market share to their competitors.”

“While innovations like ‘Buy Now, Pay Later’ grow out of consumer demand, new payment methods win market share when retailers and service providers work to educate shoppers about their options,” said Zilvinas Bareisis, Head of Retail Banking, Celent. “It is upon payments service providers and retailers to educate shoppers by talking to them at the register, or through disclaimers along the shopping experience online. These communication tools should be designed in a way that drives awareness as well as adoption.”

Global Payment Trends

While digital wallets are becoming a preferred choice for online and in-store commerce, BNPL methods are rapidly emerging as a global payment option. BNPL payment services such as Afterpay or Klarna allow consumers to delay payment or to pay by installments over a set period.

The FIS report found that BNPL is the fastest-growing online payment method in Australia, Brazil, France, Japan, the Netherlands, the United Kingdom and the United States, and is set to grow at a 28 percent compound annual growth rate globally over the next five years.¹ The Europe-Middle East-Africa (EMEA) region leads the global market in terms of BNPL usage, comprising 5.8 percent of total eCommerce purchases and expected to grow to 8.9 percent by 2023.¹ North America currently comprises less than one percent of eCommerce BNPL purchases and is expected to advance to three percent by 2023.¹

“Merchants are first and foremost looking for solutions that convert browsers into shoppers. In order to do that, they need to offer the most premium checkout experience out there, which is where mobile technology is thriving,” added Casey Bullock, general manager for global eCommerce, North Americas, Worldpay Merchant Solutions, FIS. “Digital wallets and ‘Buy Now, Pay Later’ represent the art of the possible in a mobile-first consumer market, giving new tools to merchants who must open new doors to shoppers looking for more flexible and personalized ways to pay.”

Regional trends from the Worldpay from FIS 2020 Global Payments Report:

North America

The FIS report indicates that while U.S. consumers still prefer credit cards while shopping online, digital and mobile wallets are set to surpass credit cards as the most-preferred online payment method in the U.S. by 2021. In-store, however, credit cards continue their dominance, comprising 40 percent of U.S. consumer spending in 2019 and forecasted to make up 42 percent of in-store purchases by 2023. In Canada, meanwhile, credit cards remain the overwhelming payment choice, accounting for 51 percent of in-store sales and 60 percent of eCommerce spend. Canadians are also becoming increasingly reliant on bank transfers, which are projected to become the second-most popular form of online payment by 2023.

Europe, Middle East, Africa

In the EMEA region, the Worldpay report forecasts that BNPL methods will account for nine percent of eCommerce spend by 2023, triple the rate reported in 2018, driven by consumer demand for innovative experiences at the register and online. The report projects that debit cards will remain the top in-store payment method in this region over the next five years, while the use of cash at the point-of-sale is set to decline across the region rapidly.

The UK remains a leader in EMEA eCommerce, where consumers now use digital wallets and debit cards in equal measure as the most-preferred online shopping payment method.

Asia-Pacific

China continues to lead the Asia-Pacific region in digital payment methods, according to the Worldpay report. Led by Alipay and WeChat Pay, digital wallets account for 71 percent of eCommerce sales in China and 48 percent of in-store sales. The rest of the Asia-Pacific region is rapidly catching up, however, with digital wallets now accounting for 58 percent of regional eCommerce purchases and expected to reach almost 70 percent by 2023. Digital wallets now surpass cash at the point-of-sale in the Asia-Pacific region, growing from 27 percent of in-store payments in 2018 to 36 percent in 2019. Meanwhile in Indonesia and Thailand, bank transfers are the leading payment preference for eCommerce purchases. Elsewhere in the region, credit cards are set to retain strength in Hong Kong and South Korea, where credit remains the leading payment method both online and in-store.

Latin America

Cash continues to dominate at the point-of-sale in Latin America. The new Worldpay report shows that cash accounted for 58 percent of in-store spend in 2019,² compared to 15 percent in North America and 30 percent globally.¹ The prevalence of cash payments in the region reflects a large unbanked or underbanked population, limited penetration of in-store electronic payment acceptance, relatively high banking fees for consumers, and persistent concerns about fraud. However, the Worldpay report indicates that smartphone penetration amongst Latin American consumers has increased significantly which is driving increasing growth in m-commerce – mobile purchases are set to comprise more than half (57 percent) of all eCommerce purchases in the region in the next five years.

To download the complete copy of the report, including the methodology, please visit <https://worldpay.globalpaymentsreport.com/>

About FIS

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¹ Worldpay from FIS 2020 Global Payments Report

² Worldpay Global Payments Report 2018

³ "Global Mobile Payment Users 2019." Jasmine Enberg, eMarketer, Oct 24, 2019. <https://www.emarketer.com/content/usmobile-payment-users-2019>

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