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PPRO Partner Connect

04 JUNE 2020

Introductions

Nice to meet you



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Ronnie d'Arienzo

Chief Revenue Officer

rda@ppro.com

Ronnie is one of fintech's most experienced and adept salespeople, combining a rare background in and understanding of both tech and finance. Before joining PPRO in 2016, Ronnie held senior strategic positions at large financial corporations, including American Express and Paysafe.



Elian Schweizer

Global Head of Product Management

elian.schweizer@ppro.com

Elian is responsible for the global product management team at PPRO. With PPRO since 2017, Elian is our in-house product expert. He and his team are responsible for the entire value chain for over 150 local payment methods: processing, collection, and acquiring.



Jennifer Archangeli

Product Marketing Manager

jennifer.archangeli@ppro.com

Jennifer is PPRO's Product Marketing Manager in the product management team. Prior to joining PPRO this year, she has been a product and content marketer for and with tech startups, SMBs, and enterprises such as Dell, Microsoft, and Nokia.



Steve Villegas

Head of Partner Development, NA

steve.villegas@ppro.com

At PPRO Steve leads the US operations as VP Partner Management. His responsibilities include setting up and growing the Atlanta PPRO location, supporting existing partners and establishing partnerships with new prospects.



Richard Harrison

VP, Global Partnerships

richard.harrison@ppro.com

Richard is the VP for Global Partners at PPRO. For over three years, Richard has spent his time developing and bringing onboard a range of small to large enterprise partners, to PPRO. Richard has approx 9 years of payments experience, and prior to working with PPRO, worked within companies like PaySafe and PayPal

Agenda

1. Introduction

- Brief welcome and PPRO overview

2. Overview of the local payments landscape

- How local payment methods overtook cards as the lever for growth

3. Local payment methods you need to know about

- BLIK, Sofort, Grabpay, Oxxo and Boleto Bancario

4. 5 top tips for selling LPMs

- How to add value to your offering, increase transactions, and hit your targets

5. Resources for PPRO partners

- E-commerce insights and tools designed to make you the expert

6. Q&A

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1.

Introduction

Ronnie d'Arienzo | Chief Revenue Officer

How PPRO works

A powerful platform-as-a-service



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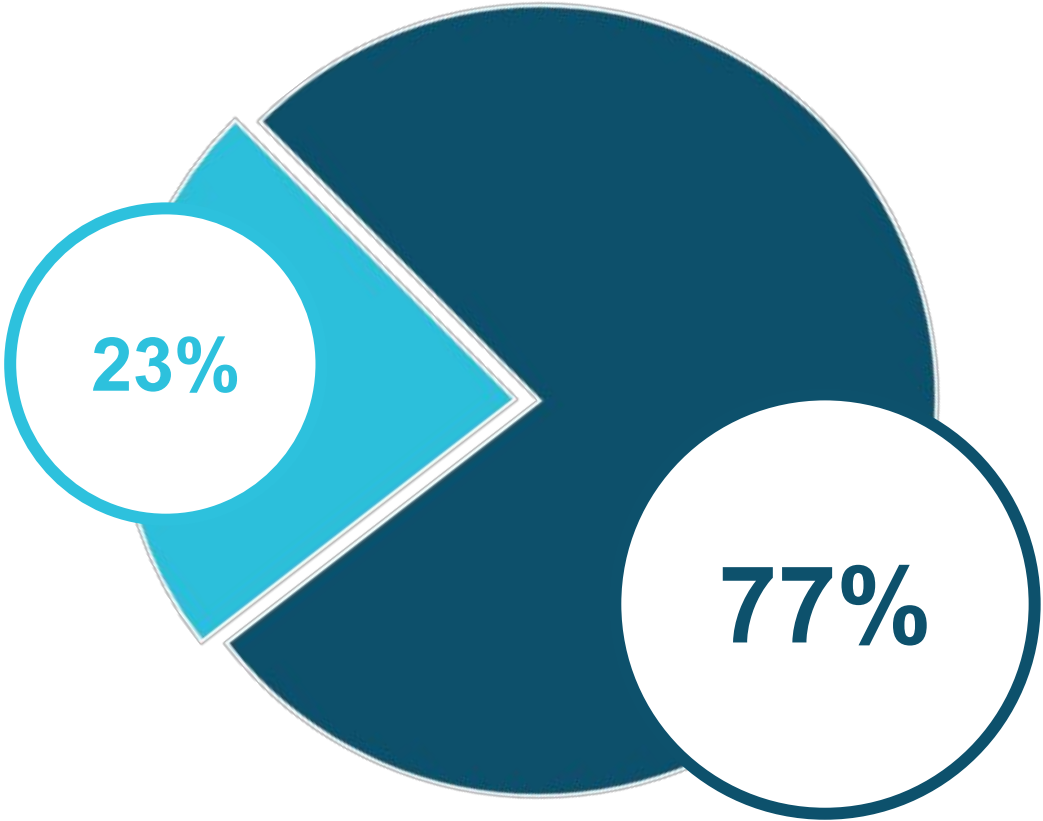


















2.

Overview of the local payments landscape

Ronnie d'Arienzo | Chief Revenue Officer

International credit cards VS local payment methods



	Bank Transfers				
	E-wallets				
	Cash Payment Schemes				
	Local Card Schemes				
	Deferred credit schemes				

Credit cards are forecast to be less than 19% of global e-commerce by 2023.



Local payment methods are a lever for growth

The e-commerce market share of international cards is stagnating

- Payment preferences vary by country, demographic, and the type of purchase.
- Global acceptance of international cards is surprisingly low.
- Formerly called “alternative payment methods,” they are no longer the alternative.



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3.

Local payment methods you need to know about

Jennifer Archangeli | Product Marketing Manager

How do you take your coffee or tea?

Each region has different preferences, determined by various cultural factors



As commerce becomes more global, payments become increasingly local



Europe



Klarna.



LATAM



Local



Local



Diners Club[®]

Local



Local



Local



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APAC



WeChat Pay



Alipay[™]



POLi[™]

eNETS

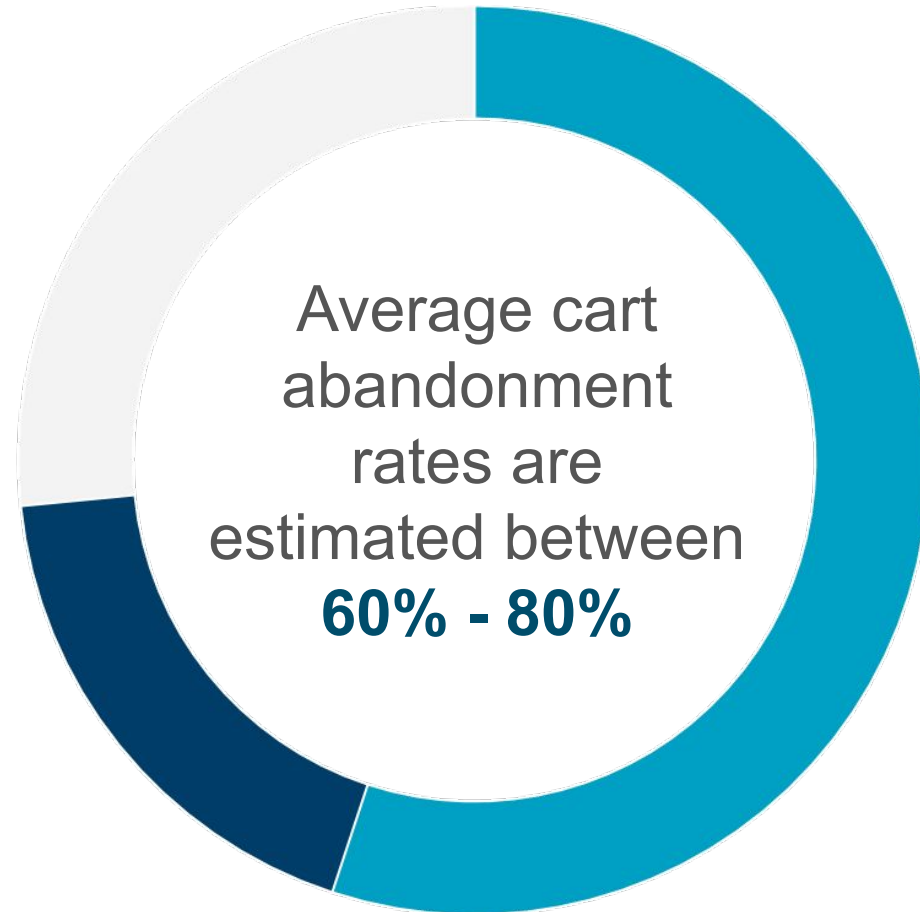
GrabPay



@dragonpay

Consumer preferences and payments

Merchants can maximise conversions using local payment methods

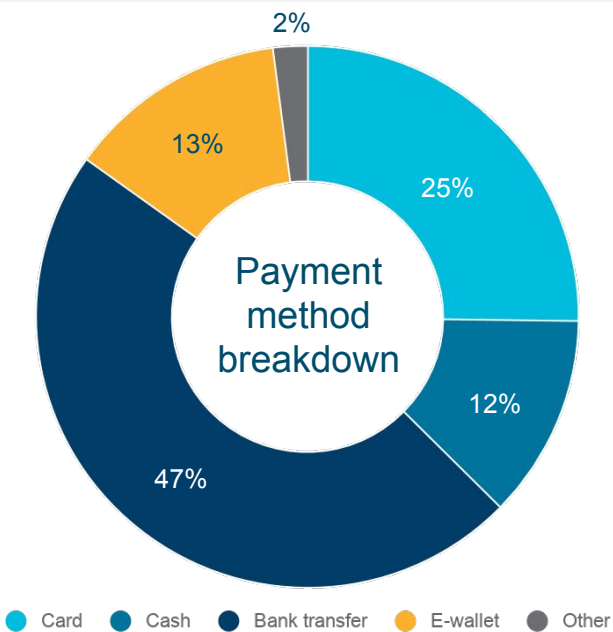
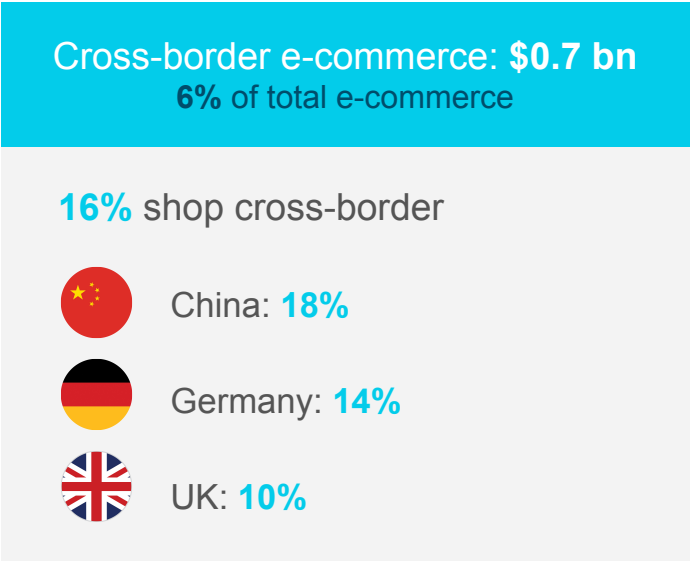


Why do online shoppers abandon their cart?

- 40% shipping costs too high
- 33% price comparisons
- **20% preferred payment method not available**
- 15% delivery time too long
- 12% website too slow
- 12% security concerns
- 11% lack of details on returns
- 8% preferred delivery option not available

Poland

Population:	38 million (28.9 million online)
B2C e-commerce:	\$11.8 billion 5% of total retail
E-commerce growth:	11%
GDP:	\$585.8 billion
GDP per capita:	\$15,424
Average online spend:	\$645
Mobile e-commerce:	39%



BLIK

Poland | Bank transfer | Global merchants



Joint venture 6 largest PL banks

8.39M BLIK users (22% pop)

Launched in 2015 > created and developed in PL

13 banks available

90% PL banking customers

Accessible in 12 mobile banking apps

6.5 times growth since 2017

218M TXN in 2019

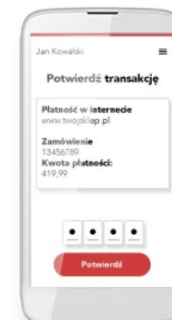
70% BLIK TXN are e-commerce



When checking out online
select the **BLIK** payment
option.



Copy your **BLIK code** from
your bank app and click **pay**.



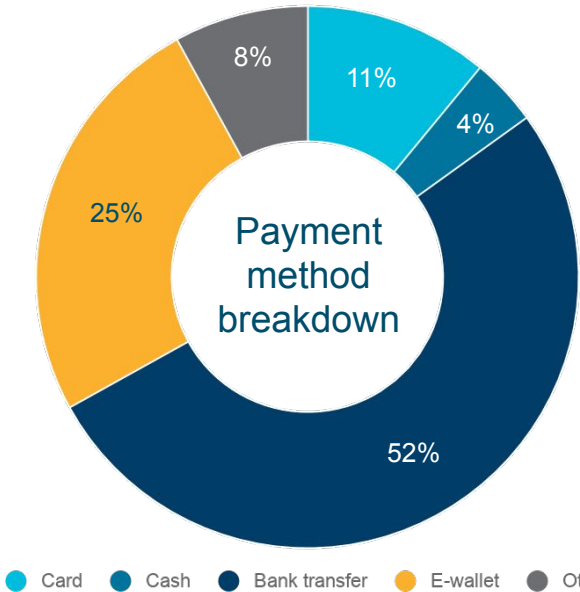
Confirm the transaction
using your **PIN** in your
bank's app.



You're done!

Germany

Population:	82.9 million (77.1 million online)
B2C e-commerce:	\$108.2 billion 16% of total retail
E-commerce growth:	11%
GDP:	\$4 trillion
GDP per capita:	\$48,196
Average online spend:	\$1,824
Mobile e-commerce:	50%



Sofort (Klarna)

Germany | Bank transfer | Global merchants

Founded in 2004 in Munich

66% DE eCommerce sites

acquired by Klarna and the Klarna Group in 2014

Sofort leading brand in DE

96% brand recognition

e-payment scheme usage > 2nd only to PayPal

DE 5th largest e-commerce market in world

75% shop online

Cards usage low due to security/tracking concerns,
leads to bank transfer popularity



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1

Merchant



At online checkout, the consumer selects Sofort as the preferred payment method



2

Payment page redirect



The consumer is redirected to select preferred bank and login to online banking



3

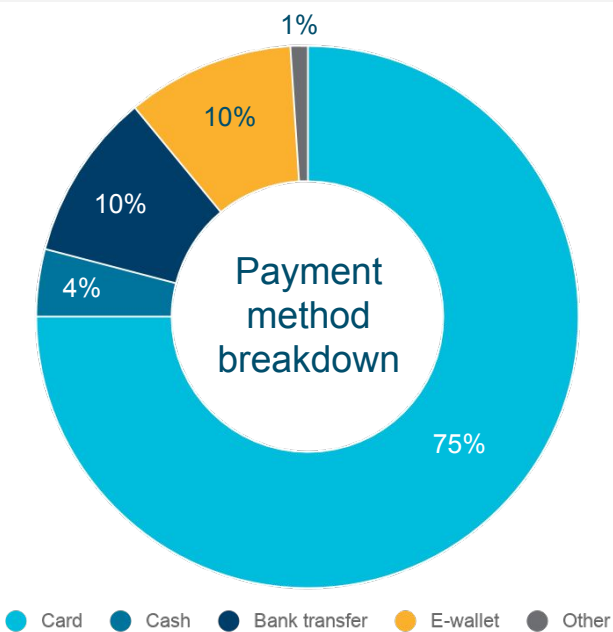
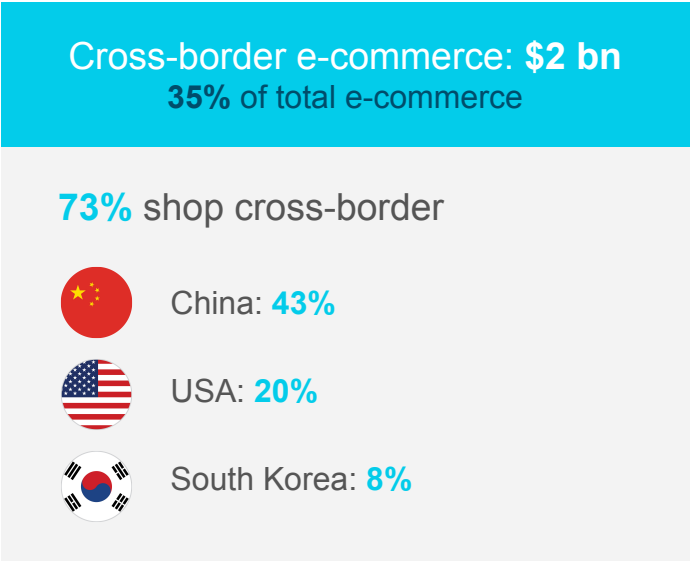
Payment confirm



The consumer authenticates purchase details and confirms payment

Singapore

Population:	5.6 million (4.8 million online)
B2C e-commerce:	\$5.6 billion 6% of total retail
E-commerce growth:	13%
GDP:	\$364.2 billion
GDP per capita:	\$64,582
Average online spend:	\$1,648
Mobile e-commerce:	47%



GrabPay

Singapore | E-wallet | Global merchants



E-wallet in Grab super app

115M Grab customers

Grab: No.1 brand SG, 18-34y
GrabPay: No.1 e-wallet SG

4M GrabPay Users in SG (87% pop)

75% daily consumer usage

2M SG consumers underbanked
(only bank accounts)

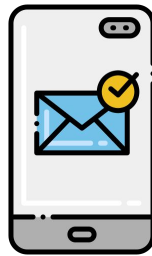
GrabPay markets

SEA coverage growing

Current: SG, MY, PH, TH
Future: ID, VT



When checking out online select the **GrabPay** payment option.



Enter a **mobile phone number** and receive a **verification code** to authorise payment.



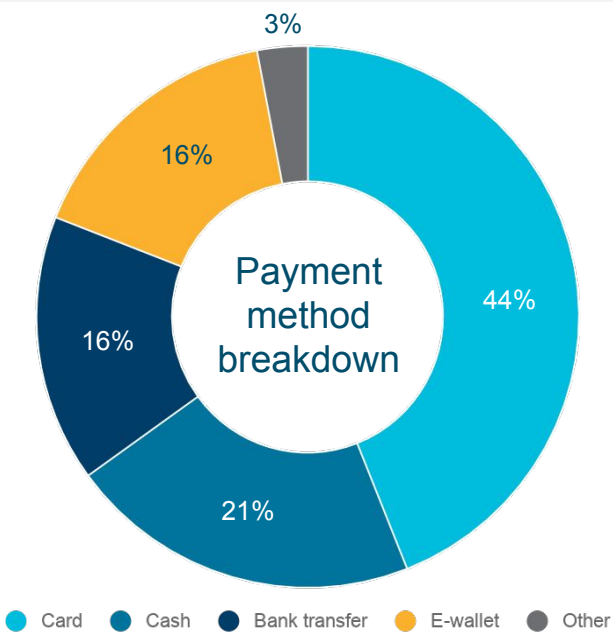
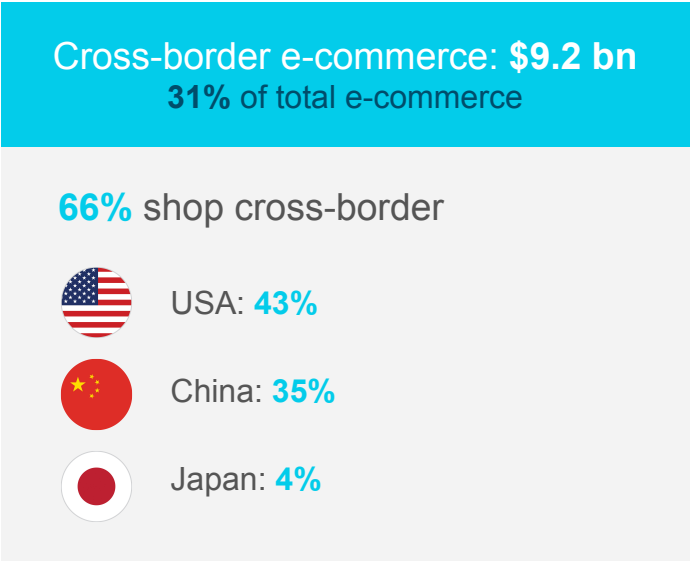
Review your transaction details and **confirm** the payment.



You're done!

Mexico

Population:	126.2 million (83.3 million online)
B2C e-commerce:	\$29.3 billion 2% of total retail
E-commerce growth:	34%
GDP:	\$1.2 trillion
GDP per capita:	\$9,698
Average online spend:	\$595
Mobile e-commerce:	44%



OXXO convenience stores

+19k stores 03.2020
+1365 in 12 mo

Same store sales grew 5.5%

Cards are stable, with and w/o OXXO

**Increases value
for merchants**

OXXO payments add to TXN volume

Income gaps increase cash

**60% workforce
is informal**

63% population is unbanked



The Consumer chooses
OXXO at checkout



After checkout, the
consumer receives a
**voucher with a
barcode** from the
merchant (**local
currency**)



The consumer prints
and brings the voucher
to an **OXXO store** to
make payment.



Payment confirmation:
T+1 business day
Settlement:
Once per week, on
Mondays



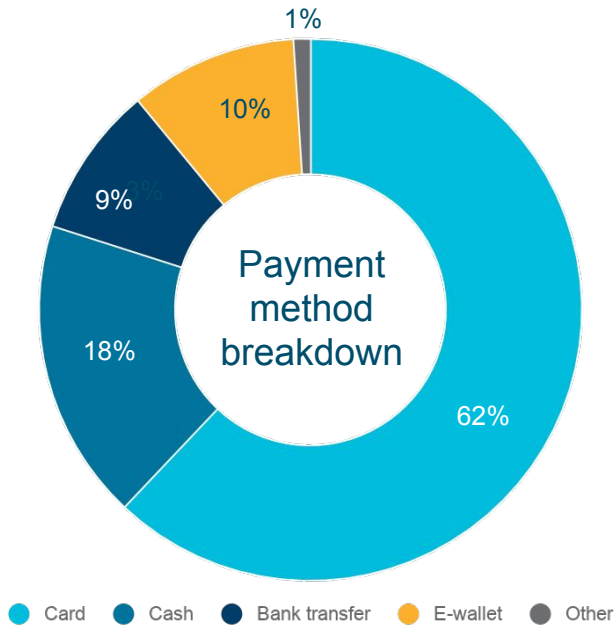
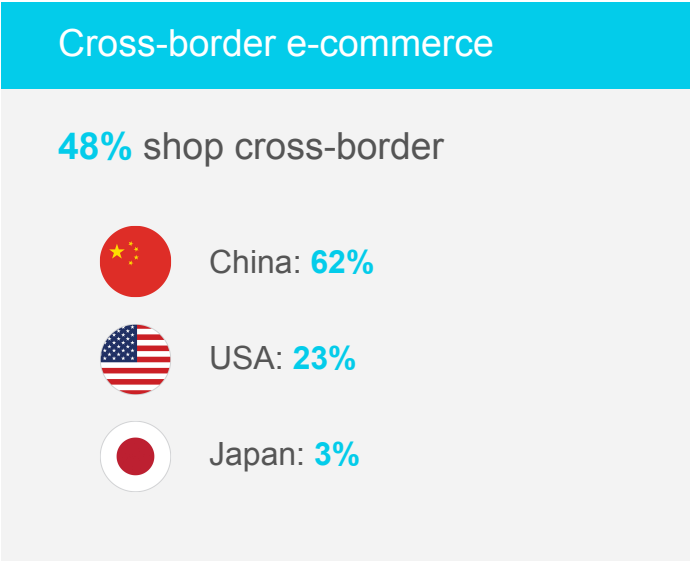
The merchant
receives
confirmation of
payment



Goods
ship

Brazil

Population:	209.5 million (141.3 million online)
B2C e-commerce:	\$20.6 billion 3% of total retail
E-commerce growth:	15%
GDP:	\$1.9 trillion
GDP per capita:	\$8,921
Average online spend:	\$379
Mobile e-commerce:	36%



Boleto Bancário

Brazil | Cash | Global merchants



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Official BR payment method

3.7B TRX per year

Regulated by FEBRABAN,
Brazilian Federation of Banks

Almost half of cash payments

44% of total cash TRX

8 / 18% TRX with cash made with
Boletos

41.4% informal workers (PNAD 2019)

30% population unbanked

Security conscious, youths,
undereducated likely to use cash



The Consumer chooses
Boleto Bancário at
checkout



After checkout, the
consumer receives a
**voucher with a
barcode** from the
merchant (**local
currency**)



Boletos can be:
- printed and paid for in
the banking network
(lottery, supermarkets,
mail)
- paid online



Payment confirmation:
T+1 business days
Settlement:
T+1 business days



The merchant
receives
confirmation of
payment



Goods
ship

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4.

5 top tips for selling LPMs

Steve Villegas | Head of Partnerships, North America

There are over 450 significant LPMs in the world

Here's how to be the expert ... without being an expert



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Tip 1: Know your customer (the merchant)



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Industry

Travel, retail, gaming, software, etc.?

Geography

Where is the merchant located?
Where are their customers?
Where do they want to expand?

Types of products

Physical goods? Digital? Experiences?

Existing payment mix

What methods is the retailer already offering? Are the methods full feature?

ATV

Some payment methods are suited to particular ticket sizes.

Tip 1: Know your customer's customer

Location

This will help you whittle down to the most popular payment methods in their region – the ones they are likely to use.

Age

This can tell you their comfort level with certain payment methods.

Security preference

Do they want to remain anonymous?

Form factor

Do they want to use a QR code? Will they be using offline and online channels?

Culture

Various countries are averse to the debt credit cards can mean, are more security-conscious, or prefer to pay after delivery, etcetera.



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An example

Boosting conversion in The Netherlands

A mid-market American clothes brand wants to expand in Europe by branching out to the Netherlands. Currently, they only offer the major card types and PayPal. Which is what works for their US and UK consumers.

However, in the Netherlands:

- **Over 58%** of all e-commerce transactions are made using iDEAL.
- **Less than 20%** of e-commerce purchases are made with a card.

By not offering iDEAL, the retailer is missing out on the majority of the market.

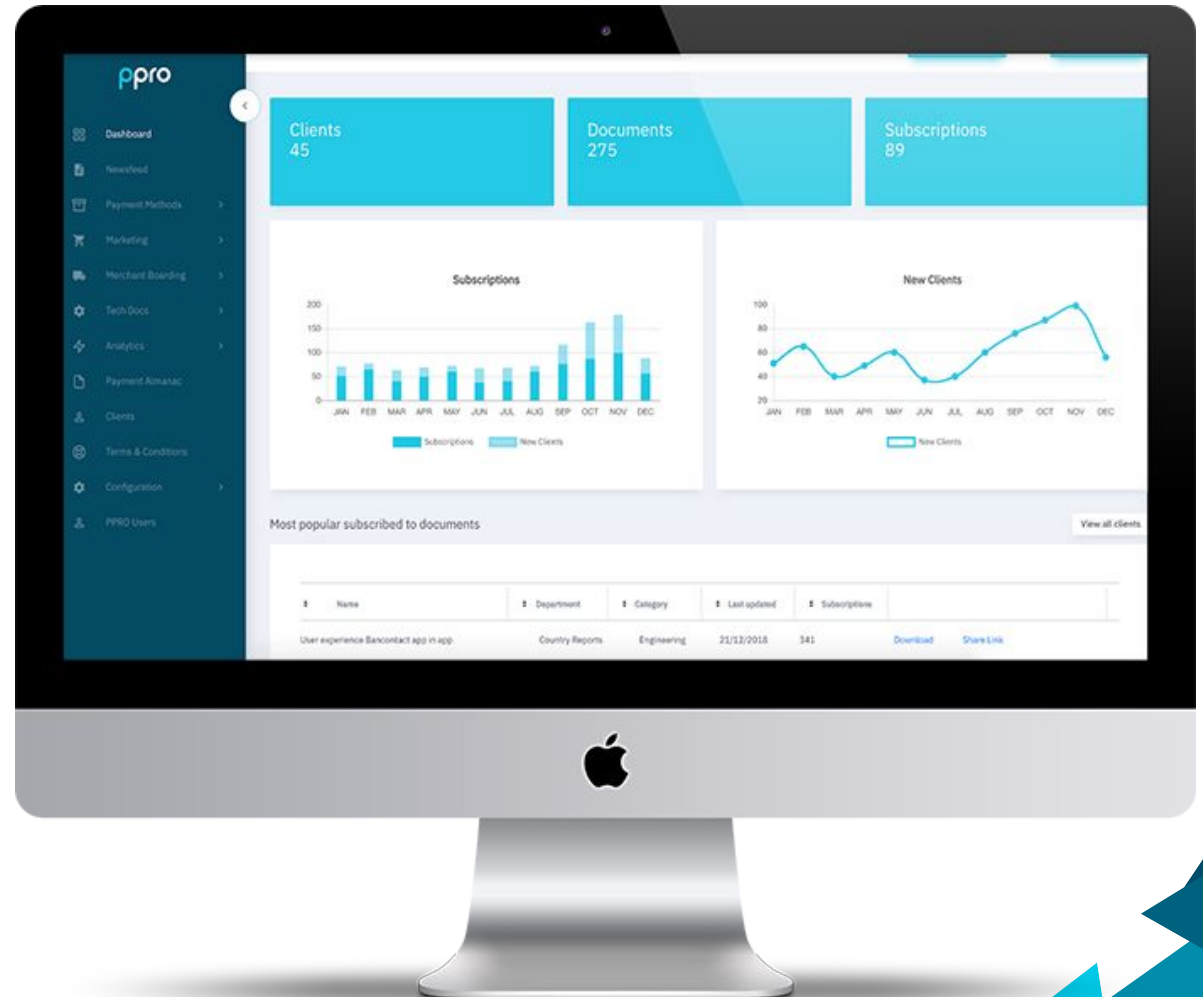


Tip 2: Understand your LPMs

Easy ways to be the expert on hundreds of payment methods

Start with the [PPRO FAQ Document](#). Once you have whittled down your selection, you can find detailed information in a few places:

- **Partner Portal** - featuring real-time data and tools to help you communicate more efficiently with merchants and share white-labelled information, up-to-date information on LPMs, and more.
- **Product Sheets** - a snapshot of all the relevant product info that you can send white-labelled to your merchants
- **UX Documents** - showing the customer experience step-by-step



Tip 3: Amplify conversion rates



44% of UK shoppers
abandoned cart due
to not being offered their
preferred payment method*

Tip 4: Lower risk of fraud & guarantee payments

Over 80% of the LPMs on PPRO's platform carry no risk of chargeback

\$6.4 billion projected merchant losses to e-commerce fraud by 2021, according to Aite Group*

69% of the LPMs on PPRO's platform offer a Payment Guarantee




Tip 5: Pricing

An example from a large PSP's website



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On a **€100** transaction:

 <u>iDEAL</u>	NL	€ 0.25 (Refunds €0.20)
Online Banking		
 <u>Mastercard</u>	Global	Interchange++ (average total 0.90% - 1.10%)
Credit Card		
 <u>Visa</u>	Global	Interchange++ (average total 0.90% - 1.10%)
Credit Card		

- iDEAL MSC = **€0.25**
- Mastercard MSC = **€0.90**
- Visa MSC = **€0.90**

The average totals of Visa / Mastercard that have been quoted are likely to be based on Intra EEA interchange fees which range between 0.20% (debit) and 0.30% (credit).

To match the fees in the this example the ATV would need to be €27.78



5.

Resources

Steve Villegas | Head of Partnerships, North America

A whole world of payments insights at your fingertips

Explore new markets, optimise your payments mix, and increase conversion in every corner of the world.

- Insights for 60 e-commerce markets
- Over 490 local payment methods*
- Exclusively for PPRO partners
- Thousands of hours of research
- The distilled knowledge of our global team of payment experts

*Not all LPMs covered in the almanac are available on PPRO's platform.
The index is an objective view at all the significant payment methods across the globe.



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Additional Resources

Quick Links



- [PPRO Partner Portal](#)
- Videos: [Local Payment Types](#) and [PPRO Partner Model](#)
- [The Online Almanac](#)
 - Order printed almanacs [here](#)
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6.

Q&A

Richard Harrison | VP, Global Partnerships