

# DIGITAL PAYMENTS AND FUTURE OF E-COMMERCE

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# Globalization is the reality of online... Adopt or Resist?

## Everyone is now a technology company.

The payments industry, like many others, is undergoing unprecedented change.

Consumers' experiences with online retailers and "born digital" companies have raised their expectations of digital interactions and transactions. To improve the digital experiences they afford, merchant acquirers and every company across any industry, must deepen their understanding of customer behavior and technology advances and options.

With that said, companies across industries are scrambling to change their perception. Acquirers are no different, and are specifically changing their platform perception.

**Payment Providers = Technology Providers**

**Payments and software convergence has a profound impact on value creation**

### Adapt or Resist

Retailers/merchants/payment providers who resist change and do not innovate will likely see their customer base dwindle and customer retention fall. There is a chance that laggards will disappear altogether.



# What is the fundamental reason of changing?

**Only Z Generation?**



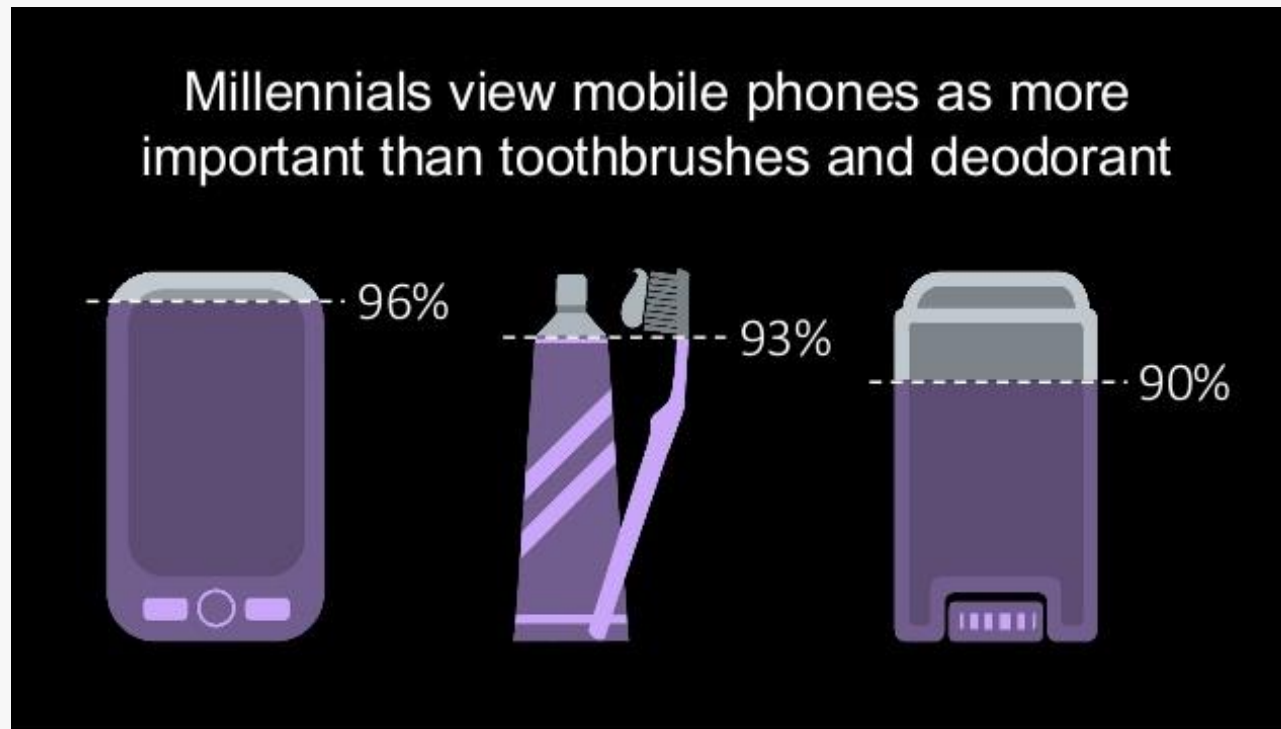
**Behaviors are changing...**



# People realize maximum in 5 minutes that they lost their mobile phones

Instead of living without a mobile phone, I'd rather;

- Sleep in a park %36.4
- Swim across bosphorus %26.6
- Get seperated from the loved ones %32.2



# User Evolution : I.e Tourist Bag!

90's



Clothes



Phone



Video Camera



Camera



Payment Cards



Walkman



Games



City Guide



City Map



Laptop

Today



Clothes



Smartphone



# Digital Customer Behave Differently and Have New Expectations...

## The digital customer behavior...



### Mobile first

Online anytime anywhere



### Hyper-informed customer

Product information, options, reviews at the tips of their fingers



### Intensified shopper behavior

Redefinition of loyalty; price comparison in no time



### Time is the new luxury

One click models, intuitive easy to use interfaces



### A social creature and mindset

Share and listen to multiple networks

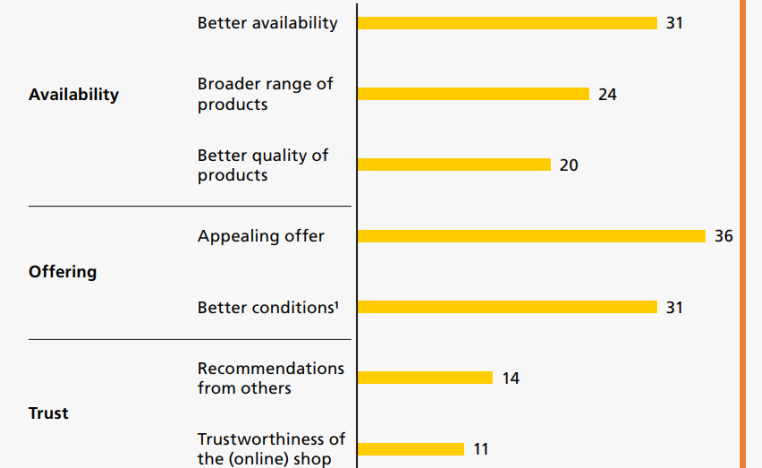
## ...and expectations



**A new and fragmented customer decision journey**

## MOTIVATIONS OF CONSUMERS FOR CROSS-BORDER E-COMMERCE SHOPPING

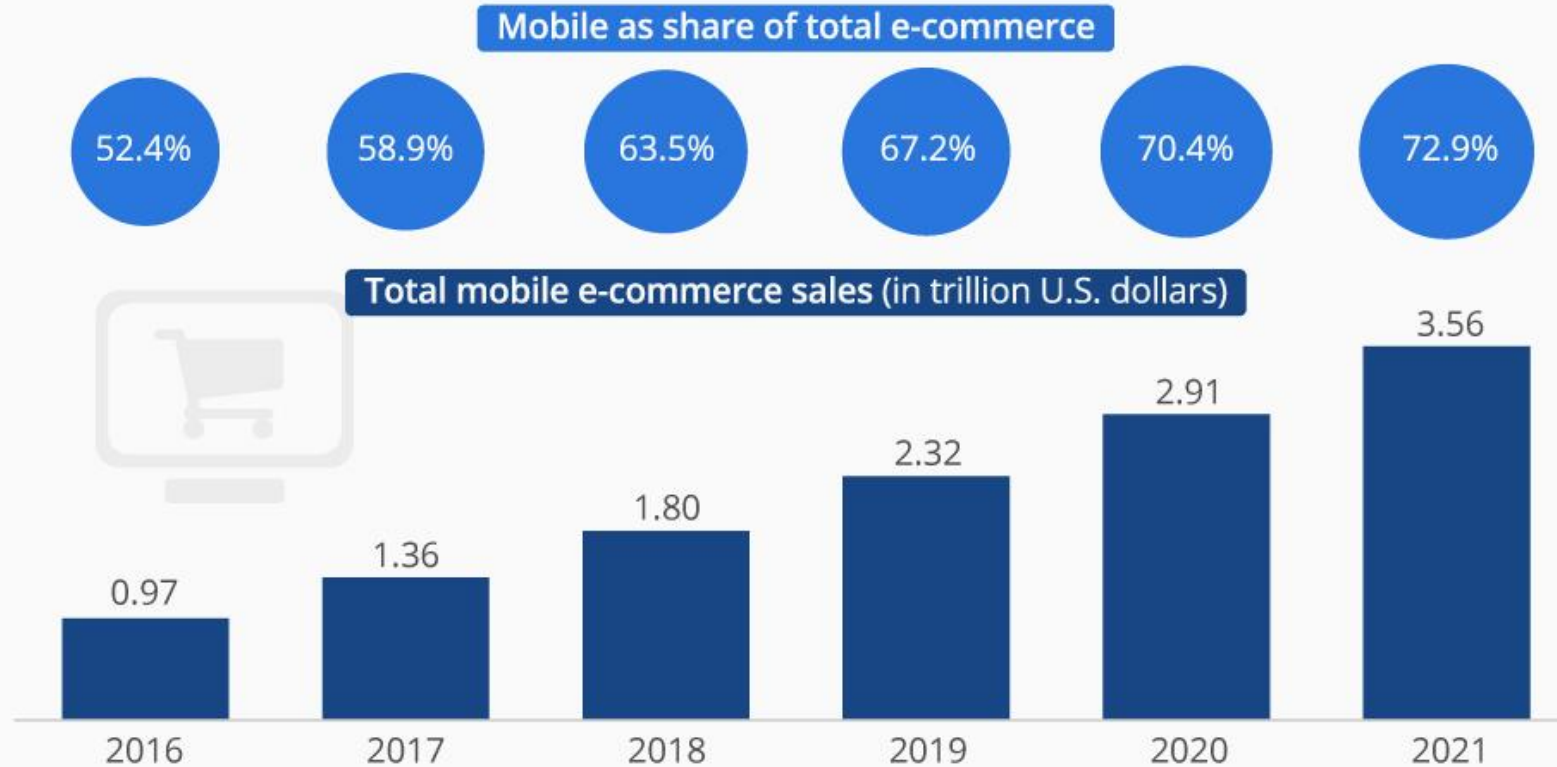
"Why did you purchase the product online from abroad and not from within your country?" Share of respondents in percent



<sup>1</sup> Service, terms of payment, or price  
Source: Google Consumer Barometer

# Mobile E-Commerce is up and Poised for Further Growth

Estimated mobile e-commerce sales worldwide



Includes products or services purchased via mobile devices (including tablets) regardless of the method of payment or fulfilment; excludes travel and event tickets  
As of January 2018

E-commerce with annual 24% growth rate between 2019-2021 will be 8 times higher than the expected annual global economy growth rate as 2.9%

# What is she thinking ?

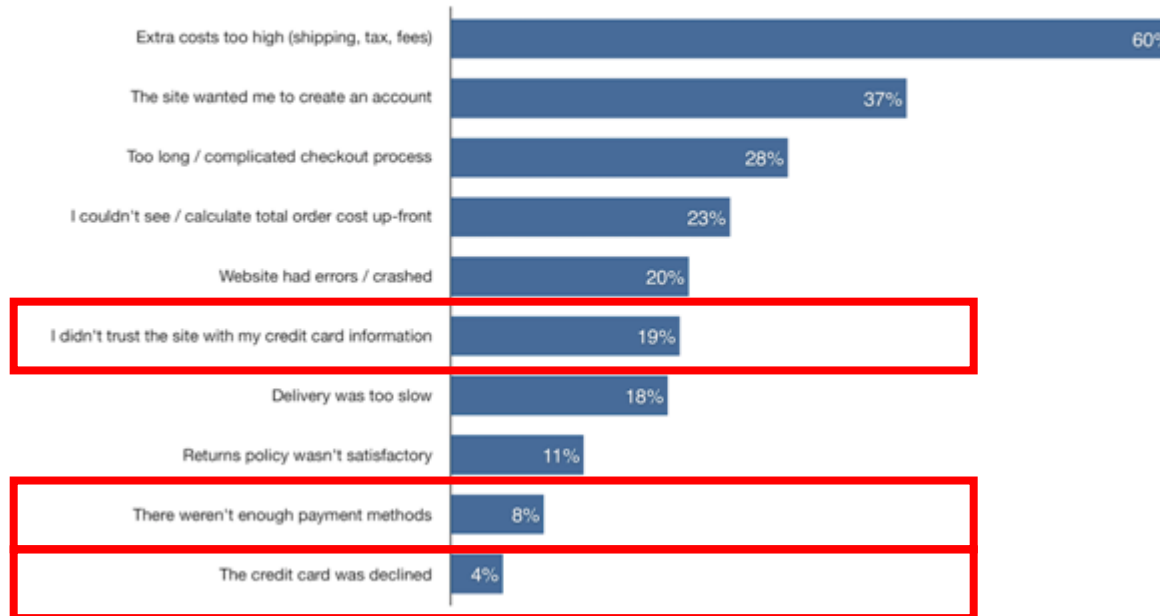


# Payment Step is one of the most important abandonment reason of customers!!!

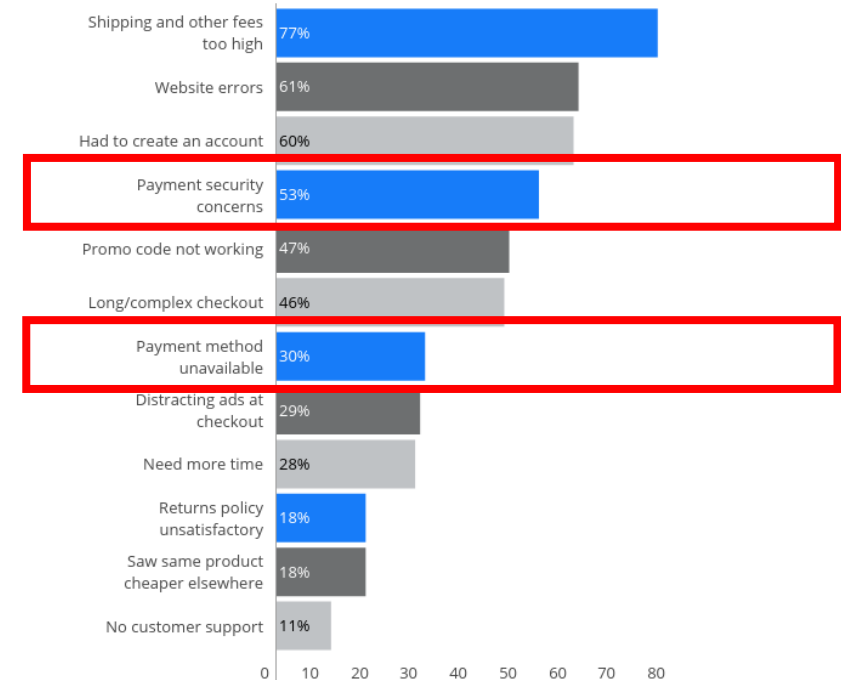
## Reasons for abandonments during checkout

1,799 responses · US adults · 2017 · © baymard.com/checkout-usability

*"Have you abandoned any online purchases during the checkout process in the past 3 months? If so, for what reasons?"  
Answers normalized without the "I was just browsing" option*



## Why Online Shoppers Abandon Checkout



Source: Namagoo, 2018 (Respondents could select up to five reasons)

# MasterPass accepted globally like MasterCard and Now in Azerbaijan

Accepted at more than 350,000 merchants in 41 countries



Masterpass is a global, digital commerce platform that connects consumers and merchants all around the world

Masterpass is currently live in 41 countries worldwide

Australia	Korea
Belgium	New Zealand
Brazil	Poland
Canada	Romania
China	Russia
Colombia	Singapore
Czech Republic	Slovakia
France	South Africa
Germany	Sweden
Greece	Switzerland
Hong Kong	Taiwan
Hungary	Turkey
India	Ukraine
Ireland	United Arab Emirates
Israel	United Kingdom
Italy	United States
Japan	

[www.masterpass.com](http://www.masterpass.com)

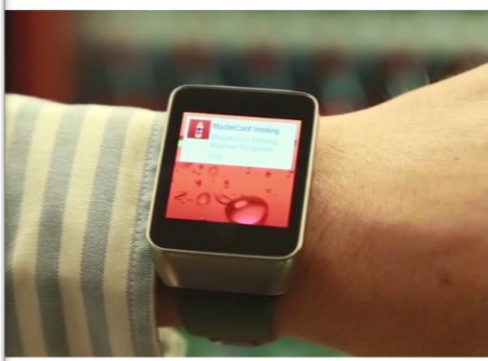
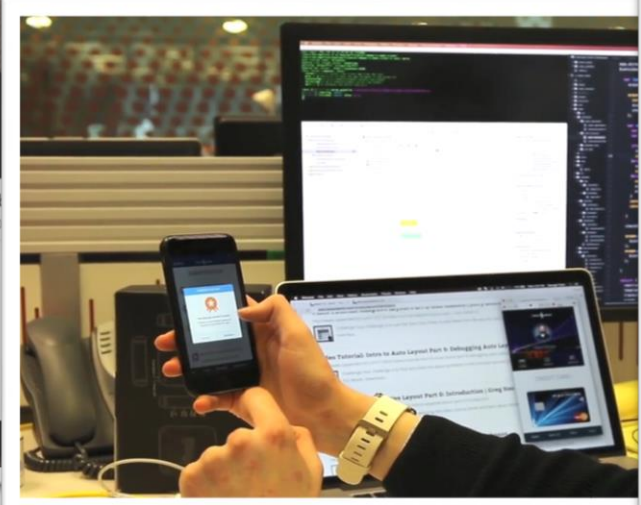
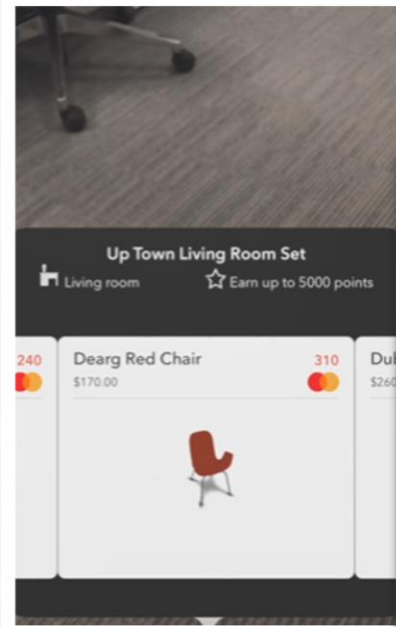
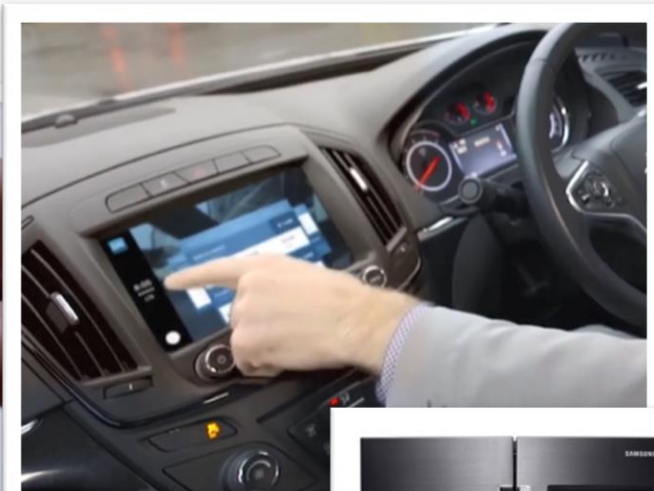
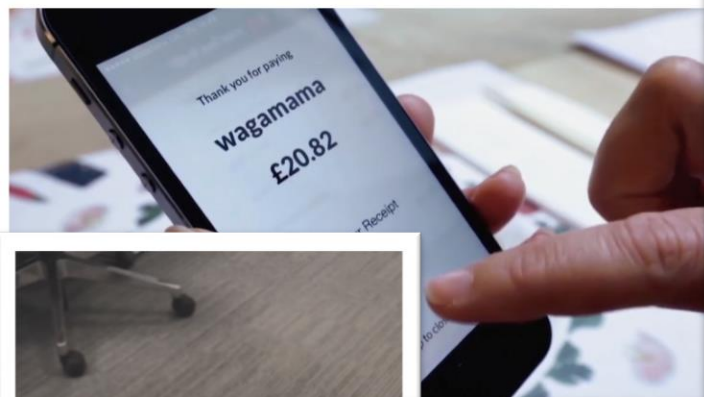


- 1 Kartınızın məlumatlarını birdəfəlik Masterpass-a əlavə edin.
- 2 İstədiyiniz ödəməni seçin.
- 3 Masterpass ilə təhlükəsiz ödəyin.

Etibarlı rəqəmsal ödəmələr: Mastercard®-dan Masterpass™  
Daha ətraflı məlumat: <https://www.masterpass.az>

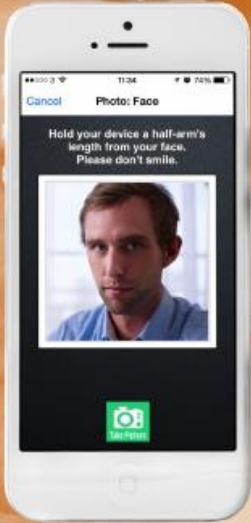


# Each Connecting Device is a Payment Device

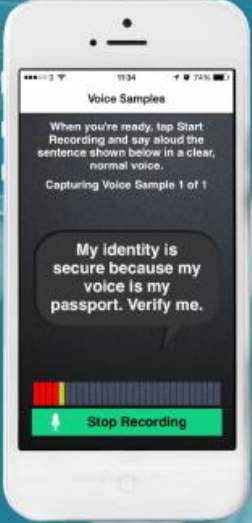


# E-Commerce User Experience will be enhanced by 3D Secure v2.0


## Authentication is critical



Facial Recognition




Voice Recognition

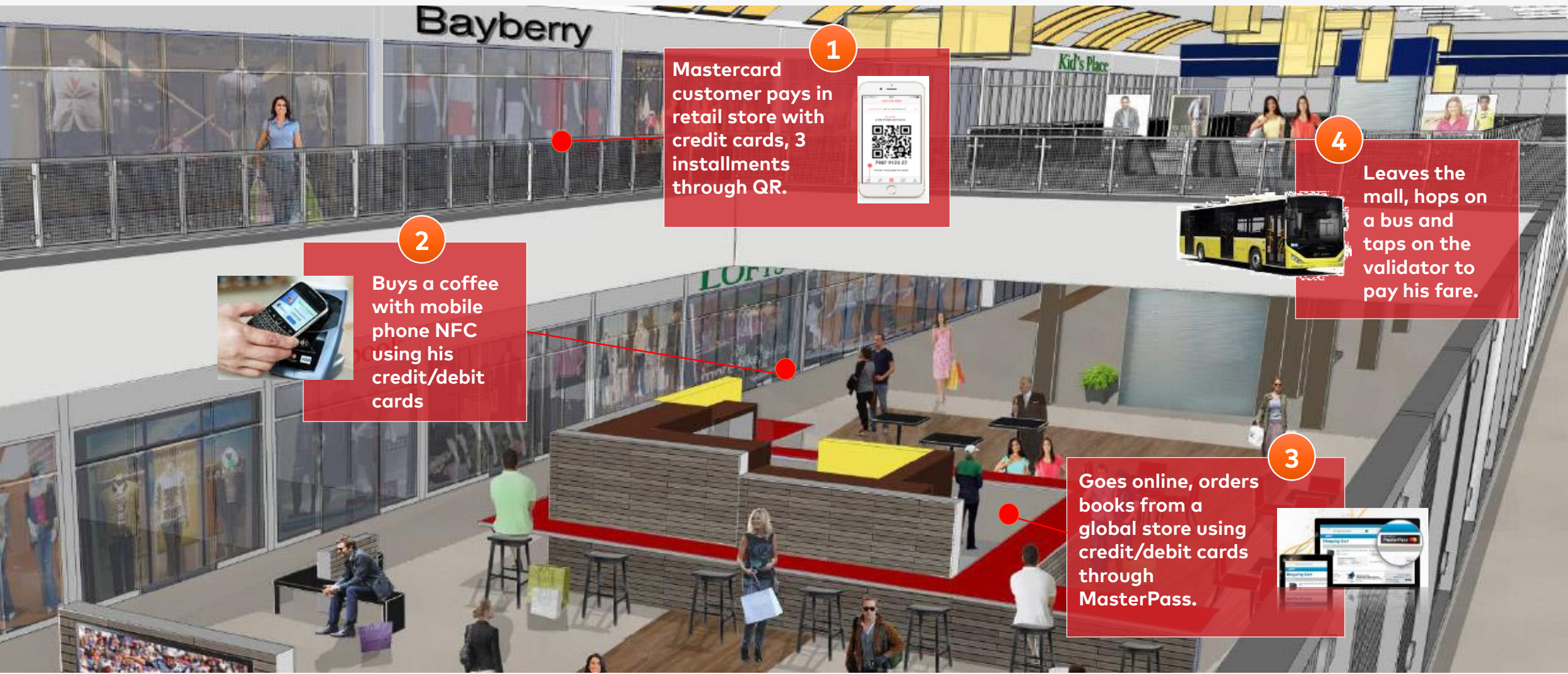


Nymi

and many more ...



# Our Vision Should be Digital Payments in Everywhere



1

Mastercard customer pays in retail store with credit cards, 3 installments through QR.



2



Buys a coffee with mobile phone NFC using his credit/debit cards

4

Leaves the mall, hops on a bus and taps on the validator to pay his fare.



3

Goes online, orders books from a global store using credit/debit cards through MasterPass.



The importance of  
data in future  
proofing for the  
digital world



Thank you