

## The bill, please: Payment trends during the Christmas season

Do I have all my presents? Christmas can be a stressful time of year. Jam-packed streets full of shoppers is not everyone's idea of fun. More and more customers are shopping online. According to a study of the Institut für Demoskopie Allensbach (ACTA 2014) the number of online buyers in Germany increased between 2000 and 2014 by 9.7 percent to 72.8 percent. <sup>1</sup>Per capita, Germans spend an average of 672 euros annually – more than for instance online shoppers in the Netherlands or France. <sup>2</sup>That the e-commerce trend will persist, is the result revealed by the survey conducted by eMarketer: The share of online buyers among Internet users will continue to grow up to 2018 to 47.3 percent (2015: 44.3 percent).<sup>3</sup>

## E-Commerce: Buying Christmas gifts securely. With full cost control.

Secure payment is one of the most important factors when shopping online. The answer to the question: When asked „What they feel threatened by on the Internet?“, 33 percent of the respondents said that they were afraid of fraud during online banking, shopping or an online auction. According to a recent survey conducted by paysafecard<sup>5</sup>, the global market leader in prepaid online payment methods, data privacy is considered to be „very important“ to 86.2 percent of the respondents with regard to payments on the Internet. 46.7 percent answered the question whether they felt uneasy providing bank account or credit card data with „tend to yes“. In an earlier study, 73.9 percent rated paysafecard <sup>6</sup> as a particularly low-risk payment means, as paysafecard, the „cash“ payment for the Internet, is one of the safest means of payment around: The search function on the website helps you find the closest sales outlet quickly and easily. There you can purchase PINs worth 10, 15, 20, 25, 30, 50 and 100 euros and use them to pay for your purchases at thousands of web shops: Simply enter the 16-digit paysafecard PIN. Unlike with most other payment methods, you do not need to register or specify your account or credit card data. The customer therefore does not need to disclose any personal information. Plus the clear differentiation enables full cost control. Another point that plays a big role, according to the respondents of the paysafecard survey was: 92.8 percent rated the cost control aspect as „very important“ or „important“.

<sup>1</sup> German residents age 14 to 69 took part in the

<sup>2</sup> PostNord study „average spending for online shopping per capita in select countries in Europe in 2015 (in euros)“, April 2015

<sup>3</sup> eMarketer study „Share of online buyers among Internet users globally in 2011 and 2012 as well as a prognosis up to 2018“, July 2014

<sup>4</sup> Bitkom study „Data privacy on the Internet. A representative study on the issue of data on the Internet from a user perspective“, 2001.

Survey of 1,000 private Internet users from the age of 14 in Germany.

<sup>5</sup> „PR Study paysafecard“ by Marketagent, November 2015

<sup>6</sup> paysafecard study „Customer Survey“ 2015 by Marketagent

## Selection of payment options:

Providers of online shops that want to remain competitive must offer their customers a broad range of payment options. Studies have revealed that sales volumes of web portals also increase with the number of payment options offered. The study „Internet payment transactions from the perspective of the user“<sup>7</sup> of the E-Commerce Center Cologne has shown that 37 percent of customers would cancel the checkout process if their preferred means of payment was not offered. Traditional payment transactions such as direct debit or COD are becoming less and less important.<sup>8</sup>

## Trend theme Mobile Payment:

Those wanting to pay for their Christmas presents online don't have to necessarily do so from their computer. More and more people are making use of mobile payment. Mobile payment is a payment process made with a mobile device which does not involve cash nor a credit card.<sup>9</sup> German consumers have also discovered the mobile payment trend: A survey conducted by paysafecard<sup>10</sup> revealed that among the 800 participants, 33.2 percent could very well imagine using their mobile phone to make payments. 11.2 percent have already done this.<sup>11</sup> Convenience, speed and flexibility are keywords that can be attributed to the increasing acceptance of this payment method. A study conducted by PricewaterhouseCoopers also predicted a quick increase in mobile payments.<sup>12</sup> The study said that the current customer basis for mobile payment systems is only about 176,000. By 2020, the customer basis will increase to eleven million users. This strong growth can be attributed to the following factors: the fast distribution of mobile end devices, the ongoing strong expansion of e-commerce, increased number of acceptance points (dealers at which mobile payments can be made) as well as new technologies such as Bluetooth Low Energy (BLE), NFC and QR codes.

Security also plays a huge role when it comes to online payments: Within the framework of a study conducted by paysafecard, 36 percent of the respondents indicated that they were afraid that their data would be put to misuse when making mobile payments.<sup>13</sup> Providers such as paysafecard however opt for technologies such as two-factor authentication, which makes mobile phone payments extremely secure. Customers first open the paysafecard app on their smartphone, select the scan2pay QR code scan feature and log in with the user name and password of their „my paysafecard“ online payments account. They then scan the paysafecard QR code displayed in the online shop's payment panel.

<sup>7</sup> Study by ECC Cologne „ Internet payment transactions from the perspective of the user in D-A-CH countries – Results of the survey IZV11“

<sup>8</sup> ECC Cologne study „Prepaid Solutions in the online trade“, October 2010

<sup>9</sup> PwC study „Mobile Payment in Germany 2020. Market potentials and success factors“, July 2014

<sup>10</sup> paysafecard study „Customer Survey“ 2015 by Marketagent

<sup>11</sup> paysafecard study „Customer Survey“ 2015 by Marketagent

<sup>12</sup> PwC study „Mobile Payment in Germany 2020. Market potentials and success factors“, July 2014

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## About paysafecard

paysafecard.com Wertkarten GmbH (holding of all paysafecard companies), www.paysafecard.com, is based in Vienna with subsidiaries in London, Düsseldorf, Lucerne, New York and Buenos Aires, among other places. The company was founded in Austria in 2000 and is a Paysafe Group Plc, which is listed on the London Stock Exchange's Main Market under the stock ticker symbol PAYS.

The company is now present in 42 countries at over 500,000 sales outlets worldwide with its core product paysafecard. paysafecard is a prepaid online payment solution issued and operated by Prepaid Services Company Limited, Part Floor 27, 25 Canada Square, Canary Wharf, London E14 5LQ, United Kingdom. Anyone can use paysafecard; no bank account or credit card is necessary." The paysafecard 16-digit PIN is all that's needed to complete a payment transaction. paysafecard can be used at thousands of online shops. The company has become the European market leader in prepaid payment solutions with the brands paysafecard, my paysafecard and paysafecard MasterCard®.

paysafecard has received numerous awards over the years. These include the Paybefore Award in the categories of „Best Digital Currency“, „Best Virtual or Digital Program“ and „Top Digital Dollars“, as well as in the newly created category "Consumer Value" in early 2015. paysafecard has also been awarded the Paybefore Award Europe in the categories of „Most Innovative Prepaid Solution“ and „Consumer Champion“. In 2014, The New Economy recognised paysafecard as one of the 40 most innovative companies of 2013.

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