

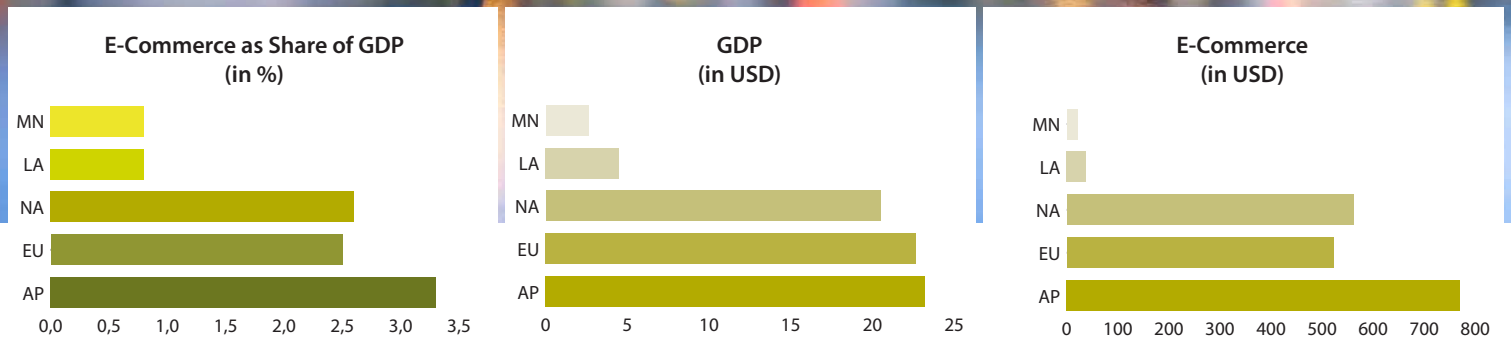


**COMPUTOP'S
PAYMENTS & E-COMMERCE REPORT
WESTERN EUROPE**



Home to nineteen countries and principalities, two major world-language groups, and some of the most important centres of global finance, industry, fashion, and culture, Western Europe is diverse and thriving. From the Fjords of Norway to the Moorish-influenced architecture of Southern Spain, the region offers visitors an unrivalled variety of experience. Economic growth is slower than in other areas, but in part this is a natural function of how mature the Western European market is.

With an average annual income of around \$55,000, compared to a world average of below \$10,000, Western Europe is still a highly attractive market for. This report presents a snapshot of the state of e-commerce in Western Europe as it is in 2016. It covers the 12 biggest markets in the region, which between them make up 87% of its total e-commerce turnover. In it, you'll find insights into the characteristics and behaviour of the Western Europe's 247 million online shoppers.



AP = Asia-Pacific; NA = Northern America; EU = Europe; LA = Latin America; MN = Middle East & North Africa

Last year, Western Europeans bought \$475.7 billion worth of goods and services online. Consumer acceptance of e-commerce is particularly high in the three largest markets – France, Germany, and the UK. Between them, these countries account for over 60% of the region’s online transactions.

Market conditions for e-commerce providers are good across the whole region. Internet penetration is high, over 90% for eight of the 12 countries profiled. More than 95% of the population has a bank account, rising to 100% in many markets. And almost 50% of the population has a credit card, though this varies sharply from market to market.

In general, Western Europeans prefer to stick with established payment methods. This is clear not just in the preference for local e-payment providers such as Sofort, Bancontact, and iDEAL but also in a preference for card payments and bank transfers over newer payment methods such as e-wallets.

In 2014, 55% of all online transactions were paid for by credit or debit card. On average, just 19% were paid for using an e-wallet, compared to – for instance – 34% in Asia. But again, this varies a great deal from market to market, with 22% of Germans using an e-wallet to pay for something compared with just 2% of the Swiss.

This relatively high rate of penetration for established financial services makes life more challenging for vendors of alternative payment methods, such as e-wallets. But for e-commerce players as a whole, it's very good news. Western European banks are generally good at providing digital banking services. A new entrant to the ecommerce market in Western Europe need only choose the right payment service provider, to have instant access to a large market of 'banked' customers that is used to shopping online with familiar and trusted payment methods.

Thanks to the European Single Market, consumers are increasingly happy to make cross-border purchases online, something that the EU Commission is actively fostering with its support for the creation of a Digital Single Market. What impact – if any – Brexit will have on the growth of e-commerce in the region, is not yet clear. Currently the UK is the single largest e-commerce market in Western Europe.

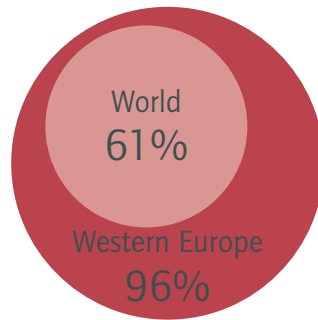
Despite a willingness to shop across national borders, local knowledge and engagement are still crucial to any e-commerce provider hoping to succeed in the region. This is particularly true for payment methods, with consumer behaviour differing starkly from one country to the next. In

the Netherlands, for instance, almost 60% of online transactions are paid for using the Dutch payment service iDEAL. In Denmark, by contrast, local provider Dankort has the largest market share (39%), while iDEAL isn't present at all. Smartphone penetration is high across Western Europe, around 70% on average compared to just 42% globally. And many Western Europeans are now shopping on their mobiles and tablets. The impact of this can be seen in markets such as the UK, where the value of mobile commerce is set to double in the next few years, a startling rate of growth for any segment in such a mature market. Any e-commerce provider in, or preparing to enter, the Western European market needs to ensure that every online customer touchpoint is mobile optimised. Merchants doing this, in particular those whose payment and check-out procedure is mobile-optimised, are seeing considerable success.

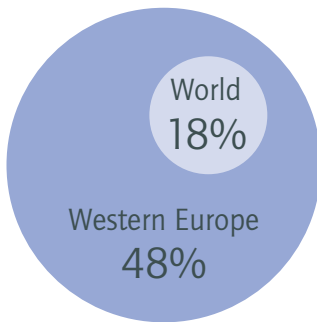
For any e-commerce provider, Western Europe is an extremely lucrative and promising market to crack. And while there are certainly challenges – maturity, high rates of competition, shifting patterns of device usage – with the right strategy and the right partners, the chances of success are good and the rewards high.



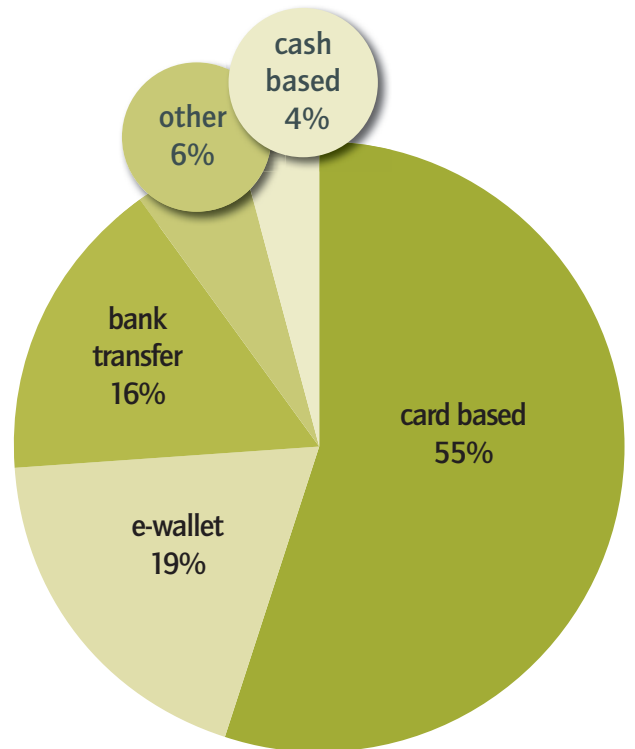
SOME BUBBLES ABOUT WESTERN EUROPE



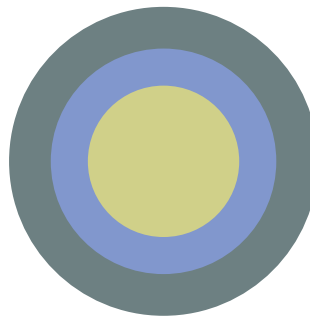
Bank Account Penetration



Credit Card Penetration



503 m people live in Western Europe 100%
369 m people use the internet 73%
247 m people shop online 49%





COMPUTOP'S PAYMENTS & E-COMMERCE REPORT

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AUSTRIA

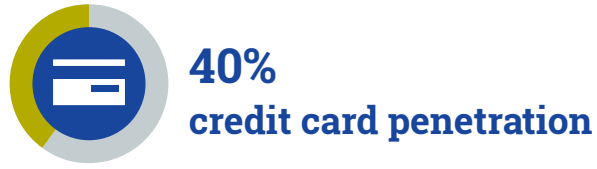
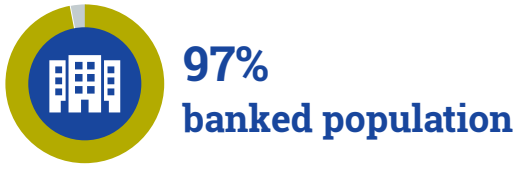


Once the centre of the great Habsburg empire, Austria is now a land-locked and mountainous republic with a population of eight million. The country's economy is sophisticated and diverse, with strong manufacturing and service centres. But by far the most important industry, accounting for 10% of the country's economic output, is tourism.

FINANCIAL INCLUSION

Financial inclusion has been a priority in Austria for at least 10 years. In 2006, the charitable Erste Foundation created the Zweite Sparkasse, offering people that couldn't otherwise get one, a simple bank account with no overdraft and no fees. The initiative has worked

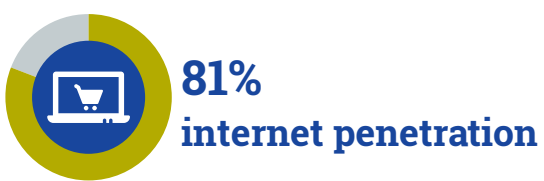
well, with only 3% of Austrians currently without a bank account. Just under three-million Austrians have a credit card. That's around 40% of the adult population, compared to a global average of 18%. Over half of Austrians – 51% – use online banking.



INTERNET & SMARTPHONE PENETRATION

Unsurprisingly for a highly developed economy and a prosperous people, smartphone penetration in Austria is high, at 86%. Mobile devices in general are popular, with an eyeopening 44% of the population owning and using a tablet computer. The state of fixed-line broadband coverage, on the other hand, is mixed. In urban areas it's

good – but bringing improved infrastructure to some of the remote mountainous regions has been challenging (60% of the country is mountainous). The government has committed to delivering universal, high-speed Internet access by 2020.



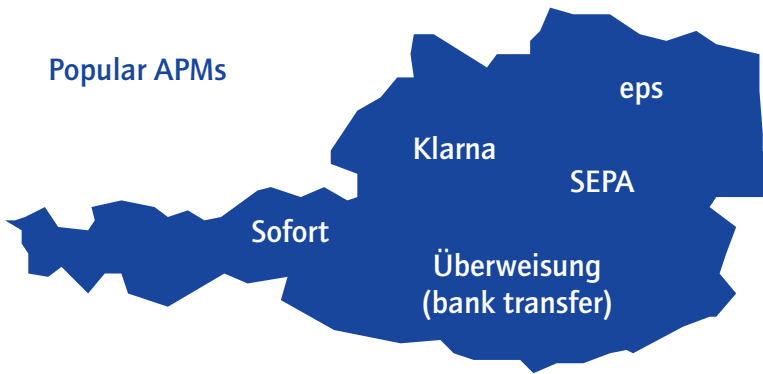


AUSTRIA

E-COMMERCE TRENDS

Almost four million Austrians shop online. And they are Western Europe's big spenders, with each online shopper spending an average of \$3,362 a year. That's higher than any other country in Europe. In fact, only their alpine neighbours in Switzerland even come close. Online sales now make up 8% of the country's total retail sales.

Austrians are, generally, happy to make crossborder purchases; with 83% of those surveyed having done so. Studies have also found that around 40% of Austrians have shopped online using their mobile. The year-on-year growth rate for e-commerce in Austria is 8%. The total e-commerce market in Austria is worth just under \$13 billion.

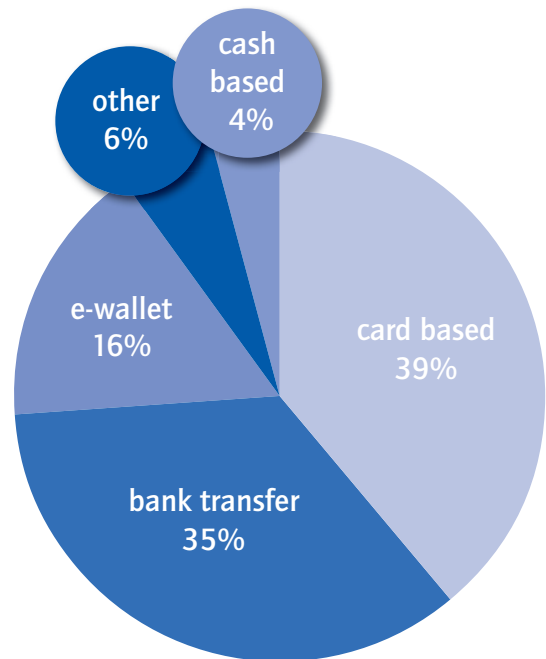


population: 8.5 m
 GDP: 436.9 bn USD
 GDP per capita: 51,191 USD

HOW PEOPLE PAY ONLINE

Austrian shoppers most commonly use either a card (39%) or a direct bank transfer (35%) to pay for their online purchases. Only 16% used an e-wallet; that's 3% lower than the average for Western Europe as a whole. Austrians have access to a variety of payment methods, including providers such as Sofort and SafetyPay that are also available in Germany – facilitating cross-border trade with Austria's larger German-speaking neighbour.

But by far the market leader, with an estimated 15-18% market share, is the Austrian E-payment Standard: a payment gateway set up and run by Austria's banks.



Share of e-commerce transaction



DENMARK



The Kingdom of Denmark consists of the Jutland peninsula, over 400 Baltic islands, and the North Atlantic territories of the Faeroe Islands and Greenland. It is the only country with a part of its territory, Greenland, outside the European Union while the rest remains inside. Unlike other former maritime powers in Europe, Denmark remains a global leader in the shipping industry. It also has a strong off-shore energy sector. Generally, the county's economy is varied but, as with most European countries, dominated by services.

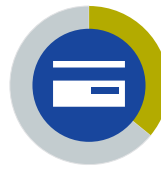
FINANCIAL INCLUSION

One hundred percent of adult Danes have a bank account, making the country a global leader for financial inclusion. Over four and a half million Danes, 36% of the adult population, have a credit card. This is lower than the 48% average for Western Europe, with most Danes preferring debit cards. Danes are very loyal

to their current bank. Even when the banking industry was liberalised, allowing customers to shop around for financial products where they'd previously been tied to their main bank, 36% still chose to buy a further product from their main bank.



100%
banked population



36%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

Currently, 96% of Danes – 5.4 million people – are connected to the Internet. The Danish government's goal is for all Danes to have 100Mbps broadband (with 30Mbps download speed) by 2020. This exceeds the targets set as part of the EU's digital agenda and would

make Denmark one of the best connected countries in Europe. Most Danes – 74% – have a smartphone and use it to access the Internet. Almost 60% say that they use their phone to browse the web as often as, or more often, than they use their computer.



96%
internet penetration



74%
smartphone penetration

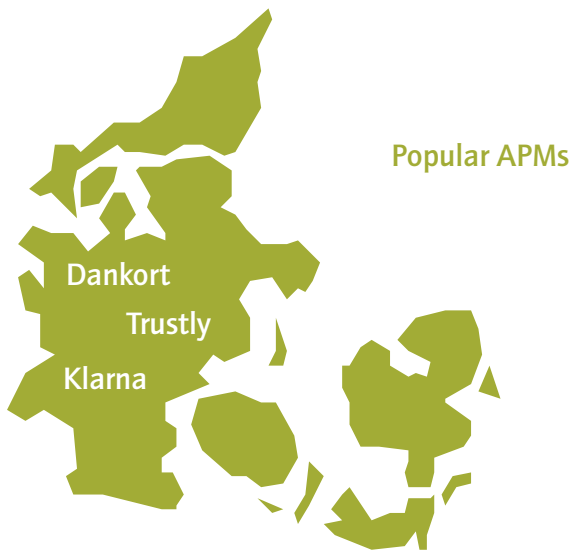


DENMARK

E-COMMERCE TRENDS

According to surveys, 66% of Danes shop online at least once a quarter and 33% do so several times a month. The most popular online purchases were clothes, electronic goods, and media. Only 10% of online shoppers preview a product in a physical store before buying it online. This

indicates a high degree of trust not just in e-commerce providers but also in the legal framework around e-commerce. As well as being trusting, Danes are also demanding: 54% expect their purchases to be delivered within three days or fewer than three days.

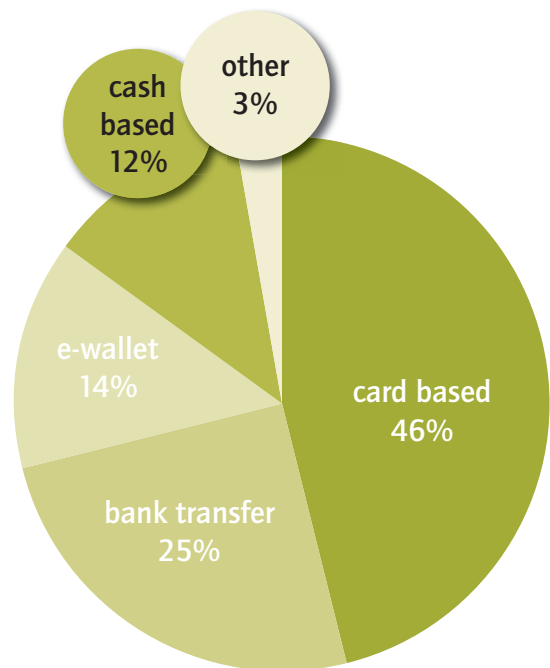


population: 5.6 m
 GDP: 342.4 bn USD
 GDP per capita: 60,707 USD

HOW PEOPLE PAY ONLINE

Denmark's online economy is financed primarily by debit and, to a lesser extent, credit cards. Only 14% of Danes have an e-wallet account, compared to an average of 19% for Western Europe as a whole. A quarter use bank transfers to pay for online purchases and 12% use cash.

But fully 46% of online purchases are paid for using a card of some kind. The leading payment method in Denmark is eDankort – an online payment scheme by a popular Danish card provider – with a 39% market share.



Share of e-commerce transaction



FINLAND



Finland is one of only three countries in Europe to have a non-Indo-European national language. Part of the Russian empire until 1917, it's also one of the few European countries never to suffer either from a fascist or communist dictatorship, having remained a democracy from 1919 to the present day. Finland is now a prosperous Nordic republic with a large manufacturing sector, accounting for 31% of its economic output. It also has one of the best performing educational systems in the world.

FINANCIAL INCLUSION

In a recent study by academics at Imperial College London, Finland was ranked number one in the world for financial inclusion. Bank account penetration is 100%, compared to a global average of just 61%. And 63% of

the adult population has at least one credit card – that's almost three million people. In Finland, even the smallest shops usually accept credit and debit cards, something that doesn't hold true in all European markets.



100%
banked population



63%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

Finland is a huge and sparsely populated country. In the Arctic regions, in particular, much of its terrain is almost impassable and difficult to build upon. Despite this, broadband reaches even the remotest communities – with Internet penetration of 92.4%, one of the highest

digital-inclusion rates in Europe. This is mainly due to the passage of a law, in 2010, which obliged telecoms to provide 1Mbps or higher broadband to every home in the country. Smartphone uptake, on the other hand, is lower than in comparable markets, at only 63%.



92%
internet penetration



63%
smartphone penetration

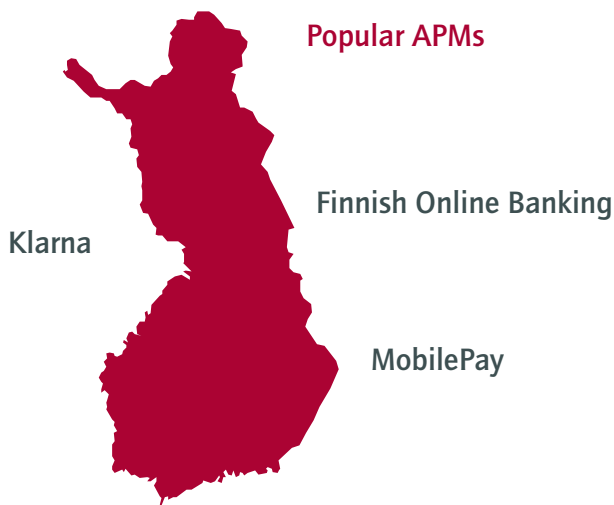


FINLAND

E-COMMERCE TRENDS

Three quarters of Finns report being fluent or near-fluent in at least one foreign language – a statistic that goes some way to explaining their apparent willingness to shop across borders. In 2014, 40% of Finns bought something from a foreign online vendor. The most

popular product categories were books, clothes, and home electronics. A full 52% of Finns have shopped online at some point in their lives. By 2019, the Finnish e-commerce market is expected to be worth \$14.8 billion.

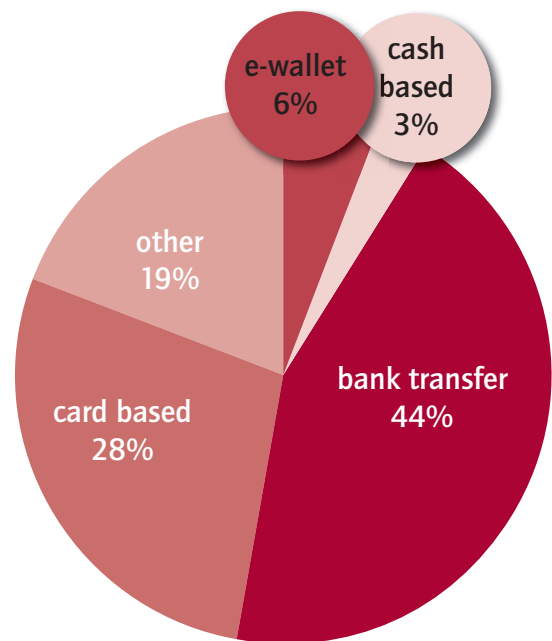


population: 5.4 m
 GDP: 272.2 bn USD
 GDP per capita: 49,824 USD

HOW PEOPLE PAY ONLINE

The most common payment method in Finland is a bank transfer, which 44% of online shoppers use to pay for their purchases. The next most popular payment method was credit or debit card, at 28%. Neither cash (3%) nor e-wallet (6%) has much purchase in the market. The most popular payment provider is the Swedish bank-transfer service Klarna.

This allows customers to pay from their bank account without revealing payment details to the merchant, and has a 10% market share across the region.



Share of e-commerce transaction



FRANCE



Long influential in the arts, culture, science, and industry, France has found a new prosperity in its membership of the European Union, and a new role as part of the Franco-German motor driving that union. The country has the second highest productivity rating in the G20 (only Germany fared better), its economic growth of 1.1% last year beat the Eurozone average, and Paris is still one of the world's major cultural and artistic centres.

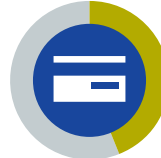
FINANCIAL INCLUSION

Financial inclusion has been on the policy agenda in France for more than thirty years. In 1984, the country passed a new banking law, giving everyone the right to at least a basic bank account. In 2016, only 3% of French citizens do not have a bank account. Credit card

penetration sits at 44%, higher than the global average but lower than the average for the region. More than any other country in Europe, France has a highly developed market for credit and debit card; with one card often combining both functions.



97%
banked population



44%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

Almost 84% of French citizens have Internet access at home. That's good, when measured against the global average. Never the less, there are more digital-outsiders in France than there are in Britain or Germany. Sixty-one

percent of the population has a smartphone which they use to access the Internet, with Android being by far the most popular mobile operating system.



84%
internet penetration



61%
smartphone penetration

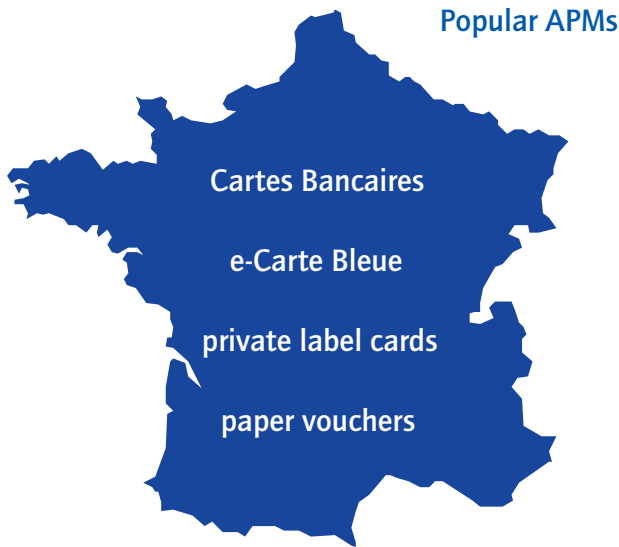


FRANCE

E-COMMERCE TRENDS

E-commerce is growing fast in France, at 11% a year. The market is already, at a value of \$57 billion, the third biggest in Europe, making France a good place to be in e-commerce. A fifth of all online purchases are

made using a mobile. Click and collect is particularly popular in France, with 26% of purchases delivered in this fashion.

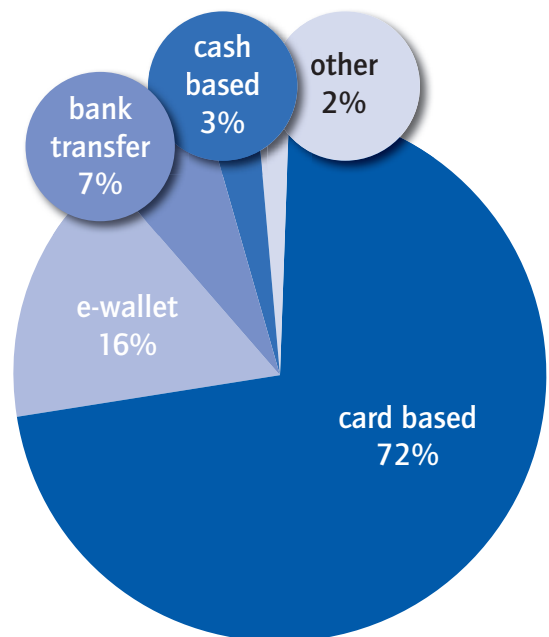


population: 54.0 m
 GDP: 2,829.2 bn USD
 GDP per capita: 42,733 USD

HOW PEOPLE PAY ONLINE

A massive 72% of all e-commerce transactions are paid for by credit or debit card, the largest proportion in any Western European country. E-wallets account for a respectable 16% of the market. PayPal is the dominant e-wallet provider but alternatives such as Visa Checkout and the French PayLib are making inroads into the market.

This does not mean that the e-wallet market is an easy one to crack. Early this year French co-operative bank Crédit Agricole abandoned its e-wallet Kwixo which had been running since July 2011.



Share of e-commerce transaction



GERMANY



One of only three federal states in Europe, Germany has long been at the centre of the continent’s economic, cultural and religious life. After the country’s unification in 1871, it also came to play an increasingly important role in the politics of Europe. Since West Germany’s Wirtschaftswunder of the 1950s, the country has been the undisputed economic engine of Western Europe. Today, Germany is prosperous, stable, and a bridge between east and west.

FINANCIAL INCLUSION

The German public is well served by its network of Sparkassen, or local public saving banks. And in 1995, all major German banks signed a voluntary agreement guaranteeing every German the right to a bank account. The success of these measures can be seen in the country’s

bank-account penetration rate of 99%. And 46% of Germans also have access to at least one payment card. However, only a relatively small number actively use their credit card, with most Germans preferring debitbased forms of payment.



99%
banked population



46%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

At 86.2%, Internet penetration is high but not as high as some of the Europe’s comparably advanced economies such as the Netherlands or the UK. Never-the-less, with over 60 million of its citizens online, Germany represents

a substantial market for any e-commerce provider. Smartphone penetration is 64%, almost exactly the Western European average.



86%
internet penetration



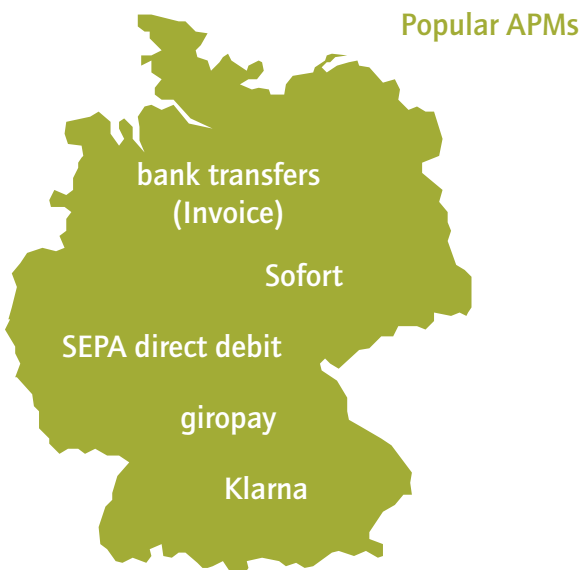
64%
smartphone penetration

GERMANY

E-COMMERCE TRENDS

Forty-nine and a half million Germans – 60% of the population – shop online. Of these, 14 million have shopped with merchants outside Germany. Going by sales volume – almost \$80 billion in 2014 – the country is the fifth-largest e-commerce market in the world. By

2019, mobile commerce is expected to account for under a quarter of all online sales. But the annual growth rate for mobile Internet shopping is currently estimated to be as high as 112%, a strong indication that the market is not yet mature.

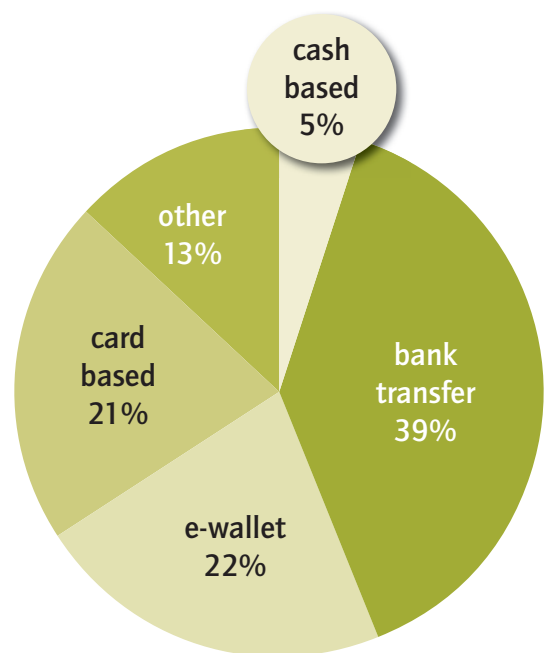


population: 80.6 m
GDP: 3,868.3 bn USD
GDP per capita: 47,822 USD

HOW PEOPLE PAY ONLINE

Germans don't use cards for online shopping to the same extent as other Western European markets. Instead consumers prefer direct payment methods, which allow them to pay using their online banking accounts, with no card-company or other intermediary. E-wallets are also particularly popular in Germany, accounting for 22% of all online shopping transactions.

Notable local providers include Sofort (literally: "Instantly"), a payment system that allows the user to log into their own online banking system at the point of checkout.



Share of e-commerce transaction



ITALY



From Tirol’s Brenner Pass in the Alpine north to southernmost tip of Sicily, Italy is a country of contrasts. Heir to the historical grandeur of classical civilization, Italy is also starkly divided between the rich, industrial north and the more agrarian south. The Italian economy, the third-largest in the Eurozone, is dominated by the service sector, which accounts for around three-quarters of GDP, with manufacturing making up around 23%, and agriculture the remaining 2%. Italy was hard hit by the 2008 recession, but by 2015 had begun to show signs of recovery.

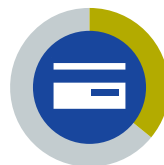
FINANCIAL INCLUSION

Only 87% of Italians have a bank account, well behind the 95% average for Western Europe. According to a 2014 study by the Bank of Italy, this is partly due to cultural preference for paying in cash and partly due to financial inclusion being a late addition to the Italian

political agenda. In 2011, the Italian government started the Save Italy plan, offering a free current account to those who didn’t have one. Credit card penetration is also low, at only 36%.



87%
banked population



36%
credit card penetration

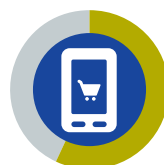
INTERNET & SMARTPHONE PENETRATION

Only 62% of Italians have reliable access to the Internet, 16% less than the regional average and a full 30% behind the best performing countries. Similarly, only 57% of Italians own a smartphone – again, one of the lowest penetration rates in the region. One explanation for the low uptake is that Italy’s population is ageing,

with older people being less likely to buy into new technologies. Another possible reason many Italians aren’t online is that speeds in some areas are slow, discouraging adoption. Again, the Italian government is working to fix both problems.



62%
internet penetration



57%
smartphone penetration



ITALY

E-COMMERCE TRENDS

Approximately 15 million Italians shop online. That's around 25% of the Italian population – a lower participation rate than for other, similar, European countries. However, e-commerce is currently growing by 17.5%, indicating that Italian's may be in the process of

overcoming this reluctance. Most of this growth is driven by the increasing popularity of online marketplaces such as Amazon and eBay. However, the biggest e-commerce site – ranked by unique monthly visitors – is the German fashion retailer Zalando.

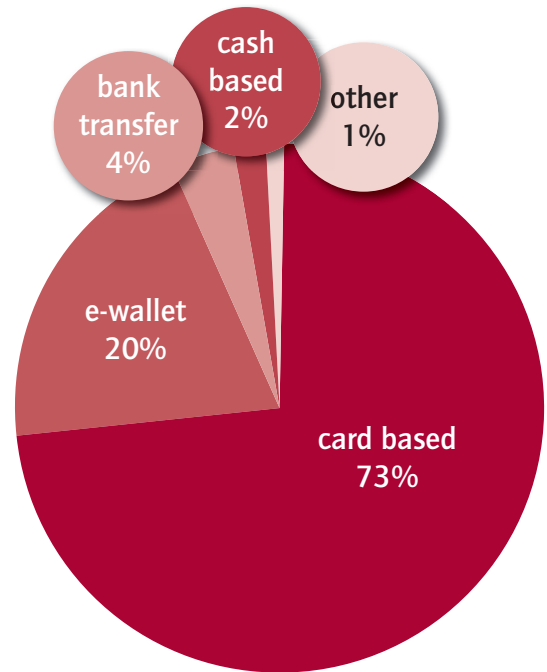


population: 59.9 m
 GDP: 2,141.2 bn USD
 GDP per capita: 34,909 USD

HOW PEOPLE PAY ONLINE

Traditionally, most online transactions in Italy are paid for using a credit or debit card. In a country with a strong cash culture, this has been a barrier to entry.

There are signs that this is changing, with the growing popularity of e-wallets tempting Italian e-commerce refusniks online for the first time. By 2015, e-wallets were being used in 20% of all transactions; a figure that's expected to go on rising in the near future.



Share of e-commerce transaction



NETHERLANDS

With 488 people per square kilometre, the Netherlands is the most densely populated county in Western Europe. The country has been independent since 1648, when it broke away from the Spanish empire. Over the next two hundred years, it rose to become one of Europe's leading mercantile powers. In the modern era the Dutch economy is one of the most open in the world, dominated by the services but with a strong high-tech manufacturing sector.

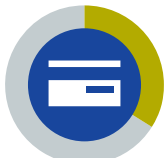
FINANCIAL INCLUSION

Financial inclusion is currently a hot topic in the Netherlands, with the Dutch Queen Maxima making a speech on the subject in May 2016. In fact, the Netherlands is already one of the best 'banked' countries in the world, with 99% of citizens having their own bank account. The banking sector is dominated by a relatively

small number of institutions, something which can be seen clearly in the fact that 94% of credit cards are issued by just three banks (ICS, ING, Rabobank). Like many other West European people, however, the Dutch in general are wary of credit cards, opting for debit cards instead by a ratio of four to one.



99%
banked population



34%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

More than 93% of Dutch citizens have the Internet at home, giving the Netherlands one of the highest rates of Internet penetration in Europe. Dutch ISPS have also invested more than their neighbours in ADSL and

Fibre high-speed Internet connections. Smartphone penetration is also high, at 76% – that's 11% higher than the regional average.



93%
internet penetration



76%
smartphone penetration



NETHERLANDS

E-COMMERCE TRENDS

In 2016, the value of e-commerce in the Netherlands is expected to be around \$20 billion, with the average basket spend worth just over \$1,200. As with other Western European markets, an increasing number of

transactions are made on mobile devices, rising from 5.8 million in 2014 to 8.9 million in 2015. Any e-commerce provider planning to expand into the Netherlands needs to consider a mobile-first approach.

Popular APMs

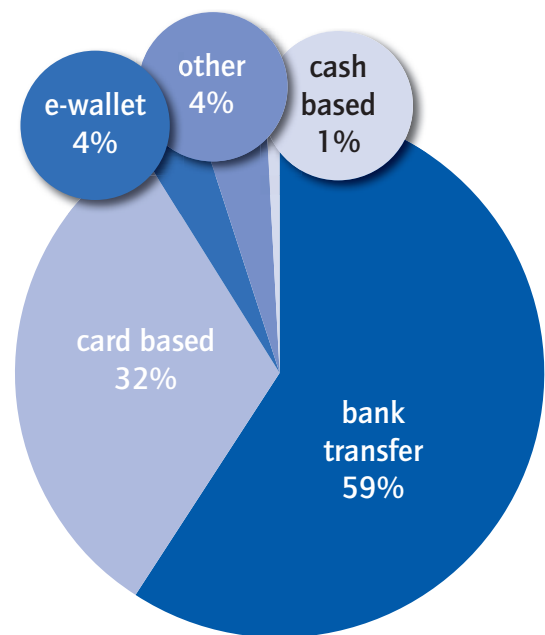


population: 16.8 m
GDP: 879.3 bn USD
GDP per capita: 52,172 USD

HOW PEOPLE PAY ONLINE

The overwhelming majority of Dutch online purchases – 59% – are paid for using bank transfer. By the far the most common means of making bank transfers, is iDEAL; a Dutch service that allows users to securely pay for a purchase using their own online banking account but without leaving the merchant’s website.

The next most common payment method is credit or debit card, at 32%. Neither e-wallets nor internationally branded payment cards have made much of an inroad into a market which still prefers local financial-services providers.



Share of e-commerce transaction



NORWAY

With just over 5 million inhabitants in a country of 385,000 square kilometres, Norway is one of the most sparsely populated countries in Western Europe. As an oil producing nation, this has worked to its advantage, helping it to boost per-capita GDP. At almost 40% of GDP, industry, as opposed to the service sector, is relatively more important to Norway than most of its neighbours. Norway is a constitutional monarchy and since 2010 was, according a study carried out by the Economist Intelligence Unit, the most open and democratic country in the world.

FINANCIAL INCLUSION

Like many other North European countries, Norway has a network of local savings banks, specifically designed to serve citizens. And the law guarantees every resident the right to open a bank account, as long as he or she has either a national ID-number or, for foreigners intending

to stay less than 6 months, a temporary D-number. As a result, every Norwegian adult over the age of 15 who wants a bank account has one. Credit card penetration is also high, with 67% of Norwegians over the age of 15 having at least one credit card.



100%
banked population



67%
credit card penetration

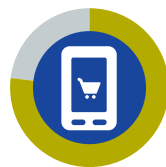
INTERNET & SMARTPHONE PENETRATION

In 2013, the Norwegian government committed to providing 90% of the country's household 100Mbps broadband by 2020. Currently, 96% of Norwegians have access to the Internet in some form, in most cases

broadband. Smartphone penetration is high, at 77%. And 57% of smartphone owners use their phone to go online at least as often as they use their desktop or laptop computer.



96%
internet penetration



77%
smartphone penetration

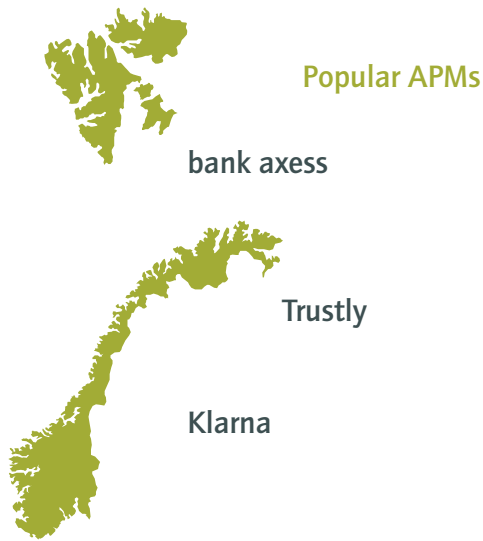


NORWAY

E-COMMERCE TRENDS

In 2014, Norwegian e-commerce was worth just over \$9 billion. Most Norwegians – 62% – went shopping online at least once a quarter, while 36% did so at least once a month. Shoppers were open to making cross-border purchases, with 41% having bought from

the US or the UK and 27% even shopping directly from China. Mobile commerce is also a growing trend, with 32% of smartphone owners shopping on their phones – and over half of them making their purchases using a merchant’s own app.

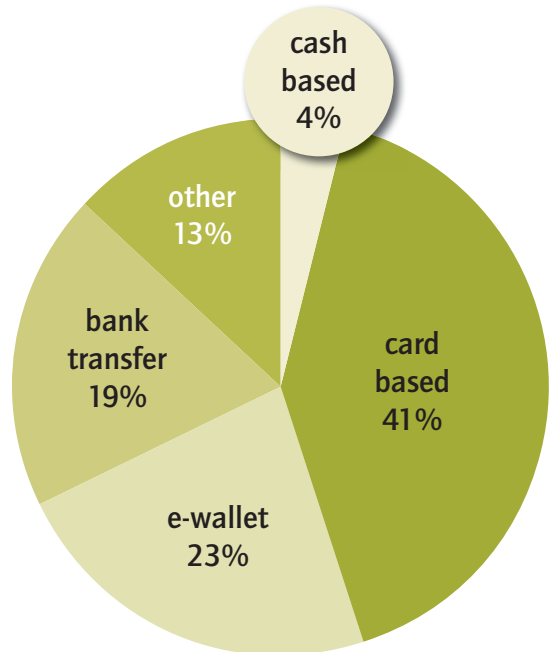


population: 5.1 m
 GDP: 499.8 bn USD
 GDP per capita: 97,307 USD

HOW PEOPLE PAY ONLINE

Comparatively speaking, Norwegians love e-wallets – using them to make 23% of their purchases. But no single e-wallet provider enjoys a dominant position in the market.

By far the most popular payment means, however, are credit and debit cards – with a 41% market share.



Share of e-commerce transaction



SPAIN



This county of 46 million was once the centre of a world-spanning empire – but fell behind other industrial powers in the nineteenth and twentieth centuries. Since joining the EU Spain has undergone rapid economic modernisation. European structural funds helped ease the opening of the economy to outside competition. The 2008 crash brought an end to Spain’s property boom of the early-2000s, sending the country into a painful recession. But by 2016, its economy was one of the fastest-growing in the Eurozone, with a year-on-year growth rate of 2.7%.

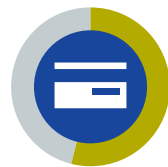
FINANCIAL INCLUSION

Spain has 96 bank branches per 100,000 people, the highest number in Western Europe. Banking is also competitive and highly developed, capable of successfully bringing innovative products such as digital wallets and mobile banking to the market. In fact, Spain has the fourth-highest uptake of mobile

banking in Europe and, in January 2016, even saw the launch of a mobile-only bank, ImaginBank. As a result, 98% of Spaniards have a bank account and 54% have at least one credit card, representing a high rate of financial inclusion.



98%
banked population



54%
credit card penetration

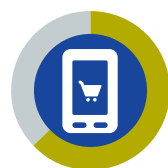
INTERNET & SMARTPHONE PENETRATION

Only 76% of the Spanish people have access to the Internet and 63% have a smartphone – both numbers are below average for Western Europe. In 2013, the Spanish government launched the “Digital Agenda for Spain”, with the intention of boosting Internet access and

spurring investment in digital infrastructure. However, users who are already online show a high degree of digital literacy and acceptance with, for instance, 80% of Internet users accessing the web on both PCs and smartphones.



76%
internet penetration



63%
smartphone penetration



SPAIN

E-COMMERCE TRENDS

E-commerce in Spain was worth just under \$17 billion in 2014. The average online shopper spends \$1,300 a year mainly on clothes, home electronics, and books. One of the main drivers in the growth of online commerce has been the search for value, particularly in the wake of

the financial tightening after 2008. Mobile commerce is popular among Spanish Internet users, and is expected to grow at a rate of 48% over the coming years – the highest growth rate in Europe, after Scandinavia.

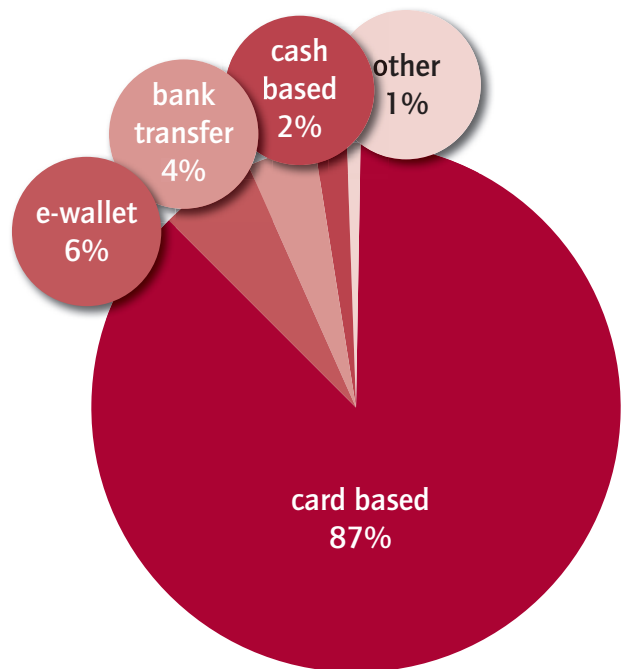


population: 46.8 m
 GDP: 1,381.3 bn USD
 GDP per capita: 29,767 USD

HOW PEOPLE PAY ONLINE

Cards are the most popular payment method in Spain: 87% of Spanish e-commerce transactions were paid for with a credit or debit card. However, e-wallets are growing in popularity – mainly because of concerns about fraud – and are already used in 6% of online transactions.

PayPal is the most popular e-wallet but it can expect some competition later in 2016, when Visa launches its Visa Checkout product in Spain.



Share of e-commerce transaction



SWEDEN



Uniquely among European countries, Sweden has not fought in a war for over two centuries. It has, according to the World Economic Forum, the fourth-lowest gender pay-gap in the world and one of the best income-equality ratings in Western Europe. Despite being the third-largest country in the EU, it has a population of only 9.7 million. Unusually for a Western European economy, industry generates more than 30% of the country's GDP, helped by a strong engineering sector – including household names such as Saab, Ericson, and Volvo.

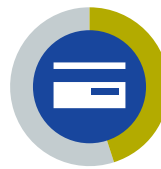
FINANCIAL INCLUSION

Financial inclusion has been high on Sweden's priority list for decades. Under the Banking Business Act of 1987, everyone in the country is entitled to a bank account. Benefits in Sweden are paid directly into a person's bank account, so the law is widely enforced.

As a result, 100% of Swedes who want a bank account have one. Credit card penetration is 45%. The overwhelming majority of Swedes – 82% – use online banking, while 45% also use mobile banking.



100%
banked population



45%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

Currently 92.5% of Swedes have Internet access. In 2015, the Swedish Post and Telecom Authority liberalised the rules for broadband provision, in line with EU recommendations. This is expected to stimulate greater competition among broadband providers, bringing

down the number of unconnected Swedes. Sweden was the first market to launch a 4G data service in 2009. Swedes responded by taking to the smartphone with enthusiasm, leading to a 76% penetration rate.



93%
internet penetration



76%
smartphone penetration



SWEDEN

E-COMMERCE TRENDS

Swedes are also enthusiastic online shoppers, with 35% buying something online at least once a month. As with most other markets, the most commonly bought items are clothing, books, and electronics. Trust in e-commerce is high, with fewer than 20% of shoppers choosing to

preview items in a bricks and mortar store before buying. Almost 40% of online shoppers purchase using a mobile device; and over 35% of them use their browser, so a mobile-optimised site is must for any e-commerce site in Sweden.

Popular APMs



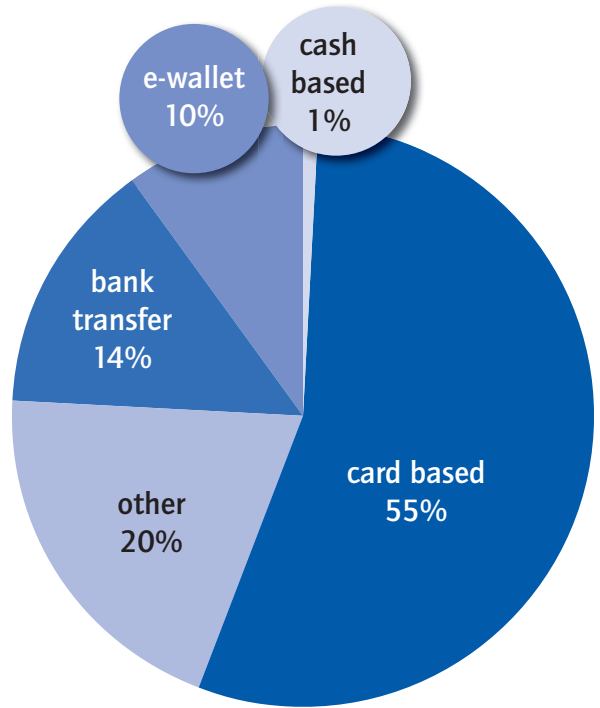
- Klarna
- entercash
- Trustly
- zimpler
- Nordea

population: 9.6 m
 GDP: 571.1 bn USD
 GDP per capita: 58,939 USD

HOW PEOPLE PAY ONLINE

Most Swedish shoppers – 53% – pay for their purchases by credit or debit card. The most popular payment method – with about 30% market share – is Klarna, a Swedish company that allows purchasers to pay with their credit or debit card in just a single click.

Around 14% of Swedes pay for online purchases using a bank transfer, and about 10% with an e-wallet.



Share of e-commerce transaction



SWITZERLAND



Switzerland has existed as an independent federation since at least 1291. Early Swiss history is one of the great stories of human liberty, with the burgers of the Swiss Confederation proclaiming and successfully defending their liberty against feudal overlords. Modern Switzerland is a highly affluent nation; with one of the world’s most influential banking sectors. Although not a member of the European Union, Switzerland has voluntarily harmonised many aspects of its law with EU law, in order to gain access to the single market for key sectors in its economy.

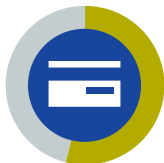
FINANCIAL INCLUSION

Given the prominence of banking in Switzerland’s economy, it’s not surprising that rates of bankaccount penetration are high. Almost 100% of Swiss over the age of 15 have their own bank account. Credit card

penetration is also unusually high, at 54%. Despite this, the Swiss are not prone to large-scale consumer purchasing on credit.



98%
banked population



54%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

Between 2008 and 2014, the number of Swiss Internet users, expressed as a percentage of the population, rose from 79% to 87%. Given the relative difficulty of laying

new infrastructure in much of the Swiss terrain, this is impressive. Smartphone penetration is also high, at 73%.



87%
internet penetration



73%
smartphone penetration



SWITZERLAND

E-COMMERCE TRENDS

The value of Swiss e-commerce grew by 16% in 2014, to a total worth of \$12.7 billion. The Swiss, like the Austrians, are big spenders – the average online shopper

spends \$3,190 a year. The biggest players in online retail include Amazon, Nespress, Zalando and LeShop. But the leader is the Swiss retailer Digitec .

Popular APMs



population: 8.1 m

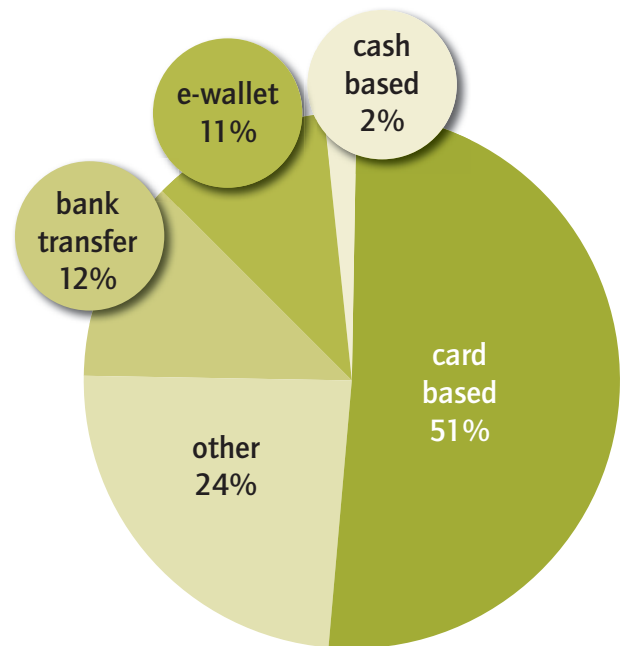
GDP: 701 bn USD

GDP per capita: 85,594 USD

HOW PEOPLE PAY ONLINE

Most Swiss online purchases are paid for by card. Given the exceptionally high credit-card penetration this is unsurprising – consumers are simply making use of an available and trusted infrastructure. The same phenomenon also explains the relatively low uptake of digital wallets.

It is possible, however, that this is about to change – as Swiss banks themselves have begun to develop their own alternative payment methods, including mobile-based point-of-sale payment systems for use in high-street stores.



Share of e-commerce transaction



UNITED KINGDOM

Often referred to internationally simply as England, the United Kingdom is actually composed of England, Scotland, Wales, and Northern Ireland. Once the world's leading industrial power, the country's economy is now dominated by the service sector – in particular by financial services. On 23 June 2016, the UK became the first country ever to vote to leave the European Union. The potential impact of this on the British economy, particularly on the City of London, cannot be under-estimated. Thus far, however, new Prime Minister Theresa May shows little sign of wanting to start the exit process any time soon.

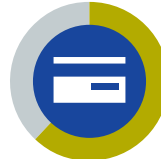
FINANCIAL INCLUSION

Until recently the UK didn't have a financial inclusion strategy. But in 2015, the Financial Inclusion Committee published a range of recommendations, which it is campaigning to have made law. Although bank-

account penetration is high, at 99%, certain groups – for instance recent immigrants and very low earners – are still vulnerable to exclusion. Credit card penetration in the UK is exceptionally high, at 62%.



99%
banked population



62%
credit card penetration

INTERNET & SMARTPHONE PENETRATION

At 74% smartphone penetration, the UK is one of the most mobileorientated online shopping markets in Western Europe. Currently, 91.6% of the population has Internet access at home. However, speeds are variable,

ranging from 40Mbps in urban areas right down to less than 1Mbps in remote locations. The government has pledged to bring high-speed broadband to 90% of homes by 2020.



92%
internet penetration



74%
smartphone penetration

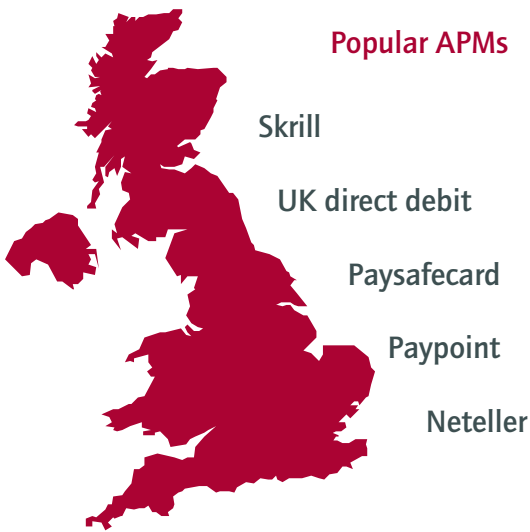


UNITED KINGDOM

E-COMMERCE TRENDS

With sales worth \$157 billion in 2014, the UK is Western Europe's largest e-commerce market, representing 30% of all the region's online sales. Online shopping accounts for 11% of all retail sales; that's the highest proportion in all of Western Europe. And up to 95% of the UK population has shopped online at some point. Only 33%

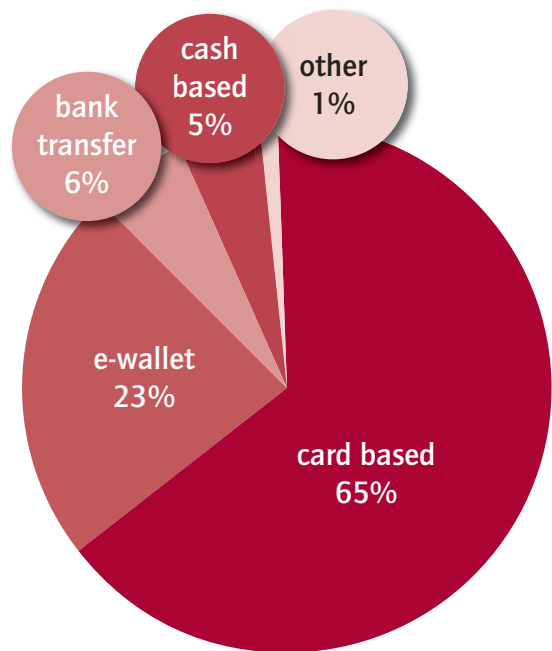
of UK online shoppers are happy to shop cross-border, a phenomenon possibly down to the higher cross-border charges and delivery times incurred because the UK is separated from mainland Europe. The UK is also the world's third-most popular market for crossborderonline shoppers.



population: 68.1 m
 GDP: 2,988.9 bn USD
 GDP per capita: 46,332 USD

HOW PEOPLE PAY ONLINE

By far the most common payment method in the UK is credit or debit card. E-wallets have not yet taken off in the UK. But cash-based payment is relatively popular.



Share of e-commerce transaction

Computop is a leading global payment service provider that provides compliant and secure solutions in the fields of e-commerce, POS, m-commerce and Mail Order and Telephone Order (MOTO). The company, founded in 1997, is headquartered in Bamberg, Germany, with additional independent offices in China, the UK and the US. Computop processes transactions totalling \$24 billion per year for its client network of over 14,000 large international merchants and global marketplace partners in industries such as retail, travel and gaming. Global customers include C&A, Fossil, Metro Cash & Carry, Rakuten, Samsung and Swarovski. In cooperation with its network of financial and technology partners, which it has expanded over many years, Computop offers a comprehensive multichannel solution that is geared to the needs of today's market and provides merchants with seamlessly integrated payment processes.

Sources: PPRO and Edgar, Dunn & Company



Computop have been partnering with PPRO for a number of years and many of the alternative payment methods mentioned in this guide are provided through this partnership. PPRO provides Computop access to, processing and collection services for alternative payment methods and value added services, all through one API. Computop's merchants can benefit from this partnership via only one contract for more than 100 alternative payment methods, via their same integration, a single platform and with only one settlement for multiple APMs.

<https://www.ppro.com/acquiring/>

For questions and inquiries about Computop's solutions, contact a payment specialist in your area or visit www.computop.com.

Computop GmbH

T: +49 951-980-0922
sales@computop.com

Computop Inc.

T: +1-800-701-7806
usa@computop.com

Computop Ltd.

T: +44 1932-895735
uk@computop.com

Computop China

T: +86-152-1432-8818
info@computop-china.cn