

Industry Trends - Online Payment Service Providers

Research Report January 2023



HIGHLIGHTS

- **E-commerce is still growing, creating more opportunities for payment service providers (PSPs)**
- **While dominant payment methods are comparable across the globe, there are important regional differences among PSPs**
- **Select smaller PSPs have shown massive growth throughout 2022**
- **Buy Now Pay Later providers continue to grow on the web**

INTRODUCTION FROM CO-FOUNDER GIJS BARENDS

The very start of Dataprovider.com, more than ten years ago, was when the largest PSP at the time asked for our help in identifying online stores and their payment methods. Since then, I've been fascinated by the world of payments. These companies make e-commerce possible and have truly transformed the economy to bring prosperity and access to goods and services to billions of people.

A lot has happened in ten years: we started tracking the web only in the Netherlands but now have global coverage. We have added many features and technologies, started measuring website traffic and continue to enumerate how different technologies are used on the web.

This means that now is a great time for our first industry report on the payment industry. I hope you enjoy reading it as much as I did and find valuable insights from our data. I want to thank the team at Dataprovider.com for their contributions to this report.

ABOUT

At Dataprovider.com, we transform the internet into an ever-growing structured database. Every month we collect data from more than 600 million domains worldwide and structure the data into over 200 data fields, from technical to marketing information, such as hosting, content management system, estimated number of web visitors and many more.

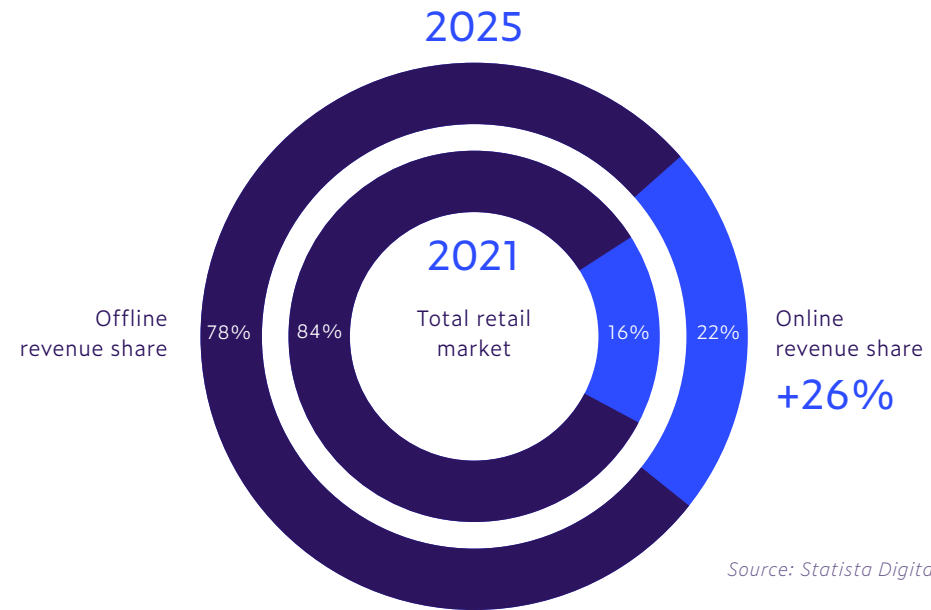
In this research report, we share research and statistics about the state of online PSPs, as well as relevant industry insight. We provide this brief report to highlight important trends in online payments — such as the most popular PSPs and the fastest-growing newcomers — to industry analysts, media and businesses.

METHODOLOGY

This report is based on observational data from 136 million active websites, of which 8.1 million specify at least one PSP. The data is provided for the purpose of enabling insights into the PSP market to show the potential of web data in gaining a market overview, competitive insights and opportunities for innovation. It is not representative of true market performance, rather an indication of how the market is performing based on implementations on the web. While we take great care in the collection, processing and analysis of our data and have the highest quality checks in place, readers are encouraged to exercise their own skill and care when evaluating the completeness and relevance of the data. Dataprovider.com is the primary source for statistics and data, but we supplemented our research with reports and data from CB Insights, eMarketer, Statista, GlobalWebIndex and others.

THE CURRENT LANDSCAPE OF ONLINE PAYMENT SERVICE PROVIDERS

The global e-commerce industry experienced significant growth during the pandemic, with widespread adoption and acceptance of digitization across all segments. Even though higher costs of living and a return to in-person shopping have slowed down growth throughout 2022, e-commerce has not yet reached its full potential.



Source: Statista Digital Market Outlook 2022

Online retail sales are predicted to reach \$8.5 trillion by 2025, with e-commerce websites taking up 22% of total retail sales ([Statista](#)). As more and more businesses and consumers move online, the demand for tools and services that enable the secure

handling of multiple payment methods is increasing. This is reflected by the growth in payment gateway technology.

THE CURRENT LANDSCAPE OF ONLINE PAYMENT SERVICE PROVIDERS

North America



Asia



Europe



South America



Oceania



Africa



Global quarterly funding to online payment startups (in Billions)

Source: CB Insights - State of Fintech Report 2022



The payment service provider landscape has grown exponentially and evolved rapidly since PayPal first entered the space in 1998. While PayPal is still the dominant player in handling online payments, the competition has been steadily growing. Merchants today can choose among many PSPs that offer a wide variety of targeted services. Despite the massive growth in providers, investments in the payment sector have been slowing down throughout 2022 (CB Insights), perhaps suggesting that investors perceive the market as increasingly saturated.

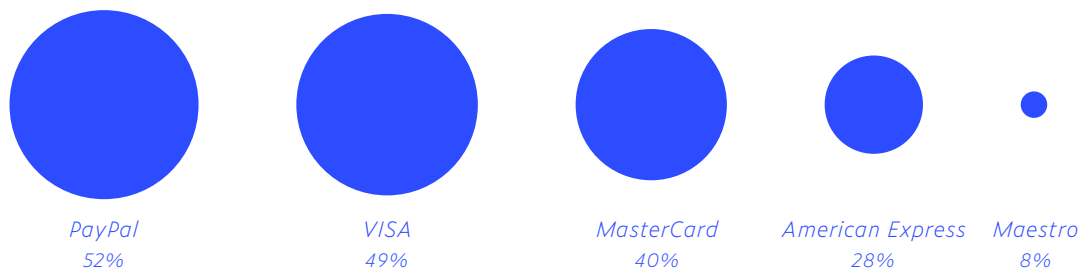
TOP 5 PAYMENT METHODS AND PROVIDERS GLOBALLY*

The COVID-19 global pandemic has shifted payment preferences among consumers, partly because of guidelines to avoid physical cash where possible. Unsurprisingly, credit and debit cards are currently the preferred choice of payment around the world, surpassing physical cash, yet mobile wallets are quickly gaining popularity.

In order to process digital payments, most merchants require a payment gateway, a software application used to accept credit cards and other electronic payment methods. Payment gateways are encryption systems that protect sensitive information as it passes from customer to merchant. These gateways securely pass transaction information to both the customer's and the merchant's acquiring bank.

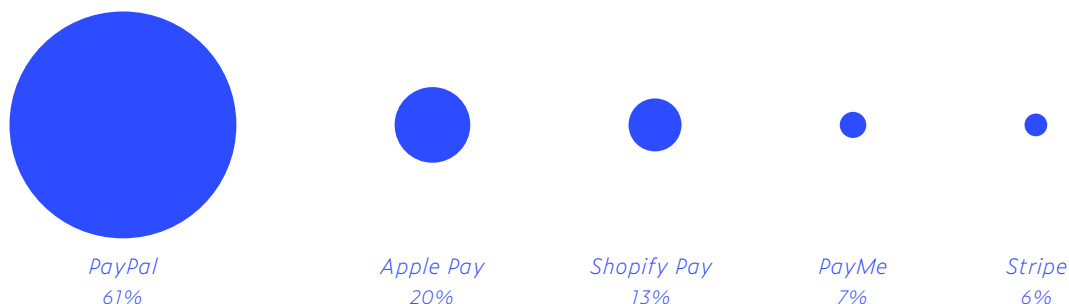
Top 5 Payment Methods

(N=4.9M websites)



Top 5 Payment Providers

(N=8.1M websites)



At Dataprovider.com, we currently track over 180 payment providers and 90 payment methods. We see which websites use what payment gateway and the different payment methods that are available to make a purchase. Globally, PayPal has the largest market share, with 52% of e-commerce websites accepting it as

a payment method, followed by VISA (49%) and MasterCard (40%). PayPal also leads the list of payment gateways worldwide, with a 61% share among online stores. In second place, we see Apple Pay with a 20% share followed by Shopify Pay with a 13% share.

TOP 3 PAYMENT PROVIDERS BY REGION



North America

- 1. PayPal**
68%
- 2. Apple Pay**
30%
- 3. Shopify Pay**
20%

South America

- 1. MercadoPago**
47%
- 2. PayPal**
34%
- 3. PagSeguro**
15%

Europe

- 1. PayPal**
75%
- 2. Apple Pay**
15%
- 3. Stripe**
8%

Africa

- 1. PayPal**
55%
- 2. PayFast**
27%
- 3. PayGate**
8%

Asia

- 1. PayMe**
33%
- 2. Opn**
29%
- 3. PayPal**
29%

Oceania

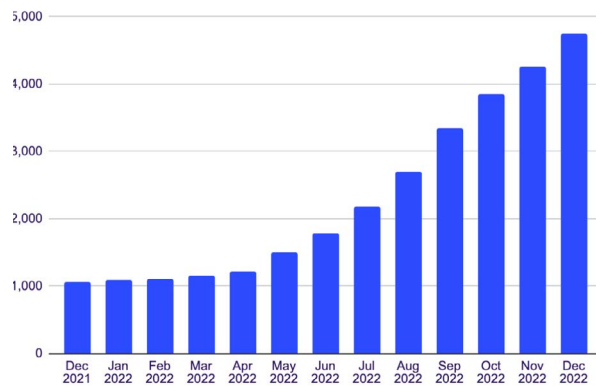
- 1. PayPal**
66%
- 2. Apple Pay**
35%
- 3. Shopify Pay**
28%

Country	Top PSP	% Share
USA	PayPal	77%
Canada	Apple Pay	64%
Germany	PayPal	89%
France	PayPal	73%
Poland	PayPal	55%
Spain	PayPal	79%
Mexico	PayPal	75%
Colombia	PayPal	44%
Brazil	MercadoPago	53%
Chile	WebPay	59%
South Africa	PayPal	53%
Australia	PayPal	68%
Japan	Opn	42%
Indonesia	GoPay	55%
China	PayMe	50%
India	PayPal	55%
Philippines	PayPal	77%
Soth Korea	PayPal	74%
UAE	PayPal	63%
Russia	PayPal	69%
UK	PayPal	75%

FASTEST GROWING PROVIDERS

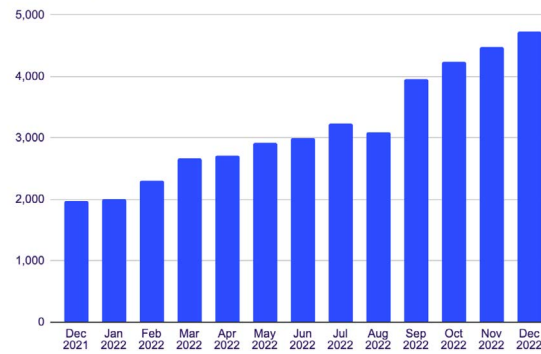
The PSPs with the largest market share are often no longer the ones that show the fastest growth. Here, we look at three payment gateway providers that showed continuous growth throughout 2022, growing by up

to 350% based on the number of active websites using their service compared to the same month in the previous year. On the next page, we will separately look at the top growing PSPs by region.



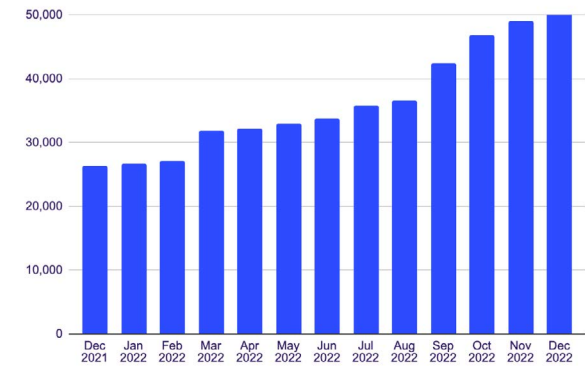
Ratepay (Growth +350%)

Ratepay steadily increased their online presence in 2022 resulting in an overall growth of 350% between December 2021 and December 2022. Ratepay offers customized white label payment services for online shops. It was founded in 2009 and is based in Germany. With a white label solution, customers do not leave the merchants website during the payment process. Ratepay also provides Buy now, Pay later and direct debit payments.



Payconiq (Growth +139%)

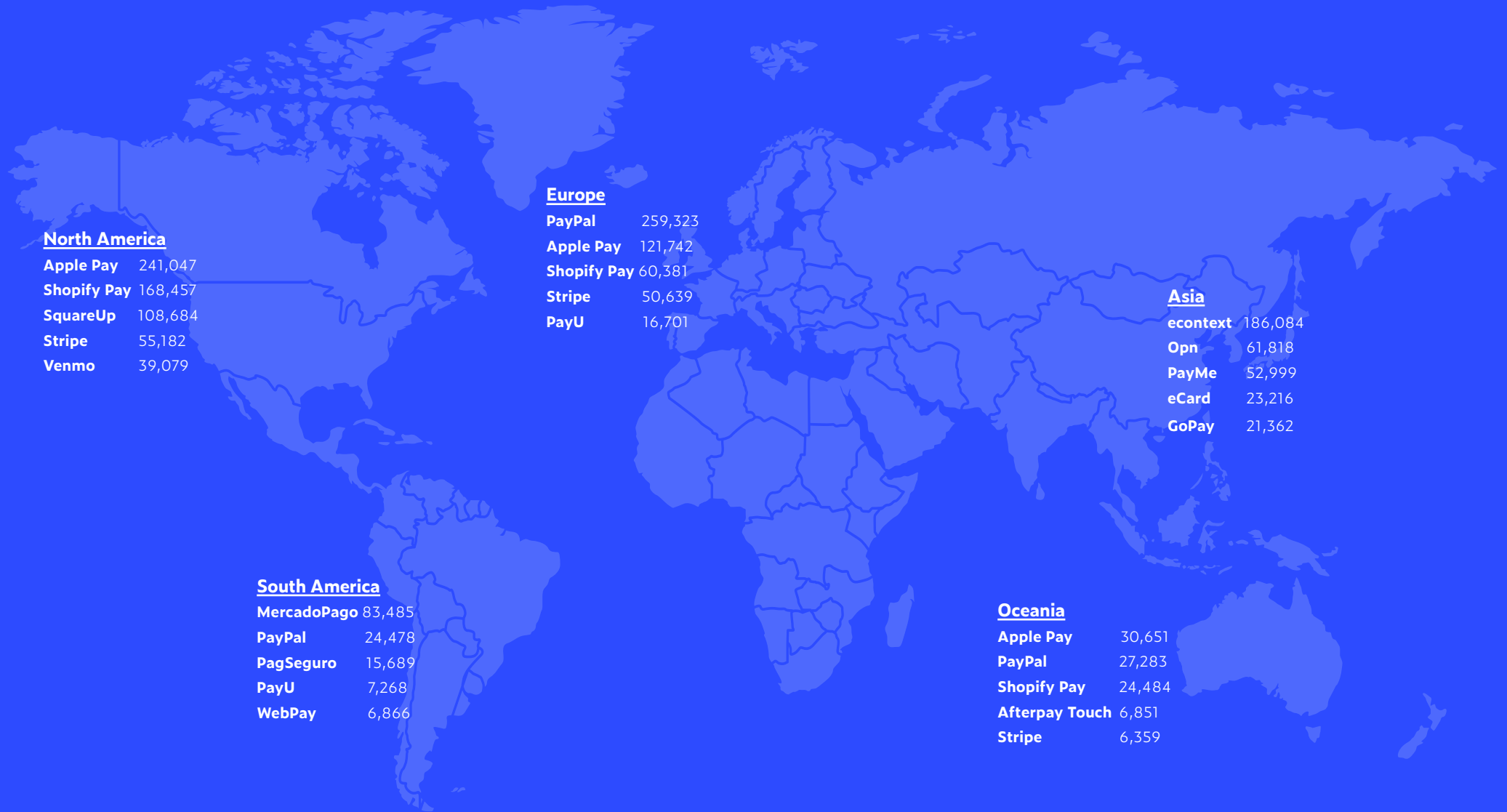
Payconiq International S.A. is a Luxembourg-based company providing a mobile payment and payment processing platform, active primarily in Belgium and Luxembourg. Their platform enables multi-country payment solutions in Benelux through different types of integrations, including stand-alone apps, bank app integrations and more. According to our data, Payconiq increased its online presence by 139% in 2022.



RazorPay (Growth +95%)

Razorpay Software Private Limited provides a full-stack financial solutions company. It has grown from being a payment gateway provider to an organization with a vast products suite to accept and disburse payments as well as raise capital and park money. Razorpay was founded in 2014 and serves customers in India. Their online presence grew by 95% last year.

REGIONAL DEVELOPMENTS



BUY NOW PAY LATER

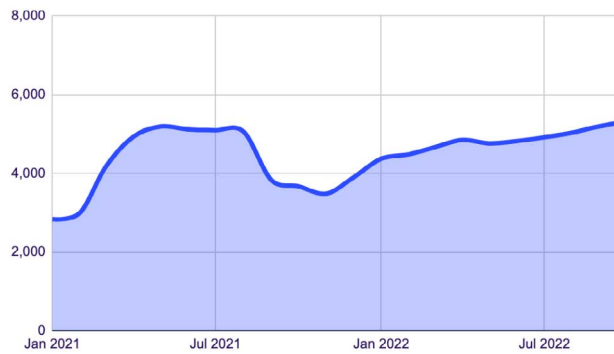
Buy Now, Pay Later (BNPL) is a type of short-term financing that allows consumers to make purchases and pay for them at a future date, often interest-free. BNPL arrangements are becoming an increasingly popular payment option when shopping online.

Around 10% of consumers in North America and Europe report having used a BNPL service in the last week, an 18% increase compared to the same time in the previous year for consumers in North America and 16% in Europe. Both regions are still lagging behind Asia-Pacific, where 26% of consumers report having used a BNPL service in the past year [\(GWI, 2022\)](#).

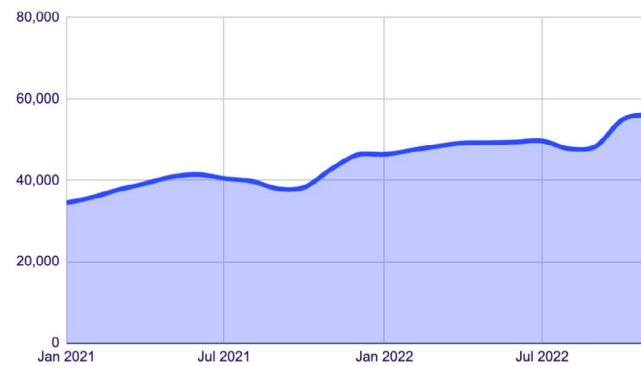
Here we look at the adoption of popular payment gateways that offer this service. The most successful companies offering BNPL

are Affirm, Afterpay, and Klarna. Over the past two years all three companies have steadily increased their online presence with more and more websites utilizing their gateways. After an initial growth in the first half of 2021, installments among all three companies slightly decreased in the second half of 2021 before climbing again throughout 2022. As BNPL gains more traction among shoppers and more PSPs add BNPL options, we expect this trend to continue over the next year.

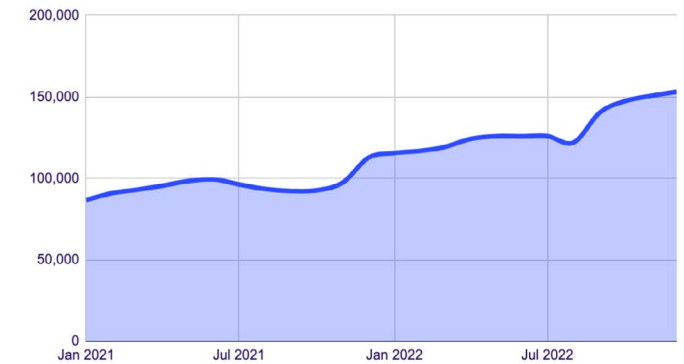
Affirm



Afterpay



Klarna



KEY TRENDS TO WATCH IN 2023

Digital wallets

Consumers increasingly expect the same payment experience, whether shopping online or offline. When previously it was necessary to swipe a card in-store and type in card details online, digital wallets enable similar payment experiences for consumers no matter the context, and adoption rates are growing.

Social and live commerce

Social commerce allows customers to purchase products and services seamlessly within social media platforms, such as Facebook, Instagram, Pinterest and TikTok. Live commerce lets customers make a purchase during live-streaming events. In a survey by [Global Payments](#), 52% of businesses reported they plan to sell directly on social networks in 2023.

Biometric payments

Consumers already use their finger, face or iris to unlock their smartphones or log in to installed (financial) apps. Logically, it makes sense to use biometrics to authenticate payment transactions. Several companies including Amazon are building solutions to authenticate payments using biometric markers, one trend that will continue to grow in the coming years.

Real-time payments

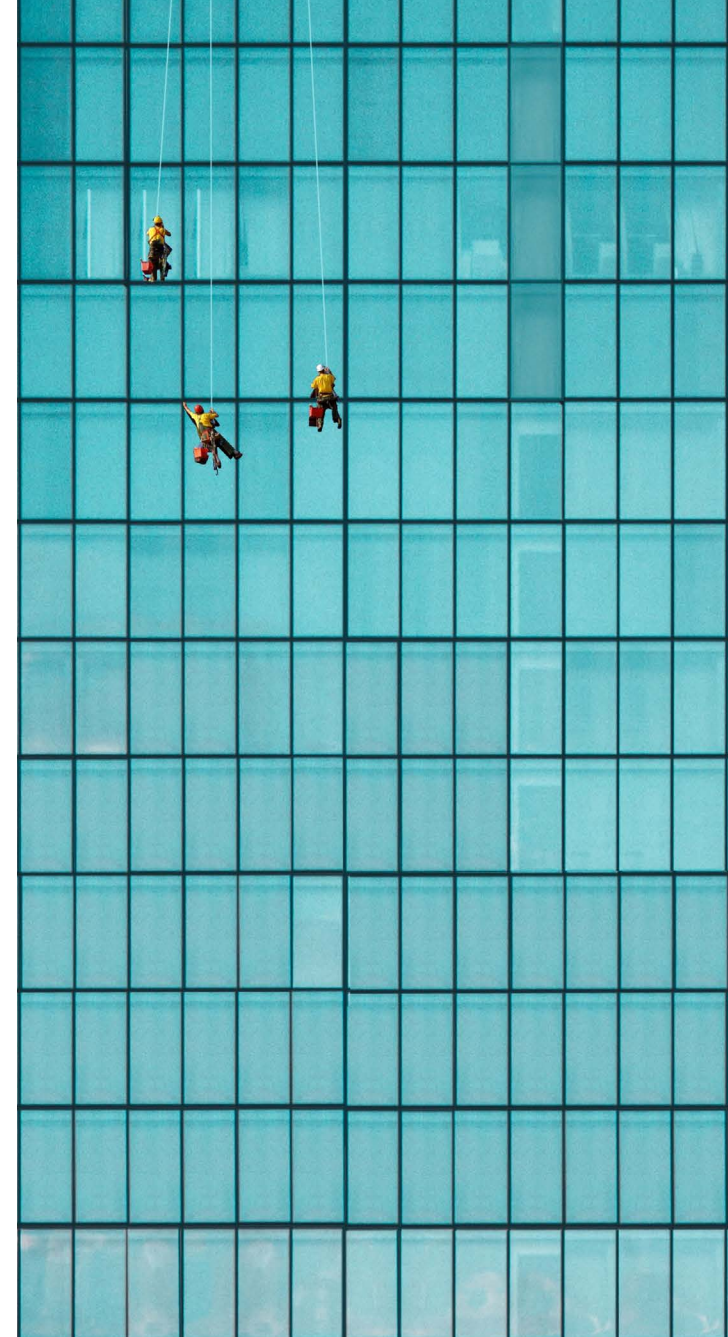
Instant payments are electronic retail payments processed in real time, 24 hours a day, 365 days a year. They are faster and more convenient for consumers and businesses. More and more countries have enabled national Real-Time Rail infrastructure. The demand for instant transactions is rising. The new challenge will be to enable more real-time payments across borders, which brings us to the next trend.

Cross-border payments

Businesses continue to focus on optimizing internal processes and cutting expenses even as they expand operations internationally. As part of a payment experience that satisfies the needs of global B2C and B2B transactions, new business models and innovative payment rails will emerge that enable less expensive and more effective cross-border payments.

Decentralization

Web3 decentralizes payment infrastructure to give ownership back to the user. Alongside cryptocurrency, blockchain is set to impact business finance. Blockchain not only makes financial transactions more transparent but also provides increased security compared to traditional banking models.



DISCOVER THE DATA ON OUR PLATFORM

Be the first to see market trends and identify emerging companies that may be qualified leads. With Dataprovider.com, you can search through the indexed world wide web and monitor monthly changes to websites.

STRUCTURED SEARCH

Zoom in on more than 600 million domains:

Which payment service provider is the fastest growing in Europe, how many retailers in the USA have a brick-and-mortar store? Find answers to these and even more specific questions using our Search Engine.

OVER 200 DATA POINTS

Dissect the data with more than 200 unique data points from various categories: geolocation, business, content, e-commerce, marketing, technical specifications, hosting and development. Use the filters in any combination to discover unique results, such as the location of websites in a country, region and city level, type of online stores, payment methods used and many more. Build comprehensive datasets with a few clicks for in-depth market intelligence.

TRACK TECHNOLOGIES AND PREDICT FUTURE TRENDS

Measure historical web trends in 50 countries up to four years back in time: fastest growing industries and emerging players across the globe, digital developments of key competitors, internet usage demographics, comparison of businesses by popularity and many more. Track how often company websites change, which web technologies they're using and how they're growing. Construct detailed company profiles and find new angles for your analytics.

PROPRIETARY SCORES

Put data into perspective for more and smarter insights: Measure the digital world and analyze the data in a comprehensive way using our unique unbiased Proprietary Scores. Track the growth of a website at a company level with our Heartbeat Score.

Hostname	Country	Response	Online ...	Payment methods	Payment provid...
1 www.vrs-grou...	Italy (IT)	Available	Yes	PayPal	PayPal
2 www.pellicula...	France (FR)	Available	Yes	PayPal	PayPal
3 www.infinityb...	Netherlands (NL)	Available	Yes	MasterCard VISA PayPal iDeal	PayPal
4 www.frey-de...	France (FR)	Available	Yes	MasterCard VISA PayPal Paybox American Express	PayPal, Paybox
5 www.drabus.de	Germany (DE)	Available	Yes	PayPal	PayPal
6 www.edenspo...	Italy (IT)	Available	Yes	PayPal	PayPal
7 www.prodotti...	Italy (IT)	Available	Yes	PayPal	PayPal, CartaS...
8 www.patumb...	Italy (IT)	Available	Yes	PayPal	PayPal
9 www.ruokosu...	Finland (FI)	Available	Yes	Klarna	PayPal

Find fraudulent websites with our Trust grade. Discover how well a website handles sensitive data with our Security Score; if this information is stored or transmitted in a secure way and if there are any system backdoors. Delve into the cloud savviness of a website with our Cloud Score.



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CONTACT

If you have any questions on how you can use our data for your own research, publication or reports, go to [our website](#) and [schedule a free demo](#).