

How Southeast Asia Buys and Pays 2025



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EXECUTIVE SUMMARY

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Since 2021, 2C2P has commissioned IDC to develop an InfoBrief that examines Southeast Asia's (SEA's) evolving digital payments landscape. In each edition, the InfoBrief provides insights, highlights challenges, and shares recommendations to help merchants tap into the immense growth opportunities in this diverse and dynamic region.

For the latest study, the fourth since 2021, 2C2P commissioned IDC to run a large-scale study of merchants operating in SEA to discover what they see as major shifts in the ecommerce and payments landscapes in their respective markets, how these trends influence their business strategies, and their future growth plans.

This InfoBrief summarizes the key findings from the survey, the implications for merchants, and how they can leverage these findings to drive future growth.

NOTES

1. All numbers in this document may not be exact due to rounding.
2. All currency in this document are US dollars (US\$) unless otherwise stated.



RESEARCH METHODOLOGY



Six SEA markets studied: Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.



600 respondents representing enterprise merchants in SEA.



65% of the respondents were **primary decision leaders for payments** in their organization.



18 industries studied, including fashion and apparel; electronics and appliances; gaming; airlines; travel agencies and booking services; and cruise lines.



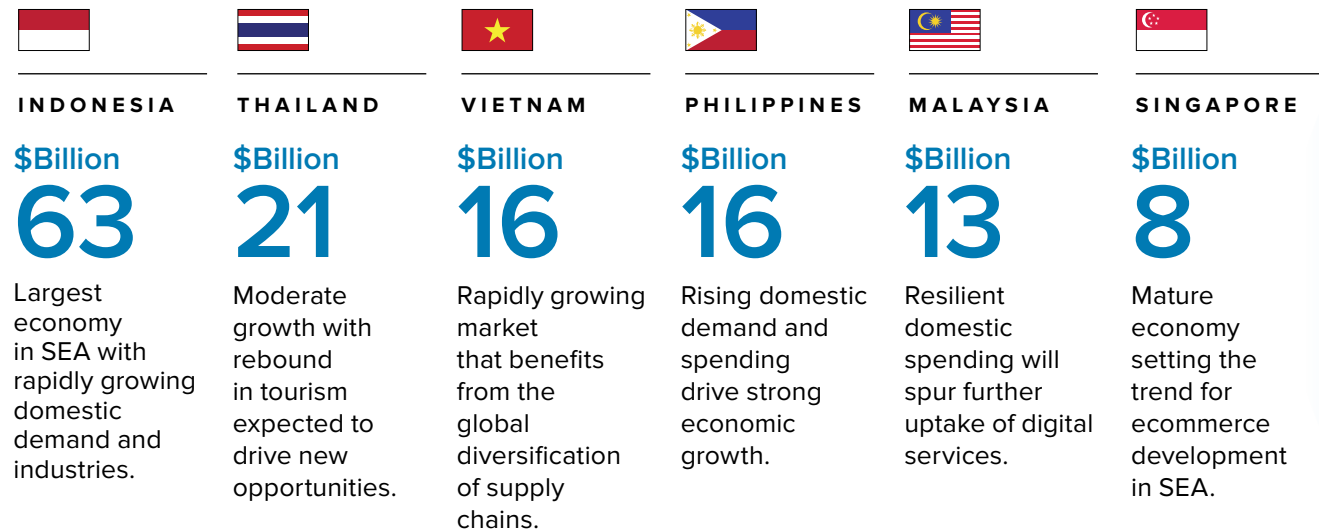
96% were engaged in **both online and offline** commerce.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P

Southeast Asia: The fifth largest economy in the world

Home to 675 million residents, SEA, as a bloc, counts as the fifth largest economy in the world. With GDP growth at 4.3% in 2023 and predicted to rise to 4.6% in 2024, the region holds great promise. Key growth drivers include its rapidly expanding ecommerce market, and fast-developing industries such as travel and hospitality.

Value of ecommerce in 2023



Source: IDC 2024; World Bank 2023

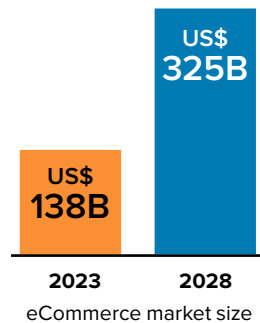
SEA's ecommerce market growth will outpace surrounding regions

From a base of \$137 billion in 2023, ecommerce in the region will see rapid growth. By 2028, SEA's ecommerce market is projected to reach \$325 billion, overtaking Australia, Japan, and South Korea.



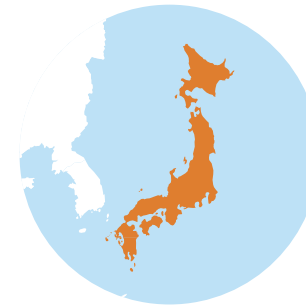
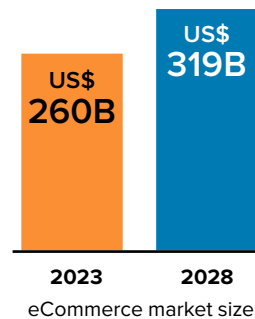
 **SEA**

18.7%
Annual Growth



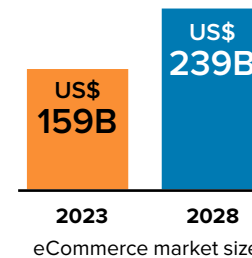
 **AUSTRALIA**

4.2%
Annual Growth



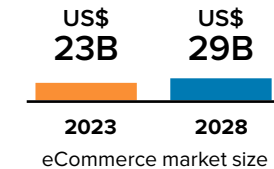
 **JAPAN**

8.4%
Annual Growth



 **SOUTH KOREA**

4.7%
Annual Growth



Note: Data for 2028 is based on IDC estimates.

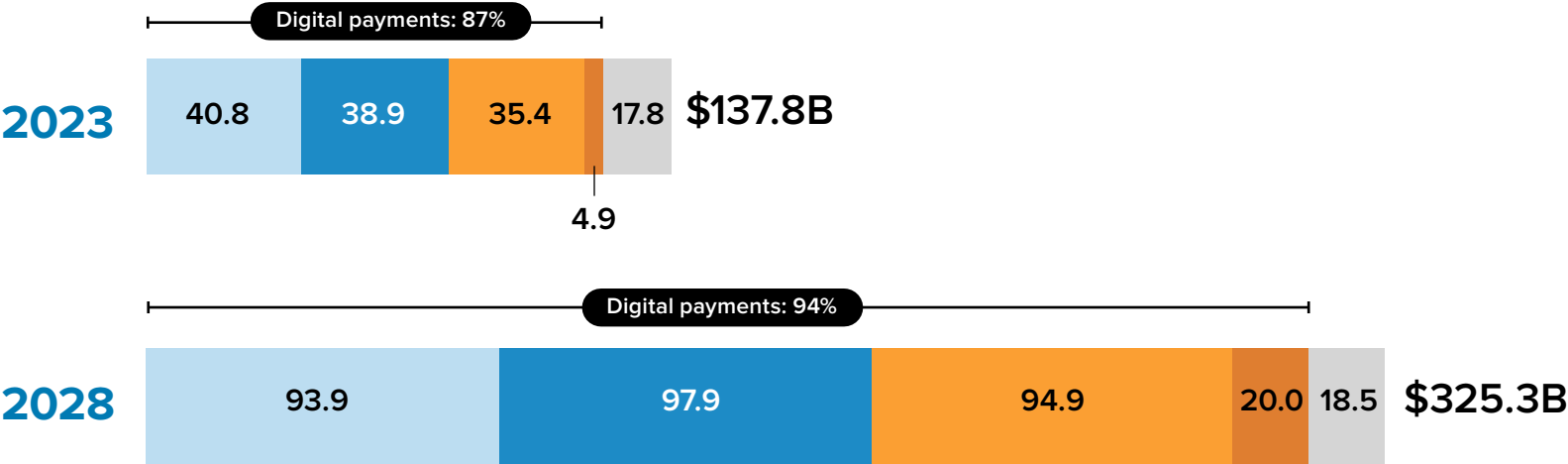
Source: IDC, 2024

Non-digital payments will make up only 6% of total ecommerce payments by 2028

Offline payments such as cash-on-delivery (COD) and ATM transfers were once popular amongst Southeast Asian consumers for ecommerce transactions. However, this is rapidly changing. In 2023, those offline payment methods accounted for only 13% of ecommerce payments, and by 2028, they will account for just 6% of such payments.

Digital payments growth 2023–2028

■ Cards ■ Domestic payments (RTPs and local payments) ■ Mobile wallets ■ BNPL ■ Other alternative payment methods (e.g., cash)



Note: Data for 2028 is based on IDC estimates.







Source: IDC, 2024

Implications for businesses

- Across SEA, ecommerce is increasingly driven by digital payment transactions made through options such as cards, domestic payments, mobile wallets, and buy now, pay later (BNPL).
- The most significant growth can be seen in domestic payments (real-time payments [RTPs] and local bank-based payment schemes), as well as in mobile wallets. (See page 24-25.) These have been key to expanding the reach of ecommerce in a region which traditionally relied less on cards.
- The increasing share of digital payments in SEA's ecommerce markets, as well as the changing ratios of digital payments, have prompted the need for merchants to adopt payments technology which enables them to keep pace with these changes and support popular new payment methods.

Growth in newer digital payment options shapes SEA's payments landscape

- A combination of public and private initiatives has led to rapid digital payments growth in SEA.
- Each of the major SEA markets has a structured framework for the holistic development of electronic payments. At the regional level, all six markets covered in this report have joined the Regional Payment Connectivity (RPC) initiative, and work is underway to ensure that these frameworks are interoperable between SEA nations. This creates further economic opportunities as well as cost reduction potential for businesses in the region.

	Cards				Domestic payments			Mobile wallet brands			BNPL			Others		
	Years in market	Users in 2023 (M)	Months to add 1M users	Domestic low fee processing available?	Years in market	Users in 2023 (M)	Months to add 1M users	Years in market	Users in 2023 (M)	Months to add 1M users	Years in market	Users in 2023 (M)	Months to add 1M users	Years in market	Users in 2023 (M)	Months to add 1M users
 Indonesia	Visa, Mastercard			Yes	QRIS, BI-FAST, GPN, ATM Bersama, Prima			GoPay, OVO, Dana, ShopeePay			Akulaku, Kredivo, Indodana PayLater			Cash-on-delivery, Counter payments		
	20+	14.5	17.4		7.0	59.5	1.4	7.0	125.1	0.7	5.0	30.8	1.9	13.0	45.2	3.4
 Malaysia	Visa, Mastercard, MyDebit			Yes	DuitNow, FPX			TouchnGo, GrabPay, Boost			Atome, PayLater			Cash-on-delivery, Counter payments		
	40+	12.4	39.6		5.0	12.2	4.9	5.0	20.0	3.0	5.0	6.6	9.2	13.0	3.7	42.6
 Philippines	Visa, Mastercard			No	PESOnet, InstaPay			GCash, Maya			Billease, Atome, Home Credit			Cash-on-delivery, Counter payments		
	30+	12.7	29.4		7.0	15.4	5.5	5.0	46.2	1.3	5.0	11.9	5.0	13.0	31.1	5.0
 Singapore	Visa, Mastercard			No	NETS, FAST, PayNow			GrabPay, DBS PayLah, Singtel Dash			Atome, GrabPayLater			Cash-on-delivery		
	40+	4.5	108.9		10.0	5.4	22.4	6.0	1.9	38.9	6.0	2.4	29.5	13.0	0.7	209.8
 Thailand	Visa, Mastercard			Yes	PromptPay			TrueMoney, LinePay, AirPay			Atome, Traveloka			Cash-on-delivery, Counter payments		
	30+	8.9	41.8		7.0	68.5	1.2	9.0	27.3	4.0	5.0	4.6	13.0	13.0	1.1	142.7
 Vietnam	Visa, Mastercard, NAPAS			Yes	NAPAS			MoMo, Zalopay, ViettelPay			Kredivo, Fundiin, SPayLater			Cash-on-delivery, Counter payments		
	20+	6.8	37.1		7.0	20.2	4.2	6.0	33.7	2.1	5.0	14.9	4.0	13.0	18.6	8.4

Note:

1. Brands featured are representative only, and are not meant to be a comprehensive landscape for all markets and categories.

2. Card: credit cards used as data point.

3. Domestic payments: figures used are for real-time payment retail interfaces such as BI-FAST/Duitnow/PayNow/Promptpay type implementations.

4. Months to add 1 million users: average time it has taken to add 1 million users.

5. Domestic low fee processing: Indonesia, Malaysia, Thailand, and Vietnam have domestic card processing arrangements in place, which handle domestic card payments locally for lower fees rather than going through international card networks.

Sources: MAS; SEA central banks; regulators; payment network data; IDC, 2024

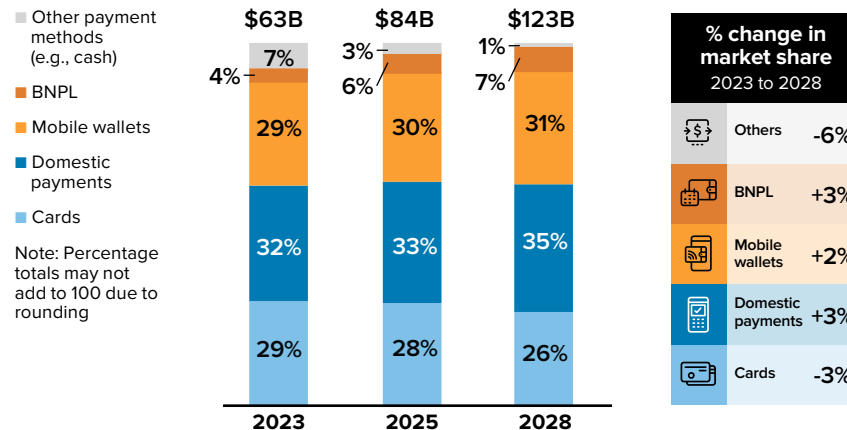
Diving deeper: The payments landscape in Indonesia

 Indonesia is the largest economy in SEA and continues to grow at an impressive pace. In particular, Indonesia's ecommerce market is expected to reach \$123 billion by 2028, a 96% jump from \$62.7 billion in 2023.

The huge size of the market, coupled with growing consumer demand and expanding investment into technology infrastructure, makes Indonesia a highly attractive place to sell to or conduct digital business.

eCommerce transactions by payment type 2023-2028

% GTV/US\$B



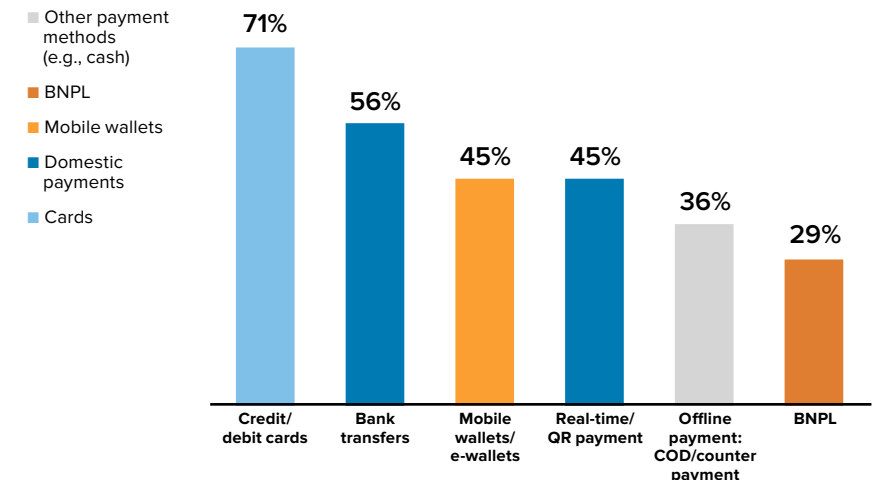
Note: Data for 2023 is actual. All other data is based on IDC estimates.
Source: IDC, 2024

Domestic payments, mobile wallets: key ecommerce drivers

- Domestic payments in Indonesia, such as bank transfers, remain the most important method for ecommerce payments and will continue to be so all the way to 2028.
- Despite a projected decrease in overall card usage for ecommerce, the government's push for a domestic card network may encourage the adoption of cards through lower fees and by increasing the number of POS devices available offline, as well as wider online card acceptance.
- Major gainers: domestic payments, BNPL, mobile wallets

Merchants' acceptance of various payments methods, 2024

% of merchants



Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n= ID 100)

But cards still most widely accepted for online payment

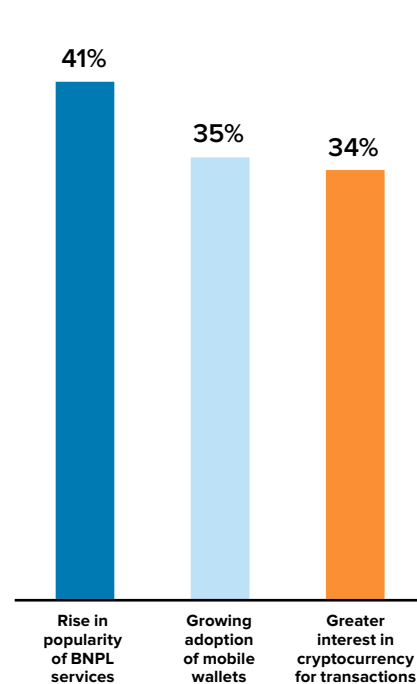
- Indonesia's domestic payments and mobile wallets are currently the most used payment tools for ecommerce transactions as of 2023. However, these lag behind credit and debit cards in terms of merchant acceptance based on the survey.
- Credit and debit cards are still the most widely accepted form of online payment despite Indonesia's card penetration rate of just 5% in 2023, according to IDC data.
- Merchants in Indonesia could increase conversion opportunities with greater acceptance of domestic payments and mobile wallets.

Indonesia: New trends in payments

 Interest in newer payment types such as BNPL, mobile wallets, and cryptocurrency is growing in Indonesia, while merchants have identified cross-border payments, mobile wallets, and RTPs as instrumental to their future business strategies.

New customer payment trends observed in the past 12 months

% of merchants



Merchants have witnessed increased interest in BNPL, mobile wallets, and cryptocurrency

- The observed growth in consumer adoption of BNPL and mobile wallets in the past 12 months aligns with IDC's predictions that these payment methods will reach 7% and 31% respectively of all ecommerce payments.
- BNPL reached US\$382 million in March 2024, growing at a rate of 24% from the same period in the previous year. The ease of access to BNPL compared to cards has driven its strong growth in Indonesia as an alternative credit tool.
- Mobile wallet usage continues to rise as the government pushes for QRIS adoption; also, more wallets are offering additional features, such as loans and competitive savings accounts.
- Merchants have seen strong interest in cryptocurrency – unsurprising as Indonesians rank seventh globally in crypto usage. While cryptocurrency as payment is still restricted in Indonesia, there is increasing demand for it to be used in payment transactions.

Payment initiatives identified as critical to future business strategy

% of merchants




Cross-border payments, mobile wallet integration, and RTPs seen as key to future growth

- The growing interest and momentum around cross-border payments in SEA have not gone unnoticed by Indonesian merchants, with most pinpointing this as key to future growth.
- Mobile wallets are a cornerstone of online payment growth, and merchants have observed a rise in customer demand for this payment option.

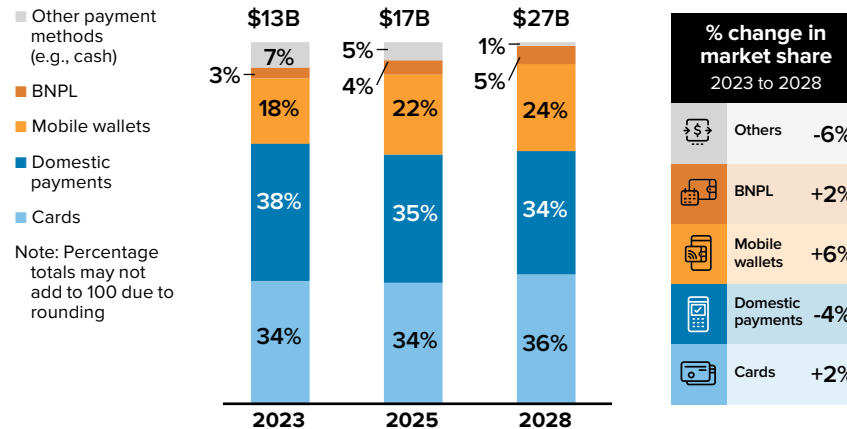
Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = ID 100); OJK 2024; Chainalysis

Diving deeper: The payments landscape in Malaysia

 Malaysia displays the characteristics of both developed and developing markets in consumer behaviors with relatively high card usage, as well as extensive use of newer digital payments methods such as wallets.

eCommerce transactions by payment type 2023-2028

% GTV/US\$B



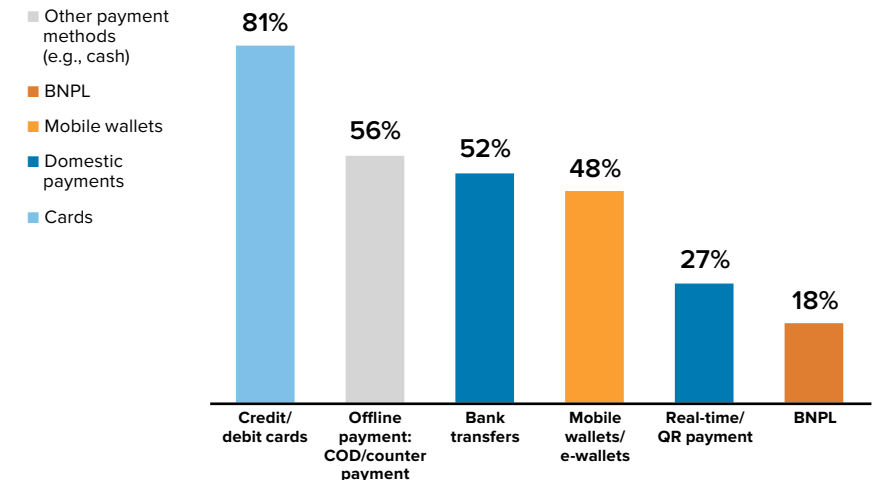
Note: Data for 2023 is actual. All other data is based on IDC estimates.
Source: IDC, 2024

Domestic payments remain a key option, but mobile wallets are catching up

- Domestic payments, especially bank transfers, have been a major player in the Malaysian payments landscape for many years. While total transaction values will continue to increase, their proportion of total online sales is predicted to decrease.
- In particular, mobile wallet usage is expected to increase, due in part to many players' efforts to develop extensive ecosystems that offer benefits ranging from lifestyle promotions to loyalty reward systems.
- Cards also continue to grow, especially debit cards, as well as payments such as BNPL.
- Major gainers: mobile wallets, cards, BNPL

Merchants' acceptance of various payments methods, 2024

% of merchants



Sources: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = MY 100)

Cards most accepted by merchants; other alternative payment methods still widely accepted

- The IDC survey reveals that cards were the most commonly accepted form of payment by Malaysian merchants in 2024, but other alternative payment methods, such as cash-on-delivery and counter payments, were still accepted widely.
- Domestic payments and mobile wallets filled the third to fifth spots in merchant acceptance.
- Merchants in Malaysia could improve the business bottom line by increasing support for high-growth domestic payments and mobile wallets.

Malaysia: New trends in payments

 Malaysia continues to witness growth across multiple digital payment types, and merchants have already turned their focus on future technologies, such as artificial intelligence (AI) and cryptocurrency, to fuel their next stage of growth.

New customer payment trends observed in the past 12 months

% of merchants

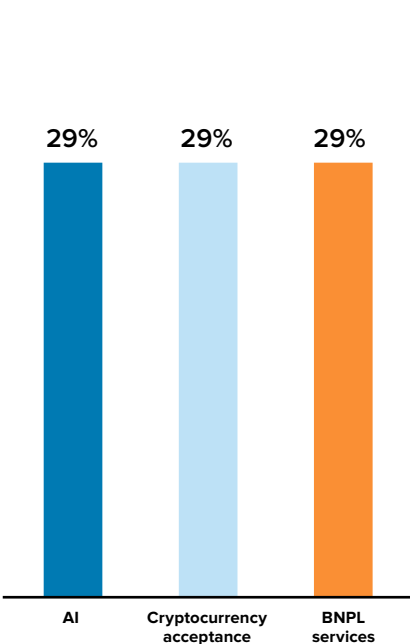


Across-the-board increases in digital payment usage

- Survey data revealed that cards continued to hold steady as payment tools. Malaysia's card penetration rate continues to grow, and card spending rose by 14% from 2022 to 2023, according to Bank Negara data.
- Merchants also reported increased usage of mobile wallets and mobile payments, reinforcing observed growth trends for these digital payment methods in Malaysia.

Payment initiatives identified as critical to future business strategy

% of merchants



AI, cryptocurrency, and BNPL will drive future business strategy

- The survey shows that AI, cryptocurrencies, and BNPL were identified by most merchants as key to their business strategies in the future.
- AI can potentially assist in many aspects of payments, including security, eKYC, and optimizing revenue.
- Merchants should look for payment platforms that can support these objectives, and provide the foundation they need to further develop their strategy.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = MY 100); Bank Negara Malaysia 2024

Diving deeper: The payments landscape in the Philippines

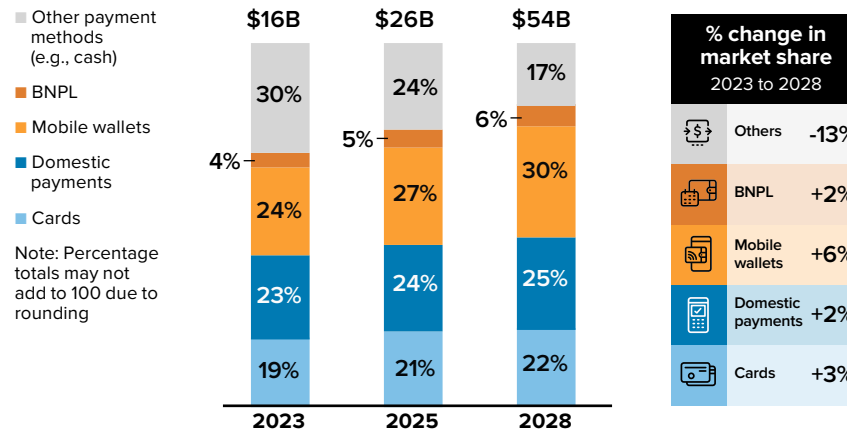


The Philippines is an exciting and vibrant market with high growth in everything digital. Growing incomes and purchasing power among its large population of 116 million create huge opportunities for merchants.

While almost half (44%) of the Philippines' population was unbanked in 2021 according to the World Bank, public and private sector initiatives seek to tackle this issue through enhancements such as simpler account creation requirements and streamlined onboarding.

eCommerce transactions by payment type 2023-2028

% GTV/US\$B



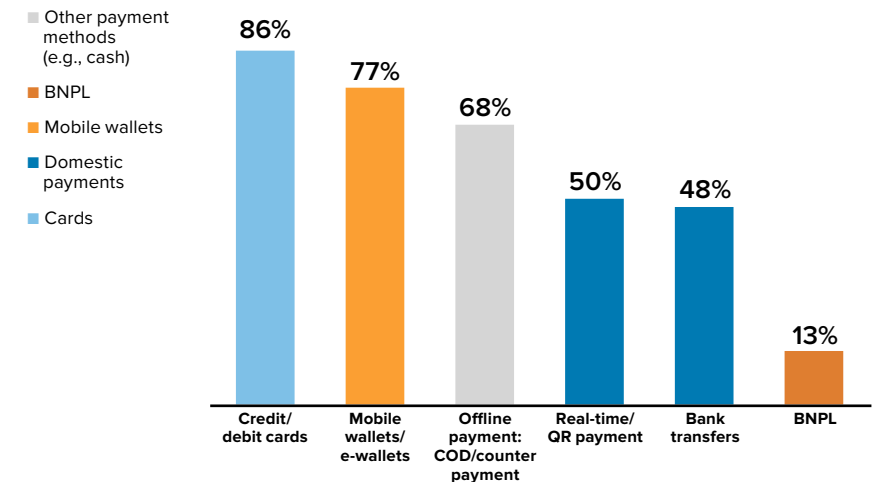
Note: Data for 2023 is actual. All other data is based on IDC estimates.
Sources: IDC, 2024; WorldBank Findex 2021; BSP 2024

Non-card digital payments dominate the market

- With a large proportion of unbanked and underbanked consumers, and consequently, limited access to cards, most consumers have turned to mobile wallets and domestic payments.
- Mobile wallets are the clear winner due to their accessibility, and growing acceptance both online and offline.
- Other payment types such as domestic payments have also seen significant growth, with real-time transfers through InstaPay and PESONet growing 33% in Q1 2024 compared to 2023. This growth is expected to continue.
- Major gainers: mobile wallets, cards, domestic payments, BNPL

Merchants' acceptance of various payments methods, 2024

% of merchants



Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = PH 100)

Cards and mobile wallets see the highest acceptance amongst merchants

- Cards and mobile wallets are the top two most accepted payment methods. With 30% of payments still being settled by other alternative payment methods such as COD in 2023 according to IDC data, it is not surprising that this payment option comes in third.
- Transactions using mobile wallets as well as domestic payments in the Philippines have become more seamless for merchants due to government initiatives such as QR Ph which has created a unified standard that simplifies the acceptance of digital payments.
- In the future, merchants will need to pay more attention to domestic payments such as RTPs and bank transfers, as IDC forecasts their share of transactions to continue to rise all the way to 2028.

The Philippines: New trends in payments

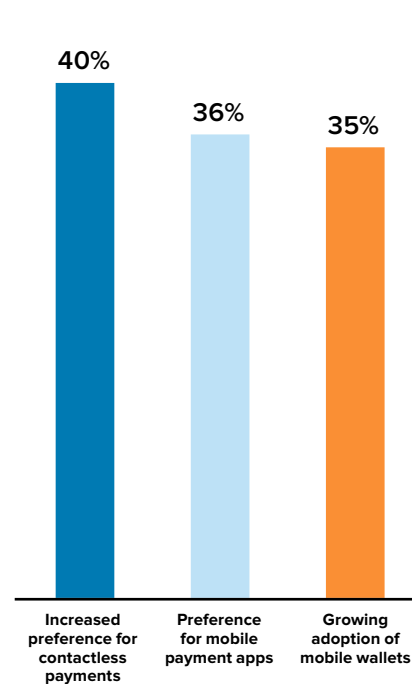


Although the Philippines traditionally has a strong preference for cash, new payment methods such as mobile wallets are quickly gaining ground for ecommerce payments.

Merchants in the Philippines are also gaining interest in initiatives such as cross-border payments and cryptocurrency to further expand their customer base.

New customer payment trends observed in the past 12 months

% of merchants

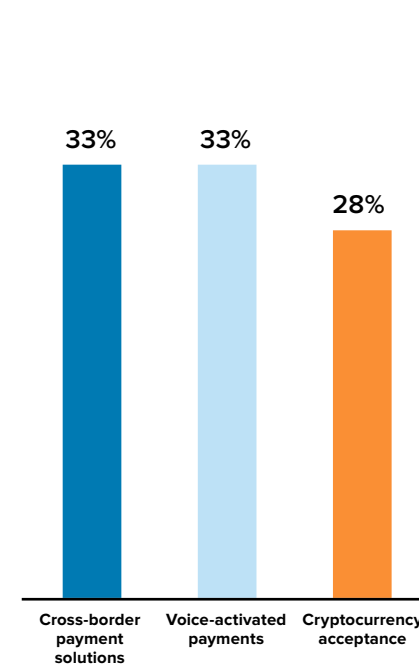


Contactless and mobile payments see increased usage

- Merchants in the IDC survey saw a notable rise in contactless payments (NFC) from their offline operations. They have also observed increased usage of mobile payments and mobile wallets, similar to other SEA markets.
- The growing adoption of digital payments in the Philippines will likely lead to the displacement of older payment types such as COD, and merchants must prepare for these changes.

Payment initiatives identified as critical to future business strategy

% of merchants



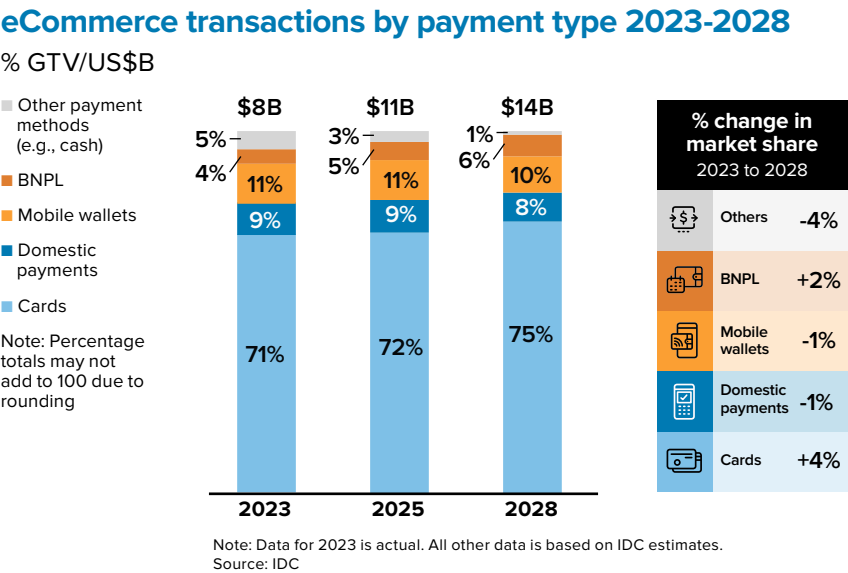
Cross-border payments, voice payments, and cryptocurrency were most interesting to merchants

- The IDC survey reveals that cross-border payment solutions which allow for seamless international transactions as well as voice-activated payments were the top two most interesting initiatives.
- Cross-border payment momentum will be further enhanced with the Philippines' participation in the cross-border Project Nexus scheme, which aims to link participants' payment systems in a unified, interoperable network.
- Interest in cryptocurrency is not surprising as the Philippines has the sixth highest cryptocurrency penetration globally, according to Chainalysis. While cryptocurrency as a payment method is not allowed in the country, the high penetration rate is driving interest in this area, and the central bank is assessing the feasibility and potential benefits of introducing stablecoins to the financial system.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = PH 100)

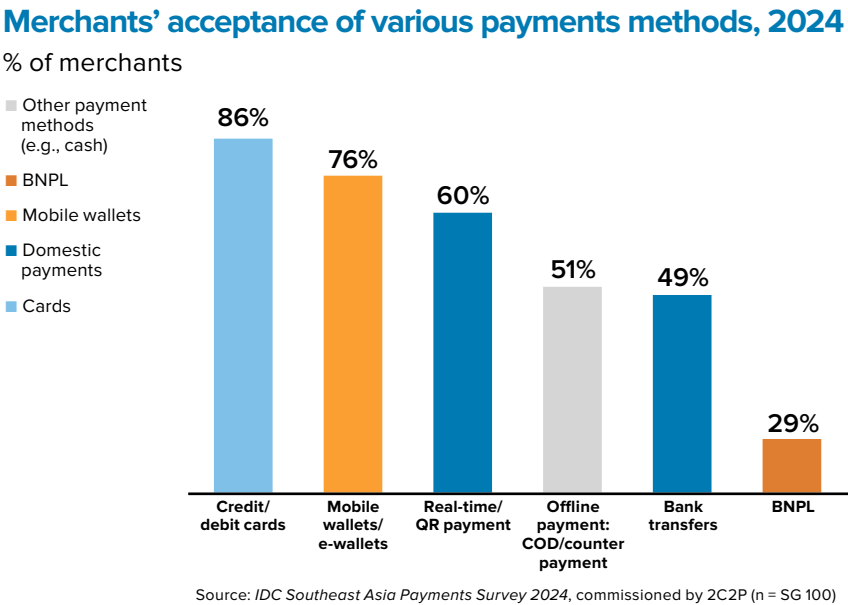
Diving deeper: The payments landscape in Singapore

 SEA's most developed economy is also recognized as one of the most digitally competitive economies in the world, making Singapore a launchpad for digital payments innovation. Its payment systems mirror those of other developed countries but with distinct regional characteristics.



Credit and debit cards dominate the payments landscape


- Singapore has the highest penetration rate for cards in SEA, at 80% for credit cards. This is reflected in Singaporeans' online purchasing habits, with credit and debit cards being the most used payment methods.
- Singapore has introduced a new code of conduct for BNPL that sets industry standards and was implemented to address concerns over the risk of consumer over-indebtedness. While some providers have terminated their BNPL services, this gap is being filled by other providers such as banks and telcos which are offering similar programs to meet continued consumer demand for instalment payment options.
- Major gainers: Cards, BNPL, domestic payments



Cards lead the way, with mobile wallets coming in second

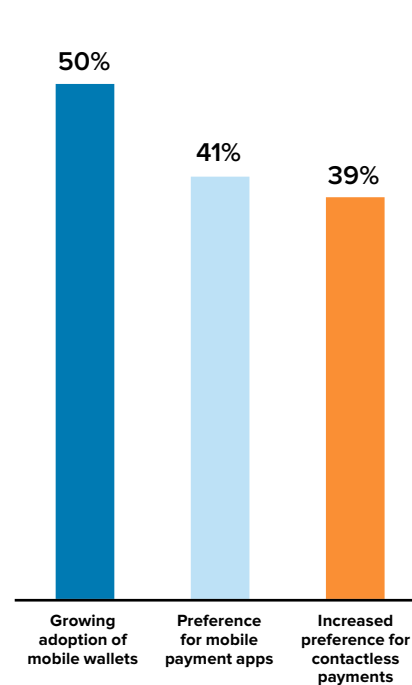
- The IDC survey shows that cards are the most widely accepted payment option. As card payments for ecommerce makes up 71% of total transactions in 2023 and set to rise to 75% by 2028, support for cards will remain crucial for Singapore merchants.
- Mobile wallets take the second spot for merchant acceptance. This places Singapore merchants in an advantageous position to leverage growing cross-border networks in SEA such as Alipay+, which uses mobile wallets to transact in real time across borders.
- Singapore also shows the highest acceptance of BNPL in the region, reflecting its importance in this market.

Singapore: New trends in payments

 Singapore merchants are looking to evolving trends in mobile wallets, RTPs, and contactless payments to further drive their business performance in the future.

New customer payment trends observed in the past 12 months

% of merchants

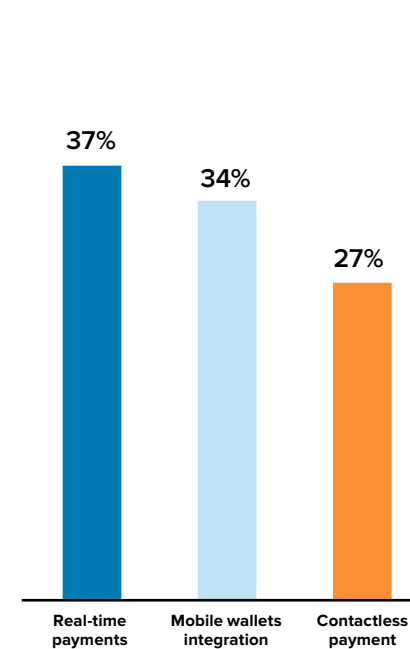


Mobile wallets, mobile payments, and contactless payments see growth

- Singapore-based merchants noted the growing trend toward mobile wallets and mobile payments over the past 12 months. IDC research shows that transaction values in mobile wallet payments will increase up to 2028, but the overall percentage of mobile wallets as a portion of ecommerce payments will fall.
- Contactless payments continue to grow, with 2023 data from Visa indicating that 95% of Visa transactions in Singapore were effected through contactless means.

Payment initiatives identified as critical to future business strategy

% of merchants



RTPs, mobile wallets, and contactless payment key to future strategy

- Merchants in Singapore show the greatest interest in RTPs as a driver of future strategy. This form of payment offers advantages such as lower transaction costs; hence, merchants can consider leveraging it to boost revenue.
- Bilateral linkages with countries such as Thailand, Malaysia, and Indonesia, as well as the broader Project Nexus initiative which aims to establish a unified real-time payments network across the region, also bring value to supporting RTPs.
- Likewise, mobile wallet integration can help streamline cross-border payments by leveraging international networks, and merchants dealing with SEA international customers should be exploring this as part of their payment strategy.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = SG 100)

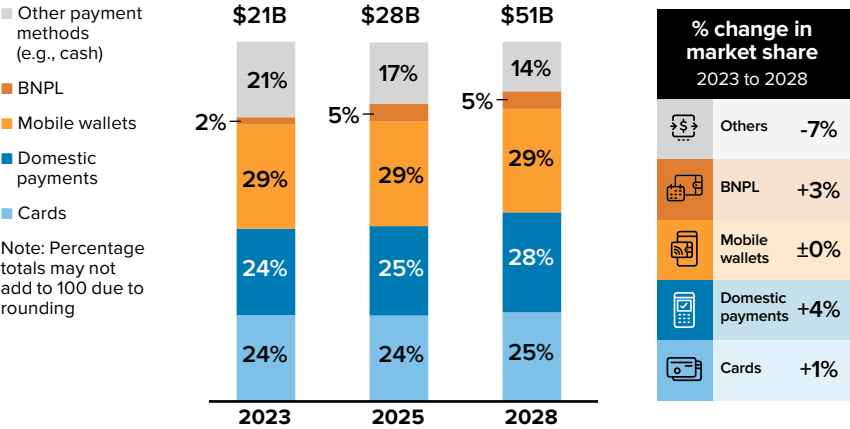
Diving deeper: The payments landscape in Thailand

 A resilient economy with a large population, Thailand has benefitted greatly from the boom in digital activities, including ecommerce.

Thailand’s economy, including its massive tourism sector, stands to grow revenue from the SEA markets, as well as the wider global markets, by understanding consumers’ payment behaviors and supporting their preferred payment systems.

eCommerce transactions by payment type 2023-2028

% GTV/US\$B



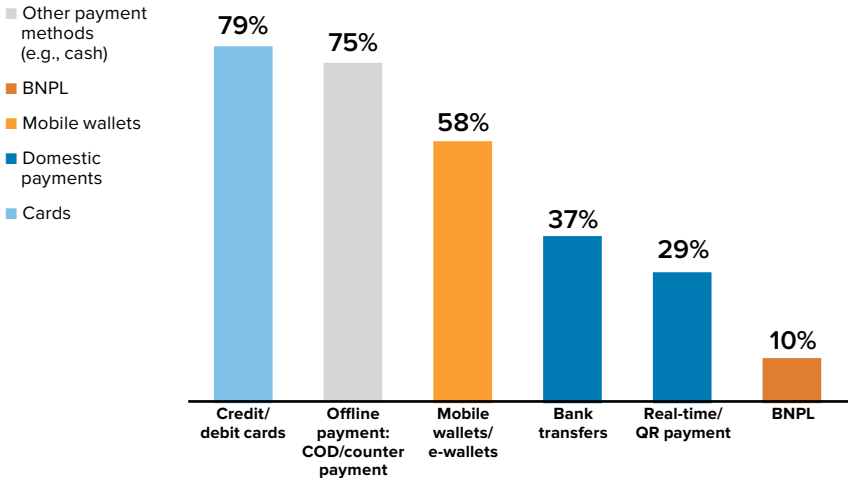
Note: Data for 2023 is actual. All other data is based on IDC estimates.
Source: IDC, 2024

Digital payments reduce reliance on cash-based payment methods

- Government schemes encouraging digital payments have been highly successful: Thailand is now one of the world’s largest markets for RTPs. This is reflected in their ecommerce payments, with domestic payments and mobile wallets being the two most widely used methods.
- Alternative payment options such as COD have traditionally been popular in Thailand, but IDC predicts that digital payments will reduce COD’s contribution to ecommerce spend between 2023 and 2028.
- Major gainers: domestic payments, BNPL, cards

Merchants’ acceptance of various payments methods, 2024

% of merchants




Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = TH 100)

Cards are the most popular, but merchants need to extend acceptance to wallets and domestic payments

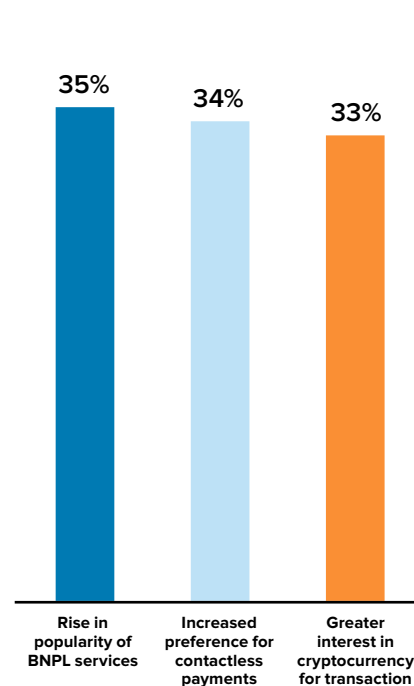
- According to the IDC survey, Thailand-based merchants said that cards were the most commonly accepted payment method, but other alternative payment methods such as COD, and counter payments were still popular, coming in second.
- Mobile wallets and domestic payments acceptance were significantly lower. Merchants in Thailand may need to address this gap and seek to offer more options for mobile wallets and domestic payments as they are forecast to constitute more than half of online payments in the future.

Thailand: New trends in payments

 Thailand is deep into its digital transformation. Its move away from cash and towards new payment types such as contactless payments, BNPL, and cross-border solutions will be at the heart of the next stage of growth.

New customer payment trends observed in the past 12 months

% of merchants

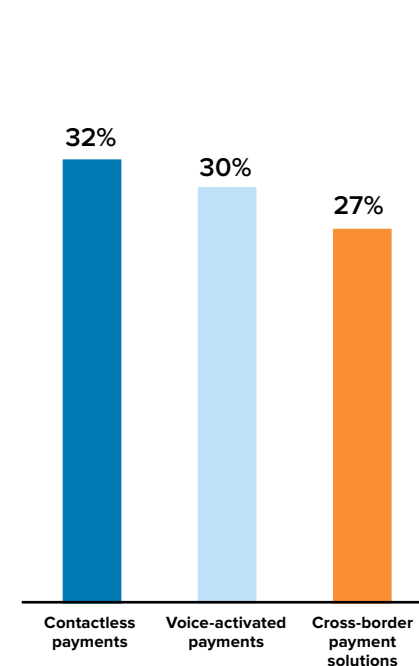


Growing use of new payment types such as BNPL

- Thailand-based merchants noted that they had seen a rise in the use of BNPL in the country. This type of payment options appeals to local demographics where card penetration has been historically low.
- Increased usage of contactless payments also signals Thailand's continued move away from cash and the persistent shift in consumer behavior brought on by the COVID-19 pandemic.
- There is notable interest in the use of cryptocurrency for transactions despite regulations that currently restrict their use for payments.

Payment initiatives identified as critical to future business strategy

% of merchants



Contactless payments, voice payments, and cross-border solutions key to future growth

- Merchants in Thailand noted that they viewed contactless payments, voice-activated payments, and cross-border payment solutions as initiatives most important to their future business.
- Contactless payments in Thailand still have much room to develop. In 2023, IDC estimated that only 55% of POS systems had NFC capability, compared to Malaysia at 93% and Singapore at 95%. Exploring integrated systems that can provide this capability will be of value to merchants.
- With Thailand being a major tourist destination, investing in cross-border solutions will be advantageous in reducing friction for customers from overseas and subsequently, driving sales.

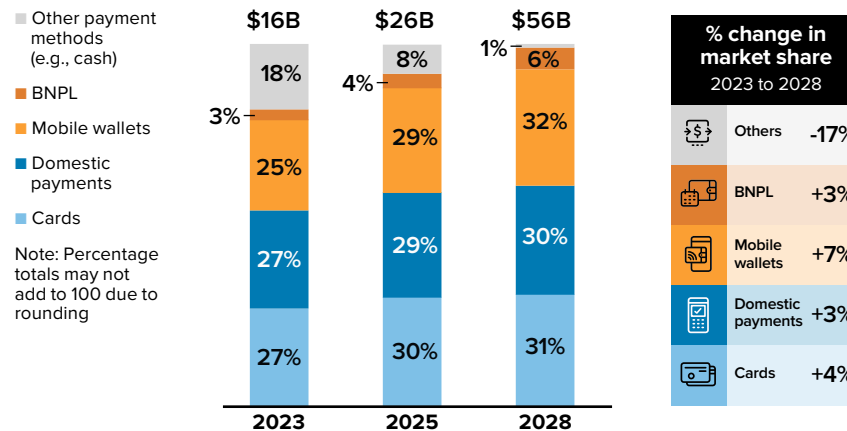
Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = TH 100)

Diving deeper: The payments landscape in Vietnam

 Benefitting greatly from the trend of global supply chain diversification, Vietnam's economy is seeing some of the highest growth rates in SEA and Greater Asia. Its digital economy has also grown rapidly, and by 2028, its ecommerce market is projected to become the second largest in SEA after Indonesia.

eCommerce transactions by payment type 2023-2028

% GTV/US\$B



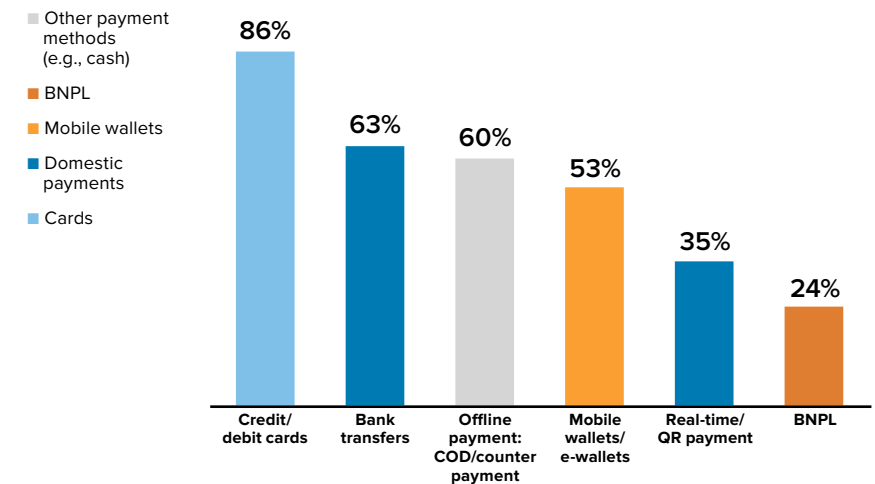
Note: Data for 2023 is actual. All other data is based on IDC estimates.
Source: IDC, 2024

Strong growth in all digital payments, led by mobile wallets

- Vietnam has seen impressive growth in all its digital payments – a major departure from its previous status as a cash-dominated economy.
- The VietQR unified QR code program has been a big factor in driving digital payments growth, with the National Payment Corporation of Vietnam (NAPAS) reporting over 100 million VietQR transactions per month in Q1 2024.
- Mobile wallets have emerged as a leading choice for Vietnamese consumers. By 2028, IDC forecasts that mobile wallets would have overtaken cards and domestic payments for online payments.
- Major gainers: mobile wallets, cards, BNPL, domestic payments

Merchants' acceptance of various payments methods, 2024

% of merchants




Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = VN 100)

Second highest acceptance of BNPL in SEA

- According to the IDC merchant survey, Vietnam-based merchants reported the highest acceptance of cards, with bank transfers being the second most widely accepted payment method.
- BNPL acceptance stands at 24% of surveyed merchants, second only to Singapore.
- Overall acceptance of QR payments remains relatively low at 35%. Merchants stand to benefit from expanded support for QR payments, as 62% of Vietnamese were using them for payments in 2023, according to Visa.
- Other alternative payment methods such as COD are still widely accepted, but merchants need to be alert to trends that may indicate their shrinking importance.

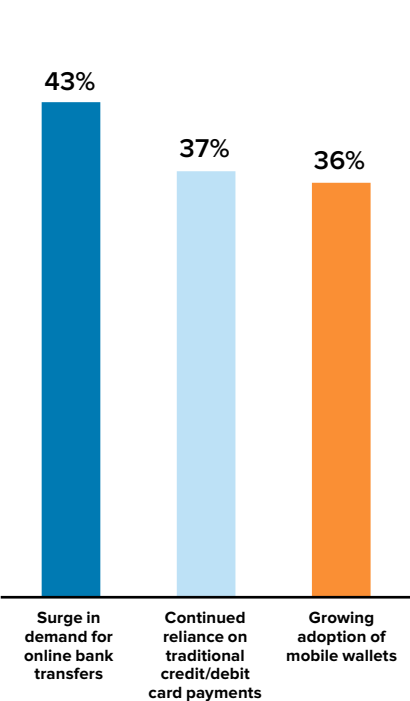
Vietnam: New trends in payments



With a rapidly growing ecommerce market, payment methods are also quickly emerging to meet the needs of diverse customers. Merchants in Vietnam are focusing on various digital payment methods, including domestic payments, mobile wallets, and BNPL, to further meet customer demand.

New customer payment trends observed in the past 12 months

% of merchants

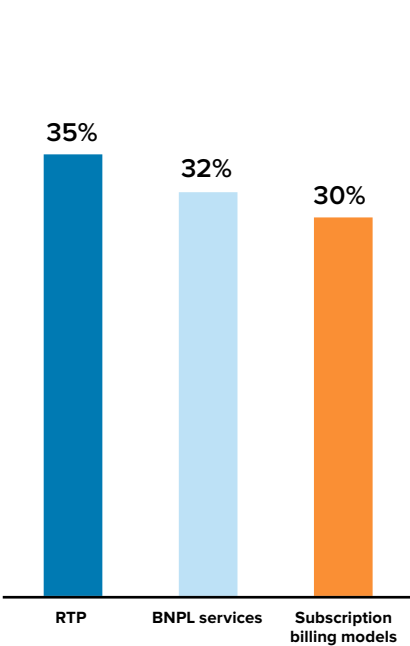


Growth in all major digital payment types – Vietnam’s payments landscape remains highly diverse

- Merchants based in Vietnam reported that growth in online bank transfers, cards, and mobile wallets were the three major payment trends in the past 12 months.
- Improvements to Vietnam’s payments infrastructure, especially the VietQR initiative, have led to growth in all major digital payment types, and a move away from traditional cash use. These developments include RTPs being made available, the introduction of new mobile wallets, and greater availability of POS devices in physical locations.

Payment initiatives identified as critical to future business strategy

% of merchants



RTPs, BNPL, and subscription billing models seen as key tools for future business strategy

- RTPs in Vietnam will continue to grow as fintech firms, banks, and merchants work to increase their acceptance through Vietnam’s network provided by NAPAS.
- BNPL’s growth has been facilitated by providers collaborating with merchants such as popular e-marketplaces. BNPL services which focus on specific product categories and customer segments further ensure that this payment type remains relevant in future.
- Subscription billing offers businesses predictable recurring revenue streams. As consumers seek more flexibility, such as greater control over subscriptions and transparency in upcoming charges, businesses will need agile payment systems that can meet these evolving needs to avoid customer churn.

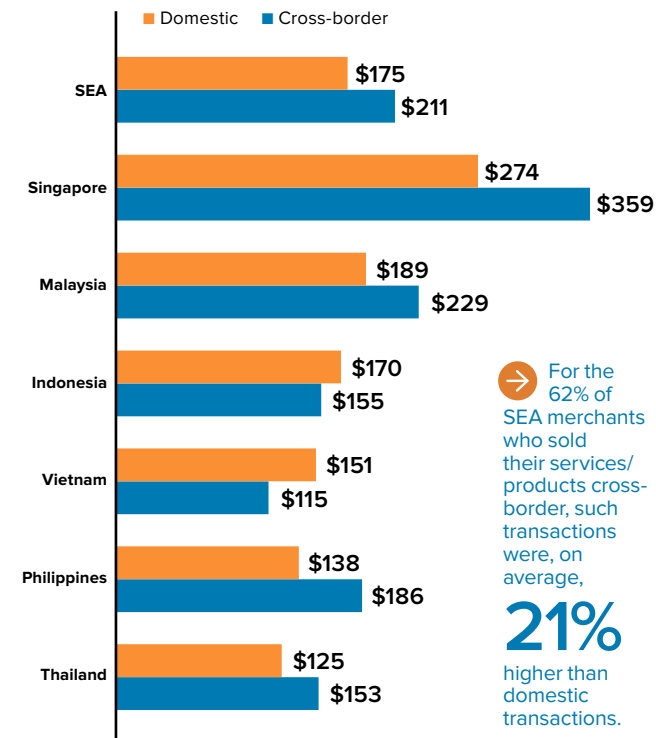
Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = VN 100)

Cross-border commerce is a huge opportunity for merchants in SEA

Intra-SEA cross-border commerce is projected to reach \$14.6 billion by 2028, a 2.8 times growth from 2023. For the surveyed merchants in SEA, the average transaction sizes for cross-border sales are also significantly higher than domestic transactions.

Merchants who fail to optimize consumers' purchasing experience for cross-border commerce could miss out on a golden opportunity to increase revenue and unlock new avenues for growth.

Average transaction value per customer: domestic vs cross-border



Intra-SEA cross-border ecommerce values 2023-2028

SEASOUTHEAST ASIA

2023 **\$3.9B**
2028 **\$14.6B**
2.8X Growth

PHILIPPINES

2023 **\$0.2B**
2028 **\$1.5B**
5.8X Growth

VIETNAM

2023 **\$0.5B**
2028 **\$3.1B**
4.6X Growth

THAILAND

2023 **\$0.5B**
2028 **\$2.2B**
3.3X Growth

INDONESIA

2023 **\$1.2B**
2028 **\$4.2B**
2.7X Growth

MALAYSIA

2023 **\$0.8B**
2028 **\$2.4B**
1.8X Growth

SINGAPORE

2023 **\$0.5B**
2028 **\$1.2B**
1.2X Growth

Note: 2028 data is based on IDC estimates.

THE MERCHANT TAKEAWAY







Merchants stand to reap significant rewards by looking beyond their shores and building up their capacity to cater to neighboring markets.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

Congruity in SEA's ecommerce markets aids cross-border commerce

SEA's exports stood at 8% of the global total in 2022, placing it at the same level as the United States. Intra-SEA trade, however, currently constitutes a small fraction of total cross-border commerce for each market. Merchants looking to sell cross-border in SEA need to understand the unique operating environments of each market while seeking ways to harness commonalities and advantages such as culturally relevant goods, developed trade infrastructure, favorable tariffs, and the regional expansion of ecommerce platforms.

State of ecommerce in SEA: a snapshot

						
	INDONESIA	MALAYSIA	PHILIPPINES	SINGAPORE	THAILAND	VIETNAM
Percentage of cross-border commerce 2023 (percentage of total)	26%	45%	23%	61%	31%	38%
Percentage of intra-SEA cross-border commerce 2023 (percentage of total)	2%	7%	1%	6%	3%	3%
Channels used for purchasing	Mobile Desktop 95% 5%	Mobile Desktop 79% 21%	Mobile Desktop 78% 22%	Mobile Desktop 75% 25%	Mobile Desktop 83% 17%	Mobile Desktop 84% 16%
Most used ecommerce platforms	Shopee, Tokopedia, Lazada	Shopee, Lazada, Carousell	Shopee, Lazada, Carousell	Shopee, Lazada, Amazon	Shopee, Lazada, Kaidee	Shopee, Lazada, Tiki
Intra-SEA cross-border taxes	<ul style="list-style-type: none"> ■ Under \$3: No tax ■ \$3 to \$1,500: 7.5% import duty and exempted from income tax (apart from certain categories such as cosmetics, textiles, etc. which have rate bands of 10% to 30%) ■ Above \$1,500: Full import duties apply 	<ul style="list-style-type: none"> ■ 10% tax on all goods imported through cross-border means 	<ul style="list-style-type: none"> ■ 12% tax on imported goods valued above PHP10,000 (US\$170) 	<ul style="list-style-type: none"> ■ 9% goods and services tax (GST) 	<ul style="list-style-type: none"> ■ 7% VAT on all imported goods 	<ul style="list-style-type: none"> ■ Currently no tax, but there are plans in 2024 for cross-border tax

Sources: IDC 2024; IMF 2022

Cross-border payments add more complexity to overseas transactions

Payments are a crucial component of cross-border transactions and can make or break a sale. Optimizing this aspect of the customer journey, however, brings challenges that add a whole new layer of complexity. For the bulk of surveyed merchants in SEA, these challenges revolve around security, technological infrastructure, and fee-related issues, among others.

Common challenges when dealing with overseas payments in SEA, 2024

% of merchants



International fraud prevention and security measures

58%

International transactions bring higher risks of fraud and security threats

- Dealing with international payments brings associated risks of fraud, which could result in revenue loss and a significant strain on time and resources. For merchants, clawing back funds from a fraud case is often a prolonged and drawn-out process.
- Cross-border transactions are more complex to handle due to different anti-fraud regulations and standards across jurisdictions.



Integration issues with overseas payment systems

51%

Multiple systems often needed to service overseas customers

- Catering to unique overseas payment tools, especially in SEA where payment options remain highly diverse and localized, brings with it the challenge of integrating foreign payment systems into merchants' existing systems.
- Merchants often patch together multiple siloed systems to create a payment stack that can cater to diverse customer needs and preferences. Such multi-layered stacks entail more complexity and make reconciliation harder.



Cross-border transaction fees

50%

Cross-border transaction fees often confuse both merchants and customers

- Cross-border transactions often accrue added fees for customers and merchants – ranging from foreign exchange (FX) and interchange fees to import tariffs for certain goods and markets.
- These fees may eat into margins, fluctuate on a per-transaction basis, and shift due to overall macro-FX trends, making it difficult to develop accurate sales forecasts.
- Unsure how and when these fees apply, consumers may refrain from purchasing, while merchants may be wary of enabling such transactions due to the lack of clarity on the final costs.



THE MERCHANT TAKEAWAY

Merchants need to assess how they can mitigate the additional challenges of cross-border commerce in order to successfully expand to new markets.

Note: Percentage denotes the top three challenges cited by merchants.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

The playbook for cross-border success

Six steps to optimizing your payments strategy

	1	2	3	4	5	6
	Understand the landscape	Identify target markets	Manage risks and costs	Create a localized experience	Build a comprehensive toolkit	Create feedback and optimization loops
EVALUATE	Understand the business landscape and potential opportunities in the overseas markets you are considering. Are they receptive to cross-border transactions? Is the market growing?	Choose your target markets and segments for services and goods you will be selling. What are their preferences? Where and how do they purchase?	Assess the risks and costs (e.g., FX fees, fraud and chargeback risks, regulatory changes). How can you manage these, and what tools can help you minimize them?	Craft a localized experience. What do you need to support the relevant payment options and currencies? How can you ensure transparency in currency conversions and other fees?	Explore ways to scale up operations as the business grows. Can your technology stack meet your evolving business needs, whether for enhanced security, customizability, ease of use, or other key considerations?	Gather and assess customer feedback, create a culture of continuous optimization and improvement, and explore new payment types to stay on top of emerging opportunities for enhancing revenue or operational efficiency.
EXECUTE	Examine multiple sources to understand the potential for cross-border commerce, the competition and how they are operating, and the payment options offered.	Engage payments partners with experience in those markets to support you. Seek partners with the largest network of services across the areas you wish to serve, allowing you to cater to customer preferences promptly.	Scrutinize your current payments stack for adaptability and risk mitigation, ensuring it meets current and future needs. Consider options like multi-currency accounts.	Use technologies to optimize the cross-border purchasing experience. Consult payment partners about what technologies they have that can enhance localization options.	Monitor and address gaps in your technology stack. Find comprehensive solutions that can reduce operational complexity. Understand the need for cloud-based scaling and seek partners who can address those needs.	Work with your payment partners to monitor operations, keep up to date with the latest trends and technologies, and formulate strategies for continuous improvement.

Introducing new payment methods catalyzes new business opportunities and improves customer satisfaction

Merchants see positive impact from introducing new payment methods to customers: increased sales and revenue, an improved user experience, and better security, among others.

Positive impacts observed the last time merchants introduce a new payment method, 2024



Increasing sales revenue

60%

New payment methods can catalyze new sales

- IDC's 2023 research revealed that adding new payment options can, on average, increase revenue by 7%.
- BNPL can make higher-value purchases more manageable by spreading out the payment in installments. This could increase conversion metrics and can be effective in catering to segments such as uncarded consumers.
- Customers may look specifically for merchants accepting certain types of payments to earn loyalty points or meet spending targets.



Improving user experience and convenience

55%

New payment options can help reduce friction in the checkout process

- Payment transactions that enhance the user experience and provide convenience can improve conversion rates and encourage repeat purchases.
- One-click and simplified purchase flows enabled by biometrics such as fingerprints, facial recognition, or voice recognition can drive up conversion rates for purchases.



Enhancing security and fraud prevention

54%

Better security means more revenue and fewer resources spent on managing incidents

- Payment methods with safeguards as biometric authentication, virtual cards, and tokenization can play a big role in reducing fraud risks. These next-generation security tools offer extra layers of protection for payment transactions.
- By reducing fraud incidents, merchants ensure they are not losing revenue or time spent on dealing with issues and bad actors, allowing them to focus on increasing sales and reducing overall costs.



THE MERCHANT TAKEAWAY

Merchants looking to boost online sales need to incorporate payments as part of their customer experience and sales strategy.

Note: Percentage denotes the top three challenges cited by merchants.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

Supporting new payment methods allows merchants to reach more customer segments: Mobile wallets and BNPL



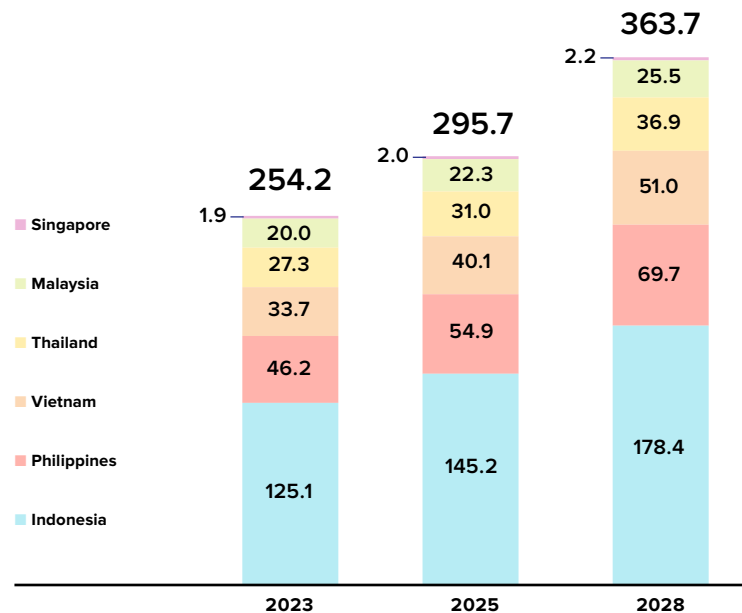
Mobile wallets

Key to SEA ecommerce success

- Mobile wallet users will continue to grow strongly in SEA with over 100 million users expected to be added from 2023 to 2028 at a CAGR of 7.4%.
- Indonesia is projected to add 53 million users from 2023 to 2028. The Philippines is predicted to add 23 million users, and Vietnam, 17 million new users, in the same period.
- Extending mobile wallet support is essential for SEA merchants hoping to reach out to consumers that wish to purchase and pay online using these wallets.

Mobile wallet users 2023–2028

Millions of users



Note: Data for 2023 is actual. All other data is based on IDC estimates.



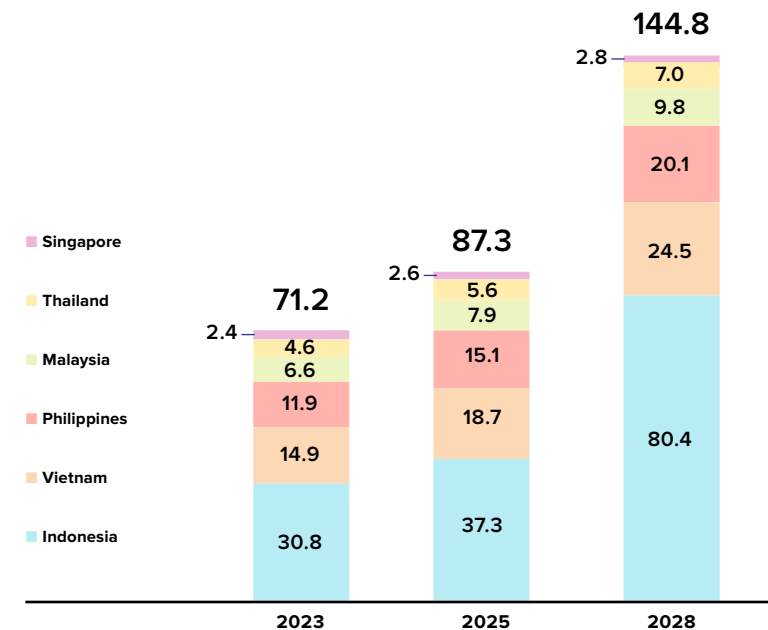
BNPL

One of the fastest growing options

- BNPL is a fast-growing payment method which is particularly relevant in SEA where significant portions of the population remain unbanked or uncared.
- BNPL users will grow 15.2% from 2023 to 2028, making it one of the fastest-growing digital payment methods in SEA.
- Major markets for BNPL in SEA include Indonesia with a predicted 80 million users by 2028, and Vietnam with 25 million for the same period.
- Supporting BNPL will allow merchants to tap into this rapidly expanding customer segment in SEA.

BNPL users 2023–2028

Millions of users



Sources: IDC 2024; central bank statistics

Supporting new payment methods allows merchants to reach more customer segments: RTP



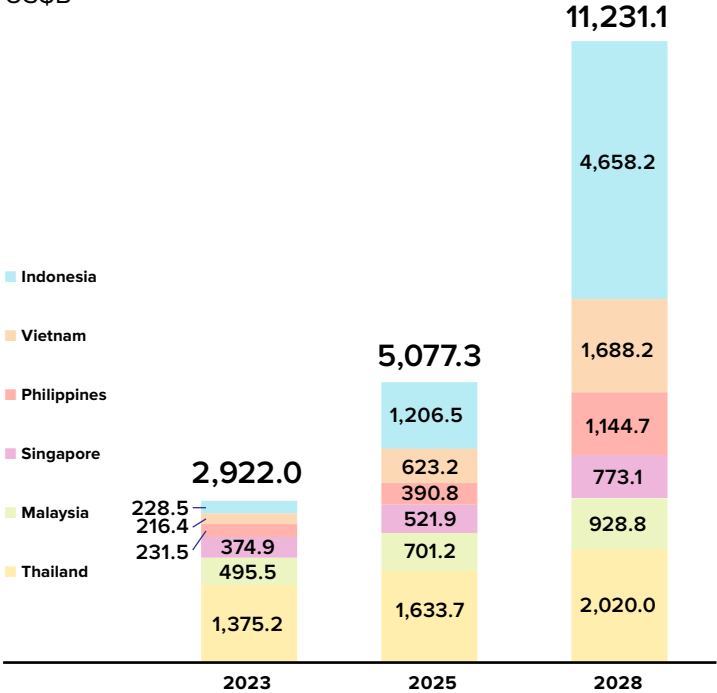
Domestic payment:
RTP

Exponential growth, reaching over \$11 trillion by 2028

- RTPs in SEA have been largely driven by government initiatives to reduce cash reliance and to promote lower-cost, fast payment methods which meet both consumer and merchant needs.
- While Thailand is currently the biggest SEA market by transaction value as of 2023, Indonesia's new BI-FAST system is growing fast and is estimated to be the largest RTP network by value in SEA by 2028.
- RTPs represent a major opportunity for merchants by offering a fast, secure, and lower-cost digital payment method to customers.

RTP transaction values 2023-2028

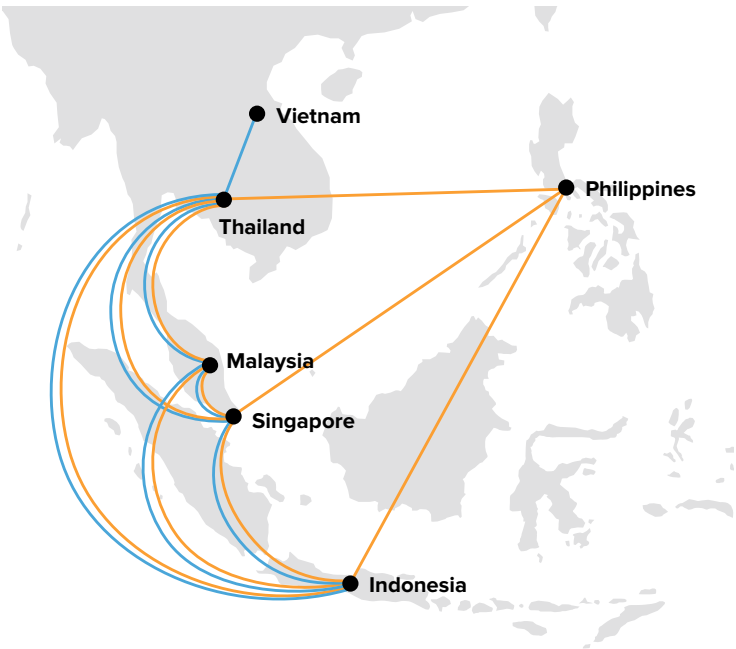
US\$B



Note: Data for 2023 is actual. All other data is based on IDC estimates.

RTPs will drive new avenues for cross-border commerce in SEA

- Domestic payments cross-border connection available
- Mobile wallet cross-border connection available (through Alipay+)



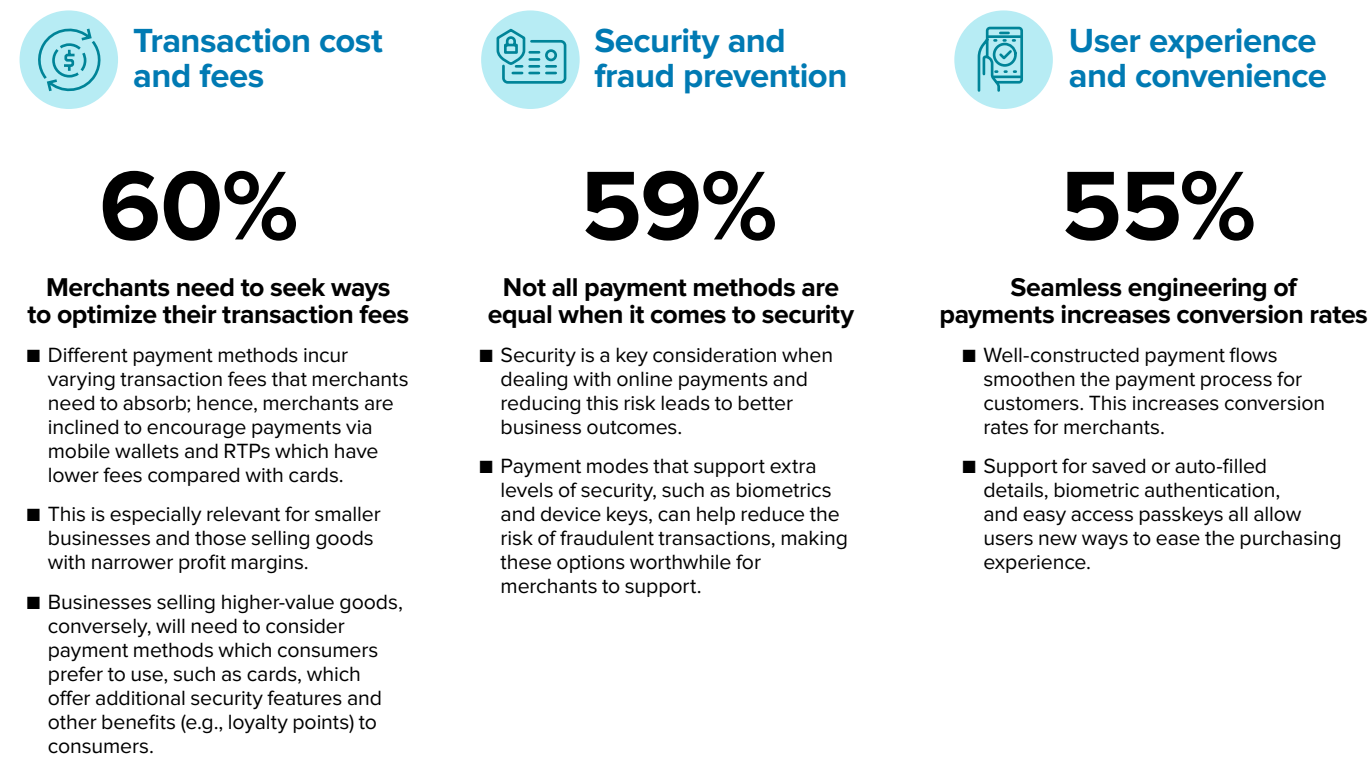
- As of mid-2024, multiple SEA nations have already forged bilateral linkages between their national RTP systems, enabling both online and physical transactions across borders.
- Project Nexus is also exploring wider connectivity across SEA and other regions such as Europe. The initiative aims not just to facilitate connectivity between participating markets, but to also create one unified point of connection to allow any party, such as a payments provider or financial entity, to plug into the entire Project Nexus network with a single interface.
- These initiatives create the potential to reduce costs and implementation times, further enabling intra-SEA trade.

Sources: IDC 2024; central bank statistics

What merchants should consider when selecting new payment methods

The IDC survey illuminated the reasons merchants select a specific payment type to offer customers. Transaction costs and fees were paramount to the decision, with security and user experience following close behind.

Key considerations when offering a specific payment method in SEA, 2024



THE MERCHANT TAKEAWAY

Merchants need to carefully consider the payment options available and align their payments strategy with their business goals.

Note: Percentage denotes the top three challenges cited by merchants.
Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

Merchants face common challenges with their payments stacks

While payments create opportunities for SEA merchants to enhance business outcomes, they face common challenges with customer support and issue resolution, payment gateway integration and technology issues, and the time needed to bring networks online.

Common challenges faced by merchants when dealing with online payments in SEA, 2024



Customer support and issue resolution

41%

Customer support is merchants' top concern

- Handling customer issues and resolving problems such as fraud cases are the biggest payments issues merchants face because they take up significant time and resources. Among the merchants surveyed, this was the most commonly cited reason for seeking new payments partners.
- Finding the appropriate payments partners who can minimize the time and effort spent on flagging and resolving payments issues is essential to maintaining a healthy online business.



Payment gateway integration

40%

Swift and seamless integration is critical

- Integrating new payment methods into existing stacks can often be troublesome for merchants. For customers, this can lead to disjointed experiences due to inconsistent options or redirection to different gateways.
- For merchants, rapid and painless integration into existing platforms is crucial to ensure a continuous flow of transactions. A system which is down could lead to a great loss of revenue. Further, new requirements from regulators or service providers demand regular system enhancements which can cost time and resources if not managed well.



Technological infrastructure

39%

Technology limitations can lead to lost opportunities

- The back-end integration work to maintain or enhance existing payment stacks may be a challenge. Existing infrastructure may not be adequate to cope with the additional payments workload and can overstress resources.
- Other technology problems may lie in the infrastructure, such as internet connection speeds and availability, which may lead to frequent time-outs and dropped connections, resulting in lost sales.



THE MERCHANT TAKEAWAY

Merchants need to assess if and how their current payments providers can mitigate these challenges before deciding to enhance their payments stack.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

Merchants need the right partners to support their payments aspirations

The IDC payments survey reveals that the key considerations for merchants when selecting their online payment services providers are: ability to support user experiences, flexibility, and transaction costs.

Merchants' key considerations when selecting payments services providers, 2024



User-friendly interface and experience

35%

Modern features, software, and interfaces increase productivity

- Best-in-class interfaces enable faster onboarding of new systems. Features such as consolidated dashboards ease reporting, and give merchants a quick overview of their business, allowing them to promptly rectify issues.
- Supporting mechanisms such as tokenization or payment simulation (which enables merchants to check and display only the payment methods with sufficient funds), give merchants more options to optimize their payment flows and increase transaction success rates.
- Service providers must be able to offer comprehensive features, a short training period, and regular updates.



Flexibility and system features

33%

The right payment options and features for each market and segment

- Offering a range of payments for each market, especially popular and localized options, can help merchants capture a bigger share in their target markets and customer segments.
- Merchants also need the flexibility to easily add or remove payment methods as market needs change or new options emerge.
- Systems equipped with features that enhance the payment experience will be a boon to merchants, such as mechanisms to identify and display a customer's last or most frequently used payment modes.



Transaction fees and cost structure

32%

Transparency and clarity in transaction fees is essential

- Clearly laying out transaction fees with no hidden charges allows merchants to calculate and forecast their budgets and profit margins more accurately.
- While lower fees are important, a consistent and fair fee structure is equally important.



THE MERCHANT TAKEAWAY

The right payments partner can make the difference between a healthy, successful ecommerce venture, and an underperforming one.

Source: IDC Southeast Asia Payments Survey 2024, commissioned by 2C2P (n = 600)

The path to global market success: Embracing flexibility and choice

1



THE CHALLENGE

Multiple, highly localized payment options

Business expansion involves new audiences and segments, as well as multiple payment methods that may often include highly localized options. Commercial success requires skillful navigation and optimization for each market.

THE SOLUTION

Seek experienced partners with advisory capabilities

Work with payments partners that can offer both expert advice and a comprehensive network of payment options in your target markets.

2



THE CHALLENGE

Rapidly changing market trends

Payments are in a state of transformation globally, and new payment methods continue to emerge at a rapid pace. Keeping up with these trends may prove challenging.

THE SOLUTION

Ensure future-ready capability

A well-connected payments partner that can quickly enable new payment options can simplify the work of adapting to each market, enabling you to respond nimbly to changes in payment trends.



THE MERCHANT TAKEAWAY

Ensure you work with a flexible payments partner that can match your growth ambitions. Seek partners who not only offer products but can also provide essential advice.

Source: IDC, 2024

The path to global market success: Simplifying payment operations

3



THE CHALLENGE

Increasingly complex operations

Using multiple payment providers increases business complexity. Managing accounts and operations can become challenging and expensive.

THE SOLUTION

Automate and consolidate

Strive to automate and simplify payment operations. Explore how processes can be streamlined through consolidation under a single platform.

4



THE CHALLENGE

Difficulty optimizing payment flows

Ensuring payment solution availability, selecting market-specific security measures, and optimizing transaction costs can be a challenging task, impacting revenue potential, especially for cross-border commerce.

THE SOLUTION

Orchestration is vital

Adopt solutions that optimize payment flows to generate maximum revenue. Top payment partners offer orchestration to optimize payments from multiple countries and sources. Automated engines ensure real-time decision-making on security, foreign exchange, and transaction routing.



THE MERCHANT TAKEAWAY

The right technology can help manage complexity as the business grows. Find ways to increase visibility into operations, automate existing processes, and do more with a comprehensive solution rather than dealing with multiple providers.

Source: IDC, 2024

The path to global market success: Redefining the payments experience

5



THE CHALLENGE

Payments not integrated into customer experience

Payments are often developed in silos from other customer experience components, and aspects such as unclear rates or lengthy payment flows may increase friction and inconsistency across the customer journey.

THE SOLUTION

Level up the payments experience

Prioritize excellence in customer payment experiences and develop these as part of the overall customer journey. Explore ways to build seamless payment flows and enhance security without disrupting the user experience.

6



THE CHALLENGE

Benchmarks for payments success are outdated

Many merchants continue to gauge payments success on KPIs such as authorization rates only, without considering the effect of payments on the customer experience.

THE SOLUTION

Redraw KPIs

Integrate payments success assessment into your CX strategy. Emphasize the importance of a robust data foundation for trend analysis and customer behavior insights.



THE MERCHANT TAKEAWAY

Payments have become a key customer-facing tool, and one directly tied to revenue. Develop it as an integral part of the overall customer experience and treat it with the same importance as other sales tools.

Source: IDC, 2024

Choosing a strategic payments partner

Merchants are recommended to carefully consider the following attributes when they seek new payment partners to drive growth.



EXPERIENCE

Are they equipped with the knowledge, expertise, and a network of relationships in the target markets? Do they have required regulatory licenses to operate?

Finding partners who understand local and regional nuances is essential as they can offer guidance on issues such as security and compliance – critical for successful operations across multiple markets.



GUIDANCE

Does their consultative process extend beyond payment and compliance, to allow for a strategic approach to the market?

A payments partner with knowledge of global and local trends can help clients apply the latest developments to their technology roadmaps. In some cases, it may even make sense for merchants to outsource most of their payments operations so they can focus on their core business.



TECHNOLOGY (I)

Do they have the modern financial technology to keep up with the market?

Seek partners that utilize an architecture that is scalable and resilient, enabling quick adjustments to keep up with payment trends.



TECHNOLOGY (II)

Can the partner's systems support rapid, flexible integration across multiple markets?

A modern system with rapid integration features means merchants can start up quickly regardless of the market they operate in or customers' payment preferences. They are able to add functionality with ease and access data critical to operational efficiency.

Mastering payments for SEA and beyond



Global reach with local impact

eCommerce has a global reach, but markets are unique in their purchasing preferences and behavior and remain highly localized. Merchants must create a localized experience that resonates with their customers across markets, and use all the tools available to craft experiences that drive customers to return.



Manage cross-border complexity

While cross-border commerce brings great opportunities, it amplifies the potential problems that can arise from a lack of a coherent payments strategy. Merchants must make the effort to understand their cross-border customers and create a payments offering that best fits their needs.



Consumer expectations are evolving rapidly

Focus on seamless experiences, convenience, speed, stability, and trust in the payments process. Merchants must aim for the highest standards, whether for domestic or cross-border customers.



Technology foundations drive success

Modern ecommerce success relies on technology that reduces friction and eliminates pain points in the purchasing process. Modern payment platforms provide stability, scalability, and easier access to payment data. Merchants must use data to understand consumer desires and behaviors while leveraging new platforms to streamline operations and support business expansion.



Message from the sponsor



Simplify payments with 2C2P

A leading payments platform with over 20 years of expertise across Southeast Asia and beyond, 2C2P simplifies payments for your business.

With a single point of integration, tap into our established network of financial institutions and payment providers to securely accept over 400 payment methods from your customers, anywhere, anytime.

Payment acceptance

Accept any payment -- including cards, mobile wallets, domestic payments and alternative payments across over 600,000 acceptance points across Asia Pacific.

Payouts and remittance

Pay your local sellers, suppliers, and partners easily in the currency and payment method they prefer. Handle high-volume mass payouts and refunds seamlessly.

Financial services and business operations

Meet all your payments needs, from issuing cards and wallets to accessing digital goods and services. Tap on our extensive experience to better navigate operational complexities and create an optimal payment experience.

[Learn More](#)



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ABOUT AN TOM



One-stop digital payment solutions for merchants worldwide

Ant International's Antom is a leading provider of payment processing services to merchants worldwide. Antom provides one-stop, vertical-specific digital payment solutions to meet the payment needs for merchants of all sizes.

Antom currently supports merchants in over 40 countries and regions, including, amongst others, the Chinese mainland, Hong Kong SAR, Japan, Thailand, Malaysia, Indonesia, Philippines, Vietnam, Singapore, United States, United Kingdom and the EU countries, and offers hundreds of payment methods globally.

Antom also provides digital marketing solutions through A+ Rewards, a flexible marketing mini program/SDK built into e-wallets and payment apps that connects and boosts interactions between brands and customers, helping global merchants to distribute a wide range of discounts to users of different digital payment platforms, helping them to acquire and retain consumers.



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