“Statistical overview of the digital payments market”

By: Anuj Khanna, Director, Peak State Consulting

01 October 2015, AIME Power 50 Conference, Cobham, UK

www.peakstate.com

PEAK STATE

consulting

www.peakstate.com

wireless
EXPERTISE

Strategy Consulting, Client references

OPERA software

INMOBI

badoo

boku PAY BY MOBILE

bango

spinlet

wau
Your Mobile Business our Continent

isobar

ARCADE

Forbes
DIGITAL COMMERCE

AdMarvel

NEOMOBILE
commerce company

BUONGIORNO

VENISTAVENTURES

MONITOR CLIPPER
PARTNERS

MobBill

JAN 2015

GLOBAL DIGITAL SNAPSHOT

A SNAPSHOT OF THE WORLD'S KEY DIGITAL STATISTICAL INDICATORS

TOTAL POPULATION	ACTIVE INTERNET USERS	ACTIVE SOCIAL MEDIA ACCOUNTS	UNIQUE MOBILE USERS	ACTIVE MOBILE SOCIAL ACCOUNTS
7.210 BILLION	**3.010 BILLION**	**2.078 BILLION**	**3.649 BILLION**	**1.685 BILLION**
URBANISATION: 53%	PENETRATION: 42%	PENETRATION: 29%	PENETRATION: 51%	PENETRATION: 23%

Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

JAN 2015

DIGITAL IN THE UK

A SNAPSHOT OF THE COUNTRY'S KEY DIGITAL STATISTICAL INDICATORS

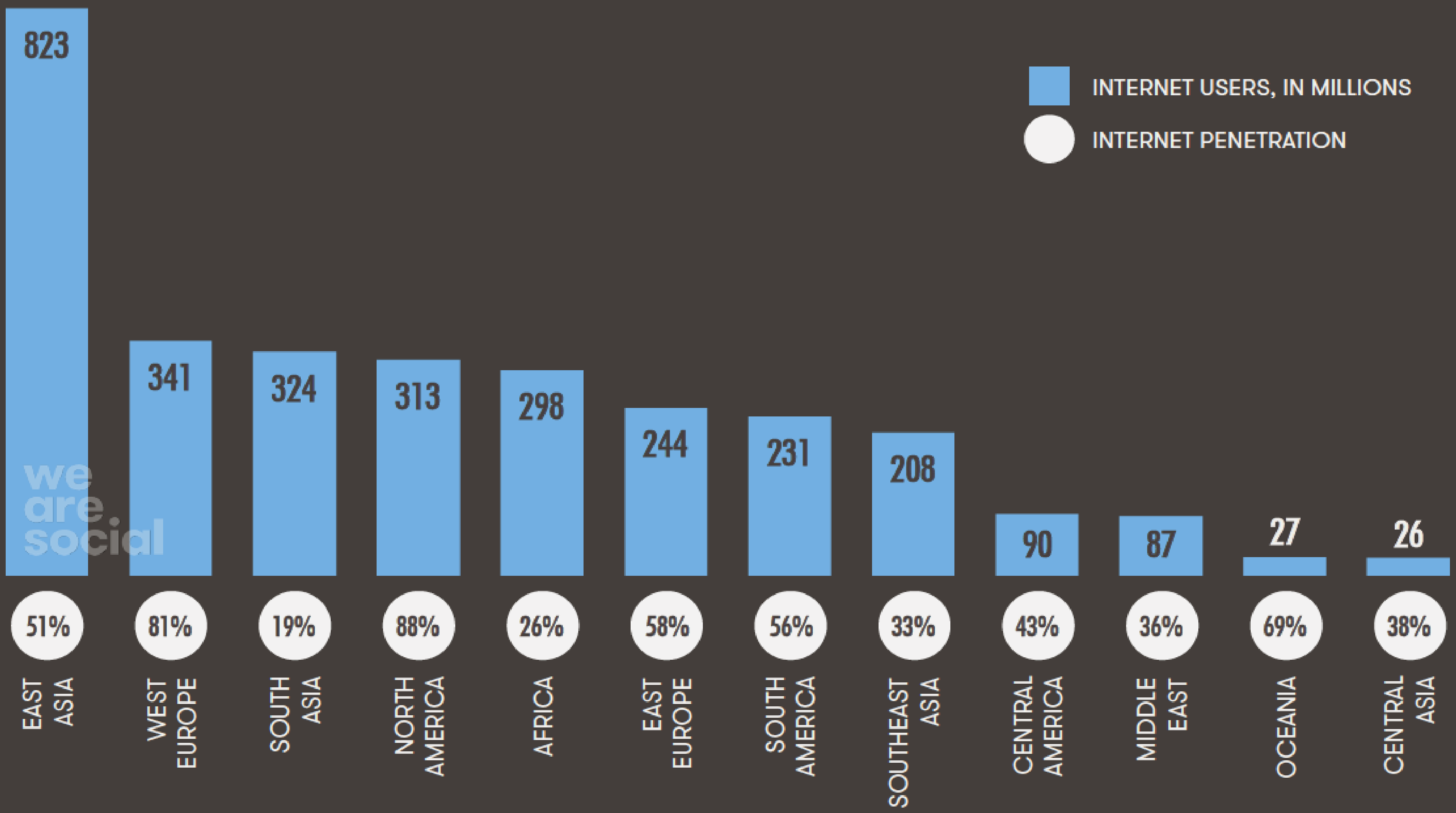
TOTAL POPULATION	ACTIVE INTERNET USERS	ACTIVE SOCIAL MEDIA ACCOUNTS	MOBILE CONNECTIONS	ACTIVE MOBILE SOCIAL ACCOUNTS
64.1 MILLION	57.3 MILLION	38.0 MILLION	74.8 MILLION	32.0 MILLION
URBANISATION: 80%	PENETRATION: 89%	PENETRATION: 59%	vs. POPULATION: 117%	PENETRATION: 50%
FIGURE REPRESENTS TOTAL NATIONAL POPULATION, INCLUDING CHILDREN	FIGURE INCLUDES ACCESS VIA FIXED AND MOBILE CONNECTIONS	FIGURE REPRESENTS ACTIVE USER ACCOUNTS, NOT UNIQUE USERS	FIGURE REPRESENTS MOBILE SUBSCRIPTIONS, NOT UNIQUE USERS	FIGURE REPRESENTS ACTIVE USER ACCOUNTS, NOT UNIQUE USERS

Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

INTERNET REGIONAL OVERVIEW

JAN 2015

INTERNET USERS (IN MILLIONS), AND INTERNET PENETRATION, BY REGION



Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

www.peakstate.com

JAN 2015

SHARE OF WEB TRAFFIC BY DEVICE

BASED ON EACH DEVICE'S SHARE OF TOTAL WEB PAGES SERVED

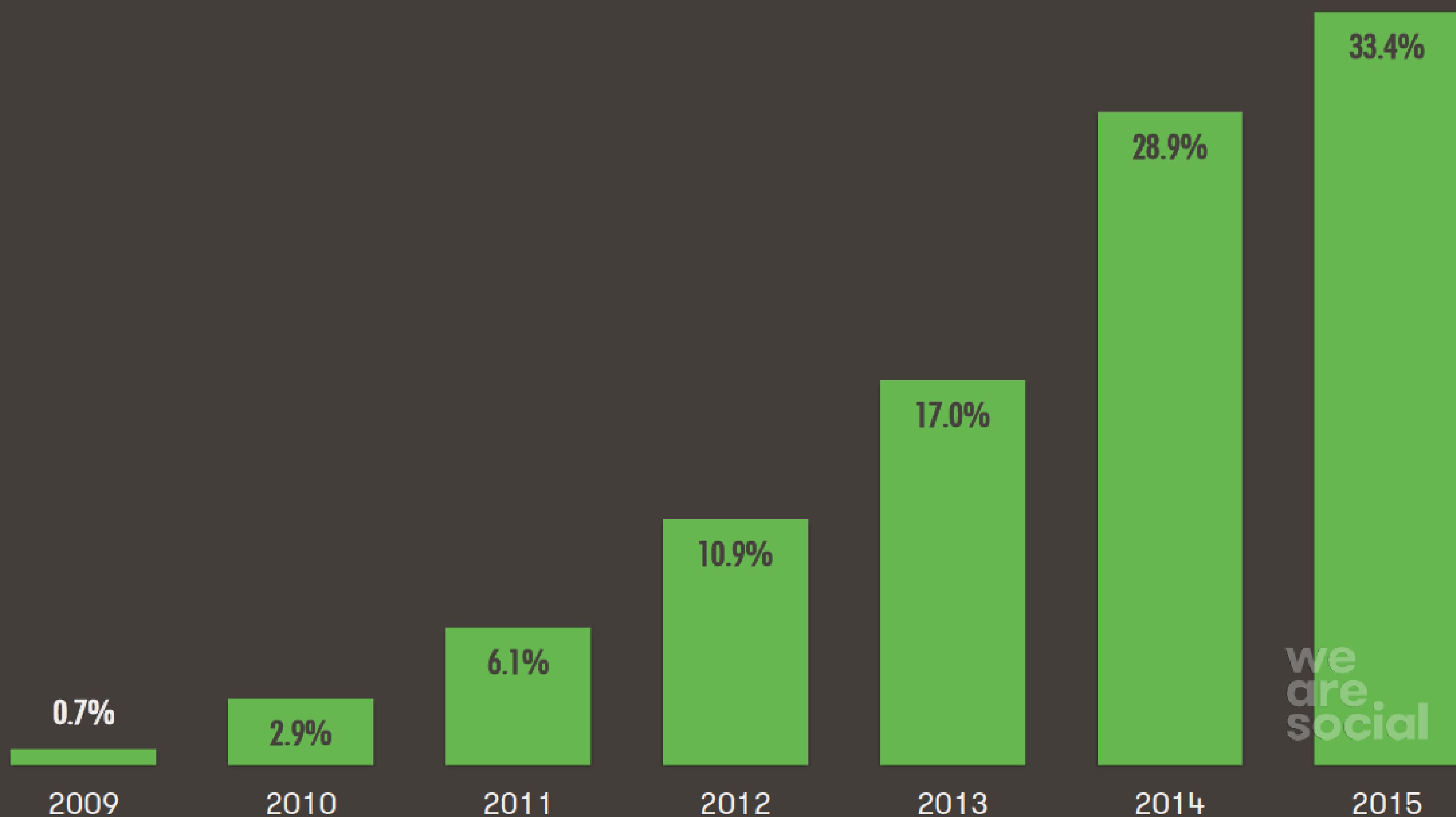
SHARE OF WEB PAGE VIEWS: LAPTOPS & DESKTOPS	SHARE OF WEB PAGE VIEWS: MOBILE PHONES	SHARE OF WEB PAGE VIEWS: TABLETS	SHARE OF WEB PAGE VIEWS: OTHER DEVICES
62%	31%	7%	0.1%
YEAR-ON-YEAR: -13%	YEAR-ON-YEAR: +39%	YEAR-ON-YEAR: +17%	YEAR-ON-YEAR: +18%

Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

JAN 2015

MOBILE'S SHARE OF WEB TRAFFIC

PERCENTAGE OF ALL GLOBAL WEB PAGES SERVED TO MOBILE PHONES



Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

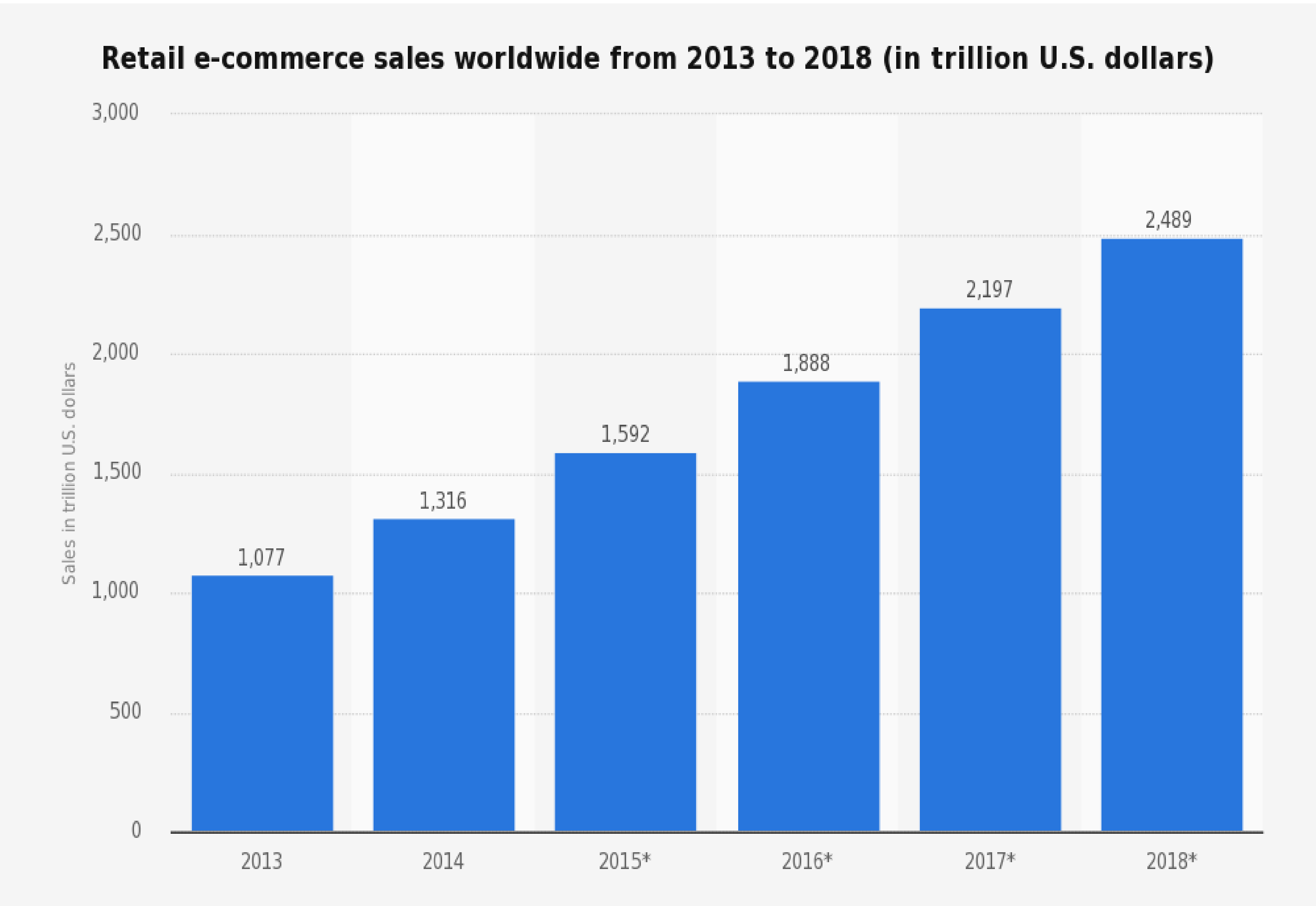
JAN 2015

PLATFORMS' SHARE OF MOBILE WEB

BASED ON EACH PLATFORM'S SHARE OF TOTAL GLOBAL MOBILE WEB PAGE REQUESTS

PERCENTAGE OF GLOBAL MOBILE WEB PAGE REQUESTS FROM APPLE SAFARI BROWSERS	PERCENTAGE OF GLOBAL MOBILE WEB PAGE REQUESTS FROM ANDROID WEBKIT BROWSERS	PERCENTAGE OF GLOBAL MOBILE WEB PAGE REQUESTS FROM OTHER PLATFORM BROWSERS
38.9%	30.9%	30.2%

Source: Wearesocial, Internet World, US Census, GSMA and CNNC.

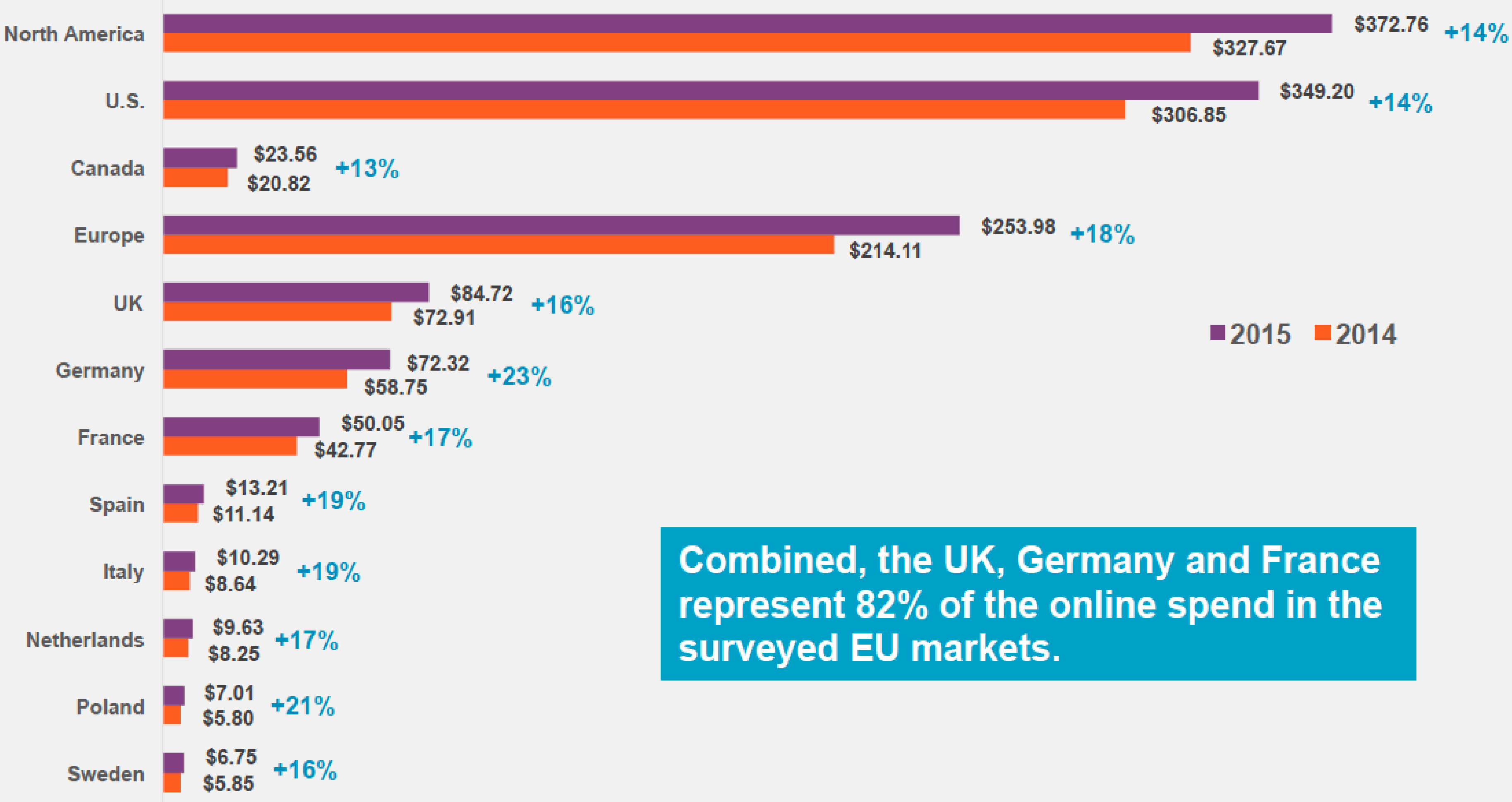


Source: emarketer and Statista 2015
* Real figures for 2013-2014 and forecast for 2015-2018

www.peakstate.com

E-commerce revenues by market

Online Retail Sales in 2014 and 2015 (in $ billions) and growth*



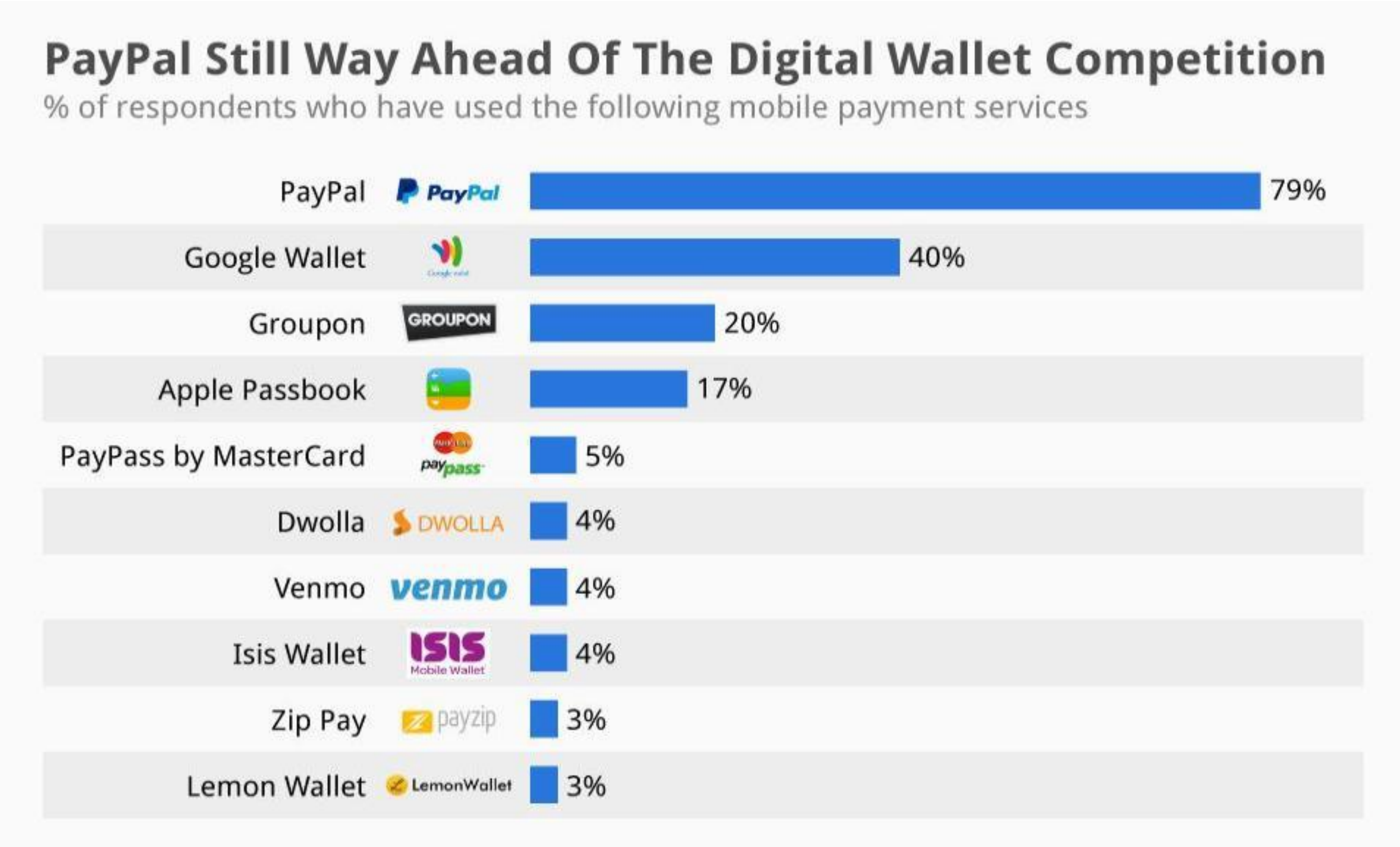
Combined, the UK, Germany and France represent 82% of the online spend in the surveyed EU markets.

**2014 data is actual. 2015 data is projected.*
Source: CRR, Total Online Retail Sales, excluding services, autos, gas, vacations and tickets

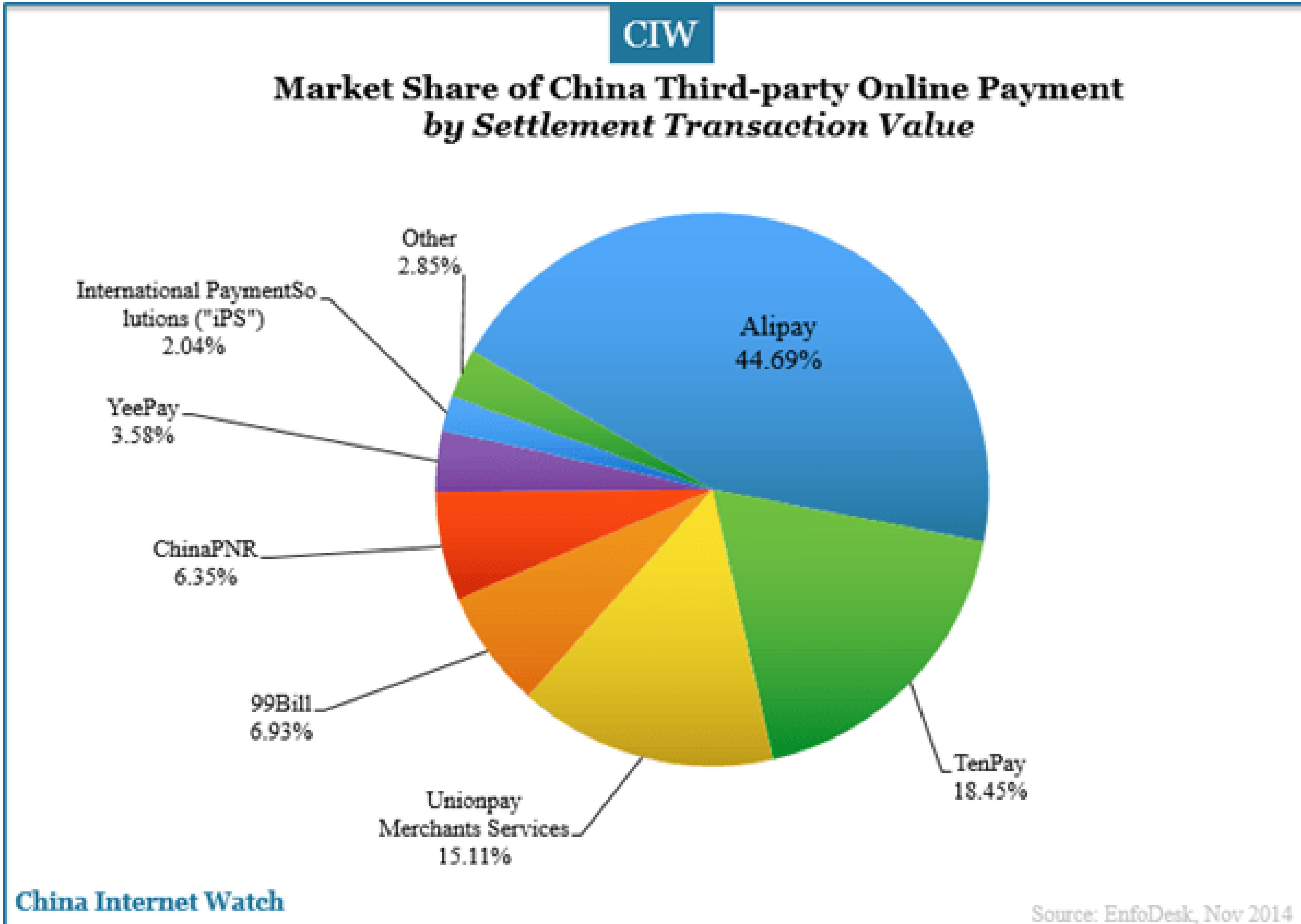
Source: Retailmenot Inc. market report, March 2015

Source: Statista 2015

Statista, US market survey results



Source: Statista US Survey, 2015



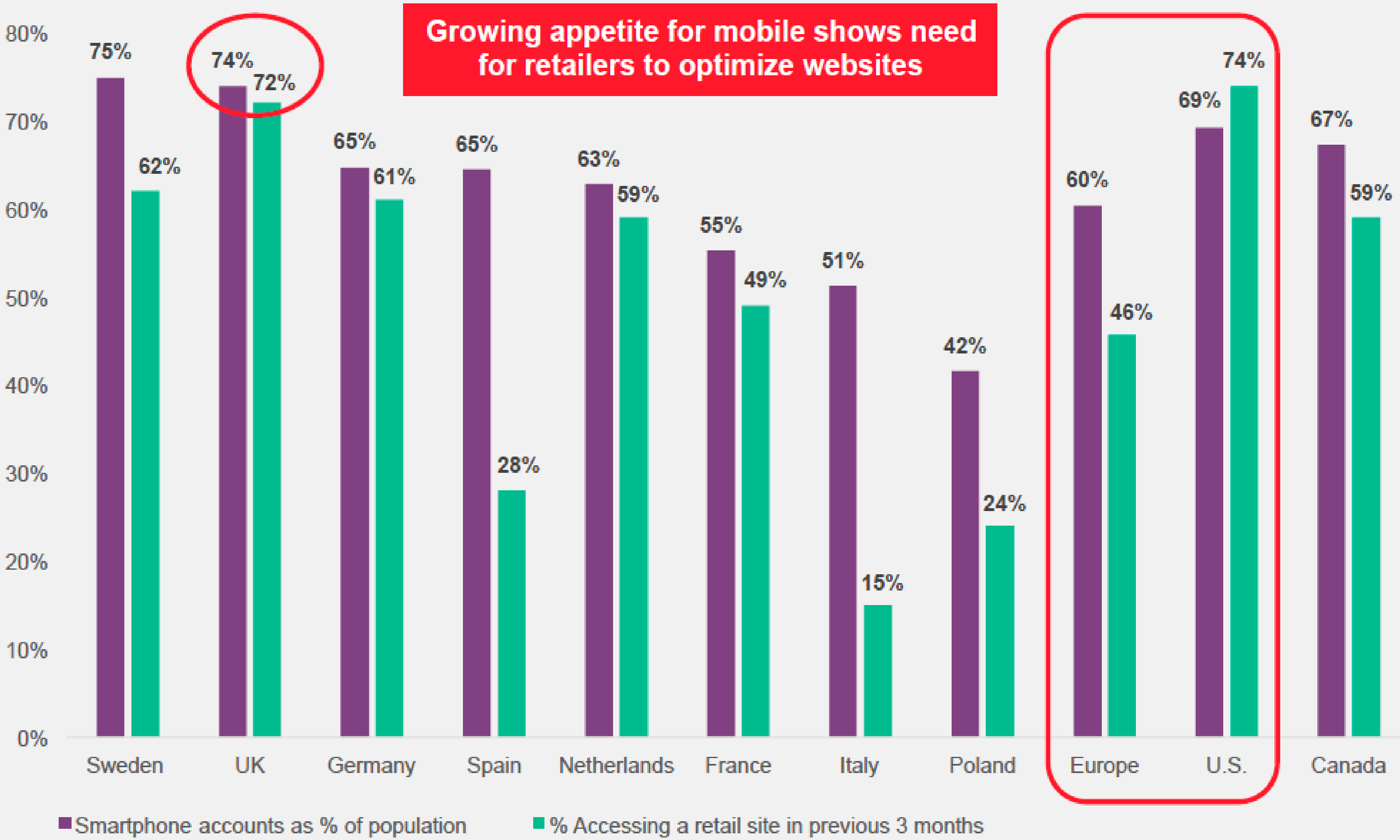
Source: China Internet Watch, Q4 2014

Mobile Financial Services in numbers

- Global mobile payments transaction value in 2014: **$250 billion**
- No of transactions in 2014: **65 billion**
- **300 million** active Alipay users
- **169 million** PayPal users
- **61 million** active mobile money accounts
- **30%** of global mobile banking transactions are conducted via mobile device / tablet.
- Estimated current market value for carrier billing services: **$5 billion**

MOBILE TRENDS

Smartphone users' interest in online retail

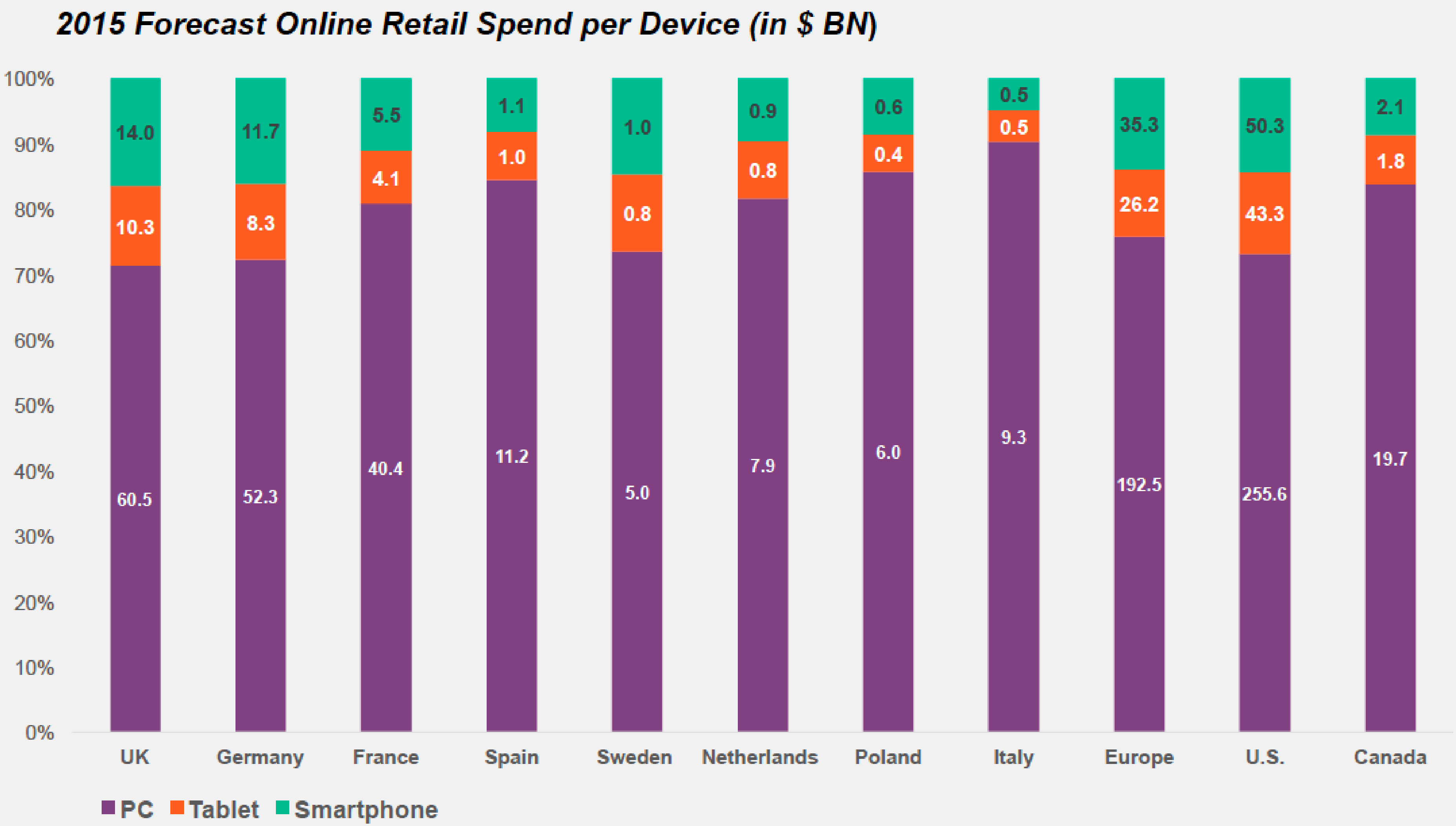


Sources: OECD, 2014 OECD Key ICT Indicators, World Bank

Source: Retailmenot Inc. market report, March 2015

www.peakstate.com

Online retail spend by device type



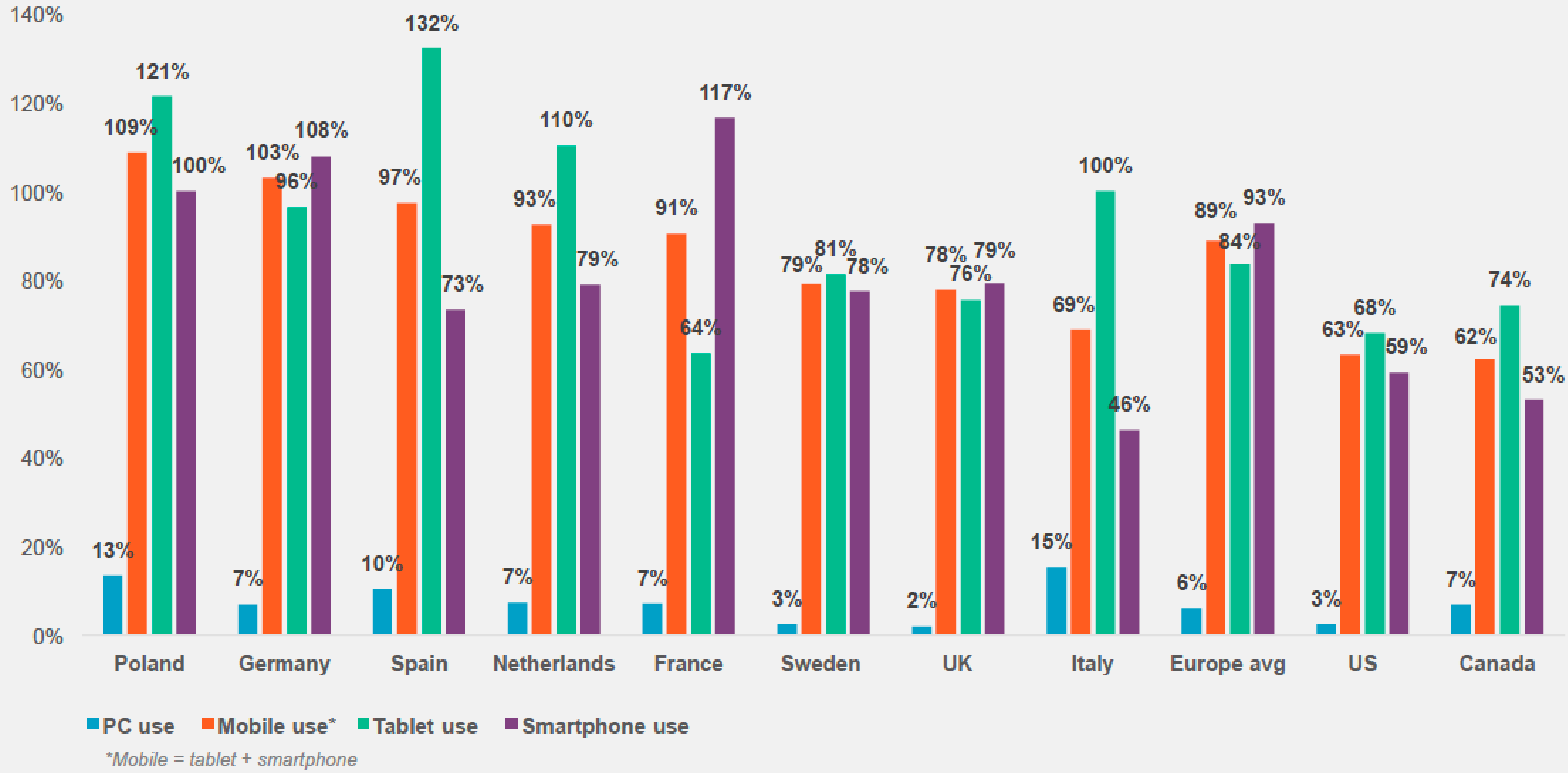
Source: CRR, Total Online Retail Sales, excluding services, autos, gas, vacations and tickets

Source: Retailmenot Inc. market report, March 2015

MOBILE TRENDS

Mobile is the key driver for online growth

Projected Sales Growth in Online Retailing by Device for 2015 (vs. 2014)

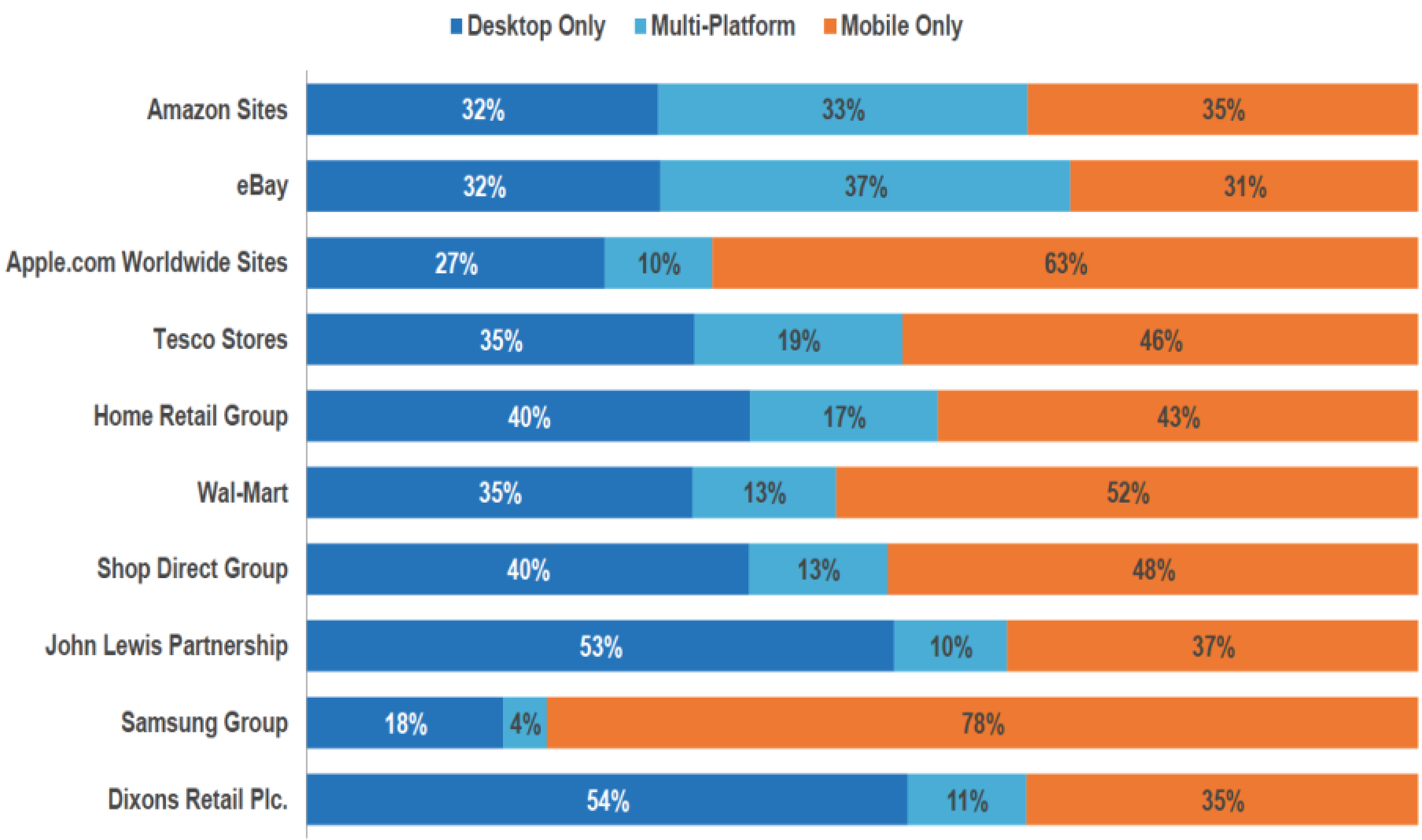


Future growth in online retail will come mainly from smartphones and tablets, while sales on desktop computers will grow by only 6% on average in Europe and 3% in the U.S.

Source: Retailmenot Inc. market report, March 2015

Top 10 Retail Sites Ranked by Total Digital Population (TDP)

Retail audiences shifting to Mobile access



Source: Comscore UK, 2015

www.peakstate.com

Key trends and opportunities in Mobile Payments

1. Mobile Commerce heading towards 50% market share of online sales.
2. Specialist mobile payment services thriving in emerging markets.
3. Retailers are still not fully ready with mobile optimized sites and apps.
4. Alternative payment methods including carrier billing need to find their niche and invest in better consumer education / marketing.
5. Untapped opportunities still exist to use carrier billing for digital goods, ticketing and low value transactions.
6. Digital payment providers are in the process of improving the mobile payment experience.
7. Still early days for digital payments and enormous potential to grow globally.

Peak State Consulting Services

- Business Strategy Consulting.
- Leadership coaching, non executive directorship and board advisory.
- Corporate expansion, growing sales and revenues.
- Investment appraisal, due diligence, financing, mergers and acquisitions.
- Business development and marketing strategy.
- Digital, IT and mobile strategy.
- Business turnaround and change management.
- Product development and life cycle management.
- Mentoring and advising young entrepreneurs.

Anuj Khanna, Director, Peak State Ltd

Mobile: +44 7916056916 Skype: anujkhanna Email: anuj@peakstate.com

www.peakstate.com