



The Evolution of Payments

# Key Growth Drivers across the European Region







The payments world has evolved dramatically in recent years and the scale and scope of change looks set to continue at pace. Globally, several forces are combining to create a new payments landscape that is increasingly digital and is shaped by technological advancements, shifting customer expectations, the increasing internationalisation of the purchasing experience, and an ever-changing global economy.

There were 1.3 trillion cashless transactions in 2023, for example.<sup>1</sup> This is predicted to increase to 2.3 trillion by 2027.<sup>2</sup> Ecommerce sales are projected to reach \$6.56 trillion in 2025.<sup>3</sup> Travel is steadily rebounding, making progress as it continues to recover from the impact of the pandemic. And new technology has emerged to support a seamless and secure payments experience.

For merchants and acquirers in the European region, this has created an environment ripe for growth.

Meanwhile, consumers making online or in-person purchases across the region now expect the payments experience will continue on a trajectory that prioritises simplicity and satisfaction – and are willing to spend if it does so.

This e-book explores the specific growth drivers fueling the change that has already taken place and changes that we can expect to see in the future.

Over the next 13 pages, we will cover:

- The 5 biggest growth drivers in the European region
- How to thrive in the evolving payments landscape
- Insights from leading merchant acquirers including Worldpay, Nexi, and Worldline

<sup>1</sup> <https://www.capgemini.com/news/press-releases/global-non-cash-transaction-volumes-set-to-reach-1-3-trillion-in-2023/> - As of November 2024

<sup>2</sup> [https://www.capgemini.com/fin/wp-content/uploads/sites/26/2024/02/Capgemini-Payments-Top-Trends-2024\\_Slide-deck.pdf](https://www.capgemini.com/fin/wp-content/uploads/sites/26/2024/02/Capgemini-Payments-Top-Trends-2024_Slide-deck.pdf) - As of November 2024

<sup>3</sup> <https://www.shopify.com/uk/blog/global-ecommerce-sales> - As of November 2024

# 1. Cross-Border Spending

Reaching global tourists and shoppers



The world is becoming increasingly connected and is getting smaller from a payments perspective as a result, with more people making transactions and purchases beyond their local market. Whether that is while visiting new destinations and locations in-person, or interacting with businesses beyond their borders via ecommerce, cross-border spending is driving growth and evolution across the payments industry.

Laying the groundwork to appeal to this increasing customer base is important as ecommerce in the region continued to thrive, with the European cross-border market reaching €237 billion turnover in 2023, an increase of 32% compared to the year before.<sup>4</sup> Catering to customers outside the local population can fuel growth.

## Understanding International Consumers

2024 data shows visitor arrivals to European destinations are up by 6% vs. 2019, and spending is expected to increase by 13.7% compared to 2023.<sup>5</sup> This upward trajectory is particularly prevalent amongst Asian travellers, where 2024 arrivals coming from China and Japan have grown by 64% and 53%, respectively, compared to 2023.<sup>6</sup>

To capitalise on this opportunity to engage travellers from around the world, it is essential to recognise that consumers from different countries and territories

have different expectations when it comes to the payment experience. Understanding these nuances and preferences can help encourage purchases. For instance, APAC tourists demonstrate a strong preference for digital payments – especially when travelling. Research shows that due to widespread acceptance by merchants, enhanced travel security, and favourable foreign exchange rates, APAC travellers often choose to go cashless while travelling abroad.<sup>7</sup>

## Simplifying Payments for Travellers

The recovery in European tourism is taking place in the context of an increasingly digital-first world. Offering frictionless, in-person payments across multiple regions is becoming an expectation for any visitors.

This means enabling card and mobile payments that tourists are used to using as standard wherever possible. As well as visiting popular destinations, visitors are exploring more destinations off the beaten track and hopping between countries and territories. If they can use their preferred card type or digital payment method throughout each of these steps, it encourages purchases and a positive payment experience.

<sup>4</sup> <https://ecommercenews.eu/cross-border-ecommerce-reached-237-billion-euros/> - As of November 2024

<sup>5</sup> <https://etias.com/articles/european-tourism-soars-in-2024-with-strong-revenues> - As of November 2024

<sup>6</sup> <https://forwardkeys.com/europe-summer-trends-2024/> - As of November 2024

<sup>7</sup> <https://www.prnewswire.com/apac/news-releases/visa-study-97-of-asia-pacific-travellers-opt-to-go-cashless-when-travelling-302001472.html> - As of November 2024



## Boosting Cross-Border Ecommerce

The European region retains a reputation for quality and trust. In 2023, 32% of all European online sales came from cross-border sales.<sup>8</sup> For instance, recent JCB Cardmember data shows online spending with European merchants increased across Asian region – including by 988% amongst Indian cardmembers.<sup>9</sup>

As with in-person travellers, merchants can tap into this market by creating an ecommerce environment that removes payment barriers. This could be a localised version of the website that caters to specific languages and payment types. Displaying pricing with options for multiple currencies can also create a frictionless experience, empowering customers to make informed choices.

*“In today’s competitive landscape, the payments industry must prioritise tailored solutions, efficient processes, and exceptional services to stand out as leaders. These elements not only enhance customer experience but also drive revenue growth. Our work with top acquirers and merchants highlights how these offerings create a strong competitive advantage, particularly amid the growing trends of international travel and ecommerce.”*

Ray Shinzawa, Managing Director, JCB Europe



<sup>8</sup> <https://ecommercenews.eu/cross-border-ecommerce-reached-237-billion-euros/> - As of November 2024

<sup>9</sup> <https://www.thepaymentshub.net/content/files/2024/07/Card-Not-Present--CNP--Transactions-Infographic.pdf> - As of November 2024



# 2. Cybersecurity and Fraud Prevention

## Protecting payments in the digital age

Payment fraud, cyber-attacks, and data breaches are on the rise. Global card fraud, for instance, is predicted to grow to \$43.5 billion by 2028.<sup>10</sup> Fortunately, the payments industry is evolving rapidly to tackle such threats by introducing new technologies and processes to safeguard businesses, customers, and payments data against bad actors.

In a digital age, investments and innovation in advanced fraud detection and prevention have become top priorities. Constant vigilance is required to stay ahead and avoid the reputational and financial damage that can result from fraud.



### Building Robust Cybersecurity

New and increasingly common payments methods and technologies such as digital wallets and contactless payments have delivered convenience. However, they have also increased the need to take a multifaceted approach to cybersecurity. Robust defenses must be put in place that are effective and appropriate for how people choose to make transactions.

Multi-layered security protocols that involve advanced authentication mechanisms are being utilised to prevent unauthorised access and protect user data. Meanwhile, comprehensive security frameworks that involve real-time monitoring and threat detection can flag unusual behaviour.

### Fraud Prevention in Cross-Border Payments

Cross-border payments are increasingly common in the European region. However, the increase in transactions between individuals and businesses in different regions does leave both vulnerable to cyberthreats. Advanced tools and processes can help keep everyone protected.

Industry standards, like 3D Secure (3DS), allow for a framework for assessing and addressing security risks and minimising exposure to fraud during cross-border payments. AI-powered fraud detection and behavioural analytics can identify patterns from transaction data and flag anomalies. For example, if a customer typically makes purchases from a specific location, but suddenly attempts a transaction from elsewhere, this can be reviewed.





*“Payments are more interconnected than ever, so cybersecurity is always front of mind when it comes to things like market entry. How are you going to manage things like data, information security and cyber security of the end-to-end payments flow? It all must be taken into account, otherwise you are putting the business at greater risk.”*

Nabil Manji, Senior Vice President, FinTech Growth & Financial Partnerships, Worldpay

## Securing Data with Encryption and Tokenization

Cyber scams and fraudulent activities are a concern for businesses and consumers alike, with 60% of respondents to a recent survey saying they altered behaviour or reduced their usage of digital payment platforms due to these concerns.<sup>11</sup>

But it is possible to safeguard consumer and business information using technology such as encryption – converting sensitive data into code, and tokenization – where a primary account number is replaced with a unique payment token. Both processes minimise risk by ensuring data is not stored on vulnerable systems.



# 3. Payments Innovation

## Staying ahead with next-gen solutions and tech trends



There have been rapid advancements in payment technologies in recent years, including mobile payments, digital wallets, and contactless transactions. The latter is forecasted to grow by 16% between 2023-2026 as it becomes a mainstay of the payment process.<sup>12</sup>

The pace of change has seen advanced technology integrated into existing systems, which is an important step towards offering the seamless experience that attracts and retains customers, and enabling payments to evolve as society does.

### The Digital-First Era

New technologies are reshaping the payments landscape in response to a wider trend towards digitalisation. Over half the world now own a smartphone<sup>13</sup> and there are 5.4 billion internet users worldwide.<sup>14</sup> This has required the payments industry to introduce innovative solutions that cater to this digital-first population.

From digital wallets replacing traditional card payments, to biometric authentication eliminating the need to remember and input passwords several times throughout the transaction journey, innovation is facilitating faster and more convenient transactions both in-store and online.

### Transforming Payments with Artificial Intelligence

Artificial Intelligence (AI) is revolutionising the payments landscape by enhancing security and personalising customer experiences. By analysing vast transaction data in real time, AI detects patterns and identifies fraud, protecting consumers and reducing losses for merchants. Additionally, AI algorithms can tailor payment options based on user behaviour, creating a more intuitive checkout process.

AI-powered chatbots and virtual assistants improve customer service by handling transaction inquiries and payment disputes, boosting response times and overall satisfaction. As the payments industry evolves, leveraging AI will be essential for driving innovation and meeting changing consumer needs, providing businesses with a competitive edge.

<sup>12</sup> <https://www.researchandmarkets.com/reports/4775830/global-digital-payment-forecasts-2023-2027> - As of November 2024

<sup>13</sup> <https://www.gsma.com/newsroom/press-release/smartphone-owners-are-now-the-global-majority-new-gsma-report-reveals/> - As of November 2024

<sup>14</sup> <https://www.forbes.com/home-improvement/internet/internet-statistics/> - As of November 2024



## Empowering Inclusivity in the Future of Payments

The shift to digital payment solutions emphasises the importance of inclusivity in a cashless society. Innovations like multilingual support in payment applications and mobile payment platforms enhance user experiences for customers from various backgrounds. Meanwhile, real-time payment systems, peer-to-peer transfers, and community-based networks empower underbanked populations to engage in digital transactions without traditional banking.

Inclusivity for the future is a pressing topic in the market, benefiting not only consumers but businesses. By targeting underserved markets and addressing next-generation needs with cutting-edge technology, companies can expand their customer base and enhance engagement through personalised experiences. Advanced analytics enable businesses to understand diverse behaviours, leading to tailored offerings. By adopting relevant payment technologies, organisations can unlock new revenue streams and help foster sustainable economic growth.



*“It can be tempting to stick, rather than twist, when it comes to implementing new tech because of the complexities it can bring during implementation. But that is more of a growth blocker than taking time to implement the technology correctly. Adopting a big picture mindset is important. The last thing you want to do is be the last to adopt a truly disruptive tech solution.”*

Emiliano Doveri, Public Sector  
& Transit Director, Nexi





# 4. Compliance and Regulations

## Turning challenge into opportunity



Adhering to industry regulations is rule 1.01 in payments. And not only because failure to do so can lead to fines - up to €20 million, or 4% of the firm's worldwide annual revenue for GDPR-related infringements<sup>15</sup> - and the negative reputational impact that can have on a business.

Regulations and security standards are evolving to become more stringent, specifically around data security, anti-money laundering (AML), and Payment Card Industry Data Security Standards (PCI DSS). Building compliance to these regulations into payments solutions and processes can create a payments environment that is ready for what the future holds and trusted by those who use it.

### Integrating Compliance into Payment Systems

Remaining in line with Payment Services Directive 2 (PSD2) and PCI DSS is vital in the European region because it ensures a business is compliant and avoiding the repercussions of falling foul of regulations, and opens new markets and opportunities.

PSD2, for example, opens banking data to third-party providers. This creates a competitive landscape but also fosters innovation thanks to access to information previously unattainable. Meanwhile, when a business is PCI DSS compliant, it helps boost consumer confidence in a secure card transaction. By collaborating with experts and designing projects with regulations in mind, businesses can create a seamless customer journey while ensuring compliance. Compliance can be a catalyst, rather than roadblock, for improving data security and customer satisfaction.

### Securing Transactions with SCA

Strong Customer Authentication (SCA) plays an essential part in reducing fraud, especially when it comes to cross-border payments. Customer protection is at the heart of a successful payments industry and the European Union's PSD2 regulation specifically mandates SCA to achieve this to enhance online payment security.

The two-factor authentication and 3D secure process add additional levels of security by asking customers to provide not only a password, but other unique identifiers such as codes sent to a mobile device and fingerprint identification. Because this is a standard requirement, it has encouraged new players to grow in the European region, because customers can trust payments will be secure, whether you're a disruptor or legacy operator.<sup>16</sup>

<sup>15</sup> <https://gdpr.eu/fines/> - As of November 2024

<sup>16</sup> [https://ec.europa.eu/commission/presscorner/detail/en/mex\\_19\\_5571#5](https://ec.europa.eu/commission/presscorner/detail/en/mex_19_5571#5) - As of November 2024



## Building Trust Through Data Privacy

Respecting and protecting customer data is paramount in the payments industry. Regulations like the General Data Protection Regulation (GDPR) in Europe provide an important framework for businesses across the region and beyond to responsibly handle data. GDPR applies to any organisation engaging with EU citizens. This is particularly relevant to international organisations handling transactions from other countries and territories, including those in the APAC region. Setting out clearly defined privacy laws, helps businesses build trust with customers – a non-negotiable when it comes to growth.

Leveraging GDPR and specific local privacy laws is also a valuable foundation when seeking to expand internationally. Showing you are compliant with the regulations signals a strong commitment to data privacy, and serves as a quick way to prove to a new market that you can be trusted as an operator to handle sensitive information appropriately.

*“Compliance with regulations cannot be viewed as a potentially time-consuming, tick-box exercise that happens at the end. It should be embedded into product development and design. When it becomes part of your DNA as a business is when it can become a value-add.”*

Miranda Rodigas, Head of Scheme Management, Worldline







# 5. Omnichannel Payments

## Driving growth and loyalty



### Driving Growth and Loyalty

Recently, omnichannel payment solutions have emerged as an impactful tool for driving growth. Enabling a consumer to make payments across multiple channels – from in-person and online, to in-app and across social media platforms – from within one unified system is fostering customer loyalty.

Studies have shown that 73% of consumers prefer shopping through this multiple channel approach, while omnichannel customers spent 10% more online and 4% more in-store compared to single-channel peers.<sup>17</sup> This is largely down to a smoother experience. Meanwhile, it also makes it easier for merchants to get a big picture view of customers.

### Unified Commerce for Seamless Experiences

Integrating online, mobile, and in-store payments into one system is being used to deliver a consistent and efficient customer experience. An important achievement in a world where customers expect a frictionless and seamless transaction journey.

Because customers can switch between different touchpoints across different channels, it is important that the look, feel, and user experience of the service remains consistent to build loyalty, trust, and satisfaction. Plus, with online orders for in-store pick-ups and vice versa, blurring the lines between in-store and online shopping provides the convenient experience that shows quality care is an important part of a business.

### Building Customer Loyalty Through Payment Flexibility

A flexible approach extends to offering the payment options and experience the customer prefers on the channel they are attempting to make a purchase or transaction. This builds a stronger emotional connection as you can tailor offers and the payment journey to a customer's needs.

For instance, offer language toggles and automatically showing prices in the local currency as they switch between in-app product browsing to website purchase. These foster repeat purchases and brand loyalty as the customer knows that the journey is intuitive, easy, and frictionless.





*“As the digital economy evolves, it introduces new complexities that demand adaptable payment solutions. To thrive in this competitive landscape, payments must not only meet rising expectations but also offer seamless omnichannel experiences that integrate both online and offline transactions. Those who embrace these innovations will be well-positioned for sustainable growth in an industry where success hinges on flexibility and superior service.”*

Thomas Heigl, Senior Vice President,  
Sales and Marketing, JCB Europe

## Boosting Customer Engagement Through Personalisation

Personalisation is vital in omnichannel payments for enhancing customer engagement. By leveraging data analytics collected across different payment systems, businesses can tailor experiences across various channels, such as offering personalised recommendations based on past purchases during the payment process.

Moreover, integrating loyalty programmes accessible across multiple platforms encourages repeat business. Customers earn rewards whether shopping online, in-store, or via mobile apps, creating a cohesive experience that strengthens brand attachment. As consumers seek meaningful connections with brands, a personalised omnichannel payment strategy significantly enhances customer satisfaction and fosters long-term relationships.



# Conclusion

## Evolving to grow

A dynamic payments ecosystem means opportunities for growth at every turn. From tapping into new markets through cross-border online sales, to harnessing data-driven insights for personalised customer engagement. This evolution in the payments space is not just beneficial, it's essential for businesses seeking to stay competitive and relevant in today's digital age.





# Understanding the underlying themes driving this evolution is key to harnessing its benefits:



## Trust

Innovating to build and retain customer trust in the business, and trusting technology and processes to deliver results over time.



## Transparency

An open dialogue with internal and external stakeholders is an important part of being able to address needs and challenges head on, and adapt to opportunities as they present themselves, such as identifying areas to improve and implementing appropriate technology.



## Partnerships

Fraud prevention, regulation, and the ways customers and brands interact have all evolved due in large part to effective collaboration across the payments ecosystem. Issues can be resolved faster and innovation capitalised on quicker when those involved are open to working with each other to achieve the best outcome.

*“In a fast-evolving payments landscape, growth is fuelled by trust, transparency, and partnerships that foster a deep emotional connection with customers. By tapping into new markets and leveraging data to deliver personalised experiences, businesses can build loyalty and drive meaningful engagement. Staying competitive today means not just adapting to change but embracing it with a customer-first mindset. Collaboration across the ecosystem allows brands to innovate quickly and address challenges head-on, creating a foundation for long-term growth and relevance in the digital age.”*

Victoria Perea-Usher, Vice President Marketing and Communications, JCB Europe



Visit [www.thepaymentshub.net](http://www.thepaymentshub.net) to learn how JCB can help support your business growth in the European region.

We would like to express our gratitude to the following individuals for their valuable contributions to this e-book:

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**Thomas Heigl**, Senior Vice President Sales and Marketing, JCB Europe

**Victoria Perea-Usher**, Vice President Marketing and Communications, JCB Europe

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## The Evolution of Payments: Key Growth Drivers across the European Region



## About JCB

JCB is a major global payment brand and a leading credit card issuer and acquirer in Japan. JCB launched its card business in Japan in 1961 and began expanding worldwide in 1981. Its acceptance network includes about 53 million merchants around the world. JCB Cards are now issued mainly in Asian countries and territories, with more than 164 million cardmembers. As part of its international growth strategy, JCB has formed alliances with hundreds of leading banks and financial institutions globally to increase its merchant coverage and cardmember base. As a comprehensive payment solution provider, JCB commits to providing responsive and high-quality service and products to all customers worldwide.

For more information, please visit: [www.global.jcb/en/](http://www.global.jcb/en/)

## Get in touch

As a global payments provider with a large presence and number of cardmembers in Asia, JCB is well placed to support you in your efforts to implement effective frictionless payment methods. To speak to us about this, or any other aspects of working with JCB, please reach out to: [marketing@jcbeurope.eu](mailto:marketing@jcbeurope.eu)