



**Shopcreator**  
ecommerce services



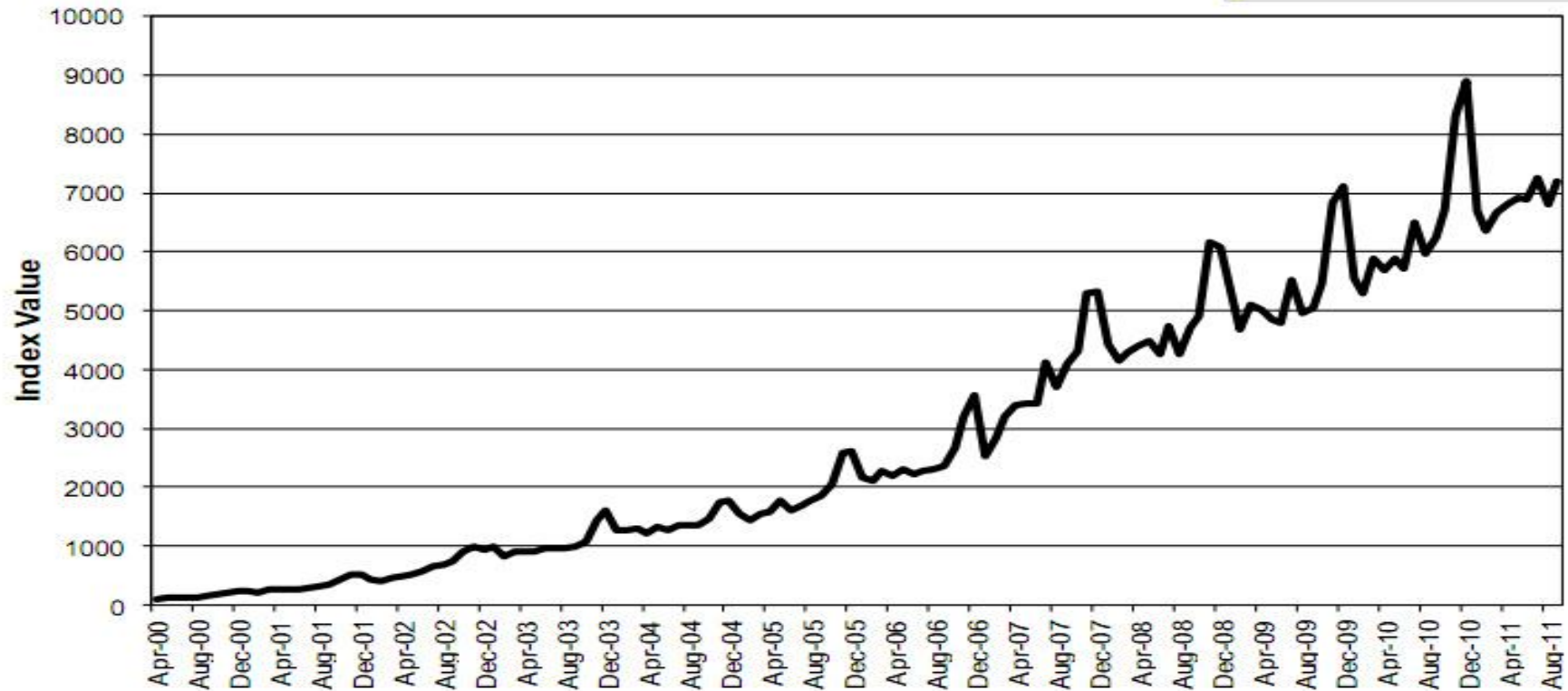
## **Stuck in the Mud:**

Why Face to Face Acquirers are still struggling with CNP



## eCommerce is Growing - +15% to Sept-2011

Total E-retail Market - Month on Month





## One Pound in Ten or One in Four?

Internet sales as a percentage of total retail sales (excl. automotive fuel)

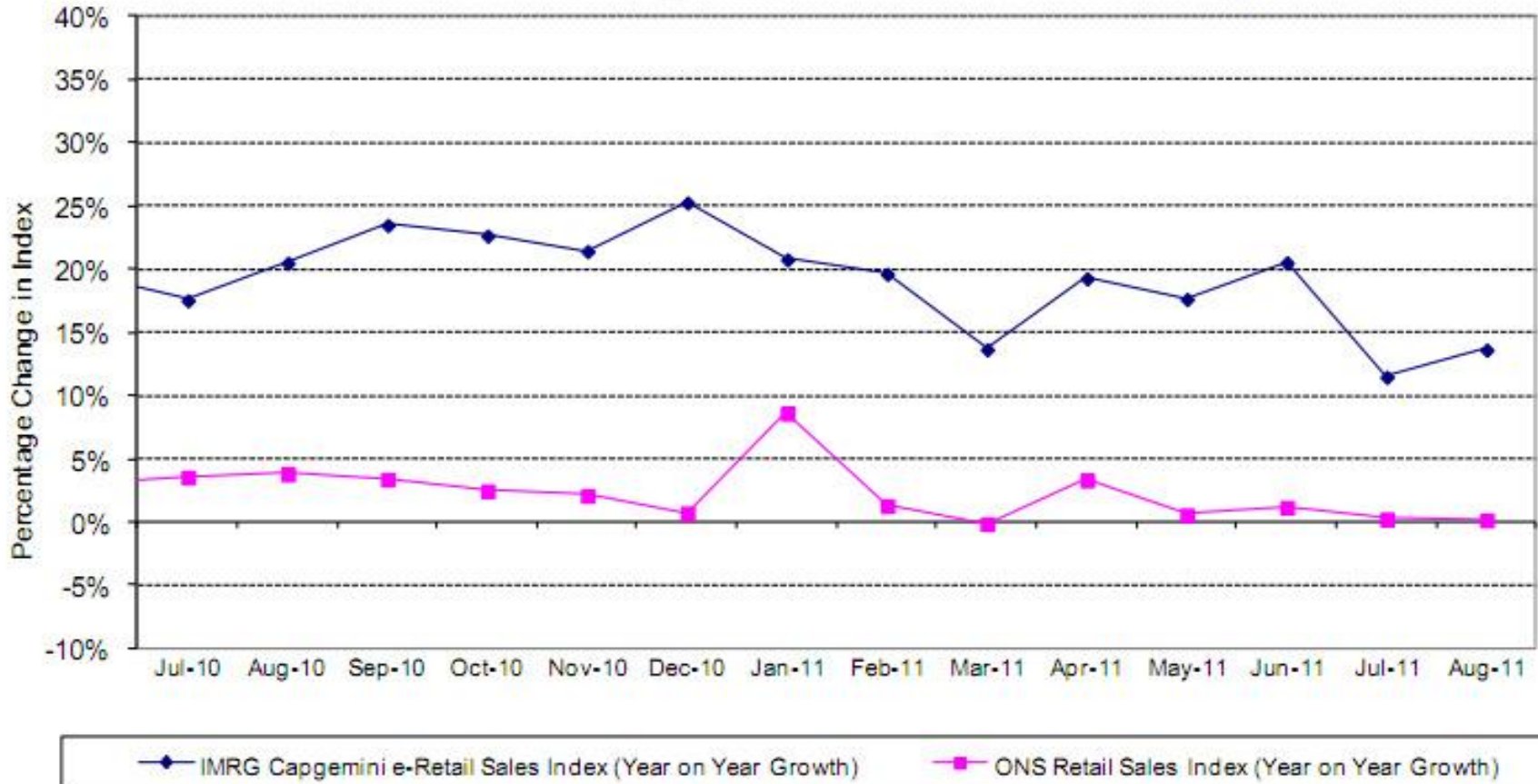


- No competition from cash online
- Data from Visa suggests ecommerce >25% of their volume today

Source: ONS



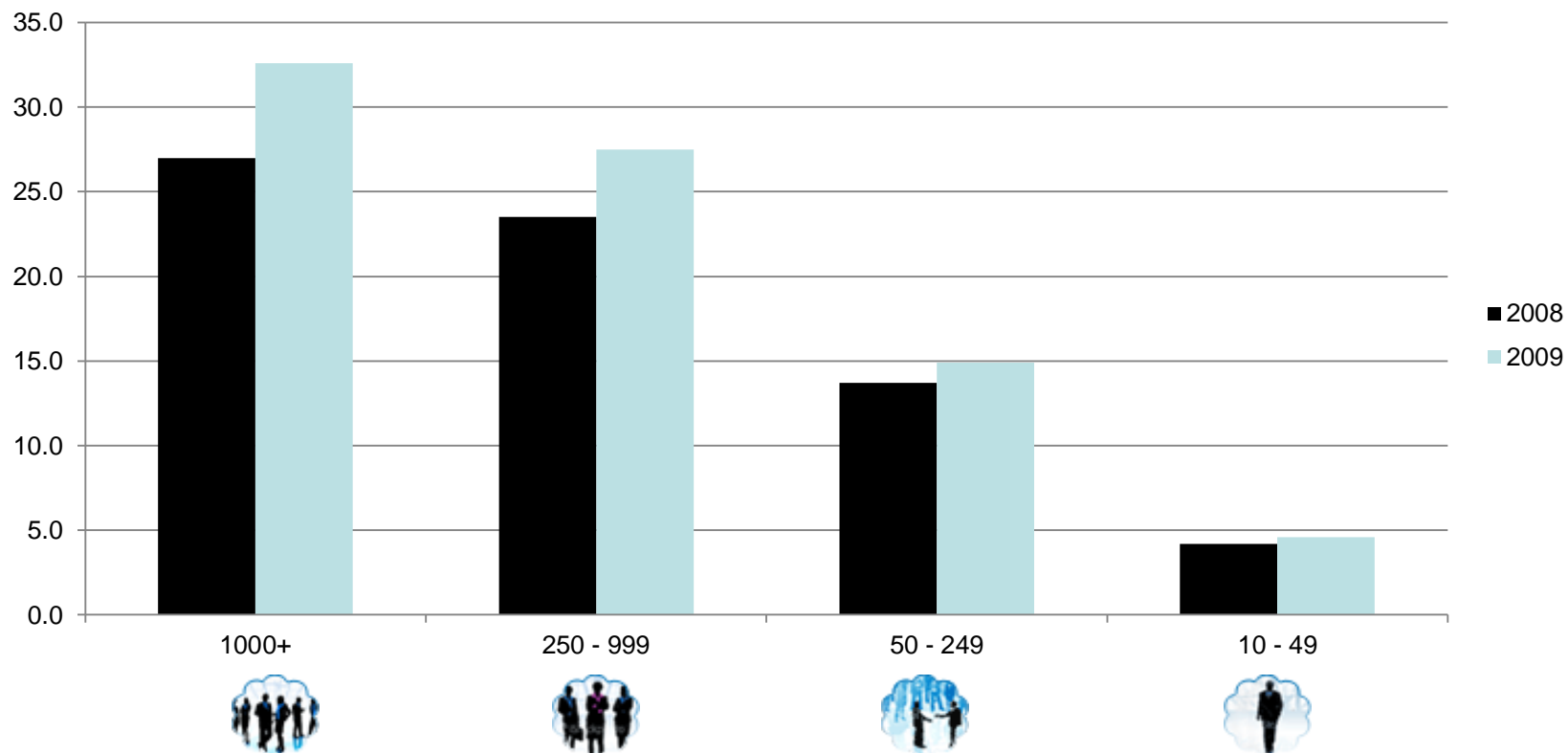
## Year on Year Growth in the IMRG Capgemini E-retail Sales Index v ONS Retail Sales Index - Rolling 13 Months





## Overwhelmingly SMEs are the Laggards

### Businesses selling over the internet

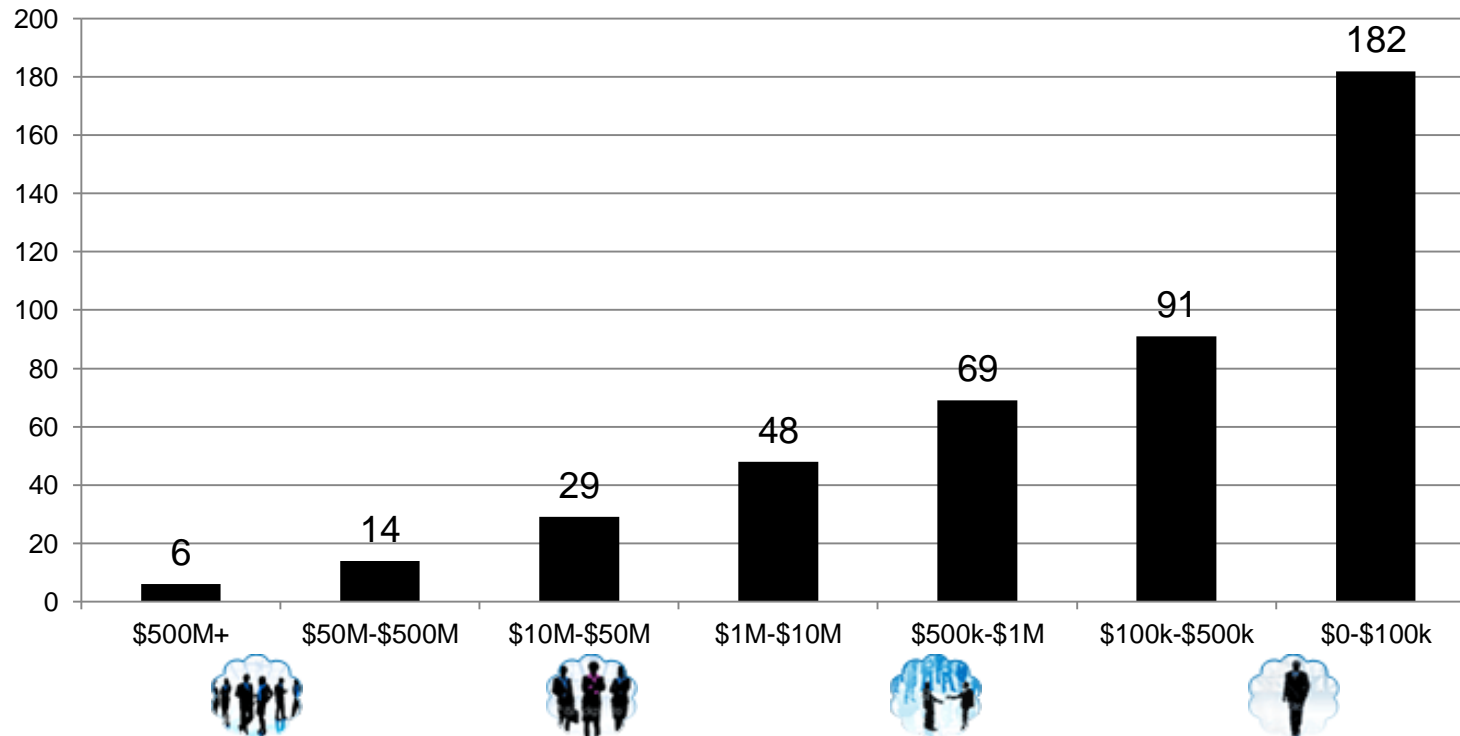


Source: UK Government



## Acquiring Margin Greatest for SME

### Acquiring Margin by Merchant Turnover (bp)



Source: Anapolis Consulting



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## Wet Signature



- Merchants want:
  - The instant gratification of immediate signup
- Acquirers require
  - Pen and ink

*e-signature?*



## Know Your Customer



- Merchants want:
  - To trade immediately
- Acquirers require
  - Photo-id
  - Utility Bill

*Electronic ID, exemption limits*



## Application Form

download paper application



- Merchants want:
  - Simple online process
- Acquirers require
  - Paper...
  - ... and lots of it

*Electronic application*



## Website Inspection



- Merchants want:
  - To trade immediately
- Acquirers require
  - To see the site before granting a MID

*Compliance check after  
1<sup>st</sup> transaction*




## Acquirers are Slow





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- No application process or set up fees



**MEDIUM OR ESTABLISHED BUSINESS**

OVER £50K A YEAR ONLINE

- With **Website Payments Pro**, there's no need for a separate payment gateway or merchant account
- 3D secure technology and advanced fraud management filters
- No set up fees but requires a short application process



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OVER £1 MILLION A YEAR ONLINE

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- Eligible for special pricing†
- Dedicated Account Manager
- Free withdrawals in multiple currencies†

- Instant Signup
- Electronic Signature
- Accept before disbursement



## The New Paradigm is ecommerce

- All of the growth in retail is ecommerce
  - One pound in four and increasing
  - Sooner rather than later the majority of card volume will be CNP, mostly ecommerce
- but...
  - Acquirers are still stuck in the mud of paper*