



Critical Success Factors for Taking Advantage of the Cross-Border Opportunity



MARKUS RINDERER, SVP PRODUCT LINE MANAGER, ACI WORLDWIDE

The Digital Commerce Opportunity

A chance for online businesses to bloom

**\$2.2
Trillion**
spent
online
annually

**1.6
Billion**
Are
shopping
online in
2016

**64
Cents**
of every
dollar
influenced
by digital

**\$1.0
Trillion**
cross-
border
spending
by 2020

**994
Million**
cross-
border
shoppers
by 2020

The Digital Commerce Opportunity

Millennials (or Generation Y) are the largest generation in history and are **shaping digital commerce** opportunities

62%

Comfortable connecting
payment information to
retailer apps

45%

Would connect
payment information
to **wearable devices**

44%

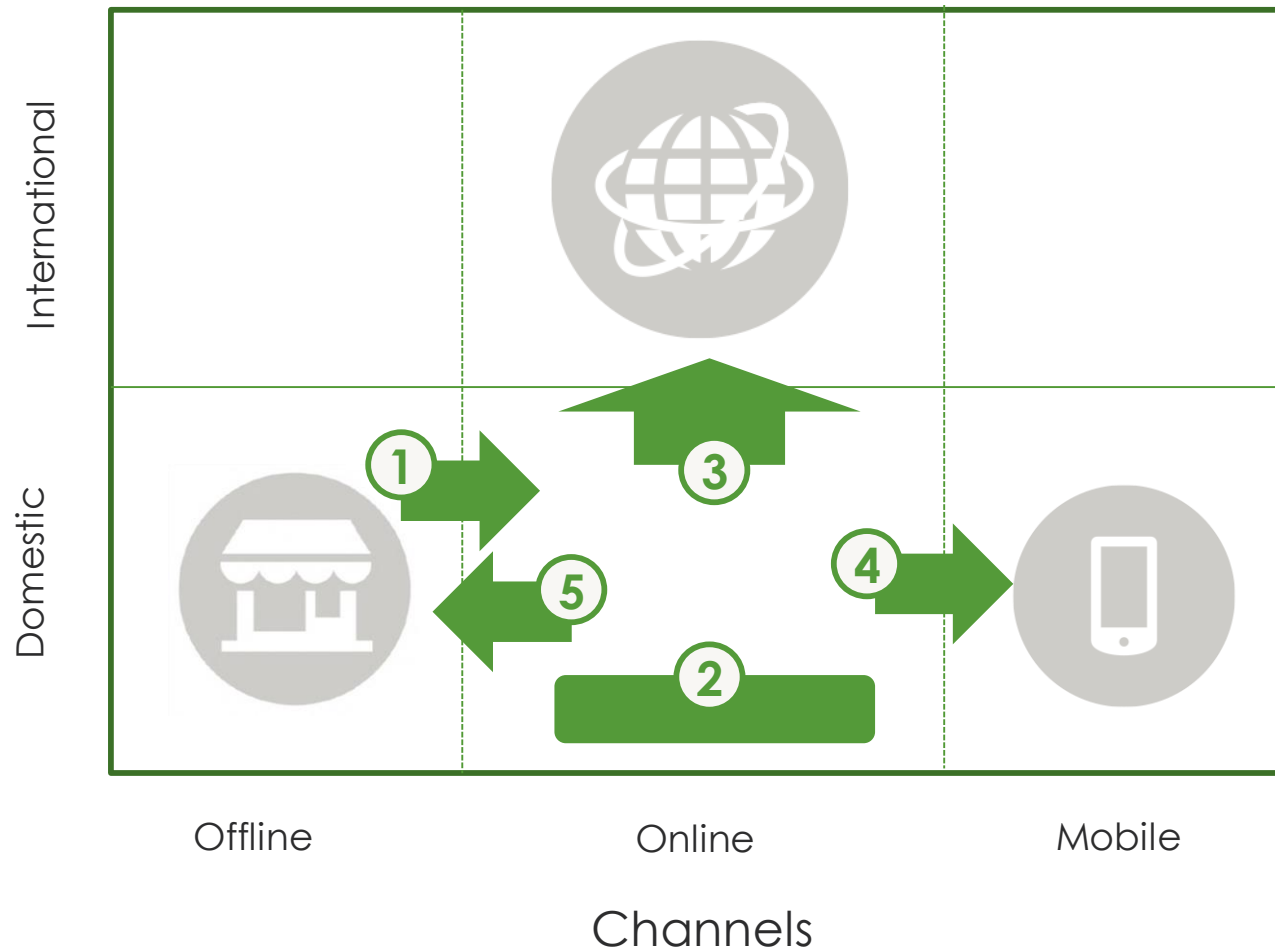
Prefer **phones over cash**
for small items

The Digital Commerce Opportunity

But 'Millennials' are just early adopters: their preferences today will apply to all shoppers tomorrow

Selecting a Suitable Growth Strategy

There are many directions for merchants to grow



Expanding Cross-border

Critical success factors for domestic merchants pursuing a cross-border strategy



Operational adaptation

Brand marketing

Website localization

Corporate development



Pricing in local currencies

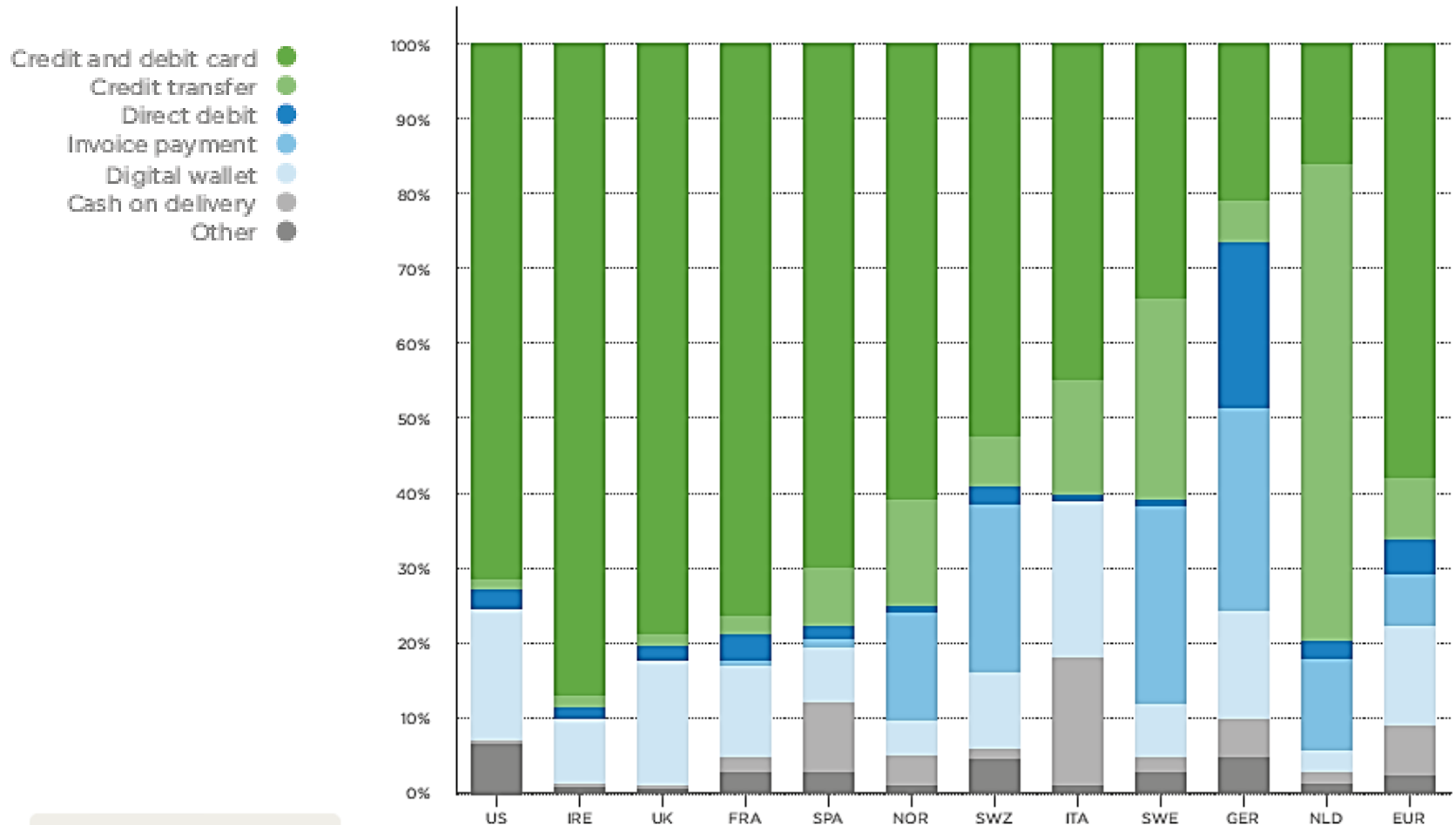
Locally preferred alternative payments

Connections to local card acquirers

Fraud tailored to local conditions

Expanding Cross-border

The right payment method mix is crucially important: preference by country (Europe)



Expanding Cross-border

Different operation models for cross-border expansion

MANAGED CROSS-BORDER ECOMMERCE

Providers like Borderfree offer end-to-end solutions that include online shops, multi-currency order management, international shipping, and multi-lingual customer service

CROSS-BORDER ECOMMERCE

- A global URL with local pricing
- Backoffice operations from centralized home market or regional offices
- Global or regional vendors
- Some unavoidable localization gaps

LOCALIZED ECOMMERCE OPERATIONS

- Fully localized online shops
- Local backoffice operations and customer service
- Enables parity with local merchants but is operationally complex

MULTI-NATIONAL OPTIMIZATION

Large, mature merchants eventually invest in complex operations for regional operating centers and regional payment solutions

Expanding Cross-border



Global online video game provider

Cross-border by default: global web traffic from the first day

Challenge of cross-border fraud prevention as a digital pure-play

Multi-tiered approach to minimizing fraud and enabling cross-border transactions



Global online fashion and beauty retailer

International expansion (U.S. and Europe) from 2010

41% jump in profits in one year following international expansion

Ships to 140+ countries

Recognized demand for Western brands in developing markets



eCommerce sales growth in 2015 driven by international expansion

Aims to increase online sales from \$1bn to \$7bn by 2020

Operates a single global eCommerce platform

Cross-border strategy accompanied by mobile and omni-channel ambitions

A Toolkit for Realizing Growth

Expanding cross-border requires a comprehensive yet flexible set of tools

Simple.
Global.
Secure.

Simple Payment Integration

Work with open payment infrastructure to remain flexible and simplify processes

Integration with shopping carts

Integration with ERP systems

Integration with PED providers

Mobile responsive payment pages

Developer documentation

Mobile first platforms, SDKs

“Sandbox” for testing

Beacon and other engagement technologies

Open platform/APIs for building specific apps and features

Global Payment Acceptance

Work with partners that are truly global and connect to a global payment network

One-click payments and
card vaults

Loyalty schemes linked
with payments

Optimized payment
method mix

Multi-currency pricing (and
settlement in local currency)

Local and cross-border
acquiring

Smart transaction routing
and acquiring

Fraud Prevention & Security

Security and fraud protection must be at the heart of your solution to protect your brand

Central and PCI compliant
storage of card vaults

Device fingerprinting, geo-
locating, social data etc.

Real-time fraud prevention

Multi-channel tokenization

Resilient infrastructure

Integrated payment and
fraud (single sign-on)

Localized fraud prevention
settings

Best Practices for Realizing Growth

Optimizing payment acceptance on the cross-border growth path

1. Optimize payments and fraud setup – never stop testing and iterating
2. Balance speed to market with control and complexity
3. Build a foundation that is robust but flexible
4. Centralize payments infrastructure, processing, and vendors where possible
5. Practicality rules!

MARKUS RINDERER – SVP, PRODUCT LINE MANAGER

www.aciworldwide.com

@ACI_Worldwide