



Your source for payments education

Alternative Payment Methods

Capturing, growing & protecting global revenue streams

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Global e-commerce businesses accept locally preferred alternative payment methods to capture, grow and protect revenue and customer relationships.



Bank transfers



Buy now, pay later



Digital wallets



Cash-based



Loyalty points

Alternative Payment Methods are digital payments that reduce or eliminate the role of major payment brands like Visa or Mastercard.

77%

of global e-commerce spend used locally preferred alternative payment methods

Source: PPRO Payments and e-Commerce Report
https://www.ppro.com/wp-content/uploads/protected/PPRO-WECE-Report-2020_web.pdf

\$95B

Estimated 2023 Buy Now, Pay Later payment value

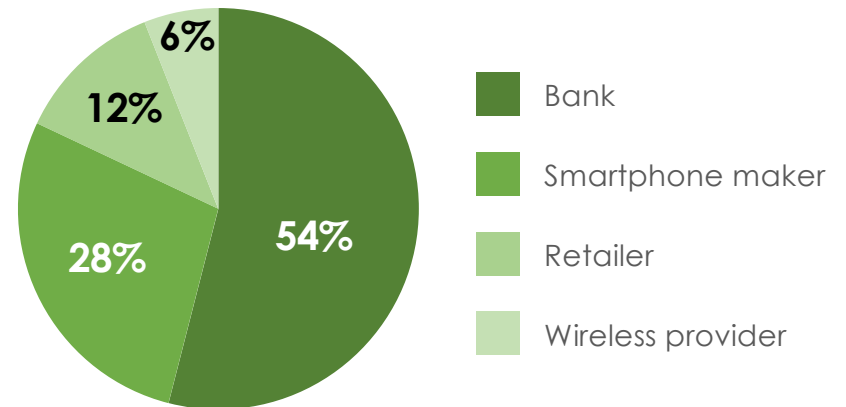
Source: Business Insider Intelligence Buy Now, Pay Later Report
<https://content-na1.emarketer.com/era-of-uncertainty-buy-now-pay-later>

U.S. digital wallet adoption & trends

69%

Of U.S. consumers have used a digital wallet as an online payment method

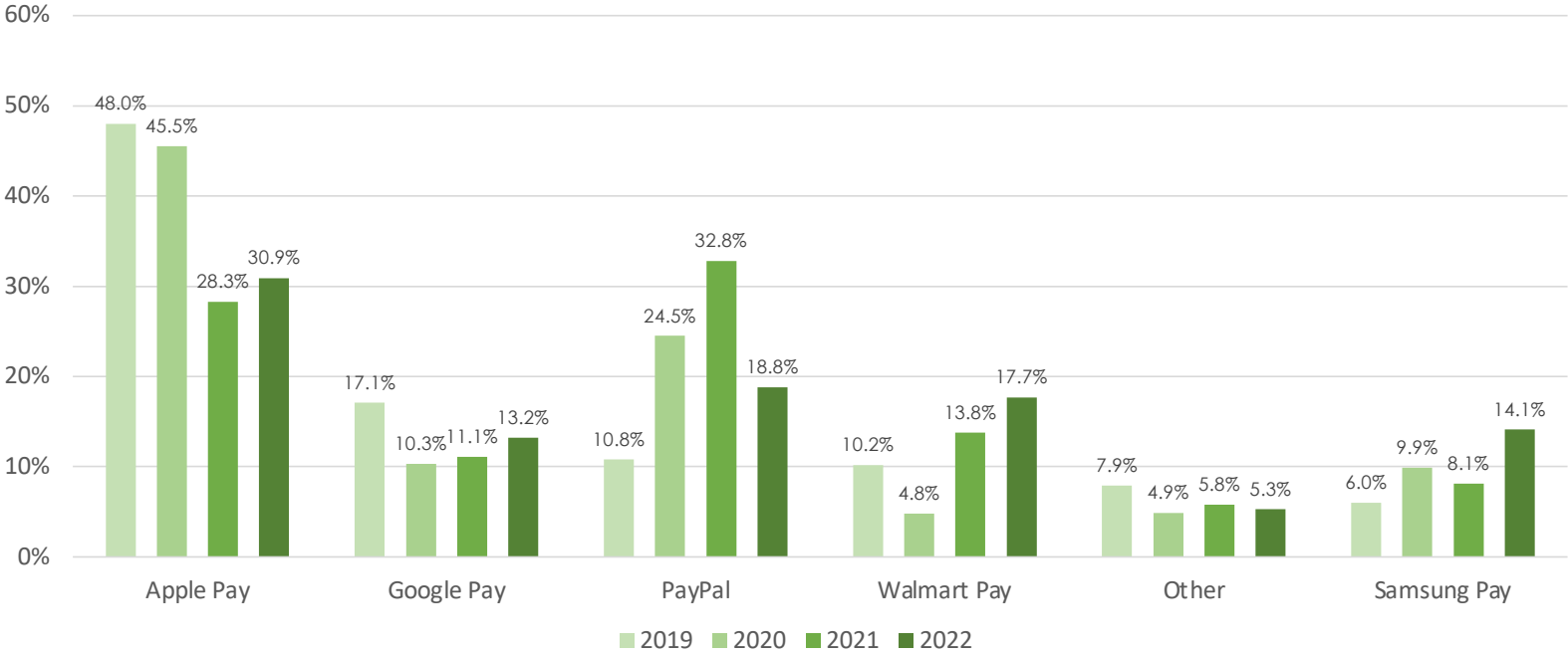
Who consumers view as the most logical digital wallet provider



Consumers cite merchant loyalty/offers as a top value proposition for digital wallet use.

Apple Pay is preferred digital wallet in U.S.

Mobile wallet usage in last 24 hours



Source: PYMNTS, Mobile Wallet Adoption, July 2022
<https://content.pymnts.com/wp-content/uploads/2022/07/PYMNTS-Mobile-Wallet-Adoption-August-2022.pdf>

Top locally preferred payment methods



What are the potential benefits of accepting alternative payment methods?



Reduce cart abandonment



Increase ticket size



Deepen customer loyalty



Gain competitive edge



Avoid transaction costs

The Importance of Exploring & Leveraging Alternative Payment Methods



Meeting Evolving Customer Expectations

- Diversify payment options beyond traditional methods
- Enhance convenience and satisfaction



Expanding Customer Reach and Staying Competitive

- Tap into new customer segments and preferences
- Remain relevant in a changing market



Improving Conversion Rates and Business Growth

- Increase conversions, reduce cart abandonment
- Drive business growth and profitability

About Spokeo

Spokeo is an industry-leading people search platform with over 20 million monthly users.

- Founded in 2006; Profitable since 2009
- Headquartered in Pasadena, CA
- Proprietary platform that aggregates, organizes, and makes searchable 12 billion records
- Helping consumers and business customers to connect with lost contacts, lead generation, fraud prevention and mitigation
- Subscription-based service; Offer introductory trials, upgrade tiers and direct subscriptions



Source: Spokeo internal reporting

The Business Case for Alternative Payments



Improving customer experience and conversion rates

Improved convenience, security, speed, and (unintended) global accessibility



Leveraging alternative payments as an acquisition channel

Different alternative payment methods cater to different customer segments, including higher intent purchasers

Leverage the brand equity of alternative payments to instill buying confidence

Spokeo Observed Results

20%↑

Lift in conversions
after 1 week.

Source: Spokeo internal reporting

14%↑

Increase in net
new customers.

Source: Spokeo internal reporting

~25%↑

Ongoing lift in
conversions.

Source: Spokeo internal reporting

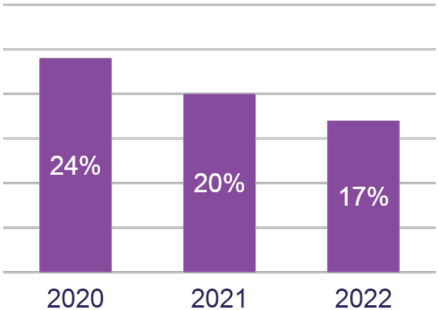
Impact on business growth

- New customer behavior includes increased conversion while different usage patterns of subscribers lead to higher retention

Shift in Customer Behavior

Reduction of Prepaid Card Usage

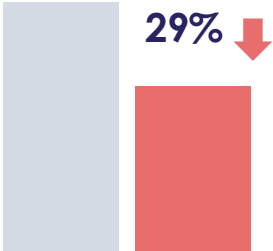
- Alternative Payment Methods introduced on Spokeo site in July 2021



Source: Spokeo internal reporting

29% Decline in Prepaid Usage

- Prepaid usage adversely impacts renewals



Source: Spokeo internal reporting

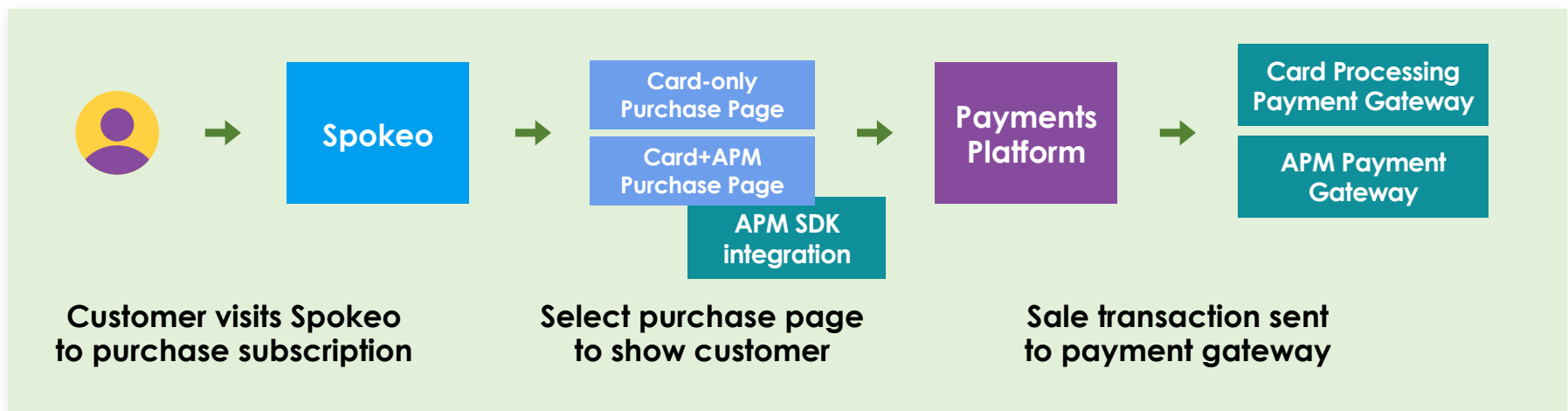
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Technical Considerations

API integration

- New gateway integration, client-side UI implementation



Alternative Payment Method Considerations

- Integrating alternative payment methods into existing systems
 - Loss of transparency in payment method (BIN data)
 - Ability to perform subsequent transactions
 - Reporting capabilities of the alternative payment platform

Testing Considerations

- Availability of sandbox environment
- Device and operation system limitations
- Setting up third-party wallet accounts

Identifying Pertinent Payment Methods

The Consideration Playbook



Market Trends

- Stay updated with payment trends and technologies
- Anticipate future market demands to stay ahead
- Study successful payment methods adopted by competitors



Technical/Data integration & Level of Effort

- Evaluate the complexity and effort required for integration and testing
- Assess compatibility with existing systems and infrastructure



Customer Preferences

- Prioritize preferred methods aligned with target customers
- Consider demographic or cultural payment preferences if applicable



Security Considerations

- Evaluate robust security measures against fraud and data breaches
- Ensure compliance with industry regulations and standards



Cost Analysis & ROI

- Determine the financial implications and potential return on investment
- Assess transaction fees, setup costs, and long-term savings. Sometimes, you may get incentives



Accessibility & User Experience

- Ensure ease of use, availability across (selected) devices, and user-friendliness
- Provide a seamless payment experience across various touchpoints

Takeaways & Lessons Learned

Challenges and mitigation strategies when implementing alternative payment methods

- Purchase conversion workflow changes (data returned by gateway)
- Understanding dispute process (chargeback vs platform-internal dispute)
- Customer behavior (approval, recurring)

Best practices and lessons learned

- Change internal perception on the impact of payment method to revenue generation, customer acquisition and customer behavior
- Payment methods serve as a strategy for revenue generation & new customer acquisition
- Continue to evaluate, test, and deploy other payment methods

Thank you

- Don't forget to submit your session evaluation!

- Eric Liang, Spokeo, Co-founder & CIO
- Matt Lehman, J.P. Morgan, Executive Director