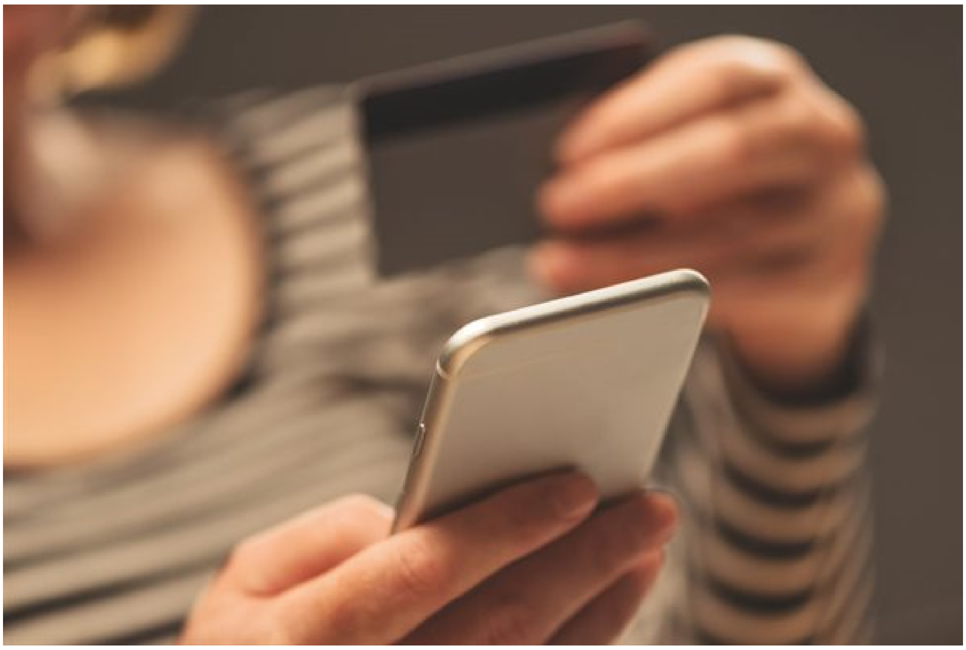
Global e-retail transaction values to exceed $4tn by 2024

E-retail transaction values will reach $4.8tn by 2024, up from $3.3 trillion in 2020, according to a new report from Juniper Research. The firm said this growth will be driven by emerging markets, with China having 62% value growth over the next 4 years.



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The research, titled *Strategies for Payment Providers: Industry Trends, Opportunities & Recommendations 2020-2024*, identified the Chinese e-retail market as a major factor, as well as regions such as Latin America and Africa & Middle East, as improvements in connectivity will enable the rise of e-retail in new markets.

Focus on emerging markets

The report urges payment providers to seek new revenue streams in emerging markets to mitigate slow growth in developed markets. Accelerating financial inclusion via MFS (mobile financial services), QR code payments and carrier billing will be crucial for this. The research found that mobile payments not requiring a linked bank account offer significant possibilities for e-commerce payments in developing markets.

The research also found that mobile handset penetration is rising faster than banking penetration in developing markets, meaning that mobile access is the best way for e-retail and payments providers to reach potential users.

Expand scope of services

The continuing rollout of open banking is driving digital innovation, which threatens to reduce reliance on debit and credit cards. Added to this, the popularity of mobile wallets is having a disruptive effect, with physical cards becoming less important to the payments market.

Accordingly, the research suggests that card networks must be proactive, by looking beyond the card, becoming involved in open banking initiatives and delivering omnichannel experiences for users.

Research author Susannah Hampton explained: “Card networks must leverage their ability to invest in, and forge partnerships with, key players to gain scale in new areas, or they will fail to diversify their revenue streams and will be vulnerable to future disruption.”