

## Introduction

As online tools make it easier to connect with global customers, more and more businesses are selling overseas. In fact, a [Stripe study](#) found that 70% of online businesses are selling internationally today. While it's easier than ever to reach a global audience, online businesses are also faced with a new challenge: How do you address the diverse customer preferences of a global audience during the checkout experience? The way customers prefer to pay for goods or services online varies drastically based on where they are located. If you don't create a relevant, familiar payment experience, you could cut off entire countries from your addressable market.

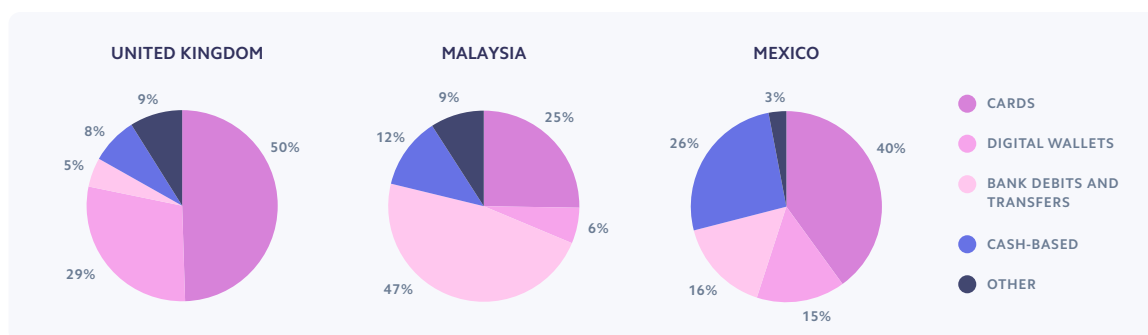
While the global payments landscape has become increasingly complex and fragmented, Stripe makes it easy for any type of business anywhere in the world to discover and accept popular payment methods with a single integration.

This guide helps you evaluate and identify the payment methods that are well-suited to your business model and customer preferences and offers an in-depth look at the payment methods Stripe supports.



## The benefits of payment methods

Over the past decade, payment methods have evolved to support different consumer and business needs. Markets with high card penetration, such as the US and the UK, have seen a significant shift towards digital wallets like Apple Pay and Google Pay, which offer more security and convenience. Some markets, such as France and Japan, even have their own local card networks that help businesses reach more card users. In markets like Germany and Malaysia, where card use is much lower, bank-based methods are strongly preferred and trusted for online purchases. The banking networks in these markets typically offer a faster and more secure checkout experience where users can authorize a payment using their online banking credentials. Meanwhile, in economies with a large unbanked population, such as Mexico and Indonesia, popular payment methods allow customers to pay for online goods with cash using vouchers.



*These graphs show how payment method preferences vary across countries*

By accepting payment methods that are both preferred by your customers and relevant for your business model, you can:

- **Reach more customers globally:** As you expand into new regions, accepting local payment methods may be necessary to capture the total market opportunity. For example, 54% of online transactions in China involve digital wallets such as Alipay or WeChat Pay, and 20% with the local card network China Union Pay. Without supporting these payment methods, you may risk missing out on the substantial and growing buying power of Chinese consumers.
- **Increase conversion:** [Up to 16% of shoppers](#) abandon their cart if their preferred payment option isn't available. Surfacing the right mix of payment options to customers can meaningfully increase the chances that they'll successfully complete a purchase.
- **Reduce fraud and disputes:** Anticipate and manage the risks associated with accepting online payments by choosing payment methods that match your risk preferences. As a general rule, the better the level of customer authentication, the lower the likelihood of fraudulent and disputed payments.
- **Optimize your transaction costs:** Payment methods have inherently different cost structures. Depending on your business model, where your customers are located, and your average transaction value, you may be able to reduce your fees by accepting lower-cost payment methods like bank debits.

## Choosing the right payment methods for your business

Whether you want to improve conversion in your domestic market or expand globally, surfacing relevant payment methods to your customers is key. Depending on your business model and where your customers are located, certain payment methods may or may not be relevant.

This section covers the seven major payment method families and specific considerations based on your business model: e-commerce and marketplaces, on-demand services, SaaS and subscription businesses, or professional services. If you are a B2B platform that enables your users to accept payments, your relevant payment methods depend on the business model of your users (for example, if your users have a SaaS business model, refer to the "SaaS and subscription businesses" section).

## For e-commerce and marketplaces

**Recommended:** Cards, digital wallets, authenticated bank debits, “buy now, pay later”

While frictionless checkout experiences are vital for any business model, its importance is magnified for e-commerce and marketplaces. Customers expect streamlined payment experiences—ones that give them what they want, when they want it. The right set of payment methods not only offers payment flexibility and convenience to maximize conversion, but also reduces fraud and increases transaction speed.

Cards are the most commonly used payment method and it’s important that you support all relevant card brands to optimize conversion and costs. Digital wallets and authenticated bank debits can also help increase conversion by allowing customers to use stored payment information (the added verification also lowers the possibility of disputes). Digital wallets, like cards, are a reusable payment method—customers provide their payment details once and if that information is stored, they don’t need to share any additional information for future payments. This enables you to offer one-click checkout experiences. If you sell high-value goods, consider “buy now, pay later” payment options, which allow your customers to customize their payment terms and break up purchases into smaller installments.

In many large markets with low card use, such as Brazil, Mexico, and Indonesia, customers prefer to pay with cash-based payment methods and bank credit transfers, which don’t support immediate payment confirmation or native refunds. This can create challenges for e-commerce businesses that typically rely on real-time payment notifications to manage their shipping flows or refunds to promote customer loyalty. Stripe can help global businesses cater to these customers by enabling automated refund experiences and faster notifications for payment types that don’t typically support these features.

## For on-demand services

**Recommended:** Cards, digital wallets

With instant fulfillment at the heart of the customer experience, on-demand services need to encourage conversion—often on mobile—while managing fraud risk. Consider focusing on payment methods that offer immediate confirmation that the transaction was successful, such as cards and digital wallets. These payment options also allow you to store customer payment details on file and enable one-tap confirmations, shortening the checkout experience. While digital wallets typically have the same transaction cost as cards, they are more secure since authentication is required to complete payment, lowering fraud and dispute rates.

It’s still important to consider the local context as payment methods with more friction may be trusted and preferred to pay for on-demand services or add top-ups to customers’ app balance.

## For SaaS and subscription businesses

**Recommended:** Cards, digital wallets, bank debits

If you manage recurring revenue and want to optimize your checkout experience for ongoing transactions, it's important to consider whether or not payment details can be stored on file and reused. The ability to reuse a customer's payment credentials allows you to initiate payments on a custom schedule, without requiring any action by your customers. Cards, digital wallet, and bank debit payments are all reusable—customers only need to provide their card number or bank account details once. And, for customers who prefer to use authenticated bank debits such as iDEAL, SOFORT, or Bancontact, Stripe makes it possible to use these methods for recurring payments by converting them into direct debits.

In addition, many SaaS and subscription companies face involuntary churn issues, where customers intend to pay for a product but their payment attempt fails due to expired cards, insufficient funds, or incorrect card details. In fact, 9% of subscription invoices fail on the first charge attempt due to involuntary churn. Stripe Billing can help manage recurring declines for cards, in addition to supporting many of the most relevant payment methods for increasing recurring payment conversion (for example, because bank account information doesn't expire, accepting bank debits can increase retention).

While accepting reusable payment methods is beneficial to the business, it's also important to consider local expectations regarding recurring billing. For example, in markets like Brazil and Indonesia, it's common to send recurring invoices or reminders for customers to initiate each payment. Stripe Billing makes it easy to accommodate both recurring charges and invoicing.

## For professional services

**Recommended:** Cards, bank debits, bank credit transfers

If you offer professional services or wholesale products, even a single payment failure or dispute could result in significant revenue loss. The ability to securely and successfully accept large payments can protect your business and can be solved, in part, by invoicing your customers so they have more flexibility to initiate payment when funds are available. Historically this has often meant asking customers to send checks. You can also send a hosted invoice with built-in support for cards and bank methods to minimize payment failure and automate payment tracking and reconciliation.

In addition, bank credit transfers are a secure, non-disputable payment option that is often preferred for very large payments. Credit transfer funds are deposited directly into your account once the payment has been confirmed. Credit transfers also require your customers to initiate the payment, adding an extra level of authentication and security. And, because contracts are typically in place before payment, it's less important that your business initiates the payment and