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AXERVE WHITEPAPER

Payment Orchestration: unlocking cost-effective Ecommerce for merchants in a multiple payment provider ecosystem

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Contents

Introduction

One of the most relevant modern payment innovations is payment orchestration. Even in its infancy, it has already had a significant impact on the Ecommerce sector across the globe.
According to a new report published by Market Research[1] , the payment orchestration market rate has been **rapidly expanding** at a CAGR **growth rate of 25.75%** from 2021 to 2027, and is projected to reach US$ 4797.96 million by 2027. This has been supported by the increasing needs of Ecommerce companies to reach new markets globally with a structured acceptance ecosystem able to offer multi-PSP solutions.

In the next chapters of this whitepaper, we will dive deeper into the genesis of payment orchestration and how it is rooted in the concept of integration between multiple players in the payment flow, resulting in **optimised payment processes** in terms of efficiency, speed and authorisation rates, which when aided by payment orchestration are boosted significantly. These findings are further supported by Axerve's own observations on Axerve's Ecommerce clients who have adopted Payment Orchestra™. We have found that in the online fashion space, the choice of the **optimal acquirer generated an increase in authorisation rates from a minimum of 5% to a maximum of 9% increase**.

The alternative to orchestrating payments for merchants, is to rely on a single payment provider or multiple providers that are not integrated with each other and work separately. However, these solutions may not allow merchants and Ecommerce retailers to make the most of the payment infrastructure that is available to them. An **orchestration layer** will optimise Ecommerce payment processing at each stage of the payment flow, minimising the number of failed transactions due to technical issues and allowing merchants and Ecommerce retailers to save on costs while also reducing transaction time. In this whitepaper we will look at the multiple benefits that payment orchestration can bring to Ecommerce businesses. Moreover, this whitepaper will also explain how the infrastructure works and explore the industries that have already adopted it as part of their payment processing strategy.
Let's now look at payment orchestration more closely, by starting with explaining the concept more in depth.

1 - Global Payment Orchestration Market Size, Status and Forecast 2021-2027 | MarketResearch.com

What is Payment Orchestration?

The most effective way of explaining 'payment orchestration' is through the analogy of an orchestra. Just as a maestro conducts different instruments in order to achieve the **perfect symphony**, payment orchestration integrates a variety of different payment processes in order to ensure the **most efficient route** for a transaction. Ultimately, this simplifies the process for both the merchant and the customer, as it allows Ecommerce companies to save on multiple integrations, whilst delivering a frictionless check-out experience for customers

In fact, when looking at the customer journey, payment processing and a quick and secure check-out are important factors that lead to successful transactions and happy consumers. Therefore, the retail industry is searching for the best solution to **maximise Ecommerce sales while reducing payment processing costs**. This - together with a reduction in system maintenance - is made possible by orchestrating different payment solutions and methods within the same access point.

This is why payment orchestration platforms are increasingly popular amongst medium, large and enterprise-level companies: a single point of access with multiple payment gateways and varied integrations for payment processing is the solution to many problems that companies are facing.

Moreover, the importance of **data reporting and analysis** has been increasingly recognised by brands and this aspect has become one of the decisive factors when choosing the right payment platform. One of the issues with having multiple integrations is that reporting is fragmented into different providers and what is missing is a holistic integrated reporting system.
A payment orchestration layer tackles this problem by being the collecting platform for data and its analysis.

> *"A good way to explain this is to think of a horse race: if you bet on one horse, while it might be a top performer, they can have problems or face technical difficulties. However, payment orchestration allows you to virtually bet on all horses at the same time, by giving you the opportunity to integrate many players in the payment flow and by this way increasing your chance of winning the race – which in our case translates to completing any transaction quickly and safely, whether it's international, in different currencies and countries, and with varied payment methods, while being independent from possible technical issues or lack of geographical availability as occurs with single providers."*

Alessandro Bocca
CEO of Axerve

A payment orchestration layer can benefit your payment infrastructure because it optimises the payment flow and, based on machine learning, automatically redirects the transaction to the most efficient route, which is what we call "smart routing".

Homogeneity and accessibility of data are two elements that companies consider carefully when choosing a collection platform. One of the problems of having several separate integrations is that the reporting is fragmented over several suppliers and any aggregation is necessarily the task of the

company itself. In the case of POPs, the situation is reversed because the platforms perform these activities automatically against rules and criteria chosen by the merchants themselves.

Ease of access to data goes hand in hand with automatic reconciliation, which will be explored in more detail in the following chapters. POPs actually certify the collection data and allow the receipt of funds in the currency of the payment and following the collection cycles, thanks to customisable configurations that reduce the time and costs required for manual reconciliations. Moreover, the potential goes even further, and thanks to APIs, it is possible to assume connections with the merchant's ERP to automatically perform accounting entries as well.

The magic of smart routing

As we mentioned, what payment orchestration manages to do, happens thanks to what is usually called "smart routing" or "dynamic routing", which aims at tackling merchants' problems with payment processing.

How to reduce failed payments

In the Ecommerce world, merchants are probably too familiar with the issue of failed transactions and how they can have a strong impact on conversion rates and revenue.
When looking at **failed payments**, what falls under the umbrella are the ones rejected by the acquirer or the issuer in the payment flow, due to reasons like incomplete or incorrect card or contact information, authentication tools and insufficient funds on the account. Some of these problems cannot be tackled by the merchant because they are related to issues on the customer's end. However, there are too often failed transactions due to technical problems and lack of back-ups or options in the payment processing infrastructure, which can be minimised. In fact, the number of these failures can be significantly reduced by implementing the right payment processing platform bad on smart routing.

	% Authenticated	Overall Authentication Rate
Grand Total	74,5%	29,6%
UNITED KINGDOM	89,5%	61,4%
CZECH REPUBLIC	86,7%	36,8%
SWEDEN	79,1%	25,2%
NETHERLANDS	76,3%	29,3%
GREECE	75,6%	43,7%
DENMARK	75,2%	1,6%
SPAIN	75,0%	38,6%
ROMANIA	72,3%	9,3%
GERMANY	71,9%	39,5%
AUSTRIA	70,1%	25,6%
HUNGARY	69,1%	7,2%
FRANCE	66,9%	9,2%
POLAND	66,8%	13,5%
ITALY	60,2%	12,7%
BELGIUM	56,1%	2,7%

Table 1
Source: Mastercard Analysis

If we take a look at the impact PSD2 and Strong Customer Authentication have had on Ecommerce in Europe, it is easier to understand how sensitive the issue is. As mentioned in Axerve's whitepaper "Strong Customer Authentication and conversion rates in Europe in 2021", during the first quarter of 2021, 25.5% of authentications performed with the Mastercard scheme did not succeed, the vast majority resulting in failed payments. In the second quarter, according to new data released by Mastercard, only 76% of 3DS authentications were successful, which means that the improvement over the previous period was only about 1.5%.
This speaks volumes about the importance of finding new ways to increase the efficiency of the entire payment process, and payment orchestration is moving towards this direction, as we will find out in the following paragraphs.

Smart routing

In order to minimise the number of failed transactions due to technical problems, choosing a payment infrastructure based on dynamic routing is certainly a great way to start.
Payment processing is what happens after the customer clicks on the "pay now" button of the check-out page, for Ecommerce purchases. From that moment the transaction "route" entails different steps:

- Authentication
- Authorisation
- Clearing
- Settlement

These are taken care of by payment service providers, acquirers, issuers and fraud prevention services. If you want to learn more about the payment process you can watch our video explaining the four-party model.

When we look at **static routing**, a transaction's route is directed to the acquirer via manual configuration by following a pre-determined route. This means that transactions are sent to a determined PSP for processing and directed to a specific acquirer, following one pathway. In the case of a company working with only one PSP and acquiring bank this process is linear and the reconciliation is simple. The downside is that in case of technical failures on the one payment route there is no back-up to redirect the transaction to. Moreover, there is less flexibility with geographical regions, because the merchant is dependent on the chosen payment gateways, PSPs and acquirers, which may be available in some countries but not in others.
However, companies can choose static routing and work with a number of different payment gateways, PSPs and acquirers. In this case payment routes are still pre-defined through rules in the transaction flow from the merchant Ecommerce to the acquirer. However, this approach comes with some problems and difficulties. Static routing lacks the flexibility to switch providers in case of issues with the PSP and does not take into consideration all the multiple variables that can lead to needing to change the routing path. In fact, when choosing routing rules based on one parameter, e.g. fee cost such as acquiring fee or any other cost applied to additional services, other important parameters are ignored, like availability in the region, authorisation or approval rates.

We can therefore say that the main disadvantages of static routing are:

- Lack of flexibility in geographic regions for transactions
- Lack of back-up to redirect failed transactions
- Inability to take into consideration changing parameters and adapt to a specific transaction
- Manual reconciliation made difficult by having to reconcile different providers' data from different points of access

These problems are solved with dynamic or **smart routing**, which **automatically directs your transactions to the most performing and cost-effective route at the time of the purchase**.
This flexibility allows you to minimise your failed transactions due to technical errors, because it automatically switches to a different route in order to get the transaction approved.

History of payment orchestration

SMEs and large corporations operating in B2B and B2C sectors are adopting cross-border payments today more than ever. For comparison, in 2018 the value of B2B, B2C, C2B and C2C **cross-border payments** worldwide was $127.8 trillion and is expected to reach $155.9 trillion by the end of 2022[2]. With the operations of **businesses becoming increasingly international thanks to online** and the **growing payments market** and global **sales channels**, fraud is becoming a prevalent problem. Therefore, a need for multiple payment and fraud providers has arisen.

Merchants found themselves trying to juggle **costs, reconciliation, fraud** and **cross-border payments** in their payment infrastructure, while trying to **grow their businesses** as well as satisfying increasingly sophisticated **consumer needs** for high-level **user experience**. Therefore, merchants started implementing different payment providers in their infrastructure, which at a certain point stopped to be effective due to the many **contracts, accounts, gateway configurations** and the **integration, manual assignments** to gateways (which increases failed transactions rate), **reconciliation** and **reporting** problems, as well as **additional costs** for upgrades and changes to each gateway over time. This was the impetus for a brand-new concept: **payment orchestration**, created to streamline payments. However, let's first go back to the start to understand why this innovation was not possible before.

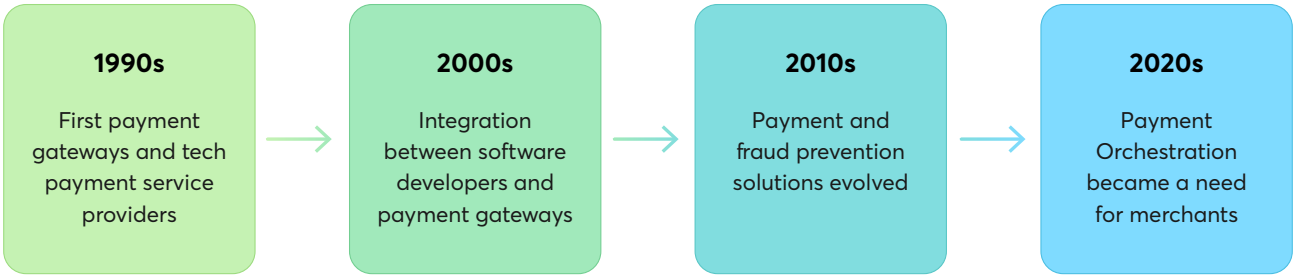
Payment gateways timeline

In the **1990s** along with the first Ecommerce businesses and platforms, the first **gateways** and **tech payment service providers** (PSPs) were introduced to the market allowing online payments to be executed. These instruments did not have the collection and reconciliation solutions that are present on the market in multiple variations today. In the **2000s** an **integration** started between **software developers** and payment gateways and it was brought on by the issues that existed in the 90s, where a single payment gateway couldn't serve all the customers of a payment processor. Thus, the need for partnering with or owning **multiple gateways** was already present in the late 90s, and it was just the beginning of all the complex needs of the future customers and merchants.

In the **2010s** PSPs transformed thanks to the expansion of the payment market, this transformation was characterised by introduced new solutions, such as **collecting** and alternative payment methods in addition to **fraud prevention, risk management**, and **global payments in local currencies**. This became the new norm of the advanced PSPs business model. In the new operating environment, Tech PSPs (Switching PSPs) were substituted by **collecting PSPs** that managed all collections and sent them as one payment to the merchant. This mechanism simplified payments for merchants with **one contract, one pay-out, and one touchpoint**.

In the late **2010s** the concept of **payment orchestration** became well-known among a small circle of experts while the largest businesses developed a type of payment orchestration in-house a few years earlier. Today in the **2020s** payment orchestration has become not only popular and hyper-prevalent but an essential need for many merchants. More than **60% of retailers** including businesses of different sizes and wide-ranging needs, **work with** multiple payment providers.

2 - How new entrants are redefining cross-border payments | EY



While more than **25% of them** are looking to implement **a payments orchestration platform** as an important next step in their **business growth, optimisation** and **improvement**[3]. Payment orchestration is becoming an important and unavoidable option, which is about to disrupt the PSPs market and services they offer to meet evolving needs of merchants and customers.

Payment orchestration challenges of the past

Given that the need for a **single integration of various PSPs** in one platform, **smart routing, fraud prevention, reconciliation** and **collecting** was already quite evident, why wasn't payment orchestration platform developed 5-10 years ago? On outline of key challenges and barriers is as follows:

1. Lack of cloud infrastructure: The preferred environment for Payment Orchestration Platforms' **infrastructure is in the cloud**, and the first uses of cloud payments and platforms by general audiences kicked-off in the 2010s.

2. Prohibitive costs: The challenge of building a **POP in-house** and the significant resources required to do so was a barrier. Due to a possible lack of competences needed for developing a payment orchestration platform in-house, there were no guarantees that it would work as well as when developed by the external providers. However, relying on external payment solution providers meant trusting them with 100% of the business revenue, that would be processed via brand-new payment solutions.

3. An untested ecosystem of would-be providers: **the young market initially contained just a few choices of companies** and many of these companies were very new start-ups without much investment and weren't suitable partners for large businesses. Moreover, as fully developed technologies were yet to emerge, the history of proven case studies for of POP uses by other merchants that we have today wasn't yet available.

4. Payment providers weren't truly global: if you were a global operator 10 years ago, you might have had up to 10-20 providers to cover your whole customer base, and were forced into an improvised and not optimised payment orchestration in-house, that was not developed externally with necessary qualifications and technology at hand.

5. Technological restrictions: technology was not at pace with the **evolved customers' needs** 10 years ago. The concept of "Smart" was not as trendy as it is in the 2020s. Internet of things was a pipe dream and first simple smartphones and smart TVs started to become popular in the mid-late 2000s, with the first iPhone, for example, out only in 2007 and Samsung Galaxy in 2009. Smart contracts and smart transactions were not even a thing, but a far-away phantom concept. Meanwhile, today **smart routing** is already an existing and well-appreciated technology that makes POPs possible, bouncing transactions from one gateway to another, improving approval rates, which we will explore in the following chapters.

3 - Voice of the Enterprise: Customer Experience & Commerce, Merchant Study 2020 | 451 Research

Future of Payment Orchestration

Since we already looked into the history of payment orchestration, what brought it about and what the premise for it was, here is some data regarding the **future of** payment orchestration. According to Business Research Insights[4], by 2027 the payment orchestration market will be worth almost $5 billion, and will exhibit a CAGR of 25.8%. One of the driving factors of the swift market growth is the development and growing user base of the digital payment platforms, as well as the global connectivity via smartphones and other portable and non-portable smart devices, along with the overall adoption of digital payments use by most countries worldwide, which pushes merchants even further towards optimisation of digital payments channels and configuration.

4 - Payment Orchestration Market Forecast | Business Research Insights

Global Payment Orchestration market

Ecommerce market growth in the UK

According to ecommerceDB[5], the UK is among the most connected countries, with over **92%** of population using the internet regularly. So, it is no wonder that **86%** of the population have the habit of purchasing goods and services on the internet, which has caused the **Ecommerce market to grow exponentially** over the years. In the UK alone, there are over 59 million Ecommerce consumers as of 2021, and this number is expected to reach 62 million (+6%) by 2025, not too far behind the global Ecommerce leaders (China, the US, Japan and Germany). **Fashion** is the biggest Ecommerce category amongst Brits, and the overall Ecommerce market value in the UK is at almost $100 billion.

Fashion is followed by the **food & drinks** category, that was boosted strongly during the pandemic and still continues to grow, in particular during 2020 where the **grocery online delivery** market experienced an astounding growth of 76.3%, compared to 10% in 2019 and 20.5% in 2021[6]. **Books, movies, music, videogames, household appliances** and **consumer electronics** also occupy a huge chunk of the Ecommerce market in the UK and globally. In the next section we will explore how this data plays into the payment orchestration.

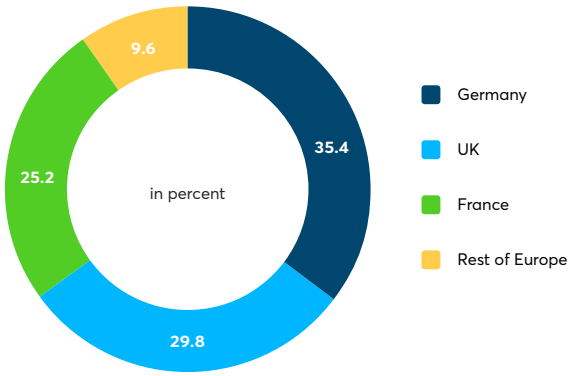
Payment orchestration market growth in Europe and globally

In this section we will analyse key data from GME's report on the payment orchestration market[7]. Starting with general statistics, the **European payment orchestration market** in 2020 was estimated to have a value of $91.5 million ($462.24 million worldwide), and is forecast to reach almost $350 million by 2026, which is a testament to the increasing interest in this payment solution. Payment orchestration in Europe is mostly used in the **B2C** and **B2B sectors**. The **B2C** marketplace had the most value in 2021, with over 67% market share, followed by **B2B** (28% market share), leaving less than 5% to **C2C**, where payment orchestration is not used as widely. According to different projections, C2C won't capture a larger market share in 5 years' time, even if the value grows, which is consistent with the sizes of B2B, B2C and C2C marketplaces today.

As stated above in the Ecommerce market growth in the UK chapter, payment orchestration is all the buzz right now **globally**, which is tightly connected with **Ecommerce market growth**, even though payment orchestration has more applications than simply Ecommerce. Ecommerce growth is more prevalent in the same countries, where payment orchestration market is growing notably, such as the **USA, Canada, China, Japan** and **India**. On the other hand, the fastest Ecommerce growth is detected in **Europe**, specifically in **Germany**, whose **payment orchestration** market value is also the biggest in Europe and is $39.4 million – 35% European market share, followed by the **UK** (with $33.25 million PO market value, which is equal to 30% of the European market share and is projected to grow over 3 times by 2026, surpassing the market value of $100 million), **France** closes the top-3 ($28.5 million market value – 25% market share), leaving only around $11 million of the market value (<10%) to the rest of Europe. The overall European **CAGR** of the payment orchestration market from 2021 to 2026 is around 25%.

5 - eCommerce in the United Kingdom 2021 | ecommerceDB
6 - UK Grocery Report – 2022 | GlobalData; Savills
7 - Global Payment Orchestration Market in 2021 | Global Market Estimates Research & Consultants

Europe payment orchestration market by country (2020)



Axerve usually talks about payment orchestration platforms primarily in the context of **Ecommerce**, and unsurprisingly, this is the industry that has come to appreciate all the platform's advantages the most for the payment side of the business. In Europe alone as of 2021, the **Ecommerce** payment orchestration market (online retailing: fashion, electronics, apparels etc.) was at $32.8 million, followed by **Banking, Finance & Insurance** ($22.67 million), which is also closely followed by **healthcare** ($19 million) and **travel** (almost $17 million). **Media & digital services, gaming** and educational technology industries are just starting to take advantage of opportunities provided by POPs and account for less than 20% of POPs market, but are to grow at even a faster rate (CAGR) than the leading industries today.

The **use** of payment orchestration technology in Europe is in line with the rest of the world. The most common area of application is **APIs (Application Programming Interfaces)** that allow for faster, safer and less costly transactions, thanks to the software integration of different payment solutions and upgrades as well as the sharing of data in real-time. API's market value in Europe was at $51 million as of 2021. The second and third applications are **Risk Management** and **Analytics & Reporting** respectively, which together have almost the same value as the APIs alone. Another important application of payment orchestration that is important to mention, and that is growing swiftly with a CAGR between 2021 and 2026 of almost 30%, which is higher than in any other aforementioned application, is **cross-border transactions**. This use is as important, if not more, for merchants that operate globally that want to ensure a high authorisation rate and a high-level payment experience for their customers.

Payment Orchestration in the UK

The UK follows the same payment orchestration trends we mentioned above. The marketplace in which payment orchestration has the most market value is **B2C**, that is to grow exponentially in coming years and is worth over $22 million today, which is more than twice the value of the **B2B** market, with the **C2C** market value of a little over $1 million, which is consistent with the European and worldwide trends.

APIs are the primary use for payment orchestration in the UK that has the value of **Risk Management** and **Advanced Analytics & Reporting** together, with **Cross-border transactions** being the least common use as of now. The latter is to grow a lot in the near future (28.35% CAGR from 2021-2026), similar to other applications in the UK (25% CAGR on average for other uses), which is the trend we observed for Europe earlier, the only difference for the UK being a very stable growth for all areas of applications.

The payment orchestration market value in the UK of $33.25 million (as of 2021) is almost equally distributed among the top-4 industries:

1. **Ecommerce** (over 27%),
2. **BFSI** (over 20%) just like in Europe and globally,
3. **Healthcare** (around 16%),
4. **Travel** (around 16%),
5. **Media & digital services** (almost 11%)
6. **Gaming** (5%)
7. **Educational technology** (less than 2%)

UK payment orchestration market, by application (USD million)

The last three industries together account for less than 20%, which is smaller than the market share of BFSI alone, but these three industries are projected to have the most compound annual growth rate between 2021 and 2026, which varies between 28% and 35%, which is more CAGR than for the top-4 industries.

As more companies become increasingly global, payment orchestration will emerge as the only sustainable payment solution capable of supporting merchants as the scale and their international footprints widen.

The benefits of Payment Orchestration

The contemporary digital payment landscape is highly competitive, factors like transaction speed, access to preferred payment methods and guarantee of security can be decisive for customer purchases. With new websites and options available online, Ecommerce needs to be able to offer what customers are looking for. Not only in terms of product, but also ensuring a quick and easy customer experience – which in turn translates to increased cart conversion for the merchant.

The rate of shopping cart abandonment **is a good indicator** of customer experience: the poorer the experience, the higher **cart abandonment will be**. There can be many factors that influence cart abandonment, although there are factors like customers simply not wanting the product anymore, items going out of stock, or estimated delivery being too long, the most decisive driver is experiencing issues with payments and lack of preferred payment method[8].
In 2021, after the COVID pandemic already, in the USA, in particular, the Baymard Institute[9] identified the main reasons for abandoned carts, among which we find **encountering too much friction during the check-out process**.

When looking to achieve a frictionless check-out experience for customers, payment orchestration is a key part of the equation. In fact, by optimising your payment flow and integrating different providers and payment methods, you will be able to **offer a more complete, satisfying and quick buying experience to your customers, while saving on costs and resources** from the merchants' perspective.

Moreover, a payment orchestration layer allows access to multiple integrations from the same platform and for merchants to make the most out of the different payment methods and service providers without having to choose one or only some of them. Moreover, **each transaction can benefit from being processed by a different provider depending on geographical location, currency, amount, issuer, time and date and many other factors**. Having multiple options and availabilities at the time of the payment gives merchants a **higher chance to complete the transaction quickly, safely and with lower fees**.

Let's now look closer at the main benefits of adopting a payment orchestration platform for merchants and retailers' Ecommerce operations:

- **Save costs and time**
  Orchestrating payments allows merchants to save on their resources, both in terms of costs and time. Having multiple providers available for transactions means being able to choose lower fees, such as acquiring fees (e.g. routing the transactions through specific acquirers).
- **Increase conversion rate**
  Customer experience is key. Everything that can be done to help customers successfully carry out transactions must be of high priority. Smart routing, alternative payment methods at checkout and local currency availability are only some of the aspects that influence conversion rates.
- **Never miss a transaction**
  Two-thirds of adults worldwide leverage digital payments regularly, including 57% of consumers in developing countries, therefore, the 'decline rate' for digital payments grows exponentially with the growth in the overall use of digital payments as a category.[10] According to some case studies, payment orchestration can reduce a decline rate to 5-8% of all

8 - UPS Pulse of the Online Shopper™ Report | UPS, 2019
9 - Checkout Optimization: 5 Ways to Minimize Form Fields in Checkout | Baymard Institute, 2021
10 - COVID-19 Drives Global Surge in use of Digital Payments | The World Bank

transactions and reducing false declines by up to 30-35%[11].

- **Customer loyalty**
  Ease of integration of payment methods on the platform translates into the possibility of providing the customer's preferred payment method at check-out and delivering a frictionless buying process, which ultimately leads to customer satisfaction and loyalty over time.
- **Expand to international audiences**
  For a business that is planning to expand to a global audience, being able to understand different customers and cultures and providing their preferred payment method for their purchasing habits is extremely important. What can put Ecommerce merchants on the map for foreign markets is offering country-specific alternative payment methods and local currencies.
- **Help merchants scale faster**
  Digital payment orchestration gives merchants the opportunity to quickly integrate new solutions and options that support business growth, reducing time to market by making it easier to adapt new solutions when expanding service offerings.
- **Reduce fraud**
  Having a single platform that integrates all the steps of the transaction with multiple payment methods and providers makes it easier to prevent fraud.
- **Automatic reconciliation**
  Payment orchestration automatically reconciles all Ecommerce transactions, which allows the merchant to save on internal resources, while reducing risks and ensuring an error-free process. Automatic reconciliation is customisable to the merchant's needs and is an optimal tool to reduce effort while increasing efficiency and precision. In fact, merchants won't need to manually reconcile finances and deal with possible incongruencies.
- Real-time ledgers (RTLs)
  RTLs are extremely important for merchants since they solve two inherent payment problems. The financial data visibility and reporting are almost in real time, which simplifies tracking and accountability. The second advantage is ensuring transactional integrity and consistency, guaranteeing the customer is charged only once, no matter how many charge requests were made.

11 - Payments Dialog | Spreedly

Payment Orchestration application by sector

The application examples of payment orchestration platforms are related to the **type of integration** and the **number of features and services** offered by the platform itself. As in the case of symphony orchestras, the greater the number of musicians; the greater the complexity of symphonies that can be played by all instruments.

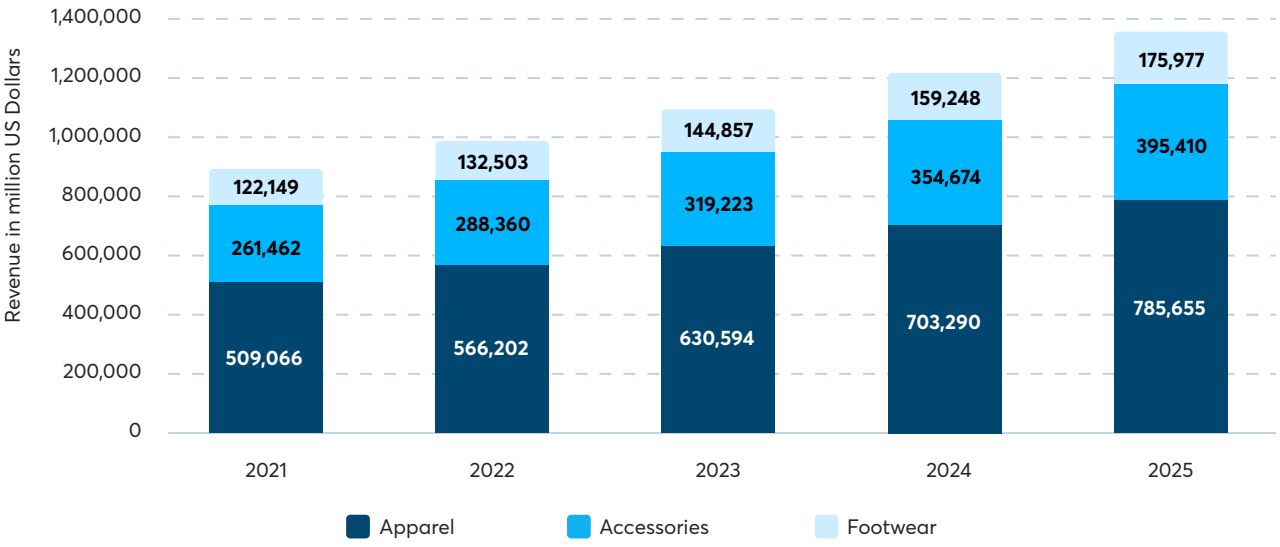
In this scenario the conductor is the one who makes the difference, because it is their job to coordinate all individual components. This is the perfect analogy for **payments** – and it is this need for a central 'conductor' enabling effective payment management that is the basis of the payment orchestration solution.

To ensure that the platform responds promptly to the needs of each merchant, the **setup phase is essential** and must also consider the **sector** in which Ecommerce operates. Assuming that each online store has specific needs, we can identify some of the typical needs of each industry even if they can also be common in other sectors.
In the next chapters we will analyse in particular the field of **online fashion**, because it is among the most complex and heterogeneous in terms of market and target needs. We will also analyse the **subscriptions** business model, which in turn requires specific actions to **manage recurring payments**, and is applicable across various product sectors, from physical goods to services.

Fashion online: scenario data

According to the estimates of Statista's periodic Market Outlook reports, **by 2025** Ecommerce will generate volumes that will reach **$3,500 billion dollars worldwide**, and **fashion** will represent approximately **34% of the entire Ecommerce market**. After a 2020 slowdown, caused by the global pandemic, in **2021 the online sales of fashion goods** reached a total **market value of almost $668 billion**, which will exceed **$1,200 billion by 2025**[12].

Revenue of the global e-commerce fashion market from 2021 to 2025, by segment



12 - Fashion E-Commerce Global Market Report 2021 | Research and Markets, 2021

In 2021 global revenues reached $900 billion and will exceed $1,350 billion within four years. Asia, with over $440 billion sales volume, was the region with the highest revenue last year. Followed by Europe, with over $210 billion, the American continent is closely behind with around $200 billion revenue and Australia and Africa close the list with a total sales volume generated of around $36 billion.

Analysing the distribution by country, **China** and **the United States** alone will hold almost 50% of the market in 2022, as highlighted in the table below. In the European continent, **the United Kingdom** is the leader and surpasses **Germany** by 57%, the only EU country in the top-5 ranking.

Country	Revenue*
China	312.2
U.S.A.	205
U.K.	60.56
Japan	54.39
Germany	38.47

*revenue in $ million

Ecommerce fashion in the UK

In the past year in the UK **online apparel sales** saw a significant growth influenced by the COVID-19 pandemic. In 2020, Ecommerce accounted for 55% of all apparel sales of the country, almost 20 percentage points higher than the previous year. In 2021 a slight decline was expected after adapting to the new normal, however forecasts indicate that Ecommerce will continue to grow in the next years, reaching 60% of all apparel sales in the UK in 2025[13].

The **Ecommerce industry in the United Kingdom** is forecast to amount to an overall revenue of $199.9 billion in 2022 (+ $22,4 billion from 2021). With $54 billion in 2021, projected to reach $83.8 billion by 2025 the **fashion segment** is the biggest segment in the market, and is forecast to remain one for the next few years at least[14].
In 2021 the Ecommerce **fashion** sector accounted for 30% of the market share ($54 billion), and is followed by electronics with 19% of all volumes generated by the UK Ecommerce ($34 billion). And the balanced interest of British consumers in Ecommerce (59% of revenue in fashion comes from women, and 41% from men) is in line with the revenues of each industry, where the fashion sector surpasses consumer electronics.

Payment Orchestration and fashion

Among the sectors that can benefit most from **payment orchestration platforms** is the **fashion sector**, which is very heterogeneous in terms of **target, markets** and **type of products**. From retailers that operate exclusively on the domestic market to marketplaces that cater to an international audience, from fast fashion clothing to luxury products, the sector is very fragmented and companies can have **very different collecting needs**.

Inspecting the transversal need to meet the expectations of very different consumers in terms of purchasing habits and payment preferences, we find some typical needs surging in online fashion that payment orchestration can satisfy:

- **Customer experience**
  Especially for **luxury fashion brands**, experience is an integral part of the offer, both in **physical stores and online**. When it comes to payment, it is essential to offer tools that are able to integrate perfectly into the purchasing process, making the payment frictionless and in line with the expectations of the end customer. The orchestration platforms allow merchants to activate the alternative payment instruments preferred by the customers, **increasing loyalty** and **reducing the churn rate**.
- **Cross-border payments**
  Managing cross-border payments can be complicated and costly. The direct connection of an **Ecommerce with multiple PSPs and acquirers**, relying on a payment orchestration

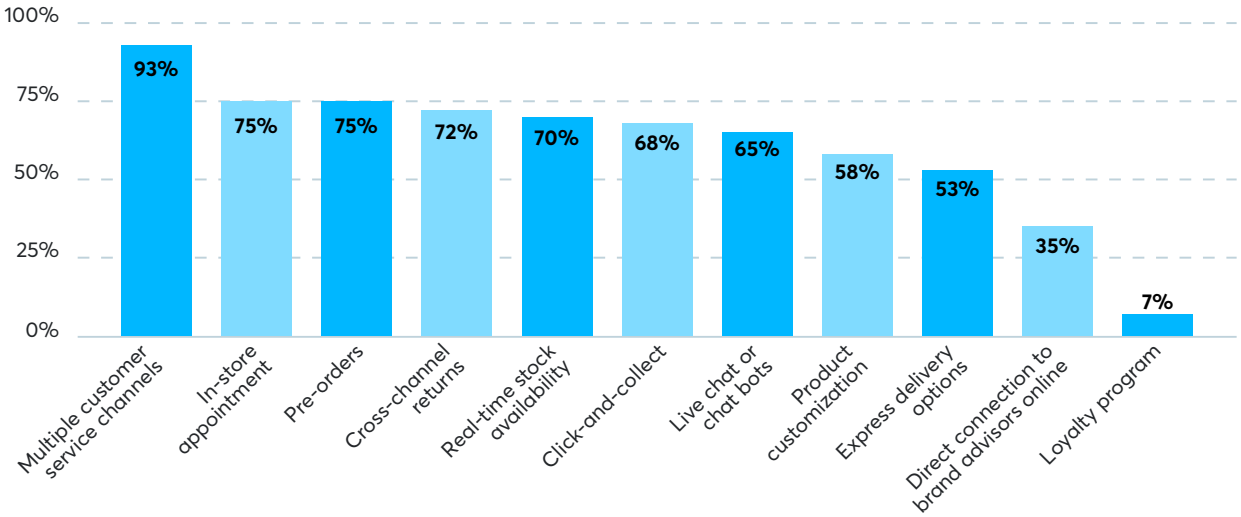
13 - E-commerce as percentage of total apparel sales in the United Kingdom (UK) from 2018 to 2025 | Eversheds Sutherland
14 - E-commerce revenue forecast in the United Kingdom from 2017 to 2025, by segment | Statista, 2021

platform, offers the opportunity to choose through which provider to process the transaction and, hence, **save on acquiring commissions** (cross-border interchange fees) and **operating costs** of integration, while also simplifying the underlying bureaucratic aspects.

- **Conversion rates**
  The strategic factor in increasing the conversion rate is **dynamic routing**. As detailed in the previous chapters, an intelligent and automatic payment routing engine, typical of orchestration platforms, in addition to **cutting costs, reduces rejected payments**, for example by identifying a back-up **PSP in real time** if the "default" one or preferential is temporarily offline, or by automatically **choosing the local acquirer** based on the **country** in which the payment card was issued. Moreover, the integration of solutions capable of effectively managing SCA (Strong Customer Authentication), taking advantage of the exemption opportunities offered by PSD2, increases the number of payments that pass the authentication phase safely, bringing a tangible **benefit to the shopping cart conversion rate**.
- **Omnichannel experience**
  The fashion sector, in particular the **luxury fashion**, must guarantee the shopping experience that meets the increasing complex expectations of the customers that are often international and typically very demanding. In fact, the sector is investing precisely in this area with the omnichannel offer in store. Retailers are adopting solutions that can replicate the same degree of satisfaction regardless of the number of **digital or traditional channels** chosen for the purchase. The distinction between online and offline customers is less and less relevant, consumers have **hybrid profiles**: they order online but want to pick the products up in-store (Click-and-Collect), buy via Ecommerce and return in-store, inquire information online and buy at the point of sale (info-commerce) or try on the garments in the store and then buy them online (showrooming).

As anticipated, the needs described above are also applicable to other industries and, at the same time, it should be considered that the benefits of payment orchestration are many more, primarily **automatic reconciliation** in multi-PSP and multi-acquirer contexts, as outlined in the benefits of payment orchestration chapter. Therefore, the initial assumption of this chapter is valid: each company has different characteristics, and the various elements of the orchestration platform must be integrated according to specific settings, based on the operating context and the company.

Share of omnichannel features adopted by luxury brands worldwide in 2022



In fact, retailers no longer focus on vertical solutions for a single channel but seek and adopt platforms capable of managing typical Ecommerce experiences to include in **hybrid cross-channel customer journeys**. The "silos" approach is no longer valid, the purchasing process now includes multiple touch points, such as shops, online stores, interactive totems, social media, just to name a few, interact with each other in order to create a **fluid customer journey**. Consequently, collecting solutions must also be able to manage omnichannel contexts, to respond to frictionless customer journeys in which customers finalise the purchase by following paths that involve multiple touchpoints.

The world of subscriptions and periodic fees

As with physical goods, the **services** are also **multifaceted**. In recent years, besides the traditional sectors, such as utility (electricity, gas, water etc.), other sectors that target specific markets have joined the new online-first way of working and offer fully digital onboarding experiences, content and online use of services. Deloitte recently published research on subscriptions in which three major types were identified:

1. **Services**
   All companies that provide services that require periodic payments fall into this category. Some examples are **streaming platforms**, companies offering **SaaS (Software as a service)** and **online gaming**.
2. **Ecommerce**
   All companies that offer value-added services. Companies operating in the field of **delivery, marketplaces**, large online **retail** chains are part of this category.
3. **Products**
   For the sale of physical goods, the typical business model involves payments via "shopping carts". However, some companies supply their customers **periodically**, mainly with consumable products. These are, for example, companies that sell **coffee pods, printer cartridges, cosmetics**.

There are also companies that fall into at least two of the categories above. We are talking about international players that offer services in many sectors: Amazon, Alibaba, Google are just some examples of multinational companies operating in different sectors and whose services provide recurring payments.

Services: streaming platforms, GaaS and SaaS

Companies in this category offer streaming content (**video** and **music**), the ability to play **videogames** online or **software licensing**, typically on a subscription basis even though, in some cases, this formula is accompanied or replaced by the formula **on demand**, i.e. the ability to make singular payments, for example to watch a movie, to buy digital items in a video game or to activate new software features.

Video and music streaming

Video streaming services (SVOD) have experienced a huge increase in users that exceeded 1 billion worldwide in 2020 and this number is expected to reach 1.5 billion by 2026. The digital music audience has also grown over the years – at the end of H1 of 2021 there were almost 524 million premium users on the main global platforms that generated almost $28 billion in revenue at the end of the year.

Streaming and VOD services in general have also experienced a great success in the UK, especially during the pandemic years, even though in 2022 its user base decreased slightly after a huge boom on some major streaming platforms. Still in 2021 the UK boasted the third highest VOD revenue after the US and China, and grasped over 50 million users (76% of the population), of which almost 23 million people preferred streaming. The pandemic encouraged the indoor activities, which helped the VOD audience grow from 44 million users at the end of 2019 to over 50 million in 2021[15].
The UK is also a leader in the **music streaming** market in Europe, and has generated a revenue

15 - Video-on-demand in the United Kingdom – statistics & facts | Statista, 2022

of about $1.8 billion, and by 2026 the revenue will surpass $2.6 billion, thanks to the constant increase in users that from almost 20 million at the end of 2021 will reach 26 million by 2026[16].

Gaming online

Compared to the traditional **videogames** sales, the new business model in the videogames industry on many occasions has proved to be much more profitable for the companies operating in the sector, thanks to fees and micro-payments (**microtransactions**) that offer the user a more personalised gaming experience and keeps the same games relevant over time.

By 2025, the online gaming sector will reach volumes of over $200 billion worldwide. The **mobile gaming** sector alone will have 2.2 billion users worldwide within four years, with an ARPU (Average Revenue Per User) of almost $75.

A report from Entertainment Retailers Association stated that videogames in digital format generated more sales than digital video and music services individually, in 2021 this number was £3.8 billion (44% of the entertainment market, 39% - video, 17% - music), £600 million more than in 2019 before the pandemic, reaching a gamer base of 45 million people of all ages, with the 25-34 year age group being the most represented (33% of gamers), and the 35-44 year age group the second most represented (26.4%).[17]

Ecommerce: delivery and marketplace

In this category we have the companies that for a monthly fee offer their customers a series of advantages, such as shipping costs, delivery time, access to exclusive services and special discounts.

This is the business model of most **marketplaces** and **delivery platforms**, a market worth hundreds of billions of dollars worldwide. The food delivery market alone in 2022 will be worth over $130 billion globally and by 2027 it will reach $224 billion. In the UK (the leader in **Europe**, and the most valuable market in the world), the revenue of online food delivery companies in 2022 will register volumes of 14.67 billion euros, which will exceed 20.6 billion by 2026.

Looking at the entire field of **marketplaces**, in June 2022, the capitalisation of **Amazon**, the world's leading marketplace, was approximately $1.1 billion while that of **Alibaba**, the Chinese B2B and B2C Ecommerce giant, exceeded $306 billion. The UK market surely also contributes to these capitalisations: enough to mention that in May 2022 **Amazon** (UK and international domains – 51% share of unique visits), **eBay** (30% share of visits), **Etsy** (4%) and **Argos** (3%) were the most visited marketplaces in the UK.

Recurring payments for physical products

This is a niche of companies that have introduced the recurring payments model in the world of services to the material goods. A survey conducted by Dynata, a company specializing in market research, in February 2022 on over 11,000 consumers in 11 countries, showed great interest in these services.
The six types of products that stood out in the respondents' preferences are:

- 41% groceries/food & beverages
- 38% personal care products
- 34% household products
- 32% clothing
- 26% toys/games/books
- 26% pet products

The benefits of **recurring payments** for physical goods can be summarised in four categories:

Customer lifetime value

Recurring payments help the customer lifetime value to increase already from the first purchase of the product.

Increased loyalty

Subscriptions to a business build a stronger relationship between **customer** and **brand**, when this relationship is nurtured, as detailed in Axerve's insight on the topic.

16 - Digital music in the United Kingdom (UK) | Statista, 2022
17 - Video gaming in the United Kingdom (UK) | Statista, 2022

Consistent cash flows
Recurring payments ensure a consistent cash flow and allow the company to define the budget for the following year more easily.

Cross- and upselling
The consistent and trusting relationship with the customers, which characterises this model, offers greater **touchpoint** opportunities and can help increase an **average revenue per customer**.

As described above, the scope of subscriptions covers many sectors and is a model that is rapidly growing in use, even where material goods are concerned. What all the categories in these chapters have in common is the **need for a tool capable of managing the recurring payment** process safely and without friction for the end customer, and this tool is called tokenization.

Tokenization as a strategic tool

In all these areas, payment management requires the integration of services that can:

- offer a **frictionless and smooth experience**, from the first transaction that triggers the flow of subsequent payments to any updates of card data;
- meet recurring payment regulations and be **compliant** with the requirements of individual Circuits;
- guarantee **high security standards**, minimising the costs, that the merchant must incur for the certifications required to manage card data.

The tool that meets all these requirements and falls within the perimeter of payment orchestration is tokenization, which, put simply, is replacing buyers' card data with alphanumeric codes.

Tokenization of credit and debit card data is essential for many Ecommerce processes and its implementation in the transaction management process, improves the customer experience and reduces payment times. In the whitepaper "Tokenization: The Strategic Tool for PSD2 Compliant Ecommerce" you can learn more about the meaning of tokenization, its impact on online sales, especially after the advent of PSD2, and the substantial differences between PSP tokens and Circuit tokens.

Payment orchestration platforms integrate tokenization services capable of managing complex systems in which tokens are used across multiple payment providers. In this scenario, in addition to reducing costs and effort typically required to accept recurring payments with different tokenization services, the functionality offered by Circuits reduces failed payments in cases where the card underlying the token is no longer valid.

As mentioned earlier, again, the advantage of orchestration is that it represents an integration hub that interfaces with all integrated service providers, minimising bureaucracy and integration effort. The result, again, is a **customisation of the collection experience** and, at the same time, a standardisation of processes that simplifies payment acceptance activities, which would otherwise be more complex and time-consuming if handled by a single PSP.

Axerve Payment Orchestra™: innovation, reliability and flexibility in one platform

As **Payment Partner to Grow** for its clients, Axerve has always been at the forefront of developing solutions that anticipate the online and offline collection needs of businesses of all sizes, guaranteeing reliability and security for merchants and acquirers.

It is with this in mind that Axerve has developed **Payment Orchestra™**, the global payment gateway aggregator that enables **domestic and international online payments** to be orchestrated through a single platform, packed with value-added services to enhance the collection and payment experience.

Flexibility, intuitiveness and ease of integration of payment service providers are just some of the opportunities offered by the platform.

The solution also allows merchants to save on resources and significantly reduce operational, processing and acquiring costs because it manages payment flows by redirecting them to the most efficient provider via artificial intelligence and machine learning-based engines, offering **automatic reconciliation** and allowing control of all transactions from a single access point, regardless of the payment method used for the purchase.

In summary, thanks to the single access point and the end-to-end approach, merchants do not need to implement technical integrations in order to achieve the best possible acceptance rate and to reduce the costs attributable to collection transactions.

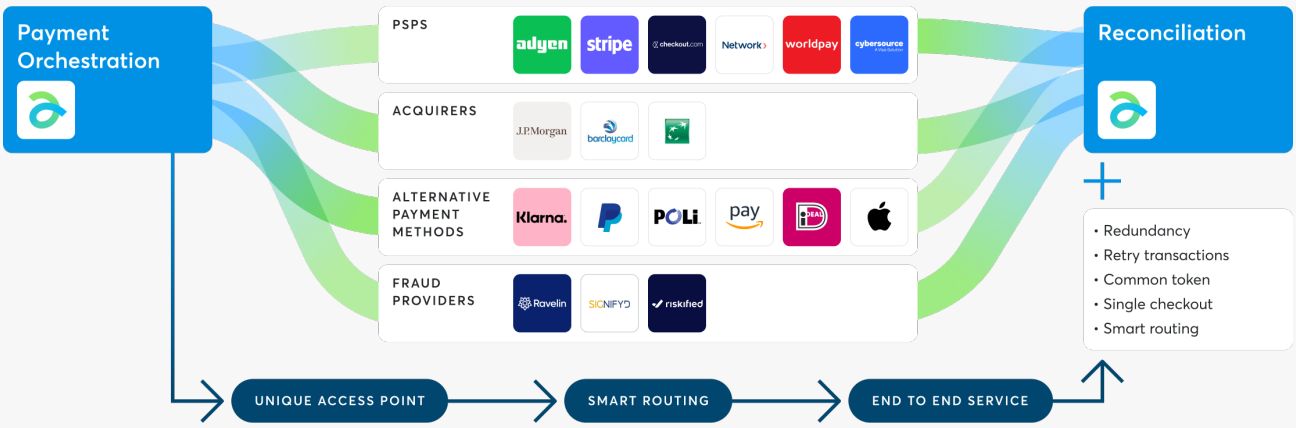
The hyper-personalisation of the collecting experience

One of the main objectives of Axerve's offering is to facilitate the merchants' collection process by offering its customers tools that can guide them and help them overcome the challenges of the entire payment ecosystem so that merchants can focus on their core business.

The concept of hyper-personalisation associated with the shopping experience is part of many companies' strategies, as offering a **customer experience** so **personalised** that it becomes tailor-made to the individual customer's expectations is one of today's challenges.

The development and future evolutions of Payment Orchestra™ revolve mainly around the concept of **hyper-customisation**, focusing not only on the customer experience but also on the **collection experience of the merchant**, which, thanks to a single point of access, means simplified processes through the tailor-made construction of the solution and its integration into the merchant ecosystem.

The platform is to all intents and purposes an enabling tool, capable of multiple integrations to reduce friction and barriers to entry that are typical of standard PSP solutions. Some examples may be useful to give a deeper insight on hyper-personalisation and simplification associated with Axerve Payment Orchestra™:



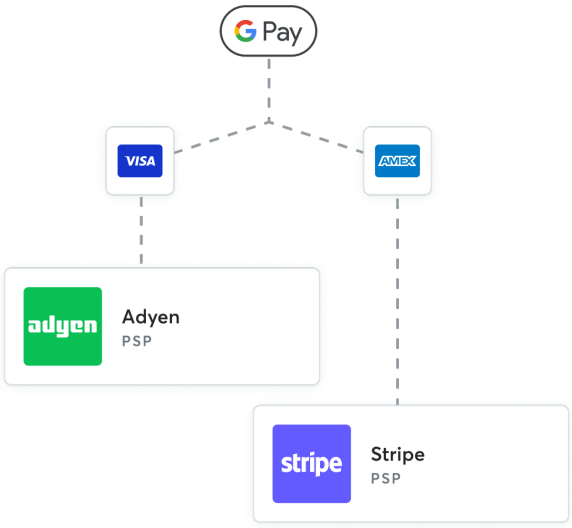
Multi-provider routing

The possibility of integrating a growing number of providers, which directly increase the possibility of customising the redirection of transactions, not only for the authorisation and capture phases but also for the authentication phase, is an advantage. However, at the same time, it requires precise and timely control of redirects in order to finalise payment.

What makes the multi-provider integration of Axerve's solution particularly effective is the platform's ability to select the most effective path depending on the context, thanks to smart or dynamic routing logic. For example:

- by selecting the acquirer in the same country as the issuer, to obtain more **advantageous acquiring fees**.
- by routing the authentication to the **most optimal provider** for that specific transaction, managing the exemptions offered by PSD2.
- by identifying the most suitable **fraud prevention** service depending on the context, increasing end-customer satisfaction and building customer loyalty.

In short, the simultaneous management of these functionalities, by means of artificial intelligence engines, is able to identify the best path for each transaction and promptly redirect it to alternative routes in the event of unforeseen occurrences.



Fraud prevention

Security and reliability are two key elements for a payment service provider. Axerve Guaranteed Payment, which is Axerve's fraud prevention solution, protects merchants from possible fraud and ensures the reimbursement of unidentified fraud.

Among the platform's strengths are data collection and analysis from multiple sources and **real time analytics tools**, which are strategic components for optimising the merchant's fraud prevention activities. Through the collection of data from multiple channels and their analysis by means of **artificial intelligence algorithms**, Axerve

Guaranteed Payment assigns a scoring to the transaction, grading individual payments according to the degree of risk via a different coloured badge:

Green badge
The transaction is genuine and can be processed by the merchant.

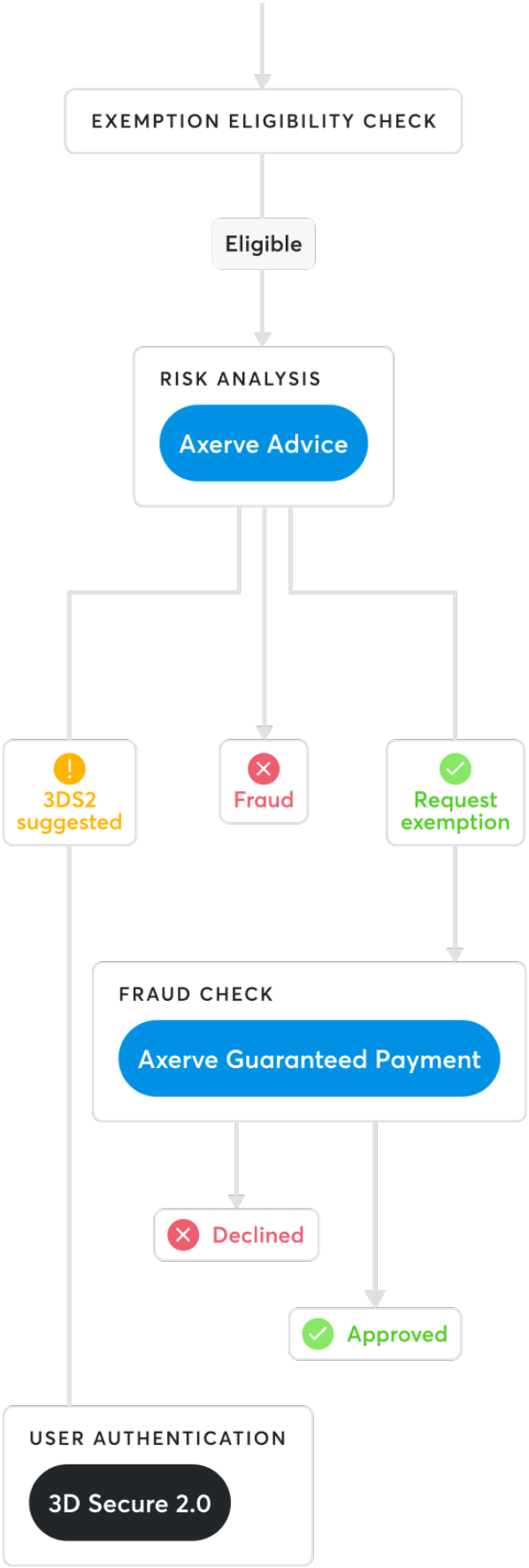
Red badge
The transaction is fraudulent and it is suggested not to proceed to the authorisation or payment capture stage (depending on the type of integration).

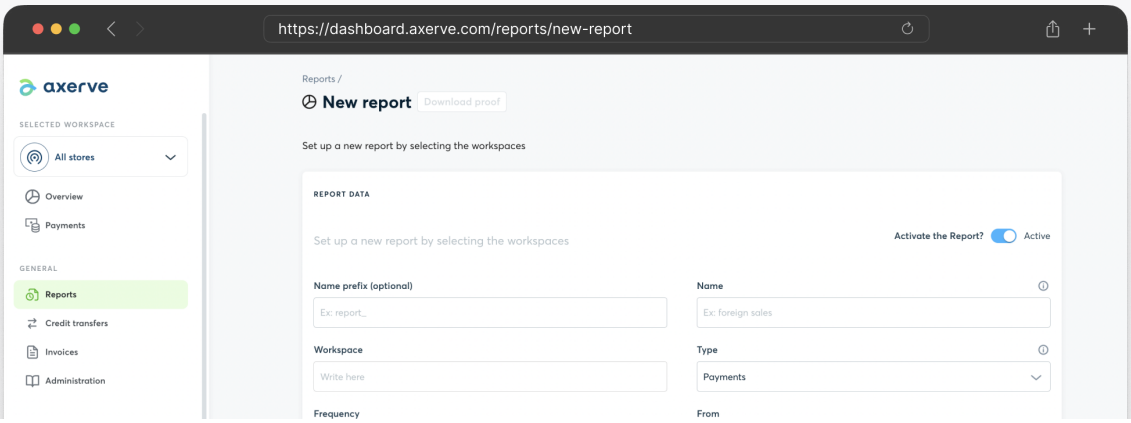
Yellow badge
The transaction is potentially fraudulent and requires further investigation. This state, which is very rare, is always succeeded by one of the two outcomes outlined above.

In the case of payments identified as genuine that later turn out to be fraudulent, the platform guarantees a 100% refund of the transaction, making the service extremely reliable.

In addition to fully reimbursing unidentified fraud, thanks to the **Axerve Advice** service, the tool is able to **optimise conversions**, by taking advantage of PSD2 exemptions. **Risk analysis** with Axerve Advice is twofold: an initial pre-authorisation risk analysis is carried out to assess the transaction's eligibility to be excluded from the strong authentication process (SCA), followed, for exempt transactions, by a second, more accurate risk analysis aimed at securing the transaction against chargebacks.

The **flexibility of Payment Orchestra™** is also evident in this area, as it allows for the integration of third-party fraud prevention services capable of providing a PSD2-compliant risk analysis of the transaction. Although the issuer may still require strong authentication, Axerve Advice or the integration of third-party solutions offer the opportunity to reduce authenticated transactions via 3D Secure protocols, reducing barriers to entry at the payment stage and increasing conversions.





Automatic reconciliation and reporting
Reconciling transactions and credits is often a complex task. Axerve's orchestration platform performs these operations automatically, without the need for any manual intervention.
After credit collection and reconciliation, the Axerve platform proceeds to transfer the sums to the merchant, based on the previously configured pay-out profile. In fact, via the **Axerve Dashboard**, it is possible to configure the way you wish to receive credits, even on several accounts, by indicating: cluster (e.g. Country, Circuit, etc.), crediting frequency and crediting accounts.

The dashboard also allows the merchant to monitor all receipts in real time, by providing an overview of several online stores via a single interface, regardless of the number of Ecommerce providers. In addition, it offers the possibility of generating **customised reports** that, once generated, can be sent automatically by email or exported to the merchant's SFTP.

Hundreds of alternative payments and adapters
Axerve enables the integration of up to **250 alternative payment systems**: from the major international circuits, such as Visa, Mastercard and American Express, to the most globally used digital wallets, like PayPal, Apple Pay and Google Pay as well as Click to Pay (Visa and Mastercard) and Klarna, now one of the most popular BNPL (Buy Now Pay Later) solutions. In addition, it is possible to choose up to **20 acquirers worldwide**, to make the most of smart routing opportunities, reducing fees and optimising conversions.

With a greater number of tools at one's disposal, extreme customisation enables **optimisation of time-to-market**, if, for example, one or more innovative payment methods need to be integrated quickly in order to respond to rapidly rising market trends. Recent examples include the Buy Now Pay Later formula, i.e. online payments in instalments, which has become a global success in a short time.

Moreover, as we mentioned in the chapter on tokenization, Payment Orchestra™ is an integration hub of tools and providers, known as adapters, forming a customised ecosystem which can be suited to different contexts and needs. Choosing a provider to perform Transaction Risk Analysis or different acquirers depending on the country of origin of the card are among some of the opportunities that distinguish the platform from the only integration of a PSP.

In conclusion, the adoption of Payment Orchestra™ offers a potentially infinite number of dynamic and customisable configurations, which can be adapted regardless of the sector in which the Ecommerce merchant operates and the type of business, be it B2B or B2C.

Payment Orchestration: first analysis by Axerve

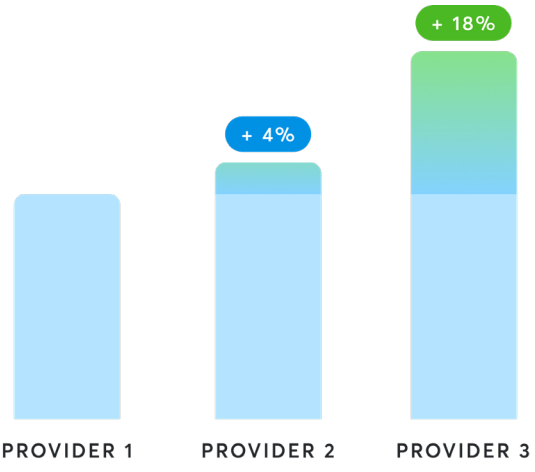
The integration of Payment Orchestra™ has direct returns on the profit and loss account. The effectiveness of the platform is measurable and grows over time, thanks to **constant fine-tuning** based on the transaction paths of the individual Ecommerce.

By analysing several case studies, Axerve has identified **tangible substantial advantages of smart routing** both in terms of maximising acceptance rates and reducing costs. The opportunity to work with more than one PSP and to direct each transaction through the ideal path is reflected in the income statement and results in a better acceptance rate. Moreover, depending on the choice of the integration or the PSP, it is possible to optimise the costs of each process: from the **acquiring fee** to those of the **alternative payment methods**, as shown in the graph with the results of the payment orchestration.

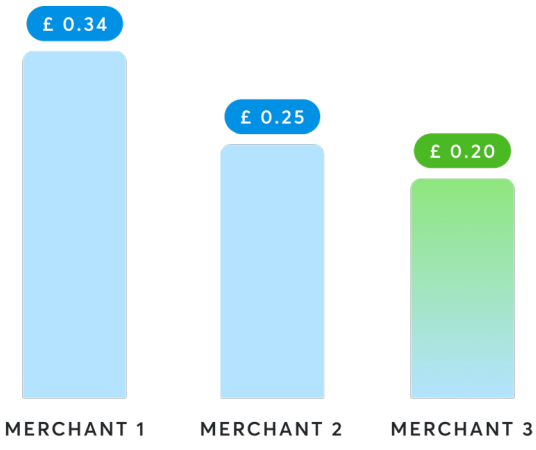
Authorisation rate in the fashion sector

Axerve's solution is in its start-up phase, like most orchestration platforms, and the platform set-up with the merchants who have adopted it is already showing initial results.

The analysis of the aggregated data from some merchants operating in the online fashion shows the first positive changes in the payment authorisation rate. Thanks to the choice of the most effective acquirer, the data collected so far have shown that **the authorisation rate has increased by at least 5% and up to 9%**. The database of the analysis experienced the integration of Payment Orchestra™ on single markets or specific countries, the service activation offers the opportunity to carry out A/B testing, i.e. to evaluate the results of the individual paths and then adopt the most effective one. The extension to all the countries in which the Ecommerce operates, combined with the advantages of Axerve Advice during the risk analysis phase of the transaction (TRA), allows to further increase the effectiveness and economic returns of the platform, maximising the number of authorisations.



ACCEPTANCE RATE



FEES

Cost per each transaction with iDEAL

New alternative payment systems

As we explored in the chapter on the benefits of payment orchestration, alternative payments are replacing cards when paying online. In the **UK** alone **e-wallets and digital/ mobile wallets** amount to **32% of the Ecommerce market share** and are the leading payment methods along with debit cards, which share the same market share percentage[18].
This is another reason why integrating payment systems quickly can make a difference in many respects: from attracting new customers to increasing turnover.
One international merchant operating in the consumer electronics sector, in the first month of **integrating Klarna**, collected **more than 8%** of all transactions generated in the period with this tool.
Although it must be considered that adding new instruments can somewhat cannibalise others (e.g. cards), this is not always the case, especially when it comes to new forms of payment collection, such as Klarna's instalments, or other players offering the same model.

Integration and setup times

Relying on Payment Orchestra™ means considerably reducing all the activities and time related to the activation of new acquirers, alternative payments and fraud prevention solutions, just to mention a few examples of providers that must necessarily be integrated over time by Ecommerce that want to compete in an increasingly international context.
From the analysis of Ecommerce merchants that have adopted the platform, Axerve recorded integration and setup times of just a few days after signing the contract. All the merchants in the study took **from a minimum of two days to a maximum of two weeks to be up and running**, thanks to the fact that Axerve becomes the sole point of reference for the company, dealing with the relationships with all the providers and negotiating the economic conditions (e.g. acquiring commissions, PSP transaction costs), which in this case are typically more advantageous than those obtainable by the individual merchant.

18 - Market share of credit cards, wallets, BNPL, and other payment methods in e-commerce in the United Kingdom (UK) from 2017 to 2021 | Worldpay, 2022

In conclusion

It should be borne in mind that the solution has been integrated relatively recently by the merchants under analysis, and performance data are confirming tangible improvements in all aspects, particularly on acceptance rates, thanks to constant setup activities on individual customers.
Ultimately, the **Payment Orchestra™** layer is a **strategic enabler**, **hyper-customisable and able to evolve according to payment market trends** and the specific needs of Ecommerce merchants.
As highlighted in this whitepaper, the theoretical concept of payment orchestration was born almost at the same time as the origin of international Ecommerce. **The set of business needs**, initially fragmented and traceable to single markets and geographic areas, **has contributed to stimulating innovation in the field of digital payments** by accelerating the development of platforms capable of centralising a multitude of providers, simplifying processes, optimising conversions, and reducing the costs required to manage increasingly structured and complex contexts.
Payment orchestration is proving to be the most effective response to an ever-changing scenario that has seen a continuous transformation of the web and payments over the last 30 years.
Axerve, which has always been a first mover in the creation of innovative and reliable collection solutions, is actively contributing to building the future of payments at an international level, focusing on achieving the business objectives of its customers that, as we have highlighted in the chapter dedicated to the analysis of the first Axerve Payment Orchestra™ data, are already achieving tangible economic results.

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