

# **E-Payment in Europe - a payment scheme`s perspective**

Fabian Siegel - Frankfurt, 10 November 2004



**FIRST GATE**  
INTERNET AG

# What is click&buy

Today already more than 3 Million consumers pay with **click&buy** at over 2.500 merchants across Europe.

Serving the marketplace for more than 4 years



# Success factors to achieve critical mass

Innovative payment schemes need to be ...

- ... easy, convenient and secure to use for the consumer:
  - one account for all merchants and all devices
  - allow local market specific payment instruments
  - local customer care
  
- ... efficient and cost effective to the merchant:
  - lifting all technical barriers
  - lifting barriers of different local payment instruments
  - lifting barriers of complex legislative environment (VAT etc.)
  - providing local customer care to enable true European distribution
  - provide local risk&fraud management
  
- ... fully integrated into today's payment industry with no dependencies on new technologies or legislations



# Success factors to achieve critical mass

Partner with other companies to set a standard:

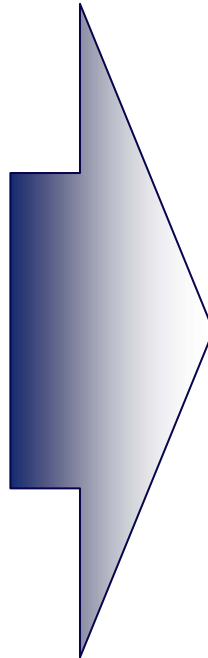
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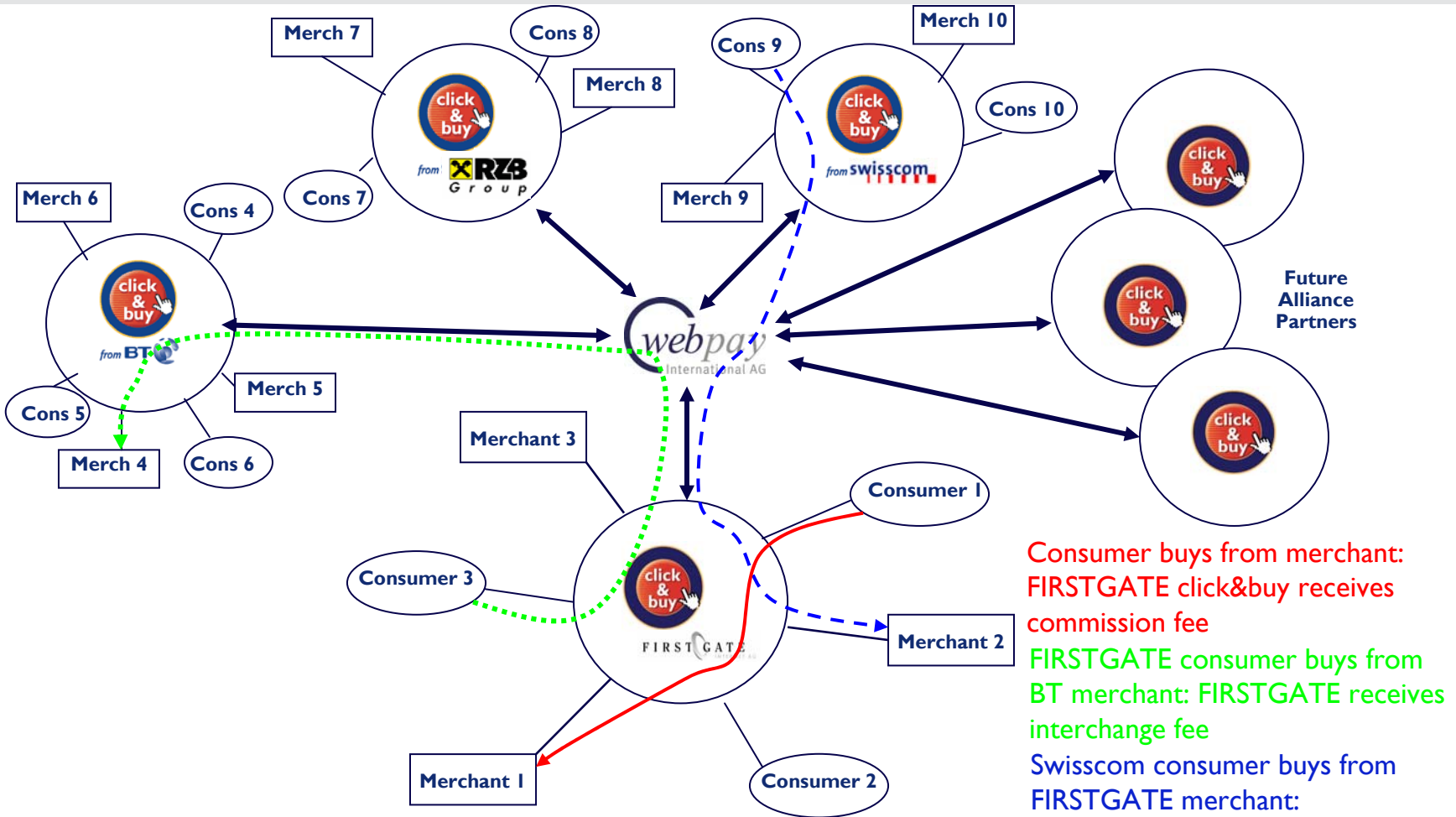
swisscom



kiwi bank



# click&buy Global Alliance



Consumer buys from merchant: FIRSTGATE click&buy receives commission fee  
 FIRSTGATE consumer buys from BT merchant: FIRSTGATE receives interchange fee  
 Swisscom consumer buys from FIRSTGATE merchant: FIRSTGATE receives commission fee  
 More partners join ...



# Impact on Demand Side

As a new payment scheme since 2000, Click&Buy as lead to ...

- ... the provision of new digital services to consumers that did not exist prior.
- ... increasing paid content and service merchant revenues.
- ... the creation of a competitive micropayment market place in Europe that is further developed than the micropayment markets in the US or Asia.
- ... a competitive advantage for European billing and payment service providers.



# What needs to be addressed

## Single legislative environment

- Currently different regulations in every member state ...
- ... resulting in high legal fees and difficulties to comply to all legislations with single business model.

## Minimum standards

- Stimulate market growth through strengthening consumers trust in new payment schemes.
- Protect consumers and merchants by enforcing minimal standards in the ePayment space.

## Prevent legislation that interferes with consumer experience

- Ensure easy and hassle free sign-up of new consumers.
- Do not endanger the market through excessive consumer identification rules for low value transactions.
- Let the consumer choose its preferred way of online identification and authorization.



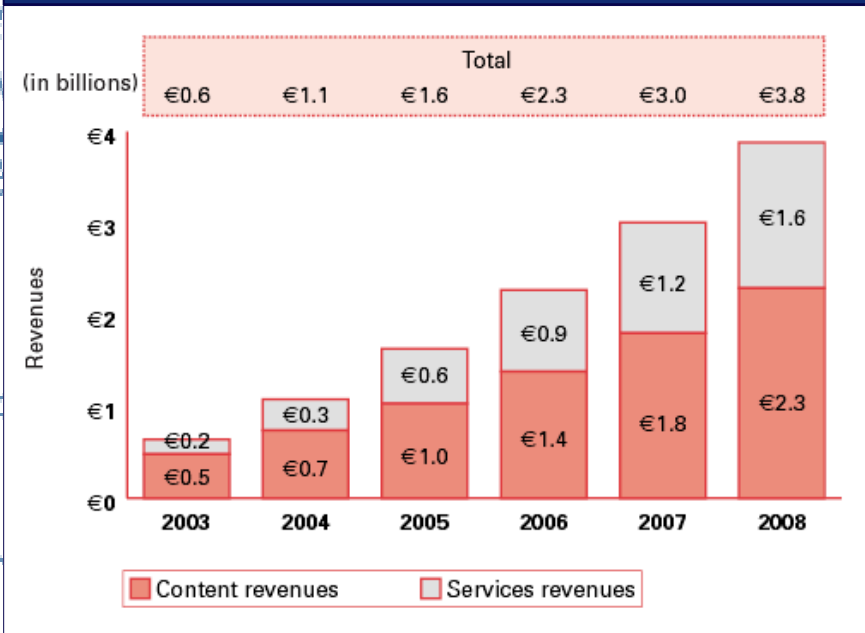
# FIRSTGATE perspective on market in Europe

## Status

- Market is in a pre-mature stage
- The market demands single European solutions
- click&buy** currently the only pan-European solution
- No differentiation between micropayment and macropayment
- No differentiation between Internet and Mobile – market convergence.
- Efficient payment schemes are a prerequisite for a competitive European e-commerce market







## JupiterResearch: 3,8 billion € in 2008





# Challenges for the next years

-  Continue building and expanding single true Euro-domestic solutions for distribution, billing and payment.
-  Gain consumers' trust and protect consumers' interests in the market place.
-  Provide cost efficient solutions to pan-European as well as to local online merchants.
-  Develop a payment infrastructure to support the eEurope 2005 action plan.



**Visit:**

<http://www.clickandbuy.com>

<http://www.webpay-international.com>

<http://www.btclickandbuy.com>



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