Market Guide for Digital Commerce Payment Vendors

Published 19 October 2021 - ID G00738523 - 42 min read
By Analyst(s): Dayna Ford, Akif Khan

Initiatives: Digital Commerce and CRM Sales Technologies

Payment is a critical part of a customer’s digital commerce experience. Application leaders responsible for digital commerce payments should use this Market Guide to understand this complex and rapidly evolving market, as well as the related vendor landscape.

Overview

Key Findings

- The lingering effects of the COVID-19 pandemic have cemented digital commerce as a critical channel for B2C and B2B businesses across all vertical industries.

- The digital commerce payment market continues to evolve, as some functionality becomes commoditized, and vendors respond by continuously innovating to add new value.

- Vendors differ significantly in their offerings for the full payment value chain, geographic coverage and support for alternative payment methods.

- The risk of fraud when accepting digital commerce payments is always a consideration, as fraudster tactics continuously evolve. This puts pressure on merchants to constantly adopt new and improved fraud management technologies to stop bad transactions, while enabling an effortless experience for good customers.

- As merchants expand their commerce endeavors, they are often forced to use the services of multiple payment vendors, which results in complexity and cost inefficiency.

Recommendations

Application leaders responsible for digital commerce payment technologies should:
Market Definition

Digital commerce payments are electronic payments, often made with real-time authorization, that are used to support digital commerce transactions. Digital commerce payment vendors combine a payment gateway, payment processing, acquiring services, payment security and fraud detection. (For more information, see Navigating the Digital Commerce Payment Market.)

Payment gateways initiate payments at the request of merchants and return the responses to those merchants. They offer preexisting connections and certified integrations with key payment acquirers and processors, and many have integrations with other providers in the greater digital commerce ecosystem. All digital commerce payment vendors offer a software as a service (SaaS) payment gateway at a minimum. Many are full-stack providers that include processing and acquiring capabilities, alternative payment methods, fraud detection, payment data tokenization, and other related or ancillary services.

Market Description

There are six key areas of focus and differentiation for vendors in the digital commerce payment market (see also Figure 1):

- Treat payments as strategic, and create opportunities to increase revenue and profit, by managing the payment experience and increasing acceptance rates.
- Refine their global payment strategies by identifying the markets in which their organizations do the most business and the salient payment methods and services required for those markets. Ensure that the vendors selected can support these markets, methods and services, as well as any expansion plans for the next three to five years.
- Reduce losses without deterring good customers by managing fraud detection, chargeback management and return processes.
- Reduce overhead and costs by outsourcing payment services and consolidating payment vendors, where possible. Most payment pricing is volume-based, so it makes financial sense to send as many transactions — and, therefore, as much money — as possible through a single vendor.
Merchant size — Most vendors have a customer distribution that is heavily weighted toward either the small or midsize business (SMB)/midmarket sector or larger midmarket and enterprise, often international, merchants. As the targeted merchant size and complexity increase, the sophistication of the offering is also growing as well. Enterprise-centric solutions commonly include support for more-rigid SLAs and processing redundancy; more-transparent, but complex pricing; and more-sophisticated conversion optimization tools.

Channel — Although many vendors support multiple channels, they often have stronger footprints in specific channels, due to their historical presence. For example, some vendors have a more significant market share in the physical world — point of sale (POS), face-to-face and card-present transaction processing. Others have a bigger footprint in digital commerce, card-not-present processing.

Geography — Although no one vendor yet offers every digital payment method in every country, a handful of global vendors come close. Most vendors remain concentrated in a single region or country and have weaknesses in other locales.

Payment method — Payment method support usually correlates with geographical coverage, as payment preferences are affected by culture, economy, regulatory, and other national or regional factors. However, some providers in this Market Guide specialize in, and/or are specific to, certain payment method categories.

Vertical alignment — Some digital payment vendors may specialize in specific vertical industries, including the high-risk merchant, healthcare, higher education, and travel and hospitality sectors.

Product suite — Merchants may desire best-in-class, specialized point solutions or comprehensive one-stop-shop vendors that can address a wide breadth of payment ecosystem business needs. The best payment solutions are inherently composable, allowing merchants to select business capabilities without committing to the entire suite.
Digital commerce payment vendors tend to align with one of the following three types of payment gateway strategies.

**Agnostic Gateways:** Also known as payment switches in some regions, they connect to many different acquirers and processors. Agnostic gateways enable a merchant to create a single commerce interface that connects the merchant to its choice of processors, acquirers, alternative payment method providers, and, sometimes, other gateways and fraud vendors. The merchant will have a direct contractual relationship with the other vendors, and the gateway will route transactions to the merchant’s selected processor or acquirer.
The same merchant may use a single gateway, if desired, to connect to different processors to support different regional needs or alternative payment methods, to self-manage optimized acceptance routing, or to support processing failover redundancy. Agnostic gateways enable a merchant to change acquirers and/or processors at any time without affecting the front-end integration. However, the processor or acquirer business relationship and any back-end processes will still change, and this kind of transition will require time and effort. Examples include:

- ACI Worldwide
- Cybersource
- Spready

**Dedicated Gateways:** Owned by an acquirer, processor or payment facilitator, they are generally offered only for purposes of connecting to that entity. In all cases, the gateway is not the sole or singular offering from this provider, but is rather an important proprietary technology that enhances a broader offering. Dedicated gateways may offer cost benefits due to economies of scale with combined volumes. They also provide clear accountability for any reconciliation or processing issues, and a common escalation path for any such issues. Examples include:

- Adyen
- PayPal
- Stripe
- Worldpay from FIS

**Directed Gateways:** Connected to multiple processors per region, they are similar architecturally to agnostic gateways, but the merchant does not directly manage the routing of individual transactions. Many directed gateways act as the merchant of record, so that merchants are not required to have a dedicated relationship with any one processor. Instead, the vendor directs the merchant’s traffic to different processors on a per-transaction basis. This “intelligent routing” can include merchant-defined rules or depend on data-driven optimization strategies from the vendor. Examples include:

- BlueSnap
- Checkout.com
A seller of record is a category in the major card brand-defined merchant of record, which allows merchants to share their credentials with submerchants. A seller of record is a merchant of record that is recognized as the selling entity, not only by the card brands, but also by local tax authorities. Examples include:

2Checkout

Digital River

Several vendors may also use the term “payment orchestration,” which may refer to agnostic capabilities, directed capabilities or some combination of both. Due to this nonspecificity of usage in the market, Gartner does not consider this to be a separate category.

Market Direction

The digital commerce payment market is complex and dynamic. Although some aspects of the market are mature, such as wholesale processing, hosted payment pages and tokenization, the market continues to evolve. Payment providers’ revenue is growing at an average rate of 23% year over year, which is less than the 28% growth rate of global e-commerce spending for the same time period, implying some price compression accompanying the rapid scaling. ¹ ²

The acceleration of digital trends that has been a hallmark of the COVID-19 pandemic has slowed, but continued in 2021. Digital wallet adoption continues to rise around the world, and has surpassed conventional credit and debit cards in usage globally. Shopify’s passively enrolled, open-loop wallet, Shop Pay, has grown rapidly to 24 million active users, ³ and has inspired similar options outside the Shopify network, such as Fast, Bolt and WorldPay from FIS’s GoCart.
B2B merchants have moved quickly toward digital commerce and are increasingly embracing the need for a more consumerlike, truly omnichannel, digital buying experience. In a recent Gartner survey, respondents from both B2B buying and selling organizations expressed a belief that digital commerce will represent the largest share of transactions by 2023. For many B2B buyers and sellers, this leverages traditional invoicing processes, but more and more Gartner B2B clients are seeing demand for online, self-serve payment methods as well. In many cases, the payment at purchase attracts smaller merchants that may not qualify for traditional, credit-based invoicing. It may be used for smaller supplementary orders, such as additional parts or purchases made with purchasing cards (see Figure 2).

**Figure 2: B2B Sales Transactions by Channel**

![Sales Transactions by Channel](image)

In Figure 2, “Other Online” includes electronic data interchange (EDI) and marketplaces from SAP Ariba, Coupa and others (for more information on B2B marketplaces, see Market Guide for E-Sourcing Applications). “Other Offline” includes fax, phone and email.
In Gartner’s Digital Commerce State of the Union Survey, “cost reduction through sales process automation and customer self-service” as a motivator to embrace digital commerce is significantly more important to B2B organizations than to B2C businesses. Customer self-service in digital commerce often includes digital commerce payments and the associated reduction in collection cycles and expenses. This motivation was cited by almost three times as many B2B organizations as B2C ones (see Figure 3).

Figure 3: Top Five Reasons B2B Organizations Embrace Digital Commerce

Top 5 Reasons B2B Organizations Embrace Digital Commerce
Summary of Top 3 Mentions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To Innovate or Transform the Business</td>
<td>50%</td>
<td>35%</td>
<td>15%</td>
</tr>
<tr>
<td>To Improve Customer Satisfaction</td>
<td>45%</td>
<td>45%</td>
<td>10%</td>
</tr>
<tr>
<td>Customer Acquisition via New Channels/ Expanding to New Geographies</td>
<td>44%</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>Cost Reductions Through Sales Process Automation and Customer Self-Service Buying</td>
<td>69%</td>
<td>25%</td>
<td>6%</td>
</tr>
<tr>
<td>Vision From Executive Team</td>
<td>47%</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>

n = Varies; all respondents, excluding ‘Unsure’; responses are in order of total number of responses

Q. What are the most important business reasons driving your organization to embrace digital commerce?

Source: 2021 Gartner Digital Commerce State of the Union Survey; Gartner’s IT & Business Leaders Research Circle members and External members

Note: Totals do not equal 100% due to rounding.

*Mentions are ranked by total number of respondents selecting.

755803_C
Buy now, pay later (BNPL) adoption has surged, with major vendors Klarna, Affirm and Afterpay reporting year-over-year volume growth rates of 46%, 83% and 104%, respectively. As PayPal entered the fray with its Pay in # product in 2020, Shop Pay added installment payments in June 2021, also entering the popular BNPL space. In August 2021, Square announced its intention to buy Afterpay, citing synergies with its Cash App digital wallet, which is not currently enabled for digital commerce payments. That same month, Amazon agreed to offer Affirm’s BNPL solution to its customers, complementing its existing, interest-free installment payment program for its Amazon Prime Visa Card. Although popular BNPL solutions focus on the B2C market, the rise in B2B digital commerce is recognized by such vendors as TreviPay (formerly MSTS), Tillit and Hokodo, which offer BNPL for businesses integrated with B2B-optimized check-out experiences.

Merchants continue to explore ways to increase the bottom line, whether by increasing sales and acceptance rates, or by reducing costs. Amazon recently began surcharging Visa transactions in Singapore to recoup the cost of interchange fees. Most of the vendors herein support direct debit payments, in addition to traditional cards. However, digital payment vendor GoCardless focuses on facilitating only the lower-cost, direct debit transactions as an alternative to cards and reported year-over-year revenue growth of 46% as of November 2020.

Open-banking initiatives continue to be rolled out in many markets around the world. One aspect of such initiatives is that of banks exposing APIs to facilitate initiation of account-to-account payments by consumers to merchants. Gartner refers to this category of payment methods as "bank transfers" in the alternative and local payments section below. Local examples of such payment mechanisms have existed for years, notably iDEAL in the Netherlands. However, the wider implementation of open banking policies and regulation introduce the prospect of greater adoption of bank transfers to make digital commerce payments. The attraction for merchants would be lower fees and greater protection from fraud than with card payments. Thus far, traction for such B2C payment use cases has been low, although a recent survey of U.K. merchants reported that 74% planned to implement open-banking payments as part of their payments strategy.
The trend by verticalized software vendors to incorporate payments into their offerings, and pricing has also continued to expand. This is commonly enabled by adopting payments as a packaged service (PaaPS) from digital commerce payment vendors. PaaPS is a service that enables nonpayment B2B organizations to offer payment processing to their merchant customers, or “submerchants,” which enables them to accept payments from their end-buyer customers. Also known as marketplace payment offerings, PaaPS products include two key components above and beyond normal merchant payment processing:

- Automated onboarding of submerchants via APIs
- Automated funds distribution to submerchants, without requiring the merchant to handle any funds

Pioneered by digital wallets, other payment companies and gig economy businesses, PaaPS transactions have become an attractive opportunity for any business that is well-positioned to connect buyers and sellers. Established payment vendors such as Stripe and Braintree (part of PayPal) have offered this functionality for years and power the payment capabilities of software businesses such as Shopify, Mindbody, Uber and Lyft. The market now includes payment vendors focused wholly on PaaPS, such as Finix, Payrix and Infinicept, which was not profiled in this research. (See Hype Cycle for Digital Commerce, 2021 for more information.)

**Market Analysis**

Gartner clients continue to seek opportunities to consolidate their digital commerce payment vendors, where possible, although few merchants with global, large enterprise presence are yet consolidating down to a single solution. However, it is increasingly important to them to have a single provider for all customer channels. As digital payment vendors become more adept at supporting both online and physical channels, merchants are likely to turn increasingly to their existing vendor first to fulfill their channel expansion aspirations. Having a single payment vendor across channels enables common tokenization strategies that connect in-store and online customer activity. This data linkage is important for popular buy online, pickup in store (BOPIS) and other multichannel purchase flows, as well as for creating a complete picture of an individual customer's preferences and behaviors.
A significant factor in a merchant’s digital commerce payment vendor selection is the existence of productized integrations from the commerce, subscription, billing or other platforms of choice that fuel the merchant’s core business. A productized integration often relieves the merchant of much of the implementation and maintenance burden, but it may also limit flexibility and options for customizations.

As aspects of the payment value chain become mature and even commoditized, vendors seek additional ways to maintain relevance and protect margins. They may look to achieve this by introducing adjacent technologies or services, such as:

- Fraud detection
- Electronic billing
- Subscription management
- Vertical solutions
- Issuing and payouts

**Alternative and Local Payment Methods**

As credit cards’ share of digital commerce spend has dropped below 50% globally, alternative and local payment methods are critical to customer experience and sales conversion. Preferred payment methods vary dramatically by geography, driven by the unique cultural, technological, economic and social behaviors of people in different countries and regions. Not all merchants should support all alternative and local payment methods. (For more guidance, see [How to Improve Customer Experiences in Digital Commerce Payments](#).)

There are five main categories of alternative payment method:

1. **Direct debits** or “pull” transactions from bank accounts. Consumers provide bank account details to the merchant and the merchant initiates the transactions to withdraw funds from the consumers’ bank accounts. Direct debits are named differently in different countries and regions — for example, as automatic clearing house (ACH) payments in the U.S., electronic funds transfer (EFT) payments in Canada and Single Euro Payments Area (SEPA) payments in the European Union (EU). Direct debits often carry regulatory mandates for enrollment that may be time-consuming and create a cumbersome customer experience. As a result, they are most commonly used for regular recurring transactions, and are rarely used for one-off commerce purchases.
2. **Bank transfers** or “push” transactions from bank accounts. Consumers are redirected from a merchant’s website to interface directly with their bank and enter their online banking credentials, thereby authorizing their bank to send funds to the merchant. This form of payment includes branded payments, such as iDEAL in the Netherlands, giropay in Germany and SOFORT in parts of Europe. The PSD2 open-banking initiative encourages the growth of this payment method in the EU.

3. **Digital wallets.** The consumer is redirected from the merchant’s website to a digital wallet provider, where the consumer is authenticated, often by username and password. The consumer’s payment credentials, such as credit or debit card number, or bank account details, are stored securely by the digital wallet provider. In many cases, the consumer can also store a balance with the digital wallet provider and make payments from this stored balance. Examples are Alipay, PayPal, Venmo and WeChat Pay.

This category also includes closed-loop wallets used within a defined merchant or merchants, such as the Starbucks or Walmart mobile payment applications.

The OEM wallet is a special case that provides a consumer experience layer similar to other digital wallets; however, the wallet provider does not handle or store the funds. Examples of OEM wallets are Apple Pay, Google Pay and Mastercard Click to Pay, a joint effort from the major card brands.

4. **BNPL.** This is a special category of digital wallet that enables the consumer to receive goods while paying for them over time. It includes both deferred and installment options, although they are most widely known for installments. These wallets essentially extend credit to the consumer, and include brands such as Afterpay, Affirm, Klarna and PayPal. They may also be offered directly by the merchant, as is common in countries such as Germany.

5. **Offline payments.** Sometimes referred to as quasi-cash, these payment transactions are initiated through an online interaction with a merchant, but paid by the consumer at a later time in a separate transaction that is often face-to-face. This includes payment methods, such as boleto bancário in Brazil and Western Union payments.

**Representative Vendors**

*The vendors listed in this Market Guide do not imply an exhaustive list. This section is intended to provide more understanding of the market and its offerings.*
Market Introduction

Table 1 and Table 2 summarize the 16 vendors profiled in this Market Guide. Refer to the Acronym Key and Glossary Terms for descriptions of each term. (See Note 1 for additional information regarding attributes that are common to all vendors in this guide.)

### Table 1: Representative Vendors in Digital Commerce Payments — Core Features
(Enlarged table in Appendix)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2D Secure</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Authorization Optimization</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Identity Routing</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>ESD Data Support</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>POPE PCI Level 1 Completeness Encryption</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Fraud Detection Sessions</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Chargeback Guarantee</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Chargeback Dispute Management Services</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>POS Terminal</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Card</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Contactless Secure EMV</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Smart Token (Reverse token look-up and linking)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Payments as a Packaged Service (marketplace payments)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Salar of Recourseable (includes reversibility)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Transactional Payments to Digital Wallets</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Transactional Payments to Bank Accounts</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Transactional Payments to Cards</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td></td>
</tr>
</tbody>
</table>

Source: Gartner (October 2021)
Table 2: Representative Vendors in Digital Commerce Payments — Extended Features
(Enlarged table in Appendix)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Processing Connection to MajorCardBrands</td>
<td>X</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Connectivity to Acquirer/Processor of Choice (agnostic gateway)</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Hosted Order Page</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Hosted Order Fields</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>In-House Tokenization</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Network Tokenization</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Merchant Portal and Analytics</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Mobile Commerce — SDKs, Adaptive Payment Pages</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Virtual Terminal</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

Source: Gartner (October 2021)
Vendor Profiles

2Checkout (now Verifone)

2Checkout

Profile: 2Checkout was acquired by Verifone in August 2020. 2Checkout's product set is anchored by a global payments offering that is required to participate in the rest of its product set, which includes subscription management and billing, as well as tax management. Its enterprise merchant clients are located in North America and Europe.

2Checkout operates under two models — agnostic gateway and seller of record (SoR). Under the SoR model, 2Checkout takes on the tax liability and the local domicility requirements of its merchant customers, enabling rapid localized global expansion. 2Checkout provides localized acquiring under this model in all countries that are not OFAC-restricted, and it also holds domestic acquiring licenses in seven countries. Key verticals include high technology and IT, retail business or consumer services, financial services, and education. Some notable clients are myFICO, Bitdefender, Telestream, HP and Absolute.

2Checkout cites its key differentiators as its seller of record model, subscription management, analytics, and payout capabilities. It does not support physical POS.

Payment acceptance products: 2Checkout (now Verifone)

HQ location: Alpharetta, Georgia, U.S.

Other locations: Ohio, U.S.; Amsterdam, Netherlands; Bucharest, Romania

Gateway models supported: Agnostic, dedicated, directed

Uptime SLA commitments: 99.95%

PaaS: No

Payouts: Yes, to bank accounts and cards

ACI Worldwide

ACI Worldwide
Profile: ACI Worldwide is a publicly traded company that was founded in 1975. It provides payment infrastructure to financial institutions and fintechs. In addition, its agnostic gateway has intelligent routing capabilities tied directly to Tier 1 and Tier 2 merchants in North America; Latin America (LATAM); Europe, the Middle East and Africa (EMEA); and the Asia/Pacific (APAC) region. ACI is not an acquirer.

ACI Secure eCommerce offers a proprietary fraud detection solution, ReD Shield, which is also sold on a stand-alone basis. In addition, ACI supports native connectivity to third-party fraud solutions. Its fraud solutions are complemented by optional, third-party, managed services.

The verticals ACI mainly serves with its gateway product are payment intermediaries, retail, digital and travel. Notable clients include Tesco Mobile, ICA Bank, Co-op, Aegean Airlines and Decathlon.

ACI has offered POS services since 1997. It is PCI SSC P2PE certified and offers blended digital and physical solutions, such as consumer Pay In Aisle, and omnichannel and network tokens. Although ACI does not have a PaaS offering, it can support submerchant data for clients acting as payment facilitators.

Payment acceptance products: ACI Secure eCommerce

HQ location: Miami, Florida, U.S.

Other locations: 34 Countries

Gateway models supported: Agnostic, directed

Uptime SLA commitments: 99.95%

PaaS: No

Payouts: Yes, to cards and digital wallets

Adyen
Profile: Adyen is a publicly traded company that was founded in 2006. Its enterprise merchants are based in North America, LATAM, Europe and APAC. All of Adyen's software and hardware is developed and owned by Adyen. Both Card Not Present and Card Present transactions flow through a single platform, supporting tokenization of payments for use across channels.

Adyen's cited competitive differentiators include its enterprise merchant focus, its full-stack technology and direct-to-network connectivity, and its unified commerce solutions. Adyen supports a number of private label and gift card providers in addition to cards and alternative and local payment methods.

Its proprietary fraud detection tools include automated chargeback defense, but Adyen does not offer managed fraud or chargeback management services, nor chargeback guarantees.

With direct local acquiring in 43 countries, Adyen has a large global acquiring, local and alternative payment method footprint.

Payment acceptance products: Adyen for Platforms

HQ location: Amsterdam, Netherlands

Other locations: 23 Offices

Gateway models supported: Dedicated

Uptime SLA commitments: 99.9%

PaaS: Yes

Payouts: Yes, to cards and bank accounts

BlueSnap

Profile: BlueSnap is a privately owned company that was founded in 2002. It is a directed gateway that offers intelligent routing at the individual transaction level across multiple acquirer processor options. Because BlueSnap acts as the merchant of record, it supports merchants with a single contract, one integration and a unified payout.
Fraud detection is supported through a partnership with Kount. Its payment solution is complemented by a billing engine and accounts receivable automation platform, formerly known as Armatic, which was acquired by BlueSnap in 2019.

BlueSnap’s primary verticals are business services, software and retail. Notable clients include Benevity, Edible Arrangements, Namely, Arbonne and Outbrain. BlueSnap cites its authorization optimization, global reach and PaaPS offerings among its most differentiated features.

At 99.9999%, BlueSnap reports the highest standard service-level agreement (SLA) targets of any directed gateway vendor profiled in this research. Acquirer/processor partners are subject to separate SLAs that may differ. It recently added support for the physical POS in the U.S.

**Payment acceptance products:** BlueSnap All-in-One Payment Platform

**HQ location:** Waltham, Massachusetts, U.S.

**Other locations:** Herzliya, Israel; London, U.K.; Dublin, Ireland; Vancouver, Canada; Sydney, Australia.

**Gateway models supported:** Directed

**Uptime SLA commitments:** 99.999%

**PaaPS:** Yes

**Payouts:** Yes, to bank accounts

**Checkout.com**

Profile: Checkout.com is a private company founded in 2012. Primarily sold as a dedicated gateway and acquiring solution, Checkout.com holds local acquiring licenses in seven countries. It also offers a directed gateway option that allows for failover or rule-based access to other acquirers at the transaction level. Additional acquiring relationships must be established directly between acquirers and merchants, and are not managed under a Checkout.com master agreement.
Most of Checkout.com's enterprise merchant volumes are in North America, EMEA and the APAC region, largely in the digital, retail goods, fintech, food and beverage, and professional services vertical industries. Notable clients include Coinbase, Wise, Samsung, Grab and Revolut. Checkout.com provides an integrated proprietary fraud tool at no additional charge.

**Payment acceptance products:** Checkout.com Connected Payments

**HQ location:** London, U.K.

**Other locations:** New York, San Francisco, Denver, Paris, Aix en Provence, Dubai, Berlin, Hong Kong, Porto, Singapore, Mauritius, Sao Paulo, Perth, Melbourne, Riyadh

**Gateway models supported:** Dedicated, directed

**Uptime SLA commitments:** 99.99%

**PaaS:** No

**Payouts:** Yes, to cards, bank accounts, and digital wallets.

**Computop**

**Profile:** Computop is a privately owned company founded in 1997. It offers an agnostic gateway solution for cards, alternative and local payment methods. Its customers are located predominantly in Europe. Computop also offers its products as a white-labeled solution set for banks and fintechs. Computop is not an acquirer; therefore, it does not manage settlement and currency services.

Computop includes its 3D Secure solution, its network tokenization solution and its physical POS capabilities (terminals and PCI SSC P2PE certification) among its most differentiating features. Computop's Paygate gateway does not support Level 2 and Level 3 data for B2B transactions, nor does this vendor offer chargeback management or guarantees. The platform supports B2C merchants and serves mainly the retail, digital services and financial services industries. Notable customers include Sixt, TollCollect and Otto Group.
Pricing is transaction-fee-based. As an agnostic gateway, interchange fees are not included, but are levied by the acquirer of choice.

**Payment acceptance products:** Computop Paygate

**HQ location:** Bamberg, Germany

**Other locations:** Hamburg, Munich, Berlin and Frankfurt (all Germany); London, U.K.; New York, U.S.; Shanghai, China

**Gateway models supported:** Agnostic

**Uptime SLA commitments:** 99.5%

**PaaS:** Yes

**Payouts:** Yes, to cards, bank accounts and digital wallets

**Cybersource**

**Profile:** Cybersource is publicly traded as a wholly owned subsidiary of Visa since its acquisition in 2010. Cybersource is an agnostic gateway with extensive global reach, due in large part to its Visa ownership, which underpins the Visa Platform Connect (VPC) offering. VPC is a direct connection to VisaNet, which enables streamlined global acquirer and processor connectivity.

Processing more than $599 billion in transaction volumes in 2020, Cybersource is the largest agnostic gateway profiled in this research and serves enterprise merchants in all geographical regions.

Cybersource cites its global scale, high uptime and unified commerce solutions among its most differentiated features. Key verticals it serves are retail, everyday spend, business services, financial services and travel. Notable clients include Aeromexico, Sonos, Zumba and Shein. An in-house fraud detection product, called Decision Manager, is also sold stand-alone and is sometimes integrated into other vendors’ digital commerce payment solutions.

**Payment acceptance products:** Cybersource Payment Management Platform
**HQ location**: San Francisco, California, U.S.

**Other locations**: San Francisco, California; Bellevue, Washington; Lehi, Utah; Austin, Texas; Miami, Florida (all U.S.); Reading, U.K.; Paris, France; Sao Paulo, Brazil; Singapore

**Gateway models supported**: Agnostic

**Uptime SLA commitments**: 99.9991%

**PaaS**: Yes

**Payouts**: Yes, to cards

**Digital River**

**Profile**: Digital River is a privately owned company founded in 1994. Its clients are largely in North America and Europe and concentrated in the software, consumer electronics, apparel, sporting goods and housewares verticals. Digital River acts as an SoR, allowing clients to appear globally local, and cites this as its primary competitive differentiator. Digital River’s payment capabilities form the foundation of its broader order management solutions, which include physical product distribution.

Digital River’s key verticals include software, consumer electronics, apparel, sporting goods and housewares, with notable clients, such as Code42, Egress and Siemens.

Digital River does not have domestic acquiring licenses, but offers local acquiring for all of its customers via its SoR model. Digital River’s offering is fully managed to include legal responsibility, fraud management and protection, global tax management, foreign exchange management and financial reconciliation. Digital River does not support physical POS or PaaS.

**Payment acceptance products**: Digital River Payments and Risk

**HQ location**: Minneapolis, Minnesota, U.S.

**Other locations**: U.K., Ireland, Russia, Germany, Brazil, Taiwan, China, Japan

**Gateway models supported**: Directed
Uptime SLA commitments: 99.9%

PaaS: No

Payouts: Yes, to bank accounts, cards and digital wallets

**Fiserv**

Profile: In 2019, Fiserv and First Data merged their businesses and are now known as Fiserv. Fiserv is a publicly traded company. Carat is the merchant payment acceptance arm of Fiserv. Processing more than 20 billion digital commerce transactions in 2020, it is one of the largest providers in the world. Fiserv's enterprise merchants are located primarily in North America, LATAM, Europe and the APAC region. Notable clients include ExxonMobil, State Farm, Fanatics, Lyft and Church's Chicken.

Fiserv's extensive global footprint, with local acquiring licenses in 50 countries, is used by direct merchants and by many other payment vendors in the ecosystem. It also has a significant POS footprint. Fiserv counts its scale and global reach, and its innovation in areas such as voice commerce, connected car and Internet of Things (IoT), among its most differentiating features. Its proprietary fraud detection solution, called Fraud Detect, is built on top of a third-party integration.

Payment acceptance products: Carat

HQ location: Brookfield, Wisconsin, U.S.

Other locations: New York; Atlanta, Georgia; San Francisco, California; Omaha, Nebraska; Hagerstown, Maryland (all U.S.); London, U.K.; Singapore; Sao Paulo, Brazil

Gateway models supported: Dedicated

Uptime SLA commitments: 99.9%

PaaS: Yes

Payouts: Yes, to cards, bank accounts and digital wallets
J.P. Morgan Merchant Services

Profile: J.P. Morgan Merchant Services is a wholly owned subsidiary of JPMorgan Chase since 2008, and was formerly a joint venture with First Data known as Paymentech. J.P. Morgan Merchant Services offers domestic acquiring in 29 countries. Its enterprise customers are domiciled in North America, LATAM, Europe and the APAC region.

J.P. Morgan Merchant Services offers acquiring of Chase-issued Visa cards on an in-house, closed-loop acquiring platform called ChaseNet. Chase is the issuer, acquirer and network for ChaseNet transactions. As a result, it can offer more economical and predictable fixed-rate pricing for these transactions, which can be materially cost-effective for merchants, given that Chase is the largest U.S. Visa issuer. Chase transactions running through ChaseNet can also lead to increased authorization approval rates due to real-time visibility of both sides of these transactions.

J.P. Morgan Merchant Services fraud detection, called Safetech Fraud Tools, is powered by Kount.

Payment Acceptance Products: J.P. Morgan Merchant Services

HQ Location: Plano, Texas, U.S.

Other Locations: Toronto, Ontario, Canada; Dublin, Ireland; various other regional and international offices

Gateway models supported: Dedicated

Uptime SLA commitments: 99.99%

PaaS: No, but offered separately via its WePay subsidiary, not profiled here.

Payouts: Yes, to cards, bank accounts and digital wallets

Payoneer
Profile: Payoneer entered the merchant acceptance market in 2019, through its acquisition of optile. Its enterprise customers are mostly in the U.S. and EMEA. As an agnostic gateway solution, Payoneer is not an acquirer and does not manage settlement or currency services.

Payoneer offers smart authorization routing and dynamic 3D Secure 2 routing to leverage the best-performing provider for each transaction. Payoneer offers a proprietary fraud detection solution, but also acts as an agnostic gateway to third-party fraud solutions, such as Cybersource’s Decision Manager or Riskified.

The primary verticals that Payoneer serves are B2C retail and B2C digital or B2B2C marketplaces. Notable clients include Flaconi, Audi Business Innovation and WorldRemit. Physical POS is not supported. Pricing is typically a flat fee per transaction plus monthly fees. As an agnostic gateway, interchange fees are not included, but are levied by the acquirer of choice.

Payment acceptance products: Payoneer Payment Orchestration Platform

HQ location: New York, U.S.

Other locations: Palo Alto, California; North Carolina; Munich, Tel Aviv, Hong Kong, Shanghai, Shenzhen, Guangzhou, London, Gibraltar, Barcelona, Dublin, Buenos Aires, Bangalore, New Delhi, Tokyo, Manila, Kyiv, Sydney, Singapore and Seoul

Gateway models supported: Agnostic

Uptime SLA commitments: 99.995%

PaaPS: Yes

Payouts: Yes, to cards, digital wallets and bank accounts

PayPal

PayPal
Profile: PayPal is a publicly traded company founded in 1998. Well-known globally for its consumer-facing digital wallet of the same name, PayPal also offers two digital commerce payment gateways — Payflow and Braintree. PayPal also owns Venmo. PayPal’s enterprise merchant services offerings are sold mostly in North America, Europe and the APAC region. PayPal has domestic acquiring licenses in 44 countries.

PayPal cites its two-sided network with 403 million active consumers — and the improved authorization rates and data intelligence that it enables — as its greatest differentiator. Key verticals for PayPal’s merchant gateway are retail, travel, delivery/ride share, and food and beverage. Notable customers include Hotel Tonight, StubHub, Uber, OpenTable and Poshmark.

The Braintree Gateway has an integrated proprietary fraud detection tool that is included with the commerce payments services. It offers an additional, optional tool, powered by its acquisition of Simility in 2018. Called Adaptive Decisioning Platform, it provides more-customizable, large-enterprise fraud detection capabilities. Payment acceptance products: Braintree Gateway, Payflow Gateway

HQ location: San Jose, California, U.S.

Other locations: Offices in 47 locations across 27 countries

Gateway models supported: Agnostic, dedicated

Uptime SLA commitments: 99.95%

PaaS: Yes

Payouts: Yes, to digital wallets, bank accounts and cards

Rapyd

Profile: Rapyd is a privately funded company founded in 2016. Its enterprise customers are located primarily in Latin America, Europe and APAC. It holds domestic local acquiring licenses in 30 countries.
Rapyd's primary verticals served included Financial Services, Gig Economy, Marketplaces, Digital Goods, and B2B. Its notable clients include Google, Uber, IKEA, Grupo Modelo and PayMyTuition. Rapyd cites its vast network of payment methods (especially bank transfer types), and payouts to bank accounts and digital wallets among its most differentiating capabilities. Rapyd focuses on providing a breadth of services to support modern businesses looking to solve complex use cases beyond acceptance.

Rapyd Protect is Rapyd’s proprietary fraud detection solution. Rapyd's tokenization solution supports bank accounts and personally identifiable information (PII) data, in addition to sensitive card data fields. Rapyd does not offer authorization optimization or intelligent routing services.

**Payment acceptance products:** Rapyd Collect

**HQ location:** London, U.K.

**Other locations:** Mountain View, California, U.S.; Amsterdam, Netherlands; Singapore; Tel Aviv, Israel; Mexico City, Mexico; Reyjavik, Iceland; Miami, Florida, U.S.

**Gateway models supported:** Dedicated

**Uptime SLA commitments:** 99.99%

**PaaS:** Yes

**Payouts:** Yes, to digital wallets and bank accounts

---

**Spreedly**

**Profile:** Spreedly is a privately funded company founded in 2007. It supports enterprise customers mostly in North America, Latin America and Europe, with especially notable depth in LATAM. These customers represent both B2B and B2C transactions.

Spreedly's gateway can be used agnostically, with the merchant in control of routing, or it can be used as a directed gateway with Spreedly's rule-based Smart Routing recommendation API. Spreedly connects to more than 120 payment gateways around the world, rather than connecting directly to processors.
Spreedly includes its hosted order pages and fields, its tokenization services and its routing and optimization services among its strongest features. Notable clients include Rappi, SeatGeek, Piano, Paddle and DocuSign. Its tokenization vault is portable and often used in lieu of the tokenization service of the destination gateways.

Spreedly’s platform is also agnostic to fraud detection solutions, supporting integrations to Cybersource Decision Manager, Kount, Ravelin and ACI Worldwide’s ReD Shield. Spreedly does not support the physical POS.

**Payment acceptance products:** Spreedly

**HQ location:** Durham, North Carolina, U.S.

**Other locations:** N/A

**Gateway models supported:** Agnostic, directed

**Uptime SLA commitments:** Not disclosed

**PaaS:** No

**Payouts:** No

**Stripe**

**Profile:** Stripe is a privately funded company founded in 2011. It holds domestic acquiring licenses in 47 countries. Much of Stripe’s payments volume comes through Connect, its premier PaaS product for marketplaces and platforms. Its enterprise clients are in North America, EMEA and the APAC region.

Stripe enables most alternative and local payment methods under a Stripe master merchant agreement with each provider, which enables faster time to market as merchants bypass the process of direct application. Key verticals include software, food and drink, grocery and food stores, business services, and merchandise. Notable clients include Amazon, Atlassian, Booking.com, Wayfair and Zoom.
Stripe cites its developer-friendly APIs, perpetual R&D/innovation, and authorization optimization among its most differentiated capabilities. Stripe's fraud detection product, Radar, is built into the payment flow or customers can upgrade to Radar for Fraud Teams to self-manage.

**Payment acceptance products:** Stripe Payments

**HQ location:** San Francisco, California, U.S., and Dublin, Ireland

**Other locations:** Seattle, Washington; Chicago, Illinois; New York; Austin, Texas (all U.S.); Dublin, Ireland; London, U.K.; Amsterdam, Netherlands; Paris, France; Berlin, Germany; Madrid, Spain; Stockholm, Sweden; Singapore; Tokyo, Japan; Melbourne, Australia; Bengaluru, India; Mexico City, Mexico; Sao Paulo, Brazil

**Gateway models supported:** Dedicated

**Uptime SLA commitments:** 99.99%  [Stripe System Status]

**PaaS:** Yes

**Payouts:** Yes, to cards and bank accounts

**Worldpay from FIS**

**FIS**

**Profile:** Worldpay from FIS is a publicly traded company and a wholly owned division of FIS, since its acquisition in 2019. Worldpay is the largest global acquirer by volume and offers two main digital commerce payment gateways that are profiled in this report. Its enterprise customer base is concentrated in North America, Europe and the APAC region.

Worldpay’s newest and most unified gateway is Access Worldpay, with access to all of its global acquiring connections, including its 59 domestic acquiring licenses. It has a smaller user base than Worldpay's legacy gateway products, due to its more recent rollout and fewer features. The Worldwide Payment Gateway, used by most merchants, also offers HOP, network tokenization and PaaS.
Worldpay’s strongest verticals include digital content, financial services, gambling and gaming, retail, and B2B. Notable customers include Barnes & Noble, Hulu, Little Caesars, Rent-A-Center and Twitch. Worldpay cites its global reach and authorization rates among its most differentiating features.

**Payment acceptance products:** Access Worldpay, Worldwide Payment Gateway

**HQ location:** Jacksonville, Florida, U.S.

**Other locations:** More than 50 locations globally

**Gateway models supported:** Dedicated

**Uptime SLA commitments:** 99.99%

**PaaPS:** Yes

**Payouts:** Yes, to cards, bank accounts and digital wallets

**Market Recommendations**

Application leaders responsible for digital commerce payment technologies should:

- Treat payments as strategic, not operational. Manage the payment experience as a differentiator and an opportunity to increase profitability (see [Quick Answer: What Payment Acceptance Strategies Can Improve Digital Commerce Profitability?](#)).

- Refine their global payment strategy by identifying the markets in which their organization does most business and its most commonly accepted or desired payment methods and services. Align vendor selection to the ability to support these markets, methods and services, for the current state and the foreseeable future.

- Manage fraud detection processes to reduce losses without deterring good customers (see [How to Reduce Dispute and Chargeback Costs in Digital Commerce Fraud Detection](#)).
Consolidate payment vendors, where feasible, to reduce costs. Most payment pricing is volume-based, so it makes financial sense to send as many transactions (and, therefore, as much money) as possible through a single vendor. Consolidation may be achieved in many ways, such as across:

- Channels, combining POS, mobile, online and other channels through a single vendor to support an optimized omnichannel experience
- Geographies, as more payment vendors expand their global footprints, greater opportunity exists to bring diverse countries and regions under a single provider
- Payment methods, as more payment vendors support all the popular and relevant payment methods for the geographies in which they compete
- Functionality, as payment vendors expand their product suites to include adjacent technologies, such as fraud detection, point-to-point encryption and bill presentment
## Acronym Key and Glossary Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3D Secure</strong></td>
<td>Payment authentication process defined and certified by EMVCo Terms of Use, EMVCo.</td>
</tr>
<tr>
<td><strong>Bundled pricing</strong></td>
<td>Generally presented as a percentage of the transaction value, plus a flat fee per transaction, this type of pricing is fairly ubiquitous for small and midsize merchants. This model benefits the organization in its predictability, and may require less payment expertise in the back office to manage the accounting and budget reconciliation for fees.</td>
</tr>
<tr>
<td><strong>Pass-through pricing</strong></td>
<td>This pricing model provides the highest level of transparency, but also requires the most back-office payment expertise to be managed effectively. In this model, the actual interchange fees charged by the issuing bank (or other account guardian) and the card association (or other network) are passed through without markup. The PSP, gateway or acquirer that owns the relationship with the merchant applies its own fees discretely — most often a flat fee per transaction. It is also referred to as Interchange+ or Interchange++.</td>
</tr>
<tr>
<td><strong>Level 2 and Level 3 data</strong></td>
<td>Additional data elements that can be submitted to the card networks to support B2B transactions and that may result in lower interchange rates.</td>
</tr>
<tr>
<td><strong>Merchant of record</strong></td>
<td>A card brand classification that allows a merchant to share its credentials with other submerchants and: Uses its name to identify the merchant outlet Represents itself as selling the goods and services to the cardholder Provides recourse in the event of disputes Maintains liability for processing fees, chargebacks and legal compliance with card association rules</td>
</tr>
<tr>
<td><strong>Payments as a packaged service (PaaPS)</strong></td>
<td>A service that enables nonpayment B2B businesses to offer payment processing to their merchant customers, or “submerchants,” which enables them to accept payments from their end-buyer customers. Also known as marketplace payment offerings, PaaPS products include two key components above and beyond normal merchant payment processing: Automated onboarding of submerchants via APIs Automated funds distribution to submerchants, without requiring the merchant to handle any funds</td>
</tr>
<tr>
<td><strong>Payouts</strong></td>
<td>Support for merchant-initiated transaction processing for any stand-alone funds being sent out to a recipient via push to debit</td>
</tr>
</tbody>
</table>
card, bank account or wallet. Payouts in this context specifically exclude refunds of prior purchase transactions.

| Point-to-point encryption (P2PE) | A highly secure standard for physical POS transactions that may reduce merchant Payment Card Industry Data Security Standard (PCI DSS) validation efforts, if the solution has been certified by the PCI council. To be recognized for P2PE in this document, the solution must appear here: PCI Point-to-Point Encryption (P2PE) Solution, PCI Security Standards Council (PCI SSC). |
| Secure interactive voice response (IVR) call center | Indicates a payment vendor's integration into an IVR or other call center solution. This is most often via a third party, in a manner (e.g., dual-tone multifrequency [DTMF] masking or voice masking) that insulates a merchant from handling payment data that would invoke additional PCI-DSS compliance considerations. |
| Seller of record | A merchant of record that is recognized as a selling entity, not only by the card brands, but also by local legal and tax authorities. A seller of record bears the tax and legal liability for the merchant site. |
| Strong consumer authentication (SCA) | Europe's PSD2 regulation mandates that SCA consists of authenticating a customer during an online payment transaction using two out of the three traditional stalwarts of authentication (something you know, something you have, something you are). Most merchants and digital commerce payment vendors employ 3D Secure, in accordance with the EMVCo standard, to meet SCA requirements. |
| T + n (1, 2, etc.) | Transaction date plus n. This term refers to merchant settlement timing, where T = the date when the transaction occurred and n = the number of days past the transaction date before the funds will arrive in the merchant’s designated settlement account. |

**Evidence**

1 A review was conducted of surveyed vendors’ reported and publicly available financial results for 2019 through 2020. It included Adyen, BlueSnap, Checkout.com, Payoneer, PayPal, Stripe and Verifone.
Gartner’s 2020 B2B Digital Commerce: This primary research was conducted online from 27 October through 15 December 2020 among 379 respondents in North America (n = 173), Western Europe (n = 135), and the APAC region (n = 71). Respondents were either selling or purchasing organizations with selling organizations representing North America (n = 85), Western Europe (n = 63) and the APAC region (n = 33), while the purchasing organizations represented North America (n = 88), Western Europe (n = 72) and the APAC region (n = 38).

Qualifying organizations span various industries. Organizations were screened for having at least 250 employees, being business-focused or a blend of business and IT-focused.

Respondents were required to be director level or above, and work in a department relevant to selling or purchasing. Selling respondents had to sell to businesses and currently use or plan to use in the next three years websites for B2B sales. Procuring respondents had to purchase products/services from other businesses, and use or plan to use websites for B2B purchases during the next three years.

Quotas were applied for countries/regions and selling/procuring modules. The study was developed collaboratively by Gartner Analysts and the Primary Research Team. “Results do not represent global findings or the market as a whole, but reflect the sentiment of the respondents and companies surveyed.”

2 Derived from Retail E-Commerce Sales Worldwide From 2014 to 2024, Statista.

3 Shopify (SHOP) Launches Shop Pay Installments in the U.S., Yahoo Money.

4 Klarna 2020 Annual Report Published, Klarna.

5 Affirm Reports Fiscal Year 2021 Third Quarter Results, Affirm.

6 Afterpay Reports Record Sales in Q3 2021, Cision Distribution by PR Newswire.

7 Inc. Announces Plans to Acquire Afterpay, Strengthening and Enabling Further Integration Between its Seller and Cash App Ecosystems, Square.

8 Equal Pay Financing With Your Amazon Prime Rewards Visa Card: Credit and Payment Cards, Amazon.

Note 1. Representative Vendor Selection

Where applicable, the payment gateway and its related payment processing and acquiring services must be available for use by merchants as a stand-alone product. It should be separate and distinct from any fraud, commerce, subscription, billing or other platform that may sit in front of it. All vendors included in this Market Guide adhere to the following criteria:

- Provide a SaaS, API-based commerce payment gateway using their own IP that supports real-time authorization of major debit and credit cards
- Support real-time or batch settlement (deposits) of major credit and debit cards
- Provide local acceptance in multiple countries in at least two major regions — APAC, EU, EMEA, North America, Latin America
- Support alternative payment methods (APM), such as digital wallets in these same regions
- Support local payment methods (LPMs), such as bank transfers, direct debits and local card schemes in these same regions
- Support hosted payment pages or payment data fields and provide tokenization, to reduce the merchant's PCI compliance footprint
- Sell and market the solution primarily directly to digital commerce merchants, rather than banks and fintechs
Inclusion in this guide was driven by Gartner inquiry volumes. As such, it reflects our current coverage geographically. Vendors specific to the APAC region, LATAM and EMEA markets are not part of our core coverage. Consequently, they are only covered where they are part of a global solution that is EU- or North American-centric. APAC includes payment vendors, such as Alibaba Group, AsiaPay, eWAY, Razorpay and Tencent. LATAM includes payment vendors, such as allpago, Cielo and maxiPago.

**Document Revision History**


Market Guide for Digital Commerce Payments - 12 July 2019


---

**Recommended by the Authors**

Some documents may not be available as part of your current Gartner subscription.

Hype Cycle for Digital Commerce, 2020

Navigating the Digital Commerce Payment Market

Payment Acceptance Will Never Be the Same After the COVID-19 Pandemic

Toolkit: RFP for Digital Commerce Payment Solutions
## Table 1: Representative Vendors in Digital Commerce Payments — Core Features

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3D Secure 2.x</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Authorization Optimization</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Intelligent Routing</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>L2/3 Data Support</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>P2PE PCI Level 1 Compliant Encryption</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Service Type</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud Detection Services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chargeback Guarantee</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chargeback/Dispute Management Services</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POS Terminal Hardware (PED)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call Center/Secure IVR</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart Tokens (reverse token look-up and linking)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments as a Packaged Service (marketplace payments)</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Source</td>
<td>Seller of Record model (includes tax liability)</td>
<td>Transactional Payouts to Digital Wallets</td>
<td>Transactional Payouts to Bank Accounts</td>
<td>Transactional Payouts to Cards</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------</td>
<td>---------------------------------------</td>
<td>------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Gartner (October 2021)
Table 2: Representative Vendors in Digital Commerce Payments — Extended Features

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Direct Processing</th>
<th>Connection to Major Card Brands</th>
<th>Connectivity to Acquirer/Processors of Choice (agnostic gateway)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computop</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Speedy</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>BlueSnap</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Payoneer</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>ACI Worldwide</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FIS</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>FISWPG</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Stripe</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Rapyd</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>PayPal</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>2Checkout (Verifone.com)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Cybersource</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Digital River</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Fiserv</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>J.P. Morgan Merchant Services</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Adyen</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hosted Order Page</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Hosted Order Fields</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>In-House Tokenization</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Network Tokenization</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Merchant Portal and Analytics</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Mobile Commerce — SDKs, Adaptive Payment Pages</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Virtual Terminal</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>