

Worldline sets its sights on Japan's increasingly cashless market

Article



The news: Payment processor and paytech **Worldline** will expand its business in Japan through a partnership with local payment service provider **Vesca** in early 2022, per a press release.

Vesca will act as the acquirer, and Worldline will process payments for in-person transactions. The partnership will eventually expand to cover ecommerce.

Why it's worth watching: Japan's dynamic payments landscape makes it an attractive market for Worldline to pursue.

- **Rapidly declining cash use.** The share of **cash point-of-sale payments in Japan dropped 15%** year over year (YoY) in 2021, per FIS, compared with a 7.8% YoY drop the year before. Consumers may have opted for digital payments to avoid touching cash during the pandemic.
- **Increasing ecommerce.** The share of ecommerce sales relative to total retail has steadily increased in recent years—highlighting greater digital payments volume. **Japan's ecommerce sales are expected to hit \$168.7 billion in 2022** and account for 11.9% of the country's total retail sales, per eMarketer forecasts from Insider Intelligence.
- **Government cashless goal.** By 2025, the Japanese government wants cashless payments to account for **at least 40% of all transactions**, up from about 20% last year. It hopes encouraging digital payments use will help support tourism and drive innovation within the country's financial sector.

Worldline's opportunity: Moving into Japan as the market becomes more cashless can position Worldline for strong growth in the coming years.

Japan is still in the early stages of cashlessness compared with neighboring countries like China, where proximity mobile payment users **accounted for more than half (62.7%) of its population** in 2021, per Insider Intelligence forecasts. Moving in before Japan's cashless sector matures can give Worldline an early mover advantage. And partnering with Vesca can help it develop a rapport with businesses in the market and potentially open it up to new opportunities in the future.

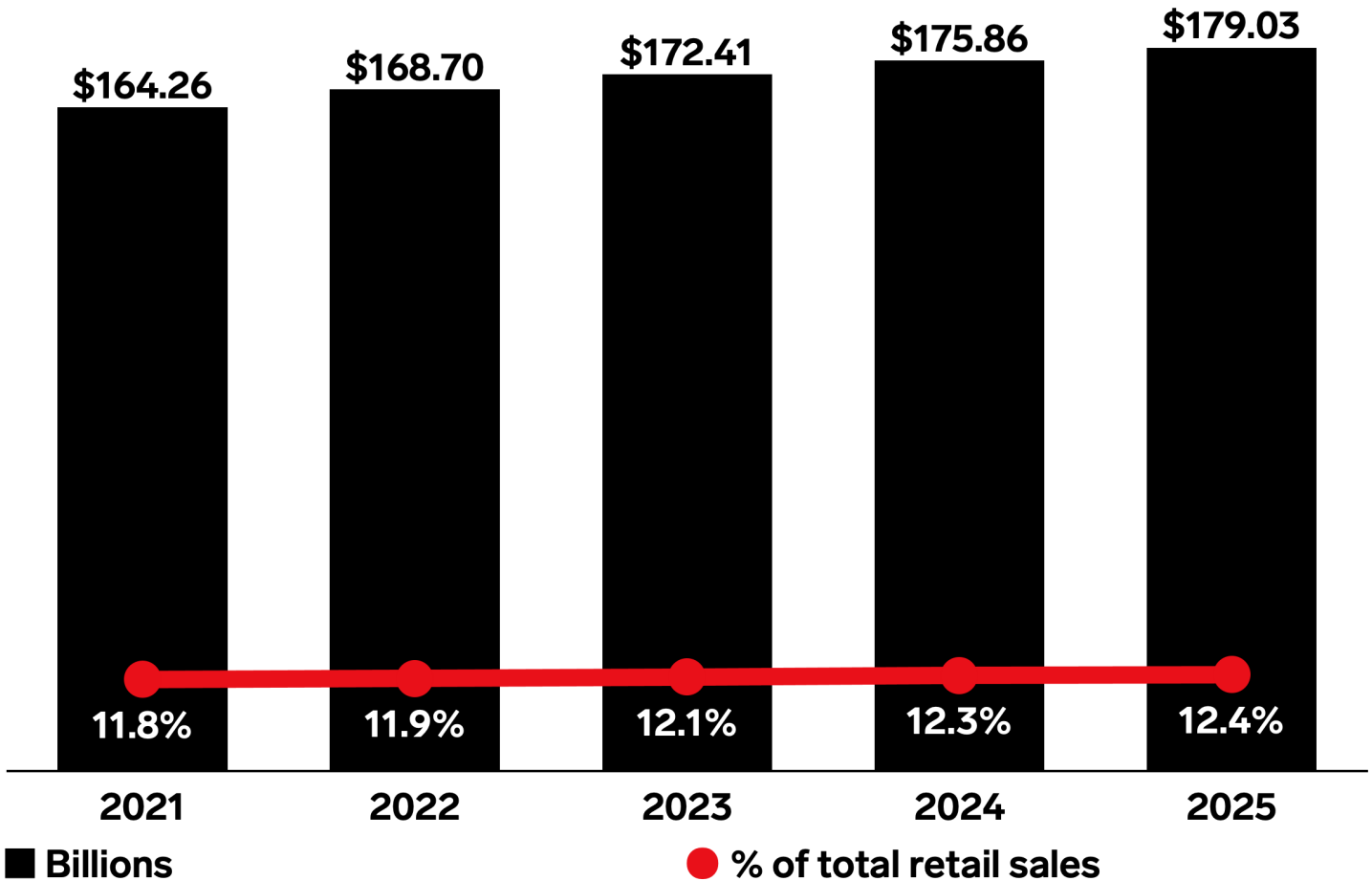
The bigger picture: Other payment providers have also recently bolstered their presence in Japan, which reinforces the market's promising cashless development.

- Netherlands-based **Adyen** expanded its acquiring business into Japan in May 2021.
- A few months later, **PayPal** acquired local buy now, pay later (BNPL) firm **Paidy** for an estimated \$2.7 billion to gain a stronger foothold in the market.
- And **Google** paid **\$187.3 million** for Japan-based cashless payments startup **pring** in September, which we called out as an opportunity to expand Google Pay acceptance.

Related content: Interested in learning more about payment processors like Worldline? Check out the "[Participants in the Payments Purchasing Chain](#)" report.

Retail Ecommerce Sales

Japan, 2021-2025



Note: All years converted to USD using average 2020 exchange rates; includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales. eMarketer benchmarks its Japan retail ecommerce sales figures against Ministry of Economy, Trade and Industry (METI), for which the last full year measured was 2020. Source: eMarketer, December 2021

Methodology: Estimates are based on the analysis of data from other research firms and government agencies, historical trends, reported and estimated revenues from major online retailers, consumer online buying trends, and macro-level economic conditions.

1067447345277

eMarketer | InsiderIntelligence.com