

Why Chinese Digital Payments?

November , 2019



SUMMARY FIRST

- **It is all about enhancing the Chinese Consumers Experience**
- Cater to the Cultural Shopping Norm
- Provide Frictionless payment
 - More inviting to come into your location
 - Easier to pay when they are in your location
 - Breaks down language barriers
- Greater access to their cash in China

Understanding the Chinese market

1

China's payments system is fundamentally different from the Western world's

2

The average Chinese citizen rarely carries cash and credit card penetration is negligible. CASHLESS is HAPPENING

3

Chinese consumers use their phones as an integral part of their daily lives

4

Payment for everyday purchases is made using one of these mobile methods: WeChat Pay or Alipay and UPIQR

5

Payment apps are linked to users' bank accounts and merchants accept payments by scanning QR code on users' phones

6

Virtually every **brick-and-mortar store (micro, small or large) accepts QR code payments** processed by WeChat Pay and Alipay

7

WeChat and Alipay are part of a duopoly of record proportions built in record time

8

When travelling or residing abroad, Chinese citizens give preference to markets emulating the same Chinese payment environment

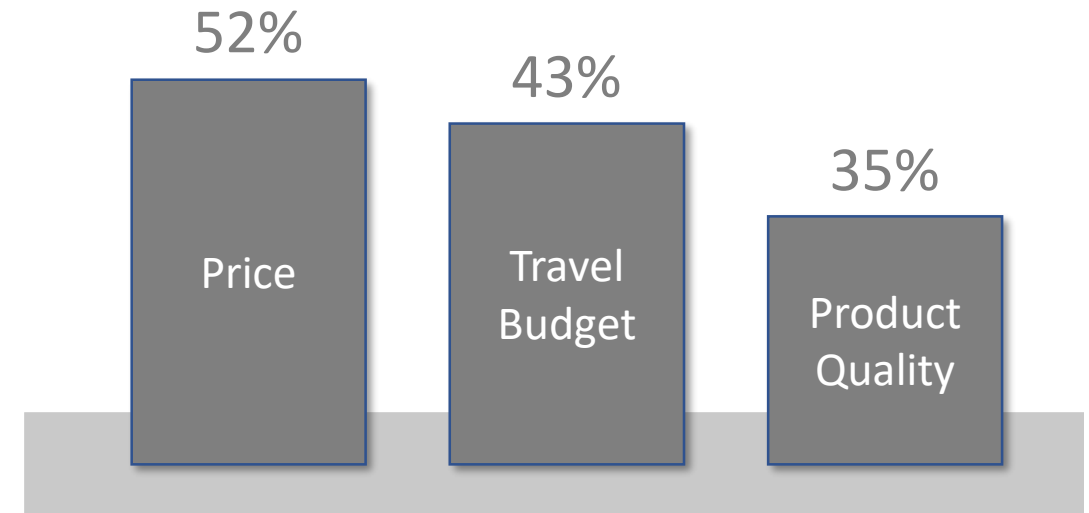
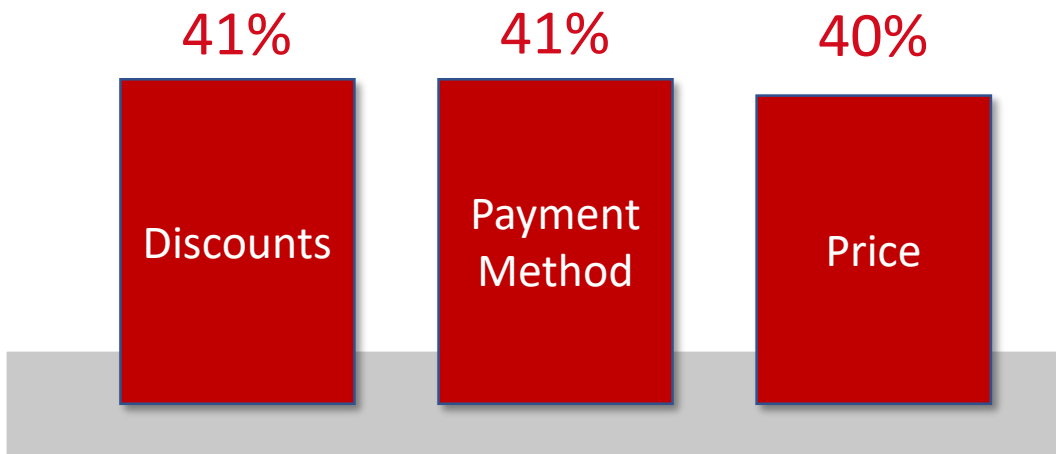
Factors affecting Chinese overseas shopping habits



Chinese



Non-Chinese



Source: Nielsen, 2017

The opportunity



In 2018, **730,000+** Chinese tourists visited Canada and spent approximately **\$1.5 billion** (Destination Canada)



200,000+ recently immigrated Chinese nationals still access their funds in China through one of the mobile payment giants (Alipay)



Close to **150,000** Chinese students account for the second largest number of international students in Canada (CBIE)

Rationale



OTT Pay is replicating the Chinese payment model in Canada



Chinese consumers in Canada recognize in-store QR codes and payment brands signage

- Feeling of security when making purchases
- Mitigating language barriers at point-of-sale
- Repeating purchase



Canadian businesses are exposed to a new and wider audience

- Ample opportunity to increase sales from a new target segment
- Ability to promote in China, on a pre-travel basis, via super-app social media engagement/ads

Thank- You

谢谢

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