IDC MarketScape: Worldwide Retail Omni-Channel Payment Platform Software Providers 2024 Vendor Assessment

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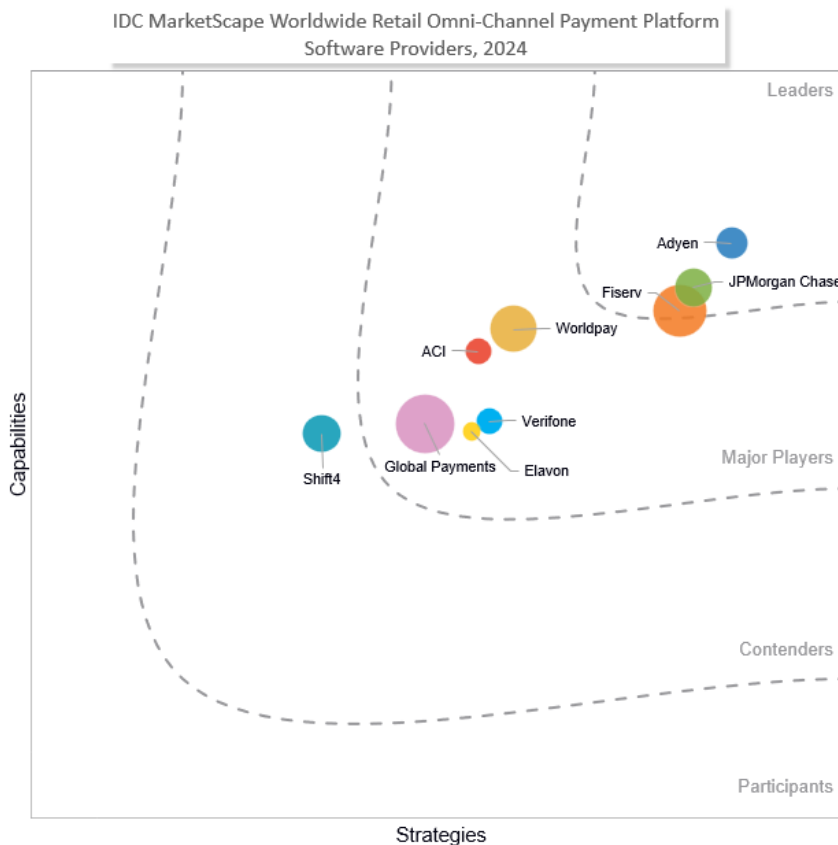
THIS IDC MARKETSCAPE EXCERPT FEATURES JPMORGAN CHASE

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape: Worldwide Retail Omni-Channel Payment Platform Software Providers 2024 Vendor Assessment

Source: IDC, 2024

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Retail Omni-Channel Payment Platform Software Providers 2024 Vendor Assessment (Doc # US51168024). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

The ability to provide seamless omni-channel shopping journeys is currently one of retailers' top challenges. It is also increasingly critical to retailer success amid heightened customer expectations and diminishing loyalty, with shoppers much more willing to walk away from brands that don't meet their new expectations. According to IDC research, shoppers care deeply about payments and have new expectations for retailers to offer their preferred payment methods online, in-store, and through the omni-channel applications they want (such as buy online, pick up in store [BOPIS]/click and collect). These consumers are increasingly willing to stop shopping at brands that don't meet expectations. While checkout and payments can often be a friction point in customer journeys, it is becoming clear that omni-channel payments done right can become a true differentiator for retailers enabling better business outcomes and enhanced competitiveness.

One key benefit of omni-channel payment platforms that support online, offline, and cross-channel payments is enabling highly tailored, consistent brand experiences for shoppers; collecting a single view of their interactions; and enabling the creation of more revenue-driving solutions throughout the purchase path. These platforms also facilitate adding new payment/financing types, such as digital wallets, BNPL, QR codes, biometrics payments, or tap to pay, as well as more local payment types to meet evolving customer payment preferences. This is particularly important when operating in international markets where payment preferences vary and multicurrency support and compliance with international regulations are critical. As such, seamless omni-channel payment platforms can help increase overall sales and conversion rates, both online and offline.

But the importance of omni-channel payment capabilities goes beyond successful payment processing. Merchants sit on a goldmine of customer data with vital information on consumer behaviors and preferences across channels. Retailers can leverage unified omni-channel customer data to make operations more efficient and effective, such as reducing the use of less-used payment types in certain channels; creating new business accelerators, such as cross-channel promotions or integrating payments with loyalty program; and enabling improved customer experience, such as more personalized payments based on shopper preferences.

Security is also a key element of payment capabilities. Card-not-present payments come with convenience but also with risks, including identity theft, fraud, and data breaches. Recent IDC research shows that cybersecurity risks are among the top external business challenges for retailers. Integrating security measures into payment capabilities is crucial for merchants to provide secure and seamless shopping journeys.

In this context, a modern omni-channel payment platform has become a vital tool for retail success. The platform should seamlessly integrate with various ecommerce and point-of-sale (POS) systems, support multiple payment methods (including digital wallets, contactless payments, and local payment types), offer global reach, prioritize security and fraud prevention, allow customizable checkout

experiences, handle subscription billing, provide analytics and reporting, be mobile optimized, offer developer-friendly APIs, and ensure customer support and regulatory compliance. Such a platform empowers merchants to navigate the evolving landscape of omni-channel retailing and enhance their business success.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The vendor list for this evaluation consists of nine vendors that meet the inclusion criteria:

- The payment software solution should cover at least two of the following core functionalities: payment gateway, payment processor, or merchant acquirer.
- The payment solution is omni-channel (for payments in-store, online, and cross channel), and the vendor has multiple clients in the retail segment.
- The vendor should have geographic coverage in at least two main geographies, in terms of market presence and support capabilities.
- The software solution is environment agnostic and operates in multiple environments.
- The provider should be able to deliver the platform as a cloud-first solution.
- The platform should leverage AI to enhance its core capabilities.

Note: This IDC MarketScape document – which focuses omni-channel payment platform solutions for retail – has been compiled in conjunction with *IDC MarketScape: Worldwide Retail Online Payment Platform Software Providers 2024 Vendor Assessment* (IDC #US49436923, forthcoming), which focuses on online payment platform solutions.

ADVICE FOR TECHNOLOGY BUYERS

Modern omni-channel payment platforms should provide a comprehensive suite of features and services to empower retailers in today's dynamic multichannel business landscape. IDC advises technology buyers to look for the following when selecting a vendor:

- **Seamless integrations and scalability:** Buyers should look for API-enabled platforms and strong technology partner ecosystems for seamless integrations to POS/ecommerce providers and other relevant retail capabilities, such as mobile, loyalty, or fulfillment applications as well as facilitating scalability as retailers' payment needs evolve.
- **Omni-channel focus:** The vendor shows omni-channel expertise and prioritizes needs of omni-channel retailers including support for new use cases such as buy online, return in store; curbside pickup; or endless aisles. The vendor overcomes retail challenges such as loyalty, by, for example, facilitating personalized payment experiences, such as embedded charity giving at checkout or remembering payment preferences, or improved payment experiences, such as supporting biometric or mobile payments for faster checkout.
- **Multiple payment methods:** The platform provides support for multiple payment methods, including traditional payment types, contactless payments, and new alternative payment methods that customers may prefer, such as pay by link or QR codes, as well as financing options such as BNPL. In addition, look for platforms that support multiple local payment methods and multicurrency payments for multinational retailers or retailers that may want to expand globally in the future.

- **Customization/innovation:** The platform supports the ability to customize the checkout process based on the merchant's requirements and desired customer experiences as well as facilitating innovation and creation of new business accelerators, such as cross-channel promotions, in part by enabling easy access to integrated omni-channel data.
- **Enhanced data analytics and reporting:** The platform offers customizable reporting to meet a retailer's unique needs and also enables retailers to gain AI-powered data insights on customer behavior/preferences, transaction data, and sales trends. Some platforms offer seamless integration to relevant third-party data, such as shopper demographics, for even more refined and relevant data insights.
- **Security and fraud prevention:** The vendor prioritizes security, and the platform offers robust security features including tokenization, encryption, and AI-powered real-time fraud detection mechanisms.
- **Compliance/regulatory support:** The platform supports compliance with ever-evolving industry standards and regional and international regulations.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

JPMorgan Chase

JPMorgan Chase is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide retail omni-channel payment platform software providers.

New York-based JPMorgan Chase & Co. is a long-standing provider of financial services under its JPMorgan and Chase brands. Its JPMorgan Payments division has been payments provider for 35 years and handled $2.4 trillion in processing volume in 2023.

Quick facts about JPMorgan Payments include:

- **Employees:** 4,000
- **Global reach:** Focusing on the Americas, EMEA, and APAC
- **Partner ecosystem:** 400+ partners
- **Supported fiat currencies:** 130

As part of JPMorgan Chase, JPMorgan Payments has extensive and long-standing global reach with customers in over 100 countries and supporting 130 different fiat currencies as well as the benefit of being part of the greater JPMorgan Chase financial services ecosystem. JPMorgan Payments' offering is an all-in-one payments solution including gateway, processing, acquiring, and PayFacs. The solution encompasses online, in-person, and omni-channel payments; embedded finance; developer tools; and partner networks, as well as security and fraud detection on a unified API-first platform designed for scalability. The unified platform engenders a range of additional benefits for merchants as well, such as greater ability to offer merchants globally their preferred payment methods, reduced costs with closed-loop payments processing, and easing the burden of global compliance and security complexities.

The omni-channel payments solution enables unified shopping experiences across online and in-person channels and can increase customer engagement and brand loyalty by giving retailers a unified view across channels, sales, refunds, payment methods, returns, and so forth. The solution focuses on customer journeys supporting multi-use case functionality that allows retailers to offer popular omni-channel applications such as endless aisle, subscriptions, and buy online, pick up in store and supports secure in-store contactless payments with tap to pay and biometrics. The API-first platform eases integrations with a variety of partners in their network, including POS providers such as Oracle Retail, Microsoft Dynamics 365, Cegid, and Aptos. At the back end, the solution is completed with JPMorgan Payments' payments processing and merchant acquiring capabilities. Full merchant acquiring capabilities also benefit from JPMorgan's extensive global presence and its link to JPMorgan Chase banking services that can extend further benefits, such as clients that bank with JPMorgan Chase can get same-day business funding and leverage their earned credit ratings (ECRs) product.

One key differentiator for JPMorgan Payments is its strong partner ecosystem and its recently launched Payments Developer Portal that enables merchants to deploy new commerce use cases more quickly and easily with preexisting partner solution integrations and open APIs. JPMorgan also has differentiated blockchain capabilities, being the first global bank to offer a blockchain-based platform for wholesale payments transactions. In addition, the offering gives merchants capabilities to enable keen data insights. The JPMorgan Payments Commerce Center solution gives merchants insights into their business and customers in a single dashboard, such as insights on which payment brands are more or less effective in certain markets. The platform can provide unique customer insights for United States-based merchants by marrying consumer data, drawn from demographic data from JPMorgan Chase's vast credit card issuing business, with the merchant's customer payments data, such as percentage of customer base that are homeowners or live within a certain distance from the stores. On the road map, JPMorgan plans enhancements and new features for omni-channel, biometrics, embedded banking, and in-house disputes platform.

Strengths

- **Comprehensive unified solution:** The unified all-in-one API-first commerce platform that enables secure, reliable payments as well as easy integrations to additional solutions allows merchants to gain a comprehensive omni-channel view of their customers and enables benefits including reducing payments complexity, facilitating scalability, and improving payments experiences for shoppers. Being offered by JPMorgan Chase gives the solution the benefits of a being a well-known, trusted brand as well as access to additional financial/banking services all-in-one relationship, enabling further reduction in complexity and potentially reduction in costs.

- **Merchant insights:** Its reporting dashboard offers customizable filters and formats allowing merchants to personalize reporting to meet their needs. The dashboard also features merchant insights that incorporate data in new ways enabling them to make data-driven decisions, implement strategic improvements, and optimize payments performance.

- **Prioritizing client:** JPMorgan Payments places a priority on client feedback and is making improvements to meet client's needs. The vendor gets client feedback through various means, including client scorecards and executive outreach, and uses its Client Demand tool to summarize and analyze client needs for new or enhanced capabilities and features.

- **Focus on omni-channel:** JPMorgan Payments is focused on the new and evolving needs of omni-channel retailers. Its unified solution is designed to enable seamless omni-channel customer experiences and makes good use of shopper data for consumer insights to increase sales and build loyalty.

Challenges

- JPMorgan Payments does not currently offer a few of the common integrations and payment methods that many competitors do offer. For example, the vendor does not currently offer integrations to third-party gateways, digital commerce platforms (including marketplaces), or accounting software or support for QR code payments. However, JPMorgan does have these common features on its road map to add to its offering.

- While JPMorgan Payments does have capabilities and merchant customers in countries throughout the world, it currently has a greater concentration of clients in Europe and North America, though the vendor does have geographic expansion plans to further presence in Asia/Pacific (AP) and Latin American on its road map.

Consider JPMorgan Chase When

Retailers looking for an all-in-one unified payment platform vendor that is a trusted brand with global reach may consider JPMorgan Payments. Moreover, the vendor offers keen focus on differentiated data insights and reports, enabling seamless integration for reduced complexity and prioritizing the evolving needs of omni-channel retailers.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the estimated vendor revenue from the specific market segment being assessed for each individual vendor

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

We can define the payment platform as the system of processes and digital tools that enable the execution of transactions occurring between the customer and the merchant in any channel both online and offline. In its most basic form, the processes within payment transactions between the merchant and the customer involve the following parties and functions:

- **Payment gateway.** A gateway is a piece of technology that sits between the merchant and the processor. It collects the customer's payment data, encrypts it, and transfers it to the payment processor, requesting authorization for the transaction. Payment gateway providers facilitate the authorization and processing of transactions, and they play a crucial role in ensuring the secure transfer of data and the validation of transactions.

- **Merchant acquirer or acquiring bank.** It is the bank or financial institution that provides the merchant with a dedicated bank account to accept payments. The acquiring bank facilitates the authorization and settlement of the transaction between the merchant and the issuing bank that issued the credit or debit card to the customer. Examples of acquiring banks include Wells Fargo, Barclays, and Deutsche Bank.

- **Payment processor.** The processor sends the transaction data received by the payment gateway through card networks to the issuing bank for authorization of the payment. The payment processor acts as the middleman between the customer's bank account and the merchant's bank account, working closely with banks and financial institutions to execute transactions efficiently.

- **Card networks.** Card networks establish the connections between issuing banks and accepting merchants, manage the system of fees that the acquirer bank pays to the issuing bank, set interchange rates, and establish and enforce regulations within payment transactions aimed at protecting the parties involved and by which all participants in the ecosystem must operate. Both the acquiring bank and the issuing bank need to be members of card networks and are responsible for ensuring compliance with network rules and regulations. Examples of card networks include Visa, Mastercard, UnionPay, and American Express.

- **Issuer or issuing bank.** It is the bank or financial institution that issues the credit or debit card to customers. Issuers authorize the transaction and ensure customers have sufficient funds for the transaction. The authorization (or the decline) of the transaction goes back through the process (back to the merchant through the card networks, the processor, and the payment gateway). Examples of issuing banks include Wells Fargo, Barclays, and Capital One.

Each of the processes mentioned previously can be undertaken by separate providers or bundled together into one-stop-shop solutions, for example:

- Some companies offer standalone payment gateways (such as CyberSource), while other payment processors/merchant acquirers offer gateways as part of their suite of payment services (such as Adyen, Fiserv, and JPMorgan).

- Acquiring bank and payment processor's services can be provided by a single entity (such as through merchant acquirers that offer processing) or by payment processors that can enable access to merchant accounts through the payment processor's relationship with financial institutions. These one-stop-shop entities are often referred to as *acquirers.* Examples of acquirers include Adyen and Fiserv.

- Payment facilitators (PayFacs) are software companies that bundle together payment processing services for their merchants' clients (sub-merchants) by providing access to an

infrastructure of payment partners, such as acquiring banks and payment processors. PayFacs act as a layer between acquirers and merchants, and they manage a single relationship to an acquirer that is used by a group of sub-merchants. These are often "embedded" payment acceptance options, such as Shopify Pay. Other examples of companies providing PayFacs services include PayPal, Square, and Stripe.

In general, the advantage of offering standalone services is the flexibility for merchants to choose between different providers that might suit different circumstances better, while bundled service offerings give merchants the convenience of working with one provider to take care of most payment service needs, removing most of the complexity of handling online payments.

Risk management, including cybersecurity and fraud prevention, is a top priority in online payment processes. To ensure security, participants in online payment ecosystems use different tools, including:

- **Tokenization.** Sensitive information such as credit card details is replaced with unique tokens. This tokenization process adds an extra layer of protection by preventing unauthorized access to sensitive data. Moreover, tokens can also be used to streamline consumer experience by acting as an identifier that tie together consumer interactions across channels.

- **Encryption and security protocols.** To safeguard sensitive financial information during transmission, robust encryption algorithms are employed. Secure Socket Layer (SSL) and Transport Layer Security (TLS) protocols create a secure connection, ensuring the confidentiality and integrity of data.

- **Authentication mechanisms.** Multifactor authentication methods, such as one-time passwords (OTPs) or biometric verification, add an extra layer of security by confirming the identity of the user.

- **Payment Card Industry Data Security Standard (PCI DSS).** This is a set of security standards to ensure all companies that accept, process, store, or transmit credit card information maintain a secure environment. PCI DSS compliance is mandatory for all merchants that accept credit card payments. PCI burdens can be reduced or outsourced by using hosted payment options that shift the burden to payment service providers.

In addition, fraud detection mechanisms – often powered by AI and ML algorithms – operate in the background of the payment ecosystem to identify and prevent suspicious activities, analyzing transaction patterns, user behavior, and other data to enhance the security of online payments.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Retail Online Payment Platform Software Providers 2024 Vendor Assessment* (IDC #US49436923, forthcoming)
- *IDC Market Glance: Omni-Channel Retail POS and Payments Software* (IDC #US49334122, May 2024)
- *POS and Payments: Hot Topics and Tech Trends from NRF 2024* (IDC #US51909424, March 2024)

- *Digital Payments in Retail: Streamlining the Omni-Channel Customer Journey* (IDC #EUR151907724, March 2024)

- *IDC FutureScape: Worldwide Payment Strategies 2024 Predictions* (IDC #US50126323, November 2023)

- *IDC Market Glance: Consumer to Business Payments, 4Q23* (IDC #US51278523, November 2023)

- *Global Retail Survey, 2023: Findings and Implications* (IDC #EUR151198923, September 2023)

Synopsis

This IDC study provides an assessment of the principal retail payment platform solutions focused on omni-channel payments. The study discusses what criteria are most important for companies to consider when selecting an omni-channel payments vendor as well as the strengths, weaknesses, and differentiators among the covered vendors.

"Shoppers care deeply about payments and have new expectations for retailers from offering their preferred payment methods both online and in-store to providing personalized and consistent payment experiences no matter what channel the shopper is using. It is becoming abundantly clear that seamless payments done right can be a true differentiator for omni-channel retailers, driving increased customer loyalty, greater competitiveness, and better business outcomes," according to Margot Juros, research director, Worldwide Retail Technology Strategies, and Aaron Press, research director, Worldwide Payment Strategies.

About IDC

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