» White paper

Internationalisation

New horizons, new opportunities: your guide to expanding overseas

MARQETA

Foreword

Internationalisation has become table stakes.

Launching existing products in new markets – what Ansoff calls 'market development' – is the new frontier for many financial services businesses. We examine the background to this trend, and the extent to which expanding cross-border has become easier in recent years.

The internationalisation opportunity may be huge, but once you double-click and delve behind the headline statistics, how much of the market is addressable? We asked some players in the space how they identified and qualified their expansion opportunities. Plus, how they translated the theoretical desire to expand into practical steps in-country.

Business success is often about balance. Our interviewees provide their insights into how they struck the right balance between similar and specific, between a global template and local customisation. They also offer tips on everything from working with vendors and regulators to knowing when to pivot or withdraw from a market.

The intention is to give our readers food for thought and help them successfully navigate the challenges associated with internationalisation.

Jeff Parker
Managing Director, International
Marqeta

Contents

What we talk about in this white paper:

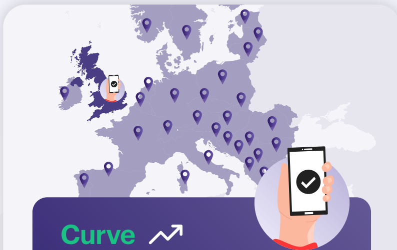
1. Context

1.1 | A world of internationalisation

Global expansion can do wonders for customer numbers, market share, revenues and diversified investments, but opportunities come with risks.

We track some high-profile international expansions and withdrawals.

Expansions

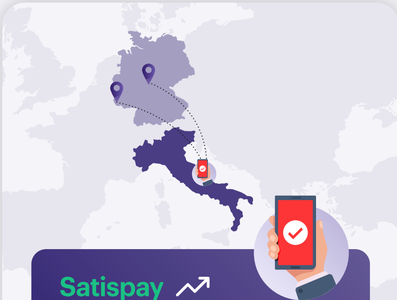


Curve

UK fintech, Curve, which consolidates multiple cards and accounts into one smartcard and app, is live in the **UK** and **more than 30 EEA markets** as of 2022.

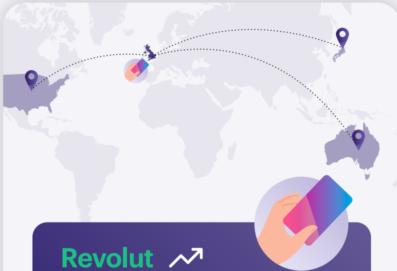
Lemonade

US insurer Lemonade went into **Germany** in 2019, the **Netherlands** and **France** in 2020.



Satispay

Satispay, an **Italian** mobile payment fintech, expanded into **Luxembourg** and **Germany** in 2020.



Revolut

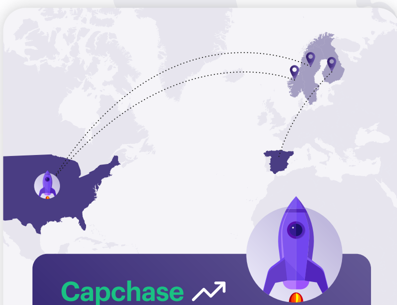
Revolut launched in **London** in 2015, before expanding in **Australia** and **Singapore** in 2019, the **US** and **Japan** in 2020; it also operates in 28 EU markets.

Clearco

Lender Clearco expanded from **Canada** into the **US** in 2016, the **UK** in 2020, and **Australia**, **Ireland**, **Germany** and the **Netherlands** in 2021.

Klarna

BNPL giant Klarna was founded in **Sweden** in 2005 and is now **active in 45 countries worldwide.**



Capchase

Spanish-American lender Capchase announced its Nordic expansion (**Denmark**, **Finland** and **Sweden**) in November 2021.

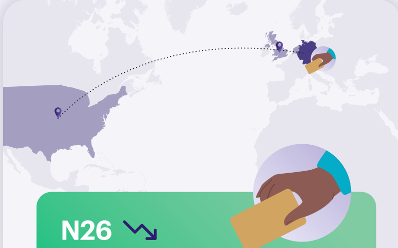
Withdrawals

Robinhood

US-based stock-trading app Robinhood **abandoned plans to launch in the UK** in 2020, after previously announcing an **Australian expansion in 2015, which never materialised.**

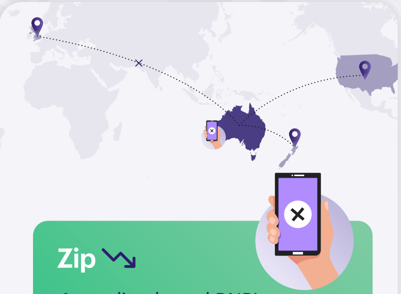
Yolt

ING-backed money management app Yolt expanded from the **Netherlands** into **France**, **Italy**, **Spain** and the **UK** before **being shut down by its Dutch parent** in August 2022.



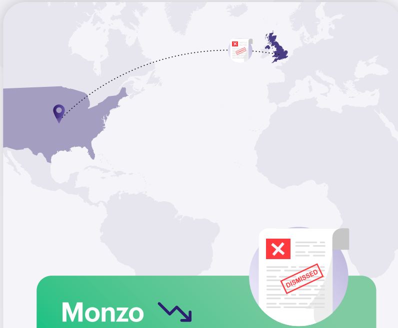
N26

German digital bank N26 expanded into the **UK** and **US** but **subsequently withdrew from both markets** in February 2020 and November 2021 respectively.



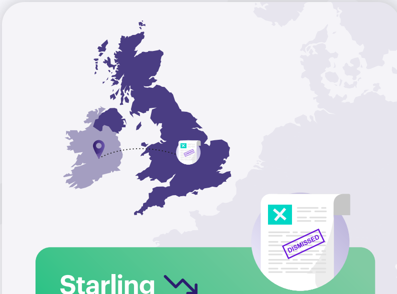
Zip

Australian-based BNPL provider Zip **quit the UK citing profitability concerns** to focus on the **US**, **Australia** and **New Zealand**.



Monzo

UK digital bank Monzo **withdrew its US banking licence application** in October 2021.



Starling

UK digital bank Starling **withdrew its application for a European banking licence** with the **Irish** central bank in July 2022.

1.2 | Drivers for internationalisation

Launching existing products in new markets – what Ansoff calls 'market development' – has become the new frontier for many financial services businesses. We examine the background to this trend, and the extent to which expanding cross-border has become easier in recent years.

The accelerating digitisation of everything – payments, commerce, banking – has been exacerbated by the COVID pandemic. And as there hasn't been a countervailing rebound since lockdown restrictions were lifted, new habits have become the new normal.

Ubiquitous technology and connectivity are now available at a global scale.

> The average person has more computing power in their smartphone than the guidance system that put man on the moon 50-plus years ago.

With smartphones accounting for three-quarters of mobile phone connections, according to the GSMA, it's easier than ever for practically every human to be connected on a global network. This cannot but change customer expectations of the speed and scope of what is possible.

Just as Amazon Web Services dramatically lowered the cost and complexity of launching a software business, unleashing thousands of new companies, the same opportunity is beginning to arise in banking and financial services.

Yet the opportunity to launch more personalised financial services at the point of need is potentially as big a challenge for incumbent providers as that of disintermediation. Moreover, while everyone is invited, they may not necessarily be included. Technology could reinforce existing inequalities. Finally, the impact of the cost-of-living crisis and possible global economic downturn on the internationalisation opportunity is also unknown.

Driver #1: The digital payment opportunity

There is an increasing opportunity to shift reliance on cash and less efficient payment methods to digital alternatives. 2020-21 proved to be a turning point as the COVID pandemic sped up existing trends towards digital payment adoption.

In 2020, McKinsey[1] reported that payments using cash declined by 15% globally. Hygiene concerns around handling cash during COVID, together with the introduction of increased contactless limits, drove greater contactless card and mobile usage.

More than three-in-four in-store Visa payments in Europe were contactless. And in selected European countries, the share of Visa contactless transactions had more than doubled year-on-year, the card network reported in October 2020[2].

Cash usage rebounded somewhat in 2021, due to a partial return to past behaviours and fewer lockdowns. Yet most transactions that migrated to digital channels in 2020 have remained electronic, according to McKinsey[3].

Overall electronic payment transactions globally grew by 19% in 2021[4], attributable mostly to the rise in real-time and account-to-account payments. This type of 'push' payment has been mainstreamed with the addition of customer-facing, mobile front-ends, making in-person payment as quick and convenient as cash. The expansion of use cases to include bill payment, e-commerce and request to pay applications have further driven take-up.

Reported decrease in payments using cash globally in 2020

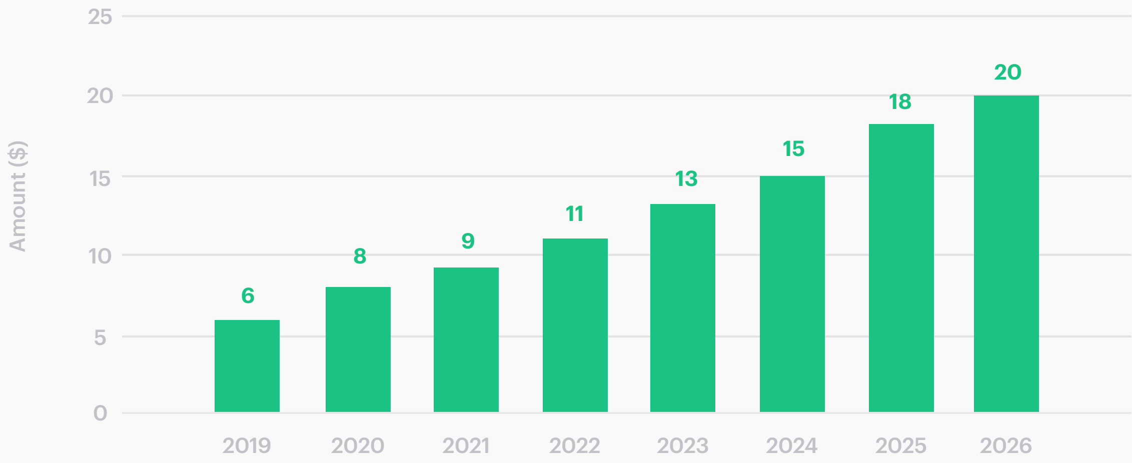
Reported growth in electronic payment usage in 2021

Driver #2: The shift to digital commerce and banking

E-commerce as a percentage of general retail was growing even before COVID closed physical shops and businesses. But lockdowns turbo-charged the shift from physical to digital retail – or from 'bricks to clicks' – by around five years, according to data from IBM's US Retail Index[5].

When it comes to preferred online payment methods, a record $7.7 trillion was spent online using payments cards in 2020, RBR research shows[6]. The Americas and Asia Pacific accounted for 80% of card spending online. This trend is set to continue, with global annual spending on payment cards expected to grow at an average of 18% between 2020 and 2026, predicts RBR.

Global volume of e-commerce card purchase transactions, 2019-2026 (US$ trillion)



Source: Global Payments Cards Data and Forecasts to 2026 (RBR)[7]

Unsurprisingly, there was also a notable increase in remote banking, as banks were closed during the pandemic and more people worked from home. In 2021, around 85% of all UK adults used at least one form of remote banking. Either online banking via a computer, mobile banking via an app, or calling their bank's telephone banking service. The number of people using mobile banking in particular continued to grow, reaching more than 55% of all UK adults, says UK Finance[8].

This in turn is driving a circle of further digitisation and bank branch closures. Fifty-five branches have been disappearing from UK high streets a month since 2015, according to Which?[9] Meanwhile in Europe, the number of branches has fallen by almost one-third, or nearly 35,000, since 2008 European Banking Federation data shows[10].

Driver #3: The mobile revolution

Mobile phones are now ubiquitous. 5.3 billion people or two-thirds of the global population subscribed to mobile services by the end of 2021. Three-in-four mobile connections were via smartphone, according to the GSMA[11], which cannot but change how we shop, bank and pay.

	Mobile subscribers 2021	Mobile subscribers 2025	Smartphone adoption 2021	Smartphone adoption 2025
Asia Pacific	59%	62%	74%	84%
CIS	81%	82%	79%	86%
Europe	86%	87%	79%	83%
Greater China	83%	85%	77%	89%
Latin America	69%	73%	77%	82%
MENA	66%	68%	79%	82%
North America	84%	85%	82%	85%
Sub-Saharan Africa	46%	50%	64%	75%

Source: The Mobile Economy 2022, GSMA[12]

This mobile revolution has helped kick-start various mobile-based and mobile-dependent payment methods, such as mobile wallets, mobile transfers, carrier billing and mobile contactless. This is part of the ongoing digitisation of payments, banking and commerce.

It has also boosted financial inclusion. Three-quarters of adults worldwide now have an account at a financial institution or mobile money provider, according to the latest edition of the Global Findex Database. That's a 50% increase in the last 10 years.

The growth has not just been in higher-income countries, as 71% of adults in developing countries have an account at a bank, mobile money or other provider. Driven by new customer uptake and a growing number of use cases, the value of mobile money transactions exceeded the trillion-dollar mark in 2021, says the GSMA.

Nevertheless, there's still considerable headroom for growth in banking the unbanked, serving the underserved. 1.4 billion adults worldwide cannot or do not use any type of formal financial account.

Driver #4: Any company can offer financial services

Software is eating the world, claimed Marc Andreessen, founder of venture capital firm Andreessen Horowitz. Writing in 2011[15], he believed that society was in the middle of a dramatic and broad technological and economic shift. And software companies were poised to take over large swathes of the economy.

Everything from books, video and music to movie production and telecoms would be delivered as online services. Even industries based around real-world ‘physical stuff’ – airlines, agriculture, oil and gas – would experience software eating much of their value chain.

The result would be a fully digitally wired economy, Andreessen argued. And the winners, Silicon Valley-style entrepreneurial technology companies, which would penetrate established industry structures. This was prophetic.

APIs, Open Banking interfaces and various integrated, as-a-service propositions are making it easier for any company to launch and scale financial services. It’s quicker and cheaper, too, when companies don’t have to invest in new infrastructure, hire and train staff.

Various tech platforms already provide the financial services building blocks for clients to integrate their own financial products and services. So much so, the next bank may not start out as a bank; the next lender or insurer may not even be a financial services provider.

Yet technology opportunities and risks exist in the same future. Companies can use technology to innovate, create competitive advantage and prosper. At the same time, a failure to act or implement technology appropriately may lead to companies becoming disintermediated or falling behind.

Similarly, the effects of technology depend on how it is used and who controls it. Policymakers, regulators and the private sector must be mindful that new technology doesn’t reinforce age-old financial inequalities, causing particular groups to become even more excluded.

€230 Billion

embedded finance opportunity by 2025 (Source: Forbes[16])

$300 Billion

estimated BNPL market by 2023 (Source: Statista[17])

$12.2 Billion

value of BaaS platform industry globally by 2031 (Source: Future Market Insights[18])

MARQETA

1.3 | Europe: key credit and debit card indicators

Modern card issuing platforms enable businesses to build card programmes tailored to specific use cases. But where should they focus their efforts? We scan the European card payment landscape.

	Total number of credit cards	Total value of spend	Average spend per card per year
UK	56 million	€197 billion	€3,530
France	20 million	€70 billion	€3,360
Spain	15 million	€22 billion	€1,440
Italy	11 million	€19 billion	€1,760
Switzerland	7 million	€39 billion	€5,240
Sweden	6 million	€22 billion	€3,460
Germany	5 million	€8 billion	€1,520
Norway	5 million	€16 billion	€3,170

Source: Flagship Advisory Partners

The UK is a credit card-loving nation, topping the table in terms of the number of cards in circulation and total volume of spend. Countries with a high cost of living, such as Switzerland and Norway, punch above their weight in terms of average spend per card.

> When it comes to internationalisation opportunities, the countries with the highest compound annual growth rate (CAGR) in terms of spend value are Romania (15%), Italy and Hungary (9%) and Germany (7%).

Similarly, when it comes to credit cards per capita, countries such as Switzerland, Sweden and Norway have less headroom for growth, compared to Spain (15 million cards issued out a population of nearly 50 million), Italy (11 million cards issued out of population of c.60 million) and Germany (5 million cards issued out of an 80 million-strong population).

	Total number of debit cards	Total value of spend	Average spend per card per year
Germany	121 million	€288 billion	€2,380
UK	98 million	€849 billion	€8,630
Italy	60 million	€183 billion	€3,010
France	57 million	€402 billion	€7,020
Spain	49 million	€147 billion	€2,950
Poland	35 million	€95 billion	€2,680
Netherlands	31 million	€122 billion	€3,850
Belgium	19 million	€100 billion	€5,210

The countries topping the table in terms of average spend per debit card per year are those with a strong card-paying culture (UK and France) and/or historically strong domestic debit card brands (Belgium and the Netherlands).

Card acceptance and merchant preference are other factors influencing card usage at point of sale. This may explain why Germany and Italy have a lower than average spend per card rates, despite high numbers of debit cards in circulation. 1-in-2 usages of a debit card in Germany and Italy is to withdraw cash at ATMs. By way of comparison, it is only around 1-in-7 in the UK and Netherlands.

The countries with the highest compound annual growth rate (CAGR) in terms of debit card spend value are in Central and Eastern Europe, namely Romania (30%), Greece (25%), Hungary (23%), Czech Republic (22%) and Bulgaria (20%). One of the challenges in these markets, however, is encouraging card usage at point of sale over ATM withdrawals.

1.4 | Hot areas for investors

Whether it's access to short-term credit or working capital, cross-border payments, regulatory compliance or proving identity, there are several intractable problems within financial services. Addressing these unmet needs gives firms a good runway for global growth, which is why they're drawing investor interest.

BNPL

€300 Billion

estimated BNPL market by 2023 (Source: Statista[19])

€575 Billion

estimated BNPL market by 2026 (Source: Statista[20])

€8-10 Billion

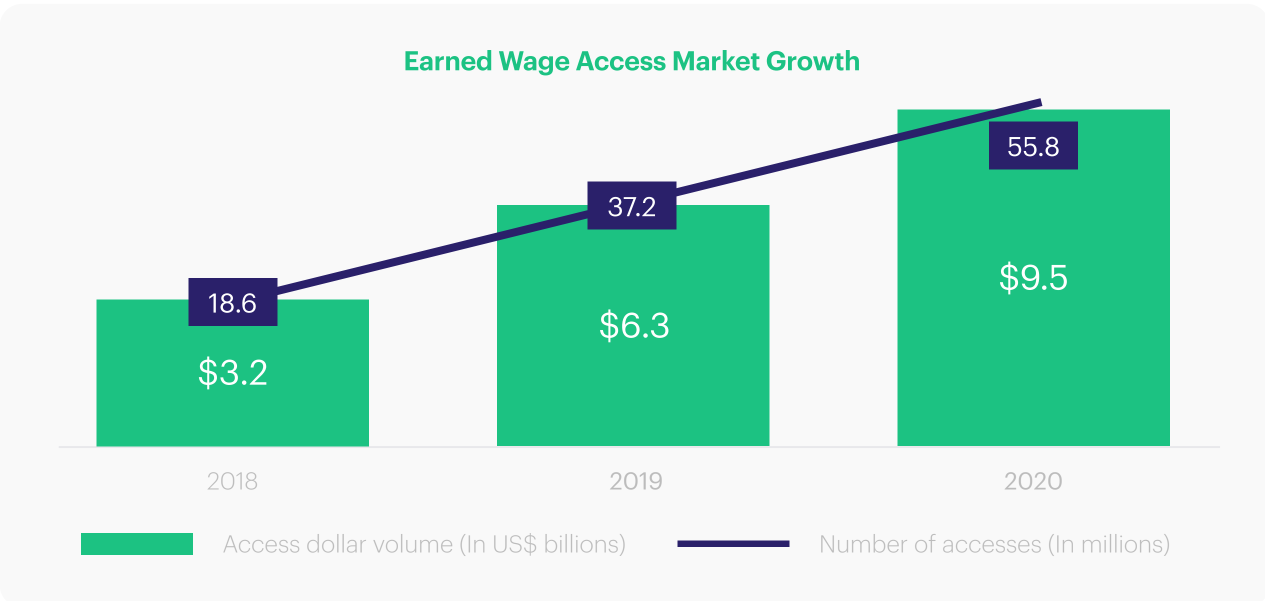
fintechs have diverted from banks in BNPL lending (Source: McKinsey[21])

BNPL is short-term point-of-sale financing re-booted for the digital age. Available directly at checkout, via a few clicks and a soft credit check, BNPL has become the poster child for embedded lending, particularly on the B2C side.

Earned Wage Access

$9.5 billion in wages were accessed early in the US in 2020, up from $3.2 billion in 2018

(Source: Aite-Novarica[22])

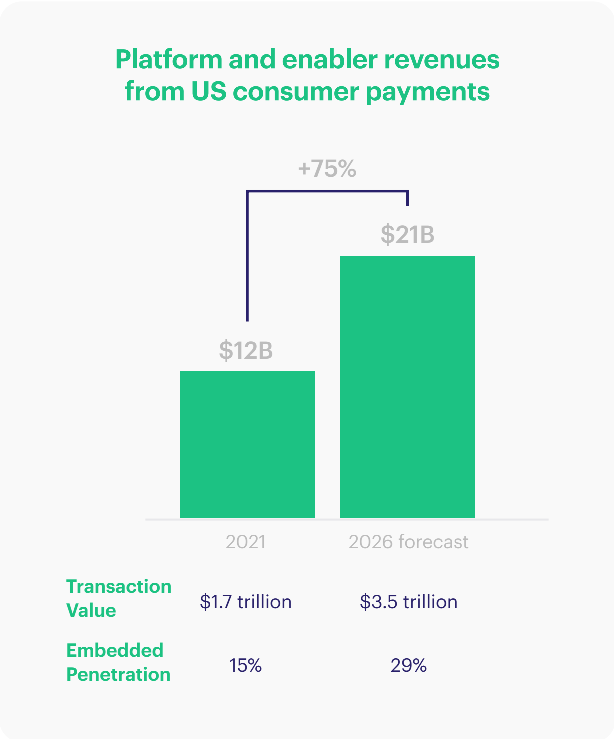


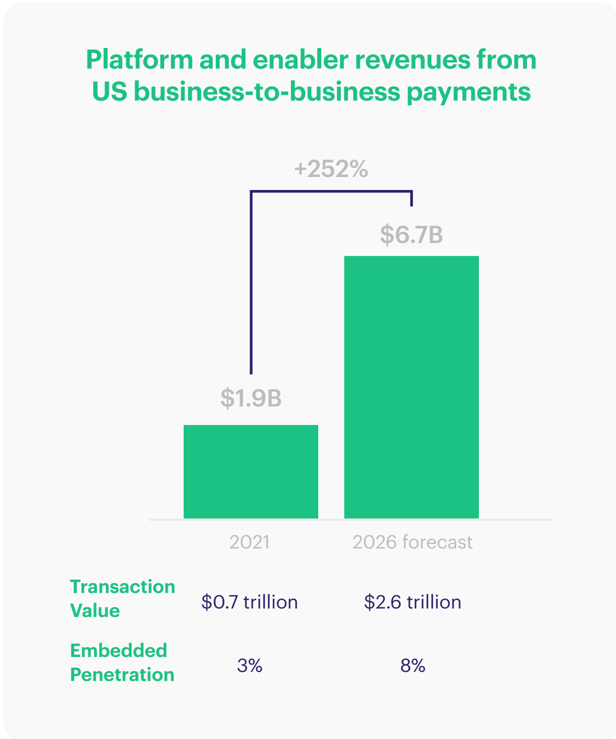
Source: https://aite-novarica.com/report/making-ends-meet-demand-pay-and-employer-based-loans

40% of Americans would struggle to find $400 for an unexpected expense without selling something or going into debt, according to the Federal Reserve[23]. Similarly, 40% of the working age population in the UK had less than £100 in savings, says a House of Lords report[24]. Employers are exploring the possibility of letting employees draw down on their forthcoming pay packet in advance.

Embedded Finance

- $7 trillion embedded finance opportunity in the US (Source: Bain & Company[25])
- US market alone could double in size over the next 3-5 years, (Source: McKinsey[26])





Source: Bain & Company, Bain Capital

Financial services embedded into e-commerce and other software platforms accounted for $2.6 trillion, or nearly 5%, of total US financial transactions in 2021, and by 2026 will exceed $7 trillion, Bain & Company[27] research finds.

On the consumer side, embedded payments in the US will reach $3.5 trillion by 2026, generating $21 billion in revenues for platforms and enablers.

B2B embedded payments have not penetrated as deeply as consumer embedded payments, partly due to the heavy reliance on cheques and ACH payments relative to other payment methods. However, B2B embedded payments in the US alone are expected to reach $2.6 trillion by 2026, generating $6.7 billion in revenues for platforms and enablers, the same report[28] shows.

Working Capital Solutions

€1.2 trillion

total global cash opportunity companies could release through better working capital management

(Source: PwC[29])

Small and medium enterprises are a big deal in almost every country. According to the World Bank, 90% of businesses are SMEs worldwide and provide more than half of all jobs. The ability to offer credit-based products is a hot opportunity for providers, but also for developing the SME market.

Remittance

€630 billion

in remittance flows projected in 2022

(Source: World Bank[30])

€12 billion

in annual savings by lowering remittance fees by 2% for international migrants from low-to-middle income countries

(Source: World Bank[30])

6%

average cost to send $200 in Q4 2021

(Source: World Bank[30])

Small cross-border payments between individuals add up to an attractive opportunity. Legacy systems, high fees and risk approaches of incumbents are ripe for disruption.

Banking-as-a-Service

€12.2 billion

value of BaaS platform industry globally by 2031

(Source: Future Market Insights[31])

50%

CAGR for the market size of neo and challenger banks globally until 2030

(Source: Statista[32])

Instead of building functionality from scratch, companies integrate various off-the-shelf options to perform financial services. Software-as-a-service has become banking-as-a-service.

RegTech

$37 billion

spent by the financial services industry globally on AML/KYC compliance technology in 2021

(Source: Celent[33])

$5.4 billion

in fines issued by regulators to financial institutions globally for AML and data privacy breaches in 2021, of which $3.4 billion was levied on European institutions

(Source: Fenergo[34])

Cheap technology, abundant data and the growth in compliance requirements are driving RegTech. These solutions can be used by firms to help them comply with regulations, but also by regulators to improve oversight and modernise regulation.

Identity

$25 billion

value of digital identity globally in 2021

(Source: Straits Research[35])

18%

CAGR of market size globally between 2022 and 2030

(Source: Straits Research[35])

$116 billion

market size globally estimated in 2030

(Source: Straits Research[35])

With no efficient, consistent way for consumers or businesses to prove who they say they are, there's a significant opportunity for digital identity solutions. These not only improve the customer experience and abandonment rates, but also cut costs and regulatory overhead for providers. Meanwhile self-sovereign identity approaches based around blockchains create new opportunities and business models for web3.

2. Take it global: enabling seamless expansion

2.1 | Sizing and qualifying the international opportunity

The total market opportunity may be huge, but once you double-click and delve behind the headline statistics, a large proportion may not be addressable. In a Marqeta webinar, our panellists discussed how to qualify the opportunity. Plus how to strike the right balance between a global template and local customisation.

The drive towards international growth was fuelled, in part, by large venture capital funding rounds. "There's been a need to internationalise almost from day one. Most fintech models rely on growth, so you want to increase the user base, usage and volume," said Adrian Klee, Partner, Digital Banking at consultancy firm Ross Republic.

Similarly, there's been an increasing focus on niche propositions, where scale is needed to make the business model work.

Capital on Tap is a case in point. It designs products around the needs of small businesses and launched a credit card in the UK in 2012.

"For us, focusing on a particular area of the market, it's been an interesting opportunity to look internationally to support small businesses that we think have been under-served," explained Zoe Newman, US Managing Director, Capital on Tap.

What's more, the opportunity to displace cash and digitise transactions is huge. There were 7.9 billion more payments transactions and 16 million fewer cash transactions in Q2 2002, according to Visa data, according to Marni Kruppa, Head of Fintech, Europe at Visa. And an estimated $120 trillion opportunity in new B2B flows alone.

In Q2 2022

7.9 Billion
more payments transactions

16 Million
Fewer cash transactions

Product-market fit

However, while a business may be successful in one market, it's not necessarily easy to replicate this elsewhere. Businesses may find that expanding into new markets means starting almost from scratch, because local customer expectations, regulations and so on are different. So how does a business conduct the early discovery and research phase to qualify the market opportunity?

Step one is market research at a macro level. A business may have a good product-market fit in their home market. Are there similar customers in other markets that they can serve with their product proposition? If a business knows its target segment and customer needs well, it can rank potential markets according to size to get a feel of the international opportunity.

For example, when Capital on Tap researched the market opportunity of credit cards for small businesses, they investigated usage, local nuances in the types of cards used, and interchange.

"It starts to get complex as you move along the process, as it depends on the product," cautions Klee. "If you're serving B2B clients, you need to understand customer needs and expectations locally as they differ, sometimes quite significantly. You need to ask customers on the ground."

Klee gave the example of how each country has different workflows around accounts receivables. So much so, how providers integrate data, card products and accounting systems can become complicated. "Even though the target market might be very big, customer adoption might be hard to obtain with limited resources," he said.

Businesses may have to integrate with different suppliers so customers can use their product. Or re-think their distribution and route to market, if buying decisions are influenced by an external party, such as an accountant. Or re-configure their know-your-customer (KYC) and on-boarding processes to fit local regulations.

On the consumer side, it's important to offer a feature set comparable to the competition. Klee cited Eastern Europe where the incumbent players are innovative and have offered particular features as standard for years. So much so, any new entrant, thinking they are innovative, may be surprised.

> "The cookie-cutter approach just doesn't work."
>
> Aaron Carpenter, CEO, Transact Payments

Determining the operating model

Step two is determining the operating model. Do you apply for your own licence or rely on partner firms to go to market? In Europe, passporting a regulatory licence across borders has become an increasingly popular option. This allows banks and financial services companies that are authorised in any EU or EEA state to provide financial services in other EU or EEA states with minimal additional authorisation. However, Brexit has added a layer of complexity.

“There’s a cost of compliance with a second licence. You’re duplicating certain positions. You’ve got to understand the position on VAT, tax, refunds and so on,” explained Aaron Carpenter, CEO of Transact Payments, a European BIN sponsor and provider of modular card services that help businesses expand into the UK and Europe.

“Being able to passport as a lender is not always easy. Expanding into the US meant working with a partner bank. That was a big piece of our research, as well as finding the right partner,” said Newman.

The panellists strongly agreed that the initial and most urgent driver for localisation was regulatory requirements. But that it was possible to short-cut the process by picking the right partners to operate across borders, whether that’s a BIN sponsor, issuer processor, card scheme and so on.

“Of course, you have to look at regulation. But if you work with the right partners, they extract a lot of complexity for you, particularly in the banking space,” said Klee of Ross Republic.

Transact Payments is increasingly being called upon to advise on smart market-entry strategies. “A lot of our customers come to the market to solve a particular problem or roll out a working product,” said Carpenter. “We overlay regulations and scheme requirements, for example KYC and address validation requirements which differ market to market. It’s a consultative role before the customer even enters the market.”

It’s a matter of knowing your strengths as a business and drawing on specialist support, as appropriate. A fintech’s core competency lies in understanding their customer, customer needs and the product-customer and product-market fit, according to Kruppa. “It makes sense to partner for the more high-risk, tedious stuff when you’re entering a new market. The partner can help explain local market nuances and customer behaviour,” she said.

Determining the operating model

There have been a range of high-profile success stories around international expansion. Equally, there have been some high-profile withdrawals. So, what's the current state of global expansion?

> "It's the natural way to grow your business: offering your product to new customers in new countries."
>
> Aaron Carpenter, CEO, Transact Payments

Overall, businesses are going to continue to grow and scale internationally. They are also getting better at identifying when a market is not working for them. "I don't see it as a failure to withdraw from a market," said Carpenter. "In fact, it's brave to move away from a market that isn't quite working for you and focus your efforts on markets where you have a greater chance of success. Sometimes you won't know that until you've dipped your toe in the market."

This captures the essence of the 'fail fast' mindset popular among fintechs. Or the 'fail forward' or 'fail elegantly' approach, which reflects a pragmatism about the nature of modern business. However, there are certain themes or trends common to some of the more well-known failures, according to Kruppa.

> "Technology, networks and regulators have helped facilitate international expansion."
>
> Zoe Newman, US Managing Director, Capital on Tap

"Where there have been failures, it's been around not having a differentiated product, a clear use case or the right product-market fit. Or not understanding the market dynamics, the challenges of working across borders, time zones, with different people or the cultural challenges," she said.

Businesses are advised to consider carefully where and how they stagger their rollouts. Expansion is still important but must be phased appropriately. "The macro environment is changing. Valuations are being slashed. Funding rounds are becoming smaller. Venture capitalists are becoming more selective in the business models they fund," explains Klee.

> "If you're not surprised every other week when launching into a new market, you're almost doing something wrong!"
>
> Adrian Klee, Partner, Digital Banking, Ross Republic

As a result, "there is more due diligence and seriousness in identifying which markets to serve, rather than quickly going international, because the money was there to do it. It's become more disciplined."

2.2 | From strategy to implementation

Once a business has decided to expand internationally, it's then a matter of selecting and prioritising the countries to target and translating this into solid operational execution, explains Erik Howell, Partner at Flagship Advisory Partners.

Land and expand. It's a tried-and-true business objective. After all, if a business meets key customer needs in its home market, then it can likely meet these same needs elsewhere. If these new markets have higher underlying growth rates and/or lower internal competition, then so much the better.

"Geographic expansion enables companies to tap into a pool of new potential customers. This is particularly important for those whose home market or addressable customer base is small," says Howell.

If companies can leverage existing products, technologies, partnerships and operational infrastructure to minimise capital expenditure (capex), then so much the better. "Diversifying into new markets is typically well-received by investors, too, as it doesn't fundamentally change the underlying strategic vision of the business," says Howell.

Selecting and prioritising the countries for geographic expansion

The market opportunity of expanding into a particular country may be significant, but further research may show that a proportion are unaddressable. This stage of the process helps to qualify and prioritise the opportunities as well as inform options for a smart market-entry strategy.

Companies are advised to scan their macro- and micro-economic environment. A so-called 'PEST analysis' (political, economic, social and technological) can help to assess the macro-economic context of a particular country.

It considers factors such as political stability, taxation policy, unemployment levels, interest rates, inflation, population demographics, income distribution, speed of technology transfer, rate of tech obsolescence and so on. This helps inform decisions about which countries have a favourable business, political, legal and regulatory culture.

Any macro-economic analysis should also consider the competitor landscape, comprising both look-alike and non-look-alike competitors. Consider barriers to entry and the potential for new entrants, product substitution, power of suppliers and customers and competition in the industry, advises Howell.

"This helps inform which countries have the most competitive white space. Plus, which offer the best opportunity for competitive differentiation," he says.

- Which countries have a favourable business, political, legal and regulatory culture (e.g. banking licences, permits, government stability, legal recourse)?
- Which countries have the most competitive white space and/or opportunities for us to differentiate?
- Which countries have natural distribution or infrastructure advantages (e.g. local processing switches, trade bodies to act as distribution channels)?

After considering the external opportunities and threats, next look internally at the relative strengths and weaknesses of your products, services and brand.

"Ultimately, at the end of this stage you're looking to understand which countries offer the greatest current and future potential revenues. And which countries fit best into your broader strategic vision and create a strategic advantage in terms of geographic footprint," says Howell.

- Which countries exhibit the same underlying customer needs that your products solve today?
- In which countries will your value proposition be well received?
- Which countries are easiest to enter operationally and have the fewest localisation requirements?

Smart market entry strategies

As with all initiatives, an excellent strategy on paper must be translated into solid operational execution in practice. This stage considers how to physically enter new countries. Naturally, it considers key questions in the build, buy or partner debate.

Building a solution from scratch or tailoring an existing one is always a possibility, subject to time, cost and expertise. However, buying an off-the-shelf solution or even buying a local operator, through a merger or acquisition, is also an option. As is partnering through a joint venture, distribution partnership or other commercial arrangement.

“The success of any internationalisation project depends on how a business strikes the balance between competitiveness and quality. That is to say, keeping up with or pulling away from competitors, while also executing to quality standards. But also, striking the balance between similarity and specificity. So, retaining as much of the initial product/service, while also adopting it to the local country, customer and culture,” says Howell.

Performing the right due diligence on local norms, requirements and so on before making significant investment is critical. As is good project and product management discipline. For example, executing on a clear, phased roadmap perhaps iterating from a minimum viable proposition, having clear ownership, good coordination and communication, and sufficient resource and experience for localisation and launch.

> Geographic expansion is a time-tested lever for rapid growth and competitive differentiation. But as with all initiatives, excellent strategy on paper must be translated into solid operational execution.

Case Study

capitalontap

Zoe Newman

US Managing Director, Capital On Tap

2.3 | Taking a credit card built for small businesses global

1. What were the drivers for your international expansion?

- Was international expansion in your original pitch deck to investors?

- Why UK>US?

We launched Capital on Tap in 2012 in the UK with a focus on making the lives of small business owners easier. We dedicated our efforts to understanding our customers and identifying opportunities within the local market. We worked on developing features that would benefit small business owners - immediate access to funding, unlimited cards for their employees, integration with their accounting software, and cash back to reward them for their business spending.

As we found success and achieved product-market fit in the UK, we recognized the potential for growth by expanding into new markets. Around 2020, we started exploring potential markets, considering factors like regulatory requirements, market size, and the feasibility of underwriting and credit assessment for businesses.

In 2021, we set our sights across the pond and shifted our focus to the United States. The decision to expand to the US was primarily driven by the market size and our bet that small business owners were continuing to be underserved by legacy players. Language barriers were not a significant obstacle in this case, and leveraging existing vendors like Marqeta allowed us to quickly scale and launch the product.

2. How did you go about identifying and qualifying the expansion opportunity?

- What other markets were considered and discounted?

When identifying potential expansion opportunities, our primary focus was on market size and customer demand. We considered various regions, including Latin America and several Asian countries.

We quickly learned that local nuances in customer behavior would require us to make substantial changes to the product. Take Brazil, for instance, where there are different payment installment options for credit cards. While this may seem like a minor difference, upon closer examination, we realized it could potentially require an entirely new product, essentially starting from scratch.

Our aim was to streamline the expansion process as much as possible.

> We wanted to maintain the core functionality of the product and avoid extensive development work and localization efforts.

Therefore, we narrowed our focus to markets where the core product could be preserved or closely aligned without significant modifications.

3. How did you realize your internationalization ambitions?

- How did you translate this theoretical desire into practical steps in-country?

- Theory into practice?

> Once we identified the US as our top choice for expansion, we focused on two main areas of implementation - how do we find customers and how do we ensure we understand local legal and regulatory requirements?

First, in finding new customers, we spent a lot of time tailoring our UK acquisition strategies for the American market. We quickly understood that comparison websites such as NerdWallet or Creditcards.com were a much bigger deal in the US than in the UK and prioritized how to get listed on various comparison websites. While the fundamental acquisition strategy is similar to that in the UK, where we deployed time and mind share were actually quite different in the US business.

Second, understanding the legal and regulatory implications of a new market was crucial. Finding a great local legal counsel that could help us navigate the alphabet soup of American regulations was a great unlock for the business. I would highly recommend anyone looking to expand into a new market find a great legal firm as one of their first steps in expansion.

How did you strike the right balance between similar and specific, between a global template and local customization?

We understand that each country has its unique requirements, making it challenging to replicate a product across borders simply.

The key for us was ensuring that the core product, USPs (unique selling proposition), and customer experience remained the same. This meant that we wanted small business owners to have a seamless onboarding journey, quick access to credit, and incredible customer service. With that as our guiding principle, we designed everything about the US product to be in line with our mission of helping small business owners.

Local customization has been mainly around meeting different regulatory requirements for the US market. We had to modify the onboarding journey to meet different disclosure requirements and rework the customer contracts. Overall, we picked a market where local customization would be minimal to ensure we could continue to move fast as a business.

> In choosing our target market, we aimed for minimal local customization to ensure agile business operations.

Looking back from the end, what 2-3 things have you learned that it would have been helpful to know at the start of your internationalization journey? What, if anything, would you have done differently?

Looking back at our internationalization journey, there are two key learnings that would have been helpful to know at the start.

First, never underestimate how hard it will be. This sounds obvious, but adding a new geography adds complexity to every part of a business. Every new initiative and new product needs to be thought about specifically for your second market. New compliance requirements, new marketing requirements, new customer service requirements - it's all hard and complicated. This can slow the speed of everything down in your business. While you might think everything is "basically the same" it's easy to underestimate the complexity.

Second, you should treat each new market as requiring you to achieve product-market fit for the first time. Rather than assuming everything will work as it does in your home market, go back to first principles and treat this as a "second founding" for your business. For example, we started off by going after all the marketing channels we use in the UK all at once.

> We should have taken a more narrow approach and focused on one channel at a time so that we didn't spread ourselves too thin. So my advice to founders looking to expand to a new market is to go slow at first, to go fast later.

About Capital on Tap

Capital on Tap makes it easy for small businesses to manage their business spending, access funding, and earn best-in-class rewards. More than 200,000 small businesses have spent $5 billion on their Capital on Tap Business Credit Cards across the US and UK. In the US, the Capital on Tap Business Credit Card is issued by WebBank.

Case Study

MAMBU

Kunal Galav
Global Head Partnership Development & Advisory

2.4 | Driving international scale with cloud-based SaaS

Mambu exists to empower customers to deliver great modern financial experiences easily to everyone around the world.

The developers, architects, business analysts and innovators at our customers work with our platform, teams and services to create great outcomes for their millions of customers. These may be entrepreneurs in New York City, farmers in Kenya or SMEs in Brazil, as Kunal Galav, Global Head Partnership Development & Advisory at Mambu explained.

What are the main drivers for international expansion that your prospects and customers discuss with you, and how does Mambu support those drivers?

Our customers are often considering internationalisation from launch to avoid over-indexing their product offering to a single market. Clearly, starting in a country with 10 million people and expanding to one with 100 million is a way to build scale quickly. And due to how Mambu builds its systems, we can scale almost instantly so our customers can have the same solution for one user as for 10 million.

Other drivers of international expansion include a friendly regulatory environment and pools of under-served customers, of which there may be many outside a customer's home market. In addition, there's the scope for tapping into demographic trends and cultural preferences, such as population growth or high cash usage within particular countries.

How do you help your customers identify and qualify the international expansion opportunity?

We work with our customers to identify opportunities in new markets, using some of the criteria mentioned above. Then we collaborate in designing a product or service offering that's tailored to the local market. Next we qualify the opportunity by estimating revenue and costs based on different scenarios and real-world data, before developing a roadmap for implementation.

How do you realise your customers' international ambitions? How do you translate the theoretical desire of your customers to expand into practical steps in-country?

We always start by understanding our customers' guard rails and preferences. For example, are they limited in the products or services they can offer, or markets they'd like to play in? What's their risk appetite? This helps in defining the strategic objectives for the project, as well as identifying market and segmentation opportunities by end-customer personas, for example.

When it comes to adapting an offering to a local market, we'd consider aspects like price, commissions, processes and onboarding. And the importance of striking a balance between speed with an out-of-the-box solution and customisation.

Naturally, estimating likely costs and revenues is important when translating the theoretical desire for expansion into practical action, as is developing a high-level implementation roadmap.

> Our pricing model aligns our customers' success with our own, allowing them to build solutions that operate on tight margins. They can then scale them if successful, as our technology does not limit their expansion.

How do you help your customers strike the right balance between similar and specific, between a global template and local customisation?

We operate on six continents with more than 250 customers, so we're able to leverage our global footprint and experience when advising our customers. We understand the local challenges and real-world differences between markets, customer preferences, regulation and competition. And can advise our customers on the optimal design for a product or service within a specific market.

As Mambu is a SaaS cloud-based provider, when customers request more functionality, those upgrades are delivered to all customers globally. So wherever they're based, our customers can tap into the innovation driven by customers elsewhere, which broadens the scope for new product development.

About Mambu

Launched in 2011, Mambu fast-tracks the design and build of nearly any type of financial offering for banks of all sizes, lenders, fintechs, retailers, telcos and more. Our unique composable approach means that independent components, systems and connectors can be assembled in any configuration to meet business needs and end user demands. Mambu has 900 employees that support 250 customers in over 65 countries.

Case Study

Payhawk

Hristo Borisov
Co-Founder and CEO

2.5 | Digitising financial processes for companies worldwide

Payhawk is a spend and expenses management solution with eight offices across Europe and the US. Its customer base consists of a mix of scale-ups and enterprise companies in 32 countries across Europe and the US. In 2022, Payhawk continued its international expansion by opening offices in Paris, Amsterdam and New York, and learned much along the way as Co-Founder and CEO, Hristo Borisov explained.

What were the drivers for your international expansion?

Payhawk has been a company with an international focus from the very beginning. Our roots are Bulgarian, however with our HQ based in London, our client base very quickly expanded to the UK, Germany and Spain in the early years and now spans 32 countries, including the US.

The Payhawk product is created to address a problem that we see recurring in many different markets, and one we believe we are solving with our unified approach. Finance and accounting teams around the world have been buried in manual, repetitive tasks. There's little to no automation and a plethora of disconnected software solutions. Plus, when it comes to month-end, teams are faced with the stress of having to do a month's load of work in a few days, while also having to chase receipts and invoices. We knew there was a better way of getting the work done and a way to empower finance and accounting teams to focus on adding value to their companies. Our roots are Bulgarian, however with our HQ based in London, our client base very quickly expanded to the UK, Germany and Spain in the early years and now spans 32 countries, including the US.

How did you go about identifying and qualifying the expansion opportunity?

In the early days of the company, we spoke to hundreds of experts, potential end-users and CFOs to confirm our assumptions and approach to improving their way of working. We quickly noticed that what applied to one market easily fit another. For example, the pain of using multiple disconnected tools, a need to automate mundane finance tasks, the need for an overview and instruments to control spend. So, we focused on building solutions to meet those needs, and were smart about addressing local requirements for each country. This allowed us to quickly enter dozens of markets across the EEA and the UK.

Our development approach has always been product-driven and customer-obsessed. So, when it came to our US expansion, we looked at our existing customer base first and noticed that a lot of our European clients were present in the US. They were actively looking for a solution to manage their spend globally and there was nothing covering both markets in a consistent manner. We listened to our clients' needs and built that solution.

How did you realise your internationalisation ambitions? How did you translate the theoretical desire to expand into practical steps in-country?

The first and most important step was getting our product live in the US and meeting the needs of our existing global customers. We worked closely with the first clients on our US programme to that end, and iterated our product until it did just that. Once we were happy with the programme, we began building out a local team in New York to expand and support our US presence.

From a technical perspective, the path to expanding in the US was no different from the steps we had to take in Europe and the UK: team up with a partner financial institution, ensure full alignment on compliance and monitoring processes, and follow up by creating the necessary internal processes. Throughout this process, we'd implement code changes and perform thorough end-to-end testing. Of course, being integrated with Marqeta for our corporate card programmes in the EU and the UK, made the technical aspect of expanding in the US a lot simpler to realise.

How did you strike the right balance between similar and specific, between a global template and local customisation?

Ensuring your product fits the needs of 32 markets is not an easy task. Luckily, everything our teams build is based on research and client and expert input. We consider local accounting rules and best practices to ensure our product is as useful as possible. Our approach is allowing customers complex customisations paired with an implementation team that has enabled companies to build the setup their business requires on a global level.

Building a global solution with the ability to offer local customisations has been possible thanks to Marqeta's platform. We built our product and introduced it easily across Europe, the UK and US, which allowed us to grow and expand our customer base at an incredible pace. Our partnership has helped us in becoming the go-to spend management solution for multinational companies.

Looking back from the end, what 2-3 things have you learned that it would have been helpful to know at the start of your internationalisation journey? What, if anything, would you have done differently?

International expansion was integral to our strategy from the very beginning, so we built our architecture to be highly scalable. One thing to note is that the US has a very different regulatory set-up to the markets we were already familiar with. This meant building a whole new onboarding process in line with US regulations. We also integrated with a local case management solution that provided useful KYB/KYC automation for a more scalable approach.

Expanding globally is no easy task, but it is possible, especially with the right partners at your side. Partnering with Marqeta as a processor across the EU/UK and the US, combined with our product architecture, helped us remove technical uncertainties and stick to a very ambitious schedule.

About Payhawk

Payhawk is the leading spend management solution for domestic and international businesses throughout Europe, the UK and the US. Combining company cards, reimbursable expenses, accounts payable, and seamless accounting software integrations into a single product, Payhawk makes business payments easy — for everyone. Payhawk helps customers in over 32 countries to maximise efficiency, control spending at scale, and stay agile. With offices in New York, London, Berlin, Barcelona, Paris, Amsterdam, Vilnius and Sofia, Payhawk's diverse customer base includes top names like Wallbox, LuxAir, Babbel, Vinted, and Wagestream.

Case Study

spendesk

Pierre de Gironde
Head of Banking Operations

2.6 | Dealing with the long pole in the internationalisation tent: regulation

Spendesk's 7-in-1 platform frees businesses and people from the complicated and bureaucratic process of spending and managing money at work. The platform includes corporate cards, invoice payments, expense reimbursements, budgets, approval, reporting and pre-accounting in a single, scalable solution.

After starting in France, Spendesk quickly expanded to other European markets, as Pierre de Gironde, Banking Partnership Manager at Spendesk explained.

What were the drivers for your international expansion?

Spendesk was founded in France in 2016 and while the commercial focus around fundraising and networking was initially local, the customer focus was international from day one. We diversified into the UK and Germany, opening offices there a few years after our launch. As part of our strategic plan, we recently announced that we're targeting Spain and Italy.

We're on a mission to liberate businesses and people to do their best work. Our all-in-one spending solution is designed for finance teams to make faster, smarter spending decisions. We've found that these needs are germane to small and medium-sized businesses, regardless of geography.

Indeed, our international expansion has been driven partly by customer demand. Either customers in new geographies knock on our door, asking for the Spendesk solution. Or existing customers with subsidiary companies based outside our core live markets want to deploy the platform. Oftentimes there's a language in common, for example in France and Belgium, or Germany and Austria. Of course, there's also our own strategic growth objective to target the larger markets, as mentioned above.

How did you go about identifying and qualifying the expansion opportunity?

Spendesk is headquartered in Paris, so expansion across Europe was a natural first move for us, particularly given the regulatory homogeneity. We also see the US as a huge market as well as a trend-setter with regard to spend management.

As to licensing, the time-to-market for payment services is much longer than for software, so reviewing and anticipating local requirements and regulations is crucial.

We started working with banking-as-a-service (BaaS) providers, and as we started to scale, we became authorised as a payment institution in Europe.

How did you realise your internationalisation ambitions? How did you translate the theoretical desire to expand into practical steps in-country?

Initially, we wanted to get to market quickly and iterate with a test-and-learn approach. So, we deployed a minimum viable product (MVP), coupled with boots on the ground and a commercial push. We then iterated on the MVP to gain traction. However, the more we've scaled and increased our understanding of local markets, the more we tend to internalise parts of the value chain, whilst relying on third parties for specific services.

How did you strike the right balance between similar and specific, between a global template and local customisation?

In Europe, our platform and proposition are very similar market to market. However, as we enhance our knowledge of certain markets, we see patterns that drive change. For example, in Germany, our tool required a native integration, which we subsequently developed.

When it comes to partnerships, we've aimed for global partners on the card side, as there seems to be high replicability from one market to another. However, on the wire transfer side, there's more local specificity, which can only be abstracted at the cost of lower functionality. Delivering a high-quality service to our clients here has generally translated into partnering directly with local specialists, as opposed to global players.

Looking back from the end, what 2-3 things have you learned that it would have been helpful to know at the start of your internationalisation journey? What, if anything, would you have done differently?

The long pole in the tent, as it were, is usually the regulatory side of things, including licence applications. This workstream should be planned and pre-empted as much as possible. We have an in-house compliance department, who are familiar with, and can opine on, various matters as to the specifics of our platform and proposition. However, when it comes to regulatory processes in different jurisdictions, our team may occasionally use external support, such as consultants to help with advice on payment service regulation.

Lastly, I'd also say that building banking features takes time. Understanding local market specifics and use cases is key to defining a relevant MVP before starting the build.

> The time-to-market for payment services is much longer than for software, so reviewing and anticipating local requirements and regulations is crucial.

About Spendesk

Founded in 2016, Spendesk is trusted by thousands of businesses from start-ups to established brands, such as Curve, Gousto, and Soundcloud. Our all-in-one spend management platform liberates businesses and people to do their best work. The Spendesk platform is designed for finance teams to make faster, smarter spending decisions, and is available as a single, scalable solution.

Case Study

yokoy

Thomas Inhelder

Co-Founder and
Chief Financial Officer

2.7 | Automating spend management through AI in Europe and beyond

By combining automation, API integrations and machine learning, Yokoy offers expense and supplier invoice management and smart corporate cards in a single, intuitive tool. After expanding from Switzerland to Austria and Germany, Yokoy set up a European hub in Amsterdam in 2022 to power growth in Europe and beyond.

We asked Thomas Inhelder, Co-Founder and Chief Financial Officer, about strengthening Yokoy's international presence.

What were the drivers for your international expansion?

Having our headquarters in Zurich, a city that is well connected to all major cities across Europe and abroad, is a great advantage. However, international expansion was a strategic objective for us when we founded Yokoy, due to Switzerland's small market size.

We were keen to establish an international mindset early on. While this may have been challenging in the beginning, it certainly become an advantage later, thanks to all the expansion experience we gained along the way.

How did you go about identifying and qualifying the expansion opportunity?

Besides looking at the market fit, readiness and other standard factors, there are always market specifics that come into play. When expanding to Austria in 2020, for example, we identified the market as one of the most complex in Europe. This was due to the large number of collective agreements and the complex daily allowance settlements they imply. Our ability to automate this was a great opportunity to showcase the strengths of our solution.

In the Netherlands, our target customers showed a high willingness to adopt innovative SaaS solutions. The Netherlands are also part of the EU and Amsterdam is recognised as a key European tech hub, so expanding into this market helped us unlock synergies, enter into new partnerships and find promising talent.

How did you realise your internationalisation ambitions? How did you translate the theoretical desire to expand into practical steps in-country?

Usually, when we plan an expansion, we have a shortlist of potential new markets and analyse them thoroughly.

Once the pre-work is done, we enter the hiring process for a country manager or first salesperson and support them to build their teams on the ground, including functions such as sales, customer success and marketing.

We continue to manage our product and tech functions from our headquarters in Switzerland.

How did you strike the right balance between similar and specific, between a global template and local customisation?

Localisation, meaning adapting our product to local requirements and regulations, has always been extremely important to us. Therefore, we built our platform in such a way that we can react flexibly to local requirements, while conforming what you could call the overarching template of Yokoy.

> While we've always been aware of the cultural differences of the countries we've expanded to, the real differences you face only become obvious when you're actually in the market.

Looking back from the end, what 2-3 things have you learned that it would have been helpful to know at the start of your internationalisation journey? What, if anything, would you have done differently?

Firstly, it's definitely worth getting under the skin of the market, as it were. Yokoy is operating in a highly complex business area. While we've always been aware of the cultural differences of the countries we've expanded to, the real differences you face only become obvious when you're actually in the market, engaging with prospects, finding out their needs and learning about inter-cultural differences.

Secondly, I'd advise being present in the market you expand to. Even though our world has become increasingly virtual, it's necessary to be present locally to build up relationships with potential customers, partners and media, which are crucial for future success.

About Yokoy

Yokoy provides the leading AI-driven spend management solution for finance leaders in midsize and enterprise companies. By bringing together expense management, invoice processing, and the administration of intelligent corporate cards on a single, intuitive platform, Yokoy aims to transform the way companies manage their business spending, from the ground up.

Currently, Yokoy counts more than 200 employees based in six locations globally and serves more than 500 customers. More info: yokoy.io

3. The emerging themes of internationalisation

3.1 | Catalysts of international success

What are the factors that can catalyse international success? In no particular order, here are ten ideas to help shape your thinking.

Customers

Obtain a true understanding of customer needs, cultural norms and expectations the lodestar for your business. Simple to say, but harder to do.

Values

Operate your business according to the same core values, irrespective of market, marketing messages or product mix.

Balance

Adapt your products and services to new countries, customers and cultures, while making them as similar as simple as possible to avoid the pitfalls of over-fitting. Test, learn and iterate regularly.

Flexibility

Reconcile your commercial objectives with the changing environment to thrive during uncertainty.

Engagement

Engage with local financial regulators, national bodies and card schemes early on to understand in-country requirements.

Talent

Hire the right local experts in-house or outsourced in the right numbers, at the right time.

Partner(s)

Work with trusted partners, known and respected locally, to establish credibility and traction quickly.

Compliance-first

Understand how you can be compliant from the get-go, as baking in compliance from the start is better, cheaper and less painful than retrofitting it.

Patience

Ensure that any KPIs are aligned with what is important and achievable for your business, as the payback on expansion is unlikely to be instant, or necessarily quick.

Communication

Keep communicating effectively with all stakeholders. It's easy to underestimate the importance of this cross-cutting factor.

4. About our contributors

Zoe Newman
US Managing Director

Zoe Newman is B2B credit provider Capital on Tap's US Managing Director. Zoe has overseen the business' phenomenal growth in the States, having built from scratch a 60-strong team and a customer base of 10,000 business card holders in the space of just two years.

Kunal Galav
Global Head Partnership Development & Advisory

Kunal's experience in customer strategy for digital transformations comes from experience built in prestigious banking institutions like Credit Suisse and HSBC, as well as consultancies like McKinsey. At Mambu, Kunal heads the partnership development team, which is responsible for building strategic partnerships with large tech companies and GSIs.

Hristo Borisov
Co-Founder and CEO

Hristo spent more than 11 years in Telerik (acquired by U.S. Progress Software), where he led the product development team of 180+ engineers that created some of the company's award-winning products. In 2018, he founded Payhawk, which became one of Europe's fastest-growing fintech companies and the first Bulgarian company to be valued at $1 billion.

Pierre de Gironde
Head of Banking Operations

Pierre de Gironde is Head of Banking Operations at spend management platform Spendesk. A former partnership manager and consultant, Pierre is an authority when it comes to helping financial institutions find and implement the right modern tech for their innovation roadmaps.

Thomas Inhelder
Co-Founder and
Chief Financial Officer

Thomas Inhelder is Co-Founder and Chief Financial Officer at Yokoy. Prior to this, he has held positions as a CPA-certified finance auditor at KPMG and Credit Suisse as well as various management positions. Most recently, he headed the finance department of Swiss scale-up Beekeeper, where he worked alongside Yokoy CEO and Co-Founder, Philippe Sahli.

About Marqeta

Marqeta's modern card issuing platform empowers its customers to create customized and innovative payment cards. Marqeta's platform, powered by open APIs, gives its customers the ability to build more configurable and flexible payment experiences, accelerating product development and democratizing access to card issuing technology.

Its modern architecture provides instant access to highly scalable, cloud-based payment infrastructure that enables customers to launch and manage their own card programs, issue cards, and authorize and settle transactions.

Marqeta built its simple, trusted, and scalable platform from the ground up to help companies design seamless payment experiences, streamline purchase flows, and bring products to market faster while minimizing fraud risk.

- **Card issuing:** Instant issuance of physical, virtual, and tokenized cards with direct provisioning to digital wallets
- **Card processing:** Real-time funding using our Just-in-Time (JIT) Funding feature with dynamic spend controls to reduce fraud
- **Card applications:** A suite of applications and tools that help you build, manage, and run your card program
- **Modern architecture:** Developer-friendly, modern open APIs, cloud infrastructure, and webhooks

Marqeta is headquartered in Oakland, California and is enabled in 40 countries globally. For more information, visit www.marqeta.com, Twitter, and LinkedIn.

You see a card. We see endless possibilities.

Sources:

1. https://www.mckinsey.com/industries/financial-services/our-insights/the-2022-mckinsey-global-payments-report
2. https://www.visa.co.uk/about-visa/newsroom/press-releases.3044294.html
3. https://www.mckinsey.com/industries/financial-services/our-insights/the-2022-mckinsey-global-payments-report
4. https://www.mckinsey.com/industries/financial-services/our-insights/the-2022-mckinsey-global-payments-report
5. https://www.ibm.com/industries/retail
6. https://www.rbrlondon.com/wp-content/uploads/2022/07/GC26_press_release_130722.pdf
7. https://www.rbrlondon.com/wp-content/uploads/2022/07/GC26_press_release_130722.pdf
8. https://www.ukfinance.org.uk/system/files/2022-08/UKF%20Payment%20Markets%20Summary%202022.pdf
9. https://www.which.co.uk/money/banking/switching-your-bank/bank-branch-closures-is-your-local-bank-closing-a28n44c8z0h5
10. https://www.ebf.eu/facts-and-figures/structure-of-the-banking-sector/
11. https://www.gsma.com/mobileeconomy/wp-content/uploads/2022/02/280222-The-Mobile-Economy-2022.pdf
12. https://www.gsma.com/mobileeconomy/wp-content/uploads/2022/02/280222-The-Mobile-Economy-2022.pdf
13. https://www.worldbank.org/en/publication/globalfindex
14. https://www.gsma.com/mobileeconomy/wp-content/uploads/2022/02/280222-The-Mobile-Economy-2022.pdf
15. https://a16z.com/2011/08/20/why-software-is-eating-the-world/
16. https://www.forbes.com/sites/ronshevlin/2022/02/22/embedded-finance-is-fueling-a-25-billion-banking-as-a-service-baas-opportunity/
17. https://www.statista.com/statistics/1311122/global-bnpl-market-value-forecast/
18. https://www.futuremarketinsights.com/reports/banking-as-a-service-baas-platform-market
19. https://www.statista.com/statistics/1311122/global-bnpl-market-value-forecast/
20. https://www.statista.com/statistics/1311122/global-bnpl-market-value-forecast/
21. https://www.mckinsey.com/industries/financial-services/our-insights/buy-now-pay-later-five-business-models-to-compete
22. https://aite-novarica.com/report/making-ends-meet-demand-pay-and-employer-based-loans
23. https://www.federalreserve.gov/publications/2022-economic-well-being-of-us-households-in-2021-dealing-with-unexpected-expenses.htm
24. https://publications.parliament.uk/pa/ld201617/ldselect/ldfinexcl/132/132.pdf
25. https://www.bain.com/insights/embedded-finance/
26. https://www.mckinsey.com/industries/financial-services/our-insights/the-2022-mckinsey-global-payments-report#0
27. https://www.bain.com/insights/embedded-finance/
28. https://www.bain.com/insights/embedded-finance/
29. https://www.pwc.com/gx/en/working-capital-management-services/assets/working-capital-report-final.pdf
30. https://www.worldbank.org/en/news/press-release/2022/05/11/remittances-to-reach-630-billion-in-2022-with-record-flows-into-ukraine
31. https://www.futuremarketinsights.com/reports/banking-as-a-service-baas-platform-market
32. https://www.statista.com/statistics/1228241/neobanks-global-market-size
33. https://www.celent.com/insights/428901357
34. https://go.fenergo.com/banking-regulatory-fines-2021.html?utm_source=web&utm_medium=website&utm_term=webinar
35. https://straitsresearch.com/report/digital-identity-solutions-market