

The Russian Market and WebMoney

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Agenda

1. The Russian Market
2. Payment Landscape
3. Digital River's Capabilities in Russia
4. WebMoney eWallet Solution
5. Challenges and Opportunities

The Russian Market

Country Data

- > Population 140 million (July 2009 est.)
- > GDP per capita 14,800 USD
- > Internet users 30 million (21%)
- > Broadband subscribers 2.9 million (9.9%)

The Russian Market

Economic snapshot

- > Russia ended 2008 with 10th straight year of growth (averaging 7% annually since financial crisis of 1998)
- > Middle class continuing to expand
- > Tax, banking and labor reforms raising business and investor confidence but corruption and mistrust in institutions still rife
- > Prospect of WTO entry driving introduction of rule of law
- > Banking sector increasing consumer lending

The Russian Market

Internet and eCommerce

- > Online population expected to reach 43% by 2012
- > 10% accesses the web daily (vs. 3% in 2003)
- > 4th in world in internet penetration after Germany, Brazil and UK
- > Second largest internet market in Europe, more than 40m users, second only to Germany
- > Majority of internet users in Moscow and St. Petersburg
- > 53% of Russian internet users have purchased online
- > 43% of those do so several times p.a. while 23% make a purchase every month

The Russian Market

Retail Software Market

- > Software market 2007 \$ 3.7 bn
- > Software market 2008 \$ 5 bn (est.)
- > Software market 2009 \$ 7 bn (est.)

- > PCs per 100 people 12.2
- > Software piracy 73%

The Russian Market

Consumer attitudes and behavior

- > 43% consider buying online to be risky
- > Top reasons for abandoning an online purchase
 1. Order procedure too complicated
 2. No opportunity to see the product
 3. Fear that payment through the internet is unsafe
- > Better pricing seen as a main advantage of the online channel
- > Lower prices will have greatest impact on online buying frequency

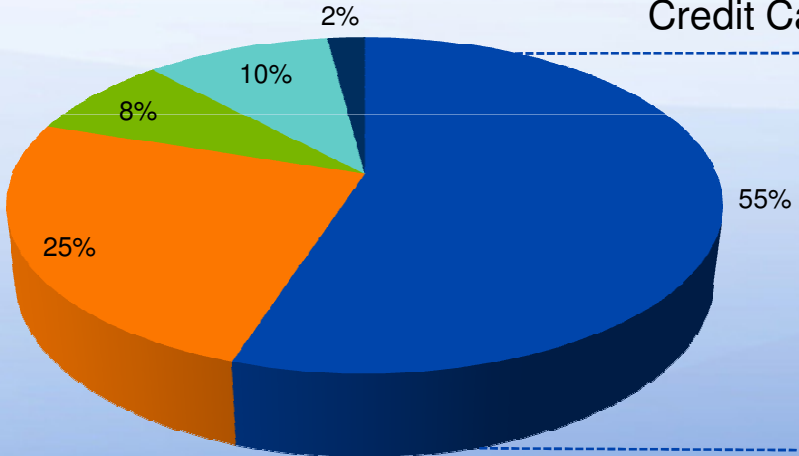
Payment Landscape

Credit card market

- > Dynamic growth but insignificant in absolute terms
- > 25% of B2C e-commerce payments market
- > Majority of cards are debit cards with a credit facility
- > Difficult for customers to obtain cards due to lack of credit history data
- > Credit worthiness and risk difficult to measure due to banks' reluctance to share data
- > Payment card acceptance limited
- > Default rates high

Payment Landscape

Breakdown B2C eCommerce Payments



25% Market Coverage With Credit Card Processing

80% Market Coverage By Adding e-Wallets

- e-wallets
- Credit cards
- Local wire transfer
- CoD
- Paypal

Digital River's Capabilities in Russia



Russian language order process

Pricing in Russian Rubles (RUB)

Payments through WebMoney

Russian invoices, e-mails, online help



*WebMoney now
live on share-it!*

WebMoney

WebMoney eWallet Payment Solution

- > Launched in 1998, originally targeted at mainly Russian clients, now popular worldwide
- > More than 7 million registered accounts and continuing to grow
- > Estimated 25-30% share of Russian online payments market
- > Accounts held in USD, EUR, RUB, UAH, and other WebMoney currencies
- > Funds deposit and withdrawal possible via money order, wire transfer, cash, conversion from other electronic currencies
- > Redirect payment method (customer is redirected from commerce site to WebMoney)
- > Main competitor: Yandex

WebMoney – Features and Benefits

Why Offer WebMoney?

Offer the preferred method of payment in Russia

- > e-wallets are twice as popular as credit cards
- > credit card penetration is very low
- > card acceptance among merchants is limited
- > default rates on credit cards are high

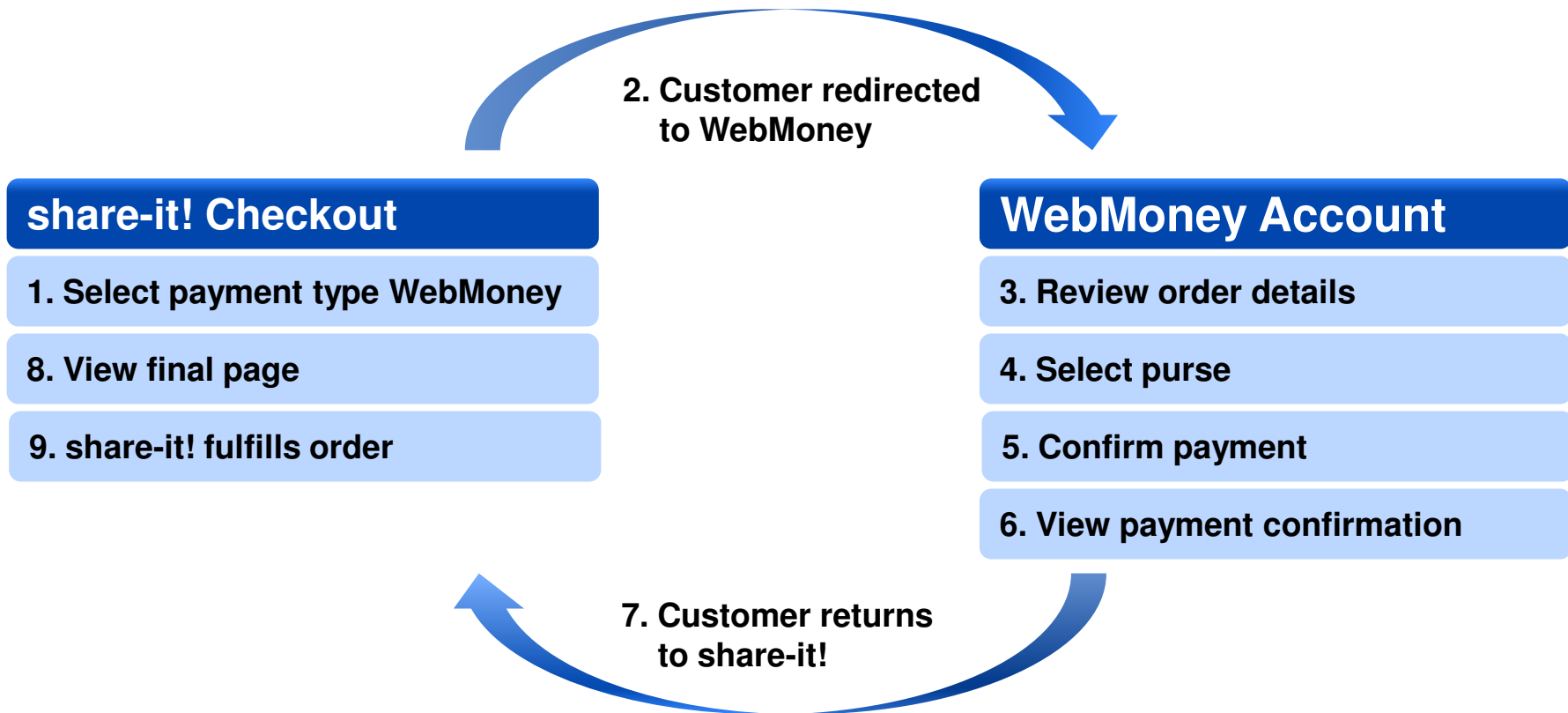
Security and convenience for vendors and customers

- > transactions are final, thus secure for vendors
- > transactions require the customer to have neither credit card nor bank account

Reach millions of new customers in Russia and other countries

WebMoney – The Customer Experience

Order Process and Payment Flow



WebMoney – The Customer Experience

Select Payment Type (share-it! checkout)



Secure order process

[Click here for security info]

Review Your Data

Please check the data you entered carefully. If you would like to make changes, click the appropriate "Edit" button. To complete your order, click "Order" below.

Billing Address	Delivery Address
Digital River Ms. Lisa Reimann vogelsangerstr. 78 50823 Cologne Germany lreimann@digitalriver.com	Digital River Ms. Lisa Reimann vogelsangerstr. 78 50823 Cologne Germany lreimann@digitalriver.com
Edit Data	Edit Data

The product will be licensed to Lisa Reimann

Payment Options
Currency: Euro Payment Type: WebMoney
Edit Data

Customer has selected
Currency: Euro
Payment type: WebMoney



WebMoney – The Customer Experience

Customer Redirect

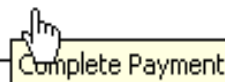


Secure order process
[Click here for security info]

Automatic Redirection to WebMoney's Web Site

You can now pay for your order using WebMoney. Click the button below, and you will be automatically redirected to WebMoney's Web site. You can then log in as usual to pay for your order. After the transaction has been successfully completed, you will generally be returned to share-it!'s order completion page.

Complete payment



Digital River GmbH (share-it!) is the seller of the products in your shopping cart and your contractual partner.
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WebMoney – The Customer Experience

Review Order Details (customer redirected to his WebMoney a/c)



Direct Payment on Merchant Purse

invoice #	347961284
amount	0.12
to purse	Z297304702670
merchant	Peter's Test Seller
WMId:	865839456557 verify WM-passport BL:business level
name of product/service	DR+*WWW.ELEMENT5.INFO+order+265184201

Digital River's purse is automatically displayed

Automatic creation of customer purse in other currency, if necessary

I hereby agree that if I don't have a Purse of the required currency, it will be created automatically and I accept rules and conditions of the appropriate [Service Terms of Use](#).

Pay

Reject the Payment

WebMoney – The Customer Experience

Select Purse and Confirm Payment (customer's WebMoney a/c)



WebMoney Transfer

Direct Payment to Merchant

invoice #	347961284
amount	0.12 exchange to WMZ other WM-currency
to purse	Z297304702670
merchant	Peter's Test Seller
WMId:	865839456557 verify WM-passport BL:business level
name of product/service	DR+*WWW.ELEMENT5.INFO+order+265184
select the purse from which you are going to pay:	<input type="text" value="Z388083327808 (3.63 - personal/USD)"/>
<input type="button" value="Confirm the Payment"/> <input type="button" value="Reject the Payment"/>	

Customer selects his purse from dropdown menu

WebMoney – The Customer Experience

View Payment Confirmation (customer's WebMoney account)



WebMoney Transfer

Payment confirmation from WebMoney

Direct Payment to Merchant has been made

invoice #	347961284
name of product/service	DR+*WWW.ELEMENT5.INFO+order+265184201
amount	0.12
to purse	Z297304702670
merchant	Peter's Test Seller
WMId:	865839456557 verify WM-passport
payer purse:	Z388083327808
№ invoice WM:	81225063
№ trans WM:	221298125
date of payment:	20090429 19:38:55

Order overview:
Invoice number, Digital River order number, amount, purse details, date of order, etc.

Go to merchant's website

WebMoney – The Customer Experience

View Final Page (customer redirected to share-it!)



Secure order process

[Click here for security info]

▶ Vielen Dank!

Vielen Dank für Ihre Bestellung. Wir freuen uns sehr, Sie als Kunden begrüßen zu dürfen.

Weiter unten finden Sie Informationen zu Ihrer Bestellung. Wir haben Ihre Bestellung erhalten; diese ist bei uns unter der Bestellnummer **265184211** gespeichert. Ihnen wird eine separate Bestätigung per E-Mail zugeschickt.

Sie haben folgende Produkte gekauft:

Professional Extra Strong Mikrogranulat 1 (#300193277) 1 Einheit(en)

- Lieferung des Lizenzschlüssels per E-Mail

Der Hersteller liefert den Lizenzschlüssel innerhalb der nächsten 48 Stunden per E-Mail. Rafaels Testcompany wurde von uns benachrichtigt und ist verantwortlich für die Auslieferung.

Wenn Sie Fragen zur Auslieferung Ihrer Bestellung haben, wenden Sie sich bitte direkt an Rafaels Testcompany unter schmitz@element5.de.

Zahlungsinformationen:

Die Webmoney Zahlung in Höhe von USD 0,12 wurde bestätigt.

[Zum Kundenservice](#)

[Zurück](#)

Payment confirmation
from Digital River



Challenges and Opportunities

- > Consumer adoption of foreign products
- > Shopping on non-local sites
- > Brand recognition in local market
- > Product accessibility and attractiveness
- > Product usability and support

Product

Localization
Support

Website

Usability
Accessibility

Order Process

Localization
Communication
Payment Options

Marketing

SEO
Submission
Campaigns

Contact

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