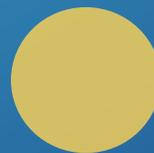




The commerce data opportunity

Codat's guide to connecting with eCommerce & Payments software



Introduction

A big year for commerce

2020 was a significant year for commerce. Covid-19 accelerated the shift online as small businesses adapted to global restrictions on in-person interactions.

Online growth

In retail, [eCommerce adoption has climbed by over 40% in the US](#) and over [55% in the UK](#). Digital channels are being prioritised in response: [96% of B2B organisations](#) have changed their go-to-market strategy during Covid-19 - with 80% likely to sustain the changes for at least 12 months after the pandemic ends.

In addition, demand for eCommerce and online payment providers is surging. Payment provider revenue, for example, is [growing at an average rate of 21% year-on-year](#).

'In-person' is still key

Despite the growth in online channels, [in-person sales are still responsible for 80% of retail in the US](#) and [70% in the UK](#).

Modern electronic point of sale (ePOS) providers make the online vs. in-person distinction less relevant by enabling hybrid offerings that give consumers a seamless experience wherever they shop.

This sort of innovation has been successful: [62% of consumers are more likely to shop online if they can return an item in-store](#). Hence, this report focuses on modern ePOS providers over offline-only point of sale systems.

New opportunities

The modern business sells via multiple channels using a range of tools: including eCommerce platforms, point of sale terminals, and online payment services. The data created by these services provide new opportunities to gain insight into performance and create powerful process automations.

But understanding these opportunities can be difficult. 'Commerce' is a broad term and the landscape can be difficult to navigate. In this report, we seek to unpack the trends, terminology, and key players in commerce.

How we gathered the data

As data on commerce market share is not publicly available and difficult to gather, this report has been written entirely on a best-effort basis. We have used a combination of publicly announced numbers from annual reports, governmental statistics, press reports, public surveys, figures of businesses synchronising data through the Codat platform and other public and non-public data sources.

The methodology of how these figures were reported may not be publicly available; therefore it may not be possible to accurately combine or contrast them. Based on the information available to us, we have provided our best estimate of the market share in the respective region. If you know of additional sources of data or believe that our estimates are incorrect, please do let us know - we intend to continue refining these figures and will update them as new information becomes available.

Please note: All data has been provided on a best-effort basis, however Codat cannot guarantee the accuracy or completeness of this information.

Codat accepts no liability which might arise from the content of this paper.

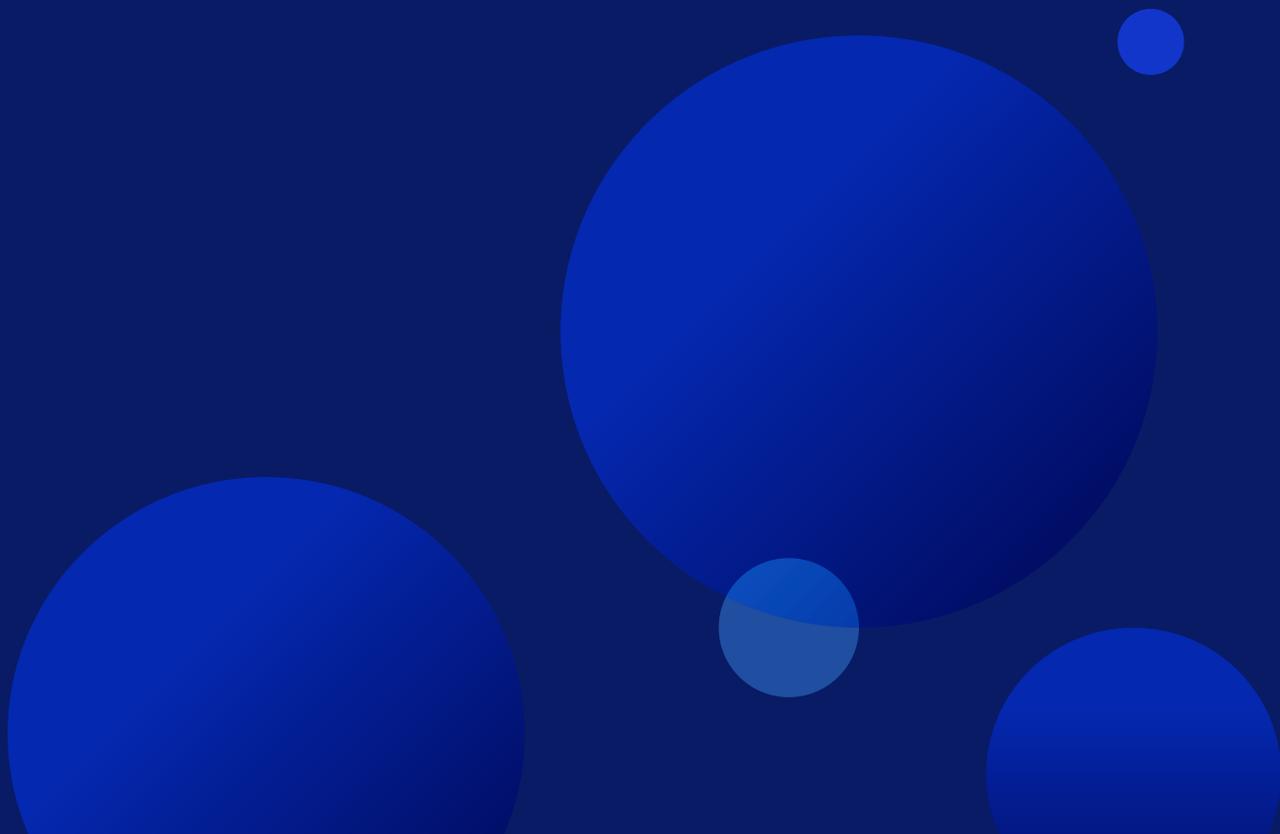
Understanding commerce data

In this report, we focus on eCommerce, point of sale, and online payments providers.

eCommerce providers enable businesses to manage all aspects of their online stores: from inventory management to checkout and fulfilment.

Point of sale and online payments providers facilitate the exchange of money for goods and services in-person (point of sale) and online (online payments).

But the distinction is not clearcut. As the following page shows, major players are starting to adopt hybrid offerings, blurring the lines between eCommerce, point of sale, and online payments.



What do commerce service providers do?

	Magento	Shopify (inc. Shopify Plus)	WooCommerce	Amazon Marketplace	Adyen	Checkout.com	PayPal (POS via Zettle brand)	Stripe	Clover	Square	Zettle (inc. Food & Drink)	SumUp	Lightspeed
eCommerce													
Single-tenant commerce platform	✓												
Multi-tenant commerce platform	✓	✓											
Self-service site builder		✓	✓						✓	✓		✓	✓
Online marketplace				✓									
Inventory & order management		✓	✓	✓					✓		✓	✓	✓
Fulfilment services	✓	✓	✓				✓			✓			✓
Online payments													
Accept card payments (online)			✓	✓	✓	✓	✓	✓	✓	✓			
Accept bank transfers		✓	✓		✓	✓	✓	✓					
Accept alternative payments			✓		✓	✓	✓	✓		✓			
Make card payments		✓		✓			✓	✓				✓	✓
Send invoices							✓	✓		✓			✓
Subscriptions & recurring payments			✓	✓	✓	✓	✓	✓		✓			✓
Fraud monitoring					✓	✓	✓	✓		✓			
POS payments													
Card payments		✓			✓		✓	✓	✓	✓	✓	✓	✓
Staff management		✓					✓		✓	✓	✓		
Accept alternative payments		✓			✓		✓	✓	✓	✓	✓	✓	✓
Payment links					✓		✓		✓	✓	✓	✓	
Send invoices							✓		✓	✓	✓	✓	
Misc													
Reports & Analytics	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Funding		✓		✓			✓	✓	✓	✓			

What makes commerce data valuable?

Commerce data has broad applicability thanks to the following characteristics:

Commerce data is

Up-to-date

Reflects sales as they happen

Useful

Contains a wide range of information not available from other sources

Commerce data includes the following data types

Orders

An order is a customer's completed request to purchase one or more products from a business. An order includes customer information (e.g. name, email address, billing address), product information, and payment information.

Payments & refunds

Payment information includes amounts, payment status (from authorisation to capture), type (e.g. card, cash, mobile payment), and the parties involved.

Disputes

Detailed information relating to card disputes, including inquiries & chargebacks.

Transactions

A record of all money flowing through an SMB's commerce platform, including customer payments, fees & payouts, and transfers.

Customers

Information relating to a business's customers, including personal information (e.g. name, email address, phone number, shipping & billing addresses), order information, and more.

Products

Information relating to a business's product line, including product variants, pricing, and inventory information



Who can benefit from commerce data?

Commerce data can be used in isolation or alongside other data, such as accounting and banking data, for a variety of applications.

Lenders

KYC

Onboarding

Risk analysis

- » Onboard customers faster and with greater confidence by cross-referencing data from different sources to verify their identity and develop a deeper understanding of their needs.

Corporate card providers

KYC

Onboarding

Instant payouts

- » Use commerce data to verify the legitimacy of new applicants and streamline the onboarding process.
- » Advance your customers the funds due from their commerce platform and create a new premium offering.

Payments & commerce platforms

KYC

Onboarding

Risk

Sales auto-reconciliation

- » Offer larger limits without increasing risk with access to data such as chargeback rates and product information.
- » Attract and retain customers by automatically reconciling information from your commerce system into 20+ accounting platforms.

Accounting software

Sales auto-reconciliation

- » Make your platform the centre of the SMB ecosystem, drive acquisition and retention, and help your customers make better decisions with native feeds from 10+ commerce platforms.

Cash flow forecasting & dashboard apps

Business insights

- » Create new value for customers by displaying KPIs such as profitability by product and sales.
- » Provide customers with accurate cash flow projections by including data on future payouts.

Neo banks

KYC

Onboarding

Risk analysis

Business insights

Instant payouts

- » Register new customers for credit offerings and verify their identity seamlessly by accessing data directly from their commerce platform.
- » Provide customers with a detailed view of their cash flow by including data on future payouts.
- » Offer an advance against their future income to provide customers with a new premium service.

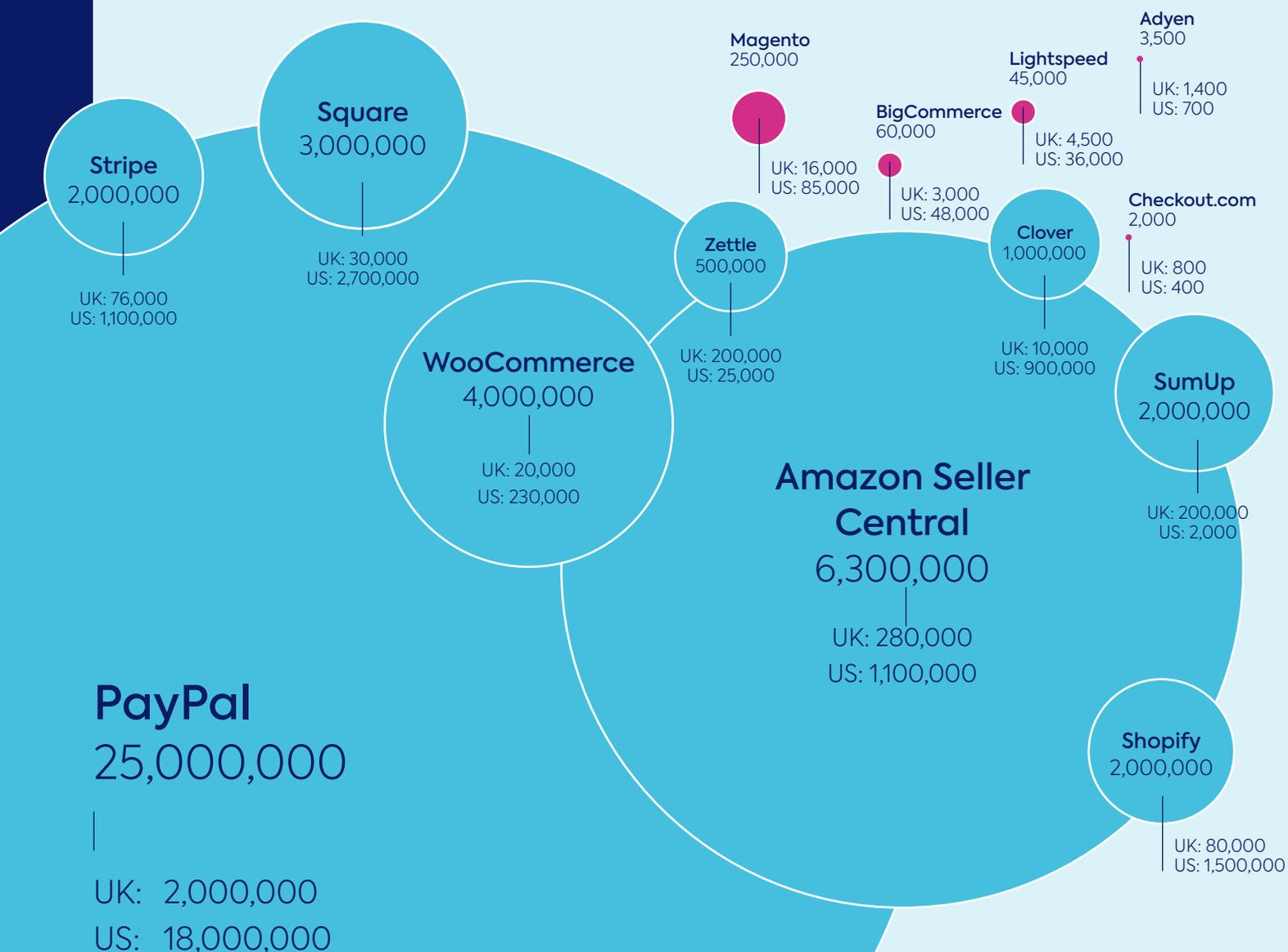
The commerce landscape

Recognising the potential of commerce data is just one part of the story. Financial service providers must then integrate with the right providers to ensure they are able to serve the greatest number of SMBs possible.

With Codat, businesses can access standardized commerce data from over 45,800,000 SMBs worldwide and counting!

The chart below indicates the estimated number of SMBs using leading commerce platforms globally (as well as in the UK and US where data is available).

Codat support: ● Supported ● Planned



Conclusion

Commerce data is a highly valuable source of unique and immutable information. It can be used on its own or in conjunction with accounting data to provide actionable insight into a business's order history, income, inventory, and more.

The modern business sells via multiple channels using a range of tools: including eCommerce platforms, point of sale terminals, and online payment services. To make the most of commerce data, it is necessary to integrate with a broad range of commerce platforms.

The growth of digitally-enabled commerce is creating huge opportunities for forward-thinking financial service providers. They should act now to incorporate commerce data into their offerings.

At Codat, we are committed to building the platform for business data by achieving total connectivity between the products and services businesses use. We are continually expanding our integrations with a wider variety of accounting, banking, and commerce data sources utilised by businesses of all sectors and sizes. We will continue to provide reports outlining our findings as we do so.

Thank you

If you have any questions
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