

XENDIT ECOMMERCE PAYMENTS MOMENTUM REPORT 2026

SOUTHEAST ASIA



cube



xendit

A NEW
CHAPTER
FOR
**SOUTHEAST
ASIA**

WHY WE WROTE THIS REPORT

Southeast Asia: Beyond growth, toward infrastructure

Southeast Asia is entering its second phase of ecommerce growth. The market is becoming not only larger, but more complex as commerce expands across channels, borders and AI-enabled journeys. As this happens, payments are moving beyond supporting infrastructure to become an increasingly important part of how businesses convert demand, enter new markets and enable new ways of buying.

For merchants operating in, or looking to enter, Southeast Asia, this new phase of growth puts payments closer to the center of commerce strategy.

A more complex and fragmented payment landscape

As more spending moves online, cash is becoming less central, but there is no single regional payment mix. Shopper preferences remain highly local, even as QR and account-to-account infrastructure becomes increasingly connected across borders.

Commerce is expanding beyond familiar boundaries

Businesses are selling across more markets and channels, while social commerce and owned channels are creating more places for transactions to happen.

AI is beginning to change how purchases are made

AI is moving from supporting discovery and decision-making toward acting on shoppers' behalf, introducing new questions around payments, authorization and trust.

Together, these shifts are making payments a more important part of how businesses compete for and capture growth across Southeast Asia.

HOW WE DEVELOPED THE REPORT

A survey of
6,000
online shoppers
across
6
Southeast Asian
markets

The analysis draws on Cube’s ecommerce market intelligence, Tradewinds data, broader market insights, a survey of 6,000 online shoppers across six Southeast Asian markets and a Xendit-conducted survey of 25 business leaders, alongside payments data, expertise and direct experience shared by merchants.

These inputs are complemented by selected industry and public sources to place the findings in a wider market context.

Together, these sources allow us to look at the transaction from both sides:

Insights from
25
global
business
leaders

How shopper and
market behavior
is changing, and
how merchants
can respond.

See Methodology for further details.

BUILDING THE MOMENTUM

This report is the first in a recurring series from Cube and Xendit on ecommerce and ecommerce payments in Southeast Asia. As the market evolves, future editions will revisit these shifts, track what has changed and explore the emerging questions shaping commerce across the region, giving businesses actionable insights to leverage the momentum for growth.

OUR METHODOLOGY

This report combines proprietary market intelligence, consumer and business surveys, transaction data, merchant perspectives and selected secondary research to provide a view of Southeast Asia's evolving ecommerce and payments landscape.

Data sources include	• Cube Tradewinds ecommerce dataset, tracking market size, platform performance and seller economics across selected global markets • Online Shopper survey across six Southeast Asian markets (n=6,000):  Indonesia (n=1,000)  Singapore (n=1,000)  Thailand (n=1,000)  Vietnam (n=1,000)  Malaysia (n=1,000)  Philippines (n=1,000) • Xendit Business Leader survey (n=25), capturing perspectives on payment demand, costs, infrastructure readiness, fraud and future payment challenges • Xendit platform transaction data, including payment-method and transaction-volume trends across Southeast Asian markets • Merchant interviews and experience, providing practical perspectives on cross-border commerce, event ticketing and payment infrastructure • Selected company, industry and public sources used to validate and contextualize the analysis
Key definitions	• GMV – Gross Merchandise Value, total value of goods sold before deductions • NMV – Net Merchandise Value, value of goods sold after returns, cancellations and other adjustments • A2A – Account-to-account payment; a transfer of funds between bank accounts • COD – Cash-on-Delivery • BNPL – Buy Now, Pay Later • FX – Foreign exchange; the conversion of one currency into another • Take rate – The share of transaction value captured by a marketplace through commissions, advertising and other merchant fees
Notes	• In this report, Southeast Asia (SEA) refers to six markets: Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam • Unless otherwise stated, financial figures are presented in USD using period-average exchange rates. • Survey findings should be interpreted in the context of their respective sample sizes. Findings from the Business Leader survey (n=25) are directional. • Xendit transaction data reflects activity on the Xendit platform and should not be interpreted as total market transaction volumes unless otherwise stated. • Outside-in market estimates are produced on a best-effort basis using available data and sources. • Southeast Asian ecommerce and payments data remains fragmented and may not always be independently verifiable.

CONTENTS

01

Market overview and the ecommerce opportunity

- 1.1 A decade of compounding
- 1.2 Shifting priorities in ecommerce

02

The payments landscape and its evolving dynamism

- 2.1 QR codes and other digital payment methods dominate
- 2.2 The regional payments landscape
- 2.3 Fraud is moving up the business agenda

03

The next frontier of Southeast Asia's ecommerce growth

- 3.1 Cross-border payments
- 3.2 Case study: How Megatix turned payment diversity into measurable revenue growth

04

Agentic commerce and the way forward

- 4.1 The 3 waves: AI's evolving role in ecommerce
- 4.2 How leading platforms are bringing agentic commerce to life
- 4.3 Agentic payments require a new layer of control

05

Implications and outlook

- 5.1 Southeast Asia as a global testing ground for new commerce models
- 5.2 Payments become more important as commerce becomes more complex
- 5.3 5 predictions for Southeast Asian ecommerce in 2027

01

Market overview and the ecommerce opportunity

**Southeast Asia's ecommerce is entering
a new phase of growth.**

The market is expanding from a larger base as marketplaces mature and the economics of competing online evolve, changing what it takes to win.

A DECADE OF COMPOUNDING

Where ecommerce continues to expand



Southeast Asia is one of the world's great ecommerce growth stories, now in its "decade of compounding"

Southeast Asia has become one of the world's most compelling ecommerce opportunities. The region is no longer defined by rapid market formation alone. Instead, it is entering what can be described as its "decade of compounding", where ecommerce continues to expand from a much larger base, while significant offline-to-online headroom still remains.

Since 2012, Southeast Asia's ecommerce market has expanded from approximately \$3 billion to \$197 billion in 2025 according to Cube Tradewinds data, growing more than 65-fold over 13 years. The first decade of ecommerce was characterized by exceptionally rapid expansion, with sales growing at approximately 50% annually between 2012 and 2021. The second decade represents a different phase. While growth has naturally moderated as the market has become larger, it is still expected to compound at around 13-15% annually through 2031, taking the market to more than \$400 billion.

From market formation to market compounding at scale

 Period	2012-2021 The first decade	2022-2031 The second decade
 Market Stage	Market formation	Market compounding
 Growth	50% CAGR	13-15% CAGR
 Market Size	\$3bn ↓ \$105bn	\$132bn ↓ ~\$400bn
 Growth Engine	Bringing consumers online 	Continuing the offline → online shift 

Today, approximately 25% of all retail spending in Southeast Asia takes place online. Unlike many mature ecommerce markets, growth continues to be driven by the migration of spending from offline to online channels, meaning the region is still expanding its overall ecommerce opportunity rather than simply redistributing market share between existing online platforms.

25% of all retail spending in Southeast Asia takes place online

The market has passed an inflection point and is showing early signs of a second growth spurt

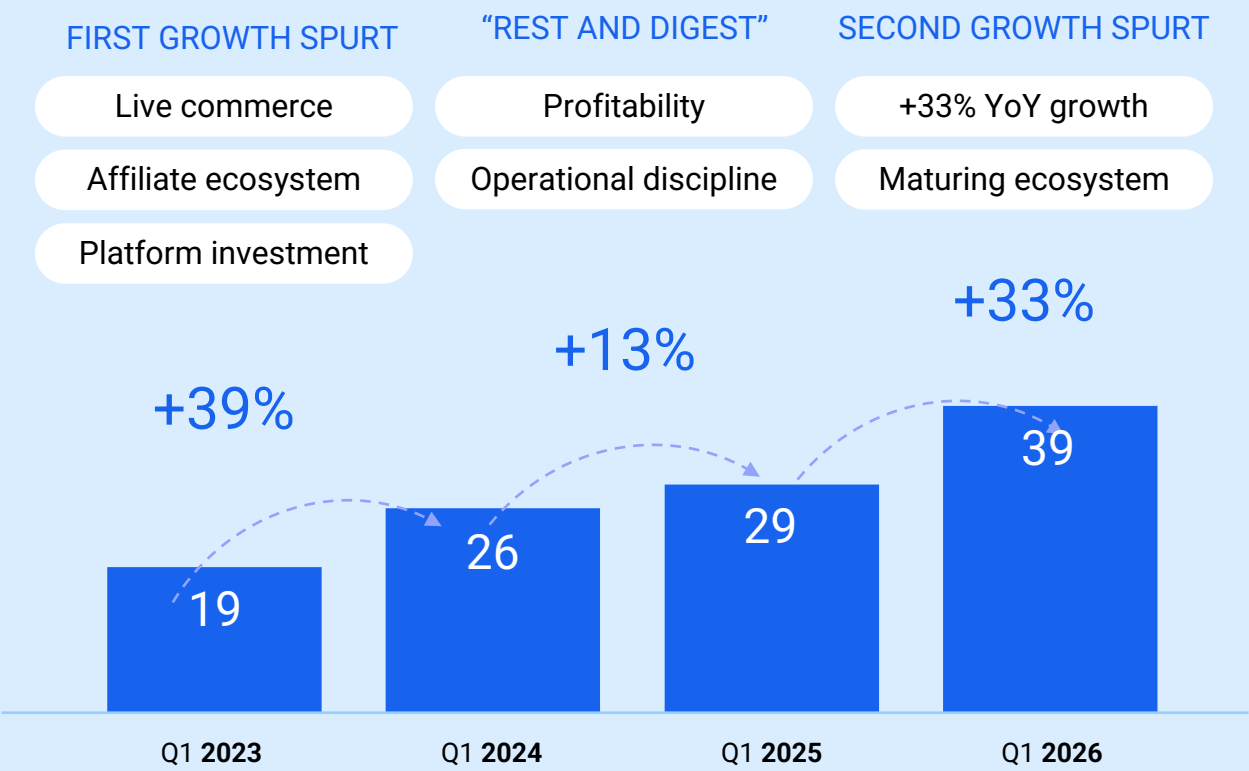
One of the clearest indicators of this second phase can be seen in the region's leading marketplaces. Together, Shopee, Lazada and TikTok Shop account for the majority of Southeast Asia's ecommerce activity, making them a useful barometer of broader ecommerce momentum. Following a "rest and digest" period through 2024 and early 2025, when platform growth slowed, the three platforms collectively grew approximately 33% year-on-year from Q1 2025 to Q1 2026, providing an early indication of renewed market momentum.

Marketplace performance provides an early read on broader ecommerce momentum across Southeast Asia



SEA ecommerce sales (NMV - Net Merchandise Value)

Quarterly, USD bn, Cube Tradewinds



SHIFTING PRIORITIES IN ECOMMERCE

“How do I get online?”

“How do I win share and make it sustainable?”

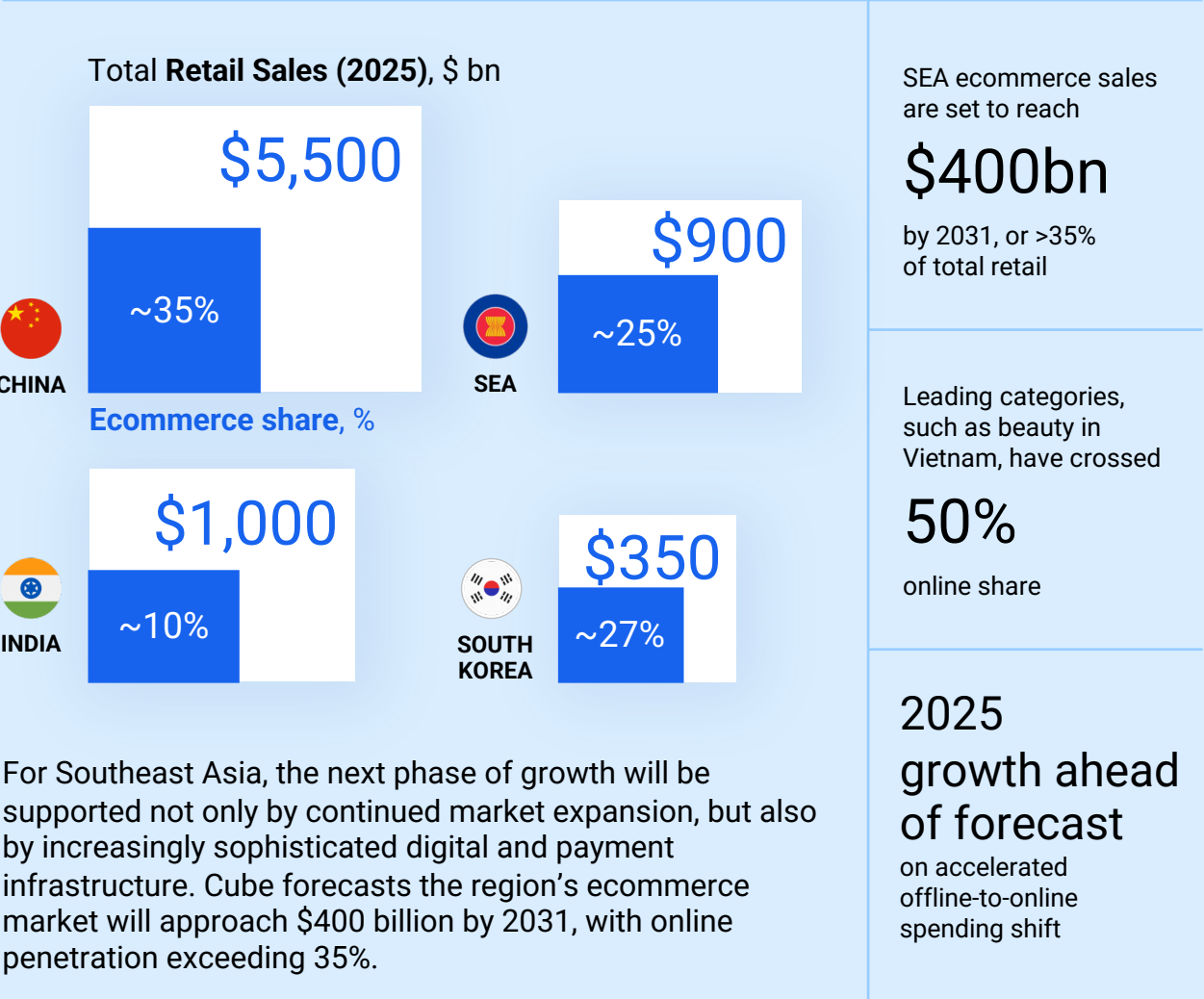
Importantly, this acceleration is taking place at a very different stage of market development. In a growing number of categories, ecommerce now contributes more than 50% of total online-plus-offline retail growth, reflecting its increasingly central role in the region's retail economy. As online channels account for an increasing share of category growth, the priorities for brands and sellers have shifted from "How do I get online?" to "How do I win share and make it sustainable?"

This makes the second growth spurt fundamentally different from the first. Rather than building the market from scratch, growth is now taking place within a much larger and more established ecommerce ecosystem. The second phase is increasingly about finding sustainable ways to grow from a much larger base.

Southeast Asia combines meaningful ecommerce scale with significant room for further growth

Benchmarked globally, Southeast Asia already represents a major ecommerce market, while still retaining substantial room for further online penetration. Compared with more mature markets such as China and South Korea, the region combines meaningful scale with a longer runway for offline-to-online migration.

Across Asia, Southeast Asia sits alongside China, India and South Korea as one of the region’s major ecommerce growth engines. Its combination of scale and remaining headroom creates a distinctive growth profile.





**70% OF ECOMMERCE
SALES CAME
THROUGH
MARKETPLACES
IN 2025**

As the market matures, the leading marketplaces are adopting increasingly differentiated growth strategies

Because marketplaces account for around 70% of Southeast Asia's ecommerce sales, their strategic direction has an outsized influence on how the region's growth opportunity develops. The choices they make increasingly shape how merchants compete, how consumers shop and which capabilities become standard across the region.

Within this concentrated market, the leading platforms are increasingly competing through different playbooks:

Shopee, the region's market leader, continues to grow from an already strong base while deepening its ecosystem through faster fulfillment and an expanding range of customer benefits. Its rollout of instant delivery and Shopee VIP points to a strategy increasingly focused on convenience, engagement and greater purchase frequency.

TikTok Shop is following a different path. Having built its position around content-led shopping, the platform is now strengthening the capabilities needed to support its rapid growth, including logistics, fulfillment, AI and automation, and seller support. In effect, TikTok Shop is building a stronger operational backbone around its commerce engine.

Lazada, meanwhile, is increasingly differentiated by what it is choosing not to pursue. Rather than competing aggressively for market share, it is prioritizing profitability and a more distinctive proposition built around authenticity, loyalty and selected brand partnerships.

More broadly, these strategies span increasingly distinct intent-led and impulse-led commerce models. Competition is becoming less about pursuing scale through the same model, and more about how each platform chooses to build and monetize its position.

The leading platforms are competing in different ways

Platform	Primary focus	How
 Shopee	Deepen its ecosystem	Faster fulfillment, instant delivery, VIP benefits
 TikTok Shop	Strengthen operational backbone	AI & automation, logistics partnerships, shipping support for sellers
 Lazada	Prioritize profitable growth	Authenticity-led, loyalty, selected brand partnerships



As ecommerce matures, brands face a new set of strategic trade-offs

Southeast Asia's marketplace-led ecosystem has created one of the world's most accessible routes to market for brands. By bringing together traffic, fulfillment, payments and merchant tools, marketplaces have significantly lowered the barriers to reaching consumers and serving demand at scale.

Estimated marketplace share of ecommerce within region

Region	Marketplace share of ecommerce, %	Leading marketplaces
China	~85%	 Taobao.com  Tmall.com  Pinduoduo  抖音
South Korea	~70%	 coupang  NAVER  Gmarket
SEA	~70%	 Shopee  Lazada  TikTok Shop  tokopedia
India	~65%	 Flipkart  amazon  meesho
Latin America	~40%	 mercado libre  amazon  Shopee  TikTok Shop

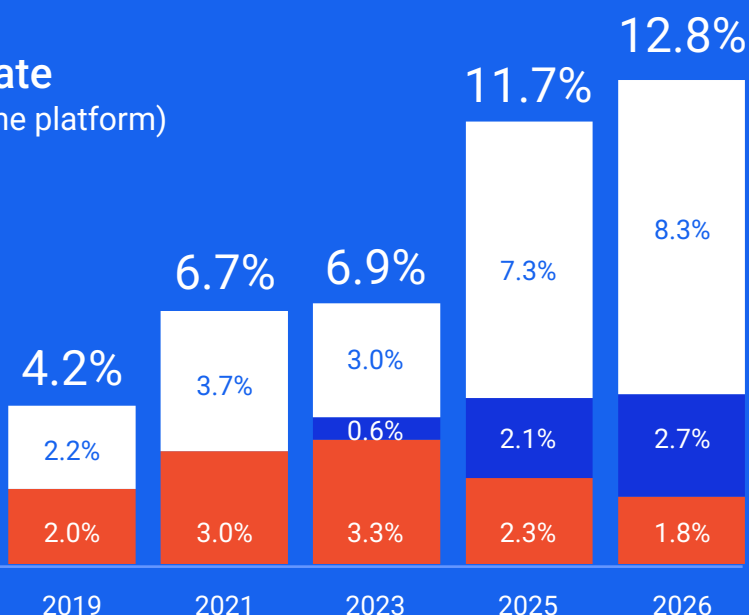
Multi-category marketplaces have become the default route to market for brands entering Southeast Asia. That convenience, however, comes with an increasing economic trade-off. As marketplaces mature, they are becoming more effective at monetizing merchant activity through commissions, advertising and value-added services. Shopee's take rate, for example, has tripled since 2019, reflecting the broader evolution of marketplace economics.

The economics of marketplace participation continue to evolve

Shopee's estimated take rate
(% of third-party GMV captured by the platform)



- Shopee base commission
- Shopee ad fee
- Value-added services / logistics fee



Shopee's take rate has increased steadily in recent years, driven primarily by higher base commissions and advertising fees. While Southeast Asia is likely to remain a structurally lower take-rate market than more mature markets such as the US (Amazon), the direction of travel is clear: marketplace participation is becoming more expensive for brands.

For now, brand.com and other owned ecommerce channels remain relatively limited in scale across Southeast Asia. But as marketplace take rates rise, the incentive for brands to diversify their online channel mix becomes stronger. This could mean placing greater emphasis on owned channels and other routes to market where brands can retain more control over economics, customer relationships and data.

As marketplace economics evolve, brands will need to balance reach with control. Marketplaces will remain central to acquisition and scale, but rising participation costs increase the strategic value of building complementary channels around them.

02

The payments landscape and its evolving dynamism

As more commerce moves online, payments are becoming more central to how growth converts into sales.

Digital payments are gaining ground, while QR and Account-to-Account (A2A) rails are becoming more connected across borders. Yet payment preferences and infrastructure needs still vary significantly across Southeast Asia, making payment diversity, cost and risk increasingly important to growth.

QR CODES AND OTHER DIGITAL PAYMENT METHODS DOMINATE



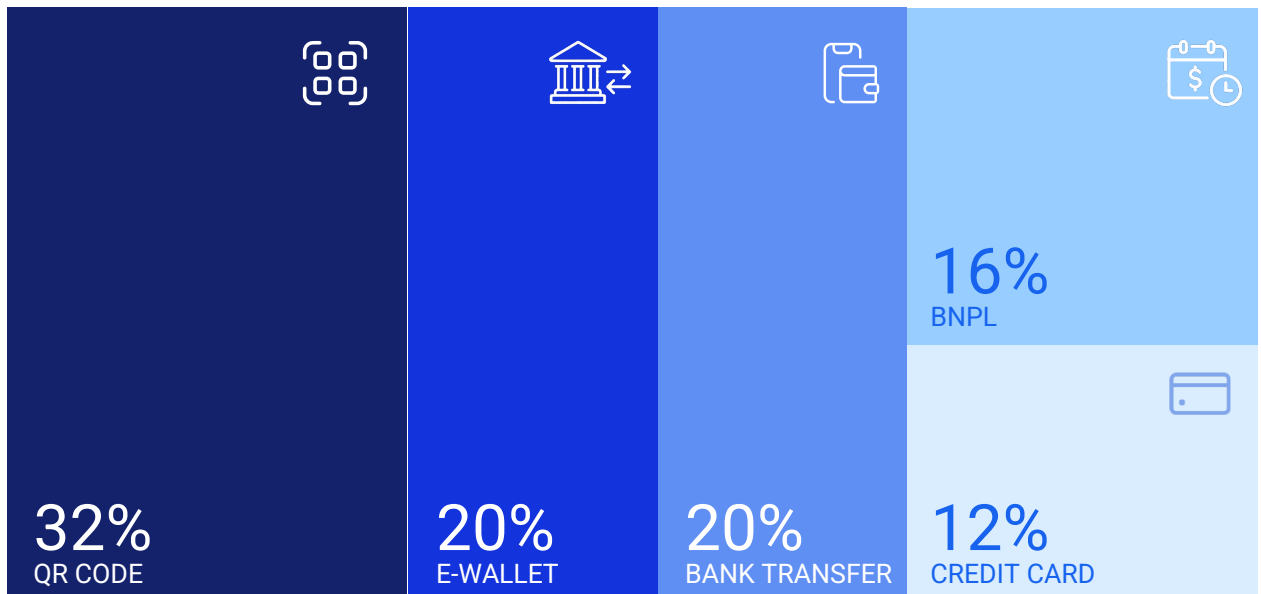
QR and other digital payment methods are reshaping the regional mix

Southeast Asia's payment ecosystem has transformed rapidly over the past decade, but that transformation has not followed the same path in every market. The domestic rail behind a QR payment in Manila is different from the one a shopper uses in Jakarta or Singapore. Checkout preferences remain highly local, and applying the same payment mix across the region risks overlooking how customers actually prefer to pay.

In the Xendit Business Leader survey, respondents identify QR as the payment method seeing the strongest increase in customer demand, ahead of e-wallets, bank transfers, BNPL and cards. However, this does not suggest a shift toward QR alone. Among leaders who selected QR, 62% also say that offering a diverse payment mix is critical to revenue, a higher share than among those who selected cards or bank transfers.

Which payment method is seeing the strongest increase in demand?

% of business leaders selecting each method, Xendit Business Leader survey

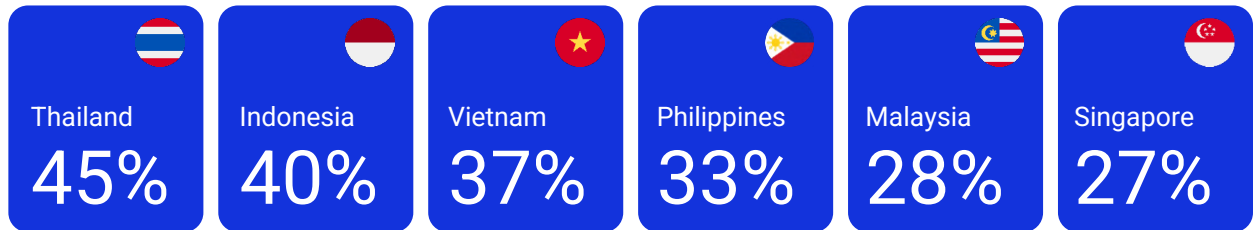


Cash-on-delivery (COD) is losing ground to this shift. As more commerce moves online, the way consumers pay is changing with it. The method, once an important part of Southeast Asia's ecommerce growth, is becoming less central as consumers become more comfortable with digital alternatives.

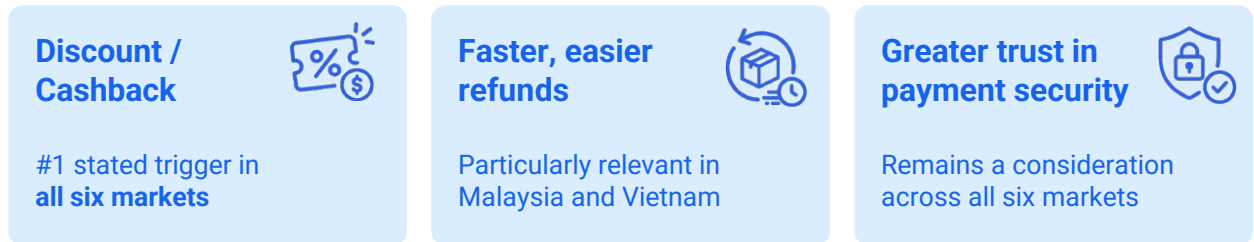
A similar pattern emerges from the Online Shopper survey. Across all six markets surveyed, a meaningful share of consumers say they use COD much less than they did a year ago. A straightforward discount or cashback is the single most common reason shoppers give for switching away from COD, ahead of faster refunds and trusting payment security more. For merchants looking to encourage greater digital payment adoption, incentives such as discounts and cashback may provide a more immediate lever alongside longer-term improvements to infrastructure, refunds and payment security.

The shift away from cash-on-delivery is already visible

% of respondents using COD much less than a year ago, Online Shopper survey



Better value is the strongest reason to switch further to digital.



In the Philippines

One interesting exception is the Philippines. While one-third of Filipino respondents say they are using COD much less, 12% still say they prefer COD and nothing would encourage them to switch, around twice the level seen in most other markets.

The declining rate of COD also differs by country, which links closely to banking access. In Xendit data, COD still runs highest by share of ecommerce value in the Philippines (around 23%) and stays meaningful in Vietnam (around 16%), while it has become marginal in Singapore, Malaysia and Thailand. Regional COD share overall has dropped from roughly half of ecommerce transactions in 2019 to well under a third now.

THE REGIONAL PAYMENTS LANDSCAPE

COUNTRY

HOW SHOPPERS PAY TODAY

HOW THE MARKET IS EVOLVING

INDONESIA

Cash use is declining fast in Indonesia, but no wallet has won yet

E-wallets and bank transfer / account-to-account (A2A) payments are the two most-used methods, accounting for an estimated 60% and 52% of surveyed shoppers' purchases, respectively.

COD remains meaningful at 40%, higher than its share of ecommerce value might suggest.

Indonesia is one of the region's fastest markets to move away from COD.

GoPay, OVO, DANA and **ShopeePay** continue to divide the e-wallet market, with no single provider dominating.

QRIS is gaining momentum fastest, with usage increasing by 142% between January 2025 and April 2026, while credit card volume grew by 83%.

THAILAND

A2A payments dominate and cards are losing ground

A2A is the most-used payment method, accounting for an estimated 55% of online purchases. It remains ahead of e-wallets at 48% and cards at 30%.

PromptPay already accounts for 44% of Thailand's ecommerce value, giving the country the highest A2A share in the region.

Meanwhile, e-wallets such as **TrueMoney** and **ShopeePay** grew by 207% between January 2025 and April 2026, while credit card volume fell by 33%, the sharpest decline among the six markets.

SINGAPORE

Cards remain the default checkout method

Singapore respondents report the highest credit card reliance of any market in the region.

Cards account for an estimated 60% of purchases, while 41% of respondents say cards make up at least three-quarters of their online spending.

Wallets (GrabPay, ShopeePay) account for 33% of purchases, while bank transfer / A2A accounts for 35%. Both are becoming meaningful parts of the mix, but neither has displaced cards yet.

PayNow still anchors real-time transfers and supports Singapore's role as the regional hub for cross-border QR links, including Project Nexus.

THE REGIONAL PAYMENTS LANDSCAPE

COUNTRY

HOW SHOPPERS PAY TODAY

HOW THE MARKET IS EVOLVING

MALAYSIA

Cards remain important as digital payments pick up

Malaysia has the highest overall digital payment adoption in the region, at more than 80%.

Surveyed shoppers use a broad mix of digital methods, including A2A, e-wallets, BNPL and cards.

Unlike Thailand, Malaysia's shift toward digital payments has not come at the expense of cards.

Credit card volume grew by 152% between January 2025 and April 2026, alongside 286% growth in e-wallets, the fastest e-wallet growth among the six markets.

DuitNow QR has also expanded to 2.6 million merchant acceptance points.

PHILIPPINES

GCash's dominance makes the Philippines a wallet-first market

COD remains important, contributing to a payment mix in which digital methods continue to coexist with cash.

The country is strongly oriented toward e-wallets, with **GCash** playing a dominant role in the market.

QR Ph and **InstaPay** are supporting the growth of QR and A2A payments, which increased by 198% between January 2025 and April 2026.

E-wallets, already established, grew by a more modest 3% over the same period.

VIETNAM

VietQR is the fastest-growing payment rail

COD continues to represent around 16% of ecommerce value, more than in any other market in the region except the Philippines.

E-wallets, led by **MoMo**, remain Vietnam's most-used digital payment method.

VietQR is accelerating fastest. Transaction volume grew by 62% in 2025, while transaction value increased by 151% year-on-year.

Southeast Asia’s payment landscape is increasingly digital, but far from uniform

Across Southeast Asia, mobile-first payment methods are deeply embedded, but adoption follows very different patterns by market. E-wallets dominate in some countries, A2A payments in others, while Singapore remains relatively card-led.

Payment preferences remain highly local across Southeast Asia, with different markets leading across e-wallets, A2A, cards and BNPL

Highest shopper adoption by payment method across SEA

% of shoppers using each method for 50%+ of online purchases, Online Shopper survey

 E-wallet 70% Indonesia	 Debit / Credit card 66% Singapore
 Bank transfer / A2A 61% Thailand	 BNPL / Installment 37% Thailand

E-wallets show the broadest heavy usage across the region, particularly in Indonesia, the Philippines, Vietnam, Thailand and Malaysia. A2A payments are also deeply embedded, especially in Thailand, Indonesia and Malaysia.

The key takeaway is not convergence toward a single payment mix, but the coexistence of several mature payment behaviors across the region. For merchants, this reinforces the need to support locally relevant payment methods rather than applying a single regional checkout strategy.

QR and A2A rails are becoming core payment infrastructure across Southeast Asia

A card or A2A payment moves through several hops before a merchant sees the funds: the processor, gateway, acquirer, scheme or A2A rail, issuing bank (for cards) or the equivalent real-time system (for A2A / QR) and settlement bank. Add a cross-border FX conversion step if the buyer and merchant are in different countries. Each hop adds time, which is why “we got paid” and “the money is in our account” are different moments.

QR / A2A overview in Southeast Asia

Country	National QR / A2A scheme	Overseen by	Notable stat
 Indonesia		Bank Indonesia	Core domestic QR standard; linked to Malaysia and Thailand
 Thailand		Bank of Thailand	74m+ registered users; A2A ~44% of ecommerce value, highest in the region
 Singapore		MAS	Connects to Thailand, Malaysia, India, Indonesia; hub for MAS’s Project Nexus
 Malaysia		Bank Negara Malaysia / PayNet	2.6m+ merchant QR acceptance points (end-2024)
 Philippines		Bangko Sentral ng Pilipinas	~13% of ecommerce value so far, growing off a COD-heavy base
 Vietnam		State Bank of Vietnam	Links to Thailand, Laos, Cambodia; China / Japan / Korea links in discussion

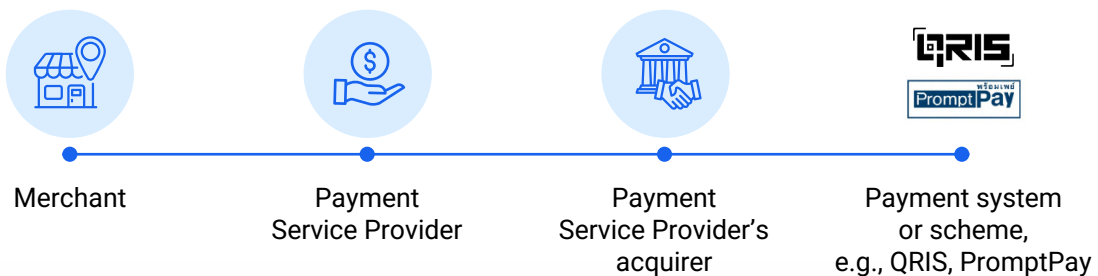
Understanding the payment flow

The payment flow for QR and A2A payments is similar to that of cards and is becoming increasingly important as these methods become more prolific across Southeast Asia.

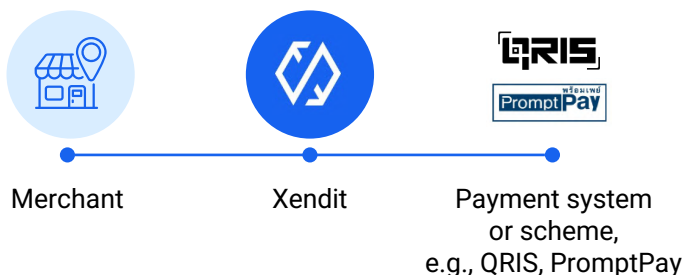
Many QR and A2A methods are offered through payment service providers as local payment methods. In a typical setup, payments may pass through a **payment service provider and an acquirer** before reaching the local payment scheme. **Xendit is a direct acquirer of QRIS**, allowing it to connect directly to the scheme and reduce reliance on additional third-party connections.

For merchants, this more direct setup can simplify reconciliation, refunds and day-to-day payment operations, while providing greater visibility and control over local payment flows and helping to mitigate fraud risk.

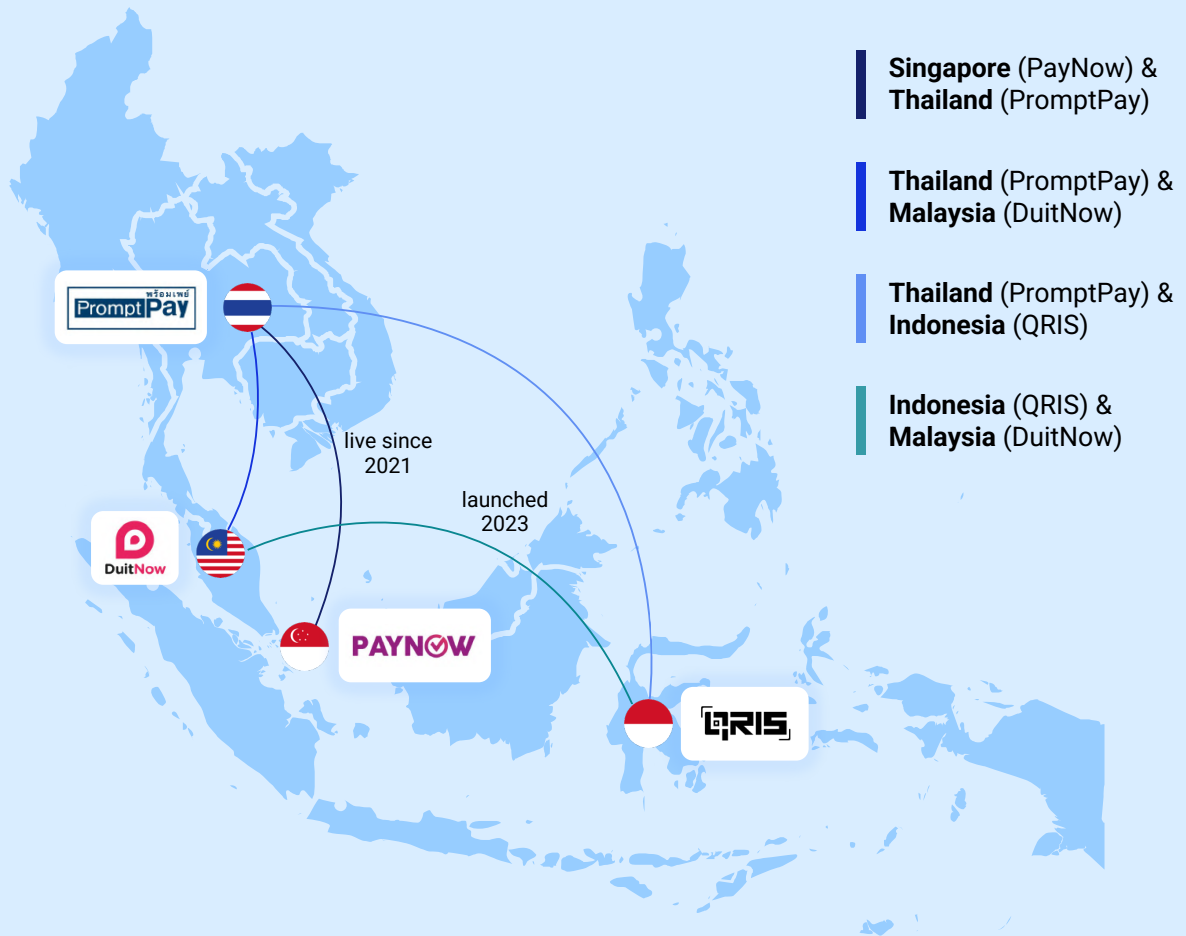
Typical payment flow



Direct acquiring model



A growing number of these domestic rails are already connected across borders



A third of business leaders pointed to cross-border payments and regulatory complexity specifically: reconciling multiple acquirers, managing cross-border transfers and keeping pace with shifting rules. Businesses are also increasingly considering payment partners that let them access faster, more connected and more "direct to rail" solutions.

1 in 3 business leaders cited cross-border payments and regulatory complexity as other future pain points.

What drives and limits conversion at checkout

Greater connectivity does not make checkout one-size-fits-all. Even as payment rails become more connected across borders, the reasons shoppers struggle at checkout remain distinctly local.

Checkout friction is not the same across Southeast Asia. Cube's shopper survey shows that the leading frustration differs considerably by market. An unavailable preferred payment method is the biggest issue in Indonesia (51%), the Philippines (41%) and Malaysia (31%), while security concerns lead in Vietnam (42%) and Thailand (33%). Singapore stands apart, where too many steps in the checkout process is the most commonly cited frustration (26%).

For merchants, this means improving conversion requires a market-specific approach: broader payment coverage in some markets, stronger trust and security in others, and a simpler checkout experience where friction is the bigger barrier.

Top checkout frustration leading shoppers to drop a purchase in the last 3 months

% of respondents, Online Shopper survey



**Method
not available**



Indonesia

51%



Philippines

41%



Malaysia

31%



**Security
worries**



Vietnam

42%



Thailand

33%



**Too many
steps**



Singapore

26%

Getting the checkout experience right is only one part of payment performance. Once a transaction is completed, how efficiently funds move through the payment system and reach the merchant also matters, particularly for businesses operating across multiple markets.

Business leaders recognize the importance of payment choice, but delivering it brings practical challenges

The same challenge is visible from the business side. Among surveyed business leaders, 92% say that offering a diverse mix of payment methods is important or critical to growth, while 36% say it is critical and that they could lose sales without it.

However, supporting a broader payment mix is not simply a matter of adding more options at checkout. Different methods can involve different acceptance costs, technical integrations, settlement arrangements and reconciliation processes. These requirements become more complex as businesses expand across markets.

Payment acceptance costs also stand out as the most common concern today. Nearly half of surveyed leaders identify them as their biggest payment challenge, while 68% rank them among their top two.

This may help explain the gap between ambition and readiness. Only 12% of surveyed leaders believe their current payment infrastructure is fully equipped to support the next decade of growth. The remainder say upgrades are needed, gaps remain or their infrastructure has not yet been fully assessed.



92%

Say offering a **diverse payment mix** is important or critical to growth



88%

Do not believe their payment infrastructure is fully ready for the next decade

Top three payment concerns for business leaders:

Cost of acceptance

Slow rollout of local payment methods when entering new markets

Cross-border and localized friction on market entry

Business leaders increasingly recognize the role payments play in growth. The opportunity now lies in closing the gap between their commercial importance and businesses' ability to deliver it efficiently and at scale.

Fraud is moving up the business agenda

% of business leaders ranking fraud among their top two challenges today vs in five years, Xendit Business Leader survey



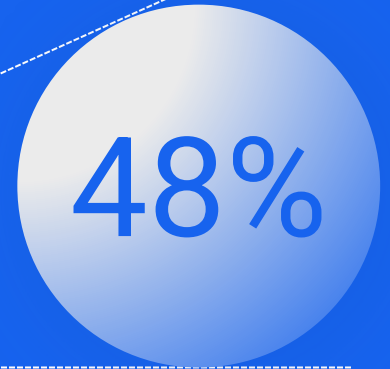
FRAUD



8%

2026

6x
increase



48%

2031

Fraud is expected to become a much greater payment concern

As businesses look ahead, the pressures surrounding payments are expected to change. Today, fraud sits relatively low among surveyed leaders' immediate concerns, with only 8% ranking it among their top two payment challenges. Attention remains more focused on the economics and day-to-day performance of accepting payments.

Looking five years ahead, however, 48% expect fraud to become a top two concern. Concern about future fraud also appears more pronounced among C-suite and VP-level respondents than among managers. This may reflect senior leaders' greater focus on longer-term business risks, although the small respondent groups mean this finding should be interpreted directionally.

This does not mean that today's pressures around cost, reliability and settlement will disappear. Instead, leaders expect the range of challenges they need to manage to broaden, with risk management becoming a more prominent part of payment performance. Businesses must therefore manage the immediate economics and performance of payments while preparing for a more demanding fraud environment.



1 OUT
OF **10** **ECOMMERCE
DOLLARS
DECLINED
AT AUTHORIZATION**

The best fraud controls protect merchants without turning customers away

Fraud is not only a future concern. Merchants already need to protect themselves without mistakenly declining genuine purchases. This is known as a **false positive**, where a legitimate customer or transaction is incorrectly identified as fraudulent and blocked.

Issuers currently decline around one in ten ecommerce dollars at authorization, and some of these declines involve genuine customers. Broad rules-based checks may struggle to distinguish fraudulent activity from unfamiliar but legitimate purchasing behavior. Cross-border transactions can be particularly exposed to false positives, as unfamiliar locations, currencies and purchasing patterns may be treated as higher risk even when the customer is legitimate.

For merchants, the challenge is to manage fraud without introducing unnecessary friction. Effective controls need to stop suspicious transactions while allowing legitimate customers to complete their purchases, particularly in cross-border payments where unfamiliar locations, currencies and purchasing patterns can make legitimate transactions harder to distinguish from fraud.

03

The next frontier of Southeast Asia's ecommerce growth

The value of payments becomes clearest when commerce gets more complex.

Cross-border retail shows how payment complexity plays out in practice, from expanding across markets to handling sudden, time-sensitive demand. We put this to the test through a case study with Xendit merchant Megatix, one of the region's leading event ticketing platforms.

Cross-border payments: The next growth frontier for Southeast Asia's ecommerce



Local payment preferences differ by market



Multiple currencies and FX add complexity



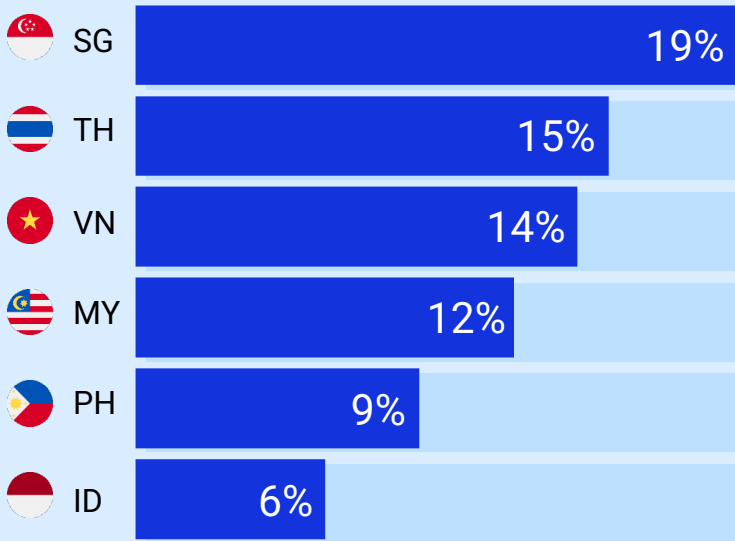
Checkout friction can directly impact conversion

Cross-border ecommerce, where consumers purchase from sellers outside their home market, is becoming a more meaningful source of growth across Southeast Asia. As brands look beyond their home markets, they gain access to new customers but also face more complex payment journeys, where an unfamiliar or unsuccessful payment can quickly become a lost sale.

Payments are therefore moving beyond their traditional role at the end of the transaction. The ability to support local payment expectations, manage multiple currencies and maintain consistent infrastructure can influence where businesses expand, how quickly they enter new markets and the experience they provide once they arrive.

Cross-border share of ecommerce sales by market

% 2026 estimate, Cube



SEA consumers are estimated to purchase

\$23–24 billion

from overseas sellers, equivalent to ~10% of total online sales.

Depending on how the regulatory environment evolves, cross-border ecommerce is projected to grow by 11–19% annually through 2030.

For consumers, the appeal is straightforward: access to lower prices, broader assortment and products that may not be available at home. Improvements in logistics, marketplace interfaces and payment infrastructure have also made purchasing from overseas sellers feel less risky and more familiar.

For brands and merchants, capturing this opportunity requires more than making the same online store available in another country. Payment methods, currencies and customer expectations vary by market, while the infrastructure behind the transaction becomes more complex. The challenge is therefore to balance local customer needs with the complexity of operating across markets.

Making cross-border commerce more seamless

Cross-border transactions introduce additional complexity for sellers. Payments may involve different systems, currencies, providers and regulatory requirements depending on where the buyer and seller are located. At the same time, payment habits vary widely across Southeast Asia, so merchants expanding across borders need to balance regional scale with the expectations of customers in each market.

The challenge is not simply accepting an international payment but making the added complexity of cross-border commerce less visible to the customer.

Where friction can emerge in cross-border payments

Access to local payment methods 	Cost & FX transparency 	Post-purchase protection 
Preferred payment methods differ across markets and may not always be available for cross-border purchases.	Currency conversion and additional intermediaries can add cost and make the final price less transparent.	Refunds, disputes and settlement can become more complex when transactions cross payment systems and markets.
Connecting to local payment methods can make checkout more familiar and accessible.	Clearer FX and fewer payment steps can make costs easier to understand.	More connected payment infrastructure can make transactions and post-purchase processes more consistent.

For merchants, making this experience seamless can create significant complexity behind the scenes. Expanding across markets can mean navigating different payment methods, currencies, settlement processes and regulatory requirements, with each new market adding another layer to manage.

Regional payment infrastructure can help absorb some of this complexity. Rather than rebuilding the payment setup market by market, merchants can connect to local payment methods and manage transactions across markets through a more consistent infrastructure.



KEY TAKEAWAY

Payments now become part of the expansion strategy itself. The advantage comes from making cross-border commerce feel simple for the customer, even when the infrastructure behind it is complex.

Case study: Megatix

Megatix, a Xendit merchant and one of the region's leading event ticketing platforms, turned payment diversity into measurable revenue growth

3 pressure-test points:



Demand can surge within minutes



Payment failures can mean an immediate lost sale



Refunds, disputes and settlement add post-purchase complexity

Southeast Asia is emerging as a major live-events hub, fueled by concert tourism or “gig-tripping.” This is putting event ticketing and payment infrastructure under growing pressure. Demand can surge within minutes, transactions are time-sensitive, and a failed payment can mean losing access to a limited ticket. Platforms expanding across markets must also support different payment preferences while managing settlement, refunds and chargebacks.

This makes ticketing a useful test of what good payment infrastructure needs to do: perform reliably under pressure, adapt across markets and work beyond checkout. Megatix, one of the region's leading event ticketing platforms, provides a practical example. Operating across 10 Asian markets, its experience shows how these capabilities can support regional expansion and customer experience.

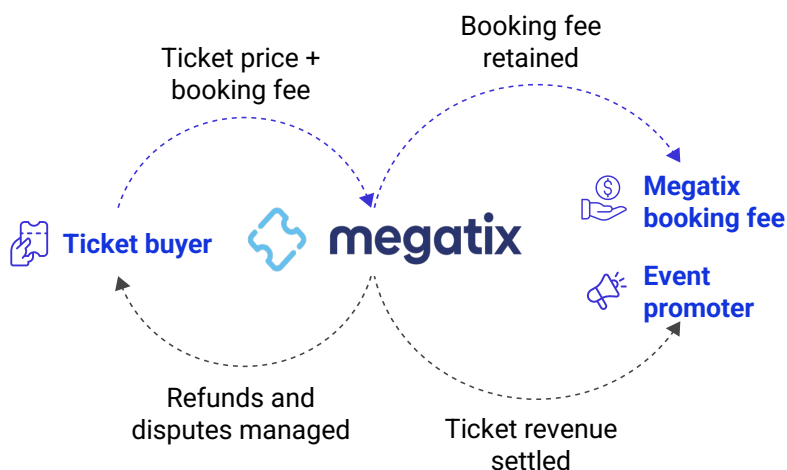


Footprint:
10 Asian markets

Business:
Event ticketing and event commerce

Payment challenge:
Local methods, peak demand, settlement and risk

Payment flow



“PAYMENTS SHOULD FEEL LIKE OXYGEN”

Cameron Frost, Head of Asia, Megatix, a Xendit merchant



Regional consistency, local flexibility

For Megatix, a consistent payment infrastructure makes it easier to expand without rebuilding its payment and settlement processes in every market. Local flexibility still matters: international cards account for most transactions in Bali while virtual accounts are key in Jakarta.



Reliability across payment channels during peak demand

When a major event goes on sale, transaction volumes can rise very quickly, leaving little room for delays or payment failures. A declined payment can mean more than a lost sale; it can also prevent a customer from securing a limited ticket.



Risk continues after checkout

The work does not stop once a ticket is sold. Megatix must also manage refunds, chargebacks and customer funds if an event is cancelled or a promoter faces difficulties. Clear settlement schedules and responsibilities therefore have a direct impact on cash flow and risk.



Payments should feel seamless to the customer

Cameron Frost, Head of Asia, Megatix, described payment services as essential infrastructure that should go unnoticed when working correctly, allowing the business to focus on events, growth and customer experience.



Payment capabilities can create value beyond the checkout

Megatix also uses payment capabilities to help promoters make decisions before tickets go on sale. Its pre-tokenization registration model allows buyers to securely register and tokenize their card details in advance. No purchase is made at this stage. However, because each registration includes a payment credential, it provides a stronger indication of genuine demand than expressions of interest alone.

Pre-tokenization turns registrations into a demand signal

1**Buyer registers securely**

Card details are tokenized before tickets go on sale.

2**Megatix measures genuine demand**

Registrations provide an early indication of likely ticket sales.

3**Promoter plans the sale**

Decides whether to add a show, revisit pricing or increase promotion.

An example shared by Megatix:

Strong demand**70,000****pre-tokenized cards**

could indicate a likely sell-out and support the case for an additional show

Lower demand**10,000****pre-tokenized cards**

could suggest that pricing should be reconsidered or further promotion is needed

For buyers, the model can reduce the frustration of waiting in an online queue only to discover that tickets have sold out. For promoters, it provides a clearer view of demand before the first sale begins.

The idea also continues after the sale. Megatix is developing a controlled ticket-resale platform designed to discourage scalping and limit excessive resale prices. Payment capabilities allow money to move securely between buyers and sellers, while keeping the transaction within an environment where the platform can apply appropriate safeguards.

“Payment capabilities continue to create value beyond checkout. Reliable infrastructure keeps daily operations moving, while flexibility helps us understand demand, improve planning and create better experiences,” shares Cameron Frost, Head of Asia, Megatix.

04

Agentic commerce and the way forward

AI is beginning to reshape the shopping journey, changing not only how consumers discover products, but also how purchases themselves are made.

As AI moves from supporting decisions toward taking action on shoppers' behalf, it could reshape how consumers, merchants and payments interact, creating new implications for commerce strategy.

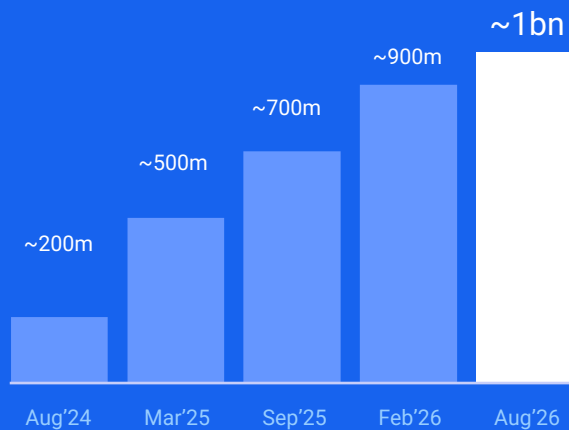
AI ASSISTANTS HAVE BECOME MAINSTREAM

ChatGPT

has reached approximately

1 billion

weekly active users (WAU)

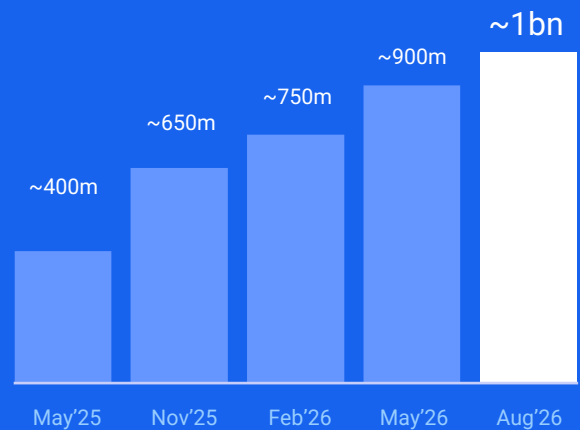


Gemini

has also surpassed

1 billion

monthly active users (MAU)



AI is becoming a new interface for ecommerce

Generative AI has emerged as one of the fastest-growing consumer technologies. AI assistants such as ChatGPT and Gemini have rapidly reached mainstream scale, making conversational interfaces increasingly familiar to consumers.

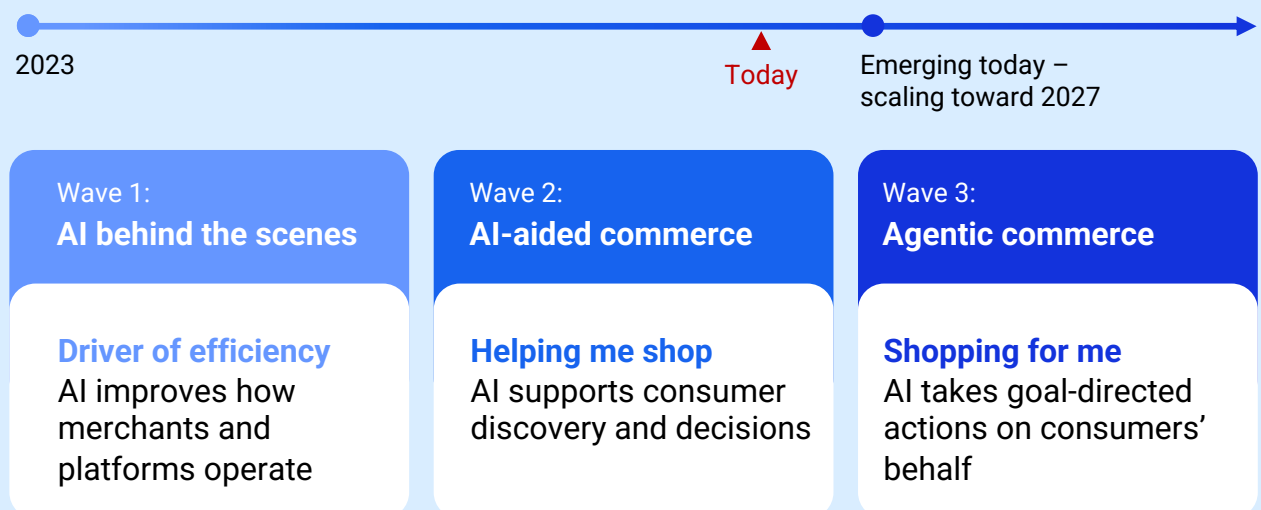
That familiarity is now extending into shopping. Consumers can increasingly use AI to describe what they are looking for, discover products, compare alternatives and evaluate options. As this behavior develops, AI is beginning to reshape how consumers move through the shopping journey.

The 3 waves: AI's evolving role in ecommerce

The evolution and adoption of generative AI are not reshaping ecommerce all at once. Instead, the disruption is unfolding progressively, as AI becomes more embedded in how commerce operates and increasingly integrated into how consumers shop.



Generative AI evolution and adoption are causing “waves” of disruption to ecommerce



AI adoption in commerce has progressed through successive waves, with a third now beginning to emerge. Rather than replacing what came before, each wave builds on the last, progressively expanding AI's role across ecommerce.

WAVE 1

AI behind the scenes: AI has transformed ecommerce back-end operations

The first wave of AI adoption took place largely behind the scenes. Rather than changing how consumers shop, AI was first adopted to improve how ecommerce platforms operate. Across the ecosystem, platforms embedded AI into routine tasks, improving search and discovery, optimizing advertising and enhancing merchant productivity.

How ecommerce platforms have already embedded AI

 Theme	 Notable examples
Automating product listing quality	 Product AI Optimizer for resizing of photos and product posters (2026)
	 Product listing agent, auto-generates titles, keywords, product features (2025)
Accelerating product discovery and search	 Gen AI buying guides; product education with product recommendations (2024)
	 Recommender systems for product search result listings powered by ML (2024)
Automated performance advertising	 Announcement of AI-assisted targeting for merchant ads in Grab Food / Mart (2026)
	 Predictive-AI campaign automation for audience creation and setup (2024)

While much of this remains invisible to consumers, AI has already improved merchant productivity and has become an integral part of the infrastructure that powers modern ecommerce. Having first transformed how platforms operate behind the scenes, AI is now beginning to influence how consumers make purchase decisions.

WAVE 2

AI-aided commerce: AI is becoming a decision-making companion for consumers

The second wave is already well underway, with AI now embedded in the consumer decision-making journey in ecommerce. Rather than replacing traditional search and review platforms, AI has become another touchpoint throughout the purchase process.

Cube’s survey of 6,000 Southeast Asian online shoppers shows that generative AI is already widely used across the online shopping journey. More than half of shoppers (53%) already use generative AI during product discovery, second only to search engines (64%). During product research and comparison, AI becomes the most commonly used tool, with 78% of consumers using it, ahead of search engines (74%) and review sites (72%).



53%

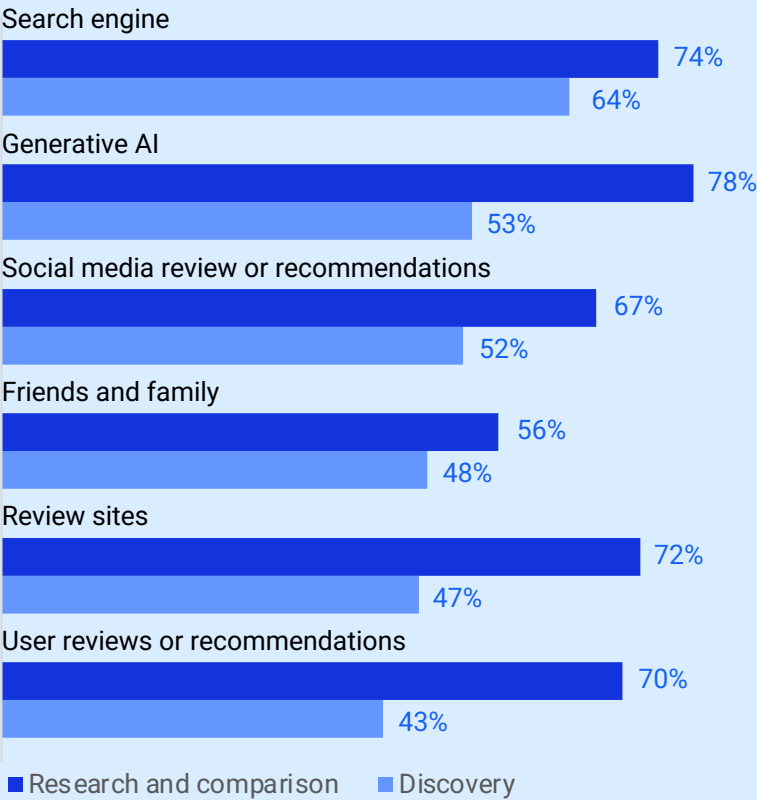
of shoppers already use generative AI during product discovery.

During product research and comparison, AI becomes the most commonly used tool

- 78% Using AI
- 74% Search engine
- 72% Review sites

Methods and tools used during product discovery and during product research and comparison

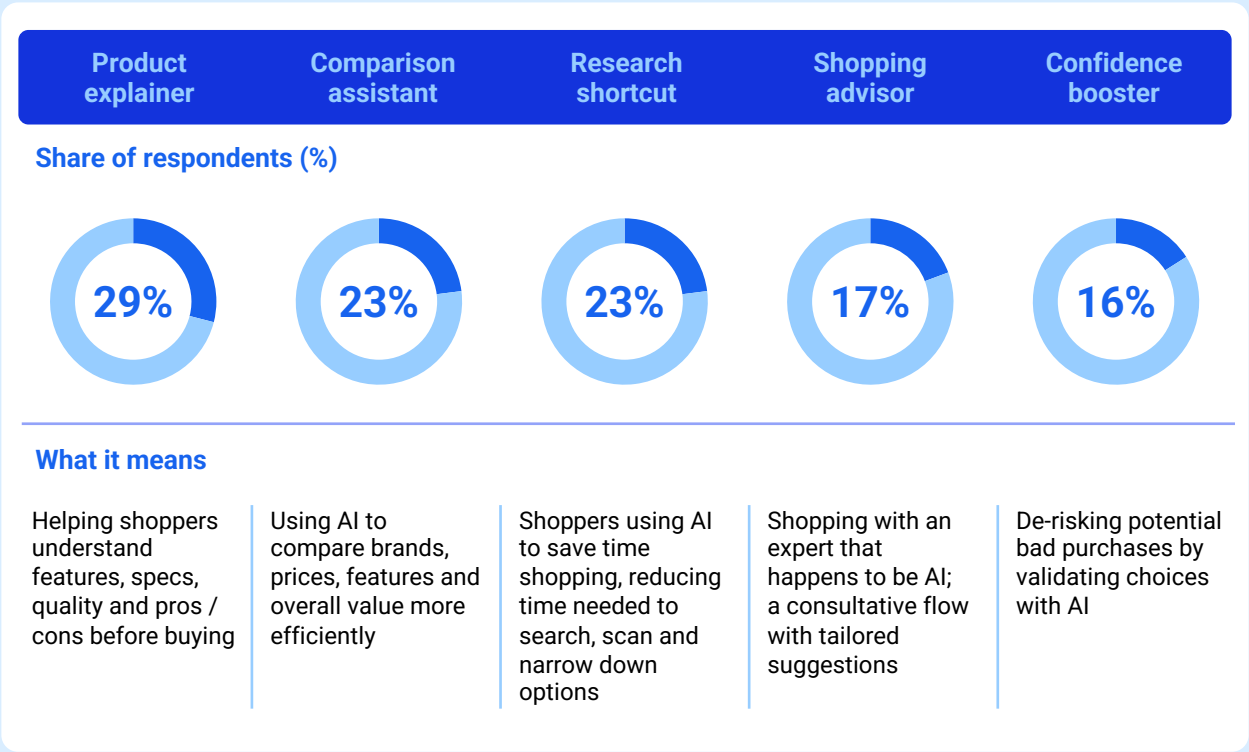
% of respondents, Online Shopper survey



Consumers are using generative AI for a wide range of purchase-related tasks rather than a single use case. While explaining products is the most common application (29%), shoppers are also relying on AI to compare alternatives, summarize research and narrow down choices more efficiently. Notably, 17% already use AI as a personal shopping advisor, suggesting that AI is beginning to move beyond information retrieval toward more personalized purchase guidance.

Generative AI use cases during product research and comparison

% of respondents, Online Shopper survey



Among these, the emergence of AI as a personal shopping advisor is perhaps the clearest indication of how consumers' relationship with AI is evolving. Rather than simply retrieving information, shoppers increasingly describe sharing their needs, budget, preferences or intended use case, before asking AI to narrow down the most suitable options.

AI advice converts better than search traffic

Shopper quotes

"As I ask questions and get closer to what I need, AI helps clarify my thinking and assess the suitability, pros, and cons of the products I'm considering."

"AI can analyze my needs in a personalized way. It also feels less promotional and more honest than online reviews."

"I use AI because it quickly analyzes product information, user reviews and price trends. It saves time and makes purchases more worthwhile."

Illustrative prompts

User:

I have thick, frizzy hair and don't want heat damage. What should I get?

Got it — do you dry your hair daily or just occasionally?

User:

Almost every day.

Then you should look for:

- Ionic technology (reduces frizz)
- Multiple heat settings
- Cool shot function

A mid-to-high-end dryer with ionic care would suit you well.

I'm here to help. Ask me anything.



The shift is also beginning to translate into commercial outcomes. According to Adobe Digital Insights, AI-referred visitors to US retail websites had a 54% higher conversion rate than non-AI traffic in May 2026, while generating 53% more revenue per visit. While based on retail, the findings highlight AI's growing potential as a high-intent discovery and acquisition channel across ecommerce.

More importantly, this shift reflects growing consumer confidence in AI as part of the decision-making process. As consumers become increasingly comfortable relying on AI to compare options, recommend products and narrow down choices, the next stage of evolution is expected to see AI take on a more active role across the purchase journey.

WAVE 3

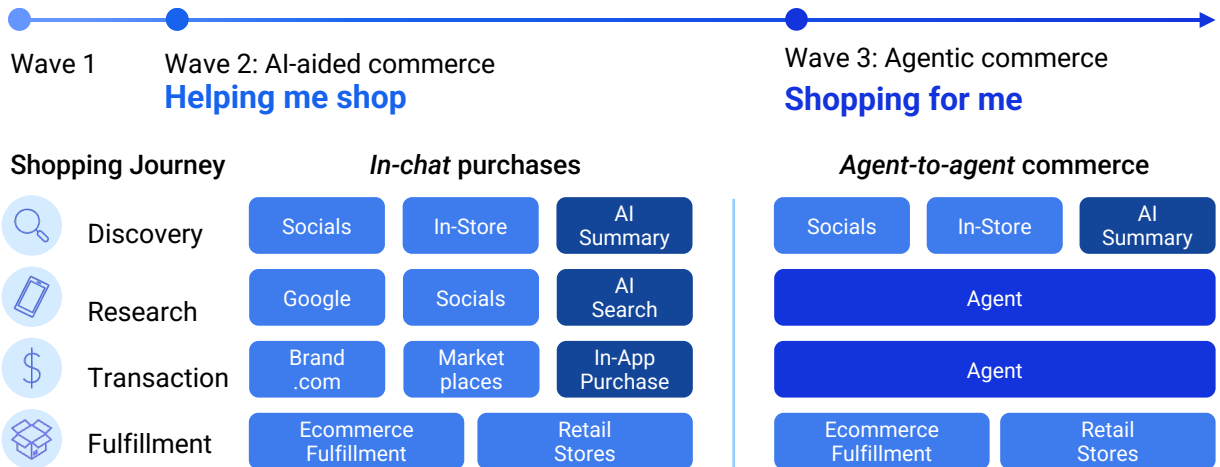
Agentic commerce: AI will begin taking goal-directed actions on consumers' behalf

The third wave is not yet established at scale, but early signs suggest it is becoming technically feasible. Rather than simply helping consumers find information or compare options, AI agents will be able to search, recommend and complete parts of the purchase journey based on a user's goals and preferences. Our analysis points to this becoming more tangible over the next 1–2 years.



What is agentic commerce?

A form of digital shopping where AI agents research, compare options and complete transactions on behalf of users with little to no direct human intervention.



We see the transition happening progressively. Today's AI assistants primarily support discovery and decision-making, helping consumers search for information, compare products and narrow down options. The next stage extends AI's role into the transaction itself, enabling in-chat purchases and, over time, agents that can communicate directly with merchant systems to compare offers and complete transactions with minimal consumer intervention.

While still at an early stage, leading commerce platforms are already experimenting with the capabilities that could enable agentic commerce.

How leading platforms are bringing agentic commerce to life across the purchase journey

Early implementations show how AI is beginning to support increasingly large parts of the purchase journey, from discovery through to transaction.



Alibaba Qwen:

Supporting the purchase journey from recommendation to payment

Qwen is a chat-based AI assistant that supports the full purchasing journey from recommendations to payment. Shoppers can compare products and sellers, evaluate prices, estimate shipping costs, and complete purchases without leaving the conversation.

Alibaba has also begun extending these capabilities into Southeast Asia, with early Qwen-powered features already appearing in Lazada's Lazzie. During Lazada's 2026 Birthday Sale, Lazzie and other in-app AI features generated approximately \$3 million in GMV, providing an early indication of AI-assisted shopping moving into live commerce environments.



Source: Alibaba Group, Tech in Asia

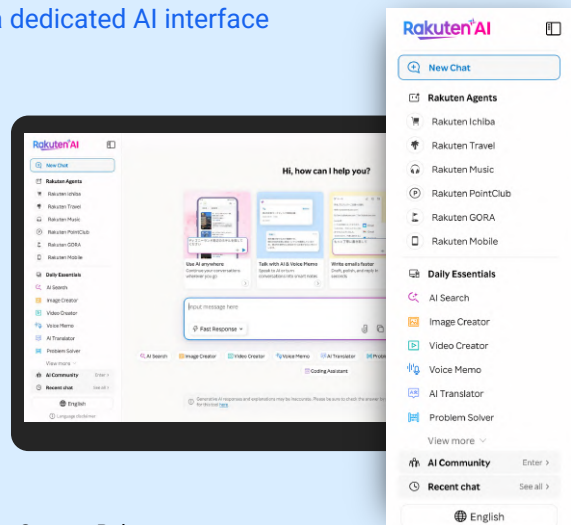


Rakuten AI Concierge:

Bringing conversational shopping into a dedicated AI interface

In December 2025, Rakuten launched a standalone agentic AI concierge app that lets shoppers interact through text, voice or camera to discuss budgets, needs and product scenarios.

Although purchases are still completed separately on Rakuten Ichiba, the launch demonstrates how marketplaces are beginning to shift product discovery and decision-making into dedicated AI interfaces.



Source: Rakuten

The next frontier: Agent-to-agent commerce extends AI beyond today's shopping assistants

While today's AI assistants primarily help consumers search, compare and make purchase decisions, the next stage of evolution is expected to see AI agents complete increasingly complex commerce tasks on their behalf. Rather than operating within a single application, AI agents could communicate directly with multiple merchant systems, compare offers, recommend the most suitable option and coordinate transactions based on a consumer's goals and preferences.

What it is

- Makes a sequence of goal-directed actions to achieve a user's objective
- Operates at the device level, enabling it to coordinate across multiple apps and merchant systems
- Receives instructions through natural language and executes tasks autonomously

Beyond changing how consumers shop, agent-to-agent commerce could reshape how merchants, platforms and payment providers interact with AI.

For consumers

- Near real-time comparison of prices and offers as AI agents continuously search across merchants

For merchants

- Potential surge in customer service inquiries, both for information and promotions
- Direct brand-consumer interaction narrows as AI increasingly intermediates the purchase journey

For payments

- Seamless checkout, payments and merchant connectivity become increasingly important as AI agents complete more commerce tasks

Illustrative example:

From **consumer intent** to **completed transaction**

Consumer:

Find me the best running shoes under THB 4,000, delivered by Saturday, and pay using my preferred payment method

Personal AI Agent:

Understands goals & preferences

Merchant
A

Merchant
B

Merchant
C



Compare offers



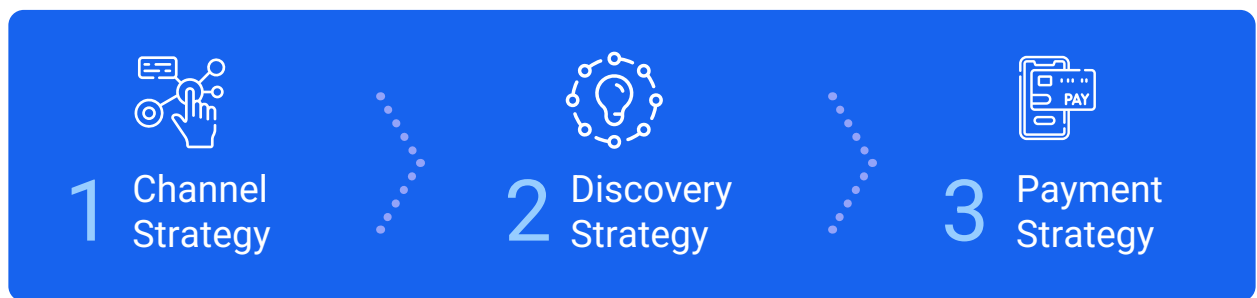
Recommend best option



Complete purchase & payment

Agentic commerce sharpens both the channel question and the payments question

As AI becomes increasingly involved in product discovery and transactions, brands will need to rethink not only how consumers discover their products, but also where transactions are fulfilled and how payments are authorized. While many of these developments are still emerging, they are already beginning to reshape three areas of commercial strategy.



Channel Strategy

AI changes where transactions happen

As AI increasingly determines where a transaction is completed, consumers may become less concerned about whether a purchase comes from a marketplace or a brand's own website. Instead, they simply ask AI for the best option, making the fulfillment channel largely invisible to the shopper.

For brands, however, the fulfillment channel still matters. It influences margins, first-party customer data and long-term customer relationships. This creates a stronger incentive for brands to strengthen the value proposition of their owned channels through loyalty programs, exclusive products and differentiated customer experiences, making them a more compelling fulfillment option for AI.

Discovery Strategy

Generative AI becomes a new commerce channel

AI is becoming another discovery channel through which consumers find products and brands. As a result, brands will increasingly need to optimize product information, structured data and trusted content so AI can accurately interpret and recommend their products. Some industry observers have begun referring to this as a new "share of prompt," extending the traditional battle for search rankings and share of shelf into AI-generated recommendations.

Leading brands and platforms have already begun experimenting with AI-native commerce experiences...

Sephora App in ChatGPT Brings a New Personalized Beauty Experience

MARCH 24, 2026



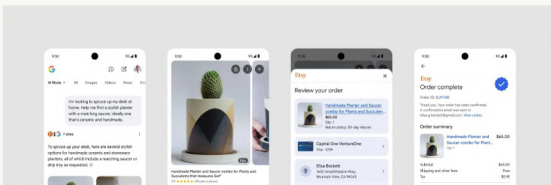
San Francisco, March 24th 2026 — Sephora, the global leader in prestige beauty retail, today announced a new AI-enhanced consumer experience with the launch of its app in ChatGPT. Piloting in the United States, the Sephora app in ChatGPT will assist customers in discovering and shopping for the right solutions with curated advice and recommendations. Customers will be able to use their Sephora loyalty rewards and member benefits such as free shipping promotions and samples, with future updates enabling payments and checkout directly within the app to meet users where they are.

This milestone marks Sephora's long-standing history of digital innovation. This latest

SEPHORA × 

- ✓ AI-powered beauty advice
- ✓ Direct purchase journey
- ✓ Checkout coming soon

Etsy Partners with Google to Make Sellers' Items Available for Purchase on AI Surfaces



Etsy ×  Gemini

- ✓ AI-assisted checkout for selected products
- ✓ Built on Google's Universal Commerce Protocol

Payment Strategy

Delegated payments require delegated trust

Agentic commerce also raises new questions around payment authorization. Rather than granting AI unrestricted purchasing authority, consumers are likely to delegate transactions within predefined rules such as spending limits, merchant preferences or approval thresholds. Much like delegated approval limits within organizations, payment infrastructure will need to balance automation with trust, transparency and user control.

AGENTIC PAYMENTS REQUIRE A NEW LAYER OF CONTROL

1

Delegated authority becomes structured

Delegated authority will move toward structured, revocable mandates that define spending limits, merchant scope and approval thresholds. Consent becomes explicit and checkable, rather than inferred after the transaction.

✓ Spending limits

✓ Merchant scope

✓ Approval thresholds

✓ Revocable at any time

2

Payment infrastructure becomes the control layer

Agentic payments create three distinct roles:

AI agent

Reasons about what to buy



Control & authorization layer

Verifies the agent and enforces the consumer's authorized scope, spending limits and merchant permissions



Settlement

Executes the authorized transaction with finality

The critical capability for payment providers sits in the middle: recognizing a request from a verified, scoped agent and enforcing the consumer's authorization at the point money moves.

3

Traceability becomes the new trust challenge

A single delegated mandate may cover multiple purchases, creating a traceability gap between the consumer's original instruction and each individual transaction. This can make disputes, authorization and liability harder to resolve.

Keep humans in the loop for irreversible actions. AI can analyze and recommend, but refunds or reversals should require human approval or a pre-authorized rule.

Taken together, these principles align with the IMF's framing of agentic payments: explicit delegated authority, control before settlement and clear traceability and accountability.

AGENTIC PAYMENTS: THE ROAD AHEAD

Some building blocks for agentic payments already exist today. What is new is payment initiation moving from humans to AI agents, while liability and dispute frameworks remain unresolved.

WHAT IS POSSIBLE TODAY



WHAT REMAINS UNRESOLVED



● **AI already supports risk and fraud detection**

AI already supports fraud detection and risk assessment. The next shift is AI potentially initiating transactions on a consumer's behalf.

● **Segregated, permissioned balances**

Sub-accounts can allow AI agents to operate against a segregated, permissioned balance, a capability already available for AI-driven commerce platforms.

● **Human or pre-authorized safeguards**

Irreversible actions should still require human approval or a pre-authorized rule, rather than a live AI decision.

● **Liability and accountability**

Per the IMF's April 2026 note on agentic payments, current liability regimes assume human intent; whether an agent error counts as unauthorized use or user negligence remains unresolved.

● **Dispute resolution**

AI-initiated transactions will require clearer dispute frameworks and liability allocation beyond processes designed for human fraud.

● **Evidence and traceability**

Without a traditional human browsing trail, standard chargeback evidence may not exist in the same form.

WHAT MERCHANTS CAN DO NOW



Strengthen evidence handling

Prepare for transactions without traditional browsing signals or standard chargeback evidence.

Test delegated payments across payment channels

Confirm checkout can accept delegated payments across different payment methods and channels.

Ask providers about AI-initiated disputes

Ask how AI-initiated disputes and liability will be handled before the framework is fully resolved.

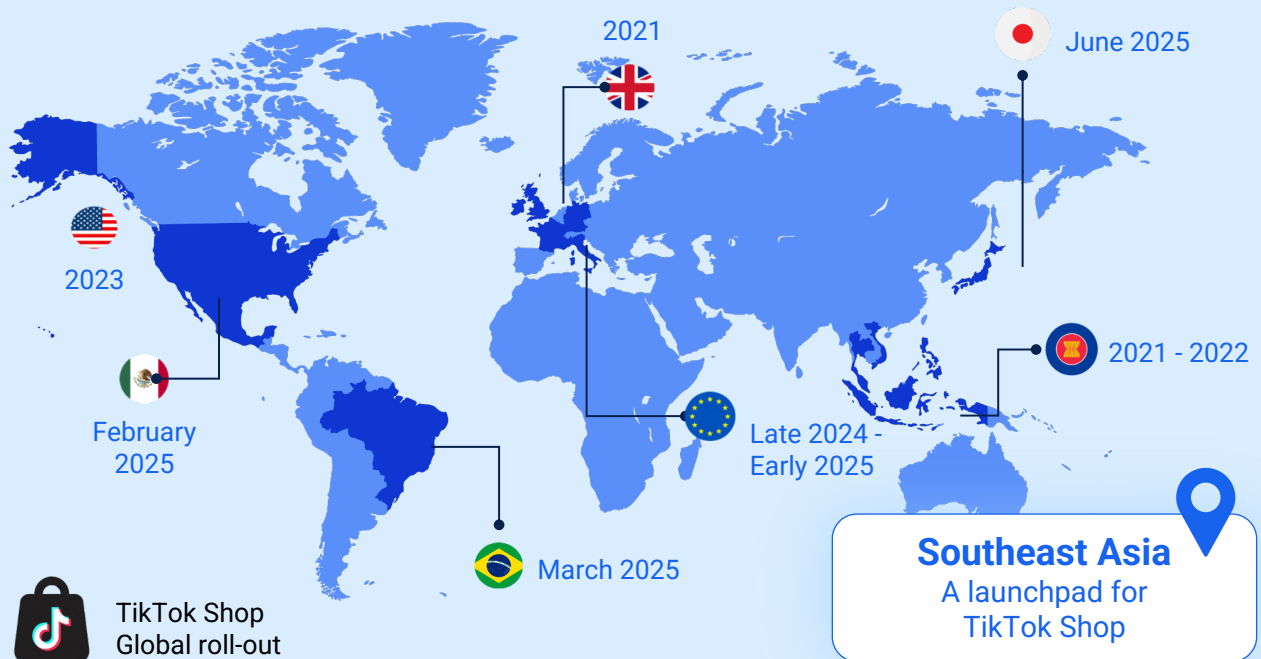
05

Implications and outlook

Southeast Asia's next phase of ecommerce growth will bring greater opportunity, but also greater complexity.

As channels broaden, payment expectations evolve and AI takes a more active role in commerce, merchants will need to rethink how they reach customers and convert demand. This section brings these implications together and looks ahead to the shifts that could define 2027.

Southeast Asia is a global testing ground for new commerce models



Southeast Asia is increasingly becoming a market where new commerce models are deployed, refined and scaled before wider adoption elsewhere. Its large digital-first consumer base, intense platform competition and willingness to adopt new shopping behaviors create an environment where innovation can move quickly from experimentation to commercial scale. This is helping drive what we describe as the region's "second growth spurt." Already substantial in scale, Southeast Asia's ecommerce market could double again, further strengthening its role as both a growth market and a testing ground for new commerce models.

TikTok Shop is one example of this shift. The platform launched across Southeast Asia before expanding into the US and Europe, while the region remains its largest commerce market globally. ByteDance has also continued to invest heavily in the region, with Indonesia becoming central to its commerce strategy following the Tokopedia integration.

In 2025, TikTok Shop generated an estimated \$65bn in global GMV based on Cube estimates, with Southeast Asia contributing around \$49bn, or more than 70% of the total. The US followed at approximately \$15bn, while other international markets remained comparatively small.

Southeast Asia's growing strategic importance raises the bar for payment infrastructure

That growing strategic importance does not mean the region's commerce infrastructure is fully mature. The next five years will test whether Southeast Asia can make increasingly complex payments, cross-border transactions and AI-enabled journeys feel seamless to consumers.

As banks, wallets, payment providers and commerce platforms compete for the customer relationship and transaction data, value will increasingly flow to those that can make this complexity invisible.

Southeast Asia can no longer be treated as peripheral by global brands and payment players

For global brands and payment players, Southeast Asia can no longer be treated as a peripheral or purely future-growth market. Its consumers are already adopting new forms of commerce and payment at scale, while marketplaces, cross-border connections and AI-enabled shopping journeys continue to evolve rapidly.

For businesses looking to enter or expand across the region, this creates growing confidence but also greater complexity. Success will depend not only on reaching consumers, but also on understanding local behavior, supporting the payment methods they trust and delivering a consistent experience across diverse markets.

That complexity is where payment infrastructure becomes critical to market entry. Payment preferences differ across all markets in the region, and continue to evolve as cross-border QR links mature and AI-mediated transactions emerge.

A payment partner can absorb that complexity behind a single integration: licensing, payment-method coverage, settlement and fraud all handled in one place. Xendit's advantage comes from holding that connection directly: licensed in every market it serves, and a direct member of the local card schemes, real-time payment rails and QR networks where membership applies. Built over a decade, it is what turns six markets' worth of complexity into one platform for merchants.

Southeast Asia’s commerce landscape is showing signs of becoming more multi-channel and AI-mediated

Marketplaces will remain central, but the next phase of growth may be less concentrated. Rising marketplace take rates are encouraging brands to explore alternative channels, while AI is beginning to reshape how consumers discover and purchase products.

1 The market may be moving past “peak marketplace concentration”

Marketplaces will remain central, but rising take rates could encourage greater investment in brand.com, e-retail and other owned or alternative channels.

Each channel offers a different trade-off for merchants



What this means for merchants:

Build a more balanced channel strategy.

Evaluate where owned and alternative channels can strengthen margins, customer relationships and resilience alongside marketplaces.

Other emerging channels (e.g., quick commerce)

- Complementary reach
- Channel-specific opportunities
- Can strengthen channel resilience

2 AI is moving from helping consumers shop toward shopping on their behalf

As AI progresses from discovery and decision support toward transactions, it could reshape how products are found, which channels win and how payments are initiated.

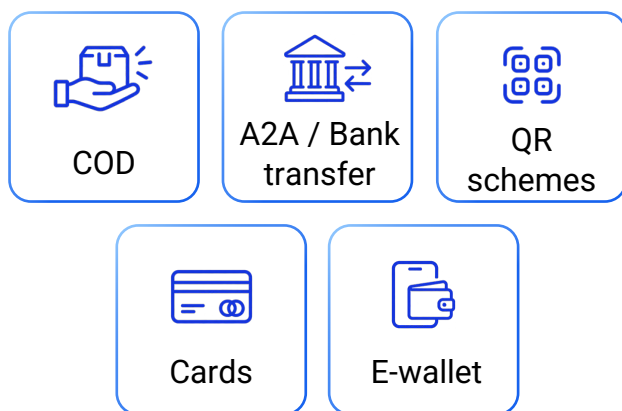
Today: Consumer-led commerce	Emerging: Agentic commerce	What this means for merchants:
Consumer: Searches, browses, asks for recommendations AI assistant: Helps with discovery and comparison Product / channel options: Shows options across different channels Consumer decides & purchases Chooses merchant and initiates payment	Consumer intent: "I need running shoes" AI agent: Interprets goal, selects product and channel Agent-initiated purchase: Completes the transaction on the consumer's behalf	Prepare for AI-mediated commerce. Ensure products are discoverable and well structured, channels are accessible and checkout is ready for increasingly delegated shopping journeys.

Payments become more important as commerce becomes more complex

Southeast Asia's payment landscape will remain highly diverse even as digital payments continue to grow. As commerce expands across more channels and use cases, payment choice, reliability and infrastructure will increasingly influence whether demand ultimately converts into sales.

1 Southeast Asia has moved beyond COD, but payment preferences remain highly local

Southeast Asia started as a predominantly cash-on-delivery market. Today, A2A, QR, cards and wallets are all important, but their relevance varies significantly by market.



Different relevance by market



No single regional payment mix works across Southeast Asia

What this means for merchants:

Offer a diverse, locally relevant payment mix.

A single regional setup will not be enough; merchants need to support the methods customers prefer in each market.

2 Strong marketplace payment experiences can make payments look like a solved problem

Major marketplaces already provide smooth, localized payment experiences. Outside them, payment quality becomes more visible, especially in brand.com, cross-border commerce and event ticketing.

Marketplaces:

Platform handles much of the complexity, from payment methods, checkout, fraud, to refunds / settlements

Outside marketplaces:

More payment responsibility shifts to the merchant

Brand.com:

Payment options & checkout

Cross-border:

Local methods, FX & settlement



What this means for merchants:

Do not assume payments are solved.

Identify friction across key customer journeys and work with the right payment partners to address it.

3 Payment friction is still holding back billions in ecommerce sales, creating an industry-wide challenge

Payment failures, limited method coverage, fraud and checkout friction continue to prevent otherwise viable demand from converting.



Consumer demand

Intent to purchase

Payment friction

- Method unavailable
- Failed payment
- Fraud concerns
- Checkout friction

Converted sales

Completed purchase

What this means for merchants:

Treat payments as a conversion priority.

Improving payment choice, reliability and fraud management can unlock more value from existing demand.

5 PREDICTIONS FOR SOUTHEAST ASIAN ECOMMERCE IN 2027

1

Marketplace economics trigger a visible channel reset

Marketplace take rates continue to rise, and brands respond with more than experimentation. Investment in brand.com, exclusive assortments and direct-to-consumer incentives becomes visibly more aggressive. Marketplaces remain dominant, but the push toward ever-greater concentration begins to lose momentum.

2

Cash-on-delivery becomes the exception, not the rule

COD falls below 25% of regional ecommerce value, with the Philippines the last major market above 20%. Across much of Southeast Asia, COD shifts from a default payment option toward something retained for specific customers, categories and occasions.

3

BNPL enters its first real regulatory reset

After years of rapid expansion, BNPL growth slows as consumer-credit regulation tightens. But it does not disappear: platform-native installments remain deeply embedded in shopping behavior, creating a clearer divide between sustainable credit products and growth driven primarily by easy access.

4

AI becomes a commercial actor, not just a shopping assistant

Southeast Asia sees its first true agentic checkout, via a marketplace assistant or wallet; AI referrals become a meaningful source of high-intent commerce traffic, and agents begin making decisions that previously belonged to the shopper, including which product to buy, where to buy it and which payment rail to use. A major AI-assisted fraud incident could accelerate regulatory guidance and agent-verification controls at the same time. Payment methods may soon compete for machine preference, not just consumer preference.

5

Southeast Asia's payment rails move closer toward a regional network model

Domestic instant-payment and QR systems are becoming increasingly interconnected, reducing the need for separate bilateral payment arrangements. As interoperability expands, the conversation is shifting from whether markets can connect to how seamlessly money can move across the region in practice.

THIS REPORT WAS CREATED IN PARTNERSHIP WITH XENDIT

ABOUT XENDIT



Xendit is the financial technology platform built for businesses that move fast without missing a beat. By delivering a single, unified solution for payment acceptance, payouts, treasury and financial services that fuel growth, Xendit removes the operational complexity that slows companies down, replacing fragmented local integrations with one intelligent infrastructure layer.

Xendit serves businesses of all sizes, from high-growth startups to global enterprises, processing high-volume transactions across Southeast Asia and beyond – Indonesia, the Philippines, Thailand, Malaysia, Vietnam, Singapore and Greater China – with more markets on its global expansion roadmap. Xendit is the preferred payment infrastructure partner for some of the world’s top brands, including the region’s leading Traveloka and XLSMART.

For this report, Xendit contributed payments data, merchant perspectives and market expertise, helping ground the analysis in the operational realities businesses face across the region.

ABOUT CUBE



The leading market data and insights provider for ecommerce in Southeast Asia and beyond.

- **Reliable and granular market intelligence** backed by more than a million data points every week, covering leading ecommerce platforms including Shopee, Lazada, TikTok Shop and Tokopedia
- **80+ specialist team members across Southeast Asia**, serving leading brands, retailers, investors and enterprises across Asia, Europe and the United States
- **Proprietary market data, custom research and strategic insights** that help businesses understand market size, category dynamics, competitive performance and emerging ecommerce trends



cube



xendit