



PRIVATE EQUITY & VC INSIGHTS

Breaking Away from US-Centric SaaS –

Going Global w/ Embedded Payments

Payments Insights & Strategies for Investors in
vertical SaaS Platforms

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Going Global with vSaaS Embedded Payments

Executive Summary

The vertical SaaS landscape is rapidly evolving beyond U.S. borders, with nearly half of the addressable market now residing internationally. For software investors, this presents both significant opportunity and complex challenges—particularly when it comes to embedded payments, a feature that can multiply revenue per user by 2-5x in vertical SaaS businesses¹.

The numbers tell a compelling story. In the "golden quartet" developed markets of Canada, the UK, and Australia/New Zealand, an estimated 5,000+ SaaS companies operate¹. Compared to roughly 17,000 SaaS companies in the U.S. it's a smaller market but the growth of vSaaS internationally is on the rise¹. Nearly half of the vertical SaaS ecosystem lies outside the United States, representing untapped growth potential for investors willing to think beyond domestic markets.

However, international expansion isn't simply about copy-pasting a proven U.S. formula, especially when it comes to embedded payments. Payment preferences, regulatory requirements, and customer behaviors vary dramatically across markets—and getting the payments piece wrong can derail an otherwise promising SaaS expansion abroad.



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Payment Preferences Vary Dramatically Outside North America

One of the biggest misconceptions among U.S.-based SaaS companies is assuming credit card dominance translates globally. Depending on the specific vertical, upwards of 50% of SaaS customers in the United States & Canada prefer paying via credit card, making credit-card-first strategies optimal across North America¹. The reality is starkly different outside North America.

United Kingdom: Approximately 44% of customers prefer automated bank debit for recurring SaaS payments versus 35% for cards. Bank-to-bank methods dominate over card payments¹.

Australia: Bank debit is the top choice for a majority (~56%) of customers, significantly ahead of bank transfers and far above card payment preferences¹.

These ingrained preferences mean a U.S.-based SaaS expanding to London or Sydney must incorporate payment options like Direct Debit (Bacs in the UK, BECS in Australia) and local bank transfer capabilities. Forcing less-preferred payment methods risks lower conversion rates and customer dissatisfaction.

Beyond Payment Types: Currency & Compliance Complexities

While payment method preferences vary significantly across markets, vertical SaaS platforms face even deeper operational challenges when expanding internationally. Currency management, regulatory compliance, and tax obligations create complex requirements that differ drastically between jurisdictions and often prove more difficult to navigate than payment method integration².

Multi-Currency Requirements: Businesses demand local currency billing to avoid FX volatility and foreign transaction fees. A Canadian merchant will resist USD-only pricing due to exchange rate risk and accounting complications. Leading platforms offer local currency billing with customer-chosen settlement currencies, requiring sophisticated billing systems that manage FX conversion.

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Regulatory Compliance: Each market has unique requirements that alter payment experiences. Strong Customer Authentication (SCA) in the EU/UK mandates multi-factor authentication under PSD2. U.S. platforms may need 3-D Secure flows or bank redirects in Europe—changes that impact conversion if poorly implemented.

KYC Variations: Merchant onboarding differs significantly by market. While U.S. platforms collect basic business information, other markets require additional documentation, beneficial ownership disclosures, or license verifications. Australia mandates specific payment data storage rules, while Canada has stricter record-keeping requirements.

Tax Obligations: Payment processing triggers different tax and reporting requirements. Some markets require withholding taxes on processing fees while others mandate transaction reporting or extensive documentation, adding onboarding complexity.

Strategic GTM Adaptations Needed Abroad

Successfully onboarding merchants for embedded payments in international markets requires vertical SaaS platforms to fundamentally rethink their go-to-market (GTM) strategies. What works to acquire and convert merchants in North America often fails abroad due to cultural differences in sales cycles, varying levels of embedded payments awareness, and distinct competitive landscapes. Platforms must adapt everything from initial outreach and value propositions to partnership models and local market positioning.

Local Presence and Cultural Alignment: Enterprises and SMBs prefer buying from providers who understand their local market. Even in English-speaking markets, cultural dialects and business etiquette differences impact sales cycles. Australian businesses, for example, value relationship-building and may require longer consultation periods compared to the direct, efficiency-focused approach that works in the U.S. UK enterprises often expect more formal procurement processes and detailed compliance documentation.

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Many successful expansions involve establishing regional offices or hiring local sales representatives who can navigate these cultural nuances. This investment in local presence also provides crucial time zone coverage and demonstrates long-term market commitment. For PE-backed companies, leveraging the firm's network for regional introductions or considering strategic acquisitions of smaller local players can accelerate market entry and provide immediate credibility.

Tailored Value Propositions: While embedded payments' core value remains powerful globally, the emphasis must shift by region. In mature markets like the UK, Canada & Australia, customers may already be familiar with integrated payments but frustrated by limited features or opaque pricing from competitors. The sales pitch should focus on superior capabilities rather than basic education: "Unlike others, our platform supports multi-currency settlement and local payment methods."

In contrast, markets with lower embedded payments penetration require more educational selling, emphasizing convenience and revenue benefits. Sales teams must research local competitive landscapes and adjust messaging accordingly. What worked to win U.S. clients—perhaps emphasizing innovation—might need to shift toward reliability and compliance in more risk-averse European markets outside the UK³.

Partnership and Monetization Models: Many expanding SaaS companies initially use PayFac-as-a-Service models or referral partnerships rather than immediately replicating their domestic payments infrastructure. This trades some control for speed and reduced regulatory complexity. The choice between white-label solutions (where the SaaS brands payments as their own) versus referral models (where the payment provider is more visible) affects go-to-market messaging and support requirements.

Strategic partnerships with local entities can accelerate market entry. Integrating with popular regional accounting software or partnering with established resellers signals market commitment and provides immediate distribution channels. The key is aligning the partnership model with available resources and growth timelines in each market.

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Worldpay Was Built for Global Markets

As vertical SaaS companies internationalize and seek robust payment capabilities, Worldpay for Platforms (WP4P) has been scaling up its international capabilities to meet the need. In mid-2025, Worldpay announced an expansion of WP4P into key English-speaking markets beyond the U.S., bringing its secure, scalable platform to Canada and the UK and deepening its presence in Australia & New Zealand⁴. This push aligns directly with the “golden quartet” markets discussed earlier. The goal was to empower SaaS providers in these countries to embed modern payment experiences directly into their software, backed by Worldpay’s global infrastructure and expertise.

What does WP4P’s enhanced international offering entail? Fundamentally, it provides SaaS platforms with a fully managed payments service that simplifies the complexities of operating in multiple countries. This includes:

Global Scale, Local Expertise: Processing payments in 174 countries and 135 currencies, Worldpay provides immediate access to local acquiring and banking relationships without requiring SaaS platforms to build these connections from scratch⁴. For portfolio companies, this means faster time-to-market and reduced capital requirements for international expansion. Worldpay’s existing acquiring licenses and regulatory approvals across jurisdictions eliminate the 6 to 12 month setup timelines that typically delay international launches.

Unified Integration Architecture: A single Worldpay API handles credit cards, ACH/bank debit, digital wallets, and local payment methods across markets. This eliminates the engineering overhead of separate integrations for each payment type or geography—a common bottleneck that can consume 6-18 months of development resources. For example, a Canadian SaaS using Worldpay can accept Visa, MasterCard, Interac debit, and digital wallets through one integration, while a UK platform can process cards, Bacs Direct Debit, and PayPal through the same system.

Managed Compliance and Risk Operations: Worldpay handles regulatory compliance, fraud management, and merchant onboarding across jurisdictions, functioning as the payment facilitator where needed so platforms don’t need to register in each market. This includes automated KYC processes, PCI compliance, PSD2/SCA requirements, and local banking regulations—operational

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complexities that typically require dedicated legal and compliance teams. The risk management infrastructure monitors transactions across currencies and payment methods, reducing fraud losses that can impact platform economics.

Revenue Optimization Tools: Beyond basic payment processing, Worldpay provides analytics and optimization tools that help SaaS platforms maximize payment revenue internationally. This includes currency conversion optimization, payment method routing based on success rates, and settlement timing controls that improve cash flow management across multiple currencies.

Driving Value Creation for International SaaS Platforms

International SaaS markets present compelling growth opportunities for investors but requires evaluation of fundamentally different risk factors than domestic US deals. Success hinges on the platform's ability to navigate complex payment ecosystems, regulatory requirements, and cultural market dynamics that can make or break expansion efforts. However, if investors manage their due diligence properly, international SaaS platforms offer distinct value creation opportunities for embedded payments platforms that the domestic US market may lack.

First-Mover Market Positioning: Many international markets have significantly lower embedded payments penetration compared to North America, creating opportunities to establish dominant positions before competition intensifies. This is particularly true in emerging verticals or smaller English-speaking markets where local solutions may be limited.

Enhanced Customer Stickiness: Localized payment experiences create higher switching costs than generic solutions. When platforms properly integrate local payment methods, currencies, and compliance requirements, they become deeply embedded in merchants' operations, dramatically improving retention and reducing churn.

Expanded Revenue Monetization: International expansion unlocks new revenue streams beyond basic payment processing. Cross-border transaction fees, currency conversion spreads, and region-specific financial services (like local lending or insurance) can increase per-customer revenue. Additionally, payment data insights become more valuable when aggregated across markets.

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Conclusion

The globalization of vertical SaaS is accelerating, driven by market saturation in the U.S. and significant opportunities abroad. However, success requires moving beyond a U.S.-centric mindset and embracing true localization—especially in payments.

Those SaaS platforms that successfully adapt will tap into high-growth markets previously out of reach, driving outsized returns. Those that don't risk being disrupted by more agile local competitors or failing to win international customer trust.

For private equity investors, the message is clear: international expansion in SaaS isn't just about translating the UI or hiring overseas salespeople. It's about embracing a holistic strategy that localizes the entire customer experience, with embedded payments at the center.

The opportunity is substantial, but so is the complexity. The winners will be those who partner early with payment providers that can handle this complexity at scale, allowing the SaaS platform to focus on what it does best—building great software for its vertical market.

For more insights & support on how Worldpay can help your PE/VC firm or portfolio investments related to payment strategies, contact our Private Equity Partnerships team.

<https://platforms.worldpay.com/partnerships/>

Sources: ¹ Worldpay Internal Analysis, ² <https://www.magneticway.com/en/market-research/navigating-international-market-entry-strategies-for-software-success/>, ³ <https://www.forbes.com/councils/forbestechcouncil/2025/05/02/beyond-borders-building-effective-international-payment-infrastructure/>, ⁴ <https://corporate.worldpay.com/news-releases/news-release-details/powering-software-platforms-tomorrow-worldpay-expands-embedded>