



# Digital Payments in Singapore

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Rahul Dua  
Payments, Product Manager

# SHORT HISTORY OF PAYMENTS

## Consumer payments

### Typical methods:

- Cash
- Card

### Illustrative examples:

- Rates
- Services

### Characteristics:

High volume and low  
\$ value payments



## Business Payments

### Typical methods:

- Cheque
- Electronic (e.g., EFT)

### Illustrative examples:

- Suppliers

### Characteristics:

Low volume and high  
\$ value payments

# BENEFITS OF DIGITAL PAYMENTS FOR BUSINESSES

## Business improvements

- ❖ Reduced payment processing time
- ❖ Reduced number of approvals required
- ❖ Reduced administration cost
- ❖ Improved visibility and data reporting
- ❖ Improved supplier relations
- ❖ Improved cash flow

## Speed

- ❖ Digital payments are identified as reducing the time required to process payments, providing sellers better control over their receivables.

## Cost

- ❖ Digital payments are more than three times more cost effective on average than traditional purchase order process costs, due to reduced manual intervention and reconciliation effort.



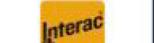
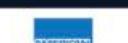
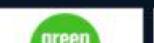
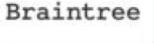
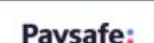
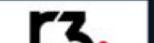
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# How does payment processing work?

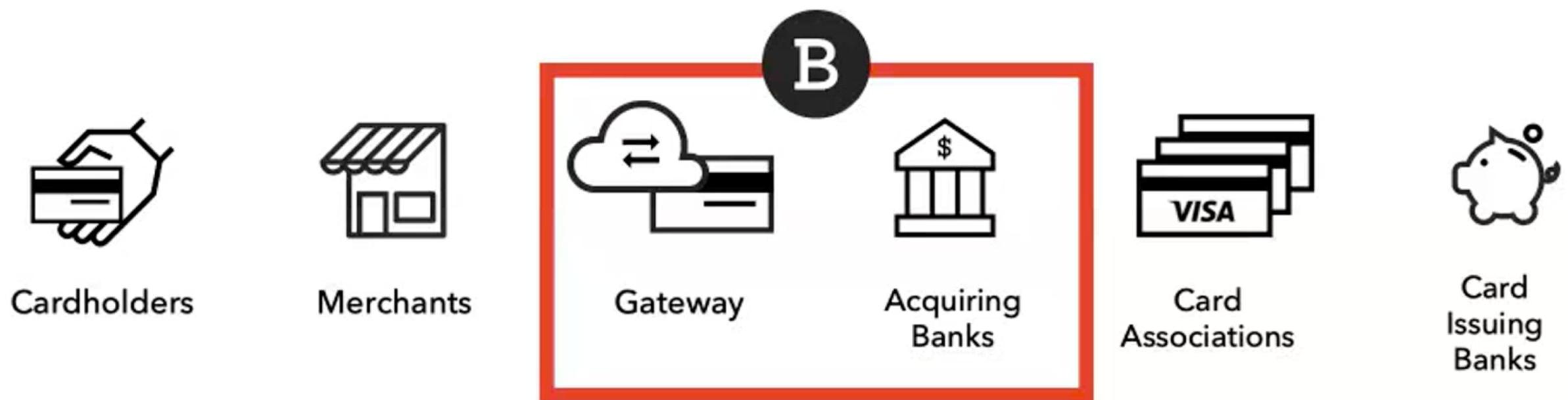


# THE PAYMENTS ECOSYSTEM

Every time a consumer swipes, taps, or inserts their card, payment data is sent through a complex web of stakeholders

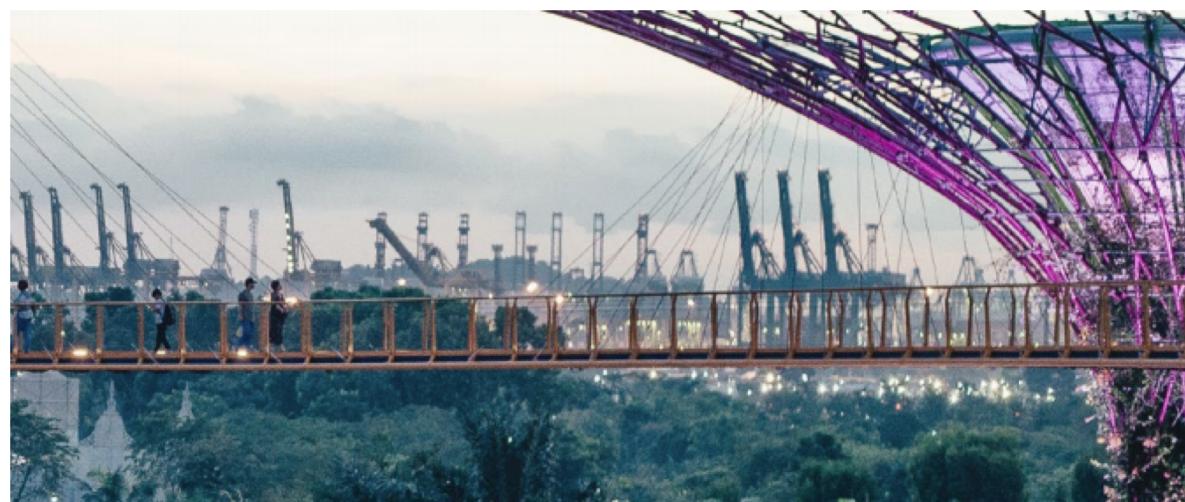
ACQUIRERS/ PROCESSORS	 	CHASE Paymentech				 <small>A Global Payments Company</small>	
 							
 							
 							
 							
 							
 							
 							
 							
 							
 							
 							

# PAYMENTS FLOW - THE BRAINTREE PRODUCT



# PAYMENT GATEWAY PROVIDERS IN SINGAPORE

Payment gateway is an ‘e-commerce service’ that ‘processes the card and bank payments’ that ‘customers make’ when they ‘purchase’ items ‘online or offline’



# KEY FACTORS TO CONSIDER WHEN CHOOSING A PAYMENT GATEWAY

## Transaction Fees

- ❖ Payment gateway service providers in Singapore charge based on a fixed percentage and a flat fee rate per successful transaction

## Accepted Payment Methods

- ❖ Accepting payment online is an integral part of your business. You need to examine the online payment methods that your target audience prefers

## Ease of Technical Integration and User Experience

- ❖ The amount of time it takes for a payment gateway to integrate on merchant website depends on the technical complexities and user experience it provides

## Customer Support

- ❖ Ensure whether the provider offers live technical support, at least within standard working hours, so that you can quickly resolve any technical problems.

# ASEAN DIGITAL LANDSCAPE

	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Population (mn)	258	30.2	100.1	5.5	62.2	92.5
Online Population (mn)	93.4	21.4	42.0	4.1	21.1	44.7
% of Population Online	36%	70.9%	46.5%	74.5%	33.9%	48.3%
Broadband Subscriptions (per 100 inhabitants)	17.1	10	4.8	26.4	9.2	8.1
Bank Account Penetration	36%	81%	28%	96.3%	78%	30.8%
Credit Card Penetration	1.6%	20.2%	3.2%	35.4%	5.5%	1.9%
Smartphone Penetration	24.0%	35.0%	15.0%	85.0%	37.7%	36.0%
Paying Gamers in million	19.9	6.6	11	1.1	8.3	12.3

\*Data as of 2016, Source: BBVA Research, Moody's Investor Service, Focus Economics

# ASEAN PAYMENTS LANDSCAPE

## Key Payment Methods

- ❖ Cash-Based Payments (IDN, THA, MYS)
- ❖ ATM Payments (IDN)
- ❖ Convenience Store Payments (IDN, PHL)
- ❖ Online Bank Transfers (MYS, THA, SGP, PHL)
- ❖ E-Wallets (SGP, PHL)
- ❖ Over the Counter (OTC) Payments (PHL)



# COMPARISON OF TOP GATEWAY PROVIDERS IN SINGAPORE

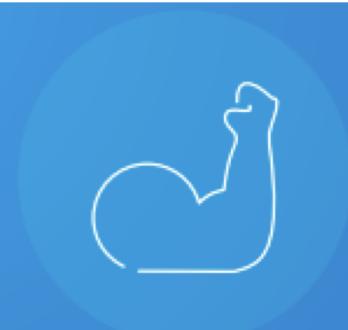
Provider	Setup Cost	Transaction Fees	Accepted Payment Methods	Remarks
 <b>PayPal</b>	No	3.9% + \$0.50 per successful transaction	PayPal, Visa, MasterCard, American Express, Discover, Diner's Club, and JCB	Merchants can avail discounted rates where sales exceed \$5,000 monthly.
 <b>stripe</b>	No	3.4% + \$0.50 per successful transaction	Visa, MasterCard, American Express, Discover, JCB, Diners Club cards and Bitcoin	Merchant can avail discounted rates where sales exceed \$40,000 monthly.
 <b>eNETS</b>	Yes, varies based on merchant account	3.5% - 4% per per successful transaction	Visa, Mastercard, Maestro, JCB, Discover, American Express, Diners Club International, UnionPay	
 <b>Braintree</b> A PayPal Company	No	3.4% + \$0.50 per successful transaction	Visa, Mastercard, Maestro, JCB, Discover, American Express, Diners Club International, UnionPay, PayPal, Apple Pay, Android Pay	
 <b>worldpay</b> from FIS	No, yearly subscription fee of S\$650	3.95% per successful transaction	Visa, Mastercard, Maestro, JCB, Discover, American Express, Diners Club International, UnionPay	Fraud protection services can be availed by all merchants at S\$0.16 per transaction

# KEY NEXT STEPS FOR SMEs

- ❖ Understand which payment mechanisms are available for your expenditure types
- ❖ Determine the full cost and benefits of the payment mechanisms
- ❖ Consciously re-balance payment processes towards digital mechanisms that provide the desired benefits for an acceptable cost
- ❖ Supplier and purchaser communication to discuss ways to make payments faster



# CASE STUDY - INTERNET FUSION



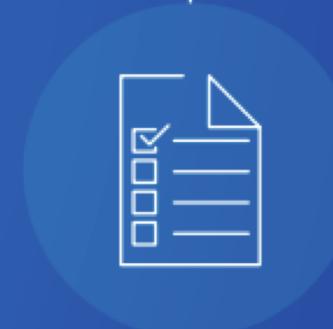
## Challenge

Creating a more simple and transparent pricing, postage and payment process for a growing international customer base



## Results

- ❖ PayPal has helped Internet Fusion accept payment in different currencies
- ❖ PayPal is used to process credit card payments
- ❖ 70% of sales are processed through PayPal
- ❖ PayPal has processed Internet Fusion payments from over 90 countries in the past year



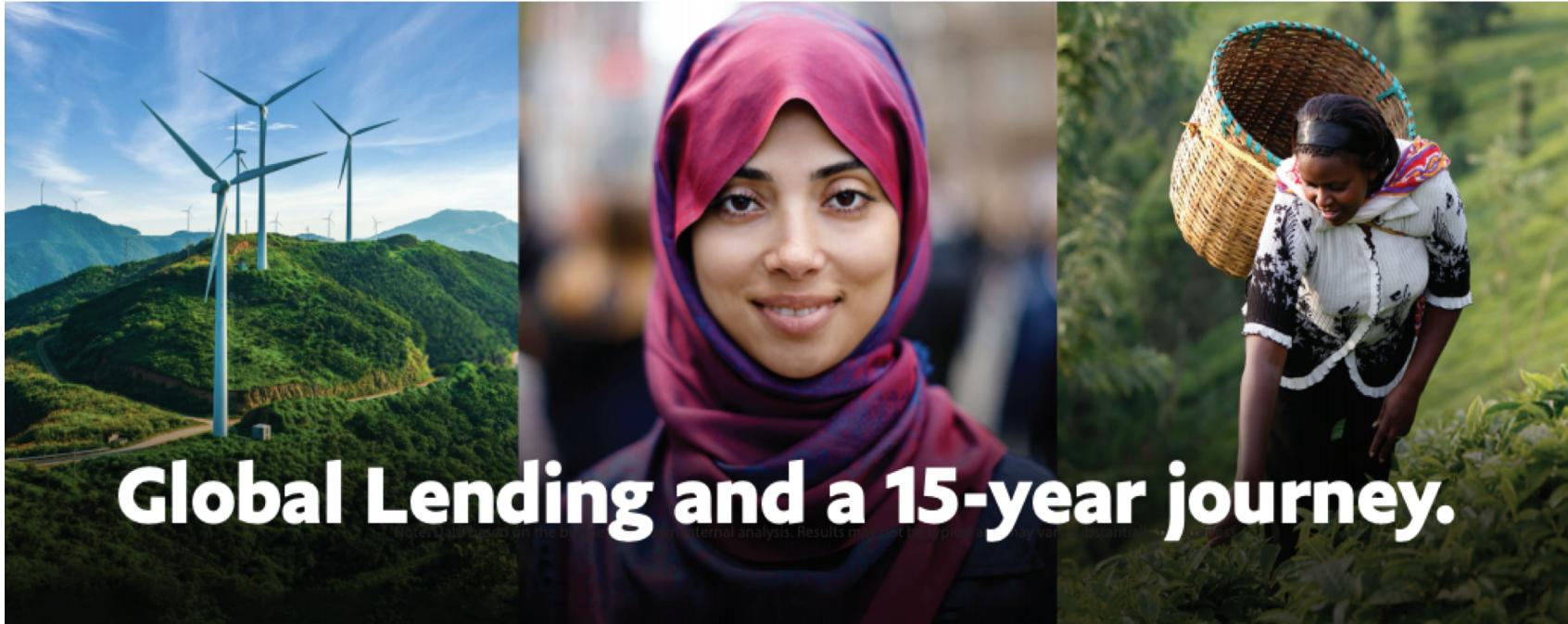
## Solution

PayPal offers quicker and easier payment in local currencies

## Organisation

UK-based online action sports clothing and equipment retailer

# CASE STUDY - kiva



## Global Lending and a 15-year journey.



How PayPal and Kiva have partnered to deliver a world of good for 3.6M entrepreneurs and counting...

**15 year journey milestones**

**3.6M**

Small entrepreneur loans with \$1.4B across **98 countries**

**97%**

Lender Repayment Rate

**\$1B+**

In Loans to Women



Thank You