



Digital Payments in Singapore

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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.





How does payment
processing work?



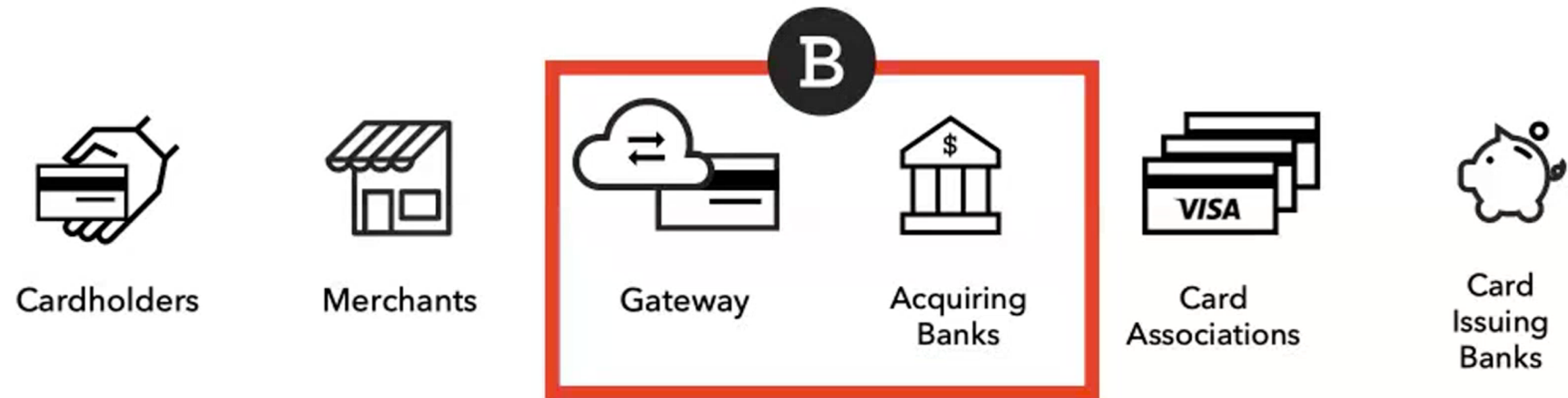


Every time a consumer swipes, taps, or inserts their card, payment data is sent through a complex web of stakeholders

THE PAYMENTS ECOSYSTEM

ACQUIRERS/ PROCESSORS	adyen	Bank of America Merchant Services	CHASE Paymenttech	Elavon	GALILEO	Kabbage	TSYS A Global Payments Company	worldpay from FIS
	BARCLAYS	BC CARD	银联商务 ChinaUMS	First Data fiserv	globalpayments	nets	WELLS FARGO	Worldline
CARD NETWORKS	AFFIN	DISCOVER	Interac	JCB	mastercard	pulse A DISCOVER COMPANY	STAR	VISA
	AMERICAN EXPRESS	elo	INTERLINK	Maestro	MIF	RuPay	UnionPay 银联	Visa ReadyLink
ISSUERS	AMERICAN EXPRESS	BARCLAYS	CHASE	DISCOVER	green dot	Revolut	USAA	WELLS FARGO
	Bank of America	Capital One	citi	Goldman Sachs	MARQETA	synchrony BANK	usbank	wex
GATEWAYS	adyen	amazon payments	BlueSnap	cardconnect	ingenico GROUP	Paysafe	shopify	wepay
	Alipay	Authorize.Net	Braintree	CyberSource A Visa Solution	PayPal	PayU	Verifone	worldpay from FIS
ISOs / MSPs	ALIAANT	CreditCard Processing.com	EVERLINK	NorthAmerican BANCARD	Paywire	PRIORITY PAYMENT SYSTEMS	total merchant services get your business free	UNITED MERCHANT SERVICES
	CAYAN	Fidelity PAYMENT	NB National Bankcard	payroc	PIVOTAL PAYMENTS POWERING YOUR SUCCESS	The Transaction Group	TouchSuite	versapay
NONCARD PAYMENTS	ACI UNIVERSAL PAYMENTS	earthport	Nacha	PayPal	ripple	SWIFT		VOCALINK mastercard
	DWOLLA	mastercard	nets	Paysafe	r3	The Clearing House	VISA	worldpay from FIS

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'



cardstream

coinbase

CyberSource®
the power of payment

eway®

Payeezy
First Data Powered

GO COIN

iATS®
payments

ingenico
ePayments

stripe

2C2P

2CC 2CHECKOUT

adyen

AlliedWallet

Apple Pay

worldline
e-payment services

bitpay

Braintree
A PayPal Service

mastercard

MERCHANT
Warrior

payment
express

PayPal
EXPRESS CHECKOUT

PayPal™

PayTabs

worldpay

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)



COMPARISION OF TOP GATEWAY PROVIDERS IN SINGAPORE

Provider	Setup Cost	Transaction Fees	Accepted Payment Methods	Remarks
	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.
	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.
	Yes, varies based on merchant account	3.5% - 4% per per successful transaction	Visa, Mastercard, Maestro, JCB, Discover, American Express, Diners Club International, UnionPay	
	No	3.4% + \$0.50 per successful transaction	Visa, Mastercard, Maestro, JCB, Discover, American Express, Diners Club International, UnionPay, PayPal, Apple Pay, Android Pay	
	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



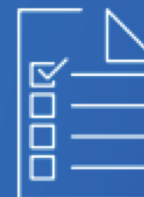
Challenge

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



Organisation

UK-based online action sports clothing and equipment retailer



Solution

PayPal offers quicker and easier payment in local currencies

CASE STUDY - kiva



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