

# Digital Payments Innovation

## Global Context For Digital Financial Transactions

29 September 2021

# Global Trends In Digital Payments 2021

1

**Contactless Payments is key enabler while Pandemic**

- **67%** US and **75%** European **in-store retail payments** go contactless
- **63%** **Global Adoption** of contactless payments estimated
- **NFC, RFID** and **EMV** Technologies driving contactless payments

2

**Investments in Unified Technology for Omnichannel Payment**

- Global **Online Shopping** skyrocketed by **71%** during 2020
- Phenomenal **Growth of Digital Payments** led by APAC – **16%** YoY
- **27%** Global Digital Transactions through **QR Code** by 2024

3

**Embedded Technology creating value beyond Payments Transactions**

- Emergence of **Integrated Enterprise Platforms** across businesses
- **Gen Z** (31% of Globe) depends on **cutting edge fintech** solutions
- E Commerce with Embedded Payments – **14.4%** of total retail

4

**Innovation in Advanced Technology Driving Change**

- **Cloud Technology** growth at **CAGR of 14.2%**, \$832.1Bn Market
- **Open Banking APIs** growing at **24.4% CAGR**, **Interoperability**
- Faster Adoption of **5G**, easy access to **data, mobility, AI & ML**

5

**Usage Driven Payments Innovation**

- Increasing demand for **mPOS** – growing with **CAGR of 19%**
- **From Cards to Codes** – Transformation witnessed by EMV Tech.
- **Smart Speaker Payments** – 35% users used for online shopping

# Digital Payments Innovation Trends in India & Asia Pacific Region



- Fastest Growth in contactless payments – **2.5X**
- Highest growth of cashless transaction – **109%**



- **E-Wallets** are fast replacing Physical Cards in APAC
- **China, India and South Korea** are leading digitization



- Transforming from cash to digital payments across APAC, **India leads APAC's Real Time Payments Market**



- Use of **Payments Analytics, AI & ML** by 44%+ companies in India



- Use of **Digital Payments in Financial Inclusion** across APAC countries. Direct Benefit Transfer in India



- Dominance of e-Wallet for digital payments **led by China, Thailand, South Korea and India**

# Lessons Learned in India – Digital Payments Outburst

01



- Unprecedented growth in Digital Payments by access owing to
  - **Affordable Data**
  - **Smartphone penetration**
  - **Bank Accounts through PMJDY**

02



- Complete, **Simple & End to End Digital Customer Journeys** contributed for quick adoption of digital payments

03



- Lower customer acquisition cost owing **JAM trinity** framework
- Externalization of payments from traditional banking services
- Evolution of Fintech and Startups

04



- **Robust regulatory Framework** by RBI for allowing entry to Non-Bank Payments Players to access payments infrastructure

05



- **Complete interoperability** coupled with increased transaction limits, **effective use of QR codes** and cash withdrawal from non-bank wallets

## *Four Pillars of Digital India*

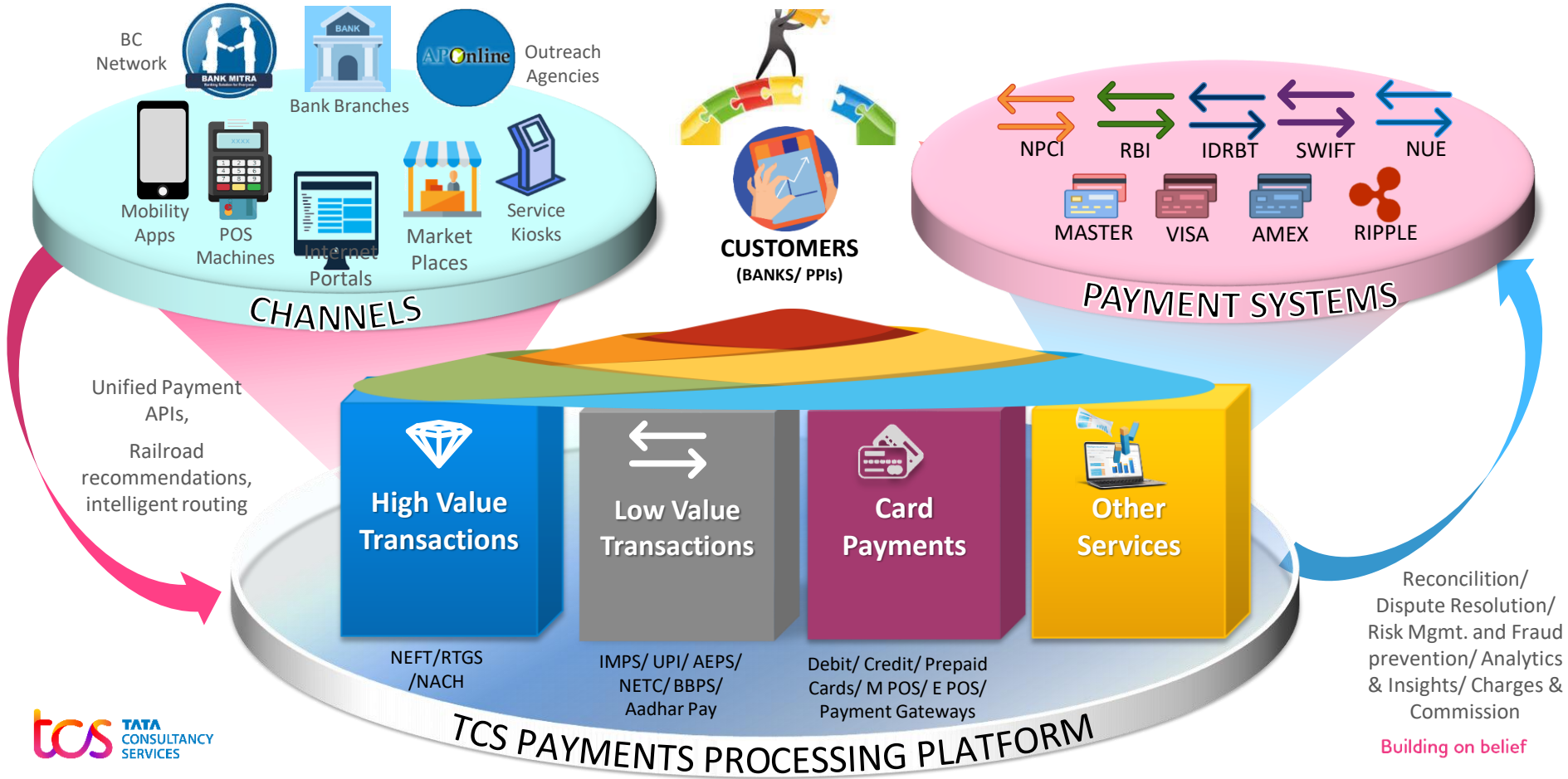
**Cashless**

**Presence less**

**Contact less**


**Consent**

# Innovation In A Box




# Transformation : Services for Payment Value Chain Players

 **Payment Acquirers** | E-Wallet, ATM Solutions, Omni Channels, Cards Solution, Financial Inclusion **01**

**02** | Centralised and Unified Payment Processing Hub, Payment Analytics, Realtime Recommendations, Order Management, Reconciliation, Disputes Resolution **Payment Processors** 

 **Settlement Agencies** | Central Payments Infrastructure Connectors (RTGS, NEFT, NACH, RTP, APBS, Blockchain, Crypto Currencies etc.) **03**

**04** | Cards Management Systems, Transaction Processing Systems, Payment Computations, Regulatory Reporting **Payment Issuers** 

# Use Case: Summary of TCS Financial Inclusion Impact

*Indian Banks' Association and Dept of Financial Services chose TCS Kiosk Banking Solution as a single service provider to all PSBs through a bankers committee*

97  
Banks

250,000+  
Locations

30  
States & UTs

12+  
Years of Engagement

300 Mn+  
Accounts Opened  
through TCS FI

20 Mn+  
Transactions/Day from  
Rural Areas

## TCS Awards



**International  
Award Big Tick  
2012**

- TCS Financial  
Inclusion -  
Transforming Rural  
Initiative



**MHRLIF Best  
Innovation Award  
2014** –Improving Rural  
Livelihood



**UIDAI NPCI Awards**  
- Excellence in FI  
technology &  
Contribution to AEPS



**National e-Governance  
Gold Award 2015 from  
Government of India**



**IMC Inclusive  
Innovation Award  
2014**








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MIT on Digital  
Financial Inclusion



Strategic Partner  
in WEF for Global  
FI

# Our Recommendations: The Way Forward

-  Payment is becoming truly invisible in all forms. Payments Unification is the way to go. Architecting payment processing to Single Unified Payments Processing Hub
-  Payments Stakeholder's convergence on single technology platform without any need for settlement mechanism. Payments Analytics and Insights for driving payment recommendations
-  All type of payments to move towards real time including settlement. Payments cost to be minimal and embedded in business value
-  Form Factor Independence for all Digital Payments. Payments enablement to all sections of society across borders
-  Detection and prevention of frauds and loss of money, faster disputes resolution, enhancing digital payments literacy & financial education & consumer protection policy



Thank You