



# Payments Canvas



## Key Partnerships

Various players in the industry across various layers of the Payment's stack must work together on some level

**Card Networks** are the "Rails" of Payment Processing, set the Interchange Fees

**Acquirers** work with the Merchants directly on the acquiring end of the transaction

**Processors** authenticate the transactions and process them between banks

**Issuing Banks** are on the consumer end of the transaction, earn largest revenue share

## Key Resources

### Brand, Technology

- **Trust is a very important asset** for everything related to Financial Services
- The more agile *Disruptors* can more rapidly scale their technology in many cases

## Key Activities

### Product Innovation, BM Innovation

- Continuous product innovation will lead to larger gains in market share
- New business models are emerging as a response to new entrants

## Value Proposition

Allows merchants to accept payments via in-store and online channels, from both credit and debit cards, globally.

- **Technology** - allow merchants to 'lease' the technology
- **Fraud Risk** - tools to mitigate fraud risk
- **Multi-Channel** - helps with customer acquisition, retention, and growth



## Customer Relationships

### Direct and Via Partnerships

- Many companies have direct relationships with their merchants
- Others service a part of the value chain, outsource the rest via Partners

## Channels

### ISOs, Merchants, Online

- Independent Sales Organizations (ISOs) are one Channel for Acquirers
- Others work with merchants directly
- Online (social media, websites) helps merchants compare

## Customer Segments

### SMEs, digital platforms

- SME's have driven 75% of revenue growth in the Payments industry over the last 3 years
- Margins are highest on eCommerce-related payments; therefore digital platforms are a lucrative customer segment
- New merchant Segments will evolve as the industry evolves

## Cost Structure

**Product Development** - Payments players must continually develop new technologies to keep pace with the industry

**Regulatory & Compliance** - various layers of regulatory oversight and compliance exist within different levels of the Payment's Stack, which companies must build into their costs

## Revenue Streams

**Processing Fees (Debit and Credit):** Each Payments player earns their corresponding % of the transaction depending on where they sit in the Payment's Stack (10 - 200 bps)

**Value-Added Services:** such as leasing PoS (Point of Sale) equipment to merchants (ie. terminals) to accept payments