4 ways to raise transaction volume for digital wallets

Digital wallets
+ wallet-based platforms are on the rise

Payments made via digital wallet and deposits into wallet-based apps + platforms continue to soar globally.

Digital wallets allow customers to store funds in a secure account, used to invest or trade send and receive funds between banks and other wallets, pay businesses and more.

A 2022 survey from McKinsey showed the share of consumers globally that intend to use three or more digital wallets in the coming years rose from 18 percent in 2021 to 30 percent in 2022. In South Africa today, data from Discovery Bank shows that over 50% of online transactions are made using a digital wallet. The size of digital wallet transactions has also increased by 91% from 2019 levels.

50%

Over 50% of online transactions are made using a digital wallet

This trend is also seen in digital investments. According to Statista, total transaction value in South Africa's Digital Investment market is projected to reach US$18.35 billion in 2023, with CAGR (2023-2027) of 13.29% resulting in a projected total amount of US$30.23 billion by 2027.

Businesses with closed-loop digital wallets, such as online gaming, are seeing particularly high growth rates, with revenue projected to reach US$736.3 million in 2023, with a CAGR (2023-2027) of 8.2%, resulting in a projected market volume of US$1,009 million by 2027.

$736.3M

Is the projected revenue for businesses with closed-loop digital wallets in 2023

Today, wallet-based businesses in South Africa struggle to:

→ Increase transaction + deposit volume

→ Optimise the user journey and payments experience to reduce friction in deposits

→ Offer multiple payment methods and easily orchestrate optimal user journeys

→ Manage chargebacks and unsettled funds

→ Reconcile transactions across methods and providers

→ Securely enable easy, fast withdrawals

We've looked at ways wallet-based businesses in South Africa can optimise deposits and withdrawals to offer their customers a seamless, friction-free payments experience, and how Stitch can help finance teams better manage reconciliation in the backend.

How to **increase deposit volumes in wallet-based solutions**

01   **Simplify the payment process**

Unnecessary clicks or steps in the sign-up and payments process pose barriers that can create room for dropoff and make it more difficult for customers to make frequent deposits or payments

Solution

Make it as easy as possible for customers to pay, from anywhere on your app or site, by removing unnecessary steps and confirmations. Stitch offers a seamless UI with pre-built Card, Pay by bank and cash payment flows, optimised for conversion. It can be integrated anywhere to minimise disruption

## 02 Optimise conversion with one-click checkout

Traditional payment methods require customers to take multiple steps and enter unnecessary details every time they wish to pay, introducing friction

Solution

Offer one-click payments via tokenised card or Pay by bank with Stitch. Customers enter their details once and link their card or account, enabling them to pay in one click whenever they come back. Choose one-click checkout as your primary payment method, or offer multiple methods to ensure customers are always able to make a payment
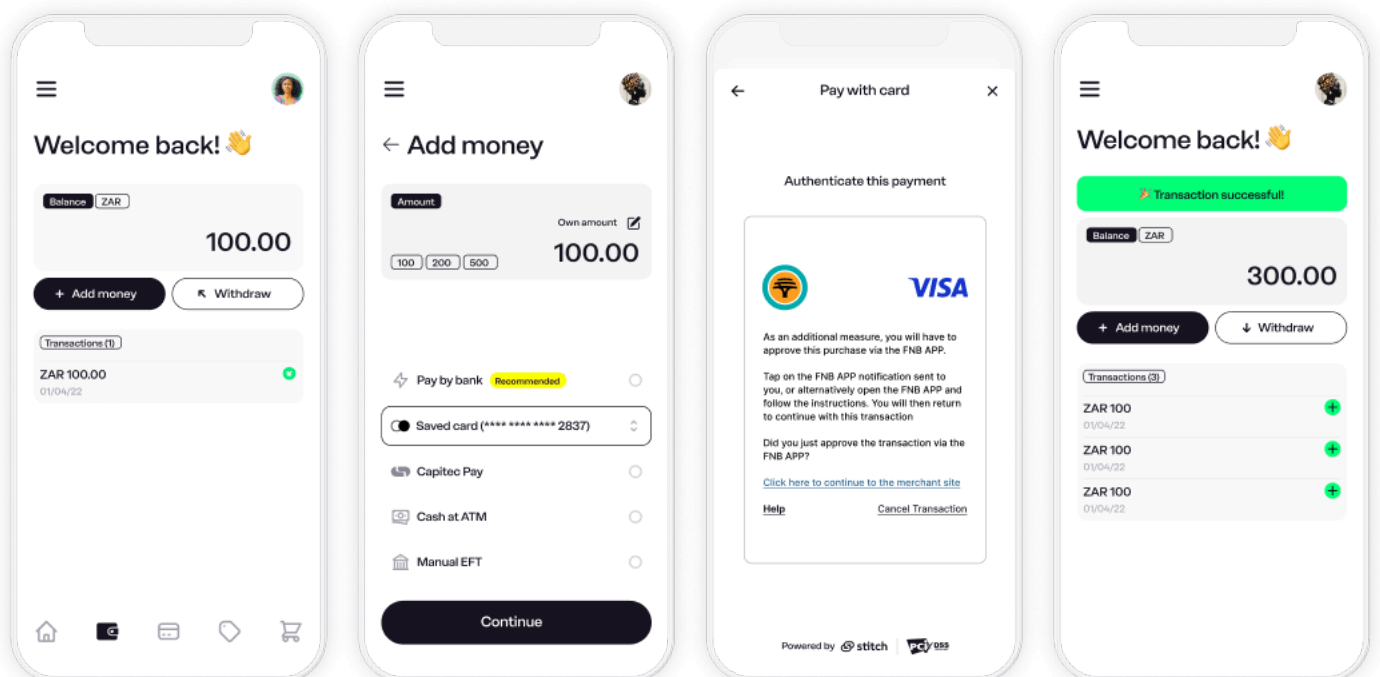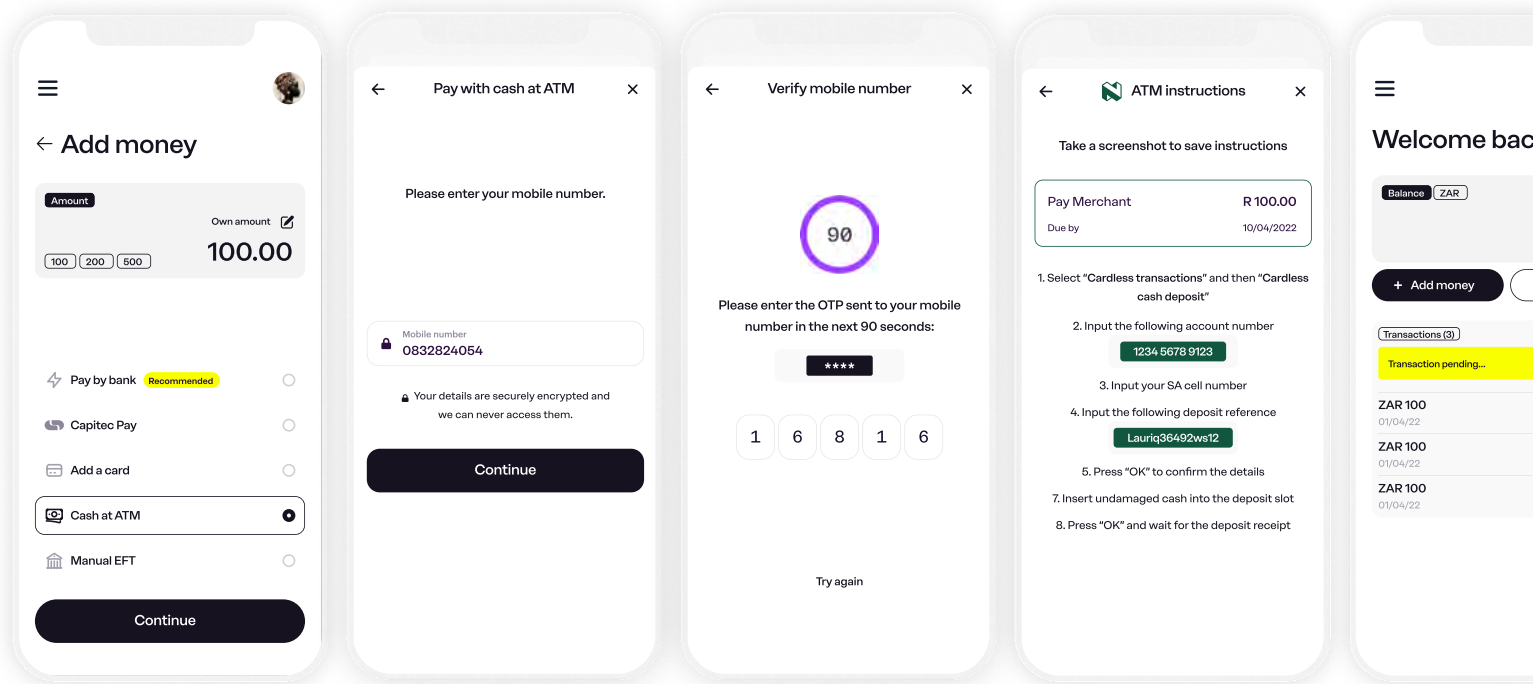
03   **Offer the payment methods your customers expect**

Challenge

Customers that don't see their payment method of choice or are unable to use the methods provided will often choose to use a different platform

Solution

Offer your customers multiple ways to pay, with the methods they've come to expect. With Stitch, you can accept payments via Pay by bank, Capitec Pay, Card, manual transfer and even cash - through one integration. Manage all methods, and multiple providers, in one place with PayOS

## 04 Offer an equally seamless withdrawal experience

Ensuring they can get their money out is just as important for customers as the ability to pay-in. The withdrawals process should be just as seamless as it is for deposits

Solution

Enable customers to withdraw funds to the same account used to pay in, with visibility over when they can expect the funds to hit their account. With Payouts, Stitch can help businesses automatically enable withdrawals and manage float to ensure no payments are missed
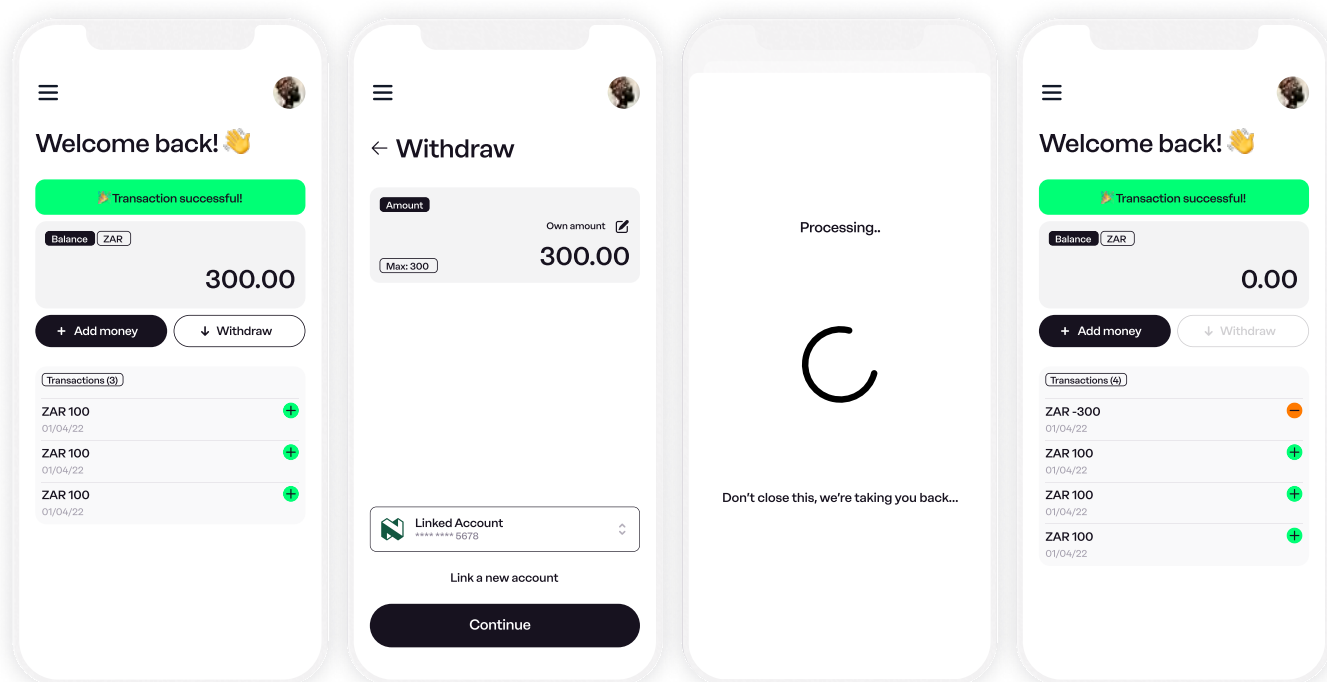
How Stitch can help wallet-based businesses **improve deposit rates + reduce admin burden**

Manage multiple payment methods and providers, across geographies, in one place

With Stitch payments orchestration and reconciliation system, PayOS, wallet-based businesses can maintain existing commercial agreements with providers and manage all transactions across providers, methods and geographies in one place

This makes it easier to offer customers the methods they expect, while easily tracking transactions and scheduled payments

Easily manage chargebacks

With Stitch Card, finance teams can submit and manage chargeback disputes digitally, saving time and reducing costs

Automate withdrawals via API

Automatically send approved withdrawals to the verified customer account used to pay in, with Stitch Payouts

Reach more customers with Stitch Cash

Enable customers to make cash payments at ATMs across South Africa with Stitch Cash. Transactions are programmatically allocated to their digital account based on a unique reference

Lean on the Stitch team for localised insights

At Stitch, clients come first. Our team works closely with enterprise clients to help them continually reduce friction, optimise their payments processes and offer customers the latest in payments innovation

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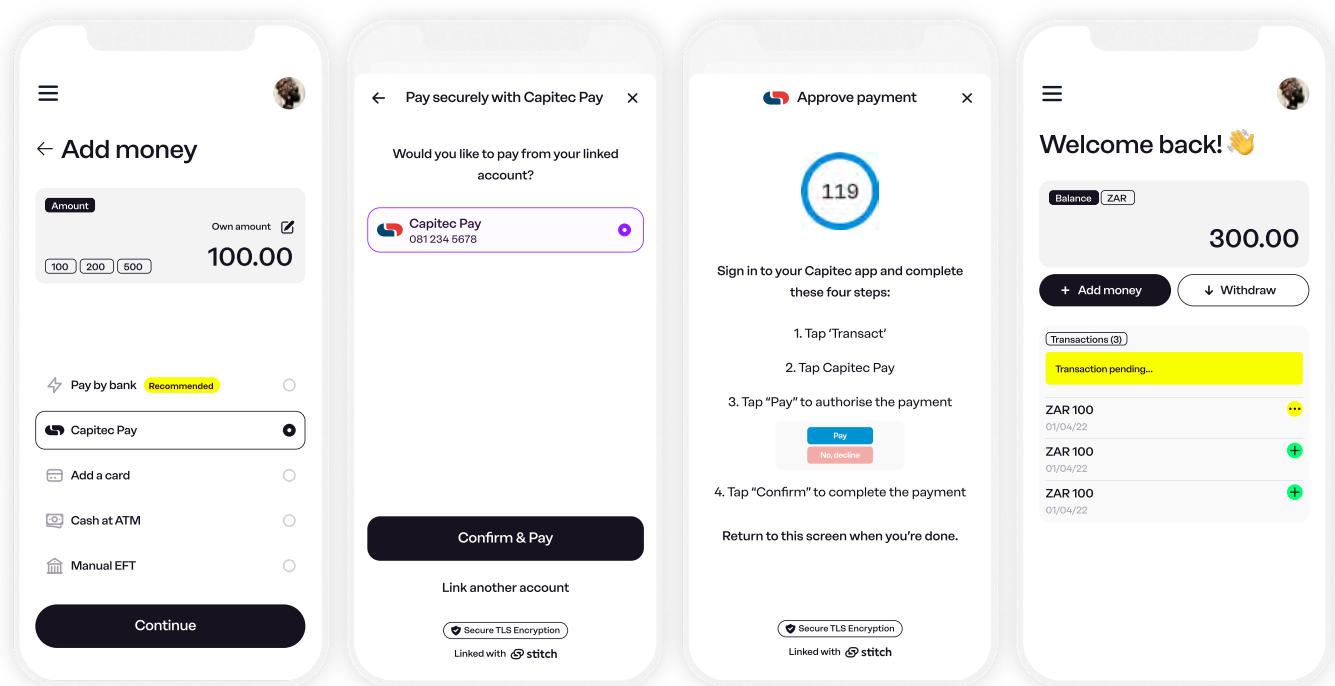

Lean on the Stitch team for localised insights

Summary

The easier it is for customers to go from sign-up to transacting – by reducing the number of steps needed to make a deposit – the more likely your customers are to transact frequently, thanks to a seamless, friction-free payments experience.

We built the Stitch API to make it easier than ever for businesses like yours to accept and send payments, ultimately increasing conversion, reducing the cost of payments and reducing the admin burden.

Get in touch to learn more about the Stitch API at sales@stitch.money

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