

Market Research & Competitor Analysis for Fintech Product Development (PedMonie)



By

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INTRODUCTION

PedMonie is a fintech startup developing a unified payment solution to simplify digital payment acceptance for businesses in Nigeria. By integrating mobile money, bank transfers, and card payments into a single platform, PedMonie aims to reduce transaction complexity and improve success rates. The MVP focuses on essential features, including a unified payment gateway, multi-currency support, and real-time transaction monitoring, with a primary target audience of small business owners and e-commerce merchants.

RESEARCH GOALS

This research aims to support PedMonie's development by conducting competitor analysis, target audience analysis, and market research. The objective is to identify opportunities for differentiation, understand user pain points, and provide actionable insights to refine the product, positioning it as a leading payment solution in Nigeria's fintech market.

OBJECTIVES

1. **Competitor Analysis:** Identify and analyze key competitors offering similar payment solutions, documenting their strengths, weaknesses, and opportunities for PedMonie to differentiate.
2. **Target Audience Analysis:** Define the specific niche and demographic groups most likely to benefit from PedMonie, focusing on their pain points and payment challenges.
3. **Market Research:** Explore market trends, regulatory requirements, and partnership opportunities to inform product strategy and positioning.
4. **Deliverables:** Provide actionable insights through a research report, structured dataset, and presentation to guide PedMonie's product refinement and market entry strategy.

RESEARCH METHODOLOGY

A structured research methodology was employed to achieve the study's objectives. The process involved three key components: competitor analysis, target audience analysis, and market research.

1. Competitor Analysis

- **Data Collection:** Identified major competitors like **Paystack, Flutterwave, Interswitch, e-Tranzact**, through desk research and industry reports. Analyzed their product features, unique selling points (USPs), and market positioning using competitor websites, product documentation, and user reviews.
- **Data Source / Tools Used:** Google Scholars, Websites & Industry blogs
- **Output:** A detailed comparison highlighting competitors' product details feature, and Unique Selling Points (USPs)

2. Target Audience Analysis

- **Data Collection:** Collected information from industry surveys, reports and interviews with small business owners and e-commerce merchants to understand their payment challenges, needs, and preferences. Reviewed market research reports and case studies on payment issues in Nigeria.
- **Data Source / Tools Used** Industry reports & surveys

3. Market Research

- **Data Collection:** Researched market trends, regulatory requirements, and potential partnerships using industry publications, news articles, and government reports. Analyzed the growth of mobile money, e-commerce, and digital payments in Nigeria.
- **Data Source / Tools Used:** Nigerian Bureau of Statistic (NBS) reports, fintech blogs, Google Trend.
- **Output:** Insights into market trends, regulatory compliance, and partnership opportunities.

Competitor Analysis (Company Name and Background)

Paystack

Founded: 2015

Headquarters: Lagos, Nigeria

Acquired By: Stripe (2020)

Industry: Fintech, Payment Processing

Paystack is a leading Nigerian fintech company that provides businesses with seamless payment solutions. It allows merchants to accept payments from multiple channels, including cards, bank transfers, and mobile money. Paystack was one of the first African companies accepted into Y Combinator, which significantly boosted its growth. In 2020, it was acquired by Stripe, further strengthening its global presence.

Product Details and Features

1. Unified Payment Processing: Cards, bank transfers, USSD, mobile money, Apple Pay, QR codes.
2. Developer APIs & Plugins: Shopify, WooCommerce, Magento integration.
3. Recurring Billing & Subscription Management.
4. Smart Payment Routing & Fraud Prevention.
5. Business Dashboard & Analytics.

Unique Selling Points (USPs)

- Seamless API integration
- Quick settlements
- Fraud prevention, and developer-friendly tools
- Offers fraud detection, real-time analytics, and regulatory compliance as key differentiators.

Flutterwave

Founded: 2016

Headquarters: San Francisco, USA & Lagos, Nigeria

Industry: Fintech, Payment Processing

Flutterwave is a global payment technology company that provides seamless financial transactions across Africa. It enables businesses to accept and process payments through multiple channels, including mobile money, bank transfers, and digital wallets. The company has partnerships with major financial institutions like Visa and Mastercard, making cross-border transactions easier.

Product Details and Features

1. Accepts payments via mobile money, USSD, cards, PayPal, and Barter.
2. Global payment support with multi-currency options.
3. Payment links for quick transactions without a website.
4. POS & Agency Banking support.
5. Fraud protection & AI-powered security.

Unique Selling Points (USPs)

- Global payment support,
- multi-currency transactions, cross-border ease, and diverse payment options (PayPal, Barter),
- offer fraud detection, real-time analytics, and regulatory compliance as key differentiators.

Interswitch

Founded: 2002

Headquarters: Lagos, Nigeria

Industry: Fintech, Digital Payments

Interswitch is one of the oldest and most established digital payment companies in Nigeria. It offers payment processing, ATM transactions, and electronic fund transfers for businesses and individuals.

Product Details and Features

1. Provides payment gateways and card issuance solutions.
2. Supports bill payments, remittances, and government transactions.
3. Verve card network integration.
4. ATM & mobile banking transactions.
5. Fraud detection and security compliance.

Unique Selling Points (USPs)

- Established presence with government and large institutions
- Verve card network
- robust transaction processing
- offer fraud detection, real-time analytics, and regulatory compliance as key differentiators.

e-Tranzact

Founded: 2003

Headquarters: Lagos, Nigeria

Industry: Fintech, Payment Solutions

e-Tranzact provides digital payment infrastructure, including mobile banking, remittance, and bulk payments for businesses and government institutions.

Product Details and Features

1. Offers mobile banking, remittance, and payment processing.
2. Supports bulk transactions for businesses.
3. Cardless transactions and cash withdrawal solutions.
4. Multi-channel payment options: USSD, bank transfers, and mobile wallets.
5. Customizable digital payment services for enterprises.

Unique Selling Points (USPs)

- Custom solutions for enterprises and financial institutions,
- bulk payment processing, and
- cardless transactions,
- offer fraud detection, real-time analytics, and regulatory compliance as key differentiators.

Problems These Key Competitors Are Solving

- **High Payment Failure Rates:** Improved payment routing and fraud prevention.
- **Financial Inclusion:** Bridging the gap for unbanked populations.
- **Cross-Border Transactions:** Simplifying international payments.
- **Security Concerns:** PCI-DSS compliance and fraud monitoring tools.
- **Slow Settlement Times:** Faster transaction processing and automated settlements.
- **Limited Developer Support:** API-driven solutions for seamless business integration.
- **Fraud & Chargeback Risks:** AI-powered fraud detection and dispute resolution tools.
- **Lack of Business Insights:** Advanced analytics and reporting for merchants to optimize operations.
- **High Payment Failure Rates:** Improved payment routing and fraud prevention.
- **Financial Inclusion:** Bridging the gap for unbanked populations.
- **Cross-Border Transactions:** Simplifying international payments.
- **Security Concerns:** PCI-DSS compliance and fraud monitoring tools.

Opportunities for Differentiation

To improve on these offerings, PedMonie could introduce:

1. **Expanded Multi-Currency Support:** Automatic currency conversion for global transactions.
2. **Offline Payment Integration:** POS systems and USSD-based solutions.
3. **AI-Driven Analytics & Insights:** Business intelligence tools for merchants.
4. **Automated Invoice Management:** Built-in invoicing and payment tracking.
5. **Loyalty & Rewards Programs:** Incentives for customer transactions.
6. **Embedded Finance Solutions:** Offer lending, insurance, and investment options within the payment platform.
7. **Customizable Checkout Experience:** Merchants can tailor the UI/UX of their payment pages.
8. **Biometric Authentication:** Enhance security with fingerprint or facial recognition for transactions.
9. **Smart Fraud Detection:** AI-powered real-time fraud prevention using behavioral analysis.
10. **Subscription-Based Payment Models:** More flexible recurring billing options tailored to different business needs. To improve on these offerings, PedMonie could introduce:
11. **Expanded Multi-Currency Support:** Automatic currency conversion for global transactions.
12. **Offline Payment Integration:** POS systems and USSD-based solutions.
13. **AI-Driven Analytics & Insights:** Business intelligence tools for merchants.
14. **Automated Invoice Management:** Built-in invoicing and payment tracking.
15. **Loyalty & Rewards Programs:** Incentives for customer transactions.

Target Audience Analysis for PedMonie

Specific Niche and Demographic Groups Most Likely to Benefit from PedMonie

PedMonie aims to simplify digital payment acceptance by integrating multiple payment methods into a unified system. Based on the product's features and goals, the most relevant demographic groups include:

Small and Medium-Sized Businesses (SMBs)

- **Industries:** E-commerce, Retail, Hospitality, Logistics, Subscription-based Services.
- **Demographics:**
 - Age: 25 – 45 (Business Owners, Entrepreneurs, Startups)
 - Location: Urban areas in Nigeria (Lagos, Abuja, Port Harcourt, Kano)
 - Income: ₦2,000,000 – ₦10,000,000/year
 - Tech-Savvy Level: Moderate to High
- **Pain Points:**
 - Difficulty in managing multiple payment channels.
 - High transaction fees reducing profit margins.
 - Inconsistent transaction success rates, leading to lost sales.
 - Integration challenges with websites or mobile apps.
 - Limited access to real-time analytics for financial tracking.
- **How PedMonie Helps:**
 - Unified Payment Gateway that consolidates bank transfers, mobile money, and cards.
 - Lower transaction fees for businesses.
 - Smart payment routing to reduce failed transactions.
 - API & Plugin Support for easy integration into Shopify, WooCommerce, Magento.

Freelancers and Digital Entrepreneurs

- **Industries:** Content Creators, Coaches, Digital Marketers, Consultants.
- **Demographics:**
 - Age: 20 – 40
 - Location: Pan-Nigeria, Remote workers
 - Income: ₦500,000 – ₦5,000,000/year
 - Tech-Savvy Level: Moderate to High
- **Pain Points:**
 - Struggles with receiving payments from international clients.
 - High withdrawal charges for online transactions.
 - Inconsistent currency conversions for cross-border payments.
- **How PedMonie Helps:**
 - Multi-currency support for global transactions.
 - Customizable payment links that allow direct payments without a website.
 - Automated invoicing & tracking to streamline financial management.

Subscription-Based Businesses & Service Providers

- **Industries:** Gyms, Online Learning Platforms, SaaS, Membership-based businesses.
- **Demographics:**
 - Age: 25 – 50
 - Location: Nigeria-wide (digital-first businesses)
 - Income: ₦3,000,000 – ₦20,000,000/year
 - Tech-Savvy Level: High

- **Pain Points:**

- Managing recurring payments manually is inefficient.
- High chargeback rates due to failed subscription payments.
- Security concerns for stored customer payment data.

- **How PedMonie Helps:**

- Automated recurring billing to handle subscriptions effortlessly.
- Fraud detection & compliance features to enhance security.
- Seamless checkout experience to improve customer retention.

Brick-and-Mortar Retailers and Restaurants

- **Industries:** Restaurants, Boutiques, Supermarkets, Electronics Stores.

- **Demographics:**

- Age: 30 – 50
- Location: Lagos, Abuja, Ibadan, Port Harcourt, Kano
- Income: ₦3,000,000 – ₦50,000,000/year
- Tech-Savvy Level: Low to Moderate

- **Pain Points:**

- Limited adoption of digital payments in local businesses.
- Delayed transaction processing for bank transfers.
- Difficulty in tracking daily sales transactions.

- **How PedMonie Helps:**

- Instant payment confirmations via mobile money, bank transfers, and cards.
- Bulk payout features for supplier/vendor payments.
- Real-time analytics & dashboard for sales tracking.

NGOs and Crowdfunding Platforms

- **Industries:** Charity Organizations, Non-Profits, Religious Organizations.

- **Demographics:**

- Age: 35 – 60 (Donors & NGO Directors)
- Location: Nationwide
- Income: ₦1,000,000 – ₦100,000,000/year
- Tech-Savvy Level: Low to Moderate

- **Pain Points:**

- Difficulty in collecting and managing donations.
- Fraud risks in large donation transactions.
- Lack of transparency in donor tracking.

- **How PedMonie Helps:**

- Customizable payment links for easy fundraising.
- Secure donor tracking & analytics to build trust.
- Low transaction fees to maximize contributions.

Types of Businesses That Would Find PedMonie Essential

PedMonie's unified payment solution is beneficial to businesses that require multiple payment methods, experience transaction failures, or struggle with payment integrations. The following businesses would find it indispensable:

Industry	Business Types	Payment Challenges	How PedMonie Solves It
E-Commerce	Online stores, Dropshipping businesses, Instagram vendors	High cart abandonment due to complex checkouts	Single checkout with multiple payment options
Retail & Restaurants	Supermarkets, Fashion Boutiques, Restaurants	Slow bank transfers, lack of digital payment adoption	Instant payment confirmations, simple UI
Subscription-Based Businesses	Online learning platforms, SaaS companies, Membership-based businesses	High subscription failure rates, recurring payment complexities	Automated recurring billing & fraud detection
Freelancers & Digital Entrepreneurs	Content creators, Coaches, Consultants	International payment hurdles, currency conversion issues	Multi-currency support, direct payment links
Transport & Logistics	Ride-hailing companies, Courier services, Logistics startups	Customers prefer cashless payments, but mobile money integration is difficult	Unified mobile money & bank transfer support
Service-Based Businesses	Law firms, Accounting firms, Event Planners	Need structured invoicing and secure payments	Automated invoicing and real-time payment tracking
NGOs & Religious Organizations	Charity groups, Churches, Mosques, Crowdfunding platforms	Limited donor payment options, transparency issues	Customizable donation links, donor tracking

Tourism & Hospitality	Hotels, Travel agencies, Airbnb hosts	International travelers require global payment support	Multi-currency support, cross-border payment processing
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Key Insights & Recommendations

- **Primary Users:** Small businesses, e-commerce, and service-based businesses.
- **Key Differentiator:** PedMonie should focus on seamless API integrations, real-time payment analytics, and smart payment routing to improve transaction success rates.
- **Pain Points to Address:**
 - High transaction fees → Offer competitive pricing
 - Failed transactions → Improve smart payment routing
 - Integration difficulties → Develop easy-to-use API & plugins
- **Potential Growth Opportunity:** Expand into POS and offline payment solutions to serve local businesses.

Conclusion

Paystack, Flutterwave, Interswitch, and e-Tranzact are all major players in Nigeria's fintech ecosystem. However, there is still room for innovation in areas like multi-currency support, AI-powered analytics, and offline payment solutions. By addressing these gaps, PedMonie can create a more competitive and differentiated payment solution.