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**COMPETITOR AND MARKET ANALYSIS FOR PEDMONIE DEVELOPMENT**

**BY**

**KESTER EJIOFOBIRI**

**MICHAEL ABIODUN**

**OLAMILEKAN KOYI**

**OLUWATOFUNMI A. FAK-ADENIYI**

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**ABSTRACT**

This research report explores Nigeria’s fintech landscape, analyzing key competitors such as Paystack, Flutterwave, Interswitch, Kora, Paga, and PayPal. It identifies major gaps in existing solutions and outlines how PEDMONIE can differentiate itself. Key findings highlight issues such as transaction failure rates, high fees, and the lack of smart payment routing. Recommendations focus on enhancing security, improving checkout experiences, and integrating AI-driven payment routing for a superior financial transaction system.

**INTRODUCTION**

**Background**:  
Nigeria’s fintech sector has experienced exponential growth, driven by increased digital transactions, mobile money adoption, and the rise of e-commerce. However, businesses still struggle with failed transactions, high processing fees, and slow settlements.

**Problem Statement**:  
Existing payment gateways have limitations in terms of transaction efficiency, international payments, and security compliance. PEDMONIE aims to solve these gaps with a more seamless, cost-effective, and AI-driven payment platform.

**Objectives**:

* Analyze leading fintech payment solutions in Nigeria.
* Identify gaps in their offerings and challenges faced by businesses.
* Develop a market-driven strategy for PEDMONIE’s differentiation.

**Scope & Limitations**:  
This research is based on secondary data sources such as competitor websites, industry reports, and customer feedback.

**RESEARCH METHOLOGY**

**Approach Used**:

* Competitor analysis through benchmarking.
* Market research using fintech industry reports.
* Analysis of customer complaints and feedback from online platforms.

**Data Sources**:

* Competitor websites (Paystack, Flutterwave, etc.).
* Industry reports (CBN, McKinsey, EFInA, GSMA).
* Customer reviews through survey.

**Analysis Tools**:

* Excel
* Power Bi for data visualization.
* SQL.

**Challenges Faced**:

* Limited public financial data on fintech companies.
* Rapidly changing regulatory landscape.

**COMPETITOR ANALYSIS**

* **Company name: Paystack**

**Background:** Founded in 2015 by Shola Akinlade and Ezra Olubi, Paystack was acquired by Stripe in 2020. It has revolutionized online payments in Nigeria by simplifying the process for businesses to accept payments.

**Product Details and Features**:

- Supports multiple payment methods: cards (Visa, Mastercard, Verve), bank transfers, USSD, and mobile money.  
- Seamless integration with major eCommerce platforms like WooCommerce, Shopify, and Magento.  
- PCI-DSS compliant with fraud detection mechanisms.  
- Instant settlements within 24 hours.

**Unique Selling Points (USPs):**

-User-friendly API for easy integration.  
- Quick onboarding process.  
- Transparent pricing structure**.**

**Problems They Are Solving:**

- Simplifying payment processes for businesses.  
- Enhancing financial inclusion by supporting various payment methods.

* **Company name: Flutterwave**

**Background:** Established in 2016 by Olugbenga Agboola and Iyinoluwa Aboyeji, Flutterwave provides global payment solutions, enabling businesses to accept payments from customers worldwide.

**Product Details and Features**:

- Accepts payments in over 150 currencies.  
- Supports card payments, bank transfers, USSD, mobile wallets, and Barter (a virtual card service).  
- Offers "Rave" for eCommerce transactions, including features like subscriptions, payment links, and invoicing.  
- PCI-DSS certified with advanced encryption and fraud management.

**Unique Selling Points (USPs):**

- Scalability for businesses aiming for international reach.  
- Comprehensive payment options.  
- Strong security measures.

**Problems They Are Solving:**

- Facilitating cross-border transactions.  
- Providing a unified platform for various payment methods.

* **Company name: Interswitch**

**Background:** Launched in 2002, Interswitch is a pioneer in Nigeria's digital payments landscape, offering a range of payment solutions for businesses and consumers.

**Product Details and Features**:

- Provides payment processing, card issuance, and digital payment solutions.  
- Operates Verve, a domestic card scheme.  
- Offers Quickteller, a consumer payment platform.

**Unique Selling Points (USPs):**

- Established infrastructure with widespread adoption.  
- Comprehensive suite of payment services.

**Problems They Are Solving:**

- Bridging the gap between traditional banking and digital payments.  
- Enhancing transaction efficiency and security.

* **Company name: Kora**

**Background:** Formerly known as Korapay, Kora focuses on simplifying payments for African businesses, offering solutions tailored to the continent's unique needs.

**Product Details and Features**:

- Supports various payment methods, including mobile money, debit/credit cards, bank transfers, and QR codes.  
- Provides APIs and plugins for easy integration with platforms like WooCommerce, WordPress, Joomla, and Drupal.  
- PCI DSS Level 1 certified for secure transactions.

**Unique Selling Points (USPs):**

- Excellent customer support for businesses of all sizes.  
- Focus on local payment methods and currencies.

**Problems They Are Solving:**

- Simplifying payment processes for African businesses.  
- Enhancing financial inclusion by supporting local payment methods.

* **Company name: Paga**

**Background:** Founded in 2009 by Tayo Oviosu, Paga is a mobile payment platform aimed at driving financial inclusion in Nigeria by providing accessible financial services.

**Product Details and Features**:

- Mobile wallet for money transfers, bill payments, and merchant payments.  
- Agent network for cash-in and cash-out transactions.  
- Integration capabilities for businesses to accept payments.

**Unique Selling Points (USPs):**

- Extensive agent network reaching underserved areas.  
- Focus on mobile accessibility.

**Problems They Are Solving:**

- Providing financial services to the unbanked and underbanked populations.  
- Simplifying transactions through mobile solutions.

* **Company name: Paypal**

**Background:** A global leader in online payments, PayPal offers services in numerous countries, including limited functionalities in Nigeria.

**Product Details and Features**:

- Enables online payments and money transfers.  
- Supports multiple currencies.  
- Integration with various online platforms.

**Unique Selling Points (USPs):**

- Global recognition and trust.  
- Buyer and seller protection policies.

**Problems They Are Solving:**

- Facilitating international transactions.  
- Providing a secure platform for online payments.

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| **Company** | **Strengths** | **Weaknesses** | **Opportunities** | **Threats** |
| **Paystack** | **Strong API integration, seamless checkout, trusted by businesses, acquired by Stripe** | **Limited multi-currency support, dependent on Stripe ecosystem** | **Expansion into broader African markets, improving global reach** | **Competition from Flutterwave and other global payment solutions** |
| **Flutterwave** | **Scalable international payments, multiple payment methods, strong security** | **High fees for international transactions, past regulatory challenges** | **Expanding partnerships, growing African e-commerce sector** | **Regulatory scrutiny, competition from Paystack and PayPal** |
| **Interswitch** | **Well-established infrastructure, Verve card dominance, Quickteller services** | **Less startup-friendly, high transaction fees, older systems** | **Digital banking expansion, deeper API penetration** | **Increasing fintech startups with agile solutions** |
| **Kora** | **Supports mobile money and local payment methods, API and plugin integration** | **Limited brand recognition compared to Paystack and Flutterwave** | **Growth in SME adoption, expanding mobile payments** | **Larger fintech companies with stronger market dominance** |
| **Paga** | **Strong agent network, financial inclusion, mobile-friendly** | **Limited B2B solutions, agent-based model can be slow for digital businesses** | **Expanding into e-commerce and API-based payments** | **Increased competition from digital-first fintechs** |
| **PayPal** | **Global trust and recognition, secure transactions, strong buyer protection** | **Limited availability in Nigeria, not merchant-friendly in the region** | **Improved partnerships with Nigerian banks, expanded fintech integrations** | **Strict regulations, loss of relevance in local markets** |

**TARGET AUDIENCE ANALYSIS**

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| --- | --- | --- | --- |
| **Target Group** | **Description** | **Key Challenges** | **Solution** |
| **Small and Medium Enterprises (SMEs)** | Business owners in retail, e-commerce, hospitality, and logistics who need efficient payment processing. | High transaction failure rates, complex checkout processes, and expensive transaction fees. | Smart payment routing, seamless checkout, and lower fees for bulk payments. |
| **Freelancers & Digital Entrepreneurs** | Creators, consultants, and developers working remotely for global and local clients. | Difficulty receiving international payments, high fees for PayPal/Stripe, and currency conversion challenges. | Multi-currency support, direct payouts, and customizable payment links. |
| **E-commerce Businesses & Online Stores** | Online retailers using platforms like Shopify, WooCommerce, and Magento. | Cart abandonment due to poor checkout UX, limited payment options, and fraud risks. | Single checkout interface, fraud detection, and PCI-DSS compliance. |
| **Subscription-Based Services** | SaaS companies, streaming platforms, and membership-based businesses. | Managing recurring payments, failed transactions, and user churn. | Automated billing, subscription management, and saved payment methods. |
| **Fintech Startups & Tech Companies** | Companies offering digital financial services. | Need for robust APIs, security compliance, and seamless integration with existing platforms. | Developer-friendly API, plugin support, and compliance with regulations. |
| **Enterprises & Large Corporations** | Companies with high transaction volumes, such as airlines, telecoms, and logistics firms. | Bulk payment processing, security concerns, and complex reconciliation. | Bulk payouts, transaction monitoring, and real-time analytics dashboard. |
| **Gig Economy Platforms** | Ride-hailing services, delivery platforms, and freelancing marketplaces. | Fast payouts for workers, multiple payment methods for users, security against fraud. | Instant payouts, mobile wallet integration, and fraud detection. |
| **Educational Institutions & NGOs** | Schools, online course platforms, and non-profits that accept donations. | Processing multiple payment sources, tracking payments, and managing subscriptions. | Multi-channel payment acceptance, auto-generated invoices, and analytics. |

**TARGET AUDIENCE ANALYSIS**

* Small & Medium Enterprises (SMEs): Need affordable, reliable payment solutions.
* E-commerce & Subscription Platforms: Require automated billing and multi-currency support.
* Freelancers & Gig Workers: Need seamless cross-border payments.

**Pain Points:**

* High failure rates in transactions.
* Expensive international payment processing.
* Poor fraud detection and security concerns.
* Lack of recurring payment options.

**Demand for Features:**

* AI-driven smart payment routing to improve success rates.
* Faster settlements and lower transaction costs.
* Subscription billing and customizable payment links.

**FEATURES THAT CAN MAKE PEDMONIE STANDOUT**

* AI-Powered Smart Payment Routing
* Automated Smart Invoicing & Accounting Integration
* Instant Payouts & Bulk Transfers
* Multi-Currency & Crypto Payment Support
* Fraud Detection & AI Security Measures
* Offline & USSD Payment Support
* Customizable Payment Links with Branding
* Subscription & Membership Management
* Embedded Finance Solutions

**OPPORTUNITY FOR DIFFERENTIATION**

|  |  |
| --- | --- |
| **Competitor Limitation** | **Improvement opportunity for PEDMONIE** |
| High Transaction Failure Rates | Implement AI-powered smart payment routing to select the best-performing gateway in real-time. |
| Limited Support for Recurring Payments | Provide advanced subscription management with retry mechanisms for failed payments. |
| Poor Customer Analytics & Insights | Offer a real-time dashboard with AI-driven insights on customer behavior, sales trends, and fraud detection. |
| Weak Multi-Currency Support | Ensure full multi-currency transactions with automatic FX conversion at competitive rates. |
| Lack of Instant Payouts for Gig Workers & SMEs | Enable instant settlements for businesses and freelancers to reduce waiting times. |
| No Crypto & Web3 Payment Integration | Allow businesses to accept stablecoins (USDT, USDC) and crypto payments as alternative options. |
| Limited Customization for Checkout & Payment Links | Provide white-label solutions for businesses to brand their checkout experiences. |
| Weak Offline Payment Support | Introduce **USSD and QR code payment solutions** for businesses with offline customers. |

**Additional Key Findings for PEDMONIE’s Product Strategy, Market Positioning, and Feature Development**

* **Market Positioning Insights**

1. Focus marketing efforts on mobile-first experiences and seamless API integrations for online businesses.
2. Integrate USSD payments, mobile money, and agent banking solutions.
3. Offer lower transaction fees, instant settlements, and easy-to-use dashboards tailored for SMEs.
4. Invest in automated recurring payments and smart subscription billing.
5. Ensure multi-currency payments, automatic FX conversion, and stablecoin integration.

* **Feature Development Priorities (Based on User Needs & Market Gaps)**

1. AI-powered smart routing for better transaction success rates.
2. FX conversion at competitive rates to support global transactions.
3. AI-based fraud detection & PCI-DSS compliance.
4. Advanced subscription billing with smart retries and invoicing.
5. Instant payouts & automated settlements.
6. USSD & QR code payments for non-smartphone users.
7. AI-powered analytics dashboard for customer behavior tracking.

* **Monetization Model & Revenue Streams**

To ensure profitability, PEDMONIE can adopt multiple revenue streams:

1. Transaction Fees
2. Subscription Plans for Businesses
3. FX & Cross-Border Payment Fees
4. API & White-Label Licensing
5. Embedded Finance (Lending, BNPL)

**RECOMMENDATION**

* Develop an MVP (Minimum Viable Product) focusing on key differentiators.
* Partner with local banks & global payment providers.
* Implement strong marketing & customer acquisition strategies.
* Ensure compliance with CBN and NDPR regulations.

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