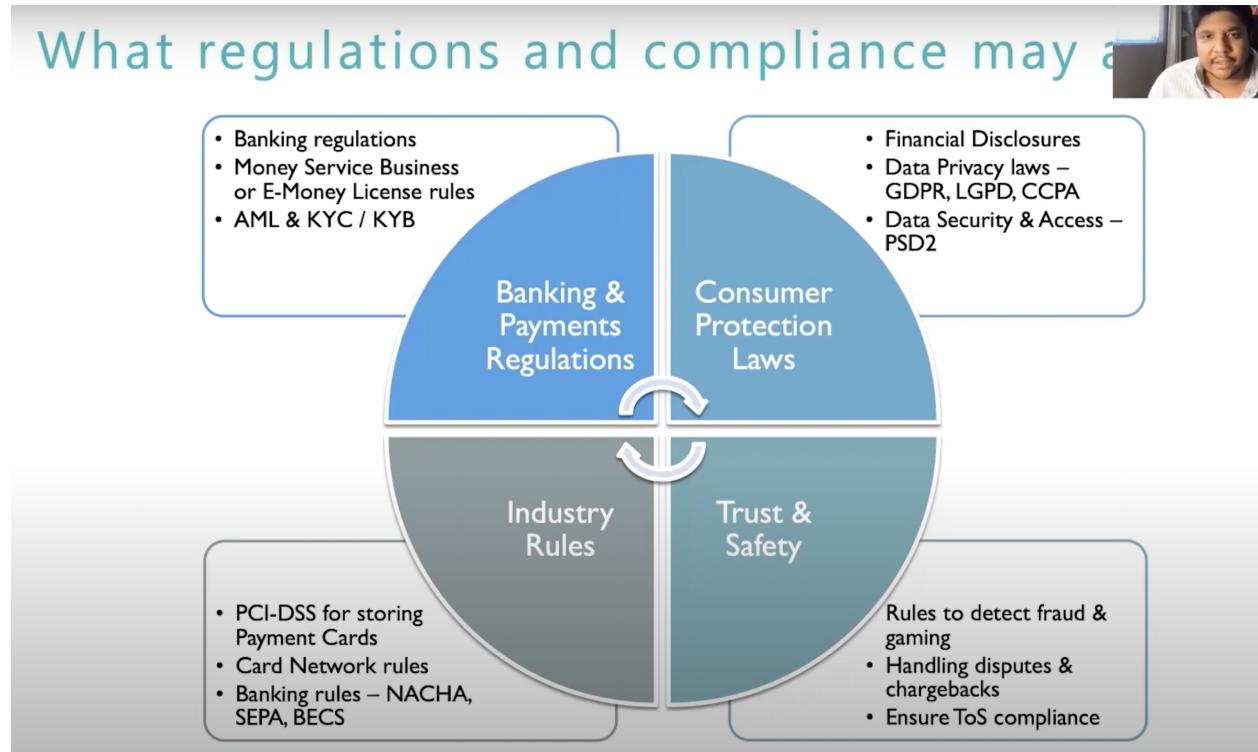
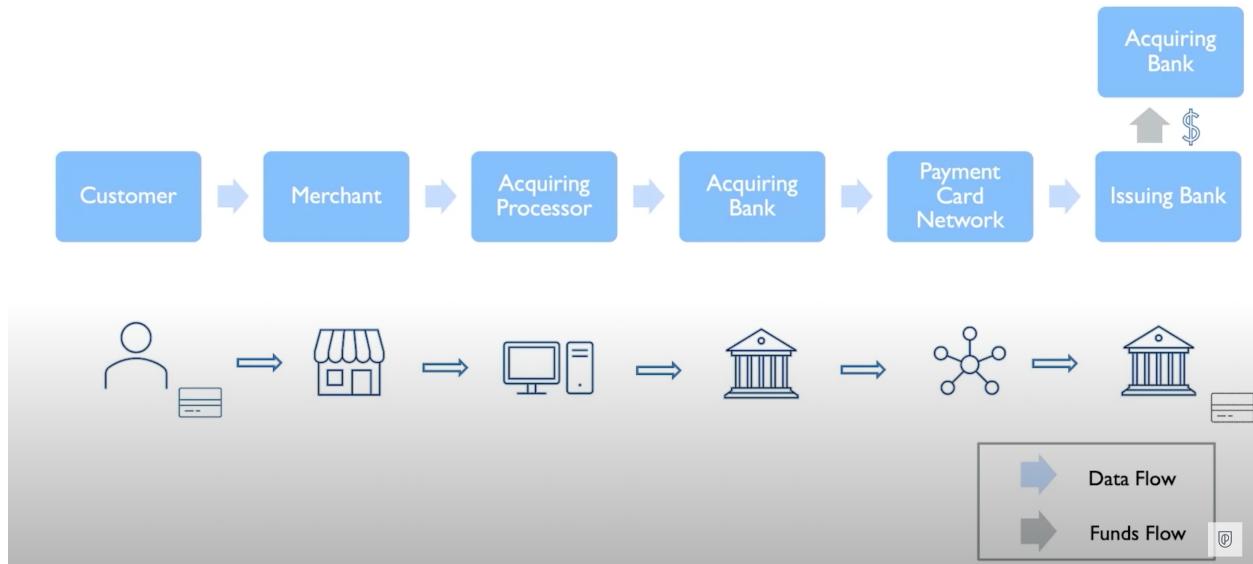


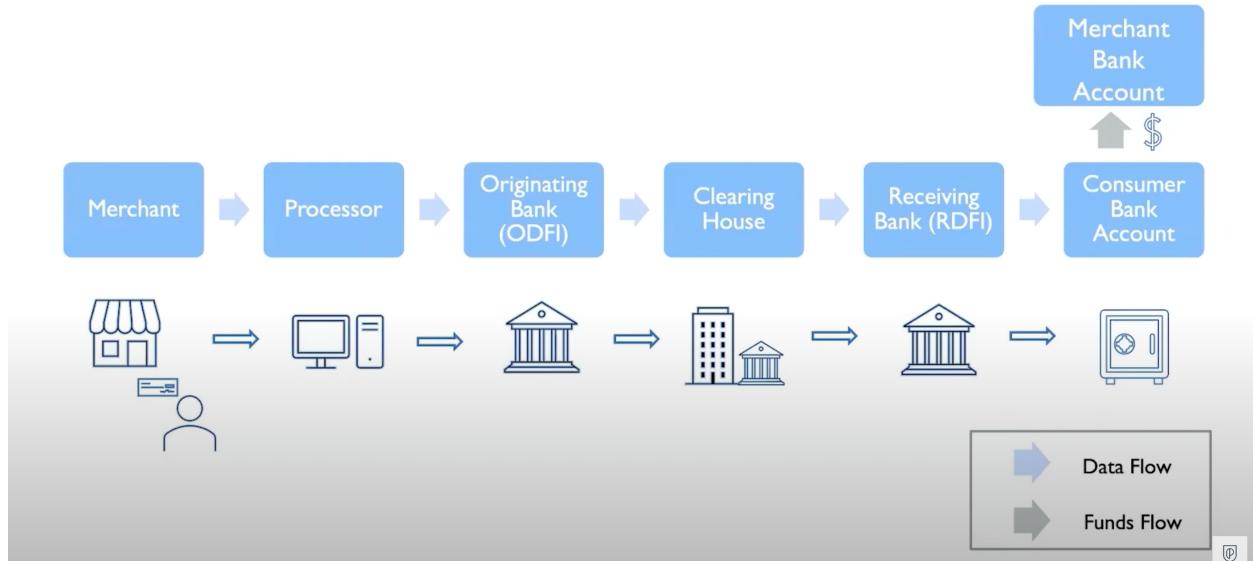
# Payments



## Payment Card Processing Flow



## Bank Payment Processing Flow



# Key Takeaways



## Trust is foundational

A product that provides financial services foundationally has to provide trust



## Regulations seek to create trust

Most regulation, laws & rules are created to engender trust and protect financial health



## Ecosystem adds value

A large and well established ecosystem exists. Partner strategically to create value.



## Focus on financial health

Your users want a product that improves their long term financial health



## Balance innovation & regulation

Innovate at the edge. Work it in to the core.



## Get the job done for the user

Users want a product that - "Gets a job done" for them.

## Payment PM:

- Product vision to:
  - Define the customer journey
  - Buyer frames
  - Interface
  - Features
  - MVP
- Collaborate with a cross-functional team to develop strategic product and feature roadmaps.
- Define detailed use cases intended for engineering and design.
- Work with program management to communicate project status, resolve issues
- Develop launch plans, ensure readiness of the various stakeholders.
- Measure and report on the efficiency of initiatives and develop action plans accordingly.

## Payment Domains:

- Checkout
- Payout
- Gateway
- Reporting
- Risk
- Identity
- Accounting
- Billing
- Buyer, Seller experience
- Compliance
- Legal, etc

## Payment KPI

*Always define the success metrics for your product*



- *Successful checkouts; latency*
- *Cost of payments*
  - Transactional and non-transactional costs, such as account, interchange and wire fees
- *Chargeback rates*
- *User experience*
- *Fraud rates*
- *Purchase success rate*
- *KYC failures*

**\*\*** To lose a customer at the checkout page due to payment issue is not a desirable goal for an organisation. Payment is the highest interest factor for an enterprise.

# Jargon in payments:

TPV

AOV

GMV

PSP

KYC

YTD

FINRA

CBT

FX

KPI

ACH

Acquirers

PCI

Gateways

Processors

Interchange

## Stakeholder Management:

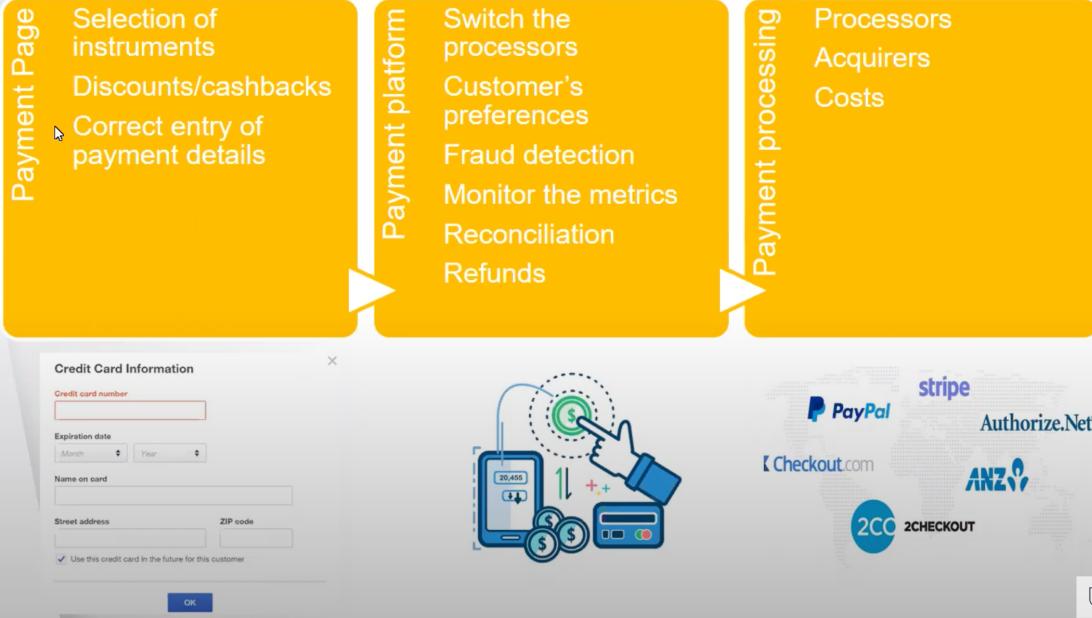


## Payments: Challenges faced by cus



- ▶ Barriers to understand the payment page and input right details
  - ▶ Mistakes in card numbers entry
  - ▶ Second factor authentication (Forgot password, OTP entry)
- ▶ Delays in payment completion due to bad networks
- ▶ Challenges to load the payment page due to infra issues
- ▶ Growth in mobile payments and non-mobile optimized bank pages
- ▶ Availability / Uptime of payment processors
- ▶ Payment charged and order not confirmed

# Payment ecosystem



## What are the metrics to track?



Payment success rates (PSR = successful payments upon total attempts) at

- ▶ Instruments (Cards, Netbanking, Wallets, etc.)
- ▶ Processors (Braintree, PayU, etc.)
- ▶ Sub instruments (bank or acquirer. Ex: Cards based on first 6 digits)
- ▶ Device (mobile app, desktop, mobile browser)
- ▶ OS: iOS/Android
- ▶ User type (new or repeat)
- ▶ Product category: In travel, customers in big cities could have high PSR

# Let's understand the payment checkout

## Login

- ✓ Seamless experience
- ✓ Account linking



## Payment processing

- ✓ Selection of instruments
- ✓ Authentication



## Confirmation

- ✓ Reduce hops
- ✓ Inventory availability



# Building Payment page..



## Selection of instruments

- Wide coverage in market

## Make it easy

- Create a habit – save preferences.

## Promote availability/uptime

- Indicate downtimes proactively

## Keep it lean

- Page meant for payments. Not for promoting offers or cross-selling

## Highlight security

- Compliance logos & security assurance (Ex: PCI DSS)

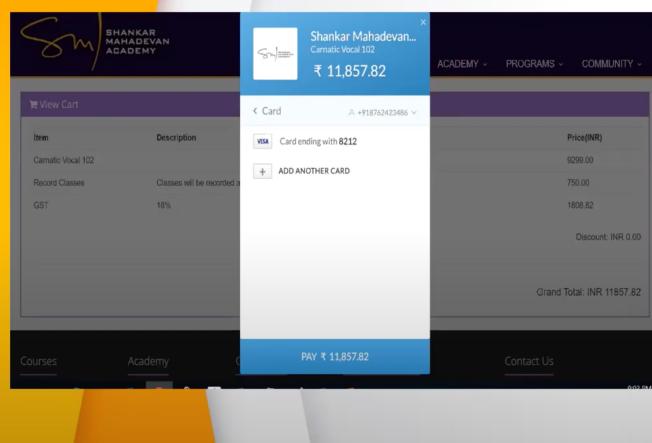


# Payment platform building..

- ▶ Integrate with banks directly to reduce number of hops on communication
- ▶ Build a switching mechanism to toggle between payment gateways
- ▶ Do not let the customer go out of booking funnel to complete payment
  - ▶ Single sign on flow with wallets
  - ▶ Saved cards with 1FA saved cards, OTP on your page
  - ▶ Avoid hosted integrations for mid/large scale businesses

Medibuddy use Hosted, Rajorpy

## Hosted and In-App Payment experience



Hosted Payment	In-App Payment
Customer lands on 3P page	Customer stays in funnel
Launch fast	More integration time
Maintenance by aggregators	Needs upgrades
No dedicated team required	Team needed for new features
High drop offs - low trust	High PSR & trust, low dropoffs
Small size companies / startup	Mid/Large Scale companies

# Addressing failed transactions.



Money not debited from bank account:



- Retarget customer

- Retry in the funnel

- Payment link unifying the devices: choose a medium with good open & click rates

- Sweeten the price: offers to win back the customer

Money charged order not confirmed



- Communication: Bank → payment-gateway → business

- Polling to the bank's infra for payment status

- Refund post reconciliation

- Challenging in case of perishable inventory

## How to select the right wallet



- ▶ Wallets which are more liquid (cash usable at multiple places)
- ▶ Evaluate the wallet based on your growth curve
  - ▶ New users: promotions
  - ▶ Network effects
  - ▶ Payment success rates
  - ▶ Post order support: refunds, chargebacks



## Instrument strategy & Processing capabilities

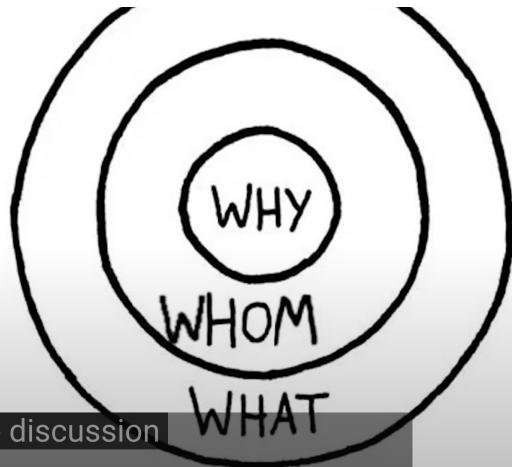
- ▶ Payment aggregators with hosted solutions save operational costs
- ▶ Prioritize debit instruments compared to credit
- ▶ Channel the promotional costs with strong partnerships of wallets
- ▶ Look for Govt. / regulatory guidelines on instruments (UPI in India)
- ▶ Integrate with banks directly for better costs
  - ▶ Save interchange costs - negotiation key here

## Avoid chargebacks: Fraud detection..

- ▶ Need to refund to customer when fraudster takes away the product
- ▶ Markets like US, Singapore and LatAm regions have 1FA
- ▶ Leverage the fraud detection tools available in the market
- ▶ Simple rules based on business
  - ▶ Volume, velocity and value of transactions
  - ▶ Location of transaction vs card billing address

- Framework to define the problem space – Why to build?
- How to segment businesses on the basis of constraints – Whom to build for?
- Understand the payment value chain and challenges due to data connectivity constraints

how i'm planning to break the discussion  
into three parts



(P)

## Infrastructure and Regulatory Market