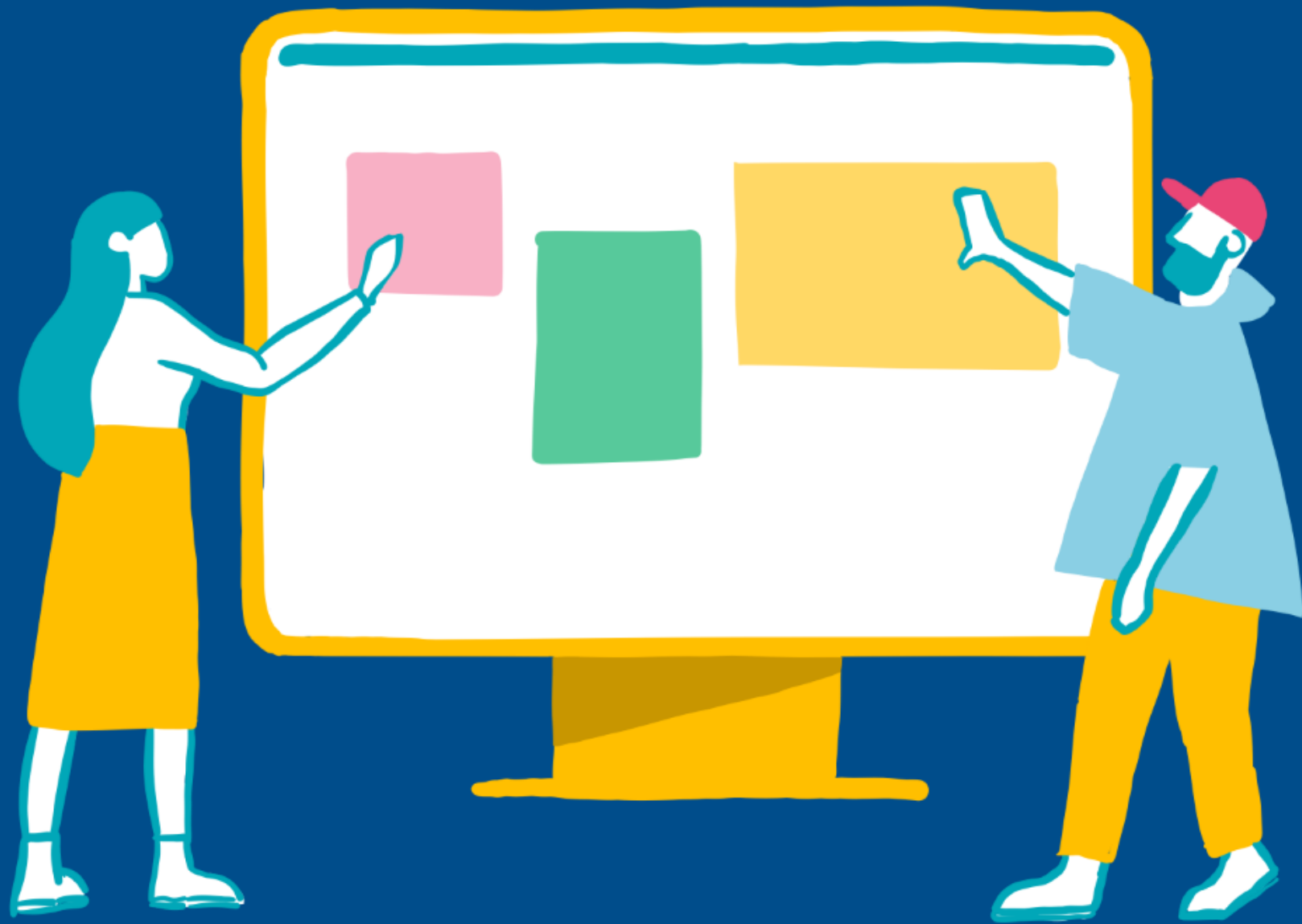


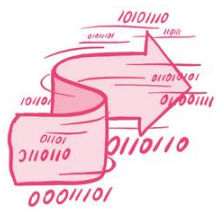


# MAKING THE BEST OUT OF EMBEDDED PAYMENTS

28 February 2024



Work in all areas of payments from mobile and prepaid through to cash and cheques



Deliver to all players in the payments value chain:  
schemes, processors, transaction gateways, issuers, acquirers, software platforms and merchants.

Particularly focused on the transaction acquisition market

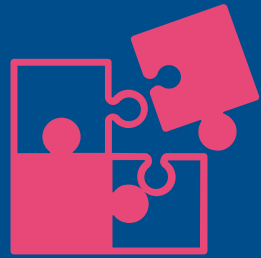
(80%+ of work) – merchants, device / POIs, gateways, processing, acquiring, SaaS, alternative payments etc.



Deliver insight led projects ranging from strategy assignments to commercial / technical RFPs and detailed operational reviews



# AGENDA



PSE research

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Best practice

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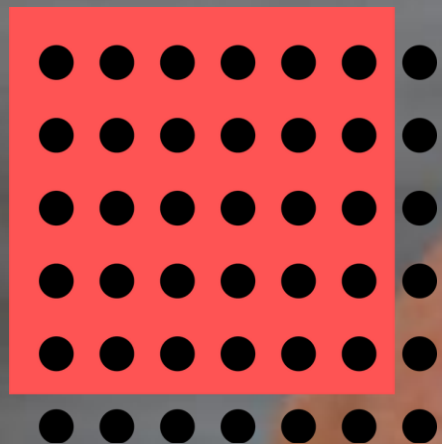
Group discussion







Get your **questions**  
ready for the **group**  
**session...**



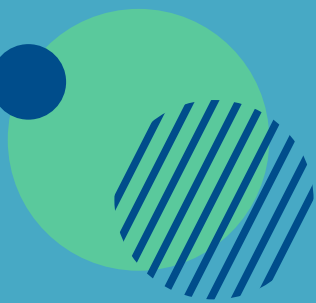
# SAAS PAYMENTS PARTNER RESEARCH CONTEXT



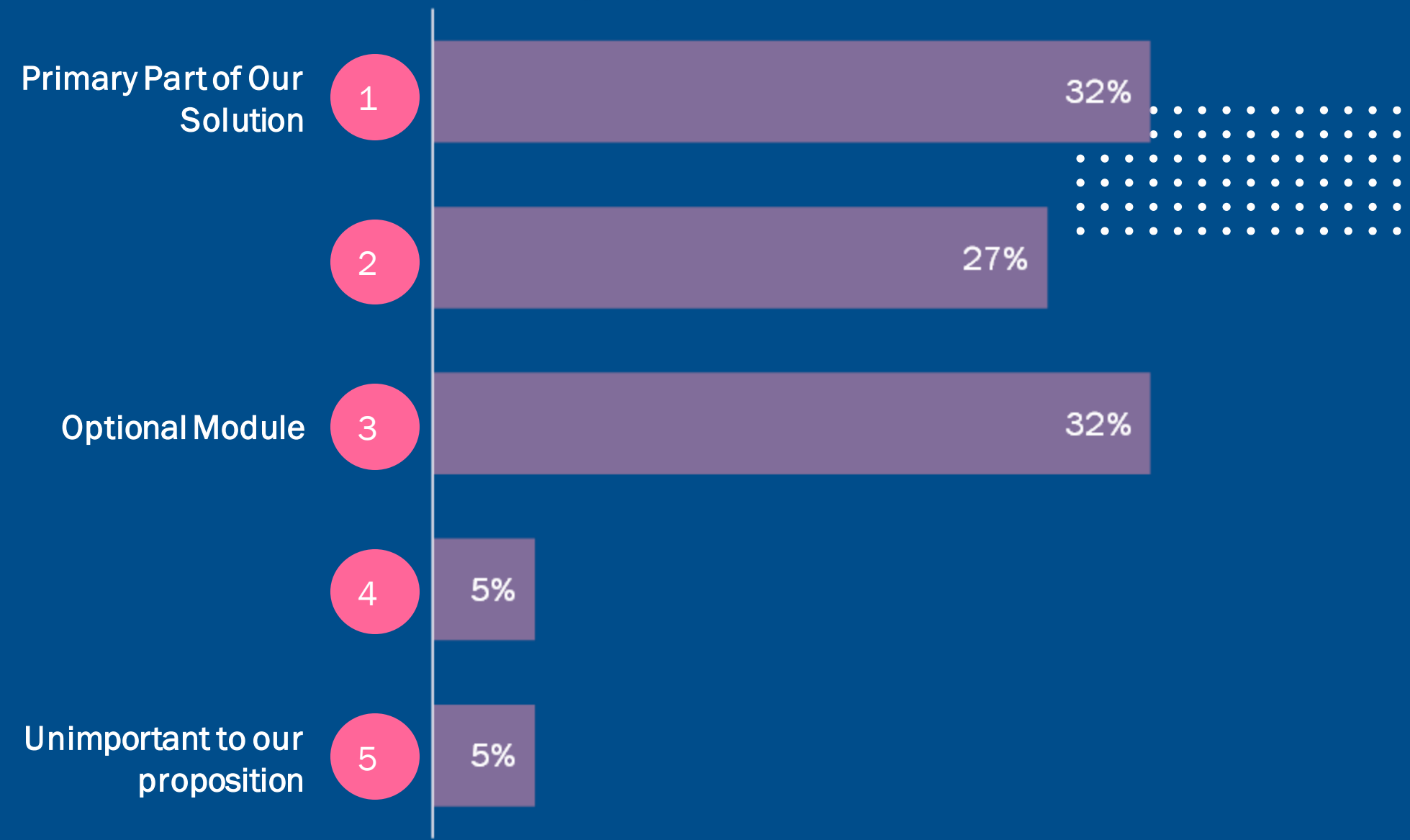
During the first half of 2023 PSE contacted 3,100 UK companies and spoke to c.140 integrators, developers and software companies. We sought to understand their payments requirements and views on their payments suppliers.

As well as the quantitative survey, PSE also carried out a small number of qualitative interviews with larger SaaS platforms with more mature payment offerings across both the UK and the US

PSE sought to gather the views of both those with close ties to the payment sector, and those that have yet to establish a partnership.

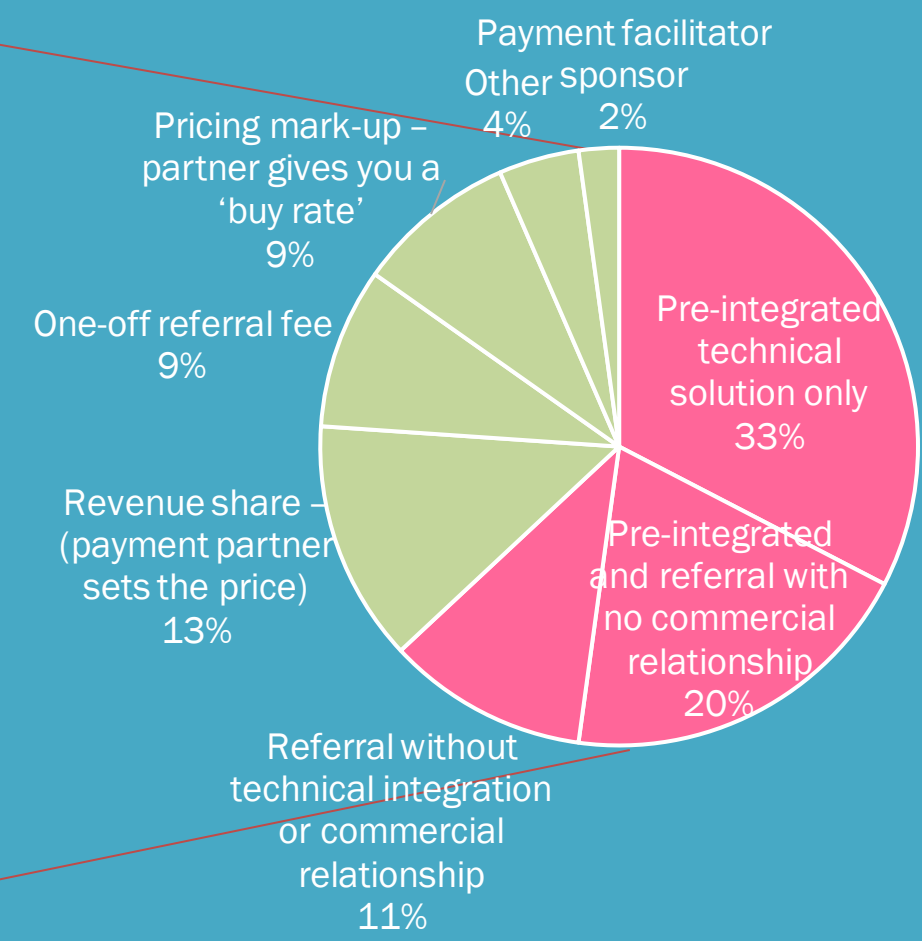
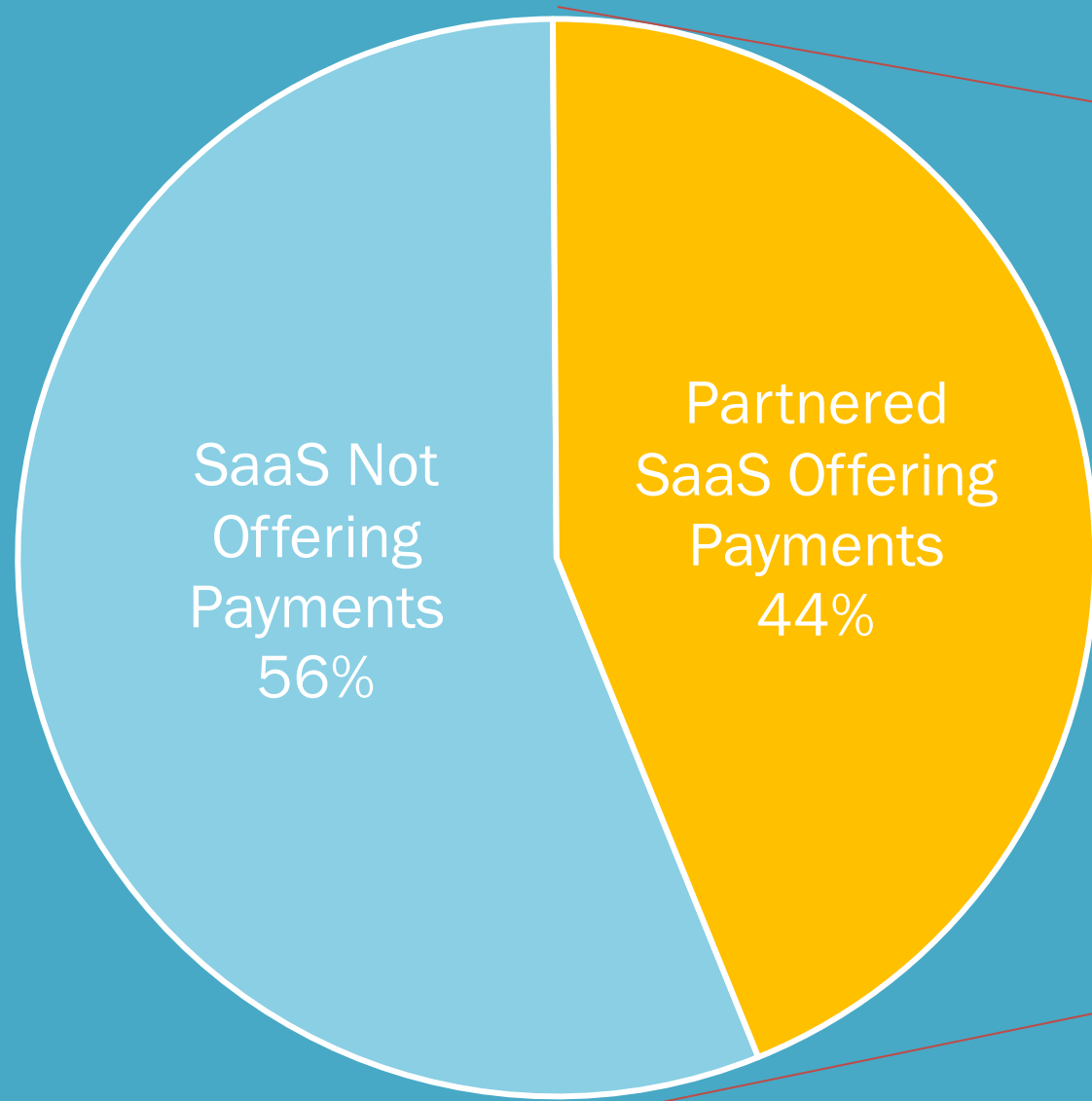


# IS EMBEDDED PAYMENTS IMPORTANT FOR SAAS?



Q: How important are payments now to your software proposition?

# WHERE IS THE UK EMBEDDED PAYMENTS MARKET TODAY?



**64%**  
no commercial relationship

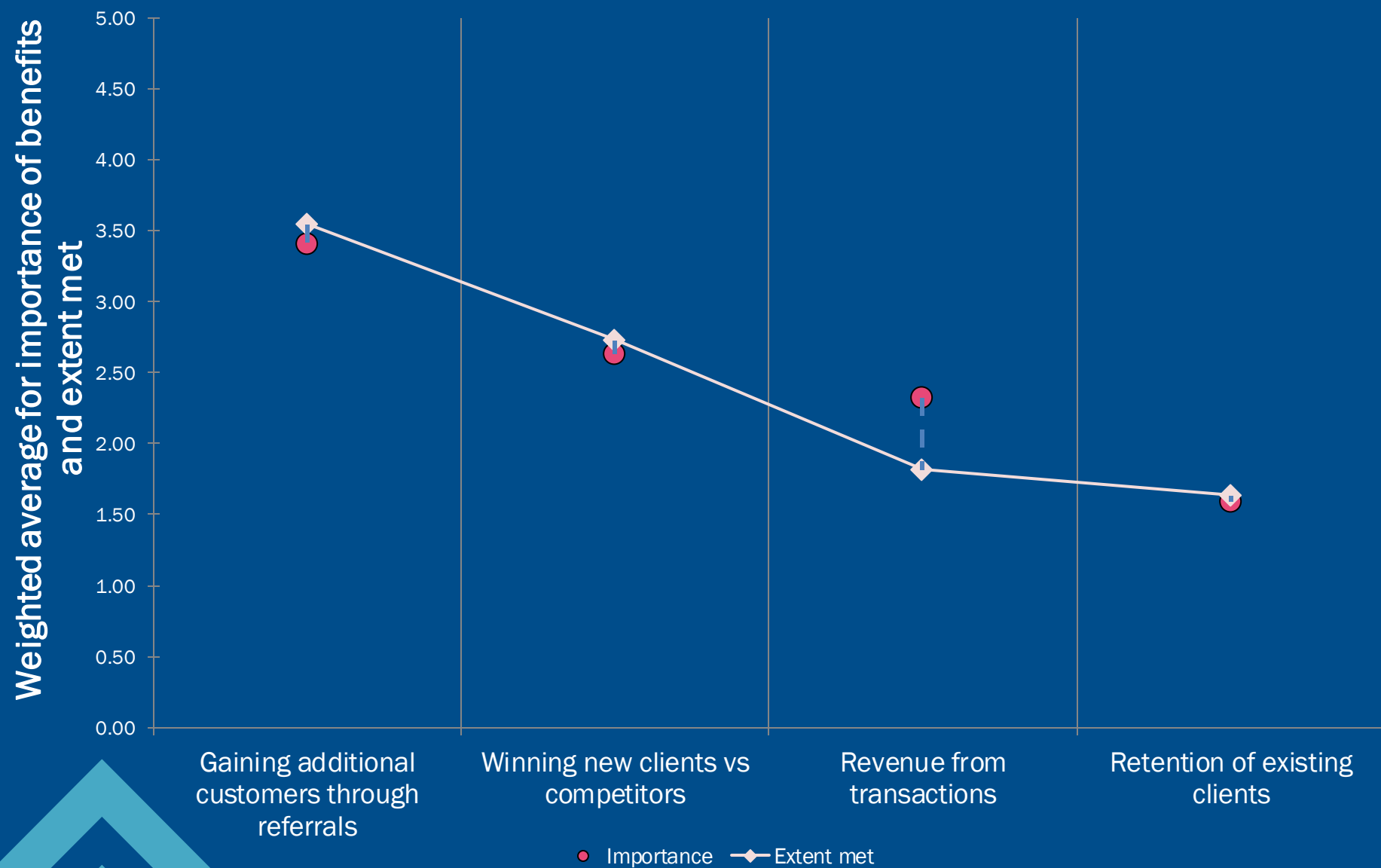
Q: What type of relationship do you have with your primary payment partner?

Key: Non-commercial relationships (pink)  
Commercial relationships (green)



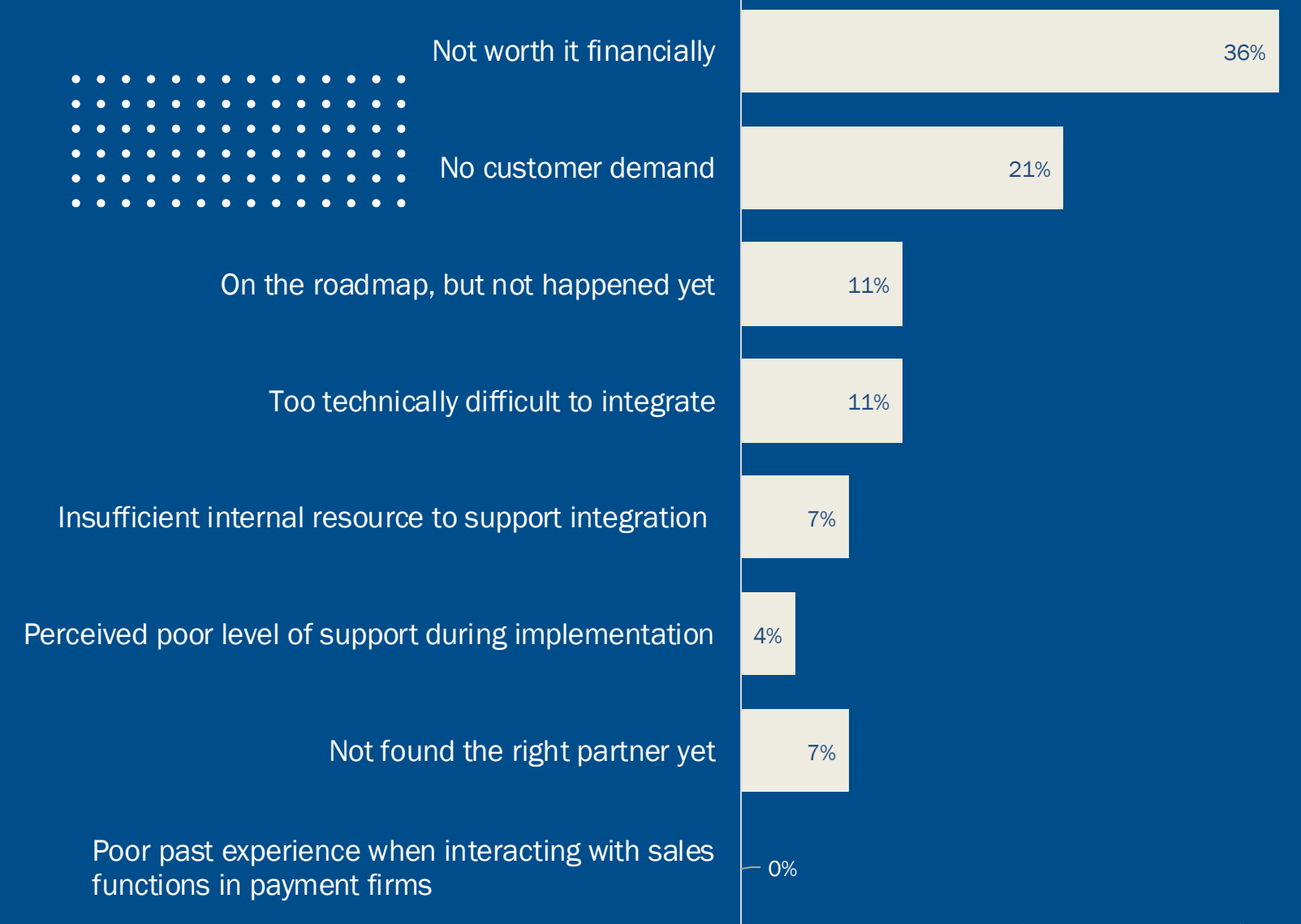
# DO SaaS COMPANIES REGARD THEIR INVOLVEMENT IN PAYMENTS AS A SUCCESS?

## Payments partnerships benefits



Q: How important were the benefits when you formed your payments partnership and have they been met? And, please rate how well expectations have been met.

## Reasons for not integrating with a PSP



Q: If you have not integrated to a payment processor, what were the reasons?



# AGENDA



PSE research



Best practice



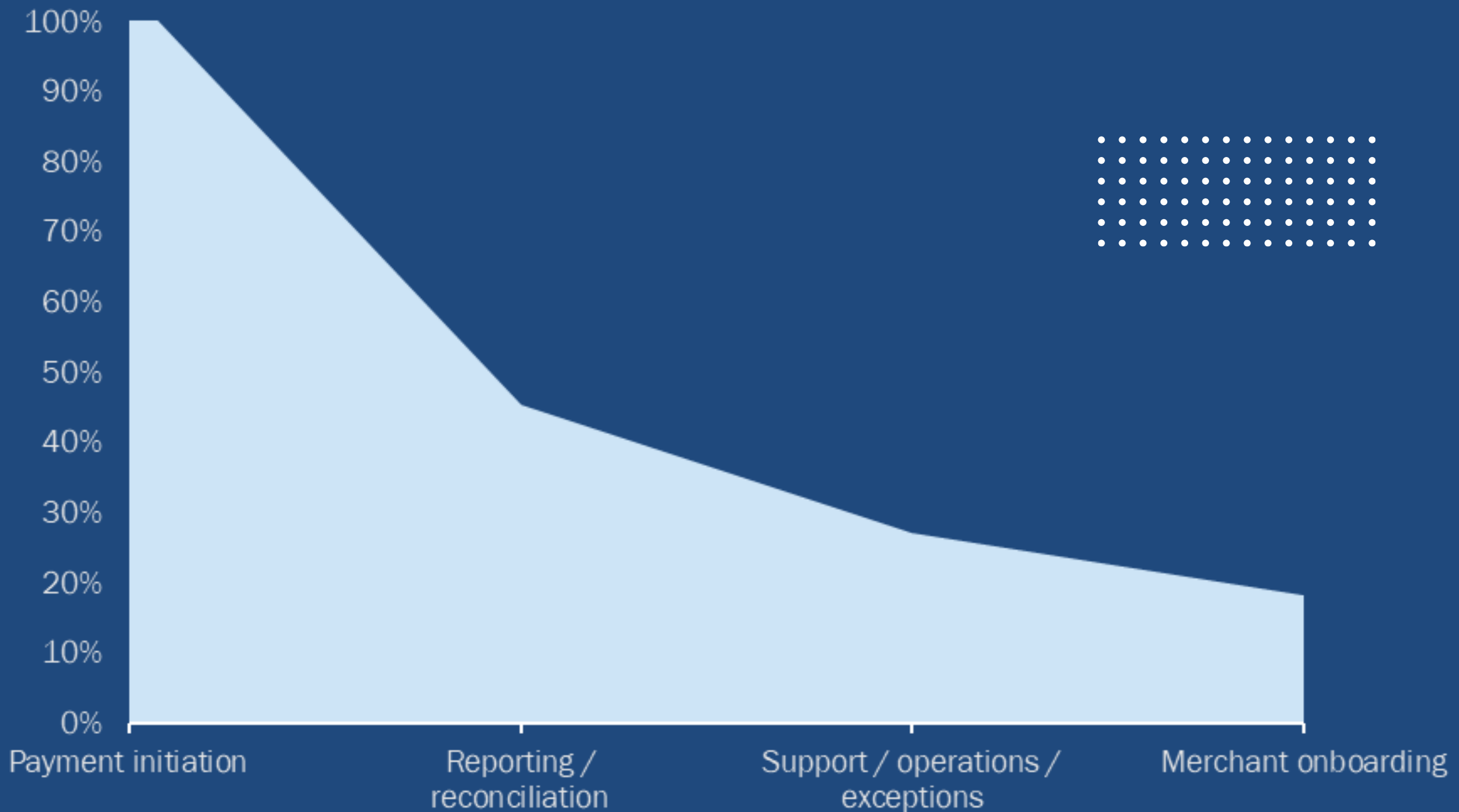
Group discussion



# WHAT MAKES A SUCCESSFUL EMBEDDED PAYMENTS OFFER?



# WHAT PAYMENT USE CASES DO SaaS COMPANIES GET INVOLVED IN?



Q: Where do you have integrations with a payment processors within your software?

1

# EASY DISCOVERY



SIMPLE SETUP

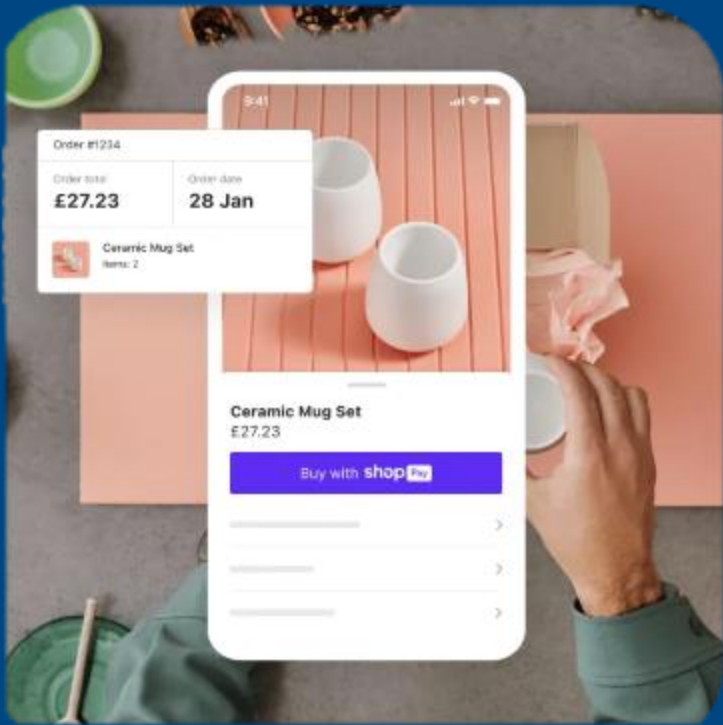
## Begin accepting payments instantly

Skip lengthy third-party activations and go from setup to selling in one click. Shopify Payments comes with your account, all you need to do is turn it on.

### Browse pricing plans

Pay monthly **Pay yearly (save 25%)**

Basic	Shopify	Advanced
For solo entrepreneurs	For small teams	As your business scales
<b>£19</b> GBP /mo	<b>£49</b> GBP /mo	<b>£259</b> GBP /mo
<p>Card rates starting at</p> <ul style="list-style-type: none"> <li>✓ 2% + 25p GBP online</li> <li>✓ 1.7% + 0p GBP in person</li> <li>✓ Fraud analysis</li> </ul>	<p>Card rates starting at</p> <ul style="list-style-type: none"> <li>✓ 1.7% + 25p GBP online</li> <li>✓ 1.6% + 0p GBP in person</li> <li>✓ Fraud analysis</li> </ul>	<p>Card rates starting at</p> <ul style="list-style-type: none"> <li>✓ 1.5% + 25p GBP online</li> <li>✓ 1.5% + 0p GBP in person</li> <li>✓ Fraud analysis</li> </ul>
Try for free	Try for free	Try for free



# Harder to avoid than to accept...



2

# BETTER INTEGRATED THAN SEPARATE – A SWITCHING OFFER



## Garage Management software for Garages, MOT Centres and Commercial Vehicle workshops

- Reduced errors and quicker transactions with integrated card machines.
- Payments reporting is in one place, making reconciliation and reporting easier.
- Speak to our UK-based support team for your software and payment queries.
- Pay-by-link and integrated card machines



**GARAGE Pay**  
Powered by ClearAccept

**Everything your garage needs to accept payments**

Accept card payments with our embedded payment products.



**shopify payments**

**Box**

Total  
**€ 70,00**

**treatwell**

BONUSES AND PROMOTIONS **Modify**

- Color Tuesday Promo
- Cutting Promo

**Cash**

Credit Card

Transfer



3

# LOW FRICTION SIGN-UP

Fully

## Referral

## White Label

## Integrated

EXAMPLE




SQUARESPACE



### PROs

- ✓ Rapid launch
- ✓ No compliance

- ✓ Better ownership of customer
- ✓ Better integrated proposition
- ✓ Limited engineering effort

- ✓ Fully customised journey
- ✓ Better data integration & customer ownership

### CONs

- ❖ Low attachment
- ❖ Low value add
- ❖ Loss of customer ownership
- ❖ Low attachment levels

- ❖ Slower/ higher cost to launch

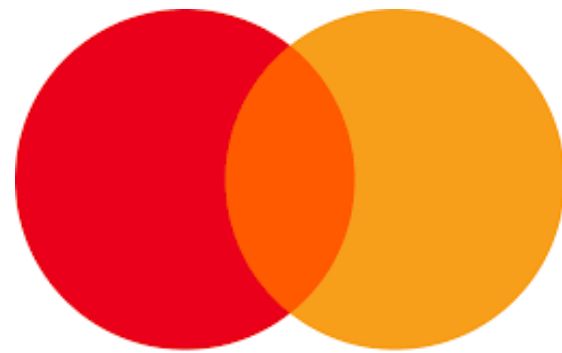
- ❖ Significant compliance burden
- ❖ Long lead times
- ❖ High engineering effort



# RISK & COMPLIANCE MANAGEMENT



## Compliance



mastercard

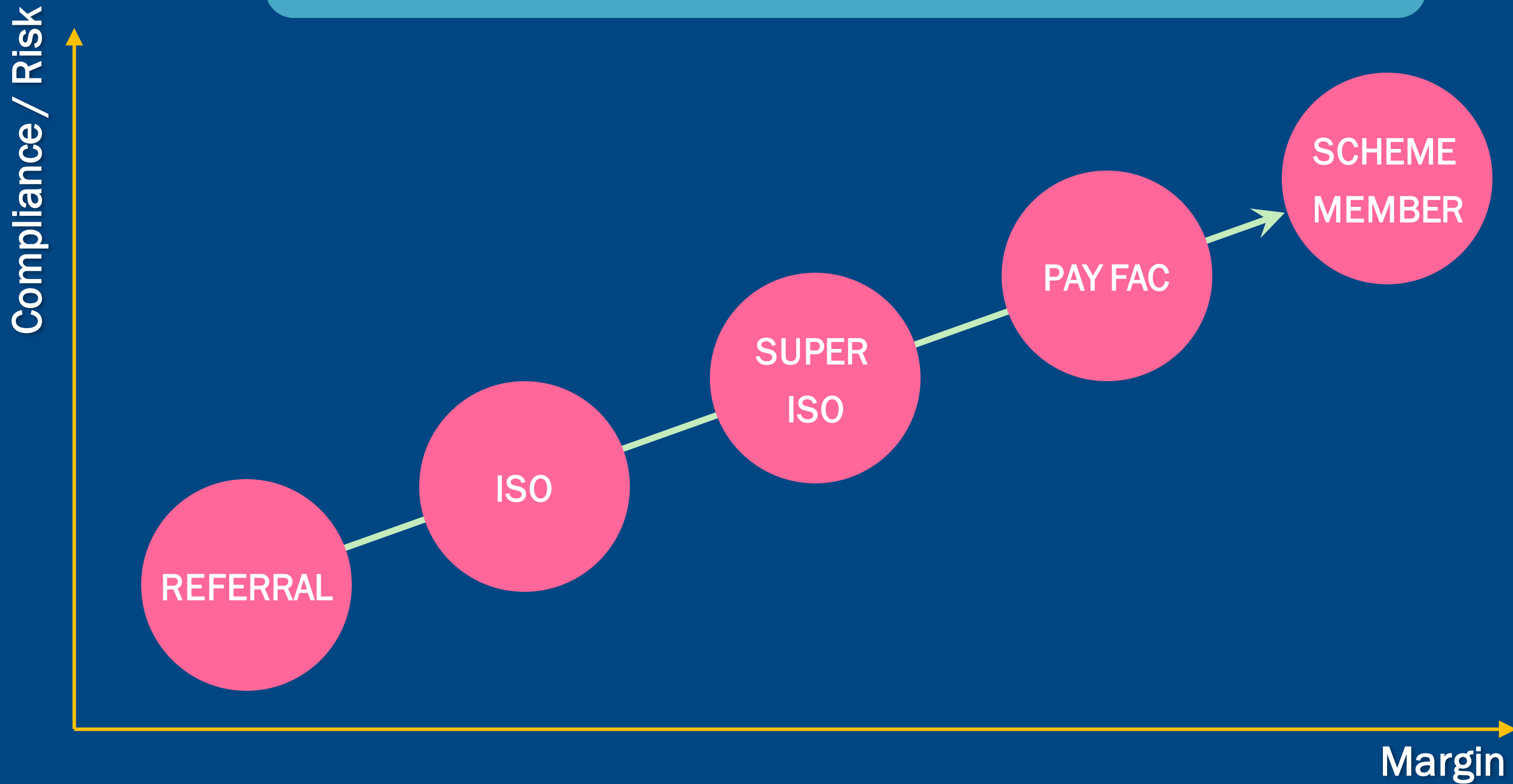


## Risk

- Onboarding/ application fraud
- Transaction fraud
- Money laundering
- Merchant default risk
- Buyer/seller collusion
- Chargeback risk
- Policy abuse/refund fraud



# SOFTWARE COMPANIES' PAYMENTS JOURNEY





# AGENDA



PSE research



Best practice



Group discussion



How can we all make more from embedded payments?



## GROUP DISCUSSION



1. What are your **objectives** for your payments proposition?
2. What is your preferred **commercial model**?
3. How do you see your payments offering **evolving** (commercial, integration of the payment product etc.)?
4. What makes your merchant **switching proposition** successful?
5. What have been the key **pain points** as you have deployed your payments offering?
6. What are the key areas of **uncertainty** that are inhibiting progress?