Payments for Connected Services

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TIM NASIONAL PERCEPATAN PENANGGULANGAN KEMISKINAN

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Payments need these characteristics



Available in remote and dispersed areas



Scalable and replicable



Highly reliable and dependable



Affordable for high-margin, high-volume businesses

Many ways to pay

There are many possible ways to make micro-payments.

Mobille Money	• Dependent on a viable mobile money network. • Requires payers to have positive account balance.
Bank accounts / credit cards	• Can enable multiple channels of payments, including agent or branchless. • High barriers to entry for customers.
Over-the-counter bill payment	• Simplest for users, but no self-service capacity.
Airtime as a payment	• Could use airtime billing, premium SMS. • Regulatory issues • Commercial considerations – high commission costs
Other closed loop	• Smart cards, scratch vouchers, cryptocurrencies.

Indonesian context

High end is well served, but low end is cash-based.

Mobille Money	• Regulatory environment has been difficult, but has recently opened. Agent networks are still nascent.
Bank accounts / credit cards	• Bank accounts are highly functional, but only for high end of the market.
Over-the-counter bill payment	• In widespread use, e.g. for electricity. Very common, but commission payments may be too high.
Airtime as a payment	• Used for digital services. • Regulatory issues • Commercial considerations – high commission costs
Other closed loop	• Card-based e-money is widely used for transport.