



Euromonitor  
International

# Embedded Finance Ecosystem: Mapping the Path to Transformation of Goods and Channels Industries

## INTRODUCTION

### Scope

Key commerce developments in 2023

Customer experience and diversity of payments critical for goods and channels industries

Why relevant for regulators, financial services, manufacturers, retailers and social media?

Structure of the strategy briefings in embedded finance

Embedded finance is the fuel driving growth of multiple industries

Financial firms can hardly compete with non-financial businesses on usage frequency

Mapping key leaders of embedded finance solutions in key industries

## EMBEDDED FINANCE IN ELECTRONICS

Leveraging handsets to expand to finance

High penetration of smartphones leads to a high rank in device choice for embedded finance

JP Morgan contributed to build Apple Pay

Why did JP Morgan break up with Apple?

Apple Cash platform provided by Green Dot Bank

Apple Card issued by Goldman Sachs, which may need to improve credit decisioning

Apple Pay Later powered by Mastercard and Goldman Sachs

High risk of loss for Apple's high interest savings account powered by Goldman Sachs

Solaris powers virtual debit card, lending and eKYC for Samsung Pay in Germany

Fragmented banking market for card payment in Germany

Huawei established partnership with bKash in 2017 and enhanced it in 2023

Huawei powers KBZ Pay, G-Money and Vooma loan, while promoting AppGallery

Why did KBZ Bank adopt a dual-app strategy for its retail business?

Opportunities and challenges for embedded finance in electronics

## EMBEDDED FINANCE IN APPLIANCES

Embedded finance to play a key role in every phase of customer journeys of appliances

Payment method and ownership of appliances

Embedded finance in smart appliances has not gained traction yet

Appliances rental shows higher potential than smart appliances in embedded finance

Electrolux and Stripe partner to create a subscription service for appliances in Singapore

DBS powers Haier to provide digital financing to its distributors by alternative data

Bosch takes on sustainability with rental subscription service BlueMovement

LG's transformation to a "HaaS" provider presents opportunities for embedded finance

Boltech teamed up with Allianz to offer embedded device and appliance insurance

Samsung Food provides services that can be accessible from a fridge or a phone

While opportunities for embedded finance are big, key challenges need to be addressed

## EMBEDDED FINANCE IN RETAIL (OFFLINE AND E-COMMERCE)

Embedded finance driving conversion in each key phase of sales funnel

Payment experience and loyalty critical for consumers to choose shopping channels

Pinduoduo aided by partnership with Tencent and access to WeChat and WeChat Pay

Pinduoduo – the fastest growing retail e-commerce platform in China over 2017-2022

Mapan community commerce leveraged GoTo Group to expand

Ant Group and Razer enabled 7-Eleven Malaysia to accept GCash, Kakao Pay, True Money

Ant Group supports Shopify to enable its merchants for cross-border transactions

Airwallex enables Saturday Club remitting/collecting B2B global payment like a local

SleekFlow deploys multi-currency accounts and business cards solutions from Airwallex

Fuiou powers Amazon's lending to sellers in China

IDFC and ICICI powers Amazon Pay Later for shoppers purchasing on Amazon India

NEC supports AEON for POS and CRM, while powering Mastercard for face recognition

Opportunities and challenges for embedded finance in retail and retail e-commerce

## EMBEDDED FINANCE IN SOCIAL COMMERCE AND VIDEO GAMES

Digital social media, especially livestreaming and online shopping of games, gaining traction

Embedded finance powers the ecosystems of social commerce (s-commerce)

WeChat embeds local and foreign banks' mini-programs to drive traffic and usage

Visa Direct and Checkout.com teamed up with Bigo to support cross-border payouts

Kasikorn Bank teams up with Line, while JP Morgan supports TikTok

The core asset of TikTok is its huge customer base globally

Embedded finance powers the ecosystems of video game software industry

Mobile games is less consolidated than online games and subscriptions

Adyen's partnerships with Travian Games and Aliyooop

Nuvei powers Microsoft for payment, while Citi Bank teams up with NetEase

Airwallex powers World of Neopets for remittances and commercial cards

Opportunities and challenges for embedded finance in social media and games

## KEY TAKEAWAYS

Digital transformation: Barriers hindering digital effectiveness

Privacy and security key consumer concerns on embedded finance

Finance expertise, privacy and security critical for success in embedded finance partnerships

## APPENDIX

Euromonitor International's cross-industry impact analysis to assist in formulating strategies

How to access Fintech topic page and Loyalty topic pages

Key definitions: E-commerce by platform

Key definitions: Retail e-commerce and streaming services

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Euromonitor International is an independent market intelligence provider. Data, insight and analysis stem from in-the-field research spanning 210 national markets.

Content ranges from the in-depth and country-specific, to key strategic themes with a global range and significance. Products cover a comprehensive range of insights and market data, but can be broadly categorised as:

- **Strategy Briefings:** Global or regional in scope, and focussing on the most important themes shaping consumer demand, the key markets, competitive environment and future outlook across a range of industries.
- **Company Profiles:** Analysis dedicated to the world's most significant companies, with detailed insight into their activities, focus of operations, their competitors, their geographic presence and performance.
- **Country Reports:** For an in-depth understanding of specific countries, whether by industry, economic metrics or consumer trends and lifestyles. These reports cover current trends, consumer demand, market potential and future prospects, with country-specific local insight and comprehensive data, unavailable elsewhere.

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