

# Transactional sector is about to be transformed

This year will be a big one for the next-generation transactional sector, with disruption increasingly coming to market and long-standing challenges being overcome.



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“The ecosystem has evolved to better meet the needs of merchants and end-users, and we can expect to see more players and new key focus areas emerging this year,” says Kobus du Plooy, CEO of Celbux.

## Disruptive banking arrives

South Africa is witnessing a definite shift to disruptive virtual banking. This disruption is taking place across many layers, including with new virtual retail banking players, internet banking advances, and the evolution of players focusing on domestic and cross border remittance.

## Dethroning cash

Cash may once have been king, but is continuously being challenged by next-generation digital transactional systems that will bring the cost of transactions down substantially while actually offering incremental benefits. “Adding value to digital transactions to offer ‘free plus’ to consumers will allow customers and merchants to make digital and mobile transactional systems the transaction method of choice,” says Du Plooy. Free plus offerings might include retail loyalty, discounts or cash back, which are instantly and automatically transferred to the customer’s electronic wallet.

## Apps get sticky

Once, mobile transactional solutions may have offered limited functionality that forced the consumer to depend on traditional retail bank accounts as well as basic transactional banking apps. By enhancing the functionality of these mobile offerings to support all forms of transactions, as well as by adding tangible value, next generation mobile transactional solutions are set to become truly indispensable, or sticky, says Du Plooy.

## The advent of micro costs

Platform economics will increasingly determine the success or failure of transactional platforms. The high costs of running

a user account can hamper roll-out to the unbanked, but solutions are emerging which has reduced these costs significantly. Customers and merchants can offer these accounts across far broader markets. “We have developed the architecture necessary to scale infinitely, supporting multiple accounts and sub-accounts with infinite rules. On top of that, we have addressed the load challenges to support tens of thousands of transactions simultaneously, and with these challenges addressed, we have then reduced the cost of transacting down substantially,” says Du Plooy.

## **Bank with anything**

The emergence of device and platform agnostic transactional platforms means that seamless payments, deposits, withdrawals and remittances are becoming possible anywhere, and between any type of connected devices – from feature phones to fitness wearables – and within any channel, including mobile, online and instant messaging platforms.

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