

Partnerships Help Drive Payments Volumes at GoPay

Payments apps are growing rapidly across Southeast Asia, and GoPay has become one of the leaders in Indonesia.



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PCN Research Director Richard Hartung talked with Vrutika Mody, head of global partnerships and business development at [GoPay](#), to find out more about the competitive advantages of GoPay and the initiatives that have enabled it to succeed.

The Rise of Super Apps

While super-apps such as Alipay and WeChat Pay in China have become ubiquitous, apps in other regions have not had the same level of success in becoming super or as entrenched a part of daily life. Now, though, more apps are starting to integrate more functions and to get closer to the super-app model.

While many payments apps say they are a super-app, Mody said GoPay is “unique” because it is the only ecosystem in the region that combines on-demand mobility (rides and food delivery), ecommerce and logistics. GoPay is adding to that ecosystem with more value from payments and initiatives such as a rewards program

As an example, she said, “picture that journey for the consumer on [Tokopedia](#). [Gojek](#) fulfills delivery. GoPay enables PayLater. The flow is powered by Midtrans, the payment gateway. The consumer receives rewards points. Ecommerce and fintech tied together, along with on-demand ride hailing, food and logistics, is the differentiation.”

Drivers of Growth and Competitive Advantage

Wallets are no longer just a medium for stored digital cash, Mody observed. Now, they are integral to consumer engagement and retention.

One thing GoPay does especially well, Mody believes, is journeying with the customer as he or she matures financially. The beginning of that value chain is accessibility. In Indonesia, only 60 percent of the market has a bank account. Through GoPay’s partnership with Bank Jago, consumers can open a bank account on the app and fund or top up their wallet. Whereas a Gojek driver would prompt customers to top up and accept their cash in the past, the partnership provides an additional method for top-ups.

Once consumers are on the GoPay platform, they can spend easily. GoPay is working to get “merchant ubiquity,” she said, by having GoPay accepted at as many domestic and international merchants as possible.

The next step is to support consumers as they transition from spending on needs to saving for “wants” such as travel or education. The integration with Bank Jago enables consumers to allocate funds to different “saving pockets” and earn interest. “The journey from spending to saving to lending,” she said, has GoPay “serving everyone’s definition of financial independence and inclusion.”

The most important competitive advantage GoPay has, Mody said, is its ecosystem. “We understand the consumer on Gojek and Tokopedia, generate a credit score, whitelist consumers who can have PayLater. The data, whitelisting and credit score are unique to us.”

Another advantage is GoPay Coins, a common rewards currency that enables users to get rewards on transactions in the ecosystem, which includes Gojek and Tokopedia.

A second competitive advantage, she said, is that GoPay is an Indonesian company and “we will always build for the country.” During the pandemic, for example, GoTo Financial and GoPay worked to add value to MSMEs across Indonesia.

“We used our local knowledge, insights and relationships to drive value. Being hyper-local, partnerships, marketing, that is going to be the secret.”

One thing that differentiates GoPay, she said, is the trust quotient. In a recent YouGov survey that asked consumers which brand they trust, she noted, GoPay had a ten percent lead over the closest competitor. That trust is an output of programmes GoPay put into place. One example is its money-back guarantee, which protects consumers against financial risk. GoPay uses an internal mechanism to evaluate credibility to protect against account takeover and has a guarantee to back it up in certain cases. For merchants, Midtrans leverages algorithms and machine learning to reduce fraud and improve acceptance rates.

The Importance of Partnerships

While GoPay is focused on Indonesia, Mody said global partnerships are an essential part of its business. GoPay creates global partnerships wherever Indonesian consumers want to make purchases, she said, whether it is with US or European streaming companies, Chinese gaming companies, Southeast Asian ecommerce or something else. GoPay’s global partners are committed to the Indonesian market, she said, and they understand how relevant the wallet is and how it can be an expense management tool. GoPay can work with these partners through its payment gateway or through a third party gateway.

There are several benefits for the global partner. One, Mody said is that they can attract consumer bases that are using e-wallets. That diverse consumer base includes young urban millennials, working parents who use PayLater and young college students starting their investment journey.

Another is that global partners are familiar to Indonesia consumers and want a payments service that customers can use easily. Indonesian consumers using a US streaming service, for example, do not want to store credit card details on that ecosystem and can use GoPay instead.

Future Trends

Looking ahead, Mody said

“we’ve always been and will continue to prioritise financial inclusion and journeying with the consumer. We’ll do it in a more efficient and sustainable way. Financial inclusion is going to continue to be more and more part of our DNA.”

An example, she said, is the driver share programme that GoTo initiated around the time of its initial public offering (IPO). GoTo gave drivers access to A shares, which was their first engagement with the formal investment system. One driver she met recently, for example, took on a second hat and is providing education for his group on investment management. This ethos of providing access to financial products and then focusing on financial independence through spending and saving is the way forward.

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