



HOW THE RISE OF PAYTECH IS RESHAPING THE PAYMENTS LANDSCAPE

Abstract

PayTech services have transformed the way businesses and consumers interact with money. Technology-based payment options like digital wallets, cryptocurrency, mobile payments, etc., have made payments more convenient and secure. They have also helped businesses increase their global reach. PayTech has emerged as one of the fastest-growing sectors of fintech. The technology is continuously evolving and is expected to become more sophisticated with time.



We are amidst a fintech revolution where digital technologies are reshaping the banking and finance sector. One of the revolutionary impacts of technology in the industry is the rise of PayTech – the technology used for digital payments. Cashless payments made a foray into our world in 1950 when credit cards

were introduced. Credit cards facilitated convenient payments by simply swiping the card through a card machine. Credit card payments have been extremely popular among users.

However, the popularity of credit cards was marred slightly when PayTech or payment technology payment options took centre

stage. PayTech services introduced cashless and cardless payments. All that a user needs is a smartphone and they can make payments anytime to any location as and when they require!

What are PayTech services?

PayTech refers to tech-based payment methods or digital payment modes like mobile wallets, contactless payment, etc. It facilitates fast, frictionless, and embedded payments. PayTech has created a dynamic

and fast-moving payment ecosystem that offers integrated solutions to both merchants and customers. It is an area of fintech that focuses on transactions rather than other financial functions. PayTech

companies constitute 25% of the fintech sector. PayTech services are reshaping how customers and businesses interact with money.

Types of PayTech services

Digital wallets: These are virtual wallets that hold the payment information of the user. The user can make digital payments for any online or in-store transaction with the help of these wallets. The payment can

be made through digital devices such as mobiles, computers, tablets, etc.

Crypto and digital currencies: Payments can be made using digital currencies like cryptocurrencies or bitcoins, etc.

This payment channel uses blockchain technology. Payments are processed with the help of a decentralised ledger. Blockchain is a cost-effective and secure payment solution that functions

independently of intermediaries like banks, etc. It facilitates instantaneous domestic and international transfers.

Contactless payments: Contactless payments became popular during the pandemic when social distancing norms were introduced. NFC (Near Field Communication) powers contactless payments. Contactless payments are made by tapping a credit card or smartphone at the payment terminal.

Biometric payments: Biometric payments are initiated after biometric authentication through fingerprint or facial recognition. They are more secure than other PayTech

options because they initiate payments after verifying the user's identity, unlike other methods authenticated using passwords.

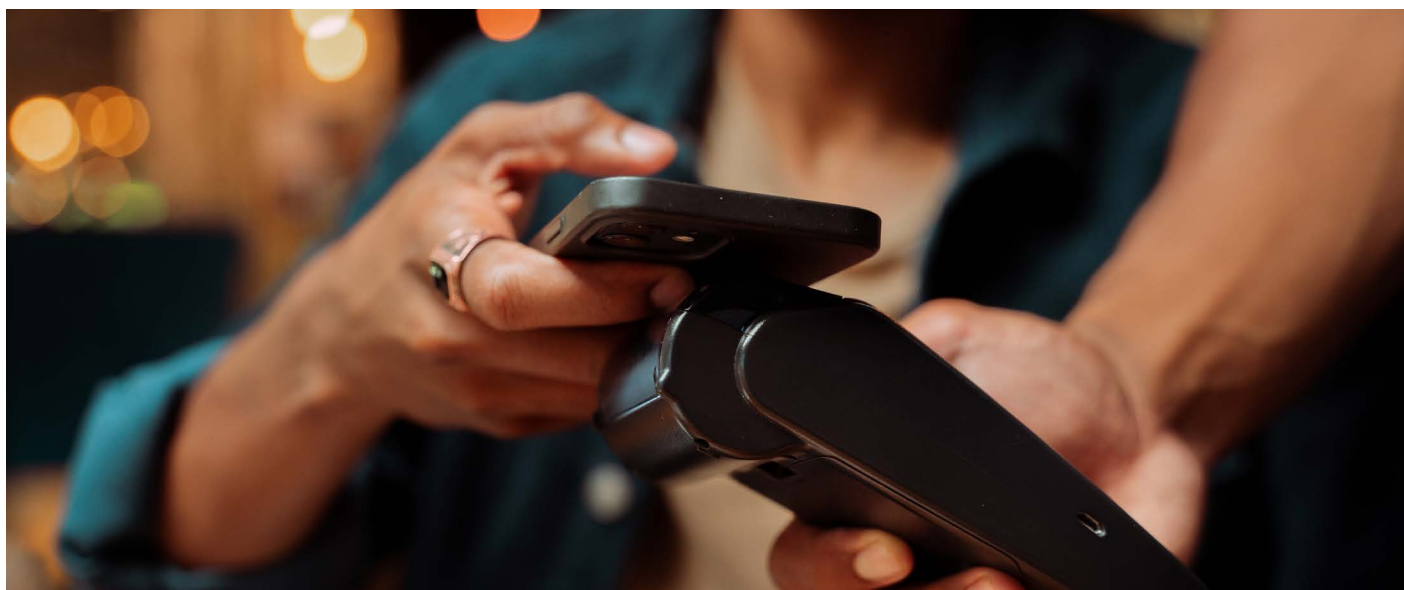
Mobile payments: These digital payments can be made by tapping the smartphone on a payment terminal.

QR codes: These payments are also made using a smartphone. The user needs to scan a QR code with their smartphone to make a digital payment.

Peer-to-peer payments: Peer-to-peer or P2P payments help users transfer money to each other without involving intermediaries like banks, etc. It also

does not require credit cards or debit cards for completing transfers. Payments can be made using a smartphone. It is a convenient method to transfer money to family and friends from any location to any location at a time of their convenience.

Real-time payment rails: Real-time payment rails are networks and platforms that enable users to initiate and receive payments almost instantaneously. They are available 24/7 for making payments and they offer end-to-end transparency and facilitate seamless bilateral communication between parties.



Benefits of PayTech services

PayTech offers a myriad of benefits to businesses and customers. Some of these benefits are:

Enhances operational efficiency

PayTech payment methods streamline the payment process and boost its efficiency. They facilitate real-time payments through digital devices and this in turn results in reduced wait times and increased operational efficiency.

Facilitates secure transactions

PayTech technologies protect sensitive financial information through advanced

encryption, robust authentication, and secure protocols. This adds an extra layer of security to the digital transactions.

Offers convenience

PayTech payments offer a convenient mode of financial transactions through mobile wallets, QR codes, and online payments, to name a few. Users can easily make purchases or transfer money using these options according to their convenience.

Extends global reach

PayTech supports cross-border transactions which helps businesses expand their

reach to international markets. It includes features like real-time currency conversions and low transaction fees to foster the growth of International trade.

Minimises costs

Technology-based payment processes require minimal manual intervention and directly reduce labour costs. Besides, automated processes eliminate errors and lower operational costs.

Fosters innovation

PayTech services are in a state of constant evolution by integrating emerging

technologies to offer more sophisticated payment options.

It is because of benefits such as these that the PayTech market is growing at a rapid pace. Data reveals that by 2030 the global digital payment market is expected to reach \$361.3 billion.

Future trends of PayTech services

Payment technology has come a long way since the first credit cards in 1950. Today, PayTech options like mobile payments, and digital wallets have disrupted traditional

modes of payment. However, the PayTech services sector is advancing rapidly, adding new features to meet the growing demands of consumers.

As a part of this evolution, we are likely to witness payment processing become seamless, secure, and instantaneous. We can expect voice-activated payments, pay-as-you-go plans, and more.

Technologies like [AI \(Artificial Intelligence\)](#), Generative AI, and ML (Machine Learning) are expected to impact PayTech

emphatically by streamlining processes, enhancing fraud detection, risk mitigation, etc.

PSPs (Payment Service Providers) are collaborating with banks and financial institutions to create payment options that will offer a personalised experience to users.

Conclusion

PayTech is a vital component of the fintech revolution. It has paved the way for cashless and cardless transactions that can be completed through digital

devices. PayTech services have offered a robust, secure, and convenient mode of making financial transactions. The future looks promising with the likelihood of

integration of emerging technologies like Generative AI to add new dimensions to PayTech.

How can Infosys BPM help?

Infosys offers [BPM in finance](#) services that streamline finance processes and boost efficiency across the entire spectrum of

financial services. We leverage cutting-edge technologies to help you integrate PayTech technologies into your financial

processes. Our cost-effective services can be customised according to the specific needs of your business.

For more information, contact infosysbpm@infosys.com



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