

# Facilitating Cross-Border Expansion with Open Payments Architecture

A Case Study of Peach Payments



Speed

**30%**

faster merchant onboarding



Business Growth

**400%**

Peach Payments achieved a 400% increase in monthly transaction volume in less than one year

## Executive Summary

### 1. Case

Peach Payments, a South Africa-based payment service provider founded in 2012, had achieved great success in its home market by early 2015. To build upon that success and take advantage of its innovative, next generation-type payment services, Peach Payments planned to enter several new African markets with the aim to ultimately expand across the entire African continent.

### 2. Challenge

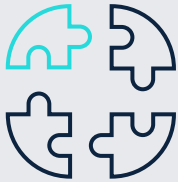
To achieve its goal of rapid expansion, Peach Payments needed a technologically advanced white label payment gateway. The gateway needed to feature streamlined and rapid merchant integration, the ability to use plugins, and consolidated mobile and traditional online payments. As Peach began to target and onboard larger and more demanding merchants, it became increasingly clear that the company's payments gateway needed to meet the variety of complicated technical challenges modern payment providers face. With transaction processing technology becoming increasingly commoditized, Peach Payments wanted to differentiate itself from the market while avoiding the significant investment needed to build a payment solution from scratch.

### 3. Solution

Peach Payments integrated to ACI® Payments Orchestration Platform™ payments gateway whose underlying open payments architecture makes it one of the most advanced and flexible payment solutions on the market.



## RESULTS



Single RESTful API



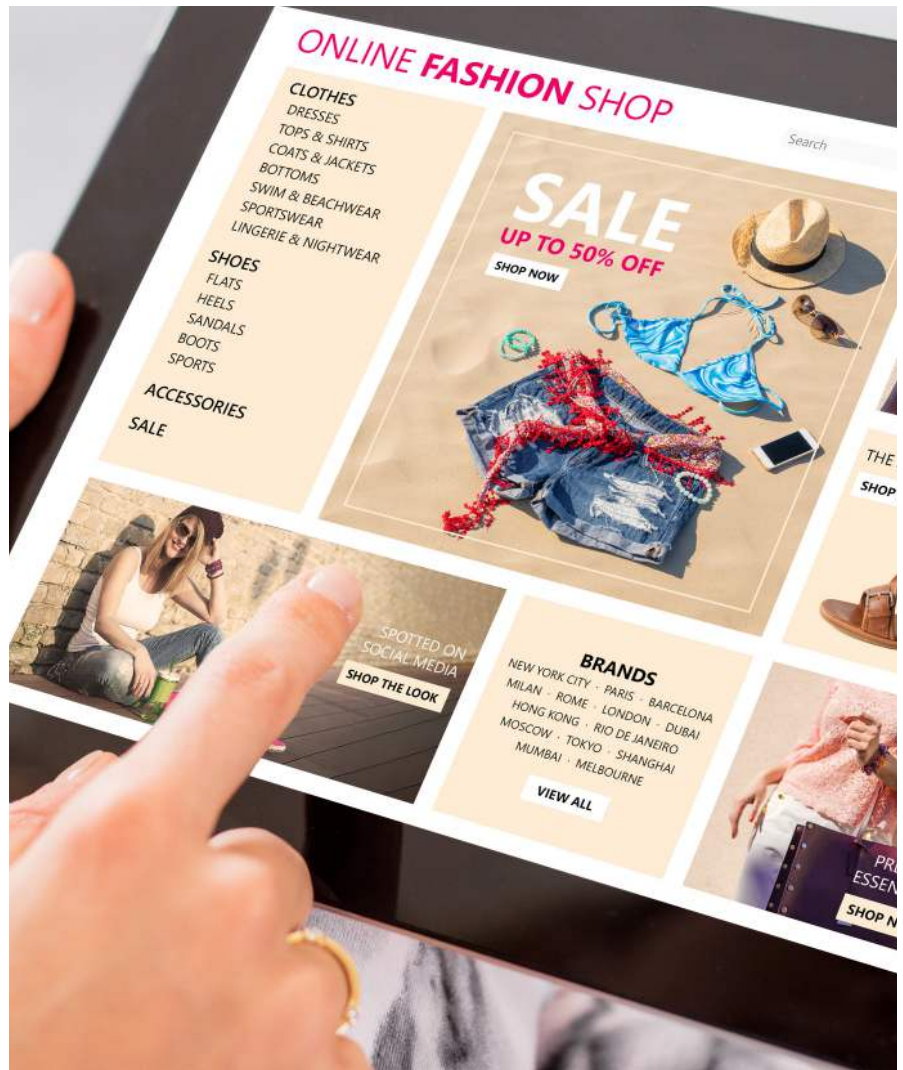
All Channels and Devices



Connectivity to an Extensive  
Global Payments Network

## 4. Result

ACI's payments gateway helped Peach Payments achieve their targets and expand their monthly transaction volume by 400% in less than one year, without a proportionate cost increase. The resources created by Peach's increasing revenues enabled the company to increase its focus on expansion and future growth. The gateway quickened Peach's merchant onboarding process by 30%, allowed Peach to easily build plugins for merchants, and provided integrated e and mCommerce payment options through a single unified API. The gateway's global payments network, featuring hundreds of acquirers and alternative payment methods globally, gave Peach Payments the ability to expand to Namibia and Mauritius and plan to Nigeria, Kenya, Ghana and beyond.





**THE CLIENT:  
FACTS AND FIGURES**



**2012**  
Company founded



**Leading PSP**  
in the South African market



**Operations**  
South Africa, Namibia,  
Mauritius



**Sectors**  
Retail, fashion, food delivery,  
cloud services, internet  
service provision

## 1 | Case

Peach Payments was founded in Cape Town, South Africa in 2012. Through a fresh and innovative approach, it quickly became a leading payment service provider in the South African market. The approach brought international best practices such as one-click payments, reconciliations and recurring billing directly to African merchants. Building these solutions took time and effort, often because convincing local banks and acquirers of the value for their own businesses was not easy.

Yet Peach Payments' efforts were well rewarded. Their unique approach gained them a steadily growing list of loyal clients, at first medium and large enterprises focused primarily in fashion, retail, food delivery and online marketplaces. Most of these clients' businesses grew in conjunction with Peach's own growth and as Peach's reputation and capabilities expanded, it began to land even larger clients in new sectors such as cloud services and internet service provision. As Peach's success began to snowball it saw an opportunity to take action towards its ambition to become one of the leading payment service providers on the African continent. Yet it lacked the payments gateway technology needed to fully take advantage of these new opportunities.

## 2 | Challenge

As Peach Payments surveyed the African market — with an eye on taking the next step towards becoming Africa's preeminent payment service provider — the company realized it needed a payments solution that possessed four key traits:

- Rapid and simple integration and merchant onboarding
- Fully integrated mobile capabilities
- The ability to accommodate Peach-built shop plugins to integrate payments within merchants' overall business activities
- Access to Africa's most important alternative payment methods and local card acquirers

Customer service is an important differentiating factor for Peach Payments and finding a platform to help the company deliver first-rate service was of the utmost importance.



## Integration and Merchant Onboarding

Successful expansion in Africa, perhaps even more than in other regions, requires payment providers to have advanced and user-friendly technology. Merchants often lack the resources to throw at a complicated integration, which means platforms warranting little integration effort by merchants are highly competitive. Thus, Peach Payments' expansion across Africa relied upon finding a platform with simple and rapid merchant integration.

## Mobile Solutions

Yet the importance of simple and rapid integration does not mean merchants will accept a platform that is unsecure, unable to simultaneously process many transactions or has few capabilities. For example, in Africa it is important payment providers offer omni-channel solutions because although less than 25% of Africa's population has a bank account, more than 80% have access to mobile devices. Most African shoppers use mobile devices for internet access and it is predicted by 2016 there will be more than 100 million mobile payment users in Africa.<sup>1</sup> mCommerce is the only way to effectively reach certain shopping segments. Thus, Peach Payments needed a solution that would enable a seamless user experience across both mCommerce and eCommerce.

## Shop Plugins

Another challenge for Peach Payments and its focus on medium-sized enterprises was a plugin strategy for shop management systems such as Magento, WooCommerce and Shopify. These platforms are important to most medium-sized businesses because they use them rather than build custom shop management systems. Peach Payments needed to ensure their payments gateway was flexible enough to incorporate these plugins easily.

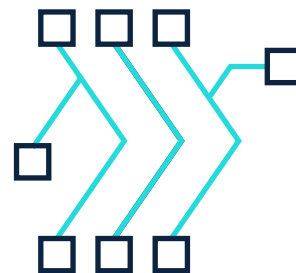
## An Extensive Payments Network

The final challenge for Peach Payments was its need to connect to a variety of acquiring banks and alternative payment methods across Africa. Developing the connections to the major banks in South Africa took significant time and effort for Peach Payments, and in order to expand more rapidly, it required a gateway with an extensive payments network across the entire continent.

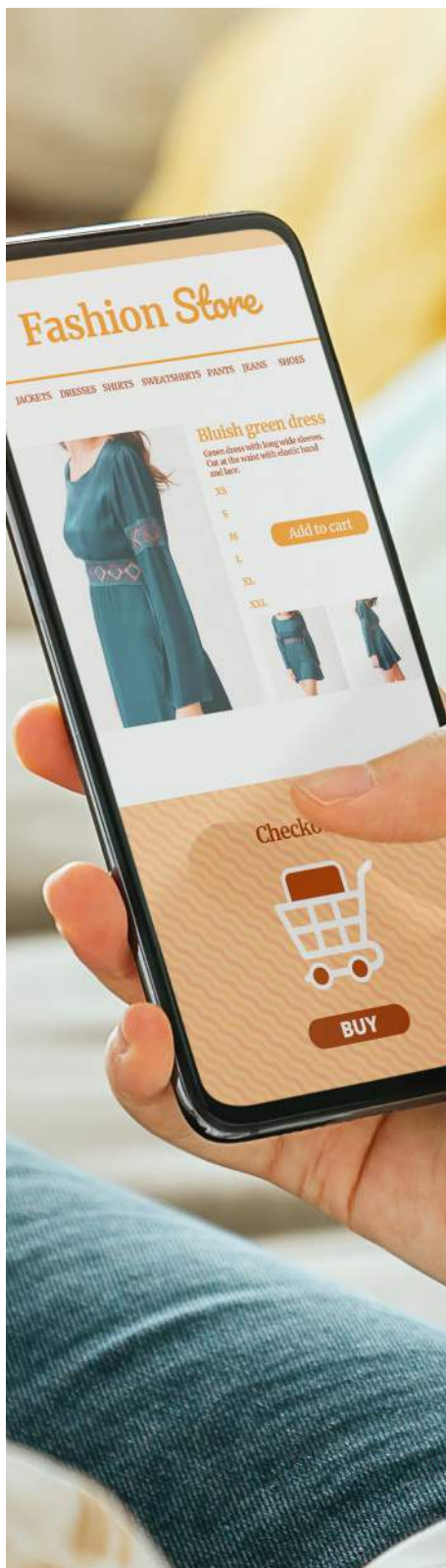
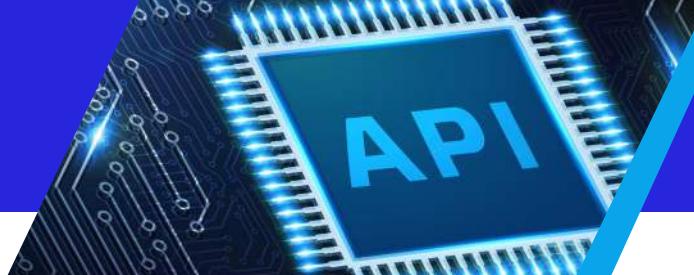
## The Need for a Technologically Advanced Solution

Creating technology that meets all these requirements from scratch is both costly and time consuming. While Peach Payments had the ability to build such technology, the large undertaking would have entailed diverting significant resources away from the company's overall goal of becoming the foremost payment service provider in Africa. Expansion and other business activities would slow significantly as Peach designed and built its gateway from the ground up. Meanwhile, Peach Payments' competitors would not take such a hiatus and would likely continue expanding into the very markets Peach had set its sights upon.

Peach Payments required a payments platform that delivered a solution for each of these four challenges without sapping the resources the company needed to devote to growth and expansion.



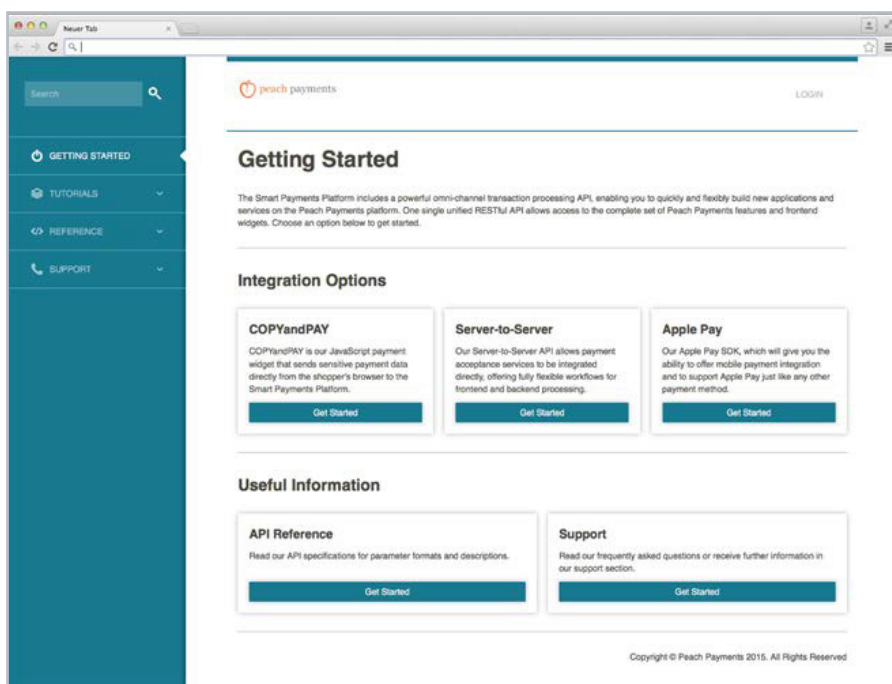




### 3 | Solution

The underlying open architecture of ACI's payments gateway was launched in February of 2015 and shortly thereafter, Peach Payments integrated it for transaction processing. Peach Payments' merchants now onboard through the gateway and use it for their payment services. The gateway's features include:

- A single RESTful API (application program interface) and interactive documentation for rapid and efficient merchant integration
- A mobile SDK (software development kit) and mobile responsive payments widget COPYandPAY for coordinated e and mCommerce payments
- An open system for simplified assimilation of shop plugins
- An extensive network of African "connectors" (acquirers and alternative payment methods), currently numbered at 40 in 35 countries and continually increasing





## 4 | Result

Peach Payments quickly found that the gateway's underlying open architecture helped it overcome each of the four obstacles to its growth: fast merchant onboarding, e and mCommerce assimilation, openness to shop plugins, and access to African acquirers and alternative payment methods.

### Speed and Simplicity: Merchant Onboarding

Two aspects of the gateway's open architecture made it particularly easy for Peach to onboard merchants quickly: the single RESTful API and ACI's interactive documentation. By lowering the number of integrations for merchants to only one, and by basing it on the well known RESTful standards, Peach saw improvement in merchant onboarding times, especially as the open payments gateway became more familiar to Peach.

According to Peach Payments co-founder Rahul Jain, "The open payment API is an extremely developer-friendly API and helps our merchants integrate up to 30% faster. The unified API for front-end and back-office processes has simplified integration efforts significantly for our merchants. It has helped Peach Payments deliver on its developer first approach to market." More than just a matter of improved service to new merchants, Peach Payments' sales team touted the single integration to potential clients with the advanced technology drawing many onboard.

The interactive online documentation, white labeled by Peach Payments as API Docs, also contributed to the improved experience for merchants' developers, helped reduce integration times and automated the entire process. The API Docs' thorough, interactive, and step-by-step guides equipped developers with the tools needed to complete integration quickly, lowering the required resources for merchants and easing Peach Payments' support burden.

### Flexibility: Mobile Solutions

In addition to better integration, the gateway's open architecture gave Peach Payments an assimilated e and mCommerce solution. The gateway's mobile SDKs for iOS and Android native apps and payments widget COPYandPAY with its responsive mobile design, helped Peach deliver the omni-channel product that it needed for the African market. Most African merchants sell across websites, mobile-optimized sites, and in-app, making such a solution a key requirement for success.

### Flexibility: Shop Plugins

Peach's third challenge, enabling shopping cart plugins, was also overcome through the payments gateway's open architecture. Through the gateway's RESTful API and JavaScript widget, COPYandPAY, Peach was able to build world-class plugins for Magento and WooCommerce with more forthcoming. Peach's clients are never forced to choose between Peach Payments and their preferred shop management system; they can have both.

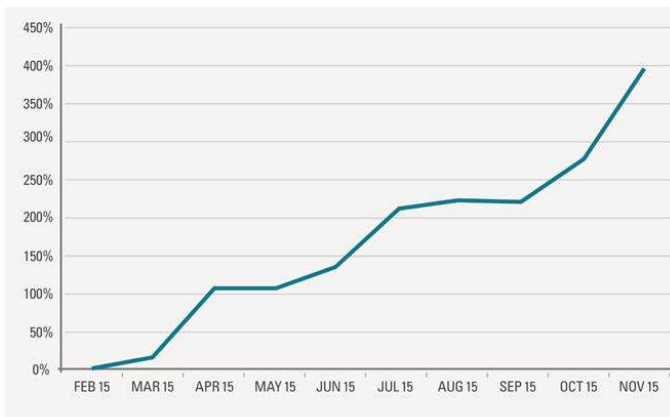
### Simplicity and Flexibility: An Extensive Payments Network

The payments gateway's open architecture also helped Peach Payments access the right acquirers and alternative payment methods. Integrating to the gateway gives payment providers immediate access to both ACI's white-label payment processing capabilities and its entire global network — two tools essential for cross-border payments. Of the network's hundreds of "connectors" (acquirers and alternative payment methods) globally, 40 currently offer coverage in 35 African countries and ACI continues to grow the network. The ACI Payments Orchestration Platform grants Peach Payments access to a payments network that is extensive enough for immediate expansion and is growing to accommodate future strategies.



## Obstacles Overcome, Growth Accelerating

Peach Payments was an early adopter of the ACI's open payments architecture because it promised to help the company overcome the four payment obstacles it faced.

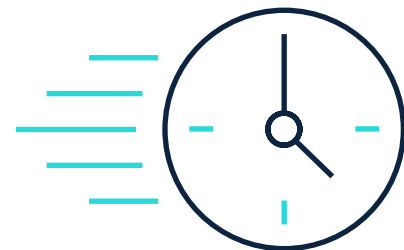


— Transaction volume (% change from Feb. 2015)

Like with any new product or service, Peach experienced some bumps as the open payments gateway's capabilities and unique features were refined. Yet ACI built the payments gateway as a fundamentally "open" product which made it easier to continuously improve based upon user feedback. The open payments gateway's inherent flexibility has allowed Peach Payments to shape the platform into the exact kind of service their clients need. As a company that focused on high-quality customer service to differentiate from competitors, the open payment gateway proved to be the perfect technological conduit for Peach to deliver speed, simplicity and flexibility to its clients.

This speed, simplicity and flexibility has been fundamental to Peach Payment's recent growth. In late 2014, Peach Payments began to see strong growth as its efforts in South Africa began to reach a tipping point. However, by early 2015, growth had started to plateau. Peach had foreseen the need to upgrade its payments gateway technology and switching to the ACI Payments Orchestration Platform helped resume Peach's upward growth trajectory. The solution gave Peach Payments the technology it needed to onboard clients quickly, better serve them through coordinated mobile payments and shop plugins, and ensured growth continued unabated. As a result, from February to November 2015, Peach Payments saw growth of approximately 400%.

This success has given Peach Payments the resources to expand into Namibia and Mauritius; expansion into Nigeria, Kenya and Ghana will soon follow. Although just the beginning of the company's long-term strategies, Peach Payment's current and upcoming market expansion reaches some of Africa's most lucrative markets. With a sound business plan and the ACI's open payments gateway as its underpinning payments technology, Peach Payments' future is very bright.





## About Peach Payments

Peach Payments provides payment solutions to online and mobile businesses enabling them to easily accept payments from consumers across the globe and especially from those in the emerging markets. Its specific focus is on Africa and the BRIC countries where the local infrastructure requires a unique and tailored approach to online payments.

Peach Payments offer merchants a state-of-the-art payments solution with the most comprehensive product suite which enables them to accept payments across all their channels including their website, mobile site and their mobile apps (iOS, Android etc.). The company also gives merchants access to all relevant payment methods including credit/debit cards, bank transfers, mobile wallets, electronic wallets and mobile operator billing to help them succeed in the emerging markets. Peach Payments currently offers payment solutions in Europe and South Africa directly and in Brazil and Turkey through partners.



<sup>1</sup> Statista, "Africa and Asia Are Embracing Mobile Payments," <http://www.statista.com/chart/332/mobile-payment-users/>

ACI Worldwide is a global leader in mission-critical, real-time payments software. Our proven, secure and scalable software solutions enable leading corporations, fintechs and financial disruptors to process and manage digital payments, power omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with a local presence to drive the real-time digital transformation of payments and commerce.

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