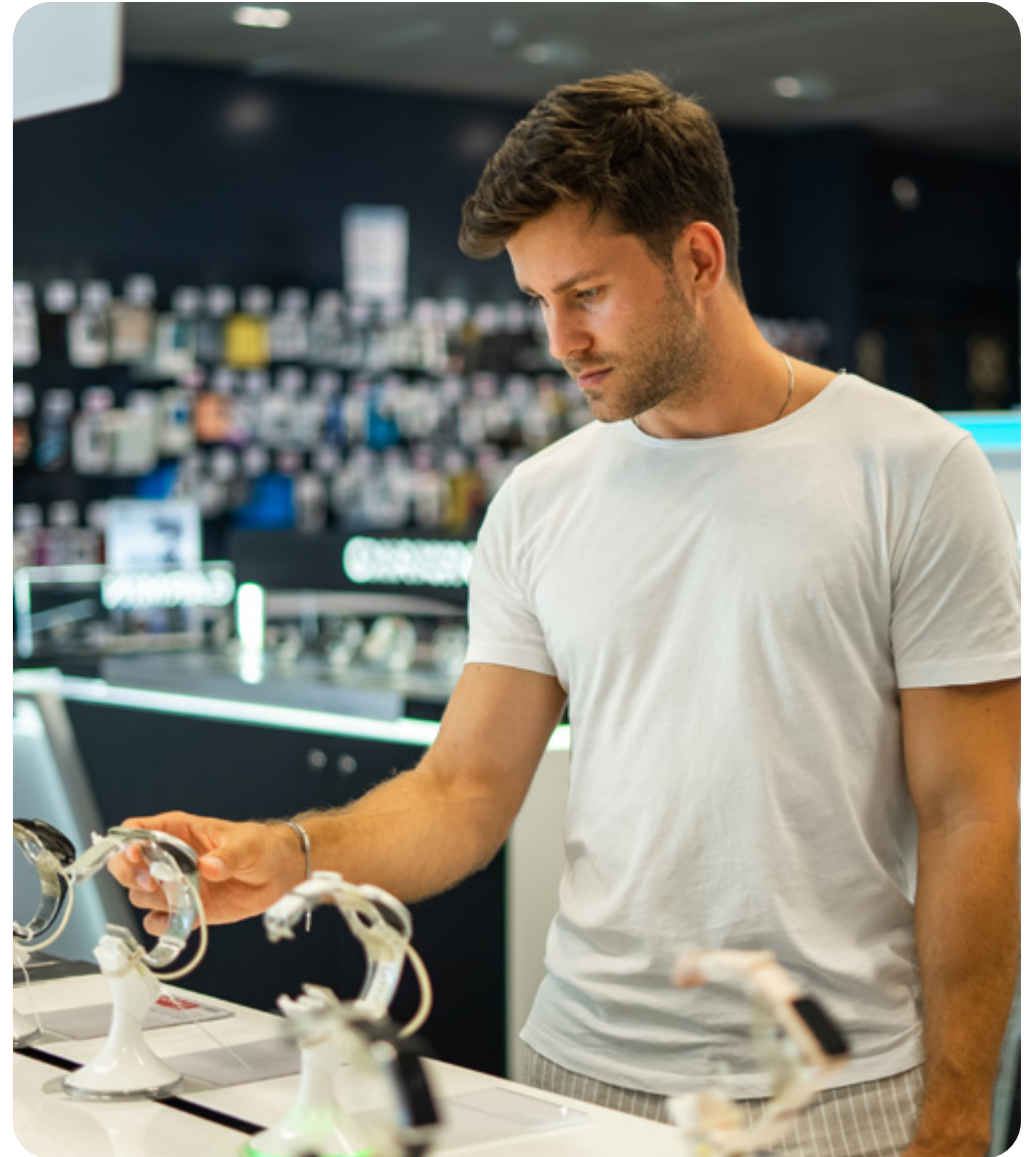


BNPL:

Creating a compelling offering for consumers and businesses

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Goals

- To offer a more flexible and convenient way for customers to pay for goods and services
- To provide various BNPL propositions that cater to all of the bank's customers – consumers and SMEs
- To enable instalments to be managed and repaid using various channels
- To utilise existing products to offer BNPL

Outcomes

- Launched two very distinct BNPL offerings, targeting different audiences
- Enabled customers to pay in instalments whenever and wherever they transact – whether online, in-app or in-person
- Added BNPL functionality as a value-add to an existing revolving credit card product to allow consumers to convert transactions into instalments easily via multiple channels
- Created a BNPL product specifically for businesses that enables them to pay later for goods and services to help them better manage their cash flow
- Provided BNPL users, both consumers and businesses, with the ability to manage their buy now pay later instalments via their mobile banking app, internet banking, in-branch and the bank's call centre

Overview

Recognising the evolving landscape of financial services and the growing demand for flexibility and convenience, one of Myanmar's largest private banks embarked on a project to introduce innovative buy now pay later (BNPL) products. The bank aimed to cater comprehensively to the needs of both consumers and businesses, ensuring accessibility and transparency in its offerings. The bank partnered with Compass Plus Technologies to leverage its substantial expertise in delivering best in class BNPL products, and take full advantage of the technological capabilities of the TranzAxis platform.

Through this collaboration, two distinct BNPL offerings were successfully launched, one for consumers and one for businesses. Both products offer versatility in payment options and can be managed seamlessly through various channels, including mobile and internet banking, in-branch, and the bank's call centre.





Objectives

At the heart of the bank's ethos lies an unwavering commitment to being a trusted partner through all stages of its customers' life. Embracing this guiding principle, the bank embarked on a mission to introduce innovative buy now pay later solutions, aimed at providing unparalleled flexibility and convenience to its customers.

In order to serve all of its customers, the bank recognised the necessity of offering tailored propositions for both businesses and consumers. It sought to ensure customers could utilise buy now pay later options whenever and wherever they wanted, whether transacting online, within apps, or at physical merchants. Recognising the importance of choice and transparency, it also wanted to offer customers a range of instalment plans, all with their own interest rates and fees, that could be conveniently managed via multiple channels.

In order to bring its vision to market, the Bank chose to work with its trusted partner Compass Plus Technologies due to its experience in the buy now pay later space.



Solution

The bank chose to launch two buy now pay later products using TranzAxis – one for consumers and one designed specifically for businesses, both utilising at-purchase and post-purchase BNPL models.

Consumers

The consumer product operates by leveraging existing customer credit lines, offering a seamless buy now pay later experience. This innovative approach integrates BNPL functionality directly into the bank's revolving credit card accounts, allowing customers to effortlessly convert transactions into manageable instalments either at purchase or post-purchase.

Issued both virtually and physically, the credit cards not only empower customers to make BNPL purchases wherever they choose to shop, but enable them to choose the instalment plan that best suits them – 3, 6, 9, or 12 months.

At the point of sale, customers can conveniently select their desired instalment plan in real-time for on-us transactions. For not-on-us and post purchase BNPL transactions, customers can choose to convert their transactions into instalments via multiple channels – either through their mobile banking app, internet banking, or via the bank's call centre. These channels can also all be used to view BNPL instalment plans and balances, and make repayments. Repayments can also be made manually in-branch or automatically via direct debit.

Customers are only allowed to convert purchases into BNPL transactions for 50% of their credit limit, ensuring responsible spending while maximising convenience.

Businesses

While the consumer product is a revolving credit card product enhanced with BNPL features as a value-add, the business product is a dedicated BNPL card tailored specifically to businesses seeking to improve their cash flow management. It allows multiple buy now pay later purchases to be made using the card, each with their own terms, and as the card is purely BNPL, the full credit limit of the card can be used for BNPL purchases.

In essence, the business product mostly mirrors the consumer product terms of set-up and functionality. It can be issued as a virtual or physical card, they both offer the same instalment plan tenures – 3, 6, 9, 12 months (albeit with different interest rates and fees), they both can be used for at purchase and post-purchase BNPL transactions, and they can both be managed through the same channels – mobile and internet banking, in-branch, and via the call centre.



Results

In its journey to offer its customers greater convenience, the bank has:

- Gone live with two BNPL offerings targeting different audiences
- Enabled its customers to pay in instalments whenever, wherever they transact – whether online, in-app or in-person
- Added BNPL functionality as a value add to an existing revolving credit card product to allow consumers to convert transactions into instalments easily via multiple channels
- Created a BNPL product specifically for businesses that enables them to pay later for goods and services and help them better manage their cash flow
- Provided customers with the ability to manage their buy now pay later instalments via their mobile banking app, internet banking, and the bank's call centre





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