The Internet as a Driver for New Business Potentials and Perils in E-Commerce

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Tropical Storm Washi (known locally as Sendong) struck the southern Philippines on 16 December 2011. The storm dumped about 142 millimetres of rain in a span of 12 hours triggering flash floods which left at least 957 dead and 49 missing. IOM has been working with the Government of the Philippines to deliver humanitarian aid to thousands of victims of the storm.
City of Bacoor, Cavite, Philippines
500,000 Residents
Introduction of Bastion

- Philippine-owned entity established in 2005
- PCI-DSS certified Third Party Payment Processor
- Visa certified Tier 1 Payment Provider & formerly a Non-Member Agent (NMA)
- JCB certified Tier 1 Payment Provider
- CUP certified Tier 1 Payment Provider
- ATM Payment Processor directly connected to BancNet
Introduction of OmniPay, Inc (Formerly PVB Card Corp (PVBCC))

- Bastion Payment System is a principal shareholder with 73% ownership interests in Omnipay

- Bangko Sentral Ng Pilipinas (BSP) approved Entity and regulated as a Non-Bank Financial Institution (NBFI)

- Established as the corporate vehicle to launch card programs & payment solution, e-commerce and card-present services, for government and private industries

- Direct member of JCB International (JCB) and China Union Pay International (CUP)

- First NBFI-EMI Member of BancNet
OMNIPAY Significant Milestones

- Completed & passed the recent Bangko Sentral ng Pilipinas (BSP) 2012 Annual Audit Review
- First Non-Bank Financial Institution (NBFI) to be approved by BSP as Electronic Money Issuer (NBFI-EMI)
- Launched the first JCB Prepaid Card in the Asia Pacific Region with the City of Bacoor’s “Special Bacoor Resident” Card
- Launched the first UnionPay International Prepaid Card in the Philippines with Philippine Blood Center’s “Donor Card”
- To launch the e-LGU (Internet Payment) of City of Bacoor
- To launch with LBC its new LBC Plus Prepaid Card
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What’s driving e-commerce adoption in small towns?

- Rising living standards
- Increased awareness
- Greater wireless internet access through mobiles
- Lack of good offline retail channels
- Improving online availability
- New payment options

http://emerge.nasscom.in/the-great-e-commerce-puzzle-do-the-pieces-finally-fit/
Ratio of Smartphones to Feature Phones

• In 2013, approximately 24% of all phones in Philippines were smartphones;

• In 2014, approximately 47% of all phones were smartphones;

• Indonesia is the largest market in SE Asian for smartphones, then Thailand, followed by Philippines and Vietnam.

• Downloaded 15MAY2015
Inclusiveness. Safety. Transparency

• USAID states that only 26 percent of Filipinos enjoy access to formal financial channels, and 610 out of 1,635 municipalities in the Philippines do not have banks. Moreover, as much as one-half of mobile users in the Philippines are unbanked.

• Less than 5% of the population have credit cards.

Less than 1% of SMEs have an e-commerce website

A Self-Strengthening Spiral

Source: Forrester Research
Four Big Parts: Integration, Liberalization, Facilitation, Cooperation

- Commerce experiences
- Social marketing
- Content creation & management
- Mobile marketing

The Big Four: Top priority 2013 digital marketing investments

Key findings from Gartner U.S. Digital Marketing Spending Survey, 2013.
Thank you for your attention!
Mabuhay!

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