



# How Southeast Asia Buys and Pays 2026: Unlocking SMEs' Potential



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# Foreword

## IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study

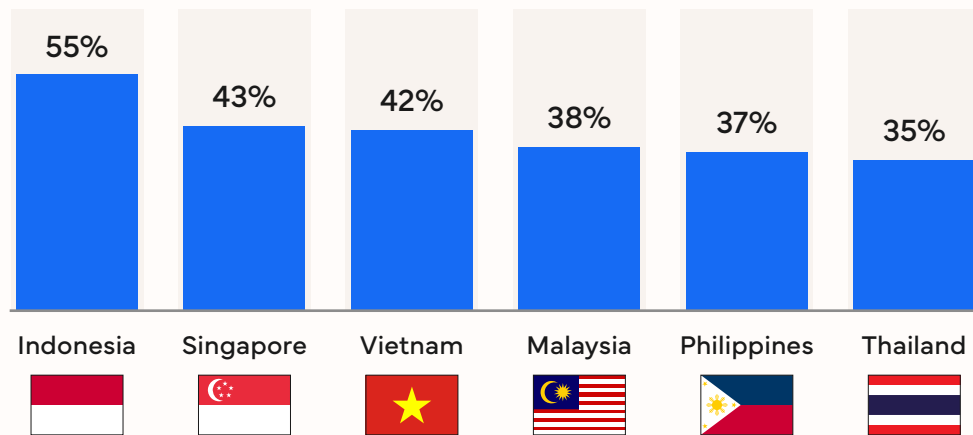
In 2026, digital payments continue to grow rapidly across Southeast Asia, fueled by the steady expansion of ecommerce, and ongoing advancements in payment technology and infrastructure. Since 2020, 2C2P has commissioned the annual IDC “How Southeast Asia Buys and Pays” study, giving readers timely and invaluable insights into these developments and the region’s evolving payments landscape.

This 2026 edition supplements these perspectives with deeper research into small and medium-sized enterprises (SMEs) — a segment that plays a significant role in Southeast Asia’s economy, yet remains under-represented in ecommerce and payments-focused research.

SMEs provide a host of essential goods and services, and generate significant employment opportunities. In markets such as Indonesia, SMEs contribute to over 50% of total gross domestic product (GDP), underscoring their importance to the region’s economic resilience and long-term growth.

This InfoBrief aims to address this gap, exploring SMEs’ specific needs, priorities, pain points, and opportunities for growth within Southeast Asia’s broader ecommerce ecosystem. Crucially, the research highlights what role technologies must play for SMEs to unlock their next wave of growth.

### SMEs’ contribution to Southeast Asia’s national economies in 2024



Source: IDC, 2026

### Methodology

- A targeted SME survey involving 600 respondents from Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam
- Respondents include C-suite leaders and owners
- Focus areas: business priorities, payment acceptance, point-of-sale (POS) usage, payment service provider (PSP) engagement, and readiness for emerging payment trends.
- IDC modeling of 2024–2029 projections on ecommerce gross transaction value (GTV), payment method shifts (digital wallets, real-time payments, buy now, pay later), and country-level payment trends such as rising digital payment penetration.

### Key definitions

- **Small and medium-sized enterprises (SMEs):** Through this report and during the research process, the definition of SMEs has been adopted from national-level definitions of SMEs by the authorities of Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam. This is to ensure fair classification of SMEs rather than using blanket values across the region which may lead to inaccurate categorizing of businesses (too large or too small) and inaccurate insights.
- **eCommerce:** eCommerce in this report is defined as gross market value (GMV) of physical goods which are sold on online (third-party or independent/standalone) platforms. This excludes sales processed through informal social media platforms for which transaction status cannot be accurately tracked.

# Executive summary

Small and medium-sized enterprises are the cornerstone of Southeast Asia's economic growth and are increasingly active in digital commerce. As the region's ecommerce market expands, fueled by the rapid adoption of digital payments and projected to reach \$289.8 billion by 2029 (a compound annual growth rate of 13.2%), SMEs are steadily venturing into omnichannel models. Across Southeast Asia, 66% of SMEs now sell online. However, uneven digital maturity, especially in payment capabilities, continues to limit their ability to fully capitalize on ecommerce growth.

## Key challenges



**Readiness gap:** 63% of SMEs require upgrades to support emerging trends. Cash remains prevalent in physical outlets (e.g., 33% in Vietnam and Singapore) due to barriers like integration difficulties, fraud concerns, and infrastructure limitations.



**Technology deficit:** SMEs lack access to solutions that can support their specific needs. Many often turn to payment solutions with limited scope or functionality, which prevents them from unlocking efficiencies and reaping the full benefits of digital operations.



**Industry-specific needs:** Retail SMEs struggle with refunds and fraud handling; food and beverage SMEs require omnichannel support; services SMEs lack robust recurring payment and transaction management capabilities, and struggle with digital transformation overall.



**Cross-border barriers:** Only 49% of SMEs currently sell abroad (primarily within ASEAN and Asia/Pacific), despite 75% of non-participating SMEs expressing a desire to do so. Settlement and operational hurdles restrict growth in what is potentially a \$20.8 billion opportunity.

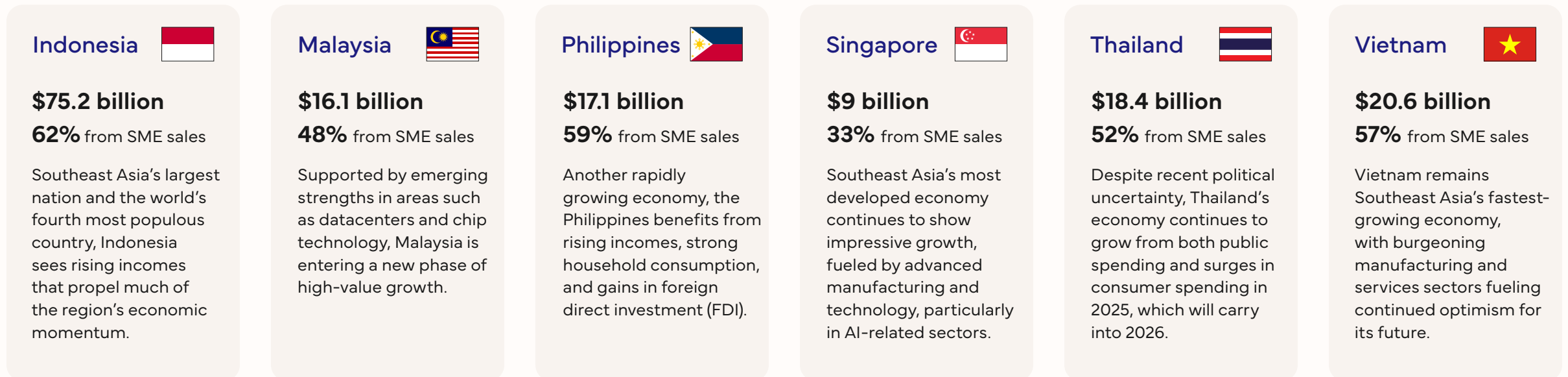
## The path forward for SMEs

Payments can serve as a critical foundation for SMEs' digital transformation. By consolidating payment operations with scalable yet hyper-localized partners, SMEs can boost conversion rates, streamline operations, and open doors to cross-border opportunities, enabling future-ready success.

# Southeast Asia: Strategically positioned to thrive in an evolving global landscape

Southeast Asia enters 2026 in a strategically strong position, benefiting from domestic developments and shifting global trade and geopolitical dynamics. The region recorded GDP growth of 4.3% in 2025, with this expected to edge up to 4.4% in 2026. Key growth drivers include the continued expansion of ecommerce, a strong travel and hospitality sector, and the rising importance of SMEs. SMEs remain central to the region's economy, employing 64.6% of the workforce and contributing more than 50% of GDP in major markets such as Indonesia.

## Value of ecommerce in 2024

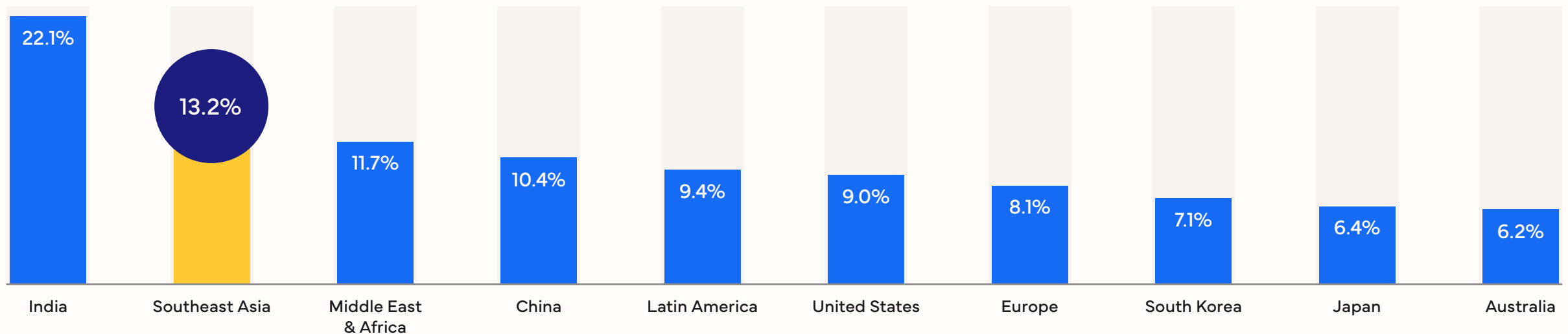


Source: Asian Development Bank, 2025

# Southeast Asia's ecommerce market will be the world's second-fastest growing market (2024–2029)

The Southeast Asian ecommerce market is on a strong upward trajectory. From **\$156.3 billion in 2024**, IDC projects that the region's ecommerce market will reach **\$289.8 billion by 2029**.<sup>\*</sup> This represents a **13.2% CAGR** — the second-fastest globally, behind only India.

eCommerce market CAGR 2024–2029 — global comparison



<sup>\*</sup>Note: Southeast Asia ecommerce market predictions for 2029 use a revised set of figures when compared to 'How Southeast Asia Buys and Pays 2025' due to updates to future growth assumptions.

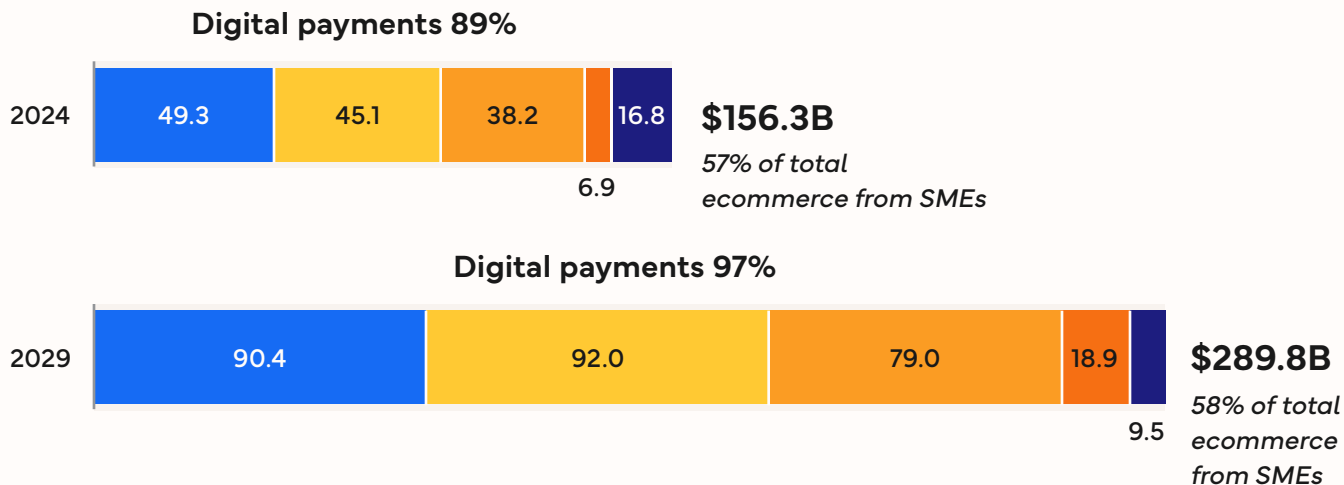
Source: IDC, 2026

# Non-digital payments will shrink to just 3% of ecommerce payments by 2029

In Southeast Asia, digital payment options such as domestic payments, mobile wallets and buy now, pay later continue to eat into the transaction share of other alternative payment methods. Once-popular offline payment methods such as cash-on-delivery and ATM transfers are becoming legacy options, supported mainly by merchants dealing in niche product segments. By 2029, offline payment methods are expected to shrink to just 3% of total ecommerce payments, from 11% in 2024.

## Digital payments growth 2024–2029

■ Cards   
 ■ Domestic payments (real-time payments and local payments)   
 ■ Mobile wallets  
■ BNPL   
 ■ Other alternative payment methods (e.g., cash)









Source: IDC, 2026; World Bank, 2021

### Implications for businesses

- SMEs accounted for 57% of ecommerce in 2024, a share expected to rise to 58% in 2029, underscoring their growing influence within Southeast Asia's ecommerce economy.
- To compete effectively, SMEs engaging in ecommerce need to understand customers' evolving payment preferences and support the payment options they favor.
- The strongest growth is expected in domestic payments (real-time payments and local bank-based payment schemes) and mobile wallets. With 56% of the region still uncarded, according to the World Bank, these tools are critical to reducing reliance on cash and expanding access to ecommerce.
- As consumer payment behavior continues to evolve rapidly, merchants need payment solutions that not only support current payment methods efficiently, but are also flexible and scalable enough to support new payment methods as they emerge.

# Southeast Asia continues to add new digital payment users

The number of new digital payment users continues to grow rapidly, prompting many merchants to offer multiple digital payment methods, to enhance the customer experience. Mobile wallets, domestic payments methods, and buy now, pay later stand out for their strong user adoption across Southeast Asia, contributing significantly to user growth while shortening the time taken to add new users. By contrast, cards and other payment methods such as cash-on-delivery and counter payments are experiencing slower user growth compared to previous years.

	Cards <sup>1</sup>				Domestic payments			Mobile wallet brands			Buy now, pay later			Others		
	Years in market	Users in 2025 (million)	Months to add 1 million users <sup>2</sup>	Domestic low-fee processing available? <sup>3</sup>	Years in market	Users in 2025 (million)	Months to add 1 million users <sup>2</sup>	Years in market	Users in 2025 (mil.)	Months to add 1 mil. users <sup>2</sup>	Years in market	Users in 2025 (million)	Months to add 1 mil. users <sup>2</sup>	Years in market	Users in 2025 (million)	Months to add 1 mil. users <sup>2</sup>
 Indonesia	Visa, Mastercard			Yes	QRIS, GPN			GoPay, OVO, Dana, ShopeePay			Akulaku, Kredivo, Indodana PayLater, SPayLater			Cash-on-delivery, counter payments		
	20+	16.2	15.5		8.0	74.4	1.3	7.0	153.9	0.5	5.0	40.6	1.5	13.0	42.1	3.7
 Malaysia	Visa, Mastercard, MyDebit			Yes	DuitNow, DuitNow QR			Touch 'n Go, GrabPay, Boost, ShopeePay			Atome, Grab PayLater, SPayLater			Cash-on-delivery, counter payments		
	40+	13.2	37.4		7.0	14.8	5.7	5.0	23.2	2.6	5.0	8.1	7.4	13.0	3.2	48.5
 Philippines	Visa, Mastercard			No	QR Ph, InstaPay			GCash, Maya			Billease, Atome, Home Credit, SPayLater			Cash-on-delivery, counter payments		
	30+	14.2	26.2		8.0	19.4	4.9	5.0	62.8	1.0	5.0	17.5	3.4	13.0	29.5	5.3
 Singapore	Visa, Mastercard			No	PayNow			GrabPay, DBS PayLah!, OCBC Digital			Atome, Grab PayLater, SPayLater			Cash-on-delivery		
	40+	4.7	105.7		9.0	5.8	18.5	6.0	2.1	35.0	6.0	2.9	25.0	13.0	0.6	262.2
 Thailand	Visa, Mastercard			Yes	PromptPay			TrueMoney, Rabbit LINE Pay, ShopeePay			Atome, TrueMoney Next, SPayLater			Cash-on-delivery, counter payments		
	30+	9.4	39.4		10.0	80.8	1.5	9.0	31.1	3.5	5.0	7.0	8.6	13.0	1.0	158.5
 Vietnam	Visa, Mastercard, NAPAS			Yes	VietQR, NAPAS			MoMo, ZaloPay, ViettelPay, ShopeePay			Kredivo, Fundiin, SPayLater, MoMo Pay Later			Cash-on-delivery, counter payments		
	20+	7.8	32.3		8.0	26.0	3.7	6.0	46.5	1.5	5.0	23.2	2.6	13.0	15.4	10.1

1. Brands featured are representative only, and are not meant to be a comprehensive landscape for all markets and categories.

2. Card: credit cards used as data point.

3. Domestic payments: figures used are for real-time retail payment interfaces such as QRIS/DuitNow/PayNow/PromptPay-type implementations.

4. Months to add 1 million users: average time it has taken to add 1 million users.

5. Domestic low-fee processing: Indonesia, Malaysia, Thailand, and Vietnam have domestic card processing arrangements in place, which handle domestic card payments locally for lower fees rather than going through international card networks.

Source: IDC, 2026

# Digital payments are rapidly replacing legacy payment methods

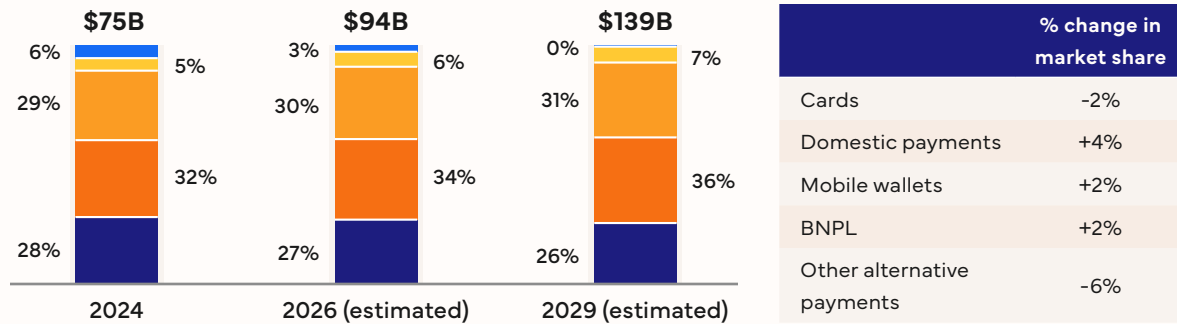
The use of mobile wallets, real-time payments (RTPs), and BNPL is rising in Southeast Asia, while legacy payment methods like cash continue to decline. Businesses should prioritize rapidly growing payment methods to attract and retain customers, and improve conversion rates.

## Indonesia

%GTV/US\$B



■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets  
■ Domestic payments (real-time payments and local payments) 
 ■ Cards



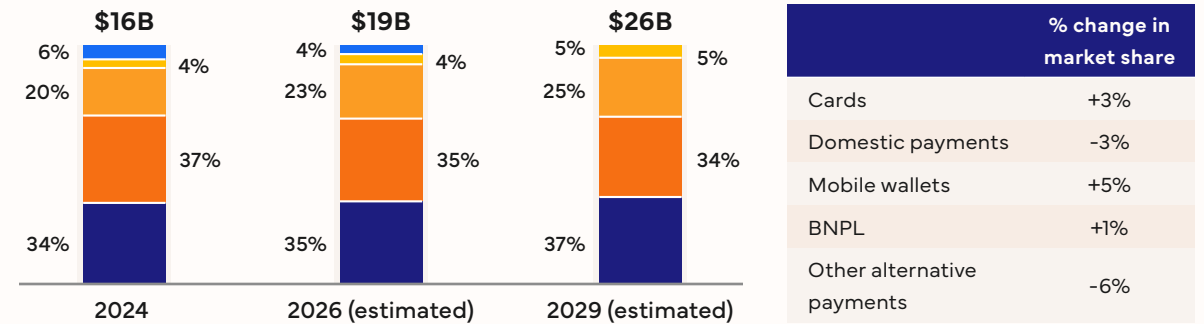
- Use of digital payments is expanding quickly, with strong adoption of domestic payments (particularly QRIS and virtual accounts), mobile wallets, and BNPL. Such payment methods solve key problems in Indonesia's infrastructure such as lack of access to bank accounts. Alongside government policies to increase digital payment usage, these factors continue to drive new growth.
- Cards will increase in transaction value, but their share of total ecommerce transactions will drop as newer digital payments are preferred. Cards still see notable usage for high-value transactions such as travel and electronics.

## Malaysia

%GTV/US\$B



■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets  
■ Domestic payments (real-time payments and local payments) 
 ■ Cards



- Malaysia has characteristics of both a developing and a developed market. While card usage is rising, driven by aggressive bank promotions, mobile wallets and BNPL are also seeing high usage for daily transactions and large-ticket transactions, respectively.
- In ecommerce payments as a whole, the share of domestic payments such as RTPs is predicted to drop, as customers gravitate toward options with more streamlined checkout flows for ecommerce. Mobile wallets, which have also embedded themselves more tightly into popular platforms, are expected to benefit from this shift.

Source: IDC, 2026  
Notes: Percentages may not total to 100% due to rounding differences. Data for 2024 is actual data, all other data is based on IDC estimates.

# Digital payments are rapidly replacing legacy payment methods (continued)

## Philippines

%GTV/US\$B



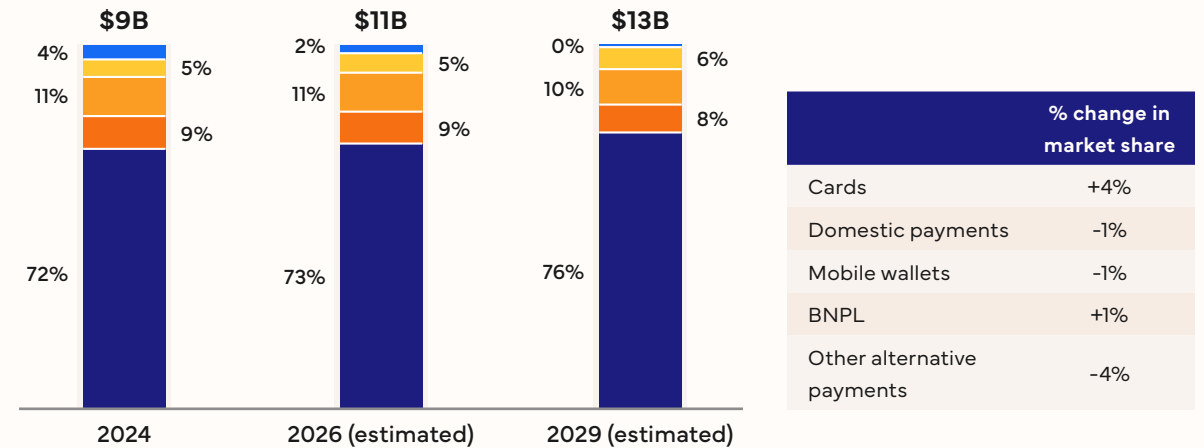
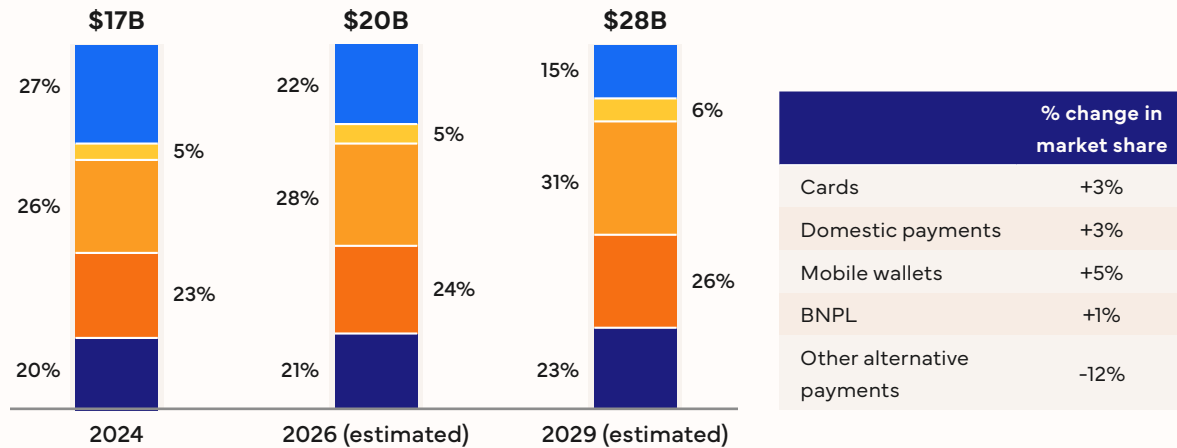
## Singapore

%GTV/US\$B



■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets 
 ■ Domestic payments (real-time payments and local payments) 
 ■ Cards

■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets 
 ■ Domestic payments (real-time payments and local payments) 
 ■ Cards



- The Philippines is witnessing rising ecommerce and digital activities. All major digital payment methods — cards, domestic payments, mobile wallets, and BNPL — are seeing increased usage as more offline customers become first-time digital customers, supported by aggressive customer acquisition moves by the private sector.
- The conversion of many unbanked residents to banked customers is driving an uptake of digital payments, especially in mobile wallets. Simplified know-your-customer (KYC) and other related account setup requirements, as well as government subsidy schemes, have played a major role in this conversion.

- Singapore stands apart from its Southeast Asian neighbors with its long history of card usage for ecommerce payments. With the highest usage and penetration of cards in Southeast Asia, Singapore sees comparatively lower usage of other payment methods such as mobile wallets and domestic payments among Southeast Asian markets.
- BNPL continues to grow. It remains an especially relevant payment method for Gen Z and millennials, and consequently, for merchants targeting Singapore consumers in these segments.

Source: IDC, 2026  
Notes: Percentages may not total to 100% due to rounding differences. Data for 2024 is actual data, all other data is based on IDC estimates.

# Digital payments are rapidly replacing legacy payment methods (continued)

## Thailand

%GTV/US\$B



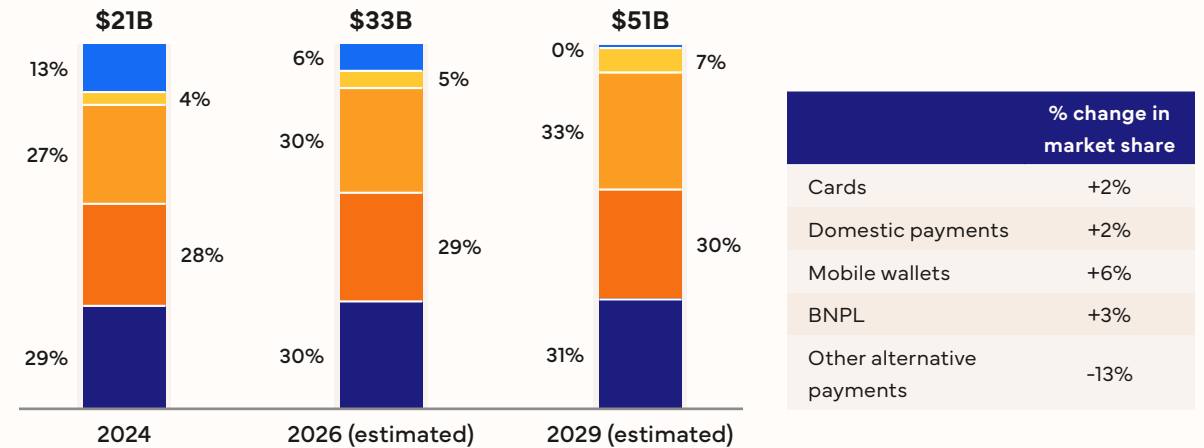
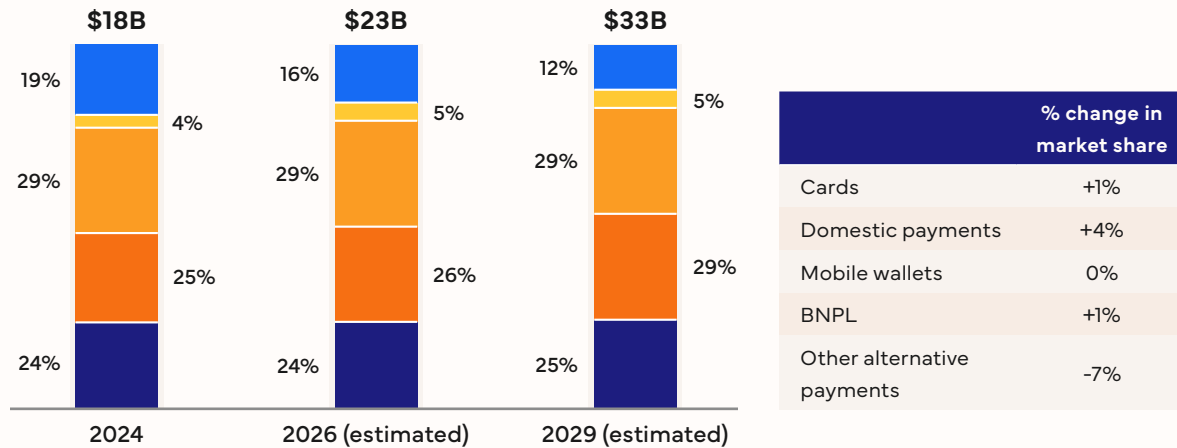
## Vietnam

%GTV/US\$B



■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets 
 ■ Domestic payments (real-time payments and local payments) 
 ■ Cards

■ Other alternative payment methods (e.g., cash) 
 ■ BNPL 
 ■ Mobile wallets 
 ■ Domestic payments (real-time payments and local payments) 
 ■ Cards



- Thailand remains a global standout in real-time payment usage. RTP growth remains strong, backed by government policy, increased uptake by merchants, and historically lower card penetration across the country.
- Due both to lower card penetration and tightening credit policies, credit card usage is expected to grow at a much slower pace than other Southeast Asian markets.
- Cash-on-delivery (COD), once a dominant payment method, is moving toward legacy status as newer, more convenient payment methods emerge.

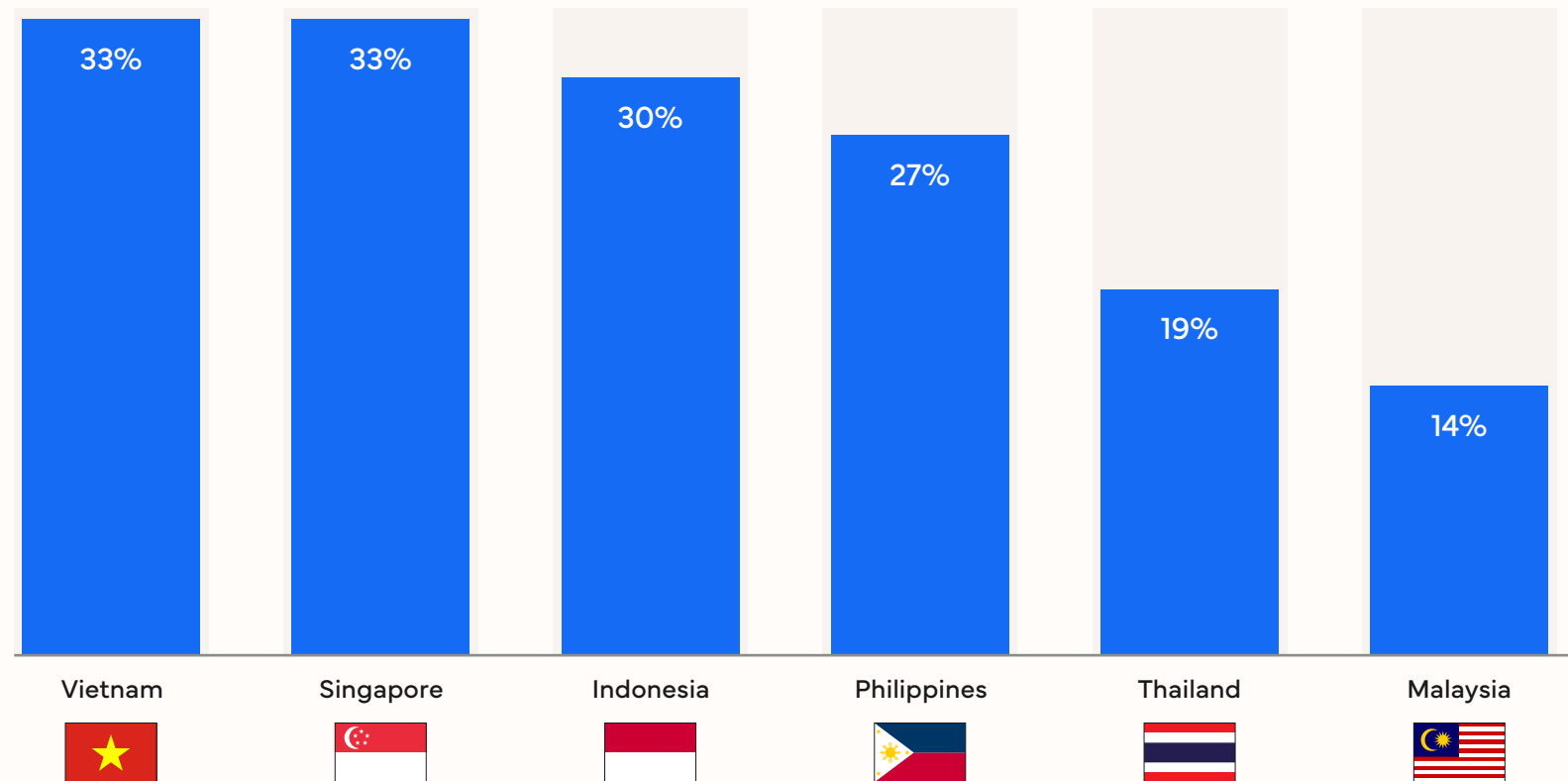
- The region's fastest-growing economy continues to see exciting changes in how consumers shop and pay. Digital payments will accelerate across the board, with domestic payments, mobile wallets, BNPL, and cards emerging as the most strongly preferred options among consumers.
- Vietnam's payment infrastructure continues to develop, thanks in part to strong backing from the government (such as with VietQR). As more merchants adopt digital payment both online and offline, Vietnam's payment landscape is expected to grow even faster.

Source: IDC, 2026  
Notes: Percentages may not total to 100% due to rounding differences. Data for 2024 is actual data, all other data is based on IDC estimates.

# Cash remains a staple for many SMEs

- While IDC data shows that digital payment usage continues to rise across Southeast Asia, the SME survey reveals another side of the story: SMEs in several markets reported that cash still accounts for a significant part of their day-to-day transactions, particularly in Vietnam, Singapore, Indonesia, and the Philippines.
- SMEs face challenges in moving fully to digital payments such as cards, domestic payments, mobile wallets, and BNPL.
- High cash usage in markets like Vietnam, Indonesia, and the Philippines reflect typical conditions expected of emerging markets. However, unexpectedly high reliance on cash in Singapore suggests that even advanced markets have SME segments that are reluctant to shift or struggling with issues that hinder them from fully adopting digital payments.

**% of SMEs reporting high cash usage, by market**



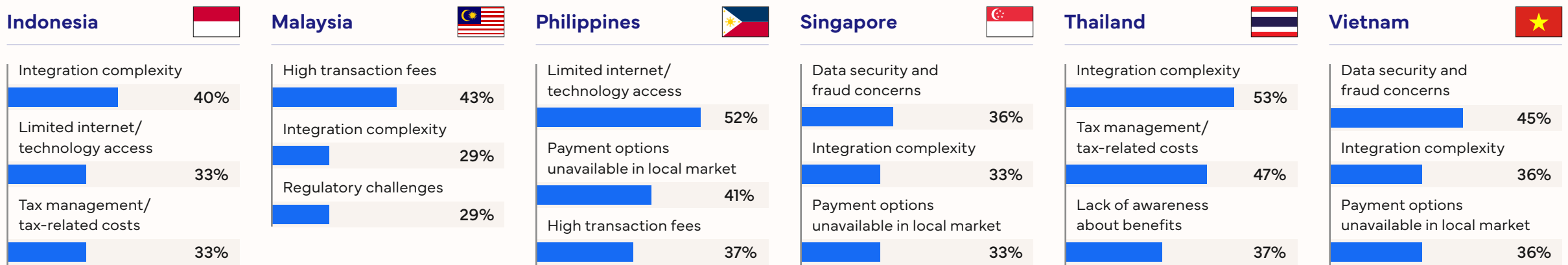
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Complex integrations, lack of infrastructure, and security concerns hold back SME digitalization

Markets in Southeast Asia face a variety of barriers preventing uptake of digital solutions with nuances across markets. Vietnam and Singapore place data security and fraud concerns on top, while Indonesia and the Philippines are largely hindered by infrastructure gaps.

## Key barriers preventing cash-heavy businesses from adopting digital payment solutions

% of SMEs



SMEs cite complex integrations, inadequate infrastructure, and tax considerations as major roadblocks to adopting digital payments.

High transaction fees, integration complexity, and challenges understanding regulatory requirements are key obstacles.

Limited internet and technology access, lack of product service availability, and high fees prevent many SMEs from adopting digital payment solutions.

SMEs flag data security and fraud concerns, integration issues, and limited access to preferred payment options as major barriers.

SMEs struggle with integration complexity, tax-related costs, and low awareness of digital payment benefits, keeping them reliant on cash.

Concerns around data security and fraud, integration difficulties, and a lack of product and service availability in the local market remain key deterrents to digital payment usage.

Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n=600

# Southeast Asian market dynamics and payment trends: Key takeaways



**Digital growth and regional inequality:** eCommerce is set to reach \$289.8 billion by 2029, driven by strong adoption of digital payment methods. However, there are differences within the Southeast Asian region: Cards dominate in Singapore, for example, while mobile wallets lead in Indonesia and the Philippines. Many SMEs, meanwhile, still rely on cash. This is despite a shift to 97% of payments being made digitally by 2029, as projected by IDC.



**Both public and private sectors have driven transformation:** In Southeast Asia, the public sector has played a major role in creating infrastructure as well as incentives to adopt digital payments. Government-driven schemes such as PromptPay in Thailand, QRIS in Indonesia, and VietQR in Vietnam have successfully increased the uptake of digital payments. The private sector, particularly the mobile wallet segment, has also offered consumers lower barriers to entry, encouraging adoption.



**Significant barriers remain for SME digitalization:** SMEs account for 57% of eCommerce in Southeast Asia, but 33% of SMEs remain cash-heavy despite the overarching digital trends in the region. Barriers holding SMEs back from further digitalization include integration issues, cost concerns, and limitations in key infrastructure such as internet capabilities.

## Implications for businesses:

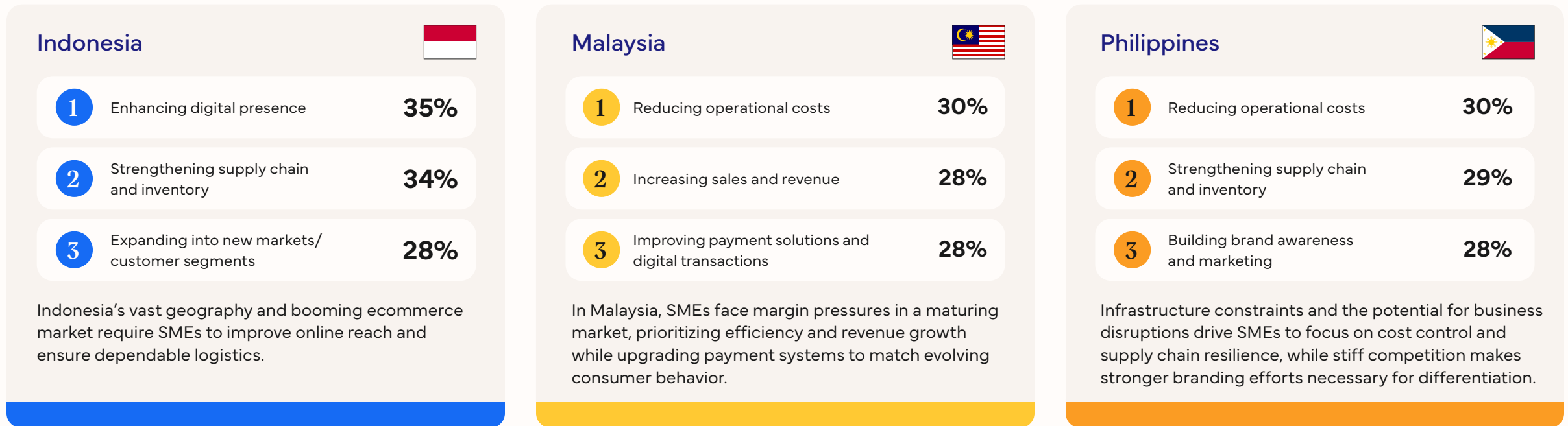
As digital payment usage continues to grow across Southeast Asia, future-proofing across online and in-store payments is critical to ensure that businesses remain in step with customer needs. However, significant barriers still exist, creating friction for businesses that are looking to further their digital payments usage and boost revenue.

# SMEs' business priorities reveal each Southeast Asian market's unique challenges

Across Southeast Asia, businesses operate in diverse environments, with economies at varying levels of development. These differences are reflected in SMEs' business priorities, as revealed by the *IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025*.

## What are your top business priorities for the next 12 months?

% of SMEs



# SMEs' business priorities reveal each Southeast Asian market's unique challenges (continued)

**Singapore** 

1	Improving CX and satisfaction	30%
2	Launching new products/services	28%
3	Attracting and retaining talent	28%

In a developed, highly competitive market, SMEs emphasize customer experience, innovation, and workforce quality to meet sophisticated consumer expectations for products and services.

**Thailand** 

1	Expanding into new markets/customer segments	31%
2	Improving payment solutions and digital transactions	31%
3	Enhancing financial management and cash flow	25%

With strong tourism and a range of goods which are gaining popularity with cross-border customers, SMEs prioritize market expansion, better payment capabilities, and cashflow management to address volatility in business cycles and credit limits.

**Vietnam** 

1	Launching new products/services	30%
2	Upgrading digital technology and tools	30%
3	Improving payment solutions and digital transactions	30%

SMEs show an upgrade-oriented mindset, with many looking to innovate their offerings and enhance their technical capabilities to move up the value chain of digital trade.

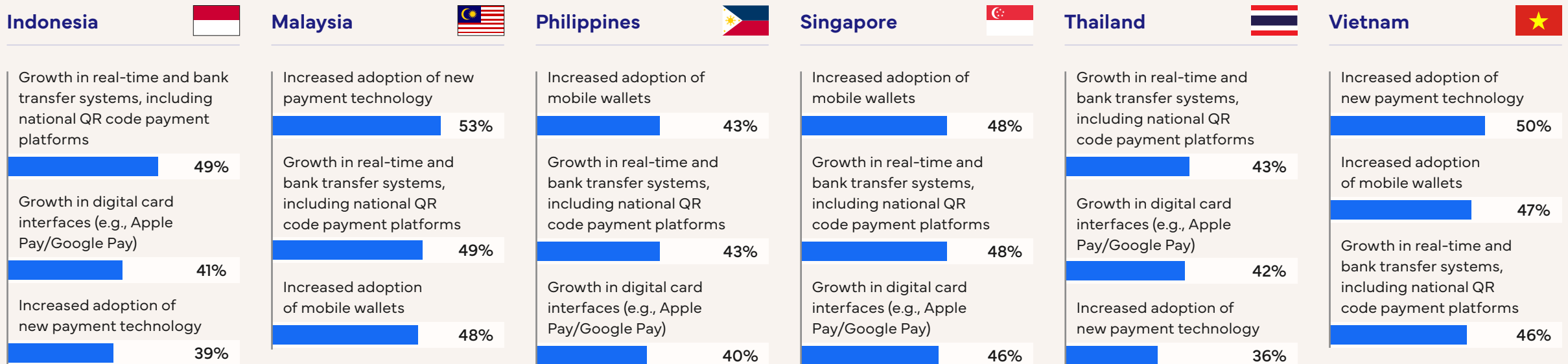
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Different market dynamics shape distinct payment priorities for SMEs

SMEs in Southeast Asia see real-time and bank transfer systems, increasing adoption of new payment technology, and further usage of mobile wallets as major trends that will shape the future of payments in the region.

## Payment trends SMEs expect to prioritize in the next 3–5 years

% of SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

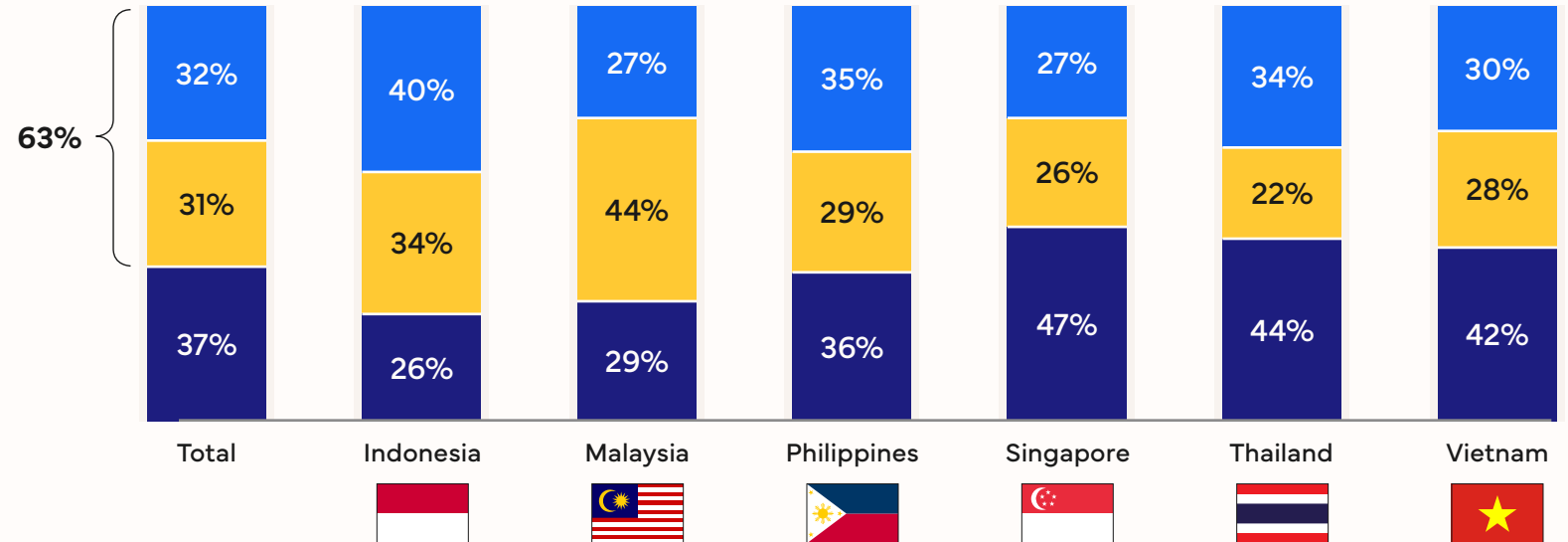
# 63% of SMEs do not have the technology to support new payment trends

## Payment evolution will require new capabilities

- While SMEs expect significant changes in payment methods and technologies, most SMEs' current providers cannot readily support these new developments.
- Across Southeast Asia, most SMEs report a need to make additions to their existing payment system or switch to a new payment system to keep up with emerging trends. The gap is most pronounced in Indonesia, where 74% of SMEs indicated additions are needed; as well as Malaysia, where 71% of SMEs cite the need to upgrade their capabilities amidst growing interest in new payment technologies like one-click checkouts. This compares with only 53% in Singapore who replied they would need to make additions.
- SMEs seem to realize that their current payment systems are unlikely to remain sufficient to keep up with new developments. They should assess whether their existing systems can support future requirements and accelerate plans to adopt more comprehensive and flexible platforms.

**Readiness of SMEs' payment systems to keep up with new payment trends**  
% of SMEs

- We'll need to make additions to our existing payment system to keep up
- We'll need to switch to a new payment system to keep up
- We're ready - our payment systems can handle new trends for the next few years



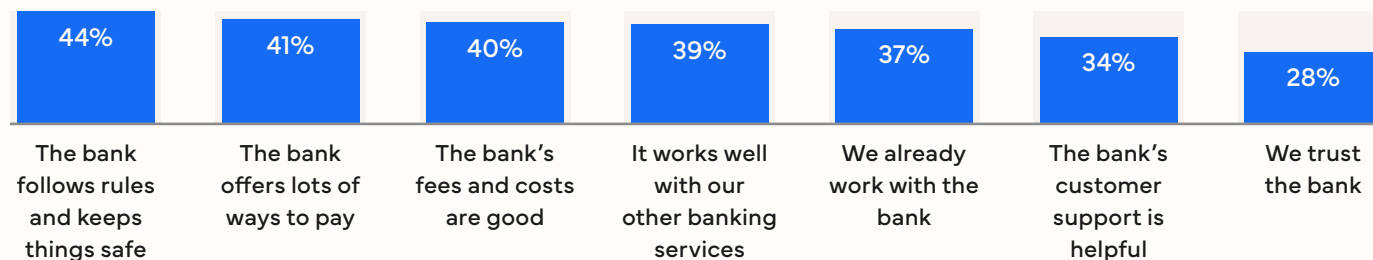
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Legacy trust counts: Banks remain the dominant payment solution provider at 79%

## SMEs view banks as a convenient recourse for financial services, even in a diverse payment landscape

- Banks continue to be the most widely used online payment solution providers in Southeast Asia, with usage reaching as high as 87% in Indonesia.
- SMEs favor banks because of their perceived reliability, reasonable fees, and the trust stemming from their long-standing relationship with their bank. Consequently, banks typically progress from delivering banking services to being their payments provider.
- While banks offer stable, reliable payment capabilities, their online solutions may not offer support for newer popular payment methods such as mobile wallets or BNPL. Their onboarding requirements may also be stricter than non-bank providers, and their offerings may entail limited options for customizations that SMEs need in Southeast Asia to boost their business to the next level.

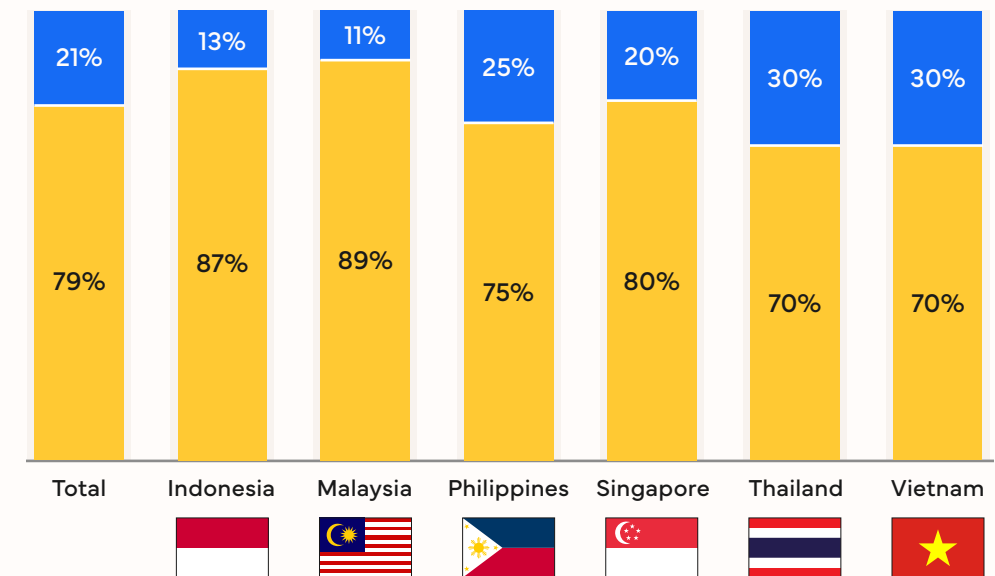
## Reasons for choosing bank as payment solution provider (Southeast Asia total)



## Main online payment solution provider: Bank versus non-bank

% of SMEs

- Non-bank company (like a fintech or other payment service)
- Bank (like a regular commercial bank)



Source: IDC Southeast Asia Small and Medium-sized Enterprises Payments Study, 2025, n = 411

# But satisfaction is low: 88% of SMEs are considering switching to a new payment system

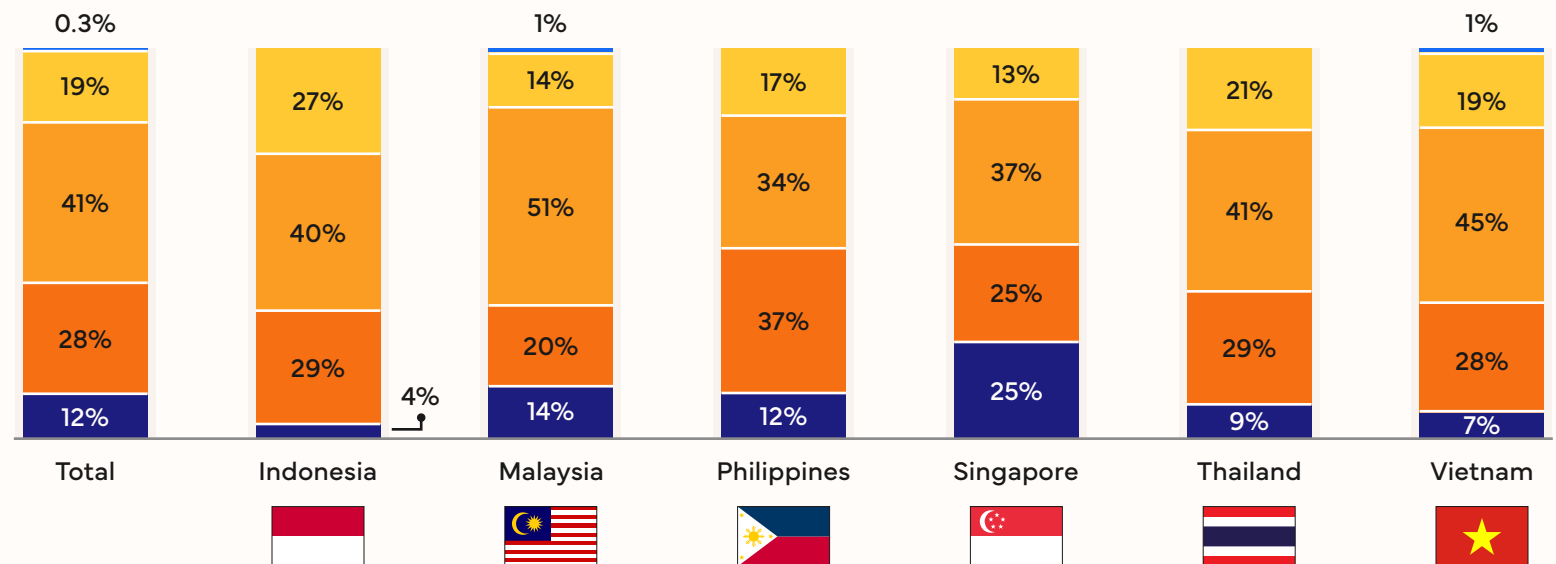
A significant proportion of SMEs are thinking of replacing their main online payment system or adding to their payment stack

- New demands in payments, the pressure to provide better customer experiences, and the need to improve operational efficiency are driving a large majority of SMEs in Southeast Asia to consider switching to a new payment system or enhancing their payment stack.
- This trend is strongest in Indonesia, where 96% of SMEs are exploring changes. Even in Singapore, the least eager to change, 75% are considering adjustments.
- The message is clear: **SMEs are looking for more value from their payment solution providers.**

## Intention to add payment solutions or change online payment solutions provider

% of SMEs

- Not sure about future plans.
- Yes, we plan to replace our current payment system with a new one
- Yes, we plan to add new payment solutions to work alongside our current ones
- Yes, we're thinking about switching, but haven't decided yet
- No, we're happy and don't plan to change or add new solutions



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 411

# SMEs need payment systems that can support their business ambitions

## Current challenges show that many payment providers are not keeping up with SMEs' needs and aspirations

Across Southeast Asia, SMEs face a range of challenges, including intense competition, increasingly complex technical systems, and customers with diverse payment preferences and behaviors. These pressures expose gaps in what many payment providers deliver today:


- Slow payments/settlements
- Integration complexity
- High fees
- Inability to provide the payment methods SMEs want

These challenges directly affect cash flow, customer experience, and operational efficiency, limiting SMEs' ability to scale. SMEs will need to map their business objectives to the capabilities of their payment solution providers to ensure that their solutions can truly support growth.




# SMEs need payment systems that can support their business ambitions (continued)


## Major challenges with current payment systems, by market

Indonesia 	
1	Slow payouts/settlements <b>35%</b>
2	Doesn't support international payments well <b>30%</b>
3	High fees <b>27%</b>


Slow payouts or settlements, lack of international support, and high fees affect SMEs the most, reflecting how technology issues can hamper growth ambitions.

Singapore 	
1	High fees <b>33%</b>
2	Slow payouts/settlements <b>32%</b>
3	Not optimized for mobile <b>31%</b>


SMEs' current challenges with high fees, slow payouts, and a lack of optimization highlight the need for efficient systems which can help businesses under margin pressure.

Malaysia 	
1	Security or fraud worries <b>35%</b>
2	Can't offer the payment methods customers want <b>35%</b>
3	Hard to connect with our systems <b>32%</b>


SMEs currently struggle most with security and fraud, lack of payment options, and poor integration, reflecting the operational issues they face.

Thailand 	
1	High fees <b>36%</b>
2	Security or fraud worries <b>28%</b>
3	Hard to connect with our systems <b>28%</b>

High fees, security, and integration issues speak to Thailand SMEs' need to sharpen their competitive edge in a challenging business environment.

Philippines 	
1	Transaction errors or failures <b>35%</b>
2	Data errors with other systems <b>35%</b>
3	Slow payouts/settlements <b>32%</b>

Transaction failures, data errors, and slow payouts and settlements reflect low optimization capabilities and inadequate infrastructure.

Vietnam 	
1	Security or fraud worries <b>35%</b>
2	Doesn't support international payments well <b>30%</b>
3	Data errors with other systems <b>30%</b>

SMEs mainly grapple with security, lack of multicurrency capabilities, and data errors, revealing the need for reliable and connected systems to support growth.

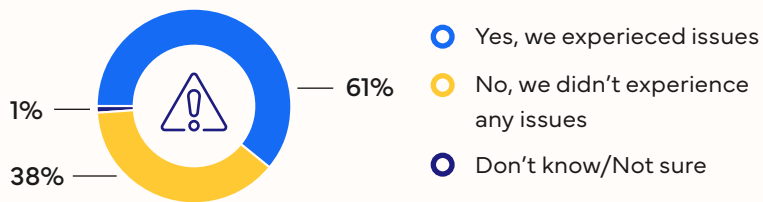
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Onboarding pain points: 61% of SMEs struggle with sign-up

## SMEs face a range of common issues when onboarding with a payment solution provider

Despite the growing desire to switch PSPs or add new payment solutions, the onboarding process continues to be a major hurdle for many SMEs. A majority report that they faced at least one issue during sign-up, creating delays and operational friction before they even start using the service.

### Percentage of SMEs that experienced onboarding issues with payment solution providers (Southeast Asia total)



## Common issues experienced during onboarding

Sign-up process was too long or confusing	Too many documents were required	System integration was difficult	Too many rules or conditions
Complex onboarding processes and unclear instructions frustrate businesses, as they reduce productivity and result in opportunity costs.	Regulations that require documents such as licenses, financial statements, and identity proof result in time-consuming paperwork.	Providers often claim "easy integration" with their client's business systems, but SMEs report challenges and delays that require time to resolve.	Regulatory or provider-specific requirements can create confusion and friction, slowing down the onboarding process.
Limited help or support	Approval or activation took too long	The fees and costs were unclear	Terms and conditions were hard to understand
Inadequate guidance and support leave questions or issues unresolved, leading to delays in implementing new solutions.	Lengthy internal or provider-side reviews stall progress. This is especially true when onboarding a new vendor.	Non-transparent pricing structures are often cited as a major deterrent from switching to new payment solutions. Variable pricing and billing structures make projection of actual figures hard.	Dense technical or legal language frustrates SMEs who may not have the time or resources to review in detail.

## Implications for SMEs

Given how common onboarding issues are, SMEs should evaluate providers not just on features, but also on how simple, transparent, and well-supported their onboarding experience is. A smoother process reduces downtime, accelerates time to value, and improves overall satisfaction.

Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Payment solution provider dynamics and pain points: Key takeaways



**Business priorities for Southeast Asia:** The top focus areas for SMEs in Southeast Asia are improvements in visibility and customer experience (Indonesia and Singapore), cost reduction (Malaysia and the Philippines), and upgrading payments (Thailand and Vietnam). SMEs in Southeast Asia are preparing for new trends in payments, particularly growing usage of domestic payments (real-time/bank transfer/QR codes) and mobile wallets among their customers.



**Banks remain the most widely used PSPs among SMEs:** Banks are the dominant online payment solution providers for SMEs due to legacy trust and existing banking relationships. While banks offer stable and dependent payment solutions, they may have limited support for new or alternative payment methods, comparatively limited customization options, and more stringent onboarding requirements, which may not fully meet SME needs.



**Dissatisfaction is driving a desire to switch:** 88% of SMEs are considering switching payment systems or adding new payment solutions, driven by concerns such as high fees, limited mobile and cross-border support, and system integration issues.

## Implications for SMEs

SMEs should expand their evaluation beyond traditional banks and consider non-bank PSPs that may offer advantages such as broader capabilities, faster onboarding, and more comprehensive support across both domestic and overseas markets. When evaluating potential new payment solutions and providers, businesses should consider not just present needs but also the ability to support future growth.

# Industry focus: Retail SMEs in Southeast Asia

The SME retail segment is important to Southeast Asia's regional economy, contributing an average of 13% of the total GDP.

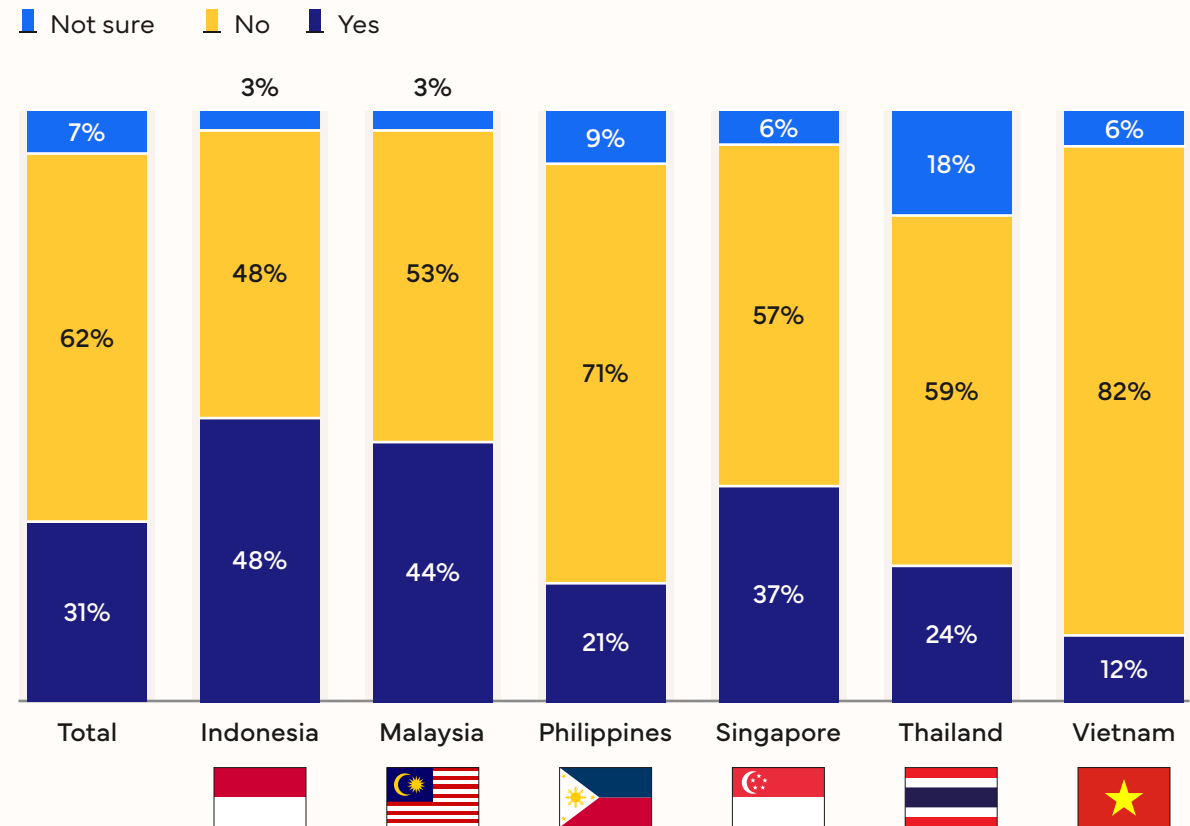
The segment continues to evolve rapidly with the rise of ecommerce. While this has expanded opportunities, it has also intensified pressure on retail SMEs. This holds true not just for offline and physical outlets racing to keep up with online platforms, but even hybrid and pure ecommerce players contending with various factors:

- **Logistics constraints:** Last-mile delivery remains costly and complex for retail SMEs, especially in geographically large markets like Indonesia and the Philippines.
- **Payment complexities:** Rapid changes in customer payment preferences require investments in new payment solutions. Diverse payment options to support and manage can further complicate operations, data management, and even security and compliance.
- **Competitive pressure:** Marketplaces such as Shopee, Lazada, and Temu drive aggressive price competition and margin erosion, forcing SMEs to upgrade their skills in marketing, search engine optimization (SEO) and social media.
- **Return and refund management:** High return volumes and refunds often have a big impact on payment operations.

## Implications for retail SMEs

**SMEs need better ways to handle returns and refunds.** Close to a third of respondents from SMEs say that returns and refunds had a big impact on payment processing and operations, with the issue even more prevalent in Indonesia and Malaysia at 48% and 44%, respectively. Retail SMEs can benefit substantially from payment platforms that streamline flows for returns and refunds, reducing friction, improving cashflow visibility, and minimizing disruptions to back-office operations.

**Retail: Do returns and/or refunds impact your payment operations?**  
% of retail SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 202

# Industry focus: Retail SMEs in Southeast Asia (continued)

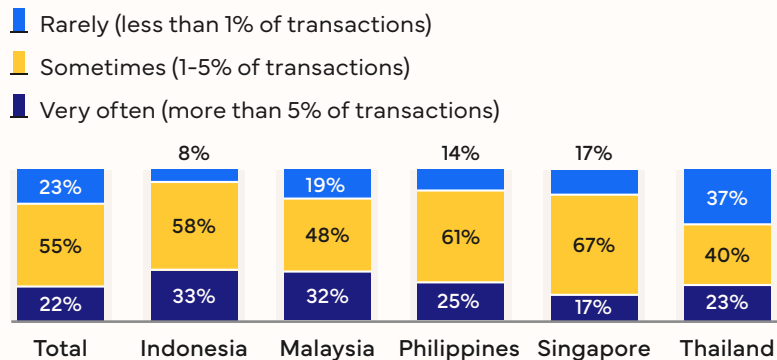
## Fraud and chargebacks remain a persistent challenge for SMEs

Fraud and chargeback incidents continue to eat into revenue and erode margins for retail SMEs despite efforts to minimize these. Over half (55%) in Southeast Asia see 1–5% of total transactions turn into fraud or chargeback cases; markets such as Singapore see this figure rise to 67%, representing a significant financial impact and resources spent resolving these cases.

SMEs that partner with PSPs offering strong fraud-prevention tools and efficient dispute management processes have found meaningful relief and improved operational efficiency.

## Frequency of fraud and chargeback cases in retail online payments

% of retail SMEs



## eCommerce platforms, plugins, and add-ons are now commonly used

Most retail SMEs rely on ecommerce platforms (e.g., Shopify, Wix) and plug-and-play tools or add-ons to establish an online presence.

These platforms offer templates and easy-to-use tools that enable SMEs to create an online presence quickly and cost-effectively. These can be especially useful for SMEs contending with limited time and resources.

## Use of ecommerce platforms, plugins, or add-ons for retail online sales (Southeast Asia total)

% of retail SMEs



## However, these platforms are often not optimized for Southeast Asian markets

While convenient, many ecommerce platforms are designed for global use and may not fully support the needs of Southeast Asian businesses and their customers, especially when it comes to payments. SMEs often face challenges such as limited payment options that do not reflect local preferences, security or fraud concerns, and high fees or costs.

SMEs can take greater control of the payment component of their ecommerce setup by integrating their own preferred payment providers to ensure alignment with local customer needs, reduce friction, and improve conversion.

## Challenges when accepting payments via ecommerce platforms, plugins or add-ons (Southeast Asia total)

% of retail SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 202

# Industry focus: Food and beverage SMEs in Southeast Asia

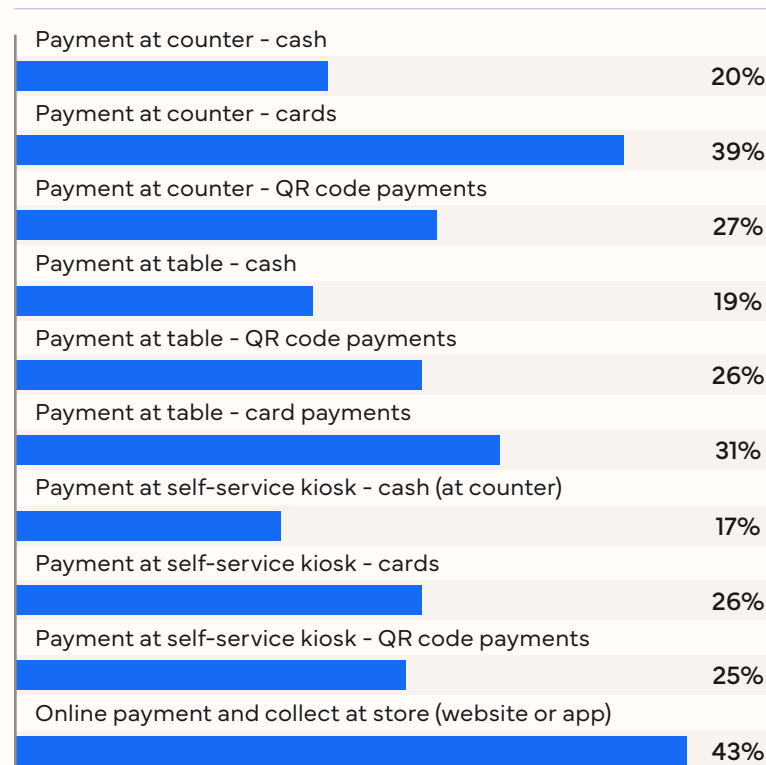
The food and beverage SME segment contributes around 6% of Southeast Asia's total GDP and employs an estimated 15 million people.

SMEs make up the vast majority (up to 90%) of food and beverage establishments in the region, playing a vital role in shaping local food culture and tourism. Despite their resilience, food and beverage businesses are also under significant pressure:

- **Intensifying competition due to booming delivery platforms:** Platforms such as Grab, Gojek, and foodpanda have expanded market access for SMEs, accounting for a large proportion of online orders and payments via websites and apps. However, they have also increased competition, as consumers have a wider range of outlets to choose from and can easily compare options. Participation in promotions and discounts further squeezes margins, making it more difficult to sustain operations.
- **Supply chain disruptions:** Geopolitical tensions and supply shortages frequently impact operations, driving up cost and limiting accessibility of raw materials that food and beverage SMEs require.
- **Manpower shortages:** Tight labor markets and high turnovers push food and beverage SMEs to streamline their operations. Many now rely on smart POS systems, self-ordering kiosks, and online ordering with in-store collection to reduce reliance on staff.

## Supported payment modes for orders (Southeast Asia total)

% of food and beverage SMEs



## Implications for SMEs

Multiple payment modes are available for food and beverage businesses, such as click-and-collect and omnichannel payment options. SMEs in the food and beverage business are already seeing a reduction in customer cash usage, with digital ordering channels such as order-at-table and self-service kiosks naturally driving increased use of digital payments. Given the operational complexity and multichannel nature of food and beverage businesses, SMEs need integrated payment platforms that unify in-store, online, and delivery transactions. Streamlining payment processes helps reduce manpower strain, improve customer experience, and provide clearer visibility across all transaction flows, ultimately supporting more resilient and scalable growth.

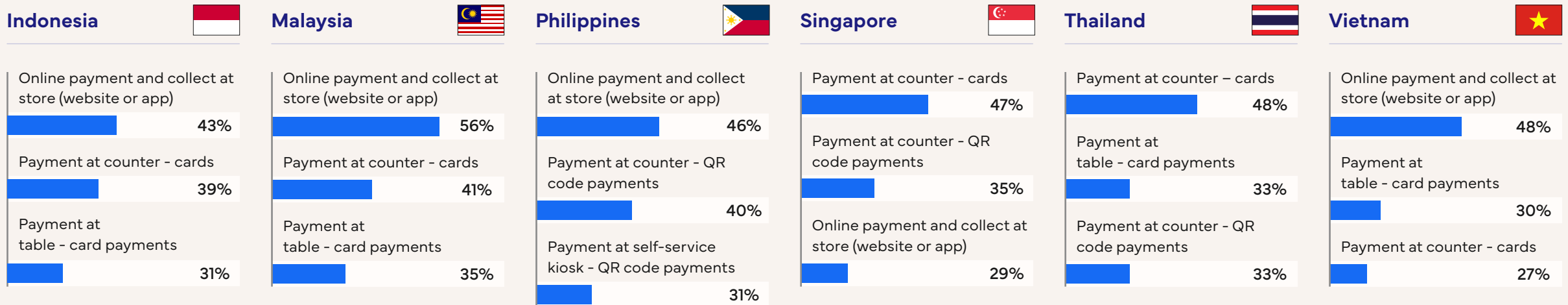
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 202

# Industry focus: Food and beverage SMEs in Southeast Asia (continued)

Across Southeast Asia, food and beverage SMEs are increasingly interested in expanding their payment options to support the growing mix of dine-in, takeaway, delivery, and click-and-collect customer journeys. The most in-demand future capabilities include online payments with in-store collection, card payments at the counter or table, and QR-based payments, though specifics differ by market. As new payment methods gain traction, SMEs must ensure these options can be integrated seamlessly into their operations and supported by systems that unify transaction management for multiple payment modes and channels.

## Emerging payment modes that food and beverage SMEs want to support in the future

% of services SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 202

# Industry focus: Services SMEs in Southeast Asia

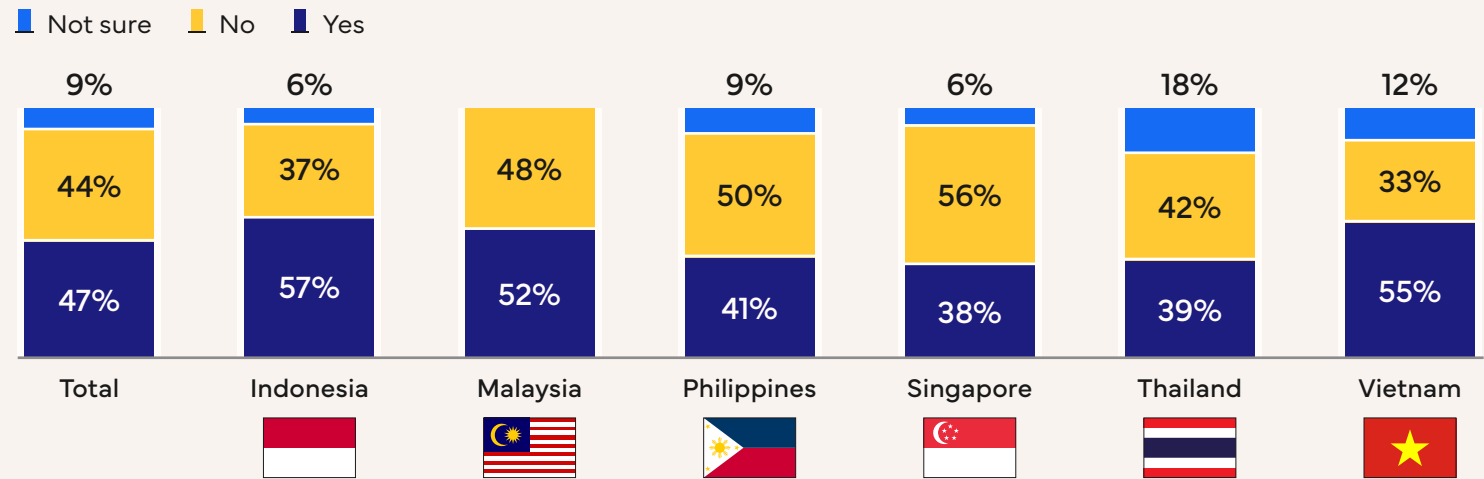
The services SME segment makes up around 12% of Southeast Asia's total GDP.

SMEs involved in services play a significant role in Southeast Asia's economy. The sector faces several structural challenges:

- **Limited access to financing:** Often sandwiched between retail and corporate banking segments, SMEs see limited financial services and products tailored to their specific business needs. While banks and fintechs have introduced new initiatives to address this, financing and product gaps remain.
- **Regulatory issues:** Overlapping or unclear regulations create red tape, slowing business operations. SMEs need systems that can quickly provide a clear, unified view of their compliance status, and systems that reduce the effort needed to adhere to prevailing regulations.
- **Lagging digital transformation:** Many services SMEs still rely on manual or outdated tools for functions like accounting, governance, tax, customer relationship management, and payments. This hinders their effectiveness and drives up their manpower costs, which ultimately reduces productivity and limits their ability to scale.

## Services SMEs, use of recurring payment solutions, by market

% of services SMEs



## Recurring payments: A missed opportunity

Recurring payments, common in businesses that offer memberships or subscriptions as part of their service, remain under-optimized. By overlooking this, SMEs miss out on the benefits of automation (e.g., gains in operational efficiency) and will have to spend more time and effort manually processing repeat transactions.

Optimizing recurring payments can also reduce friction on the customer side, eliminating the need to repeatedly share financial details, reducing customer churn, and stabilizing revenue.

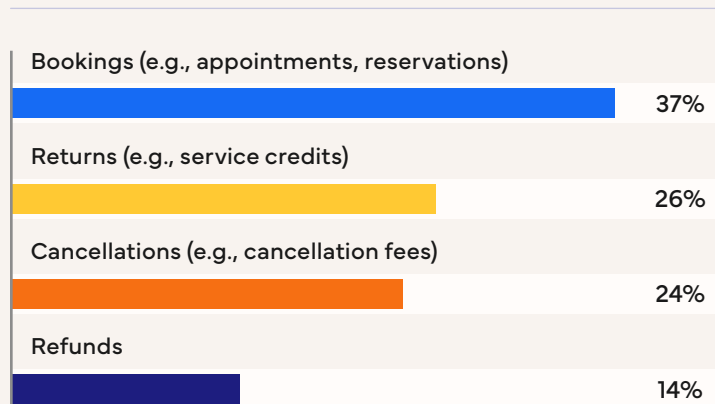
Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 196

# Industry focus: Services SMEs in Southeast Asia (continued)

SMEs in the services industry have significant opportunities to further improve their digital transformation and digitalize more processes, especially payments. Many have connected their booking systems to payment technology, though fewer have also integrated critical processes such as cancellations, refunds, and returns.

## Payment processes that are integrated with the organization's payment technology — Southeast Asia total

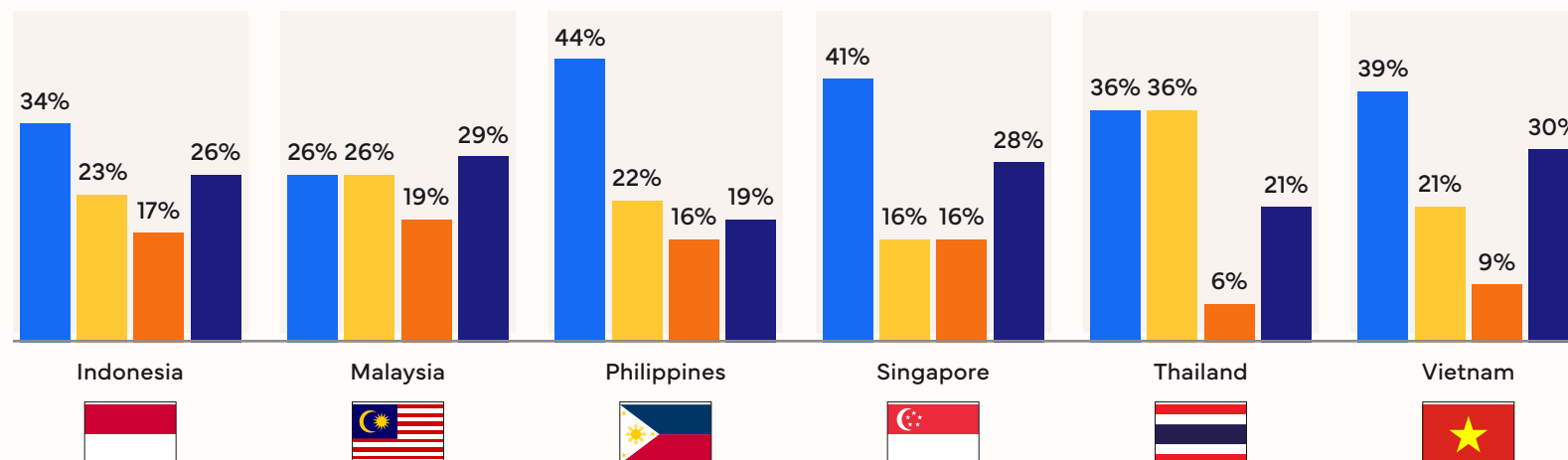
% of services SMEs



## Payment processes that are integrated with the organization's payment technology, by market

% of services SMEs

■ Bookings (e.g., appointments, reservations)
 ■ Cancellations (e.g., cancellation fees)
 ■ Refunds
 ■ Returns (e.g., service credits)



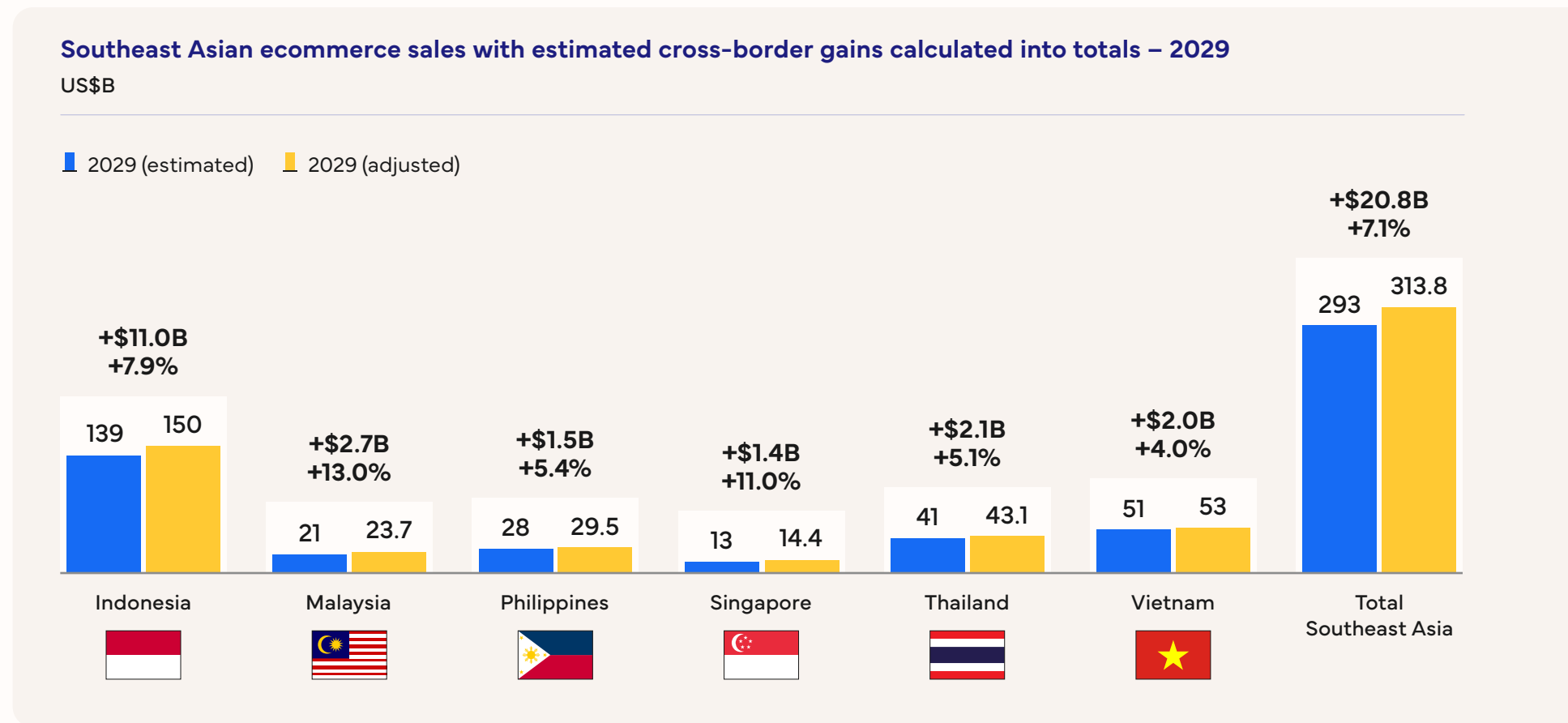
## Opportunity for SMEs to improve integration, but critical processes remain unintegrated across all markets

While newer payment technologies already offer ways to streamline and integrate processes like refunds and cancellations, many services SMEs are still spending significant time and manpower on handling these processes manually. Among such processes, bookings, i.e., initial transactions made by customers, are the most widely integrated with SMEs' payment systems; however, integrations for critical, post-transaction processes remain low. Services SMEs can greatly reduce operational effort and improve customer experience by streamlining how they handle these processes and adopting more comprehensive systems.

Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 196

# Unlocking cross-border opportunities for SMEs can drive a further \$20.8 billion in sales

Through IDC data on sales boosts from cross-border commerce and data from the SME survey on the number of SMEs engaged in cross-border commerce, IDC estimates that if SMEs with the intent to engage in cross-border commerce were to meet their aims of selling overseas, there would be a further \$20.8 billion in sales generated through ecommerce by 2029, representing a +7.1% increase overall in ecommerce sales in the Southeast Asia region. However, SMEs in Southeast Asia are still not fully embracing the potential of cross-border sales and are missing out on this significant opportunity for growth.



Source: IDC, 2026

# Cross-border commerce offers significant, untapped growth potential

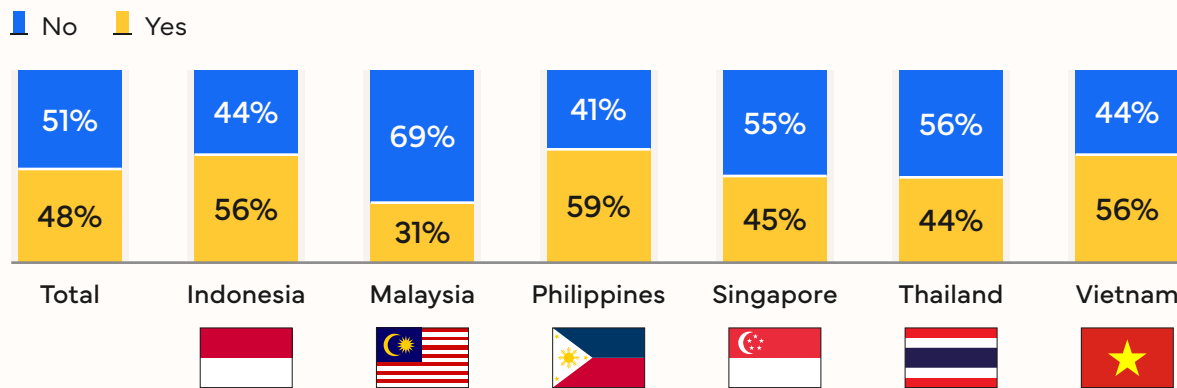
## There is substantial room for SMEs to expand into cross-border commerce

Under half (48.5%) of surveyed SMEs are engaged in some form of cross-border commerce. This remains a major untapped opportunity for the other half who are not selling overseas, particularly with developments in ecommerce that allow SMEs to reach more customers globally.

SMEs engaged in cross-border commerce primarily sell within Southeast Asia, followed by other key Asia/Pacific markets such as China and India.

### Does your organization sell overseas?

% of SMEs



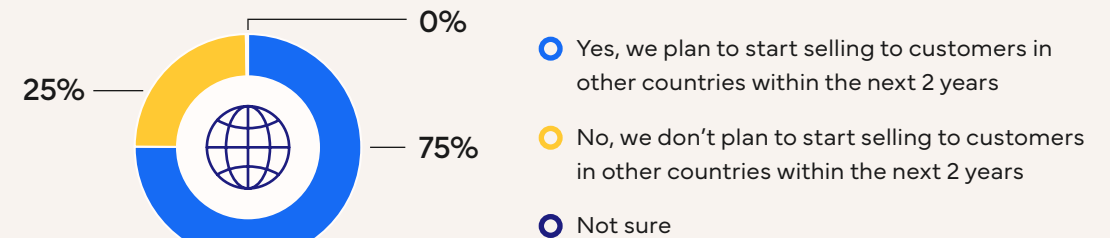
## Overseas markets account for 31%–40% of total sales for Southeast Asian SMEs who engage in cross-border commerce

Among surveyed SMEs who do sell abroad, most report that 31%–40% of their total sales come from cross-border sales. Markets such as Singapore show even higher proportions due to Singapore's status as a business and travel hub, as does Thailand with its strong position as a regional and global hub for tourism and travel.

The momentum is growing. 48.5% of SMEs currently sell cross-border, and of the remaining SMEs who are not yet catering to overseas customers, 75% plan to expand into cross-border markets within the next two years.

### For SMEs who do not currently sell cross-border, do you have plans to start? (Southeast Asia total)

% of SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Cross-border commerce offers strong benefits, but key technology and payment barriers persist

## Cross-border commerce offers many benefits

Surveyed SMEs report multiple benefits from selling to overseas customers. The top three advantages are: easier growth and economies of scale; the opportunity to showcase unique products and services to new audiences; and access to favorable trade deals and relevant government grants.

For SMEs, cross-border commerce represents a tantalizing opportunity to expand beyond the limits of their domestic markets and venture out to new audiences.

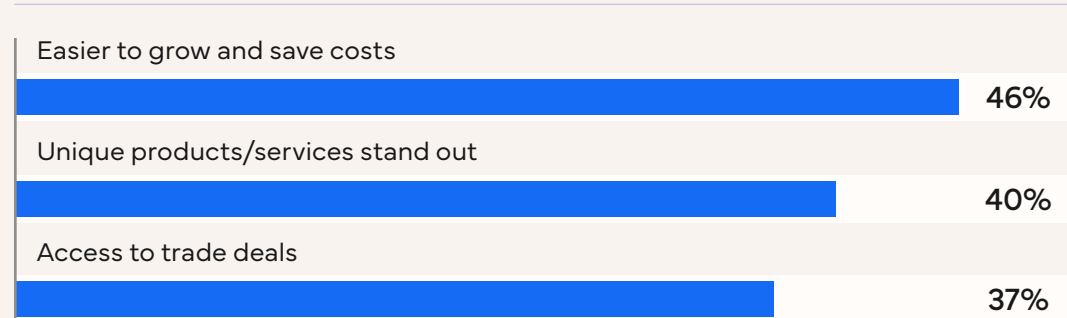
## Key challenges can be addressed with better technology

Despite the appeal, cross-border commerce often still entails issues for SMEs, such as complex returns or refunds, high cross-border payment fees, and customers preferring payment methods that the business does not offer or cannot support.

These top three pain points can be easily addressed by payment solution providers that offer features and services that can simplify cross-border flows, such as integrated refund processes, transparent fees, and broader payment method coverage that can also cater to overseas customers.

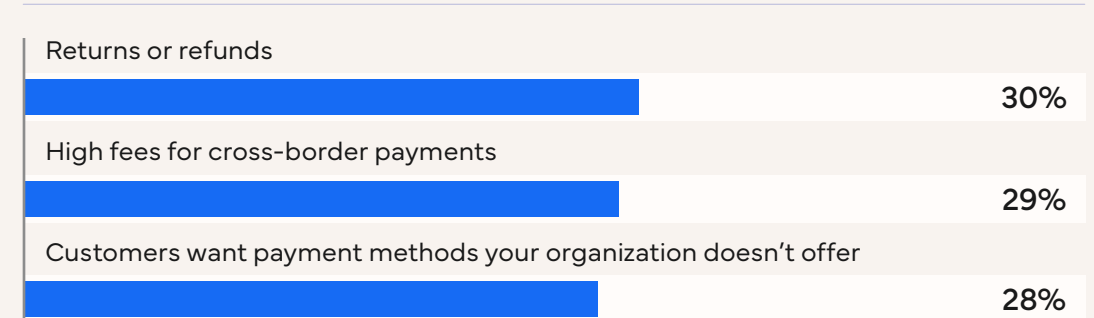
### Benefits from engaging in cross-border commerce (Southeast Asia total)

% of SMEs



### Biggest challenges from engaging in cross-border commerce? (Southeast Asia total)

% of SMEs



Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Industry focus and cross-border potential:

## Key takeaways



**Retail:** Returns and refunds are major disruptors of business, while fraud remains a serious issue, impacting as much as 1–5% of transactions for many SMEs. Although platforms such as Shopify are widely adopted, they often offer limited payment flexibility out of the box and come with comparatively high fees.



**Food and beverage:** The food and beverage segment requires strong omnichannel capabilities to support multiple modes of ordering and payment, including click-and-collect, self-service kiosks, and order-at-table. Manpower shortages further drive adoption of smart POS systems and integration with delivery platforms. However, managing multiple payment channels and modes increases operational complexity. SMEs must find systems that streamline channel and transaction management to avoid getting bogged down by the effort to provide comprehensive options to their customers.



**Services:** Integration of payments with essential business processes remains low. Solutions for simplifying key processes such as recurring payments, cancellations, and refunds remain under-utilized, limiting productivity and slowing the industry's digital transformation.



**Cross-border opportunities:** With only 49% of SMEs selling abroad (mostly to ASEAN and Asia/Pacific), but with a \$20.8 billion cross-border opportunity by 2029, there is immense potential to further cross-border commerce. Issues such as challenges with refunds, high fees, and limited payment options can be remedied through more advanced, integrated payment technology.

### Key implications for SMEs

**SMEs should tailor their payments solutions to the needs of each industry:**

- ➔ Retail: Strengthen systems for handling refunds and combating fraud
- ➔ Food and beverage sector: Support hybrid and omnichannel payment modes, and streamline transaction management across multiple channels
- ➔ Services: Deepen system integration for processes like refunds and cancellations, as well as recurring payments

Across industries, SMEs also stand to unlock significant gains by adopting cross-border-ready payment platforms.

Source: IDC Southeast Asia Small and Medium-Sized Enterprises Payments Study, 2025, n = 600

# Southeast Asia's diverse business environments produce distinct SME personas

	SME and market persona	Characteristics	Priorities and barriers	Future needs
<b>Indonesia</b>	Rapidly digitizing	<ul style="list-style-type: none"> <li>→ Cash-heavy at physical stores but rapidly digitizing</li> <li>→ Rapid uptake of mobile wallets and domestic payments but challenged by geographical fragmentation</li> </ul>	<ul style="list-style-type: none"> <li>→ Focus on digital presence and supply chain improvement</li> <li>→ Barriers around integration and limited access to financing</li> </ul>	<ul style="list-style-type: none"> <li>→ Stronger support for QRIS and mobile wallets</li> <li>→ 96% prepared to switch providers to keep up with rapidly digitalizing business environment</li> </ul>
<b>Malaysia</b>	Efficiency-focused	<ul style="list-style-type: none"> <li>→ Emphasis on enhancing business efficiency</li> <li>→ Growing use of cards and mobile wallets, moderate cash reliance</li> </ul>	<ul style="list-style-type: none"> <li>→ Priorities include cost reduction and payment improvements</li> <li>→ High fees and regulatory challenges persist</li> </ul>	<ul style="list-style-type: none"> <li>→ Simpler integrations</li> <li>→ Stronger support for RTPs and mobile wallets</li> <li>→ Providers must close service gaps</li> </ul>
<b>Philippines</b>	Infrastructure-challenged	<ul style="list-style-type: none"> <li>→ Internet connection limitations</li> <li>→ High growth in mobile wallets as well as cards, but cash dependency remains significant</li> </ul>	<ul style="list-style-type: none"> <li>→ Cost reduction and supply chain challenges dominate</li> <li>→ Internet access and fees are major barriers</li> </ul>	<ul style="list-style-type: none"> <li>→ Mobile POS and mobile wallet-friendly systems that can bypass infrastructure gaps</li> </ul>
<b>Singapore</b>	Card champion	<ul style="list-style-type: none"> <li>→ Highly developed payments systems</li> <li>→ Card-centric ecosystem, though SMEs still surprisingly reliant on cash at physical stores</li> </ul>	<ul style="list-style-type: none"> <li>→ Customer experience, innovation are key priorities</li> <li>→ Security and integration are major concerns</li> </ul>	<ul style="list-style-type: none"> <li>→ Enhanced support for digital card interfaces and mobile wallets</li> <li>→ Greater investment in data and security capabilities</li> </ul>
<b>Thailand</b>	RTP leader	<ul style="list-style-type: none"> <li>→ Regional and global leader for RTPs</li> <li>→ RTPs continue to grow strongly</li> <li>→ Inclined toward tourism and overseas markets</li> </ul>	<ul style="list-style-type: none"> <li>→ Market expansion and payment improvements are top priorities</li> <li>→ Integration and taxation challenges are key obstacles</li> </ul>	<ul style="list-style-type: none"> <li>→ More reliable payment systems</li> <li>→ Support for more payment options</li> <li>→ Zero-downtime POS devices</li> </ul>
<b>Vietnam</b>	Upgrade-oriented	<ul style="list-style-type: none"> <li>→ Strong upgrade-oriented outlook</li> <li>→ Mobile wallets and domestic payments growing strongly but cash still common at physical stores</li> </ul>	<ul style="list-style-type: none"> <li>→ Priorities are launching more products and using digital tools</li> <li>→ Fraud and integration are major hurdles</li> </ul>	<ul style="list-style-type: none"> <li>→ Adoption of new payment technologies, more mobile wallet support</li> <li>→ Greater transaction processing speed</li> <li>→ Multicurrency capabilities</li> </ul>

# Understanding Southeast Asian SMEs: Key themes and insights

Theme	Key insights	Takeaway
<b>Omnichannel shift</b>	66% of SMEs now sell online, buoyed by the overall momentum driving Southeast Asia's ecommerce market to a projected \$289.8 billion by 2029. Cross-border commerce offers even more opportunities, with a potential \$20.8 billion additional value that can be unlocked for Southeast Asia.	SMEs should adopt unified payment gateways that support hybrid online-offline commerce to keep up with both the rapid growth of Southeast Asia's ecommerce market and the growing share of ecommerce transactions made via digital payments.
<b>SMEs have a readiness gap</b>	63% of SMEs need to upgrade their payments technology to support new developments and overcome key barriers to digital transformation.	Investing in scalable, future-ready platforms is essential to support SMEs' growth ambitions.
<b>Technology deficit</b>	SMEs in Southeast Asia face a limited range of payment solutions that can cater to their specific needs. Bank-provided solutions are commonplace, but 88% of SMEs are considering switching to new payment systems or enabling additional payment solutions.	SMEs should seek specific solutions that can empower them to scale more efficiently. Cross-border commerce is a vital avenue for potential growth and can be facilitated by advanced payment technology.
<b>Industry-specific nuances</b>	Retail struggles with refunds and fraud, food and beverage businesses must optimize for multiple payment channels and modes, and services lag in digitalizing critical processes.	Industry-tailored solutions can boost conversions and operational efficiency.

# SMEs in Southeast Asia have big ambitions but need transformation catalysts to leap to the next level

SMEs in Southeast Asia have strong ambitions to expand, engage in digital transformation, improve customer experience, and grow margins. However, the IDC SME survey shows that many are still constrained by gaps in technology, infrastructure, and efficient options. This applies particularly for payments, which sit at the core of their operational workflows.

The message for SMEs is clear: Digital transformation can be a catalyst for success, and optimizing their payment strategies and solutions is one of the most impactful ways to kickstart this transformation and move closer to their business goals. IDC offers the following five action items for SMEs looking to upgrade their capabilities:

Takeaway	Why it matters	Action Item
<b>Localize and customize payment selection</b>	Payment preferences vary widely across Southeast Asia; offering limited or irrelevant payment options reduces conversions.	Identify the top 3 to 5 payment methods per market and integrate them through a single application programming interface (API) from a trusted provider.
<b>Address onboarding issues</b>	Slow, complex onboarding and integration issues delay revenue in fast-growing markets.	Accelerate go-live by partnering with payment providers that offer transparent, streamlined onboarding and 24 x 7 support, as well as tools and processes tailored for local markets.
<b>Tailor solutions by vertical</b>	Generic payment stacks fail to address industry-specific needs.	Match payment provider features to those required by the industry, such as subscriptions, recurring billing, or omnichannel payments.
<b>Future-proof for flexibility and scale</b>	Shifts in consumer behavior and preferences, as well as trends such as the growing use of national QR systems and software POS, push many to upgrade from limited systems.	Embrace open platforms that support multiple payment types and can scale without costly upgrades.
<b>Equip for cross-border success</b>	Cross-border commerce unlocks new potential revenue streams and tremendous scaling ability to SMEs.	Offer products that will work for cross-border customers; understand their needs, including payment preferences; use payment technology that can optimize payment operations for overseas sales.

# About the IDC analyst



## Michael Yeo

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Michael Yeo is an associate research director for IDC Financial Insights and Retail Insights in the Asia/Pacific region. Mr. Yeo's core research coverage focuses on payments including the uptake of mobile payments in the Asia/Pacific region, digital banking, and the evolution of joint digital ecosystems involving ecommerce, mcommerce, and payments. Mr. Yeo has also significant experience in advising financial institutions on their fintech management strategies, placing particular emphasis on organizational and technology restructuring within banks to better cope with the demands of current-generation digital customers.

[More about Michael Yeo →](#)

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