



University  
of Economics  
in Katowice



your place



your space



your future

# The determinants of PayTech's success in the mobile payment market – the case of BLIK

**Prof. Joanna Błach, Ph.D.**

**Prof. Monika Klimontowicz, Ph.D.**

Warsaw, 28.10.2022

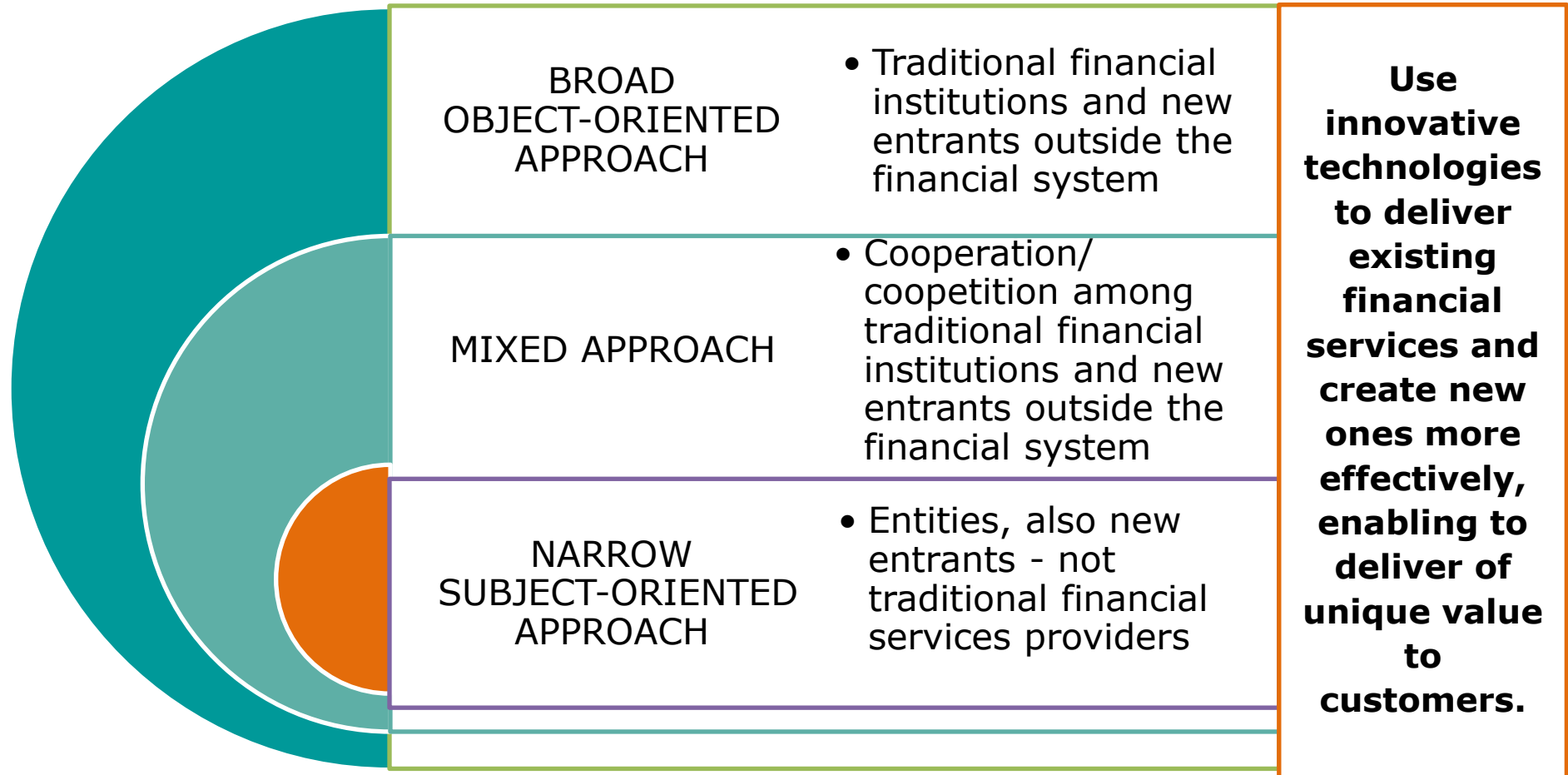
# Presentation Schedule

- FinTech – theoretical background
- Research framework
- Research findings
- Conclusions and implications

# Fintechs

<b>Author</b>	<b>FinTech definition</b>
Arner et al. (2015)	the application of technology to finance
Micu and Micu (2016)	new sector in the finance industry that incorporates the whole plethora of technology that is used in finance to facilitate trades, corporate business or interaction and services provided to the retail customer
Kim et al. (2016)	service sector which uses mobile-centered IT technology to enhance the efficiency of the financial system; as a term it is compound of “finance” and “technology”, and collectively refers to industrial changes forged from the convergence of financial services and IT
World Economic Forum (2017)	new entrants (understood as market participants outside the traditional financial system that recently entered a market, use innovative technologies and change financial services’ business models) that promised to rapidly reshape how financial products were structured, provisioned and consumed
Das (2018)	any technology that eliminates or reduces the of costs financial intermediation
Dimler et al. (2018)	the industry in which financial services are changed with technology
KPMG (2018)	a portmanteau of finance and technology
Financial Stability Board (2019)	technology-enabled innovation in financial services which could lead to new business models, services, products, applications, processes in the area of financial services

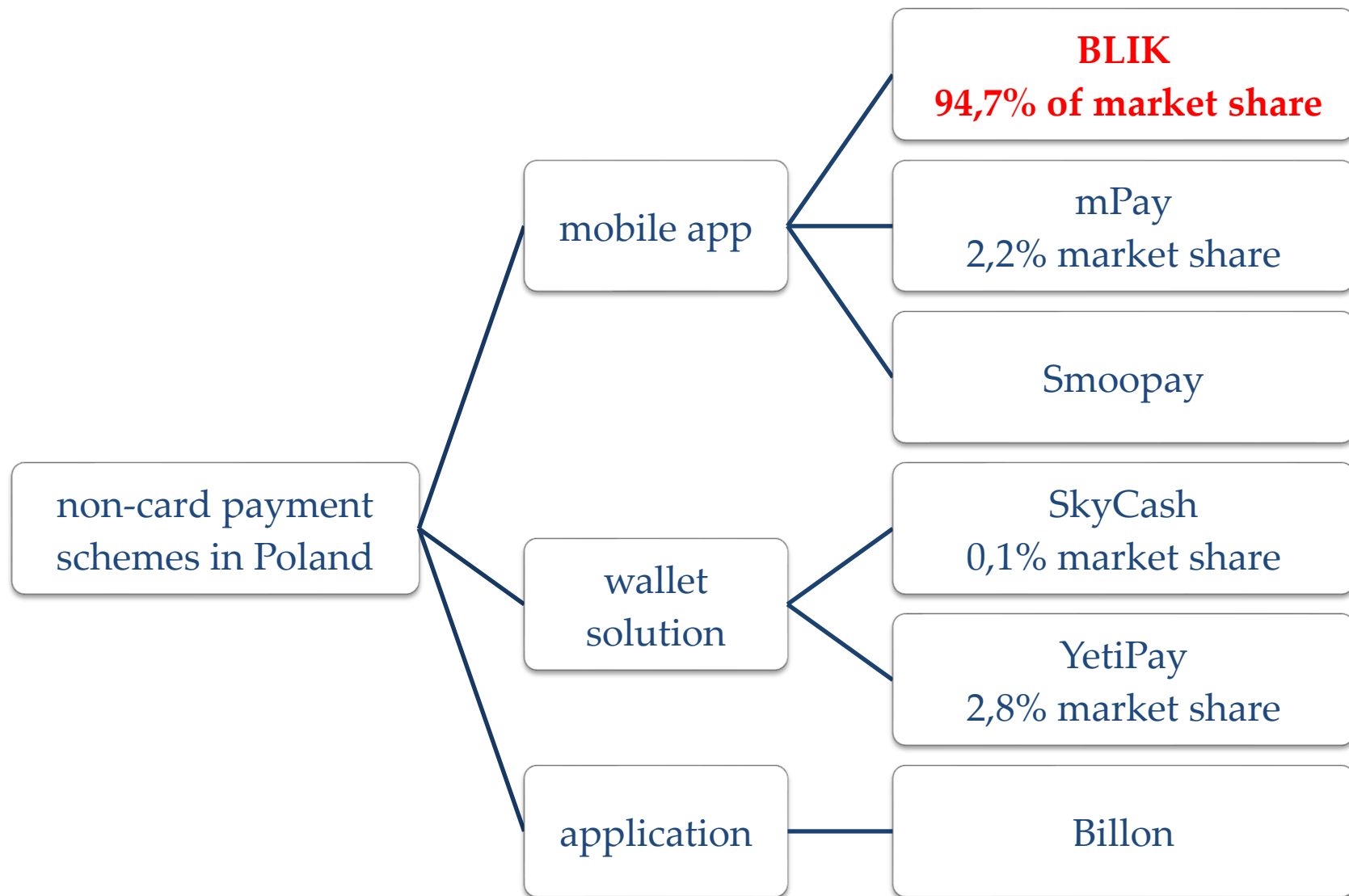
# FinTechs



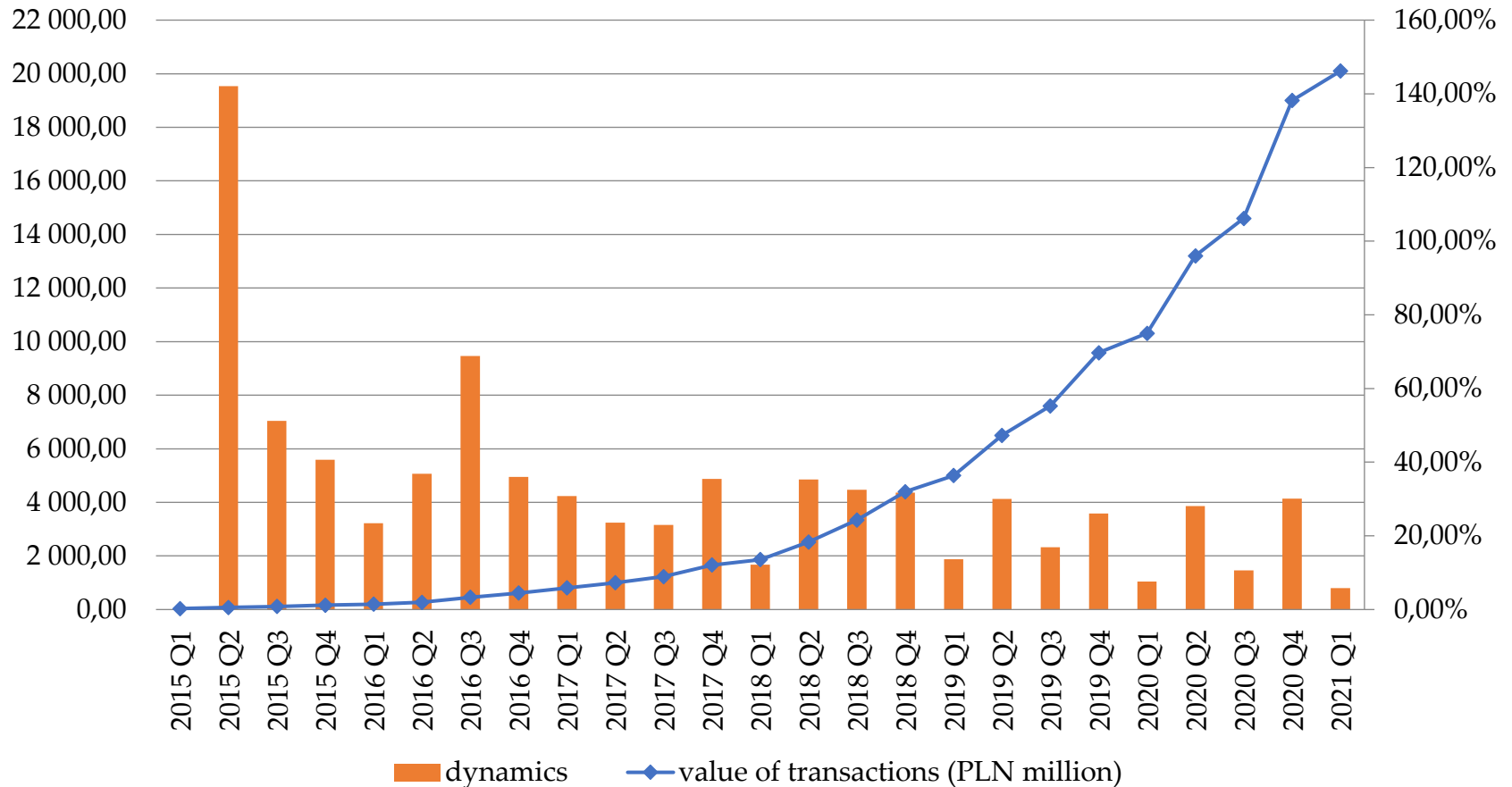
# Key research question

- Q1: What are the main external PayTech's success factors?
- Q2: What elements of PayTech's business model are the key market success de-terminants?

# Competitive landscape in Poland



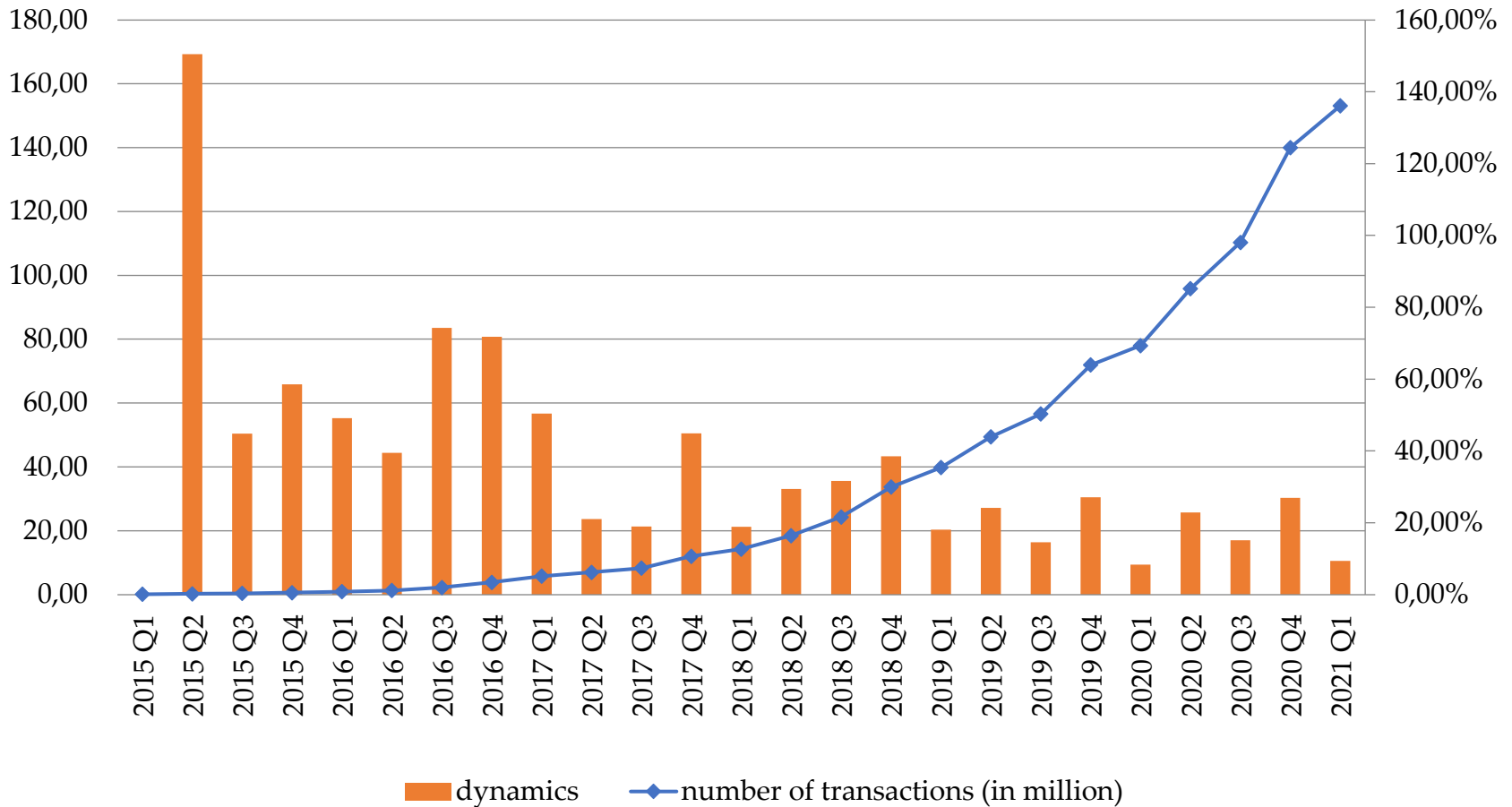
# BLIK phenomenon



Source: own elaboration based on NBP reports 2015-2021: Informacja o rozliczeniach pieniężnych i rozrachunkach międzybankowych w latach 2015, 2016, 2017, 2018, 2019, 2020 and 2021, <https://www.nbp.pl/home.aspx?f=/systemplatniczy/publikacje/rozhachunki.html>



# BLIK phenomenon

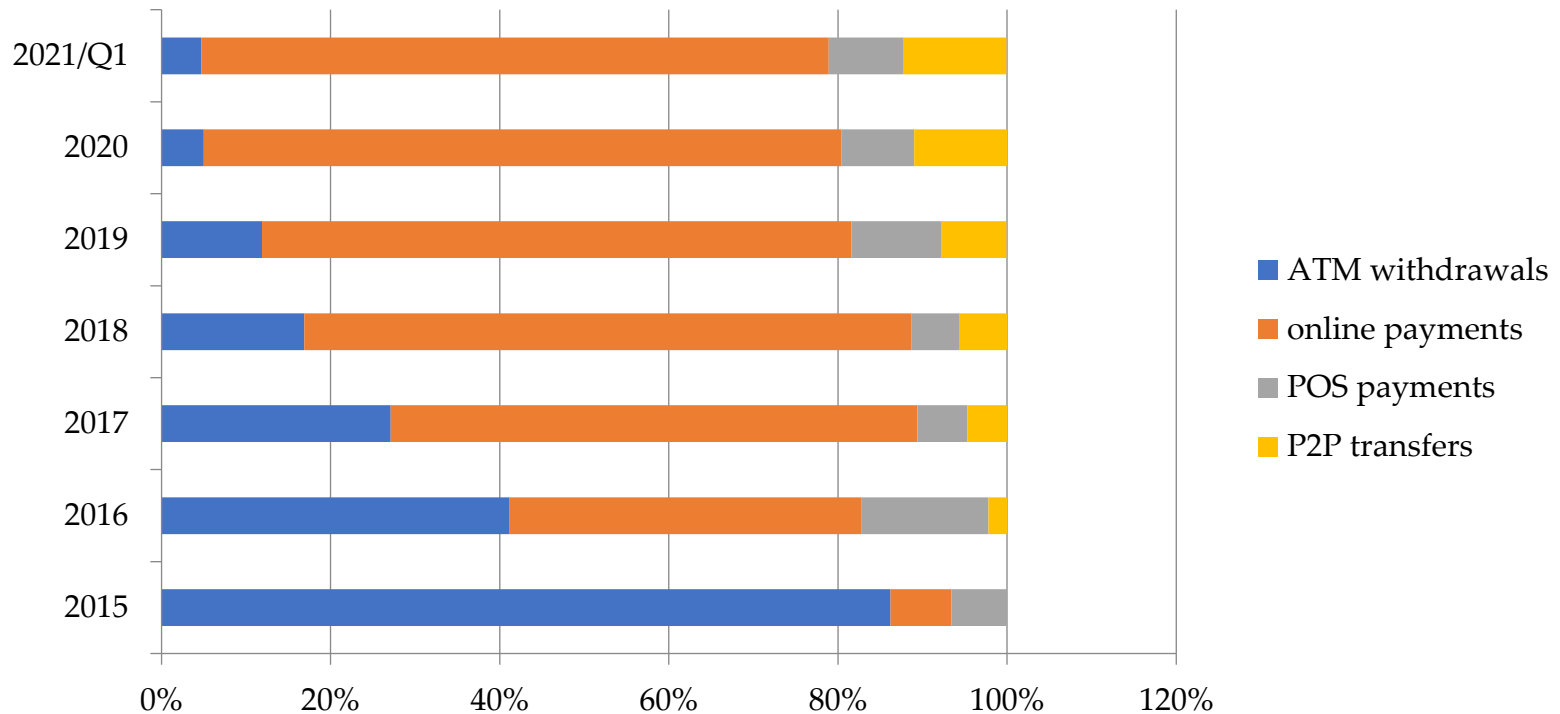


Source: own elaboration based on NBP reports 2015-2021: Informacja o rozliczeniach pieniężnych i rozrachunkach międzybankowych w latach 2015, 2016, 2017, 2018, 2019, 2020 and 2021, <https://www.nbp.pl/home.aspx?f=/systemplacniczy/publikacje/rozhachunki.html>



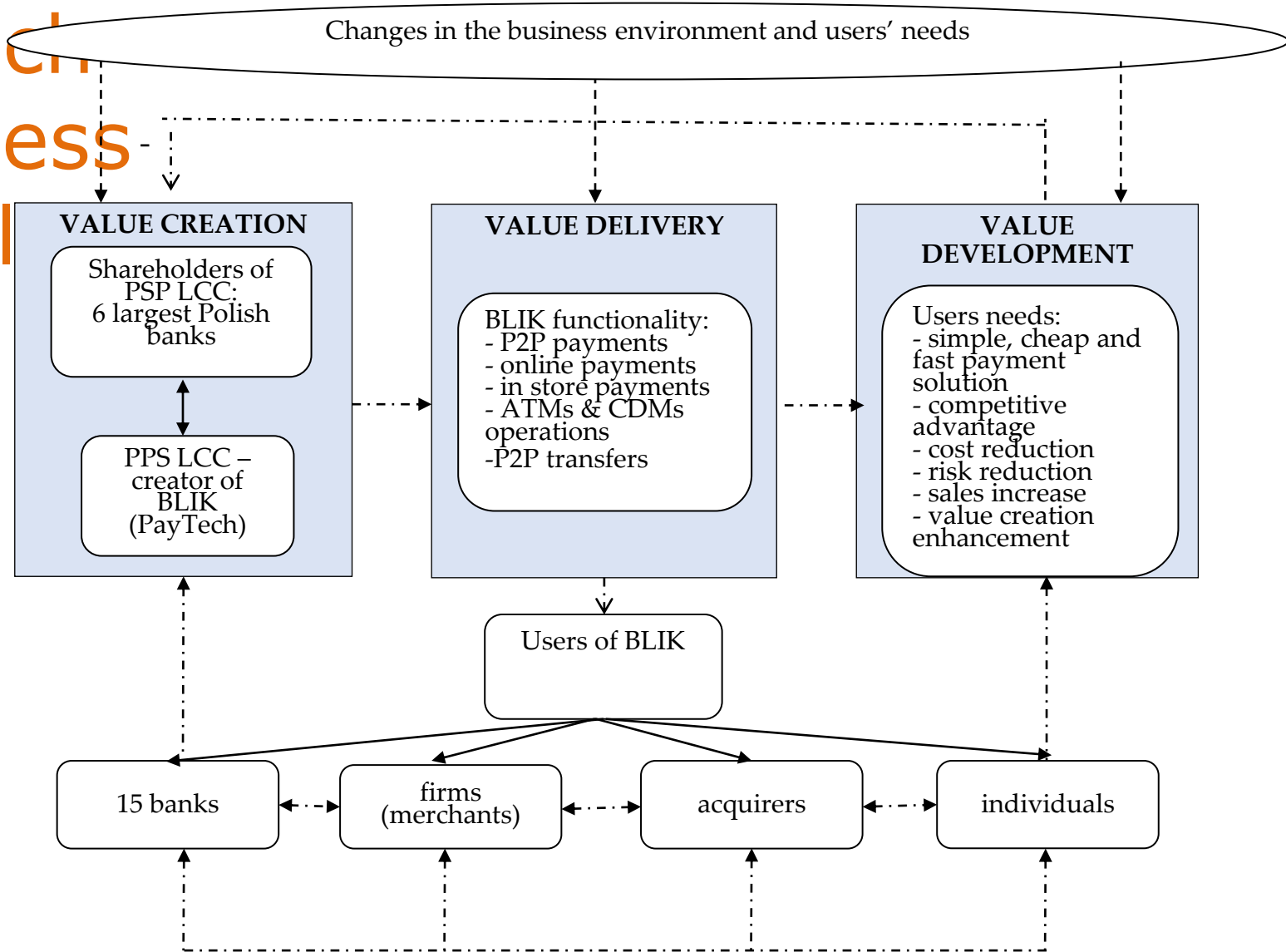


# BLIK phenomenon



Source: own elaboration based on NBP reports 2015-2021: Informacja o rozliczeniach pieniężnych i rozrachunkach międzybankowych w latach 2015, 2016, 2017, 2018, 2019, 2020 and 2021, <https://www.nbp.pl/home.aspx?f=/systemplatniczy/publikacje/rozhachunki.html>

# Paytech Business Model



# Results

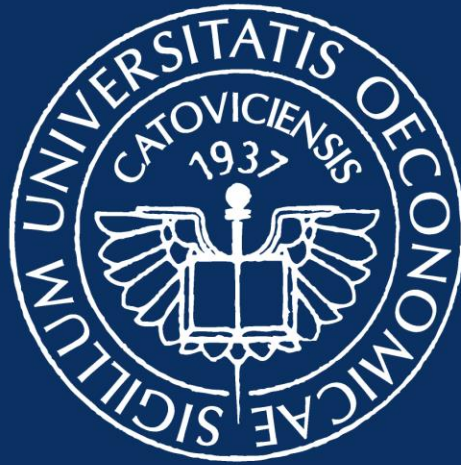
	Success drivers	Barriers to success
External factors	<p>Digitalization of financial services</p> <p>Popularization of smartphones, smartwatches and tablets</p> <p>Development of e-commerce and m-commerce</p> <p>Increasing demand for m-payments</p> <p>Decreasing costs of data transfer</p> <p>Increasing number of internet and mobile banking users</p> <p>Increasing number of merchants accepting m-payments</p>	<p>Lack of financial knowledge and the limited acceptance of new payment solutions by the end-users</p> <p>Households and merchants' habits - preferences for cash payments or card payments and limited trust to payment innovations</p> <p>Security and privacy concerns</p> <p>Poor quality of mobile internet connection (instable internet connection reduces the convenience of usage)</p> <p>Strong competition from other m-payments providers: e.g. Google Pay, Apple Pay</p> <p>Potential development of entirely new payment solutions based e.g. on distributed ledger technology (DLT)</p> <p>Excessive regulatory burdens</p>
Internal factors	<p>Simplicity and convenience – BLIK was implemented in already working m-banking apps</p> <p>Speed and security (verification of user, access to app with PIN, fingerprint scan or password, one-time code)</p> <p>Special features: P2P transfers, request for payment, one-click (continuous development)</p> <p>Evolving towards cross-border payments</p> <p>No extra costs for consumers</p> <p>Adding value to existing m-banking solutions</p> <p>Substitute for card and cash transactions</p> <p>Open business model</p>	<p>Costs related to cybersecurity and fraud risk management</p> <p>Potential conflict of interest among participants of the open business model and the shareholders of BLIK</p>



# Conclusions

- The analysis of market data confirmed the general tendency towards the digitalisation of payments instruments which is consistent with findings discussed by the Bank for International Settlements
- The detailed analysis of BLIK's business environment confirmed that among the most important external factors responsible for its market success are: the development of advanced information technology and improved access to the internet, the propensity of the customers to use financial innovations, including m-payments and the easing the regulatory barriers to enter the market
- As a result of the case study synthesis, the architecture of the BLIK open business model was established, which combines all stakeholders' share in the process of designing, delivering and developing value not only for the end-users but also for all system participants.





University  
of Economics  
in Katowice

[www.ue.katowice.pl](http://www.ue.katowice.pl)