

## Small merchants benefit as more pay with QR code

Paying for purchases via a Quick Response code has quickly gained traction among consumers in Singapore, and this has largely benefited small merchants, a new study showed.

The study by the National University of Singapore found that the amount and number of PayLah transactions jumped after DBS Bank added this mode of cashless transaction in April last year.

The monthly transacted amount rose from some \$600,000 in April to more than \$1.6 million in December, last year. In the same period, the number of transactions tripled from about 6,000 to some 18,000.

When QR code payment technology was introduced, “the monthly transaction amount and count start to trend up



A patron paying for her food using the DBS PayLah! mobile payment app at a hawker centre. TNP FILE PHOTO

almost immediately”, said researchers involved in the study.

“In contrast, the (automated teller machine) withdrawals stay flat all over the year, which suggests the rise of mobile wallet transactions is not simply

driven by a reduction in cash usage,” they added.

First introduced in 2014, DBS PayLah is a personal mobile wallet. It has more than one million users.

It is often used to pay for trans-

actions below \$100, the study said. The number of transactions for purchases below \$100 shot up to some 14,000 in December last year, from about 4,000 in April.

The number of those for purchases of \$100 and more doubled to about 4,000 from some 2,000 in the same period.

Small merchants, including those at hawker centres, food courts and convenience stores, “experienced a significant increase in monthly card sales amount by 7 per cent” for purchases below \$100 from customers using PayLah.

“New entrepreneurs who just started their business benefit more from the low-cost, convenient new technology,” the researchers said.

The findings were based on an anonymised data set containing a variety of bank activities for 250,000 consumers, for the period January 2016 to December last year.

The consumers transacted with 45,469 unique merchants in this period. — **THE STRAITS TIMES**