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Headline: Why Razer taps young talent to gain the edge in Singapore fintech

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- Razer Fintech is placing emphasis on youth as it applies to be one of the first digital banks in Singapore
- The hardware and e-payments services provider hosted a 'hackathon' recently to unearth young talents with a focus on fintech

With customers unable to go into branches for their banking needs, the COVID-19 pandemic has laid bare shortfalls in the traditional finance sector which have contributed to driving the popularity of digital banking in recent years.

Customers across countries like Singapore, Hong Kong, and Malaysia have an appetite for the benefits of fintech and digital banking. But with a limited number of digital banking licenses being made available in each market, innovation is key to standing out in this new hyper-competitive market.

In Singapore, Razer Fintech took a novel approach toward developing digital banking solutions by hosting a 48-hour hackathon. The firm invited local youths from varied backgrounds to contribute ideas and build digital finance solutions on Razer's open virtual banking platform, using a combination of existing payment application programming interfaces (APIs) from the likes of Visa and Mambu, as well as their own ingenuity.

Razer is best known in Asia Pacific as the maker of gaming devices, but the company is also one of the largest offline-to-online (O2O) payment service providers in the region, providing merchant clients with a range of secure payment systems to receive funds in Singapore and Malaysia, including its Razer Pay e-wallet.

Many of Razer's financing products, such as point-of-sales activation cards for telco reloads, online gaming tokens, and e-tickets, are geared towards a younger user base. Razer Fintech considers itself the "world's first global youth bank", and explains why it called on Singapore's best and brightest young talent to help shape it.

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“We believe youths and millennials, especially those in the start-up community, are key towards building the most innovative fintech platforms of the future,” Li-Meng Lee, Razer Fintech’s CEO, told Tech Wire Asia. “They are the digital natives and early adopters of technology and their insights and feedback are essential to any technology platform seeking to innovate, improve and stay relevant.”

Indeed, a recent PwC report pointed out that 73% of customers who are interested in digital banking are aged 18-24, and are already used to performing transactions via screens. The report also notes that 84% of bank customers now also have e-wallets, showcasing the enormous potential that digital banking will represent once fully in the market.

“This age group is also now already a majority of the workforce globally and are our future consumers. We believe that having a deep understanding of their needs and having innovative solutions to address these are critical success factors for the future evolution of fintech platforms,” said Lee.

One such solution was by a team from Singapore Management University (SMU) that emerged was a tool to help consumers deal with ‘subscription fatigue’ by helping users track and manage what subscriptions they are paying for, and choose how they would like to pay via integration with Razer Pay.

Lee said turning to the younger generation for ideas like this is not something the banking industry has been good at: “The needs of youth have not been appropriately addressed by the incumbent financial institutions, not for the lack of trying but constraints due to their legacy infrastructure and cost base,” he observed.

“Efforts also need to be put in to promote financial education and inclusiveness from an early age so that the youths are more prepared when they venture out in their careers or startup journeys,” he continued. “Governments across the world are highly focused on ensuring that financial needs of the unbanked and underserved segments are front and center of their policies going forward.”

Reports suggest more than 70% of adults in Southeast Asia remain either ‘underbanked’ or ‘unbanked’ entirely, but growing penetration of smartphones and mobile internet is rapidly allowing greater access to these underserved communities, despite setbacks caused by the coronavirus pandemic in the region.

In fact, Lee believes the pandemic has actually brought awareness on digitalization to the forefront, and “will accelerate the adoption of fintech solutions that is a key enabler for digitalization efforts.”

“The adoption of cashless payments by consumers during the pandemic has also picked up significantly and we believe this trend will continue. We are encouraged to see governments such as Singapore and Malaysia, committing significant dollars to similarly drive this adoption,” Lee remarked.

“On Razer’s part, we have embarked on various initiatives to complement these efforts such as our US\$50 million Covid-19 Support Fund where we are working with existing and new partners to help them through these challenging times, be it in the form of cash flow support, bridge financing or strategic investments.”