

Fintech's Application in the Logistics and Transport Industry



Financial technology's fast and accessible model is what the logistics and transportation sector needs to meet growing demand in a fast emerging market

The development of every industry in today's business arena goes hand-in-hand with utilizing the latest technologies to meet increasing consumer demands and avoid obsolescence. Financial technology (Fintech), one of the newest and fastest growing sectors in the tech industry, provides efficient financial solutions through simpler, cheaper, and faster products and services as compared to banks and other traditional financial infrastructures. It is reimagining the way money is managed by both consumers and enterprises.



Numerous businesses have utilized fintech to improve their financial processes. One sector that will greatly benefit from this is the logistics and transportation industry. Despite it being one of the oldest business sectors in the nation, this industry has a great potential for growth in a fast emerging market. As of 2013, The logistics sector generated US\$2.5 billion in

revenues and is projected to annually grow by 15.6% until 2020, with a potential market size of more than US\$6.77 billion. Although it plays a vital role in the country's economy, as well as nation-building, the logistics and transportation industry has to adapt this current technological trend to maximize its business potential.

The fintech industry sees the opportunity to tap the logistics and transportation industry in constant need of accessible and faster means of conducting business processes, which includes managing finances both in consumer-facing and back end operations. With the added service of today's faster and more reliable Internet connections, mobile connectivity, and big data computing, fintech utilizes these technologies to secure its services and make it more useful and relevant to the market.

These are some of the readily available applications of fintech in the logistics and transportation industry:

1. Payment
 - a. Peer-to-Peer payment: online technology allowing customers to transfer funds via the internet or mobile phone
 - b. B2B Payment: Transaction of payments between third party affiliates optimizing capital for businesses
 - c. Mobile banking/Mobile Wallets: Electronic wallets carrying credit or debit information in a digital form or in a mobile device facilitating online and POS payments, rewards and discounts, and virtual payment of bills
 - d. Credit/Debit card innovation - Instituting new forms of issuing and managing credit and/or debit cards with minimal requirements
2. Remittance
 - a. Nationwide payment outlets: Accredited outlets authorized to facilitate mobile payment services
3. Loans
 - a. Mobile and Social data for credit scoring: Profiling users on customer behavior and derived patterns, providing easier and friendlier credit score
4. Business Solutions
 - a. Disbursement platforms: Facilities allowing disbursement to multiple accounts, lessening cash based transfers
 - b. mPOS: Affordable alternatives to cash register or electronic POS terminals through smartphones, tablets and wireless devices
 - c. Closed loop networks: Exclusive content, data and network within a closed network of users

Mynt, the financial services subsidiary of Globe, aims to provide first-in-world fintech solutions through payment, remittance, real-time disbursement platforms, salary and business loans, business solutions and international platforms that are accessible and scalable to various industries.