Mobile payment apps: Twint (Switzerland)

Key facts

Name: Twint
Operator: TWINT AG
HQ: Konsumstrasse 20, CH-3007 Bern
Type: Mobile payment app / wallet
Date of launch: Q4 2015 (2014 set up)
Number of members: Over 500k users (Oct. 2017)
Key Partners: UBS, ZKB, PostFinance, Raiffeisen, Credit Suisse, BCV
Key Competitors: Apple Pay, Samsung Pay, Viseca-Aduno, Boon, Migros, PostFinance
Accepting network: 25k+ merchants (However, some large merchants are not supported, e.g. Migros)

Background:

- Twint is a mobile wallet app enabling payments in: online stores, B&M stores, vending machines and P2P transfers. Moreover, Twint can support loyalty programs and retail discounts/offers
- Twint cooperates with a range of major Swiss banks (10). There is a separate Twint co-branded app for each bank. Twint uses bank account as the primary source of money.
- In case of other banks (non-partners of Twint), Twint offers a **Twint pre-paid app** and an account which can be top-up with a balance
- Due to using non-card* technology Twint can not access traditional card POS terminals and requires custom solutions / merchant support and integration (Bluetooth or QR codes) instead of NFC.

Functionalities:

Payments in online stores	✓
Payments in B&M stores	✓
P2P mobile payments	✓
Loyalty solutions	✓
ATM card-less cash withdrawals	✗
Other:	✓

Overview

Payment mechanics:

In **traditional stores** payment can be executed:

1. By placing a smartphone with a logged-in Twint app and enabled Bluetooth communication near to a Twint beacon available at cashier desk. Customers needs to confirm the amount and the transaction is completed.
2. By pointing the smartphone camera at the QR-code displayed at the cashier terminal. Customers needs to confirm the amount and the transaction is completed.

In **online stores** payment can be executed:

1. By selecting Twint as payment mode and subsequently by pointing the smartphone camera at the QR-code displayed at the checkout page. Customers needs to confirm the amount and the transaction is completed.
2. By entering manually a short numeric code generated by the online store into Twint app. Customers needs to confirm the amount and the transaction is completed.

1.

2.

Communication:
1. Bluetooth (BLE)
2. QR-Codes

Performance:

- Twint launched in Q4 2015. Within two years it was able to win ca. 500k clients.
- However, one of key bottlenecks of Twint is a low number of tx per client (1-1.5 tx per user per 2 months on average). Furthermore, Twint is not universally accepted due to required integration, e.g. no support at Migros stores (large grocery retailer)

Twint users
In thousand

2015	2016	2017 Oct.
20	180	500
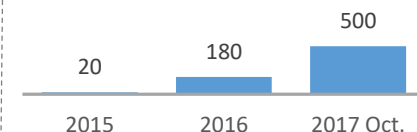
Recent events / future:

- As of October 2017, Twint had ca. 500k registered customers and it claimed to win ca. 1.2k new clients daily. However, Twint has still not managed to become the dominating standard for mobile payments in Switzerland. Other mobile payment providers like,: Apple Pay, Samsung Pay, Viseca, Boon are competing with higher acceptance at contactless terminals across the country.
- For 2018, Twint plans to increase its relevance with „pay now" one-click button in online stores

* e.g. no access to traditional POS terminals due to protection by Visa/Mastercard software patents/licences. Therefore an extra upgrade / add-in at the point of sale is needed to support Twint payments
Source: Twint, press, Inteliace Research

Top payment apps in Europe, 2017