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ADAPTING AND EVOLVING TO GROW IN THE HIGH-TECH INDUSTRY

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MatchMove started as a gaming platform; it's now a flourishing enterprise payment solutions company

The splash page of Singapore-based fintech company MatchMove showcases its flagship product, its MatchMove Wallet OS software that powers financial transactions on mobile phones. The company describes itself as a company that “provides innovative, end-to-end enterprise payment solutions...[that handle] P2P transfer, remittance, top up channels, virtual payment cards, loyalty points & rewards [etc.]”.

That was not the vision MatchMove's creator and CEO **Shailesh Naik** had when he started the company in 2009, when the goal was to help large multinationals such as Yahoo! and Microsoft solve the problem of “high traffic, low content” brought on by the rising popularity of casual games on social media sites e.g. Farmville, Candy Crush etc. Within five years, Naik would revamp MatchMove's business model many times to ride on each new wave of the digital economy.

STARTING OUT...AND SCORING BIG

The original idea, Naik says, was to provide “infrastructure for companies that are keen to offer games on their sites but do not want to do it on their own”. By choosing and testing the best games from various developers, the platform would be:

“...a B2B iTunes, where games can come from anywhere. So it’s this ecosystem where we want to be the platform, and we will integrate payments with the platform. We will be the central cog in the wheel that brings everyone together. We will invest in infrastructure, support, and platform, because that’s what really captures the value.”

In short, MatchMove aimed to offer content management (games), transaction management (e-commerce), and the technology platform as a one-stop package to customers in Asia. MatchMove was essentially operating a two-sided market business model - servicing the game developers on the one hand, and the portals and other Web companies on the other.

Game developers would benefit by working with MatchMove as they could gain information on the volume of customers accessing their games, and MatchMove provided transparency on payments due to them. MatchMove looked for more and bigger clients for developers to distribute games to, and sought to create a two-way cycle where building trust with more of the popular game developers enabled them to attract larger clients.

The first big client was Yahoo! Asia, which had been using their U.S. offices’ American-designed games and “failing miserably here”. MatchMove would be responsible for the technology transition of existing and new games to new technology platforms. This enabled Yahoo! to avoid paying the upfront costs for new game development, and MatchMove handled the payments to the game developers on their end. The deal made a total of 143 titles available for purchase on Yahoo!’s online store, making Yahoo! one of the top sites in Southeast Asia offering the most popular casual game titles.

Additionally, a payment gateway provided on the platform enabled MatchMove’s clients to collect payments from their end users via payment services such as PayPal, Visa and MasterCard, and also Mobile payments and pre-paid cards which were more popular and accessible to young Asians.

EVERYBODY WAS APPKUNGFU FIGHTING

Yahoo! became MatchMove’s proof of concept, and its platform was made available to clients for between S\$10,000 (USD7,921) to S\$50,000 (USD39,605). The speed with which it could deploy a solution – two weeks instead of competitors’ three months timeframe – and the scalability became the company’s prime competitive advantages, so much so that “global competitors from the US and Europe stopped competing with us and pulled out whenever they heard we were in the running”.

By late 2010, MatchMove had so much demand for its services that Naik knew that its platform would not be scalable. For every project MatchMove took on, they had to have engineers’ onsite at the client’s office to integrate MatchMove’s backend system with the clients – and each integration project took six to eight weeks.

Naik decided to revamp MatchMove’s platform, making it modular and enabling clients to self-service to set up their websites, which made MatchMove a B2C company on top of being a B2B company:

“And so we stepped back to revamp the whole platform, and renamed it AppKungfu - offering it to just anyone who wanted it, not just our target enterprise customers. You could be a young girl in Taiwan who was selling t-shirts online, and now wanted to add

games and social networking. We already had the core technology, and we wanted to offer a 'freemium' model, so anyone who wanted to use it at a basic level could do so. In 2010 we started to rewrite, and in 2011, we had a product that could be used both 'B2C' and 'B2B'."

This revamp helped drive explosive revenue growth: from 2009 to 2012, MatchMove had a three-year revenue growth of 902 percent, closing the period with income of just under USD8 million. MatchMove had been building its business as a full service games service provider that included a financial services component, but Naik knew that he wanted this offering to be stretched to incorporate other services for adjacent markets with similar purposes. Naik's research revealed e-commerce to be the next big opportunity.

"In Asia 80% of transactions are cash-based; only 20% goes through cards," he explained. "This is the whale we were looking for. We always had the vision that one day we were going to offer an e-commerce (payment) capability that would work not only on our customer (enterprise) side, but be an open wallet.

"The basic criteria was to allow anyone in Asia to shop online anywhere. That's what the vision was."

That is where MatchMove finds itself now with the Wallet OS. How did it get here? And where does the company go from here?

This is an adapted version of the [SMU Case Writing Initiative](https://casewriting.smu.edu.sg/case/matchmove-business-model-evolution) case, "MatchMove: Business Model Evolution". To see the full case, please click on the following link: <https://casewriting.smu.edu.sg/case/matchmove-business-model-evolution>

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