



Know Your Embedded Fintech Terms

If you're paying attention to fintech and software platform innovation right now, you're hearing a lot about embedded. Here, we explain some of the most common embedded terms, the products they encompass and how you might be able to use them in your business.

WHAT IS

Embedded Finance?

Embedded finance is an umbrella term for the integration of financial services into non-financial technology or software platforms. This essentially allows these platforms to offer financial services to consumers and other businesses in a streamlined way within their platform, thus eliminating the need for their users to engage separately with a third-party financial services provider.

According to Credit Suisse, the total addressable market for Embedded Finance will be \$800 billion by 2030 and \$500 billion of that will be payments. This makes embedded payments one of the most significant types of embedded finance.



62.5% of the total addressable market by 2030 will be embedded payments.

WHAT IS

Embedded Payments?

Embedded payments are when payment functionality is built directly within a software platform's user experience, so the platform's clients do not need to integrate with another provider to accept payments. Embedded payments allow software platforms to control the full payment experience, including onboarding clients, accepting payments, reconciliation, reporting and more.

What Are Embedded Payments Products?

Embedded Payments Products Include:

- Selling White-Labeled Payments
- Global Currencies & Payment Types (Cards, ACH/EFT, eWallets, Buy Now, Pay Later, Open Banking, etc.)
- Payment Optimization Tools (Intelligent Payment Routing, Tokenization, Account Updater, etc.)
- Onboarding & Underwriting
- Staged Risk
- Portfolio Migration
- Tax & Payment Compliance
- Customer Management & Support
- Unified Global Reporting

Embedded Payments Use Cases:

Embedded payments can be a great opportunity for software platforms across multiple industries. Consider these sample use cases for inspiration:



In education, software platforms allow students to sign up for extracurricular activities and transportation. With embedded payments, platforms like [Veracross](#) and [SchoolsBuddy](#) can help alleviate the frustration for parents and schools when it comes to paying and collecting tuition or fees for sports, after-school activities, field trips, meals and more.



In healthcare, patients can directly access their medical records, receive lab results and make payments without having to wait for bills to arrive by mail. When healthcare platforms like [CoFi](#) are able to effectively embed payments, they give patients the ability to pay multiple providers and medical facilities in a single transaction, making it easier and more organized for payers to settle their payment obligations.



In the nonprofit sector, embedded payments allow organizations to offer a direct and simplified donation process through their own sites. As a result, software companies like [Benevity](#) empower nonprofits to receive global payments, aiding in their growth and better supporting their goals and initiatives.

WHAT IS

Embedded Banking?

Embedded banking is when products or services typically provided by a regulated and fully licensed bank are embedded into non-financial tech and software platforms.

Examples of embedded banking products include credit and debit cards and checking and savings accounts.

WHAT ARE

Embedded Lending, Embedded Insurance & Embedded Investing?

Embedded Lending

Embedded lending entails software providers integrating lending services into their existing products and services, allowing customers to access loans within their ecosystem. Examples of embedded lending products include loans and cash advances.

Embedded Insurance

Embedded insurance is when insurance policies are digitally bundled, enabling companies to offer policies as an add-on to the sales so the customer has an option to buy it as a feature of their purchase. Examples of embedded insurance products include car insurance, travel insurance and extended warranties.

Embedded Investing

Embedded investing enables platforms to embed investment products and services into their offering. Examples of embedded investing products include stock trading and portfolio management.

The Embedded Opportunity for Software Platforms

Thanks to embedded fintech, software platforms have the opportunity to offer value beyond their software's proposition. For example, those software platforms that embed payments into their solutions see up to a 5X increase in value per customer, according to JP Morgan. Consider all the benefits of embedded fintech:

- ✓ Increased revenue
- ✓ Improved customer engagement
- ✓ Customer retention
- ✓ Better data and insights

Are you looking for ways to embed payments or other financial technology into your platform? Visit [BlueSnap.com](#) to see how we can help.