

Why optimizing payouts is an unmissable opportunity for platform-based businesses

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Leading gaming, streaming, and gig economy platforms are turning best-in-class payouts technology into a competitive advantage.

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Platform-based businesses invest significant time, effort, and money into making it easy for customers to pay.

But it's often a different story for those on the other side. It's common for content creators and gig workers to encounter complex processes, unclear policies, and payment delays.

There are many reasons why payout processes aren't as seamless as payments. However, advances in technology — in particular, [card payout APIs](#) — mean closing the gap is achievable. And because [many platform-based businesses](#) are yet to invest in their payouts process, there's a huge opportunity for first movers to stay ahead.

In this article, we'll take a look at three sectors of the platform-based economy — indie game development, streaming, and the gig economy — where a swift, smooth, and seamless payout experience could help businesses gain an edge over their competitors.

Giving indie game developers their due

Where, as recently as 2009, you'd have been hard-pressed to name a single indie game developer, the likes of FuturLab, Blendo Games, and Mojang Studios have become household names.

In recent years, indies have [revived dying genres](#) and [elevated game development into an art form](#). Most importantly, they've created games that have become [cultural phenomena](#).

With mainstream success, the power dynamics have shifted. Platforms like Steam, Google Play, and the App Store no longer hold all the cards. If they want games from the best developers on their marketplaces, they need to entice them with an attractive proposition.

But what does that look like? What do indie developers value most?

Creating an offer indie developers can't refuse

When [RenGen](#) asked nine indie game developers about the top challenges they face, two challenges came up again and again: funding and cash flow.

Most indies are one-person operations or small teams. They don't have the distribution capabilities or marketing power of the major developers. This means they're typically cash-sensitive. So platforms that offer fast payouts solve a fundamental pain point and offer a powerful incentive for them to keep coming back.

"Speed is number one on developers' agendas," says Yael Barak, VP Product, Checkout.com. "The first question anybody asks when they're looking to receive money is: 'How fast can I get it?' That's even more relevant when the survival of a project — or an enterprise — depends on fast payments. For indies, speed can be critical."

One option is to use card payout technology. Because card payouts use Visa or MasterCard payment rails instead of cumbersome legacy systems, it's possible to receive funds much quicker than via bank transfer or direct debit. Where typical payouts could take a minimum of seven days or as much as a month or more to get processed, card payout technology makes it possible to receive money in [real-time](#).

But partnering with the right payouts technology platform also enables you to offer two other compelling benefits to indie developers.

"Optionality and cost are just as important as speed," continues Barak. And these are often linked. "If I receive my money via bank transfer," Barak explains, "maybe there isn't a fee to receive it, but there's a fee to withdraw it from an ATM. Whereas, on my card, there definitely isn't a fee to receive or spend the money."

Caring for content creators

Like the indie game industry, the creator economy is booming. By the end of 2021, content creators will have generated [\\$100 billion](#) in revenue, with YouTube accounting for \$30 billion of it.

But the sky-high demand for quality content and the massive volume of content creators — there are [around 50 million people in the creator economy](#) — means getting payouts right can be challenging.

To send money globally at scale, streaming platforms have to navigate differing financial systems and regulatory regimes. And, in many cases, these were never intended to work in parallel.

More complexity comes from the high volume, low-value nature of the payouts platforms make to content creators. "Each payout might be minimal in terms of value," says Barak. "But in the aggregate, you're moving large amounts of money."

Together with foreign exchange exposure, this increases costs and adds several potential points of failure to the payment chain, which means it takes longer for creators to get their money — if they receive it at all.

A good payout platform can streamline, simplify and enhance the payout process for these platforms in several ways.

Firstly, features like global compliance screening, real-time account validation, and automatic routing through the most efficient local channels speed things up by reducing the need for manual exception handling.

Secondly, if a payout technology provider is transparent about their foreign exchange rates and associated fees, platforms can plan their transactions around market movements, ensuring they get the best rates, removing uncertainty, and giving creators a better deal.

"Nobody wants to shoulder costs if they don't have to," notes Barak. "So knowing FX conversion costs can be minimized is a great selling point."

Lastly, content creators vary enormously — from large operations to one-person setups working on passion projects. Partnering with a good payouts technology provider enables platforms to offer a choice of payout options that cater to creators' different preferences and offer those payouts at speed.

Keeping money on the move: the role of payouts in the gig economy

By 2027, most of the workforce will be [made of freelancers](#), many of them working in the gig economy. Freedom, flexibility and control are at top of their mind. So, the platforms that offer fast payments have a significant advantage over their competitors in attracting and retaining freelancers and gig workers.

[According to a Visa Direct survey:](#)

- 89% of gig workers would sign up for real-time payments
- 66% would choose a platform that offered real-time payments over one that didn't
- 70% would work more when they needed quick money if they knew their earnings would be paid in real-time

But the benefits of real-time payouts go beyond happier, more satisfied, and, in turn, more productive workers. [Research suggests](#) real-time payments also reduce payroll errors and lower costs.

"If you know a card payout is going to cost you, say, 1% while a bank payout costs 10p, you can make decisions around at what point one payout method is more expensive than another," says Barak. "Ultimately, you need to reconcile all your payouts to your P&L. You need to control costs. And you can't do that if you don't know what those costs are."

Frictionless payments are only one piece of the puzzle

The ease, flexibility, and speed with which businesses pay out earnings to their vendors is just as crucial to their reputations as how simple it is for their customers to pay.

The success of streaming services, gig economy marketplaces, and other platform-based businesses rests on their vendors' output quality. And what vendors want is fees not to eat into their earnings and for their money to be in their pockets as soon as possible.

"As competition in the platform economy heightens, a reputation for paying quickly is an effective way to attract and retain top talent," concludes Barak. "It's crucial to find a partner that has technology that allows you to optimize speed and cost and offer a choice of payout methods."

At Checkout.com, we've built a platform that helps you manage payouts effortlessly and cost-effectively on a global scale.

[Let's show you how we can help.](#)

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