When Platform Commerce Meets Schemes Reality: The HeyTea Governance Case Study

SPILL!
THE TEA ON PAYMENT

When "Platform Commerce" Meets a Different System

This free mini case study distils a 66-page research project on HeyTea's expansion outside China.

You'll learn:

- How HeyTea's Chinese model works behind the "super app"
- Why its seamless experience fragments when translated into card-scheme led territories.
- Where governance, not IT, is the real source of friction
- A practical framework to analyse your own payments governance exposure to Unified Commerce

For who?

Retail & F&B brands, platforms, PSPs, acquirers, and anyone working on omnichannel, expansion, or "super app" strategies.

SPILL
THE TEA ON PAYMENT

When "Platform Commerce" Meets a Different System

4300+

stores in China built on platform logic

8

markets opened but unified model crumbled

6

structural limits HeyTea hits when it leaves its home ecosystem

🕹️ **Who owns checkout?**

"Post POS" Platform logic
vs POS+PSP logic

🧠 **Who owns loyalty & data?**

Internal loop
vs outsourced pipes

💵 **Who pays for "seamless"?**

Internal capex
vs External fees

HeyTea, a Luxury-Style Retail Engine, Not "Just Bubble Tea" vendor

Three Strategic Pillars

DESIRABILITY & EXPERIENCE

SOCIAL MEDIA & DIGITAL FIRST

TRANSPARENCY & INGREDIENTS

Store Formats

Multiple store formats (flagship, experimental, HeyTea Go) build a ladder from prestige to volume.

Tiered city strategy

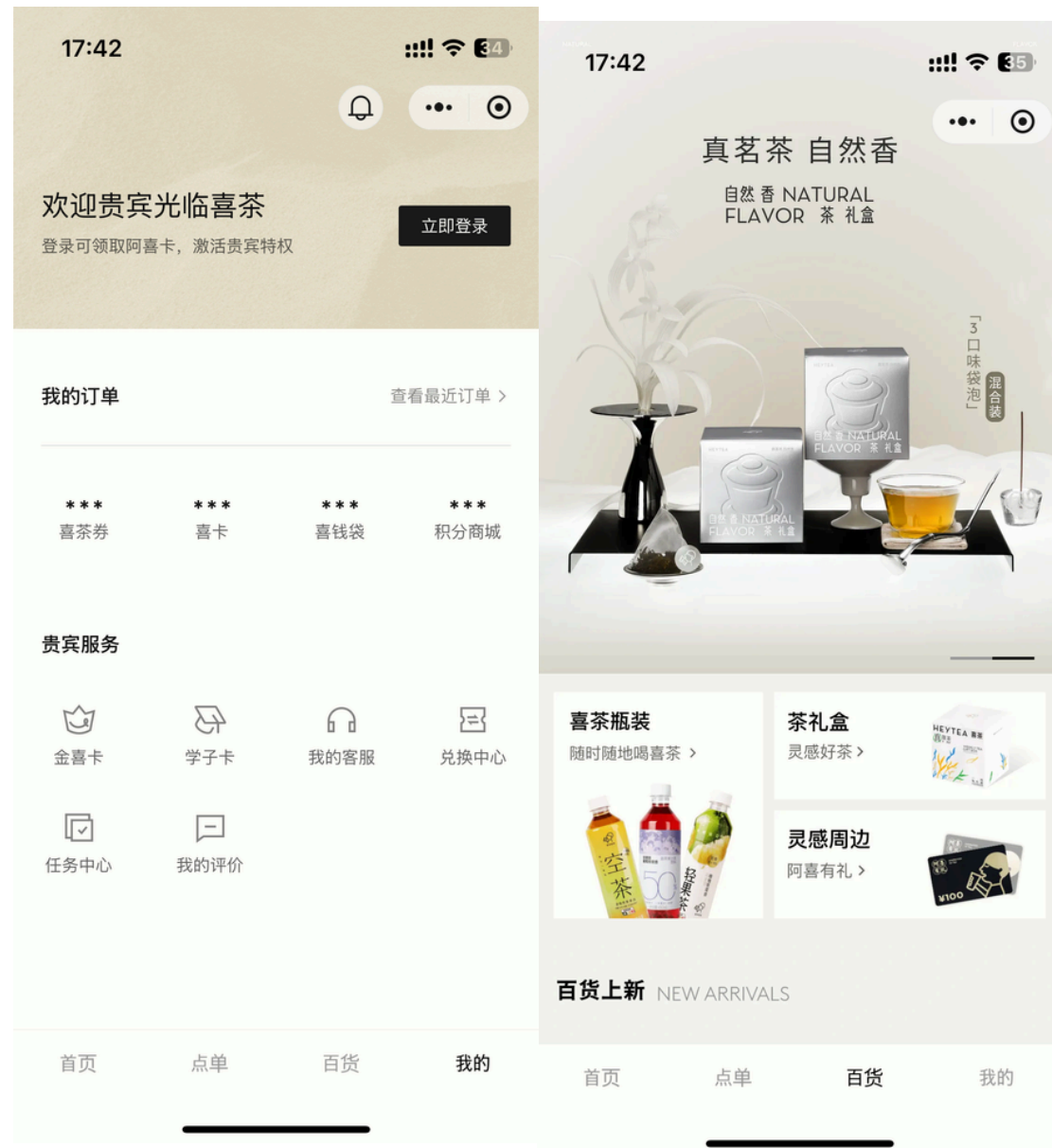*Expensive flagships in tier-1, franchised Go stores for scale in lower tiered cities.*

Economics of model

High OPEX
➡️ *High prices and repeated visits to have viability*

How HeyTea Works in China?

Mini Program architecture "HeyTea Go" Is not a BOPIS 'Buy Online Pick up in Store'
It's the Real Store OS

One Platform

Order, pay, collect, deliver, complain, share – all under one ID in one OS.
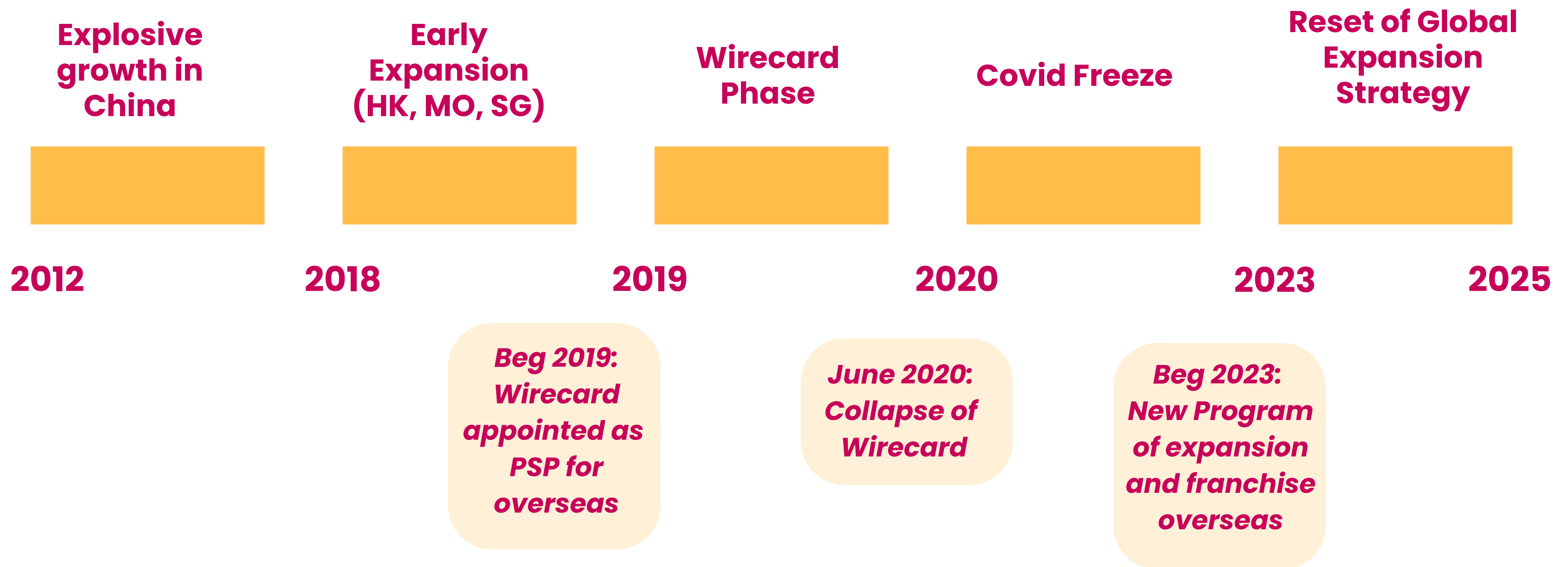
Invisible Payments & Post POS payments

Wallets embedded; no checkout moment.

Loyalty as Gravity

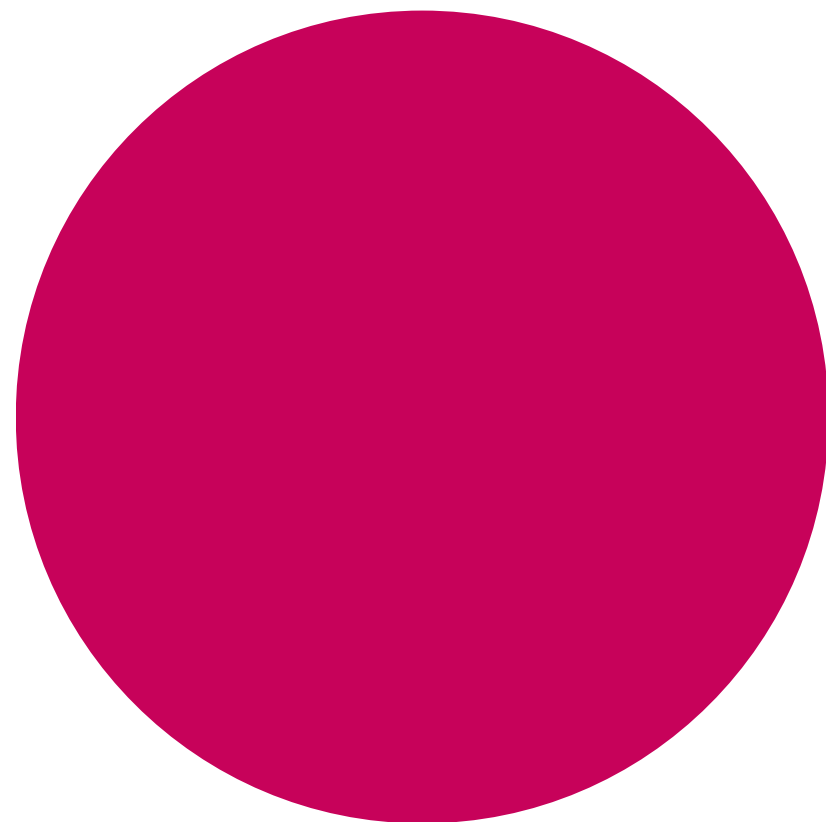*Points, levels, limited editions – all linked to the same account.*

In this model, payments are fully embedded into the commerce OS, not separated or owned by third party

Wirecard, COVID, PSP Swaps: A Bumpy Road to go Abroad

Explosive growth in China

Early Expansion (HK, MO, SG)

Wirecard Phase

Covid Freeze

Reset of Global Expansion Strategy

2012

2018

2019

2020

2023

2025

Beg 2019: Wirecard appointed as PSP for overseas

June 2020: Collapse of Wirecard

Beg 2023: New Program of expansion and franchise overseas

From Ecosystem to Patchwork: Life With Multiple PSPs

4300+ STORES
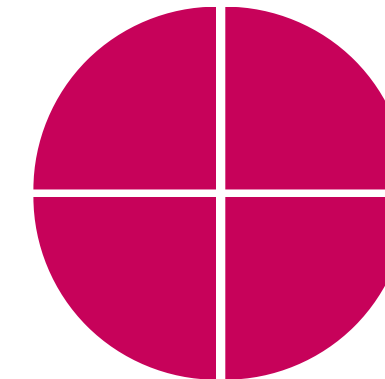
17 STORES

89 STORES

Unified ecosystem in domestic

Early expansion, limited fragmentation 3 markets incl. two in CN (SG, HK,MO)

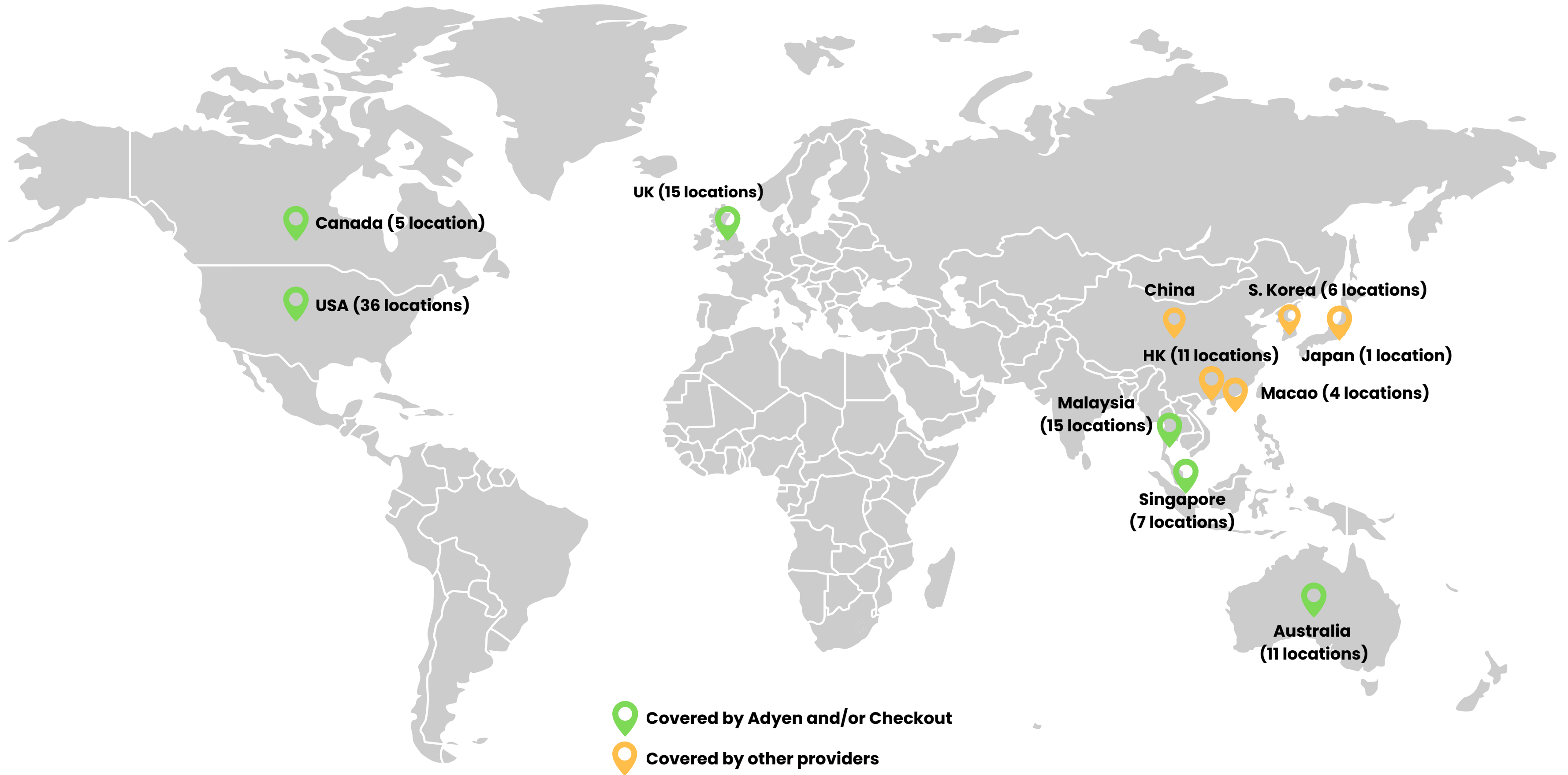👉 *USAGE OF DOMESTIC PSP LIMITED IMPACT MANAGEABLE BY MERCHANT*

Global expansion, important fragmentation 7 additional countries

OPERATIONAL PAIN:
- *RECONCILIATION ACROSS TOOLS,*
- *HIGH PROCESSING COSTS,*
- *COMPLEX KYC FOR EVERY FRANCHISE ENTITY.*
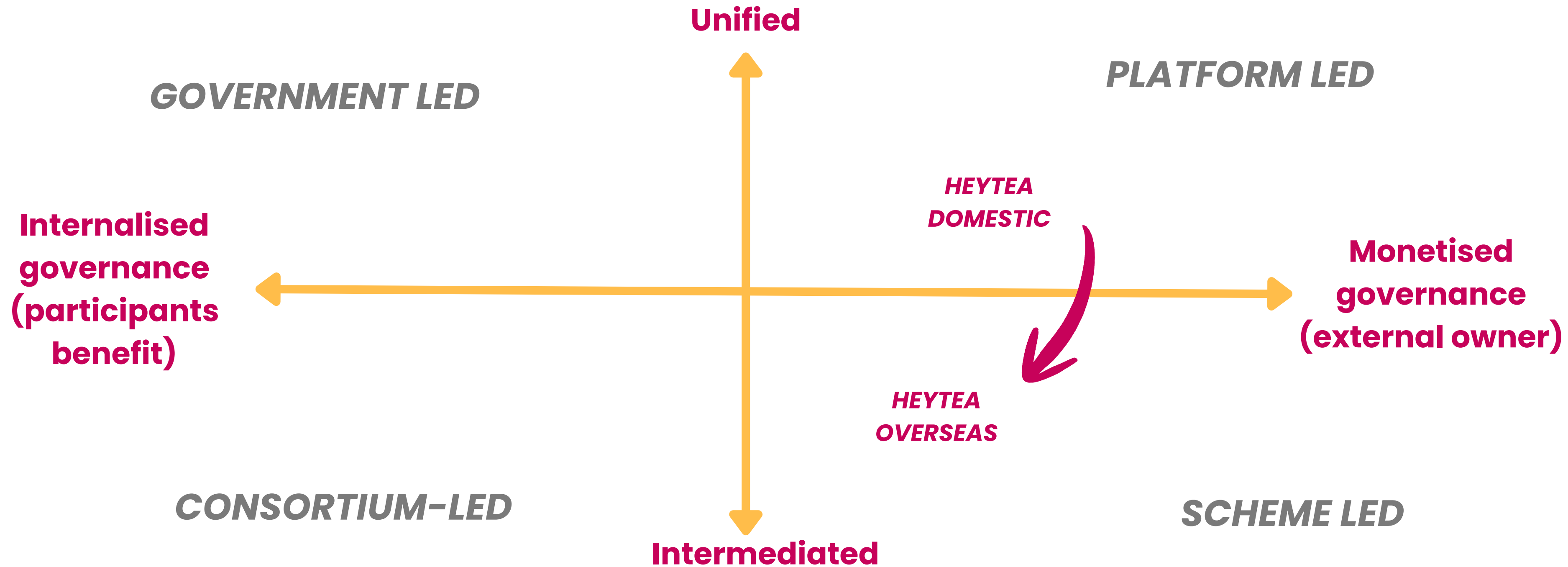- *PATCHY POS SUPPORT*
- *MULTIPLE ACQUIRERS*

To rebuild unification, a PSP must behave like a "platform" (multi-entity onboarding, unified back-office, SDKs, TMS...), not just a "processor".

HeyTea Global Expansion Map and Provider

UK (15 locations)

Canada (5 location)

USA (36 locations)

China

S. Korea (6 locations)

HK (11 locations)

Japan (1 location)

Macao (4 locations)

Malaysia (15 locations)

Singapore (7 locations)

Australia (11 locations)

Covered by Adyen and/or Checkout

Covered by other providers

Who Sets the Rules? A Map of Payment Governance

Unified

GOVERNMENT LED

PLATFORM LED

HEYTEA DOMESTIC

Internalised governance (participants benefit)

Monetised governance (external owner)

HEYTEA OVERSEAS

CONSORTIUM-LED

SCHEME LED

Intermediated

Switch from One Governance to Another redistributes the games and requires new translation

Unified Commerce promise breaks apart...

Outside China 🌎

Procurement governance model

Unified commerce = connecting silos

Rails and processes owned by licensed entities

Risk shared accross value Chain

In China 🇨🇳

Platform governance model

Unified commerce = one system owning everything

Brands govern their own stack through one platform

Risk absorbed by Super Apps provider

Checkout as ultimate collision point:

Assembled chain (PSP + POS + CRM + ERP...) led by PSPs.

One internal flow (ID + order + loyalty + payment) led by Merchant

PSPs can make the chain compatible but cannot restore the original unity of the platform led governance.

...Business Model crumbles outside China

Switch from one governance to another

Loss of Efficiency

Operational costs rise

Speed collapses

UX becomes inconsistent

Loss of Customer Ownership

Loyalty weakens

Data becomes siloed

Retention becomes expensive

Loss of Scalability

No economies of scale

Franchise governance becomes unmanageable

Expansion stops being viable

*The business model CRUMBLES
because the ecosystem that made it profitable, scalable, and
efficient no longer exists.*

Why You Can't "Simply Export" a Platform-Native Brand

EXTREME FRAGMENTATION OF MARKETS

NEW GOVERNANCE MODEL FOR BUSINESS

DIFFERENT CONSUMER BEHAVIOR

SCHEME BASED PAYMENTS

DISTRIBUTED AND SHARED RISK APPROACH

FIERCE COMPETITION ON A DISPUTED MARKET

FRANCHISE NETWORK TO ALLOW SCALED DEVELOPMENT

1
Ecosystem dependence: the Chinese model relies on shared rails (wallets + regulators) that don't exist abroad.

2
Payments without platform Checkout shifts from owned design element to outsourced, compliance-driven function.

3
Data centralisation disappears: loyalty and personalisation loops break when data fragments.

4
Cost inversion: internal efficiency turns into external fees; scale enriches intermediaries.

5
Consumer logic mismatch: No-POS flows hit cultures where "tapping" and staff mediation are expected.

6
Structural limits: even with smart PSPs, fragmentation cannot be fully engineered away.

HeyTea as X-Ray: The Structural Tensions of Payments

HeyTea's challenges overseas reveals system's reflexes.

1
Platform vs Infrastructure Logic
Who should own the payment experience ?

Merchants integrated within a platform must rethink their approach and re-integrate a whole fragmented value chain with intermediates who owns part of payment experience

2
Instant Money vs Delayed Governance
Can speed co-exist with control?

Instant Money from Platform model accelerates the tempo of the card model, changing the rules of compliance and prudential appraoch to access to liquidity

3
Ecosystem Agility vs Procedural Agility
Can providers keep pace with platform logic merchants and their expectations?

Merchants iterate like platforms vs PSPs that re-configure like auditors, two different vision of agility

From Ownership Illusion to Structural Governance

Key Take Away Points to rebuild Unified Commerce approach

✅ Compliance should be an enabler of trade, not a monetised wall; onboarding and reporting must be simplified.

✅ PSPs that win will build for merchant ownership, not dependency: visibility on data, liquidity, and risk.

✅ Ecosystem agility over speed: modular core, localised front-ends, interoperability as a design principle.

✅ Unified commerce future is ownership intention (what you build, rent, and refuse to outsource), not UX uniformity.