

Could Apple's Tap to Pay be a game changer for hawkers?

It can speed up payments and promises convenience behind the counter. But for small businesses, the challenge comes after the transaction.

Daniel Rabetti

In December 2025, Apple launched Tap to Pay on iPhone in Singapore. The feature, which allows merchants to accept contactless payments directly on an iPhone, was framed as another step forward in Singapore's already advanced digital payments ecosystem.

It turns a compatible iPhone into a point-of-sale terminal using a partner-enabled app. The merchant opens the app, enters the transaction amount, and the customer taps a contactless credit or debit card, or a mobile wallet such as Apple Pay, directly on the phone.

For customers, it's a fast and familiar process, especially for those accustomed to contactless payments.

It holds an appealing promise of speeding up transactions – particularly for small businesses. Anyone who has queued during a lunch rush knows that QR payments, while inexpensive, often require several steps: unlocking a phone, opening an app, scanning a code, entering an amount and confirming.

This doesn't just benefit the customers. Businesses operating at high volume – like hawker stalls – can see gains in transaction speed, making queues move more smoothly.

It looks like a game changer. But can it really make a difference for small businesses?

POSSIBILITIES AND LIMITS

One of the biggest benefits Tap to Pay offers small businesses is the fact that there is no need for them to rent or purchase a separate terminal. No cables cluttering an already tight counter space, and no reliance on a fixed set-up.

Payments can be accepted anywhere the phone can be carried.

This is especially beneficial for pop-up stalls, weekend markets or delivery-heavy food businesses, where lugging a terminal around, or installing one at all, can be impractical.

For hawkers in particular, there are also hygiene and workflow concerns. Handling a terminal

repeatedly during peak hours, often while preparing food, adds friction to already pressured operations.

In fact, in markets such as the United States and parts of Europe, Tap to Pay has seen the strongest uptake among micro-merchants and mobile businesses precisely because traditional card terminals are expensive, slow to deploy or operationally burdensome. In these contexts, turning a smartphone into a card reader removed a genuine barrier to entry.

But there are also limits. In Singapore, Tap to Pay's main limitation lies not in the technology, but in how it fits into an already crowded payments landscape.

Walk through any hawker centre and you will see stallholders juggling QR codes, PayNow, NETS,

various e-wallets and sometimes card terminals, each with its own app, settlement cycle and reporting format.

The constraint here is not access to payment technology, but how many systems merchants must manage once the transaction is complete. Adding Tap to Pay risks increasing this complexity.

Tap to Pay also requires an iPhone XS or later model.

Many small vendors – particularly hawkers – rely on older or more affordable Android devices. Asking them to upgrade hardware simply to support another payment option is unrealistic.

And even if they adopt Tap to Pay, it will succeed only if customers actively use it. Without sufficient demand on the customer side, hawkers have little incentive to maintain yet another system. After all, hawker centres attract a diverse clientele, including seniors who prefer cash or familiar QR-based methods.

Furthermore, Tap to Pay does not eliminate transaction fees or administrative overheads. Merchants still pay card-network and app-provider fees, and still

need to monitor another stream of payments, reconcile transactions at the end of the day and resolve discrepancies when they arise.

For businesses stretched thin, these indirect costs often matter as much as, if not more than, headline fees.

Tap to Pay may make it faster and easier for a customer to pay. But it can be yet another system for small businesses to manage amid a proliferation of payment options.

WHAT SMALL BUSINESSES REALLY NEED

So what, then, is the real challenge for hawkers and other small businesses, when it comes to payments?

It is not that consumers don't want choice – they do – but merchants must bear the cost of managing that choice. What small businesses need is not fewer ways for customers to pay, but fewer systems to manage behind the scenes.

Rather than focusing on the front-end systems or adding new front-end options – like customer convenience when it comes to

payments – the next phase of progress should be about simplifying and unifying the side that customers don't see. That is, the tedious back-end squaring up of accounts and fees, long after the dishes have been done.

An ideal payment system for hawkers and small businesses would allow customers to pay using whatever is natural to them – cash, contactless cards, Apple or Android phones – while presenting merchants with a single, unified workflow.

This means one interface, one settlement cycle and one reconciliation process – the process of comparing transactions and financial records for accuracy at the end of the day's business.

When merchants can focus on serving customers rather than switching between apps or tracking mismatched reports, efficiency improves. Viewed through this lens, Tap to Pay adds value for certain merchants. Pop-ups, mobile vendors, delivery-heavy businesses and informal markets stand to benefit from fast, terminal-free acceptance. It can reduce friction at the counter and expand where

and how they operate.

For many fixed hawker stalls, however, Tap to Pay risks becoming just one more option in an already fragmented ecosystem. Its convenience during a transaction may be offset by added complexity after closing time.

LESSONS FROM OTHER MARKETS

So how likely would it be that we could give the hawkers and small businesses what they really need? Some insight can be gained from overseas markets.

Let's look at the two ends of the spectrum. On the one hand, in highly fragmented markets such as the US, small merchants often juggle multiple private wallets, card processors and reporting tools, each optimised for different customer segments. This encourages innovation and can keep fees for both customers and merchants low, but pushes operational complexity onto businesses.

In contrast, highly unified systems such as WeChat Pay and Alipay in China, or Pix in Brazil, offer remarkable simplicity and speed, sometimes at near-zero cost to users. These systems consolidate payments in terms of back-end infrastructure, though they raise other concerns about market dominance and reduced competition.

Neither extreme is ideal. And the lesson that Singapore should draw isn't so much about adopting any model wholesale, but that simplicity for merchants matters as much as choice for consumers.

The challenge ahead is to preserve competition and innovation, while reducing the operational burden placed on small businesses. This will require coordination among banks, payment providers and regulators, and incremental improvements rather than a single sweeping reform.

In addressing this, the perspectives of everyone – hawkers, small business owners, consumers and workers – should also be considered, as they all experience the system differently.

Apple's Tap to Pay is a welcome addition to Singapore's payments toolkit. It is innovative, well-designed and genuinely useful for some merchants.

But what is really needed is seamless settlement, consolidated tools that balance the books, and shared infrastructure that reduces administrative burdens for small businesses.

When innovation simplifies rather than multiplies systems, everyone benefits. Until then, Tap to Pay will remain exactly what it is – a helpful solution for some, but not the magic bullet hawkers are looking for.

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Apple's Tap to Pay is a welcome addition to Singapore's payments toolkit, says the writer. But what is really needed is seamless settlement, consolidated tools that balance the books, and shared infrastructure that reduces administrative burdens for small businesses like hawker stalls, he adds. ST PHOTO: TARYN NG