

# Getting the Billing and Payments Experience Right Pays Dividends for Billers

Fiserv Insights: Ninth Annual Consumer Billing Preference Survey

While some organizations may view billing and payments as simply a cost of doing business, successful billers see the services as an integral part of the customer experience. Do it right, and billing pays important dividends. Make a misstep and billers will likely see a drop in customer satisfaction and increase in attrition.

Getting the billing and payment customer experience right is about meeting people where they are with essential services that fit how people live their lives. Key findings from Fiserv Insights: Ninth Annual Consumer Billing Preference Survey suggest speed and ease of use in how people receive and pay bills are key drivers of satisfaction and customer loyalty.

In particular, the study revealed the importance of meeting consumers' need for a multichannel, immediate billing and payment experience that provides important and actionable information to improve financial health. That kind of accessibility and flexibility requires a lot from billers, but can pay off in higher customer satisfaction, lower attrition and ultimately, an improved bottom line.

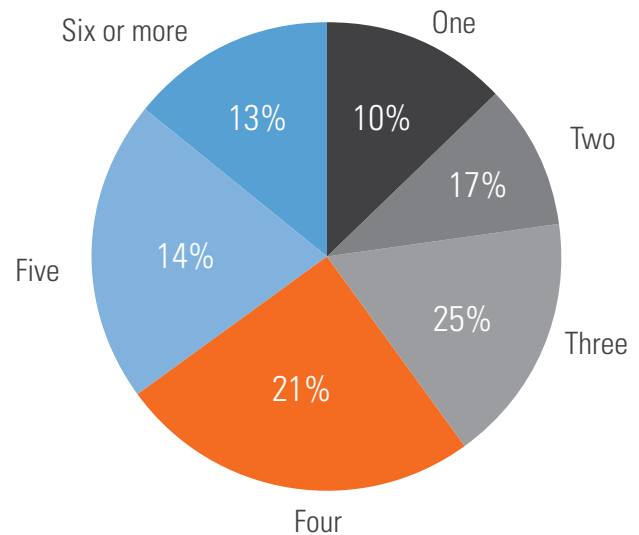
The Consumer Billing Preference Survey examined American households' billing and payment practices, preferences and attitudes. It was completed by 3,003 consumers, representative of U.S. checking account holders ages 21 and older who are responsible for paying their households' bills. The survey's sample represents approximately W116 million online households.

## Consumers Expect a Multichannel Experience

People want to be able to pay or receive a bill in a way that best fits their needs – and just as importantly, they don't want to be forced into using

a payment method that isn't convenient for them at the time. The result? Bill payment channels are currently fragmented. The average household uses 3.6 bill payment methods per month, and 90 percent of households use more than one payment method per month, according to Consumer Billing Preference Survey. Those findings remain stable year-over-year.

**Figure 1:**  
**48% of Households Use More Than Three Payment Methods**



Source: Fiserv Insights: Ninth Annual Consumer Billing Preference Survey, Fiserv, 2016

**Figure 2: Payment Methods Remain Steady**

## 3.6 Average number of payment methods per month

Source: Fiserv Insights: Ninth Annual Consumer Billing Preference Survey, Fiserv, 2016

From month to month, 19 percent of households change how they pay bills. For instance, they may usually pay a bill via their financial institution's online bill pay site, but at times choose to use a mobile phone payment or the biller's site. The survey found the availability of a wide variety of ways to receive and pay bills would lead to greater satisfaction with a biller for 69 percent of households.

According to the survey, the top five payment methods used in the last month include:

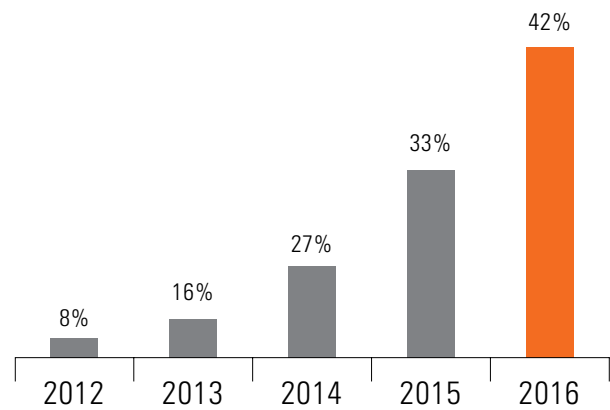
- Biller's site – 62 percent
- Auto-debit checking account – 61 percent
- Check – 46 percent
- Mobile phone – 42 percent
- Financial institution's site – 37 percent

The number of channels consumers use likely won't decrease soon. Billers that are able to check off every bill payment channel will likely keep customers loyal and satisfied – and just as importantly, protect their image and brand.

### **More Billing and Payments Activities Go Mobile**

Paying on the go with a mobile device is easy, fast and convenient. It's not surprising then that the overall number of people who use mobile bill payment grew 27 percent year-over-year to now include 42 percent of U.S. online households.

**Figure 3: Adoption of Mobile Bill Payment Continues to Grow**



Source: Fiserv Insights: Ninth Annual Consumer Billing Preference Survey, Fiserv, 2016

Why the sustained growth and healthy year-over-year increases? Several issues are at play. The mobile bill pay interface no longer lags behind online experiences. Paying bills on a mobile screen is simply easier than it used to be – and the screens are bigger, too. A focus on the mobile experience has led to easier navigation, more intuitive design and a better look and feel. Innovative technology, such as capturing a bill's detailed information with a smartphone camera, is further enhancing the mobile experience.

Just as smartphones are now how most people communicate and stay informed, mobile devices are also becoming the center of how they pay. Look for the captivating power of the mobile experience to continue to drive innovation, enhancements and optimized touch points. Will mobile capabilities change billing completely? Not likely, because people will continue to expect a multichannel payment experience.

According to the Consumer Billing Preference Survey, choosing to pay bills on a mobile device is all about being easy (43 percent), convenient (41 percent) and saving time (40 percent). That ease contributed to a 75 percent year-over-year increase in the number of bills consumers paid using mobile phones – from 3.6 to 6.3 bills in the month prior to the survey.

Being able to pay and receive bills via a smartphone is closely tied to consumer satisfaction, according to the survey. Thirty-four percent of households report it would have a positive effect on their satisfaction with a biller.

### **Billers, Consumers and Financial Health**

Many people struggle to manage their finances. Forty-six percent of households surveyed worry about not having enough money to pay their bills, and 39 percent are concerned about the possibility of late payments.

All in all, most people don't think money management is easy. In fact, 19 percent of households report that receiving, tracking and paying household bills is a high-effort activity. The good news? That finding is down from 30 percent from the previous year, which likely speaks to the increasing ways technology is making the bill payment process easier.

Billers can provide essential services that help consumers manage their finances with more confidence and success, which ultimately helps improve financial health. With same-day and real-time payments, people can expedite their payment and quickly get a confirmation that the bill has been paid. When you're living paycheck to paycheck, knowing exactly when a payment

clears is critical.

When life happens, more people are making expedited bill payments to avoid a late fee.

In the past year, 36 percent made an expedited payment – up 26 percent from the previous year. Sixty-three percent of consumers expect billers to offer a way to make emergency payments, such as same-day credit for bill payments at a biller's site. Others look for the same options through their financial institutions' sites. So that consumers can avoid late fees and other hassles, billers and financial institutions must deliver on those expectations.

Receiving bill due alerts and reminders can help consumers avoid emergency payment situations. What used to serve as a reminder that a bill was due – a paper bill on a desk – has often been replaced or reinforced by emails, texts and app notifications that a due date is approaching. Seventy-three percent of financial institution bill pay users want to receive an alert that a bill is due and 80 percent of households said those reminders would have a positive impact on their satisfaction

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**Figure 4: Consumers Want Alerts**

**73%** of households are interested in receiving reminders when a bill is due

Source: Fiserv Insights: Ninth Annual Consumer Billing Preference Survey, Fiserv, 2016

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with a biller or financial institution.

Most of the time people receive their bills and pay them on time, but every now and then a bill is forgotten or money is tight. Providing a way for

consumers to effectively manage their finances and pay bills on time is good for consumers – and good for billers. When incoming funds arrive as planned or via an expedited real-time payment, billers are better able to efficiently cash flow their businesses.

## **Meeting Consumers' Expectations Pays Off for Billers**

Everyone has bills to pay. And bill payment is the most common touch point for consumers and billers. Sixty-four percent of people who visit a biller site on their mobile phone do so to pay a bill, according to the survey. Being able to deliver on the promise of speed, ease and convenience – no matter the channel – has real-world implications for consumers and billers.

When billers make safe, fast and convenient billing and payment options available – delivered where, when and how people need them – satisfaction and loyalty will follow. To the degree that billers can help consumers with those most basic financial management tasks, it also has bottom-line implications for billers related to costs, efficiencies and customer service.

### **Connect With Us**

For more information on billing and payments, call 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).

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