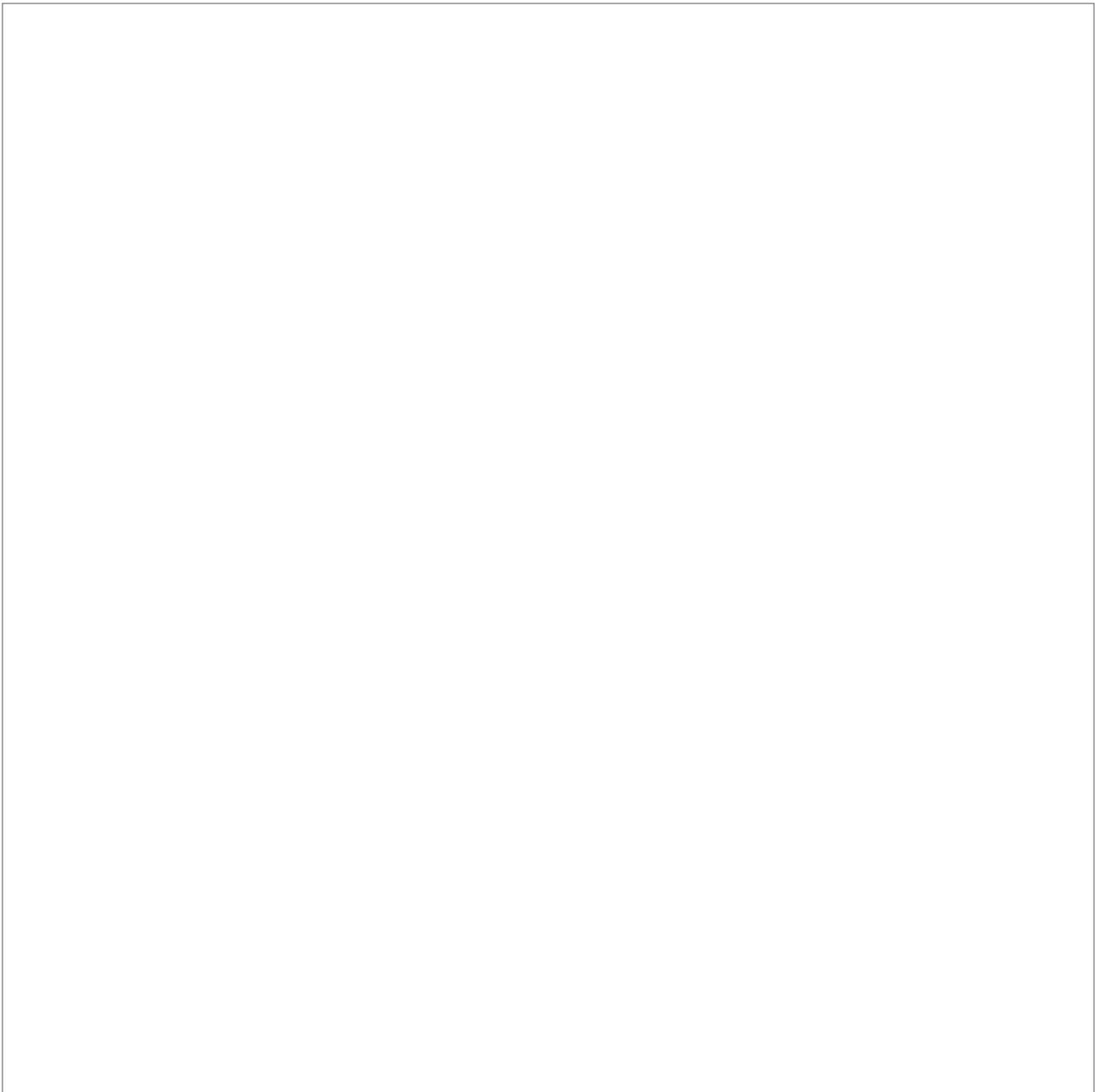




**Increasing Electronic Billing and Payments Adoption: Four Proven
Methods to Convert Consumers From Paper to Electronic Channels**



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Consumers are moving more of their day-to-day financial activities online, yet they have shown a reluctance to replace paper bills with electronic versions, known as e-bills. Billing organizations that reach higher levels of e-bill adoption can reduce costs and increase customer satisfaction related to convenience, financial management and environmental benefits. To convert customers from paper to electronic bills, billers should actively incorporate both online and offline channels as part of their electronic billing and payment marketing strategy.

Although e-bills have been available for more than a decade, 76 percent of all bills are still delivered via paper, according to a 2014 Blueflame Consulting study. Gains are being made, however. According to the 2014 Seventh Annual Billing Household Survey from Fiserv, of the consumers who pay bills online through their financial institution and are aware that their bank or credit union offers e-bills, approximately two-thirds receive at least one e-bill, up slightly from the previous year.

Over the next five years, 11 billion transactions will shift from paper to electronic delivery models, according to industry estimates. Based on extensive research, the latest industry trends and proven best practices, Fiserv has identified four proven methods to increase electronic billing and payment adoption, using both online and offline channels: website optimization, social media marketing, print messaging and customer service representative training.

Electronic Billing and Payment Deliver Multiple Benefits

Billing organizations benefit in several key ways from electronic billing and payment, including a reduction in printing and mailing costs. Rising U.S. Postal Service rates and other associated expenses, such as paper and labor, have pushed the average cost to produce and deliver a paper bill to 79 cents, according to the Blueflame Consulting study. Encouraging electronic billing and payment can also reduce costly customer care calls. A study of customers of Con Edison, one of the nation's largest investor-owned energy companies, found that customers receiving e-bills at ConEd.com were 39 percent less likely to call live customer service per month, when compared to paper bill recipients.

Fiserv White Paper

Whether using a biller direct site or a financial institution's website, customers express greater satisfaction with a biller that offers e-bills and say they are less likely to switch to a competitor, according to the 2014 Billing Household Survey. The survey highlights the benefits of increased digital engagement, with consumers utilizing multiple channels to view and pay bills. Customers who use electronic billing and payment are also more likely to pay their bills on time, reducing the biller's days sales outstanding (DSO). To help billing organizations reap the benefits of electronic billing and payment and capitalize on the growing momentum for this important channel, four proven methods to increase adoption should be considered.

Proven Method #1: Website Optimization

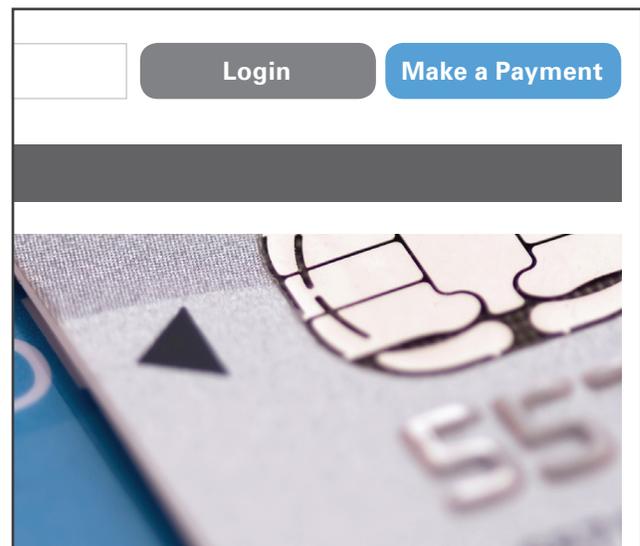
The role of a billing organization's website in promoting greater electronic billing and payment adoption cannot be overstated. Whether via desktop or mobile, the primary reason consumers visit a biller's website is to conduct bill payment activities. In fact, more than 56 percent of consumers visit a biller's website to pay a bill, 38 percent to review billing and payments, and 34 percent to access their bill, according to the 2014 Billing Household Survey.

Billing organizations' websites should include the capabilities consumers are looking for, such as enabling payment using a guest check-out option with no required registration, a feature used by 28 percent of consumers, according to the same survey. Other popular features include expedited and emergency payments, card-funded payments, bill alerts and payment reminders. A convenient experience helps consumers view and make payments quickly and easily and encourages self-service, reducing their need to reach out to billers using more costly channels.

A prominent, easy-to-find link should take consumers from a biller's homepage to online bill pay capabilities with one click. A site-wide header is ideal, but billers can utilize other treatments, such as placing the "make a payment" icon well above the fold and using visual and copy elements to make it easier to find (see Figure 1).

Figure 1: Biller Homepage With Bill Pay Capabilities

Clearly Identified Link to Online Bill Pay



Online Bill Pay Welcome Message

A screenshot of a login form titled 'Welcome to Online Bill Pay'. It contains two input fields: 'Account Number' and 'Password'. Below the fields are two buttons: 'Continue' and 'Back'.

Source: Fiserv, Inc., 2014

On the payments options page, all payment and billing options should be visible, enabling consumers to learn more about every available option for receiving and paying their bill, as well as options to manage their billing and alert preferences. Labeled icons and tight organization for each payment channel are recommended, and billers should minimize copy so consumers are able to clearly see and differentiate their options. Expedited payments are important to consumers and should be the first option presented on the payment options page. Billers need to proactively answer questions consumers most often have regarding online payments, such as payment posting schedules and any related fees. Easy-to-see icons help consumers see accepted payment methods at a glance (see Figure 2).

Figure 2: Display of Icons, Fees and Payment Posting Schedules

| Payments Made: | Will Be Posted to Your Account on: | Pending Disconnection Service Notice: |
|------------------------------------|------------------------------------|---------------------------------------|
| Before 5 p.m. EST Monday–Friday | The Same Day | No Further Action Required |

- 1 Icons Make it Easy to See Payment Methods at a Glance
- 2 Fees are Clearly Disclosed
- 3 Payment Posting Schedule

Source: Fiserv, Inc., 2014

Rich content and tools, such as search functionality, options of choice and up-to-date FAQs, need to be incorporated into the billing and payment options page. For added convenience, direct links to e-bill information and vanity URLs used in marketing collateral and promotions should point consumers to payment options and e-bill content on the biller’s website. Online interstitials, which are displayed before or after the expected content page, promote key value propositions of e-bills and appropriate calls to action.

Proven Method #2: Social Media

Social media is an effective and low-cost means to support e-bill adoption goals. According to the 2013 Fiserv Consumer Trends Survey, more than 80 percent of U.S. online households use social media and more than half of those households connect to a business or service provider through social media.

Although billers in the 2014 Fiserv Social Media E-Bill Marketing Study have a presence on more than 10 social media platforms, most are not yet fully leveraging social media for e-bill promotion (see Figure 3). Since users of social media are most likely already paying their bills online, it is sensible to use social media to encourage consumers to take the next step—receiving bills online without the paper version—as part of a comprehensive, integrated and effective e-bill marketing program.

Figure 3: Billers Promotion of E-Bill Through Social Media



Source: Social Media E-Bill Marketing Study, Fiserv, Inc., 2014

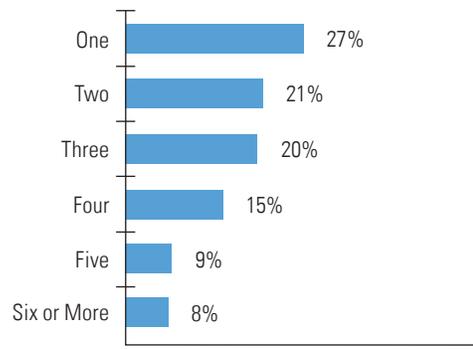
Social media e-bill campaign messages should be consistent across platforms, and use a combination of text, pictures and videos to capture interest. Content should match the features of each social media platform. Facebook posts should include rich content, lead-in questions, pictures and links to the biller’s website to facilitate enrollment and the tone should be conversational. Twitter messages are limited to 140 characters, so using hashtags, shortened links and concise calls to action is most effective.

Proven Method #3: Print Messaging

Consumers continue to expect their financial institution and billers to provide multiple billing and payment options. While they increasingly look for mobile and tablet options, they are also likely to use more established billing and payment methods, such as paper checks, mail, phone and walking in a payment at a physical location. According to the 2014 Billing Household Survey, more than half of consumers use more than three bill payment methods each month (see Figure 4).

Figure 4: Bill Pay Methods Fragmented

Number of Bill Payment Methods Consumers Use Per Month as a Percent of All U.S. Households



Source: Seventh Annual Billing Household Survey, Fiserv, Inc., 2014

From the first welcome communications to recurring statement messaging, billing organizations should take advantage of every opportunity to let consumers know the many options they have for receiving and paying their bill, as well as any associated fees. Consumers will be especially receptive to this message while they are looking at their bill and thinking about paying the biller (see Figure 5). For customers with delinquent payments, past due notices should similarly remind them of all payment options, including expedited payments.

Figure 5: Use Paper Statements to Remind Customers of Billing Options

Example of Credit Card Payment Option Appearing on Billing Statement

Credit Card Payments

Need to pay your bill right away? Now you can, using our automated payment service.

Please note – our automated payment service will charge a service fee to handle the payment.

You may submit your payment over the internet or by phone, seven days a week, 24 hours a day. You will need your account number along with a valid credit card or Debit/ATM card.

To pay by internet:
[Go to Automated Payment Service](#)

To pay by phone:
1-800-555-0199

Source: Fiserv, Inc., 2014

Proven Method #4: Customer Service Representative Training

Customer service representatives should be utilized to promote electronic billing and payment options and help reduce future call center costs. According to the 2014 Billing Household Survey, 74 percent of consumers who visited a biller website for any reason, including making a payment, said they otherwise would have called customer service, highlighting the powerful role of cost-effective self-service channels.

Customer service representatives should understand all available payment options, including how each works and which option is best for every possible situation. They should also be equipped with answers to the most frequently asked questions. When

representatives are well trained on various payment options, including the benefits and features of each option, they are better able to walk customers through every payment scenario.

To promote electronic billing, educational materials can be incorporated into internal communications and representative training, including onboarding materials, staff meeting agenda items, corporate email messages, executive voicemails, internal newsletters, intranet sites, blogs, common area signage, printed materials and FAQs.

Now is the Time to Revisit E-Bill Strategies

Moving customers from paper to e-bill offers many advantages to billers, including decreased costs, and increased customer satisfaction, retention and digital engagement. Likewise, consumers benefit from the ease, convenience and financial control offered by electronic billing and payment.

While these benefits are well known to billing organizations, consumers seem to be less informed regarding the advantages of paperless billing and payment options. Fiserv has identified four proven methods to increase electronic billing and payment adoption, including online methods (website optimization and social media) and offline methods (print messaging and customer service representative training).

With consumer interest in electronic billing and payment increasing, now is the time for billing organizations to revisit their e-bill strategies. Billing organizations must make every effort to increase awareness and adoption of electronic billing and payment, including implementing a proven strategy of consumer education through online and offline channels.

About Fiserv

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