



The *Clear* Payments Choice



PRESENTED TO



2018 Utility Payment  
Conference

## Mobile Relevance – What Current Trends Mean for Bill Payment

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October 23rd, 2018

[ClearwaterPayments.com](http://ClearwaterPayments.com)

# Agenda

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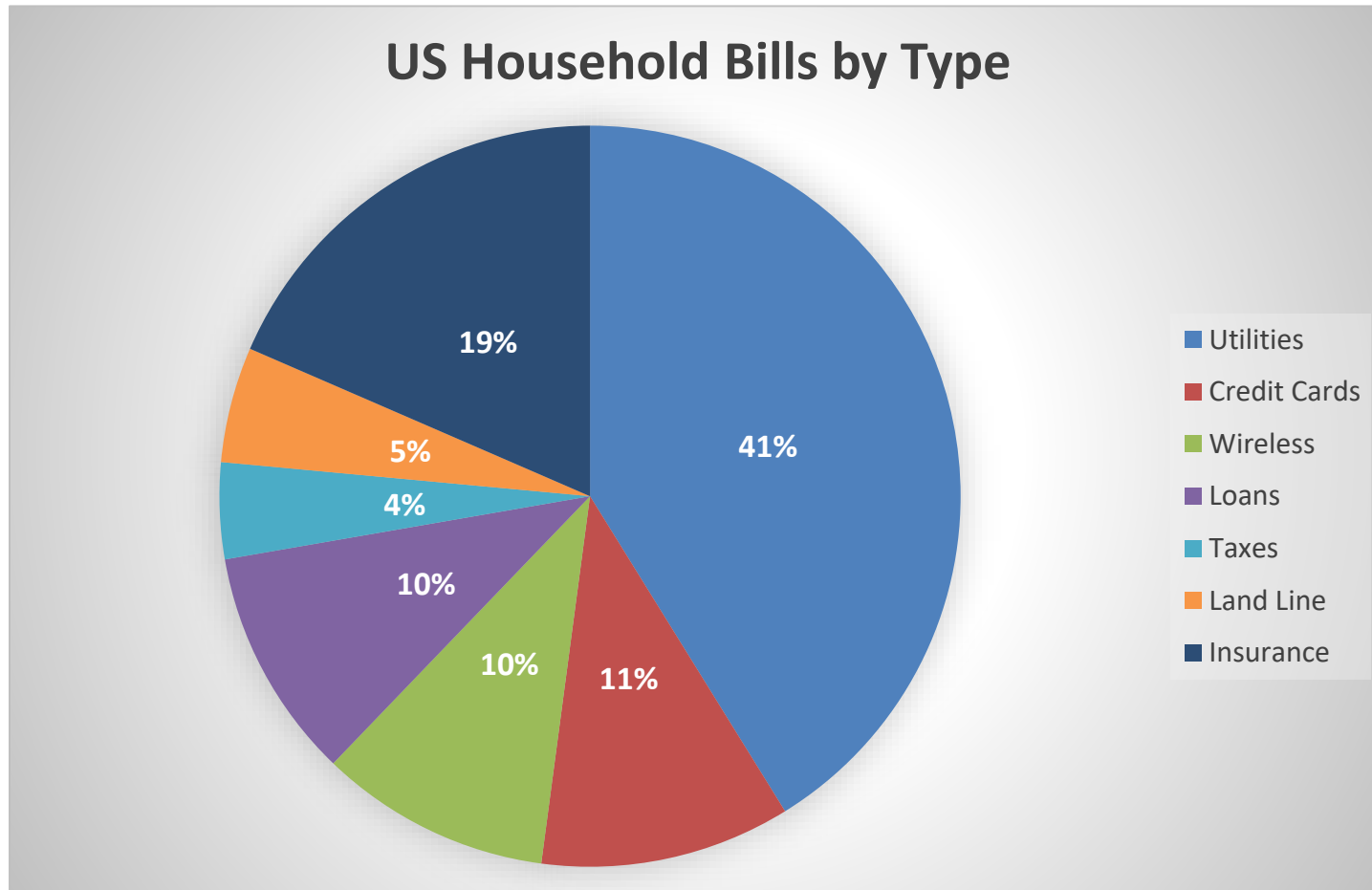
- Introduction
- Bill Payment Landscape
- The Mobile Evolution
- Millennial Money Movement
- The Advent of e-Wallet
- Giving Customers What They Want
- Mobile Payment Is the Future

# Introduction

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- In the last 30 years, the payment industry has made giant leaps toward giving customers faster, easier ways to take care of their financial obligations.
- More of today's account holders are tech-dependent, mobile-empowered consumers that expect all transactions to be accurate, actionable, immediate and concise.
- To keep their payment options relevant and effective, billers must meet these expectations with an effective mobile payment strategy that goes beyond simply offering a mobile responsive website.

# Bill Payment Landscape: Household Bills



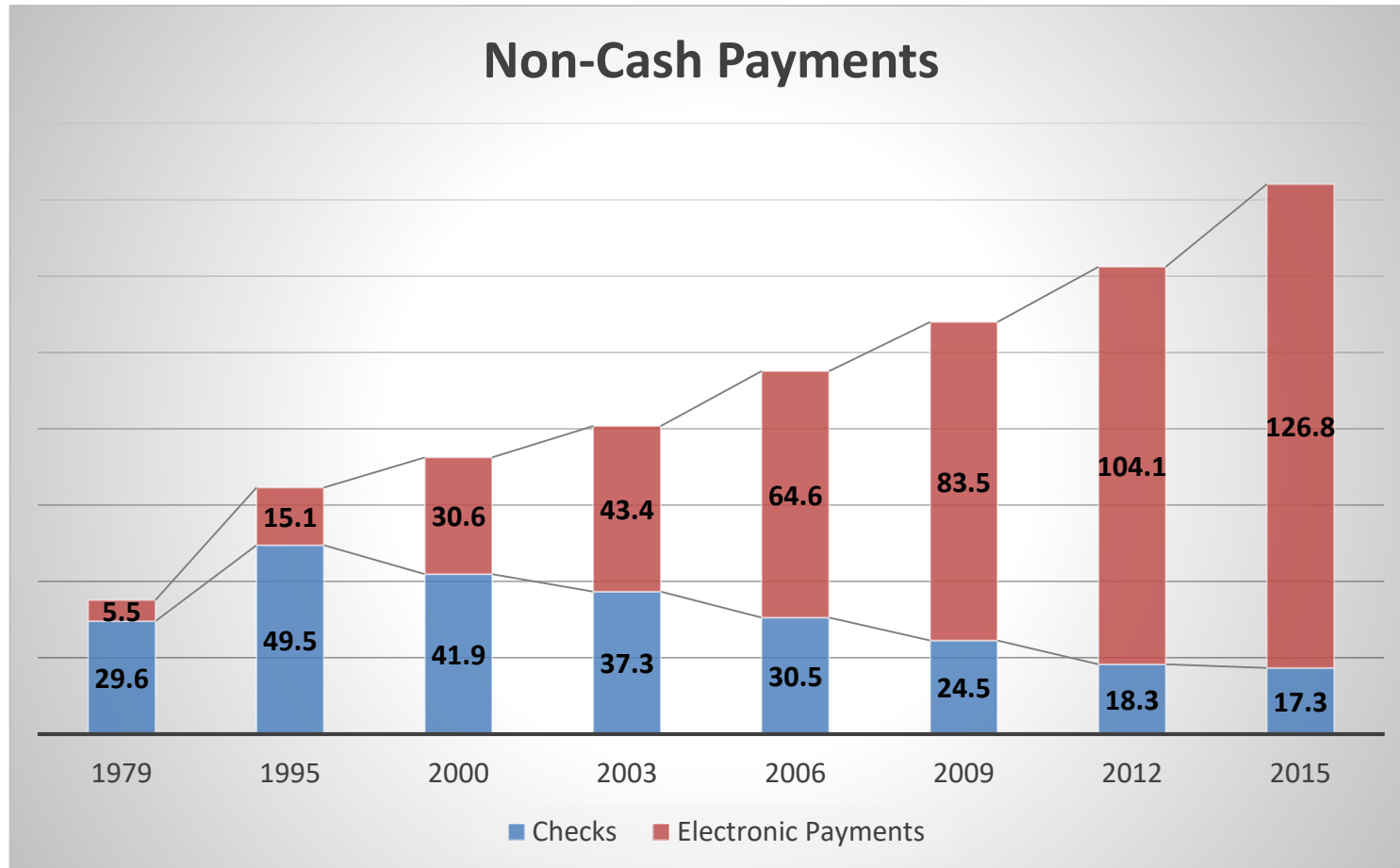
# Bill Payment Landscape: Channels and Methods



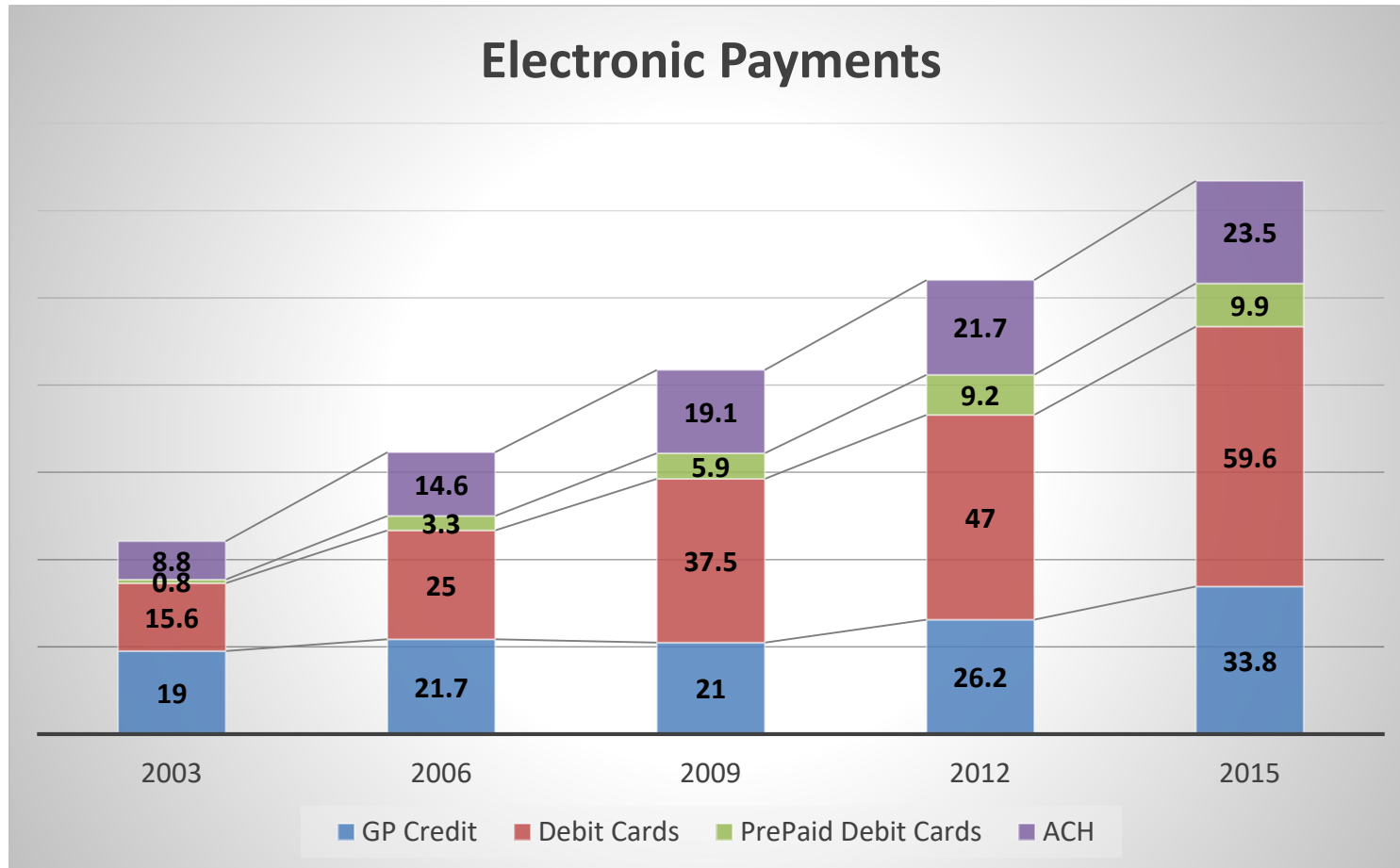
- 45 variants
- None going away
- ACH 70's
- Emerging Payments
- Integrated Payments

Channels/ Methods	Mail	In-Person	Drop Box	3rd Party Agent	Phone: CSR	Phone: IVR	Internet	Bank Bill Pay	Aggregator	Kiosk	Field Rep.
Cash	✓	✓	✓	✓							✓
Check	✓	✓	✓	✓						✓	✓
Recurring ACH						✓	✓				
One-Time ACH					✓	✓	✓	✓	✓		
Recurring Card						✓	✓				
One-Time Card	✓	✓		✓	✓	✓	✓			✓	✓
Recurring ATM						✓	✓				
One-Time ATM						✓	✓			✓	
On-line Banking						✓	✓	✓	✓		
Pre-Paid		✓		✓		✓	✓			✓	
Emerging					✓	✓	✓				

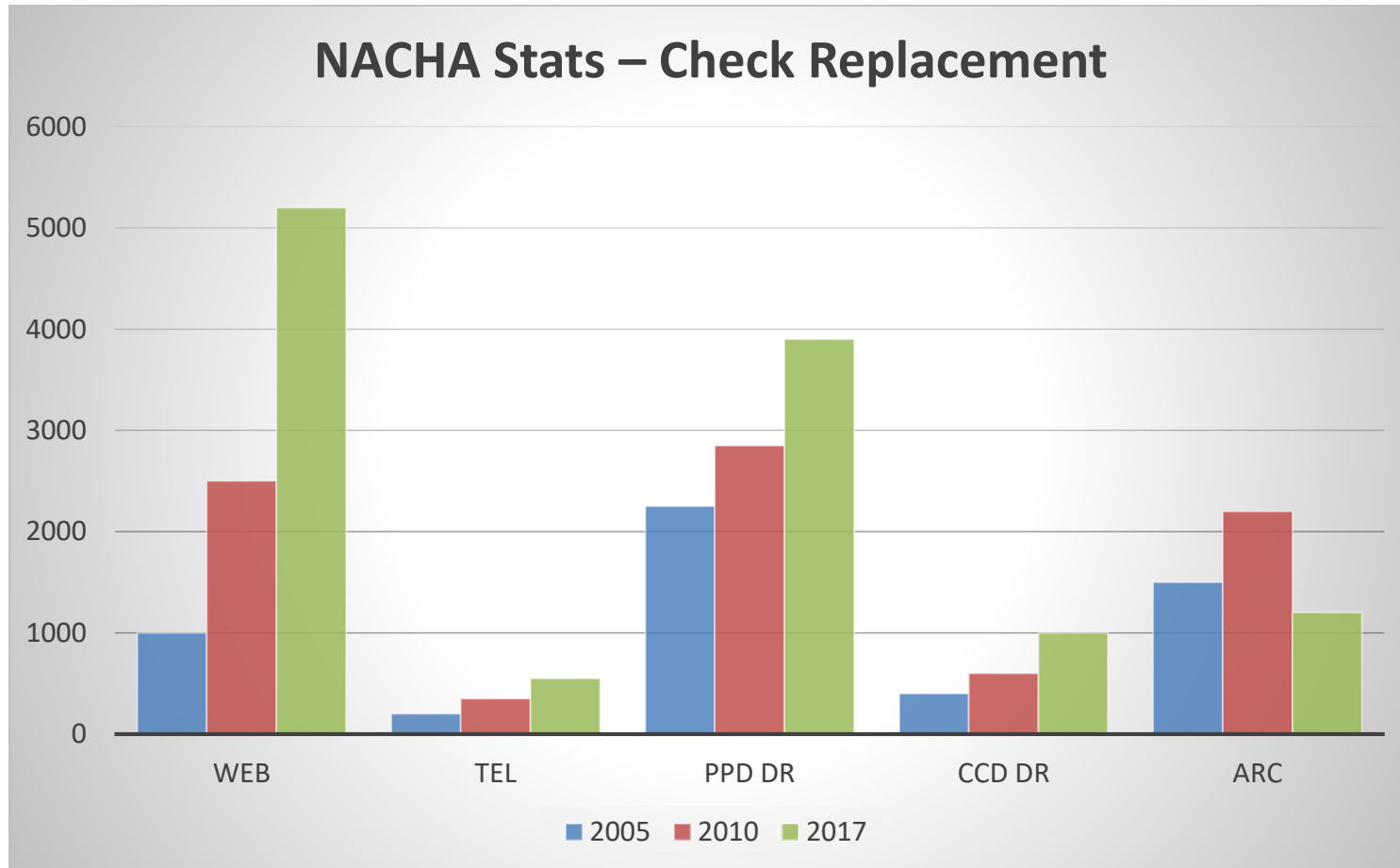
# Bill Payment Landscape: The Shift to Electronic



# Bill Payment Landscape: The Shift to Cards

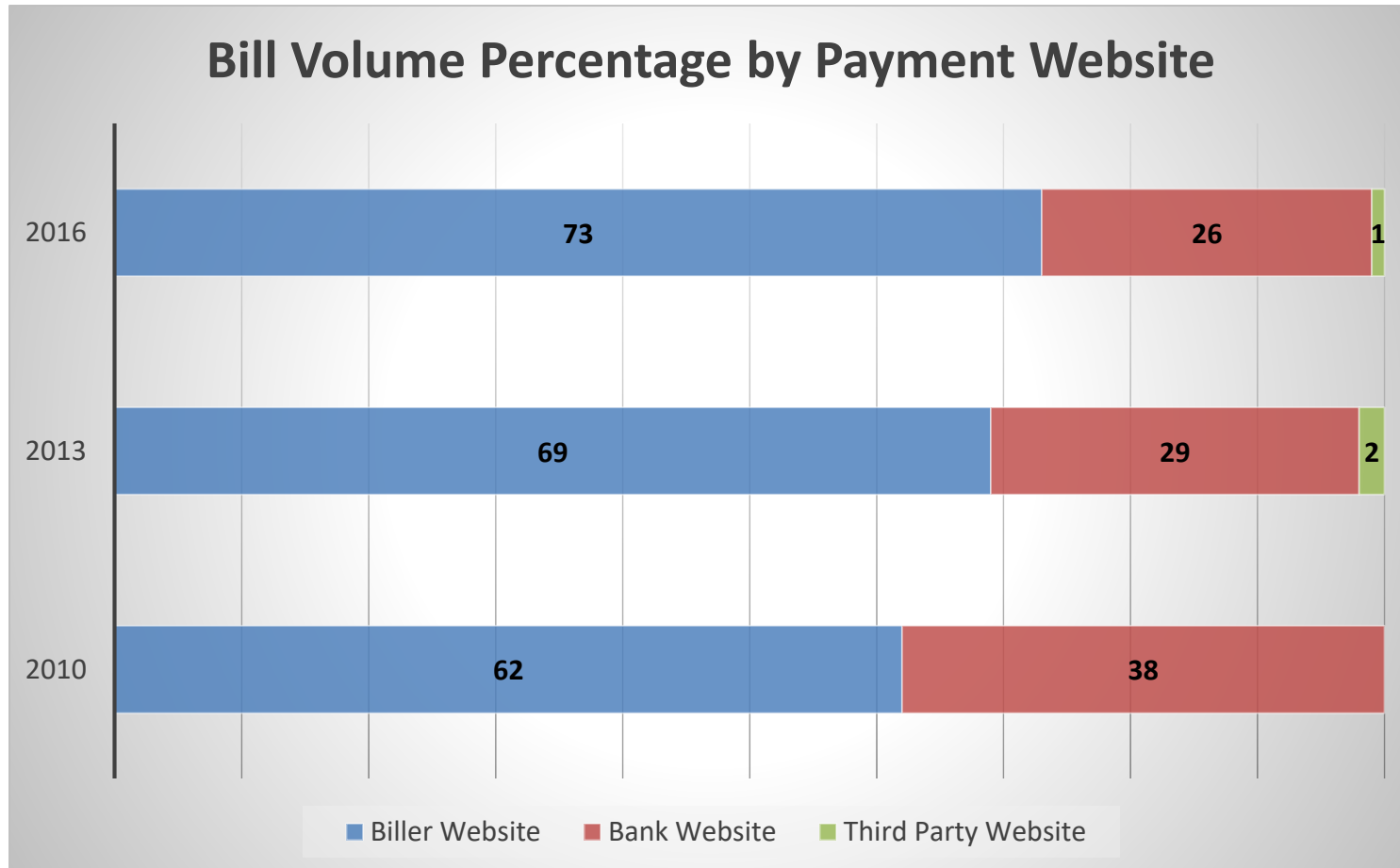


# Bill Payment Landscape: ACH Disbursement

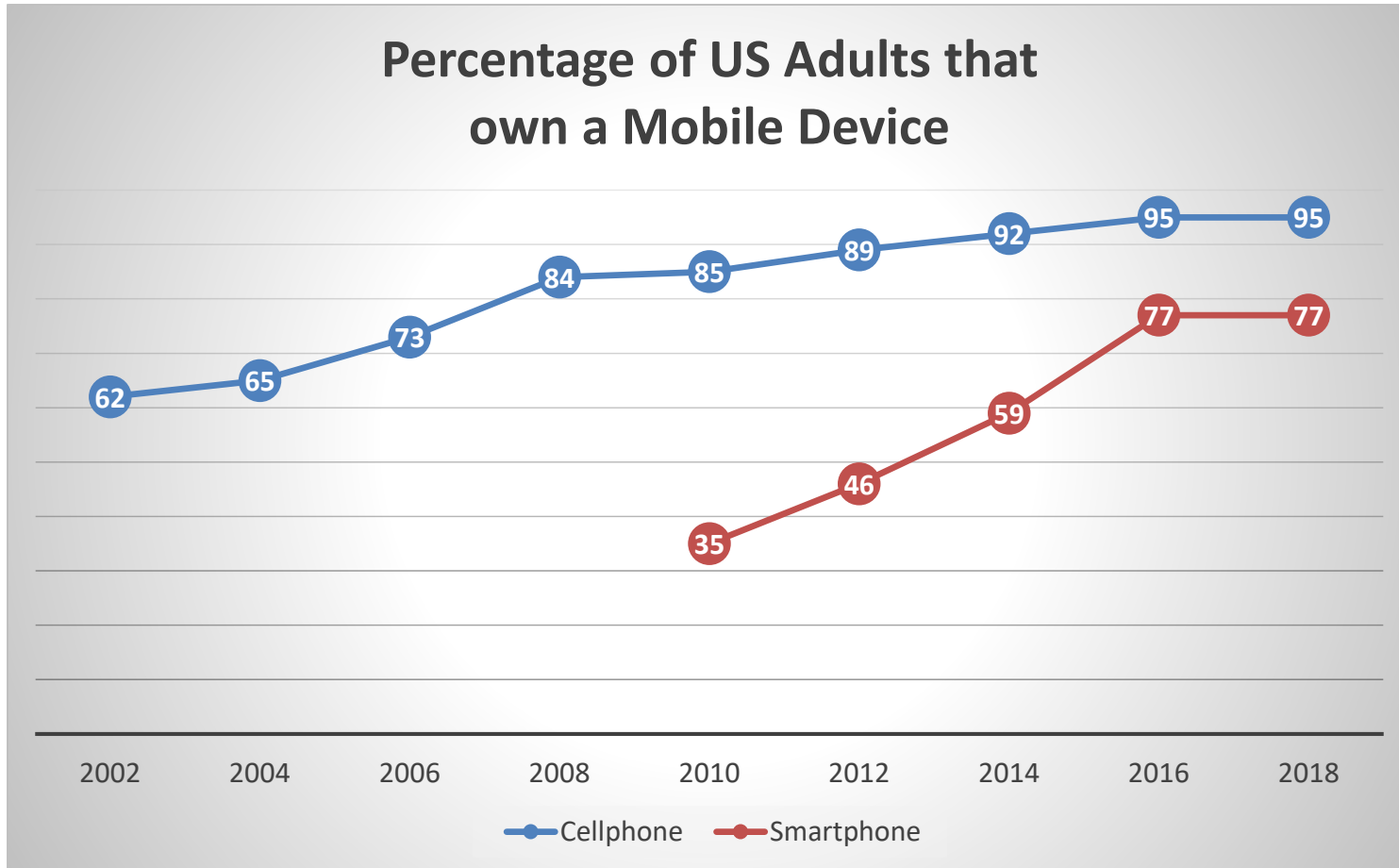




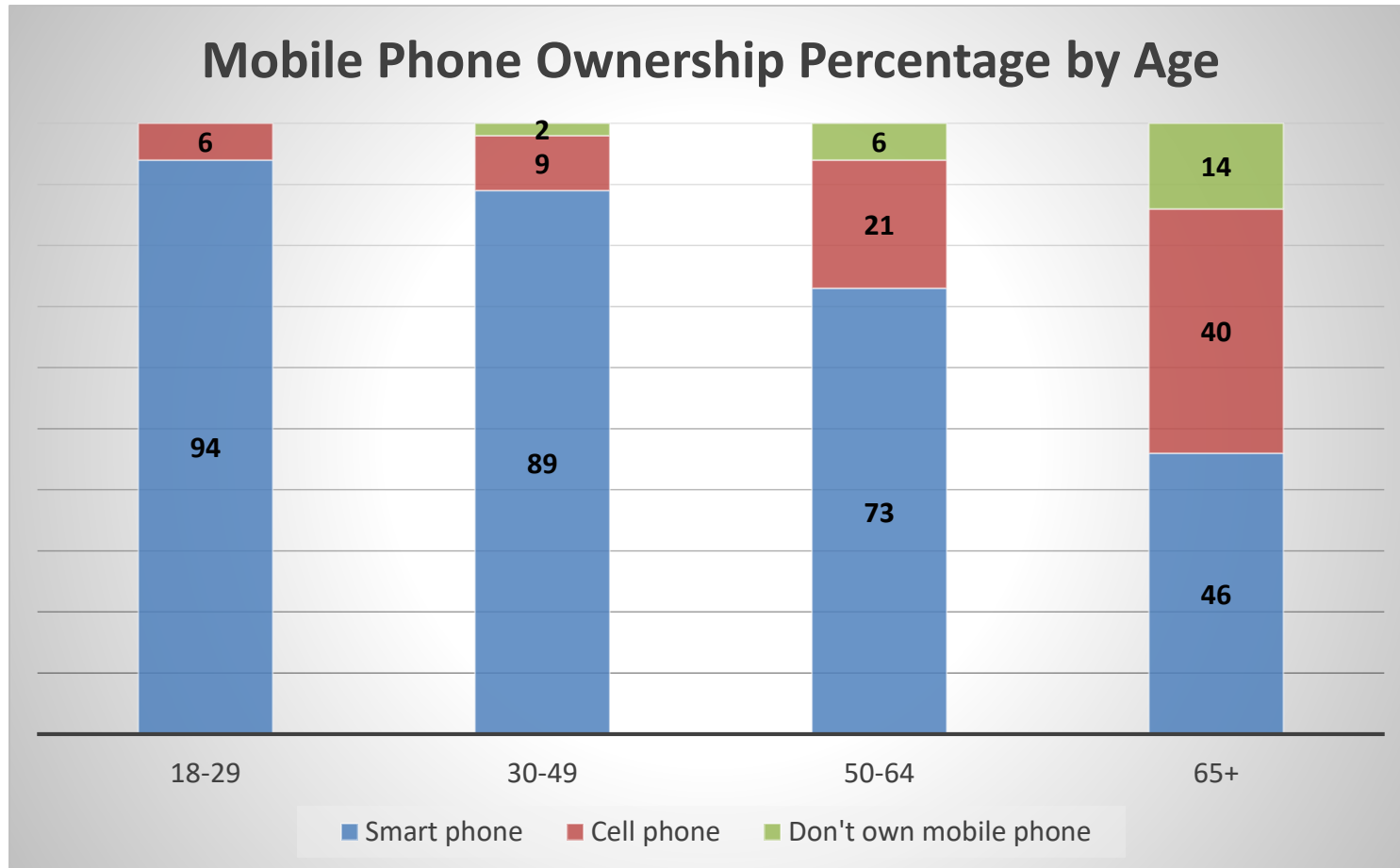
# Bill Payment Landscape: Website Payments



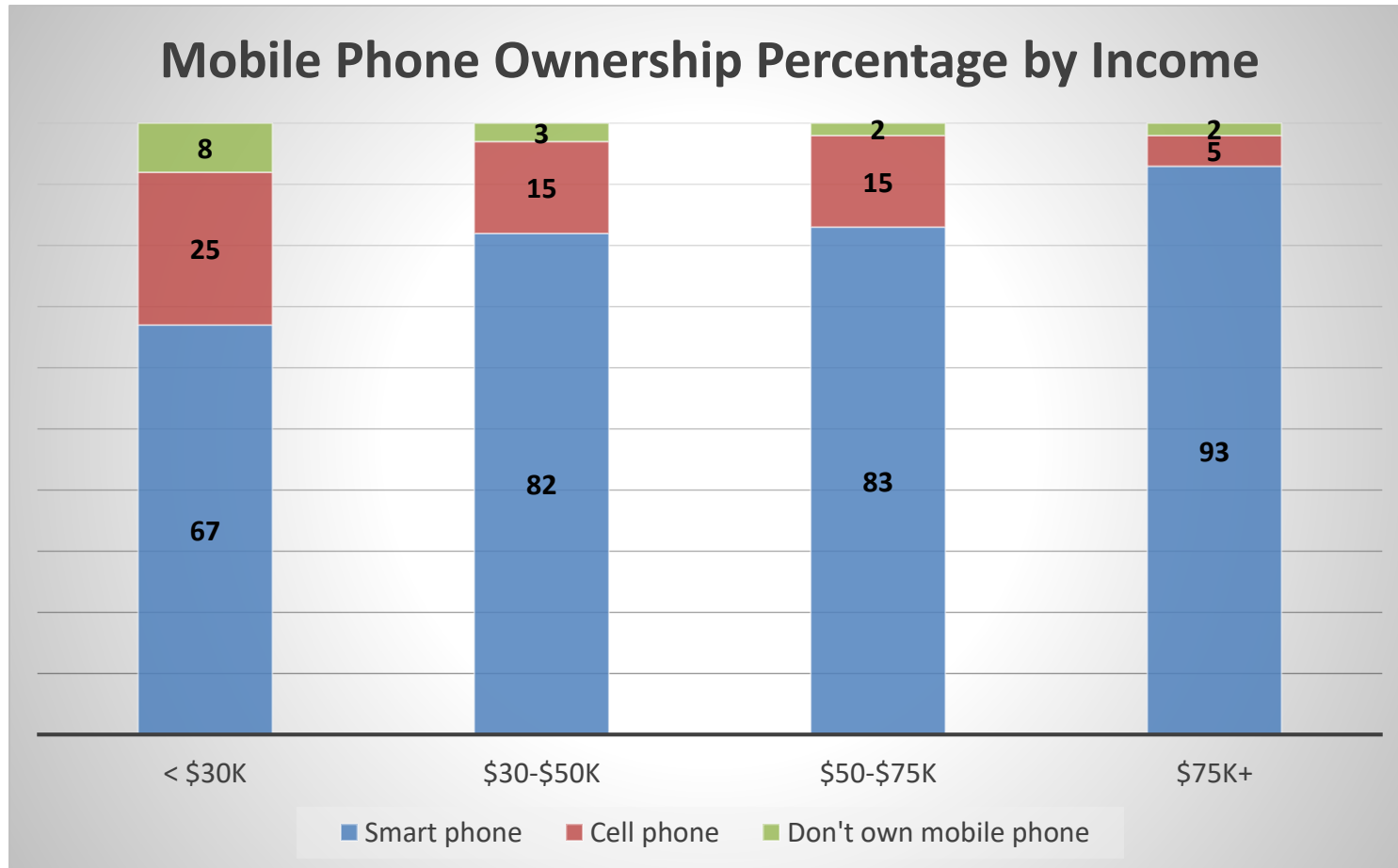
# The Mobile Evolution



# The Mobile Evolution: Devices by Age



# The Mobile Evolution: Devices by Income

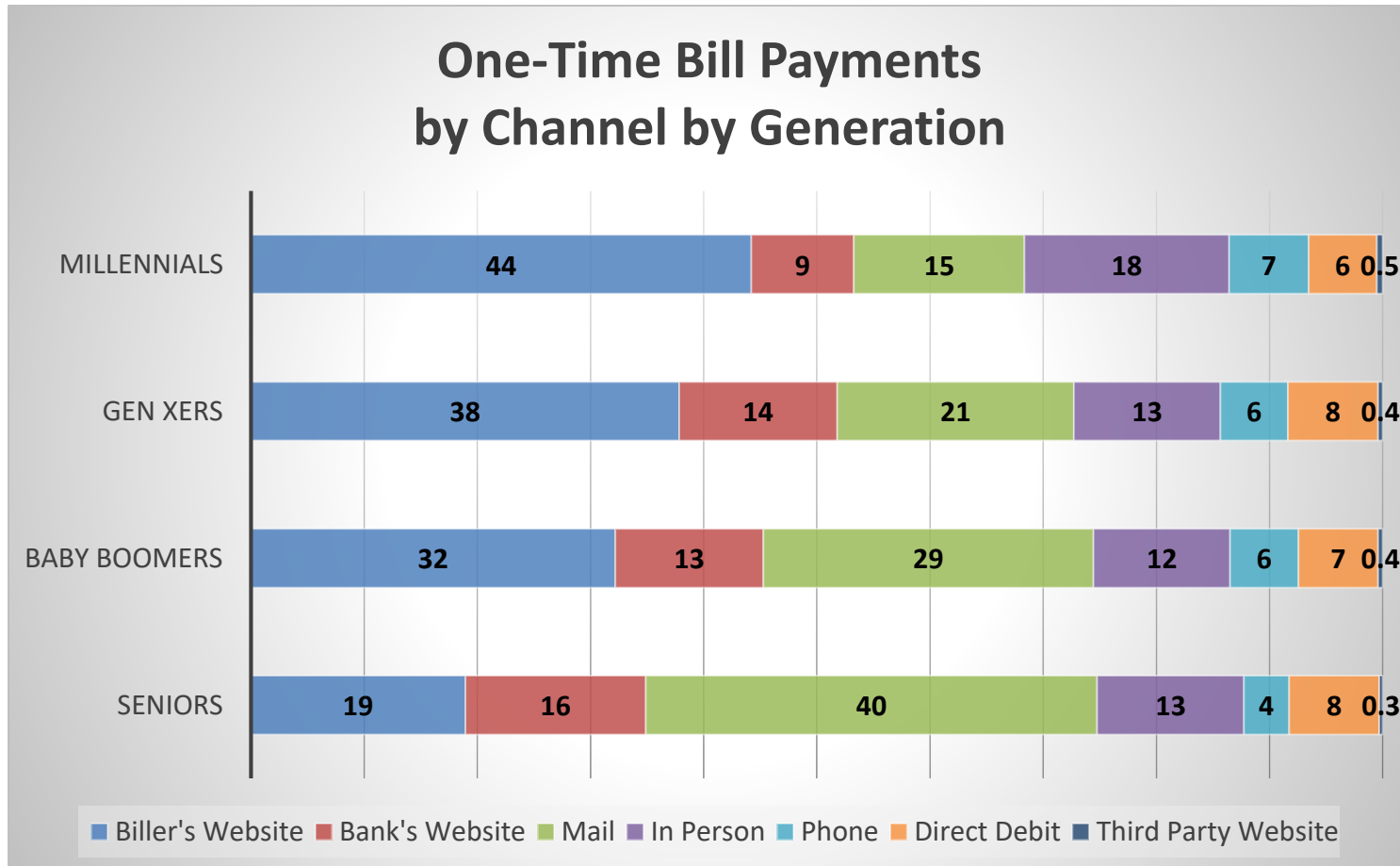


# The Mobile Evolution: Consumer Expectations

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- As personal technology continues to push the boundaries of both capability and speed, today's consumers expect bill payment experiences that are:
  - **Instantly accessible**
  - **Accurate**
  - **Concise**
  - **Actionable**
- Because smartphone technology fulfills all of these criteria, the biggest growth opportunity in the online space is the next evolution of payment methods -- Mobile-responsive bill payment, with immediate, actionable prompts that pop up right in the palm of your hand or even on your smartwatch.

# Millennial Money Movement



# Millennial Money Movement cont.

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- Millennials, as well as the younger Gen Z generation coming up behind them, have grown up with mobile technology and have never known a world without the internet. Gen Z consumers will become a large payment customer base as they move into adulthood, constituting 40 percent of all U.S. consumers by 2020.<sup>1</sup>
- Millennials and Gen Xers pay more of their bills using debit cards than older consumers do: 22 percent and 16 percent, respectively, versus 11 percent for baby boomers and 5 percent for seniors.<sup>2</sup>
- Younger people are also much more likely to trust an entity that is not their bank to handle their financial transactions appropriately.<sup>3</sup>
- It's clear that today's younger generations are ready to put their e-wallets to good use.

<sup>1</sup> Jeremy Finch, "What is Generation Z, and What Does it Want?," May 4, 2015

<sup>2</sup> Aite, How Americans Pay Their Bills: Sizing Bill Pay Channels and Methods, January 2017

<sup>3</sup> Accenture 2017 North America Consumer Payments Pulse Survey

# The Advent of e-Wallet

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- The future of payment technology can be found in e-wallet, also called m-payment, mobile money, mobile money transfer, or mobile wallet. The e-wallet is a native app – it comes already installed on new smartphones – so it doesn't require customers to search for and add any new, payee-specific apps.
- Apple started the trend when it made Apple Pay available in 2014, quickly spurring other major tech providers to create their own e-wallet offerings.
- Adoption of e-wallets is growing among the 195 million adults who use smartphones, opening up vast new markets for billers who want to adopt the latest in mobile payment technology.
  - 64 percent expect to use a mobile wallet by the year 2020.<sup>1</sup>



# The Advent of e-Wallet cont.

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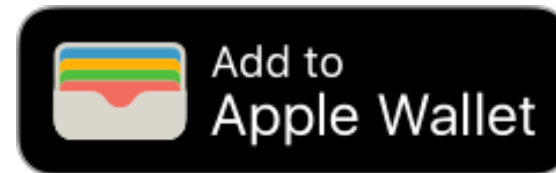
- Millions of people already use e-wallets to make payments at brick-and-mortar retailers and online payees, with use of smartphones to pay at merchant terminals growing by 71.9 per year between 2012 and 2015 alone.<sup>1</sup>
- Mobile payments are expected to nearly triple from 2017 to 2022<sup>2</sup> as more companies utilize the e-wallet option and more payees discover the advantages of using it.
- The latest bill payment innovation leverages these native mobile e-wallets to help customers pay recurring bills for industries like utilities, insurance and consumer finance.

1 <https://www.federalreserve.gov/paymentsystems/2017-june-recent-developments.htm>

2 Forrester Research Inc., Forrester Data Report: Mobile Payments Forecast, 2016 To 2021, 2/10/2017

# The Advent of e-Wallet: Enrollment

- Companies deploying an e-wallet bill payment option encourage customers to add their e-wallet “card” to the native mobile wallet app on their smartphones by providing links in web receipts, emails or texts or by including a QR code on their bill.
- CSRs can also send an enrollment link to a customer while they have them on a call, which helps reduce future customer service calls.



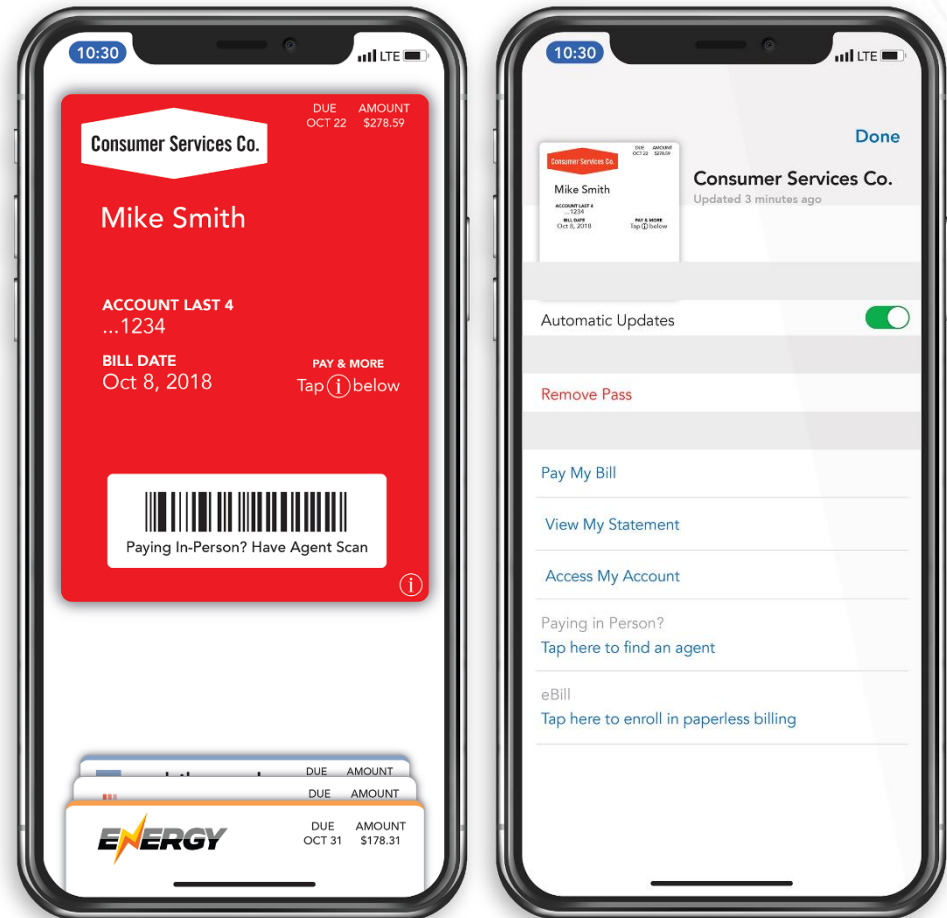
# The Advent of e-Wallet: Messaging

- Another valuable feature that leverages the native e-wallet app are instant messages. Similar to text messages, they appear on the smartphone to notify the customer about things like bill payment due, scheduled payments or even outage notifications.
- Such alerts are effective in prompting payment because they are actionable – the user can click right on the alert to instantly access their e-wallet card and pay a bill in real time.



# The Advent of e-Wallet: Account Access

- Once a customer has the company's e-wallet card on their smartphone they can view and pay their bill, manage their account or access any other option that is available via a URL link.
- It provides all the basic functionality of a custom app without all the downsides associated with managing one.



# The Advent of e-Wallet: Metrics

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- Real-world e-wallet customer results:
  - 97% of customers opt-in to receive three notifications a month
  - 41% tap on the actionable “pay my bill” notification right away
  - 72% of users pay their bills up to four days earlier
  - 34 % stopped calling the call center for bill information
- With e-wallet mobile bill payment some companies have experienced:
  - 24% more paper shutoff
  - 17% increase in web payments
  - 8% decrease in payment inquiries to call center
  - 6% improvement in DSO
  - 4% decrease in early stage delinquencies

# Giving Customers What They Want

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Because it's actionable, accurate, concise, and instantly accessible, mobile bill payment removes the barriers that prevent people from paying their bills on time.



By giving customers intuitive, convenient ways to take care of their financial obligations, companies can build positive relationships and change customer attitudes about paying their bills.



At the same time, companies can save money by reducing the need for costly paper billing, and its associated expenses for printing, envelope-stuffing and postage. Billers who offer mobile payment save, on average, \$4.80 per customer annually.

## Giving Customers What They Want, cont.

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Any payment app or e-wallet process must be a zero-frustration experience for the customer - people have no patience for endless scrolling or zooming – expectations are that interactions are simple and seamless, no matter which device they are using.



With this in mind, a mobile payment solution should be easy to view and should function perfectly as designed



A well-designed, functional customer interface must be mobile responsive: Whether users view it on their laptop, tablet, or smartphone, the content is designed to adapt to the screen size and function seamlessly so users can easily accomplish their task.

# Mobile Payment is the Future

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- As technology continues to advance and mobile-friendly generations make up more consumers, e-wallet mobile payment will continue its current growth to become a significant payment channel for billers.
- Billing and payment service providers can help utilities ensure a successful move to mobile money-moving by helping them create and implement new mobile-pay solutions that are responsive, seamless, and meet customers where they are.
- By making mobile payment options **actionable, accurate, concise, and accessible anywhere**, utilities can receive payments faster, reduce delinquencies, increase e-adoption/self-service and improve customer satisfaction.



# Thank You! - Q&A

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