

InvoiceCloud®



Annual Report:

The State of Online Payments



Survey results indicate a key to consistent revenue is aligning with customer payment preferences

Few customer touchpoints are as operationally important as sending bills and accepting the corresponding payments. As a main source of revenue, it's in many organizations' best interest to make this experience as seamless as possible for their customer base, which is best done by understanding not only how, when, and where today's payers prefer to receive bills and make payments, but also the "why" behind those preferences.

To help billing organizations keep ahead of important payment preferences and trends, InvoiceCloud commissioned Regina Corso Consulting to conduct a survey of Americans who make payments online to understand which bills they pay online, their preferred method of payment, frustrations they feel when making online payments, and more.

This survey, conducted online between October 4th and 10th, 2023, collected responses from 2,001 US adults who are broadly representative of the US population based on age, gender, region, household income, and education according to US Census data and who have paid at least one bill online in the past 12 months. Demographic breakdowns around age and gender can be found in [Appendix A](#), and the types of bills paid online or via mobile device in the last year in full can be found in [Appendix B](#). For the full questionnaire, please see [Appendix C](#).

Please note: Because respondents were allowed to select multiple responses when answering survey questions, percentages may not add up to 100%. Unless otherwise indicated, the statistics presented on the following slides are based on the full survey population of 2,001 American adults.





Update on today's digital billing and payment preferences

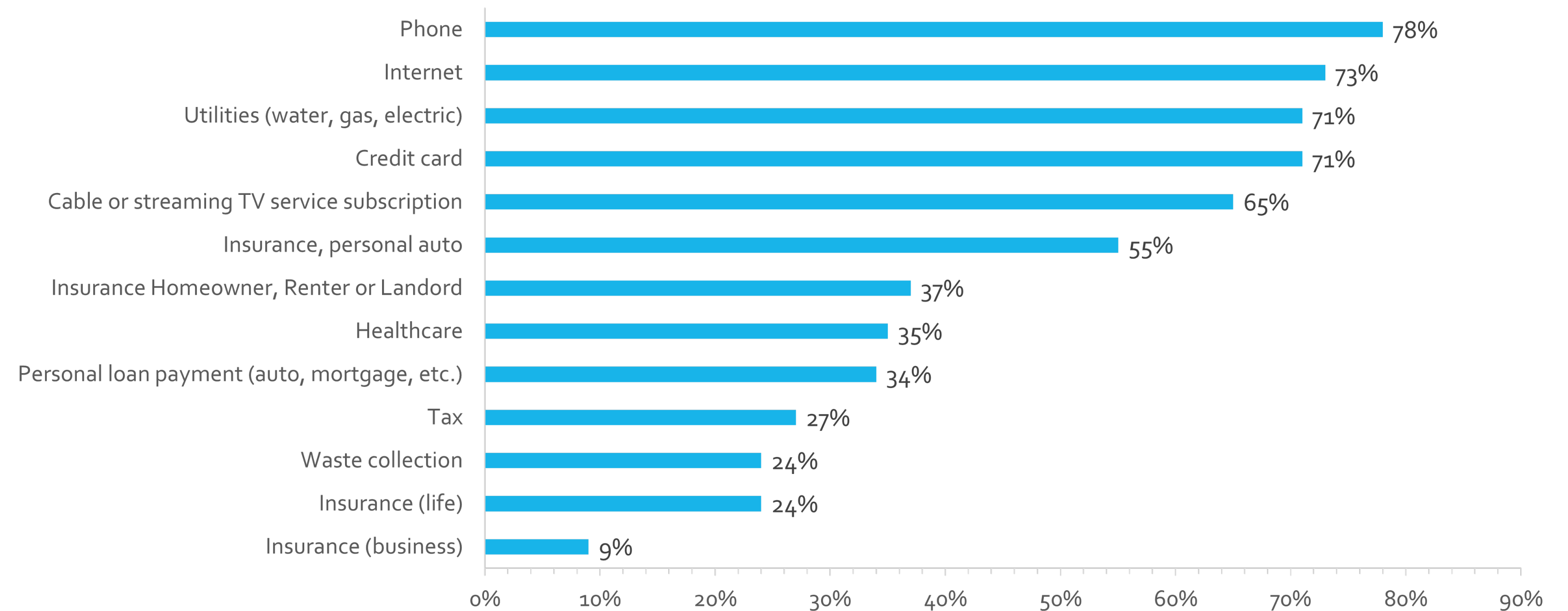
After analyzing the survey results, InvoiceCloud and Regina Corso Consulting uncovered key trends in the data that billing organizations should look to leverage in order to identify how they can better save employee time and resources, improve collection efficiencies, and strengthen their payment experience. Each section of this report ends with our recommendations for actionable ways billers can use these data-driven insights to align with customer payment preferences today and, as a result, more effectively encourage digital adoption.

What bills do Americans pay online?

Of the many bills Americans are expected to pay on a regular basis, the survey found that **phone**, **internet**, **utilities**, and **credit cards** are the top bills that survey respondents paid online or through a mobile device in the past 12 months.



In the last 12 months,
which of the following types of bills have
you paid online or through a mobile device?
(Please select all that apply.)



Types of bills paid: Year-to-year comparison

In this year's survey, respondents said they are **more likely** to pay phone, internet, utilities, credit cards, and personal auto insurance online, but slightly **less likely** to pay healthcare and personal loan payments online, as compared to the results of the 2022 annual survey.

	2020	2021	2022	2023
	%	%	%	%
Phone	66	64	64	78
Internet	58	60	60	73
Utilities (Water, Gas, Electric)	65	61	61	71
Credit card	66	62	62	71
Cable or Streaming TV Subscription	56	57	57	65
Insurance (personal auto)	46	45	45	55
Insurance Homeowner, Renter or Landlord	33	35	35	37
Healthcare	30	40	40	35
Personal Loan Payment (auto, mortgage, etc.)	39	39	39	34
Tax	24	29	29	27
Insurance (life)	18	22	22	24
Insurance (business)	9	14	14	9
Waste collection	n/a	n/a	n/a	24

How your organization can use this data: Simply offering customers digital payment options is table stakes today across all industries, but these numbers show there's still plenty of room for increasing e-payment adoption, even in higher-adopting sectors.

To continue this digital payment momentum, don't keep your self-service routes a secret! Make sure your customer base is aware of digital payment options your organization offers and that these options are simple to use or enroll in (if applicable). A good way to evaluate this ease-of-use is to walk through your organization's payment experience as if you were a customer – observe where you might be confused, frustrated, or unsure of how to proceed with the payment process. By stepping into your customers' shoes, your organization should be better equipped to identify and eliminate points of friction that are deterring payers from self-service.



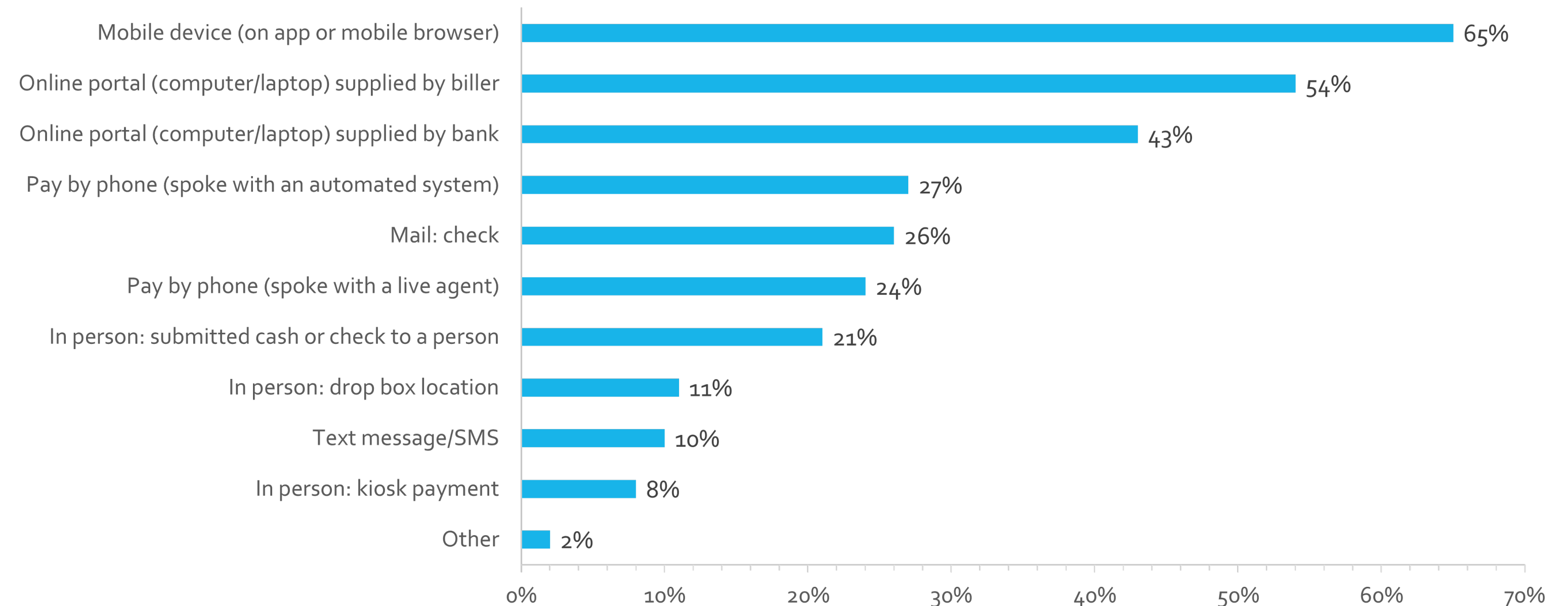
How do Americans pay their bills?


Of the many ways available to pay bills today, digital options – such as paying via an online portal (on a laptop/desktop) or via a mobile device – are popular choices for most Americans. For the second year in a row, however, our survey revealed that **mobile devices remain the top channel for bill payments.**

Almost two-thirds of respondents (65%) reported that they have used a mobile device, either on an app or through a mobile browser, to pay a bill in the past 12 months while over half (54%) have used an online portal supplied by a biller and over two in five (43%) have used an online portal supplied by their bank to pay a bill.

Which of the following channels have you used to pay a bill in the last 12 months?

(Please select all that apply.)





Besides online, there are several other channels that survey respondents used to pay bills recently. Around one-quarter have paid via an automated phone system (27%), mailed a check (26%), or paid with a live agent on the phone (24%).

Additionally, virtually one in five respondents (21%) have paid in person, by giving cash or a check to a person, and approximately one in ten have paid in person via drop box location (11%) or kiosk (8%) in the last 12 months. One in ten respondents have also paid via text message/SMS (10%), an up-and-coming channel that one demographic prefers more than its compatriots – which we'll dig into on one of the next slides.

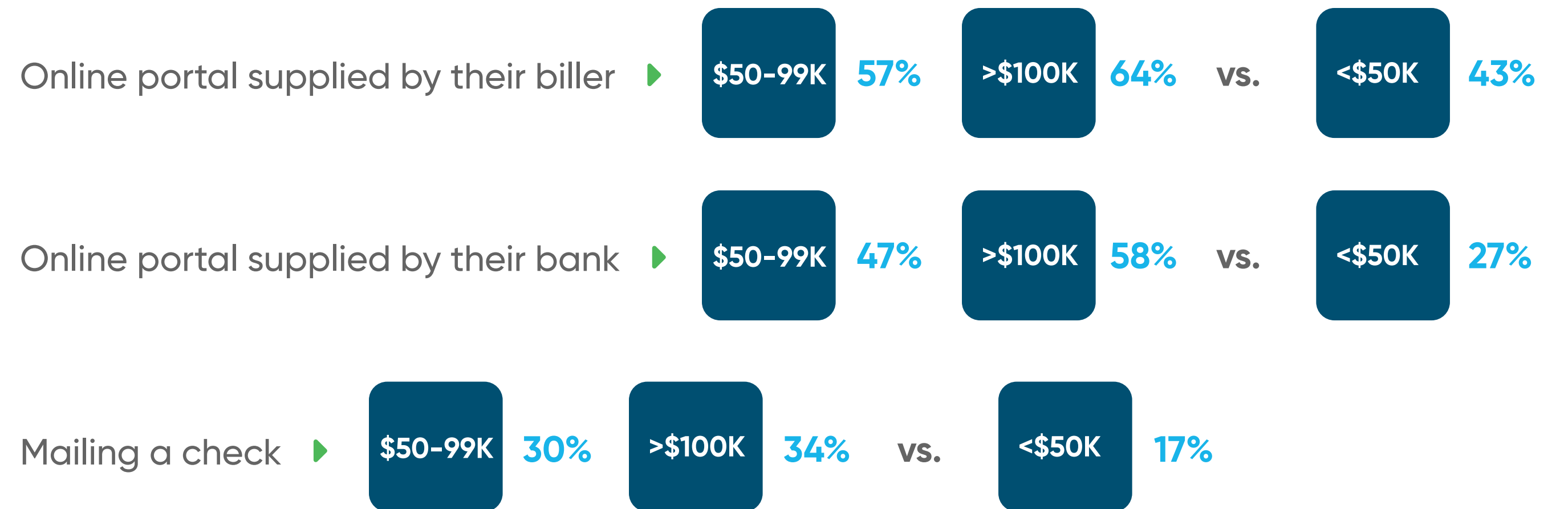


Payment channels: Demographic takeaways

Here are some interesting observations regarding the payment channels that respondents have used to pay bills in the last 12 months, broken down by household income and region. See Appendix A for full demographic breakdowns.



Survey respondents with a household income of \$50k-\$99.9k, and those with a household income of \$100k or more, were both more likely than those respondents with a household income of less than \$50k to pay a bill via the following methods: **(i) an online portal supplied by their biller, (ii) an online portal supplied by their bank, and (iii) by mailing a check.**



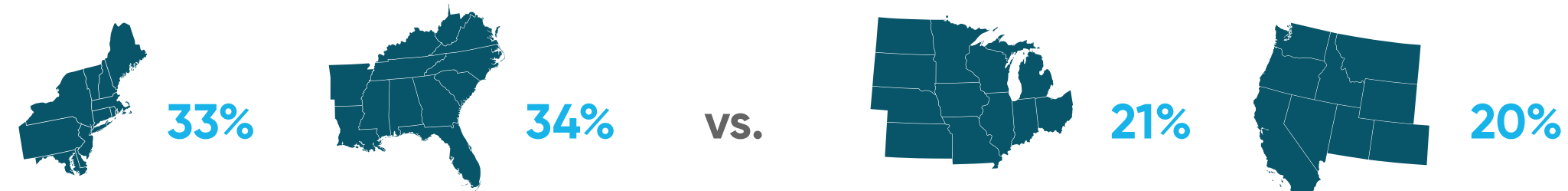
Survey respondents with a household income of less than \$50k, and those with a household income between \$50k-\$99.9k, were both more likely than those with a household income of \$100k or more to pay a bill by **phone, speaking with an automated system.**



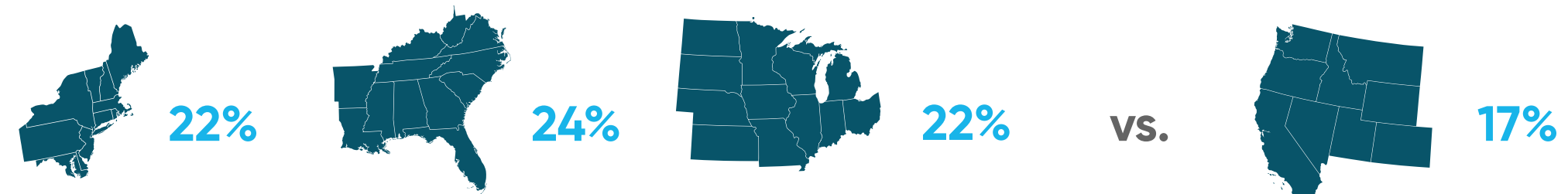
Payment channels: Demographic takeaways (Cont.)

Region:

✉ Survey respondents in the Northeast and the South were more likely than those in the Midwest and West to pay a bill by **mailing a check**.



👤 Survey respondents in the Northeast, South and Midwest were more likely than those in the West to **pay a bill in person, by handing cash or a check to a person**.



📍 Survey respondents in the South were more likely than those in the Northeast, Midwest and West to **pay a bill using a drop box location**.



How your organization can use this data:

Considering its ranking as the most popular payment option among all respondents, your organization should look to focus on providing an easy, intuitive mobile payment experience. For example, InvoiceCloud adapted its online payment platform to fit the dimensions of a mobile screen in order to improve the feel of the mobile payment experience. InvoiceCloud can also help billing organizations remove friction from the mobile payment experience through tactics like removing login screens and offering frictionless options like one-click pay and payment reminders via text, email, or voicemail. Efficiency-boosting features like these can help encourage mobile payment adoption and gratify customers who prefer mobile channels.

When considering how to assess the demographic breakdowns, it's important to note that lower-income households may live in unbanked or underbanked areas. This could potentially explain why respondents in lower-income households are less likely to use a bank's online portal or checks to pay bills. Respondents in lower-income households could still be interested in online payment channels, but they may lack access to a bank's online payment offerings or may be unable to meet a bank's minimum balance requirements. Mobile payment options not directly tied to a bank, especially digital wallets, have become an excellent way to circumvent this issue of access.





How your organization can use this data (Cont.):

The Pew Charitable Trust¹ has found that about 6 in 10 unbanked consumers have a smartphone, although they are nearly twice as likely as banked consumers to suspend or cancel their cell phone plans because of the cost of coverage.

Research shows distrust in banks² can be a factor as well, which could potentially make an option like PayPal more attractive. This mobile wallet allows users the ability to upload cash to their PayPal account, which can offer peace of mind and expand access to easy, self-service payments.

While it's not a perfect solution, mobile payment channels do help bring digital self-service to these communities that have historically not had these options. Arguably, the unbanked and underbanked population is the group that may need your organization's attention the most. Additionally, by making digital self-service easier to find, access, and use for customers who *do* have access to banking, your organization can free its staff to better assist customers in need of different payment options.

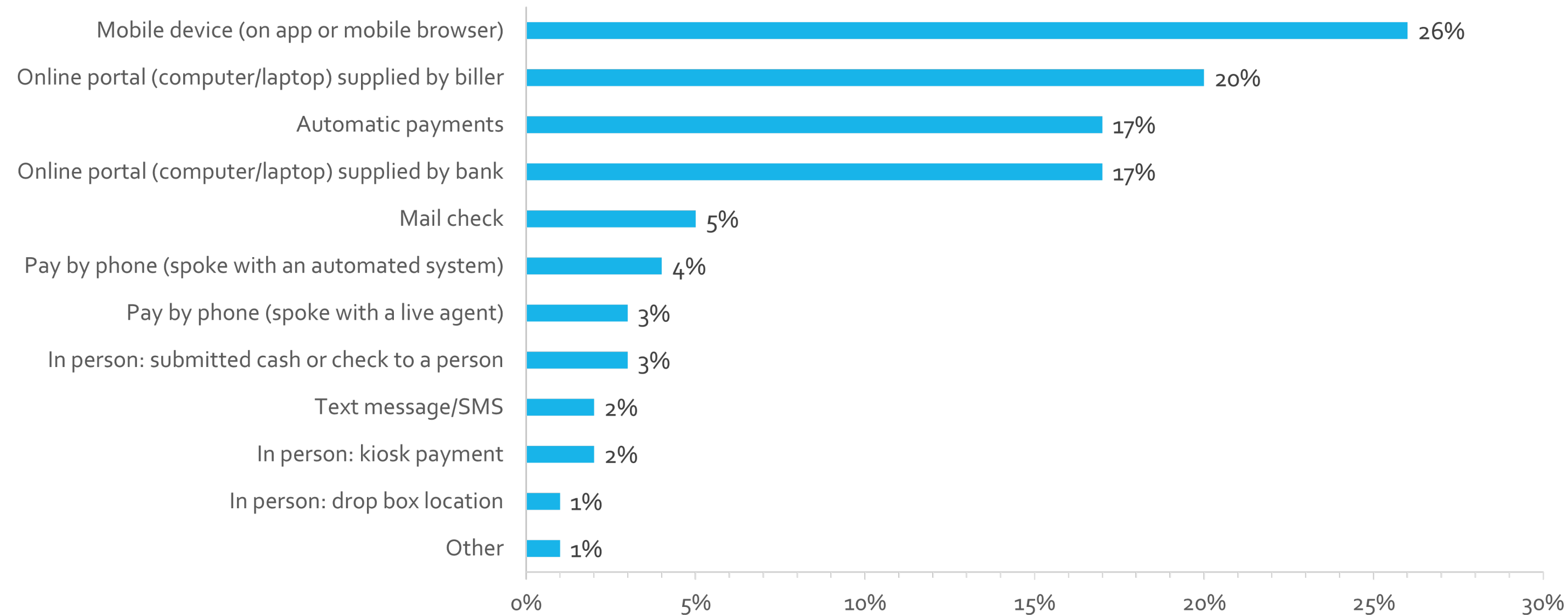
¹ The Pew Charitable Trust. 2016. What Do Consumers Without Bank Accounts Think About Mobile Payments?
https://www.pewtrusts.org/-/media/assets/2016/06/fsp_what_do_consumers_without_bank_accounts_think_about_mobile_payments.pdf

² FDIC National Survey of Unbanked and Underbanked Households. 2021
<https://www.fdic.gov/analysis/household-survey>

How do Americans prefer to pay bills?

With all these options at our disposal, approximately one-quarter of survey respondents (26%) still say their preferred channel for making a bill payment is via mobile device, one in five (20%) say their preferred channel is an online portal supplied by the biller, and almost one in five say their preferred method is automatic payments (17%) or payment via an online portal supplied by their bank (17%). Smaller numbers say their preferred method of payment is to mail a check (5%), pay by phone, speaking with an automated system (4%) or speaking with an agent (3%), in person, giving cash or checks directly to a person (3%), via text message (2%), via kiosk (2%), or via drop box location (1%).

What is your preferred channel for making a bill payment?

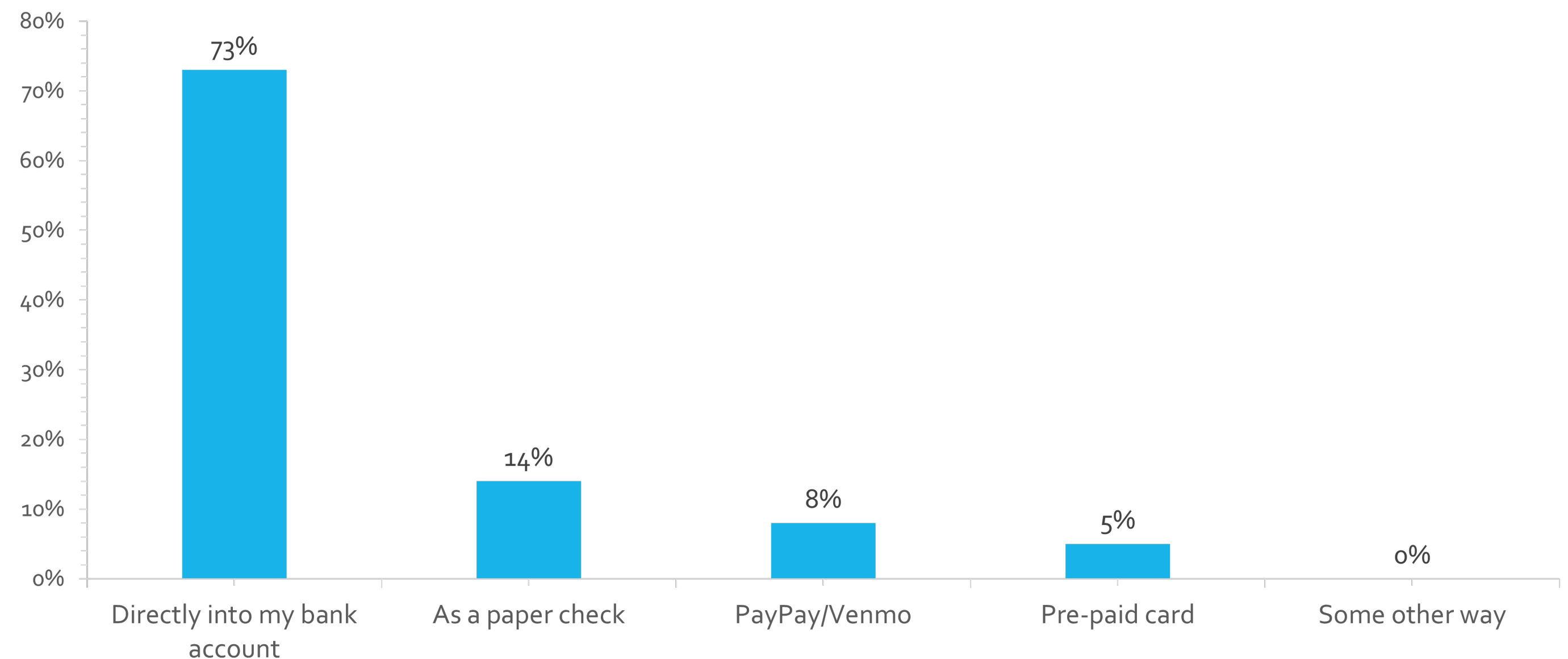


How do Americans prefer to receive insurance claim payments?

Receiving a claim payment is one of the few interactions policyholders have with their insurance organizations. Therefore, the speed and ease of receiving these critical payments can dictate not just customer satisfaction, but policy retention as well.

Specifically, among survey respondents who have paid their insurance bills online, almost three-quarters (73%) would prefer to receive insurance claim payments **directly into their bank account** while smaller numbers would prefer to receive them as a paper check (14%), through PayPal or Venmo (8%) or through a pre-paid card (5%).

How would you prefer to receive insurance claim payments?



Payment channel preferences: Demographic takeaways

Here are some interesting observations regarding payment channel preferences by age group and household income. See Appendix A for full demographic breakdowns.

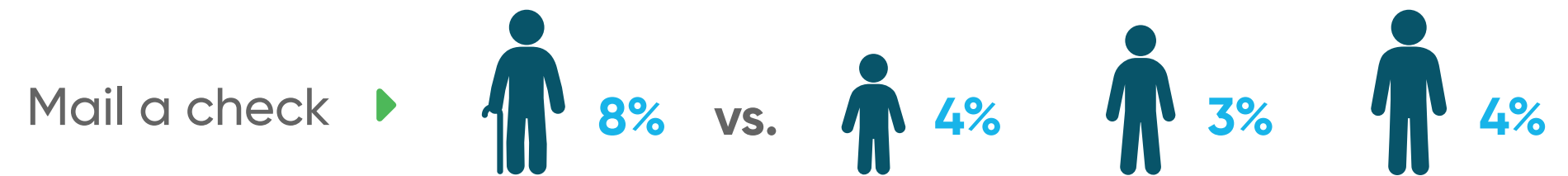
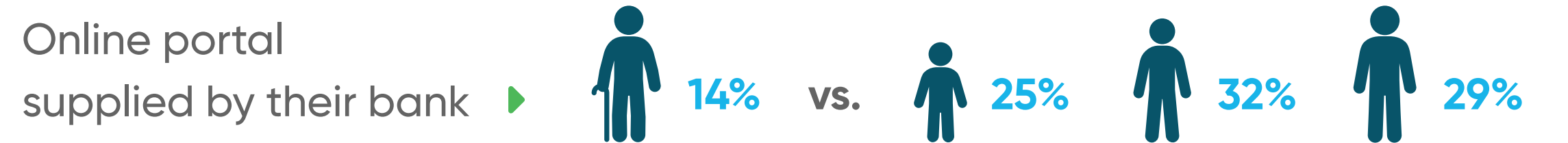


Age:

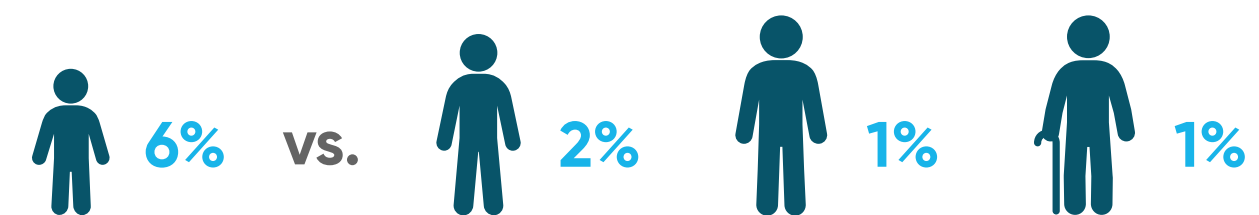
Gen Z, Millennial and Gen X survey respondents were more likely than Baby Boomer respondents to choose a **mobile device** as their preferred bill payment channel.



Baby Boomer respondents were more likely than Gen Z, Millennial and Gen X respondents to choose (i) an **online portal supplied by their bank**, or (ii) to **mail a check**, as their preferred bill payment channel.



Gen Z respondents were more likely than Millennial, Gen X and Baby Boomer respondents to choose **text message/SMS** as their preferred bill payment channel.

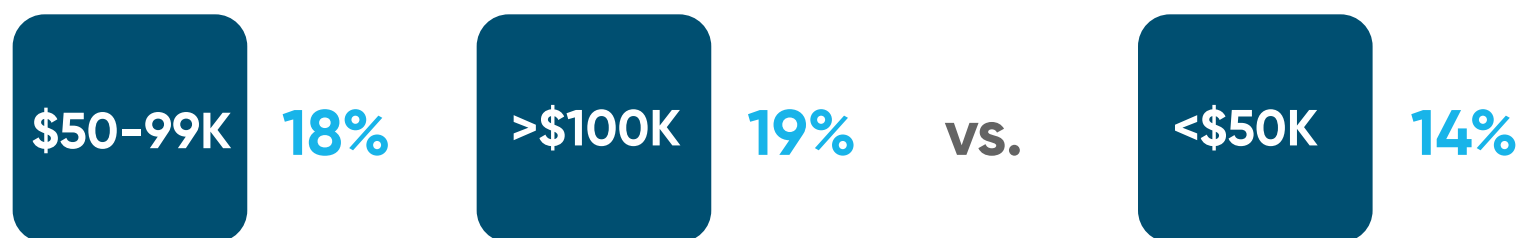


Household Income:

Survey respondents with a household income of \$100k or more were more likely than those with household incomes of less than \$50k and between \$50k and \$99.9k to choose **automatic payments as their preferred bill payment channel**.



Survey respondents with a household income of \$50k-\$99.9k, and those with a household income of \$100k or more, were both more likely to choose an **online portal supplied by their bank** as their preferred bill payment channel than those respondents with a household income of less than \$50k.



How your organization can use this data:

Again, ease of use for mobile payment channels is critical; this route isn't just the most used, it's the most preferred, which sets the bar for customer expectations even higher. Think about the incredible experience that large e-commerce companies provide on mobile devices – those are the experiences your organization is competing against, not necessarily just other organizations in your sector.

The data shows that Baby Boomer respondents are more resistant to adopting mobile and other digital payment channels, and this generational split is unlikely to come as a surprise. However, there is some willingness to adopt from this cohort. Forty-four percent of Baby Boomer respondents have made a bill payment via a mobile device or online portal in the last 12 months. Check payments by Baby Boomer respondents have also dropped by 4% YoY (between last year's survey results and this year's); since the survey data shows that Baby Boomer respondents are the demographic most likely to use check payments, this may signify a growing interest in online payments from this population.





How your organization can use this data (Cont.):

As the survey results suggest, older generations seem to have less confidence in using online payment systems than their younger counterparts, which underscores the importance of an intuitive payment system that's easy to use for all customers. Additionally, the survey found that Gen X and Baby Boomers are more likely than Gen Z and Millennials to say they don't prefer to pay bills online because they are concerned about the security of their information (42% & 50% vs. 34% & 35%).

To encourage adoption among this group, billers must make digital self-service options easier to find, use, and set up for the future. Even if this requires initial help from billing staff, getting more Baby Boomers from your customer base enrolled in self-service will save time and phone calls for your team in the future. On the data security front, selecting a compliant billing and payment system that offers top-tier security is paramount, but make sure you promote the security of this system to your customer base to foster trust in your digital offerings.

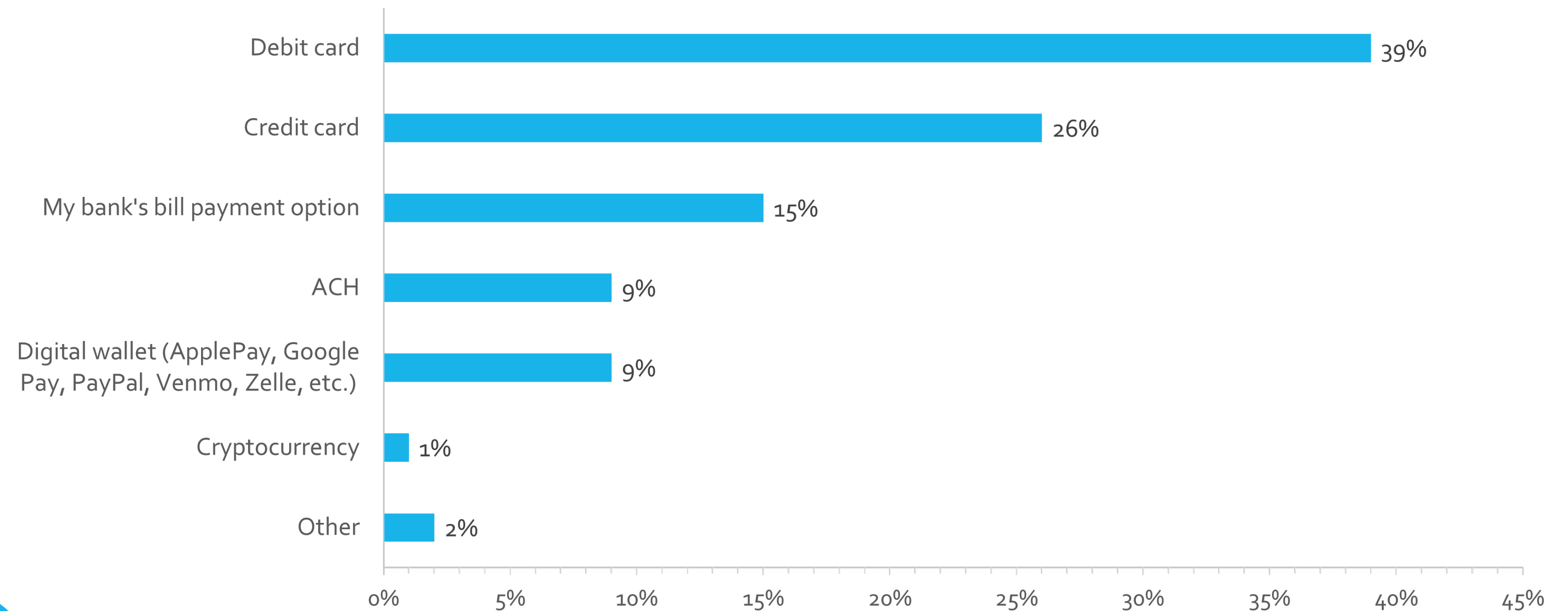
On the other end of the generational spectrum, Gen Z is no longer confined to school age; these customers are buying cars and auto insurance, renting, and needing to pay utilities for the first time. As more of this digital-native generation takes on more bills, the organizations collecting these payments will need to start giving precedence to their preferences.



Which payment methods do Americans prefer for paying bills?

There are also many ways to get the money to where it needs to go. When it comes to paying bills online or on a mobile device, nearly two in five survey respondents (39%) typically use a debit card while more than one-quarter (26%) typically use a credit card. Over one in ten (15%) respondents typically pay by their bank's bill payment option, nearly one in ten typically by ACH (9%) and digital wallet (9%), while very few (1%) pay by cryptocurrency.

Which payment method do you typically use when paying bills online or on a mobile device?





How your organization can use this data:

The ability to accept debit and credit is critical, considering these methods are how 65% of respondents choose to pay their bills. But this doesn't mean organizations shouldn't offer more up-and-coming channels, like ACH and digital wallets.

ACH, especially when streamlined into a digital payment system, is a dependable and welcomed option for payment collection. ACH offers customers a seamless self-service experience that includes easy enrollment, un-enrollment, automated reminders, transaction receipts, and the ability to view payment history online through the payer portal. After migrating its ACH drafts to InvoiceCloud's digital payment solution, one InvoiceCloud customer³ reported that they were able to **reduce account shutoffs by 25%, conserve 20 hours of payment-related work per month** for staff, and attain additional benefits in their first year after going live on the InvoiceCloud platform in January 2022.

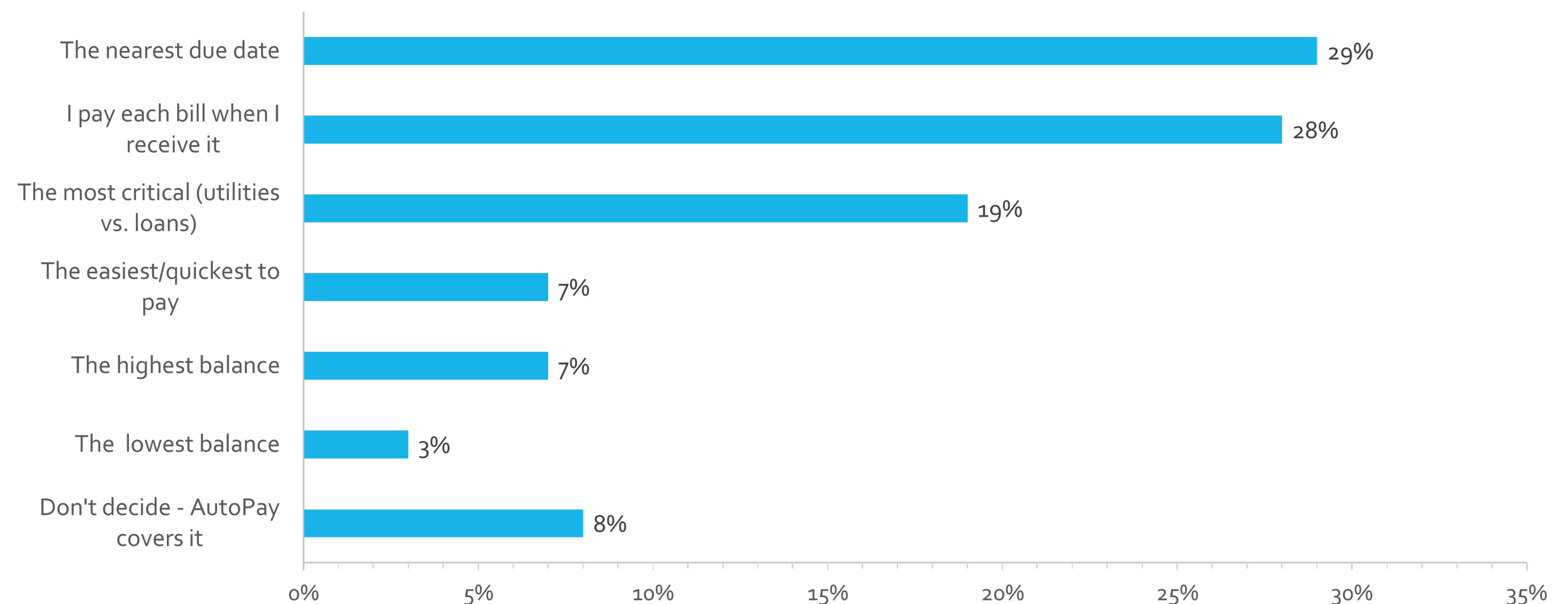
³ InvoiceCloud. 2023. The City of Hagerstown Conserves Resources Migrating ACH Drafts, While Reducing Shutoffs with an Engaging Digital Payment Experience.
<https://invoicecloud.net/resources/page/case-study-city-of-hagerstown.html>



When do Americans pay their bills?

There are many strategies consumers can take to determine when to pay bills or in which order bill payments should be addressed. In deciding what bills to pay first, nearly three in ten survey respondents (29%) pay the one with the nearest due date while almost three in ten (28%) pay each bill when they receive it. Almost one in five (19%) say they pay the most critical bills first (i.e., utilities vs. loans), almost one in ten pay the easiest and/or quickest to pay first (7%) or the one with the highest balance (7%), while very few (3%) pay the one with the lowest balance first. Almost one in ten (8%) say they don't decide because automatic payment covers it.

How do you decide which bills to pay first?



How your organization can use this data:

Understanding when billpayers generally choose to pay their bills can be instrumental in helping organizations receive more payments on time. For people who want to pay the bill right as they receive it, organizations should make it easy to make payments directly from the bill. Whether that's a link in a paperless bill or a QR code featured on bill envelopes, the key is allowing customers easy and immediate access to your payment page right from their bill. For people who prefer the nearest due date, there's merit in sending customized payment reminders close to when your customer's payment is due, making sure to include the amount owed and a quick, easy way to access and pay the bill on the spot.





Overall, enabling payment reminders that can be customized down to the channel on which they're received (text, voicemail, calendar reminder, etc.) and your organization's branding can reduce friction in the payment experience and encourage more on-time payments.



Why do Americans pay their bills online?

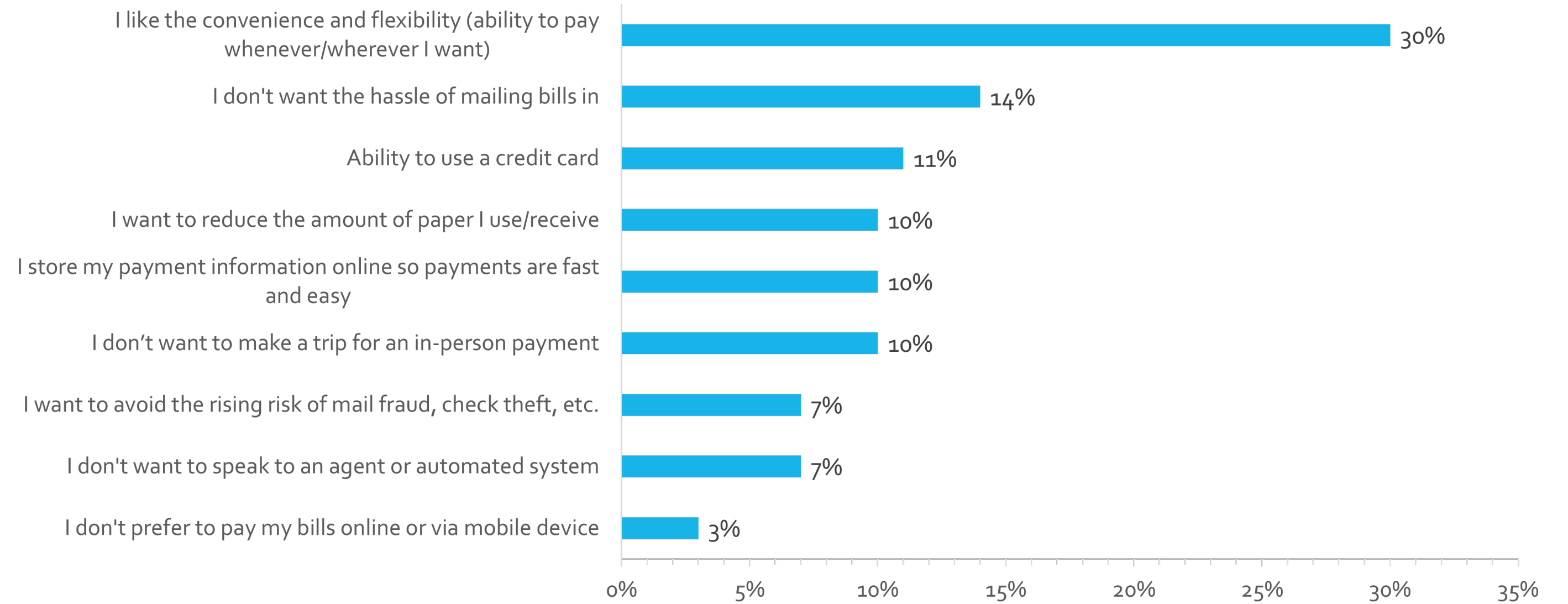
When asked why they prefer to pay bills online or via a mobile device, three in ten (30%) respondents said they like the ability to pay whenever and wherever they want, while over one in ten (14%) said they don't want the hassle of mailing bills in.

About one in ten respondents said they prefer to pay bills online or via a mobile device for:

-  The ability to use a credit card: 11%
-  Reducing the amount of paper they use and/or receive: 10%
-  To store their payment information online so payments are fast and easy: 10%
-  To avoid making a trip for an in-person payment: 10%

Roughly one in ten respondents said they prefer to pay bills online or via a mobile device because they want to avoid the rising risk of mail fraud, check theft and so forth (7%) and they don't want to speak to an agent or automated system (7%). Very few (3%) say they do not prefer to pay their bills online or via a mobile device.

Which of the following statements best describes why you prefer to pay bills online or via a mobile device?



How your organization can use this data:

With the knowledge that convenient, flexible payment options drive payers to self-service, billing organizations like yours can work to incorporate these elements into the payment experience. An easy way to do this is by supplying customers with “omni-channel” payment options. “Omni-channel” means providing customers with as many ways to pay their bills as possible, while still retaining context across channels; in a true omni-channel experience, a customer can start making a payment with a phone call, receive a text message with a link to the payment screen, and complete the payment on their mobile device.

Ultimately, this is the principle way omni-channel payments can positively impact billing organizations: every channel must be designed for optimal ease of use (i.e., simple and intuitive for the customer), including giving these channels the ability to talk to each other. For example, if a customer is successfully prompted to save their credit card information during an automated phone call, that information should save across all payment channels so that customers can instantly pay with that credit card no matter the channel they’re using. Without that capability, touchpoints that could be positive experiences may be causing friction instead.

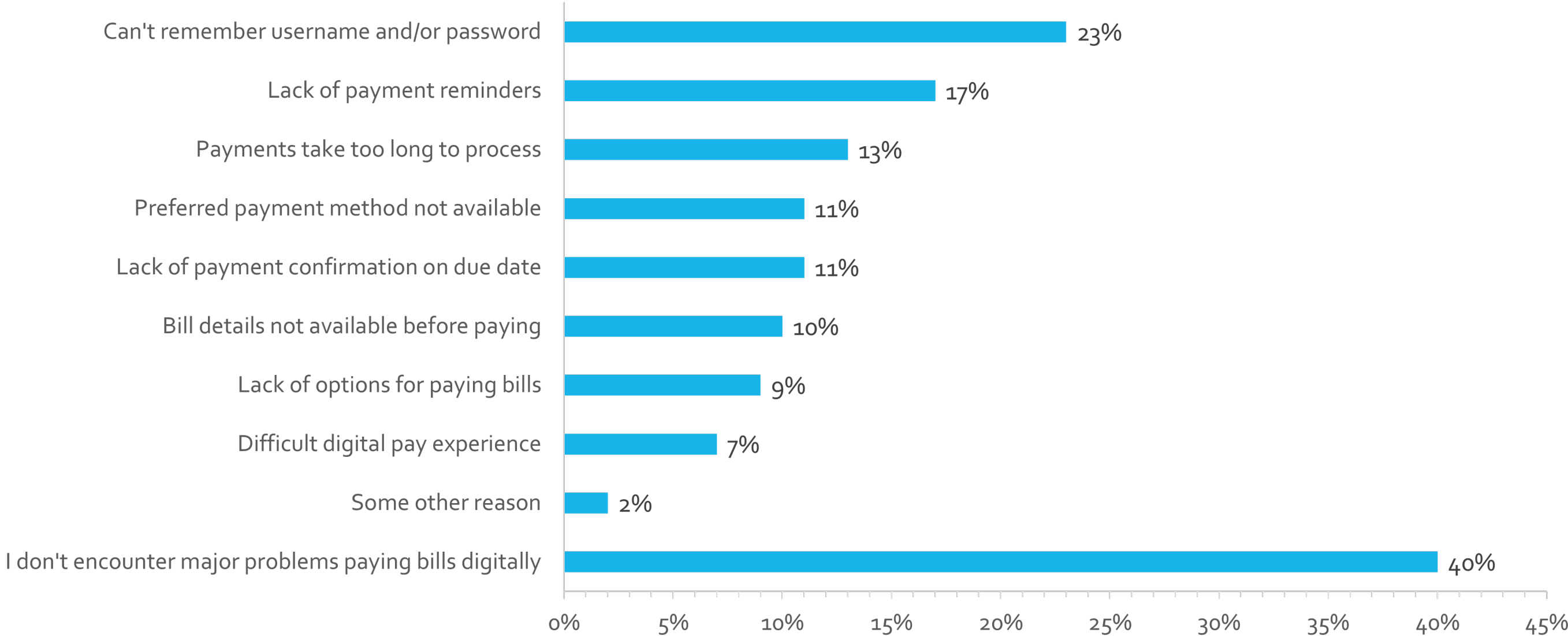
Offering a range of payment options that can achieve that level of convenience is the most straightforward way for billers to maintain self-service levels and further encourage e-payment adoption.



What issues do Americans encounter with digital bill payments?

Paying online isn't perfect. While two in five survey respondents (40%) said they don't encounter major problems paying bills digitally, three in five (60%) did. Almost one-quarter (23%) of respondents said they can't remember their username and/or password, almost one in five (17%) said a major problem is lack of payment reminders, and over one in ten (13%) responded that payments take too long to process. About one in ten respondents said that major problems they encountered paying bills online included their preferred payment method not being available (11%), a lack of payment confirmation on the due date (11%), bill details not being available before paying (10%), or a lack of options for paying bills (9%). Almost one in ten (7%) respondents said a major problem they encountered was a difficult digital pay experience.

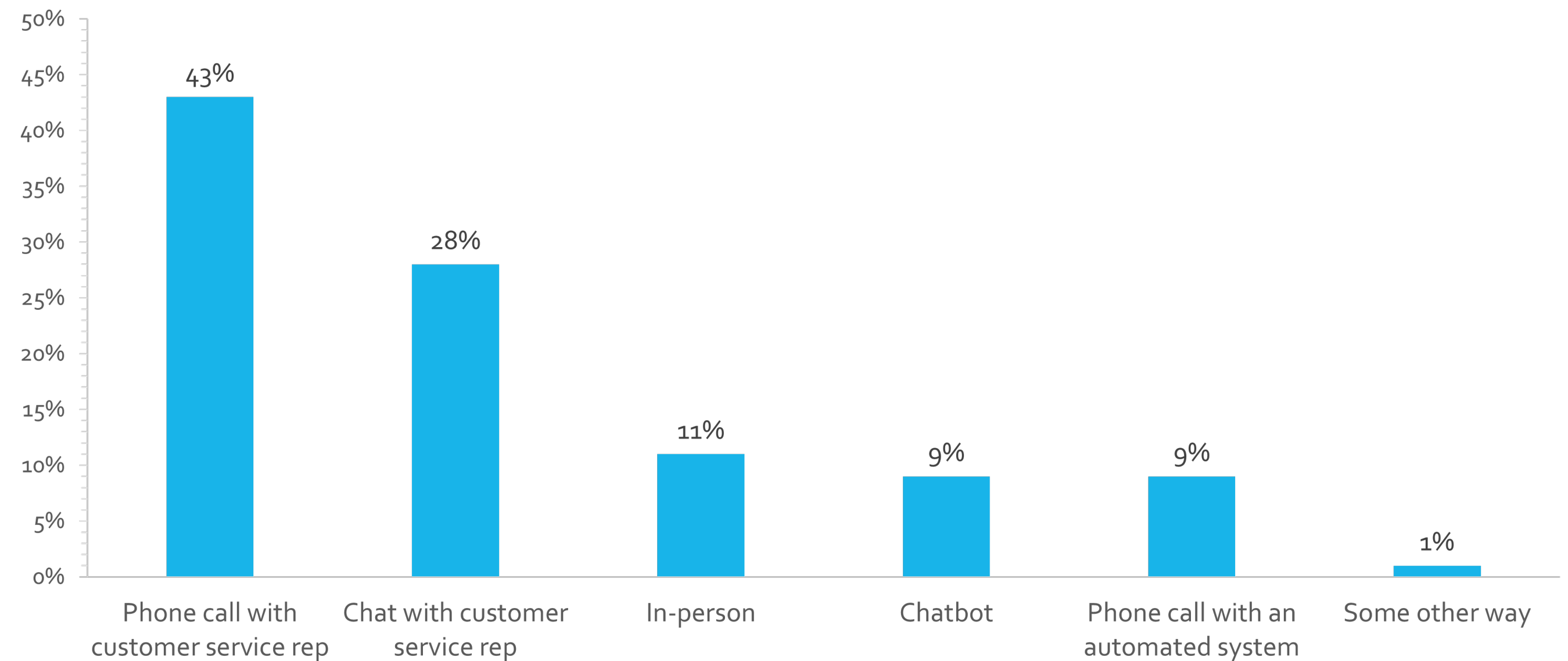
What are the major problems you encounter paying bills digitally
(Please select all that apply.)



Digital payment issues (Cont.)

If there are billing and payment related issues, over two in five (43%) survey respondents said their preferred way to connect with customer service teams is a phone call with customer service representatives, while over one-quarter (28%) of respondents said that their preferred way is to chat online with a customer service rep. About one in ten survey respondents said their preferred way to resolve billing and payment related issues is in-person (11%), by chatbot (9%) or with a phone call with an automated system (9%).

What's your preferred way to connect with customer service teams for billing and payment related issues?



How your organization can use this data:

More than half (60%) of respondents regularly encountered issues when receiving bills or making bill payments, with the top issue being the relatable problem of forgetting one's username and password. Offering guest checkout routes is an easy way to remove this friction in the payment journey and increase timely payments. While offering the option is important, it's critical to optimize one-time payment routes to maximize customer engagement. This is most effectively done by adding opportunities along the guest checkout to enroll in paperless billing, automatic payments, or payment reminders, which helps drive adoption (and can help achieve other results, like decreased costs and increased operational efficiencies) for your organization.

Other common issues arise around payment notifications – either their lack of context or lack of notifications at all. To be truly effective, payment solutions should allow your organization to deploy notifications that can be customized to include the customer's name, amount due, due date, and a quick, easy way to pay right from the reminder.

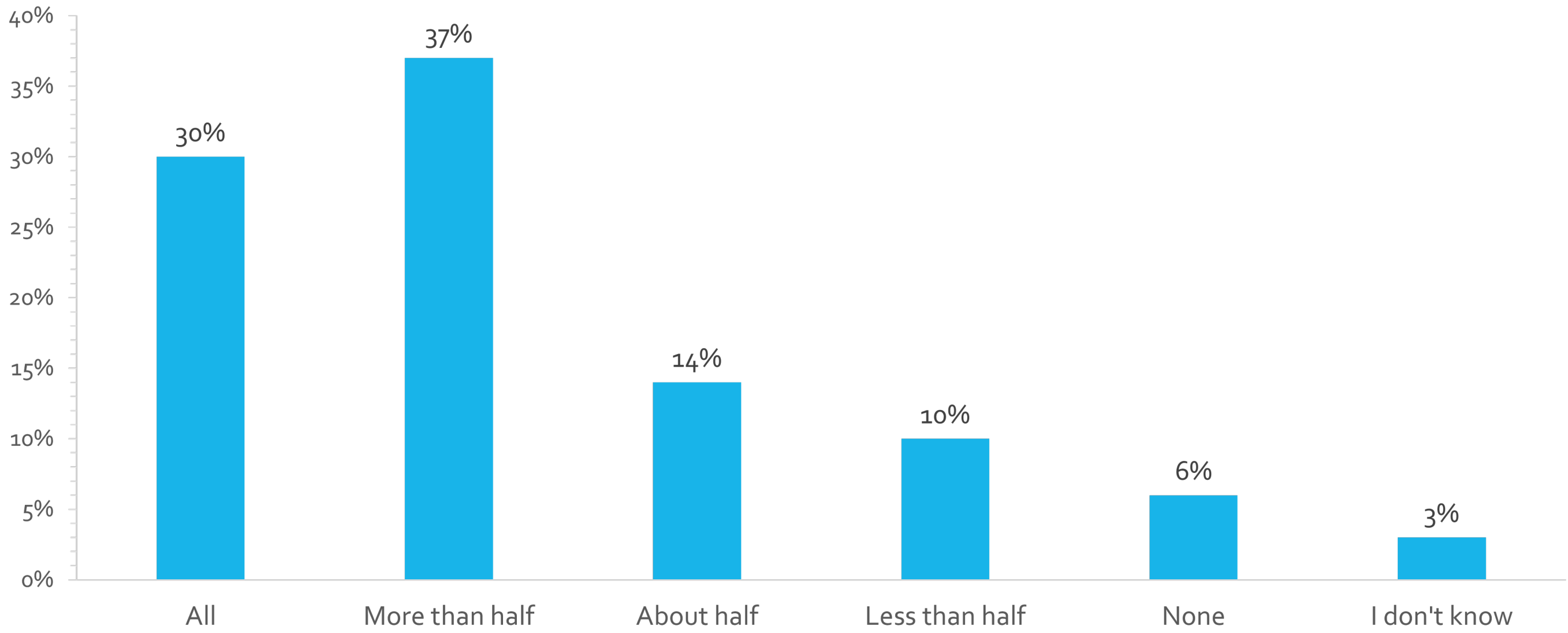
The data shows us that people want to interact with a person when having an issue with bill payments. This is no surprise – bill payment can be a sensitive and stressful touchpoint, being tied as it is to personal finances and (in some cases) essential services. Much like when dealing with unbanked and underbanked communities, an important way to empower your customer service representatives (CSRs) is to eliminate issues around using self-service options. If digital payment routes are easy to find and use, your organization can reduce the volume of calls CSRs receive, freeing them up to help customers with serious billing and payment-related issues.



Paperless billing remains stagnant

The survey data indicates that there's still plenty of room for paperless billing enrollment adoption. Only three in ten survey respondents (30%) said they were enrolled in paperless billing for all of their recurring bills, while over one-third (37%) of respondents reported being enrolled in paperless billing for more than half of their recurring bills. Smaller numbers said they were enrolled in paperless billing for about half (14%), less than half (10%) and for none (6%) of their recurring bills.

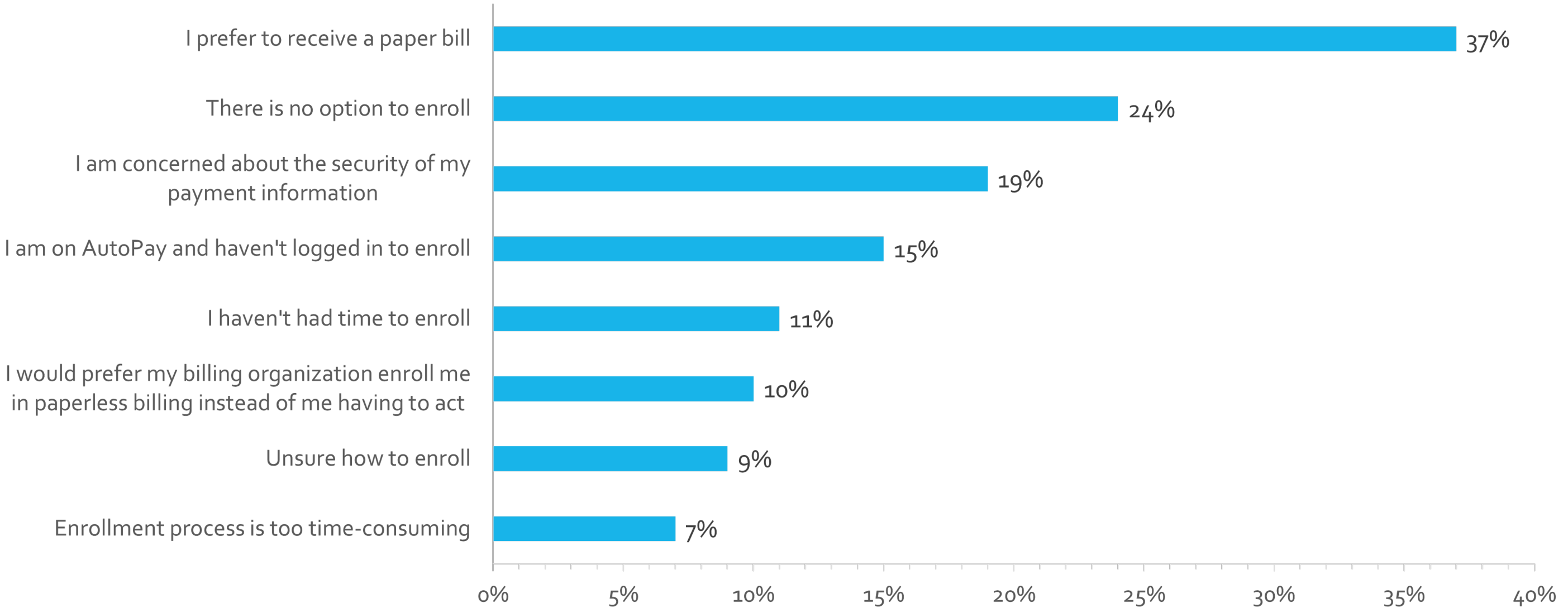
For how many of your recurring bills are you enrolled in paperless billing, that is, where you only receive bills digitally?
(Base: Not enrolled in paperless billing for all [N=1,392])



Paperless billing enrollment (Cont.)

Among those survey respondents who were not enrolled in paperless billing for all of their recurring bills, over one-third (37%) attributed their decision to a preference to receive a paper bill, one-quarter (24%) attributed their decision to there being no option to enroll, and nearly one in five (19%) attributed their decision to concerns about the security of their payment information. Over one in ten (15%) respondents said they are not enrolled because they are on automatic payments and haven't logged in to enroll. About one in ten respondents said they are not enrolled because they haven't had time to enroll (11%), they would prefer their billing organization enroll them in paperless billing instead of them having to act (10%), or they are unsure how to enroll (9%). Less than one in ten (7%) respondents said they haven't enrolled because the enrollment process is too time-consuming.

Which of the following statements best describes why you have not enrolled for paperless billing for all your bills?
(Please select all that apply.)



How your organization can use this data:

Stagnant paperless billing adoption should be a red flag for billing organizations. Enrollment in this paperless route doesn't just save staff time printing bills and stuffing envelopes, it has been shown to reduce costs for billers. For example, one InvoiceCloud customer reported that they saved \$160,000 in annual print and mail costs after executing a successful paperless adoption campaign with the InvoiceCloud solution in 2022. For starters, make sure your organization's digital billing and payment solution offers paperless billing.

However, even when paperless billing is an option, customers may not know it's available or are unwilling to engage in the current enrollment process. Consider sending out notifications alerting your customer base to this time-saving option, with an easy-to-access link for quick enrollment. Beyond campaigns like these, the InvoiceCloud team believes that consistent engagement along the payment route is the most effective way to turn one-time customers into fully enrolled, self-serving payers. The way our payment channels are designed, for instance, allows our solution to leverage virtually every possible customer touchpoint – bill reminders, the invoice, the payment screen, the payment confirmation screen, and more – to offer customers multiple chances to enroll in options like paperless billing.

⁴ InvoiceCloud. For example, one InvoiceCloud customer reported that they saved \$160,000 in annual print and mail costs after executing a successful paperless adoption campaign with the InvoiceCloud solution in 2022. *Truckee Meadows Water Authority Stabilizes Rates with Stellar Digital Payment Experience.*

<https://invoicecloud.net/resources/truckee-meadows-case-study>

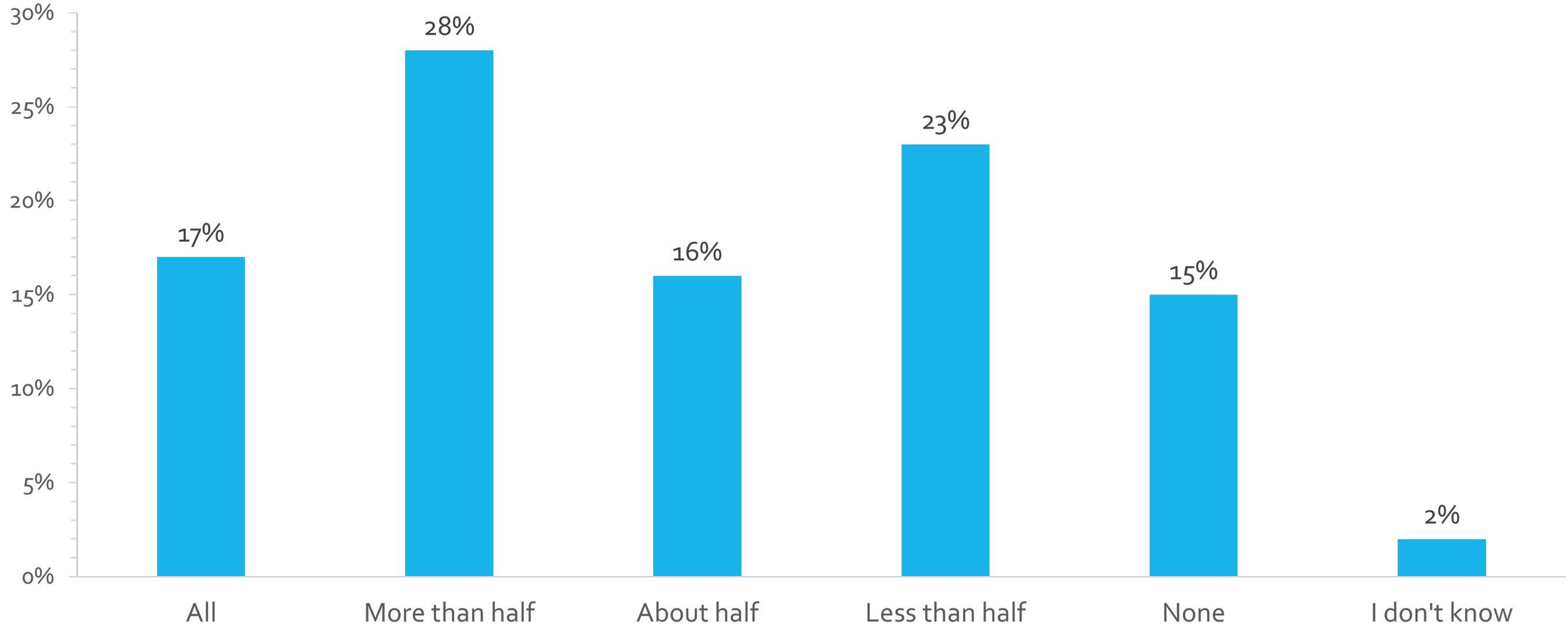


Room to drive automatic payment enrollment

Looking at automatic payments, where payments are automatically withdrawn from a bank account, nearly one in five (17%) survey respondents said that they use such automatic payments for all of their recurring bills, and almost three in ten (28%) use such automatic payments for more than half of their recurring bills. Less than one in five survey respondents (16%) said they have automatic payments drawing from a bank account set up for about half of their recurring bills, almost one-quarter (23%) have it set up for less than half of their recurring bills, and over one in ten (15%) do not use automatic payments drawing from a bank account for any of their recurring bills.



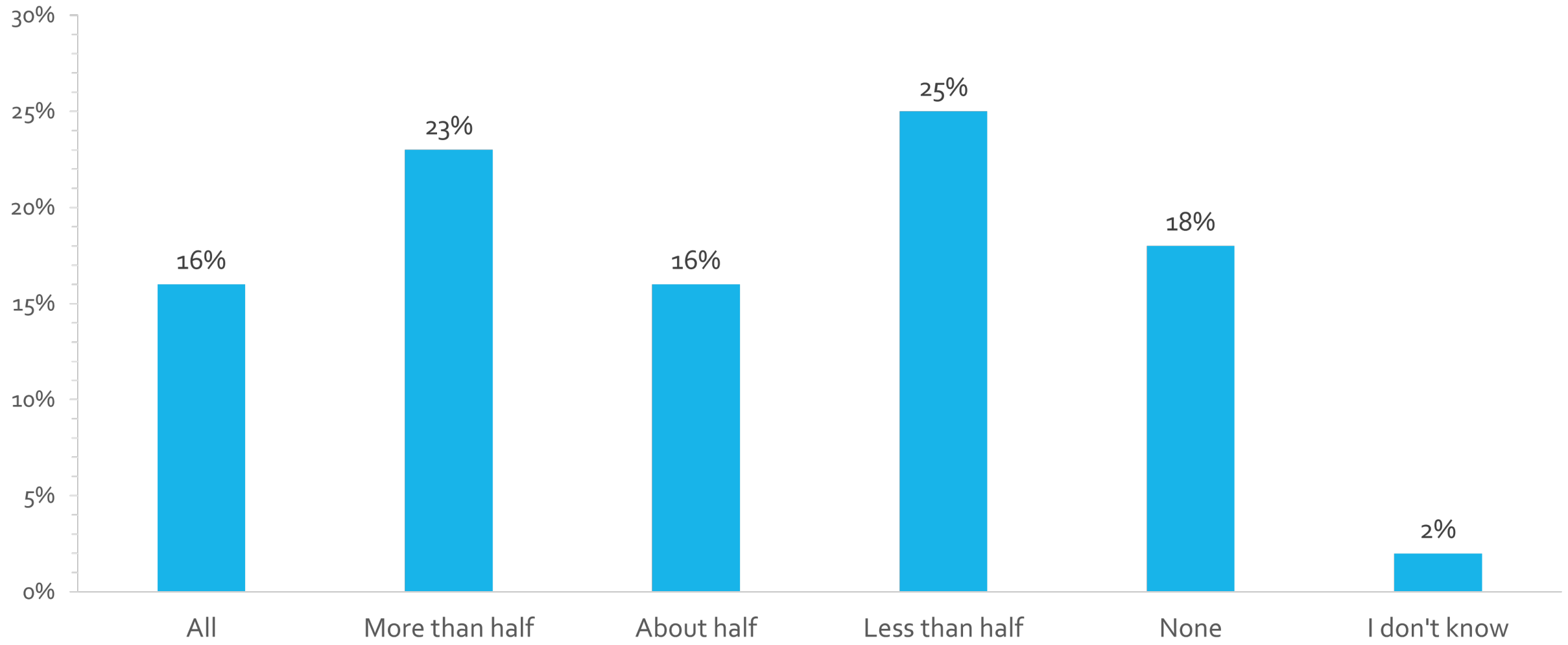
For how many of your recurring bills are you enrolled in automatic payments, that is where payments are automatically withdrawn from a bank account?



Automatic payment enrollment (Cont.)

Then there are automatic payments where payments are automatically charged to a credit or debit card. For these types of automatic payments, less than one in five (16%) respondents said they are enrolled in automatic payments using a card for all of their recurring bills, and almost one-quarter (23%) of respondents said they are enrolled in automatic payments using a card for more than half of their recurring bills. Less than one in five survey respondents (16%) said they are enrolled in automatic payments using a card for about half of their recurring bills, one-quarter (25%) said they are enrolled in automatic payments using a card for less than half of their recurring bills, and almost one in five (18%) said they do not use automatic payments linked to a card for any of their recurring bills.

For how many of your recurring bills are you enrolled in automatic payments, that is where payments are automatically charged to a credit or debit card?

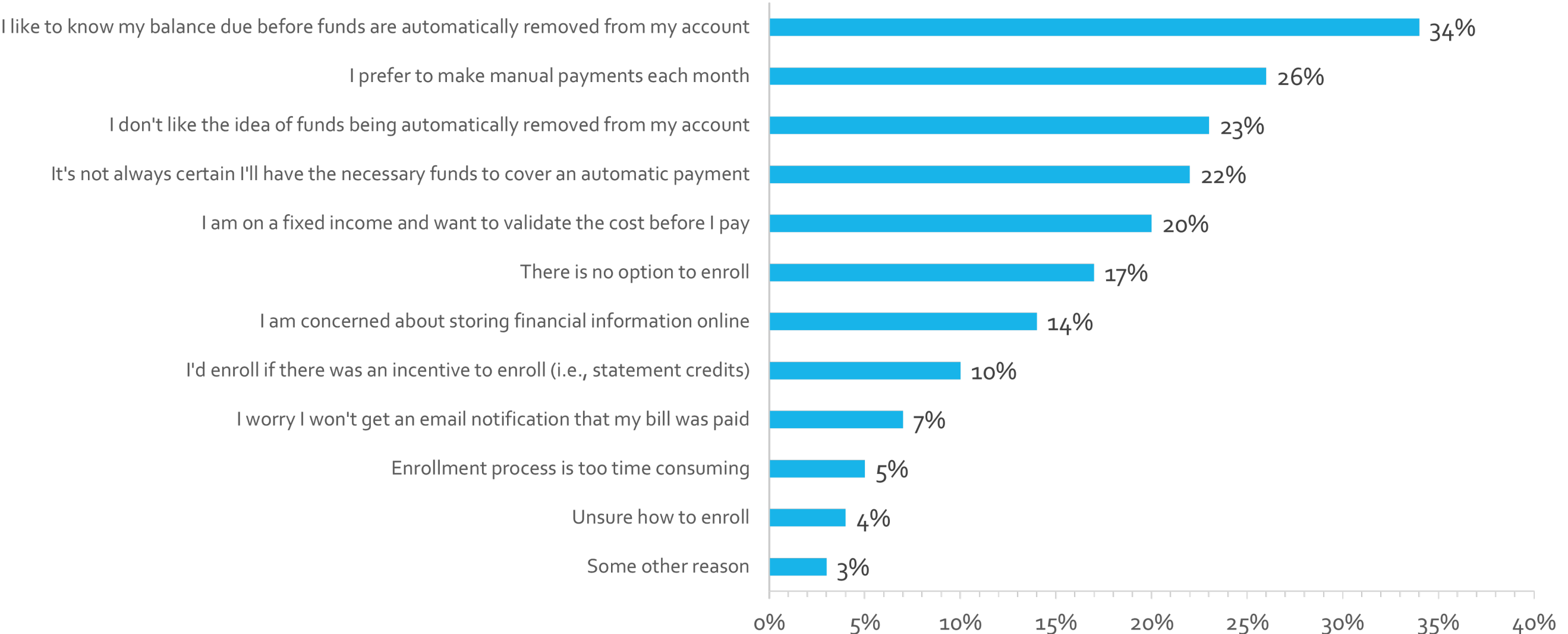


Why Americans are slow to adopt automatic payments

Among those survey respondents not enrolled in automatic payments for all of their recurring bills, over one-third (34%) said the reason is that they like to know their balance before funds are automatically removed from their account, over one-quarter (26%) said it was because they prefer to make manual payments each month, and over one in five respondents said it was because they don't like the idea of funds being automatically removed from their account (23%), or because it's not always certain they will have the necessary funds to cover an automatic payment (22%).

One in five survey respondents (20%) said the reason they are not enrolled in automatic payments for all of their bills is that they are on a fixed income and want to validate the cost before they pay, while smaller numbers said it was because there was no option to enroll (17%), they are concerned about storing financial information online (14%), they would enroll if there was an incentive to do so, like statement credits (10%), they worry they won't get an email notification that the bill was paid (7%), the enrollment process is too time consuming (5%), or because they are unsure how to enroll (4%).

Which of the following statements best describes why you have not enrolled for automatic payments for all your bills?
Please select all that apply. (Base: Not enrolled for auto payments for all bills [N=1,606])



How your organization can use this data:

According to the survey insights, there are large segments of payers who are willing to enroll in automatic payments for some bills, but not all (only 15% of respondents are enrolled in automatic payments for all of their bills). For billing organizations, more customers adopting automatic payments means more on-time payments each collection cycle. So, to ensure customers are enrolling in this critical self-service option, billers must leverage payment solutions that are designed to make finding and enrolling in automatic payment options as frictionless as possible.

Customer agency is another important piece for higher automatic payment enrollment. Earlier in this survey report, the data revealed that respondents with a household income of \$100k or more are the only group that prefers automatic payments. This is likely because this group doesn't have regular concerns about whether or not the funds will be in their account when the automatic payment is withdrawn. This fiscal reality offers billing organizations an opportunity to practice better financial inclusivity, in a few ways. To make the automatic payment route accessible to more people, it's imperative to give customers control over the amount and scheduling of their monthly payments. Additionally, offering more flexible payment options (like mobile wallets) would allow your organization to offer top-tier convenience while accommodating customer needs.



Your Payment Experience Checklist for 2024

To keep up with the preferences of your customer base and reap the organizational benefits, it's important to continuously evaluate the experience of your payment offerings and optimize when necessary.

Based on this survey data, fielded from 2,001 bill payers nationwide, here are a few key things you can do to better position your organization to align with billing and payment currents heading into 2024:

- Evaluate your organization's payment experience to identify and eliminate points of friction from the process.
- Prioritize the ease of the mobile payment experience by offering a platform fitted to mobile screens with features like one-click payments or pay by text.
- Drive self-service to empower CSRs with more time to assist customers like the unbanked/underbanked or customers who prefer to resolve major issues with a rep (either via phone or chatbot).
- Offer seamless mobile experiences, including a variety of mobile wallets, to make self-service more accessible for the unbanked and underbanked.

- Insurance organizations: enable claims payments to be directly deposited into policyholders' bank accounts.
- Cater to both ends of the generational spectrum by enrolling Baby Boomers in self-service routes and offering payment channels preferred by Gen Z, like pay-by-text.



- Accept a range of payment methods, especially the most popular methods (debit and credit cards) and the up-and-coming methods (ACH and digital wallets).
- Enable payment reminders where the communication channel, customer information, organizational branding, and more can be customized.
- Make it easy to find and enroll in self-service options like paperless billing.
- Allow customers insight into and control over the amount and scheduled time of their automatic payments.
- Leverage QR codes on bill envelopes and link to payment screens in paperless bills to drive timely payments from the moment of billing.
- Provide omni-channel payment channels that are designed to talk to each other.
- Offer an optimized guest checkout route to help customers who have issues with forgetting their username and password to pay bills.
- Select a digital billing and payment solution designed to drive online payment adoption by engaging customers throughout the payment route and beyond.



If you're ready to offer a payment experience that's been shown to encourage self-service adoption and drive real results for billing organizations like yours, InvoiceCloud offers a true SaaS payment solution designed to turn one-time e-bill payers into fully engaged self-service customers. To learn more about InvoiceCloud and see our transformative user experience in action, [schedule a demo](#) today.

Appendix A

Generational breakdown:

- Gen Z: 18-28
- Millennials: 29-46
- Gen X: 47-58
- Baby Boomers: 59 and older.

Gender, household income, and region:

Divided evenly per census data

Appendix B

In the last 12 months, which of the following types of bills have you paid online or through a mobile device? Please select all that apply.

- Phone: 78%
- Internet: 73%
- Utilities (water, gas, electric): 71%
- Credit card: 70%
- Cable or streaming TV service subscription: 65%
- Insurance (personal auto): 55%
- Insurance Homeowner, Renter or Landlord Insurance: 37%
- Healthcare: 35%
- Personal loan payment (auto, mortgage, etc.): 34%
- Tax: 27%
- Waste collection: 24%
- Insurance (life): 24%
- Insurance (business): 9%

Appendix C

Base: Qualified Respondents

Q1. Which of the following channels have you used to pay a bill in the last 12 months? Please select all that apply.

- Mobile device (on app or mobile browser): 65%
- Online portal (on my computer/laptop) supplied by biller: 54%
- Online portal (on my computer/laptop) supplied by your bank: 43%
- Pay by phone (spoke with an automated system) : 27%
- Mail: check: 26%
- Pay by phone (spoke with a live agent): 24%
- In person: submitted cash or check to a person: 21%
- In person: drop box location: 11%
- Text message/SMS: 10%
- In person: kiosk payment: 8%
- Other: 2%

Base: Qualified Respondents

Q2: What is your preferred channel for making a bill payment?

- Mobile device (on app or mobile browser): 26%
- Online portal (on my computer/laptop) supplied by biller: 20%
- Automatic payments: 17%
- Online portal (on my computer/laptop) supplied by your bank: 17%
- Mail: check: 5%
- Pay by phone (spoke with an automated system) : 4%
- Pay by phone (spoke with a live agent): 3%
- In person: submitted cash or check to a person: 3%
- Text message/SMS: 2%
- In person: kiosk payment: 2%
- In person: drop box location: 1%
- Other: 1%

Base: Qualified Respondents

Q3: Which of the following statements best describes why you prefer to pay bills online or via a mobile device?

- I like the convenience and flexibility (ability to pay whenever and wherever I want): 30%
- I don't want the hassle of mailing bills in: 14%
- Ability to use a credit card: 11%
- I want to reduce the amount of paper I use/receive: 10%
- I store my payment information online so payments are fast and easy: 10%
- I don't want to make a trip for an in-person payment: 10%
- I want to avoid the rising risk of mail fraud, check theft, etc.: 7%
- I don't want to speak to an agent or automated system: 7%
- I don't prefer to pay my bills online or via a mobile device: 3%

Base: Qualified Respondents

Q4: Which payment method do you typically use when paying bills online or on a mobile device?

- Debit card: 39%
- Credit card: 26%
- My bank's bill payment option: 15%
- ACH: 9%
- Digital wallet (ApplePay, Google Pay, PayPal, Venmo, Zelle, etc.): 9%
- Cryptocurrency: 1%
- Other: 2%

Base: Qualified Respondents

Q5: Which of the following statements best describes why you do NOT prefer to pay bills online or via a mobile device?

- I'm concerned about the security of my information: 40%
- There are additional fees to pay online: 30%
- The available online payment options are limited or inconvenient: 14%
- I prefer to speak with someone when making a payment: 9%
- Online payment systems are difficult to use: 7%

Base: Qualified Respondents

Q6: For how many of your recurring bills are you enrolled in paperless billing, that is, where you only receive bills digitally?

- All: 30%
- More than half: 37%
- About half: 14%
- Less than half: 10%
- None: 6%
- I don't know: 3%

Base: Not enrolled in paperless billing for all (N=1,392)

Q7: Which of the following statements best describes why you have not enrolled for paperless billing for all your bills? Please select all that apply.

- I prefer to receive a paper bill: 37%
- There is no option to enroll: 24%
- I am concerned about the security of my payment information: 19%
- I am on AutoPay and haven't logged in to enroll: 15%
- I haven't had the time to enroll: 11%
- I would prefer my billing organization enroll me in paperless instead of me having to act: 10%
- Unsure how to enroll: 9%
- Enrollment process is too time consuming: 7%

Base: Qualified Respondents

Q8: For how many of your recurring bills are you enrolled in automatic payments, that is where payments are automatically withdrawn from a bank account.

- All: 17%
- More than half: 28%
- About half: 16%
- Less than half: 23%
- None: 15%
- I don't know: 2%

Base: Qualified Respondents

Q9: For how many of your recurring bills are you enrolled in automatic payments, that is where payments are automatically charged to a credit or debit card?

- All: 16%
- More than half: 23%
- About half: 16%
- Less than half: 25%
- None: 18%
- I don't know: 2%

Base: Not enrolled for auto payments for all bills (N=1,606)

Q10: Which of the following statements best describes why you have not enrolled for automatic payments for all your bills? Please select all that apply.

- I like to know my balance due before funds are automatically removed from my account: 34%
- I prefer to make manual payments each month: 26%
- I don't like the idea of funds being automatically removed from my account: 23%
- It's not always certain I'll have the necessary funds to cover an automatic payment: 22%
- I am on a fixed income and want to validate the cost before I pay: 20%
- There is no option to enroll: 17%
- I am concerned about storing financial information online: 14%
- I'd enroll if there was an incentive to enroll (i.e., statement credits): 10%
- I worry I won't get an email notification that my bill was paid: 7%
- Enrollment process is too time consuming: 5%
- Unsure how to enroll: 4%
- Some other reason: 3%

Base: Qualified Respondents

Q11: What are the major problems you encounter paying bills digitally? Please select all that apply.

- Can't remember username and/or password: 23%
- Lack of payment reminders: 17%
- Payments take too long to process: 13%
- Preferred payment method not available: 11%
- Lack of payment confirmation on due date: 11%
- Bill details not available before paying: 10%
- Lack of options for paying bills: 9%
- Difficult digital bill payment experience: 7%
- Some other reason: 2%
- I don't encounter major problems paying bills digitally: 40%

Base: Qualified Respondents

Q12: How do you decide which bills to pay first?

- The nearest due date: 29%
- I pay each bill when I receive it: 28%
- The most critical (utilities vs. loans): 19%
- The easiest/quickest to pay: 7%
- The highest balance: 7%
- The lowest balance: 3%
- Don't decide – AutoPay covers it: 8%

Base: Qualified Respondents

Q13: How would you prefer to receive insurance claim payments?

- Directly into my bank account: 73%
- As a paper check: 14%
- PayPal/Venmo: 8%
- Pre-paid card: 5%
- Some other way: <1%

Base: Qualified Respondents

Q14: What's your preferred way to connect with customer service teams for billing and payment related issues?

- Phone call with a customer service rep: 43%
- Chat with customer service rep: 28%
- In-person: 11%
- Chatbot: 9%
- Phone call with an automated system: 9%
- Some other way: 1%

Forward-Looking Statements

Certain statements in this release are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on current expectations and assumptions that are subject to risks and uncertainties. All statements contained in this news release that do not relate to matters of historical fact should be considered forward-looking statements, and are generally identified by words such as “expect,” “intend,” “anticipate,” “estimate,” “believe,” “future,” “could,” “should,” “plan,” “aim,” and other similar expressions. These forward-looking statements include, but are not limited to, statements regarding anticipated financial performance and financial position, including our financial outlook for the full year 2022 and thereafter, and other statements that are not historical facts. These forward-looking statements are neither promises nor guarantees, but involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements for many reasons, including, but not limited to, the following: our inability to sustain our rapid growth; failure to manage our infrastructure to support our future growth; our risk management efforts not being effective to prevent fraudulent activities; inability to attract new customers or convert trial customers into paying customers; inability to introduce new features or services successfully or to enhance our solutions; declines in customer renewals or failure to convince customers to broaden their use of solutions; inability to achieve or sustain profitability; failure to adapt and respond effectively to rapidly changing technology, evolving industry standards and regulations and changing business needs, requirements or preferences; real or perceived errors, failures or bugs in our solutions; intense competition; lack of success in establishing, growing or maintaining strategic partnerships; fluctuations in quarterly operating results; future acquisitions and investments diverting management’s attention and difficulties associated with integrating such acquired businesses; general economic conditions (including inflation and rising interest rates),

both domestically and internationally, as well as economic conditions affecting industries in which our customers operate; the war in Ukraine; concentration of revenue in our InvoiceCloud and SimplePractice solutions; COVID-19 pandemic and its impact on our employees, customers, partners, clients and other key stakeholders; legal and regulatory risks; and technology and intellectual property-related risks, among others.

Other important risk factors that could affect the outcome of the events set forth in these statements and that could affect the Company’s operating results and financial condition are discussed in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, and our subsequent Quarterly Reports on Form 10-Q, as updated by our future filings with the Securities and Exchange Commission (“SEC”). Such statements are based on the Company’s beliefs and assumptions and on information currently available to the Company. The Company disclaims any obligation to publicly update or revise any such forward-looking statements as a result of developments occurring after the date of this document except as required by law.

InvoiceCloud[®]

InvoiceCloud provides trusted, secure e-payments
and the highest adopting Electronic Bill Presentment
and Payment solutions.

To learn more, visit
www.invoicecloud.com