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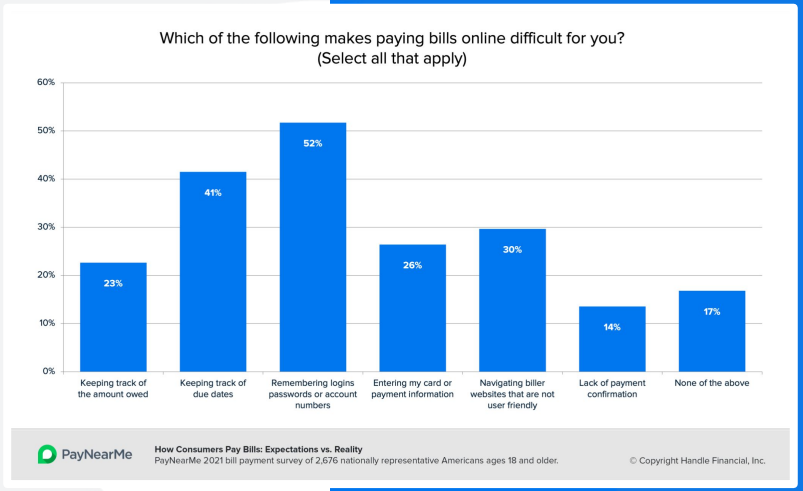
WEBINAR

Why Consumers Struggle Paying Bills



Agenda

- About the research
- Key findings
- What you can do
- More resources
- Recap
- Q&A

Today's hosts

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PayNearMe overview

The award-winning platform that lets your customers pay how, when and where they want.

12+
Years of Innovation

$Billions
Processed Annually

5,000+
Clients

31K+
Retail Cash Locations

7-ELEVEN · CVS · Walmart · Family Dollar

A-LIGN PCI DSS · ISO 27001 CERTIFIED A-LIGN · ANAB ACCREDITED ISO/IEC 17025 ANSI/NCSL Z540-1 · AICPA SOC aicpa.org/soc4so · FINTECH BREAKTHROUGH AWARD 2021 BEST CONSUMER PAYMENTS PLATFORM · 2020 Innovation Series

Licensed Money Transmitter in all required US states.

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Pop Quiz!

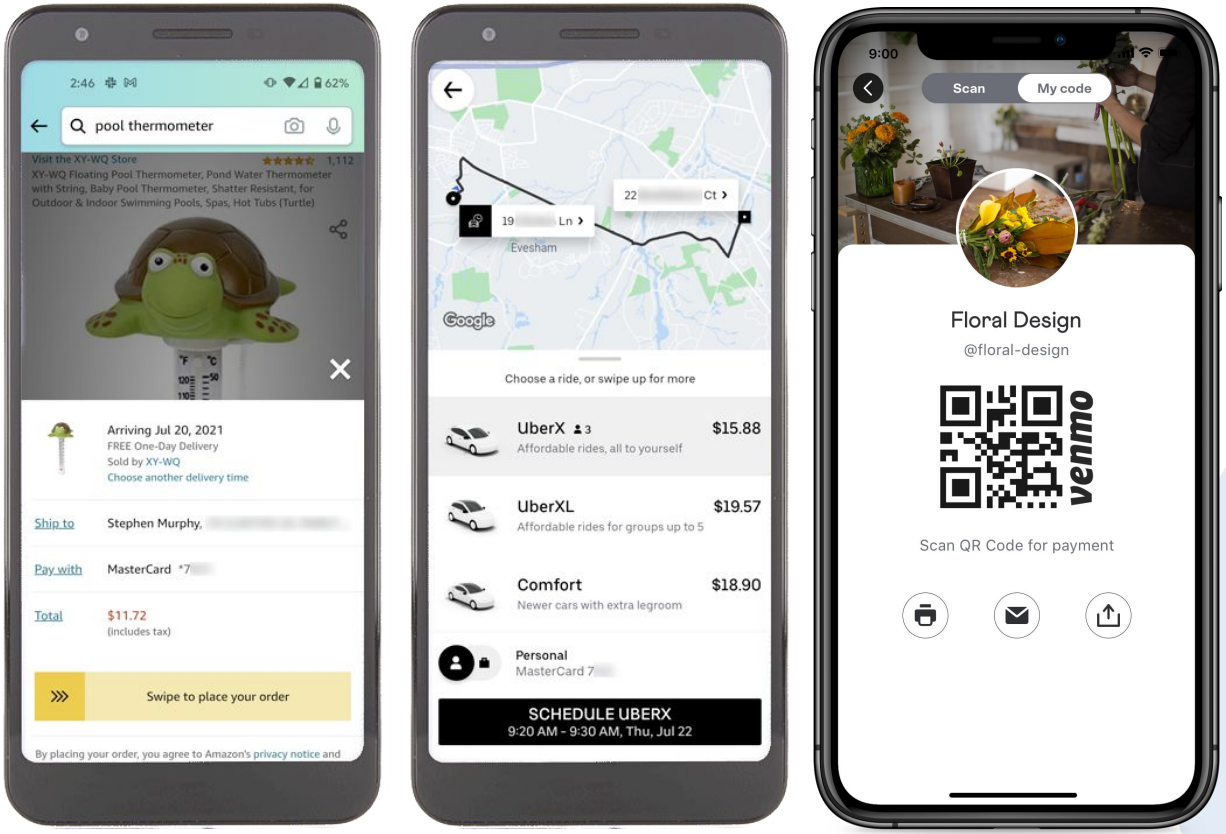
1. What's the #1 reason consumers don't set up autopay?

a. Procrastination
b. I worry about overdraft fees
c. I want to control when my bills get paid
d. It's a hassle
e. I don't want my payment information stored

2. What percentage of young adults (18-29) prefer to pay via offline channels?

a. 0%
b. 9%
c. 17%
d. 28%

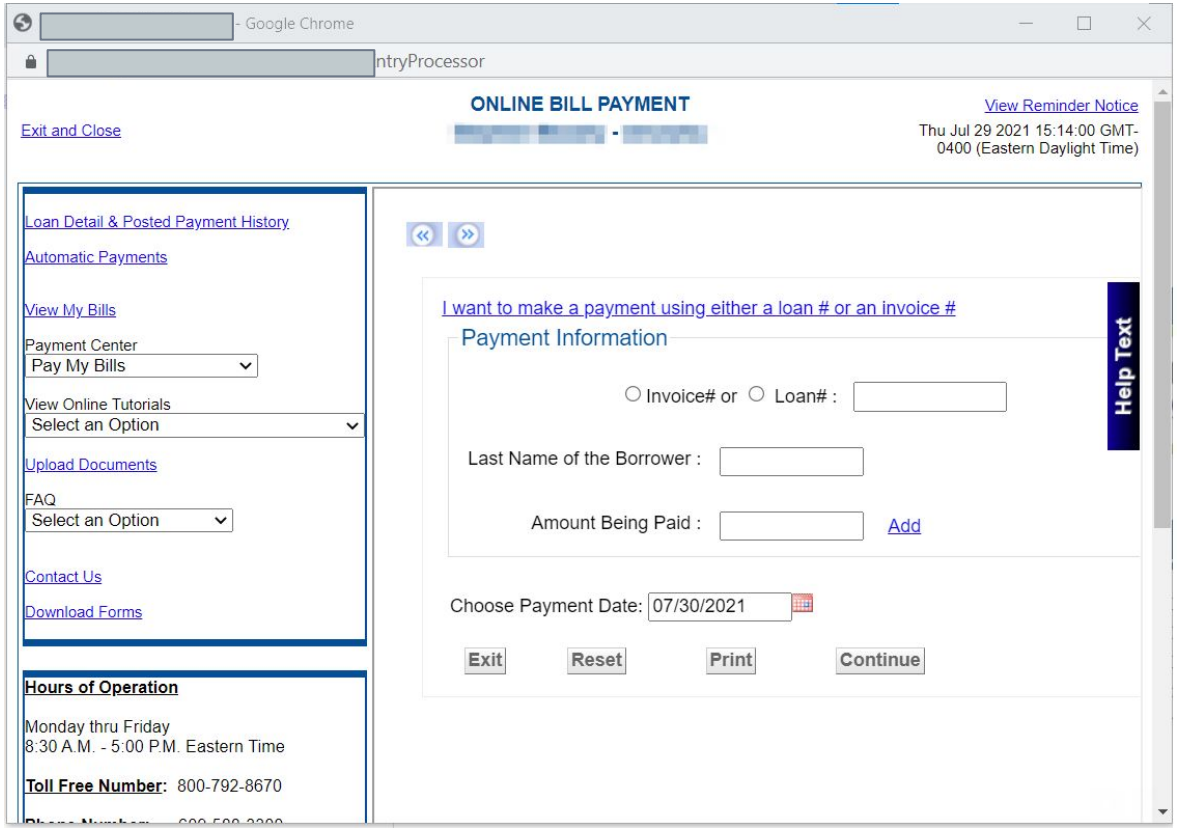
Payments have never been easier...



Swipe.
Tap.
Scan.

Easy.

Except when paying bills



1. Login on desktop
2. Find the payments section
3. Find my bill
4. Add loan number
5. Figure out my amount
6. Add my payment info
7. Confirm
8. Pay

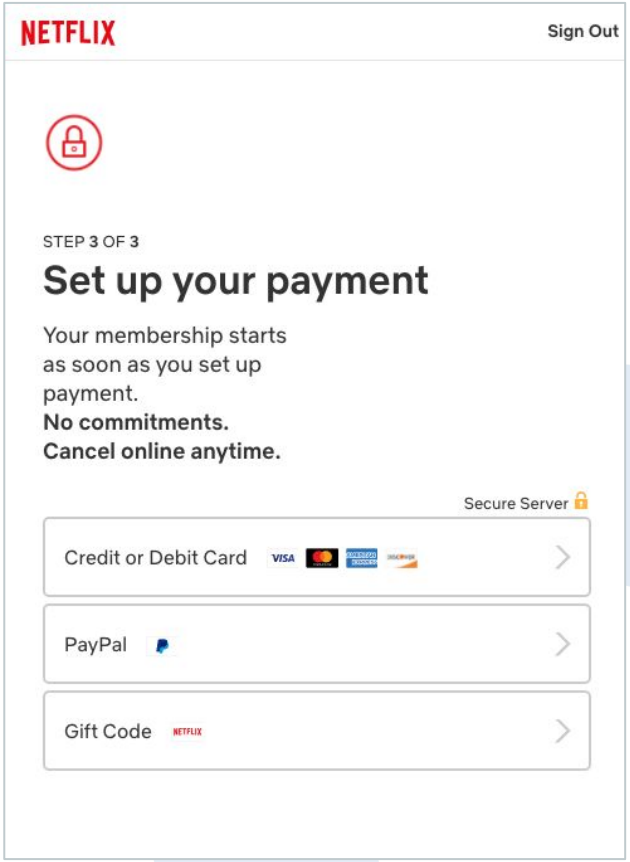
And if I make a mistake, start over!

Our theory why

In many other industries, you don’t acquire the customer until they make a payment.

It’s the final hurdle to a conversion.

For this reason, **payments innovation has been a requirement**.



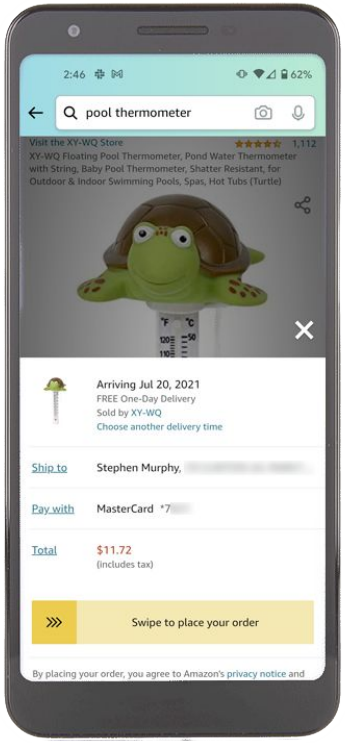
Our theory why

In lending, the customer is typically **acquired before a payment** is made.

Payments aren’t barrier to conversion, so they didn’t get the same level of attention.

Until recently.

Going from one to another creates friction



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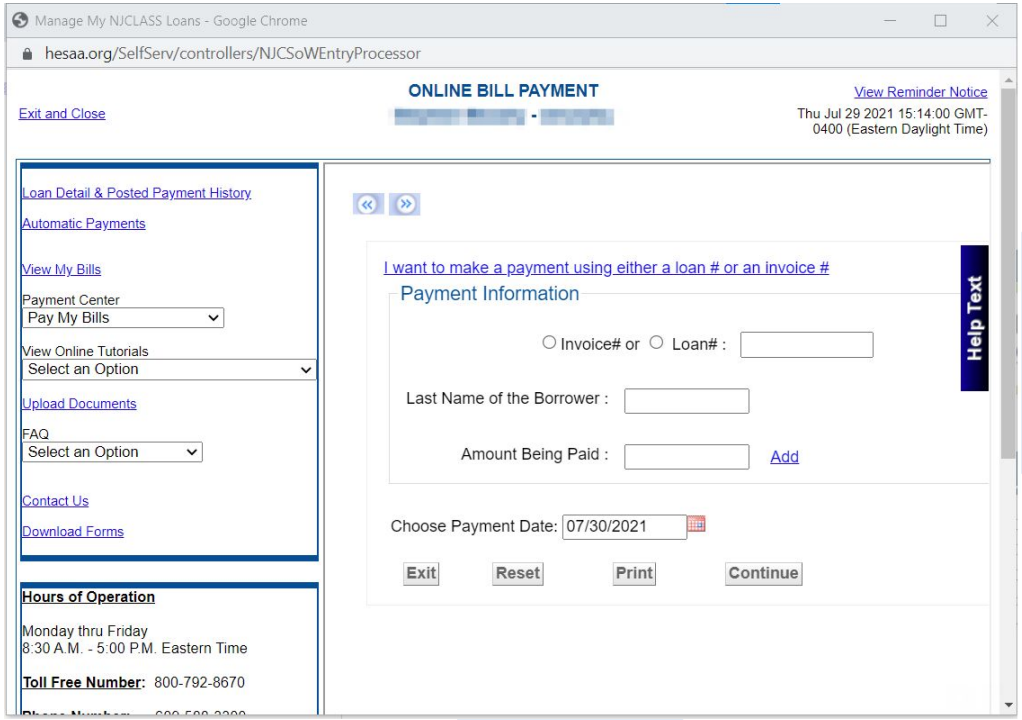

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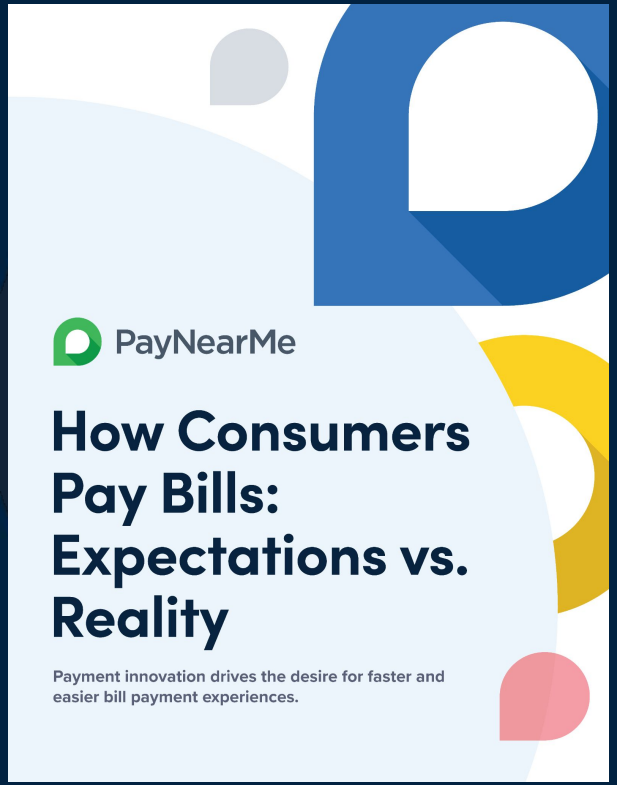
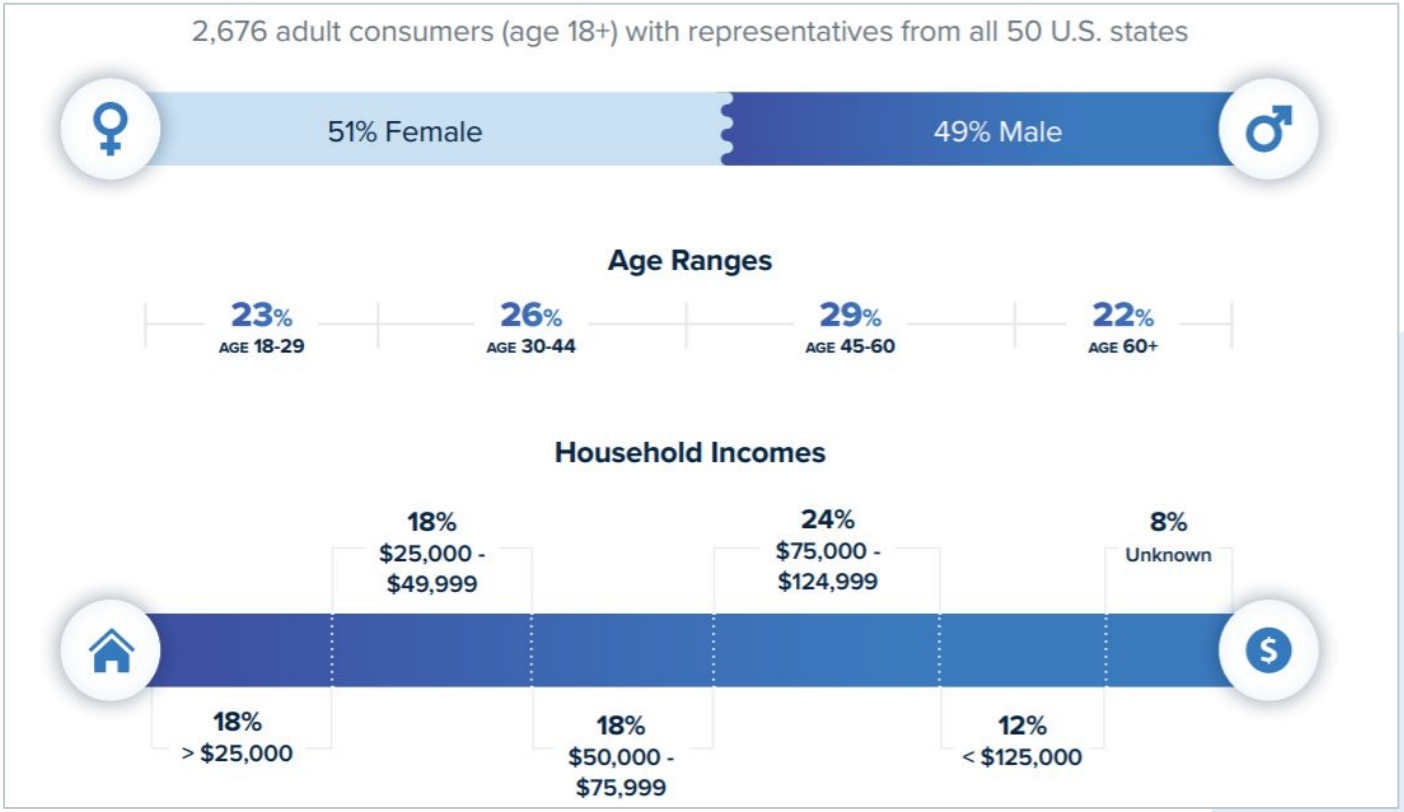
We decided to explore this friction.



Who we asked


2,676 adult consumers (age 18+) with representatives from all 50 U.S. states
51% Female
49% Male
Age Ranges
23% AGE 18-29
26% AGE 30-44
29% AGE 45-60
22% AGE 60+
Household Incomes
18% > $25,000
18% $25,000 - $49,999
18% $50,000 - $75,999
24% $75,000 - $124,999
12% < $125,000
8% Unknown

What we wanted to learn

How do consumers *actually want* to pay bills?

What do they expect from the bill pay experience?

What would make bill pay easier?

How can businesses meet these changing needs?

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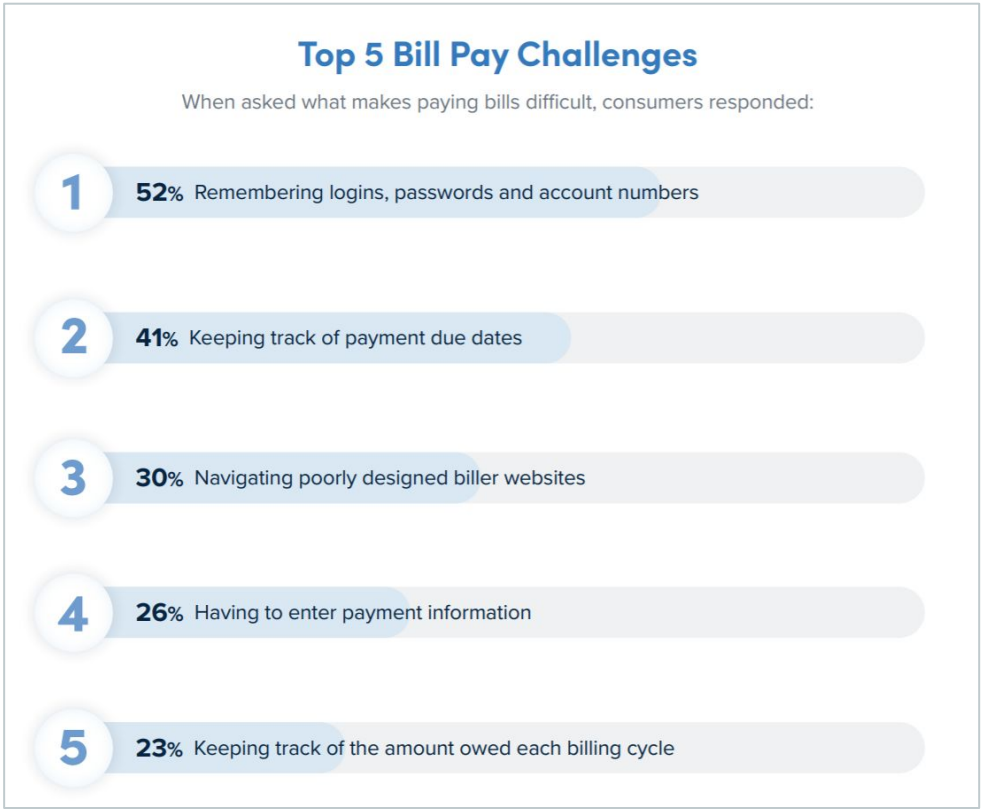
Insight: Bill Pay is Stressful

Disorganization dominates bill pay

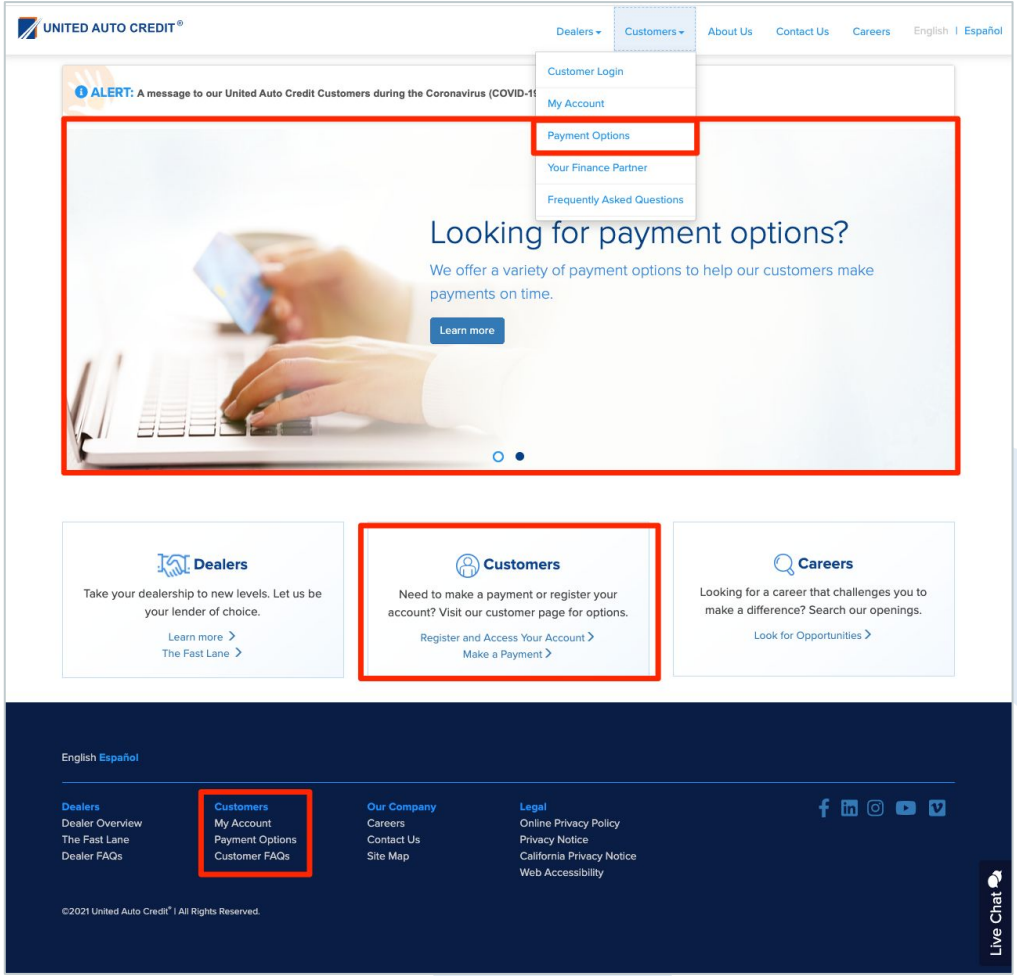


- Nearly half (48%) of consumers feel disorganized managing & paying bills.
- Keeping track of account numbers, dates, passwords etc. is a main culprit.
- Surprisingly, stress & disorganization isn't typically due to a lack of money- but instead the complicated bill pay process.

Prioritize payments on your website

Nearly one in three (30%) said navigating poorly designed biller websites led to stress in the bill pay process.

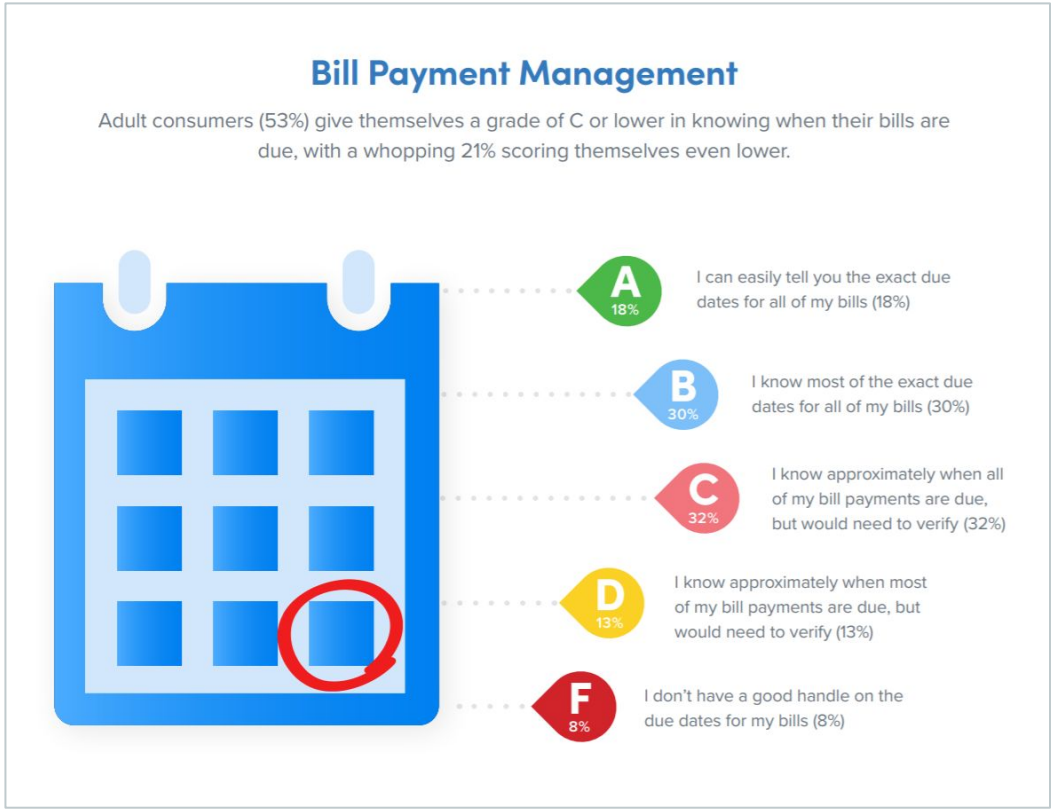
Eliminate this by prioritizing payments online and making it easy on desktop and mobile devices.



Another great example

- They know most customers are visiting their site to make a payment
- Offers both login and guest pay options
- Works on mobile, desktop and tablet to cover all bases

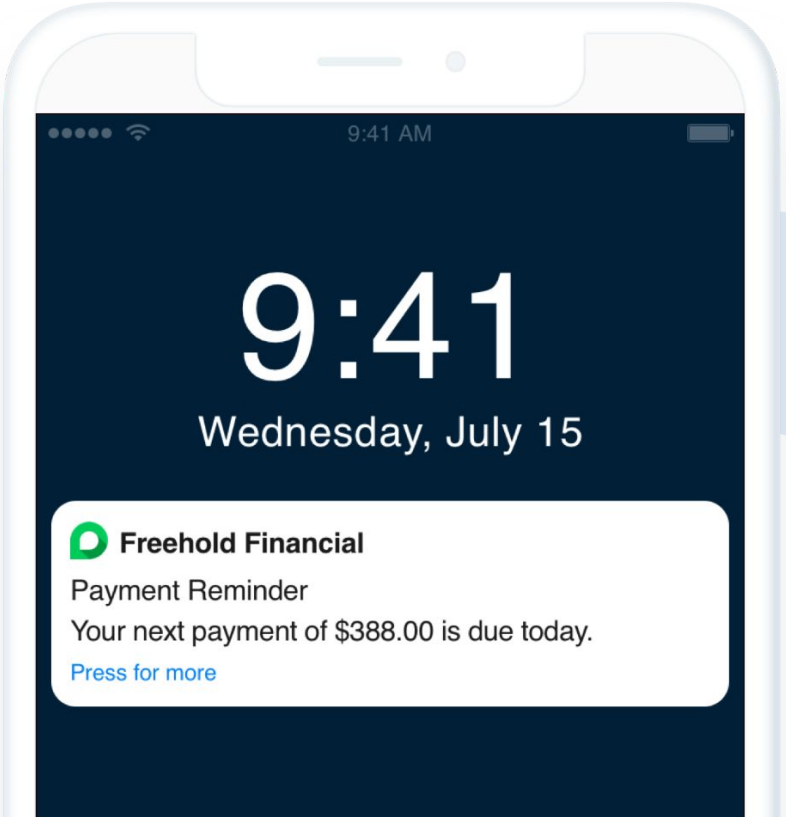
Stress = more late & missed payments



- Stress and disorganization lead to late and missed payments
- More than half of adults (51%) paid at least one bill late during the past 12 months, and more than 1 in 5 (21%) paid bills late more than four times during the last 12 months.

Reduce memory strain with reminders

Nearly half of adults surveyed (45%) say it would be easier to pay bills on time if they received a text message or email reminding them when their bills are due.



Turner Acceptance turns texts to self-service

"The beauty is that all customers can make payments easily at their fingertips. Customers feel more comfortable knowing that they control when they can set up a recurring payment, stop payments or set future payments [themselves]. The fact that one-click payment links are on their mobile device—and that it's secure—facilitates self-service and allows us to reduce unnecessary calls to our agents."

– David Uribe, Director of Initiatives, Turner Acceptance Corp.

- Within the first 60 days of implementing **PayNearMe Engagement Engine**, Turner increased self-service by more than 20%.
- The solution also removed the need for customers to call in to agents to complete payments, check balances, etc.

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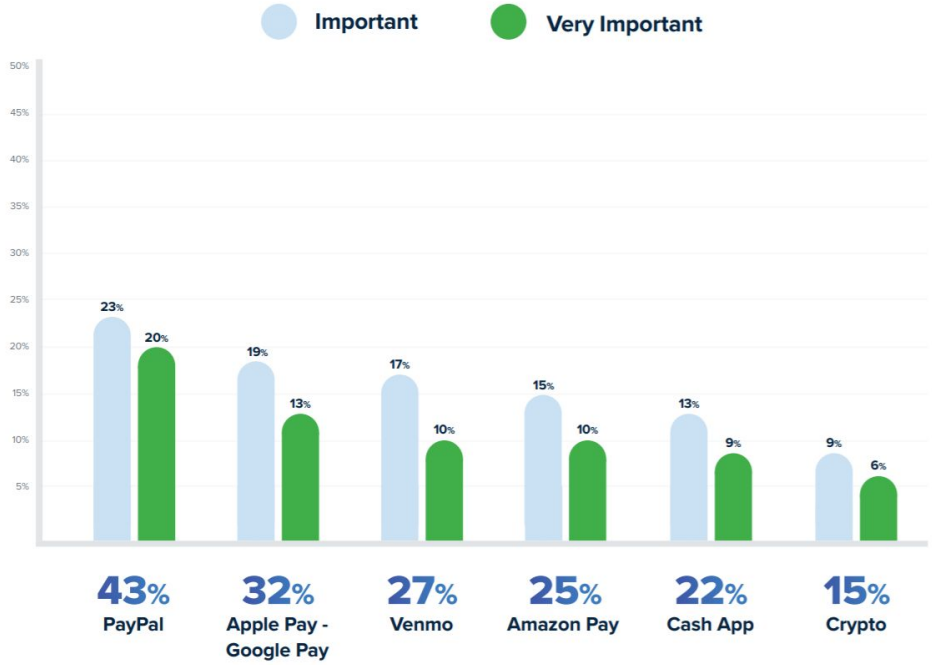
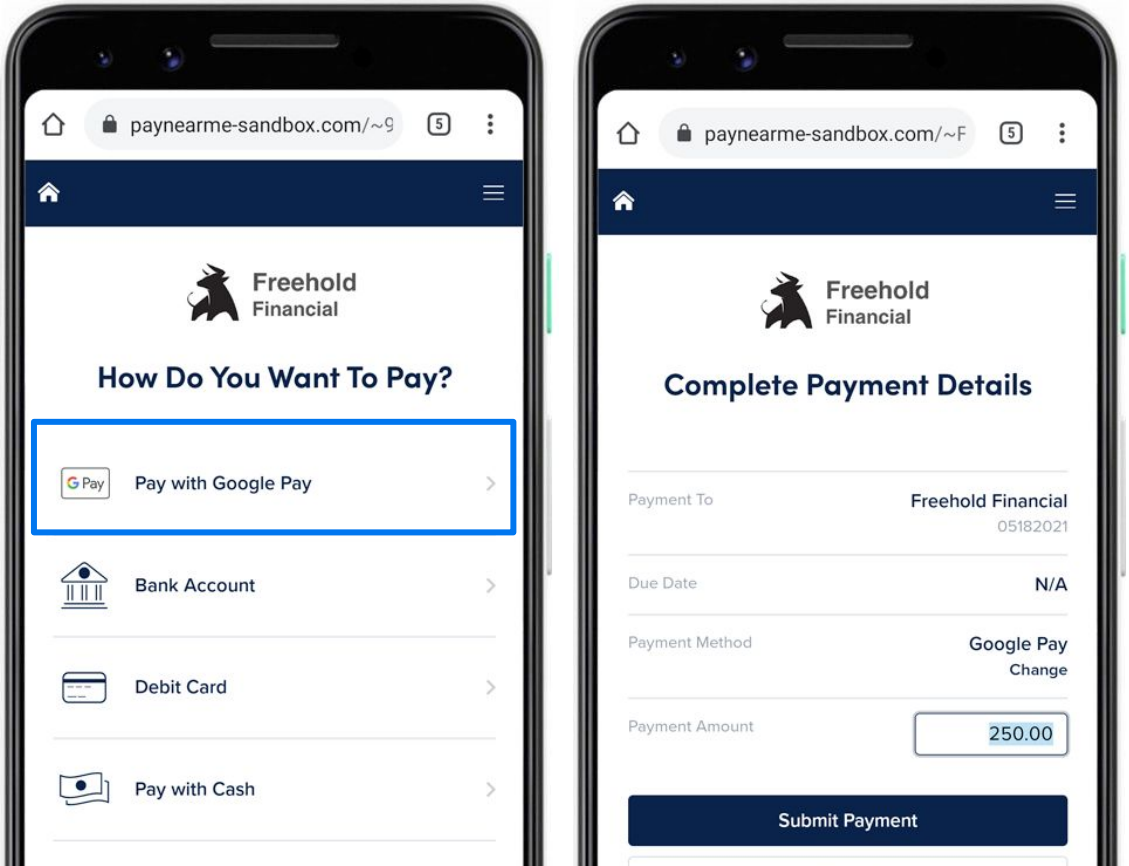
Insight: Mobile Matters

Consumers want more mobile options



- 43% say using PayPal to pay bills is important or very important
- 36% of respondents say if they had the option, they would be likely or very likely to use Apple Pay or Google Pay to pay bills
- 27% point to Venmo as a preferred way to pay their bills

Use smart payment options on mobile

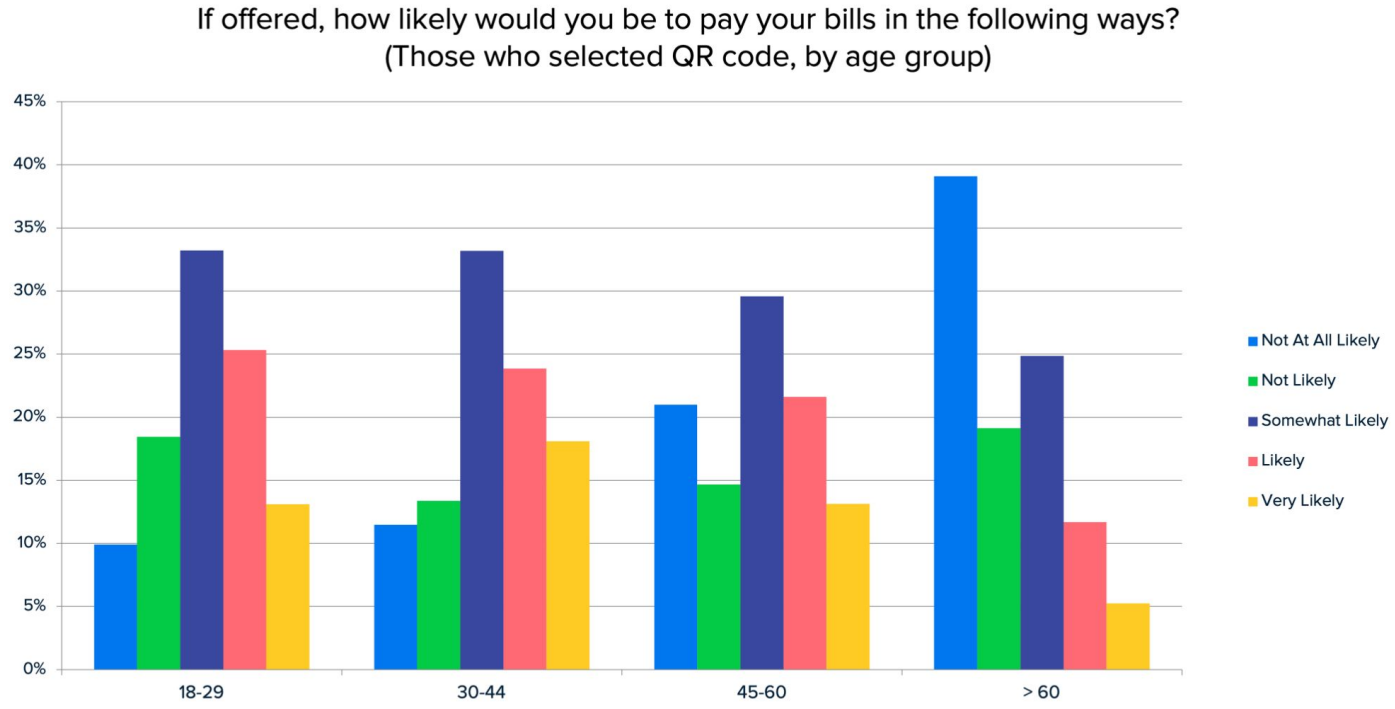


When using an Android based phone, show Google Pay.

When using an iOS device, show Apple Pay.

Make it easy for customers to use mobile-first payment types and reap the benefits (i.e. lower chargeback rates, fewer input errors, etc.)

QR codes continue their comeback



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How Consumers Pay Bills: Expectations vs. Reality
PayNearMe 2021 bill payment survey of 2,676 nationally representative Americans ages 18 and older.

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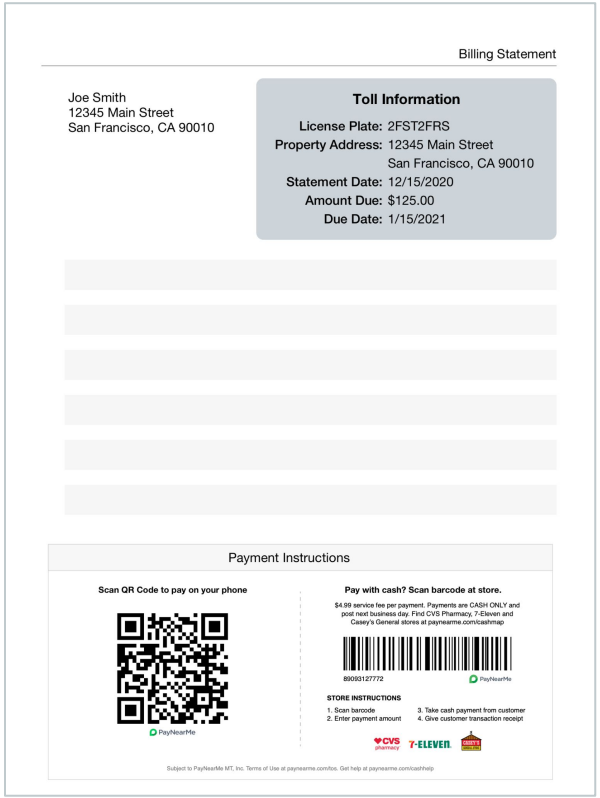
Try it yourself!

Scan the QR code with your phone's camera and see how it enters you directly into a personalized payment flow.

Use this to turn **paper statements** into mobile payments.

Easier than EZ Pass?



Billing Statement

Joe Smith
12345 Main Street
San Francisco, CA 90010

Toll Information

License Plate: 2FST2FRS
Property Address: 12345 Main Street
San Francisco, CA 90010
Statement Date: 12/15/2020
Amount Due: $125.00
Due Date: 1/15/2021

Payment Instructions

Scan QR Code to pay on your phone

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Pay with cash? Scan barcode at store.

$4.99 service fee per payment. Payments are CASH ONLY and post next business day. Find CVS Pharmacy, 7-Eleven and Casey's General stores at paynearme.com/cashmap

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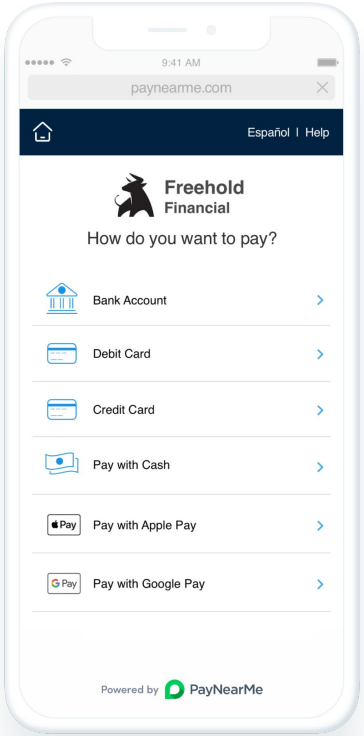
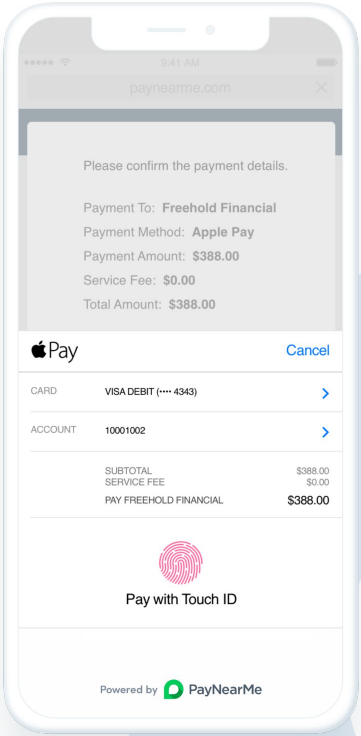
STORE INSTRUCTIONS

1. Scan barcode
2. Enter payment amount
3. Take cash payment from customer
4. Give customer transaction receipt

CVS pharmacy 7-ELEVEN CASEY'S GENERAL STORES

Subject to PayNearMe MT, Inc. Terms of Use at paynearme.com/tos. Get help at paynearme.com/cashhelp.





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Insight: Consumers Need More Information

All of these can clog up your phone lines

“I can’t find my bill”

“I need to make a payment”

“How much is left on my loan?”

“I forgot my password”

Right information, right time

eBills

78% of consumers say it would be helpful or very helpful to have access to their entire bill when making or managing online bill payments.

Digital Wallets

42% of consumers would be likely or very likely to use their digital wallet to store, view and pay their bills from a single place if given the opportunity.

To reduce bill pay headaches, consumers need access to the right information at the right time.

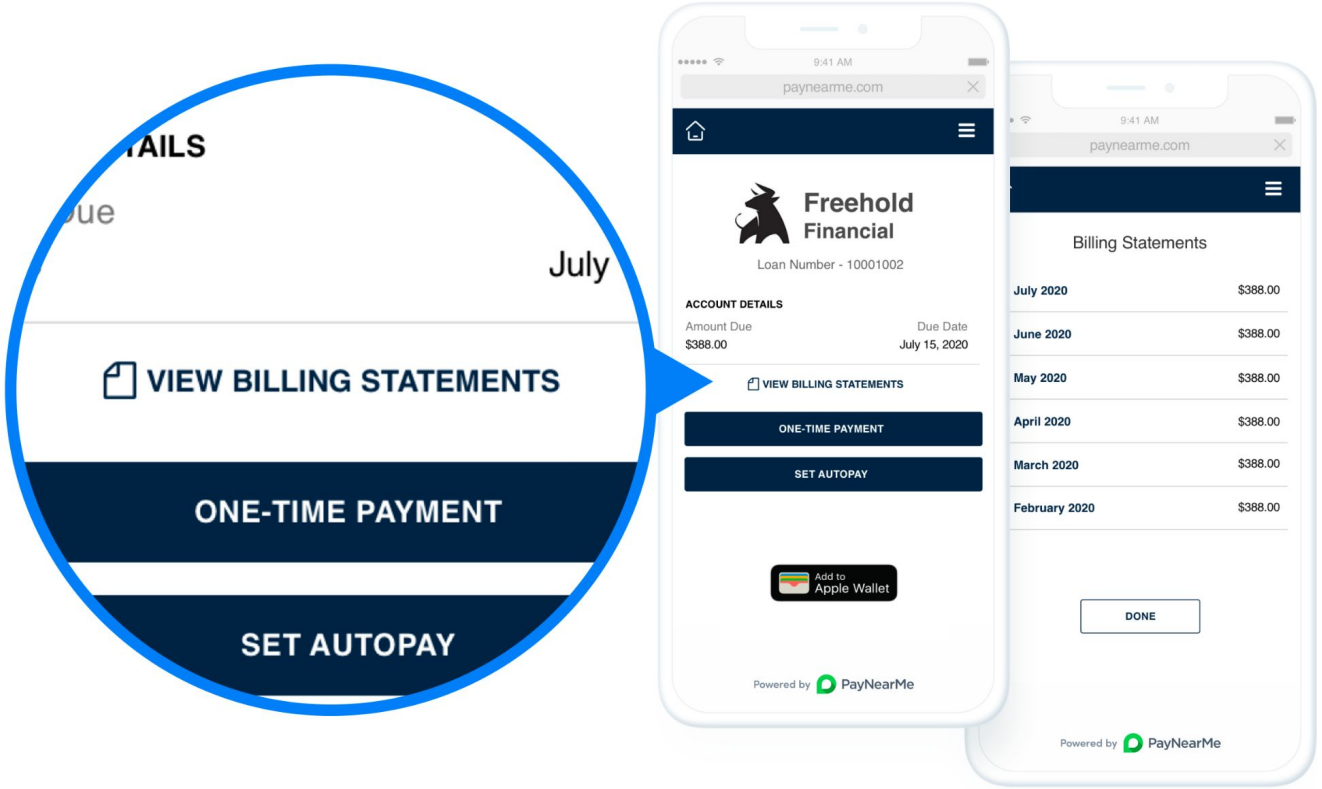
Use digital wallets as pseudo-apps

All the benefits of an app without developing/managing an app on your own.

Natively installed on nearly every smartphone.

Include FAQs, payment links and other information that makes payments easier.

Providing billing info when & where it's needed



Recap - what consumers want

- More mobile payment options
- Less complicated password/login processes
- Reminders when bills are due
- Better access to billing information & management across multiple channels

= Easier bill payment experiences

More to explore

- Read the full research report in the **Research Section** on paynearme.com
- Download charts and graphs to share with your team
- Stay tuned for upcoming reports:
    - Consumer Attitudes Toward New Mobile Bill Payment Options
    - Driving On-Time Payments: What Makes Customers Pay Late
    - What the Newest Generation of U.S. Consumers is Saying About Bill Pay

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Questions?

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Thank you!

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