

- [Top Story](#)
- [Public Policy / Economics](#)
- [Future of The Document](#)
- [Parcel Delivery & Fulfillment](#)
- [Retail Services](#)
- [Managing the Supply Chain](#)
- [Contributor](#)
  - [Robert Cohen](#)
  - [Murray B. Comarow](#)
  - [Giles Biscos](#)
- [Transactions](#)

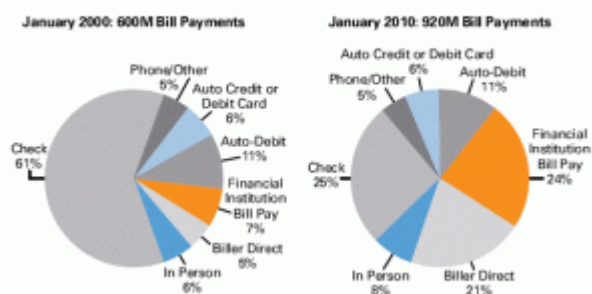
## Consumers Shift to ePayment to Get Control Over Finances

February 7th, 2011 | Category: [Top Story](#), [Transactions](#) | [No Comments »](#)



With the release of the **2010 Billing Household Survey** by Fiserv Corporation provides a significant update on how the availability of multiple web and mobile based payment and bill presentment delivery modes has changed consumer use of traditional and new modalities. The survey, conducted by The Marketing Workshop, showed that consumers that have online access are gravitating toward payment options that provide them more control and allow them to hold onto their money as long as possible. The surveyed consumers reported increased usage of online, phone, and walk-in payment methods, and a decrease in the use of paper checks. Respondents indicated that many customers are comfortable in using more than one mode with 23 percent of respondents stating that they change the ways they pay their bills month to month.

### Bill Payment Channels and Options Have Proliferated Substantially Over the Last Ten Years (Volume)



Source: Changes in the Consumer Billing and Payment Marketplace 2000-2010, Fiserv, Inc.

The Fiserv survey followed its study, "Changes in the Consumer Billing and Payment Marketplace, 2000-2010." That study determined that made by online households have increased by 53 in the past ten years to 920 billion. During this period check payment volume dropped by 57% and now account for only 25% of payments by households that are online. (In 2000, checks represented 61% of the payments of online households.) During this period payments at biller direct and financial institution consolidated sites grew substantially while payments at other payment grew at around the rate in payment growth in general.

## **Variation in Monthly Bill Payment Methods Providing More Control**

According to the survey, consumers value payment control and flexibility, particularly when they are experiencing cash flow difficulty. Thirty-eight percent of the consumers surveyed had made a late payment or missed paying a bill altogether in the previous 12 months. Fifty-seven percent of them identified the source of the late payment to be cash flow difficulties.

The survey results indicate that population of consumers that are online rely on varied payment methods, with 23 percent of those surveyed reporting that they change the ways they pay their bills month to month. The survey also found significant growth in channels that provide consumers with greater control over the delivery and timing of their payments, including:

- The number of online consumers that use checks declined to 54.5 million households, below the 65.0 million households that use either biller direct or financial institution bill pay services.
- The number of consumers who use online bill payment at the bank site increased 11 percent, surpassing auto-debit payments for the first time. This would project to mean that approximately 36 million households are now turning to the online banking channel for at least one bill payment in a given month, while 35 million use auto-debit.
- The number of consumers utilizing the phone channel increased 27 percent, to 17.4 million households in 2010. This dramatic increase is due in part to more users paying bills via their mobile phone.
- The number of consumers utilizing the walk-in channel increased 16 percent, to 27 million households in 2010.
- In the previous 12 months, 34 percent of consumers used a credit or debit card to make a one-time bill payment that they normally pay by some other method, even though this meant one-third of them paid a convenience fee.

## **Customers Predominantly Visit Service Provider's Websites for Bill Payment**

The survey found that consumers visit a service provider's website to make payments and view bills more often than any other activity on those websites, including shopping for products, finding educational information on a new service or learning more about the company. Seventy-four percent of survey respondents visited one of their service provider's website in the previous six months and 66 percent said doing so helped them avoid calling the company.

Of the consumers who visited their service provider's website in the previous six months, 66 percent did so to pay a bill, and 48 percent accessed their monthly bill or viewed payment history.

Paying a bill was the top reason for a consumer to visit the websites of credit card, electric, cell phone and cable/satellite companies, specifically:

- 68 percent of consumers who visited their credit card company website did so to pay a bill
- 66 percent who visited their electric company website did so to make a payment
- 65 percent of consumers who visited their cell phone provider site did so to pay a bill, compared to 33 percent who shopped for products and services
- 63 percent of consumers visited a cable or satellite company site did so to pay a bill, compared to 25 percent who shopped for products or services, or 11 percent who went to learn more about the service.

In total, approximately 48 million households paid at least one bill online at a service provider website in a given month.

### **Paperless Billing Delivers Higher Customer Satisfaction and Loyalty to the Biller**

The survey found that consumers utilizing paperless billing, in which they receive an electronic version of their bill online at either the company website or their financial institution website, are more satisfied with their service provider than those receiving paper bills in the mail.

Thirty-four percent of those who received paperless bills (e-bills) at a company website said e-bills improved their relationship with the company. Thirty-seven percent of those who received e-bills at a financial institution website stated that e-bills improved their relationship with the company from which they received the bill, and 33 percent indicated electronic billing made them less likely to switch to a competitor. Further, 58 percent of respondents said the environmental impact is an important aspect of their decision to view and pay bills electronically, unchanged from last year.

The study provides good news for billers seeking higher paperless billing adoption rates, particularly when offering e-bills through financial institutions. Thirty-three percent of all consumers who pay a bill at their financial institution's website, or 12 million households, also receive at least one e-bill there, up from 24 percent in 2009. In addition, almost 36 percent of non-users expressed interest in trying e-bills.

### **About the Survey**

The Fiserv-sponsored online survey, conducted in March 2010 by The Marketing Workshop, reflects the responses of 2,001 adult consumers who are responsible for paying their household bills. The results are representative of the United States online population of households, which is approximately 90.5 million out of the 120 million households in the United States.

Copies of the Survey Can be Found at the following web addresses:

### **The Postal Journal**

### **Fiserv**

### **About The Marketing Workshop**

**The Marketing Workshop**, Inc. is a nationally acclaimed, full-service marketing research consultancy, providing a full range of custom qualitative and quantitative solutions. Clients from around the world have worked with us since 1972 to better understand their customers, product development, branding, positioning, creative testing, market segmentation, customer satisfaction and more. We have completed more than 10,000 individual projects for over 1,000 clients across a wide variety of business-to-consumer, business-to-business, governmental, education, association and not-for-profit organizations.

### **About Fiserv**

Fiserv, Inc. (NASDAQ: **FISV**) is a leading global provider of information management and electronic commerce systems for the financial services industry, driving innovation that transforms experiences for financial institutions and their customers. Fiserv is ranked No. 1 on the FinTech 100 survey of top technology partners to the financial services industry. For more information, visit **[www.fiserv.com](http://www.fiserv.com)**.



## Leave Comment