# Consumer Bill Payments in 2019:
## Trends Report

Alacriti

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# Introduction

## Bringing you the latest statistics in consumer bill payments to better serve your customers.

At Alacriti, we have a unique view into the bill payments ecosystem. With our electronic bill presentment and payment (EBPP) solution, Orbipay® EBPP, we serve a diverse group of clients across a variety of industries, including:

- **Banking**
- **Education**
- **Financial Services**
- **Government**

- **Healthcare**
- **Hospitality & Event Management**
- **Insurance**
- **Manufacturing & Distribution**

- **Real Estate & Construction**
- **Utilities**
- **And more...**

Our solution enables us to collect anonymous data on consumers' bill payment behaviors. We have compiled a collection of online bill payment statistics that can serve both our customers and the payment industry at large in understanding today's bill pay environment.

The data reveals valuable information about our clients and their customers' usage of Payment Methods, frequency, and channels of interaction. These data points can be used to help form a deeper understanding of the landscape today, and to make customers' online bill payment experience as simple and seamless as possible. We understand that, as consumers have more choices than ever, simplicity and ease of use are of paramount importance.

Our key findings are summarized in the following report.

# Data Set Methodology and Demographic Information

**This report contains output from Orbipay EBPP's 2019 transaction data and shows information and findings within the market.**

The number of Orbipay EBPP payment transactions, payment volume, and processing entities increased at double-digit rates year on year. Total payments processed through Orbipay EBPP was **up 11 percent** over the previous year and total payment volume **up 20 percent** over 2018. The number of processing entities **grew 19 percent to 816**.

- **Total Payments** — 23.6 million payments were processed through Orbipay EBPP
- **Total Payment volume** — $75.9 billion
- **The number of processing entities grew 19 percent to 816**

The data in the following report includes **22.7 million** transactions, with a total value of **$8.8 billion**. To focus our study on consumer bill payments we excluded transactions **greater than $5,000** from our data set.

The majority of our data is comprised of the following industries:

- Utilities
- Government (largest split of clients)
- Healthcare
- Consumer Finance
- Insurance (largest share of payment volume)

*\**69%* of our clients fall under the industries listed above, and they account for *91%* of overall Orbipay payment transactions.*

*Analysis was performed in-house by a team of data statisticians using Orbipay EBPP customer and transactional data, as well as data from Google Analytics.*

# Key Findings

## In 2019 Orbipay EBPP passed through a few key milestones as a platform.

The number of Orbipay EBPP payment transactions, payment volume, and processing entities increased at double-digit rates year on year. Total payments processed through Orbipay EBPP was **up 11 percent** over the previous year and total payment volume **up 20 percent** over 2018. The number of processing entities **grew 19 percent to 816**.

Impeccable system reliability was also achieved in 2019 as Orbipay EBPP clocked in at **100 percent** uptime with no unscheduled outages.

Monday and Friday were the most popular days to make payments, accounting for **38%** of total payments in the Orbipay platform. The most popular time to make a payment was Monday between 4:00 p.m. and 5:00 p.m. ET.

Mobile adoption keeps climbing, and payment by device made its biggest jump ever in our data in 2018-19. Mobile payments now represent **26%** of Orbipay payments **up from 20%** in 2018.

One-Time payments accounted for the large majority of transaction value **(73%)** in Orbipay EBPP in 2019. One-Time payments were most commonly used for transactions in:

- **Education (99.81%)**
- **Government (97.74%)**
- **Healthcare (76.02%)**
- **Banking (73.63%)**
- **Consumer Finance (58.95%)**

About a quarter of Orbipay clients offer the AutoPay or Recurring Payment Options. When One-Time was offered with either AutoPay or Recurring (**48%** of transactions), AutoPay and Recurring were both selected more often (**88%** and **57%** respectively).

# Key Findings (Continued)

## ACH Payments made up 64% of transaction volume in Orbipay EBPP in 2019

Similar to what we saw in our 2018 transaction data, ACH was again the most used Payment Method for bill payments. **93%** of Orbipay EBPP clients offered direct payments via ACH, and ACH made up **64%** of all payments initiated on the Orbipay platform while accounting for **83%** of the total value of payments.

ACH-funded payments accounted for **71%** of transactions in Banking, **73%** in Government, **73%** in Consumer Finance, **65%** in Utilities, and **64%** in Insurance.

## Debit Cards most used Payment Method for payments of $10-25 on Orbipay platform

The second most used Payment Method on the system was Debit Cards. **62%** of Orbipay EBPP clients offered direct payments via Debit Cards, making up **22%** of all payments initiated on the Orbipay platform. Debit Cards were used more than any other Payment Method — (**40%**) for payments in the $10-$25 range. Debit Cards were used most often to pay for Education Bills and Healthcare Bills, **62%**, and **52%** respectively.

Credit Cards accounted for the final **14%** of transactions and were offered by **56%** of Orbipay EBPP clients to their bill payers as a direct Payment Method. Credit Cards highest usage as a Payment Method was also for payments of $10-$25, at **24%**.

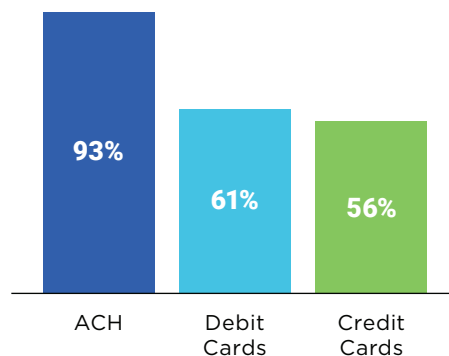When all three Payment Methods were offered, ACH payments were preferred more than half the time (**54%**).

# Payment Method Trends

ACH, Debit Cards, Credit Cards

# ACH was again the most used Payment Method for bill payments. Similar to 2018, **93%** of Orbipay EBPP clients offered direct payments via ACH.

Across all clients on the platform, **92.61%** offered ACH as a payment method. This was followed by Debit Cards (**61.82%**) and Credit Cards (**56.14%**).
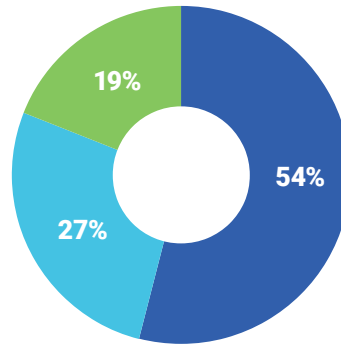
## % of Clients That Offered Each Payment Method



| | | |
|---|---|---|
| 93% | 61% | 56% |
| ACH | Debit Cards | Credit Cards |

## Payment Method Preference
## When All Were Available

(excludes transactions of $5K and above)

When all three Payment Methods were offered, ACH payments were preferred more than half the time (**53.54%**).

**19%**
**54%**
**27%**

■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS

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## Payment Methods:
## Usage as a % of Transaction Value

(excludes transactions of $5K and above)

**Orbipay EBPP users utilized ACH for 64% of payments — up from 58% in 2018.**

Debit Cards were used **21.87%** of the time, and Credit Cards were used **14.36%** of the time.

**14%**
**64%**
**22%**
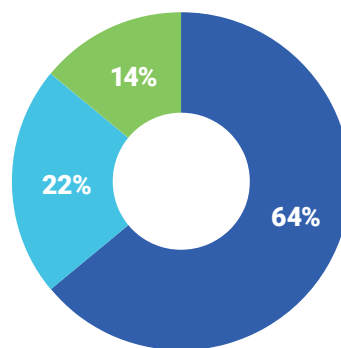
■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS

**ACH payments accounted for 83% of the value of transactions made via Orbipay EBPP — an increase from 79% in 2018.**

Debit Cards were used more than any other Payment Method for payments in the $10-$25 range. Credit Cards highest usage was also in the $10-$25 category at **23.65%**. ACH was the most used Payment Method for all other price points.

## Payment Methods:
## Usage by Transaction Amounts

(excludes transactions of $5K and above)
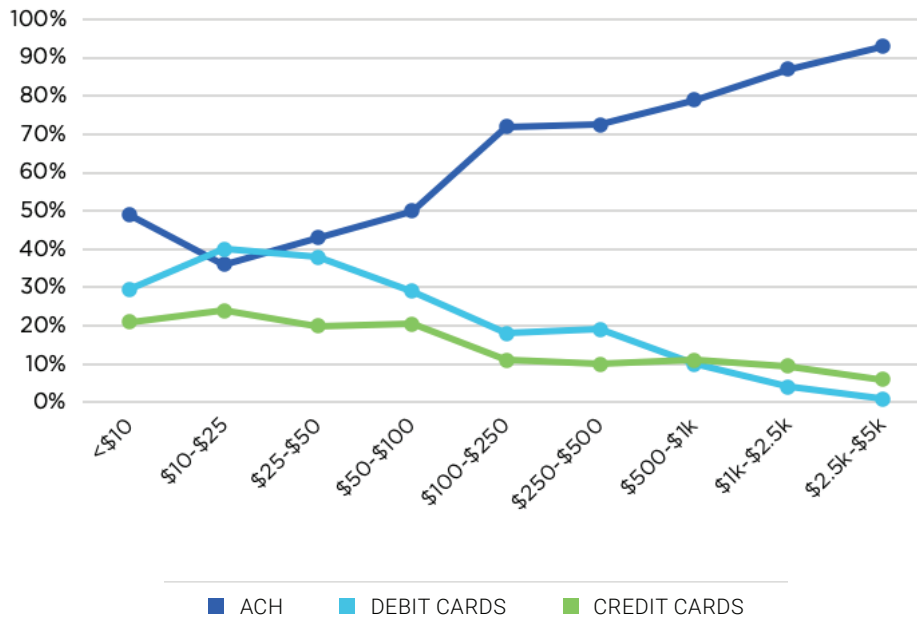


For clients that didn't offer ACH as a Payment Method (only **3.43%** of the time), Credit Cards were used **54.84%** of the time versus **45.16%** for Debit Cards.
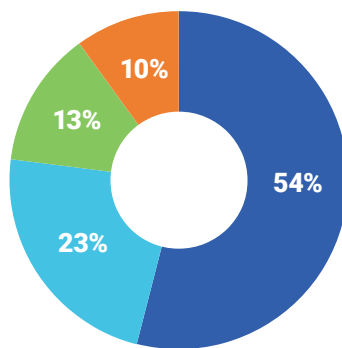
# Payment Channel Trends

Enrolled Web, Agent, IVR, Guest Web

# When available, Enrolled Web is the most commonly used channel to make payments.

## Payment Channel Preference When All Were Available

(excludes transactions of $5K and above)



- 54% ENROLLED WEB
- 23% AGENT
- 13% IVR
- 10% GUEST WEB

Payments made via Enrolled Web accounted for **51.7%** of Orbipay EBPP transactions.

Mobile adoption keeps climbing, and payment by device made its biggest jump ever in 2018-19. Mobile payments now represent **26%** of Orbipay payments — a significant jump from **20%** in 2018.

# Payment Option Trends

One-Time, AutoPay, Recurring, Invoice, Payment Plan

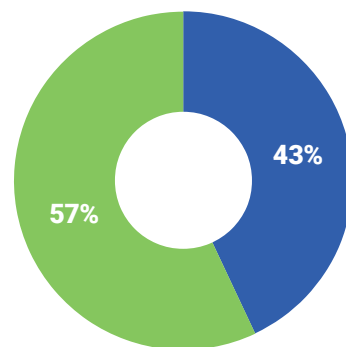# About a quarter of Orbipay clients offer the AutoPay or Recurring Payment Options.

When One-Time was offered with either AutoPay or Recurring (**48%** of transactions), AutoPay and Recurring were both selected more often.

## When One-Time Was Offered with Either AutoPay or Recurring

(excludes transactions of $5K and above)



12%

88%

ONE-TIME    AUTOPAY

43%

57%
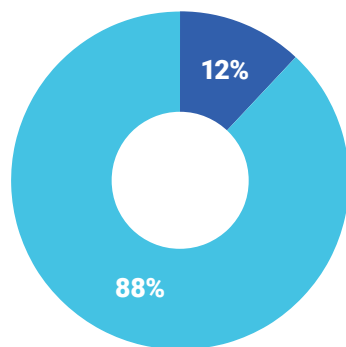
ONE-TIME    RECURRING

One-Time payments accounted for the large majority of transaction value (**73%**) in Orbipay EBPP in 2019.

## Payment Options Used
## as a % of Transaction Volume

(excludes transactions of $5K and above)

11%  1%

27%

61%
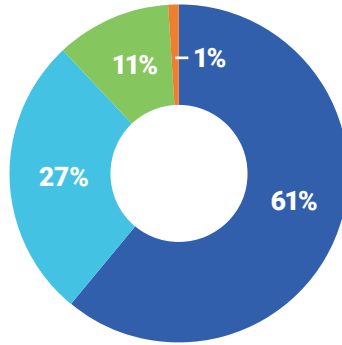
- ■ ONE-TIME
- ■ AUTOPAY
- ■ RECURRING
- ■ INVOICE & PAYMENT PLAN COMBINED

## Payment Options:
## Usage as a % of Transaction Volume

(excludes transactions of $5K and above)

8%  1%

18%

73%
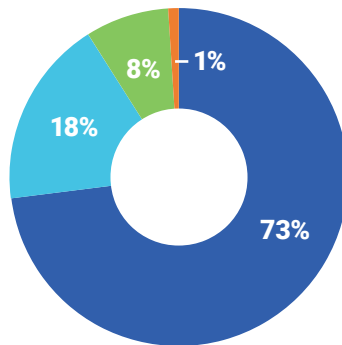
- ■ ONE-TIME
- ■ AUTOPAY
- ■ RECURRING
- ■ INVOICE & PAYMENT PLAN COMBINED

One-Time payments represented the majority of transactions for all dollar amounts. AutoPay reached its highest usage (**41.08%**) for transactions valued between $100 and $250.

## Payment Options:
## Usage by Transaction Amounts

(excludes transactions of $5K and above)



ONE-TIME    AUTOPAY    RECURRING    INVOICE & PAYMENT PLAN COMBINED
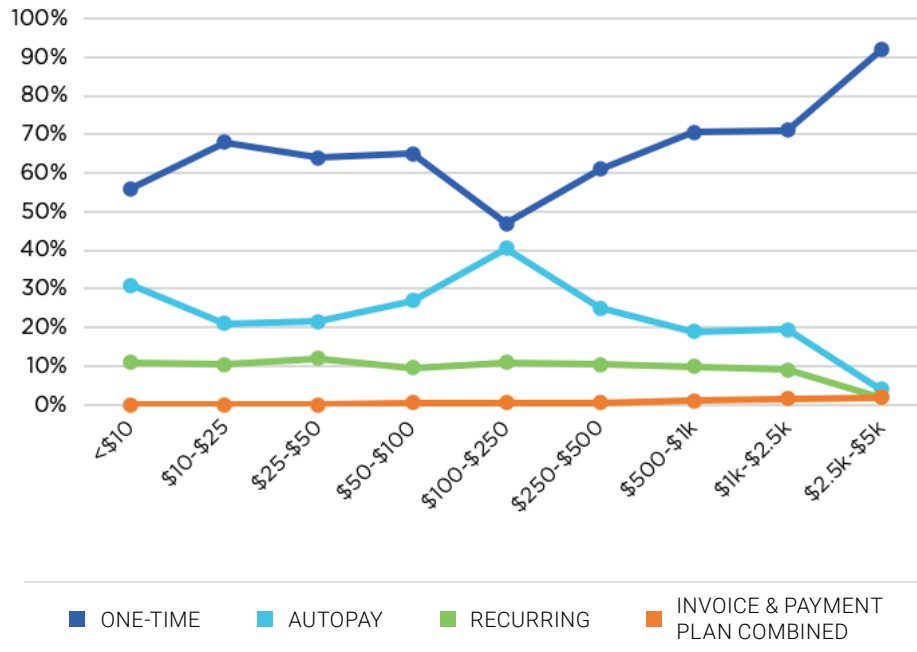
The use of Autopay for Insurance has been steadily increasing, accounting for **45%** of payments in 2019.

# Industry Trends

ACH-funded payments accounted for **71%** of transactions in Banking, **73%** in Government, **73%** in Consumer Finance, **65%** in Utilities, and **64%** in Insurance.

## Industries with ACH Usage > 50%

(excludes transactions of $5K and above)

| Industry | ACH | DEBIT CARDS | CREDIT CARDS |
|---|---|---|---|
| Banking | 71% | 24% | 4% |
| Government | 73% | 12% | 14% |
| Consumer Finance | 73% | 26% | |
| Utilities | 65% | 17% | 19% |
| Insurance | 64% | 23% | 14% |

■ ACH  ■ DEBIT CARDS  ■ CREDIT CARDS
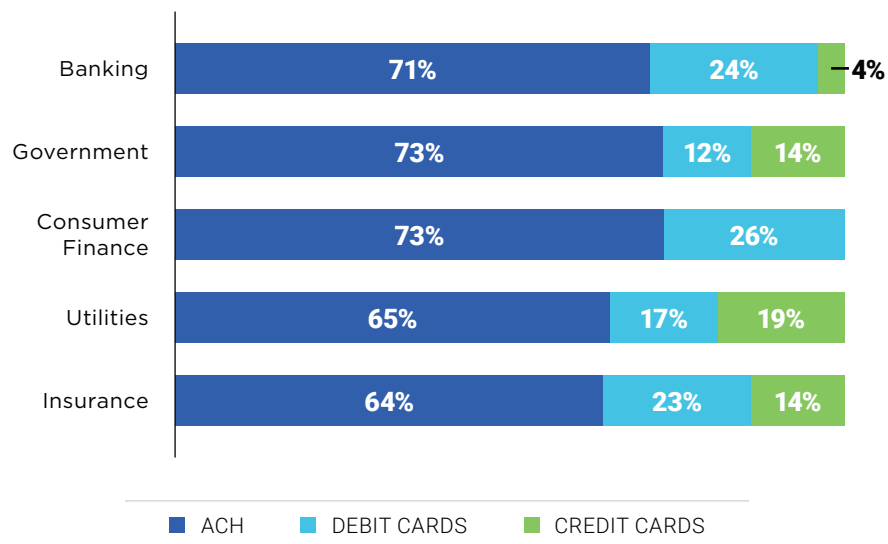
Debit Cards were used for **61.35%** of Education bill payments and **52.13%** of Healthcare payments.

## Industries with Debit Card Usage > 50%

(excludes transactions of $5K and above)
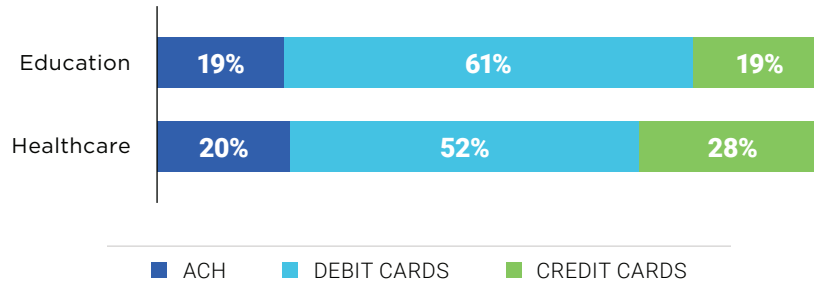
| Industry | ACH | DEBIT CARDS | CREDIT CARDS |
|----------|-----|-------------|--------------|
| Education | 19% | 61% | 19% |
| Healthcare | 20% | 52% | 28% |

■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS

One-Time payments were most commonly used for transactions in:

- Education (**99.81%**)
- Government (**97.74%**)
- Healthcare (**76.02%**)
- Banking (**73.63%**)
- Consumer Finance (**58.95%**)

## Payment Options: Usage by Industry

(excludes transactions of $5K and above)

| Industry | ONE-TIME | AUTOPAY | RECURRING | INVOICE & PAYMENT PLAN COMBINED |
|----------|----------|---------|-----------|----------------------------------|
| Banking | 74% | 24% | 2% | |
| Education | 100% | | | |
| Consumer Finance | 59% | 23% | 18% | |
| Government | 98% | 1% | 1% | |
| Healthcare | 76% | 2% | 20% | 2% |
| Insurance | 37% | 45% | 18% | |
| Utilities | 21% | 78% | | |

■ ONE-TIME   ■ AUTOPAY   ■ RECURRING   ■ INVOICE & PAYMENT PLAN COMBINED
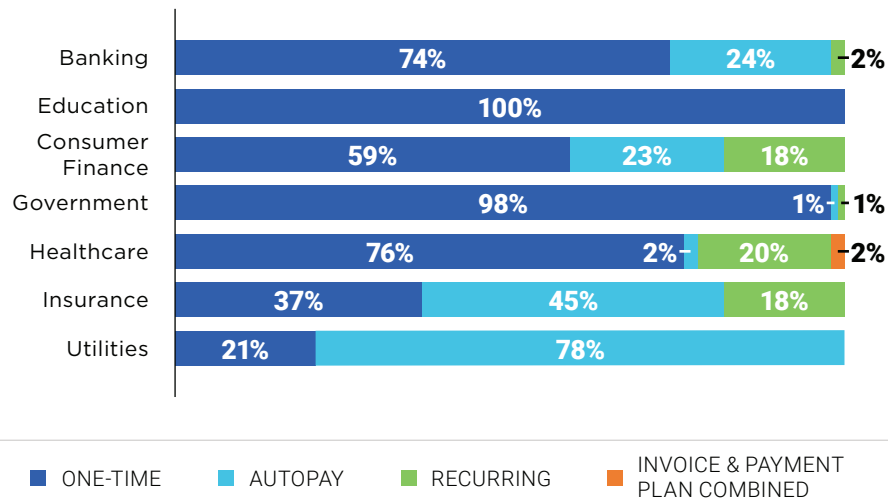
AutoPay was used for **78.14%** of Utilities payments.

Recurring payments experienced their highest usage for Healthcare payments (**20.45%**).

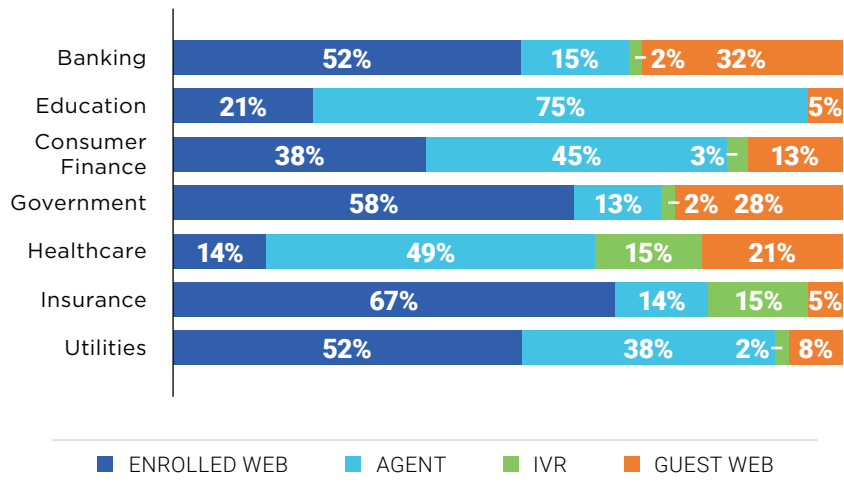Enrolled Web was the most used Payment Channel for the Government (**57.82%**), Insurance (**67.08%**), Utilities (**52.32%**), and Banking (**51.83%**) industries. Agent was the most popular Payment Channel for the Consumer Finance (**45.13%**), Education (**74.69%**), and Healthcare (**49.35%**) industries. Guest Web reached its highest usage for Banking payments at **31.83%**.

## Payment Channels: Usage by Industry

(excludes transactions of $5K and above)



| Industry | ENROLLED WEB | AGENT | IVR | GUEST WEB |
|---|---|---|---|---|
| Banking | 52% | 15% | 2% | 32% |
| Education | 21% | 75% | | 5% |
| Consumer Finance | 38% | 45% | 3% | 13% |
| Government | 58% | 13% | 2% | 28% |
| Healthcare | 14% | 49% | 15% | 21% |
| Insurance | 67% | 14% | 15% | 5% |
| Utilities | 52% | 38% | 2% | 8% |

ENROLLED WEB  AGENT  IVR  GUEST WEB

# Payment Days and Times

Monday and Friday were the most popular days to make payments. Users preferred to make their payments at the beginning or the end of the workweek. Mondays and Fridays were the most popular days of the week to make payments, with each combining to account for **38%** of total payments. Monday between 4:00 p.m. and 5:00 p.m. ET was the most popular time for users to make payments.

| Rank | Day | Time (EST) |
| --- | --- | --- |
| 1 | Monday | 4:00 p.m. – 5:00 p.m. |
| 2 | Monday | 1:00 p.m. – 2:00 p.m. |
| 3 | Friday | 11:00 a.m. – 12:00 p.m. |
| 4 | Monday | 2:00 p.m – 3:00 p.m. |
| 5 | Friday | 4:00 p.m. – 5:00 p.m. |

## Most Popular Days for Payments

(excludes transactions of $5K and above)

| Sun. | Mon. | Tues. | Wed. | Thu. | Fri. | Sat. |
| --- | --- | --- | --- | --- | --- | --- |
| 5% | 19% | 18% | 17% | 17% | 18% | 6% |
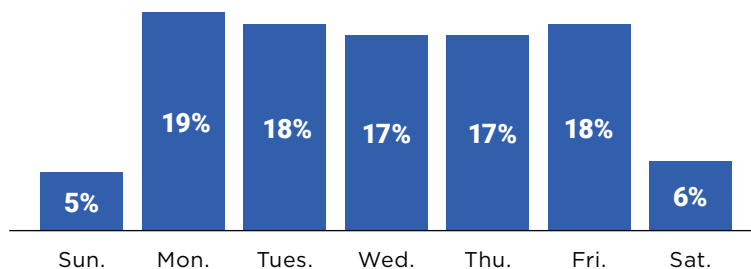
# Appendix

## Payment Method Definitions

- **ACH** – ACH debit payments in which users linked their bank account in Orbipay EBPP using routing and account numbers
- **Credit Cards** – payments made via payment cards that provided cardholders a line of credit
- **Debit Cards** – payments made via payment cards that allowed cardholders to withdraw money from their checking accounts and transfer that money electronically to billers

## Payment Option Definitions

- **AutoPay** – payments that were made automatically, using a preselected payment method established in the user's account, at a frequency determined by the biller
- **Invoice** – the biller issued invoices to customers periodically or on an ad-hoc basis; each invoice detailed an amount owed, with a unique invoice number that was separate and distinct from other invoices
- **One Time** – users made a single bill payment that did not repeat
- **Payment Plan** – the biller established the amount and frequency in which users could pay an outstanding balance over a specific time period
- **Recurring** – the user selected the payment method, amount, and frequency in which payments were made (within the biller's parameters)

## Payment Channel Definitions

- **Agent** – payments processed by call center agents or at-the-counter staff (either in-person or over the phone) using Orbipay EBPP's Payment Center
- **IVR** – payments made over the phone via hosted Interactive Voice Response services
- **Guest Web (formerly Simple Web)** – single online payments made using identifying information such as an account number and ZIP code; did not require the user to log into an account
- **Enrolled Web (formerly Web Portal)** – online payments made via existing user accounts (login required with a user ID and password)

# Appendix (Continued)

## Industry Definitions

Below is a breakdown of the industries used in the analysis, along with the underlying sub-industries. For editorial purposes, Consumer Finance, Education, Government, Banking, Healthcare, Insurance, and Utilities were the industries explored in the white paper.

| Industry Name | Includes These Sub-Industries |
|---|---|
| **Banking** | Banks<br>Credit Unions |
| **Education** | Schools & Higher Education |
| **Customer Finance** | Auto Finance<br>Consumer Finance<br>Mortgage |
| **Government** | Government Other<br>Government Payments (DMV, Parking Ticket, etc)<br>Government Tax Payments (Property Tax, Sales Tax, etc) |
| **Healthcare** | Medical Devices, Life Sciences, Other<br>Pharmacy<br>Provider – Hospitals and Health Systems<br>Provider – Physician and Medical Group Practices |
| **Hospitality & Event Management** | Hospitality & Event Management |
| **Insurance** | Health Insurance<br>Life Insurance<br>Property & Casualty Insurance |
| **Manufacturing & Distribution** | Manufacturing & Distribution |
| **Other** | Fundraising/Charitable Donations<br>Internal<br>Legal<br>Other<br>Print & Mail (Channel Partner) |
| **Real Estate & Construction** | Real Estate & Construction |
| **Utilities** | Government Utilities<br>Utilities – Gas, Water and Electricity |