Consumer Bill Payments in 2020:
Trends Report

Alacriti

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Introduction

Bringing you the latest data in consumer bill payments to better serve your customers and help you make smarter, faster business decisions.

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 analysis that can serve both our customers and the payment industry at large in understanding today's bill pay environment and the needs and expectations of today's consumers.

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 provide actionable insight to help guide business decisions that 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 2020 transaction data and shows information and findings within the market.

Total value of payments processed through Orbipay EBPP was up **up 1 percent** over the previous year and total payment volume up **up 5 percent** over 2019.

- **Total Payments** — **24.4 million payments were processed through Orbipay EBPP**
- **Total Payment volume** — **$76.8 billion**

The data in the following report includes **23.4 million transactions**, with a total value of **$9.5 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 share of payment value
- Healthcare – largest split of clients
- Consumer Finance
- Insurance – largest share of payment volume
- Banking

__61%__ of our clients fall under the industries listed above, and they account for __83%__ 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

Total payments processed through Orbipay EBPP was **up 1%** over the previous year and total payment volume **up 5%** over 2019.

System reliability exceeded targets in 2020 as Orbipay EBPP clocked in at **100%** uptime with no unscheduled outages.

Monday and Tuesday were the most popular days to make payments, accounting for **36%** 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 2020*. Mobile payments now represent **32%** of Orbipay payments — **up from 26%** in 2019.

One-Time payments accounted for the large majority of transaction value **(71%)** in Orbipay EBPP in 2020. One-Time payments were most commonly used for transactions in:

- **Banking (78.71%, up from 73.63% in 2019)**
- **Education (99.76%))**
- **Consumer Finance (56.85%)**
- **Government (98.49%)**
- **Healthcare (64.47%)**

About a quarter of Orbipay clients offer AutoPay or Recurring Payment Options (same as in 2019). When One-Time was offered with either AutoPay or Recurring (**52%** of transactions), AutoPay and Recurring were both selected more often (**88%** and **60%** respectively).

Key Findings (Continued)

ACH Payments made up 68% of transaction volume in Orbipay EBPP in 2020

ACH was again the most used Payment Method for bill payments. **90%** (although down from 93% in 2019) of Orbipay EBPP clients offered direct payments via ACH, and ACH made up **68%** of all payments initiated on the Orbipay platform while accounting for **83%** of the total value of payments.

ACH-funded payments accounted for **61%** of transactions in Banking (71% in 2019), **75%** in Government, **78%** in Consumer Finance, **66%** in Utilities, and **73%** in Insurance (64% in 2019).

64% of Orbipay EBPP clients (62% in 2019) offered direct payments via Debit Cards, making up **18%** of all payments initiated on the Orbipay platform.

Similar to 2019, Debit Cards were used most often to pay for Education Bills and Healthcare Bills, **64%**, and **52%** respectively.

Credit Cards accounted for the final **14%** of transactions (same as 2019) and were offered by **54%** (56% in 2019) of Orbipay EBPP clients to their bill payers as a direct Payment Method.

Debit Cards and Credit Cards' highest usage as a Payment Method was for payments of $10-$25, at **35%** and **25%** respectively.

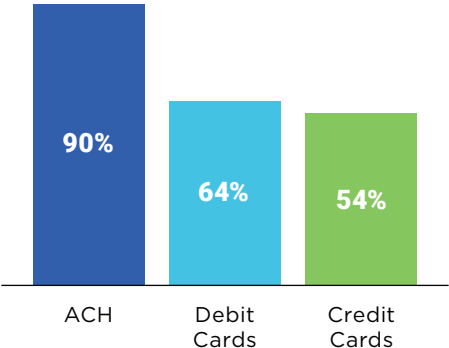When all three Payment Methods were offered, ACH payments were selected more than half the time (**56%**).

Payment Method Trends

ACH, Debit Cards, Credit Cards

ACH was again the most used Payment Method for bill payments. **90%** of Orbipay EBPP clients offered direct payments via ACH.

Across all clients on the platform, **90.24%** offered ACH as a payment method. This was followed by Debit Cards (**63.86%**) and Credit Cards (**53.79%**).
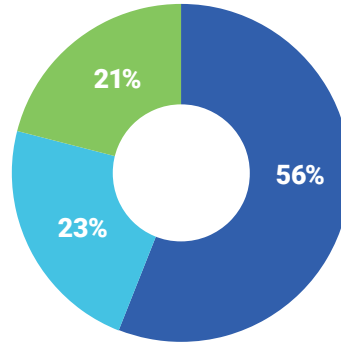
% of Clients That Offered Each Payment Method

ACH	Debit Cards	Credit Cards
90%	64%	54%

Payment Method Preference
When All Were Available

(excludes transactions of $5K and above)

When all three Payment Methods were offered, ACH payments were selected more than half the time (**56.18%**).

21%

56%

23%

■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS

Payment Methods:
Usage as a % of Transaction Volume

(excludes transactions of $5K and above)

Orbipay EBPP users utilized ACH for 68% of payments — up from 64% in 2019.

Debit Cards were used **17.95%** of the time, and Credit Cards were used **13.66%** of the time.


14%

68%

18%
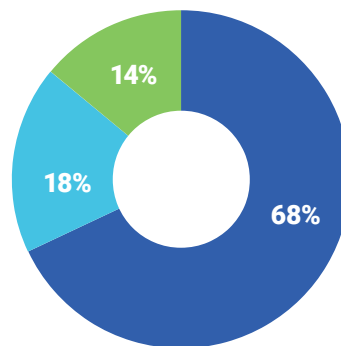
■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS

ACH payments accounted for 83% of the value of transactions made via Orbipay EBPP (no change from 2019).

ACH was the most-used payment method across all dollar amounts. Just as it was in 2019, both Debit and Credit Cards' highest usage was in the $10-$25 category, at **35.19%** and **24.77%**, respectively.

Payment Methods:
Usage by Transaction Amounts

(excludes transactions of $5K and above)

Legend: ■ ACH ■ DEBIT CARDS ■ CREDIT CARDS
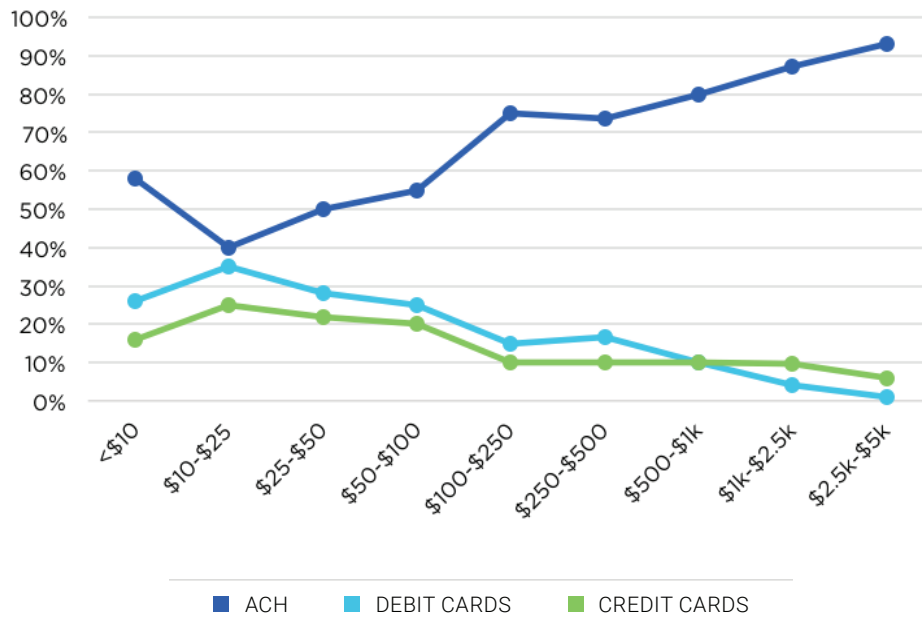
For clients that didn't offer ACH as a Payment Method (only **2.77%** of the time), Credit Cards were used **58.86%** of the time versus **41.13%** for Debit Cards.
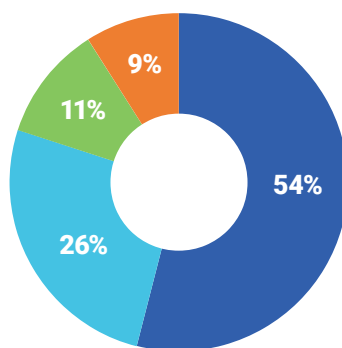
Payment Channel Trends

Enrolled Web, Agent, IVR, Guest Web

When available, Enrolled Web is the most commonly used channel to make payments. It was significantly chosen over Guest Web despite almost a similar number of clients offering these channels.

Payment Channel Preference When All Were Available

(excludes transactions of $5K and above)

| ■ ENROLLED WEB | ■ AGENT | ■ GUEST WEB | ■ IVR |

Payments made via Enrolled Web accounted for **50.2%** of Orbipay EBPP transactions.

Mobile adoption keeps climbing, and payment by device made its biggest jump ever in 2020. Mobile payments now represent **32%** of Orbipay payments — up from **26%** in 2019.

2020

Split of Devices Used to Make Payments

2% — TABLETS
32% — SMARTPHONES
66% — DESKTOPS

■ DESKTOPS ■ SMARTPHONES ■ TABLETS
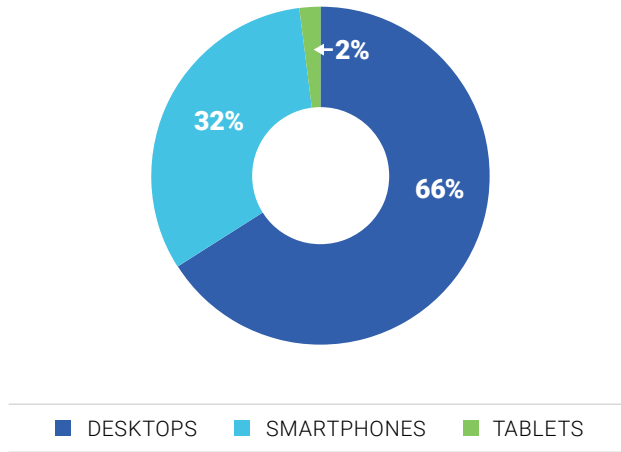
2020 vs. 2019

Split of Devices Used to Make Payments

Desktops: 66% (2020), 69% (2019)
Smartphone: 32% (2020), 26% (2019)
Tablets: 2% (2020), 5% (2019)

■ 2020 ■ 2019
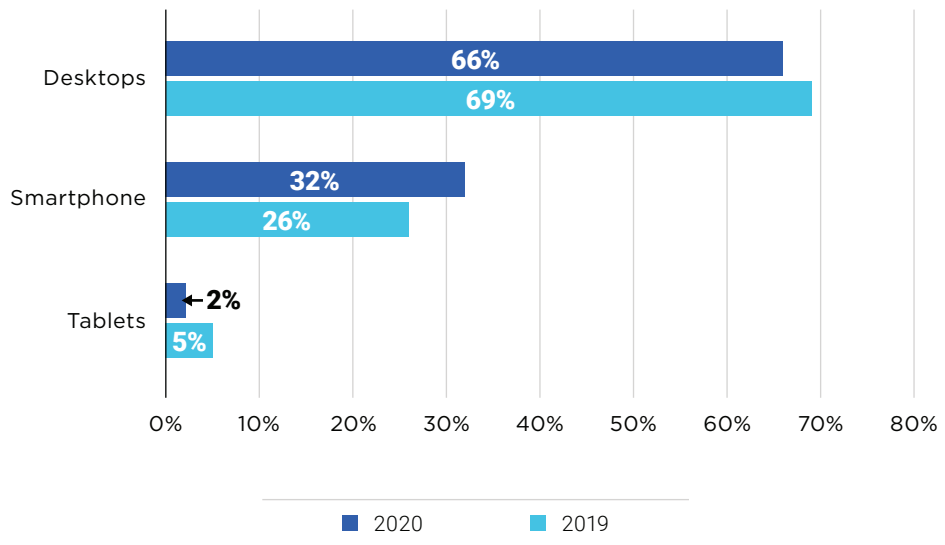
Payment Option Trends

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

About a quarter of Orbipay clients offer AutoPay or Recurring Payment Options (same as in 2019).

When One-Time was offered with either AutoPay or Recurring (**52%** 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)
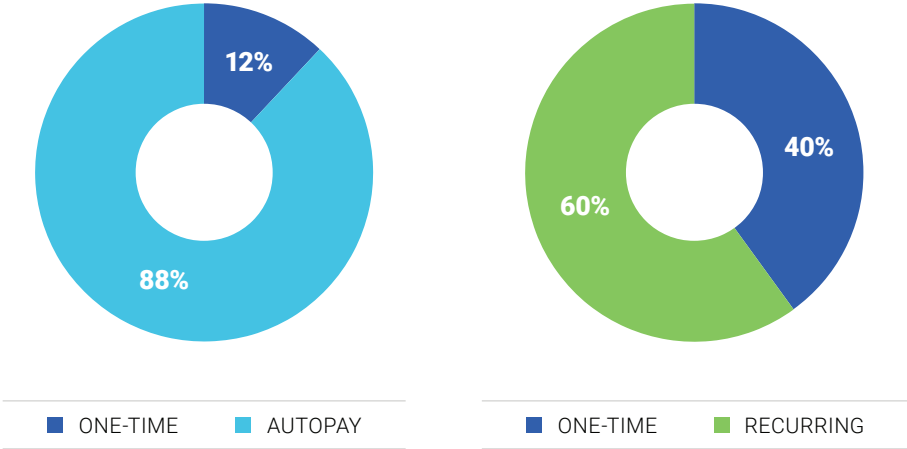
12%

88%

ONE-TIME ■ AUTOPAY

40%

60%

ONE-TIME ■ RECURRING

One-Time payments accounted for the large majority of transaction value (**71%**) in Orbipay EBPP in 2020.

Payment Options:
Usage as a % of Transaction Volume

(excludes transactions of $5K and above)

- 1%
- 12%
- 30%
- 57%
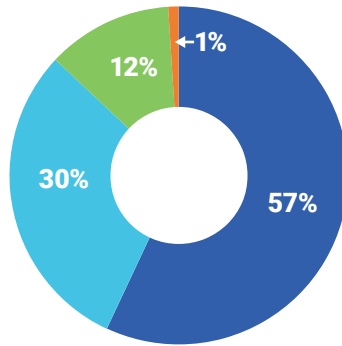
■ ONE-TIME　　■ AUTOPAY　　■ RECURRING　　■ INVOICE & PAYMENT PLAN COMBINED

Payment Options:
Usage as a % of Transaction Value

(excludes transactions of $5K and above)

- 2%
- 7%
- 20%
- 71%
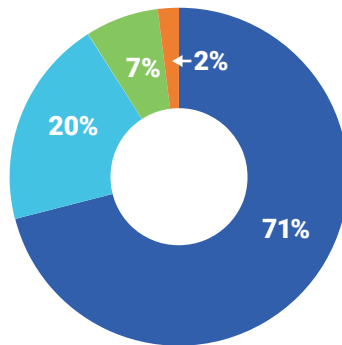
■ ONE-TIME　　■ AUTOPAY　　■ RECURRING　　■ INVOICE & PAYMENT PLAN COMBINED

One-Time payments represented the majority of transactions for all dollar amounts. AutoPay reached its highest usage (**45.32%**) for transactions valued between $100 and $250. The highest use for recurring payments was for transactions lower than $10.

Payment Options:
Usage by Transaction Amounts

(excludes transactions of $5K and above)

Legend: ONE-TIME, AUTOPAY, RECURRING, INVOICE & PAYMENT PLAN COMBINED
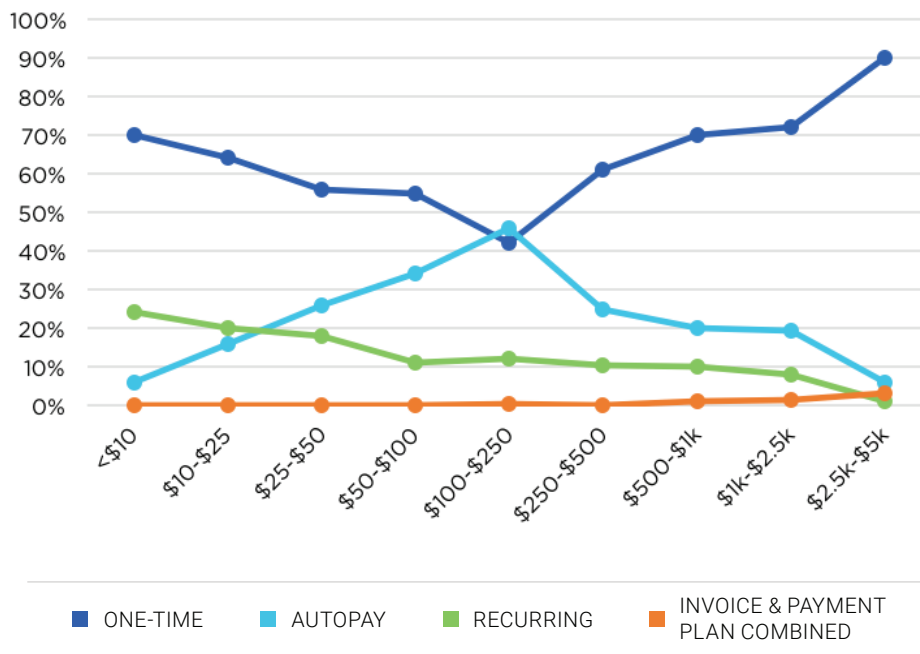
Industry Trends

ACH-funded payments accounted for **61%** of transactions in Banking (71% in 2019), **75%** in Government, **78%** in Consumer Finance, **66%** in Utilities, and **73%** in Insurance (64% in 2019).

Debit payments increased for banking but decreased for insurance in 2020. The overall increase in debit usage can be attributed to the addition of new clients and more use of debit for existing clients.

Industries with ACH Usage > 50%

(excludes transactions of $5K and above)

Industry	ACH	DEBIT CARDS	CREDIT CARDS
Banking	61%	35%	4%
Government	75%	10%	15%
Consumer Finance	78%	22%	
Utilities	66%	14%	20%
Insurance	73%	14%	13%

■ ACH   ■ DEBIT CARDS   ■ CREDIT CARDS
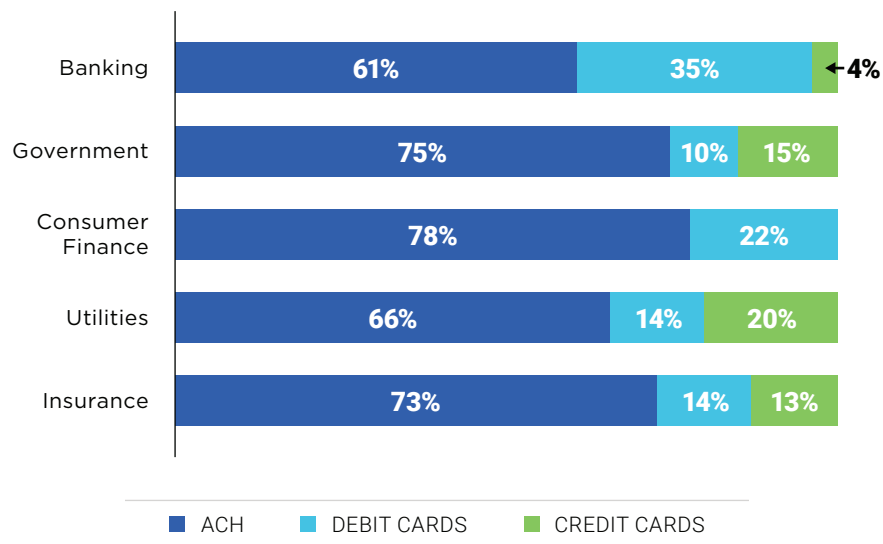
Debit Cards were used for **64.2%** of Education bill payments and **51.84%** of Healthcare payments.

Industries with Debit Card Usage > 50%

(excludes transactions of $5K and above)
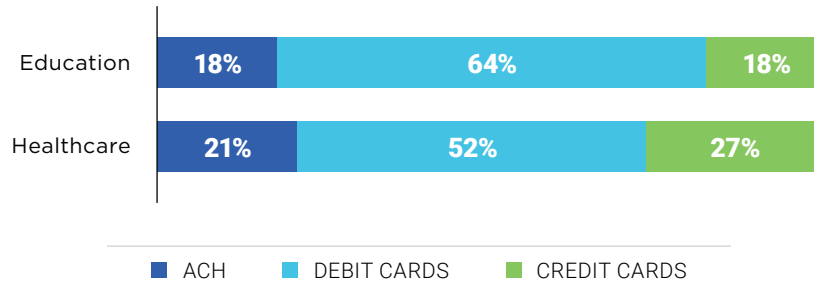
Industry	ACH	DEBIT CARDS	CREDIT CARDS
Education	18%	64%	18%
Healthcare	21%	52%	27%

Legend: ACH ■ DEBIT CARDS ■ CREDIT CARDS ■

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

- Banking (**78.71%**, up from **73.63%** in 2019)
- Education (**99.76%**)
- Consumer Finance (**56.85%**)
- Government (**98.49%**)
- Healthcare (**64.47%**)

Payment Options: Usage by Industry

(excludes transactions of $5K and above)

Industry	ONE-TIME	AUTOPAY	RECURRING	INVOICE & PAYMENT PLAN COMBINED
Banking	79%	14%	7%	
Education	100%			
Consumer Finance	57%	30%	13%	
Government	98%	1%	1%	
Healthcare	64%	3%	31%	2%
Insurance	31%	47%	22%	
Utilities	21%	79%		

Legend: ■ ONE-TIME ■ AUTOPAY ■ RECURRING ■ INVOICE & PAYMENT PLAN COMBINED
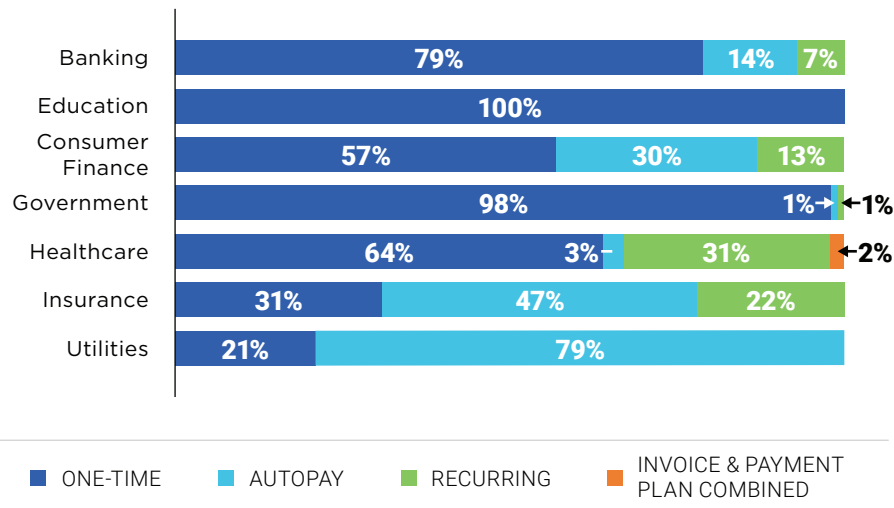
AutoPay was used for **78.86%** of Utilities payments.

Recurring payments experienced their highest usage for Healthcare payments (**30.81%**, up from **20.45%** in 2019).

Enrolled Web was the most used Payment Channel for the Government (**58.55%**), Insurance (**69.94%**), Utilities (**51.29%**), and Banking (**43.76%**) industries. Agent was the most popular Payment Channel for the Con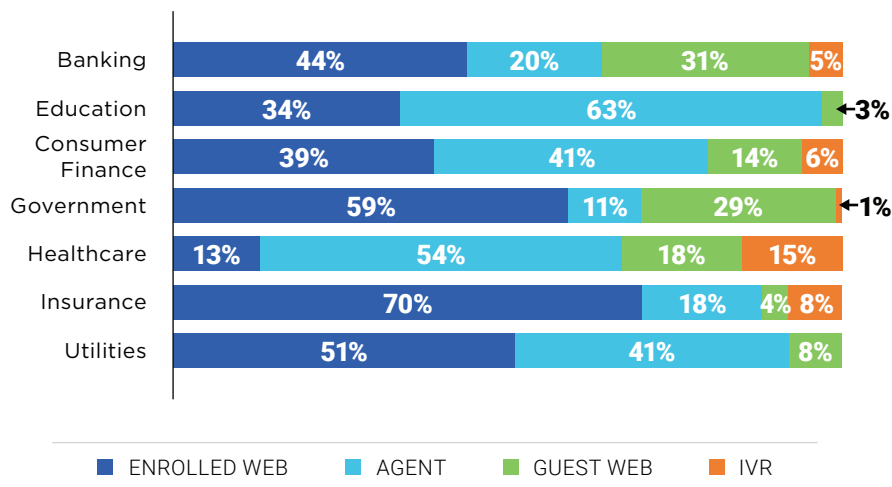sumer Finance (**41.13%**), Education (**63.52%**), and Healthcare (**53.91%**) industries. Guest Web reached its highest usage for Banking payments at **30.81%**.

Enrolled Web and Guest Web combined to decrease by **9%**, while Agent and IVR went up by the same amount. Overall payments in banking shot up by **160%** from 2019 to 2020, and more of the new payments were made using Agent and IVR.

Enrolled Web use in Education increased from **21%** in 2019 to **34%** in 2020.

Payment Channels: Usage by Industry

(excludes transactions of $5K and above)

Industry	ENROLLED WEB	AGENT	GUEST WEB	IVR
Banking	44%	20%	31%	5%
Education	34%	63%		←3%
Consumer Finance	39%	41%	14%	6%
Government	59%	11%	29%	←1%
Healthcare	13%	54%	18%	15%
Insurance	70%	18%	4%	8%
Utilities	51%	41%	8%	

■ ENROLLED WEB ■ AGENT ■ GUEST WEB ■ IVR

Breakdown of difference in payment volume/amounts between 2019 and 2020, per industry

| Industry	2019	2020	% Change
Banking	173,271	457,174	163.85%
Education	166,125	161,049	-3.06%
Consumer Finance	1,733,258	1,649,567	-4.83%
Government	5,821,647	5,716,238	-1.81%
HealthCare	2,298,253	2,550,355	10.97%
Hospitality and Event Management	20,620	15,709	-23.82%
Insurance	8,284,024	6,874,461	-17.02%
Manufacturing and Distribution	109,499	116,699	6.58%
Other	1,555,545	3,589,963	130.78%
Real Estate and Constructions	24,145	33,718	39.65%
Utilities	2,047,370	2,196,295	7.27%
Totals	**22,233,757**	**23,361,228**	**5.07%**

Payment Days and Times

Monday and Tuesday (Friday in 2019 was the most popular by a slim margin) were the most popular days to make payments. These two days combined account for **36%** of total one-time payments. Users opted to make their payments at the beginning or the end of the workweek. Same as it was in 2019, Monday between 4:00 pm to 5:00 pm ET was the most popular time for users to make payments in the Orbipay platform in 2020.

2020	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	4:00 p.m. – 5:00 p.m.
4	Monday	2:00 p.m – 3:00 p.m.
5	Thursday	4:00 p.m. – 5:00 p.m.

Except for Thursday, 4–5 pm, the rest of the top 5 were the same from 2019.

Most Popular Days for Payments

(excludes transactions of $5K and above)

Sun.	Mon.	Tues.	Wed.	Thu.	Fri.	Sat.
5%	18%	18%	18%	18%	18%	6%
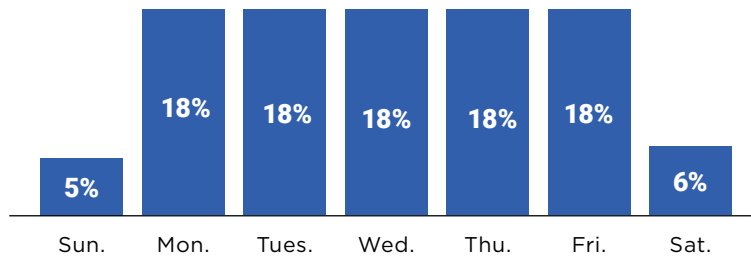
Day	% of Payments
Sunday	5.1
Monday	18.4
Tuesday	17.8
Wednesday	17.7
Thursday	17.6
Friday	17.5
Saturday	5.9

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