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FORRESTER OPPORTUNITY SNAPSHOT: A CUSTOM STUDY COMMISSIONED BY TREVIPAY | JUNE 2021

Overview

Buyers expect speed and flexibility throughout the customer journey, so it is crucial that they don't encounter an inconvenient payment experience that gives them cause to reassess a purchase. While emerging technology and changing buying patterns can force organizations to optimize payment strategies, the pandemic made the need to evolve quickly more acute. Payment technology investments are a top digital transformation priority for organizations as firms recognize the advantages an effective payment strategy can reap.

In April 2021, TreviPay commissioned a custom study from Forrester Consulting to understand how merchants evolve their payment offerings in the face of rising customer expectations and ongoing business and technological challenges.

Key Findings



Over the past few years, respondents have been improving payment options and terms. Looking forward, companies are now focusing on improving the speed, security, and data privacy of transactions.



Ninety-three percent of companies experience payment systems/technology challenges, which can have a negative repercussion on sales and customer experiences.



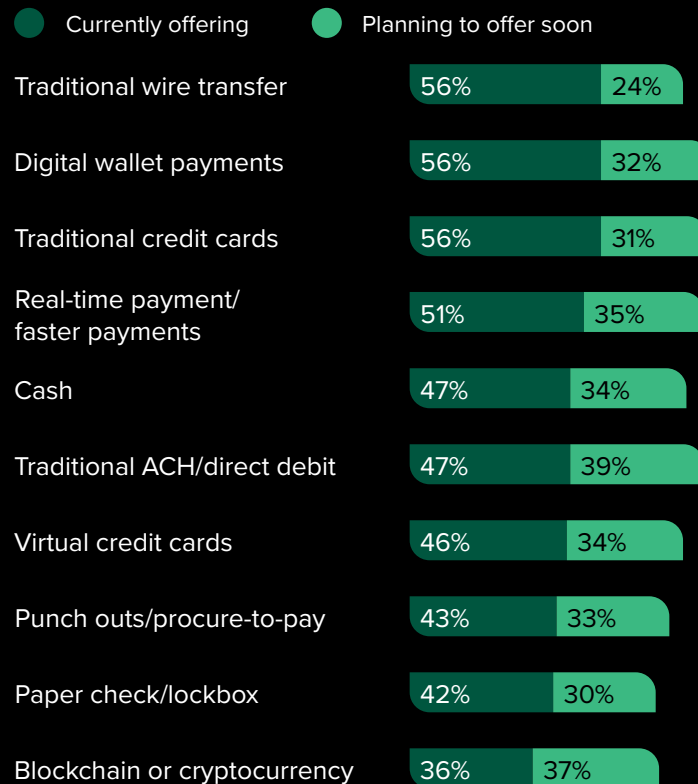
Over 90% of respondents expect that improving payment options for B2B customers will improve customer satisfaction, speed up transactions, free up internal resources, and increase business success.

E-Commerce Is Accelerating And Strong Payment Capabilities Are Essential

In the age of the customer and digital transformation, merchants have been making a concerted effort to offer e-commerce, which is expected to take up an increasingly larger slice of future sales. Over 50% of respondents attribute this shift to the COVID-19 pandemic, lockdowns, and social-distancing efforts.

As customer journeys become more digitally influenced and fragmented across channels, payment offerings need to evolve to better secure the sale. Surveyed respondents' organizations offer 4.7 payment methods on average with over 50% currently offering traditional wire transfer, digital wallet payments, traditional credit cards, and real-time payments. Additionally, most offer at least two payment terms with over 50% of respondents offering installment plans from their credit department, subscription- or consumption-based terms, or installment offerings managed by a fintech partner.

“What payment methods do you currently offer to your customers?”






Payment Speed And Security Will Be Top Customer Priorities




Companies want to capture the sale and to extend their reach to more customers. Customers, in turn, expect security, convenience, and flexibility at checkout. Looking at their organizations' priorities over the past two years, over 60% of payments decision-makers within merchant companies cited their most urgent customer concerns include increased scrutiny on security and fraud prevention, more digital payment options, and more flexible payment terms. With their recent efforts to add more payment options and flexible terms, companies are looking to further optimize the payment experience over the next couple of years. Sixty percent of respondents cited increased payment speed and security as top-of-mind concerns for customers moving forward.

Most Urgent Customer Payment Concerns Or Requests

OVER THE PAST ONE TO TWO YEARS

- 1  Increased scrutiny on security and fraud
- 2  More digital payment options
- 3  More flexible payment terms

OVER THE NEXT ONE TO TWO YEARS

- 1  Faster payment processes
- 2  Increased scrutiny on security and fraud
- 3  More attention on data privacy

Firms Face A Variety Of Payment System Challenges and Fears

To provide a good payment experience, companies need to have the right tools and structures in place. Yet 93% of respondents have experienced challenges with their organizations' payment system or technology, including inefficient processes, data challenges, system integration issues, and security risks. Over 70% of respondents report their organizations can't provide certain customer-requested payment methods with blockchain being the most common. Fifty-five percent of respondents state their organizations are unable to provide certain types of payment plans, such as installments.

Anecdotally, the respondents share that their organizations hesitate to support some payment methods or terms due to security, risk, or resource concerns. Their organizations are also concerned about integration complexities with some payment methods and payment follow-up with some payment terms.

“What are the challenges you currently face with your payment systems/technology?”



93% of respondents have experienced challenges with their payment systems/technology.


Payment Challenges Can Result In Extensive Business Consequences


Companies cannot afford to have poor payment experiences for customers. The topmost impact of payment challenges is decreased customer satisfaction and the loss of sales opportunities. These two impacts have a domino effect, impacting the entire business. It can expand to diminished brand perception, employee morale, and/or organizational and operational agility. Over 90% of respondents have felt the business ramifications of their organizations' payment challenges.


While digital transformation remains a top priority, 31% of respondents said payment challenges reduced their organizations' appetite for innovation or digital transformation. A negative experience with payments can sour an organization's motivation to try new things, diminishing confidence that transformation efforts can yield more benefits than challenges.

“What have been the business impacts of your current challenges with payments?”

Lost sales opportunities
(e.g., revenue loss)  **37%**

Decreased customer satisfaction  **37%**

Damaged brand perception  **35%**

Decrease in customer confidence  **33%**

Frustrated sales reps  **32%**

92% of respondents have experienced business impacts of their current challenges with payments.

Firms Prioritize Finance Systems

Ninety-five percent of respondents report the need to make improvements to their company's payment capabilities to better serve their customers. That is why investments in finance applications, systems, and processes are the second-highest digital transformation priority for payments decision-makers, second only to sales and marketing system investments. These investments are even more prioritized than customer-facing and data analytics system investments. Payment improvements that companies look to make include increasing security, getting better technology to support payment options, improving payment strategy with better insights, and increasing automation to reduce errors and accelerate payment processing.

“Where is your company focusing its investments for its digital transformation efforts?”



59%

Sales/marketing applications, systems, and processes (e.g., salesforce automation, marketing)

56%

Finance applications, systems, and processes (e.g., payments, expenses)



55%

Customer-facing applications, systems, and processes (e.g., e-commerce)

53%

Data/analytics applications, systems, and processes (e.g., business insights tools)



45%

Process automation (e.g., through machine learning and AI)

Firms Have High Expectations For Driving Positive Outcomes

Improving payment options and terms has the potential to drive both customer and operational benefits. However, while approximately 90% of payments decision-makers anticipate benefits in areas such as simplified buyer experiences, reduced time-to-payment, and reduced manual processes on account receivable, only about 50% of respondents have actually realized these benefits to date. This highlights the tremendous potential that still exists for organizations to drive payment process improvements, provide better experiences for customers, and streamline business operations.

“By improving the payment options and terms for your B2B customers, what business benefits have you realized, or do you expect to realize?”

● Realized benefit ● Expected benefit



Conclusion

Payment capabilities are an essential part of digital transformation efforts for companies looking to better serve their customers. In the last few years, companies have focused on increasing payment options and offering more flexible payment terms, but the speed, security, and data privacy associated with those transactions are more important than the number of payment options or terms. Payment modernization is hard to achieve because a variety of challenges hamper companies, creating serious brand, financial, and operational repercussions if ignored. In response, payments decision-makers are prioritizing investments in payment systems and improvements to security, insights, and technology. With the right payment tools and strategy, companies can achieve better customer satisfaction and optimize for financial and operational benefits.

Project Director:

Chris Taylor,
Market Impact Principal Consultant

Contributing Research:

Forrester's eBusiness & Channel
Strategy research group

Methodology

This Opportunity Snapshot was commissioned by TreviPay. To create this profile, Forrester Consulting conducted a custom survey with 200 decision-makers of accounts receivables and payment strategy from the US, the UK, Canada, France, Germany and Australia. The custom survey began and was completed in April 2021.

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Demographics

REGIONS

North America: 45%

EMEA: 40%

APAC: 15%

TITLE

C-level: 33%

Vice president: 28%

Director: 40%

ANNUAL REVENUE

\$100 million to <\$750 million: 21%

\$750 million to <\$1 billion: 15%

\$1 billion to <\$3 billion: 31%

\$3 billion to <\$10 billion: 18%

\$10 billion and greater: 13%

TOP 5 INDUSTRIES

Retail: 20%

E-commerce: 19%

Chemicals and/or metals: 19%

Manufacturing/distribution: 17%

Telecommunications services: 16%

A dark, moody photograph of a person in a suit holding a credit card over a laptop keyboard. The person's hands are the central focus, with the left hand holding the card and the right hand positioned over the keyboard. The background is blurred, showing the laptop and the person's torso. The overall tone is professional and business-oriented.

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