

# Consumer Bill Payments in 2022: Trends Report



Alacriti

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# Introduction

**This report contains Alacriti's latest proprietary consumer bill payments data to provide insights into actual payment behavior.**

At Alacriti, we have a unique view of the bill payments ecosystem. Our electronic bill presentment and payment (EBPP) solution, Orbipay® EBPP, serves 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 analyses that can serve 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. These data points can help form a deeper understanding of today's landscape and provide actionable insight to help guide business decisions that make customers' online bill payment experiences 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 2022 transaction data and shows information and findings within the market.

Total value of payments processed through Orbipay EBPP was **up 30 percent**, and total payment volume was **up 14 percent** over 2021.

- **Total Payments – 34.96 million**
- **Total Payment volume – \$124.5 billion**

The data in the following report includes **23.4 million transactions**, with a total value of **\$11.98 billion**. To focus our study on consumer bill payments, we excluded transactions greater than \$5,000 from our data set.

The following industries are represented in our data:

- Utilities
- Government
- Healthcare – largest split of clients
- Insurance – largest share of payment volume and value
- Banking (comprised of Banks & Credit Unions)

*\*44% of our clients fall under the industries listed above, and they account for 57% 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 were **up 30%** over the previous year, and total payment volume was **up 14%** over 2021.

System reliability exceeded targets in 2022 as Orbipay EBPP clocked in at **100%** uptime with no unscheduled outages.

Tuesday and Friday were the most popular days to make payments, accounting for **36%** of total One-Time payments in the Orbipay platform. The most popular time to make a payment was Friday between 11:00 a.m. to 12:00 p.m. ET.

Mobile payments now represent **35.58%** of Orbipay payments, almost similar to the previous year's mark at **36.03%**

One-Time payments accounted for the large majority of the transaction value (**70%**) in Orbipay EBPP in 2022. One-Time payments were most used for transactions in:

- **Government (96.78%)**
- **Banking (66.21%)**
- **Healthcare (57.14%)**

**19.69%** of Orbipay clients offer AutoPay, and **25.06%** offer the Recurring Payment Option. When One-Time was offered with either AutoPay or Recurring (**51%** of transactions), AutoPay and Recurring were both selected more often.

# Key Findings (Continued)

## ACH Payments made up 68% of transaction volume in Orbipay EBPP in 2022

ACH was again the most used Payment Method for bill payments. **90%** 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 **80%** of the total value of payments.

ACH-funded payments accounted for **93%** of transactions in Banking, **66%** in Utilities, and **74%** in Insurance.

**64%** of Orbipay EBPP clients offered direct payments via Debit Cards, making up **18%** of all payments initiated on the Orbipay platform. Debit Cards were used most often to pay for Healthcare Bills (**45.31%**).

Credit Cards accounted for the final **14%** of transactions and were offered by **52%** of Orbipay EBPP clients to their bill payers as a direct Payment Method.

The highest usage as a Payment Method for all three methods was for payments of \$100 – \$250.

When all three Payment Methods were offered, ACH payments were selected **46.17%** of the time, while Debit and Credit Cards were chosen **27.06%** and **26.78%** of the time, respectively.

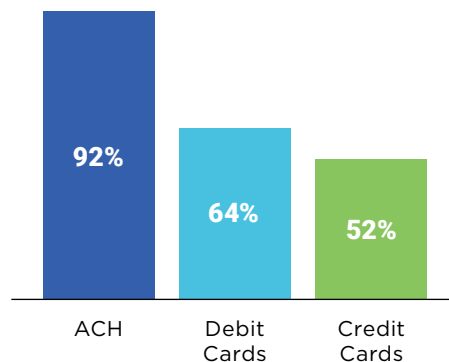
# Payment Methods

ACH was again the most used Payment Method for bill payments. **92%** of Orbipay EBPP clients offered direct payments via ACH.

Across all clients on the platform, **92.1%** offered ACH as a Payment Method. This was followed by Debit Cards (**64.25%**) and Credit Cards (**52.12%**).

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### % of Clients That Offered Each Payment Method

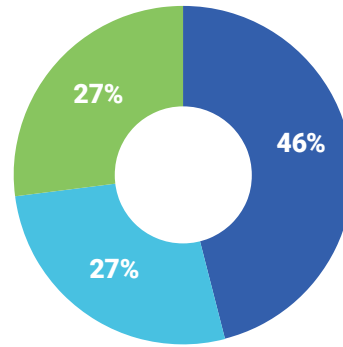




**66.18%** of clients offered at least 2 Payment Methods to their customers. When all three Payment Methods were offered, ACH payments were selected **46.17%** of the time, while Debit and Credit Cards were chosen **27.06%** and **26.78%** of the time, respectively.

## Payment Method Preference When All Were Available

(excludes transactions of \$5K and above)



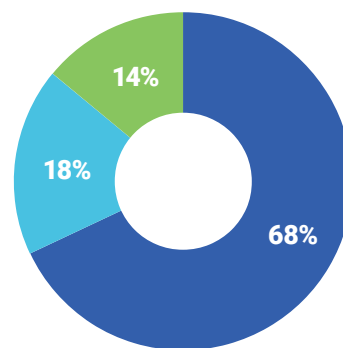
■ ACH ■ DEBIT CARDS ■ CREDIT CARDS

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

(excludes transactions of \$5K and above)

**Orbipay EBPP users utilized ACH for 68.12% of payments.**

Debit Cards were used **18.14%** of the time, and Credit Cards were used **13.61%** of the time.



■ ACH ■ DEBIT CARDS ■ CREDIT CARDS

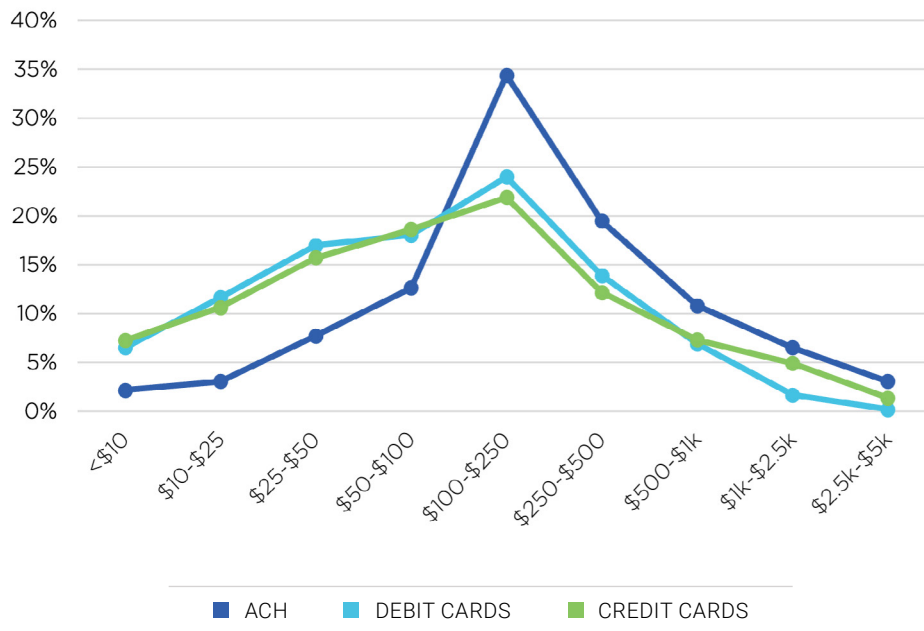
**ACH payments accounted for 80.34% of the value of transactions made via Orbipay EBPP.**

All three methods experienced their highest usage for payments between \$100 to \$250. Around 75% of card payments are \$250 and below.

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**Payment Methods:  
Usage by Transaction Amounts**

(excludes transactions of \$5K and above)



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For clients that didn't offer ACH as a Payment Method (only **5.4%** of the time), Credit Cards were used **37.46%** of the time versus **62.54%** for Debit Cards.

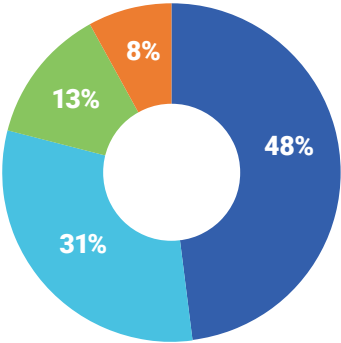
# Payment Channels

When considering only One-Time payments, Enrolled Web was the channel of choice, representing **48%** of payments processed in 2022.

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

(excludes transactions of \$5K and above)

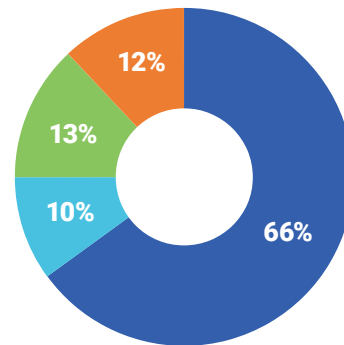


When available, Enrolled Web was also the most commonly used channel to make payments (**58.86%** when available with any other channel). It was significantly chosen over Guest Web despite more clients offering Guest Web.

Agent was the second most popular choice when all four channels were offered.

## Payment Channel Preference When All Were Available

(excludes transactions of \$5K and above)

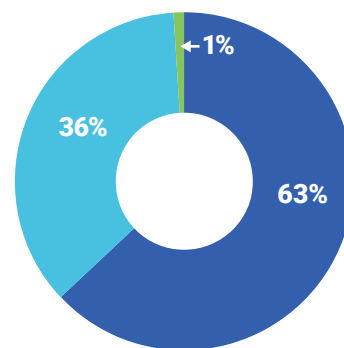


■ ENROLLED WEB ■ AGENT ■ GUEST WEB ■ IVR

Almost **90%** of IVR payments are between <\$10 – \$500. Meanwhile, a higher percentage of Enrolled and Guest Web transactions were of amounts greater than \$500.

Mobile payments now represent **35.58%** of Orbipay payments, just percentage points below last year's mark at **36.03%**

## Split of Devices Used to Make Payments



■ DESKTOPS ■ SMARTPHONES ■ TABLETS

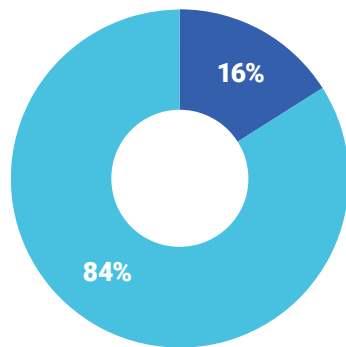
# Payment Options

**19.69%** of Orbipay clients offer AutoPay, and **25.06%** offer the Recurring Payment Option.

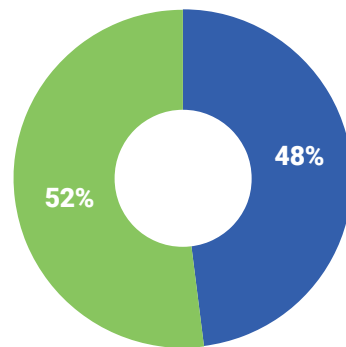
When One-Time was offered with either AutoPay or Recurring (**51%** of transactions), AutoPay and Recurring were both selected more often.

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

(excludes transactions of \$5K and above)



■ ONE-TIME ■ AUTOPAY



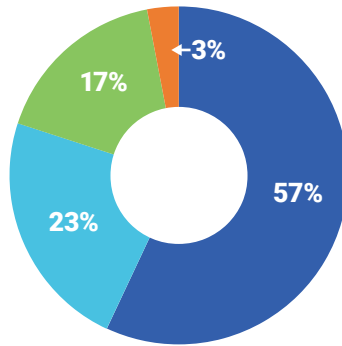
■ ONE-TIME ■ RECURRING

One-Time payments accounted for the large majority of transaction value (**70%**) in Orbipay EBPP in 2022.

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

(excludes transactions of \$5K and above)

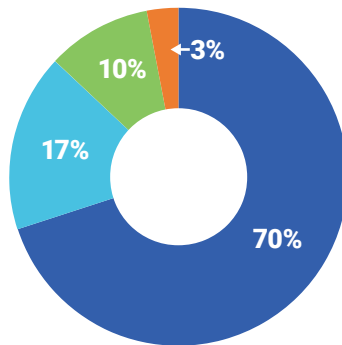


■ ONE-TIME ■ AUTOPAY ■ RECURRING ■ OTHERS

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

(excludes transactions of \$5K and above)



■ ONE-TIME ■ AUTOPAY ■ RECURRING ■ OTHERS

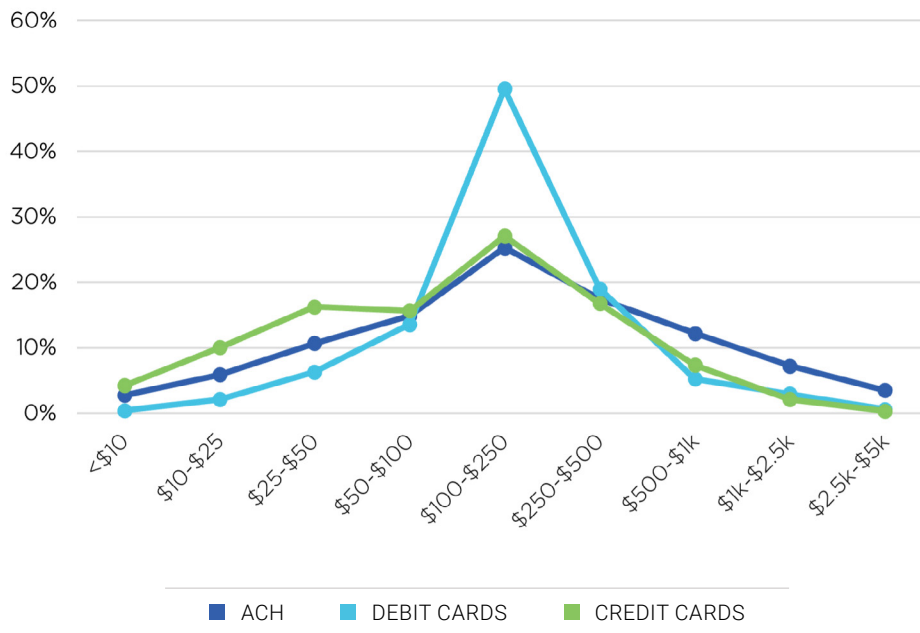
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One-Time payments represented the majority of transactions for all dollar amounts. AutoPay and Recurring reached their highest usage (**27%**) for transactions valued between \$100 and \$250.

## Payment Options: Usage by Transaction Amounts

(excludes transactions of \$5K and above)



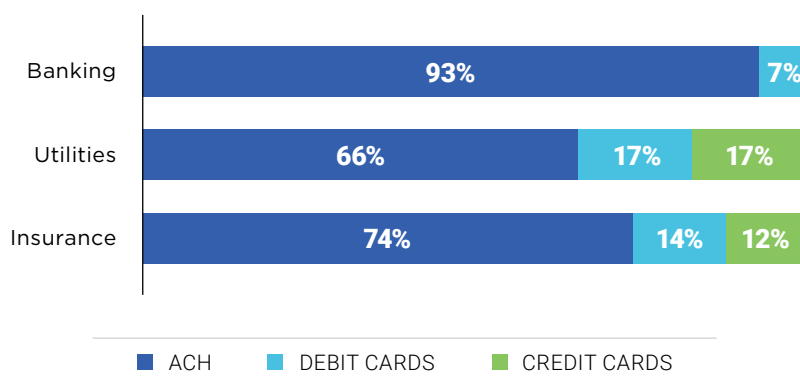
# Industry Trends

ACH-funded payments accounted for **93%** of transactions in Banking, **66%** in Utilities, and **74%** in Insurance.

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### Industries with ACH Usage > 50%

(excludes transactions of \$5K and above)



Debit Cards were used for **28.64%** of Government payments and **45.31%** of Healthcare payments. And though **86%** of Banking clients offered Debit Card as a Payment Method, only **6.74%** of their customers ended up using it. Overall debit card transactions increased by **17.38%** from 2021, fueled by a **75%** increase in Government payments processed using this method. The highest increase in payment value was also within Government (**90.66%**).

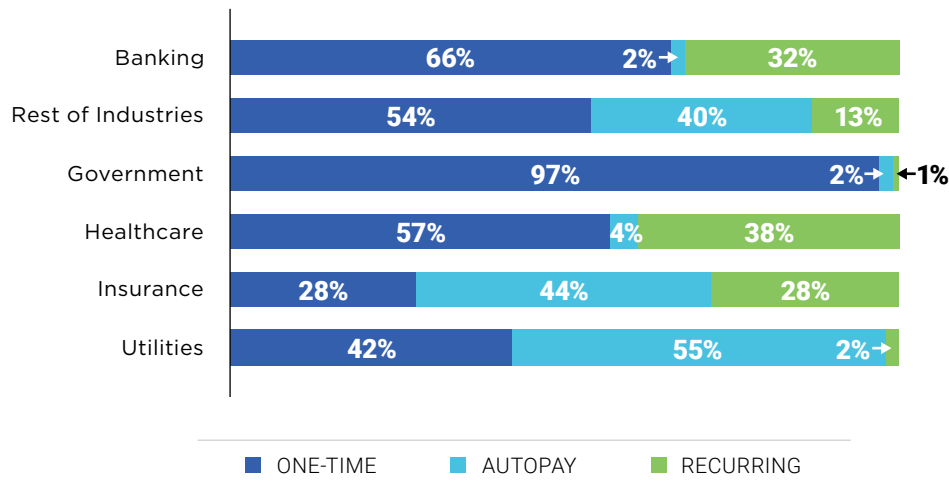
Credit Cards were both offered and used the most in Healthcare (**86.41%** offered it, to a usage rate of **32.28%**). It was also offered by a number of clients in Utilities (**72.22%**), a lot more than in other industries (**36.93%**), and a lot less in Banking (**9.52%**).

One-Time payments were most used for transactions in:

- Government (**96.78%**)
- Banking (**66.21%**)
- Healthcare (**57.14%**)

## Payment Options: Usage by Industry

(excludes transactions of \$5K and above)



AutoPay was used for **55.48%** of Utilities payments.

Recurring payments experienced their highest usage for Healthcare payments (**38.44%**).

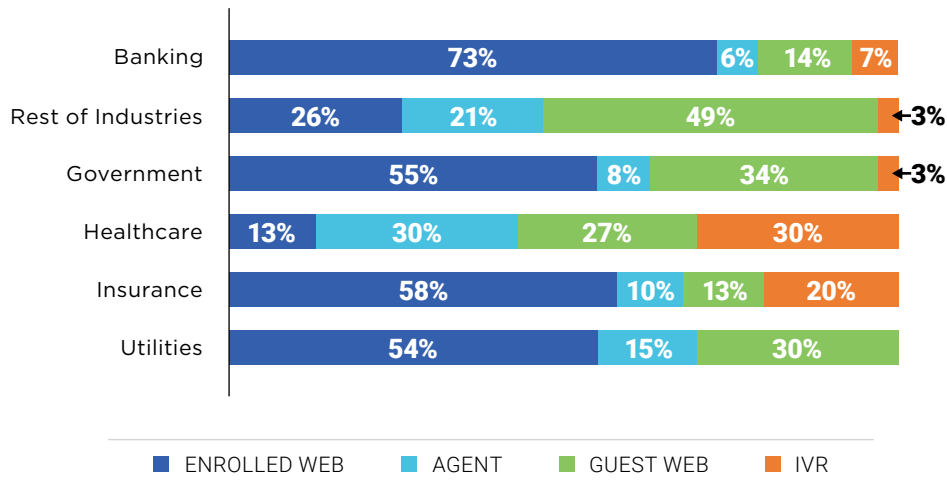
Enrolled Web was the most used Payment Channel for Banking (**72.79%**), Insurance (**57.72%**), and Government (**55.47%**) industries. Agent was the most popular Payment Channel for Education (**63.35%**) and Healthcare (**30.16%**). Guest Web reached its highest usage for Government payments at **33.88%**.

Payments in Banking was up **84%**, with payments processed from each channel increasing by at least **46%** from 2021.

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## Payment Channels: Usage by Industry

(excludes transactions of \$5K and above)



Breakdown of difference in payment volume/amounts between 2021 and 2022, per industry.

Industry	2021 Payment Volume	2022 Payment Volume	% Change	% Change (number of active clients)
Banking	2,662,561	5,610,412	110.71%	90.91%
Education	184,777	173,148	-6.29%	5.56%
Financial Services	1,066,117	1,470,732	37.95%	5.77%
Government	6,244,613	7,220,020	15.62%	3.31%
HealthCare	2,755,930	3,052,140	10.75%	22.42%
Hospitality and Event Management	17,895	15,583	-12.92%	
Insurance	6,783,689	7,606,054	12.12%	12.5%
Manufacturing and Distribution	142,279	145,064	1.96%	-4.55%
Other	5,797,432	7,801,321	34.57%	130.78%
Real Estate and Constructions	44,677	44,265	-0.92%	2.94%
Utilities	2,009,718	533,951	-73.43%	-62%

The Health Insurance sub-industry processed the most value for payments (\$1.98B) and the highest number of payments (6.05M), accounting for **30.37%** of the value and **26.32%** of the volume of all payments processed.

# Payment Days and Times

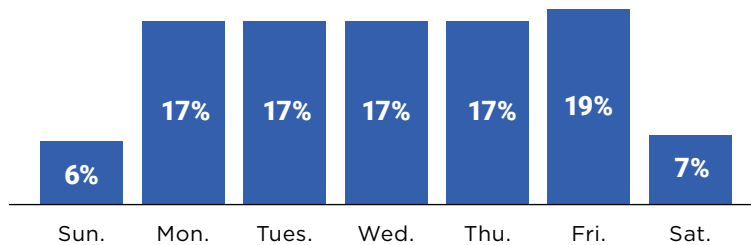
Tuesday and Friday were the most popular days to make payments. These two days combined account for **36%** of total One-Time payments. Users opted to make their payments at the beginning or the end of the workweek. Friday between 11:00 a.m. to 12:00 p.m. ET was the most popular time for users to make payments in the Orbipay platform in 2022.

2022	Day	Time (EST)
1	Friday	11:00 a.m. – 12:00 p.m.
2	Monday	4:00 p.m. – 5:00 p.m.
3	Friday	10:00 a.m. – 11:00 a.m.
4	Friday	12:00 p.m – 1:00 p.m.
5	Tuesday	11:00 a.m. – 12:00 p.m.

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## Most Popular Days for Payments

(excludes transactions of \$5K and above)





# Banking Industry Trends Focus

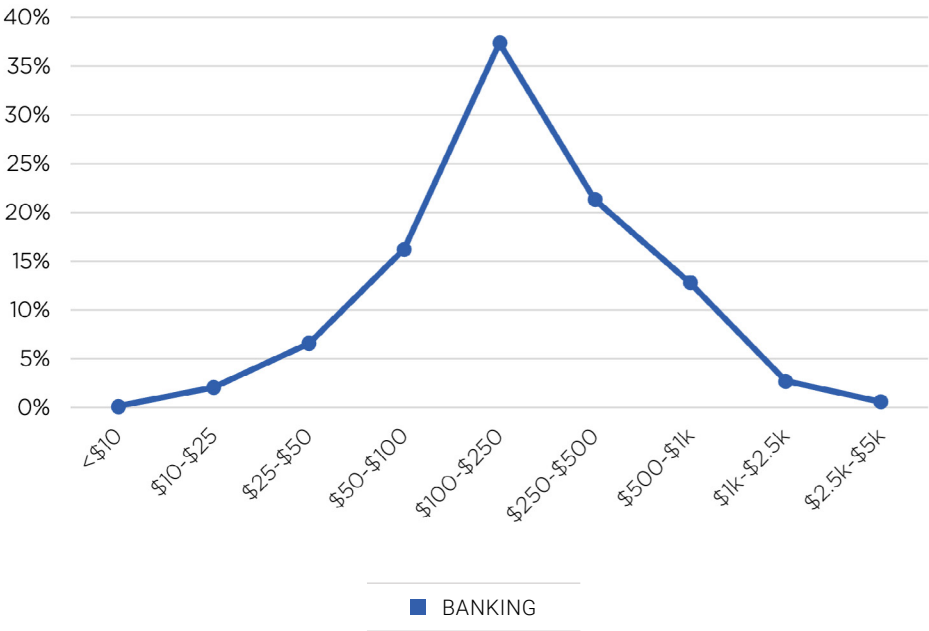
# The Banking industry from our report comprises Banks and Credit Unions

Banks and Credit Unions accounted for **21%** of Orbipay clients, **16.65%** of overall Orbipay EBPP transactions, and **13%** of the total transaction value on the platform.

About **75%** of payments in Banking fall between \$50 – \$500 in dollar amounts.

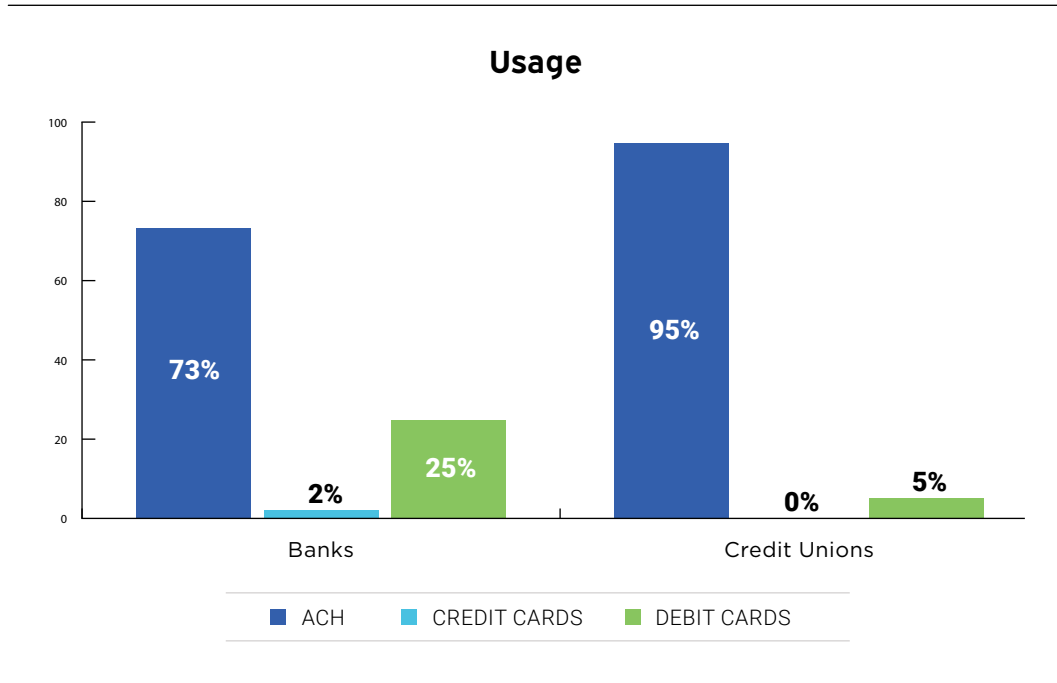
## Payments in Banking: % of Payments by Transaction Amounts

(excludes transactions of \$5K and above)



# Payment Methods

Both Banks and Credit Union clients preferred ACH to make payments, at **73.16%** and **94.81%**, respectively.

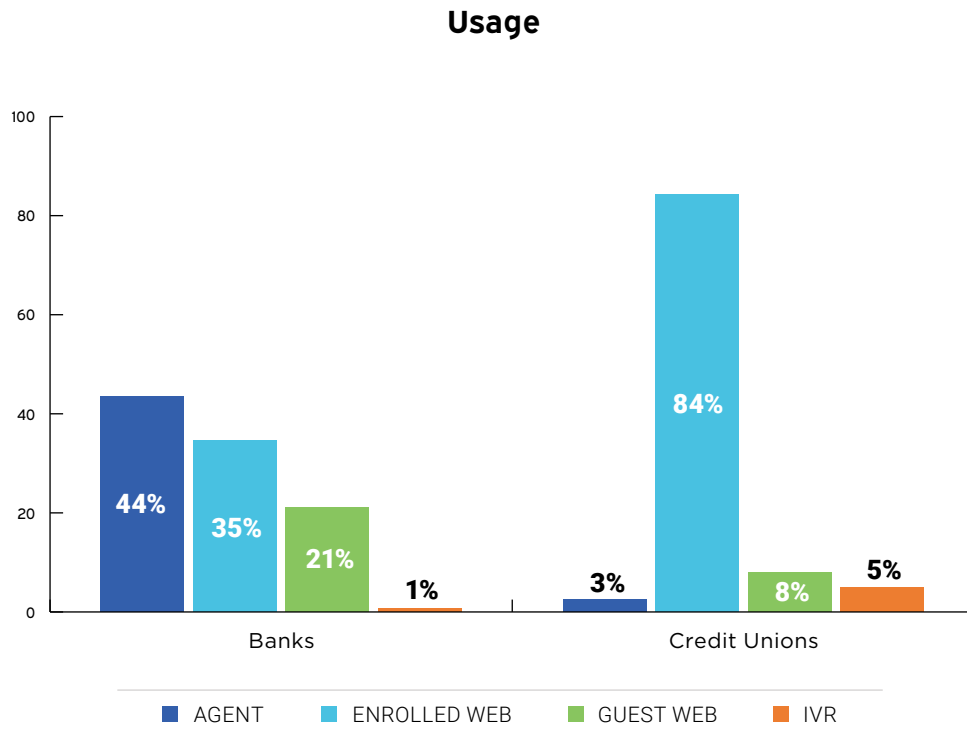


When both ACH and Debit Cards were available as Payment Methods, ACH was selected **59.48%** of the time. Credit Cards were very rarely provided as a Payment Option.

When One-Time payments were being made, ACH and Debit Cards were selected almost equally – **49.61%** selected ACH, and **48.03%** chose Debit Cards.

# Payment Channels

Agent was the preferred Payment Channel for Banks (**37.21%**), and IVR was its least used (**<1%**). Enrolled Web was the overwhelming channel of choice for Credit Unions (**76.73%**), and Agent was its least used (**3.17%**).



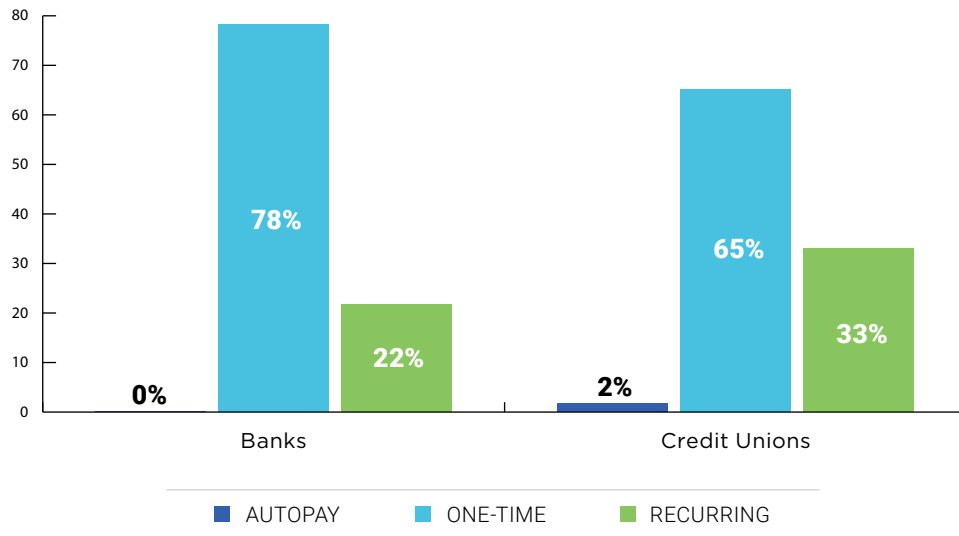
When all four channels were offered, Enrolled Web was preferred **84.25%** of the time for banks and credit unions combined.

# Payment Options

AutoPay was offered but barely used by both Bank and Credit Union customers. One-Time payments were preferred by Banks at **78.22%** and **65.18%** for Credit Unions.

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### Usage





# Appendix A

## GLOSSARY

### Payment Methods

- **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 Options

- **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 Channels

- **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 B

## INDUSTRY GUIDE

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

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