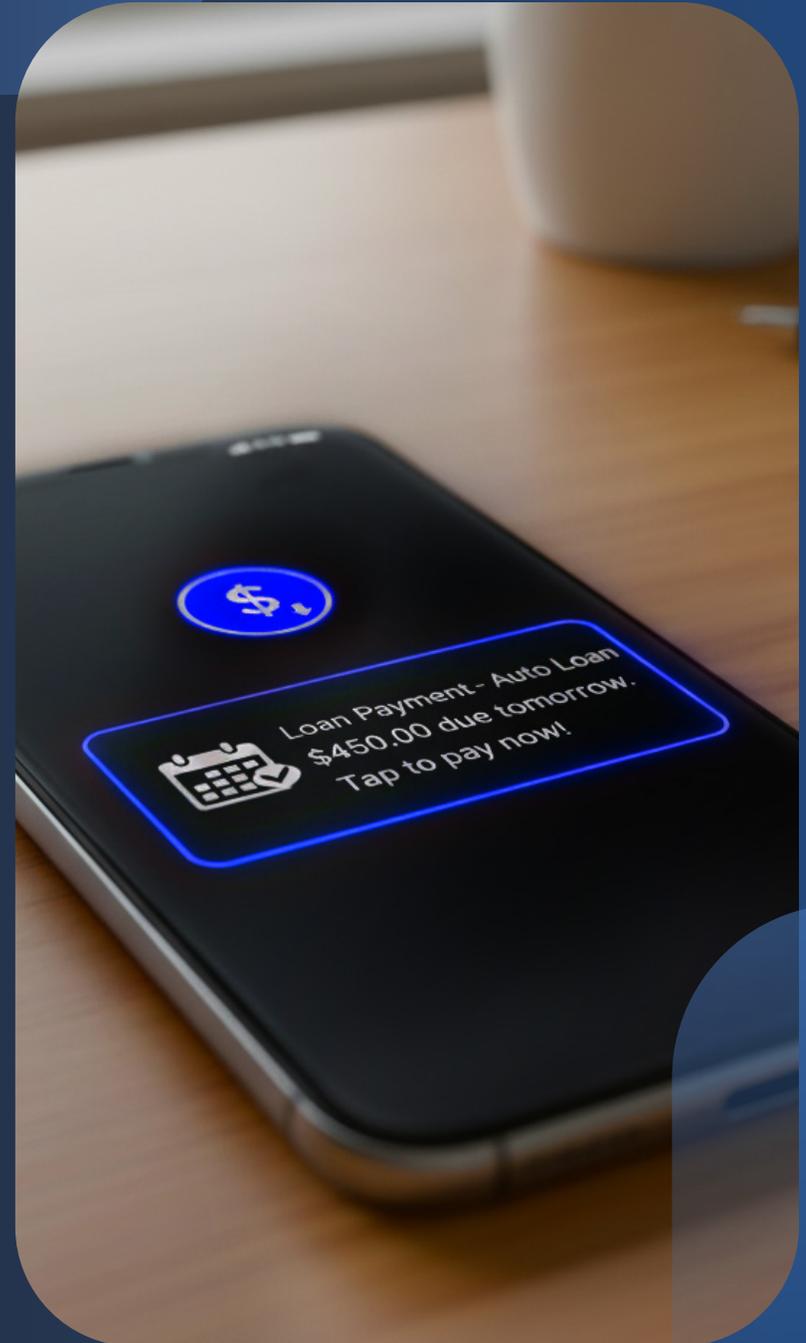


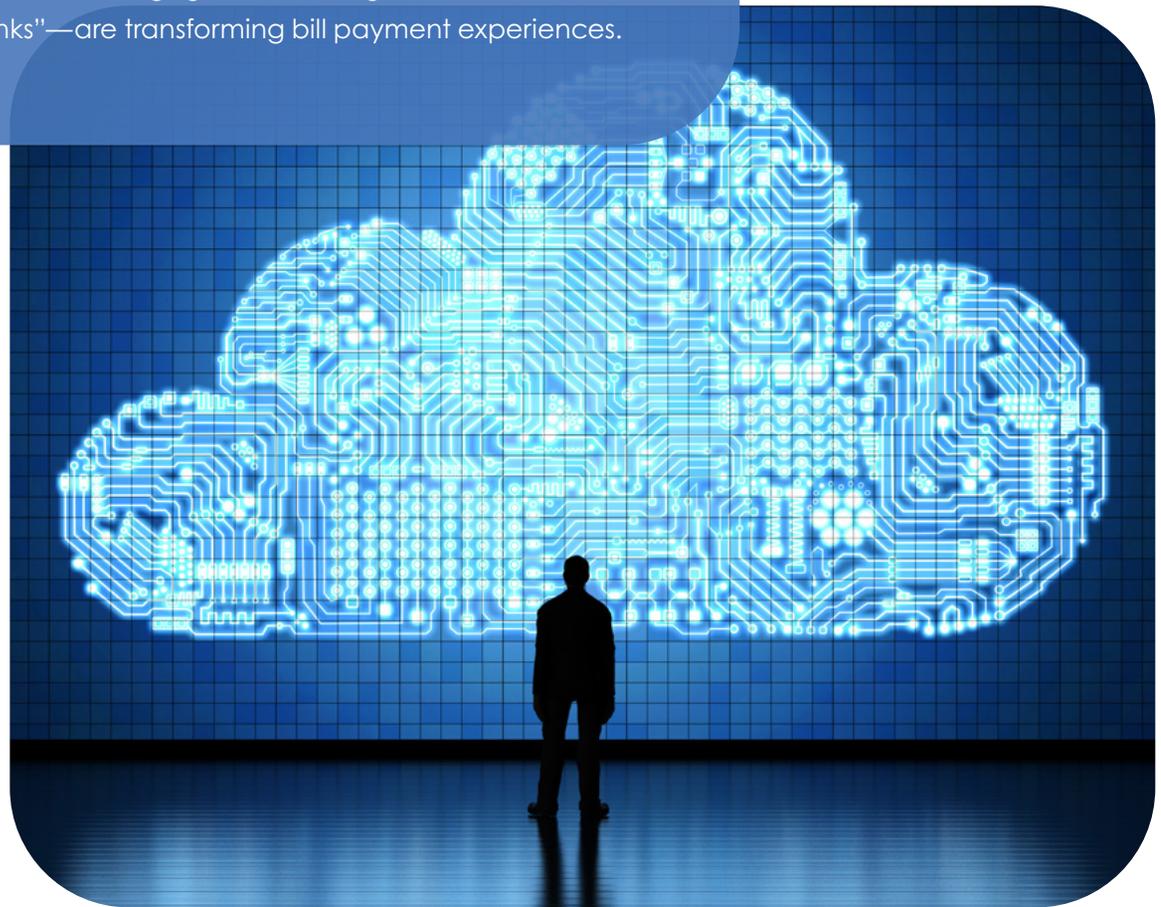
Alacriti

The Impact of
Digital Outreach
in Payments on
Customer Retention

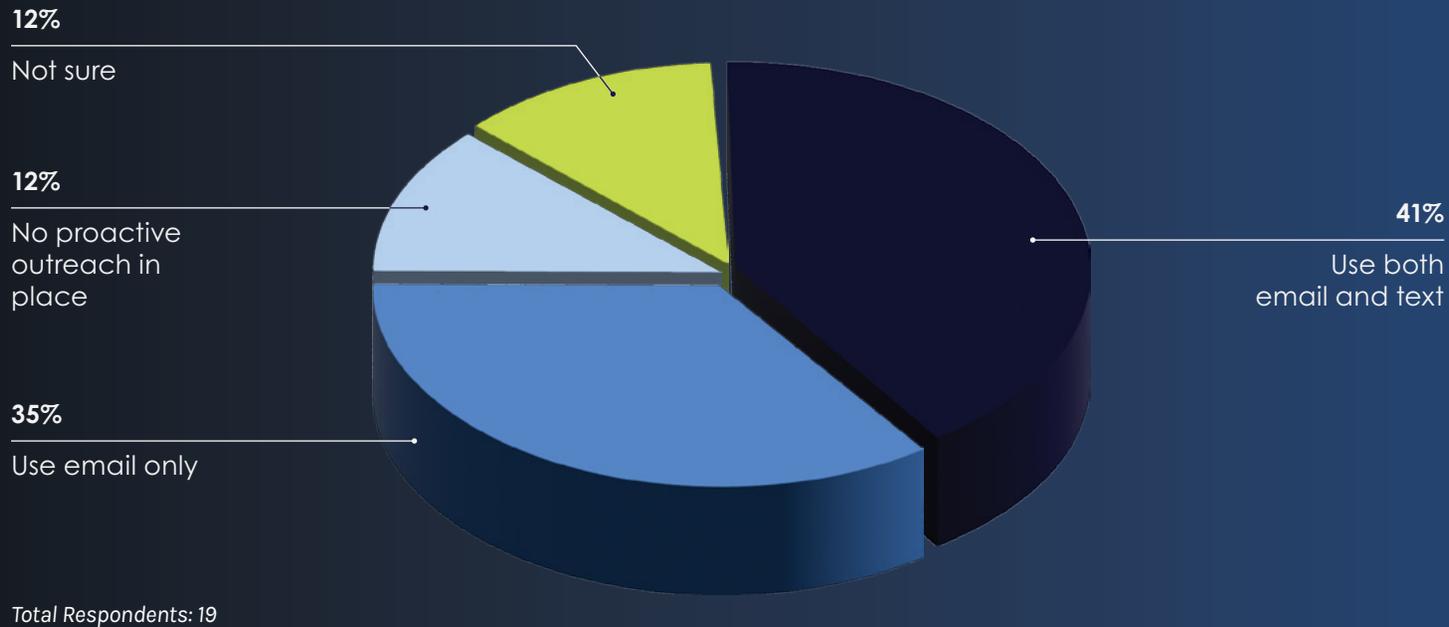


Digital engagement is no longer optional

for financial institutions—it's central to how members and customers expect to interact with their bills and loan payments. Yet many banks and credit unions still rely on passive bill presentment, missing opportunities to drive adoption, improve payment performance, and strengthen loyalty. In the Banking Exchange–hosted webinar *Shifting the Payments Paradigm: Why Digital Outreach Matters to Your Bottom Line*, Stuart Bain, SVP of Product Management at Alacriti, explained how proactive engagement strategies—from automated reminders to mobile “magic links”—are transforming bill payment experiences.



How do you currently notify customers about upcoming bill payments?



Audience Poll: What's Driving Payments Modernization for Credit Unions?

The webinar began with an audience poll. When asked how they currently notify customers about upcoming bill payments, financial institutions showed a clear preference for multi-channel outreach—but with some notable gaps. According to the live poll, 41% of

respondents said they use both email and text, while 35% rely on email only. Surprisingly, 12% reported having no proactive outreach in place, and another 12% admitted they were not sure how customers were being notified. No respondents indicated they use text alone.

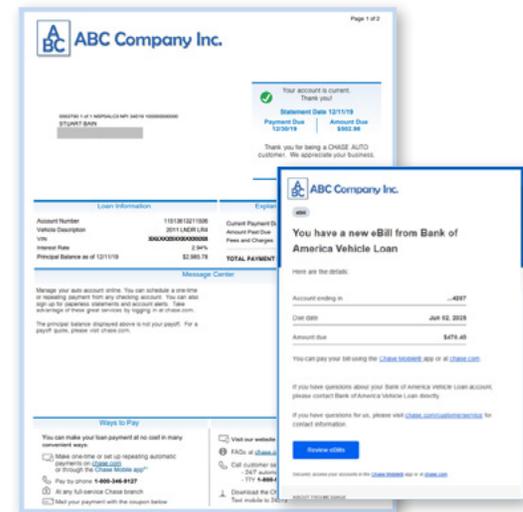
The results revealed an important truth: relying on a single communication channel may no longer be enough. As Bain explained, “The more methods of communication, the more likely you are to get adoption.” Combining email and text expands reach, improves the chances customers will see reminders, and ultimately supports higher payment adoption rates.

At the same time, the share of institutions with no outreach—or uncertainty about their current practices—raises red flags. As Erik Vander Kolk, Chief Executive Officer of Banking Exchange, expressed, “We appreciate the honesty of the people who said they have no proactive outreach or we’re not sure, which is obviously a major concern.” Without proactive communication, institutions risk higher rates of missed or late payments, which can erode both customer satisfaction and financial performance.



The Power of Proactive Digital Outreach

As consumer expectations shift toward real-time, flexible digital experiences, financial institutions are rethinking how they engage customers around bill payments. Younger generations in particular demand convenience, control, and immediacy in their financial interactions. As Bain observed, “We sort of expect instantaneity and frictionless options. They’re used to just being able to sign in with Google and things like that. So all the barriers to entry and friction that get put in place are really anathema to them.”

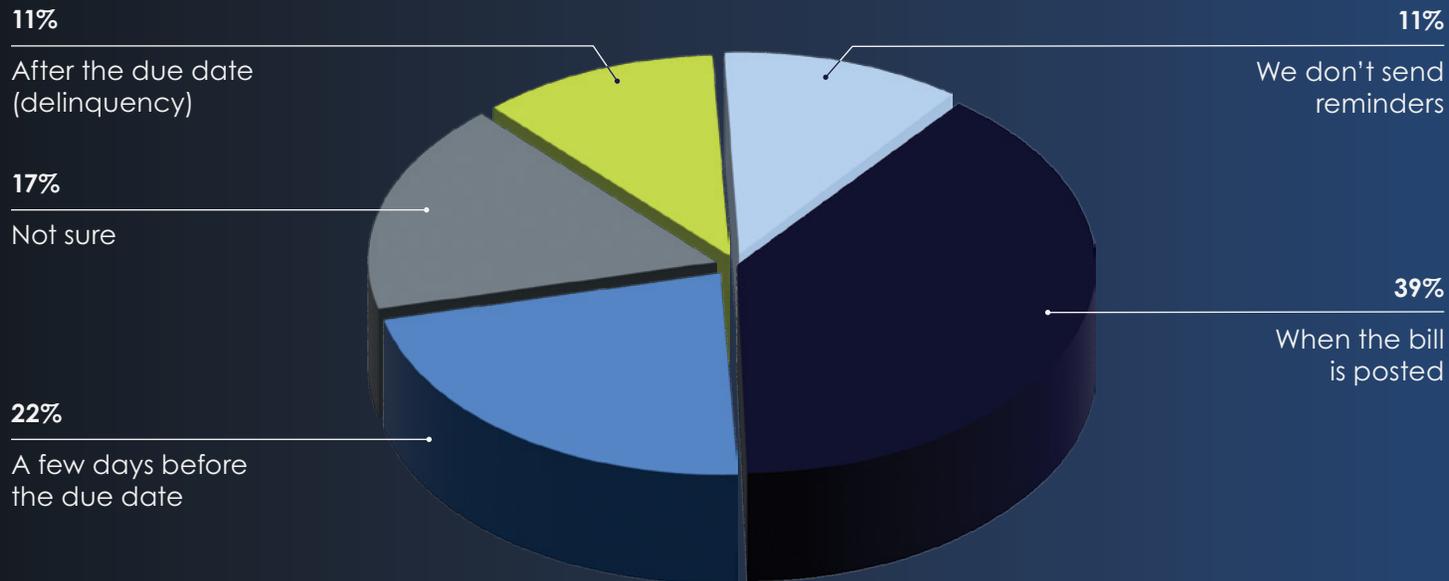


Traditional customer portals still play an important role, especially for accountholders managing multiple loans or recurring payments. But on their own, portals often fall short. They tend to support “set and forget” activity, leaving out customers who prefer monthly reminders or those who never enroll in online systems at all. The missed opportunity is significant: without proactive communication, entire segments of customers can slip through the cracks.

One institution highlighted in the webinar shifted its approach by launching digital outreach earlier in the billing cycle—starting the moment a new bill was created rather than waiting for paper statements to arrive. This change delivered tangible results. According to Bain, the institution “saw a 23% increase in monthly dollar volume from digital sources after they deployed the outreach strategy,” along with a 25% increase in transaction volume.

What sets successful outreach apart isn't just frequency but design. As Bain explained in response to a question from the audience, “It's crafting the message and tuning it such that it's actionable. You can click on something and you arrive at the place where you can immediately make a payment.” Proactive digital outreach goes beyond convenience—it directly impacts payment adoption, transaction volume, and customer engagement.

When do you typically begin your outreach about a bill?



Total Respondents: 19

Audience Poll Question: Outreach Timing

Getting the timing right for bill payment reminders can make all the difference in whether customers act promptly—or put payments off until delinquency. The next audience poll showed that most institutions begin outreach ‘when the bill is posted’ (39%) or ‘a few days before the due date’ (22%). And nearly 28% admitted they either don’t send reminders or aren’t sure when outreach occurs.

While these results may seem typical, there’s a growing case for shifting outreach earlier in the cycle. “The key thing we drew from the case study I referenced earlier was that outreach ahead of time sort of spurred the customer on to say, ‘oh, I actually got to make a payment,’ so they were more likely to go and do it electronically, and basically that volume replaced the paper check,” Bain explained.

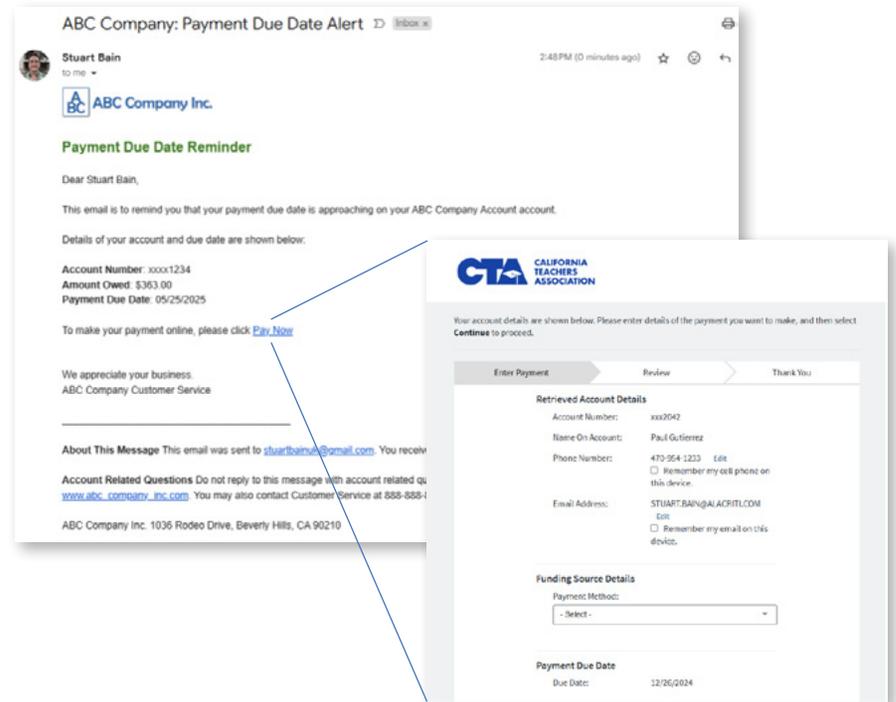
Tactics That Work

When it comes to bill payment success, timing and tactics make all the difference. Moving beyond the basics, financial institutions are discovering that layered, thoughtful outreach drives both engagement and results.

One effective approach is expanding notifications beyond the standard cycle. “We could send a notification on the bill due date, ‘Hey, your bill’s due today. You might want to do something about it to avoid late fees.’ But also, why not send a notification when they’re, say, 7, 14, or 21 days past due,” Bain explained. These messages nudge customers toward action conversationally, encouraging resolution before accounts roll into collections.

Another tactic reshaping the playbook is on-demand outreach—the ability to send on-demand details of an amount that’s owed to customers or third parties. Instead of relying on time-consuming outbound calls, institutions can send secure digital notices—complete with expiration dates and personalized messages—directly to the customer or even a designated third party. “These can be used in place of, or in addition to, outbound calls,” Bain said, freeing up staff and providing a more efficient, customer-friendly path to payment.

Frictionless access is equally critical. Customers often abandon payments when authentication hurdles get in the way. To solve this, financial institutions are adopting “magic links,” which are URLs that contain an encrypted token. Once the link is sent out, the customer clicks the link and is automatically directed to the payment channel chosen by the financial institution. By removing barriers such as account numbers or member IDs, these links make it simpler for customers to pay immediately with their preferred method.



Driving Loyalty Through Better Experiences

When it comes to bill payments, even small improvements to the experience can make a lasting impact on how customers or members perceive their financial institution. One simple tactic is pairing traditional mailed statements with digital tools that reduce friction. “Customers can then scan the QR code and seamlessly access the payments website to make that payment,” Bain explained. By turning mailed statements into interactive experiences with QR codes, institutions make it easier for customers to act immediately—without needing to dig up account numbers or resort to paper checks. While some remain skeptical about QR codes, Bain countered, “What we saw in the pandemic is the rise of QR codes being on pretty much everything. So I think more consumers are conditioned to the fact that a QR code can be payment-related than previously.”

Another powerful strategy is [Pay by Text](#), which combines reminders and payments in a single step. Instead of clicking links or logging into portals, customers receive a due date alert and can approve the payment simply by replying with their account details. “They reply to the text message and then they get back the confirmation,” Bain said, noting this approach can even support multiple accounts.

The evolution doesn't stop there. Newer mechanisms, such as Request for Payment (RfP), are taking digital outreach deeper into the banking ecosystem. A request for payment is sent across the network, and once the recipient approves it through their bank, the

payment is funded in real time. This two-step process ensures both security and speed by delivering irrevocable, good funds. Outreach is best approached as a spectrum of tools, where offering multiple engagement options alongside a variety of payment methods makes customers more likely to pay electronically.

How To Get Started

- **Customer Emails**
Have you obtained consent for outreach?
- **Customer Cell Phones**
Have you obtained consent for outreach?
- **In-House or Outsourced**
Will you send emails and texts yourself or outsource it?
- **Notification Support**
Does your in-house or outsourced solution send the required notifications?
- **Magic Link Support**
Does your payment service provider support magic links?
- **Mailed Bills & QR Codes**
Can your print & mail provider support magic link conversion to QR codes?
- **CSR Bill Notifications**
Can you support ad-hoc outreach initiated via CSRs?
- **Pay By Text**
Does your payment service provider support Pay by Text?

Launching a proactive digital outreach strategy may feel daunting, but the payoff in customer satisfaction and loyalty makes it well worth the effort. Institutions ready to take the leap should begin with a few foundational considerations.



The first step is ensuring compliance. “Have you obtained consent for outreach? This is becoming key,” Bain noted, pointing to evolving rules around both email and text. Regulations like the TCPA make explicit consent mandatory for mobile messaging, and overlooking this step can create compliance risks before a program even begins.

Next, financial institutions must decide whether to build or buy—whether outreach will be managed internally or handled through a payments provider. It is essential to evaluate if a solution supports a full range of notifications, from new bill alerts to reminders and bill-due-today messages. Features such as magic links, QR codes, and Pay by Text should also be prioritized, as they reduce friction and make it easier for customers to act quickly.

Beyond setup, the competitive edge is clear. “30% of consumers say receiving a bill due date would improve their satisfaction with paid digital bill payment experiences.” Just as importantly, “40% of consumers are very or extremely interested in an improved billing experience and more than half of them are willing to switch providers to get it,” Bain shared.

The lesson is simple: operational efficiency and customer loyalty go hand in hand. Institutions that streamline their outreach not only reduce costs but also strengthen long-term relationships. Or as Bain put it, “Basically, a happy customer is a faithful customer.”



To learn more about how proactive digital outreach can improve payment performance, reduce costs, and strengthen customer loyalty, watch the full webinar, [Shifting the Payments Paradigm: Why Digital Outreach Matters to Your Bottom Line](#).

Alacriti's [Loan Payments](#), is a customizable electronic billing and payments solution for businesses and financial institutions of all sizes. Orbipay EBPP offers convenient and flexible choices that include all the payment channels, payment methods, and payment options expected from a modern digital bill pay experience. For more information, please [contact us](#) at info@alacriti.com.

WEBINAR PLAYBACK

Shifting the Payments Paradigm:
Why Digital Outreach Matters
To Your Bottom Line



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