

# TOP **PAYMENT TRENDS** TO WATCH IN **2022**

WEBINAR



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## Slide Link

Today's slides can be found online at:

<http://bit.ly/2021-11-03-Alacriti>

# We Encourage Questions

Use the

## Questions Box

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# TOP **PAYMENT TRENDS** TO WATCH IN **2022**

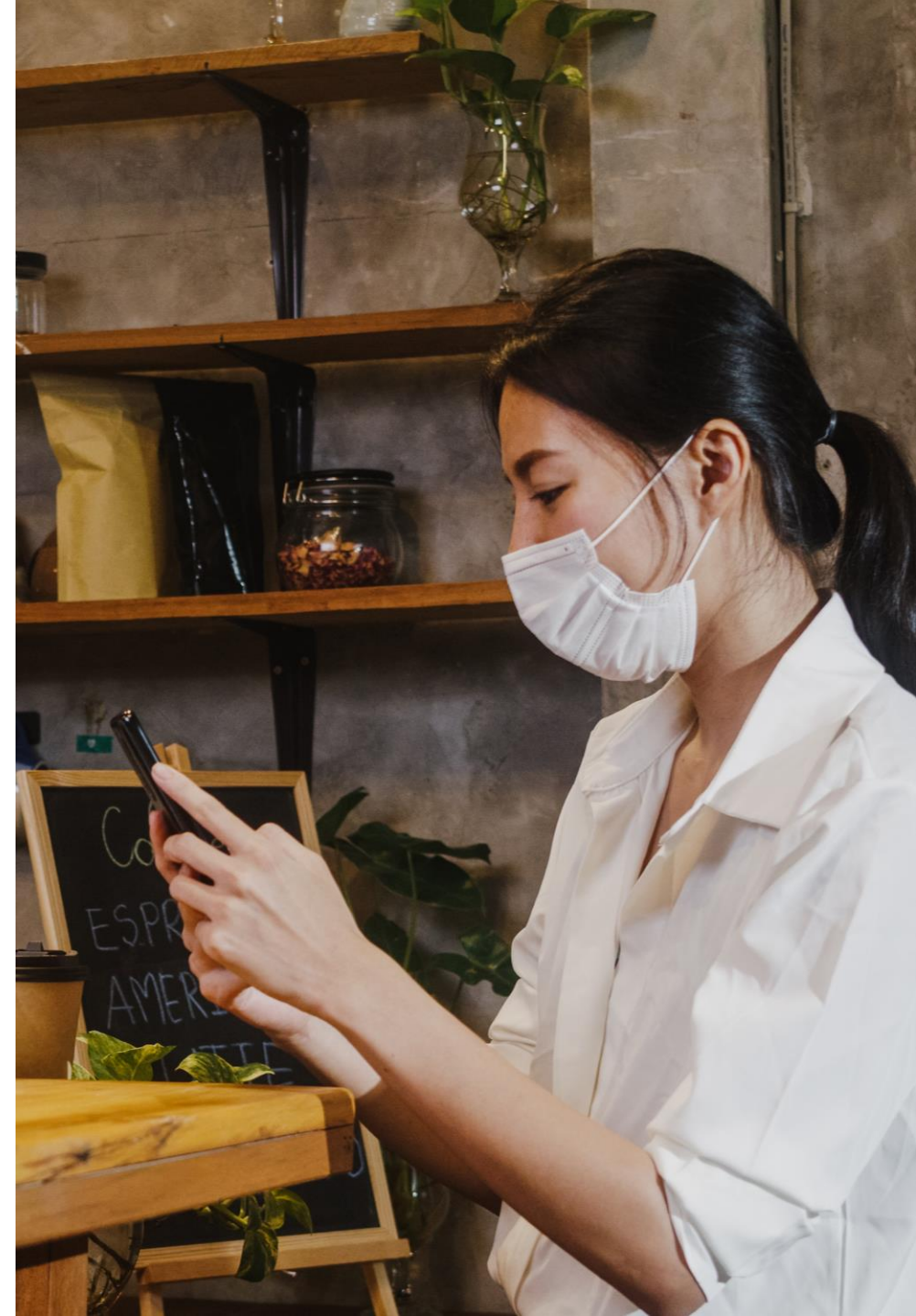
WEBINAR





# AGENDA

- Market Conditions
- Non-Traditional Competitors
- Next Steps
- Questions & Answers



# MEET THE SPEAKERS



**Sarah  
Grotta**

*Director, Debit  
& Alternative  
Products  
Advisory  
Service,  
Mercator*



**Al Griffin**

*Product Manager,  
Alacriti*



# INTRODUCING MERCATOR ADVISORY GROUP

## Research Advisory Services

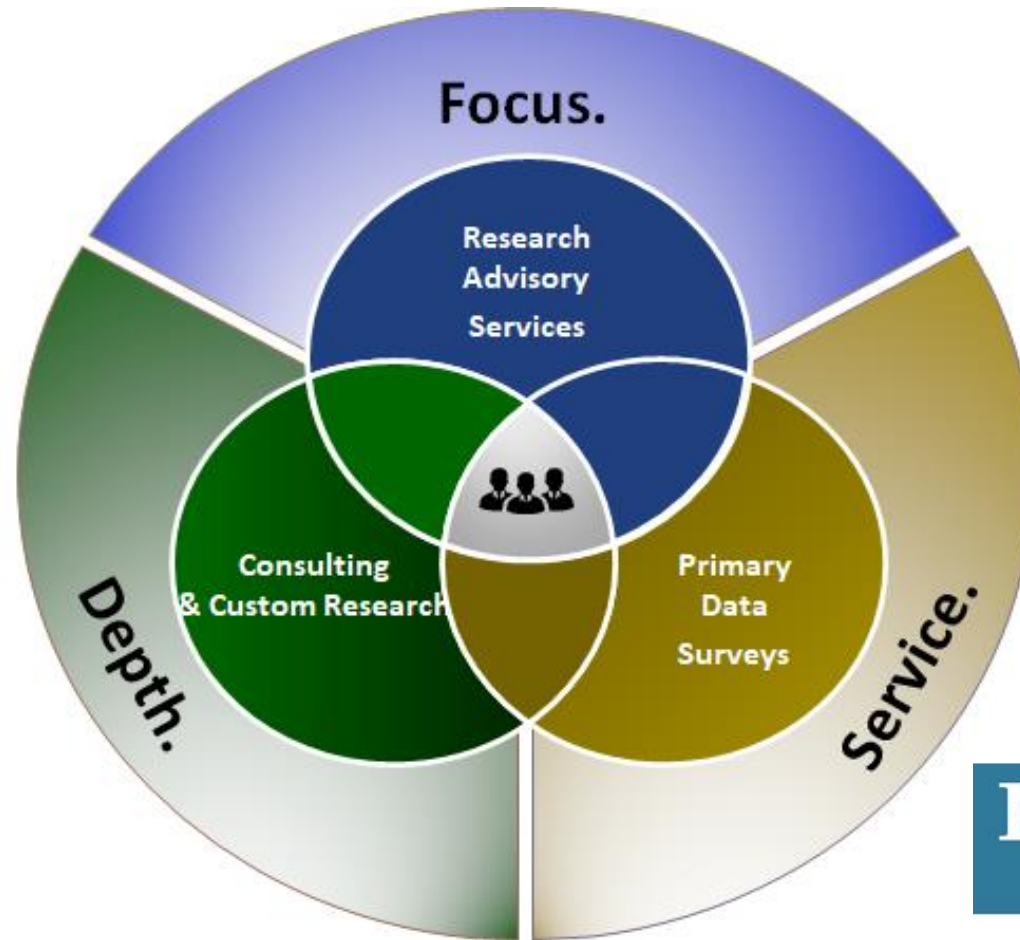
Continuous access to our analysts and experts on a membership basis. Include all written analysis, documents, presentations, videos, and direct analyst interaction throughout the year.

## Primary Data Services

Proprietary Surveys fielded throughout the year with quantitative analysis of consumer and small business attitudes and behaviors toward payments products and services. Also performs all quantitative work for Mercator.

## Consulting & Custom Research

Project-based consulting. Fact-based insights and advice delivered efficiently



## PaymentsJournal

*Powered By Mercator Advisory Group*

PaymentsJournal.com is the leading content provider for news, insights, and commentary for the payments industry.

# ABOUT ALACRITI

*Payments And Money Movement Services To Accelerate Digital Transformation*

## Orbipay Platform

Money Movement Services

Account to Account (A2A) Transfers

Person to Person (P2P) Payments

Loan Payments

Bill Pay

Digital Disbursements

New Account Funding

Business Services

Account Validation

Chatbot

Cosmos Payments

Real-Time Payments  
via TCH's RTP Network



# REPRESENTATIVE CLIENTS

## BANKS



## CREDIT UNIONS



## HEALTH CARE



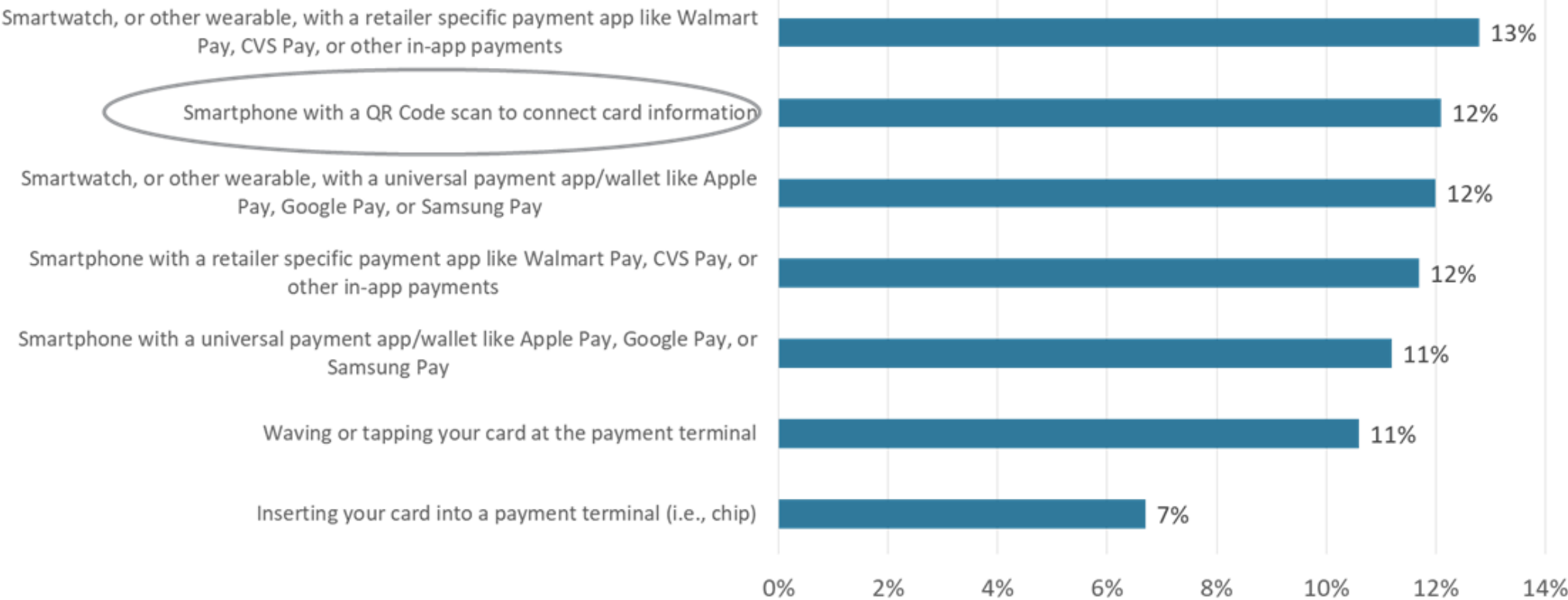


# MARKET CONDITIONS



# CONSUMERS REPORT USING NEW PAYMENT OPTIONS MUCH MORE AS A RESULT OF COVID-19

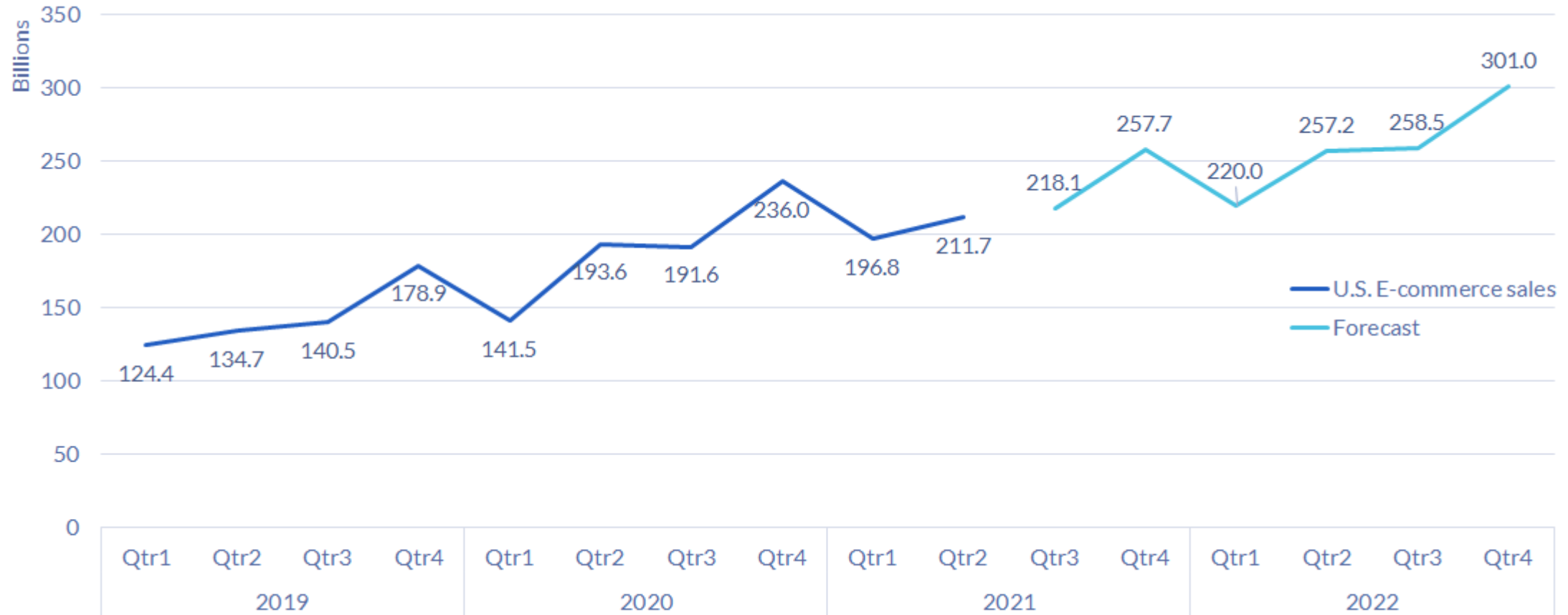
Technology use change due to Covid-19  
(respondents who have used the technology and said they use it much more)



Source: Mercator Advisory Group



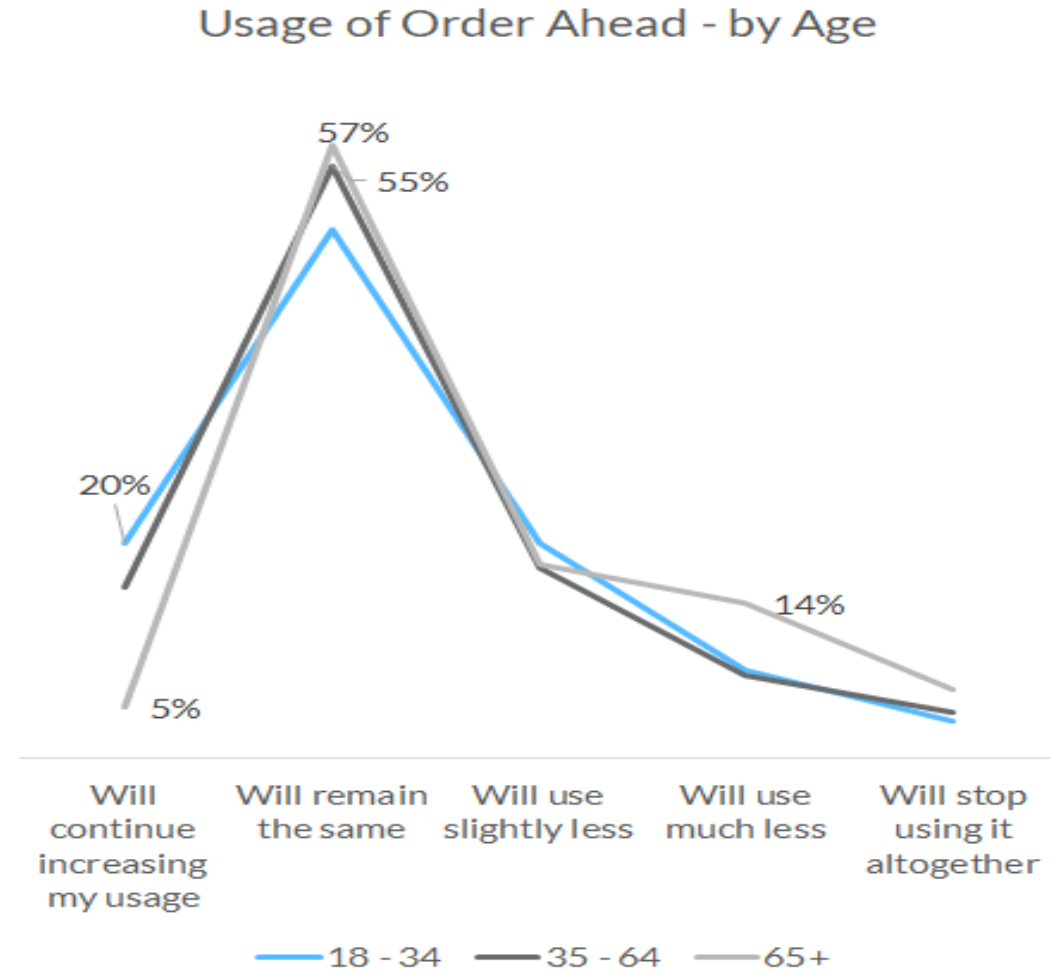
# U.S. ECOMMERCE CONTINUES TO CLIMB



Source: Mercator Advisory Group

# ORDER AHEAD IS ONE PAYMENT TYPE THAT WILL STICK AROUND

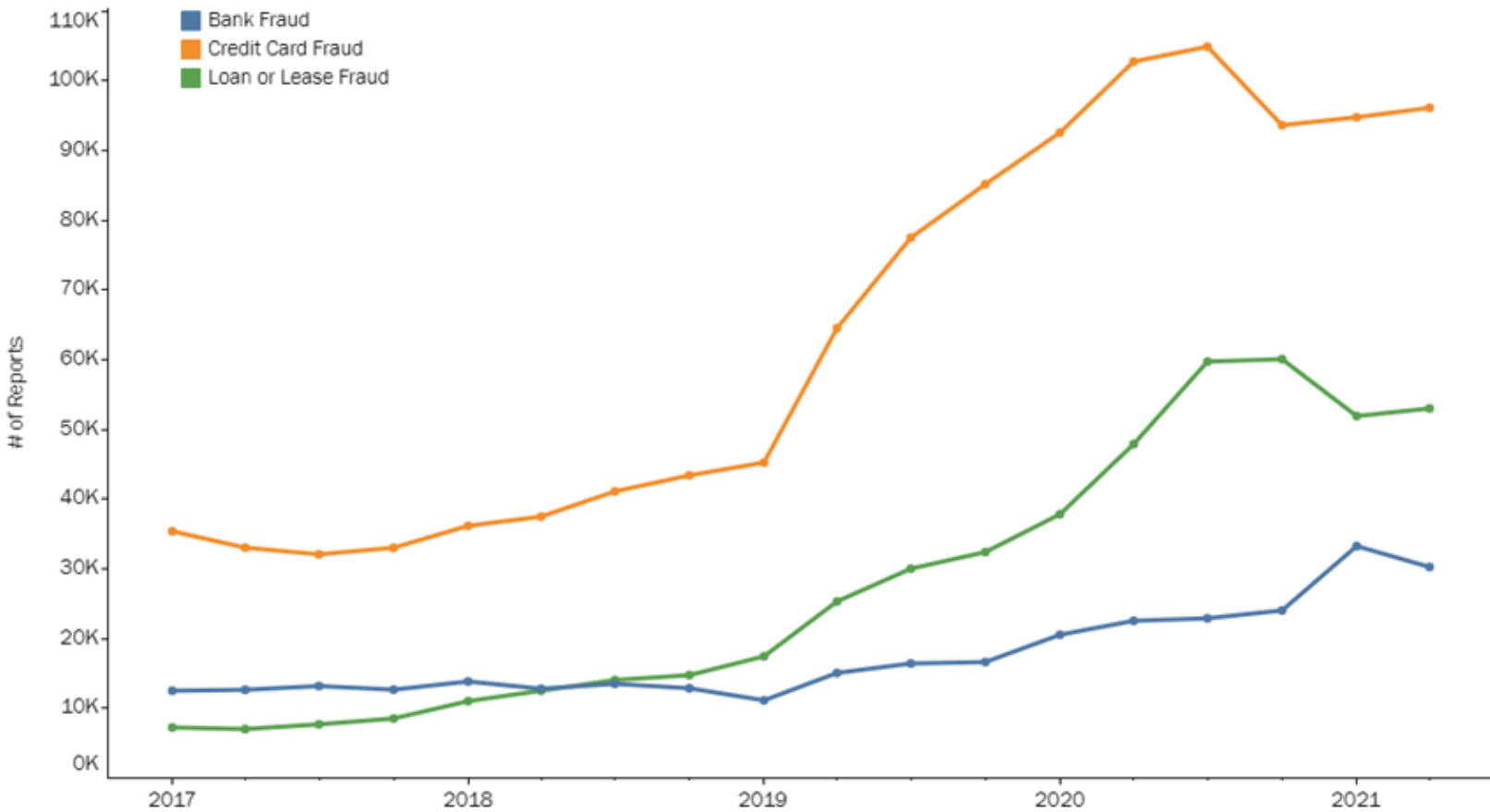
*Although most respondents who ordered online or through a mobile app for pick up in a store or restaurant indicated that their usage of this shopping method will remain the same after COVID-19*



Source: Mercator Advisory Group

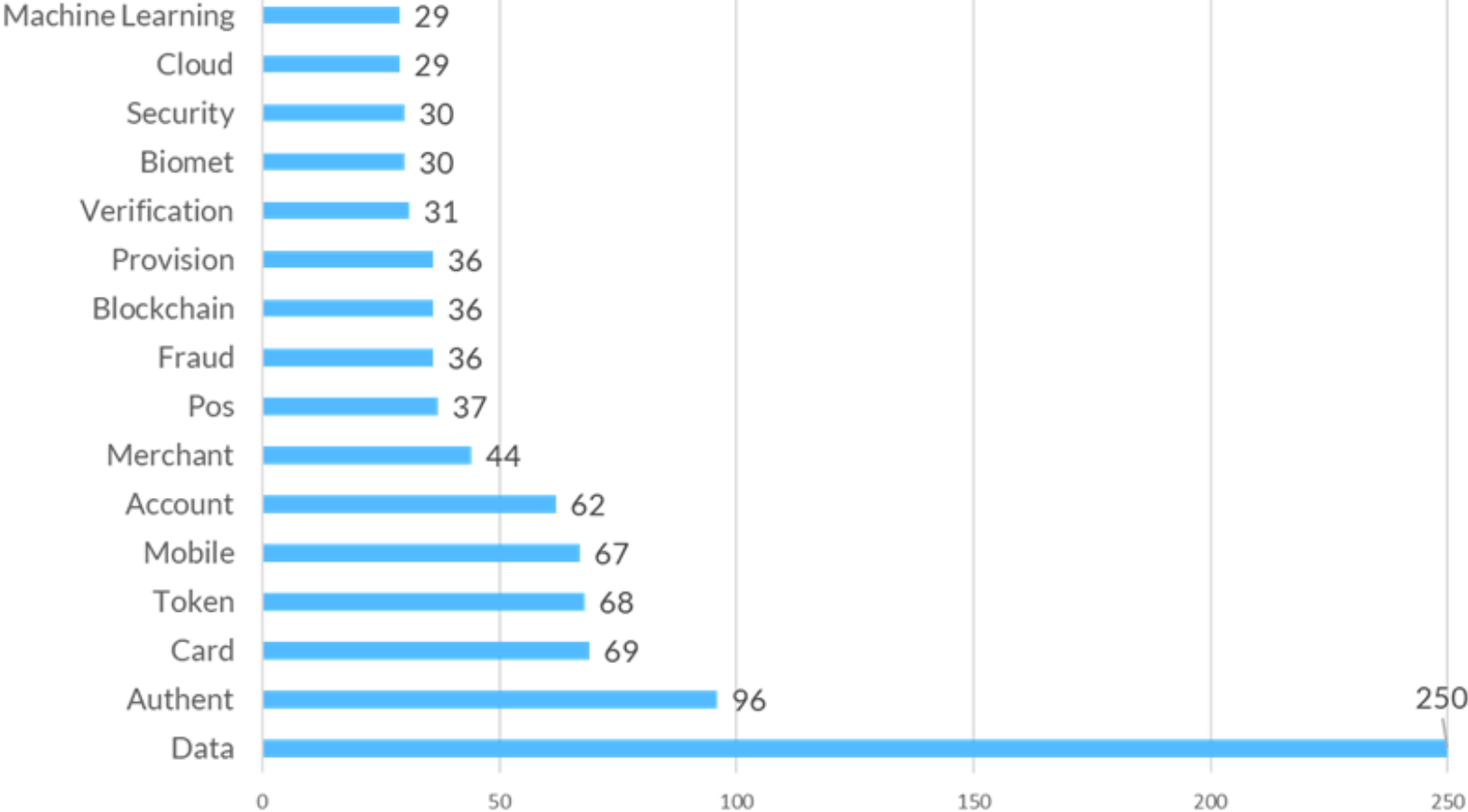
# CONSUMERS REPORT HIGHER RATES OF CREDIT, LOAN/LEASE, AND BANK FRAUD

Theft type over time



- Consumers report higher rates of bank, credit and loan or lease fraud.
- These fraud type substantially increased during 2019 and peaked during the pandemic

# PAYMENTS INDUSTRY FOCUSES ON DATA, SECURITY, AND NEW TECH



### KEY INNOVATION TRENDS

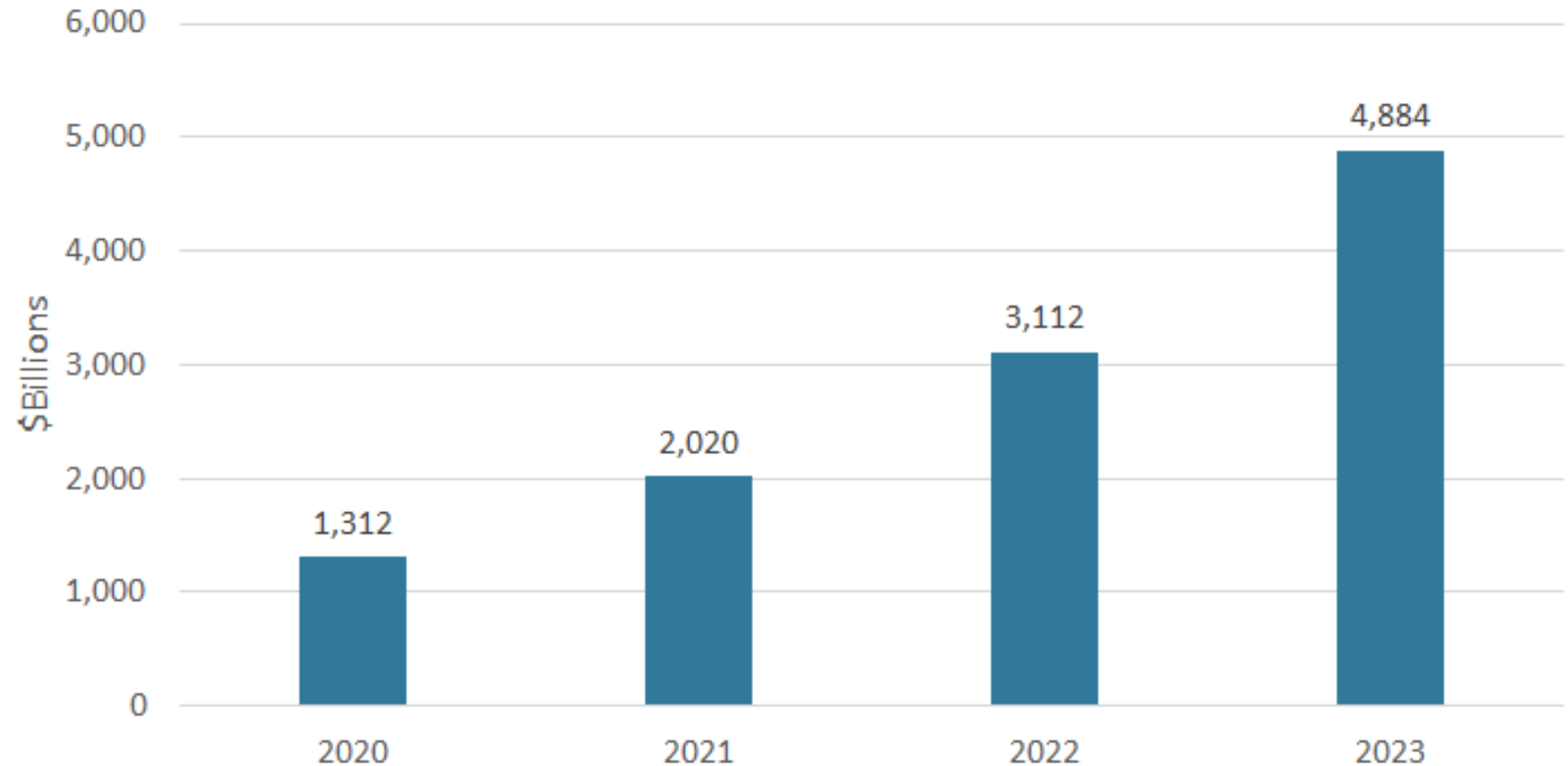
- **Data:** payments industry is highly interested in producing value add services from data.
- **Security:** composed of authentication, tokenization, fraud, verification and provisioning.
- **New tech:** mobile, blockchain, biometrics, and machine learning

Source: Mercator Advisory Group, US Patent office

# REAL-TIME PAYMENTS AND FASTER PAYMENTS

Considers  
RTP, Zelle,  
debit push  
payments and  
Same Day  
ACH

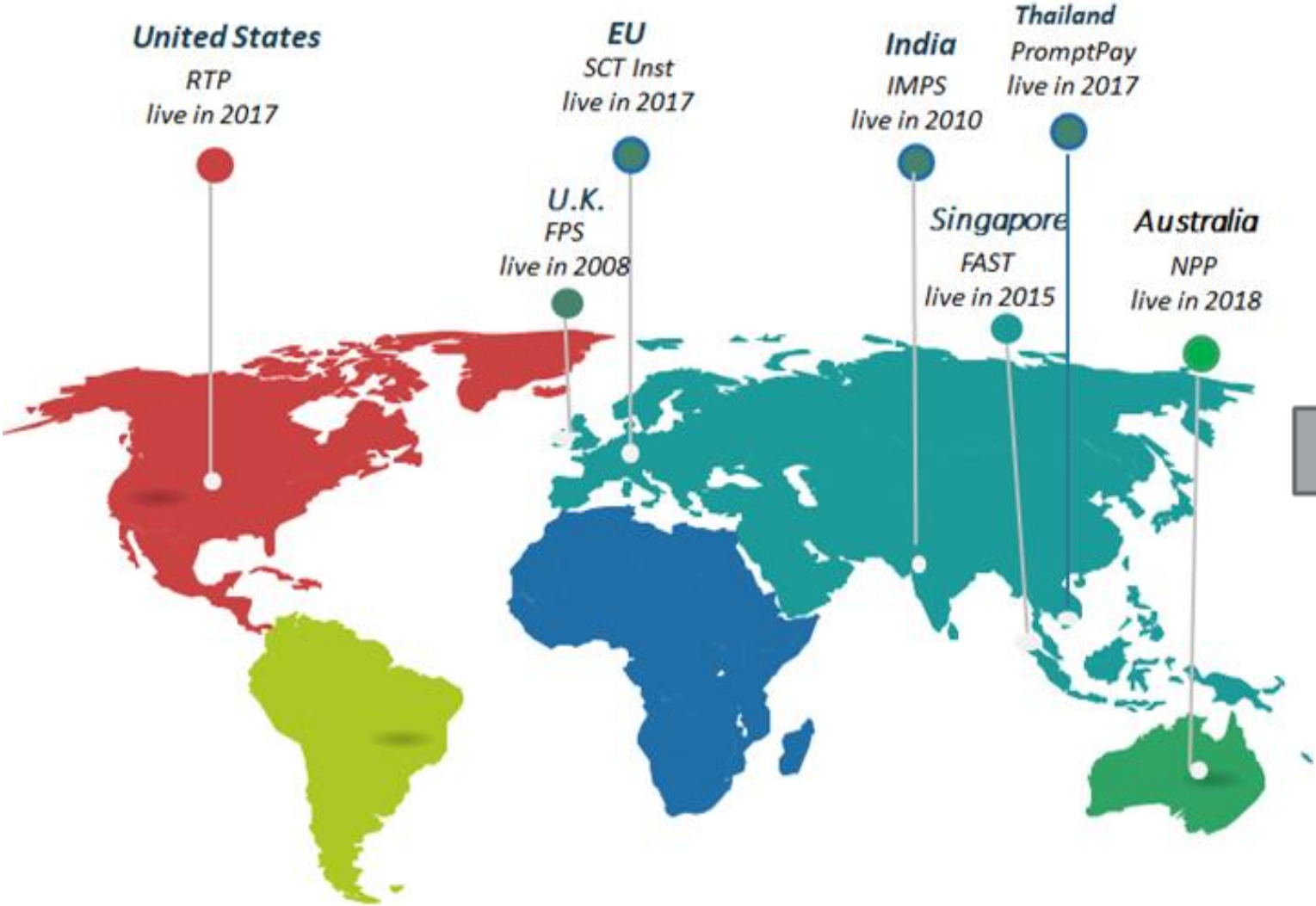
Estimated/Forecasted Growth of U.S. Faster and Real –  
Time Payments



Source: Mercator Advisory Group

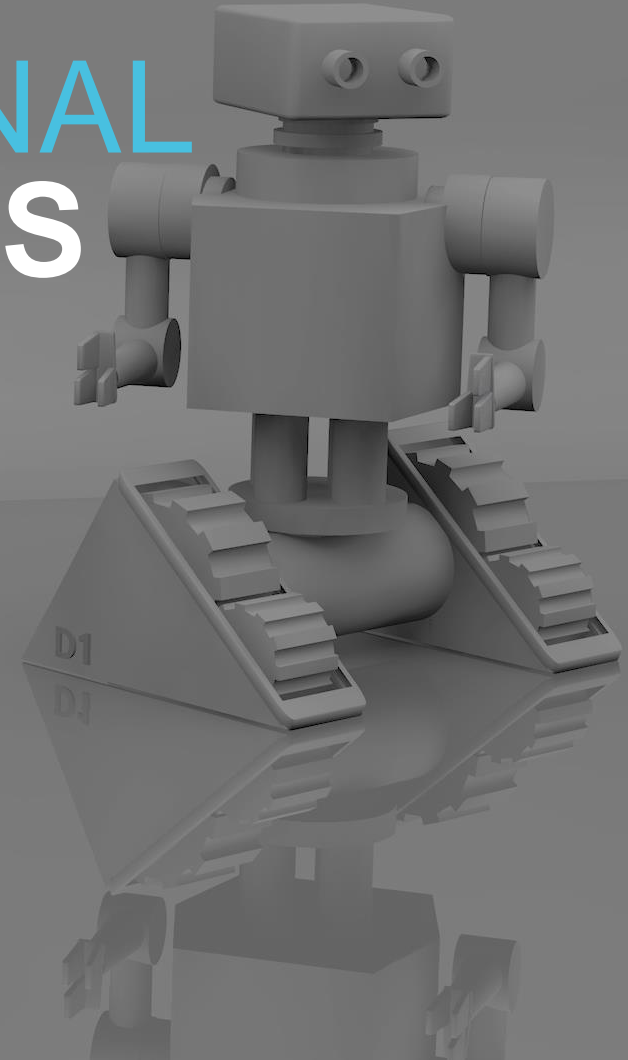


# MAJOR ECONOMIES HAVE OR ARE LAUNCHING REAL-TIME PAYMENTS PLATFORMS



**Additional Real-Time and Near-Real Time Systems Deployed**  
Americas 3, Europe 8, Africa 3, Asia-Pacific 4

# NON-TRADITIONAL COMPETITORS



# DIGITAL WALLETS AND DIGITAL BANKS

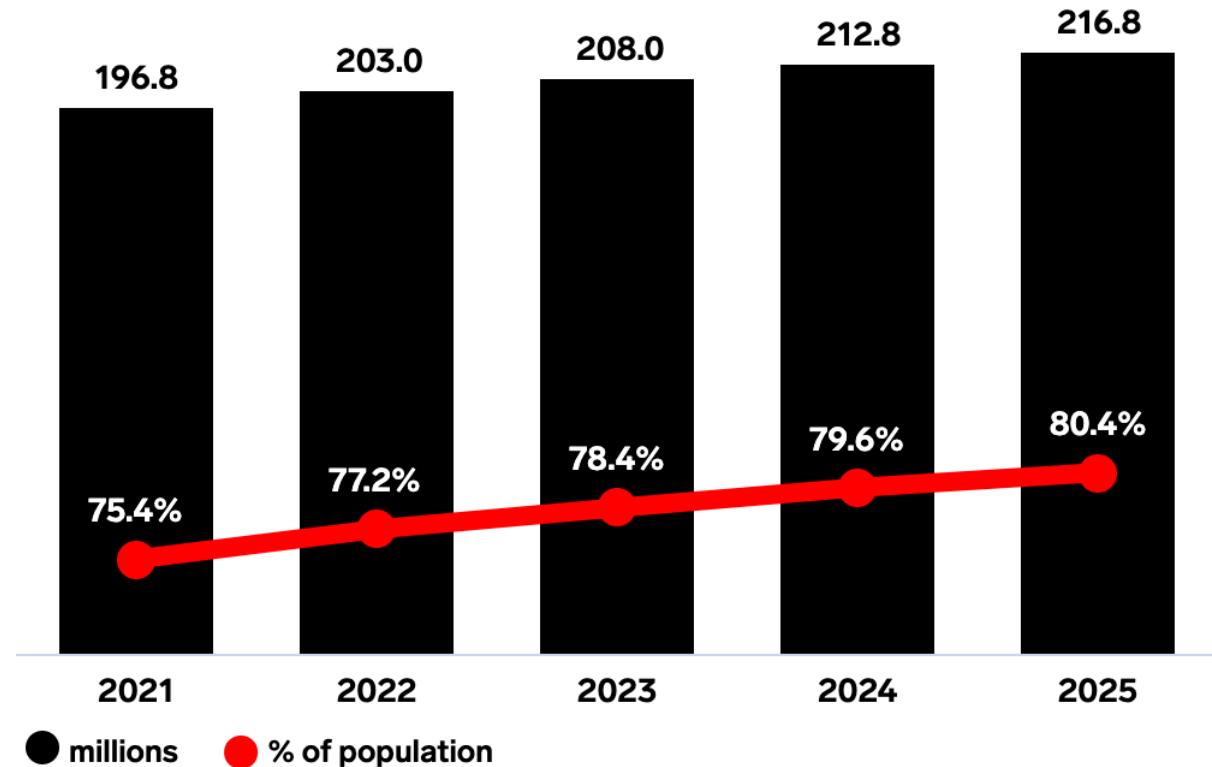
- Digital Wallets Continue to Grow
  - U.S. users jumped from 38% to 55% of smartphone owners in 2020
  - Digital Wallets help serve an important population: the unbanked and under banked
  - Digital wallets and mobile payment apps can be less risky than traditional payment methods
  - Digital wallets and mobile payment apps allow people to simplify how they make payments and what they have to carry with them to purchase items

# DIGITAL WALLET AND DIGITAL BANKS

## Digital Banking Users and Penetration

US, 2021-2025

- The banking industry is undergoing massive digital disruption, with online deposits, mobile apps, and e-bill payments fundamentally becoming the norm.



Source: eMarketer, March 2021

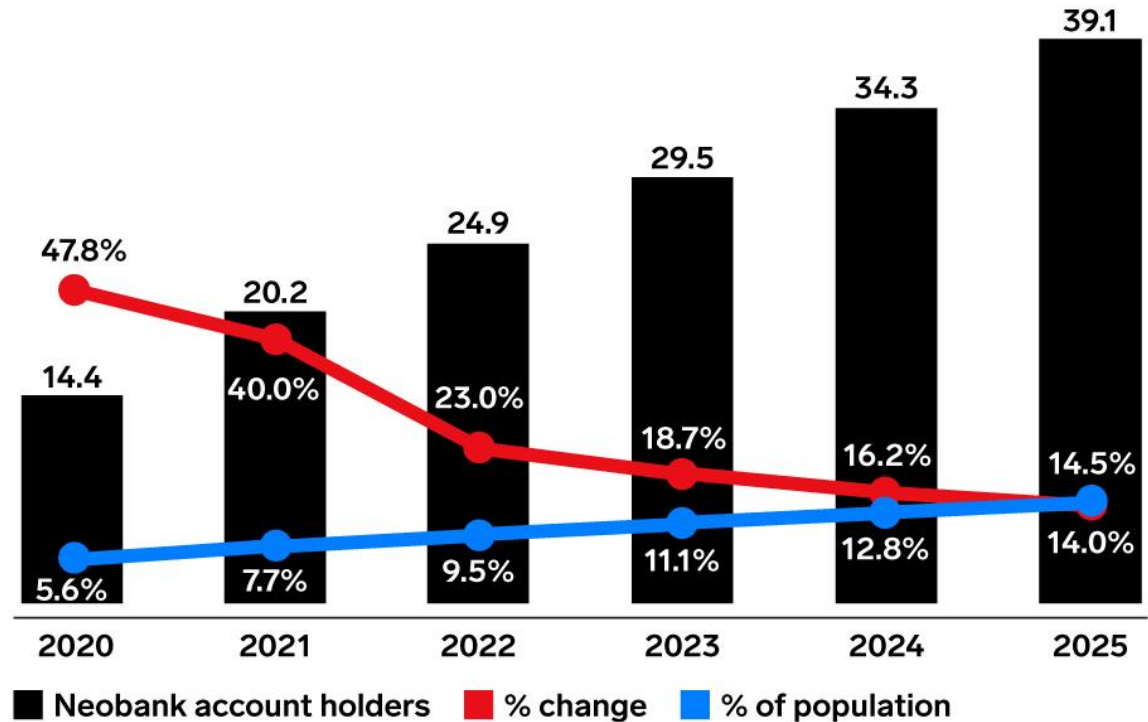
InsiderIntelligence.com

# DIGITAL WALLET AND DIGITAL BANKS

- Digital-only banks—also known as neobanks—are positioned to transcend traditional US banking due to their ability to meet the demands of tech-savvy consumers.

## US Neobank Account Holders, 2020-2025

millions, % change, and % of population



Note: individuals who hold at least one account at an independent, digitally native digital-only bank that either has a banking license or operates on a licensed bank's platform (such as Chime or Varo in the US, Monzo in the UK, and Koho in Canada)

Source: Insider Intelligence, May 2021

266385

InsiderIntelligence.com



# IMPORTANT TECHNOLOGY FOR 2022

## API-DRIVEN ARCHITECTURE

- **RESTful APIs** are dominating the integration market today—they are the “glue” that brings everything in our space together. It uses less bandwidth, which is ideal for efficient internet usage and hence cloud services.
- **Open APIs** are designed to be exposed to external developers who can easily integrate them into their applications with minimal interaction with the API owner. They are simple and easy to understand, meaning you don't need to be a payments expert to leverage a payments API.

### API

An Application Programming Interface **(API)** is a technical construct that enables software to talk to one another

# IMPORTANT TECHNOLOGY FOR 2022

## MICROSERVICES

- Flexibility – developers can make targeted changes without needing to do larger re-testing
- Consistency – enhancements can be made without downtime
- Efficiency – different teams can work on different components of the solution at the same time

### MICROSERVICES

Microservices, or microservice architecture, is an approach to application development in which a large application is built as a suite of modular components or services.”

# IMPORTANT TECHNOLOGY FOR 2022

## ISO 20022

- Better data – richer/more granular data for payments messages, meaning more transparency/remittance information and a better member experience
- Improved analytics – less manual intervention, more accurate compliance, and improved fraud prevention
- Fast/Single integration of systems – even with legacy platforms. Uses XML (Extensible Markup Language)—readable by both humans and machines.
- Worldwide adoption – used by payment systems in over 70 countries
- U.S. adoption - adopted by The Clearing House RTP Network and FedNow

### ISO 20022

**ISO 20022** is a globally accepted messaging standardization approach (methodology, process, repository) to be used by all financial standards initiatives as a common platform for the development of messages.



# NEXT STEPS

# PREPARING FOR NEXT YEAR

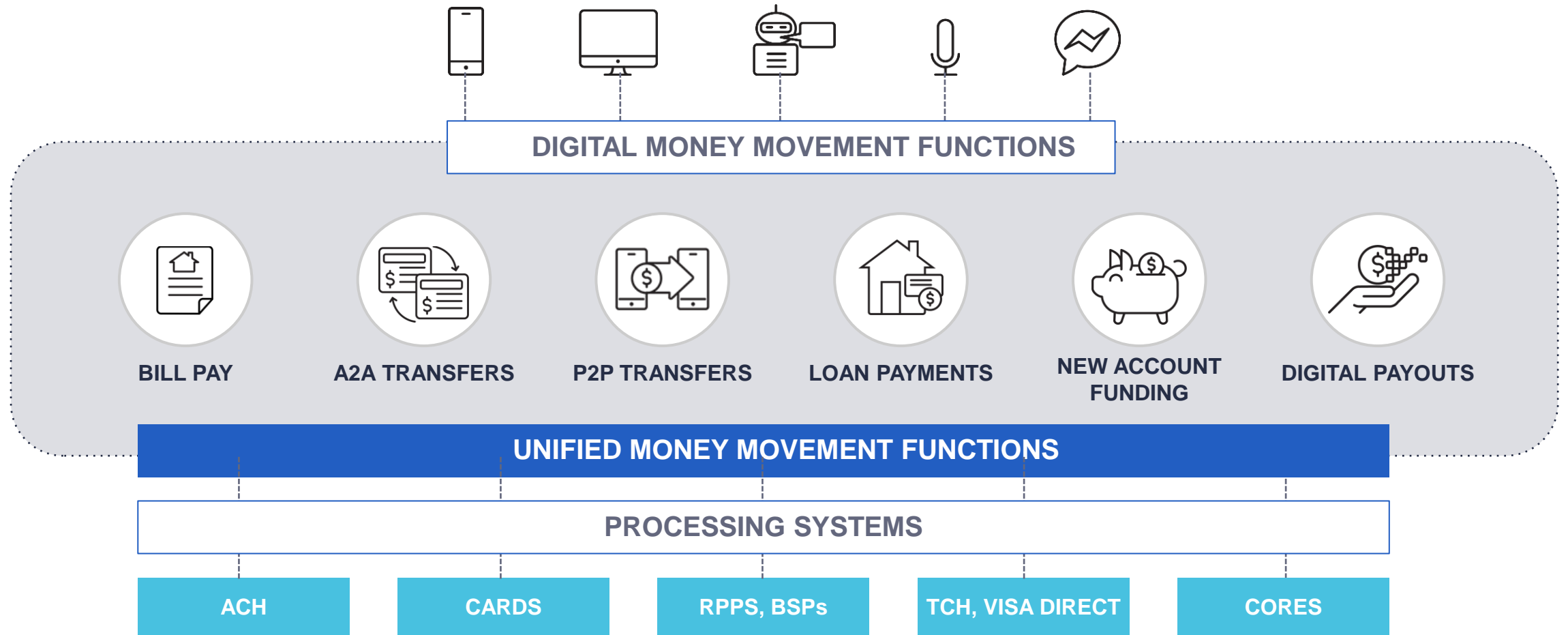
## RECOMMEND:

- Being collaborative and flexible
- Cloud based implementation
- Partner with a fintech
- Examine unique account holder needs before proceeding



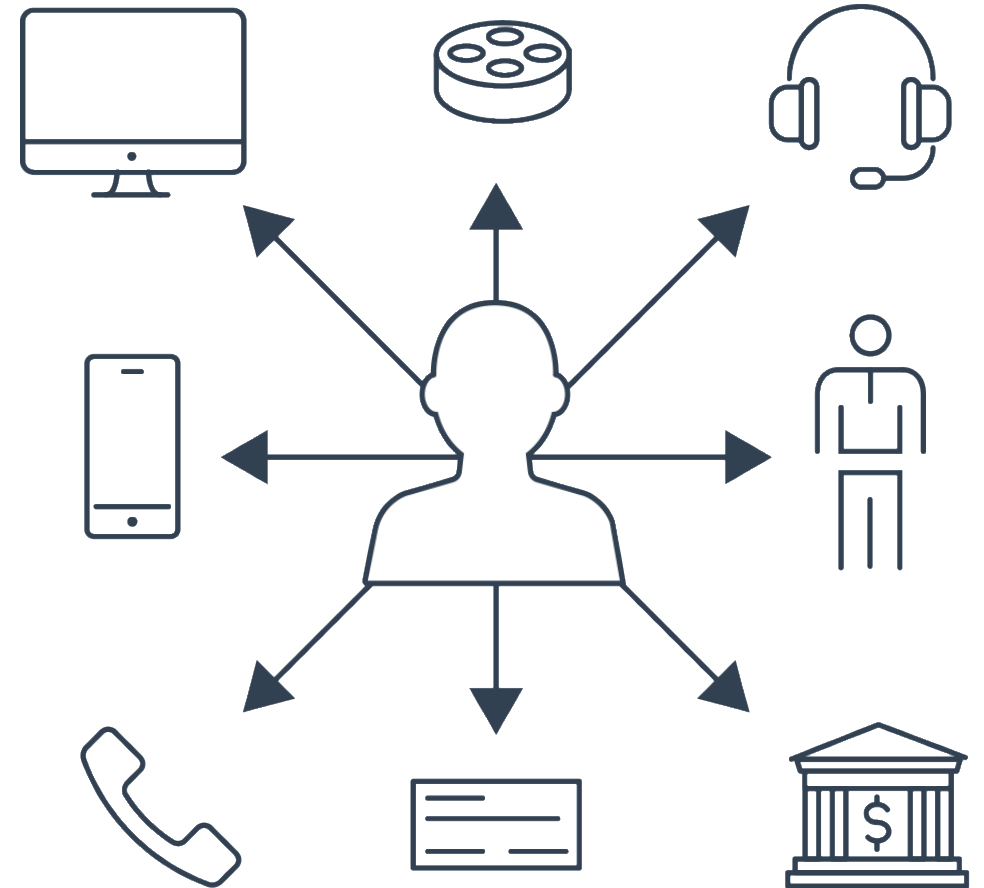
# UNIFIED MONEY MOVEMENT, EVERY POSSIBILITY.

## Orbipay PLATFORM



# MEETING YOUR MEMBER **WHERE** THEY WANT TO PAY... WITH **HOW** THEY WANT TO PAY

- Go beyond “enhancing the existing experience”
  - New frictionless channels of interaction
  - Move from products to platforms
  - Allows for rapid and agile deployment
- Embrace new technologies
- Fintech partnerships build stronger transformation strategies that succeed – “it takes a village!”



# MONEY MOVEMENT SERVICES



## BILL PAY

Enable customers to manage and pay their bills in one place within their existing digital banking channels.



## A2A TRANSFERS

Enable consumers and businesses to move money effortlessly and securely between their bank accounts, regardless of financial institution.



## P2P TRANSFERS

Deliver seamless electronic payment experiences with friends, family, or any person with a connected account at a bank or credit union.



## LOAN PAYMENTS

Accept payments from your consumer and business customers with access to the payment channels, methods, and options they demand.



## NEW ACCOUNT FUNDING

Secure account funding ensures account opening deposits can be made quickly with a variety of convenient funding options.



## DIGITAL PAYOUTS

Quickly and seamlessly send digital payouts to your customers.

Q&A.



**THANK YOU!**

