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Consumer Bill Payment Habits Vary Month to Month, Mobile Payments Now an Established Method, Says Fiserv Billing Household Survey

BROOKFIELD, Wis.--(BUSINESS WIRE)-- New research from Fiserv, Inc. (NASDAQ: FISV), a leading global provider of financial services technology solutions, has revealed significant short-term and long-term shifts in the way consumers pay their bills. The 2011 Billing Household Survey showed that consumers use multiple payment channels on an ongoing basis, with nearly one out of every five online consumer households changing the way they pay bills each month. Mobile bill payments are on the rise, with more than six million Americans using smartphones to pay their bills in the past year. Interest in electronic bills (e-bills) has also hit an all-time high.

In addition, the survey revealed that utilities, telecommunications providers, insurers and other billers are destination websites for billing and payment, particularly when it comes to last minute and one-time payments. Additional findings can be downloaded at www.fiserv.com/research-papers.htm.

"This year's Billing Household survey demonstrates that consumers are looking to their banks and billers for multiple billing and payment options that are quick and easy, and can change to meet household needs and expectations," said Jardon Bouska, division president, [Biller Solutions](#), Fiserv. "Billing and payment is not just about the transaction; it is a recurring strategic opportunity for companies to deepen customer relationships and reduce costs."

Significant Survey Findings

- 1 **Consumers pay in multiple ways**—Consumers indicate it is important for billers to provide multiple payment options and many report changing the way they pay their bills month-to-month due to timing and funds availability. The study found a number of factors driving the demand for choice including the consumer's financial situations and changing technology. Paying bills online at biller or bank sites is most common followed by check and auto debit.
- 1 **Mobile bill payments emerging**—Six million households paid at least one bill via smartphone in the past year. Billers need to pay greater attention to their mobile experience, as 30 percent of online consumers have visited a biller's site using their mobile web browser to access a monthly bill. The most popular bills paid by phone include phone, cable, credit card and utilities.
- 1 **Biller sites popular, particularly for last minute and one-time payments** — Two thirds of consumers visit their billers' websites, with the majority doing so for billing and payment related activities. These sites are a first choice for consumers when making last minute and one-time payments.
- 1 **Increasing interest in electronic bills (e-bills)** - Thirty two percent of consumers who pay bills at their bank site already receive e-bills and 38 percent of non-recipients are interested, an all-time high. In addition, the number of consumers interested in receiving e-bills at a biller's site increased to 22 percent versus 17 percent in 2010.

Consumers Prefer Multiple Payment Options

The ongoing use of multiple payment channels is common with 59 percent of consumers using biller direct sites, 59 percent writing checks, 53 percent using auto-debit and 38 percent paying bills through their online banking bill payment service. One out of four online consumer households use both biller and bank sites for online bill payment. Consumers say they choose biller sites because they want to use credit and debit cards or make expedited payments. Consumers choose financial institution sites for their ease of use and integrated financial management capabilities.

The survey also found that nearly one out of every five online consumer households changes the way they pay bills each month with 63 percent citing funds availability and 54 percent payment due date as the reason. The fluid nature of payment practices was illustrated by a significant drop in automatic recurring payments from 64 percent last year to 59 percent in 2011. Auto-debit takes money out the same day every month and does not allow for the flexibility many consumers are seeking in today's economy.

Billers that are flexible and can meet changing consumer demand are best positioned to capitalize on changing consumer

preferences to increase loyalty and reduce costs.

Mobile Bill Payment Gains Popularity

More consumers are carrying smartphones and fewer are carrying their checkbooks to make payments. Of the 6 million consumers who said they had paid a bill with a mobile device, more than 40 percent used a mobile browser to pay their bill, while 35 percent used an app downloaded from a biller or a bank and 17 percent used text to pay. According to the survey, six out of every 10 mobile bill payments were made with some kind of card, either debit, credit or prepaid.

Mobile bill payment seems to be poised for more growth, with 58 percent of online households that own a smartphone saying they are interested in the service. When asked what mobile billing and payment capability they are most interested in, more than half stated same day and or expedited payments.

Biller Websites Are Destinations for Billing and Payment

In the past year, the number of households paying a bill at a biller's website grew by 5.4 million. The overwhelming reason consumers say they visit a biller's site is to pay a bill, cited by 70 percent of survey respondents. These visits deliver a cost benefit to the biller, as 67 percent of consumers reported they avoided a call to a biller as a result of visiting their site.

Consumers often go directly to the biller when making last minute and one-time payments. Nearly three out of four consumers turn to their biller when they need to make a last minute payment. Of these, 37 percent go to the biller's website, making a strong case for billers to clearly feature billing and payment — including expedited payment capabilities — on the home page. Additionally, 22 percent call the biller and 10 percent utilize walk-in payments to make last minute payments.

The survey also found that over 12 million consumers paid a bill at a biller's site without registering for an account. While more than half did not register because they were making a one-time payment, 35 percent did not register because they believe registering is a hassle, and 20 percent did not want to remember another user name and password. This illustrates the importance for billers to offer customers the option of making one-time or on-demand payments without registering.

Consumers Show Growing Interest in E-bills

A notable 38 percent of bank-based bill payers who do not already receive e-bills, which contain the same information as paper bills but are delivered online, said they were interested in receiving bills at their bank website. In addition, the number of consumers interested in receiving e-bills at a biller's site increased to 22 percent versus 17 percent in 2010. With growing interest in both bank and biller delivered e-bills, billers that meet consumer demand for both are best positioned to capitalize on the potential benefits, including cost savings and increased customer satisfaction. The study showed that the top motivators to replace paper bills with e-bills include the ability to go back to paper at anytime, online storage of bills, knowing that e-bills reduce the chance of identity theft and receiving an alert when a bill is due.

Methodology

The third annual Billing Household Survey was conducted in May 2011 by The Marketing Workshop on behalf of Fiserv and reflects the responses of 2,500 adult consumers who are responsible for paying their household bills. The results are representative of the United States online population of households, which is approximately 96.4 million out of the 121 million households in the United States. The survey was developed by Fiserv Consumer Insights, which has conducted research on consumer financial habits for more than a decade.

About Fiserv

Fiserv, Inc. (NASDAQ: FISV) is a leading global technology provider serving the financial services industry. Fiserv is driving innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For six of the past eight years, Fiserv ranked No. 1 on the FinTech 100, an annual international listing of the top technology providers to the financial services industry. For more information, visit www.fiserv.com.

FISV-G

Media Relations:

Ann Cave
Senior Public Relations Manager
Electronic Banking Services
Fiserv, Inc.

678-375-4039

ann.cave@fiserv.com

or

Additional Fiserv Contact:

Wade Coleman

Director, Public Relations

Fiserv, Inc.

678-375-1210

wade.coleman@fiserv.com

Source: Fiserv, Inc.

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