8 Modernized Bill Payment Methods

In times of change, leading finance teams are focusing more on strategic activities and eliminating manual processes like line-item invoice entry and processing. Alleviate the burden of repetitive manual tasks with DocuPhase's accounting automation solution. DocuPhase provides you with the tools you need to simplify, organize, and automate all of your finance processes.

What Makes a Payment Method Frictionless?

✔ Reducing the number of forms people have to complete.

✔ Minimizing "clicks" or actions required to finish a payment.

✔ Securely storing customer account, billing, and payment information for future access.

✔ Removing redirects that might distract customers from completing the transaction.

✔ Cleanly displaying multiple, convenient payment methods across multiple channels or devices.

✔ Quickly putting the consumer in direct control of his or her funds.

Frictionless Payment Options

Device-Initiated Payments

With near field communication technology, or NFC, two devices – such as a phone and a payment terminal – can effortlessly pass encrypted information back and forth. This contactless transaction takes just seconds, compared to the extra friction added by swiping a credit card or counting out cash.

One-Click Payments

Once a customer establishes an account and sets up a payment method at a biller's website, that information can be saved securely so that customers can make a payment with a single click, just like they can at Amazon. Mobile wallets can extend this functionality without requiring the creation of multiple separate accounts at different retailers or websites, since the payment details are stored in the digital wallet and are ready to use for one-time payment.

Frictionless Payment Options

Mobile and Digital Wallets

E-wallets make it simple to pay recurring bills, such as utilities or credit card. Customers can download an e-wallet "card" to receive their billing statements digitally, then either instantly pay or schedule payment using a linked card or ACH account. When a new statement is ready, the user receives an actionable message right on his or her phone, encouraging immediate one-click payment. If a customer opts in for auto-payment, notifications can also be sent before his or her account is debited.

Auto-Renewing Subscription or Automatic Payments

Some recurring payments can be made through auto-renewing subscriptions, which require users to register their payment information only once and authorize the biller to automatically charge their credit card or bank account when payments are due. As a courtesy, billers can push out text notifications before each payment is made, so that the customer can be sure the funds are in place. Recurring payments continue until the user chooses to discontinue them. Prepayment subscriptions are especially appealing to younger demographics, as they can establish an amount they are comfortable spending on a service and then throttle back usage to stay within that budget.

Simple Voice Payment

When customers call for information or to pay a bill, interactive voice response systems can make it easy for customers to access their accounts. Voice recognition technology, now in use at major financial institutions such as Fidelity, can create a voice fingerprint that can give customers instant access to information about their accounts. Alternatively, an AI assistant can recognize the customer's phone number, call the customer by name, and walk them through bill payment immediately with the customer's consent. Voice recognition will soon enable customers to securely pay bills through digital assistants, such as Alexa, Siri or Cortana, on smartphones or in-home devices.

*By 2023, **8 billion voice assistants** will be in use, up from 2.5 billion in 2018.*
(Source: Juniperresearch)

In-App Payments

A growing number of retailers are giving customers a way to make in-store purchases through branded mobile apps, allowing them to speed through checkout or skip the line altogether. In addition to offering consumers a frictionless payment experience –
after they install the app and set up their payment information – these businesses are now literally in their customer's pockets wherever they go, allowing them to communicate with their customers through notifications and reminders to pay their bills or make purchases.

__57 percent of mobile users__ say they wouldn't recommend a business that has a poorly designed mobile interface.
(Source: socpub)

Frictionless Payment Options

Contextual Commerce

This payment method entices consumers to make a purchase or payment by embedding those opportunities into another website or app they are already using. For example, a Facebook user might see a pop-up ad or post on her feed that presents a direct link to pay her insurance bill or buy that purse she's been Googling. This method removes friction by placing the opportunity directly in front of the consumer while they are already online, eliminating the effort required to type in a URL or open a separate app. APIs can be embedded directly into the social platform and move users into a seamless payment experience, so that they never even have to leave the page to checkout. The popular Chinese social media app WeChat is light-years ahead on contextual commerce, allowing users to pay their bills, call a cab, order dinner, pay a friend, or book a flight all from the same interface.
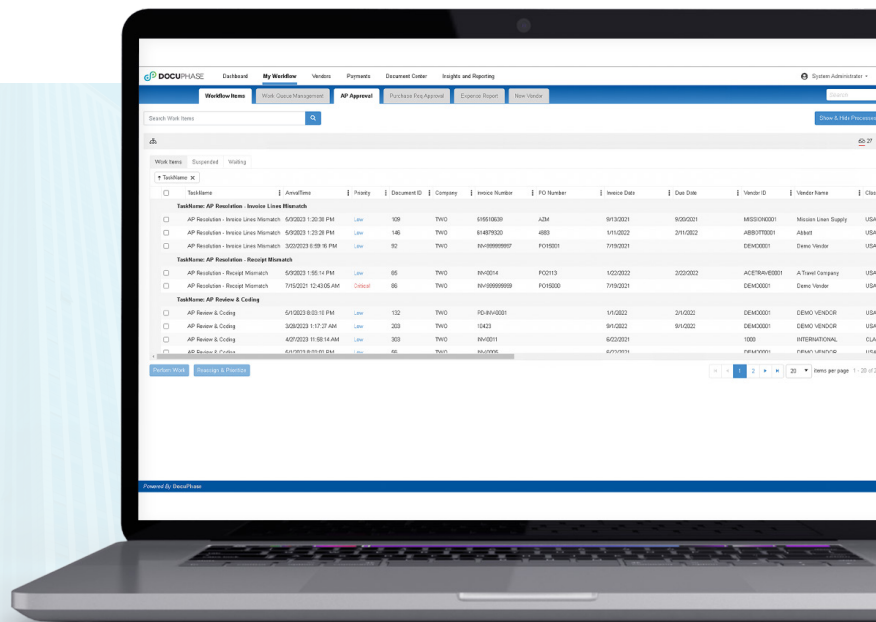
Invisible Payments

Invisible payment technology allows consumers to set up an account with a frequently used service provider and authorize payments to occur entirely in the background without having to type in or even confirm payment details. Uber is a perfect example of this zero-effort technology, as it allows consumers to interact with the service entirely via app in a single step, with payment made automatically through payment information stored in the user's account. The advent of biometrics is already beginning to enable payments through iris or fingerprint scanning at the point of sale or a home computer.

"Our AP clerk has found that the program itself has been somewhat of a godsend in the fact that it's lessened her workload tremendously. To have parties coming to me saying, 'We can do more work,' has given us the ability to complete other tasks that we hadn't been able to do before. We're now able to look at other areas and processes and see where we could benefit."

Phil Jones

Executive Director of Finance, Alimera Sciences

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