

Nearly 80 Percent of Banks, Retailers and Billing Organizations Know They are at Risk of Customer Attrition...

Yet only 40 percent are doing anything about it, according to New Ovum/ACI Worldwide study

NAPLES, Fla.--(BUSINESS WIRE)-- A new [payments survey](#) of more than 1,100 executives representing leading banks, retailers and billing organizations across the Americas, Asia-Pacific and EMEA revealed that although 80 percent of them understand they are at risk of customer attrition, only four in ten are focused on improving the customer experience.

The four-part [Global Payments Insight study](#), conducted by [ACI Worldwide](#) (NASDAQ: ACIW) and leading market research firm Ovum, asked banks, retailers and billing organizations about their experiences, perceptions and expectations of payments and how payments are shaping their behaviors today.

Principle findings of the survey included:

- **Security Hindrances:** more than 50 percent of respondents cite security risks as the top issue preventing payments investment; however, this will only increase the inefficiencies and risk in payment systems.
- **Customer Experience is Key:** Banks are viewed as the best provider of payment technologies (more than 50%). However, if they don't deliver the customer experience, they are at risk of losing market to third-party payment specialists (e.g. PayPal), telecom providers and large software entities making inroads into mobile wallets (e.g. Apple and Google).
- **Advantage—Banks:** In many payment product categories such as contactless cards and real-time clearing and settlement, banks hold an advantage, with ratings of 68 percent and 66 percent, respectively. However, even in less obvious banking-related fields, such as mobile apps (46%) and mobile QR codes (48%), banks are still regarded as the most capable providers of these payment services.
- **Retailers and Billing Organizations want to work directly with Banks:** Surprisingly, given the recent years of legislation across the world, retailers and billing organizations want to work together to provide a richer consumer experience and to slash costs by cutting out intermediaries. 44 percent of organizations claim they are already taking steps to, or would like to eventually, reduce the number of intermediaries in the payments value chain. The feeling is mutual on the other side of the often hostile payments table, with up to 90 percent of banks wanting to work directly with retailers and billing organizations.

"The payments industry is in the midst of a rapid evolution. Where payments were traditionally given little attention up until a few years ago, the changes taking place just on a daily basis are significant, to say the least—from new providers to new platforms to new payment tools," said Gilles Ubaghs, senior analyst, Financial Services Technology, Ovum. "As payments become smarter, this evolution has the power to transform the payments experience; and, as such, the needs, experiences and expectations of all of the players in the payments value chain is more critical than ever."

"For banks, retailers and billing organizations, the key takeaway is that the customer experience is the primary imperative and this will not change. All of these players must satisfy shifting consumer demand and enhance their payment capabilities," said Paul Thomalla, senior vice president, ACI Worldwide. "This means lowering payment costs, offering new value enhancing services, and most importantly, ensuring that security measures are being taken."

ACI and Ovum will be hosting a webinar on the retailer findings April 29 at 3:00pm ET. Attendees will learn about takeaways critical for retailers' payment strategies and investment priorities. To register for the webinar, please click [here](#) or visit <http://aciw.co/1HguW6y>.

To receive a free copy of the Global Payments Insight Study, please click [here](#) or visit <http://www.aciworldwide.com/paymentsinsight>.

Survey Methodology

This digital survey was conducted online to key payment decision makers globally in the fourth quarter of 2014, providing a snapshot of payment perceptions among financial institutions, scheduled billing and payment taking organizations such as higher education, consumer finance and insurance, and merchant retailers.

Overall, this included a total 1,119 executive respondents across 15 industry sub verticals in 25 key global markets, resulting in

over 144,000 separate data points on perceptions and expectations of payments among critical payment enablers globally.

About ACI Worldwide

ACI Worldwide, the [Universal Payments](#) company, powers electronic payments and banking for more than 5,600 financial institutions, retailers, billers and processors around the world. ACI software processes \$13 trillion each day in payments and securities transactions for more than 300 of the leading [global retailers](#), and 21 of the world's 25 largest banks. Through our comprehensive suite of software products and hosted services, we deliver a broad range of solutions for payment processing; card and merchant management; [online banking](#); mobile, branch and voice banking; [fraud detection](#); trade finance; and [electronic bill presentment](#) and payment. To learn more about ACI, please visit www.aciworldwide.com. You can also find us on Twitter [@ACI_Worldwide](#).

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Media Contact:

ACI Worldwide
Dan Ring, 781-370-3600
dan.ring@aciworldwide.com

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