



onbe™

Future of 2022 REPORT Payments

“Consumers
want to choose
how they shop
and pay.”

Introduction

These past couple of pandemic years have brought seismic shifts in how we work, shop, enjoy our free time, and stay connected. One area of daily life that has changed dramatically is the way we pay and get paid. From online grocery ordering and contactless payments to digital stipends for home office supplies and faster, more affordable global remittances, advances in payments have brought the flexibility we need to adapt and thrive.

In this year's Future of Payments survey, Onbe sought to learn what consumers value most when making and receiving payments, what payment methods they're most open to, which newer payment technologies they plan to try, and which modalities they'll start to use less. We tracked a continued shift away from cash and checks toward digital payment modalities, which consumers find to be more secure than other payment methods. We noted that more people than ever plan to use paytech, such as mobile wallets, in 2022. And what resonated loudly and clearly is that consumers want to *choose*: how they shop and pay, how they receive and spend disbursements from companies, and which payment technologies they'll use amid times that remain uncertain. For brands, understanding and delivering on the nuances of these choices will be key to empowering customers and workforces in 2022 and beyond.

To Remain Relevant, Brands Must Deliver on Payment Choice

Today's payment landscape has never been more diverse. With so many different forms of payment available, consumers value the ability to choose which works best for them. And when it comes to receiving disbursements ranging from consumer rebates to gig worker compensation, most wish to be paid quickly and conveniently. Additionally, as we'll explore later in this report, consumers are rapidly adopting digital spend channels such as mobile wallets and peer-to-peer (P2P) apps, suggesting that brands need to enable spend channel flexibility when disbursing payments. Yet, our survey found that the most common disbursement experiences do not fulfill what consumers say is most important to them: **SPEED, CHOICE, and CONVENIENCE**. With many brands still hanging on to legacy payment methods such as checks, there's a misalignment between the kind of experiences consumers say they want and the kind they're actually having.



REASONS PEOPLE RECEIVED DISBURSEMENTS IN 2021:

PAYMENTS FOR WORK
including paychecks, contract/gig payments, sales proceeds/commissions

74%

REFUNDS
including refunds from companies, expense reimbursements, deposit return payments

46%

REWARDS
including rebates and promotional savings, incentive payments, loyalty rewards, points redemption

41%

RECURRING GOVERNMENT PAYMENTS
including disability, unemployment, unclaimed funds, Social Security, child care tax credits

39%



MOST IMPORTANT FACTORS WHEN RECEIVING DISBURSEMENTS:

CHOICE
4.6*
*out of 5

SPEED
4.23

CONVENIENCE
4.21

MOST COMMON WAYS OF RECEIVING A DISBURSEMENT:

DIRECT DEPOSIT
74%

CHECK
51%

FUTURE-PROOF YOUR PAYMENT STRATEGY:

By switching to a digital-first disbursement platform, companies can offer consumers their choice of modality—from traditional check to instant, convenient virtual prepaid card, push pay, and more—along with the option to spend via any channel.



The Preference for Digital is Clear—and Growing

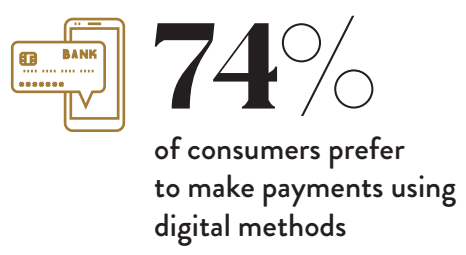
In 2021, the effects of the COVID-19 pandemic decelerated the use of cash and popularized a diverse mix of digital spend channels ranging from P2P apps to mobile wallets. This shift continues to gain momentum in 2022, with nearly one third of respondents saying they plan on using cash and checks less frequently or not at all this year. With contactless payments also accelerating as a result of COVID-19, shopping online and via mobile wallet will also become more popular in 2022.



FUTURE-PROOF YOUR PAYMENT STRATEGY:

Instant, convenient, and personalized payment experiences are the name of the game in 2022 and beyond. As digital spend channels become more popular, brands must be prepared not just to **accept** newer payment methods such as Apple Pay, Venmo, and other popular payment apps, but to **make** payments that enable spend channel flexibility, e.g., virtual incentives and rewards that can be used online or added to a mobile wallet for seamless in-person spend.

MOST CONSUMERS CHOOSE DIGITAL:



32%
plan on using cash and checks **less or not at all** next year

Onbe asked: What will you **use/do more** in 2022?



Younger Generations Are First in Line For Newer Payment Technology

Younger generations are leading the way on the digital payments front. Those ages 18 to 44 are much more interested in using new payment technologies such as P2P apps to make or receive payments. (Though, it's important to note that older generations are also modernizing the way they pay, with 19% of consumers ages 45 and older planning to increase their online shopping in 2022 and 13% saying they'll use mobile wallets more frequently.) And while younger consumers haven't stopped using cash and checks, more than one third of respondents in the 18-to-24 age group said they plan to use these payment methods less often or not at all in 2022.



FUTURE-PROOF YOUR PAYMENT STRATEGY:

For younger generations, checks are rarely the first choice—and older generations are adopting newer payment technologies, too. To reach customers and workers across diverse age groups, brands need to get serious about delivering on expectations for digital-first experiences. This prerogative extends to everything from accepting newer payment technologies at the point of sale to offering the choice of digital consumer incentives, refunds, and contractor payments.

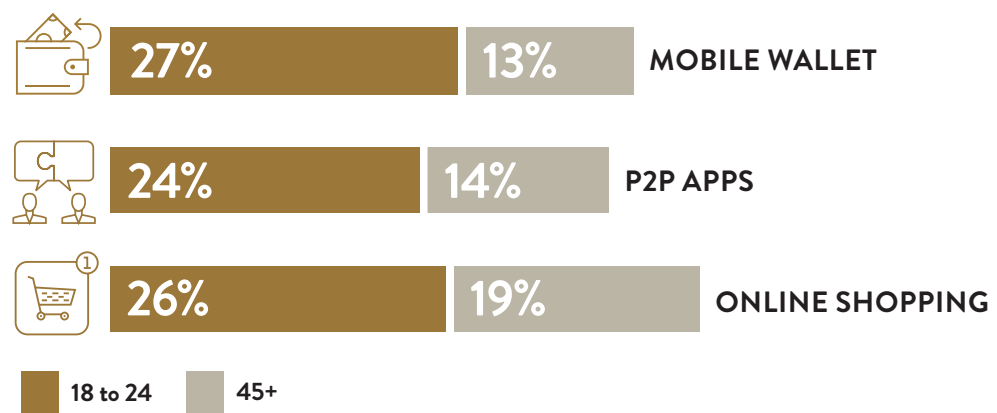
PAYTECH ADOPTION: A GENERATION GAP



37%

OF 18- TO 24-YEAR-OLDS plan to pay with cash and checks **less or not at all** in 2022

Onbe asked: What will you **use/do more** in 2022?



Crypto Isn't Mainstream Yet, but Younger Generations Are Getting on Board

Our survey found that while not everyone is ready for crypto, those ages 18 to 44 are more open to owning and using Bitcoin and other cryptocurrencies. In contrast, the majority of consumers aged 45 or older do not own any cryptocurrency and aren't planning to acquire any in 2022.

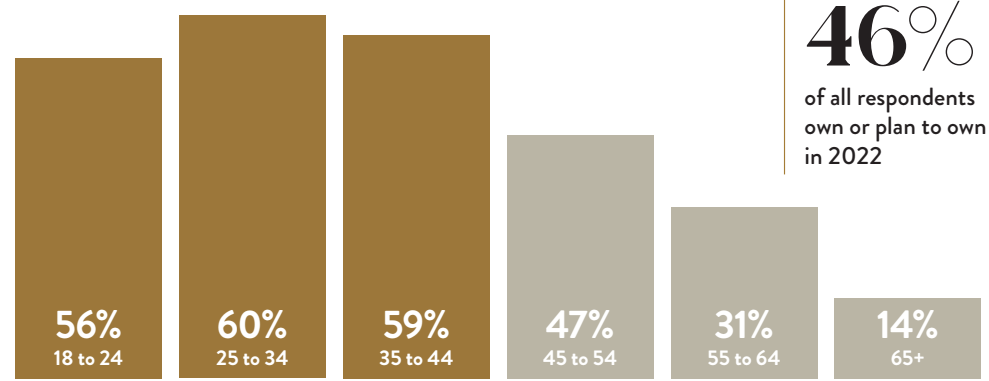


FUTURE-PROOF YOUR PAYMENT STRATEGY:

While cryptocurrencies typically feature lower transaction fees and can help your brand expand payments choice to reach more consumers, extreme market volatility makes these currencies especially risky. Look for partners that can help you introduce new options—and manage risk—as payee preferences and trends evolve.

CRYPTO OWNERSHIP

Onbe asked: Do you own crypto or plan to own it in 2022?



46%
of all respondents own or plan to own in 2022

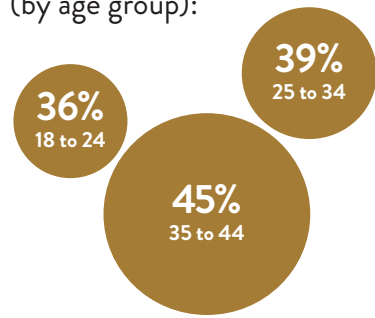
Interest in owning and using crypto has dramatically increased over the last year.

2020
Intend to use crypto in next 12 months:
5%

2021
Plan to use the same amount of crypto in 2022 as last year:

19%
Plan to use more:
10%

Use Bitcoin/cryptocurrency (by age group):



Survey Methodology

The purpose of this survey was to understand preferences and habits around making and receiving payments, as well as to uncover emerging patterns that will continue to shape the future of payments. Respondents were asked to complete a four-minute survey with 17 questions. We received a total of 1,191 responses. Completes were collected from across the United States and from demographics reflective of national diversity. Respondents must have been at least 18 years of age to qualify for the survey; another piece of qualifying criteria consisted of respondents needing to have made or received a payment within the previous six months.

About Onbe

With more than 25 years of industry experience and offices in Chicago, Philadelphia and London, Onbe is a fintech that manages and modernizes customer and workforce disbursements for corporate clients ranging from mid-market to the Fortune 500. Onbe's team of experts and technology platform offers clients a turnkey solution to offload their entire B2C payment operations, relieving them of the cost, complexity and risk that come with orchestrating these payments in-house. Backed by top-tier investors, Onbe delivers on today's consumer expectations for instant, digital and seamless payments.

To learn more, visit www.onbe.com.