

A smiling man with dark hair and a beard, wearing a light blue t-shirt and a dark blue apron, is looking at a tablet computer. He is in a bar setting with shelves of bottles in the background. The lighting is warm and focused on him.

onbe™

MARKET RESEARCH
SURVEY REPORT

Future of Payments

2023 REPORT



KEY FINDINGS:

48%

OF CONSUMERS
SAY GLOBAL PAYMENT
CAPABILITIES ARE
IMPORTANT

70%

PREFER
RECEIVING DIGITAL
AND ELECTRONIC
PAYMENTS

60%

USE PAYPAL

A new era of digital payments

Recent years have accelerated the adoption of new standards for seamless, digitally enabled consumer experiences that offer empowerment through choice. Today, consumers prefer, and often demand, digital payments—whether they're receiving refunds and incentives or using peer-to-peer (P2P) apps like PayPal and Venmo. Businesses now have the opportunity to take stock of existing capabilities and look ahead to the future of consumer payment preferences, preparing for a new era of digital payments.

In Onbe's 2023 Future of Payments Survey, we asked 1,230 consumers across demographics reflective of national diversity to respond to 29 questions about their payment preferences. Overall, the uptick in digital payments usage observed in recent years has held strong, with most consumers predicting they'll use digital methods the same amount or more in 2023. While cash still has a place in consumers' wallets, respondents have high expectations for businesses to provide payment choice, faster payment options, and seamless experiences. And because our world is more connected than ever, the ability to transfer funds seamlessly across borders is a growing priority, with nearly half of consumers valuing the ability to exchange money to a foreign currency.

For organizations, delivering the most modern payment experiences is no longer just a requirement for adaptation but the standard for paying everyone from employees and gig workers to patients, tenants, and customers. To thrive in 2023 and beyond, businesses must find ways to deliver these experiences more efficiently so they can streamline their operations, reduce costs, decrease fraud and compliance risk, and tap into new revenue streams while satisfying a diverse and ever-growing range of payment preferences.

New habits: digital payments are part of daily life

As financial tools evolve to meet the needs of increasingly mobile populations, digital payments are enabling the seamless transactions consumers have come to expect. Most respondents said they were likely to shop online and pay by app “more often” or “about the same” in 2023. And it’s not only the youngest consumers who prefer digital payment methods to cash and checks—the majority of respondents across all age groups found digital payments to be more secure than traditional payment methods.

SECURE, FAST, EASY:
DIGITAL PAYMENTS TAKE THE LEAD



73%
OF CONSUMERS USE
DIGITAL PAYMENTS



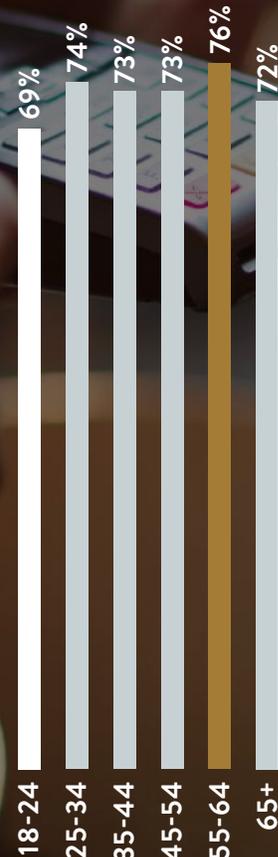
26%
USE NON-DIGITAL
PAYMENTS



63%
BELIEVE DIGITAL PAYMENTS
ARE MORE SECURE

ALL AGE GROUPS
USED DIGITAL
PAYMENT METHODS
THE MOST

! 55- to 64-year-old consumers are more likely than younger age groups to use digital payment methods



DIGITAL PAYMENT ADOPTION IS INCREASING

Consumers plan to use digital payments more often in 2023 than in 2022:



23%
WERE **MORE**
LIKELY TO SHOP
ONLINE



18%
WERE **MORE**
LIKELY TO PAY WITH
A MOBILE WALLET



17%
WERE **MORE**
LIKELY TO SHOP
VIA APP



17%
WERE **MORE**
LIKELY TO MAKE
P2P PAYMENTS



24%
WERE **LESS**
LIKELY TO PAY WITH
CASH OR CHECKS

TOP 3 PAYMENT APPS CONSUMERS USE ON THEIR PHONES:



1
PAYPAL
60%



2
VENMO
43%



3
APPLE PAY
32%



LEVEL UP!

Understanding how consumers want to shop, pay, and spend their funds can help businesses arrive at the right mix of payment forms to accommodate both traditional and modern preferences while balancing concerns around cost and efficiency. Adding payment options such as PayPal, Venmo, or mobile-wallet-compatible virtual cards could help businesses move the needle on customer and workforce satisfaction.



59%

OF CONSUMERS SAY THAT WHEN THEY RECEIVE AN INCENTIVE OR REBATE, **THEY SPEND IT BACK WITH THE BRAND THAT ISSUED IT**, SOME OR ALL OF THE TIME.

- ! Brands can drive spend-back by promoting additional products and special offers during the payment experience.



Digital disbursements rank first for consumers

From refunds to incentives, receiving disbursements is a common experience—and consumers expect payments that integrate seamlessly with their digital-first lives. While they reported receiving diverse payment types ranging from the traditional (checks, direct deposit) to the less common (Bitcoin, donations to charity made on their behalf), the majority of consumers preferred digital and electronic methods, which offer enhanced traceability, security, and convenience. In today's connected economy, empowering consumers with embedded payment experiences offering the choice of digital options is imperative for businesses.

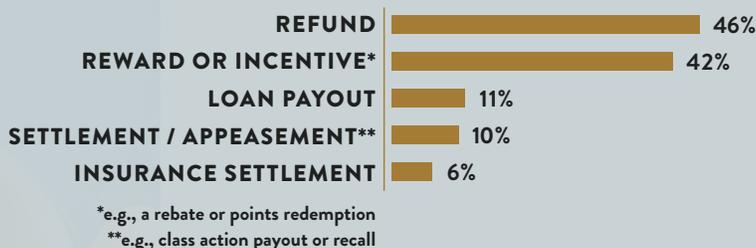
CONSUMERS RECEIVED DISBURSEMENTS FROM MANY SOURCES:



WORKPLACE PAYOUTS



CONSUMER PAYOUTS



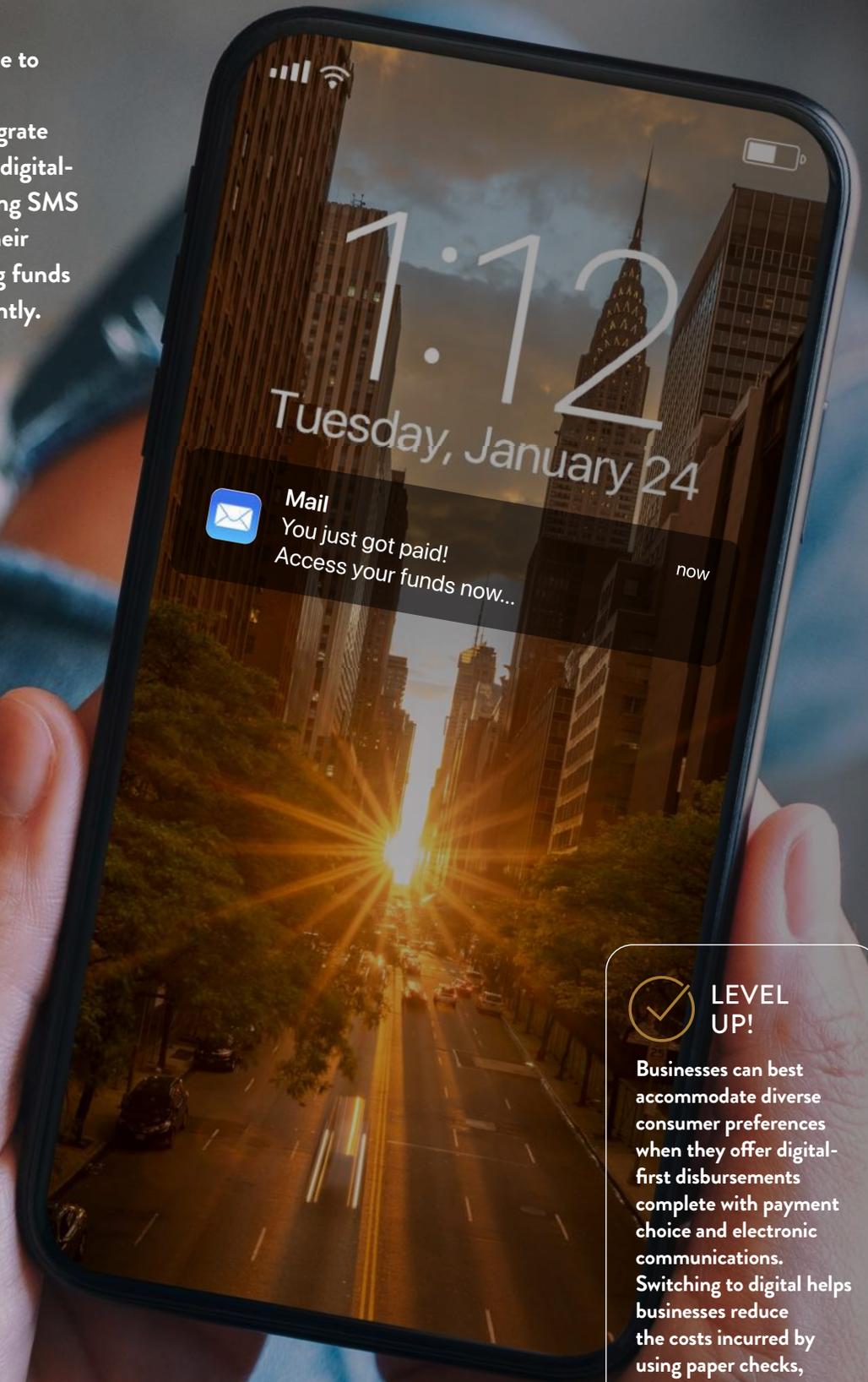
ALTERNATIVE INCOME



GOVERNMENT & NON-PROFIT



Consumers have come to expect disbursement experiences that integrate seamlessly with their digital-first lives—from getting SMS notifications about their payments to receiving funds quickly and conveniently.



LEVEL UP!

Businesses can best accommodate diverse consumer preferences when they offer digital-first disbursements complete with payment choice and electronic communications. Switching to digital helps businesses reduce the costs incurred by using paper checks, which are more expensive to process and come with increased fraud and compliance risk.

 **A MODERN DISBURSEMENT EXPERIENCE IS...**

1. EASY TO TRACK

MORE THAN
90%
OF CONSUMERS
PREFER TO
RECEIVE DIGITAL
NOTIFICATIONS
ABOUT THEIR
PAYMENT

TOP NOTIFICATION PREFERENCES:

EMAIL



41%

TEXT



27%

APP



12%

2. DELIVERED WITH CHOICE, SPEED, AND CONVENIENCE

CONSUMERS' TOP-RANKED PRIORITIES WHEN RECEIVING A PAYMENT ARE:

 **CHOICE**
4.38*

 **SPEED**
4.14

 **CONVENIENCE**
4.10

*out of 5



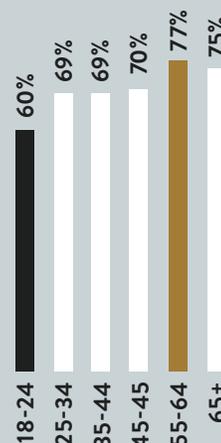
3. INCLUSIVE OF DIGITAL OPTIONS

70%
OF CONSUMERS
PREFER DIGITAL
AND ELECTRONIC
PAYMENT METHODS,
such as ACH, physical
and virtual prepaid
cards, and P2P
payments (e.g., PayPal)

 **JUST 28% OF CONSUMERS PREFER NON-DIGITAL PAYMENTS**

ALL AGE GROUPS PREFER RECEIVING DIGITAL PAYMENTS

 55- to 64-year-old consumers are even more likely than younger age groups to prefer digital disbursements



Cross-border transactions: a growing necessity

Consumers expressed high demand for global payment capabilities in 2023. While only 29% of consumers transferred funds across borders in 2022, nearly half indicated that being able to easily exchange their funds to another currency was an important consideration. For gig workers as well as those in the hospitality industry, the ability to make foreign currency exchanges was especially key. Given that employers in these industries tend to source talent from around the world, these sentiments are no surprise and should inform companies' approach to expanding global payment options for their workers.

WORKERS WANT GLOBAL PAYMENT CAPABILITIES



48%

OF RESPONDENTS
SAID THE ABILITY
TO EXCHANGE THEIR
PAYMENTS TO A
FOREIGN CURRENCY
WAS VALUABLE
OR VERY VALUABLE



GIG WORKERS/
CREATORS (100%)
AND HOSPITALITY
WORKERS (60%)
WERE MOST
LIKELY TO **VALUE**
THE ABILITY TO
EXCHANGE FUNDS
TO A FOREIGN
CURRENCY

55%

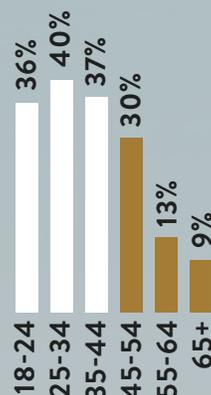
OF RESPONDENTS
WHO SENT FUNDS ACROSS
BORDERS IN 2022 USED
A DIGITAL PAYMENT
METHOD

CONSUMERS WHO TRANSFERRED A DISBURSEMENT ACROSS BORDERS IN 2022

(BY AGE GROUP):



Younger consumers were more likely
than older consumers to send a payment
across borders





LEVEL UP!

Until recently, making cross-border payments was fraught with complexity. Today, businesses can partner with a fintech such as Onbe for digital infrastructure and automated processes that adhere to anti-money laundering and other regulations while enabling fast, secure, and convenient disbursements to recipients around the world. With today's compliant, quick-to-market solutions, it's easier for businesses to offer the added value of international transfers to their customers and workers.

Survey Methodology

The 2023 Future of Payments survey is the second iteration of Onbe's annual payments market research survey. Its purpose is to learn how consumers prefer to make and receive payments in their daily lives, as well as their expectations for present and future payment experiences. Respondents were asked to complete an eleven-minute survey with 29 questions. We received a total of 1,230 responses, 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.



NEXT STEPS:

READY TO
BRING YOUR
PAYMENTS
OPERATIONS
UP TO DATE?

Contact us at
learnmore@onbe.com
for a free evaluation
with one of our
payments experts.