



What emerging payment options should utilities be offering?

By Lisa Schulte

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There are clear opportunities to improve the utility payment experience, especially among nontraditional bankers, low-income customers, and younger age groups. These groups aren't always best served by options like bank drafts, checks, or even autopay—which can offer less control over payments than customers with tight budgets need. These groups want low-effort, mobile-centric options to complete payments, and emerging payment options can fill these gaps.

In our report [How Emerging Payment Options Can Better Serve Customer Needs](#), we evaluate six emerging payment methods to see how these options can create a better customer experience (CX) and whether it makes sense to implement them.

Emerging payment options

Text to pay. This method allows customers to pay their utility bill by texting "PAY" or an emoji such as a light bulb, as PSEG Long Island does.

Voice assistant/smart speaker. Customers can pay their bills via voice command through smart speakers, such as the Amazon Alexa and Google Home.

Mobile and digital wallets. Mobile wallets allow customers to store credit and debit card information within their mobile device. There are many versions of these products including Apple Pay, Google Pay, and Samsung Pay.

Peer-to-peer (P2P) transfer. Apps that use P2P transfer payments mostly see payments between friends and family.

However, leaders in the space, such as Venmo and PayPal, have added business functions to their platforms.

Split payment. Split pay or split billing allows multiple parties to pay a bill. Overall, we've found two main types of split-bill programs:

- **Split billing for prepaid services.** Customers pay up front and if the full payment isn't received, the service or goods aren't provided.
- **Repayment aid.** Often touted as split billing, repayment aid requires the bill owner to pay the full amount due, but the company provides tools to aid the payer in recovering funds from friends or family members.

Cryptocurrency. Cryptocurrency is a digital or virtual currency that uses cryptography to secure financial transactions. Bitcoin is the most well-known cryptocurrency, but there are thousands in existence.

E Source recommendations

You should be looking to add text to pay, voice assistant, and mobile wallet payment options. Split payments are logistically challenging but provide a better payment experience for customers. As of now, P2P transfer and cryptocurrency are still developing and don't make sense as utility payment options.

Payment method	Recommendation
Text to pay	This is a solid choice for an easy payment option. If you engage with a vendor for text services, see if you can easily add this capability.
Voice assistant/smart speaker	Adoption of voice assistants has been rapid, and customers can already shop and pay their bills through their smart speakers. If your utility offers other voice commands, customers will be expecting a bill-pay option as well.
Mobile wallet	Mobile wallet usage is growing, and most retailers will accept them, especially for customers making one-time or guest payments. Evaluate your website and app to see where one-touch payments make sense. The biggest challenge is determining which wallet brands will become the Visa and MasterCard of the mobile wallet world.
P2P transfer	These apps mostly serve as a payment method between family and friends. While business capabilities exist, it's still too early to add P2P apps to your suite of payment options. Watch the evolution of these apps to see how their business functions develop.
Split payment	Split payments are a great option for customers with roommates or those sharing costs with multiple parties. You need to be careful with how you design this payment option and consider how to handle collections situations when one party fails to make a payment.
Cryptocurrency	This technology isn't ready for everyday transactions. It needs more time to shift toward a functional currency rather than an investment. Additionally, while Bitcoin may be the most well-known cryptocurrency, the field is oversaturated and leaders are still emerging.

Members of the E Source Customer Service Operations subscription, Customer Experience Strategy Service, or Digital Self-Service subscription can read [the full report](#) to see additional analysis, including:

- The benefits and limitations to customers
- Which customer segments these bill-pay options best serve
- Current consumer and utility adoption

[Read the report](#)

About the author



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Lisa Schulte is a research analyst for the CX team at E Source. With a background in market research and customer insights, Lisa provides utilities with knowledge on using data and customer voices to drive CX improvements. Lisa previously worked closely on customer insights across a range of brands, including Clorox, Kingsford, Burt's Bees, Paulaner Brewery, and Disney Interactive. Lisa holds dual degrees from Colorado State University.



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