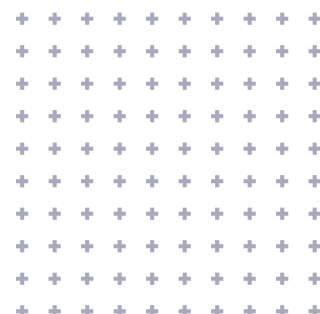# ASSEMBLY

White paper —

Customer success and the added value of payments

Contents

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Why are payments an important part of the customer journey?

Everyone knows that the customer is king. But what does it mean to create a customer-centric organisation in a digitally driven world?

A customer-centric organisation is one that understands how to hone the user experience at every stage of the journey, from pre-transaction before the user has decided to make a purchase, all the way through to post-transaction. While expectations around many parts of the buyer's journey are changing, nowhere are those expectations higher than in payments. Over the past decade, the number of payment options has exploded and we have seen digitally-based businesses roll out expanded options to accept and make payments using digital wallets and connecting to various payment rails.

If you are a digitally-based business, payments form a particularly important part of your buyers', sellers', payers' or payees' journey because that is the point at which money is exchanged.

Speed, convenience, and a helpful friendly service each score upwards of 70% for customers evaluating their overall shopping experience

Each time a customer pays a bill or reaches the check-out page, they are making a judgment call about whether their payment is worth the value they get from your business. Delays, bottlenecks or errors almost certainly mean customer frustration and an abandoned purchase. Similarly, the recipient expects to receive payment in a timely fashion into their chosen wallet or bank account.

Unfortunately, many organisations forget the payment process when designing the ideal customer experience. This is a significant oversight. The payment process is not only one of the most frequent touchpoints but also a critical one.

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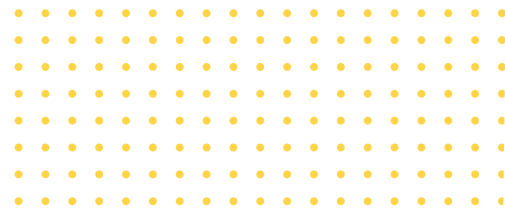
Improving customer experience with fast and easy ways to pay

It's no coincidence that 82% of the most successful businesses in a recent study report prioritising customer-centricity around technology[1]. Customers expect personalised experiences with specific recommendations based on purchase history, location and other factors. Consumers also expect consistent experiences across channels – online, mobile or in-person.

Though businesses control how the experience unfolds, it's critical to provide customers with a sense of control – particularly around payments. A fast, efficient and secure payment process as well as prompt refunds create a better customer experience, improving your company's value proposition in the process.

CX professionals increasingly rate frictionless customer experience highly, with 90% recognising this as an important factor for customers in 2020[2]. Therefore, the faster and easier a transaction can be completed, the better. The old multi-step process is now being replaced by one-click options and apps offering instant payment methods. It's all too easy for customers to give up at any step in check-out and click over to a competitor. A smooth payment process reduces the likelihood of that happening.

76% of customers expect companies to understand their expectations, wanting options that meet their needs at the time of transaction[3]. Your business needs to provide several payment methods, be it credit cards, online debit payments, mobile payments or payment through wallets and branded apps. Not to mention the ability of servicing many-to-one payments, one-to-

many, splitting payments and issuing refunds. The list goes on. All these payment forms and processes need to be integrated seamlessly. Not only that, but payment needs to be fast, in step with the fast pace of life.

After a transaction is done, the work still continues. For instance, subscription services require transparency around billing, with notifications about the billing cycle and clear communication about cancellations. All these are vital to building trust. A missed communication about whether or not a payment has been received, or a bungled request to cancel or suspend a service can lead to irate customers and bad reviews.

82%
of the most successful businesses report prioritising customer-centricity around tech

90%
CX professionals rate frictionless customer experience highly

1. "Experience is everything: Here's how to get it right," PWC, 2018
2. "Customers 2020: A progress report. Insight for a new decade," Walker Information, 2017
3. "Second Edition. State of the Connected Customer," Salesforce Research, 2018

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Smoother payment processes can bring higher returns

Some businesses tend to think about customer satisfaction as something that can't be quantified, but that's actually not accurate. We believe the impact of customer satisfaction can and should be measured.

The first step to find the return on investment from customer satisfaction is to identify a satisfaction metric that's vital to your business. Perhaps it's customer retention. A good customer experience has a direct impact on customer retention by reducing churn. If a customer finds making a payment too cumbersome, that could mean an abandoned purchase or loss to a competitor. Customer loyalty is hard-earned but easy to lose.

Happy customers are more likely to spend 140% more than ones who have a negative experience and are likely to remain customers for 5 years or longer, increasing their overall lifetime value to the business[4]. Ultimately as a business, you should determine these loyalty behaviours from advocating customers who are more likely to positively rate your business, buy your products or services and promote your business by word of mouth.

The cost of serving clients is yet another metric to consider. An improved customer experience can have a direct impact on the cost of serving clients reducing it by 33%[5]. For instance, setting up automated payment notifications can improve customer experience, significantly reducing the number of calls to the call centre from customers checking if their payment has been made or received, thus lowering costs. Many problems can be resolved online or prevented altogether through a fraud alert or other automated service.

Whatever metric you choose, calculate what an increase in customer satisfaction is worth in additional sales or improved retention. The figure you end up with is the quantified revenue impact of improved customer satisfaction. Ultimately giving your customers a smooth payment experience is extremely important in gaining their satisfaction but with so much complexity when it comes to payment methods, payment workflows and different integrations, achieving this can present a challenge.

140%

The percentage monetary value a happy customer is likely to spend when compared to a dissatisfied customers

33

The reduction in costs of serving clients as a result of improved customer experience

4 & 5. 'The true value of customer experiences', Deloitte, 2018

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Managing payment complexity with APIs

The key to navigating the complex payment ecosystem with its many payment methods and managing various payment needs of business is through clever API technology.

APIs can connect multiple payment rails and payment methods. In this way, your businesses can deal with a complex payment workflow without having to worry about manually moving or tracking money.

The API acts as a bridge between digital services, enabling apps to access information or capabilities from one another. APIs can enable multiple functions in complex payment flows including reporting, reconciliation and integration with other systems and applications. Integrating all these functions not only lowers operational costs by reducing the amount of manual work; It also frees up human capital to spend less time on repetitive functions and more on value-added services such as creating new products and services or directly liaising with the customer which 75% of customers consider important[6].

API technology has levelled the playing field – making it easier for small businesses to launch innovative, new digital services without having to build everything from scratch. Businesses that understand the importance of technology for customer satisfaction and can create an easy, pleasant digital customer experience have the upper hand.

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How payment APIs can help meet customer expectations

APIs aren't just changing customer expectations about response times or personalisation; they're also transforming the payments sector and customer expectations around payments. Offering flexible, fast and reliable payments is a critical part of an excellent customer experience. It shows customers that the house is in order and that you value their time and patronage.

Providing customers with a choice of payment methods

The number of payment options has mushroomed in the last few years. As a result, customers now expect multiple payment options, such as faster real time payment rails or the more traditional bill payments, debit or credit cards, or bank transfers. Having multiple options opens the door to more customers who may be partial to a particular payment method.

Building trust with a seamless payment experience

The number of high-profile data leaks and hacks understandably has worried customers, making them more cautious about handing over personal information, including data around payments. Your payments process must work seamlessly to ease these concerns especially when 95% of customers could reconsider their loyalty due to a lack of trust[7].

A slick website or app isn't enough if the payments process suddenly moves to a third-party site that looks very different. To many customers, that's a red flag. That could prompt some doubts about security and lead to an aborted transaction. Customers that have a terrible experience at check-out aren't only likely to look elsewhere next time; they could also worry about the security of the data they've entered and think poorly of the brand.

95%
of customers could reconsider their loyalty due to a lack of trust[7]

7. "Second Edition. State of the Connected Customer," Salesforce Research, 2018

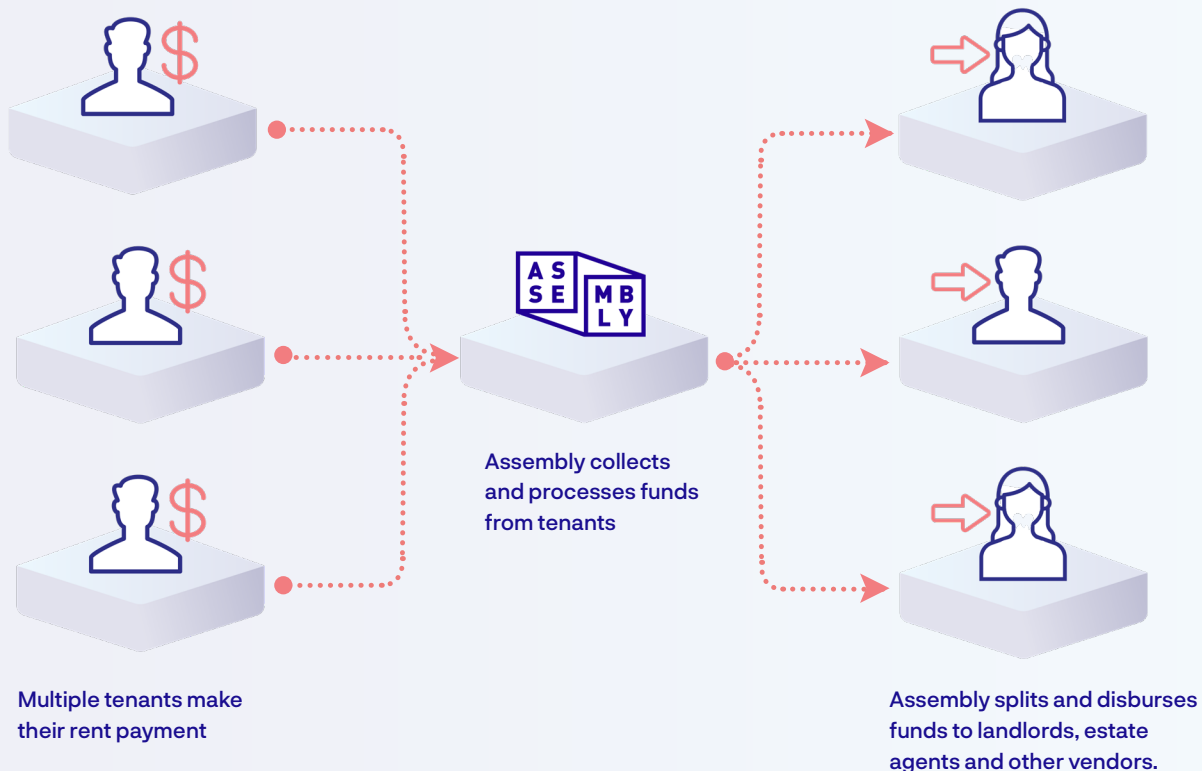**ASSEMBLY**

Managing multi-party payments

Split payments can help automate multi-party payment agreements with predetermined rules and workflows. These payments could range from commission structures and referral fees to discounts and coupons.

A property tech platform, for instance, needs a way to allow two or more tenants from different properties to pay into the platform. The total of those transactions needs to be split into a fee for the platform, commission for the real estate agent and rent paid to the landlord. A retail marketplace with multiple sellers and buyers wants to manage payment collections from several customers, disburse these to many sellers, pay referral fees, and accept a single payment from many suppliers.

The complicated backend of enabling split payments can be handled with APIs that can move and clear money instantly from a payer to payee accounts while providing both with a seamless experience.

Property Tech Platform: Multi-party payment workflow

Multiple tenants make their rent payment

Assembly collects and processes funds from tenants

Assembly splits and disburses funds to landlords, estate agents and other vendors.

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Real time disbursements

0 sec

6 sec

| Platform instructs Assembly to trigger a disbursement via API | Assembly receives and processes the instructions | Bank notifies Assembly that payment is complete. | Assembly triggers API call back to notify platform |

Meet growing demand for real-time payments

APIs can integrate into faster payment rails to help meet demand for real-time payments. About half the population in the world today has access to real-time payments[8].

Real-time payments can enable businesses to accept payments 24 hours a day, seven days a week, 365 days a year, and also let companies refund customers without delay. In today's digital lifestyle, customers have come to expect smooth payments and prompt refunds and the ability to meet these expectations creates a positive customer experience, which wins loyalty in the long run.

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Automate payments so you can focus on your customer

Having an automated workflow brings flexibility to your business. Tasks that would otherwise have to be done manually, such as invoicing processes or collecting payment, can be automated with APIs. Integrating complex systems ultimately reduces manual administrative processes and provides businesses with the ability to manoeuvre complicated individual processes more easily.

With automation, your business can manage activities such as recurring billing, refunds, renewals, and one-off transactions automatically. It can also save your staff from having to chase missed payments. API automated fast, efficient payment flows save labour, freeing up your staff to work on customer-focused aspects such as product design and service provision. An added advantage of this increased efficiency is you could also reduce overheads.

Avoid costly errors

Unfortunately, even the smallest mistake could result in losing your most loyal customers. 32% report leaving a brand they loved after one bad experience[9]. The elimination of manual processes by means of API automation also removes the errors that come with them. Whether it is used for auto-reconciling every payment, ensuring every payout goes through or auto-return any unmatched payments errors that could otherwise harm the customer's experience can be avoided. Keep customers happy by ensuring their payment arrives in time and that expected goods or service get delivered.

32%

report leaving a brand they loved after one bad experience

Reduce extra work for your customers

Payment APIs can also automate cash collection and reconciliation, so you spend less time preparing, chasing and reconciling payments. With an automated process, you can debit funds from a customer's bank account without having to chase the customer for payment. You can also set automated notifications advising customers of a missed payment so they do not find themselves falling in arrears.

Encourage return customers

To achieve more than a one-time sale businesses need to gain customer loyalty to maximise cross-sell and upsell opportunities. Automation gives businesses the chance to be more proactive on the sales front. Whether it's a subscription renewal or personalised recommendations 80% of customers are more likely to become repeat buyers when experiencing a tailored service[10]. Automation can trigger these interactions, making repeat customers more likely.

Build customer loyalty

Whether a business is managing one-to-many or many-to-one payments, handling split payments, issuing refunds, chasing missed payments, or reconciling, APIs enable companies to automate all these processes to reduce friction ensuring everyone gets paid on time in return for timely good or service delivery. Positive experiences around payments, refunds, as well as clear and transparent communications about transactions, shipping and other updates help create value for the customer who in turn is more likely to maintain their loyalty.

9. "Experience is everything: Here's how to get it right," PWC, 2018
10. "The power of me: The impact of personalization on marketing performance," Epsilon, 2018

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The value for your business

Businesses today face numerous competing demands, and payment APIs can sit at the core to overcome some of these challenges. Payments are so much more than mere transactions. A frictionless payment experience can result in added value for the customer, enhancing their experience and reflecting positively on the company brand.

Increase the ability to accept multiple payment types

The payment landscape today has gotten more complex, with numerous payment options and providers to choose from. Navigating the landscape is time-consuming. By using comprehensive APIs, companies can integrate with various payment rails and providers using one digital platform.

Improve conversions

By adding more ways to accept payments such as:

Credit and debit cards

Bill payments

Real time payments

Direct debits & electronic cheques

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Simplify business processes and reduce overhead

Using payment APIs enables businesses to automate the most complex of workflows. Companies can integrate payments, business processes, software and infrastructure, reducing precious time and requiring fewer costly resources to complete daily processes.

Increase cash flow and revenue

45% of SMEs in Australia often have more than 10 overdue invoices per month[11]. Optimising the payment process can help businesses increase cash flow and revenue. With payment automation, and by integrating into your company can take payments outside of regular business hours, allowing you to expand your revenue potential. Additionally, automated API driven direct debits, recurring payments, reconciliation and chased payments can improve payment certainty and increase cash flow.

Looking after the customer

Payment APIs help businesses manage pay-ins and payouts and issue faster payments and instant refunds. This all adds up to a better customer experience. Much of these processes can be automated, ultimately saving precious time, and freeing up human resources to focus on innovation or higher value customer service.

45%

of SMEs in Australia often have more than 10 overdue invoices per month
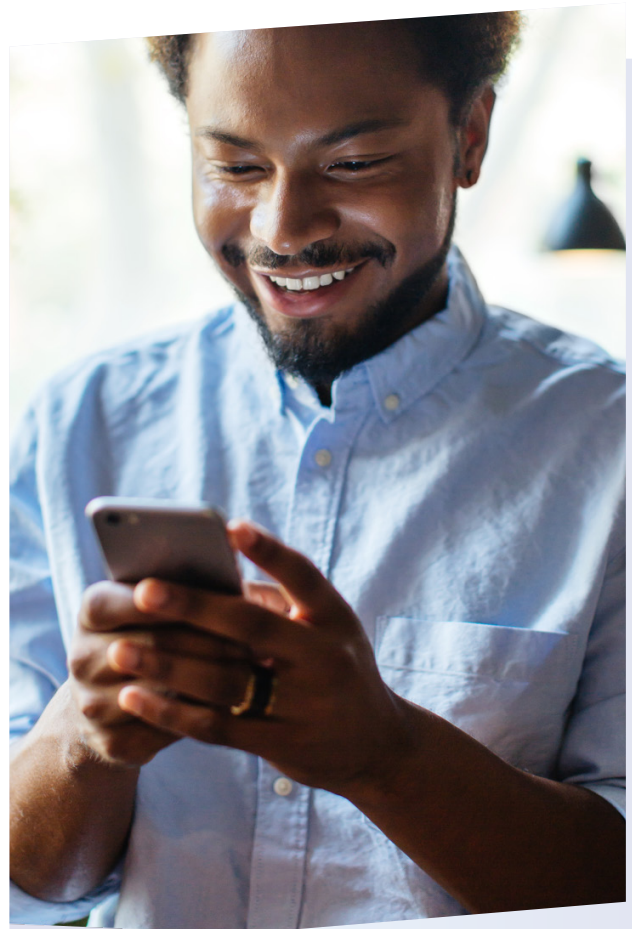
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Conclusion

Keeping the customer in mind at every stage of the purchasing journey is crucial to success in today's competitive world. The payment process is a crucial part of the customer experience since its impact extends to much of the customer interactions before, during and after the exchange of funds is made. These interactions can take the form of payments received or made, automated responses, loyalty points, refunds, or subscription renewals and amount to the customers' perception of the service they are receiving.

Payments designed with customer centricity in mind can help hone the customer experience at several stages of the purchasing journey, to meet and exceed expectations.

Whether managing many-to-one payments, one-to-many, splitting payments and issuing refunds, or connecting into several payment rails to accept different payment types, comprehensive payment APIs are crucial to manage these complexities and to offer a seamless customer experience.

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About Assembly Payments

At Assembly we manage payments, so that our customers can focus on running their business. Our APIs simplify complex payment flows, helping your business operate more effectively by saving you time and money. We also help you move and clear money instantly 24/7, 365 days a year so you can always service customers and never miss a sale.

Whether it's accepting debit or credit cards, managing bill payments or transacting over fast payment rails we can do it all for you.

We'd love to set up a call to discuss how we can help you solve your payment needs.

Visit **assemblypayments.com**.

Contact Us