



The Great Paper Chase:
**How Digital Adoption in Payments Can
Protect Your Business in a Critical Time**



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Introduction

In 2021, the U.S. Postal Service sent more than 13 billion paper bills and statements¹. Nearly half of these were for credit cards, insurance, mortgage/real estate, banks, other financial services and what USPS calls “Services,” which includes healthcare. While this is certainly a vast amount of print billing, payments by mail have actually plummeted significantly in the last decade, falling from 44% in 2011 to 19% in 2021. Online payments, on the other hand, surged from 51% to 79%. In the last year alone, 79% of payments were made electronically, with just 19% paid by mail—a sign that consumers are craving more flexibility in how and when they pay.

For those industries still hanging on to paper as their main bill presentment and payment method, changing consumer habits plus macroeconomic factors are set to send costs soaring. The price of paper has surged 45% over the last year², and it shows no signs of stopping: based on EverView data combined with the Bureau of Labor Statistics study, estimates for Q4 '22 show an additional 32% increase as supply chain issues continue unabated. With 15.5 billion bills paid and almost \$5 trillion in transactions conducted annually³, this could have a serious impact on the US economy and your organization. These costs are transferred to thousands of clients and consumers, primarily financial services and healthcare. The end result is higher days sales outstanding (DSO) and less working capital in these industries—not to mention heightened dissatisfaction as customers remain locked into paying via paper.

If you’re in financial services, utilities or healthcare, you must rethink your bill presentment and payment strategies so you rely less on an increasingly costly, unreliable resource. By adding digital channels to your bill presentment and payment toolbox, you can keep paper as one, not the only, option. This way, you’ll not only save costs but also give consumers what they want: the ability to pay their way, via whichever method or channel works for them, in the moment.

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of companies say that increased paper costs have had an impact on their business in the past year.



The Macroeconomic Factors Affecting Paper

Most of us are aware of the confluence of factors currently creating an unstable supply chain and economy. But to really understand why paper in particular has become so costly and hard to come by, we need to explore four key areas.

1. Pre-pandemic paper mill shutdowns

The paper industry was struggling even pre-pandemic due to a number of reasons that spawned mass mill shutdowns. First, paper is one of the most heavily regulated industries in the US, bound to environmental and labor controls all throughout the manufacturing process. Second, the costs of running a paper mill operation are high—think papermaking equipment, preventative maintenance and raw materials—as is competition. Third, demand sank due to declining paper grades, rising raw material costs and a colossal shift to digital communications over print magazines and newspapers, which has crippled revenue.

2. Rising costs

Despite initial decreasing demand for paper due to the rise of e-commerce and digital advertising, prices for items like pulp and paper have continued to climb—especially during COVID-19. The first sharp spike hit in Q4 of 2020 and lasted into 2021. 53% of companies say that increased paper costs have had an impact on their business in the past year⁴. The pandemic also brought with it rising fuel, shipping and postage costs, the latter which has affected 47% of businesses.

Then, paper mills started producing other materials, such as recycled packaging, as a way to stay afloat. The combination of renewed high demand for paper products like cardboard—thanks to an Amazon-obsessed world where every item we could want is just an order and delivery away from our doorstep—and paper with rising prices created an unsteady market, shifting paper mills from powerless to power brokers.

3. Supply chain and labor shortages

From bottlenecks at major shipping ports and major rail service disruptions to shortages in raw materials, supply chain destabilization is likely to persist well into 2023. Lingering COVID-19 infections and emerging variants coupled with The Great Resignation also continue to affect paper mill operations. One in three companies⁵ says paper supply chain delays and inventory are creating issues for their business.

4. Ukraine-Russia war

Corn starch is an ingredient imperative to the paper-making process that has been taxed by the Ukraine-Russia war (in addition to wheat and other grains). The conflict has also worsened the global energy crisis, as Russia supplies 41% of natural gas for the European Union. Since paper production relies on vast amounts of energy, mills are facing higher energy costs.

All of the above means things will get worse before they get better for the paper industry.

The COVID-19 pandemic continues to evolve, and we appear headed into a recession. The energy crisis exacerbated by the Ukraine war will drive up demand and costs for these natural resources as more countries turn to alternative supplies like OPEC. The corn starch shortage won't go away as the war and railroad issues persist. With no room for increased capacities, no outlook of relief and no new assets in the US, paper will remain an elusive commodity.



Bills and statements received by mail fell **7.4% and 7.5%**, respectively, in 2021

6 in 10 say mobile devices are their most used method for digital purchases

20 million Americans are behind on payments

How US Consumers Pay Bills Today

Much like the macroeconomic factors listed in the previous section, the pandemic also accelerated consumer preferences and behaviors already in play pre-2020. Five out of six generations of Americans with different preferences still pay bills right now. Businesses today must address these different consumers with various bill pay options, from print to digital, in order to deliver a good customer experience.

With an inability to pay bills in person in addition to an early-pandemic fear of the mail itself potentially spreading the virus, bills and statements received by mail fell 7.4% and 7.5%⁶, respectively, in 2021. Younger generations led this pivot—Gen Z and millennials are high digital adopters who also care about environmental sustainability more than other generations. Gen Zers use Apple Pay significantly more⁷ than other generations, and 6 in 10 say mobile devices are their most used method for digital purchases.

Moving to digital bill pay methods is not just a safety precaution, it's also good financial management. Digital channels let you pay bills instantly, without having to worry about the lag time that occurs when you pay via a check in the mail that might bounce due to insufficient funds. Paying via paper, on the other hand, often leads to bills being lost in the mail, not received on time or misplaced at home—all potential contributing factors to why 20 million Americans are behind on payments⁸. Paying a bill via paper can not only cost both the payee and the payer more money in terms of shipping, postage and paper, but also lengthen the time it takes for a business to get paid.

And now there's a recession looming that is making it harder to retain customers and get timely payments, just when businesses need them most to stay above water. Eighty-two percent of CFOs expect the recession to lead to payment delays⁹, with 36% stating that it will delay up to a full quarter and 30% to a two-month delay. While adopting digital bill presentment and payment methods can help, most businesses are not set up to meet the need. One in three businesses don't have the systems to enable digital billing and payments, and only 11% promote digital billing frequently. To protect your bottom line, your business must have the right technology in place to offer both offline and online bill pay interchangeably.

Three Ways to Combat the Paper Shortage

So what's a business to do when it comes to providing bill payment solutions to customers with varying needs and wants at a time when paper is so tough to afford and obtain?

The short answer: You need to match current preferences AND advance your customers on a digital journey to reduce costs, ensure timely payments and retain consumers in the face of recessionary pressures. That's a tall order, but the first step is to keep the customer experience front and center. By creating conversations, not transactions, based on how your customers have paid their bills, completed their orders and used your products in the past, you can craft communications in the channels most likely to drive the outcomes you need.

The good news is this doesn't mean an all-or-nothing payments approach. You can still use paper, digital and even a hybrid setup to meet the varying, ever-evolving needs of your customers.

1. Accelerate bill digitization and digital payment methods

The first step in incorporating digital presentment and payment methods into your business is digitizing paper bills and statements. Extending beyond paper with a data-driven electronic presentment solution can remove approximately 20 to 30 dependencies, such as raw materials, supply chain disruptions, labor and fuel costs. It can also simplify the bill delivery process, cut costs, improve efficiency and reduce the number of vendors you use if you funnel all collections, reconciliations and reporting through one system. Additional capabilities and features this technology platform should possess include:

- Accurate replicas of bills and statements, plus an archive with custom retention periods
- Intuitive, configurable and easy to set up and integrate without additional tech resources
- The ability to power mobile app, text and auto-pay (plus offline methods) so customers can pay via ACH, debit card, credit card, check, cash or Apple Pay, quickly and securely
- Tight integration with the print facility and the ability to suppress paper bills so you customize options for individual customers
- Self-service administration, dynamic reporting and search capabilities
- Security and compliance with industry standards to protect sensitive information

2. Invest in the often-overlooked billing and payment operations

What if digitized processes were integrated with legacy, paper-based systems—or even replaced them?

You can reduce print and postage costs and accelerate payments by leveraging a digital adoption journey to advance opt-ins to paperless billing and digital payments. While it might seem counterintuitive at first, doing this starts with paper itself—by using the statement, the envelope or a postcard to encourage more customers to sign up for eStatements. Include snappy messaging and a short link or QR code to make it easy to convert them.

When thinking about your overall customer database, ensuring you have accurate data will set the stage for a digital adoption program. You can use existing bills, statements and other communications to further develop this list, or work with a provider with a vast amount of billing and payment data, plus other third-party data, to fill any gaps. It's important that all of this data sits in one system to get a holistic view you can activate in future marketing campaigns. You can use your updated customer database—with user consent, of course—to trial providing an eStatement version of a printed bill and encouraging customers to sign up for paperless billing with simple ways to make payments online.

To ensure you're reaching customers on every channel, add messaging to your website that encourages immediate sign-ups to an online payment portal, use text to send bill payment alerts, activate social media to get the word out and launch an email campaign to opted-in users.

3. Provide options and incentivize consumers

Too many businesses think of bill presentment and payment as an obligation and not as a way to boost the customer experience. The truth is, if your message resonates with a customer at the moment of payment, they are more likely to show positive returns on overall engagement with your brand.

Delivering feature-rich, integrated and omnichannel presentment and payment better supports customers as well as enables cross-selling and up-selling of value-added services. Integrating promotion into your digital communications connects the entire customer journey in a personalized, contextualized way that drives acquisition, retention, loyalty and brand affinity. These communications could be specific promotions or relevant product resources, for example, and they could come via a variety of formats and channels. Think a social media poll, a website quiz, a discount delivered over email or a limited-time offer sent via print mail.

What's key here is to partner with a provider with expertise in every marketing channel, whether it's online or offline, digital, phone or direct mail, so you avoid increasing your costs and complexity. Look for options that integrate reporting across channels and payment methods so you have a completely up-to-date view of your customers.

Conclusion

The wisest move for companies wanting to grow their customer engagement, retention and loyalty while getting paid on time during economic uncertainty is to give customers choice. Putting your customers in the driver's seat pays off when it comes to user experience, inclination to pay on time and future-proofing your business against market dynamics and other crises.

Working digital adoption, especially payments, into your billing strategy eliminates the guesswork of your print and mailing initiatives, decreasing the chances that ongoing global supply chain issues and economic events will prevent you from getting paid on time. Digital adoption gives you control during times of chaos and can help you capture more customer attention and grow loyalty for the long term. With the infrastructure in place to support different payment methods and channels, you'll be able to gauge which ones resonate best with specific customer segments and optimize their journeys from there.

Not all partners and platforms are created equal when it comes to managing not just the payment journey, but the full customer engagement lifecycle, of your users. Integrated, easy-to-implement SaaS systems like EverView help you expertly execute payment, presentment and promotion all in one place. EverView's capabilities are designed to:



Reduce Billing Costs

Cut the technical and operational complexity and costs often found in disjointed, siloed and feature-lacking legacy presentment and payment systems. With centralized data and integrated functionality, EverView helps you reallocate print costs to more strategic, higher ROI investments. You'll slash postage fees, decrease offline payment processing costs and cut the resources needed to process payments and manage customer service costs. Plus, we offer actionable analytics that identify areas for optimization.

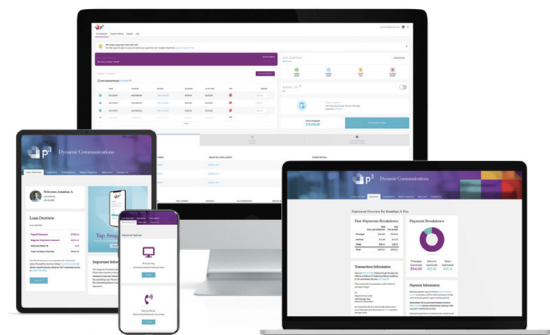
Stop chasing paper and instead consider connecting with your customers through omnichannel journeys that let you meet them where they are. By integrating traditional and digital touchpoints that give customers more choice to pay when and where they want, you'll get paid faster, free up your cash flow and keep your customers along for the ride in the long-term.

Shorten payment cycles

EverView offers a variety of modern and traditional methods across SMS, mobile, web and voice to enable quick and easy payments. Our data-driven payment accelerator lets you send personalized, omnichannel reminders to customers based on individual behaviors so you know the best way to get them to pay you fast. Customizable payment schedulers help customers easily set up auto pay arrangements or payment plans based on past payment history.

Solidify customer loyalty

Having a single integrated system means you get a 360-degree customer view to understand all aspects of the relationship, improve loyalty and present new relevant, value-added services and solutions to grow lifetime value. EverView offers a complete suite of communications and marketing services that meet your customers where and when they want to engage—and helps you drive marketing that fosters brand loyalty.



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EverView transforms paper billing and payment operations into digital interactions that cut costs, shorten payment cycles, and reduce a company's environmental footprint. With a unique blend of MarTech, FinTech, and AdTech capabilities, the EverView omnichannel Software-as-a-Service platform processes more than 15 billion consumer interactions to help more than 6,000 clients turn obligations into business opportunities.

For more information, please visit <https://everview.io>, or follow us on LinkedIn, Twitter and Instagram @engageeverview.