6 Ways to Increase Revenue and Decrease Risk with the Right Payments Partner

12.9%

increase in the number of customers using digital payment options in 2022

Payment processes must prioritize convenience for both parties to drive revenue growth

The payments journey is a powerful revenue driver when designed with the customer experience in mind. And that starts with eliminating friction from the process.

Convenience is a demand that transcends industry. Up to **91% of billing and collections executives** report that their customers express frustration about log-in slowdowns, authentication issues and too few autopay options in the payment process.

And it isn't just the customers who feel the effects. Businesses that operate without payment engagement platforms are forced to contend with siloed systems and manual processes that eat up invaluable resources.

Both sides want a process that saves them time. But streamlining payments also boosts your bottom line when you begin with the customer experience in mind.

Organizations can convert regular payments into revenue growth by offering more methods their customers want—then making those methods easier to use.

However, staying on top of the latest payment methods isn't the only customer demand businesses face. Security is an equally pressing consideration.

So how can organizations expand their payment options without the risk exposure to match?

With the right changes to your customers' payment journey, you can have it both ways. Learn how to offer a smooth and secure payment process in this eBook.

1 Boost savings and security by switching from paper checks to ACH

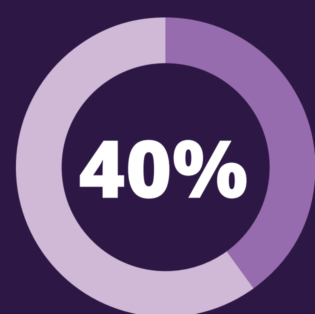
Paper checks are hardly obsolete, but their popularity has dwindled in recent years. Organizations are instead moving toward electronic ACH (Automated Clearing House) transfers to collect payments.

Why the switch?

Paper checks still have their merits, as evidenced by the **92% of organizations** that still use them, and **55% of U.S. consumers** who wrote checks in 2022. Taking a low-tech approach guarantees a reliable payment option for customers of all digital literacy levels, and checks are easily traced and reconciled.

However, ACH continues to gain traction as enterprises crack down on bottlenecks in the payment process.

Let's take a look at the three main factors driving businesses to favor ACH over paper checks: cost, convenience and security.



By transitioning 40% of paper check processing to ACH, you could save up to $250K annually.*

*Savings will vary based on volume.

ACH Advantages

It's cheaper.

Processing paper checks comes with hidden costs that quickly add up. The labor and materials required to physically mail customers' bills contribute to a median cost of $2.01 to $4.00 per issued check. Hold that figure up against the median cost of $0.15 to $0.25 per ACH payment, and it becomes apparent that switching to digital carries the **potential for significant savings**.

It's easier.

Businesses can only do so much to optimize check processing. The inescapable reality of paper payment is that it's a manual effort—physically printing, signing and mailing individual checks is inherently labor-intensive. It's difficult for paper checks to compete with the efficiency of ACH transfers, which are conducted electronically and processed in batch files.

It's safer.

Checks raise alarm bells that don't apply to electronic payments. Prominently displaying your name and account number on a paper slip that can easily be mishandled or misplaced is far from secure—perhaps that's why **paper check fraud is the most common type of payment fraud**. ACH applies digital safeguards that mitigate risk. The capability to encrypt and tokenize payment data makes it an attractive option for security-minded businesses.

2 Incentivize recurring ACH payments to keep customers happy

Businesses that make the switch from paper to digital payments can see even more benefits by going one step further: setting their customers up with recurring ACH payments.

Automating regular transfers serves both sides of the transaction. The business handles fewer delayed or declined payments, and the customer enjoys the convenience of their bills being settled without any hassle.

By all accounts, it’s a win-win. But businesses that promote recurring ACH payments still meet resistance from some customers.

Why customers may look before they leap

Speed and ease aren't tempting enough for every customer accustomed to credit card payments to make the switch. Not everyone is comfortable with authorizing a business to pull payments directly from their bank account. Credit cards also afford them a barrier of protection and the option to dispute transactions, on top of earning rewards or cash back.

That’s why providing incentives is a valuable tool in convincing customers to make the switch to recurring ACH payments. Be creative here—tailor your offerings to their unique interests to make a bigger impact.

Some companies have found success with ACH incentives by discounting their service rate for customers that sign on. Others donated to their customer’s charity of choice. Gestures like these can go a long way in converting reluctant credit card devotees to ACH payments.

3 | Limit fraud risk for call center payments

As businesses continue to set their sights on bolstering payment security measures, their call centers are taking a more hands-off approach.

Call center agents customarily take phone payments by asking customers to read their credit card details aloud—including the CSV. But this method carries needless risk.

CSG Forte Engage Live Agent Assist can reduce call time for manual payments over the phone by more than 3 mins a call.

**A better approach:
Capture the digital footprint**

Businesses can build safeguards directly into the payment process. They can limit call center visibility of sensitive data by using innovative call center payments technology. This allows customers to pay directly without ever sharing their payment information over the phone.

When using payments technology, call center agents send customers a secure link to a personalized online invoice in real time over their preferred channel. In return, businesses receive prompt payment with no exposure to payment data.

It's a low-risk, high-reward handoff. All while maintaining call continuity between agent and payer, enhancing the customer experience.

With the prevalence of credit card fraud, sensitive payment data should see minimal exposure to unknown actors who can:

- Retain customers' payment information with malicious intent to make unauthorized purchases or obtain account funds
- Repeat the CSV code in earshot of someone who may use it to rack up card-not-present charges
- Record the credit card details offline without taking measures to shield it from public view

4 Prevent cash flow disruptions with automatic account updating

Credit card account information isn't static. Cards expire or get lost, accounts close and names change.

But when the information is defunct, what happens to the service providers still relying on that data to process payments?

If customers forget to update their accounts after changes occur, businesses are left to navigate challenges like:

- Declined recurring payments
- Service interruptions due to nonpayment
- Collections costs
- Involuntary customer churn

Relying on manual updates will only lead to cash flow hiccups. Automating account changes is a much more stable strategy.

By taking human error out of the equation, businesses benefit from less hassle, lower costs and consistent service capabilities.

5 Proactively validate payment information to limit delays

The right validation solution will protect and **benefit both you and your customers.** Achieve compliance, improve transaction results, and protect your revenue.

Delayed payments are a **costly thorn in the sides of businesses**. Bad checks, manual errors at the point of capture and insufficient funds are all contributors to this pervasive pain point.

You can't realistically eradicate delayed payments, but you can take proactive measures to mitigate the risk of delays.

Fight fraud with automated account authentication

The fastest way to stop faulty payments? Perform instant validation to prevent them before they're processed.

Businesses can significantly reduce declined payments by first verifying that account holders are in good standing. Instead of waiting for a payment to be declined, they can stay ahead by leveraging an automated verification tool.

The National Automated Clearing House (Nacha), an independent organization that governs the ACH Network, requires WEB debit entry originators to screen payments for fraud with a "commercially reasonable fraudulent transaction detection system" prior to authorization.

What does this mean for you? Manual validation won't cut it. Before you do anything, you need to set up a process to automatically validate accounts paying via ACH.

Seamlessly comply as you verify

Remaining compliant with payments regulations doesn't have to slow down your verification process. With the right technology solution, you can integrate processing guidelines that align with rules and laws such as the Nacha Operation Rules and the Fair Credit Reporting Act to further shield your business from risk.

Capitalizing on the ability to instantly cross-check your customers' payment information reduces fraud risk, minimizes payment errors and gives you the confidence to trust your incoming payments.

For an added layer of protection, look for a solution that provides account owner authentication (AOA). An AOA service cross-references several data sources to verify in real time whether the person making the payment or enrolling in ACH in fact owns that payment account. It's another arrow in the quiver to take down potential fraud and the costs that come with it.

6 Select the right pricing structure for your needs

When customers pay with credit card, you're absorbing extra costs passed on from the issuing bank and card network. Considering card scheme fees, processor markup and constantly changing interchange (IC) rates, choosing the right pricing structure is imperative to optimize your expenses.

Interchange Pricing

Interchange (IC) pricing has the advantage of transparency—you know exactly what costs you're incurring, which helps you make strategic decisions. By itemizing the payment processing fees, businesses have the added benefit of room for negotiation. In some cases, you can work out lower markup fees with the acquiring bank.

It's a more complicated payment structure, but one that can give you greater control over your charges.

Bundled Pricing

For businesses that want a more predictable fee structure, there is another option. Selecting bundled pricing is the better way to go if simplicity is the end goal.

This pricing structure blends the assorted costs of credit card transactions into one flat fee. It isn't subject to IC rate fluctuations, minimizing the potential for unexpected costs.

While it limits visibility into the various charges, bundled pricing's appeal is predictability.

No two businesses are alike, and neither are their payment processing needs. That's why it's critical to team up with a payments partner that gives you the power to choose which fee structure is right for you.

Each of these payment journey optimizations may seem overwhelming to undertake individually.

But what if you could implement all of them with one payments provider?

That's exactly what the team at CSG Forte does for you. Ask us how much ROI you can generate with an end-to-end payments solution that improves CX, reduces costs and generates revenue.

About CSG Forte

CSG Forte, a CSG company, delivers digital payments solutions that help organizations scale faster and smarter. With CSG Forte, organizations process omnichannel payments across a best of breed, PCI-compliant digital platform that allows customers to make any payments, via any channel, at any time. Our award-winning technology empowers organizations to modernize how customers pay bills, increasing on-time payments and customer satisfaction while using a single low-code, unified digital platform. CSG Forte manages over 160 million transactions and over 98 billion dollars in payments annually for nearly 100,000 merchants across government, telecom, property management, healthcare and other industries.

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