



Cutting Edge B2B Payment Trends in 2020

And the Cloud Impact

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Introduction

The B2B Payment Landscape

Throughout history, human beings and companies alike have relied on diverse payment systems to purchase goods and services. Through a myriad of innovations and the desire for convenience, payments have advanced from bartering systems, to the present day. Businesses have never had so many options for paying or getting paid. It's clear that the payments industry is constantly transforming and growing, and the cloud is accelerating that. By 2020, the US Business-to-Business (B2B) payments market is expected to reach \$23.1 Trillion!

This tremendous growth is propelled by technological and operational innovations within the sector, as well as by the many established actors that are shaping the trends to come.

In this E-Book, we'll outline what will inform the continued growth of the space in 2020 and how we can help businesses better capitalize on those trends.



Chapter 1

Customer Demand and its Transformative Effects on the Payment Ecosystem

The payments industry like most others has been rapidly digitizing. The increase in the use of cloud technology and applications is giving the general public more accessibility to all things in their lives. As a result, consumers expect to have instant access to everything, including financial services. The broader financial services landscape is thus transforming. FinTechs, or financial technology companies, are flooding the market, determined to disrupt the former financial industry by capitalizing on the increased accessibility to all things digital. FinTechs now account for about 36 percent of personal loans originated in the United States by dollar volume².

How has this massive transformation become such a trend?

As customers have grown accustomed to increased access to faster and more convenient payments on the retail side, they are now demanding similar conveniences and service levels in B2B payments and transaction banking³. Traditional lending platforms like banks just aren't meeting the expectations that today's consumers have around ease and speed of payments.

Competition for corporate loans is expected to intensify in 2019, along with further easing in credit underwriting standards in the first half of the year⁴. This will open even more doors to consumers and continue to reconstruct the payment ecosystem to incorporate customers' increasing demands for personalization, customization, and speed. Innovations are reshaping the payments landscape, boosting customer expectations, and intensifying competition globally.

Chapter 2

Payment Trends, Customer Loyalty & Relationship Building

Given the current competitive nature of the payments landscape—where consumers are more empowered to dictate demand—simply automating existing processes is no longer enough. With increased competition comes increased iteration. As FinTech companies create newer, faster and more accessible means to financing, the nature of customer demand is also shifting. Customers are increasingly expecting products and services that address the deeper issues and increasing needs of the digitized world.

“With increased competition comes increased innovation, and as more FinTech companies create newer, faster and more accessible means to financing, the nature of client demand is also shifting.”

In response, FinTech companies are now empowering customers to serve themselves when and how they desire. This means that FinTechs have to maintain their customer relationships to stay relevant, and respond to these changes with new strategies, loyalty programs, engagement capabilities, and operating models all dictated by and informed by the customer.



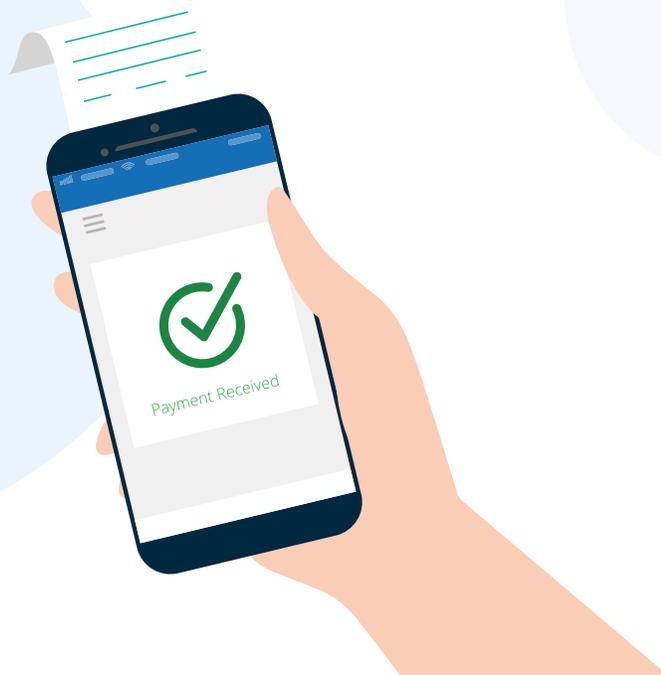
Chapter 3

Integration and Payment Offerings

With businesses encountering pressure to move faster and simultaneously facing challenges with older payment systems, the search for easier digital payment experiences continues. Contactless in-store payments are expected to total \$2 trillion globally by 2020⁵.

Meanwhile, payment modernization efforts to process faster/real-time payments (RTP) continue to increase. US payment providers, both large and small, are amplifying the need to balance convenience and speed with security. In order to do this, FinTech companies are restructuring their offerings, cultivating partnerships with trusted third-party companies for security, as well as building their own products and services to automatically integrate securely and individually with businesses' own systems. The cloud enables the FinTechs to innovate, be agile, and to experiment quickly and frequently to evolve their payment offerings. B2B companies have the option to integrate financing into their own payment systems, which has drastically influenced B2B buyers to work solely with businesses offering this technology.

“US payment providers, both large and small, are amplifying the need to balance convenience and speed with security.”



Increasing amounts of B2B buyers and sellers are turning to eCommerce. The B2B eCommerce payments industry, though in its infancy is growing faster (10.4% CAGR) than that of the overall B2B payment market (5.8% CAGR)⁶. Additionally, an increasing amount of e-marketplaces (such as Alibaba and Amazon Business) are appealing to manufacturers, wholesalers, and distributors because of the potential for access to new markets and growth. E-marketplaces are also a popular solution for wholesalers and distributors unable or unwilling to build their own-e-commerce engines.

Despite the fact that many businesses still use traditional paper checks as a form of payment, there has been a shift to more evolved methods of electronic payments. Seventeen percent of deposited checks are image deposits, 93 percent of image deposits are by businesses, and 71 percent of businesses are capable of making electronic payments⁷.

All in all, these trends point to businesses moving toward a new customer experience opportunity where traditional hurdles in payments are minimized.



Chapter 4

How You Can Plan Ahead for Success in 2020

Now, B2B companies have the option to integrate financing into their own payment systems, which has drastically influenced B2B buyers to work solely with businesses offering this technology. In 2020, increased competition and trends favoring the needs of the customer are paving the way for solutions that are both convenient and accessible and have the ability to truly scale business success.

In order to capitalize on these trends, companies must change the way they function and invest in technology and the cloud. This is a large endeavor, but given the predicted growth in the B2B payments industry, the work will definitely pay off and put you ahead of your competitors. Here are our tips for making the dive into digital transformation:

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1. Understand the cost and time saving benefits of moving payments to the cloud.

Digital integration for payments will make it painless to link transactions to accounting, taking what was once a long process full of separate interactions and transforming it into one seamless process. Imagine the amount of money and time you will save!

2. Evaluate the value of data.

Modernizing and digitizing gives you a competitive edge by allowing you to streamline your operations. Payments, scheduling, invoicing and financing with immediate results and complete visibility puts you in greater control of managing your business relationships, operations, and payments. It can also help to inform future purchases and business insights.

3. Prioritize ease of integration.

Integration is key to survival in the digital age because of the consumer's need for mobility, ease, and time saving. The trends show the value of integration continues to increase with technological innovation and consumer adoption, so evaluating its impact on your own business is a key business decision for 2020.

Behalf empowers commerce for businesses large and small with on-demand B2B cash-flow solutions.

We offer businesses and their customers a trusted, omni-channel platform that automates accessible and fast payment tools and services. Our cloud-first solutions help businesses where they need it most, by increasing their purchasing and operational capacity for the things they need to grow.*

1. Behalf for Managed Sales

Sales agents and account managers can use our automated application to extend no-fee net terms and qualify customers for financing, increasing average order value and loyalty.

2. Behalf for Invoicing

Our application can also be integrated into your order management system or ERP so you can send payment requests to customers and process payments with a single click. Let Behalf make your existing accounts receivable team more efficient.

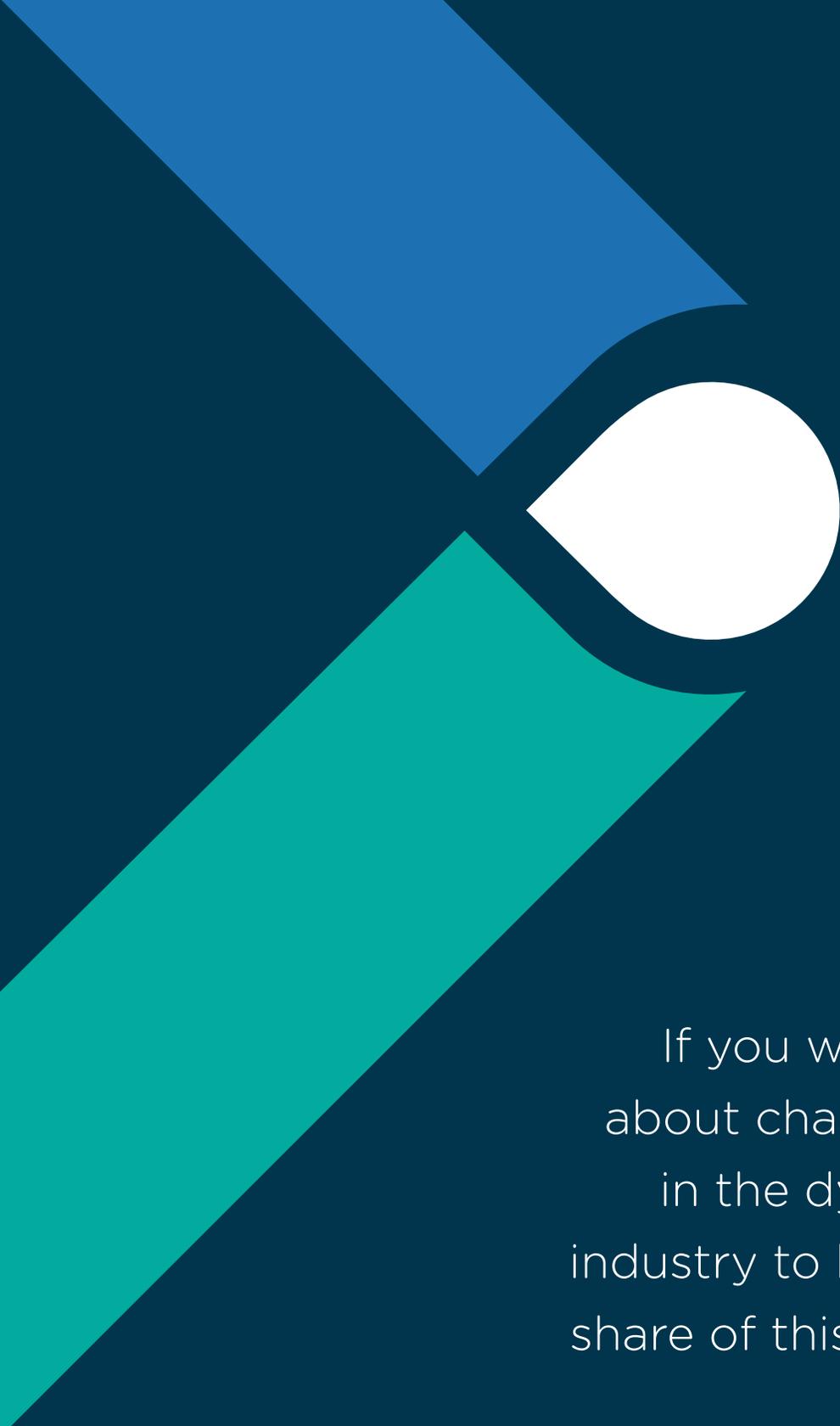
3. Behalf for eCommerce

Increase your revenue by giving your customers access to net terms and financing at your eCommerce checkout. Behalf is compatible with every eCommerce platform and has pre-built APIs or extensions available.





Times are changing, and on-demand purchase financing companies, like Behalf, want to offer a remedy to that problem with technology and cloud-based solutions. Behalf places its trust in AWS (Amazon Web Services) to securely power its proprietary underwriting algorithm to process a large number of data points and dollars in real-time. Like AWS, Behalf brings simplicity, reliability, efficiency and cost reductions to businesses that offer extended payment terms and financing in real-time.



If you want to learn more
about changes taking place
in the dynamic payments
industry to help capture your
share of this growing market,
[we should talk.](#)



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Disclaimers*

- 92.3% of Behalf's merchant partners surveyed in 2017 claim Behalf increased sales 10-20%
- Approval of no fee-net terms and financing for each customer is subject to underwriting and account approval criteria. The majority of customers receive an approval decision within 24 business hours (Monday to Friday, 8am to 5pm EST). Delays could occur due to unforeseen circumstances, or additional information or verification required.
- Behalf offers an ACH deposit option at lower processing costs than almost any credit card network. Standard Visa interchange fees apply to our Visa Processing Option.
- Assuming the transaction is paid with virtual credit card, the majority of payments are made the same business day. If the transaction is made with ACH, it will be processed the next business day, which can take up to 3.5 calendar days (i.e.: if transaction occurs after ACH cutoff time: Thursday at 6pm PST). Delays could occur due to unforeseen circumstances, or additional information or verification required.
- This ebook is for informational purposes only, not financial advice. Any reference to a web site of another party, does not constitute or imply endorsement.