World Report Series Payments 2022



WINNING WITH SMBs

OPTIMIZING TECHNOLOGY AND DATA TO DRIVE DEEP ENGAGEMENT

Global non-cash transaction volumes projected to grow, fuelled by a mature digital infrastructure

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New payments methods lead the charge

Global non-cash transactions



89%





Global non-cash B2B transactions



New payment methods

(instant payments, e-money, mobile and digital wallets, account-to-account, QR code)



While small and medium businesses (SMBs) are the backbone of the economy, traditional payments providers are struggling to meet their expectations

say they are reconsidering primary bank relationships due to unresolved process and technology issues



Sources: Capgemini Research Institute for Financial Services, 2022; World Payments Report 2022 Executive survey, N=125. Note: Invoice reconciliation is the process of matching bank statements to the outgoing and incoming invoices. Question to bank executives: What challenges plague the B2B payments sector? (The graph above represents those respondents who rated a challenge ≥ 5 , where 1 = Least Challenging and 7 = Highest Challenge)

How can incumbent banks and payment service providers compete with new FinTech/BigTech players?

1. Innovate to win SMB engagement and revenue growth Legacy technology maintenance is stifling innovation potential



Only **26%** of the payment executives ranked innovation IT spending as their top priority

Sources: Capgemini Research Institute for Financial Services, 2022; World Payments Report 2022 Executive survey, N=125. Note: The total may not add up to 100% due to rounding. Question to bank and payments executives: Where have you spent most of your 2021–22 technology budget? (The graph above represents executives who ranked IT spending categories as their top priority, within a scale where 1 = Highest spent area and 4 = Least spent area)

2. Rethink platform strategy: embrace composability to configure services, capabilities, and features on the go



Sources: Capgemini Research Institute for Financial Services, 2022. Note: VAM is virtual account management

Only **4%** of surveyed payments executives said their firm has or is exploring fluid platform architecture



MEANINGFUL DATA

Sources: Capgemini Research Institute for Financial Services, 2022; SWIFT.

70% of banking executives believe their available data is unreliable and difficult to process for insights

Over **60%** said they lack the right tools and ability to manage unstructured data

ISO 20022 use will represent about **79%** of total high-value-payment market volume by 2025



Composable platform + harmonized data = elevated SMB customer journeys

4. Explore new payment possibilities through Distributed Ledger Technology solutions

62% of surveyed payments executives said DLT could help unlock new value sources,

but only **25%** ranked DLT-related innovation as a high 2023 transformation priority



75% of SMBs said DLT-based platforms would improve trade finance efficiency and reduce transaction costs

85% of SMBs said they want corporate treasury and trade finance DLT offerings by 2027

Banks and payment service providers can win with SMBs by...



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