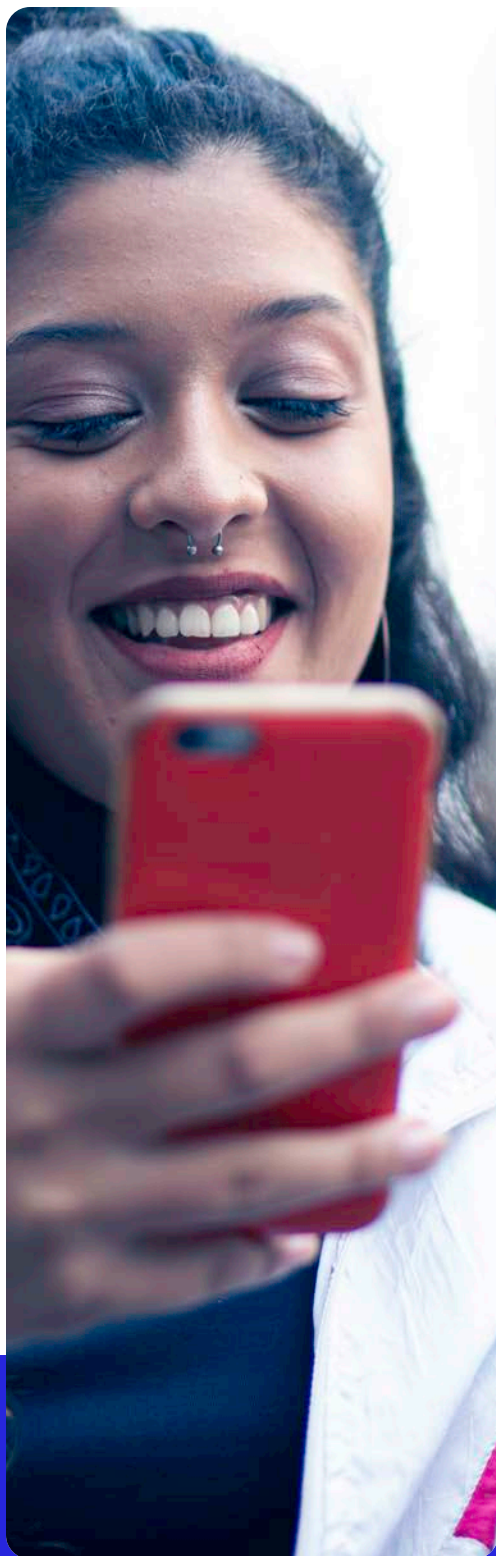




ACI Speedpay®
Pulse



2020 TREND REPORT:

Is Your Business Ready For Gen Z?

FOREWORD:

Who Is Gen Z?

While “Millennial” remains one of today’s biggest buzzwords (and for good reason), the generation that companies should prepare for is “Generation Z,” or “Gen Z.” This cohort, born after Millennials/Gen Y, is the first to have utilized technology — from the internet to smartphones and more — from a very young age. Gen Z’s early affinity for technology (in particular, mobile technology) has increased their ability to absorb and adapt to new information and heightened their visual learning skills, allowing them to be more independent. This characteristic is what sets them apart from generations prior.

Gen Z consumers are accustomed to instant gratification; they know how to utilize technology to do or to get what they want, on demand. And these mobile-first consumers present a unique challenge for companies, who must prepare for their future needs while still meeting the needs of older generations.



How Does This Generation Compare?

In order to discover which sectors of their business should evolve according to these generational nuances (and, more importantly, why), companies must first understand how this demographic compares to the generations prior.

From payment method and channel to notification method and customer service preferences, mobile technology leads the way for Gen Z, and its usage demonstrates the greatest contrast between generations. Unsurprisingly, technological preferences and utilization for Gen Z and Gen Y surpass that of Gen X and Baby Boomers.

According to the ACI Speedpay® Pulse, younger generations are not using checks to make bill payments. In fact, Gen Z is significantly more likely to use a debit card (68.2%) or savings account deduction (15.2%). This difference is particularly noticeable when compared with Baby Boomers, who are more likely than all other generations to utilize checking account deductions (70.9%) or paper checks (47.4%).

As expected, Gen Z (13.9%) is also more likely than Gen X (12.6%) and Baby Boomers (3.0%) to prefer to make one-time bill payments via a mobile app, with Gen Z stating efficiency (75%), convenience (68.3%) and simplicity (57.8%) as the top reasons why.

Additionally, Gen Z is more likely than other generations to utilize mobile wallet payment methods (34.9%), with 13.1% of those stating that they use this payment method daily. In contrast, only 9.2% of Baby Boomers utilize the mobile wallet payment method, with 1.3% of them doing so daily.



THE TAKEAWAY

Of those who utilize mobile wallet payment methods, **46% of Gen Z** respondents reported paying a bill through a mobile wallet, compared to **31.5% of Gen X** and just **24.9% of Baby Boomers**.



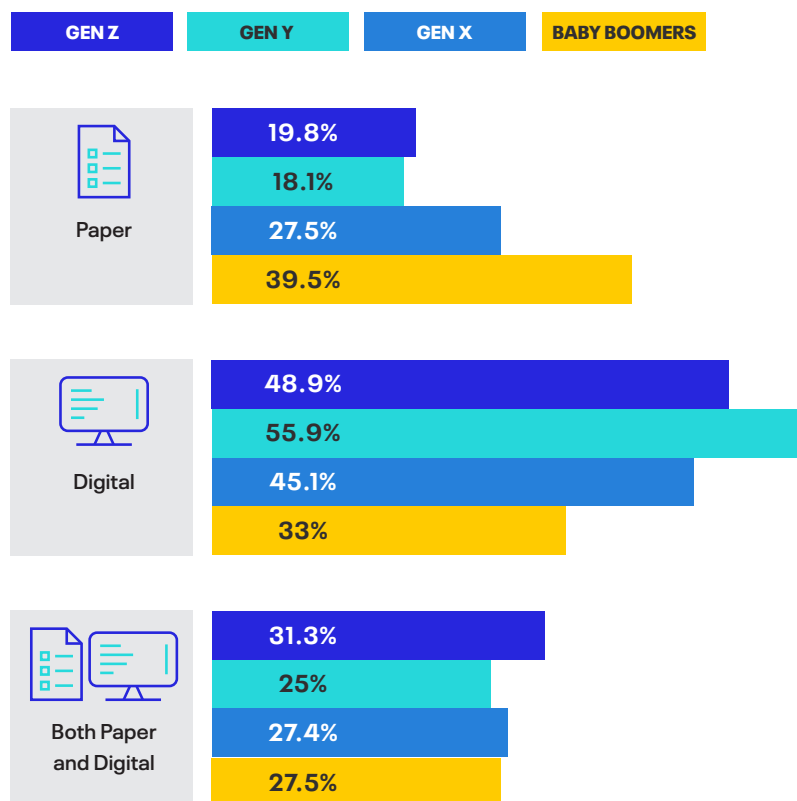
Mobile Wallet Bill Payment Method Utilization



However, these numbers are slated to increase, with **41.8% of Gen Z** respondents, **30.7% of Gen X**, and **18.1% of Baby Boomers** considering the use of mobile wallets to pay bills in the future.

The major technological disparity between age groups can also be seen when analyzing billing statement methods. Gen Z is significantly more likely than Baby Boomers and Gen X to prefer digital billing statement methods. Specifically, Gen Z prefers mobile app notifications (**10.8%**) or mobile text alerts (**18.6%**) more so than any other generation.

Preferred Billing Statement Method



THE TAKEAWAY

It's clear from the data analyzed that mobile technology is the future of the billing and payments industry. **So, how do you lead the pack in preparation for the mobile-first consumer?**



The ACI Speedpay Takeaway



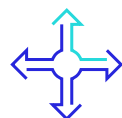
While many companies are interested in the latest technologies, it's important to understand your consumer and the type of technological advances needed before making an investment.

How to prepare for Gen Z:



Learn your demographic

Utilizing research, such as the ACI Speedpay Pulse, companies can gain insight into the consumer and forecast where the industry will be in a few years. Companies must keep a pulse on what the most popular billing and payment channels, methods and notifications are now, and what they will be in the next five years.



Ensure you are serving everyone

While Gen Z is the future, don't neglect the needs of other generations. Many Baby Boomers still prefer low-tech billing and payment options. When you implement new mobile and digital options, it's important to educate your customers on relevant changes and how this billing and payments technology will improve their experience of working with you.



Implement mobile options now

If you haven't already, now is the time to implement mobile payment options. With mobile payments on the rise, companies must jump on board in order to remain industry leaders.



Continue to evolve

The one thing that's clear about technology is that it is ever-changing. While companies serve current generations, it is important to think beyond the next one to two years. How will AI develop? What new payment methods will be utilized? Will payment options change?

Are you prepared for Gen Z? Get in touch with an **ACI representative** for a one-on-one consultation about how our billing and payment solutions can improve your business and customer satisfaction.

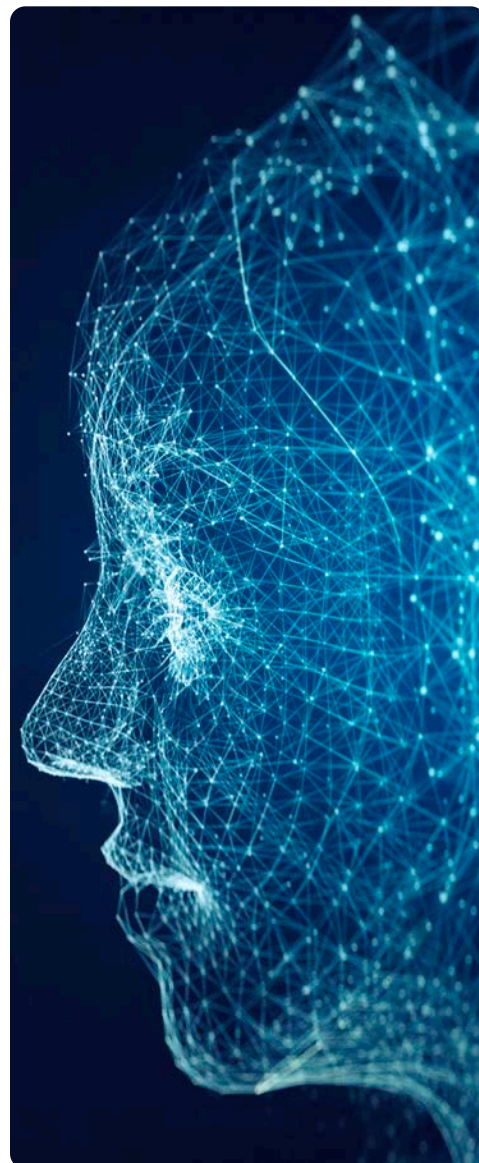
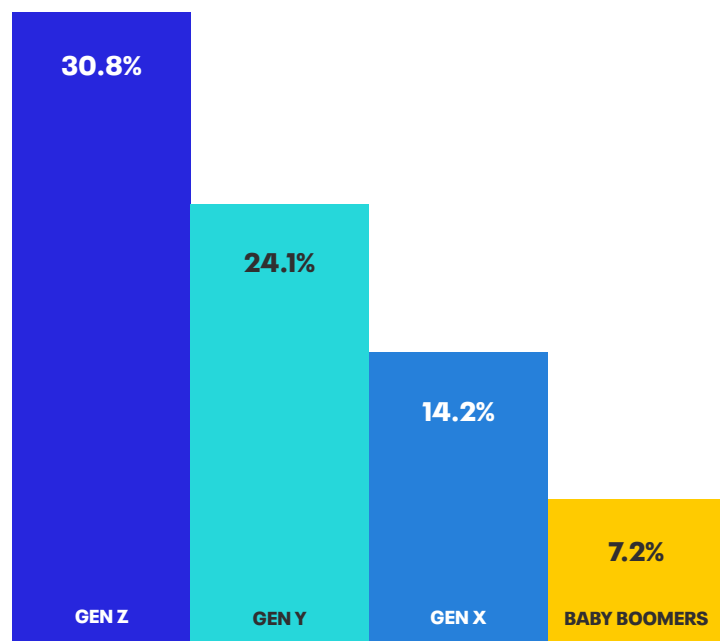


Customer Service Powered by AI

Gen Z is significantly more likely to trust AI-powered solutions and believes it helps improve customer service (**30.8%**), as compared to only **24.1% of Gen Y**, **14.2% of Gen X** and **7.2% of Baby Boomers**.



Belief That AI-Powered Solutions Will Improve Customer Service





ACI SPEEDPAY PULSE METHODOLOGY

The ACI Speedpay® Pulse is a longitudinal consumer billing and payment trends research study conducted by Brownstein Group in partnership with ACI Worldwide. Each ACI Speedpay Pulse data set includes responses from a survey of at least 3,000 unique respondents (no repeat participation within a one-year period). Each survey sample is U.S. Census-balanced among adults age 18 and older who are responsible for submitting payments for at least two of their household's monthly bills. Survey margin of error is less than 1.8 percent for questions answered by the entire sample. Questions with a smaller base will have a higher margin of error. If presented, stat testing is at the 95 percent confidence level.

ABOUT ACI WORLDWIDE

ACI Worldwide is a global software company that provides mission-critical real-time payment solutions to corporations. Customers use our proven, scalable and secure solutions to process and manage digital payments, enable omni-commerce payments, present and process bill payments, and manage fraud and risk. We combine our global footprint with local presence to drive the real-time digital transformation of payments and commerce.

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