



What emerging payment options should utilities be offering?

By Lisa Schulte

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There are clear opportunities to improve the utility payment experience, especially among nontraditional bankers, low-income customers, and younger age groups. These groups aren't always best served by options like bank checks. In our report [How Emerging Payment Options Can Better Serve Customer Needs](#), we evaluate six emerging payment methods to see how these options can create a better customer experience (CX) and whether it makes sense to offer them.

Emerging payment options

Text to pay. This method allows customers to pay their utility bill by texting "PAY" or an emoji such as a light bulb, as PSEG Long Island does.

Voice assistant/smart speaker. Customers can pay their bills via voice command through smart speakers, such as the Amazon Alexa and Google Home.

Mobile and digital wallets. Mobile wallets allow customers to store credit and debit card information within their mobile device. There are many versions of these products including Apple Pay, Google Pay, and Samsung Pay.

Peer-to-peer (P2P) transfer. Apps that use P2P transfer payments mostly see payments between friends and family. However, leaders in the space, such as Venmo and PayPal, have added business functions to their platform.

Split payment. Split pay or split billing allows multiple parties to pay a bill. Overall, we've found two main types of split-bill programs:

- **Split billing for prepaid services.** Customers pay up front and if the full payment isn't received, the service or goods aren't provided.

- **Repayment aid.** Often touted as split billing, repayment aid requires the bill owner to pay the full amount due, but the company provides tools to aid the payer in recovering funds from friends or family members.

Cryptocurrency. Cryptocurrency is a digital or virtual currency that uses cryptography to secure financial transactions. Bitcoin is the most well-known cryptocurrency, but there are thousands in existence.

E Source recommendations

You should be looking to add text to pay, voice assistant, and mobile wallet payment options. Split payments are logistically challenging but provide a better payment experience for customers. As of now, P2P transfer and cryptocurrency are not recommended.

Payment method	Recommendation
Text to pay	This is a solid choice for an easy payment option.
Voice assistant/smart speaker	Adoption of voice assistants has been rapid, and customer usage is growing.
Mobile wallet	Mobile wallet usage is growing, and most retailers are accepting them.
P2P transfer	These apps mostly serve as a payment method between friends and family.
Split payment	Split payments are a great option for customers who want to share the cost of a bill.
Cryptocurrency	This technology isn't ready for everyday transactions.

Members of the E Source Customer Care, Customer Experience Strategy, or E-Channel Services can read [the full report](#) to see additional analysis, including:

- The benefits and limitations to customers
- Which customer segments these bill-pay options best serve
- Current consumer and utility adoption

[Read the report](#)

About the author



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Lisa Schulte is a research analyst for the CX team at E Source. With a background in market research and customer insights, Lisa provides utilities with knowledge on using data and customer voices to drive CX improvement.



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