

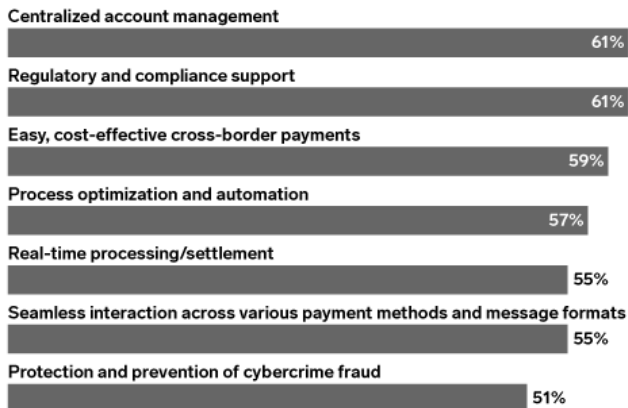
Small-business payment providers must invest in all-in-one solutions

Article

Economic uncertainty has slashed small and medium-sized business (SMB) satisfaction with their payment service providers (PSPs). This is intensifying competition between acquirers and processors, banks, fintechs, and the vendors that serve them. Providers must enhance and simplify access to cutting-edge solutions that solve key pain points—or risk losing share.

Leading Expectations of Their Payment Services Providers According to SMBs Worldwide, 2022

% of respondents



Note: n=150

Source: Capgemini, "World Payments Report 2022: Winning with SMBs: Optimizing Technology And Data to Drive Deep Engagement," Oct 6, 2022

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To attract and retain SMB clients amid disruption, providers should consider solutions that are both broad and customizable.

- **SMBs want all-in-one solutions because they improve efficiencies.** Nearly two-thirds of SMBs used multiple services from their provider, and 10% used five or more, per a 2022 McKinsey survey. Yet centralizing account management was a top PSP expectation among SMBs, per a 2022 Capgemini survey. Streamlining inputs, payouts, and services into one interoperable platform can let owners devote more time to their businesses and more quickly enable new features.
- **For providers, they can drive customer acquisition, improve retention, and diversify revenues.** All-in-one solutions simplify processes and give SMBs access to more services—ultimately strengthening relationships and reducing churn. They can also bring in new forms of revenues: In 2022, Block's subscription and services-based revenue segment generated nearly as much as its transaction segment, and 44% of Square's gross profit came from SMBs that used four or more monetized products, according to Block's Q4 2022 shareholder letter.
- **This year's efforts will focus less on developing these ecosystems and more on expanding and simplifying them.** Just 41% of US SMBs used all-in-one solutions, per an April 2022 report from PYMNTS. This is likely due to cost, friction, and accessibility. To change this, PSPs must balance broad-based offerings with flexibility and affordability. The priority will be

developing and improving platforms that combine a wide range of offerings with white-label, personalized tools that limit friction and reduce decision fatigue.

[Read the full report.](#)

Report by Jaime Toplin Apr 27, 2023

Small-Business Payment Disruptors 2023

