

# Cards, ACH, and FedNow will drive B2B payments growth

Article

B2B is the largest segment of US payment volume. We expect US B2B payment value to grow 3.6% annually in 2024, led by ACH and cards.

# B2B Payment Transaction Value, by Transaction Method

## US, 2024

Trillions

Total

\$35.783

ACH

\$17.140

Check and Cash

\$11.486

Wire and Other

\$4.773

Card

\$2.384

*Note: payment transaction value for products or services from one business to another; includes payments for goods and services made via cash, check, ACH, card, wire, and other methods; net of taxes, cash advances, chargebacks, and balance transfers*

*Source: EMARKETER Forecast, August 2023*

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### What's happening?

- **ACH payments are the big winner of B2B payments digitization.** They will represent almost half (47.9 %) of B2B transaction value in 2024. ACH is also getting a boost from real-time payments growth, enhanced data, and integration into accounts payable and receivable automation solutions.

- **But card payment growth is not far behind.** We expect B2B card transaction value to grow by 6.7% annually in 2024, compared with 7.8% for B2B ACH. Card payments are getting a boost from virtual cards, all-in-one financial services solution integrations, and innovation in card products for small businesses.
- **Request-for-payment technology provides enormous invoicing promise.** Via FedNow, a business can send a payment request directly to another party through their financial institution. The recipient can review the prefilled payment details and authorize the payment instantly. This feature not only speeds up the payment process but also enhances the accuracy of transactions.

### **What does it mean for payment providers?**

- **They will need to implement AI and machine learning to increase invoicing efficiency and settlement speed.** These technologies can automate invoice processing, payment initiation, reconciliation, and fraud detection. This reduces the need for time-consuming manual labor and minimizes the risk of errors and fraud.
- **They also need to help banks implement FedNow.** Doing so allows them to tap its enormous instant invoicing potential. From there, payment providers can work with banks to explore and enable additional use cases for instant payments. These include bill pay, instant disbursement for loan proceeds, and sending and receiving paychecks.