

5 WAYS ISSUERS MUST RESPOND TO CHANGING PRESSURES IN 2023

Decreased revenue, increased regulation, direct competition and emerging payments innovation are all familiar challenges issuers are facing going into 2023.

Here are five ways issuers must respond to stay competitive in 2023 and beyond



1 ADDRESS UNDERLYING DATA COLLECTION METHODS

As digital identity solutions continue to innovate within the payments industry, issuers will need to be proactive and predictive to meet the evolving demands of their customers. Issuers will need to know how to make sense of the data collected on their customers to better understand how to offer more services to them. Furthermore, this will allow for increased engagement. In addition of collecting the data, you will have to inform your customers how it's being used and how their data is being protected.



2 MAKE CARD USE SEAMLESS EVERYWHERE

Regional e-commerce growth is projected to be at twice the rate of POS growth (11% versus 5% respectively). In the U.S., mobile commerce as a share of e-commerce is projected to rise from nearly 37% in 2021 to over 42% by 2025, according to the FIS Global payments report. Issuers must ensure their card is easy to use in any channel, including point-of-sale, online, in-app and in all varieties of digital wallets. To accomplish this, Issuers need to use technology to effectively tokenize and safeguard data, while maintaining security across a variety of channels and in any region in the world.



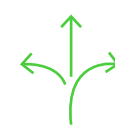
3 OPTIMIZE AUTHORIZATION PROCESSES

Intraday reconciliations have become increasingly important as loan volumes increase and organizations continue to rely on manual processing. Your loan amendment solution should support intraday reconciliations for managing loan inventory, entitlements and elections, to manage risk throughout the amendment lifecycle.



4 GET A PIECE OF BUY NOW, PAY LATER POPULARITY

According to the FIS Global Payments Report, Buy Now Pay Later (BNPL) is expected to continue increasing at POS as e-commerce players make the shift to in-store payments. Accounting for less than 1% of regional POS spend in 2021, BNPL projects to more than a 2% share (and over US\$250 billion) by 2025. Issuers who use their immense customer data securely to provide targeted and relevant services can compete with this trend. Offering BNPL-like options that apply to the B2B space can also help to grow a commercial card portfolio.



5 PREPARE FOR AN UNCERTAIN FUTURE

Regulations can often present a challenge to an organization. The challenges include understanding the new requirements, educate the staff throughout the organization and executing them to stay compliant. There is a need to invest in new avenues that allows your organization not to be penalized on unfamiliar regulations. The key to successfully ensuring your organization is fully compliant is finding a partner that will help streamline the regulations throughout your organization so your staff can focus on the relationship engagement with your customers and drive new revenue streams.

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