



Strengthen Your Customer Relationships with Text-to-Pay

payments mobile banking

Summary: CFIs can strengthen their relationships with business customers by partnering with a third-party merchant service provider that includes text-to-pay capabilities within its payment processing platform. By enlisting vendors that offer standalone solutions, CFIs can also offer text-to-pay to their retail customers who want to make loan payments via text. We delve further.

Remember how hard it was to text in the beginning? For every single letter you wanted to spell, you had to multi-tap each number on your keypad until the letter you wanted showed up. In 1995, before people using one cell phone network could text people using other networks, the average American user sent just [0.4 texts per month](#). By the year 2000, when networks allowed people to exchange texts between them, the average number of texts per month rose to 35! Now, thanks to smartphones, more Americans text than make phone calls, and SMS is the most widely used data application in the world.

More merchants and other businesses are taking advantage of the popularity of texting by letting customers choose to pay for products and services via text. Texting to shop is already popular in countries such as China, and it is quickly gaining traction in the US as well. In fact, [80% of Americans who have tried this payment option repeatedly use it](#), according to software company Authvia. Given that Americans collectively spend an estimated 37B hours waiting in lines to make purchases each year, the appeal of another rapid, secure payment option is wide-reaching.

Community financial institutions (CFIs) that serve these businesses can help by [offering text-to-pay capabilities](#) via their third-party merchant services provider — the same provider that processes debit and credit card transactions on behalf of the CFI's business customers. With the text-to-pay capability on the CFI's merchant services platform backed by the provider, a business using the platform sends a message to a customer that includes a link, allowing the customer to make a secure payment from their device.

Says Joan Kuykendall, the president of a merchant services provider for CFIs: "Community banks will need to partner with a provider who understands their bank culture and offers solutions that can be tailored to their customers' needs. The partner also needs to provide exceptional customer service, sales and marketing support."

A CFI based in Missouri offers text-to-pay capabilities to its business customers as part of its overall merchant services platform via a third-party vendor. "Our business clients value operational efficiencies, customer satisfaction and convenience. We collaborate with them on strategies to help accomplish this," says the CFI's vice president, manager of treasury services. "Introducing new payment innovations that become a game changer for their business strengthens our partnership for the long term. We are invested in their success with the capabilities to help them grow."

CFIs can also choose a third-party vendor that offers text-to-pay as a standalone solution. Moreover, CFIs could offer text-to-pay to their own retail customers to make monthly payments on their car loan or consumer loan to the CFI, and business customers could also text payments on their commercial loan. Many stand-alone

solutions enable CFIs to leverage texting for other reasons in addition to making payments, including obtaining digital signatures; sending reminders about things like documents, late payments and account information; and even opening accounts.

Text-to-pay gives CFI customers an easy, streamlined way to pay, and it offers several benefits:

- **It's safe.** If payments are sent via a secure and encrypted provider, paying by text is completely safe.
- **It's readily available.** According to Pew Research Center, [97% of Americans own cell phones](#), putting text-to-pay within easy reach of nearly everyone.
- **It's efficient.** No extra employees are needed to implement it.
- **It's effective.** Customers are more likely to reply to marketing messages sent via text than email.
- **It's personalized.** Text-to-pay features can be customized to suit customers' needs.

Offering text-to-pay and other texting capabilities to your business customers opens a whole host of opportunities to interact with customers, send them information, and strengthen your relationship with them.

GET A COMPLIMENTARY CORE CONTRACT ASSESSMENT

Core and ancillary product contracts are some of your organization's largest expenses. If you're within 18 to 36 months of your next renewal, [our partner can assess your current contract](#) at no cost to you. You'll get recommendations, RFPs for alternate providers, and hands-on help negotiating with a core provider of your choosing.

ECONOMY & RATES

Rates As Of: 07/27/2023 11:29AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.51	0.08	1.09
6M	5.55	0.08	0.79
1Y	5.37	-0.02	0.67
2Y	4.93	0.04	0.50
5Y	4.24	0.08	0.24
10Y	4.00	0.16	0.12
30Y	4.05	0.19	0.09
FF Market	FF Disc	IORR	
5.08	5.50	5.40	
SOFR	Prime	ORER	
5.06	8.50	5.07	

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