

Aité Novarica

MARCH 2022

SMB PAYMENTS AND MILLENNIALS

MILLENNIALS EXPECT MORE

GILLES UBAGHS

IMPACT REPORT

TABLE OF CONTENTS

IMPACT POINTS3
INTRODUCTION4
METHODOLOGY4
THE MARKET
MILLENNIALS WANT MORE FROM THEIR BANKING AND PAYMENTS RELATIONSHIPS8
TRADITIONAL BANKS HOLD LESS SWAY WITH MILLENNIALS8
MILLENNIAL-RUN SMBS ARE LIVING THROUGH PAYMENTS CHANGE
MILLENNIAL-RUN SMBS ARE EXPERIENCING THE MOST CHANGE IN THEIR PAYMENTS13
MILLENNIAL-RUN SMBS STILL PREFER BANK-LED PAYMENT CHANNELS15
MILLENNIAL-RUN SMBS ARE THE LEAST CONFIDENT ABOUT THEIR UNDERSTANDING OF NEW PAYMENT TOOLS17
PAYMENTS MODERNIZATION IS HIGH ON THE AGENDA FOR MILLENNIAL-RUN SMBS19
CONCLUSION27
RELATED AITE-NOVARICA GROUP RESEARCH28
ABOUT AITE-NOVARICA GROUP29
CONTACT29
AUTHOR INFORMATION29
LIST OF FIGURES
FIGURE 1: SURVEY PARTICIPANTS BY REVENUE5
FIGURE 2: SURVEY PARTICIPANTS BY AGE OF FINANCIAL DECISION-MAKER

FIGURE 3: PRIMARY FINANCIAL INSTITUTION BY AGE GROUP 9

IMPACT REPORT

MARCH 2022

SMB PAYMENTS AND MILLENNIALS

Millennials Expect More

GILLES UBAGHS

FIGURE 4: OPENNESS TO ALTERNATIVES TO TRADITIONAL BANKS
FIGURE 5: SMB ATTITUDES TOWARD BANKING RELATIONSHIPS11
FIGURE 6: AVERAGE MONTHLY SPEND ON BANKING AND PAYMENTS BY SME GENERATIONS12
FIGURE 7: CHANGES IN PAYMENT VOLUME OVER THE PAST YEAR14
FIGURE 8: FORECAST PAYMENT VOLUME INCREASE BY PAYMENT TOOL15
FIGURE 9: SMB PAYMENT CHANNEL PREFERENCE16
FIGURE 10: DRIVERS OF PREFERENCE FOR BANKING AND THIRD-PARTY CONSOLIDATOR CHANNELS17
FIGURE 11: SMB UNDERSTANDING OF PAYMENT TOOL BENEFITS, BY AGE GROUP18
FIGURE 12: SMB INTEREST IN CHANGING BACK-END PAYMENT PROCESSES20
FIGURE 13: DRIVERS OF NEW PAYMENT TOOL ADOPTION21
FIGURE 14: WILLINGNESS TO MAKE PAYMENTS THROUGH BANKS WITH NONTRADITIONAL SERVICES22
FIGURE 15: MILLENNIAL-OPERATED SMB INTEREST IN NEW PAYMENT CAPABILITIES24
FIGURE 16: BABY BOOMER- AND SENIOR-RUN SMB INTEREST IN NEW PAYMENT CAPABILITIES26
LIST OF TABLES
TABLE A: THE MARKET 7