Supplier Acceptance of Purchasing Cards Grows, Study Finds

Research shows supplier education is essential to advance and expand P-Card and ePayables Programs

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(Wayzata, MN) – June 20, 2018 – Supplier acceptance of card payments has steadily increased since 2009 across spend categories, with significant growth since 2013 in major categories, such as professional services and utilities, according to a new report from the NAPCP and Accenture. Driving this growth is the ongoing education of suppliers by end-user organizations with card payment programs. Educating suppliers continues to correlate with better P-Card and ePayables program performance and growth.

The NAPCP and Accenture conducted a survey of 89 respondents at end-user organizations, the third in a series of surveys previously conducted in 2009 and 2013, to explore how supplier acceptance of card payments has evolved, from a buyer’s perspective. The survey was conducted online from September to November 2017. Respondents included NAPCP members and complimentary subscribers.

“According to the results of the 2017 survey, end-user organizations, suppliers and providers must collaborate to identify and reap the financial benefits of supplier acceptance, reduce impediments and ensure that card payments are a win for all,” said Diane McGuire, CPCP, NAPCP managing director.

The report, Supplier Acceptance of P-Card and ePayables Payments and Related Topics, explores the current state of P-Card and ePayables acceptance and identifies challenges and the corresponding opportunities to increase acceptance. The report identifies what factors impact suppliers’ decisions regarding card payment acceptance and the actions for end-user organizations to implement to increase acceptance. The report also examines acceptance rates across geographies and the providers’ role in encouraging acceptance.

The complete report and executive summary are complimentary to NAPCP members. Not a member? Join now and download the report for free. The executive summary is also free to complimentary subscribers. Become a complimentary subscriber to download your copy today.

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“Quite notably, over half of end-users have adopted ePayables to move beyond checks, enhance accounts payable automation, and drive operational excellence and per-transaction savings,” said Frank Martien, a managing director in Accenture’s Payments practice. “These end-users are now achieving ePayables acceptance by more than half of their U.S.-based suppliers. Helping suppliers automate payment application to open invoices and lower cost of acceptance is key to further growth in ePayables.”

Key insights from the report include:

Acceptance of P-Cards increased across spend categories
- Utilities accepting cards rose 12 percent since 2013; respondents indicated 51 percent acceptance of card by utilities, compared to 39 percent in 2013
- Suppliers tend to accept cards for office supplies, food service and computers, and these categories increased an average of 3 percent since 2013, and 10 percent since 2009

Educating suppliers is essential to increasing acceptance
- 84 percent of suppliers who take P-Cards for transactions under $10,000 have been educated by end-users, compared to 51 percent who have not received instruction on benefits
- 29 percent of providers actively assisted end-users in soliciting supplier acceptance, a 7 percent increase since 2013

Challenges faced by end-user organizations have decreased
- 68 percent reported that suppliers’ resistance to (or non-acceptance of) P-Card payments is a challenge/impediment, which is down from 78 percent in 2013 and 88 percent in 2009
- Maximum allowable P-Card transaction sizes have risen slightly since 2013

Suppliers recognize the benefits, but also the impediments
- Suppliers are increasingly recognizing the benefits of faster payment/cash flow
- “Fees too high,” at 60 percent, was by far the most common reason suppliers resisted in 2017; down from 67 percent in 2013 and 71 percent in 2009

ePayables programs have increased significantly
- Almost 60 percent of respondents have an ePayables program, up from 40 percent in 2013. However, net process savings available to a supplier is far less with ePayables than with P-Cards
- ePayables acceptance by suppliers has crossed the 50 percent milestone

Supplier acceptance varies across geographic regions
- In Canada and Africa, P-Card acceptance rates improved slightly since 2013
- The P-Card acceptance rates for the U.S. and Europe stayed consistent
- Asia Pacific, Latin America and the Middle East realized reduced acceptance rates

The report found that although many suppliers accept cards, the continued prevalence of non-accepting suppliers serves as a challenging barrier to P-Card and ePayables program growth for many end-user organizations. Nevertheless, end-users have had success in co-opting non-accepting suppliers. Above all, for the industry to prosper, buyers must want to use cards and suppliers must want to accept cards for payment. In the simplest form, both sides need to realize value; it cannot be a one-sided value proposition.

The complete report and executive summary, complimentary to NAPCP members, can be found here: www.napcp.org/2018SuppAcceptance.
Upcoming Related Webinar:
“End-User Perspectives on Suppliers’ Acceptance of Card Payments”
Presented by Frank B. Martien, Managing Director, Accenture Payments
Tuesday, June 26, 2018, 10 a.m. central time
Click here to register

Resources for Media:
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