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NAPCP-Capital One Survey Finds Payment Professionals Excited about New Payment Technologies but Uncertain about Implementation

New York, NY (April 5, 2017) – Payment professionals are well aware of the benefits of payment technologies now entering the marketplace, but concerns about cost and compatibility may delay their implementation, according to Managing Payment Technology Innovation, a study conducted by Capital One and the NAPCP, the professional association of the commercial card and payment industry. Based on a survey of 136 payment professionals from 21 sectors, the study revealed that payment professionals appreciate the heightened security, streamlined operations, enhanced analytics, lower costs, and, in some cases, additional revenue to be gained from these technologies. However, survey respondents identified three major barriers to implementation: insufficient information to make an informed cost-benefit analysis; insufficient leadership commitment; and lack of knowledge about sophisticated and cutting-edge payment technologies such as blockchain and tokenization.

“Given the rapid pace of innovation we’ve witnessed in our industry, there is a lot for payment professionals to digest,” said Diane McGuire, CPCP, NAPCP Managing Director. “Our research points to the constructive role that industry associations like NAPCP can play in educating enterprise leaders about the value of new payment technologies, while at the same time keeping payment and procurement professionals informed about new payment technologies as they emerge.” More than 78 percent of respondents reported that their organizations send professionals to industry events and conferences, and more than 55 percent said their organizations send professionals to continuing education conferences.

The study also found that payments providers could also play a role in education. “There’s a real thirst for knowledge and a real opportunity for payments vendors to recast themselves as partners, providing ongoing support to organizations trying to make sense of new payment technologies,” said Rajsaday Dutt, Head of Commercial Card Product Strategy at Capital One. The study also suggested that payments providers should emphasize the user experience in the design of their products. Some other approaches that providers could build
into their products to facilitate implementation and ease of use include application program interfaces (APIs) for easy plug-and-play, human-centered design, and natural language search.

The study found that acceptance of specific payment technologies varies considerably. Survey results suggest that one reason ePayables and EMV chip technology are so well accepted is that commercial payment professionals understand their benefits and applications. For instance, all respondents could identify at least one advantage of ePayables, and currently almost forty percent of them have adopted it with another 20 percent considering it. By contrast, unfamiliarity with blockchain and tokenization is an impediment to their adoption. Just 13.1 percent are aware of tokenization, and only two respondents say their organizations had implemented tokens.

Providing education and easier-to-use products is especially critical because organizations themselves often do not have the resources to explore payment alternatives. A mere eight percent of respondents said their organizations support technology pilot programs, only 10.2 percent reported that they allocate funds for investigating new payment technologies, and just 22.8 percent said they have a cross-functional committee that monitors the new technologies. “The study revealed that there is a vacuum that associations and payment providers like us can fill,” said Dutt from Capital One.

**Additional Findings**

The size of an organization affects its rationale for adopting new payment technologies:

- Professionals from organizations with revenues over $2 billion value the financial benefits of new payment technologies, such as reducing total process costs and providing working capital.
- Organizations with revenues from $500 million to $1.9 billion are drawn to their process advantages, such as providing administrative efficiency, automating the AP/AR processes, and providing enhanced backend/post-transaction analytics.

The ePayables adopters in the survey identified four principal arguments for implementation:

- Simplify payment demand (73.3 percent)
- Earn revenue share and/or rewards (68.4 percent)
- Reduce process costs (55.3 percent)
- Increase security and controls (44.4 percent)

Additional information about the report’s finding is available at napcp.org/paymentinnovation.

**Note to Editors**

In response to a request posted online by the NAPCP, 136 commercial payment professionals shared their views about new payment technologies and their experiences adopting them. Two-thirds of the respondents had primary responsibility or significant influence over their organization’s commercial card program, and most respondents worked in procurement and payables as program administrators or managers. The respondents represented mid-market, large-market, and Fortune-ranking organizations spread across 21 sectors. More than 40 percent of organizations had an annual payment spend of more than $10 million.
About The NAPCP

The NAPCP is a membership-based professional association for the Commercial Card and Payment industry, serving a community of more than 19,000. The organization is an impartial resource for industry professionals of all experience levels in the public and private sectors. The NAPCP provides unmatched opportunities for continuing education and peer networking through its conferences, Regional Forums, webinars, website, virtual demonstrations, newsletters and regular communication. The association sponsors research and publishes timely and relevant white papers, survey results and articles. Visit www.napcp.org to learn more about Commercial Card and Payment programs, P-Card certification, the value of membership, current member demographics and upcoming events.

About Capital One

Capital One Financial Corporation (www.capitalone.com) is a financial holding company whose subsidiaries, which include Capital One, N.A., and Capital One Bank (USA), N.A., had $236.8 billion in deposits and $357.0 billion in total assets as of December 31, 2016. Headquartered in McLean, Virginia, Capital One offers a broad spectrum of financial products and services to consumers, small businesses and commercial clients through a variety of channels. Capital One, N.A. has branches located primarily in New York, Louisiana, Texas, Maryland, Virginia, New Jersey and the District of Columbia. A Fortune 500 company, Capital One trades on the New York Stock Exchange under the symbol "COF" and is included in the S&P 100 index.

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