

October 2023

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# The State of Real-Time Payments

The State of Real-Time Payments, a PYMNTS Intelligence and The Clearing House collaboration, examines the state of play for real-time payments across four critical industries. It draws on insights from surveys of 125 executives from each industry. Executives from the real estate industry were surveyed between Dec. 16, 2022, and Jan. 12, 2023; those from the insurance industry between April 5 and May 5; those from manufacturing between May 3 and June 1; and those in retail between June 6 and June 26.



# The State of Real-Time Payments

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#### ACKNOWLEDGMENT

The State of Real-Time Payments was produced in collaboration with The Clearing House, and PYMNTS Intelligence is grateful for the company's support and insight. **PYMNTS Intelligence** retains full editorial control over the following findings, methodology and data analysis.

# Introduction

Real-time payments have become a leading business-to-business (B2B) payment method for multiple key industries. The majority of large retail, manufacturing and insurance firms — those that generate more than \$100 million in revenue — utilize real-time payments, and large shares of these firms are actively investing in enhancing their capabilities further. More than 1 in 3 of these firms identified real-time payments innovations as highly important to their business strategies, with many prioritizing real-time rails above all other methods on their payments innovations agendas. Challenges remain, however; traditional payment methods, such as checks, wires and automated clearing house (ACH), are entrenched across industries, and firms in the real estate sector notably lag behind other industries in our study of real-time payments adoption.

More than **1 in 3 large** firms in the retail, manufacturing and insurance sectors **prioritize** real-time payments innovations as highly important to their business strategies.

These are just some of the findings detailed in The State of Real-Time Payments, a PYMNTS Intelligence and The Clearing House collaboration. This report examines the state of play for real-time payments across four critical industries and draws on insights from surveys of 125 executives from each industry. Executives from the real estate industry were surveyed between Dec. 16, 2022, and Jan. 12, 2023; those from the insurance industry between April 5 and May 5; those from manufacturing between May 3 and June 1; and those in retail between June 6 and June 26.

## This is what we learned.

# Large firms widely recognize real-time payments as business critical.

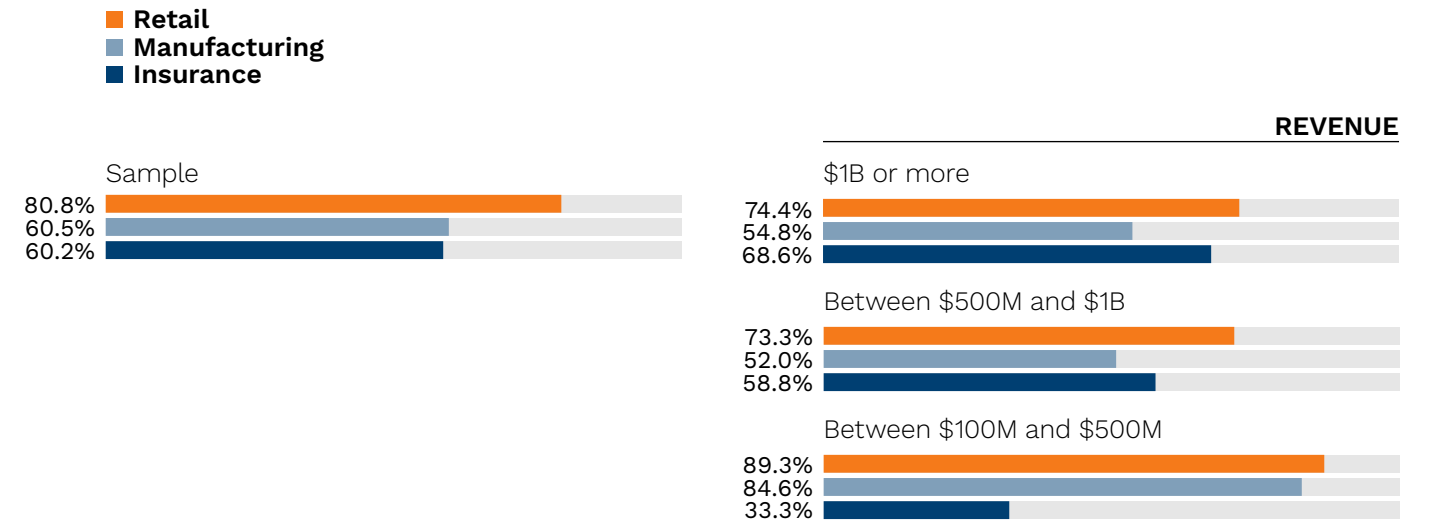
Most large firms across the retail, manufacturing and insurance industries agree that real-time payments have become critical for their B2B operations. Large retailers lead, with 81% of them identifying real-time payments as very or extremely important for making payments to other businesses, while 61% of large manufacturers and 60% of large insurers shared this outlook. We note that even higher shares of retailers and manufacturers that generate \$100 million to \$500 million in annual revenue emphasized the critical nature of real-time payments, at 89% and 85%, respectively.

Sizeable shares of these firms view real-time payments innovations as more than just sound operational strategy. More than 1 in 3 ranked enhancing real-time payments capabilities as more important than most or all other innovations currently on their respective innovation roadmaps, with 40% of manufacturers, 36% of insurers and 34% of retailers holding this view. The largest firms in these three

FIGURE 1:

### The importance of real-time payments

Share of firms that consider real-time payments to be very or extremely important for making payments, by industry and annual revenue



Source: PYMNTS Intelligence  
The State of Real-Time Payments, October 2023  
N and fielded dates vary by industry

industries — those with average annual revenues of \$1 billion or more — tend to be the most bullish on real-time payments innovation. Among them, 43% of manufacturers, 39% of retailers and 37% of insurers expressed this outlook.

# 81%

of large retailers identify real-time payments as **very or extremely important** for making B2B payments.

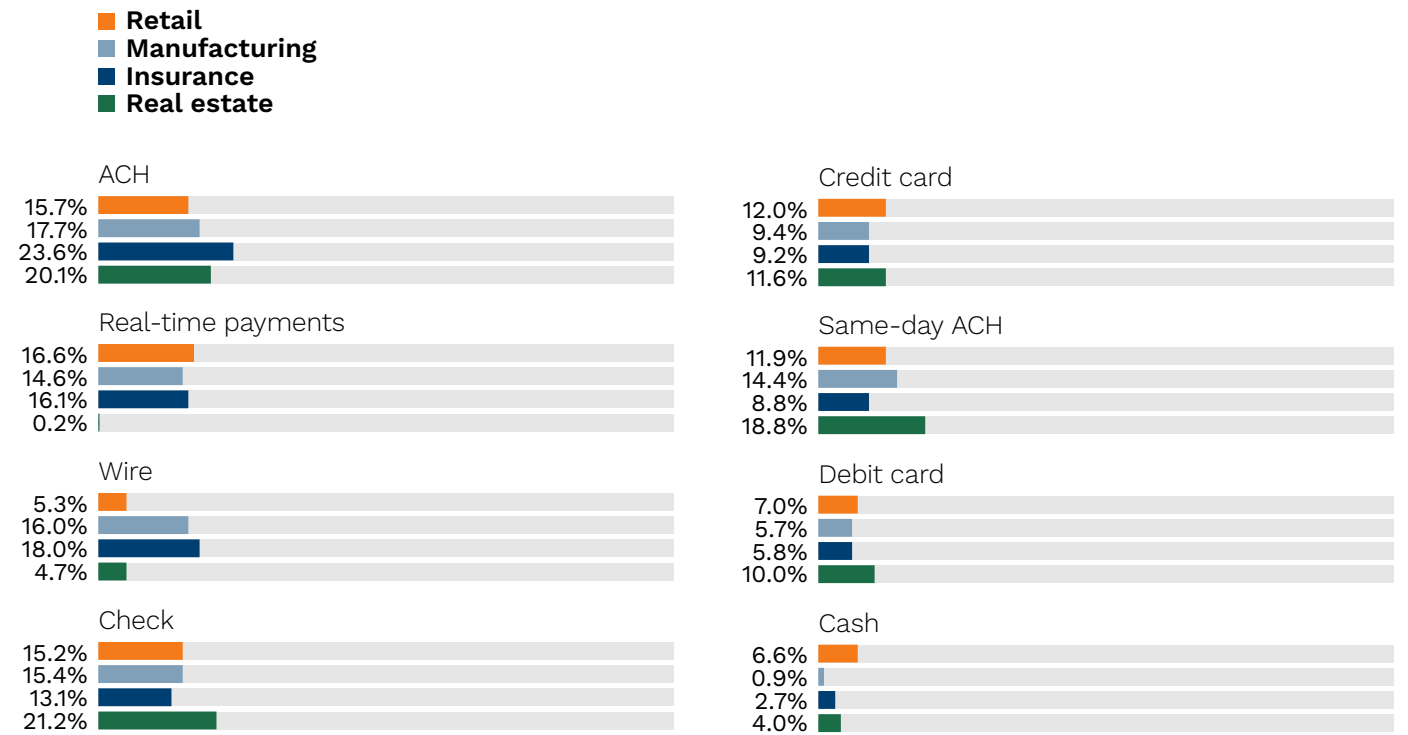
# Real-time payments have become a core B2B payment method even though traditional payment rails remain in widespread use.

Compared to other payment methods, real-time payments are a relative newcomer to the field of B2B transactions. Nonetheless, real-time payments have been widely adopted and already capture a significant share of B2B payments. For instance, 17% of the B2B payments large retailers made in the last year were processed via real-time payments, more even than the 16% made via ACH. Fifteen percent of the payments manufacturers made and 16% of those insurers made used real-time payments, trailing ACH — the most popular method for these industries — but only slightly.

FIGURE 2:

### Top B2B payment methods

Share of transactions made with select payment methods, by industry

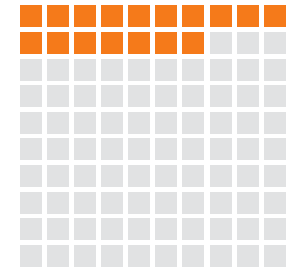


Source: PYMNTS Intelligence  
The State of Real-Time Payments, October 2023  
N and fielded dates vary by industry

Despite the rise of real-time payments, traditional payment rails remain in widespread use. For example, checks command a greater share of B2B payments made than might be expected in 2023: 15% of payments retailers and manufacturers made, and 13% for insurers. However, the real estate industry is an outlier. Twenty-one percent of B2B payments large real estate firms made last year relied on checks, while none of their B2B transactions during this period used real-time payments.



# 17%



of the B2B payments **large retailers** made in the last year were processed via real-time payments.

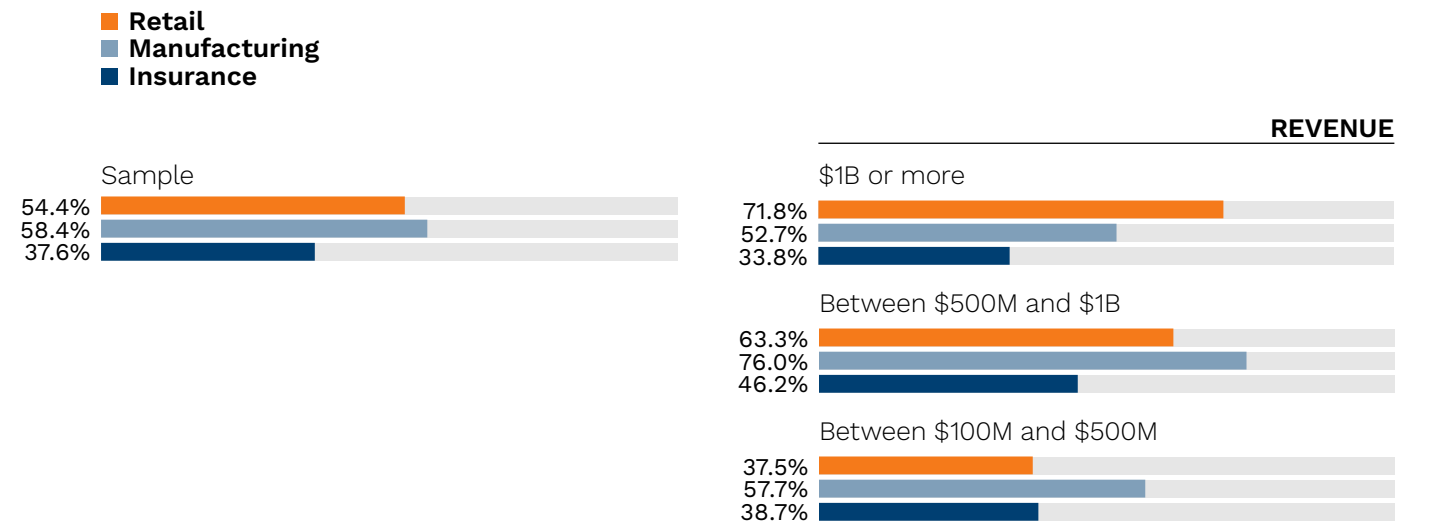
# Use of real-time payments is ramping up across sectors, with the real estate industry preparing for an unprecedented shift.

Large firms are set to increase their use of real-time B2B payments dramatically in the coming year. On average, 54% of large retailers, 58% of large manufacturers and 38% of large insurers aim to increase their use of real-time payments to pay their business partners. However, these plans vary across industries and relative firm size. For example, 68% of retailers and 59% of manufacturers generating annual revenues of more than \$500 million intend to increase use, compared to just 37% of insurers of similar size. Nonetheless, our data paints a picture of the near-term B2B payments landscape in which real-time payments command a larger overall presence.

FIGURE 3:

### Expected increase in use of real-time payments

Share of firms already using real-time payments that plan to increase their use of the payment method for making payments, by industry and annual revenue



Source: PYMNTS Intelligence  
The State of Real-Time Payments, October 2023  
N and fielded dates vary by industry

The real estate industry stands out in this regard. Large real estate firms reported virtually no use of real-time payments at any time during the 12 months preceding our survey. The industry is on the cusp of a real-time payments awakening: 77% said they plan to start using real-time payments to make B2B payments in the next year, and 90% expect to receive them.

**77%**  
of **real estate firms** plan to adopt real-time payments for making B2B payments in the next year.

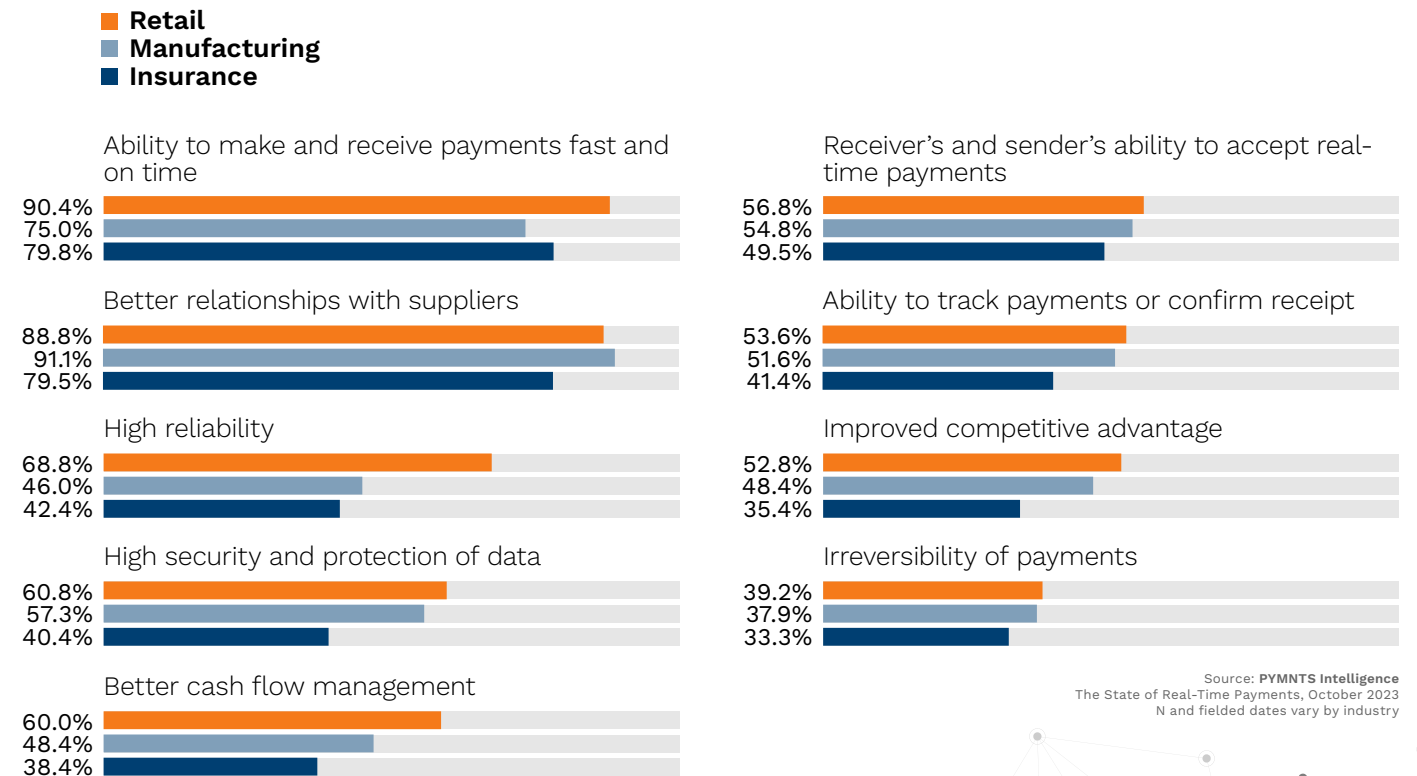
# Instant payment speed, strengthening buyer-supplier relationships and enhancing reliability drive real-time payments adoption.

Firms highlight practical benefits as the key drivers compelling their adoption and use of real-time payments. Enhanced speed, improved buyer-supplier relationships and greater reliability were the top three reasons for adoption. For example, 90% of large retailers, 75% of large manufacturers and 80% of large insurers cited speed as a top reason for using real-time payments to make B2B payments. Strengthening buyer-supplier relationships represents another strategic motivator, with 89% of large retailers, 91% of manufacturers and 80% of insurers saying making real-time payments has led to better relationships with their suppliers. Reliability is, of course, fundamental to any payment method's viability, and executives cite it as a key reason to use real-time payments, with large retailers most likely to say so, at 69%.

FIGURE 4:

### Top reasons to pay via real-time payments

Share of firms citing select reasons to make real-time B2B payments, by industry



Source: PYMNTS Intelligence  
The State of Real-Time Payments, October 2023  
N and fielded dates vary by industry





## Conclusion

Real-time payments have quickly gained traction as a leading method for making and receiving B2B payments among large firms across major industries. However, competition remains fierce. The resilience of checks and other traditional payments underscores the challenges that firms face in shifting to real-time payments, despite the instant clearance, reliability and other benefits they offer. The real estate industry illustrates this dilemma clearly, with its continued reliance on checks. Businesses still unsure about whether to adopt real-time payments for their B2B payments or continue with the status quo must carefully consider the potential risks to buyer–supplier relationships. With an increasingly digital economy prioritizing speed and efficiency more than ever, adoption is becoming a necessity.

## Methodology

The State of Real-Time Payments, a PYMNTS Intelligence and The Clearing House collaboration, is based on a series of four surveys each of 125 executives with deep knowledge of the payments environment at firms generating annual revenues of at least \$100 million from four different industries about the state of real-time payments and their interest in real-time payments. Real estate executives were surveyed between Dec. 16, 2022, and Jan. 12, 2023; insurance executives between April 5 and May 5; manufacturing executives between May 3 and June 1; and retail executives between June 6 and June 26.

# About



The Clearing House operates U.S.-based payments networks that clear and settle funds through ACH, check image, the RTP® network and wire transfers. The RTP network supports the immediate clearing and settlement of payments along with the ability to exchange related payment information across the same secure channel.

Learn more at [theclearinghouse.org](https://theclearinghouse.org).

## PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

### THE PYMNTS INTELLIGENCE TEAM THAT PRODUCED THIS REPORT

Scott Murray  
SVP and Head of Analytics

Daniel Gallucci  
Senior Writer

Alexandra Lange, PhD  
Senior Analyst

# The State of Real-Time Payments

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