



# Prioritizing Real-time Payments: Making Progress to Advance Modernization

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Payment modernization is advancing faster globally than in the U.S. to solve market challenges of transparency and accessibility. Payment companies have been extending real-time and instant payments in different parts of the world for 30 years, focusing on solving specific problems. Only recently has payment modernization been determined to be a national effort, more often than not with government involvement.

However, modernizing technology has significant risks. As the U.S. market begins to adopt real-time payment schemes, payment providers would do well to look at the experiences of their global counterparts for guidance. The global assessment of more than 150 unique real-time and instant payment schemes has shaped Javelin Strategy's payment channel business models. Themes that hold true across schemes show that the key to the success and expansion of a real-time payment method is dependent on the level of collaboration between market participants. Success also hinges on identifying the use cases most valuable to the end user—both consumer and business. The technology for real-time and instant payments is available and impacting the U.S. payment industry today. Organizations must have a concrete real-time strategy. Those that don't will be bypassed. Adopting the technology is now a decision of prioritization and willingness to change.

## Key questions discussed in this report:

- What global trends are driving the market to faster payments?
- What will drive adoption of real-time and instant payments in the U.S. market?
- Why should an organization move forward with real-time and instant payments?
- What use cases are most relevant to the current payment environment, and how should use cases be prioritized?

**Companies Mentioned:** ACI Worldwide, Alibaba, Alipay, Apple Pay, Dovetail, Early Warning, Federal Reserve Bank, First Data, Fiserv, Google Pay, Mastercard, Mastercard, Vocalink, NACHA, Speedpass, Starbucks, The Clearing House  
Venmo, Visa, Walgreens, Walmart, WeChat, Western Union, Zelle

The consumer data in this report was primarily collected from the following:

- A random-sample survey of 3,000 respondents conducted online in October-November 2017. The overall margin of error is +/-1.74 at the 95% confidence level for questions answered by all respondents.
- A random-sample, nationally representative survey of 1,000 business owners and decision-makers conducted in May 2018. Businesses in the survey had a revenue range of \$100,000 to \$10 million.

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