

# U.S. & European Integrated Payments and Embedded Banking Tools: The SMB Perspective

Survey Report Excerpt

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## Purpose of the SMB Survey Study



The purpose was to understand how small to medium-sized businesses (SMBs) engage with SaaS platforms and what they want in a software and payments offering.

The study provides the payments community with insight into this critical landscape to make informed decisions about SaaS platform partnerships and offerings.

1,000  
responses

Respondents from France |  
Germany | Italy | Spain | UK | US

26 verticals represented

SMBs with <\$50M  
in annual revenue

50% omnichannel | 25% online  
only | 25% face-to-face only

# Survey Scope

The research covered a variety of detailed questions about respondents' attitudes and aspirations related to payments acceptance and embedded finance.

## Demographics & payments profile

- What is their vertical and country?
- What is the size of their operation?
- Which are their sales channels?
- Who are their payment service providers (PSP)?
- What software platforms are they using?
- Who makes the final decision to select their PSP?
- What is the most important source of information when researching for a PSP?
- Reasons to select their PSP

## Use of SaaS platforms

- Software services they use
- Is it integrated with payments acceptance?
- Have they used third parties for integration and setup?
- Did software providers make them an offer for a financial product?
- Which financial products were offered?
- Did they take those offered products or not, and which products?
- How important are integrated financial services (on their SaaS platform)?

## Payments acceptance

- What is their payment type mix?
- Sequence of software vs acceptance partner selection – past vs future
- Will merchants take a payments acceptance offer from a SaaS provider?
- Reasons to take a payments acceptance offer
- How important are value added services?

## Attitudes to credit/lending

- What is their main source of business credit today?
- Where do they get this service?
- Will merchants take a credit/lending offer from a SaaS provider?
- Reasons for taking a credit/lending offer

## Sample Data

There is clear latent demand from SMBs for embedded finance/acceptance, with uptake constrained by the SaaS industry's delivery and promotion of the service.

12%

of SMBs have **taken** an integrated payments offer

35%

of SMBs **received** an integrated payments offer

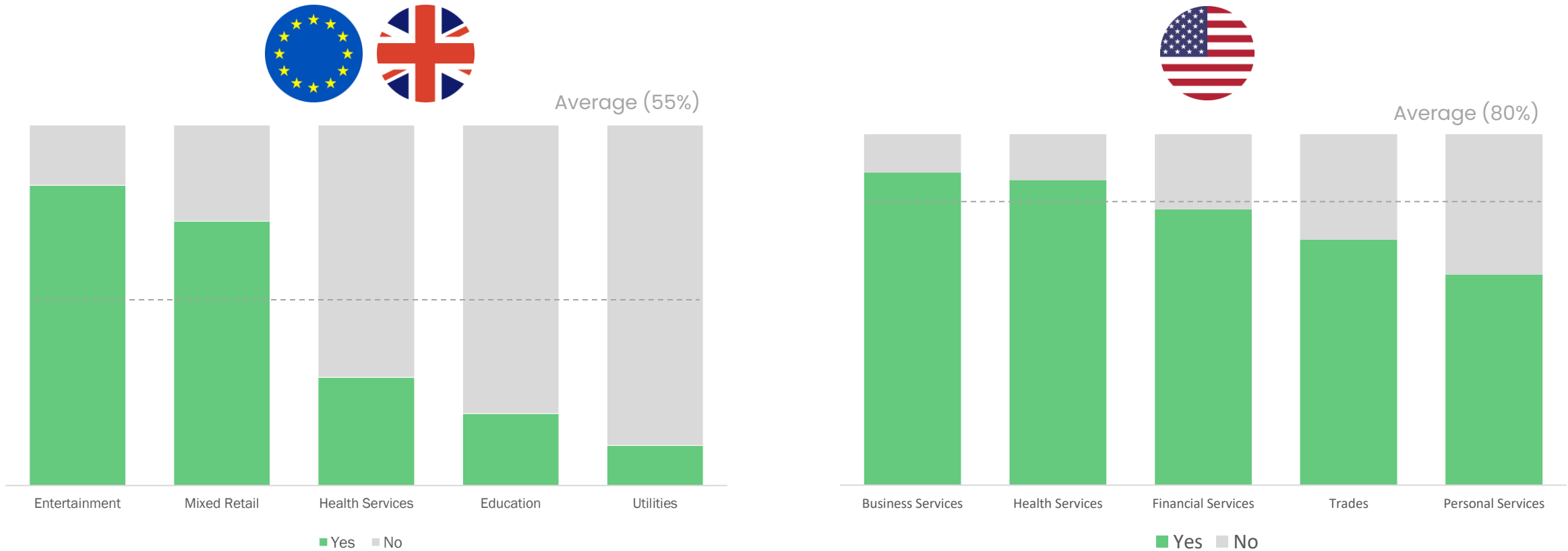
70%

of SMBs are **interested** in taking an integrated payments offer in future

*Q12: Did any of the software providers make you an offer for a financial product (examples include integrated payments such as card acceptance, current accounts, debit/credit card, loan/credit line, insurance, FX services)? Q12b: Did you accept any offer for one of these products? – payments only  
Q16: In future if you were made an offer for payments acceptance by a software provider, would you take it?*

# Sample Data

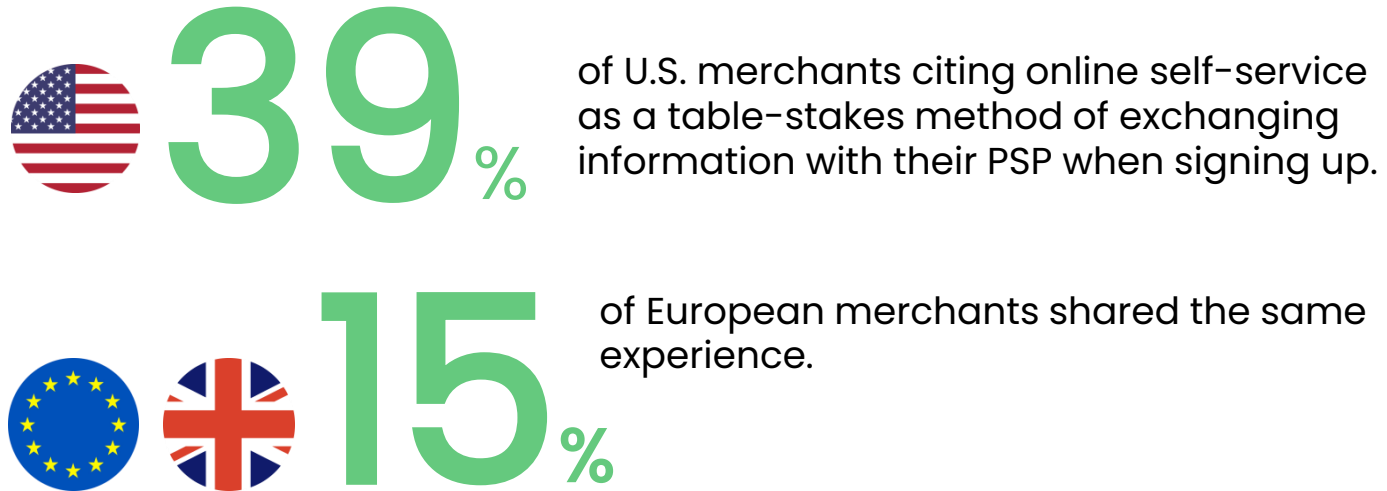
Demand for integrated payments acceptance varies significantly by vertical, particularly in Europe. Care needs to be taken to focus on segments with the greatest level of merchant interest.



Q16: In future if you were made an offer for payments acceptance by a software provider, would you take it?

## Sample Data

Efficient onboarding may be more important to American SMB merchants than to European ones.



Q8: When you signed-up for the payment acceptance service, how did you provide them with information about your company?

## About TSG & PSE



TSG is a globally recognized analytics and consulting firm that supports the entire payments ecosystem, serving over 1,000 clients from Fortune 500 leaders to more than a dozen of the world's most valuable brands.

Trusted by industry leaders, TSG's strategic solutions, market intelligence, and analytics merge to empower clients with actionable and accessible information.

TSG's team is passionate about payments and is focused on all aspects of the industry – from technology, operations, and M&A to competitive intelligence and analytics.

Associates average over 20 years of industry experience with several holding key leadership roles. Team members help the industry evolve by participating in leading industry association activities, including the Electronic Transactions Association (ETA) and the Merchant Acquiring Committee (MAC)



London-based independent consultancy service specialising in payments, with 28 years of experience.

A member of the European Payments Consulting Association (EPCA) which provides additional in-country expertise in 12 European markets plus Global partnerships in the USA and Australia.

Work in all areas of payments from mobile and prepaid through to cash and cheques.

Deliver to all players in the payments value chain: schemes, processors, transaction gateways, issuers, acquirers, and merchants.

Deliver insight led projects ranging from strategy assignments to commercial / technical RFPs and detailed operational reviews.