

Global non-cash transaction volumes set to reach 1.3 trillion in 2023

By 2027, new digital payment methods will make up approximately 30% of total volume, with traditional payments dropping to around 70% of overall non-cash transaction volumes

Paris, September 14, 2023 – The Capgemini Research Institute’s [2023 World Payments Report](#), published today, reveals non-cash transaction volumes will reach 1.3 trillion by 2023 globally. As consumers and businesses adopt new digital payment schemes, the report suggests this growth will accelerate to 2.3 trillion by 2027 growing at a rate of 15% annually. At a regional level, digital payments will grow by 19.8% across the Asia Pacific, 10.7% in Europe, and 6.5% in North America by 2027.

The expanding digital payment infrastructure, regulations, and open banking are swiftly changing how customers and businesses pay for goods and services. According to the report, by 2027, new payment methods (instant payments, e-money, digital wallets, account-to-account, and QR code payments) will make up approximately 30% of total volume, with traditional non-cash payments (checks, direct debits, cards, and credit transfers) dropping to around 70% of overall non-cash transaction volumes.

Corporate treasurers express dissatisfaction with current cash management services

The report reveals over half of corporate treasurers believe the rising globalization of trade and ongoing supply chain disruptions have driven demand for effective and efficient cash management services (CMS). Another third said evolving risks (geopolitics, and cybersecurity) made CMS critical, while nearly 30% call out rising inflation causing their growing need for better cash management.

As corporations navigate economic headwinds, current CMS offerings largely underwhelm multinational corporates, despite having more than 27 banking relationships on average to meet treasury needs. Over 70% of enterprise executives said they face issues in dispute negligence, poor credit risk assessment, and delayed or duplicate payment processing. However, the solution is clear with around two in three (63%) payment executives citing legacy infrastructure barriers as the biggest hinderance to providing efficient CMS.

"The current model of tackling cash management services needs an overhaul. Corporate executives are feeling the pressure from mounting inefficiencies across lengthy cash conversion cycles," said Jeroen Hölscher, Global Head of Payments Services at Capgemini. *"What's clear from our report is that a robust digital foundation is the path forward to optimize the value chain. By simplifying the inherent complexity of their own operating and IT models, banks and payment firms can boost productivity and performance to manage client treasury needs."*

Corporate clients are demanding a retail-like payment experience from banks

New payment solutions and key industry initiatives are fueling the growth of digital payments among enterprises. Expectations are also changing, with 63% of corporate clients are demanding a retail-like payment experience from their banks in 2023.



The payments sector has been at the forefront of digitization, however, it's coming at a cost with compliance to local, regional and international regulations (including ISO20022 and SWIFT global payments initiatives) leaving limited room for investments in future innovation. Payment executives cite nearly 80% of traditional payment revenue sources are stressed and service providers must rebalance their focus between retail and commercial payments. Globally, more than 50% of payment executives believe commercial payments offer a better profit potential than retail payments.

Nurturing strategic corporate relationships requires efficient cash management services

End-to-end digital transformation in transaction banking requires top-down commitment, cohesive planning, and a unified purpose for structural reforms. Sixty-seven percent of bank executives acknowledged that strategically partnering with corporate clients reduces the threat of disintermediation by FinTechs and PayTechs; and 57% of payments executives said strategic banking partners enjoy increased cross- and up-selling opportunities because of these relationships. To nurture strategic cash management relationships with corporate clients, the report offers banks and payment firms a three-layered strategy:

- Simplify the back office to enable innovation and agility
- Perform with platforms to boost cash management efficiency
- Engage with corporate clients as strategic partners, not service providers

Report Methodology

The World Payments Report 2023 draws on insights from two primary sources – the Global Large Businesses Survey 2023 and the Global Banking and Payments Executive Surveys and Interviews 2023. These primary research sources cover insights from 17 markets: Australia, Brazil, Canada, China, France, Germany, Hong Kong, India, Italy, the Netherlands, the Kingdom of Saudi Arabia, Singapore, Spain, Sweden, Switzerland, the UAE, the UK, and the US. The survey questioned 355 senior executives of corporate treasury departments of large corporates on factors driving payments disruption, expectations from banks, satisfaction levels, factors driving relationships with their banks, non-banking services currently used, emerging payment services such as real-time payments, distributed ledger technology, and more. Participants were also asked about the current challenges they face in cash management and their expectations from partner banks on value-added services in cash management. The report includes insights from focused interviews and surveys of over 130 senior executives of leading banks, financial service organizations, payment service providers, industry associations, and central banks representing all three regions: the Americas, Europe, and Asia-Pacific & Middle East.

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