What are Digital Payments?

“Digital payments” is an umbrella term to describe payments that are made using electronic instruments, such as mobile devices or laptops. Put simply, digital payments are transactions that are initiated without the use of a physical card or paper currency. Using this definition, digital payments can include:

- online banking payments;
- ACH/Same-Day ACH;
- digital currency/cryptocurrency;
- payments made with a digital wallet, e.g. Apple Pay, Google Pay (wherein the funding mechanism may be a physical debit or credit card, but it’s stored in a digital wallet environment);
- payments made through digital apps, e.g. Zelle, Venmo, PayPal, Cash App (by Square) (wherein the funding mechanism may be a physical debit or credit card, but it’s stored in a digital app environment); and,
- real-time payments.

Digital Payments Use Cases and Benefits for Community Banks

Digital payments provide a host of opportunities for community banks to provide additional value to customers. With the introduction and growth of faster payments, digital payments opportunities and use cases have grown too.

From personal to business clients, digital payments can provide convenience and efficiency while enhancing your overall position and value proposition. Following are a few examples of digital payments opportunities.
Getting Started in Growing Your Digital Payments Offerings

Businesses and consumers alike are interested in faster, safer, and more convenient payment methods. Through digital payments, your community bank can provide a means to achieve these desired outcomes and position your institution as a leader and innovator in the digital payments space.

ICBA and ICBA Bancard are here to help you as you develop your digital payments strategy or look to grow it further. ICBA Bancard partnered with Aite Group to create the ICBA Bancard Digital Payments Strategy GuideSM, a tool to help community banks develop or evolve their digital payments strategies. It offers an interactive exercise through a series of questions that tap into specifics around a bank’s current consumer products, consumer market base, and existing digital payments offerings. The results reveal the bank’s current digital payments maturity and offer insights for building on the bank’s existing foundation.

Learn more today by visiting strategy.icbabancard.com.

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