The State of Virtual Credit Card Adoption Among Finance Leaders

Virtual credit card acceptance offers strong benefits to organizations. Buyers agree there's value in **paying for invoices** using virtual cards, and suppliers agree there's value in **accepting payments** made using virtual cards.

However, businesses who stand to gain the most from accepting virtual credit card payments are struggling to provide their buyers with the option to pay for invoices using them.

There are many reasons for this, including difficulties associated with downloading and transmitting remittance data into ERP-accepted formats, and challenges with applying payments to the correct invoices. Yet, the result of not accepting virtual credit cards is the same; suppliers are refusing payments, are straining to provide their customers a great payment experience, and are leaving potential revenue gains on the table.

Using the Gartner Peer Insights platform, Versapay surveyed 200 finance leaders to understand what value they see in using and accepting virtual credit cards, the impact these payments have on customer experience, and what their virtual credit card priorities are.

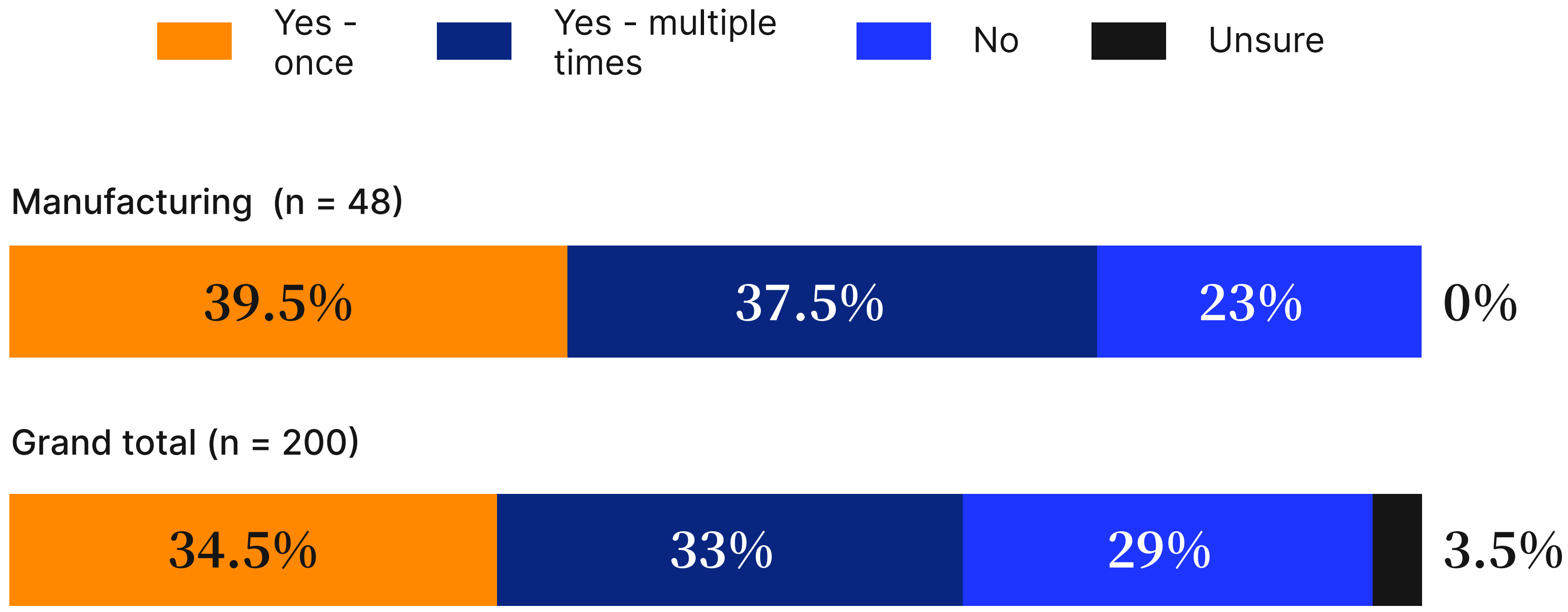
Data collection: July 29 - October 20, 2022

Respondents: 200 finance leaders

Businesses currently have difficulties accepting virtual credit cards

More than two-thirds (67.5%) of finance leaders have refused a virtual credit card payment. 77% of leaders working in manufacturing reported they had refused a virtual card payment.

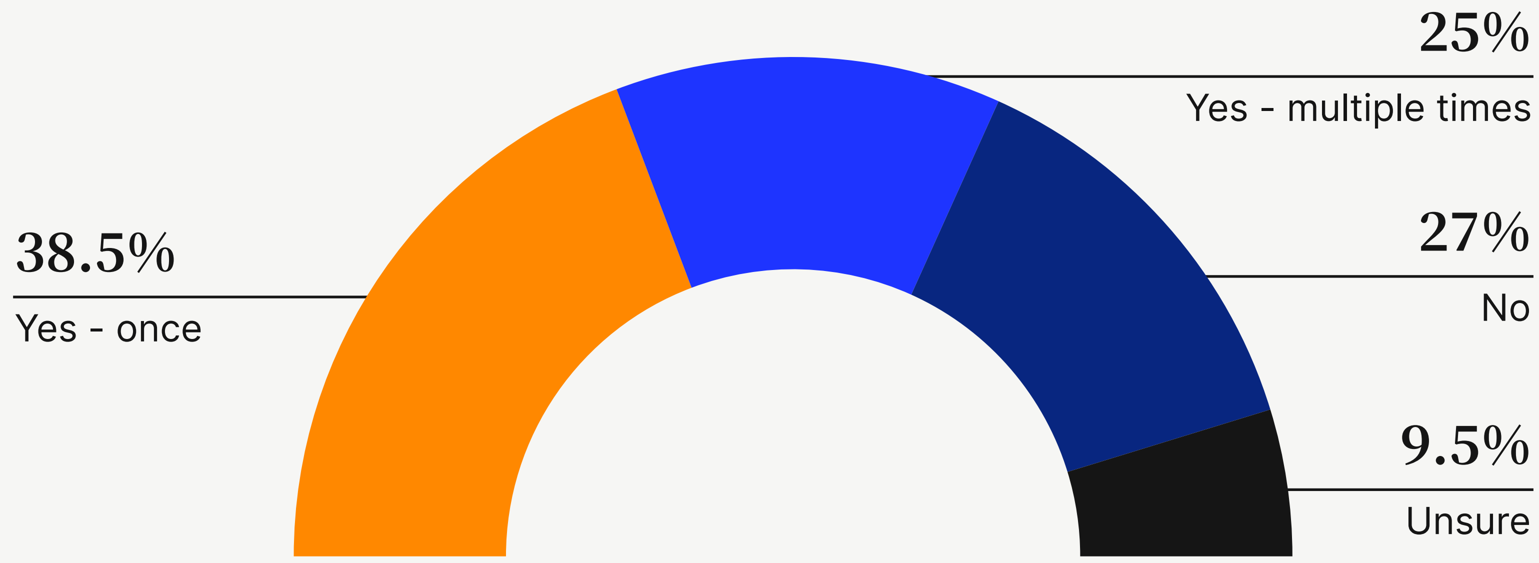
Have you ever refused payment from a customer using virtual cards?



Not accepting virtual credit cards has a direct impact on revenue

The reality is: not accepting virtual credit cards is a challenge that needs remedying, as 63.5% of respondents report having lost revenue as a result of being unable to accept them. A quarter of respondents report having lost business multiple times.

Have you lost revenue as a result of not accepting/or having limits on virtual card payments?

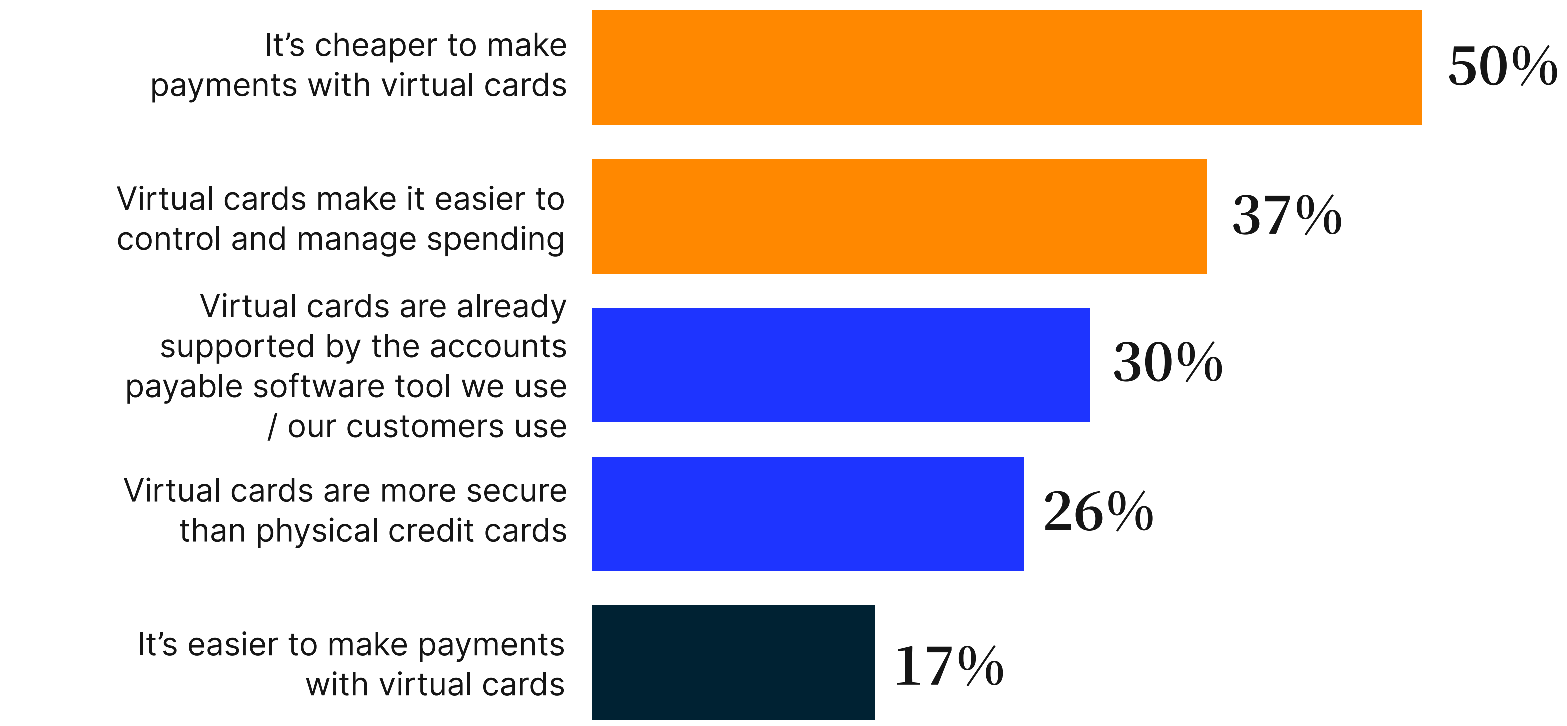


Finance leaders recognize buyers benefit from making invoice payments using virtual credit cards

Half of respondents recognize that making payments with virtual credit cards adds cost-savings. 63% report security and cost-control benefits of making payments with virtual credit cards. Additionally, nearly a third (30%) identify existing tech stack support as a benefit of using virtual credit cards.

Which of the following, if any, do you see as benefits of MAKING invoice payments using virtual cards?

None of these **2%**,
Other **0%**



Finance leaders recognize the benefits of accepting invoice payments made using virtual credit cards

Nearly half of finance leaders (46%) say that a leading benefit of accepting virtual card payments is that virtual credit card payment acceptance can be automated. 43% say that virtual cards allow them to be less reliant on paper checks, and 26% report that virtual credit cards are their buyers' preferred payment method, so accepting them improves the customer experience.

Which of the following, if any, do you see as benefits of ACCEPTING invoice payments via virtual cards.

None of these **1%**,
Other **0%**

What impact do you anticipate the growing use of virtual cards will have on B2B transactions (generally, or specific to your business) in the next 5 years?

"Virtual [credit] cards will have a positive impact on vendor relationships."

- C-Suite, Real estate, 1,001 - 5,000 employees

"Virtual [credit] cards will give users (re: buyers) control over spending."

- C-Suite, Real estate, 1,001 - 5,000 employees

"Virtual [credit] cards can streamline business transactions."

- Director, Real estate, 1,001 - 5,000 employees

"Virtual [credit] cards will make payments safer and hassle free"

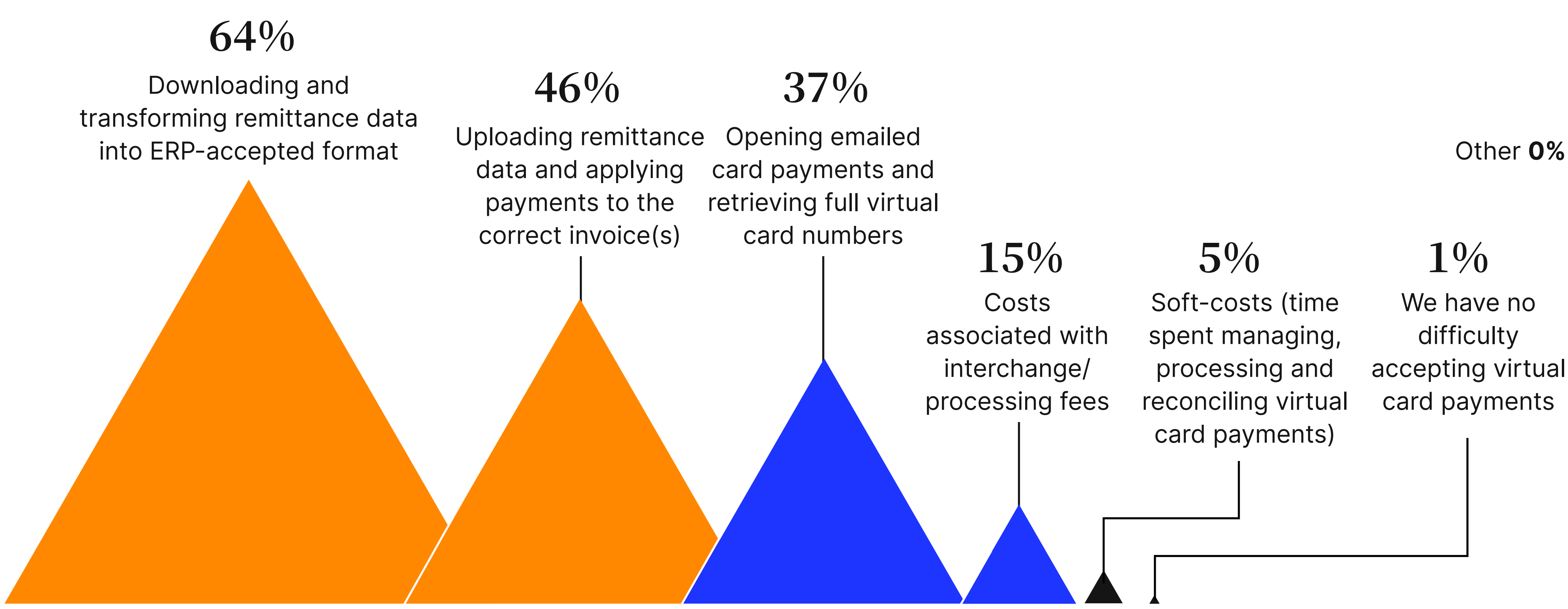
- C-Suite, Finance, 5,001 - 10,000 employees

Despite the benefits of using and accepting virtual credit cards, finance leaders recognize there are challenges to accepting them

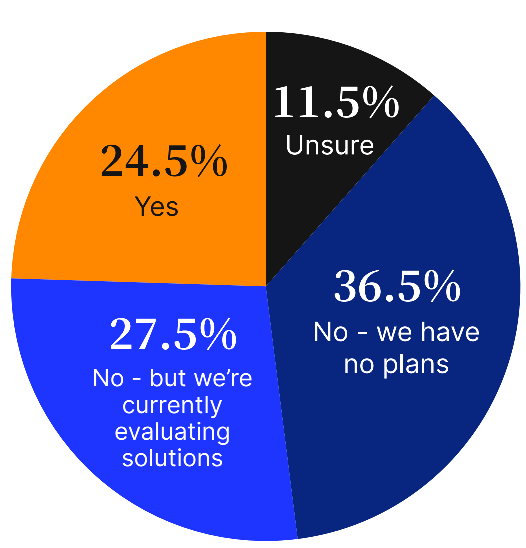
Nearly two-thirds (64%) of finance leaders report downloading and transforming remittance data as a leading obstacle to accepting virtual card payments. Almost half (46%) agree there are difficulties with uploading remittance data and applying virtual credit card payments to the correct invoices.

Knowing the benefits and having experienced the challenges of accepting virtual credit cards hasn't spurned much action from businesses. Less than a quarter of respondents (24.5%) had implemented an automation solution to simplify the process of retrieving virtual credit card information. And less than a quarter (23%) had implemented an automation solution that allows them to apply virtual credit card payments to invoices.

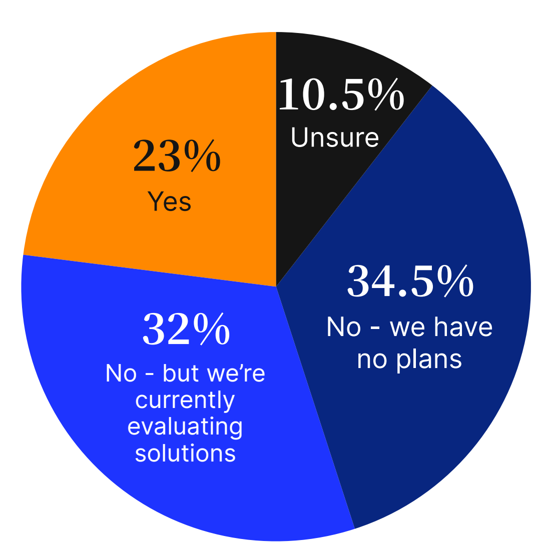
Which of the following obstacles, if any, make it difficult to accept payments made by virtual cards?



Have you implemented automation technology that allows you to ease the process of retrieving virtual card information?



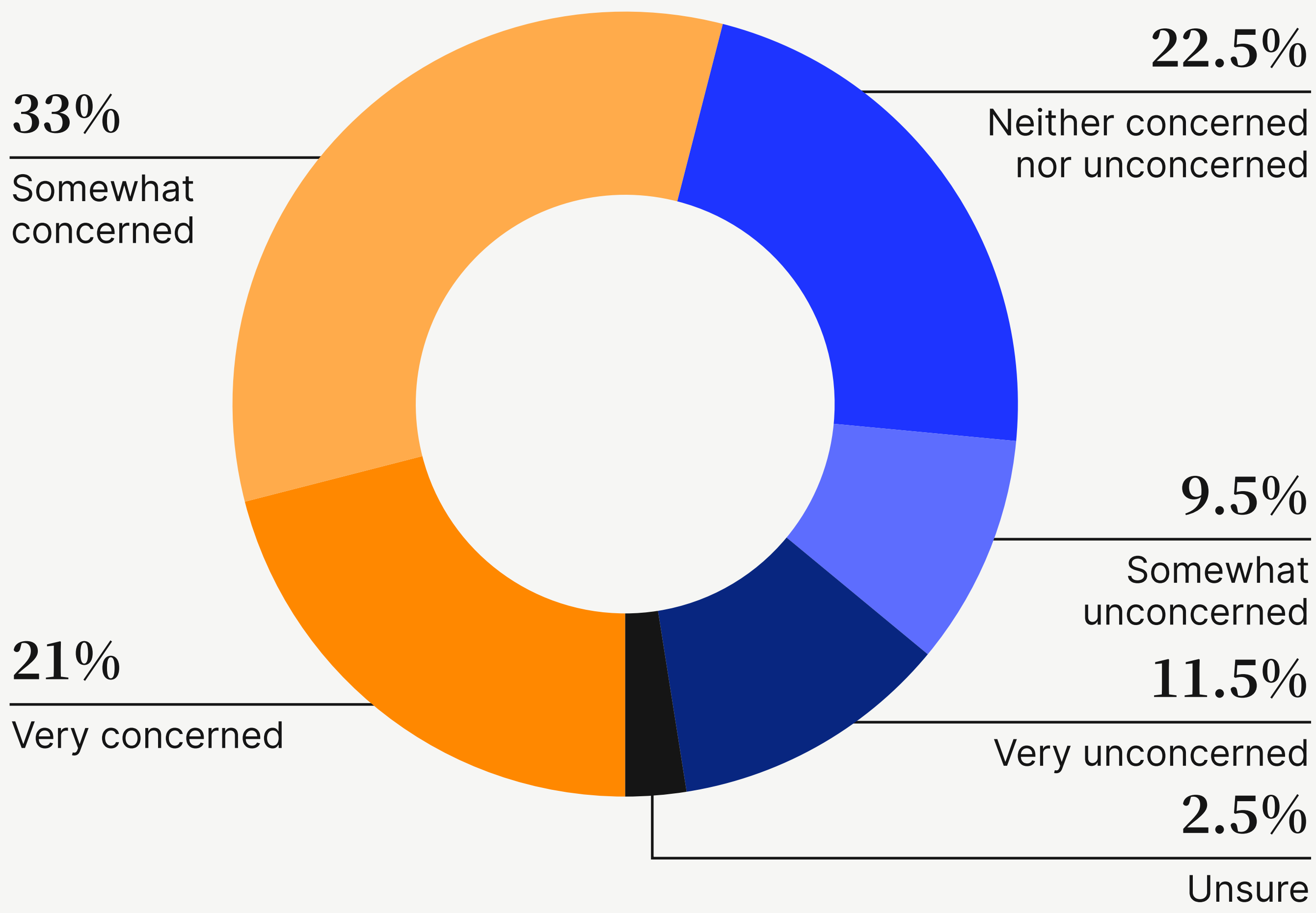
Have you implemented automation technology that allows you to apply virtual card payments to invoices?



Finance leaders express concern that not accepting virtual credit cards impacts customer experience

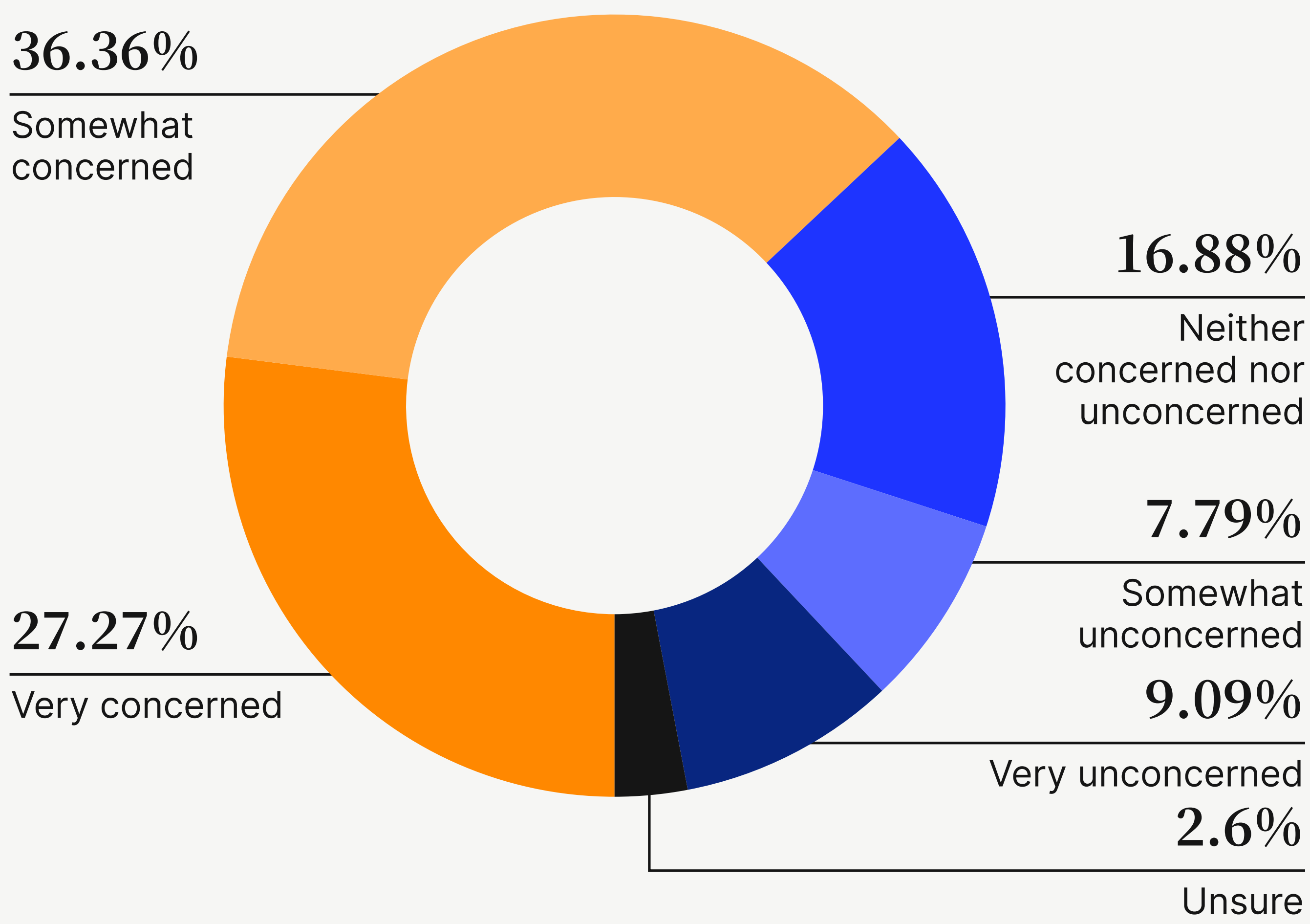
Over half of finance leaders (54%) are concerned that not accepting virtual card payments may hurt their overall customer experience and subsequently make doing business with them less enjoyable. Less than a quarter of respondents (21%) are unconcerned.

How concerned are you that not accepting virtual cards might hurt your customer's experience (and subsequently, make doing business with you less enjoyable)?



Respondents who have lost revenue **once** expressed greater concern (63.63%) that not accepting virtual cards would affect the customer experience.

How concerned are you that not accepting virtual cards might hurt your customer's experience (and subsequently, make doing business with you less enjoyable)? (n=77)



Respondent Breakdown

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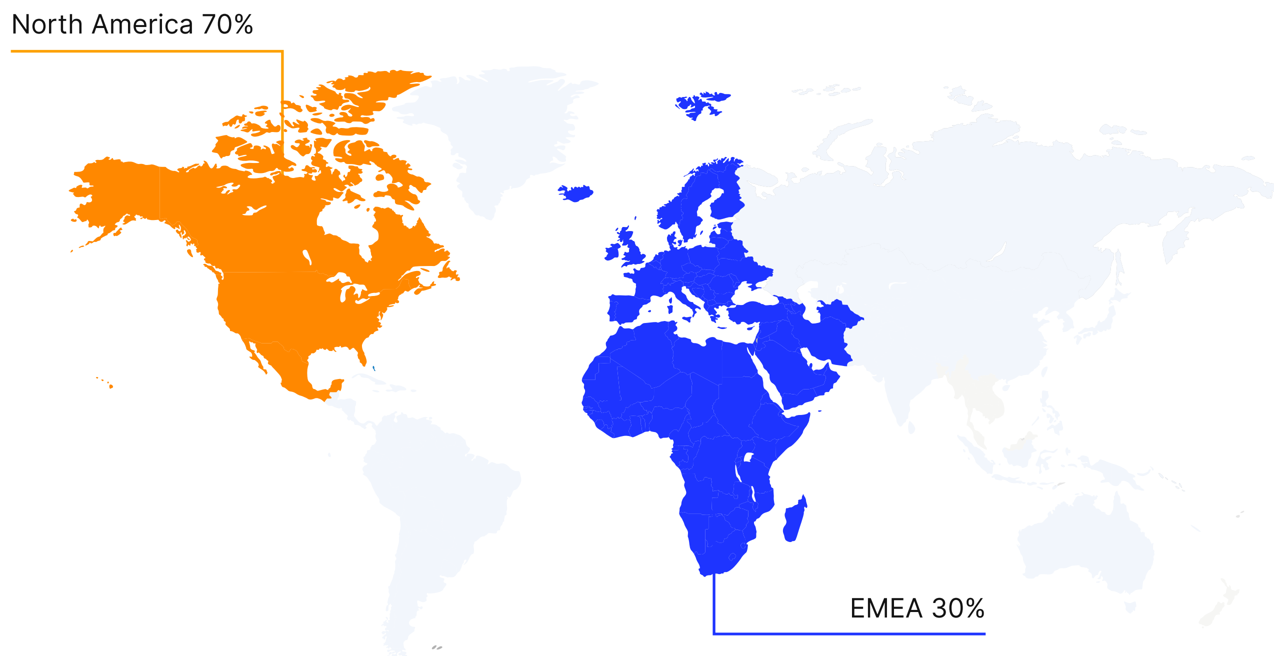

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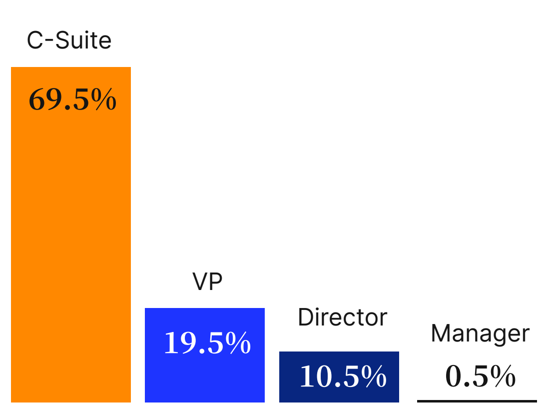

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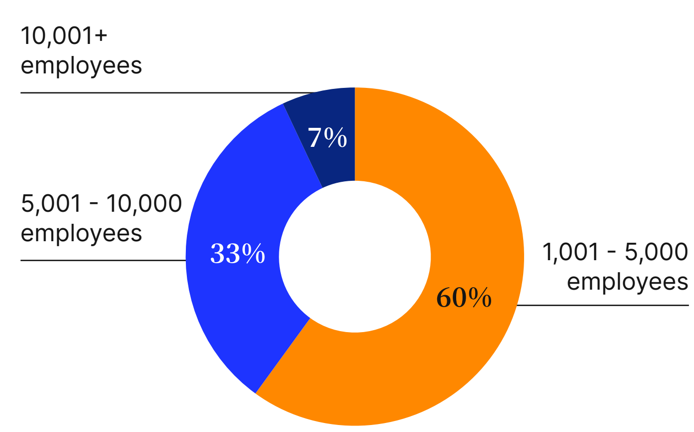

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Source: Gartner Peer Insights, Virtual Cards Survey