Commercial Payment Cards: The U.S. and Global Markets and Trends, 8th Edition

Description:

While U.S. consumer credit card spending may still be pressured, commercial card purchase volume is moving full steam ahead. According to Commercial Payment Cards: The U.S. and Global Markets and Trends, 8th Edition commercial card purchase volume grew by 13% in 2013, reaching $888 billion. But commercial cards are catching on in both the U.S. and abroad: it is forecast that global commercial card purchase volume to grow by 13% in 2014 and in 2015, rising from $1.4 trillion to $1.79 trillion, with both small businesses and larger corporations fueling growth.

The global landscape is quickly shifting, due in part to the quick ascension of UnionPay, which now generates more commercial card purchase volume than JCB, BC Card and Discover/Diner's Club - and surpassed Visa in 2013 as the largest network by credit and debit purchase volume. With globalization occurring at a rapid pace, payments networks and financial institutions - keen to meet the needs of multinational corporations and to penetrate new markets - are growing alongside the world's large corporations.

And U.S. commercial banks have worked hard to close the commercial payments gap with competitors such as American Express. Long the "Apple" of corporate payments, American Express can offer cards, service, solutions, and a network all under one roof. But U.S. commercial banks may be taking competition up a notch.

Unlike Apple's competitors, which rely on outside operating software to run their machines, leading U.S. commercial banks can pick and choose, developing in-house proprietary solutions as well as drawing from Visa and/or MasterCard solutions - and tapping their unsurpassed global location reach. But American Express has come into 2014 swinging, keen to leveraging third-party merchant acquiring relationships via its OptBlue U.S. small merchant acquisition.

The basic impetus behind migrating to commercial cards remains cost savings. However, the industry is approaching that impetus with increasingly sophisticated solutions: With names like IntelliLink (Visa), SmartData (MasterCard), PAYVE (American Express) and Paymode-X (Bank of America), the industry has introduced some very enticing value propositions to their corporate clients, allowing them to leverage information, create process synergies, and control costs better than ever before. Gaining traction in the marketplace, these kinds of platforms are the real growth drivers behind the cards, and some no longer rely on physical cards at all.

Scope

This report presents data and analysis on the global and U.S. market for commercial payment cards and the U.S. market for commercial electronic payments. Commercial Payment Cards: The U.S. and Global Markets and Trends, 8th Edition presents the size and growth of the market and related key metrics within the broader payment card arena. Included are discussions and analysis of the various card associations or networks, commercial payment card types, trends and factors affecting their growth, and a focused analysis of commercial card consumer demographics and preferences. In addition, major card brands and issuers are profiled with recent activity.

In particular, the report:

- Provides a commercial card market size and forecast through 2015, with supporting analysis of global, U.S. and no-U.S. consumer and commercial purchase volume growth during 2010-2013. This includes volume share among the leading global networks: American Express; BC Card; Diner's Club; Discover; JCB; MasterCard; UnionPay and Visa. In the United States, we also distinguish between credit/charge volume and debit/prepaid volume by major network for 2013.

commercial and consumer purchase volume. In addition, small business volume estimates are provided for these three networks, and (for Visa and MasterCard), the percentage of U.S. commercial spend attributable to credit cards and debit/prepaid cards.

- Assesses the commercial card strategies of major U.S. commercial bank players, including Bank of America, Citibank, JPMorgan Chase and U.S. Bank, as well as commercial card processing giant Total System Services.

- Analyzes the closed-loop commercial fleet card market and the closed loop airline/travel market, focusing on the strategies being employed by industry players such as Comdata Inc., FleetCor Technologies, Inc., MasterCard, U.S. Bank Voyager Fleet Systems Inc., WEX Inc., Universal Air Travel Plan, Inc. and AirPlus International.

- Analyzes the U.S. government’s contribution to commercial card growth, focusing on growth trends in its SmartPay charge card program. Spend and transactions are trends by contract holder (Citibank, JPMorgan Chase and U.S. Bank) as well as by purchase, fleet and travel spending categories. Addresses trends shaping the commercial card industry, including globalization trends, analysis of UnionPay and JCB; data-driven analysis of purchase card usage and spending; and location acceptance issues.

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