

How ISVs are Staying Competitive in an Evolving Market



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PROCESSING INNOVATION

The current ISV market is growing at lightning speed and is expected to show a compound annual growth rate (CAGR) of 14.1% from 2022 – 2030. Market experts speculate this is due to the rapid adoption of advanced technologies such as integrated payment solutions, customer service tools, and business intelligence solutions.

This acceleration has brought many new players into the ISV market. According to recent research by the Retail Solutions Providers Association (RSPA), there are currently 200,000 ISVs operating in the market. This number is expected to grow to one million in the coming decade, boosting the current value of the ISV market from 114 million in revenue to 287 million by 2030.

These revenue increases and new players will serve to exponentially ramp up competition in the ISV market.

Diving into Current Market Forces

The growth of competition in the ISV market has significantly impacted the day-to-day operations of many ISVs. The amount of time that ISVs spend helping their current clients integrate with new hardware and software solutions has grown exponentially.



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In fact, 87% of ISV leaders report that they sometimes experience challenges merging their solutions with solutions from other ISVs, with 52% saying that they deal with these integrations all the time. That means ISVs devote considerable resources to help clients merge with external solutions, leaving other, more profitable business

operations to lag behind. Operationally, this is creating a new pain point because they have to take on technology that is not their native domain and, once it's up and running, they have to support it.

Unfortunately, it seems like there's no end in sight. New hardware and software options are always showing up and merchants just keep adding to the pile and asking their ISV for an integration. That's why 3 in 5 ISV leaders are very or extremely concerned that their clients will continue to add even more software solutions from other suppliers.

How ISVs Are Adjusting to the Market

Almost every ISV has reacted to the changing tides, with 92% saying they have shifted their business model in the past two years in response to the significant evolution in client demands. Practically speaking, that's a seismic change for the entire industry.

But the more you look down the chain of economic influence, the more you see these shifts happening all over the place. For example, a full 76% of retail CEOs think their business will not be recognizable five years from now. This change in retail is brought on by the projected labor shortages that will hit the market in the next ten years as baby boomers retire and the smaller cohorts of the millennials and Gen Z replace them.

Combined with the national trend of rising minimum wages, these shortages will push any business with entry-level employees into an adapt-or-die scenario, and many will look to ISVs for new solutions, driving metric tons of demand in the already competitive ISV landscape.

But this demand will come with specific needs. Merchants want advanced technology (48%), automation (45%), and cloud-based solutions (40%). More than anything, however, merchants want a way to deliver personalized experiences to customers who are now engaging through

unattended technologies that are being deployed to fill the gap created by a shrinking workforce. That's why 47% of ISVs are hard at work looking for solutions that allow them to offer targeted and

The first is our cloud-enabled merchant services. Our state-of-the-art payment platform is a full-stack solution that offers faster transactions, easy scalability, and a range of automated

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personalized marketing solutions. Additionally, 46% are designing omnichannel solutions to blend digital and physical spaces. Finally, 46% are looking to adopt automated, integrated payments to provide a turnkey solution without the technical headaches of working with legacy payments providers.

PayiQ Brings Omnichannel Personalization and Payments Tools to the Equation

In response to the needs of the ISV market for a true omnichannel environment that both modernizes payments and gives merchants a way to offer personalization at scale, PayiQ has developed two innovative new solutions.

management tools. We automate every facet of the payments process, including onboarding, risk assessment, reporting, and chargebacks.

Our simple cut-and-paste API makes adding integrated payments a breeze. We also give you total pricing control so you can offer promotional pricing to customers as part of a larger deal.

The second solution we've designed for ISVs is Payments Intelligence. It's a service ISVs can both use and offer to clients to track previously anonymous customers through payment data that can be used to create first-party data-based profiles. The power of this solution is that it tracks every transaction processed and builds a secure customer profile.

Best of all, it doesn't matter if transactions take place online or in-store. Payments Intelligence is the first true omnichannel solution that builds profiles around the payment card itself, allowing businesses to leverage 1st-party data to offer personalization at scale.



To learn more about any of PayiQ's solutions for ISVs please visit pay-iq.com

About PayiQ:

PayiQ, a Qusitive company, is an innovative payment processing and Payments Intelligence® platform whose solutions are designed to optimize payment processing for ISOs while offering a new way for merchants to enhance consumer engagement. Our cloud-enabled architecture delivers a range of new technologies that streamline traditional ISO back-office operations through automated underwriting, onboarding, agent residual payments, and chargeback management to help you lower costs while improving efficiency and support.

