



Growth of the Integrated Software/Referral Channel has greatly outpaced the traditional sales channels of payment providers over the past seven years.

## Integrated Payments: Software Partnerships Are Integral

- **Sales Channel:** Acquirers appear focused on increasing their software exposure via partnerships (for acquirers/ISOs with less software exposure) and organic growth (for those with more exposure).
- **Lower Attrition:** Integrated payment solutions drive a “stickier” base of merchant businesses, as backend processes become intertwined with front-end systems. Many merchant acquirers and ISOs have accelerated the pace at which they have partnered with ISVs in order to expand their software-enabled footprints especially in education, healthcare, government, and financial services. **ISV residuals are expected to increase.**

## Percent of U.S. Card Processing Merchants by Sales Channel

