

# The Strategic Growth Engine Behind 44% of ISV Revenue

With nearly half of revenue from payments, partner choice becomes product strategy.



## Executive Summary

Payments have evolved from a back-office utility to a front-line engine for revenue growth, user experience, and competitive advantage. For independent software vendors (ISVs), integrated payments are now central to building a scalable growth strategy. In a recent TSG study of 150 growth-minded ISVs across the United States and Canada, two findings stand out:

Integrated payments drive 44% of total revenue on average, and 15% of ISVs report at least 90% of revenue from payments.

With so much revenue tied to commerce, payments must be a fully monetized experience enabled by the right partner. ISVs rank strategic partnership as a top priority because partner choice directly impacts the user's checkout experience, integration timeline, and scaling confidence. Enduring partnerships combine reliable integration, transparent performance, and go-to-market support that convert technology into adoption.

“Honestly, it’s tough finding a provider that actually feels like a partner. A lot of them are reactive rather than proactive, so we don’t always get the support or insights we need as we scale.”

— ISV, \$7.5M ARR

This whitepaper explains how integrated payments became 44% of ISV revenue, the trends reshaping the ISV and payment processor partnership, and how Fiserv is a long-term strategic partner that helps ISVs out-innovate competitors, monetize faster, and scale with confidence.



## A Brief History: How Payments Became Critical for ISVs

### It started with better software

ISVs set out to solve real customer problems. Winning products put user-centric design first, embraced mobile-first experiences, and embedded automation so tasks completed themselves. As data matured, analytics and AI surfaced the right action at the right time inside the workflow.

### Early monetization was simple

ISV revenue initially came from software licenses, subscriptions, and advertising. Growth followed seats (licensed users) and impressions (ad views), but the pricing model limited adoption for price-sensitive segments.

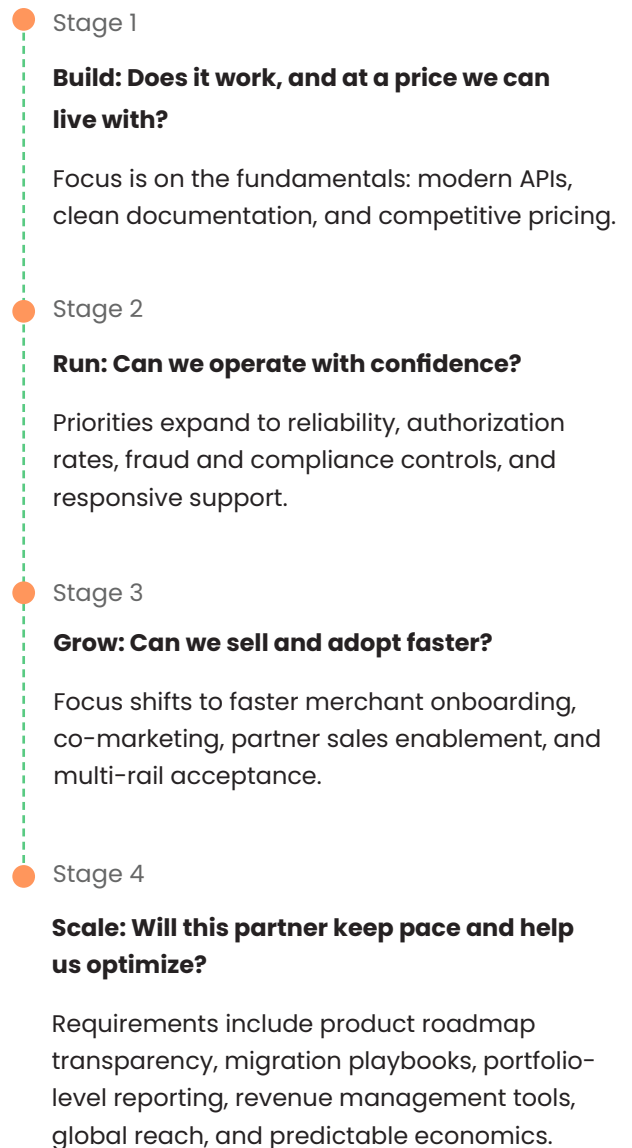
### The model evolved to unlock growth

ISVs discovered they could take control of the payments flow and drive meaningful revenue growth. They embedded checkout, onboarding, reconciliation, and funding/payouts, bringing commerce into the software under the ISV's brand. Many lowered the software's price point to expand adoption and made up for lost margin by monetizing payments facilitated through their solution. Over time, payments became a stickier experience and a major contributor to revenue growth.

### The new standard

Vertically integrated, embedded payment experiences are now expected. Customers demand real-time capabilities, transparency, and seamless digital interactions. In this world, a payment processor is not just a vendor but a partner; they are a co-architect of the product and co-author of the revenue plan.

## The ISV Payments Maturity Curve



## What Matters When Choosing a Payments Partner



### A streamlined integration process

Modern APIs are necessary but not sufficient. Developer teams want sandbox parity, reference applications, migration playbooks, and experienced people who unblock the hard 10% that documentation alone cannot solve. Ease of integration ranks as a near-universal priority, with 70% of ISVs desiring this from their payments partner. Yet many teams report timelines of four months or longer—a solvable gap with the right partner.



### A transparent view of performance

92% of ISVs say payments are critical to their business, yet only a minority view their current provider as a strategic partner. Reliability, authorization rates, and metrics for latency and declines directly impact user trust and support. Roughly two-thirds report performance pain at least occasionally, making transparency non-negotiable.



### Strategic and competitive capabilities

Partners should elevate the product experience by offering multi-rail acceptance, expedited funding options, account updater tools, unified reporting, and portfolio-level analytics that spotlight growth opportunities.



### A roadmap that moves

Continual platform improvement, a commitment to innovation, and a deep understanding of vertical needs build confidence that your platform will keep pace with customer expectations. Respondents repeatedly cited developer-friendly APIs and broad payment type coverage as hallmarks of partners they advocate for.



### Support that shows up

From solution engineers on day one to a named relationship manager on day 365, follow-through turns go-live into growth. ISVs need design reviews, launch assistance, proactive support and production SLAs—not just FAQs.



### A fair deal, clearly explained

Competitive economics open the door, while pricing clarity earns trust. More than half of ISVs reported experiencing a lack of pricing transparency, which hinders their trust and overall relationship with their payments provider. Straightforward rates, billing examples, and clean statements let finance leaders plan with confidence.



### Scalability and growth journey support

As ISVs mature, they need a partner that goes beyond payment processing to enable strategic growth and profitability. When asked to describe their “dream” payments provider, a true strategic partnership was a commonly cited theme, with over 6 in 10 ISVs identifying strategic support and the level of ‘care’ in the relationship as a significant differentiator. That means dedicated merchant sales support to help close deals, co-marketing to drive demand, and value-added services that create new revenue streams and unlock richer functionality.

## Are ISVs Switching Partnerships?

Yes, when you give them a compelling reason and a low-friction path to do so. With an average Net Promoter Score (NPS) of -8, it is clear that ISVs are not fully satisfied with their current payments provider.

### What Drives Satisfaction

- Solid product fundamentals and performance
- Smooth technical integration and a real sandbox environment
- Transparent, predictable pricing
- Responsive support with defined SLAs

### Top Pain Points

- Complex integration/migration and long timelines
- Limited roadmap visibility and slow innovation cadence
- Opaque pricing and confusing statements
- Weak onboarding and minimal sales/marketing support
- Fragmented reporting across channels and payment rails

### What Wins the Switch

- Low-friction migration, including schema mapping and token-vault portability
- Co-selling and partner marketing that accelerate growth
- Operational proof that covers service level objectives, real-time dashboards, and customer references
- Clear commercial model with transparent, auditable fees and predictable economics
- Tailored expertise and support that drive growth and enhance the payments journey



## Trends Reshaping the Payments Landscape for ISVs



### **Developer experience is a deal-breaker**

Seamless APIs, real sample code, versioned webhooks, and live human support are critical to integration success. A recurring complaint among ISVs is that some payment providers offer 'documentation-only' support, which significantly influences their provider decision.



### **Co-marketing and go-to-market support drive stickiness**

ISVs are looking for growth partners—not just payment rails. Co-selling and co-branding are widely requested among ISVs, with nearly 80% open to participating in marketing opportunities with their payments provider.



### **Multi-rail acceptance is table stakes**

Support for cards, ACH, digital wallets, real-time rails, and buy now, pay later (BNPL) options expands conversion by meeting evolving customer expectations.



### **Hardware as a competitive advantage**

The demand for versatile payment terminals is essential for ensuring efficiency, reliability and flexibility. ISVs seek high-quality hardware that complements their software solutions and enables them to effectively cater to diverse customer needs and stand out as innovative leaders.



### **Managed payment facilitation is on the rise**

ISVs want payment facilitator-like speed and control without the compliance and capital burden. Over 50% of ISVs cited easy merchant boarding as a key capability, while over 40% expressed interest in a white-labeled payments offering.



### **Embedded finance is gaining momentum**

Lending, card issuing, and working capital are increasingly embedded within the ISV's product and brand. Approximately half of ISVs are seeking support for digital wallets and emerging alternative payment methods to increase acceptance rates.

## What Leading Providers Offer ISVs to Drive Growth

ISVs increasingly view payments as a strategic growth lever rather than just a feature. According to TSG's study, ISVs prioritize capabilities that accelerate integration, enable monetization, and support long-term scalability. Leading providers typically deliver the following value to ISV partners:

### **Integrate: Build with Ease, Launch Smarter**

Fast integration drives faster revenue. ISVs value developer-friendly tools and dedicated support to reduce friction and time-to-market. Common best practices include:

- **Flexible integration paths:** Low-code, custom, and advanced API options supported by modern REST APIs and full-function sandboxes.
- **Fast deployment options:** Hosted payment pages and iFrame solutions for quick deployment and PCI scope reduction.
- **Versatile hardware:** A single integration to multiple device types—countertop, unattended, mobile, and handheld—to meet diverse needs.
- **Dedicated support:** Technical integration and migration assistance to ensure smooth upgrades and minimal disruption.

### **Monetize: Turn Payments into a Growth Engine**

ISVs seek ways to monetize transactions while improving user experience. Providers often enable:

- **Comprehensive payment acceptance:** Omnichannel support across in-person, online, and mobile, including contactless and digital wallets.
- **Unified transaction management:** Real-time reporting and consolidated workflows for better visibility and decision making.
- **Flexible monetization models:** Pricing strategies that include surcharging and advanced data capabilities to optimize costs.

- **Streamlined processing and funding:** Next-day funding, tokenization, and recurring billing to keep transactions flowing.
- **Value-added services:** Options like working capital, network tokens, and digital disbursements to unlock new revenue streams.

### **Grow: From Start to Scale**

Growth requires more than technology—it demands partnership. ISVs look for providers that offer:

- **Portfolio management tools:** Merchant enrollment, revenue reporting, and equipment management.
- **Reliable support:** 24/7 merchant assistance and defined SLAs for peace of mind.
- **Strategic guidance:** Dedicated relationship managers and co-marketing resources to accelerate adoption.

These capabilities represent the hallmarks of a strategic payments partner. Providers that combine technical excellence with proactive growth support position ISVs to scale faster and smarter.



## Recognized Global Leader

Fiserv is a global technology provider with decades of experience across merchant acquiring, digital banking, and payment innovation. Its infrastructure supports omnichannel acceptance, settlement, and reporting for ISVs and their merchants.

Through its ISV Partner Program, Fiserv offers:

- Developer-friendly integration tools and sandbox environments
- Omnichannel payment acceptance and real-time reporting
- Flexible monetization models and next-day funding
- Portfolio management tools and dedicated partner growth support
- Value-added services like working capital and digital disbursement

These offerings align with what ISVs told TSG they value most—speed, transparency, and strategic partnership.

### Ready to advance your payments journey?

Connect with the Fiserv ISV team for strategic analysis and expert support tailored to your integrated payments offerings.

[integratedpayments@fiserv.com](mailto:integratedpayments@fiserv.com)

Learn more at  
[fiserv.com/integratedpayments-isv](https://fiserv.com/integratedpayments-isv)



## Methodology

TSG (The Strawhecker Group) and Fiserv conducted a survey of 150 independent software vendors (ISVs) to understand what they look for in a payments partner as they grow, including common challenges, as well as desired features and partnership factors.

The survey was conducted between July 15, 2025 and July 23, 2025. The survey includes feedback from ISVs headquartered in the U.S. and Canada serving any merchant industry, and each had been selling software for at least 1-3 years. Professionals surveyed had significant knowledge of payments providers and were primarily in technology, product, payments, or finance roles/departments. The study has a margin of error of +/- 8% at a 95% confidence level.



About TSG

### Payments Experts. Powerful Data.

**TSG** is a fast-growing analytics and consulting firm. The company serves the entire payments ecosystem, from fintech startups to Fortune 500 companies. The firm provides its clients with advisory services, research and analytics to help them plan and execute their strategic initiatives. Based in Omaha, a recognized payments industry hub, TSG is an established leader in this high-growth, ever-evolving space.

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About Fiserv

### We move lives, businesses and communities forward.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work.

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