Let's Go Already

🏷 **small business**   **payments**

The success of the Fast and Furious movie franchise centered on street racing and heists and reveals a lot about American obsession with speed. Furious was #7 in the saga, Fast is #8 and is coming out in 2017. Let's face it - Americans love fast cars, fast athletes and fast internet searches that return great results. We are all fascinated by speed and have little tolerance for all things slow in nature.

In banking, speed is just as important. Customers want online banking portals to boot up quickly and provide a fast and easy way to move money around. Everyone wants to keep customers happy, so speed is critical in all activities where customer engagement occurs. In fact, Forrester research finds 95% of company leaders say providing a good customer experience is their top strategic priority and 75% say they want to use the customer experience to gain a competitive advantage.

Enter the EMV chip credit card. Here, small business and consumer customers are disappointed, because speed has been lost it seems. As adoption rates have increased in chip usage, people are slowly adapting but many talk about how much slower these cards can be.

This is partly due to the fact that while the magnetic stripe uses the same authorization code, over and over, the new chip generates a unique code, specific to each purchase. This process results in customer wait times of 8-10 seconds to complete a transaction, which is blistering fast when you think about it but when you are standing there counting to 10 and waiting for the darn thing to ding, it seems like an eternity to many.

Reasons for this slowness are multiple, but one is the structure of the process itself. For instance, when someone inserts their card into the reader, the chip generates a code. That code is then sent along to the banks, which then confirms the code and sends its approval back to the terminal. That takes time, so the seconds begin to tick by.

Another reason why the process is slow has to do with how US merchants use point of sale devices. As people wait for authorization, they tend to stare at the device to be sure it is working. As that happens, advertisements are delivered to the terminal. Much of the slowness or speed though gets down to the actual device the merchant is using. Some are very fast and others are very slow.

Nonetheless, the impact on customers waiting for approval has been one of frustration overall. Here a survey by Harbortouch finds 20% of consumers consider transaction time as their top concern when using an EMV-enabled credit or debit card. Further, the survey found about 400% more people are worried about speedy processing times over chip card security.

Enter Visa's Quick Chip upgrade to EMV. It allows consumers to insert their chip card into a terminal, which then automatically generates the EMV secure code, allowing the card to be removed from the terminal while the rest of the transaction occurs. This cuts the waiting time to about 2 seconds, or about the same as the old magnetic stripe.

So, to help everyone reading this publication, the next time you are waiting in line somewhere and the chip process seems to be dragging on, ask the merchant to upgrade. It may help their business and it will certainly increase speed, which is good for everyone waiting in line. Let's go already!