



Sniffing Out The Latest In SMB Payment Providers

technology payments business customers

Summary: Global digital payments volumes are expected to increase by nearly 11% through 2020. What community banks should know to guide their business customers on the technology and the providers.

Dogs have an amazing sense of smell. That makes sense since they have about 300mm olfactory receptors vs. a measly 6mm for humans. Researchers have known for a very long time that dogs are really good at using their noses to sniff out drugs, bombs and other things. Now though, researchers are finding out they can also sniff out disease, such as malaria from socks worn by those infected and even cancer by smelling your skin. Dogs have truly pushed their snouts to the next level!

When it comes to offering digital payments, small to mid-sized businesses (SMBs) have gone to the next level too, and so are the community banks that provide support.

Until recently, SMBs were forced into a lot of manual work to reconcile payments. But, as digital payment players like PayPal and Square have become increasingly popular and pervasive, the path to payment processing is becoming smoother and more automated. Indeed, 50% of online shoppers said that they would prefer to have payments drawn directly from their accounts vs. using a credit card, [according to 2017 research from Fiserv](#). Here is a review of the top payment providers to keep you up-to-date:

PayPal: Represents 12% of US online payments market, according to a US Consumer Payment study from TSYS. Now the company offers many services to SMBs that incorporate tracking and monitoring of the payments received and processed.

Square: Their readers have become ubiquitous at SMBs of all variety, allowing virtually any real-world business to turn tablets or phones into payment terminals. Besides providing the reader attachment and software, they offer support and professional services. Now they are moving into SMB lending as well.

Stripe: They are an up-and-comer of online payments. They run payments through the automated clearinghouse, and are touted for an easy-to-use application interface, value-added services, and business operation support.

Given that global digital payments volumes are expected to increase by nearly 11% between this year and 2020, [according to a research report](#) by Capgemini and BNP Paribas, community banks will likely need to guide business customers on what to look for in digital payment providers. Some considerations are:

Flexibility - The payment provider should ensure that the payment and processing line up with their customers' business models. Does that fit how SMBs want their end customers to pay, including real-time payments?

Ability to Integrate - The digital payment application protocol interface should plug easily into the SMB's website or physical POS systems.

Security - Providers should mitigate the risk of breach or compromise through account and identity verification, or other types of analysis or tools to spot fraud.

Pricing - Costs should be known and set as a flat fee, or per-transaction or some combination of both. SMBs should know how pricing may change with a rise in transaction volume.

Community bankers cannot stop trends toward digital payments, but you can keep sniffing out ways to continue to stay heavily involved.

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