



Merchants Optimistic About Contactless Payments

by [Steve Brown](#)

Summary: Merchants are finding contactless payments help them stay in business. In fact, 82% of Visa-surveyed businesses were accepting digital payments. This allows them to appeal to safety-conscious and convenience-minded shoppers, as they get back to business.

The experts say that if you come in contact with a bear, you should remain still, stand your ground, and slowly wave your arms so that it knows you are not prey. This doesn't sound like the easiest way to stay contactless, but supposedly it is the best way nonetheless.

One contactless option that seems a bit easier is of the payment variety. Merchants are finding contactless payment technologies help keep business flowing. Contactless payment technologies are getting more and more popular among small [business merchants](#), propelled by shifts from the pandemic, and are likely to stay. By the end of 2020, [82% of small and micro businesses \(SMBs\) surveyed by Visa](#) were accepting digital payments, up from 67% in Visa's June survey. Thirty-nine percent accepted contactless payments for the first time, up from 20% in June.

When we dig deeper, we find the reasons why, which could prove helpful for community financial institutions (CFIs) to support these merchant customers.

Safety-conscious shoppers. During the pandemic, many consumers came to prefer contactless payments over touching keypads on point-of-sale terminals, pens for signing credit card slips, and of course, cash. Nearly half of consumers responding to Visa's survey said that offering contactless payment methods is one of the most important safety measures that stores can offer.

While health experts maintain *"there is no clear evidence that COVID-19 is transmitted by cash or credit cards,"* many retailers are erring on the side of caution by accepting cashless payments, [says the National Retail Federation](#). According to an August survey conducted by the trade group and Forrester, the number of retailers accepting contactless cards and mobile wallets increased 18% and 12% respectively in the last year.

The owner of a CA shop that sells succulent plant arrangements says the pandemic spurred her to accept payments from the Venmo app, *"I didn't have to swipe a card or get numbers. It was just a quick scan and then the payment was made. It's been excellent with COVID because so many customers want to shop at businesses that have no contact payments. So, with the code, it's safe and easy."*

Getting back to business. Small merchants were hit the hardest by the pandemic shutdowns and subsequent restrictions. But, seeing the ways that contactless payment can help, may be giving them new hope. A significant majority (82%) of Visa survey respondents said they were optimistic about the future of their businesses, compared to just 75% in June's survey.

The owner of an online hair and beauty supply company based in OH puts it this way, *"Being able to get back to business means the continuation of building a legacy and generational wealth for my*

family.” This is important not only for small businesses and generational wealth, but also for the CFIs supporting these businesses.

Continuing customer convenience. The contactless payment trend isn’t going away after the pandemic subsides. A significant majority (74%) of the Visa survey respondents said they expect consumers to continue preferring contactless payments even after a vaccine is widely available.

One TN restaurant said: *“Contactless pay has been a lifesaver and makes it a lot easier for customers. They don’t spend as much time in line at the terminal or at point-of-sale. They like the ease of doing business that way.”*

Many merchants were hit hard during the pandemic. But, many of those that are still in business are well-positioned for success, as they provide safe, convenient contactless payments. Finding ways to support these resilient businesses, such as merchant services, provides a great opportunity for CFIs to both retain and gain customers for the long-haul.

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