



Three Ways To Help Businesses With Global Payments

small business payments international

Summary: The pandemic threw a major curveball at everyone, especially small businesses. Many changed gears and moved to an e-commerce model, which helped them survive. With fewer geographic barriers, global payments soared and the value of global digital payments is expected to increase 22% YoY in 2021. Here are three ways that community financial institutions can help their customers continue to thrive with global payments.

There are many different ways to create salty, yet sweet snacks. Kettle corn and sea salt chocolate bars are two of the obvious ones. But have you heard about ice cream and fries? Or pickles and peanut butter? Or watermelon and feta cheese? Some foodies find these combinations delicious and say, “Don’t knock it, until you try it!”

While reflecting on your culinary curiosity, you may be more enticed to learn about another winning combination. Streamlined payment systems and expanding global e-commerce created the perfect combination for rising demand in global payments. This trend was already underway, but the pandemic accelerated it. *“If we look at what happened during the pandemic, it really fueled the adoption of digital payments, and this includes cross-border payments,”* says Nasreen Quibria, vice president for emerging payments and technology policy at the Independent Community Banking Association. We review how businesses managed the increase in global payments through the pandemic and what community financial institutions (CFIs) can do to keep supporting their [international payment](#) needs.

Severe business model shift yet global payments were a lifeline

Businesses were forced to move their commerce online during COVID, which was difficult. Not everyone was technologically savvy or had the funds to move to an online business model. Those that prevailed found advantages to e-commerce. Additional opportunities arose in new markets. Also, the online infrastructure gave businesses more flexibility to source supplies from other vendors globally, as the domestic supply chain disruption materialized.

Many businesses found a lifeline in global payments. Three out of four business respondents of a recent Mastercard survey said that the continued functioning of the global payment network allowed their business to survive the pandemic. Now, they see the benefits of diversifying their business and providing new prospects outside of their local footprint. [Sixty-eight percent of businesses expect to increase their international business in the coming months.](#) Thus, it is not surprising that in 2021, analysts estimate that the [value of global digital payments will increase by 22% YoY](#) and that the number of payment participants will grow by 18%.

What CFIs can do to help business customers with continuing international payment needs

1. **Begin by finding out** which countries your business customers need to send their international payments to most often. For instance, Canada is a major market for many US companies. An American firm that does the majority of its international business with Canada would find [Canadian check imaging](#) a good solution.

2. **Work with a partner** that can offer fast, traceable SWIFT gpi payments for customers with business in Europe, South or Central America, or Pacific Rim countries. SWIFT uses the correspondent bank network to make high-speed, cross-border payments that are trackable in real-time.

In the Mastercard study, business respondents specified the most important factors in choosing a cross-border payment service. Ninety-six percent rated speed, cost, and customer service at the top of the list. Also, 96% noted that it was important to use a reputable brand.

3. **Keep discussing the international needs** of your customers so that you are prepared for any changing requirements. They will likely look for real-time payments soon, which are coming. Keep them updated on the progress and remind them of the ways you are supporting them in the meantime.

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ECONOMY & RATES

Rates As Of: 11/22/2021 01:09PM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.05	0.00	-0.04
6M	0.06	-0.01	-0.03
1Y	0.20	0.06	0.10
2Y	0.60	0.10	0.48
5Y	1.32	0.14	0.96
10Y	1.63	0.07	0.71
30Y	1.98	0.05	0.34
FF Market	FF Disc	LOBB	
0.08	0.25	0.15	
SOFR	Prime	OBER	
0.05	3.25	0.07	

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