

# Adapting to a new payments landscape





**150%**

growth in contactless usage  
in the U.S. since March 2019.<sup>1</sup>



## Preparing for the new payment experience

This year brought new challenges for businesses and their customers alike. The pandemic has put additional focus on safeguarding the cardholder payment experience and digital business strategies. Now more than ever, it's crucial to prepare your business, your employees and your community for a new market reality.

We're here to help. Payment acceptance is an essential part of conducting business. Adjusting to meet new customer demands requires an evaluation of how payments can help pivot your operations and overall strategy.

A hand holding a Visa contactless card over a payment terminal. The terminal is silver and black with a blue screen and a keypad. The background is blurred, showing a person's arm and a wooden surface.

**31 million**

Americans tapped a Visa contactless card or digital wallet in March 2020, up from 25 million in November.<sup>1</sup>

## Providing a touchless experience

Customers are relying on digital technologies more than ever to interact, shop and pay for goods and services. Simply accepting credit and debit card payments is no longer enough. How you accept card payments is now an important factor to customers.

### Contactless/mobile wallets

The ability to accept contactless payments should be an essential component of operating safely and minimizing the spread of germs. Contactless cards, mobile wallets and smartwatches are all convenient and quick ways to pay while avoiding contact at the point of sale.

EMV/NFC-enabled POS devices are the most essential part of accepting contactless payments in-store and on the go. Implementing contactless payments may be a matter of configuring and activating the capability on existing devices across locations. If your devices are not EMV/NFC-enabled, it will require an investment in new, more sophisticated devices. We're ready to help you identify a strategy for implementing contactless payments across your organization. Customers are adopting contactless at an unexpectedly high rate making now the time to explore how to meet demand for this capability.



**74%**

rise in online transaction volumes in most retail sectors in March 2020 compared to the same period last year.<sup>2</sup>



## eCommerce / omni-commerce

As online shopping and ordering skyrockets, being able to expand and scale your eCommerce payment functionality will be critical to sustaining revenue. Mobile payments, in-app payments and online payments

should all be part of a comprehensive eCommerce strategy. Payment acceptance should not be limited to credit and debit cards but also include digital wallets (Google Pay, Apple Pay) and ACH transactions.

Cloud-based payment solutions can help you simplify your operations and uncover strategic insights that can help your business to deliver a distinctive shopping experience and drive more revenue.

# Managing cash flow

You can expedite cash flow and control payment acceptance expenses with funding solutions, credit card surcharging, and commercial card optimization.

## Funding solutions

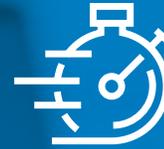
When it comes to cash flow, faster is always better. By having money readily available you can invest in upgrading technologies, improving customer engagement or covering the costs of the unexpected.

### Benefits of cash flow management

- Be ready to invest in any opportunity or mitigate a risk
- Balance deposits versus withdrawals to avoid delays in paying bills, invoices or other costs
- Know when cash will be available for scheduled payments to suppliers and partners
- Easier reconciliation of batch versus funding deposits

## Fast Track Funding

Fast Track Funding is great for businesses that close out batches late at night, or for businesses that are experiencing funding delays of two business days. Fast Track Funding is available for any business within the United States regardless of state, region or banking relationship.



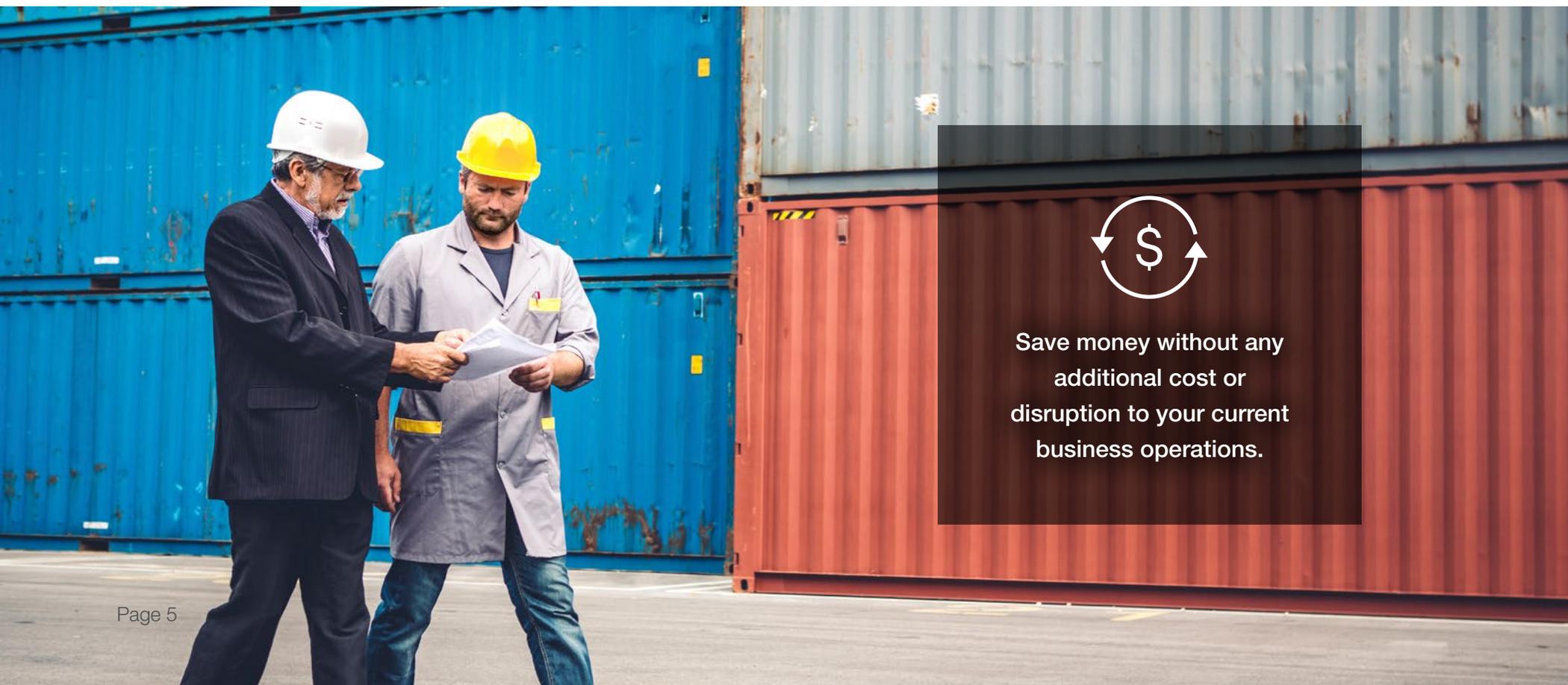
New technologies and new payment networks are changing the way money moves.



# Solutions that lower costs

Saving money does not need to come at the expense of delivering a great customer experience or limiting goods or services. Interchange and assessment rates make up the majority of card acceptance costs, and we offer ways to optimize and reduce these costs.

Based on our customer analysis, most businesses are missing the opportunity to process commercial cards at their optimal interchange rate. Our payment consultants have developed analysis software and services to enable lower interchange rates on commercial card transactions. Commercial card usage has been steadily growing since 2014, and usage will continue to mature until 2022, which means market usage of these cards is still on the rise.<sup>4</sup>



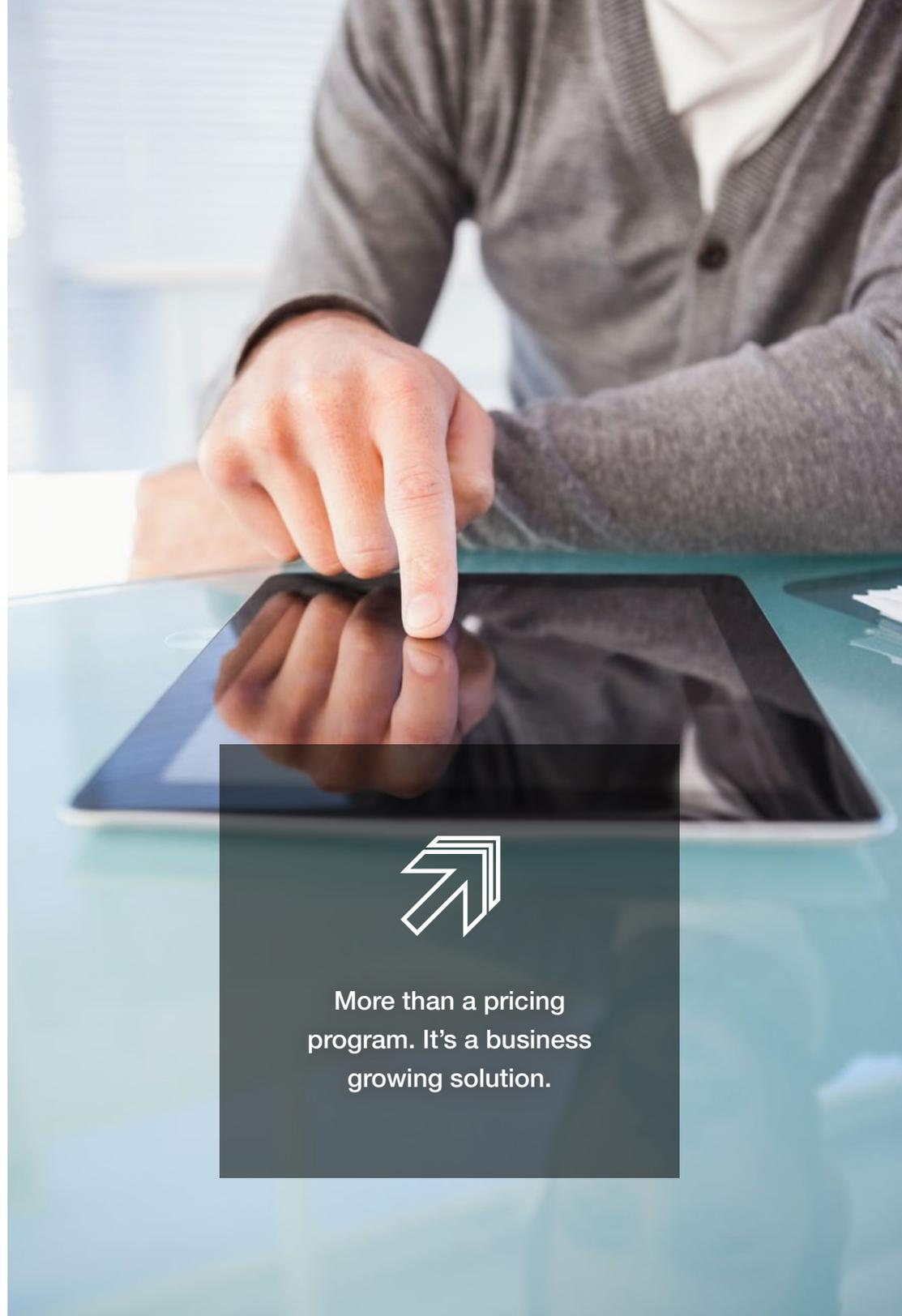
Save money without any additional cost or disruption to your current business operations.

# Surcharge

If your business has been restricting the use of credit cards as a form of payment due to the higher interchange costs, surcharging may be a good option. Customers are increasingly relying on digital platforms so now may be the time to enable credit card acceptance for both online and in-person payments. Credit card surcharging can make it possible to expand payment options while enabling your business to sustain revenues.

Credit card surcharging is a percentage-based fee applied to the final total of a transaction. This fee is used to cover the cost of credit card acceptance for the transaction, which means the cardholder paid for the acceptance cost instead of the business.

Surcharging can take many forms so it's important to note that credit card surcharges are specifically designed to offset the costs of credit card acceptance only. Credit card surcharges cannot be applied to debit cards and pre-paid cards or identified as a COVID-19 or coronavirus surcharge. If you're looking for a solution that gives you complete control and predictability in your card acceptance costs, credit card surcharging could may be a fit for your business.



More than a pricing  
program. It's a business  
growing solution.



**13%**

value growth year over year  
in fraudulent-attempted  
transactions in March.



**80%**

drop in counterfeit fraud  
when merchants adopted  
EMV enabled devices.<sup>5</sup>

## Fraud/security

Providing a secure payment experience is top of mind for you and your customers. Contactless payments utilize EMV/chip card technology which inherently makes contactless transactions safer.

The increase in online transactions also means taking a closer look at card-not-present (CNP) fraud. As more customers turn to digital transactions, it's important you have the security tools in place to validate card not present transactions and prevent malicious account takeover and phishing schemes.

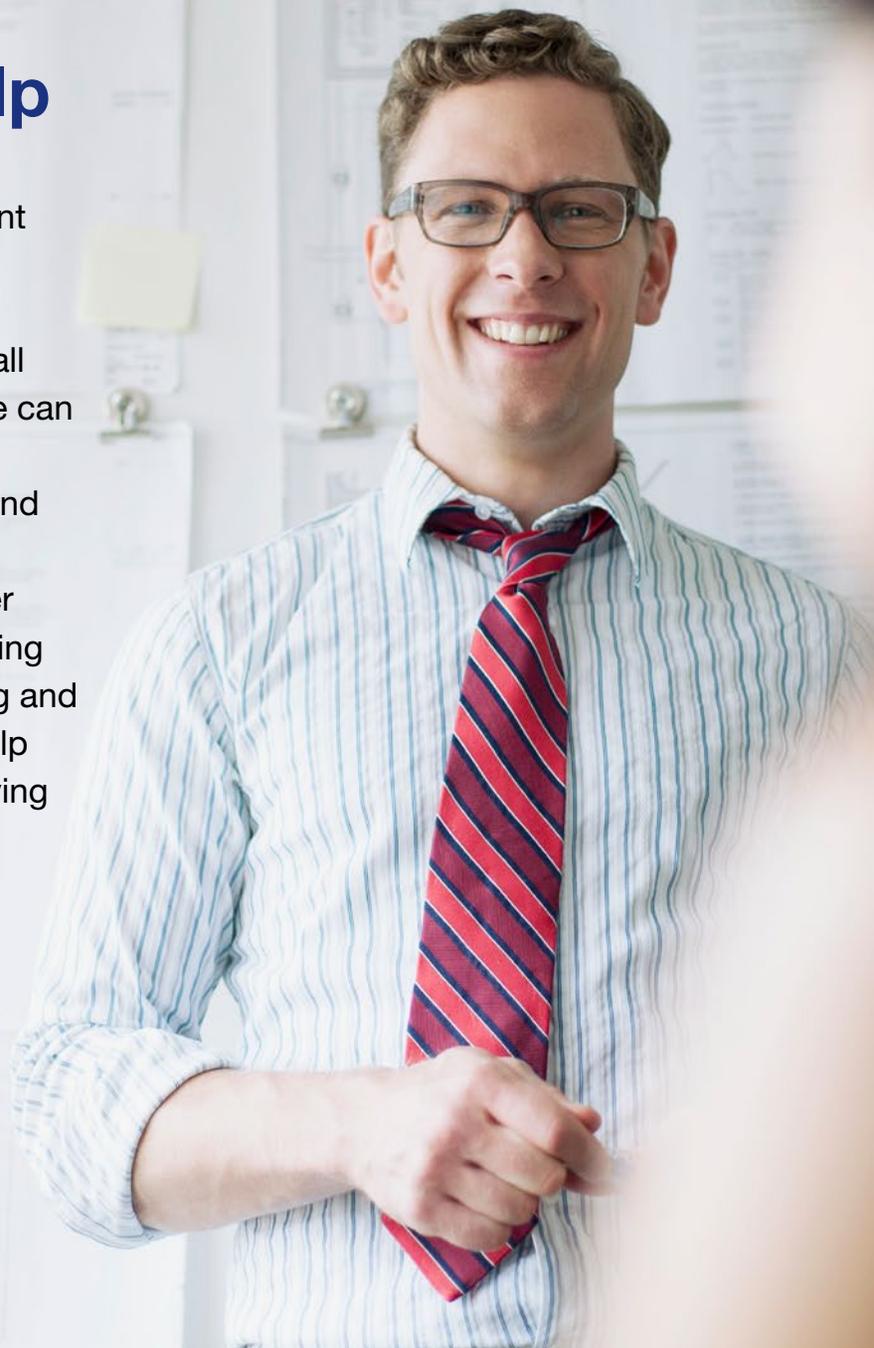
Today's advanced fraud solutions can provide a frictionless cardholder experience while offering stronger security and authentication protocols.

### A note on friendly fraud

CNP transactions have associated rules and chargeback guidance that may be new to businesses migrating to more online transactions. Our payment professionals understand the rules and requirements for all types of transactions so they can help your business to improve chargeback management and avoid fraud losses.

## We're here to help

It's important to work with a payment processor that understands your business and has the capability to analyze card payment data across all your environments. That's where we can help. Our payment professionals leverage their industry knowledge and analyze data to make actionable recommendations to help you better manage card payments. By evaluating the business' entire card authorizing and processing environment, we can help you cost-effectively deliver a satisfying and secure payment experience.





Learn more

[www.usbank.com/corporate-and-commercial-banking/solutions/payables-and-receivables/accept-card-payments](https://www.usbank.com/corporate-and-commercial-banking/solutions/payables-and-receivables/accept-card-payments)

<sup>1</sup>Visa <sup>2</sup>ACI Worldwide <sup>3</sup>Payments Journal <sup>4</sup>Mercator <sup>5</sup>Business News Daily

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