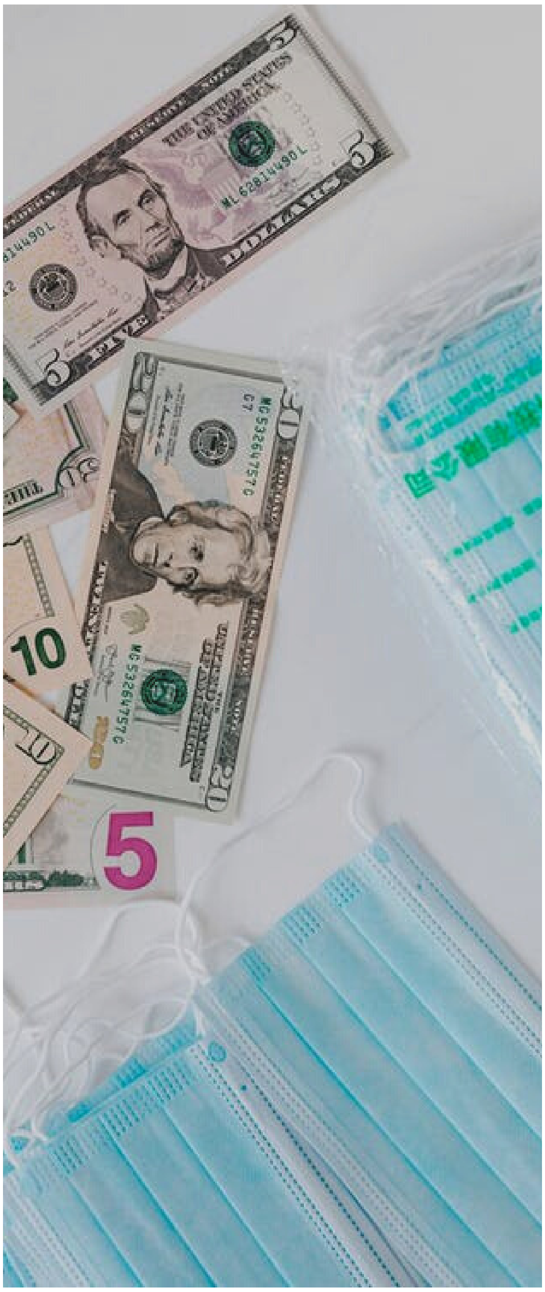
RESIDUAL PAYMENTS

ONLY A FEW PEOPLE ARE SWITCHING TO CREDIT CARDS AMID CORONAVIRUS, BUT HERE'S WHY IT'S GOING TO CHANGE

It may be easy to assume that consumers have turned to credit cards to augment lost income but in-store credit transactions have grown minimally amid the pandemic. An expert weighs in on this matter and reveals why this is going to change as the crisis continues.



As of May 2020, credit cards make up 82.1% of all in-store transactions in the US, up from 78.7% in January this year. This shows that credit card transactions only increased a mere 3.4% since the pandemic began.

According to NPD's chief industry advisor for retail, Marshal Cohen, this is surprising since most people assume that credit card usage is going to spike with many Americans experiencing an income deficit.

Moreover, the widespread anxiety of contracting coronavirus by touching currency should have significantly spurred credit card usage but, so far, this

RESIDUAL PAYMENTS

ONLY A FEW PEOPLE ARE SWITCHING TO CREDIT CARDS AMID CORONAVIRUS, BUT HERE'S WHY IT'S GOING TO CHANGE

hasn't happened.

Cohen sees two reasons for this. First, a lot of people made bulk withdrawals at the beginning of the coronavirus outbreak to ensure that they have enough cash for emergencies. Aside from that, people who can't do direct deposit with their salaries still have to go to the ATM to get cash, prompting them to use currency instead of credit for their everyday purchases. Second, millions of Americans have received stimulus checks to compensate for lost income and this windfall may have stalled people from turning to credit cards for help.

However, Cohen predicts that as people get further and further away from that stimulus check, credit card usage will accelerate at the same time. This is further supported by a recent Bankrate survey which showed that these checks can only sustain most Americans' financial needs for less than three months. After this, people are going to reach into their credit lines to bridge income gaps.

Moreover, there is an emerging trend towards contactless payments that would boost credit transactions even in retail. This trend is safety-driven as contactless transactions allow customers to make in-store purchases without having to touch a pen to sign a receipt or dig into their wallets for Benjamins. Even the World Health Organization has encouraged consumers to use this technology to limit the spread of the virus and many countries, including the US, are

RESIDUAL PAYMENTS

ONLY A FEW PEOPLE ARE SWITCHING TO CREDIT CARDS AMID CORONAVIRUS, BUT HERE'S WHY IT'S GOING TO CHANGE

following suit. It's common nowadays to see retail stores discouraging cash exchange and local governments encouraging touchless payments.

All eyes on digital payments

These emerging trends have brought the digital payments industry into the spotlight. Even before coronavirus began, digital transactions have dominated the economy but the crisis has accelerated the demand for cashless transactions. As current conditions continue, more and more businesses would need to equip their stores with digital payment channels to keep up with the fast-changing business landscape. Even central and private banks are scaling up their digital payments infrastructure in response to the needs and demands of consumers. Even after the virus is contained, the digital payments trend is expected to continue as most consumers prefer the convenience and safety that it offers and most businesses are already equipped with digital payment capabilities.

Take advantage of the digital payments revolution

With a digital payments revolution on our heels, there has never been a better time to start a lucrative and sustainable business in this industry. As a digital payments expert, you can equip virtually any retail or e-commerce business with digital payment platforms and earn residual

ONLY A FEW PEOPLE ARE SWITCHING TO CREDIT CARDS AMID CORONAVIRUS, BUT HERE'S WHY IT'S GOING TO CHANGE

income month after month for the life of the account. In fact, digital payment experts with high-risk mastery earn up to $100,000 per month. Best of all, this is an opportunity that only a few entrepreneurs know about so this is your chance to get a good head start.
If you're ready to take advantage of the lucrative and in-demand digital payments space, Residual Payments will provide you with the tools you need to succeed. Our step-by-step training program and hands-on support will help you start strong and sustain a profitable long-term business. For more information, visit us at ResidualPayments.com