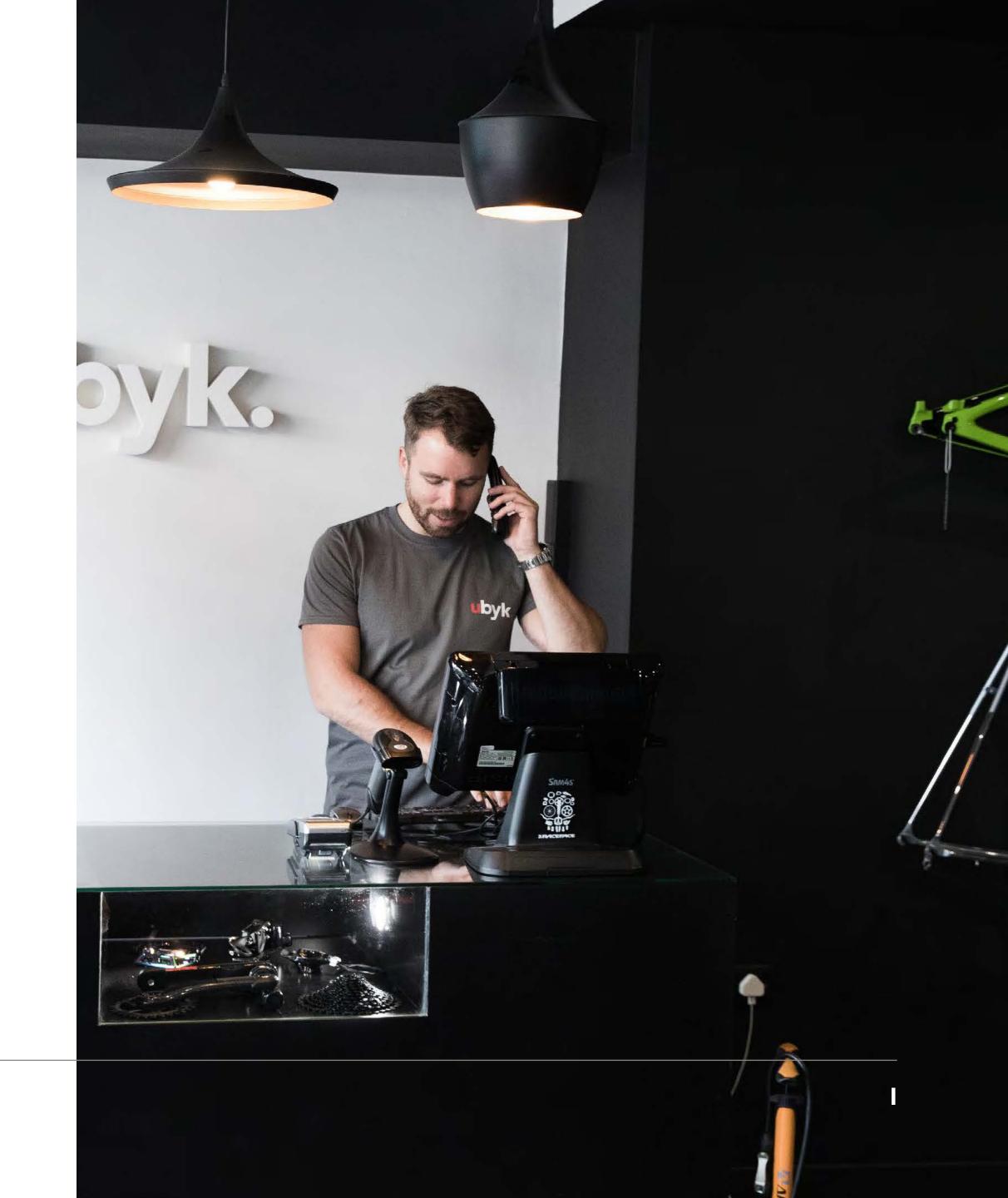




Introduction

Welcome to the Payments Landscape Report into trends in the **flow of cash** between **businesses and consumers**, emerging payment methods and **innovation in the industry** in the US. After publishing our Payments Report in the UK for six years, we are delighted to be launching it in the US for the first time, aiming to **provide an insightful portrait** of the industry online, offline and on mobile.

The movement of money is at the heart of a successful economy. The research in this report shows that two-thirds of the business owners we surveyed said that accelerating payments in and out is a priority, and any operating model, technology or innovation that can help them get paid more quickly is absolutely critical.







32% of Sage customers cite not getting paid on time as very or fairly frustrating

Our research with PYMNTS.com earlier this year showed that 32% of Sage customers cite not getting paid on time as very or fairly frustrating. Making sure small and medium businesses (SMBs) can **get paid, make payments and manage money is crucial** to their survival, and to that of the wider US economy.

Another important point for US businesses is the introduction of the EMV standard in October 2015. SMBs are replacing their card processing terminals to comply with EMV, and we're seeing a very high uptake of NFC (near-field communication) in those terminals as a result.

From a consumer perspective, **we continue to see growth** around credit and debit cards in the US market: they are clearly way out ahead as the preferred means of payment between consumers and SMBs. While the shoppers in this research express an appetite to **use new technology such as Apple Pay and Samsung Pay** in the future, so far both have been slow to catch on. More education may be needed to encourage people to use their smartphones to 'tap and pay', rather than plastic cards, to pay for goods.



The **innovation opportunity** within the payments landscape has been alive for the past two to three years. Facebook, for example, has recently introduced a **Marketplace tab** within its app, and Apple is said to be looking at letting people send money to each other via iMessage, while other **peer-to-peer payment** methods are emerging. But these must put the consumer in the room and truly understand what they want to do, why and how.

With new technology comes new concerns about security—especially **cyber security**—and we are seeing SMBs increasingly focus on this, with the average amount spent on **fraud prevention** outstripping the average amount lost. Getting the balance right between **how much a business spends** to protect itself versus the amount invested in growth is an increasingly difficult decision for SMBs.

We surveyed more than **1,000 consumers and businesses** for this report, and I'm excited to be sharing the findings of this exclusive research. I hope you enjoy reading it.

Paul Bridgewater

Executive Vice President and Managing Director Sage Payment Solutions US

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On the cusp of change—and the consumer is king

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Cashflow confidence

Businesses say that accelerating payments is a priority, and while most of them still use banks as a finance source, alternatives such as crowdfunding are becoming more popular.

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How honey producer GloryBee has sped up its cashflow— and grown its business: GloryBee has been supplying honey, beekeeping equipment and skincare products to stores, natural food producers and markets for 40 years. Its family values are unchanged, but the way it accepts payments and pays bills has evolved to be electronic and mobile.

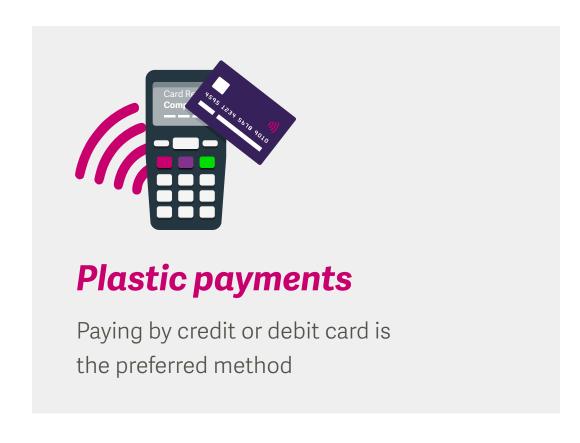
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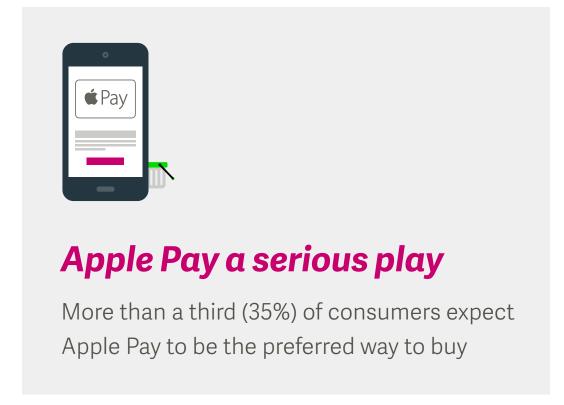
Security

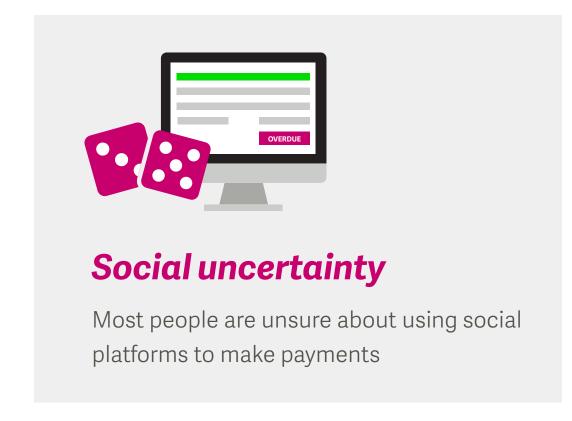
Securely transacting remains a huge priority for businesses who use payments systems, and the people who buy from them. With ways to pay expanding, preventing fraud will continue to be a focus.

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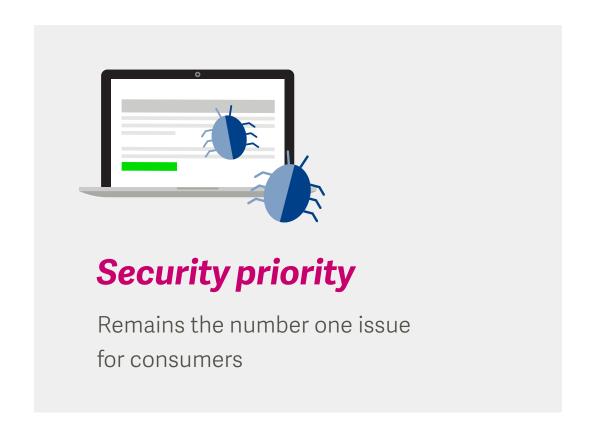
At a glance, here's what matters in 2017

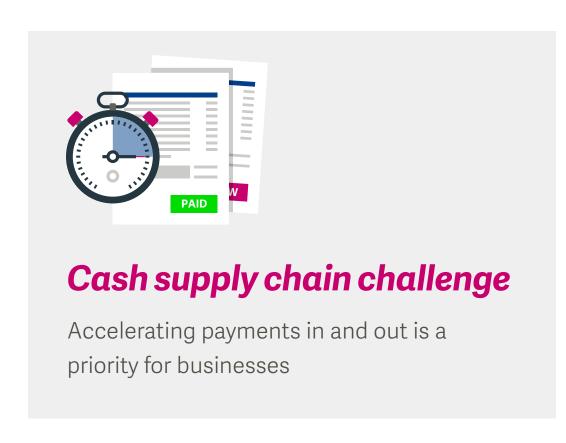


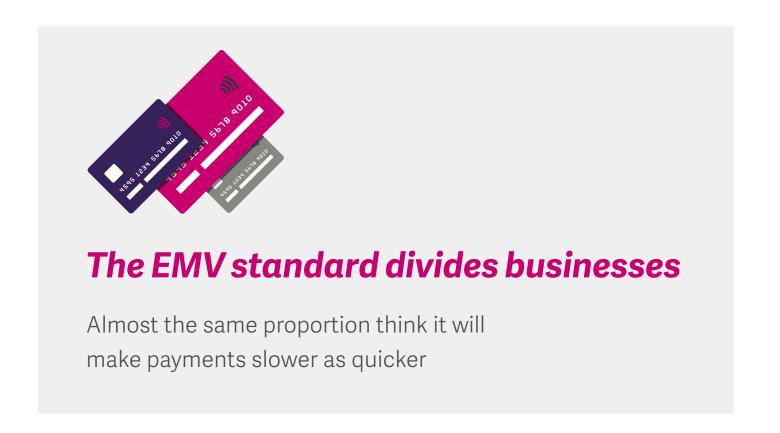












Methodology

To ensure a broad view of the payments industry, we surveyed **1,110** US business decision makers and **1,062** US consumers. This provided an understanding of where consumers and businesses agree, and where there are diverging views.

The interviews were conducted online by Morar Consulting in June 2016 using an email invitation and an online survey. Quotas were set to ensure reliable and accurate representation of the total populations aged 18 or over.

Results of any sample are subject to sampling variation.





Trillions of dollars' worth of transactions are handled by businesses across the US every day, and, as ever, **it is consumers who will drive the take-up of new types of payment technology.** While cash is still popular, with 89% of respondents to our survey saying they regularly carry it, **we are on the cusp of change.** As people upgrade their smartphones, they will increasingly demand a range of ways to pay for goods, whether that is someone using Samsung Pay in a grocery store or a technology company managing its cashflow via a mobile app.



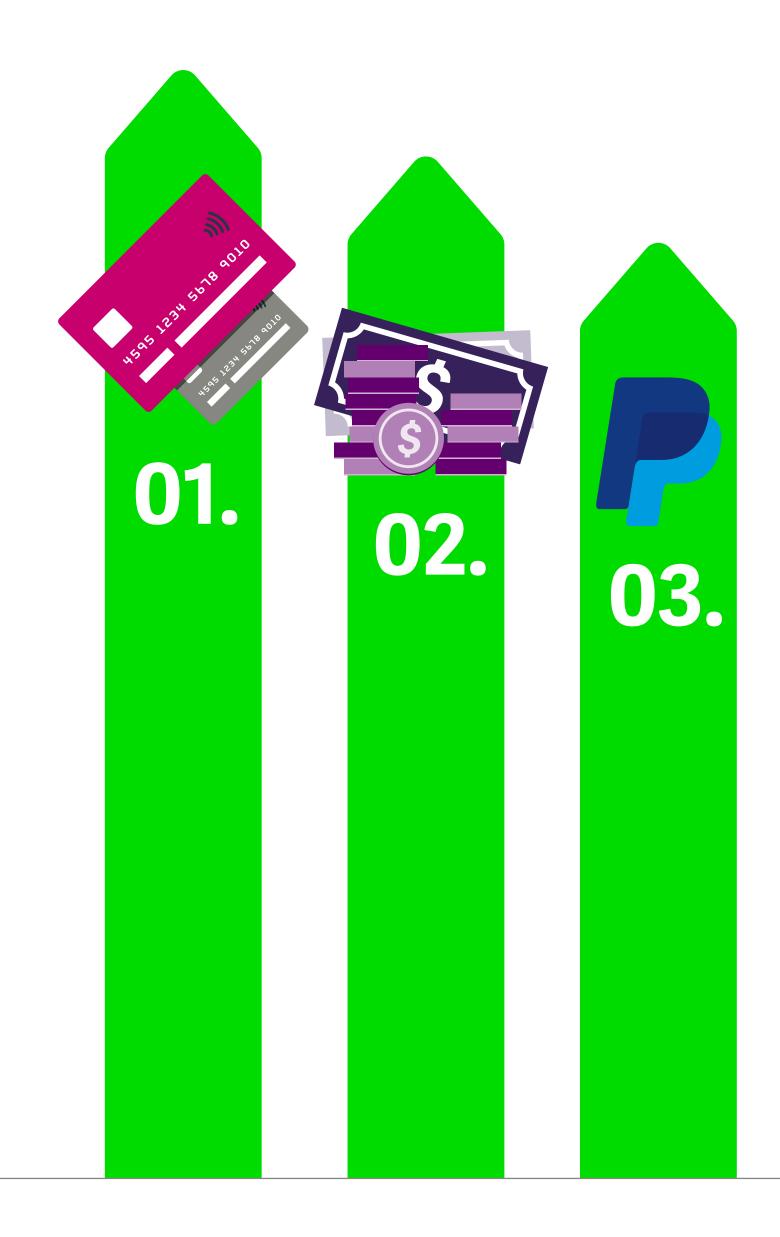


Popular payment methods

Right now, however, traditional means are still prevalent, with 20% saying they carry checks for example, and more people currently have check books than Apple Pay (15%). However, mobile payments are starting to overtake other ways to pay, such as gift vouchers and pre-paid cards.

Skip ahead a few years and consumers fully expect to be using their smartphones much more when buying goods, with more than a third of respondents (35%) saying they expect Apple Pay to be the most popular way to pay in 2020, and 28% citing Samsung Pay as the favored way to make purchases.

Plastic cards are still likely to be widely held in the future, with nearly half of the people we surveyed saying that credit cards will be most popular in 2020, and 37% citing debit cards.

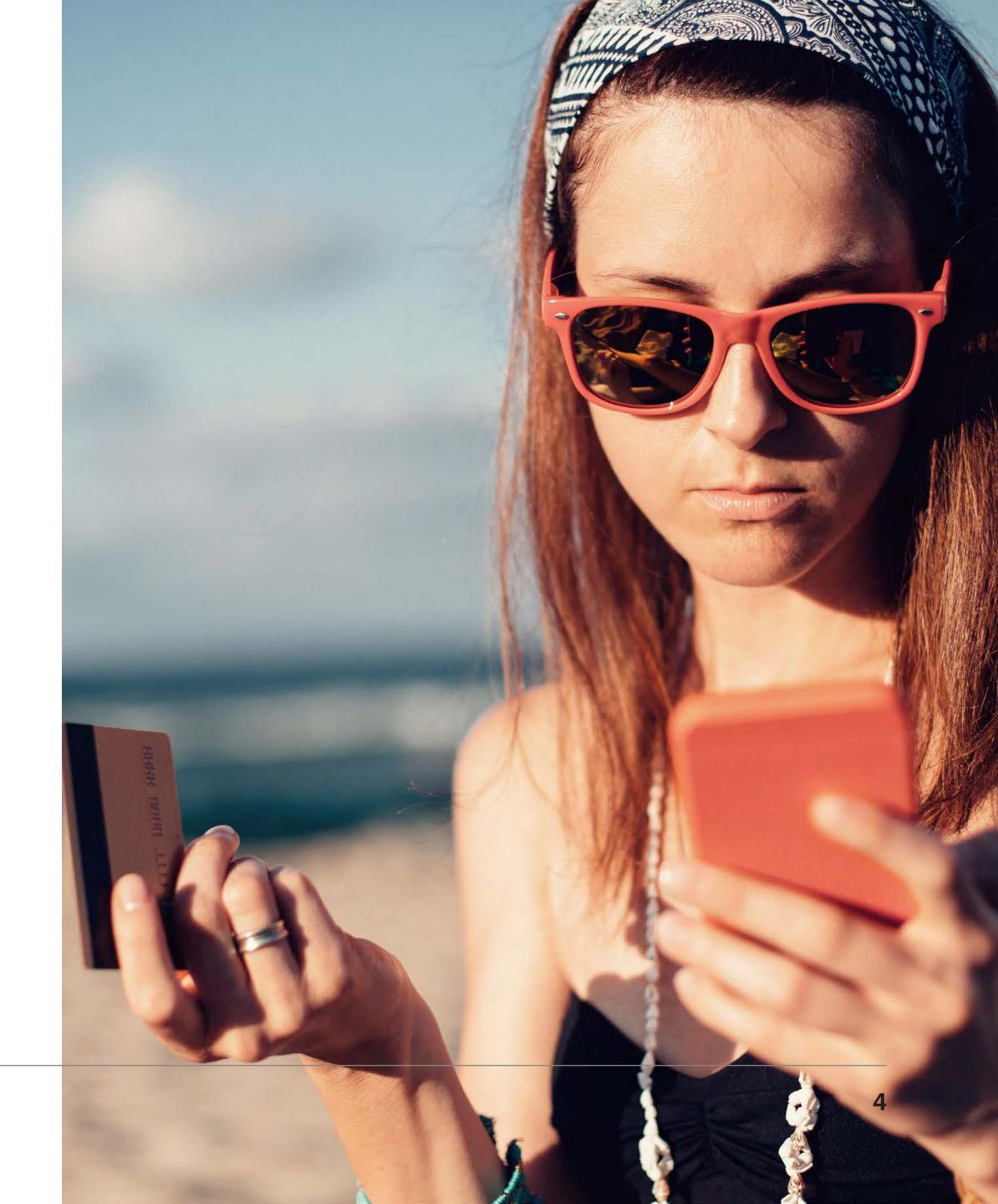


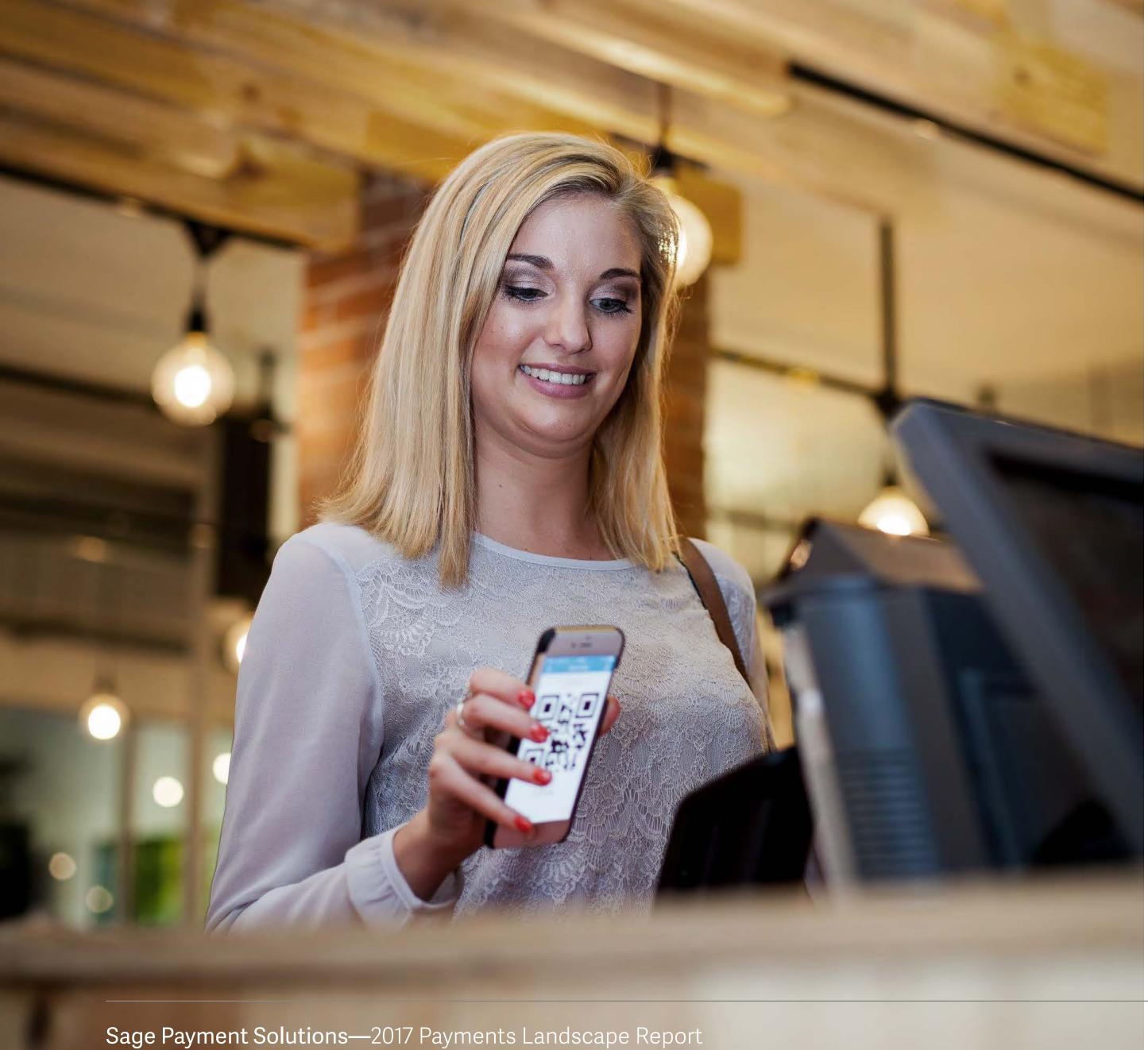
Apple Pay a serious play

Although Apple said in April 2016 that **its payment service is yet to 'provide a meaningful financial contribution'** to its business, it said it is adding one million new users per week, so there is long-term potential for the initiative.

Meanwhile, **Samsung Pay** has been available in the US since September 2015 and it processed **more than \$500m** in the first six months of its launch in the US and South Korea, and has five million registered users.

The transaction value of such payments is set to almost double every year until 2019, according to statistics from eMarketer. This year's forecast is for \$27.05bn to be transacted via proximity mobile payments in the US alone—including Apple and Samsung Pay—and the figures suggest this will reach \$210.45bn by 2019. The average annual spend per user is forecast to increase from around \$720 this year to just over \$3,000 in 2019.





Apple Pay released figures in July 2016 claiming that 75% of 'contactless' transactions in the US were made via its payment app, and it has also been made available within thousands of other retailers' apps, including Best Buy, Starbucks and Target. It has also made Apple Pay available on the web—not just on mobile devices—which means people can simply tap an icon on-screen to make a purchase, and have it verified via their smartphone.



75%

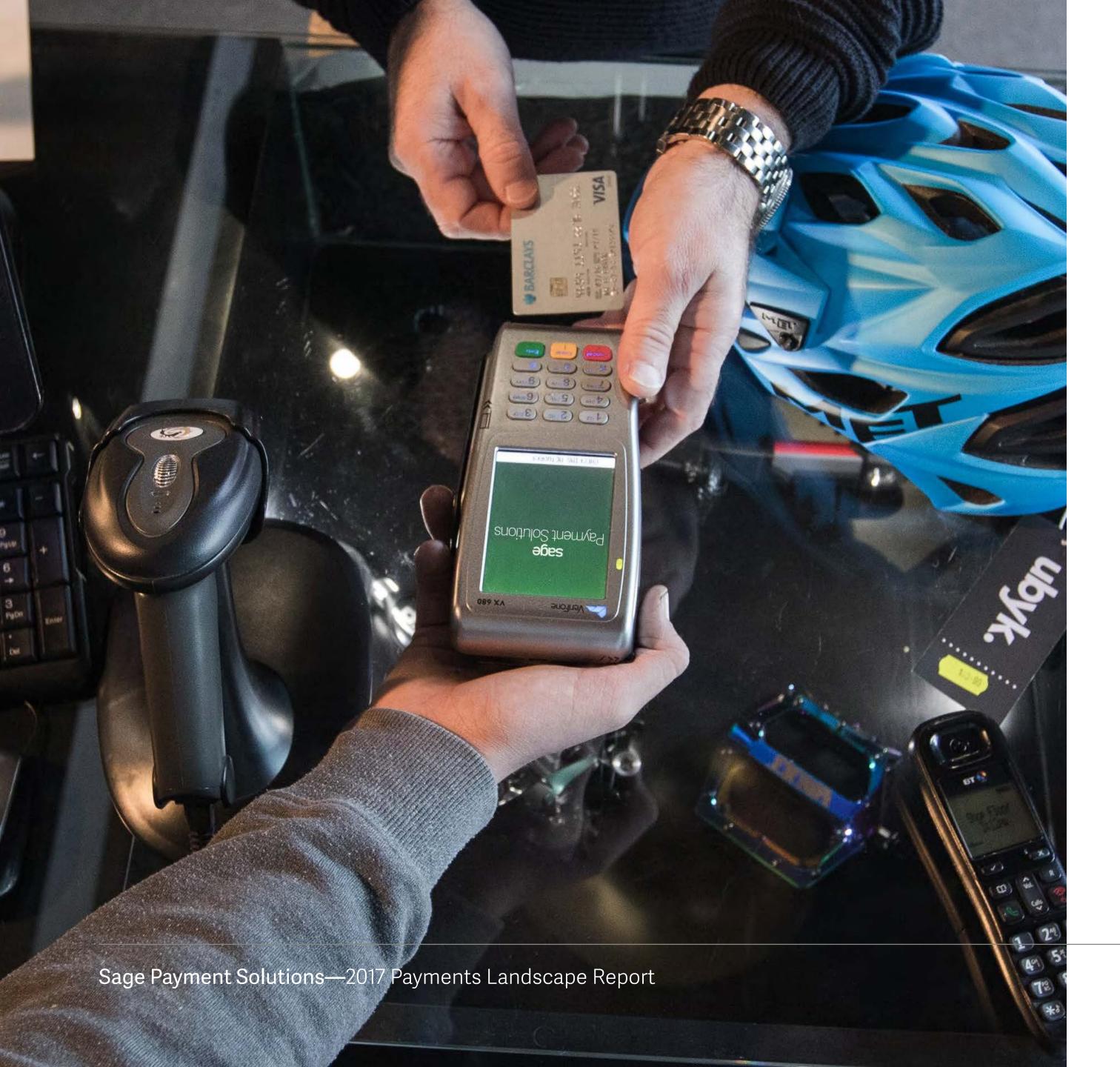
of 'contactless' transactions in the US were made via its payment app

Perceptions of progressive businesses

The easier a merchant makes purchasing an item, **the more likely a consumer will choose that store over another,** whether they are shopping online, on mobile or in a physical store.

of the consumers we surveyed said having a range of ways to receive money was important in making a business seem up to date





Online wallets, such as PayPal, Amazon Pay or Google Wallet were the most likely to make a business seem modern and progressive, according to our research, with Apple Pay, Samsung Pay and in-app payments following.

Having a range of ways to receive money is also key
—87% of the consumers we surveyed said these were
important in making a business seem up to date.

What's more, with 29% of organizations saying they have been the target of cash theft by a member of staff, 37% admitting to losing cash due to human error, and 30% saying they spend up to two hours or more counting and transporting cash, alternative payment methods are equally important for businesses.¹









Peer-to-peer payments and social commerce

While **peer-to-peer payment apps** are little used in the US at present, with **only 3% of people** we surveyed saying they have downloaded one, their potential use is high. Respondents said they would be **comfortable sending as much as \$3,000** to one of their friends via one of these apps, sitting behind only credit cards and checks, and **ahead of mobile payments** and debit cards.

New ways to pay friends, as well as extensions to existing technology, seem to be launched almost daily as people upgrade their smartphones, and payments providers race to have their apps downloaded by consumers.



Walmart recently launched mobile payments in certain stores allowing customers

to pay for purchases in stores by scanning a QR code displayed at the register with their smartphone. Customers can store any payment method—credit card, debit card, prepaid card or gift card—in the Walmart Pay function within the Walmart app.

Alibaba Group has also introduced VR Pay, a virtual reality payment system that allows virtual reality shoppers to pay for items just by nodding, according to Reuters. This payment system will be incorporated to virtual online marketplaces, which will simulate, at home, the experience of shopping in a physical store by using a VR device, such as helmets or glasses.





Meanwhile, PayPal-owned platform Venmo is becoming increasingly popular, with users transferring \$1bn in January 2016—its biggest month to date, and up tenfold since January 2014.

Soon, people are likely to be able to send cash to each other via Apple's iMessage app, which will be powered by Square Cash, as announced by Apple at its developers' conference in June 2016. Square Cash has already worked with other tech companies such as Snapchat to create Snapcash, as well as running a standalone app.



Facebook Messenger

This year has seen Facebook open up its Messenger platform to developers to create chat bots that **allows consumers to communicate directly with brands**—and this may include making payments. Indeed, Facebook is the preferred choice when it comes to consumers' attitudes to paying for something via a social network, with 29% of those in our research saying they would trust it, compared to only 13% for Twitter.

However, in general people are unsure about using social networks and apps to pay for things, with almost two-thirds **(64%) not trusting any platform to make payments.** And looking ahead, in-app payments, such as those made via Facebook or Twitter, are not seen by consumers as particularly popular, with only 17% citing them as favored ways to pay in 2020.

Businesses are more trusting of social payments than consumers, with 37% trusting Facebook to accept money this way, and 15% having faith in Twitter. However, **56% of businesses would not trust any social platform to receive payments,** so there is still some way to go.



Show-rooming vs. web-rooming

Buying in-store, compared with shopping online, continues to be popular: **22% of respondents in the US** prefer to shop in bricks-and-mortar outlets only, and a further **38% browse online** before going into a store to complete their purchase, a trend known as 'web-rooming'. US online shopping habits are in contrast to other markets such as the UK, where people prefer to shop via websites: **23% favor online only,** ahead of in-store only at 13%.

'Show-rooming', where people visit stores to check out goods but don't buy them, instead preferring to find a deal online, is more popular in the UK than the US. 25% of UK respondents browsed in-store and then bought online, whereas **only 20% of US respondents did the same.**

Overall, perceptions of businesses are a little more positive in the US, compared to markets such as the UK when it comes to payment methods. However, consumers are yet to be fully convinced that companies are meeting expectations; **only 58% agree** that businesses offer the kinds of payment methods they would expect, and **43% say US companies are leading the way in innovative ways to pay.**



SAGE SAYS

Offering **a range of payment options** to business customers and their consumers will give access to a wider potential audience—and make it easier to get paid for services.

New technology must make sure it puts consumers first.

The EMV standard has driven the uptake of NFC terminals in the US, while Apple Pay and peer-to-peer payments are growing, but neither is completely frictionless yet.

Merchants may need to help educate consumers and encourage them to use new technology.

Peer-to-peer payments are niche at the moment, but their use will grow. However, people will need significant reassurance around the security of sending their friends money via a text message, for example, including how to ensure they haven't made any errors in doing so.









While the future of payments is clearly mobile, the transition from cash and cards to smartphone apps and transactions will be slow and gradual. More than three-quarters of consumers still carry around credit and debit cards, according to Sage's research, and they're still surprisingly more likely to use checks than mobile payments.

Americans' loyalty to credit and debit cards was put to the test this year, as businesses and consumers dealt with the rocky roll-out of EMV cards in the US. The confusion and frustration that accompanied that transition has largely dissipated, but the switch may have had the unintended consequence of **paving the way for the evolution to mobile.**

With smartphones saturating the market—65% of Americans have one, and for those aged 18-29 the figure is 85%, according to Pew—most consumers have the capability to make mobile payments, but not all retailers have been equipped to handle them. However, since they had to upgrade their point-of-sale terminals to handle the EMV cards, most merchants now have machines that can also accept RFID or NFC payments.

of Americans have a smartphone, and for those aged 18-29 the figure is **85**%



That shift means that early adopters of contactless payment systems like Apple Pay and Google Wallet are now able to use those systems in more places, creating the ubiquity needed for a new payments system to really take hold. Plus, **it's getting easier for consumers to actually leave their physical wallets at home,** since several states are now testing programs that allow drivers to use digital licenses.

Apple Pay in particular has gained traction, with many expecting it to **overtake cash as a preferred payment method** in the next five years.



Mobile security

Consumers like Apple Pay because of its perceived security, thanks to the fingerprint scanner available on the iPhone 6, 6 Plus and SE. Apple Pay will become more widespread as consumers upgrade their phones to newer models each year, and a growing number of wearable devices incorporate other forms of biometric identification. Market research firm Acuity predicts that by 2020, all new smartphones will have biometric capabilities.

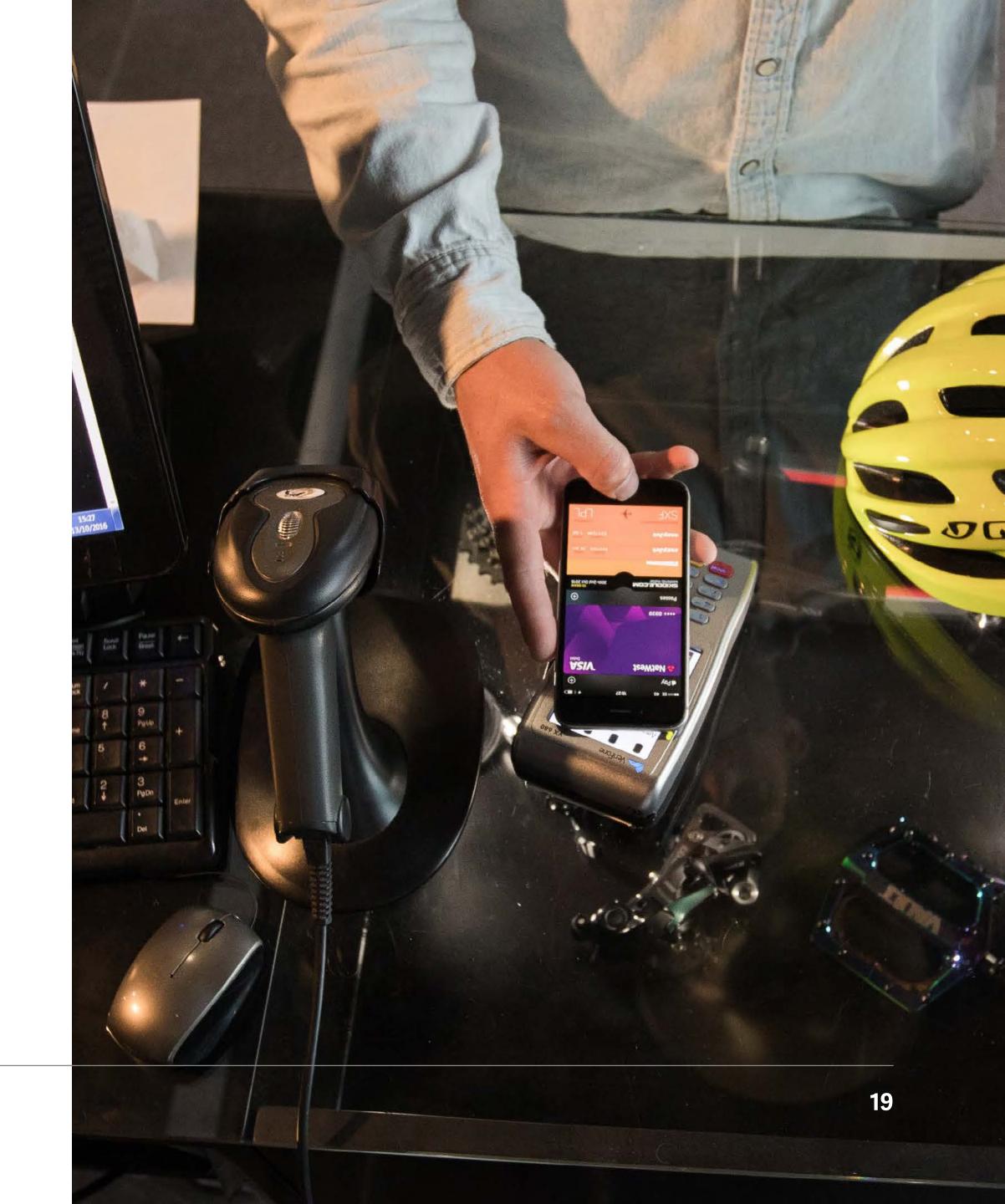
In addition to using biometric authentication, most mobile payments use tokenization, making them more secure than traditional payments methods. That's key, because payments **security is a huge issue** for both consumers and businesses. Nearly 80% of consumers have concerns about fraud when paying for goods or services online, and 65% of businesses are worried about cyber security, according to the research in this report.

The Fintech revolution

Tech companies like Apple and Google aren't the only ones getting into the mobile payments space. Banks, retailers, and card issuers (as well as a host of start-ups) all want to get in on the Fintech revolution. North American Fintech investment **grew 44% in 2015 to nearly \$15 billion,** with more than 650 deals, according to Accenture.

That competition is **good for innovation in the space**, but the payments ecosphere has become so fractured that it's currently impossible for consumers or businesses to move forward with one, single mobile payments system. As the field inevitably narrows in coming years through consolidation and attrition, a handful of players will win out.

The other development to watch will be how consumers use peer-to-peer payments, and the biggest players in that space, including Venmo and Square Cash, now also offer their services to small businesses. They typically have to pay a fee per transaction for using such services, but they offer small businesses a chance to move away from relying on checks for payment.



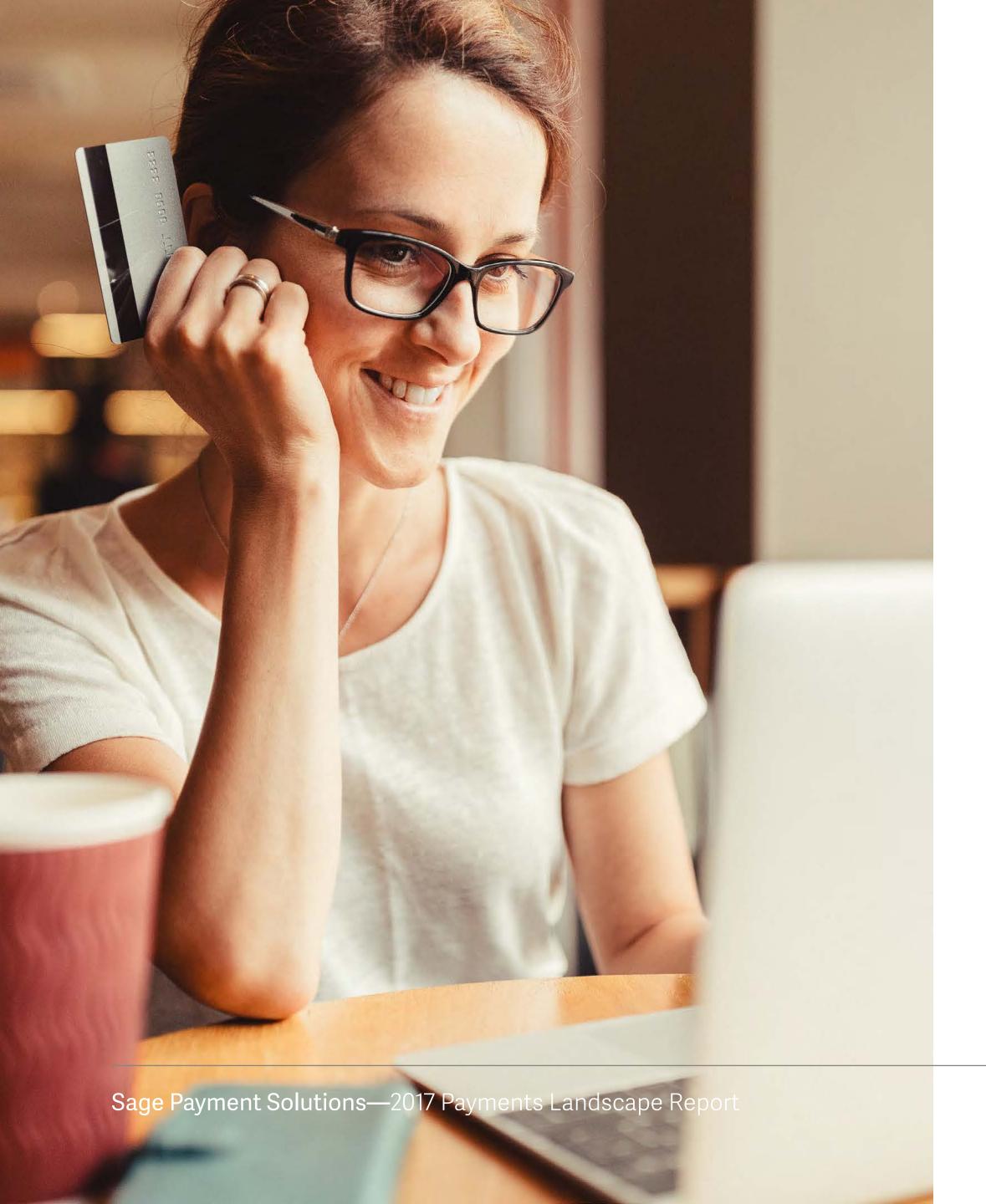
Sage Payment Solutions—2017 Payments Landscape Report

A frictionless flow of money

Beyond added convenience and security, accepting payments via these new services means businesses can have **same-day access to funds.** That's key, given that more than two-thirds of businesses say that accelerating payments is a priority.

There is also a growing number of Fintech start-ups outside of the consumer space—like ProPay and Stripe—aimed at streamlining payments to businesses or—like EquityNet and WeFunder—at providing a platform for equity crowdfunding as an alternative means of financing.

Earlier this year, new regulations allowed anyone to become an investor on such sites (they were previously restricted to accredited, high-net worth investors), so they're poised to grow significantly over the next few years.



The convenience factor

Businesses that are going to be able to successfully integrate these payment methods are the ones that focus on the convenience factor for consumers, and possibly provide **additional incentives via loyalty programs** tied to the payment method.

This is especially important for those catering to millennials, who are most likely to be early adopters of alternative payment methods, and in general, consumers who don't find the payment options that they want are likely to take their business elsewhere.

While the transition may be turbulent, the shift away from cash and toward alternative payments should ultimately benefit businesses, since **contactless payments are more secure** than either cash or traditional cards.

Plus, digital means of transferring money are easier to track and have **lower overheads than cash,** and they may be able to provide valuable data that can give businesses insight into customer trends and preferences. Payments vendors are increasingly hoping to capitalize on this with payments-as-a-service programs.

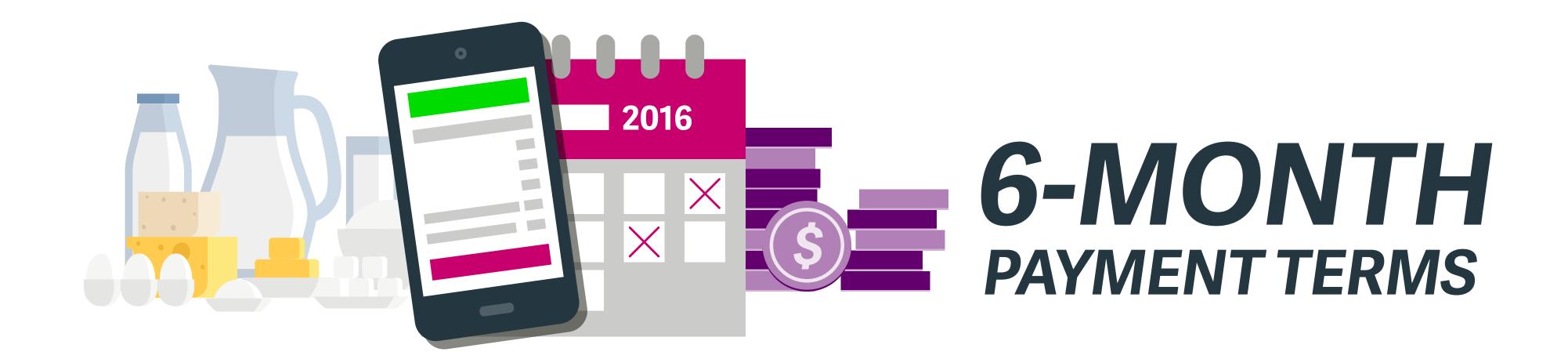


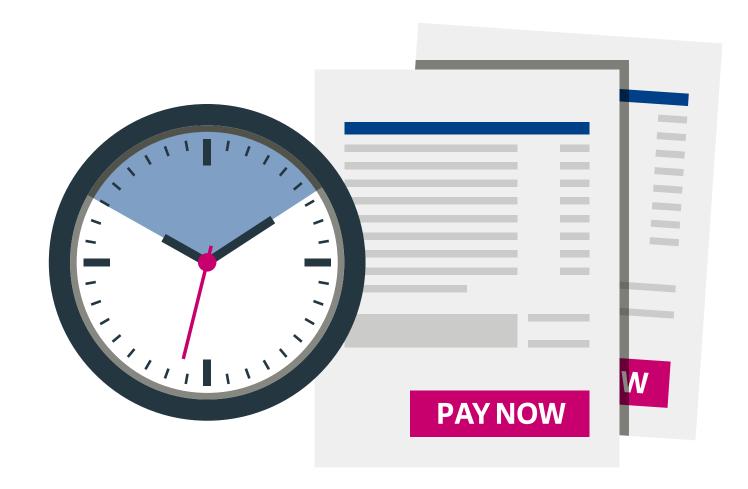


The 'supply chain' of cash is critical for the US economy to run smoothly,

however reports last year suggest some large consumer goods companies, for example, now have payment terms of up to six months. Large companies told the New York Times that this lets them manage their cashflow better, and allows them to spend money on capital projects, while some suppliers say this practice squeezes them too hard. Suppliers such as advertising conglomerate WPP Group have warned that these types of practices effectively turn them into lenders, with chief executive Sir Martin Sorrell commenting: "We're not a bank".

Longer payment terms may be a legacy attitude from the recession triggered by the collapse of Lehman Brothers in September 2008, but for the economy to thrive, every business must be responsible for paying suppliers, partners and employees quickly and accurately. **Confidence in cashflow**—and 'frictionless' payments—is crucial to the economy.



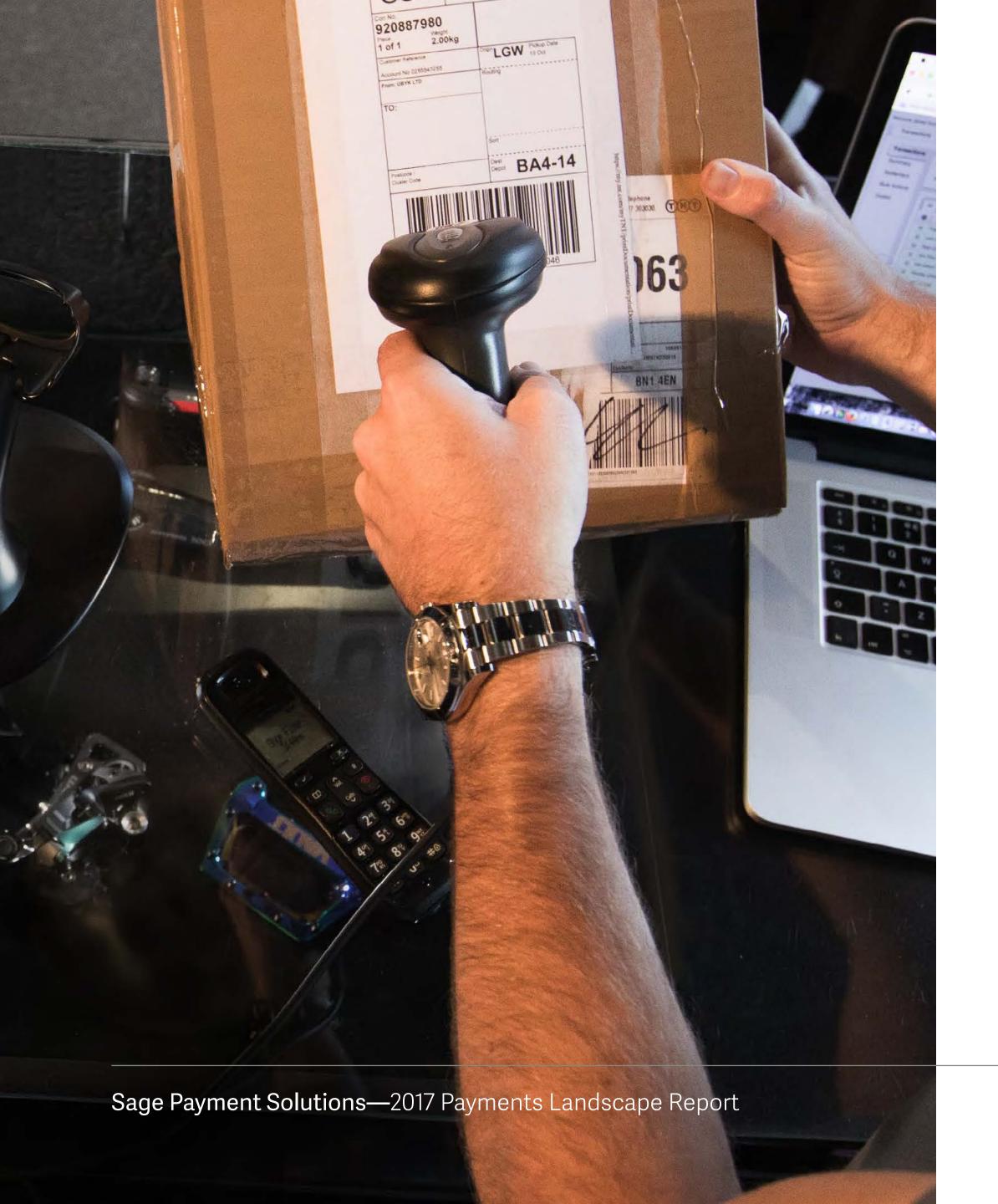


80% of Sage customers surveyed are confident about payments coming in and going out

Late payments

Our research suggests that this year, **most businesses (80% of those surveyed) are confident about payments coming in and going out,** with 42% saying they are very confident about the flow of cash, and a further 38% being quite confident.

There are **some businesses that are less confident** in understanding their cashflow, with 20% of those we surveyed falling into this category. If they could improve their view of payments in and out of the business, they told us that the main benefit would be revenue growth, followed by being able to hire more staff and paying suppliers more quickly.



Around a fifth **(21%) of businesses admit to making late payments** to suppliers to improve their cashflow, and to put that in context, the figure is slightly higher for other markets such as the UK, where almost a quarter (24%) admit to delaying payment.

Large US retailers such as Walmart have made headlines over the past year for altering conditions of payment for suppliers, not only in terms of timing but also asking them to share costs with the supermarket or by paying a handling fee.

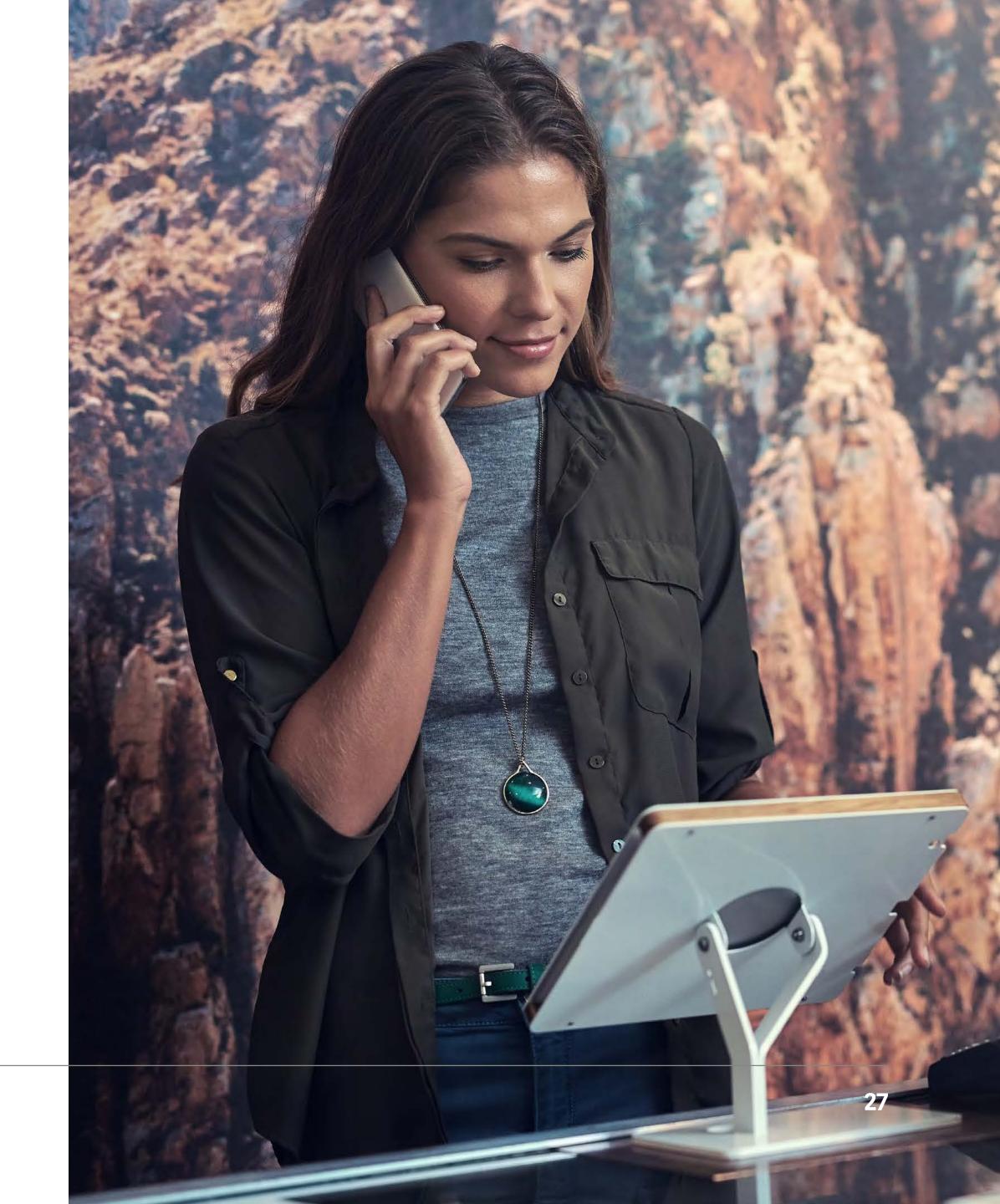
If a brand or business at the 'top' of the cash food chain changes its behavior, it will eventually have an effect on those further down. Indeed, keeping cashflow going—or accelerating payments—is a priority for two-thirds (67%) of businesses, with many (29%) saying it is a high priority.

The cash 'supply chain'

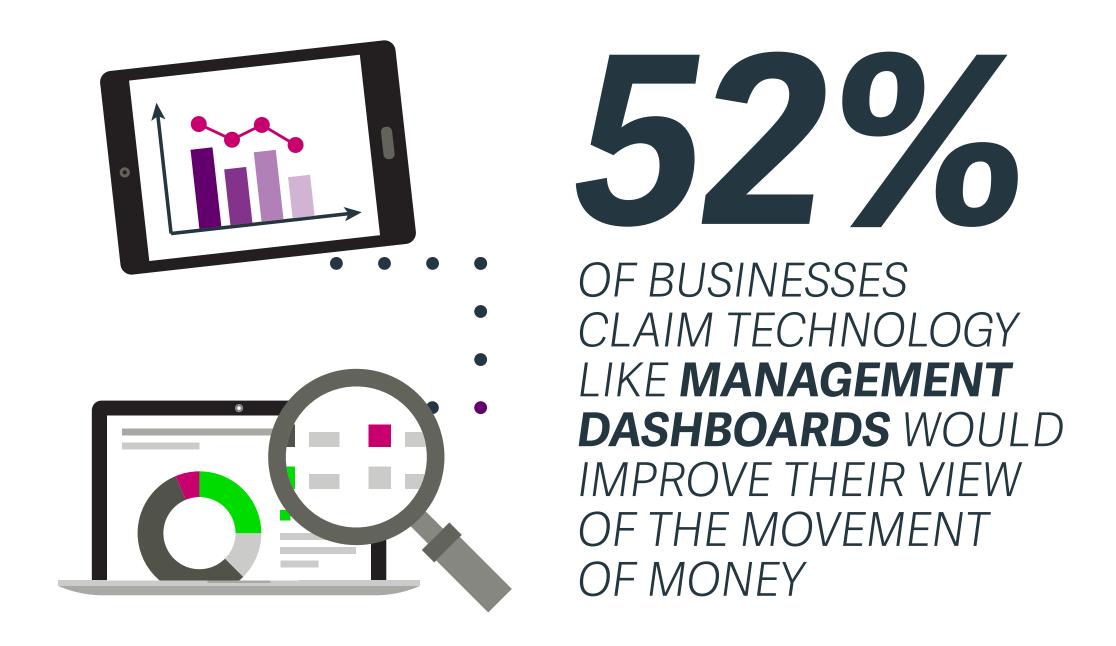
The barriers businesses cite to speeding up cashflow are internal procedures (24%) and slow payments from customers (23%), suggesting that there is some work to be done by all businesses to accelerate payments. Technology may help, with 52% of those surveyed saying **platforms such as payment management dashboards** would improve their view of the movement of money.

How a business behaves in society is becoming increasingly important; **social media makes it very easy for consumers** to express and share their views of brands, and public boycotts of businesses are becoming common.

Consumers in the UK protested for Amazon to pay its workers fairly in Christmas 2014, with the group Amazon Anonymous pledging to spend £2.5m (\$1.9m) elsewhere, while **some US shoppers boycotted Black Friday** the same year with some reports suggesting protests contributed to an 11% fall in sales.



When it comes to paying suppliers, almost three-quarters of shoppers (74%) claim they would be more likely to buy from a company if they knew it paid them on time. A report in the Financial Times earlier this year warned that consumers are triggering more volatility in supply chains because they now have much **more access to information about brands' behavior** and can more easily switch their loyalties.



Sage Payment Solutions—2017 Payments Landscape Report

How businesses are financed

The saying goes that 'profit is vanity, turnover is sanity,' and as we've seen the flow of cash through a business is crucial for its survival. Closely linked to having a view of payments going in and out of a company is the way a business is financed, and traditional banks are still the main provider of funding for those that need it.

Nearly two-thirds (62%) of those we surveyed cited their bank as a source of finance over the last year but **different types of crowdfunding are also becoming popular,** with 53% saying that they would consider alternative funding in the future.



The most popular type of crowdfunding is incentive-based, where those who invest do so for a reward such as early access to the product or invitations to meet other investors. 14% of businesses we surveyed have used this type of crowdfunding over the past 12 months, with 11% using equity crowdfunding.

Crowdfunding sites are becoming increasingly popular, with Indiegogo raising more than **\$45m of funding** to expand, and recently announced plans to launch an equity crowdfunding product which will allow small investors to buy an equity stake in a start-up. Indeed for the businesses we surveyed, equity crowdfunding was seen by 62% as an **easier way to access finance than a traditional bank,** and 68% would use this type of crowdfunding again.

While most **businesses still use bank finance**, just over a third (34%) say banks aren't doing enough to make capital available to them, and a similar proportion (36%) wants the government to put more pressure on banks to lend.





GloryBee started in a family garage in 1975, when Dick Turanski, a beekeeper, and his wife Pat wanted to provide natural, healthy ingredients for the people of Eugene, Oregon.

The company is still run by Dick and Pat's son, Alan, and currently makes and distributes more than 1,200 products, including honey, natural sweeteners, organic oils and skincare products. Customers include natural food manufacturers, bakeries, markets and other stores.

Although the business has now grown to more than 185 employees, its values haven't changed.

GloryBee has more than **20,000 customers**, many of which like to pay via credit card. But with the increase in payment options, **the business knows the importance of letting people pay in the way that's easiest for them.**"It goes without saying that accepting payments is a big part of making sales and if you don't make it easy, you might not make the sale."

Much of its business is done at trade shows, where the company needs to be able to accept credit card transactions, so **it has recently made the decision to 'go mobile'**, and can now use smartphones, tablets and other devices to take point-of-sale payments. **Offering more ways to pay has helped increase sales.**

The ability for SMBs to process card payments at locations other than their stores has grown easier than ever before. The challenge lies, however, in utilizing a mobile payment method that is integrated with the company's accounting system.

"We see ourselves as stewards—from how we treat our employees, the relationships with our customers, our suppliers and how we treat the environment. Those are all very important to us"



Alan Turanski,GloryBee's Director



As well as flexibility in payments, security is also critical for small businesses such as GloryBee. The implementation of EMV in October 2015 meant that liability for fraud has shifted from credit card companies to merchants, who risk fines, fees and the loyalty of customers.

"Having a **secure payment environment** is extremely important to us. When you're talking about people's personal information or money, there's no joking," Alan states.

Streamlining the payment and accounting process helps GloryBee to grow beyond its current region in the Pacific Northwest and expand regionally along the West Coast and even nationally.

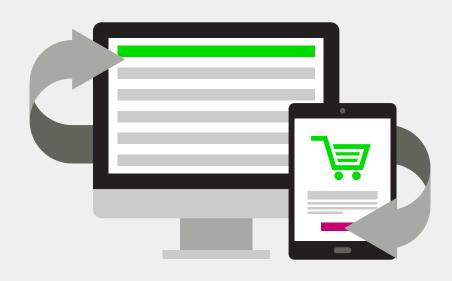
Paul Bridgewater, Executive Vice President and Managing Director, Sage Payment Solutions, states: "Integrating payments with accounting can automate workflow and help small businesses better manage the movement of money. With Sage products, entrepreneurs around the world are spending less time on administrative tasks and dedicating more energy toward growing their businesses."



SAGE SAYS

While most SMBs are funded via traditional methods such as their bank, that will gradually shift towards newer types of finance as millennials grow stronger and launch their own start-ups. However, the government and lenders also need to do more to free up capital to drive the economy forward.

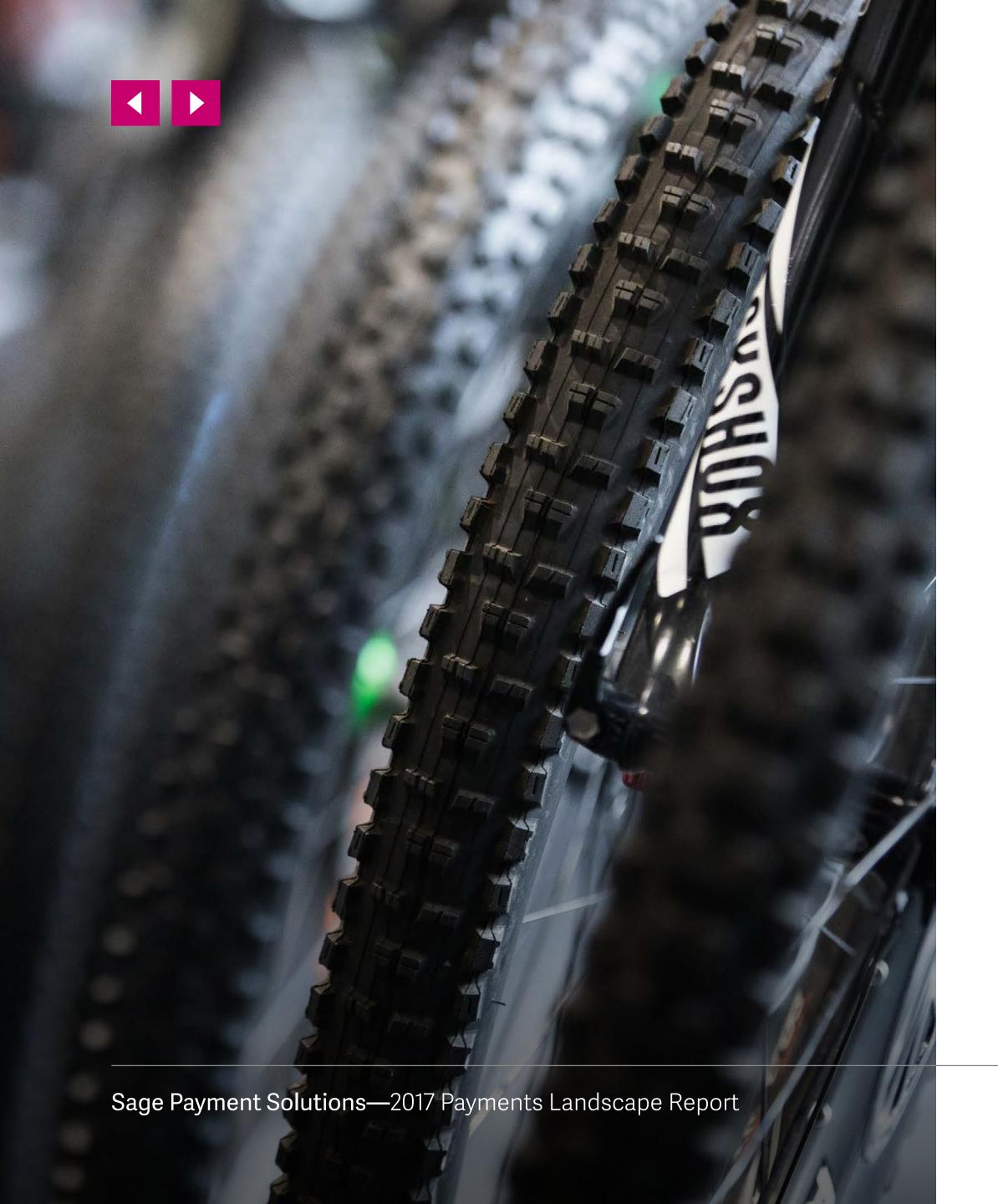
Biometrics—such as **fingerprint recognition**—will continue to grow and will help alleviate some of the security concerns of SMBs, but consumers will need to be comfortable with this **new technology** for it to really take off.





People lost \$16.31bn in fraudulent credit card transactions in 2015, according to payment industry publication The Nilson Report and this figure is projected to more than double to \$35bn in 2020. With technology and new ways to pay on the increase, fraud prevention will continue to be paramount.





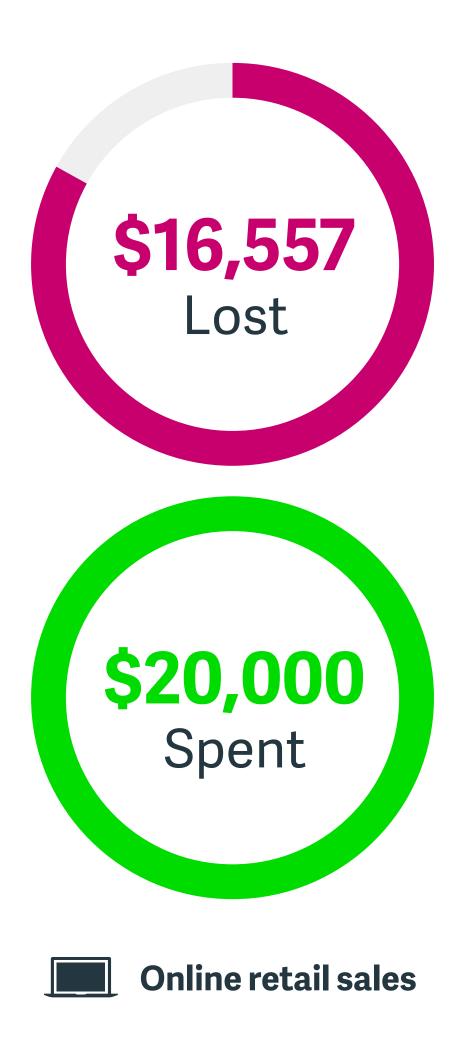
For both businesses and consumers, **security remains a huge issue** when making or receiving payments. More than three-quarters (78%) of consumers have concerns about fraud when paying for goods or services online, and **65% of businesses are concerned** about cyber security. Added to this, 89% of the general public believes online payment providers should do more to protect people from fraud.

However, the proportion of people who have suffered fraud in the past 12 months is relatively low, at 13% (roughly the same proportion as in the UK, for example). That said, the amounts lost were significant: on average **\$1,819.** Millennials (those between 16 and 29 years-old) and people aged 30 to 44 were likely to have lost the most money, with the latter group being defrauded of **\$3,000** a year on average.

A secure business investment

When people are asked about what they are concerned about in general when paying for goods, **security comes out top,** followed by cost (25%), convenience (11%) and speed (6%). But are businesses doing enough to tackle the security priority?





The average spend by a business on fraud prevention annually is significant, at almost \$20,000, which actually exceeds the average amount lost due to fraud, at \$16,557 a year. And companies seem confused when it comes to the prevention methods used, with a fifth saying they use none at all, and 14% saying they don't know.

The most popular fraud-prevention tool is the CVV2—the three-digit code printed on the back of credit and debit cards which is used for online and phone transactions, and chip-activated cards are also popular, being used by **25%** of those we surveyed.

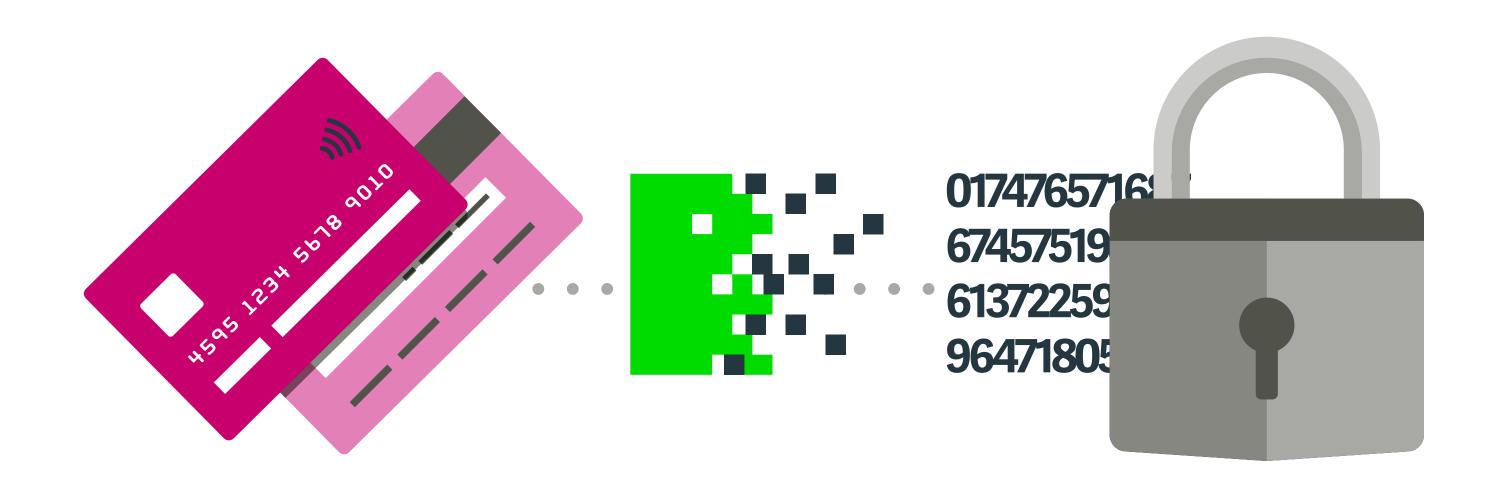
Which payment methods are seen as most and least safe by consumers?

PayPal, pre-paid cards and gift vouchers are seen by consumers as **the most secure methods of payment**, while peer-to-peer mobile payments are seen as one of the least safe ways to pay; **58% of people rate them as somewhat or highly insecure.**

For now, though, **34%** of Americans think apps like Venmo are 'highly insecure', and they rate second only to Bitcoin in terms of **poor security perceptions.**



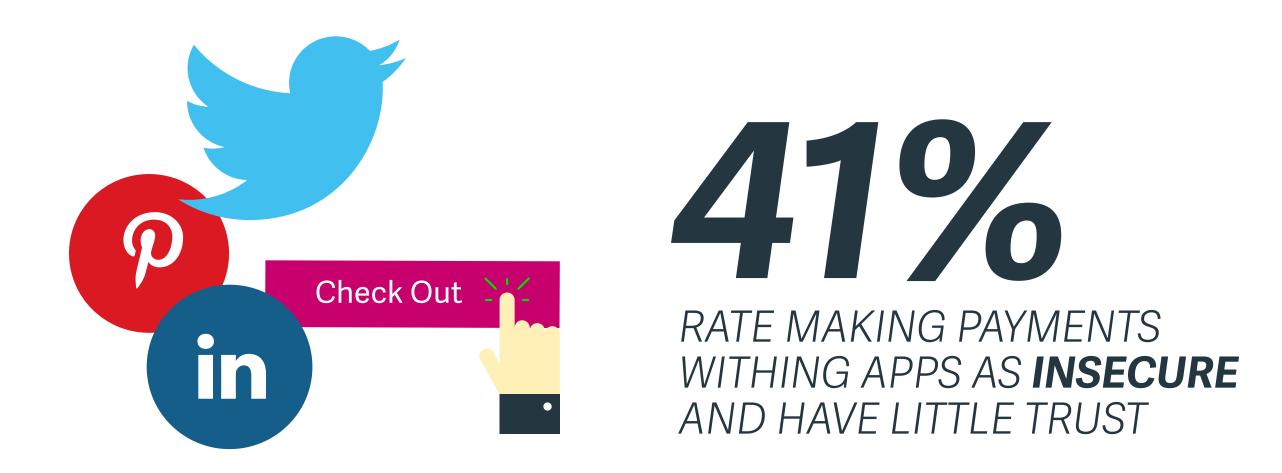
Indeed, sending money to a friend via an app may be one of the least understood means of payment, with only **13%** of consumers expecting this method to be popular in 2020. Smartphone app Venmo is one of the larger players in the US, and in July it became available for payments to and from other apps, just as some ecommerce sites allow people to **pay via Apple Pay or PayPal.** As more people adopt the technology, and the peer-to-peer brands become better-known, people's perceptions of them are likely to improve.



Security and new technology

People also seem to have **little trust in making payments within apps**, with 41% rating them as insecure, and many people are also unsure about **Apple Pay and Samsung Pay**, with 34% saying they are insecure. This could be due to their lack of prevalence so far, although both are growing. **Security is also a key message for Apple**, with communication using the line 'Secure, simple and even more useful', while Samsung is focusing on breadth of use ('Pay almost anywhere you can swipe or tap your card'), and we expect to see **trust increasing** in these methods in the future.

The good news is that online and mobile payments overall are seen by consumers as more secure than they were a decade ago, with 63% agreeing that this is the case. Just over a fifth (21%) say they are less secure.





THINK EMV WILL MAKE PAYMENTS MORE SECURE

The impact of EMV

When it comes to the new EMV ('Europay, Mastercard and Visa') technology, which is **designed to make payments more secure**, businesses are divided. While 40% think it will make payments more secure, an almost equal proportion (36%) think it will make them less so, and 23% are undecided.

When it comes to the effect on sales, there is **some uncertainty.** Just over a third (34%) of businesses are also concerned that EMV will decrease their volume of sales, while 39% think sales will increase as a result of the new legislation. A further 27% are undecided on its impact. Businesses are also concerned that it **will make payments slower and more complex.**

However business feels about EMV, with US SMBs losing a total of \$80.6bn each year to theft and human error with cash, additional security for alternative payment options is an important step.²

What's next for payments?

What will the payments landscape look like in the coming months and years? Responding to consumer demand and preferences and keeping a close eye on emerging technologies and security measures will give businesses the best possible chance of future-proofing their brand.



Payment methods

38% of people think online wallets like PayPal will be the most popular way to pay in 2020, and 35% say Apple Pay. Only 29% say cash will still be king.

36% of business leaders believe cash will become extinct within the next 20 years³.



Investment

Many businesses (23%) say they won't be spending money on new payment methods, but **20% will invest in Apple Pay,** and 17% in Samsung Pay over the next year.



Funding

More than half of businesses—53%—would use alternative financing in the future, with **73% interested in crowdfunding.**



Conclusion

The future of payments continues to be incredibly exciting for businesses of all sizes, and **developments in all parts of the industry** means there will be some great innovation in the coming years. Companies in the financial and technology sectors will **continue to push boundaries**, and must continue to put consumers at the heart of what they do. With the right systems in place, **cashflow can become frictionless**, for the benefit of SMBs and the economy as a whole.

ABOUT SAGE PAYMENT SOLUTIONS

Sage Payment Solutions is a leading independent payment service provider (PSP) and is one of the most trusted payment brands. Every year Sage Payment Solutions processes billions of dollars' worth of secure payments for its 55,000+ customers and makes the process of accepting payments online, over the phone or in person simpler, faster, safer and more profitable for businesses.

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