

worldpay
from FIS

NAVIGATING COVID-19

How mid-to-large merchants
can manage payments to keep
customers and businesses safe



8 WAYS

YOUR PAYMENTS CAN HELP YOUR BUSINESS THROUGH THE IMPACTS OF COVID-19

COVID-19 is currently creating financial uncertainty for many businesses around the world, but we're here to help. How mid- to large-sized merchants manage payments can play a key part in helping you navigate these challenging times.

HERE ARE OUR TOP TIPS.

TIP 1

REASSURE YOUR CUSTOMERS

Tentative times need clear communication. Let your customers know that you're taking the right precautions to keep them, and your employees, safe.

Showing them how you've considered their safety will build their confidence and encourage your customers to continue engaging with you.

You can do this by contacting your customer base and displaying your approach in your physical locations.

For example, you may wish to reassure customers through an enhanced cleaning and sanitizing regime in store. Communicate the extra steps you are taking and emphasise how you're monitoring the overall situation, including relevant government guidelines.

Encouraging contactless payments reduces the need for physical contact.

The World Health Organization has advised the public to wash their hands after using cash, so consumers will be looking for other ways you can support their payments. When customers do choose to use cash or chip and pin, make sure staff are trained to keep payment terminals clean and that they wash their hands after handling cash.



REASSURE CUSTOMERS
through an
enhanced cleaning
and sanitizing
regime in store



ENCOURAGE CONTACTLESS
payments to reduce
physical contact



TIP 2

THINK OMNICHANNEL

With people needing to spend more time self-isolating, your online presence will be more important than ever in maintaining sales.

Making sure your e-commerce store is simple to use, and online payments are set up and reflect local preferences, can improve the experience with your brand and enable you to continue accepting orders.

This has the potential to create longer-term value, too.

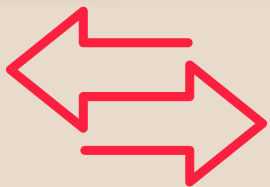
The omnichannel experience has already become an expectation for today's consumers, with 48 percent of customers crossing back and forth between digital and physical interactions with companies.¹

Moving with customer demands and adapting to individual customer journeys can help set you up for success.

You can also arrange to take payments remotely over the phone via a Virtual Terminal.

48%

**OF CUSTOMERS CROSS BACK
AND FORTH BETWEEN DIGITAL
AND PHYSICAL interactions
with companies¹**





GROCERY DELIVERY APPS ARE EMERGING AS ESSENTIAL INFRASTRUCTURE FOR THE COVID-19 CRISIS.

Already on the rise, omnichannel grocery services are seeing a wave of new demand in response to safety concerns, social distancing efforts and stay-at-home orders.

Apptopia reports that daily downloads of delivery apps Instacart, Walmart Grocery and Shipt have surged 218 percent, 160 percent and 124 percent, respectively, in March versus February, while downloads of Target's app saw a 98 percent increase in the same period.² CNN reports that grocers are seeing many more new delivery customers over age 60, while noting the current demand surge for grocery pickup and delivery is likely to persist long after the immediate situation has passed.³

Omnichannel capabilities are critical to serve grocery customers safely and conveniently. The COVID-19 situation is accelerating existing trends in grocery, as omnichannel ordering, payment and delivery services are more important than ever.

TIP 3

REWARD CUSTOMERS

With the average transaction value going up, consider reward incentives for customers.

Give your customers a reason to continue spending with you by rewarding them when they do.

Consider promotions and customer loyalty programs to retain spend during this time and reward your customers for staying engaged with your brand, at a time when uncertainty can curtail consumption. Make these available both in-store and online.



CONSIDER BOGO PROGRAMS and encourage customers to purchase gift cards that can be redeemed at a later date.





RETAIL:

Analysts have warned that retailers will be among the hardest hit.⁴ The global slowdown in demand and consumer confidence is expected to continue until the virus is deemed “under control.”

Electronics retailers may see their supply chain affected, as electronics make up 28 percent of exports from South Korea, a region notably hit by the outbreak.⁵

TIP 4

CONSIDER FLEXIBLE TERMS

Circumstances are frequently changing – and flexibility is crucial. During this time, there are many reasons why your customers may change their mind on their purchase or booking.

It's important to make it as easy as possible for your customers to reschedule their bookings, access refunds or deferrals. This positive experience will keep you front of mind when they start spending again.

The tourism industry, for example, is seeing a fall in demand⁶ and hospitality may see cancellations. For businesses in this sector, the focus during this time can be managing reputational risk, which can be done by removing penalties for cancellations and offering flexible booking models.



The focus during this time can be **MANAGING REPUTATIONAL RISK**



Tourism and hospitality industries are witnessing an unprecedented drop in demand. Social distancing requirements, travel restrictions and shutdowns of non-essential businesses have ground the tourism and hospitality industries to a virtual standstill.

Marriott International's CEO Arne Sorenson recently told CNBC that the COVID-19 outbreak has been worse for Marriott's business than 9/11 and the financial crisis combined.⁷

As reported by The Washington Post, the US Travel Association (USTA) estimates that 4.6 million travel-related US jobs could be lost due to COVID-19. USTA forecasts that total spending on travel in the US will drop \$355 billion (31 percent) in 2020 alone.⁸

TIP 5

MANAGE FRAUD AND CHARGEBACKS

A rise in online sales means a rise in fraud.

As consumers are shopping online more regularly, fraudsters are looking to take advantage. To protect your revenue, you'll want to stop fraud before it happens as well as have a solution in place to handle any disputes.

Stopping fraud before it happens means flagging potential high-risk transactions upfront. Now's a good time to review all fraud management policies/procedures and reach out to your payments and fraud management partners to ensure you have the necessary tools and solutions in place. You need a solution that decreases false declines, presents no friction to your loyal customers, while still enabling authentication.

Along with combatting fraud, it's critical that you implement a strategy for avoiding, reducing and disputing chargebacks. We're already seeing

an increase as consumers go directly to their card issuer to cancel orders. When disputes do arise, adhere to best practices published by the card brands and ensure you make your contact information readily available. Provide multiple channels for clients to communicate, be responsive to inquiries, proactively notify customers of delays and make the process for cancellations/returns easy. Consider consulting with your payments partner on other proactive steps you can take to minimize chargebacks and the fees associated.

According to a mid-March survey by 451 Research, **52 percent** of US merchants expect their online sales to be higher due to the coronavirus outbreak.⁹



**PROTECTING YOUR
REVENUE is crucial**



TIP 6

UNDERSTAND YOUR SUPPLY CHAIN

COVID-19 is wreaking havoc on supply chains. As reported in Fortune, nearly 75 percent of US companies⁹ are seeing supply chain disruptions as a result of COVID-19, according to the Institute for Supply Management.

Supply chain challenges are now prevalent throughout the world, as the impact of COVID-19 disrupts land, sea and air transportation. Reuters reports that the US travel restrictions alone have reduced US air freight capacity an estimated 85 percent.¹⁰

The Consumer Brands Association tells CNN that it fears other countries cutting off exports to the US.¹¹

Unpredictable lead times, persistent delivery delays and periodic supply shortages will force US companies to innovate quickly in order to maintain operations.



75%

of US companies are seeing supply chain disruptions



LOGISTICS:

The COVID-19 crisis is now a true pandemic impacting global supply chains regardless of region, industry or mode of transport. The global impact means reduced supply chain capacity from existing channels. Alternatives are challenging to develop quickly as any potential alternative source faces similar constraints. Many logistics companies are experiencing unused capacity and lower demand for business deliveries, with last minute cancellations and irregular scheduling increasingly the norm.

TIP 7

ACTIVATE “PAY ON THE GO” SOLUTIONS

Minimize physical contact by enabling no cash payment options.

While curbside pickup continues to gain popularity among some retailers and delivery services are experiencing a spike in volume, it's more critical than ever to ensure you have mobile terminals or smartphone-enabled payment devices.

Consumers and businesses alike are shying away from paying or accepting cash. In order to remain competitive and keep revenue, you must find alternative ways to accept payment. Contactless payments and mobile wallets are popular options that consumers are familiar with. Work with your payments partner to determine what solutions they can easily offer and what additional payment methods they can support.

Merchants interested in signage to promote contactless capabilities can order tap to pay materials directly from the card brands' sites.

Visa – <https://www.merchantsignage.visa.com>

Mastercard – <https://brand.mastercard.com/brandcenter.html>

Discover – <https://www.discoverglobalnetwork.com/en-us/business-resources/free-signage-logos>

American Express – https://merchant-supplies.americanexpress.com/?locale=en_US#/catalog/producttype/decals



Richard Crone, chief executive officer of mobile-payment research firm Crone Consulting LLC, expects contactless payments to grab an additional **10 percent to 20 percent** of transactions at stores and ATMs as the result of the pandemic.¹³

TIP 8

WORK WITH THE COMMUNITY

Stay in communication with the businesses around you, whether that's by location or in your industry.

A strong connection with your community can help you provide the services and products that your customers require, by redirecting them to another place. Your customers will remember this added value and build long-term loyalty with your brand.

You could organize alternative delivery locations, for example, and coordinate on stock levels to ensure your local customers aren't left empty-handed.

Equipping your business during COVID-19

The future business environment may feel unclear but by taking steps to prepare your business during this time, you're better placed to protect your customers, employees and revenue.

It's important that you continue to monitor the current situation and stay aware of your business performance – this will help you plan for the immediate and longer-term future.



**A strong connection with your
community can help
BUILD LONG-TERM LOYALTY
WITH YOUR BRAND**

Sources:

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³ <https://www.cnn.com/2020/03/19/business/grocery-shopping-online-coronavirus/index.html>

⁴ <https://www.theguardian.com/business/2020/feb/23/economic-impact-of-coronavirus-outbreak-deepens>

⁵ McKinsey & Company, 2020, Coronavirus COVID-19: Faces and insights

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⁹ <https://www.forbes.com/sites/jordanmckee/2020/04/10/fraud-an-inevitable-symptom-of-covid-19/#4fa8229b7582>

¹⁰ <https://www.reuters.com/article/us-health-coronavirus-freight/western-supply-chains-buckle-as-coronavirus-lockdowns-spread-idUSKBN21A2PB>

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¹² <https://www.cnn.com/2020/03/15/politics/consumer-industry-group-letter-coronavirus/index.html>

¹³ <https://www.bloomberg.com/news/articles/2020-04-16/no-touch-payments-skyrocket-because-no-one-wants-to-handle-cash>