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NAVIGATING COVID-19

How payments can help keep your customers and business 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 you 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 on keeping payment terminals clean and that they wash their hands after handling cash.

You may find further useful information through your industry trade association, such as the Small Business Administration, or Chamber of Commerce.





REASSURE CUSTOMERS through an enhanced cleaning and sanitizing regime in store



ENCOURAGE CONTACTLESS payments to reduce physical contact



48%

OF CUSTOMERS CROSS BACK AND FORTH BETWEEN DIGITAL AND PHYSICAL interactions with companies

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.



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 crisis has passed.[3]

TIP 3

REWARD CUSTOMERS

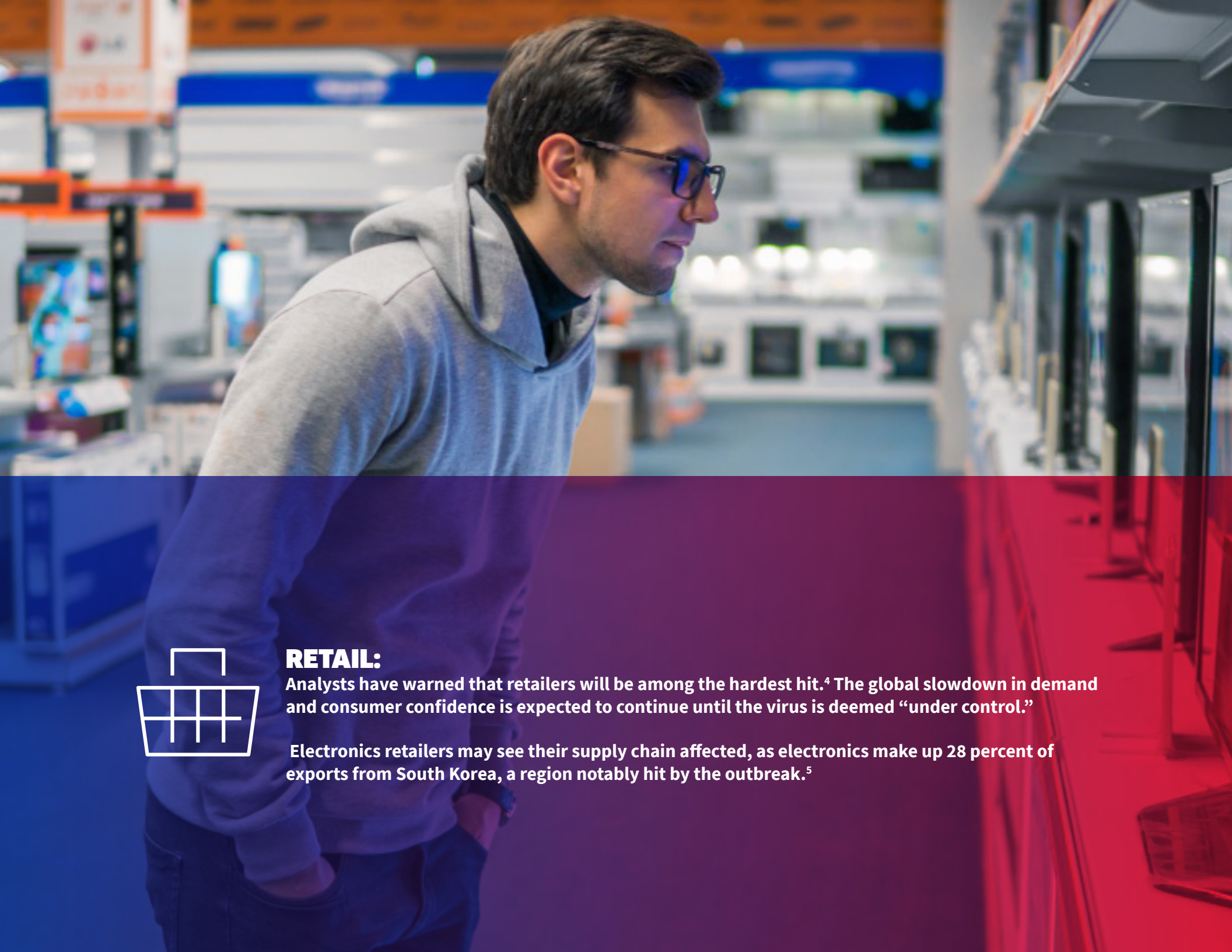
With the average transaction value going up, consider reward incentives for customers.

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]



The focus during this time can be MANAGING REPUTATIONAL RISK

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 demand[6] 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.



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 United States will drop $355 billion (31 percent) in 2020 alone.[8]

TIP 5 REVIEW YOUR CASHFLOW

A potential fall in sales could hit your cashflow hard.

While COVID-19 is still in the news, spending behaviors will remain different from the trends you've been used to, so monitoring your income is more crucial than ever.

If you could benefit from business funding – there are options that are flexible to give you additional control.

This can be a good solution to cover your fluctuation in cashflow, so you can continue focusing on your business priorities.



MONITORING YOUR INCOME 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 companies[9] are seeing supply chain disruptions as a result of COVID-19, according to the Institute for Supply Management.

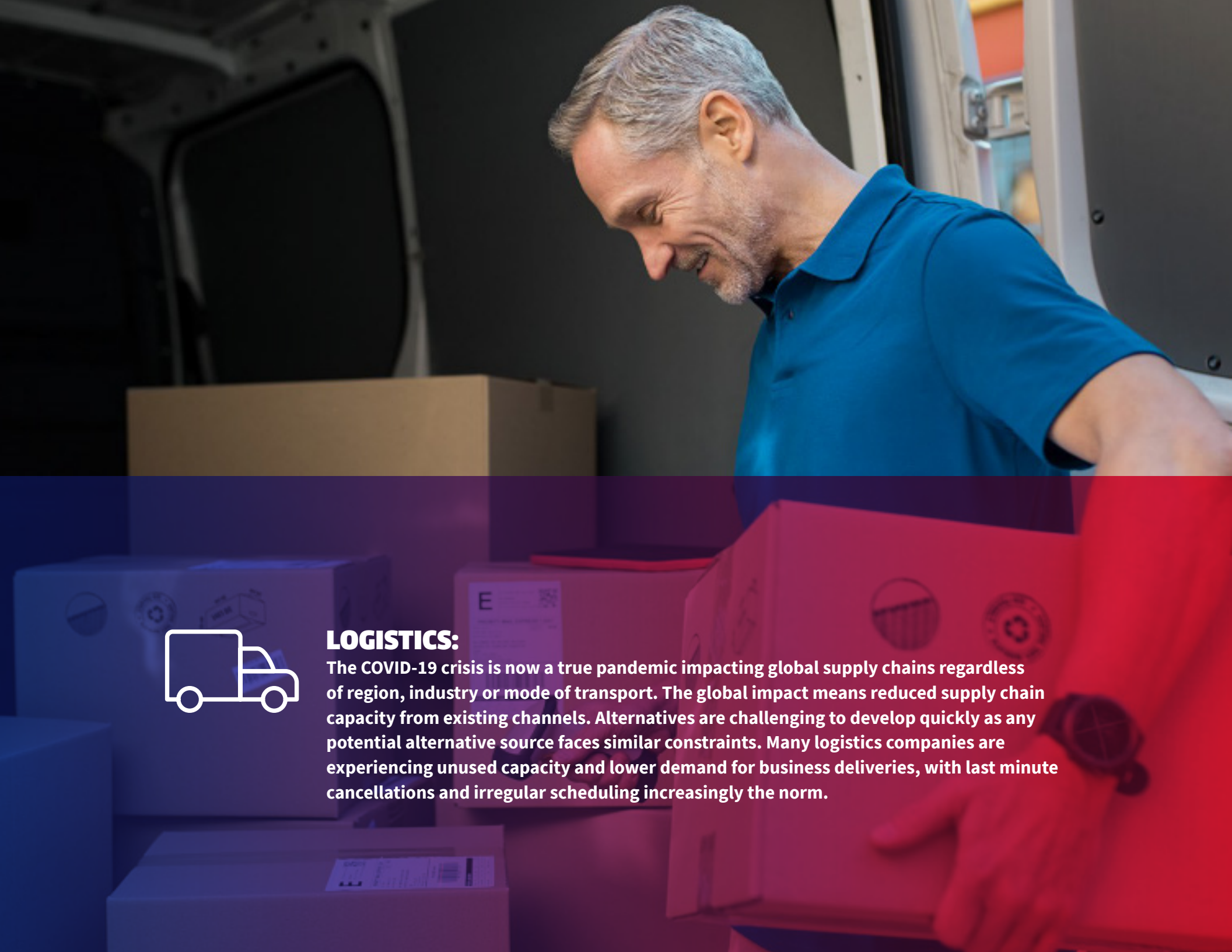
Supply chain challenges are now prevalent throughout the world, as the impact of COVID-19 disrupts land, sea and air transportation. Reuters reports that the US travel restrictions alone have reduced US air freight capacity an estimated 85 percent.[10]

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 PREPARE A CONTINGENCY PLAN

In the case of personal self-isolation, ensure you have a contingency plan in place.

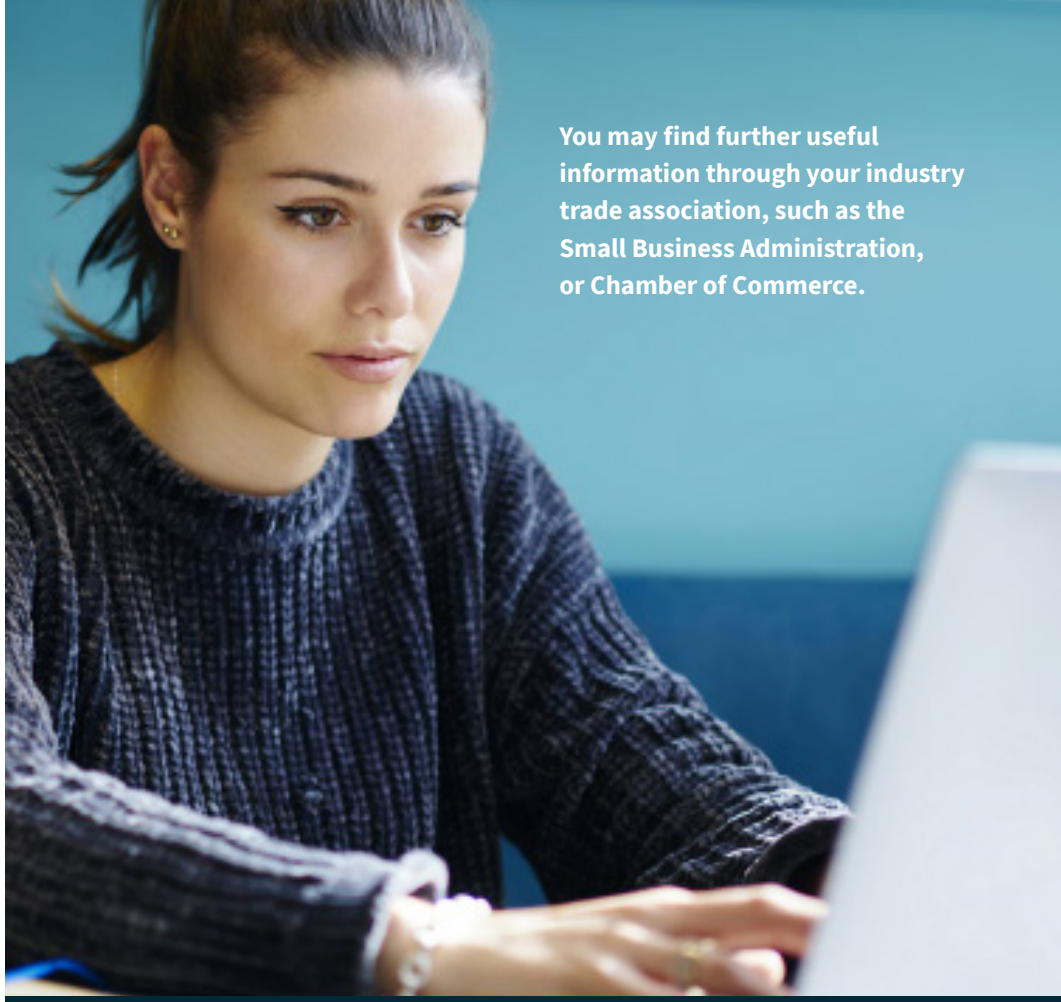
Make sure you're set up to continue accepting payments from your customers, working with your payments provider to make remote payments as easy as possible.

There will be wider implications for your business, but your bank may have implemented additional support – check in with them to see if they've made any changes to loans or repayment plans.

The Center for Disease Control and Prevention (CDC) has issued **Interim Guidance for Businesses and Employers to Plan and Respond to COVID-19 Disease 2019 (COVID-19).**

US small business owners can apply for a low-interest loan due to COVID-19 (COVID-19) through the **Small Business Administration's Economic Injury Disaster Loan Program.**

SBA also offers an **Express Bridge Loan Pilot Program** for small businesses that work with an SBA Express Lender to access up to $25,000 with less paperwork.



You may find further useful information through your industry trade association, such as the Small Business Administration, or Chamber of Commerce.

As of March 25, 2020, US lawmakers were close to agreement on a $2 trillion stimulus and relief package in response to the COVID-19 crisis. Initial indications are that over $300 billion will be earmarked for relief, specifically for small businesses.[12]

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.



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