

# The Future of Shopping and Payments in a Post-Pandemic World



Due to COVID-19, businesses around the world will change the way they accept payment — for the health of their workers as well as their customers.

## Shopping Trends: January – April, 2020

Year-over-year monthly spending has decreased significantly, with the greatest decreases coming in March and April.

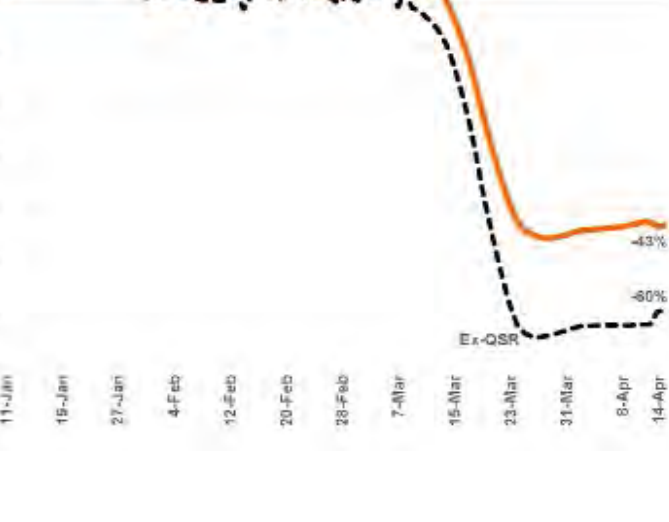
### Food, Beverage and Grocery

Growth decreased, but overall downside is limited. Consumers are making fewer shopping trips and working through supply stockpiles. Average ticket size remains elevated.



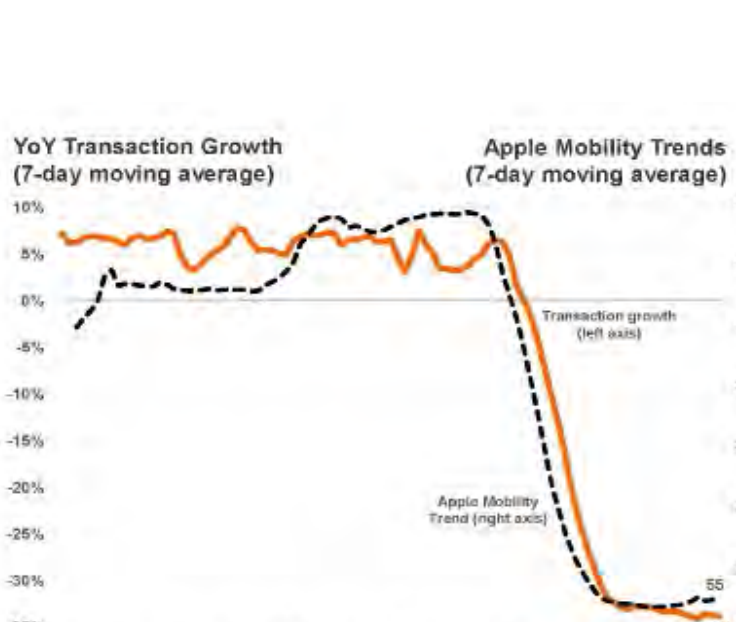
### Gas Stations

Demand remains low as mobility is limited, but the trend seems to be leveling off.



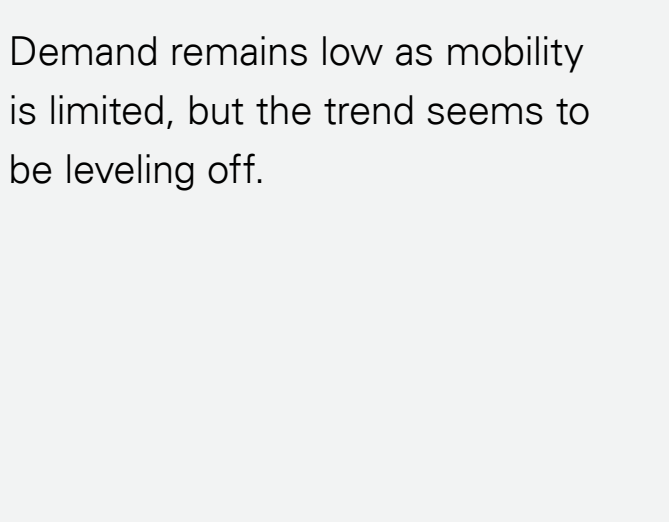
### Dining Out and Restaurants

Growth declines stabilized in April as curbside pickup took hold. The fast food segment remains the brightest spot, although sales growth moved into negative territory in March.



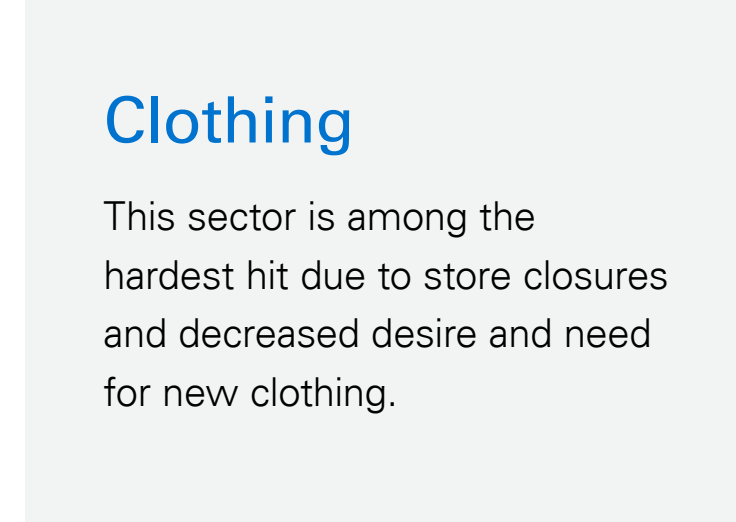
### Entertainment and Leisure

While social distancing and lockdowns have hit this category very hard, we are seeing some bottoming at very low levels.



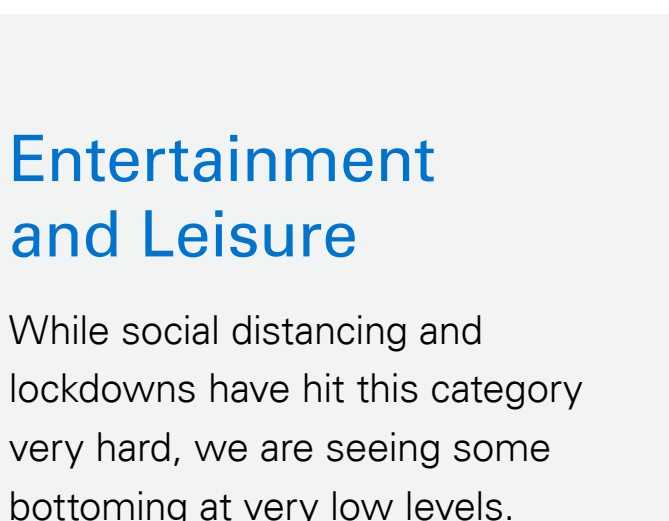
### Clothing

This sector is among the hardest hit due to store closures and decreased desire and need for new clothing.



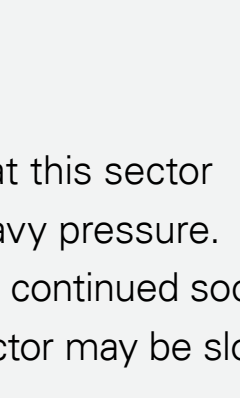
### Travel

It's no surprise that this sector remains under heavy pressure. Given the need for continued social distancing, this sector may be slow to rebound.



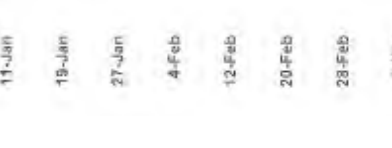
Source: SpendTrend Special Report: Update | Coronavirus impact on Consumer Spending, April 23, 2020

The probability of **coronavirus transmission through banknotes and coins is low** compared with other frequently touched objects, but consumer anxiety about physical forms of currency could speed up the trend towards cashless, touchless payments.



[governing.com/how/The-Future-of-Cash-Transactions-in-Question-Amid-COVID-19.html](http://governing.com/how/The-Future-of-Cash-Transactions-in-Question-Amid-COVID-19.html)

**22%** Social distancing has affected consumer shopping patterns, and a TransUnion survey found that **22% of Americans** said they've **been targeted by digital fraud related to COVID-19.**



[techrepublic.com/article/coronavirus-related-digital-fraud-22-of-americans-targeted](http://techrepublic.com/article/coronavirus-related-digital-fraud-22-of-americans-targeted)

**Experts believe the coronavirus can remain viable as many as five days on plastic and four days on paper,** which raises issues about the use of credit cards, terminals, cash and receipts.



[governing.com/how/The-Future-of-Cash-Transactions-in-Question-Amid-COVID-19.html](http://governing.com/how/The-Future-of-Cash-Transactions-in-Question-Amid-COVID-19.html)

## Pandemic & Post-Pandemic 9 Payment Trends

Business can help themselves and their customers by embracing omnichannel commerce and omnichannel payment solutions.\*

- 1. Reduced Use of Cash**  
 Since the start of 2020, cash use and ATM transactions have declined significantly. Fearing that cash can transmit germs, consumers are choosing to pay via other electronic methods.
- 2. Contactless Payments**  
 Mobile payment via contactless terminals is increasing due to public health concerns of touching cash, cards and keypads. Mastercard saw a 40% jump in contactless payments, including tap-to-pay and mobile pay, as the pandemic worsened.
- 3. Curbside & Delivery Payments**  
 Wireless or mobile POS card readers can accept contactless, chip, and swipe payments, allowing customers to pay in a touchless manner during curbside pickup or upon delivery.
- 4. Virtual Terminal Payments**  
 Payments can be processed over the phone, via mail, or in person via a virtual terminal. This is a web page in your internet browser that allows merchants to manually enter the sales amount and credit card information to process transactions anywhere on any device.
- 5. Electronic Benefit Transfer (EBT) Payments**  
 Online EBT allows merchants to accept payments from consumers who participate in the SNAP federal assistance program. Using "PIN on Glass" technology, consumers can select approved items and make purchases online.
- 6. SMS Payments**  
 Short Messaging Service (SMS) payments allow purchasers to pay for goods or services via direct premium text messages, via a website and a code that is transmitted as a text, or by entering their mobile number directly on a web page and texting the code back.
- 7. Peer-to-Peer Payment**  
 P2P payments can be used for sharing costs between friends, repaying someone, or even paying the rent. Funds are transferred quickly through an online or mobile app using each individual's bank account or credit card.
- 8. In-Car Payment Systems**  
 Equipping vehicle dashboards with in-car payment technology will allow drivers to pay for gas, parking spaces and eventually groceries and consumer goods from behind the wheel.
- 9. Voice Purchasing Through Alexa**  
 Amazon Pay for Alexa Skills allows Alexa users to pay for goods and services using payment information stored in their Amazon accounts. Users make purchases, re-order items, check order status or donate to their favorite charities — all by voice.

### Conclusion

COVID-19 is changing the way businesses accept payments and the ways in which consumers purchase goods and services. While sales will eventually rebound, payment acceptance options may be permanently altered. Once consumers become used to the convenience of new payment methods, these changes may become the new normal.

\*Sources:

[yahoo.com/news/coronavirus-covid-19-marks-the-real-beginning-of-the-end-of-cash-104855087.html](http://yahoo.com/news/coronavirus-covid-19-marks-the-real-beginning-of-the-end-of-cash-104855087.html)  
[cnbc.com/2020/04/29/mastercard-sees-40percent-jump-in-contactless-payments-due-to-coronavirus.html](http://cnbc.com/2020/04/29/mastercard-sees-40percent-jump-in-contactless-payments-due-to-coronavirus.html)  
[blog.clover.com/crisis-support/covid-19-effects-and-impacts-in-the-u-s-fiserv](http://blog.clover.com/crisis-support/covid-19-effects-and-impacts-in-the-u-s-fiserv)  
[firstdata.com/images/firstdata-standalone-pages/covid-19/pdf/COVID-19\\_GBS\\_Online\\_EBT\\_Sales\\_Sheet.pdf](http://firstdata.com/images/firstdata-standalone-pages/covid-19/pdf/COVID-19_GBS_Online_EBT_Sales_Sheet.pdf)  
[mobiletransaction.org/how-do-sms-payments-work-for-users](http://mobiletransaction.org/how-do-sms-payments-work-for-users)  
[nerdwallet.com/blog/banking/peer-to-peer-evolve-beyond-mobile-wallet](http://nerdwallet.com/blog/banking/peer-to-peer-evolve-beyond-mobile-wallet)  
[nerdwallet.com/blog/credit-cards/credit-cards-evolve-beyond-mobile-wallet](http://nerdwallet.com/blog/credit-cards/credit-cards-evolve-beyond-mobile-wallet)  
[pay.amazon.com/how-it-works/voice](http://pay.amazon.com/how-it-works/voice)