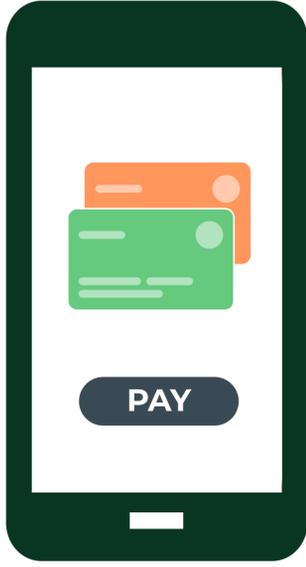


P2P PAYMENTS:

A DISRUPTION TO PLASTIC?

U.S. Consumer P2P Usage Has Spilled Over to **Small Businesses, Gig Workers, and Side Hustles**

The Strawhecker Group (TSG) and the Electronic Transactions Association (ETA) surveyed over 500 U.S. small businesses to better understand trends and usage of peer-to-peer (P2P) payments for their businesses.



WHAT IS P2P?

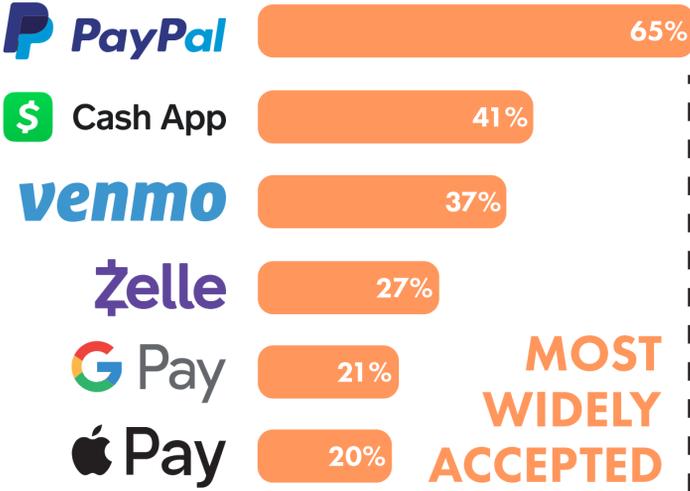
P2P, or peer-to-peer payments, are mobile-based methods, like Venmo or Zelle, that allow users to pay a person or business without using methods like cash, check, or card. For example, P2P payment methods can be funded directly by bank accounts.



Merchants in this sample reported accepting **59%** of their total payments using digital P2P options.

WHY P2P?

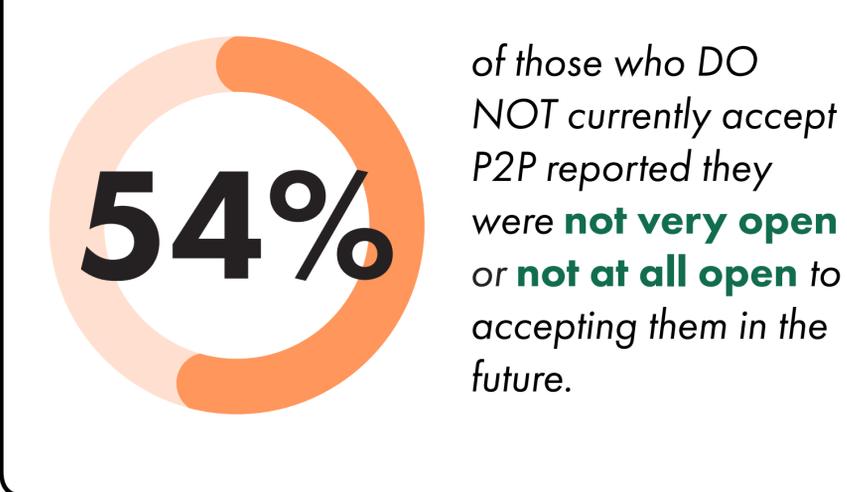
- Convenient to set up
- Contactless nature
- Cheaper than a card reader
- Widespread among consumers
- Younger consumers want to use it



92% are **happy** or **very happy** with their P2P payments experience.

SOME DRAWBACKS TO P2P NOTED BY MERCHANTS

- Scams, Fraud, and Illegal Returns
- Poor Dispute Resolution
- High Fees Charged by Some
- Unexpected Holds or Delays



93% plan to or likely plan to continue using P2P

A DISRUPTION TO PLASTIC?

35% merchants reported also having a traditional merchant services provider

THE P2P FUTURE IS BRIGHT

Open banking is a key movement in commerce. As P2P methods continue to see adoption with more consumers experimenting with side hustles to generate supplemental income, there is also a push among financial institutions for P2P methods to move upstream to larger businesses, powering the market overall and furthering a bright future for P2P.

Are you looking to survey the market? TSG's PaymentsPulse service can support your market research needs and provide the perspective of your merchants, consumers, or ISV partners. Contact us today to discuss options.

TSG and ETA keep a pulse on evolving payment preferences and advancements in the global payments ecosystem. Stay tuned for more insights!



The Strawhecker Group (TSG) is the largest analytics and consulting firm focused on the payments acceptance industry. TSG serves the entire payments ecosystem and has experience in working on large-scale projects for the world's biggest payment players. The firm has worked with all card networks, nine of the top ten merchant acquirers in the U.S., as well as leading private equity firms and investment banks. The firm's 50-person workforce is primarily in Omaha with satellite offices in Sacramento, Denver, and London. For more information please visit www.TheStrawhecker.com.



The Electronic Transactions Association (ETA) is the world's leading advocacy and trade association for the payments industry. Our members span the breadth of significant payments and fintech companies, from the largest incumbent players to the emerging disruptors in the U.S. and in more than a dozen countries around the world. ETA members make commerce possible by processing approximately \$22.5 trillion annually in purchases worldwide and deploying payments innovation to merchants and consumers. For more information, visit electran.org.

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Based on data from 530 small businesses collected between February 16 & March 3, 2022 in 42 out of 50 states. Margin of Error +/- 4.26% at a 95% confidence level.