

Covid-19 will fast-track growth in contactless payments

South Africa can expect significant growth in contactless payments on the back of Covid-19. It is also likely that the public's newfound (and sensible) aversion to contact will spur additional innovation, especially given the uncertainty around second and third waves, says South Africa's largest payment solution provider, DPO SA.



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"There is no doubt that an unintended consequence of the coronavirus will be the fast-tracking of the cashless society we have all been talking about for years," says Brendon Williamson, CSO at DPO SA. "We expect to see contactless payment methods like MasterPass, Zapper and SnapScan gaining a lot more traction," he adds.

Williamson says that much like our grandparents continued to stockpile long after the world wars, this generation is likely to retain a strong aversion to unnecessary checkout contact in years to come.

"None of us are certain about the second or third waves or further lockdowns, although the medical experts are certainly warning against them. However, even as we emerge from this first lockdown, we can be sure that most customers will prefer to not hand over their cards or input their pin at paypoint machines, ATMs and other shared devices," he explains.



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DPO SA 2 Apr 2020



Williamson says the generational resistance to digital commerce has been surpassed by practical needs.

“The older generations are now also fully on board with digital transactions. It’s not taking much cajoling from the younger generations to get their parents and grandparents to see that they have to embrace digital commerce.

“We also expect to start seeing stores becoming more reluctant to take cash and to start promoting digital transactions in order to make the payment process safer for their staff”, he says.

Professionals pivoting

Many businesses are taking a critical look at how they can still deliver services in an uncertain future and this will also drive the new payment era.

“Offering a digital service is more critical now than ever. We have seen a real uptick in signups from professionals, even in the health community, which you wouldn’t normally expect. Everyone from physiotherapists to yoga instructors are taking their business online. It makes sense that they would push for contactless payments options,” Williamson says.



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Regulations reflecting reality

Williamson says DPO South Africa is gearing up to engage with payment innovation in the coming months. The company is also working with the global card associations (like Visa and Mastercard) as well as the Reserve Bank in order to create an environment that encourages and supports contactless payments.

“In recent weeks we have seen legislation supporting interchange rates that enable a rapidly growing QR code-based economy. We are hopeful that this ethos will remain in place as we put health first.”

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