

B2B Credit Card Update

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Originally published in the Credit Research Foundation's publication, Perspective by CRF (Q3 2023)

Credit cards have become the dominant method of payment in consumer transactions, with studies showing only 9 percent of Americans use cash as their primary form of payment.¹ That trend is making its way into business-to-business (B2B) payments to an ever-increasing degree. Although convenient—and in many instances necessary—as a method of payment, credit cards are also the most expensive method of payment for a merchant to accept. The costs of accepting credit cards, commonly referred to as swipe fees, comprise an alphabet soup of charges imposed at each step of the card payment process. That panoply of fees typically ranges from 2 percent to 5 percent of the payment amount, which can make a significant impact on the merchant's bottom line, especially in an inflationary environment. This leaves merchants between a rock and a hard place: *How can they prevent credit card swipe fees from eroding their margins while still remaining competitive in the marketplace?*

The simplest solution (at least in theory) is to...

¹ Becky Pokora, *Credit Card Statistics and Trends 2023*, Forbes Advisor (Mar. 9, 2023), available at <https://www.forbes.com/advisor/credit-cards/credit-card-statistics/>.

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