

# 7 reasons SMBs should introduce cashless payment systems

While cash payments are still in use, we are moving closer to becoming a cashless society.

Over the years, we have seen significant advances in the fintech industry, leading to new innovative payment methods and allowing businesses and consumers several cashless payment methods to consider.

Cash won't disappear anytime soon, but consumers and SMB owners are experiencing the digital transformation right before their eyes, and implementing various payment methods offers a secure, convenient, and efficient solution for all parties.

Speed, efficiency, and accuracy are essential in the logistics industry. Today, there are still SMBs that use manual systems of tracking payments and orders, which can be cumbersome and slow and possibly have a high potential for human error. In these types of businesses, streamlining supply chain operations, improving logistics efficiency, and saving money is key. An effective payment system, integrated into an established workflow, helps teams work more efficiently and allows more time to provide a positive customer experience.

In this article, we will go over everything about cashless payments and the 7 reasons SMBs should introduce cashless payment systems in their workflows.

## What are cashless payments?

Cashless payments are any transactions processed in a way that removes the physical interaction between the purchaser and the merchant. There are many types of cashless payments as new technology is created and consumer demands increase. We will go over two types, credit and debit cards, and ACH.

## Credit and Debit Cards

Accepting debit and credit cards is usually a standard for any-sized business. This form of payment is the most frequently used and accepted cashless payment option available.

An emerging trend related to card payments is contactless credit and debit cards. Tap-to-pay is now widely available and a convenient option to have for your customers. This is one of the most convenient in-person or on-premises payment options.

Introducing an integrated payment system for your business can also benefit your internal workflows and customers. A flexible and convenient payment experience for your customers will help you retain them and improve how your team works and how fast they can get cash flow into the business. If you are interested in more integrated payment solutions, read our most recent article about how [Fishbowl is evolving with the future of digital payments](#) and offering a new payment solution for SMBs.

## ACH

One of the main benefits of Automated Clearing House (ACH) payments for SMB owners is cost. These payments can result in lower processing fees than credit cards and are a great option for recurring payments. ACH payments are processed by transmitting bank routing and account information between the payor and the business.

Now that we know about cashless payments and a few options let's understand why SMBs should use cashless payment systems.

### 1. Increased revenue

Businesses that limit their payment options also limit their ability to bring in more cash. Since cashless and digital payments dominate the payments industry and are preferred by many customers, giving

multiple payment options will lead to a better customer experience and, presumably, increased customer retention.

### 2. Speed and convenience

Cashless payment options can streamline the payment experience for your customers. When there's no cash involved, customer service times are cut down significantly. Speed and convenience are two determining factors for why a customer will choose your business over your competitors. Cashless payment options can deliver on both.

### 3. Data and Insights

Cashless transactions provide helpful data and insights, allowing your business to make better-informed decisions. You can link these transactions to specific customers to analyze payment volume by time period or payment type. Cashless payments boost your market research and give you a greater chance to know your customers to provide the best service.

## 4. Payment Security

Due to the advances in technology and cybersecurity, accepting cashless payments will keep your money safer. With built-in fraud protection and easy payment tracking, credit cards are safer payment option than ever before.

## 5. Lower operating expenses

Handling cash is costly, and it takes time and money to train employees on how to properly manage cash payments and transport cash from your business to your bank. Depending on how much money your business collects, you may even have to hire an armored car service to transport and deposit cash. Which could be expensive. SMBs can cut out these types of expenses by managing payments electronically.

## 6. Accounting accuracy and efficiency

When your payment system can track money received automatically, it makes your accounting more accurate and removes the chance for human error. Also, not only is automated accounting more precise and faster, an [integrated payment solution can](#) improve your current workflow and save you time, unlike manual accounting.

## 7. Improved quality of customer experience

A cashless payment system has a direct impact on the customer experience. Giving time back to your customers is a tremendous value add and makes them think twice about leaving your business for the competition.

The relationship between the business and the customer is crucial. It can lead to loyalty, improved retention, and profitability. The payment experience plays a vital role in business workflows and customers. Going with a cashless payment system will prove an investment and a smart business decision in the long term. Staying with the trend of technology and ahead of the competition still may be using cash payments puts your business in a greater position to operate more efficiently, earn more business, and gain more customers.

Check out our recent [digital payments blog](#) to learn the benefits of integrated payment solutions.

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