

# The Pandemic Effect

How Merchant Acquiring Performance Changed



Topic	Pre-Pandemic (Q1 2019 through Q1 2020)	Pandemic Period (Q2 2020 through Q1 2021)	Post-Pandemic (Q2 2021 through Q4 2022)
<b>Account Size</b>	Moderate increase driven by eCommerce	<p>After a dip during the early Pandemic Period, account size increased significantly</p> <p>Eating &amp; Drinking Places showed the largest increase</p> <p>(see Fig. A &amp; B for more insight)</p>	Leveled off at approximately <b>25%</b> above Pre-Pandemic levels (9.2% CAGR)
<b>Average Ticket</b>	Average Ticket sizes are stable	<p>Average Ticket increased substantially (<b>\$77 to \$90</b>) in the early Pandemic Period</p> <p>eCommerce Only and Non-Ecommerce Only follow a similar pattern</p> <p>Mid-Market, Non-eCommerce grew significantly (<b>+\$46</b>)</p>	<p>Average Ticket moderated at roughly <b>\$10 greater</b> than Pre-Pandemic amounts</p> <p>As expected, Petroleum also showed an increase over the last eight quarters</p> <p>Mid-Market sustained the increased Pandemic Period growth</p>
<b>Chargebacks</b>	Chargeback rates for eCommerce Only are nearly <b>2x</b> Non-eCommerce Only	Average chargeback amount rates peaked ( <b>30% increase</b> ) at the beginning of the Pandemic Period	<p>Chargeback Amount Rates returned to Pre-Pandemic level, but eCommerce rates increased over the last three quarters</p> <p>(see Fig. C for more insight)</p>
<b>Account Size Forecast</b>	Consistent single digit year-over-year growth from 2018 through Q1 2020	Significant decline in Growth Rates in early Pandemic Period followed by a rapid increase	<p>Significant year-over-year growth in 2021 caused by depressed activity in 2020</p> <p>2022 and 2023 show a return to single digit year-over-year growth</p>
<b>Credit/Debit Spending</b>	Credit/Debit Mix are close to a <b>53%/47%</b> split	Credit volume mix declined significantly ( <b>to 44%</b> ) early, then increased sharply to Pre-Pandemic levels, however Debit spending remains greater than Credit	Credit Volume and mix increased at a higher rate than Pre-Pandemic period, and, once again, Credit/Debit Mix is comparable to Pre-Pandemic levels

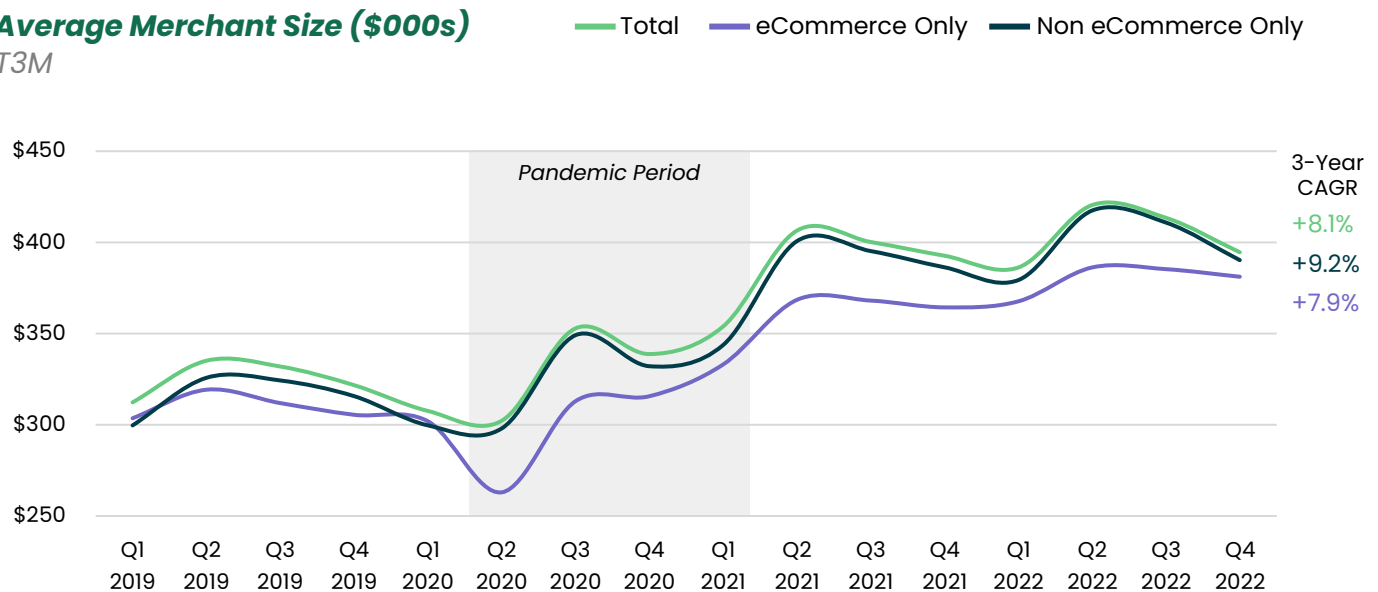
## A eCommerce Performance

After a dip during the early Pandemic Period, merchant account size increased significantly and recently leveled off

- Surprisingly, the account size increase in eComm Only is lower than the Total over the entire trending period

### Average Merchant Size (\$000s)

T3M



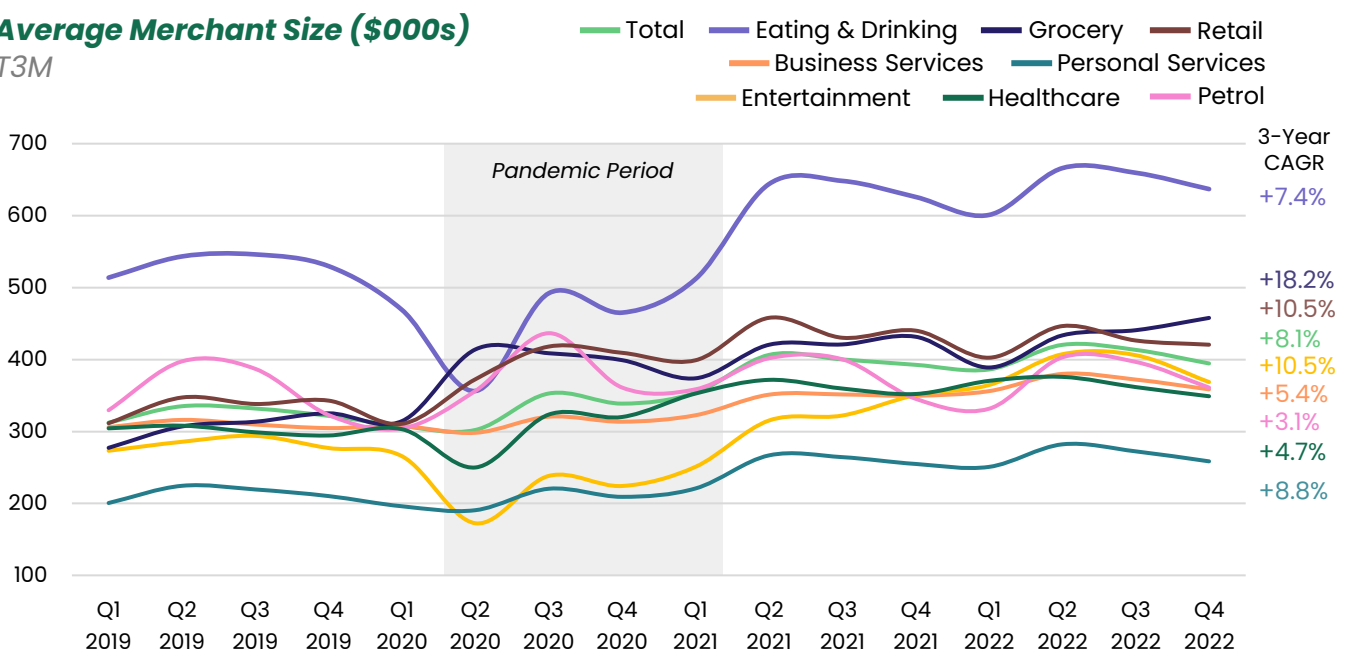
## B Industry Performance

Grocery stands out as an industry that significantly increased in account size

- Petrol increased the least

### Average Merchant Size (\$000s)

T3M



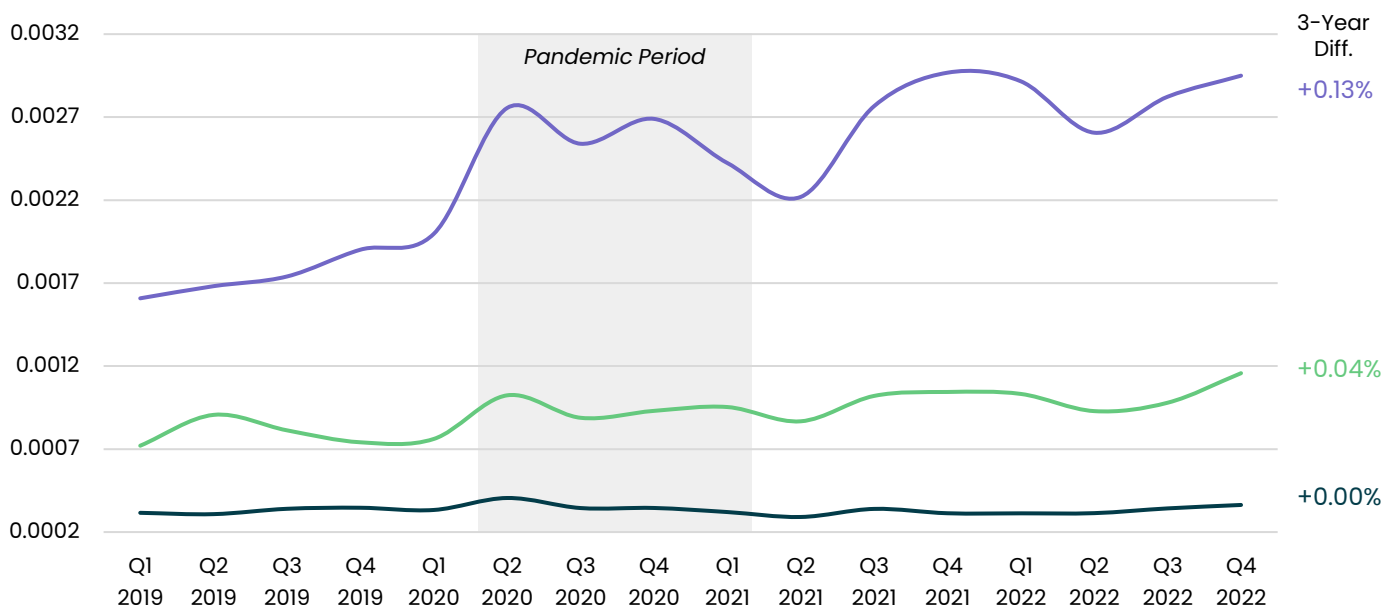
## C eCommerce Chargebacks

Chargebacks as % of Transactions for the eComm Only sector continues to increase

### Chargeback Transactions as a % of Transactions (\$000s)

— Total — eCommerce Only — Non eCommerce Only

T3M



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