



# Small Business EMV Readiness

06 August 2015 By: Michael Moeser

Small merchants and retailers have a massive role in a healthy U.S. economy. According to the Small Business Administration, small businesses were responsible for 46% of the private nonfarm GDP1 in 2008. Unfortunately, this cohort of our economy remains largely uneducated on payment security and the upcoming EMV (chip card standard) liability shift in October. Deterred by costs, small and micro businesses have avoided upgrading their terminals. Because of the U.S. migration to chip-based transactions and the resulting fraud liability shift, failure to act will leave them vulnerable to fraud. As the EMV chip card replaces the magnetic stripe, many consumers will be reaching for their new cards at the POS. If these retailers have not upgraded their terminals, consumers will be forced to use the magnetic stripe to make a payment. If a counterfeit card is used, that merchant will soon be liable for the fraud loss. This could have a significant impact on such small operations.

## Primary Questions:

- How will the upcoming EMV liability shift affect small and micro businesses, and what will be the consequences of their delayed transition?
- Small and micro businesses are a vital organ to the body of the U.S. economy. How can they maintain a safe payment environment for their customers?
- What primary reasons do small and micro businesses have for delaying the upgrading of their POS terminals?

## Companies Mentioned:

Apple	Target
Europay	Visa
Google	Wal-Mart
MasterCard	U.S. Small Business Administration

- A random-sample panel of 250 businesses was collected online as a blind study without an identified sponsor during October 2013 and October 2014

---

Copyright ©2019 GA Javelin LLC, (dba as Javelin Strategy & Research). Javelin Strategy & Research is a division of Greenwich Associates. All rights reserved. No portion of these materials may be copied, reproduced, distributed or transmitted, electronically or otherwise, to external parties or publicly without the permission of GA Javelin LLC.

[javelinstrategy.com](http://javelinstrategy.com)

[inquiry@javelinstrategy.com](mailto:inquiry@javelinstrategy.com)

925.225.9100