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# Crypto for Traditional Business: Myth or Reality?

Crypto is now perceived not just as a hype word, it has actually become a popular digital asset that can be useful in many spheres of life. Traditional business owners can't quite decide whether they need this innovation or not. In this article, we will describe how exactly crypto can be used by traditional merchants and what are the advantages of this implementation.

## The first steps

It's a widely known fact that the first thing ever bought for crypto was a pizza. To be exact, two large pizzas from Papa John's were bought for 10,000 Bitcoins by Laszlo Hanyecz. This programmer from Florida mined his own BTC in 2010 and at that point, Bitcoin's value was next to nothing. Today, had he kept it, he could be a multimillionaire.

Some people consider alpaca socks to be the first goods being sold for BTC, as they were marketed in online shops for Bitcoin in the early days. Whereas Laszlo simply posted on a Bitcoin-related forum that he'd transfer BTC to anyone who buys him pizzas. Can't say whether it's true or not, but the fact is — pizza started the hype, and several years later people have bought everything from tickets to space to Tesla S's and Miami Mansions with Bitcoin.



## Modern crypto payment gateways

All the examples described above were made in a P2P way, so-called peer-to-peer. It's when one individual wants to buy/sell something for crypto and finds a partner to cooperate with. Even though it's a working model, as we could see, it's not very convenient when talking about retail.

Today, more modern ways for crypto payments exist. They are still relatively new but are already being used in retail. Let's take a look at some of them:

- **Crypto payment services (for example, BitPay, Binance Pay, CoinGate, Coinbase Commerce, etc)**

They allow online business owners to install a button on their website that allows customers to pay in crypto. Merchants can choose whether they want to receive funds to their balances in crypto or in fiat money if they want to avoid crypto's volatility.

- **Crypto Point-of-Sale systems (for example, BitXATM, Blockchain Merchant, Coinify, PayStand, etc)**

These are software solutions for merchants' terminals in brick-and-mortar retail stores. After installation, merchants can create invoices for clients in needed cryptocurrency, so that the clients can use their phone to pay with NFC or by scanning a QR code and confirming the transaction from their crypto wallet. Even though the customer pays in crypto, the merchant receives funds in their preferred fiat currency.

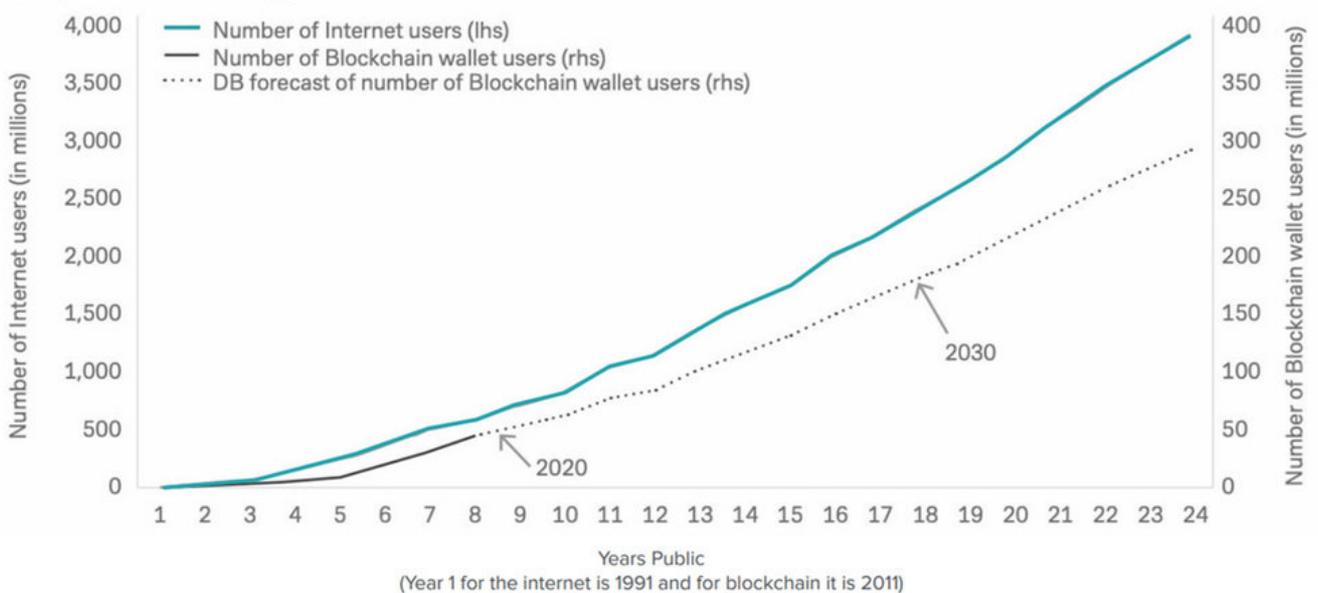
Both of these options allow merchants to make crypto transactions quickly and smoothly, and, what's more important — automatically, without spending time and effort to enter any data manually.

## Why do businesses need crypto payments?

There are some obvious reasons, acceptable for merchants of all sizes and niches, and some secondary, not very obvious, advantages.

The most important one is **getting more customers**. The number of people who hold crypto is growing day by day. At the beginning of the century, crypto didn't even exist, whereas today there are nearly 300 million crypto users in the world, which is almost 4% of the world's population. Accepting crypto means welcoming more customers to buy your goods and services. Remember how brick-and-mortar shops accepted only cash and by implementing card payments attracted more customers? It is the same situation here.

Adoption rates of cryptocurrencies and the Internet



SOURCE: YAHOO.FINANCE

Another big pro is **paying lower processing fees** compared to traditional bank transactions (applies only in case of peer to peer payments). It is especially important when buying expensive things — that's why the first BTC purchases were cars, houses, etc. But even if payment processing companies are used, their fees are usually low. Also, merchants can avoid exorbitant overdraft fees, foreign transaction fees, service fees, etc. Keep in mind that even just holding crypto is entirely free, whereas banks usually charge for opening an account, monthly maintenance fee, minimum balance fees, etc.

A crucial advantage of accepting crypto payments is **anonymity**. Lots of niches from adult to gambling have already implemented this type of payment, as their clients prefer to stay anonymous. Being confidential attracts a huge number of people in all businesses, as bank regulations in many countries make it extremely difficult to make payments without revealing one's identity.

### **Some other advantages:**

- Resolving issues becomes easier as there's no middleman involved and you have full control over transactions.
- When making a P2P transaction, you can avoid large bank fees as the commission of crypto transactions is low and stable, so it doesn't depend on the amount of transferred funds. A \$2 fee for a \$1,000,000 transaction sounds like a dream, compared to bank fees, especially if it's a transaction between countries that also needs approvals, verifications, etc.
- Crypto transactions are fast, secure and fraud-resistant.
- Accepting crypto may be beneficial for customers who prefer not to share their personal data.

## **What to expect**

Nowadays crypto is not accepted everywhere, but humanity is moving in this direction with great enthusiasm. We can definitely see the difference between using crypto 10 years ago and now, which is from buying two large pizzas to purchasing luxurious cars and properties with Bitcoin.

The modern banking system is not flexible, complicated, and sometimes even absurd. When entrusting hard-earned money to a bank, customers automatically agree that their money will be meticulously controlled under strictly dictated terms with no privacy. The world is moving towards decentralization, and crypto has become a perfect solution to replace existing prehistoric imperfect financial institutions.

With such rapid growth, it is easy to claim that sooner or later crypto will be another popular payment method, just like debit cards are. It's just a question of time when retail merchants decide to implement this innovation and reap the many benefits.

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