

British businesses spend big on online marketing as strategies change through COVID-19

British businesses are spending increasing amounts on online marketing to expand their customer bases in the wake of ongoing COVID-19 restrictions, according to business card data from HSBC UK.

Figures show there has been an 8% increase in the value spent on digital marketing by HSBC UK customers using business cards compared to January and February this year, while the highest value merchants so far in 2020 are Amazon, Facebook and Google.

Commercial card spending on travel and entertainment has plunged by 90% since before lockdown and, while the data shows that many firms focussed card spending on furniture and office suppliers to adapt to home working through March and April, attention has now turned to marketing their business online.

Business card spend in car and truck dealerships has also remained consistently high since March, increasing by 48% compared to before lockdown, as many customers look to purchase vehicles in order to reduce reliance of public transport.

Tom Wood, Head of Global Liquidity and Cash Management for HSBC UK, said: “Businesses have faced huge challenges through 2020 and we’ve seen the best of British innovation and entrepreneurial spirit as companies have adapted to the fast-changing environment.

“With large events and face to face meetings difficult to execute through the pandemic, our data shows that businesses are turning to online marketing, particularly through social media, in order to reach existing and new customers.

“Many of our customers quickly adapted their strategies when lockdown began and with UK adults spending four hours a day online during lockdown¹ firms directed spend online to promote their goods and services.”

Contactless payments now make up a quarter of all commercial card transactions, compared to 19% at the same time last year.

The average value of contactless transactions on HSBC business debit cards increased from £10 to £15 and overall debit card spend is up by 15% in the last three months, largely driven by the increase in contactless limit to £45 and merchants preferring to take card over cash during the pandemic.

Tom Wood added: “Our suite of business cards provide flexible solutions for many customers who are looking to make the most of their working capital cycle. In particular, the ‘buy now, pay later’ nature of commercial credit cards has been valuable for small businesses customers through the last six months.

¹ <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2020/uk-internet-use-surges>

“Our business cards also add an extra layer of security for customers who can provide cards to employees for low value transactions without giving them direct access to their accounts.”

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Notes to editors:

Media enquiries to:

Peter Edney peter.d.edney@hsbc.co.uk 07384 791 502

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HSBC UK

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