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Canadian merchants champing at the Bitcoin for greater consumer acceptance

Bitcoin is now the most well-recognized and well-accepted international digital currency, offered by over 100,000 merchants worldwide, including famous-brand vendors such as Microsoft, Dell and Expedia.¹ Growth of merchant Bitcoin acceptance has been particularly strong in Canada. Senior Deputy Governor of the Bank of Canada, Carolyn Wilkins, observed in a recent speech that a quarter of the world's Bitcoin ATMs are now found in Canada, and well over 300 Canadian merchants say they currently accept Bitcoin as a payment option.² According to reported statistics, Canada is second only to the United States in dollars invested in Bitcoin globally.³

Industry analysts, however, are mixed in their feedback. Enthusiasts say it's fast, cheap and private; critics observe that Bitcoin is not widely understood, can be difficult to account for tax purposes, and is complex in how to acquire and use it. Bitcoin has also been criticized for what value it bears on any given day, and the perceived risk in the system being "hacked".

Forensic research firm CorbinPartners set out to collect today's impressions from merchants who transact Bitcoin in their everyday business. It found merchant opinions to weigh in favour of the positive side of the coin. Merchants who were interviewed are proud to be part of the digital revolution. They consistently comment on the speed, convenience, security, and valuable innovation.

Four of every five merchants interviewed would recommend other business owners adopt it as a payment source. Almost half of the survey participants hailed the lower transaction cost of Bitcoin as compared to debit or credit cards. Said one survey participant "especially when dealing with international clients, it is much, much faster and more painless than PayPal, wire transfers, or cheques -- not to mention huge fee savings."

¹ Per bitcoin payments processor BitPay, 2015 - <https://bitpay.com/>

² 'Money in a Digital World' – Carolyn Wilkins, Bank of Canada – Nov. 13, 2014 - <http://www.bankofcanada.ca/2014/11/money-digital-world/>

³ Canada Is World's 2nd-Largest Bitcoin Investment Market: Report, 2014 – <https://huffingtonpost.ca>

What is fueling the digital currency revolution? The novelty aspect of Bitcoin was the original attraction to some vendors. Some businesses stated they accept Bitcoin because it is an “interesting” alternative, even though they have processed a very limited number of Bitcoin transactions to date. Despite less popularity among customers than they had hoped, the majority of Bitcoin merchants are optimistic that consumer acceptance will increase substantially in the next five years. “It’s the future” stated one merchant. “Everything analog is now headed for digital.”

When asked what improvements could help merchants accepting Bitcoin, over half of survey participants referred to the importance of increasing customer awareness. “The general public needs to become more aware of Bitcoin and businesses need to become more vocal about offering it,” stated one business owner. Another said “Encouraging the use of Bitcoin is critical to our success with it. The technology works as it should, and the payment process is reliable—it just isn’t getting market traction.”

In summary, those merchants experienced with Bitcoin are notably positive about its speed and cost, and willing to advocate for it to other businesses. Consumer acceptance in Canada is the major hurdle. The primary opportunity for associations who aim to advance the use of Bitcoin in Canada is to analyze, understand, and then address the components of consumer reluctance.

CorbinPartners conducted research among vendors, both online and by telephone, during the 3rd and 4th quarters of 2015. CorbinPartners is an established provider of precise and reliable business intelligence, statistical measurement, and forensic market research. CorbinPartners’ work products form part of essential due diligence for high-stakes business decisions, risk analysis, regulatory matters, negotiation and litigation.

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