



How You Can Capture Share In The Growing MCA Market

Description

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This article discusses the expected growth in the MCA market and why MCAs will increasingly be an attractive funding option for business owners. It also shares insights on what MCA providers can do to reach business owners who are highly interested in an MCA.

An increasing number of small businesses are looking to Merchant Cash Advances (MCAs) to help cover cash flow shortfalls and short-term expenses. According to a report by [Allied Market Research](#), the global MCA market reached a value of \$17.9 billion in 2023. Even more impressive, this market is expected to grow by a CAGR of 7.2% from 2024 to 2032, reaching \$32.7 billion. North America will continue to account for more than one-third of the market, representing a massive opportunity for MCA providers in the U.S.

Why MCAs are attractive to business owners

An MCA gives a business owner an advance against the future sales generated by their business. The advance is based on past debit and credit card sales. The lender automatically takes a portion of the business's daily credit card sales until the MCA has been repaid.

There are many reasons that business owners view an MCA as an attractive option. One significant reason is that MCAs are easier to obtain than other types of funding, such as lines of credit and traditional bank loans. In some cases, for business owners who might not qualify for traditional loans, MCAs might be the only viable option. There is less paperwork involved. Business owners can often get approved in one to two days, receiving much-needed funding in less time. They receive the funding in one lump sum payment but pay it back over time out of their future sales.

What is driving the growth in MCAs

Some key factors will continue to fuel the expected growth in the MCA market, including:

- **Growing demand for alternative, short-term funding**

A growing number of business owners—particularly those who own retail, e-commerce, and seasonal businesses—have a strong need for short-term funding that cannot always be met by other funding sources. More traditional sources may have qualification requirements and interest rates that are too tough to manage, creating the need for alternatives like MCAs.

- **Increased adoption of digital payments**

Today, more businesses are encouraging digital payments. A greater percentage of consumers are paying with debit and credit cards than with cash. Some businesses no longer accept cash payments at all. The increase in credit card transactions makes MCAs a more attractive option for business owners.

- **Increased use of AI and other technology in underwriting and risk assessment**

As in most industries, AI and other technologies are streamlining processes and making it easier to analyze data. Given the less stringent, less time-consuming assessments required for MCAs, these technologies will play an important role in assessing and qualifying business owners for MCAs.

How you can capture a share of the growing MCA market

There are more than [33 million](#) small businesses in the U.S., approximately 20% (6 million) of which employ individuals beyond the business owner. With such a large market to pursue, targeting the right prospective customers is critical to achieving sales effectiveness, sales efficiency, and cost per acquisition targets.

Opt-in leads can help MCA providers quickly understand which business owners have expressed interest in MCAs as a funding option. Instead of wasting time and resources looking for business owners who are “warm” to the idea of MCAs and pre-qualifying them, their sales teams can focus more on closing deals.

MCA providers have multiple types of [opt-in leads](#) available to them:

- **Aged leads** — These are business owners who at some point have viewed an MCA-related marketing creative on the Internet, social media, SMS message, or direct mail and have indicated their desire to learn more about MCAs. They have provided long-form information that preliminarily qualifies them as a viable MCA prospect.
- **Real-time leads** — These leads are similar to aged leads in how they are developed. The key difference is that they represent business owners who would like to be called *immediately* (usually within a day) to talk about MCAs.
- **Call transfers** — Call transfers represent prospective MCA clients who after speaking to an outside call center, have been preliminarily screened and have agreed to speak further with an MCA representative. The call is then live transferred directly to your team for closing.

There are benefits to each type of lead. Selecting the right type(s) of leads will depend on your marketing and sales objectives, sales approach, number and type of sales resources, desired cost per acquisition, and other factors.

If you would like more information on sales leads for MCA, give The Leads Warehouse a call at **1-800-884-8371** or visit our website at <https://theleadswarehouse.com>.

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