



Version 1 | Public

Germany: Attitudes to Interchange Fees

June 2014



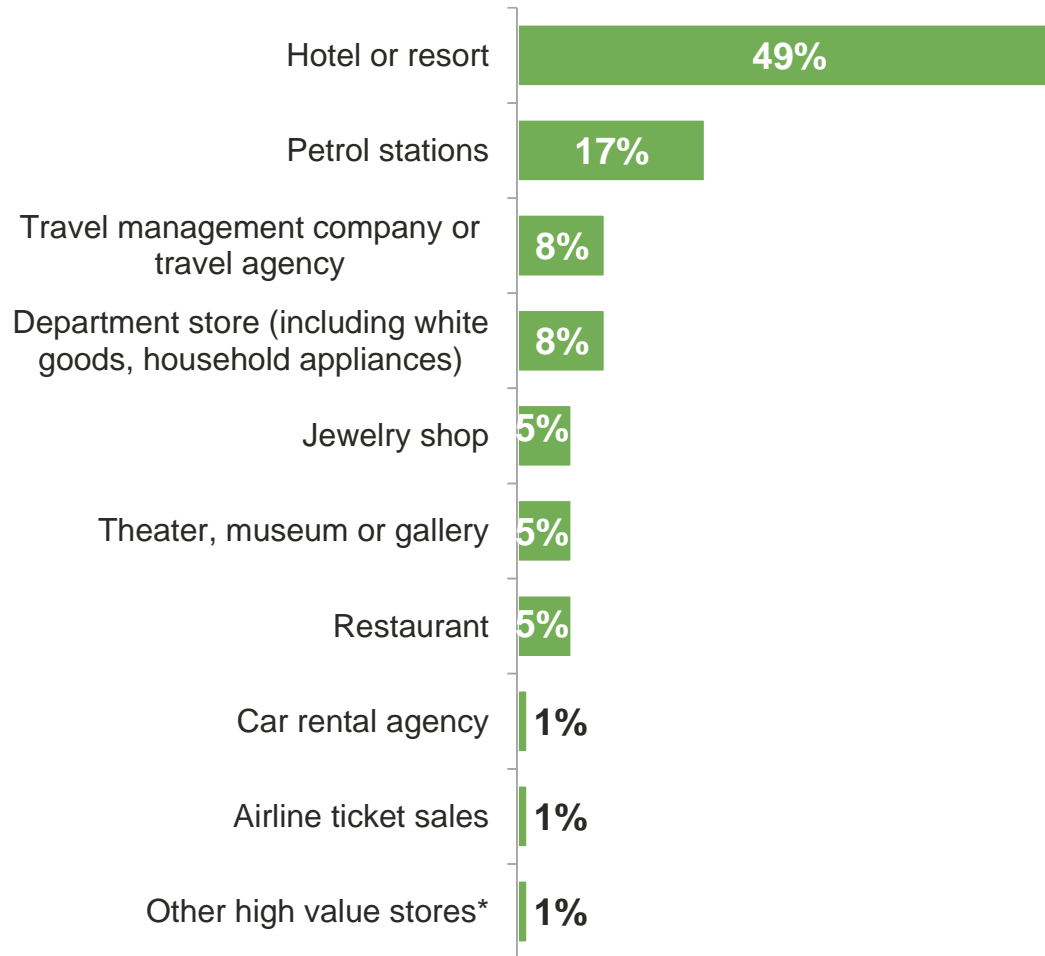
- These are findings of research conducted by international research company Ipsos MORI on behalf of MasterCard Worldwide. The research was conducted via telephone among “high value retailers”.
- High value retailers are defined as:
 - Decision makers regarding payment card transactions
 - Working within a retail sector related to travel, entertainment or luxury goods such as airline ticket sales, car rental agency, hotel/resort, travel management company/travel agency, petrol stations, restaurant, theater, museum/gallery, jewelry shop, department store and other high value stores
 - Have high value single transactions made frequently in branch via payment cards
- The field dates and sample sizes in each country are below:

Country	Field Start	Field Close	Sample size
Great Britain	15-Apr	7-May	151
France	15-Apr	9-May	150
Spain	15-Apr	1-May	150
Germany	15-Apr	5-May	150
Italy	15-Apr	5-May	150
Poland	15-Apr	9-May	150

Profile of high value retailers



Q1. First, just to double check, which of the following, if any, best describes your business?



***This includes:**

- Electronic stores (e.g. audio-visual, hi-fi, televisions, computers, etc.)
- Cosmetics (including perfume shops)
- Clothing boutiques
- Leather goods stores (including shoe shops)
- Any other luxury goods or services

Base: 150 high value retailers

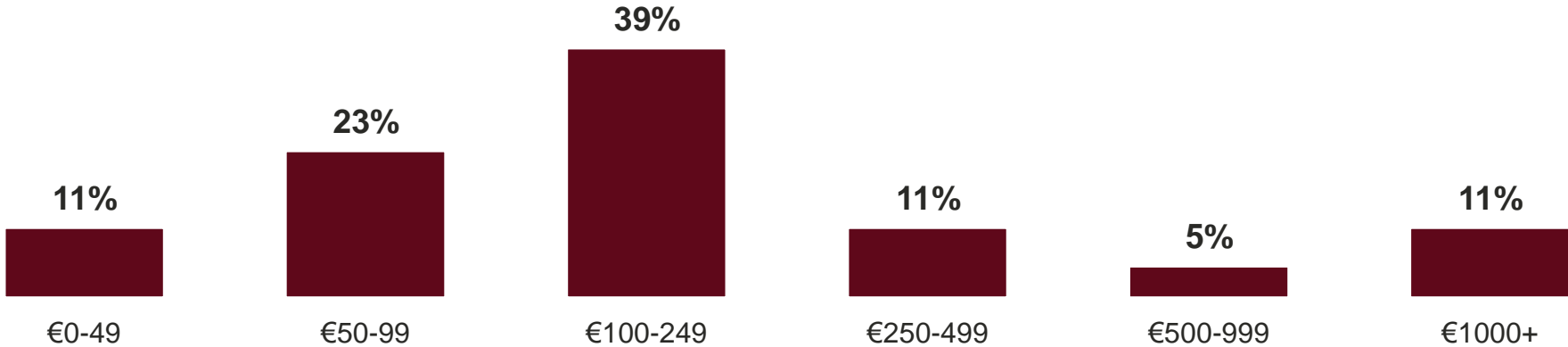
Source: Ipsos MORI

Average transaction



Q2. Thinking about transactions paid for on a payment card, what is the average amount spent by the typical customer within your business in a single transaction? / Q2a. Thinking about the covers you have in your restaurant, what is the average bill per person?

Average amount spent on a payment card:
€100



Base: 150 high value retailers

Source: Ipsos MORI

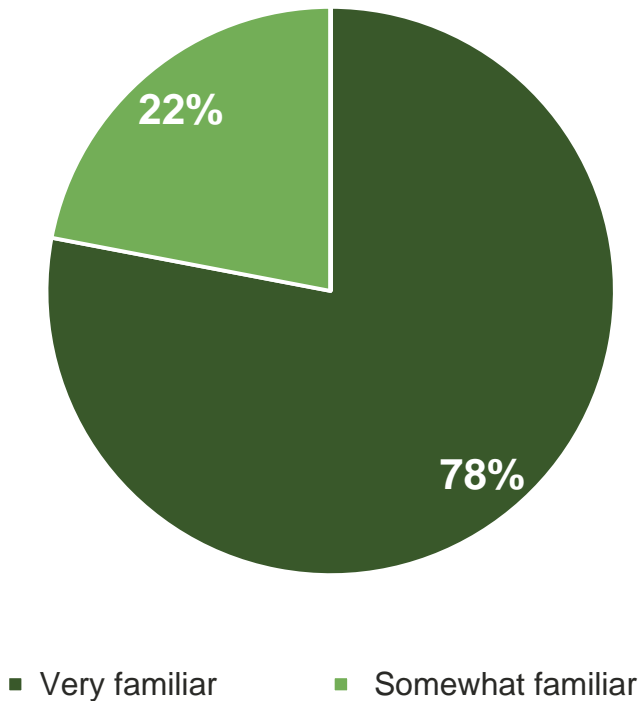


Familiarity with retail transactions

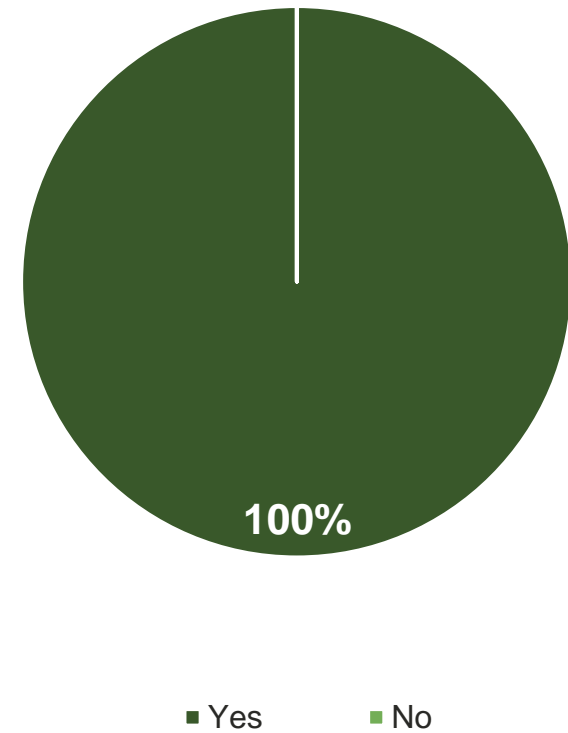


Q3. How familiar are you with the day to day retail transactions for your business?/Q4. And, are payments made frequently via payment cards?

How familiar are you with the day to day retail transactions for your business?



Are payments made frequently via payment cards?



Base: 150 high value retailers

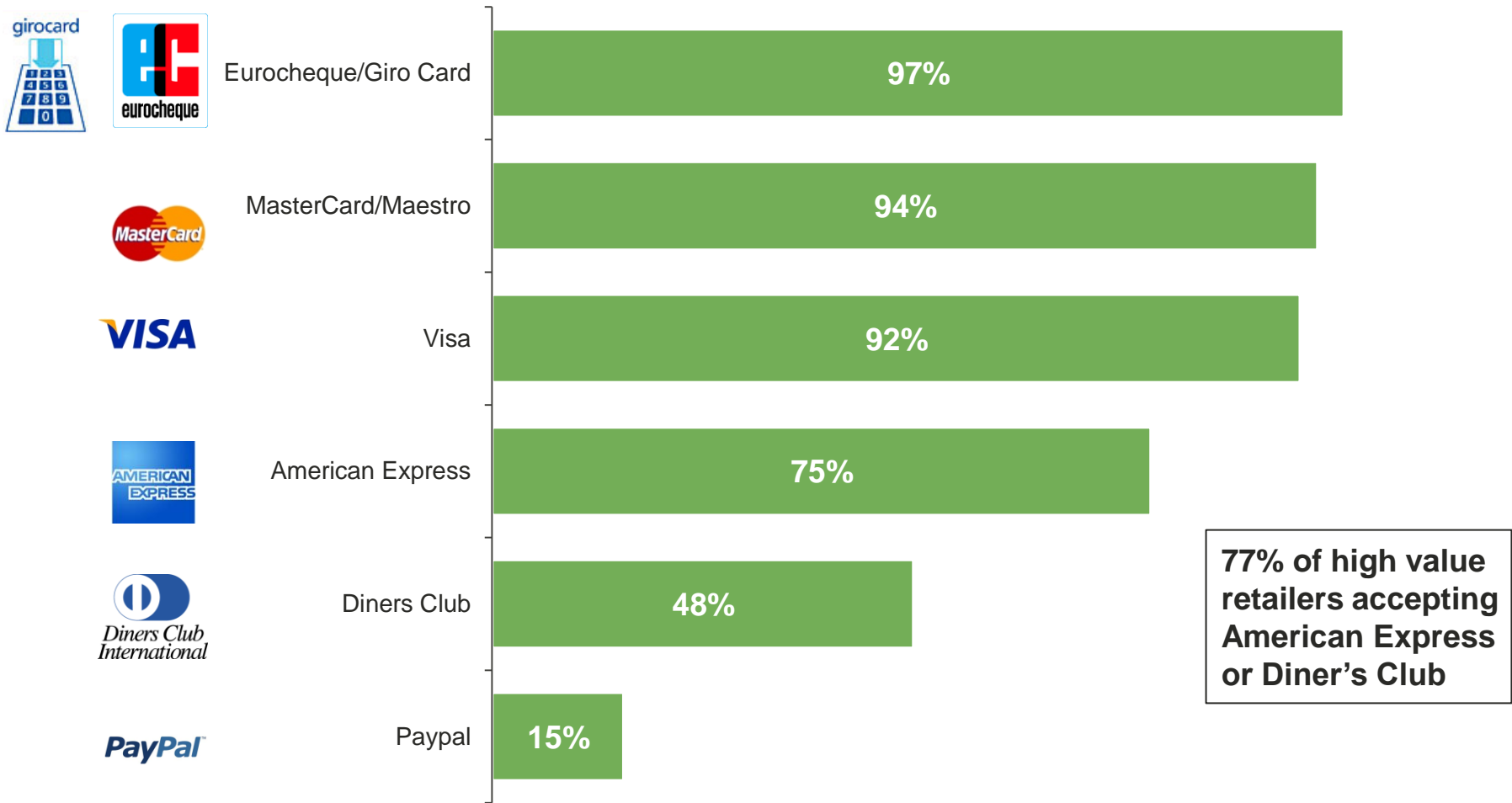
Source: Ipsos MORI



Accepted payment cards



Q5. Which of the following brands of payment cards or payment types, if any, does your business currently accept?



Base: 150 high value retailers

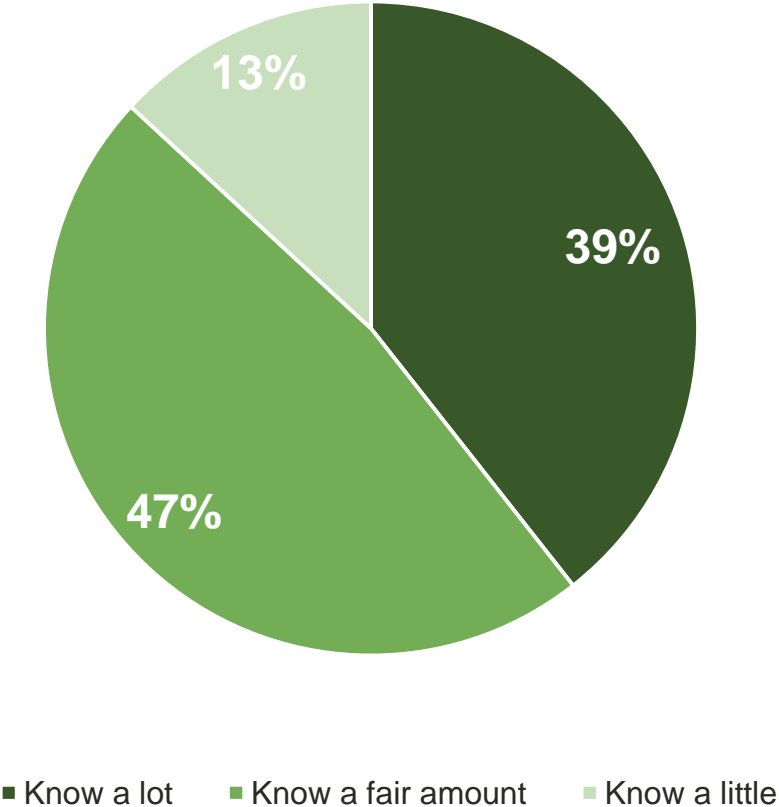
Source: Ipsos MORI



Knowledge of interchange fees



Q6. Thinking about when a card transaction is made within your business, how much do you feel you know about the different fees charged for different payment methods?



Base: 150 high value retailers

Source: Ipsos MORI



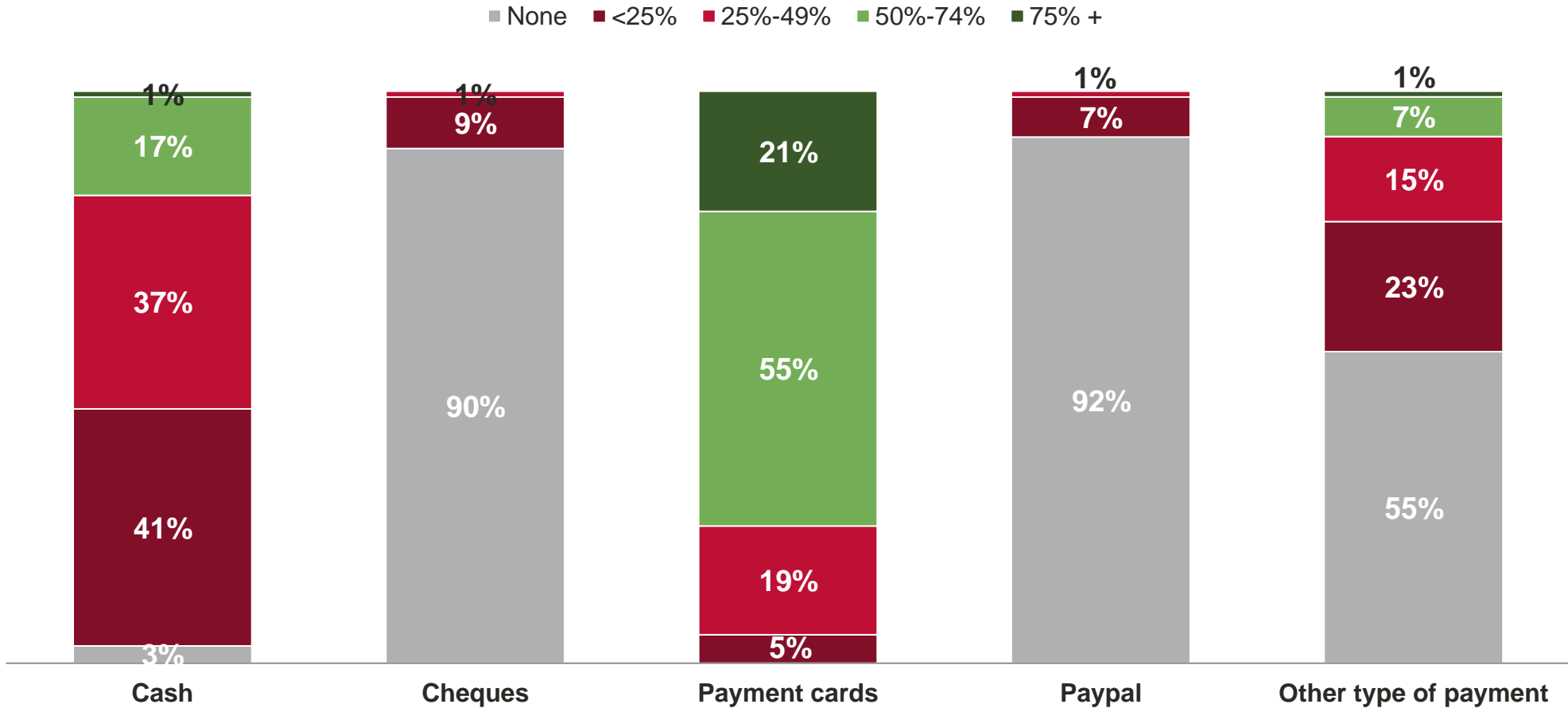
Payment methods



Proportion of sales transactions by type of payment



Q7. What percentage of your average number of sales transactions would you estimate are paid for by each of the following payment methods?



Base: 150 high value retailers

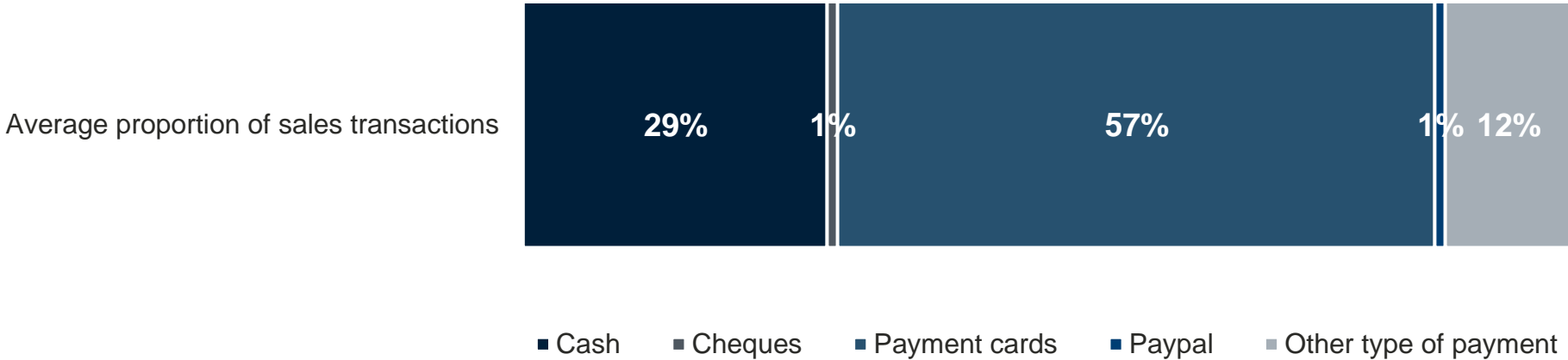
Source: Ipsos MORI



Proportion of sales transactions by type of payment



Q7. What percentage of your average number of sales transactions would you estimate are paid for by each of the following payment methods?



Base: 150 high value retailers

Source: Ipsos MORI

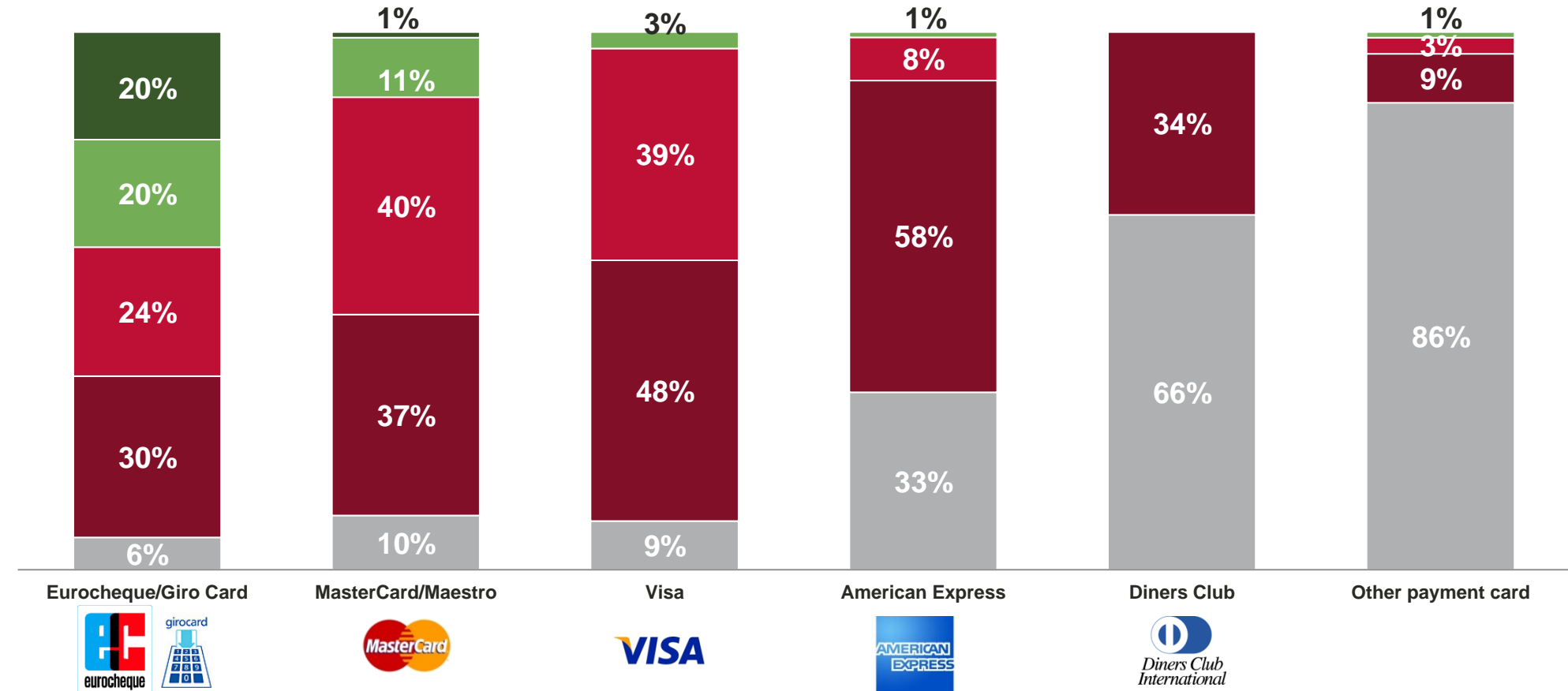


Proportion of sales transactions by brand of payment cards



Q7a. And, in an average month, what proportion of card transactions would you estimate are paid for by each of the following card brands?

■ None ■ <25% ■ 25%-49% ■ 50%-74% ■ 75% +



Base: 150 high value retailers

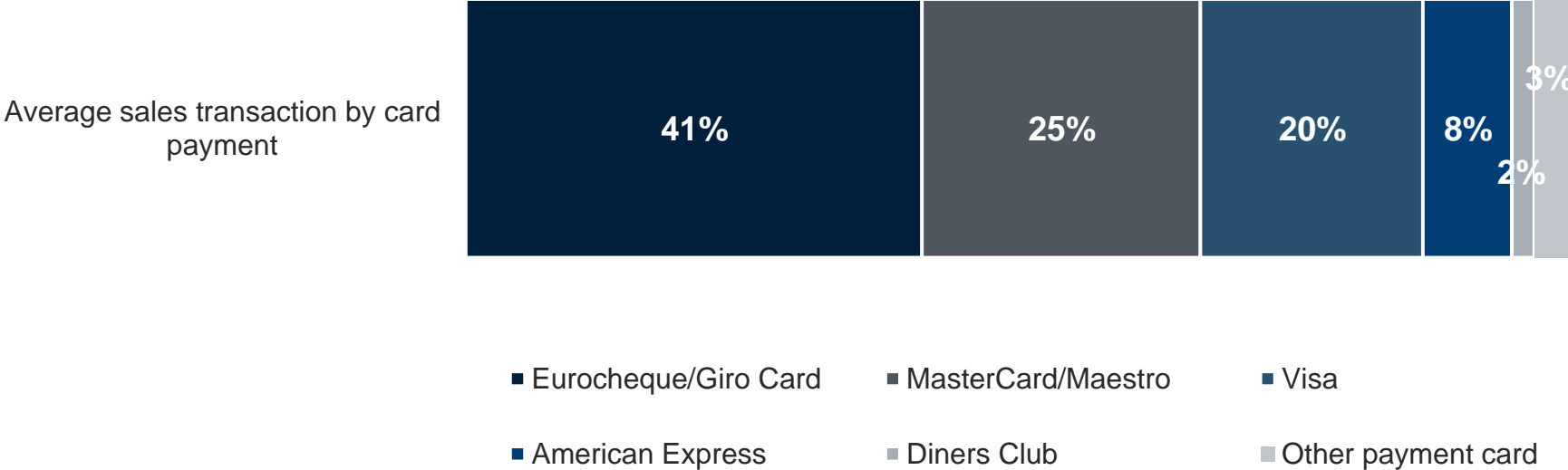
Source: Ipsos MORI



Proportion of sales transactions by brand of payment cards



Q7a. And, in an average month, what proportion of card transactions would you estimate are paid for by each of the following card brands?



Base: 150 high value retailers

Source: Ipsos MORI

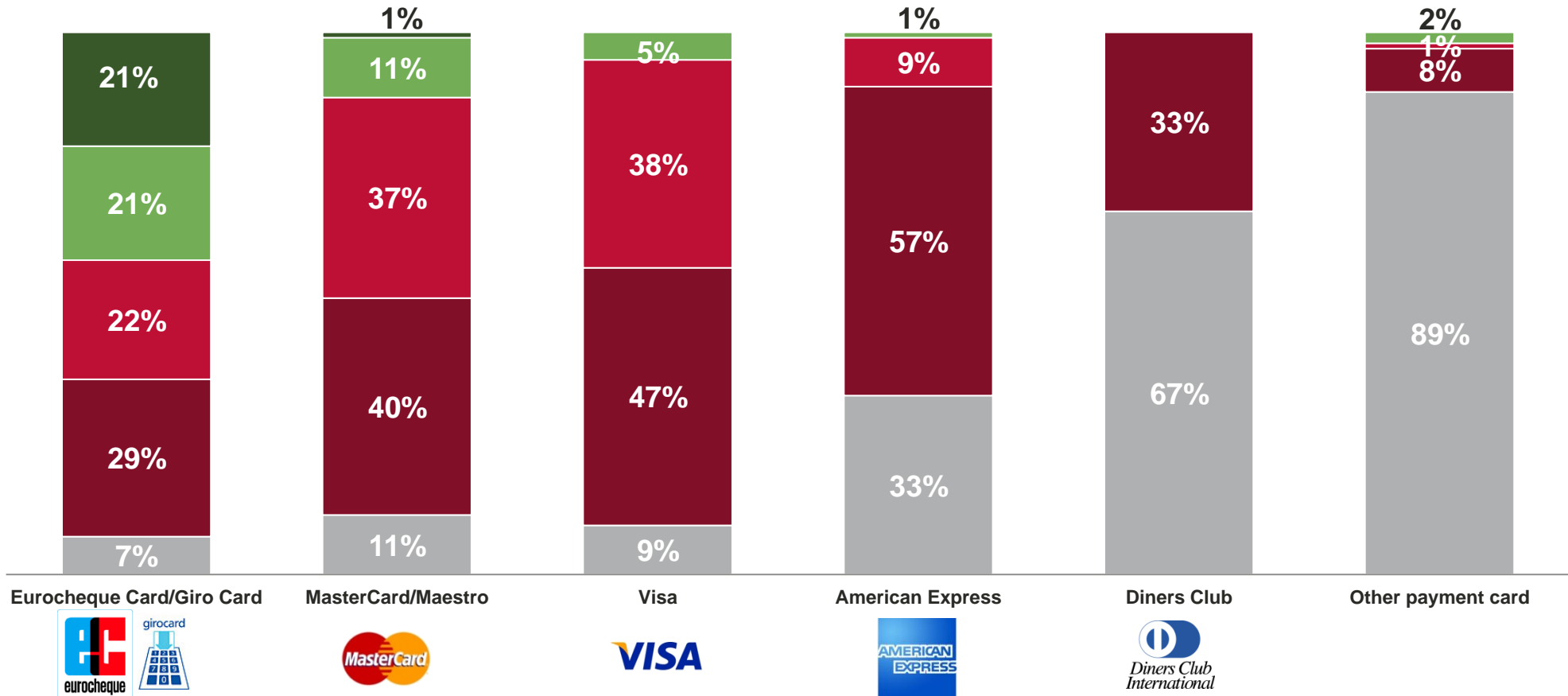


Proportion of sales transaction by amount paid



Q8. What proportion of that total amount is paid for by each of the following payment card types?

■ None ■ <25% ■ 25%-49% ■ 50%-74% ■ 75% +



Base: 150 high value retailers

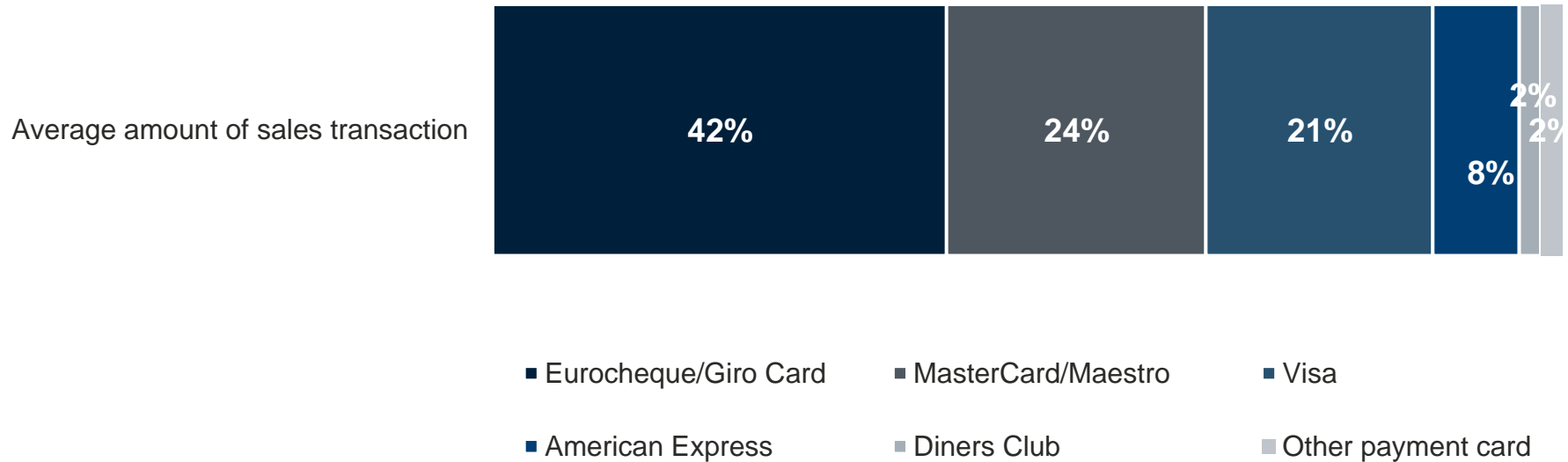
Source: Ipsos MORI



Proportion of sales transaction by amount paid



Q8. What proportion of that total amount is paid for by each of the following payment card types?



Base: 150 high value retailers

Source: Ipsos MORI



Attitudes to interchange fees



AS READ OUT BY INTERVIEWER:

As you may be aware, there is a cost to the retailer for all payment types that are made whether they are cash, payment cards or cheques.

And, when a retailer decides they want to offer customers the ability to pay with credit, debit or pre-paid cards, they negotiate an agreement with a bank to process those payments via a secure network for a fee known as an interchange fee.

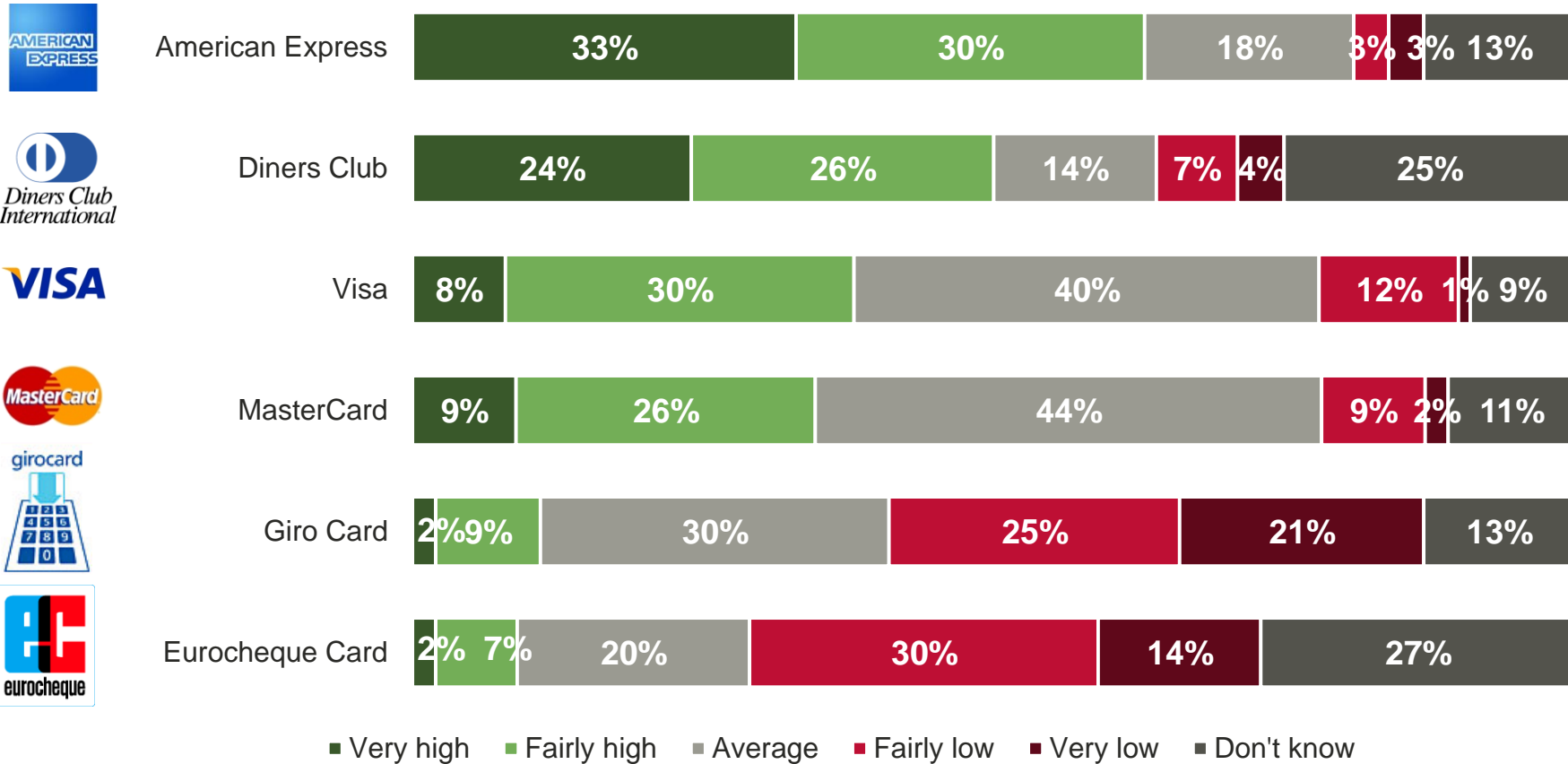
Interchange helps pay for the secure network, fraud protection, purchase guarantees, value retailers receive from accepting cards, ongoing innovations and customer service.

The companies that develop and maintain the technology of the networks set the default interchange rates for using their systems.

Interchange fee rating by payment card



Q9. Thinking specifically about the fee charged on card payment transactions, how would you rate the fees associated with using each of the following card payment types?



Base: 150 high value retailers

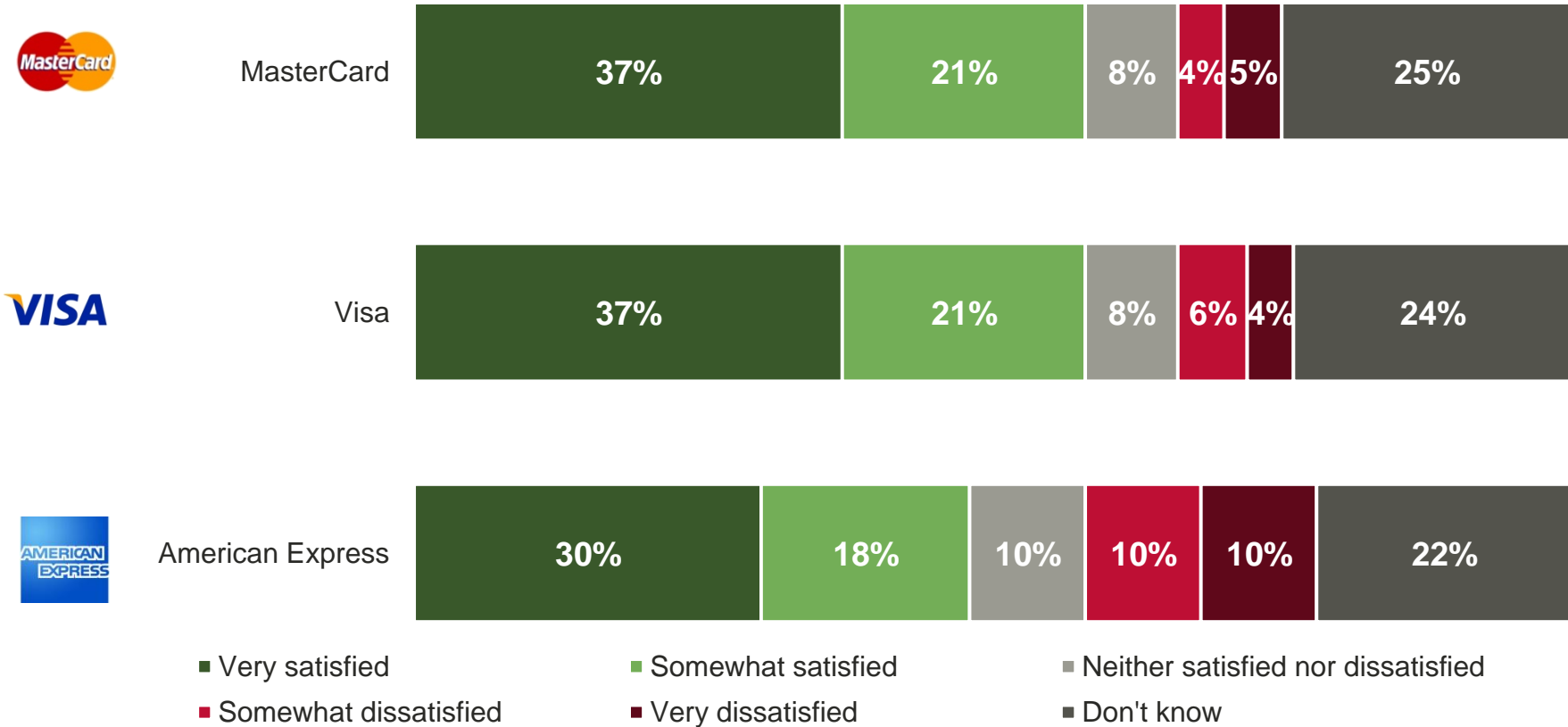
Source: Ipsos MORI



Satisfaction with support from payment card brands



Q10. Currently, how satisfied or dissatisfied are you overall with the processes and support (such as call center support, problem resolution, and settlement terms) associated with accepting each of the following payment card types?



Base: All accept American Express (112), MasterCard (141) or Visa (138)

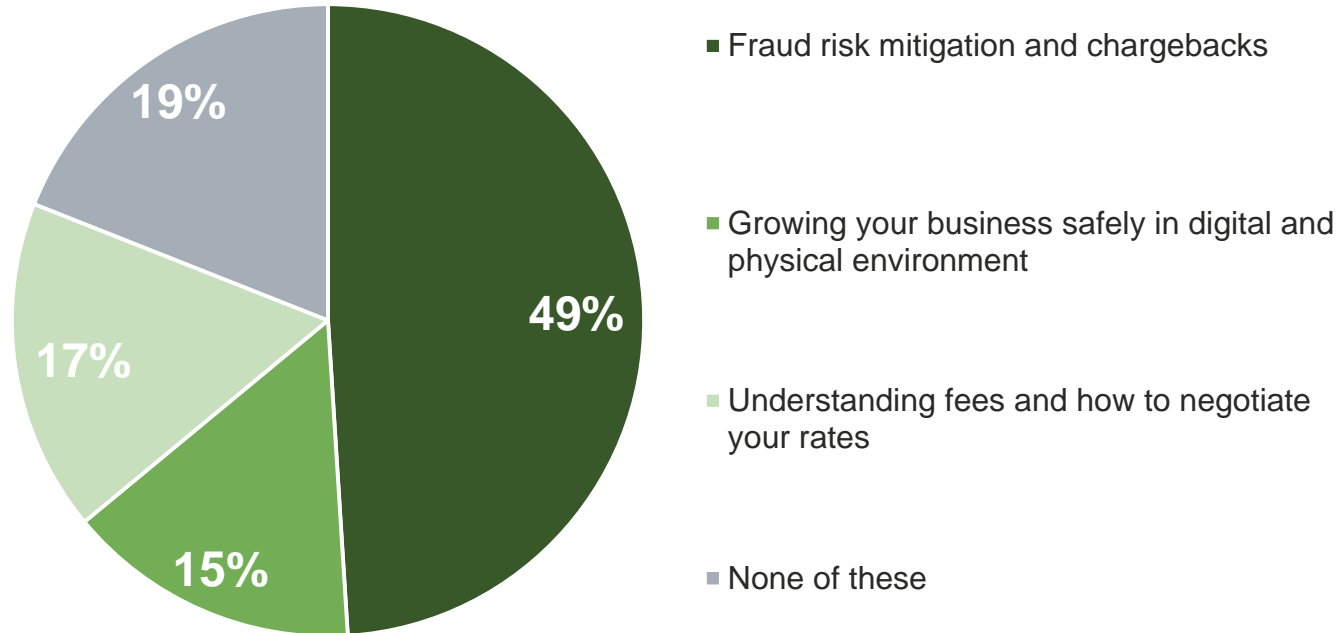
Source: Ipsos MORI



Preferred types of training from payment card brands



Q10a. Which ONE of the following types of training would be most helpful to you in understanding and enhancing the processes associated with debit or credit cards?



Attitudes to proposed EC legislation



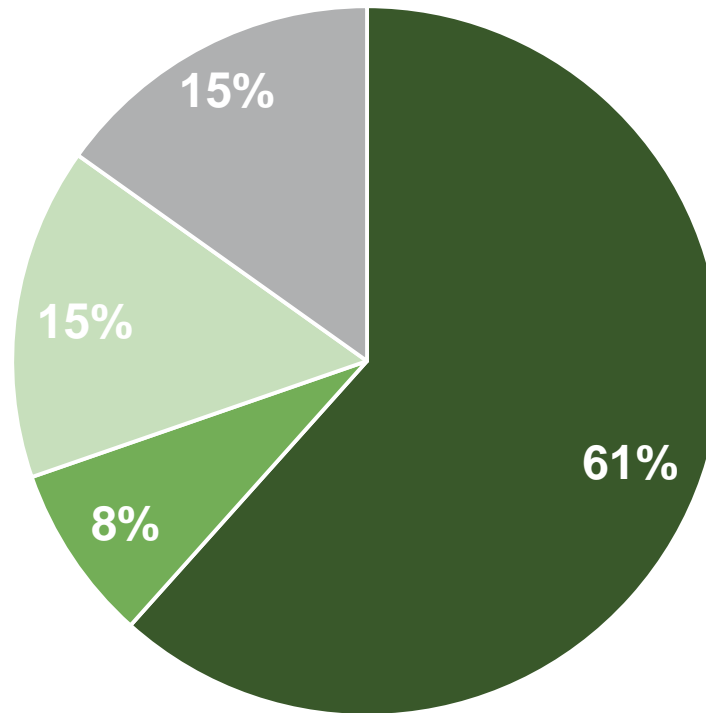
Impact of potential cost savings for retailers



Q11. If the costs of accepting payment cards were reduced as a result of this cap, what would your business do with the money saved?

AS READ OUT BY INTERVIEWER:

The European Commission is considering a proposal to cap the interchange fee charged to retailers for payment cards which would include debit or credit card transactions anywhere in the EU.



- I would use the saved money to invest into/innovate my company
- I would use the saved money to reduce the retail prices for my customers
- I would use the saved money to increase my revenue
- Don't know



Level of support for the proposed legislation

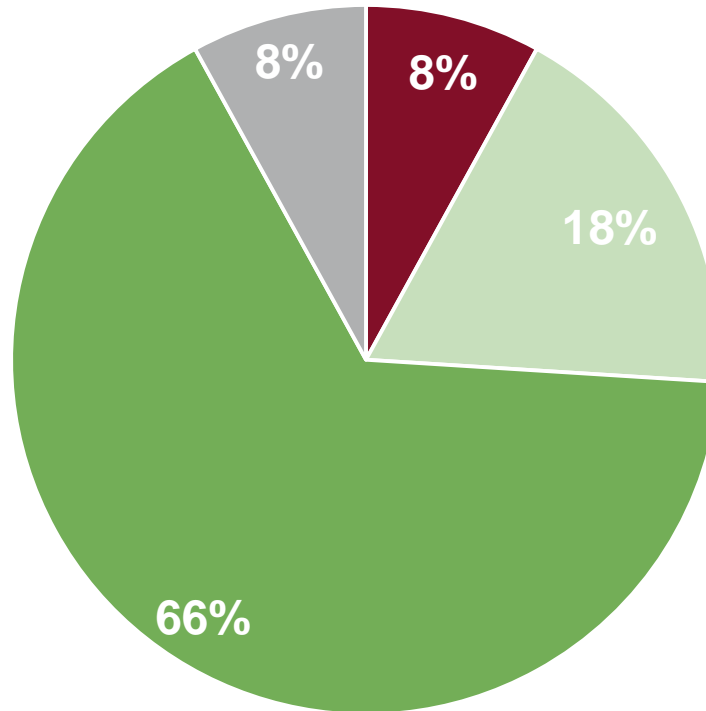


Q12. Which of the following best describes your reaction to this proposed legislation?

AS READ OUT BY INTERVIEWER:

The current version of the EC proposal to cap the interchange fee charged to retailers for the use of credit cards will only be applied to Visa and MasterCard and not to American Express or Diners' Club cards.

The rationale given for this is that American Express and Diners' Club cards are not considered to be relevant in terms of market size and cost to retailers.



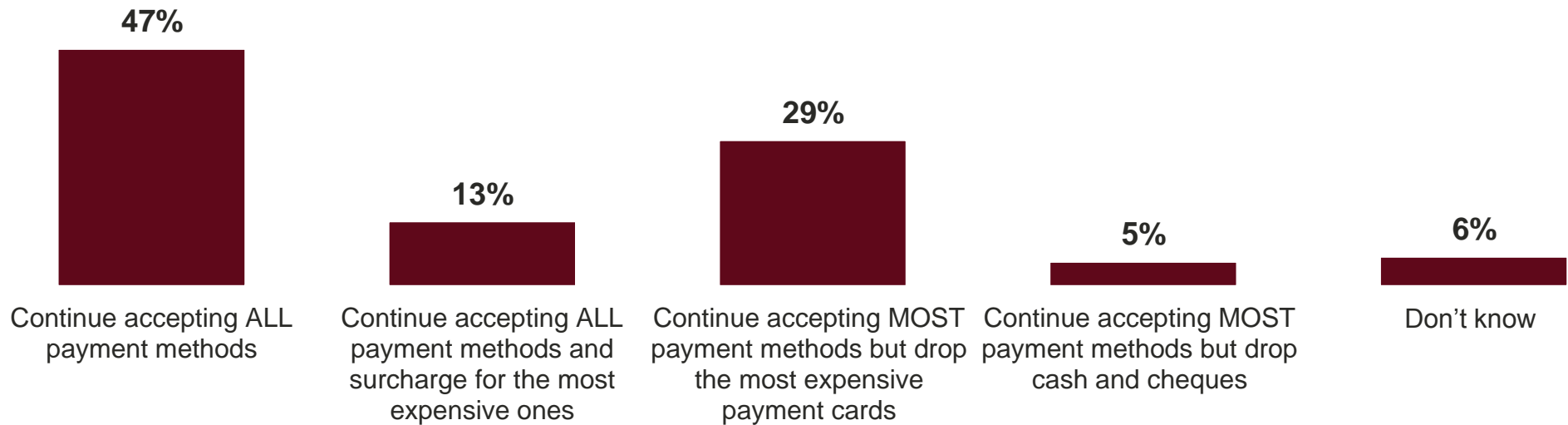
- I would not support any type of EU legislation to regulate the cost of credit card acceptance
- I support EU legislation to regulate costs of credit card acceptance that excludes specific card brands such as American Express and Diners' Cards
- I support EU legislation to regulate costs of credit card acceptance only if it covers all credit card payments, including American Express and Diners' cards
- Don't know/no opinion



Changes to acceptance of payment cards



Q13. Knowing that the cost to the business varies depending on the payment methods the business accepts, and knowing that there might be caps on costs for some payment cards and not others would you:



Base: 150 high value retailers

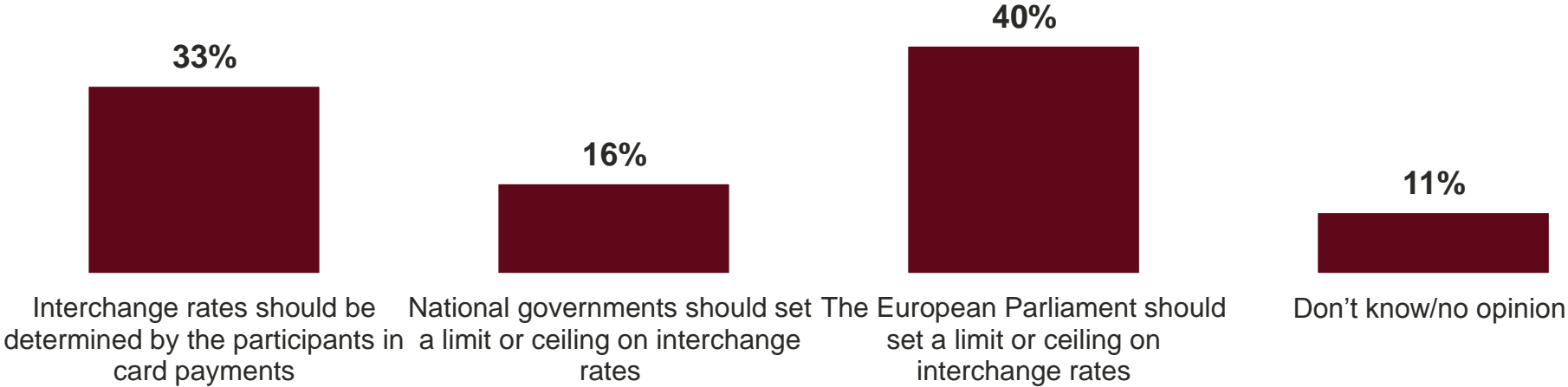
Source: Ipsos MORI



Attitudes towards capping fees



Q14. Which of the following best describes your point of view regarding capping or setting limits on interchange rates?



Base: 150 high value retailers

Source: Ipsos MORI





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Thank you

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