SMALL MERCHANTS ON INTERCHANGE:
VALUE MORE IMPORTANT THAN COST

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Sponsored by:

EPC ELECTRONIC PAYMENTS COALITION®

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JAVELIN

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FOREWORD

This study, sponsored by the Electronic Payments Coalition, explores how small merchants — those with annual sales between $250,000 and $10 million — view the fees that they pay for card acceptance. The study also examines how small merchants feel about their relationships with their partners in the interchange process. The whitepaper was independently produced by Javelin Strategy & Research. Javelin maintains complete independence in its data collection, findings, and analysis.

EXECUTIVE SUMMARY

Small merchants face many challenges, including how to provide their customers with the most secure, reliable, and convenient ways to buy goods and services. For most, that means offering access to electronic forms of payment, including debit and credit cards. Payment card processing requires that several entities work together — quickly and seamlessly — to ensure consumers' security and ease of use. Like all services, there is a cost associated with this process. Merchants pay a negotiated fee, called a merchant discount rate (MDR), to acquiring banks and/or third party processors to guarantee card acceptance. Interchange fees, which are paid by acquirers to card issuers, are one component of the MDR.[1]

In a survey of 500 merchants representing a cross-section of the economy and administered in May and June 2016, Javelin Strategy & Research asked whether small merchants — those with annual sales between $250,000 and $10 million — were satisfied with the fees that they pay for card acceptance and with their relationships with their partners in the interchange process. Based on the survey results, Javelin concludes that, because value is a more significant factor than price when it comes to satisfaction with debit interchange fees and partnerships, small merchants want choice and flexibility more than low prices. Merchants who understand the interchange component are overwhelmingly satisfied with the rates they pay. In fact, these merchants are willing to pay more for greater benefits. Javelin also found that an insufficient understanding of interchange, not price, seems to generate merchant dissatisfaction. Merchants who said they do not understand what benefits they are paying for tended to be the least satisfied with the rates they pay. Therefore, Javelin concludes that, when it comes to the complex process related to interchange, education, communication, and transparency are crucial.

Key Findings

- Consumers prefer debit and credit cards over all other types of payment methods for larger transactions and for non-face to face transactions.
- Merchants prefer credit cards to debit cards despite the fact that credit cards tend to have higher interchange rates than debit cards.
- More than two-thirds of merchants said they are satisfied with what that they pay; 11% said they are dissatisfied.
- Of the 53 merchants who said they were dissatisfied, only six said their fees are so high that they are actively looking for an acquirer with lower fees.
- More than four in five merchants are satisfied with the transparency and value they get from their debit card payment processors, and 77% are happy with the "overall low cost." Of the 11% of merchants who said they are dissatisfied with what they pay, just one-quarter believe interchange fees hurt their profitability.
- Two-thirds of all merchants surveyed said they understand why they pay interchange fees.
- Of the merchants who accept PIN-less or signature-less transactions, 71% said it was

important that they be able to offer these options to consumers.

- The merchants who said they are most satisfied with what they pay also said they chose their processor for reasons other than low cost.
- Merchants who demonstrated a greater understanding of the purpose of interchange were more likely to opt for more comprehensive, and therefore higher-priced, packages and, on average, were more satisfied with what they pay.
- Franchisees were more likely than non-franchisees to understand interchange and, therefore, were more likely to opt for more expensive packages and to be more satisfied.
- EMV-certified merchants tended to be more satisfied with interchange than those who have not made the transition.
- A majority (61%) of small merchants who participated in this survey were unfamiliar with the details surrounding federal efforts to cap debit interchange fees.
- The merchants surveyed were generally not members of the interest groups that support federal price controls on interchange fees. Fifteen percent of merchants said they were members of the National Retail Federation (NRF); 13% said they were members of the National Association of Convenience Stores (NACS); and 10% said they were members of the Retail Industry Leaders Association (RILA).

Recommendations

Policymakers

- Lawmakers should ensure that the interchange market offers maximum flexibility and choice. The health of the market should be determined by value, not price. As this report shows, merchants are generally very satisfied with what they pay and also with their relationships with their partners in this process, particularly if they understand the reasons for and benefits of interchange. Merchants are more satisfied if they are allowed to choose add-on services that increase value by increasing the number of benefits they receive.
- While unintended, price controls often result in fewer consumer choices.[2] Policymakers should carefully consider potential unintended consequences of regulations on interchange.

Acquirers

- Merchants who have strong relationships with their acquirers are the most satisfied. It is beneficial for acquirers to continue to personalize their relationships with merchants so that merchants fully understand interchange fees, processes, and benefits.
- Acquirers and/or payment processors should enhance the flexibility of payment-processing packages. For example, acquirers should continue to regularly evaluate with merchants whether their package is the correct fit for them or whether the merchants would derive more benefit and value from a different package. This process will serve the best interests of both parties and could result in further investments that help improve consumers' experiences as well.

Issuing Banks and Card Networks

- Issuing banks and networks must continue to partner with the acquirers and/or payment processors to discuss the benefits and value of interchange and the acceptance of electronic payments. It is important for the payments industry to continue to educate merchants about the reasons for, and benefits of, interchange. Otherwise, merchants might not fully understand interchange costs and, therefore, may be less satisfied.
- The transition to EMV continues, and merchants are so far very satisfied with the process and believe the benefits of EMV were worth the transition. In this survey, merchants who had invested in the EMV transition were more likely to be satisfied with what they pay. To continue that positive perspective, issuing banks and networks should continue to communicate that: 1) merchants who have transitioned to EMV are satisfied; 2) chip cards are a much more effective mechanism to prevent counterfeit fraud than magnetic-stripe cards; and 3) because chip cards do prevent counterfeit fraud more effectively, and therefore minimize the risk associated with card acceptance, they are an important option that makes it easier for merchants to fulfill their desire to streamline the checkout experience, including allowing customers to make small-ticket purchases without requiring a signature or PIN.

Merchants

- Merchants should view acquirers and networks as partners — not adversaries — in their success. Most merchants are satisfied with their relationship with acquirers and with the fees that they pay. Merchants can increase their satisfaction even further by understanding their fee packages, the options available to them, and how they can work with acquirers to find the structure that fits best with their business model.
- Merchants must weigh cost vs. value. This survey found merchants who had the lowest interchange rates had fewer benefits and were the most likely to be dissatisfied. Merchants who take advantage of additional services, including fraud protection and chargeback management, often are more satisfied and find greater value.

OVERVIEW OF INTERCHANGE AND ITS PUBLIC POLICY DEBATE

Small merchants tend to operate at much smaller margins than large retailers. A slight change in any cost of doing business can have a large impact on these retailers. Like all consumers of services, however, merchants are concerned with value as well as cost.

What Is Interchange?

According to separate Javelin research, one-third of consumers prefer debit cards to any other form of payment. But, as with any payments transaction, including cash, which is less secure and convenient, there is a cost associated with providing that service. Merchants require technology that allows electronic payments to be made. Banks and credit unions must have the ability to transfer funds to merchants. And, a vast, global infrastructure must be maintained by card issuers, processors, acquirers, and networks to enable this process to take place instantly and securely.

Current Public Policy Debate On Interchange

The Dodd-Frank Wall Street reform bill signed in 2010 by President Barack Obama[3] included a provision that set price controls on the fees for interchange. This provision is often referred to as the Durbin amendment after the name of its sponsor Sen. Richard Durbin, D-Ill. Retail lobbying groups argued that these fees harmed merchants and consumers.[4] They also pledged[5] that savings from the price controls would be passed on to consumers through lower prices on goods. (Research from multiple sources suggests this has not been the case.[6]) In September 2016, the House Financial Services Committee passed legislation that would repeal the Durbin price controls. The Senate did not consider that bill in the 114th Congress, but it is likely that an effort to repeal or alter the Durbin amendment will be introduced again soon in the new Congress.

The debate surrounding the Durbin amendment, and its potential repeal, has painted a picture of an adversarial relationship between merchants and the banks and networks that ensure the smooth processing of both debit and credit card payments. This Javelin survey found that picture to be skewed. Merchants are largely satisfied with their interchange rates and relationships and are even more satisfied when they are allowed to choose additional benefits even at greater cost. Rather than seeing interchange rates as unnecessary or unfair, the vast majority of small merchants see interchange fees as a necessary cost of doing business, and that they derive value from the benefits that come with them in addition to the overall benefits of accepting electronic payments.

Additionally, small merchants are largely unaware of the Durbin amendment. A majority of the small retailers interviewed for this survey (61%) were unfamiliar with the details surrounding federal efforts to cap debit interchange fees. It is clear from this

overall lack of awareness that most small merchants don't see the Durbin amendment as vital to or benefitting their business. These findings are consistent with a report from the Federal Reserve Bank of Richmond,[7] which found that some small merchants, especially those who relied on small-ticket transactions, were disadvantaged by the Durbin amendment's price caps. Specifically, that study found that, after the Durbin amendment was implemented, interchange fees increased for 31% of merchants and fell for only 11%. According to the Richmond Fed, small merchants like those who were interviewed for this survey were among those most negatively affected by the Durbin amendment because they lost important discounts that they once received for processing small-ticket items. Larger retailers were more likely to benefit.

The Richmond Fed also revealed that most merchants (three-quarters of both small and large retailers) did not pass savings from the price controls on to their customers in the form of lower prices. While this Javelin study does not attempt to repeat the Richmond Fed's survey, it shows that the market for interchange is transparent and well-functioning and offers ample choice to merchants. Various levels of service are offered by numerous vendors at different price points in order to maximize merchant value. Indeed, many small merchants choose to pay higher rates for enhanced services (as one would expect in a functioning market) because they understand the value of these services and are willing to pay acquirers a premium for them.

This survey asked merchants about their membership in ten interest groups that support federal legislation to place price controls on interchange fees. More than half of the small retailers who participated in this survey indicated that they were *not* a member of *any* of those ten groups. Only 15% of those interviewed said they were members of the National Retail Federation (NRF), just 13% said they were members of the National Association of Convenience Stores (NACS), and only 10% said they were members of the Retail Industry Leaders Association (RILA).

DETAILED FINDINGS

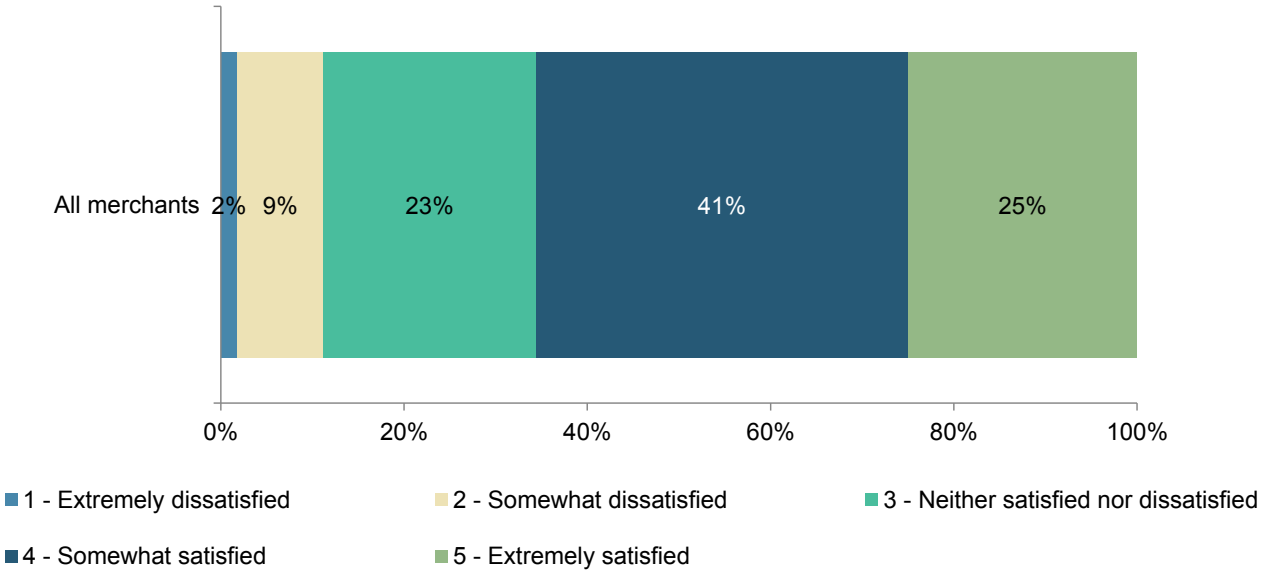
According to data from a separate Javelin survey[8], consumers prefer debit cards over all other payment types except for credit cards. Nearly 72% of consumers used card payments more frequently than any other form of payment, and a third use their debit card most often. This is more than twice as many as most frequently use cash. Some 68% of those consumers who said they use debit cards more frequently than any other form of payment cited convenience as the primary reason.

Two-thirds (66%) of merchants are satisfied with the level of fees they pay while only 11% are dissatisfied (Figure 1). Additionally, when it comes to merchants' relationships with their debit card payment processors, 82% are satisfied with the transparency in billing, 80% percent are satisfied with the value of services they get, and 77% are satisfied with the "overall low cost." Of the 53 merchants who said they were dissatisfied, only six said their fees are so high that they are actively looking for an acquirer with lower fees.

Merchants Are Overwhelmingly Satisfied With Interchange Rates

Figure 1: Merchants' Satisfaction with their Interchange Rate

Question: How satisfied are you with the amount of debit card interchange fees paid by your business?

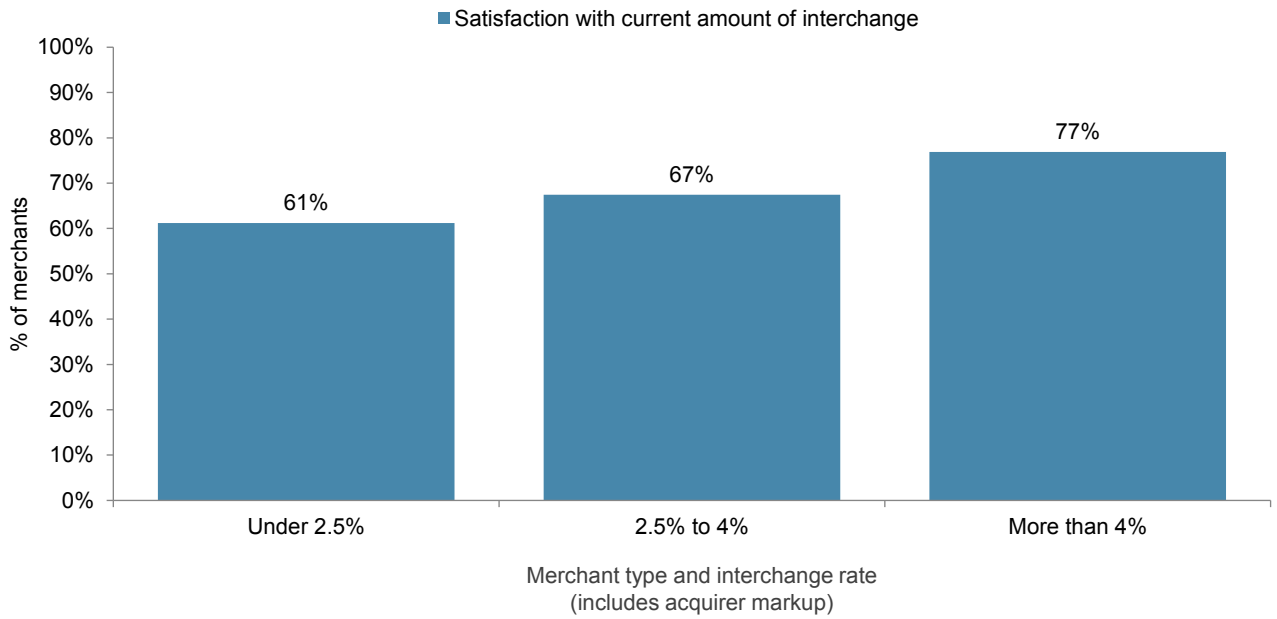


Merchants have the option to choose more services, such as chargeback management or 24/7 tech support, if they are willing to pay higher fees. This survey found that merchants who choose more benefits — and therefore pay higher fees — are more satisfied. For example, 61% of all merchants who paid a rate of less than 2.5% were satisfied with their current rate of interchange while 77% of those who paid a rate of more than 4% were satisfied (Figure 2).

Merchants Paying The Highest MDR Are Most Satisfied With Their Rates

Figure 2: Satisfaction with Interchange Fees, by Amount of Merchant Discount Rate

Question: How satisfied are you with the amount of debit card interchange fees paid by your business?

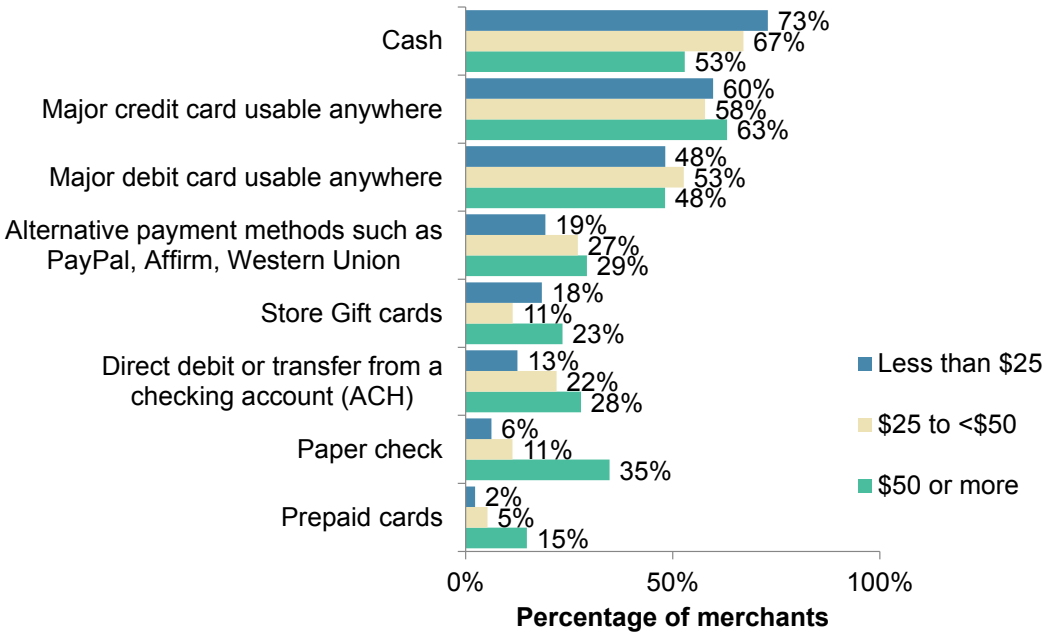


Cash, credit, and debit rank one, two, and three when it comes to merchants' preferred form of payment (Figure 3). If interchange fees were a predominant factor in merchant preference, the expectation would be that debit cards would be the preferred form of payment over credit cards because debit interchange fees are lower than credit interchange fees. However, merchants said that they prefer credit card payments to debit card.

Merchants Prefer Credit Cards Over Debit Cards

Figure 3: Preferred Payment Method, by Amount of Purchase

Question: Of all of the following payment methods which your business accepts from customers, which is your business's preferred payment type?

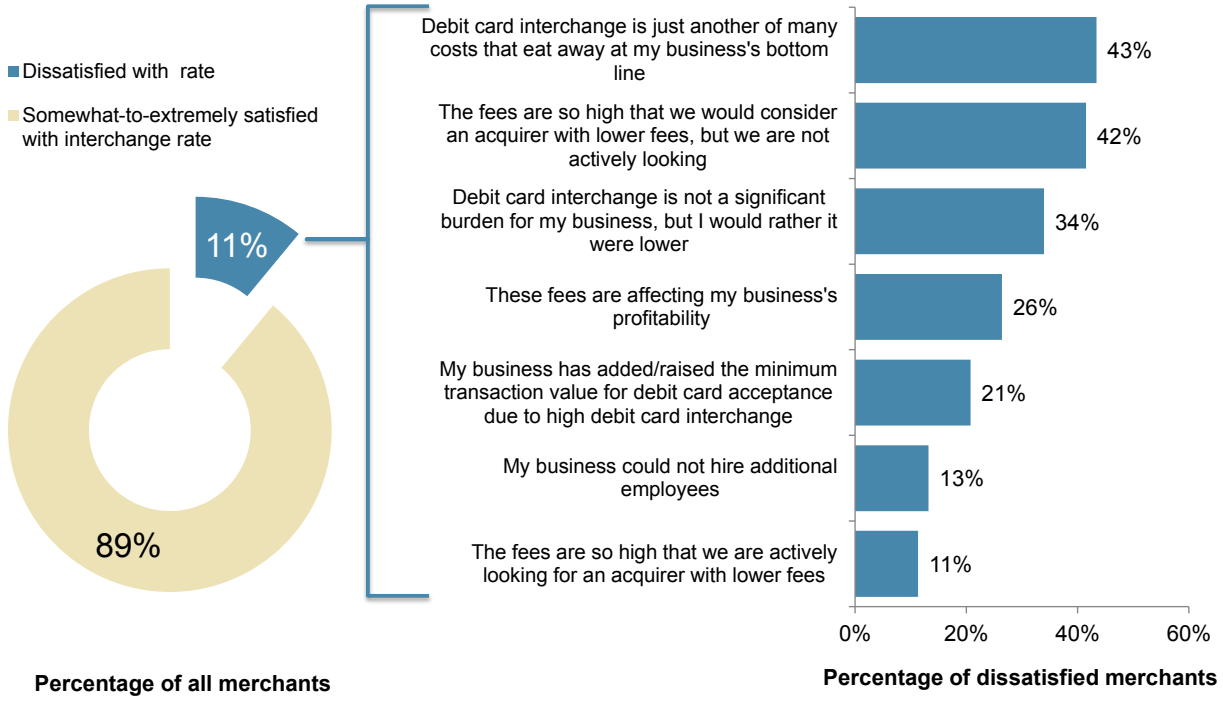


Contrary to assertions made during the 2010 effort to cap interchange fees,[9] absorbing interchange fees do not affect small merchants' ability to make a profit or to hire new employees. This survey asked merchants who were dissatisfied with interchange rates (11% of respondents, or 53 merchants) how interchange had affected their businesses. Only 14 of the 53 merchants asked this question said interchange fees hurt their profitability. Only seven of the 53 dissatisfied merchants said their interchange costs had made it harder for them to hire more people (Figure 4).

Few Merchants Say Interchange Rates Limit Profitability

Figure 4: Fees Not Seen as a Burden or as a Restraint In Hiring

Question: You indicated that you are not satisfied with the amount of debit card interchange fees. ... Considering that, which of the following statements are true for you?

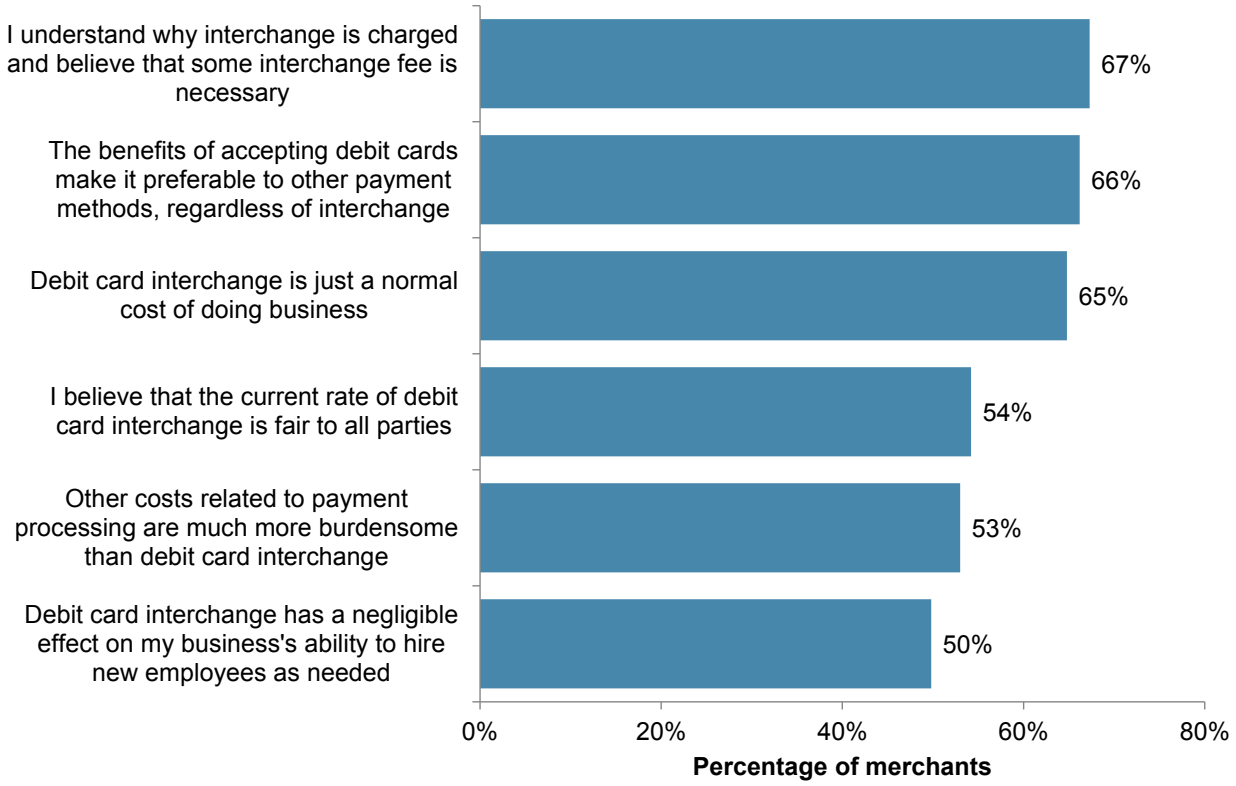


Two out of three small merchants said they understood the need for debit interchange fees and believe that some interchange fee is necessary. Two-thirds also said they believe interchange fees are a normal cost of doing business. Because of the benefits associated with accepting debit payments, 66% of merchants also said that the benefits of accepting debit cards make it preferable to other payment methods regardless interchange. Finally, even though the Federal Reserve Bank of Richmond has found that some small merchants are paying higher fees as a result of the Durbin amendment, this survey shows that a majority of small merchants (54%) believe the current rate of interchange is fair to all parties. (Figure 5)

Merchants Understand Why Interchange Is Charged, Agree Benefits Outweigh Costs

Figure 5: Merchant Attitudes Toward Interchange

Question: Please indicate your level of agreement with the following statements.



Merchants Want Maximum Choice, And Interchange Ensures The Security Of That Choice

Merchants derive significant value from the interchange process. Specifically, it enables them to give their customers the flexibility and speed that they want. Take the ability to offer PIN-less or signature-less transactions. Giving customers this option can speed up the payment process, an especially important benefit for high-volume businesses with small- to midsize-ticket items like convenience stores or fast-food eateries.

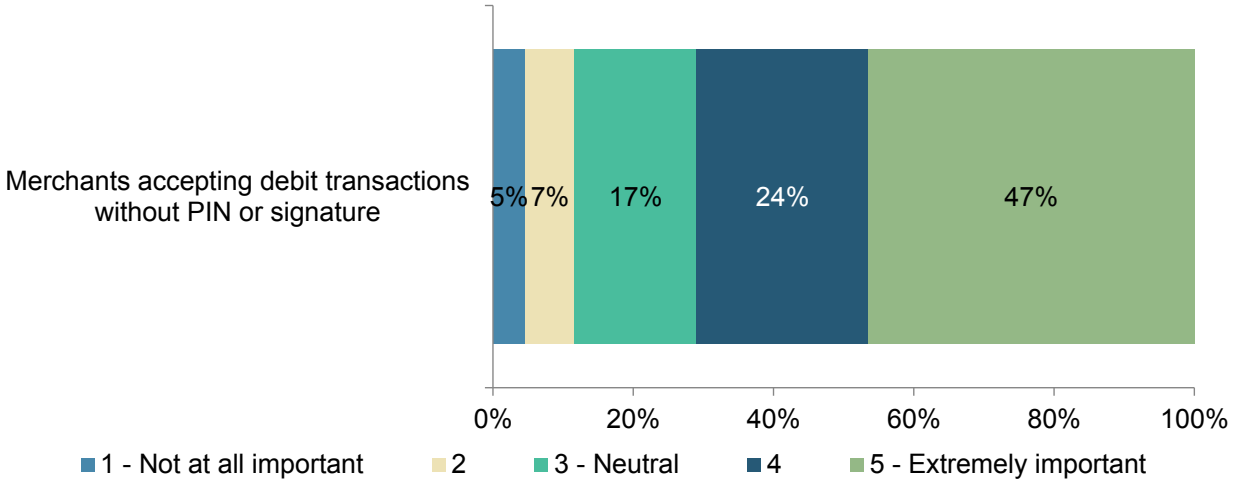
It should be noted that as long as transactions fit the no-signature program criteria (e.g., most drug store and grocery store transactions), major card networks protect merchants against fraud liability even when merchants do not require a signature or personal identification number, PIN.[10] Interchange fees make it easier for banks to assume this risk of fraud. Therefore, because the major card networks have policies allowing merchants to waive a PIN or signature for small-ticket purchases,[11] merchants benefit in two ways: it addresses their need for customer convenience and reduces their own liability for fraudulent purchases.

Nineteen percent of small merchants said they accept debit transactions without a signature or PIN and, of those, three in four (71%) said they believe it is very important to be able to accept transactions without a PIN or a signature (Figure 6).

Merchants Value Ability To Offer PIN-Less And Signature-Less Transactions

Figure 6: Importance of Ability to Accept Transactions without PIN or Signature

Question: Which of the following methods does your business use to authenticate debit card payments at the point of sale? Transactions accepted with neither PIN nor signature accepted (Response shown).



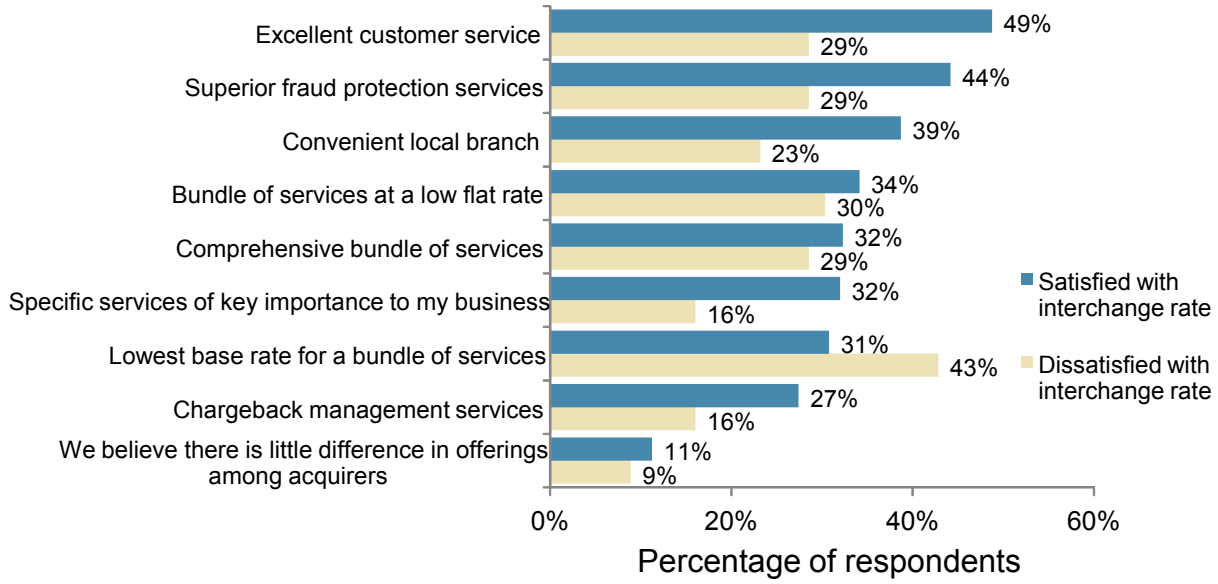
Merchants who said they were more satisfied with their interchange fees also were more likely to say that they chose their processor for reasons other than low cost (Figure 7). For example, 49% of merchants who are highly satisfied with their interchange rates cited excellent customer service when explaining their choice while just 31% said their choice was based on the lowest base rate. For merchants who were dissatisfied with their interchange rate, 43% cited low base rates as being one of the most important features, while less than one-third considered any support service to be a strong selling point.

Merchants who were less satisfied with the rates they pay often had signed up for processing packages that have low interchange fees and few support services (Figures 2, 10). Merchants who understand interchange and what they are paying to their acquirer generally will opt for additional services such as assistance with chargebacks or fraud protection services (Figure 9). While these services are associated with an increase in fees, they add value (i.e., save time, or improve fraud protection) for the merchant. These merchants spend more but get more benefits, and, according to this survey, are more satisfied.

Value Of Customer Service, Fraud Protection & Branch Access Outweigh Interchange Costs

Figure 7: Reasons for Selecting a Debit Payment Processor by Satisfaction with Interchange Amount

Question: What were the most important factors influencing your business's decision to do business with your current merchant acquirer(s) or payment processor(s)?

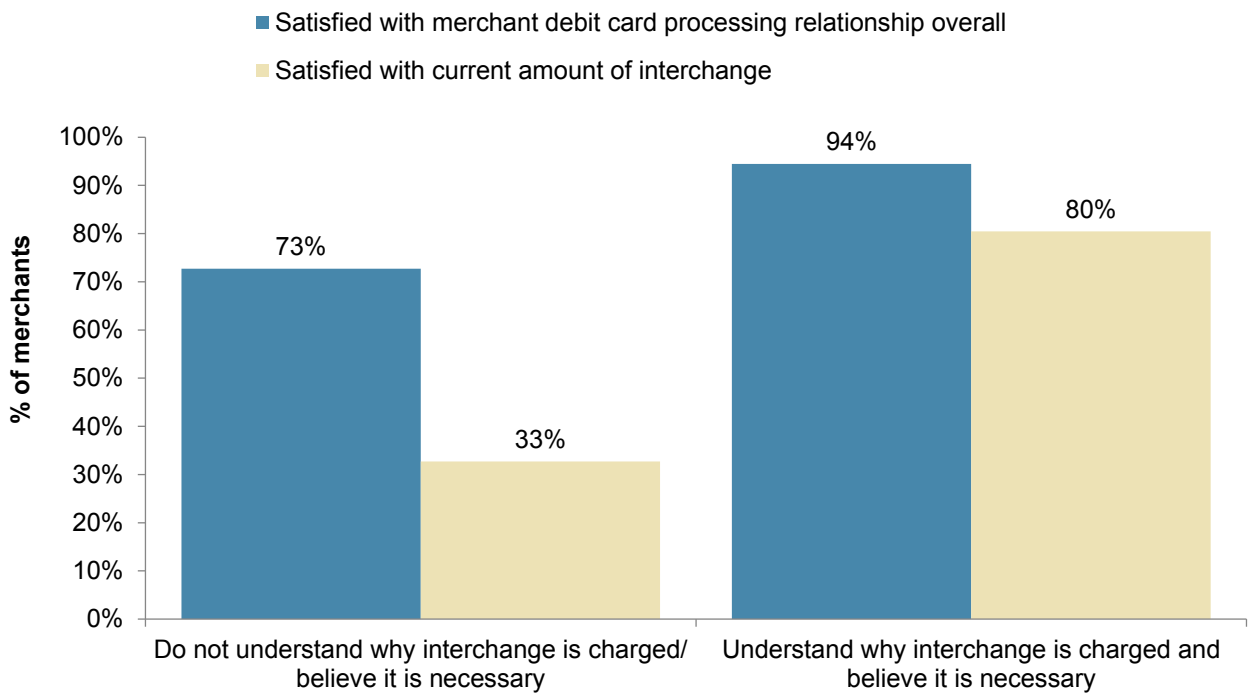


Merchants who demonstrated a greater understanding of interchange were more likely to opt for more expensive packages (Figure 9), which include services such as chargeback management and 24/7 tech support, and, on average, were more satisfied with their interchange fees (Figure 8). Ninety-four percent of merchants who understand why interchange is charged said they are satisfied with their merchant debit card processing relationship, and 80% said they are satisfied with what they pay. In contrast, 73% of merchants who do *not* understand why interchange is charged were satisfied with their debit card processing relationship, and only one-third (33%) were satisfied with the current amount they are paying.

Merchants Who Understand Why Interchange Is Charged Are More Highly Satisfied

Figure 8: Satisfaction with Fees, Relationships by Level of Understanding of Interchange

Question: Please indicate your level of agreement with the following statements.

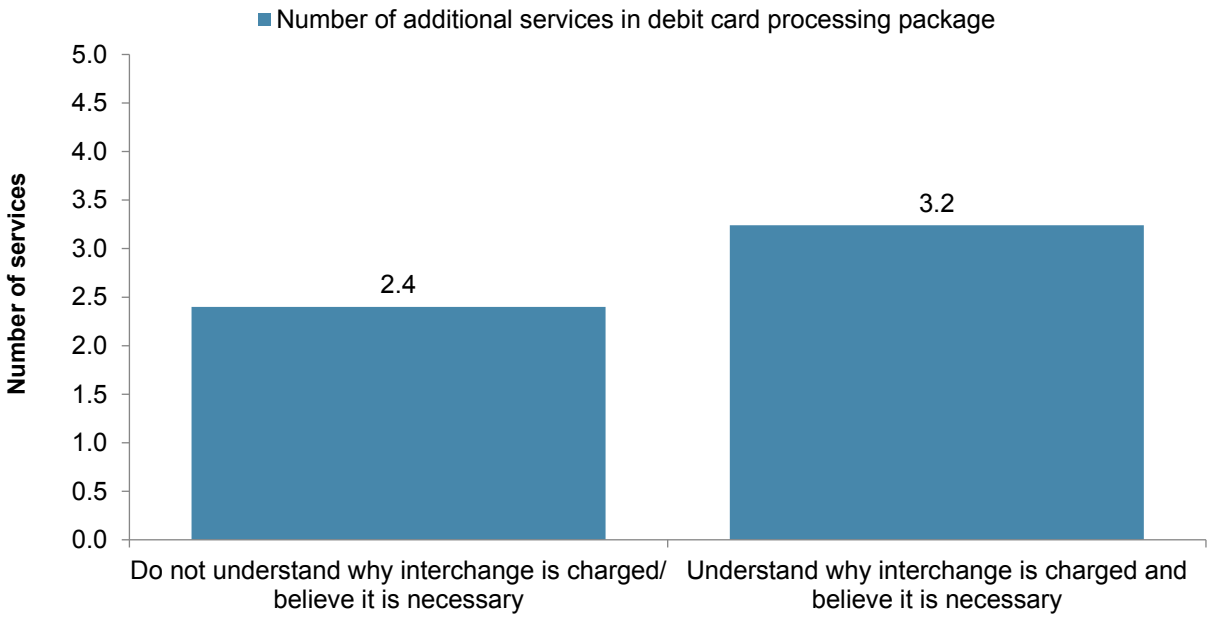


Merchants play an active role in determining the amount of value they get from their debit card processing packages. As Figure 9 shows, those who understand why interchange is important are willing to invest in payment processing packages that provide additional services like chargeback management and 24/7 tech support.

Merchants Who Understand Interchange Rate More Likely To Buy More Services

Figure 9: Number of Additional Services Purchased by Level of Understanding of Interchange

Question: Which of the following types of services do you receive from your primary acquirer/processor as part of your debit card processing package?

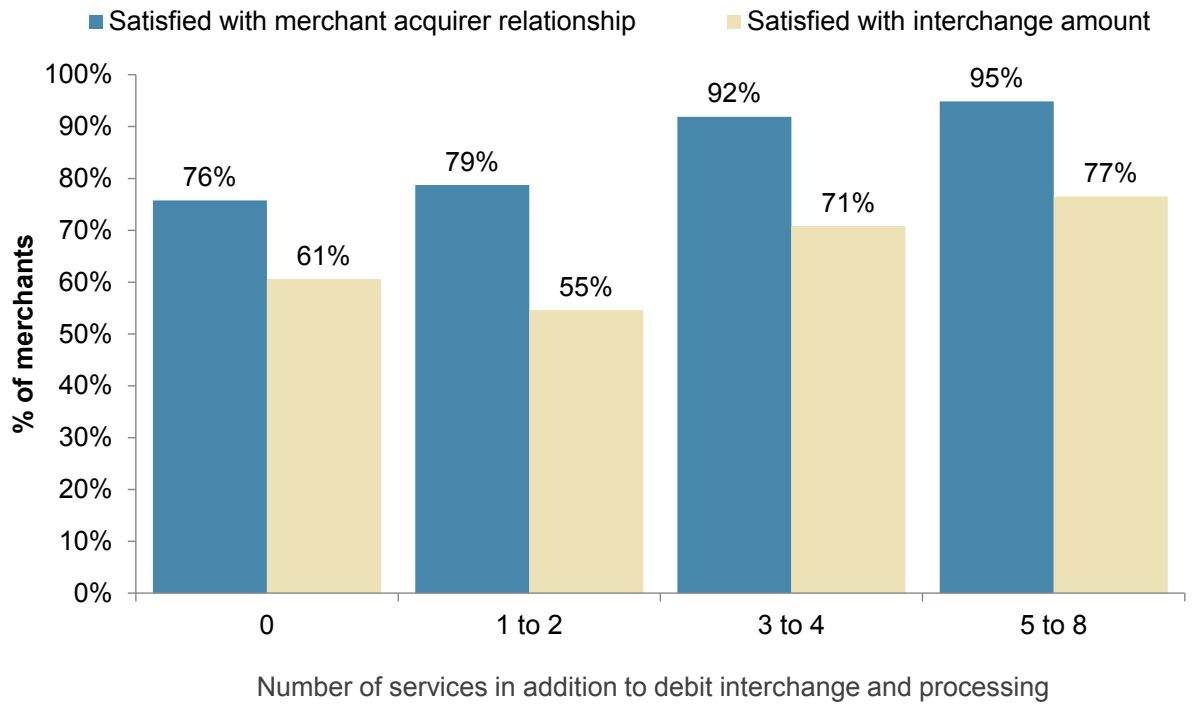


While merchant satisfaction is high generally, relationship satisfaction grew as the number of value-adding services increased (Figure 10). When no additional services were purchased from the merchant acquirer, only 76% of merchants were satisfied with their relationship and only 61% were satisfied with the amount that they paid. When three to four services were added, satisfaction with the relationship grew to 92% and satisfaction with the amount paid grew to 71%.

Satisfaction Grows With Number Of Services Purchased

Figure 10: Satisfaction with Interchange Rate by Number of Services in Debit Processing Package

Question: Please rate how satisfied you are overall with your primary merchant acquirer/debit card processor. How satisfied are you with the amount of debit card interchange fees paid by your business?



MERCHANT PROFILE: FRANCHISEES

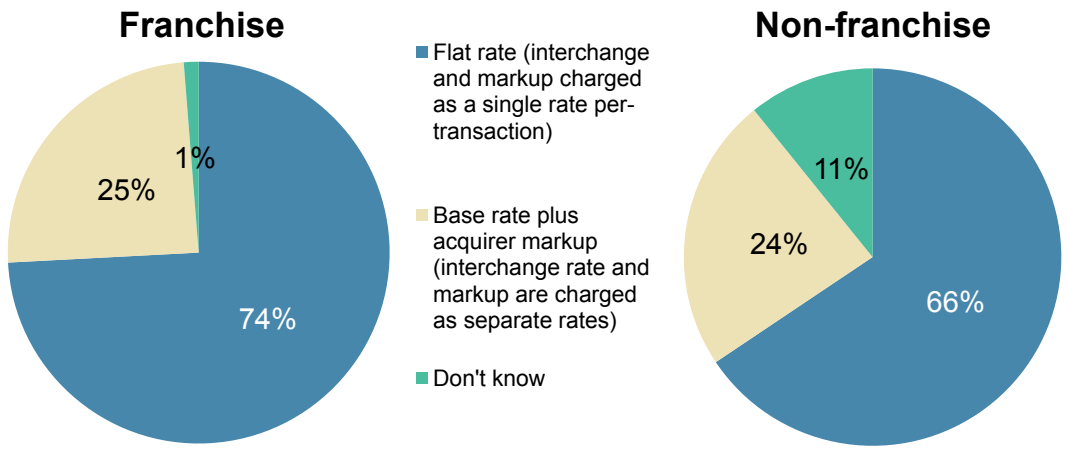
Franchisees Know More About Interchange, Choose More Benefits, Are More Satisfied

In general, franchisees understood interchange better than other small merchants. As was true of all small merchants in general, this deeper knowledge meant they opted for more expensive packages and tended to be more satisfied. One reason for this might be that franchise businesses tend to have more stringent reporting requirements and therefore franchise merchants are more likely to know their rate structure, their fees, their services, and their benefits. They also are more likely to have more engagement with their acquirers and to have a deeper understanding of the costs that they pay and services that they receive.[12] For example, only 1% of franchised small business owners were unaware or not knowledgeable about how their merchant discount rate (MDR) was being charged for debit card processing services (Figure 11). (The MDR is a combination of the interchange rate plus any markup for profit and additional services by the acquirer.) In comparison, 11% of non-franchised small business owners were unaware or not knowledgeable about their MDR being charged.

Franchisees Are More Likely To Know Their Rate Structure

Figure 11: How Businesses are Billed for Interchange, Franchise vs. Non-Franchise

Question: In your contract with your merchant debit card payment acquirer, how are you billed for debit card interchange?



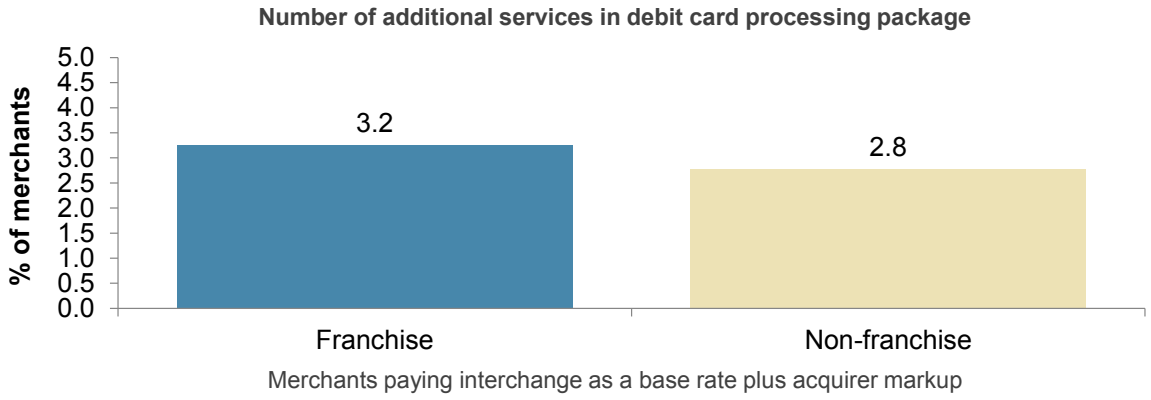
Franchises also tend to have more comprehensive service bundles, so they typically pay for — and benefit from — more services than small merchants who are not franchisees (Figure 12). On average, franchise businesses add on an average of 3.2 services while non-franchise businesses add on an average of 2.8 services.

This merchant profile also indicates that the more flexibility and choice merchants have, the more satisfied they are. Indeed as Figure 13 shows, just like small merchants overall, franchise retailers were more likely to be satisfied the more they pay.

Franchisees More Likely To Add Extra Services

Figure 12: Number of Additional Services Purchased, Franchise vs. Non-Franchise

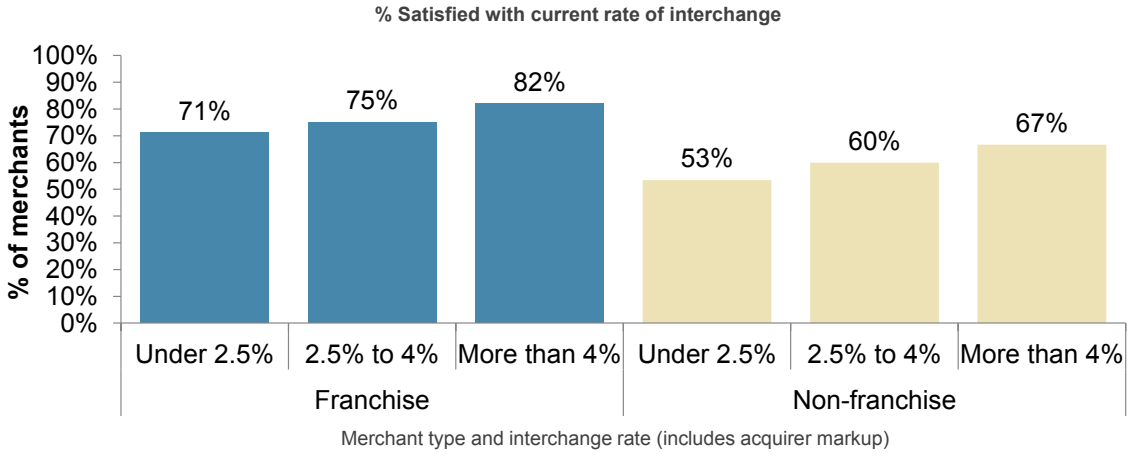
Question: Which of the following types of services do you receive from your primary acquirer/processor as part of your debit card processing package?



Franchisees More Satisfied With Interchange Fees

Figure 13: Satisfaction with Interchange Fees, by Merchant Type and Fee Rate

Question: How satisfied are you with the amount of debit card interchange fees paid by your business?



MERCHANT PROFILE: EMV CERTIFIED MERCHANTS

Merchants Who Have Transitioned To EMV Are More Satisfied With Interchange Fees

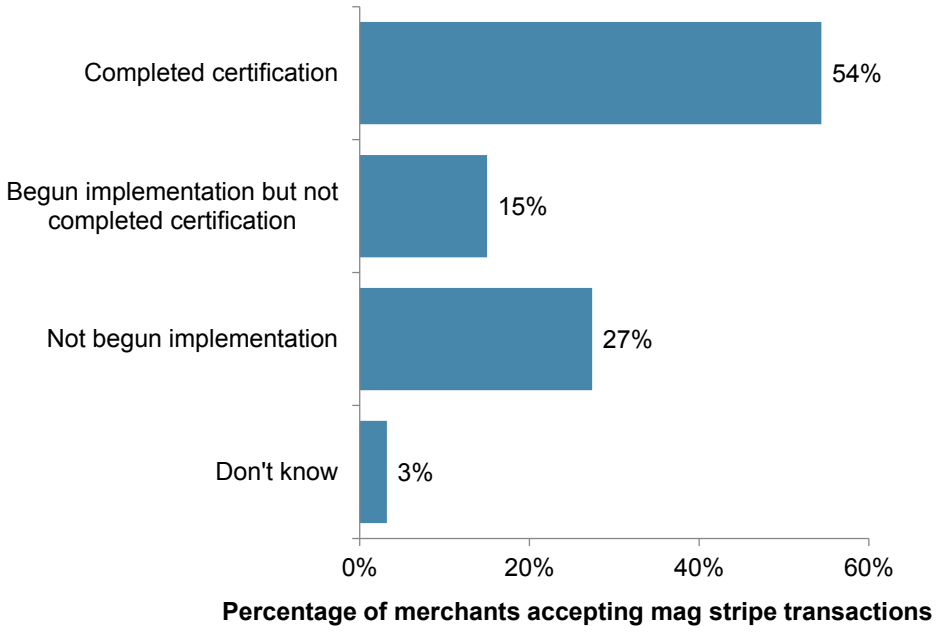
The transition to EMV began in the United States five years ago. Retailers were asked to voluntarily upgrade their payment terminals to EMV from magnetic-stripe processing by Oct. 1, 2015. Across the globe, these terminals have proven to reduce counterfeit fraud. Merchants who failed to make this upgrade assumed liability for counterfeit fraud that occurred under their watch.[13]

In response to the growth of EMV-issued cards by banks, a significant number of small merchants have chosen to make the investment in EMV terminals. As of August 2016, 69% of small merchants are either EMV-certified (54%) or had begun implementation (15%) (Figure 14). One-quarter had not yet begun the transition to EMV.

More Than Half Of Merchants Are Certified For EMV

Figure 14: Merchants' Stages in the Process of EMV Implementation

Question: Has your business begun/completed becoming equipped/certified to support EMV chip-based card transactions (an international standard for smart debit cards that have a built-in smart chip)?



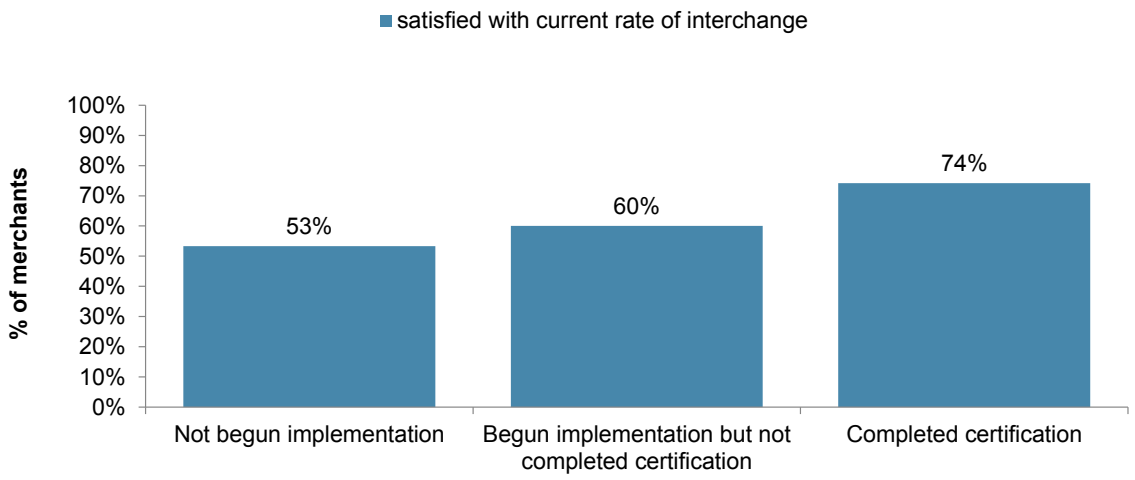
Merchants who have made the investment in EMV were more likely to be satisfied with the fees they pay. Almost three-quarters (74%) of merchants who have completed EMV certification said they are satisfied with their current rate of interchange fees, and 60% of merchants who have begun implementation but not yet completed certification reported being satisfied as well. That compares to 53% of those merchants who have not begun implementation (Figure 15).

The transition to EMV is so recent that data is not yet available to show why merchants who have transitioned are more satisfied with their interchange rates. It is possible this result is because these merchants understand EMV is a proven way to reduce counterfeit fraud. It is also possible their general satisfaction rose because of their overall happiness with the EMV transition. For example, 81% of merchants who had begun the transition process at the time of the survey said it was easy to get equipment they needed to transition to EMV; 80% said delivery and installation of the equipment happened in a timely fashion; and 75% said the benefits of EMV were worth buying and installing the equipment. Additionally, when asked about the process of becoming certified for EMV acceptance, 77% of merchants who had begun the certification process said it was easy to comply; 82% said process was completed in a timely fashion; and 81% said the process of becoming certified was worth the benefits of EMV.

EMV-Certified Merchants Are More Likely To Be Satisfied With Interchange Rate

Figure 15: Retailer Satisfaction with Interchange Fees, by Degree of EMV Readiness

Question: How satisfied are you with the amount of debit card interchange fees paid by your business?



CONCLUSION

This Javelin survey shows that a successful interchange system must respect merchants' desire for choice and flexibility. As noted at the beginning of this report, while unintended, price controls often result in fewer choices.[14] Artificial caps that force merchants into more rigid plans with fewer benefits, therefore, are likely to reduce merchant satisfaction in the long run.

Consumers want to be able to use debit and credit cards at checkout. Merchants who want to keep the customers they have and to expand their businesses must be able to respond to this demand. Acquirers and networks partner with merchants to do so, processing payments in a fast, convenient, and secure manner. Merchants are largely satisfied with the relationships they have with their providers and see the fees they pay as a normal cost of doing business. Indeed, merchants who pay more for enhanced packages are among the most satisfied. Franchise operators are more satisfied with interchange rates than non-franchise retailers, and merchants who are EMV-ready are more satisfied than those who are not. Even the small percentage of merchants who are unsatisfied with interchange fees say that interchange fees have not harmed their profitability, forced them to raise prices, or hindered their ability to hire additional employees.

This survey found that a lack of understanding about interchange — not price — determines merchant dissatisfaction. Merchants who said they do not understand what benefits they are receiving for their interchange fees tended to be the least satisfied with the rates they pay.

While Congress is currently debating how to handle the previously-imposed federal caps on debit card interchange fees, it is important to remember that the small merchants interviewed for this survey were largely unaware of these caps in the first place, and that half were not members of any one of ten special interest groups that have been most vocal in their support of the Durbin amendment. It is clear from this overall lack of awareness that most small merchants don't see the Durbin amendment as vital to or benefitting their business.

This study's findings are consistent with a Federal Reserve Bank of Richmond report that found small merchants were harmed by the Durbin amendment and larger retailers benefited. This Javelin study also is consistent with the Richmond Fed's conclusion that most merchants failed to pass Durbin amendment savings on to their customers since it provides strong evidence that the market for interchange is transparent and well-functioning and offers merchants ample choice. Small merchants understand that the fees assessed by acquirers go toward providing vital services — indeed, many are willing to pay a premium for enhanced services — and they generally are satisfied with their acquirer relationships.

METHODOLOGY

In April of 2016, the Electronic Payments Coalition retained Javelin Strategy & Research to conduct a comprehensive independent study on small merchant experiences with debit card payment processing and interchange. In May and June of 2016, Javelin surveyed 500 executives from debit card-accepting retail merchants earning less than $10 million in annual revenue. Respondents qualifying for the online survey were knowledgeable about their business's consumer payment acceptance policies, processing rates, and merchant acquirer relationships.

ENDNOTES

1. As noted, merchants pay MDR but do not pay interchange fees. However, merchants often inaccurately characterize the "interchange fee" as a fee that they pay, as opposed to a fee that is being paid by acquiring banks alone. Although inaccurate, for the sake of simplicity this survey of merchant behavior and opinion will sometimes use the same characterization – interchange – as the one often used by merchants themselves to describe the cost of payment acceptance.
2. Murray N. Rothbard, Man, Economy, and State with Power and Market. 2nd ed. (Auburn: Ludwig von Mises Institute, 2009).
3. The White House, Remarks by the President at Signing of Dodd-Frank Wall Street Reform and Consumer Protection Act, Press Release, July 21, 2010; https://www.whitehouse.gov/the-press-office/remarks-president-signing-dodd-frank-wall-street-reform-and-consumer-protection-act.
4. *Convenience Store News*, June 9, 2010; http://www.csnews.com/industry-news-and-trends/corporate-store-operations/small-business-coalition-airs-swipe-fee-reform-ad.
5. Federal News Service, April 28, 2010; https://www.gpo.gov/fdsys/pkg/CHRG-111hhrg56180/pdf/CHRG-111hhrg56180.pdf.
6. Wang, Schwartz, and Mitchell (2014). "The Impact of the Durbin Amendment on Merchants: A Survey Study," https://www.richmondfed.org/-/media/richmondfedorg/publications/research/economic_quarterly/2014/q3/pdf/wang.pdf; *St. Louis Business Journal*, October 5, 2015, http://www.bizjournals.com/stlouis/blog/2015/10/more-evidence-of-false-promises-of-durbin.html.
7. Ibid.
8. Data cited in this report were also taken from a separate online survey Javelin conducted in October of 2015. This survey was fielded to a random-sample panel of 3,200 U.S. adults, with an overall margin of sampling error of +/- 1.73%.
9. *The New York Times*, January 4, 2010; http://www.nytimes.com/2010/01/05/your-money/credit-and-debit-cards/05visa.html?_r=1&pagewanted=all&.
10. http://blogs.creditcards.com/2014/07/no-signature-credit-purchases.php, accessed September 15, 2016.
11. Ibid.
12. "Financial Reporting Do's And Don'ts." November 2013, accessed December, 2016; http://www.franchise.org/financial-reporting-do%E2%80%99s-and-don%E2%80%99ts-0.
13. Small Business EMV Readiness report, August 2015.
14. Murray N. Rothbard, Man, Economy, and State with Power and Market. 2nd ed. (Auburn: Ludwig von Mises Institute, 2009).

ABOUT JAVELIN

Javelin Strategy & Research, a Greenwich Associates LLC company, is a research-based advisory firm that advises its clients to make smarter business decisions in a digital financial world. Our analysts offer unbiased, actionable insights and unearth opportunities that help financial institutions, government entities, payment companies, merchants, and other technology providers sustainably increase profits.

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ABOUT EPC

The Electronic Payments Coalition (EPC) is a coalition of payments industry stakeholders, such as credit unions, community banks, trade associations, payment card networks and banks that speaks on behalf of the payments industry to protect the value, innovation, convenience, security and competition that exists in the modern electronic payments system. The EPC educates policymakers, consumers and the media on the system's role in economic growth and the importance of consumer choice, security, innovation and stability for the continued growth of global commerce.